

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – AUGUST 16, 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; Frank Richards, Trustee; Denise Bruesewitz, Trustee; Alex Wild, Trustee

Trustees absent: None

Denise Bruesewitz, Trustee, joined the meeting at 7:40 a.m.
J. Michael Talbot, Treasurer, left the meeting at 7:35 a.m.
Alex Wild, Trustee, left the meeting at 9:00 a.m.
Denise Bruesewitz, Trustee, left the meeting at 9:00 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; Ken Knight, Chair of the Greater Augusta Utility District’s Board of Trustees (joined the meeting at 7:30 a.m. and left the meeting at 8:10 a.m.); Amy Stabins, Prospective Trustee for the Town of Winslow

ITEM 1: INTRODUCTION OF GUESTS

Ms. Amy Stabins, prospective Trustee for the Town of Winslow, and Mr. Ken Knight, Chair of the Greater Augusta Utility District’s Board of Trustees, were introduced to the Board members and KWD staff in attendance at today’s meeting.

ITEM 2: REVIEW AND APPROVE THE MINUTES OF THE REGULAR BOARD OF TRUSTEES’ MEETING OF JULY 19, 2018

Motion by Trustee Talbot, “to accept the minutes of the Regular Board of Trustees’ Meeting of July 19, 2018,” seconded by Trustee Dornish.

Vote: Motion carried unanimously.

ITEM 3: CONVERSATION WITH KEN KNIGHT, CHAIR OF THE GREATER AUGUSTA UTILITY DISTRICT'S BOARD OF TRUSTEES, REGARDING PUBLIC AND CUSTOMER COMMUNICATION STRATEGIES

At the request of the Board, Mr. Knight attended today's meeting to present an overview of the means and modernization of the Greater Augusta Utility District's (GAUD) website and social media communications. Mr. Knight began by informing the Trustees that the GAUD has approximately 5,600 rate payers, and that in addition to the City of Augusta, the GAUD is responsible for water, wastewater, and stormwater for a few other communities. He has been serving on the Board of Trustees for approximately twelve years. Mr. Knight mentioned that there were some past challenges and incidences which were partly responsible for motivating the GAUD to update its website and increase its exposure and communications via social media outlets. There was also the realization that the general public did not actually understand the overall efforts by and cost to a district to provide continuous, reliable, safe, and quality drinking water to its customers in addition to the wastewater and stormwater services.

One of the changes the GAUD made to enhance communications was to record and televise the Board of Trustee meetings. The other was to hire a marketing firm, Burgess Advertising & Marketing from Falmouth, Maine, to revamp the website to include numerous features, for instance up-to-date project information. In addition to the website, the GAUD also has a Facebook page, which is a popular site amongst the customers, and has a Twitter Account. Trustee Richards inquired if YouTube is also utilized. Mr. Knight responded that, occasionally, if an interesting project or event is occurring, a video will be posted to YouTube. Trustee McCluskey inquired if water test results are posted on the GAUD website. Mr. Knight answered that this information is available on the website, including boil-water orders and lifts. Mr. Knight stated that public goodwill and interest has vastly improved due to the modifications and highly recommends that KWD invests in this project.

Trustee Hodsdon was curious if televising the GAUD Board meetings was well received. Mr. Knight replied that a few employees and Trustees were wary of it at first but eventually became accustomed to this change. He added that there are many public viewers, some who watch it live and the majority who watch it after the fact through a link on the GAUD website. Trustee Wild inquired if the meeting times were changed to accommodate the convenience of the public, and if there were noticeable spikes in viewing depending upon the topic. Mr. Knight answered that the meeting times were actually moved from morning to early evening, and there is more viewer interest for certain subjects.

Trustee Dornish commented that, as a customer, his expectation is to be provided with water and only becomes concerned when there is no water when he turns on the faucet. With this being said, he asked for a further opinion and reason to invest time and monies in a project of this scope. Mr. Knight responded that due to social media, society today is becoming more demanding to incur live, up-to-the minute information. For instance, in the event of a main break, updates regarding the expected time of water restoration or if traffic is being delayed or re-routed. He also added that, in his experience, if the customers are aware of the undertakings and accomplishments of a district, including the reasons and costs for projects, there is more acceptance when a utility is seeking a rate increase.

