

MINUTES OF THE BOARD OF TRUSTEES
August 28, 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 2:02 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 – July 31, 2019 Meetings

On a motion by Trustee Oliver, seconded by Trustee Burrows, it was unanimously voted to approve the Minutes of the July 31, 2019 meetings as written.

Public Comment

There was no public comment.

Treasurer's Report

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

Year-to-Date metered annual account revenues through July were \$1,996,165, indicating a 4.7% unfavorable variance of \$98,946. Seasonal metered account revenues totaled \$699,876 indicating a 1.3% unfavorable budget variance of \$9,080. Total metered revenues were \$2,696,040, indicating a 3.9% unfavorable budget variance of \$108,027. Total operating revenues were \$3,523,602, indicating a 2.9% unfavorable budget variance of \$103,883. There were 13 new SDCs collected in July (\$18,395) with 98 collections on a year to date basis compared to 71 in 2018.

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

System Development Charge Update

The Treasurer reported that the recently filed SDC update was approved by the PUC on August 6th and will become effective on September 28th. The annual change in SDC is typically just an adjustment based on current construction cost indices however this year's adjustment also included some additional growth-related projects identified in the recent master plan update performed by Wright-Pierce. The Superintendent noted that the SDC for three major projects currently being developed will be calculated using the prior fee structure.

RSU 21 Contribution/Fletcher Street Booster

The Treasurer reported that the final \$15,000 contribution toward the construction of the Booster, as agreed to by RSU 21, has been paid to the District.

Construction Loan Update

The Treasurer reported that the 2018 SRF bond closed earlier in the day (at \$1,087,527) for \$74,000 less than the originally authorized bond. The short-term bond paperwork for the GAC facility was also closed, which will allow the District to be reimbursed for the \$500,000 that was spent last year. The (\$1.3m) Bond Bank application for the Wildes District Road project was approved this morning and is expected to close on November 1st.

Proposal to Increase Overall District Credit Card Limit

The Treasurer requested an increase of the (\$30,000) aggregate limit of the District's (nine) credit cards. It is the first increase since the credit cards were issued in the late 80s.

On a motion by Trustee Burrows, seconded by Trustee Lynk, it was unanimously voted to increase the aggregate District credit limit to \$50,000.

CIP Actual/Budget Comparison

The Superintendent and assistant Superintendent reported that they are working with the Treasurer and Accountant to develop a monthly actual/budget comparison for Capital Improvement projects. The goal is to develop the report this fall and present it on a monthly basis in 2020. A draft report for the board will be forthcoming.

Monthly Water Production Report

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

He reported that water production for July was 170.75MG (2.4% decrease from 2018). Year to date water production through July stands at 560.3MG which is 58.8MG (9.5%) lower than 2018 and 51.5MG (8.4%) lower than 2016 (year of record water production). Looking ahead at August (through yesterday), water production for the month is 146.0MG, an increase of 5.45MG (3.9%) compared to August 2018. It's anticipated that it will be the second highest August besides 2016.

The supply source summary for July indicated that groundwater sources provided 75.38MG (44.2%), Branch Brook contributing 95.25MG (55.8%) and 0.12MG (<1%) purchased from the Maine Water Company for a total of 170.82MG.

The liquid precipitation equivalent for July was 2.72" and included six days of recorded precipitation. The 2019 YTD precipitation total of 29.01" is slightly below the group average of 31.45".

Groundwater production in July (75.38MG) consisted of 21.32MG from the Kennebunk River well, 14.0MG from the Plant wells, 4.86MG from the Harriseckett Road wells and 35.21 from the Merriland River well. The 2019 YTD groundwater production was 256.63MG and comprised of 158.11MG from the Kennebunk River well, 14.13 MG from the Plant wells, 4.88MG from the Harriseckett wells and 79.82MG from the Merriland River Well while the 2019 YTD surface water production was 399.4MG.

The surface water versus groundwater production and chemical cost comparison chart revealed a slight increase in the cost of treating surface water (\$240.66/MG in July compared to \$239.10/MG in June). The 2019 YTD blended surface water and groundwater chemical cost was \$171.079/MG versus \$216.08/MG for the same period in 2018. This is attributed to significantly more YTD groundwater usage in 2019 as compared with 2018. 2019 YTD average monthly surface water cost of \$255.99/MG is slightly higher than 2018 (\$238.93/MG). 2019 YTD average monthly groundwater chemical cost of \$76.78/MG is tracking lower than 2018 (\$79.48/MG) which is attributed to greater production from the lower cost Kennebunk River well.

The Superintendent applauded the Assistant Superintendent for his efforts, in conjunction with the water accountability project, in bringing forth an initiative in which every subaqueous crossing will be pressure tested to ensure their integrity regarding leaks. In summary, each crossing will be equipped with isolation valves and taps (as needed) in order to the conduct the pressure testing. This will allow District staff to routinely check to make sure none of the river crossings are leaking. He anticipates that other water utilities will follow the District's lead with this practice.

