

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – JUNE 7, 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; Allan Fuller, Clerk; Jeff Earickson, Assistant Treasurer; Bill Boucher, Trustee; Mark McCluskey, Trustee; Frank Richards, Trustee; Alex Wild, Trustee

Trustees absent: J. Michael Talbot, Treasurer; Denise Bruesewitz, Trustee

Allan Fuller, Clerk, joined the meeting at 7:35 a.m.
Al Hodsdon, President, left the meeting at 8:45 a.m.

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

Mr. Hank Farrah, Principal, and Mr. Tim Gill, Senior Manager, from KWD's auditing firm, Runyon Kersteen and Ouellette (RKO), joined the meeting at 7:30 a.m. and left the meeting after their presentation at 8:00 a.m.

ITEM 2: REVIEW AND APPROVE THE MINUTES OF THE REGULAR BOARD OF TRUSTEES' MEETING OF MAY 17, 2018.

Motion by Trustee McCluskey, "to accept the minutes of the Regular Board of Trustees' Meeting of May 17, 2018," seconded by Trustee Dornish.

Vote: 7 in favor, Trustee Richards abstained, motion carried.

ITEM 3: FINANCIALS

A. ACCOUNT WARRANT

June 7, 2018

| CHECKS RELEASED | | Check | Dollar |
|-----------------------------------|--|-----------|-----------|
| Vendor | Description | Date | Amount |
| A C Electric Corp | Verify Phase Rotation for the Hydro-Generator M-4 | 5/11/2018 | 1,405.00 |
| A Partner in Technology | Monthly Axcient Rental/Professional IT Services | 5/11/2018 | 1,631.25 |
| Answering Services Unlimited | Monthly Answering Service | 5/11/2018 | 144.51 |
| Atwork Franchise Inc. | Flaggers-W. River Road-21.75 Hours | 5/11/2018 | 413.25 |
| Earthlink Business 1058 | Monthly Telephone Service | 5/11/2018 | 403.41 |
| EMSL Analytial Inc.-Products | Water Tests | 5/11/2018 | 380.00 |
| Fastenal Company | Grease Gun/Hammer/Screws/Hardware/Ties/Clamps/Cord | 5/11/2018 | 380.03 |
| Wex Bank | Monthly Vehicle Fuel Usage | 5/11/2018 | 1,234.38 |
| Hammond Lumber Company | Mop Board Base/Adhesive/Caulking Gun | 5/11/2018 | 44.77 |
| Hussey Communications Inc. | Monthly Internet Service | 5/11/2018 | 250.00 |
| IDEXX Laboratories Inc. | Lab Supplies-WTP | 5/11/2018 | 1,212.36 |
| K L Jack & Company Inc. | LED Rechargeable Worklight | 5/11/2018 | 73.32 |
| Kennebec Auto Service | Tires-Tk 22/Multiple Repairs-Tk 8/Inspection-Tk 18 | 5/11/2018 | 1,365.35 |
| M C Disposal Inc./DBA CMD | Monthly Rubbish Removal | 5/11/2018 | 88.00 |
| Maine Water Works Supply | Service Boxes/Rods/Couplings | 5/11/2018 | 1,934.92 |
| Motor Supply Company | Fittings/Hoses/Paint/Couplers/Nipples/Fittings/Light Bulbs | 5/11/2018 | 348.49 |
| Rolyan Buoy | 24-Inch Round Buoy | 5/11/2018 | 200.00 |
| Staples Credit Plan | Pens/Vinyl Letters | 5/11/2018 | 71.27 |
| Super Shoe Stores Inc. | Employee Boots | 5/11/2018 | 125.99 |
| D L Thurrott Air Products | Clamp for Chemical Pump-WTP | 5/11/2018 | 40.07 |
| Waterville Sewerage District | Quarterly Sewer Charge-Variou Locations | 5/11/2018 | 137.70 |
| Winslow Supply Inc. | Repair Parts-WTP Ammonia Room & Chemical Shower | 5/11/2018 | 90.22 |
| Kennebec County Reg. of Deeds | Water Lien Discharge | 5/18/2018 | 22.00 |
| Postmaster | Bulk Mail Postage-Billing | 5/18/2018 | 281.21 |
