

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – APRIL 19, 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; Bill Boucher, Trustee; Mark McCluskey, Trustee; Frank Richards, Trustee; Alex Wild, Trustee

Trustees absent: Denise Bruesewitz, Trustee

Also present: Roger Crouse, General Manager; Jefferson Longfellow, KWD Engineer; Matt Zetterman, KWD Director of Water Quality; Benny LaPlante, KWD Customer Service Manager/Safety Coordinator; Jared Bragdon, KWD Operations Superintendent; 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 APRIL 5, 2018.

Motion by Trustee Talbot, "to accept the minutes of the Regular Board of Trustees' Meeting of April 5, 2018," seconded by Trustee McCluskey.

Trustee Richards noted that under the category of December/Year-End Financials during the discussion of the 2016 negative dollar amounts for a few of the metered sales revenue categories, there was an explanation for the negative income included in the minutes which was not discussed during the actual meeting. The Trustees stated that this should be noted as an addendum in the April 5th minutes.

Mr. Crouse explained that unlike past auditing firms, Runyon Kersteen and Ouellette (RKO) required KWD to accrue December meter readings/water consumption, which are not actually billed until January, and the anticipated income. The negative income is an anomaly which resulted during the transition period to this accounting method. Trustee Talbot mentioned that when RKO requested this accrual auditing adjustment and other changes, the Board members requested a further explanation. Mr. Hank Farrah, one of the principals of RKO, attended a Board meeting and explained in depth the auditing firm's position. Trustee Earickson recalled that RKO stated that if KWD did not conform to the requested audit changes, RKO would view the financials as being in noncompliance. Therefore, the Board members selected to adhere to the recommended changes. The

Trustees did request a more detailed financial analysis of the specifics which resulted in 2016 negative revenue being reported.

Vote: Motion carried unanimously.

ITEM 3: FINANCIALS

A. ACCOUNT WARRANT

April 19, 2018

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Kennebec County Reg. of Deeds	Water Lien Filing Fees-3 Properties	4/5/2018	66.00
Postmaster	Bulk Mail Postage-Billing	4/5/2018	344.87
A Partner in Technology	Professional Computer/IT Services-Various Locations	4/6/2018	9,414.46
A-Copi Imaging Systems	Quarterly Copier Maintenance Agreement-2 Copiers	4/6/2018	153.23
American Messaging	Late Payment Fee	4/6/2018	1.87
Atwork Franchise Inc.	Flaggers-7.75 Hours	4/6/2018	147.25
Business Card-Bank of America	Annual KWD Website Hosting-InMotion Hosting/Numerous Tire Disposal & Format Copier Disposal-Pine Tree Waste/ Monthly Google Cloud-Google/Wipes,Keyboard,Cords, Safety Glasses, Ink-Amazon/On-Line Services-Microsoft/ Water Quality In Distribution Systems-AWWA	4/6/2018	983.67
Bartlett & Brillon, LLC	Duracyl Tube/Bore Duracyl Repair Kit-WTP	4/6/2018	444.68
Central Maine Power	Monthly Electricity-Various Locations	4/6/2018	7,515.95
EMSL Analytical Inc.-Products	Water Tests	4/6/2018	845.00
Fabian Oil, Inc.	Propane-Various Locations	4/6/2018	853.00
Fastenal Company	Chain Lock Hook	4/6/2018	203.48
Foxcroft Equipment & Service	CL2 Analyzer Tubing	4/6/2018	84.80
Grainger	Chemical Treatment Pump-WTP	4/6/2018	429.25
GWI	Monthly Internet Service	4/6/2018	284.60
Hammond Lumber Company	Aquaphalt Patch/Paint/Floor Finish/Paint Materials	4/6/2018	422.58
Hammond Tractor Company	Cutoff Saw	4/6/2018	899.95
Harcross Chemicals Inc.	Sodium Hypochlorite-WTP	4/6/2018	2,573.32
Hilltop Cleaning Service	Monthly Cleaning Service	4/6/2018	611.00
Houle's Plumbing Heating & AC	Annual Pump Station Boiler Tune Up/Air Handler Maint.	4/6/2018	380.46
Joseph's Clothing	Employee Clothing	4/6/2018	90.00
Kaman Industrial Technologies	M-4 Repairs	4/6/2018	576.32
Kennebec Auto Service	Inspection, Tires, Repairs-Tk 14/Repair Exhaust Leak-Tk 21	4/6/2018	1,832.66
Kennebec Water District	Monthly Petty Cash	4/6/2018	93.63
M C Disposal Inc./DBA CMD	Monthly Portapotty Rental	4/6/2018	75.00
Maine Municipal Association	Workers Compensation Premium	4/6/2018	6,231.30
Treasurer, State of Maine	Monthly Sales Tax	4/6/2018	3,315.47
Treasurer, State of Maine-HETL	Water Tests	4/6/2018	250.00
MainePERS	Monthly Employer Contribution	4/6/2018	10,424.62
MainePERS	Monthly Group Life Premiums	4/6/2018	705.28
Matheson Tri-Gas Inc.	Batteries/Lens Cover	4/6/2018	20.03
Moncure & Barnicle	Professional Services-Contract Negotiations	4/6/2018	17.50
Motor Supply Company	Belts for Ditch Witch/Oil/Belt for M-4	4/6/2018	62.86
New England Battery Distrib. Inc.	Batteries for Electric Pallet Jack	4/6/2018	304.08
Fanado Pelotte	Excavator/Tri-Axle-Various Locations	4/6/2018	988.13
Runyon Kersteen Ouellette	Professional Services-2017 Audit	4/6/2018	7,750.00

