

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – FEBRUARY 1, 2018 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; Mark McCluskey, Trustee; Bill Boucher, Trustee; Frank Richards, Trustee; Denise Bruesewitz, Trustee; Alex Wild, Trustee

Trustees absent: None

J. Michael Talbot left the meeting at 8:35 a.m.

Also present: Roger Crouse, New General Manager; Jeff LaCasse, Former General Manager; Jefferson Longfellow, KWD Engineer; Matt Zetterman, KWD Director of Water Quality; Benny LaPlante, KWD Operations Superintendent; Sue Markatine, Recording Secretary

ITEM 1: INTRODUCTION OF GUESTS

Mr. Roger Crouse, in-coming and current KWD General Manager, was introduced to the Board members and KWD staff in attendance at today's meeting.

Because a Trustee stated he had to leave the meeting early, the Board decided to enter Executive Session at this time rather than at the end of the meeting.

At 7:32 a.m., motion by Trustee Talbot, "to enter Executive Session under MRSA Title 1, Section 405-6A to discuss personnel related issues and MRSA Title 1, Section 405-6D to discuss collective bargaining issues between KWD and Teamsters Local No. 340," seconded by Trustee Earickson.

Vote: Motion carried unanimously.

At 8:15 a.m. President Hodsdon brought the Board out of Executive Session.

As a result of the Executive Session, motion by Trustee Talbot, "in regards to the proposed settlement offer by the union, to reject the union's offer of a one-year contract as a three-year contract is wanted by the Board and authorize to negotiate at the discretion of the former General Manager and current General Manager the balance of the union negotiations which will be subject to KWD Board approval," seconded by Trustee Earickson.

Vote: Motion carried unanimously.

ITEM 2: REVIEW AND APPROVE THE MINUTES OF THE REGULAR BOARD OF TRUSTEES' MEETING OF JANUARY 18, 2018.

Motion by Trustee Talbot, "to accept the minutes of the Regular Board of Trustees' Meeting of January 18, 2018," seconded by Trustee Fuller.

The Board discussed the motion.

Motion by Trustee Talbot, "to amend the January 18th minutes, Item 7, Section A. in reference to the incoming General Manager's vehicle to add that, "A new vehicle is needed as the General Manager's vehicle is in need of replacement. A new vehicle is included in the 2018 capital budget." Also, to amend the minutes in this same section to strike the phrase "will need to commit to rather quickly"." seconded by Trustee Wild.

Vote: Motion number two carried unanimously.

Vote: Motion number one carried unanimously.

ITEM 3: FINANCIALS

A. ACCOUNT WARRANT

February 1, 2018

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Postmaster	Bulk Mail Postage-Billing	01/12/18	289.92
Postmaster	Bulk Mail Postage-Billing	01/22/18	794.17
A Partner in Technology	Computer Services-Variou Locations	01/22/18	2,209.50
Aladdin's Trophy	Nameplates for Two New Trustees	01/22/18	20.00
BNY Mellon Corporate Trust	2004 Bond Interest & Principal	01/22/18	38,062.08
Harcross Chemicals Inc.	Sodium Hypochlorite-WTP	01/22/18	2,506.76
IDEXX Distribution Inc.	Lab Supplies & Test Kits-WTP	01/22/18	1,266.09
M C Disposal Inc./DBA CMD	Monthly Portapotty Rental	01/22/18	75.00
Maine Municipal Emp. Health Trst.	Monthly Health Insurance Premiums	01/22/18	28,994.78
Maine Water Works Supply	SS Repair Clamps	01/22/18	194.54
Treasurer, State of Maine	Water Tests	01/22/18	952.00
Workplace Health	Audio Exam-1 Employee	01/22/18	43.00
Motor Supply Company	Winter Wiper Blades-Tk 21	01/22/18	23.58
NEIWPCC	Management Candidate School-1 Employee	01/22/18	850.00
Northeast Laboratory	Water Tests	01/22/18	180.00
Fanado Pelotte	Backhoe/Tri-Axle/Excavator-Variou Locations	01/22/18	3,219.38
Pike Industries	Washed Ledge Stone	01/22/18	576.98
E. J. Prescott Inc.	Backflow Preventers/Meter Gasket Rubbers/Korner Horns	01/22/18	2,091.62
Roki Repair Shop	Repairs-Tk 1/Trailer Commercial State Inspection	01/22/18	261.96
Spring Brook Ice & Fuel	Heating Oil-Variou Locations	01/22/18	1,228.55
Staples Credit Plan	Printer/Ink/Clips/Pads/3-Hole Punch/Paper	01/22/18	377.80
C H Stevenson Inc.	Cold Patch	01/22/18	3,119.04
Time Warner Cable	Monthly Internet/Telephone Service	01/22/18	232.70
VWR International LLC	Fluoride Testing Lab Supplies-WTP	01/22/18	736.92