In addition to social media communications, Mr. Knight explained that the GAUD Board hosts a planning session each fall to meet with town/city leaders, and a meeting is also held with the town/city councilors. Mr. Knight also added that the GAUD contracts with a human resource professional who meets with the town/city personnel to receive input regarding communications and relations to aid in the evaluation of the General Manager. Trustee Hodsdon stated that the Board and KWD Staff is fortunate to have a good rapport and sound communications with the leaders and public works town/city employees of the communities it serves. However, unlike the GAUD, there is little interaction with the Waterville City Councilors and this should be a consideration in order to exchange information and to engage and update them on the activities of the KWD.

Trustee Wild asked if the GAUD hired additional staff to implement and maintain these outlets. Mr. Knight answered that the District employed a firm, Burgess Advertising & Marketing for the initial major changes and continues to contract with this firm to conduct the majority of maintenance for these sites. He estimated cost in the vicinity of \$20,000 to \$40,000 for the primary update and \$20,000 to \$25,000 annual maintenance thereafter. Regarding the same subject, Trustee Earickson inquired the number of Information Technology (IT) staff employed by the GAUD and the amount of time dedicated to these communications. Mr. Knight responded that the majority of the IT labor is conducted by an outside contractor with a few employees performing minor daily updates as necessary. At this time, the Board was furnished with a copy of the marketing metrics provided by Burgess Advertising & Marketing firm. This information provides the GAUD with statistics such as viewing information, traffic, and history and aids in strategic planning for future website updates. On an annual basis, a representative from Burgess Advertising & Marketing attends a meeting to review current information and to make additional recommendations for changes to the Board members.

Trustee Fuller inquired the amount of GAUD customers which pay their invoice via the website, and Mr. Knight answered approximately 1,000. He added that the GAUD has converted to billing on a monthly basis rather than quarterly. This has improved the utility's cashflow and also has aided customers for their budgeting purposes. Mr. LaPlante explained that the KWD customers can pay their bills via the KWD website; however, they cannot view their bills, and it is necessary for the customer to know their account number and dollar amount due. He asked if GAUD customers can actually view their bills by means of the website. Mr. Knight replied that GAUD customers are able to view their bills on-line. He commented that adding this feature was a major implementation but well worth the effort for customer satisfaction and ease.

Trustee Fuller asked which software service the GAUD utilizes. Mr. Knight answered that the utility uses both the MUNIS and Northern Data software. Trustee Earickson asked the security system utilized by the GAUD. Mr. Knight responded that there are firewalls and encryptions to protect all the necessary components of the utility.

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

Although the KWD has some different practices and objectives than the GAUD, the Board does realize the need to modernize the KWD website and social media communications as recommended by Mr. Crouse. Mr. Crouse stated he could contact Burgess Advertising and Marketing and request a proposal for this project to present to the Trustees. Trustee Earickson suggested a request for proposal (RFP) from several marketing firms might be an appropriate avenue. The Board discussed this notion. Because there is an abundance of services which are offered and could be provided by a marketing firm and the exact options which might be appropriate for the

KWD enhancements is undetermined, compiling a RFP at this time could prove to be difficult. Trustee Wild suggested contacting a few companies, including CGI in Waterville, to acquire information regarding the services they can provide for KWD. Trustee Earickson mentioned that Mr. Crouse could also contact other utilities to inquire the functionality of their websites and which, if any, marketing source they utilize.

