

**VEAZIE SEWER DISTRICT
JULY 11, 2012 – MINUTES
6:30 P.M.**

Attended by: Chair Rob Tomilson, Trustee Gary Brown, Trustee Jim Parker, Supt. Gary Brooks, Tammy Olson, and members of the public.

- 1) Call Meeting to Order – Rob called the meeting to order at 6:30 p.m.
- 2) Consider Meeting Minutes of June 13, 2012 and Annual Meeting June 20, 2012 – Gary moved to accept the minutes of June 13, 2012 and the annual meeting June 20, 2012 as written; Rob seconded. Vote 2-0, passes. Jim abstained.
- 3) Review Agenda – There were no changes to the agenda.
- 4) Executive Session per 1 M.R.S.A. Section 405(6)(E) – Jim moved that they go into Executive Session per 1 M.R.S.A. Section 405(6)(E) to discuss pending/contemplated litigation with the District's attorney; Gary seconded. Vote 3-0, passes at 6:32 p.m. Jim moved to come out of Executive Session in accordance with 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 7:42 p.m.
- 5) Executive Session per 1 M.R.S.A. Section 405(6)(E) – Jim moved that they go into Executive Session per 1 M.R.S.A. Section 405(6)(E) for consultation with Trustees and the District's attorney; Gary seconded. Vote 3-0, passes at 7:43 p.m. Jim moved to come out of Executive Session in accordance with 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 7:56 p.m.
- 6) Bangor Hydro PLUS Program – Supt. Brooks reviewed the PLUS (Private Line Utility Support) program and described the poles that would be covered. He then reviewed the first issue we had in January where some insulators were damaged and described the repairs that were done. If the District participated in the PLUS program at a cost of \$660.00 per year, including the pump stations, we would be covered the same as if Bangor Hydro owned the poles. Rob asked how much money we have spent in the last 10 years, and Supt. Brooks said the District spent approximately \$750.00 in the last 24 years. Supt. Brooks added that the poles were handled differently by Bangor Hydro in the past and it's only been recently that we have had to pay. He said we do not have many issues, but it only takes one. Rob said he is not in favor of it because we have been basically self-insured and have spent as much as we would have for one year of insurance. Jim said he is in favor of taking the risk for another year. Supt. Brooks said that it only takes one blizzard to cost thousands and thousands of dollars. Jim asked Supt. Brooks to investigate our insurance coverage for catastrophes like that. There was some discussion on the trees near the poles, and Rob said we could cut them down. Supt. Brooks agreed but added that cutting the trees down would cost more than the insurance, and that the tree cutting is included in the insurance. Rob and Jim agreed to put it off until next year.
- 7) Audit/Auditor – Supt. Brooks said that it is time for our annual audit. Nick Henry from Horton, McFarland, and Veysey is scheduled to be here on July 19th if the Trustees want to continue with that firm. Tammy has confirmed with him that it is a real audit and that questionnaires were sent to a number of customers. Supt. Brooks reviewed how the

District ended up using this firm, and how Nick is more in-depth than our previous auditor. Jim said he knew our previous auditor through the Orono-Veazie Water District. The cost of the audit was discussed along with policies on high-cost items. Rob would like Nick to attend a meeting to present his findings. Jim moved to have Horton, McFarland, and Veysey do the audit this year at a cost not to exceed \$2,625.00, plus reasonable charges to come to a meeting; Rob seconded. Vote 3-0, passes.

