

# Kennebunk Sewer District Needs Your Help

On November 7, 2023, Kennebunk Sewer District will have a referendum question on the ballot when you go to vote. This is an important issue that will allow KSD to continue to provide you with the outstanding services we offer while maintaining healthy and safe waterways and beaches for all to enjoy!

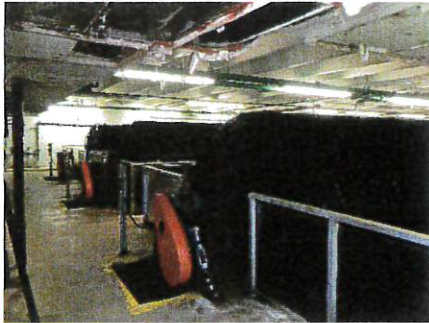


Our referendum question will simply be asking if we can raise our debt limit to a more realistic level in today's economy. With inflation of all major construction items, the old debt limit set many years ago is simply not enough to properly operate. Borrowing money and managing debt are critical functions to manage our expenses and assets. The current debt limit in our charter does not allow us to stay in compliance with future permits. The new proposed debt limit will allow us to complete the final upgrades needed at our wastewater treatment facility while staying in compliance with permits, our charter, and State law. The referendum question will read:

*"Do you favor changing the debt limit of the Kennebunk Sewer District from Thirty Million Dollars to Fifty-Five Million Dollars?"*

## "So Why Do You Need To Borrow More Money?"

This is a question you should be asking us and the reason for this mailing. KSD has been working closely with the State of Maine, Department of Environmental Protection for the past several



*Aging RBCs (Installed in 80's)*

years on our new permit conditions that will be much more stringent than any other previous permit. As you may have read in some of our prior newsletters, we have been in the middle of several major improvements at our wastewater treatment facility to get the facility ready to be able to meet these new permit conditions. The final phase of improvements is upon us. Years of planning and design are in the final stages and we are ready to begin construction on a new biological treatment process! The new biological process (known in our profession as a 4-stage bardenpho) will replace our aging and failing rotating biological contactors (RBCs). We currently would not be able to meet

the anticipated permit conditions with our existing infrastructure because it was designed and constructed for basic treatment in the early 80's. Without this upgrade, our facility would be in violation on day one of our new permit! **So, this is not a matter of wanting to upgrade, it is a matter of needing to upgrade!**

## "What is it going to cost me?"

As with any major project, most ratepayers will ask themselves the one thing on all our minds, "How much is this going to cost me?" This is a valid question and one that we have taken into consideration several years ago when we first started the planning for this major overhaul to an aging facility. Let us break down the numbers for you.

Major projects are expensive. To lessen the impact of our rates, the District will strategically utilize low interest bonds to pay for these major projects. This allows us to spread out the payments over a set amount of time, rather than a huge hit to our rates. Rate increases of 2%-5% per year

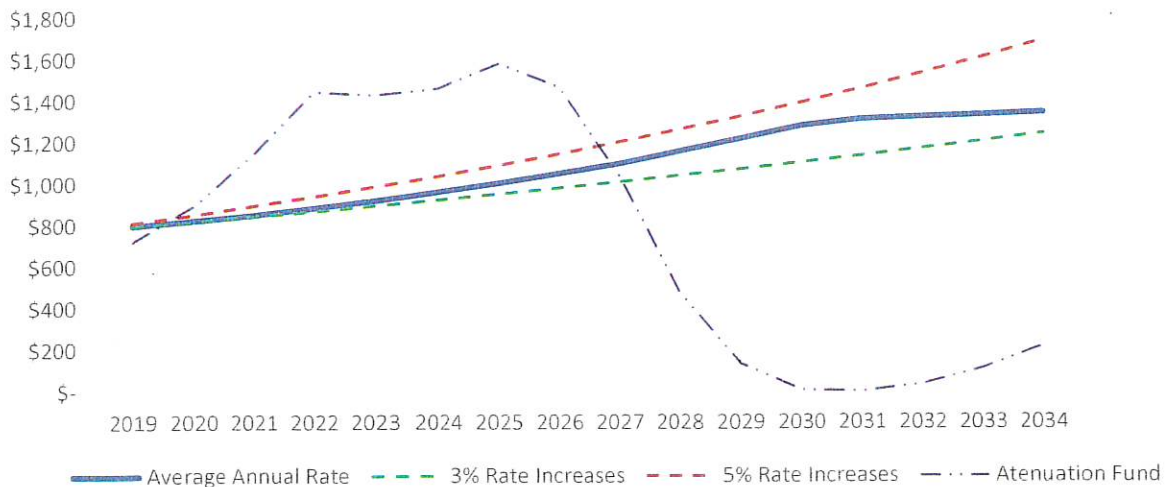
are much easier to stomach rather than getting hit with rate increases of 30+% in one year. To accomplish this, we utilize bonds to spread out the costs.

KSD currently has about \$19.3M in bonded debt. This debt is a combination of 6 different bonds of various age. The projects on these existing bonds are from major collection system upgrades, wastewater treatment facility upgrades, administrative building construction, and the design of the anticipated upgrade. The anticipated cost of the final upgrade to our facility is currently estimated around \$25M! This would put our debt over the debt limit of \$30M as currently stated in our charter, so construction of the upgrade is impossible without a change in the debt limit.

We are asking voters to allow us to raise our debt limit to allow for construction of our final phase at our wastewater treatment facility. It will also give an emergency buffer in case of any major failures in the future. At this time KSD does not anticipate any bonded projects after the slated 2024 projects.

### "Show Me The Money!"

KSD has strategically planned for this major project for years. An "attenuation fund" was created almost 10 years ago to begin saving money with excess funds to attenuate any major rate increases. With this fund, we are able to keep rate increases to a standard 3-5% increase each year throughout the duration of the projected bonding schedule. Without this fund, there would be huge jumps in rates to pay for everything, but luckily, that is not the situation we are faced with. Our diligent saving over the past 10 years will alleviate these major jumps! Please review the chart below to visually see the effects of the anticipated bond payments and the effect the attenuation fund has on covering costs in excess of 5%.



*Projected Rates and Attenuation Fund (Note: Budgets are prepared annually; this is a long-range projection)*

On November 7<sup>th</sup> we hope you get out and vote! Thanks for taking the time to understand the proposed final projects in our long coming upgrade at KSD. If you have any questions about the upcoming referendum, the projects described, or how this will affect you; please reach out to us at KSD to help answer them.



Kennebunk Sewer District  
 44 Water Street, Kennebunk  
 (207)985-4741  
[cgallant@ksdistrict.org](mailto:cgallant@ksdistrict.org)