ITEM 4: FINANCIALS

A. ACCOUNT WARRANT

August 16, 2018

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Postmaster	Bulk Mail Postage-Billing	7/17/2018	619.22
Kennebec County Reg. of Deeds	Water Lien Discharge-1 Property	7/20/2018	35.00
A Partner in Technology	Monthly Server & Rack Rental/Professional Services	7/25/2018	199.25
A-Copi Imaging Systems	Quarterly Maintenance Agreement-2 Copiers	7/25/2018	153.23
Alere eScreen	Employee Drug Testing	7/25/2018	128.00
American Messaging	Replacement of 2 Pagers	7/25/2018	209.95
Answering Services Unlimited	Monthly Answering Service	7/25/2018	262.23
Business Card-Bank of America	Google Cloud-Google/Microsoft Online Services-Microsoft	7/25/2018	432.79
Business Card-Bank of America	Grinder & Wheels-Harbor Freight Tools	7/25/2018	14.67
Business Card-Bank of America	Ladder Labels-Lynn Ladder & Scaffolding	7/25/2018	8.83
BNY Mellon Corporate Trust	2004 Bond Principal & Interest	7/25/2018	38,062.08
Kecia L. Blaisdell	Payment in Lieu of Grounds Repair Work Investigate Water Damage to Electrical Equip. in Pump Room-WTP	7/25/2018	2,500.00
E S Boulos Company	Monthly Electricity-Variou Locations	7/25/2018	117.00
Central Maine Power 635-Consolidated Communications	Monthly Telephone Service	7/25/2018	111.18
Earthlink Business 1058	Monthly Telephone Service	7/25/2018	258.22
EMSL Analytical Inc. - Products	Water Tests	7/25/2018	380.00
Fastenal Company	Paint/Shackle Pins/Hydraulic Pump Pallet Truck	7/25/2018	972.73
G & E Roofing Company Inc.	Roofing Project-WTP	7/25/2018	75,000.00
General Alum N. E. Corp.	Alum-WTP	7/25/2018	4,983.01
GWI	Monthly Internet Service	7/25/2018	284.60
Hussey Communications Inc.	Monthly Internet Service	7/25/2018	250.00
IDEXX Distribution Inc.	Bacteriological Test Kits-WTP	7/25/2018	1,160.86
Joseph's Sporting Goods	Employee Clothing	7/25/2018	233.95
Kennebec Auto Service	Repair Brake Light & AC-Tk 5/Repair Airbag-Tk 14	7/25/2018	402.69
Kennebec Equipment - Fairfield	Power Broom Rental for Main Break Clean-Up	7/25/2018	45.00
M C Disposal Inc./DBA CMD Maine Municipal Emp. Health Trust	Monthly Rubbish Removal & Portapotty Rental	7/25/2018	163.00
Maine Water Works Supply	Monthly Health Insurance Premiums	7/25/2018	26,936.64
	Swivel Tee/Hydrant Valve/Gland Kit/Couplings/Hydrant Meter Gaskets/Pack Joints/Bends/Gate Box Bottoms	7/25/2018	7,103.23
Treasurer, State of Maine	Water Tests	7/25/2018	348.00
Workplace Health	Hepatitis B Shot/Pre-Employment Screening	7/25/2018	186.43
Marden's Surplus & Salvage	Galvanized Cable/Cable Clamps	7/25/2018	105.90
McQuan Appraisal Services	Land Appraisals-Fairfield & Vassalboro	7/25/2018	700.00
New Pig Corporation	Hazmat/Base/Acid Spill Kits-WTP	7/25/2018	768.11
Northeast Laboratory	Water Tests	7/25/2018	262.05
Town of Oakland	Shores Road Annual Real Estate Taxes	7/25/2018	331.28
OTT Communications	Monthly Telephone Service	7/25/2018	1,342.81

