

**SOUTH BERWICK SEWER DISTRICT
180 MAIN STREET
SOUTH BERWICK, ME 03908**

**MINUTES OF MEETING
OCTOBER 2, 2006**

ROLL CALL: Al Roberge, George Gray, Mark Forsyth, Dennis Fontaine, Bonnie Bishop (Office Manager), Tom Harmon (Administrative Assistant), Skip Clough (Plant Manager)

CALL TO ORDER: Mr. Roberge called the meeting to order at 7:00 p.m.

MINUTES OF MEETING:

Mr. Gray motioned to accept the minutes of the previous meeting as written. Motion seconded by Mr. Forsyth. Motion passed unanimously.

PUBLIC AUDIENCE: none

COMMUNICATIONS

1. MSAD 35 to Board of Trustees re: billing

The trustees discussed the situation, which was limited to the high school. Apparently the problem leads back to the coach's bathrooms. The system is currently on a well. It was discovered during the conversation that the numbers Ms. Bishop had for the account, which did not add up to those in the letter, were from the wrong account. Mr. Gray suggested the trustees table the issue until the next month's meeting in order to get the correct readings and averages.

2. Civil Consultants to SBSD re: connection for 7 unit residential development on Old Mill Road

Mr. Harmon stated that the trustees would need to write a letter stating that they have the capacity to serve the project. The developer would need to meet with the district in the upcoming future to discuss the method of service. After some discussion as to the possible ways the district could service the development, including policy and cost issues, the trustees also discussed whether the developer should be compensated should the other two houses the line will pass by hook in. Mr. Harmon also reminded the trustees that the project has not yet been before the Planning Board yet.

OLD BUSINESS:

1. Mr. Fontaine brought up the issue of the district financials, asking if the district really knows what it has. Mr. Harmon answered affirmatively. Mr. Fontaine disagreed based on the fact that the figures for the past year cannot be proved or justified. Mr. Harmon asked if the issue was software related. Mr. Fontaine answered affirmatively, citing the conversion to Northern Data as a big issue. There is uncertainty as to whether the balance forwards are correct, and he believes that needs to be looked at. Ms. Bishop stated that there have been a number of times that the numbers brought forward by QuickBooks are not right when compared with those in Northern Data. After some discussion, Ms. Bishop stated that she feels it is necessary to have a new starting point for the new software system in order to move forward. Mr. Fontaine suggested that Ms. Bishop might want to go through each of the accounts (1195) over time and find the amount of difference, then do one big adjustment entry to the general ledger. Mr. Gray noted that it might be worth a letter from the district's attorney to Northern Data asking for their help considering the problem occurred with their software. After some further discussion, including the fact that the history data could be incorrect, Mr. Harmon suggested they go forward with Mr. Fontaine's idea, keeping a separate accounting as they investigate, then making one general ledger entry to correct the numbers.

NEW BUSINESS: none

OPERATIONS

1. Generator/pump discussion

Mr. Roberge asked Mr. Harmon if he had looked into the idea from a money standpoint. Mr. Harmon answered that there is enough money, but he would like to get a hard look at the budget for this year and projects for next year first.

2. Safety Training and Safety Grants

Ms. Bishop stated that a gentleman from MMA had stopped by regarding online training. The training can be done at no cost to the district and can be used as credit for license renewals.

3. Plant Sign

Mr. Gray inquired about the situation with the sign at the treatment plant. Mr. Clough stated that the sign repairman informed him the district will need a whole new sign because the wood on the current one is rotted and cannot be repaired. Mr. Fontaine asked how much it would cost to replace the sign. Mr. Clough answered that the repairman did not say. Mr. Fontaine motioned to allow Mr. Clough to spend up to \$3500 to replace the sign at the treatment plant. Motion seconded by Mr. Gray. Motion passed unanimously.

4. Budget Workshop

Mr. Harmon suggested the trustees schedule it for a couple weeks from tonight's date, adding that it cannot be a Monday night due to his schedule. After some discussion it was decided to hold the budget workshop on October 18 at 6:30 pm at Mr. Harmon's office.

5. Discharge Permit

Mr. Clough informed the trustees that the district's discharge permit would be up in June of 2007. He has talked to the Maine DEP, who was told it would most likely be rubber stamped for renewal, but as always it may not happen that way. Discharge permits are good for five years.

6. Meeting Date

Mr. Roberge noted that Mr. Dionne had brought up the issue of holidays falling on district meeting dates at the previous meeting. He suggested moving the meetings to Tuesday nights on the month's when the meeting date coincides with a holiday. Mr. Clough questioned whether or not the district would need to go before the legislature for approval. Mr. Harmon stated that would not be necessary because the change will not be effective for every month, just for a few dates.

OTHER: none

PAYING OF THE BILLS

Mr. Fontaine asked about the bill for the electric motor. Mr. Clough answered it was for the high school. The first one went down, and the second one failed due to a problem with the check valve. Mr. Gray noted a refund from Bit 'O Green for the overcharge for gas.

Mr. Fontaine then noted the invoice from Mr. Donhauser for four hours spent on adjustments. He stated that if Mr. Donhauser had already put out the audited financial statements then he should have had the entries to give to Ms. Bishop that actually matched the report. Ms. Bishop stated that there are a couple of things that still need ironing out, which means there may be another bill from Mr. Donhauser coming in the future. The trustees discussed the fact that the adjusting entries should have been part of the whole package. Mr. Harmon stated that he had spoken with Mr. Donhauser and that the problem looks like it's coming from the software conversions. Ms. Bishop stated that that is not all of it, adding that there are number of different factors causing the problem. A discussion then ensued as to whether the audited statements are actually good. Mr. Harmon stated he felt they were based on what Mr. Donhauser had to work with. Mr. Clough pointed out that the district has changed software three times in the past few years. Mr. Gray suggested that perhaps Mr. Donhauser should be asked to be at the budge workshop. Mr. Harmon answered that the trustees can have him there if they

want. The trustees also discussed the need to take care of the problems before the books close on December 31. They then discussed whether or not the district needs to look into hiring a new accountant, especially considering there is now a question as to whether or not the district needs to be in compliance with GASBE, which has been in effect since 2003. Ms. Bishop stated that she has gotten proposals from other companies, and it does look as though the district will need to comply with GASBE. The other accountants she has been in touch with can bring the district into compliance with GASBE, which is most likely necessary even though it will be costly.

Mr. Gray stated again the need for policy change, citing the recent situation with Mr. Tarason as an example. He stated that he feels the district needs to put what their policies are in writing and put it on their website, adding that the district's policies really need to be uniform. He also cited the question over interest rates in regard to the recent Lincoln assessment as another reason to iron out policy. A discussion ensued as to what kind of penalty the district can leverage on someone who is assessed, takes out a mortgage for the assessment, and does not make their payments. Mr. Harmon stated that while the district cannot compound the interest rate, a mortgage is a completely different instrument. The district can put a penalty into the mortgage note for nonpayment.

Mr. Clough then informed the trustees that Ron Roberge needs a letter from the district stating that the trap has been inspected and meets district standards. Mr. Harmon asked if it has been inspected. Mr. Clough answered that it has and is fine. Mr. Harmon suggested he and Mr. Clough get together and write the letter for Mr. Roberge.

Mr. Fontaine motioned that the district pay the bills for October 2006 in the amount of \$56,991.59. Motion seconded by Mr. Forsyth. Motion passed unanimously.

ADJOURNMENT

Mr. Fontaine motioned to adjourn the meeting. Motion seconded by Mr. Forsyth. Motion passed unanimously. The meeting was adjourned at 8:25 pm.