

## MINUTES OF THE BOARD OF TRUSTEES June 29, 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 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, Accountant Cathy McLeod, Foreman Steve Allen, Technical Services Manager Don Gobeil and Administrative Assistant Cindy Rounds.

### Minutes – May 25, 2016 Meeting

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

### Public Comment

There was no public comment.

### Treasurer's Report

The Treasurer brought the Board's attention to the completed 2015 Audit that was contained in the meeting packet. He gave an explanation for the difference in the Audit's format and appearance from previous years. He summarized the results of the Audit.

He continued his report with an overview of the January, February and March financial reports. He presented the April financial report and actual versus budget comparison. 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 \$1,789,687, indicating a 9.5% favorable budget variance and a 4.2% increase in the year-to date billed usage from 2015.

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

The Treasurer provided an overview of the May 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 \$2,305,358, indicating an 11.2% favorable budget variance and a 4.6% increase in the year-to date billed usage from 2015.

### Monthly Water Production Report

The Assistant Superintendent reported that water production in May (94.3 MG) was down 13.7 MG compared to 2015 (12.7%) although June totals appear to be on a recording-breaking pace. The year-to-date water production (298.2 MG) is tracking 40.5 MG less than in 2015. The groundwater production source analysis indicated that 24.01 MG of water was produced from the Merriland River well and 14.47 MG produced from the Kennebunk River well that was put back on line May 16<sup>th</sup>.

The liquid precipitation chart indicated the dry weather is continuing with only 2.20" of rain in May and only 16.00" total for year-to-date. The Assistant Superintendent presented a display of weekly U.S. Drought Monitor reports for the period of May 17<sup>th</sup> through June 23<sup>rd</sup> for the State of Maine. It illustrated the degree of drought conditions rising from 'abnormally dry' to 'severe'. He presented two USGS groundwater station charts that indicated a two-foot difference in the groundwater table from the 24-year median. He noted that staff at the Plant cannot recall the elevation of Branch Brook (at the Plant) ever being so low in June; it is more indicative of August levels.

The Superintendent assured the Board that the District has adequate capacity to serve their customers even if Branch Brook can only produce between 3 and 4 MGD noting that 1) Biddeford Saco Water Company has recently made hydraulic improvements to their system which could provide our system up to 4 MGD and 2) the District's groundwater supplies can be ramped up for short term needs.

The Assistant Superintendent summarized the surface water versus groundwater production comparison that showed the cost of surface water chemical decreased to \$174.52 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 \$144.34 MG.

He presented a historical summary of groundwater production that outlined the cost savings, chemical costs and water production of groundwater, PTR facility and Kennebunk River well. It illustrated that since the PTR was put in service in 2007, excluding the cost of purchasing the raw water from York Hydro Resources Corp., the chemical cost savings to date have amounted to approximately 57% of the cost to construct the facility.

### Annual Water Main Renewal Report

The Assistant Superintendent presented the annual water main renewal program analysis. It revealed that a total of 10,936' of water mains were retired in 2015, representing a 0.96% retirement rate, while 16,628' of water main were installed. He was pleased to report that over the last 22 years, the District has annually retired a very respectable 0.90% of distribution system mains. The optimal goal of the water industry, based on 100 year useful pipe life, is to replace 1% annually.

### Merriland River Well Filtration Project

The Superintendent reported that the Merriland River Well (manganese) filtration system is producing up to 800 GPM and running very well. He reported that approximately 90% of the manganese from that well is being removed and is therefore no longer an aesthetic issue in the finished drinking water. Although this innovative project was completed slightly over budget, it was constructed at a fraction of what it would have cost if it had not been developed and implemented by in-house staff.

### AMI Project

The Treasurer reported that monthly project meetings have resumed with the Mueller project coordinator. Office staff training is scheduled to commence in the next few weeks. To date, 784 AMI meters have been installed and are all reporting; 134 were installed in June. The original goal was to install at least 2,000 meters per year for up to seven years. The Assistant Superintendent noted that in preparing the five-year Capital budget, more focus is being proposed toward the AMI installations while decreasing the amount of capital work, which will hopefully shorten the implementation period for the AMI project.

The Superintendent reported that since the prior Trustees meeting, at which it was reported that all repeater stations had been installed, the Mueller consultant had recommended that an additional repeater should be installed at the Arundel South booster. That installation has since been completed. He also announced that by mid-summer, it is planned to install new AMI meters for all new customers requesting service.

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

The Technical Services Manager reported that this 4,300' combined main extension is winding down, with the final ~800' anticipated to be installed by Friday.

### Main Replacement – Ocean Avenue, Kennebunkport

The Assistant Superintendent reported that this project, comprised of 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" ductile iron main near Endcliffe Road, has been completed.

