

BRUNSWICK SEWER DISTRICT
Board of Trustees Regular Monthly Meeting
March 12, 2015

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 8:34 a.m. on Thursday, March 12, 2015, 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, Rice; 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 was Ms. Sally Leland, Trustee for the Freeport Sewer District.

Meeting Advertisement

The meeting was advertised in the Friday, 06 March 2015 edition of the *Times Record*.

Public Comment

GM Blanchette distributed a copy of a front page article published in the March 4th edition of the *Times Record* titled "Brunswick Sewer District rates go up in April." He noted that the reporter stopped him after the Planning Board meeting for the Vehicle & Equipment garage. GM Blanchette noted he expected the article would be on the garage, but this is what came from the interview. He noted that he and Lorraine had discussed some form of a reminder for the ratepayers of the upcoming rate increase soon, but this article covers it, as it is a front page article. He also noted that there were no correspondence or comments from the public since the meeting or the article was published.

Correspondence

GM Blanchette noted under Agenda Item #10 is a letter from our financial auditor Runyon Kersteen Ouellette with a proposal for continuing to provide professional services through the year 2017.

Adoption of Minutes of Previous Meeting

The Trustees reviewed the minutes of the February 12, 2015 Regular Board meeting.

IT WAS MOVED BY TRUSTEE GREEN SECONDED BY TRUSTEE RICE AND APPROVED BY THE TRUSTEES PRESENT (4-0), TO ACCEPT THE MINUTES OF THE FEBRUARY 12, 2014 REGULAR MEETING OF THE BOARD OF TRUSTEES WITH MINOR CHANGES NOTED.

Treasurer's Report

Financial: Trustee Green noted the February 2015 Variance Analysis report indicated billing revenue to be \$9,000 under projection and non-billing revenue to be \$17,000 above projection.

Expenditures are \$19,000 under projection at this time, indicating overall revenue over expenditures of \$11,000 above projection. The Capital expenses are under by \$3,000. GM Blanchette noted the receivables were at \$41,300 and liens were at \$800. FM Caron noted that this is due to the timing of the billing cycle.

Forecasted vs. Actual Revenue: Trustee Green noted that Topsham Sewer District, and Septage operating revenues are currently running ahead. Residential, Commercial, and Brunswick Landing are running behind. Catch Basins are behind by \$14 indicating an overall \$9,610 above projection. Non-Operating Revenue is less than projected by \$16,724. AGM Pontau noted that they have had discussions with Mr. Brubaker regarding the I & I issue. He noted that numbers are low because it has been very dry. GM Blanchette noted that Mr. Kay has been working at Pinewood Drive trying to make the flow more stable by installing a new smaller pump. The extra work is reflected in the \$14,000 above projection in the jobbing revenue from Topsham Sewer. GM Blanchette noted that they will be doing work installing comminuter to reduce the number of plugged pumps.

Capital: AGM Pontau noted that the old chairs from the conference room are currently in the garage. He noted they have discussed selling or donating them to a local fire department.

AGM Pontau noted that polymer is a once a year purchase. He believes what we should have enough to get us through the entire year.

GM Blanchette noted that the digester at Brunswick Landing is still on schedule for construction this spring.

GM Blanchette noted the Treatment Plant upgrade is progressing and is currently at the 30% design stage.

Warrants: The weekly Warrants for January were distributed to the Board for their review. The Trustees reviewed the weekly warrants on disbursements, 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 line items Brunswick Ford, Crowley Oil, Damon Mechanical, Hannaford and Brunswick Lock and Key. AGM Pontau noted that the axle seals were leaking on the 2012 GMC and it is no longer under warrantee; Crowley was for heating at the Collections building at Brunswick Landing; Damon was for heating issues in the Admin building. He noted that the snow was plugging up the condensing units. AGM Pontau is working with Ouellette and the possibility of building walls to block the units; Hannaford is for remote payments, which payment program will be terminated by the end of March; and Brunswick Lock and Key was to make multiple copies of a few broken keys.

Monthly Report of Treatment Operations

AGM Pontau reported that the total flow to the treatment plant for February 2015 was 51.5 MG, down approximately 27% from the previous month and down 1% from this time last year. Flows of 8.03 MG and 4.03 MG for the month originated with Topsham and Brunswick Landing, respectively. Average daily flow for the period was 1.84 MG, or 48% of that allowed by permit.

