

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – OCTOBER 6, 2016 at 7:30 AM**

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

Trustees present: Al Hodsdon, President; Karl Dornish, Vice-President; J. Michael Talbot, Treasurer; Allan Fuller, Clerk; Jeff Earickson, Assistant Treasurer; Joan Sanzenbacher, Trustee; Gary Coull, Trustee; Bill Boucher, Trustee; Patricia Gorman, Trustee; Mark McCluskey, Trustee

Trustees absent: None

Trustee Talbot left the meeting at 7:48 a.m.
Trustee Earickson left the meeting at 9:02 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; Holly Sadler, Meter Department Technician; 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 SEPTEMBER 15, 2016.

Motion by Trustee Sanzenbacher , “to accept the minutes of the Regular Board of Trustees’ Meeting of September 15, 2016,” seconded by Trustee Gorman.

Vote: Motion carried unanimously.

ITEM 3: FINANCIALS

A. ACCOUNT WARRANT

October 6, 2016

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Agway, Inc.	Pest Repellents	09/14/16	22.47
Atwork Franchise Inc.	Flaggers-Variou Locations-43.75 Hours	09/14/16	665.00
BNY Mellon Corporate Trust	2004 Bond Principal & Interest	09/14/16	38,150.55
Town of China	Semi-Annual Real Estate Taxes	09/14/16	8,979.93
Earthlink Business	Monthly Telephone Service	09/14/16	321.33
Fairfield Drafting & Construction	Carpentry Work at 6 South Street Garage	09/14/16	3,333.68
Fastenal Company	Hex Nuts	09/14/16	17.85
FedEx	Express Shipment for Chlorate Samples	09/14/16	101.13
Gempler's Inc.	Scare Eye Ballons to Deter Seagulls from WTP Roof	09/14/16	45.35
Home Depot Credit Services	LED Flood Lights	09/14/16	10.55
Hussey Communications Inc.	Monthly Internet Service	09/14/16	212.00
J & S Oil Company Inc.	Diesel Fuel	09/14/16	390.47
M C Disposal Inc./DBA CMD	Monthly Rubbish Removal	09/14/16	88.00
Gerald MacKenzie Inc.	Patches-Variou Locations	09/14/16	539.70
Maine Rural Water Association	Asset Management Training-1 Employee	09/14/16	100.00
Maine Water Works Supply	Pipe/Couplings/Solid Sleeve/Saddles/Ball Corps		
	Ball Curb/Inserts/Base Brass Cap/Tubing/SB Clows/Rods	09/14/16	6,981.60
Treasurer, State of Maine HETL	Water Tests	09/14/16	832.00
Motor Supply Company	Diesel Fluid for Backhoe	09/14/16	29.18
NALCO Company	Cat-Floc Chemical-WTP	09/14/16	16,241.00
Northern Safety Company Inc.	Tape Measurers/Hand Towels	09/14/16	170.17
Fanado Pelotte	Backhoe/Wheelers/Gravel-Variou Locations	09/14/16	15,282.75
Roki Repair Shop	Service & Inspection-Tk 1	09/14/16	784.68
Saturn Business Services Inc.	Fluoride Log Books-WTP	09/14/16	33.44
Seacoast Security Inc.	Annual Security Monitoring-WTP	09/14/16	771.00
David Morin	Monthly Lawn Service-Variou Locations	09/14/16	595.00
Spiller's	Rolls of Plotter Bond Paper	09/14/16	63.40
Standard Waterproofing Inc.	Paint Lagoon Sluice Gate/Patch & Coat Exterior Wall	09/14/16	2,350.00
Staples Credit Plan	Power Strip/Surge Protector	09/14/16	43.48
Time Warner Cable	Monthly Internet/Telephone Service	09/14/16	232.74
Vassalboro Car Care	Repairs & Tires-Tk 17	09/14/16	1,327.20
Walmart Community/GEMB	Vinegar/Cleaning Supplies/Beverages/Oil Chg./Batteries	09/14/16	190.34
Winslow Supply Inc.	Nipples/Ball Valve/Bushings/Tee	09/14/16	17.97
Postmaster	Bulk Mail Postage-Billing	09/15/16	324.54
Kennebec County Reg. of Deeds	Lien Discharges-3 Properties	09/23/16	66.00
Postmaster	Bulk Mail Postage-Billing	09/23/16	328.60
A-Copi Imaging Systems	Quarterly Copier Maintenance Contract-2 Copiers	09/28/16	146.25
Answering Services Unlimited	Monthly Answering Service	09/28/16	88.84
Atwork Franchise Inc.	Flaggers-Winslow-21 Hours	09/28/16	319.20
Bluetarp Financial Inc.-Aubuchon	Telephone Wire-M-4	09/28/16	13.99
AutomationDirect.Com, Inc.	KepDirect Software-SCADA Upgrade	09/28/16	399.00
Business Card-Bank of America	Google Apps-Google Inc./Motion Spotlights-Amazon	09/28/16	141.11
Beauregard Equipment Inc.	Attachments for New Backhoe	09/28/16	5,086.78
E S Boulos Company	Electrical Wiring-6 South Street Garage	09/28/16	1,181.00
Charles B. Davis Company Inc.	Blower Adapter for Reservoir Blower Upgrade	09/28/16	50.10
Fastenal Company	Marking Paint/Hex Nuts/Hex Screws/Socket Screws	09/28/16	494.03

