

MINUTES OF THE BOARD OF TRUSTEES  
July 27, 2016

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

Minutes – June 29, 2016 Regular and Annual Meetings

On a motion by Mr. Burrows, seconded by Mr. Oliver, it was unanimously voted to approve the Minutes of the June 29, 2016 Regular and Annual meetings as written.

Public Comment

There was no public comment.

Treasurer's Report

The Treasurer presented the May financial report along with the operating revenue actual versus budget comparison. Annual metered account revenues were \$1,176,156, indicating a 6.9% favorable budget variance of \$75,953. Seasonal metered account revenues totaled \$627,232, indicating a 32.3% favorable budget variance of \$153,091. Total metered revenues were \$1,803,388, indicating a 14.5% favorable budget variance of \$229,044. Total operating revenues for year-to-date May were \$2,305,795, indicating an 11.2% favorable budget variance and a 4.6% increase in the year-to date billed usage from 2015. A total of \$43,116 was collected for 16 system development charges (SDC) in May bringing the 2016 total to \$175,500.53 for 50 connections (versus \$68,213.08 for 53 connections in 2015).

The Treasurer provided an overview of the June operating revenue actual versus budget comparison. Annual metered account revenues were \$1,492,432, indicating a 4.8% favorable budget variance of \$68,852. Seasonal metered account revenues totaled \$651,371, indicating a 3.0% favorable budget variance of \$19,132. Total metered revenues were \$2,143,803, indicating a 4.3% favorable budget variance of \$87,984. Total operating revenues for year-to-date June were \$2,729,982, indicating a 3.4% favorable budget variance and a 1.0% increase in the year-to date billed usage from 2015. A preview of the July revenues indicated an increase of approximately \$2,000 in the year to date favorable budget variance over June revenues.

The Treasurer reported that the Maine Bond Bank refinanced the 2009 bond with total savings in future interest payments amounting to \$64,282 between the years 2020 and 2029.

The Treasurer reported that the most recent \$1.5 million bond for the current SRF projects will be closing on Friday August 5<sup>th</sup>.

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to accept the May financial report as presented.

#### Monthly Water Production Report

The Assistant Superintendent reported that the liquid precipitation chart illustrates that the dry weather has continued with only 3.22" of rain in June and only 19.22" total for year-to-date. He reported that he is monitoring the weekly U.S. Drought Monitor reports which currently indicate the degree of drought conditions remains at 'severe'.

The water production in June has set a new record high at 137.5 MG, up more than 15.6% from 2015 production of 118.9 MG. The year-to-date water production (435.8 MG) is tracking 21.8 MG less than in 2015 (4.8%). The groundwater production source analysis indicated that 25.33 MG of water was produced from the Merriland River well and 35.47 MG produced from the Kennebunk River well. 2016 ground water production is tracking 15.0 MG (7.9%) less than year to date from 2015.

The Assistant Superintendent summarized the surface water versus groundwater production comparison that showed the cost of surface water chemical treatment increased to \$195.18 per MG due to the addition of chlorine dioxide as a pre-disinfectant at the Plant. The surface water versus groundwater YTD chemical treatment cost differential was \$148.77 MG.

#### AMI Project

The Treasurer reported that to date, 965 AMI meters have been installed and are all reporting; 181 were installed since the last meeting. The Facilities Manager reported that all the Datamatic equipment from the former pilot program has been removed from the system.

#### West Kennebunk Tank Mixer

The Facilities Manager reported that the installation of the tank mixer has been completed. The purpose of the mixer is to keep the water in the tank continually circulating to avoid thermal stratification which leads to water quality issues. With the new mixer in place, he doesn't expect to observe any stratification (condensation) lines on the outside of the tank or any freezing during the winter. Follow up water sampling is planned to confirm the mixer's effectiveness.

