

11 October 2016

MEMORANDUM

From: Manager  
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 27 SEPTEMBER 2016**

The Board of Trustees convened at 1900 hrs. **In attendance:** Trustee Pinkham, Boothbay Harbor (Chairman); Trustee Gamage, Southport (Vice-Chairman); Trustee Marston, At-Large; Trustee Climo, Southport; Jonathan Ziegler, Manager. **Guest:** Sue Mello, Natural Resources Program Manager. **Absent:** Trustee Reed, Boothbay Harbor (Clerk); Trustee Lewis, Boothbay (Treasurer); Trustee Higgins, Boothbay.

1. The board approved the minutes for 13 September without revisions.  
*Trustee Gamage motioned, Trustee Marston second, vote unanimous*
2. The **Payroll** for weeks ending 13 September 2016, 30 August 2016 & 20 September 2016 were approved.  
*Trustee Gamage motioned, Trustee Marston second, vote unanimous*
3. The **Transactions** for 12 September 2016 through 23 September 2016 were approved.  
*Trustee Marston motioned, Trustee Gamage second, vote unanimous*
4. **FINANCIAL** – The manager presented the board with Table 1. *BRWD Budget Performance Summary through 31 August 2016*

**Table 1**

ACCOUNT	Jul - Aug 16	Budget	Jan - Aug 16	YTD Budget	Annual Budget
415 - Jobbing	10,666.65	7,001.43	114,760.56	69,139.26	100,000.00
419 - Interest Income	154.16	255.16	734.89	717.50	1,000.00
460-RD Grant Revenue (KHS- RD Grant & Loan)	0.00		45,488.96		
461 - Revenue Accounts	558,244.79	374,207.87	1,905,804.97	1,745,708.68	2,465,082.78
	569,065.60	381,464.46	2,066,789.38	1,815,565.44	2,566,082.78
	569,065.60	381,464.46	2,066,789.38	1,815,565.44	2,566,082.78
403-Depreciation Expense	100,000.00	113,332.00	397,500.00	453,328.00	680,000.00
408 -- Taxes other than Income	8,151.24		32,886.76		
427-Interest Expense	47,458.40	48,114.60	189,061.54	191,612.52	288,952.12
601 - Wages	90,305.29	100,180.18	376,115.67	380,903.43	575,173.44
603 - Trustee Fees	0.00	0.00	8,926.02	9,723.09	9,723.09
604 - Employee Pen. & Benefits	54,825.26	47,417.86	222,698.23	207,170.83	324,471.34
615 - Electricity	13,681.95	12,578.53	36,037.38	40,652.08	66,523.90
616 - Generator Fuel	0.00	0.00	0.00	750.00	750.00
618 - Chemicals	3,595.80	9,886.65	25,455.74	31,281.39	37,171.57
620 - Materials & Supplies	27,014.40	28,365.16	151,423.83	115,973.68	215,250.00
620.7 - Postage	152.38		439.67		

631 - Contr.-Engineering	0.00	2,052.44	6,737.09	13,662.99	15,000.00
632 - Contr. Accounting	16,100.00	2,500.00	49,620.00	67,500.00	70,000.00
633 - Contr. Legal	0.00	2,805.82	259.50	3,774.57	5,000.00
634 - Other Professional Fees	2,175.44	2,826.55	17,137.73	29,022.82	40,000.00
635 - Contr-Other	33,428.79	34,768.13	126,579.89	140,319.03	197,450.00
642 - Rental of Equipment	0.00	0.00	462.92	1,000.00	1,000.00
650 - Transportation	5,286.90	6,712.61	18,244.78	20,165.52	32,650.00
656 - Insurance-Vehicles	0.00	0.00	0.00	2,600.00	2,600.00
657 - Insurance - Gen. Liab.	0.00	0.00	15,282.00	30,000.00	30,000.00
658 - Insurance-Workers Comp.	3,897.45	1,587.70	12,285.55	11,412.29	13,000.00
659 - Insurance - Other	0.00		15,915.00		
660 - Advertising	0.00	0.00	120.00	468.35	500.00
667 - Regulatory Expense	4,687.00	4,122.35	17,894.74	17,678.92	18,000.00
675 - Misc. Expenses	1,182.33	1,217.86	5,130.57	10,913.59	13,179.17
680.00 · Uncategorized	0.00		0.00		
	411,942.63	418,468.44	1,726,214.61	1,779,913.10	2,636,394.63
	157,122.97	-37,003.98	340,574.77	35,652.34	-70,311.85
<b>Net Income</b>	<b>157,122.97</b>	<b>-37,003.98</b>	<b>340,574.77</b>	<b>35,652.34</b>	<b>-70,311.85</b>

- a. **Cash Flow Issues** – The manager presented the board with Table 2 *BRWD Cash Account Status Report as of 27 September 2016* which was a depiction of the current cash standing. Table 3 *BRWD Cash Account Status Report after 28 September 2016* was also presented to the board illustrating the cash status after moving accounts to cover the consolidated bond payment due to the Maine Bond Bank (MBB) on 1 October 2016. The manager shared with the board an e-mail from Ms. Marcia Wilson, Accountant, Osman-Page LLC, which outlined the current strategy that the district would follow during this cash flow crunch.

