

Kennebunk Light & Power District
4 Factory Pasture Lane
Kennebunk, Maine 04043
(207) 985-3311
www.klpd.org

**BOARD OF TRUSTEES BUSINESS MEETING AGENDA
TUESDAY, NOVEMBER 19, 2019
DISTRICT OFFICES @ 5:00 PM**

- | | | |
|-------|---|------|
| I. | CALL TO ORDER | 5:00 |
| II. | BOARD REVIEW SEPTEMBER AND OCTOBER, 2019 FINANCIALS | 5:05 |
| III. | BOARD CONSIDERATION OF 2020 OPERATING BUDGET FOR APPROVAL | 5:15 |
| IV. | ROSS ROAD PROJECT UPDATE | 5:45 |
| V. | GENERAL MANAGER'S REPORT | 6:00 |
| | a. NOTIFY BOARD OF TRUSTEE KILBOURN'S RESIGNATION | |
| | b. REMINDER OF DECEMBER 20, 2019 TRUSTEES HOLIDAY PARTY
6-9 PM | |
| | c. ASPLUNDH TREE TRIMMING UPDATE | |
| | d. CONFIRM DECEMBER 3, 2019 MEETING WITH AFH | |
| VI. | PUBLIC COMMENT PERIOD (LIMITED TO 15 MINUTES TOTAL) | 6:20 |
| VII. | NEXT MEETINGS: DECEMBER 3, 2019, ADDITIONAL TBD | 6:35 |
| VIII. | BOARD RECOMMENDATION FOR AGENDA ITEMS FOR NEXT MEETING | 6:40 |
| IX. | ADJOURN | 6:45 |

Kennebunk Light and Power District
Notes to Financial Statements
September 2019

REVENUES

KWH SALES	2019	2018	Variance
kwh sales Delivery & Transmission	9,242,388	10,736,766	(1,494,378)
minus Corning	1,653,500	1,958,400	(304,900)
kwh sales Energy and RNS:	7,588,888	8,778,366	(1,189,478)
ENERGY REVENUE	2019	2018	Variance
Energy Sales	\$ 644,914	\$ 736,784	\$ (91,870)
RNS REVENUE	2019	2018	Variance
RNS Sales	\$ 174,770	\$ 202,402	\$ (27,632)
TRANSMISSION REVENUE	2019	2018	Variance
Transmission Sales	\$ 48,328	\$ 56,017	\$ (7,688)
DELIVERY REVENUE	2019	2018	Variance
Delivery Sales	\$ 241,963	\$ 271,140	\$ (29,177)

EXPENSES

Department	Actual	Budget	Variance	Notes
General plant operations,	\$ 122,200	\$ 50,117	\$ 72,083	\$69,825 for Asplundh tree trimming
Customer accounting and collections	12,246	15,070	(2,825)	
Administration	84,769	87,698	(2,929)	
Other expense	39,976	40,300	(324)	

