



Wells Sanitary District

Nick F. Rico, P.E. Superintendent

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Mission Statement

To provide the highest quality wastewater collection and treatment services at the lowest possible cost to our customers, while protecting human health, the environment, and Wells beaches and marshes.

TRUSTEES MEETING

Tuesday, February 23, 2021

7:08 P.M. Regular Monthly Meeting at WSD Office

BOARD MEMBERS PRESENT: Justin Batchelder – Vice Chairman; Jennifer Batchelder – Treasurer; John K. MacLeod, III – Clerk; Al Niski – Deputy Clerk.

OTHERS PRESENT – By Video: Kelly Peaslee, CPA (Wipfli), Kelsey Nason, CPA (Wipfli), Rita Farry, Esq. (Desmond & Rand)

At WSD: Celeste Fletcher (Office Manager); Nick Rico, P.E. (Superintendent)

1. Minutes to be accepted:

- a. Mr. Rico recommended approval as presented.

Motion: To accept the regular monthly meeting minutes from January 26, 2021.

Moved – Mr. Niski

Seconded – Mr. MacLeod

Vote: 4 yeas, 0 nays

2. Financial Audit – 2020 – Mr. Rico introduced Kelly Peaslee, CPA and Kelsey Nason, CPA (Wipfli) to the Trustees. Normally, Christian Smith, CPA (Wipfli) presents the annual audit to the Trustees. Ms. Peaslee is the one that has been doing the annual audit for many years. Ms. Nason joined Ms. Peaselee in conducting the annual audit 2 years ago.

Ms. Peaselee continued the introduction and asked Ms. Nason to begin the audit presentation. Ms. Nason explained the scope of the audit and that this is an independent auditor's report. The auditors are working on behalf of the Trustees to make an opinion on the financial statements which are the responsibility of management.

Ms. Peaselee continued the presentation by explaining the different sections of the document: Independent Auditor's Report, Management's Discussion and Analysis, Financial Statements, Notes to Financial Statements, Schedule of Operating Expenses, Wipfli's letter to the Trustees, and WSD's Representation for Audit 2020 Letter to Wipfli, and Summary of Passed Adjustments.

Ms. Peaselee indicated that WSD had a clean audit, which is the highest grade WSD could achieve. She compared the various 2020 audit industry standard benchmarks to previous years. One benchmark known as the Current Ratio, is Assets divided by Liabilities. A Current Ratio of 1.5 is considered healthy. WSD's Current Ratio is 4.15, indicating that WSD is in excellent financial health. Another benchmark is the Debt Ratio, and WSD's Debt Ratio is where it should be at 1.

Ms. Peaselee went on to explain WSD's Summary of Passed Adjustments, which relate to unrecorded easements and their effect on WSD's financial statements. The Summary of Passed Adjustments indicates that the total value of these easements is \$8,746, which is considered immaterial to the financial statements. This Passed Adjustment has been in WSD's financial statements since 2015.

Both Ms. Peaselee and Ms. Nason left the virtual meeting at 7:32.

- 3. Financial Update** – Mr. Rico presented the budget with expenses through February 19, 2021, along with Warrants 2 and 3 to the Trustees. WSD has spent 10% of the budget with 10% of the year complete.

A summary table of the Capital Improvement Plan (CIP) for 2021 was also included in the Trustees Packet. WSD crew installed one of the Invent Mixers in the North Train anoxic zone. Now the crew will switch the process to the North Train to drain the South Train and install the second mixer. Once the second mixer is installed, Invent will send a team to test them. Efficiency Maine will send a team out to inspect them so that we can receive the grant.

WSD received the Waste Pump from Penn Valley last week. The crew will install this pump after the second Invent Mixer is installed. Hopefully, both will be running by the end of March. The Budget Table shows the Equipment Budget is 14% spent. The CIP table will be updated with these expenses, which include a partial payment for the new mixers and a pump impeller.