Maximum daily flow processed was 2.03 MG, on February 1, 2015. Precipitation for the month totaled 2.78", with a daily maximum of .89" on February 2, 2015.

Septage received for the period totaled 26,250 gallons, down 26% from the previous month. Removal rates for BOD and TSS for the period were 96.7% and 95.2%, respectively. A total of 158 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: 01 April to 30 June 2015

IT WAS MOVED BY CHAIR PRIEST, SECONDED BY ASSISTANT TREASURER RICE, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT (3-0) WITH TREASURER GREEN ABSTAINING, TO COMMIT TO THE TREASURER FOR COLLECTION THE RATES FOR THE PERIOD 01 APRIL 2015 TO 30 JUNE 2015 IN ACCORDANCE WITH THE SCHEDULE OF RATES AS COMPUTED AND SET FORTH IN THE ACCOUNTS ON FILE AT THE BRUNSWICK SEWER DISTRICT.

Review of 2014 Draft Audited Financial Statements

FM Caron distributed the draft Audited Financial Statements. She noted that they will be published when the reserves are set. FM Caron noted that these are for the Board's review and the auditors will be here next month for their final report and to answer your questions.

FM Caron noted that the only issue they found was the A/R being off by \$10,000. She believes that this is a Trio (software) issue and has chosen to have it in the final documents to research and correct instead of writing it off.

Set the Financial Reserves as of December 31, 2014

GM Blanchette distributed FM Caron's recommendation to set the financial reserves as of December 31, 2014. He noted that if the Board approves and adopts the reserves, FM Caron will provide the balances to the auditor to add to the final 2014 Audited Financial Report. GM Blanchette noted he was also seeking authorization to cover the 2014 Phase 1 expenditures from the Capital & Depreciation Reserve. He noted that they can have further discussion on the matter when the auditors are here if they have additional questions.

FM Caron reviewed the draft amounts to set for the 2014 Debt Service, Entrance Charge, Capital Projects & Depreciation and Operations noting suggested increases and decreases.

IT WAS MOVED BY TRUSTEE GREEN, SECONDED BY TRUSTEE HARVEY, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT (4-0) TO AUTHORIZE THE EXPENDITURE OF \$450,000 FROM 2014 CAPITAL & DEPRECIATION RESERVE TO COVER THE UNBUDGETED AND SUBSEQUENTLY APPROVED 2014 EXPENDITURES FOR THE TREATMENT PLANT PHASE 1 UPGRADE.

IT WAS MOVED BY TRUSTEE HARVEY, SECONDED BY TRUSTEE RICE, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT (4-0) TO SET THE BALANCE OF THE DESIGNATED RESERVE ACCOUNTS AS OF DECEMBER 31, 2014 AS FOLLOWS: DEBT SERVICE RESERVE: \$164,000; ENTRANCE CHARGE RESERVE: \$1,190,892; CAPITAL & DEPRECIATION RESERVE: \$752,884; OPERATIONS RESERVE: \$500,000.

Consideration of Auditor Services Proposal for 2015 through 2017

GM Blanchette noted that the auditor works for the Board, therefore he is requesting their review and acceptance of the attached proposal submitted by Runyon Kersteen Ouellette.

The Board members discussed the proposal, and agreed with staff that RKO does great work for the District at a reasonable price, but requested that staff seek proposals from other potential auditors for comparison. This item was tabled until additional proposals can be sought.

Presentation of Trustee Goals for 2015

GM Blanchette distributed the Board of Trustees Goals for General Manager / District adopted February 12, 2015. Chair Priest requested quarterly updates on the progress of the goals.

Discussion Regarding Providing Sub-Meters

GM Blanchette distributed the current Sewer Use Billing Adjustment Policy (revised December 2005) and TSD Outside Watering Policy. He noted that TSD requires the customer to purchase an outside meter from TSD in order to obtain a credit for outside watering. BSD customers must either purchase and install a water meter on their own or call for an outside watering credit. The Board members and staff discussed the benefits of providing water meters as TSD does and also the disadvantages of being a supplier and installer of the water meter. FM Caron recommended taking the information given and speak with the Admin staff to further discuss the costs of investing in water meters and see if it is cost effective to go in this direction. It was agreed if a customer does a lot of outside watering or has a swimming pool, the meter can be beneficial. GM Blanchette noted that BTWD is in the process of updating meters and we may be able to purchase used older models from them. He will look into this for the next meeting.