Fanado Pelotte	Tri-Axle Dump Truck/Gravel	7/25/2018	3,798.00
E. J. Prescott Inc.	Meter Touch Pads-24	7/25/2018	168.00
Protection One Alarm Monitoring Inc.	Annual Protection Services-2 Locations	7/25/2018	1,303.80
Quill Corporation	Distilled Water/Toner/Copy Paper/Rubber Bands/Folders	7/25/2018	1,463.61
Roki Repair Shop	Repair Door Handle-Tk 1	7/25/2018	226.38
Seacoast Security Inc.	Install New Alarm Panel-WTP	7/25/2018	1,080.22
Time Warner Cable	Monthly Phone/Internet Service	7/25/2018	233.66
USA Blue Book	pH Probe/Distilled Water/pH Salt Bridge/pHD Standard Cell Sol.	7/25/2018	555.97
Vassalboro Car Care	Oil Change-Tk 17/Wiper Blades & Brake Repair-Honda Fit	7/25/2018	231.54
Verrill Dana LLP	Professional Legal Services	7/25/2018	441.00
Ware-Butler Inc.	Insert Bit Holder/Drill Extension	7/25/2018	12.98
Postmaster	Bulk Mail Postage-Billing	7/30/2018	772.65
Business Card-Bank of America	Portable Lights for Trucks/Disposable Gloves/Hearing Protectors Lens Wipes/Daily Construction Log/Safety Glasses/Timecards All Bought from Amazon	8/6/2018	490.55
Business Card-Bank of America	Vinegar/Batteries/Cleaner-Walmart/Shipping for Demo Router- USPS/Traceable Lab Thermometer-USA BlueBook	8/6/2018	220.80
Big Tex Trailer World Store #463	Pintle Hook/ Snapper Pin/Blade-Tk 13/Tail Light-Tk 6	8/6/2018	144.83
T Buck Construction Inc.	Western Avenue Pump Station Capital Project	8/6/2018	114,099.22
Budget Document Technology	Postage Machine Ink	8/6/2018	124.45
Central Maine Power	Monthly Electricity-Variou Locations Construction Monitoring for Hallowell St, Winslow, Capital Project	8/6/2018	8,912.63
Dirigo Engineering		8/6/2018	6,768.92
Fastenal Company	3/4" Threaded Rod for Messalonskee Stream Break	8/6/2018	175.94
Galeton Gloves	Driver Gloves	8/6/2018	353.48
Gregory's Disposal	Curbside Pickup for Partial Month of July	8/6/2018	7.23
Harcross Chemicals Inc.	Sodium Hypochlorite	8/6/2018	2,526.64
Hilltop Cleaning Service	Monthly Cleaning Services-Cool St. & South St.	8/6/2018	846.00
Houle's Plumbing Heating & AC	Annual RPZ Testing-WTP	8/6/2018	766.00
Kennebec Water District	Monthly Petty Cash	8/6/2018	13.71
Kodiak Steel Company	Multi-Grade Steel	8/6/2018	50.63
Gerald MacKenzie Inc.	Pavement Patches-Halifax Street, Winslow	8/6/2018	2,759.45
Maine Municipal Association	Property & Casualty Insurance Premium-Biannual Payment	8/6/2018	26,469.00
Maine Oxy	CO2 Exchange	8/6/2018	39.47
Maine Water Utilities Association	Drinking Water Treatment in Maine Seminar-2 Employees Copper Tubing/Saddles/Gate Box Bottoms/Gate Box Covers Thread Plugs/Thread Sealant/Emery Cloth/Gate Box Tops Tubing Cutter/Service Boxes with Covers/SS Rods/Couplings Pipe Clamps/Corps	8/6/2018	8,308.55
Treasurer, State of Maine	Monthly Sales Tax	8/6/2018	2,857.26
Treasurer, State of Maine	Annual Drinking Water Fee	8/6/2018	13,191.80
Treasurer, State of Maine	Water Tests	8/6/2018	413.00
Workplace Health	Hepatitis B Shot	8/6/2018	67.50
MainePERS	Monthly Employer Contribution	8/6/2018	8,426.62
MainePERS	Monthly Group Life Premiums	8/6/2018	658.07
Motor Supply Company	Ditch Witch Preventive Maintenance	8/6/2018	84.43
Northeast Laboratory	Water Tests	8/6/2018	232.05
PRC Industrial Supply	Ditch Witch Vacuum Hose	8/6/2018	265.56
Saturn Business Services Inc.	Microbiological Log Book	8/6/2018	13.22
David Morin	Monthly Lawn Service-Variou Locations	8/6/2018	1,950.00

