

DATE: November 1, 2021

Boothbay Harbor Sewer District Board of Trustees Regular Meeting/2022 Budget Workshop #3

Attendees:

Trustees Deryl Kipp – via Zoom, Jim Stormont, Jay Warren, Superintendent Chris Higgins

Call to Order:

Trustee Kipp, called the regular business meeting to order at 17:02 hours. All materials were sent to the Trustees prior to the meeting. All materials were available to the public upon request.

1. Review and Approve Minutes of October 18, 2021, Meeting:

Trustee Stormont made motion to approve the minutes of October 18, 2021, as presented. Trustee Warren seconded. Vote to approve was unanimous (3-0).

2. Review and Execute Warrant #1433

Trustee Warren made motion to approve Warrant 1433 as presented. Trustee Stormont seconded the motion. Vote to execute was unanimous (3-0).

3. Execute 60-Day Late Letters: None

4. Execute Demand Notices: BRT Properties, LLC-Greenleaf Inn, Carolin, De Paola, Khalsa

Trustee Stormont reviewed and executed the demand notices.

5. Execute Lien Discharges: Brown

Trustee Stormont reviewed and executed the lien discharge.

6. Execute Lien Certificates: None

7. Execute Notice of Impending Foreclosure: None


8. Sewer Entrance Application(s): 1053 Wiscasset Road, Boothbay – Bertin

The trustees reviewed and executed the sewer entrance application.

Old Business


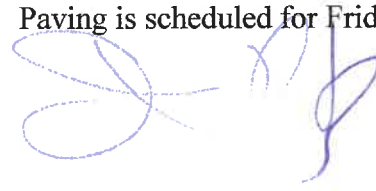
1. Plant Operations

A. Routine Operations – The superintendent reported normal operations for the plant since the last meeting.

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1. The superintendent reported heat trace and insulation has been ordered for the sodium hypochlorite line in preparedness for the upcoming winter season due to new anticipated discharge permit requirements. The sodium bisulfite feed line is winterized for use.
 2. The superintendent reported the annual laboratory instrument calibration work is completed. The certification work was performed by TMDL of Richmond, Maine.
 3. The superintendent reported the plant operated very well during the October 30/31 rain event. Power did not go out. The area received 2.5 inches of rain in 6 hours.
 4. The superintendent advised the core holes for the new oil fill and vent lines are done.
 5. The superintendent advised the TSS sampling at Pump Station 9 is completed and the data correlated and forwarded to the Water District for their review. No word from the Water District as of this meeting date.

All other operations and maintenance at the plant were routine.

B. Collection System Operations

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1. The superintendent reported the crew responded to 7 DigSafe requests since the last meeting.
 2. The superintendent reported MH 2-53. Had an overflow event as a result of the 10/30/31 rain event. The report was filed with DEP.
 3. The superintendent reported the crew has completed jetting of the sewer lines. The entire system has now been cleaned. Debris was minimal. The superintendent reported the jetter is now out of service. Pump cylinder three O-ring seal is leaking by and requires repair. Parts are on order.
 4. The superintendent advised manhole work on Emery Lane is completed. Paving is scheduled for Friday, 11/5/21.

All other operations were routine.

C. Website Traffic –

The office manager reports since the last meeting, direct debit customers stand at 263 (increase of 2), email customers at 339 (increase of 2), DOXO users at 49, and direct debit auto pay at 19. This has provided a savings of \$690.05 in postage costs.

2. **Personnel** – Nothing to Report

3. **Odor Issues** – Nothing to Report

4. **Blower Evaluation** – Nothing to Report

5. **Relining 2 Project Update** – The superintendent reported Inland Grouting has completed the 14-inch pipe services. The videos were submitted, and a review of the footage is underway. A pay requisition is being drafted for submittal to RD-USDA for payment. This will close out the Relining Project. All Asbestos Cement pipe in the system is now lined and services grouted.

6. **Manhole Rehabilitation Project** – Nothing to Report

7. **Riparian Rights & Plant Coastal Resiliency Upgrades – 27 Sea Street –**

The superintendent advised Boothbay Region Land Surveyors will be researching the deeds this coming and next week at the Lincoln County Registry.

8. **Fullerton Street/Tupper Road Sewer Project** – The superintendent advised the conference call with Wright-Pierce, the water district, and the Town of Boothbay Harbor was held on 10/19 at 10:00 a.m. The superintendent reported the meeting was productive and the water district and the Town tentatively agreed to participate in the project. Wright-Pierce will develop a needs questionnaire for each party to complete.


9. **Sidewalk Project – Boothbay Harbor to Boothbay** – The superintendent advised the sidewalk project is underway. The superintendent reported the installed curbing is close to district manhole frames.

10. **Hennessy Fence** – The superintendent advised the trustee Bill Logan was onsite to look at the fence area. Logan's advice was to have the fence moved immediately. The superintendent submitted two draft letters to the Board and asked for direction. Trustee Kipp advised he would like to see the fence moved immediately in order to facilitate the planned yard work in #11 below. Trustee Warren concurred. Trustee Stormont recommended the removal letter be sent to Mr. Hennessy. The Board signed the letter and directed the superintendent to send the letter.

