

MINUTES OF THE BOARD OF TRUSTEES January 31, 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 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 and Administrative Assistant Cindy Rounds. Mr. Littlefield was absent.

Minutes – December 28, 2017 Meeting

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to approve the Minutes of the December 28, 2017 meeting as written.

Public Comment

There was no public comment.

Treasurer's Report

The Treasurer presented the 2017 Year-to-Date December actual to budget comparison for Operating Revenues and an SDC update. He reported that annual metered account revenues were \$4,234,167, indicating a 1.3% unfavorable budget variance of \$53,981. Seasonal metered account revenues totaled \$1,445,662, indicating a 2.8% unfavorable budget variance of \$42,403. Total metered revenues were \$5,679,829, indicating a 1.7% unfavorable budget variance of \$96,384 and a 5.3% decrease in the year-to-date billed usage from 2016. Total operating revenues for year-to-date December were \$6,993,916, indicating a 1.4% unfavorable budget variance of \$97,079.

The Treasurer reported that although customer growth for 2017 was 1.08%, the previous five-year running average was 1.25%. In terms of customers, the rate is increasing steadily every year with 127 new customers in 2017. He noted that in 1982, there were 7,836 customers; in 2017 there are 13,808 which is an overall increase of 76%.

Monthly Water Production Report

The Assistant Superintendent presented the monthly and year end charts for total water production, liquid equivalent precipitation, groundwater production and surface water versus groundwater production costs for December.

He reported that December water production was 52.4 MG. The total water production was 1,062.4 MG for 2017 (fifth highest) versus 1,124.8MG for 2016 (year of record), a decrease of 62.4 MG (5.9%). The year to date average production over the past 15 years was 1,031.2 MG with 11 of the past 15 years exceeding 1.0 BG. January production through yesterday is 55.3MG versus 47MG in 2017, an increase of 17.7% which could be due to an increase in running faucets to avoid freeze-ups during the cold weather snap at the beginning of the month.

Liquid precipitation in December was 2.80" (the lowest in 15 years) for a total of 48.19" year to date, which is 2.28" above the same period for 2016.

In December, 52.4 MG of surface water was produced. He noted the big reduction in the groundwater production totals for 2016 versus 2017 as a result of not running the Kennebunk River well.

The Assistant Superintendent noted that the year-end blended chemical costs increased to \$176.69 per MG in 2017 (from \$127.82 in 2016) due to the increase in surface water.

The Board's attention was drawn to a graph illustrating the water main leak history from 1994 to present. The Assistant Superintendent reported that there were 12 breaks totaling an estimated 13.9MG of water loss that included a long-term leak on Mast Cove Lane (2" main) adjacent to the Kennebunkport Library which attributed approximately 7.3 MG toward that total.

AMI Meters

The Treasurer reported that in 2017, a total of 2,864 AMI meters (4167 cumulative total-representing 30% of all District metered accounts) have been installed through yesterday; 216 so far in January. Mr. Oliver shared the pleasant experience his daughter had with District staff during her AMI meter changeover.

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 reported that the pilot studies are working out as planned, with some of the carbon performing better than others. Assuming the water that is being used in the pilot studies is similar enough to what is to be treated on a full-scale basis, it currently appears that the useful life of the carbon will be approximately nine to twelve months.

The Superintendent outlined how the public is being informed about the PFAS topic. On January 11th he introduced it in a Rotary meeting presentation and followed it up with an interview with the York County Coast Star which published an article. Also, an article in the current issue of the District's newsletter headlines the subject; the website is being updated with an abundance of information; and he'll be presenting the PFAS topic at a technical session at the Maine Water Utilities Association Annual Meeting on February 7th.

He noted that plans for a full scale pilot are gearing up, utilizing a pressure filtration system. The concept of a gravity filtration system will be reconsidered upon reviewing the results of the full-scale pilot. In the next week or so, proposals will be solicited from vendors who can provide the pressure filters on a lease-to-purchase basis. The goal is to be on-line by mid to late May.

Fletcher Street Booster Station

The Superintendent reported that the masonry is being installed. A few changes have been made to the architect's design to make the windows more similar to the adjacent Kennebunk High School

windows. The Treasurer is anticipating the initial reimbursement request (\$75,000) from RSU21 this week.

Lagoon Drainage Project

The Assistant Superintendent reported that the crew had an opportunity to spend a few days on project. Approximately 700' remains to be installed, which he anticipates will be completed by the end of February should site conditions cooperate. Final grading, along with loaming and seeding will be undertaken in the spring. The crew is still experiencing a high water table, which has substantially retarded progress.

