



Wells Sanitary District

Nick F. Rico, P.E., Superintendent
197 Eldridge Road, WELLS, MAINE 04090
Office: (207) 646-5906 Fax: (207) 646-4020
Website: www.wellssanitarydistrict.org
Email: wsd@wellssanitarydistrict.org

BOARD OF TRUSTEES
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TRUSTEES MEETING
Tuesday, May 24, 2016
7:00 P.M.

BOARD MEMBERS PRESENT: Dean Ramsdell – Chairman; Justin Batchelder – Vice Chairman; Jason Talevi – Deputy Clerk (arrived at 7:15).

OTHERS PRESENT – Rita Farry, Esq. (Desmond & Rand), Celeste Fletcher (Office Manager), Nick Rico, P.E. (Superintendent)

The Chairman called the meeting to order at 7:15 P.M.

1. Minutes from April 26, 2016 – Mr. Rico recommended approval.

Motion: To accept the minutes from the April 26, 2016 meeting as submitted.

Moved – Mr. Batchelder

Seconded – Mr. Talevi

Vote: 3 yeas, 0 nays

2. Financial Update

Mr. Rico updated the Trustees on the operating budget. WSD spent \$963,368.34 to date which is 43% of the operating budget while the year is 38% complete.

a. Warrant #9 was for \$45,672.71 and Warrant #10 was for \$61,112.99.

b. CIP 2016 – Mr. Rico indicated that most of the items on the CIP 2016 Budget have been completed. The new 50-hp VFD for Blower #3 has been installed.

Mr. Rico noted that another VFD failed on Effluent Pump #1. He has ordered a replacement for this one and two more for its sister pumps. The effluent pumps are critical to the process for discharging effluent to the ocean. Without these critical pumps, we would have to shut down the process.

The pump VFDs could be budgeted through Asset Management line item. The 3 20-hp VFDs cost \$5,000. If we use Asset Management funds, we would do less collection system cleaning and televising in the fall.

- c. Pension Plan Quarterly Review Summary** – Attorney Farry, Tom Kasprzak (Kasprzak Investment Services, Inc.) and Mr. Rico met for the quarterly pension plan review today. The pension plan is well managed, but the market is flat. Therefore, the plan has only grown through contributions over the past few years.
- d. CD Rates** – Sanford Institution for Savings (SIS) and Kennebunk Savings Bank (KSB) provided Certificate of Deposit (CD) interest rate schedules (which were included in the Trustees' packets). Mr. Rico also provided a comparison of interest accrual if a portion of the Capacity Reserve Funds were transferred from a simple savings account with 0.3% interest into 2-year and 3-year CDs.

The first scenario showed if WSD used SIS CD rates and transferred \$500,000 into a 2-year CD and \$500,000 into a 3-year CD, then the District could increase the interest earned on these funds from \$19,301 to \$37,521. That is an increase of income of \$18,220 over 3 years.

The Capacity Reserve Funds are restricted to increase capacity of the District's wastewater treatment system; however, the interest accrued on the account is unrestricted. The second scenario leaves the historical interest in the savings account at 0.3% for easier access and splits the principal between a 2-year and a 3-year CD. This scenario results in \$52,208 in interest over 3 years. That is an increase in income of \$32,907.

Mr. Rico said that SIS and KSB provided early withdrawal penalty amounts. If WSD committed to 2-year and 3-year CDs and pulled a portion of the principal out, the penalty would result in loss of half the interest. The principals would remain intact.

Motion: To direct Mr. Rico to work with SIS and transfer \$500,000 of the Capacity Reserve Fund into a 2-year CD and \$500,000 into a 3-year CD.

Moved – Mr. Talevi

Seconded – Mr. Batchelder

Vote: 3 yeas, 0 nays

3. Route 1 Paving Update

Mr. Rico attended two meetings at DOT's office to discuss this project. At the pre-pavement meeting on May 19, 2016, the tentative schedule included milling Route 1 during the day on Tuesday and Wednesday May 24-25, 2016 (see email from Town Manager included in the packet). Shaw Bros. and Mr. Rico agreed that Shaw Bros. would adjust manholes with lifting rings approved by WSD. They are unsure how many of the 80 manholes on Route 1 will need to be raised. It is assumed that the manholes in the shoulder would not require

adjustment. Shaw Bros. will have a final count after the milling and shim coat is complete. The schedule calls for the final preservation coat of pavement to be installed by mid-June.

