

**BRUNSWICK SEWER DISTRICT**  
**Board of Trustees Regular Monthly Meeting**  
**November 17, 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 8:04 a.m. on Tuesday, November 6, 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 Rice and Green

Others present: General Manager (GM) Blanchette, Finance Manager (FM) Caron, Camera Operator Mike Jouver and Administrative Assistant Bonnie Shippen (minutes). Also present were Mr. John Lescure and Mr. John Frost representing Peoples United Bank.

Members absent: Trustee Harvey

**Meeting Advertisement**

The meeting was advertised in the Friday, 6 November 2015 edition of the *Times Record*.

**Public Comment / Correspondence**

GM Blanchette noted the District received a request from Mr. Matthew Allen, representing property at 11 Medical Center Drive, for a further adjustment to the September quarterly sewer use bill of \$1,876. He noted this is an agenda item for this meeting.

**Public Outreach**

1. GM Blanchette distributed the draft fourth-quarter newsletter. He noted that it will be included with the next billing cycle.
2. GM Blanchette noted the Kiosk / Interactive Poster article was published in the November 2015 issue of the national TPO magazine. He distributed a copy of the article titled "Smart Education."
3. GM Blanchette noted the national Municipal Sewer & Water magazine has published the profile of the Collection / Pumping Division along with a sidebar article on the kiosk / interactive poster. He distributed a copy of the online version. Chair Priest congratulated the staff for putting this article together.

**Discussion of Investment Options**

GM Blanchette introduced Mr. John Lescure and Mr. John Frost from Peoples United Bank. Mr. Lescure distributed packets of information to the Staff and Board members regarding investment options the District has. After reading the letter from Pierce Atwood, Mr. Lescure noted that without a Charter change through the Legislature there is little more we can do. He noted that currently we have the best options within our limitations. Mr. Frost noted that he is optimistic about the economy continuing to grow and the Federal Reserve will raise rates in the next year or so. He distributed an outline of our accounts and the District policy limitations.

Trustee Rice arrived at 8:16 a.m.

Mr. Lescure, Mr. Frost, Staff and the Board members discussed options on reinvesting and for how long. Mr. Lescure distributed reports showing what our investments could look like if we changed the Charter and investments. Mr. Frost noted that it shows where our investments would be if the District had unlimited options. GM Blanchette noted he had spoken with the Maine Water Environment Association (waste water trade group) to request they sponsor

a bill to the Legislature to allow sewer and sanitary districts to invest in the same or similar investment options currently allowed for municipalities. The goal is to present to the 2017 legislative session.

Chair Priest thanked Mr. Frost and Mr. Lescure for their information and time. Mr. Frost and Mr. Lescure left the meeting at 8:32 a.m.

### **Adoption of Minutes of Previous Meeting**

The Trustees reviewed the minutes of the October 15, 2015 Regular Board meeting.

*IT WAS MOVED BY TRUSTEE RICE SECONDED BY TRUSTEE GREEN AND APPROVED BY THE TRUSTEES PRESENT (3-0), TO ACCEPT THE MINUTES OF THE OCTOBER 15, 2015 REGULAR MEETING OF THE BOARD OF TRUSTEES AS NOTED.*

The Trustees reviewed the minutes of the October 15, 2015 Referendum Public Hearing.

*IT WAS MOVED BY TRUSTEE RICE SECONDED BY TRUSTEE GREEN AND APPROVED BY THE TRUSTEES PRESENT (3-0), TO ACCEPT THE MINUTES OF THE OCTOBER 15, 2015 REFERENDUM PUBLIC HEARING AS NOTED.*

The Trustees reviewed the minutes of the October 28, 2015 Annual Budget meeting.

*IT WAS MOVED BY TRUSTEE GREEN SECONDED BY TRUSTEE RICE AND APPROVED BY THE TRUSTEES PRESENT (3-0), TO ACCEPT THE MINUTES OF THE OCTOBER 28, 2015 ANNUAL BUDGET MEETING AS NOTED.*

GM Blanchette noted he had set Trustee Rice as the temporary attester to the minutes and requested the Board assign a trustee to cover the Clerk's duties temporarily.

