

12 March 2019

MEMORANDUM

From: Manager
To: Board of Trustees

Subj: MINUTES FOR THE TRUSTEE MEETING 26 FEBRUARY 2019

The Board of Trustees convened at 1800 hrs. **In attendance:** Trustee Pinkham, Boothbay Harbor (Chairman); Trustee Gamage, Southport (Vice-Chairman); Trustee Lewis, Boothbay (Treasurer); Trustee Climo, Southport (Clerk); Trustee Anthony, Boothbay; Trustee Tibbetts, Boothbay Harbor; Jonathan Ziegler, Manager. **Guest:** None. **Absent:** Trustee Tharpe, At-Large.

1. The board approved the minutes for 12 February 2019 with revisions.
Trustee Gamage motioned, Trustee Anthony second, vote unanimous
2. The Payroll for weeks ending 12 February 2019 & 19 February 2019.
Trustee Gamage motioned, Trustee Anthony second, vote unanimous
3. The Transactions for the period of 11 February 2019 through 22 February 2019.
Trustee Gamage motioned, Trustee Anthony second, vote unanimous
4. **ADMINISTRATION-** The manager presented the board the following: Table 1 – Boothbay Region Water District Cash Account Status Report as of 26 February 2018, Table 2 - BRWD Profit and Loss Budget Performance - January 2019 and Table 3 BRWD Capital Improvements and Equity Report - January 2019. The manager then informed the board that the district was making headway in building cash on-hand with a decent savings report. Billing for March was historically low, \$47,087.26 so the manager was intending to pay down \$100,000.00 of the remaining \$300,000.00 in short term financing with *The First*.

Account	Balance
Business Checking	\$ 25,131.30
Deposit Sweep Account	\$ 373,538.70
Liquidity Total	\$ 398,670.00
DESIGNATED FUNDS	
BBH 2007 Sinking Fund	\$ 32.11
Land Acquisition Fund	\$ 14.68
Capital Reinvestment Fund	\$ 1.17
Mt Dora Easement Escrow	\$ 4,768.50
EBB Upgrade 91-20	\$ 2,413.96
Bank of Maine Unemployment CD	\$ 10,431.66
Designated Fund Total	\$ 17,662.08
TOTAL CASH RESERVES	\$ 416,332.08

- a. **2019 Financial Audit Update** - *Haverlock, Estey & Curran, LLC* performed the field portion of the annual financial audit on 19 & 20 February 2019. The manager reported that he had conducted an exit interview with the auditors who informed him of the following:

- No significant deficiencies noted with money handling;
- The new CSR is doing an excellent job;
- No evidence of fraud noted; and
- The books seem to be very much in order.

Haverlock, Estey & Curran, LLC was responsible for compiling the annual Maine Public Utilities Commission (PUC) Report which over the past several years had been late. This year, with the report nearly complete as of that time, with all portions required to be completed either by the manager or *Osman-Page* already submitted, the manager was hopeful the district would make the 1 April 2019 deadline.

5. **NATURAL RESOURCES PROGRAM** – The following review was presented to the board by the NRPM in writing:
- 1) *Work continues on watershed ordinances and grants.*
 - 2) *We will be advertising for the summer intern position soon. Last year was the first year in the last five that we did not have a summer intern and it impacted our ability to meet our sampling goals.*
 - 3) The manager expanded on the NRPM's brevity within her report. On 19 February 2019, both the NRPM and the manager appeared in front of the Boothbay Planning Board to refute the previously reported erroneous statements, presented as fact by Mr. Carlson, concerning the effect of timber harvesting. The manager reported that the NRPM did a magnificent job with her presentation and that he had advised the planning board of the social costs if further degradation of water quality persisted. The manager reported the planning board, after hearing all of the evidence adopted a proposed ordinance change which included all forestry would be permitted and managed by the town of Boothbay.
6. **SAFETY & TRAINING UPDATE** – The manager reported that there had been no safety violations or known missed inspections during the previous period.
- a. **Human Resources (HR)** – The manager reported that he had met with the treatment plant operator on extended medical leave. The manager relayed that the employee would be out for a while but there was a good chance for a full recovery and that his spirits were very good. In light of this prolonged absence, so far, the manning of the treatment plant is going well with very little extra stress for staff.

