

14 August 2018

MEMORANDUM

From: Manager  
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 24 JULY 2018**

The Board of Trustees convened at 1900 hrs. **In attendance:** Trustee Pinkham, Boothbay Harbor (Chairman); Trustee Gamage, Southport (Vice-Chairman); Trustee Lewis, Boothbay (Treasurer); Trustee Climo, Southport (Clerk); Trustee Tibbetts, Boothbay Harbor; Trustee Tharpe, At-Large; Jonathan Ziegler, Manager. **Guest:** Mr. Dan Bryer, Town Manager, Town of Boothbay; Mr. Jason Lorrain, Code Enforcement Officer (CEO), Town of Boothbay; Ms. Danielle Gagnon, CPA Haverlock, Estey & Curran; Ms. Marcia Wilson, Osman-Page.

**Absent:** Trustee Anthony, Boothbay.

1. The board approved the minutes for 10 July 2018 without revisions.  
*Trustee Climo motioned, Trustee Gamage second, vote unanimous*
2. The **Payroll** for weeks ending 10 July 2018 & 17 July 2018.  
*Trustee Gamage motioned, Trustee Climo second, vote unanimous*
3. The **Transactions** for the period of 9 July 2018 through 20 July 2018.  
*Trustee Gamage motioned, Trustee Climo second, vote unanimous*
4. **CHAIRMAN'S ADDRESS** – Chairman Pinkham read as letter from former At-Large Trustee, Ken Marston wherein the board thanked Mr. Marston for his kind words and sentiments. Chairman Pinkham instructed the manager to post the letter prominently so that the entire staff had access to Mr. Marston's thoughts and observations.
5. **2017 AUDIT REPORT** - Ms. Danielle Gagnon presented the board with the 2017 audit findings. In short there exist no material weakness with the district's financial procedures with all accounts and transactions appearing to meet good accounting practice. The district's financial position was discussed to a detailed degree wherein Ms. Gagnon acknowledged a revenue issue for the district. Overall, per Ms. Gagnon the district was issued a clean report for financial operating procedures. The board thanked Ms. Gagnon for her hard work and report.
6. **ADDRESS TO THE BOARD** - The town manager and CEO for the town of Boothbay addressed the board wherein the town manager introduced the new CEO to the board and discussed ongoing efforts with regard to source water protection, both on a micro and macro level. The discussion revolved revamping the source water protection function of the town to a more "hands-on" level. In a written statement the Natural Resource Program Manager praised the new CEO's performance stating the district "had turned the corner" with regard to the working relationship between the district and the town.

The town manager discussed with the board the agreement where the district would contribute half of the salary for the CEO in lieu of taxes with the normal work week for the CEO equaling 35-hours per week. The request was made officially by the town of Boothbay to increase the hours of the CEO to a normal 40-hour work week siting effort made in the source water program to which the board agreed to fund the district's half of salary for the increased work week.

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

7. **FINANCIAL-** The manager presented to the board Table 1 – *Boothbay Region Water District Cash Account Status Report as of 24 July 2018*, Table 2 - *Boothbay Region Water District Profit & Loss Budget performance through 30 June 2018*, & Table 3 - *Boothbay Region Water District Capital Improvement Budget Performance through 30 June 2018*. Within the previous period the district had received 0 new service applications with 1 new services installed.

Table 1 <b>BOOTHBAY REGION WATER DISTRICT</b> Cash Account Status Report as of 24 July 2018	
Account	Balance
Business Checking	\$ 16,249.60
Deposit Sweep Account	\$ 94,266.12
<b>Liquidity Total</b>	<b>\$ 110,515.72</b>
<b>DESIGNATED FUNDS</b>	
BBH 2007 Sinking Fund	\$ 18,338.99
Land Acquisition Fund	\$ 14.66
Capital Reinvestment Fund	\$ 1.17
Mt Dora Easement Escrow	\$ 4,768.50
EBB Upgrade 91-20	\$ 2,411.54
Bank of Maine Unemployment CD	\$ 10,431.66
<b>Designated Fund Total</b>	<b>\$ 35,966.52</b>
<b>TOTAL CASH RESERVES</b>	<b>\$ 146,482.24</b>

- a. **Rate Case** – The manager presented the board with the most recent rate recommendation received from the district’s rate engineer. The manager informed the board that Ms. Cathy Robinson would be at the 14 August 2018 trustee meeting to answer questions and finalize the boards intent for the rate filing. Overall the recommended rate increase stood at 35.34% which included full funding of the district’s accumulated depreciation.
1. **Draft Terms and Conditions of Service** –The manager reported that the draft These have gone through the first round of review with the customer service representative (CSR) given the lead. The manager informed the board that the CSR had done an excellent review with all comments to be forwarded to the contractor. The manager informed the board that comments pertaining to this document would be very much welcomed from the trustees before submitting the revised document as part of the rate case.

