

8 September 2015

MEMORANDUM

From: Manager
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 25 AUGUST 2015**

The Board of Trustees convened at 1900 hrs. In attendance: Trustee Pinkham, Boothbay Harbor (Chairman); Trustee Gamage, Southport (Vice-Chairman); Trustee Lewis, Boothbay (Treasurer); Trustee Marston, At-Large; Trustee Climo, Southport; Trustee Higgins, Boothbay; Jonathan Ziegler, Manager. Guest: Steve Reny, Reny Construction; Eric Wood, E.M. Wood Construction; Seth Hagar, Hagar Enterprises. Absent: Trustee Reed, Boothbay Harbor (Clerk).

1. **BID OPENING** -Chairman Pinkham opened bids for construction services to assist district personnel in executing *Southport Interconnection and Tank Replacement Project, Contract #4*. The bids are recorded in Table 1:

Table 1.

Southport Interconnection Project, Contract #4 Bid Results - 25 August 2015			
	Hagar Enterprises	N. Reny Construction	E.M. Wood Construction
Description	Bid Price	Bid Price	Bid Price
Mobilization	\$ 7,900.00	\$ 1,000.00	\$ 7,500.00
12" Water Main Installation	\$ 134,375.00	\$ 107,500.00	\$ 62,199.50
Hydrant Installation	\$ 950.00	\$ 1,500.00	\$ 3,500.00
Water Service Pipe Installation	\$ 15,000.00	\$ 2,400.00	\$ 11,400.00
Relief Drains	\$ 500.00	\$ 1,000.00	\$ 1,000.00
Ledge Removal	\$ 71,500.00	\$ 31,240.00	\$ 42,559.00
Temporary Erosion Control	\$ 1,750.00	\$ 0.01	\$ 4,950.00
Traffic Control	\$ 16,000.00	\$ 10,000.00	\$ 17,800.00
Pavement	\$ 6,000.00	\$ 4,500.00	\$ 4,899.00
TOTAL	\$ 253,975.00	\$ 159,140.01	\$ 155,807.50

Chairman Pinkham and the board instructed the manager to declare E. M. Wood Construction the apparent low bidder, review the bids for completeness and accuracy and award the contract at his earliest convenience.

2. The board approved the minutes for 11 August 2015 without revision.
Trustee Marston motioned, Trustee Climo second, vote unanimous
3. The **Payroll** for weeks ending 11 August 2015 & 18 August 2015 were approved.
Trustee Climo motioned, Trustee Marston second, vote unanimous
4. The **Transactions** for 10 August 2015 through 21 August 2015 were approved.
Trustee Climo motioned, Trustee Marston second, vote: unanimous

5. **FINANCIAL** – The manager provided the board the budget performance summary as of 31 July 2015 (see table 2). No abnormalities were reported.
- 6.

Table 2

	Jul 15	Budget	Jan - Jul 15	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
414-Gain on Sale-Misc Inc.	0	0	25,000	0	0
415 - Jobbing	7,288	16,933	68,876	64,489	100,000
419 - Interest Income	238	56	1,096	361	750
460-RD Grant Revenue (KHS-RD Grant & Loan)	73,279		73,279		
461 - Revenue Accounts	57,826	58,360	1,405,945	1,428,228	2,452,994
Total Income	138,631	75,348	1,574,195	1,493,079	2,553,744
Gross Profit	138,631	75,348	1,574,195	1,493,079	2,553,744
Expense					
403-Depreciation Expense	43,500	41,667	304,500	291,667	520,771
407-Amoritization Expense	0	0	0	0	0
408 -- Taxes other than Income	4,978	4,473	27,466	26,487	46,000
427-Interest Expense	26,454	19,780	133,422	64,556	206,949
601 - Wages	56,948	48,618	312,820	296,532	508,123
603 - Trustee Fees	0	0	9,184	9,704	9,704
604 - Employee Pen. & Benefits	38,587	34,175	219,828	225,567	368,674
615 - Electricity	5,898	5,704	34,715	35,087	62,750
616 - Generator Fuel	0	0	590	679	750
618 - Chemicals	4,232	4,283	23,875	25,285	47,800
620 - Materials & Supplies	20,681	30,117	113,868	225,144	328,001
620.7 - Postage	265	0	895	0	0
631 - Contr.-Engineering	397	425	11,805	9,564	12,500
632 - Contr. Accounting	3,500	4,769	45,543	49,556	73,000
633 - Contr. Legal	365	444	723	11,258	20,000
634 - Other Professional Fees	933	2,050	30,278	8,792	20,000
635 - Contr-Other	15,458	13,222	104,441	110,693	170,250
642 - Rental of Equipment	0	0	450	1,059	2,000
650 - Transportation	2,445	4,076	15,157	26,166	46,000
656 - Insurance-Vehicles	0	0	2,415	0	0
657 - Insurance - Gen. Liab.	0	11,034	27,625	22,000	22,000
658 - Insurance-Workers Comp.	1,553	1,316	11,160	7,147	6,000
660 - Advertising	0	0	444	0	0
667 - Regulatory Expense	5,019	4,684	15,410	19,244	20,000
675 - Misc. Expenses	136	101	6,864	5,419	8,250
680.00 · Uncategorized	0		0		
Total Expense	231,347	230,937	1,453,476	1,471,603	2,499,522
Net Ordinary Income	(92,716)	(155,589)	120,719	21,476	54,222
Net Income	(92,716)	(155,589)	120,719	21,476	54,222