| Agway Inc. | Grass Seed | 5/18/2018 | 169.99 |
| Atwork Franchise Inc. | Flaggers-Lincoln at Washington-Waterville-19.50 Hours | 5/18/2018 | 370.50 |
| BNY Mellon Corporate Trust | 2004 Bond Principal & Interest | 5/18/2018 | 38,062.10 |
| Fabian Oil Inc. | Propane-WTP | 5/18/2018 | 128.39 |
| FedEx | Water Tests Freight Charge | 5/18/2018 | 85.46 |
| General Alum N. E. Corp. | Alum-WTP | 5/18/2018 | 5,028.08 |
| Home Depot Credit Services | Nylon Rope for Boat Anchor | 5/18/2018 | 10.78 |
| JESCO Inc. | Fuel Cap for Ditch Witch | 5/18/2018 | 23.83 |
| Kennebec Auto Service | Exhaust Repair-Tk 3 | 5/18/2018 | 388.91 |
| M C Disposal Inc./DBA CMD | Monthly Portapotty Rental | 5/18/2018 | 75.00 |
| Maine Central Railroad, Treasurer | Real Estate Taxes-Fairfield Pipes | 5/18/2018 | 16.00 |
| Maine Fire Equipment Comp. Inc. | Annual Fire Extinguisher Inspection & Maintenance | 5/18/2018 | 1,386.31 |
| Maine Municipal Emp. Health Trst. | Monthly Health Insurance Premiums | 5/18/2018 | 25,950.96 |
| Maine Water Works Supply | Couplings/Split Coupler Clamps | 5/18/2018 | 562.36 |
| Northeast Laboratory | Volatile Organic Compounds Test-Clarifer 3 | 5/18/2018 | 175.00 |
| Fanado Pelotte | Excavator/Tri-Axle/Wheelers-Fairfield Main Break | 5/18/2018 | 2,123.76 |
| Quill Corporation | Ink/Distilled Water/Shoulder Rest/Cord Detangler/Pens | 5/18/2018 | 187.92 |
| Roki Repair Shop | Maintenance-Tk 6/Commercial State Inspection-Trailer | 5/18/2018 | 690.92 |
| David Morin | Monthly Lawn Service | 5/18/2018 | 1,095.00 |
| Super Shoe Stores Inc. | Employee Boots | 5/18/2018 | 170.99 |
| Time Warner Cable | Monthly Internet Service | 5/18/2018 | 233.66 |
| Tyler Business Forms | Blank Check Stock | 5/18/2018 | 327.64 |

| | | | |
|-------------------------------|---|-----------|---------------------|
| Postmaster | Bulk Mail Postage-Billing | 5/25/2018 | 768.98 |
| A Partner in Technology | Professional IT Service | 5/25/2018 | 990.00 |
| AutomationDirect.Com.Inc. | Pressure Transmitter for Huhtamaki | 5/25/2018 | 125.00 |
| Business Card-Bank of America | Wall Mount Rack-New Egg/AWWA Membership-AWWA | 5/25/2018 | 328.55 |
| Business Card-Bank of America | Performance Management Training-MWUA-1 Employee | 5/25/2018 | 60.00 |
| Business Card-Bank of America | Pens/Vinyl Letters-Staples/Nylon Rope for Boat Anchor | 5/25/2018 | 82.05 |
| EMSL Analytial Inc.-Products | Water Tests | 5/25/2018 | 380.00 |
| Maine Oxy | CO2 Exchange | 5/25/2018 | 42.09 |
| Maine Water Works Supply | Coupling/Teflon Tape/Camlock Fitting/Operating Nuts | 5/25/2018 | 435.82 |
| Northeast Laboratory | Water Tests | 5/25/2018 | 217.05 |
| OTT Communications | Monthly Telephone Service | 5/25/2018 | 1,645.68 |
| E. J. Prescott Inc. | K-Horns | 5/25/2018 | 434.70 |
| Quill Corporation | Calculator Tape/Towels/Tissue | 5/25/2018 | 208.97 |
| C H Stevenson Inc. | Green Seal Cold Patch | 5/25/2018 | 2,968.26 |
| United States Cellular | Monthly Cell Phone Service | 5/25/2018 | 44.93 |
| United States Cellular | Monthly Wireless Service | 5/25/2018 | 99.56 |
| Wright-Pierce | Construction Admin. & Post Construction-WAPS Cap. Proj. | 5/25/2018 | 5,169.00 |
| | | | \$103,541.70 |

