

BRUNSWICK SEWER DISTRICT
Board of Trustees Regular Monthly Meeting
10 July 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 8:40 AM on Thursday, 10 July 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, Trustees Green, Harvey and Barbour.

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. Stuart W. Kay, Superintendent of Topsham Sewer District, and the District's legal counsel, Mr. Brian Rayback of Pierce Atwood LLP.

Meeting Advertisement

The meeting was advertised in the Monday, 07 July 2014, edition of the *Times Record*.

Public Comment

GM Blanchette noted there was no public comment.

Correspondence

GM Blanchette distributed a copy of an article in the 04 July 2014 *Forecaster* regarding the GEM car. He noted he was pleased with the article.

Adoption of Minutes of Previous Meetings / Workshops

The Trustees reviewed the minutes of the 19 June 2014 Regular Board meeting.

IT WAS MOVED BY TRUSTEE HARVEY SECONDED BY TRUSTEE BARBOUR AND VOTED UNANIMOUSLY BY THE TRUSTEES PRESENT (4-0), TO ACCEPT AS PRESENTED THE MINUTES OF THE 19 JUNE 2014 REGULAR MEETING OF THE BOARD OF TRUSTEES.

Mr. Stuart Kay entered the meeting at 8:46 am.

Impact of Chapter 555 on BSD Charter

GM Blanchette introduced Mr. Brian Rayback, Esq., from Pierce Atwood LLP, noting Mr. Rayback was here to explain the impact of Chapter 555, Standard Sewer District Enabling Act, on the BSD Charter. Mr. Rayback explained the effects the Act will have on the Brunswick Sewer Districts Charter. He noted that these changes were made due to several Towns coming before the Legislature with complaints and by adopting Chapter 555 it puts everyone at the same standard.

Mr. Rayback reviewed Appendix A, detailing each item that affects the District's Charter. With each line item he noted possible wording changes, items that exceed what is expected and items that need no change at all. He noted that these provisions automatically become law on 01 August 2014, but we have time to make changes to our Charter as long as we uphold Chapter 555.

Mr. Rayback's memo, Table Summary of Sewer District Enabling Act's Effects on Certain Provisions of BSD Charter (Appendix A), and "Chapter 555 – An Act to Provide Model Language for Standard Sewer District Charters," (Appendix B) were distributed to the Board members for their review and will be included in the minutes.

The Chair requested that the Town be informed. GM Blanchette noted he will speak to the Town Manager regarding the changes. Chair Priest thanked Mr. Rayback for his time.

Mr. Rayback left the meeting at 9:16 am.

Treasurer's Report

Financial: Trustee Green noted the June 2014 Variance Analysis report indicated billing revenue to be \$125,000 above projection and non-billing revenue is \$1,000 below projection. Expenditures are \$136,000 more than anticipated at this time, indicating overall revenue of \$12,000 below projection. Capital expenses are over by \$8,000. Trustee Green noted the receivables were at \$51,600 and liens were at \$300. FM Caron noted the expenditures were budgeted items that were anticipated at the end of the year. The numbers reflect the time the expenditure occurred compared to when in the budget it was anticipated, not the amount spent. This will even out as the year progresses. She also noted that several notices were sent to customers and as of today, receivables were down to \$44,000 and believes payments will continue to come in and she does not anticipate liens to get any higher.

Forecasted vs. Actual Revenue: Trustee Green noted that Residential, Commercial, Brunswick Landing, Topsham Sewer and septage operating revenues are currently running ahead. Catch Basins are behind by \$62 indicating an overall \$124,730 above projection. Non-Operating Revenue projections were up \$3,441.

Warrants: The weekly Warrants for June 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.

FM Caron noted that we received the insurance claim payment of \$12,000 for the odor control exhaust fan and we should receive \$34,000 on the generator claim next week. AGM Pontau noted that additional items were added to the work on Nancy Drive therefore the project went over budget by \$16,970. Even with this, it is expected that the overall 2014 capital construction budget will come in some \$10,000 under budget

Monthly Report of Treatment Operations

AGM Pontau reported that the total flow to the treatment plant for June 2014 was 70.3 MG, up approximately 1% from the previous month and up 13% from this time last year. Flows of 11.7

MG and 5.8 MG for the month originated with Topsham and Brunswick Landing, respectively. Average daily flow for the period was 2.34 MG, or 61% of that allowed by permit. Maximum daily flow processed was 3.177 MG, on 14 June 2014. Precipitation for the month totaled 7.35", with a daily maximum of 3.02" on 13 June 2014.

