

12 November 2019

MEMORANDUM

From: Manager  
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 22 OCTOBER 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 Anthony, Boothbay (Clerk); Trustee Tibbetts, Boothbay Harbor; Trustee Bellows, Boothbay; Trustee Blakeslee, Boothbay Harbor; Jonathan Ziegler, Manager. **Guest:** None. **Absent:** None.

1. The board approved the minutes for 8 October 2019 with revisions.  
*Trustee Climo motioned, Trustee Bellows second, vote unanimous*
2. The **Payroll** for weeks ending 8 October 2019 & 15 October 2019.  
*Trustee Climo motioned, Trustee Anthony second, vote unanimous*
3. The **Transactions** for the period of 7 October 2019 through 19 October 2019.  
*Trustee Climo motioned, Trustee Anthony second, vote unanimous*
4. **ADMINISTRATION** – The manager provided the board Table 1 – *Boothbay Region Water District Cash Account Status Report as of 23 October 2019*, Table 2 – *Boothbay Region Water District Profit & Loss Budget Performance through 30 September 2019* & Table 3 - *BRWD Capital Improvement to Equity as of 30 September 2019*. The cash reserves of the district were reported to be in a critical position. The manager stated that the reason for this cashflow crunch had nothing to do with rates, spending or any other external factors and that the district remained in-budget with the majority of line items. The problem causing this cashflow issue could be traced back to 2018 wherein the district was forced to carry-over \$300,000.00 in short-term debt from 2018 to 2019 which if this debt had not existed, the funds would have been in reserve. The manager went on to state that the majority of district debt comes due in the fall, prior to November billing, which for 2019 was valued at \$502,232.75, to hit the streets 1 November 2019, with an additional estimated \$300,000 to \$500,000 in seasonal overage billing.

The manager went on to state that he thought the district would be able to make it but failed to take into account a \$62,000 RD payment withdrawn from the SWEEP account on 14 October 2019 leaving us dangerously low with regard to cash reserves. On 17 October 2019 I met with Ms. Brenda Blackman, *The First*, who submitted my request for \$250,000.00 in short-term financing to hold the district over until November billing money comes in. The manager asking the board to approve this interim financing measure and for Chairman Gamage and Treasurer Tharpe to sign a letter stating as such, so that I can deposit this money into our SWEEP account the next day to cover the just approved warrant. The board authorized the manager to do so.

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

Trustee Tharpe inquired of the manager if he thought short-term borrowing should be planned on in the upcoming year. The manager responded by stating that the district reserves were completely depleted in the previous year's leaving the district no cushion but was optimistic that the district could build sufficient reserves in 2020 to begin to build back reserves.

Lastly the manager reported that in the previous period the district added no new customers and received no additional new application for service. Currently the district has 15 applications for new service pending.

Table 1 <b>BOOTHBAY REGION WATER DISTRICT</b> <b>Cash Account Status Report as of 23 October 2019</b>	
Account	Balance
Business Checking	\$ 28,621.77
Deposit Sweep Account	\$ -
<b>Liquidity Total</b>	<b>\$ 28,621.77</b>
<b>DESIGNATED FUNDS</b>	
BBH 2007 Sinking Fund	\$ 32.11
Land Acquisition Fund	\$ 14.68
Capital Reinvestment Fund	\$ 2.00
Mt Dora Easement Escrow	\$ 4,768.50
EBB Upgrade 91-20	\$ 2,413.96
Bank of Maine Unemployment CD	\$ 17,311.25
<b>Designated Fund Total</b>	<b>\$ 24,542.50</b>
<b>TOTAL CASH RESERVES</b>	<b>\$ 53,164.27</b>

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

*1) 319 grants: We have completed all the reporting requirements for our 2016 DEP NPS remediation grant and DEP has issued a closeout letter. Attached are the final project report and DEP letter. We continue to struggle to obtain a contractor for the Pine Woods Road project, which will be the largest project under our 2018 grant. Both Eric Wood and Jody Lewis have indicated interest but neither has provided an estimate to date. Because this project is so costly, we have held up work at other potential sites so as not to overspend.*

*2) Land conservation: Awaiting further updates from BRLT, whose Board meets this week. Jon Ziegler has discussed a possible donation from the First National Bank with Brenda Blackman. We will speak to the Rotary on Nov. 14. Fundraising is still more a concept than a reality. The Board indicated that they would like to talk with YMCA Board members/ Andy Hamblett. Looking for direction on when the Board would like this to happen and who to invite.*

*3) CMBG has been working to establish better relations with the water district. We toured all of the CMBG site's stormwater management structures with Adam Harkins two weeks ago and will observe water sampling this week.*

