

BRUNSWICK SEWER DISTRICT
Board of Trustees Regular Monthly Meeting
13 September 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 7:05 pm on Monday, 13 September 2010, in the conference room at District offices. A prepared agenda was noted and the meeting was recorded.

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

Others present: General Manager Blanchette, Finance Manager Nuttelman, and camera operator Hedy Blauvelt.

Notice of Meeting Advertised

Due to a new meeting start time of 7:00 pm, notice of the meeting was advertised in the 10 September 2010 edition of the *Times Record*.

Minutes of Previous Meeting(s)

The Trustees reviewed minutes of the 16 August 2010 regular Board meeting.

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ACCEPT AS AMENDED MINUTES OF THE 16 AUGUST 2010 REGULAR MEETING OF THE BOARD OF TRUSTEES.

Public Comment

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

Treasurer's Report

Financial: Board Treasurer Green noted that billing revenues remain approximately \$80,000, or 4.5%, below budget anticipated for this time in the budget cycle, and non-billing revenue exceeded budget by approximately \$137,000. The Trustees compared the individual components of operating revenue against the budget projection for this time in the budget cycle. It was noted that residential revenue was up 1.5%, commercial was up by 1.4%, and US Government and Topsham Sewer District were down 16% and 1.7%, respectively. Septage was also down by some 22%. All but commercial revenue indicated an upward trend over the previous month's report. The Trustees discussed the impact of reduced Navy flow. The General Manager reported that the Capehart Housing component of the total Navy flow has been reduced from an annual average of 17.5% to 10%, and if the current eight-month trend continues,

total Navy revenue is estimated to come in at 1% below projection. The Finance Manager reported that a number of liens had been paid off this cycle. A copy of the Variance Analysis was adopted by reference and is to be included in the minutes of the meeting.

Disbursements: The Trustees reviewed weekly reports on disbursements for the preceding month, querying staff regarding the purpose of a number of those listed. Weekly warrants for general disbursements have been reviewed and signed by the General Manager. Disbursements unusual in amount or purpose were discussed. The General Manager reported that payroll and payables disbursements have been issued on consecutively numbered instruments.

Commitments for the Term 01 October through 31 December 2010

IT WAS MOVED BY TRUSTEE BOOCHEVER, SECONDED BY TRUSTEE BARBOUR, AND VOTED BY THE TRUSTEES PRESENT, WITH THE TREASURER ABSTAINING, TO COMMIT TO THE TREASURER FOR COLLECTION RATES FOR THE PERIOD 01 OCTOBER 2010 THROUGH 31 DECEMBER 2010, IN ACCORDANCE WITH PROVISIONS OF THE DISTRICT CHARTER, BYLAWS, RULES & REGULATIONS, AND SCHEDULE OF RATES, AS COMPUTED AND SET FORTH IN THE ACCOUNTS ON FILE AT THE OFFICES OF THE BRUNSWICK SEWER DISTRICT.

Amend Bylaws: Meeting Start Time

Following the Board's decision at the August meeting to move the meeting start time from 6:30 pm to 7:00 pm,

IT WAS MOVED BY TRUSTEE GREEN AND SECONDED BY TRUSTEE BARBOUR, AS THE FIRST OF TWO VOTES REQUIRED, TO AMEND ARTICLE 1, SECTION 1, OF THE BYLAWS TO INDICATE THE REGULAR BOARD MEETING START TIME AS 7:00 PM.

Presentation of Draft Five-Year Financial Projection

The Trustees reviewed the draft Five-Year Comprehensive Financial Plan prepared by the Finance Manager. The plan makes assumptions for revenues, expenses, and capital expenditures for the years 2011 through 2016 based on 2009 and 2010 actual and projected data. Using a conservative approach that assumed

- zero growth in the billing revenue categories, with 10% growth for the Base redevelopment;
- a 10% rate increase in 2012 and 2014;
- limiting operating expenses to a 1.75% increase each year;
- implementing the draft five-year capital improvement plan, as developed the previous month;
- and no increase in bonded debt;

excess revenue over expenditures was projected to be negative \$652,000 over the five-year term.

The report clearly demonstrates that with flat revenue projections, the District will have to re-

duce expense and capital expenditures in order to obtain annual balanced budgets. And that will hold true even with substantial rates increases.

Monthly Report of Operations

Total flow to the Treatment Plant for August 2010 was 55.2 mg, down approximately 11% from the previous month and down 40% from the prior year. Flows of 8.0 and 3.8 mg for the month originated with Topsham and the Navy Base, respectively. Average daily flow for the period was 1.78 mgd, or 46% of that allowed by permit. Maximum daily flow processed was 2.22 mg, on 26 August 2010. Rainfall for the month totaled 2.71 inches, with a daily maximum of 1.95 inches on 25 August 2010.

