

KENNEBUNK SEWER DISTRICT BOARD OF TRUSTEES
MONTHLY MEETING, MARCH 1, 2016

The Board of Trustees of the Kennebunk Sewer District held its regular monthly meeting on Tuesday, March 1, 2016 in Room 301 of the Town Hall located at 1 Summer Street in Kennebunk.

Trustees present were: John E. **Price III**, Chairman
 Mark K. **Allenwood**, Vice Chairman
 James A. **Oppert**, Clerk
 Wayne A. **Brockway**, Treasurer
 Nicholas N. **Branchina**

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

Others present were: Beverly **Freudenreich**, Resident, 13 Pleasant Street

AGENDA:

1. Public Hearing on Setting Rates and Fees for 2016
2. Reading of the Minutes for the February 2, 2016 Monthly Meeting
3. Status Report on the K&E building
4. Other business...
5. Adjournment

The meeting was called to order by Chairman **Price** at 6:58 p.m.

Agenda Item #1: Public Hearing on Setting Rates and Fees for 2016

A motion was made to open the meeting for public comment.

MOVED: Oppert

SECONDED: Branchina

DISCUSSION: None.

MODS: None.

VOTE: 5 for, 0 opposed; the motion carried.

The Board members introduced themselves.

Price recognized resident Beverly **Freudenreich** and invited her comments. **Freudenreich** began a presentation which included the following highlights:

- Her residence on Pleasant Street has low flow toilets;
- Other water usage consists of three wash loads and one dish load per week; and
- Current occupancy began in 2009.

Freudenreich asked for the number of people on the sewer system.

Bolduc replied that approximately 3200 customers are on the system.

Price clarified that the district does not service West Kennebunk.

Freudenreich stated that her sewer bill is \$272 per year for 4600 gallons used of the initial allowance of 6,000 gallons. When she called the KSD office, she was informed that her new bill will be \$545, or a 50% increase.

Freudenreich asked the following series of questions:

Question: Is the rate increase for a 1 year period or will it be ongoing until the next adjustment?

Response: Rates will continue to increase annually (**Bolduc**).

Question: Will this year's average rate increase of 15.9% be increased again next year by another 15.9%?

Response: The following year's rates have yet to be determined. The increases are due to an effort to raise capital for a planned future expansion (**Bolduc**).

Question: What was last year's rate increase amount?

Response: Last year's rate increase was approximately 3%. This year's increase was due primarily to the debt recently passed for a \$3,750,000 project (**Bolduc**).

Question: Did the \$3,750,000 project go to a public vote?

Response: The project went to a public hearing similar to the one currently in progress with all customers being mailed a notice of the hearing (**Bolduc**).

Question: Was the notice mailed to the customers in their bills?

Response: The notice was either included in the bills or mailed separately (**Bolduc**).

Question: Did all residents of the town receive a notice?

Response: The notice was mailed to users only (**Bolduc**).

Question: Is the Sewer District planning a \$22,000,000 bond issue?

Response: The Sewer District is presently planning a \$20,000,000 bond issue (**Bolduc**).

Question: What portion of the \$22,000,000 is mandated for updating the sewers and what portion is anticipated for new homes in the area or expanding the sewer district?

Response: All of the \$20,000,000 would be for the expansion of the treatment plant not the Sewer District (**Bolduc**).

A discussion developed regarding the definition of "expansion" as it pertains to the treatment plant.

Price provided the following explanation in terms of how the Board regards the issue:

- The treatment facility is designed to treat the District (the buildable area east of the turnpike within the district boundaries);
- Changing Federal and State requirements have increased the amount of waste KSD has to remove from the input flow prior to discharge into the river;
- The resultant increased waste removal requirements has diminished KSD's ability to serve all of the existing rate payers;
- The treatment facility designed to service the entire District has been reduced to only being able to service existing customers and a limited capability of adding new customers that live within the district; and
- The upgrade is not an expansion of the district's boundaries, rather a regaining of the capacity it was designed for, and once had, that will enable it to service the entire District.

