

9 January 2024

MEMORANDUM

From: Manager
To: Board of Trustees

Subj: MINUTES FOR THE TRUSTEE MEETING OF 26 DECEMBER 2023

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 Stover, Boothbay; Trustee Blakeslee, Boothbay Harbor; Trustee Tibbetts, Boothbay Harbor. Marcia Wilson, Administrative Manager (AM); . Absent: Trustee Anthony, Boothbay (Clerk); Jonathan Ziegler, Manager.

1. The board approved the minutes for 12 December 2023.
Trustee Climo motioned, Trustee Tibbetts second, Yea: unanimous.
2. The board approved payroll for 12 December & 19 December 2023.
Trustee Climo motioned, Trustee Tibbetts second, vote: Yea unanimous.
3. The board approved transactions for 28 July 2023 through 11 July 2023.
Trustee Climo motioned, Trustee Tibbetts, vote: Yea unanimous. Split vote: ?

Administrative Manager report – The following key events have occurred since 12 December 23.

Administration- Attached is Table 1 – *Boothbay Region Water District Cash Account Status Report as 26 December 2023.*

Table 1 Boothbay Region Water District Cash Account Status Report as of 26 December 2023	
Account	Balance
Business Checking	\$ 26,051.69
Deposit Sweep Account	\$ <u>370,735.75</u>
Liquidity Total:	\$ 396,787.44
DESIGNATED FUNDS:	
BBH 2007 Sinking Fund	\$ 20,349.71
EBB Upgrade 91-20	\$ 62,320.81
Capital Reinvestment Fund	\$ 483,248.14
Mt Dora Easement Escrow	\$ 4,791.00
Southport Sinking Fund	\$ 65,340.15
Unemployment CD	\$ 17,383.14
Land Acquisition	\$ <u>2,517.29</u>
Designated Fund Total	\$ 655,950.24
TOTAL CASH RESERVES	\$1,052,737.68

A. BRWD Rate Case – Since the previous report, as Jon noted in his December 14th email, our rate case will become effective January 1, 2024. We are working with our billing software provider to help us work through our billing portion that is billed in arrears, (which is at the 2023 rate) as we bill quarterly. It was made known to us that one water system who also does quarterly billing billed the arrearage portion at the new rate and had to make restitution in the amount of \$ 70,000. This issue will clear itself with the May billing. We will update you on the status of this process at the next meeting.

Budget Performance January- November 2023 There are no known items of concern. Trustee Blakeslee asked for budget updates on percentages of YTD net income – this was under budget by 21%, Income is under budget by .8% and a correction under legal cost/fees (one item) which was shown twice represent legal fees are over 30%. The AM apologies for the confusion.

2024 BRWD Budget Draft Report: Per Jon’s email from December 18, 2023, for discussion this evening is the 2024 Draft Budget.

This budget is in conformance with the approved 2024 rate case. This budget is presented on a cash basis. Our accounting system is based on an accrual basis. Once finalized and approved the budget will be entered into the accounting system on an accrual basis as defined in generally accepted accounting principles.

This budget includes our forecast regarding grant revenue from the Ocean Point Project as well as the Billing Capacity Grant.

All operating costs have been estimated and included.

There were five budget questions that the Board of Trustees would like answered with this report, they are the following:

Page: Account: Details:

Page Two:

222.1 2025 Utility Truck, Gerry questioned the budgeted amount of: \$ 52,000 was low, should be more in the vicinity of \$ 65,000. I mentioned that we had received monies on the gain on sale of truck and perhaps that was a net amount. **Jon to address.**

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Three:

427 It was noted that we had acquired new debt in 2023 in relation to the Vac Trailer and the Filter Overhaul work.

Page

Four:

601.61 Wages- Trans/Distribution-Gen. Maint.-Smith questioned the \$15,000 2023 Budgeted number. I suspected this amount might be a typo. In reviewing the 2023 Budget it is correct. Trustee Climo would like an answer

on why the increase to \$ 60,000 in 2024. 2023 estimate is \$ 49,010.

Jon to address.

601.71 Accounts Receivable wages was notated that this was a result of an additional position in the Customer Service Division.

