

11 June 2019

MEMORANDUM

From: Manager
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 28 MAY 2019**

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

1. The board approved the minutes for 14 May 2019.
Trustee Climo motioned, Trustee Bellows second, vote unanimous
2. The **Payroll** for weeks ending 14 May 2019 & 21 May 2019.
Trustee Climo motioned, Trustee Tibbetts second, vote unanimous
3. The **Transactions** for the period of 13 May 2019 through 23 May 2019.
Trustee Climo motioned, Trustee Tibbetts second, vote unanimous
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4. **ADMINISTRATION** – The manager presented the board with Table –*Boothbay Region Water District Cash Account Status Report as of 28 May 2019*, Table 2 – *BRWD Profit & Loss Budget Performance through 30 April 2019*, and Table 3 - *BRWD Capital Improvements and Equity Report as of 30 April 2019*. The manager informed the board that the district was currently in a much-improved cash position however June was a notoriously low billing month, coming in at \$45,737.43. The manager stated that he was inclined to wait to add to the Capital Reserve Account until July at which time he intended to transfer from the SWEEP Account at least \$100,000.00.

Table 1 BOOTHBAY REGION WATER DISTRICT Cash Account Status Report as of 28 May 2019	
Account	Balance
Business Checking	\$ 25,534.02
Deposit Sweep Account	\$ 465,542.15
Liquidity Total	\$ 491,076.17
DESIGNATED FUNDS	
BBH 2007 Sinking Fund	\$ 32.11
Land Acquisition Fund	\$ 14.68
Capital Reinvestment Fund	\$ 200,001.17
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	\$ 217,662.08
TOTAL CASH RESERVES	\$ 708,738.25

Table 2
BRWD Profit & Loss Budget Performance through 30 April 2019

	Jan - Apr 19	YTD Budget	Annual Budget
Ordinary Income/Expense			
Income			
414-Gain on Sale-Misc Inc.	\$ -	\$ -	\$ -
415 - Jobbing	\$ 33,293.24	\$ 22,693.08	\$ 112,675.22
419 - Interest Income	\$ 111.60	\$ 76.49	\$ 350.00
460-RD Grant Revenue (KHS-RD Grant & Loan)	\$ -	\$ 10,000.00	\$ 30,000.00
461 - Revenue Accounts	\$ 1,268,177.07	\$ 1,276,818.05	\$ 3,212,803.77
Total Income	\$ 1,301,581.91	\$ 1,309,587.62	\$ 3,355,828.99
Gross Profit	\$ 1,301,581.91	\$ 1,309,587.62	\$ 3,355,828.99
Expense			
403-Depreciation Expense	\$226,000.00	\$226,000.00	\$678,000.00
408 -- Taxes other than Income	\$17,763.97	\$20,000.00	\$60,000.00
427-Bond and Loan Interest (Long Term Liab. Interest)	\$800.40	\$0.00	\$0.00
427-Interest Expense	\$88,029.10	\$84,348.36	\$245,050.00
601 - Wages	\$186,678.85	\$212,146.85	\$623,750.00
603 - Trustee Fees	\$9,196.72	\$0.00	\$10,000.00
604 - Employee Pen. & Benefits	\$145,222.13	\$130,767.76	\$405,500.00
615 - Electricity	\$14,555.02	\$18,760.93	\$61,750.00
618 - Chemicals	\$8,153.65	\$8,648.25	\$38,600.00
620 - Materials & Supplies	\$66,014.73	\$74,308.62	\$213,300.00
620.7 - Postage	\$320.31	\$0.00	\$0.00
631 - Contr.-Engineering	\$786.00	\$4,000.00	\$12,000.00
632 - Contr. Accounting	\$16,000.00	\$17,000.00	\$63,000.00
633 - Contr. Legal	\$1,756.00	\$5,000.00	\$15,000.00
634 - Other Professional Fees	\$0.00	\$5,000.00	\$15,000.00
635 - Contr-Other	\$66,389.52	\$59,654.87	\$223,150.00
642 - Rental of Equipment	\$0.00	\$0.00	\$500.00
650 - Transportation	\$805.13	\$11,533.28	\$32,850.00
657 - Insurance - Gen. Liab.	\$15,918.50	\$15,000.00	\$15,000.00
658 - Insurance-Workers Comp.	\$9,704.80	\$17,500.00	\$35,000.00
660 - Advertising	\$517.00	\$250.00	\$750.00
667 - Regulatory Expense	\$1,270.00	\$10,200.00	\$20,000.00
675 - Misc. Expenses	\$4,522.49	\$3,666.72	\$11,050.00
680.00 · Uncategorized	\$0.00	\$0.00	\$0.00
Total Expense	\$880,404.32	\$923,785.64	\$2,779,250.00
Net Ordinary Income	\$421,177.59	\$385,801.98	\$576,578.99
Net Income	\$421,177.59	\$385,801.98	\$576,578.99

