

KENNEBUNK SEWER DISTRICT BOARD OF TRUSTEES
MONTHLY MEETING, OCTOBER 4, 2016

The Board of Trustees of the Kennebunk Sewer District held its regular monthly meeting on Tuesday, October 4, 2016 in conference room of 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: Joseph P. **Cuetara**, SVP, Moors & Cabot, Inc. Banking & Advisory Group

AGENDA:

1. Reading of the Minutes for the September 6, 2016 Monthly Meetings
2. Draft Capital Improvement Plan
3. Approval of the Bond Resolution and Setting of a District Meeting for Design and Construction of Maintenance and Administrative Facilities
4. Proposed Financial Services Contract
5. Other Business...
6. Adjournment

The meeting was called to order by Chairman **Price** at 6:56 p.m.

Agenda Item #1: Reading of the Minutes for the September 6, 2016 Monthly Meetings

Price dispensed with the reading of the minutes and asked the Board for comments regarding the minutes of September 6, 2016.

Oppert submitted the following correction:

- Page 4, Item #6, 7th paragraph, line 8: "SQC" should read "SGC"

Price submitted the following correction:

- Page 2, Item #2, 1st paragraph, line 7: "Becker Construction" should read "Becker Structural Engineers"

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

A motion was made to accept the minutes of September 6, 2016 as amended.

MOVED: Oppert

SECONDED: Brockway

DISCUSSION: None

MODS: As noted

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

Having no objection from the Board members, and in consideration of attendee **Cuetara**, **Price** moved ahead to agenda item #4.

Agenda Item #4: Proposed Financial Services Contract

Referring to the details of Attachment # 7 (Proposed Financial Services Contract from Moors and Cabot) of the October, 2016 Trustee's Meeting hand out, **Brockway** provided a favorable review. His comments included the following topics and highlights:

- Repayment structure; and
- Rate spike attenuation.

Joseph P. **Cuetara**, SVP, Moors & Cabot, opened a discussion regarding:

- Past performance of Moors & Cabot, Banking & Advisory Group;
- Financial structuring options;
- Past, present, and future debt;
- Kennebunk demographics and bond credit rating;
- Charter changes;
- Notice requirement for bond closing;
- First principal payment due date;
- Short term financing; and
- Cash flow projections.

There being no further discussion to come before the Board regarding this issue, **Price** asked for a motion.

A motion was made to authorize the manager to execute the agreement with Moors and Cabot dated September 12, 2016 for the purpose of providing the financial bond services to the district.

MOVED: Brockway

SECONDED: Oppert

DISCUSSION: None

MODS: None

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

Price thanked **Cuetara** for his presentation and moved back to agenda item #2.

Agenda Item #2: Draft Capital Improvement Plan

Referring to Agenda Item Commentary of the October, 2016 Trustee's Meeting hand out, **Bolduc** summarized the details of Attachment # 5 (Capital Improvement Plan Financial Recommendation). Discussions of the subject included the following topics and highlights:

- 1 additional year was added to the ten year plan;
- The 2017 CIP total is \$3,665,300;
- Project timing for a favorable cash flow;
- Summary of expected bond requirements;
- Expenditure pay back utilizing future impact fees;
- Schedule of selected projects for 2017, including;
 - Upgrade to Sbill account billing;
 - Pumping Station Capital Improvements;
 - Manhole replacement on Woodhaven;
 - Replace undersized sewer on Storer Street;
 - Painting of floor and equipment (Process Bldg Basement);
 - Small Capital Equipment; and
 - Investigation and spot repairs in collection system (each year).
- Schedule of selected projects for 2018, including;
 - Doanes Wharf PS Replacement.

Bolduc noted that this draft review was presented for informational and desired modification inputs only, no motions are required.

Brockway recommended including the current debt balance for the end of 2016.

Price moved to the next agenda item.