Fine Line Paving & Grading LLC	Road Paving & Curbing Repair-Cor. Of Augusta & China	09/28/16	23,668.00
General Alum N. E. Corp.	Alum-WTP	09/28/16	4,417.50
Goodman Wiper & Paper	Flannel Wiper Rags	09/28/16	443.95
Harcross Chemicals Inc.	Sodium Hypochlorite-WTP	09/28/16	2,042.30
J & S Oil Company Inc.	Diesel Fuel	09/28/16	191.96
Kennebec Equipment - Fairfield	Drill Rental for Reservoir Blower Upgrade	09/28/16	185.00
M C Disposal Inc./DBA CMD	Portapotty Rental	09/28/16	150.00
Gerald MacKenzie Inc.	Patches-Variou Locations	09/28/16	7,335.25
Maine Municipal Emp. Health Trst.	Monthly Health Insurance	09/28/16	22,953.98
Maine Water Utilities Association	Drinking Water Protection Seminar-1 Emp. & 1 Trustee	09/28/16	90.00
Maine Water Works Supply	Gate Box Tops & Covers	09/28/16	686.28
Treasurer, State of Maine	Operators License-1 Employee	09/28/16	75.00
Motor Supply Company	Seat Covers-Tk 5	09/28/16	155.00
E. J. Prescott Inc.	MXU Readers/Pack Joints	09/28/16	3,708.27
Staples Credit Plan	Cleaning Supplies/Towels/Tissue/Ink/Pens/Diary	09/28/16	216.79
United States Cellular	Monthly Data Hot Spots	09/28/16	97.80
United States Cellular	Monthly Cell Phone Service	09/28/16	83.92
USA Blue Book	Hydrant Markers	09/28/16	330.41
Verizon Wireless	Monthly Tablet Service	09/28/16	131.00
Walmart Community/GEMB	Beverages/Sugar/First Aid Supplies/Cleaning Supplies	09/28/16	81.38
Winslow Supply Inc.	Pipe/Couplings/Caps/Elbows/Cement/Primer/Rings	09/28/16	125.20
Postmaster	Bulk Mail Postage-Billing	09/29/16	230.97
TOTAL WARRANT			\$174,963.36

Motion by Trustee Talbot, “to ratify the total warrant of checks released for \$174,963.36,” seconded by Trustee Earickson.

For disclosure purposes, Trustee Talbot informed the Board that his law firm represents Fine-Line Paving & Grading LLC which is a vendor listed on today’s account warrant.

Vote: Motion carried unanimously.

B. July Financials

As part of their packets, the Trustees were provided with a copy of the July financial reports, and a brief review was conducted. The 2016 year-to-date net operating revenues are slightly below 2015 by \$3,769.

The 2016 year-to-date operations and maintenance expenses are above 2015 by \$45,823. The 2016 employee pensions and benefits expense is above 2015 by \$74,738 which was anticipated due to the addition of the recording of the employer portion of the MainePERS expense. Overall, the majority of the balances under the operating expenses category are reflecting a decrease or holding fairly stable.

The July 2016 M-4 net income is above July 2015 by \$14,565, and the 2016 year-to-date net income is above 2015 by \$15,818. Unfortunately, due to the lack of precipitation and low stream flow, M-4 has not been generating since that time.

Overall the 2016 year-to-date net income is below 2015 by \$29,918.

