

**DATE: December 4, 2008**

**Regular Meeting Boothbay Harbor Sewer District Board of Trustees**

**PRESENT:**

Alden Jordan	Jim Stormont
Jonathan Draper	Lisa Kristoff
Chris Higgins	Vic Krea

**Call to Order:**

Alden Jordan called the meeting to order at 6:00 PM.

**Review of the Minutes of November 19, 2008**

The minutes of November 19, 2008, were reviewed. After review Alden Jordan made motion to accept minutes of 11/19/08, as presented. Jonathan Draper seconded the motion. Vote in favor was unanimous.

**Review of Warrant(s) 1126**

Warrant 1126 was reviewed. After review, Jon Draper made motion to execute warrant as presented. Jim Stormont seconded the motion. Vote to execute warrant was unanimous.

**Execute Late Letters:**

The late letters (Begin, Campbell, Engert, Falco, Goodrow, Grindall, Kane, Lorrain, Marr, Myshrall, Murray, Pappas, Paquette, and Watts) were reviewed and executed by Jon Draper.

**Lien Certificate:**

Jon Draper executed the Lien certificates for Leighton, Lewis, and Richard.

**Lien Notices:**

The Trustees reviewed the lien notices for Mitchell, Mayhew, Curtis, and Carolin. After review, Jon Draper executed the notices for mailing.

**2008 Truck Insurance Claim:**

Chris presented the claim to the Board. Alden asked for an explanation for the occurrence. Chris informed the Board that Gary Farnham was at the public works garage

and backed into the rear of the cruiser while leaving the parking lot. Chris informed the Board that the damage sustained to the cruiser was \$1,307 and damage to the District's new truck was \$1,620. Alden asked if the claim had been submitted to insurance. Chris responded in the affirmative.

**SRF Environmental Review:**

Chris reported to the Board that the DEP has issued a categorical exclusion for the District's SRF application for the centrifuge. Alden asked what that meant. Chris advised that because the project would be contained within the plant building no environmental impact would occur. Therefore, the DEP waived the need for an environmental impact. Chris informed the Board that this was part of the SRF review process and that no other action was required of the District. A legal notice will have to be published in the Register to inform all interested parties that this action as occurred.

**Dora Highlands Phase 1 Acceptance:**

Phase 1 sewer infrastructure requirements have been mostly completed. The only outstanding document is the certificate of title. Based on that, Chris advised the Board to accept the infrastructure pending receipt of the certificate of title. Jon Draper made motion to accept the infrastructure for phase 1 pending receipt of the certificate of title. Jim Stormont seconded the motion. Vote to accept was unanimous. Chris will advise the Board when the district receives the certificate of title.

**Old Business:**

Chris reported that the district has received the "as-built" drawings for Sunset Road from Whorff. Chris reported that the second VFD for Commercial Street has arrived and that it will be installed.

**New Business:**

Chris reported that the District has just completed flushing of the lines. Jon Draper asked what the approximate cost was to do this work. Chris figured around \$7,000. Jon asked about the cost of a flusher. Chris responded that several years ago, the District looked at a unit and the cost was around \$35,000. Chris also said that demo or trade-in units were available. Jon advised that the payback was very small and that the District should look into the possible purchase of a unit. Chris will start collecting information and will get back to the Board.

Chris advised the Board that now that the lines have been cleaned, that the wet wells will now be cleaned. Chris advised that the Footbridge and Commercial Street station would be first on the list because of the need for immediate maintenance. Chris figured around \$3,000 to do that work.



**Public Comment:**

None

**Correspondance:**

The email to Dabney Lewis regarding the Dora Highlands Phase 1 infrastructure was reviewed. The letter from Constellation New Energy was reviewed. This letter contained bill adjustments allowed by the PUC.

**Second Draft 2009 Budget Workshop:**

Chris handed out the second draft of the 2009 budget. Chris briefly reviewed the change made to Page 7 line item 5250 – Outside Testing. This line was increased to \$6,000 to cover the cost of toxicity testing required in 2009. The only other changes made to the draft was that all 2008 expenditures and income lines were adjusted to date. Jim Stormont mentioned that there was an error in the percent change calculation. The spreadsheet was set up to use 2009 requested amount instead of the 2008 amounts. Realistic data should show 2008 in the calculation. Jim also asked if the data was annualized. Chris advised that the data was not annualized. The change will be made on future printouts. Based on this correction, the 2009 budget is up 3%.

