

BRUNSWICK SEWER DISTRICT
Board of Trustees Regular Monthly Meeting
12 June 2012

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 8:07 am on Tuesday, 12 June 2012, 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 Schwindt

Others present: General Manager (GM) Blanchette, Finance Manager (FM) Caron (arrived at 8:40 am), Assistant General Manager (AGM) Pontau, Camera Operator Madison Brownne, and Mrs. Bonnie Shippen (Minutes). Also present was Mr. Michael Ouellet from Ouellet Associates, Inc.

Meeting Advertisement

The meeting was advertised in the Friday, 08 June 2012, edition of the *Times Record*.

Public Comment

GM Blanchette noted he was approached by two rate payers having an interest in purchasing sewer bonds to be issued by MMBB. While the bonds will not specifically be BSD bonds, but aggregated with other municipal bond requests, there is a willingness to purchase some bonds. GM Blanchette thanked both individuals for their support and put them in contact with the MMBB.

Minutes of Previous Meeting

The Trustees reviewed the minutes of the 22 May 2012 Special Board meeting.

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT, TO ACCEPT THE MINUTES OF THE 22 MAY 2012 SPECIAL MEETING OF THE BOARD OF TRUSTEES.

The Trustees reviewed the minutes of the 22 May 2012 Regular Board Meeting.

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT, TO ACCEPT THE MINUTES OF THE 22 MAY 2012 REGULAR MEETING OF THE BOARD OF TRUSTEES.

Status Report on Administrative Office Building Renovation Project

Chair Priest introduced Mr. Michael Ouellet from Ouellet Associates . Mr. Ouellet explained to the Board that after working with Harriman Associates and District Admin Staff he was able to develop detailed cost estimates for the renovation of the Admin building. He noted that although the Board had agreed to a \$500,000 bond to fund the building renovations, his estimates show the cost to be closer to \$925,000.

Mr. Ouellet believes when Harriman gave their estimate in the 2011 building evaluation it was based on maintaining the existing structure and the cost for repairs needed to bring the building to code, not the cost of building a new structure. He explained what has been designed, according to specifications and recommendations by District staff, is a much larger scope than Harriman originally anticipated. Mr. Ouellet noted what is currently designed is more of a new building construction inside an existing shell, not a renovation.

Mr. Ouellet explained to the Board that the building will have a new pitched roof, heating and cooling infrastructure, LED lights, carpeting, tile, and will be ADA compliant throughout the building. He explained if the building was demolished and a new structure was built on the existing slab the cost wouldn't be much higher. He feels he has estimated correctly although some of the expenses could come down. Mr. Ouellet doesn't believe it would be any higher.

The Board questioned what the cost would be to do a minor renovation. Mr. Ouellet explained that the building could stay as it is and carpets, paint, mechanical systems and other minor changes could be done, but he believes that it would still cost approximately \$375,000 and in 10 years the building would need to be replaced. He believes doing the complete renovation would give the building a 25 – 30 year life span before any major changes would need to be made.

The Board discussed the matter and requested the opinion of GM Blanchette. GM Blanchette noted that although he was equally surprised at the cost involved, he would like to continue the process and go forward with the renovation. He noted doing only spot renovations would not make the building ADA Compliant. GM Blanchette noted to the Board the options for funding are to go forward with the \$500,000 bond and fund the remaining amount through reserves, or he can start the process over and fund the whole amount through the bond bank for 20 years instead of 10. It is his recommendation to use the reserve money and then budget in future years to replenish the reserves.

Much discussion was made among Chair Priest and Trustees Barbour, Green and Schwindt. The Trustees were unable to come to a unanimous agreement at this time and requested more time to process the information. The Board requested a list of items needing to be fixed and the cost involved to repair or replace these items. GM Blanchette, Mr. Ouellet and the Trustees present agreed to schedule a special meeting the following week for a final decision.

Mr. Ouellet left the meeting at 9:55 a.m.

The Board broke for a recess from 9:55 am to 10:06 am.

Treasurer's Report

Financial: Trustee Green noted that the District's billing revenue was ahead of budgeted, and that non-billing revenue was on target for budgeted amounts. Overall, the revenue is ahead by \$36,000 at the end of May.

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 higher than usual, which FM Caron explained that it is a result of several ratepayers. Liens continue to be steady at \$600 for the month of May.

Forecasted vs. Actual Revenue: Trustee Green noted that residential revenue was below forecasted, and commercial revenue was above forecasted. Brunswick Landing is approximately \$15,000 below forecasted. Topsham Sewer District is approximately \$33,000 above forecasted, which is a result of additional work completed at the request of TSD. Catch basins are approximately \$275 above projection and septage revenue is above projection by approximately \$900.

Trustee Green noted Operations, Maintenance, and General Expenses are at approximately 59.5%. AGM Pontau noted the increase in Maintenance of Lines is the result of major repairs completed on several sewer lines. GM Blanchette noted there is no budgeted amount for emergency repairs due to not knowing when they are needed or how much it would cost.

Capital Budget & Expenditure Report: AGM Pontau noted the new one-ton truck has been ordered and will be ready in July, and although he was able to locate a forklift, it had been sold the day before. He noted the Catwalk is on schedule, and he wasn't sure of the status of the Arc Flash study and would look into it.

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.

Trustee Barbour questioned the line items of Pierce Atwood, Budget Document Technology, and Tribridge. GM Blanchette explained Pierce Atwood was for MRRA rate reviews; Budget Document Technology was for the Admin copier and maintenance fees; and FM Caron noted Tribridge is for the General Ledger enhancement plan and upgrades.

Commitments: 01 July through 30 September 2012

IT WAS MOVED BY TRUSTEE BARBOUR, 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 JULY 2012 THROUGH 30 SEPTEMBER 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.

