

MINUTES OF THE BOARD OF TRUSTEES  
July 31, 2019

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

Minutes – June 26, 2019 Regular and Annual Meetings

On a motion by Trustee Oliver, seconded by Trustee Burrows, it was unanimously voted to approve the Minutes of the June 26, 2019 Regular and June 26, 2019 Annual Meetings as written.

Public Comment

There was no public comment.

Treasurer's Report

The Treasurer presented the June financial reports (Statement of Income) and the related actual to budget comparison for the income statement.

Year-to-Date metered annual account revenues through June were \$1,596,651, indicating a 2.3% unfavorable variance of \$36,757. Seasonal metered account revenues totaled \$698,499 indicating a 0.8% unfavorable budget variance of \$5,742. Total metered revenues were \$2,295,150, indicating a 1.8% unfavorable budget variance of \$42,499. Total operating revenues were \$2,981,395, indicating a 1.3% unfavorable budget variance of \$37,865. There were 33 new SDCs collected in June (\$53,770) with 85 collections on a year to date basis compared to 52 in 2018. The Treasurer indicated that there are now over 14,000 customers.

On a motion by Trustee Oliver, seconded by Trustee Burrows, it was unanimously voted to approve the June financial reports as presented.

Monthly Water Production Report

The Assistant Superintendent presented the monthly precipitation, water production statistics and water production cost charts for June.

He reported that water production for June was 109.8MG (18.6% decrease from 2018). Year to date water production through June stands at 389.6MG which is 54.6MG (12.3%) lower than 2018 and 46.2MG (10.6%) lower than 2016 (year of record water production). Looking ahead at July (through yesterday), water production for the month is down 3.82MG (2.3%) compared with July 2018.

The supply source summary for June indicated that groundwater sources provided 55.7MG (50.8 %), Branch Brook contributing 53.7MG (48.9%) and 0.36MG (<1%) purchased from the Maine Water Company for a total of 109.78MG.

The liquid precipitation equivalent for June was 4.28" which is close to the average for the month and included 11 days of recorded precipitation. The 2019 YTD precipitation total of 26.29" is slightly below the group average of 27.13".

Groundwater production in June (55.74MG) consisted of 23.17MG from the Kennebunk River well, 32.55MG from the Merriland River well and 0.02MG from the Harriseckett Road Wells (for UCMR 4 sampling purposes). The 2019 YTD groundwater production was 181.19MG and comprised of 136.80MG from the Kennebunk River well, 44.37 from the Merriland River Well and 0.02MG from the Harriseckett Road well while the 2019 YTD surface water production was 207.8MG.

The surface water versus groundwater production and chemical cost comparison chart revealed a decrease in the cost of treating surface water (\$239.10/MG in June compared to \$261.28/MG in May). The 2019 YTD blended surface water and groundwater chemical cost was \$170.49/MG versus \$223.78/MG for the same period in 2018. This is attributed to more YTD groundwater usage in 2019 as compared with 2018. 2019 YTD average monthly surface water cost of \$263.03/MG is higher than 2018 (\$239.66/MG). 2019 YTD average monthly groundwater chemical cost of \$70.82/MG is tracking lower than 2018 (\$87.79/MG) which is attributed to greater production from the lower cost Kennebunk River well.

The Superintendent brought the Board's attention to an email sent from the Assistant Superintendent to the Plant Manager and his staff praising them for a job well done in maintaining steady system pressure when the Treatment Plant is off-line. He indicated only a few instances from May 22<sup>nd</sup> through today when system pressure dropped below the District's goal of maintaining a minimum 80psi at the Treatment plant.

#### Pipe Yard Vehicle and Equipment Storage Building

The Assistant Superintendent reported the new Pipe Yard Storage Building is nearly complete with PATCO currently addressing about a dozen small punch-list items that need to be completed before the District formally accepts the building. Once PATCO is finished, possibly next week, a meeting will be held to review and schedule the list of work the District needs to complete which includes the security system, the fire alarm system, geothermal heating system, rerouting the lagoon piping from under to around the new building, installing the inventory storage racks and lifting crane and lastly preparing the driveway and parking lot subgrade for base pavement.

#### AMI Meters

The Treasurer reported the installations to date for the month of July through yesterday totaled 165, bringing the cumulative total to 9,043 (1,845 year to date), which includes 10% of seasonal accounts, 80% of annual accounts and 64% of all accounts. He noted that the remaining budget will support 250 installations a month, keeping the District on track to reach its goal of 3,000 AMI

installations for 2019. The Superintendent shared his experience of recently going on an AMI installation and was pleased to report the top notch customer service that the staff extends.

#### Arundel Tank Site

The District Engineer reported that Labbe Excavating will be done with the driveway this week. All that remains is to finish some rip-rap at the entrance and pave the first 30 feet of the driveway. Then once they are done, District staff will install a security gate. Two bid packets are also being prepared. One contract will be for additional clearing and site preparation and the other will be for the actual tank design and construction.