*IT WAS MOVED BY TRUSTEE GREEN SECONDED BY CHAIR PRIEST AND APPROVED BY THE TRUSTEES PRESENT (3-0), TO TEMPORARILY ASSIGN THE CLERK'S TO TRUSTEE RICE.*

### **Petition for Relief of Sewer User Charges - 11 Medical Center Drive:**

GM Blanchette noted he expected Mr. Matthew Allen to attend the meeting but he has not arrived and he would like to go forward with the request. He noted that Mr. Allen is requesting the Board to consider a further adjustment to the third quarter sewer use charge. GM Blanchette noted the original bill was for \$1,876. A site inspection was done by staff and confirmed that the excess water did not enter the sewer system. Ms. Dutton reduced the bill by one-half to \$938 and it is GM Blanchette's recommendation to give a further reduction of \$629.90 for a final bill of \$308.10. He noted Mr. Allen will be putting in a sub-meter for the irrigation system.

*IT WAS MOVED BY TRUSTEE RICE SECONDED BY TRUSTEE GREEN AND APPROVED BY THE TRUSTEES PRESENT (3-0), TO GRANT A FURTHER REDUCTION OF \$629.90 FOR A FINAL BILL OF \$308.10 TO 11 MEDICAL CENTER DRIVE.*

### **Action: Acceptance of Nine Dunning Street, LLC Petition Settlement**

GM Blanchette noted following the October Board meeting directive, he met with Mr. Andrew Proulx, representing Nine Dunning Street, LLC, to arrive at a mutually agreed upon credit from an outstanding \$8,000 in sewer charges that the LLC 'unknowingly' inherited when it purchased the 9 Dunning Street property at auction. It is agreed by all that some of the excess water use did not enter the sewer system, but it was difficult to quantify. As such, the directive to find a mutual settlement.

GM Blanchette noted the District and Mr. Proulx have agreed to a 35% reduction in the billed usage, resulting in a cost reduction of some \$3,000. FM Caron noted that the balance of \$3,841.64 has since been paid off and the account is current.

*IT WAS MOVED BY TRUSTEE RICE SECONDED BY TRUSTEE GREEN AND APPROVED BY THE TRUSTEES PRESENT (3-0), TO ACCEPT THE ADJUSTMENT FOR NINE DUNNING STREET, LLC. AS NOTED.*

### **Treasurer's Report**

Financial: Trustee Green noted the October 2015 Variance Analysis report indicated billing revenue to be \$70,000 under projection and non-billing revenue to be \$42,000 above projection. Expenditures are \$67,000 below projection at this time, indicating overall revenue over expenditures of \$95,400 below projection. The Capital expenses are over by \$14,000. Trustee Green noted the receivables were at \$38,100 and liens were at \$800.

Forecasted vs. Actual Revenue: Trustee Green noted that Topsham Sewer District and Septage revenues are running ahead and Residential, Commercial, and Brunswick Landing revenues are running behind. Catch Basins are ahead by \$501 indicating an overall \$70,083 below projection. Non-Operating Revenue is below projection by \$29,897. FM Caron noted she looked back at last year's figures and consumption has been flat or lower. She also noted that outside watering advertising has reduced revenue as more customers are taking advantage of it. The Board and staff discussed possibly requiring customers to install a sub-meter to obtain a watering credit. FM Caron noted that we require customers to call before they water, but some call after they receive their bill. She suggested making it a requirement to call before and not giving credit after they receive their bill. AGM Pontau noted that septage was higher for October than expected as we continue to receive more. GM Blanchette noted that having 24 hour access has also helped. He noted that they are keeping an eye on the revenue and putting off expenses when possible.