#### Main Extension – Alfred Road, Kennebunk

The Technical Services Manager reported that this project, comprised of the installation of approximately 4,050 feet of 12-inch main westerly along Alfred Road, is scheduled to commence on August 15th. This extension will also replace approximately 1,300 feet of existing 6-inch cast iron and transite water main currently in service. This extension is the off-site portion of the proposed Terrace Green Subdivision.

Main Extension – Ocean Avenue, Windemere Place & Seaview Avenue - Kennebunkport

The Technical Services Manager reported that installation of this 4,300' combined main extension has been completed. Pressure testing has revealed a couple of leaks; one has been repaired, the other still being sought.

Main Extension – Thompson Street, Kennebunk

The Technical Services Manager reported that this project, comprised of installing approximately 900 feet of 12" main southerly along Thompson Road 1,400 feet westerly along Higgins Drive has not yet started.

Main Replacement – Grove Street, Kennebunk

The Assistant Superintendent reported that this project, comprised of the replacement of approximately 1,050 feet of 4" and 6" cast iron main has been completed. Testing will be conducted later this week. The Superintendent reported that he has received a number of compliments on the District's crew with positive comments of their industrious work habits and that they are very accommodating, polite and interact with the neighbors in a considerate manner. The Superintendent also brought to the Board's attention a piece of pipe that was removed along the project route that revealed it was installed in 1895, the year the District's predecessor, Mousam Water Company, was founded.

Main Extension – Millbrook Farms Condominium at Riverbend Woods, Wells

The Technical Services Manager reported that this project, which comprised of the installation of approximately 170 feet of 8-inch water main northerly along Midway Drive and approximately 1,050 feet of 8-inch water main easterly along Millbrooke Farm Drive, has been completed. This was the final phase of the Riverbend Woods project off Bypass Road.

Main Extension – Salt Meadow Landing, off Boothby Road, Kennebunk

The Technical Services Manager reported that this project comprised of installing approximately 660 feet of 8-inch main southeasterly along Salt Meadow Lane (off Boothby Road) to serve an 11-lot subdivision, has been completed.

Declaration of Intent and Borrowing Resolutions – 2016 SRF Projects

The Treasurer provided a brief explanation of the Declaration of Official Intent for the Shore Road (Ogunquit), Beach Street (Kennebunk) and the Grove/Park Street (Kennebunk) projects.

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted that under and pursuant to the provisions of Title 35-A, Section 907 of the Maine Revised Statutes, as amended and supplemented to date, and the Charter of the Kennebunk, Kennebunkport and Wells Water District (the "District"), a public water facility improvement project consisting of the design,

construction and equipping of the **Beach Street** Water Main Replacement Project in Kennebunk (the "Project"), is hereby approved; and

That a sum not to exceed \$171,700 is hereby appropriated to provide for the costs of the Project (the \$171,700 appropriation represents a slight decrease from the appropriation for the Project made in the 2016 CIP Budget approved on November 17, 2015 of \$172,000); and

To fund said appropriation, the Treasurer and the President of the Board of Trustees are hereby authorized to issue, at one time or from time to time, bonds, notes or other evidences of indebtedness of the District (the "securities"), including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed \$171,700 and the discretion to fix the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment call(s) for redemption, form(s), and other details of said securities, including execution and delivery of said securities against payment therefor, and to provide for the sale thereof, is hereby delegated to the Treasurer and the President of the Board of Trustees.

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted that under and pursuant to the provisions of Title 35-A, Section 907 of the Maine Revised Statutes, as amended and supplemented to date, and the Charter of the Kennebunk, Kennebunkport and Wells Water District (the "District"), a public water facility improvement project consisting of the design, construction and equipping of the **Grove Street and Park Street** Water Main Replacement Project in Kennebunk (the "Project"), is hereby approved; and

That a sum not to exceed \$242,000 was appropriated for the Project as part of the 2016 CIP Budget approved on November 17, 2015 and such appropriation is hereby confirmed; and

To fund said appropriation, the Treasurer and the President of the Board of Trustees are hereby authorized to issue, at one time or from time to time, bonds, notes or other evidences of indebtedness of the District (the "securities"), including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed \$242,000 and the discretion to fix the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment call(s) for redemption, form(s), and other details of said securities, including execution and delivery of said securities against payment therefor, and to provide for the sale thereof, is hereby delegated to the Treasurer and the President of the Board of Trustees.

