

KENNEBUNK SEWER DISTRICT BOARD OF TRUSTEES
MONTHLY MEETING, NOVEMBER 7, 2017

The Board of Trustees of the Kennebunk Sewer District held its regular monthly meeting on Tuesday, November 7, 2017 in the conference room at the District Offices located at 71 Water Street in Kennebunk.

Trustees present were: John E. **Price III**, Chairman
 James A. **Oppert**, Clerk
 Wayne A. **Brockway**, Treasurer
 Edward **Sharood**, Member

Trustees absent were: Mark K. **Allenwood**, Vice Chairman

KSD Staff present was: Michael **Bolduc**, KSD District Manager
 Patrick **Wiley**, PhD, KSD Assistant Manager

Others present were: Valerie **Giguere**, P.E. Senior Project Manager, Underwood Engineers, Inc.

AGENDA:

1. Reading of the Minutes for the October 3, 2017 Monthly Meeting
2. Review and Acceptance of the Ross Road Sewer Development Plan
3. Status Report on the Administrative and Maintenance Building
4. Review of the Second Draft 2018 Operation and Maintenance Budget
5. Report on Meeting with the Town of Arundel
6. Other Business...
7. Adjournment

The meeting was called to order by Chairman **Price** at 7:00 p.m.

Having no objection from the Board members, and in consideration of Senior Project Manager Valerie **Giguere**, P.E. being present, **Price** moved ahead to agenda item #2.

Agenda Item #2: Review and Acceptance of the Ross Road Sewer Development Plan

Referring to Agenda Item Commentary of the November, 2017 Trustee's Meeting hand out and Attachment #5 (Memo from Valerie **Giguere** regarding Ross Road Sewer Alignment Plan, Dated October 24, 2017), **Bolduc** and **Giguere** opened a discussion summarizing the agenda item. Highlights included:

- The project can be handled with one pump station located at the Ross Road curve;
- The first 1,000 ft. up Ross Road (gravity fed) from Portland Road has the largest potential for future development;
- The plan was presented in two parts:
 - A total project to sewer all of Ross Road; and
 - A partial project to sewer the gravity fed portion of Ross Road that extends from the high point at the curve down to Route 1.
- The plan concept has been discussed with the town engineer who gave a favorable response; and
- If the Board approves the plan, it will be presented to the Town Planner, Economic Development Manager, and the Town Manager.

There being no further questions or comments to come before the Board regarding this issue, **Price** asked for a motion to approve the Ross Road Sewer Development Plan.

A motion was made to approve the conceptual plan for the development of wastewater collection systems on the Ross Road as presented.

MOVED: Oppert

SECONDED: Brockway

DISCUSSION: None.

MODS: None.

VOTE: 4 for, 0 opposed; the motion carried.

Having no objection from the Board members, **Price** moved ahead to agenda item #5.

Agenda Item #5: Report on Meeting with the Town of Arundel

Referring to Agenda Item Commentary of the November, 2017 Trustee's Meeting hand out, **Bolduc** opened a discussion summarizing the agenda item. Highlights included:

- KSD Staff met with representatives of the Environmental Engineering Firm of Wright Pierce with no Town of Arundel officials present;
- Technical merit discussion points included;
 - How a connection could be accomplished;
 - Cost; and
 - KSD accommodations required.
- Immediate projected flow was estimated to be 73,000 GPD;
- KSD requested details regarding possible mandatory immediate sewer tie-in and initial phased-in flow rates; and
- Possible upgrades to collection systems and how the upgrades would be funded.

Bolduc recommended to the Board funding a cost analysis study to determine what modifications have to be accomplished between the Arundel line, the collection systems, and the KSD treatment facility. The cost of the proposed study is estimated to be \$4,000.

In order to keep initial costs as low as possible, **Bolduc** further recommended analyzing only the cost of collection systems modifications and presenting the figure to Arundel for their consideration. If Arundel was willing to accept that expense portion of a possible future connection, then both parties could move forward if they so choose.