Walmart Community/GEMB	Headlights/Sugar/Coffee	01/22/18	77.16
Ware-Butler Inc.	Staging Planks-WTP	01/22/18	209.85
Wright-Pierce	Monthly Construction Admin-WAPS/Master Plan Project	01/22/18	6,196.14
Postmaster	Bulk Mail Postage-Billing	01/24/18	232.66
Postmaster	Bulk Mail Postage-Billing	01/26/18	435.56
Bromar Printing	Print & Mail Customer Rate Increase Notification	01/26/18	1,014.14
Dennis K. Burke Inc.	Heating Oil-WTP	01/26/18	3,165.75
Fabian Oil Inc.	Propane-Various Locations	01/26/18	516.94
Hilltop Cleaning Service	Monthly Cleaning Service	01/26/18	658.00
Kennebec Equipment-Fairfield	Dolly Appliance Rental/Mason Line	01/26/18	21.00
Workplace Health	Audio Exam-7 Employees	01/26/18	301.00
Moncure & Barnicle	Professional Services for Union Contract Negotiations	01/26/18	499.38
E. J. Prescott Inc.	2-Inch Meter/K-Horns	01/26/18	1,477.51
United States Cellular	Monthly Cell Phone Service	01/26/18	97.45
United States Cellular	Monthly Data Service	01/26/18	99.56
Vassalboro Car Care	Oil Change-Tk 4	01/26/18	39.80
Verizon Wireless	New Tablets/Monthly Service	01/26/18	1,040.96
VWR International LLC	Fluoride Standards-WTP	01/26/18	180.48
Walmart Community/GEMB	Bath Tissue	01/26/18	31.94
F. W. Webb Company	Couplings/Check Valves/Pipe Cement/Pipe Primer-WTP	01/26/18	40.98
TOTAL WARRANT			\$104,642.63

Motion by Trustee Talbot, “to ratify the total warrant of checks released for \$104,642.63,” seconded by Trustee Earickson.

There were no questions regarding today’s account warrant.

Vote: Motion carried unanimously.

B. Rate Case Update

The Board was updated on the status of the pending rate increase. Mr. LaCasse has formally filed all the proper documentation with the Maine Public Utilities Commission (MPUC). To date, there have been no online comments on the MPUC docket and no petition filed by the public. If no petition is filed over the course of the next couple of weeks, it is expected the rate increase will be approved by the MPUC and will go into effect on the proposed date of April 1, 2018.

Referring to past questions regarding a potential of having two separate rate increase effective dates, an earlier date for the general public and a later date for the municipalities’ fire protection service which would match the municipal fiscal years, Mr. LaCasse produced a judgement from the MPUC staff in response to a similar request. The MPUC had responded that it requires uniform treatment of customers and having two effective dates for rate implementation would effectively provide special treatment for one customer over another. However, the MPUC does permit KWD to offer a municipality, by request, a payment plan which would defer the amount of the quarterly increase from the April 1st bill until the July 1st billing cycle, so they could incorporate the additional monies into their new budgets. Mr. LaCasse also reiterated that for the past several increases, KWD has compromised on its rate increase effective date, moving it from a January 1st date to an April 1st date, in order to minimize the impact on the municipal budgets.

