

BRUNSWICK SEWER DISTRICT
Board of Trustees Regular Monthly Meeting
15 November 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 8:11 am on Tuesday, 15 November 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, Camera Operator Madison Brownne, and Mrs. Bonnie Shippen.

Absent: Finance Manager (FM) Caron.

Meeting Advertisement

The meeting was advertised in the Friday, 11 November 2011, edition of the *Times Record*.

GM Blanchette noted the annual budget meeting was advertised in the Monday, 14 November 2011, edition of the *Times Record*.

Minutes of Previous Meeting

The Trustees reviewed the minutes of the 12 October 2011 regular Board meeting. There were no comments from the Board.

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ACCEPT THE MINUTES OF THE 12 OCTOBER 2011 REGULAR MEETING OF THE BOARD OF TRUSTEES.

Public Comment

United Way: GM Blanchette presented a letter of appreciation received from the United Way, thanking the District's staff for their 2011 campaign participation. The amount raised was \$1,681, which was the highest amount and participation since 2008. Ms. Lisa True represented the District at the United Way Volunteer Fair and accepted a plaque on behalf of the District.

MDEP letter: GM Blanchette announced an e-mail he received from Ms. Phyllis Rand of the MDEP, complimenting AGM Pontau and Mr. Matt Densmore on their trickling filter presentation to the JETCC class. Ms. Rand reported that a co-worker had taken the class and said it was an excellent presentation.

Electronic payment survey: AGM Pontau noted that a customer questionnaire is being distributed with the quarterly billing to gauge the level of interest in paying electronically, such as by a credit card. Currently customers can have their payment automatically withdrawn from their bank account. AGM Pontau believes having customers pay electronically would make collections easier. Trustee Boochever questioned if this would make collections cheaper. AGM Pontau stated as electronic payments would make collections cheaper because of time saved. There is also a 3% charge to process most credit card payments, and by law this charge can be passed onto the customer. Question 4 asks if the customer would be willing to pay this fee.

Treasurer's Report

Trustee Green commented on the new form and format of financial documents. FM Caron has revised the Variance Analysis to provide the current month's variance and the previous month's variance for comparison. Trustee Green also noted that the cash equivalents report would be changing to show the reserve accounts.

Financial: Trustee Green noted that the District is ahead in billing revenue and that non-billing revenue is lower than projected. Overall the District continues to be ahead \$52,000 in projected revenue.

Trustee Green noted the District's operating expense is less than what was expected at this time. In non-operating expenditures, capital improvement is \$41,000 higher than expected. GM Blanchette explained that capital improvement will be over budget at the end of the year due to the purchase of a used generator. AGM Pontau noted the generator, purchased from Southworth-Milton in South Berwick, is a user-ready 2006 generator that was trailer mounted with all the wiring necessary to be plugged in.

Chair Priest questioned if the difference in the salary budget was from a vacancy in staff. GM Blanchette noted there are currently two vacancies. There is a vacancy from FM Caron's previous position as well as a vacancy in Collections, which GM Blanchette is unsure if they will fill. There is also a difference in the salary paid to former FM Nuttelman and FM Caron.

Receivables: Trustee Green noted receivables are currently dropping and liens are continuing to be low, currently at \$700 for the month of October.

Forecasted vs. Actual Revenue: Trustee Green noted that residential revenue was below forecasted and commercial revenue was above forecasted. Brunswick Landing, formerly the Naval Air Station, is approximately \$40,000 below forecasted. Topsham Sewer District is considerably above forecasted, which is helping offset the shortfall. Septage is also ahead of projection.

GM Blanchette noted the District is slightly ahead in billing and non-billing revenues.

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.

Line items questioned were charges to Designwrite and Hach Company. AGM Pontau explained the Designwrite payment was for website design, which is approximately 75% complete. The District does not have an ongoing contract for further services, and there will be one final invoice forthcoming upon completion of the website design. The Hach Company payment was for a chlorine analyzer for the lab. The analyzer, although unplanned, needed to be replaced. Weekend alarms should stop once the new analyzer is functioning.

Trustee Boochever requested an explanation of the total income amount in the Variance column of the *Statement of Revenues and Expenses for the Ten Months Ending*. GM Blanchette noted he will defer this question to FM Caron.

