

MINUTES OF THE BOARD OF TRUSTEES

March 31, 2021

A meeting of the Board of Trustees was called to order by President Jim Burrows at 12:00 noon. Trustees Tom Oliver, Fred Lynk and Bob Emmons attended along with Superintendent Steve Cox and Treasurer Wayne Brockway.

EXECUTIVE SESSION – Personnel Issues

On a motion by Trustee Oliver, seconded by Trustee Emmons, it was unanimously voted to go into Executive Session at 12:00 pm to discuss personnel issues.

On a motion by Trustee Lynk, seconded by Trustee Oliver, it was unanimously voted to come out of Executive Session at 1:25 pm with no action taken.

REGULAR MEETING

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, Accountant Cathy McLeod, Distribution Manager Keith Archibald, Plant Manager Bill Snyder, Chief Operator Greg Pargellis, Facilities Manager Rob Weymouth, GIS/Asset Management Coordinator Justin Richardson, District Engineer Jamie Paschal, Front Office Supervisor Kathleen Chapin and Administrative Assistant Cindy Rounds.

Minutes – February 24, 2020 Meeting

On a motion by Trustee Oliver, seconded by Trustee Emmons, it was unanimously voted to approve the Minutes of the February 24, 2020 meeting as amended.

Public Comment

There was no public comment.

Action from Executive Session

On a motion by Trustee Oliver, seconded by Trustee Lynk, it was unanimously voted that if a District employee has a vacation accrual as of April 1, 2021 combined with an accrual rate that will exceed six weeks at year end, the Board will require the employee to receive compensation for those excessive hours so that vacation time will not be forfeited.

Treasurer's Report

Status of 2020 Audit

The Accountant reported that the audit is progressing well. There is currently no indication that there will be any adjustments. The Treasurer outlined a different method that was undertaken, in response to limitations resulting from the pandemic, in which the Auditors acquired the financial files they needed to conduct the audit. Trustee Oliver gave a shout-out to the Finance team for a job well done, especially through the pandemic.

2020 Capital Spending Update

The Accountant provided an overview of the first quarter Capital spending report and elaborated on some of the projects that were shown with a negative net actual amount. These projects were mostly projects that were funded by customers (services and main extensions) and in some cases District projects that varied from the original budget.

December 2020 (Pre-audit) Financial Report

In presenting the pre-audit December financial report, the Treasurer explained that in anticipation of an audit without any adjustments, the Trustees could accept the report with the understanding that once the audit is completed, another vote can be made to amend the original vote if there are any adjustments.

He reported total revenues for 2020 were \$8,274,694 indicating a favorable variance of \$447,089; cost and expenses were \$7,027,271 indicating an unfavorable variance of \$139,887; and net income was \$402,937 indicating a favorable variance of \$324,324. Annual metered account revenues were \$5,262,632, indicating a 9.8% favorable variance of \$471,153. Seasonal metered account revenues totaled \$1,566,371 indicating a 1.4% favorable budget variance of \$21,790. Total metered revenues were \$6,829,003 indicating a 7.8% favorable budget variance of \$492,943 and an 8.1% increase in the year-to-date billed usage from 2019. He elaborated the comparison of the revenues and the bonds that were retired throughout the year. There were 148 System Development Charges collected in 2020 (\$235,750.40) compared to 169 (\$397,409.19) in 2019. In response to Trustee Oliver's inquiry, the Treasurer stated that 5% of the adjusted net income (\$226,880) can be appropriated to the Watershed Protection fund.

On a motion by Trustee Oliver, seconded by Trustee Emmons, it was unanimously voted to approve the (pre-audit) December financial report.

On a motion by Trustee Oliver, seconded by Trustee Emmons, it was unanimously voted to approve the appropriation of \$226,880 into the Watershed Protection fund.

