

SOUTHWEST HARBOR WATER & SEWER DISTRICT

Approved Minutes, Board of Trustees Meeting

Town Hall Meeting Room

Thursday, March 9, 2017

Item 1 Convene meeting

Meeting was convened at 6:03 pm. In attendance were Board members Jim Geary, Don Lagrange, and Jim Vekasi and District Manager Steven Kenney.

Item 2 Approval of minutes from previous meetings

Jim Geary moved that the draft minutes of the February 21, 2017 meeting be approved as written. Seconded by Don Lagrange. Vote 3/0/0.

Item 3 Visitors to be heard No visitors

Item 4 Executive session None

Item 5 District Manager's Report

A) Rural Development Water Intake and Treatment Grant. The "Short Form of Agreement..." with Tata & Howard has been approved and signed by all parties – District, Engineer, and Rural Development – and work can proceed subject to submission by the District of numerous affidavits and letters asserting compliance with their requirements. These must be signed by District Chair Jim Geary and, for some, District Clerk Jim Vekasi. Jim Geary will contact Rural Development officials and discuss the documents to ensure that he has a proper understanding before signing. After submission of the documents, we are required to hold a public meeting with prior media public notice. We plan to use the May 11, 2017 Board meeting for this purpose. Followup will include preparation of letter to RD (Steven), signing of documents (Jim Geary), posting of public notice (Steven), preparation for May 11, 2017 public meeting.

Jim Vekasi moved to approve the Rural Development documents subject to the review by Jim Geary with Rural Development. Seconded by Don Lagrange. Vote 3/0/0.

B) Rural Development Sewage Treatment Plant Grant. Olver is doing the preliminary work required for grant application

C) Maine Drinking Water Program Capacity Development Grant. Steven is preparing a grant application to prepare a "Capital Efficiency Plan" documenting, analyzing, and making recommendations for our distribution system.

D) Water Treatment Plant Grant. Nothing new.

- E) Asset Management Grant. A grant from Rural Communities Assistance Partnership, (a Federally funded agency) will provide an asset management list including inventory, replacement cost, depreciation, etc. This plan will be useful for management and grant applications.
- F) Department of Labor Inspection. The DOL conducted a safety inspection of the sewage treatment plant on January 9, 2017. A report dated February 10, 2017 documented a number of violations, most of them “serious” and many related to training. Steven reported that all the required plans were or have been prepared, Maine Municipal Association will be providing the required training on April 5, and the non-plan/training violations have been addressed. We believe those actions will complete the required response. A \$1,100 fine was assessed which we could appeal in hopes of having it reduced.
- G) Sludge Hauling. There were three bids for sludge hauling. The low bidder was unresponsive in that not all required documents were submitted, so the second bidder, Terry’s Tank Service, as awarded the contract.
- H) Operator-in-Charge. The transfer of this authority from Steven to Tom Farley has not yet been recorded by DEP. Steven has written to Clarissa Trasko in an attempt to complete this process.
- I) 2015 PUC report. The 2015 PUC report was submitted after preparation of the financial sections by auditor R. H. Smith. The report was late and deficient in a number of ways. The PUC recognizes the issues of transfer from Town to District and that R. H. Smith is not an expert in this field. They plan to accept the report with the caveat that we will do better in 2016. Steven will be meeting with PUC Telephone and Water Division Director Jeff McNelly and their attorney to learn more about the report process. We have hired auditor Jim Wadman, who specializes in this type of work, to prepare the 2016 financials.
- J) Water charges for “seasonal” connections. While reviewing billing user by user in preparation for conversion to the CUSI billing program, it was learned that some of our definitions of seasonal connections are not consistent with PUC definitions. Per PUC, seasonal connections are those where water is only available in the system during a portion of the year while we have some customers who are connected to year-round lines, but only use water for a portion of the year. As the true seasonal users pay a \$280 per year charge for their connection (on top of usage fees) while users on year-round lines do not pay that fee , the current setup is inherently unfair and will be addressed as we adjust billing to make it consistent with District and PUC rules.

