

**KENNEBEC WATER DISTRICT
ANNUAL BOARD OF TRUSTEES MEETING
THURSDAY – JANUARY 5, 2017 at 7:30 AM**

The meeting was called to order at 7:30 a.m. by Trustee Hodsdon.

Trustees present: Al Hodsdon, Trustee; Karl Dornish, Trustee; J. Michael Talbot, Trustee; Allan Fuller, Trustee; Jeff Earickson, Trustee; Joan Sanzenbacher, Trustee; Bill Boucher, Trustee; Patricia Gorman, Trustee; Mark McCluskey, Trustee; Frank Richards, Trustee

Trustees absent: None

Trustee Talbot left the meeting at 8:32 a.m.

Also present: Jeff LaCasse, General Manager; Jefferson Longfellow, KWD Engineer; Benny LaPlante, KWD Distribution Superintendent; Mike O'Brien, KWD Customer Service/Safety Manager; Matt Zetterman, KWD Director of Water Quality; Sue Markatine, Recording Secretary;

ITEM 1: INTRODUCTION OF GUESTS

None

ITEM 2: REVIEW AND APPROVE THE MINUTES OF THE REGULAR BOARD OF TRUSTEES' MEETING OF DECEMBER 15, 2016.

Motion by Trustee Sazenbacher, "to accept the minutes of the Regular Board of Trustees' Meeting of December 15, 2016," seconded by Trustee McCluskey.

Vote: 9 in favor, Trustee Dornish abstained, motion carried.

At this time, it was decided to move agenda Item 4. Motion Issues, A. Election of Officers for KWD Board of Trustees 2017 to this slot.

The Board was provided with a spreadsheet indicating the names of the 2016 Officers of the KWD Board of Trustees and their respective positions.

Motion by Trustee Sanzenbacher, "to elect the following slate of officers for 2017: Trustee Hodsdon, President; Karl Dornish, Vice-President; J. Michael Talbot, Treasurer; Allan Fuller, Clerk;

Jeff Earickson, Assistant Treasurer, and Jeffrey LaCasse, Assistant Clerk,” seconded by Trustee Gorman.

Vote: Motion carried unanimously.

ITEM 3: FINANCIALS

A. ACCOUNT WARRANT

January 5, 2017

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Aramark	Employees Clothing	12/16/16	326.86
Auto Zone Inc.	Headlight Bulbs-Tk 7	12/16/16	18.49
Budget Document Technology	Folder/Inserter Machine	12/16/16	9,899.00
Central Maine Power	Monthly Electricity-Taylor Ave	12/16/16	39.55
Constellation NewEnergy Inc.	Monthly Electricity-Various Locations	12/16/16	7,320.56
Critical Alert	Monthly Pager Service-2 Months	12/16/16	112.11
Earthlink Business	Monthly Telephone Service	12/16/16	346.08
Fabian Oil Inc.	Propane	12/16/16	28.40
FedEx	Monthly Shipping Charges-Chlorate Sample	12/16/16	86.19
Wex Bank	Monthly Vehicle Fuel Usage	12/16/16	1,329.29
Hussey Communications Inc.	Monthly Internet Service	12/16/16	250.00
Kennebec Equipment-Fairfield	Vacuum Unit Repair	12/16/16	416.90
M C Disposal Inc./DBA CMD	Monthly Rubbish Removal/Portapotty Rental	12/16/16	163.00
Gerald MacKenzie Inc.	Patches-Various Locations	12/16/16	31,249.60
Maine Water Works Supply	Couplings/Gate Box Tops/Gate Box Covers/Calcium Chl.	12/16/16	2,198.22
Treasurer, State of Maine	Water System Operators Licence Upgrade	12/16/16	20.00
Treasurer, State of Maine	Water Tests	12/16/16	1,330.00
Motor Supply Company	Wiper Blades-Tk 5	12/16/16	25.98
E. J. Prescott Inc.	Backflow Prevention Devices	12/16/16	4,046.66
Robert & Sons Masonry Inc.	Resurfacing & Caulking Material & Labor-WTP	12/16/16	1,450.00
Staples Credit Plan	Clips/Sugar/Towels/Power Cords	12/16/16	78.72
Thayer Corporation	Quarterly Service Agreement	12/16/16	305.68
Time Warner Cable	Monthly Internet/Phone Service	12/16/16	232.57
Walmart Community/GEMB	Beverages/Paper Goods/Batteries/Office Supplies		
	Cleaners/Bungee Cords/Straps/Distilled Water/Vinegar	12/16/16	331.14
Ware-Butler Inc.	Generator Adapter/Screws/Screwdriver Bits	12/16/16	69.20
F. W. Webb Company	Pressure Gauge/Nipples/Couplings	12/16/16	24.24
WESCO Receivables Corp.	Small Fuses	12/16/16	17.52
New Dimensions Fed. Credit Union	Employees Christmas Gift Cards	12/19/16	1,875.00
Daigle & Houghton	New Western Star 4700SF Dump Truck	12/20/16	87,421.00
Answering Services Unlimited	Monthly Answering Service	12/21/16	99.35
Business Card-Bank of America	Employees Thanksgiving Gift Cards-Hannaford/MRWA		
	Conference-Multiple Emps. & Trustees/Google Aps.	12/21/16	1,519.66
E S Boulos Company	Lot Lights Replacements-WTP	12/21/16	1,185.00
Budget Document Technology	Annual Service Agreement-Folder/Inserter Machine		
	Postage Machine Ink	12/21/16	817.45
Damon Refrigeration Company Inc.	Install Hot Water Pump/Service on 2 Heating Boilers-WTP	12/21/16	1,252.38
Flowrite Valve Service Inc.	Parco Valve Maintenance-Western Ave/Clarifier Inlet		
	Valves Maintenance-WTP	12/21/16	3,685.76
Hilltop Cleaning Service	Monthly Cleaning Service	12/21/16	611.00

