



BRUNSWICK SEWER DISTRICT

**2025 BUDGET**

EFFECTIVE: 01/01/2025

ADOPTION: 11/21/2024



## Table of Contents

Executive Summary.....	3
Revenue .....	3
Revenue Highlights and Assumptions.....	5
Expenses .....	6
Expense Highlights and Assumptions .....	9
Capital Budget.....	10
Capital Expenses Highlights .....	12
Discussion Topics .....	12
Conclusion.....	14



## Executive Summary

In 2024, the Brunswick Sewer District (BSD) team showcased their adaptability and innovation in the face of fluctuating market conditions. By creatively optimizing resources, they achieved significant cost savings, enabling the completion of more projects with less funding. This resourcefulness saved hundreds of thousands of dollars in the 2024 budget, and these successful strategies will continue to be applied to the 2025 budget and beyond.

Building on the expertise gained in recent years, the BSD is poised to accomplish many of the projects outlined in the Fiscal Sustainability Plan (FSP) at a significantly reduced cost compared to initial estimates.

In contrast to the volatility experienced in 2023 and 2024, operating costs are anticipated to stabilize. Major expenses like sludge disposal are projected to decrease, while energy and chemical costs should remain consistent. While the \$200,000 septage revenue loss from 2023 to 2024 is not expected to be recovered, a slight increase is anticipated due to new customer acquisitions. Revenue from entrance charges, dedicated to capital expenses, is projected to remain robust at \$300,000 or more for the year. Notably, the District has secured over \$1 million in entrance charge revenue from 2022 through mid-2024.

The 2025 budget represents the third year of our refined budgeting process, designed for efficiency, cost-effectiveness, and transparency for our stakeholders. This budget embodies our commitment to streamlining while providing comprehensive information to support informed decisions regarding rates and expenses. It was developed collaboratively with all staff and department heads, who meticulously reviewed each line item and built their requests from the ground up. This foundation enabled the finance manager, operations & compliance manager, and general manager to finalize the budget. The presented 2025 draft budget accurately reflects the district's needs for the upcoming year.

## Revenue

The proposed budget anticipates a 4.5% rate increase for most customers, resulting in a total expected revenue of \$6,848,067. This represents a substantial 10.9% or \$673,000 increase over the 2024 budgeted revenue. To support an ambitious \$1,381,000 capital spending plan, \$741,488 is proposed to be drawn from reserves. Operating revenue is projected to reach \$6,106,579, a notable 6.5% or \$373,286 increase compared to the 2024 budget.

User rates are expected to contribute \$4,884,577, marking a \$275,202 increase from 2024. Septage revenue is budgeted at \$144,000, consistent with 2024, but significantly lower than the 2023 budgeted revenue and 2022 actual revenue.

The new treatment agreement with the Topsham Sewer District, effective January 1, 2024, has led to a substantial increase in revenue from Topsham due to its flow-based calculation. Despite potential fluctuations due to weather and development, \$593,822 is anticipated for 2025.



Brunswick's ongoing residential and commercial development is expected to generate \$300,000 in entrance charges, which, while not affecting the operating budget, will supplement capital project funding or bolster reserves.

Figure 1 highlights consistent growth in both residential and commercial revenue, aligning with Brunswick's development trends and rate adjustments since 2020. Total revenue from rates is projected to be nearly \$1,297,306 higher than 2020 actuals.

Figure 2 illustrates total revenue from all sources, showcasing a post-pandemic rebound in 2022 and an anticipated increase of over \$386,000 for the remainder of 2024. The significant \$848,335 increase proposed for 2025 is primarily attributed to a \$458,008 rise in reserve spending compared to 2024, with an additional \$390,327 stemming from increased rates.

Figure 1: Revenue from Rates

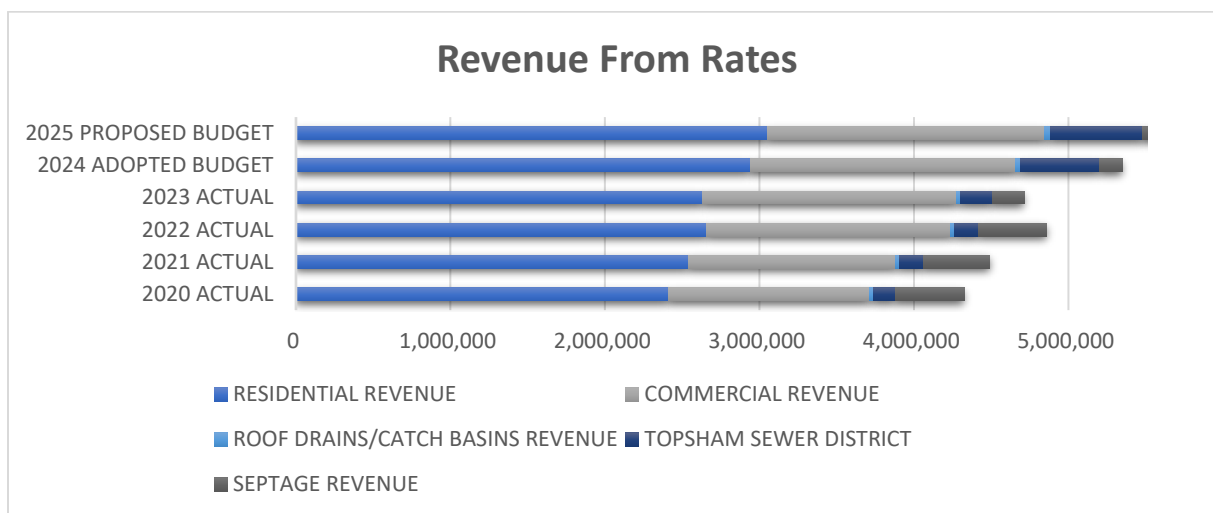
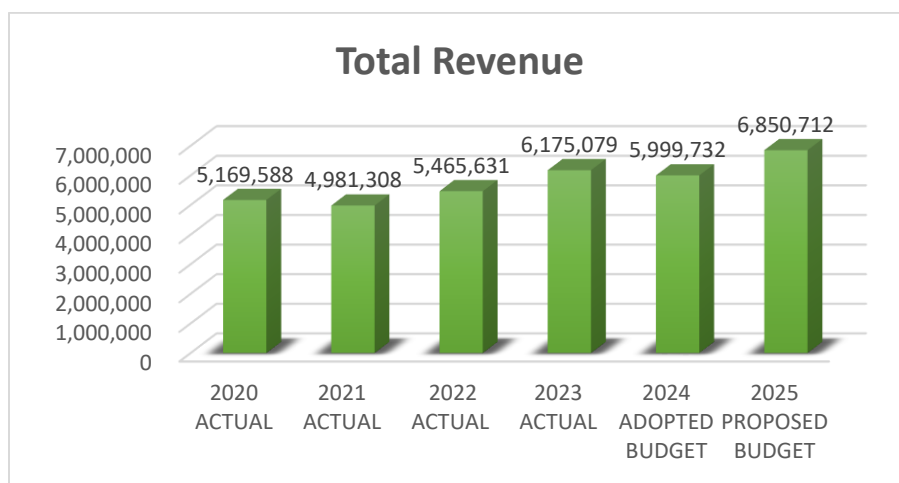


