

**SOUTHWEST HARBOR WATER & SEWER DISTRICT  
MONTHLY MEETING OF THE BOARD OF TRUSTEES**

**Approved Minutes**

Town Hall Meeting Room  
Monday, February 12, 2018

**Item 1            Convene meeting**

Meeting was convened at 6:00 pm. In attendance were Board members Lee Worcester, Jim Vekasi, Ralph Dunbar, Don Lagrange, and District Manager Steven Kenney. Jim Geary was not able to attend due to a death in the family.

Treasurer/Clerk Jim Vekasi requested a motion to appoint an Acting Chair.

**Don Lagrange moved** that Lee Worcester chair the meeting. Seconded by Ralph Dunbar. Vote 4/0/0.

**Item 2            Election of Officers**

**Don Lagrange moved** that this topic be tabled until the next meeting when all Board members could participate. Seconded by Lee Worcester. Vote 4/0/0.

**Item 3            Visitors to be heard.**

Jim Snow attended the meeting and had questions about finances discussed below.

**Item 4            Approval of minutes from previous meeting**

**Don Lagrange moved** that the draft minutes of the January 11, 2018 meeting be approved as presented. Seconded by Ralph Dunbar. Vote 3/0/1 (Worcester abstention as he was not present for these meetings).

**Item 5            Financial**

A) QuickBooks reporting status. Current reports for reviewed. The Board consensus was that the Profit and Loss Budget vs. Actual report covering the full year and comparing expenses year-date with the full year budget in both \$ and % was the preferred basic budget report. Once we get to the point where a comparison with the previous year income and expenses is meaningful, we can look at that report also.

Steven will look at insurance bills so we can better understand the annual cycle.

B) Jim Snow questioned some items in the 2016 audit. The \$80,000 line shown as due from sewer did not match with the amount due to water, so where is this money due? Steven stated that because 2015 and previous year audits were rife with problems, the current auditor, despite spending substantially more time than anticipated on the 2016 audit, did not have all

discrepancies resolved and these will be addressed in the 2017 audit with the assistance of the Maine Rural Water Association administrative circuit rider.

- C) 2017 4<sup>th</sup> quarter billing was water \$209,060.29 and sewer \$150,066.60. In the continuing staff review of all accounts, several problem areas were identified and remedied including a major long term error in reading the Park meter at Seawall. The Park has been undercharged by a factor of ten, a very substantial amount. Steven met with the Park Chief of Maintenance who agreed to pay the adjusted amount.
- D) 2018 Budget. The 2018 budget is still in draft form waiting for additional information on billing and anticipated revenue. We will finalize the budget when the April billing numbers are available. For now, the 2018 budget we are using is the one transmitted to the Board on January 14, 2018 titled "2018 Water and Wastewater Budget Development 1.11.2018.xlsx".
- E) Sewer rate increase. Even if sewer income can be predicted to return to previous year levels, the Board still wishes to increase rates to both address chronic underfunding and also avoid a very large increase at some future date.
- F) Town Bonds. As part of the Town's approved road work on Claremont Road and Cedar Lane, water and sewer lines will be repaired or replaced as needed. Although the Town will be responsible for the cost of these long life capital improvements, they will become assets of the District and it is substantially less expensive to fund the work through loans related to utility work.

**Don Lagrange moved** to authorize Steven to apply for loans in the name of the Water and Sewer District to fund water and sewer improvements on Claremont Road and Cedar Lane. Seconded by Ralph Dunbar. Vote 4/0/0

- G) Health insurance. The Town found that it was economical to change staff health policies to one with higher deductibles and co-pays and to establish a Town fund to pay for those additional deductibles and co-pays. The effect is to provide the same level of coverage for employees at a lower cost. As it is our policy to provide the same health care coverage as the Town, we need to set aside funds to pay for these costs. The estimated cost is \$4,000 for family plans and \$2,000 for single plans, but will vary with actual medical needs. The account can be loaded with a smaller amount, say \$5,000, and then added to as needed.

