

**KENNEBEC WATER DISTRICT  
REGULAR BOARD OF TRUSTEES MEETING  
THURSDAY – JUNE 15, 2017 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; Bill Boucher, Trustee; Kevin Gorman, Trustee; Joan Sanzenbacher, Trustee

Trustees absent: Mark McCluskey, Trustee; Frank Richards, Trustee

Also present: Jeff LaCasse, General Manager; Jefferson Longfellow, KWD Engineer; 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 JUNE 1, 2017.**

Motion by Trustee Sanzenbacher, "to accept the minutes of the Regular Board of Trustees' Meeting of June 1, 2017," seconded by Trustee Earickson.

Vote: Motion carried unanimously.

### ITEM 3: FINANCIALS

#### A. ACCOUNT WARRANT

June 15, 2017

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Atwork Franchise Inc.	Flaggers-Waterville-96.75 Hours	05/26/17	1,764.72
Business Card-Bank of America	Wire New Truck Strobe Light-Creative Sounds		
	Google for Work-Google	05/26/17	179.91
E S Boulos Company	Electrical Work at Various Sites-M-4, Garage, O & M Office	05/26/17	1,164.00
EMSL Analytical Inc.-Products	Cryptosporidium Sampling	05/26/17	540.00
Fastenal Company	Nuts/Screws/Spring Snaps/Cutting Wheels/Rope	05/26/17	494.20
CED-Newport	Manual Starter/Thermal Unit for Hot Water System Boiler	05/26/17	148.00
Hammond Tractor Company	Saw Chain	05/26/17	14.49
Harcross Chemicals Inc.	Sodium Hypochlorite-WTP	05/26/17	2,455.77
Home Depot Credit Services	Fire Ext. Sign/Hard Hat Sign/Bulb Guard	05/26/17	16.97
Kennebec Auto Service	Inspection & Repair-Tk 3	05/26/17	309.00
Kennebec Equipment-Fairfield	Air Compressor Rentals for WTP GAC Replacement Proj.	05/26/17	997.87
Maine Fire Equipment Comp. Inc.	Annual Fire Extinguisher Maintenance-Various Locations	05/26/17	1,153.27
Maine Municipal Bond Bank	DWSRF Loan-One-Time Payment- Project Mgmt. Fee	05/26/17	30,000.00
Maine Water Utilities Association	Issuing Drinking Water Orders Seminar-3 Employees	05/26/17	105.00
Maine Water Works Supply	Meter Flange Gaskets	05/26/17	23.46
Messalonskee Stream Hydro LLC	Labor Associated with LIHI Renewal for M-4	05/26/17	4,207.50
Modern Industries Inc.	Carbon Testing for WTP GAC Replacement Project	05/26/17	1,090.00
Northeast Laboratory	Water Tests-Total Organic Carbons	05/26/17	150.00
E. J. Prescott Inc.	1 1/2" Meter & Meter Flange Kit/3/4" Meters/Connectors		
	Touchpads	05/26/17	2,148.79
Results Engineering Inc.	2nd Rangeway Panel Upgrade	05/26/17	1,990.95
Teague Distributors Inc.	Service Weed Wacker	05/26/17	73.00
United States Cellular	Monthly Data Hot Spot Service	05/26/17	98.64
United States Cellular	Monthly Cell Phone Service	05/26/17	87.12
USA Blue Book	Machinery Grease	05/26/17	43.13
Walmart Community/GEMB	Employee Clothing/Paper Goods/Coffee	05/26/17	104.32
City of Waterville	Excavation Street Permits	05/26/17	825.00
Postmaster	Bulk Mail Postage-Billing	05/31/17	327.07
Kennebec County Reg. of Deeds	Lien Filing & Release Charges-2 Properties	06/01/17	44.00
Atwork Franchise Inc.	Flaggers-Waterville-106.50 Hours	06/05/17	1,942.56
Business Card-Bank of America	Copy of Land Survey Plan-Reg. of Deeds/Power Boot		
	Module/Adaptor/Cable/Stirers/Chargers-Amazon	06/05/17	159.69
Dennis K. Burke Inc.	Heating Oil-WTP	06/05/17	3,580.36
Central Maine Power	Monthly Electricity-Various Locations	06/05/17	8,381.89
CED-Newport	Emergency Light Bulbs	06/05/17	107.08
Hilltop Cleaning Service	Monthly Cleaning Service	06/05/17	611.00
Kennebec Water District	Monthly Petty Cash	06/05/17	48.40
Maine Oxy/Spec Air Gases & Tech.	1 CO2 Cylinder Exchange	06/05/17	38.36
Treasurer, State of Maine	Monthly Sales Tax	06/05/17	2,503.60
Treasurer, State of Maine	PUC Annual Regulatory Assessment	06/05/17	16,456.00
MainePERS	Monthly Employer Contribution	06/05/17	7,677.16
MainePERS	Monthly Group Life Premiums	06/05/17	713.21
Runyon Kersteen Ouellette	Professional Services-2016 Audit	06/05/17	1,500.00
Shannon Chemical Corp.	Polyphosphate-WTP	06/05/17	10,291.19