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted that under and pursuant to the provisions of Title 35-A, Section 907 of the Maine Revised Statutes, as amended and supplemented to date, and the Charter of the Kennebunk, Kennebunkport and Wells Water District (the "District"), a public water facility improvement project consisting of the design, construction and equipping of the **Shore Road** Water Main Replacement Project in Ogunquit (the "Project"), is hereby approved; and

That a sum not to exceed \$696,900 is hereby appropriated to provide for the costs of the Project (the \$696,900 appropriation represents a slight decrease from the appropriation for the Project made in the 2016 CIP Budget approved on November 17, 2015 of \$697,000); and

To fund said appropriation, the Treasurer and the President of the Board of Trustees are hereby authorized to issue, at one time or from time to time, bonds, notes or other evidences of indebtedness of the District (the "securities"), including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed \$696,900 and the discretion to fix the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment call(s) for redemption, form(s), and other details of said securities, including execution and delivery of said securities against payment therefor, and to provide for the sale thereof, is hereby delegated to the Treasurer and the President of the Board of Trustees.

**BEACH STREET WATER MAIN REPLACEMENT PROJECT**

**VOTE AUTHORIZING ISSUANCE OF UP TO \$171,700 WATER REVENUE BONDS OF THE DISTRICT TO FUND THE COSTS OF THE BEACH STREET WATER MAIN REPLACEMENT PROJECT**

VOTED: That under and pursuant to the provisions of Title 35-A, Section 907 of the Maine Revised Statutes, as amended and supplemented to date, and the Charter of the Kennebunk, Kennebunkport and Wells Water District (the "District"), a public water facility improvement project consisting of the design, construction and equipping of the Beach Street Water Main Replacement Project in Kennebunk (the "Project"), is hereby approved; and

That a sum not to exceed \$171,700 is hereby appropriated to provide for the costs of the Project (the \$171,700 appropriation represents a slight decrease from the appropriation for the Project made in the 2016 CIP Budget approved on November 17, 2015 of \$172,000); and

To fund said appropriation, the Treasurer and the President of the Board of Trustees are hereby authorized to issue, at one time or from time to time, bonds, notes or other evidences of indebtedness of the District (the "securities"), including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed \$171,700 and the discretion to fix the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment call(s) for redemption, form(s), and other details of said securities, including execution and delivery of said securities against payment therefor, and to provide for the sale thereof, is hereby delegated to the Treasurer and the President of the Board of Trustees.

Adopted: July 27, 2016

**GROVE STREET AND PARK STREET WATER MAIN REPLACEMENT PROJECT**

**VOTE AUTHORIZING ISSUANCE OF UP TO \$242,000 WATER REVENUE BONDS OF THE DISTRICT TO FUND THE COSTS OF THE GROVE STREET AND PARK STREET WATER MAIN REPLACEMENT PROJECT**

VOTED: That under and pursuant to the provisions of Title 35-A, Section 907 of the Maine Revised Statutes, as amended and supplemented to date, and the Charter of the Kennebunk, Kennebunkport and Wells Water District (the "District"), a public water facility improvement project consisting of the design, construction and equipping of the Grove Street and Park Street Water Main Replacement Project in Kennebunk (the "Project"), is hereby approved; and

That a sum not to exceed \$242,000 was appropriated for the Project as part of the 2016 CIP Budget approved on November 17, 2015 and such appropriation is hereby confirmed; and

To fund said appropriation, the Treasurer and the President of the Board of Trustees are hereby authorized to issue, at one time or from time to time, bonds, notes or other evidences of indebtedness of the District (the "securities"), including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed \$242,000 and the discretion to fix the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment call(s) for redemption, form(s), and other details of said securities, including execution and delivery of said securities against payment therefor, and to provide for the sale thereof, is hereby delegated to the Treasurer and the President of the Board of Trustees.

