

MINUTES OF THE BOARD OF TRUSTEES June 27, 2018

The regular meeting of the Board of Trustees, which was held at the Conference Room at the Office Complex, 92 Main Street, Kennebunk, was called to order by President Jim Burrows at 2:00 pm. Trustees Richard Littlefield, Tom Oliver and Bob Emmons attended along with Superintendent Norm Labbe, Assistant Superintendent Scott Minor, Treasurer Wayne Brockway, Distribution Manager Keith Archibald, Plant Manager Bill Snyder, GIS & Asset Management Coordinator Justin Richardson, Accountant Cathy McLeod, District Engineer Jamie Paschal, Facilities Manager Rob Weymouth and Administrative Assistant Cindy Rounds. Also in attendance was Fred Lynk, the Trustee-elect from Ogunquit.

Minutes – May 30, 2018 Meeting

On a motion by Mr. Emmons, seconded by Mr. Littlefield, it was voted to approve the Minutes of the May 30, 2018 meeting as written. Mr. Oliver abstained due to his absence at that meeting.

Public Comment

There was no public comment.

Treasurer's Report

The Treasurer presented the April and May financial reports along with the actual to budget comparisons.

He outlined the April reports. Annual metered account revenues were \$1,095,220, indicating a 3.3% favorable variance of \$35,386. Seasonal metered account revenues totaled \$293,801 indicating a 16.0% unfavorable budget variance of \$56,018. Total metered revenues were 1,388,301, indicating a 1.5% unfavorable budget variance of \$20,632 and an 11.3% increase in the year-to-date billed usage from 2017. Total operating revenues were \$1,830,333, indicating a 1.0% unfavorable budget variance of \$17,724. Ten SDCs were collected (\$13,169) in April.

The Treasurer then presented the May reports stating that annual metered account revenues were \$1,218,191, indicating a 2.9% favorable variance of \$33,916. Seasonal metered account revenues totaled \$516,506, indicating a temporary 13.1% unfavorable budget variance of \$77,556 attributed to later than expected seasonal service activations, causing a delay in the issuance of up-front seasonal minimum bills. Total metered revenues were \$1,734,696, indicating a 2.5% unfavorable budget variance of \$43,641 and an 8.2% increase in the year-to-date billed usage from 2017. Total operating revenues were \$2,269,745 indicating a 1.9% unfavorable budget variance of \$43,701. Fourteen SDCs were collected (\$21,758.) in May.

The Treasurer summarized a 12:30 pm meeting of the Retiree Benefit Trust Investment Committee, comprised of the Superintendent, Treasurer, Trustee Oliver and People's United Bank representatives. He explained the purpose of the Trust is to support and fund post-retirement

health benefits and briefly elaborated on the investment objectives and performance of the portfolio.

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to accept the April and May financial reports.

The Superintendent took the opportunity to introduce newly-elected Trustee Fred Lynk to the District staff and Officers attending the meeting.

Monthly Water Production Report

The Assistant Superintendent presented the monthly precipitation, water production details and water production cost charts for May. He reported that May water production was 95.8 MG (12.4% increase over 2017) which brings the 2018 YTD production total to 309.4 MG (7.4% increase over 2017). A look at June totals through yesterday shows production of 116.3 MG, an increase of 11.6 MG over 2017. He also noted that 2018 YTD is tracking 3.8% higher than 2016, which was the highest production year on record.

He gave a brief overview of a study being conducted by the Plant Manager with the assistance of a local irrigation contractor who shared information from (895) accounts in the District's service territory. The contractor reported that there has been substantial growth in this business with the anticipation of a 16% annual growth rate with new installations in the coming years. Based on the data provided, the District estimates current early morning irrigation system demand to around 4,000gpm. The Plant Manager elaborated on more of the details in regards to consumption and peak usage periods.