Standard Waterproofing Inc.	Prep & Remove Existing Coating-Holding Tank-WTP	06/05/17	26,600.00
Verizon Wireless	Monthly Data Service	06/05/17	131.00
Walmart Community/GEMB	Beverages/Sugar	06/05/17	60.26
Advance Auto Parts	Wire Striper & Crimper/Battery	06/09/17	69.97
Bluetarp Financial Inc.-Aubuchon	Hydrant Paint	06/09/17	75.98
Constellation NewEnergy Inc.	Monthly Electricity-Variou Locations	06/09/17	10,478.92
Critical Alert	Pager Service-2 Months	06/09/17	142.20
Earthlink Business	Monthly Long Distance Telephone Service	06/09/17	363.62
EMSL Analytical Inc.-Products	Cryptosporidium Sampling	06/09/17	390.00
Fastenal Company	Safety Glasses/Rakes/Shovels/Screws/Nuts	06/09/17	394.78
Galeton Gloves	Various Gloves	06/09/17	352.75
GWI	Monthly Internet Service	06/09/17	284.60
Hamlin's Sporting & Marine World	Boat Oars/Oar Locks	06/09/17	152.37
Hammond Tractor Company	Saw V-Belt/Saw Deflector Guard	06/09/17	153.97
Harcross Chemicals Inc.	Hydrofluorosilic Acid-WTP	06/09/17	5,140.30
Hospice Volunteers of Waterville	Donation in Memory of Trustee Patricia Gorman	06/09/17	100.00
Houle's Plumbing Heating & AC	Annual KWD RPZ Inspections-WTP	06/09/17	200.25
Hussey Communications Inc.	Monthly Internet Service	06/09/17	250.00
Joseph's Sporting Goods	Employee Clothing	06/09/17	167.34
Maine Oxy	1 CO2 Cylinder Exchange	06/09/17	38.36
Maine Water Works Supply	Plugs/Ball Valves/Couplings/Gate Box Tops & Covers		
	Repair Clamp/Pipe/Gaskets/Operating Nuts	06/09/17	3,333.12
Treasurer, State of Maine	Water Tests	06/09/17	151.00
Matheson Tri-Gas Inc.	10" Wire Wheel Brush	06/09/17	138.01
Modern Industries Inc.	Carbon Testing for WTP GAC Replacement Project	06/09/17	700.00
Morning Sentinel	Annual Newspaper Subscription	06/09/17	318.19
Northern Safety Company Inc.	Eye Saline/Wet Floor Signs/Safety Glasses	06/09/17	387.58
Fanado Pelotte	Backhoe/Wheelers/Excavators-Variou Locations	06/09/17	6,400.64
Results Engineering Inc.	2nd Rangeway Panel Upgrade-Materials	06/09/17	17.95
Roki Repair Shop	Commercial State Inspection	06/09/17	75.00
David Morin	Monthly Lawn Service-Variou Locations	06/09/17	2,040.00
Spring Brook Ice & Fuel	Troubleshoot Hot Water Boiler-WTP	06/09/17	83.00
Staples Credit Plan	Laptop/Office Home & Business	06/09/17	589.97
Thayer Corporation	Quarterly Maintenance Service-Business Office	06/09/17	305.68
Verrill Dana LLP	Professional Services-Bond	06/09/17	577.50
Ware-Butler Inc.	Sealant for Vac Unit	06/09/17	47.94
<b>TOTAL WARRANT</b>			<b>\$165,278.93</b>

Motion by Trustee Talbot, "to ratify the total warrant of checks released for \$165,278.93," seconded by Trustee Earickson.