Table 3

BRWD Capital Improvements and Equity Report as of 30 April 2019

Accnt #	Description	30-Apr	Amount
Capital Improvements			
105.01	Marine Construction	\$ 990.00	\$ 10,000.00
105.02	Engineering & Excavation	\$ 7,349.50	\$ 10,000.00
105.05	GIS	\$ 285.00	\$ 3,000.00
105.10	Storage Building Project (roof) treatment plant	\$ 3,277.50	\$ 5,000.00
105.22	Logan Road Water Main Replacement	\$ 2,002.50	\$ 100,000.00
105.21	Natural Resource Projects	\$ 1,360.00	\$ 45,000.00
105.50	Work in Progress - Other	\$ 17,048.66	\$ 2,000.00
Total Capital Improvements		\$ 32,313.16	\$ 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	\$ 10,669.00	\$ 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	\$ 6,400.00	\$ 6,500.00
221.993	MMBB Consolidation		\$ 340,000.00
Total Principal Repayments		\$ 27,531.01	\$ 785,200.00
	Mcelroy Trailer		\$ 5,000.00
	2020 Chevrolet 2500		\$ 50,000.00
	Total Fixed Asset:		55,000.00

- a. **Administration Office Roof Repairs** – The manager reported that Mr. Charles “Chuck” House had begun re-roofing the Administration Office as budgeted. This process began 23 May 2019 and was expected to be concluded by 30 May 2019.

5. **NATURAL RESOURCES PROGRAM** – The following was presented, in writing, to the board by the NRPM:

1) *Timber harvest ordinance development: We have asked CDC to cover the timber harvest ordinance development costs under our \$10,000 CDC grant and that has been approved.*

2) *Leighton Associates has completed draft watershed and stream maps for the zoning ordinance rewrite. Planning board ordinance revision continues.*

3) *Attended invasive plant mapping training last week and will begin the process of mapping invasive plants on water district property (at least the two parcels that border Adams Pond and Hamrin's) and will develop a remediation plan/ begin removal.*

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 Utilities Technician, Weston Alley, who was currently on his regular annual two-week detail with the United States Coast Guard would be called up to active service over the next few months for a 30-day detail along the Mexican frontier in either Texas or New Mexico. The manager reminded the board that this federal action could cause a manpower crunch with the district, with the manager hopefully knowing more by the next trustee meeting.
 - b. **Summer Intern** – The manager informed the board that the new summer intern, Zach Wise, started earlier that day and was in the process of being outfitted in safety gear as well as indoctrination training in Westbrook at *J. Gaudet and Associates* this week. The manager commented that “he seemed to be a good fit.
 - c. **Training Update** –Nothing new to report
7. **TREATMENT DIVISION (TD)** — The manager reported filter train efficiency since the previous report remained unchanged at 100% efficiency for both filter and clarifier performance. Raw water quality remained stable. Adams Pond had in reserve 228 MG which was very good for this time of year. Key chemical additions remain within a couple percent of normal with no taste or odor issues.

Finish water production continued to outpace production recorded in 2018 for the previous period, with an average daily production increasing to 0.5647 MGD as compared to 2018 production for the same period of time equaling 0.5352 MGD.

- a. **Overhaul Vertical Turbine Raw Water Pump 1 (RWP1) & Finish Water Pump #2 (FWP2)** – *Weston and Sampson* would be here to begin the reinstallation of these two pumps beginning 3 June 2019.
8. **DISTRIBUTION DIVISION (DD)** – The manager reported that the DD had spent the last month, as usual for the time of year, completing seasonal service installation and associated activities. The district was up-to-date with regard to cross-connection control with the DD now moving onto hydrant maintenance and color coding for fire protection.

During the previous period the district discovered what was thought to be severely ruptured service line at 32 Oak Street in Boothbay Harbor. A 14-day disconnection notice was given to the owner of the service. *E. M. Wood Construction* responded as a contractor of the owner where it was found to be a double connection from the curb-stop with a charged line going to places unknown.

The manager informed that board that after researching the “mystery service” the most likely scenario was that during the Great Depression there were a number of homeless areas in Boothbay Harbor where communal water spigots were installed by the town fathers and it is suspected that this may have been one of those water lines. The alternate theory was that this “mystery service” went to an illegal service connection, but as of the meeting that could not be verified. Regardless the line had been disconnected and proved to be a problem with district

infrastructure wherein the district would assume the full-cost of correcting the problem, assessing the residents of 32 Oak Street nothing.