Figure 2: Total Revenue from all Sources





## Revenue Highlights and Assumptions

- Revenue projections are based on a 4.5% increase in residential and commercial rates, accompanied by a \$1.00 (10%) increase in the account charge.
- Septage rates are proposed to be lowered from \$0.135/gallon to \$0.12/gallon. This adjustment, while still exceeding treatment costs, aims to attract more customers and boost revenue by offering a competitive rate compared to neighboring communities.
- To fund \$1,221,179 in capital expenditures, \$744,133 is requested from entrance charge reserves. The remaining capital expenses will be covered by anticipated 2025 entrance fees (\$300,000) and rates (\$177,046). The BSD has received over \$1.5 million in entrance fees since 2020, and this trend is expected to continue.
- No donated assets are anticipated for 2025, primarily due to the completion of restoration and turnover of sewer lines and pump stations by MRRA. While an expansion is planned for the Katahdin Drive area of Brunswick Landing, the completion and turnover timeline remains uncertain.

Table 1: Revenue Projections

BUDGETED AND ACTUAL REVENUE								
	<u>2020</u> <u>ACTUAL</u>	<u>2021</u> <u>ACTUAL</u>	<u>2022</u> <u>ACTUAL</u>	<u>2023</u> <u>ACTUAL</u>	<u>2024</u> <u>ADOPTED</u> <u>BUDGET</u>	<u>2025</u> <u>PROPOSED</u> <u>BUDGET</u>	<u>% Dif</u> <u>2025 vs</u> <u>2024</u>	<u>2025 vs</u> <u>2024</u>
RESIDENTIAL REVENUE	2,412,790	2,538,968	2,658,257	2,631,591	2,939,867	3,051,624	3.8%	111,757
COMMERCIAL REVENUE	1,298,589	1,342,842	1,578,898	1,642,449	1,720,386	1,794,635	4.3%	74,249
ROOF DRAINS/CATCH BASINS REVENUE	25,638	25,990	27,962	28,921	32,175	38,298	19.0%	6,123
TOPSHAM SEWER DISTRICT	141,417	152,927	153,785	203,967	510,749	593,822	16.3%	83,073
SEPTAGE REVENUE	446,639	430,431	442,154	207,077	144,000	144,000	0.0%	0
ENTRANCE FEE REVENUE	448,987	86,496	223,583	487,485	230,375	300,000	30.2%	69,625
INCOME FROM JOBBING	109,002	125,619	118,225	172,806	79,400	82,000	3.3%	2,600
INTEREST INCOME	45,622	36,371	31,379	85,129	25,200	80,000	217.5%	54,800
NON-OPERATING INCOME (LT CHGS)	2,783	1,810	24,730	19,604	16,700	16,700	0.0%	0
MISC (OTHER) INCOME	31,504	10,767	18,140	39,446	17,400	5,500	-68.4%	(11,900)
GAIN/LOSS SALE OF FIXED ASSET	0	13,103	15,385	38,422	0	0	N/A	0
TOPSHAM'S SHARE OF TPU CWSRF BOND	206,616	215,984	173,133	176,396	0	0	N/A	0
<b>Sub-Total Operating Revenue</b>	<b>5,169,588</b>	<b>4,981,308</b>	<b>5,465,631</b>	<b>5,733,293</b>	<b>5,716,252</b>	<b>6,106,579</b>	6.8%	<b>390,327</b>
Entrance Fee Reserves from Prior Years	0	0	0	441,786	283,480	744,133	68.4%	302,347
<b>Total Revenue</b>	<b>5,169,588</b>	<b>4,981,308</b>	<b>5,465,631</b>	<b>6,175,079</b>	<b>5,999,732</b>	<b>6,850,712</b>	<b>10.9%</b>	<b>675,633</b>
Donation of Capital Assets	34,200	0	1,814,437	1,200,000	2,000,000	0	-100.0%	(1,200,000)
<b>Gross Income from all Sources</b>	<b>5,203,788</b>	<b>4,981,308</b>	<b>7,280,068</b>	<b>7,375,079</b>	<b>7,999,732</b>	<b>6,850,712</b>	-7.1%	<b>(524,367)</b>



## Expenses

The total projected expenses for 2025 are estimated to be \$6,850,712, representing a 14.2% or approximately \$851,000 increase compared to the 2024 budgeted expenses. This substantial increase is primarily attributed to a rise in capital expenditures. Meanwhile, operating expenses are expected to increase by a more modest 2.0%, or \$108,355.

These fluctuations are distributed across various line items, with the most significant increases observed in wages (\$22,109), benefits (\$68,187), and consulting fees (\$22,000). Conversely, a notable decrease in maintenance service contracts is due to the transition of our MUNIS accounting system expenses to a prepaid subscription liability, resulting in the addition of a new \$42,745 line item under non-operating expenses. Additionally, sludge disposal costs are projected to decrease slightly (\$22,000) in 2025 due to a reduced quantity, although this may change if septage volumes increase.

While typically allocated to reserves for future capital projects, the anticipated \$300,000 in entrance fees for 2025 will be directed towards current year expenses to support our ambitious capital project plan. Any deviation from this estimate will necessitate adjustments to the amount drawn from reserves.

A detailed breakdown of the anticipated line-item expenses can be found in Table 2.