Motion by Trustee Earickson, “to ratify the total warrant of checks released for \$103,541.70,” seconded by Trustee Dornish.

Trustee Earickson mentioned that he had thoroughly reviewed the warrant on Wednesday, June 6th, at the Business Office. Referring to the payments made to Atwork Franchise, Inc. he noted that the purchase order price per hour and the invoice price per hour for the flaggers had a discrepancy. He explained that the invoice price per hour was correct per the 2018 contract with Atwork Franchise, Inc. Trustee Earickson also pointed out that the gas cap purchased from JESCO, Inc. for the Ditch Witch only cost \$9.95 but the shipping charges were \$13.88. Trustee Hodsdon commented that for some purchases, shipping costs cannot be avoided.

Vote: Motion carried unanimously.

B. Review of Audit Reports with Auditors from Runyon Kersteen Ouellette

The auditors provided the Board members with and briefly reviewed a KWD Audit Results Summary for the fiscal year ending December 31, 2017. The main components of this overview included the following: Letter to the Board of Governance; Reports required by Government Auditing Standards (GAS) and the Uniform Guidance (Single Audit); and Financial Statements.

In the letter to the Board of Governance, which is a brief overview of the audit process, RKO reported that the audit went smoothly and there were no significant issues to report.

The GAS report indicated that KWD’s accounting practices and principles had no material weaknesses nor significant deficiencies. However, RKO did provide a schedule of recommendations for improvement, which are suggested changes and can be incorporated in full or in part as deemed appropriate and applicable to KWD and the Trustees.

The first recommendation is for the District to establish a formal policy and procedures manual with the focus being on the following areas: Net Position Policy; Cash and Investment

Policy; Capital Asset Policy; and Computer Maintenance and Security Policy. Although KWD has established policies and procedures which have been employed for numerous years, a more formal format and written documentation was suggested by RKO. Trustee Hodsdon informed the auditors that KWD is in the process of transforming its policies and procedures into official documentation. Mr. Crouse asked if it is typical for utilities to establish these policies at board level or management level. Mr. Farrah answered that normally the policy is composed by management, and then presented to the board for review and approval. Mr. Farrah stated that for some of the suggested policies, he will provide KWD with examples from other clients to use as a foundation.

The second recommendation is related to the Uniform Guidance procurement standards. A few years ago, new standards for federal grants were established, and these new guidelines will be strictly enforced going forward. Mr. Farrah commented that KWD has already been abiding by the Uniform Guidance procurement requirements; however, a formal and documented policy needs to be developed.

The third recommendation is to create and maintain a detailed depreciation schedule for each individual asset. Presently, KWD follows the Maine Public Utilities Commission (MPUC) guidelines and requirements of categorizing assets with similar characteristics and useful lives and depreciating them as a group.

The fourth recommendation is to have a formal approval process to ensure general ledger journal data entry is accurate. For instance, a second level of review by a KWD associate who is not preparing and posting the items.

