

**Town of Kennebunkport  
Board of Selectmen Meeting  
Village Fire Station-32 North Street  
June 9, 2016 – 7:00 PM**

Minutes of the Selectmen Meeting of June 9, 2016

**Selectmen present:** Stuart E. Barwise, Patrick A. Briggs, Allen A. Daggett, and Edward W. Hutchins, Sheila Matthews-Bull

**Others present:** Dean Auriemma, Dan Beard, Karen Bubar, Steve Clifton, Michael Davis, David James, Arlene McMurray, Allan Moir, Laurie Smith, Lisa Vickers, and others

**1. Call to Order.**

Chair Matthews-Bull called the meeting to order at 7:05 PM.

**2. Approve the May 23 and 26, 2016, selectmen meeting minutes.**

**Motion** by Selectman Daggett, seconded by Selectman Hutchins, to approve the May 23, 2016, selectmen meeting minutes. **Vote:** 5-0.

**Motion** by Selectman Daggett, seconded by Selectman Briggs, to approve the May 26, 2016, selectmen meeting minutes. **Vote:** 5-0.

**3. Public Forum (This is an opportunity for anyone who wants to address Board of Selectmen with any issue that is not on the agenda.)**

Karen Bubar said she wanted to introduce herself. She has been the new principal of Consolidated School for five months now.

**4. Consider a renewal liquor license application submitted by US Hotels New England LLC, US Hotels New England Management Corp, d.b.a. The Breakwater Inn, 133 Ocean Avenue.**

**Motion** by Selectman Barwise, seconded by Selectman Hutchins, to approve the renewal liquor license application submitted by US Hotels New England LLC, US Hotels New England Management Corp, d.b.a. The Breakwater Inn, 133 Ocean Avenue. **Vote:** 5-0.

**5. Consider a renewal special amusement permit submitted by US Hotels New England LLC, d.b.a. The Breakwater Inn, 133 Ocean Avenue.**

**Motion** by Selectman Barwise, seconded by Selectman Hutchins, to approve the renewal special amusement permit submitted by US Hotels New England LLC, d.b.a. The Breakwater Inn, 133 Ocean Avenue. **Vote:** 5-0

Chair Matthews-Bull added that this location was inspected and approved by the police chief, fire inspector, and the code enforcement officer.

**6. Consider an application from Eco-Analysts, Inc. on behalf of Geoff, Justin, and Andrew Molson for a proposed 4 ft by 44 foot pier, ramp, and float located at 55 Maine Street.**

Lisa Vickers of Eco-Analysts explained that their initial application did not meet the ordinance setbacks, so they moved the dock to meet the setbacks.

Selectmen Daggett mentioned that there are propane tanks that should be removed.

Ms. Vickers assured him they would be removed.

**Motion** by Selectman Barwise, seconded by Selectman Daggett, to approve the application from Geoff, Justin, and Andrew Molson for a proposed 4 ft by 44 foot pier, ramp, and float located at 55 Maine Street to move forward to Planning Board review. **Vote:** 4-0-1/Selectman Hutchins abstained because he was not present at the sitewalk.

**7. Presentation of sewer rate study by Steve Clifton of Underwood Engineers.**

Steve Clifton explained that for the sewer rate study he had to select a test year, so they selected 2013. (See Exhibit A for his PowerPoint presentation.) The conclusion of his study was to stay with the Town's current method of using the flat rate per sewer unit.

**Motion** by Selectman Briggs, seconded by Selectman Daggett, to accept the recommendation of the Sewer Rate Study performed by Underwood Engineers, Inc. **Vote:** 5-0.

**8. Discussion of donation from Cape Porpoise Fire Company of engine for Cape Porpoise fire boat.**

Dan Beard asked the Board to consider purchasing a replacement engine for the rubber raft located at the Cape Porpoise Fire Station for the Atlantic Volunteer Engine Company. If the Town were to make this purchase, it could be purchased at a reduced price using the General Services Administration (GSA) pricing, and the Fire Company would reimburse the Town. The Atlantic Volunteer Engine Company is not eligible for GSA pricing because it is a private organization. The difference in price is 7%. He said the old engine had 20 hp. The new one will have 30 hp and cost approximately \$4,500 if purchased from North Atlantic Inflatables.