- b. **Meter Reading Cost of Service Study** –The manager reported that he had yet to receive the “smooth copy” of this study from Maine Rural Water Association but had sent the draft to the sewer district after discussing the need and parameters with the Boothbay Harbor Sewer District superintendent.

8. **NATURAL RESOURCES PROGRAM** – The following report was provided by the Natural Resource Program Manager (NRPM):

1) *Work on zoning ordinance revisions continues. We are now working with Leighton and Associates to develop an updated watershed boundary map (using LIDAR 2' contours), major watershed tributary streams and NWI wetlands maps for revised ordinances.*

2) *Shoreline survey of Knickerbocker Lake was completed last week by John Orne, Margaret Burns of Forrest Bell Environmental (FBE) and myself. Having completed this survey, the District will be able to do these surveys in the future without consultants. This year's survey was funded under DWP Source Water Protection Grant.*

3) *At our request, DEP has developed new phosphorus allocations for Adams Pond, Knickerbocker Lake and Little Knickerbocker Lake based on updated data on the watersheds. In the draft form, these are slightly better (more restrictive) than existing DEP allocations but not as restrictive as FBE modeling indicates they should be. DEP will begin the bureaucratic process to change these allocations, but no changes will be made until the CMBG DEP permit appeal has concluded.*

4) *DEP has begun the appeal process for the permit they issued to CMBG last fall. We are not involved but are receiving documents.*

5) *New signs are up on Adams Pond Road and pullouts have been refurbished.*

6) *Dale Harmon, Boothbay Public Works Foreman Mike Alley and I met with David Rocque, state soil scientist and road expert, to develop plans for remediating additional non-point source pollution sites in Adams Pond watershed. Presently, our goal is to complete four more sites under our 319 grant this summer (all in Knickerbocker Lake watershed) and have applied for more grant funds for next year.*

7) *We have asked Forrest Bell Environmental to present the results from the buildout analysis, lake loading model and shoreline survey to the Knickerbocker Lake Association on August 22.*

Table 2

## Boothbay Region Water District Budget Performance Summary through 30 June 2018

	Jan - Jun 18	YTD Budget	Annual Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
414-Gain on Sale-Misc Inc.	4,300.00	0.00	0.00
415 - Jobbing	68,143.08	45,742.48	107,111.79
419 - Interest Income	150.22	175.10	350.00
460-RD Grant Revenue (KHS-RD Grant & Loan)	10,000.00		
461 - Revenue Accounts	1,415,630.80	1,434,105.42	2,615,650.79
<b>Total Income</b>	<b>1,498,224.10</b>	<b>1,480,023.00</b>	<b>2,723,112.58</b>
<b>Gross Profit</b>	<b>1,498,224.10</b>	<b>1,480,023.00</b>	<b>2,723,112.58</b>
<b>Expense</b>			
403-Depreciation Expense	330,000.00	330,000.00	660,000.00
408 -- Taxes other than Income	27,187.80	27,385.97	53,000.00
427-Bond and Loan Interest (Long Term Liab. Interest)	631.92	0.00	0.00
427-Interest Expense	141,347.02	136,052.79	271,760.45
601 - Wages	295,547.79	290,414.48	566,057.31
603 - Trustee Fees	9,351.15	10,056.40	10,056.40
604 - Employee Pen. & Benefits	211,114.25	180,059.31	386,475.93
615 - Electricity	26,605.75	28,217.93	58,950.00
618 - Chemicals	15,677.25	11,802.61	38,600.00
620 - Materials & Supplies	137,162.69	108,277.07	207,850.00
620.7 - Postage	332.82	0.00	0.00
631 - Contr.-Engineering	0.00	6,000.00	12,000.00
632 - Contr. Accounting	24,000.00	31,000.04	62,000.00
633 - Contr. Legal	1,880.50	14,750.02	29,500.00
634 - Other Professional Fees	7,992.50	5,000.02	10,000.00
635 - Contr-Other	113,080.15	124,390.21	204,750.00
642 - Rental of Equipment	0.00	250.00	250.00
650 - Transportation	14,161.46	19,000.30	38,250.00
657 - Insurance - Gen. Liab.	14,167.91	16,250.00	32,500.00
658 - Insurance-Workers Comp.	10,526.40	11,215.15	13,000.00
660 - Advertising	0.00	1,500.00	1,500.00
667 - Regulatory Expense	13,056.20	7,500.00	15,000.00
670 - Uncollectables	-706.89	0.00	0.01
675 - Misc. Expenses	6,985.74	4,550.00	9,050.00
<b>Total Expense</b>	<b>1,400,102.41</b>	<b>1,363,672.30</b>	<b>2,680,550.10</b>
<b>Net Ordinary Income</b>	<b>98,121.69</b>	<b>116,350.70</b>	<b>42,562.48</b>
<b>Net Income</b>	<b>98,121.69</b>	<b>116,350.70</b>	<b>42,562.48</b>