Liquid precipitation equivalent in May was 1.03", which was the second lowest May precipitation since 2003. 2018 YTD precipitation shows an 8.98" decrease from the same period in 2017. He added that the groundwater aquifers are still well below historic levels and continue to be monitored. Since the Merriland River Well was put on line in April, only 41.5 MG of groundwater was produced through May compared to 51.9 MG in 2017. The USGS monitoring station for Branch Brook flow showed that flow rates over the last two months are well below median levels. He noted that the US Drought Monitor shows the whole New England region for the most part is 'abnormally dry' with no significant rain expected in the extended forecast.

The surface water chemical cost decreased to \$222.98 per MG from \$249.18 in April with the 2018 YTD monthly average cost now at \$247.80 per MG (higher than the \$217.62 per MG for the same period in 2017 due to increases in chemical costs). The YTD monthly average groundwater chemical cost was \$101.52 per MG and the YTD monthly average for the blended surface water and groundwater chemical cost is \$237.16 per MG.

AMI Meters

The Treasurer reported that in May, a total of 457 meters were installed. As of the June 26th, 292 meters were installed in June, bringing the YTD total to 1,872 and the cumulative total to over 6,000 (approximately 40% of all metered customers).

Kennebunk River Well

The Superintendent reported that the 1 MGD granulated active carbon (GAC) filtration system was placed in service on June 8th and is running well and is being monitored daily by Plant and Facilities personnel.

He summarized the EPA's first PFAS Community Engagement meeting in Exeter NH he attended and spoke at on 6/25 and 6/26. It appears that national efforts to address the PFAS issue are gaining momentum. He was proud to attest that the estimated \$1.3 million cost of the District's facility (built in-house) compares very well with that of similarly sized facilities built by other communities with outside contractors; in some cases at costs in excess of \$5 million.

The Superintendent reported that the District has been awarded a \$15,000 matching grant from the Maine Drinking Water Program toward the cost of the GAC pilot study. The Assistant Superintendent had applied for the grant last year.

Arundel Tank Site

The Superintendent reported that the additional wetlands that were mapped were minimal (<2,300sf). The District Engineer has started the preliminary permitting process for the roadway and for the tank site.

Biddeford Pool Tank

The Superintendent reported that antenna installation activity with the (five of six) cell carriers is progressing. It was discovered that one of the carriers did not properly consider the existing access ladder when they designed their new antenna. The issue is in the process of being resolved.

Fletcher Street Booster Station

The Superintendent briefly introduced this item and the Facilities Manager reported that the pumps are mounted and electrical components are being installed. Work is slow (due to other staff commitments) but progressing. The Superintendent announced that another \$60,000 payment had been received on the original \$150,000 that was committed by RSU21. The remaining 10% will be paid upon the completion of the booster.

Main Replacement – Wildes District Road, Kennebunkport

The District Engineer reported that this project, comprised of 1,700' of 12" PVC pipe, is progressing, with an average of 180' of pipe being installed each day (on days when pipe is being installed). Crews encountered much more ledge than expected. As a result, several days have been dedicated to breaking up ledge ahead of the pipe installation. Along with a hydrant and several services, 317' of pipe remains to be installed. Completion is anticipated in the next week.

Tank Mixer Installation

The Facilities Manager reported that all the tank mixers, except for in the Crow Hill tank, have been installed. Completion is planned for early fall when system demand is low and the tank can be drained.

SHAPE Certification Renewal

The Assistant Superintendent reported that the District passed the follow-up inspection on June 22nd. He thanked everyone who was involved in achieving this important workplace safety recognition. The Superintendent elaborated on the benefits of this award, taking special note that there have not been any work-related injuries in the past few years. He further noted that the District's 0.61 experience mod rate is the lowest our insurance carrier has ever seen and has resulted in insurance cost savings of over \$70,000 over the past three years. The District now qualifies for a four-year (instead of two) renewal.

Summer 2018 Newsletter

The Superintendent brought the Board's attention to the Summer 2018 newsletter that is currently being mailed to customers. He was pleased to highlight the tribute to Mr. Littlefield, who will be retiring from the Board after the upcoming Annual meeting.