A discussion developed regarding the proposed Arundel connection, topics addressed included:

- Underwood Engineers, Inc cost would be covered by Arundel;
- BOD loading;
 - Historical rate of growth trend;
 - Projected plant capacity; and
 - Adding Arundel's estimated BOD load would force the treatment facility upgrade to be accomplished immediately.
- Relicense limits;
- Arundel would have to pay for 10% of the plant immediately;
- Cost to Arundel would be based on flow amount measured at the connection and billed at a specified rate;
- Adding Arundel would shorten the planned life span of the treatment facility;
- Arundel has also approached the Town of Biddeford for the same issue;
- The collection systems modifications study will have a quick turnaround; and
- Regardless of the outcome, the study would be beneficial to KSD.

There being no further questions or comments to come before the Board regarding this issue, and having no objection from the Board members, **Price** moved back to agenda item #1.

Agenda Item #1: Reading of the Minutes for the October 3, 2017 Monthly Meeting

Dispensing with a reading of the minutes, **Price** asked the Board for comments regarding the minutes of October 3, 2017 monthly meeting.

There being no corrections, revisions, or additions to come before the Board regarding the minutes, **Price** asked for a motion.

A motion was made to accept the minutes of October 3, 2017 as submitted.

MOVED: Oppert

SECONDED: Sharood

DISCUSSION: None

MODS: None

VOTE: 4 for, 0 opposed; the motion carried.

Having previously addressed agenda item #2, **Price** moved ahead to agenda item #3.

Agenda Item #3: Status Report on the Administrative and Maintenance Building

Referring to Agenda Item Commentary of the November, 2017 Trustee's Meeting hand out and Attachment #6 (Administrative Building Schedule and Financial Projections), **Bolduc** opened a discussion summarizing the agenda item. Highlights included:

- Change orders are expected to be very close to the estimated total of approximately \$30,000;
- The extra \$20,000 expense listed under "Miscellaneous Cost - Testing, Permitting, Legal, Utility" is attributable to:
 - Additional ongoing geotech expenses;
 - Permitting; and
 - Unexpected power (utility) expenses.
- The shed siding is complete and the roof is 50% complete;
- Landscaping trees have been planted;
- Loam and seeding has been installed;
- Ongoing interior work includes:
 - Wall stud installation;
 - Plumbing and electrical rough in;
 - Sheetrock is scheduled for next week; and
 - 1 ¼" data conduit has been installed.
- Two week look ahead schedule.

There being no further discussion to come before the Board regarding this issue, **Price** moved to the next agenda item.

Agenda Item #4: Review of the Second Draft 2018 Operation and Maintenance Budget

Referring to Agenda Item Commentary of the November, 2017 Trustee's Meeting hand out and Attachment #7 (Second Draft of the Operation and Maintenance Budget), **Bolduc** opened a discussion summarizing the agenda item. Highlights included:

- Changes that have been introduced include property insurance;
- The proposed 2018 O&M Budget is \$2,894,859 and represents a 5.8% increase over 2017; and
- The increase is mainly due to the new debt taken on to finance the new building.

Referring to "**4282 Maine PERS**" on page 38 of the Trustee's Meeting hand out, **Brockway** asked how long the \$150,000 set aside for our shares from the Maine PERS surplus will last and proposed setting the funds aside to be used when the higher debt begins, easing the rate increase to subscribers.

A discussion developed regarding use of the Maine PERS surplus funds, highlights included:

- As of October 16, 2017 the fund total was \$92,000;
- Monthly expenditure is \$6,000; and
- Time left before the fund is expended is 18 months and will be over by the end of 2018.

All agreed that since only \$74,000 would be available at the end of the year, setting the funds aside to be used when the higher debt begins would not be a viable option.

Referring to “**Rate Setting and Comparative Analysis**” on page 43 of the Trustee's Meeting hand out, **Brockway** noted a discrepancy in the “**Proposed Annual Fee for Selected Consumption Groups**” data table and comparison graph.

Bolduc replied that he discovered the error and it has been corrected.

Referring to “**7000 Treatment Plant Expenses**” on page 46 of the Trustee's Meeting hand out, **Brockway** noted that the “**2017 Projected**” column total seemed low.

Bolduc replied that he would recheck the column totals.

Bolduc reported that information regarding funds de-commitment was included in the correspondence file and asked the Board for an opinion.

Price recommended voting on the budget prior to discussing funds de-commitment and asked for a motion to approve the 2018 Operation and Maintenance Budget.

A motion was made to accept the revised 2018 Operation and Maintenance Budget as presented.

MOVED: Brockway

SECONDED: Oppert

DISCUSSION: None.

MODS: None.

