

**TOWN OF OLD ORCHARD BEACH
TOWN COUNCIL WORKSHOP
Wednesday, April 4, 2018
TOWN HALL CHAMBERS**

A Town Council Workshop of the Old Orchard Beach Town Council was held on Wednesday, April 4, 2018. Chair Thornton opened the Workshop at 6:30 p.m.

The following were in attendance:

**Chair Joseph Thornton
Councilor Kenneth Blow
Councilor Jay Kelley
Councilor Michael Tousignant
Town Manager Larry Mead
Assistant Town Manager V. Louise Reid
Chris White – Waste Water Superintendent
Diana Asanza – Finance Director**

Absent: Vice Chair Shawn O'Neill

The presentation this evening is the 2019 fiscal budget request from the Waste Water Dep

The Town Manager noted that the Superintendent keeps on top of issues at the plants and that he has a very excellent staff.

Discussion of the operating budget included the following with no questions being asked:

50101, 50106 and 50108 – full time and seasonal wages increased \$7,900 (2%) to reflect cost of living adjustment.

50111- Overtime Wages increased \$4,000 (15.4%) reflecting the experience of expenses in FY17 and the current fiscal year to date (FY18). Overtime covers the cost of required weekend and holiday coverage and unplanned call-in events.

50305 – Laboratory Services Expense increases \$2,900. In FY19 there are two State required testing protocols taking place that are related to the Facility's State permit. This expense will not be repeated in FY20.

50310 – Service Contracts Expense increased \$2,105 (12%). There is a one-time increase for SCADA software updates that will not be repeated in FY20. Service Contracts: bathrooms went up \$25 weekly. They now charge \$123 weekly. SCADA covers 1.5 years and will go back down in FY 20 to the normal amount of \$2,800.

50330 – Equipment Replacement Expense – This increased by \$1,500 (1.7%) and the details are provided below:

The Council went over the Operating Budget and there were few changes to it. The one that was spent time on was the Equipment Replacement Line – 50330 – but there were few suggestions for change when it was presented:

Replace hoist in the sludge bay - \$15,000
Replace outdoor fuel tank - \$10,000
Add steel plates to roll off bay - \$10,000
Replace two golf carts - \$10,000.
(Instead of using a vehicle it is more cost efficient and also more economical to use the golf carts than a regular vehicle.)
Replace heaters at West Grand Pump Station - \$10,000
Replace host at the West Grand Pump Station - \$7,200
(Current one is malfunctioning.)
Purchase MIG Welder for Aluminum Fabrication - \$7,000
Spare Pump for Ross Road Pump Station - \$5,000
Replace actuators on aeration tank valves - \$5,000
Replace VFD's on yard drain pump - \$4,000
(Needs new panel with VFD's)
Replace heater in the process building - \$3,000
Replace incubator in the lab - \$2,400
(Older – water – looking for air and waiting for auctions to happen.)

The question was asked why there was no funding for Account 50336 – Equipment Rental – and the answer was that if this need did arise which is not often, funds could be taken out of Account 5330.

50342 – Waste Pumping Expense decreased \$5,000 (33%) – based on the FY17 and the FY18 year-to-date experience.

50401 – Water Expense increased \$800 (30%) based on estimates from the Maine Water Company.

50402 – Phone Expense increased \$700 (15.5%). There was a new line added to monitoring of the facility through the SCADA software.

50450 – Building Repair/Maintenance Expense decreased \$12,000 because for FY19 unanticipated costs will be covered as needed from Operating Equipment Repair.

50452 – Operating Equipment Repair Expense increased \$5,000 (12.5%).

50501 – Operating Supplies Expense – increased \$75,000 (14%). The cost of hypo-chloride and polymer has increased by 10% and the newly completed odor mitigation operation in the process building requires the use of an estimated 45,000 work of permanganate.

50510 – Fuel expense decreased \$1,500 (15.8%) based on actual expenses over the past two budget years. The question was asked what we pay for oil and it was indicated it is the same as the Town as we go through the Town's account.

Rental expense account not budgeted for FY 19 because this was for fencing that we have never had to pay for. That's why we didn't budget for this.

