

2015 ANNUAL REPORT OF THE KENNEBUNK SEWER DISTRICT

Introduction

The Kennebunk Sewer District (KSD) is a quasi-municipal entity that was incorporated by an act of the Maine State Legislature in 1955. Our mission is to provide reliable and cost effective sewer related services to our ratepayers while protecting public health and promoting environmental stewardship for the benefit of the community.

Administration

Customers

The district's jurisdiction covers all of the area in Kennebunk east of the Maine Turnpike (I-95) and a small portion of the town west of the Turnpike serving the industrial park and governmental institutions such as the Fire Department, the Elementary and Middle Schools, and the Dorothy Stevens Facility.

The map presented in Figure 1 shows the district boundaries with the developed land, undeveloped but buildable land, and the land that is not developable due to being in conservation, park, or wet lands.

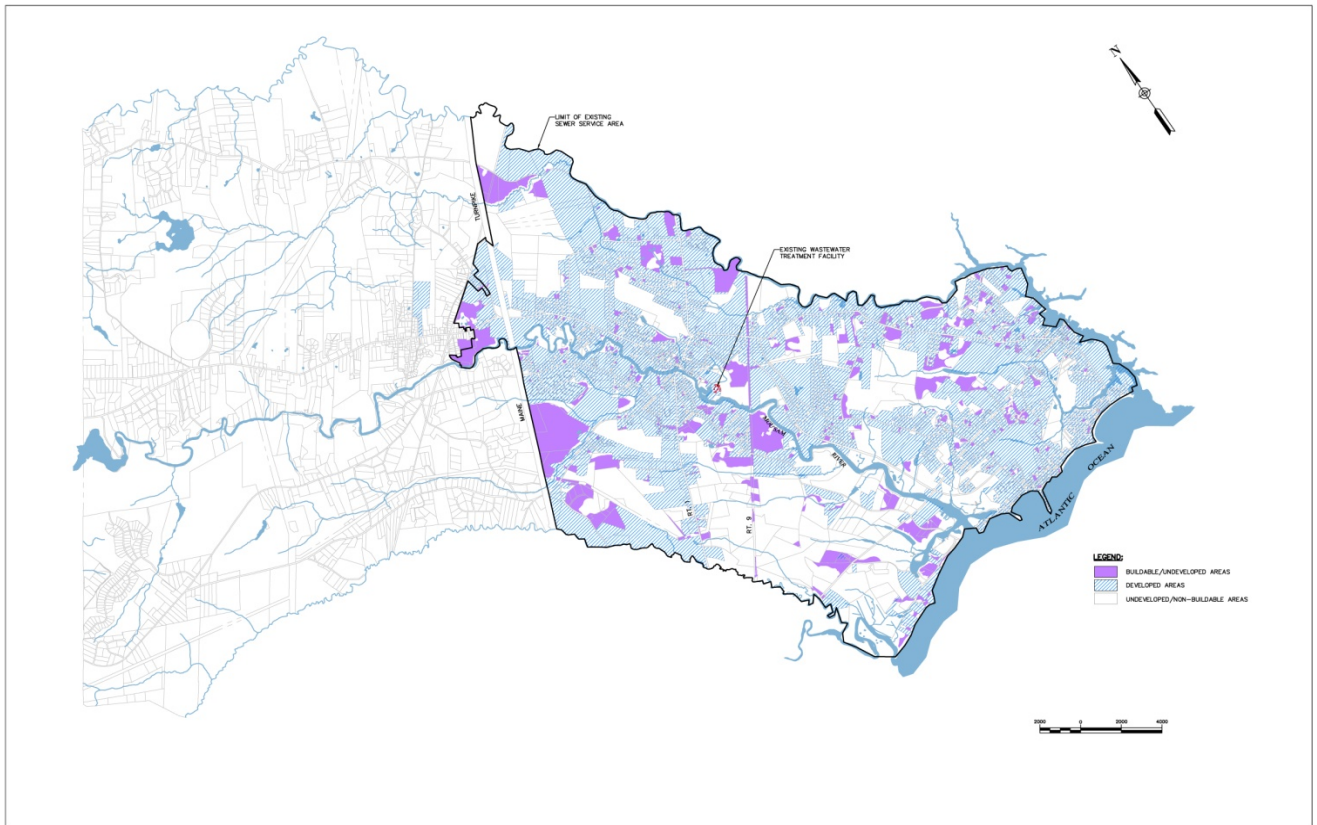


Figure 1: Kennebunk Sewer District map showing developed (shaded), undeveloped / buildable (purple), undeveloped / non-buildable (white) areas within district boundaries.

