

MINUTES OF THE BOARD OF TRUSTEES
June 24, 2015

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 Tom Oliver at 3:00 pm. Trustees Jim Burrows, Richard Littlefield and Bob Emmons attended along with Superintendent Norm Labbe, Treasurer Wayne Brockway, Plant Manager Bill Snyder, Facilities Manager Rob Weymouth, Accountant Cathy McLeod, Distribution Manager Butch Tibbetts, Utility Assistant Keith Archibald, Technical Services Manager Don Gobeil and Administrative Assistant Cindy Rounds.

Minutes – May 27, 2015 Meeting

On a motion by Mr. Littlefield, seconded by Mr. Burrows, it was unanimously voted to approve the Minutes of the May 27, 2015 Meeting as written.

Public Comment

There was no public comment.

Treasurer's Report

The Treasurer noted that the final 2014 Audit Report has been completed and is included in the meeting information packet.

He provided a brief overview of the March and April financial reports and then detailed the May financial report. Annual metered account revenues were \$1,122,366, indicating a 0.7% favorable budget variance of \$8,005. Seasonal metered account revenues totaled \$480,636, indicating a 63.2% favorable variance of \$294,516. Total metered revenues were \$1,603,002 indicating a 13.8% favorable variance of \$194,125. Total operating revenues for year to date May were \$2,089,809, indicating a 10.3% favorable variance and a 4.0% decrease in the billed usage from 2014, primarily due to the timing of seasonal minimum billings. A total of \$12,487 was collected for 9 system development charges in May bringing the 2015 total to \$68,213.08 for 53 connections (\$65,724 for 52 connections in 2014).

The Treasurer also reported that the bond applications that were authorized by the Trustees at the last meeting were filed and the interest rate for the short term \$1,511,525 Bond Anticipation Note will be 1.2%.

On a motion by Mr. Littlefield, seconded by Mr. Burrows, it was unanimously voted to approve the March, April and May financial reports as presented.

On a motion by Mr. Littlefield, seconded by Mr. Emmons, it was unanimously voted to authorize the Treasurer and Mr. Oliver (as Board President) to sign the loan resolution.

Monthly Water Production Report

The Superintendent provided the water production report. He reported that there was only .47" of rain in May, making it the driest May on record (since 2003). It also contributed to being the driest year to date (14.55").

Another record that was set was total (May) water production; 108 MG of water was produced in May (86 MG in 2014) comprised of 78 MG of surface water (Branch Brook) and 30 MG groundwater. Year to date groundwater production of 154 MG significantly exceeded the 2014 year to date total of 58 MG. The 2015 year to date total production for all sources combined is 339 MG, 13% ahead of 2014.

The May surface water versus groundwater production comparison chart showed a significant decrease in chemical costs; surface water chemical cost of \$193.93 per MG and a groundwater chemical cost of \$27.63 per MG. Year to date, the groundwater chemical cost was \$166.30 per MG less expensive than the surface water chemical cost. The reason for the decrease is the lack of precipitation and increased groundwater production. He noted that the year to date chemical cost savings realized with groundwater equates to \$34,500.

The Superintendent summarized the chart illustrating the weekly drawdown levels of the Kennebunk River well. He was pleased to report that since the well was activated in November 2014, a total of 214.11 MG of water has been produced from this newest well; with 183.31 MG since January 2015. The well's pumping rate has recently been increased from 1 MGD to approximately 1.4 MGD due to seasonally high water demand.

Merriland River Well Manganese Removal Project

The Facilities Manager and Plant Manager reported on the progress of this project. The manganese removal system was successfully operated at full scale earlier today and performed as planned. A few glitches with the analyzers are being worked out. An overview of the complexities that are involved in treating the water from all the sources/facilities was also provided.

The Superintendent praised the Plant Manager and Facility Manager for achieving success with the manganese removal project.

Main Extension -- Ocean Avenue, Kennebunkport

The Technical Services Manager reported that until recently this project had been in a fact-finding mode. The scope of the project is being developed, with the first 700' extension north

of Walker's Point now being designed. Preparation of the necessary DEP permit applications is underway, along with the Planning Board site plan application review process.

MDOT Route One Ogunquit Project

The Technical Services Manager reported that the drainage replacement work has been suspended for the summer months; only daytime bridge (replacement) work that doesn't affect traffic is being done. The project is slightly ahead of schedule.

Main Extension – Cottages at Salt Marsh, Kennebunk

The Technical Services Manager reported that this project, located on Western Avenue in Kennebunk, commenced a few weeks ago and is progressing well, with nearly 75% of the water pipe installed.

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

The Technical Services Manager reported that this project (comprising of 249 units with a nine-month seasonal occupancy) is progressing, with approximately 75-80% of the water pipe installed. Testing is currently underway.

