



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

**BOARD OF TRUSTEES BUSINESS MEETING AGENDA
TUESDAY, OCTOBER 22, 2019
DISTRICT OFFICES @ 5:00 PM**

I.	CALL TO ORDER	5:00
II.	BOARD CONSIDERATION OF 2020 OPERATING BUDGET FOR APPROVAL	5:05
III.	BOARD CONSIDERATION OF 5 YEAR PASSENGER VEHICLE REPLACEMENT SCHEDULE DRAFT	6:00
IV.	BOARD CONSIDERATION OF 5 YEAR CAPITAL IMPROVEMENT DRAFT PLAN	6:30
V.	ROSS ROAD PROJECT UPDATE	7:00
VI.	GENERAL MANAGER'S REPORT	7:10
	a. 2019 KLPD GOALS PROGRESS REPORT	
	b. ASPLUNDH TREE TRIMMING UPDATE	
	c. 10/16/19 WEATHER EVENT UPDATE	
	d. CONFIRM SCHEDULE FOR NOVEMBER AND DECEMBER MEETING DATES	
VII.	PUBLIC COMMENT PERIOD (LIMITED TO 15 MINUTES TOTAL)	7:20
VIII.	NEXT MEETINGS. NOVEMBER TBD, DECMEBER TBD	7:35
IX.	BOARD RECOMMENDATION FOR AGENDA ITEMS FOR NEXT MEETING	7:40
X.	ADJOURN	7:45

KENNEBUNK LIGHT & POWER DISTRICT
COUNTY OF YORK
STATE OF MAINE

BOARD OF TRUSTEES MEETING MINUTES
(Video Recorded Meeting)

KENNEBUNK LIGHT & POWER DISTRICT
4 FACTORY PASTURE LANE
KENNEBUNK, ME 04043
TUESDAY, JULY 30, 2019
5:00 P.M.

BOARD MEMBERS:

PRESIDENT: DAVID CLUFF - (PRESENT)

VICE-PRESIDENT: ROBERT EMMONS - (PRESENT)

GENERAL MANAGER/TREASURER: TODD SHEA - (PRESENT)

CLERK: DAN BARTILUCCI - (PRESENT)

TRUSTEE: JAY KILBOURN - (PRESENT)

TRUSTEE: BRADLEY "SCOTT" DUCHARME - (PRESENT)

ALSO PRESENT:

Matthew Rancourt, Business Manager

Beverly Freudenreick

Bill Pasquill

Ward Hansen

Albert Kolff

Peter Ashley

(Other members of the public may have been present but not identified.)

I. Call to Order.

President Cluff called the meeting to order at approximately 5:00 p.m. Election of Officers occurred. The Board members and their titles will remain unchanged.

II. Executive Session with District Attorney for Legal Advice concerning Hydro Facilities.

III. Executive Session Continued for Legal Advice on Power Supply Matters.

Did not occur due to time constraints.

IV. Tentative: Motion on Items Discussed in Items II and III (If Needed).

There were no items motioned.

V. Board Review June 2019 Financials.

VI. Ross Road Project Update.

VII. S&P Global Ratings Update

VIII. Board Authorize GM to Sell 2002 GMC Meter Truck, Minimum Bid \$1,500.

Motion By: Trustee Kilbourn to sell the 2002 GMC Meter Truck at a minimum bid of \$1,500. It was seconded by Vice-President Emmons.

Vote: 5:0

IX. General Manager's Report:

- a. 2019 KLPD Goals Progress Report
- b. Corning Discussions.
- c. E-Billing and Online CC Payments Update.
- d. America First Survey Study Meeting Update
- e. Asplundh Tree Trimming Update.
- f. Town of Kennebunk Connectivity Committee Update.
- g. Thank you to Ronald Francoeur for 11.5 years of dedicated service to KLPD.

X. Board Consideration of Energy Supply Offer from NextEra (and Potential RFQ Revision).

Motion By: Trustee Ducharme to enter into an agreement of 70% of non-industrial demand for five years at a rate of \$47.97 with NextEra Energy, which will create a 2.25 cents reduction to the KLPD ratepayers effective 01/01/2020. The motion was seconded by President Cluff.

Vote: 5:0.

XI. Public Comment Period (Limited to 15 Minutes Total).

XII. Next Meetings, September 24, October 29, 2019.

XIII. Board Recommendation for Agenda Items and Next Meeting.

XIV: Board entered back into Executive Session for further discussion of Item II.

XV. Adjourn.

Motion by Trustee Kilbourn. Seconded by Vice-President Emmons.

Vote: 5-0.

Thereupon, with no further items to discuss, the meeting adjourned at 8:00 p.m.

Attest: _____
Dan Bartilucci, Clerk

**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	978,898	910,854	68,044	5% performance pool and increase of one FTE
FICA Expense	74,886	69,680	5,205	5% performance pool and increase of one FTE
Health Insurance	267,727	250,052	17,675	7% estimated increase and increase of one FTE
Disability Insurance	10,229	9,460	768	
Life Insurance	7,733	6,861	871	
Retirement	112,757	98,612	14,145	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	2,656,178	2,580,119	76,059	
Net gain /(loss)	\$ 355,228	\$ 436,982	\$ (81,755)	

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)

**KLPD 2019-2024 PASSENGER VEHICLE REPLACEMENT
SCHEDULE
10/18/19**

General Foreman Truck (2019), \$26,000 with trade in of old Tundra. Necessary replacement of current Tundra (2007, 185,000 miles) which is beyond its useful life to the District due to rust, mechanical and hands free compatibility issues. Replaced with leftover 2019 Tundra. Plow and headgear will transfer over to new truck. Anticipated 10 year useful life. **This purchase has been completed. Plow equipped.**

Maintenance Truck (2020), \$40,000 estimated cost in 2020. ¾ ton (possibly replaced with 1 ton) work horse for the District. Current vehicle is a 2011 GMC long bed pickup with 110,117 miles. This vehicle plows the yard (for less than contracting services out), substations and dams. Also carries all of the heavy loads that need to be carried that cannot be loaded on bucket or digger trucks. Anticipated 10 year useful life on replacement. May retain current ¾ ton pending cost of replacement.

