

BRUNSWICK SEWER DISTRICT
Board of Trustees Regular Monthly Meeting
10 April, 2014

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 7:08 PM on Thursday, 04 April 2014, 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: Chair Priest, Vice-Chair Sartoris, Trustee Green, Harvey, and Trustee Barbour via Skype.

Others present: General Manager (GM) Blanchette, Assistant General Manager (AGM) Pontau, Finance Manager (FM) Caron, Camera Operator Dan Munsey and Administrative Assistant Bonnie Shippen (Minutes). Also present were Mr. Tim Gills and Mr. Hank Farrah from Runyon Kersteen Ouellette, and Mr. Victor Krea from Wright-Pierce.

Meeting Advertisement

The meeting was advertised in the Friday, 04 April 2014, edition of the *Times Record*.

Public Comment

There is no public comment at this time.

Correspondence

- United Way – GM Blanchette distributed a letter and certificate from United Way thanking the District for our employee's contribution of over \$2,300.00. He noted the original certificate will be framed and hung in the Admin building.
- Brunswick-Topsham Water District – GM Blanchette noted that the BTWD will be holding a hearing on 14 April 2014 regarding a proposed 12.61% rate increase.
- Maine Public Employees Retirement System – GM Blanchette distributed a letter from MPERS regarding the new GASB 68 reporting requirements for pension liabilities. He noted that we do not need to do anything yet, although we need to be prepared.
- Town of Brunswick – Notice of Intent to File a Natural Resources Protection Act permit application re: improvements at boat launch – GM Blanchette noted that this is for improvements to the boat launch and because we are abutters we were notified.

Adoption of Minutes of Previous Meetings / Workshops

The Trustees reviewed the minutes of the 13 March 2014 Regular Board meeting.

IT WAS MOVED BY TRUSTEE GREEN SECONDED BY TRUSTEE HARVEY AND VOTED UNANIMOUSLY BY THE TRUSTEES PRESENT (4-0) TO ACCEPT THE MINUTES OF THE 13 MARCH 2014 REGULAR MEETING OF THE BOARD OF TRUSTEES WITH MINOR CHANGES NOTED.

Treasurer's Report

Trustee Green noted he liked the Executive Summary listed on the front page and thanked FM Caron for supplying this.

Financial: Trustee Green noted the March 2014 Variance Analysis report shows billing revenue \$73,000 above projection and non-billing revenue is \$17,000 below projection. Expenditures are \$17,000 ahead of anticipated, indicating overall positive revenue of \$73,000 ahead of projection. Capital expenses are over by \$3,000. Trustee Green noted the receivables were at \$30,200 and liens remain at \$600.

Forecasted vs. Actual Revenue: Trustee Green noted that Residential, Commercial, Brunswick Landing, Topsham Sewer, and Septage operating revenues are currently running ahead and catch basins are behind by \$31, indicating an overall \$73,156 above projection. Non-Operating Revenue projections were down \$15,901.00. AGM Pontau noted that Brunswick Landing was up substantially due to I&I.

Warrants: The weekly Warrants for March 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 Trustees questioned the line item of Hannaford as termination was previously discussed. FM Caron noted that she is still recommending terminating the agreement with Hannaford for remote payment collections. She noted that they recently had a problem with a ratepayer saying they left the payment at Hannaford, and Hannaford saying they don't have it. FM Caron noted this will be on the agenda for next month's meeting.

GM Blanchette noted the attached breakdown of the individual credit card charges.

Monthly Report of Treatment Operations

AGM Pontau reported that the total flow to the treatment plant for March 2014 was 60.5 MG, up approximately 16% from the previous month and down 20% from this time last year. Flows of 10.9 MG and 5.04 MG for the month originated with Topsham and Brunswick Landing, respectively. Average daily flow for the period was 1.95 MG, or 51% of that allowed by permit. Maximum daily flow processed was 3.67 MG, on 31 March 2014. Precipitation for the month totaled 3.80", with a daily maximum of 1.5" on 30 March 2014.

Septage receiving for the period totaled 31,500 gallons, up 16% from the previous month. Removal rates for BOD and TSS for the period were 97.3% and 96.9%, respectively. A total of 144 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.

Presentation of 2013 Audited Financial Statements

Mr. Timothy Gill, CPA and Mr. Hank Farrah, CPA of Runyon Kersteen Ouellette of South Portland, auditors to the District, reported on the audit of the District financial operations as of 31 December 2013.

Mr. Farrah introduced himself noting that he has been with RKO since 2003 and will be working with Mr. Gill now that Ms. Tyson is retiring. He noted that the information provided is an opinion based audit report from information given to them. They are not responsible for the financial numbers provided, they only verify what they are given to be true. Mr. Farrah noted that the reports do not list everything that was done right, only what was incorrectly done. He noted that there was only one adjusting entry, which was very good. He noted that they were pleased with the information provided, and that the information was well prepared.

