

26 November 2013

MEMORANDUM

From: Manager  
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 12 NOVEMBER 2013**

The Board of Trustees convened at 1900 hrs. In attendance: Trustee Pinkham, Boothbay Harbor (Chairman); Trustee Gamage, Southport (Vice-Chairman); Trustee Marston, At-Large (Trustee); Trustee Reed, Boothbay Harbor (Clerk); Trustee Climo, Southport; Trustee Lewis, Boothbay; Jonathan Ziegra, Manager. Guest: None. Absent: Trustee Carter, Boothbay.

1. The minutes of the 22 October 2013 trustees meetings were approved with revisions.  
*Trustee Climo motioned, Trustee Gamage second, vote unanimous*
2. The **Payroll** for 22 October, 29 October & 5 November 2013 were approved.  
*Trustee Gamage motioned, Trustee Climo second, vote: unanimous*
3. The **Transactions** for the period of 21 October 2013 to 8 November 2013 were approved.  
*Trustee Gamage motioned, Trustee Climo second, vote: unanimous*
4. **CELLULAR TOWER PROPOSAL** – The manager reported that the installation continued through the reporting period. The arrays have been mounted on the tank with the use of high power magnets with no compromise of the integrity of the tank coating. The manager stated that the building will be completed by the end of the week with the initiation of service and a final walkthrough forthcoming.
5. **FINANCIAL** – The manager reported that the cash accounts as of 31 October 2013 (See Table 1) were in rough shape. He went on to explain that the billing for November was as follows; \$175,795.00 for public fire protection, \$124,888.00 year round billing, and so far, \$241,000.00 for an aggregate total of November billing equaling \$591,603.00 Remaining debt payments are for November \$167,186.00 and December \$175,915.00.

Trustee's Lewis, Gamage and Reed questioned the low cash flow and the manager replied that the deficit was his fault in that he attempted a too aggressive plan to pay off Mt. Pisgah Standpipe Project with the first payment in July of \$74,900.00 really sacrificing reserves for October. Again the manager stated it was his miscalculation alone that had caused the low cash flow situation for 2013.

Trustee Marston spoke for the board instructing the manager to restructure that debt so that it could be paid for by revenue from the American Telephone and Telegraph (ATT) and Central Maine Power (CMP) leases on the Mt. Pisgah standpipe and report back to the board at the next meeting. Currently the district was netting \$2,700.00 per month, \$8,100.00 per quarter in revenue from both leases.

Table 1.

<b>BOOTHBAY REGION WATER DISTRICT</b>	
<b>Cash Account Status Report as of 31 October 2013</b>	
<b>Account</b>	<b>Balance</b>
Business Checking	\$ 25,000.00
Deposit Sweep Account	\$ 13,178.34
<b>Liquid Cash Total</b>	<b>\$ 38,178.34</b>
BBH 1994 Sinking Fund	\$ 132,678.89
BBH 1997 Sinking Fund	\$ 29,791.98
BBH 1998 Sinking Fund	\$ 28,007.12
BBH 2001 Sinking Fund	\$ 80,857.44
BBH 2004 Sinking Fund	\$ 29,642.42
BBH 2007 Sinking Fund	\$ 12,212.42
Land Acquisition Fund	\$ 3,416.83
Capital Reinvestment Fund	\$ 359.12
EBB Upgrade 91-20	\$ 18,704.27
<b>Designated Fund Total</b>	<b>\$ 335,670.49</b>
<b>TOTAL CASH RESERVES</b>	<b>\$ 373,848.83</b>

6. **SAFETY, TRAINING & EMERGENCY RESPONSE UPDATE** - The manager reported that all inspections remained current and compliant. Mr. Greg Kidd was planning an inspection very soon with winter safety compliance training planned for just after the New Year
  
7. **WATERSHED** – As previously approved by the board, the manager reported that he had hired Ms. Sue Mello on an as needed basis to represent the district on watershed issues. The manager also reported that both Ms. Mello and he had met with Mr. Dan Bryer, code enforcement officer, Boothbay who was excited to have Ms. Mello as a resource. Ms. Mello was reported to be a proponent for again applying for Section 319 grant funding for Knickerbocker Lake. For the newer trustees the manager provided a history of her previous attempt which fell just short of funding, by a single point, which the manager stated was “incredible” because the district was beaten by the Portland Water District who had approximately twenty-staff working on their application. The board believed that any cost incurred in developing a 319 grant for 2014 was an acceptable risk keeping in mind Ms. Mello’s track record.

In addition the manager stated that Ms. Mello had been tasked to represent the district with pending phosphorous standards. She was reported to be reviewing background material and will be attending planning board meetings/workshops as needed representing the district.

8. **TREATMENT PLANT** – The manager reported that the average for the preceding period was 0.2824 MGD as compared to 0.2994 MGD in 2012. Water quality was better than in 2012

requiring 9.2% less aluminum sulfate and 8.3% less sodium hydroxide per unit produced. However both clarifier and filter efficiency remained at 95%.

The West Harbor Standpipe was reported to be out of service and would remain so until April 2014. The bleeders necessary for maintaining water quality within the system had been turned on consuming 45,576 gallons per day.

The manager reported that both the treatment plant and administration building signs had been replaced were secure and looked very good.

The manager then reported that Filter Unit 1 required new bearings the waste gate and was out of service for approximately 12 hours with no loss in production.

Both the treatment/distribution and administration building furnaces have been cleaned inspected and are current with their licenses with no deficiencies noted.

Both the Kenniston Hill Booster Pump Station and the Knickerbocker Lake Pump Station had received annual servicing on the security systems and were working properly.

