

Bayside water budget for 2005 in the red

By Toni Mailloux

Overseers of the Northport Village Corporation, commonly referred to as Bayside, have some tough decisions ahead.

Its utility department has determined that even if 100 percent of the district's water customers pay their bills, the 2005 budget will finish in the red to the tune of \$3,300. And because the annual meeting of the corporation is held in August, a rate increase cannot be put in place for 2005.

The main reason for the shortfall is the increased debt service, which in 2005 will include payment on the loan for the deep water line on Shore and Bluff roads. At the time that loan was approved by a vote of the village, there were assumptions made that more new customers would hook into the line and there would be a rate increase, according to utility department chairman David Crofoot.

He said the overseers now need to decide whether to seek a rate increase or have the difference paid by village taxes, which he said are tax deductible.

Crofoot said the debt service payment will decrease from \$83,000 to \$76,000 after three years and then will slowly diminish for the next 10 years.

Jo Huntoon, president of the corporation, said someone should check to see if the corporation applies for a rate increase, if it has to be put in place. He said if not, an application could be filed and then put in place if approved by the voters in August.

Overseer Judy Metcalf said it's unrealistic to assume a 100 percent pay rate.

"I'd be concerned about taking it out of the general fund," said overseer Mike Robbins, adding the corporation also has to figure out how to deal with and pay for several road issues. "Until now the water department has been self-paying," he said.

Huntoon said there was a time several years ago when the water district was losing money and the corporation loaned it money that has since been repaid.

Crofoot said the wastewater side doesn't look quite as bad. He said while the rate is high, in the past the corporation has subsidized it with tax money to pay down capital expenditures.

But while the sewer budget is balanceable at this point, he said there are only 234 customers and

it's hard for user fees to support the whole budget.

The overseers authorized Huntoon to sign a contract with Dick McElhane to serve as the superintendent for the utility department. He will work eight to 12 hours a week at a rate of \$40 per hour. McElhane is fully licensed to operate a wastewater treatment plant. Until April when McElhane will take an exam to be a licensed water company operator, the corporation will pay Aqua Maine \$450 per month for their water license.

Representatives from the utility department hope to meet with the Department of Environmental Protection, both the enforcement and funding arms, Dec. 3 to discuss how Bayside is supposed to start designing a new wastewater treatment facility when they have no money and only 234 customers, who are already paying high sewer bills. The consent agreement between NVC and the state calls for the design phase to begin Jan. 1.

In other action, the overseers:

- set a budget workshop for Dec. 12 at 10 a.m.;

- learned the valuation of Bayside increased 232.17 percent in the recent revaluation while the town valuation, including Bayside, went up 194.17 percent;

- learned as of Oct. 31, accounts receivable for water were \$13,967.90 or about 11 percent of the billing and for the sewer the accounts receivable were \$12,109;

- heard a suggestion from Jim Coughlin that Bayside do a study on the contribution it ought to get from Northport to help with its water and sewer problems. He said he doesn't feel Bayside is getting its fair share back relative to the taxes Bayside residents are paying to Northport. Crofoot said there has been a level of cooperation over the last two or three years and Bayside would not have applied for a Community Development Block Grant to help with the installation of the deep water lines on Shore and Bluff roads without the town's help;

- directed the utility department to draft a response to correspondence from a Kelly Cove Subdivision landowner complaining about sewer problems in the subdivision; and

- heard from village agent Bill Paige that the boat float looks pretty good and should be OK for another summer.