

9 March 2021

MEMORANDUM

From: Manager
To: Board of Trustees

23 JGZ 2/23/21

Subj: MINUTES FOR THE TRUSTEE MEETING ~~26~~ FEBRUARY 2021

The Board of Trustees convened at 1800 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 9 February 2021.
Trustee Climo motioned, Trustee Tibbetts second, vote: unanimous.
2. Approve Transactions for 8 February 2020 through 22 February 2021
Trustee Climo motioned, Trustee Tibbetts second, vote: unanimous.
3. **ADMINISTRATION** – The manager provided the board with Table 1 – *Boothbay Region Water District Cash Account Status Report as of 26 January 2021*, Table 2 – *BRWD Profit & Loss Budget Performance as of 31 January 2021* and Table 3 – *BRWD Capital Improvements and Equity as of 31 January 2021*. Trustee Blakeslee informed the manager to provide any written notes concerning the financial table review, provided to him by the Administrative Manager prior to his report along with making sure those notes were cross-referenced to specific budget line items. The manager reported that the March billing was scheduled to be sent 1 March 2021 and had a value of \$47,613.00.

Table 1 BOOTHBAY REGION WATER DISTRICT Cash Account Status Report as of 23 February 2021	
Account	Balance
Business Checking	\$ 25,440.71
Deposit Sweep Account	\$ 293,813.14
Liquidity Total	\$ 319,253.85
DESIGNATED FUNDS	
BBH 2007 Sinking Fund	\$ 20,338.19
Land Acquisition Fund	\$ 14.72
Capital Reinvestment Fund	\$ 131.24
Mt Dora Easement Escrow	\$ 5,073.05
Southport Sinking Fund	\$ 46,651.27
EBB Upgrade 91-20	\$ 62,285.54
Bank of Maine Unemployment CD	\$ 17,295.00
Designated Fund Total	\$ 151,789.01
TOTAL CASH RESERVES	\$ 471,042.86

Table 2

BRWD Profit & Loss Budget Performance as of 31 January 2021

	Jan 21	YTD Budget	Annual Budget
Ordinary Income/Expense			
414-Gain on Sale-Misc. Inc.	\$ -	\$ -	\$ 5,000.00
415 - Jobbing	\$ 9,067.34	\$ 9,008.07	\$ 110,000.00
419 - Interest Income	\$ 32.83	\$ 33.33	\$ 400.00
460-RD Grant Revenue (KHS-RD Grant & Loan)	\$ -	\$ -	\$ -
461 - Revenue Accounts	\$ 76,337.33	\$ 48,274.82	\$ 3,465,522.00
421 · 421-Non-Utility Income	\$ -	\$ -	\$ -
	<u>\$ 85,437.50</u>	<u>\$ 57,316.22</u>	<u>\$ 3,580,922.00</u>
Gross Profit		\$ 85,437.50	\$ 57,316.22
403-Depreciation Expense	\$ 56,500.00	\$ 56,500.00	\$ 678,000.00
407-Amortization Expense	\$ -	\$ -	\$ -
408 -- Taxes other than Income	\$ 5,346.46	\$ 5,600.00	\$ 60,000.00
427-Bond and Loan Interest (Long Term Liab. Interest)	\$ -	\$ 425.00	\$ 5,100.00
427-Interest Expense	\$ 24,506.48	\$ 22,384.91	\$ 270,168.85
601 - Wages	\$ 49,606.48	\$ 61,306.74	\$ 689,350.00
603 - Trustee Fees	\$ -	\$ -	\$ 10,000.00
604 - Employee Pen. & Benefits	\$ 48,460.07	\$ 48,984.51	\$ 520,000.00
615 - Electricity	\$ 4,959.81	\$ 4,492.18	\$ 69,000.00
618 - Chemicals	\$ -	\$ 2,773.65	\$ 53,525.00
620 - Materials & Supplies	\$ 7,996.43	\$ 22,186.29	\$ 313,550.00
620.7 - Postage	\$ 26.35	\$ -	\$ -
631 - Contr.-Engineering	\$ -	\$ 109.00	\$ 18,000.00
632 - Contr. Accounting	\$ -	\$ -	\$ 14,000.00
633 - Contr. Legal	\$ -	\$ 5,000.00	\$ 50,000.00
634 - Other Professional Fees	\$ -	\$ 416.67	\$ 5,000.00
635 - Contr-Other	\$ 6,140.60	\$ 24,527.00	\$ 275,350.00
642 - Rental of Equipment	\$ -	\$ -	\$ 500.00
650 - Transportation	\$ 2,714.95	\$ 779.32	\$ 35,700.00
656 - Insurance-Vehicles	\$ -	\$ -	\$ -
657 - Insurance - Gen. Liab.	\$ -	\$ 17,500.00	\$ 35,000.00
658 - Insurance-Workers Comp.	\$ -	\$ -	\$ 15,000.00
660 - Advertising	\$ -	\$ -	\$ 1,000.00
666 - Rate Case	\$ -	\$ -	\$ -
667 - Regulatory Expense	\$ -	\$ -	\$ 25,000.00
675 - Misc. Expenses	\$ 2,007.64	\$ 2,125.40	\$ 31,000.00
670 · Uncollectable	\$ -	\$ -	\$ 0.01
680.00 · Uncategorized	\$ -	\$ -	\$ -
	<u>\$ 208,265.27</u>	<u>\$ 275,110.67</u>	<u>\$ 3,174,243.86</u>
Net Ordinary Income		<u>\$ (122,827.77)</u>	<u>\$ (217,794.45)</u>
Net Income		<u>\$ (122,827.77)</u>	<u>\$ (217,794.45)</u>