Proposed Wastewater Administration Building

An enormous amount of time was spent on discussion of the new Wastewater Administrative Building.

3,375 square feet

\$1,350,000

\$400 square foot

Current Building

Built in 1960's. The original purpose was for processing and dewatering; for chemical storage; and as a garage.

In 1996 the Dewatering function was relocated and it was made into administrative offices and lab added.

It now serves four functions as the administrative office including the laboratory; a garage for vehicle and tool storage; chemical storage; and a half-way pump station.

There are existing building concerns including proximity of water lines to electrical panels (code); garbage bays not properly vented (code); Floor drains to pump station emit odors in administrative offices; administrative area was converted from dewatering operation and done "in house; Building contains 4,000 gallons sodium hypochlorite. Current storage does not meet requirements due to mixed administrative use. Costly and difficult to bring into compliance; Asbestos present in the building; no building ventilation; laboratory not in compliance due to air handling/quality; and no separate accommodations for men and women; location of pump station makes reuse of building for administration needs prohibitive; Currently administrative shared space functions as conference room, training room, lunch room, break room, etc.; Laboratory function non-compliance in multiple respects; storage area, counter space, ventilation; and Making building assessable is impractical and cost-prohibitive.

A new Administrative building would address health and safety concerns in existing building; relocates administrative and lab functions ahead of anticipated major upgrade to facility minimizing disruption to operations. Three offices, Laboratory, Conference/training room, Controls Room, Male and Female locker/bathrooms; and break/lunch room.

There was discussion about the mezzanine which in the architecture plan is a raised platform that is independent of a building structure and is supported by columns. Mezzanine flooring can create additional floors of space for a variety of different uses including storage or extra bathroom or office space. Mezzanine floors are very quick and cost-effective way to create new space without the expense and inconvenience of relocation.

These changes require Voter approval; a ten year bond; and first principal payment in FY20.

Town Manager's Recommendation:

The Department Head recommended a Fiscal Year 2019 budget of \$1,067, 264 and the Town Manager recommended a budget of \$1, 056,488; a reduction of \$10,776; reflected in a reduction in Water expense and Vehicle Fuel expense.

Solid Waste Expense

Both the Town Manager and the Department Head requested the budget the same of \$662,500, a 1.5% increase.

The Superintendent made an excellent presentation to the Council as included in his justifications.

In discussion of the seasonal employees for 400 hours at \$15 – 20 hours a week, it was noted they will do weed-whacking, mowing the entire facility, assist the staff with non-skilled work to back fill for vacation of employees during the summer such as cleaning of the interior buildings. Overtime will also cover removal of snow. Comp time is offered to defray Overtime Costs.

Per the contract the employees are paid regular overtime:

6 hours X 52 = 312
Plus 12 holidays X 3 = 36
Average wage is \$22.50

Snow storms – person on call is responsible for keeping yard open. 4 – 6 and they plow.

Lab test – in FY 19 extra testing is required after July and in 2019 another one in first half of year. Mandatory testing is \$1,500 each.

Plant Water System Upgrade:

That will replace the water system throughout the entire facility. This project may fall under the Efficiency Maine guidelines where they will provide 50% of the cost of this project. We will not know this until later in the spring but hopefully before June 1st.

The question was asked if we have pumps that are interchangeable. Christ indicated No – rarely are pumps interchangeable. The question was asked what we would be using the \$27,000 left in the budget. It was indicated it would be used by the end of this month.

CIP REQUESTS

The Waste Water Department has requested for 2019 in this order, in the amount of \$875,000.

Replace West Grand PS Grinder - \$60,000
Replace Grinder at Halfway PS - \$30,000
Replace Halfway PS Pump - \$25,000
Replace Facility Water System - \$266,000
Replace Mixing System in the PSHT - \$181,000
Demolish, backfill and cap old clarifier - \$248,000
Mezzanine for ESB - \$35,000

Pave paths at WWTF - \$30,000

The total projected CIP request for years FY2019 through FY28 is \$1,880,000. There will be a Spring Workshop with Council to discuss what needs to be done to current functions in the administration building. The Superintendent will fine tune the request for approximately \$1.6 million which might be a high amount for consideration. The question was asked where the Central Electrical Panel will be located – at the Halfway Pump Station or Chemical Storage.

