

11 September 2018

MEMORANDUM

From: Manager
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 28 AUGUST 2018**

The Board of Trustees convened at 1900 hrs. **In attendance:** Trustee Pinkham, Boothbay Harbor (Chairman); Trustee Gamage, Southport (Vice-Chairman); Trustee Climo, Southport (Clerk); Trustee Tibbetts, Boothbay Harbor; Trustee Anthony, Boothbay; Trustee Tharpe, At-Large; Jonathan Ziegler, Manager. **Guest:** None. **Absent:** Trustee Lewis, Boothbay (Treasurer).

1. The board approved the minutes for 14 August 2018 without revisions.
Trustee Gamage motioned, Trustee Climo second, vote unanimous
2. The **Payroll** for weeks ending 14 August 2018 & 21 August 2018.
Trustee Climo motioned, Trustee Gamage second, vote unanimous
3. The **Transactions** for the period of 13 August 2018 through 24 August 2018.
Trustee Climo motioned, Trustee Anthony second, vote unanimous
4. **FINANCIAL-** The manager presented to the board Table 1 – *Boothbay Region Water District Cash Account Status Report as of 28 August 2018*. Table 2 - *Boothbay Region Water District Profit & Loss Budget Performance as of 31 July 2018* and Table 3 - *Boothbay Region Water District Capital Improvement to Equity Performance Summary as of 31 July 2018*. Within the previous period the district has received 2 new service applications with 2 new services installed. Lastly, I met with Ms. Brenda Blackman on 20 August 2018 and began the process of securing a \$400,000.00 line of credit to be ready by 1 October 2018 in preparation for the consolidated bond payment due on 14 October 2018.

Table 1 BOOTHBAY REGION WATER DISTRICT Cash Account Status Report as of 28 August 2018	
Account	Balance
Business Checking	\$ 25,175.86
Deposit Sweep Account	\$ 209,848.76
Liquidity Total	\$ 235,024.62
DESIGNATED FUNDS	
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
Designated Fund Total	\$ 35,966.52
TOTAL CASH RESERVES	\$ 270,991.14

- a. **Rate Case** – The manager presented the board with the following: 1. **Legal Notice**; and 2. **Boothbay Region Water District Proposed Rate Change (et.al.)**. As previously directed by the board, Ms. Robinson formally submitted the rate case with the Maine Public Utilities Commission (PUC) on 17 August 2018 which effectively started the clock. The **Legal Notice** was submitted to the *Boothbay Register* on 27 August 2018 and will run in the 29 August 2018 edition. As directed, the manager informed the board that he had taken out an application with the town of Southport to hold the public hearing will be held at Southport Town Hall on 20 September 2018 at 1800 hr. and stated that the Legal Notice would be sent to each customer per PUC instructions on 30 August 2018 well within the allowed timeline.
- b. **Meter Reading Cost of Service Study** – The manager updated the board by informing them that he had forwarded to Mr. Lamie the new water meter reading rate comments provided by the Superintendent of the Boothbay Harbor Sewer District. The manager provided the board Mr. Lamie’s revised rates and a copy of the correspondence provided to him by Mr. Lamie. The manager requested guidance from the board as to how to proceed.

Hi Jon,

I have revised my initial calculations to reflect the lower number of meters used for sewer reads.

My earlier per read cost per district was \$5.15. With the revised information I now have a unit cost of \$4.92

(The BHSD Superintendent) came up with a unit cost of \$2.94, so we’re still about a buck apart.

At this stage, I think it’s going to simply be arriving at a negotiated amount agreeable to both of you (and the Trustees). You both would have accomplished a lot if you could agree to split the difference and agree to something around \$4.00 per read per District.

Part of the difficulty is the low cost most other utilities are using. I’m sure they would have similar cost as Boothbay if they ran the numbers. We may all need to provide some “education” for other utilities to get the amount up to reflect accurate cost.

Attached is my revised calculation and cover letter. Let me know if you need anything else from me.

Norm

The board reviewed both documents and settled on a new meter reading rate of \$4.50 per reading as a compromise position.

Trustee Gamage motioned, Trustee Climo second, vote unanimous

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

1) We received notice that we have been awarded another 319 grant from DEP for erosion control work in the watersheds. We requested \$44K. Work will be done during the summers of 2019-2020.

