

**VEAZIE SEWER DISTRICT
SEPTEMBER 12, 2012 – MINUTES
6:30 P.M.**

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

- 1) Call Meeting to Order – Rob called the meeting to order at 6:28 p.m.
- 2) Consider Meeting Minutes of August 8, 2012 and Emergency Meeting Minutes of August 13, 2012 – Jim said that about six lines down in the August 8, 2012 minutes should be “deferred charges.” Gary moved to accept the Meeting Minutes of August 8, 2012 and Emergency Meeting Minutes of August 13, 2012, Jim seconded. Vote 3-0, passes.
- 3) Review Agenda – a) Gary asked about conducting District business via email. Jim asked for clarification, and Gary said mails discussing actual details that he believes are illegal meetings. Gary added that he is being left out of these emails, and that he has requested they be sent to his personal email address. Jim said he didn’t have that email address, and Gary gave it to him. Gary said one item of business discussed outside of meetings was who would meet with Fred Costlow. Jim said he never met with him, but then said he did meet with him and Tammy before mediation. Gary asked why only one Trustee met with him, and Jim said he was authorized at the last meeting. Gary then asked why Rob was authorized to ask for a \$60,000 advance on the assessment from the Town but then went to the council and asked for \$75,000. Rob said \$75,000 was discussed at the last meeting and Gary disagreed. Gary added that he felt there was not a full board, that the other two Trustees were running the whole show. b) Rob added the note from former superintendent Brooks to the agenda as item 6a.
- 4) Executive Session per 1 M.R.S.A. Section 405(6)(E) to discuss pending/contemplated litigation with the District’s attorney – Jim moved to go into Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 6:35 p.m. Jim moved to come out of Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 7:08 p.m.
- 5) Executive Session per 1 M.R.S.A. Section 405(6)(A) to discuss a personnel matter – Jim moved to go into Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 7:09 p.m. Jim moved to come out of Executive Session per 1 M.R.S.A. Section 405(6)(A); Gary seconded. Vote 3-0, passes at 8:46 p.m.
- 6) Executive Session per 1 M.R.S.A. Section 405(6)(A) to discuss a personnel matter – Jim moved to go into Executive Session per 1 M.R.S.A. Section 405(6)(E); Gary seconded. Vote 3-0, passes at 8:47 p.m. Jim moved to come out of Executive Session per 1 M.R.S.A. Section 405(6)(A); Gary seconded. Vote 3-0, passes at 9:10 p.m.
- 6a) Brooks letter – Former superintendent Brooks requested his accrued vacation time and accrued sick time. Gary moved to pay owed vacation per MRSA section 626 in the next scheduled payroll and to authorize the chair to work with the office manager to confirm

vacation time owed; Jim seconded. Vote 3-0, passes. Gary moved to pay owed sick time in the next scheduled payroll immediately following the receipt of the assessment from the Town and to authorize the chair to work with the office manager to confirm sick time owed; Jim seconded. Vote 3-0, passes.

