

**VEAZIE SEWER DISTRICT
SEPTEMBER 14, 2011 – MINUTES
6:30 P.M.**

Attended by: Chair Esther Bushway, Trustees Gary Brown and Rob Tomilson, Supt. Gary Brooks, Tammy Olson, and members of the public.

- 1) Call Meeting to Order – Esther called the meeting to order at 6:35 p.m.
- 2) Consider Meeting Minutes of July 13, 2011– Rob moved to accept the minutes of July 13, 2011 as written; Gary seconded. Vote 3-0, passes.
- 3) Review Agenda – Rob asked to add benchmarking data to the agenda; it was added as part of Other Business.
- 4) Delinquent Update – Tammy reported that she sent out 32 postcard reminders for ratepayers that had not yet paid their current quarterly bill. The average number of postcards typically sent per quarter is 25 to 40, so 32 is an average amount. Tammy also went over the delinquent list, pointing out the accounts that would be receiving warning letters shortly, those that had recently received warning letters and Notices of Debt, those that had liens filed on them, and those that had special circumstances.
- 5) Treatment of Confidential Information – Attorney Tom Brown stated that the District is dealing primarily with the public’s business, so very little is confidential and excepted under the Freedom of Access Act. Occasionally there are items that require confidential treatment when dealing with employees, or when there is threatened or contemplated litigation, or indication that there might be an issue. With items related to litigation, the idea is to take it up with the full Board so they can decide how to address it before the item is taken to the public. Rob asked if Mr. Brown worked for the Trustees or the District staff. Mr. Brown stated that he worked for the Trustees. Mr. Brown then briefly explained the boundaries, and Esther added that the Trustees would begin discussing that tonight under Other Business. Rob stated that he knows there is a ratepayer in Orono – it was brought to his attention – and that it seemed clear that was outside of the District. He wondered how that was handled. Rob stated that he happened to have an engineering drawing based on the 1951 drawing of Chase Road as it related to the Bangor town line. He added that it hasn’t been physically surveyed but is a computer simulation. Rob asked about assessment charges for the client in Orono, and Supt. Brooks explained the history of that property and the agreement made with the Trustees around 1987-1988. Mr. Brown stated that the charter could be changed to include the power to serve outside of the district.
- 6) Executive Session, 1 M.R.S.A. § 405 (6) (E) – Consultation with District Attorney on Pending or Contemplated Litigation – Gary moved to move into Executive Session under 1 M.R.S.A. § 405 (6) (E) – Consultation with District Attorney on Pending or Contemplated Litigation; Rob seconded. Vote 3-0, passes at 6:57. Gary moved to leave Executive Session and return to Public Session; Rob seconded. Vote 3-0, passes at 8:21.