- 8) Charter Changes – a) Boundary Expansion: Rob stated that we had a vote at the annual meeting to expand the District boundaries, and it passed unanimously. He added that we have the language for that already, so it is just a matter of submitting it to the Legislature. Jim asked if the boundary stopped at the interstate, and Rob said yes. Jim then asked about sewer assessments on American Concrete, and Supt. Brooks said the way our charter reads, we assess the Town and it is up to the Town how they collect it. b) Annual Meeting Date: Rob said the charter was originally specific about the annual meeting being held one week after the Town's annual meeting when the Town's meeting was in March. Supt. Brooks explained how and why it was changed. It was mainly done so that the District would not have to go to the Legislature for charter changes whenever the Town changed its charter. Rob said he would like to have it immediately after the Town's annual meeting. c) Election Process: Jim said he wanted to make the District election a ballot election like the Town. The District would have to either find a way to have a separate ballot for voters within the District or once again expand the boundaries to include everyone. Jim and Rob agreed that the process should be changed to a ballot vote. d) Other Changes To Consider: Supt. Brooks suggested dissolving the District. He explained how when the District was formed, the Town was run by three selectmen and the purpose of the District was to take that burden off the selectmen. He added that the Town has evolved since then. The assessment has been an issue for over a year, and if the Town ran the District, it would encompass all residents including those on Stillwater. The District is in good shape with only Oak Grove and a couple of other short runs left needing pipe replacement. If the District was dissolved, the Town would be getting a nice facility and the boundary issue would be resolved. Jim did not agree. The plant would not be the Town's top priority and too much debt would be passed on to the Town. He saw no benefit in turning the District over to the Town. Jim added that he wants to go up to \$35.00 for the debt retirement charge. The reserve accounts were briefly discussed. Jim said that we must have a rate increase or cut operational costs, and said that Supt. Brooks needed to come up with ideas for cutting costs. Jim mentioned looking at the District's equipment, the accrued vacation and sick time, and billing processes. Jim said that come January, the District is going to have to borrow money to pay its bills and Supt. Brooks said October. Jim asked how labor costs can exceed the operational budget, and Supt. Brooks explained that a lot of what other Districts and Town outsource – like mechanical work – we do in-house. Member of the public Todd Lynch stated that it is common for labor costs to exceed operational costs in a business. Jim said he would like to sit down with Supt. Brooks to discuss cuts. Member of the public Todd Lynch asked about conflicts of interest, such as with CES. Jim said he would withdraw from a vote related to CES but added that he has had nothing to do with CES for 2-1/2 years. Todd Lynch added that conflict of interest should be in the charter. Rob thinks it could be covered by statute, and Jim told him to add it to the charter change list. e) Annual Meeting Date, Continued: Jim would like the annual meeting to be the first regular meeting subsequent to the election to swear in officers. Rob added that citizens vote on the Town budget but not the District budget, and Jim said that's a tough one.

- 9) Elimination of 2013 – 2014 Assessment To The Town – Rob and Jim stated that they did not want the District assessing the Town. The ratepayers should pay. Rob said he wants to eliminate the assessment. Jim said that the biggest issue is to balance the books, whether through rates or the assessment. Rob said that the Trustees have nine months to work on it. Jim said he is not ready to vote on it yet.
- 10) Personnel Policy Changes – a) Vacation/Comp Time: Supt. Brooks said that the maximum accrual of sick time is 120 days, which is typical to municipalities and districts. Jim said the Trustees need to revisit these policies and reduce how much is accrued, and added that what's been done to date cannot be taken away. b) Insurance: The District currently pays 100% of full-time employee health insurance. Jim said that the Orono-Veazie Water District pays \$51,000.00 a year toward employee health insurance while the employees pay \$56,000.00. He added that the District should shop around as it may be paying more than it should for health insurance. c) Jim said there is \$43,000.00 in accrued liabilities and said we should have a reserve account; both Supt. Brooks and Tammy agreed. Jim said that if an employee left now, the accrued liabilities might have to be paid over 10 years. Jim asked Supt. Brooks to look at comp time and insurance to find something fair to the employees and fair to the Trustees. Rob said he would like to find a happy medium between a rate increase and cost reductions.
- 11) Buck Hill Gate – Supt. Brooks asked Barney Silver about installing a gate and Barney had no problem with it. The work will be done in-house and the materials will be about \$260.00. There was some discussion on past problems and complaints. There was a brief discussion on chain being cheaper, but that a gate would be better. Jim and Rob agreed that the gate should be installed. Supt. Brooks said it should be up within three weeks.
- 12) Public Information To Website – Rob said that Tammy did a great job on the website and that it is much better than the old website. He wants to use it to share as much information as possible. Supt. Brooks and Tammy asked for examples of the type of information Rob would like to share, and he said audits, the personnel policy, job descriptions, Trustee packets – as much of that type of information as possible. Jim said that the District has to be careful with personnel information, and Supt. Brooks asked for and was given permission to check with the attorney on that. Supt. Brooks said this would require a scanner and more time for Tammy.
- 13) Freedom of Information Update – The Trustees were asked for clarification on what types of information requests should be covered in this agenda item. Jim said routine billing questions can be handled by staff. Rob said this was more for things like requesting a copy of a contract. Supt. Brooks updated the Trustees on a request for a copy of his contract from Nick McCrea. Nick had requested it before the final contract arrived. After the final contract arrived and was signed, Supt. Brooks left a message for Nick stating that he could get a copy at any time by coming in and signing a receipt. To date, the District has not heard back from Nick.
- 14) Review Legal Invoices – Rob questioned how Eaton Peabody does their invoices. Jim pointed an item out on one invoice that he believed belonged on the other invoice. Jim moved to authorize payment contingent on getting that invoice fixed; Rob seconded. Vote 3-0, passes.

