

10 November 2015

MEMORANDUM

From: Manager
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 27 OCTOBER 2015**

The Board of Trustees convened at 1900 hrs. **In attendance:** Trustee Pinkham, Boothbay Harbor (Chairman); Trustee Gamage, Southport (Vice-Chairman); Trustee Reed, Boothbay Harbor (Clerk); Trustee Lewis, Boothbay (Treasurer); Trustee Marston, At-Large; Trustee Climo, Southport; Trustee Higgins, Boothbay; Jonathan Ziegra, Manager. **Guest:** Sue Mello, Natural Resources Program Manager (NRPM); Bill Pearson, Boothbay Register. **Absent:** None.

1. The board approved the minutes for 13 October 2015 without revision.
Trustee Gamage motioned, Trustee Marston second, vote unanimous
2. The **Payroll** for weeks ending 13 October 2015 & 20 October 2015 were approved.
Trustee Gamage motioned, Trustee Marston second, vote unanimous
3. The **Transactions** for 12 October 2015 through 23 October 2015 were approved.
Trustee Gamage motioned, Trustee Reed second, vote: unanimous
4. **FINANCIAL** – The manager provided the board with *Profit & Loss Budget Performance Summary as of 30 September 2015* (see Table 1.)

Table 1

	Jul - Sep 15	Budget	Jan - Sep 15	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
414-Gain on Sale-Misc Inc.	0.00	0.00	25,000.00	0.00	0.00
415 - Jobbing	15,342.58	30,213.20	76,930.33	77,769.61	100,000.00
419 - Interest Income	711.59	184.48	1,569.73	490.14	750.00
461 - Revenue Accounts	416,223.67	422,893.18	1,764,342.33	1,792,761.99	2,452,994.00
Total Income	432,277.84	453,290.86	1,867,842.39	1,871,021.74	2,553,744.00
Gross Profit	432,277.84	453,290.86	1,867,842.39	1,871,021.74	2,553,744.00
Expense					
403-Depreciation Expense	130,500.00	124,999.98	391,500.00	374,999.94	520,770.65
407-Amortization Expense	0.00	0.00	0.00	0.00	0.00
408 -- Taxes other than Income	12,267.97	11,518.04	34,755.57	33,531.50	46,000.00
427-Interest Expense	61,433.28	86,818.25	168,401.15	131,594.16	206,949.14
601 - Wages	142,161.04	126,684.60	398,033.31	374,598.58	508,123.20
603 - Trustee Fees	0.00	0.00	9,183.84	9,703.68	9,703.68
604 - Employee Pen. & Benefits	79,935.46	90,514.24	259,920.20	281,906.25	368,673.89
615 - Electricity	24,330.32	20,306.34	53,147.45	49,688.53	62,750.00
616 - Generator Fuel	0.00	36.96	589.80	715.71	750.00
618 - Chemicals	9,629.56	18,406.93	29,272.89	39,409.20	47,800.00
620 - Materials & Supplies	48,037.16	94,130.16	141,223.62	289,157.56	328,001.00
620.7 - Postage	264.76	0.00	895.38	0.00	0.00
631 - Contr.-Engineering	2,116.64	1,363.21	13,524.65	10,502.35	12,500.00

632 - Contr. Accounting	10,500.00	13,756.11	52,542.50	58,542.40	73,000.00
633 - Contr. Legal	1,039.50	4,751.78	1,398.40	15,566.19	20,000.00
634 - Other Professional Fees	5,142.15	5,538.79	34,487.42	12,279.80	20,000.00
635 - Contr-Other	47,886.12	41,668.99	136,868.56	139,140.18	170,250.00
642 - Rental of Equipment	0.00	0.00	450.00	1,058.82	2,000.00
650 - Transportation	4,136.06	11,883.01	16,848.62	33,973.39	46,000.00
656 - Insurance-Vehicles	0.00	0.00	2,414.50	0.00	0.00
657 - Insurance - Gen. Liab.	0.00	11,033.52	27,624.50	22,000.00	22,000.00
658 - Insurance-Workers Comp.	1,552.65	-1,146.73	11,160.35	4,684.30	6,000.00
660 - Advertising	0.00	0.00	444.00	0.00	0.00
667 - Regulatory Expense	5,189.60	4,683.61	15,580.60	19,244.07	20,000.00
675 - Misc. Expenses	1,139.28	918.34	7,866.86	6,235.65	8,250.00
680.00 · Uncategorized	0.00		0.00		
Total Expense	587,261.55	667,866.13	1,808,134.17	1,908,532.26	2,499,521.56
Net Ordinary Income	-154,983.71	-214,575.27	59,708.22	-37,510.52	54,222.44
Net Income	-154,983.71	-214,575.27	59,708.22	-37,510.52	54,222.44
Net Income - Depreciation (Liquidity)	-24,483.71	-89,575.29	451,208.22	337,489.42	