#### Kennebunk River Well

The Assistant Superintendent reported that approximately 360MG of water have been processed through the GAC filters as of today, which has well exceeded the original 250MG goal. The results of the latest round of samples should be available next week. He referenced a detailed chart while providing an overview of the performance of the filters at varying flow rates.

In regard to the new filter building, the SRF approval, including the environmental review and engineering review, has been obtained from the Drinking Water Program. The Town of Kennebunk has also approved the Site Plan Application. PATCO has agreed to review the bid packet and provide any recommendations and suggestions with the goal of the District obtaining better bid results. Following PATCO's review and any subsequent changes that might be necessary, the bid package will be distributed to contractors with the goal of a bid opening by mid-September. A major concern is the availability of reputable/qualified contractors who can fit this project into their busy schedules before the end of the year.

#### Biddeford Pool Tank Painting

The District Engineer reported that the painting has been completed. Limerick Steeplejacks is gone from the site and the site has been cleaned up nicely. The contractor will return in the fall for a few days to complete some steel repair on the catwalk at an agreed-upon time-and-materials rate outside the painting contract.

#### Artificial (Enhanced Groundwater) Recharge

The Superintendent reported that progress in the feasibility of this concept has continued. Greg Smith from Wright-Pierce has developed the work plan and is obtaining approval from the Maine Drinking Water Program (DWP) to proceed. He outlined the pilot study that will be conducted with cooperation from the neighboring landowner on whose property the project will be conducted. The monitoring wells have been installed. The level sensors are being installed today to acquire background data on current groundwater level and then to monitor how the groundwater is being affected while the study is being conducted.

### Main Replacement – Maine Street and Wildes District Road, Kennebunkport

The District Engineer reported that the crew is within a few hundred feet from the end of Phase 2. They should be done installing water main this week. Then they need a couple weeks to fill, test, connect services, and set up temporary mains before the blasting for Phase 3 can begin, likely near the middle of August. The Superintendent noted that the crew has done a fantastic job keeping the area residents satisfied during this project.

### Arundel Interconnection Metering Project

The Assistant Superintendent reported on the plan to install a master meter pit on Route 1 at the Biddeford/Arundel town line is progressing nicely. We have met with BSWC and George Roberts Co. to review the draft design. A cost estimate has been prepared. BSWC has agreed to purchase the 12" meter, pay for one of the two bypass lines going through the 5/8" meter and pay for half of the motorized control valve. The goal is to install the meter pit later this fall.

### Crow Hill Tank Site Cleanup

The Superintendent reported that the clean-up on the debris left on the property by a former neighboring tenant has been completed.

### Water Accountability Initiative

The Superintendent reported that the progress is being made on this initiative to account for water with more detail than is currently practiced. He outlined the goals he wishes will be achieved from the data that is being collected. Once the AMI installations are fully implemented, consumption will be accounted for quicker. The end goal is to have accurate monthly water reports that feed a timelier response to water loss.

### System Development Charge Update

The Treasurer reported that the District has responded to a PUC question regarding information in the recent update filing of the annual update of the SDC tariff. He anticipated that approval will be issued fairly soon with an effective date of September 28<sup>th</sup>.

### New Employee Announcement

The Distribution Manager was pleased to announce that the Crewperson vacancy has been filled. Steven Young began his employment with the District on July 15<sup>th</sup>. The Distribution Manager elaborated on the experience and extensive safety training that Mr. Young brings with him.

### HR Maine – Employee Handbook

The Superintendent reported that the District has been working with Betsy Oulton of HR Maine to modify the format of the Personnel Policy into a Handbook. No substantive changes are being made. The format will be modified to make it easier to understand and implement it in a more fair

and equitable manner. Handbooks from two other water utilities are being used as guidance. The Trustees will be presented with a final draft for approval consideration after the new year.

#### Phone System Upgrade

The Treasurer provided an overview into a proposal to upgrade the current phone system. He and several other staff members have been working with Consolidated Communications toward having a new telephone system both at the Main Office and the Plant. He elaborated on the hardware and software upgrades that would support the new system. The new system would result in savings of approximately \$200 to the monthly phone bill.

#### Main Extension – Lobster Lane, Wells

The District Engineer reported that the water main for this five unit subdivision has been installed. It is scheduled to be filled and tested.

#### Main Extension – Dorfield Lane, Wells

The District Engineer reported that this water main installation is scheduled to start near the end of August. The reimbursement request for the wellhead protection grant has been submitted but there has not yet been a response. He will follow up on the status of the request.

#### Main Extension – Binnacle Hill Phase 2, Kennebunkport

The District Engineer reported that the developer decided to install additional valves in order to isolate the work that has been completed so far from the work that remains. Their reason is to wait until the seasonal residents on Henchey Way are gone for the winter to minimize disturbance to them. The first part of the main will be filled and tested so that the few homes that have already been built can have water.

