

10 January 2023

MEMORANDUM

From: Manager
To: Board of Trustees

Subj: MINUTES FOR THE TRUSTEE MEETING OF 27 DECEMBER 2022

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

1. The board approved the minutes for 13 December 2022.
Trustee Climo motioned, Trustee Anthony second, vote: Yea unanimous.
2. The board approved payroll for 13 December 2022 & 20 December 2022.
Trustee Climo motioned, Trustee Anthony second, vote: Yea unanimous.
3. The board approved transactions for 12 December 2022 through 23 December 2022.
Trustee Climo motioned, Trustee Anthony second, vote: Yea unanimous.
4. **ADMINISTRATION**– The manager provided the board with Table 1- *Boothbay Region Water District Cash Account Status Report as of 27 December 2022*. The value of the billing for routes 1 & 2 was reported to be \$72,660.76 which would be billed on 1 January 2023. During the previous period the district received one (1) new service applications and added zero new customers.

Table 1 BOOTHBAY REGION WATER DISTRICT Cash Account Status Report as of 27 December 2022	
Account	Balance
Business Checking	\$ 25,000.00
Deposit Sweep Account	\$ 1,113,202.11
Liquidity Total	\$ 1,138,202.11
DESIGNATED FUNDS	
BBH 2007 Sinking Fund	\$ 20,345.64
Land Acquisition Fund	\$ 2,516.78
Capital Reinvestment Fund	\$ 3,185.98
Mt Dora Easement Escrow	\$ 4,789.97
Southport Sinking Fund	\$ 55,998.06
EBB Upgrade 91-20	\$ 62,308.35
Bank of Maine Unemployment CD	\$ 17,365.77
Designated Fund Total	\$ 166,510.55
TOTAL CASH RESERVES	\$ 1,304,712.66

- a. **BRWD Budget Performance Report as of 30 November 2022** - The AM provided the board a detailed report of the district’s financial position as of the end of November. There were no “red flag” issues to report and all trustee questions were answered to the boards satisfaction.

- b. **2023 BRWD Draft Budget Update**. – The manager apologized for not having a draft of the 2023 BRWD Budget Proposal, citing the need to complete several tasks before presenting a budget proposal. However, the manager provided the board with a narrative covering several major topics. The manager then informed the board that the budget was tight, and the board was reminded that it is perfectly acceptable to pass the budget in January.
 1. **Rate Increase** – The manager presented to the board that it should be of no surprise that the district will be preparing a rate case to be submitted and approved in 2023 by the Maine Public Utilities Commission (PUC), to become active 1 January 2024. The manager explained that the district was currently absorbing unprecedented cost increases for nearly all inputs necessary to operate the district, and that it had been five years since the current rate structure was adopted. The board was asked to remember that our customers have told the district not to wait too long between rate cases.

 2. **Revenue** – During the current rate cycle the district had experienced sustained growth in the customer base because of the COVID-19 pandemic and technology changing the modern work environment allowing families to relocate to more favorable locations while being able to work remotely. This phenomenon manifested itself in sustained increases in income from more residential customers being added. Likewise with the lessening of travel restrictions the tourist trade had steadily increased since the end of the pandemic, showing the commercial revenue increasing as well. In 2023, using a conservative approach, the district is expecting revenue to take in \$3.594M, realizing \$3.741M in 2022, a drought year.

 3. **Bonds** – In 2022 the district paid off the treatment plant dropping the annual bond payments by approximately \$180K. However, the district will, or has already, add two new bonds in 2023 including a Maine Bond Bank bond for the *Ocean Point Water Main Installation Project* and a new bond with *The First for Treatment Plant Filter Overhaul/Barbers Island East Side Road Looping Project*. Lastly, it is the tradition of the district to purchase vehicles, paying cash. This year, due to budget constraints, the required replacement vehicle will be purchased through short term loan as annotated in ***222.10 -2024 Utility Truck***.

 4. **Labor** – Due to runaway inflation the CPI-October for 2022 reached 7.7% for non-union employees, with union employees capped at 4%. Additionally, the district accumulated some superior performance reports requiring merit increases, as well as across the board increases in all benefits provided, requiring an extra \$134K to be budgeted as compared to 2022.

 5. **Materials and Supplies (MS)** – In general the MS line items were generously funded.