- 7) Superintendent's Report – a) The plant is running great. We had very few problems with Tropical Storm Irene. The wind blew down a couple of trees. We received 2 inches of rain and a high water alarm. Supt. Brooks came in at 8 p.m. on Sunday. b) On July 1st, the first bills with the new rate went out. To date we have received one customer call, and that customer paid his bill the next day. Supt. Brooks believes that we did a good job informing people about the rate increase beginning with the January 1st mailing and following that with two or three other mailings. c) The office computer has been upgraded. Tammy was using an 8-year-old computer. Supt. Brooks' old desktop was given a new motherboard, processor, etc. for a total cost of about \$150. The builder will not be charging us for the work, so we will compensate him with something. d) One baffle in the first lagoon has a rip in the top. We sent photos to the divers that inspect the baffle and repair the floats on top. e) We have been pulling and cleaning diffusers as reported last month. We purchased several 1-meter sleeves and cut them in half when we needed 1/2-meter sleeves. We replaced ropes and buoys. The work has been completed. This was last done about five years ago. f) A couple of weeks ago Bangor Hydro was doing some line work at the County Road pump station and we needed to cut the power. We brought our generator down and it ran for approximately eight hours. This was a good test for the generator. g) We have been talking about a transformer at the Buck Hill pump station for a while. Supt. Brooks explained the necessity of a transformer. That job was completed a couple of weeks ago, and we are now able to run both pumps from the generator if necessary. h) Supt. Brooks explained a sewer service issue on Davis Drive. He explained how we are responsible from the property line up to and including the sewer main. In most other communities, the homeowner is responsible to the sewer main. He believes our policy is better, but it does make it more difficult to determine who has the responsibility for fixing problems. We worked with the Davis Drive property owner to fix the issue, and we have not heard back from him. i) We have done some cleaning and camera work in the village area. We are working on a video library of the collections system per an EPA requirement. j) We worked with the Town of Veazie Public Works department a couple of times last month. Supt. Brooks explained that they used our one-ton truck one afternoon, they came and chipped wood for us after Tropical Storm Irene, and that they borrowed our air compressor. k) Today we received a hand-delivered check from Maine Municipal Association for \$849, representing our dividend check for workers compensation and property casualty insurance. Esther asked if there were any questions for Gary; Rob commented that he supports giving something to the computer builder but to make sure that we document it with a 1099. Esther and Supt. Brooks stated that the compensation would likely be a gift card, and Supt. Brooks said we would run it by our accountant. Rob stated that at one of the companies he works for, if you are given a plaque you get a 1099 for the value of that plaque.
- 8) Other Business – a) Mr. Brown stated that we could draft and act to expand the territory of the Veazie Sewer District. Esther asked if we wanted to go west of the interstate; Rob stated that he did not. After further discussion, the Trustees agreed they did not want to go west of the interstate. Rob asked if we needed to survey the boundaries, or just write legislation to change the boundaries. There was discussion on getting the bill in before cloture on September 30th. Esther and Supt. Brooks do not want to rush the process, since other changes may need to be made to the charter as well. Rob added that he would like to change the Trustee election procedure in the charter. He wants it to mirror the town

council and school board elections with papers taken out and all-day voting. Member of the Public Chris Dalton wanted to know if the legitimacy of Trustees could be questioned because voters might not have been in the District. Tammy explained that we check off voters on the Town's voter registration list at our annual meetings. Chris Dalton asked if we check off who is within the District boundaries, and Esther said we could go back and do that if it is called into question. Tammy pointed out that all election processes are different; for example, Veazie residents do not get to nominate or vote for Orono-Veazie Water District Trustees as they are appointed by the Veazie Town Council. Supt. Brooks stated that we should talk to the Town about the expense involved in holding a special election. Mr. Brown added that if the District goes for a big overhaul of their charter, then the legislature has to spend more time on it. He added there is a statute that states that to extend the boundaries of the District, the residents in the District need to vote on it. The boundaries are needed before that vote. b) Rob presented his benchmarking data. He began with the 2010 Maine Municipal Salary Survey. He stated that he asked about benchmarking data at the July 13th meeting, adding that it is very common in the private industry. He said that at the meeting, he was told that no benchmarking data existed. He broke down his path of investigation. First, he said he established the current cost structure. Then he went to the 2010 MMA Salary Survey to look at towns with a population of 5,000 or less. He then looked at ways to run a plant more efficiently, adding that it is very common to outsource the operation of an existing plant, pointing to Orrington, Boston, and Mattawamkeag as examples. Another idea that was thrown at him was outsourcing the entire treatment of the wastewater – shutting down and abandoning this plant and paying someone to treat the water. Esther stated that we would still have to pay for this plant. Rob said yes, and that's why he didn't come up with the idea. He thought with all the capital sunk in here, it would never make sense. He went over a graph based on annual reports including salaries and expenses. He pointed out that it does not include capital payments and money going into reserve accounts, just consumable costs. He stated that from 2002-2010, operation costs have remained stable while salary costs have increased. Supt. Brooks stated that after the upgrade, we needed to add an additional employee. Of the \$1.7 million upgrade, a lot of that went into mechanical equipment that required more maintenance. We added a part-time employee at first, but then realized that was not enough. Esther explained the wage scale that the Trustees put in place. Prior to that, there was not a professional wage scale and employees may have been underpaid. The pay scale, including COLA and step increases, was discussed. Rob's next graph projected to 2019, assuming the same trend for operational and employee costs. Supt. Brooks explained that some employees are at the top of the pay scale and would no longer be receiving step increases. Mr. Brown stated that the dollar devalues by half every ten years, and member of the public Jon Parker asked why operation costs have not doubled. Supt. Brooks explained the maintenance that is done in-house rather than being sent out, and that enables the District to save a lot of money. Esther said that without the people we have, we would be outsourcing a lot of work. Rob then compared current District wages to those in the 2010 MMA Salary Survey. He provided graphs of all District positions ranked in terms of population, and pointed out where the salaries of the District employees landed on the scales. Esther said she would like to see what licenses the operators in the survey held, and Supt. Brooks added that a lot more than that should be considered. Job descriptions were briefly discussed, and Tammy pointed out that many Districts outsource work that is done in-house here, such as vehicle repairs and