**2009 Rate Review:**

Vic opened the discussion by reviewing the existing rates structure and advised the Trustees that the commercial seasonal off-season rates were too low and that they should be reviewed. Vic explained that the cost per hundred cubic feet in the tiered section ranged from \$3.00 to \$0.35 per 100 cubic feet. Vic recommended that a good starting point would be \$3.00, which is still half of the residential rate. Vic stated that he thought that this change would generate 40 to 50 thousand dollars. Vic also qualified this and stated that he used the average consumption data that was on the spreadsheet.

Chris analyzed the current user data and went back 4 years to bring forward a more current average usage for each classification. The 2001 averages were as follows, year round residential was 1749 cu ft per quarter, yr seas was 2649, yr comm. was 5288, and comm. seas was 35175. Current averages are as follow: yr res 1300, res seas 2052, comm. yr is 4767, and comm. seas is 17958 cu ft. The comm. seas and yr seas usage is annual and all others are quarterly.

The drops in consumption were questioned and it was assumed that conservation and poor business climate have led to the decline in consumption.

Alden asked Vic for his recommendation for the adjustment of rates. Vic advised that the District should seriously consider raising the tiered off season rates for commercial

customers and consider applying the same evaluation to year round commercial customers that take a quarter off. Vic recommended that the Board consider setting rate of \$3.00 to \$3.25 or even half the current residential rate per 100 cu. ft. for the off-season minimum. Vic further explained that this rate is still half of what residents pay.

Jim asked for a clarification regarding the minimum billing for year round commercial users who take a quarter off. Chris explained that current practice is that each customer is analyzed for the prior year's consumption. The highest consumption is taken and whatever range in the tier it falls is what the minimum quarterly bill is.

Jon Draper asked how many customers would fall into each tiered bracket. Chris reported that two customers fall into the over 100,000 category, from 60,000 to 100,000 there are 2 customers, from 30,000 to 60,000 there are four, 10,000 to 30,000 there are 12. Year round commercial falling in the 30 to 60 range would be two with the majority of the remainder falling into the 10 to 30,000 range. In all only 40 to 60 customers would be affected by the adjustment.

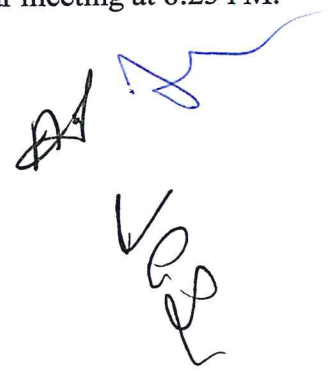
Alden asked how we approach the users. Chris advised that all affected customers have to be notified via letter with the proposed changes. After that, a public hearing will be held and a vote will occur after the public hearing. The letters should go out very soon, advertising will have to be done, and a date will have to be set for the hearing/vote preferably in January 09.

After further discussion, Jim Stormont recommended that the rate per 100 cubic feet be half of the current residential rate and that the prior year's consumption would be the basis for the off season bill. Vic Krea concurred and said that was a logical assumption because that also tied into the fixed costs of the district in the off-season. Jon Draper and Alden Jordan agreed.

Chris was asked to generate a letter to the customers, apply the potential rates to the customer base to see what impact would occur, generate the public notice, and have everything ready for the next meeting.

#### **Executive Session:**

Alden Jordan asked to go into executive session to discuss a personnel matter. The Board went into executive session at 7:45 PM. Trustees returned to regular meeting at 8:25 PM.

Handwritten signatures and initials in blue and black ink, including a large blue signature and several black initials.

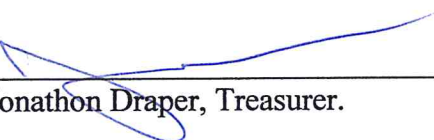
**Adjourn Meeting:**

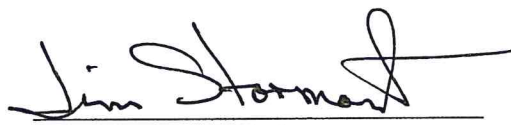
Alden Jordan made motion to adjourn meeting. Jonathan Draper seconded motion. Vote to adjourn was unanimous. Meeting adjourned at 8:30 P.M.

  
Alden Jordan, Chairman

We, the undersigned, do hereby waive notice of the above meeting and do agree to the business transacted.

  
Alden Jordan, Chairman

  
Jonathon Draper, Treasurer.

  
Jim Stormont, Clerk