Table 2
Boothbay Region Water District Profit & Loss Budget Performance as of 31 July 2018

	Jan - Jul 18	YTD Budget	Annual Budget
Income			
414-Gain on Sale-Misc Inc.	4,300.00	0.00	0.00
415 - Jobbing	78,327.34	53,679.71	107,111.79
419 - Interest Income	171.96	204.25	350.00
460-RD Grant Revenue (KHS-RD Grant & Loan)	10,000.00		
461 - Revenue Accounts	1,476,114.49	1,495,929.17	2,615,650.79
Total Income	1,568,913.79	1,549,813.13	2,723,112.58
Gross Profit	1,568,913.79	1,549,813.13	2,723,112.58
Expense			
403-Depreciation Expense	385,000.00	385,000.00	660,000.00
408 -- Taxes other than Income	31,382.42	31,443.47	53,000.00
427-Bond and Loan Interest (Long Term Liab. Interest)	631.92	0.00	0.00
427-Interest Expense	163,445.02	158,595.31	271,760.45
601 - Wages	333,481.88	332,478.18	566,057.31
603 - Trustee Fees	9,351.15	10,056.40	10,056.40
604 - Employee Pen. & Benefits	252,659.58	213,220.39	386,475.93
615 - Electricity	32,996.03	34,409.79	58,950.00
618 - Chemicals	18,683.48	23,721.14	38,600.00
620 - Materials & Supplies	114,231.05	124,165.17	207,850.00
620.7 - Postage	332.82	0.00	0.00
631 - Contr.-Engineering	1,863.00	7,000.00	12,000.00
632 - Contr. Accounting	40,700.00	36,166.70	62,000.00
633 - Contr. Legal	1,880.50	17,208.35	29,500.00
634 - Other Professional Fees	7,992.50	5,833.35	10,000.00
635 - Contr-Other	131,500.41	136,516.58	204,750.00
642 - Rental of Equipment	0.00	250.00	250.00
650 - Transportation	14,161.46	22,125.25	38,250.00
657 - Insurance - Gen. Liab.	14,167.91	16,250.00	32,500.00
658 - Insurance-Workers Comp.	13,143.40	11,215.15	13,000.00
660 - Advertising	0.00	1,500.00	1,500.00
667 - Regulatory Expense	18,552.00	8,750.00	15,000.00
670 - Uncollectables	0.00	0.00	0.01
675 - Misc. Expenses	7,045.14	5,300.00	9,050.00
680.00 · Uncategorized	1,680.77	0.00	0.00
Total Expense	1,594,882.44	1,581,205.23	2,680,550.10
Net Ordinary Income	-25,968.65	-31,392.10	42,562.48
Net Income	-25,968.65	-31,392.10	42,562.48

Table 3
BRWD Capital Improvement to Equity Performance Summary as of 31 July 2018

Accnt #	Description	Jan-July 2018	Amount
Capital Improvements			
105.01	Marine Construction	\$ 2,250.00	\$ 4,500.00
105.02	Engineering & Excavation	\$ -	\$ 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	\$ 79,517.55	\$ 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
Total Capital Improvements		\$151,048.65	\$ 144,000.00
Principal Repayments			
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	\$ 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	RD 91-18 (estimate - review after audit)	\$ 6,500.00	\$ 6,295.22
221.993	MMBB Consolidation	\$ -	\$ 332,548.06
Total Principal Repayments		\$ 66,486.60	\$ 473,041.97
Sinking and Reserve Fund Contributions			
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
Total Sinking & Reserve Fund Contributions		\$ -	\$ 17,520.50
Fixed Asset Budget			
	2019 Chevrolet 3500 Lift Gate	\$ 56,821.00	55,000.00
	Replacement Compactor	\$ -	8,000.00
	Mcelroy Travel Trailer	\$ -	5,000.00
Total New Fixed Asset Additions		\$ 56,821.00	\$ 68,000.00

2) *The Knickerbocker Lake Association was well attended and Laura Diemer of Forrest Bell Environmental's presentation (on our behalf) on lake modeling and ways to protect the lake was well-received. Article in the Register is good.*

3) *We have submitted NPS site reports for three 319 grant projects completed this year and an invoice for \$5,110. Our goal is to complete three more projects by end of this year. About \$13,000 remains in grant funds.*

The board instructed the manager to formulate a press release letting the public know of the 319 Grant award as well as highlighting the work completed by the district in protecting the district's raw water resources in Adams Pond and Knickerbocker Lake.