C. Preliminary Capital Budget Requests

The Board was provided with the preliminary 2018 Capital Budget spreadsheet which represents the projects and equipment requests from each department. Mr. LaCasse explained that the rate structure includes funding for depreciation, and the intent is to dedicate these funds to the replacing or upgrading of depreciable assets. The 2018 allocated depreciation funds are anticipated to be \$990,000. The totality of requests from all KWD departments is \$2,098,900. Mr. LaCasse commented that some monies from the invested checking, while continuing to maintain a prudent balance, could be combined with the depreciation monies to fund the capital projects. He also reminded the Board that when the debt service is significantly reduced in 2021, there will be more opportunity to invest in capital improvements, to reduce rates, or a combination of both.

Mr. LaCasse, Mr. Crouse, and the KWD managers will review the capital budget requests and, after taking into consideration such factors as the cost of the project, the necessity of the project, and the associated municipal projects for main replacement purposes, will prioritize and fine tune the list. After this has been completed, the final 2018 Capital Budget will be presented to the Board for consideration.

On a side note, because there have been numerous mechanical issues with the relatively new backhoe, Trustee Hodsdon inquired about its operation. Mr. LaPlante answered that the issues have been very frustrating; however, presently it is running, and it is a very powerful machine when working.

D. Comparative Water Utility Rates

At the January 18th meeting, the question was raised as to the comparative of KWD rates with other water utilities. At today's meeting, the Board was provided with an updated comparison of the top ten water utilities and KWD's water rates for typical customers using 10 hundred cubic feet per month. KWD continues to be included in the ranks of the upper third for water rates. As was explained at the previous meeting, the locations with the highest rates are the utilities which are required to operate and maintain a major treatment facility.

E. Other

None

ITEM 4: MOTION ISSUES

A. Other

None

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

Regarding the KWD computer data recovery system, there had been a tentative plan for Trustee Earickson to participate in testing the system with A. Partner in Technology. It was explained that the MUNIS server is located at the Business Office and is dedicated to the financial

and accounting software and will eventually be replaced with an offsite server located at Tyler Technology which will host, secure, back-up, and install updates for the system. Unfortunately, KWD had a live incident on Friday afternoon, January 19th, whereas the dedicated MUNIS server hard drive failed. A. Partner in Technology replaced the hard drive and the MUNIS system was functional by late Monday morning. The back-ups were restored to end of day Thursday; however, work which was conducted in MUNIS on Friday prior to the interruption had to be recreated. Mr. LaCasse explained that it is necessary to upgrade the KWD internet service, which is a work in progress, before KWD can transfer to the cloud-based system hosted by Tyler Technology.

Trustee Fuller asked for more details regarding the virtual private network (VPN) KWD will be installing in the near future. As is in the above process, the first step is to upgrade the internet service at the three facilities, Business Office, WTP, and South Street complex. Next, the VPN and a new phone system will be installed linking all three locations. There is quite a bit of coordination for this project due to the various entities involved, FairPoint Communications, Spectrum, and OTT Communications.

Trustee Richards made the comment for contemplation purposes that KWD is not considered a big enough organization to have an in-house employee dedicated to Information Technology (IT). However, when there is a situation, some of which are complicated due to technological details, which involves the participation of several different entities, KWD appears to be in a vulnerable position. Trustee Richards does have a concern that KWD is open to a serious problem and suggests that options be considered such as a revised contract with a computer consultant or some form of a dedicated IT person.

B. Maine Water Utilities Association Conference Update

As a reminder, Mr. LaCasse mentioned that the 2018 Maine Utilities Association conference will be held on February 6th and 7th at the Holiday Inn by the Bay in Portland. The Trustees who are planning to attend the seminar(s) have all been registered. If there are other Trustees who are interested in attending, they can either register for the sessions themselves or submit an application to Mr. LaCasse for forwarding.

C. Other

Mr. LaCasse informed the Board that the announcement of Mr. Roger Crouse as the new General Manager of the KWD was in the Morning Sentinel on January 27th. A copy of this business brief article was circulated amongst the Trustees.