Crew Call Truck (2021), \$35,000 (considering trade in) estimated cost in 2021. This vehicle is used by the stand by line worker when they are on call. Current vehicle is a 2014 GMC long bed pickup with 111,649 miles. Four wheel drive pickup a requirement. Anticipated useful life 7 years on replacement. Not plow equipped.

ESM/Scouting Vehicle (2022), \$40,000 (considering trade in) estimated cost in 2022. General utility vehicle for District. Current vehicle is a 2010 Honda Pilot with 81,588 miles. Anticipated useful life is an additional 5 years. Anticipated 10 year useful life on replacement.

Meter/Additional crew use vehicle, (2024), \$40,000 estimate cost in 2024. Current meter vehicle is a 2010 Toyota Highlander with 84,000 miles (former GM vehicle). Anticipated useful life is an additional 5 years. Anticipated 10 year useful life on replacement.

Passenger vehicle replacement beyond 2024, assuming normal vehicle wear:

2028 Crew Call Truck

2029 General Foreman Vehicle

2030 Maintenance Truck

2032 ESM/Scouting Vehicle

2034 Meter/Additional Crew Use Vehicle

2019 ANTICIPATED CAPITAL EXPENDITURES 10/22/19 UPDATE

WITHIN OPERATING BUDGET:

COMPLETE SUMMER STREET PROJECT RECONSTRUCTION (\$15,000)

Project completed.

COMPLETE GENERATOR ROOM (\$20,000)

Project Completed.

REPLACE VOLTAGE REGULATOR AT WATER STREET SUB (\$8,000)

Project completed.

CONTINUED REPLACEMENT OF AGING TRANSFORMERS AND POLES (\$20,000)

Ongoing.

ENGAGE CONSULTANT REGARDING KLPD FUTURE ENERGY NEEDS (\$TBD)

CAPITAL EXPENDITURES OUTSIDE OF OPERATING BUDGET

ENGINEERING OF ROSS ROAD RE-CONDUCTORING (\$TBD TO BOARD FEB)

Complete.

ROSS ROAD RE-CONDUCTORING PROJECT (\$TBD BIDS MARCH)

Completion 11/19.

ENGINEERING OF MILL STREET PROJECT (AS FUNDING ALLOWS).

Ongoing.

**2019 KLPD DISTRICT WIDE GOALS
AS APPROVED BY TRUSTEES 4/30/19,
10/22/19 UPDATE**

(IN NO PARTICULAR ORDER)

- **SUBSTATION AND LOAD SHIFTING**
 - **ROSS ROAD PROJECT COMPLETION ANTICIPATED FALL 2019.**
On track for completion early November, 2019.
 - **MILL STREET RECONDUCTOR PROJECT PRELIMINARY WORK BEING COMPILED NOW. PENDING TOTAL PROJECT COST FOR ROSS ROAD, MILL STREET OUT FOR BID EARLY FALL.**
Project still being assessed.
 - **CONTINUED CIRCUIT CONSOLIDATION TO REDUCE CIRCUITS AND LOAD AT WATER STREET SUBSTATION.**
Ongoing. Many moving parts on this project.
 - **WATER STREET SUBSTATION PROJECT DEFINED AND PROPOSED FOR BID SPRING/SUMMER 2021.**
Ongoing.

- **FULL REQUIREMENTS SERVICE CONTRACT**
 - **ISSUE RFP FOR FULL REQUIREMENTS SERVICE CONTRACT.**
Procured 70% of load for 2021-2025 through NextEra on 7/30/19.
 - **SECURE SUPPLIER FOR KLPD LOAD BEYOND 12/31/20.** See above.
Additional 30% of load being assessed.
 - **ADDITIONAL SERVICES TO BE INCLUDED: LONG TERM PLANNING, STRATEGIC PLANNING ASSISTANCE, LOAD REDUCTION, COST SAVINGS.**

- **PRESENT VEHICLE REPLACEMENT AND CAPITAL PLAN TO BOARD OF TRUSTEES FOR CONSIDERATION IN LATE 2019.** Passenger vehicle replacement in Drop Box. Commercial vehicle and capital improvement plan to Board ASAP.

- **PARKING LOT RESURFACING PLAN TO BOARD FOR POTENTIAL 2020 PROJECT.** Ongoing discussion.

- **CONTINUE TO RESPOSIBLY INCREASE KLPD RESERVES, IMPROVE BOND RATING FOR FUTURE ISSUANCE AND WORK TO REDUCE ENERGY RATE TO CUSTOMERS.** Ongoing.

- **CONTINUE TO FOCUS ON RUNNING HYDRO ASSETS.** As able. Much focus and resources going to AFH negotiations currently. Assets are in acceptable condition to AFH.

- **CONTINUE TO UPGRADE KLPD ASSETS FOR IMPROVED RESILIENCY.**
Ongoing.

- **IMPLEMENT CORSON GIS WORX SOFTWARE FOR ASSET VALUES, USEFUL LIFE, FOCUSING ON DEPRECIATION AND INVENTORY ACCURACIES.** Ongoing.

- **FOSTER COLLABORATION WITH TOWN OF KENNEBUNK REGARDING POTENTIAL FIBER OPTIC SERVICES.** Next meeting 10/24/19 for status update from Town.