Mr. Gill reviewed the financial statements with the Board and noted there were no major deficiencies identified. He encouraged the Board to review the numbers and discuss with management any concerns.

Mr. Gill presented to the Board graphs of the financial results for fiscal year 2013, 2012 and 2011 in comparative format. This includes current assets, capital assets / long term debt, current liabilities, revenues, expenses, unrestricted net position, net investment in capital assets, income by source, net income (loss) last ten years and cash flows.

Chair Priest asked Mr. Farrah if he would like to meet with the Board in an Executive Session. Mr. Farrah responded that he did not feel it was necessary as he had nothing additional to report. He noted he was thrilled to walk into a meeting with a clean report. The Board members thanked FM Caron for her work for an audit well done.

Mr. Farrah and Mr. Gill left the meeting at 8:03 p.m.

Adoption of 2013 Audited Financial Statements

IT WAS MOVED BY TRUSTEE SARTORIS SECONDED BY TRUSTEE HARVEY AND VOTED UNANIMOUSLY BY THE TRUSTEES PRESENT (4-0) TO ADOPT THE 2013 AUDITED FINANCIAL STATEMENTS AS PRESENTED.

Update of Treatment Plant Upgrade Project

GM Blanchette distributed to the Board the 2014/2015 Project Task List & Schedule he prepared noting the key milestones involving the Board. He also provided the updated design and construction schedule developed by Wright-Pierce. GM Blanchette also attached e-mails to and from Mr. James Saffian, bond counsel from Pierce Atwood, regarding the SRF Loan and steps that the District must take to authorize the bonds.

Mr. Stuart Kay entered the meeting at 8:07 p.m.

GM introduced Mr. Krea from Wright-Pierce and turned the meeting over to him. Mr. Krea noted that this was a proposed design and construction schedule based on when he believes items will be completed. He noted that it will take approximately a year to design the project, which is normal. He noted that the Board will receive, for approval, preliminary drawings in approximately 4 months, at that time the Board will give the go ahead to finalize the design, and that will be completed by May, 2015. Mr. Krea noted that after the plans have been finalized the DEP has to review them and give their approval, which could take up to 2 months. Once DEP has given their approval the plans will go out to bid for construction, which is a 60 day bid holding period. He noted at this time financing will

be put into place and the construction phase will begin approximately November, 2015. He estimates this to be a two year project.

The Board members, staff and Mr. Krea discussed the bidding process and if the cost could be higher than estimated. It was noted that Wright-Pierce will provide a cost breakdown of what they believe the cost will be and it should be fairly accurate. He noted he believes there will be 5-7 companies bidding. Trustee Barbour questioned if we should hire a Construction Manager for the process, noting that taking the low bid on a project is not always best. Much discussion was made regarding this and the design built process. GM Blanchette noted a decision would need to be made soon because they would have to be a part of the project from the beginning.

GM Blanchette noted that the District will most likely need to revise the debt limit. He noted that we do not need the loan until the project goes to bid and can delay the process, but he would like to at least start it. A request to the Legislature will have to be submitted for the 2015 session. Chair Priest noted that it will be 2016 before it goes into effect. Trustee Green suggested starting the process by looking at the rate increase, getting approval from Brunswick Town Counsel, the Legislature and then the vote of the ratepayers. Mr. Krea suggested taking out an interim loan if necessary. Mr. Kay noted that Topsham Sewer District will pay their portion semi-annually and he will discuss the matter internally at a later date.

Chair Priest suggested Bond Counsel come to a Board Meeting.

Mr. Victor Krea left the meeting at 8:38 p.m.

A five minute recess was called at 8:38 p.m.

The meeting was re-opened at 8:45 p.m.

Adoption of Declaration of Intent

GM Blanchette noted that this was recommended by our Bond Counsel, Mr. James Saffian, to authorize expenditures for project design services and other related cost items as there is no line item in the approved 2014 Operations Budget. He noted the adoption will also allow these costs to be included for reimbursement under the SRF Loan. The Board members requested this item be tabled until bond counsel could come to a meeting. GM Blanchette noted he would request bond counsel attend the May meeting.

Request for Acceptance of Wastewater Facilities - Sparwell Lane

AGM Pontau noted that staff is requesting the Board's approval to take over the portion of The Pines Homeowners Association's force main within the public way on Sparwell Lane. He distributed the Facilities Acceptance Resolution and a map designating areas of proposed takeover. He noted that this is a 940 LF line and all the line has been pressure tested and has met our standards. AGM Pontau noted that the lines are in decent condition. This will add \$49,500 value to the assets.

