

28 May 2019

MEMORANDUM

From: Manager
To: Board of Trustees

Subj: **MINUTES FOR THE TRUSTEE MEETING 14 MAY 2019**

The Board of Trustees convened at 1900 hrs. **In attendance:** Trustee Gamage, Southport (Chairman); Trustee Climo, Southport (Vice-Chairman); Trustee Tharpe, At-Large (Treasurer); Trustee Anthony, Boothbay (Clerk); Trustee Tibbetts, Boothbay Harbor; Trustee Bellows, Boothbay; Trustee Blakeslee, Boothbay Harbor; Jonathan Ziegler, Manager. **Guest:** Ms. Danielle Gagnon C.P.A., Heverlock, Etsey & Curran LLC. **Absent:** None.

1. Chairman Gamage welcomed incoming trustees Bellows, Boothbay and Blakeslee, Boothbay Harbor to the board.
2. Trustee Gamage was elected Chairman of the Boothbay Region Water District.
Trustee Climo motioned, Trustee Anthony second, vote unanimous
3. Trustee Climo was elected Vice-Chairman of the Boothbay Region Water District.
Trustee Anthony motioned, Trustee Tharpe second, vote unanimous
4. Trustee Tharpe was elected Treasurer of the Boothbay Region Water District.
Trustee Climo motioned, Trustee Anthony second, vote unanimous
5. Trustee Anthony was elected Clerk of the Boothbay Region Water District.
Trustee Climo motioned, Trustee Tharpe second, vote unanimous
6. The board approved the minutes for 23 April 2019.
Trustee Climo motioned, Trustee Anthony second, vote unanimous
7. The **Payroll** for weeks ending 23 April 2019, 30 April 2019 & 1 May 2019.
Trustee Climo motioned, Trustee Anthony second, vote unanimous
8. The **Transactions** for the period of 22 April 2019 through 10 May 2019.
Trustee Climo motioned, Trustee Anthony second, vote unanimous
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9. **ADMINISTRATION** – The manager presented the board with Table – 1 *Boothbay Region Water District Cash Account Status Report as of 14 May 2019*. Nothing else out of the ordinary to report at this time. The manager reported that during the previous period he had transferred \$200,000.00 from the District SWEEP Account to the district’s Capital Reinvestment Fund in preparation for the 1 October 2019 Consolidation Bond payment.
 - a **2018 Audit Report Presentation by Heverlock, Etsey & Curran LLC** - Ms. Danielle Gagnon, C.P.A. delivered the 2018 audit findings to the board in which she outlined the financial position and concerns of underfunding the district as reflected in 2018. Despite the now corrected cashflow deficiencies, Ms. Gagnon relayed that she, and her audit team, found no material weakness with the district, its financial practices and oversight of all things financial.

Table 1 BOOTHBAY REGION WATER DISTRICT Cash Account Status Report as of 14 May 2019	
Account	Balance
Business Checking	\$ 25,877.40
Deposit Sweep Account	\$ 285,895.08
Liquidity Total	\$ 311,772.48
DESIGNATED FUNDS	
BBH 2007 Sinking Fund	\$ 32.11
Land Acquisition Fund	\$ 14.68
Capital Reinvestment Fund	\$ 200,001.17
Mt Dora Easement Escrow	\$ 4,768.50
EBB Upgrade 91-20	\$ 2,413.96
Bank of Maine Unemployment CD	\$ 10,431.66
Designated Fund Total	\$ 217,662.08
TOTAL CASH RESERVES	\$ 529,434.56

10. **NATURAL RESOURCES PROGRAM** – The following was presented, in writing, to the board by the NRPM:

1) Timber harvest: Our consultant Mike Morse has obtained agreement from the Forest Service to establish locally-managed timber harvest standards for the AP/KL watersheds while still allowing the Town to cede forestry oversight to the state for the rest of the Town's shoreland zone. We are now working with Morse to develop those standards.

2) We have been awarded a \$10,000 CDC Source Water Protection Grant. Funds will be used to remediate invasive plants at the Hamrin/BRWD border, develop a watershed/stream map for the planning board and support lake-friendly grants. We may be able to use funds, if any are left, to offset timber harvest standards consulting costs.