Home Depot Credit Services	Vacuum Filter/No Parking Sign	12/21/16	27.95
J & S Oil Company Inc.	Diesel Fuel	12/21/16	230.36
Kennebec Auto Service	Oil Change-Tk 8	12/21/16	32.67
Kennebec Electric Inc.	Plugs	12/21/16	17.30
Treasurer, State of Maine	Water Tests	12/21/16	51.00
Motor Supply Company	Battery-Tk 22/Wiper Blades-Tks 8 & 22/Nylon Zip Ties	12/21/16	121.27
Northeast Laboratory	WaterTests	12/21/16	75.00
Northern Safety Company Inc.	Work Gloves/Safety Glasses	12/21/16	58.44
Fanado Pelotte	Wheelers/Gravel/Tri-Axle/Excavator-Various Locations	12/21/16	8,789.50
Roki Repair Shop	Repairs & Commercial Inspection-Trailer	12/21/16	94.25
The Sherwin-Williams Company	Paint-WTP	12/21/16	99.41
Skowhegan Press	Rate Increase Customer Notice Processing & Mailing	12/21/16	3,622.06
Spring Brook Ice & Fuel	Heating Oil	12/21/16	513.32
Super Shoe Stores Inc.	Employees Clothing	12/21/16	219.98
D L Thurrott Inc.	Gould Sump Pump-WTP	12/21/16	707.43
Walmart Community/GEMB	Phone Charger/Heet/Antifreeze/De-Icer	12/21/16	28.83
Whittemore & Sons	Locking Lever	12/21/16	56.49
T Buck Construction Inc.	Western Avenue Pump Station Capital Upgrade	12/22/16	172,875.21
Maine Municipal Emp. Health Trst.	Monthly Health Insurance	12/28/16	22,953.98
TOTAL WARRANT			\$370,757.01

Motion by Trustee Earickson, “to ratify the total warrant of checks released for \$370,757.01,” seconded by Trustee Talbot.

Trustee Hodsdon noted the payment to T. Buck Construction, Inc., the contractor for the Western Avenue Pumping Station (WAPS) capital upgrade, and asked if funds from the KWD invested checking are presently being utilized to fund this project. Mr. LaCasse responded, as approved by the Board, KWD is utilizing its invested checking funds as interim financing for the WAPS upgrade and will reimburse itself once the bond is issued later this year.

