

BRUNSWICK SEWER DISTRICT
Board of Trustees Regular Monthly Meeting
13 March 2012

Minutes for Approval

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 7:05 pm on Tuesday, 13 March 2012, 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 and Boochever.

Absent: Trustee Barbour.

Others present: General Manager (GM) Blanchette, Finance Manager (FM) Caron, Assistant General Manager (AGM) Pontau, Camera Operator Madison Brownne, and Mrs. Bonnie Shippen (Minutes). Also present was Tom Brubaker representing Midcoast Regional Redevelopment Authority (MRRA).

Meeting Advertisement

The meeting was advertised in the Friday, 09 March 2012, edition of the *Times Record*.

Public Comment

There was no public comment.

Minutes of Previous Meeting

The Trustees reviewed the minutes of the 21 February 2012 regular Board meeting. Trustee Boochever noted she had not reviewed the February meeting minutes. GM Blanchette noted one change in wording under the Treasurer's Report.

IT WAS MOVED BY TRUSTEE GREEN, SECONDED BY TRUSTEE BOOCHEVER, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ACCEPT THE MINUTES, WITH ONE MINOR CHANGE, OF THE 21 FEBRUARY 2012 REGULAR MEETING OF THE BOARD OF TRUSTEES.

Jeffrey Jordan of MRRA entered the meeting at 7:09 pm.

Treasurer's Report

Financial: Trustee Green noted that the District's billing revenue was ahead of budgeted and that non-billing revenue was lower than projected. Overall, the revenue is ahead by \$12,000 at the end of February.

Trustee Green noted the District's operating expense—including salaries, wages, benefits, etc. — is less than what was expected at this time of year.

Receivables: Trustee Green noted receivables are a little high, and liens continue to be low, currently at \$700 for the month of February. He also noted the cash equivalent and reserves items were broken down for better understanding.

Forecasted vs. Actual Revenue: Trustee Green noted that residential revenue was below forecasted, and commercial revenue was above forecasted. Brunswick Landing is approximately \$4,000 above forecasted. Topsham Sewer District is approximately \$14,000 above forecasted, and septage is below projection by approximately \$6,000.

Trustee Green noted Operations, Maintenance, and general expenses are where the District expected them to be, although it is early in the year.

Warrants: The weekly warrants were distributed to the Board for their review. 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 purpose were discussed. GM Blanchette noted that all checks for disbursement and payroll were on consecutively numbered instruments, and consecutive from the previous month.

Chair Priest questioned the line item for Grainger. AGM Pontau explained the purchase was for additional interior lighted exit signs for the treatment plant.

Steve Levesque of MRRA entered the meeting at 7:12 pm.

Commitments: 01 April through 30 June 2012

IT WAS MOVED BY TRUSTEE BOOCHEVER, SECONDED BY CHAIR PRIEST, AND VOTED BY THE TRUSTEES PRESENT, WITH TREASURER GREEN ABSTAINING, TO COMMIT TO THE TREASURER FOR COLLECTION RATES FOR THE PERIOD 01 APRIL 2012 THROUGH 30 JUNE 2012, IN ACCORDANCE WITH THE PROVISIONS OF THE DISTRICT CHARTER, BY-LAWS, RULES AND REGULATIONS, AND SCHEDULE OF RATES, AS COMPUTED AND SET FORTH IN THE ACCOUNTS ON FILE AT THE OFFICES OF THE BRUNSWICK SEWER DISTRICT.

MRRA Rate Relief Request of 22 February 2012

GM Blanchette introduced Steven Levesque, Executive Director; Jeffrey Jordan, Deputy Director; and Tom Brubaker, Public Works and Utilities Manager; from the Midcoast Regional Redevelopment Authority (MRRA). Mr. Levesque noted they were attending the meeting to request relief from the I&I (infiltration and inflow) portion of MRRA's sewer bill for seven months. He noted that there is a significant I&I problem along the 18 miles of sewer line at Brunswick Landing. As a business park, Mr. Levesque said, MRRA cannot pass the expense onto their tenants, and the cost has become a major problem. He believes the best

solution is to fix the problem, and would like to be able to set the money aside and pay later so that MRRA can pay for the expense of fixing the lines.

MRRA has State bond fund money and has requested the services of Wright Pierce to research the problem and find the best way to fix it. Mr. Jordan noted at the time of takeover of the Navy Base, they were unaware of the I&I problem. The buildings have not been metered, although meters are currently being installed.

GM Blanchette observed that the I&I problem should be repaired. He believes the District should help MRRA achieve their goals and the 2012 budget will need to be adjusted in anticipation of a loss of revenue. AGM Pontau believes there are projects that can be put off until August when MRRA reimburses the District.

Trustee Schwindt recommended that Mr. Levesque and GM Blanchette work together to negotiate an amount and time for repayment. Trustee Green requested MRRA provide a copy of the schedule and scope of work from Wright Pierce to see if there is anything the District can do to help MRRA in its efforts. The Board scheduled a special meeting for 20 March 2012 at 7:00 pm to follow up on MRRA's rate review request.

Mr. Levesque, Mr. Jordan, and Mr. Brubaker thanked the Board for their attention to this matter and left the meeting at 7:42 pm.

Monthly Report of Treatment Operations

AGM Pontau reported that the total flow to the treatment plant for February 2012 was 60 MG, down approximately 4% from the previous month and up 22% from the prior year. Flows of 10.8 MG and 4.1 MG for the month originated with Topsham and Brunswick Landing, respectively. Average daily flow for the period was 2.0 MG, or 54% of that allowed by permit. Maximum daily flow processed was 2.3 MG, on 26 February 2012. Precipitation for the month totaled 1.48", with a daily maximum of .57" on 25 February 2012.

