

MINUTES OF THE BOARD OF TRUSTEES February 25, 2015

The regular meeting of the Board of Trustees, which was held in the Conference Room of the Water District Office Building at 92 Main Street, Kennebunk, was called to order by President Tom Oliver at 3:00 pm. Trustees Jim Burrows, Richard Littlefield and Bob Emmons attended along with Superintendent Norm Labbe, Assistant Superintendent Scott Minor, Treasurer Wayne Brockway, Facilities Manager Rob Weymouth, Accountant Cathy McLeod, Technical Services Manager Don Gobeil and Administrative Assistant Cindy Rounds.

Minutes – January 28, 2015 Meeting

On a motion by Mr. Burrows, seconded by Mr. Littlefield, it was unanimously voted to approve the Minutes of the January 28, 2015 Meeting as amended.

Public Comment

There was no public comment.

Treasurer's Report

The Treasurer stated that preparations are underway for the year-end audit so a formal financial report will not be presented. He anticipates that the audited results will be available for next month's meeting.

He reported that a total of \$16,486 was collected in SDC fees (9 connections) during December, bringing the 2014 total to \$198,218 (148 connections). The Treasurer presented the revenue analysis and comparison to budget for January. Annual metered account revenues were \$311,459, indicating a (2.8%) unfavorable budget variance of \$9,102. Seasonal metered account revenues totaled \$45,462, indicating a (9.1%) unfavorable variance of \$4,538.

The Treasurer outlined the (differences in the) procedure to undertake a rate increase under the requirements of Section 6104A. Among them is the requirement that the Trustees vote at the end of the public hearing to officially approve the new rates.

Monthly Water Production Report

The Assistant Superintendent reported that 54.3 MG of water was produced in January (55.1 MG in 2014), comprised of 22.7 MG of surface water (Branch Brook) and 31.6 MG groundwater from the Kennebunk River well. The surface water versus groundwater production comparison chart showed that the difference between the surface water chemical cost (\$246.40) and groundwater chemical cost (\$35.63) was \$210.77 per MG in January.

The Assistant Superintendent then explained the chart illustrating the drawdown analysis for the Kennebunk River Well. The well will be kept on line until the end of April to further evaluate the water elevation changes. The spring melt may provide an increase to the water level in the well.

Since November 21st when the Kennebunk River Well was turned on, it has produced 96.2 MG. When projected out, this well is likely to produce in excess of 200 MG per year

The Assistant Superintendent then provided a brief overview of the annual water main leak history chart. It illustrated that only four leaks occurred; the lowest since 1994 and perhaps since the District was incorporated in 1921. The four leaks are estimated to account for 0.38 MG of lost water. Since 1994, the District has averaged 12 breaks and 3.59 MG of lost water each year. This illustrates the results of the District's aggressive main replacement program (the District has retired an annual average of 0.9% of its water mains since 1994).

Winter Weather Impacts

The Superintendent reported that staff has responded to only two water main breaks this winter along with a few customer-side service leaks. The cold weather has recently resulted in approximately 12 customer plumbing-related freeze-ups per week. He noted that the frost is usually at 30" at this time of year but is now approximately 50" deep. He noted that if only Branch Brook water was being distributed throughout the system, the number of water main freeze-ups would most likely increase because of the Brook's (lower than that of the Kennebunk River Well) water temperature.

Sale of Water to B&S Water Company

The Superintendent reported that on February 8th approximately 0.750 MG of water was delivered to the Biddeford & Saco Water Company to supplement water lost due to a large main break near their new Barra Road pump station. It is only the second time in the history of the District that water has been pumped north to that utility. The Superintendent shared an email from (B&S) Superintendent Tom Carr thanking the Plant and Facilities staff for their quick response during their emergency situation.

AMI Project

The Superintendent outlined the technology differences, both pro and con, between the Mueller (mesh system) and the Sensus (multi-point system) AMI proposals. He noted that the AMI project team and District's consultant are working to develop questions for the upcoming vendor interviews on March 10th & 11th. Both vendors will then be requested to provide a Best and Final Offer (BAFO). He anticipates that a recommendation will be presented to the Board at their next meeting.

MDOT Route One Ogunquit Project

The Technical Services Manager reported that Grondin Construction will be the contractor for this project. He reported on the outcome of two preconstruction meetings he attended in the past week. The attendees included Town of Ogunquit staff, representatives from the Chamber of Commerce, members of the business community, DOT officials and the project contractors. He recognized that one of the main messages brought to the meeting was that continuous communication among all the parties throughout the project was essential. He summarized the extremely busy work plan projected to be undertaken on this project. When the project commences on March 1st, there will be three crews working during daylight hours through April 18th after which it will change to two shifts (day/night). During the peak tourist season (June 18th through September 7th) only bridge work (the Josias River Phillips Bridge and the Ogunquit River Donnells Bridge) will be undertaken by DOT contractors. The DOT expects the bridge work to be complete by November 1st. District staff will begin after March 1st as the contractor is undertaking the drainage outfall work along Beach Street and Grasshopper Lane. The Technical Services Manager expects that there will be both capital and operating budget ramifications resulting from overtime and the other impacts from the aggressive timeline of the project.

The Superintendent requested the Board's consideration of modifying the 2015 Capital budget to offset the impact of the unanticipated costs related to this project. An additional \$220,000 (\$140,000 for Beach Street, \$40,000 for Kingfield Avenue and \$40,000 for the Phillips Bridge) will be needed to undertake work that was originally expected to be done during 2016. At the next meeting, he will outline the projects that could be postponed to mitigate as much of the \$220,000 as possible.

The Superintendent reported that the District will be setting up a field office (construction trailer) at the Ogunquit tank site.