### Main Replacement – Grove Street, Kennebunk

The Assistant Superintendent reported that this project, comprised of replacing 1050 feet of 4" and 6" cast iron main will be underway next week. The 4" is believed to be part of the original water system from around 1895-1896. Two bids (material and aggregate) were awarded a few weeks ago on this previously approved project. HD Supply Waterworks (\$20,439.06), Maine Waterworks Supply (\$20,603.57) and Vellano Corporation (\$29,586.00) submitted proposals for the pipe materials; HD Supply Waterworks was the successful bidder. Three vendors (Hissong Ready-Mix & Aggregates, Pike Industries, Inc. and Labbe Excavating, Inc.) were solicited for the

aggregate bid. Only Labbe Excavating, Inc. submitted a proposal (\$24,185) and was awarded the bid.

#### Main Installation – Spring Street, Kennebunk

The Assistant Superintendent reported that this main installation has been completed. It completes the hydraulic loop and eliminates the 205' gap between a 2" cast iron line coming up from Spring Street and an 8" line coming up Hillcrest Drive. Replacement of the 2" unlined cast iron pipe along Spring Street (to High Street) will be included in the 2017 Capital budget due to its poor internal condition.

#### Tata & Howard SMRWC and KKW System Studies

The Superintendent reported that the seven utility members of Southern Maine Regional Water Council have reviewed the preliminary study and have submitted their comments. Once completed, it will be the first detailed hydraulic analysis that includes all of the water utilities interconnected (physically or theoretically) from Kittery to Portland. One of the initial findings in the hydraulic review was that once the old 10" cast iron main from Ogunquit Square to Israel Head Road is replaced with 12" main, the improvement will parallel the 12" on Route One and make it possible to move up to 4 MGD to York Water District. A final draft of the study will not be released until each of the individual hydraulic studies has been completed.

#### Tata & Howard – Organization Review & Succession Plan

The Superintendent reported that he expects a draft of the organizational review and succession plan study in the next few weeks.

#### Heating Oil – 2016-2017 Pricing

The Treasurer recalled that in previous years, the District cooperated in a regional bid process for heating oil with a local consortium that have now gone in separate directions. After investigating other options, he found that Maine Power Options offered participation in aggregate bidding of fuel. Last year, the (Dead River) bid price was \$1.98 gallon. This year the District joined Maine Power Options (C.N. Brown low bidder) at the price of \$1.835 per gallon.

#### Biddeford Pool Tank

The Superintendent was pleased to report that three cellular carriers with equipment on the Biddeford Pool Tank have agreed to undertake approximately \$200,000+ in structural improvements to the tank. There will be no cost to the District. Updated contracts are being signed.

#### Gowen Easement, Meetinghouse Road, Wells

The Superintendent reported that the District is in the process of obtaining the previously approved conservation easement on this 45 acre parcel off Meetinghouse Road. He recently

learned that the land will be given to the Town of Wells for walking trails, with no trail bikes or motorized vehicles being allowed.

#### Main Extension -- Frasier Pasture Road, Ogunquit

The Technical Services Manager reported that this 140' main extension of 8-inch main easterly along Frasier Pasture Road has been completed.

#### Main Extension -- Salt Meadow 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, is underway and being installed by BREX.

#### Maine Water Company, B&S Division, Announcement

The Superintendent reported that he recently attended a press conference, on behalf of the Southern Maine Regional Water Council, at which Maine Water Company announced that they would be building a new 20 MGD filtration plant for their Biddeford & Saco Division on the Saco River at an estimated cost of \$50 million. Their goal is to have it on line by 2020. In the time since they purchased Biddeford & Saco Water, they have made a number of improvements/updates to their current facility to improve efficiency and bring it up to code. The Superintendent outlined some options that the Board may wish to consider at some point regarding the District's long term relationship with Maine Water Co.

#### Other Business

- Forest Management Plan – The Superintendent reported that the District will be changing the focus of the Forest Management Plan to provide more balance by redefining the Plan; improve on the aesthetic component of future projects; and reinvest a portion of the harvesting revenues into the management plan. Staff will be meeting with other local land trust entities for advice to maximize the value of watershed land, enhance public access and maintain water quality. A brief discussion was held regarding the appearance of the land along Harriseckett Road that was harvested in 2014.
- Fluoride – The Superintendent reported that the fluoride coalition has collected nearly enough signatures to allow for a referendum questions on the November ballot. A moderator for the proposed August informational forum is being sought and speakers for and against fluoride are scheduled to speak.
- Employee Recognition – The Superintendent brought to the Board's attention a plaque that was presented to Plant Operator Lynn Mankin by RSU21 for his pro bono work as their Water Operator, helping the RSU through some water quality issues and conducting monthly testing and regulatory reporting at the Mildred Day School in Arundel. The Board asked that a congratulatory letter be sent to him on their behalf.

- Mr. Burrows questioned the method of testing for lead in the water. The Superintendent provided a detailed explanation of the protocol and requirements.

#### Next Meeting

The next regular meeting of the Board of Trustees is scheduled to be held on Wednesday, July 27, 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 June 29, 2016 meeting at 5:02 pm. Commencement of the Annual Meeting will follow a brief recess.



Wayne A. Brockway, Clerk