

10 July 2018

MEMORANDUM

From: Manager
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 26 JUNE 2018**

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 Climo, Southport (Clerk); Trustee Anthony, Boothbay; Trustee Tibbetts, Boothbay Harbor; Trustee Tharpe, At-Large; Jonathan Ziegler, Manager. **Guest: None. Absent: None**

1. The board approved the minutes for 12 June 2018 without revisions.
Trustee Gamage motioned, Trustee Tibbetts second, vote unanimous
2. The **Payroll** for weeks ending 12 June 2018 & 19 June 2018.
Trustee Gamage motioned, Trustee Anthony second, vote unanimous
3. The **Transactions** for the period of 11 June 2018 through 22 June 2018.
Trustee Anthony motioned, Trustee Gamage second, vote unanimous
4. **FINANCIAL-** The manager presented to the board Table 1 – *Boothbay Region Water District Cash Account Status Report as of 26 June 2018*, Table 2 - *Boothbay Region Water District Profit & Loss Budget performance through 31 May 2018*, & Table 3 - *Boothbay Region Water District Capital Improvement Budget Performance through 31 May 2018*. Within the previous period the district has received 3 new service applications with 3 new services installed.

Table 1 BOOTHBAY REGION WATER DISTRICT Cash Account Status Report as of 26 June 2018	
Account	Balance
Business Checking	\$ 25,000.00
Deposit Sweep Account	\$ 272,399.53
Liquidity Total	\$ 297,399.53
DESIGNATED FUNDS	
BBH 2007 Sinking Fund	\$ 18,338.99
Land Acquisition Fund	\$ 14.66
Capital Reinvestment Fund	\$ 1.17
Mt Dora Easement Escrow	\$ 4,768.50
EBB Upgrade 91-20	\$ 2,411.54
Bank of Maine Unemployment CD	\$ 10,431.66
Designated Fund Total	\$ 35,966.52
TOTAL CASH RESERVES	\$ 333,366.05

Table 2
Boothbay Region Water District Profit & Loss Budget performance through 31 May 2018

	Jan - May 18	YTD Budget	Annual Budget
Income			
414-Gain on Sale-Misc. Inc.	4,300.00	0.00	0.00
415 - Jobbing	40,844.62	34,005.80	107,111.79
419 - Interest Income	111.70	145.95	350.00
460-RD Grant Revenue (KHS-RD Grant & Loan)	10,000.00		
	1,376,957.3	1,351,136.6	
461 - Revenue Accounts	1	4	2,615,650.79
	1,432,213.6	1,385,288.3	
Total Income	3	9	2,723,112.58
	1,432,213.6	1,385,288.3	
Gross Profit	3	9	2,723,112.58
Expense			
403-Depreciation Expense	275,000.00	275,000.00	660,000.00
408 -- Taxes other than Income	23,067.37	23,132.62	53,000.00
427-Bond and Loan Interest (Long Term Liab. Interest)	631.92	0.00	0.00
427-Interest Expense	119,249.02	113,510.27	271,760.45
601 - Wages	251,553.62	238,602.33	566,057.31
603 - Trustee Fees	9,351.15	10,056.40	10,056.40
604 - Employee Pen. & Benefits	172,603.70	145,721.65	386,475.93
615 - Electricity	29,485.18	23,008.76	58,950.00
618 - Chemicals	5,005.00	7,603.97	38,600.00
620 - Materials & Supplies	120,374.14	96,475.37	207,850.00
620.7 - Postage	298.72	0.00	0.00
631 - Contr.-Engineering	0.00	5,000.00	12,000.00
632 - Contr. Accounting	20,000.00	25,833.38	62,000.00
633 - Contr. Legal	1,811.50	12,291.69	29,500.00
634 - Other Professional Fees	2,830.00	4,166.69	10,000.00
635 - Contr-Other	70,218.03	79,293.69	204,750.00
642 - Rental of Equipment	0.00	250.00	250.00
650 - Transportation	14,212.71	15,875.35	38,250.00
657 - Insurance - Gen. Liab.	14,167.91	16,250.00	32,500.00
658 - Insurance-Workers Comp.	8,668.80	9,430.30	13,000.00
660 - Advertising	0.00	0.00	1,500.00
667 - Regulatory Expense	13,056.20	6,250.00	15,000.00
670 - Uncollectables	-706.89	0.00	0.01
675 - Misc. Expenses	6,915.91	3,750.00	9,050.00
680.00 · Uncategorized	263.23	0.00	0.00
	1,158,057.2	1,111,502.4	
Total Expense	2	7	2,680,550.10
Net Ordinary Income	274,156.41	273,785.92	42,562.48
	274,156.41	273,785.92	42,562.48

