

MINUTES OF THE BOARD OF TRUSTEES
April 29, 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, Plant Manager Bill Snyder, Facilities Manager Rob Weymouth, Accountant Cathy McLeod, Technical Services Manager Don Gobeil and Administrative Assistant Cindy Rounds.

Minutes – March 25, 2015 Meeting

On a motion by Mr. Burrows, seconded by Mr. Emmons, it was unanimously voted to approve the Minutes of the March 25, 2015 Meeting as written.

Public Comment

There was no public comment.

Treasurer's Report

The Treasurer presented the final (post audit) 2014 financial reports. He highlighted the adjustments that were made since the last meeting as a result of the Auditor's review.

On a motion by Mr. Emmons, seconded by Mr. Burrows, it was unanimously voted to accept the final audited 2014 year-end financial report.

The Treasurer presented the first quarter budget versus actual revenue analysis. Annual metered account revenues were \$710,020, indicating a (0.4) % unfavorable budget variance of \$3,173. Seasonal metered account revenues totaled \$78,604, indicating a 4.8% favorable variance of \$3,604. Total metered revenues were \$788,624 indicating a 0.1% favorable variance of \$431 and a 3.7% decrease in the billed usage from 2014. A total of \$13,000 was collected for four system development charges in March bringing the 2015 total to just over \$30,500 for nine connections.

The Treasurer mentioned that he would be filing the annual PUC Report tomorrow.

The Treasurer reported that the loan agreements that the Trustees approved last month for three SRF projects were executed with the Maine Municipal Bond Bank on April 10th. He noted that the 0.01% interest rate on the \$375,000 Kimball Lane Treatment Facility bond will result in only \$400 interest over the 15-year life of the bond. The interest rate for the 20 year \$874,321 combined bond for Boothby Road (Kennebunk) and Route 1 (Ogunquit) was 0.15%.

Monthly Water Production Report

The Assistant Superintendent reported that 61.9 MG of water (21.6% increase from 2014) was produced in March (50.9 MG in 2014) comprised of 31.5 MG of surface water (Branch Brook) and 30.5 MG groundwater from the Kennebunk River well. He noted that it was the second highest total production (in March) since 2003, possibly attributed to customers running their faucets to avoid freeze-up during the extremely cold winter that just passed. Year to date groundwater production of 90.1 MG exceeded the 2014 year to date total (34.2 MG). The year to date total production for all sources also increased by 17.5 MG (11.5%).

The surface water versus groundwater production comparison chart showed that the year to date differential between the surface water chemical cost (\$223.27) and groundwater chemical cost (\$31.04) was \$192.23 per MG. The increase in the surface water chemicals for March was attributed to the increase in turbidity and color due to the spring snow melt. He noted that the year to date chemical cost savings realized with groundwater is \$17,319. Liquid precipitation measured at the Filtration Plant was 1.52" of rain in March.

Merriland River Well Manganese Removal Project

The Superintendent reported that this innovative manganese removal system, designed and constructed in-house, is nearly ready to be put in service. The Plant Manager outlined the process that will be utilized to remove the manganese. The Facilities Manager described the recently installed filter effluent piping modifications and distributed photos illustrating the pipe installations and the abandoned pipe that was encountered while drilling through the clear well wall.

The Superintendent was pleased to report that the preliminary test results show that the manganese levels have been reduced from .18 parts per million (ppm) to approximately .03 to .06 ppm.

Main Extension -- Ocean Avenue, Kennebunkport

The Technical Services Manager reported that progress on this project continues. The Town had notified area residents of the scope of the upcoming paving and shoulder upgrade projects and potential water main extension. A deadline of April 28th was given to the residents to express their interest in connecting to a potential main extension. He displayed a map of the area and detailed various main extension routing possibilities, and further explained how projecting different cost/installation scenarios is highly dependent on the property locations of residents who favorably respond. He will continue to report the progress in future meetings.

AMI Project

The Superintendent reported that the draft contract submitted by Mueller has been reviewed in great detail by Staff and those comments/questions will be forwarded to the District's consultant for additional review.

MDOT Route One Ogunquit Project

The Technical Services Manager provided a progress update on this project. The pipe relocation on Grasshopper Lane has been completed. Some services remain to be reconnected. The main replacement on Beach Street was undertaken next and was completed and put on line last night. He continued by describing the scope of work at the Phillips (Josias River) bridge as preliminary work starts in the next few days. Night work (7:00 pm to 6:00 am) will start on May 3rd. This project continues to require extensive coordination and communication with the tightly woven schedules among the contractors.

Main Extension – Arundel-Kennebunkport Cottage Preserve, Route One, Arundel

The Technical Services Director reported that this project, comprised of 249 units (900 sf) with a nine-month occupancy, is progressing. Approximately 900' of the 1,800' of the 16" water pipe has been installed. The units will have individual meters and year round services.

Forestry Operations

The Assistant Superintendent reported that \$25,000 in revenue (\$20,000 budgeted) has been generated through the timber harvesting at the Sandy Lane North lot, a 64 acre parcel off Route 9A in Kennebunk.

Seasonal Hydrant Flushing

The Assistant Superintendent reported that although the spring hydrant flushing is slightly behind schedule (because the Plant has been shut down to allow the construction of the manganese removal system), it should be completed in less than three weeks. The practice of emailing daily progress updates by the flushing crew has been well-received.