Wastewater Facilities Takeover Request: Harriet Way

AGM Pontau noted the Brunswick Housing Authority is requesting that the District take over the mainline sewer extension constructed within Harriet Way as part of the Garrison Grove development project. A letter of request was written and signed by John Hodge from Brunswick Housing Authority.

*FACILITIES ACCEPTANCE RESOLUTION.
HARRIET WAY, BRUNSWICK, MAINE*

15 NOVEMBER 2011

WHEREAS the Brunswick Housing Authority of Brunswick, Maine, has constructed and is owner of wastewater facilities within the right-of-way of Harriet Way in the Town of Brunswick, Maine; which wastewater facilities comprise approximately 419 feet of 8-inch-diameter gravity sewer lines and one (1) maintenance hole; and

WHEREAS the Brunswick Housing Authority of Brunswick, Maine, has expressed its desire to effect a transfer of ownership of these wastewater facilities from the Brunswick Housing Authority to the Brunswick Sewer District, all as more particularly described in a letter request by the Brunswick Housing Authority dated 07 November 2011 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 BARBOUR, SECONDED BY TRUSTEE BOOCHEVER, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT, TO ADOPT, AS AMENDED, THE PROPOSED RESOLUTION DATED 15 NOVEMBER 2011 FOR ACCEPTANCE OF THE WASTEWATER FACILITIES CONSTRUCTED WITHIN THE RIGHT-OF-WAY OF HARRIET WAY, TO SERVE THE BRUNSWICK HOUSING AUTHORITY.

Tobacco-Free Workplace Policy: Second and Final Vote for Adoption

GM Blanchette presented to the Board the revised Tobacco-Free Workplace Policy for a second and final vote. The purpose of the revisions is to prohibit smoking and all other tobacco use within the District. The policy proposes implementation on 01 January 2012, with a delayed timeframe of July 2012 for employees who currently use tobacco products. The General Manager stated that this is the same policy voted on last month and there have been no changes made in the interim.

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. Employees are not being forced to quit; they will only be unable to use tobacco products on company time.

IT WAS MOVED BY TRUSTEE BOOCHEVER, SECONDED BY TRUSTEE BARBOUR, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT, IN THE SECOND AND FINAL VOTE, TO ADOPT THE PROPOSED REVISIONS TO THE TOBACCO-FREE WORKPLACE POLICY DATED 1 JANUARY 2012.

Midcoast Regional Redevelopment Authority Rate Request

GM Blanchette presented to the Board the 02 November 2011 request from MRRA for a reduced user rate and billing based on BTWD potable water meters. Trustee Schwindt requested copies of District Counsel's advice to-date on questions submitted by the MRRA Committee earlier this year, and a preliminary assessment of the impact to revenue and current rate if such a request were granted. Both were distributed to the Board.

GM Blanchette noted the reduction in revenue based on potable water meter billing is straightforward. He applied one basis of a lower user rate in an attempt to quantify the impact of a lower rate class. A reduced rate combined with the potable water meter reading would produce a potential revenue loss of approximately \$250,000 (12%).

GM Blanchette did not expect the Board to act on the request at this meeting. GM Blanchette and AGM Pontau answered questions from the Board regarding rate reductions to MRRA and the impact these would have on customers. After much discussion Chair Priest delegated the matter to the MRRA Committee for review and subsequent recommendation(s) to the full Board.

Distribution of Draft 2012 Operations Budget

GM Blanchette noted he is not seeking any action at this time. The Charter requires that the draft budget be available to the public at least two weeks prior to the annual budget meeting (scheduled for 01 December 2011). The draft budget was also provided to the Board to allow sufficient time for review prior to the annual budget meeting. He believes that there will be some minor changes to the budget before the 01 December meeting.

GM Blanchette listed several key items in the proposed budget:

- The District does not anticipate a rate increase for 2012.
- A loan in the amount of \$500,000 from Maine Municipal Bond Bank for Admin building renovations.
- Capital Budget— Richards Drive pipe upsize. This item appeared in the 2011 budget, but the funds were used for Lincoln Street. Therefore, Richards Drive is back on the 2012 budget.
- Revenue is level with 2011 with only minor changes.
- The increase in health insurance premiums was projected at only 4%.
- The electrical rate at the plant and pump station will change on 01 December 2011, from the current \$9.47 per KW to \$6.75 per KW. This is approximately a \$30,000 savings on electrical cost.

