

BRUNSWICK SEWER DISTRICT
Board of Trustees Regular Monthly Meeting
20 June 2013

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 8:45 am on Thursday, 20 June 2013, in the Board Room at District offices at 10 Pine Tree Road, Brunswick, Maine. A prepared agenda was noted and the meeting was recorded.

Members present: Vice Chair Sartoris, Trustee Green, and Barbour.

Others present: General Manager (GM) Blanchette, Assistant General Manager (AGM) Pontau, Finance Manager (FM) Caron, Camera Operator Aaron Temple, and Mrs. Bonnie Shippen (Minutes). Also present were Mr. Bernard M. Waterman and Mr. John Frost from People's United Bank.

Absent: Chair Priest and Trustee Harvey

Meeting Advertisement

The meeting was advertised in the Friday, 07 June 2013, edition of the *Times Record*.

Public Comment

GM Blanchette noted he received correspondence from Village Green Ventures, with whom the District has been discussing the anaerobic digester. The e-mail noted "The entire Brunswick Sewer District team has been nothing short of a pleasure to engage. Not sure we would have made it this far without your much valued feedback and creativity."

Report of External Investment Managers

GM Blanchette introduced representatives from People's United Bank. Mr. Bernard M. Waterman, DFP, CTFA, Senior Wealth Management Officer, Senior Vice President Wealth Management and Mr. John Frost, CFA, Senior Portfolio Manager, Senior Vice President Wealth Management. The gentlemen were there to present the annual report on the status of the District's investments.

Mr. Waterman noted to the Board that he was the Administrator working with FM Caron on the finances and turned the meeting over to Mr. Frost.

Mr. Frost presented to the Board a booklet containing economic and market commentary, District account summary and performance, portfolio analysis and the District investment policy. He noted that the economic growth was positive and forecasted growth of up to 3.0% next year. Unemployment claims are reading close to a five year low, which shows there is a slow decrease in unemployment rate. He noted inflation has remained stable and 2014 earnings are positive and show increased confidence for financial recovery. Mr. Frost noted interest rates on the 10 year treasury rose back above 2%. He believes that the rates will move gradually higher as the economy improves.

Mr. Frost noted fixed income rates have continued to rise and because of that most bond classes have had a loss in value. He noted that the District has no flexibility as their investment policy is strict and all investments currently are short in maturity schedule and have conservative portfolios. He noted that when the interest rates rise, the price of the bonds fall faster. Because the District's bond maturities go out only three years the returns are safer.

GM Blanchette questioned if the District has the freedom to propose changes in their investments. Mr. Frost explained various options. Trustee Barbour noted a diversified approach would be best, starting small, being cautious and let the investments grow a little at a time. He requested Mr. Frost send a proposal of options for the District's investments.

AGM Pontau noted that this was a discussion previously and it was noted that state guidelines would have to be changed in order for the District to diversify its investments.

Mr. Frost requested management speak to the District's attorneys regarding changing the guidelines and in the meantime he would look at other investments and submit a proposal. Management and the Board members thanked Mr. Waterman and Mr. Frost for a very informative report.

Mr. Waterman and Mr. Frost concluded their presentation and left the meeting at 9:23 am.

The Trustees broke for a brief recess at 9:25 am.

Trustee Sartoris arrived at 9:39 am.

The Trustees returned from recess and resumed the meeting at 9:39 am.

Minutes of Previous Meeting

The Trustees reviewed the minutes of the 16 May 2013 Regular Board meeting.

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT, (3-0), TO ACCEPT THE MINUTES OF THE 16 MAY 2013 REGULAR MEETING OF THE BOARD OF TRUSTEES WITH MINOR CHANGES NOTED.

Treasurer's Report

Financial: Trustee Green noted the May 2013 Variance Analysis report shows billing revenue \$18,000 below projection and non-billing revenue is \$6,000 less than projected. He noted that spending is lower than projected resulting in the budget being \$17,000 below projection. Receivables are \$20,000 and liens are at \$600.00.

