

MINUTES OF THE BOARD OF TRUSTEES May 25, 2016

The regular meeting of the Board of Trustees, which was held at the Filtration Plant, 135 York Street, Kennebunk, was called to order by President Bob Emmons at 3:00 pm. Trustees Jim Burrows, Tom Oliver, and Richard Littlefield attended along with Superintendent Norm Labbe, Assistant Superintendent Scott Minor, Treasurer Wayne Brockway, Filtration Plant Manager Bill Snyder, Accountant Cathy McLeod, Facilities Manager Rob Weymouth, Technical Services Manager Don Gobeil and Administrative Assistant Cindy Rounds.

Minutes – April 27, 2016 Meeting

On a motion by Mr. Burrows, seconded by Mr. Oliver, it was unanimously voted to approve the Minutes of the April 25, 2016 meeting as written.

Public Comment

There was no public comment.

Treasurer's Report

The Treasurer reported that the 2015 audit has been completed and provided an overview of the year-end report. He stated that, total revenues were \$6,871,950, total cost and expenses (excluding principal portion of debt) were \$5,900,440 and final net income was \$320,243. Total operating revenues were \$6,830,100 as compared to \$6,098,287 in 2014, an increase of 6.57%. A total of \$167,144.08 was collected from 134 System Development charges. Three year adjustments resulted in refunds totaling approximately 4% (\$21,330.23) against the original (three years) \$550,000 collected in SDCs.

In summarizing the 2015 revenue to budget comparison, he reported that annual metered account revenues were \$4,144,033, indicating a 5.6% favorable budget variance of \$220,611. Seasonal metered account revenues totaled \$1,437,940, indicating a 7.5% favorable variance of \$100,087. Total operating revenues were \$6,830,100, indicating a 5.1% favorable variance of \$328,452.

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to accept the 2015 financial report as presented.

The Treasurer provided an overview of the April 2016 year-to-date actual versus budget Operating Revenue comparison analysis. Annual metered account revenues were \$1,046,296, indicating a 6.4% favorable budget variance of \$62,719. Seasonal metered account revenues totaled \$325,034 indicating a 38.2% favorable variance of \$89,882. Total metered revenues were \$1,371,330 indicating a 12.5% favorable budget variance of \$152,601. Total operating revenues for year to date April were \$1,789,571, indicating a 9.5% favorable budget variance and a 4.2% increase in the year-to date billed usage from 2015.

He reported that approximately \$12,000 (16 connections) was collected in System Development Charge (SDC) fees in April. A total of approximately \$132,000 year-to-date (46 connections) has been collected in SDC fees as compared to approximately \$68,213.08 for 53 connections in 2015.

Monthly Water Production Report

The Assistant Superintendent reported that water production was slightly down (.5 MG) in April compared to 2015 (<1%). The year to date water production is tracking 26.7 MG less than 2015. The groundwater production source analysis indicated that 24.8 MG of water was produced from the Merriland River well. He reported that the average flow rate in March was approximately 563 GPM. The Kennebunk River well was restarted on May 16th after being off line for 116 days while the aquifer was recharging. He summarized the surface water versus groundwater production comparison that showed the cost of surface water chemical decreased to \$177.94 per MG due to the dry weather resulting in low color and turbidity in Branch Brook. The surface water versus groundwater YTD cost differential was \$148.28 MG. Liquid precipitation measured at the Filtration Plant was a relatively low 1.85" in April and 13.80" total to date in 2016. The YTD total in 2015 was also 13.80".

MDOT Route One Ogunquit Project

The Technical Services Manager reported that the MDOT's drainage project is progressing (on schedule) with final paving completed in several areas. Mr. Littlefield updated the Board on the progress he has observed with the project.

Merriland River Well Filtration Project

The Assistant Superintendent explained the manganese removal process that has been on line for two months. The Facilities Manager explained the purpose of installing the in-line booster pump between the filter and the high service pump. The Superintendent noted that water quality results show that approximately 85-90% of the manganese is being removed to a level well below EPA's secondary standard.

Filtration Plant Office Renovations

The Plant Manager thanked Trustees and the staff involved in the Office renovations. Other than for the tile floor, the work (that included electrical, sheetrock, painting, carpentry) was undertaken in-house. He is pleased with the professional appearance that has resulted and the privacy that is now afforded to him and the Chief Operator with their offices. The Superintendent was requested to send Plant and Facilities staff a note of thanks and appreciation on behalf of the Board.