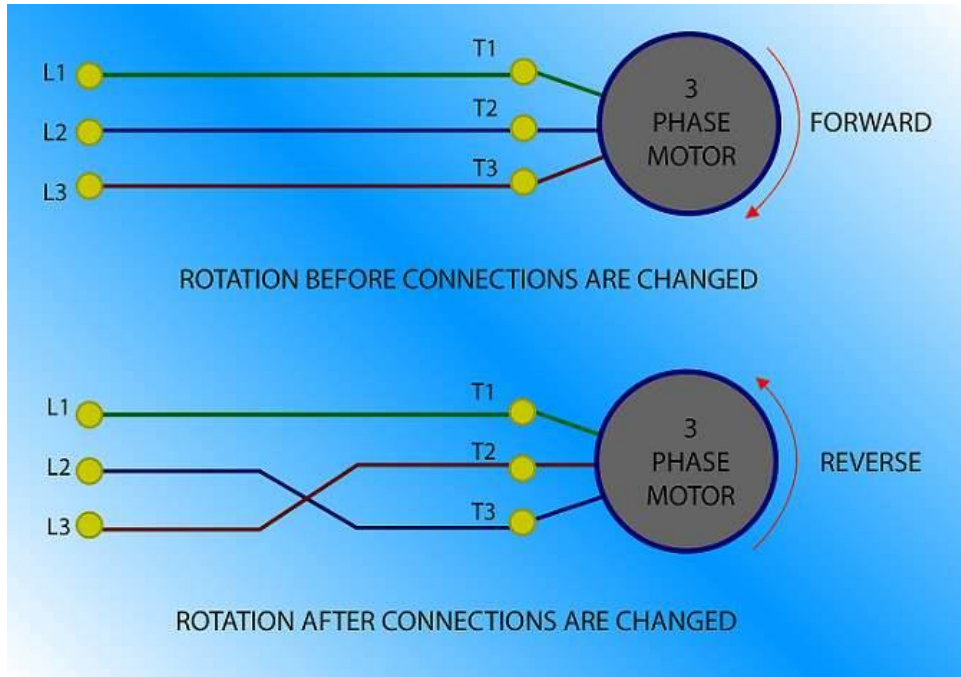
6: ENGINEER'S REPORTS

A. Engineer's Report

February 1, 2018
China Lake Elevation: 170.3
Stream flow: 109 cfs

The tie-in to the hydro has made no measurable progress in the last week. A date was set to have the lugs made to connect the wires, but an ice storm moved the work into the week of January 29th. When this is completed, CMP needs to return to close the cut-outs. When that is done, phase

rotation can be checked. One of the challenges with measuring the phase rotation is that there is no equipment available that measures on the 4160 voltage systems so work arounds will need to be devised. Phase rotation is the sequencing of each of the three phases so that they are in the correct order. As shown below, it causes a motor to run in the opposite direction, with a generator, power is forced out in the wrong order into the grid, causing damage.



Other work includes getting the South Street complex CATV (Spectrum internet) connected to provide higher speed internet. Spectrum's contractor was not equipped to enter an electrical manhole to provide service. Fortunately, a coaxial cable was run between the office and the pump station during the renovations. A direct conduit between a pole and the pumping station allowed a new service to be installed to the pumping station and that was connected to the existing coax to run to the operations building. This comprise allows service, avoiding more delays to get the internet speed available to get the cloud based servers running, at least on a temporary basis.

Jefferson Longfellow, P. E.

Referring to the above report, Mr. Longfellow mentioned that on January 29th, On Target connected the electrical wires to power M-4. The next step is for Central Maine Power (CMP) and A. C. Electric to coordinate a time for the phase rotation testing. A. C. Electric has contacted Central Maine Power; however, there is no set date for this to occur as of yet. Mr. Longfellow will also contact CMP and attempt to relay the urgency of completing this project. Trustee Hodsdon also offered to utilize his contacts to move this project forward.

Mr. Longfellow also informed the Trustees that he has filed for a grant with Efficiency Maine for a lighting upgrade at the South Street complex. KWD presently has some T-12 antiquated lighting which is beginning to fail. The plan is to update these fixtures with the more efficient light emitting diode (LED) lights.