Septage receiving for the period totaled 161,300 gallons, up approximately 20% from the previous month. Removal rates for BOD and TSS for the period were 95.5% and 94.9%, respectively, in compliance with the minimum 85% required for each parameter by permit. A total of 192 CY of sludge was produced. There were no bypasses or spills, and all flow to the plant received full treatment.

Report of Collection System Operations

The Trustees were provided with a one-page system map that highlighted all the sewer lines that have been cleaned thus far in 2010. The total footage amounts to 47,360 linear feet, which amounts to 6.7% of the system. The map was developed in-house on the District's geographical information system (GIS) program.

General Manager's Report

- Assistant General Manager Search. Five candidates were interviewed. The interview team consisted of General Manager Blanchette, Finance Manager Nuttelman, Treatment Operations Supervisor Thulen, Collection and Pumping Operations Supervisor Wharff, and Trustee Green. A short list of three finalists was then developed and provided to D. Gallant Management Associates to conduct reference checks and administer the Leadership Assessment Evaluation (LAE). The General Manager reported that he received both the LAE results and the reference check reports from D. Gallant Management Associates earlier today, but has not had the chance to do a comprehensive review. When this review is complete, a preferred candidate ranking will be developed, and a position offer will be made. It is hoped the position can be filled by mid-to-late October.
- HVAC Project Status. The District has sent out the Request for Qualifications (RFQ) to five selected firms to provide construction management services for the treatment plant heating and ventilation improvement project. Responses are due this coming Friday, 17 September. Once the construction manager is selected, the District will move quickly to begin the design-build project. We are still pursuing the goal of completing the bulk of the project this year.

- Deerfield/BIW Easements. Bath Iron Works has confirmed ownership of the land underlying the CMP easement on the Harding Plant property. The easement deed has been sent to BIW for review and signature. In the interim the GM will finalize the easement deed for the Deerfield Park portion and forward that to the developer for signature.
- Staff Anniversaries. In July 2010, Michael Jouver and Gerald Bibber, both in the Collection and Pumping Divisions, have reached their 15-year anniversary with the District.
- Water Street Boat Storage Project Update. The project has gone through the first stage of the Planning Department's Staff Review process and continues to move forward.
- EPA Laboratory Quality Assurance Test Results (DMR-QA30). As a follow-up to last month's report on this item, the General Manager provided the Trustees with a copy of the tests results report and the Certificate of Recognition earned by Laboratory Technician Jennifer Nicholson for achieving an "Acceptable" grade for all the test items. This testing is done essentially on a pass/fail basis, with "Acceptable" indicating a passing grade and "Non-Acceptable" a failing grade. Ms. Nicholson did extremely well in achieving results very close to those assigned by the test provider.
- Peak Energy Use Curtailment. The Trustees were provided with an electrical usage graph depicting the Treatment Plant's power usage during ISO New England's 15-minute peak use time thus far for 2010. The system peak occurred around 3:00 pm on 06 July 2010. The graph, downloaded from CMP, charts the Plant's on-line power usage for the 24-hour period of 06 July. The chart documents zero usage for the time between 10:00 am and 7:30 pm when the Plant went off-line (off the grid). Being off-line during the system peak usage during 2009 allowed the District to escape paying some \$10,000 in Forward Capacity fees for the term of July 2010 through June 2011. This effort for 2010 should provide us with the same savings for the 2011 to 2012 term.
- Workers Compensation Insurance Experience Rating. The District has been provided with its Workers Compensation Experience Rating, otherwise known as the Experience Mod, effective 01 January 2011. A rating of 1.0 is considered the norm. A rating factor above 1.0 results in a surcharge on the premium, where the amount above 1.0, expressed as a percentage, is applied to the insurance premium. For example, a rating of 1.10 would result in a 10% surcharge on the premium. A factor below 1.0 results in a premium credit (decrease), similarly derived. The District earned a factor of 0.93, which means we will receive a 7% discount on our insurance premium.
- BSD CCTV Article in Municipal Sewer & Water. The Trustees were provided a copy of a two-page article published in the August edition of the national trade magazine *Municipal Water & Sewer*. The article reports on the retrofit work accomplished by District staff and CCTV system vendor Cobra Technologies to the District's 1986 van outfitted for CCTV operations. Cobra Technologies initiated contact with the publication.
- GM Vacation Schedule Update. The General Manager updated the Trustees on his pending vacation schedule for 2010. He will be out-of-state for the week of 26 September, and is planning to take vacation the week of 18 October.

Schedule of Upcoming Meetings, Events, etc.

- Trustees Regular Wednesday 13 October 2010 7:00 pm
- Trustees Regular Monday 15 November 2010 7:00 pm
- Annual Budget Monday 29 November 2010 7:00 pm
- Trustees Regular Monday 13 December 2010 7:00 pm

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 BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ADJOURN THE MEETING AT 8:10 PM.

Attest:

Emily Boochever
Clerk, Board of Trustees