

MINUTES OF THE BOARD OF TRUSTEES

January 26, 2022

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

MINUTES — December 22, 2021 Meeting

On a motion by Trustee Oliver, seconded by Trustee Emmons, it was unanimously voted to approve the Minutes of the December 22, 2021 meeting as presented.

PUBLIC COMMENT

There was no public comment.

TREASURER'S REPORT

Financial Report

The Treasurer presented the revised year end 2021 revenue analysis and comparison to budget financial report. He reported that annual metered account revenues were \$5,192,030 indicating a 4.8% favorable variance of \$237,611. Seasonal metered account revenues totaled \$1,661,671 indicating a 5.7% favorable budget variance of \$89,211. Total metered revenues were \$6,853,700 indicating a 5.0% favorable budget variance of \$326,821 and a 1.8% decrease in the year-to-date billed usage from 2020. He stated that there were 137 System Development Charges for the year (\$260,000 net) compared to 148 (\$235,000 net) in 2020. He added that there were 153 new customers bringing the total number up to 14,410 customers (7,700 customers in 1981). Over a 40-year period, that is a 1.56% growth rate and five-year running average of 1.07%.

February 17, 2022 (Section 6104) Rate Increase Public Hearing

The Treasurer brought the Board's attention to the letter that will be sent to customers informing them of the public hearing. He added that the information supporting the rate increase request was electronically submitted to the PUC on January 14th. As required, the (customer) letter will be published in the Portland Press Herald by February 3rd. He continued explaining other deadlines that will be followed. The rate increase is proposed to become effective on April 1st. The Assistant Superintendent displayed some of the illustrations that will be shown during the public hearing and explained the rate comparisons with other Maine water utilities. Based on data supplied by the Maine Public Utilities Commission, KKW ranked 14th

(lowest) out of 117 regulated water utilities with a rate of \$51.49 for 1,200 cubic feet. The average 1,200 cubic foot rate for all utilities is \$84.63; KKW is \$33.14 (39.2%) below the average 1,200 CF rate. For 2,000 cubic feet, KKW ranked 32nd (lowest) out of 117 regulated water utilities with a rate of \$93.01. The average 2,000 cubic foot rate for all utilities is \$120.34; KKW is \$27.33 (22.7%) below the average 2,000 cubic foot rate.

Trustee Oliver recommended that the drivers for this rate increase be explained in an article for the next newsletter.

Project and Operations Updates

COVID-19 Operational Update

The Superintendent reported that the District continues to monitor COVID events through the collaboration of the Kennebunk Task Force and he does not recommend any changes to the policy at this time. There were employees that have recently tested positive for the virus, but transmission at the workplace appears unlikely.

Water Supply & Production

The Assistant Superintendent presented a year-end report that included precipitation, water production statistics and water production cost charts.

He reported that 52.87MG of water was produced in December, down by 3.34MG (6.1%) from 2020. The year-end total of 1,118.7MG for 2021 was 0.52MG (0.05%) higher than 2020 and 6.11MG (.54%) lower than 2016 (year of record). Looking at the annual water production rankings, water production in 2021 finished second behind 2016 which will remain the year of record. The supply source summary for December indicated that Branch Brook provided 31.419MG while 21.454MG of groundwater was supplied by the Kennebunk River well with no water purchased via the system interconnections. He noted that 14 out of the past 18 years, over 1 billion gallons have been produced, including the last consecutive 10 years. Groundwater production for 2021 indicated that 171.44MG came from the Merriland River well, 3.06MG from the Harrisecket Road well, 8.56MG from the Plant well and 241.09MG from the Kennebunk River well for a total of 424.15MG. This 424.15MG marks the third highest amount of groundwater produced, trailing only 2009 (437.10MG) and 2016 (530.90MG).

Liquid precipitation recorded at the Filtration Plant was 4.21" (7 rain, 4 snow events) for the month of December, falling slightly below the monthly average of 4.5". The 2021 YE total of 53.32" was slightly below the YE 18-year group average of 54.39". The aquifer levels for all groundwater supplies are not a concern at this time.

He noted that the chemical cost of treating surface water for December increased from \$234.75/MG the previous month to \$276.21/MG; groundwater experienced an increase from \$142.79/MG to \$160.15/MG. This resulted in a blended water cost of \$229.12/MG for the month of December.