The district currently serves 3,164 of the 6,698 properties or 47% of the total properties in Kennebunk.

There were 32 accounts added to the district in 2015. The graph in Figure 2 below shows the growth in customers since 2005.

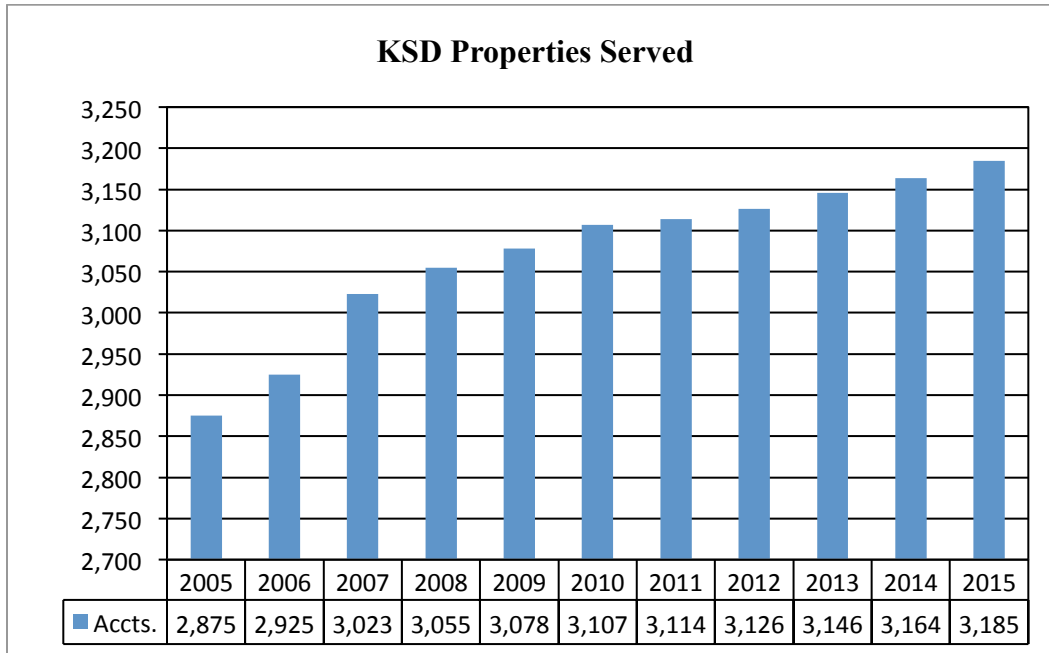


Figure 2. Total KSD accounts annually since 2005.

Personnel

The District has 11 full time and 1 part time employees that work for the district. Personnel are responsible for the operation of the 1.31 million gallon per day (MGD) treatment facility, 28 pumping stations, and 40 miles of sewer. All of our operational personnel are licensed operators in wastewater operations and portions of the staff are certified in laboratory and collection systems.

Charter Amendments

The District’s Charter was amended in 2015 to increase the debt limit for borrowing from \$16.0 Million to \$30.0 million and modified the charter to meet the new Maine standard language for sewer districts. The charter was signed into law by the governor in July of 2015 and ratified by referendum in November of 2015.

