

MINUTES OF THE BOARD OF TRUSTEES
November 20, 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 Jim Burrows, Tom Oliver and Fred Lynk attended along with Superintendent Steve Cox, Assistant Superintendent Scott Minor, GIS/Asset Management Coordinator Justin Richardson, Distribution Manager Keith Archibald, Chief Operator Greg Pargellis, Accountant Cathy McLeod, District Engineer Jamie Paschal, Facilities Manager Rob Weymouth and Administrative Assistant Cindy Rounds. Treasurer Wayne Brockway was absent.

Minutes – October 30, 2019 Meetings

On a motion by Trustee Oliver, seconded by Trustee Burrows, it was unanimously voted to approve the Minutes of the October 30, 2019 meetings as written.

Public Comment

Trustee President Emmons took the opportunity to share an anonymous handwritten note that was mailed to the Board. It read, "Good Choice! Steve Cox, Thank You!". The note also had the quote *A leader is powerful to the degree he empowers others*. The Trustees were pleased to acknowledge.

Treasurer's Report

The Accountant presented the October financial reports (Statement of Income) and the related actual to budget comparison for the income statement. A brief discussion ensued as a 2018 graph illustrating production versus revenue comparison was reviewed. The Superintendent noted the chart illustrates that quarterly billing creates revenue gaps. He anticipates that once the AMI meter installations have been completed and the District changes to monthly billing, the production and revenue will level out.

Year to date metered annual account revenues through October were \$3,665,512, indicating a 6.6% unfavorable variance of \$258,126. Seasonal metered account revenues totaled \$1,099,072 indicating an 8.8% unfavorable budget variance of \$105,891. Total metered revenues were \$4,764,584, indicating a 7.1% unfavorable budget variance of \$364,018. Total operating revenues were \$5,962,700, indicating a 5.6% unfavorable budget variance of \$356,525. There were seven new SDCs collected in October (\$35,654) with 150 collections on a year to date basis compared to 127 in 2018.

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

Monthly Water Production Report

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

He reported that water production for October was 100.52MG (representing 30.42MG or 43.4% increase from 2018) which took into account the major main break on Western Avenue in Kennebunk, estimated at 21MG. Year to date water production through October stands at 954.8MG which is 11.3MG (1.2%) lower than 2018 and 65.5MG (60.4%) lower than 2016 (year of record water production). He then referred to the chart illustrating the annual comparison of main breaks, noting that 2019 YTD water loss from the nine main breaks thus far was already among the highest. Looking ahead through November 17th, water production for the month is up 2.3MG (8.1%) compared to November 2018.

The liquid precipitation equivalent for October was 8.66" and included 14 days of recorded precipitation. The 2019 YTD precipitation total of 42.77" is trailing slightly below the group average of 44.86".

The supply source summary for October indicated that the Branch Brook surface water supply provided 79.8MG (58%) while the groundwater sources contributed 23.7MG (42%).

Groundwater production in October (23.72MG) consisted of 22.32MG from the Merriland River well and 1.40MG from the Plant wells. The 2019 YTD groundwater production was 397.7MG which is comprised of 188.1MG from the Kennebunk River well, 28.6MG from the Plant wells, 9.5MG from the Harriseckett wells and 171.5MG from the Merriland River well. The Merriland River well was shut down on November 4th and the Plant wells were shut down on November 11th to allow for aquifer recharge. There was a year to date increase of 55.9MG in groundwater production in 2019 compared to 2018. The 2019 YTD surface water production was 558.5MG, accounting for 58% of the total demand.

The surface water versus groundwater production and chemical cost comparison chart revealed a slight increase in the cost of treating surface water (\$220.76/MG in October compared to \$202.99/MG in September) which is directly related to the increase in precipitation. The 2019 YTD blended surface water and groundwater chemical cost was \$173.28/MG versus \$197.47/MG for the same period in 2018. This is attributed to the higher percentage of lower cost groundwater used in 2019 compared with 2018. The 2019 YTD average monthly surface water cost of \$242.56/MG is slightly higher than 2018 (\$241.95/MG). 2019 YTD average monthly groundwater chemical cost of \$80.97/MG is tracking higher than 2018 (\$73.41/MG).

AMI Meters

The Accountant reported the installations to date for the month of October totaled 99, bringing the YTD total to 2,591 and the cumulative total to 9,789 as of 10/31/19. As of yesterday, another 48 installations were completed increasing the YTD total to 2,639 and the cumulative total to 9,837 (136 installations shy of the 10,000 mark). Historically, December installation numbers have been strong, averaging over 200 the past two years. Trustee Burrows stated that his daughter was recently notified of a potential leak at her Kennebunkport business. His daughter asked that a shout-out be given to Billing/Customer Service Clerk Jody Harrison for

the phone call that alerted her to the unusual increase in consumption, which was found to be a running toilet. The Assistant Superintendent shared a similar notification at his wife's place of employment in Kennebunk (a running faucet) which would have likely led to a very high water bill. Upon inquiry, the Accountant stated that the Office receives approximately seven to eight alerts a day.

Arundel Tank Site

The District Engineer reported that Beaulieu Logging was awarded the bid and has commenced with the clearing and grub work in preparation for the tank contractor.

He outlined the four price options that were requested in the bid for the tank construction. Consideration was given to whether SRF funding would be received or not and for two different sized tanks (1.3MG or 1.5MG). Bids were submitted by two contractors, DN Tanks and Preload and opened yesterday. DN Tanks was the apparent low bidder at approximately \$1.4 million for the larger tank option. The larger storage volume will provide more flexibility in the future. The Assistant Superintendent noted that the difference between the two sizes is a 15.5% increase in volume for a 4.8% increase in cost.

