

LINCOLNVILLE SEWER DISTRICT

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Lincolnvile Sewer District Board of Trustees Meeting

Date: 10-10-23 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, Jennifer Temple, Jim Rossi, Bob West
- Chairman's opening Remarks
- Open invitation to residents/guests
- **Trustee Election:** to elect a Trustee for a three (3) year Term beginning October 2023-2026 AND elect an Alternate Trustee for a three (3) year Term beginning October 2023-2026. Every year there is a Trustee Election in October.
- Nominate/Elect a Moderator: Chris N. make a motion to elect Jennifer Temple to act as Moderator, Chris S seconded, All in Favor – Jennifer is the Moderator.
 - Here to elect a Trustee for a three (3) term ending October 2026 – any nominations. Bob West nominated himself. Chris Nickerson – seconded. All in favor of Bob West as nominee. Vote – all in favor. unanimous – Bob West is now elected to serve.
 - Here to elect an Alternate Trustee. Chris S. nominates Paul Lippman to serve as Alternate Trustee for a three (3) year term ending October 2026. No discussion. All in favor – Paul Lippman elected as Alternate Trustee.

- o Elect Chairperson. Paul suggested he remain as Chairman until 10-31-23 and then Bob West take over as Chairman with Chris Nickerson continuing as Treasurer and Chris Strazzulla as Secretary. Bob West said he would consider it.
- Open invitation to residents/guests
- Approve minutes of 7-25-23. Chris N. make a motion to approve. Chris S. second. All in favor.
- Superintendent's Report

Action Items:

- o Beach Store: Sketch of Grease Trap – not done yet
 - Trap needs to be emptied in October – Mike will follow-up to confirm.
 - Mike will request manifests of all Restaurants Grease Traps for Fall.
- o Dot's – Mike Harris and Chris Nickerson met with owner, Susan Barnes to discuss her current Waste Disposal/Leach Field System and how it could be incorporated for hook up to the LSD's WWTF. After an On- Site Review, Mike submitted a drawing incorporating a new Grinder Pump Station within the area of Ms. Barnes current system. The Trustees liked Mikes proposal and thought it best for Mike to review this with Ms. Barnes for her approval. If Ms. Barnes agrees, and the drawing is approved by W&C and USDA, the District would provide and install a Grinder Pump Station using Contingency monies.
- o Upload files for the grease traps: Mike will make drawings of all Grease Traps in the District.
- o Seal Pump Station #1: To prevent salt-water intrusion, Mike spoke to American Concrete. They recommends a Flood Proof Hatch. Mike will work with Jon Withee to get that installed.
- o Odor Control – over the course of the summer, starting mid-July there were complaints of odor around the Plant. The Trustees and Superintendent could never identify a smell when on site. The odor was occasionally identified by neighbors and the Ferry Terminal Attendants. We had turned off the Odor Control Unit during the winter months because we thought it was not necessary. When we started to get complaints, Paul Lippman turned the Unit back on. It was okay for a while, then we got more complaints. Catherine kept a log from the first complaint on 7-14-23 until the last complaint 9-11-23. Mike Harris checked the Odor Control Unit after he got a Smoke Alarm Fault at the plant during Hurricane LEE on 9-15-23. The Unit would not go on (perhaps the Manuel Control Unit shorted out). Mike will contact Brian Wilcox, the electrician who wired the Plant, to look at it. Mike bought two (2) Hydrogen Sulfide Gas Detectors to help monitor the location of the odor. The monitor has a shelf life of two (2) years; once activated, it cannot be shut off.
- o Tools: Mike purchased a Ph Meter (on site being used) and two (2) Hydrogen Sulfide Gas Detectors.

- o Lab Services - Mike to compare our current Lab Service Provider with another Provider as he would like to get samples to the Lab in a timelier matter and save money.
- o Flow Chart – Mike is keeping a Flow Chart to the Plant on One-Drive (emailed to Trustees on October 10,) and will update it monthly.

