

BRUNSWICK SEWER DISTRICT
Board of Trustees Regular Monthly Meeting
10 May 2010
Approved Minutes

Call to Order

The regular monthly meeting of the Board of Trustees of the Brunswick Sewer District was called to order by Chair Priest at 6:37 p.m. on Monday, 10 May 2010, in the conference room at District offices. Notice of the meeting was advertised in the 07 May 2010 edition of the *Times Record*. A prepared agenda was noted and the meeting was recorded.

Members present: Chair Priest, Trustees Boochever, Green, Barbour, and Schwindt.

Others present: General Manager McVey, Assistant General Manager Blanchette, Finance Manager Nuttelman; Mark Phillips of Deerfield Park (6:55 – 7:37 p.m.); Douglas Richmond, Merrymeeting Rowing Club (7:29-8:16 p.m.); camera operator Hedy Blauvelt.

Minutes of Previous Meeting(s)

The Trustees reviewed minutes of the 12 April 2010 regular Board meeting.

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES TO ACCEPT AS AMENDED MINUTES OF THE 12 APRIL 2010 REGULAR MEETING OF THE BOARD OF TRUSTEES.

The Trustees reviewed minutes of the 29 April 2010 special meeting of the Board.

IT WAS MOVED BY TRUSTEE GREEN, SECONDED BY TRUSTEE BARBOUR, AND UNANIMOUSLY VOTED BY THE TRUSTEES TO ACCEPT AS PRESENTED MINUTES OF THE 29 APRIL 2010 SPECIAL MEETING OF THE BOARD OF TRUSTEES.

Public Comment

No members of the public were present. There has been no public comment received.

Treasurer's Report

Financial: Board Treasurer Green reported that he has examined a complete set of unaudited financial statements at 30 April 2010, prepared by District staff, noting that operating revenues remain approximately \$15,000 or 2% below budget. The Trustees heard a report on the makeup of non-operating revenue, which includes a refund for cost reduction from the Maine Municipal Bond Bank, payment of an entrance charge for a commercial development, and an energy conservation dividend from Efficiency Maine, a division of the Maine Public Utilities Commission. The Trustees also discussed aged receivables and capital expenditures in light of cost-savings measures. A copy of the Variance Analysis was adopted by reference and is to be included in minutes of the meeting.

Disbursements: The Trustees reviewed weekly reports on disbursements for the preced-

ing month, querying staff regarding the purpose of a number of those listed. The General Manager reported that payroll and payables disbursements have been issued on consecutively numbered instruments, and all vendors receiving payment were identified. Weekly warrants for general disbursements have been reviewed and signed by the General Manager. Disbursements unusual in amount or purpose were discussed.

Special Meeting: Changes to Schedule of Rates

Chair Priest declared the regular monthly meeting of the Board in recess to permit convening at 7:00 p.m. as advertised a special meeting on proposed changes to the Schedule of Rates. The special meeting is in keeping with provisions of the District Charter. Notice of the special meeting was mailed to all District account holders, was advertised in the 23 April and 30 April 2010 editions of the Times Record, and was posted in twelve public locations around town, including Brunswick cable channel 3 and the District website.

The General Manager noted that the major rate categories including metered, flat rate, and septic rates are proposed to increase by approximately 5%, for service provided commencing on 01 July 2010. He briefly reviewed a number of documents developed to assist in understanding the need for a rate change. These included a summary of audited financial data indicating a decline of \$554,000 in reserves in 2009, a history of financial reserves, a graphical representation of revenues and expenditures over time, a media paper on the effect of time on receipt of revenues, a chart depicting the growth of the user rate in comparison with the consumer price index, additional revenue generated by a 1% increase in the user rate, the proposed Schedule of Rates and the percent change in each, the various forms of public notice provided, and a survey and analysis of the position of District user rates in comparison with user rates statewide.

Chair Priest declared the public hearing on proposed changes to the Schedule of Rates to be open at 7:16 p.m. Mark Phillips, the only member of the public present, stated his hope that the Trustees would consider the economic challenges now facing the community in reaching their conclusions about the proposed rate change. The General Manager reported that no further comment on the proposed rate change has been received. In the absence of any public input on the topic, Chair Priest declared the public hearing closed at 7:26 p.m.