Hi Jon,

*The actual book balance for the checking and sweep is: \$ - 146,322.39 plus an estimated \$13,000 for payroll. So we need to cover approximately \$160,000.*

*As discussed in order to meet MMBB payment deadlines, please release the checks tomorrow and then transfer \$ 115,880 from the Land Acquisition, \$31,165 from 91-20 and \$16,280 from 91-18 sinking funds.*

*The line of credit with The First will most likely need to come into play to cover payroll and the release of the second batch of checks included in this warrant due October 5<sup>th</sup> and 6<sup>th</sup>, or you can pull \$ 48,000 now instead of tapping into the sinking funds. This might be a better choice, and would be my recommendation.*

*Liquidity for next week October 5<sup>th</sup> – 6<sup>th</sup> will be roughly: \$35,000 current payables and \$13,000 payroll.*

We need to estimate approximately \$13,000 per payroll cycle for October 13, 20 and 27 and Nov 3<sup>rd</sup>.

As always, I will keep a watch on the bank balances.

I will send you the financials next.

Best,

Marcia

<b>Table 2</b>	
<b>BOOTHBAY REGION WATER DISTRICT</b>	
<b>Cash Account Status Report as of 27 September 2016</b>	
<b>Account</b>	<b>Balance</b>
Business Checking	\$ 25,085.04
Deposit Sweep Account	\$ 296,017.89
<b>Liquidity Total</b>	<b>\$ 321,102.93</b>
<b>DESIGNATED FUNDS</b>	
BBH 2007 Sinking Fund	\$ 16,283.72
Land Acquisition Fund	\$ 115,885.79
Capital Reinvestment Fund	\$ 633.10
Mt Dora Easement Escrow	\$ 4,768.50
EBB Upgrade 91-20	\$ 31,167.44
Bank of Maine Unemployment CD	\$ 10,431.66
<b>Designated Fund Total</b>	<b>\$ 179,170.21</b>
<b>TOTAL CASH RESERVES</b>	<b>\$ 500,273.14</b>

<b>Table 3</b>	
<b>BOOTHBAY REGION WATER DISTRICT</b>	
<b>Cash Account Status Report as of 28 September 2016</b>	
<b>Account</b>	<b>Balance</b>
Business Checking	\$ 25,085.04
Deposit Sweep Account	\$ 459,983.94
<b>Liquidity Total</b>	<b>\$ 485,068.98</b>
<b>DESIGNATED FUNDS</b>	
BBH 2007 Sinking Fund	\$ 1.00
Land Acquisition Fund	\$ 1.00
Capital Reinvestment Fund	\$ 1.00
Mt Dora Easement Escrow	\$ 4,768.50
EBB Upgrade 91-20	\$ 1.00
Bank of Maine Unemployment CD	\$ 10,431.66
<b>Designated Fund Total</b>	<b>\$ 15,204.16</b>
<b>TOTAL CASH RESERVES</b>	<b>\$ 500,273.14</b>

- b. **System Development Surcharge** – The manager provided the board with the surcharge filing of the proposed Water Infrastructure Surcharge (WISC) submission to be made to the Maine Public Utilities Commission (PUC) which equaled approximately \$0.30 per 100 ft<sup>3</sup> of water sold as well as a 3.0% adjustment to public and private fire protection charges. The manager recommended that after consideration the board adopt the surcharge policy and approve this filing. After limited discussion the board approved the surcharge filing and public notification as required by law.

*Trustee Climo motioned, Trustee Marston second, vote unanimous*

- c. **Billing** – The manager reported billing for October is \$67,396.14 which is excellent revenue for this route as compared to 2015 when this route secured just \$49,970.57 during the same period.

- d. **Vehicle Replacement** – No new information

5. **NATURAL RESOURCES PROGRAM UPDATE** – The manager presented the board with the following report prepared by the Natural Resources Program Manager (NRPM).

*Trustees Report 27 September 2016*

*1) Erosion control work on Adams Pond Road sites under the Maine CDC Source Water Protection grant has begun. Two pond access sites were completed last week. Before, after and construction photos here.*

*2) The Nature Conservancy and Corps will visit Hamrin site next week. We are on track to complete baseline work for conservation easement, record conservation easement and complete a long-term management plan by 31 December.*

*3) Pat Farrin will be in to discuss possible land acquisition. Leighton Associates resurveyed and marked BRWD and Farrin's common boundary. Attached are some additional site photos.*

*4) We plan to replace four signs around Adams Pond Road. Current signs are a series of NOs. Rough draft of proposed format here - Jon Marsh will improve design.*

### Adams Pond Public Water Supply



Parking sunrise to sunset only in designated areas

The board reviewed a report completed by the NRPM describing the recent survey of the property line between the district and Mr. Pat Farrin which revealed several incursions onto district property by Mr. Farrin storing and discarding material, equipment and junk. The board ordered the manager to visit Mr. Farrin and inform him to remove all of his materials from district property as well as complete restoration of district property to pre-abuse condition.