Table 3

BRWD Capital Improvements and Equity as of 31 January 2021

Accnt #	Description	31-Jan	Budget
Capital Improvements			
105.01	Marine Construction		\$ 15,000.00
105.02	Engineering & Excavation		\$ 15,000.00
105.04	Knickerbocker Lake Source - New Boat Launch	\$ 148.93	\$ 5,000.00
105.05	GIS		\$ 3,000.00
105.10	Storage Building Project (prepaid)		\$ 20,000.00
105.16	Meter Upgrades	\$ 102,781.57	\$ 100,000.00
105.17	Land Acquisition: (To be financed through MMBB)		\$ 2,500.00
105.21	Natural Resource Projects		\$ 25,000.00
105.23	Massachusetts Road Project		\$ -
105.24	Barlow Hill & Mariner Way Water Main Replacement		\$ 2,500.00
105.25	Land Acquisition: Farrin Property		\$ -
105.26	Adams Pond Source - New Boat Launch		\$ 10,000.00
105.27	Raw Water Pump Station. Upgrade RWP#1 Vertical Turbine		\$ -
105.28	Treatment Plant-Piping Gallery Safety Improvements Treatment Plant Replace Backwash Waste Pumps & Check Valves		\$ -
105.29			\$ 15,000.00
105.30	2020 SCADA Upgrades		\$ 5,000.00
105.31	Rice Road Water Main Replacement Project		\$ 130,000.00
105.50	Work in Progress – Other	\$ -	\$ 15,000.00
	Total Capital Improvements	\$ 102,930.50	\$ 363,000.00
Principal Repayments			
221.9	MBB Highland Park		\$ 32,255.00
221.94	SRF Mt Pisgah Tank		\$ -
221.95	Farrin Property (new less \$ 50,000 grant) \$84,640	-	\$ 8,090.00
221.32	MBB Pinkham Standpipe Rehab	-	\$ 5,380.00
221.33	RD Southport Interconnection		\$ 34,600.00
221.89	SRF Cape Newagen MMBB		\$ 10,883.00
221.92	RD 91-20		\$ 25,500.00
221.93	FNB Consolidation	\$ 11,207.18	\$ 10,300.00
221.95	MMBB Sea Street		\$ 13,084.00
221.97	FNB Fluoride Bond		\$ 6,200.00
221.99	FNB Curtis Annex	\$ -	\$ 45,764.31
221.99	RD 91-18		\$ 7,100.00
221.99	MMBB Consolidation		\$ 349,313.00
	Total Principal Repayments	\$ 11,207.18	\$ 548,469.31