Trustee Gorman commented that Gerald MacKenzie, Inc. is typically listed on each account warrant for patches in various locations and asked for a further explanation. Mr. LaCasse explained that Gerald MacKenzie, Inc. is KWD’s current contractor for excavation paving (awarded by bid), essentially pavement replacement related to excavation repairs such as main breaks, service box repairs, etc. KWD will fill and compact the hole to the surface, and Gerald MacKenzie, Inc. will conduct the actual pavement work necessary. Referring to the above payment of \$31,249.60, over \$25,000 of this cost was for the labor and pavement for the major main break on the Quarry Road, Waterville, and the balance of the invoice was for costs for other areas whereas KWD was required to dig in order to complete the repair.

Vote: Motion carried unanimously.

B. November Financials

The November financial reports have not been finalized as of today’s meeting; therefore, this will be an agenda item for the next meeting.

C. 2017 Operating Budget

As part of their packet, the Board was provided with a copy of the proposed 2017 operating budget. Mr. LaCasse explained that he did take into consideration the pending five percent increase in the rate structure to be effective April 1, 2017 when composing this budget. Based on this budget, the 2017 year-end net income is projected to be a negative \$149,518, and Mr. LaCasse recommended funding this deficit with the KWD reserve monies.

Motion by Trustee Talbot, “to accept the 2017 Operating Budget as presented by the General Manager,” seconded by Trustee Fuller.

The Board discussed the motion. Trustee Sanzenbacher asked the general methodology Mr. LaCasse employs when compiling this budget. Mr. LaCasse explained he reviews the categories line by line and based on several factors such as historical trends and expectations of projects in the particular year he derives the figures. Some categories are easily projected, for example the public fire protection revenues which are based on a fixed charge for each hydrant within a municipality. Based on the rates, unless a hydrant is added this revenue remains stable from year-to-year. In contrast, industrial customer revenue, which is mainly the Huhtamaki Manufacturing Plant (HMP), can fluctuate in any given year due to several variables. In 2014, HMP utilized much more of the KWD water for manufacturing purposes and revenues were uncharacteristically high but it has since reverted back to its “normal” usage. The transportation expense is another category which can be difficult to predict as the majority of this cost is based on the price of fuel and vehicle repairs.

Trustee Fuller inquired the type of expenses which are encompassed in the miscellaneous non-utility expenses and miscellaneous non-utility income. Mr. LaCasse replied that the majority of these two categories are for expenses and revenues related to M-4 activities. Trustee Richards asked for a further explanation of the appropriated retained earnings category. Mr. LaCasse answered that this line item is for the annual appropriation necessary to refund the principal portion of KWD’s long-term debt and the interest expense line item is primarily the interest due on the long-term debt. He added that in 2021, these categories will decrease substantially as the 30-year bonds for the construction of the WTP will be satisfied. As an annual refresher, the Trustees will be provided with a copy of the KWD Financial Statement Explanation of Summary Categories as part of their next Board packet.

Vote: Motion carried unanimously.

D. Update on Rate Increase Process/Public Hearing Reminder

Mr. LaCasse updated the Board on the status of the pending rate case. The electronic filing for the rate case has been submitted to the Maine Public Utilities Commission (MPUC). In addition, a copy of the documents relating to this proposed increase is available for review at the KWD Business Office and the KWD website. The notice stating the amount of the pending increase, stating the reason for the pending increase, and stating the time and place of the public hearing was mailed to all KWD customers at the end of December.

The public hearing with a PowerPoint presentation will be held at the KWD Water Treatment Plant at 7:00 p.m. on January 17th, and Mr. LaCasse encouraged the Trustees to attend this meeting. A tour of the WTP will also be conducted if there are any customers interested in seeing the facility. In the event of a storm, the hearing will be held on January 18th, and the announcement of the storm

postponement will be made on KWD's webpage by 2:00PM on the 17th. KWD's legal counsel will also be present to officially open the meeting. Mr. LaCasse added that the hearing will be audio recorded and meeting minutes will be based on the audio recording.

At the January 19th regularly scheduled Board meeting, the Trustees will be asked to review the results of the meeting and make a motion for the formal filing of the rate increase. The formal filing to the MPUC starts the official timeline as to when the rate can become effective, with the planned effective date of April 1, 2017.

E. Audit Process Underway

The Board was informed that an auditor from Runyon Kersteen Ouellette (RKO) was on site January 3rd to conduct a spot check of KWD's physical inventory listing. Staff members from RKO will be at the Business Office to conduct the audit beginning March 6th. Prior to this date, Betty Hastings, KWD's Financial Manager, will be working to complete the numerous required schedules and reports in addition to the Annual Maine Public Utilities Commission report.

