

MINUTES OF THE BOARD OF TRUSTEES October 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 Tom Oliver at 2:00 pm. Trustees Bob Emmons, Jim Burrows and Fred Lynk attended along with Superintendent Norm Labbe, Assistant Superintendent Scott Minor, Treasurer Wayne Brockway, Plant Manager Bill Snyder, Chief Operator Greg Pargellis, GIS/Asset Management Coordinator Justin Richardson, Accountant Cathy McLeod, District Engineer Jamie Paschal, Facilities Manager Rob Weymouth and Administrative Assistant Cindy Rounds.

Minutes – September 26, 2018 Meeting

On a motion by Mr. Lynk, seconded by Mr. Burrows, it was unanimously voted to approve the Minutes of the September 26, 2018 regular meeting as written.

Public Comment

There was no public comment.

Treasurer's Report

The Treasurer presented the September financial report along with the actual to budget comparisons. Annual metered account revenues were \$3,147,986, indicating a 6.4% favorable variance of \$188,943. Seasonal metered account revenues totaled \$1,046,873 indicating a 1.2% favorable budget variance of \$12,452. Total metered revenues were \$4,194,859, indicating a 5.0% favorable budget variance of \$201,395 and a 9.9% increase in the year-to-date billed usage from 2017. Total operating revenues were \$5,211,543, indicating a 4.0% favorable budget variance of \$201,678. Thirteen SDCs were collected (\$18,213) in September and one hundred twelve year to date (\$176,835).

On a motion by Mr. Burrows, seconded by Mr. Emmons, it was unanimously voted to accept the September financial reports.

Monthly Water Production Report

The Assistant Superintendent presented the monthly precipitation, water production details and water production cost charts for September.

He reported that water production for September was 116.6 MG (5.3% decrease from 2017) which brings the 2018 YTD production total to 896.7 MG (3.5% increase over 2017, 3.0% decrease over 2016 which is the year of record production). A look at October totals through the 28th showed production of 65.5 MG, a decrease of 22.2 MG from 2017 and 24.3 MG less than 2016.

The liquid precipitation equivalent for September was 5.80", which places the YTD total of 40.28" slightly above the 16 year running average of 39.68". He added that the groundwater levels have returned to near average for this time of year.

Groundwater production for September was 65.5 MG, comprised of 29.7 MG from the Merriland River well, 1.8 MG from the Harriseckett Road well, 3.8 MG from the Plant wells and 30.2 MG from the Kennebunk River well. The YTD groundwater production total is 302.2 MG (53.2 MG increase over 2017) which equals approximately 34% of total water production.

The September surface water chemical cost decreased to \$236.79 per MG from \$253.29 in August with the 2018 YTD monthly average cost now at \$240.92 per MG (higher than the \$206.92 per MG for the same period in 2017 due to increases in chemical costs, etc.). The groundwater chemical cost for September was \$46.90 per MG with the YTD monthly average groundwater chemical cost at \$70.16 per MG. The YTD monthly average for the blended surface water and groundwater chemical cost is \$201.53 per MG, compared to \$167.81 per MG for same period in 2017.

Kennebunk River Well

The Superintendent described the test results and the overall performance of the 1 MGD full-scale pilot GAC filters. He reported that upon reviewing the developing performance trend of the filters and after discussions with staff, there is a consensus to run the filters until the carbon is depleted to best assess the system's PFOS removal efficiency. In order to accomplish that, a temporary shelter will be needed to protect the filters from the upcoming winter weather. The Superintendent recommended the Board's consideration for a budget increase (subsequent agenda item) to erect a temporary structure that could be repurposed in 2019 to house the District's extended reach excavator, which is currently stored outdoors.

The Superintendent briefly summarized the meeting he had with a New York law firm, referred to him by the New York Association of County Commissioners. The firm was interested in gaining the District's participation in a Mass Action Suit against the 3M Corporation for the manufacturing of PFOS. After a brief discussion, it was understood that the District would not join or participate in any legal action at this time.

Fletcher Street Booster Station

The Facilities Manager reported that the new Fletcher Street booster station is now operational. Besides one large pump that needs to have a defective mechanical seal replaced and once the SCADA screens are designed, the facility will be complete.

Arundel Tank Site

The District Engineer reported that he is still working toward obtaining the conditional use permit to build a construction access driveway from Route One to the tank site. A DOT Road Opening Permit has been obtained. The Town of Arundel has also required the development of erosion control and storm water management plans and detailed driveway entrance design and drainage prior to issuing a permit. The District's goal is to construct the road this winter.

Biddeford Pool Tank

The District Engineer reported that, due to the cold and rainy weather that has been encountered over the past few weeks, the tank painting contractor has decided to suspend all painting operations until next spring. He added that the tank painting contractor has also recommended that, due to its condition, the District should also consider blasting and painting the complete interior of the tank, which was somewhat anticipated, as it was an optional bid item in the District's original request for proposals.

The Superintendent reported that Verizon is installing a new access ladder on a different leg of the tank because their design engineer didn't consider the existing ladder when they designed their latest antenna upgrade.