**Motion** by Selectman Hutchins, seconded by Selectman Barwise, to accept the donation from the Cape Porpoise Fire Company, a.k.a. the Atlantic Volunteer Engine Company to purchase a replacement engine from North Atlantic Inflat-

ables at a cost of approximately \$4,500. **Vote:** 5-0.

Fire Chief Allan Moir added that he would like the Atlantic Volunteer Engine Company to have the old engine to dispose of it. The Town Manager will check on this since the Town owns it.

#### **9. Discuss drone signage at Goose Rocks Beach.**

Chair Matthews-Bull said the Town Attorney reviewed the language for the drone signage and is fine with "The Town of Kennebunkport requests no drone use at Goose Rocks Beach" along with a no drone visual, as long as it has "requests" in the language.

**Motion** by Selectman Hutchins, seconded by Selectman Barwise to approve the signage stated above as recommended by the Town Attorney. **Vote:** 5-0.

#### **10. Other business.**

##### **a. Consider alternative date for June 23 Selectmen's Meeting and discuss summer schedule.**

Town Manager Laurie Smith mentioned the need to change the date of June 23 Selectmen's Meeting. The Board agreed to have it on June 22, at 9 AM, in her office at Town Hall if the agenda is small, or at the Village Fire Station if the agenda is big.

The Board discussed the summer schedule and was agreeable to having one night meeting per month, and a second short meeting to approve the Treasurer's Warrant.

Chair Matthews-Bull thanked the Board for its cooperation while she was chair.

Selectman Hutchins reminded everyone to come out and vote next Tuesday.

Ms. Smith made two announcements: 1) Town Meeting will be held at the Village Fire Station on June 18, instead of Consolidated School; and 2) there will be an open house for Town Clerk April Dufoe's retirement on June 22, from 4:00 to 6:30 PM, at the Atlantic Hall.

Ms. Smith also passed out thank you letters to the Board from Travon Bradford. He was the student intern who worked at the town hall for two weeks.

#### **11. Approve the June 9, 2016, Treasurer's Warrant.**

**Motion** by Selectman Barwise, seconded by Selectman Hutchins, to approve the June 9, 2016, Treasurer's Warrant. **Vote:** 5-0.

**12. Adjournment.**

**Motion** by Selectman Barwise, seconded by Selectman Hutchins, to adjourn.

The meeting adjourned at 7:58 PM.

Submitted by

Arlene McMurray  
Administrative Assistant

# Kennebunkport Sewer Department Sewer Rate Study

June 9, 2016  
Steve Clifton, P.E.  
Underwood Engineers, Inc  
Portsmouth, NH.



**UNDERWOOD**  
engineers

## Test Year 2013



**UNDERWOOD**  
engineers

# Kennebunkport Sewer Department

## Test Year 2013

- Obtained Kennebunk, Kennebunkport, Wells (KKW) Water District data including account consumption, user class, type and meter size
- Wastewater Treatment Plant Data

## Revenue Requirements in 2013

Average Revenue Required based on average of 2013 and 2014 Budget - \$1,114,180

- 2013 billed consumption – 11,426,250 c.f.



## System Information

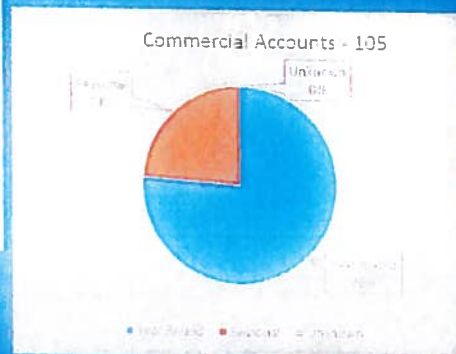
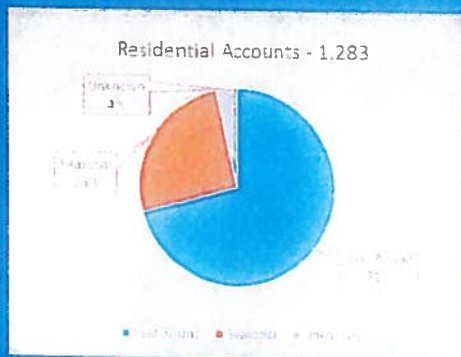




