

**Yarmouth Water District
Board of Trustees Meeting Minutes
September 11, 2018, Tuesday @ 7:00 p.m.
Yarmouth Water District Office
181 Sligo Rd, Yarmouth, ME**

Roll Call:

Present: Irving Felker, Jr, Chairman, William Taylor, Susan Krauss, Thomas Brennan, Stephen Gorden

Absent:

Quorum present? Yes

Others Present: Robert MacKinnon, Jr., Superintendent, Eric Gagnon, Assistant Superintendent, Linda Earley, Recording Secretary

Proceedings:

- *Meeting called to order at 7:00 pm. by Irving Felker*
- *On a motion by William Taylor, seconded by Thomas Brennan, it was VOTED: To approve August 2018 meeting minutes as amended. (4-0)*

Treasurer's Report

<u>Institution</u>	<u>Acct Number</u>	<u>Description</u>	<u>Amount</u>	<u>Maturity Date</u>
Peoples United Bank	100209807	1989 Debt Service Reserve	\$5,066.00	Savings Acct
Peoples United Bank	100209564	Standpipe Maintenance, Savings	\$22,837.25	Savings Acct
Bath Savings	1019557436	Standpipe Maintenance, CD	\$517,459.09	CD 10/19/18
Bath Savings	185902	Contingency Fund	\$189,230.81	Savings Acct
Bath Savings	1019557428	Submarine Main Dep., CD	\$821,075.73	CD 10/19/18
Peoples United Bank	101020495	Water Resource Protection Fund	\$53,909.05	Savings Acct
Total Special Funds			\$1,609,577.93	

Supt MacKinnon reported the following transactions for past months: Monthly contributions and interest to the 1989 Debt Service Reserve, a \$15,000 deposit to the Contingency Fund, and accrued interest in all other accounts.

On a motion by Susan Krauss, seconded by Stephen Gorden, it was VOTED: *To file the Treasurer's report for audit. (5-0)*

The following bond payments are due October 1, 2018: \$41,543.52 on the 2005 Bond for principal and interest and \$11,913.58 on the 2009 Bond, which is principal only.

Supt MacKinnon sent bids to 8 local banks requesting rates for one and two year terms for the two special account CDs which mature on October 19, 2018. The responses are due by the end of September and a proposal will be presented at the October meeting.

Communications

- A thank you note was received from the family of Dick Cline for donation made in memoriam. Mr. Cline was a local contractor who did the excavation for service work and repairs for the District for many years. A thank you note was received from Chop Point School for a donation made in memoriam of Alan Frasier's wife who recently passed away. Mr. Frasier is the superintendent of the Brunswick & Topsham Water District and his wife was a teacher at the Chop Point School.
- A postcard was received for the Skyline Farm 5k trail run/walk on September 15, 2018. The District is a sponsor of this event.
- Dexter Lane Property Offer
A proposal was received for an RFP on surplus property in North Yarmouth near Dexter Lane. The due date for the RFP was the end of June and the proposal was received in the middle of August. The offer was for \$10,000 and the appraised value for the property is \$95,000. By law, the District is obligated to receive the appraised value. Supt MacKinnon will communicate to bidder the offer was not accepted. Supt MacKinnon stated that there has been quite a bit of money spent on appraisals and is not sure if another proposal should be pursued. The 13 acre lot is land locked and is no longer needed by the District. There is no direct liability to hold the property. Suggestions to move forward included gifting to a conservation group, petition to the PUC to accept less than the appraised value, a land swap opportunity, or holding on to the property. Supt MacKinnon and Asst Supt Gagnon will do an assessment of the site and will explore suggested options.

Old Business

- FPL Contract Renewal; *To hear an update on progress on the Wyman Station contract renewal.*
Supt MacKinnon and Asst Supt Gagnon met with the Wyman Station plant manager and the Business Manager from Florida joined the meeting by phone. Supt MacKinnon supplied a sheet outlining terms for the contract. Representatives from FPL asked questions about how the charges were derived and did not offer any objections. Supt MacKinnon will be meeting with the District's team to work on the

termination fee section of the contract and will include the cost of replacement of the submarine main. The cost to replace the submarine main will be about \$300,000 more than what is currently in the reserve. Supt MacKinnon feels it makes sense for the proposal be written to include the ~\$300,000 as a deficit. The repayment amount would be the estimated deficit adjusted for use (91%) divided by the term of the contract. The estimated monthly payment of \$3,101.08 will be banked until the main is replaced. The amount would be adjusted to actual cost once known. Supt MacKinnon would like an agreement in place to always be funding a submarine replacement. A suggestion was made to consider the deficit amount to be front loaded and decrease over time.

