

MINUTES OF THE BOARD OF TRUSTEES March 29, 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, Plant Manager Bill Snyder, GIS Coordinator Justin Richardson, Facilities Manager Rob Weymouth and Administrative Assistant Cindy Rounds.

Minutes – February 28, 2018 Meeting

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to approve the Minutes of the February 28, 2018 meeting as written.

Public Comment

There was no public comment.

Treasurer's Report

The Treasurer presented the post-audit 2017 yearend financial report. He reported that the year-end total revenues were \$6,980,865, approximately \$36,000 less than estimated. Total costs and expenses costs were \$5,900,440, approximately \$48,000 less than estimated. He compared the past three year end results which indicated that the 2017 net income of \$269,850 was less than the past two years. Total capital assets at year-end were \$48,740,315. A total of 136 System Development Charge fees (169 in 2016) were collected in 2017 for a grand total of \$218,201.00 (\$377,325.91 in 2016) that resulted in a net total of \$250,640.17 (\$331,470.51 in 2016) after billed/refunded adjustments of \$32,435.87 (-\$45,858.70 in 2016). Total year to date capital expenditures for 2017 were \$2,508,705. He noted that the 15-year average of new yearly SDC customers is 172.

The Treasurer reported that since the audit of the District's 2017 financial statements is nearly complete, the Trustees may now appropriate funds into the Watershed Protection Fund. Based on the current calculations, the formula would allow \$58,498 to be appropriated. The Treasurer noted that the current balance in the Watershed Protection Fund is approximately \$950,000. This appropriation would bring the fund balance up to approximately \$1,000,000.

He presented the 2017 yearend actual to budget comparison for operating revenues. He reported that annual metered account revenues were \$4,234,167, indicating a 1.3% unfavorable 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 were \$6,998,157, indicating a 1.3% unfavorable budget variance of \$92,838.

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to accept the 2017 yearend financial report.

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to appropriate \$58,498 to the Watershed Protection Fund.

The Treasurer summarized the February 2018 revenue analysis comparison to budget. Annual metered account revenues were \$499,137 indicating a 5.9% favorable variance of \$28,020. Seasonal metered account revenues totaled \$78,188 indicating a 1.9% unfavorable budget variance of \$1,537. Total metered revenues were \$577,325, indicating a 4.8% favorable budget variance of \$26,483 and a 13.3% increase in the year-to-date billed usage from 2017. Total operating revenues were \$794,220, indicating a 3.4% favorable budget variance of \$26,006. He reported that 16 SDC fees were collected (\pm \$29,000) during January and February, approximately \$9,000 and two connections more than in 2017.

Monthly Water Production Report

The Assistant Superintendent presented the monthly precipitation, water production details and water production cost charts for January. He reported that February water production was 47.1 MG (4.7% increase over 2017) which brings the 2018 production total to 103.9 MG (11.2% increase over 2017). A look at March production as of yesterday shows a decrease of 2.8% from 2017. Liquid precipitation equivalent in February was 4.24", which is a 4.81" decrease from the same period in 2017. The 7.90" received year-to-date is slightly below the running 16 year average of 8.13".

There was no groundwater produced in February (50.5 MG in 2017) and the surface water chemical cost increased to \$277.89 per MG from \$243.57 in January. The 2018 year-to-date monthly average surface water chemical cost of \$259.13 per MG is significantly higher than the \$195.14 per MG for the same period in 2017 as a result of a mid-winter snow melt and higher chemical costs.

AMI Meters

The Treasurer reported that as of earlier today, a total of 230 meters were installed in March bringing the year to date total to 748 and the cumulative total to over 4,900 (nearly 50% of annual accounts). He then outlined a pilot program that will be implemented at a Wells seasonal cottage complex to evaluate a new type of meter. The purpose of the pilot is to determine whether the time spent installing and removing the positive displacement meters each year can be eliminated by using a different type of meter that can be left in year round. It appears that this new ultrasonic meter can be left in place at the property, provided the water is removed from the service entrance at the end of the season. If the anticipated outcome is achieved, the program will be expanded to other seasonal customers.

Kennebunk River Well

The Superintendent provided an update on the progress of the on-going pilot studies to remove PFAS using granulated activated carbon (GAC). He noted the aquifer continues to be monitored. No substantive activity regarding this issue has taken place other than for the subjects that will be discussed in a subsequent agenda item and in Executive Session later in the meeting.