IT work. Jon Parker suggested that some of our labor costs could be moved to operational costs to bring everything back in balance. Rob concluded by stating that if the District dropped employees to the 2010 MMA Salary Survey salaries, the District would save approximately \$58,000 in labor costs, plus savings in payroll taxes and benefits. Next, Rob discussed contact operations. He talked to Woodard & Curran. They do contact operations for Boston and Orrington, possibly Norridgewock, and dozens of other plants. Under this scenario, the District would hire an outside firm to run the plant. These are fixed price contracts, typically in the 5- to 20-year range. Typically these firms are responsible for all aspects: collections, treatment, permit compliance, fines, and billing. Rob said the estimated savings at \$80,000-\$100,000 per year. These savings would be guaranteed as the prices are fixed. Supt. Brooks stated that Frank Woodard told him that contract operations usually see the biggest savings in chemical costs and power, and that there would be no savings here. Rob stated that all costs are fixed; for example, if the engineering firm discovered they needed two more employees, the firm would be responsible for that expense. Member of the public Todd Lynch asked Rob who he spoke to at Woodard & Curran, and Rob said Brent somebody. The next option was to shut down this plant and ship the wastewater to a neighboring town. He provided a few examples, including Hampden. He said that the EPA and DEP looks very, very favorable on this approach and that there are many grants for funding connections and tie-ins. He spoke to the superintendent in Bangor, who told him that Bangor is designed for 18 million gallons of wastewater per day. Veazie would be about 2% of their flow. If Veazie entered into an agreement similar to Hampden, treatment would cost about \$101,000. Rob then summarized the options he presented with projections. Esther stated that he was not figuring in paying off this plant, and Rob said that in any of these cases he was not. Esther then asked Rob for job descriptions of other districts used for comparisons. Rob then said that his recommended path forward was to hire an engineering consulting firm to perform an in-depth analysis of current costs and opportunities for savings. Esther said that we needed to take a look at the data, such as license grades, job descriptions, and pay scale caps, as well as looking at actual sewer districts. Rob said he would like to survey all lagoon plants in the state and get their job descriptions and salaries. Esther said that at this point, she does not want to pay for engineering consulting. Rob said that engineering firms would respond to a non-binding RFQ and that we would not have to pay for that. Rob asked if there was unwillingness with the Trustees to pursue these matters, and Esther said there was not and that Rob could keep going by collecting the additional data talked about in this meeting. c) Rob stated that he was asked by several citizens about the District's policy on personal use of District equipment. Supt. Brooks asked him to define equipment, and Rob said vehicles. Esther said that we have had this question before. It is allowed because the superintendent is on call 24/7/365. Rob said they also asked about using the District vehicle to plow snow in employee driveways, and Esther said the Trustees allow that. Rob asked if personal use miles are logged for IRS compliance. Member of the public Bill Reed stated that there are only two exemptions in the state of Maine for personal use of vehicles, and that's police and fire. Anything else is a taxable benefit. Esther stated that those miles could be tracked. d) Rob stated that he would be out of town the entire week of the next scheduled meeting. Esther said that we could accommodate changing it to the week before or the week after, and Supt. Brooks asked if we could check a calendar first. e) Member of the public Chris Dalton asked if Mr. Brown was finished with his discussion on confidentiality. He asked if items considered

