

DATE: December 5, 2023

Boothbay Harbor Sewer District Board of Trustees Regular Business Meeting/Public Hearing 2024 Budget and 2024 Rates

Call to Order:

Trustee Kipp called the regular business meeting to order at 17:00 hours. All materials were sent to the Trustees prior to the meeting. All materials were available to the public upon request.

The superintendent noted the meeting is available on Zoom.

Meeting URL:

<https://us02web.zoom.us/j/89487491201?pwd=ZkRCODI0RkFZbSjNLjI5FjI5OVVhOENwL299>

Attendees:

Trustee Deryl Kipp, Trustee Russell Hoffman, Superintendent Chris Higgins, New Superintendent Nicholas DeGemmis, Trustee Stormont – via Zoom, David Brooks – via Zoom, Public in Attendance – Mark Osborne, Richard Lawrence, Fritz Freudenberger – Boothbay Register.

1. Review and Execute Minutes of November 20, 2023:

Trustee Hoffman made a motion to accept the minutes of the November 20, 2023, meeting as presented. Trustee Stormont seconded the motion. The vote to accept the minutes was unanimous (3-0).

2. Review and Execute Warrant #1478:

Trustee Kipp made a motion to approve Warrant 1478 as presented. Trustee Hoffman seconded the motion. The vote to execute was unanimous (3-0).

3. Execute 60-Day Late Letters: Chase, Peter W., Cusumano, Daniel W. & Tammie L., Ferrell, Roger & Caroline, Freeman, Paul G., and Tupper, Claire & Benedict

Trustee Kipp reviewed and executed the letters.

4. Execute Demand Notices: None

5. Execute Lien Discharges: None

AK *RH*

Yes

- 6. **Execute Lien Certificates:** None
- 7. **Execute Notice of Impending Foreclosure:** None
- 8. **Sewer Entrance Application(s):** None

Old Business

1. Plant Operations

- A. Plant/Collection System Operations** – The new superintendent reported mostly normal operations, maintenance, chemical usage for the plant and collection system since the last meeting.

The new superintendent reported the VFD for the primary bowl of the centrifuge is in and operational and is now tuned.

- 1. Riparian Rights/Seawall Project Work** – The superintendent advised the district has not yet received the inspection report from Black Dog Divers for their inspection work on the outfall pipe.

The superintendent advised Wright-Pierce had not heard back from Me DOT regarding partial construction of the wall.

The superintendent reported the receipt of the Army Corp permit for the project.

The superintendent distributed the second invoice from CMP to remove the overhead electric as part of the seawall project. The invoice is for the future work.

- 2. Butler Road/Kenny Field Drive Workforce Housing Update** – The new superintendent advised the bid was awarded to McGee Construction (Gardiner, ME) and McGee has started to mobilize.

The superintendent reported no new updates for the Kenny Field project.

- 3. PW Tech Trial** – The superintendent reported the trial was performed but the unit did not outperform the centrifuge. Further study would be required.
- 4. Manhole Rehabilitation** – The superintendent advised the district is waiting for Vortex to come back and finish the final two manholes.
- 5. 2022 Audit Update** – The superintendent reported the audit is still not in hand.

Mc *RHL*

JCS

All other operations and maintenance at the plant and collection system were routine.

2. **Personnel – Personnel Policy Review** - The superintendent advised he did not receive any comments from the employees for the Board's consideration to include with their review of the Policy. The comments deadline was December 4, 2023. The Board reviewed each section of the Policy. Changes were made to Section 2-20 to clarify language, Sections 3-1 and 3-6 were clarified. Permissive language was changed to mandatory language in Section 3.7, Section 3-12 was reviewed and discussed with no changes, Section 4-1 was changed to reflect all employees shall work a 7:00 a.m. to 3:30 p.m. workday with a 30-minute lunch break off the clock. This was changed due to employees leaving the job, returning to the plant, taking a lunch break instead of eating on the fly as was previously voted on by the employees in 2000. Section 4-3 was changed to include provisions for the foreman, Section 4-4-2 was changed to include mandatory language, Section 4-12 was updated, Section 4-13-3 was reviewed, Section 6 was reviewed, Section 6-18-2 was reviewed and modified to reflect a change in use of the district vehicle while on call. Trustee Kipp advised the district vehicle should be used for response calls only and not for other uses while on call. Trustee Hoffman and Stormont concurred. No other changes were made to the policy. The superintendent asked for authorization to submit the personnel policy to Perkins Thompson for review, updating, and amending. The board authorized the superintendent to forward to HR counsel at Perkins-Thompson for their updating. After HR has completed their work, the board will review prior to acceptance and distribution.

New Business

1. **Certificate of Commitment, December 1, 2023, Billing** – Trustee Hofman made motion to commit the December 1, 2023, billing to the treasurer for collection. Trustee Kipp seconded the motion. The vote to approve was unanimous.
2. **Financial Reports as of November 30, 2023** – The trustees reviewed the financial reports. Trustee Kipp inquired about the Year-Round Residential line being low. The superintendent reminded the trustees the \$640,000 figure was artificially high due to an error in the rates calculation for that group. The other groups were remarkably close. The error was found this year and was corrected, and the new projections are now in line with observed receipts. All other lines were reviewed, and no action taken.
3. **The First Investment Report** – The trustees reviewed the investment report for November. Other than the withdrawals for the capital expenditures, and the two bond payoffs, the performance was meager.
4. **Maintenance Bonds 17 and 19 Payoff** – The superintendent reported, as instructed by the Board, Bond 17 and 19 was paid off.