Fletcher Street Booster Station

The Superintendent distributed photos of the new facility that show that construction is progressing. The roof is nearly complete. A cupola has been ordered and will soon be installed. He noted that he and the Facilities Manager recently met with Kennebunk Light & Power at the site to determine the best location for the 3-phase transformer and power pole.

Cape Arundel Cottage Preserve – Seasonal Booster Station

The Superintendent reported that the construction of this seasonal booster station, which will be located on the future tank site in Arundel, is underway. District personnel have installed the underground piping, conduit and foundation slab. The Facilities Manager anticipates that the structure will be delivered and placed on its foundation within one or two weeks. The goal of putting the booster in service prior to May 1st is still looking realistic. The only potential obstacle is that the developer has encountered a delay in getting power to that end of the project site, which would delay the booster being put on line.

Department of Labor – SHAPE Award Renewal Inspection

The Assistant Superintendent reported that the original March 20th inspection by the Department of Labor for renewal of the SHAPE award has been rescheduled for April 6th. Members of the District's Health & Safety Committee have spent considerable time preparing for the inspection, which is always thorough and comprehensive. The District's three prior renewals have occurred on a biennial cycle which may be extended to a four year cycle if successful in meeting the requirements of this upcoming inspection.

Main Replacement – Oak Street & West Street, Kennebunkport

The Assistant Superintendent was pleased to report that this SRF project was recently elevated from the backup list to the primary list, which guarantees SRF funding. All necessary documentation and administrative procedures have been approved, with the project anticipated to commence the week of April 16th with the installation of temporary lines. The project will be assisted by Ted Berry Company, utilizing the pipe-bursting method. A total of \$250,985 is eligible to be bonded via the SRF program. This is the third District project to qualify for the SRF primary list this year.

Spring Hydrant Flushing Program

The Assistant Superintendent reported that the spring schedule for hydrant flushing has been developed and will commence on April 16th in Wells, followed by Ogunquit. He outlined the concept of changing to an annual directional flushing (method) that staff is contemplating for implementation in the spring of 2019. He explained how it could result in a more effective and efficient process.

Valve Maintenance Program

The Assistant Superintendent introduced an electronic version of the valve maintenance program developed by the GIS/Asset Management Coordinator. The GIS/Asset Management Coordinator demonstrated how the new program allows staff to easily monitor the valve maintenance program in real time, allowing for multiple crews to work simultaneously in an area and eliminating the possibility of either missing a valve or of exercising the same valve twice.

Main Extension – Longfellow Lane, Poets Glen Subdivision, Kennebunk

Connecting to the existing 8-inch main along Ross Road in Kennebunk at a point approximately 1500 feet northwesterly of the intersection of Ross Road and Portland Road, install approximately 860 feet of 8-inch main and 140 feet of 4-inch main southerly along Longfellow Lane, ending at its cul-de-sac.

Reference is made to Sheets C1.2 and C1.3 of a set of plans entitled POETS GLEN SUBDIVISION, 30 ROSS ROAD, KENNEBUNK, ME. – prepared for Adam Blaikie & Associates, LLC – last revised 09/29/17.

The applicant, Patco Construction, Inc., 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. Littlefield, it was unanimously voted to approve the main extension for Longfellow Lane in Kennebunk.

Main Extension – Lake Brook Drive, Lake Brook Subdivision, Kennebunk

Connecting to the existing 10-inch main along Port Road in Kennebunk at a point approximately 450' southeasterly of the intersection of Surrey Lane and Port Road, install approximately 365' of 8-inch main and approximately 70' of 4-inch main southwesterly along Lake Brook Drive, ending at its dead end.

Reference is made to Sheets No. 3 of 9 and 5 of 9 of a set of plans entitled LAKE BROOK SUBDIVISION – prepared for Woody Creek Development, LLC – last revised 11/14/2017.

The applicant, Woody Creek Development, 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. Littlefield, it was unanimously voted to approve the main extension for Lake Brook Drive in Kennebunk.

Main Extension – Norseman Lane, Ogunquit

Connecting to the existing 8-inch main along Beach Street in Ogunquit at a point approximately 400 feet easterly of the intersection of River Road and Beach Street, install approximately 180 feet of 8-inch main along Norseman Lane, replacing the existing 2-inch main in that location.