Status of LD 650 – An Act to Amend the Brunswick Sewer District Charter

GM Blanchette noted that the bill to amend the Charter to increase our debt limit from \$20,000,000 to \$25,000,000 now has a title. He noted that the public hearing has been scheduled for March 18th at 1:00 PM in Room 211 at the Cross Building in Augusta. He noted that Chair Priest and possibly Mr. Kay from TSD will also be there to testify if needed. He noted that the Town Manager has sent a written approval and he did not foresee any issues. GM Blanchette noted that once approved by the Legislature this will go to the District voters in November, 2015. He noted that there will be notices for public awareness on the vote to customers in advance of the vote.

Finance Manager's Report

1. 2015 Operations Budget: FM Caron noted that the bound 2015 Operations Budget will be available for April.

Assistant General Manager's Report

1. Treatment Plant Upgrade – status report: AGM Pontau noted that progress is moving along and currently ironing out bugs, creating schedules and getting a list of contractors and builders. He noted that they have received prices for dewatering equipment and working on headworks and septage design. They should have a 30% budget by next month. AGM Pontau noted that

DEP has helped a lot with quick responses and is working well with us. He noted that he can send the Board members a link to the PDF design for their review.

2. Vehicle / Equipment Garage – status report: AGM Pontau noted that they have received approval from the Town and DEP and have pricing from building contractors. He will be issuing a PO for the work this month and 100% of the design will be completed within the week. He anticipates lot clearing to start in early May and looking at a November move when the lease at Brunswick Landing is up. He believes that if there is an issue and the lease needs to be extended, MRRA will work with us.
3. Wright-Pierce Report – Sump Pump Removal Project: AGM Pontau distributed the memo from Wright-Pierce outlining the results from the removing of the 5 sump pumps on MacMillan Drive and Peary Drive. He noted that the results were inconclusive and noted that there really was no significant difference between before and after the removal. He noted that although it did not get worse, there really was no improvement. He noted that some homes have foundation drains that could be causing the issue, but as far as they can see from putting a camera down the lines, it is unknown which ones have the drains. AGM Pontau noted that they wouldn't be able to remove those drains anyway and does not feel the need to pursue them. He believes the best direction to go is to remove the known roof drains and sump pumps off the system. GM Blanchette noted he would like to start a program to work with the customer to remove roof drains and sump pumps. He believes the best way would be to advertise and let the public know we are looking into it and want to work with them to seek a solution to remove them. After much discussion Chair Priest requested AGM Pontau put together a chart with information for the Board to review and decide if the project is worth pursuing.

General Manager's Report:

1. Status of Legislative Bills: GM Blanchette noted that there are two legislative bills that could affect the Sewer District. They are:
 - a: LD #192: An Act to Clarify the Laws Governing the Collection of Unpaid Sanitary District Charges – GM Blanchette noted that the three changes are eliminating the need for commitments, notifying the owner in cases of a lien, and if the owner can show in 18 months they never received a lien notice, they can receive a three month extension.
 - b: LD #196 An Act to Ensure the Safety of Stationary Public Utility Emergency Service Vehicles – GM Blanchette noted that public utility vehicles would be added to the "Move Over" law. He noted that all of our utility vehicles have emergency lights and meet the requirement for definition as a public utility emergency service vehicle.
2. Report on the Two prior occasions MRRA has requested some form of rate consideration:

GM Blanchette noted that there were two prior occasions that MRRA had requested a rate adjustment.

- a: Sewer Rate Based on Water Consumption, December 2011 – MRRA's request was denied by the Board..
- b: I&I Sewer Charge Deferment April 2012 – MRRA did not agree to our terms.

Schedule of Upcoming Meetings and Events

The upcoming meetings and workshops were scheduled as follows:

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| • Strategic Plan Workshop | Wednesday | 25 March 2015 | 8:30 a.m. |
| • Trustee Regular | Thursday | 16 April 2015 | 8:30 a.m. |
| • Trustee Regular | Thursday | 14 May 2015 | 8:30 a.m. |

Remarks:

Chair Priest thanked GM Blanchette, FM Caron, AGM Pontau, Bonnie Shippen, Dan Munsey and Ms. Leland for their time.

Adjournment

There being no further business before the Board of Trustees,

IT WAS MOVED BY TRUSTEE GREEN, SECONDED BY TRUSTEE RICE, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT (4 -0) TO ADJOURN THE MEETING AT 10:19 AM.

Attest: _____

David N. Barbour
Clerk, Board of Trustees