Table 2: Expense Projections

BUDGETED AND ACTUAL EXPENSES								
DESCRIPTION	<u>2020</u> ACTUAL EXPENSES	<u>2021</u> ACTUAL EXPENSES	<u>2022</u> ACTUAL EXPENSES	<u>2023</u> ACTUAL EXPENSES	<u>2024</u> ADOPTED BUDGET	<u>2025</u> PROPOSED BUDGET	% Dif 2025 vs 2024	\$ Change 2025 vs 2024
Salaries and wages	\$1,471,966	\$1,502,554	\$1,385,865	\$1,579,276	\$1,675,890	\$1,697,999	1.3%	\$ 22,109
Employee benefits	\$755,596	\$754,287	696,222	\$737,863	\$811,473	\$879,660	8.4%	\$ 68,187
Trustee fees	\$4,688	\$6,488	5,063	\$11,100	\$16,800	\$16,800	0.0%	\$ -
Heating	\$30,405	\$38,024	74,105	\$56,008	\$63,838	\$64,670	1.3%	\$ 832
Power	\$140,956	\$138,059	79,972	\$131,906	\$97,681	\$92,831	-5.0%	\$ (4,850)
Water	\$4,225	\$5,486	7,252	\$7,147	\$7,305	\$6,607	-9.6%	\$ (698)
Telecommunications	\$20,172	\$22,395	20,990	\$22,248	\$23,594	\$25,509	8.1%	\$ 1,915
Maintenance service contracts	\$91,730	\$120,156	135,325	\$76,223	\$161,624	\$111,998	-30.7%	\$ (49,626)
Maintenance of lines	\$13,165	\$4,503	2,233	\$10,658	\$7,993	\$8,243	3.1%	\$ 250
Maintenance of holes	\$13,262	\$4,963	9,349	\$15,032	\$14,410	\$14,410	0.0%	\$ -
Maintenance of buildings	\$44,360	\$66,213	81,196	\$36,765	\$58,476	\$56,645	-3.1%	\$ (1,831)
Maintenance of equipment	\$62,934	\$86,554	64,287	\$93,855	\$106,030	\$102,880	-3.0%	\$ (3,150)
Maintenance of vehicles	\$35,034	\$14,424	26,973	\$41,130	\$17,940	\$21,040	17.3%	\$ 3,100
Vehicle fuel	\$19,354	\$27,001	50,018	\$40,820	\$44,620	\$44,370	-0.6%	\$ (250)
Travel	\$9,074	\$1,601	8,193	\$22,512	\$26,315	\$26,275	-0.2%	\$ (40)
Professional development	\$6,322	\$12,280	18,400	\$30,161	\$26,550	\$25,603	-3.6%	\$ (947)
Dues and subscriptions	\$5,513	\$3,469	5,567	\$3,006	\$4,114	\$4,850	17.9%	\$ 736
Supplies/ small tools	\$15,616	\$18,696	17,966	\$19,789	\$26,940	\$25,990	-3.5%	\$ (950)
Postage, freight and delivery	\$10,207	\$12,183	12,233	\$13,793	\$12,950	\$14,600	12.7%	\$ 1,650



Safety	\$14,678	\$12,165	17,941	\$15,218	\$21,324	\$16,774	-21.3%	\$ (4,550)
Uniforms	\$3,391	\$3,339	3,142	\$3,532	\$5,800	\$5,400	-6.9%	\$ (400)
Licenses	\$4,281	\$5,748	6,343	\$6,163	\$6,300	\$6,300	0.0%	\$ -
Outside printing	\$15,831	\$13,244	14,979	\$12,933	\$12,310	\$15,760	28.0%	\$ 3,450
Advertising	\$2,478	\$6,431	1,373	\$1,297	\$4,500	\$3,800	-15.6%	\$ (700)
Consulting Fees	\$125,664	\$100,902	70,338	\$37,616	\$48,000	\$71,500	49.0%	\$ 23,500
Miscellaneous	\$6,175	\$4,969	5,813	\$7,161	\$10,150	\$11,500	13.3%	\$ 1,350
Sodium hypochlorite	\$9,430	\$8,985	14,614	\$18,695	\$19,834	\$17,735	-10.6%	\$ (2,099)
Polymer	\$6,429	\$13,685	30,639	\$21,751	\$19,800	\$20,394	3.0%	\$ 594
Sodium hydroxide	\$59,653	\$46,844	78,224	\$78,679	\$130,301	\$144,900	11.2%	\$ 14,599
Sodium Bisulfite	\$16,583	\$9,117	3,768	\$11,255	\$9,284	\$9,563	3.0%	\$ 279
Sludge disposal	\$125,267	\$128,303	185,366	\$201,053	\$214,000	\$192,000	-10.3%	\$ (22,000)
Laboratory expense	\$9,633	\$8,609	9,693	\$8,774	\$11,500	\$11,000	-4.3%	\$ (500)
Laboratory testing	\$4,199	\$11,944	8,787	\$10,067	\$12,124	\$12,124	0.0%	\$ -
Instrumentation	\$505	\$0	4,027	\$3,859	\$7,243	\$3,243	-55.2%	\$ (4,000)
<b>Sub-Total Operating Expenses</b>	<b>\$3,158,776</b>	<b>\$3,213,621</b>	<b>\$3,156,256</b>	<b>\$3,387,345</b>	<b>\$3,737,013</b>	<b>\$3,782,973</b>	<b>1.2%</b>	<b>\$ 45,960</b>
Bank Fees (bad debt/ misc.)	\$19,329	\$14,386	\$8,343	\$74	\$1,300	\$50	-96.2%	\$ (1,250)
Insurance - General	\$68,224	\$66,483	\$69,986	\$71,734	\$86,600	\$100,746	16.3%	\$ 14,146
Meter Reading	\$99,740	\$98,860	\$108,883	\$97,176	\$102,031	\$110,657	8.5%	\$ 8,626
Subscription Liability (Munis)						\$42,745		
Bond Payments (Principal)	\$1,167,371	\$1,224,093	\$1,237,700	\$1,195,573	\$1,208,299	\$1,221,179	1.1%	\$ 12,880
Bond Payments (Interest)	\$275,910	\$265,854	\$252,277	\$247,171	\$226,114	\$211,362	-6.5%	\$ (14,752)
<b>Total Expenses</b>	<b>\$4,789,350</b>	<b>\$4,883,297</b>	<b>\$4,833,445</b>	<b>\$4,999,073</b>	<b>\$5,361,357</b>	<b>\$5,469,712</b>	<b>2.0%</b>	<b>\$ 108,355</b>
Ent. Fees to Reserves	\$0	\$0	\$223,583	\$441,786	\$230,375	\$0	-47.9%	\$ (230,375)
Capital Expenses	\$99,314	\$149,632	\$602,889	\$247,344	\$408,000	\$1,381,000	65.0%	\$ 973,000
<b>Total Budget</b>	<b>\$4,888,664</b>	<b>\$5,032,929</b>	<b>\$5,659,917</b>	<b>\$5,688,203</b>	<b>\$5,999,732</b>	<b>\$6,850,712</b>	<b>14.2%</b>	<b>\$ 850,980</b>
Depreciation	2,642,527	2,686,439	2,754,651	2,802,093	2,500,000	2,925,000	-10.8%	\$ 425,000
<b>Net Expense to Operate District</b>	<b>\$7,531,191</b>	<b>\$7,719,368</b>	<b>\$8,414,568</b>	<b>\$8,490,296</b>	<b>\$8,499,732</b>	<b>\$9,775,712</b>	<b>0.1%</b>	<b>\$ 1,275,980</b>

Figure 3 compares the 2025 and 2024 budgets with actual expenses from 2020 through 2023. It's important to note that actual expenses for 2024 will not be known until January of 2025.