The timeline for the vote will consider a council vote, a referendum and then the schedule for the Wastewater project. The Superintendent is to ask Wright Pierce for a smaller building by removing one of the offices and possibly making some other areas (storage) smaller. With the replacement of the facility water system for \$266,000 – this project will save on electricity. A piece of equipment will need to be building and the pump motor Control system will be in the process building.

One of the concerns is that pricing not change from what was discuss this evening. Consensus from the Council was to revisit and getting additional information as to what the \$1,350,000 will get us.

Councilor Blow mentioned that we should ask about increasing the length or sides of the building (not width) and the cost should be nominal. It is not the same as increasing both length and width. It was suggested we should look into this with Wright Pierce. We could look at an 80 or 85 X 45.

Plan Water System: This project is an efficiency project and may be a potential project eligible for rebates through Maine Efficiency rebates of up to 50%. The Superintendent will work with Wright Pierce to confirm this and get back to the Council by June of this year. The Town Manager will recommend Water System if Efficiency Maine rebates is allowed. This upgrade will fit in with future upgrades. The Halfway Pump and Grinder are currently in the administration building and there are no spare pumps for this one. The West Grand Grinder is bigger than Halfway and should be replaced every 5 years and it can take up to 12 to 16 weeks to get it after it is ordered. The Sewer Connection Fund – current balance is over \$800,000 and can be used for the pumps and the grinders. We can look at this for upgrades as well or to assist with future bond payments.

Below is the Sewer Reserve Fund, expenditures and revenue and the balances as of March 31, 2018.

Balance as of 3/31/2018 = \$866,559.86

| Sewer Reserve Fund | Expenditures | Revenue | Balance at June 30 |
|--------------------|-------------------|-------------------|--------------------|
| 2014 | | 148,685.00 | 534,243.02 |
| 2015 | 45,175.00 | 188,437.50 | 677,505.52 |
| 2016 | 57,771.79 | 100,315.00 | 720,048.73 |
| 2017 | 18,589.12 | 117,421.25 | 818,880.86 |
| 2018/9 | 14,716.00 | 62,395.00 | 866,559.86 |
| | 136,251.91 | 617,253.75 | |



Wastewater Treatment Department

The wastewater department is responsible for the maintenance and operation of the pollution control facility and eight (8) remote pump stations. The maintenance and operations departments are required to have working knowledge of each other's general duties. The Department Foreman oversees all maintenance duties and is second in charge during the temporary absence of the Superintendent. The Chief Operator oversees all chemical and biological operations. At all times there are two employees on call and ready to respond in case of power outages, equipment failures and rain events. Everyday duties include inspecting facility equipment, pump station equipment, scheduling maintenance, laboratory testing and operational adjustments. Other duties consist of operating the solids disposal equipment, coordinating outside contractors, diagnosing electrical and mechanical equipment, scheduling in house repairs, ongoing training, ordering parts/supplies/material and yard maintenance. Staff faces a number of biological, electrical and mechanical hazards on a daily basis. Training and attention to safety play an important role in everything we do. It should be noted that in comparing wages and benefits as part of the total departmental budget; the labor costs are a much smaller percentage in this department than others.

Although wastewater treatment in most municipalities tends to be less in the public eye than other departments, it is a service that is provided 24 hours a day. There are tremendous amounts of technology and infrastructure that make up the wastewater treatment system. It is a huge investment and it is very important that the public be educated on what it takes to properly operate the facility. There have been tremendous advances in how wastewater is treated and great strides have been made in technology. Newer equipment saves manpower, electricity and provides a safer working atmosphere for the employees.

