

13 June 2017

MEMORANDUM

From: Manager
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 23 MAY 2017**

The Board of Trustees convened at 1900 hrs. **In attendance:** Trustee Pinkham, Boothbay Harbor (Chairman); Trustee Gamage, Southport (Vice-Chairman); Trustee Climo, Southport (Clerk); Trustee Lewis, Boothbay (Treasurer); Trustee Marston, At-Large; Trustee Tibbetts, Boothbay Harbor; Trustee Anthony, Boothbay; Jonathan Ziegler, Manager. **Guest:** Mr. Keith Baugoin, C.P.A., Haverlock, Etsey & Curran LLC; Ms. Marcia Wilson, C.P.A., Osman-Page LLC. **Absent:** None.

1. The board approved the minutes for 9 May 2017 without revisions.
Trustee Climo motioned, Trustee Gamage second, vote unanimous
2. The **Payroll** for weeks ending 9 May 2017, 16 May 2017 & Trustee Stipends were approved.
Trustee Gamage motioned, Trustee Anthony second, vote unanimous
3. The **Transactions** for 8 May 2017 through 19 May 2017 were approved.
Trustee Lewis motioned, Trustee Climo second, vote unanimous
4. **FINANCIAL** – the manager presented the board Table 1 *Boothbay Region Water District Cash Account Status Report as of 23 May 2017*. The manager added that since the previous report the \$200,000.00 line of credit with *The First* had been paid off in full with only a nominal interest payment to be billed later in the month still outstanding. The manager also presented the board Table. 2 *Boothbay Region Water District Budget Performance Summary as of 30 April 2017* wherein after review the board agreed with manager's observation in seeing no serious "red flag" items. Lastly the manager reported the 1 June 2017 billing was light totaling only \$36,850.47 with so far, to-date for 2017, 6 new services to the system have been established with 15 pending.
 - a. **2016 Audit** – Mr. Baugoin and Ms. Wilson presented to the board his findings pertaining to the 2017 Boothbay Region Water District financial audit. Mr. Baugoin presented a clear and concise report as to the standing of the district financially and a listing of deficiencies noted. Mr. Baugoin found no significant deficiencies in the audit, no signs of fraud and generally praised the financial systems in place, and in particular the tight oversight of the board with regard to inspecting all expenditures in a tight and concise manner. There was brief discussion concerning the need for new revenue streams but with regard to the fact the district intended to apply another WISC in October 2017 and more than adequate board control over capital expenditures a new rate case was not necessary in the upcoming year. The trustees, in particular trustees Climo and Marston, praised Mr. Baugoin for his report which was distilled into a very clear and understandable product.

- b. **2017 Surcharge Filing** the manager presented the board with a proposal provided to the district by Dirigo Engineering for the purpose of streamlining and updating the districts Capital Improvement Plan (CIP) which was critical to have on hand for budget formulation and the upcoming surcharge filings with the Maine PUC. In addition the engineering services for the uni-directional flushing plan were also included in the Dirigo Engineering estimate. The manager recommended the board approve the unbudgeted request, stating it was a critical tool he needed moving forward at a cost estimate of \$30,000.00. The board approved the manager's request.

Trustee Climo motioned, Trustee Marston second, vote unanimous

Table 1 BOOTHBAY REGION WATER DISTRICT Cash Account Status Report as of 23 May 2017	
Account	Balance
Business Checking	\$ 25,000.00
Deposit Sweep Account	\$ 346,326.60
Liquidity Total	\$ 371,326.60
DESIGNATED FUNDS	
BBH 2007 Sinking Fund	\$ 18,311.50
Land Acquisition Fund	\$ 14.63
Capital Reinvestment Fund	\$ 1.17
Mt Dora Easement Escrow	\$ 4,768.50
EBB Upgrade 91-20	\$ 37,383.19
Bank of Maine Unemployment CD	\$ 10,431.66
Designated Fund Total	\$ 70,910.65
TOTAL CASH RESERVES	\$ 442,237.25