Figure 3: Total Budgeted Expenses

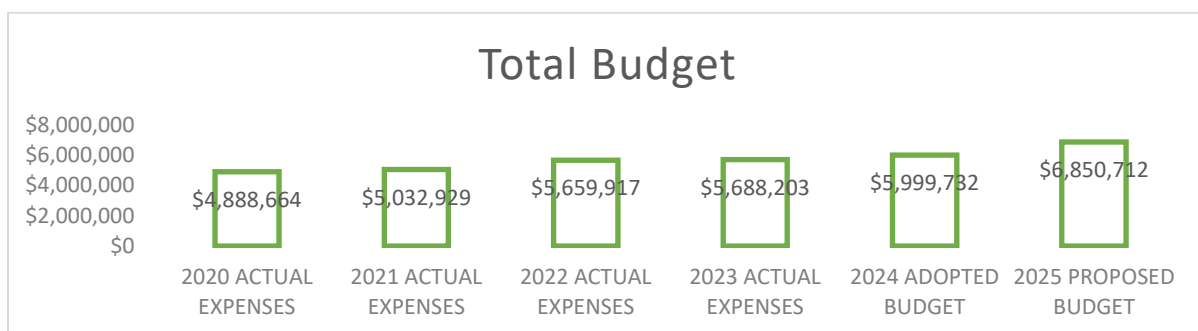




Figure 4 illustrates the growth in operating expenses, specifically focusing on operational spending and excluding capital expenses, depreciation, bond payments, and other non-operating liabilities. While 2024 saw a notable increase due to inflation-related wage adjustments and sludge disposal costs, these factors have since stabilized, resulting in a projected 1.2% increase in operating expenses for 2025.

The linear trendline in Figure 4 reflects the consistent upward trajectory of operating expenses over time. With an R-squared value of 0.839, it suggests that 83.9% of the variation in expenses can be explained by the linear relationship with the budget year. However, it's crucial to note that while a high R-squared value indicates a good fit, it doesn't guarantee the trend line's accuracy in predicting future values. Thorough budget planning and consideration of various factors remain essential.

Staffing levels are expected to remain stable throughout 2025. However, anticipated retirements of key personnel by the end of the year and into 2026 may necessitate hiring and training replacements, potentially leading to significant increases in wages and benefits. This will be carefully evaluated mid-2025 when revenue and expense trends become clearer.