The year-end surface water cost increased slightly to \$246.38/MG while the year-end groundwater cost came in at \$141.65/MG, resulting in a YE blended water cost of \$205.46/MG for 2021, which was about \$6/MG more than last year.

He brought the Board's attention to the (2019-2021) monthly water production versus metered revenue comparison chart which indicated that December's \$801,548 metered revenue was \$90,069 higher than 2020 and \$213,256 higher than 2019. The total metered revenue for 2021 posted a record high of \$6,853,702, which was \$24,686 and \$890,803 more than 2020 and 2019, respectively.

He then focused on the watermain renewal program analysis (1994-2021) chart. It showed that 13,282 feet of new mains were installed and 11,561 feet of pipe was retired. This equated to a retirement rate of 1.06% which marks the first time since 2014 that the District exceeded its 1% retirement goal. The District's running 28-year retirement record stands at a respectable 0.87%.

The water main leak history (1994-2021) was illustrated in two charts. They indicated that a total of 1.67MG was lost in eight leaks that occurred in 2021, which figured out to be 3.86 leaks per 100 miles of active water mains. A recent nationwide study conducted by Utah State University revealed that up until 2012, the national average was running about 11 leaks per 100 miles of main and that by 2018, that number had climbed to an average of 14 leaks per 100 miles of main.

He then presented his annual report on the rolling fleet monthly fuel expenses. The year end 2021 net fuel (unleaded and diesel) expense was \$58,725 with \$11,897 of taxes exempted. Fuel expense in 2020 was \$47,000. He explained the differences.

AMI Meters

The Customer Service Supervisor reported that 89 meters were installed in December, bringing the cumulative total to 14,024 (year to date 2,194), representing approximately 95.8% of all customer accounts, including 88.4% of seasonal accounts and 97.8% of annual accounts. She reiterated that the remaining seasonal customers will be strongly encouraged to change to an AMI meter in order to have their water restored in the spring. Through January 24th, 56 meters were installed this month.

The Superintendent applauded the Customer Service and Field Services departments for taking a new approach on getting the remainder of the accounts transferred to AMI meters. He explained that once all customers have an AMI meter, a Cost of Service Study will be conducted later this year) in order to change to monthly billing.

GAC Facility

The Assistant Superintendent reported that the latest PFAS tests were conducted on January 4th after 411.2MG of water had been processed. They indicated that in the bottom 25% zone of Filter #1, PFAS levels were detected at 28.50ppt. The PFAS levels in the water leaving Filter #1 contained 21.83ppt while the water in the bottom 25% zone of Filter #2 contained 17.50ppt and

the water leaving Filter #2 contained 9.74ppt. The finished water entering the system after leaving the Kimball Lane Treatment Facility showed levels of 10.70ppt which remains well below the District's maximum goal of 15ppt and Maine's maximum allowed level of 20.0ppt. An additional chart illustrated the running percentage of PFAS removal from each of the measured zones while operating in series (lead-lag). The overall decline in removal efficiency indicates that the GAC media is gradually becoming less effective at removing PFAS.

Sodium Hypochlorite Conversion at the Filtration Plant

The Facilities Manager updated the Board on this project. He reported that progress is continuing. The Facilities Department has removed the concrete base on which the chlorine gas cylinders were situated. A raised wooden floor was built at the entrance to the room and the last parts of the cement block containment wall are being constructed. The last chlorine cylinder should be used up by the end of next week. Once the containment wall is completed, the liner will be installed, followed by the bulk chemical storage tanks.

John Deere Model 544P Wheel Loader Purchase

The Distribution Manager described the background that led to the purchase of this new John Deere Model 544P wheel loader. Due to a series of fortunate events, the new wheel loader was purchased for \$136,000 which is \$28,000 below the budget amount. The majority of this savings was achieved by receiving a much higher \$50,000 trade-in for the old wheel loader when only \$25,000 had been expected. The Treasurer indicated that the District entered into a favorable lease-purchase agreement that includes a 2.99% interest rate for five years.

Main Extension – Ivy Subdivision, Kennebunkport

A proposed main extension, described as follows, was presented to the Board by the District Engineer. The Board had no concerns with the project as proposed.