On a motion by Mr. Littlefield, seconded by Mr. Burrows, it was unanimously voted to approve an additional \$220,000 to the 2015 Capital budget as presented by the Superintendent.

Merriland River Well Manganese Removal Pilot Study

The Superintendent reported on the success of the pilot study. It was determined that by adding potassium permanganate to the water prior to filtration, the manganese issue will be resolved. Upon consultation with the Drinking Water Program, it has been determined that effluent piping modifications will be required for two (of the four) rapid sand filters that will be utilized in the process. The Superintendent explained that the (Plant) lab expansion project budget (\$40,000) can be reduced by \$15,000 (and make it a two-year project) and together with the \$15,000 already approved for the manganese removal project, the manganese removal project can be implemented.

Proposed Budget Modification – Filter Effluent Piping for Manganese Removal Project

On a motion by Mr. Burrows, seconded by Mr. Emmons, it was unanimously voted to approve the budget modifications as outlined by the Superintendent.

Personnel Policy Revisions

The Superintendent outlined the proposed changes to the Personnel policies. Policy 125A was created to address the compensation (as Closure Time) of employees when the District is closed due to inclement weather. Policy 133 was modified primarily to accommodate Closure Time and to reflect the allowance of using compensatory time or holiday-free days for health-related issues.

On a motion by Mr. Burrows, seconded by Mr. Emmons, it was unanimously voted to create Policy 125A and modify Policy 133 as presented by the Superintendent.

Policy 132 was modified to eliminate the rental of the back hoe, boom truck, dump truck, pick-up trucks and compactor roller by employees, which addresses concerns of the District's insurance carrier relating to liability.

On a motion by Mr. Littlefield, seconded by Mr. Burrows, it was voted (3-0-1, with Mr. Emmons abstaining) to approve the changes to Policy 132 as presented by the Superintendent.

Modified Policy Relating to Property Damage Caused by the Failure of District Facilities

The Superintendent summarized the differences between this modified version and the policy that was originally approved on 10/29/14. He explained that it accomplishes the same thing as the earlier version but provides better protection from fraudulent claims and assures that the District maintains the protection that is currently provided by the Maine Tort Claims Act.

On a motion by Mr. Burrows, seconded by Mr. Emmons, it was unanimously voted to rescind the 10/29/14 policy entitled Policy Relating to Water Damage from the Failure of District Facilities and implement the policy entitled Policy Relating to Discretionary Goodwill Payment for Water Damage Arising from the Failure of District Facilities (revised 2/19/15) as presented by the Superintendent.

Other Business

- The Superintendent brought the Board's attention to a thank you letter from United Way that announced that \$884 was raised through District employee donations.
- The Superintendent brought the Board's attention to a letter from Debbie Oliver in which she thanked District staff for their assistance in extreme weather conditions on February 10th during the 92 York Street (Kennebunk) fire.
- The Superintendent informed the Board that Distribution Manager Butch Tibbetts has announced his retirement date (July 31, 2015).

- Winter Outing – The Superintendent reported that although the February 21st event at the Coastal House in Wells did not have record attendance, it was very enjoyable.
- New Insurance Service Representative – The Superintendent reported that Kennebunk Savings Insurance has assigned a new representative (Danny Edgecomb) to oversee the District's insurance accounts. He was pleased to announce that the District's Experience Modification Ratio (EMR) is 0.65 (1.0 being average). This low EMR reflects District employees' high level of safety practices and awareness. It will also save the District \$30,000 in workers compensation insurance costs. The Superintendent was asked to relate the Trustees' appreciation to the employees.
- Winter 2015 Newsletter – The Superintendent provided a brief overview of the articles in the recently published newsletter that was distributed at the meeting.
- Marsh Property – The Facilities Manager reported that there will be a weather-related delay (of about 6 weeks) in removing the house from the 2190 Main Street Sanford property.

Next Meeting

The next regular meeting of the Board of Trustees is scheduled to be held on Wednesday, March 25, 2015 in the Conference Room of the Office Complex at 92 Main Street, Kennebunk.

EXECUTIVE SESSION – Officers' Performance Evaluation

On a motion by Mr. Burrows, seconded by Mr. Littlefield, it was unanimously voted to go into Executive Session at 4:09 pm to conduct Officers' performance evaluations.

On a motion by Mr. Burrows, seconded by Mr. Littlefield, it was unanimously voted to come out of Executive Session at 4:50 pm with no action taken.

On a motion by Mr. Burrows, seconded by Mr. Littlefield, it was unanimously voted to grant the Superintendent a 2.5% wage increase and one additional week of vacation for 2015; to grant the Assistant Superintendent a 2.5% wage increase and one additional week of vacation for 2015; and to grant the Treasurer a 1.25% wage increase with the recommendation that he receive another performance review in six months.

Adjournment

On a motion by Mr. Burrows, seconded by Mr. Emmons, it was unanimously voted to adjourn the February 25th meeting at 4:53 pm.



Wayne A. Brockway, Clerk

MINUTES OF THE BOARD OF TRUSTEES
Special Meeting of February 25, 2015

As required by MRSA Title 35-A, Chapter 6104-A, at the conclusion of the public hearing for the pending water rate increase (Docket No. 2015-00022), the Board of Trustees held a meeting to deliberate and vote on the proposed rate increase.

The special meeting was attended by President Oliver and by Trustees Jim Burrows, Richard Littlefield and Bob Emmons.

On a motion by Mr. Burrows and seconded by Mr. Littlefield, it was unanimously voted that the Water District's metered and fire protection rates be increased on an across the board basis by 3%.

The meeting was adjourned by the Superintendent Labbe at 6:52 pm.