6. Contractual Services - The district requires a great deal of contractual services to efficiently meet its mission. These mostly comprise private firms who are unconstrained from raising the cost of goods and services as a response to inflation requiring an increase in BRWD funding of \$50K.
 7. Equity - The “105 accounts” include the purchase of new billing software, needed SCADA Upgrades, and completion of the planning and bid documents to allow for wastewater recycling. Nothing new will be funded but placeholders will be added.
 8. Capital Projects - Nothing new planned for 2023 other than that already approved. There is sufficient funding to keep working on future grant funding so that in 2024, capital improvement projects can be proposed.
 9. Land Acquisition - Not recommended in 2023.
 10. Needed Purchase - The budget may contain a request to purchase a vacuum trailer to assist in the resolution of the lead & copper investigations mandated on the district, in an unfunded mandate, by the United States Environmental Protection Agency.
5. **NATURAL RESOURCES** - The manager reported that the Natural Resources Program Manager (NRPM) was currently on vacation and would be present at a future trustee meeting for a detailed meeting with the board.
 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)** – As of 22 December 2022 all employee evaluations were completed per contract or employment agreement. In general, the staff did quite well, even being held to a rigorous standard. Merit increases ranged from 1% to 3.5% (no zeros this year!!) with the average around 2.8%.
 - b. **Training Update** – Nothing to report in the previous period.
 7. **TREATMENT DIVISION (TD)** –The manager reported current filter train efficiency performance had improved to dropped slightly to 80% efficiency for clarifier performance and 63% for filter performance. This was due to plant operator best practices to ease in the new Filter #1 into peak performance. Key chemical additions were now 20% below normal. For the previous period, finish water production averaged 0.2619 MGD, slightly under that recorded for the same period in 2021 which averaged 0.2940 MGD. Adams Pond was way over 100% winter usable capacity.
 - a. **2022 Filter Overhaul** – On 15 December 2022 Filter #1 was put back into service with Filter #2 taken out of service 19 December 2022. Since that time, Filter #2 clarifier media has been removed and disposed of at the Boothbay Region Refuse Disposal District and the filter media has been disposed of by the town of Southport. Upon exposing the Filter #2 internals, it was found that these filter internals were in worse shape than those found with Filter #1, with only one remaining bolt held the underdrain together. Blasting and recoating will be completed by *Marvel Payeur* after the new year.

The manager then relayed to the board that he had learned an important lesson in that for the past decade he had focused on the filter media and filter performance, not considering the possibility of problems with the underdrain system. The manager then explained that the overhauls were financed on a 15-year note. The manager then offered the following rule-of-thumb to the board; ONCE THE NOTE WAS PAID OFF, REPEAT OVERHAUL AND REFINANCE FOR 15-YEARS.

- b. **Fluoride** – Went back on-line 16 December 2022. Notification will be submitted this week.
- c. **Security Breach at the Thompson Tank** – On 14 December 2022 the Chairman visited Sherriff Brackett. The resulting response Lincoln County Sheriffs (LCS) was intense and immediate. Two different deputies met with staff, took statements, were provided with the last image taken by the security camera showing two individuals, and notified the manager that they had at least one perpetrator identified. The manager reported that he had heard no updates concerning this since, to which Chairman Gamage would investigate.
8. **DISTRIBUTION DIVISION (DD)** – The manager reported, the DD remained engaged in winter maintenance which was primarily focused on keeping the district’s fire hydrants operational. Whiteboard projects continue due to favorable weather. The DD remained instrumental in assisting the TD with the filter overhauls.
9. **5 RIVERS REGIONAL WATER COUNCIL** –No change in status.
10. **LAND ACQUISITION UPDATE** –No change in status
11. **CAMERON POINT SEASONAL WATER MAINS** – No change in status.
12. **OCEAN POINT WATER MAIN LOOPING PROJECT** –The manager reported the contractor was working on acquiring laydown areas with some materials delivered and stored along Rt. 96 on private property in East Boothbay.
13. **FILTER WASTE RECYCLING PROJECT** – No change in status.
14. **SOLAR POWER** – No change in status.
15. **DEBT LIMIT** –No change in status.
16. **BARTERS ISLAND WATER MAIN IMPROVEMENT PROJECT** – The manager reported that the district had received pipe which was prestaged in two locations on Barters Island. The manager informed the board that he would be submitting an article to the Boothbay Register explaining what was going on with the new water main looping project.
17. **2022 REVISIONS OF THE LEAD AND COPPER RULE** – No change in status.
18. **SIVC WATER MAIN REPLACEMENT PROJECT** - No change in status.
19. The meeting was adjourned at 1840 hr.
Trustee Climo motioned, Trustee Anthony second, vote: unanimous.

END OF MINUTES