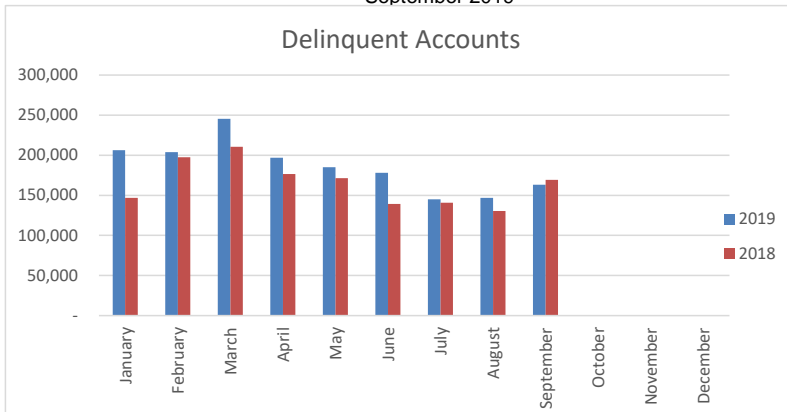
**KENNEBUNK LIGHT & POWER DISTRICT
STATEMENT OF REVENUES AND EXPENSES**

	MONTHLY			YTD			ANNUAL
	September 2019 Actual	September 2019 Budget	September 2018 Actual	2019 Actual	2019 Budget	2018 Actual	2019 Budget
Revenue							
Energy revenue	\$ 644,914	\$ 768,813	\$ 736,784	\$ 6,065,761	\$ 6,250,192	\$ 5,989,807	\$ 8,188,525
PV returned to grid	5,028	4,167	4,085	33,874	26,041	25,531	
Power expense	(585,282)	(768,813)	(607,708)	(6,105,279)	(6,250,192)	(5,866,901)	(8,188,525)
PV Credits	(5,028)	(4,167)	(4,085)	(33,874)	(26,041)	(25,531)	-
Net energy revenue	59,631	0	129,076	(39,518)	0	122,906	-
RNS revenue	174,770	197,730	202,402	1,629,457	1,613,799	1,651,935	2,118,456
RNS expense	(153,129)	(197,730)	(182,357)	(1,367,552)	(1,613,799)	(1,445,368)	(2,118,456)
Net RNS revenue	21,641	-	20,045	261,906	-	206,567	-
Transmission revenue	48,328	55,400	56,017	446,144	425,891	430,631	566,805
Transmission expense	(29,640)	(55,400)	(28,788)	(281,833)	(425,891)	(326,438)	(566,805)
Net transmission revenue	18,689	-	27,229	164,311	-	104,193	-
Solar revenue	30,471	-	-	228,244	-	-	-
Solar expense	(30,471)	-	-	(228,244)	-	-	-
Net solar revenue	-	-	-	-	-	-	-
Net energy and transmission revenue	99,961	0	176,350	386,698	0	433,666	-
Delivery revenue	192,493	216,662	222,360	1,779,795	1,735,969	1,803,113	2,285,641
Minimum charge revenue	49,470	48,990	48,780	443,257	440,906	363,561	587,874
Other revenue	10,885	6,549	9,930	177,534	58,940	155,460	78,587
Hydro production	-	5,417	-	21,602	48,750	58,853	65,000
Total Revenue	352,809	277,617	457,420	2,808,886	2,284,565	2,814,654	3,017,102
Expenses							
General plant operations, maintenance and distribution	122,200	50,117	42,011	575,168	472,522	467,742	748,837
Customer accounting and collections	12,246	15,070	12,800	118,529	146,624	124,618	169,372
Administration	84,769	87,698	75,041	935,869	955,767	813,939	1,152,310
Other expense	39,976	40,300	41,095	359,781	362,700	369,852	483,600
KLPD electrical usage	831	1,475	1,350	20,479	18,312	16,762	26,000
Total Expense	260,022	194,661	172,297	2,009,826	1,955,926	1,792,913	2,580,119
Net gain/(loss)	\$ 92,787	\$ 82,956	\$ 285,123	\$ 799,059	\$ 328,639	\$ 1,021,740	\$ 436,982

**KENNEBUNK LIGHT & POWER DISTRICT
STATEMENT OF FINANCIAL POSITION**

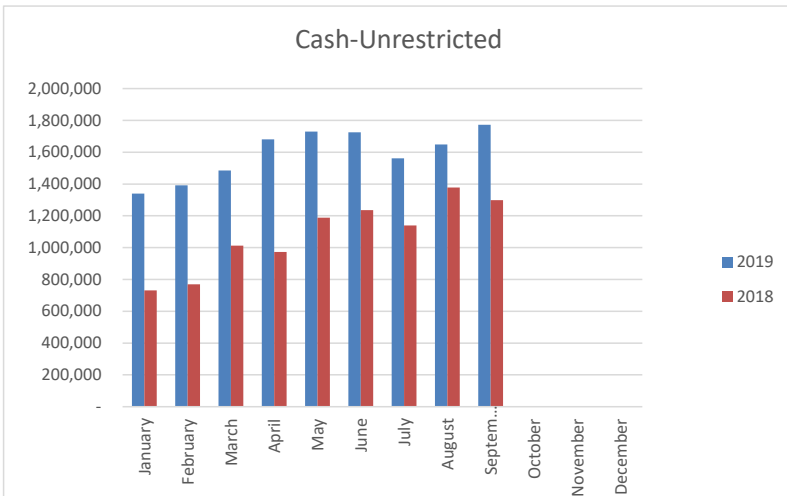
	September 2019	September 2018
Assets		
Cash and short-term investments	2,668,620	1,945,019
Accounts receivable	1,081,749	1,275,283
Fixed assets and property	10,115,780	10,023,297
Other assets	700,313	1,086,196
Total assets	14,566,462	14,329,795
Liabilities		
Accounts payable	907,007	861,038
Payroll liabilities	18,860	16,789
Long-term liabilities	2,220,956	2,460,281
Other liabilities	939,547	1,174,442
Total liabilities	4,086,369	4,512,549
Equity		
Surplus	9,682,156	8,837,597
Current year excess revenue	797,936	979,649
Total equity	10,480,092	9,817,246
Total liabilities & equity	14,566,462	14,329,795

