

**Yarmouth Water District
Board of Trustees Meeting Minutes
October 2, 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 Thomas Brennan, seconded by William Taylor, it was VOTED: To approve September 2018 meeting minutes as amended. (5-0)*

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	\$5,191.19	Savings Acct
Peoples United Bank	100209564	Standpipe Maintenance, Savings	\$29,963.24	Savings Acct
Bath Savings	1019557436	Standpipe Maintenance, CD	\$ 518,059.11	CD 10/19/18
Bath Savings	185902	Contingency Fund	\$189,245.33	Savings Acct
Bath Savings	1019557428	Submarine Main Dep., CD	\$822,027.81	CD 10/19/18
Peoples United Bank	101020495	Water Resource Protection Fund	\$61,411.24	Savings Acct
Total Special Funds			\$1,625,987.92	

Supt MacKinnon reported the following transactions for past months: Monthly contributions and interest to the 1989 Debt Service Reserve, September bond payments as follows; 2005 Bond for \$41,543.52 (Principle and

interest), 2009 Bond for \$11,913.58 (Interest), and 2016 Bond for \$1,400.83 (Interest), and accrued interest in all other accounts. Last payments were made to Standpipe Maintenance and Water Resource Protection Fund. An interest payment for \$750.00 on the 1989 Debt Services will be made from 1989 Debt Service Reserve.

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

Communications

No communications to report.

Old Business

- YWD Special Accounts Reinvestment, *Bid Result*
Supt MacKinnon requested bids for 1 and 2-year term CDs rates. Norway Savings submitted the highest bid. Supt MacKinnon reviewed trends and forecasts on interest rates and recommends a one year term.

On a motion by Stephen Gorden, seconded by Susan Krauss, it was VOTED: *To accept the bids for one year term as recommended. (5-0).*

- FPL Contract Renewal; *To hear an update on progress on the Wyman Station contract renewal. To review the draft contract and consider the following draft motion: " To authorize the Superintendent to enter into a water supply contract with Wyman Station, and to submit the executed document to the MPUC for approval of the same".*

Supt MacKinnon circulated the contract that was agreed to with the representatives from the Wyman Station power plant. The power plant representatives requested to add the provision that if the power plant suspends production for 12 months, they could terminate with written notice. The concession was considered minor and was agreed to by the District team. The power plan requested the provision as a protection from the District initiating the termination and imposing the termination fee of \$300,000.00. There would be an operational change from the water supply from Portland if the usage is suspended but the cost of the operational changes will be covered by the minimum use provision.

The term of the contract is for 5 years and requires a 2-year notice of termination. The termination request cannot be submitted prior to the 5-year term expiration (May 1, 2024). The contract will be in effect for a minimum of 7 years (5-year term + 2-year termination notice) and continue as written at expiration until further action is requested. This is a special contract and the revenue is not considered part of a rate case. There is an annual 2% increase included for inflation for the depreciation and operations and maintenance charges in this contract.

On a motion by William Taylor, seconded by Susan Krauss, it was VOTED: *To authorize the Superintendent to enter into a water supply contract with Wyman Station, and to submit the executed document to the MPUC for approval of the same. (5-0)*

- North Yarmouth Comprehensive Plan Update; *To hear an update on progress regarding work on the Groundwater Protection Overlay Zone. To discuss the installation of six test wells in North Yarmouth this fall, at an estimated cost of \$ 17,500.*

Asst Supt Gagnon reported there is a public meeting scheduled for October 9th by the North Yarmouth Comprehensive Plan Committee regarding the new zoning area. The meeting is for zoning area changes only and the current use table and zone ordinances will remain in effect. Supt MacKinnon, Asst Supt Gagnon, and Matt Reynolds will be in attendance to answer any questions for the District. There is another meeting scheduled on October 30th for vote. The Comprehensive Plan is online and some of the District maps are included in the plan. The zone changes do not impact the Bowdoin Excavation site and the current use ordinances will remain in place.