February Financial Update

The Treasurer presented the February budget versus actual comparison report. Annual metered account revenues were \$508,854, indicating a 4.5% unfavorable variance of \$23,875. Seasonal metered account revenues totaled \$97,472 indicating a 6.6% unfavorable budget

variance of \$6,843. Total metered revenues were \$606,326, indicating a 4.8% unfavorable budget variance of \$30,718 and a 0.2% increase in the year-to-date billed usage from 2020. Total operating revenues were \$852,278, indicating a 3.5% unfavorable budget variance of \$31,036.

Project and Operations Updates

COVID-19 Operational Update

The Superintendent briefly reflected on the past year with all the adjustments that were made throughout the District to comply with the extensive COVID restrictions. He was pleased to acknowledge that the results of 2020 financial statement reveal the remarkable commitment and dedication from employees in maintaining District operations and customer service during the State's emergency restrictions. The District was invited by Kennebunk Fire & Rescue to participate in another vaccine clinic and more employees took advantage of the opportunity to get vaccinated (J&J). The District, with the assistance of the District's MEMIC representative, is investigating whether the time is right to allow two vaccinated employees to travel in the same vehicle.

Water Supply & Production

The Assistant Superintendent presented a brief report that included monthly precipitation, water production statistics and water production cost charts.

He reported that water production for February was 45.29MG compared to 42.69MG in 2020. The YTD total was 7.88MG (8.43%) higher than 2020 and 3.54MG (3.70%) higher than 2016 (year of record). Production in March thru the 29th was 46.8MG (42.9MG in 2020). The supply source summary for February indicated that Branch Brook provided 31.999MG while 13.288MG was supplied by the Kennebunk River well. Liquid precipitation equivalent recorded at the Filtration Plant was 3.53" (three rain events and seven snow events). As of last week, the District's service area was still being classified as Abnormally Dry.

He noted that the chemical cost of surface water for February increased to \$236.18/MG while groundwater increased to \$197.95/MG, resulting in a blended water cost of \$224.96MG. The Plant Manager provided additional detail of the increases. YTD, the surface water cost is \$223.88/MG while the groundwater cost is \$175.80, resulting in a blended water cost of \$206.80/MG.

He brought the Board's attention to the (2019-2021) monthly water production versus revenue chart that indicated that February production and revenues were slightly higher than in either 2019 or 2020.

AMI Meters

The Treasurer reported that the collector that will be installed on the new Arundel tank has arrived and is waiting to be installed. He thanked the Facilities Manager for allowing the

District to install a repeater on a property he owns near Route One. He anticipates that the communication within the AMI system in that area will be improved with the installation.

The Front Office Supervisor reported that 194 installations were completed in February bringing the cumulative total to 12,245, representing approximately 86% of all customer accounts, including 62% of seasonal accounts and 94.3% of annual accounts. Installations in March, as of yesterday, were an impressive 245. She explained that the focus has been on AMI installations within seasonal complexes and for seasonal accounts.

Seasonal Billing Changes

The Front Office Supervisor outlined a letter that will be mailed to all seasonal customers summarizing a new billing method for seasonal AMI accounts. The letter explained the benefits that customers can expect from this billing change and the date when they can expect to be billed. She noted that the new billing method was formulated by Billing Clerk Jen Bridges.

GAC Facility

The Assistant Superintendent, using a diagram of the GAC filter system components, explained the performance of the filters through March 18th, when the most recent PFAS samples were taken. He reported PFAS levels of 7.03ppt were found within the top 25% zone of GAC pressure filter #1 with non-detects (<2.0ppt) within the 50% zone of GAC pressure filter #1 as well as the top 25% zone of GAC pressure filter #2 after 209.8MG of water was processed. He elaborated further on the breakdown of the results that were illustrated in the GAC filtration data chart. The Facilities Manager offered potential modifications that could be considered in the GAC process. The Plant Manager added his perspective regarding the variables in the results and possible alterations in the process to improve the results.

Merrifield Drive, Kennebunk – Main Replacement/Installation

The Distribution Manager and District Engineer reported on this project. Work will commence tomorrow with valves being cut in. Pipe installation is expected to start on Monday with completion in approximately a month.