The final recommendation is to improve upon the segregation of duties. Although RKO stated that from there audit findings there was no cause for concern, this implementation would add an additional layer of assurance of accuracy and to lower the risk of potential fraudulent activity. Mr. Farrah acknowledged that KWD does have mitigating controls in place and that he understands that KWD, as is the case with other RKO clients, is a small office with limited staff, and this can be difficult. However, a main concern is that the KWD Finance Manager virtually controls all account entries, reconciles the bank statements, and has check signing authorization. Mr. Farrah recommended allowing the Finance Manager to have access to the banking information but to prevent check signing authority.

The next item reviewed was the Uniform Guidance Report, which is the single audit and testing of the accounting and purchases related to the federal grant monies for the Western Avenue Pump Station (WAPS) capital project. Mr. Gill was pleased to report that there were no findings and KWD was in compliance. Trustee Earickson questioned the reason the report indicated that KWD did not qualify as a "low risk auditee". Mr. Gill explained that for all companies, there must be three-consecutive "clean" single audits (for federal fund expenditures at or above \$750,000 in a calendar year) before an entity can be designated as a low risk auditee which would occur during the third year if merited. This is the first single audit for KWD, and a single audit for fiscal year 2018 will not be necessary.

The final item reviewed was the overall conclusions regarding the KWD financial statements. Mr. Gill stressed that the financial statements are compiled by KWD with RKO assisting in preparing them to meet the Generally Accepted Accounting Principles (GAAP) format. The major financial highlights of the year were as follows: the net position increased \$823,000 from the prior year; principal payments on bonded debt totaled \$1,300,000; and issuance of a \$3,000,000 bond of which

\$225,000 was forgiven at time of closing. Mr. Farrah explained that the net position increase is not an increase in the cash balance from the previous year as it does not account for the principal debt payments of \$1,300,000. Mr. Gill added that, by definition, net position is assets less liabilities. In KWD's case, the net position increased which translates to revenues exceeding expenses for the year. Also included in this report is a clean opinion rendered by RKO which indicates KWD's financial statements are fairly stated in all material respects. Mr. Farrah pointed out that the sample testing conducted by RKO proved that KWD has sound accounting processes and procedures, and the financial numbers were being calculated and recorded properly and accurately. Overall, KWD is in a healthy financial position.

Trustee Dornish referred to the fact that the present financial reporting method used by KWD is based on the MPUC accounting guidelines. Mr. Farrah explained that there are MPUC, GAAP, and Governmental Accounting Standard (GAS) accounting regulations. As an auditing firm, RKO is required to analyze the KWD financials according to GAS and to ensure KWD meets the GAAP requirements. In Mr. Farrah's opinion, the MPUC accounting methods are antiquated. Accounting rules have and can change on an annual basis, and the MPUC has not updated or refined its accounting regulations in decades. Trustee Earickson stated that, based on Mr. Crouse's recommendation, the Board has authorized the change of KWD's financial accounting process from the MPUC method to the GAAP method. He asked for an opinion of the approximate amount of effort and cost for this conversion. Mr. Farrah indicated that he feels this is not a major project. He added that most utilities RKO has as clients base their accounting methods according to GAAP. Typically, the utility will maintain a separate spreadsheet throughout the year for recording differences between the GAAP method and the MPUC method to aid them when completing the annual MPUC report.

On behalf of the Board, Trustee Hodsdon thanked Mr. Farrah and Mr. Gill for attending and participating in today's meeting.

C. Other

As part of their packet, the Board members were provided with a copy of the February 2018 financial statements, and a brief review was conducted. The February 2018 revenues are above February 2017 by \$14,549, and the 2018 revenues are above 2017 by \$76,920. This increase is mainly due to the April 1, 2017 rate increase.

Under the operating expenses, the February 2018 salaries and wages officers' expense is above February 2017. Mr. Crouse explained that this is because his hire date was February 1st and the former General Manager also continued to be employed. The February 2018 purchased power expense is below February 2017 by \$3,795. Trustee Hodsdon commented that this is a significant decrease and was curious if this was due to the more efficient pumps installed at the WAPS. Mr. Longfellow answered that this is not necessarily the case. Upon review of the recent Central Maine Power (CMP) invoices for the several KWD accounts, questions arose regarding the CMP billing cycle and KWD meters being billed. Granted, there have been changes due to the decoupling of M-4 from the WAPS and the capital project itself. However, Mr. Crouse stated additional investigation of the CMP invoices will be necessary. Overall, the February 2018 operating expenses are above February 2017 by \$13,019, and the 2018 operating expenses are above 2017 by \$60,761.