Trustee Hodsdon noted that KWD paid the project management fee to the Maine Municipal Bond Bank for the drinking water state revolving fund loan for the Western Avenue Pumping Station capital project. Mr. LaCasse stated that this payment of \$30,000 will be reimbursed to KWD as it will be incorporated as part of the bond loan proceeds.

Trustee Hodsdon observed that KWD has been utilizing the services of Fanado Pelotte quite frequently and asked if this is the result of the fairly new (approximately one year) KWD backhoe being out of commission due to mechanical issues. Mr. LaCasse replied that this is a contributing factor. He added that the Case backhoe has been repaired numerous times; however, mechanical problems are ongoing. There have been a variety of problems including numerous with the hydraulic

system and a few repeat repairs. Mr. LaPlante, KWD's Distribution Superintendent, is compiling a list of the problems in addition to the extra costs incurred by KWD due to these problems, and these items will be provided to and discussed with Mr. Beauregard of Beauregard Equipment Inc. Trustee Fuller asked if there is a potential a new replacement backhoe is needed. Mr. LaCasse answered this will be determined after the discussion with Mr. Beauregard.

Vote: Motion carried unanimously.

## **B. April Financials**

As part of their packet, the Board members were provided with a copy of the April financial statements, and a brief review was conducted. Mr. LaCasse explained that the rate increase went into effect April 1<sup>st</sup>; however, because the metered sales bills are quarterly, the full financial impact will not be realized until the next billing cycle. On the other hand, public fire protection service and private hydrant service which are flat fees are billed in advance, the April 1<sup>st</sup> quarterly billing is for the months of April, May, and June; therefore, the full impact of the rate increase is reflected, boosting April 2017 revenues in these two categories by \$10,956 above April 2016. Also in April, the 2017 metered sales industrial revenue, of which the Huhtamaki Manufacturing Plant (HMP) is the primary customer, is above 2016 by \$13,018. Overall, the 2017 year-to-date operating revenues are above 2016 by \$8,109.

Under the operating expenses, Mr. LaCasse pointed out that the 2017 purchased power is above 2016 by \$7,003 which is partially due to the fact that M-4 has not been operable and powering the WAPS when it is pumping. As has been pointed out at previous meetings, there will be more electrical efficiency which should result in less electric demand upon completion of the WAPS capital project. KWD will, however, lose the value of direct use of M-4 generation for the pumps in the station in the future with the decoupling of the hydro station from the pump station.

Mr. LaCasse also noted that the 2017 employee pensions and benefits category is above 2016 by \$17,880. The contributing factors for this is the increase in the 2017 health insurance premiums and the fact that a few new employees have opted for the family coverage while a few of the retired employees were under the single coverage and some senior employees have upgraded to family coverage. Trustee Hodsdon asked if the KWD employee pensions and benefits percentage as compared to salaries and wages were comparable to other utilities. Mr. LaCasse replied that he will make inquiries to a few other utilities and report back to the Board.

## **C. Proposed Change to Capitalize Certain Projects**

As part of their packet, the Trustees were provided with a narrative from Mr. LaCasse entitled "Proposed Change to Capitalize Certain Projects-Background and Proposal". Mr. LaCasse explained that for years and as guided by the Maine Public Utilities Commission (MPUC), KWD created dedicated reserve funds with periodic contributions to cover the cost of extraordinarily high expense maintenance items, such as the tank painting and granulated activated carbon (GAC) replacement. By regulation, once the reserved funds are in place, the funds are required to be utilized for the particular specified project, and KWD loses flexibility for the utilization of these funds.

At his most recent Maine Utility Finance Officer's meeting, Mr. LaCasse learned that one utility had recently bonded a tank painting project, and the MPUC had no objection to that process. Mr. LaCasse then contacted the MPUC and questioned if KWD could capitalize projects such as the

tank painting and GAC replacement as they both have lifespans of several years. The staff from the MPUC confirmed that this would be appropriate.

Mr. LaCasse proposed to the Board to eliminate the use of the reserved fund accounts going forward and to capitalize these types of projects. In his narrative, he explains that the primary advantage of this is that KWD does not have to build a fund that sits idle over several years while not being able to utilize the money in the fund for other purposes. In addition, if a project is capitalized, KWD can either bond the project for a period approximately equal to the expected lifespan (with finance costs) or pay for the project through the KWD annual capital improvement program (without finance costs). Also mentioned in the narrative is under the former version of expensing for the projects, ratepayers might pay into a dedicated fund for years and the project could actually start after they have moved away and are no longer a customer without receiving the benefit of the updated asset such as the GAC. Another benefit to the capitalizing of these projects rather than expensing is that the KWD rate structure includes funding for depreciation with the intention of providing revenue to fund replacements or upgrades of infrastructure and equipment.

