

MINUTES OF THE BOARD OF TRUSTEES April 24, 2019

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, Deputy Superintendent Steve Cox, Assistant Superintendent Scott Minor, Treasurer Wayne Brockway, Plant Manager Bill Snyder, GIS/Asset Management Coordinator Justin Richardson, Accountant Cathy McLeod, Distribution Manager Keith Archibald, District Engineer Jamie Paschal, Facilities Manager Rob Weymouth and Administrative Assistant Cindy Rounds.

Minutes – March 27, 2019 meeting

On a motion by Mr. Burrows, seconded by Mr. Lynk, it was unanimously voted to approve the Minutes of the March 27, 2019 meeting as amended.

Public Comment

There was no public comment.

Treasurer's Report

The Treasurer presented Page 1 of the January financial report (Statement of Income) and the related actual to budget comparison for the income statement. The budget comparison indicated that the net loss for January (which is typical) was \$25,377 less than budgeted. He then presented the Year-to-date March Operating Revenue actual to budget comparison. Annual metered account revenues for the first three months were \$789,462, indicating a 7.4% unfavorable variance of \$63,342. Seasonal metered account revenues totaled \$98,190 indicating a 2.6% favorable budget variance of \$2,483. Total metered revenues were \$887,652, indicating a 6.4% unfavorable budget variance of \$60,859 and a 13.2% decrease in the year-to-date billed usage from 2018. Total operating revenues were \$1,199,048, indicating a 5.7% unfavorable budget variance of \$72,580. Fourteen SDCs were collected (\$19,810) in March with 25 collections on a year to date basis compared to 21 in 2018.

The Treasurer noted that he was notified by the Auditors yesterday that the audit was complete without any adjustments.

On a motion by Mr. Burrows, seconded by Mr. Emmons, it was unanimously voted to approve the January financial report (statement of income and budget comparison).

Monthly Water Production Report

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

He reported that water production for March was 47.78 MG (4.59% decrease from 2018). He added that the 3MG tank was filled in March and 4.56 MG was sold to York Water District which when factored increase the deficit to 11.70%, making it the lowest March water production over the past 17 years. YTD water production stands at 136.5MG which is 17.5MG (11.4%) lower than 2018 and 7.0MG (4.9%) lower than 2016 (year of record water production). Looking ahead at April (through the 24th), water production is 0.70Mg (1.7%) above 2018 which is encouraging.

The supply source summary for March indicated Branch Brook provided 17.78 MG (37%) with groundwater sources contributing the remaining 30.0MG (63%). 2019 YTD groundwater production was 80.88 MG. The surface water versus groundwater production and chemical cost comparison chart revealed a moderate increase in the cost of treating surface water (\$289.97/MG compared to \$263.33/MG in February) as a result of increased color and turbidity associated with the annual snow melt. YTD monthly surface water cost of \$257.89/MG is tracking close to 2018 (\$257.11/MG) despite chemical cost increases realized in 2019. There was no groundwater produced in the first quarter of 2018.

The liquid precipitation equivalent for March was 2.80" (comprised of 1.6" of rain and 12.0" of snow) and was tracking about average. The 2019 YTD precipitation total of 13.60" is slightly ahead of ahead of the group average of 12.82".

Pipe Yard Vehicle and Equipment Storage Building

The Assistant Superintendent distributed photos of the construction progress reported. He reported that the electrical work and garage door installations have been completed with the remaining work to primarily include the interior and exterior floor slabs, weather stripping and miscellaneous trim. He indicated that the Distribution Manager met with Patco today to perform a series of test holes within the footprint of the structure; frost was discovered at 16". Additional test holes will be done in a week to determine when construction of the floor slab (insulation, wire reinforcing mesh, hydronic system piping and the concrete slab) can get underway.

AMI Meters

The Treasurer reported the installations to date for the month of April totaled 183, bringing the cumulative total to 8,244 (1,036 year to date), which is 74% of the District's annual accounts and 59% of all accounts.

The Assistant Superintendent shared some information he learned at the recent NEWWA Spring Conference. He reported his conversation with the CFO from the Manchester (NH) Water Works system that has 31,000 meters using MIU radio read technology platform with 20-year lithium ion batteries. The CFO reported that their system has been in place since 2003 and that they have only seen a 1% lithium ion battery failure rate. This was viewed as encouraging news as the District's AMI system also uses 20-year lithium batteries which has been an item of concern since the District began its AMI program in December of 2015.