6. **SAFETY & TRAINING UPDATE** – The manager reported no injuries, safety violations or known missed inspections during the previous period.
  - a. **Human Resources** – Nothing new to report
  - b. **Training Update** – The Class II Distribution License Training was completed 16 September 2016 for the new employees. Since the last meeting Trevor Morin earned his Class I Treatment License.
  
7. **TREATMENT DIVISION (TD)** – The manager informed the board that over the previous period clarifier efficiency remained unchanged at 87% and filter efficiency remained steady at 91% efficiency. Key chemical additions remained below what would be expected due to high incoming water quality.

Average flow for the previous period, as compared to 2015 was again above average demand averaging 0.6298 MGD as compared to 0.5847 MGD during the same period in 2015.

Finish Water VFD #1 burned out with it being replaced by Stultz Electric earlier that day.

The TD worked with the Watershed Tavern to help adjust their brewery processes to our water chemistry. This was covered on social media with much positive exposure achieved.

Lastly the TD received a quote from Pine Tree Fence for the addition of security fencing to the Thompson Family Standpipe to keep individuals off of the tank at \$3,295.00, which the manager reminded the board was a good price for which the manager intended to proceed with once the cash flow issue had stabilized.

- a. **Water Reserve Report** – The manager reported that Adams Pond usable capacity had dropped from the previous report of 200.8MG to 186.7 MG reserve.
  - b. **Drought Monitor** – Since the previous meeting the Boothbay region had been downgraded from a *D1- Moderate Drought* to a *D2- Severe Drought* condition. NOAA's latest estimates of Boothbay drought conditions remained unchanged with drought expected to persist through 30 November 2016.
  
8. **DISTRIBUTION DIVISION (DD)** – The manager reported that since the previous meeting the DD had completed 24 Digsafe work orders and completed 7 new service installations. Cross-connection control testing for September was complete with no tests scheduled for October. Retagging the Southport seasonal meters was ongoing with the island approximately 40% complete. The retagging is needed to help with storage and organization for both shutdown and start-up.
  - a. **Phase II Meter Replacement Project** – completion of this project was close but on-hold until after seasonal shutdown when more labor can be thrown at it.

9. **5 RIVERS REGIONAL WATER COUNCIL** – The manager reported that a meeting was scheduled for 29 September 2016.
10. **LAND ACQUISITION UPDATE** – See 6. **NATURAL RESOURCES PROGRAM UPDATE**.
11. **BOOTHBAY HARBOR COUNTRY CLUB, PHASE II** – Nothing new to report
12. **BOOTHBAY BOTANICAL GARDENS EXPANSION** — Since the last meeting the following efforts had been initiated for funding:
  - a. **System Consolidation Grant** - Will be submitted to the DWP on 3 or 4 October 2016
  - b. **SRF Application** – Nearly complete and will be hand delivered for the 30 September 2016 deadline.
  - c. **Community Development Block Grant** - Work has begun on this project with CEI with the suspense date of 31 December 2016. So far so good.
13. **ADAMS POND FIRE DEPARTMENT ACCESS PROJECT** — The manager informed the board that the project began on 19 September 2016. The project area had been cleared and grubbed with Reny Construction now lining up ledge removal and awaiting the stairs to be delivered. The project is compliant from an environmental standpoint in that Reny Construction had paid close attention to the environmental requirements and NRPM has signed off. No completion date had been tabulated as of now.
14. **CAPTAIN’S WAY SUBDIVISION WATER MAIN INSTALLATION PROJECT** – The manager reported that district personnel, along with the developer’s workforce installed the 150-foot 6” HDPE water main along with six service installations and a compliant blow off. The main had been disinfected and pressure tested with the easement in-process. It was necessary to leave the main active due to the construction for the residence already built in the subdivision. The manager recommended the board accept the water main contingent on an easement being delivered by 31 December 2016 to the district. The board accepted the Captains Way water main with conditions.  
*Trustee Gamage motioned, Trustee Climo second, vote unanimous*
15. **OLD STONEWALL WATER MAIN EXTENSION PROJECT**– The manager reported that work on this water main extension began the previous day with the DD beginning the installation of sleeves under the affected driveways and roadways while separate DD crews began fusing the 2” HDPE water main. There was no immediate estimate for completion wherein this was a de-facto “filler job”.
16. **OCEAN RIDGE CONDOMINIUM MAIN EXTENSION PROJECT** – The manager reported that other than the HDPE pipe delivery no construction work with regard to this project had begun.
17. The board voted to go into executive session pursuant to 13 MRSA, Chap. 13, Sub. 1, §405, 6. A (1) – *personnel matters*, at 1940 hr.  
*Trustee Climo motioned, Trustee Marston second, vote: unanimous*

18. The board came out of executive session at 2000 hr.  
*Trustee Climo motioned, Trustee Marston second, vote: unanimous*
19. The meeting was adjourned at 2001 hr.  
*Trustee Climo motioned, Trustee Gamage second, vote: unanimous*

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegra  
General Manager