- a. **Preliminary Water Rate Review** –The manager reported that he would be meeting with Mr. Greg Leighton and Mr. Rick Knowlton of Maine Water Company (MWC) on 27 August 2015. The manager went on to alert the board that he and MWC would be preparing a report as to rate options and amounts to come shortly thereafter.
- b. **On-Line Bill Pay & Presentation** – No change in status.
- c. **SOS Android Application** – The manager reported that Northern Data Systems (NDS) had provided the district with a proposal allowing the district to obtain six mobile seats for the SOS software, a master module for the office, integration of the software to the existing NDS software and training to implement the change to electronic job orders. The total implementation cost was \$13,750.00

The manager informed the board that jobbing was a significant income stream accounting for nearly seven-percent of the district’s annual income. That revenue required a great deal of effort to account for, keep track of inventory expended and labor required for billing as necessary. The manager presented the board with a time and motion analysis he had performed comparing the current workflow with the proposed workflow post-SOS software implementation.

The manager stated that he had used 2014 as the pro-forma year, which he described as a good year providing very conservative parameters for an analysis. In 2014 the district fielded 1,286 job orders, much of which was billing related and involved inventory accounting. An assumption was made that the lowest labor time amount to be recorded for any single task was 0.1 man-hours or 6-minutes which for most parameters, on average was a reasonable assessment of effort. Table 3 was an assessment of the current model.

Table 5 was presented as an estimate of total effort district wide to properly and accurately complete district job orders utilizing the functions of the SOS Software, with Table 6 portraying a synopsis of time savings and potential payback for the software package.

The board accepted the manager’s report and approved his request for implementation of the SOS software package. Both Trustees Climo and Higgins commented on the labor savings that could be realized particularly with administration staff making the procurement a worthwhile investment. .
Trustee Climo motioned, Trustee Higgins second, vote: unanimous

- 7. **WATERSHED** – The manager stated that all previously reported efforts are in process and moving forward. The 15 September 2015 date with regard to the *Maine Natural Resource Conservation Program Grant* and the *Section 319 Non-Point Source Grant* are both on track.
- 8. **SAFETY & TRAINING UPDATE** – There were no accidents, safety violations or missed inspections during the previous period.
 - a. **Human Resources** –Nothing new to report in the previous period. .
 - b. **Fire Hydrant Operations Training** – Nothing new to report in the previous period.

Table 3				
CURRENT STATUS LABOR COST PER JOB ORDER				
Action	Position	Labor/ hr.	Time Expended	Labor Cost/Action
Initiate J.O.	CSR	\$ 45.54	0.25	\$ 11.38
Foreman Review and Distribute to UT	Foreman	\$ 43.22	0.10	\$ 4.32
UT completing J.O.	UT	\$ 31.08	0.25	\$ 7.77
Processing Paperwork	UT	\$ 31.08	0.10	\$ 3.11
Digitize Paperwork & Filing	CSR	\$ 45.54	0.10	\$ 4.55
Information Interpretation/Inventory	CSR	\$ 45.54	0.25	\$ 11.38
After Action - Printing Bill	CSR	\$ 45.54	0.10	\$ 4.55
Per JO Labor Cost				\$ 47.08
Pro-Forma Total				\$ 60,541.05
CURRENT STATUS LABOR				
	Per J.O. (hr.)	Man-Days/Yr.		
Man Hours Administration	0.70	112.53		
Man Hours Distribution	0.45	72.34		

9. **TREATMENT** – The manager provided the withdrawal report for Knickerbocker Lake as of 22 August 2015 (see table 4). Operations for Knickerbocker Lake will be suspended tentatively for the year on, or around 30 August 2015. This will leave an approximate 9MG balance for emergency use if needed through the fall.

Table 4

As-of Date	Weekly Withdrawal	Total Withdrawal	NRPA Remaining
11-Jul-15	0	0	51,500,000
18-Jul-15	4,642,800	4,642,800	46,857,200
25-Jul-15	5,841,800	10,484,600	41,015,400
1-Aug-15	6,184,300	16,668,900	34,831,100
8-Aug-15	7,512,200	24,181,100	27,318,900
15-Aug-15	7,007,600	31,188,700	20,311,300
22-Aug-15	6,989,000	38,177,700	13,322,300

Clarifier efficiency remained at 91% with filter efficiency at 87% on a timed basis. No change in sodium hydroxide and aluminum sulfate consumption rates was noted, remaining elevated but stable. Our finish water production remains up nearly 100,000 gallons per day on average as compared to the same time in 2014 at 825,127 gallons per day. Much of the increase was attributed to the dry-summer with the region well over 5-inches of rainfall less than for the same period in 2014. E-coli & coliform sampling for Knickerbocker Lake and Adams Pond remained normal with no “red flags” noted.