Table 2

Boothbay Region Water District Budget Performance Summary as of 30 April 2017

	Jan - Apr 17	YTD Budget	Annual Budget
Ordinary Income/Expense			
Income			
414-Gain on Sale-Misc Inc.	1,800.00		
415 - Jobbing	21,301.40	28,386.30	125,000.00
419 - Interest Income	86.24	166.60	500.00
460-RD Grant Revenue (KHS-RD Grant & Loan)	0.00	0.00	0.00
	1,036,207.5		
461 - Revenue Accounts	5	1,020,100.63	2,582,244.00
	1,059,395.1		
Total Income	9	1,048,653.53	2,707,744.00
		1,048,653.5	2,707,744.0
Gross Profit	1,059,395.19	3	0
Expense			
403-Depreciation Expense	220,000.00	220,000.00	660,000.00
408 -- Taxes other than Income	17,002.65	15,738.85	50,174.16
427-Interest Expense	95,364.03	91,504.00	274,512.34
601 - Wages	190,340.39	172,776.88	539,500.00
603 - Trustee Fees	9,345.70	9,859.21	9,859.21
604 - Employee Pen. & Benefits	121,041.42	112,736.80	339,200.00
615 - Electricity	14,826.89	20,099.88	60,300.00
616 - Generator Fuel	0.00	166.68	500.00
618 - Chemicals	3,491.49	13,666.64	37,000.00
620 - Materials & Supplies	62,389.98	83,614.34	229,700.00
620.7 - Postage	202.85	0.00	0.00
631 - Contr.-Engineering	9,527.00	3,558.82	10,000.00
632 - Contr. Accounting - Audit	30,000.00	24,166.64	66,000.00
633 - Contr. Legal	2,597.50	20,000.00	20,000.00
634 - Other Professional Fees	1,658.15	3,333.32	10,000.00
635 - Contr-Other	57,842.65	53,388.39	221,850.00
642 - Rental of Equipment	0.00	335.56	1,000.00
650 - Transportation	7,339.53	8,402.51	31,700.00
657 - Insurance - Gen. Liab.	15,915.00	16,000.00	32,000.00
658 - Insurance-Workers Comp.	8,329.30	7,000.00	13,000.00
660 - Advertising	0.00	300.00	300.00
667 - Regulatory Expense	11,425.00	11,842.21	19,000.00
670 - Uncollectables	0.00	0.01	0.01
675 - Misc. Expenses	3,963.94	4,350.51	14,300.00
680.00 - Uncategorized	0.00	0.00	0.00
Total Expense	882,603.47	892,841.25	2,639,895.72
Net Ordinary Income	176,791.72	155,812.28	67,848.28
Net Income	176,791.72	155,812.28	67,848.28

5. **NATURAL RESOURCES PROGRAM** – The following report is provided to the trustees by the Natural Resources Program Manager:

1) 319 grant: *Still in prep mode but work will begin soon. DEP here today to review lineup of projects. We signed contract with YMCA for camp work last week.*

2) Timber harvest/forest management: *Forester Mitch Kihn will be here tomorrow (24-May) to walk property around Adams Pond to prepare for timber harvest/forest cleanup.*

3) CDC grant: *We were awarded a \$10,000 source protection grant for this year. \$7,000 will go toward Forrest Bell project and \$3,000 for lake-friendly grants.*

4) Adams Pond signs: *Jeff Brown's proposal to replace 2 signs on Rt 27 and 2 signs on Adams Pond Road is attached.*

6. **SAFETY & TRAINING UPDATE** – The manager reported no injuries, safety violations or known missed inspections during the previous period.

- a. **Human Resources** – Dates for union negotiations with Teamsters Local #340 remained unscheduled. The office reconfiguration for Customer Service Representative (CSR) was reported to be in process with the equipment recommended by St. Andrews Occupational Health ordered and in transit. The manager reported that the CSR continued regular treatment at St Andrews with much positive progress being made.
- b. **Training Update** – The manager informed the board that on 16 May 2017 Mr. John Gaudet, Gaudet and Associates provided all staff ergonomics training and inspected all workstations with recommendations to follow. The distribution division was continuing with the three-week course (one-day per week) for Class III & IV operator licensing training with one session left 25 May 2017. So far the feedback from staff was the training provided by Mr. Kidd was excellent and of great value. Many staff members were intending to take state licensing exams shortly after completion.