Table 2
BRWD Profit and Loss Budget Performance -January 2019

DRAFT	Jan 19	YTD Budget	Annual Budget
Ordinary Income/Expense			
Income			
414-Gain on Sale-Misc Inc.	0.00	0.00	0.00
415 - Jobbing	4,008.07	4,726.13	112,675.22
419 - Interest Income	22.53	20.00	350.00
460-RD Grant Revenue (KHS-RD Grant & Loan)	0.00	0.00	30,000.00
461 - Revenue Accounts	74,774.03	74,880.82	3,212,803.77
Total Income	<u>78,804.63</u>	<u>79,626.95</u>	<u>3,355,828.99</u>
Gross Profit	78,804.63	79,626.95	3,355,828.99
Expense			
403-Depreciation Expense	56,500.00	56,500.00	678,000.00
408 -- Taxes other than Income	5,667.01	5,000.00	60,000.00
427-Bond and Loan Interest (Long Term Liab. Interest)	0.00	0.00	0.00
427-Interest Expense	19,500.00	19,593.37	245,050.00
601 - Wages	54,664.14	50,116.80	623,750.00
603 - Trustee Fees	0.00	0.00	10,000.00
604 - Employee Pen. & Benefits	50,832.47	31,886.39	405,500.00
615 - Electricity	5,043.62	5,413.08	61,750.00
618 - Chemicals	1,729.25	0.00	38,600.00
620 - Materials & Supplies	18,670.52	11,673.18	213,300.00
620.7 - Postage	0.00	0.00	0.00
631 - Contr.-Engineering	109.00	1,000.00	12,000.00
632 - Contr. Accounting	4,000.00	4,000.00	63,000.00
633 - Contr. Legal	0.00	1,250.00	15,000.00
634 - Other Professional Fees	0.00	1,250.00	15,000.00
635 - Contr-Other	13,304.20	14,717.80	223,150.00
642 - Rental of Equipment	0.00	0.00	500.00
650 - Transportation	178.02	2,508.26	32,850.00
657 - Insurance - Gen. Liab.	15,918.50	15,000.00	15,000.00
658 - Insurance-Workers Comp.	0.00	8,750.00	35,000.00
660 - Advertising	0.00	0.00	750.00
667 - Regulatory Expense	0.00	0.00	20,000.00
675 - Misc. Expenses	110.85	916.74	11,050.00
680.00 · Uncategorized	0.00	0.00	0.00
Total Expense	<u>246,227.58</u>	<u>229,575.62</u>	<u>2,779,250.00</u>
Net Ordinary Income	-167,422.95	149,948.67	576,578.99
Net Income	<u>-167,422.95</u>	<u>149,948.67</u>	<u>576,578.99</u>

Table 3
BRWD Capital Improvements and Equity Report - January 2019 DRAFT

Accnt #	Description	1-Jan	Amount
Capital Improvements			
105.01	Marine Construction		\$ 10,000.00
105.02	Engineering & Excavation		\$ 10,000.00
105.05	GIS		\$ 3,000.00
105.10	Storage Building Project		\$ 5,000.00
105.22	Logan Road Water Main Replacement		\$ 100,000.00
105.21	Natural Resource Projects		\$ 45,000.00
105.50	Work in Progress - Other	\$ 6,618.50	\$ 2,000.00
Total Capital Improvements		\$ 6,618.50	\$ 175,000.00
Principal Repayments			
221.31	MBB Highland Park		\$ 32,000.00
221.32	MBB Pinkham Standpipe Rehab		\$ 5,500.00
221.33	RD Southport Interconnection		\$ 33,000.00
221.89	SRF Cape Newagen MMBB		\$ 11,000.00
221.92	RD 91-20		\$ 25,000.00
221.93	FNB Consolidation	\$ 10,462.01	\$ 11,500.00
221.95	MMBB Sea Street		\$ 13,000.00
221.97	FNB Fluoride Bond		\$ 7,700.00
221.992	FNB Line of Credit		\$ 300,000.00
221.99	RD 91-18		\$ 6,500.00
221.993	MMBB Consolidation		\$ 340,000.00
Total Principal Repayments		\$ 10,462.01	\$ 785,200.00
Liquid Cash, Reserve Funds & Capital Improvement			
	Petty Cash	\$ 422.49	\$ 150.00
131.3	Checking and Sweep	\$ 132,578.70	\$ 325,000.00
131.5	Unemployment Fund CD	\$ 17,262.64	\$ 10,500.00
131.9	Mt. Dora Easement	\$ 5,073.05	\$ 4,775.00
131.82	Capital Reinvestment	\$ 1.17	\$ 103,000.00
131.86	Land Acquisition	\$ 14.69	\$ 100,071.35
131.87	Southport Interconnection	\$ -	\$ 11,730.14
131.88	RD 91-18	\$ 32.12	\$ 5,987.61
131.89	RD 91-20	\$ 2,414.27	\$ 18,589.89
Total Sinking & Reserve Fund Contributions		\$ 157,799.13	\$ 579,803.99
	McElroy Trailer		\$ 5,000.00
	2020 Chevrolet 2500		\$ 50,000.00
	Total Fixed Asset:		55,000.00

