

MINUTES OF THE BOARD OF TRUSTEES
April 28, 2021

A meeting of the Board of Trustees was called to order by President Jim Burrows at 1:00 pm. 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 1:00 pm to conduct the Superintendent's performance evaluation.

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 2:04 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, Engineering Services Technician Gerry Goulden, Front Office Supervisor Kathleen Chapin and Administrative Assistant Cindy Rounds.

Minutes – March 31, 2020 Meeting

On a motion by Trustee Oliver, seconded by Trustee Lynk, it was unanimously voted to approve the Minutes of the March 31, 2020 meeting as presented.

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 to award the Superintendent with a \$1,500 one-time merit bonus, 2.5% wage increase and one additional week vacation to be used during 2021.

The Board acknowledged they reached agreement of the Superintendent's evaluation scores and will discuss the summation of his performance in an Executive Session at the next meeting.

Treasurer's Report

Status of 2020 Audit

The Accountant was pleased to report that the audit is continuing; so far without any indication that there will be any adjustments. She explained a few issues in more detail.

Status of Annual PUC Report

The Accountant provided a brief outline of the progress being made in gathering the information to file the Report, which she expects to be complete by the end of this week.

March Financial Update

The Treasurer provided an overview of the March revenue analysis and comparison to budget report. He reported that annual metered account revenues were \$823,296, indicating a 5.5% unfavorable variance of \$47,651. Seasonal metered account revenues totaled \$101,566 indicating a 6.7% unfavorable budget variance of \$7,261. Total metered revenues were \$924,852 indicating a 5.6% unfavorable budget variance of \$54,912 and an 0.9% increase in the year-to-date billed usage from 2020. There were 21 System Development Charges collected in March (Approx. \$45,000) compared to 22 (Approx. \$36,000) in 2020.

He reported that he has filed the final reimbursement request (approximately \$452,000) from the Drinking Water Program for the SRF funds for the Fletcher Street project.

The Board was made aware that the disconnection process will soon be resuming. A lengthy discussion was held regarding the process. The Front Office Supervisor explained the recent trend that has developed showing that more customers are paying in the 60-day period and with more partial payments, instead of full payments. She explained that the Billing Clerks are taking every opportunity when speaking with customers to explain available payment options and payment arrangements. It was noted that more residential than commercial accounts are delinquent. The Treasurer briefly explained the interest rate being incurred on delinquent accounts will be at a 3.25% rate instead of 11.25% per the Maine P.U.C. for 2021. In response to Trustee Oliver's objection to accounts being shut off, it was suggested that a shut-off notice can be sent but the actual shut-off period can be delayed to give the customer a longer period to respond to the notice or make a payment arrangement. The Treasurer noted that there is currently about \$70,000 in +90-day delinquent accounts. Trustee Lynk suggested that consideration should be given to not turning on seasonal accounts when there is a balance on the account.

Project and Operations Updates

COVID-19 Operational Update

The Superintendent briefly reflected on the announcement, by the President and supported by the Governor, that stated that all vaccinated people will be allowed to remove their mask during outdoor activities and in outdoor facilities. He added that, after serious consideration,

the two fully vaccinated staff members conducting the Mueller AMI training will be allowed to travel in the same vehicle provided they wear their masks while in the 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 March was 52.57MG compared to 46.33MG in 2020, representing a difference of 6.24MG (8.43%). The YTD total of 150.0MG for 2021 was 14.12MG (9.88%) higher than 2020 and 6.52MG (4.16%) higher than 2016 (year of record). Looking ahead, production in April thru the 26th was 51.89MG which is running 7.15MG ahead of 2020. The supply source summary for March indicated that Branch Brook provided 37.388MG while 15.187MG was supplied by the Kennebunk River well. Liquid precipitation equivalent recorded at the Filtration Plant was 2.48" (six rain events) for the month of March. The 2021 YTD total of 7.89" is the third lowest over the last 18 years and is running 4.91" below the 18-year group average during the first three months of 2021. He displayed the Drought Monitoring chart that illustrated the District's the service area remains under an Abnormally Dry classification; whereas during April 2020, the service area was being classified as Normal. He also referenced the USGS Branch Brook chart during his explanation, illustrating how rapidly the Brook returned to low flow conditions following three recent precipitation events.