Referring to the cash flow report, Mr. LaCasse informed the Trustees that KWD recently received the invoices for the principal and interest for the bond issuances; therefore, the reserved account balances for this annual debt service will reflect a zero balance in October. It was also pointed out that in July the cash received was much less than the expenditures for the month which is not atypical for the construction season months.

C. Financial Analysis; Re: Rate Requirements for 2017

As part of their packets, the Trustees were provided with a Mid-Year Preliminary Financial Projection Analysis. Included in this spreadsheet are actual figures through June 2015 and June 2016 and the difference, actual figures for year-end 2015, and projected figures for year-end 2016. The bottom line is that the projected deficit for KWD in 2016 is over \$400,000. Although funds in the invested checking can be utilized for this deficit, shortfalls in subsequent years will likely get larger annually. If these projected subsequent losses are not addressed at this point with a moderate rate increase, a larger increase would be necessary in the longer term to balance the budget. Because smaller increases have less of an impact on ratepayers, Mr. LaCasse is recommending a 5-percent increase in 2017. Based on \$5 million in annual revenues, this increase will produce an additional \$250,000 in revenues (if the increase is effective January 1st) and will aid in balancing the 2017 budget. In 2017 and as is conducted on an annual basis, a mid-year financial analysis will be performed in order to evaluate if a prudent 2018 rate increase is necessary. Because most municipalities' fiscal years begin on July 1st and budgets have already been set for the first half of 2017, in order to lower the impact on these municipalities an effective rate increase date of April 1st was discussed along with the overall potential rate increase and implementation process.

Mr. LaCasse explained that because the potential rate increase is above 3-percent, KWD will be utilizing the Standard Chapter 6104 process rather than the Streamlined Chapter 6104-A process. The 6104 process does not require a full-scale review by the Commissioner of the Maine Public Utilities Commission (MPUC) as does the standard process necessitates. However, for the Chapter 6104 there is a petition process available requiring 1,000 customer signatures. The customers are informed of the availability to petition through the customer required notification process and during the formal public hearing. If the petition guidelines are met and filed within 30 days of the public hearing, the increase is suspended until such time as the MPUC can conduct an investigation. If this were to occur, it could result in a delay of the rate implementation for several months. Mr. LaCasse noted that at the time of the last increase in 2013, no one from the public sector attended the public meeting. As he did last time, Mr. LaCasse will have a Powerpoint presentation available to view during the forum explaining and providing supporting financial documentation for the proposed rate increase, including the decrease in revenues and the District's fairly successful attempt at stabilizing "controllable" expenses.

The Trustees discussed the proposed increase. Trustee Coull asked, given the amount of notice, a full quarter, the municipalities will have, would it be more sensible for KWD to implement the rate increase in January. His points being that KWD will achieve less than the \$250,000 full-year revenue if the rate increase was implemented in April rather than January, and KWD is seeking a rate increase of approximately half of which is necessary to balance the 2016 projected deficit. Mr. LaCasse agreed with the assessment that with this increase schedule, KWD will not achieve sufficient funds to balance the budget. Trustee Hodsdon asked if there was a possibility to split the effective date of the rate increase, April 1st for municipalities and January 1st for all other customers. Mr. LaCasse replied that in all fairness to the customer base he is not sure if the MPUC would allow this. In addition, if allowed, it would require two separate rate increase filings. At the time of the last

increase, April 1, 2013, because the municipalities have a fiscal year beginning July 1st, the Board allowed them, upon request, to postpone payment of the increase until the July 2013 billing cycle with no interest accrual on that portion of their bill. Mr. LaCasse stated he believes one municipality took advantage of this offer. Trustee Hodsdon commented that in consideration of the significant amount presently in the KWD invested checking, he favors moving forward with the April 1st effective date. Mr. LaCasse added that because there are multiple steps to implement a rate increase, it could prove difficult to complete the process by January 1st. Trustee Earickson asked if KWD is approved for a rate increase in 2017 and again seeks a rate increase in 2018, if there is a chance the MPUC could disallow the rate increase for 2018. Mr. LaCasse replied that because KWD's 2017 net income will most probably be in the red, and even if it was balanced, KWD should be allowed an increase in its 2018 rates also. He added that the Portland Water District has rate increases on an annual basis.

D. Other

None

ITEM 4: MOTION ISSUES

A. Motion to Begin Process to File for Rate Increase in 2017

In consideration of past and the above discussion, a motion was made to begin the process to execute a rate increase.

Motion by Trustee Talbot, "to begin the process of implementing an across-the-board increase of 5.0 percent to be effective April 1, 2017," seconded by Trustee Fuller.

