

BRUNSWICK SEWER DISTRICT
Board of Trustees Treatment Plant Study Workshop
01 August 2013

Approved Minutes

Call to Order

The Treatment Plant Study Workshop of the Board of Trustees of the Brunswick Sewer District was called to order by Vice Chair Sartoris at 9:45 am on Thursday, 01 August 2013, in the Board Room at district offices at 10 Pine Tree Road, Brunswick, Maine. A prepared agenda was noted.

Members present: Vice Chair Sartoris, Trustees Green, Barbour, and Harvey.

Others present: General Manager Blanchette, Assistant General Manager Pontau, Finance Manager Caron, Treatment Operations Supervisor Thulen, Treatment Plant Senior Operator Densmore, and Victor Krea, P.E. of Wright-Pierce.

Members Absent: Chair Priest

Notice of Workshop Advertisement

The notice of the workshop was advertised in the Friday, 26 July 2013 edition of the *Times Record*.

Purpose and Goal of Workshop

General Manager Blanchette noted the purpose of the workshop was to review the recommended plan, cost estimate, financing options and timeframe for upgrades to the district's wastewater treatment facility as detailed in the *Wastewater Treatment Plant Evaluation for the Brunswick Sewer District, Brunswick, Maine*, dated November 2012, prepared by Wright-Pierce.

The goal was to discuss the report's scope of work, phasing plan, timeframe, projected costs, financing options, and impact to the current user rate. And to consider the formation of a committee composed of staff, trustee(s) and members of the public to finalize a scope of work, timeframe, and financing plan for presentation to the Board, Town government and the public.

Description of Documents Provided

GM Blanchette inventoried the documents included in a summary of the final report prepared by Wright-Pierce:

- Project Summary (pages 1 – 6) which includes the Introduction and Background, Conclusions, Recommended Plan, and Project Cost.
- Recommended Plan (pages 1 – 15) which includes Phase 1- Near Term (2013-2016) and Phase 2-Longer Term (2023-2026).
- Project Costs and Financing (pages 1 – 3) which includes the Project Financing Summary with a projected annual sewer user charge (as of September 2012).

Along with:

- Sewer Rate Calculation updated July 2013 by Wright-Pierce.
- And an in-house Projected Rate Increase schedule to support the annual sewer rate calculation.

Review Treatment Plant Evaluation Project Summary

The workshop group discussed the Project Summary which is basically an executive summary of the Treatment Plant Evaluation. The key component is the Recommended Plan which, in bulleted fashion, list the scope of work envisioned to upgrade and improve the treatment facility. The work is divided into two phases. Phase 1, Near Term, covers years 2013 through 2016 and details the upgrades and improvements to the buildings and their environmental, electrical, mechanical, and process control and monitoring systems, including construction of an equipment and vehicle storage building and the repurposing of the work areas in the Control Building and the Process Building.

Phase 2, Longer Term, covers years 2023 to 2026, details the upgrades and improvements to the primary and secondary treatment process equipment and structures, including the construction of a third Secondary Clarifier, consideration of a solids contact process, and possible nitrogen removal. Much of this work is dependent on future changes to the District's discharge permit requirements.

Trustees inquired about the asterisked items noted in the Phase 1 list. General Manager Blanchette responded that with the draft report estimating a cost of \$22 million for Phase 1, he requested a sub-listing of items that should be accomplished first if it was decided to break Phase 1 into two sub-phases. Those items were then asterisked while maintaining the original Phase 1 listing. Mr. Krea noted that splitting the Phase 1 work would reduce the economy of scale cost savings achieved by having a single Phase 1 design and construction effort. He also noted the possibility of having to undo or revise some of the work to merge the second Phase 1 construction effort. It was staff's recommendation and desire to include all of the Phase 1 scope of work under one design and construction project.

Discussion of Project Cost and Financing

The study estimated the cost, in current dollars, for the Phase 1 recommended improvements at \$22 million and the Phase 2 recommended scope of work at some \$20 million. The study established a timeframe of 2013 to 2016 for Phase 1 and somewhere between 2023 and 2026 for Phase 2. General Manager Blanchette noted that staff was only seeking to do the Phase 1 work at this time.

Victor Krea noted that based on the estimated cost and timetable for the Phase 1 work, and his discussions with the Maine Department of Environmental Protection concerning using the State Revolving Fund (SRF) that presumes a 2% interest rate; the average user fee would go from the current \$375 to \$528 per year. This is based on the average annual use of 8,000 cubic feet for a residential customer.