Table 3

Boothbay Region Water District Capital Improvement Budget Performance through 31 May 2018
 Acct

#	Description	Jan-May 2018	Amount
	Capital Improvements		
105.01	Marine Construction	\$ 2,250.00	\$ 4,500.00
105.02	Engineering & Excavation	\$ -	\$ 22,000.00
105.05	GIS	\$ 2,446.68	\$ 6,000.00
105.10	Storage Building Project	\$ 3,000.00	\$ 10,000.00
105.15	Country Club Phase II		\$ 5,000.00
105.16	Meter Upgrades	\$ 44,255.37	\$ 80,000.00
105.21	Natural Resource Projects	\$ -	\$ 15,000.00
105.50	Work in Progress - Other	\$ 47,053.92	\$ 1,500.00
	Total Capital Improvements	\$ 99,005.97	\$ 144,000.00
	Principal Repayments		
221.31	MBB Highland Park	-	\$ 32,000.00
221.32	MBB Pinkham Standpipe Rehab	-	\$ 5,220.00
221.33	RD Southport Interconnection	\$ -	\$ 31,781.27
221.89	SRF Cape Newagen MMBB	\$ 10,563.00	\$ 10,600.00
221.92	RD 91-20	\$ -	\$ 23,379.42
221.93	FNB Consolidation	\$ 10,696.33	\$ 11,240.00
221.95	MMBB Sea Street	\$ -	\$ 12,578.00
221.97	FNB Fluoride Bond	\$ 6,946.00	\$ 7,400.00
221.9	Highland Park	\$ -	\$ -
221.94	Mt Pisgah Tank	\$ -	\$ -
221.99	RD 91-18 (estimate - review after audit)	\$ 6,500.00	\$ 6,295.22
221.993	MMBB Consolidation	\$ -	\$ 332,548.06
	Total Principal Repayments	\$ 34,705.33	\$ 473,041.97
	Sinking and Reserve Fund Contributions		
131.82	Capital Reinvestment	\$ -	\$ -
131.86	Land Acquisition	\$ -	\$ -
131.87	Southport Interconnection	\$ -	\$ 9,328.00
131.88	RD 91-18	\$ -	\$ 1,995.87
131.89	RD 91-20	\$ -	\$ 6,196.63
	Total Sinking & Reserve Fund Contributions	\$ -	\$ 17,520.50
	Fixed Asset Budget		
	2019 Chevrolet 3500 Lift Gate	\$ 56,821.00	55,000.00
	Replacement Compactor	\$ -	8,000.00
	Mcelroy Travel Trailer	\$ -	5,000.00
	Total New Fixed Asset Additions	\$ 56,821.00	\$ 68,000.00

- a. **2018 Rate Case** – The manager stated that the rate case was nearing completion with a strong possibility of a draft ready for the trustees by the next trustee meeting.
- b. **Meter Reading Cost of Service Study** – On 15 June 2018 the manager received the *Analysis of Cost of Associated with Water Meter Readings - DRAFT* from Mr. Norm Lamie P.E. and distributed it amongst the board. The manager explained that this document would set the new rates for any third party legally allowed to purchase meter readings from the water district. The manager pointed out the analysis conducted showed that a rate increase from the current \$1.50 per reading to the new rate of \$5.15 with the true cost per reading at \$10.30. The manager reminded the board that Mr. Lamie was an impeccable source for calculating this rate and that he was convinced that this report as being true and accurate. The manager recommended to the board to accept this report and initiate the new rate.

Trustees Tharp and Tibbetts raised questions concerning the amount of time that had elapsed between rate settings to which the manager replied that this had not been a priority until several years ago and by then political concerns blocked initiation of this new rate until now. Trustees Climo and Gamage relayed to the board some of the political challenges facing the district previously with Trustee Climo stating that it was his intention to receive only those funds that were fair for the district to receive and that all entities receiving readings for a fee should look at this rate realignment as a bargain price provided by the district over the past several years. After much discussion, the manager was directed to reevaluate this rate along with future rate increases.

The board approved the new meter reading rate and informed the manager to hand deliver a copy once a final draft was received from Mr. Lamie, to the Boothbay Harbor Sewer District.

Trustee Climo motioned, Trustee Anthony second, vote unanimous

5. NATURAL RESOURCES PROGRAM –The following written report was provided by, and delivered by the Natural Resources Program Manager:

1) An application for another round of 319 grant funds to address erosion and runoff in the watershed was submitted on June 14. We expect a decision in the fall. We have also discussed submitting an application for a Land and Water Conservation Fund grant with Dan Bryer. This grant looks like a great opportunity for improvements at Clifford Playground, which would include resolving the long-standing dumping issue into Adams Pond watershed wetlands. More to come on this.