Vote: Motion carried unanimously.

B. Other

The next motion item discussed was for the replacement of the folder/inserter. This is an automated machine that folds outgoing bills, inserts the bills and return envelopes, and seals the envelope. The present folder/inserter machine was purchased in 2012 and has recently had a steady increase in maintenance needs. The technicians who respond to the problems are located in New Hampshire and are not readily available to answer the steadily increasing calls for repair.

The Board was presented with two bid submittals, one from A-Copi Imaging Systems and one from Budget Document Technology. Formax, the company which supplied the present machine, has not responded to the request to submit a bid. The previous machine was purchased for approximately \$7,000 with an annual service contract of \$1,300. The low bid submitted by Budget Document Technology is for \$9,899 with an annual service contract of \$693. Budget Document Technology is located in Lewiston, Maine, and committed to a quick response time if there are maintenance needs.

The Trustees discussed the purchase. Trustee McCluskey asked if SBS/Carbon Copy in Waterville is a distributor of these types of machines and suggested, if so, this local company should be considered for a bid submittal. Trustee Fuller recommended investigating the reliability of both of

the machines being considered before making a final decision. Mr. LaCasse will explore both of these suggestions and report back to the Board at the next meeting.

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

Trustee Sanzenbacher stated that a KWD customer who lives on Martin Avenue, Waterville, asked her if there is an association between the gas burner pressure and the water pressure as her plumber claimed. Because Martin Avenue is on a high elevation and before the high-pressure zone, these customers have slightly less water pressure than many other locations but are still at 50 pounds per square inch (psi), well above the required minimum of 20 psi. Mr. LaCasse assured that there is no connection or correlation between the gas pressure and water pressure.

B. Other

At the September 1st Board meeting, Mr. Zetterman and Mr. LaCasse had commented on the China Lake low water level and the fact that due to this low level and following the Department of Environmental Protection Agency (DEP) regulations KWD has been forced to maintain close to the minimum allowance flow to the Outlet Stream. It was stated that due to this low flow, the alewives were having a difficult time migrating out of the stream. Mr. Rick Lawrence, who is a previous Trustee and a Benton Town Official, read the minutes and asked Mr. LaCasse and Trustee Fuller to correct his report and share with the Board that the alewives had been passing into the Outlet Stream for weeks. Mr. LaCasse explained that the period for the September 1st report and when he stated the alewives were not yet migrating was the end of August and the time Mr. Lawrence read the report was the end of September. The fish indeed did outmigrate beginning in early September and KWD was monitoring that process throughout the period. Trustee Fuller mentioned that he sent a communication to Mr. Lawrence regarding discussing the subject of the China Lake alewives including the various dams and passageways.

Continuing with the alewives discussion and as was discussed at the previous meeting, there are upcoming plans by the Alewife Restoration Initiative (ARI) to open the Masse Dam penstocks which may simulate the reaction of the stream bed if the Masse Dam is permanently removed. Once the simulation has occurred, an evaluation can be made to project whether the stream will provide enough water to permit unabated alewife migration in the future. If not, it may be necessary to retain the impoundment to some degree and resort to some type of fish ladder to ensure passage.

On a lighter note, Mr. LaCasse mentioned that at the New England Water Works September Conference the team he participated with, outgoing NEWWA President Craig Douglas of Brunswick/Topsham Water and Dave Parent of Sanford Water, won the Aging Infrastructure Contest and reclaimed the trophy for the state of Maine.

ITEM 6: DEPARTMENT OPERATIONAL REPORTS

A. Operations and Maintenance Update October 6, 2016

We have completed many of our planned maintenance projects this month as the city road projects have slowed down. Among these projects was the installation of a 2" blow-off on a dead end section of main on the China Rd. in Winslow, abandoning an old 12" main in the concourse in Waterville, formerly known as Charles St., and maintenance on some inoperable valves throughout the system. The longtime experience of David and Ryan, and the way Tony, Shane, Ross, Rob, and Lee have quickly learned the duties required in this field are the reasons we have been so successful. Ross attained his Class II Distribution license this month and others are working toward accomplishing that same feat.

I am very happy to report we were successful in the repair of a broken butterfly valve on the Taylor Rd. in Winslow. We managed to repair the valve with a steel plate fabricated in house and approximately \$10 worth of bolts and grease. A new valve and other materials necessary for installation, would have cost around \$4800 and would have taken almost twice the time to complete. It was a great accomplishment and something that has never been done during my or the distribution crew's time here at the district.