- 15) Chase Rd. Sewer Issue – Supt. Brooks described the sewer issue. The homeowner has a pump in her septic system tank. At some point, the pump stopped working but the alarm for it did not go off. The homeowner believes this problem has been going on for 4-1/2 to 5 years, Supt. Brooks thinks the problem has been going on for less than a year. He added that it would be approximately \$230.00 if she was abated for one year of bills. Jim did not agree with any abatement, adding that it is the homeowner's responsibility to operate and maintain pumps. Gary agreed that an abatement should not be given. Jim moved to not allow an abatement; Gary seconded. Vote 3-0, passes.
- 16) Superintendent's Report – a) The facility is running well now that the rain has subsided. We did have an E. coli violation after receiving over 3.5" of rain on the days leading up to the violation. Supt. Brooks explained disinfection and how we are not using any chlorine right now. Typically we use 3/4 gallon per day; on the day of the violation we were using 4 gallons. There was further discussion of the violation and the disinfection process. Supt. Brooks added that it has been years since the last E. coli violation. b) A blower that was down is now back up and running. It was repaired in-house. Two years ago it cost \$720.00 for labor to have Sargent Corporation do a rebuilt; we have rebuilt two blowers since in-house. c) The DEP is proposing total phosphorus limits. As a Class B river, our limit would be 30 micrograms (parts per billion). Testing for this would have to go out to a lab. At Jim's request, Supt. Brooks provided him with the paperwork and Jim said he would see what he could do in Augusta to help. d) At the last council meeting, Supt. Brooks thanked Town Manager Joe Hayes and Fire Chief Gerry Martin for the great work they did for our annual meeting. Rob said the Trustees could also send a letter, and Supt. Brooks thought that was a good idea.
- 17) Other Business – a) The Trustees each received a copy of a letter from Brian Perkins that Supt. Brooks received Tuesday morning. Jim said he understands that Brian is upset, and will have a letter from the Attorney General within a week. Jim further described the Legislative process. b) Gary said that he asked Rob a question at the annual meeting but has not yet received an answer, and said that he would like an answer tonight. Rob asked what the question was, and Gary said it was about the email list – where he got the list, who was on it, and how he chose what names the email went to. Rob said that was his personal business. Gary said that Rob is screaming transparency, and that it is public information because he signed the email as a Trustee of the Veazie Sewer District. Rob said that if Gary got the email then it has the addresses in it, and Gary said it did not because everything else was BCC'd. Gary asked if Rob was going to answer him, and Rob said no. Gary then said he would file a Freedom of Information Act request because Rob sent the email as a Trustee. Rob suggested that the email could be sent out as a public newsletter to every ratepayer in town. Gary said that would be fine if we straighten out the information in it. c) Supt. Brooks asked Jim about how he should handle the packet for the next meeting, and Jim said it should not be a problem. d) The Trustees decided to have the August meeting.
- 18) Adjournment – Jim moved to adjourn at 10:02; Gary seconded. Vote 3-0, passes.

NEXT MEETING: AUGUST 8, 2012 AT 6:30 PM