Figure 4: Operating Expenses 2022-2023

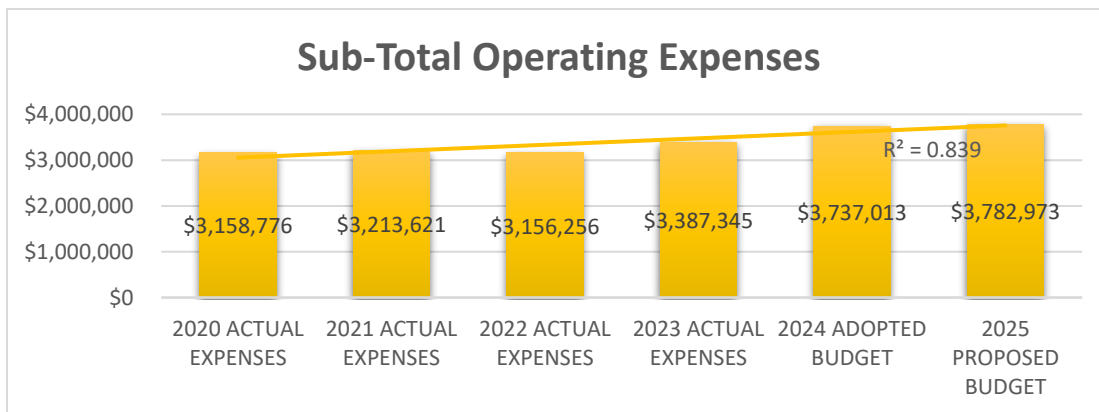


Figure 5: Sludge Disposal Costs

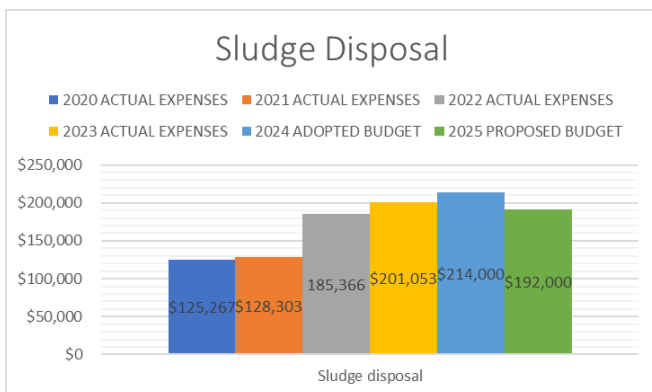


Figure 6: Energy Costs

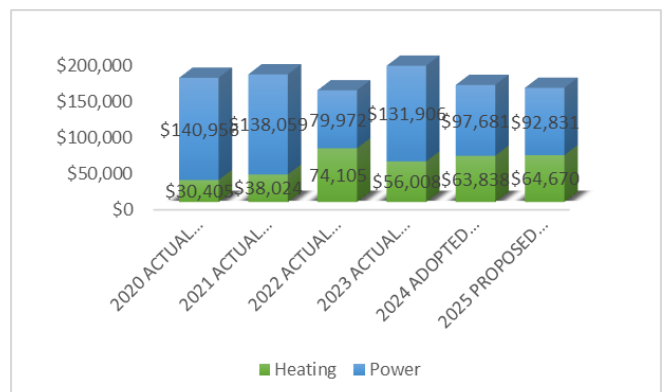






Figure 7: Chemical Expenses

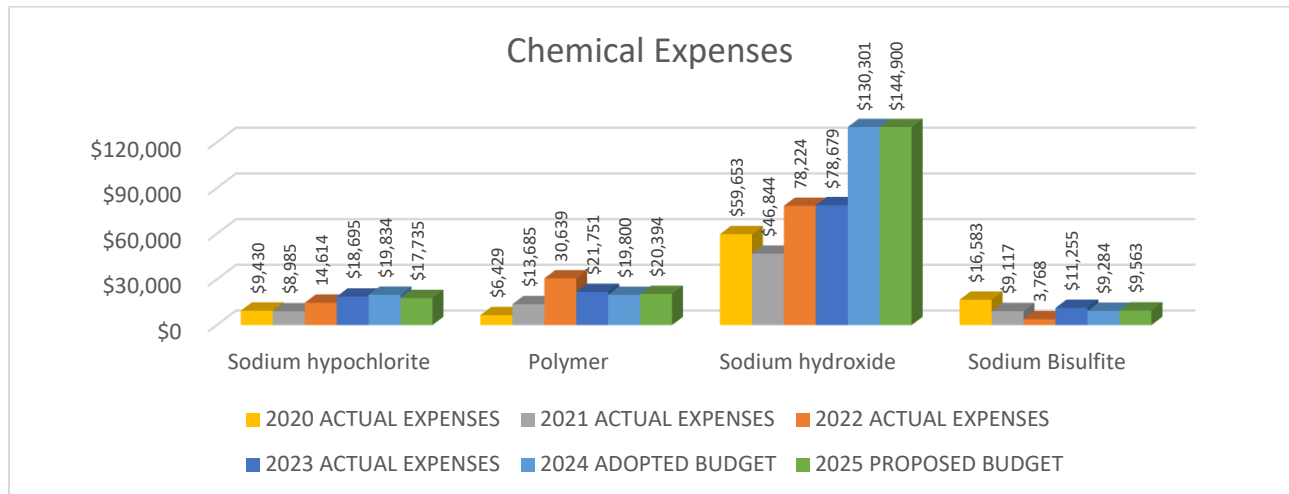
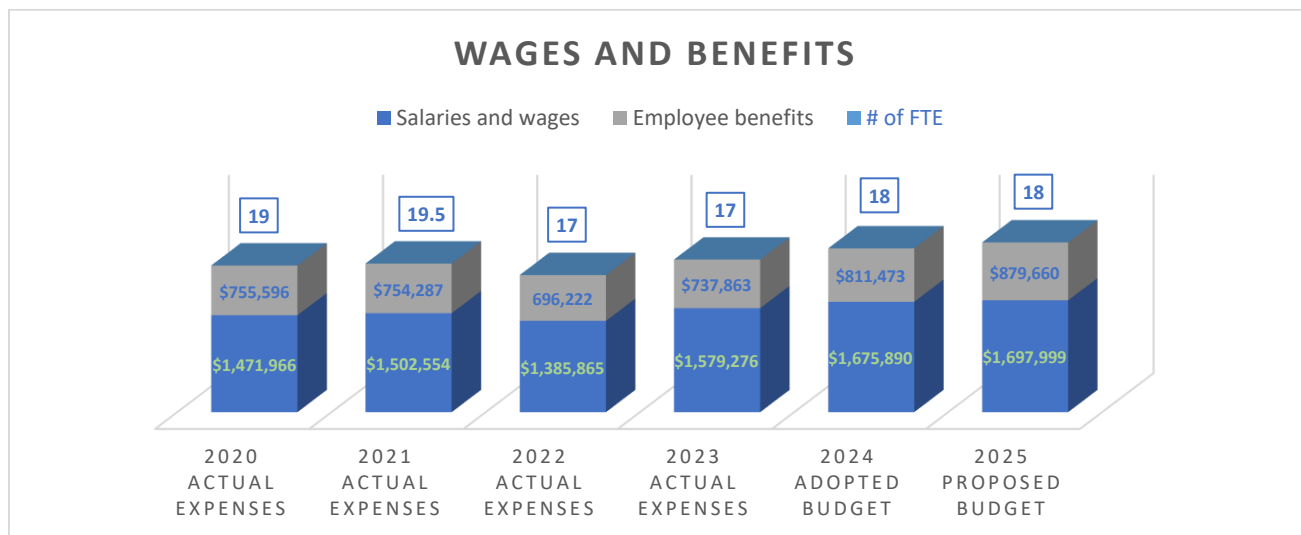


Figure 8: Wages and Benefits



### Expense Highlights and Assumptions

- Insurance rates are projected to increase by 10%, falling within the historical range of 0% to 12% increases. This estimate, based on input from our MMA representative, is subject to change pending final figures expected in late fall.
- Employee wage expenses are expected to increase by 1.3% overall, despite a 5% increase in actual wages. This is due to recent replacements of retiring employees with newer hires at lower starting salaries. While no staffing changes are currently planned, temporary help or an early hire may be necessary to fill the finance manager position upon their expected retirement in late 2025.
- Sludge disposal costs are expected to remain stable. The 2023 increase was a result of LD1911, which limited disposal options. However, LD 718's temporary allowance of out-of-state bulky



waste has provided some relief before landfill prices escalate again. The BSD is actively collaborating with MeWEA and other agencies to explore regional disposal solutions, which, combined with potential digester upgrades at Brunswick Landing in 2025, could lead to cost reductions in 2026. Additionally, the decrease in septage intake has contributed to a 15% reduction in sludge output and disposal costs.

- The estimated depreciation of \$2.925 million is based on recent years' data and may be affected by asset acquisitions from Brunswick Landing and the full depreciation of certain assets this year. While this figure doesn't impact the operating budget or cash flow, it reflects a change in the BSD's overall valuation.

## Capital Budget

The Brunswick Sewer District (BSD) recently completed a Fiscal Sustainability Plan (FSP) in early 2023, outlining nearly \$70 million in asset-related work over the next 15 years. This plan, funded by a matching grant from the Maine DEP, has guided staff in prioritizing capital improvement requests while balancing them against available funds based on current revenue and rates. While the FSP identifies over \$13 million in capital needs over the next five years, the proposed 2025 budget requests \$1.381 million. Capital expenses are funded through a combination of rates, reserves, and bonds. However, with approximately \$19 million in outstanding debt and limited debt capacity, issuing additional bonds is not recommended at this time. Instead, the BSD should consider refinancing upon retiring a small bond in 2025, potentially using excess funds from the retired bond to cover new bond payments.

The BSD's reserve account balances are currently around \$3.6 million, with \$1.4 million allocated for debt payments and just under \$1 million for operating expenses. This leaves roughly \$1.2 million for capital projects. If the proposed 2025 budget, with its planned capital expenses, is approved, the remaining balance for capital projects will be approximately \$450,000, representing a nearly 60% reduction in capital reserves. Nevertheless, the overall reserve balance will remain robust.

Of the proposed 2025 capital spending, just over \$300,000 will be funded by user rates, calculated as total anticipated revenue minus all expenses (excluding depreciation). Despite staff efforts to minimize increases in operating expenses, capital costs continue to rise. To fully fund capital expenses in 2026, an estimated 20% rate increase will be necessary, growing to 50% by 2029. These figures do not account for any additional increases required to cover rising operating costs.

Table 3 provides a breakdown of proposed capital expenses for the next five years by category, while Table 4 details the 2025 requests. For a comprehensive understanding of the capital plan, including equipment types, estimated costs, and justifications for requests, please refer to Appendix A: Five Year Capital Plan.