F. 2017 IRS Mileage Reimbursement Rate

The Board was informed that the Internal Revenue Service has decreased the mileage rate from \$0.540 to \$0.535 as of January 1, 2017. Following standard operating procedure, the KWD reimbursement will be at this rate.

G. Other

At today's meeting, the Trustees were provided with the draft copy of the 2017 Drinking Water SRF Primary Project List and Backup List. Although the WAPS Project is on the primary list, Mr. LaCasse and the Board were slightly perplexed by the reason that the KWD project was on the lower end of the list as this project is for the upgrade of the critical pumping operation for the District which is the water source for five communities. KWD is required to confirm its interest in receiving the Drinking Water State Revolving Fund loan offer for the second stage of the WAPS capital upgrade.

Motion by Trustee McCluskey, "to approve the acceptance of up to \$1,500,000 in 2017 State Revolving Loan funds through the Maine Drinking Water Program and Maine Municipal Bond Bank as included in the 2017 Intended Use Plan for project costs related to the completion of the Kennebec Water District's Western Avenue Pump Station rehabilitation project", seconded by Trustee Gorman.

Vote: Motion carried unanimously.

Regarding a different subject, Mr. LaCasse explained that KWD is a participant and insured through the Maine Municipal Association (MMA) for its unemployment compensation funding. KWD's allocated cost for 2017 was determined to be only \$156 chiefly due to the fact that KWD has not utilized this insurance in recent years.

In addition to the above, pertaining to the KWD workers' compensation insurance which is based on a three-year incident cycle, KWD's experience modification rate has decreased to an all-time low of .66 for 2017. Because this rating is below the industry standard of 1.00, instead of an annual premium cost of \$34,000, KWD will be billed \$20,000.

At this time, the Board members took a brief moment to go to the Business Office parking lot to view the brand new KWD Western Star 4700SF dump truck.

ITEM 4: MOTION ISSUES

A. Election of Officers for KWD Board of Trustees 2017

This agenda item was addressed earlier in the meeting under Agenda Item 1.

B. Appointment of Legal Counsel for KWD for 2017

Mr. LaCasse reviewed the fact that William Harwood and staff from Verrill Dana, Portland, Maine have represented KWD for the past several years and is used for specific utility related matters such as rate increases, bond financing, charter changes, Maine Tort Claims Act, and legislative counsel. For minor non-utility legal issues, such as a real estate closing, KWD has, in the past, employed the services of local firms. The proposed capped per hour rate for 2017 is 1.6 percent above 2016. Mr. LaCasse explained that attorneys at the firm who normally receive less than the capped hourly rate would be billed at their normal rate.

Motion by Trustee Fuller, “to authorize the General Manager to appoint William Harwood and the firm Verrill Dana to represent KWD for legal issues during 2017,” seconded by Trustee Sanzenbacher.

Vote: Motion carried unanimously.

C. Formal Authority for Treasurer to File Liens, Proposed Motion: “To commit the authority for collection of the rates and other charges of the Kennebec Water District in 2017 to the Treasurer of the Kennebec Water District Board of Trustees.”

It was the consensus of the Trustees to commit to the KWD Treasurer/Assistant Treasurer the KWD rates and other charges for collection.

Motion by Trustee Earickson, “to commit the authority for collection of the rates and other charges of the KWD in 2017 to the Treasurer/Assistant Treasurer of the KWD Board of Trustees,” seconded by Trustee Dornish.

Vote: Motion carried unanimously.

D. China Lake Outlet Dam Operations Renewal Contract

Beginning in 2009, KWD entered into an annual agreement with the Town of Vassalboro authorizing KWD staff to operate Vassalboro’s China Lake Outlet Dam, and this agreement is up for renewal. Mr. LaCasse mentioned that although KWD does receive a \$1,200 stipend for this operation annually, it only partially covers the KWD cost of operation and monitoring of the dam.

However, he feels it is important for KWD staff to continue operations as it helps in the KWD monitoring of the overall condition of the lake including water quality.