## Kennebunkport Sewer Accounts (Year 2013)

Class	Residential		Commercial		Total	
	Accounts	Sewer Units	Accounts	Sewer Units	Accounts	Sewer Units
Year Round	909	1,064	80	774	989	1,838
Seasonal	328	364	25	142	353	506
Unknown	46	52	0	0	46	52
<b>Total</b>	<b>1,283</b>	<b>1,480</b>	<b>105</b>	<b>916</b>	<b>1,388</b>	<b>2,396</b>

## Kennebunkport Sewer Account Types (2013)



## Residential and Commercial Water Usage

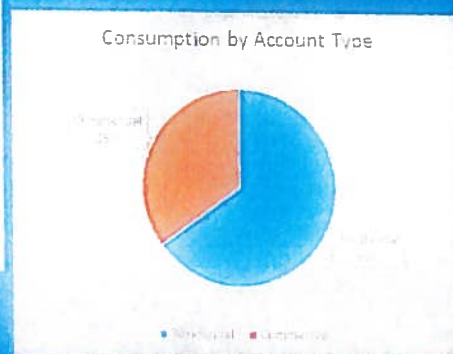
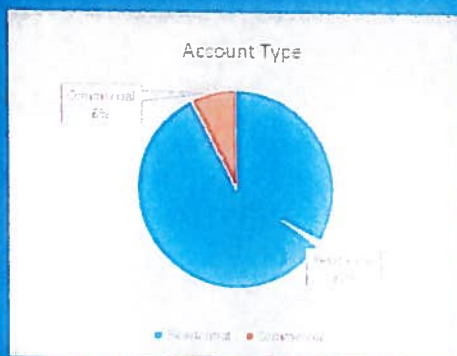
Account Type	Number of Accounts	Water Usage (CF)	% of Usage	No. of ERU's*
Residential	1,283	7,435,550	65%	1,179
Commercial	105	3,990,700	35%	633
<b>Total</b>	<b>1,388</b>	<b>11,426,250</b>	<b>100%</b>	<b>1,812</b>

CF – Cubic Feet (7.48 gallons)

ERU – Equivalent Residential Unit



## Residential and Commercial Water Usage





# Kennebunkport Sewer Department

## Capital Improvements Program (CIP)

Funded through Bonded Debt and Town Tax Rate

- \$2M 2017 PS Upgrades, WWTF Upgrades
- \$7M Sewer Lines  $\geq$  YR 2025
- Past practice is for 60% to go on tax rate and 40% on sewer user rate

## The Yard Stick

# Kennebunkport Sewer Department

## Equivalent Residential User (ERU)

- Average consumption from a year-round residence
- Can be used as the yardstick for comparing different users to the average

# Kennebunkport Sewer Department

## Equivalent Residential User (ERU)

- For the Test Year 2013, the average residential user was billed 6,305 cubic feet.

**6,305 cubic feet per year**

**41,161 gallons per year**

**129 gallons per day**



# Kennebunkport Sewer Department

## Cost of Service

- Flow = 50% of budget, Cost = \$0.04876 per c.f.
- BOD = 25% of budget, Cost = \$0.59 per pound of BOD
- TSS = 25% of budget, Cost = 0.80 per pound of TSS

Assuming ERU with a water usage of 6,305 c.f.,  
BOD<sub>5</sub> of 190 mg/L, and TSS of 210 mg/L

**Total cost of service = \$417 per year**

**In evaluating billing methods, this is the cost  
which we are trying to achieve and is the most  
equitable**

## Budget Fixed and Variable Costs

# Kennebunkport Sewer Department

## Fixed and Variable Cost Allocations

- 85% Fixed costs, assuming labor is fixed
- 15% Variable costs
- 2013 total budget = \$1,114,180