Kennebunk Light & Power District
September 2019



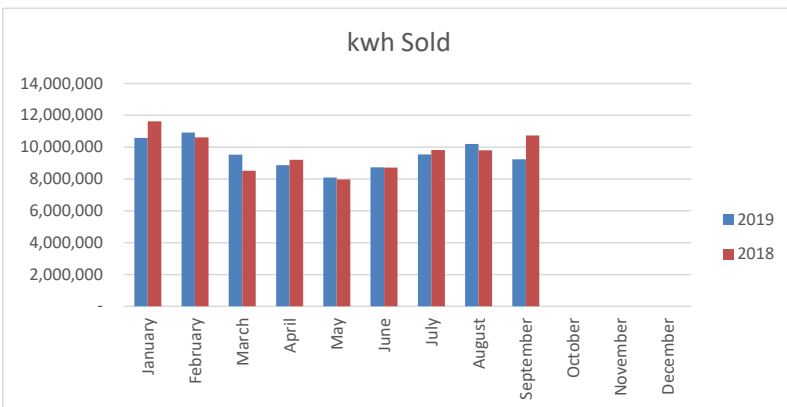
Aging	2019	2018
29 to 60 days	93,999	95,871
61 to 90 days	22,607	17,483
91 days +	46,597	55,999
Total	163,203	169,353

Delinquent accounts as a % of current month's sales:	14.18%	13.80%
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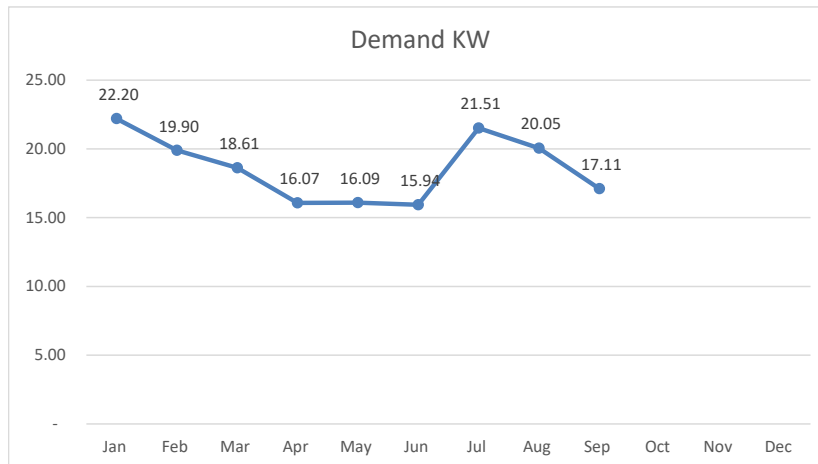
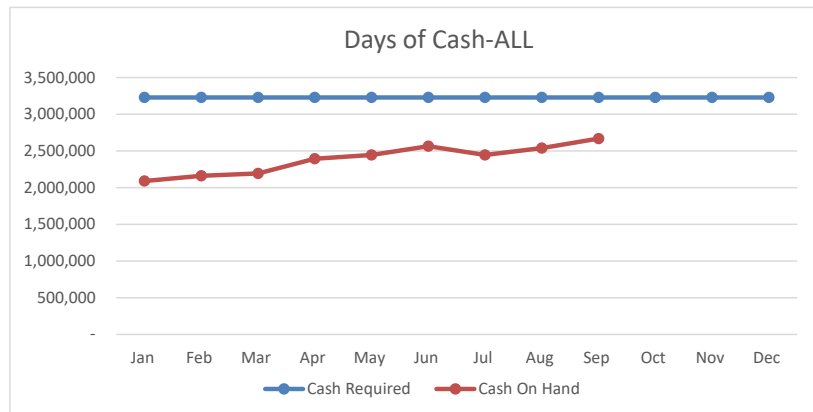
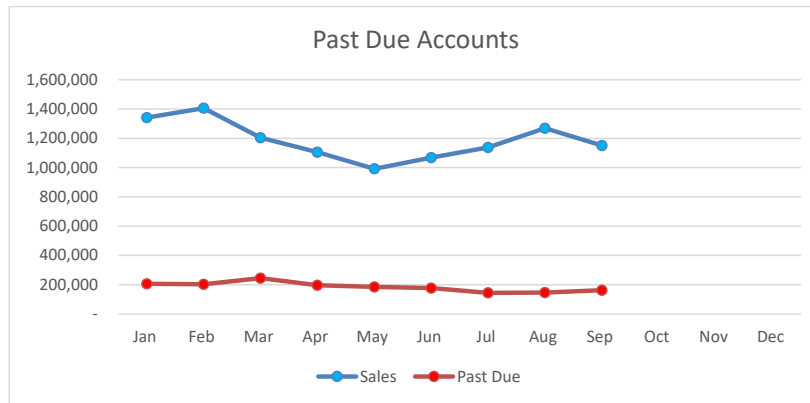
Days of Cash on Hand	Without Bonds
Required	90
Actual	59
Variance	-31

Cash required:	\$ 3,228,500
Cash unrestricted	\$ 1,772,032
Cash-deposits	\$ 174,888
Cash-capital	\$ 619,091
Cash-Efficiency ME	\$ 102,609
Cash-Total	\$ 2,668,620
Variance	\$ (1,456,468)