Table 3: Five-Year Capital Costs

Summary of Capital Projects	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
1- Pipe Projects	\$ 1,151,000	\$ 1,039,000	\$ 1,614,000	\$ 1,806,960	\$ 897,975	\$ 6,508,935
2- Pump Station Improvements	\$ 150,000	\$ 150,000	\$ 1,000,000	\$ 1,050,000	\$ 920,000	\$ 3,270,000
3- Treatment Plant	\$ -	\$ 35,000	\$ 70,000	\$ 2,000,000	\$ 800,000	\$ 2,905,000



<b>4-Vehicles and Equipment</b>	\$ 55,000	\$ 50,000	\$ 85,000	\$ 125,000	\$ 165,000	\$ 480,000
<b>5- Facilities (Non TP)</b>	\$ 25,000	\$ 15,000	\$ 35,000	\$ 25,000	\$ 25,000	\$ 125,000
<b>Total</b>	\$ 1,381,000	\$ 1,289,000	\$ 2,804,000	\$ 5,006,960	\$ 2,807,975	\$ 13,288,935

Table 4: 2024 Capital Expense Request

Brunswick Sewer District Capital Improvement Program - 2025 Request				
Category	Div	Description	Cost	Totals
<b>1- Pipe Projects</b>	<b>CP</b>	Replace lines on Longfellow, Page, and Spring Streets	\$ 1,151,000	\$ 1,151,000
<b>2- Pump Stations</b>		Harpwell Street Upgrade	\$ 150,000	\$ 150,000
<b>3- Treatment Plant</b>	<b>T</b>	N/A	\$ -	
<b>4-Vehicles and Equipment</b>	<b>CP</b>	Replace 1970 45kw Tow Behind w/ Onsite Generators	\$ 55,000	\$ 55,000
<b>5- Facilities (Non TP)</b>	<b>All</b>	Insulate admin garage and add HVAC for Storage and Useable Space	\$ 15,000	
	<b>All</b>	Alarm System Upgrades and Maintenance	\$ 10,000	\$ 25,000
<b>Total</b>			<b>\$ 1,381,000</b>	<b>\$ 1,381,000</b>

Table 5 provides background information on each of the individual items noted in the capital expenses. Cost estimate information and alternatives considered are noted in the table.

Table 5: Capital Request Background Information

<b>Pipe Projects</b>	This is the first step toward a larger 5-year pipe project replacement. We propose to spend just over \$1M on pipe projects to see how much is can be accomplished. Funding will be primarily from entrance charges received over the past three years. Once these streets are completed, we'll have a better understanding of costs, and we can determine how to proceed with the remaining line reconstruction.
<b>Harpwell Street</b>	This station needs to be upgraded based on age and run times. Staff believes the wetwell is in good condition structurally and can be reused. We plan to convert this station to a submersible style with new controls. Nearly all work can be completed in-house in the same way that the Androscoggin Street upgrade was completed.
<b>Generators</b>	1970 40kw tow behind generator will be phased out. Once it requires significant work to maintain, the asset will be disposed of. Instead of replacing it with another tow behind generator, smaller standby generators will be installed at the Meadowbrook, Arrowhead, and Deerfield pump stations.
<b>Admin Garage</b>	This project will finish off the admin garage into useable space. It is currently used as cold storage for equipment and old files. The old files should be in a climate-controlled environment (upstairs). The lower section will have insulation and HVAC added, but the garage doors will remain, and it will be open space to utilize for storage of antique items in a possible "museum" as well as a climate-controlled workspace.
<b>Alarm System</b>	This item is an allowance that would connect all facility alarms together, upgrade control pads and provide better monitoring. Items may not be needed if technology doesn't change, and maintenance is upheld.



## Capital Expenses Highlights

- The 2025 budget prioritizes funding all proposed capital improvements through user rates and existing capital reserves, without relying on new bonds. The possibility of issuing a bond for sewer line replacements will be explored in 2026, coinciding with the expiration of the current bond.
- Pipe projects for 2025 primarily focus on full line replacements, targeting 6" diameter clay pipes, which fall below the minimum 8" standard required for modern maintenance equipment.
- The costly replacement of the Harpswell Street pump station, initially estimated at over \$1 million, will be significantly optimized by converting the existing wetwell, drawing inspiration from the successful 2024 Androscoggin Street pump station conversion. This innovative approach is projected to reduce costs to less than 20% of the FSP estimate, setting a precedent for similar upgrades at other stations, including Deerfield Drive.
- Due to a decade of proactive capital management, the District's assets are in good condition overall. While the FSP identified substantial long-term needs, immediate replacements are limited, and preventative maintenance will extend asset lifespans, reducing future capital requirements.
- Despite this positive outlook, the District anticipates nearly \$3 million in asset depreciation in 2025. To maintain total asset value, a \$3 million annual investment in capital projects would be ideal, but recognizing the rate impact, a more attainable goal is \$1 million in capital spending funded exclusively through rates.

## Discussion Topics

The Brunswick Sewer District (BSD) has undergone a significant workforce transition, with approximately 20% of its staff retiring in recent years. Despite restructuring, promoting existing employees, and hiring new operators, overall staffing levels have slightly decreased to 18 full-time equivalents from 19.5 in 2021. However, the BSD has successfully mitigated wage and benefits expenses by eliminating positions through retirements and strategic reorganizations.

This reduced staff now manages an expanded infrastructure, having assumed ownership of all Brunswick Landing assets, including five additional pump stations and approximately 10 miles of additional pipeline. Simultaneously, the customer base has grown by several hundred. While staff are not yet overwhelmed, there is no downtime, and productivity is at its maximum.

Looking ahead, several critical considerations arise:

- **Staffing Expansion:** The BSD will likely need to increase staffing levels in the next few years to accommodate the growing workload and maintain service quality.
- **Succession Planning:** With two imminent retirements and a wave of experienced employees expected to retire in the next 5-10 years, proactive succession planning is crucial. Hiring and training new operators and office staff before these retirements will help ensure a smooth transition and maintain institutional knowledge.



- **Talent Retention:** Given the competitive labor market, attracting and retaining skilled employees is challenging. Keeping talented individuals on staff and finding roles that utilize their strengths is a strategic approach to avoid recruitment difficulties.

Additional workforce related topics for discussion and consideration include:

- **Budgetary Constraints:** Balancing the need for additional staff with budget limitations.
- **Technology Adoption:** Exploring automation or technology solutions to streamline operations and potentially reduce staffing needs.
- **Cross-Training:** Enhancing staff flexibility and resilience by promoting cross-training in various roles and responsibilities.
- **Employee Development:** Investing in ongoing training and development programs to keep staff skills current and enhance their value to the organization.

Addressing these issues proactively will enable the BSD to maintain its operational efficiency, adapt to future challenges, and continue providing high-quality service to its growing customer base.

Beyond staffing considerations, several key factors warrant discussion and careful consideration:

1. **Discharge Permit:** The BSD's current permit has expired, and a new one expected this fall could significantly impact discharge limits and the five-year capital plan, especially with the recent Androscoggin River reclassification. The potential need to treat and monitor for PFAS and other contaminants could further escalate expenses.
2. **PFAS Litigation:** The outcome of the BSD's lawsuit against 3M, Dupont, and other PFAS manufacturers, expected within the next year, will influence settlement terms and costs. This, in turn, will be affected by forthcoming EPA PFAS limits and cost estimates.
3. **Brunswick Landing Anaerobic Digester (BrAD):** The BrAD's projected opening in early 2026 could significantly impact BSD income, treatment processes, septage volumes, and sludge disposal costs. If the digester or a similar facility is not operational by late 2025/early 2026, sludge disposal costs could surge again.
4. **Economic and Housing Growth:** While currently strong, economic and housing growth forecasts predict increased costs, high inflation, and a slowdown in new home construction. These factors, contingent on the election outcome and federal interest rate decisions, could impact entrance charge revenue and necessitate significant rate increases to support capital expenses.
5. **Septage Disposal Rates:** The proposed reduction in septage disposal rates to \$0.12/gallon warrants careful evaluation considering market conditions, rising sludge disposal costs, and the potential to attract more business. The loss of R.A. Webber as a major customer has impacted revenue, but the decreased sludge volume has offset disposal costs. The rate change could drive significant business to the BSD, but plant capacity limitations and the future impact of the digester must be considered.
6. **Septage Pumping Truck:** The District should explore purchasing a septage pumping truck to offer services within Topsham and Brunswick, attracting new customers and generating additional revenue while controlling scheduling and service quality.