Trustee Dornish asked if there were any changes from the previous year regarding this document. Mr. LaCasse did note that one clause in the agreement states “Copies of all records shall be forwarded to the Town at the end of each month and at such other times as requested by the Town”. KWD has not been sending these items on a monthly basis and based on his conversation with Mary Sabins, Vassalboro Town Manager, this is satisfactory because all the records are available at the WTP and can be provided to the Town if requested.

Because there have been some security issues at the dam, Trustee Earickson asked if this concern should be addressed. Mr. LaCasse responded Mary Sabins is aware of the breaches and the overall consensus is that there have been discussions with the alleged persons who have tampered with the dam gates and it is believed that these violations will not reoccur in the future. Trustee Boucher asked if a trespasser did get injured at the dam would KWD would be liable. Mr. LaCasse answered that because KWD does not own the dam, there should be no liability on its part with Trustee Talbot adding that the person would have to prove negligence on the part of the Town of Vassalboro and/or KWD. In addition, KWD, as well as the Town of Vassalboro, is protected by the Maine Torts Claim Act.

Trustee Fuller referred to the last clause of the agreement which pertains to a commissioned report on the condition of the dam from an independent agency to determine a baseline condition of the dam prior to District operation and asked if this inspection has raised any concerns. Mr. LaCasse answered that the Maine Emergency Management Agency inspects dams across the State of Maine on a rotating basis and has not reported a concern regarding the Outlet Stream Dam. KWD staff is also frequently inspecting the condition of the dam and would report any issues to Mary Sabins. KWD has in the past provided in-kind services to conduct some repairs on the gate house and gates in conjunction with the Town of Vassalboro which provided the materials and some labor. Mr. LaCasse also reported that there are upcoming planned changes to the dam due to the Alewife Restoration Initiative (ARI) fish passage project.

Motion by Trustee Talbot, “to ratify the annual agreement between the Town of Vassalboro and KWD which authorizes KWD staff to continue operating the China Lake Outlet Stream Dam,” seconded by Trustee Dornish.

Trustee Richards offered that if KWD is aware of any deficiencies with the dam, there could be an opportunity to make some improvements during the design and implementation of the fish passage project. Mr. LaCasse commented that he has been extremely satisfied with the proposed design specifications for the fish passage at the Outlet Stream Dam. He and Mr. Zetterman will be both be attending the next meeting for this project on January 19th.

Vote: Motion carried unanimously.

E. Other

None

Because one Trustee had to leave the meeting at 8:30, President Hodsdon recommended entering Executive Session at this time instead of at the end of the meeting.

At 8:06 a.m., motion by Trustee Talbot, “to enter Executive Session under MRSA Title 1, Section 405-6A, Personnel Issues, Specifically the General Manager’s Annual Evaluation,” seconded by Trustee Boucher.

Vote: Motion carried unanimously.

At 8:30 a.m. President Hodsdon brought the Board out of Executive Session.

Motion by Trustee Talbot, “to authorize a wage increase for the General Manager effective January 1, 2017 in compliance with the increase granted to the non-unit personnel,” seconded by Trustee Sanzenbacher.

Vote: Motion carried unanimously.

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

Trustee Earickson mentioned that he attended the KWD Christmas luncheon at the Business Office and expressed his disappointment that he was the only Trustee in attendance.

B. Other

The Maine Water Utilities Association (MWUA) conference will be held February 6th, 7th, and 8th at the Holiday Inn by the Bay in Portland. The Trustees were provided with a summary copy of the available sessions for each day and were informed that the total brochure could be viewed via the MWUA website (mwua.org). In past years, Board members have found the “Trustee Session” quite interesting and a few Trustees expressed interest in attending this seminar again this year. This year’s session is entitled “Understanding and Executing the Lobbying Process and When to Engage Your Ratepayers”. It was noted that there is also a “Succession Planning - Why and When” session. Trustee McCluskey had attended a similar seminar at the Maine Rural Water Association event with a Verrill Dana attorney as speaker and there is a potential plan of setting up a workshop/session of this presentation for the KWD Board members in early spring. If interested in attending any of the MWUA seminars, Trustees can either register themselves or submit an application to Mr. LaCasse for forwarding.