The General Manager observed that, following a review of the District Charter, the Rules & Regulations, and the By-laws, all requirements for a change in the Schedule of Rates have been met, in both letter and intent. He suggested the Board may wish to consider the first of two votes required to adopt changes to the Schedule of Rates.

The Trustees discussed the financial condition of the District, the need for a change in user rates, and the extent and character of comment received. At the conclusion of their discussion,

IT WAS MOVED BY TRUSTEE BOOCHEVER, SECONDED BY TRUSTEE SCHWINDT, AND UNANIMOUSLY VOTED BY THE TRUSTEES, AS THE FIRST OF TWO VOTES REQUIRED, TO ADOPT THE SCHEDULE OF RATES DESIGNATED "BRUNSWICK SEWER DISTRICT PROPOSED SCHEDULE OF RATES", TO TAKE EFFECT AND APPLY TO ALL SERVICE PROVIDED COMMENCING ON 01 JULY 2010, WHICH SCHEDULE OF RATES SHALL BE ATTACHED TO THE MINUTES OF THIS MEETING AND MADE A PART THEREOF.

The General Manager reviewed with the Trustees tasks remaining in the rate change

process and their schedule. The process is on schedule and expected to conclude on 01 July 2010.

There being no further business before the special meeting,

IT WAS THEN MOVED BY TRUSTEE SCHWINDT, SECONDED BY TRUSTEE BARBOUR, AND UNANIMOUSLY VOTED BY THE TRUSTEES TO ADJOURN THE SPECIAL MEETING ON PROPOSED CHANGES TO THE SCHEDULE OF RATES AT 7:31 P.M.

Public comment received over the next two weeks will be considered, and the question will be put before the Board for a second and final vote at the June Board meeting.

Acceptance of Constructed Wastewater Facilities: Deerfield Park

At the request of Mark Phillips of Deerfield Park, the Trustees heard a report on progress toward acceptance by the District of Deerfield facilities. The General Manager reported that the Board has accepted the facilities contingent upon completion of work remaining. In addition to several relatively minor pieces of work remain on pump station upgrades, considerable work remains on securing title to the facilities and the right of location across several parcels of property. Mr. Phillips encouraged that the work be completed as soon as possible.

Monthly Report of Operations

Total flow to the Treatment Plant for April 2010 was 125.449 mg, down approximately 5% from the previous month and up 2% from the prior year. Flows of 15.1 and 9.0 mg for the month originated with Topsham and the Navy Base, respectively. Average daily flow for the period was 4.18 mgd, or 109% of that allowed by permit, and constituted a violation of the permit limit for this parameter. Maximum daily flow processed was 8.49 mg, on 01 April 2010. Rainfall for the month totaled 2.1 inches, with a daily maximum of 0.5 inches on 09 April 2010.

Septage receiving for the period totaled 104,250 gallons, up approximately 16% from the previous month, reflecting improving weather. Removal rates for BOD and TSS for the period were 91.3% and 91.2%, respectively, in compliance with the minimum 85% required for each parameter by permit. A total of 145 cy of sludge was produced. There were no bypasses or spills, and flow to the plant received full treatment.

Water Street Pump Station: Proposed Boathouse

Douglas Richmond representing Merrymeeting Rowing Club joined the meeting for further discussion of a boathouse proposed at the site of the District's Water Street Pump Station. Chair Priest excused himself at 7:44 p.m. from this portion of the meeting due to a possible conflict of interest by association. He relinquished control of the meeting to Vice Chair Boochever, and left the premises.

The Trustees considered minor changes in language of a resolution adopted at the April Board meeting. The resolution accepts in principle the concept of a boathouse on the site and authorizes development of a lease agreement. In the end, the Trustees found the language acceptable, given that the lease agreement will address concerns in greater detail.