The Trustees were also informed that Mr. Longfellow will not be in attendance at the February 15th Board meeting as he has another commitment.

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

Vote: Motion carried unanimously.

ITEM 7: DEPARTMENT REPORTS

A. Operations and Maintenance Update February 1, 2018

Soon after the 16” main in the Messalonskee Stream was repaired, the O+M Department scheduled the installation of a new 2” Blow-Off needed for flushing and chlorinating the main. This Blow-Off had to be installed alongside the Messalonskee Stream near the walking trail that runs parallel to North Street. We had to coordinate with Waterville Parks and Recreation to gain access to the trail, keep it plowed, and clear trees and brush around the jobsite. The Crew Supervisor David Folsom was highly praised by the crew for his preparation on such an abnormal job in such a difficult location, which is what I see all the time, but nice feedback from the employees. The next steps were to flush and chlorinate the main. When that day arrived, we got started, but were interrupted by a main leak! This happened three times, but finally the fourth time we attempted this work we were successful. The following day we de-chlorinated the main and Treatment Plant Operator Jamey Epstein took samples of the water for testing. 24 hours later the water was deemed safe, so we opened valves putting the main back in service.

We have had two main leaks in Waterville this month and four in Winslow. All coincidentally were 6” mains, five circumferential splits and one longitudinal split with a baseball sized hole. Have a great day everyone!

Benjamin LaPlante, Distribution Superintendent

In addition to the above, Mr. LaPlante praised the crew for the above-mentioned Messalonskee Stream main project as there was some uniqueness to this job.

Trustee Earickson inquired if Mr. LaPlante was transferring to the Customer Service Manager/Safety Coordinator position due to the retirement of Mr. O’Brien. Mr. LaPlante responded that he does have some interest in this job position and other employees have also expressed interest. However, an updated job description for the position responsibilities to review would aid all interested parties in determining if they want to apply.

B. Water Treatment Plant and Watershed Update February 1, 2018

China Lake is currently higher than normal because of high amounts of rain and snow melt. While our target is 1 to 2 feet below the spillway of the dam, we’re currently just over spillway. We’ve adjusted the dam to release more flow but have done so slowly in order to minimize impact downstream.

We’ve determined that manganese is the cause of the recent color issue in our finished water and are taking steps to reduce its impact. There are several different approaches to reducing the

impact of manganese ranging from oxidation to greensand filtration, but most of them would come at a high capital cost. Sequestration may be the least effective method but is something we are able to try at very little cost. Essentially we can use the chemical polyphosphate, which we already use, to keep the manganese in solution so it doesn't release color. It's not an effective method at a wide range of manganese levels, but at the level we're dealing with it could be just enough. We've done some trials in the lab and have seen a reduction of color ranging from 30-50%. At this time, we're working with the Maine Drinking Water Program to implement the treatment change. Hopefully, this manganese issue isn't a reoccurring issue, or is at least just a seasonal issue, but this change would give us more flexibility moving forward.

The PLC at our intake building is now live. Our operators continue to focus on maintenance on our valves at the treatment plant now that we have adequate fall protection, and also are evaluating an issue we're having with our air system used for flushing our clarifiers. It's impeding our ability to flush our clarifiers, but during flushes on Clarifier 3, the relief valve on the air system is relieving a large volume of air. At some point in the near future, we may need to get into our clarifiers to replace the piping for the air system and to repair the concrete walls.

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

In reference to the aforementioned color issue, Mr. Zetterman informed the Trustees that WTP lab test results have proven that much improvement can be made by changing the injection point of the polyphosphate to correspond to before or at the same entry as the chlorine. Manganese and the resulting color issue has not been a problem in the past, and Trustee Hodsdon asked if the source was known. Mr. Zetterman answered that the China Lake raw water is the origin. He added that this became noticeable shortly after the heavy rain and windstorm at the end of October which was at the same time period as the lake was turning over (when phosphorus rises from the bottom sediments to mix throughout the lake water). Mr. Zetterman added that only a handful of customers have called concerned about this situation, and they have been assured that it is only an aesthetic issue and does not pose a health risk.