Chair Priest noted there was a previous concern to keep the equipment undercover and away from outside elements. He questioned why the District wanted a bond for the Admin building and not to build a structure for equipment. GM Blanchette stated a \$100,000 complete evaluation of the plant is planned, and he would like to have those results before constructing a building for equipment. He believes there will be changes to the plant in 2013–2014 as a result of the evaluation, and a building for equipment would be built at that time.

GM Blanchette noted he had not received the final capital report on the secondary clarifiers. In anticipation of improvements, this is on the Capital Budget for 2012.

Trustee Barbour questioned if the District was anticipating development with the 2012 estimate of the Entrance Charge Fund. GM Blanchette noted revenue has picked up on the residential side, and using the average from the past few years, he came up with the estimate for the 2012 budget. He is unaware if Main Street Station will continue its growth next year.

Review Schedule of Rates

GM Blanchette noted the 2012 Operations Budget as currently developed does not anticipate a rate increase during 2012. However, given the rate reduction requested by MRRA and the possibility that the District may want to support the request somehow, a rate increase for 2012 may be necessary. A rate history of the District since 1963, as well as an estimate of 2012 revenues, using a 10% increase in Rate Schedule I to all but Brunswick Landing, was distributed to the Board. GM Blanchette noted the last rate increase in 2010 raised rates 5%.

2012 Wage Matrix Amendment Proposal: First Vote for Adoption

GM Blanchette noted the current wage matrix is set up in three sectors —A, B, and C, with a total of 13 steps (13 columns) for all grades (positions). Each step represents one year. Sector A has five steps; sectors B and C each have four.

The philosophy of movement along the current wage matrix is based on the concept that an employee learns more in the early years, and less as his or her term of employment increases. Thus, if an employee earns a full merit increase in years one through five, he or she gets an average wage increase of 4.3% (sector A). For sector B, the average increase is 2.8% (years six through nine), and for sector C it is 2% (years 10 through 13).

The General Manager would like to change the matrix to create equal advancement throughout all sectors. He proposed to the Board a change to the matrix, such that all movement between the columns is 3% (the average of 4.3, 2.8, and 2.0) instead of the progressively lower merit advancement that the current matrix provides. Both the current and proposed wage matrices were distributed to the Board.

GM Blanchette noted AGM Pontau is working on creating a bonus program that will be in the handouts at the budget meeting. All employees will continue to have annual reviews that will determine if they are meeting expectations and have earned the bonus in salary. The bonus program is not attached to wages and would be a separate payout based on a reward system.

Chair Priest noted that District personnel typically have long tenures and expressed his concern that the proposed matrix may price the District out of the marketplace. GM Blanchette stated that the senior operators, supervisors, and managers are the ones who

implement the goals and programs for the District. They work just as hard as the more junior employees. District employees are staying longer and doing more but not getting the benefit. GM Blanchette believes the change in the matrix and the bonus program will encourage employees to learn and do more.

Trustee Schwindt stated he had concerns with changing the wage matrix without a more in-depth study from a subcommittee.

IT WAS MOVED BY CHAIR PRIEST, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT, TO FORM A SUBCOMMITTEE FOR FURTHER ANALYSIS OF THE WAGE MATRIX AMENDMENT PROPOSAL.

Employee Educational Assistance Program: Revised 19 October 2011

GM Blanchette presented the third draft of the Employee Educational Assistance Program following review by District Counsel. The program is based on the Town of Brunswick's plan and amended to meet District needs. The program follows IRS guidelines, which provide for an annual tax-free benefit of up to \$5,250 per employee. This program allows the District to set standard and consistent terms and conditions under which the District will offer and implement this program.

GM Blanchette noted three major changes in the program since it was last shown to the Board:

- The "plan year" follows the District's fiscal calendar, January 1 to December 31.
- Funding terms were changed from a "first come/first served basis" to "the sole discretion of the Plan Administrator" for "classes that will have an immediate return on investment."
- New to the policy, under "Denied Claims," the employee has 30 days to request a review upon written application to the Plan Administrator. An appeals committee provision was removed.

The District's goal at this time is to obtain the Board's comments, concerns, and suggestions so as to develop an adoptable program that can be planned for and implemented in 2012.

GM Blanchette noted that although the plan has yet to be adopted, there is one employee currently taking classes in an Electrical program. There is \$10,000 in the 2012 budget for this program, and GM Blanchette would like to have it implemented for 2012.