Table 5				
POST SOS IMPLEMENTATION LABOR COST PER JOB ORDER				
Action	Position	Labor/ hr.	Time Expended	Labor Cost/Action
Initiate J.O.	CSR	\$ 45.54	0.25	\$ 11.38
Foreman Review and Distribute to UT	Foreman	\$ 43.22	0.10	\$ 4.32
UT completing J.O.	UT	\$ 31.08	0.25	\$ 7.77
Processing Paperwork	UT	\$ 31.08	0.00	\$ -
Digitize Paperwork & Filing	CSR	\$ 45.54	0.00	\$ -
Information Interpretation/Inventory	CSR	\$ 45.54	0.10	\$ 4.55
After Action - Printing Bill	CSR	\$ 45.54	0.10	\$ 4.55
Per JO Labor Cost				\$ 32.58
Pro-Forma Total				\$ 41,903.41
POST SOS IMPLEMENTATION LABOR				
	Per J.O. (hr.)	Man-Days/Yr.		
Man Hours Administration	0.45	72.34		
Man Hours Distribution	0.35	56.26		

Table 6				
ANALYSIS OF IMPLEMENTATION				
Division	Per JO (hr.)	Man-Days/Yr.	Per JO Labor Cost Savings	Pro-Forma Annual Savings
Administration	0.25	40.19	\$ 11.38	\$ 14,640.63
Distribution	0.10	16.08	\$ 3.11	\$ 3,997.02
TOTAL	0.35	56.26	\$ 14.49	\$ 18,637.64
EFFICIENCY PAYBACK				
Implementation Cost				\$ 13,250.00
Efficiency Pay-Back (Yrs.)				0.71
Efficiency Pay-Back (Work Days)				172.04

10. **DISTRIBUTION** – The manager reported that hydrant maintenance was in full swing with many hydrants being operated and receiving corrosion control maintenance. The 900-ft. *Albion Road Water Main Extension Project* would be complete by the next meeting with the pipe already installed, with the exception of the road crossings, scheduled for completion later in the week.

Meter Upgrade Project Phase I – With the exception of a few stragglers this project is complete.

Cross-Connection Control – The program was reported to be current, legal and up-to-date. A letter had been sent to the district seasonal commercial, special residential and irrigation accounts to set appointments for cross-connection control surveys. The purpose of the survey was to ensure proper protection of the drinking water supply from unintentional contamination in the event of a backflow condition. The survey was free and the district would discuss findings with the owner/operator and inform the customers of the current status of their service and the need for cross-connection devices if applicable.

North Adams Pond Draft Site – Nothing new to report.

11. **SOUTHPORT INTERCONNECTION AND TANK REPLACEMENT PROJECT** –

Contract #1 – Tank Site Prep, Road & Water Main – Project Complete.

Contract #2 – Water Main Installation Project – Project Complete.

Contract #3 – Tank Installation Project – The following was the 25 August 2015 status report provided by Dirigo Engineering:

Good morning Jon.

The work on the tank in Southport is progressing well and is on schedule. The wire winding is ongoing and should take 12 days weather permitting. During this last month the following items were completed.

- *Footings and floor are complete*
- *Wall panels are complete and erected*
- *Dome (roof) panels are complete and erected*
- *Wall slots (gap between wall panels formed and poured*
- *Dome ring and slots formed and poured*
- *Core wall shotcrete is done*
- *Pre-stressing is at 50%*
- *Wire winding process is started.*
- *Work on the interior will progress as the wire winding reaches certain stages of completion for safety reasons.*

If you have any questions please give me a call.

*Allen Knowles
Dirigo Engineering
Fairfield, Maine*

Contract #4 – USDA FORCE Account Project – (see 1. **BID OPENING**)

12. **CAMPBELL STREET AND HIGHLAND PARK LOOPING** – The project was reported to be complete. The manager reported that the district was current with the contractor with one remaining pay-request to be completed either late this week or early next week to pay for paving and reimbursement to the district.

13. **5 RIVERS REGIONAL WATER COUNCIL** – The manager reported that the council had gone through the interview process and would be making a selection on 27 August 2015 for the Capacity Development Grant’s capacity review of the 5- Rivers Regional Water Council laying out a general 20 to 50-year regional plan. .
14. **GIS PROJECT**- The system has been mapped, this winter the maps will be complete. Wright-Pierce was working on the linkage to NDS Software with no timetable to report.
15. The board went into executive session pursuant to 1 M.R.S.A. §405(6) (C), *Acquisition of Real Property* at 1940 hr.
Trustee Climo motioned, Trustee Marston second, vote: unanimous
16. The board came out of executive session at 1943 hr.
Trustee Climo motioned, Trustee Marston second, vote: unanimous
17. The meeting was adjourned at 1946 hr.
Trustee Climo motioned, Trustee Marston second, vote: unanimous

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegler
Manager