

BRUNSWICK SEWER DISTRICT
Board of Trustees Regular Monthly Meeting
15 September 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 8:36 AM on Thursday, 15 September 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: Vice Chair Harvey, Trustees Green, Barbour and Rice.

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 briefly attending was Mr. Robert Nadeau, Maine Municipal Bond Bank, Mr. Stuart Kay, Topsham Sewer District and Mr. Pinfold, 1 Stetson Street.

Absent: Chair Priest

Meeting Advertisement

The meeting was advertised in the Friday, 15 September 2014, edition of the *Times Record*.

Public Comment

GM Blanchette noted there was no public comment.

Mr. Stuart Kay entered the meeting at 8:43 am.

Correspondence

GM Blanchette distributed a copy of a press release to *Times Record* and *The Forecaster* regarding a dividend check received from MMA for the District's good loss experience and loss prevention programs.

GM Blanchette distributed a copy of the CWSRF definitions for 'treatment works'.

GM Blanchette distributed email correspondence from Mr. Pinfold of 1 Stetson Street requesting consideration of an adjustment to the first quarter 2014 sewer use charge. He noted this is an agenda item for this meeting and he anticipated Mr. Pinfold to be present.

Adoption of Minutes of Previous Meeting

The Trustees reviewed the minutes of the 14 August 2014 Regular Board meeting.

IT WAS MOVED BY TRUSTEE BARBOUR SECONDED BY TRUSTEE GREEN AND UNANIMOUSLY APPROVED BY THE TRUSTEES PRESENT (4-0), TO ACCEPT THE MINUTES OF THE 14 AUGUST 2014 REGULAR MEETING OF THE BOARD OF TRUSTEES WITH MINOR CHANGES NOTED.

Mr. Robert Nadeau entered the meeting at 8:43 am.

Discussion: Clean Water State Revolving fund (CWSRF) Loan

BM Blanchette introduced Mr. Rob Nadeau from Maine Municipal Bond Bank, noting he was here to explain the SRF loan process and options and address any questions from the Board. The Board members introduced themselves and GM Blanchette turned the meeting over to Mr. Nadeau.

Mr. Nadeau noted that he does not anticipate any problem with an approval for an \$18 million to \$20 million CWSRF loan for the Plant upgrade. He noted that there are several ways the amount can be broken down in loan amounts. He noted the Bond Bank Board meets monthly to approve applications. He noted that currently the loan rate is below 1% and BSD can borrow in several increments. Mr. Nadeau noted that the only downside to multiple loans is paying bond counsel each time a loan is applied for.

Mr. Nadeau noted that if BSD chose to borrow short term, it would be better to go to a local bank to obtain because the interest rate would be lower. It would be better to wait to hear what the Construction Manager comes up with for a cost in order to obtain an actual amount. This would define how much the debt limit needs to be raised and if it is beneficial to take the loan in a lump sum or in increments.

Mr. Nadeau noted that there are Federal and State funds available and they are aware of upcoming projects that need funding. He did not foresee a problem in getting approval for the full amount of the upgrade. He noted that the application process is very simple and based on previous year's audited financial records. He noted every requisition has to be approved by DEP and MMBB before it goes to the bank for final approval. The process is simple, just time consuming. Once loan approval is obtained, it is good for one year. Interest rates are based at the time of disbursement.

Discussion was made and Mr. Nadeau answered questions from Board members, staff, and Mr. Kay.

Mr. Nadeau departed the meeting at 9:12 am.

Mr. Pinfold joined the meeting at 9:12 am.

The Board members and staff discussed the timing and steps to take regarding applying for funding for the Treatment Plant upgrade. GM Blanchette noted reserves will only carry for so long and he believes a short term loan from a local bank would be an option. Trustee Harvey suggested applying sooner rather than later for the SRF loan to lock in the low rate.

Petition for Relief of Sewer User Charge, Mr. Pinfold, 1 Stetson Street

GM Blanchette read the e-mail correspondence from Mr. Pinfold regarding his request for an adjustment in his sewer bill due to a leaking toilet. Mr. Pinfold noted he received his water bill and they agreed to give him a one time adjustment of half the bill. He was requesting the same from the Sewer District as that bill was much higher. GM Blanchette distributed a meter reading history for Mr. Pinfold and a history of petitions received previously from ratepayers.

Vice Chair Harvey noted the board would discuss the matter and respond to his request.

Mr. Pinfold thanked the Board for their time and left the meeting at 9:28 am.

The Board members discussed the matter and decided that the water had entered the treatment system and therefore was unable to grant Mr. Pinfold an adjustment. FM Caron noted he had not paid the bill yet as Ms. Dutton requested he wait until the Board discussed the petition. GM Blanchette noted that we will work with Mr. Pinfold to set up a payment plan if he cannot pay the full amount.

IT WAS MOVED BY TRUSTEE GREEN SECONDED BY TRUSTEE BARBOUR AND UNANIMOUSLY APPROVED BY THE TRUSTEES PRESENT (4-0), TO DENY THE PETITION FOR A SEWER RELIEF ADJUSTMENT FOR MR. PINFOLD, 1 STETSON STREET.

Treasurer's Report

Financial: Trustee Green noted the August 2014 Variance Analysis report indicated billing revenue to be \$188,000 above projection and non-billing revenue to be \$55,000 above projection. Expenditures are \$144,000 above projection at this time, indicating overall revenue of \$102,000 above projection. Capital expenses are under by \$4,000. Trustee Green noted the receivables were at \$36,000 and liens were at \$300. FM Caron noted as of today, receivables were down to \$30,000 with billing just going out and the \$300 in liens is for one customer.