FACILITIES ACCEPTANCE RESOLUTION.

SPARWELL LANE FORCE MAIN – THE PINES

BRUNSWICK, MAINE

10 April 2014

WHEREAS The Pines Homeowners Association, Maine is owner of sanitary sewer lines within the right-of-way of Sparwell Lane in the Town of Brunswick, Maine, which pressurized sewer lines are four (4) inches in diameter for approximately 940 feet in length; and includes one (1) air release maintenance hole; and

The Pines Homeowners Association, Maine has expressed its desire to effect a transfer of ownership of these sanitary sewer lines to the Brunswick Sewer District, all as more particularly described in a letter request by The Pines Homeowners Association dated 03 March 2014 and on file at Brunswick Sewer District offices; and

WHEREAS the Brunswick Sewer District is the appropriate entity to own and maintain said sanitary sewer facility;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the Brunswick Sewer District does hereby accept ownership of the sanitary sewer facilities hereinabove described.

IT WAS MOVED BY TRUSTEE HARVEY SECONDED BY TRUSTEE GREEN AND VOTED UNANIMOUSLY BY THE TRUSTEES PRESENT (4-0) TO ACCEPT THE PINES WASTEWATER FACILITIES ON SPARWELL LANE, BRUNSWICK, MAINE.

Finance Manager's Report

FM Caron noted that everything is going well and she had nothing to report at this time. She noted that she will be away for the next meeting. Chair Priest congratulated FM Caron again for the great report from the auditors.

Assistant General Manager's Report

- Sewer Construction: AGM Pontau noted that H. C. Crooker & Sons, Inc. was the low bidder and was awarded the contract for McLellan and Whittier Streets sewer reconstruction. He noted that they will begin work on April 28th and all the homeowners have been notified. GM Blanchette noted he has sent out a news release and has not seen anything yet in the *Times Record* and he will contact the *Portland Press Herald*.
- Main Odor Control Fan: AGM Pontau noted that the fan in the odor control unit blew apart leaving a large hole. He noted that this was repaired approximately 6 months ago, but this time it will have to be replaced. He noted that nobody was near it when it happened and no one was injured. AGM Pontau noted that the hole has been patched and a smaller fan is being used to help control the odor in the building. He noted that the fan and shaft need to be replaced and will cost approximately \$13,000 and will take approximately six weeks for them to build and ship the part to us. He noted to the Board that since this is a large expense that is unbudgeted, he would like the Board's approval before they proceed.

IT WAS MOVED BY TRUSTEE GREEN SECONDED BY TRUSTEE SARTORIS AND VOTED UNANIMOUSLY BY THE TRUSTEES PRESENT (4-0) TO APPROVE THE PURCHASES NECESSARY TO REPAIR THE MAIN ODOR CONTROL FAN UP TO \$20,000.

Mr. Kay suggested filing a boiler and machinery claim with the insurance company. GM Blanchette said he will look into it.

General Manager’s Report:

- GM Blanchette noted to the Board that he has volunteered to work with the Maine Waste Water Control Association’s Government Affairs Committee. He noted he had nothing else to report.

Election of Officers

The Board members requested tabling this item until Trustee Barbour is physically present.

Schedule of Upcoming Meetings and Events

GM Blanchette noted the next Strategic Plan meeting and Benefits Committee meeting needed to be scheduled. He will send out dates for the Boards review.

The upcoming meetings and workshops are as follows:

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|-------------------|----------|--------------|-----------|
| • Trustee Regular | Thursday | 08 May 2014 | 7:00 pm |
| • Trustee Regular | Thursday | 12 June 2014 | 8:30 a.m. |
| • Trustee Regular | Thursday | 10 July 2014 | 8:30 a.m. |

Remarks:

Chair Priest informed the Board that what the Judiciary Committee has done based on the Right to Know Committee’s recommendations, has set forth requirements and a policy to deal with remote meetings. He noted that it is the AG’s opinion if you don’t have specifics set for remote meetings you can’t have people participating, and the legislature agrees. This has gone through both houses and is currently waiting for the Governor’s signature. Chair Priest noted that our Bylaws are in accordance with the provisions, we would just need to adopt a policy. The legislation notes that you have to have a physical quorum and the remote person cannot vote if the motion will affect someone’s rights, i.e. a rate increase. Chair Priest noted that remote meetings are common with audio and video participation.

Chair Priest thanked the Trustees present, GM Blanchette, AGM Pontau, FM Caron, Bonnie Shippen and Dan Munsey for their time.

Adjournment

There being no further business before the Board of Trustees,

IT WAS MOVED BY TRUSTEE HARVEY, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT (4 -0) TO ADJOURN THE MEETING AT 9:18 PM.

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