

MINUTES OF THE BOARD OF TRUSTEES
September 30, 2020

The meeting of the Board of Trustees, which was remotely held via Zoom, was called to order by President Jim Burrows at 12:00 pm. Trustees Bob Emmons, Tom Oliver and Fred Lynk attended along with Superintendent Steve Cox.

12:00 -- EXECUTIVE SESSION – Personnel Matters

On a motion by Trustee Oliver, seconded by Trustee Lynk, it was unanimously voted to go into Executive Session to discuss personnel matters.

On a motion by Trustee Oliver, seconded by Trustee Emmons, it was unanimously voted to come out of Executive Session at 1:55 pm with no action to be taken in the regular meeting.

2:00 pm -- REGULAR MEETING via Zoom

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

Minutes – August 26, 2020 Regular Meeting

On a motion by Trustee Emmons, seconded by Trustee Oliver, it was unanimously voted to approve the Minutes of the August 26, 2020 meeting as presented.

Public Comment

There was no public comment.

Treasurer's Report

August 2020 Financial Report

The Treasurer reported that annual metered account revenues were \$2,552,202, indicating a 5.6% favorable variance of \$135,350. Seasonal metered account revenues totaled \$1,005,898 indicating an 1.5% unfavorable budget variance of \$15,357. Total metered revenues were \$3,558,100, indicating a 3.5% favorable budget variance of \$119,993 and a 7.9% increase in the year-to-date billed usage from 2019. Total operating revenues were \$4,501,367, indicating a 2.5% favorable budget variance of \$110,040. There were seven System Development Charges collected in August (\$11,599). A total of 104 SDCs (\$171,360.50) have been collected through August compared to 119 (\$252,069) in 2019. The Treasurer further elaborated on the revenue trends.

On a motion by Trustee Oliver, seconded by Trustee Emmons, it was unanimously voted to approve the July financial report.

Bond Application Status

The Treasurer reported that the PUC has given their approval to the GAC Facility and the AMI bond applications.

Disconnection Moratorium

The Treasurer provided a brief explanation of the purpose and process that led to the enactment of the disconnection moratorium. He reported that the moratorium, that became effective on March 16th, will be lifted November 1st. A notice is being mailed to (~600) customers with current overdue balances. The letter explains the timeline of notifications prior to when a disconnection may occur for non-payment. Upon inquiry, the Treasurer noted that the Customer Service staff has been working with customers who have called to arrange payment plans.

Project and Operations Updates

COVID-19 Operational Update

The Superintendent gave an update of the recent modifications to the pandemic guidelines. He noted that he continues to have discussions and operational comparisons with members of southern Maine utilities. There is consensus among them that it is necessary to remain vigilant and diligent especially with the increase in exposure that has been seen in York County. The importance of wearing face coverings and adhering to social distance guidelines are very effective ways of prevention. District policies are now referencing current CDC recommendations. Upon inquiry, the costs associated with the transition to a remote workplace for office staff were outlined. The daily employee screening process and requirements were also shared with the Board.

Monthly Water Production Report

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

He reported that water production for August was 180.31MG (all-time monthly record) which is 15.53MG (9.0%) ahead of 2019. The supply source summary indicated that 104.321MG (57.9%) came from Branch Brook, 73.527MG (40.8%) from groundwater supplies and 2.461MG (1.3%) was purchased from both utility interconnections. So far, 2020 YTD production is 40.74MG (5.47%) ahead of 2019 and 25.40MG (3.26%) lower than 2016 (year of record). Total YTD production of 765.83 MG ranks fourth highest in the past 17 years. A preview of September production through yesterday indicates that production is 137.6MG, about 12.2MG more than 2019 and potentially over 8MG higher than September 2016 totals.

The liquid precipitation equivalent for August was 2.01" which included 11 days of measurable precipitation. The 2020 YTD precipitation totals 26.71" is notably lower than the 17-year group average of 35.45". He displayed the map illustrating drought conditions in Maine which indicated that 6.5% of the state is in the extreme drought (D3) classification.