The Superintendent presented Mr. Littlefield with a plaque of appreciation for his 32 years of service to the Board of Trustees (the text to be included in the meeting minutes) and discussed the steady support he provided for the District's employees during his tenure. Mr. Littlefield was pleasantly overwhelmed by the show of employees who stopped by throughout the meeting to express their appreciation and gratitude to Mr. Littlefield.

Main Replacement – Storer Street, Kennebunk

The Assistant Superintendent reported that once the Wildes District Road project is complete, work will begin on this project, which is comprised of pipe bursting approximately 1,100' of the existing 10" cast iron main and replacing it with 12" HDPE pipe. An additional section of pipe will be replaced by installing approximately 100' of 12" ductile iron pipe via the open trench method. He was pleased to announce that both the engineering design and environmental reviews have officially been approved and accepted by the Drinking Water Program. Material bids are due back next week.

Recent Brush Fire on the Branch Brook Watershed

The Superintendent reported that the District's forester has been directed to further analyze (subsequent to his 6/1/18 report) the damage caused by the 250 acre brush fire. Once that is completed, a meeting with the responsible party will take place to discuss settlement terms on the damage. He stated that he plans to attend the July 11th post event review meeting at the West Kennebunk Fire Station that is being coordinated by the Maine Forest Service, which will include several of the fire departments that responded to the fire.

Proposed Modification to the District's Terms and Conditions

The Superintendent outlined the changes that have been made to the initial PUC filing as a result of questions from the Public Advocate's Office. The revision directs that only new campgrounds or RV parks in which 50% or more of the total individual sites are designed for stationary trailers or park model RVs shall have all sites or units individually metered. The master metering of existing campgrounds will be grandfathered. The language regarding the responsibility for the cost for the abandonment of an existing water service remained as initially proposed.

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to approve the new revisions offered by the Public Advocate's Office

Proposed MOU with York and Kittery Water Districts

The Superintendent reported a Memorandum of Understanding (MOU) with the York Water District (YWD) and the Kittery Water District (KWD) has been developed. The MOU establishes the terms of a business relationship over the next year and a half regarding the transfer and sale of water to Kittery Water District during their planned treatment plant rehabilitation project. The Superintendent explained that an MOU would not necessarily require action on the part of the Board, but this one is of broad enough scope that the Board's consideration and action is appropriate. The Superintendent stated that a joint meeting with the Boards and Officers of the three water districts has been scheduled for August 6th. Further details will follow.

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to approve the Memorandum of Understanding between KKWWD, YWD and KWD.

Other Business

- The Superintendent announced that Customer Service and Billing Clerk Brenda Hamilton will be retiring after 30 years on August 10th. A retirement party will be held at 6:00 pm on August 11th at Dutch Elm Golf Course in Arundel.
- The Superintendent reported that the Facilities Department's new ¾ ton pickup truck has finally arrived (it was ordered in January).

Next Meeting

The next meeting of the Board of Trustees will be held on Wednesday, July 25 2018 in the Conference Room, 92 Main Street, Kennebunk at 2:00 pm.

Adjournment

On a motion by Mr. Littlefield, seconded by Mr. Emmons, it was unanimously voted to adjourn the June 27, 2018 meeting at 3:15 pm and proceed with the Annual Meeting.

Wayne A. Brockway, Clerk

This is to
Honor and Commemorate

Richard H. Littlefield

In recognition of his 32 years of service
as Ogunquit's esteemed representative
to the Board of Trustees of the
Kennebunk, Kennebunkport & Wells
Water District.

Richard's integrity and steadfast
dedication to the principles of service
above self and fairness to all has made
a positive impact on the District in
many ways; from its organizational
culture to the value and service
provided to its customers.

We will cherish his cheerful, positive
attitude and send our best wishes for a
well deserved retirement.

June 27, 2018