Pipe Yard Vehicle and Equipment Storage Building

The Assistant Superintendent reported that the new Pipe Yard Storage Building is nearly complete but that PATCO is not expected to return for a few weeks to address about a dozen small punch-list items that need to be completed before the District formally accepts the building.

He added that the Facilities Department is currently installing the security system, the fire alarm system and the door locks keyed to the District's grand master system. He also met with the Distribution Department to discuss the layout of the inventory storage racks, acquisition of the fork lift and procurement of the davit arm crane. The design of the lagoon piping, that currently passes under the new building and needs to be relocated, is being prepared and will be undertaken later this fall as time allows. He anticipates that the building will be ready for occupation by the end of October.

The Facility Manager reported that life-size owl figures will be installed to deter birds from nesting in the rafters and making a mess with their droppings.

AMI Meters

The Treasurer reported the installations to date for the month of August through yesterday totaled 292, bringing the cumulative total to 9,353 (2,155 year to date), which includes 10% of seasonal accounts, 83% of annual accounts and 67% of all accounts. It appears likely that the goal of 3,000 AMI installations for the year will be attained.

Arundel Tank Site

The District Engineer reported that the construction access driveway into the property has been installed, waiting for paving at the Route 1 entrance. A security gate was built and will be installed by District staff. He mentioned that a vernal pool was discovered near the site which will require a DEP Permit-by-Rule which is expected around September 20th. Once that is obtained, bid packages for the site preparation (2019) and tank construction (2020) will be solicited.

Kennebunk River Well

The Assistant Superintendent reported that bid packets were sent to four vendors (Patco, Arundel Homes, PM Construction and TPD Construction two weeks ago and that a mandatory on-site pre-bid meeting, which will include the Facilities Manager, will be held tomorrow. The bid opening will take place on September 10th.

He stated that the results of the most recent PFAS tests will be available by the end of the week and will be reported on at the next meeting.

Five-year Capital Improvement Plan (Draft)

The Assistant Superintendent explained that he distributed the Plan to Town Engineers, Public Works Departments and Sewer Departments/ throughout the District's service territory with very favorably input and feedback. All but Wells and Ogunquit have responded.

Enhanced Groundwater Recharge

The District Engineer reported on the progress on this project. State approval of the Wright-Pierce preliminary report is anticipated soon. He explained that using the new monitoring wells, staff will study the existing aquifer conditions to get baseline data in the meantime. Once the report is approved, staff will be prepared to start pumping water from the Brook into the test site. The Facilities Manager added that he's waiting for a replacement insertion flow meter for the PTR for the Plant wells.

Main Replacement – Maine Street and Wildes District Road, Kennebunkport

The District Engineer reported that Phase 3 blasting is underway and is expected to be completed in a few days. Once that's done, the crew will start laying pipe for the next month. The Superintendent gave a shout-out to the crew who is doing a fantastic job on this project.

Arundel Interconnection Metering Project

The Assistant Superintendent reported that the concrete vault has been ordered from George Roberts Co., with expected delivery in early October. In addition, the flowmeter, pipe, valve with actuator, etc. have been ordered. Another meeting with Biddeford-Saco will be held to formalize the details of the arrangement.

Health & Safety Committee

The Assistant Superintendent reported that a meeting was held on September 13th and was attended by the District's MEMIC representative Alexis Westin. She was helpful in providing information on active shooter and workplace violence training. Employee training on this subject is being held in the Lunchroom on September 25th in three sessions to accommodate all staff.

Solar Power Purchase Agreement

The GIS/Asset Management Coordinator described this initiative working with Revision Energy to explore our solar options through a Power Purchase Agreement or PPA. This allows municipal and quasi-municipal entities to take advantage of the government's Solar Tax credit by allowing private companies to fund the solar project and provide a predetermined power rate and also allowing a future outright buy out. The next step is to sign a Letter of Intent (LOI). He explained that the District is working with Revision to get the language in the LOI comfortable enough for us to execute. We expect a revised LOI based on those concerns to be drafted next week. Once the LOI is signed, Revision will survey our sites and provide a proposal for our solar project options.

Private Hydrant inspection & Testing Notice

The Assistant Superintendent outlined the purpose and benefit of offering inspections and testing of approximately 220 private hydrants. He shared the letter that will be sent to private hydrant owners informing them of this service being provided for the second consecutive year. He emphasized that there were not any issues/concerns raised during the inspections/testing last year.

Building Security Modifications

The Facilities Manager described the security system modifications that will be made to the rear entrance of the Office building. The new security system will utilize a keypad, using individual passcodes, to enter. Eventually, this security method will be implemented in most high-traffic District facilities except the Mechanic Garage (the current security system in that building cannot be adapted).

Hydraulic Model

The Assistant Superintendent reported that Wright-Pierce has completed calibration of the District's hydraulic model. A meeting to review the model and authorize two system hydraulic evaluations, including the planned Laudholm Farm project noted above, is scheduled for September 4th.

Aerial Drone Tank Inspection

The GIS/Asset Management Coordinator showed a video made from drone surveillance. He illustrated the benefits of using this technology which include tank inspection and project mapping.