Groundwater production in September was 73.53MG which included 34.28MG from the Merriland River well, 3.45MG from the Harriseckett Road well, 4.43MG from the Plant wells and 31.36MG from the Kennebunk River well. There is currently a 72.01MG (24.93%) decrease YTD from 2019. The enhanced groundwater recharge pilot project that was conducted in 2019 can be attributed to the difference in production for the Plant well and Harriseckett Road well. The Harriseckett Road and Plant wells have been shut off for the winter.

The surface water versus groundwater production and chemical cost comparison chart revealed the chemical cost of treating surface water was \$217.40/MG in August and the combined groundwater chemical cost from all sources was \$146.00/MG. This resulted in a blended surface and groundwater chemical cost of \$187.88/MG for the month of August. The YTD blended surface and groundwater chemical cost is \$196.04/MG. He further elaborated on the individual chemical costs from each groundwater source.

The Assistant Superintendent then brought the Board's attention to the monthly water production versus revenue comparison chart. It indicated that August (2020) revenues are higher than those in 2018 and 2019 and with the August's record water production, it is predicted that monthly revenues for the remainder of 2020 will continue to outpace 2018 and 2019.

AMI Meters

The Treasurer reported that another 52 installations were completed in August bringing the 2020 year-to-date total to 1,050 and the cumulative total to 11,186, representing approximately 79% of all customer accounts. Installations in September as of yesterday stand at 24. The Superintendent was pleased to acknowledge the Utility staff for embracing the necessity of PPE and getting done what they have.

Arundel-Biddeford Flow Control Vault

The Facilities Manager reported that the blow-off valves and metering in the vault have been installed; the solar system that provides the electricity is in service; the control panel is in the process of completion; and the communication between the vault and the Arundel North booster station is being coordinated.

PFAS Results

The Superintendent called upon the Plant Manager for information on the latest PFAS results at the GAC Facility. He reported that the results were not yet available but may possibly be available by the end of the week.

Sodium Aluminate Project

The Facilities Manager reported that there hasn't been much progress on this project in recent weeks. He explained that his staff has been busy completing their work at the Wells tank pump project. He gave a brief overview of the Wells Tank project. He noted that it was 15 months ago that the District paid Central Maine Power \$10,000 for the upgrade to a three-phase service which was finally installed earlier this week. Once the Arundel-Biddeford Flow Control Vault project is completed, their focus will be switched to the sodium aluminate project.

Arundel 1.5MG Tank Construction Project

The District Engineer reported that DN Tanks is currently applying sealant inside of the tank as well as hatch, ladder, overflow and safety hardware to the exterior. Once completed, BREX will return to undertake the final site work.

Main Replacement Project -- Fletcher Street (Kennebunk)

The Distribution Manager reported that this project commenced the week of September 21st and the installation of the main replacement is progressing. He gave a brief summary of the progress.

2021 Excavator Purchase Options

The Assistant Superintendent presented the proposals that were submitted by Nortrax for a new excavator to replace the 2009 John Deere (JD) 200DLC excavator. Two John Deere 245G LC FT4 excavator quotes were submitted; one for a 2019 model with 642 hours (\$145,500 net price) that was maintained as a rental by a local John Deere dealer and the other is for a new 2020 (\$176,000 net price). A brief discussion ensued and included a comparative analysis of the machines and the payment plan options available.

On a motion by Trustee Lynk, seconded by Trustee Emmons, it was unanimously voted to authorize up to \$176,000 to purchase an excavator, with either of the proposed machines being acceptable.

Pipeyard Compound Paving

The Distribution Manager reported that the pavement component associated with recently completed projects at the Pipeyard Complex has been completed. The Superintendent illustrated the scope and completion of the project with a slideshow. The Assistant Superintendent acknowledged that completion of the new Vehicle & Equipment Storage Building, lagoon drainage project and paving of the Pipeyard Complex was long overdue and will provide significant operational benefits for the Distribution Department. Compliments were extended to the staff involved in the project.