#### Branch Brook Watershed Coalition

The GIS/Asset Management Coordinator reported that District staff has been meeting with Rick Jones of Jones Associates. Their specialty is in Forestry, watershed protection, planning and permitting. The District's existing Forest Management Plan is focused on timber production and since it was developed, we've cut most of our lands. Since we've decided to stay on Branch Brook as our primary water source, we're exploring our options with Rick Jones to develop a more comprehensive Watershed Protection plan, which will still incorporate a forestry component, but also include source water protection measures such as identifying and controlling areas of significant erosion, clearing trees from within the Brook and land purchases with the Branch Brook Coalition. To prepare for a proposal, Rick walked a number of our properties. He's proposed that we re-mark the property lines and then conduct a new forest inventory. We'll solicit a quote from Jones Associates to survey the properties where the property pins are missing and re-mark the property lines. They will also be asked to submit a proposal to develop the more comprehensive Watershed Master Plan.

Upon inquiry, the Superintendent confirmed that the area that was burned during the spring fire is growing back and significant regeneration is evident. The concern of tick protection while clearing the CMP right-of-way was also discussed briefly and found that the typical practices utilized by staff to protect against ticks are adequate.

#### Health Insurance Opt-Out Concept

The Superintendent reported this agenda item has been tabled but continues to be monitored.

#### OTHER BUSINESS

Retirement plan discussion (MEPERS, 457, and 401A) -- The Superintendent reported that more research has been undertaken on the District retirement program. The Accountant outlined rule changes and restrictions that have resulted from the changes. The Superintendent introduced some retirement plan options that would be an alternative for new employees. Others joined in as he elaborated on the benefits of an alternative to MEPERS.

100-Year Anniversary/Logo Initiative -- The Superintendent reported that the 100 Year Anniversary of the District will occur in 2021. Recruitment of interested staff for the Committee to consider a vision statement, logo and activities to commemorate the event has begun.

Insurance Mod Rate -- The Treasurer was pleased to report that he was recently notified that the District's Workers Comp insurance experience modification factor has improved from .60 to .59. An experience **modification factor** adjusts an employer's premium to reflect the difference between the employer's loss experience and the average experience that is expected for its business classification and size.

Arundel Cottage Complex Booster -- The Facilities Manager was pleased to report that this booster is finally operational. He reminded the Board that the delay in completion was the result of not having the electrical service installed (by the developer) until recently.

Shout Outs -- Trustee Lynk gave a shout-out to the Plant Manager and Chief Operator who resolved a water quality issue with one of his neighbors. The Superintendent also gave a shout-out to Jody Harrison for suggesting a payment drop off box. The box has been installed along the building in the driveway area for customers' easy access.

#### EXECUTIVE SESSION -- Watershed Land along Route 9A adjacent to Branch Brook, Kennebunk

The Superintendent reported that negotiations have progressed for the purchase of this parcel along Branch Brook. He noted that the issue with the Town regarding the easement has been resolved. He asked the Board's consideration to further discuss the status of negotiations in an Executive Session.

On a motion by Trustee Oliver, seconded by Trustee Burrows, it was unanimously voted to go into Executive Session at 3:24 pm to discuss land negotiations as allowed by Title I, Chapter 13, §405.6.C.

On a motion by Trustee Oliver, seconded by Trustee Burrows, it was unanimously voted to come out of Executive Session at 3:37 pm with no action taken.

On a motion by Mr. Burrows, seconded by Mr. Lynk, it was unanimously voted to authorize the Superintendent to present an offer of \$55,000 for 1.8 acres, as delineated, conditional upon: 1) the District receiving 50% principal forgiveness from the Drinking Water Program Land Acquisition Loan Program. and 2) obtaining a Conservation Easement along a portion of the land that will be retained by the Seller.

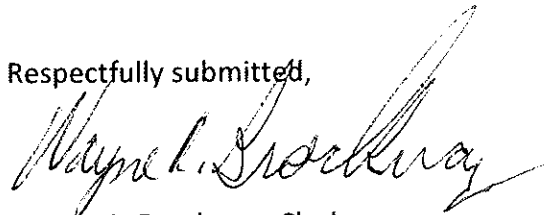
#### Next Regular Meeting

The next regular meeting of the Board of Trustees will be held on Wednesday, August 28, 2019 in the Conference Room at the Office Complex, 92 Main Street, Kennebunk, Maine at 2:00 pm.

#### Adjournment

On a motion by Trustee Burrows, seconded by Trustee Oliver, it was unanimously voted to adjourn the July 31<sup>st</sup> meeting at 3:39 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Wayne A. Brockway". The signature is written in a cursive style with a long, sweeping tail.

Wayne A. Brockway, Clerk