*4) There have been difficulties recently with a private property owner, who is establishing a riding ring and horse pasture along a watercourse that flows into Knickerbocker Lake. There is a lot of exposed bare soil, poor erosion control and the property owner has been uninterested in making minor improvements to manage the site. We are waiting on CEO and DEP action on this one.*

*5) I am summarizing the results of the septic survey of Knickerbocker Lake shorefront property owners.*

Table 2

## Boothbay Region Water District Profit &amp; Loss Budget Performance through 30 September 2019

	Jan - Sep 19	YTD Budget	Annual Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
415 - Jobbing	72,842.46	87,366.97	112,675.22
419 - Interest Income	476.46	216.11	350.00
460-RD Grant Revenue (KHS-RD Grant & Loan)	0.00	30,000.00	30,000.00
461 - Revenue Accounts	2,335,402.09	2,236,684.68	3,212,803.77
<b>Total Income</b>	2,408,721.01	2,354,267.76	3,355,828.99
<b>Gross Profit</b>	2,408,721.01	2,354,267.76	3,355,828.99
<b>Expense</b>			
403-Depreciation Expense	508,500.00	508,500.00	678,000.00
408 -- Taxes other than Income	40,558.16	45,000.00	60,000.00
427-Bond and Loan Interest (Long Term Liab. Interest)	1,482.40	0.00	0.00
427-Interest Expense	185,529.10	185,845.01	245,050.00
601 - Wages	424,426.62	467,934.38	623,750.00
603 - Trustee Fees	9,196.72	10,000.00	10,000.00
604 - Employee Pen. & Benefits	342,093.20	298,200.31	405,500.00
615 - Electricity	44,649.06	47,269.96	61,750.00
618 - Chemicals	42,258.44	32,897.99	38,600.00
620 - Materials & Supplies	143,228.87	175,203.26	213,300.00
620.7 - Postage	1,041.03	0.00	0.00
631 - Contr.-Engineering	11,300.49	9,000.00	12,000.00
632 - Contr. Accounting	49,000.00	51,000.00	63,000.00
633 - Contr. Legal	17,568.93	11,250.00	15,000.00
634 - Other Professional Fees	212.50	11,250.00	15,000.00
635 - Contr-Other	194,485.14	174,315.49	223,150.00
642 - Rental of Equipment	0.00	500.00	500.00
650 - Transportation	16,222.71	25,324.98	32,850.00
656 - Insurance-Vehicles	0.00		
657 - Insurance - Gen. Liab.	32,324.00	15,000.00	15,000.00
658 - Insurance-Workers Comp.	12,182.40	26,250.00	35,000.00
660 - Advertising	1,389.86	750.00	750.00
667 - Regulatory Expense	15,362.90	19,500.00	20,000.00
675 - Misc. Expenses	9,835.21	8,300.02	11,050.00
680.00 · Uncategorized	85.00	0.00	0.00
<b>Total Expense</b>	2,102,932.74	2,123,291.40	2,779,250.00
<b>Net Ordinary Income</b>	305,788.27	230,976.36	576,578.99
<b>Net Income</b>	<b>305,788.27</b>	<b>230,976.36</b>	<b>576,578.99</b>

Table 3

## BRWD Capital Improvement to Equity as of 30 September 2019

Accnt #	Description	30-Sep	Amount
<b>Capital Improvements</b>			
105.01	Marine Construction	\$ 22,470.63	\$ 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	\$ 20,850.51	\$ 100,000.00
105.21	Natural Resource Projects	\$ 1,360.00	\$ 45,000.00
105.50	Work in Progress - Other	\$ 81,489.04	\$ 2,000.00
<b>Total Capital Improvements</b>		<b>\$ 137,082.18</b>	<b>\$ 175,000.00</b>
<b>Principal Repayments</b>			
221.31	MBB Highland Park		\$ 32,000.00
221.32	MBB Pinkham Standpipe Rehab		\$ 5,500.00
221.33	RD Southport Interconnection	\$ 31,781.27	\$ 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	\$ 12,747.00	\$ 13,000.00
221.97	FNB Fluoride Bond	\$ 6,483.02	\$ 7,700.00
221.992	FNB Line of Credit	\$ 300,000.00	\$ 300,000.00
221.99	RD 91-18	\$ 6,400.00	\$ 6,500.00
221.993	MMBB Consolidation	\$ 336,970.96	\$ 340,000.00
<b>Total Principal Repayments</b>		<b>\$ 715,513.26</b>	<b>\$ 785,200.00</b>
<b>Liquid Cash, Reserve Funds &amp; Capital Improvement</b>			
	Petty Cash	\$ 422.49	\$ 150.00
131.3	Checking and Sweep	\$ 62,674.61	\$ 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	<b>Capital Reinvestment</b>	\$ 115.45	\$ 103,000.00
131.86	Land Acquisition	\$ 14.71	\$ 100,071.35
131.87	Southport Interconnection	\$ -	\$ 11,730.14
131.88	RD 91-18	\$ 32.15	\$ 5,987.61
131.89	RD 91-20	\$ 2,416.67	\$ 18,589.89
<b>Total Sinking &amp; Reserve Fund Contributions</b>		<b>\$ 88,011.77</b>	<b>\$ 579,803.99</b>