The Assistant Superintendent reported that material quotes were solicited from four suppliers. Bids were submitted by Core & Main (\$61,390.94), E.J. Prescott (\$63,893.69) and Ferguson Waterworks (\$64,292.89). F.W. Webb was invited but did not submit a bid. Following prior project approval, the District has awarded the bid to Core & Main.

Sodium Hypochlorite Conversion at the Filtration Plant

The Facilities Manager reported that he, the Plant Manager and District Engineer are designing the feed system, alarms, sensors and measuring devices for the conversion. A building permit has been obtained for the modification of the PTR building for the new 150 lb. chlorine cylinder storage. Conduit has been installed throughout the Filtration Plant and between the buildings for the electronics to make everything work. The Plant Manager explained the timeline along with more details on the preparation toward implementing the conversion.

Island Beach Road (Wells) Main Replacement

The Assistant Superintendent reported that this project will commence following the completion of the Merrifield Drive main replacement project and prior to the influx of seasonal residents in the area. A notification letter explaining the scope of the project has been sent to the area residents. He summarized the benefits of the project which include improved water quality and increased fire protection adding that some of the hydrants within the project area are located on a pre-1921 unlined cast iron dead end main.

Quotes were solicited from four material suppliers. He noted the increase in material costs that have been realized since January when the Laudholm Farm Road/Old Farm Lane 16-inch water main installation project was completed. Bids were submitted by Ferguson Waterworks (\$145,892.90) and E.J. Prescott (\$160,017.09). Core & Main and FW Webb were invited but did not submit bids due to their failure to acquire the pipe materials from Texas, an outcome of the floods. Following prior project approval, the bid was awarded to Ferguson Waterworks.

Arundel Tank Flow/Meter Control Vault

The District Engineer provided an update of the progress. He reported that the Facilities crew has installed the piping and valves over the past month. The temporary vault roof will be removed so that the permanent precast roof planks can be installed on Friday. The Superintendent proposed that once the project has been completed, which is anticipated to be in June, a 'pipe-cutting' ceremony be held to celebrate the project.

Award of New Skid Steer

The Assistant Superintendent reported on the recent opening of the bids that were solicited for a new skid steer. He reported that quotes were solicited from three suppliers. Bids were submitted by Jordan Equipment (\$46,256.65) for a 2021 Bobcat T66 and Nortrax (\$48,469.00) for a 2021 John Deere 325G. Anderson Company was invited but did not submit a bid. Following prior approval of the 2021 CIP budget, the District has awarded the bid to Jordan Equipment.

Spring Flushing Program

The Assistant Superintendent reported that the annual hydrant flushing program will commence on April 5th in Wells followed by Ogunquit. A new team of employees will conduct this spring's flushing program that is estimated to take approximately five weeks to complete. He noted that flushing is no longer conducted during the fall season, but that every hydrant is checked for operational integrity before being winterized.

Valve Maintenance and Operation Program

The Distribution Manager reported that the valve maintenance and operation project was completed in Kennebunkport from Crow Hill Tank to the Kennebunk River. He noted that only

one valve was found to be partially shut (about 6 turns), with the location and degree of closure having virtually no impact on distribution system hydraulics in that area

Subaqueous Main Testing Program

The Distribution Manager summarized the scope of installing a river crossing. He reported that a list is being compiled of all the river and marsh crossings; 32 are currently identified. Valves and appurtenances will be installed where necessary to enable the isolation and pressure/leak testing of these inaccessible mains. He anticipates that one-third to one half should be completed by the end of the year.

Main Extensions

Chapter 65 – PUC Expectations

The Superintendent explained that the PUC has indicated that utilities who do not invest in main extensions should not be voting to accept them. The District has an obligation to serve within their chartered area contingent upon construction requirements and Chapter 65 compliance. Maine Water Utilities Association is developing a training session to address these questions specifically.

Gregory Lane, Kennebunk

Connecting to the existing 16" water main in Fletcher Street, approximately 200 feet from Fleming Court, install approximately 450 feet of 4-inch main along Gregory Lane ending at its cul-de-sac.