6. **SAFETY & TRAINING UPDATE** – The manager reported no injuries, safety violations or known missed inspections during the previous period.
 - a. **Human Resources (HR)** – The manager was pleased to announce that Utilities Technician, Mike Hills had accepted the position of Customer Service Representative (CSR). Presently the outgoing CSR's mission was to impart as much knowledge with new CSR to ensure a smooth transition on 1 January 2019, her retirement date.
 - b. **10-Hour Work Days** - The manager relayed that per managements agreement with labor, regardless of Teamster Union Local #314 inaction with regard with the currently defunct contract, the first summer with seasonal work hours “can be counted on as a success”. The manager reported that overtime was reduced somewhat with worker productivity, and most importantly, worker satisfaction, both excellent. The manager described the regularly scheduled staff meeting, which occurred earlier that day, where staff were debriefed on the trial run. Both labor and management were satisfied that establishing seasonal work hours was a program that should be continued into the future. The manager then informed the board that with Labor Day the following Monday, per local collaboration with labor, the district would be reverting back to the normal work schedule on 5 September 2018; a point in which there was unanimous agreement.
 - c. **Training Update** – Nothing new to report
 - d. **Request for New Full-Time Equivalent (FTE)** - Siting the upcoming retirement of the outgoing CSR as well as the need for training the new CSR, tempered with the upcoming labor demands needed for seasonal water system shutdown, the manager requested the board to consider allowing him authorization to add a replacement Utilities Technician within the Distribution Division, a position to be vacated by the incoming CSR upon retirement of the outgoing CSR. The board approved the unbudgeted request of the manager.

Trustee Climo motioned, Trustee Anthony second, vote unanimous
7. **TREATMENT DIVISION (TD)** — The manager reported that since the previous report filter train efficiency remained at 90% for filter operations and 91% for clarifier performance. Since returning to Adams Pond as the source of raw water, sodium hydroxide use had dropped 62% and aluminum sulfate dosing rates had dropped 21%. Finish water production for the previous period remained below that of 2017 production rates with an average daily production 0.7928 MGD as compared to 2017 production for the same period of time equaling 0.8164 MGD.

- a. **Finish Water Pump #1 Variable Frequency Drive (VFD)** – The manager reported that the new VFD had been replaced on 16 August 2018. *MidCoast Electric* completed an in-depth inspection and performance test of all electrical components associated with FWP1 and had discovered no deficiencies. *Stultz Electric* still maintained that the catastrophic failure of the previous VFD was due to a power surge caused by lightning.

The manager stated that after reviewing all of the facts of the case, taking into account the successful long-standing relationship the district has with both *MidCoast Electric* and *Stultz Electric*, it was his opinion that both parties could be correct in their analysis wherein the manager could not definitively prove a factory or installation defect of the previously new and destroyed VFD. Therefore, the manager included the most recent billing from Stultz Electric, replacing the VFD in that evening’s warrant for remuneration and judged the situation not being a warranty issue.

- b. **Backwash Rate Valve (BRV)** – No change in status.
- c. **Knickerbocker Lake Withdrawal Operations** –Due to manning and other considerations Phase I of 2018’s Knickerbocker Lake withdrawal had been concluded on 23 August 2018. The Boothbay Region Water District had withdrawn 44,573,200 gallons (see Table 4) leaving 6,926,800 gallons in reserve of which the district could return to at any time in 2018.

Table 4			
Boothbay Region Water District			
Knickerbocker Lake Water Withdrawal Report			
Start Date	End Date	Gallons Pumped	Gallons Remaining
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
22-Jul-18	28-Jul-18	6,668,000	32,555,500
29-Jul-18	4-Aug-18	7,510,800	25,044,700
5-Aug-18	11-Aug-18	8,716,000	16,328,700
12-Aug-18	18-Aug-18	6,610,100	9,718,600
19-Aug-18	23-Aug-18	2,791,800	6,926,800
Total Withdrawn		44,573,200	6,926,800