- 7) Discuss with Nick Henry of Horton, McFarland & Veysey On Preparing a Rate Structure Proposal – Nick said he put together two projections regarding District finances. He said the District needs to establish how much it wants to set aside in reserves and what it wants to pay employees to nail down some accurate projections. Nick asked how soon the Trustees wanted the rates increased, and Rob said January 1. Jim would like Nick to evaluate the reserve accounts to figure out what is necessary, and would like the rate structure to fund them. Jim would like the debt retirement fee to cover the debt service fee. Jim would also like to see what would happen to the rate structure if the District no longer assessed the Town, and added that we might not want to do that. Nick said the big thing is to nail down the expense projections. Depreciation was discussed, and Nick said that is not built into the current rate structure. He asked if the Trustees wanted to build in depreciation or to continue to use reserve accounts. Rob asked what other Districts do, and Nick said many use their depreciation number. Per Rob's request, Tammy explained how debt retirement units are calculated for commercial ratepayers and apartment buildings. Jim would like an outline from Nick, and added that he thinks Nick's preliminary projections are low. Nick said that projections are easy once we know some basic information. Jim said they are not going to replace a \$75,000 a year employee with a \$25,000 a year employee. Nick said his projections were based on three employees and asked if there would be more than that. Jim said maybe not more, but the fee that some of them are earning will change or they may be replaced by someone that is more expensive. He added that it's not a matter of more employees but who we need for employees. There was discussion on the timeline of the public hearing and the rate increase. Jim moved to authorize Nick to start preparing spreadsheets and to come to the next meeting to present; Gary seconded. Vote 3-0, passes.
- 8) Discuss Hiring a Consultant to Prepare a Manpower Outline and Salary Guidelines – Travis showed the Trustees the completed Northeast Guide for Estimating Staffing at Publicly and Privately Owned Wastewater Treatment Plants. Jim would like to hire someone to come in and take a good hard look and come back with recommendations. Rob thought that was a good idea. Rob asked Travis how it was going, and Travis said down the road there could be issues with not having enough time. Jim suggested contacting Maine Water Works. Jim moved to authorize Travis to contact them and ask them if they can provide us detail for this plant or recommend one or two other consultants that can do it; Gary seconded. Vote 3-0, passes.
- 9) Discuss Line Of Credit With Key Bank – Jim said he provided projections to Key Bank but they still turned us down. He added that Maine Bond Bank did not sell our loan on the market so they may be able to make adjustments. He will know tomorrow if they will be able to extend out October 1 payment to January 1. If not, the payment will be due in November. Rob said that he was approached by a private citizen who offered private money as a backup. Rob prefers not to borrow money from citizens but the offer was made. Jim didn't think that was a good idea, and said he would like to hear from the Bond Bank and then authorize looking at other banks. Gary agreed that the District

should give the Bond Bank a chance. Gary moved that Jim work with Tammy to deal with Maine Bond Bank and work with local banks to see who is willing to work with us; Jim seconded. Vote 3-0, passes. Jim moved that once we complete contacts with banks that Gary and Tammy can file the necessary applications; Gary seconded. Rob amended the motion to add that if we establish a line of credit with a bank that we moved our deposit accounts there. Vote 3-0, passes.

Gary asked who is talking with Key Bank because he was curious about the statement Michael Chamberlain made about all of the reserve money being spent on raises and management turning over as a result. Jim said he did not make that statement, and Gary said someone had to tell it to him. Jim said Tammy sent him the information. Gary pointed out that there were falsehood and potential libelous statements there. He then asked Rob if he spoke to Key Bank, and Rob said he did not. Jim said Tammy sent them the information and he followed up on it. Jim said someone typed up that information, and asked Tammy if she knew who sent it to him. Tammy said that Michael Chamberlain told her they needed a statement of why we needed the loan, and a list of our top ten ratepayers. Mr. Chamberlain said all he needed from Tammy was the list of top ten ratepayers and the amounts they paid.

Member of the public Brian Perkins said that it was no wonder Key Bank did not approve the loan when they were told the District spent all its money on raises. Jim added that Key Bank had the last three years of financial statements of the District, and that if they can read those then they don't need any additional information from anybody. Gary said his point was that this was the information Mr. Chamberlain took to his underwriters and someone gave it to him. Jim again said he did not know who told Mr. Chamberlain that.

- 10) Discuss Newsletter to Rate Payers – Jim would like to see a newsletter go out to ratepayers. Tammy can draft something and it can go out with the next bills. Items to cover include who is running the plant and is it being run effectively. Tammy can present the draft to the Trustees. Rob would also like a newsletter. Jim moved that we send out a newsletter in the next billing statement; Gary seconded. After some discussion, it was decided that if the bills were sent out early then the newsletter could be sent separately. Vote 3-0, passes.
- 11) Discuss Sending Sewer Bills Out Early – Rob wanted to discuss sending out bills early to help with the cash flow. Jim asked Tammy if she had the water meter readings and she said that she did. Jim asked how early they could be sent out, and Tammy said two weeks. Rob asked about what money that could bring in, and Tammy reviewed the revenue from last October. She said that the District received about \$20,000 last year shortly after bills went out, but added that most of those early payments come from people on fixed incomes who get their bills on the first of the month and pay them on the first of the month. Tammy added that a concern is that it would cause a lot of concerns from ratepayers who have been getting them at the same time for 20+ years. Jim said that if the Bond Bank will work with us, they could go out on their normal day or a few days early. Tammy added that would save at least \$250 in postage if we could include the newsletter in the bills.

