

## MINUTES OF THE BOARD OF TRUSTEES February 28, 2018

The regular meeting of the Board of Trustees, which was held in the Conference Room at the Office Complex, 92 Main Street, Kennebunk, was called to order by President Jim Burrows at 2:00 pm. Trustees Tom Oliver, Richard Littlefield and Bob Emmons attended along with Superintendent Norm Labbe, Assistant Superintendent Scott Minor, Treasurer Wayne Brockway, Distribution Manager Keith Archibald, Accountant Cathy McLeod, Plant Manager Bill Snyder, Chief Operator Greg Pargellis, Facilities Manager Rob Weymouth, Engineer Jamie Paschal and Administrative Assistant Cindy Rounds.

### Minutes – January 31, 2018 Meeting

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to approve the Minutes of the January 31, 2018 meeting as written.

### Public Comment

There was no public comment.

### Treasurer's Report

The Treasurer presented the January actual to budget comparison for Operating Revenues and an SDC update. He reported that annual metered account revenues were \$351,843, indicating a 6.1% favorable budget variance of \$20,245. Seasonal metered account revenues totaled \$38,521, indicating a 6.7% favorable budget variance of \$2,410. Total metered revenues were \$390,364, indicating a 6.2% favorable budget variance of \$22,655 and a 13% increase in the year-to-date billed usage from 2017. Total operating revenues for year-to-date January were \$520,595, indicating a 4.5% favorable budget variance of \$22,268. Nine SDC fees were collected (\$±21,000) which included a 1" meter fee; five were collected in January 2017 (\$7,000).

### Monthly Water Production Report

The Assistant Superintendent presented the monthly charts for total water production, liquid equivalent precipitation, groundwater production and surface water versus groundwater production costs for January. He reported that January water production was 56.8 MG which was recorded as the second highest January production ever, a 17.1% increase over 2017. A look at February production so far shows an increase of 2.2 MG (5.1%) over 2017. Liquid precipitation equivalent in January was 3.66", which is 0.26" above the same period for 2017.

There was no groundwater produced in January and the surface water chemical cost was \$243.57 per MG.

### AMI Meters

The Treasurer reported that as of earlier today, a total of 290 meters were installed in February (220 in January) bringing the year to date total to 510 and the cumulative total to 4,677. Although there are some gaps in the system, the reporting rate is decent (about 95%). He added that regular project conference calls continue to be held every two weeks with Mueller representatives.

### Kennebunk River Well

The Superintendent provided an update on the PFAS issue and on-going pilot studies to remove PFAS using granulated activated carbon (GAC). He recapped the methods that were utilized as well as the media outlets that got involved to inform the public about the PFAS topic. He was pleased to report that there have not been any negative reaction/comments from the public since the announcement in the District's recently published newsletter *What's on Tap*.

He reported that proposals to provide full scale (1 MGD) pilot PFAS removal equipment are being reviewed from several vendors on a lease/purchase arrangement. The cost for the pilot is currently estimated at \$250,000. If the pilot is successful, an option to purchase the equipment from the vendor would be available for an additional (estimated) \$300,000. A permanent structure could then be built around the equipment. If the pilot is not successful, the equipment will be removed and returned to the vendor. The Drinking Water Program confirmed that either option would be eligible for SRF funding.

The Superintendent shared news that since his February 7<sup>th</sup> presentation at the MWUA Annual Conference, he has been contacted by two separate legal firms interested in representing the District in litigation against the manufacturer of the product that is suspected of causing the PFAS contamination. No legal action is being pursued at this time..

### Fletcher Street Booster Station

The Superintendent reported that construction of the booster station is progressing. The masonry is nearly complete. The Facilities Manager distributed photos showing the facility. The Superintendent confirmed that the first of two \$75,000 payments has been received from RSU21. He added that the project was credited \$6,153 from Ferguson Supply for the cost of defective pipe and associated District labor to replace it.

### Lagoon Drainage Project

The Assistant Superintendent reported that this project has been temporarily suspended as a result of the high water table. Installation is scheduled to resume later this year when the water table is expected to be lower. The Superintendent added that staff is considering the concept of pumping some of the excess (50° F) ground water through tubes in the floor of the proposed Distribution building to maintain an above-freezing building temperature during the winter. If successful, this could keep all vehicles and equipment ice-free without the use of a heat pump or heating system.