Sales to York Water District

The Superintendent reported that a great relationship has been fostered with York Water District over recent months while moving water through the interconnection. It also provided the opportunity for the Plant Manager to undertake a valuable analysis of the two systems. The goodwill resulting from this *utility helping utility model* will continue to benefit both utilities.

Watershed

Branch Brook Watershed Coalition Meeting

The GIS/Asset Management Coordinator reported on the recent Coalition meeting. He outlined some conservation practices that potentially would be beneficial to the Watershed.

Timber Harvest and Wood Salvage

The GIS/Asset Management Coordinator summarized the analysis of the value of the timber within the 2018 fire area. A forester had determined that there is little salvage or fiber value from the trees lost in the fire area. However, it was learned that thinning a few nearby stands of white pine could help offset the cost of removing the burned trees.

Beaver Relocation

The GIS/Asset Management Coordinator reported on beaver activity on a tributary on the Wells' side of Branch Brook that is causing flooding and erosion. The relocation of the beavers will be undertaken by Jones Associates.

Brown Property Negotiations with IF&W

The GIS/Asset Management Coordinator reported that IF&W has made a second offer to Mr. Brown to purchase a portion of his land for conservation and watershed protection. The District remains involved in the IF&W purchase logistics.

Other Business

Employee Recognition

The Superintendent was pleased to applaud the Distribution Manager, GIS/Asset Management Coordinator and Chief Operator for inviting two staff members (Paul Dolewa and Kevin Howard) to join them and become involved in the watershed which will include conducting periodic watershed inspections.

The Superintendent recognized the Distribution crew as they work on the Fletcher Street project. Since he travels Fletcher Street on his way in and way out of town, he has seen how the crew goes above and beyond while working in a major roadway. He recently observed that two-lane traffic was kept on the paved surface of the road thereby avoiding trench potholing.

and associated public complaints normally experienced during heavy rainfall. He also reiterated his praise of the Distribution crew for the outstanding job in completing the Pipeyard Complex project.

The Assistant Superintendent added that he always hears from other water utilities on how they are envious of KKWWD having their own experienced crew to install pipe and not having to rely on outside contractors.

Southern Maine Regional Water Council

Annual Meeting – The Superintendent reported that at the recent (virtual) Annual Meeting, during which Ryan Lynch (York WD) passed the Presidency to Keith Levasseur (Sanford WD) and the KK&W Assistant Superintendent was elected Vice President.

Water Costing Committee – The Assistant Superintendent provided an overview of the goals of this SMRWC subcommittee that will evaluate different methodologies on how to determine appropriate water costs when purchasing or selling to neighboring utilities.

Annual Changes to Fire Protection Charge

The Superintendent reported that he discovered a conflict of how the PUC rules were being interpreted as they relate to fire protection charges on the rate schedule. He will be working with the Town Managers in the service territory to correct this.

Administrative Updates

Rollout of Personnel Handbook and Administrative Procedures Manual -- The Superintendent explained that the Annual Employee Meeting, during which the new Personnel Handbook and Administrative Procedures Manual would be introduced to staff, was rescheduled to October 16th out of caution from the recent York County virus outbreak. An employee appreciation luncheon will follow.

HR Maine – The Superintendent reported that Betsy Oulton continues to provide valuable guidance on HR matters and the COVID response. He noted that her services will be prioritized and clarified more strictly in the future.

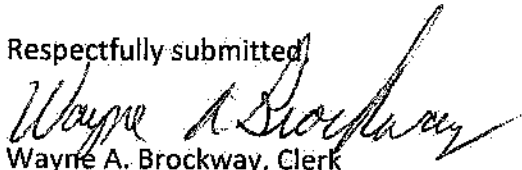
Next Regular Meeting

The next regular meeting of the Board of Trustees will be held on Wednesday, October 28, 2020 at 2:00 pm (possible remote via Zoom).

ADJOURNMENT

On a motion by Trustee Oliver, seconded by Trustee Emmons, it was unanimously voted to adjourn the September 30, 2020 meeting at 3:14 pm.

Respectfully submitted,


Wayne A. Brockway, Clerk