

BRUNSWICK SEWER DISTRICT
Board of Trustees Regular Monthly Meeting
15 February 2011
Minutes as Approved

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 7:10 pm on Tuesday, 15 February 2011, in the conference room at District offices. A prepared agenda was noted and the meeting was recorded.

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

Members absent: Trustees Barbour and Boochever.

Others present: General Manager Blanchette, Assistant General Manager Pontau, and camera operator Hedy Blauvelt.

Minutes of Previous Meeting(s)

The Trustees reviewed minutes of the 11 January 2011 regular Board meeting.

IT WAS MOVED BY TRUSTEE GREEN, SECONDED BY TRUSTEE SCHWINDT, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ACCEPT AS PRESENTED THE MINUTES OF THE 11 JANUARY 2011 REGULAR MEETING OF THE BOARD OF TRUSTEES.

Public Comment

There was no public comment.

Warrants (November 2010)

The Trustees reviewed the weekly warrant reports on disbursements for the month of November 2010. The warrants were provided to the Board in the December 2010 meeting packet, but the general manager inadvertently failed to bring the matter up for review. The Board queried staff regarding the purpose of a number of those listed. Weekly warrants for general disbursements have been reviewed and signed by the General Manager. All disbursements and payroll were on consecutively numbered instruments, including any voided check payments. Disbursements unusual in amount or purpose were discussed. The General Manager noted check #42685 was voided because it was an erroneous entry based on previous vendor numbers.

Treasurer's Report

Financial: Board Treasurer Green noted billing revenues were down approximately \$10,000 and expenditures were in the positive by \$16,000 for January. Treasurer Green also stated the numbers are not significant at this point in the year. GM Blanchette pointed out U.S. Government revenues were down 64% from this time last year. Chair Priest questioned why the projected revenues were significantly different than anticipated. GM Blanchette noted January was a cold and dry month. These conditions limit inflow and infiltration, which account for a significant amount of flow from the base.

Warrants: The Trustees reviewed the weekly warrant reports on disbursements for the preceding month, querying staff regarding the purpose of a number of those listed. Weekly warrants for general dis-

bursements have been reviewed and signed by the General Manager. Disbursements unusual in amount or purpose were discussed. The General Manager reported payroll and payable disbursements have been issued on consecutively numbered instruments.

2010 Audit of Financial Statements

GM Blanchette stated the draft audit is complete and no errors were found. He read statements from the draft audit that confirmed the District financial statements are “in conformity with accounting principles generally accepted in the United States of America” and “the information is fairly stated in all material respects in relation to the financial statements as a whole.” Board members reviewed and discussed the statements and changes in net assets on page 7 of the draft audit.

Set Financial Reserves for December 2010

The Trustees reviewed reports prepared by District staff on purposes and amounts as well as the history of District financial reserves. Financial reserves are based on guidelines provided by the Maine Municipal Bond Bank. The guidelines recommend reserves for debt service, capital projects, and depreciation, and operations. The District has since 1998 maintained reserves for these categories, as well as a fourth reserve for the Entrance Charge Program.

Board members reviewed a report entitled “Financial Reserves: Purposes & Amounts”, prepared by District staff. The report provides current and recommended reserves and amounts. The recommended reserve for debt service is taken from amortization schedules, based on the total principal and interest due for the coming year. District rules and regulations require allocation of Entrance Charge Program receipts to the Entrance Charge Program Reserve for facility upgrades due to growth.

The reserve for capital projects and depreciation is intended to provide resources for routine and emergency replacement of operations facilities and equipment, essentially as recommended by the Bond Bank. The reserve for operations provides cash flow in the event revenue for any reason cannot be collected and used to meet operating costs. This reserve has historically been considered in conjunction with the amount on deposit in the disbursement checking account.

The Trustees voiced their concern with the financial condition of the District at the end of 2010, noting large drops in Capital & Depreciation – highest replacement (\$641K to \$400K) and Capital & Depreciation – major equipment (\$758K to \$589K). Trustee Green stated he would like to see figures showing what is needed for reserves (recommended) in each category and then what the District can afford for the same category. Trustee Green also noted revenues and reserves are dropping, so a rate increase should not be out of the question. GM Blanchette noted that the current five-year financial plan projects a rate increase in 2012.

Staff is recommending that financial reserves at 31 December 2010 be set at \$2,477,202 down from \$2,846,000 one year earlier.

