

25 February 2014

MEMORANDUM

From: Manager  
To: Board of Trustees

Subj: **MANAGERS REPORT & MINUTES FOR THE TRUSTEE MEETING 11  
FEBRUARY 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 Carter, Boothbay; Jonathan Ziegler, Manager. Guest: Mr. Mohamed Osman, Osman-Page, LLC. Absent: Trustee Lewis, Boothbay.

1. The minutes of the 28 January 2014 trustees meetings were approved with revisions.  
*Trustee Climo motioned, Trustee Reed second, vote unanimous*
2. The **Payroll** for weeks ending 28 January 2014 & 4 February 2014, were approved.  
*Trustee Climo motioned, Trustee Reed second, vote: unanimous*
3. The **Transactions** for the period of 27 January through 7 February 2014 was approved.  
*Trustee Gamage motioned, Trustee Climo second, vote: unanimous*
4. **FINANCIAL** – The manager presented the board a status report of the district’s cash accounts as of 31 January 2014 (See Table 1).

Table 1

<b>BOOTHBAY REGION WATER DISTRICT Cash Account Status Report as of 31 January 2014</b>	
<b>Account</b>	<b>Balance</b>
Business Checking	\$ 25,000.00
Deposit Sweep Account	\$ 50,984.35
<b>Liquid Cash Total</b>	<b>\$ 75,984.35</b>
BBH 1994 Sinking Fund	\$ 7,723.41
BBH 1997 Sinking Fund	\$ 29,803.25
BBH 1998 Sinking Fund	\$ 28,017.71
BBH 2001 Sinking Fund	\$ 80,888.01
BBH 2004 Sinking Fund	\$ 29,653.63
BBH 2007 Sinking Fund	\$ 12,217.03
Land Acquisition Fund	\$ 3,418.13
Capital Reinvestment Fund	\$ 359.26
EBB Upgrade 91-20	\$ 18,711.35
<b>Designated Fund Total</b>	<b>\$ 210,791.78</b>
<b>TOTAL CASH RESERVES</b>	<b>\$ 286,776.13</b>

The manager informed the board that January was a traditionally low period for the district from a cash flow perspective. The manager informed the board that he had transferred \$125,000.00 out of *1994 Sinking Funds* and deposited into the sweep account to cover bills. The manager then informed the board that the district had billed the towns of Boothbay and Boothbay Harbor for fire protection, with cash flow to return to acceptable levels by mid-February. The manager informed the board that at that time he would be moving funds back into sinking funds and retiring debt accumulated in the district's line of credit

The manager then turned over the presentation to Mr. Osman who presented the board with an analysis for refinancing the Rural Development debt through either the First National Bank of Damariscotta or the Maine Bond Bank consolidation loan. The trustees spent much time inquiring as to the benefits with each refinancing approach and after deliberations authorized the manager to begin proceedings to refinance the Rural Development debt through the Maine Bond Bank.

*Trustee Climo motioned, Trustee Reed second, vote: unanimous*

The manager then responded to an earlier query of the board to address the need for a rate analysis. The manager stated that he had researched the question and would present to the board a proposal to have an independent third-party perform the analysis later in 2014. The manager stated that he would like to use Underwood Engineering, Portsmouth, New Hampshire to complete the review in that this is a specialty of theirs and there exists no conflict of interest. The board informed the manager to present a proposal in the late second quarter for their review.

5. **SAFETY, TRAINING & EMERGENCY RESPONSE UPDATE** – The manager reported no workplace injuries over the preceding period. All inspections were current and compliant. Forklift training/licensing was scheduled for 20 February 2014.
6. **WATERSHED** - The manager reported that on 31 January 2014 he had introduced Ms. Sue Mello to Mr. Linwood “Woody” Bailey, Wright-Pierce Engineering to begin the natural resource and raw water threat assessment construction of the GIS program. To keep the board informed on raw water related issues the manager stated that Ms. Mello would provide the board with a detailed update during the second meeting of every even numbered month at a minimum, with appearances in front of the board as needed.

Trustee Climo inquired of the manager if he had any further contact with Mr. or Mrs. Hamerin concerning the Adams Pond property of which the manager reported he had not.

7. **TREATMENT PLANT** – The relayed the chief treatment plant operators (CTPO) weekly status report in that average flow this year is at 0.2830 MGD as compared to 0.2945 MGD in 2013. Water quality and filter efficiency remain unchanged since the last report. Filter #2 maintenance has been completed and has been put back into service. Filter #1 was taken out of service, received mid-level maintenance and has also been put back into service. Trustee Gamage asked the manager to define “mid-level maintenance”. The manager responded that this was much less involved than “overhaul” and apologized for the terminology for which the manager learned while employed by the US Navy. Mid-level maintenance for the upflow clarifiers and Trident® filters included spot corrosion control, repair or build-up welds and replacement of components at the air/water interface (an area very susceptible to corrosion). The manager then informed the board the treatment division is very proactive with filter care as opposed to other districts in the state which has translated to less incidents of catastrophic failure and lower overall, or long-term, maintenance costs.

The manager reported that the dead pine trees were removed at the Knickerbocker Lake Intake in accordance to town of Boothbay regulations and permit, without incident.

The distribution crew replaced all of the backflow prevention devices in the plant due to age and legal requirements. The plant was reported in full compliance with the law. In addition all of the district generators received quarterly maintenance and were reported to be in perfect operating condition.

Lastly the manager stated that the weather station parts remained on order. The weather real-time reported on the district's website remained inaccurate.

