

LINCOLNVILLE SEWER DISTRICT

P.O. Box 302
Lincolnvillle, Maine
04849
lsd.board.trustee@gmail.com
207-789-5464

Lincolnvillle Sewer District Board of Trustees Meeting

Date: 7-25-23 5:30PM Zoom Invite

MEETING MINUTES

- Call to Order: Paul Lippman
- Notetaker: Chris Nickerson
- In Attendance: Paul Lippman, Trustee, Chris Nickerson, Trustee, Chris Strazzulla, Trustee, Catherine Lippman, Manager, Mike Harris, Superintendent, Linda and Svein Gjelsvik
- Chairman's opening Remarks
- Open invitation to residents/guests
- Approve minutes of 4-25-23. Chris N. made motion, Chris S. seconded. All in Favor. Minutes approved.
- Superintendent's Report

Old Business

- o Grease Trap inspection. Beach Store – store does have 1,000 grease trap - will be pumped in October. Mike will make sketch of trap.
 - Dots? Has not met with Susan Barnes at Dot's yet
 - Upload files? Mike will upload files
- o UV light/hrs./LOW – Mike tried 1 set of lights – did not work – high bacteria count. Need to use 2 sets of lights. Discharge incident report – “not detailed enough” – Mike sent along a more detailed report. We received a letter of warning to provide more detail – fulfilled.
- o Policy to receive Federal funds/Audit. Nick Henry said this does NOT pertain to us -we do not need to worry about it.

- o Seal Pump Station #1. Evaluate Pump Station in the Spring for salt water intrusion – Mike Harris spoke to John Withey about salt water getting into his Pump Station. It happens during winter storms when the ocean is washing over the Pump Station. When the pump Station is activated in the Spring the collected sea water is pumped into the Treatment plant, which is not good for the system and can also corrode everything in his Pump Station. Mike has provided a recommendation on a new cover. John will consider cost. Mike will research how to change manhole cover (round) into square hatch. Pull top slab off and replace it with a gasket rim cover and set it in place.
- o Outfall Pipe/LOW response submitted – Mike responded to the Letter of Warning from DEP
- o Midcoast Site Development/ letter- returned – wrong address. Catherine will obtain correct address. Mike and Catherine will resolve.
- o Odor Control – was shut off. More than one resident has complained. It will be on by this weekend 29/30 July.
- o HES liability insurance – has been submitted
- o Plant working Great! Next year’s budget should include pump out.
- o Catherine: Do we have a record of flow from this year vs. last year? Yes – from the time we started. Mike will generate an Excel chart to compare flow over time.
- o Chez Michel hooked up. Catherine has all the photos and will send to Mike. They relocated the pump station. Need to put the conceal on the cover to seal it. All Risers have been sealed Any Ground water intrusion will show up in the data.

- Treasurer’s Report

Our Fiscal Year is January 1 – December 31, and we manage two parallel books:

Book 1 The First National Bank: is being used to manage the funds from the USDA Grant (\$2,949,538), as well as the loan from Rural Development (\$2,050,000). Through Draft Pay Req 31, the remaining funds in the project are \$37,132.43. This includes:

- o \$14,500 for 2021 and 2022 Audits
- o \$22,632.43 in Contingency for:
 - o Generator
 - o Hinges for the gate
- o Note: The District is now assuming all O&M expenses as the first-year coverage from USDA has expired.

Book 2 Camden National: is being used to manage income and expenses in the ongoing operation of the LSD. Second Quarter (April-June), we report:

- Income:
 - \$40,625 comprised of one-time connection fees (\$635 x EDU’s), inspection fees (\$50), standby fees (\$317.50), and sewer service charges (\$635 x EDUs), and Lincolnville Town Credit towards debt service – annually.