We have a few more planned maintenance projects to finish, but will focus our efforts on the fall flushing of the distribution system next week. Josh, our assistant engineer, David, our O+M Crew Supervisor, and I have meet to discuss updates to our shared electronic forms. We are planning to streamline the paperwork and ability to track the process order of DigSafe, System Maintenance, Paving, and Lawn Repair. We hope this form will create a better flow and allow the input of more data that will not only aid the O+M Department, but the Finance Department as well.

Benjamin LaPlante, Distribution Superintendent

Mr. LaPlante added that there has been an issue at the Bangor Savings Bank at 78 China Road in Winslow. This building's water has had intermittent air in the service line leaving the water very milky looking at times. No other buildings in this area are experiencing this type of occurrence. The problem has been narrowed down to a location between the water main and the building. KWD staff continues to eliminate theories for the air infusion but has yet to find the direct source of the problem. One of the next steps is for Bangor Savings 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.

As stated in the above report, Ross Desjardin, KWD O & M Staff, has attained his Class II Water Distribution license. In addition to this, recently Tony Bellavance, KWD O & M Staff, attained his Class II Water Distribution license, and Jared Bragdon, KWD WTP Operator, attained his Class IV Water Distribution license. The exams for these licenses are quite comprehensive and Mr. LaPlante gave kudos to these employees for achieving these goals. On behalf of the Board,

Trustee Sanzenbacher expressed appreciation of the efforts of these employees to advance their knowledge and to obtain these licenses.

As mentioned in the above report, O & M staff saved KWD a great deal of money by fabricating the parts to repair a butterfly valve.

B. Water Treatment Plant Update October 6, 2016

As of September 27th the China Lake region is in a severe to extreme drought as classified by the National Drought Mitigation Center. For some systems this could create real issues in regards to source of supply but China Lake has a safe yield of 20 MGD (amount of supply available in a drought year) and our demand is close to 3 MGD so it's a non-issue. This biggest problem the drought has created is that normally this time of year we would be getting ready to draw down the lake but if we were to draw it down now we would jeopardize our ability to get our boat in the lake at the boat launch and we would reduce the effectiveness of phosphorus removal from the lake. In regards to algae blooms this year the only significant algae bloom was a diatom bloom that occurred in May. There were also signs of a blue-green algae (cyanobacteria) bloom forming this summer but it never amounted to anything significant. Algae blooms can occur in the fall but it would likely take a substantial period of rain for one to occur this year. We had another break-in at the outlet dam and the gate position was changed. We will be taking further security measures to prevent such adjustments from being made as it compromises our ability to control the lake level in accordance to DEP's lake level order.

Standard Waterproofing finished recoating the domes of the clearwells at the treatment plant and they came out very well. The coatings on the domes should be good for another 20 to 25 years. We have also started working with Results Engineering to get the new human-machine interface (HMI) project started. The HMI is a key component to our SCADA system and is how our operators control the plant. Since we will be doing the majority of the work in-house and because it will be fit into our schedule as time allows this project will likely take several months to complete. We have also sent out another set of letters to local schools to offer lead testing of their drinking water. So far we have received interest from Benton Elementary School and Fairfield Primary School, and our plan is to extend the offer to middle schools and high schools in the near future.

We started our second round of cryptosporidium testing and will have to take samples once a month for the next two years. Our last round of testing six years ago showed no signs of the dangerous protozoa. Recently attention has been shifted to the presence of chromium-6 (famously known as the Erin Brockovich chemical) in drinking water because of its known carcinogenic properties. Even though scientists are much more concerned with the inhalation of chromium-6, lab testing has shown that it can be dangerous at higher levels when ingested. Our total chromium levels are far below the federally regulated amount and there currently is no federal regulation for chromium-6. With that in mind California has set a maximum contaminant level of 10 ppb for chromium-6 with a public health goal of 0.02 ppb. Our highest measured value during our last round of testing was 0.087 ppb. We plan on doing further chromium-6 testing to get a better sense of where it is forming in our treatment process.

As always the treatment plant staff continues to do an excellent job operating and maintaining our facilities. Incoming water quality is a moving target and there are many pieces of and parts that make up our systems. This can make things very challenging but our staff embraces these challenges and handles things very well.

