

KKW

WATER DISTRICT REPORT

The Kennebunk, Kennebunkport and Wells Water District is a quasi-municipal public water utility that was established in 1921 by an act of the Maine State Legislature. The District serves an area that encompasses the Towns of Kennebunk, Kennebunkport, Wells, Ogunquit, Arundel and small portions of Biddeford and York. The area includes a population which varies seasonally from about 30,000 to over 100,000. It is directed by a four-member Board of Trustees, one each elected from the Towns of Kennebunk, Kennebunkport, Wells and Ogunquit.

From a financial perspective, 2013 represented an above average year for the District. Compared with the prior year, 2013 saw a 4.5% increase in water production, a \$197,000 increase in revenues and a \$302,000 increase in operating costs (which do not reflect depreciation, regulatory fees and debt service). All of this contributed to a projected net income for 2013 of approximately \$188,000, as compared to a net income of \$375,000 in 2012. Such net income fluctuations from year to year are normal, as certain periodic maintenance items, such as water storage tank painting, are charged off in the year they occur.

The somewhat sluggish economy of the past five years has, at least on a local level, picked up a bit with the District experiencing relatively healthy growth (195 new customers, as compared to 190 in 9.5 aquifers for the upcoming summer. The dry weather, combined with a slight uptick in the economy, resulted in a total annual water production of 1.073 billion gallons, as compared to 1.026 billion gallons produced during 2012 and 0.964 billion gallons in 2011. The District's recently-developed groundwater sources were once again instrumental in helping the District meet customer water demands without the need for purchasing additional water from neighboring utilities. These groundwater sources produced 397 million gallons (37%) of all of the District's water production for 2013.

As previously reported, the District is developing an additional high-quality groundwater supply in the Alewife area of Kennebunk. Dur-

ing 2013, the new Kennebunk River Well produced 86 million gallons of groundwater. In addition to producing some of the highest quality groundwater derived from any local production well, the test produced some valuable data which will assist in the design of a permanent water treatment facility along Kimball Lane, which is planned for construction in 2014. As usual, this facility is being designed and built primarily by District staff, assuring an efficient design and quality workmanship. This facility will be financed by a low-interest State Revolving Fund (SRF) financing package, consisting of a \$375,000, 20-year bond at an interest rate of about 1.1%.

This was the third year in a row that the District has been successful in being awarded a low-interest SRF financing package. Since 2008, through SRF financing, the District has installed \$5.0 million of infrastructure to date at a total bonded cost of \$4.6 million, at an average bond interest rate of only 1.0%.

With all of the recent discussion relating to the poor condition of America's infrastructure, the District is proud of the condition of its facilities. For the past 30-plus years, the District has averaged replacing nearly 1% of its distribution system per year. This falls squarely within the desired water industry goal of 1% per year, based upon an expected 100-year usable life for water mains. Very few other water utilities have maintained this aggressive (yet appropriate) replacement schedule. The District has accomplished this task while keeping its water rates below the average of those of all other water utilities in Maine.

The District is proud to have once again been presented (as it was in 2009 and 2011) with the SHAPE award by Maine's Department of Labor and Bureau of Labor Standards. This award, whose acronym stands for "Safety and Health Award for Public (Sector) Employers", bestows "the highest honor for promoting and consistently improving conditions for the safety and health of employees" in the workplace. Although the District is grateful to achieve such recognition, the safety of its employees is the greatest reward.

The following is a partial list of distribution projects funded and installed by the District during 2013. These projects typically relate to our goal of coordination with State and Town roadway projects, optimizing water quality, enhancing fire suppression capabilities and improving system reliability by replacing outdated and substandard

facilities with an eye toward accommodating anticipated growth.

- Fortunes Rocks Road, Biddeford: Completed the final phase of this two-year SRF funded project, which included the replacement of 2,350 feet of old 8 and 10-inch cast iron water main with 12-inch PVC main. (In conjunction with a City of Biddeford road rebuilding project and for water quality, system reliability and fire suppression improvement.)
- Old King's Highway, Biddeford: Replaced 1,200 feet of old 10-inch cast iron main with 12-inch PVC main. (For water quality, system reliability and fire suppression improvement.) This project utilized remaining approved SRF funds that resulted from being significantly under budget with the adjacent Fortunes Rocks Road project. The District incorporated a relatively new technology, called "pipe bursting", in which the existing pipe is cut open (burst) as a new pipe is simultaneously pulled behind the cutter head.
- Western Avenue, Kennebunk: Replaced 900 feet of old 10-inch cast iron and 12-inch ductile iron main with 12-inch polyethylene (PE) and ductile iron (D.I.) main. (In conjunction with a Maine DOT bridge replacement project.)
- High Street, Kennebunk: Replaced 1,100 feet of old 6-inch cast iron main with 12-inch PVC main. (In conjunction with a Town of Kennebunk road rebuilding project and for water quality and system reliability.)
- Brown Street Kennebunk: Replaced 1,180 feet of old 6-inch cast iron main with 8-inch PVC main. (In conjunction with a Town of Kennebunk road rebuilding project and for water quality and system reliability.).
- Great Hill Road, Kennebunk: Replaced 2,700 feet of old 8-inch cast iron main with 8-inch PVC main, utilizing "pipe bursting" technology. (In conjunction with a Town of Kennebunk road rebuilding project and for water quality and system reliability.)
- Route 1 (York Street), Kennebunk: Replaced (relocated) 2100 feet of 16-inch cast iron main within the abandoned Atlantic Shore Railroad right-of-way with a 20-inch ductile iron main

within the York Street right-of-way. (Financed primarily by funds acquired by the Town of Kennebunk).

In addition to the above projects, individuals and developers funded several water main extensions totaling 5,600 feet in length.

Drinking water quality remains a top priority. We are pleased to report that in addition to making significant water quality improvements with our unique blending of groundwater and surface water, all State and Federal water quality standards were met during 2013. By maintaining a dedicated, well-trained staff and continually upgrading our process equipment and control systems, we continually assure the highest degree of reliability in the quality of drinking water for our customers.

District customers and all other interested parties are welcome to contact us at our business office at 92 Main Street in Kennebunk or visit our website at www.kkw.or. Electronic bill notifications, reminders, as well as online payment options are all available and tailored to suit our customer's needs. Current and past issues of the District's popular semi-annual newsletter *What's on Tap* are also on our website. As always, we welcome your input, as the District's mission is *to provide the best quality of water and customer service at the lowest reasonable cost.*

The Trustees of the District appreciate the continuing effort and dedication of their employees, as well as the support and cooperation of their customers, area contractors and State and local municipal officials.

Respectfully submitted,

James E. Burrows, **President**
Thomas P. Oliver, **Vice President**
Richard H. Littlefield, **Trustee**
Robert A. Emmons, **Trustee**

Normand R. Labbe, P.E. **Superintendent**
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