Discussion of Rate Projection

Staff noted the user rate would have to go from the current \$46.85 per 1,000 cubic feet (1k CF) to \$65.82 per 1k CF to provide the average annual user charge of \$528. A spreadsheet was included in the meeting packet that indicated three annual rate increases of 12% would be necessary in order to have the funds on hand when the first bond payment would be required sometime in 2016 or 2017, assuming the project is started in 2014. The rate increase would be \$5.52 the first year, \$6.30 the second year, and \$7.05 the third and final year. General Manager Blanchette noted that this is a similar rate schedule change that was implemented when the secondary treatment process was added. At that time it was projected the rate needed to get to \$30 per 1000 CF from the then current \$10.40. To accomplish this, the Trustees initiated annual rate increases of \$5 during the design and construction phases, eventually stabilizing around \$27. This allowed the District to pay some \$1.5 million out-of-pocket and bond \$10.5 million of the total \$12 million project.

Vice Chair Sartoris noted that this is an opportunity to look at options to increase the user base. The treatment plant is designed for an average flow of 3.85 million gallons per day (MGD). With the closing of the air station, and District efforts to reduce the amount of rain water and groundwater entering the system, the average flow to the plant is between 2 and 2.5 MGD. As such, sufficient capacity exists to add customers. This would help to reduce future rate increase by spreading the cost over a large user base. Following some discussion it was offered that the following should be considered for future discussion:

- Possible expansion of district boundaries,
- Becoming proactive in extensions of sewers, particularly to existing unsewered developments, and
- Consider instituting a “readiness-to-serve” charge for properties that have public sewer available, but have not connected.

Discussion of Project Schedule

Discussion noted that as the economy improves the interest rate on the SRF loan increases. The projection is for a 2% range within the next year or so. With that as a consideration staff plans to seek authorization to begin the Phase 1 design portion of the work in 2014. Mr. Krea noted that late fall or early winter is a good time to solicit construction bids as the contractors begin planning for the next year. He estimated a two year construction window. This also means looking to begin the rate schedule change in 2014. Some discussion noted the possibility of beginning design in 2013, but General Manager Blanchette emphasized that there is no rush to begin now. He would like the Board to do its due diligence in its review considering the high cost associated with the project. It will also provide time for the district to bring the public and Town on board.

Discussion of Formation of Project Committee

With the estimated cost of Phase 1 somewhere in the \$22 million range this is not something we want to suddenly spring on the rate payers and the Town as a made decision. General Manager Blanchette suggested the formation of a committee composed of staff, one or more Board members, and some members of the public. Its purpose would be to finalize a scope of work, timeframe, project cost and rate schedule amendments for recommendation to

the Board of Trustees. During this process we would also conduct a campaign to inform the rate payers on the committee proceedings and recommendations. This could be done with updates in the newspaper, our website and newsletter, presentation(s) to Town Council, etc.

Following some discussion it was suggested that we invite a member of Town Council, and a member of the Topsham Sewer District Board to sit on the committee, and to begin now to inform the rate paying public. General Manager Blanchette noted he would prepare a news article for the Times Record. Vice Chair Sartoris and Assistant Treasurer Harvey noted their interest in serving on the committee.

As part of the information to be provided, Vice Chair Sartoris suggested adding one or two lines under each bulleted item in the Phase 1 list noting the reason(s) why that work is needed. This will allow the Board of Trustees, the committee and the public to understand and see the justification for the scope of work proposed. She asked that the list be completed by August 15th such that following the scheduled Board meeting, and with the list in hand, the Trustees could then tour the wastewater treatment plant.

General Manger Blanchette noted to the Trustees present that on the previous day Treatment Operations Supervisor Thulen had confirmed that the Town Council is planning on touring the treatment plant around 3 PM on the afternoon of August 15th. This would be a good opportunity to inform the Council of the pending project. General Manager Blanchette was instructed to ask the Town Council if there was anything of particular interest concerning the treatment plant that we could prepare for them, and to let them know the Trustees plan to accompany the Council on the tour.

Adjournment

There being no further discussion,

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE HARVEY, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ADJOURN THE MEETING AT 11:15 AM.

Attest:

David N. Barbour
Clerk, Board of Trustees