The term of the proposed contract is 5 year and can be terminated by either party with 2 years notice with auto renewal.

- North Yarmouth Comprehensive Plan Update; *To hear an update on progress regarding work on the Groundwater Protection Overlay Zone.*

Asst Supt Gagnon and Matt Reynolds met with the North Yarmouth Town Manager and Comprehensive Plan Committee. The plan will be completed in stages. Stage 1 is to reach an agreement of the new zoning for the village residential area zone, the Groundwater Protection Overlay Zone, and any other zone changes. Stage 2 will be to evaluate and review the use table and zone ordinances.

Asst Supt Gagnon provided an onscreen visual display showing the proposed changes to the Groundwater Overlay Zone with areas being removed and added from the current overlay zone. North Yarmouth is considering changes in the Village Center zone and to allow for ½ acres lot with limitation to 360 gallons per day with waste and require an advanced wastewater treatment system. All other ordinance criteria will need to be met. The zones will change in the fall, pending town meeting and select board approval, however the current use tables and ordinances are still in place and will need to go through planning board to be revised. Concerns included how the amount of wastewater is to be monitored and measured, what are the consequences if the limit is exceeded, would facility limitations be put in place, and how will inspections be completed. The district may want to develop some criteria to recommend. It is not clear from the maps how many properties are available to be developed in this zone. YWD does own parcels in the proposed zone change.

New Business

- 2019 Budget; *To review and discuss a preliminary proposed budget for 2019*

Supt MacKinnon distributed the first draft of the 2019 budget with notes of variances and other items worthy of mention. The proposed budget has a debt service coverage ratio of 1.36, which is at the lower limit for that ratio. A ratio of at least 1.25 is required by the Master Indenture. Supt MacKinnon consulted with Nick Henry who advised that based on the projected 2018 figures, a rate increase of the 8-12% range may be necessary. Supt MacKinnon further explained some of the savings from last year were because the district was not fully staffed, usage is leveling off due to more efficient fixtures and limited growth, and the reserve for the tanks is to increase on the recommendation of the master plan. There is a 3 month window for a rate increase to be put into place and billing would take another 3 months to be in full effect. Last rate increase was 2015.

Capital improvement will include Cumberland well, trucks, reserve accounts, and main replacement. The Hillside project will be going to bid in November for labor only since the material was already purchased. Since here has been limited build out lately, there is an increase contingency budget by \$75,000. An inquiry was made for any opportunity for overlap with the town and Supt MacKinnon and Asst Supt Gagnon are not aware of any except Cumberland Street.

Supt MacKinnon will send out letter for pricing for 2 trucks. One truck was slated for replacement last year and one from this year. One truck will have a utility bed.

Preliminary budget and has been sent to Nick for the opportunity for recommendations. Supt MacKinnon requested Trustees to review and submit specific questions. Supt MacKinnon will also be consulting with Nick Henry.

Supt MacKinnon reported there are only 2 more payments on the 1989 Bond.

Operations

- August 2018 Production Reports
Supt MacKinnon distributed the production reports. August is usually a high usage month, but for this year the usage has dropped considerably under the 30 year average.

Other

- Supt MacKinnon stated the Wellhead Protection program was started a few years ago. There were 8 septic tanks pumped around the Hayes Well. This service was last done about 3 years ago and it was the right time to complete it again.. The work was appreciated. The contractor honored the same pricing and the Town of Yarmouth took the waste at no charge. They will look to complete around other well sites.
- The District is scheduled for Sanitary Survey by State. The survey is completed every 3 years and do not anticipate any concerns.
- According to the American Water Works Association, the SRF program was renewed in Congress.
- Executive Session was not requested.

At 8:36 p.m., on a motion by William Taylor, seconded by Stephen Gorden, it was VOTED: *To adjourn the regular monthly meeting. (5-0)*

Minutes submitted by:
Linda Earley, Recording Secretary

Minutes filed by:
Eric Gagnon, clerk