

**Brandon Board of Sewer Commissioners Meeting**  
**May 27, 2014**  
**7:00 p.m.**

The Brandon Board of Sewer Commissioners will meet Tuesday, May 27, 2014 immediately following the Select Board Meeting to begin at 7:00 p.m. at the Brandon Town Hall located at 1 Conant Square expecting to consider the items noted on this agenda. Agendas shall be posted on the community bulletin board located next to the Town Office on Center Street, on the community bulletin board located between Dave's Grocery and the Forest Dale Post Office and the bulletin board at Lake Sunapee Bank. The Select Board reserves the right to add additional items, if necessary, at the beginning of the meeting.

- 1) Call to Order
  - a) Agenda Adoption
  
- 2) Consent Agenda
  - a) Sewer Commissioners Minutes – May 19, 2014
  
- 3) Fiscal
  - a) Line of Credit
  
- 4) Adjournment

**Brandon Board of Sewer Commissioners**  
**May 23, 2014**

**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.

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**

Maria advised the Board that Robin had provided the Board with the proposed FY 14/15 wastewater budget in the packet.

Robin stated that the document shows the current fees and revenues a on the top section of the budget. We would back into the rate through the budget to determine the revenue.

Maria asked Robin to explain the rate structure.

Robin stated that the base fee is what every customer pays and typically it covers debt service. Currently the minimum is \$45.00 per billing or \$90 per year. This is based on the minimal usage of 5,000 gallons. If the usage was above that there would be additional charges of \$9.00 per thousand. If the customer uses 1,000 gallons the minimal charge would still be \$45.00.

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

Robin stated 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 stated 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 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<sup>rd</sup> 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 waste water 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 in 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 that rebuilt 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 was 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 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 raise 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 increase to rates was.

Robin stated that the last increase was August of 2013.

Ethan stated that the average bill would g 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 a year and a minimum of \$72.20 for the minimum bill for ½ year with usages 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.

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

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

Sue 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 \$26,100 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 that came in with the \$26,100 bid which is 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.**

Blaine Cliver/David Atherton made a motion to authorize Robin to sign the contract with Gecha Bros. **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 9:15 PM. **The motion passed unanimously - 4 to zero.**

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Respectfully submitted,

Anna Scheck  
Recording Secretary