Forecasted vs. Actual Revenue: Trustee Green noted that residential revenues and commercial revenues were below forecasted. Brunswick Landing is approximately \$10,500 above forecasted. Topsham Sewer District is some \$38,600 below forecasted. Catch basins are \$1,200 below projection and septage revenue is above projection by \$8,390. Trustee Green noted overall operating revenue is below by approximately \$46,500. FM Caron noted the residential income is down due to not seeing the full income from the rate increase at this time. She also noted Topsham is down due to the new truck arriving in June and not May as budgeted. Therefore Topsham's share has not been noted. FM Caron noted the number will increase next month. AGM Pontau also noted that the District has not done as much work for Topsham as expected at this time.

Vice Chair Sartoris noted interest income was much lower than expected and questioned if the District adjusts the budget when income expected does not come in? GM Blanchette noted the

budget as adopted is not changed, instead, spending is reduced. FM Caron noted she does not expect changes in interest income to meet expectation.

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, and all voided checks, if any, are accounted for and on file.

The Board questioned the vendors Francotyp–Postailia, SHTM, and Tribridge. FM Caron noted Francotyp–Postailia is the postage meter lease, SHRM is a membership renewal to Society of Human Resource Management, and Tribridge is the cloud fee for the accounting software.

Trustee Green questioned where we stood with the Bowdoin Park I & I project. AGM Pontau noted that they weren't getting the data needed due to a dry spring. The meters were recently put back in and will see what comes from the recent rainfall. AGM Pontau noted this will go over budget because of the lack of rain. He noted they still haven't found anything significant that could be causing the problem. AGM Pontau noted he believes the six known sump pumps connected on MacMillan Drive should be removed. He also noted there are no catch basins connected. He will have more information once the flow meter data is downloaded and analyzed.

Discussion of Reserves 2012 and 2013

FM Caron reviewed the Guidelines and 2013 Budgeted / Expected income and expenditures of the unrestricted reserves with the Board. She explained that the Debt Service, Capital Projects & Depreciation and Operations reserve amounts will all stay the same and will be adjusted at the end of 2013. FM Caron noted that the only amount that increases periodically is the Entrance Charge fees.

Monthly Report of Treatment Operations

AGM Pontau reported that the total flow to the treatment plant for May 2013 was 62.5 MG, down approximately 5% from the previous month and down 24% from this time last year. Flows of 11.06 MG and 4.88 MG for the month originated with Topsham and Brunswick Landing, respectively. Average daily flow for the period was 2.02 MG, or 52% of that allowed by permit. Maximum daily flow processed was 2.76 MG, on 25 May 2013. Precipitation for the month totaled 5.28", with a daily maximum of 1.44" on 24 May 2013.

Septage receiving for the period totaled 206,050 gallons, up 22% from the previous month. Removal rates for BOD and TSS for the period were 96.5% and 94.8%, respectively, in compliance with the minimum 85% required for each parameter by permit. A total of 222 CY of sludge was produced. All the plant systems were working and there were no bypasses or spills, and all flow to the plant received full treatment.

Commitments for 01 July through 30 September 2013

This agenda item was tabled until the next Board meeting

Adoption of Private Property Sewer Overflow Policy Statement

GM Blanchette distributed the final draft of the proposed position statement regarding the private property sanitary sewer overflow issue. He noted that this was converted from a position statement into a policy statement and he is seeking action by the Board to adopt this as a policy item. He noted this will require two votes. The Board members present agreed to table the vote until the full Board was present.

Discussion of Surplus Property Disposition

AGM Pontau noted an online auction was held to sell surplus items that were not being used. He noted the online auction was a success bringing in a total of \$9,286.00 and selling all the items up for auction. AGM noted they sold large items such as a manure spreader, enclosed trailer and smaller items such as tables, desks and chairs. AGM Pontau thanked Ms. Bonnie Shippen for the work put into the auction.

Report on Village Green Ventures Proposal

AGM Pontau noted that Village Green Ventures has received Planning Board approval to construct an anaerobic digester at Brunswick Landing. They have submitted a proposal for an agreement to take our liquid sludge at a reduced fee for feedstock for the digester. He noted that right now it does not appear to be cost effective for the District, although amounts would not be accurate until the digester is up and running. AGM Pontau noted he would like to see at least a 10% savings.