September 2019	9,242,388
September 2018	10,736,766
Variance	(1,494,378)

Kennebunk Light & Power District
September 2019



**KENNEBUNK LIGHT & POWER DISTRICT
HYDRO STATEMENT OF ACTIVITY**

Revenue	September 2019	YTD 2019	2019 Budget
Electrical Production	\$ -	\$ 21,602	\$ 65,000
Total Revenue	-	21,602	65,000

Expenses			
Labor	1,152	12,492	27,295
Benefits	553	5,996	13,102
Supplies	921	24,832	40,500
Electrical Use	41	5,641	5,503
Liability/Property Insurance	940	8,458	11,277
Bond Interest	1,117	10,050	13,400
Depreciation	2,027	18,246	24,328
Legal & Professional Fees	21,981	22,981	24,500
Total Expenses *	28,732	108,696	159,905

Gain/ (Loss)	\$ (28,732)	\$ (87,094)	\$ (94,905)
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kWh production	-	209,840	635,551
Cost Per kWh-Produced	\$ -	\$ 0.517996	\$ 0.251600
Cost Per kWh-Purchased	\$ 0.102943	\$ 0.102943	\$ 0.102274
Variance	\$ (0.102943)	\$ 0.415053	\$ 0.149326

	Cost
Energy	\$ 0.078980
RNS	\$ 0.018834
LNS	\$ 0.004459
	\$ 0.102274

* Expenses do not include any allocation of Management labor and benefits.

Kennebunk Light and Power District
Notes to Financial Statements
October 2019

REVENUES

KWH SALES	2019	2018	Variance
kwh sales Delivery & Transmission	8,073,253	8,060,342	12,911
minus Corning	1,582,400	1,602,175	(19,775)
kwh sales Energy and RNS:	6,490,853	6,458,167	32,686

ENERGY REVENUE	2019	2018	Variance
Energy Sales	\$ 513,863	\$ 536,394	\$ (22,531)

RNS REVENUE	2019	2018	Variance
RNS Sales	\$ 134,993	\$ 149,170	\$ (14,178)

TRANSMISSION REVENUE	2019	2018	Variance
Transmission Sales	\$ 39,732	\$ 42,379	\$ (2,647)

DELIVERY REVENUE	2019	2018	Variance
Delivery Sales	\$ 219,332	\$ 216,468	\$ 2,865

EXPENSES

Department	Actual	Budget	Variance	Notes
General plant operations, maintenance and distribution	\$ 67,865	\$ 56,029	\$ 11,836	\$5,640 tree trimming Ross Road \$5,100 Milwaukee tools
Customer accounting and collections	12,360	14,540	(2,180)	
Administration	88,795	105,395	(16,601)	\$6,500 reduction in vacation \$5,485 reduction in group medical insurance \$5,470 reduction in engineering fees
Other expense	39,976	40,300	(324)	