Knickerbocker Lake Intake was questioned on why the increase from projected actual of \$ 6,900 to \$12,000. Most likely heavy rain related to Knickerbocker;

Page Five: 615.63 however **Jon will address.**

Page

Seven: 635.9 Water Analysis-All. This amount was questioned on why such a high increase \$40,100. YTD is \$20,722 I said that there were increased testing related to the PFAS issue, **Jon to address.**

Page

Eight: 650 Vehicles Expenses Gerry mentioned that we should include an amount regarding the new Vac Trailer. **Jon agreed.**

Nell appreciated the budget executive summary and showing the five-year trends on the operating expenses were very valuable. It would be helpful to show the same trends on our capital improvement projects.

A. Human Resources (HR) – Since the prior meeting, Cody Brown received his Treatment I license, Tyler Campbell received his Distribution I, and Hunter Haley and Tyler Campbell have become backflow certified. Management is pleased with their progress. Trustee Tharpe asked that congratulations from The Board of Trustees be passed on to employees, Brown, Campbell and Haley.

Campbell and Cody have recently passed their six-month mark and are now eligible as union employees.

Annual Reviews: Jon has finalized the annual personnel evaluation process. As noted previously the (COLA) adjustment is 3.2% and merit increases up to 3.5%.

Training Update: MWUA's 98th Annual Conference and Tradeshow at the Augusta Civic Center January 30th – February 1st. The Conference covers all tracks devoted to: Source and Treatment: PFAS, Distribution, Administration and Management, Maine Water Environment and Emergency Prep and Safety. We encourage all staff to attend and if anyone is interested in attending, please let me know.

Natural Resources (NR). Sue is currently on vacation. No report.

Treatment Division (TD) Filter train efficiency for filter performance remains at 70% and clarifier performance at 91%. For the previous period, finish water production averaged .2815 MGD coming in under same period in 2022 is .2671. Alum. dose is 13.6 mg/l, and caustic dose is 3.8mg/l.

Distribution Division (DD) – currently our three newest employees are cross training in the Treatment Division, which is going well. They have been busy with whiteboard projects and completing estimates for year end.

Other Business: The Trustees approved a COLA increase for the General Manager.

The meeting was adjourned at 6:36 pm.

Trustee Smith motioned, Trustee Blakeslee second, vote: unanimous.

END OF MINUTES

Minutes Submitted by

MARCIA WILSON
ADMINISTRATIVE MANAGER

MANAGERS REPORT- The following key events have occurred since 26 December 2023.

1. **ADMINISTRATION** – Attached is Table 1 – *Boothbay Region Water District Cash Account Status Report as of 9 January 2024*. The billing for routes 3,4 & 13, to be released on 1 February 2024 is still being tabulated and will be reported at the 23 January 2024 meeting. During the previous period the district added no new customers and received no applications for new services. The new rate sheets have been updated and posted on the district’s website. Work continues setting up the new billing software with the projected start-up now moved back to 1 February 2024.

Table 1 BOOTHBAY REGION WATER DISTRICT Cash Account Status Report as of 9 January 2024	
Account	Balance
Business Checking	\$ 25,637.70
Deposit Sweep Account	\$ 366,125.82
Liquidity Total	\$ 391,763.52
DESIGNATED FUNDS	
BBH 2007 Sinking Fund	\$ 20,350.05
Land Acquisition Fund	\$ 2,517.33
Capital Reinvestment Fund	\$ 483,256.35
Mt Dora Easement Escrow	\$ 4,791.00
Southport Sinking Fund	\$ 74,668.15
EBB Upgrade 91-20	\$ 62,321.87
Bank of Maine Unemployment CD	\$ 17,383.14
Designated Fund Total	\$ 665,287.89
TOTAL CASH RESERVES	\$ 1,057,051.41

- a. **2024 BRWD Budget Status Report** – Shortly after the previous trustee meeting, the AM provided me with a list of questions posed by the trustees concerning the draft budget, which were left to me to answer. The following is an explanation of each outstanding question, and the revised draft budget is attached.
 - i. 222.10 – 2025 Utility Truck - As pointed out during the previous trustee meeting, the budgeted amount to purchase this vehicle seemed low. Upon investigation this was true, especially when considering this new truck is sized to handle pulling the new Vac Trailer. As quoted the new truck will cost approximately \$62,000 with \$70,000 budgeted should other ancillary costs be encountered.
 - ii. 427.40 – Vac Trailer – This accounting line item was added to account for the interest payment for the new Vac Trailer purchased in 2023.