AMI Project

The Treasurer reported that the pace of AMI installations has slowed down temporarily (as planned) with the influx of seasonal account activations. To date, 650 meters have been installed, with 100% of them reporting. The Superintendent noted that a subcontractor will be cutting the grass at the booster stations this summer which will allow the Customer Service Technicians more time to install meters. The Facilities Manager reported that all of the District-mounted AMI repeaters (on tanks and booster stations) have been installed.

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

The Technical Services Manager reported that the construction of the Ocean Avenue portion (2,600') of this overall 4,300' combined main extension has been completed and the gap in the distribution system along Ocean Avenue has been eliminated. Restoration work is underway. The Town will commence their road reclamation project next Tuesday, resulting in a wider road to incorporate shoulders on both sides. The contractor will move to install the Windemere and Seaview portion next week. This remaining work represents the final 1,700'.

Main Replacement – Ocean Avenue, Kennebunkport

The Assistant Superintendent reported that the temporary services were installed for this project, which comprises replacing 520' of obsolete 8-inch cast main with a new 12-inch PVC main along Ocean Avenue from Summit Avenue to the existing 12" main near Endcliffe Road. Construction started two days ago and is expected to be completed by the end of next week.

Main Replacement – Mile Stretch Road, Biddeford

The Assistant Superintendent reported that this project was completed last week. Pavement restoration has been slightly delayed due to the paving contractor's workload.

Tata & Howard SMRWC and KKW System Studies

The Superintendent reported that he reviewed a near-final draft of the SMRWC report and made recommendations for changes on the scope of water quality parameters, reorganizing the information and correcting several errors. A final draft is expected in the next few weeks for all Council members to review and submit their comments. He gave a brief overview of the report.

Tata & Howard – Organization Review & Succession Plan

The Superintendent reported that the remainder of the staff interviews will be conducted next week. He anticipates that a draft report will be available by July.

Kennebunk River Well

The Assistant Superintendent reported that Wright-Pierce has been commissioned to reassess the safe yield of the Kennebunk River well based on the large amount of aquifer monitoring data that has been gathered over the past two years. A report is expected within the next few months.

Annual System Development Charge (SDC) Update

The Superintendent outlined the calculations that were undertaken in the annual update of the System Development Charge (SDC). The result proposed a slight increase in SDC fees as follows: ½" meter, \$553 (from \$549); 5/8" meter, \$1,412 (from \$1,402); and ¾", \$5,299 (from \$5,264). The proposed effective date is August 1, 2016.

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to approve the updated SDC fees as presented and to authorize the Superintendent to proceed with filing the update with the PUC.

Vote to Authorize Extension of 2015 Bond Anticipation Note

The Treasurer explained the need for this essentially administrative action, which relates to the timing of short-term and long-term financing of recently completed SRF projects.

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to amend the \$1,511,525 Bond Anticipation Note dated June 30, 2015, and awarded to People's United Bank, National Association, Kennebunk, Maine, by changing the maturity date **from June 30, 2016 to a date no later than August 12, 2016** if it is not possible for the permanent Drinking Water State Revolving Loan Fund closing and funding to occur prior to June 30, 2016, and further to authorize the Treasurer and Chair of the Board of Trustees to execute an Allonge accomplishing this amendment, if needed, and all other documents necessary to complete said amendment. All other terms and conditions as stated in said Bond Anticipation Note will remain the same.

Budget Modification – Mile Stretch Road, Biddeford (Main Replacement Project

The Treasurer summarized this proposal, which is an administrative action related to SRF projects, to authorize a shift of funds from one under-budget SRF project (Route 1, Ogunquit – Donnell's Bridge crossing) to an over-budget SRF project (Mile Stretch Road, Biddeford).

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to shift the funds as presented in anticipation of the approval by the Drinking Water Program.