District Operations

Treatment Plant Capacity Limitations

In 2015, the District entered into a contract with Underwood Engineers to design the modifications to the wastewater treatment plant to provide sufficient biological capacity to reduce the levels of nutrients in the discharge. The basis of the design is the District’s Facility Plan that was completed in early 2015. This plan developed projected flows and biological loadings generated by current and future users of the sewer system over the next 20 years as well as anticipated discharge limitations from the regulatory agencies for that same

time period. The design will look at most cost effective means of meeting the needs of the community and environmental needs of the Mousam River.

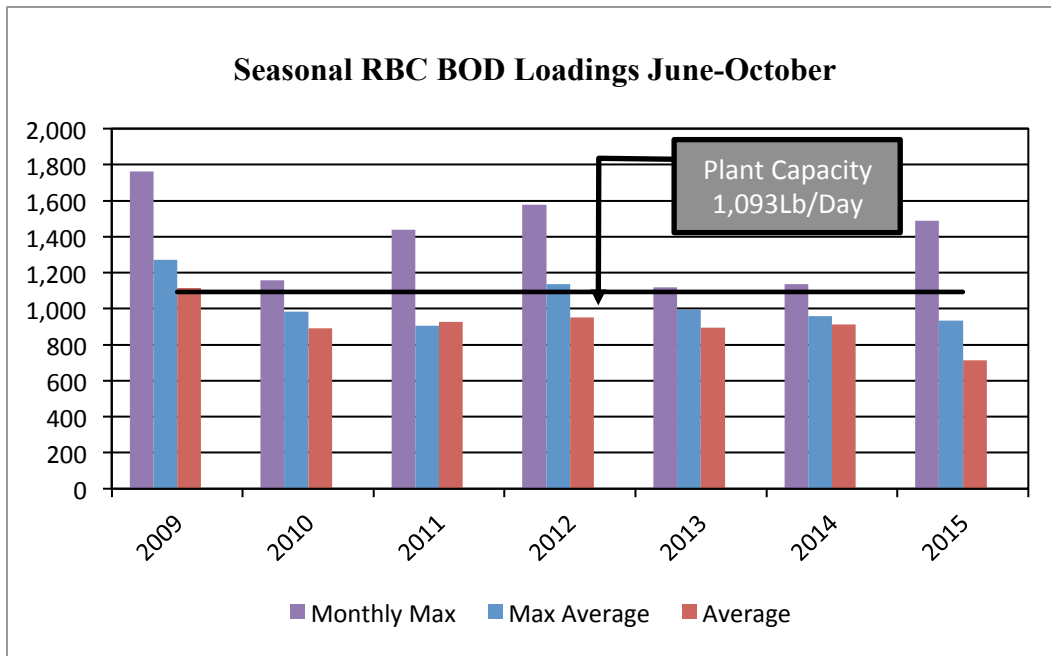


Figure 3. The biological capacity of the current wastewater treatment facility compared to the biological loadings since 2009.

Flow and Biosolids

The Wastewater Treatment Facility (WWTF) treated 253 million gallons of wastewater in 2015 at an average daily flow of 0.692 MGD. The graph in Figure 4 shows the annual average daily flow rates divided into inflow and infiltration and customer contribution components versus the annual precipitation in inches. The graph shows the effect of ground water infiltration and inflow into the sewer system depicted by the light blue portions of the bars. The district is working to remove this extraneous water through a program to eliminate illegal sump pumps, disconnecting drains, and replacing older leaking sewer lines.