The four-inch Mag Meter in the Southport Pit was reported to be beyond repair and needed to be replaced. The manager stated that he had an estimate from Sullivan and Associates for replacing the meter but was holding off until the cash flow picture is back to normal. The replacement cost was reported to be \$2,853.00 and instead of a four-inch meter, which was currently hampering fire flow at the two existing hydrants on Southport, the meter would be upsized to a six-inch meter which would not create a “choke point” and improve fire flow. Trustee Gamage inquired from the manager if it would make that much of a difference in fire flow with the manager responding without calculating the flow, he believed an improvement of 20% to 30% could be expected. The manager had no set timetable for the upgrade.

The intakes were reported to be inspected that week with a report to be presented to the board at the next meeting.

The manager then reported that the Lincoln County Sherriff’s Department had been provided a tour of the treatment plant and whole complex with the intention of familiarizing them for first responder/anti-terrorism duty. Sheriff Brackett was reportedly very impressed and had requested further training for Lincoln County K9 units, which was immediately granted. The board asked the manager to keep them up to speed on this effort.

The manager reported that the large pressure reducing valve (PRV) installations had been cleaned out, winterized and heaters installed/tested and were now in winter configuration.

Lastly the manager reported that the SCADA upgrade was scheduled to start within a few weeks and a \$45,000 pay request was in for which the manager was meeting Ms. Brenda Blackman, Vice-President, The First to discuss the restructuring of the financing of this project.

- 9. DISTRIBUTION** - The seasonal shut-down was nearing completion with only David’s Island and Pratt’s Island remaining to be blown out. The assistant foreman was reported to be out on surgery leave but is expected to return the week of 18 November 2013.

The manager reported that the district’s air compressor went down and had to be sent out for repairs forcing the distribution crew to rent a similar unit from Kennebec Rental. The

manager stated that the rental was necessary due to the time constraints of properly shutting the seasonal system down.

During shutdown the assistant foreman discovered a small leak under the Barbers Island Bridge. Fuller Marine was scheduled to investigate and repair the problem if possible.

The manager provided the board with the Maine state revolving fund (SRF) primary list for 2014. On the list, the Campbell Street Project and the Highland Park Project had been approved. The manager stated this would now be an agenda item with the board's consent, which was given.

**10. SOUTHPORT INTERCONNECTION AND TANK REPLACEMENT PROJECT** – The manager reported no change in status for funding.

**11. MWUA/MRWA BOD** – The manager reported that the focus of the MWUA was to put together a coherent response to the Maine Public Utilities Commission (PUC) Notice of Intent (NOI) which is designed to amend the water utility rules in Maine. The manager stated that a position was forthcoming and that closer to home the Five Rivers group had developed a position. The board instructed the manager to keep them informed as to the status of this state effort.

**12. BOOTHBAY COMPREHENSIVE PLAN COMMITTEE** – The draft plan is coming together. .

**13. FIVE RIVERS** - The manager provided the board with the Five Rivers position paper submitted to the PUC concerning the upcoming NOI. The manager stated that from his perspective, he did not think an opt out clause for district's that can prove the capacity self-regulate would be detrimental, a course of action the district may explore, provided the PUC does not penalize the remaining district's to fund the program at the same level. The manager stated that whatever happens, it is imperative that some form of concrete regulation be in place to allow fire protection charges. In addition it was the manager's hope that a minimum regulation be set to provide political cover for smaller district's with regard to operations, finances and development.

**14. GIS** – The manager reported this project still in-process. .

**15. PAINE ROAD WATER MAIN REPLACEMENT PROJECT** – The manager reported that the town of Boothbay Harbor had completed the overlay of Paine Road and it looked "fantastic". The manager pointed out that per agreement with the Boothbay Harbor Public Works Director the district had been directly billed for its portion of the paving overlay, split with the town of Boothbay Harbor, which coincidentally was below the Public Works Director's estimate. With that the manager informed the board that the project was now complete, finishing over \$13,000.00 under construction estimate.

**16. MASTER PLAN UPDATE** – The board verbally approved the master plan amendment as presented by Wright-Pierce but wanted a rate study update to accompany it. .

**17. 2014 BRWD BUDGET PROCESS** – The provided his proposal for the direction he was going to take in preparing the budget and was looking for trustee direction. The manager listed the following points:

- Comply with the Union Contract;
- Provide necessary maintenance (no-backsliding);
- Comply with the Master Plan;
- Abandon the “Zero Sum” budget for full funding of the *Capital Reinvestment Account*;
- No “Paygo” Projects;
- Pursue Rural Development (RD) Funding for the *Southport Interconnection and Tank Replacement Project*;
- Pursue SRF project for the *Campbell Street and Highland Park Looping Project*;
- Replace the Southport water meters;
- Explore refinancing the RD debt and reallocating the sinking funds into the *Land Acquisition Account* and the *Capital Reinvestment Account*; and
- Either eliminate the sinking funds or bring them into compliance.

The board led significant discussion and criticism of the manager’s proposals. Trustees Gamage, Climo and Marston were opposed to a blanket ban on Paygo activity citing the possibility of backsliding and setting a poor precedent. Trustees Lewis and Reed concentrated on the refinancing of debt and reallocation of cash resources asking for detailed proposals if and when that proposal is made. The manager noted the comments and was charged with developing a draft budget for the 10 December 2013 meeting to be distributed to the board for eventual action.

18. The board voted to go into Executive Session pursuant to 1 M.R.S.A. §405(6) A & C at 2020 hr.  
*Trustee Climo motioned, Trustee Reed second, vote: unanimous*
19. The board came out of Executive Session at 2030 hr.  
*Trustee Climo motioned, Trustee Reed second, vote: unanimous*
20. The meeting was adjourned at 2035 hr.  
*Trustee Gamage motioned, Trustee Marston second, vote: unanimous*

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegler  
Manager

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