Monthly Report of Treatment Operations

AGM Pontau reported that the total flow to the treatment plant for May 2012 was 77.6 MG, up approximately 30% from the previous month and down 17% from this time last year. Flows of 13.0 MG and 6.1 MG for the month originated with Topsham and Brunswick

Landing, respectively. Average daily flow for the period was 2.5 MG, or 70% of that allowed by permit. Maximum daily flow processed was 3.4 MG, on May 2012. Precipitation for the month totaled 5.25", with a daily maximum of 1.06" on 10 May 2012.

Septage receiving for the period totaled 179,500 GAL, up approximately 43% from the previous month. Removal rates for BOD and TSS for the period were 93.8% and 91.5%, respectively, in compliance with the minimum 85% required for each parameter by permit. A total of 218 CY of sludge was produced. There were no bypasses or spills, and all flow to the plant received full treatment.

Discussion and Schedule for Possible New Rate Schedule

GM Blanchette noted to the Board that the current 5-year financial plan anticipates a 10% rate increase in 2012. The adopted 2012 Operations Budget referenced the discussion of a possible rate increase to take effect in the final billing quarter of 2012. The revenue projection for 2012 did not include any revenue from a rate increase. GM Blanchette noted part of the consideration for a rate increase will also take into account the upcoming Water District's rate increase, which will take effect 1 August 2012 at a 12% increase

GM Blanchette distributed to the Board the current and projected financial situation and a proposed schedule of rates for discussion. He noted there needs to be a decision soon if the rate increase is to take effect in October 2012. GM Blanchette also noted it is his opinion that the District could get through 2012 without an increase, although he doesn't want to go beyond early 2013 without an increase.

Chair Priest noted he would like to wait until 2013 to increase the rates and the Board agreed. GM Blanchette will look at the possibility of rate increase effective 1 January 2013 or after the first quarter.

Review for Adoption: Credit Card Payment Acceptance Program

AGM Pontau presented to the Board the proposal for review and consideration requesting action by the Board to adopt the Credit Card Payment Acceptance Program. He proposed that the District use TD Bank and Authorize.net for payment processing and not pass the service charge fee on to the customers. AGM Pontau also noted as a result of the survey completed in 2011, approximately 600 customers would pay their bills by credit card if this was available. The cost to the District would be approximately \$3,000 a year for this customer service. He noted Brunswick-Topsham Water District has a credit card terminal where approximately 5-7 people come to the office weekly to pay their bills. The District doesn't have frequented foot traffic, therefore not warranting the additional fee of a credit card terminal at the front desk. AGM Pontau believes customers will use the online portal, or if they choose to come into the office or pay by phone, the front desk will have a remote access portal to complete the transaction.

Trustee Green noted it is his opinion that the fees incurred should be charged back to the customer. AGM Pontau noted that the survey results showed many would pay online, only if there was no additional fee involved. He also noted there is a fee involved in our automatic withdrawal program that the District currently covers. With no further discussion:

IT WAS MOVED BY TRUSTEE SCHWINDT, SECONDED BY TRUSTEE BARBOUR, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ACCEPT THE CREDIT CARD PAYMENT ACCEPTANCE PROGRAM AT NO ADDITIONAL CHARGE TO THE CUSTOMER.

Finance Manager's Report

FM Caron had nothing new to report to the Board.

Assistant General Manager's Report

- Treatment Plant Evaluation update: AGM Pontau noted the treatment plant evaluation is approximately 40% complete. He believes Wright-Pierce will have a lot of information to present to the Board for discussion in October 2012.
- MacMillian Drive I&I Removal Project Update: AGM Pontau noted progress has been slower than he had expected. Approximately 20 households have been examined and have found a mix of sump pumps and some homes with just drains. He believes there could be some roof drains and the next phase will be to camera the lines, which will cost approximately \$16,000. AGM Pontau noted also that the low results have not come from customers denying entry, but due to the homeowner not being home.
- Hawthorne School Roof Drain: AGM Pontau noted that he will be meeting with the School District this afternoon to discuss fixing the problem. He will be offering them the option of the District fixing the drainage issue in exchange for no reimbursement to the School District for fees previously charged for roof drain flows.
- MDEP Treatment Plant Inspection Report: AGM Pontau presented to the Board the EPA Wastewater Facility Inspection Report completed by the MDEP. He noted that "E" for Excellent is rarely given and an "S" for Satisfactory is what the District strives for, therefore he is very pleased with the report.

General Manager's Report

- Board Vacancy Update: GM Blanchette noted that he has checked with the Town Clerk and that the Town has not received any applications at this time.
- CNG (Compressed Natural Gases) Fuel Station Update: GM Blanchette noted to the Board that there is a natural gas line that goes through the District property. He has been approached and met with the Portland Counsel of Governments regarding setting up a natural gas fuel station for vehicles. GM Blanchette attended a meeting in Rhode Island regarding this and he has a lot of information to go through before a final decision is made. There is grant money available and GM Blanchette notes there are many options to choose from.
- Roof Drain Item: GM Blanchette noted that a Maine Street/ Pleasant Street block has been billed for roof drains since 1986, yet only one building was connected. The District is currently working on correcting the issue.

Schedule of Upcoming Meetings and Events

The upcoming meetings are as follows:

- Trustee Regular Tuesday 17 July 2012 8:00 am
- Trustee Regular Tuesday 14 August 2012 8:00 am
- Trustee Regular Tuesday 18 September 2012 8:00 am

GM Blanchette noted that the remaining Board meetings for 2012 will be moved to MRRA's Building #27.

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 BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ADJOURN THE BOARD OF TRUSTEES MEETING AT 11:19 AM.

Attest: _____
David N. Barbour
Assistant Treasurer, Board of Trustees