

Northport Village Corporation
April 2021 Utilities Committee Meeting

Minutes:

The Utilities Committee met person at the Community Hall on Friday, April 9, 2021 at 2:30 pm.

Attendees wore masks and observed social distancing.

Present: David Crofoot (chmn.), Judy Metcalf, Janae Novotny, Jeffrey Wilt, Supt. Richard McElhaney, Bill Paige, Nina Richards (bookkeeper).

Also present via ZOOM connection were Caey Brown, Wendy Huntoon (Treasurer), Dan Webster, James Coughlin

1. The Minutes of the previous meeting on March 12, 2021 were unanimously approved.
2. Financials: Review of the 2021 financial reports for January and February were reviewed and bookkeeper Nina Richards was on hand to explain the reporting format and answer any questions.

The nature of the USDA Reserve Account was clarified. The Sewer Utility has put aside \$7200 per year for the last nine years as required by the terms of the USDA loan to help fund the construction of the new sewer outfall. This sum has been co-mingled with The Sewer Utility's reserve account, but this was not felt to be appropriate.

Motion by Judy Metcalf, 2nd by Jeffrey Wilt: Nina Richards should set up a separate account should be set up for the USDA Reserve Account moneys. Vote: 4 in favor, none opposed. Carried.

Dick McElhaney emphasized that money from the USDA reserve can be used for any and all expenses related to the maintenance or improvement of the Sewer Utility as stated by Louis Sirois of the USDA at the time of the USDA loan.

Motion by Judy Metcalf, 2nd by Jeffrey Wilt: Nina Richards should set up a separate reserve account for truck replacement to receive the contributions from the Water and Sewer Utilities and the General NVC government. Voted: 4 in favor, none opposed. Carried.

The Sewer Utility reserve account has \$91,800 on hand minus the March payment to Blane-Casey of \$29258. The remaining \$62,542 (which includes \$57,600 from the USDA reserve account) is sufficient for completion of the building project.

3. Superintendant's Report
 - a. There were no exceedances of license limits in February 2021.
 - b. Train #3 of the septic tanks was pumped and the chlorine contact chamber and dechlorination manhole were also pumped and cleaned on March 23, 2021. A leak of groundwater from a previously abandoned line into the de-chlorination tank was identified and sealed.
4. Progress report on the New Wastewater Treatment Building.

The interior and exterior of the building are completed and functional. The new hatch and new V-notch weir in the chlorination tank have been installed. Groundwork to bring

the ground level up to the level of the hatches, to bring three manholes of the chlorine contact tank up to grade, and to complete curbing and paving to direct runoff away from the building and toward storm drains are the final parts of the project and will be completed by Farley and Company.

Plans for building steps and railing around the building are being developed by Richard Brockway and will be a project for this spring. This is not a part of the work contracted for by Blane-Casey.

The Utilities Committee felt that an Open House should be held in June or July to offer Baysiders a chance to see the inner workings of our chemical decontamination of wastewater before discharge to the bay.

The next scheduled meeting of the Utilities Committee will be May 14, 2021 at 2:30 in the Community Hall, still with masks and social distancing. We will continue to offer a ZOOM link to allow others to attend.

Respectfully submitted,

David Crofoot, Chairman

Attachments:

- April 2021 Superintendent's Report
- USDA Sewer Reserve Account permitted uses

10/31	002	\$227,650	\$11,057.90	\$15,528.71	\$26,586.61	11.68 %	\$201,063.39	\$1,329.34
11/30	003	\$227,650	\$26,586.61	\$100,517.06	\$127,103.67	55.83 %	\$100,546.33	\$6,355.20
01/05	004	\$227,650	\$127,103.67	\$61,286.34	\$188,390.01	82.75 %	\$39,259.99	\$9,419.54
03/01	005	\$227,650	\$188,390.01	\$29,259.99	\$217,650.00	95.61 %	\$10,000.00	\$10,882.53

Septic Tanks

Moore's Septic decanted the solid contents of the # 3 train of settling tanks, the chlorine contact chamber, and the de-chlorination manhole on March 23, 2021. Other than the discovery of a leak from a previously abandoned penetration into the de-chlor manhole, no other issues were reported. Blane Casey repaired the leak the following day after notification.

Year-Round Chlorination

The NVC initiated year-round chlorination, de-chlorination and the weekly testing of its wastewater effluent for bacteria on Sunday, April 4, 2021.

Drinking Water Department

February 2021 Production and Water Quality.

Purchased water for the month averaged 14,002 gpd compared to 13,723 gpd for the same month in 2020. The weekly free chlorine residual in the drinking water ranged from 0.29 - 0.33 ppm/Cl² compared to the recommended goal of >.20 to <1.0 ppm/Cl². The EPA maximum concentration level (MCL) not to be exceeded for chlorine residual is 4.0 ppm.

The monthly total and e-coli water sample test results were both negative. There were no reported or discovered leaks in the water distribution system.

The annual test result for nitrate nitrogen in the NVC drinking water was 0.68 mg/l. This compares to the MCL set by the EPA of 10 mg/l.

March 15 Trimesterly Billing

As of April 5, 2021, 41.8% or \$24,452 of the \$58,498 billed to sewer customers has been collected. For water, receipts of 43.2% or \$22,353 of the \$51,720 billed out has been received.

8. **Reserve Amount** – Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service should the need arise. Reserves can also be established and maintained for the anticipated and expected expenses including but not limited to operation and maintenance, customer deposits, and replacement of short-lived assets. As a part of this Agency loan/grant funding package, you must fund a reserve account for replacement of short-lived assets by depositing a sum of \$7,200 annually into a dedicated account at a bank of your choosing.
9. **Operation and Maintenance (O&M) Expenses** – O&M expenses must be properly budgeted to ensure the financial viability of any operation. For planning purposes, we have projected O&M expenses based on the information provided in the preliminary engineering report which should be representative of a typical year. This information is utilized to determine loan repayment and is reflected in the operating budget. It is expected that O&M will change over each successive year and that user rates will need to be adjusted to meet O&M expenses. You must maintain a rate schedule that provides adequate income to meet the minimum requirements for O&M expenses, debt service, and reserves.
10. **Proposed Operating Budget and User Rate Analysis** - You will be required to submit to this office a copy of your proposed annual operating budget and rate analysis to support the proposed loan repayment prior to this agency giving you written authorization to proceed with the bidding phase. The operating budget should be based on a typical yearly cash flow for the first full year of operation after completion of this project. The rate analysis will be required to show the number of users, their average consumption based on a twelve month consecutive average, and a rate structure to support the necessary revenue to make the operating budget cash flow. Our Form RD 442-7 "Operating Budget" or similar form may be utilized for this purpose. The governing body of NVC must approve the user rates prior to loan closing, to ensure adequate revenues will be collected to pay all expenses and debt service associated with the system.
11. **Accounts, Records, and Audits** - The NVC will maintain adequate records and accounts of its operations and financial position. The accounting system will be maintained on an accrual basis. An annual audit of the District's financial records will be made each year by a certified public accountant and submitted to RUS within 150 days of the fiscal year's end. All audits will be completed in accordance with Generally Accepted Government Auditing Standards (GAGAS). Audits based on Federal financial assistance must be completed pursuant to the appropriate OMB Circular. Interim funds disbursed during the construction period that will be reimbursed with RUS loan funds are also considered Federal financial assistance. Information on the level of use of the facility and other such reports and information as the Government may require, will be submitted upon request. The NVC should establish and maintain racial data as it pertains to the governing body, employment, and the utilization of the facility.