Saturn Business Services Inc.	Printing & Binding-2 Books-pH and Turbidity	4/6/2018	69.16
Spring Brook Ice & Fuel	Heating Oil-Various Locations	4/6/2018	749.84
Staples Credit Plan	Finance Charge	4/6/2018	2.00
US Bank Corporate Trust Boston	2009 Maine Municipal Bond Bank Interest	4/6/2018	45,742.23
Vassalboro Car Care	Oil Change-Tk 7/Oil Change & Check Eng. Light-Tk 17	4/6/2018	265.07
Town of Vassalboro	Quarterly Real Estate Taxes-Vassalboro	4/6/2018	8,203.61
Verizon Wireless	Monthly Data Service	04/06/18	193.34
Walmart Community/GEMB	Paper Goods/Beverages	04/06/18	95.51
Ware-Butler Inc.	Screws/Bolts/Nuts/ Washers	04/06/18	33.19
Williams Scotsman Inc.	Monthly Storage Container Rental	04/06/18	142.37
Winslow Supply Inc.	PVC Plug	04/06/18	26.40
Wright-Pierce	Master Plan/WAPS Construction Administration/ WAPS Post Construction	04/06/18	13,921.85
Postmaster	Bulk Mail Postage-Billing	04/12/18	640.74
TOTAL WARRANT			\$129,481.61

Motion by Trustee Talbot, “to ratify the total warrant of checks released for \$129,481.61,” seconded by Trustee Earickson.

The Trustees asked for a further explanation for the reasons KWD was charged for a late payment fee (American Messaging) and finance charge (Staples Credit Plan). Mr. Crouse explained that due to staff time dedicated to preparing for, the demands of, and the deadlines for the annual audit and completion of the Maine Public Utilities Commission Report, the invoices for these two vendors were inadvertently paid late. There are plans for discussion to change some processes to prevent these charges in the future.

Trustee Talbot commented that included in the A Partner in Technology invoices was a cost for the Quicken Software Program. He asked if this would aid in improving efficiencies. Mr. Crouse answered that this program has been utilized for a portion of the financial accounting for numerous years. This purchase was to replace the outdated version of the software.

Trustee Dornish noted the payment made to Williams Scotsman, Inc. for monthly storage rental and asked for a further explanation. Mr. Crouse responded that, as a temporary storage solution for the paperwork and boxes which had been stored at the Business Office, KWD has leased a large container for one-year. At some point in the future, a more permanent solution will be explored. One possibility being a scanning system to alleviate having to store a large amount of paperwork and another possibility being to store some boxes at other KWD properties as space permits.

Vote: Motion carried unanimously.

B. Other

None

ITEM 4: MOTION ISSUES

A. Other

None

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

Trustee McCluskey inquired if the Western Avenue Pumping Station capital project has been totally completed and closed. Mr. Longfellow answered that there are a few minor change orders and items to complete which will require some involvement from Wright-Pierce Engineers. Trustee McCluskey requested that at a future meeting, the Board be provided with an accounting of this project which should include original contract price and final cost (including administrative and inspection charges). Mr. Longfellow did offer that, at the present time, the total cost is under the \$3.3 million projected figure.

Trustee Dornish received a brochure from the Maine Water Utilities Association regarding trenchless technologies and inquired if KWD utilizes this method. Mr. LaPlante answered that, although KWD uses this method at a minimal level, some of the contractors KWD has hired for various projects do use this technology. Mr. Longfellow mentioned a couple of examples, pipe bursting for a main replacement project (inserting a new pipe inside while bursting and removing the old pipe) and directional drilling for water service projects. Trustee Hodsdon added that the trenchless method avoids the necessity to excavate and restore streets and reduces the associated cost for the projects.

B. Other

None

ITEM 6: GENERAL MANAGER'S REPORT

A. Update on Finalization of Union Contract

At the April 5th meeting, the Board approved the unit proposed annual wage increases for 2018, 2019, and 2020, the proposed wage increase for the Distribution Crew Supervisor, and the proposed signing bonus. In addition, authority was granted to Mr. Crouse and President Hodsdon to execute the unit contract covering the three-year period from January 1, 2018 through December 31, 2020.

At today's meeting, Mr. Crouse was pleased to announce that the union members voted unanimously to ratify the proposed contract. President Hodsdon and Mr. Crouse have both signed the contract which will now be provided to the KWD union stewards and teamster representatives for the appropriate signatures. The effective date for the pay raises is April 27th which will be reflected on the paycheck received on May 10th. Subsequently, a signing bonus of \$279.08 will be provided to each union employee.