Process

The first part of the process uses primary clarifier's to settle out non-organic material that has no benefit to the biological process. The waste stream then enters the biological part of the process called aeration. In this process, repopulated microorganisms are supplied with air and sludge is recirculated as nutrients for the purpose of "breaking down" the organic material. After the aeration process, the waste stream enters the secondary clarifier's. Much like primary clarifiers, this process uses the same principals to settle out organic material coming from the aeration tanks. The last

process uses hypo-chlorite to kill the pathogens in the waste stream. The solids that settle out are run through a belt press that compresses the solids in order to get as much water out as possible. These dried solids are then sent out for disposal by New England Organics. The OOB facility typically treats over 400 million gallons of wastewater and processes over 1,200 tons of solids on an annual basis. The treated water is discharged to the Atlantic Ocean and is subject to federal and state laws that are put in place to protect our waterways. While the OOB facility is mandated to remove 85% of the pollutants. The OOBWW facility typically removes better than 95%. The WWTF's discharge license was recently approved for 2015 through 2020. The new license dictates that the town starts background testing for nutrient limits. Nutrient limits are expected to be part of the 2020-2025 discharge license which may increase the cost of operating the WWTF.

Grant Sources

Maine Rural Development (MRD)-These grants are the primary source of federal assistance for most wastewater projects. The town may not be eligible for these grants due to its method of funding its wastewater treatment costs. These grants are not available to communities with populations over 10,000.

Efficiency Maine (EM) – These grants are for single projects that show significant savings in energy costs.

Maine DEP (DEP) - The DEP has strict guidelines and is not a major source of grants for wastewater projects.

Internal Funding Sources

Sewer user fees – Sewer user fees are the primary source of funding for most municipal wastewater departments. Most communities charge fees according to estimated and/or actual usage that the individual users have on the wastewater system. OOB currently funds the Wastewater department using a portion of the property taxes. OOB also lacks the benefit of an industrial sector to help offset costs. Because of the towns funding method; tax-exempt properties do not contribute funds to the operation and maintenance of the wastewater treatment system.

Sewer connection fees – All residents that connect to the sanitary sewer system are charged a connection fee. These fees should be dedicated to CIP projects associated with the wastewater treatment system.

Sewer impact fees- Individual developers that wish to develop large areas of land are often charged an impact fee. This fee can be negotiated with the developer, but must be used for the intended purpose of enlarging or upgrading the sanitary sewer system to treat the extra burden of flow and loading in the area to be developed. There does not appear to be any impact fees dedicated to the upgrade of the wastewater treatment system at this time.

Bond sink fund – The town of OOB does not have a bond sink fund dedicated to covering future bond costs.

External Funding Sources

State Revolving Loan Fund – This program provides loans below the prime interest rate. Projects that use SRF loans as a form of funding require strict oversight by the DEP.

General Obligation Bonds – This program provides loans at the prime interest rate. These loans are not subject to DEP oversight and are commonly used for design build projects.

Maine Rural Development (USDA) – This agency provides loans at the prime interest rate and is the major source for infrastructure grants. Projects that use USDA loans as a form of funding require strict oversight by the DEP.

Full time staff (6)

Department Foreman – Manages and supervises all repairs and installation of equipment. Recommends purchases of new equipment, assists the Superintendent with internal and external projects, orders materials and supplies. The Department Foreman performs basic administrative functions in the temporary absence of the Superintendent.

Chief Operator – Manages and supervises all biological and chemical operations. Recommends purchases of new equipment, assists the Superintendent with internal projects and orders materials and supplies. Performs in house laboratory testing and schedules contracted laboratory testing. The Chief Operator submits state and federal reporting forms pertaining to the discharge license. Runs the departments' safety program and coordinates training classes.

Senior Operator - Assists the Chief Operator in all aspects of biological and chemical operations. Performs in house laboratory testing, operates the dewatering equipment, schedules contracted laboratory testing and fills out state and federal reporting forms. Manages all biological and chemical operations in the absence of the Chief Operator.

Senior Mechanic – Assists the Department Foreman with repairs to existing equipment, performs routine checks and maintenance to equipment and performs basic duties in the absence of the Department Foreman.

Operator - Assists the Chief Operator in all aspects of biological and chemical operations. Performs in house laboratory testing, operates the dewatering equipment, schedules contracted laboratory testing and fills out state and federal reporting forms. Performs maintenance duties as assigned.

Mechanic - Assists the Department Foreman with repairs to existing equipment, performs routine checks and maintenance to equipment. Performs operational duties as assigned.

Assistant Mechanic – Assists with all aspects of maintenance as directed, performs routine checks and maintenance on equipment, assists with biological and chemical operations as directed, operates the dewatering equipment as needed.