RESOLUTION ON THE SITING OF A BOATHOUSE

AT THE WATER STREET PUMP STATION

WHEREAS the Merrymeeting Rowing Club (“the Club”) has need of a boathouse to support the activities for which the Club was formed; and

WHEREAS the Merrymeeting Rowing Club is organized as a 501(c)(7) tax-exempt entity under the Federal Tax Code and registered as a not-for-profit corporation under the laws of the State of Maine; and

WHEREAS several years of investigation by the Club into identification of a possible site for a boathouse have produced no suitable options; and

WHEREAS the site of the Water Street Pump Station owned by the Brunswick Sewer District (“the District”) is considered by representatives of the Club to be suitable for a boathouse; and

WHEREAS, after considering this proposal, District operations personnel have determined that a boathouse may be sited on the Pump Station property without adverse effect on current or future District operations and maintenance of the site and its facilities; and

WHEREAS representatives of the District and the Club have discussed key points, stated in a letter dated 05 February 2010, necessary to an agreement for the purpose of siting the boathouse on the property, and determined that agreement is possible.

NOW THEREFORE IT IS RESOLVED that the Board of Trustees does authorize the Merrymeeting Rowing Club to pursue approvals, permitting, and funding necessary to construct a boathouse to be located on District property at the District Water Street Pump Station, provided that the following conditions are met:

1. The boathouse is to be designed, constructed, and operated subject to a 15-year lease agreement with option to renew, to be developed by the District, the terms of which are substantially in agreement with, but not limited to, provisions stated in a letter by the Club dated 05 February 2010 and the sketch dated 11 August 2009 and revised to 05 February 2010 that accompanies the letter.
2. Provisions of the agreement will specify the right of the District to terminate the agreement at any time it determines, in its sole discretion, that use by the District of the leased property is necessary to the District’s mission. The District will provide a minimum of two year’s notice to the Club in the event the District determines it is necessary to reoccupy the leased property.
3. The Club will secure all necessary approvals and permits for the project, and boathouse planning, design, construction, and operation will comply with all municipal ordinances, regulations, codes, and requirements.
4. All costs associated with development of the Boathouse are to be borne by the Club.
5. The Club will maintain its status as a 501(c)(7) non-profit organization in good standing and in full compliance with all federal and state regulations governing such organizations for the term of the agreement. Failure by the Club to maintain this status in good standing will constitute cause sufficient to allow the District to terminate the lease agreement and Club use of the property.
6. The Club will reimburse the District for all legal expenses associated with the boathouse project, including preparation of the lease.
7. The Club will secure and maintain insurance coverage of a type(s) and in amounts satisfactory to the District.

Mr. Richmond reported that discussion with Town zoning officials regarding setback standards reveals it will be necessary to relocate the structure, which in turn will require addi-

tional land. Adjacent property is owned by the Town of Brunswick and is considered unsuitable for development due to these same setback requirements. Further discussion with Town officials indicates that the Town may be willing to convey to the District the additional land required, for use in developing the boathouse. In such an event, current District property would be used solely for access to the proposed boathouse, which would be located on land now owned by the Town, and the question of possible future need by the District for land leased to the Rowing Club becomes largely moot. Mr. Richmond presented a site sketch for the revised boathouse location.

At the conclusion of Mr. Richmond's report, it was consensus of the Trustees present that the proposal move ahead, subject to conditions stated in the adopted resolution. Mr. Richmond thanked the District Trustees and staff for their consideration and assistance, and left the meeting at 8:16 p.m. Chair Priest rejoined the meeting at 8:17 p.m. and accepted control of the meeting from Vice Chair Boochever.

Identity Theft Prevention Program

The Finance Manager reviewed for the Trustees details of a District Identity Theft Prevention Program. The program is required by federal statute and regulation. It has been developed based on model programs prepared for water utilities, after considering provisions of the federal statute and the complexity of District operation and accounting systems. The program is intended to protect from unauthorized access and use, information personal to District employees and account holders. Use of this information by the District is necessary in the course of conducting its business.

The Trustees posed a number of questions on the proposed program, following which

IT WAS MOVED BY TRUSTEE BOOCHEVER, SECONDED BY TRUSTEE BARBOUR, AND UNANIMOUSLY VOTED BY THE TRUSTEES AS THE FIRST OF TWO VOTES REQUIRED, TO ADOPT AS PROPOSED THE BRUNSWICK SEWER DISTRICT IDENTITY THEFT PREVENTION PROGRAM.

Resolution Authorizing a Business Credit Card Account

Board members returned to their consideration of a proposal to establish a business credit card account in the name of the Brunswick Sewer District, for use by specified District employees in conducting District business. The Finance Manager reviewed for the Trustees details of a resolution that authorizes an agreement for a business credit card account. The account will reside with the Atlantic Regional Credit Union and will result in the issue of four credit cards for use by the General Manager, the Finance Manager, and the two operations division Supervisors.