The February 2018 non-operating revenues, which are essentially income and expenses from the M-4 hydro-station, are below February 2017. This is chiefly due to M-4 being inoperable due to mechanical issues.

Overall, the KWD 2018 year-to-date net income is below 2017 by \$26,641.

Referring to the cash-flow statement, Mr. Crouse reported that KWD's February net balance increased over January 2018 by \$119,988.

ITEM 4: MOTION ISSUES

A. Approval of Contract for Hallowell Street, Winslow, Water Main Installation Project

The Trustees were provided with the bid tabulation results for the Hallowell Street, Winslow, main replacement project which is being performed in conjunction with the Town of Winslow's construction project. Four companies were invited to bid, and three companies responded. McGee Construction submitted the lowest bid for the combined project, and the recommendation is to award the bid for the KWD portion to McGee Construction. Mr. Longfellow explained that included in the bids is KWD's expense portion, which is one-third of the total cost, for common items relating to the road restoration and mobile/demobilization. Mr. Crouse informed the Trustees that this item was listed in the capital budget for \$400,000. Trustee Hodsdon commented that McGee Construction has successfully completed several projects for KWD in the past.

Motion by Trustee McCluskey, "to award the contract to McGee Construction for the KWD portion of the Hallowell Street, Winslow, capital project for \$302,246.67 and for the combined Town of Winslow and KWD total capital project for \$882,073.00," seconded by Trustee Earickson.

Vote: Motion carried unanimously.

In conjunction with the above project, a recommendation was proposed to the Board to approve an estimated \$21,000 for construction inspection services by Dirigo Engineering. This approximate amount is based on work for six weeks, five days per week, and ten hours per day. Dirigo Engineering will be submitting weekly timesheets and will bill KWD monthly. Mr. Longfellow stated he will also be visiting the job site periodically to assess the progress and to discuss the project with Dirigo Engineering.

Motion by Trustee McCluskey, "to authorize KWD to employ Dirigo Engineering for construction inspection services for the Hallowell Street, Winslow, main replacement capital project for an estimated \$21,000," seconded by Trustee Wild.

Vote: Motion carried unanimously.

Trustee McCluskey commented that typically these projects are conducted on a separate basis rather than conjunctively. In the past, KWD would complete the infrastructure project for a road planned for rehab, and then the town/city, at their cost, would complete the road restoration project. Mr. Crouse explained that KWD is not incurring any of the cost for the permanent paving, but only, as in past projects, for a portion of the base layer. This provides some overall cost savings to KWD.

Because this is a combined project with the Town of Winslow, Trustee Fuller asked if the Town has voted for and awarded the contract. Mr. Longfellow replied that he has spoken to the Winslow Public Works Director, and the Director is recommending to the Winslow Town Council to award the contract to McGee Construction. The vote is scheduled to transpire at the council meeting on Monday, June 11th.

B. Approval of KWD Procurement Policy

As part of their packet, the Trustees were provided with a draft copy of the KWD Procurement Policy. Although the consensus of the Board was to discuss the KWD Procurement Policy more in depth at a future meeting, some discussion ensued at today's meeting. As Mr. Crouse had stated in a previous meeting, the policies brought before the Board for review and approval are higher level documents. The written procedures of the administrative tasks necessary to complete the policies' directives will not typically come before the Board for approval. Trustee Fuller stated that, although these daily administrative tasks will not need Board approval, he feels copies should be distributed to the Trustees for review.