Super Shoe Stores Inc.	Employee Boots	8/6/2018	134.99
United States Cellular	Monthly Cell Phone Service	8/6/2018	43.88
United States Cellular	Monthly Data Service	8/6/2018	99.48
USA Blue Book	Return Wrong Lab Thermometer/Purchase Right Thermometer	8/6/2018	23.74
Verizon Wireless	Monthly Intake/Tablets Service	8/6/2018	221.88
Ware-Butler Inc.	Bolts/Nuts/Washers/Tie Downs	8/6/2018	22.51
City of Waterville	Excavation Permit	8/6/2018	179.15
Williams Scotsman Inc.	Storage Container Rental	8/6/2018	142.37
Winslow Supply Inc.	Conduit for Ditch Witch	8/6/2018	86.25
Wright-Pierce	Western Avenue Pump St. Cap. Proj. Construction Admin.- June	8/6/2018	808.00
Ferguson Enterprises Inc. #3326	Valve Nuts	8/8/2018	704.30
Standard Waterproofing Inc.	Epoxy Coating for Water Tanks	8/8/2018	15,000.00
City of Waterville	Excavation Permit	8/8/2018	136.25
Total Warrant			\$412,691.89

Motion by Trustee Earickson, “to ratify the total warrant of checks released for \$412,691.89,” seconded by Trustee McCluskey.

Referring to the payment made to Kecia Blaisdell, Trustee Dornish asked for a further explanation. Mr. LaPlante explained that at this particular customer location there was a service line which crossed the lawn of an abutting neighbor. To rectify this situation, in April 2013, KWD was required to install a service line up to the residence. During this process and due to the excavation, a portion of Ms. Blaisdell’s was damaged. Ms. Blaisdell has had intensions to re-pave the totality of her driveway surface. Therefore, she requested payment for the cost of paving the disturbed surface rather than having KWD conduct the restoration as this portion would have just been excavated again during the re-pavement process.

Vote: Motion carried unanimously.

B. May Financials

As part of their packet, the Board members were provided with a copy of the May 2018 financial statements, and a brief review was conducted. The 2018 year-to-date total operating revenues are \$2,614,430. This figure compiles 48 percent of the 2018 annual revenue budgetary number of \$5,353,368 and indicates that revenues are presently exceeding the forecasted budget.

The 2018 year-to-date total operating expenses are \$1,696,310. This figure compiles 42 percent of the 2018 annual operating expenses budgetary number of \$4,001,107 and indicates that expenses are presently in accordance with the forecasted budget.

Because the May 2018 salaries and wages were much higher than May 2017, Trustee Dornish inquired if there was an extra pay period in May 2018. Mr. Crouse answered affirmatively, there were five pay periods in the month of May 2018 and only four pay periods in the month of May 2017.

Noting that the May 2018 appropriated retained earnings figure was a negative and the 2018 year-to-date figure is presently at zero, Trustee Dornish asked for a further explanation. Mr. Crouse explained that through Ms. Hastings, KWD’s Finance Manager, efforts, the KWD financial

accounting process has been converted from the Maine Public Utilities Commission's (MPUC) method to the Generally Accepted Accounting Principles (GAAP) method. The appropriated retained earnings are not recognized as a separate line item for GAAP purposes. Therefore, journal adjustment entries were made during the month of May to account for the previous 2018 months and to zero this line item. Ms. Hastings now maintains an independent excel spreadsheet to record entries per MPUC accounting which will be necessary for the completion of the annual MPUC report.

Regarding the M-4 Income Statement, May 2018 net income was above May 2017 by \$7,485 with an overall year-to-date increase of \$10,556. Beginning around the first of June, due to the lack of precipitation and low river flow, M-4 has not been generating, and there will be no associated revenue for the summer months.

At the July 19th Board meeting, there was a discussion regarding the timeframe in which the Trustees receive the monthly financial reports. The Board members had suggested a future goal of completing the financial statements for the previous month for availability to the Board by the second meeting of the subsequent month.