Proposed Water Rate Adjustment

The Treasurer reported that since the last meeting he filed a request with the Maine PUC for a 6.6% upward adjustment for metered revenues and fire protection rates. In addition to a notice published in the newspaper, an informational letter was sent to ratepayers explaining the purpose of the rate increase and inviting them to attend the February 13th public hearing at the Brick Store Museum Resource Center.

He summarized a chart that illustrated the District's long-term debt versus annual revenue comparison from 1982 through 2017. Currently, 12% of the District's revenues are spent on debt cost, compared to a high of 70.2% in 1984. The Superintendent elaborated further on the trends shown in the chart. The chart has also been included in the newsletter.

Technical Services Position Replacement

The Superintendent was pleased to report that a candidate with a professional engineering license has been offered employment as the District's Engineer. Jamie Paschal is completing a background check and post-offer medical tests and is anticipated to start the week of February 19th.

Winter 2018 Newsletter

The Superintendent reported that the Newsletter is at the printer's.

New Distribution Department Building

The Superintendent reported that he and the Assistant Superintendent met with the Distribution staff to collaborate on the design of the new Distribution Department building adjacent to the Pipeyard building. The outcome was the development of an interesting design that incorporated many of the crew's suggestions and ideas. The filling station utilized by water haulers will also be incorporated into the new project for year round use.

Approval of a Private Line as a Main Extension – Webhannet Place, Kennebunk

In 1987 private 8" PVC water line of 300 feet in length was installed to and alongside of the Webhannet Place office building. At that time it was understood that subsequent phases of the Webhannet project may require that the 8" line may be considered as an extension. As a result, the

8" line was installed in accordance with District main extension specifications. Being that a subsequent phase of this project is now being proposed, this line must first be accepted as a District-owned main, in order for the proposed extension to connect to.

It is recommended that the District accept the existing 8" PVC water line, which connects to the District's water main along York Street and extends 300' southeasterly across York Street and along Webhannet place, as a District-owned main, pending the receipt of a suitable easement from the owner, Cottage Advisors, LLC, their successors or assigns. Reference is made to Sheets 1.2 and 2.1 of a set of plans entitled SITE AND SUBDIVISION PLAN, WEBHANNET PLACE VILLAGE, YORK ST. (US ROUTE1), KENNEBUNK, ME. – prepared for Cottage Advisors, LLC – last revised 08/4/17.

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to approve the private line, installed in 1987, as a main extension pending the receipt of a proper easement.

Main Extension – Webhannet Place, Kennebunk

Connecting to the end of the existing 8-inch main along Webhannet Place in Kennebunk at a point approximately 250 feet southeasterly of the intersection of Webhannet Place and York Street, install approximately 160 feet of 8-inch main southwesterly along Webhannet Place, ending at the intersection of Webhannet Place and an unnamed private way.

Reference is made to Sheets 1.2 and 2.1 of a set of plans entitled SITE AND SUBDIVISION PLAN, WEBHANNET PLACE VILLAGE, YORK ST. (US ROUTE1), KENNEBUNK, ME. – prepared for Cottage Advisors, LLC – last revised 08/4/17.

The applicant, Cottage advisors, LLC, 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. Oliver, seconded by Mr. Emmons, it was unanimously voted to approve the 160' main extension as presented.

Personnel Policies and Procedures Revisions

The Superintendent provided a summary of the revisions being presented. The revisions comprised primarily of updates, a new policy recommended by the District's HR consultant and various clarifications to existing language. The only proposed change that relates to a benefit is the change in Policy No. 133, whereby an employee may utilize accrued sick leave after one month of employment rather than after six months.

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to accept the revisions as presented.

Employee Wages and Benefits

The Superintendent reported that the CPI for the end of 2017 was 2.11%, as compared to 2.07% for 2016 and 0.73% for 2015. A somewhat related figure is the increase in 2018 health insurance premiums (6%), which for a District employee on the family plan, will increase their (net, after tax)

deduction in their weekly pay by about \$3.00, or about 0.35%. Other than for the change in the eligibility for the use of accrued sick time in Policy No. 133, no additional employee benefits are being proposed.

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to provide a 3% wage increase to hourly employees.

Other Business

- The Superintendent shared a customer's email complimenting Keith Archibald for his professionalism, promptness and kindness during his after-hours service call to remove a seasonal meter during the 1/4/18 blizzard. Photos were attached to the email, which showed Keith locating the customer's meter pit and removing the meter in blizzard conditions.
- Winter Outing – The Trustees were reminded of the upcoming Winter Outing on February 24th.

Next Meeting

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

Adjournment

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to adjourn the January 31, 2018 regular meeting at 3:01 pm.

Wayne A. Brockway, Clerk