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

Trustee Fuller was curious as to the location protocol for the obtaining of the water samples for the several different required tests. Mr. LaCasse answered that the test points for the algae are at any of the lake sites which are indicating a bloom. For other water tests, such as chlorophyll and phosphorus, there are written protocols for locations and sampling procedures. Mr. LaCasse added that the phosphorus reading, an indicator of the potential for an algae bloom, for China Lake this year has been at times under 15 parts per billion (ppb). 15 ppb is typically regarded as the breakpoint level to initiate a bloom. A statewide two year University of Maine Orono study on toxins related to blue-green algae blooms in public water supplies has been stalled at least in China Lake as there has been no bloom to analyze this year. Baseline samples were taken earlier this year. As reviewed in earlier Board meetings, the lack of precipitation this year has limited the inflow of nutrients into the lake and helped keep phosphorus levels low and eliminate subsequent algae blooms.

C. Customer Service and Safety Updates October 6, 2016

Meter

Service news of note:

Goodreau's Retirement Home off College Avenue has been closed for rehab recently. The 1-1/2" meter, which was inadvertently enclosed and therefore inaccessible, was changed during the rehab.

A new drinking fountain at the North Street playground was metered.

Construction of a new Dunkin' Donuts on Bay Street, Winslow appears to be at a standstill.

The old Elks Lodge on Appleton Street, Waterville, was torn down.

109 College Avenue, Waterville, is a barber shop once again.

Our equipment at 4 Oxford Street, Waterville, was removed as the building reportedly will be torn down.

Work is underway at the old Levine's building at the beginning of Main Street, Waterville.

Safety

Grant requests (2 to 1 match) for the Maine Municipal Association fall safety enhancement grant period include road signs (\$2,002) and fall protection rescue items (\$2,900). We are allowed two grant requests per grant period of \$2,000 for each request with a yearly total of \$5,000. We were granted a total of \$755.89 in the spring.

Somatex, Inc., which provides our annual crane/hoist inspection services, proposed to perform our five annual fixed ladder inspections for \$380.

Annual ladder training was provided in-house for main office personnel recently.

Mike O'Brien, Customer Service Manager

Mr. O'Brien reported that he was at the aforementioned Goodreau's Retirement Home yesterday and it appears that they are willing to open up the wall to allow for accessibility. In the event there is a pipe failure at this location, it is important that they are able to access the valves.

In addition to the above report, Mr. O'Brien informed the Board that a multi-unit home on Front Street, Waterville, was shut off due to non-payment. In an attempt to be nice, the neighbors allowed the customer with no water to run a hose from their location in order for them to have a water supply. Mr. O'Brien explained that, although the person is paying for the water consumption, according to the KWD Terms and Conditions this is considered unauthorized use of water. The Terms and Conditions state the following: "The use of water is confined to the premises named in the Contract or Application for Service. No customer shall supply water to another nor use it for any purposes not mentioned in his/her application without prior Utility approval". After relaying this information to the "good neighbor" the neighbor ceased providing water to his/her neighbor immediately. Mr. LaCasse added that although the water consumed will be paid for, the two other fixed amount components of the KWD quarterly invoice, demand and customer charge, would not be paid for in a circumstance such as this. Mr. O'Brien stated that there are a few situations still existing which were formed many years ago whereas there was an original building with water service and when a secondary building was built the water service from the original building was linked to the secondary building.

Mr. LaCasse mentioned that on today's warrant there is a purchase of pest repellents from Agway, Inc. This is due to the fact that the Meter Department staff has been unfortunate to encounter several flea infested buildings over the past couple months.

ITEM 7: ENGINEER'S REPORT

A. Engineer's Report

China Lake Elevation: 170.3

Stream Flow: 12 cfs

The work on Stuart Street, Winslow, has been substantially completed. Since the road has now been reclaimed, the boxes will have to be raised after the street is paved.

The contract has been signed for the upgrades to the Western Avenue Pumping Station. The contractor's preliminary schedule is troubling because they have all of the physical work starting in March. Work that can be done in the fall is being put off until the contractor can work with one big mobilization. By not starting until March, there is little room for any delays that will affect the timely completion of the work.

Mr. Couture, KWD's Assistant Engineer, and I have started a topographical survey of the South Street complex when time has allowed. Because the elevations will be critical for proper drainage no matter what will be planned for improvements, a precise measurement of the current elevations is necessary.