- d. **Drought Monitoring** – The Boothbay region remained in a D-1 – *Moderate Drought* on the U.S. Drought Monitoring Scale with little change in status from the previous report. The manager reported that Adams Pond currently had approximately 200MG in reserve for the remainder of the season and year which, from experience, seemed to be sufficient. The manager stated that he would include in the 11 September 2018 report a graph of Adams Pond water level to ascertain the departure from normal the district will be experiencing with regard to available supply.
8. **DISTRIBUTION DIVISION (DD)** – The manager reported the DD had been active preparing hydrants for the adoption of the district’s new capital improvement plan, supporting the NRPM with 319 Grant construction work and filling in gaps with the districts new GIS system. During the previous period the DD responded to 83 DigSafe requests which includes a spike provided by *Central Maine Power* as part of their capital improvements on the Boothbay Peninsula. This effort had required approximately 100 man-hours to complete.
 - a. **New Building Status Report** – On 27 August 2018 the manager reported that he had met with Dirigo Engineering in Fairfield, Maine where he presented staff’s comments for the new building. At that time the manager informed the board that Dirigo Engineering had been tasked to incorporate the comments into the final plan, prepare the final plans, prepare a package for the district to use in permitting the building within the ordinances of the town of Boothbay and prepare a bid package for the building. The next milestone would be moving the project through the permitting process of the Boothbay planning board of which the manager would be ready to move forward in an estimated 4-weeks.
9. **5 RIVERS REGIONAL WATER COUNCIL** – No change in status.
10. **LAND ACQUISITION UPDATE** – The manager reported that on 16 August 2018 the NRPM and he had met with Ms. Linda Yarmosh J.D. and her clients, Mr. Pat Farrin and Mr. Kip Farrin. The manager relayed that Mr. Pat Farrin began the meeting in informing the manager “*I do not like you (the manager) or like the way you (the manager) do business*” of which the manager described, set the tone of the meeting. The manager went on to inform the board that apparently the Farrin’s had not briefed their attorney with regard to this matter previously leading to a meeting with very little substance. When asked the manager informed the board that the district’s delegation had arrived fully prepared and brought Attorney Yarmosh up-to-speed with regard to the ongoing negotiations thus far, with copies provided by the district to attorney Yarmosh as to the district’s present offer. Attorney Yarmosh then ended the meeting with regard to the district’s participation and stated that she would derive the needs and wants from her clients and prepare a counter offer. The manager concluded this report by informing the board that no correspondence from this camp had been received by the district for trustee evaluation.
11. **CAPITAL IMPROVEMENT PLAN (CIP) UPDATE** – The manager provided the trustees with the “Smooth Copy” of the CIP with all comments and questions raised by the trustees, management and staff addressed and proper modifications incorporated. The manager added that he had secured fire flow maps (wall-size) for all three fire departments (Boothbay, Boothbay Harbor & Southport) and would distribute those after acceptance of the plan.

The manager then stated that once the CIP was accepted, the first order of business would be to arrange a meeting with the regions fire chiefs to discuss improvements to be made over the next several years as well as a thorough review of the new fire flow maps. The manager also stated that it would be his moderately long-term goal to present this to all fire department personnel on the Boothbay peninsula as part of their regular training cycle. Lastly the DD was tasked with

establishing the color coding of the district's 244 hydrants very soon in that it is the goal to have the new color code scheme in-place by the end of September.

The manager concluded his report by informing the board that after final review of the plan, it was his recommendation the board accept the "Smooth Copy" CIP as written. The board accepted the new CIP with Vice Chairman Gamage agreeing to ascertain a time for the manager to host a fire chiefs meeting wherein senior representatives from all three fire departments could be briefed by the manager.

Trustee Gamage motioned, Trustee Climo second, vote unanimous

12. **ISLE OF SPRINGS (IOS)** –No change in status.
13. **ALTERNATIVE ELECTRIC POWER OPTIONS** –The manager informed the board that it was his intention to have the current electrical power contract reviewed by *Verrill & Dana* to ensure the existing contract with *Constellation Energy* would not cause negative impact on the district should the district move forward as well as he was still attempting two more site visits before he would commit to a recommendation to the board.
14. **TRAINING FOR THE BOARD** – Trustee Anthony enquired of the manager when new trustee legal training for the board could be accomplished. The manager thanked trustee Anthony for bringing this forward in that he had been remiss in his duties not addressing this sooner. The manager inquired of the board his suggestion to have Mr. Brian Marshall J.D. of *Verrill & Dana* come to a near future meeting to provide the training, which the manager thought would be tailored to the Boothbay experience. The board supported that plan.
15. The board went into Executive Session pursuant to 1 MRSA §405(6)(A) *personnel matters*, at 1950 hr.
Trustee Climo motioned, Trustee Gamage second, vote: unanimous
16. The board voted to come out of Executive Session at 1958 hr.
. *Trustee Climo motioned, Trustee Anthony second, vote: unanimous*
17. The meeting was adjourned at 1959 hr.
. *Trustee Climo motioned, Trustee Tharpe second, vote: unanimous*

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegler
General Manager