- **CONNECTIONS UPDATE:** We have a current total potential system user population of 53, and we are happy to report that 36 have hooked up, or 68% of the total. Hookups this reporting period:
 - Q3, 2022: 1 hookup
 - Q4, 2022: 4 hookups
 - Q1, 2023: 1 hookup
 - Q2, 2023: 1 hookup
 - 17 potential users remain to hook-up.
 - Total EDU's hooked up to date: 109, out of total projected EDUs of 137 (80%). We project an additional 14 EDUs will be hooked up by the end of 2023 = 90% EDUs hooked up.
 - ALL District Members' EDU allocations are listed in a document on our website – by Map and Lot # <http://www.lincolnvilsewer.com/edus-by-tax-map-lot.html>
- Expense: \$26,469, comprised of Utilities, Operations, Repairs & Maintenance, Debt Service, and Administration
 - Net Income: \$26,478, including \$9 Interest earned, to cover future expenses
 - The Lincolnville Sewer District re-evaluate EDU's charges each fiscal year. EDU allocations that are fractional are rounded up. For example, let's say a conventional restaurant serving two meals per day has 85 seats. They are allocated 1 EDU per 10 seats of capacity, or 8.5 EDUs. Therefore, the restaurant is charged 9 EDUs.

AUDIT UPDATE: We are a tax-exempt entity so we do not have to file taxes; however, we are obligated to complete an audit given we are using USDA Grant funds. We have engaged a CPA from HMV, LLC by the name of Nick Henry to help us complete audits for 2020, 2021 and 2022. In general, an audit is a financial statement audit which involves validating QuickBooks account balances and issuing a set of financial statements. Starting in 2022, this will be the only type of audit that LSD needs going forward. A few updates on our Audit progress:

Status:

- The 2020 Audit was completed in December, 2022. This included historical activity, including nearly a decade of prior transactions up through 12/31/2019, and then 2020. The components of the 2020 audit are the initial audit (beginning balances are correct), financial statement audit (QuickBooks account balances and financial statement issuance), and single audit (required if you spend over \$750,000 of federal funds in a year). A single audit is required for 2020 and 2021 due to the construction of the system, but will not be required after that unless the District takes on another project that includes federal funds. The 2020 Audit, costing roughly \$10,000 to complete, found no fraud, theft, or deficiencies/issues related to procedures, processes or controls. We did have the following findings related to the 2020 audit:
 - 1099s were not filed for 2020 – *did not violate – 1099s did not need them*

- There are no official written policies relative to federal awards
 - The Single Audit was not submitted by the required deadline
- The 2021 audit, costing approximately \$8,000 is now complete. The audit found no fraud, theft, or deficiencies/issues related to procedures, processes, or controls with this audit. It did have the following findings related to the 2021 audit:
 - There are no official written policies relative to federal awards
 - The Single Audit was not submitted by the required deadline

These findings relate to the Single Audit for the federal funds LSD received in 2021
- The 2022 audit, costing an estimated \$5,000-\$10,000 will be completed in the summer of 2023. A Single Audit is not required for 2022. Etc. Following the 2022 Audit, The LSD may shop for cheaper auditing service in the Fall of 2023.
- Lawn service/Doyle Bailey – Doyle Bailey came in as the lowest bidder and has been retained for lawn service.
- Landscaping update – we have weeds. Matt Annis has done some weeding and has scheduled The Turf Doctor to come and spray
- Stand-by Generator/Request for Easement – has gone to town. Town said they are talking with Fire Department. We have not heard back yet. We have contacted David Kinney – not sure status. Dig safe – will need to be engaged.
- DEP Clean Water State Revolving Fund (CWSRF) Grant/Loan – we received \$120,000 grant from DEP to fix the Outfall Pipe. We need to go to Maine Municipal Bond Bank to get Principal forgiveness. The application needs to be filled out by October 1, 2023 and will require all of our audits. Nick will push to get the final 2022 Audit done by then. Will need three contractor bids for the outfall project. Should we hire Olver Associates to manage the Grant? (they wrote grant proposal). Chris N to make motion to hire Olver Associates. Chris S seconded. No discussion. All in favor – Hire Olver Associates.
- Trustees' Closing Remarks
- Adjournment

Respectfully Submitted,

Chris Nickerson, LSD Treasurer