The Trustees posed a number of questions regarding use of the cards, types of purchase for which the cards were intended, the amount and types of limits on expenditure using the cards, details of disbursement of amounts in payment of articles purchased using the cards, and how these transactions are to be reported. In discussion that followed, the Finance Manager noted that purchase orders will be required for card use, with the possible exception of contingency purchases made while traveling. It was consensus of the Board members that a procedure be developed to provide guidance on appropriate use of District credit cards. At the conclusion of discussion on the topic,

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE BOOCHEVER, AND UNANIMOUSLY VOTED BY THE TRUSTEES TO ADOPT THE PROPOSED BUSINESS CREDIT CARD COMPANY RESOLUTION DATED 10 MAY 2010.

An executed copy of the resolution is to be attached to these minutes and made a part thereof.

Chair Priest declared the meeting in recess from 8:45 p.m. to 8:54 p.m.

Auditors' Services

The Trustees considered the question of whether additional auditors' services are desired in response to departure of the current General Manager. Following brief discussion, it was consensus of the Trustees and the Finance Manager that there is no desire for additional auditor services at this time. The General Manager reported that District auditors, when questioned, concur with this conclusion.

Wage & Benefits Plan: Employee Advancement Plan

The General Manager reviewed with the Trustees the components of a wage and benefits plan, noting that work remains on the compensation philosophy and the advancement plan. The wage plan is based on a wage matrix, which indicates the starting and top wages for each of 9 grades based on an earlier market survey, and which is currently spread over 13 columns. The District has developed and adopted a program of wage advancement based on employee performance, as measured in annual evaluation of the performance of each employee over the evaluation period relative to the employee's position description and stated performance objectives.

Earlier attempts to design an employee wage advancement plan have stalled due to problems with sustainability in the face of constantly changing economic conditions. The Board members considered a method being suggested by the General Manager, based on which he proposes to develop a sustainable plan for District employee wage advancement. Under the plan, District management would, in December of each year, make recommendations to the Board on whether economic adjustment of the entire wage matrix is warranted, whether funds are available to underwrite the cost of such an economic adjustment, and, if so, the amount of the economic adjustment, given conditions attending the market economy.

Management would, at the same time, make a recommendation as to the percent increase that is available for advancement of employees within the wage matrix, based on market conditions and on financial resources available to underwrite the cost of expected advancement. The timing suggested for these recommendations is favorable in light of the understanding that emerges upon completion of the annual budget draft relative to funds that may be available to underwrite the cost of the recommended advancement program.

The Trustees considered the suggested approach and posed a number of questions to the management team regarding use and sustainability of such a program. Several Board members stated their desire for an employee wage advancement program that is equitable to all employees. At the conclusion of their discussion, the Trustees were in general agreement with the concept, and it was consensus of the Board members that the General Manager proceed to develop such an advancement program and complete development of the District wage and benefits plan.

General Manager's Report

The Assistant General Manager reported on operations cost reductions that come as a result of energy conservation efforts, including cost of developing compressed air and cost of electrical energy purchased, both for Treatment Plant use.

The Finance Manager reported on a dividend of \$1,853 earned by the District for management of its insured risk and employee safety programs.

The General Manager reported that he has commissioned a review of the District health insurance program by a consultant licensed in the analysis and design of employment benefits programs. The review is being undertaken to determine if additional cost reductions may be available.

The Assistant General Manager is scheduled to meet with representatives of the Mid-coast Regional Redevelopment Authority for a preliminary discussion of how infrastructure that serves the Naval Air Station might be managed and maintained in the future.

Executive Session: Discussion of a Personnel Matter, M.R.S.A. Title 1, Chapter 13.1.405.6.A

On the suggestion of Chair Priest, and with the concurrence of the Board members,

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES TO ENTER EXECUTIVE SESSION AT 9:31 P.M. FOR DISCUSSION OF A PERSONNEL MATTER UNDER M.R.S.A. TITLE 1, CHAPTER 13.1.405.6.A.

