

BRUNSWICK SEWER DISTRICT
Board of Trustees Regular Monthly Meeting
12 October 2011

Approved Minutes

Call to Order

The regular monthly meeting of the Board of Trustees of the Brunswick Sewer District was called to order by General Manager Blanchette at 8:04 am on Wednesday, 12 October 2011, in the conference room at District offices. A prepared agenda was noted and the meeting was recorded.

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

Others present: General Manager (GM) Blanchette, Assistant General Manager (AGM) Pontau, Finance Manager (FM) Caron, Camera Operator Madison Brownne, and Mrs. Bonnie Shippen.

Meeting Advertisement

The meeting was advertised in the Friday, 07 October 2011, edition of the *Times Record*.

Minutes of Previous Meeting

The Trustees reviewed the minutes of the 13 September 2011 regular Board meeting. Trustee Boochever had not had a chance to look over the minutes and would submit her editing soon.

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT, WITH THE EXCEPTION OF VICE CHAIR SCHWINDT, WHO ABSTAINS, TO ACCEPT THE MINUTES OF THE 13 SEPTEMBER 2011 REGULAR MEETING OF THE BOARD OF TRUSTEES.

Public Comment

There was no public comment.

Times Record Article

GM Blanchette announced that an article titled "Sewer District Oversight Rewarded," was published in the *Times Record* on Monday, 11 October 2011. This article reported that the District received a \$3,719 dividend check from the Maine Municipal Association because of its good loss experience and loss prevention program.

Treasurer's Report

Financial: Trustee Green noted the District continues to be ahead in revenue vs. expenditures by a year-to-date of \$85,000.

Receivables: Trustee Green noted receivables aged over three months appear to be trending upward, averaging \$21,000. Liens are still low, at \$372 for the month of September. Trustee Green noted that billing revenues are about \$33,000 over what was anticipated at this time. The bottom line revenue is \$23,000 above what was projected.

Forecasted vs. Actual Revenue: Topsham Sewer revenue is higher than estimated. Residential and US Government revenues are lower than expected, most likely due to empty homes. Trustee Green questioned the high interest income, and FM Caron explained it is from interest received from investments and is based on market fluctuations.

Capital Budget and Expenditure Report: Trustee Green noted that total expenditures are \$62,000 under budget at this time. Salaries are below projection, but capital improvement is higher than expected. The Board, GM Blanchette and FM Caron discussed the new layout for the Variance Analysis report and the addition of “depreciation” under operating expenses. GM Blanchette explained that the new format shows all the previous months of the year, as well as current yearly average. Because this is the first time the Board has seen this format, the monthly columns made the report appear cluttered. FM Caron is working with the accountant to improve this for the next meeting.

Warrants: The Trustees reviewed the weekly warrants on disbursements for the preceding month, querying staff regarding the purpose of a number of those listed. Weekly warrants from general disbursements have been reviewed and signed by the General Manager. Disbursements unusual in amount or purposes were discussed. GM Blanchette noted that all checks for disbursement and payroll were on consecutively numbered instruments, and consecutive from the previous month.

Closure of U.S. Navy Contracts

GM Blanchette reported that the U.S. Navy requested a cancellation of their contracts effective 29 September 2011 and that the request was honored. MRRRA has been notified that, effective 30 September 2011, wastewater services for the base, now Brunswick Landing, will be billed to them under the same terms and conditions – based on wastewater flow meter and at current Rate Schedule I. A draft treatment services agreement was sent to MRRRA for review and comment. Billing for the McKean Street housing flow will continue to be sent to Northeast Affordable Housing LLC, as is current. No action was required or being sought at this time.

Fixed-Asset Policy Revision: Second and Final Vote for Adoption

GM Blanchette noted the Fixed Asset Policy was adopted by the Board in June/July 2004. At that time the fixed-asset capitalization threshold was set at \$2,000. Per the recommendation of the Finance Manager and the auditors, management is requesting the level be increased to \$5,000, starting 01 January 2012.

As a policy matter, this revision requires two votes for adoption.

IT WAS MOVED BY TRUSTEE BOOCHEVER, SECONDED BY TRUSTEE BARBOUR, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT, IN THE SECOND AND FINAL OF TWO VOTES TO BE TAKEN, TO ADOPT THE PROPOSED REVISIONS TO THE FIXED-ASSET POLICY DATED 1 JANUARY 2012.

Procurement and Purchasing Policy Revisions: First Vote for Adoption

GM Blanchette noted the main purpose for the revision is to streamline both the policy and its implementation. While still maintaining the requirement for purchase authorizations on all purchases, the District is amending the procedure to limit the number of purchase orders to purchases of \$250 or more. Management is also using the opportunity to simplify the policy and remove redundant and unnecessary language.