Table 3			
BRWD Capital Improvement Budget Performance through 30 June 2018			
Accnt #	Description	Jan-June 2018	Amount
	<b>Capital Improvements</b>		
105.01	Marine Construction	\$ 2,250.00	\$ 4,500.00
105.02	Engineering & Ecvation	\$ -	\$ 22,000.00
105.05	GIS	\$ 2,446.68	\$ 6,000.00
105.10	Storage Building Project	\$ 3,000.00	\$ 10,000.00
105.15	Country Club Phase II		\$ 5,000.00
105.16	Meter Upgrades	\$ 44,255.37	\$ 80,000.00
105.20	Meadow Cove Water Main Project	\$ -	\$ -
105.21	Natural Resource Projects	\$ -	\$ 15,000.00
105.50	Work in Progress - Other	\$ 63,834.42	\$ 1,500.00
	<b>Total Capital Improvements</b>	<b>\$ 115,786.47</b>	<b>\$ 144,000.00</b>
	<b>Principal Repayments</b>		
221.31	MBB Highland Park	-	\$ 32,000.00
221.32	MBB Pinkham Standpipe Rehab	-	\$ 5,220.00
221.33	RD Southport Interconnection	\$ -	\$ 31,781.27
221.89	SRF Cape Newagen MMBB	\$ 10,563.00	\$ 10,600.00
221.92	RD 91-20	\$ -	\$ 23,379.42
221.93	FNB Consolidation	\$ 10,696.33	\$ 11,240.00
221.95	MMBB Sea Street	\$ -	\$ 12,578.00
221.97	FNB Fluoride Bond	\$ 6,946.00	\$ 7,400.00
221.9	Highland Park	\$ -	\$ -
221.94	Mt Pisgah Tank	\$ -	\$ -
221.99	<b>RD 91-18 (estimate - review after audit)</b>	\$ 6,500.00	\$ 6,295.22
221.993	MMBB Consolidation	\$ -	\$ 332,548.06
	<b>Total Principal Repayments</b>	<b>\$ 34,705.33</b>	<b>\$ 473,041.97</b>
	<b>Sinking and Reserve Fund Contributions</b>		
131.82	Capital Reinvestment	\$ -	\$ -
131.86	Land Acquisition	\$ -	\$ -
131.87	Southport Interconnection	\$ -	\$ 9,328.00
131.88	RD 91-18	\$ -	\$ 1,995.87
131.89	RD 91-20	\$ -	\$ 6,196.63
	<b>Total Sinking &amp; Reserve Fund Contributions</b>	<b>\$ -</b>	<b>\$ 17,520.50</b>
	<b>Fixed Asset Budget</b>		
	2019 Chevrolet 3500 Lift Gate	\$ 56,821.00	55,000.00
	Replacement Compactor	\$ -	8,000.00
	Mcelroy Travel Trailer	\$ -	5,000.00
	<b>Total New Fixed Asset Additions</b>	<b>\$ 56,821.00</b>	<b>\$ 68,000.00</b>

9. **SAFETY & TRAINING UPDATE** – The manager reported no injuries, safety violations or known missed inspections during the previous period.
- a. **Human Resources (HR)** – The manager reported to the board that the CSR would be out indefinitely with a non-work related medical condition. Until such time as to her return the position will be filled by cross-trained Distribution Division personnel and the manager.
  - b. **Training Update** –The Maine Water Utilities Association Lobster Bake was scheduled for 9 August 2018 at Thompsons Point in Brunswick. All employees with exception of the distribution foreman, a treatment plant operator and the manager would be in attendance. The manager collected a trustee count so he could order the tickets. The cost for the district’s attendance was provided by *E.J. Prescott*, of which the board instructed the manager to relay their thanks. The manager concluded this report by alerting the board the district was entering the second annual Maine State Pipe Tapping Competition in which the district finished a close second last year. The manager informed the board that it was staff’s intention to crush the competition this year!!!!

10. **TREATMENT DIVISION (TD)** — The manager reported that since switching to Knickerbocker Lake as the primary water source, filter train efficiency since the previous report had dropped to 90% for filter operations and 91% for clarifier performance. However, both sodium hydroxide and aluminum sulfate dosing rates were significantly less than normal for the time of year. Finish water production for the previous period dropped below that of 2017 production rates with an average daily production 0.8083 MGD as compared to 2017 production for the same period of time equaling .8383 MGD.