In addition to the relentless job order rush, the DD responded to 17 Dig Safe requests since the previous period.

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

9. **5 RIVERS REGIONAL WATER COUNCIL** –Nothing new to report

10. **LAND ACQUISITION UPDATE** – The manager reported that as directed, an offer to Mr. Pat and Kip Farrin had been made for \$115,000.00 which was negotiated to \$120,000.00, both numbers of which were part of the authorized limit imposed by the board. Mr. Pat Farrin accepted the offer while Mr. Kip Farrin rejected it. The following is a status report by the NRPM who led on this effort:

1) Farrin property acquisition: We met with Pat and Kip and they are considering the offer. I also asked them to consider a right of first refusal should they decide to put the property on the market.

The board went on to discuss where the district goes from here. The board discussed that due to critical infrastructure within the property limits, the use of eminent domain rights, currently held by the board, was an option for obtaining this problem that was still on the table. Trustee Tharpe inquired that since Mr. Pat Farrin had accepted the offer, and was the owner of the property, why the district could not complete the land purchase. The manager responded that apparently both Farrin's needed to be in agreement before any deal would be completed.

11. **ISLE OF SPRINGS (IOS)** – The manager reported that since the previous meeting, due to marine contractor availability the completion of this project had been pushed back to mid-June for installation. The manager informed the board that he would be contacting the IOS engineer, Mr. Dan Flaig P.E., *Wright-Pierce Engineering*, to inform him of the current situation.

12. **ALTERNATIVE ELECTRIC POWER OPTIONS** – Nothing new to report

13. **MASSACHUSETTS ROAD WATER MAIN REPLACEMENT PROJECT** – Nothing new to report

14. **LOGAN ROAD WATER MAIN REPLACEMENT PROJECT** – The manager reported that the current bid, supplied by *E.M. Wood Construction* was \$59,000 over budget. The manager reported that *Dirigo Engineering* had discussed this price with *E.M. Wood Construction* who responded that there would be an effort to trim the budget where possible, but cautioned *Dirigo Engineering* that the high price was a function of the economy wherein all costs associated with this project had gone up; no one was getting any deals at this time.

The manager stated that he was inclined to recommend the district award the contract and take the “dollar cost averaging” approach, cut where possible and live with the price as reflected by the times. The manger reminded the board that over the years the district had taken advantage of poor economic conditions, obtaining many “sweet deals” from local contractors hungry to get any, and all work possible. By not accepting the bid, the district would most likely cause a third year in a

row of no Capital Improvement Projects which, from and infrastructure management perspective, was unacceptable from the managers perspective.

Trustee Climo stated that this situation was a natural function of the economy and stated to the board, “*every once and a while you need to pay the piper*”.

Trustee Tharpe, BRWD Treasurer, was concerned in how to account for this cost overrun. The manager stated that he could move the costs to other line items already in the budget. Trustee Tharpe was not inclined to use this approach recommended by the manager, rather she instructed the manager to show the capital improvement project, in its entirety as a properly accounted for over budget item. Her rationale for this approach was to illustrate the true cost of the Paygo project to aid the district in future budgeting. The board agreed with trustee Tharp’s position.

The board approved the contract for excavation and installation assistance to the district for the *Logan Road Water Main Replacement Project* be awarded to *E.M. Wood Construction* for \$156,250.00.

Trustee Climo motioned, Trustee Blakeslee second, vote unanimous

15. **AFFORDABLE HOUSING PROJECT** – Nothing new to report
16. **BARTERS ISLAND WATER MAIN RELOCATION PROJECT** – Nothing new to report
17. **SQUIRREL ISLAND WATER MAIN** – The manager reported that he had completed much research on this topic and was close to initiating a meeting with the district’s attorney, *Verrill & Dana*. The manager provided the board a brief synopsis of how the district had been steered into this problem based on historical records.

Chairman Gamage and Trustee Blakeslee inquired the source of information the manager had used to ascertain his information wherein the manager responded that he had researched the Maine Legislative Record back as far as 1903, the date of the incorporation of the Squirrel Island Village Corporation; the historical files of the Maine Public Utilities Commission (PUC) as pertaining to their rulings, town of Boothbay Harbor historical records as well as historical records held by the district.

18. **HARRY PINKHAM TRIBUTE** - The manager informed that all was coming together for this tribute but the manager had not yet procured the plaque but was very confident it could be completed by weeks end. As a reminder, the gala event was scheduled for the following Saturday 1 June 2019, starting at 1300 hr. at the American Legion Hall.
19. The meeting was adjourned at 1954 hr.
Trustee Climo motioned, Trustee Blakeslee second, vote: unanimous

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegra
General Manager