KWD staff attended a preconstruction conference for a new I-95 exit on Trafton Road, Waterville. Because the work will include the rebuilding of the intersection of Trafton and West River Roads, KWD will be affected by the project. Much of KWD's work was done in the spring to meet the Maine Department of Transportation's original schedule but that area will not have any work done to it until 2017. One outcome from the delay will allow the property owner for much of the property in that area to install a main extension up Trafton Road to serve their properties before the road work is completed.

I have met with the Town of Winslow to review their preliminary plans to improve sight distance for drivers on Clinton Avenue. The preliminary plans are to lower the road several feet on the “sand hill” portion of the road. This will require KWD to relocate its existing 12-inch main and services that were replaced just over 15 years ago. The Town is now aware that both KWD and Fairpoint Communications have to replace their infrastructure, so, hopefully, they can modify their plans to minimize the impacts.

Jefferson Longfellow, P.E.

Trustee Fuller asked the reason for the delay of the start of the Western Avenue Pump Station (WAPS) and the expected consequences if the contractor does not meet the schedule. Mr. Longfellow answered that he believes the delay is due to the contractor having other jobs to complete before beginning the WAPS. He added that the contract has a liquidated damages clause designated at \$1,000 per day if the contract is breached and the project is not completed as scheduled.

The next item discussed was the Town of Winslow’s proposed plans to lower the road on Clinton Avenue to improve site lines from Monument Street in order to increase safety at this intersection. The Trustees were provided with a map of the area from the KWD Geographic Information System and a letter from Mr. LaCasse to Mr. Heavener, Winslow's Town Manager, addressing KWD’s concerns regarding this potential project. In his letter, Mr. LaCasse explained that the KWD main in this section of Clinton Avenue was installed in the year 2000 (which is considered new for a water main) and is a primary trunk line into the Winslow grid. If the construction occurs, the cost to replace this main would be approximately \$225,000, and there are many more KWD mains in need of replacement for which these funds could be utilized. In addition to KWD, this road project would also impact FairPoint Communications as they have some major phone line conduits in that area, and there are also sewer and storm drain lines in that area. He has asked Mr. Heavener to consider other alternatives rather than lowering the road, such as making Monument Street a one-way intersection. To date, Mr. LaCasse has received a brief reply from Mr. Heavener stating this project is presently only in the preliminary design stage. Mr. LaCasse will continue to update the Board on this subject as new information becomes available.

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

Vote: Motion carried unanimously.

ITEM 8: GENERAL MANAGER’S REPORT

A. Project Updates and Issues

The first project update was regarding the WAPS and the aforementioned shorter timeline schedule for beginning and completing this project. One positive is that if the project starts in March, the first contractor payment should not be due until April. As discussed at a previous meeting, in order to avoid additional interest expense, KWD is using its own funds for the interim financing of this project and until such time that the bond proceeds become available. There was a concern that if KWD ran short of funds, it might need to apply for interim financing from the Maine Municipal Bond Bank. However, with the major portion of the project begin date being delayed and the associated costs, this concern is alleviated. The bond is scheduled to close in the spring of 2017, and KWD will be able to begin drawing from these funds.

Another few positives generated from this briefer timeframe are that there will be less KWD disruption at the WAPS for both KWD and its neighbors and less inspection and administrative costs. Unfortunately, due to this shorter period, Mr. Violette, an independent contractor and the preferred inspector for this project, might not be available as he was seeking a longer term employment commitment. He is currently looking at other job opportunities and he may be committed to these other projects when the WAPS work commences in the spring. Trustee McCluskey inquired if KWD will have input as to who the inspector is if it is not Mr. Violette. Mr. LaCasse replied that KWD will be in discussion with Wright-Pierce regarding this matter, adding that Wright-Pierce personnel might conduct some inspection of the early site work.

Trustee McCluskey voiced a concern that with this shorter timeline there could be more of a rush to complete the project and quality of work could be compromised. Mr. LaCasse commented that this contractor has completed similar major projects and past clients have indicated that they are a very capable firm and has performed excellent work. KWD as well as the project inspector will also be monitoring the project closely throughout its duration.