3) On May 2, the District crew cleaned up roadside trash along Route 27 within Adams Pond watershed, while Watershed Tavern/Boothbay Craft Brewery cleaned up Adams Pond Road. Collectively, we picked up 540 pounds of garbage.

4) Planning for this year's 319 grant has begun. We have engineering plans for Pine Woods Road and the steering committee meets on June 10.

11. **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)** – The manager reported he had conducted a safety stand down at 0700 hr. on 24 April 2019 with all staff concerning trustee observations made the previous evening concerning cellphone use while inside a district vehicle reminding all personnel that using a cell phone while driving is prohibited by state law and would be enforced as district policy as well.

- b. **Training Update** – Utilities Technicians Weston Alley, Shawn Simmons and Taylor Timberlake requalified all of their certifications for cross connection control testing at a training session provided in Topsham, hosted by the Brunswick & Topsham Water District, conducted by the New England Waterworks Association the week of 6 May 2019. In addition, during this training week Utilities Technician, Aaron Durgan received initial cross-connection control training and successfully received his certification in cross connection control testing.

12. **TREATMENT DIVISION (TD)** — The manager reported filter train efficiency since the previous report remain unchanged at 100% efficiency for both filter and clarifier performance. Raw water quality was reported to be stable now with both Adams Pond and Knickerbocker Lake with both water reserves at 100+% capacity. Key chemical additions remain within a couple percent of normal with no taste or odor issues.

Finish water production since seasonal turn-on was outpacing production recorded in 2018 for the previous period, with an average daily production increasing to 0.4917 MGD as compared to 2018 production for the same period of time equaling 0.3847 MGD.

- a. **Overhaul Vertical Turbine Raw Water Pump 1 (RWP1) & Finish Water Pump #2 (FWP2)** – The manager relayed that he had received notification that the repair work on both units was nearing completion and should have a reinstallation date locked down by weeks end.

13. **DISTRIBUTION DIVISION (DD)** – The manager reported that this time of year the DD was primarily engaged with job orders reestablishing seasonal service to the “stragglers”; mostly seasonal services off year-round mains, repairing the long list of repairs necessary for the seasonal water distribution system that were noted during seasonal start-up, continuing the ongoing valve installation effort for the Southport seasonal water system adding redundancy to that system and catching up on system-wide cross-connection control testing in accordance with state law.

In addition to the relentless job order rush, the DD responded to 34 Dig Safe requests since the previous period.

- a. **New Building Status Report** – No change in status.
- b. **New Replacement Vehicle** - No change in status

14. **5 RIVERS REGIONAL WATER COUNCIL** –Nothing new to report

15. **LAND ACQUISITION UPDATE** – The following analysis was completed by the NRPM for the Farrin Property.

Land acquisition: Watershed land acquisition and conservation are priorities for water quality protection. Land acquisition/ conservation has been constrained by available funds and a PUC limit on the amount the District can hold in a land acquisition account (maximum \$100,000) without affecting the rate structure. Verrill Dana has drafted a PUC waiver request (attached). If we are granted this waiver, the District will set up a watershed conservation account (for acquisitions and conservation easements) and learn how to fundraise to fill its coffers.

We have been operating under the belief that an appraised value sets a financial limit for a land purchase. Verrill Dana has concluded that we can pay more than appraised value if we can substantiate the purchase price, based on a parcel's importance to water supply protection. This is a new wrinkle that gives us some negotiating room.

Farrin property: We have been in negotiations with Pat Farrin for years over the purchase of a 22-acre parcel (R04-169D) through which the Knickerbocker Pipeline travels. Pat has now accepted the fact that the District will not convey conservation land to him and is willing to sell the property without a land transfer. His asking price for the property is \$134,600, based on a recent appraisal by Newcastle Realty. Attached are the Tindal and Callaban appraisal of 2016 and the Newcastle Realty appraisal.

The board instructed the manager to make an offer for the property equaling \$115,000.00. The manager was authorized to make other undisclosed considerations where in to make this land transfer possible.