The GAC reserve fund is presently at zero dollars due to the recent project; however, Trustee Earickson asked if the present reserve funds for the tank painting projects will be rolled into the KWD general fund. Mr. LaCasse answered that because the funds have already been expensed and dedicated in reserve for the tank painting, it is required to use the fund money for this type of project until the fund is depleted. Because the GAC project exceeded the amount in the reserve fund, Mr. LaCasse is planning to explore the potential of capitalizing the balance of the project cost which was financed using the invested checking monies.

It was the consensus of the Board to move forward with Mr. LaCasse's recommendation to capitalize rather than expense future projects in this category type.

Continuing with the financial discussion, the Trustees were provided with a copy of an updated amortization schedule of the KWD bond debt, including added debt service related to the 2017 bond, from 2011 through 2037. This spreadsheet depicts the fact that the debt service is scheduled to decrease substantially in 2021, from \$1.6 million dollars annually to \$257,553 annually. At that time, KWD could issue new bonds for major capital improvements which would maintain the annual debt service close to the present debt service. Another option would be to use the additional available revenue to fund capital projects on an annual basis rather than issue new bonds.

Trustee Fuller asked if KWD has a master main replacement plan to facilitate with forecasting major projects and the associated costs. Mr. LaCasse responded that KWD has been using its current Master Plan as a guide in recent years, and, as authorized by the Board, is in the process of commissioning an updated Comprehensive Water System Facilities Plan (Master Plan) to review the District's facilities and guide in the development of future capital improvements during the next 10 to 15 years. KWD is also in the process of completing an Asset Management Plan in addition to its present written Main Replacement Priority Rating System which aids in determining and scheduling water main replacements. Trustee Fuller made the point that although KWD will have a reduction in debt service, due to inflation, expenses will continue to rise including the cost of pipes and materials to conduct the main replacements.

#### **D. SWPG Reimbursement for Camp Road Survey and Report**

Mr. LaCasse informed the Trustees that KWD has received reimbursement from the Maine Drinking Water Source-Water Protection Grant Program for \$6,300 for the China Lake Watershed Private Road Survey conducted by Maine Environmental Solutions. Because this topic was discussed prior to him becoming a Board member, Trustee Gorman asked for further information regarding this subject. Mr. LaCasse explained that KWD partnered with the Kennebec County Soil and Water Conservation District in connection with this project. This survey pinpointed and rated the roads surrounding China Lake, the degree of erosion, and made recommendations for maintenance and repairs in order to impede and control phosphorus run-off which is a leading contributor of algal blooms. The second phase was to develop more detail on what would be required for remediation for the roads having the greatest impact on lake water quality. The next step of this project scope will be to formulate a plan, including contacting and having discussions with home owners and road associations, and to determine if there is funding available to proceed with the remediation of the priority roads.

#### **E. Other**

Mr. LaCasse informed the Trustees that the first bill (as there continues to be some necessary repairs) from T. Buck Construction for the repairs at M-4 is \$127,000.

Regarding a different subject, at the April 20<sup>th</sup> meeting, the Board authorized the General Manager to review the Maine Power Options (MPO) fuel oil program pricing and to accept the lowest bid for fuel oil for the WTP for the 2017-2018 heating season. This was approved due to the process of MPO monitoring the market and when it deems prices are at a low it solicits suppliers statewide in order to achieve optimal pricing for its customers and an almost immediate commitment is required. The timing of this bid action is set to be on June 21<sup>st</sup>. Because Mr. LaCasse will be out of the office the week of June 19<sup>th</sup>, Mr. Zetterman, KWD's Director of Water Quality, will be accepting the low bid on behalf of KWD. Mr. LaCasse will report to the Board the accepted bid price at the next meeting. He also informed the Board that a few years ago the fuel usage at the WTP was between 10,000 to 12,000 gallons annually, but due to improved efficiencies, the usage now averages approximately 8,000 gallons per year.