Capital & Operations expenses: The capital budget was reviewed and AGM Pontau noted that they are at 95% design on the T/P upgrade and should have final estimates on construction soon and he is expecting MDEP comments by the end of the week. He noted that it is a 4 to 6 week time frame for bid packages and expects we are looking at the end of January 2016 for final bids. GM Blanchette noted all the payments on the upgrade is coming out of the short term loan, which matures in February. He is anticipating closing on the Maine Municipal Bond Bank's SRF loan on December 1<sup>st</sup>. GM Blanchette noted the full \$22 Million was requested. He reminded the Board that the SRF loan is a draw-down loan meaning the debt is only what we draw off the loan and we may not use the full allotted amount. He was unsure what the current interest rate is, but has been estimating it to be around 1%. AGM Pontau noted that all items have been completed in the Capital budget with the exception of the lawnmower, which has been ordered.

Warrants: The weekly Warrants for October 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.

GM Blanchette noted the breakdown given for the bank loan drawdowns. There were no further questions from the Board regarding the warrants.

### **Monthly Report of Treatment Operations**

AGM Pontau reported that the total flow to the treatment plant for October 2015 was 59.67 MG, up approximately 37% from the previous month and up 5% from this time last year. Flows of 10.30 MG and 4.45 MG for the month originated with Topsham and Brunswick Landing, respectively. Average daily flow for the period was 1.92 MG, or 50% of that allowed by permit. Maximum daily flow processed was 4.10 MG, on October 1, 2015. Precipitation for the month totaled 3.44", with a daily maximum of 1.02" on October 28, 2015.

Septage received for the period totaled 262,600 gallons, up 11% from the previous month. Removal rates for BOD and TSS for the period were 97.0% and 95.9%, respectively. A total of 170 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.

### **Discussion of Proposed 2016 Rate Schedule**

GM Blanchette distributed the proposed rate schedule for 2016 as presented in the Proposed 2016 Operations Budget. The Board members discussed the matter and requested this be tabled until the next meeting when a full Board is present.

### **Postponement of Acceptance of Proposed 2016 Operations Budget**

GM Blanchette noted following the November 10<sup>th</sup> Maine Municipal Bond Bank acceptance of the District's \$22 Million CWSRF Loan application, we will need to pay the interest and fee charges for 2016 and 2017, with no principal payment until late 2018. FM Caron is currently amending the proposed budget to include a \$155,500 payment for 2016. He noted that they are still awaiting the October CPI numbers needed to finalize the wage budget. Trustee Rice questioned if TSD would be responsible for their portion of the interest payments. GM Blanchette noted that they will be and he has already discussed the matter with Mr. Kay.

GM Blanchette noted that we had scheduled the receipt and acceptance of the two vehicle bids noted in the 2016 Capital Budget based on a November budget acceptance. He requested the Board give authorization to go ahead and award the bids in order to secure the current low bids. AGM Pontau noted that bids were advertised and he made personal requests from seven locations and we only received bids from O'Connor GMC. He does not believe we will get a lower price later and as there is a 6 – 8 week lead time. It will be paid within the 2016 budget.

*IT WAS MOVED BY TRUSTEE RICE SECONDED BY TRUSTEE GREEN AND APPROVED BY THE TRUSTEES PRESENT (3-0), TO AUTHORIZE THE ACCEPTANCE OF THE CURRENT BIDS FOR TWO VEHICLES LISTED IN THE 2016 CAPITAL BUDGET.*

### **Update: Charter Referendum**

GM Blanchette noted that there was a low turnout but the Charter Referendum vote to increase the debt limit from \$20,000,000 to \$25,000,000 passed on November 3<sup>rd</sup>. He noted the unofficial reported vote is 1,799 yes, and 635 no, giving a 74% approval. He distributed the unofficial results to the Board.

### **Update: SRF Loan Application**

GM Blanchette noted as previously discussed, the application for a \$22 Million loan through MDEP's Clean Water State Revolving Fund loan was presented to the Maine Municipal Bond Bank on October 28<sup>th</sup>. He noted following the passage of the debt increase referendum question, the Maine Municipal Bond Bank approved the application for the \$22,000,000 amount. GM Blanchette noted for 2016, 2017 and early 2018 payments will be for interest and fees only. Principal payments will begin in October 2018, within one year of project completion. As previously noted the closing is preliminarily scheduled for December 01, 2015.

### **Finance Manager's Report**

FM Caron noted that they are getting ready for the audit and updating the budget. She had nothing else to report at this time.