Matt Reynolds inquired about the District being placed on drilling schedules for the fall. A total of 6 test wells at an approximate cost of \$17,500 is suggested. Supt MacKinnon recommends drilling the test wells to fill in gaps in the data. The trustees agree that data is important and useful to make data-driven decision.

On a motion by Stephen Gorden, seconded by Thomas Brennan, it was VOTED: *To authorize the drilling of 6 new test wells for an estimated \$17,5000 cost. (5-0)*

The District does participate in an education program at the schools to teach about expanding the groundwater model and track contaminants through soil testings. Matt Reynolds would like to use the area around the Hayes Well to show sodium levels in the sand and gravel at the aquifer. Supt MacKinnon has a new contact from the New England Environmental Finance Center. Supt MacKinnon will explore opportunities to partner and consider grant options for the test wells.

Trustee Taylor suggested an educational workshop or a program on Advanced Waste Water systems. The topic would be of interest to many rural areas since the use of these systems are more common and many residents are new to these systems. The initial focus would be the District, especially North Yarmouth because of the proposed zoning and ordinance changes. The program could be shared or expanded to other areas. It would be important that the presentations show no bias to a particular product or brand. There may be grant opportunities to cover the cost since the intent is well-head protection.

New Business

- 2019 Budget; *To review and discuss a preliminary proposed budget for 2019*
Supt MacKinnon distributed the latest draft budget. Nick Henry had recommended a rate case request of 8-12%. Supt MacKinnon suggested March 1, 2019 as a date to implement the rate change. The proposed budget reflects a 9% increase at a half year and phased in to be in full effect on June 1. Nick Henry has the data and will respond. The debt service ratio calculated with a 9% rate increase in effect for ½ year will be 1.53 and for the full year will be 1.7. With no rate case, the debt service ratio will be

1.25. It has been 4 years since the last increase and should now consider rate cases every 2-3 years for smaller increments.

A suggestion was made to propose including incremental rate increases in the current rate case to the PUC. Including the incremental increases, the District could avoid the costs associated with submitting rate cases in the future. A request was made to complete the work on the rate study. Supt MacKinnon will follow up with the request.

Operations

- **Dexter Lane Property**

Jim Katsiaficas stated the District cannot accept less than the appraised value for the land at the Dexter Lane property. The District does have the option of giving the property to a land trust or conservation group. Supt MacKinnon and Asst Supt Gagnon completed a site visit. They reported that the approximate 11-acre parcel of land does have some wet areas but was a nice property with a few old structures. The parcel is considered landlocked. Supt MacKinnon would request from the owner of the surrounding property for access to maintain the property or an easement. The property does not incur cost to the District. Supt MacKinnon will continue to explore options.

- **2018 State Sanitary Survey**

The Sanitary Survey is required by the State every 3 years. The survey is a comprehensive review of the District operations including paperwork, staffing, and facility checks. The survey group was pleased with what they reviewed and did not identify deficiencies and made no recommendations.

- **September 2018 Production Report**

Supt MacKinnon distributed the production reports. September was normal usage with a slight increase towards the end of the month with the increase in temperature. The usage is down from last year due since last year's usage was high due to leaks in the system.

Other

- Trustee Gorden stated that the District has a couple of ways to increase revenue; rate increases and growth. To reduce the dependency on rate increases, the opportunity should be explored to partner with other districts such as Gray or South Freeport. Future planning and rates should include an increase to the build reserves. The reserves would be eliminated or reduce the need for bonds and there will be cost savings by eliminating interest payments.
- Executive Session was not requested.

At 8:22 p.m., on a motion by Stephen Gorden, seconded by Thomas Brennan, it was VOTED: *To adjourn the regular monthly meeting. (5-0)*

Minutes submitted by:
Linda Earley, Recording Secretary

Minutes filed by:
Eric Gagnon, clerk