The Superintendent described his experience working with DN Tanks on seven previous occasions. He expressed his confidence in their ability to successfully undertake this project. He briefly explained the method in which the tank will be erected and encouraged the Trustees to plan to visit the site at key times during the construction.

Kennebunk River Well/GAC Building

The Assistant Superintendent presented a slideshow that illustrated the progress of the concrete construction phase of this project. He detailed the features of the construction and the significance of each concrete component and the related pipe work installation shown in the slides. He noted that the crane's technology and crane operator's skill made positioning and setting the individual 20,000lb precast concrete floor planks over the 72,000-gallon holding tank chamber look very easy. The Assistant Superintendent gave a shout out to the Distribution crew who worked in less than ideal conditions to precisely install the primary pipe/valve/fitting complex along with the blow-off and influent and effluent lines that will be connected to the three pressure filters. The timing to complete the District's work was critical so that the Contractor could complete the backfilling operations and place the structural floor slab and 2" concrete topper over the precast planks in accordance with the schedule.

Enhanced Groundwater Recharge

The District Engineer reported that the Enhanced Groundwater Recharge pilot project has concluded. He summarized the results of the study and described modifications that were intended to improve the recharge rates. Ultimately, the desired aquifer recharge rates were not achieved. Upon inquiry, the Superintendent responded that the District did not have (purchase) options on the property where the pilot was conducted and only intended to proceed down that path had we experienced significant recharge rates. He further stated that the economics of what can be realized (for finished water) does not support a full-scale project

and anticipates the engineering report will not recommend further investment at this time. Other opportunities in the area could be investigated in the future.

Arundel Interconnection Metering Project

The Assistant Superintendent reported that the Distribution crew is scheduled to install the meter pit in mid- December and should be functional by early January.

Solar Power Purchase Agreement

The GIS/Asset Management Coordinator summarized the status of this project noting that Revision Energy has submitted the rooftop proposal (118kW system) for the Equipment Storage building at the pipe yard. He explained that a large-scale ground mount system (1.3 megawatts) system would only be beneficial to the District under current Power Purchase Agreements (PPA) if the majority of our power came from CMP and it does not. A meeting has been scheduled with KLP to further discuss solar possibilities.

Main Replacement – Agamenticus Road, Ogunquit

The District Engineer outlined the scope of the project and described some unusual aspects of installation of the original main. Essentially the main will be installed along the south side of Agamenticus Road, which allows the existing main (along the north side) to remain in service during the project, avoiding the need for temporary piping. He noted that the installation of this water replacement commenced yesterday with some difficulty related to other utilities and ledge encountered at the Main Street end.

Leak responses (Fletcher St. and Water St., Kennebunk

The Superintendent shared a message he received from (former KLP General Manager) Sharon Staz who lives in the building affected by the Water St. water main break. She was generous in her praise for the *unsung heroes who worked diligently in that horrible cold to affect the repair.* She went on to acknowledge that *KKW staff is dedicated, well trained and do their utmost to keep KKWWD the best water utility around.*

Fish Hatchery Property Cleanup

The Facilities Manager reported that the cleanup of this property has been completed. He complimented the contractor (The Dump Guys) for the results that were achieved in the three days of watershed cleanup work.

Year-end Pay Supplement

The Superintendent thanked Trustee President Emmons for his reminder to include this agenda item that is traditionally addressed by the Board at the November meeting. He further explained the current budget has 1.5% allocated for this expenditure.

On a motion by Mr. Oliver, seconded by Mr. Burrows, it was unanimously voted to award a 1.5% year-end pay supplement to District employees.

Phone System Upgrade

The GIS/Asset Management Coordinator reported that Consolidated Communications will be running new fiber cable before the end of the year before the upgrade can proceed any further.

HR Maine – Employee Handbook

The Superintendent reported that the update of Personnel Handbook with assistance from HR Maine continues. The goal is to make the Policy/Handbook easier to understand and administer.

OTHER BUSINESS

Winter 2020 Newsletter

The Administrative Assistant provided an overview of the topics expected to be included in the upcoming newsletter and invited the Trustees to contribute ideas for topics they would like included.

Superintendent's Report

The Superintendent acknowledged **Trustee Lynk** for his suggestion at the last meeting to consider a District "tag line" or slogan as part of the KKW100 initiative. The Superintendent announced that the Committee moved on the suggestion and he shared many of the ideas that were submitted by staff. Further consideration will be given once the list is whittled down.

The Superintendent made the Trustees aware of a customer who published her dissatisfaction with the District (as a result of a perceived freeze-up that was improperly diagnosed) on Facebook. He expanded on the process that was undertaken to determine that it was actually a blockage in her service rather than a freeze-up. He told them that he contacted her by telephone and he felt comfortable with how it was left with her.

The Superintendent shared an email conversation with the former Superintendent in which there was a request that consideration be given to reactivating a fluoride website used years ago by a community group to eliminate fluoride addition. The data on that site is readily available on other sites by simple web searches and therefore he sees no reason for the District to participate.

The Superintendent relayed a Shout Out from the District Engineer to the Plant Manager and Chief Operator for their tireless effort relating to the sampling and testing involved in the Enhanced Groundwater Recharge project. The Superintendent added the Facilities Manager to that Shout Out for his contribution to the project.

Trustee Oliver requested that a note of thanks be sent to the staff involved in the Enhanced Groundwater Recharge project on behalf of the Trustees.

Next Regular Meeting

The next regular meeting of the Board of Trustees will be held on Wednesday, December 18, 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 November 20th meeting at 3:20 pm.

Respectfully submitted,



Stephen P. Cox, Clerk Pro Tem