Forecasted vs. Actual Revenue: Trustee Green noted that Residential, Commercial, Brunswick Landing, Topsham Sewer District, and septage operating revenues are currently running ahead. Catch Basins are behind by \$27 indicating an overall \$187,699 above projection. Non-Operating Revenue projections were up \$63,901. FM Caron noted that Brunswick Landing is higher than projected as we had expected more of a reduction in I & I with the work being completed.

Warrants: The weekly Warrants for August 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.

There were no questions from the Board regarding the warrants.

Monthly Report of Treatment Operations

AGM Pontau reported that the total flow to the treatment plant for August 2014 was 76.2 MG, down approximately 7% from the previous month and up 57% from this time last year. Flows of 12.1 MG and 5.5 MG for the month originated with Topsham and Brunswick Landing, respectively. Average daily flow for the period was 2.45 MG, or 64% of that allowed by permit. Maximum daily flow processed was 4.151 MG, on 15 August 2014. Precipitation for the month totaled 5.47", with a daily maximum of 2.36" on 13 August 2014.

Septage receiving for the period totaled 237,000 gallons, down 2% from the previous month. Removal rates for BOD and TSS for the period were 96.7% and 96.3%, respectively. A total of 196 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.

Motion to Set CWSRF Loan Amount

GM Blanchette noted that after conversing with Mr. Nadeau, he would be able to give a recommendation to the Board. He noted that there are several options to consider and he would like to discuss this further. The agenda item was tabled until the next meeting.

Motion to Authorize Expenditure for Updated Facilities Study

Trustee Rice noted he is abstaining due to Wright-Pierce's involvement in this project. GM Blanchette noted that at the last Strategic Plan Workshop, the Board requested that the facilities studies of 1992 and 1999 be reviewed to determine if the growth that has occurred matched the predictions noted in the studies. The update would determine where the actual growth has occurred and provide a sense of which areas have a potential for growth in the foreseeable future and note which areas are not worth pursuing. GM Blanchette noted it was in the District's best interest to hire Wright-Pierce as they had conducted both previous studies. Wright-Pierce has given us a price of \$10,000 to update the study. Mr. Kay noted that this study could determine if an expansion of the Treatment Plant may become necessary later.

IT WAS MOVED BY TRUSTEE BARBOUR SECONDED BY TRUSTEE GREEN AND APPROVED BY THE TRUSTEES PRESENT WITH TRUSTEE RICE ABSTAINING (3-0), TO AUTHORIZE THE EXPENDITURE OF \$10,000 FOR WRIGHT-PIERCE TO UPDATE THE DISTRICT'S FACILITIES STUDY.

Rate Adjustment Discussion – Consideration of Rate Changes

GM Blanchette reviewed with the Board the basis for the proposed rate increase. He distributed a chart explaining the increase to provide income to cover the expected Treatment Plant upgrade loan payments as well as foreseeable capital improvement projects over the next five years. GM Blanchette distributed a chart showing rates of 23 area community sewer districts and municipalities, including Brunswick, as a comparison. He noted Brunswick rates low on the list. GM Blanchette distributed the current Schedule of Rates and a history of BSD's Sewer User Rates from 1963 to 2013.

GM Blanchette noted this is for information only and he was not looking for any action from the Board. He noted he would like to hold a rate hearing in January, 2015 and have the rate increase begin April 01, 2015. He noted this will be an action item for next month.

Treatment Plant Upgrade Project Status Reports

a: Construction Manager At-Risk Selection Process:

AGM Pontau noted he received five qualification packages and narrowed it down to two favorites, PC Construction (formerly Pizzagalli) and Cianbro. He noted they were interviewed last Thursday and although both were fully qualified to do the work, the committee chose to go with PC Construction. AGM Pontau noted that a contract has not been drawn up yet and he is meeting with the President next week to review their contract. He noted PC Construction has done numerous wastewater plants in a Construction Manager position and they are prepared to meet our needs.

b: Vehicle / Equipment and Collection Division Garage:

AGM Pontau noted to the Board that staff and Wright-Pierce have been discussing a conceptual idea / plan for a new vehicle and equipment storage building that would also house the

Collection and Pumping Division Staff. He noted this would be built across from the Admin building and would cost less than upgrading the T/P Process Building to house staff and equipment for 12 individuals. AGM Pontau noted this removes the need for an elevator as everything would be on one floor. He noted that the long term prospects of purchasing the building that currently houses the Collection equipment and staff at Brunswick Landing probably will not happen. Currently using the building works for staff, but ultimately they would like to be moved closer to the Treatment Plant and Administrative Offices.

Maplewood Manor Mobile Home Park

This item was tabled until the next meeting.

Mr. Kay left the meeting at 10:54 am

Finance Manager's Report

- MMA Dividend check: FM Caron noted the dividend check received from MMA as previously discussed.
- Budget: FM Caron noted that they are continuing to meet and discuss the 2015 budget.

Assistant General Manager's Report

AGM Pontau noted he had nothing to report at this time.

General Manager's Report:

- Trustee Plaque: GM Blanchette distributed the completed plaque for former trustee Sartoris's service. GM Blanchette noted he will present it to her at the next meeting.
- GM Vacation: GM Blanchette noted he is leaving on vacation at the completion of the meeting and will return September 26th.

Schedule of Upcoming Meetings and Events

The upcoming meetings and workshops were scheduled as follows:

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| • Strategic Plan Workshop | Thursday | 09 October 2014 | 8:30 a.m. |
| • Trustee Regular | Thursday | 16 October 2014 | 8:30 a.m. |
| • Annual Budget Meeting | Thursday | 30 October 2014 | 7:00 p.m. |
| • Trustees Regular | Thursday | 13 November 2014 | 8:30 a.m. |

Remarks:

Vice Chair Harvey 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 10:58 AM.

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