Finance Manager's Report

- Tax Exempt Bond Post Issuance Compliance Policy Status: FM Caron noted she hoped to have updated information for the July meeting.
- BSD Newsletter "The District Digest" status: FM Caron noted she met with Graham Nash from High Point Graphics for consultation of the newsletter. She noted it will cost \$520 to do the set up. Several changes were made to the newsletter including adding the aerial photo of the plant to the front page. FM Caron noted she hoped to have it ready for mailing in August.
- 2014 Budget – The Beginning: FM Caron noted she is working with operations staff to start the process for the 2014 Budget.
- Affordable Care Act & Health Reform: FM Caron noted that starting January 1, 2014 Maine Municipal Health Trust will have changes as a result of the Affordable Care Act & Health Reform. While she is unsure how the changes will affect the District, she believes there will be a small increase in the rate.

Assistant General Manager's Report

- MDEP Mere Point Inspection Report: AGM Pontau noted Mr. Matt Hight from MDEP accompanied Collections System Supervisor, Mr. Wes Wharff, to Mere Point for the MDEP Wastewater Facility Inspection. He noted the inspection was completed and the noted observation was "These systems are well operated and maintained. Permit compliance is excellent." AGM Pontau noted this permit is good for five years.

- Status of Town’s Summit Park Road project: AGM Pontau noted that the Town has deferred the funding for any work on this project for 2013. They have not cancelled it, just postponing work until 2014. AGM Pontau noted he will wait until September / October and if there is money left in the District’s budget we will complete our portion of the work this year.
- Administrative Office Open House (11 July): AGM Pontau noted that the building and landscaping is complete and is scheduling the District Open House for 11 July 2013 from 2:00 pm to 5:00 pm with light refreshments being served.
- Arrival of new 30 CY Roll-Off Truck: AGM Pontau distributed a photo of the new 2014 International Roll-Off Sludge truck. He noted the last time a sludge truck was purchased was 1991. He hopes to get at least another year out of that truck and then they will have only one. Currently it has reduced trips from six a week down to two.
- Update of Construction & Development: AGM Pontau noted that a few permits have slowly come in. He noted work is being done on College Street with the Town and Water District. He believes the District’s work will begin the following week and the whole project should be completed three weeks ahead of schedule.

General Manager’s Report

- Strategic Plan Development: GM Blanchette distributed the SWOT (Strengths Weaknesses Opportunities Threats) Analysis component outline. He credited AGM Pontau for organizing and putting the outline together. He noted the committee will be meeting again the following week to work on the Mission / Vision Statement. He hopes to have a preliminary draft for the Board at the July or August meeting. GM Blanchette noted that the Board should give guidance and direction, but it is not the Boards responsibility to create the Strategic Plan. He would like to have a Board member(s) join for discussion but believes the staff should prepare the preliminary draft for Board review and input.
- Status of Trustee Appointment: GM Blanchette noted Trustee Green has been reappointed and Trustee Harvey will go before the Town Counsel on 17 July 2013.

Election of Officers

It was decided to postpone election of officers until all members of the Board are present.

Schedule of Upcoming Meetings and Events

The upcoming meetings are as follows:

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| • Trustee Regular | Thursday | 18 July 2013 | 8:30 am |
| • Trustee Regular | Thursday | 15 August 2013 | 8:30 am |
| • Trustee Regular | Thursday | 19 September 2013 | 7:00 pm |

GM Blanchette requested setting up dates to schedule Board workshops regarding the Treatment Plant Evaluation Study and the District Strategic plan. He also would like to schedule a meeting with the Topsham Sewer District Board. Following a discussion that determined the sequencing of the workshops/meeting, Vice Chair Sartoris requested GM Blanchette send to the Board members via email potential dates for these meetings and get feedback from all the Board

members. GM Blanchette noted he will send dates to schedule the T/P Evaluation meeting, TSD meeting and the Strategic Plan meeting in that order.

Remarks from the Chair

Vice Chair Sartoris thanked the Trustees present, GM Blanchette, AGM Pontau, FM Caron, Aaron Temple, and Mrs. Bonnie Shippen for their time.

Adjournment

There being no further business before the Board of Trustees,

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT (3-0) TO ADJOURN THE MEETING AT 11:14 AM.

Attest: _____
David N. Barbour
Clerk, Board of Trustees