Continuing with her series of questions, **Freudenreich** asked the following:

Question: Is there a difference between the river discharge rates now versus future upgrade discharged rates?

Response: The discharge rate and water quality would both increase (**Price**).

Question: How long has this issue been known?

Response: At least 8 years (**Price**).

Question: Will the rate change and bond issue not go to a public vote?

Response: No, the charter contains a method for the issue to go to a public vote (**Price**).

Question: Is the bulk of the 15.9% rate increase for the purpose of debt retirement?

Response: The following explanation was presented (**Bolduc**).

- If there were no additional debt, the operational cost would increase the rate approximately 1.5% this year over last;
- The additional \$3,750,000 bond increases the rate to approximately 10%; and
- Additional future needs anticipated to build the plant increases the rate to approximately 15%.

Question: Since the increased rate will also have to be paid by the school district and town utility, will my property tax go up to cover their increased cost?

Response: The effect on the mil rate for property taxes will be very minimal (**Bolduc**).

Question: If a residence is on septic will it be forced to go on sewer?

Response: If the residence has a failing septic system and the sewer is available, the residence would be required to go on sewer if it were within 200 feet of a line (**Bolduc**).

Question: Can a residence change from being on sewer to septic?

Response: No (**Bolduc**).

Freudenreich ended her presentation commenting that “15.9% is an outrageous amount of increase.”

Price thanked **Freudenreich** for her remarks and asked if any other comments have been received.

Bolduc replied that a letter had been received asking the same questions regarding the high rate increase.

Branchina asked if increasing the rate prior to the bonding was legal.

Price replied in the affirmative.

There being no further comments or remarks to come before the Board regarding this issue, **Price** asked for a motion to close the meeting for public comment.

A motion was made to close the meeting for public comment.

MOVED: Oppert

SECONDED: Allenwood

DISCUSSION: None.

MODS: None.

VOTE: 5 for, 0 opposed; the motion carried.

A motion was made to approve the rates and fees as published in the Rate Notice dated February 2, 2016 from James Oppert, Clerk of Kennebunk Sewer District.

MOVED: Oppert

SECONDED: Allenwood

DISCUSSION: None.

MODS: None.

VOTE: 5 for, 0 opposed; the motion carried.

Price moved to the next agenda item.

Agenda Item #2: Reading of the Minutes for the February 2, 2016 Monthly Meeting

Price dispensed with the reading of the minutes and asked the Board for comments regarding the minutes for the regular monthly meeting held on February 2, 2016.

Allenwood submitted the following corrections:

- Page 5, Item #4, 1st paragraph, line 3: “GIS on the KSD.” should read “GIS on the KSD **Web Site**.”
- Page 5, Item #4, 5th paragraph, line 3: “**KSSD** is in the process” should read “**KSD** is in the process”.

Oppert submitted the following corrections:

- Page 4, Item #3, 1st paragraph, line 2 from the bottom: “mailing on March 8, 2016” should read “mailing on **February** 8, 2016”.
- Page 4, Item #4, 2nd paragraph, line 4: “Progress in being made” should read “Progress **is** being made”.

There being no further corrections, revisions, or additions to come before the Board regarding the Minutes of February 2, 2016, **Price** asked for a motion.

A motion was made to accept the minutes of February 2, 2016 as amended.

MOVED: Oppert

SECONDED: Allenwood

DISCUSSION: None.

MODS: As amended.

VOTE: 5 for, 0 opposed; the motion carried.

Price moved to the next agenda item.

Agenda Item #3: Status Report on the K&E building

Referring to Attachment #3 (Agenda Item Commentary) of the February, 2016 Trustee's Meeting Packet, **Bolduc** provided the following K&E building status report:

- One meeting with KSD Staff, selected Trustees, and Architect Jonathan **Halle** was conducted, topics discussed included:
 - Programming for the building; and
 - Size requirements for the different office spaces.
- An initial plan was reviewed and sent back with comments;
- The next meeting is scheduled for March 7, 2016; and
- Survey crews were onsite today.