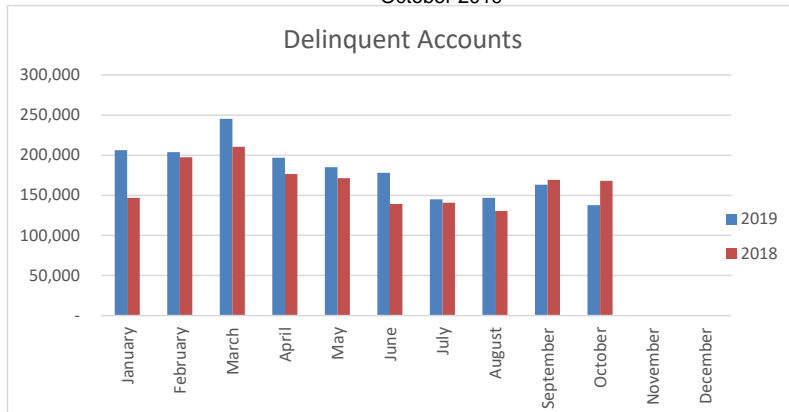
**KENNEBUNK LIGHT & POWER DISTRICT
STATEMENT OF REVENUES AND EXPENSES**

	MONTHLY			YTD			ANNUAL
	October 2019 Actual	October 2019 Budget	October 2018 Actual	2019 Actual	2019 Budget	2018 Actual	2019 Budget
Revenue							
Energy revenue	\$ 513,863	\$ 559,711	\$ 536,394	\$ 6,579,624	\$ 6,809,903	\$ 6,526,201	\$ 8,188,525
PV returned to grid	3,484	2,469	2,421	37,357	28,510	27,951	
Power expense	(605,377)	(559,711)	(605,064)	(6,710,656)	(6,809,903)	(6,471,965)	(8,188,525)
PV Credits	(3,484)	(2,469)	(2,421)	(37,357)	(28,510)	(27,951)	-
Net energy revenue	(91,514)	(0)	(68,670)	(131,032)	(0)	54,236	-
RNS revenue	134,993	145,727	149,170	1,764,450	1,759,525	1,801,105	2,118,456
RNS expense	(139,486)	(145,727)	(163,082)	(1,507,038)	(1,759,525)	(1,608,450)	(2,118,456)
Net RNS revenue	(4,493)	-	(13,912)	257,412	-	192,655	-
Transmission revenue	39,732	41,913	42,379	485,876	467,804	473,011	566,805
Transmission expense	(28,092)	(41,913)	(27,032)	(309,926)	(467,804)	(353,470)	(566,805)
Net transmission revenue	11,640	-	15,348	175,950	-	119,541	-
Solar revenue	18,111	-	-	246,355	-	-	-
Solar expense	(18,111)	-	-	(246,355)	-	-	-
Net solar revenue	-	-	-	-	-	-	-
Net energy and transmission revenue	(84,368)	(0)	(67,234)	302,331	(0)	366,432	-
Delivery revenue	169,777	163,079	167,369	1,949,572	1,899,048	1,970,482	2,285,641
Minimum charge revenue	49,555	48,990	49,099	492,812	489,895	412,660	587,874
Other revenue	3,870	6,549	15,810	181,404	65,489	171,270	78,587
Hydro production	-	5,417	-	21,602	54,167	58,853	65,000
Total Revenue	138,835	224,034	165,043	2,947,720	2,508,599	2,979,697	3,017,102
Expenses							
General plant operations, maintenance and distribution	67,865	56,029	47,900	643,033	528,552	515,642	748,837
Customer accounting and collections	12,360	14,540	12,349	130,889	161,164	136,967	169,372
Administration	88,795	105,395	89,497	1,024,664	1,061,163	903,436	1,152,310
Other expense	39,976	40,300	41,095	399,757	403,000	410,947	483,600
KLPD electrical usage	1,047	1,783	1,632	21,525	20,095	18,395	26,000
Total Expense	210,042	218,048	192,473	2,219,867	2,173,974	1,985,388	2,580,119
Net gain/(loss)	\$ (71,208)	\$ 5,987	\$ (27,430)	\$ 727,853	\$ 334,625	\$ 994,309	\$ 436,982

**KENNEBUNK LIGHT & POWER DISTRICT
STATEMENT OF FINANCIAL POSITION**

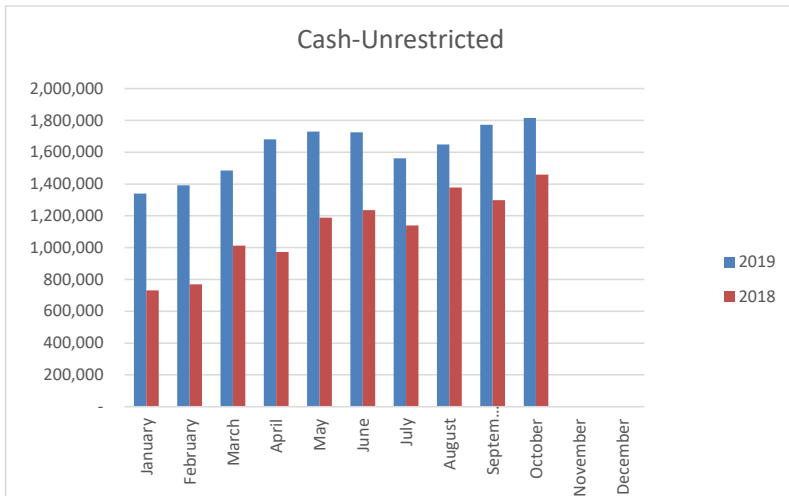
	October 2019	October 2018
Assets		
Cash and short-term investments	2,672,808	2,110,894
Accounts receivable	921,897	988,858
Fixed assets and property	10,103,632	10,010,482
Other assets	687,688	1,112,790
Total assets	14,386,025	14,223,023
Liabilities		
Accounts payable	787,680	820,313
Payroll liabilities	14,196	10,434
Long-term liabilities	2,230,908	2,471,352
Other liabilities	928,616	1,104,919
Total liabilities	3,961,400	4,407,018
Equity		
Surplus	9,696,850	8,862,153
Current year excess revenue	727,776	953,851
Total equity	10,424,625	9,816,004
Total liabilities & equity	14,386,025	14,223,023