Adopted: July 27, 2016

#### **SHORE ROAD WATER MAIN REPLACEMENT PROJECT**

#### **VOTE AUTHORIZING ISSUANCE OF UP TO \$696,900 WATER REVENUE BONDS OF THE DISTRICT TO FUND THE COSTS OF THE SHORE ROAD WATER MAIN REPLACEMENT PROJECT**

VOTED: That under and pursuant to the provisions of Title 35-A, Section 907 of the Maine Revised Statutes, as amended and supplemented to date, and the Charter of the Kennebunk, Kennebunkport and Wells Water District (the "District"), a public water facility improvement project consisting of the design, construction and equipping of the Shore Road Water Main Replacement Project in Ogunquit (the "Project"), is hereby approved; and

That a sum not to exceed \$696,900 is hereby appropriated to provide for the costs of the Project (the \$696,900 appropriation represents a slight decrease from the appropriation for the Project made in the 2016 CIP Budget approved on November 17, 2015 of \$697,000); and

To fund said appropriation, the Treasurer and the President of the Board of Trustees are hereby authorized to issue, at one time or from time to time, bonds, notes or other evidences of indebtedness of the District (the "securities"), including temporary notes in anticipation of the sale thereof, in an aggregate principal amount not to exceed \$696,900 and the discretion to fix the date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment call(s) for redemption, form(s), and other details of said securities, including execution and delivery of said securities against payment therefor, and to provide for the sale thereof, is hereby delegated to the Treasurer and the President of the Board of Trustees.

Adopted: July 27, 2016

#### **Review and Approval of Vehicle Bid**

The Assistant Superintendent outlined the bid that was solicited for a 2017 regular cab 1.5 ton 4x2 truck with a service body, including a trade-in option for a 2004 Ford F550 with service body. Two bids were submitted: Starkey Ford, Inc., in the amount of \$39,850 (\$5,050 trade-in)

and Arundel Ford in the amount of 40,084 (\$5,000 trade-in). He noted that the apparent low bidder was \$7,150 under budget.

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to award the bid to Starkey Ford, Inc.

The Assistant Superintendent requested the Board's consideration for a modification to the 2016 Capital budget in the amount of \$3,100 to purchase a used 9.5' stainless steel V-plow from Messer Equipment Company that will be installed on Truck #23 (1.5 ton mini-dump).

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to approve this modification to the 2016 Capital budget.

#### Consideration and Concurrence with Updated Five-year Distribution System Master Plan

The Assistant Superintendent summarized the proposed five-year distribution system Master Plan (2017-2021), estimated to be \$4,984,000. He noted that there is a \$1,995,000 decrease from the 2012-2016 Master Plan which is designed to free capital budget funds for use with the ongoing AMI meter upgrade project. There was a consensus among the Board for the Master Plan as presented.

#### Consideration and Approval of Proposed Terms and Conditions

The Superintendent outlined the proposed revisions to the District's Terms and Conditions in effect since April 14, 2010. He explained that most of the changes are housekeeping items with increases in some of the District's charges along with a new charge for a service that has historically been provided by the District at no cost. The proposed new charge is a \$10.00 fee for changes in ownership (the party responsible for the water bill). It was also noted that there was a proposed increase in the charge for hydrant flow tests, which are typically requested by engineers and contractors for the design of private fire suppression systems. The frequency of such tests has increased of late, as State regulations now require that the flow data used for such systems must be less than one year old (formerly five years). The revised Terms and Conditions have a proposed effective date of September 1, 2016.

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to approve the revisions to the current Terms and Conditions and seek approval from the PUC.