- a. **Vulnerability Assessment (VA) Update** –No change in status.
 - b. **2020 annual Financial Audit** - On 22 February 2021 auditors from *Haverlock, Estry and Curran* arrived on-site to begin the annual financial audit. The manager reported that after the first day of fieldwork, during his exit interview with the auditors, there were no “red flags” noted. Field work was scheduled to be completed 24 February 2021.
 - c. **Cyber Security Audit** – The manager reported that on 12 February 2021, trustee Bellows and he interviewed the principal of *CastleGarde LLC*, a highly recommended cyber security contractor, based in Tampa, Florida. Trustee Bellows reported that after a detailed discussion concerning the security measures of the district, he requested a proposal. On 16 February 2021 Trustee Bellows reviewed the proposal, having one question to be answered of which the manager was still waiting for the answer. That said, after Trustee Bellows report the board was comfortable with the manager engaging *CastleGarde* at the estimated cost of \$4,500.00, not needing board approval in that the manager had already the authority to commission this report under Engineering Services. The manager informed the board of his gratitude to Trustee Bellows for handling the interview and subsequent proposal review in that this subject matter was in no way the specialty of the manager.
4. **NATURAL RESOURCES PROGRAM** – The following report was submitted, in writing by the NRPM:
- a. **Land Conservation** - *Boothbay Region Clean Drinking Water Initiative: The watershed collaborative now has a name and a mission and vision statement (attached). The water district has contracted with Forrest Bell Environmental to help move the group forward with an action plan and timeline. Although all members of the group are engaged, it has been difficult to make progress in one hour zoom meetings. We expect that having FBE working behind the scenes between meetings will resolve that issue. The FBE proposal is attached. Source Water Protection grants funds from 2020 that we were unable to use because of COVID-19 will fund this contract.*

Possible acquisitions: We walked the Michael Sherman property with the appraiser on February 15. We anticipate a completed appraisal by March 15. Henry Rowe’s heirs have been in contact again and are having their 11 acres parcel appraised.
 - b. **Reports** - *The draft 2020 water quality and withdrawal report is attached. Comments are welcome.*
 - c. **Watershed Projects** - *We applied for a Maine Conservation Corp Field Team to tackle the invasive plant problem on the woodland between Adams Pond and the District Office this summer. If we are successful with this application, we will seek a Source Water Protection grant to offset costs.*

The Coburn House property, which has long been vacant due to unforeseen consequences of the 2004 ordinances, may finally be reoccupied. Dr. Clarkson is proposing to site his dental practice on the property.

Foods-Truck-A-Go morphed into an outdoor “ice palace” and traffic jam nightmare. The Board of Selectmen are looking to address this project that somehow fell through the permitting process – as near as I can tell, the CEO determined that no permit was necessary.

- d. **Monitoring** - *We have obtained a no motor exemption for water sampling on Adams Pond from Maine Inland Fish and Wildlife.*

With this permit in hand, for the first time since the early 2000s, we have collected water samples through the ice. We have also purchased a 14' Jon boat for Adams Pond. This will move us from a shaky canoe that requires two people to a stable sampling platform that can be managed by one person.

5. **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 despite the States lack prioritization for the water industry with regard to vaccine prioritization the all field staff have received, or had the opportunity to receive their initial vaccination for the COVID-19 virus. This action was completed through back channels and through organizations that realized the need for immunizing water district field staff on the Boothbay peninsula. The manager did inform the board that even though the first vaccinations were provided the district would remain on the “Blue-Gold” rotation until 8 March 2021 at which time all field staff would have had the opportunity for the two-vaccine cycle. At that time, the manager intended to suspend the “Blue-Gold” rotation in order to prepare for seasonal water service preparation. In addition, the manager informed the board that other priorities needed to be restarted including cross-connection control program testing and Phase IV meter installations. The manager was still working on obtaining vaccines for administrative staff and trustees with no date set. Lastly the manager informed the board that the BRWD COVID-19 Policy would remain in effect until further notice.
- b. **Training Update** – Annual safety training, scheduled to begin 1 March 2021 has been postponed until such time as the Blue-Gold rotation is complete as well as all staff have had an opportunity to receive the COVID-19 vaccinations.
6. **TREATMENT DIVISION (TD)** —The manager reported that filter train efficiency over the previous period unchanged with clarifier performance remaining at 91% and filter performance maintaining 83% efficiency. Key chemical additions have dropped to 25% below average.

For the previous period finish water production ran under that registered in 2020 with the most recent totals averaging 0.3215 MGD as compared to the same period in 2020 which averaged 0.3394 MGD.

Current raw water reserves improved with Adams Pond equaling 259.2 MG.

- a. **Drought Report** – During the previous period, on a statewide level the drought remains static with the drought free zone encompassing 92 % of the state. The Boothbay Region drought classification remains D0 Drought (*Unusually Dry*) status along with the coastal area of York, Lincoln, Knox, Hancock, and Waldo Counties.

- b. **Sodium Silicate Bulk Tank Replacement** –During the previous period the remaining piping was installed and hydrotested satisfactorily. On 18 February 2021 we received 23,000 lbs. of sodium silicate without incident. This is the final report considering this effort.

7. **DISTRIBUTION DIVISION (DD)** – The manager reported that the DD was continuing to meet the bare minimums continue to be met since the previous report with staffing at 50%. We remain current with all regulatory and health requirements, except for cross-connection control testing.