He noted that the chemical cost of surface water for March increased to \$259.54/MG while groundwater decreased to \$162.42/MG, resulting in a blended water cost of \$231.48MG for the month. YTD, the surface water cost is \$237.18/MG while the groundwater cost is \$171.72, resulting in a blended water cost of \$215.45/MG.

He brought the Board's attention to the (2019-2021) monthly water production versus revenue comparison chart that indicated that March production and revenues were both higher than in either 2019 or 2020 which should result in increased revenue in the coming months.

AMI Meters

The Front Office Supervisor reported that 288 installations were completed in March bringing the cumulative total to 12,533, representing approximately 90.7% of all customer accounts, including 76.2% of seasonal accounts and 94.8% of annual accounts. Installations in April, as of the 26th, were a very impressive 429. There are only approximately 1,400 accounts remaining to be changed. There's a possibility that the AMI program could be fully implemented this year.

Annual Water Production Cost Analysis Update

The Assistant Superintendent presented the 2003-2020 water production cost analysis (chart) annual update. It illustrated that 2020 had the second highest water production during the past 18 years with a water production cost in 2020 of \$1,258.86MG compared to \$1,375.12MG in 2019. He reviewed the various cost component factors and outlined the notable differences over the past two years.

Annual Long-Term Debt Analysis

The Assistant Superintendent presented a detailed chart illustrating the District's long-term debt expense (principal and interest) and annual operating revenue comparison since 1982. He pointed out that, although the District has significant long-term debt borrowings, the corresponding annual long-term debt payment, expressed as a percent of annual revenue, is very low at only 12.1%, the third lowest since 1982 (which was 68.2%). The combination of historically low interest rates and a steady increase in annual operating revenue make the District's long-term payments very affordable.

GAC Facility

The Assistant Superintendent, using a diagram of the GAC filter system components, explained the performance of the filters through April 13th, when the most recent PFAS samples were taken. He reported PFAS levels of 9.32ppt 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, with 2.40ppt in the top 25% zone of GAC pressure filter #2 with non-detects (<2.0ppt) within the 50% zone of GAC pressure filter #2 after 223.0MG of water was processed. He elaborated further on the breakdown of the results that were illustrated in the GAC filtration data chart. He noted that the 223MG processed through the filters represents 44.6% of the minimum 500MG goal.

He stated that plans are underway to add small paddle-wheel meters in line for each pressure filter in order to assure the flow rate entering each pressure filter is essentially equal.

The Superintendent shared his experience of a presentation he made in a training session for Maine Rural Water Association regarding KKWWD's successful story on PFAS treatment. The Assistant Superintendent was pleased to report that he will be showcasing the GAC facility on May 12th with Greater Augusta Utilities District and the Kennebec Water District.

Merrifield Drive, Kennebunk – Main Replacement/Installation

The Distribution Manager reported that the pipe installation has been completed, the lines have been chlorinated and tested. There are 23 service tie overs to install and the project is anticipated to be complete in the next few weeks.

Sodium Hypochlorite Conversion at the Filtration Plant

The Facilities Manager and District Engineer reported on this project. The Engineer reported that the Facilities Department continues work on the construction of the new chlorine gas room on the back of the PTR and has been completing preparatory work for the modifications to the future sodium hypochlorite storage room while the design details are being finalized.

The Treasurer asked to be contacted once the one ton chlorine gas cylinders are completely eliminated so he can notify the District's insurance company that this liability no longer exists.

Island Beach Road (Wells) Main Replacement

The Assistant Superintendent summarized the scope of Phase IB of the project that will commence following the completion of the Merrifield Drive main replacement project. It will be comprised of replacing 1,000' in the first portion and will be followed by replacing the remaining 1,450' before connecting to the main in Drakes Island Road.

Arundel Tank Flow/Meter Control Vault

The District Engineer reported that there hasn't been that much activity on the project since last meeting. He noted that the top has been put on the vault, the Facilities Department will be starting work inside the vault, and BREX is scheduled to return to finish the sitework during May. He anticipates that the tank will be on-line by the end of June.

