

**BRUNSWICK SEWER DISTRICT**  
**Board of Trustees**  
**Strategic Plan Workshop**  
**February 25, 2015**

**Approved Meeting Notes**  
**Call to Order**

The Strategic Plan Workshop of the Board of Trustees of the Brunswick Sewer District was called to order by General Manager Blanchette at 8:38 am on Wednesday, February 25, 2014.

Members present: Chair Priest, Trustees Harvey, Green, and Rice.

Also present: General Manager (GM) Blanchette, Assistant General Manager (AGM) Pontau, Finance Manager (FM) Caron, and Administrative Assistant Bonnie Shippen (minutes).

Members absent: Trustee Barbour

**Meeting Advertisement**

GM Blanchette noted the workshop was advertised in *The Times Record* newspaper on Friday February 13, 2015 and again on February 20, 2015 due to rescheduling the meeting.

**Adoption of Meeting Notes of December 18, 2014 Workshop**

The Trustees reviewed the meeting notes from the 18 December 2014 Strategic Planning Workshop and unanimously approved the meeting notes as presented (4-0).

**Action Items from Previous Workshop**

- a) Provide Plan Sheet of Treatment Plant Current & Future Facilities: GM Blanchette distributed a copy of the Secondary Wastewater Treatment Facility site plan done in 1992. He noted that the drawing shows the trickling filters and clarifier that was originally planned. He noted that some of the piping has been laid and is all within the existing fenced area of the treatment plant. AGM Pontau noted where the fence is for the ball fields and GM Blanchette noted that we do own the ball fields and could use if needed.
- b) Provide copy of TSD Treatment Services Agreement: GM Blanchette distributed the original contract between BSD and TSD from 1975 that expires on December 31, 2023. He also attached the amendments to the agreements in 1997 to change the quarterly billing to monthly billing and also the amendment in 2003 to add an administrative charge. GM Blanchette noted the administrative charge was \$17,000 the first year and has increased each year based on the CPI, and is currently at \$21,000 ±. He noted that these are the three components to the contract with TSD.
- c) Copy of TSD 2014/2015 Budget: GM Blanchette distributed TSD Budget noted 2014 budgeted items, 2014 projected year end and the proposed 2015 budget. GM Blanchette reviewed the income and expenses noting it showed an estimated loss. The Board members discussed the balance sheet, noting the budgeted loss and the projected gain and discussed why it is not a projected balanced budget. GM noted he will look into obtaining the audited balance sheet for 2014.
- d) Regional Study that recommended TSD connection to BSD Treatment Plant: GM Blanchette reviewed the 1971 study conducted by then Wright, Pierce, Barnes & Wyman for the Bath Brunswick Regional Planning Commission. The study looked at four options for TSD to treat its wastewater. The study noted the least cost option was for TSD to construct a pump station on Pinewood Drive and pump its

effluent under the Androscoggin River to Brunswick's treatment plant. He noted that BBRPC then sent the study to Fay, Spofford & Thorndike, Boston, for a cost apportionment for the recommended option. This report recommended a cost apportionment based on percent of TSD flow to total flow at the plant.

- e) Develop Pros / Cons of BSD / TSD Merge vs. Agreement Renegotiation: GM Blanchette distributed the "Analyses of a Merger of the Brunswick Sewer District and the Topsham Sewer District Compared to Treatment Agreement Renegotiation." He noted that this is a draft copy and he is open for suggestions and changes. GM Blanchette provided the background history and overview between TSD & BSD. He noted that in his analyses he concluded that there are three options:

1. Renegotiate and extend the Treatment Service Agreement.
2. Allow expiration of the treatment agreement.
3. Merging the two districts into one district serving both communities.