No action was taken, and GM Blanchette noted that the program will be on the December agenda for a first vote.

Monthly Report of Treatment Operations

AGM Pontau reported that the total flow to the treatment plant for October 2011 was 67 MG, up approximately 36% from the previous month and up 1% from the prior year. Flows of 12.0 MG and 4.0 MG for the month originated with Topsham and Brunswick Landing, respectively. Average daily flow for the period was 2.1 MG, or 56% of that allowed by permit. Maximum daily flow processed was 2.9 MG, on 16 October 2011. Precipitation for the month totaled 7.14", with a daily maximum of 1.86" on 15 October 2011.

Septage receiving for the period totaled 194,250 GAL, up approximately 7% from the previous month. Removal rates for BOD and TSS for the period were 93.2% and 92.0%, respectively, in compliance with the minimum 85% required for each parameter by permit. A total of 173 CY of sludge was produced. There were no bypasses or spills, and all flow to the plant received full treatment.

AGM Pontau noted there has been an increase in flow, but nowhere near the permitted limit.

Chair Priest noted that Lewiston is setting up a sludge digester and questioned if we would be taking sludge to them. GM Blanchette stated he was unsure about Lewiston and would ask if they were anticipating inviting others to use it. GM Blanchette noted that he has been approached by a developer who wants to put a sludge digester at Brunswick Landing, which would be designed in six to nine months. GM Blanchette noted he would look into options.

Assistant General Manager's Report

- Treatment Plant Clarifier Modeling: Dye testing was completed last month, but the written report has not been received at this time. AGM Pontau believes he will have it by the budget meeting or December's Board meeting.
- MMA Loss Control Leader Program — Action List Update: AGM Pontau noted the District had gone through the Action List and everything had been completed. He also stated that MMA did another walk-through last week, and there will most likely be a new Action List.
- Safety Committee Meeting: AGM Pontau reported that the Safety Committee had met and presented a copy of the minutes from the 5 October 2011 meeting to the Board. He noted there are a lot of policies that need to be updated, and the Safety Committee will be meeting every other month to work on these.
- Electronic Payment Survey: AGM Pontau noted this was discussed earlier in the meeting.
- Web Page Update: AGM Pontau noted the BSD web page has been updated and looks much better. It is now in HTML format and much easier to maintain. The Board agreed the web page looks much better.
- IT Services Agreement Revision: AGM Pontau reported that the contract with BEK, Inc., included more than the District needed for IT services and was costing \$823.48 a month for server maintenance. This cost did not include service calls or changes within the system. AGM Pontau noted the District is changing to Google Apps for e-mail, which will cost approximately \$900 a year. This will decrease the District's monthly monitoring charge from BEK, Inc., to \$308.81 a month. Chair Priest questioned if this change would affect potential electronic payments, to which AGM Pontau responded, "not at all." The District e-mail will also stay the same.

General Manager's Report

- Finance Manager — Completion of Probation: GM Blanchette noted that FM Lorraine Caron had successfully completed the six-month probationary period as of 13 October 2011 and her status was now that of full-time employee. The letter to FM Caron from GM Blanchette and an e-mail from Trustee Barbour commending her on her service were distributed to the Board. The Board all agreed that Ms. Caron was doing a wonderful job in the position of Finance Manager.
- Assistant General Manager — One Year Service: GM Blanchette announced to the Board the one-year anniversary of AGM Pontau on 09 October 2011. The event was celebrated with a cake for the employees in his honor.
- Workers Comp Modification Rating Update: GM Blanchette noted the 2012 Workers Compensation Experience Rating previously given to the Board had not been the final report. The final report distributed to the Board showed that the Experience Modification went from .93 down to .90.
- PUB 4th Quarter Outlook Newsletter: GM Blanchette distributed the People's United Bank (PUB) Publication to the Board for their information. PUB handles the Districts financial accounts.

Schedule of Upcoming Meetings and Events

The upcoming meetings are as follows:

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| • Annual Budget | Thursday | 01 December 2011 | 7:00 pm |
| • Trustee Regular | Tuesday | 13 December 2011 | 8:00 am |
| • Trustee Regular | Tuesday | 17 January 2012 | 7:00 pm |

Remarks from the Chair

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

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE BOOCHEVER, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ADJOURN THE MEETING AT 9:43 AM.