6) *We continue to work with Town Planning Board on ordinance revision.*

7) *Pond water sampling for the 2019 season has ended. We have requested and received a waiver from Inland Fish and Wildlife that will allow us to operate motors on Adams Pond. Presently, sampling at Adams Pond is done from a canoe and requires two people. With a flat-bottomed boat with center sampling port and an electric motor, sampling could be accomplished by one person (which is the situation at Knickerbocker). This will reduce costs in staff time and allow more flexibility for sampling.*

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)** – Nothing new to report
  - b. **Training Update** – Aaron Durgan began his Class I & II Water Operators training course this morning and will be training for the next four weeks.
7. **TREATMENT DIVISION (TD)** — The manager reported filter train efficiency remained the same as the previous period with filter performance holding steady at 87% efficiency and clarifier performance holding at 91%. Key chemical additions are holding steady, ranging between 10% to 15% above normal with taste or odor issues subsiding. Water reserves remain at 95+/-%.

Finish water production is outpacing that recorded in 2018 with average daily production at 0.4099 MGD as compared to 2018 production for the same period of time equaling 0.3572 MGD

- a. **Adams Pond Intake Repair** – The manager reported that *Fuller Marine Services* removed the broken air scour system for re-work on 11 October 2019. The components for repair were obtained locally and DD staff manufactured new air scour piping. On 22 October 2019, *Fuller Marine Services* returned and reinstalled the new system. The new system was tested satisfactorily and that this project was now considered complete.
8. **DISTRIBUTION DIVISION (DD)** – The manager reported the DD was in full seasonal water shutdown mode right now with approximately 65% of the meters retrieved. Seasonal shutdown was delayed due to the most recent Nor'easter which hit on 17 October 2019, at the request of the regions fire chiefs. Seasonal Shutdown began on 18 October 2019.

In the previous period the DD responded to 24 Dig Safe requests which was normal for this time of year.

- a. **New Building Status Report** – The manager reported he was still trying to meet with the Boothbay Code Enforcement Officer (CEO).
  - b. **New Replacement Vehicle** - No change in status.
9. **5 RIVERS REGIONAL WATER COUNCIL** – The manager reported that a Superintendents meeting was scheduled for 25 October 2019 at the Brunswick & Topsham Water District.
10. **LAND ACQUISITION UPDATE** – Nothing new to report.
11. **ALTERNATIVE ELECTRIC POWER OPTIONS** – Nothing new to report

12. **MASSACHUSETTS ROAD WATER MAIN REPLACEMENT PROJECT** – The manager reported that this project was on. The Massachusetts Road Association accepted a bid from *E.M. Wood Construction* at \$67/foot and a revised cost estimate from the district was in-process. The manager informed the board that he planned to meet with from *E.M. Wood Construction* before the next meeting to discuss scheduling. As soon as the cost estimate was paid in-full the manager stated staff would order all materials and that he would have a recommendation to the board for this project to proceed.
13. **AFFORDABLE HOUSING PROJECT** — Nothing new to report.
14. **BARTERS ISLAND WATER MAIN RELOCATION PROJECT** – Nothing new to report
15. **SQUIRREL ISLAND (SI) WATER MAIN** – The manager reported that the district’s meeting with PUC had been pushed back until 30 October 2019. On 12 October 2019, Chairman Gamage, Mr. Brian Marshall, J.D., *Verrill & Dana* and he went to the SIVC board meeting which included about 30 to 40 residents of Squirrel Island. Attorney Marshall laid out the case for turning over the water main and the change in the cost of water for SIVC. There remained some unanswered questions which only PUC and the Drinking Water Program (DWP) could answer but the general consensus was that there may be some traction with the islanders to see this happen. Overall both Chairman Gamage and the manager stated it was a positive meeting.
16. **GRANDVIEW AVENUE WATER MAIN UPGRADE PROJECT** –Nothing new to report
17. The meeting was adjourned at 1930 hr.  
. *Trustee Climo motioned, Trustee Anthony second, vote: unanimous*

**END OF MINUTES**

Respectfully Submitted,

Jonathan E. Ziegra  
General Manager

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