

SOUTHWEST HARBOR WATER & SEWER DISTRICT

Board of Trustees Meeting
Thursday, February 18, 2016
Town Hall meeting Room, 6:00 PM
Approved Minutes

Item 1: Open meeting; Roll call & attendees

Meeting was called to order at 6:00 pm. Attending were Board members Don Lagrange, and Jim Vekasi; District Manager Steven Kenney; Town Finance Officer Tabbetha Newenham; and visitor Lydia Goetze. Board member Jim Geary was unable to attend due to a family emergency, but a quorum of the board was present. Meeting was chaired by vice-chair Jim Vekasi.

Item 2: Approval of minutes from previous meetings

Don Lagrange moved that the draft minutes of the January 18, 2016 meeting be approved after adding the figures for the employee share of the health plan. Seconded by Jim Vekasi. Vote 2/0/0.

Item 3: Manager's Report; Steven Kenney

Finances. This item was moved to the beginning of the agenda to allow Tabbetha to complete her portion of the meeting.

- Income Statement. Tabbetha showed a draft income statement combining water and sewer that was developed in response to our request for a cash flow statement. The standard report for income and revenue includes account receivables as revenue even though the water and sewer bills may not yet be paid. Tabbetha was instructed to hold off on further development of this report until it could be discussed with the full board.
- Letters from ICMA Retirement Corporation regarding establishment of the retirement plan and loan program were sent to all employees.
- Cash flow – sewer. The unanticipated cost of cleaning the sewage treatment plant of old sludge, estimated at \$50K, will require cash flow management. Actions include:
 - Defer budgeted payment to the Town for past deficits until Spring, 2017. This will allow the District to budget the payment in fiscal year 2017 while still allowing the Town to receive the revenue in the Town fiscal year 2016-2017. This suggestion was made by Board of Selectmen Chair George Jellison Jr. and is greatly appreciated.
 - If necessary, request the vendor to split the bill and accept payment slightly later or request PUC permission to “borrow” funds from the water account.
- Cash flow – water. The SCADA system is estimated to cost \$220K.
 - Funding possibilities include current cash assets (checking account) of \$180K, the budgeted \$40K for CIP, and the budgeted \$42K for Contingency and Surplus.
 - Purchase of a replacement truck will be deferred until the financial situation is a bit more clear.

- Because some or all of this project may have a life of 20 years or more, Town funding participation may be in order. Steven was instructed to obtain an analysis and rationale of expected life for this project with the expectation of holding discussions between the District Board and Town Board of Selectmen.

A) Personnel, non-executive session.

- Steven continues to work long hours to monitor the water treatment plant, learn the facilities, and deal with a series of operational emergencies.
- Dean has been working a substantial amount of approved overtime related to cleanup of old sludge at the sewage treatment plant.
- Snap is still receiving chemo-therapy and is able to work only limited hours. He is receiving 70% of his pay from long term disability benefits.
- The Field Technician position is vacant.
- Despite this, all services continue, permits are being met, and the operational situation is improving with cleanup and repairs.
- Steven has received a number of applications for the Field Technician position with seven minimally qualified applicants. He is in the process of reviewing resumes and talking with applicants and references.

B) Water Plant SCADA / Filter Project update..

The twenty-two year old water treatment system is based on proprietary equipment with a specific operating system. There are a number of problems with the control system that, because the equipment is no longer supported, cannot be readily fixed and, in addition to control program issues, there are mechanical and electrical problems with much of the valving and other control equipment. Because of this, the plant must be run manually requiring an excessive amount of labor and reducing reliability. A new SCADA (supervisory control and data acquisition) system along with replacement wiring and control valves is required. The system has been designed and proposals received. Steven and engineer Olver Associates are in the process of meeting with the potential contractors and negotiating changes in the proposals to reduce the cost. Even after reductions, work is expected to cost about \$220K. The desired schedule is to start work in Spring and complete work within this calendar year. An obstacle to accomplishing this schedule is the long lead time for purchasing and receiving control valves. As discussed above, some or all of this project may have a life of 20 years or more and so be eligible for Town funding.

Don Lagrange moved to authorize Steven Kenney to order the control valves soon to expedite the construction. Estimated cost is \$44K. Seconded by Jim Vekasi. Vote 2/0/0.

C) General Water Plant operations, changes update.

- Steven is modified chemical feeds to reduce pH and chlorine residuals to more commonly maintained levels while still providing THM removal. He plans to institute a more aggressive distribution line flushing program to remove sediment in old lines that may be contributing to THM development within the system.

- There are many non-functioning meters where users can only be charged minimum use costs, some of whom are probably using substantial amounts of water. Steven proposes a program to replace these meters and obtain more appropriate revenue.
- Steven is re-keying locksets to make a more useable and secure keying system.
- Steven is checking into the status of transfer of his water license from Massachusetts. The transfer is routine, but has lagged due to failure of the Massachusetts office to provide the Maine office with documentation.

D) Wastewater Treatment Plant sludge removal update.

Draining and cleaning chambers, followed by removing and disposing of sludge is requiring substantial costs for overtime, hauling, and disposal. Overtime costs have been associated with pumping and decanting sludge and are at least partially offset by savings in hauling and disposal. This work requires shutting down one half of the plant at a time while maintaining treatment through the other half.

E) General Wastewater Plant update.

There are a number of design problems with the sewage treatment plant, some of which could be addressed without a major overhaul of the plant:

- Replace inoperable valves.
- Install grit removal facilities to protect the headworks grinders from rocks.
- Install headworks facilities to control rags and disposable wipes.
- Remove obsolete equipment originally intended to concentrate sludge but now replaced by sludge decanting and hauling.

Don Lagrange moved to declare the unused polymer mixer and belt press obsolete. Seconded by Jim Vekasi. Vote 2/0/0.

F) Replacement truck. Bid prices.

Bid prices have been received, but, due to uncertain estimates and unanticipated work, purchase will be deferred for now.

Item 4: Warrants

Water, sewer, and payroll warrants were reviewed.

Don Lagrange moved to approve Warrant 5-10 for payroll, Warrant 11 for water expenses, and Warrant 12 for sewer expenses. Seconded by Jim Vekasi. Vote 2/0/0.

Item 5: Old Business. None

Item 6: Executive Session.

Don Lagrange moved to enter Executive Session at 8:25 pm pursuant to 1 M. R. S. A. § 405 (6) (a) relative to personnel matters. Seconded by Jim Vekasi. Vote 2/0/0.

Don Lagrange moved to adjourn Executive Session at 8:45 pm. Seconded by Jim Vekasi. Vote 2/0/0.

Item 7: New Business.


Don Lagrange moved to instruct the payroll administrator to award a special stipend of \$5,000 (\$4,000 from water and \$1,000 from sewer) to Steven Kenney for superior performance above and beyond normal duties. Steven has spent an unusually high number of hours beyond his normal work schedule monitoring the water treatment plant, filling in for one vacant position and one employee forced to work very abbreviated hours due to health, investigating the District equipment and facilities, and making emergency repairs and operational changes as needed. It is largely due to these efforts that the District has continued to provide service and meet permit requirements during this difficult startup period. Seconded by Jim Vekasi. Vote 2/0/0.

Item 8: Meeting Adjournment.

Don Lagrange moved to adjourn the meeting at 9:13 pm. Seconded by Jim Vekasi. Vote 2/0/0.

Submitted,

Jim Vekasi, Clerk, Southwest Harbor Water and Sewer District

Approved at 3/24/2016 meeting
Vote 3/0/0 passed.

Jim Vekasi
Clerk