ITEM 6: DEPARTMENT OPERATIONAL REPORTS

A. Operations and Maintenance Update January 5, 2017

The O+M Department is happy to announce that we have received our new 2017 Western Star 4700SF Dump Truck! It was delivered at 2:30pm on 12/20/2016 and was put into service on 12/21/2016 at 12:30am for use on a 6” main leak on Fuller Drive in Winslow. Everyone is very excited to have this new truck. The former GMC Dump Truck, “Babe the Blue Ox,” treated us very well for 16 years, but was very tired at the end of its career.

We have had one service leak on Pare Street in Waterville and seven main leaks this month, one in Winslow, one in Fairfield, and 5 in Waterville. All leaks were circumferential splits; we are blaming ground movement for these, especially when blocking has been left under the pipes after installation. Hopefully we have found all of the weak points in the system for this winter so we can continue training and hydrant inspections. We are also in the process of updating the inventory system by fine tuning item descriptions, and adding AKA names, and locations to help streamline this process. Have a Happy New Year everyone!

Benjamin LaPlante, Distribution Superintendent

Mr. LaPlante reported that the crew is extremely happy with the new dump truck. However, because vehicle manufacturers are no longer making a “mid-size” truck of this caliber, the new truck is too high and does not fit in the garage. There have been past discussions of a need for a garage upgrade, but in the meantime, Mr. LaPlante is considering calling the Waterville Sewerage District to inquire if they have space to house the truck at times.

Mr. LaPlante was happy to report that since the series of several main breaks, there have not been any recently.

Trustee Dornish has observed that the KWD crew has been visiting the same area on Clinton Avenue in Winslow quite frequently and asked for a further explanation. Mr. LaPlante answered that the reason for this is that there is a pavement patch in this region and the Quarry Road in Waterville that KWD is maintaining during the winter. He further explained that the KWD pavement contractor will be repaving these sites in the spring.

Referring to the intermittent air in the service line issue at the Bangor Savings Bank on the China Road, Winslow, Trustee McCluskey asked if this problem has ever been resolved. Mr. LaPlante replied that to the best of his knowledge he believes the issue continues to persist. The problem had been narrowed down to a location between the water main and the building, with KWD eliminating that the source was caused by KWD infrastructure. Mr. LaPlante did advise the bank to contact an electrician to investigate if there is a stray electrical current that may be causing air bubbles to form in the water line, but he is unsure if this has been done. Mr. LaCasse added that there was a corroded line discovered on the customer side of the piping which could be considered as a contributor of the problem. Mr. LaPlante also commented that this water just contains some air and is perfectly safe to drink.

B. Water Treatment Plant Update January 5, 2017

Despite recent precipitation, Kennebec County is still considered to be in a drought. With that said, we have slowly started to raise the lake back up to its winter target of 1.5 feet below spillway. There hasn't been much recent discussion with the Alewife Restoration Initiative, however, there is an Outlet Dam committee meeting scheduled in January.

While we are finished with our first round of lead testing at schools in the District, Maine Rural Water Association, Maine Water Utilities, and the Maine Drinking Water Commission have partnered to offer their own lead testing program. This program offers 10 free lead tests to schools in the State of Maine. We have decided to offer this program to the schools within our service territory as it will allow schools to test taps that may not have been tested already.

Our granular activated carbon (GAC) replacement project has gone out to bid, and bids are due on January 9, 2017. While questions have been fairly limited, so far all four companies that requested bid documents seemed very interested in bidding the project. We have received a request from one company to use a coconut based carbon rather than a bituminous based carbon as specified, but we have yet to receive the references we requested from them. While the American Water Works Association standard for granular activated carbon doesn't specify one type of carbon over the other, we have had years of success with a bituminous product, so it would be hard to make the switch without convincing evidence that it's an equal or superior product.

On the maintenance side of the operation, we have been putting a lot of emphasis on working on our flow control valves and transmitters in our filter system. They are both critical to the operation of our filter system and performance has started to drift recently. We have also been spending more time recently trying to develop an asset management system.

