

28 January 2014

MEMORANDUM

From: Manager

To: Board of Trustees

Subj: **MANAGERS REPORT & MINUTES FOR THE TRUSTEE MEETING 14 January 2014**

The Board of Trustees convened at 1800 hrs. In attendance: Trustee Pinkham, Boothbay Harbor (Chairman); Trustee Gamage, Southport (Vice-Chairman); Trustee Marston, At-Large (Trustee); Trustee Reed, Boothbay Harbor (Clerk); Trustee Climo, Southport; Trustee Lewis, Boothbay; Trustee Carter, Boothbay; Jonathan Ziegler, Manager. Guest: None. Absent: None.

1. The minutes of the 10 December 2013 trustees meetings were approved with revisions.
Trustee Gamage motioned, Trustee Reed second, vote unanimous
2. The **Payroll** for weeks ending 10, 17, 24 & 31 December 2013 as well as 7 January 2014, was approved.
Trustee Gamage motioned, Trustee Reed second, vote: unanimous
3. The **Transactions** for the periods of 9 December 2013 through 20 December 2013 and 30 December 2013 through 10 January 2014 were approved.
Trustee Gamage motioned, Trustee Reed second, vote: unanimous
4. **FINANCIAL** – The manager presented the board the *Profit & Loss Budget Performance through November 2013* and a status report of the district's cash.

For the month of November 2013 the district took in \$748,792.96 and expended \$223,576.06 of which \$59,856.23 was depreciation leaving cash expenses at \$163,719.80, for a net monthly cash profit of \$585,573.13. For fiscal year 2013 as of 30 November 2013, the district has taken in \$2,401,358.80 and expended \$2,138,045.97 of which \$447,594.33 was depreciation, leaving cash expenses at \$1,690,451.60, for a year-to-date cash profit of \$710,907.20. The manager reported that he saw “no red flag issues” other than those previously reported.

The manager then received permission from the board with regard to his proposal for restructuring the district's Rural Development (RD) debt with *The First*, in the interest of giving the trustees true options, he reported that he would be meeting with the Maine Bond Bank (MBB) for a refinancing proposal for the same debt load, approximately \$7,400,000.00 and hoped to have both proposals at the next meeting.

The manager provided the board a copy of a letter from the Boothbay Harbor Sewer District who was going to assess the district an additional \$947.76 per month for one-year to finance capital improvements at the Big Al's sewer lift station. The manager stated that the surcharge was legal and the procedure for assessing the fee was properly handled by the sewer district. The manager did also ascertain information proving the sewer district was not singling out the district and that it was, in fact, and across the board fee to all users based on contribution percentage to each of the district's sewer lift stations.

The manager reported on the effort to update the meter reading charge, or the charge the water district assess those individuals or business' that use meter reading information to assess additional professional fees or service charges as allowed by Maine law. The manager reported that the fee last set in 2003 was seriously low. Trustee Gamage inquired as to the current rate for which the manager responded was \$1.50 per reading. The trustees inquired as to how the rate was calculated for which the manager responded it would be one-half of the entire meter program, including labor, tools vehicle usage and hardware, set from a selected proforma year on a per reading basis. Trustee Reed inquired where the manager thought the new rate would be for which the manager responded "somewhere in the \$3.00 to \$5.00 range". The board looked forward to staffs proposal.

The manager then provided the board with the status of the district's cash accounts as of 31 December 2013 as depicted in Table 1.

Table 1

BOOTHBAY REGION WATER DISTRICT	
Cash Account Status Report as of 31 December 2013	
Account	Balance
Business Checking	\$ 25,000.00
Deposit Sweep Account	\$ 10,690.95
Liquid Cash Total	\$ 35,690.95
BBH 1994 Sinking Fund	\$ 132,712.16
BBH 1997 Sinking Fund	\$ 29,799.45
BBH 1998 Sinking Fund	\$ 28,014.14
BBH 2001 Sinking Fund	\$ 80,877.71
BBH 2004 Sinking Fund	\$ 29,649.85
BBH 2007 Sinking Fund	\$ 12,215.48
Land Acquisition Fund	\$ 3,417.69
Capital Reinvestment Fund	\$ 359.21
EBB Upgrade 91-20	\$ 18,708.96
Designated Fund Total	\$ 335,754.65
TOTAL CASH RESERVES	\$ 371,445.60

- SAFETY, TRAINING & EMERGENCY RESPONSE UPDATE** – The manager reported no workplace injuries over the preceding period. All inspections were current and compliant.

6. **WATERSHED** –The manager reported that Ms. Sue Mello, the district’s agent for raw water quality and resource protection matters, was attending Boothbay Planning Board meetings and reported back that the interest for developing phosphorous standards had dropped off with the planning board. The manager stated that he was also disturbed in that she also reported that the planning board seemed to indicate that there was interest to relax the existing standards. The manager stated that he would meet with the Boothbay code enforcement officer (CEO) to get his take on whether any momentum for relaxing standards exists with the Boothbay planning board.

The manager then reported that the *2013 Knickerbocker Lake Compliance Report* had been submitted to the Maine Department of Environmental Protection (DEP) on 31 December 2013 as required by permit. The manager provided the board a copy of the report. The manager stated that over the next few weeks he would post a copy of the report on the district website once reviewed by the board.