2) The Boothbay planning board began its watershed ordinance review on June 12 and we resume discussions on this tonight. So far it is going well.

3) Field and water quality sampling continues.

4) We are working with the Town to improve conditions at Knickerbocker Access. Parking near the stream has been stopped with a few well-placed rocks. Right now, 12 boats are “stored” at shoreline and one ice house is still left behind from winter season. Town has promised to get signs up and notify boat/ice shack owners that the public access is not their personal property and any stuff left behind will be removed.

5) Pat Farrin has indicated his continued interest in the land acquisition discussed previously.

6. **SAFETY & TRAINING UPDATE** – The manager reported no injuries, safety violations or known missed inspections during the previous period.
 - a. **Human Resources (HR)** – Weston Alley is currently on two-weeks military leave, stationed at Portsmouth (NH) Coast Guard Annex.
 - b. **Training Update** – Nothing new to report

7. **TREATMENT DIVISION (TD)** — The manager reported that filter train efficiency since the previous report remained at 100% for both filter and clarifier performance. Both sodium hydroxide and aluminum sulfate dosing rates remain slightly less than normal for the time of year. Finish water production for the previous period had exceeded that of 2017 production rates with an average daily production 0.6855 MGD as compared to 2017 production for the same period of time equaling .6599 MGD.
 - a. **Backwash Rate Valve (BRV)** – The new BRV had been ordered with no date for installation scheduled as of yet.
 - b. **Drought Monitoring** – Since the previous meeting the Boothbay region remained in drought condition D-0 - *Abnormally Dry* on the U.S. Drought Monitoring Scale with the area of the State in drought condition expanding. In addition, it is now apparent that the water drawdown from Adams Pond is much ahead of normal with Adams Pond approximately 6/10ths of a foot below normal as compared to the post-Knickerbocker Lake Pump Station Adams Pond long-term water level averages (see Figure 1.). The manager informed the board that he was “not sweating it yet”, however the trend was ominous and would be monitored closely.

8. **DISTRIBUTION DIVISION (DD)** – The DD remained quite busy with the high volume of service applications, normal distribution maintenance activities and support of municipal paving efforts. In the previous period the DD responded to 21 Dig Safe notifications and installed 3 new services. The flurry of activity post-turn on, which for this year was very heavy, but subsiding. The manager reported that the district was now allocating a minimum of 1 man-day per week from the DD to work for the NRPM on environmental matters. All administrative and time sensitive demands on the DD were reported to be current.
 - a. **Breakneck Hill Road Water Main Relocation** – This project was completed over 14 & 15 June 2018. There was minor damage to report caused by the district’s contractor concerning a resident’s dogwood tree which had been wiped out by accident. The manager then informed the board that the district had *Conley’s Greenhouse* replace plantings to the owner’s satisfaction with the cost incurred by the district to correct this issue to be credited by *N. Reny Construction* to the district for future purchases of materials. This project was completed without further incident and all landscaping and road reconstruction was now complete.
 - b. **New Building Status Report** – Under staff review
 - c. **Unidirectional Flushing Plan** – No change in status
 - d. **Fire Flow Mapping** – Will go into effect once CIP is accepted