16. **ISLE OF SPRINGS (IOS)** – Nothing new to report.
17. **ALTERNATIVE ELECTRIC POWER OPTIONS** – Nothing new to report
18. **MASSACHUSETTS ROAD WATER MAIN REPLACEMENT PROJECT** – Nothing new to report
19. **LOGAN ROAD WATER MAIN REPLACEMENT PROJECT** – The manager was awaiting a bid review from *Dirigo Engineering* along with cost cutting negotiations with E.M. Wood Construction and therefore did not have a recommendation for award at that time. The manager confessed that the tardiness of the review was not the fault of *Dirigo Engineering*, rather that was on the manager who missed the step of hitting “send” on a draft e-mail to *Dirigo Engineering*.
20. **AFFORDABLE HOUSING PROJECT** – Nothing new to report
21. **BARTERS ISLAND WATER MAIN RELOCATION PROJECT** – Nothing new to report
22. **SQUIRREL ISLAND WATER MAIN** – The manager reported that this water main was in service with a leakage rate of 6,700 gallons per day. For the upcoming season, assuming this leakage rate stays constant, the cost of lost water alone, in serving Squirrel Island will be \$13,668.00. The manager also reported that the cost of repairing this main, with the correct channel main for then location where the Squirrel Island water main is located was estimated to be \$67,000 just for the pipe. In light of the situation noted above, and the “blatant unfairness” to the district rate-payers being forced to own this water main, the manager requested the following:
 - a. Resources in time and financing to research the original legislative arrangement forcing the town of Boothbay Harbor (i.e. the district) to own this water main;
 - b. Resources to confer with the district’s attorney to ascertain the feasibility, hurdles and process to turn over the SI water main to the SI Village Corporation (SIVC) for their care and custody;
 - c. Perform a cost benefit analysis with regard to losing all of the individual SI customers as accounts and master meter SI consistent with district policy; and
 - d. Prepare a report for the board with the goal of shedding this water main from district inventory.

The manager went on to state that the district being forced to own this water main is based on an ancient agreement between the town of Boothbay Harbor by the SI. Even without any formal analysis, the one-mile of seasonal water main serving SI is by far the most expensive mile of water main owned by the district. The manager also stated that the district being forced to own this water main, without a formal cost analysis performed, was most likely a money loser for the district’s rate payers.

The manager went on by informing the board that with the district being forced to own this water main, in which SI contributes absolutely zero direct funding to keep up, at the expense of the district's rate payers, many of which who are elderly and on a fixed income, while every other island customer is expected to maintain their own water main feed, was unfair and inconsistent with district and PUC policy. The manager went on record stating that SIVC has taken advantage of this arrangement of the district (i.e. district rate payers) long enough, with district policy needing to be enforced if for no other reason than fairness and equity.

The board agreed with the managers proposal and instructed him to move forward with an effort to return the SI water main to the SIVC.

23. **HARRY PINKHAM TRIBUTE** - The manager outlined the plans for an open house to give tribute to former trustee Harry Pinkham to be held on 1 June 2019, from 1300 hr. to 1600 hr. at the American Legion Hall in Boothbay.
24. **OAK HILL ROAD WATER MAIN EXTENSION (EMERGENCY)** – The manager reported that in the previous period that an individual living on Oak Hill Road in Boothbay experienced a failure of his/her well, both in quantity and quality. In order to serve this residence, the district completed a 175-foot seasonal water main extension at the requestor's expense, installed by district personnel to district standards. The water main was reported to have been installed in a public right-of-way (held by the town of Boothbay) which required no additional easements. The manager stated that the main had already been put into service per state of Maine law for a situation such as described above. The manager then informed the board that all financial accounts were settled with the district and recommended the board accept the water main. The board accepted the new water main.
Trustee Climo motioned, Trustee Anthony second, vote unanimous
25. The meeting was adjourned at 2025 hr.
Trustee Climo motioned, Trustee Bellows second, vote: unanimous

END OF MINUTES

Respectfully Submitted,

Jonathan E. Ziegra
General Manager