#### **ITEM 4: MOTION ISSUES**

##### **A. Other**

None

#### **ITEM 5: TRUSTEES**

##### **A. Comments, Concerns, Ideas**

Trustee Sanzenbacher mentioned that a customer was very appreciative of a phone call from KWD regarding abnormally high water usage at her residence. In this particular case, the homeowner very seldom goes into the cellar and was not aware of the major leak. The customer contacted a plumber and the problem was rectified. It was explained that on a daily basis, KWD's

Meter/Customer Service staff reviews a master list of customer water spikes over a 24-hour period for high water usage anomalies. This information is relayed to the Billing Administrative Assistant at the Business Office, and the customers are notified by a courtesy call (if KWD has a working telephone number) or, at times, an investigation at the site by the Meter Department staff. Mr. LaCasse commented that the majority of KWD's customers are grateful that the issue is brought to their attention. However, there are some customers who choose to ignore the warnings or are not pleased as the end result could be the customer having to call a plumber.

Turning to a different subject, Trustee Hodsdon asked if there was an update regarding the KWD employee whose request was denied by the Board for reimbursement to cover costs of prescription payments the employee stated were made during the month of March when the employee was not covered by KWD's insurance plan. The Trustees requested and Mr. LaCasse informed the employee and his wife that because the employee is a member of the collective bargaining unit, he is entitled to submit a grievance to the shop steward. Mr. LaCasse responded that he had denied the grievance and last week he was informed that the union has now filed for a grievance arbitration hearing under the procedures of the Maine Board of Arbitration and Conciliation. Mr. LaCasse stated that this new Teamsters staff has so far chosen to skip some of the normal procedural steps that former Teamsters' representatives have employed and, on the three pertinent occasions in the past three years including the collective bargaining sessions for the current contract, has immediately asked to move to mediation or arbitration without any negotiation with KWD management. He explained that there is a cost to both KWD and the Union for these regulated sessions.

## **B. Continuation of Discussion of Vassalboro Boat Launch Repair Work**

At the request of Trustee Richards (who was not present at today's meeting), the above item was added to the June 1<sup>st</sup> agenda for Board discussion and consideration of KWD making a contribution for the China Lake Vassalboro boat launch renovation project by the Town of Vassalboro. At that meeting, because Trustee Boucher has intricate knowledge of the project and was not in attendance at the June 1<sup>st</sup> meeting, it was decided to table this discussion until today's meeting. It was learned at today's meeting that this project will be funded 75 percent by the state and 25 percent by the town, which \$28,700 has already been raised by the town and approved by the voters to fund this project.

As part of their packet, the Trustees were provided with a copy of the minutes from April 7, 2016 which narrated the prior discussion of the above topic. Also included, per the result of the deliberation and approved motion by the Board, was a copy of the letter from Mr. LaCasse to Mary Sabins, Vassalboro Town Manager, conveying the sentiment of the Board. The approved motion read as follows, "to authorize the General Manager to write a letter supporting the Town of Vassalboro and State of Maine ramp replacement project, but with reference that the ultimate goal should be to relocate the launch to a different location further away from the KWD intake pipe, and because KWD pays taxes to the Town of Vassalboro, to decline a monetary contribution as monies are going to be utilized to increase protection in the area surrounding the KWD intake pipe". Mr. LaCasse pointed out that at the time the options were discussed and the motion approved, Trustee Richards was not a Board member; therefore, he had no knowledge of this prior deliberation.

Also in his letter to Mary Sabins, Mr. LaCasse stated that KWD would prefer a metal dock rather than a wooden dock constructed with pressured-treated wood. However, because the state grant was for a wooden structure and after reviewing the lumber chemistry deeming there would be minimal water quality impact, KWD agreed to support the pressure-treated lumber option. Trustee

Boucher mentioned that he was at the East Basin China Lake boat launch at the Causeway Road and noticed an oily film in the water. As there were no boats in the area, it was determined that this was an amount of chemical leaching from the wooden boat ramp. Although the same type of seepage could occur at the Vassalboro boat launch, this exact location is not in close proximity to the KWD intake pipe area. In addition, the amount should be minimal and will normally flow to the Outlet Stream. Trustee Earickson asked if KWD had explored the potential of a metal dock with the town staff. Mr. LaCasse stated he investigated this option. Although KWD would prefer metal, the difference in cost could be quite substantial, and a metal dock would not be as sustainable. Subsequently, after conducting some research it was deemed that the impact of the wooden dock chemicals to the watershed will be minimal.