As a policy matter, this revision will require two votes for adoption.

A change requested from a previous board meeting was inserted (*vendors within the State of Maine*).

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE BOOCHEVER, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT, IN THE FIRST OF TWO VOTES TO BE TAKEN, TO ADOPT AS AMENDED PROPOSED REVISIONS TO THE PROCUREMENT AND PURCHASING POLICY DATED 1 JANUARY 2011.

Tobacco-Free Workplace Policy: First Vote for Adoption

GM Blanchette noted that this is a revision to the current Smoking Policy. The purpose is to prohibit smoking and all other tobacco use within the District. Management proposes an implementation date of 01 January 2012, with a delayed timeframe for employees who currently use tobacco products. The Town of Brunswick currently has a similar policy in effect, and a copy was presented to the Board for review.

GM Blanchette noted that the health insurance program the District currently uses will cover many different smoking cessation programs for those who choose to quit.

As a policy matter, this revision will require two votes for adoption.

IT WAS MOVED BY TRUSTEE BOOCHEVER, SECONDED BY TRUSTEE BARBOUR, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT, IN THE FIRST OF TWO VOTES TO BE TAKEN, TO ADOPT THE PROPOSED REVISIONS TO THE TOBACCO-FREE WORKPLACE POLICY DATED 1 JANUARY 2011. A SECOND VOTE WILL BE TAKEN AT THE NEXT BOARD MEETING.

2012 Budget Development Update

GM Blanchette noted he is working on the 2012 budget with AGM Pontau and FM Caron and will have a draft for Board review at the 15 November 2011 meeting. The budget report will be more detailed this year so that the Board can see an explanation of expenditures, not just numbers.

Trustee Schwindt questioned the 2011 budget line item that showed Topsham Sewer being under estimations. GM Blanchette explained that Topsham Sewer is responsible for its share of capital projects that the District completes, and that share wasn't taken into consideration when the budget was created. It will be included in the 2012 budget.

Employee Educational Assistance Program: Revised 28 September 2011

GM Blanchette noted this is a second draft of an employee educational assistance program, based on the Town of Brunswick's plan and amended to meet the District's needs. The program follows the IRS guideline that provides for an annual tax-free benefit of up to \$5,250 per employee. This program allows the District to set standard and consistent guidelines and conditions under which it will offer and implement this program.

GM Blanchette noted his goal at this time is to obtain comments, concerns, and suggestions from the Board so as to develop an adoptable program that can be implemented in 2012. As previously requested by the Board, the document, as now revised, and the agreement template have gone to District Counsel for review. Counsel has been given until the 15 November 2011 Board meeting to present their questions and concerns.

Board members discussed implementation of the program. Chair Priest questioned if three employees want to take classes, but the amount budgeted only allows for two, how will a decision be made? Will the benefit be awarded based on "first come, first served" principle or on the basis of seniority, or will the District decide who deserves to attend classes? AGM Pontau explained he doesn't foresee over-subscription being a problem, as there hasn't been much interest in the program so far. GM Blanchette observed that if it becomes an issue, an Educational Program committee, to be formed, would make every effort to find money in the budget for each employee's education. Under this plan, the District will only pay for two classes per semester, plus books and fees. The amount of \$5,250 should cover tuition for more than one employee, depending on courses taken. If more than two employees show interest in taking classes, there should be room in the budget.

GM Blanchette noted the guidelines used to draft the Education Program were derived from the Town of Brunswick's policy. He agrees that the document should be shortened and some wording changed or eliminated. The District will have comments from the attorney and a revised document for the 15 November 2011 Board meeting.

Monthly Report of Treatment Operations

AGM Pontau reported that the total flow to the treatment plant for September 2011 was 49 MG, down approximately 3% from the previous month and down 7% from the prior year. Flows of 8.0 MG and 2.4 MG for the month originated with Topsham and Brunswick Landing (formerly the Naval Air Station), respectively. Average daily flow for the period was 1.6 MG, or 43% of that allowed by permit. Maximum daily flow processed was 1.8 MG, on 8 September 2011. Precipitation for the month totaled 3.28", with a daily maximum of 0.650" on 5 September 2011.

Septage receiving for the period totaled 181,050 GAL, down approximately 15% from the previous month. Removal rates for BOD and TSS for the period were 96.0% and 94.5%, respectively, in compliance with the minimum 85% required for each parameter by permit. A total of 120 CY of sludge was produced. There were no bypasses or spills, and all flow to the plant received full treatment.

AGM Pontau noted the plant is working very well, although it was another record dry month.

GM Blanchette noted the Navy Base will now be referred to as Brunswick Landing.