#### Authorization for the Superintendent to Sign Water Tower Lease Amendments

The Superintendent provided an update of the status of the lease amendments for the cell carriers on the Biddeford Pool tank that are funding structural improvements to the Tank. One of the Cell carriers has requested documentation that the Board has authorized the Superintendent to sign the lease amendments.

After a brief discussion, on a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to authorize the Superintendent to execute the updated lease agreements.

### Discussion and Update on the Reconsideration of Water Fluoridation

The Superintendent updated the Board on activities of this customer-based advocacy group, The Campaign to Reconsider Water Fluoridation. He stated that the Secretary of State has confirmed that more than enough petition signatures were gathered to place the issue as a referendum question on the November ballot. A website is being developed and an informational forum is scheduled to be held at the Kennebunk Town Hall on August 12<sup>th</sup>, with presentations both in favor and opposed to the fluoridation of drinking water. An effort of informing ratepayers of the meeting and the facts about fluoride is underway. The Superintendent requested the Board's consideration of funding some of the costs of correspondence with the public, which may include a mailing to all District customers.

On a motion by Mr. Burrows, seconded by Mr. Oliver, it was unanimously voted to appropriate up to \$5,000.

On a side note, the Facilities Manager commented that the fluoride pumps and tanks are close to the end of their useful life.

### Update of the District's Vulnerability Assessment and Emergency Response Plan

The Assistant Superintendent explained that the District has constructed new facilities and acquired new supply sources and developed new treatment regimens since the District's current Vulnerability Assessment Study and Emergency Response Plan was updated in 2011. He contacted the engineering firm of St. Germaine Collins (original contractor) who submitted an estimate of \$20,000 to update the policies. The Board concurred to proceed with the update of these policies.

Comment [NL1]: Scott

### Other Business

- Employee Recognition – The Superintendent introduced Operator Lynn Mankin who attended at the Superintendent's request. The Board was informed at their last meeting that Mr. Mankin was recognized with the Payson L. Hunter Award in recognition for outstanding dedication and service on behalf of the schools of RSU #21. Mr. Mankin has volunteered for several years, conducting monthly testing and regulatory reporting as well as providing assistance for water quality issues for the water system at the Mildred L. Day School. Mr. Mankin responded that he was pleased to offer his assistance and thanked the District for supporting his volunteer efforts.
- Mass Mutual 457 Supplemental Retirement Plan – The Treasurer reported on the changes made to the 457 Plan; most notably the fact that Mass Mutual had taken over management of the plan from ITT Hartford. Mass Mutual had provided the District with a modified plan document that included the change to Mass Mutual as well as any new IRS rules. As a result Mass Mutual suggested that the Board adopt a resolution as a precaution.

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to adopt the following resolution concerning the District's Section 457 Supplemental Retirement Plan with Mass Mutual.

RESOLVED, that the Board has previously approved and adopted the KKWWD DCP ("Plan") to provide employees of the Organization/Agency with retirement benefits.

RESOLVED, that the Board does hereby declare the intention of the Organization/Agency to continue the Plan, but reserves the right to terminate or amend the Plan at any time.

RESOLVED, that the members of the Board are hereby jointly and severally authorized to take such actions and to execute such documents as they deem necessary or desirable in order to carry out the intent of the foregoing resolutions and required under the Plan to make the Plan fully effective in accordance with its terms and intent.

- The Superintendent reported that Maine Water (Biddeford Saco) Company has begun soliciting Requests for Qualified Engineering Services to design their new 20 MGD treatment facility.
- 2015 Annual Report – The Superintendent brought the Board's attention to the 2015 Annual Report that was distributed.

Next Meeting

The next regular meeting of the Board of Trustees is scheduled to be held on Wednesday, August 31, 2016 in the Conference Room at 3:00 pm.

Adjournment

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to adjourn the July 27, 2016 meeting at 4:25 pm.



Wayne A. Brockway, Clerk