### Proposed Water Rate Adjustment

The Superintendent summarized the February 13<sup>th</sup> public hearing. The Treasurer provided an overview of the procedure to complete the water rate adjustment process with PUC. The rate increase will become effective April 2, 2018.

### Winter 2018 Newsletter

The Superintendent brought the Board's attention to the Winter 2018 newsletter *What's on Tap* that was included in their meeting folder. He is pleased with the positive feedback he's received so far.

### Main Replacement – Oak Street & West Street, Kennebunkport

The Assistant Superintendent reported that notification letters have been sent to customers within the project area. This project, upon confirmation/approval of SRF funds, is anticipated to commence during the week of April 16<sup>th</sup>. Ted Berry Company will undertake the replacement utilizing the pipe bursting method at a cost of ~\$75,000, including material. Bids for the remaining material were received. They were Ferguson Waterworks (\$14,360.20), Maine Waterworks Supply (\$14,458) and E.J. Prescott, Inc. (\$15,508.27).

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to award the bid to Ferguson Waterworks in the amount of \$14,360.20.

### Cape Arundel Cottage Preserve – Seasonal Booster Station

The Superintendent reported that this seasonal booster station will be located near the future tank site in Arundel. Installation of the pipe was completed today. An 8''x12' shed will be purchased to house the facility. The booster is anticipated to be put in service prior to May 1<sup>st</sup> when the water service for the cottage complex will be turned on for the season.

### Department of Labor – SHAPE Award Renewal Inspection

The Assistant Superintendent reported that the Department of Labor is scheduled to conduct a SHAPE award bi-annual renewal inspection on March 20<sup>th</sup>, the third since the initial award was presented in 2009. Should the District be successful in meeting the requirements of the upcoming inspection, the renewal period will be extended to a four year cycle. The preparation for the inspection is being undertaken by members of the Health & Safety Committee and is a time consuming and toilsome process. The District again expects a very thorough review. The Superintendent added that one of the many benefits of the SHAPE award is that the District cannot be subject to any DOL spot inspections.

### Introduction of New District Engineer

The Superintendent introduced Jamie Paschal, who was recently hired as the District's Engineer. The Superintendent gave an overview of the Jamie's qualifications and experience. He was welcomed by the Board.

### Capital Budget Modification Request

The Superintendent reported that the engine in Truck #3 (2011 F450) failed and needed replacement. He added that the truck was kept idling for extended periods to keep the emergency flashers on, which has apparently caused engine failure due to the many hours of run time. The cost of the engine replacement is quoted at \$7,838.

Efforts are currently underway to convert the emergency flashers to lower power LED lights, which should eliminate the need for extensive idling of the truck's engine.

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to approve a capital budget modification of up to \$8,000 to replace the engine.

### Review and Approval of Vehicle Bids

The Assistant Superintendent addressed the results of two recent vehicle bids. He noted that there was great difficulty in finding 2018 vehicles as production has already begun on 2019 models. As a result, only one vendor (Starkey Ford, Inc.) submitted a bid for the vehicles. He suggested that in the future, the bid solicitation process should start earlier (before September) to assure a greater availability for the desired model year.

Vehicle #1 - 2018 Ford Transit Cargo Van 4x2: Arundel Ford and Rowe Ford did not submit bids. Starkey Ford, Inc. submitted a quote of \$25,900. There is no vehicle trade-in. An estimated \$4,000 of the \$5,100 budget surplus will be used for vehicle setup, which will include cargo shelving, exterior safety lighting, lettering, a fire extinguisher, a first aid kit, etc.

Vehicle #2 - 2018 ¾ ton 4x4 pickup: Arundel Ford, Rowe Ford, O'Connor GMC and Weirs GMC did not submit bids. Starkey Ford, Inc. submitted a bid of \$27,550 and offered a total of \$10,150 for optional trade-ins (\$5,200 for Truck #27 and \$4,950 for Truck #24, resulting in a net price of \$17,400. An estimated \$3,000 of the \$10,600 budget surplus will be used for vehicle setup, which will include exterior safety lighting, push plates, plow wiring harness, lettering, a fire extinguisher, a first aid kit, etc. The Board agreed to allow an employee auction for the trade-in vehicles with the trade-in offers serving as a reserve bid.