Outfitting work of the Lew Curtis Annex continues.

8. **5 RIVERS REGIONAL WATER COUNCIL** – The manager reported that on 11 February 2021, the managers of the member water districts met in Wiscasset. This was the first meeting wherein the new general manager of the Brunswick-Topsham Water District, Craig Douglas, was in attendance. Several important topics were discussed, and a plan of action and milestones was created.

- a. **Regionalization** – Prior to Craig Douglas accepting his new post he was on-record as opposing further amalgamation of water districts. Craig is a professional engineer and as such looks at all problems as an engineer. However, once taking his current post, coupled with the fact that he is in the process of completing a \$42M treatment plant in Topsham, he was now exposed to other realities, chief among them, how he intended to pay for the new, much needed treatment plant with only 11,000 service connections. The manager informed the board that this debt load for the Brunswick-Topsham Water District would be akin to the BRWD borrowing \$15M with an annual debt service load of approximately \$750K. Mr. Douglas position to further amalgamation and regionalization had softened considerably.

The manager then informed the board that together with the Wiscasset Water District (WWD), a meeting with the Edgcomb selectmen, tentatively set for 26 February 2021 to lay out the 5-Rivers Consolidation Study, compiled by *Wright-Pierce* where the final and vital, system interconnection would need to traverse; the Route 1 & Route 27 corridors. Both the WWD and the BRWD's intent was to have the town of Edgcomb entertain the possibility of joining the Wiscasset Water District, as a represented member, thereby creating a solid link of territory beginning at the Freeport/Brunswick line, continuing into Nobleboro.

Th trustees were reminded that the long-term water supply for the Boothbay Region would, in all likelihood, originate at the Topsham wellfield making its viability of great concern of the BRWD.

- b. **PFAS & PFOA Legislation** – The manager reported that he had been tasked to lobby Representative Holly Stover, who currently sits on the *Health and Human Services Committee* regarding PFOA & PFAS legislation currently being considered by that committee. Representative Stover agreed to a meeting on 19 February 2021 where the scheduled ½ -hour meeting stretched to over two-hours not only covering the PFOA & PFAS issue but many other issues critical to the BRWD and the state's water industry. Representative Stover agreed with the districts position concerning the proposed legislation wherein she considering the bill, LD-164 to be an unfunded mandate perpetuated by the state and not based in science. All indications show that Representative Stover would vote “ought-not-to-pass” on LD-164.

- c. **MRWA Legislative Committee** – The manager informed the board that he had been asked to serve on the MRWA Legislative Committee fundamentally representing 5-Rivers and more specifically the BRWD. The first meeting was to occur on 19 February 2021, however, discussions with Representative Stover trumped his attendance. Current legislative bills that could impact the district included:

- i. LD- 184 - *An Act to Minimize the Propagation of Invasive Aquatic Plants.*
- ii. LD-206 - *Resolve, Lead Testing in School Drinking Water;* and
- iii. LD-245 – *An Act Regarding Rural Water Districts.*

- d. **PUC Deregulation** – Lastly the manager reported that this is potential action was timely in that on 19 February 2021 a growing faction of small water districts statewide had begun a movement through the trade organizations to introduce legislation to liberate the state’s water utilities from PUC interference. The reasoning for this move was due to recent inane rulings leading to widespread insolvency issues for many small water utilities, a severe lack of responsiveness by the consumer assistance division (CAD), high cost of “one size fits all” regulation and lack of effectiveness, due to PUC staff poor performance, in tackling the states massive infrastructure shortfall.

The manager reported he had been tasked to research deregulation, draft a 5-Rivers position paper which once accepted, be presented to each 5-Rivers board of trustees for possible adoption. Stay tuned!!

9. **LAND ACQUISITION UPDATE** – See 2 - NATURAL RESOURCES, (a) **Land Conservation**
10. **ALTERNATIVE ELECTRIC POWER OPTIONS** – No change in status
11. **SQUIRREL ISLAND VILLAGE CORPORATION (SIVC) WATER MAIN** – Chairman Gamage provided a final report on the SIVC bringing the board up to speed with most recent conversations with legal representation.
12. **NEW MAINTENANCE GARAGE PROJECT** – The manager informed the board that he was awaiting an estimate for a lightening protection system. Led by Trustee Anthony there was further discussion concerning the height of the doors on the building with no further action taken.
13. The meeting was adjourned at 1906 hr.
• *Trustee Climo motioned, Trustee Tibbetts second, vote: unanimous.*

END OF MINUTES

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