IT WAS MOVED BY TRUSTEE GREEN, SECONDED BY TRUSTEE SCHWINDT, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO SET DISTRICT FINANCIAL RESERVES AT 31 DECEMBER 2010 AS FOLLOWS:

<u>RESERVE PURPOSE</u>	<u>AMOUNT</u>
DEBT SERVICE.....	\$ 111,000

<i>ENTRANCE CHARGE PROGRAM</i>	<i>1,127,202</i>
<i>CAPITAL PROJECTS & DEPRECIATION</i>	<i>989,000</i>
<i>OPERATIONS</i>	<i>250,000</i>

Finance Manager Succession Planning

Finance Manager Debbie Nuttelman provided written notice stating her last day of employment with the District would be February 22, 2011. GM Blanchette presented a document titled “Finance Manager Duties: Temporary Reassignment.” The document listed the essential duties of the Finance Manager and presented how each one of the duties would be covered in the short term until a replacement is found. Chair Priest noted some concerns with management of the District’s investments. GM Blanchette stated the current accountant could handle the responsibility and the District could use external resources when needed. GM Blanchette stated the current accountant, Lorraine Caron, has a very impressive résumé. He would like to proceed with the temporary reassignments for one month before deciding whether or not to advertise outside the District for a finance manager. GM Blanchette also noted Kathy Tyson (auditor) has offered to help out whenever she can. Trustee Green stated he spoke with Kathy over the phone. Both he and Kathy feel GM Blanchette’s reassignment plan is excellent. Trustee Green feels this is a good time to assess the staffing needs within the administration division and management should not rush to fill the position.

Facebook Policy: First Vote for Adoption

A GM Pontau noted that the Brunswick Sewer District now has a Facebook page. He presented a policy which stated the goals of maintaining a Facebook page, regulates how the page is managed, and how staff will access and utilize the page.

IT WAS MOVED BY TRUSTEE SCHWINDT, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT, AS THE FIRST OF TWO VOTES REQUIRED, TO ADOPT THE FACEBOOK POLICY.

Acceptance of Constructed Wastewater Facilities: Bibber Parkway to Old Portland Road

From the 11 January 2011 meeting minutes: GM Blanchette prepared a letter then signed by Peter Anastos, developer of the Marriott Fairfield Inn project, requesting transfer of ownership of wastewater facilities constructed within Bibber Parkway, Maine Central Railroad Right-of-Way (R.O.W.), Lincco Inc. property, Johnson property, and Old Portland Road. Easements are in hand from property owners listed, as well as a license from Maine Central Railroad. The facilities consist of 858 LF of 10-inch-diameter gravity sewer line and six additional maintenance holes. GM Blanchette noted the facilities have been inspected and installed to District standards. Chair Priest asked how wide the right-of-way is. The GM Blanchette stated the R.O.W. is 30 feet wide. No formal resolution was prepared for the Board. GM Blanchette will present the resolution and seek action at the February meeting.

The General Manager recommended that the Board consider the following resolution, which was read into the record.

*FACILITIES ACCEPTANCE RESOLUTION
BIBBER PARKWAY TO OLD PORTLAND ROAD SANITARY SEWER EXTENSION*

*BRUNSWICK, MAINE.
15 FEBRUARY 2011*

WHEREAS Peter Anastos of Yarmouth, Maine, has constructed and is owner of wastewater facilities located within the rights-of-way of Bibber Parkway, Maine Central Railroad Company, Linnco Inc. property, Walter Johnson property, and Old Portland Road, collectively known as Bibber Parkway Sanitary Sewer Extension; all in the Town of Brunswick, Maine which facilities include approximately 858 feet of 10-inch-diameter lines and six (6) maintenance holes.

WHEREAS Peter Anastos of Yarmouth, Maine has expressed his desire to effect a transfer of ownership of these wastewater lines from Peter Anastos to the Brunswick Sewer District, all as more particularly described in a letter request by Peter Anastos dated 30 November 2010 and on file at Brunswick Sewer District offices; and

WHEREAS the Brunswick Sewer District is the appropriate entity to own and maintain said wastewater facilities;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the Brunswick Sewer District does hereby accept ownership of the wastewater facilities hereinabove described.

IT WAS MOVED BY TRUSTEE GREEN, SECONDED BY TRUSTEE SCHWINDT, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ADOPT THE FACILITIES ACCEPTANCE RESOLUTION FOR BIBBER PARKWAY TO OLD PORTLAND ROAD SANITARY SEWER EXTENSION DATED 15 FEBRUARY 2011.

Monthly Report of Operations

AGM Pontau reported total flow to the treatment plant for December 2010 was 61.3 MG, down approximately 27% from the previous month and down 38% from the prior year. Flows of 9.3 MG and 4.2 MG for the month originated with Topsham and the Navy Base, respectively. Average daily flow for the period was 2.98 MGD, or 51% of that allowed by permit. Maximum daily flow processed was 2.34 MG, on 06 January 2011. Precipitation for the month totaled 1.15", with a daily maximum of 0.47" on 10 January 2011.

Septage receiving for the period totaled 32,750 GAL, down approximately 68% from the previous month. Removal rates for BOD and TSS for the period were 92.5% and 91.4%, respectively, in compliance with the minimum 85% required for each parameter by permit. A total of 156 CY of sludge was produced. There were no bypasses or spills, and all flow to the plant received full treatment.

Gurnet Road Discharge Incident Report to MDEP

AGM Pontau reported that on 31 January 2011 the District was notified by On Target that the force main on Gurnet Road had been hit. While auguring for a new utility pole, workers from On Target noticed water seeping from the bore hole. They notified the District. The Gurnet Road pump station was shut down. District crews trucked the wastewater to the plant until the next morning. Harry C. Crooker and Sons, Inc., repaired the line by 10 the next morning. Chair Priest and Trustee Green inquired as to why the line had been hit. GM Blanchette noted that record drawings for the area were inaccurate. The

District will utilize the new Jet-Vac truck to “pothole” all of its force mains in the near future in order to locate the lines and improve its records.