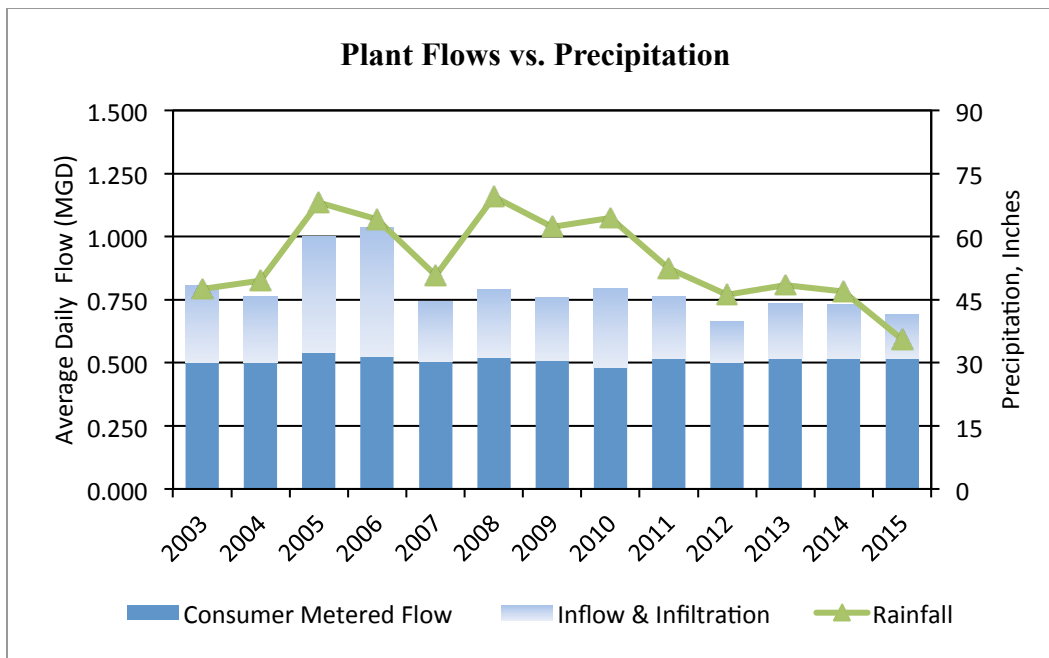


Figure 4. The impact of rainfall on inflow and infiltration (I&I) into existing sewer pipes. KSD strives to remove I&I by removing illegal sump pump connections, disconnecting drains and replacing faulty sewer lines.

In 2015, the plant produced approximately 960 tons of biosolids. This is slightly less than the previous year but close to the 10 year average of 958 tons for annual biosolids production. The graph in Figure 5 shows our historical annual biosolids tonnages.