Septage receiving for the period totaled 215,750 gallons, up 1% from the previous month. Removal rates for BOD and TSS for the period were 97.1% and 96.2%, respectively. A total of 192 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.

Report on Bond Resolution Public Hearing

- 1) Adoption of its Minutes:

IT WAS MOVED BY TRUSTEE HARVEY SECONDED BY TRUSTEE BARBOUR AND VOTED UNANIMOUSLY BY THE TRUSTEES PRESENT (4-0), TO ACCEPT AS PRESENTED THE MINUTES OF THE 19 JUNE 2014 BOND RESOLUTION PUBLIC HEARING.

- 2) Next step:

GM Blanchette noted that there has been no comments or correspondence received since the public hearing. He noted the next step is to file a formal loan application with the Maine Municipal Bond Bank (MMBB). Staff has met with MDEP and are assured of their approval that the project meets the requirements for the State Revolving Funds (SRF) loan, which is required by the MMBB. AGM Pontau noted he thought it would be best to meet with MDEP first to get their opinion if there are any problems before filing a formal application.

Discussion regarding 2014 Treatment Plant Upgrade Cost

GM Blanchette noted when preparing the 2014 Operations Budget, there was no authorization given to proceed with the design phase of the project. As such, we did not include its cost in the budget. He noted that now that we have the authorization and are incurring costs that may amount to \$600,000 or \$800,000 this year, discussion needs to occur on how to proceed with funding the costs. GM Blanchette noted two possibilities for covering these expenses: cover the costs from our Capital Reserves and then reimbursing the District from the bond proceeds, or secure a short-term loan in anticipation of the bond proceeds, and use the bond proceeds to pay off the loan. He reminded the Board that the purpose of the Board's adoption at the June meeting of the Declaration of Intent was to provide the legal framework for the use of the SRF proceeds to reimburse the District.

GM Blanchette noted the interest rate will be higher for a short term loan, whereas the SRF loans are at approximately 1%. He noted that he has no recommendation and he is not looking for approval today. GM Blanchette noted he will look into this further for the next meeting.

Adoption of the District's Vision Statement

GM Blanchette presented the District's Vision Statement for adoption that reads:

We aspire to provide exceptional service through qualified staff utilizing innovation and technology to be good environmental and fiscal stewards.

Chair Priest suggested adding "... qualified Board and staff...".

IT WAS MOVED BY TRUSTEE HARVEY, SECONDED BY TRUSTEE BARBOUR, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT (4-0) TO ADOPT THE DISTRICT'S VISION STATEMENT AS AMENDED.

Rate Review Discussion

GM Blanchette distributed worksheets outlining the revenue requirements needed to meet the debt obligation and of our current 5-year capital improvement plan (CIP). He noted the rate schedule presented last month was for the bond only and not for any additional necessary capital projects. GM Blanchette reviewed the worksheets with the Board noting he believes the current rate is sufficient to cover the operational expenses during the next five years to be funded through the regular operations budget. He does not expect any large changes in the next 5 years.

GM Blanchette also distributed the rate schedule history from 1963 to 2013. He noted that the last upgrade to the Treatment Plant was in 1987 and the rates increased some 300%. GM Blanchette recommended having the rate hearing no later than January, 2015 in order to begin the rate change on April 1, 2015. He noted that the Board can choose to do one public rate hearing, effective for 4 or 5 years or have a public rate hearing annually for each increase. Trustee Barbour suggested when presenting the increase to the public to do so using dollar increments instead of percentages as this is more understandable. The increases during the 1987 upgrade were presented in dollar amounts.

Request for Authorization to Replace 2006 Chevrolet Trailblazer

GM Blanchette noted, as per his discussions at last month's meeting, he received four (4) bids for a 2015 Ford Explorer. He distributed the bids to the Board members noting price and what it included. GM Blanchette noted he also looked into a lease option as the Board requested. He noted that the vehicle would be outfitted with lights, radio and other accessories and that these items are not available in a leased vehicle as every hole drilled would be considered wear and tear. GM Blanchette noted the best price given was through Wiscasset Ford and their price is lower than the State bid. He noted that he will not seek to trade-in the Trailblazer as an outright sale would be more profitable.