Mr. Crouse discussed this objective with Ms. Hastings to acquire additional information regarding the monthly closing process. Historically, the practice has been to record all expenses in the month in which the expense is incurred. Some items or projects occur at the very end of the month, and the invoices for these items are not received by KWD for up to a few weeks after the transaction, and then have to be coded and processed. In order to produce the financials in a prompter timeline, some utilities use the method of accrual accounting rather than waiting for the actual invoices to be received and processed. This entails making adjusting entries of cost estimates for expenses incurred within the month, but which invoices have not been received, and then reversing these entries when the actual expense is recorded. If there is an expense in which the accounting department is uninformed, and no accrual is made, the cost will be reflected in a subsequent month. On a side note, revenues reflected on the financial reports are based on customer invoices billed for the month. For past years for the month of December and due to the KWD historic practice of not billing in December, as recommended by the auditors, Ms. Hastings accrues December water charges as revenue, but these charges are not actually billed until January.

Mr. Crouse also had copies of financial statements from several utilities, and he informed the Trustees that these utilities all have a different financial statement format. As KWD has been utilizing the same format for many years, Mr. Crouse inquired if there is an interest in a change of layout, one which would provide the Board with additional or a different perspective of the KWD financial data and could further aid the Board's knowledge of the financial state of KWD. Mr. Crouse suggested perhaps adding a percentage column comparing actual to budgetary figures which would be an indication if KWD is on target.

The Board discussed this notion. Trustee Hodsdon commented, and a few other Trustees agreed, that the present financial reports provide substantial information; however, they would be more of a useful tool if they were presented timelier. Trustee Richards stated he is in favor of moving to accrual accounting; however, he would be in favor of a more simplified financial statement format. Trustee Wild commented the present format provides an array of information. He can quickly analyze the year-to-date difference to determine if an increase is due to inflationary purposes or if there is a huge anomaly which warrants an explanation. Trustee Wild did suggest on an annual or bi-annual basis to evaluate the actual versus the budget to determine if KWD is appropriately planning and to discuss projections for the future. Regarding this notion, Trustee

Hodsdon made the comment that the monthly financials do not reflect the budget for the capital improvements and the monies expended. He feels a report of this type would be helpful to the Board.

Trustee Earickson suggested, and it was the consensus of the Board, that Mr. Crouse develop the format he feels would best aid the Trustees. One recommendation was to utilize the existing format with an additional column for percentage comparison of actuary figures to budgetary figures.

C. Other

None

ITEM 5: MOTION ISSUES

A. Approval of Procurement Policy

As part of their packet, the Board members were provided with a draft copy of the KWD Procurement Policy. Mr. Crouse explained that Trustee Talbot had submitted a few minor edits, and he reviewed these changes at this time. Trustee Richards thanked Trustee Fuller and Trustee Talbot for the time they dedicated to reviewing this and proposing recommendations to the document in order to establish a solid policy.

Motion by Trustee Richards, “with the incorporation of the changes recommended by Trustee Talbot, to approve the KWD Procurement Policy,” seconded by Trustee Earickson.

Vote: Motion carried unanimously.

B. Caustic Soda Purchasing

Mr. Crouse explained that in December 2017 the Board approved the low bid from GAC Corporation for the purchase of 5,500 gallons of caustic soda (NaOH) at \$2.09 per gallon for 2018. (The other bids submitted ranged from \$2.438 to \$2.695.) Prices have since increased dramatically for this chemical. KWD now has the opportunity to purchase an additional 1,500 gallons for \$4,000. Although there is an increase in the price per gallon for the additional chemical, the overall cost for the 7,000 gallons is \$2.21 per gallon.

Motion by Trustee McCluskey, “to approve an addendum to purchase an additional 1,500 gallons of caustic soda for \$4,000 from GAC Corporation,” seconded by Trustee Richards.

Vote: Motion carried unanimously.

C. Other

There were a few other motion issues presented at today’s meeting.

The first item presented was for the purchase of 192 water meters at the cost of \$24,000. Mr. Crouse explained that KWD buys these meters on an as needed basis due to the fact that the warranty begins at the time of purchase not at the time of customer installation. These meters are battery operated and are guaranteed for accuracy for approximately 20 years.

Motion by Trustee McCluskey, “to authorize the purchase of 192 water meters from Everett J. Prescott for \$24,000,” seconded by Trustee Dornish.