7. **TREATMENT DIVISION (TD)** – The manager reported that filter train efficiency for both clarifier and filter efficiency remained at 100%. Key chemical additions remained stable for aluminum sulfate and sodium hydroxide and were normal levels for this time of year.

Finish water flow for the time of year remained below average at 0.4481 MGD. Other significant DD events included:

- The Smart Filter analyzer has been integrated into the SCADA system. Thus far we have reduced the average filter backwash cycle from 540 seconds to 380 seconds with no deleterious effects noted on the filter, reduced filter efficiency or drop off in finish water quality.
- Wastewater discharge through April has been reduced from 3.3030 MG to 2.9186 MG saving 0.3844 MG from the sewerage stream or a reduction of 11.64%
- Two Mutt Mitt stations were installed along Adams Pond Road with the hope that dog walkers will be responsible with regard to public health.

- Any action correcting vibration within the two vertical turbines identified in the previous report has been postponed until winter 2017/2018 with concurrence of Weston & Sampson.

8. **DISTRIBUTION DIVISION (DD)** – The DD was reportedly concentrating on maintenance and summer job orders with a steady decrease in “whiteboard” projects being achieved. Construction activity on the peninsula remained hot with the DD responding to, and completing 25 DigSafe notifications.

- Thompson Standpipe Storage Building** – The building was complete, at Bath Vocational and would be ready for transport to Southport on 31 May 2017. Treatment Plant Operator Campbell attended graduation at Bath Vocational and took a series of very good photographs which will be uploaded to the district Facebook page this week. Vice-Chairman Gamage instructed the manager to inform him as early as possible to the exact time of delivery in that he and/or other Southport municipal officials would like to be on-hand during delivery and placement.
- New Building Status Report** –the manager provided the board with a well-researched cost estimate provided by Dirigo Engineering for construction of the new building. No further action was taken.
- Meadow Cove Road Dead End** – The manager provided the board with a well-studied cost-estimate prepared by Reny Construction and blessed by Dirigo Engineering after ledge probes were completed the previous week. The manager reminded the board that this was a project unbudgeted for 2017, originally planned for 2019 or 2020, dependent on future board approval, but because of the severe water quality issues due to the inherent deficiencies in the existing infrastructure, it was the manager’s professional opinion to act on this in 2017 at a total estimated cost of \$40,000.00 as an emergency expenditure. Trustee Anthony inquired of the manager how many customers were affected with sub-par water quality to which the manager responded there were three. Trustee Tibbetts added that it appeared to be unfair to provide sub-standard water to any customers and recommended the board approve the manager’s request. The board approved the emergency expenditure for the now *Meadow Cove Water Main Replacement Project*.
Trustee Climo motioned, Trustee Gamage second, vote unanimous
- Uni-Directional Flushing Plan** – Please see the Dirigo Engineering letter wherein this is part of the scope of service for the CIP. The manager took that time to thank the board for approving the unbudgeted expenditure.

9. **5 RIVERS REGIONAL WATER COUNCIL** – There was nothing new to report.

10. **LAND ACQUISITION UPDATE** – There was nothing new to report.

11. **BOOTHBAY HARBOR COUNTRY CLUB, PHASE II** — The manager reported that a meeting was held on 22 May 2017 of the key players concerning this project. The design for the building, particularly the electrical configuration was being tweaked with the completion of the project and operational readiness of the new pump station and associated piping scheduled for September 2017 still the goal. The manager reported that he had met with the contractor for the road work including the two main transmission main deflections required for the roundabout project completion, the previous week. The transmission water main deflections were to be completed either later that week or early the week of 29 May 2017, between the hours of 0000 hr. and 0700 hr. with the contractor providing the district 48-hour notice allowing the TD to completely overfill the low pressure system including the Thompson Family and Harry L. Pinkham standpipes. The manager informed the board he intended to have the on-call treatment plant operator and a DD representative inspecting the modification, to be off-shifted during these two work evolutions.
12. The meeting was adjourned at 2010 hr.
Trustee Climo motioned, Trustee Gamage second, vote: unanimous

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegra
General Manager