Matt Zetterman, P.E., Director of Water Quality

In addition to the above, Mr. Zetterman reported that the companies submitting bids for the GAC replacement project are also required to provide a sample for various tests including iodine absorption level. In the above report, Mr. Zetterman mentions that one company is proposing a coconut based carbon. Trustee Dornish pointed out that at the MWUA conference there is a session (Session 2: 2-Part Symposium – What is PEFOA/PFOS and What Does It Mean for My System? Can we treat it? What are our options?) that has a discussion point on the uses of virgin coconut carbon. Mr. LaCasse commented that the bituminous based carbon has a long useful life and has been very effective for the KWD treatment process, so KWD plans on utilizing this type for this replacement. Consideration of the coconut based carbon will potentially be an option for the next replacement in several years. Trustee McCluskey asked if testing will again be conducted once the GAC arrives on site for the replacement, and Mr. Zetterman responded affirmatively. Trustee Fuller inquired the amount of GAC being replaced. Mr. Zetterman answered approximately 240,000 pounds.

C. Meter Department/Safety Update January 5, 2017

Meter

- Service news of note:

The house at 182 Silver Street, Waterville, is scheduled to be razed.

The EconoLodge on KMD closed for the winter for the first time. An unmetered tap was discovered when a portion of the building remained 'on' when the plumber had closed the entrance valve. The original 4" service was apparently tapped without KWD's knowledge and a 1" line put in place to service part of the building. KWD will require the 1" line to be metered or removed before service is restored.

A 1-1/2" meter was installed in the new Dunkin' Donuts at 50 Bay Street, Winslow.

KWD averages 36 frozen meters per year. We've had as many as 63 which occurred during the cold winter two years ago. The first frozen meter of this season occurred on December 12. Customers are required as a condition of service to keep meters warm, dry, and accessible. Penalties for allowing meters to freeze can be substantial:

For meter sizes 5/8" through 1" replaced during business hours, the penalty is \$60 plus the cost of the meter. The total in this situation approaches \$200 for the smallest meter size. Of course, meters increase in cost as size increases. If the customer demands attention after hours, the penalty is \$120 plus meter cost.

For meters larger than 1", the numbers are the same except that the replacement cost (labor, travel, etc.) may be factored in.

Safety

Confined Space and Crane/Hoist safety training was provided at no charge by Ray Morang from EJ Prescott on the morning of December 9. After lunch, work-at-height self-rescue training was provided by KWD staff using our new self-rescue training devices which were obtained through a recent MMA safety grant.

Mike O'Brien, Customer Service Manager

Both Mr. O'Brien and Mr. LaPlante commented that they were impressed with the effectiveness of the self-rescue devices and the high degree of safety they will provide to the employees.

Trustee Earickson asked how the commencement of the WAPS project has affected the Meter Department. Mr. O'Brien replied that the computer utilized by the Meter Department has been moved to an office in a different location and the inventory and other equipment is being stored at a different building. He added that KWD has a large meter bench which is no longer needed, and he is attempting to market this unit. He further explained that the small meter bench can test up to eight meters simultaneously, and he is contemplating dissecting this into two parts in order to make it more manageable for the available space.

ITEM 7: ENGINEER'S REPORT

A. Engineer's Report

China Lake Elevation: 169.6
Stream Flow: 17 cfs

The work on the Western Avenue Pumping Upgrade is winding down until springtime. With the entire conduit installation that was planned for 2016 completed and backfilled, work has moved inside. The existing tile floor to the station is being removed to the concrete to allow access to the pipe gallery below. Removing the tile and mortar base has been a slow job, but it is nearly complete. When the floor is finally removed, the plan is to dismantle the unused radiators and then remove pump number three.

With the slowdown in the pumping station upgrade, I was able to spend some time at M-4 and was able to get it running and producing power when the stream flow allows.

The year-end review of the capital projects has been completed. One of the more interesting pieces of information from this review is that the engineering and inspection costs on the bid projects were between 5 and 8 percent of the total cost. These figures are much less than industry standards.

Mr. Josh Couture, KWD's Assistant Engineer, has been starting the design drawings for potential 2017 projects. The winter weather has made it difficult to get more surveying done, so work will be done when the snow banks disappear. Meanwhile, he has been busy making new electronic forms for the Operations & Maintenance crew to use.

Jefferson Longfellow, P.E.

Mr. Longfellow brought in a piece of the aforementioned tile and mortar base being chipped from the WAPS floor in order to gain access to the pipe gallery for the Trustees to view.

Motion by Trustee Sanzenbacher, “to accept all Departmental Reports as presented,” seconded by Trustee Earickson.

Vote: Motion carried unanimously.