Lastly the manager reported that the district obtained a permit from the town of Boothbay to cut dead trees within the watershed zone, adjacent to the Knickerbocker Pump Station. As of the report date the tree had not been removed

7. **TREATMENT PLANT** – The manager reported that average finish water flow for the period was 0.3237 MGD as compared to 0.2772 MGD for the same period in 2013. Water quality was showing some improvement in that aluminum sulfate and sodium hydroxide dosing levels, albeit high, were down about ten-percent from the previous report. Filter efficiency was reported to be low and unchanged from the 10 December 2013 meeting.

Next the manager informed the board that Harcros Chemical Corp. beat Monson Chemicals by just over \$3,000.00 and won the 2014 chemical contract. The manager stated that the district partnered with Great Salt Bay Sanitary District as part of the Five Rivers agreement to get better pricing. The manager stated that in reality the district was going to pay approximately 5% less for chemical on a per unit basis in 2014 than the prices for 2012.

It was reported that the district placed second in the MRWA Annual taste test in the disinfected division.

An electrical problem with security cameras was reported for which the treatment staff had corrected by the contractor. Training for operating the security system for the entire staff was to be conducted soon.

A low temperature sensor was added to the raw water pump station. No work on the SCADA upgrade had been completed by EII to-date.

The Southport meter was to be replaced on 15 January 2014. Once complete it was the districts intention to conduct a new flow test on the Southport hydrants to ascertain if any improvement had been realized.

Lastly the manager reported that Trevor Morin, assistant distribution foreman, had been detailed into the plant until 24 March 2014 to become qualified to be on-call. The manager stated that this action was an attempt to increase the pool of qualified technicians that could operate the plant and stand on-call. The intent of cross-training was to provide a mechanism to better absorb staffing shortages.

8. **DISTRIBUTION** - The manager reported that on New Year's Day the district experienced a water main break on McKown Point Road in Boothbay Harbor which required 12 + hours to correct. The manager also stated that the distribution staff was dealing with many freeze-ups throughout the district, all on private services or residences/business's. The freeze damage to private property was reported to higher than normal thus far this winter.

The manager reported that the district had ordered the Southport replacement meters equaling \$62,000.00 of investment. The reason the manager stated he had ordered them before the budget was passed was the lead-time necessary with being able to cancel the order should the trustees not approve the program. The manager also informed the board that the distribution division (DD) was busy completing meter assignments and converting numbering for the Southport meters.

Since the last trustees meeting, a great deal of resources had been needed for snow and ice removal and the DD had completed maintenance on the district construction trailer. The shop was reported to be highly organized and clean.

Lastly the manager reported the Matt Wade, utilities technician, had returned without any restrictions, leaving the district fully manned.

9. **SOUTHPORT INTERCONNECTION AND TANK REPLACEMENT PROJECT** –

The manager reported that the project was now funded and provided the board with the approvals and press-releases by Rural Development (RD). The manager informed the board that RD had already released the press release which was printed in the *Bangor Daily News* and that he had been twice interviewed by the *Boothbay Register*.

The manager stated that he had signed the RD commitment documents and as directed, the engineering contract with Dirigo Engineering who was reported to have already begun the design and permitting actions necessary to begin the project. Currently the manager informed the board that the proposed route was already being surveyed. Lastly the manager informed the board he would meeting with DEP, Army Corp of Engineers (ACE), Stockwell Environmental and Dirigo Engineering the following day discuss the needed federal Natural Resources Protection Act (NRPA) permit for Townsend Gut.

10. **MWUA/MRWA BOD** – The manager reminded MWUA trade show was to be at the Holiday Inn by the Bay in Portland on the 4th and 5th of February. The board was to let the manager know which trustees would be attending and for what sessions of the conference as soon as possible.
11. **BOOTHBAY COMPREHENSIVE PLAN COMMITTEE** – Nothing new to report.
12. **FIVE RIVERS** – The manager reported that the group was preparing a response to the proposed deregulation language.
13. **GIS** – The manager reported this project still in-process.
14. **PROPOSED 2014 BRWD BUDGET** – The board next discussed the proposed 2014 *BRWD Budget* discussing all facets of the budget and asking detailed questions. The board then passed the budget with the provision \$12,000.00 be moved from capital reserve to the sewerage account to cover the unexpected fees to be levied by the Boothbay Sewer District. *Trustee Carter motioned, Trustee Gamage second, vote: unanimous*

15. The board voted to go into Executive Session pursuant to 1 M.R.S.A. §405(6) A. and dismissed the manager from the room at 1832 hr.
Trustee Climo motioned, Trustee Marston second, vote: unanimous
16. The board came out of executive session at 1846 hr.
Trustee Climo motioned, Trustee Marston second, vote: unanimous
17. The board voted to award the manager a 3.0% pay adjustment including the cost of living adjustment which was activated on 1 January 2014.
Trustee Gamage motioned, Trustee Marston second, vote: unanimous
18. The meeting was adjourned at 1913 hr.
Trustee Climo motioned, Trustee Marston second, vote: unanimous

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegra
Manager