Addressing the environmental remediation issues, **Wiley** provided the following update:

- Hoffman Engineering has collected more soil samples;
- Results were positive for PCB's on three of the building caulking lines;
- More samples need to be taken in the vicinity to determine the extent of the contamination; and
- 1 foot of soil on either side of the caulking line will be removed when the remediation and demolition occurs.

Bolduc added that the K&E Building Tenants exercised their option to extend the lease for 3 months.

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

Agenda Item #4: Other business...

Manager's Report for March 2016

Bolduc provided a summary of selected items from the Manager's Report as detailed in Attachment #4 (Manager's Report for March 2016), of the March, 2016 Trustee's Packet. His comments included the following topics and highlights:

- Financial and Administrative Policies:
 - Edits to the draft Accounting Policy have been sent back to MWRA for comment and updates; and
 - The document should be available for Board review in April.
- GIS:
 - Zoning map overlays from the Town, Water District data, and previous Underwood effort have all been received and are being implemented; and
 - A public WEB enabled GIS page is nearly complete.
- Equipment Issues:
 - The sodium hypochlorite tanks have arrived;
 - The existing tanks will be cleaned and removed during the week of 2/29/16;
 - The floor will be repaired and resealed on 3/7/16;

- Operational Issues:
 - The plant is running well; and
 - One RBC will be taken off line for cleaning and maintenance.
- Fuel Bids:
 - Fuel contracts end in April; and
 - KSD will go out to bid in April for next season.
- Collection Systems:
 - Beach Area, Grove Street, Doanes Wharf
 - ✓ Brex will be starting the Beach Area sewer approved last fall and should be starting Grove Street and/or Doanes Wharf in March; and
 - ✓ The Town has been contacted regarding road postings for the work.

Branchina asked **Bolduc** if KSD had any issues with the application for a sailboat restaurant.

Bolduc replied that a review of the site plan is in progress and due to the fact that it is a restaurant, sewer connection will be required. Issues of concern include:

- Grease trap location;
- Type of connection; and
- Method of pumping.

Continuing his summary of selected items from the Manager's Report, **Bolduc** addressed the following topics and issues:

- Collection Systems:
 - Sewer Backup at Brown Street
 - ✓ Total cost for the two properties was just under \$5,000.

Wiley provided the following summary from the Manager's Report as detailed in Attachment #4 (Manager's Report for March 2016), of the March, 2016 Trustee's Packet. His comments included the following topics and highlights:

- Safety:
 - The new safety manual update is in progress.

Continuing his summary of selected items from the Manager's Report, **Bolduc** addressed the following topics and issues:

- 2016 Capital Improvement Projects:
 - WWTF Design
 - ✓ Peer review report to follow this topic.
 - Doanes, Beach, and Grove
 - ✓ The project is set to begin in the spring.
 - Plant upgrade
 - ✓ A relicensing pre-submission meeting is being scheduled with DEP;
 - ✓ A basic 8 hour review has been authorized for David **Dilks**, Vice President of LimnoTech, to give a preliminary expert's review of the MEDEP model for the purpose of determining a course of action.

Brockway asked if MEDEP used the same model statewide or a specific model that is unique to the Mousam River. **Bolduc** replied that DEP uses different models in different places and added that the WASP Model will be used for the Mousam.

Allenwood confirmed that DEP uses different models and that hopefully the models are tailored to data collected in the field.