Mr. Crouse highlighted a few of the policy's details. He explained that as noted on page one, KWD's definition has been and continues to define a capital asset as an asset with an expected life of more than one year and with a cost of \$5,000 or more. These items and estimated costs are listed on the annual capital budget which is presented for Board review and approval at the beginning of each year. Because at the time of Board approval of the capital budget the Trustees are authorizing the expenditures for these items, there is a suggested clause in this draft policy which states purchase of these items/projects, if below or not over ten percent of the budgetary figure, can commence without a second review and approval process by the Board. This is to avoid redundancy. Of course, there will be exceptions to this rule when pre-approved capital items would be brought before the Board. One instance would be if there is only one bid submittal for a major piece of equipment or project. Trustee Hodsdon commented that a secondary Board review and approval process could be at the discretion of the General Manager. The policy states that Mr. Crouse plans to provide the Board with regular reports of these capital expenditures in addition to these items being listed on the account warrant.

On page three, there is a chart of the purchase approval authorization levels, which includes the purchase dollar amount range and required KWD Management Staff/Board approval at each level. Mr. Crouse clarified that in addition to this chart, as with the totality of this policy, there will be additional required approvals at a procedural level. Although not always believed to be adhered to, a few of the Trustees recalled that past practice had been to present to the Board for review and approval any singular item (equipment, vehicle, etc.) or project costing \$5,000 or more. This proposed policy is suggesting a cost of \$25,000 or more. Trustee Fuller expressed some reservations regarding the purchase amount thresholds. Trustee Wild suggested adding a segment which addresses the allowance/disallowance of split purchases, which is the case when a single purchase is divided into two or more separate purchases to avoid the single purchase cost limit.

Mr. Crouse also referred the Trustees to page five. This focuses on the circumstances in which non-competitive proposals/qualifications can be utilized. One suggested stipulation is that the Board must authorize the use of non-competitive selections for expenditures greater than \$15,000 prior to the contract award except in the instance of emergency purchases.

Trustee Dornish noted the clause on page six which references the GM determining when it is not in the best interest of the District to award an agreement to a low bidder. Trustee Dornish suggested, for these circumstances, this should be brought to the Board's attention for review and approval.

The Trustees were asked to review this draft policy and prepare feedback and recommendations for modifications.

Another important policy which will be developed and presented before the Board in the future is the Budget Policy. This will entail definition of the means in which the Capital and Operating Budgets will be created, approved, and executed. Mr. Crouse pointed out that all budgets are a planning tool which, due to unexpected and unplanned circumstances, are typically required to be modified throughout the fiscal year.

C. Other

None

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

Trustee Earickson informed the Board that he will not be in attendance for the June 21st meeting.

Trustee Richards announced that he has been offered and accepted to be on the Board of Directors for the Maine Rivers. Maine Rivers is an organization whose mission is to protect, restore, and enhance the health of Maine's rivers. The Board congratulated Trustee Richards on his new position and endeavor.

B. Schedule of Meetings in July and August

As was discussed at the previous meeting, there will be one more Board meeting this month, June 21st, and there is only one meeting scheduled for each month of July and August. After some discussion, the meetings will be held on July 19th and August 16th. In the case a significant issue arises and needs to be discussed, these dates will be altered, or a special meeting will be arranged.

ITEM 6: GENERAL MANAGER'S REPORT

A. General Manager Performance Evaluation

As part of their packet, the Board was provided with a draft copy of the General Manager's Performance Evaluation Form. Mr. Crouse suggested selecting a sub-committee, which will consider input from the full Board, to modify and finalize the form and to have the responsibility of evaluating the General Manager. Trustee Dornish recommended that Trustee Hodsdon, as President, chair this sub-committee. Trustee Earickson suggested Trustees serving on this sub-committee should not be the same as the sub-committee which hired Mr. Crouse. Because a few Trustees were not in attendance, it was the consensus of the Board that the sub-committee be selected at the next meeting.