- 11. Yard project** – The superintendent advised the Board, Geoff Smith and Nick Upham were on site to look at the area to be worked on. The superintendent advised Smith and Upham he had been in touch with Cameron Dufour at DEP about possible permitting requirements in order to rehabilitate the stormwater culvert area behind the garage with additional fill. The superintendent advised he went over the possibility of relocating the town's stormwater drains along the west side of Sea Street from the mailbox across the front of the district and terminate a new drain further to the south. This would allow stormwater to be collected and moved past district property. Upham had no issue with doing this. By doing the project the culvert on district property could be eliminated and would help with the sea wall design. The trustees agreed and told the superintendent to move forward with the work.
- 12. Investments** – The superintendent asked for direction on how to proceed with the investing of district funds. Trustee Stormont recommended the district contact Mr. Stone of the First Advisors and get a formal proposal based on the presentation at the last meeting. Trustees Kipp and Warren agreed. Trustee Kipp was concerned about the management fee and asked that the fee be called out in the proposal. The superintendent was directed to contact Mr. Stone and start the process.
- 13. Community Solar Power** – The superintendent reported Nexamp and Snycarhpa were contacted for proposals for community solar farm pricing. Snycarhpa has not responded. Nexamp was submitting a proposal but has not been received by the district as of this meeting. The Board agreed to wait for the Nexamp proposal and then compare with Maine Solar Choices.

New Business

1. Certificate of Commitment – November 1, 2021, Billing



Trustee Warren made motion to commit the invoices from the November 1, 2021, billing to the treasurer for collection. Trustee Kipp seconded the motion. Vote to commit was unanimous (3-0) in favor.

2. Financial Reports – As of November 1, 2021

The superintendent distributed the Balance Sheet and the Budget Year-to-Date reports as of November 1, 2021. The superintendent reported the checking account has a balance of \$211,821.41 after all bills have been paid. All other reserve accounts are fully funded.

The superintendent distributed the 2021 Year-to-Date Budget Report as of November 1, 2021. The superintendent reported revenue outpaced revenue budget projections by 8.7% and expenses are over budget by \$206,895. The superintendent pointed out the overage was caused by the early payoff of the Eastern Avenue Bond of \$316,272. The superintendent reported all other lines are

close to budgeted amounts. The Board took the reports under advisement and took no other action.

3. 2022 Budget Workshop #3

Trustee Kipp opened the 2022 Budget/Rates Workshop #3 at 17:30 hrs. The superintendent distributed the third draft of the 2022 Budget. The superintendent explained the values for each class of revenue. The user lines were derived from the primary customer water usage database. The totals are based on individual customer averages since 2014 with today's sewer rate applied. The superintendent prefers this conservative approach to stay away from the "yo-yo" effect. Trustee Stormont asked about the Septage Line. The superintendent explained this line is not a guaranteed source of income as tank cleanings can fluctuate from year to year. There were no other questions on the revenue page.

The Board moved to the expense lines. The Board examined the Postage line. After discussion, the line was reduced from 7K to 3K. The advertising line was reduced to 5K. The superintendent explained the Licensing and Fees line increased due to the new PFAS fees required by the state. The fee is a \$10.00 per ton charge based on tons of sludge produced per year. The service contract line was discussed, and no action taken. Trustee Warren inquired about the treasurer's bond. The superintendent explained the need for the bond. The superintendent explained the need for an increase in the sludge disposal line. Current expenses are \$87.00/Ton disposal. The new contract rates are expected to be in the \$125/ton range plus additional PFAS testing requirements. The Pump Station maintenance line was discussed. The superintendent reminded the Board three stations are due for upgraded pumps. They are PS 13, 15, and PS 09 in Boothbay. The superintendent reminded the Board that localized assessments can be used to pay to replace the pumps because they have dedicated service areas. The superintendent advised that the assessments will be discussed during the rate discussions. Manhole Maintenance line was discussed. The superintendent explained the expenses for this line as risers, frames, covers, and any leak grouting. The superintendent reminded the Board DOT will be applying a five-eighths shim coat in 2022 and this will affect forty-two manholes that will require adjustment. The payroll lines were discussed. The superintendent advised current CPI-U index for the Northeast is 4.2%. Trustees Stormont and Kipp recommended the salary lines not to exceed 6%. All agreed. The lines will be adjusted to reflect a 6% maximum pending performance evaluations. Debt retirement is down 20% due to the fact the plant bond is paid in full. The Board discussed specific projects for 2022. The superintendent discussed total small project at \$35,304 and large projects at \$99,900. Trustee Warren made motion to do the projects. Trustee Stormont seconded the motion. Vote to do the projects was unanimous (3-0). The Board made no more adjustments to the 2022 Budget.