Assistant Operator – Assists with all aspects of operations as directed, performs routine checks and maintenance on equipment, operates the dewatering equipment as needed and performs basic process control and lab testing.

Equipment Operator – Assists with all aspects of operations and maintenance as assigned.

Seasonal help – Performs non skilled tasks such as grounds keeping and assisting full time staff.



- **50101 Department Head Salary - \$77,333**
- **50106 Full-time employee wages - \$308,111**
See requested full time staff for an explanation of the positions.
- **50108 Seasonal wages - \$8,640**
Six (6) months x four (4) weeks x twenty (24) hours x \$15.00 per hour = \$8640
- **50111 Overtime wages - \$33,000**
The department has two staff members on call on a rotating basis at all times. Overtime is incurred for weekend duty, equipment break downs, power failures and heavy rain events.
- **50112 Standby wages - \$26,000**
Standby wages for two staff members to be on call each week totals \$450 per week.
- **50220 Health Club - \$600**
- **50230-Clothing Allowance – \$3,900**
Each staff member gets a \$650 clothing stipend.
- **50251 Conferences /Training - \$2,500**
Employees must earn 18 hours of DEP approved classes every two years in order to maintain their wastewater license. The union contract, as of this year, dictates that at least two (2) employees will have the ability to attend the annual wastewater conference. It is expected that additional safety training will have an impact on this budget line.

➤ **50252 Travel/food/lodging - \$500**

Employees must earn 18 hours of DEP approved classes every two years in order to maintain their wastewater license. The union contract, as of this year, dictates that at least two (2) employees will have the ability to attend the annual wastewater conference.

➤ **50256 Dues/memberships/licenses - \$3,093**

This line covers misc. state and federal fees for operating the WWTF and wastewater license renewals for staff. Fees associated with the WWTF totaled \$2,643 and there is also \$450 for individual license renewals.

➤ **50300 Engineering fees – \$0**

➤ **50305 Laboratory services, equipment and supplies - \$17,377**

This budget line funds laboratory supplies and contracted testing. This line does not contain sufficient funds for replacing lab equipment. The requested increase is due to mandatory testing requirements in the final two years of our discharge license.

➤ **50310 Service contracts - \$19,959**

Below is a list of regular services, vendors and the estimated costs.

- ❖ Weekly bathroom cleaning Cintas: \$6,400 (two bathrooms)
- ❖ Emergency Generator maintenance services through Power Products: \$3,315
- ❖ SCADA software updates through Results Engineering: \$4,400
- ❖ Crane/hoist inspection through Coastal Equipment: \$1,370
- ❖ Calibration of lab equipment through QC Services: \$1,000
- ❖ Backflow preventer inspection through Bruce E Clark: \$900
- ❖ Annual service contract for DR3900: \$800
- ❖ Fire alarm system inspection through Simplex Grinnell: \$550
- ❖ Gas meter calibrations through Eastern Fire: \$690
- ❖ Fire extinguisher inspection through Lindsey Fire Services: \$534

➤ **50325 - \$500**

This line funds postage and shipping.

➤ **50330 Equipment replacement - \$89,600**

Below is a list of requests for replacement and repair of equipment. Any individual unscheduled repairs or replacements with a cost of over \$1,000 will need to be funded from the connection fee account.

- ❖ Replace hoist in the sludge bay: \$15,000
- ❖ Replace outdoor fuel tank: \$10,000
- ❖ Add steel plates to roll off bay: \$10,000
- ❖ Replace two golf carts: \$10,000
- ❖ Replace heaters at West Grand pump station: \$10,000
- ❖ Replace hoist at West Grand pump station: \$7,200
- ❖ Purchase MIG welder for aluminum fabrication: \$7,000
- ❖ Spare pump for Ross Road pump station: \$5,000
- ❖ Replace actuators on aeration tank valves: \$5,000
- ❖ Replace VFD's on yard drain pump: \$4,000
- ❖ Replace heater in process building: \$3,000
- ❖ Replace incubator in lab: \$2,400

➤ **50336 Equipment rental - \$0**

This budget line funds rental equipment as needed.