Kennebunk Light & Power District
October 2019



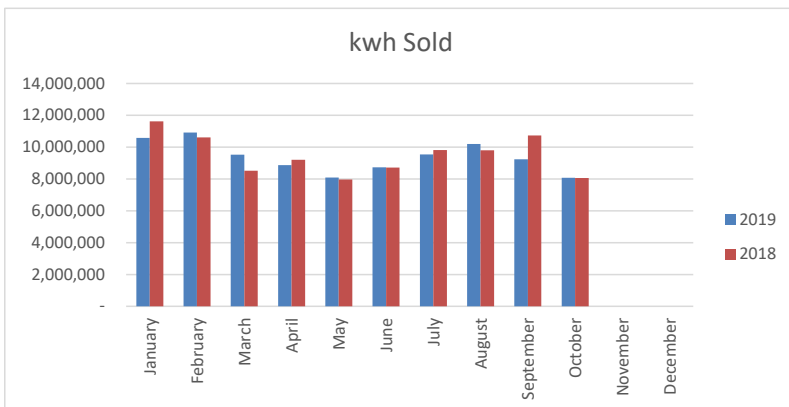
Aging	2019	2018
29 to 60 days	76,199	94,015
61 to 90 days	19,213	18,125
91 days +	42,227	55,900
Total	137,639	168,040

Delinquent accounts as a % of current month's sales:	14.80%	17.50%
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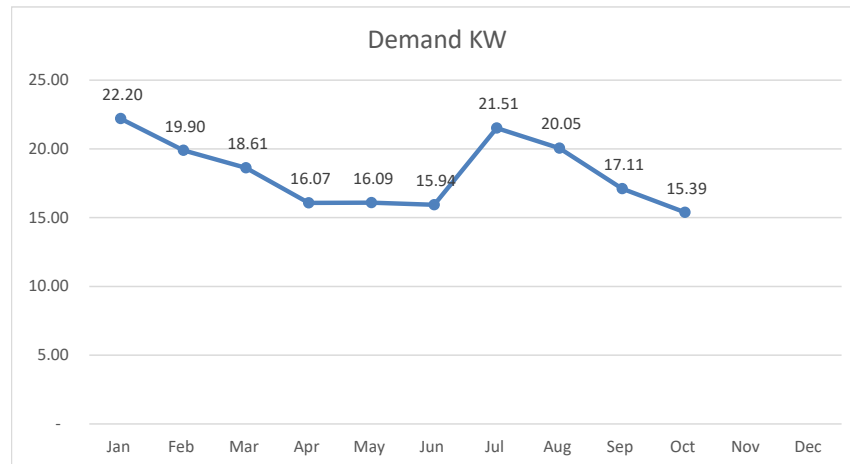
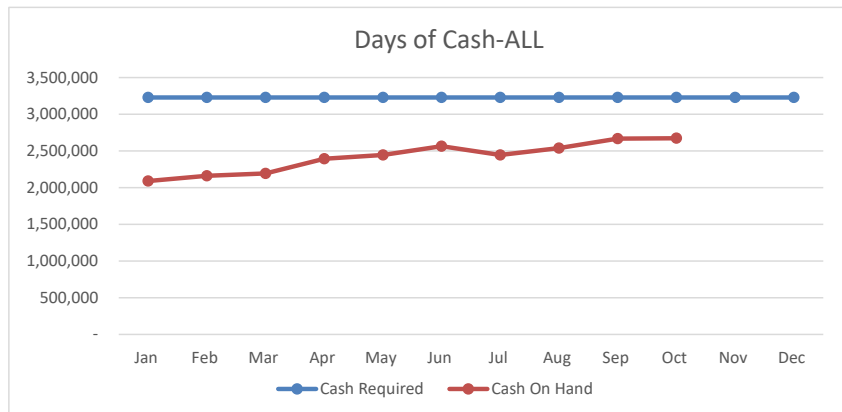
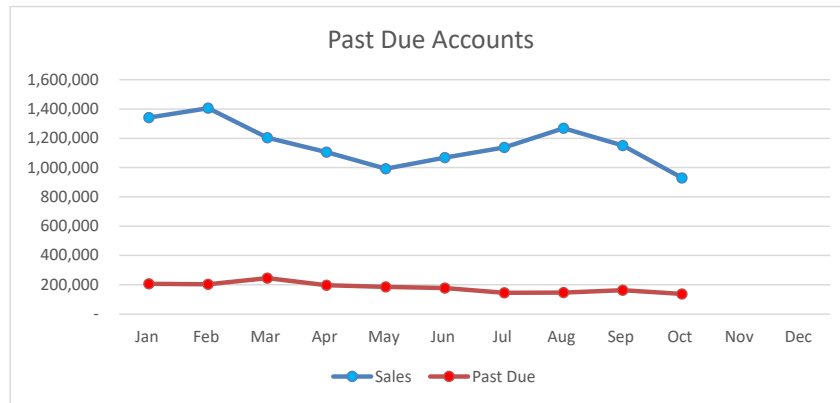
Days of Cash on Hand		Without Bonds
Required	90	90
Actual	51	61
Variance	-39	-29