- **Treasurer’s Report**

FINANCIAL UPDATE: 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 32, the remaining funds in the project is \$29,382. This includes:

- o 2022 Audit
- o Generator
- o Possible Grinder Pump Station with pump and control box for Dot’s.
- 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. Third Quarter (July – Sept), we report:

- Income:

- \$707.93 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 37 have hooked up, or 70% of the total. Hookups this reporting period:
 - o Q3, 2022: 1 hookup
 - o Q4, 2022: 4 hookups
 - o Q1, 2023: 1 hookup
 - o Q2, 2023: 1 hookup
 - o Q3, 2023: 1 hookup
- 16 potential users remain to hook-up.
- Total EDU’s hooked up to date: 112, out of total projected EDUs of 137 (82%). We project an additional 13 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.lincolnvillesewer.com/edus-by-tax-map-lot.html>

- Expense: \$39,289, comprised of Utilities, Operations, Repairs & Maintenance, Debt Service, and Administration
- Net Income: \$-38,572, including \$10 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 installation project, 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 by Mid-November, beginning with the financial statements by the end of October. A Single Audit is not required for 2022. Following the 2022 Audit, The LSD may shop for cheaper auditing service in the Fall of 2023.

Returned Check Fee Procedure

We currently have a property owner whose payment check was returned for Insufficient Funds; a subsequent fee of \$12 was charged to the district. Should the District impose a fee to the Property owner and if so, how much? A cursory web search suggests a range from \$35-\$70.

My recommendation is \$30, Chris S. thinks it's reasonable, Paul says \$30 is fair. The fee should be added to the Users account balance.

Chris N. make a motion, a \$30 fee will be charged to the property owner for any check returned for Insufficient Funds. Chris S. second. All in favor. Approved. (Not retroactive).

Establishing a Lien Procedure

The Lincolnville Sewer District, like other Sewer Districts such as the City of Ellsworth, has trouble collecting timely user fees from a small number of District property owners. Timely payments of user fees are required to ensure the smooth maintenance and operations of the district.

The Lincolnville Sewer District issues past due invoices and multiple reminders, including clear mention of 4% annual interest (late fee) after 60 days past due to property owners through QuickBooks Online. The software also allows us to confirm past-due users have viewed the statements and have thus far failed to make contact or mention a payment plan.

At present, the District has two users who are both 60-90, and 90+ days past due on their billing; and an additional two users that are 60-90 past due. Consistent with common practice, it is recommended the Trustees utilize Liens to collect for services. A Lien serves as a guarantee for the underlying obligation and allows the District to take legal action if the property owner fails to pay their obligation. Legally, prior to issuing a Lien, the District must provide late paying property owners with a Demand Notice prior to 1 year of delinquency, else will forfeit the opportunity to collect for services using a Lien.

Demand Notices would be issued by the Treasurer (the law states notices originate from the Treasurer) to the appropriate property owners on October 15 and April 15 and Liens will be filed on November 15 and May 15, opposite our bi-annual billing cycle. (this timing more than meets the legal requirements).

Our bookkeeper would send via Certified Mail, all Demand Notices and Liens, including all fees incurred with such mailings, to all Delinquent Users falling within the appropriate time frame. Digital copies will be maintained.

Discussion: Paul – we have studied this a bit and feel it's fairly straightforward. This is identical to how the Town of Ellsworth operates. We can apply the same methodology. Chris N. made a motion to institute the Lien Procedure described above, Chris S. seconded, no discussion. All in favor.

- Landscaping update
 - Hickory Knoll's Landscaping contract is over 9-30-23. They have fulfilled their scope of engagement. Now it's up to us. Turf Doctor \$725 each application – came twice. Weeds will reduce as plant material matures.
- Stand-by Generator – we have Propane tanks at Beach Store and Art Gallery that need to be 10ft. from the Generator. (the Town denied our request to locate the Generator behind the Fire Department). In meeting with all abutters, two (2) options have been suggested. One is to have a metered cooperative propane tank with the Beach store, the Art Gallery, the Maine Coast Artisan's, and the district; (two (2) 500 or one 1,000-gallon propane tank or move the Art Gallery's tank to the other side of his building (owner, Mr. Wass suggested).

Paul will continue to work on this.

- Beach store has Dead River

- o Maine Coast Artisan uses Dead River
 - o Art Gallery uses Consumers in Belfast.
 - o We have three quotes for the Generator. Woodard & Curran will need to approve then engage USDA to use contingency money.
- DEP Clean Water State Revolving Fund (CWSRF) Grant/Loan/\$120,000 – we hired Olver Associates (Mandy Olver) to help us manage this project and apply for all necessary permits. (Frank Theriault said no permits are needed for the Town.). Three (3) bids are required.
- Trustee’s closing remarks
- Special Projects Sub-Committee – Chris N. motion to form Special Projects sub-committee. Second Chris S. All approved. Paul Lippman appointed Head of Sub-Committee
 - o Generator
 - o Outfall Pipe
- Adjournment

Respectfully Submitted,

Chris Nickerson, Treasurer