

**Brandon Board of Sewer Commissioners
May 19, 2014-REVISED**

NOTE: These are unapproved minutes, subject to amendment and/or approval at the subsequent board meeting.

In Attendance: Maria Ammatuna, Ethan Swift, Blaine Cliver, Dave Atherton, Devon Fuller

Also in Attendance: Robin Bennett, Anna Scheck, Richard Baker, Cindy Bell, Jeff Stewart, Dick Kirby, Lee Kahrs, Michael J. Balch, Janet Coolidge, Phyllis Reed, Sue Gage, Joe Ammatuna, Judy Bunde, Stephen Cijka, Doug Bailey, Dawn Bailey, Brian Sanderson, Kathy Rausenberger & Wayne Rausenberger and Jack Fillioe..

The meeting was called to order at 8:45 PM Chair – Maria Ammatuna.

1. Call to Order

a) Agenda Adoption – Motion by David Atherton/Ethan Swift to adopt the agenda as presented. **The motion passed unanimously – 4 to zero.**

2. Consent Agenda

a. Sewer Commissioners Minutes –April 28, 2014

Motion by Dave Atherton/Devon Fuller to approve the Sewer Commissioners' minutes of April 28, 2014. **The motion passed unanimously – 4 to zero.**

3. FY 14/15 Budget

Robin indicated that she gave the board a chart that shows the current fees with the revenues at the top. She stated that for the most part we back into the rates through as far as the revenues are concerned. We know what the budget needs to be and that we have certain streams of revenues that come in at certain times.

Maria asked that Robin explain the base fee.

Robin stated that the base fee is what every customer pays so it is the minimum bill but fees that are usually used for debt service. She said that the minimum bill is currently \$45.00 or \$90.00 per year which is based on a minimal usage of \$5,000 gallons. She said that there would be a charge beyond that for anything over the \$5,000 gallons.

Maria stated that it appears the minimum fee would be decreasing in the proposed budget with the base fee staying the same.

Robin said that the base fee would stay the same but the usage rate would go up.

Ethan stated that it appears that the revenues in the current year have gone down.

Robin said that the second billing would not occur until August and would be backed into the current year.

Robin stated that we haven't been charging the correct fees for some time and we currently have a cash flow issue. In order to accommodate all of the expenses we should be charging for we would need to raise the rates.

Maria asked about the administrative service fees being raised from \$7,000 to \$20,000.

Robin stated that she went through the exercise of calculating the real cost and it should be about \$91,000 but we are starting at the \$20,000 figure. She also stated that the \$47,500 for the capital improvement plan would begin to set up a reserve to pay for equipment replacement. She stated that the reason this amount was chosen was because we currently need to replace a piece of equipment and that would be the cost. Roughly, this is about 1/3 of what we would need to replace the other equipment.

Maria asked about the budget of \$10,000 for engineering fees and if that was to study the wastewater plant regarding upgrades.

Robin stated that it could be used to work with the Fire district in doing a thorough rate study and possibly setting up a different rate structure.

Maria asked if there had been an evaluation of the plant and equipment which would indicate which items were at the end of their life.

Steve Cijka stated that a study was completed a number of years ago and again in 2005. He stated that at that time 3 influent pumps were replaced along with 3 recycling pumps and 4 chemical pumps. He said that beginning this year some items will need to be replaced and rebuild or replacement pumps could cost about \$5,000 apiece. He said that a lightning strike could burn the pump out and repairs would be about \$2,000.

Brian stated that the plant was built 75 years ago so it is reaching its' life expectancy.

Maria asked where we were on debt service.

Robin stated that we had refinanced some of the debts, specifically 2 bonds and we are going to be retiring a number of debts. She also stated that one of the sewer improvement bonds would be retiring this year and would need to pay \$52,235 next month.

Maria asked if we didn't have enough funds because of collections.

Robin stated that collections were part of the issue. She stated that she is proposing that we borrow funds from the general fund and doing a due to/due from and paying it back when we get the money in.

Maria asked about the new debt service of \$81,600.

Robin stated that if we get the line of credit we could pay the \$52,235 back to the Town and also do the repairs needed on Middle Road. She stated that we have general fund money to borrow because the tax payments have come in and we will be going forward with collections.

Ethan Swift/Blaine Cliver made a motion to approve the budget as proposed. **All were in favor.**

Maria Ammatuna requested the Town Manager keep the Board informed on where we are on the 20 year study in the future.

4. Sewer Rates

Maria asked about the increase in rates.

Robin stated that the base fee would stay the same at \$75.00 per billing. The minimum is currently \$90 and would go up to \$144.40. That is at the high end of the estimation and the rate could be less based on the expenses.

Maria asked when the last rate increase was.

Robin indicated that the last increase was August of 2013.

Ethan stated that the average bill would go up by 17% to \$144.40.

Blaine made a motion to set the rates at a not to exceed the \$75.00 base fee for ½ year and a minimum of \$72.20 for the minimum bill for ½ year with the usage fees of \$14.67 per thousand gallons.

There was discussion of restructuring of the rates to a tiered system which may include charging different rates for commercial and residential in the future.

Robin stated that this was the reason for the rate study which would include a rate restructure. She stated that typically minimal fees are based on meter size. She stated that the typical meter would be ¾ inch for residential while commercial meters would be 1 to 2 inches.

Blaine Cliver/David Atherton made a motion to accept the billing rates as presented. **All were in favor.**

5. Debt Service

Robin stated that the Bond for \$52,235 needs to be paid in June. If we receive the line of credit we could address payment of this loan as well as repairs to Middle Road. We are also looking at the Lake Sunapee line of credit which would be rolling over and would need to pay that down.

Robin said that Sue has been working with the bank to extend the line of credit and that the rates would address repayment of this. We will need to retire this line by the end of the next fiscal year.

Robin stated that now that we have approved budget we will be able to move forward with the obtaining the line of credit.

Sue Gage stated that if we turn the line of credit into long term debt we will need to go to the voters for approval. We would be financing the line of credit through Middlebury Bank but will need to set up a plan to pay this off.

6. Middle Road Repair

Robin stated that we received four bids for the middle Road repair ranging from \$26,154 to \$92,491. She stated that of the four bids received Gecha Bros. was the lowest but there had been a problem with the original bid in that some of the items had been left out. When this was realized they came in with the \$26,154 bid which was still the lowest.

Motion by Blaine Cliver/David Atherton to contract with Gecha Bros. in the amount of \$26,154 to repair the sewer line on Middle Road. **All were in favor.**

Maria asked that a letter received from a sewer user be entered into the minutes.

Motion by Devon Fuller/Dave Atherton to adjourn the Board of Sewer Commissioners meeting at 9:15PM. **The motion passed unanimously-4 to zero.**

Motion by Devon Fuller/Dave Atherton to adjourn the Board of Sewer Commissioners' meeting at 7:15PM. **The motion passed unanimously - 4 to zero.**

Respectfully submitted,

Anna Scheck
Recording Secretary