- a. **Cash flow and Billing** - the manager alerted the board that the district had approximately \$115,000.00 combined within the checking account and SWEEP account. This low cash reserve was due to district bond payments being made in the previous quarter. November's billing which was scheduled to be released later that week was valued at \$333,860.15 with seasonal overage still being tabulated and scheduled to be billed in mid-November. The manager stated that the district's cash flow was tight with a possible temporary dip in reserves before the fall payments were received. However the manager concluded his report stating the overall, financially the district was in "very good shape".
- b. **Preliminary Water Rate Review** – On 22 October 2015 the manager reported that he had teleconferenced with Maine Water Company (MWC) reporting the MWC had received most all of the information needed to compile the draft rate policy and rate case to realign fire protection charges. The manager expected the draft package by the next meeting.
- c. **SOS Android Application** – The manager reported that this effort went active on 20 October 2015. There are some growing pains but overall the system is working well and the product was considered delivered and complete by the manager. Trustee Reed requested a demonstration for the board at an upcoming meeting. The manager stated that he would arrange for staff to provide the district a full briefing and demonstration by the end of December. This timetable was acceptable to the board.
- d. **SRF Municipal Bonds** – The manager presented to the Chairman, Treasurer and Clerk the final declarations for the two bonds with the Maine Bond Bank for financing the Pinkham Standpipe Exterior Recoating Project and the Highland Park/Campbell Street Looping Project. Both bonds were reported to be at 1.00% interest for twenty-years.

5. **NATURAL RESOURCES PROGRAM UPDATE** –The NRPM provided the board with the following report on program status.

1) YMCA erosion project. The project has expanded to address all erosion problems at the Y camp waterfront. Estimate for work is \$11,500; the Y is asking for a \$4,500 lake friendly grant from us. The project is important because it is one of the most significant erosion sites on Knickerbocker Lake, it is widely used by community so good public education and PR benefits for watershed protection, and as Y moves forward with developing their 69+ acre waterfront property, it will be important for us to be a partner in that process. Plans attached. We have a state grant of \$10K and the Board approved \$10K for lake grants last June. We have committed \$4,854 so far to the overall lake friendly grant project.

2) Last week, the Boothbay Planning board approved the YMCA timber harvest of the next two parcels along their Knickerbocker Lake shoreline. Plan is consistent with shoreline ordinances and appropriate buffers for wetlands and streams are included. Expect harvest this winter.

3) Three lake-friendly grants, total cost of \$2,551 are in warrant for approval.

After considerable discussion as to the merits of providing cash resources to the Boothbay Region YMCA, an organization Trustee Climo described as having “deep pockets” while others stated the YMCA should be responsible for doing the right thing; the board opted to take the “high road” and approved a \$4,500.00. The board instructed the manager and NRPM to make it bluntly clear with the YMCA that with this assistance the YMCA was now expected to be a protagonist for good management, promoting the health of Knickerbocker Lake and abandon the their traditional antagonistic dogma.

Trustee Gamage motioned, Trustee Reed second, vote: unanimous

6. **SAFETY & TRAINING UPDATE** – The manager reported no accidents, safety violations or missed inspections during the previous period.
- e. **Human Resources** – Nothing new to report. .
 - f. **Fire Hydrant Operations Training** – The training was reported to commence at 1800 hr. on 10 November 2015 at the Boothbay Fire Department for the regions fire departments. Chairman Pinkham instructed Trustee Reed, Clerk, to chair the 10 November 2015 trustee board meeting in his, and Vice-Chairman Gamage’s absence. Chairman Pinkham took a show of hands to ensure a quorum would be available and was satisfied the regularly scheduled meeting would proceed.
7. **TREATMENT DIVISION** – The manager reported that both clarifier and filter efficiency remained at 100% with chemical additions remaining unchanged. Accurate average flows for comparative purposes could not be determined due to flushing, tank changes and repair and changes in operation.