Item 6

Financial

- A) Current Financial Statements. Personnel costs are not current in TRIO, so we could not evaluate budget status. Jim Vekasi noted some accounts that were overspent by a large amount and may have been recorded improperly. Steven will investigate with Michelle and correct any erroneous account assignments. We are looking forward to the conversion to QuickBooks. CPA Jim Wadman will be assisting and advising in setting up the new Chart of Accounts.
- B) Request for bill adjustment. When no first quarter sewer bill was received for the rental cabin at 4B Long Pond Road, the new owner inquired and archival record research revealed that the billing for the main house at 4A and the rental cabin at 4B was not handled consistently resulting in double billing for water and past unpaid sewer bills by a previous renter. This information had been lost to the billing system and was not reported during the past two sales of the property. This issue is further complicated by the fact that the new owner of the property is District Manager Steven Kenney. Given the years old confusion on billing, the difficult to find records, the lack of action during the past two sales of the property, and the offsetting errors, we determined to disregard the historic problems, start over with proper billing starting with the recent sale, and modify the billing system to associate bills with the property, not the resident.

Don Lagrange moved to disregard past billing errors related to 4A and 4B Long Pond Road and to issue corrected water and sewer bills starting from the most recent real estate transaction. Seconded by Jim Geary. Vote 3/0/0.

- C) Salary Survey. Using statewide salary data provided by the Maine Rural Water Association, Jim Vekasi compared District salaries and benefits to state averages. In general, our salaries are competitive state-wide and close to the average range – ranging from slightly below average to well above average. This information will be useful when reviewing salary changes or salaries of new employees.

Item 7

Approval of Warrants

We received useful payroll summary sheets for review. Steven will consult with Jim Wadman on how we should approve payroll “warrants”.

Jim Geary moved to approve Water Warrants 12 and 14 and Sewer Warrants 13 and 15. Seconded by Don Lagrange. Vote 3/0/0.

Item 8

Old Business

- A) Permit transfer update. Don Lagrange gave our attorney a list of abbuters to the Sewage Treatment Plant and they are back to preparing the sewage permit transfer documents. No permit transfer is required for water.

- B) Meter Reading program update. Steven received two quotes for replacing our current electronic metering components. Equipment costs ranged from \$125,705 to \$187,201 with associated annual fees of \$10,680 to \$16,179. However, Steven, with the assistance of Josh Conary and Bar Harbor Water Division manager Jeff Van Trump, is having success with replacing the failing Datamatic transmitters and receivers with Zenner (Datamatic successor company) equipment and is cautiously optimistic that we may be able to get our system fully operational in this way for a lower cost.
- C) CUSI account billing program. Steven and Michelle are working with CUSI to set up our new billing software.
- D) Personnel policy. We signed the version approved on February 21, 2017. Steven will copy, convert to .pdf format, and circulate.
- E) Meeting agenda and information protocol. The goal to have all meeting materials assembled and distributed by the Friday before the meeting was partially met. We hope to be there next meeting.
- F) Potential summer employee. We discussed the advantages and costs of having a summer employee to help with seasonal and backlog maintenance.

Item 9

New Business

New office. Steven and Michelle are in the new office. Phone number is 207-244-3948. Michelle is currently working Tuesday – Thursday 8:30 – 3:30 although that may change with the season or as we learn more about the work flow.

Item 10

Date of next meeting

Thursday, April 13, 2017, 6:00 pm. Jim Vekasi will be out of town, but plans to participate via speaker phone.


Item 11

Adjourn meeting

Jim Geary moved to adjourn the meeting at 8:30 pm. Seconded by Don Lagrange. Vote 3/0/0.

Submitted,



Approved April 13, 2017

Jim Vekasi
Clerk