# Kennebunkport Sewer Department

## Fixed and Variable Cost Allocations

- Fixed Costs =  $0.85 \times \$1,114,180 = \$947,053$
- Non-user revenue (assumed fixed) = \$117,000
- Cost of KKW data (assumed fixed) = \$8,842
- Net fixed budget =  $\$947,053 - \$117,000 + \$8,842 = \mathbf{\$838,895}$
- Variable Costs =  $0.15 \times \$1,114,180 = \mathbf{\$167,127}$





# Billing Methods



## Kennebunkport Sewer Department

Four Alternative Billing Methods presented

1. Flat Rate per sewer unit
2. Sewer Unit and Consumption
3. Meter Size and Consumption
4. Town Staff Method (Similar to Wells Sewer District)

- Billing Methods must generate the same revenue requirements (\$997,180)



## Flat Rate Billing Method per Sewer Unit

## Kennebunkport Sewer Department

### Flat Rate Billing Method

- \$416 per sewer unit
- 1,388 accounts yield 2,396 Sewer Units
- 2,396 sewer units on the system
- Cost per Sewer Unit =  $\frac{\$997,180}{2,396 \text{ Sewer Units}} = \$416$



# Sewer Unit and Consumption Rate Billing Method



## Kennebunkport Sewer Department

### Sewer Unit and Consumption Rate Billing Method

- Fixed costs on Sewer Unit
  - \$350 per sewer unit
  - $$\frac{\$838,895}{2,396 \text{ Sewer Units}} = \$350 \text{ per sewer unit}$$
- Variable costs on consumption
  - $\$167,127 \div 11,426,250 \text{ c.f.} = \$0.0146 \text{ per cubic foot of water (7.48 gallons)}$
  - $11,426,250 \text{ cf} \times 0.0146 \text{ per c.f.} = \$167,127$



# Kennebunkport Sewer Department

## Meter and Consumption Rate Billing Method

- Fixed costs on meter size
- Meter size ratio per AWWA
- Variable costs on consumption

# Kennebunkport Sewer Department

## Meter and Consumption Rate Billing Method

- Meter size ratio per AWWA

Meter Size	Demand Charge
$\frac{5}{8}$ inch meter	1.0
$\frac{3}{4}$ inch meter	1.1
1 inch meter	1.4
1 $\frac{1}{2}$ inch meter	1.8
2 inch meter	2.9



# Kennebunkport Sewer Department

## Meter and Consumption Rate Billing Method

- Fixed costs on meter size
  - Number of Equivalent Meters (5/8 in)
    - 1,414 Equivalent Meters
    - $\frac{\$838,895}{1,414 \text{ Equivalent Meters}} = \$593 \text{ per equivalent meter}$
    - $1,414 \times \$593 = \$838,895$
  - Variable costs on consumption
    - $\$167,127 \div 11,426,250 \text{ c.f.} = \$0.0146 \text{ per cubic foot of water (7.48 gallons)}$
    - $\$0.0146 \text{ per cubic foot} \times 11,426,250 \text{ cf} = \$167,127$



# Kennebunkport Sewer Department

## Town Staff Method (Wells Sewer District)

- Three components and associated budget:
  - Debt Service - \$50,147
  - Support Systems - \$788,748
  - Variable O&M - \$167,127
  - Debt Service and Support System are associated with fixed costs and are equal to the net fixed budget.



# Kennebunkport Sewer Department

## Town Staff Method (Wells Sewer District)

- Component cost based on water units
  - Water units per account = c.f. used per account  $\div$  c.f. used per average year round residential user (6,305 c.f.)
  - Minimum of 1 water unit per account
  - Total water units = 2,308
- Debt retirement =  $\$50,147 \div 2,308 = \$21.73$  per water unit
- Support Systems =  $\$788,748 \div 2,308 = \$341.79$  per water unit
- Variable O&M =  $\$167,127 \div 2,308 = \$0.0146$  per c.f.