Vote: Motion carried unanimously.

The second item presented was for the renewal of the annual service agreement with Sensus for the Tower Gateway Base (TGB) stations for \$11,166.18. These three stations transmit the customer meter readings to the Business Office.

Motion by Trustee Earickson, “to authorize the renewal of the annual service agreement with Sensus for the Tower Gateway Base stations for \$11,166.18,” seconded by Trustee Richards.

At the next Board meeting, Trustee McCluskey requested to be informed of the cost variance between the previous agreement and this agreement and the services provided per this agreement.

Vote: Motion carried unanimously.

The third item presented was for authorization to hire Underwater Solutions, Inc. to clean the manganese sediments from the clear wells at the WTP for \$8,870.

Motion by Trustee Fuller, “to authorize the hiring of Underwater Solutions, Inc. to clean the clear wells at the Water Treatment Plant for \$8,870,” seconded by Trustee Earickson.

Vote: Motion carried unanimously.

ITEM 6: TRUSTEES

A. Comments, Concerns, Ideas

Trustee Earickson voiced his concern that because there is only one meeting in the months of July and August, the meetings are much more time consuming.

Trustee Dornish stated he recently had a prescription filled at the CVS Pharmacy. The guidelines for this medication recommend disposing of the unused pills by “flushing them down the toilet”. Trustee Dornish mentioned that prescriptions filled at the Hannaford Pharmacy have guidelines which specify “do not flush unused pills down the toilet”. Trustee Dornish is very concerned by the CVS Pharmacy directions. This is not the best method to dispose of unused drugs as this is a means for pharmaceuticals to enter water supplies which could have an impact on the environment effecting both humans and wildlife. Mr. Crouse and other Trustees were surprised by the CVS Pharmacy instructions as over the past several years several agencies have advocated for a better means to dispose of drugs rather than flushing. The best practice of disposing of unused meds is to utilize a return by mail or drop-off program sponsored by the State of Maine, and, at the very least, to dispose of them in the rubbish. The Board recommended that Mr. Crouse contact and inform the Maine Drinking Water Program of the concern of the CVS Pharmacy advised disposal method. Trustee Hodsdon stated he will also bring this to the attention of the Kennebec Sanitary Treatment District.

B. General Manager's Performance Evaluation

At a previous meeting, the decision was made to select a sub-committee which will be responsible for the evaluation of the General Manager. This sub-committee will then report back to the full Board. The sub-committee selected at today's meeting is as follows: Trustee Dornish, Trustee McCluskey, Trustee Fuller, and Trustee Richards.

ITEM 7: GENERAL MANAGER'S REPORT

A. Procurement Procedure

Before the discussion of the above topic, Mr. Crouse informed the Board members that the KWD team of four employees won the Pipe Tapping Contest at the Maine Water Utilities Association's annual meeting. A picture of the team and the trophy was displayed, and a video is available to view on YouTube under the heading of "2018 KWD Aqua-holics". Mr. LaPlante added that the team's time was 3 minutes and 26 seconds in 2017, and this year their time was 2 minutes and 52 seconds. The Board members offered a "congratulations" to the KWD team on this accomplishment and a job well done.

At a previous meeting, Mr. Crouse had informed the Board that himself and the KWD Management Team were compiling a Procurement Procedure, which is a guiding document to administer the tasks necessary to complete the Procurement Policy's directives. A few Trustees expressed interest in receiving a copy of this document. This procedure has now been completed, and Mr. Crouse will provide a copy to the Board members via e-mail.

B. Disposition of Properties

Mr. Crouse first updated the Board regarding the outer Ridge Road, Fairfield, property of approximately 8 acres of which an abutter had expressed an interest in purchasing. The interested party offered a price significantly below the appraised and tax evaluation value and did not express interest in negotiating to a higher price.

Mr. Crouse has been contacted by three interested parties for the purchase of the 171 acres in Fairfield. One party has not yet submitted an offer for the property. The other party decided not to make an offer because the sale goal price is not being disclosed. The third party did make an offer; however, it was below the appraised value. Trustee Hodsdon stated that it might be prudent for the Board to develop and disclose to the public an asking price for this property. He asked Mr. Crouse to make a price recommendation for the Trustees to discuss at the next meeting, potentially in Executive Session.