- iii. 601.10 – Wages – Trans/Distribution – Gen. Maintenance – Trustee Climo inquired why this accounting line item was budgeted in 2023 to \$15,000.00 with \$49,010.00 charged to it, and why the 2024 budget was escalated to \$60,000.00. This line item is used by the district to track labor for new construction. In 2023 I horribly underestimated the effort that was required to complete the East Side Road Looping Project, completed September 2023, thus the overrun. In 2024 there exists the possibility that the district may complete more construction in-house, than ever before. The reason for the inflated budget is that the district will be participating in one, possibly two affordable housing projects, the Joppa Road Water Main Upgrade Project, rerouting of Adams Pond Road, and the first phase of the Squirrel Island Water Main Replacement Project with all labor expended in these efforts charged to this accounting line item.
- iv. 601.71 - Accounts Receivable - The expansion of this accounting line item is due to the fact of the addition of a full-time equivalent (FTE) in the accounts receivable position as authorized by the board in 2023.
- v. 615.63 – Purchased Power Knickerbocker Lake Intake – Because of the abnormally high rain experienced in 2023, and the poor raw water quality of Knickerbocker Lake, the Knickerbocker Lake Intake was only used to extract 13.9 MG of its allotted 51.5 MG. The “actual” value of \$6,900 was correct but the installation was underutilized in 2023. Taking into consideration, dramatic Central Maine Power (CMP) rate increases in 2023, the \$12,000 budgeted will be needed should this water resource be fully utilized in 2024.
- vi. 635.9 – Water Analysis- All - In 2023 the various regulatory entities of which the district must submit to, did initiate unprecedented, unreasonably restrictive regulation regarding PFOA/PFAS, with very dangerous legislation still pending. Preliminary testing of raw water reserves shows between 2.0 ppt to 3.5 ppt concentrations with EPA proposing a MCL of 4.0 ppt. As of right now, I have no definitive idea as to the source(s) of this contamination within the Adams Pond watershed and no idea of the impact the massive contamination by the Coastal Maine Botanical Gardens (CMBG) to the groundwater feeding Knickerbocker Lake. The sources of contamination need to be identified and removed if the district is to avoid the \$4M outlay the rate payers would need to make for additional treatment facilities at the Adams Pond Treatment Plant. The funding increase as proposed in this accounting line item will be used for not only routine sampling needs but to investigate the sources of PFOA/PFAS so that the district can aggressively have these sources remediated or removed.
- vii. 650.77 – Maintenance Vac Trailer - This line item was Added and sufficiently funded after identified as being required by the trustees. The reason this was not included in the original budget proposal was because of an oversight on my part. Many thanks to the trustees for flagging this deficiency.

2. **NATURAL RESOURCES** – The Natural Resources Program Manager (NRPM) prepared the following report and submitted it in writing.

We submitted our annual Knickerbocker Lake Withdrawal report, subject to our NRPA permit, in December. Copy attached.

319 grant: Our plan is to complete both the Adams Road relocation project and road work in the vicinity of Watershed Tavern by the end of 2024. We have signed the grant contract with DEP. Dirigo was here in December to survey the road and is developing plans. Knox Lincoln Soil and Water Conservation District and CMBG will walk the site with me this week to begin planning for the vegetated buffer. Once we have plans, we will begin public outreach.

We meet today with Bigelow Laboratory to discuss research projects for 2024. With funding from our 2024 Source Water Protection Grant, we funded a harmful algal project in both ponds in 2023. (See attached report) We expect to continue this collaborative project with Bigelow, as well as other research in the watershed in 2024, and will seek grant funds to fund this partnership.