**Don Lagrange moved** to set up an account for this purpose Lee Worcester second. Vote 4/0/0

- A) Steven has identified problems with some fire sprinkler systems. Systems that were erroneously not billed in the past have been billed. Owners of systems lacking backflow preventers have been or will be notified.
- B) Along the same line, Steven has found a number of incidences of poor grease trap maintenance. Owners have been notified and actions will be taken for chronic offenders.
- C) One result of the numerous changes in billing and enforcement has been some customer pushback directed toward District staff. Board members are encouraged to interpret the good business and fairness aspects of these actions when given the opportunity.
- D) A more detailed Manager's Report is included as an attachment

**Item 7            Warrants**

**Don Lagrange moved** to approve Water Warrant #20 and Sewer Warrant #21. Seconded by Jim Geary. Vote 4/0/0.

**Item 8            Old Business**

- A) Approve updated Water & Sewer ordinances. Steven will transmit review copies of the proposed ordinances to Board Members for discussion at the next meeting.
- B) Administrative Consent Agreement update. All issues except the fine have been resolved. The District recommended mitigation of Long Pond pollution due to road sand/salt/oils as a Supplementary Environmental Project (SEP). The DEP was not receptive, so discussions continue.
- C) Grant update. Table consideration of grants until next meeting.

**Item 9            New Business**  
None

**Item 10           Date of next meeting**  
Thursday, March 8, 2018 at 6:00 in the Town Office meeting room. (After the meeting, the date was changed to March 7.)

**Item 11           Adjourn meeting**

**Don Lagrange moved** to adjourn at 7:15 pm. Seconded by Ralph Dunbar. Vote 4/0/0

Submitted,



Attached: Manager's Report, February, 2018

Approved March 7, 2018



Jim Vekasi  
Clerk

Attachment

SOUTHWEST HARBOR WATER & SEWER DISTRICT  
District Managers Report  
February Monthly Meeting 2018

December / January;

The intake line to the raw water pump station on Long Pond froze up in the below freezing temps. This happens every 10 years or so. We had to open hydrants and keep water flowing to run the intake pipe more often than 1 or 2 hours a day to keep the line from freezing. This will cause power and chemicals to be higher than usual for these months. I have ordered insulation wrap to be installed in spring to try and avert this from happening in the future.

January 11;

The 8" cast iron water main on Clark Point Rd., in front of Hamilton Marine was cracked laterally by the freeze / thaw cycle. Goodwin Construction was called into make the repair. Water was off for 4 hours.

January 16;

A service line on Seawall Rd started leaking. Gott Excavation was called in to make the repair. Due to the weather conditions a repair was made for now, but the entire line will be replaced in spring due to severe pitted of the copper.

January 22;

After several months of working with the actual programmers from both the meter reading program, and billing program company, I figured the reasons why billing was so difficult, and there was such repetitiveness in "fixing" specific accounts every billing.

- 1) The TRIO program was never set up properly and had all meters with a 5 digit roll over, (the maximum amount of moving numbers on a meter register). Our meters are not unified, some have 4, 5, 6 and 7 digit roll overs. Even when we would correct a bad reading manually, the program would automatically revert to a 5 digit roll over the next billing. This issue has been corrected.
- 2) We have a group of meters that read in tenths and hundredths of a cubic foot. This throws off the multiplier and the roll over placement. We are identifying these meters for reprogramming.
- 3) We had a few meters reading in thousands of cubic feet rather than hundreds are in the process of changing those registers out.
- 4) I contacted the CEOs of both companies to bring to light our frustration with their respective programs. They in turn both created a team to work with their counterparts of the other company and all programming issues have been resolved...or so we are told. : )
- 5) Both companies will have representatives "walk" through the reading / billing process with us during our next billing to assure the above is accurate.

## Billing;

Though the bills were sent out a couple weeks late, we needed this time to assure the bills are as accurate as possible. As we found in previous billings, we were able to make numerous corrections that were not corrected for years. This took time to review numerous accounts and visit numerous locations.