VOTE: 4 for, 0 opposed; the motion carried.

Price asked **Bolduc** if he wanted direction from the Board regarding funds de-commitment.

Bolduc replied in the affirmative.

A discussion developed regarding funds de-commitment, topics of discussion included:

- When the notice to de-commit needs to be submitted; and
- The next payment will be due on May 2018.

Price recommended voting on funds de-commitment immediately to allow the manager to take whatever action is necessary as soon as possible.

A motion was made to direct the Manager to initiate action to de-commit the unspent SRF Bond funds.

MOVED: Oppert

SECONDED: Brockway

DISCUSSION: None.

MODS: None.

VOTE: 4 for, 0 opposed; the motion carried.

Having previously addressed agenda item #5, **Price** moved ahead to agenda item #6.

Agenda Item #6: Other Business...

1. Manager's Report for November 2017

Bolduc provided a summary of selected items from the Manager's Report as detailed in Attachment #2 (Manager's Report), of the November, 2017 Trustee's Packet. His comments included the following topics and highlights:

FINANCIAL AND ADMINISTRATIVE

Account Billing Software

- The new billing program is still behind schedule. Side by side running with “Sbill” has not been accomplished yet but is expected to be available by the first quarter of 2018.

Personnel

- Danny **Boissonneault** has enrolled in the Wastewater Management Course offered through JETCC; and
- Shelby **Carver** will be taking her wastewater operator certification exam.

Sharood asked for a definition of JETCC.

Bolduc replied that the acronym stood for “Joint Environmental Training Coordinating Committee.”

Continuing his Manager’s Report, **Bolduc** provided comments on the following topics:

Strategic Plan

- Staff will provide a model score sheet to the Board prior to the next meeting; and
- The Boards responses will be graphed and compared to KSD Staff responses for a future gap analysis.

COLLECTION SYSTEMS

Storm Issues

- The last pump station came online Saturday night, Nov 4,2017;
- The beach area was run on generators for almost one full week;
- The portable generator had to shuffled from station to station; and
- One portable generator failed due to damaged insulation believed to be the result of mice infestation.

Pilot House and Ports of Italy Service

- Brex completed the work on October 31, 2017;
- The eccentric fittings for both services were previously installed upside down creating a sag in the line; and
- The water line did not need to be offset.

SAFETY

- The 4th quarter safety training has been scheduled for December;
- The list of items to buy for the year has been completed; and
- Respirator fit testing is scheduled for December.

2017 CAPITAL IMPROVEMENT PROJECTS

Woodhaven Avenue

- The project was completed under budget using \$26,000 of the \$50,000 allotted;
- The remaining \$32,000 is anticipated to be used for manhole coating at Western Ave, Boothby terminus, and Lakebrook terminus; and
- All present agreed to use the unspent funds for manhole repair.

Wells Road Force Main Repairs

- Completion is anticipated for November 8, 2017.

Alewife Road Sewer Repairs

- The difference from the estimated \$275 per linear foot to the actual of \$150 per linear foot will allow more of the line to be replaced than originally anticipated.

Brown Street Pump Station Upgrade

- Pipe fitting and electrical work are in progress; and
- Sewer connection is expected to be accomplished the week of November 20, 2017.

Pumping Station Capital Improvements

- Price estimates for the Waterford Green pump station have been received at \$36,000 for 2 new pumps and a control panel.

Price asked for an explanation of the \$10,000 income reported under the heading of “Operating Revenues”, Item “Other Sewer Services”, in the column labeled “3rd Quarter 2017”, in Attachment 4A of the KSD Quarterly Budget Report, page 16 of the November, 2017 Trustee’s Packet.

Bolduc replied that he would check the figure and provide an explanation.

2. 2018 Operation and Maintenance Budget Insurance Premium and Administrative costs addendum

Bolduc distributed a handout and provided a summary of selected items from the 2018 Operation and Maintenance Budget Insurance Premium and Administrative costs addendum comparison chart (provided as enclosure (1), which is incorporated by reference into these minutes). His comments included the following topics and highlights:

- Health insurance rates increased approximately 6%;
- A proposal to move ME Municipal Employee Health PPO500 to PPO2500 as a group and self insure funding of the deductible portion;
- The examples provided depict funding to 70% of the total exposure;
- The net overall O&M savings would be approximately \$10,000;
- A decision for the program is required by December 15, 2017; and
- All present agreed to move ME Municipal Employee Health PPO500 to PPO2500 as a group and self insure funding of the deductible portion.