- b. **Training Update** – Training was reported to be very active. District personnel were currently involved with the following:

Safety Training - Annual safety training with *New England Water and Waste Water Training Associates* (NEWWTA) was progressing well and was 2/3 complete. The final session would be held all day on 5 March 2019.

Northern Data Systems Training – The Customer Service Representative (CSR) attended specialized training geared specifically for his position on 14 February 2019. He reported the class was excellent and it cost \$0.00.

Operator Training - Weston Alley and Shawn Simmons will be taking a course for Class III & IV Water System Operator Licensing test preparation on 27 & 28 February 2019 at the York Water District, York, Maine. Weston Alley is slated to sit for his Class IV – Treatment License on 1 March 2019 and Shawn Simmons will sit for his Class III – Distribution License 4 March 2019.

7. **TREATMENT DIVISION (TD)** — The manager reported filter train efficiency since the previous report had improved to 93 % for filter operations and 100% for clarifier performance. Raw water quality continued to show signs of improvement with key chemical additions improving as follows: sodium hydroxide improving to 124% of normal and aluminum sulfate improving to 121% of normal.

Finish water production for the previous period continues to outpace the demand recorded in 2018 with an average daily production increasing to 0.3358 MGD as compared to 2018 production for the same period of time equaling 0.2995 MGD.

- a. **Raw Water Pump Check Valve Replacement** - Raw water pump #2 check valve assembly was installed 19 February 2019 and successfully passed testing and shakedown. The valve went into service on 21 February 2019, thereby marking the successful completion of this project.
- b. **Overhaul Vertical Turbine Raw Water Pump 1 (RWP1) & Finish Water Pump #2 (FWP2)** – The CTPO has been in contact with *Weston and Sampson* to schedule the overhaul and inspection of these two pumps to correct vibration and efficiency problems discovered with these two pumps. The estimated cost of this work evolution will be \$18,550.00. This work is tentatively scheduled for late March 2019.

8. **DISTRIBUTION DIVISION (DD)** – The manager reported the DD continued working general work orders, fire hydrant maintenance, shoveling fire hydrants, correcting problem services and was working toward the completion of the Phase IV Meter Replacement Project and supporting work evolutions within the TD.

During the previous period the DD responded to 0 DigSafe requests, an unbeatable record.

- a. **New Building Status Report** – No change in status.

9. **5 RIVERS REGIONAL WATER COUNCIL** – the manager reported that on 21 February 2019 the 5-Rivers board met at the Boothbay Region Water District. Currently the presidents of both the Maine Water Utilities Association, Scott Abbotoni, Great Salt Bay Utilities District; and the Maine Rural Water Association, Chris Cossette, Wiscasset Water District, were members of the board, who presented updates, mainly focused on legislative efforts. The following issues were examined in detail:

- a. **Brunswick Topsham Water District (BTWD) – Bath Water District (BWD) Merger** – This being the regional lynch pin as a forerunner to a regional water authority had been blocked by the chairman of the BTWD and would no longer be considered until such time as a regime change happened. The board inquired as to why this was important to the district of which the manager replied the future water source for the Boothbay peninsula was owned by BTWD of which they were about to initiate a \$37,000,000.00 project in developing this source, and the first step in bringing this commodity to the Boothbay peninsula was through a regional water authority.
- b. **Wiscasset Sewer Issue due to Mismanagement by the Town of Wiscasset** - The manager reported that the Wiscasset Water District (WWD) relayed that the Wiscasset Sewer Department (WSD) was in serious trouble with the Maine Department of Environmental Protection (DEP) and, being a town department, the town systematically robbed their funding and undermanned the facility. The DEP was coming down on the town of Wiscasset very hard, warranting a tour by the DEP Commissioner. The former town manager, according to the superintendent of the WWD robbed all of the capital improvement funding to pay municipal bills and keep taxes down. The sewer system and plant were reported to be in a state of near collapse and in violation of state rules/laws. The DEP had inquired if the WWD would take this entity over, rebuild it, and divorce the WSD from the town, taking away financial mismanagement from the town and putting it in more capable hands. The manager then explained to the board, according to the American Water Works Association and several peer reviewed papers, utilities in the hands of municipal governments were the absolute worst management structure often leading to situations like this, with quasi-municipal organizations best fit to run utilities nationwide.
- c. **Legislative Report** - The manager reported that there were many bills in the legislature to change the way water was produced in Maine. The manager reported that he was tasked by 5-Rivers to draft comments on LD 197 - *An Act to Convene a Working Group to Authorize a Public Trust for Maine's Groundwater and To Impose a 2-Year Moratorium on Large-scale Groundwater Extraction* which was a bill sponsored by the radical environmentalists which if enacted would take away riparian rights of landowners making groundwater the property of the state. The manager explained that the ramifications of this bill was to wage war on behalf of the radical environmentalists against Nestle Corporation with legal standing. Unfortunately, this would strip the rights of water producers in Maine including BTWD, our future source of water. The manager provided the board with the bill and draft testimony already approved by 5 Rivers. The board tabled discussion on this matter until the 12 March 2019 trustee meeting.

10. **CALL TO ARMS** - Trustee Lewis alerted the board that he had just received a text from the NRPM stating a member of the Boothbay Planning Board, Ms. Dimsie McBride had just requested the planning board to reopen the timber harvesting provisions and resolution (see 5 (3)) of previously reported stating the water district had given faulty testimony and that Mr. Carlson had given only facts and that the vote made the previous meeting be retaken. The NRPM was looking for some backup by the board to block this from happening. Trustee Pinkham instructed the manager to expedite the remainder of his report and that the manager and all able-bodied trustees leave an attend the planning board meeting in support of the NRPM.
11. **LAND ACQUISITION UPDATE** – The manager presented the board with a proposal from attorney Yarmosh on behalf of Mr. Pat Farrin concerning the sale of real estate. The board tabled discussion on this matter.
12. **ISLE OF SPRINGS (IOS)** – The manger reported that *Wright-Pierce* was evaluating the pipe change from stainless steel to high density polyethylene (HDPE) as requested by the district. The number of hangers needed may be modified but other than that it should be very straightforward. The manager reported that he would be meeting with *Fuller Marine* to lock in a construction date once *Wright-Pierce* sent additional requested information.
13. **ALTERNATIVE ELECTRIC POWER OPTIONS** – Nothing new to report
14. **MASSACHUSETT'S ROAD WATER MAIN REPLACEMENT PROJECT** – Nothing new to report.
15. **LOGAN ROAD WATER MAIN REPLACEMENT PROJECT** - The manager reported that *Dirigo Engineering* would be delivering bid specifications for the board for the 12 March 2019 meeting. The manager stated that it was his intention to open the quotes on 9 April 2019 which would give the winning contractor time to schedule projects to meet the district's tight construction window.
16. **AFFORDABLE HOUSING PROJECT** – The manager informed the board that there existed a possible affordable housing project, currently in concept, which will build 15 to 30 affordable homes. *Eric Wood Construction* had been selected to do the site work and the manager had been working with the contractor, as his subcontractor, in developing a quote for water service and fire protection. Nothing was etched in stone as of that point but the manager would keep the board informed if this project should get more traction.
17. The meeting was adjourned at 1829 hr.
Trustee Climo motioned, Trustee Anthony second, vote: unanimous

END OF MINUTES