C. Customer Service and Safety Update February 1, 2018

Meter

- Service news of note:

A new Laundromat at the corner of Halifax and Bay Streets in Winslow was metered and the service activated.

Work began recently to rehab the building at the site of the old Seton Hospital.

Pertinent information was provided to the Maine Public Utilities Commission concerning a complaint initiated by a customer in Fairfield who experienced a frozen meter and who feels that KWD was negligent because the meter froze in 2012 and was allowed to stay in the same location only to freeze again on December 28, 2017.

Safety

Annual safety training including ladder/scaffolding, blood-borne pathogens, fire extinguisher, hearing conservation, respiratory protection, and the control of hazardous energy was completed in-house in January.

Annual audiograms are in progress for those employees in the hearing conservation program.

Through a Maine Municipal Association safety grant, KWD was reimbursed \$1,983.33 for the purchase of several self-retracting lifelines for use when working at height.

Mike O'Brien, Customer Service Manager/Safety Coordinator

Trustee Hodsdon asked for further information regarding the above-mentioned frozen meter at the home in Fairfield. Mr. LaCasse explained that this meter was located underneath a mobile home. When this meter froze in 2012, KWD did not require the owner, as it typically does, to have the meter relocated to the inside of the home to prevent it from freezing again. At that time, the customer service personnel determined that the meter had adequate protection in its location below the mobile home to meet the warm, dry, and accessible requirement. The meter at this location froze again this year during the frigid cold spell at the end of December. The customer was upset and did not feel it was right to charge her for the frozen meter due to the failure of KWD to require the previous owner to move the meter to the inside in 2012. The meter has now been moved to inside the structure. Although the customer was not charged for the frozen meter, she feels KWD should also pay for the plumbing cost to move the meter and for the damaged pipes. Mr. LaCasse noted that after a plumbing company completed the work, the pipes again froze underneath the mobile home.

Trustee Hodsdon was under the impression that the KWD terms and conditions require the meter to be in a warm and frost free environment to prevent meters from freezing. Mr. LaPlante stated that the KWD terms and conditions do state the specifications that the meter has to be in a warm, dry, and accessible location. He elaborated that, besides the potential of a meter freezing, the reason to place the meter inside the home is for the prevention of KWD staff from having to crawl under the trailer which is considered a confined space condition and is a safety concern. In addition, Mr. LaCasse mentioned that some mobile homes have skirting, and this skirting tends to break easily when it is necessary to remove it to reach the meter location when it is underneath the structure. Mr. LaPlante explained that in this particular case, the meter was located underneath the home but just inside a swing door in an insulated and warm location which is within the requirements of the terms and conditions. Unfortunately, the swing door was wedged open slightly due to frost and cold air was admitted causing the freeze-up. Mr. LaPlante added that this situation would be no different than a case where a window was left open in a cellar causing a meter and piping to freeze. Trustee Hodsdon thanked Mr. LaCasse and Mr. LaPlante for this explanation.

Motion by Trustee Fuller, "to accept all Departmental Reports as presented," seconded by Trustee Dornish.

Vote: Motion carried unanimously.

ITEM 8: GENERAL MANAGER’S REPORT

A. Updates and Projects

The only project update at today’s meeting was regarding the storage solution for the paperwork and boxes stored at the Business Office which posed a potential fire hazard. As a temporary solution, KWD has rented a 40’ by 8’ storage container, and the majority of the boxes have been transferred to this unit. A picture of this container was circulated amongst the Trustees. KWD has a one-year lease for an annual cost of \$1,900. At some point in the future, a more permanent solution will be explored, possibly the purchase of some type of permanent storage building.

B. Other

None

Motion by Trustee McCluskey, “to accept the General Manager’s Report as presented,” seconded by Trustee Dornish.

Vote: Motion carried unanimously.

ITEM 9: EXECUTIVE SESSION, (Under MRSA Title 1, Section 405-6A, Personnel Related Issues Discussions, and MRSA Title 1, Section 405-6D, Collective Bargaining Discussions)

This agenda item was conducted earlier in the meeting, see Item 1.

ITEM 10: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 9:00 a.m.

Sue Markatine, Recording Secretary