Septage receiving for the period totaled 20,000 GAL, down approximately 40% from the previous month. Removal rates for BOD and TSS for the period were 94.4% and 92.2%, respectively, in compliance with the minimum 85% required for each parameter by permit. A total of 144 CY of sludge was produced. There were no bypasses or spills, and all flow to the plant received full treatment.

2011 Draft Audited Financial Statements

GM Blanchette presented to the Board the 2011 Draft Audited Financial Statements. FM Caron and GM Blanchette have reviewed the report and all the numbers appear to be there. FM Caron noted one discrepancy in the amount on page 16 under total reservations. The correct amount was given to the Board.

GM Blanchette asked the Board to look over the document and noted there would be time for discussion at the April Board meeting.

Set Financial Reserves as of 31 December 2011

GM Blanchette respectfully requested a motion to set the financial reserves as of 31 December 2011 as follows:

- Debt Reserve: \$ 167,000
- Entrance Charge Reserve: \$1,174,395
- Capital and Depreciation Reserve: \$1,040,394
- Operations Reserve: \$ 250,000

Total Reserves: \$2,631,789

IT WAS MOVED BY TRUSTEE GREEN, SECONDED BY TRUSTEE BOOCHEVER, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO SET THE FINANCIAL RESERVES AS OF 31 DECEMBER 2011 AS RECOMMENDED.

External Investment Manager Recommendation for Investment Policy Change

GM Blanchette distributed to the Board a letter from Mr. Stephen Birmingham of Peoples United Bank, the District's external investment manager, regarding investment recommendations. GM Blanchette noted he will speak to Mr. Birmingham to request more information. He noted this item was included for information purposes only, and no action was necessary at this time. Chair Priest requested that Mr. Birmingham be directed to develop a report indicating the effect on the District's investments for 2011 had the changes now being recommended been in place.

Authorize GM to Coordinate MMBB Loan Agreement

GM Blanchette reported he has spoken with the Maine Municipal Bond Bank and with Pierce Atwood, the same Bond Counsel used in 2004–2005. GM Blanchette told the Board there would be two resolutions the Board would need to act on to receive this debt. These will be presented to the Board for action at the April Trustees meeting. Once those resolutions are adopted, the Board will need to present them to the public in a hearing. The District will set up the public hearing and mail out notices to the ratepayers before the May Trustees meeting. At that time the public has 7 days from the public hearing to address any concerns. Once the response period ends, the loan will be approved.

GM Blanchette requested a motion authorizing him to coordinate development of a loan agreement with the Maine Municipal Bond Bank, in as timely a manner as possible, in the principal amount of \$0.5 million to be amortized over a 10-year period, and authorizing all officers of the Board of Trustees to act in their elected capacity in executing the loan agreement.

IT WAS MOVED BY TRUSTEE GREEN, SECONDED BY TRUSTEE SCHWINDT, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO AUTHORIZE GM BLANCHETTE TO COORDINATE THE MMBB LOAN AGREEMENT AFTER BOARD AUTHORIZATION.

Finance Manager's Report

- 2011 Year-End Audit: FM Caron noted this was discussed earlier in the meeting.
- Admin Division Staffing: FM Caron noted that Bonnie Shippen has been added as a part-time employee in the position of Administrative Assistant to the District. She will continue to work in A/P, and AGM Pontau noted Mrs. Shippen will also be

working with Operations centralizing and organizing records. She is also a new member of the Health and Safety Committee.

- Workers Comp Audit: FM Caron noted the District received a refund in the amount of \$1,952.00 on the 2011 premium. A reclassification for management as part of the audit provided the District an 11% refund.

Assistant General Manager's Report

- Work Truck Show Attendance, Indianapolis, March 5–8: AGM Pontau attended the Work Truck Show in Indianapolis. He was looking at a tool truck and sludge haulers. Although the show was very informative, most display trucks were only models for review, and not available for purchase.
- Treatment Plan Evaluation update – Proposal Review Process: AGM Pontau noted there will be five firms coming in for interviews on 20 March 2012.
- Admin Building Renovation – Proposal Review Process: AGM Pontau noted five proposals were received for construction management. Management will be narrowing these down to three firms for interviews on 21 March 2012. AGM Pontau noted the District is looking at a September or October completion date. It will be up to the contractor to decide if the administrative staff stays in the building during construction or moves to a trailer or other building.
- Richards Drive: AGM Pontau reported he had come up with some numbers for the Richards Drive project and is ready to present it to the Board in a workshop.

General Manager's Report

- Electrical Supply Agreement: GM Blanchette announced a new agreement between District and Constellation Energy that will cover all of its small service accounts. The agreement begins 01 July and extends out to March 2016. This will save the District approximately \$2,000 per year.
- PUB First-Quarter 2012 Newsletter: GM Blanchette distributed to the Board a newsletter reviewing quarterly investments.
- Application to MePERS Board: GM Blanchette stated the Board could disregard this note.

Schedule of Upcoming Meetings and Events

The upcoming meetings are as follows:

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| • Trustee Special | Tuesday | 20 March 2012 | 7:00 pm |
| • Trustee Regular | Tuesday | 17 April 2012 | 7:00 pm |
| • Trustee Regular | Tuesday | 15 May 2012 | 7:00 pm |

Remarks from the Chair

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

Adjournment

There being no further business before the Board,

IT WAS MOVED BY TRUSTEE BOOCHEVER, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ADJOURN THE BOARD OF TRUSTEES MEETING AT 8:34 PM.

Attest: _____
Emily Boochever
Clerk, Board of Trustees