Agenda Item #3: Approval of the Bond Resolution and Setting of a District Meeting for Design and Construction of Maintenance and Administrative Facilities

Referring to Agenda Item Commentary of the October, 2016 Trustee's Meeting hand out, **Bolduc** summarized the details of Attachment # 6 (Bond Resolution for the Administrative and Maintenance Facility). Discussions of the subject included the following topics and highlights:

- A 20% cash contribution will be provided by KSD; and
- The phrase "*principal not to exceed \$2.4 million*" should be part of the approval motion.

There being no further discussion to come before the Board regarding this issue, **Price** asked for a motion.

A motion was made to approve the Bond Resolution and to notify ratepayers within the district by mail and publication in a newspaper pursuant to the KSD Charter, Section 16 with bonds and the aggregate principal amount not to exceed \$2.4 million.

MOVED: Brockway
SECONDED: Oppert
DISCUSSION: None
MODS: None
VOTE: 4 for, 0 opposed; the motion carried.

A motion was made to set the District Meeting for 7:00P.M., Tuesday, November 1, 2016 at Kennebunk Town Hall, 1 Summer Street, Room 300.

MOVED: Oppert
SECONDED: Sharood
DISCUSSION: None
MODS: None
VOTE: 4 for, 0 opposed; the motion carried.

Price moved ahead to agenda item #5.

Agenda Item #5: Other Business...

Manager's Report for October 2016

Bolduc provided a summary of selected items from the Manager's Report as detailed in Attachment #2 (Manager's Report for October 2016), of the October, 2016 Trustee's Packet. His comments included the following topics and highlights:

- Financial and Administrative:
 - Foreclosures:
 - ✓ 15 foreclosures will be executed on December 9, 2016.
- Personnel Issues:
 - Teamster Contract:
 - ✓ The teamster contract was not ratified due to needed additional clarifications of job descriptions.
- Equipment Issues:
 - The PLC CPU in the process building failed;
 - The equipment controlled by this PLC was operated manually during the outage;
 - Excess chlorine was inadvertently injected to the contact tank due to the manual operation;
 - The event was discovered and reported by the functioning PLC in the upper room pump station;
 - The event lasted approximately 20 minutes;

- The incident was reported to the DEP; and
- The failed CPU was replaced.

Oppert asked if measures are being taken to prevent any reoccurrence of the incident.

Wiley replied that a cheaper CPU source is being researched to acquire a backup processor and existing PLC's have been identified that can be temporarily swapped to assume control from a failed unit.

A discussion developed regarding the failed PLC, highlights included:

- All 6 installed PLC in the process building are identical models;
- The cost of the repair was approximately \$8,000 to \$9,000;
- The units are approximately 11 years old;

Bolduc continued his summary of selected items from the Manager's Report which included the following topics and highlights:

- Solid Waste Disposal Issues:
 - Bids from interested vendors have been received; and
 - The contract will begin Jul 1, 2017 and will be in effect for 5 years.
- Operational Issues:
 - Due to high ammonia levels a primary clarifier was taken off line;
 - The last required sample reading for the seasonal ammonia level reading was taken today, October 4, 2016; and
 - Comments for the plant permit have been received.
- Collection Systems:
 - Brown Street:
 - ✓ Rags clogging the pump system continue to be a problem;
 - Grease and Fog:
 - ✓ A compliance letter has been mailed to the 15 to 20 locations that are in non-compliance with our FOG rules and regulations.
- Safety:
 - The next safety training session has been scheduled for October 6, 2016.

A discussion developed regarding the upcoming meeting with Underwood Engineers concerning alternative options analysis for nitrogen treatment, highlights included:

- The meeting is scheduled for October 25, 2016.

Price moved to the next agenda item.

Agenda Item #6: 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 8:27 p.m.

MOVED: Oppert

SECONDED: Brockway

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>
Jan 5, 2016	<p>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. <u>Current Status: In progress – Potential MEPDES licensing changes have delayed the schedule while we work out the implications for our plant design 9.19.2016</u></p>