Seasonal Main Activation

The Assistant Superintendent reported that more than the usual number of seasonal mains were discovered to have had damage from the difficult winter. A majority of the breaks were in old galvanized seasonal pipe. Next year's Capital budget will propose additional replacement of the galvanized pipe.

Southern Maine Regional Water Council Activities

The Superintendent reported that six of the seven member utilities individually applied for and received Capacity Development grants through the Drinking Water Program. Each utility is committing up to \$10,000 (50/50 match) to conduct a study that will provide a more detailed hydraulic, chemical and financial analysis of interconnections (between KKWWD, Biddeford, York and Kittery). There will be a core study that is common to all six systems but each system will focus on certain aspects (that pertain to their system) that would be investigated more

closely. The next SMRWC meeting to further discuss the scope of the study will be held on May 12th.

Ogunquit 3MG Tank Painting

The Facilities Manager reported that the blasting and coating of the Ogunquit 3MG tank will commence by the end of next week. The contractor (Limerick Steeple Jacks) is currently installing the necessary rigging to undertake the work.

Main Replacement – Langsford Road, Kennebunkport

The Assistant Superintendent reported that this project is being done in conjunction with the Town's road rebuilding/sidewalk construction project and will be installed utilizing the pipe-burst method. The project is anticipated to begin around mid-June. The bursting is scheduled to begin on June 23rd, following the installation of the temporary service lines.

Main Extension – Cottage at Salt Marsh, Kennebunk

Connecting to the existing 10-inch main along Western Avenue in Kennebunk at a point approximately 400 feet westerly of the intersection of Western Avenue and Boothby Road, install approximately 855 feet of 8-inch main and 305 feet of 4-inch main northerly and westerly along a proposed road, ending at a cul-de-sac.

Reference is made to sheets 5 & 6 of a set of plans entitled 'Cottages at Salt Marsh – 83 Western Avenue, Kennebunk Maine' – prepared for Seagrass Lane LLC by Sebago Technics, dated 09/29/2014.

The applicant, Michael Spenlinhauer DBA Seagrass Lane, LLC, will be required to deposit \$4,224 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. Emmons, it was unanimously voted to accept this main extension.

Main Extension – Wallace Woods, Kennebunkport

Connecting to the existing 12-inch main along North Street in Kennebunkport at a point at the intersection of North Street and Locke Street, install approximately 900 feet of 8-inch main and 340 feet of 4-inch main easterly along a proposed road, ending at a dead end.

Reference is made to sheets 4 & 5 of a set of plans entitled 'Wallace Woods – North Street, Kennebunkport Maine' – prepared for Turner Porter by Sebago Technics, last revised 03/31/2015.

The applicant, Turner Porter, will be required to deposit \$4,224 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. Emmons, it was unanimously voted to accept this main extension.

Budget Modification – SRF Eligibility

The Superintendent reported that the District was recently notified that the AMI project planned for 2015 may become eligible for SRF funding with a 20-year bond at an interest rate of less than 1%. He noted that the amount of eligible funding (\$600,000) is significantly greater than the currently approved budget (\$265,700) for this project. He proposed that the Board approve the increase in the AMI project of \$334,300 and simultaneously reverse the \$96,000 capital budget reduction they had approved at their prior meeting; and thereby approve an effective net increase to this year's capital budget by an amount up to \$239,000. He also noted that having a larger first year budget for the AMI project would be beneficial as a cost saving negotiating tool with the AMI vendor.

On a motion by Mr. Littlefield, seconded by Mr. Emmons, it was unanimously voted to approve the budget modifications as presented by the Superintendent, resulting in a net increase in the 2015 Capital budget by an amount and not to exceed \$239,000.

LD 1124 – An Act to Manage Risks Associated with the Installation of Natural Gas Pipelines

The Superintendent explained that this Act, which is currently being considered by the State Legislature's Energy, Utilities and Technology Committee, seeks to set reasonable permitting and construction standards, with a goal of assuring that gas lines aren't installed directly on top of, or immediately adjacent to other underground utilities. LD 1124, also supported by MWUA, MRWA, SMRWC, proposes a minimum 6' horizontal separation and 2' vertical separation between gas lines and other underground facilities. He also noted that a new gas transmission line is being installed along Route 109 from Spencer Drive to Wells High School.

Other Business

- The Facilities Manager reported that the person interested in the Marsh property has encountered some complications with his bank regarding the property upon which he was planning to relocate the building. He is investigating the feasibility of another property.
- The Superintendent announced that the June Trustees' Meeting will be held at the Filtration Plant.
- The Superintendent summarized the attractions that are planned for the District's Open House, held in conjunction with the Town's May Day festivities, from 9:00 to 2:00 on Saturday at the Office Complex.

- Billing Clerk vacancy – The Superintendent reported that there has been a healthy response to this recently published employment opportunity.
- Distribution Manager Replacement – The Superintendent reported that District employee Keith Archibald was offered and has accepted the Distribution Manager's position upon Butch Tibbetts' retirement.

Next Meeting

The next regular meeting of the Board of Trustees is scheduled to be held on Wednesday, May 27, 2015 in the Conference Room of the Office Complex at 92 Main Street, Kennebunk.

Adjournment

On a motion by Mr. Burrows, seconded by Mr. Emmons, it was unanimously voted to adjourn the April 29th meeting at 4:36 pm.



Wayne A. Brockway, Clerk