By proactively addressing these multifaceted issues, the BSD can make informed decisions to navigate potential challenges, capitalize on emerging opportunities, and ensure the continued delivery of essential services to the community.

## Conclusion

In 2024, the Brunswick Sewer District (BSD) team demonstrated remarkable adaptability and ingenuity in navigating the turbulent market conditions. By implementing creative resource optimization strategies, they achieved substantial cost savings while successfully completing a greater number of projects with limited funding. This resourceful approach saved hundreds of thousands of dollars in the 2024 budget, and these proven strategies will continue to be applied to the 2025 budget and future planning.

Despite facing unexpected challenges in 2024, such as significant increases in both expenses and revenue from entrance charges, the BSD adapted swiftly to the changing business climate. The 2025 budget, presented here, addresses the unique challenge of proposed capital expenditures that surpass the combined spending of the previous five years. This budget reflects our commitment to a streamlined yet comprehensive process, providing all necessary information to facilitate informed decision-making regarding rates and expenses.

Developed collaboratively with input from all department heads, this budget was meticulously built from the bottom up, ensuring that every line item was thoroughly examined and justified. The finance manager, operations & compliance manager, and general manager have worked diligently to integrate this input into the final product.

We are confident that this 2025 draft budget accurately represents the District's needs for the upcoming year. As we anticipate future challenges, we remain committed to making prudent decisions regarding rates and the capital improvement program. We look forward to engaging in productive discussions about this budget, its recommendations, and our long-term capital needs, ultimately arriving at a 2025 budget that our stakeholders can be proud of.



Appendix A – Five-Year Capital Budget

Summary of Capital Projects	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
<b>1- Pipe Projects</b>	\$1,151,000	\$1,039,000	\$1,614,000	\$1,806,960	\$897,975	\$6,508,935
<b>2- Pump Station Improvements</b>	\$150,000	\$150,000	\$1,000,000	\$1,050,000	\$920,000	\$3,270,000
<b>3- Treatment Plant</b>	\$-	\$35,000	\$70,000	\$2,000,000	\$800,000	\$2,905,000
<b>4-Vehicles and Equipment</b>	\$55,000	\$50,000	\$85,000	\$125,000	\$165,000	\$480,000
<b>5- Facilities (Non TP)</b>	\$25,000	\$15,000	\$35,000	\$25,000	\$25,000	\$125,000
<b>Total</b>	<b>\$1,381,000</b>	<b>\$1,289,000</b>	<b>\$2,804,000</b>	<b>\$5,006,960</b>	<b>\$2,807,975</b>	<b>\$13,288,935</b>

1 - Pipe Replacement Projects					Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
Street	Method	Dia (in)	Type	Length (ft)						
Longfellow	Replace	6	VCP	587	\$ 361,690					\$ 361,690
Page Street	Replace	6	VCP	335	\$ 206,415					\$ 206,415
Spring Street	Replace	6	VCP	946	\$ 582,895					\$ 582,895
Morse Court	Replace	4	VCP	300		\$ 295,000				\$ 295,000
Wheeler Park	Replace	15	VCP	851					\$ 506,775	\$ 506,775
Park Row	Replace	6	VCP	1392		\$ 744,000				\$ 744,000
Gurnet Road	Replace	12	VCP	400					\$ 208,000	\$ 208,000
Noble Street	Replace	6	VCP	985			\$ 576,500			\$ 576,500
Thomas Point	Replace	10	ACP	1944				\$ 1,029,160		\$ 1,029,160
Maine Street	Replace	8	VCP	1183				\$ 777,800		\$ 777,800
Curtis Street	Line	8	VCP	300					\$ 45,500	\$ 45,500
Water Street	Replace	8	VCP	1803			\$ 1,037,500			\$ 1,037,500
Belmont Street	Replace	8	VCP	190					\$ 104,000	\$ 104,000
River Road	Line	8	VCP	10					\$ 11,850	\$ 11,850
Pleasant Street	Line	8	VCP	10					\$ 21,850	\$ 21,850
<b>Annual Total</b>					<b>\$ 1,151,000</b>	<b>\$ 1,039,000</b>	<b>\$ 1,614,000</b>	<b>\$ 1,806,960</b>	<b>\$ 897,975</b>	<b>\$ 6,508,935</b>
<b>Funding Source</b>					<b>Reserves</b>	<b>Reserves</b>	<b>Bond</b>	<b>Bond</b>	<b>Bond</b>	

Costs are estimated by pipe length, depth, and diameter. Other factors such as ground water and soil type are not included. Quotes are obtained for the current year’s projects. Pipe replacement is determined by condition assessments through CCTV inspection. Other factors including depth, location, and diameter are also considered. Replacement schedule may be adjusted to coincide with the town pavement replacement program.



2 - Pump Station Projects			Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
Station	Description	Funding						
Harpwell Street	In-House upgrade/conversion	Revenue	\$ 150,000					\$ 150,000
Deerfield Drive	In-House upgrade/conversion	Revenue		\$ 150,000				\$ 150,000
Maine Street	Contracted Overhaul.	Bond			\$ 1,000,000	\$ 1,050,000		\$ 2,050,000
Water Street	Partial Overhaul	Bond					\$ 920,000	\$ 920,000
<b>Annual Total</b>			<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,050,000</b>	<b>\$ 920,000</b>	<b>\$ 3,270,000</b>
<b>Harpwell Street</b>	This station needs to be upgraded based on age and run times. Staff believes the wetwell is in good condition structurally and can be reused. We plan to convert this station to a submersible style with new controls. Nearly all work can be completed in-house.							
<b>Deerfield</b>	This station needs to be upgraded based on age and run times. Staff believes the wetwell is in good condition structurally and can be reused. We plan to convert this station to a submersible style with new controls. Nearly all work can be completed in-house.							
<b>Maine Street</b>	This is a comprehensive station upgrade as proposed in the FSP. It includes building repairs, new generator, conversion to a submersibles station, replacement of wetwell and valve pit, VFD Replacement; new mechanical equipment, controls and alarms system.							
<b>Water Street</b>	This is a comprehensive station upgrade as proposed in the FSP. It includes building repairs, new generator, conversion to a submersibles station, wetwell resurfacing, new pumps, mechanical equipment, and controls.							