### **Assistant General Manager's Report**

1. TP Upgrade: AGM Pontau noted that the plans are at 95% design and everything is going well. He noted they expect to start construction in the spring.

2. Garage Complex Project Update: AGM Pontau noted that the garage is on schedule and will be going through a punch list this week. Once that is completed they will begin to move things in. He noted that the garage is large enough to put all the vehicles in and be able to do machinery welding and maintenance. AGM Pontau distributed the PC Construction monthly construction report for the Board to review.
3. Status of River Road Pump Station #2 Upgrade: AGM Pontau noted that the project is under budget but is going slower than he would like. He noted that they have had to wait on Fairpoint to move a pole and once that is completed they should be finished within a couple weeks. He feels it is going very well and he is pleased with the progress. We plan the same upgrade for the Church Road station next year.
4. Village Green Ventures: AGM Pontau noted that he expected David Weyburn to attend the meeting to present an update of the digester construction. He noted that progress is going well and construction is nearing completion. Village Green Ventures anticipates starting to receive materials next month. AGM Pontau noted that currently they are only requesting solids from us and we will be transporting to Brunswick Landing as opposed to Hawk Ridge in Unity. The Board discussed the matter and agreed they would like to meet with Mr. Weyburn. GM Blanchette noted that some of the agreement items may be policy issues and noted he may request the inclusion of a Board member in a sub-committee to develop the services agreement with Mr. Weyburn. The Board and staff discussed other local digesters and the Board requested information on how they have formed contracts with others municipalities or districts.

#### **General Manager's Report:**

1. Performance Evaluation Material: GM Blanchette noted he had previously sent information by email to the Board members regarding the GM's year-end performance evaluation. All the members present noted they had received the materials.
2. Phosphorus & Nitrogen Sampling Results: GM Blanchette noted over the summer months the District conducted discharged water samples and sent them to MDEP for testing. He distributed the report received from MDEP noting the results of the samples. GM Blanchette noted that MDEP is developing a database for future use in developing phosphorus and nitrogen discharge limits. Several years ago MDEP requested cost information from BSD to reduce phosphorus levels discharged to the Androscoggin to a level of 5 mg/l. He noted that we are already below that amount. He noted that he has sent the report to Wright-Pierce to see if the numbers reported are a good or bad indicator. GM Blanchette noted he will look into what others have received for numbers from DEP and see how we are doing in comparison.

#### **Executive Session to Discuss Acquisition of Real Property, 1. MRSA 405(6)(C)**

*IT WAS MOVED BY TRUSTEE GREEN SECONDED BY TRUSTEE RICE AND APPROVED BY THE TRUSTEES PRESENT (3-0), TO ENTER INTO EXECUTIVE SESSION AT 9:44 AM.*

The Board returned from the Executive session at 9:56 a.m.

*IT WAS MOVED BY TRUSTEE RICE SECONDED BY TRUSTEE GREEN AND APPROVED BY THE TRUSTEES PRESENT (3-0), TO AUTHORIZE GM BLANCHETTE TO FIRST PURSUE THE POSSIBILITY OF PURCHASING ONLY A PORTION OF THE AVAILABLE LOT. IF NOT POSSIBEL, THAN PURCHASE THE ENTIRE LOT.*

#### **Schedule of Upcoming Meetings and Events**

The upcoming meetings and workshops were scheduled as follows:

- |                           |          |                  |           |
|---------------------------|----------|------------------|-----------|
| • Strategic Plan Workshop | Thursday | 17 December 2015 | 8:00 a.m. |
| • Trustee Regular         | Thursday | 17 December 2015 | 9:30 a.m. |
| • Trustee Regular         | Thursday | 21 January 2016  | 7:00 p.m. |

**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 (3 -0) TO ADJOURN THE MEETING AT 10:00 AM.*

The Trustees meeting was reopened at 10:01 a.m. GM Blanchette noted that the previously scheduled Strategic Plan meeting to be held after this meeting has been postponed to a yet-to-be determined date. The meeting was closed at 10:02 a.m.

Attest:

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Douglas A. Rice, Assistant Treasurer  
Clerk (pro tem)