On 20 July 2018 the turbidimeter for Treatment Unit #1 went down. Unfortunately, the treatment plant operator on duty did not catch the problem and later that afternoon the plant scrambled. The Chief Treatment Plant Operator (CTPO) called the manager at his vacation camp in Gray, Maine, alerting him to the situation and the potential health issues that could occur. The manager responded as well as the distribution on-call and the treatment plant operator who had been on duty. *Sullivan & Associates* responded and jury rigged a turbidimeter as well as ordering a new unit with rushed delivery. As of that morning a usable system was in place with two new probes to be installed later in the week.

However, due to the lateness of the discovery of the problem the district was forced to discard approximately 200,000 gallons of nearly off-specification water while taking the treatment plant off line for several hours. Due to the recent increase in storage, even though this happened on a Friday evening in July, the Thompson Tank allowed the district to maintain, albeit very low, reserve fire protection and pressure so that only legal water was entered into the system.

The matter had been reviewed with all treatment plant operators with a thorough post-mortem completed.

- a. **Backwash Rate Valve (BRV)** – The new BRV and installation is at a minimum five-weeks out on back order.
- b. **Knickerbocker Lake Withdrawal Operations** –See Table 4 for a synopsis of operations thus far.

<b>Table 4</b>			
<b>Boothbay Region Water District</b>			
<b>2018 Knickerbocker Lake Water Withdrawal Report</b>			
<b>Start Date</b>	<b>End Date</b>	<b>Gallons Pumped</b>	<b>Gallons Remaining</b>
Gallons Allowed to be Withdrawn by NRPA Permit			51,500,000
10-Jul-18	14-Jul-18	5,217,300	46,282,700
15-Jul-18	21-Jul-18	7,059,200	39,223,500
<b>Total Withdrawn</b>		<b>12,276,500</b>	<b>39,223,500</b>

- c. **Raw Water Pump (RWP) #1** – Per the boards instruction both RWP#1 and RWP #2 had been added to the contract with *Weston & Sampson* to join FWP #1 this winter in refurbishment and overhaul. Staff had requested a new proposal which should be forthcoming for budgeting purposes.
  - d. **Drought Monitoring** – The Boothbay region remains in a D-1 – *Moderate Drought* on the U.S. Drought Monitoring Scale with the area of the State in drought condition continuing to expand. As of today, only Washington County is not in any drought condition with the drought expanding. Currently approximately 15% of Maine is in the D-1 drought with the expectation that we will be downgraded in the next report. Water levels in Adams Pond have dropped but not appreciably due to Knickerbocker Lake being the current active source.
11. **DISTRIBUTION DIVISION (DD)** – The manager reported the DD was caught up with all lingering seasonal water system issues and was keeping the “whiteboard projects” to a manageable level. As discussed earlier, to meet the required administration and natural resource needs, manpower was being syphoned off and another backlog in whiteboard projects was likely to occur. In the previous period the DD responded to 21 Dig Safe notifications and installed 1 new service; 3 new estimates were completed and are considered pending. All administrative and time sensitive demands on the DD were current.
- a. **New Building Status Report** –This project remains under staff review.
12. **5 RIVERS REGIONAL WATER COUNCIL** –The manager reported that he would be attending a General Managers conference on 2 August 2018 at Great Salt Bay Utilities District. The new director for the Drinking Water Program was scheduled to be in attendance with most effort concentrating on legislative issues.
13. **LAND ACQUISITION UPDATE** – No change in status

14. **CAPITAL IMPROVEMENT PLAN (CIP) UPDATE** – The manager stated that after the trustee meeting, he intended to compile any and all comments and meet with Dirigo Engineering next Monday 30 July 2018 to go over comments with them. After that time, a smooth, final copy would be prepared for the board for adoption.
15. **ISLE OF SPRINGS (IOS)** – The manager provided the board with a preliminary design prepared by *Wright-Pierce Engineering*. Maine Department of Transportation (DOT) permitting was reported to still be in process but not yet delivered to the district. The manager stated that IOS was making a very good faith effort for this project.
16. **ALTERNATIVE ELECTRIC POWER OPTIONS** –No change in status
17. **BULK WATER SALES FOR EPISODIC USE TO SUPPORT CONSTRUCTION OR SPECIAL PROJECTS** – No change in status
18. The meeting was adjourned at 2022 hr.  
. *Trustee Climo motioned, Trustee Tharpe second, vote: unanimous*

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegra  
General Manager