Ogunquit 3 MG Tank Painting

The Facilities Manager reported that the blasting of (the inside of) the Ogunquit 3MG tank is done and most of the recoating process has been completed. There was a slight delay due to the weather. Completion of the coating application is expected by the weekend. Once the seven-day cure period has passed, the tank is anticipated to be ready to be put back into service in time for the 4th of July holiday.

Main Replacement – Langsford Road, Kennebunkport

The Technical Services Manager reported that this Capital budget item, being done in conjunction with a Town sidewalk and repaving project, is underway. It is comprised of replacing 1,600' of obsolete 6" cast iron with 8" PE pipe utilizing the pipe-bursting method. Temporary services are being installed. The District is digging the launch and receiving holes and the directional drilling company (Ted Berry, Inc.) may be ready to make the first pull (of pipe) later today.

Branch Brook Bridge Replacement – Route One, Kennebunk/Wells

The Technical Services Manager reported that DOT will be replacing the bridge over Branch Brook on Route One at the Filtration Plant. Bids will be solicited in July/August and construction is anticipated to commence in the fall. The new bridge will be a precast structure

and will necessitate one way (signaled) traffic during the installation. The project is anticipated to be completed within 12 months.

CMP Right of way Clearing

The Superintendent reported the District is responsible for keeping the CMP right-of-way on its property clear; the use of pesticides is prohibited since it is located in the watershed area. The clearing is required about every five or six years. He noted that this year the clearing is being done very effectively with District personnel using the skid steer (a photo of the operation was distributed), while in the past a landscaping contractor was hired. As a result, it is expected that the total cost of the skid steer's brush hog attachment will be recouped with this year's clearing.

AMI Project

The Superintendent reported that negotiations with Mueller have successfully concluded. Review of the contract by the District's legal and insurance counsels remain before the contract is signed. The Superintendent does not anticipate any concerns to arise and asked the Board's consideration in authorizing him to sign the contract. The Treasurer confirmed that the business terms and conditions that were negotiated are included in the contract.

On a motion by Mr. Burrows, seconded by Mr. Emmons, it was unanimously voted to authorize the Superintendent to sign the Mueller contract pending legal and insurance counsel approval.

2015 Capital Budget Modification & Status Update

The Superintendent summarized the modification to the Capital budget that was being proposed. The modification would eliminate the budgeted \$5,000 lift gate for Truck #1 (Main Line) in favor of purchasing six portable two-way radios for approximately \$3,000 to enhance job site communications and safety. An updated (6/13/15) copy of the 2015 Capital budget illustrated the modifications that have been passed since the original (11/19/14) approval.

On a motion by Mr. Littlefield, seconded by Mr. Burrows, it was unanimously voted to modify the 2015 Capital budget as presented.

Other Business

- Personnel Policy #127 – The Superintendent brought the Board's attention to an unintended consequence that was discovered after the prior approval. The issue related to compensation for scheduled major shift changes for Distribution Department personnel.

On a motion by Mr. Burrows, seconded by Mr. Littlefield, it was unanimously voted to amend Policy #127 as presented.

- The Superintendent outlined an operational modification that will reorganize a few positions within the District's personnel as they relate to utility services, purchasing/inventory duties and cross connection duties. Included will be the addition of one staff member, in part due to the upcoming AMI program and in anticipation of several upcoming retirements.
- The Superintendent was pleased to share the Summer 2015 newsletter with the Trustees.
- The Facilities Manager reported that the moving of the house from the Marsh property, 2190 Main Street, Sanford appears to be progressing. He summarized the circumstances that have delayed the process but have been resolved in the past few weeks.
- The Superintendent reported that the Billing Clerk vacancy has been filled with a new employee, Aaron Lehoux.
- The Superintendent reported that Utility Person Peter Jewett has been promoted into the new position of Inventory and Cross Connection Control Person.
- The Superintendent reminded the Board of the Distribution Manager's retirement party on July 31, 2015 at the Coastal House in Wells.

Next Meeting

The next regular meeting of the Board of Trustees is scheduled to be held on Wednesday, July 29, 2015 in the Conference Room of the Office Complex, 92 Main Street, Kennebunk.

EXECUTIVE SESSION – Potential Watershed Land Purchase

On a motion by Mr. Littlefield, seconded by Mr. Emmons, it was unanimously voted to go into Executive Session at 4:13 pm to discuss a potential watershed land purchase.

On a motion by Mr. Littlefield, seconded by Mr. Burrows, it was unanimously voted to come out of Executive Session at 4:35 pm with no action taken.

On a motion by Mr. Emmons, seconded by Mr. Littlefield, it was unanimously voted to authorize the Superintendent to contact the realtor with a proposal as discussed in Executive Session.

Adjournment

On a motion by Mr. Littlefield, seconded by Mr. Burrows, it was unanimously voted to adjourn the June 24th meeting at 4:36.



Wayne A. Brockway, Clerk