GM Blanchette noted he was unaware of a fourth option but open for ideas. He reviewed the changes for the agreement should TSD choose to renegotiate and extend the service agreement. This includes reducing the term of the agreement; removing the clause that requires the subtraction of septage revenue and treated waste sales from the operating expense; and to address the issue that a Town of Brunswick Selectperson and some ratepayers has felt Topsham is not paying their fair share of the operating expenses.

GM Blanchette noted that BSD will pay for all of the out of pocket expenses in regards to the Treatment Plant Upgrade until we start making the bond payments. At that time we will rebill TSD their portion of the bill. TSD will be responsible for principal as well as interest payments. FM Caron noted that payments will be made twice a year. The Board members and staff discussed the financial responsibilities and payments noting this will be an ongoing discussion.

AGM Pontau left the meeting at 9:25 a.m.

GM Blanchette reviewed the pros of merging the two Districts into one. He believes this is the better option and the most beneficial to both communities. He reviewed some of the pros for TSD noting that at this time TSD has no operational staff and relies on BSD to operate and maintain their pump stations and uses BSD and other contractors for the operation and maintenance of the collection system. BSD has a full-time staff in the collection and pumping division. GM Blanchette noted that TSD has only one full-time employee in the office doing administrative, accounting and customer service work, and BSD has four office personal doing these duties and we currently are using the same accounting system. He noted TSD has a part-time superintendent for management and field work. BSD has a senior management staff of three. He noted currently BSD's sewer rate is lower that TSD's rate. GM Blanchette noted that the agreement mandates TSD pay a percentage share of the cost for BSD's Treatment plant operations. He believes with a larger customer base, the proportional share may be less. Trustee Harvey suggested adding to the considerations whether TSD can handle the growth if the economy improves?

GM Blanchette reviewed the cons for TSD if a merger was to happen. He believes that the biggest con would be that TSD would lose its autonomy for the management and operations of its district. He noted that the Town of Topsham would most likely have a minority representation of the combined district's Board of Trustees. He also noted that the Town of Topsham's Board of Selectpersons would have to agree to a merger and the rate payers would most likely have to approve the merger in a referendum.

GM Blanchette reviewed a few of the benefits for BSD in the event of a merger, noting the greatest benefit would be the increase in revenue from the user rate. He noted that BSD would then be billing TSD's

customers based on water consumption. FM Caron noted that they bill on off months from us so the current staff would be able to handle the increase in billing.

GM Blanchette noted that the possible cons for BSD in a merger would be the possibility of increasing collections staff by one or two employees as they would now have a full-time responsibility of TSD's sewer system. This would also include any existing issues with I & I. GM Blanchette noted that in a merge BSD would most likely have to absorb any outstanding debt from TSD. He also noted that the Town of Brunswick's Town Council and rate payers would have to approve the merger in a referendum.

GM Blanchette noted that he does not believe we could cease operations with TSD legally, but he noted we could give them advanced notice for them to build their own plant.

Trustee Harvey questioned if the Water District was planning an upgrade. GM Blanchette noted that they had purchased land as a long range plan as they will most likely have to upgrade eventually. He noted that they also purchase land to develop water resource protection zones around their water sources.

Chair Priest suggested showing the pros and cons in dollars to get an idea of cost. GM Blanchette noted he will look into that and also noted that these are only pros and cons from his prospective, not TSD's.

#### **Items for Insertion in Strategic Plan Development Binder**

GM Blanchette distributed the approved meeting notes from the November 14, 2014 workshop, the Whitman & Howard TP Current and Future Facilities site plan and the Amended BSD Facilities map for the members to place in their binders.

#### **Action Items for next Workshop**

- Staff will begin to draft the strategic plan based on what has been discussed thus far.

#### **Schedule of Next Workshop**

The next workshop was scheduled for March 25, 2015 at 8:30 a.m. The Board will discuss the remaining meeting schedule for the year.

#### **Adjournment**

There being no further business before the Strategic Plan Committee, the workshop was adjourned at 10:11 a.m.

Meeting Notes prepared by Bonnie Shippen.