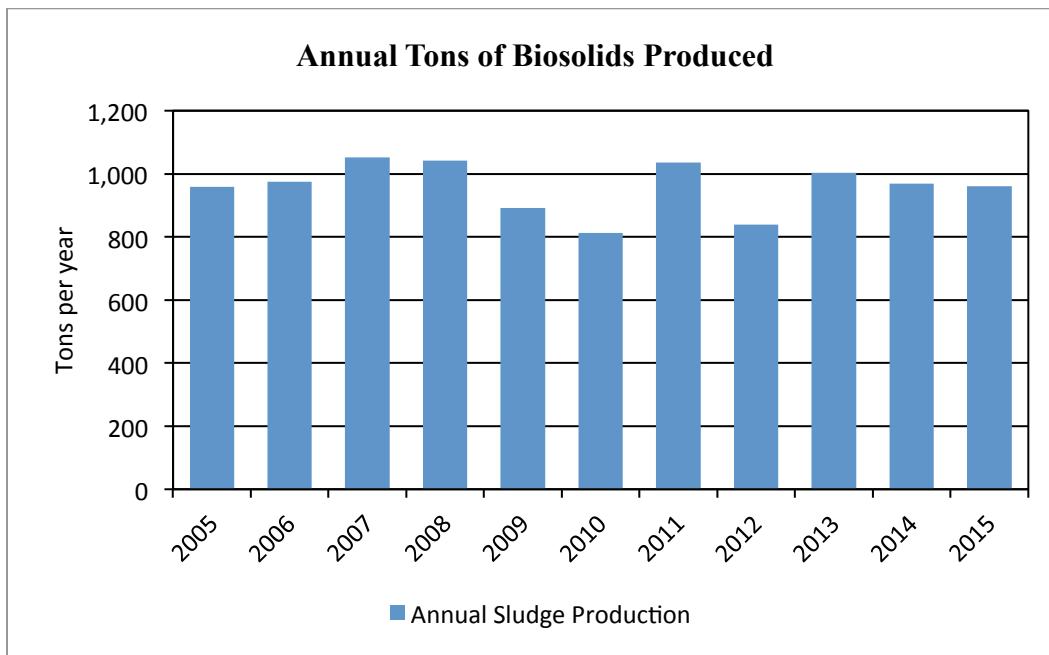


Figure 5. Biosolid production (tons) from KSD since 2005.

Financial

Revenues and Expenses

The District’s operations budget for 2015 was \$2,361,662. The actual amount spent was \$2,248,533 which is 96% of the budgeted amount. Projected revenue for 2015 was \$2,357,572 and the actual billed revenues were \$2,374,426. A breakdown of budget to actual is present below in Table 1.

KSD Revenues and Expenses for 2015

Item	Budgeted	Actual	Percentage
Revenues from Sewer User Fees	\$ 2,440,079	\$ 2,441,162	100%
EBIF and Impact Fees	\$ 85,000	\$ 143,784	169%
Operating Expenses	\$ 2,450,916	\$ 2,487,430	101%
Capital Improvement Plan	\$ 266,600	\$ 173,492	65%

Table 1. A breakdown of revenues and expenses for KSD for 2015.

Liens

The District placed liens on 63 properties with total outstanding sewer user fees of \$33,268. There are 15 properties in a state of foreclosure with outstanding accounts amounting to \$9,855.

Equity Buy In Fees and Impact Fees

In 2015, 32 new accounts were connected to the district system. These added units, including some significant commercial properties, produced \$143,783 in capital impact fees. The Equity Buy -In and Impact Fees pay for the portion of capacity that the new connection uses in the system. These fees help to offset the cost of adding additional capacity to our system.

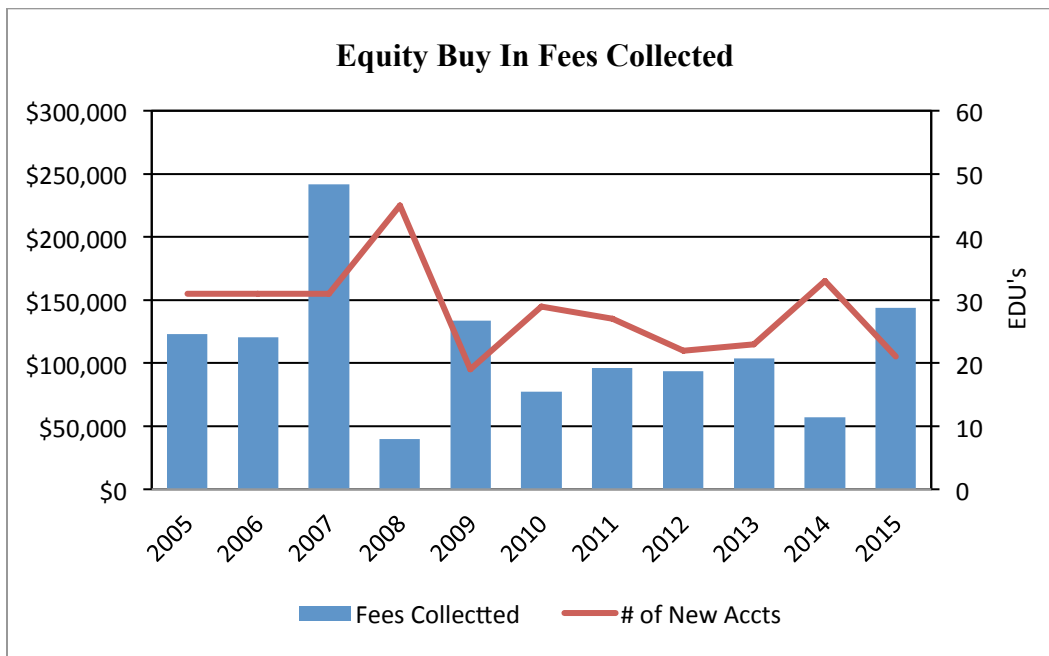


Figure 6. The equity buy in fees collected since 2005 compared to the number of new users conneted to KSD sewer.