➤ **50340 Waste tipping/disposal - \$110,000**

This budget line funds the pickup, delivery and disposal of the bio solids produced at the WWTF. The current contract is at \$84 per ton plus fuel surcharges. The amount of bio solids produced is dependent on many variables. We are expecting a reduction in tons produced with the new dewatering equipment expected to start up in March of 2018

- **50342 Waste pumping - \$35,000**
This budget line is dedicated to costs incurred for cleaning/disposal of various tanks, wet wells and channels at the WWTF and pump stations. The department has worked closely with the present company to make this operation as efficient and cooperative as possible. Cleanings are performed twice a year. The increase is due to have Ted Berry run the permitted confined space entry program and perform all the below ground entry. This absolves the town of any liability associated with either.
- **50400 Electricity costs – \$182,500**
This budget line is dedicated to electricity costs incurred from operating the WWTF and pump stations.
- **50401 Water - \$4,700**
This account is to fund water usage from Maine Water and bottled water from Poland Spring Bottling Company.
- **50402 Phones, cell phones and pagers - \$5,200**
The department has three cell phones, two pagers and one tablet.
- **50404 Internet and cable services - \$2,000**
This line funds cable and internet services.
- **50405 Heating Fuel – \$13,000**
This account funds heating oil and propane to the administrative building and storage building. The process building and pump stations are heated with electric heaters.
- **50450 Building repairs - \$0**
This account is used to fund minor building improvements as they become necessary. The administrative building contains asbestos, code violations and is inadequate for current needs. Repairs are only made while absolutely necessary. No repairs are planned for this year.
- **50452 Operating equipment repairs - \$45,000**
The budget line is dedicated to the repair and replacement of WWTF and PS equipment under \$1,000. A comprehensive pump replacement program has held these costs down. Equipment repair and replacement requests that are over \$1,000 will be taken out of Equipment Replacement fund #20161-50330.

➤ **50453 Vehicle repairs - \$5,000**

The budget line is dedicated for the scheduled maintenance of a 2006 Ford F-250, 2006 Ford F-550 crane truck, 2016 F-350, 2017 F-550 hook/lift truck and 2018 Caterpillar loader. The request is for annual maintenance and will not be sufficient for unscheduled repairs.

➤ **50500 Admin/office supplies - \$2,000**

This budget line funds purchases for office supplies. This year the department is requesting to be part of the town's contracted copier service.

➤ **50501 Operating supplies/equipment - \$62,750**

Approximately half of this account is dedicated to hypochlorite, polymer and bio augmentation. The account is also used for hardware, lubricants, tools, safety supplies, PPE and bathroom supplies. The cost of hypo chlorite and polymer is increasing 10% starting January 1, 2018. The new piece of dewatering equipment is expected to use more polymer than the previous. As part of the upgrade staff will have the ability to feed potassium permanganate to the waste stream. I have increased this line \$5,000 for potassium permanganate and to account for the price increase in hypo chlorite and polymer.

Hypo chlorite (disinfection) - \$11,070 spent in FY18

Polymer (sludge conditioning) - \$7,300 spent in FY18

Potassium permanganate - \$5,000 estimated for FY19

Bio augmentation - \$4,000 spent in FY18

➤ **20161-50310 Equipment fuel - \$9,000**

This fund is used for the fueling of all vehicles, grounds keeping equipment and emergency generators. Emergency generators are tested once a week under load.

End of FY19 budget justification

WASTEWATER ADMIN BUILDING

NECESSARY FIRST STEP FOR CAPITAL PLAN

BULK CHEMICAL STORAGE/PUMP STATION

BORROW \$1.3 Million

VOTER APPROVAL NEEDED

12

ADJOURNMENT:

The Chair thanked the Superintendent for his input and also to his staff for their hard work. Obviously the needs are great and something that will entail great study by the Town Council as the budget progresses.

The Workshop ended at 7:45 p.m.

Respectfully Submitted,

V. Louise Reid
Town Council Secretary

I, V. Louise Reid, Secretary to the Town Council of Old Orchard Beach, Maine, do hereby certify that the foregoing document consisting of sixteen (16) pages is a copy of the original Minutes of the Town Council Workshop of April 5, 2017.

V. Louise Reid