Spring Flushing Program

The Distribution Manager reported that the annual hydrant flushing program is going smoothly and has been uneventful. The flushing commenced on April 5th in Wells, followed by Ogunquit. Currently, one-third of the Kennebunk hydrants have been flushed; he gave a brief description of the route that will be followed to complete the remaining Kennebunk hydrants.

Private Galvanized Service Line Replacements

The Assistant Superintendent recalled in July 2020 the Superintendent sent a letter to 141 customers who were found to have galvanized service lines to their property. The District has seen a good response from customers and contractors wanting to know the process, cost, etc. to update their service line. It is estimated that eight to twelve service lines have been converted. An accurate tracking method will be developed.

Watershed

Status of Land Purchase (IF&W) Negotiations

The Superintendent reported that he and the GIS/Asset Management Coordinator have been in continued contact with IF&W regarding their acquisition of watershed property. It appears that the discrepancy between the appraised value and access issues has sidelined the purchase.

The GIS/Asset Management Coordinator reported that the District's forester has identified new entrances (trails) onto the District property where a great amount of damage and erosion has occurred. He will be ordering new signs that remind the public that the use of ATVs and other motorized vehicles is prohibited unless on an approved trail. He will contact the local ATV and snowmobile clubs to inform them of the increased damage/erosion.

Other Business

Employee Recognition

The Superintendent was pleased to recognize recent customer interactions with District employees. He relayed a message received by Billing Clerk Jen Bridges regarding customer (Mr. Rogers) satisfaction provided by Customer Service Technician Mike LeBlanc and Chief Operator Greg Pargellis in resolving a problem he had. The Superintendent then shared a voice message from the son of an elderly customer on Ross Road who recently passed away. He wanted the Superintendent to know that his mother always had high praise for the Water District and most recently Mike Johnston. Next, he noted that Administrative Professionals Week was observed by the administrative staff with a (drive through) luncheon at the Pipeyard Building. The Superintendent thanked his Administrative Assistant Cindy Rounds for her work in coordinating the luncheon.

Sanitary Survey

The Superintendent reported that the results of the recent Sanitary Survey, conducted by Maine Health and Human Services, were outstanding. There no deficiencies found; it included a recommendation to *keep up the good work in the watershed*. The Plant Manager gave an overview of the process that he and the Facilities Manager underwent with the Compliance Officer from the Drinking Water Program. He added that the District has fostered a great relationship with the State in that they are aware of the District's integrity. The Superintendent recalled his supervision of 18 different systems with another water utility and how it was common to experience at least one minor deficiency.

Capital Budget Modification Request

The Assistant Superintendent outlined this budget modification request to replace the 525' summer line on Pine Hill North Road in York. The York Public Works Department is undertaking road improvements in that area. The project is listed on the District's 5-year Capital Improvement Plan. The line has experienced a number of breaks in recent years. It will be replaced with 2" and 3" HDPE pipe as appropriate for an estimated cost of \$15,000 at a depth of 12" to 15".

On a motion by Trustee Emmons, seconded by Trustee Oliver, it was unanimously voted to approve the replacement of the summer line on Pine Hill North Road in York for a sum of \$15,000.

Administrative Updates

Business Platform Discovery

The Superintendent outlined the discovery process that will be undertaken 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 suggested that the week of May 17th be considered for the next Workshop with staff to review workplace strategies and initiatives. He will poll attendees for their date preference and schedule the Workshop.

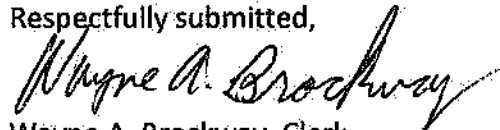
Next Regular Meeting

The next regular meeting of the Board of Trustees will be held on Wednesday, May 26, 2021 at 2:00 pm (remote via Zoom) that will include an Executive Session at 1:00 pm.

ADJOURNMENT

On a motion by Trustee Oliver, seconded by Trustee Lynk, it was unanimously voted to adjourn the April 28, 2021 meeting at 3:35 pm.

Respectfully submitted,

A handwritten signature in black ink that reads "Wayne A. Brockway". The signature is written in a cursive style with a long, sweeping tail on the "y".

Wayne A. Brockway, Clerk