We have renewed our no spray agreement with Maine DOT. This year we will need to cut the ROW to prevent regrowth of saplings.

3. **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)** – Harry Pinkham fell and broke his arm/shoulder. He was in MidCoast Hospital but has now been transferred to the Zimmerli Unit. No issues with current employees are noted.
 - b. **Training Update** – The annual Maine Water Utilities Association Annual Meeting and Tradeshow will occur 31 January 2024 and 1 February 2024 at the Augusta Civic Center. This show is very good with an excellent tradeshow. All staff will be cycling through this event and the trustees are invited. Anyone interested is asked to contact Marcia for registration.
4. **TREATMENT DIVISION (TD)** – Raw water quality remains below normal for treatability. Filter train efficiency for filter performance remains at 70% and clarifier performance at 91%. For the previous period, finish water production averaged 0.3208 MGD, coming in under same period in 2022 which averaged 0.2542 MGD. Key chemical additions remain 15% below normal.

Since the previous meeting Filter #1 has been taken out of service for a thorough cleaning and paint touch up. The filter was then reflooded, tested and put back into service. Filter #2 is currently out of service receiving the same level of maintenance.

The DD continues to focus is winter maintenance and training of junior staff.

5. **DISTRIBUTION DIVISION (DD)** – The DD continues meeting all regulatory requirements and fulfilling job orders. Box and rod repairs are continuing along with organizational efforts within the Lew Curtis Annex. Approximately 60% of the workforce in the DD remain reassigned to the TD. Lastly, snow removal remains a priority with all equipment necessary on site, maintained and ready for use.

6. **5 RIVERS REGIONAL WATER COUNCIL** – The next Superintendents’ meeting will be held on 17 January 2024 with the legislative elements of the MRWA in attendance. A discussion on kicking off an effort for deregulation from PUC is on the agenda. I may be asking our state representative to sponsor a bill on behalf of the organization for deregulation.
7. **LAND ACQUISITION UPDATE** – No change in status.
8. **CAMERON POINT SEASONAL WATER MAINS** – No change in status.
9. **OCEAN POINT WATER MAIN LOOPING PROJECT** – Since the previous meeting, work has continued along Montgomery Road with the majority of the main installed but not connected to the system. This will continue either until completion or the weather blocks the contractor out. In addition, the laterals installed within Ocean Point Road will be repaved this week due to their poor condition.
10. **FILTER WASTE RECYCLING PROJECT** –No change in status.
11. **SOLAR POWER** – No change in status.
12. **2022 REVISIONS OF THE LEAD AND COPPER RULE** –No change in status.
13. **SIVC WATER MAIN REPLACEMENT PROJECT** – No change in status
14. **COASTAL MAINE BOTANICAL GARDENS (CMBG) AND YMCA INFRASTRUCTURE REQUEST** – The next meeting is scheduled for tomorrow with a report to the board to follow at the next meeting.
15. **AFFORDABLE HOUSING PROJECTS** – On 4 January 2024 a preconstruction meeting for the Boothbay Affordable Housing Project was held at the Boothbay Town Offices with all the players in attendance. The project will start within the next few weeks. We have ordered materials and there exists a serious glitch, pipe is backordered right now 25-weeks. We should be able to work around this problem with connections made with other utilities, but material unavailability may slow this entire project. We are ordering for other projects as well. No further word has been provided to the district regarding the Boothbay Harbor project.
16. **JOPPA ROAD WATER MAIN UPGRADE PROJECT** – On 2 January 2024 the town of Southport notified me that they would like to proceed with the water main upgrade for Joppa Road in Southport. This project will be constructed of 8” high density polyethylene pipe with a hydrant installed and all ductile iron valving and appurtenances. The district will be providing labor and machine use free of charge. The board needs to be aware that this is the first time a municipality has approached the district for a water main project, being a full partner with the district. This needs to be broadcast to both the town of Boothbay and Boothbay Harbor in that this is most definitely encouraged with the municipalities we serve. Again, my threshold to bring a similar project to the board for consideration is a minimum of 50% municipal financial participation.

Respectfully Submitted,

Jonathan Ziegler
General Manager