B. Letterhead

At the previous meeting, the Trustees were provided with two versions of potential letterhead to be used for official KWD correspondence. One included the name of the General Manager, names of the Trustees, and overall KWD contact information with the declaration of KWD being the “First Water District in the United States”. The second only included the KWD contact information and declaration. The consensus of the Board was to use the second format unless the nature of the subject warrants the listing of the Trustees’ names.

C. Other – Review of Costs of New Laptops, Department Reports

At the May 17th meeting, the Trustees questioned the cost of \$2,216.93 each for two laptops purchased through A Partner in Technology (API) for the General Manager and Director of Water Quality. At today’s meeting, Mr. Crouse provided the Board members with an analysis of the components purchased versus the base model and the associated costs. There does appear to have been a mark-up of approximate \$200 by API to cover their overhead cost of working with KWD staff to determine the specifications and make the recommendation. Mr. Crouse commented that although KWD could have bought these items at a less expensive cost, a portion of the cost for these units includes three-year support from a Dell technician with API facilitating this service if necessary. The Board members were satisfied with this cost rationalization.

Department: Water Treatment Submitted by: Matt Zetterman

1. Notable accomplishments/successes since last report (including personnel commendations):

a. Our department had a very successful lab assessment from the State. Our operators deserve a lot of credit for their hard work. From their report: “The laboratory was clean and well organized. The staff was friendly and knowledgeable. The 2017 annual internal audit was thorough and well-documented with effective follow-up addressing the issues discovered during the audit. The management could easily locate data from 2013 demonstrating that record-keeping is well maintained. We are pleased with the excellent progress the lab has made in the last two years.”

2. Progress report on items presented at the previous Trustee meeting:

- a. Rehabilitating air system in Clarifier #3 – The volatile organic compound (VOC) test results were very good and plant staff is working to refill the clarifier with plastic media so the unit can go back online.
- b. Roofing project – Tentatively scheduled to start June 11th.
- c. Source Water Protection Grant – We received up to \$10,000 in grant money for the China LakeSmart Program to help protect the China Lake watershed.
- d. China Lake (Lake Elevation: 171.5 feet, Outlet Flow: 13 cfs) – The lake level is currently on the low end of our summer target after a dry month of May and will continue to drop if we don’t see any appreciable precipitation. The last two secchi disk readings (a measurement of

water clarity) have been just above average at 4.25 meters. With that said, turbidity readings (another measurement of clarity) at the plant have declined since our last lake study so it's possible a spring bloom is forming.

3. New or upcoming items of significance:

a. On May 29th a 1" threaded connection on one of our surface scour pumps failed which sprayed water all over our upper pump room and damaged one of our raw water pump variable frequency drives (VFD's). Our electrical contractor determined that the transformer and disconnect weren't damaged during the event, and that the VFD was the only major item damaged. Originally the VFD was throwing out a "Short Circuit" error before we disconnected power to the unit for safety reasons but upon restoring power the error went away. Unfortunately, we couldn't do any further testing while the electrician was on site because the keypad failed. More diagnostic work needs to be done before determining whether the VFD is a total loss or not.

In addition to the above, Mr. Zetterman stated that he recently received a telephone call from an abutter to KWD's property at the East Basin of China Lake. This abutter asked to cut down several dying trees which are very close to his/her camp but on actual KWD land. KWD staff visited the property to assess the situation and verified the trees are dying. A decision will need to be determined to remedy this situation. While at this property, it was also discovered that the abutter's survey and KWD's survey proved to have a discrepancy of approximately 40-feet in property lines. If the KWD survey is correct, the property owner's camp is partially on KWD land. The property owner has been apprised of the difference in surveys and is being fully cooperative in order to remedy this situation. Mr. Zetterman and Mr. Crouse will be discussing this issue with KWD's legal counsel, Verrill Dana, to receive guidance for resolution.