Cash required:	\$ 3,228,500
Cash unrestricted	\$ 1,814,737
Cash-deposits	\$ 174,784
Cash-capital	\$ 619,288
Cash-Efficiency ME	\$ 63,999
Cash-Total	\$ 2,672,808
Variance	\$ (1,413,763)



October 2019	8,073,253
October 2018	8,060,342
Variance	12,911

Kennebunk Light & Power District
October 2019



**KENNEBUNK LIGHT & POWER DISTRICT
HYDRO STATEMENT OF ACTIVITY**

Revenue	October 2019	YTD 2019	2019 Budget
Electrical Production	\$ -	\$ 21,602	\$ 65,000
Total Revenue	-	21,602	65,000

Expenses			
Labor	1,610	14,103	27,295
Benefits	773	6,769	13,102
Supplies	1,040	25,872	40,500
Electrical Use	46	5,687	5,503
Liability/Property Insurance	940	9,398	11,277
Bond Interest	1,117	11,167	13,400
Depreciation	2,027	20,273	24,328
Legal & Professional Fees	23,941	24,941	24,500
Total Expenses *	31,495	118,210	159,905

Gain/ (Loss)	\$ (31,495)	\$ (96,608)	\$ (94,905)
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kWh production	-	209,840	635,551
Cost Per kWh-Produced	\$ -	\$ 0.563332	\$ 0.251600
Cost Per kWh-Purchased	\$ 0.102943	\$ 0.102943	\$ 0.102274
Variance	\$ (0.102943)	\$ 0.460389	\$ 0.149326

	Cost
Energy	\$ 0.078980
RNS	\$ 0.018834
LNS	\$ 0.004459
	\$ 0.102274

* Expenses do not include any allocation of Management labor and benefits.