Finance Manager's Report

- Staff Training: FM Caron noted that she is still working with Ms. Dutton and Ms. True on cross-training. There are two seminars coming up that Ms. True and FM Caron will be attending, one on personnel law and the other on payroll law. The office staff is working on the receivables and billing at the Auditors' recommendations to do a better job on internal control.
- Year-End: FM Caron noted the office staff is getting ready for year-end. A date for the year-end audit has not been set.

Assistant General Manager's Report

- Treatment Plant Clarifier Modeling: Dye testing was completed last week. Results should be ready for the next Board meeting. The dye being used is fairly potent but completely harmless, and the District has had no calls or complaints from customers.
- MMA Loss Control Leader Program – Action List Update: AGM Pontau noted the Safety Committee met last week and went through the MMA action plan and assigned employees in the group to look into each of the listed recommendations. He noted it has been difficult getting the Safety Committee together, although he believes most of the items should be completed by the end of November. The District's Loss Control adjustment factor is at .89, which shows the District was already doing well regarding safety. The action list was provided as a recommendation from MMA's annual Leader Program review meeting held recently with BSD. AGM Pontau believes all training and recommendations should be completed and in place by February 2012.

Trustee Boochever inquired about the rate of workplace injuries and near misses. GM Pontau answered by saying the District had two minor incidents this year costing under \$10,000. One was a minor back injury caused drilling in concrete; the second involved an employee who tripped over a manhole and turned his ankle. Neither incident resulted in any loss time.

AGM Pontau noted that the support beam for the Admin garage had arrived and that he was still working on the best way to install it.

- Lockout-Tagout (LOTO): Chair Priest asked about the "lockout-tagout" recommendation. GM Blanchette explained that LOTO is a safety measure that the District has already implemented, although employees have not been meeting documentation requirements. GM Pontau stated that at the beginning of the year all employees will stay in for a day to review safety policies, procedures, and documentation necessary for the District to maintain compliance.

AGM Pontau explained that LOTO procedures guarantee the safety of an employee working with any type of energy. When, for example, an employee is working on an outlet and shuts off the circuit breaker, a tag is placed on the breaker to ensure that another employee won't turn it back on.

- Septage Tank Pipe Lining: AGM Pontau noted the District had problems with the septic tank pump continually losing suction. After many rounds of cleaning, a video camera was sent through the pipes and found holes in the line. AGM Pontau had spoken with someone from Clear Drains of Maine at the MWWCA conference who

said he could line the pipes, as opposed to replacing them. The cost to fill the affected pipes with a cured-in-place lining was \$4,300, much less than the \$20,000 estimated cost to replace the pipes. The repair was successful and no septic trucks were turned away, nor was there any loss in revenue.

- Admin Building: Trustee Green questioned the status of the renovations to the Admin building. AGM Pontau noted that there had been no further developments since the last meeting. The Managers are working on the budget for 2012, and that will determine how the District proceeds.

General Manager's Report

- MMA Dividend Payment & News Release: This item was covered previously in the meeting. GM Blanchette noted the refund check received comprised \$1,207 from Workers Comp fund and \$2,512 from the Property and Casualty Pool.
- Workers Comp Insurance Savings (follow-up report): GM Blanchette noted the Districts Workers Comp rating has gone down to .89, which will save the District approximately \$1,939 for 2012.
- Update on Electricity Supplier and Savings: GM Blanchette noted that the District's has consolidated its electricity service for the Admin building, Cooks Corner, and the Deerfield pump station with Constellation New Energy, which supplies all the District's other small general-service accounts. This consolidation of the small accounts should save the District approximately \$900 for 2012. The District's contract with Constellation New Energy for the Plant and Maine Street pump station is currently at \$.0947 per kW and will be going down to \$.0675, which will save approximately \$31,000 for 2012. The plant goes off the electric grid during hot, humid, hazy days so that the District does not get a forward capacity charge. This will give the District an additional savings of approximately \$13,000 for 2012. Total electrical cost savings for 2012 are estimated to be \$46,000.
- GM Vacation Schedule: GM Blanchette will be on vacation the last full week of October.

Schedule of Upcoming Meetings and Events

The upcoming meetings are as follows:

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| • Trustees Regular | Tuesday | 15 November 2011 | 8:00 am |
| • Budget Meeting | Thursday | 01 December 2011 | 7:00 pm |
| • Trustees Regular | Tuesday | 13 December 2011 | 8:00 am |

Remarks from the Chair

Chair Priest thanked the Trustees, GM Blanchette, AGM Pontau, FM Caron, Camera Operator Madison Brownne, and Mrs. Bonnie Shippen for their time.

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ADJOURN THE MEETING AT 9:32 AM.

Attest:

Emily Boochever
Clerk, Board of Trustees