Department: Customer Service / Safety Submitted by: Benjamin LaPlante

1. Notable accomplishments/successes since last report (including personnel commendations):

- a. The Fire Service to the new Colby Dorm at #150 Main Street in Waterville has been activated. We have ordered two 1.5" meters, one for the dorms and one for the commercial business that will occupy the ground floor.
- b. We have completed our annual Sexual Harassment training for supervisors.
- c. We have set the seasonal 3" meter for the Waterville Municipal Pool and a 2" meter for irrigation at the Underwood Farm on Benton Avenue.

2. Progress on items presented in previous monthly department reports:

- a. We replaced a 2" meter at Huhtamaki that was outside the acceptable accuracy range.

3. New or upcoming items of significance:

a. Barry Truman, Damage Prevention Investigator for the Maine Public Utilities Commission will be training the O&M Department and On-Call Supervisors on proper DigSafe protocol on June 11th.

In reference to the meter replacement at the Huhtamaki Manufacturing Plant, Trustee Fuller asked the method in which the accuracy range was measured. Mr. LaPlante answered that KWD hires a certified company on an annual basis to test the KWD large meters at the customers' locations.

Department: Operations & Maintenance Submitted by: Jared Bragdon

1. Notable accomplishments/successes since last report (including personnel commendations):

- a. The O&M Department has successfully hired a new employee. Tylen (TJ) Pooler started on May 25th. Tylen is very excited to be a part of the KWD team and is looking forward to learning about the operations and maintenance of our distribution system.
- b. The O&M crew successfully replaced the hydrant on Halifax Street in Winslow next to VIP, which had been out of service since the beginning of December. This was a complex project involving the temporary shut-off of customers, closing Halifax Street, and in-the-field design adjustments to accommodate an existing electrical duct bank in the project area. This project went off without a hitch and was completed in a safe and timely manner.
- c. Spring flushing is complete with no major issues reported.

2. Progress on items presented in previous monthly department reports:

- a. West River road paving project is complete. O&M successfully completed necessary work in this area without issue. Our task was to make sure all gate boxes in the paving area are movable, and to achieve elevation of the new pavement.
- b. Route 100 road project is ongoing, our work in the paving area was minimal and is complete.

3. New or upcoming items of significance:

- a. A hydrant on Appleton Street in Waterville was struck by a City snowblower this winter and has been out of service ever since. The hydrant was replaced with a new hydrant on the corner of Merchant Court and Temple Street to accommodate firefighting needs for the new Colby building.

There were no additional questions regarding the Operations & Maintenance Report.

Department: Engineering Submitted by: Jefferson Longfellow, P.E.

1. Notable accomplishments/successes since last report (including personnel commendations):

- a. The bids for Hallowell Street watermain projects were opened on May 31.
- b. The phone system is running for the Cool/South Street complexes.
- c. Clean-up and punch list has begun for the Western Avenue Pumping Station Project.

2. Progress report on items presented at the previous Trustee meeting:

- a. First Draft of M-4 Evaluation completed.

3. New or upcoming items of significance:

- a. Contract needed for construction inspection with Dirigo Engineering.

In addition to the above and per the request of Trustee McCluskey, Mr. Longfellow distributed a summary of the Wright-Pierce Engineers Contract Spending for the WAPS Capital Project. Construction administration costs are under the contracted cost; however, there are some additional charges anticipated. Inspection costs are under the contracted cost with no additional charges anticipated. Post constructions costs are slightly above the contracted cost with no additional charges anticipated. Overall, the cost for the three phases were under the budgeted contract amounts.

Trustee Dornish asked if Mr. Longfellow is aware of the timeframe for the completion of the “Sand Hill” project in Winslow. Mr. Longfellow responded that he is unsure of the schedule. From his last conversation with the Town of Winslow staff, there are some utility poles which need to be removed before the work, including the curbing and paving, can be completed.

Trustee Fuller inquired if M-4 is mechanically able to generate if there was river flow. Mr. Longfellow answered that although there are currently several issues which are anticipated to be quite costly to repair, he believes that with some minor repairs and adjustments, M-4 could be operational.

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

Vote: Motion carried unanimously.

ITEM 7: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 9:20 a.m.

Sue Markatine, Recording Secretary