8. **DISTRIBUTION** - The manager reported that winter operations were in full-swing. On 6 February 2013 the district experienced a water main break on Lakeview Road adjacent to Middle Road. It was a circular split and the repairs were completed within normal working hours. GIS continues with all meter reading current as well as all job-orders. The manager concluded his report informing the board that the distribution division was in the process of making preparations for the new eight-inch, high-density polyethylene pipe (HDPE) pipe delivery purchased at a deeply discounted price from Nestle Corporation.
9. **SOUTHPORT INTERCONNECTION AND TANK REPLACEMENT PROJECT** – The survey work was reported to be complete and Dirigo was now into the design phase. The manager stated that this was the lull before the storm. The manager stated that he was in-process with arranging interim financing.
10. **CAMPBELL STREET/HIGHLAND PARK LOOPING PROJECT** - On 31 January 2014 the manager and Mr. Dan Flaig, Wright-Pierce Engineering met with Mr. Norm Lamie, State Engineer, Maine Drinking Water Program to discuss the project. The manager confirmed to the board that the district will be able to use a FORCE Account for the project which he considered “good news”. The contractor portion of the work will have to be “bid” with the board “satisfied a fair and open process” was conducted. The manager reported that Wright-Pierce was working on specifications which will be detailed as to method and expectations with respect to current district construction practices. The manager recommended that the request for proposal be run in the *Boothbay Register* citing a preponderance of local contractors available to provide the services required.

The manager also informed the board that the district will be limited to 25% of the work but can donate pipe, labor and machine time. The manager stated that staff had met repeatedly with the town of Boothbay Harbor and will be installing, as part of this contract, new drainage in Campbell Street at the town's expense (indirectly).

The manager informed the board that he was keeping Villard Studio in the loop with the goal of least amount of impact to their business.

The manager reported he had made contact with attorney Griffin who had begun the legal work for the Dora Highland/Douglas Carter easements.

Lastly the manager reported the 4800 lineal feet of 8” SDR 9 HDPE pipe had been purchased from Nestle' for \$24,500.00. The distribution foreman and Wright-Pierce were in the process of arranging transport. The manager stated that once the total cost is calculated he would calculate a per-foot price and invoice Great Salt Bay who had committed to purchase 1000 feet.

11. **MWUA/MRWA BOD** – The manager reported that on 3 February 2014 he had met with the Southern Maine Regional Water Council (SMRWC) who presented a bill that they were introducing to the legislature. The manager reported that the bill was designed to provide limited deregulation and that it had traction. The manager believed that the bill was a common sense approach to deregulation, leaving Maine Public Utilities Commission (PUC) funding in place and allowing district’s an “a la carte” option of what to be regulated and what not to be regulated on. The manager presented to the board the following statement compiled by Mr. Dave Parent, Superintendent, Sanford Water District and Mr. Ron Miller, General Manager, Portland Water District (See below). Trustee Pinkham and the manager were to meet with Mr. Miller and Mr. Parent the following day to discuss the proposed legislation.

*“Legislation providing water utility regulatory reform has been proposed in the form of adding one new section to the existing Title 35-A. The proposed new section (§6114) has the effect of accomplishing a broad range of voluntary exemptions from the regulatory statutes, at whatever level desired by the requesting utility that is consumer owned, in a relatively simple format, without requiring statutory changes to numerous sections of Title 35-A.*

*The legislation provides a process for utilities to voluntarily petition the PUC for either a limited exemption or a comprehensive exemption from Title 35-A. A comprehensive exemption is defined as exemption from most sections of the regulatory requirements of 35-A. A few statutory provisions would still remain applicable to water utilities however, including provisions that a municipality can assess taxes to pay off indebtedness of a water utility in the event of a default on bonds, apportionment of costs for water main extensions or service lines, and provisions allowing a water utility to obtain injunctive relief for violations of municipal shoreland zoning. The proposed legislation defines limited exemption as exemptions from any but not all the provisions provided for in a comprehensive exemption. This would allow a water utility to pick and choose what sections of the regulatory statute it wanted to be exempt from, and while still complying with the remainder of the statute.*

*The process for requesting an exemption would be made to the PUC, which would have 60 to rule on the request – the period could be extended for a further period of no more than 90 days. In the case of a request for a comprehensive exemption, the PUC would be required to grant the request if the following conditions were met:*

- *The utility was governed by a popularly elected Board;*
- *The utility had the financial, managerial and technical ability to govern itself, and*
- *The utility had a method of independently reviewing customer complaints.*

*Requests for a limited exemption would be granted if the first two conditions noted above were met, and if the PUC found that the limited exemption was in the public interest.*

*The proposed legislation also establishes a method by which exemptions – either comprehensive or limited – could be rescinded by the PUC. Petitions signed by the lesser of 1000 customers or 15% of the customers of a utility could begin the process. It would entail notice to the utility and a hearing if the customers' complaints could not be resolved.”*

12. **BOOTHBAY COMPREHENSIVE PLAN COMMITTEE** – The manager reported that the group was now engaging in mapping of areas of the town.
13. **FIVE RIVERS** – See 10. MWUA/MRWA BOD.
14. **GIS** – See 2. WATERSHED.
15. The board voted to go into Executive Session pursuant to 1 M.R.S.A. §405(6) C & D. 1900 hr.  
*Trustee Climo motioned, Trustee Marston second, vote: unanimous*
16. The board came out of executive session at 1919 hr.  
*Trustee Climo motioned, Trustee Marston second, vote: unanimous*
17. The meeting was adjourned at 1920 hr.  
*Trustee Climo motioned, Trustee Marston second, vote: unanimous*

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegler  
Manager