B. Project Updates

Mr. Crouse stated that the voice over internet protocol (VOIP) telephone system is scheduled to be installed on April 24th. Trustee McCluskey asked if Spectrum will be both the internet and phone service provider. Mr. Crouse responded that Spectrum is the internet provider; however, there

is some integration between Spectrum and OTT Communications which will provide the technology. Trustee Earickson pointed out that with this type of system, when there is a loss of power, the phones also become inoperable. Mr. Crouse stated he believes that this has also been the case for the multi-line phone system which is currently in place. Mr. Longfellow stated that for the internet functionality, with the new arrangement, there will be a secondary source available if Spectrum fails. In the event of a total power loss, Mr. Longfellow remarked that the Business Office is a single-phase system, and this would not be too complicated to connect to an alternate power source. Trustee Earickson inquired if the new diesel generator at the Western Avenue Pumping Station (WAPS) could also be utilized to provide power to the Business Office when a loss of power occurs. Mr. Longfellow answered that because this generator is a totally separate service and operation, this is not an option. However, he did suggest that one inexpensive solution could be to wire the double-throw generator switch previously used at the WAPS to the Business Office which could then be powered by a portable generator. Trustee Wild pointed out that when there is a power loss in this area, typically, it is for a minimal amount of time.

At the April 5th meeting, Trustee McCluskey recalled that in January, Mr. LaCasse had provided the Board with a list of projects he had planned to continue to work on before his retirement at the end of April. The Board had requested an update on the progress of these projects. Mr. Crouse briefly review the status of these fourteen projects:

- 1) Financial policies as recommended by auditors – Mr. LaCasse has drafted a procurement policy.
- 2) Financial plan going forward – Ongoing project.
- 3) 3-year collective bargaining agreement in place – Completed by Mr. Crouse, Mr. Longfellow, Trustees, Unit members and Teamster representatives.
- 4) Master Plan update – Draft has been received and will be reviewed by KWD Management Team and discussed with Wright-Pierce Engineers.
- 5) Contract update interconnectivity of offices (Information Technology upgrade) – Project updates have been provided by Mr. Crouse at Board meetings.
- 6) Activation of SaasS (Software as a Service) for MUNIS financial and billing systems and SENSUS meter reading systems – MUNIS now being hosted by Tyler Technology at an off-site server, SENSUS upgrade options are being reconsidered due to the higher than anticipated costs.
- 7) Initiation of M-4 sale process and related Low-Impact Hydropower Institute and Federal Energy Regulatory Commission procedures – A cost-benefits analysis for retaining M-4 will be presented in the future to aid in determining whether to sell.
- 8) Plans for watershed programs – KWD will continue to be involved with the China Lake Association and LakeSmart Program, Comprehensive Land Technologies, Inc. is preparing a proposal for a Forest Management Plan for the KWD properties in China and Vassalboro. KWD will continue to provide China Lake water quality data, information, and input to the China Lake Alewife Restoration Initiative Committee and design team.
- 9) Progress on potential sale of KWD properties, Waterville/Fairfield and Vassalboro – Mr. LaCasse is working with an appraiser who will submit a fair-market value for these properties, the KWD website and property signage advertises these properties for sale, mild interest has been shown but no firm offers.
- 10) Many necessary major facility improvements made in the past several years and upcoming – Some of these projects are in progress, others will be addressed by the Master Plan.
- 11) Safety and training programs in place with the Safety and Health Award for Public Employers (SHAPE) designation for two years (approved until August 2019) – Mr. LaPlante, who is now Customer Service Manager and Safety Coordinator, in conjunction with the commitment of all KWD employees, will continue to strive to meet all the safety requirements for re-certification.

12) Update of KWD website – The present website design is antiquated and hiring a web designer to modernize this site is under consideration.

13) Compilation and organization of personnel and operation polices – Mr. LaCasse has continued to work on this project, including combining and binding related and pertinent information together.

14) Organization and compilation of computer files, historical documents, and all facets of KWD operations – Mr. LaCasse has been sorting and organizing documents and files, arranging them in an orderly fashion and easy to retrieve.

The Board thanked Mr. Crouse for this update. If there are any questions regarding a specific project, discussion can ensue at a future meeting.

C. Other

Mr. Crouse mentioned that he continues to develop professional relationships with KWD affiliates. He recently met with Mary Sabins, Vassalboro Town Manager and has plans to schedule a meeting with officials at the Town of Benton. In addition, he and Mr. Bragdon, who was recently promoted to the KWD Distribution Superintendent position, have meetings scheduled today with Waterville Public Works staff and Winslow Public Works staff.

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

Vote: Motion carried unanimously.

ITEM 7: RECOGNITION OF JEFF LACASSE

At this time, the Board recognized the service of Mr. LaCasse, KWD former General Manager.

Motion by Trustee Talbot, “to officially thank Mr. LaCasse for his dedication and service to the Kennebec Water District for the past 40 years,” seconded by Trustee Boucher.

Vote: Motion carried unanimously.

ITEM 8: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 8:10 a.m.

Sue Markatine, Recording Secretary