- 12) Buck Hill Gate Update – Travis said the gate is pretty much done with the rocks and reflective tape up. Rob said they did a good job. Travis said they already had to fix it once because someone hit it.
- 13) Freedom of Information Update – Attorney Jon Pottle described some changes to the FOIA law and said he will provide a copy of the new law to the District office.
- 14) Review Legal Invoices – Tammy said there was one tabled from the last meeting, and Jim said he would like to leave it tabled until the next meeting.
- 15) Treasurer’s Report – Jim said the report provided tonight had enough detail but in the future he would like to see the current year compared to the previous year. There was some discussion on how the November 1 Bond Bank due date should work if we are unable to get it extended to January.
- 16) Superintendent’s Report – a) Our license is up for renewal and Travis sees no issues. We are waiting to hear back from the DEP. b) Travis provide a key to the Buck Hill gate to Police Chief Mark Leonard. c) Travis spoke to Tanya at the DEP and is now set for signing the state report. He sent his first one in. d) There was an alarm at the Buck Hill pump station reported to the Veazie police. The call came in at 11:16 p.m.; Travis responded and was home about 2:00 a.m. The pump station seems to be fine now. Rob asked if the pumps auto start with a power outage and Travis said yes. e) We are still having a problem with the Buck Hill pump station communications, even with the new antenna. The District’s electrician recommended getting an evaluation from a radio company. Travis looked into it and got two estimates. He recommended Whitten’s, which was the lower estimate at \$150 and because they know our systems. The Trustees agreed. f) The plant is running great with no violations.
- 17) Other Business – a) Rob asked about warrants, and Tammy had them ready to circulate. She added that there will be another batch at the end of the month as the Trustees did agree to every other week. b) Gary asked about the legality of Jim sitting on the board and how Jim had said at his first meeting that he spoke to the Attorney General’s office and would have a letter within a week. Gary added that he has not seen the letter. Jim said they wouldn’t write a letter but that he gave the name of the contact. Gary said that the Attorney General – when asked a legal question about a sitting board member – doesn’t have time to write a five-line letter. Jim said he didn’t ask for a letter. Gary asked if he talked to him, and Jim said he talked to her, not him. Gary added that he is going to ask this at every meeting, and Jim said he would get the same answer.

Member of the public Joan Perkins asked if she could make a comment, and Rob said she could even though it was not part of the agenda. She said she is concerned because the minutes that were approved this evening authorized the Trustees to ask the council for \$60,000 to help with the financial situation but she was at the meeting where the District Chair asked for \$75,000. She said there wasn’t an explanation as to why the amount changed, and after hearing Trustee Brown’s concerns about illegal meetings and business being conducted by one or two members of the Board, she would like to express her extreme concern with the behaviors of the Board if that is indeed what is happening. She would like an explanation for the change of \$60,000 to \$75,000. Rob said that \$60,000

was the number Nick provided as the exact amount needed to make the Bond Bank payment. He said that part of the discussion was to increase the amount to \$75,000 to have extra money for payroll and such. Joan Perkins pointed out that she was at the meeting where \$60,000 was discussed and that the Trustees voted tonight to accept the minutes that showed a vote for \$60,000. She thanked the Board for letting her speak.

Town Councilor Brian Perkins said that he was asked by Mr. Tomilson for \$75,000 and that tonight he found that the Trustees agreed to ask for \$60,000. He added that he does not get a good feeling about the legitimacy of what you really need. He said he will walk away confused about what you need to run the District. Jim added that Nick suggested \$50,000 and that they then agreed to \$60,000 because \$50,000 would just break us even, and that the Trustees voted on \$60,000. He added that he was not at the council meeting so he does not know what the council was asked for. Councilor Perkins said the Chair asked for \$75,000. He added that the Board just authorized \$2,000-\$3,000 for a rate study and he has no idea how much a manpower assessment by a consultant will cost.

18) Adjournment – Jim moved to adjourn, Rob seconded. Vote 2-0, passes at 10:21.

Minutes approved October 15, 2012, by a vote of 3-0.

Gary Brown, Secretary. 10/15/12