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE HARVEY, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT (4-0) TO APPROVE THE PURCHASE OF THE ABOVE REFERENCED 2015 FORD EXPLORER FROM WISCASSET FORD AT THE BID COST OF \$25,956.

Mr. Stuart Kay left the meeting at 10:17 am.

Finance Manager's Report

- Annual Report of External Investment Managers at August Meeting: FM Caron noted the District's External Investment Managers will be at the next regular Board meeting for their annual presentation. She provided their report to Trustee Harvey for his review and input. She noted she will research what other Districts use for their investments.
- Administrative Staff Promotion: FM Caron noted that Mrs. Lisa True has been with the District for six (6) years and has increased her level of work and responsibilities within the District. She noted that Ms. True has done a great job getting the collections caught up and has taken a lead on the new billing software. As a result, Mrs. True has been promoted to

Staff Accountant effective July 1, 2014. The Board extended their congratulations to Mrs. True.

- Administrative Educational Sessions: FM Caron noted Mrs. True and Mrs. Shippen attended an educational seminar on Payroll laws and 1099 rules. FM Caron noted she will be attending a seminar on Work Place Laws on Monday.
- Status of Claim re: Stolen Generator: This was covered under the financial report discussed earlier. AGM Pontau noted the Police Department noted they have possible leads, but that is all he has heard.
- Settlement of Odor Control Fan Claim: This was covered under the financial report discussed earlier.

Assistant General Manager's Report

- Staff Goal's Project Update (Water Street Pump Station Kiosk): AGM Pontau noted the kiosk project is coming along well. He spoke with the BT Water District and asked if they wanted to put up a water fountain, to which they have agreed and they have decided they may put up their own kiosk.
- Discussion of Trustee's District Email Accounts: AGM Pontau noted that only one Board member uses the District's email accounts. As there is a charge to these, he questioned if they wish to continue having these accounts. Discussion was made among the Board members and it was decided for AGM Pontau to resend login information to the members and they will evaluate the benefits of using them for correspondence.
- Update on Treatment Plant Upgrade Design Work: AGM Pontau informed the Board that the design process is underway.
- Update on Procurement of Construction Management Services: AGM Pontau noted that using a CM At-Risk format with an SRF loan has not been done. When working on the Admin building, Karen Heffler, of MDEP worked with him and agreed to a design-build process, which is similar, but in the end BSD did not do an SRF loan. Karen's opinion of the process has since changed. AGM Pontau noted he is unsure how to proceed with the MDEP, but will work with them to design an approval process. Trustee Barbour believes using a CM with an SRF loan can be done. AGM Pontau requested Trustee Barbour join them in discussions as he is familiar with the process. Chair Priest agreed and appointed Trustee Barbour to work with management staff.

General Manager's Report:

- Update on upcoming electrical purchasing agreements: GM Blanchette noted that power costs are increasing. He noted he has been working with Maine Power Options, but they only have one supplier. He is now working with Competitive Energy as they work with both electricity and gas and have access to multiple suppliers. GM Blanchette noted that there is no cost to us unless we sign with them. Currently, he is looking at other options to get a lower electrical cost for the District. Chair Priest questioned if there is an option for solar energy. GM Blanchette noted that they are looking at the bigger picture for the future as this is part of the strategic plan. He noted the other strength of Competitive Energy is their experience with multiple energy markets.

Schedule of Upcoming Meetings and Events

The upcoming meetings and workshops were scheduled as follows:

- Trustee Regular Thursday 14 August 2014 8:30 a.m.
- Strategic Plan Workshop Thursday 21 August 2014 8:30 a.m.
- Trustee Regular Thursday 11 September 2014 8:30 a.m.

Remarks:

Chair Priest thanked the Trustees present, GM Blanchette, FM Caron, AGM Pontau, Bonnie Shippen and Dan Munsey 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 (4 -0) TO ADJOURN THE MEETING AT 10:47 AM.

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