JPK *RHJ* *JCS*

5. **By-Laws Amendment** – The Board decided not to change the meeting date at this time and will revisit this after the new year.

6. **Public Hearing 2024 Budget & Rates**

Trustee Kipp opened the public hearing for the 2024 Budget and the 2024 Rates. Trustee Kipp made a motion to enter the emails into the record from Sharon Wursthorne and Pamela Summers. Trustee Hoffman seconded that motion. The vote was unanimous to include the emails in the record. Trustee Kipp asked the trustees if they had any questions on the final draft. Trustee Hoffman advised he did some comparisons between the current P&L statements and the draft budget and noted some differences in some of the line items and wondered why. Trustee Hoffman asked about Line 5024 "Retirement". The superintendent advised the overage and difference was for the new superintendent. Trustee Kipp turned to the public and asked for comments. Marc Osborne had no specific comments on the budget but was here to learn. Richard Lawrence asked why the increase. Trustee Kipp responded that the increase was due to increased sludge disposal costs, increased chemical costs, inflationary reasons, and new debt retirement for the relining work. The superintendent explained the recent work performed, the sea wall work, inflow and infiltration issues from private property, and the recent capital improvement plan resulting from the recent plant evaluations. The superintendent explained future nitrogen limits may require future upgrading of the plant and or relocation of the plant. Discussions with DEP are ongoing regarding ambient data collection to assess if the effluent will impact the receiving water and require an upgrade. The superintendent advised that upgrades could cost in the vicinity of nineteen million dollars. If nitrogen issues arise, then the Board needs to decide to upgrade and protect onsite or relocate. The superintendent advised the district currently has secured \$4.013 million dollars for the sea wall work that will sunset December 31, 2026. Therefore, the choice to relocate or stay in place must be made soon, which is driving the current discussion with DEP regarding the data collection of nitrogen. Marc Osborne asked about plant capacity. The superintendent advised the hydraulic capacity at the plant is fine as the [plant is designed for 640 thousand gallons per day and the current summer flow is 350,000 to 450,000 per day depending on how the season is going. Wintertime flow is typically less than 225,000 gallons per day. However, the organic load to the plant is at capacity, which is driving the evaluation of process upgrades, particularly, aeration. The organic load was underestimated by the engineers during the 1994 upgrade. The load is derived from high load restaurant waste and brewery waste. The superintendent explained the district could and may have to require some form of pretreatment at those facilities to reduce their load on the plant. This would add additional costs to the business. Trustee Stormont asked if DEP would allow time to accommodate the new requirements if issued. The superintendent advised the timeline is typically negotiable. Relocation of the plant was discussed with scenarios of property taking, but everything is contingent on future nitrogen regulations. Trustee Kipp

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JKS

asked if there were any other questions regarding the budget. There were none. Trustee Kipp asked for a motion to accept the budget. Trustee Stormont made a motion to accept the 2024 Budget as presented. Trustee Hoffman seconded the motion. Trustee Hoffman asked if there were any lines that required significant adjustments from last year's budget. The superintendent and Trustee Kipp advised that there were none. Discussion ended and Trustee Kipp asked for a vote on the budget. The vote was unanimous in favor (3-0). 2024 Budget passed.

The superintendent advised the associated rates for 2024 were calculated on the 2024 Budget. The budget requires an eight percent increase. The superintendent advised the rates do not include any depreciation. Trustee Hoffman made motion to accept the rates for 2024 as presented. Trustee Kipp seconded the motion. Discussion surrounded capital improvements. The superintendent advised not to perform major projects until depreciation could be funded or take from reserves. The superintendent reminded the board that the only projects for 2024 was to upgrade the final two pump station control panels to PS 12 and PS 14. No other discussion and Trustee Kipp asked for a vote. The vote to increase the 2024 Rates effective January 1, 2024, was unanimous (3-0). Trustee Kipp closed the public hearing on the budget and the rates for 2024.

Correspondence:

1. **O'Sullivan Property Abatement Request-** The board reviewed the request. The owner advised that he was billed for two units and only one unit should have been billed because the other unit was demolished. A total of six quarters was part of the request three at the 2022 rate and three at the 2023 rate. After discussion, Trustee Hoffman made a motion to allow the credit. Trustee Kipp seconded the motion. The vote to issue the credit was unanimous.

Public Comment: None

Executive Session – MRS Title 1, Chapter 13 §405.6.A.1 – Trustee Kipp made motion to enter Executive Session pursuant to MRS Title 1, Chapter 13 §405.6.A.1 – Personnel Matters. Trustee Hoffman seconded the motion. The Trustees entered at 1910 hours. The trustees ended the executive session at 1935 hours and returned to the regular meeting with no action to be taken.


Adjourn Meeting:

Trustee Kipp asked for a motion to adjourn. Trustee Hoffman made that motion. Trustee Kipp seconded. The vote to adjourn was unanimous. The trustees adjourned the meeting at 1940 hours.

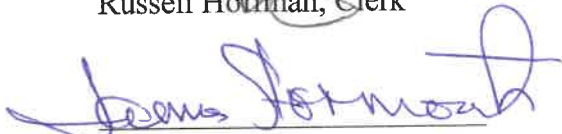
Boothbay Harbor Sewer District Trustee Minutes of December 5, 2023


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


Russell Hoffman, Clerk


James Stormont, Treasurer