# Kennebunkport Sewer Department

## User Rate Impacts for ERU (2013)

Billing Method	Consumption	Sewer Units	Meter Size	Annual Cost	New Cost	% Change
Existing Flat Rate (Adjusted)	6,305 CF	1	5/8 in	\$416	\$416	0%
Sewer Unit & Consumption	6,305 CF	1	5/8 in	\$416	\$442	6%
Meter & Consumption	6,305 CF	1	5/8 in	\$416	\$685	65%
Town Method	6,305 CF	1	5/8 in	\$416	\$456	10%

Note: The estimated true cost based on flow and strength is \$417 per year  
See Handout - Table 3.7 in Report



Table 3.7 Selected Sewer User Bills for 2013 Rate Models

Description	Sewer Units	Meter Size	Annual Cubic Feet	Annual Cost (Current-Adjusted)	Annual Cost (Proposed)	% Increase
<b>Proposed Rate Increase</b>						
<b>Residential Single Unit (Very low user)</b>						
Existing Flat Rates (Adjusted)	1	5/8"	1 800	\$416	\$416	0%
Sewer Unit and Consumption	1	5/8"	1,800	\$416	\$376	-10%
Meter and Consumption	1	5/8"	1 800	\$416	\$620	49%
Town Model	1	5/8"	1 800	\$416	\$390	-6%
<b>Residential Single Unit (Average ERU in Kennebunkport)</b>						
Existing Flat Rates (Adjusted)	1	5/8"	6 305	\$416	\$416	0%
Sewer Unit and Consumption	1	5/8"	6 305	\$416	\$442	6%
Meter and Consumption	1	5/8"	6 305	\$416	\$685	65%
Town Model	1	5/8"	6 305	\$416	\$456	10%
<b>Residential Single Unit (Higher user)</b>						
Existing Flat Rates (Adjusted)	1	5/8"	21 500	\$416	\$416	0%
Sewer Unit and Consumption	1	5/8"	21,500	\$416	\$665	60%
Meter and Consumption	1	5/8"	21,500	\$416	\$908	118%
Town Model	1	5/8"	21,500	\$416	\$1,554	274%
<b>Residential Double Unit (ERU Flow)</b>						
Existing Flat Rates (Adjusted)	2	5/8"	6 305	\$832	\$832	0%
Sewer Unit and Consumption	2	5/8"	6 305	\$832	\$792	-5%
Meter and Consumption	2	5/8"	6 305	\$832	\$685	-18%
Town Model	2	5/8"	6 305	\$832	\$456	-45%
<b>Commercial (Very Low User)</b>						
Existing Flat Rates (Adjusted)	1	5/8"	2 000	\$416	\$416	0%
Sewer Unit and Consumption	1	5/8"	2,000	\$416	\$379	-9%
Meter and Consumption	1	5/8"	2 000	\$416	\$622	50%
Town Model	1	5/8"	2 000	\$416	\$393	-6%
<b>Commercial (Moderate Flow)</b>						
Existing Flat Rates (Adjusted)	4	5/8"	11 200	\$1,665	\$1 665	0%
Sewer Unit and Consumption	4	5/8"	11 200	\$1,665	\$1,564	-6%
Meter and Consumption	4	5/8"	11 200	\$1,665	\$757	-55%
Town Model	4	5/8"	11 200	\$1,665	\$810	-51%
<b>Commercial (Very High User)</b>						
Existing Flat Rates (Adjusted)	18	3/4"	99 900	\$7 491	\$7 491	0%
Sewer Unit and Consumption	18	3/4"	99 900	\$7 491	\$7,763	4%
Meter and Consumption	18	3/4"	99 900	\$7,491	\$2 114	-72%
Town Model	18	3/4"	99 900	\$7 491	\$7,221	-4%



# Kennebunkport Sewer Department

## Recommendations

1. Stay with current method of billing using a flat rate per sewer unit
2. Identify causes of high strength waste and Institute a surcharge system for high strength waste
3. Raise septage fees to \$155 per 1,000 gallons
4. Raise rates in anticipation of rising costs