Reference is made to Sheet SK1, entitled PROPOSED FIRE SUPPRESSION WATER LINE, NORSEMAN RESORT, 115 BEACH STREET – TAX MAP 7, LOT 86, OGUNQUIT, YORK COUNTY, MAINE– prepared for Lafayette Ogunquit, LLC – last revised 03/27/18.

The applicant, Lafayette Ogunquit, 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. Littlefield, it was unanimously voted to approve this main extension for Norseman Lane in Ogunquit.

Review and Approval of PFAS Removal Equipment Proposals

The Superintendent summarized the proposals to provide a full-scale (1 MGD) pilot PFAS removal system from three vendors (Calgon, Evoqua and Tigg) with a lease/purchase arrangement. He explained the goal would be to run the pilot for at least six months and evaluate the results. Of the three vendors, the Evoqua proposal was the least costly and their GAC media product that was used in small scale RSSCT pilot study performed the best of the three brands being proposed.

During negotiations, Evoqua proposed an alternative purchase option. In it, the District would purchase the equipment up front (\$426,483) with Evoqua guaranteeing results of less than 5ppt of PFAS leaving the filter after six months of continuous use at 1 MGD. If these results are not successful, the equipment will be removed and returned to the vendor and only the lease price and demobilization (\$180,000 to \$185,000) would be due. In addition, Evoqua was also the only vendor that could deliver their equipment within two weeks. The Superintendent recommended their proposal. He added that the overall technical support provided by Evoqua to date has been outstanding. A discussion ensued that addressed the current pilot results, the Capital budget financing and the process that will be undertaken to commence with the project. Being that only \$358,000 of this previously approved \$1,358,000 budget item was originally intended to be spent during the 2018 fiscal year, it was suggested that Board action be taken to authorize the accelerated expenditure as discussed.

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to accept Evoqua's proposal and authorize up to \$500,000 to proceed with implementing this project.

Recent Employee Vehicle Bids

The Assistant Superintendent reported that the two vehicles (Trucks #27 & #24) that were offered for trade-in with the recent vehicle purchase have been purchased by employees in a silent auction for \$106.70 above the quoted trade-in figures. He added that shortly after the bids were opened, he learned that the ¾ ton 4x4 pickup would not be delivered for three months. Considering this truck was scheduled to be utilized for hydrant flushing (commencing April 9th), the District was

forced to delay the ownership transfer until the new truck arrives. The dealership has confirmed that they will honor the trade-in price in the event that the employee decides against completing the transaction at that time. This problem will be eliminated in the future as the District plans to start seeking bids as soon as September for the following year. There was no delay in the delivery of the new Ford Transit.

Other Business

- The Assistant Superintendent inquired if the Trustees wished to continue the practice of holding the May meeting at the Filtration Plant. There was full agreement among the Board.
- The Administrative Assistant was pleased to inform the Board that the Superintendent was honored with the Jeff Nixon Award at the February MWUA Annual meeting. This award is presented to a member of MWUA who has had a career of service to a Maine water utility, has demonstrated dedication and commitment to the MWUA Association for ten years or more and has made outstanding contributions to the water works profession in Maine. The Board extended their congratulations to the Superintendent for this well-deserved honor.

Next Meeting

The next meeting of the Board of Trustees will be held on **Wednesday, April 18th**, 2018 in the Conference Room at the Office Complex at 92 Main Street, Kennebunk at 2:00 pm.

EXECUTIVE SESSION – PFAS Issue

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to go into Executive Session at 3:28 pm to discuss legal aspects of the PFAS issue.

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to come out of Executive Session at 3:51 pm with no action taken.

EXECUTIVE SESSION -- Annual Superintendent's Performance Evaluation

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to go into Executive Session at 3:53 pm for the purpose of conducting the Superintendent's performance evaluation.

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 4:17 pm.

On a motion by Mr. Oliver, seconded by Mr. Emmons, it was unanimously voted to award the Superintendent a 3.5% wage increase and an additional week of vacation during 2018.

Adjournment

On a motion by Mr. Oliver, seconded by Mr. Littlefield, it was unanimously voted to adjourn the March 29, 2018 meeting at 4:20 pm.

Wayne A. Brockway, Clerk