4. Quitclaim Release Deed

Owners of the property at 2550 Post Road (Map 73, Lot #4), sewer account #4560, have paid the account in full. The 2014 lien on this account matured on April 20, 2016. Mr. Rico recommended the Trustees vote to execute a Quit Claim (Release) Deed for this property.

Motion: To execute a Quit Claim (Release) Deed for 2550 Post Road (Map 73, Lot #4).

Moved – Mr. Batchelder

Seconded – Mr. Talevi

Vote: 3 yeas, 0 nays

5. Foreclosure – 14 Curtis Street – Map 115, Lot 76

Ms. Farry led the discussion. She informed the Board that the owner of the property is now deceased and the mortgage holder has filed a complaint of foreclosure. She asked for the Board's authorization to negotiate with representatives of the mortgage holder for full payment of all charges, attorney fees, and 30% penalty in exchange for a Quit Claim (Release) Deed by the District.

Motion: To authorize Attorney Farry to negotiate payment of all charges, fees and penalty in exchange of a Quit Claim (Release) Deed for 14 Curtis Street (Map 115, Lot 76).

Moved – Mr. Talevi

Seconded – Mr. Batchelder

Vote: 3 yeas, 0 nays

6. Correspondence

- a. WSD Letter to Fire & Brew (4/29/16)
- b. Soil Preparation letter (Faxed 5/5/16)
- c. DOT – Route 1 Paving – email w/ Town Manager (5/10/16)
- d. Revision Energy email re: solar system (5/16/16)

7. Other Business –

- a. **Sludge Cartel Meeting Summary** – Because of the letter from Soil Prep indicating that they closed their facility, Mr. Rico invited the Superintendents of the “Sludge Cartel” to meet on May 18, 2016.

Six of the members attended the meeting, which went very well. Chris Dwinal (Wright-Pierce) also attended to provide support and take

direction. The consensus was to do an invited bid for the next 5-year contract sooner rather than later. Currently, WSD's contract with Soil Prep expires on June 30, 2017. However, given the facility closure and rumors of bankruptcy, there is an urgency to get another firm in place.

Since the facility closure, Soil Prep has continued to transport the sludge, but they deliver it to Casella's Hawk Ridge facility in Unity, Maine for composting. The next "cartel" meeting is scheduled for July 13, 2016. Wright-Pierce will have developed a short list of bidders. Wright-Pierce will also reach out to other districts and towns to see if they are interested in participating in the group.

- b. Solar Evaluation** – Mr. Rico contacted Revision Energy for an evaluation of possible solar power at the WWTF and pump stations. Correspondence from Revision Energy is included in the packets. Revision Energy has reviewed WSD power use and costs and think that WSD would benefit from a solar installation. Revision Energy plans to visit WSD in June.

Their proposal would be similar to the installation for the Town of Wells and other municipalities and non-profits. Revision would finance the installation so that they would benefit from the Federal Tax credits and 6 years of depreciation. WSD would buy the power generated during this 6-year period, and then WSD would buy back the solar panels in year 7 at 40% - 60% of the original costs. Mr. Rico is still researching into companies that provide wind power.

- c. Ocean Mist** – Seal Harbor is installing storm drain along Route 9B to accommodate the new development. Recently, Seal Harbor crossed a sanitary service and had to modify the storm drain elevation to avoid a conflict.
- d. Millbrook at Riverbend** - Work at Millbrook, the final phase of the Riverbend Woods subdivision, will be begin in June and the sewer lines will be installed during July.
- e. Fire & Brew** - Mr. Talevi asked if testing had been done on the wastewater generated by the brewery at Fire & Brew on Mile Road. Mr. Rico said that yes, testing was done last October.
- f. Website Update** – Sarah Merchant (modSpot) is update the District's website. Mr. Rico showed some of the new web pages to the Trustees electronically.

8. Adjournment – Mr. Rico recommended adjournment.

Motion: To adjourn.

Moved – Mr. Batchelder
Seconded – Mr. Talevi
Vote: 3 yeas, 0 nays

Meeting adjourned at 7:58 P.M.

Next Meeting is on Tuesday, June 28, 2016.

Respectfully submitted,

Celeste Fletcher
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Recording Secretary – May 24, 2016