Mr. LaCasse suggested not altering from the original Board authorization. He added that KWD serves several communities, receives requests for specific donations or offsets regularly and typically denies those donations without discrimination in order to be fair and equitable to all ratepayers. The Trustees concurred with Mr. LaCasse's recommendation.

### **C. Succession Planning Committee – Board Update**

After the end of the June 1<sup>st</sup> regularly scheduled Board meeting, the Succession Planning Committee conducted its first meeting. The members requested that Mr. LaCasse prepare an updated job description for the KWD General Manager's position. At today's meeting, the Trustees were presented with the following draft items: 1) KWD GM Position Description; 2) KWD GM Job Function Listing; 3) KWD GM Proposed Benefit Package; 4) KWD GM Search System Information (KWD History, Present System, Staffing, Budget, and Specific Financial Systems; 5) KWD Organizational Chart; 6) Steps to General Manager Hiring Process; and 7) Vision of KWD for the Year 2019. This information will also be e-mailed to the Trustees for their review and written commentary and then further discussion will ensue.

### **D. Upcoming Meeting Schedule**

After some discussion, it was decided to continue with the summer scheduled meeting dates agreed to at the previous meeting. The Board will meet only once per month in July and August, July 6<sup>th</sup> and August 3<sup>rd</sup>. In the case a significant issue arises and needs to be discussed, an additional meeting will be scheduled. Trustee Talbot mentioned that due to another commitment, he does not expect to be in attendance at the July 6<sup>th</sup> meeting.

### **E. Other**

At today's meeting, the Trustees were furnished with a copy of the Request for Proposal (RFP) for Professional Engineering Services for the KWD Comprehensive Water System Facilities Plan, and an electronic copy will be forwarded after the meeting. The last master plan was compiled in the year 2001. This is a multifaceted detailed plan which will take some time to complete. Mr. LaCasse's goal is to, at the very least, have a draft copy before he retires in 2018. KWD has been approved for a Capacity Development Grant from the Maine Drinking Water Program for up to \$15,000 for this project.

Mr. LaCasse's is planning to send this RFP to the following engineering firms: Wright Pierce, Woodard & Curran, Tata & Howard, and CDM Smith. When the proposals are received from

the engineering firms, a committee will be formed composed of KWD staff and KWD Trustees to rate and select a firm to conduct this study.

On a different subject, at the June 1<sup>st</sup> meeting, both Trustee Dornish and Trustee Earickson mentioned that they had watched and recommended viewing an interesting documentary on the past events surrounding the serious problem of lead being in the drinking water in Flint, Michigan, and the resolution to remedy the situation. Mr. LaCasse stated he did view this online and found it to be quite interesting. He said Trustees could find this video with a Google search using the key words “Nova and Flint Michigan water”. He added that there was a recent article in the Morning Sentinel stating that six former and current Michigan and Flint officials have been criminally charged for their roles in the crisis that was suspected to be responsible for an outbreak of Legionnaire’s disease that sickened approximately 80 individuals and led to at least 12 deaths.

## **ITEM 6: ENGINEER’S REPORT**

### **A. Engineer’s Report**

China Lake Elevation: 171.6  
Stream Flow: 40 cfs

The work on the Western Avenue Pumping Station is progressing. There were some times in the past two weeks where it was thought that the work would be coming to a complete standstill. The temporary bypass pumping supplier provided pumps that were different from their submittals. The smaller pumps initially could not pump the specified amount of water, but they decided to have the speed of the pumps increased by 10 percent and that allowed the pumps to move the specified bare minimum of water. Although it was the minimum quantity to keep KWD in water, it’s not practical to meet typical demands. To do so, we are using both of the pumps to match what one of the old Western Avenue pumps moved. A spare pump and variable-frequency drive (VFD) has been provided so that in the event that one of the pumps fails, there is a spare on site that can be installed to get moving water.

This was put to the test on June 5<sup>th</sup> when a pressure gauge vibrated off and sprayed water into the electrical box creating a fault on the VFD. Fortunately, this was easily remedied, but the spares may need to be used at any time. With the spare in place, the pumps have been dismantled from the station, and now the floor is being removed to give the contractor access to the pipe gallery.