Connecting to the existing 8" main in South Main Street, install approximately 40 feet of 8" main along Colony Avenue to the intersection with Spring Valley Road, then install approximately 120 feet of 2" main along Colony Avenue to the proposed driveway to "Lot 2A" as shown on the plans for Ivy Subdivision.

Reference is made to Sheet 4 of 8 of a set of plans titled 'IVY SUBDIVISION' – prepared for Ivy Three, LLC – last revised 5/12/2021.

The applicant, Ivy Three LLC, will be required to deposit \$1,584, plus furnish *all* trench, *all* material and *all* labor to complete the installation in accordance with Water District specifications.

CAPITAL BUDGET MODIFICATION REQUEST

Industrial Dehumidifier Replacement for Filtration Plant

The Assistant Superintendent reported that the need to replace this item was overlooked while preparing the 2022 Capital budget. He explained that the humidifier that was originally located at the Filtration Plant was moved to the GAC Facility to address the high humidity caused by the three pressure filters. This new unit being requested will replace the unit at the Filtration Plant.

On a motion by Trustee Burrows, seconded by Trustee Emmons, it was unanimously voted to approve an additional \$4,500 in the 2022 Capital budget to purchase a replacement industrial dehumidifier.

New Truck Bid

The Assistant Superintendent reported on the results of a bid to replace Truck 10 with a 2022 half ton 4x4 pick-up with 6' bed and regular cab. He stated that only one dealership (Key Ford, York) submitted a bid for the truck and accessories in the amount of \$41,000; \$35,000 was budgeted for the truck and Key Ford offered \$5,650 for a trade-in. Anticipated delivery is in 22 weeks.

On a motion by Trustee Burrows, seconded by Trustee Emmons, it was unanimously voted to approve an additional \$6,000 to purchase the truck.

Other Business

Employee Recognition

The Superintendent was pleased to recognize Mechanic Mark Lank and Distribution Manager Keith Archibald for their efforts in securing the new wheel loader. The Superintendent will also send thanks to Mark from the Board.

Other Business

The Superintendent informed the Board that he plans to present proposed changes to the Personnel Handbook at the next meeting. An updated water accountability chart will also be presented.

WATERSHED

Central Maine Power (CMP) Transmission Line Erosion

The GIS Coordinator was pleased to report that Central Maine Power has committed to repair the erosion damage along their transmission lines in Kennebunk within the watershed. He added that CMP has hired Drummond Environmental to undertake some of the design of the

restoration and conduct a pilot study during the winter to determine how they can eliminate the erosion.

Branch Brook Watershed Coalition

The GIS Coordinator reported that the Coalition has been meeting through phone calls and Zoom sessions to review the progress made with the CMP erosion restoration as well as the review of the proposed subdivision located off Chicks Crossing Road that abuts the watershed.

Administrative Updates

Business Platform Discovery

The Superintendent applauded the Customer Service team for their engagement during the integration components of the MuniLink platform. He noted that the customer service and billing platform may be available in a form that staff can start trialing within a few weeks.

He reported that the PayCom payroll system is still being tweaked and anticipates that the other platforms will go live by mid-year.

Campus Evaluation Committee

The Assistant Superintendent gave an overview of the outcome of the January 12th meeting with WBRC Architects and Engineers and the Committee. The focus of the meeting took into consideration a change in the location of the building. The next meeting, scheduled for January 27th, will further analyze the building and material costs. Currently, the construction appears to be estimated at \$240 per square foot or \$5,000,000. The Superintendent recommended that the process continue to the point of what was intended to be obtained from WBRC during the on-going Conceptual Design phase, which will include a more refined cost estimate once completed. The Superintendent also suggested a workshop with the Board would be planned following completion of the Conceptual Design phase.

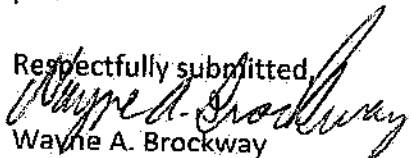
Next Regular Meeting

The next Board of Trustees meeting will be held on Wednesday, February 23, 2022 at 2:00pm in the Conference Room.

ADJOURNMENT

On a motion by Trustee Burrows, seconded by Trustee Emmons, it was unanimously voted to adjourn the January 26, 2022 meeting at 3:26 pm.

Respectfully submitted,


Wayne A. Brockway