

## **SOUTHWEST HARBOR WATER & SEWER DISTRICT**

Approved Minutes, Board of Trustees Meeting

Town Hall Meeting Room

Thursday, January 18, 2017, 6:00 pm

### **Item 1            Convene meeting**

Meeting was convened at 6:05 pm. Attending were Board members Jim Geary, Don Lagrange, and Jim Vekasi and District Manager Steven Kenney. One visitor, Chad Terry, was present through the discussion of sludge hauling in Item 4.

### **Item 2            Approval of minutes from previous meetings (Dec 8 and Dec 13)**

**Don Lagrange moved** that the draft minutes of the December 8, 2016 meeting be approved as written. Seconded by Jim Geary. Vote 3/0/0.

**Don Lagrange moved** that the draft minutes of the December 13, 2016 meeting be approved as written. Seconded by Jim Geary. Vote 3/0/0.

### **Item 3            Visitors to be heard. None**

### **Item 4            District Manager's Report**

- A) **Sludge Hauling Contract.** Steven is preparing a Request for Quotations for sludge hauling to the Ellsworth treatment plant. Requirements will include truck capacity, availability within 24 hours, and appropriate licenses. Price and references will be considered when making the award.
- B) **Office Manager recruitment.** Steven has hired Michele Novak for the position. She started work this week and spent her first week getting to know the Town personnel and procedures. Her pay is \$19.00 per hour to start increasing to \$20.00 per hour upon satisfactory completion of a six month probation period.
- C) **Payroll service.** Steven has contracted with Bangor Payroll to manage our payroll. Annual cost will be about \$1,600.
- D) **Water and Sewage Treatment Plant analysis.** Steven met with Olver Associates recently to discuss the proposed analysis of the Wastewater Plant. Preliminary discussions indicate that it would cost about one half as much to rehabilitate the existing plant in place as compared to constructing new in a different location. He plans to meet with Tata & Howard to discuss analysis of the Water Plant. He continues to work with Maine Rural Development Authority to request funding for these reports.
- E) **Water intake issues.** Steven is working with insurance adjusters to reimburse the District for damages to intake pumps and piping after a power outage in mid-December. Reimbursement for immediate repairs will be about \$21,000 and repairs to the intake pipe to take place in Spring are estimated to cost about \$20,000.

- F) **Billing and collection programs.** Steven solicited proposals from two companies offering billing service – CUSI and Northern Data. CUSI offers the best combination of price, compatibility with our systems, and timeliness. The software and setup will cost approximately \$9,000 and can be run on our current computers.

**Jim Geary moved** to purchase billing software from CUSI. Seconded by Don Lagrange. Vote 3/0/0.

We currently have 928 water customers and about 800 meters with remote reading capability. Many of the remote readers are no longer operating requiring estimate usage billing. Some accounts have been estimate for several years. This is a serious issue affecting the District income. Given the problems with our current metering system, we established a goal of replacing the electronic reading system over the next three years, starting with the meter software and replacement of faulty transmitters. The goal for this year will be to replace non-functioning transmitters and establish a working “drive-by” batch meter reading system. The three year goal will be to replace the failing continual monitoring meter reading system. The chosen vendor is Badger Meters. Customers who have failed meter reading systems and who have been charged for extended periods based on estimated readings may experience higher bills when accurate readings are obtained and will be notified in advance.

**Jim Geary moved** to start the phased transition to a Badger Meter system with new software and transmitters. Seconded by Don Lagrange. Vote 3/0/0.

- G) **Employee health status.** Allan Willey was out for most of the week with flu and will not return until cleared by his doctor. Tom Farley was also out with flu this week. Josh Conary has had the cast removed from his hand and is cleared for work, but limited to lifting thirty pounds with the injured hand.
- H) **Report on DOL and DPH inspections.** The Department of Labor SafetyWorks branch inspected the facilities on January 9 and 10. They made helpful comments on how to solve some safety issues. The Department of Health annual inspection of the Water Plant has been postponed twice this month at their request.
- I) **PUC Reports.** Steven has requested assistance from the Town’s auditor, RHR, in completing the numbers for the 2015 PUC report. We do not yet have the audited figures as of 12/31/15 when the Town turned over the systems to the District.
- J) **Water supply issues over the past weekend.** The tank level dropped to six feet over the weekend due to backwash control issues at the Water Plant. Once the system was re-booted and a troublesome valve given some attention, the problem was solved and the tank filled within about a day and a half.

## Item 5

### Financial

- A) **Reviewed reports as of 1.18.2017.** While not all 2017 costs are recorded yet, it appears that:

- a. Water expenses will be substantially below budget and income substantially above budget resulting in a healthy surplus – potentially exceeding \$100K. Very good news with all the CIP needs.
  - b. Sewer expenses will be near budget and income above budget. It looks probable that the 2016 sewer bottom line will be close to zero and possibly in the black.
  - c. Operating bank accounts as of today totaled about \$159,000.
- B) **2017 Budget.** The 2017 budget will need revision to reflect actual employee health insurance and IPP changes and the estimated cost of the new payroll service. Steven will provide Jim V with numbers and Jim V will modify the budget for review at our next meeting.
- C) **Multi-year capital improvement plan.** Tabled until next meeting.
- D) **Accountant.** We will need an account to audit the 2016 books and provide assistance with setting up a new bookkeeping system. Jim Geary will investigate potential candidates and report back.

**Item 6            Approval of Warrants**

**Don Lagrange moved** to approve 2016 Payroll Warrants 84, 85, 86, and 91; 2016 Water Warrants 87 and 90; 2016 Sewer Warrants 88 and 89; 2017 Water Warrant 3 and 2017 Sewer Warrant 4. Seconded by Jim Geary. Vote 3/0/0.

**Item 7            Old Business**

- A) Continued review of Personnel policy. Jim will distribute the current version of the approved Personnel Manual for discussion at the next meeting.
- B) Permit transfer. Still in Lawyer’s hands.
- C) Multi-year capital improvement plan (tabled to next meeting)

**Item 8            New Business.**

- A) **Town projects.** The Town is constructing sidewalks on lower Main Street. Water valves and services will be replaced. Town voters will be asked to approve major work on three Town streets – Claremont, Robinson Hill, and Cedar Lane. Rehabilitation of Fernald Point Road is being planned. Road projects will include associated water and sewer improvements.
- B) **Annual Report.** Steven will draft an annual report to be included in the Town Annual Report. It will include a summary of our accomplishments, usage metrics, and a financial summary.

**Item 9            Date of next meeting**  
Thursday, Feb 9, 6:00


**Item 10          Adjourn meeting**

**Don Lagrange moved** to adjourn the meeting at 8:23 pm. Seconded by Jim Geary.  
Vote 3/0/0.

Submitted,



Approved Feb 21, 2017



Jim Vekasi  
Clerk