The meeting returned from executive session at 9:34 p.m. following discussion of a personnel matter under M.R.S.A. Title 1, Chapter 13.1.405.6.A. No action was taken during the executive session.

Appointment of New General Manager

Chair Priest reported that the search for a new General Manager has now run to completion. He reported further that the Trustees are very pleased with the assistance provided by the consultant and with the quality of the search and the selection process. He queried his fellow Trustees as to their desire to appoint a successor to the current General Manager.

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE SCHWINDT, AND UNANIMOUSLY VOTED BY THE TRUSTEES TO APPOINT LEONARD BLANCHETTE TO THE POSITION OF GENERAL MANAGER OF THE BRUNSWICK SEWER DISTRICT, EFFECTIVE IMMEDIATELY UPON ACTION TO APPOINT AND CONTINUING THROUGH THE END OF YEAR 2010, TO BE COMPENSATED AT THE RATE OF EIGHTY-FIVE THOUSAND DOLLARS PER YEAR, WITH ALL BENEFITS NORMALLY ACCORDED A DISTRICT EMPLOYEE.

It was noted that the action to appoint serves to transfer responsibility and authority for all elements of the position, including the signing of disbursement checks in accordance with provisions of the District Disbursement Procedures, from former General Manager McVey to General Manager Blanchette. The Trustees considered provisions of the District Investment Policy relating to delegation of authority, and directed by acclamation that responsibility and authority for day-to-day investment activity be delegated by the Board Treasurer to the General Manager, and further that responsibility and authority for day-to-day investment activity be

delegated by the General Manager to the Finance Manager, all in writing and as otherwise provided in the District Investment Policy.

Former General Manager McVey thanked the Trustees and staff, congratulated the appointee, and turned control of the District staff and facilities over to General Manager Blanchette.

Following brief discussion,

IT WAS MOVED BY TRUSTEE PRIEST, SECONDED BY TRUSTEE BARBOUR, AND UNANIMOUSLY VOTED BY THE TRUSTEES THAT THE FORMER GENERAL MANAGER REMAIN IN THE EMPLOY OF THE DISTRICT THROUGH 30 JUNE 2010, IN AN UNTITLED POSITION, WITH NO RESPONSIBILITY OR AUTHORITY FOR EITHER THE DISTRICT OR ANY OF ITS STAFF, WORKING OFF DISTRICT PREMISES AS MAY BE DIRECTED BY THE BOARD, WITH NO CHANGES IN COMPENSATION OR BENEFITS, AND WITH ALL COMPENSATION, BENEFITS, AND OTHER ASSOCIATION BY MR. MCVEY WITH THE DISTRICT TO CEASE AT THE END OF 30 JUNE 2010.

The former General Manager was directed to inform the Finance Manager in writing of these terms of remaining employment.

Election of Board Officers

The Trustees took up consideration of election of Board officers, as required by provisions of the District Charter. Chair Priest declared nominations for Board office open. Trustee Boochever nominated the following slate of officers:

- Chair Charles R. Priest
- Vice Chair Peter F. Schwindt
- Treasurer Thomas S. Green
- Assistant Treasurer David N. Barbour
- Trustee Clerk Emily L. Boochever

Hearing no further nominations, Chair Priest declared nominations for Board offices closed.

IT WAS MOVED BY TRUSTEE BOOCHEVER, SECONDED BY TRUSTEE BARBOUR, AND UNANIMOUSLY VOTED BY THE TRUSTEES TO AUTHORIZE THE CHAIR TO CAST A SINGLE VOTE IN FAVOR OF THE NOMINATED SLATE OF BOARD OFFICERS.

Schedule of Upcoming Meetings, Events, etc.

- Trustees Regular Monday 14 June 2010 6:30 p.m.
- Trustees Regular Wednesday 14 July 2010 6:30 p.m.
- Trustees Regular Monday 16 August 2010 6:30 p.m.

Remarks from the Chair

Chair Priest thanked the Trustees for their time and assistance.

Adjournment

There being no further business before the Board,

IT WAS MOVED BY TRUSTEE GREEN, SECONDED BY TRUSTEE BOOCHEVER, AND UNANIMOUSLY VOTED BY THE TRUSTEES TO ADJOURN THE MEETING AT 9:47 P.M.

Attest:

Peter F. Schwindt
Trustee Clerk, Board of Trustees