Arundel Tank Site

The District Engineer reported that Livingston-Hughes has been contracted to survey the tank site in order to provide a 1' contour survey. A geotechnical study will also be conducted (proposals are due April 26th) and will be used to establish the tank design which will go out to bid this summer, for an anticipated construction date in 2020. Labbe Excavating will return to the site to complete the access road once the ground has dried up a bit more.

Kennebunk River Well Filters

The Superintendent reported on local and national activity regarding the PFAS issue. He discussed the performance results of the District's Granular Activated Carbon (GAC) pressure filters so far and noted that the most recent test results are expected within the next few days. He reiterated the process of removing, reactivating and returning the carbon. The District will assist with some labor during this process. Once the process has been completed (two-week turnaround time), anticipated to be in time for peak season, the production will be ramped up to 1 MGD.

Locally, the lawsuit between the State and the abutting farmer is still pending. The Superintendent announced that he has been appointed to the Governor's task force to further study the PFOS issue.

The Assistant Superintendent is working on the GAC System Facility design and permitting process that involves both the DWP (due to SRF funding) and the Town of Kennebunk. He also hopes to have the bid package ready to go out to pre-qualified bidders later this spring.

Spring Flushing Program

The Assistant Superintendent reported that the spring flushing program that commenced on April 15th is going very well, similar to last year which was completed in record time. He noted that the weather has not caused any delays or been problematic this year.

Artificial Recharge

The Superintendent reported that conversations with State agencies and contact with the District's hydrogeologist found that when the pilot study is conducted this summer, the water can be run right into the water system as long as the District continues to monitor for Microscopic Particulate Analysis (MPA) along with turbidity and color.

Main Replacement – Maine Street and Wildes District Road, Kennebunkport

The District Engineer reported that Phase 1 blasting is underway, with several hundred feet completed. The District crew will start installing pipe once the blasting is done.

Main Extension – Tequila Sunrise Drive, Wells

The District Engineer reported that this water main extension project has been completed and is on-line.

Summer 2019 Newsletter

The Superintendent reported that the coordination meeting to develop the upcoming newsletter was held. The Trustees were again invited to offer suggestions for article topics.

Filtration Plant Tours

The Assistant Superintendent reported that staff has recently conducted Plant tours for 216 fourth grade students this spring. These tours have become increasingly popular each year and the plant staff takes a lot of pride and sharing their knowledge and water treatment expertise with the students.

Branch Brook Watershed Coalition

The Superintendent brought the Board's attention to a draft Agreement for a partnership between the District and conservation organizations that comprise the Branch Brook Watershed Coalition to permanently conserve land along Branch Brook. He also sought the Board's concurrence on the concept of conditionally earmarking funds for maintenance operations and overall management of the Branch Brook Watershed. The District's existing Water Supply Protection Fund (WSPF), as provided in MRS Title 35-A, Chapter 61, Section 6113, can only be utilized for the acquisition of long-term interests in real property for the protection of the public water supply. He noted that MRS Title 35-A, Chapter 61, Section 6113 also allows the Board to transfer money from the fund to the unappropriated retained earnings account. He also noted that approximately \$265,000 of the WSPF was generated from forestry operations per the District's Forest Management Plan (said plan stated that such funds were earmarked for watershed maintenance activities). Given the above facts and given the potential for collaborative opportunities presented by the recently formed Branch Brook Watershed Coalition, the Superintendent recommended that the District conditionally earmark \$250,000 for watershed activities related to the protection of the Branch Brook water supply. Any proposals for such expenditures would first be vetted by the Superintendent and brought to the Board for their consideration and action on a case-by-case basis. Typical projects discussed included the development of forest and watershed management plans, improving public access while best protecting Branch Brook and providing funds and matching grant funds for Coalition initiatives that are compatible with Water District goals. It is assumed that the outright purchase of watershed land and easements would continue to be funded by the existing WSPF as in the past.

On a motion by Mr. Burrows, seconded by Mr. Lynk, it was unanimously voted to concur with the concept of conditionally earmarking \$250,000 of general funds for management of the Branch Brook Watershed in conjunction with the Branch Brook Watershed Coalition.