The 2022 Rates were discussed. The superintendent explained the rates calculation sheet section by section. Based on the proposed 2022 budget, the rates for 2022 were calculated to be \$13.00/100 cu. ft., a reduction from \$13.13. The minimum bill was reduced from \$105.00/qtr. to \$95.00/qtr. The minimum allowance per user per quarter was reduced from 850 cu.ft. to 700 cu.ft. The reduction in the cubic foot allowance is consistent with the Trustees goals to reduce the impact of subsidizing larger users on seniors and lower consumption users, but still maintain capacity allocation for each sewer user. The average quarterly increase per sewer user is \$9.86/qtr. The Board was happy with the 2022 rates and agreed to advertise the proposed rates to the sewer users and discuss further at the public hearing scheduled for 11/15/21.

The Total Suspended Solids (TSS) surcharge was discussed for users that exceed the published limit of 275 mg/l. The Water District, the Watershed Tavern, and restaurants are the largest contributors of TSS in the system and currently do not pay for any TSS overage. While the restaurants loading can be predicted by the number of meals served/available seating, further testing is warranted to verify the loads in the published literature. The Watershed Tavern waste load requires testing to characterize the waste stream. That testing is currently planned to start the latter part of this month. The Water District characterization was performed in September/October this year. That testing resulted in variable data. The Water District performed grab sampling during backwash cycles from a waste tank within the plant (data sheet attached). The Sewer District performed testing on the same days, plus additional days from the Water District's discharge pipe at Pump Station #9. The Sewer District data was slightly more concentrated than the water district's data and variable. The superintendent recommended composite sampling instead of grab sampling. The data was sent to the water district, but no word from them as of this meeting. Based on the superintendent's recommendation further testing occur before instituting a TSS surcharge, the Board agreed to postpone the fee pending further testing.

JCS
The Board discussed the "filter factor" used to calculate the Water District sewer bill. The term filter factor was introduced and used by Eric Labelle, then superintendent. Initially, the sewer district was billing on a per discharged gallon basis straight off the WD wastewater mag meter. This resulted in high sewer bills and Laurie Smith, Eric Labelle, and the WD trustees complained of the cost. During the time prior to settling on the "Labelle Filter Factor," Labelle started to concentrate the wastewater and send it to the sewer district in a concentrated fashion. This concentrated wastewater poor plant operation and caused TSS violations of the district's discharge permit. Labelle produced the filter factor method by taking the monthly wastewater pumped and dividing it by the raw water treated. In 1996 that factor was 0.033. Today this factor is hovering around 0.085. The increase is caused by growth of the water district since 1995. Along with the increased demand for water production, the wastewater generated from that production also increased and is taking up more capacity in the wastewater

11/1/21

plant, which no impact fee has been collected. In addition, the use of the filter factor reduces the water district cost for disposal at the expense of sewer rate payers. Currently sewer users pay \$13.13 for 100 cubic feet of wastewater. The water district equivalent for the same 100 cubic feet varies but is averaging \$4.05 per 100 cubic feet. Trustee Stormont recommended the filter factor be adjusted to reflect the demand of the water district more accurately on sewer district infrastructure. In addition, Trustee Stormont advised the sewer district ratepayers should not be subsidizing treatment costs for people receiving water outside being a sewer district user. The trustees agreed. After discussion, Trustee Stormont made motion to adjust the filter factor to 0.040 and review the factor going forward on an annual basis during the sewer district budget/rate process. Trustee Warren seconded the motion. Vote to adjust the factor was unanimous.

The Board discussed the proposed pump station upgrades. The superintendent reminded the Board they have the authority pursuant to Section 19 of the Charter, " Rates, tolls, rents and entrance charges shall be uniform whenever the cost to the district of installation and maintenance of sewers and drains and their respective appurtenances and the cost of service is substantially uniform; but nothing in this act shall preclude the district from establishing a higher rate, toll, rent or entrance charge than the regular rates, tolls, rents and entrance charges in sections where, for any reason, the cost to the district of construction and maintenance, or the cost of service, exceeds the average, but such higher rates, tolls, rents and entrance charges shall be uniform throughout the sections where they apply." to assess specific areas for higher costs of operations. The superintendent recommended the users of these areas be assessed on a flow proportional basis over a five-year period to recover the cost of the improvements through a special assessment for each improvement. The superintendent reminded the Board, the most recent special assessment was for the Emery Lane pump station, where St. Andrews Village paid over 70K for those improvements. The Board looked at the example for the PS 09 upgrade. The superintendent reminded the Board, the existing Flygt pumps are not being supported by Flygt any more as these pumps are 1994 vintage. Currently the impellers need replacement, but parts are not available, and the pumps have surpassed their design life. This upgrade is approximately 39K plus shipping costs. Based on the example the Water District and PGC will assume most of the costs because they are the largest users. After discussion, Trustee Stormont made motion to make the special assessments and approve during the public hearing. Trustee Warren seconded the motion. Vote to assess was unanimous.

Correspondence :

1. None

Public Comment: None

Adjourn Meeting:

Trustee Stormont asked for a motion to adjourn. Trustee Warren made that motion. Trustee Stormont seconded. Vote to adjourn was unanimous. The trustees adjourned the meeting at 1933 hours.




Deryl Kipp, Chair

We, the undersigned, do hereby waive notice of the above meeting and do agree to the business transacted and certify these minutes are true and accurate.



Deryl Kipp, Chairman

Jay D. Warren, Clerk

James Stormont, Treasurer