- 1) Accounts like Ellis Boat and Harbor Ridge Condominiums were never billed for water or fire sprinkler services respectively.
- 2) Accounts such as the National Park Service were billed in hundreds of cubic feet, rather than thousands, losing the District tens of thousands of dollars.
- 3) Accounts such as SWH Housing Authority, Dockside Inn, Hinkley's Boat and many residents were sent out estimated bills every quarter for years, though readings were easily obtainable. Their new bills will be much higher.
- 4) I compared the 4<sup>th</sup> quarter 2012 commitments with our 2017 4<sup>th</sup> quarter and found numerous fire sprinkler accounts that were billed once, that weren't being billed currently.

Looking at the chart below, you can see that the number of bills we generate vary greatly, but in the past couple of years we have "recovered" over 70 accounts that were either not being billed, or being greatly under-billed for various reasons. When time allows we will compare the 2014 4<sup>th</sup> quarter commitment to our 2017 to see why so many bills were sent out in 2014 and assure we are not missing more. These numbers represent the raw number bills being created, (water, sewer, fire sprinkler, etc...), not the number of customers. Our customer count has rose from 911 to 928 over the past two years. We also continue to properly categorize accounts, (municipal, commercial, summer, etc...). The constant problems we were experiencing with billing, and the fact these corrections are costing folks a lot more money has caused some to question myself and our staff. Any support the Board could give us if approached by customers complaining would be appreciated.,

### 4<sup>th</sup> Quarter billing comparison

	2012	2013	2014	2015	2016	2017
Water						
<b>Residential</b>	695	645	711	632	671	684
<b>Commercial</b>	89	80	91	83	89	101
<b>Public Fire</b>	1	1	1	1	1	1
<b>Private Fire</b>	23	23	23	23	23	35
<b>Municipal</b>	26	24	26	25	26	29
Sewer						
<b>Residential</b>	487	476	486	485	508	462
<b>Commercial</b>	86	78	88	89	86	100
<b>Municipal</b>	22	21	22	22	23	26
<b>Total:</b>	1,429	1,348	1,448	1,360	1,427	1,437
<b>Summer</b>						
<b>Water</b>	N/A*	137	115	155	N/A*	141
<b>Sewer</b>	N/A*	28	31	33	N/A*	33
<b>Total:</b>		165	146	188		174
<b>Grand Total</b>	N/A	1,513	1,594	1,548	N/A	1,611

N/A\* represents periods the Town does not have a written record for.

I separated the “summer accounts” from the main billing because they do not show up on the 4<sup>th</sup> quarter billing and are dependent upon a transient population that changes with weather and other conditions.

We are not at the high of 1,448 bills in 2014, but we have regained 67 customers from 2015 to 2016 and 10 customers from 2016 to 2017. Some of the difference between 2014 and 2017 can be attributed to dwellings being shut down, (a loss), and new customers, (a gain), but we had found a number of existing accounts that were not being billed for various reasons as well.

Wastewater Plant;

Mechanically all is fine. We are still having MRWA work with Tom on optimizing the Plants proficiency but have not found any huge changes yet. We have experienced 3 high flow events in the past month. DEP inspected the plant and noticed a violation occurring during their visit. Tom corrected this problem right away and the DEP so noted this. We will see how their inspection report records this event. They did certify Josh for performing lab testing.

Lift Stations;

We are experiencing high flows at Clark Point during full moon tides, and Mansett during heavy rain events. We are monitoring man hole flows during these times to try and isolate the section of pipe the inflow seems worse. We have contacted Bar Harbor and they will send their camera crew down once we isolate.

Water Plant;

We continue to have issues with the raw water pump shutting down and alarming out. We believe the problem is with the intake check valve and the pump loosing prime. Whereas we hope to rebuild this station soon the expenditure to replace the valve is not a reasonable option right now. If it worsens we will attempt to rebuild it.

Thank you