confidential would go to the chair until they could have a meeting, and Mr. Brown said that was the standard approach. Chris Dalton asked if any other Trustee who Mr. Brown worked for asked for confidential documents or something that has been stamped confidential or deemed or knighted confidential by someone, are they not entitled to that information? Mr. Brown said they are, as it would be on the agenda for the next meeting. Esther asked Chris Dalton if his question was answered, and he said yes. f) Rob submitted his Certificate of Completion of Freedom of Access Training to Tammy. g) Member of the public Bill Reed asked why a person has to fill out an application under the Freedom of Information Act. Supt. Brooks stated that we request that a request form be filled out. Member of the public Chris Dalton asked if that was required, and Supt. Brooks said that would be against the law. Bill Reed then asked why there was hesitation on a verbal request, and Mr. Brown stated that written requests help prevent them from getting lost in translation. Mr. Brown explained the District's policy, and how helpful written requests are in fulfilling them. Bill Reed asked about email requests, and Supt. Brooks stated that we were advised against using email because computers can crash. Mr. Brown added that emails are not the preferred method of communication. Bill Reed stated that he had wanted clarification because he was talking with several people. Member of the public Jon Parker asked if he would need to fill out a form to get a copy of the District attorney's opinion on the sewer assessment. Esther stated that the opinion is still being kept confidential to protect the District. Bill Reed asked what the pending litigation was, and Mr. Brown stated that the town has a legal opinion, we looked at it, have classified it as pending or threatened or potential litigation, and are treating it accordingly. Jon Parker stated that it seems to him that there is something to hide. Mr. Brown stated that the town has a Board, and that this Board wants to hear from the town's Board. Member of the public Chris Dalton asked if every Trustee had the information, and Mr. Brown said that they did. He then asked if any Trustee could disseminate that information, and Esther said not if it is marked Confidential – Attorney-Client Privilege. Mr. Brown said that each Trustee has the duty to go with the decisions of the Board. Chris Dalton asked if the Board voted in Executive Session to make that document confidential and not to share it with anybody, and Mr. Brown said that a determination was made. Chris Dalton asked if everyone agreed, and Mr. Brown said that that is confidential. Jon Parker asked if a ratepayer could get that document, and Mr. Brown said no, it is marked Attorney-Client Privilege. Esther added that if we hear from the Town Council Chair, we are willing to meet and talk this over. Jon Parker asked if the Trustees would approach the Council or if the Council needed to approach the Trustees. Bill Reed stated that there was a consensus at the last meeting to pursue this issue. Member of the public Brian Perkins stated that as a Council member, he is not going to make any decisions or make any opinions known because this is not his meeting, he is only here to observe and listen. Jon Parker stated that the Trustees are assuming there is pending litigation but no one has approached them. Mr. Brown stated that we have already heard from the former town manager's attorney. Rob asked if we have heard from the former town manager's attorney or the current town attorney. Mr. Brown said the request for the legal opinion was made by the former town manager. He was not, as Mr. Brown understands it, operating under a request from the Town Council. The Trustees decided that they should contact the town council. Rob moved that the Trustees contact the Town Council to discuss pending litigation issues, Gary seconded. Vote 3-0, passes. Esther stated that she would contact Chairman Friedman.

9) Adjournment – Rob moved to adjourn, Gary seconded. Vote 3-0, passes at 10:05.

NEXT MEETING: OCTOBER 12, 2011 AT 6:30 PM

Minutes approved October 19, 2011, by a vote of 3-0.

Gary Brown, Secretary.10/19/11