The Pinkham standpipe was reported drained and was currently off-line. The manager reported that the tank was entered the previous day and it was discovered that the PAX mixer had indeed caused damage to the floor of the standpipe. The manager informed the board that both PAX and Wright-Pierce were onsite that day to investigate and repair with the manager having a call into Marcel Payeur to make the necessary coating and structural repairs (one spot is a 1/8” hole cut into the floor of the tank).

The manager then shared his frustration, explaining the PAX mixer had been initially installed over a structural ring within the tank but had never secured to the ring. PAX's position was that action was not in the scope of work (written by Wright-Pierce) to attached by cable the mixer to the tank. Conversely Wright-Pierce was claiming that PAX recommended that the mixer not be affixed to the tank. The manager stated "all I know is the ratepayers will not be paying for the repairs".

Nevertheless the manager stated that the current district course of action was to get the tank and tank and mixer repaired as soon as possible and put back into service. The mixer would now be affixed to the tank as part of the repair.

The manager concluded this report by informing the board that the district was currently experiencing recurring radio issues at the Kenniston Hill standpipe. Staff and the programmer from Sullivan & Associates were on it and he was confident repairs would be expedited.

8. **DISTRIBUTION DIVISION (DD)** – The DD began seasonal shutdown on 15 October 2015 with all meters collected with the exception of Squirrel Island (scheduled to be read on 29 October 2015). During this period needed valve packages were being installed in the seasonal systems along with shutdown efforts ongoing. A sizable contingent of the crew had been assigned to Southport completing Contract #4 (See **SOUTHPORT INTERCONNECTION AND TANK REPLACEMENT PROJECT - Contract #4 – USDA FORCE Account Project**)

Cross-Connection Control – Current, Legal and Up-To-Date.

North Adams Pond Draft Site – The PBR had been completed and the fee was approved as part of the warrant (See 3-**Transactions**). The manager stated that it was his intention to begin construction spring 2016.

Seasonal Shutdown - The DD was tracking down reading glitches and blowing down the water mains. The seasonal system was reported to be approximately 60% completely winterized. In blowing lines another leak was discovered on the Barters Island feed main. Fuller marine Services had been contacted with a possible report to the board at the next meeting.

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

Contract #1 – Tank Site Prep, Road & Water Main – Project Complete.

Contract #2 – Water Main Installation Project – Project Complete.

Contract #3 – Thompson Tank Installation Project – The project is complete and in-service. On 22 October 2015 I met with Pine Tree Fence and laid out the security fencing requirements. The security fence will be installed by the end of November. The next progress meeting was scheduled for 28 October 2015 AT 0900 hr.

Contract #4 – USDA FORCE Account Project – Since the last meeting the project had been completed, the system had passed pressure testing with the main has been repeatedly flushed and disinfected. The district was experiencing problems obtaining coliform free samples but the previous days sample was clean with the second sample required by federal law taken earlier that day. The manager stated that once that conformation sample came back clean the new main would be immediately put into service.

10. **5 RIVERS REGIONAL WATER COUNCIL** – The manager reported that Wright-Pierce was working on the science of the report with a 10 November 2015 workshop planned.
11. **GIS PROJECT**- Complete and in maintenance mode.
12. **PLUMMER ROAD/NICKERSON ROAD WATER MAIN LOOPING PROJECT** — The manager reported that he had had a discussion with Drinking Water Program State Engineer the previous week clarifying points on the district’s proposal for funding with the state engineer indicating that the project had an excellent chance of being funded.
13. **MARINER WAY INVESTIGATION & RECOMMENDATIONS** - The manager had nothing new to report. The logger has been redeployed and it was his hope to have more accurate by the 10 November 2015 trustee meeting.
14. **BOOTHBAY HARBOR COUNTRY CLUB, PHASE II** –The manager presented to the board a letter that he had received that day concerning a serious intent to restart this project. Sebago Technics was now the engineering firm and the manager had been in limited contact with them up to this point. The manager informed the board that he was supposed to be receiving information concerning Phase II but as of that time had really nothing new to report other than from the description provided; Phase II appears to have been cut back from the original concept.
15. The board went into **Executive Session** pursuant to 13 MRSA §405 6 [C] *Acquisition of Real Property* at 1937 hr.
Trustee Climo motioned, Trustee Marston second, vote unanimous
16. The board came out Executive Session at 1958 hr.
Trustee Climo motioned, Trustee Marston second, vote unanimous
17. The meeting was adjourned at 2000 hr.
Trustee Climo motioned, Trustee Marston second, vote: unanimous

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegra
Manager