MILE STRETCH PROJECT**VOTE AUTHORIZING ISSUANCE OF UP TO \$812,384 [\$763,560 + \$48,824] WATER REVENUE BONDS OF THE DISTRICT TO FUND THE COSTS OF THE MILE STRETCH 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 Mile Stretch, Biddeford Pool Project (the "Project"), is hereby approved; and

That a sum not to exceed **\$812,384** is hereby appropriated to provide for the costs of the Project (the \$812,384 revised appropriation represents an increase of the total appropriation for such Project from prior appropriations totaling \$763,560 made for the Project as part of a vote approved on May 27, 2015 and the 2015 Capital Budget approval process on November 11, 2014); 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 **\$812,384** [\$763,560 + \$48,824] 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: May 25, 2016

Main Extension – Thompson Road/Howard Farm, Kennebunk

Connecting to the end of the existing 12-inch main along Thompson Road in Kennebunk at a point approximately 180 feet southwesterly of the intersection of Thompson Road and Alewife Road (Route 35), install approximately 950 feet of 12-inch main southwesterly along Thompson Road, ending at the intersection of Thompson Road and Higgins Drive (Howard Farm Subdivision). Thence continuing from the intersection of Thompson Road and Higgins Drive, install approximately 1,450 feet of 12-inch water main northerly and northwesterly along Higgins Drive ending at a cul-de-sac.

Reference is made to Sheet #4.2 & #4.3 of a set of plans entitled; '*SITE DEVELOPMENT PLANS FOR HOWARD FARM SUBDIVISION*' - prepared by Stantec Consulting Services Inc. last revised 5/9/2016.

The applicant, Dan Higgins, will be required to deposit \$5,280 plus furnish *all* trench, *all* material and *all* labor to complete the installation in accordance with Water District specifications.

On a motion by Mr. Burrows, seconded by Mr. Littlefield, it was unanimously voted to approve this main extension as presented.

Main Extension – Millbrooke Farm, Wells

Connecting to the end of the existing 12-inch main along Midway Drive in Wells at a point 250 feet northerly of the intersection of Midway Drive and Heron Landing Drive, install approximately 170 feet of 8-inch water main northerly along Midway Drive, ending at the intersection of Midway Drive and Millbrooke Farm Drive. Thence continuing from the intersection of Midway Drive and Millbrooke Farm Drive, install approximately 1,050 feet of 8-inch water main easterly along Millbrooke Farm Drive, ending at the intersection of Millbrooke Farm Drive and Willow Way.

Reference is made to Sheet #2 of a set of plans entitled; '*Subdivision Plan Of: Millbrooke Farm Condominiums at Riverbend Woods*', prepared by Sebago Technics Inc. last revised on 11/13/2015.

The applicant, Kasprzak Landholdings, Inc., will be required to deposit \$3,696 plus furnish *all* trench, *all* material and *all* labor to complete the installation in accordance with Water District specifications.

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to approve this main extension as presented.

Other Business

- Newsletter – The Superintendent reported that the final draft of the Summer 2016 newsletter was sent to the printers today with the goal of having it to the ratepayers by June 13th. The main article of the newsletter outlines the District's position on water fluoridation.
- Open House – The Superintendent was pleased to report on the success of the Open House. He was requested to send a note of thanks to all of the District's staff on behalf of the Board.
- The Superintendent reported that a recently-hired Operator at the Filtration Plant has resigned. Applicants from the last round of advertising for the vacancy will be re-examined.
- Potential Litigation – The Superintendent informed the Board of potential litigation regarding the rights contained in an easement that the District obtained as part of the Kennebunk River well project.
- Social Media Presence – The Superintendent reported that the District has entered the world of social media on Facebook and Twitter. The District's Facebook page can be found at [facebook.com/kkwwaterdist](https://www.facebook.com/kkwwaterdist) and on Twitter @kkwwaterdist.

- Pending Litigation (Ogunquit River @ Footbridge) – The Superintendent reported that the District's insurance company has officially denied the claim relating to a personal injury sustained by a person walking barefoot through the Ogunquit River adjacent to the footbridge. Since that denial, no further correspondence regarding this claim has been received.
- The Assistant Superintendent reported that Jeff McNelly, MWUA Director for 22 years, has resigned his position to join the Public Utilities Commission as Director of the Telephone and Water division. Bruce Berger (formerly of Wright-Pierce) has been hired as Mr. McNelly's replacement.
- Vulnerability Assessment – The Superintendent reported that the District's Vulnerability Assessment Plan is being updated to include the addition of District facilities built since 2011.

Next Meeting

The next regular meeting of the Board of Trustees is scheduled to be held on Wednesday, June 29, 2016 in the Conference Room at 3:00 pm. The Annual Meeting will follow the regular meeting.

Adjournment

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to adjourn the April 27, 2016 meeting at 4:30 pm.



Wayne A. Brockway, Clerk