3. Office Hours Modification

Bolduc opened a discussion and distributed a memo from Cathy **Reim** dated November 6, 2017, RE: Office Hours Request (provided as enclosure (2), which is incorporated by reference into these minutes). His comments regarding the memo included the following topics and highlights:

- A proposal to close the KSD business office at 12:30 pm on Fridays instead of the present closing at 2:00pm;
- No hours would be lost, the reduced hours on Friday would be made up by longer hours on Monday thru Thursday;
- A notice regarding the change, would be posted in the newsletter; and
- All present agreed to change the closing time of the KSD business office from 2:00pm to 12:30 pm on Fridays.

4. Training Programs for new Board of Trustee Members

Sharood opened a discussion regarding training programs for new Board of Trustee members. His comments included the following topics and highlights:

- Undergoing training with Lift360, a Maine non-profit leadership training program focused on collaborative leadership with community nonprofit organizations;
- No established training program for KSD Board of Trustee members;
- A proposal to establish a training program which includes;
 - A list of terminology; and
 - Expectations.

Brockway suggested Maine Rural Water Association and or Maine Municipal Association as a resource for training information.

Bolduc agreed to provide contact information and training packages for both agencies.

Sharood agreed to provide a preliminary training program outline for Board review.

5. Total Nitrogen Testing

Wiley opened a discussion regarding nitrogen testing. His comments included the following topics and highlights:

- A possible explanation of why the nitrogen levels continue to increase may be because this time of year has less de-nitrification due to the cool weather;
- Organic nitrogen is also high at 2.5 to 3; and
- Staff will continue to monitor the levels from May to October.

Price suggested taking samples a various distribution point within the sewer system to identify any possible sources of abnormally high levels.

There being no further discussion to come before the Board regarding this agenda item, **Price** moved to the next agenda item.

Agenda Item #7: Adjournment

There being no further business to come before the Board at this time **Price** asked for a motion to adjourn.

A motion was made to adjourn the meeting at 8:58 p.m.

MOVED: Brockway

SECONDED: Oppert

DISCUSSION: None.

VOTE: 4 for, 0 opposed; the motion carried.

Date Signed _____

James A. Oppert, Clerk _____

KSD Board of Trustee Monthly Meeting Action Items History List

<u>Request Date</u>	<u>Action Item</u>
Jun 6, 2017	Agenda Item #5: <u>Other Business; Manager’s Report for June 2017; Operational Issues; Plant Operations;</u> Bolduc agreed to include a running monthly update of the total nitrogen testing in the Action Item History List.
Oct 3, 2017	Agenda Item #5: <u>Review of the Draft 2018 Operations and Maintenance Budget</u> Bolduc agreed to present the model used to create the “KSD Annual Sewer Rate Projections” graph to give the Board members a better understanding of all the variables used to create the graph.
Oct 3, 2017	Agenda Item #6-5: <u>Caustic Solutions In Plastic Tanks</u> Bolduc agreed to provide an evaluation of plastic tank and/or PVC fitting failure due to excessive heat buildup when caustic solutions are mixed in high concentrations.
Nov 7, 2017	Agenda Item #4: <u>Review of the Second Draft 2018 Operation and Maintenance Budget</u> Bolduc agreed to recheck the column totals of “7000 Treatment Plant Expenses” on page 46 of the Trustee's Meeting hand out.
Nov 7, 2017	Agenda Item #6: <u>Other Business...; Manager’s Report for November 2017</u> Bolduc agreed to provide an explanation of the \$10,000 income reported under the heading of “ <u>Operating Revenues</u> ”, Item “Other Sewer Services”, in the column labeled “3 rd Quarter 2017”, in <u>Attachment 4A</u> of the KSD Quarterly Budget Report, page 16 of the November, 2017 Trustee's Packet .
Nov 7, 2017	Agenda Item #6: <u>Other Business...; Training Programs for new Board of Trustee Members</u> Bolduc agreed to provide contact information and training package material for Maine Rural Water Association and Maine Municipal Association.
Nov 7, 2017	Agenda Item #6: <u>Other Business...; Training Programs for new Board of Trustee Members</u> Sharood agreed to provide a preliminary training program outline for Board review.