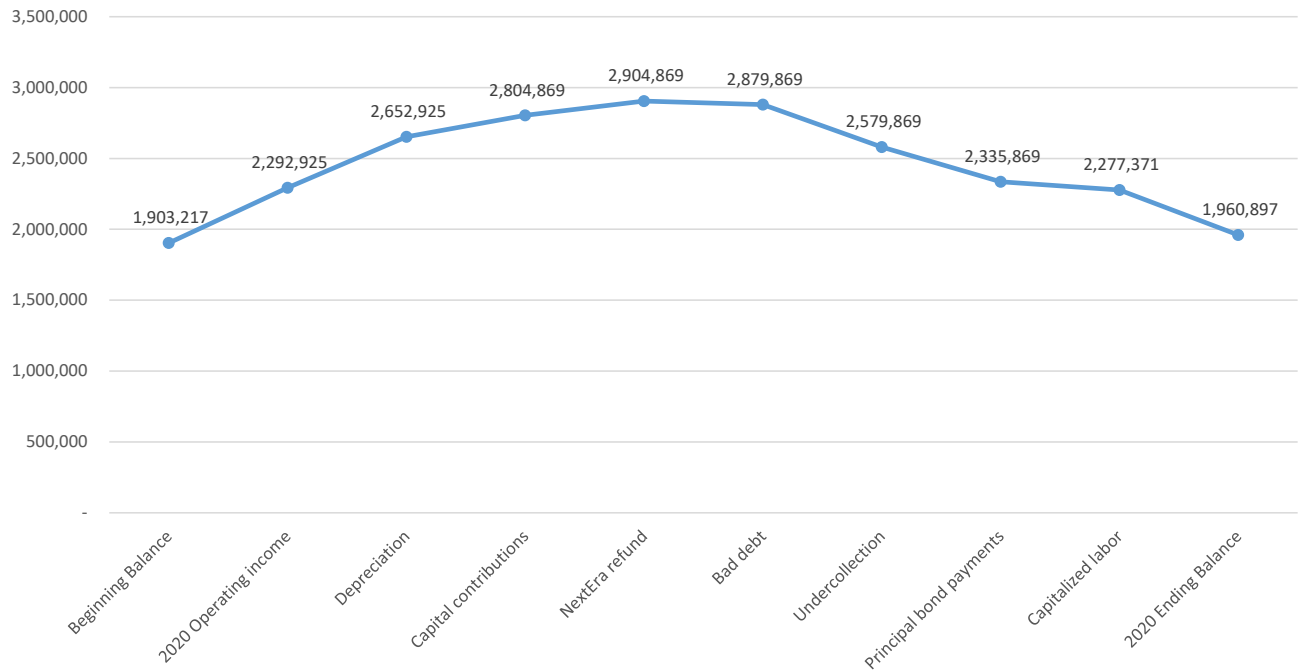
**KENNEBUNK LIGHT & POWER DISTRICT
PROPOSED BUDGET
FISCAL YEAR 2020**

Revenue	2020 Budget	2019 Budget	Variance	Notes
Energy revenue	\$ 7,069,873	\$ 8,188,525	\$ (1,118,652)	Net of solar production. Includes 1.11% increase in kWh sales. Also includes a rate reduction.
Purchased power expense	<u>(7,069,873)</u>	<u>(8,188,525)</u>		
Net energy revenue	-	-		
RNS revenue	1,788,841	2,118,456	(329,616)	Net of solar production. Includes 1.11% increase in kWh sales. Also includes a rate reduction.
Purchased RNS expense	<u>(1,788,841)</u>	<u>(2,118,456)</u>		
Net RNS revenue	-	-		
Transmission revenue	494,549	566,805	(72,256)	Net of solar production. Includes 1.11% increase in kWh sales. Also includes a rate reduction.
Purchased transmission expense	<u>(494,549)</u>	<u>(566,805)</u>		
Net transmission revenue	-	-		
Solar revenue	506,645	-	506,645	Estimate based upon partial 2019 production
Purchased solar expense	<u>(506,645)</u>	<u>-</u>		
Net solar revenue	-	-		
Net energy and transmission income	-	-		
Delivery	2,334,084	2,285,641	48,443	Includes 1.11% increase in kWh sales. Also includes a rate increase.
Minimum charge	590,350	587,874	2,476	
Cable rental income	25,716	25,000	716	
Customer penalties	21,928	21,844	84	
Interest income	16,559	15,000	1,559	
Other operating income	22,769	16,743	6,026	
Hydro production	-	65,000	(65,000)	No production anticipated
Total revenue	3,011,406	3,017,102	(5,696)	
Expenses				
Wages	958,098	910,854	47,244	5% performance pool and increase of .5 FTE
FICA Expense	73,294	69,680	3,614	5% performance pool and increase of .5 FTE
Health Insurance	257,719	250,052	7,667	3% increase and increase of .5 FTE
Disability Insurance	10,229	9,460	768	
Life Insurance	7,733	6,861	871	
Retirement	110,677	98,612	12,065	No estimated contribution increase. Includes increase of one FTE
General plant operations, maintenance and distribution	285,000	300,000	(15,000)	Reduction in hydro supplies
Customer accounting and collections	60,000	65,000	(5,000)	
Administration	365,000	360,000	5,000	
Depreciation	360,000	360,000	-	
Interest on long term debt	109,950	123,600	(13,650)	
KLPD electrical usage	24,000	26,000	(2,000)	
Total Expense	2,621,699	2,580,119	41,579	
Net gain /(loss)	\$ 389,707	\$ 436,982	\$ (47,275)	

HYDRO 2020 Fiscal Year Budget

Revenue	2020 Budget	2019 Budget	Variance
Electrical Production	\$ -	\$ 65,000	\$ (65,000)
Total Revenue	-	65,000	(65,000)
Expenses			
Labor	27,825	27,295	530
Benefits	13,356	13,102	254
Supplies	25,000	40,500	(15,500)
Electrical Use	2,500	5,503	(3,003)
Liability/Property Insurance	11,277	11,277	-
Bond Interest	11,450	13,400	(1,950)
Depreciation	24,328	24,328	-
Legal	30,000	24,500	5,500
Total Expenses *	145,736	159,905	(14,169)
Gain/ (Loss)	\$ (145,736)	\$ (94,905)	\$ (50,831)

2020 Cash Flow



David Cluff, President
Todd Shea, General Manager & Treasurer
Kennebunk Light & Power District
4 Factory Pasture Lane
Kennebunk, ME 04043

Dear Duffy & Todd:

I send this letter of resignation as a Trustee of the Kennebunk Light & Power District with great appreciation for the voters who placed their trust in me, the exemplary staff at KLPD, and my fellow trustees over the past nearly 8 years. I regret very much having to make the decision to leave the Board prior to the expiration of my term, which comes due to trying personal circumstances and the resulting decision to relocate to New Hampshire.

We have accomplished a lot together over these many years.

- We have reduced rates and costs,
- KLPD's financial health has dramatically improved and has never been better,
- The already excellent reliability of our systems is improved with greater system redundancy in preparation for extreme weather or other catastrophic events,
- Our policies have enabled locally generated solar power to sprout from the rooftops of our customers and brought a new 3 MegaWatt solar station to West Kennebunk.
- Costs and options for our hydro-power dams are now well known, though their fate is to be determined.
- Our customers and interested citizens find it easier to access information about KLPD.

Of course there remains the challenge of achieving the critically important goal of moving to clean renewable energy and energy storage to contribute to reversing climate change and to bring our community into harmony with global climate change goals.

I will miss the challenge and fun of working with all of you. I wish for the District ongoing progress and the continuation of a positive solutions-oriented culture.

Sincerely,

Jay Kilbourn

Cc:

Robert Emmons, Vice-President, Dan Bartilucci, Clerk, Scott Ducharme, Trustee