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to accept both bids from Starkey Ford.

### Declarations of Intent and Borrowing Resolutions for 2018 Projects

The Treasurer summarized the Declaration of Official Intent for six projects which consisted of AMI Radio Read Meter Installation Phase III project, North Street Main Replacement project, Wildes District Road Main Replacement project, Storer Street Main Replacement project, Oak and West Streets Main Replacement project and the Kennebunk River Well GAC Filtration System project.. The Board's approval is required prior to any long-term borrowing (SRF or otherwise).

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to adopt the (attached) Declarations of Official Intent:

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to adopt the following Borrowing Resolutions:

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 **AMI RADIO READ METER INSTALLATION PHASE III PROJECT** (the "Project"), is hereby approved; and

That a sum not to exceed \$932,230 is hereby appropriated to provide for the costs of the Project (this appropriation was included in the 2018 CIP Budget approved on December 28, 2017); 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 \$932,230 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.

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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 **NORTH STREET MAIN REPLACEMENT PROJECT** in Kennebunkport (the "Project"), is hereby approved; and

That a sum not to exceed \$423,190 is hereby appropriated to provide for the costs of the Project (this appropriation was included in the 2018 CIP Budget approved on December 28, 2017); 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 \$423,190 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.

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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 **WILDES DISTRICT ROAD MAIN REPLACEMENT PROJECT** in Kennebunkport (the "Project"), is hereby approved; and

That a sum not to exceed \$267,500 is hereby appropriated to provide for the costs of the Project (this appropriation was included in the 2018 CIP Budget approved on December 28, 2017); 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 \$267,500 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.

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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 **STORER STREET MAIN REPLACEMENT PROJECT** in Kennebunk (the "Project"), is hereby approved; and

That a sum not to exceed \$220,000 is hereby appropriated to provide for the costs of the Project (this appropriation was included in the 2018 CIP Budget approved on December 28, 2017); 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 \$220,000 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.

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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 **OAK AND WEST STREETS MAIN REPLACEMENT PROJECT** in Kennebunkport (the "Project"), is hereby approved; and

That a sum not to exceed \$250,985 is hereby appropriated to provide for the costs of the Project (this appropriation was included in the 2018 CIP Budget approved on December 28, 2017); 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 \$250,985 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.

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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 **KENNEBUNK RIVER WELL GAC FILTRATION SYSTEM PROJECT** in Kennebunk (the "Project"), is hereby approved; and

That a sum not to exceed \$1,319,060 is hereby appropriated to provide for the costs of the Project (this appropriation was included in the 2018 CIP Budget approved on December 28, 2017); 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 \$1,319,060 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.

#### Other Business

- The Superintendent requested the Board consider changing the April meeting from April 25<sup>th</sup> to April 18. There was no objection.
- The Board was reminded that the deadline to submit a bid for the surplus equipment auction is tomorrow.
- The Superintendent was pleased to share a note composed by Distribution Manager Keith Archibald from his phone conversation with (Ogunquit) customer Peter Grizwold in which he expressed how impressed he was with the professionalism of Mike Buzulchuck and Abe Damuth during a recent AMI meter changeover.

Next Meeting

The next meeting of the Board of Trustees will be held on Wednesday, March 28<sup>th</sup>, 2018 in the Conference Room at the Office Complex at 92 Main Street, Kennebunk at 2:00 pm.

EXECUTIVE SESSION – Annual Officers' Performance Evaluation

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to go into Executive Session at 2:55 pm for the purpose of conducting Officers' performances evaluations.

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to come out of Executive Session, with no action taken, at 3:49 pm.

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to award the Assistant Superintendent a 3% wage increase.

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to award the Treasurer a pro-rated wage increase of up to 3% on September 2, 2018, based upon the degree of his successful completion of the goals specified in his February 28, 2018 performance evaluation.

It was agreed that the GIS Coordinator would be awarded \$1,500 for his performance during 2017.

It was agreed that the Superintendent's evaluation will be conducted at the next regular meeting of the Board of Trustees on March 28, 2018.

Adjournment

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to adjourn the February 28, 2018 meeting at 3:51 pm.

Wayne A. Brockway, Clerk