KSD Wastewater Facility Plan Peer Review

Allenwood began a summary of the Peer Review recommendations as detailed in the handout (“*Kennebunk Sewer District Wastewater Facility Plan Peer Review Recommendations*”, dated March 1, 2016, by Brown and Caldwell) provided to the Board. His comments included the following topics and highlights:

- Flows and Loads:
 - Update the data sets based on historical data and update process design based on projected maximum month flows and loads using the more robust updated data set.
- SBR Treatment Option:
 - Jet-Tech SBR should not be considered a viable option.
- Treatment Options to Consider:
 - Re-evaluate the MLE (Modified Ludzack-Ettinger) treatment option.
- Membrane Biological Reactor:
 - Evaluate MLE/MBR hybrid option further and develop a baseline present worth cost.
- Facility Plan Update:
 - Update the Facility Plan to reflect the findings of the Peer Review and correct grammatical errors.
- Preliminary Design Report:
 - A Preliminary Design Report should be developed.
- Other Considerations:
 - De-rate the proposed grit system capacity by 50%.
 - Use hydraulic formulas appropriate for pressurized flow to determine hydraulic profile.

Bolduc commented that Staff will present a proposed time line for Board review of final recommendations at next month’s (April) meeting.

Branchina asked **Allenwood** what level of maintenance expense will be incurred for this project over the 20 year life expectancy.

Allenwood replied that the operation and maintenance costs are added to the construction costs to develop an overall project cost over the 20 year life for the selected treatment process. The maintenance cost is not separated out as single review item.

Tickler List of Carryover Items

Brockway asked if any consideration was given to last meeting’s comments to develop a format for a dated carryover list of agenda items, including new and old business, using either the agenda or minutes format and if an outline will be available for the Board to review next month.

A discussion developed addressing various ideas for a tickler list, topics included:

- Not a good idea to have it as part of the agenda (**Bolduc**);
- The list should consist of action items that were not followed up on by the next month (**Price**);
- Each item should be carried until the Board decides to take it off (**Price**);
- An outline consisting of; meeting date, number at the meeting, the issue, responsible person, target date, and completion date could be used (**Branchina**);
- Listed items should be updated if any action occurs during the last period (**Price**);
- The purpose would not be to duplicate items from the managers report, but to have a list of Trustee items that don’t get tracked by other means (**Price**);

Price moved to the next agenda item.

Agenda Item #5: 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 8:20 p.m.

MOVED: Allenwood

SECONDED: Oppert

DISCUSSION: None

VOTE: 5 for, 0 opposed; the motion carried.

James A. Oppert, Clerk _____

Date Signed _____

Enclosures:

- (1) KSD Board of Trustee Monthly Meeting Action Items History List.

Kennebunk Sewer District Board of Trustees

Meeting Minutes for March 1, 2016

Enclosure (1)

<u>Request Date</u>	<u>Action Item</u>
Feb 28, 2016	Request via email from Trustee Branchina for legal opinion of the ability to raise rates for future infrastructure improvements at the WWTF Current Status: Complete – email forwarded to Trustees on March 10
Feb 2, 2016	Agenda Item #2: <u>Status Report on the K&E building</u> Price questioned whether KSD will own all the survey data or just enough resolution for 2 foot contours. Bolduc agreed that the question was valid and would get the answer from Underwood. Current Status: Complete-We have the survey data and the survey was done in 1 foot contours by Doucette.
Feb 2, 2016	Agenda Item #3: <u>Review of Rate Setting Options</u> Brockway asked if the rate projections graphs for each scenario could be superimposed on top of each other in order to see the differential. Bolduc replied in the affirmative. Current Status: Not started
Jan 5, 2016	Agenda Item #2: <u>Presentation on Building Construction Delivery Methods</u> In order for KSD to make sound scheduling decisions, Bolduc requested time durations for all components of the project. Giguere agreed to provide the necessary data. Current Status: In progress -Waiting on time frames on environmental and staff input on sequencing
Jan 5, 2016	Agenda Item #4: <u>Sodium Hypochlorite Tank Replacements</u> Price questioned the details of the manufacturer’s warranty on the new tanks. Wiley replied that he would provide the warranty information to the Board. Current Status: Complete -The warranty on the tank is 5 years, and the warranty on the floor coating is 12 months
Nov 3, 2015	Agenda Item #6: <u>Other business...</u> A motion was approved to sell the cement mixer to the Town of Kennebunk for the sum of \$1. Current Status: Complete