Reference is made to Sheet 4 of a set of plans entitled 'GREGORY'S PLACE', prepared for Mezoian Development, LLC – last revised 2/22/2021.

The applicant, Mezoian Development, LLC., will be required to deposit \$2,112.00, plus furnish *all* trench, *all* material and *all* labor to complete the installation in accordance with Water District specifications.

On a motion by Trustee Emmons, seconded by Trustee Oliver, it was unanimously voted to approve this main extension as presented.

Watershed

Status of Land Purchase (IF&W) Negotiations

The GIS/Asset Management Coordinator reported that there hasn't been too much activity regarding the negotiations. IF&W is doing extensive title research in preparation to purchase the Brown property.

The Superintendent related a discussion he had with the GIS Coordinator and Assistant Superintendent about future land purchase opportunities. In the current real estate market,

purchase decisions and offers need to be made quickly and our current approval process (of the Board) isn't nimble. Opportunities to purchase valuable watershed land in a short timeframe should be explored. He outlined some solutions that could be considered. A brief discussion ensued. The preference among the Board was to conduct an immediate phone poll when the District becomes aware of an opportunity that requires a quick response. Trustee Burrows pointed out that there could be an issue concerning the weighted vote if all the Trustees cannot be contacted immediately.

Other Business

Employee Recognition

The Superintendent voiced his frustration in learning that the Governor issued a proclamation for Water Operators Day with an announcement after the fact. He gave a shout-out to the Administrative Assistant who coordinated a drive-through luncheon to recognize the Distribution, Plant and Facilities crews who appreciated the gesture.

The Assistant Superintendent recognized the GIS Coordinator for an outstanding result in his development of a dashboard that assists staff in the field during the valve maintenance program.

Southern Maine Regional Water Council (SMRWC)

The Assistant Superintendent reminded the Board that the virtual SMRWC Annual Meeting is scheduled for April 8th via Zoom. A link to the meeting will be sent to the Board for their participation. He noted that the agenda will focus mainly on issues relating to the pandemic. The meeting will be opened one hour prior to the start time for a 'Meet & Greet' opportunity.

Administrative Updates

KKWWD's 100th Anniversary

The Superintendent brought the Board's attention to the anniversary posters that depict the progress of the District over the past 100 years. The posters were developed by the Administrative Assistant and Engineering Services Technician Gerry Goulden that will be displayed in public spaces throughout the District's service territory. He noted that banners advertising the District's 100 year anniversary have been placed on the sign at the Filtration Plant and 92 Main Street locations.

Business Platform Discovery

The Superintendent reported on the discovery process to explore business platforms to determine if the current platform (Munis) provides the ultimate service for the District's needs.

Next Trustees Workshop

The Superintendent asked the Board's thoughts on scheduling a Workshop session in order to get a status report on the initiatives the leadership staff is working on. The Board agreed with Superintendent's suggestion to meet for a Workshop the second week of May.

The Superintendent also suggested that the Trustees consider holding the June meeting (and Annual Meeting) at either the new Pipeyard Building or the GAC facility. There was not a decision made.

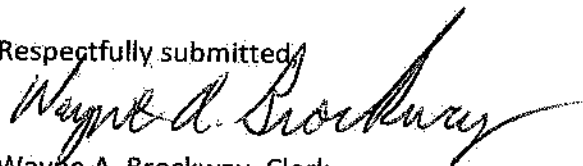
Next Regular Meeting

The next regular meeting of the Board of Trustees will be held on Wednesday, April 28, 2021 at 2:00 pm (remote via Zoom).

ADJOURNMENT

On a motion by Trustee Oliver, seconded by Trustee Emmons, it was unanimously voted to adjourn the March 31, 2021 meeting at 3:41 pm.

Respectfully submitted,

A handwritten signature in cursive script that reads "Wayne A. Brockway". The signature is written in black ink and is positioned above the printed name.

Wayne A. Brockway, Clerk