

**Yarmouth Water District  
Board of Trustees Meeting Minutes  
September 1, 2020 Tuesday @ 7:00 p.m.  
Yarmouth Water District Office  
181 Sligo Rd, Yarmouth, ME  
and via ZOOM format**

**Roll Call:**

*Present:* Irving Felker, Jr, Chairman, William Taylor via Zoom, Susan Krauss, Thomas Brennan, Andrew Walsh

*Absent: none*

*Quorum present? Yes*

*Others Present:* Robert MacKinnon, Superintendent, Eric Gagnon, Asst. Superintendent, Emily Thomas, Recording Secretary

**Proceedings:**

- *Meeting called to order @ 7:08 pm by Irving Felker*
- *On a motion by Thomas Brennan, seconded by Susan Krauss, it was VOTED: To approve August 2020 meeting minutes as written. (5-0)*

**Treasurer's Report**

August Financials

<u>Institution</u>	<u>Acct Number</u>	<u>Description</u>	<u>Amount</u>	<u>Maturity Date</u>
Cumberland County Federal Credit Union	51700-020	Submarine Main Depreciation Fund, Savings	\$34,062.48	Savings Acct
Peoples United Bank	100209564	Standpipe Maintenance, Savings	\$86,905.03	Savings Acct
Norway Savings	1019557436	Standpipe Maintenance, CD	\$641,629.03	CD 10/22/20
Bath Savings	185902	Contingency Fund	\$106,422.36	Savings Acct
Norway Savings	1019557428	Submarine Main Deprec, CD	\$871,958.48	CD 10/22/20
Peoples United Bank	101020495	Water Resource Protection Fund	\$121,488.83	Savings Acct
		Total Special Funds	\$1,862,466.21	

Supt MacKinnon reported the following activity in August; three debt service payments are due this month. Two principal payments and one payment of interest only. One more bond payment is due for the year with a due date of 12/01/2020. A letter for reinvestment of the two Special Account CDs that will mature next month will be going out to request bids. Supt MacKinnon anticipates taking the two associated savings accounts and rolling them into the CDs. The new Submarine Main Depreciation Fund will be over \$900,000 with the Standpipe savings account holding just under \$730,000.

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

### **Communications**

- None

### **Old Business**

- None

### **New Business**

- Discussion and Consideration of Appointing New Treasurer and Clerk:  
Supt MacKinnon proposed appointing Asst Supt Gagnon as the treasurer of the district, which would require that someone assume the duties of clerk. Supt MacKinnon is the current treasurer with the end date of his position being 09/30/2020, this would make Asst Supt Gagnon the new treasurer effective 10/01/2020. The primary duties for the clerk include the responsibility of the Trustee Meeting minutes being accepted and in the case of a bond issue, signatures on a few documents. Asst Supt Gagnon will continue to advertise the meetings as he's done in the past. MacKinnon recommends the easiest solution would be for one of the board members to take over the clerk position.

Susan Krauss nominated Thomas Brennan as the new clerk, effective today 09/01/2020, this was seconded by Andrew Walsh and VOTED: *To appoint Thomas Brennan as clerk (5-0)*.

Andrew Walsh nominated Asst Supt Gagnon as the new treasurer effective on 10/01/2020, seconded by Susan Krauss and VOTED: *To appoint Asst Supt Gagnon as treasurer effective 10/01/2020 (5-0)*.

- North Yarmouth Capital Improvement Project Status Report:  
Supt MacKinnon reports that the project is moving right along, and the water main plans are about 90% finished and the pump station is about 85-90% complete. As far as the storage tank portion of the project, the issues in finding a location have been moving slower than anticipated. The next step in the project is to finalize the water main and pump station plans and prepare the pump station plan for the planning board approval process. Supt MacKinnon is trying to swap land for a new tank site, but it requires MPUC approval to swap or sell the land due to regulations on selling water resource land. Steps are being taken to expedite the MPUC approval process to sell the land. Supt MacKinnon and Asst Supt Gagnon have been reviewing the funding options for the projects. Supt MacKinnon recommends proceeding with just the Water Main and Pump Station portions of the project, and to build the tank in a few years. He has calculated that to do so would require a bond issue of 2.6- 2.7 million dollars, which he estimates would require a 10-12% rate increase. To include the storage tank would require a 24-26% rate increase, which might be difficult to accomplish. Supt MacKinnon suspects the construction will be completed in 2021 for the first two phases, and permanent financing at end of that year with rates to follow at beginning of 2023
- North Yarmouth Capital Improvement Project Official Intent:

Supt MacKinnon presented the Official Declaration of Intent for the project. He explained that this document is a requirement if the District chooses to use a tax-exempt private bond issue to finance the project. He further explained that this document covers the entire project of water main, pump station, and water storage tank; however it does not require the District to complete all phases, it just preserves the ability to do so if circumstances warranted. The 5 million dollar estimate is strictly a rough, upper limit value for all phases of the project.

On a motion by Andrew Walsh, seconded by Susan Krauss and VOTED: *To Declare Official Intent for the 2021 Capital Project as presented (5-0)*.

- North Yarmouth Capital Improvement Project Financial Options:  
Supt MacKinnon gave an update of the conversation with the District's bond advisor as to financing options for the projects. Supt MacKinnon stated that the expected interest rates might be around 1.5%, but it has been higher and gave a conservative estimate of 2-3%. There is also a chance that a stimulus package could be released that may include interest-free financing. The bond advisor stated that some districts are declaring "Green Bonds" which is similar to an AWS certification. These types of bonds may be desirable in the future with mutual funds looking for that declaration and offer better rates. The question was asked if the tank should be left in or out of the financing options when moving the project ahead? Supt MacKinnon suggests leaving the tank out for now, as it is not binding and can be completed within the next three years or so. Supt MacKinnon mentioned that the District should look into removing the master indenture that was set in place many years ago. The master indenture makes sense when interest rates are high as it provides security to pay back the debt which allows a better bond rating. There are ways to make changes in the District's Charter that can provide the same securities and potentially not impact the bond rating.
- Transition Update:  
Supt MacKinnon and Asst Supt Gagnon are going through tasks together to get Asst Supt Gagnon up to speed on treasury and day to day finances, things are going well. They are trying to bring more staff to some of these duties.
- 2020 YTD Financials:  
Supt MacKinnon reports the 2020 year to date financials are on track. The debt ratio was 1.59 and should be better than 1.8 by the end of the year. Supt MacKinnon reports that some debt was retired this year, it should allow having a good ratio next year. Maine PUC is considering lifting the disconnection moratorium soon. They will have a draft order available to utilities soon. Most collections are coming in timely, but some are getting a little slow.

## **Operations**

- August 2020 Production Reports:  
Supt MacKinnon distributed the August production report. It was a hot and dry month. Production has fallen off slightly, but it is still dry.

## **Other**

- Supt MacKinnon mentioned that the District had a cybersecurity incident last week. It was a phishing incident that copied a contact list and inbox emails and redistributed those emails with an attached virus. The details are still being worked on but appear to be insulated to one computer and that computer was replaced. The District has had multiple cybersecurity training and will be working on an action plan to correct the shortcomings, which may become disciplinary. The insurance company is on notice in case the virus impacts others.

At 8:10 p.m., on a motion by Susan Krauss, seconded by Thomas Brennan it was VOTED: Executive session on a motion by Susan Krauss, seconded by Thomas Brennan, it was VOTED: *To consider going into executive session pursuant to 1 M.R.S.A. § 405 (6)(C), concerning acquisition of real estate. (5-0)*

At 8:29 p.m., on a motion by Andy Walsh, seconded by Susan Krauss, it was VOTED: *To adjourn the executive session and return to the regular monthly meeting. (5-0)*

At 8:30 p.m., on a motion by Thomas Brennan, seconded by Susan Krauss, it was VOTED: *To adjourn the regular monthly meeting. (5-0)*

Minutes submitted by:  
Emily Thomas, Recording Secretary

Minutes filed by:

Thomas Brennan, clerk