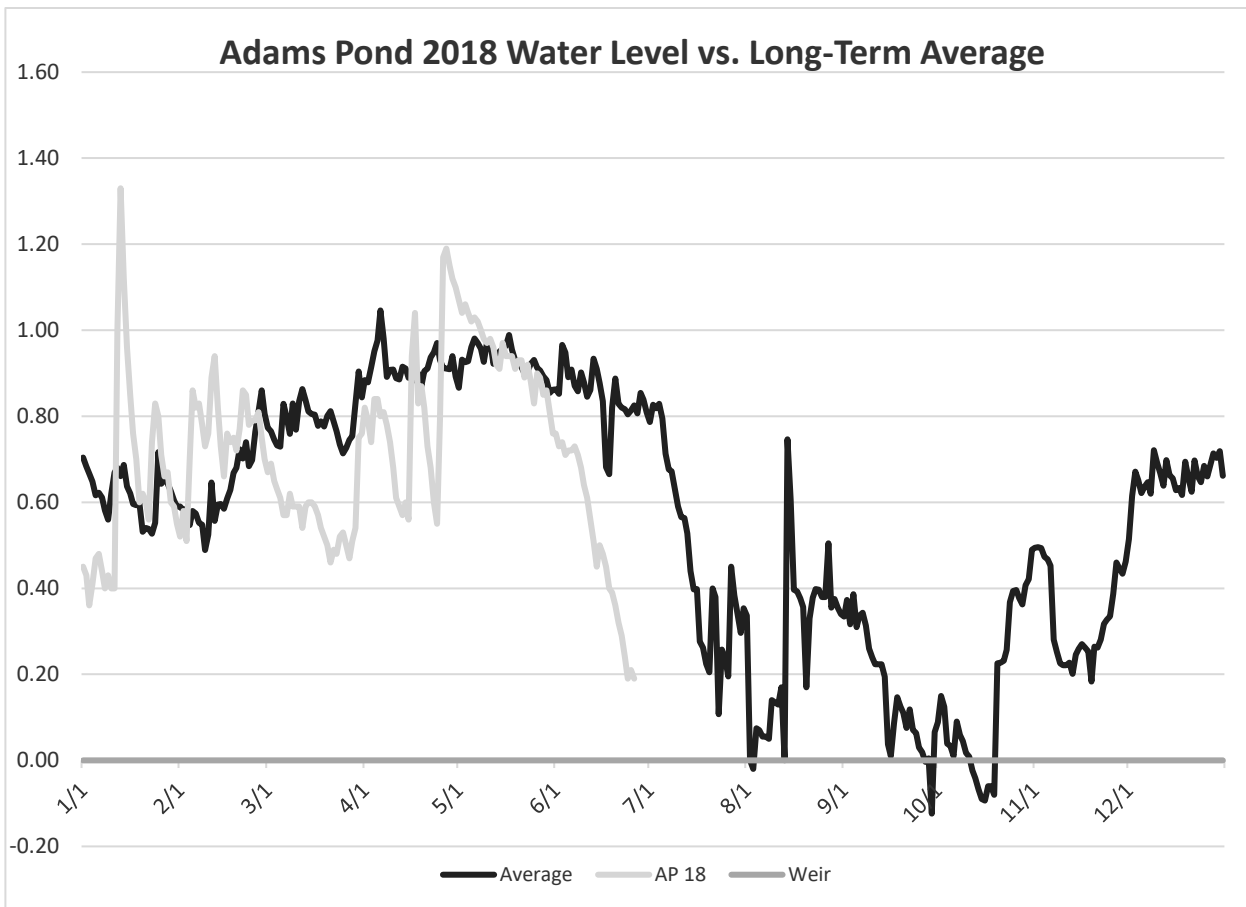


Figure 1

9. **5 RIVERS REGIONAL WATER COUNCIL** –No change in status.
10. **LAND ACQUISITION UPDATE** – Mr. Pat Farrin was reported to be interested in resuming discussions for the sale of property with him requesting the NRPM only to negotiate the selling price in the company of his attorney. The manager reported to the board that he had instructed NRPM to relay to Mr. Farrin that this was unacceptable and if he truly did want to move forward the negotiations it would only happen with the manager meeting with his attorney and him. With that the manager had no further contact to report.
11. **CAPITAL IMPROVEMENT PLAN (CIP) UPDATE** – This plan was under review by the board and staff. The manager handed out a copy of the proposed plan to each trustee previously and informed them that he was assembling comments which he hoped to send to *Dirigo Engineering* in July.
12. **ISLE OF SPRINGS (IOS)** – This project is active and remained in-process.
13. **ALTERNATIVE ELECTRIC POWER OPTIONS** – The manager informed the board that he was currently setting up site visits for fact finding, with other municipal entities that have added solar power generation to their infrastructure owned. Mr. Joe Pagano, *Revision Energy* sent the manager the following previously that day and the manager welcomed any trustee input before he responded.

The goal of this email is to help outline some of the next steps to making a decision on the solar project. We understand this decisions take time and need approval from a board/committee. Below are some items that may help move this along.

1. I know there were concerns about the wetland area. It would be helpful if your team can decide if the original design would still be viable or if we need to look at different options/ scale down the project.

2. Is there a date or time that the board would like to make a decision?

3. Does the team need more information from us, and if so what?

I look forward to hearing from you.

Trustee Climo, speaking for the board, instructed the manager to inform Mr. Pagano that the board was still interested but was conducting its own “due diligence” concerning this concept and would be back in touch relatively soon.

14. **NEW WATER MAIN POLICY CLARIFICATION** – The manager informed the board that as directed, on 21 June 2018 the oversight he made on Cross Road in Southport had been corrected by staff with the installation of one service tap for an existing structure. This matter was now considered closed.

15. The meeting was adjourned at 2017 hr.

. *Trustee Climo motioned, Trustee Lewis second, vote: unanimous*

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegler
General Manager

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