We had thought that the repairs to M-4 had been completed. The wickets were all installed, and the work area was cleaned up. The unit was re-watered on June 5<sup>th</sup>, and then the hydro station was started. It started with few problems, but it did not shut down properly and is allowing too much water to pass through the turbine when it is not needed. The contractor has agreed to come back to make the necessary adjustments with the guidance from the experienced staff from Essex Hydro. It is now a matter of bringing in the divers to seal up the turbine area so that crews can work within it.

### **Jefferson Longfellow, P. E.**

In addition to the above, Mr. Longfellow informed the Trustees that the contractor is in the process of stripping the pump station and removing the flooring. He made the comment that the

WAPS was definitely due for an upgrade, as there were worn leadite joints found during the demolition process.

Regarding the hydro station, the divers sealed up the turbine area on June 14<sup>th</sup>, and the contractor along with Essex Hydro staff are conducting adjustments today to make M-4 operable again.

Trustee Earickson mentioned that last week at his workplace, Colby College, he received an e-mail notification stating that day was an energy high-usage day and electricity should be conserved. He asked if KWD was alerted to this. Mr. LaCasse stated KWD along with the assistance of Maine Power Options monitors days that are deemed as potential high electrical capacity days and was notified on that day. During these peak power days, operations are adjusted, and typically the WTP, Chase Avenue Pump Station, and WAPS are shut down for a portion of the day. If KWD is not utilizing power during these peak times, the forward capacity charges are off-set for the subsequent year which results in significant electrical savings for KWD. Although that day was predicted to be a possible “peak” day of the year, Mr. LaCasse foresees that there will most likely be days in July or August which will surpass that day’s energy usage. Due to mechanical issues, M-4 was not operating on the high-power usage day which probably would have resulted in high premiums for the generated electricity. Mr. Longfellow stated that there is now limited water being released due to loon nesting season. Beginning on June 1<sup>st</sup>, due to the nesting, lake levels are required to be retained at a higher level so as not to ground the nests. Mr. LaCasse added that when there is water available, Essex Hydro manages the hydro water flow and associated generation during the peak energy consumption period.

The Trustees were informed that the water taps are being scheduled for the new dialysis clinic at 205 Ridge Road, Fairfield.

The Appleton Street, Waterville, water line project is continuing with the contractor abandoning the previous water service lines.

Motion by Trustee Talbot, “to accept the Engineer’s Report as presented,” seconded by Trustee Sanzenbacher.

Vote: Motion carried unanimously.

## **ITEM 7: GENERAL MANAGER’S REPORT**

### **A. ARI/Outlet Stream Dam Project Update**

Before the above agenda item, Mr. LaCasse updated the Board on the KWD electricity pricing. He reviewed the fact that KWD has a three-year contract presently with Constellation Energy for the KWD three largest power users, the WTP, the WAPS, and the Chase Avenue Pump Station. The present contract is \$0.07426 per kWh for the generation portion, and this contract is set to expire November 2017. Mr. LaCasse informed the Trustees that the new projected cost is \$0.053 per kWh for a three-year contract. By agreeing to this contract, KWD will be lowering and stabilizing its electricity expense for the next three years. Based on current electrical usage, this reduction is predicted to be \$30,000 annually. With added efficiencies at the completion of the WAPS upgrade project, this predicted savings amount could be surpassed.

Next, Mr. LaCasse reported on the Alewives Restoration Initiative (ARI) and China Lake Outlet Stream dam project. Recently, Mr. LaCasse and Mr. Zetterman, KWD's Director of Water Quality, attended a meeting at the Vassalboro Town Office regarding the Outlet Stream dam alewife fish passage project. Mary Sabins, Vassalboro Town Manager, was also a participant at this meeting. Mr. LaCasse commented that the conceptual design drawings appear to be appropriate for the project scope. He added that KWD will continue to have involvement in monitoring the lake level according to the Department of Environmental Protection (DEP) lake level guidelines. Trustee Fuller asked if the dam specs are conducive for controlling the lake level. Mr. LaCasse stated that with KWD input, including providing information of lake levels and flows, the design appears to be configured properly in order to provide adequate control to meet the level per DEP guidelines. KWD staff also shared ideas with the engineers to ensure that the design meets the Occupational Safety and Health Administration (OSHA) standards, and these concepts will be incorporated into the schematics. Overall, Mr. LaCasse and Mr. Zetterman are pleased with the fish passage design.