3 - Treatment Plant Projects			Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
Item	Description	Funding						
Sludge	Replace Boerger Sludge Pump with Penn Valley Pump	Revenue		\$ 35,000				\$ 35,000
Odor Control	Possible replacement of carbon odor control	Revenue			\$ 30,000			\$ 30,000
Septic Tank	Replace ODS Pump with more appropriate Penn Valley Pump	Revenue			\$ 40,000			\$ 40,000
FSP Phase 1	Extension and diffuser on outfall pipe. Regulation dependent.	Bond				\$ 2,000,000		\$ 2,000,000
Outfall	Extension and diffuser on outfall pipe. Regulation dependent.	Reserves					\$ 750,000	\$ 750,000
Contact Tank	Replace Troughs to fix scum removal	Revenue					\$ 50,000	\$ 50,000
<b>Annual Total</b>			<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ 70,000</b>	<b>\$ 2,000,000</b>	<b>\$ 800,000</b>	<b>\$ 2,905,000</b>
<b>Sludge Pumps</b>	Replace one of the Boerger rotary lobe pumps with a Penn Valley positive displacement pump. Rotary lobe pumps are wearing excessively due to grit. We expect more life out of a PDS pump. The goal is to replace one each year to eliminate the rotary lobe pumps completely. Pump 1 was replaced in 2023 and is functioning well.							
<b>Odor Control</b>	Carbon systems last anywhere from 5 to 10 years depending on the air flow and use. We are approaching year five, so the system will need an evaluation to determine the remaining life and it may require a change of the carbon before the end of the year. Cost estimate is based on engineering estimate when the system was designed. There are no alternatives.							
<b>Septic Tank</b>	The ODS and Boerger pumps that transfer septic and sludge between tanks show significant wear due to grit. The pumps work, but they require a high level of maintenance and repair. Repair parts are expensive. Staff believes we can realize significant savings by utilizing Penn Valley pumps. This project was identified in the FSP, but due to current market conditions for sludge and septage, the project may be put off indefinitely.							
<b>FSP Phase 1</b>	This item includes everything identified in phase 1 of the FSP, other than PEP improvements and septic tank improvements already accounted for in the capital plan. This is a comprehensive upgrade of pumping systems, piping, and valves associated with the control building. Also included is the replacement of the clamshell hoist used to clean the grit chamber.							
<b>Nutrient Removal, Outfall, River Classification</b>	These items are dependent on permit requirements. Our current discharge permit is more than one year expired, and we are awaiting a new permit, with associated condition, for the next five years. Depending on the limits set by the DEP, and the result of any river reclassification, we need to be prepared for significant changes in our process.							
<b>Contact Tank</b>	This is a wear item. Sidewalls of the troughs are becoming scoured. The scoured surface creates surface area for scum to build up, creating more maintenance and it can affect effluent quality. This repair would reduce scum buildup and make removal easier.							





4 - Vehicle and Equipment Replacement				Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
Item	Div	Description	Funding						
Generator	CP	Replace 1970 45kw Tow Behind w/ Onsite Generators	Revenue	\$ 55,000					\$ 55,000
Pickup	A	Replace 2019 GMC Pickup	Revenue		\$ 50,000				\$ 50,000
Sludge Truck	T	New Sludge Truck (Cab and Hook Only)	Reserves			\$ 85,000	\$ 85,000		\$ 170,000
Forklift	T	Replace 2006 Yale Forklift with Similar	Revenue				\$ 40,000		\$ 40,000
Lawn Mower	T	Replace 2015 Kubota Mower	Revenue					\$ 15,000	\$ 15,000
Truck	T	Replace 2016 One-Ton with Lift Gate	Reserves					\$ 70,000	\$ 70,000
Truck	CP	Replace 2016 One- Ton Dump	Reserves					\$ 80,000	\$ 80,000
<b>Annual Total</b>				<b>\$ 55,000</b>	<b>\$ 50,000</b>	<b>\$ 85,000</b>	<b>\$ 125,000</b>	<b>\$ 165,000</b>	<b>\$ 480,000</b>
<b>Generator</b>	1970 40kw tow behind generator will be phased out. Once it requires significant work to maintain, the asset will be disposed of. Instead of replacing it with another tow behind generator, smaller standby generators will be installed at the Meadowbrook, Arrowhead, and Deerfield pump stations.								
<b>Pickups</b>	Replacement based on age or mileage. Pricing is based on historical knowledge and discussion with a salesman.								
<b>Mowers</b>	Replacement based on age. Pricing is based on purchase price of existing machine adjusted for inflation.								
<b>Sludge Truck</b>	Replacement is based on wear, age, and mileage as currently used. Sludge disposal options may change, and trucking may be significantly reduced or increased as disposal options change. As replacement nears, we will reevaluate options. Estimate is based on historical knowledge. Replacement of cab and hook lift only. We will reuse existing 30CY cans. Cost is spread over two years to reduce impact to annual budget.								
<b>Forklift</b>	Replace 2006 Forklift due to wear and tear and age. Will explore a uni-loader or other similar units with dual purposes.								
<b>One-Tons</b>	Replacement based on age or mileage. Pricing is based on historical knowledge and discussion with a salesman.								

5 - Facilities				Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
Item	Div	Description	Funding						
Admin Garage	ALL	Insulate and add HVAC for Storage and Useable Space	Rates	\$ 15,000					\$ 15,000
Alarms	ALL	Alarm System Upgrades and Maintenance	Rates	\$ 10,000					\$ 10,000
Technology	A	Conference Room Equipment, Copiers, Misc. Equip.	Rates		\$ 15,000				\$ 15,000
Floors	A	Replace Carpeting at Admin Building	Reserves			\$ 35,000			\$ 35,000
Floors	T	Replace/Rehab Flooring in Office Spaces	Rates				\$ 25,000		\$ 25,000
Floors	CP	Replace/Rehab Flooring in Office Spaces	Rates					\$ 25,000	\$ 25,000
<b>Annual Total</b>				<b>\$ 25,000</b>	<b>\$ 15,000</b>	<b>\$ 35,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 125,000</b>
<b>Admin Garage</b>	This project will finish off the admin garage into useable space. It is currently used as cold storage for equipment and old files. The old files should be in a climate-controlled environment (upstairs). The lower section will have insulation and HVAC added, but the garage doors will remain, and it will be open space to utilize for storage of antique items in a possible "museum" as well as a climate-controlled workspace.								
<b>Alarms</b>	This item is an allowance that would connect all facility alarms together, upgrade control pads and provide better monitoring. Items may not be needed if technology doesn't change, and maintenance is upheld.								
<b>Technology</b>	Replacement of outdated PC's, cameras, screens etc. Allowance based on historic costs and will vary depending on changes in technology and extend of the upgrades.								
<b>Floors</b>	Allowance based on square footage to replace/redo floors at 15 years of age.								