The next topic of discussion was the breach at the Outlet Dam that was mentioned in the above WTP Monthly Report. This is the second time there has been a violation at the dam and unauthorized operation of the dam gates resulting in increased and unregulated flow into the Outlet Stream. The first one occurred in April of this year when the building was entered by removing the locking hasp, the flow control gate was opened and left in the open position, and the building was closed with the hasp haphazardly reinstalled. At that time, KWD in conjunction with the Town of Vassalboro added a deadbolt lock to prevent a future occurrence. This time, some person actually had to have entered the building by swimming under it and climbing up into it in the area of the gates in order to gain access and open the gate. No one had tampered with the door. KWD was alerted of this situation when a few home owners on the Outlet Stream called and stated the stream water was much higher than normal. This was unusual because due to the dry summer and following lake level orders, the water release has been at close to the minimum amount. When KWD staff investigated, they found that someone had cleared the dam passage of weeds and left them on the deck and that the gates were opened to 6 inches rather than the 3 inches KWD had set. (Pictures of this were circulated amongst the Board.) It is believed that a couple of persons who are activists in the restoration of alewives to China Lake opened the gate to allow for the alewives to migrate downstream successfully. KWD actually had conversations with these individuals who admitted to removing the weeds from the dam front as they felt the weeds were a danger to alewives trying to exit. However, neither admitted to entering the building and adjusting the gates. Because Vassalboro is the owner of the dam, KWD alerted Mary Sabins, Vassalboro's Town Manager, the Vassalboro Constable and the DEP of the breach. KWD will also be investigating a means to chain the gate to prevent it from being tampered with in the future and will also install a security camera. Trustee McCluskey requested pictures of the area to view the means the culprits gained access to the area. Mr. LaCasse circulated pictures of the area and the structure itself.

The Trustees discussed the breaches at the Outlet Stream Dam. Trustee Hodsdon asked if the property was posted as No Trespassing and Mr. LaCasse answered affirmatively. He was concerned that if someone got hurt at this location KWD could become a party to a lawsuit. There was discussion that included Maine Tort Claims Act protection and ownership issues. Although the Town of Vassalboro owns the dam and KWD is just contracted to operate it under the regulatory directive of DEP for lake level and streamflow, Trustee Hodsdon directed Mr. LaCasse to check with the Vassalboro Town Manager to ensure that reports of both instances have been filed and is on record

with the proper authorities (Kennebec County Sheriff and Maine State Police), and, if not, for KWD to file the reports.

Mr. LaCasse commented that this short term opening of the gate did seem to allow the remainder of the juvenile alewives to flow into the stream and substantiate KWD's opinion that it might be able to selectively release water for short periods in the future to optimize outmigration of the alewives into the stream. That action would have to come with DEP approval and with notice to downstream property owners. However, short term releases would not ensure that there would be sufficient water in the stream itself to allow safe and unrestricted passage down the stream. Adequate stream volume to support a robust alewife population is a different issue.

On a related note, the Alewife Restoration Initiative has formed a sub-group that will be focused on future fish passage at the Outlet Stream dam. KWD, primarily Mr. Zetterman, will be participating in this group. As KWD has data on the dam, lake level, and stream flows dating to its initial use of China Lake as a source in 1905, it can provide the most accurate information to make the best decisions on fish passage design and operation going forward.

B. New and Existing Water Quality Contaminant Issues

As part of their Board packets, the Trustees were provided with a publication entitled "What is Chromium-6 and How did it Infiltrate America's Drinking Water" and the KWD's chromium-6 testing results from 2015. Every few years, the U. S. Environmental Protection Agency (EPA) compiles a list of potential new contaminants in public drinking water, and these test results are one of the outcomes of this last monitoring cycle. Although chromium-6 (the "Erin Brockovich" contaminant) is presently considered an unregulated contaminant, the EPA is in the process of compiling standards for this chemical. Similar to lead, the ultimate goal is to have no measurable amount. The last round of testing demonstrated that KWD had an average of .029 ppb which is considered miniscule. The State of California has set its own maximum contaminant level drinking water standard at 10 ppb with a public health goal of .02 ppb. Mr. LaCasse explained that there is no chromium-6 in the China Lake raw water, but there is chromium, which occurs naturally. The chromium breaks down into chromium 6 and chromium 3 as it is oxidized by chlorine during the disinfection process. Because the disinfection process is necessary for safe water, it is thought the EPA will establish a standard based on a health assessment and treatment potential to develop a standard that can reasonably met by all water utilities. As stated in the WTP Monthly Report, KWD is planning to take the initiative to conduct further testing for chromium-6 throughout its treatment train in attempt to determine where it is formed and how to effectively reduce it before it enters our system.

C. Other

None

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

Vote: Motion carried unanimously.

ITEM 9: EXECUTIVE SESSION, IF NECESSARY

None

ITEM 10: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 9:20 a.m.

Sue Markatine, Recording Secretary