ITEM 8: GENERAL MANAGER’S REPORT

A. China Region Lakes Alliance (CRLA) Request for Funds

Before the above agenda item was discussed, Mr. LaCasse reported on a difference topic. He informed the Board that the Fairfield Booster Station was hit by a car which was turning around in the parking lot and went out of control due to icy conditions. The Booster Station has approximately \$3,300 worth of damage, mostly to the commercial grade doors which will take approximately two weeks for delivery before all repairs can be completed. KWD will expect to be reimbursed for the cost of these repairs by the driver’s insurance company.

In regards to the CRLA request for funds, at the December 15th meeting the Board received a summary of the 2016 CRLA expenditures and a request for a donation. As part of their packets, the Trustees were provided with a copy of the 2016 Courtesy Boat Inspection (CBI) detailed financial report. In 2015, the cost for the CBI for the three lakes (China Lake, Three Mile Pond, and Webber Pond) after accounting for the \$4,000 Department of Environmental Protection (DEP) grant reimbursement funds was a total of \$2,305, which, at the direction of the Trustees, KWD reimbursed. In 2016, the cost for the CBI for the three lakes after accounting for the \$3,800 DEP grant funds was a total of \$9,519.56. Mr. LaCasse and Mr. Zetterman will be meeting with the China Lake Association members and the Lake Smart coordinators next week to discuss the accomplishments and costs in 2016 and the project plans for 2017. With the additional information attained from this meeting, Mr. LaCasse and Mr. Zetterman will have more details regarding the past year’s and upcoming year’s programs and will make a recommendation of a CRLA contribution amount at the next Board meeting.

B. “Misinformation Correction” Document Status

At a previous meeting, the Trustees were provided with a narrative compiled by Mr. LaCasse entitled “Information and Communications – ARI Project, KWD, and China Lake”.

Although the Board, at the request of Trustee Richards, plans on having a supplemental discussion regarding the board's formal position on the ARI project at a later date, Mr. LaCasse would like to provide this document to the Towns of China and Vassalboro in order to clarify and convey the present KWD position regarding the ARI initiative and other related topics that have been stated publicly and to provide some historical information regarding the Outlet Stream Dam. The Trustees agreed that this information should be made available to the two towns. After the Board has had an opportunity to have more discussion regarding the ARI and hear the additional information presented by Trustee Richards, the position statement compiled by Trustee Dornish from the perspective of the Board and which the Trustees agreed was a definitive summary of past numerous conversations will be revisited.

C. Update on Statewide Lead Testing in Schools Program

A coalition formed by the Maine Rural Water Association, Maine Water Utilities Association, and Maine Public Drinking Water Commission joined forces to encourage all schools to voluntarily test their drinking water for the presence of lead. Correspondence to this effect has been mailed to schools districts throughout the state. Although KWD has already been a leader in aiding and providing lead testing in the schools within its district, KWD staff will again reach out to these schools to inquire if they would like KWD to assist in additional testing. The Maine Drinking Water Program is offering 10 free lead tests per school and some schools might wish to test taps which may not have been previously tested.

D. Low Impact Hydropower Institute (LIHI) Recertification Process Extension

Mr. LaCasse informed the Board that the recertification for M-4 as a low impact hydropower facility is in process. Because M-4 is currently certified as low impact, KWD is able to increase revenue by selling renewable energy credits through brokerage by Essex Hydro. The agency reviewer from the LIHI has had some follow up questions regarding the application in which Mr. LaCasse has responded. Because there has been a new set of criteria standards from the LIHI, the deadline to complete the recertification process has been extended to June 30, 2017, and M-4 will continue to be certified up to this extension period and beyond if the recertification is granted.

E. Other

None

Motion by Trustee Earickson, "to accept the General Manager's Report as presented," seconded by Trustee McCluskey.

Vote: Motion carried unanimously.

ITEM 9: EXECUTIVE SESSION, (MRSA Title 1, Section 405-6A, Personnel Evaluation)

This item was discussed earlier in the meeting. See under Agenda Item 4. E.

ITEM 10: PUBLIC PARTICIPATION

None

Motion by Trustee McCluskey, “to adjourn the meeting,” seconded by Trustee Gorman.

Vote: Motion carried unanimously.

Meeting adjourned at 9:10 a.m.

Sue Markatine, Recording Secretary