Capital Improvement Projects

In 2015, the Capital Improvement Plan budget was \$576,400. The actual expenses for 2015 were \$424,310. The major projects for 2015 were:

- SCADA and electrical upgrades to the Lakebrook Pumping Station
- Facility Plan for plant expansion
- Sewer Replacement on Nason’s Court
- Roof replacements at pump stations and small out buildings at the treatment facility

The graph in Figure 7 below depicts how funds were spent in 2015.

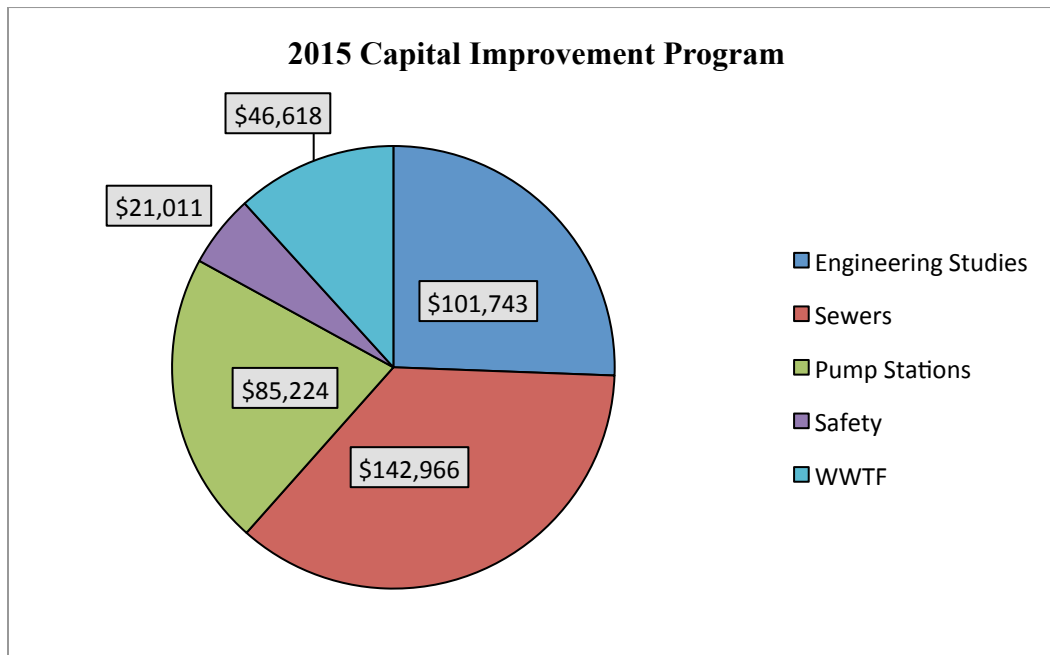


Figure 7. Pie chart depicting the distribution and categories of capital expenditures for 2015.

District Information

For more information on the District, please visit our website at www.ksdistrict.org. The Board normally meets at 7:00 p.m. on the first Tuesday of each month at the District offices located at 71 Water Street in Kennebunk. The District Office hours are between 7:00 a.m. and 4:00 p.m. Monday through Thursday and 7:00 a.m. to 2:00 p.m. on Friday.

Respectfully submitted,

Board of Trustees of the Kennebunk Sewer District

John Price, Chair

Mark Allenwood, Vice Chair

Wayne Brockway, Treasurer

James Oppert, Clerk

Nick Branchina