SDC Update

The Superintendent reminded the Board that the PUC had recently approved modifications to the System Development Charge. Upon amending the District's (internal) SDC procedures to implement the changes, it was discovered that the approved language went beyond the original intent of the modification and created some unintended consequences. The District has since requested some additional modifications, clarifying that the SDC will be individually calculated for only 3/4" and larger meters.

Water System Master Plan Update

The Assistant Superintendent brought the Board's attention to the updated Master Plan that was recently completed by Wright Pierce. He passed out copies, gave a brief overview of the updates and encouraged the Board to review it.

AMI Meters

The Treasurer reported that as of yesterday, 37 meters have been installed so far in October, bringing the YTD total to 2,793 and the cumulative total to 6,960 (approximately 50% of all metered customers and 64% of annual customers). He explained that the low number of October installations is attributed to seasonal turn-offs and the loss of an AMI installer who is shadow training for another position to which he was promoted to. The Superintendent explained that year to date the installations are ahead of schedule and it looks likely that up to 3,200 installations can be achieved. A budget modification request to maintain the rate of AMI installations through the end of the year will be proposed later in the meeting.

Main Replacement – North Street, Kennebunkport

The District Engineer reported that this main replacement project has been completed. Paving will be scheduled once the Town of Kennebunkport's cross trenches are compacted and the rainy weather ends.

Pipe Yard Vehicle and Equipment Storage Building

The Assistant Superintendent reported that there was a site walk conducted by the Site Plan Review Board on October 23rd and a public hearing on the project is scheduled for Thursday, November 8th at which time the District hopes to receive approval for the project. He added that Patco Construction is in the process of designing the engineered foundation and building plans that will be required to obtain the building permit.

Fall Hydrant Inspection and Testing Program

The Assistant Superintendent summarized the successful outcome of the fall hydrant maintenance and testing program. He outlined the results and issues that were encountered during the inspection process. The concept and benefits of spring hydrant flushing and fall hydrant inspection/testing have been discussed with staff and the protocol will likely be continued in the future.

West Kennebunk Booster Station

The Assistant Superintendent reported that he has not received any offers from the two property abutters. He requested the Board consider advertising the property with a realtor and allow the abutters the option to request a right of first refusal on this property.

On a motion by Mr. Burrows, seconded by Mr. Lynk, it was unanimously voted to allow until November 9th for the abutters to make their request. It was further voted to authorize the sale of the property and list it with a realtor if the abutters are not interested.

Seasonal Service Turn-offs Update

The Assistant Superintendent reported that all summer line turn-offs will be completed Friday except for three lines for which extensions have been granted until the first week of November.

Bridge Road (Biddeford) Main Break Repair Update

The Assistant Superintendent distributed photos of a (circa 1927) main that broke two weeks ago in the marsh adjacent to Bridge Road in Biddeford. The land is owned by Rachael Carson and a meeting was held on site with Rachael Carson staff and a representative from the Army Corps of Engineers to discuss site remediation. Some recommended minimal remediation will take place this fall with additional remediation to take place next spring.

Cyber Security

The GIS/Asset Management Coordinator reported that a few utilities have experienced system corruption from cyber attacks which also involved a demand for ransom in some cases. He will be conducting cyber security training sessions for staff to become more aware of these potential risks.

Capital Budget Modification Requests

The Superintendent outlined the capital budget modification requests being presented to the Board. 1) In order to continue the AMI installations through the end of the year, an increase of \$45,000 is being requested. 2) \$20,000 is being requested for a structure to serve as a temporary shelter for the GAC filters at the Kennebunk River Well, which will be repurposed as a shelter for the District's extended boom excavator in 2019.

On a motion by Mr. Burrows, seconded by Mr. Lynk, it was unanimously voted to approve a \$65,000 increase to the 2018 Capital budget to undertake the projects noted above.

Discussion of Branch Brook Watershed Land

The Superintendent initiated a discussion on the District's watershed land and some management concepts worth considering. Among the topics discussed was conservation land ownership and easements by the District and by others, the prioritization of land to be permanently protected and the concept of creating a more formal coalition with other land conservation organizations, in a manner similar to what the Portland Water District has recently formed. The Superintendent will continue researching the topic and communicating with other watershed stakeholders and will report back to the Board for their further consideration and action.

Other Business

- The Assistant Superintendent reported that Kennebunk Light & Power will be implementing a 6.7% increase in rates.
- The Assistant Superintendent informed the Board that there was no employee interest in the silent auction for Truck #16 which will be traded in with the purchase of the new truck.
- The Superintendent announced that the District participated in the cooperative bid for fuel oil. The locked in price is \$2.6349 per gallon and will be in effect through 10/21/19.
- The Superintendent verbally presented the Board with a six-month notice of his planned retirement in 2019. He noted that making this decision was very difficult as the District's employees and Trustees have become like a family to him. He also noted that his 35 years with the District have been both rewarding and gratifying, but time is marching on and the timing of his retirement date is what is best for him and his family. He assured the Board that the six month timetable is flexible and that he will remain until a successful candidate is chosen and has fully transitioned into the position.

Next Meeting

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

Adjournment

On a motion by Mr. Burrows, seconded by Mr. Emmons, it was unanimously voted to adjourn the October 31, 2018 meeting at 4:20 pm.

Normand R. Labbe, Clerk Pro Tem