Assistant General Manager's Report

- AGM Pontau reported he has completed the draft biosolids report. It is a 150-page report that has occupied most of his time for the past month. He hopes to have it mailed out to MDEP early next week.
- AGM Pontau attended the Maine Water Utilities Association trade show in Portland on 08 and 09 February 2011. The focus of his training was on website development and social networking. AGM Pontau will be working on improvements to the existing website and hopes to have the new page up and running by fall 2011.
- A new committee has been formed by District employees in order to study the current organizational hierarchy. The committee will be spearheaded by AGM Pontau and Supervisors Greg Thulen and Wes Wharff. Each employee will be given a chance to participate in brainstorming sessions and present ideas on how to improve the District’s organization. The goals of the committee are to establish a “ladder” for each individual to climb, reward employees for exceptional work, allow employees control over their own destiny, and improve the general morale and efficiency of the crew. Results of the study are expected to be presented in the fall of 2011.

General Manager's Report

- HVAC Project Status. The old boiler and water heater in the basement are out. A new pad for the three new boilers has been poured and is currently curing. The contract has been extended by two weeks. Substantial completion is set for 21 March 2011.
- Water Street Boathouse Status. GM Blanchette reported the Brunswick Planning Board gave conditional approval for the boat launch. He will have John Moncure prepare the lease and answer any questions regarding possible tax issues.
- Operations Division Workweek. New operations division work-hours begin next week. The hours are Monday through Thursday, 6:30 am to 4:30 pm.
- LD 154 An Act to Change the Classification of the Lower Androscoggin. GM Blanchette attended a public hearing last week held by the legislature’s Natural Resources Committee. LD 154 is meant to change the classification of the Lower Androscoggin from a Class C river to a Class B river. GM Blanchette did not testify in favor of or against the bill. He testified that the financial impacts to the District could be anywhere from a \$70,000 annual expense to a \$5,000,000 capital expense.
- LD 297 An Act to Allow Treasurer to Process...Sanitary Sewer District Lien Documents Using Facsimile Signatures. GM Blanchette wanted to make Treasurer Green aware that he will be able to use a facsimile signature for liens should this bill pass.
- Local Utilities Meeting. GM Blanchette and AGM Pontau met with representatives from the Town of Brunswick and the Brunswick-Topsham Water District. The purpose of the meeting was to coordinate upcoming construction projects. The meeting went well and all parties agreed to meet quarterly to maintain the line of communication.
- Lincoln Street Sewer Replacement. As a result of the local utilities meeting, District management was made aware the Brunswick-Topsham Water District will be replacing their water line on Lincoln

Street, from Union Street to Maine Street. The Town of Brunswick is planning to reconstruct the road. Knowing this information, the District will replace its wastewater line on Lincoln Street. There could be significant cost savings from not having to replace the pavement. Funds for the Richards Drive project will be diverted to the Lincoln Street project.

- Membership on Maine Power Options Institutional Advisory Council. The District purchases power through agreements with Maine Power Options, an affiliate of the Maine Municipal Bond Bank. The current provider is Constellation Energy. Their contract is set to expire. GM Blanchette has been accepted to the council responsible for interviewing the next power contract provider for MPO.
- NASB Sewer Utility. GM Blanchette and Stuart Kay (Topsham Sewer District) met with Mr. Robert Leclerc of the NASB Public Works Department. In that meeting GM Blanchette was informed by Robert Leclerc that he does not see the Navy walking away from its contract with the Brunswick Sewer District, even when MRRA takes over development of the base. GM Blanchette will be sending a letter to Captain William A. Fitzgerald, Commanding Officer, to request that he, or his designee, meet with the Board of Trustees at the April meeting.
- Treatment Plant Senior Operator. GM Blanchette stated that Mr. Matthew A. Densmore has been promoted to the position of Chief of Plant Maintenance. The Senior Operator position will remain unfilled until the Organization Review Committee completes its report in the fall. Congratulations, Mr. Densmore.

Schedule of Upcoming Meetings, Events, etc.

•	Trustees Regular	Tuesday	15 March 2011	7:00 pm
•	Trustees Regular	Tuesday	12 April 2011	7:00 pm
•	Trustees Regular	Tuesday	10 May 2011	7:00 pm

Remarks from the Chair

Chair Priest thanked the Trustees, General Manager Blanchette, Assistant General Manager Pontau, and the camera operator, Hedy Blauvelt, for their time and assistance.

Adjournment

There being no further business before the Board,

IT WAS MOVED BY TRUSTEE GREEN, SECONDED BY TRUSTEE SCHWINDT, AND UNANIMOUSLY VOTED BY THE TRUSTEES TO ADJOURN THE MEETING AT 8:58 PM.

Attest:

Thomas Green
Treasurer, Board of Trustees