Mr. Rico presented a preliminary sewer rate revenue projection based on 2020 water readings and the 3% rate increase approved by the Trustees in 2020. These projections will be updated for the Trustees next month to include about 30 missing water meter readings and 50 bypass meter readings. Overall, projections are better than expected. Most commercial accounts had much lower water use last year due to the pandemic. However, WSD's largest commercial user increased water use from approximately 880,000 cubic feet to 1.4 million cubic feet. This increase offset most of the decreases of other commercial properties. The projected revenue shortfall is estimated at \$125,157.

4. Correspondence

- a.** Matt Gamache (Competitive Energy Services) email re: CES Maine NEB Program Update – CMP Concerns (2/4/21) *Mr. Rico explained about Central Maine Power (CMP) surprising solar developers with exceptionally large invoices after interagency agreements were signed and the developers paid the agreed-upon*

impact fees. He indicated that the Public Utilities Commission will investigate CMP. Mr. Rico offered to forward the Portland Press Herald articles about this issue at the Trustees' request.

- b.** Emily Hastings, P.E. (Main-Land Development Consultants) email re: Congdon's Doughnuts – Portable Sink (2/9/21)
- c.** WSD Capacity Letter re: Congdon's Doughnuts, 1090 Post Road, Wells – outdoor kitchen (2/10/21)
- d.** WSD Capacity Letter re: Mike's Clam Shack, 1150 Post Road, Wells – outdoor patio (2/18/21)
- e.** WSD Capacity Letter re: Joshua's Restaurant, 1637 Post Road, Wells – outdoor patio (2/18/21) *Mr. Rico briefly discussed the three capacity letters with the Trustees. He indicated that Attorney Farry and Ms. Fletcher helped write the letters including the option to defer payment of Sewer Capacity Reserve Fees until after the pandemic restrictions are lifted.*
- f.** WSD Notice of Discharge Incident to Matt Hight (DEP) (2/16/21) *Mr. Rico explained about Biochemical Oxygen Demand (BOD) and the 5-day analysis for this parameter. The incident arose when the operator on weekend duty read the BOD test on the fourth day instead of the fifth day. The 2 BOD tests for the week needed to be read on Presidents Day, but they were both read on the Sunday instead. Because the BOD was read a day early, the 2 tests were invalid. Because WSD's discharge license requires 2 BOD tests per week on the influent and effluent, WSD had to increase the number of BOD tests during the last 2 weeks in February to ensure we had enough for the month. There was no change in the excellent quality of the effluent. Matt Hight (DEP) requested that we change the procedure to ensure this does not happen again. I will test the new procedure when I am on weekend duty this Saturday and Sunday.*
- g.** Valerie Giguere, P.E. (Underwood Engineers, Inc.) memo to Nick Rico, P.E. (WSD) re: Drakes Island Force Main Replacement Project Status Update (2/19/21)

5. Other Business

- a.** Operations Update – The process is running very well. Mr. Rico pointed out that the crew is following the “recipe” for nitrification-denitrification process provided by Underwood Engineers, Inc. (UEI). One of the benefits of this process is reduced sludge production. So far this year, WSD has only sent 2 sludge roll-off containers (cans) to Casella. Normally, WSD produces 4 to 7 cans during the first 2 months of the year.
- b.** Drakes Island Force Main – Mr. Rico recently met with UEI to discuss progress and their work plan, which they sent to the stakeholders (see correspondence). UEI will coordinate a virtual meeting with the stakeholders in March. Mr. Rico presented a project summary to the Trustees. Note that the costs summarized in the table are SRF funds only. WSD spent \$30,000 in 2019 and 2020 on the project that will not be included in the SRF loan.
- c.** Wilson Ave & Brook Lane Sewer Extensions – Mr. Rico met virtually with Wright-Pierce Engineers (W-P) about adding Brook Lane and re-bidding the project. He will meet with them again this week to discuss the design. He

indicated that we could award bids in either the May or June meeting after a public hearing.

6. Adjournment – Mr. Rico recommended adjournment.

Motion: To adjourn.

Moved – Mr. MacLeod

Seconded – Mr. Niski

Vote: 4 yeas, 0 nays

Meeting adjourned at 8:33 P.M.

Next Regular Monthly Meeting - Tuesday, March 31, 2021

Respectfully submitted,

Celeste Fletcher
February 23, 2021