Former Fletcher Street Booster

The Assistant Superintendent reported that the sale of this property took place Monday for the selling price of \$69,407 (net after real estate fees) to a couple from Sherman, Texas who are planning to build a house on it in the next few years.

Proposed Sale of Water Main in Biddeford to Maine Water Company

The Superintendent provided background to this 2,300' stretch of water main that was installed in 1980 and shared the details from research that was conducted preparing for this agenda item. After discussion, the Board agreed to sell the 2,300' of 20" water main in Biddeford to Maine Water Company for the agreed to price of \$198,828.57. The main was installed to connect with the water main in the Biddeford Industrial Park and was intended to be transferred to the Biddeford Water Company or their successor upon sunset of the 40-year bond.

On a motion by Mr. Lynk, seconded by Mr. Burrows, it was unanimously voted to sell this 2,300' stretch of 20" water main installed in 1980 to Maine Water for \$198,828.57 and to amend the March 25, 1980 Agreement by removing Article 2.

Potential Purchase of Watershed Land along Branch Brook

The Superintendent explained the latest developments on negotiations with a property owner of a piece of land along Branch Brook to purchase brook frontage and for some conservation-related terms on other portions of their lot. At the conclusion of the Discussion, the Superintendent was asked to continue negotiating a lower price for the land.

Proposed Easement for Use of District Land in Sanford

The Superintendent outlined the proposed Temporary Road Use Agreement being sought by NextEra Energy (DBA Sanford Airport Solar, LLC) who will be constructing the solar array on the Sanford Airport property. Essentially, the Agreement would allow travel (for two years) over District land during the construction of the solar array via the old Route 109 to access the site. The Agreement guarantees that Sanford Airport Solar will restrict public access, and that any damage to the Lease Road caused by Operator's sole use thereof or the use of its employees, agents, contractors or invitees including, but not limited to, heavy truck and equipment, shall be repaired at Operator's sole cost and expense.

On a motion by Mr. Burrows, seconded by Mr. Lynk, it was unanimously voted to authorize the Superintendent to sign the Agreement.

Proposed Amendment of MOU with Kittery and York Water Districts

The Superintendent summarized the revisions being proposed to the Memorandum of Understanding with Kittery and York Water Districts.

On a motion by Mr. Burrows, seconded by Mr. Emmons, it was unanimously voted to approve the proposed amendments to the Memorandum of Understanding (MOU) with Kittery and York Water Districts.

Health Insurance Opt-Out Concept

The Superintendent reported on the research the Treasurer conducted regarding the level (percentage) of reimbursements paid by local municipalities that offer a health insurance opt-out.

Administrative details are still be developed regarding proper documentation and proof of what an employee's status of coverage is with another insurance that would provide the eligibility for the opt-out benefit.

Other Business

- The Superintendent reported he, the Deputy Superintendent and Mr. Lynk met with Ogunquit Town Manager Pat Finnigan recently to introduce her to the Deputy Superintendent and to discuss upcoming projects.
- The Superintendent reported that the District will be honored with a MEMIC safety award being presented at an awards luncheon on June 10th. A film crew will be visiting the District on April 25th to conduct interviews of department heads and to visit some of the District's facilities. The interview will become part of a movie that highlights MEMIC's top six clients who are receiving the award.
- The Superintendent was pleased to announce that Mr. Oliver will be recognized for his longstanding volunteer commitment and leadership of the Wells Emergency Medical Services (WEMS) at the May 7th Wells Selectmen's meeting.
- Being the last Trustees' meeting that the Superintendent will attend before his retirement, Mr. Oliver thanked him for all the successes and advancements that occurred during his tenure at the District.

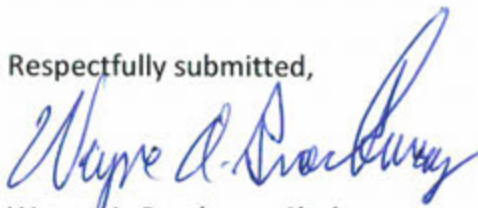
Next Regular Meeting

The next regular meeting of the Board of Trustees will be held on Wednesday, May 29, 2019 at the Filtration Plant, 135 York Street, Kennebunk, Maine at 2:00 pm.

Adjournment

On a motion by Mr. Burrows, seconded by Mr. Emmons, it was unanimously voted to adjourn the April 24th meeting at 3:35 pm.

Respectfully submitted,



Wayne A. Brockway, Clerk