Main Extension – Dorfield Lane, Wells

The District Engineer reported that the installation of this water main extension along Willow Way, Harriseckett Rd, and Dorfield Ln is under construction. In addition, he noted the reimbursement request for the wellhead protection grant was approved and \$10K will be awarded.

Capital Budget Modification/Preapproval

The Assistant Superintendent introduced his request to modify the current capital budget to allow the possible purchase of new vehicles during 2019 (in case they are available prior to 2020). He proposed to replace Truck #3 (2011 Mainline crew pick-up), Truck #9 (Utility Services 2012 Ford Transit), and the 2001 CAT excavator. Estimated cost of this equipment is \$175,000. During the brief discussion, the issue of the available vehicle colors was raised. It was agreed that an extra cost should not be incurred to get green vehicles and that silver remain the standard option.

On a motion by Trustee Oliver, seconded by Trustee Burrows, it was unanimously voted to authorize the proposed vehicle purchases during 2019 if they become available.

Watershed Land

The Superintendent reported that, although the Board authorized it, he has not yet acted on the Route 9A property. Additional properties have potentially become available that are more significant to the protection of the watershed. The Watershed Coalition will consider these properties as they discuss watershed protection.

Health Insurance Opt-Out Concept

The Superintendent reported that he has continued to monitor the concept. He noted that the District's human resource consultant has had difficulty in finding agreement among legal opinions on how to administer the program. Trustee Oliver recognized that the accounting complexities in providing the health insurance opt-out (stipend) may not yet be worth the effort. Mr. Lynk suggested to continue monitoring this issue and bring it back to the Board if more information become available that would benefit both the District and its employees.

Phone System Upgrade

The Treasurer reported that he is waiting to hear back from Consolidated Communications with an updated proposal to upgrade the current phone system. After additional conversations, different options at the plant are being considered and evaluated.

HR Maine – Employee Handbook

The Superintendent reported that the District is continuing to work with Betsy Oulton of HR Maine to develop a Personnel Handbook that is easier to understand and implement. Policies and practices will not change but the format will be consistent with other towns and water utilities.

Retirement Plan Alternative to MEPERS

The Treasurer elaborated on his research on alternative retirement plans. Trustee Lynk shared the specifics of a retirement plan alternative that was offered during his previous employment. A brief discussion followed. The Treasurer agreed to review the options again in six months.

OTHER BUSINESS

100-Year Anniversary/Logo Initiative

The Superintendent reported that some employees have expressed interest in being on the 100 Year Anniversary Committee. A meeting on September 17th has been scheduled to kick off discussions.

Employee Appreciation Luncheon – September 20, 2019

The Administrative Assistant confirmed the date for this annual event that will be held on September 20, 2019 at the Wells Harbor Community Park. She noted that RSVPs and requests for menu choices will be forthcoming.

Employee Training for Active Shooter/Existential Threat – September 25, 2019

The Administrative Assistant invited the Board to Active Shooter/Existential Threat training being conducted by Kennebunk Police Department on September 25th in the Lunchroom during three sessions.

Annual Flu Shot Clinic

The Administrative Assistant invited the Board to attend the Annual Flu Shot Clinic, hosted by the District and administered by Maine Health from 7:00a to 8:30 on October 2nd in the Lunchroom.

ME Water Environment Association Fall Conference, Northport, September 11th – 13th

The Assistant Superintendent will be presenting a session of the issue of PFAS/PFOS contamination that is prominently in the news.

NEWWA Annual Conference, Rockport, September 22nd – 25th

Although no District representatives will be attending, the Superintendent made the Board aware of this conference.

Shout Outs

- Foreman Steve Allen recently delivered a piece of equipment to be repaired and recognized that the service was not satisfactory. He took the initiative to jump in and get the work completed despite the poor service and saved the District a lot of time, money and inconvenience.

- Chief Operator Greg Pargellis stood in for the Superintendent at a recent department staff meeting update. While waiting for a subsequent session to begin, he observed and acknowledged directly to the office staff how well they handle the many tasks they perform everyday serving KKW customers at a very high level.

- Plant Manager Bill Snyder and Chief Operator Greg Pargellis for a complimentary phone call the Superintendent received from a customer who was having an issue with their well.

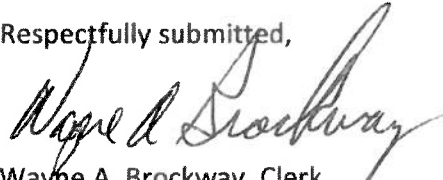
Next Regular Meeting

The next regular meeting of the Board of Trustees will be held on Wednesday, September 25, 2019 in the Conference Room at the Office Complex, 92 Main Street, Kennebunk, Maine at 2:00 pm.

Adjournment

On a motion by Trustee Oliver, seconded by Trustee Burrows, it was unanimously voted to adjourn the August 28th meeting at 3:48 pm.

Respectfully submitted,



Wayne A. Brockway, Clerk