The design crew and engineers for this fish passage project will be meeting with and presenting the conceptual design to the Vassalboro Select Board on June 29<sup>th</sup>. Interestingly, the dam is owned by the Town of Vassalboro and any type of work on this dam or other town-owned property has to be brought forth to and approved by the Vassalboro voting citizens. The town meeting was already held earlier in June; therefore, unless there is a special town meeting, the project will have to be presented to the voters in June 2018 at the earliest.

Mr. LaCasse also mentioned that it appears there are still issues with the other five dam sites downstream which will be necessary to address by the alewife restoration group. There have been questions by some concerned citizens as to why the first dam out of the lake, Outlet Stream dam, is the first fish passage being constructed and a priority before the other dam locales are addressed.

Mr. LaCasse informed the Board that on an annual basis and until round trip fish passage becomes a reality, China Lake will continue to be stocked with alewives. Outmigration through the Outlet Stream dam gates remains the method of egress for the alewives. He further explained that the adults migrate out immediately after the spawning period, and the juveniles migrate out in the fall.

## **B. Unauthorized Third Party Payment Site Update**

In review, at the June 1<sup>st</sup> meeting, Mr. LaCasse brought to the attention of the Board the fact that there is a third party online bill-pay company named DOXO, Inc. which accepts payments for various utilities, including KWD, and other companies. Although this appears to be a "legitimate" company, there are concerns due to the fact that DOXO, Inc. copied a portion of the KWD website onto its own webpage. The public could misconceive this as the KWD website or associated with KWD. As DOXO, Inc. charges a fee for its transactions, it may lead customers to believe that KWD charges a substantial fee to process credit card payments when, in fact, KWD does not charge a fee for these transactions. In addition, when credit card payments are made via the KWD website, KWD receives a listing and these payments are processed the following business day after the transaction has been completed. If customers pay via the DOXO, Inc. website, a paper check is sometimes issued by DOXO, Inc. which could take up to two weeks to be delivered to KWD. If a customer has a disconnection notice due to non-payment with a specified shut-off date, the check might not reach KWD within the disconnection deadline leading to their water being shut off.

At today's meeting, Mr. LaCasse provided a copy of an article entitled "Why a Water Agency is Suing a Jeff Bezos-Funded Startup" which is the DOXO, Inc. company. The water company

alleged that DOXO, Inc. was infringing on its trademark and misleading customers into believing that DOXO, Inc. was affiliated with the water utility. Mr. LaCasse is planning to request that DOXO, Inc. remove any pictures or information taken from the KWD website. Trustee Fuller inquired if there is a copyright notice on the KWD website. Mr. LaCasse answered that KWD does not presently own a registered copyright for its material. Trustee Fuller suggested formally registering a copyright, which is believed can be accomplished at little or no charge, and placing this on the KWD website; therefore, preventing companies from replicating the KWD information.

Mr. LaCasse also informed the Board that there is now a warning statement on the KWD website which alerts customers to third-party payments sites such as DOXO.com. It also alerts them to the fact that some third-party sites do charge a fee, and that due to the processing method of a paper check for KWD, a payment might not be received by KWD for up to two weeks. This notification also has the added information informing customers that credit card payments can be made on the KWD official website at no additional charge. The Trustees were provided with a copy of this notification.

### **C. SHAPE Inspection**

At past meetings, the Board has been apprised of KWD's participation in the Maine Department of Labor Safety and Health Award for Public Employers (SHAPE) certification program. Some time ago, KWD invited a representative from the Bureau of Labor for a safety consultation and the majority of KWD sites were inspected. KWD received the findings' report from the Bureau and based on the recommendations, KWD staff has been working diligently to correct all identified hazards including upgrading safety equipment and providing additional employee safety training. The Trustees were informed that a representative from the Bureau of Labor revisited the KWD sites on June 12<sup>th</sup>. As a result of this visit and reassessment, there is an indication that, after a few minor projects to complete, KWD will be awarded the SHAPE designation. If KWD does receive the SHAPE certification, there is the expectation that KWD's property and casualty insurance cost will decrease.

### **D. Other**

None

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

Vote: Motion carried unanimously.

### **ITEM 8: EXECUTIVE SESSION, (If Necessary)**

None

### **ITEM 9: PUBLIC PARTICIPATION**

None

Motion by Trustee Talbot, “to adjourn the meeting,” seconded by Trustee Boucher.

Vote: Motion carried unanimously.

Meeting adjourned at 8:50 a.m.

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Sue Markatine, Recording Secretary