C. Update on M-4 Sale Progress

As discussed in previous meetings, Mr. Crouse and Mr. Longfellow have been in contact with Mr. Paul Williams from Kleinschmidt Associates to discuss his aid in identifying a means in which to evaluate a fair value for M-4, KWD's hydro generator, in order to potentially enter a sales negotiation with Essex Hydro Associates, LLC. Kleinschmidt Associates has experience and been involved with numerous sales of hydro generators throughout New England. The proposed price by Kleinschmidt Associates for this assignment is \$4,900.

Motion by Trustee Fuller, “to authorize the General Manager to hire Kleinschmidt Associates at the proposed price of \$4,900 to assist with the evaluation and sale of M-4,” seconded by Trustee Earickson.

Trustee Earickson asked, because Kleinschmidt Associates has worked with Essex Hydro Associates, LLC in the past, if there is any type of conflict of interest. Mr. Crouse responded that this question was posed to Mr. Williams, and, because Kleinschmidt Associates is not presently working for Essex, there is no conflict.

Vote: Motion carried unanimously.

D. Evaluation of South Street Garage Complex

The Board members were provided with a copy of the draft section of the Master Plan compiled by Wright-Pierce which pertains to the evaluation of the KWD South Street Center. This document states that the present facility lacks adequate vehicle and equipment storage and maintenance facilities and that the existing operations facilities need renovation and improvement. Recommendations for consideration are also include in this report. The Trustees were asked to review this information which will be discussed at the next meeting. A tour of the South Street Complex will be conducted after the completion of the September 6th meeting.

E. Other

Per the request of the Trustees, a map of the China Lake Watershed with the Vassalboro Tax Parcels, China Tax Parcels, and KWD owned Tax Parcels charted.

At the July 19th meeting, the question of whether the charges by Runyon Kersteen Ouellette (RKO), KWD’s auditing firm, for the meetings with Mr. Crouse and the Board were above and beyond the contracted price of the audit. RKO provided Mr. Crouse with an analysis of its charges which indicated that RKO’s dedicated time and related costs to the audits (federal and annual) and meetings were more than the agreement price and the amount billed to KWD.

On a different topic, Mr. Crouse displayed a picture of the WTP new roof. For the first time in approximately 25 years, there is no water leakage inside the building.

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

Vote: Motion carried unanimously.

ITEM 8: DEPARTMENT REPORTS

Department: Water Treatment Submitted by: Matt Zetterman

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

- a. The two-year roofing project at the Water Treatment Plant is now complete.

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

a. China Lake (Lake Elevation: 170.95 feet, Outlet Flow: 11.6 cubic feet per second) – The lake level continues to drop further below our target level as precipitation remains low. Secchi disk readings on the lake continue to be high with the last reading in the West Basin measuring at 6.2 meters. This brings our average for the month of July to 7.0 meters. To put it in perspective, over our ten previous years our average for July has only been 3.4 meters. Two employees from the WTP will be participating in an upcoming invasive plant paddle on China Lake on August 21st.

b. SCADA HMI Upgrade – Results Engineering continues to work on the human-machine interface (HMI) for our SCADA system. All the screens have been created, and they are currently working on inputting and connecting inputs/outputs (pump control, tank level, etc.). Once that work is complete, they will need to create alarms and reports from the HMI.

c. WTP Residuals – We have provided data and information to Maine DEP and they are currently discussing beneficial use applications for our residuals internally. We are also hoping to have the residuals removed from our offline lagoon the week of August 13th.

d. Lead and Copper Testing – We are working with homeowners to get commitments to sample at their residence. So far, we've received commitments from 21 of the 30 required sites.

3. New or upcoming items of significance:

a. Flow Control Valve Replacement – We have ordered two new electrically actuated valves per the capital budget. These valves control the flow leaving the filters and are extremely important in operation of the plant. These valves are replacing valves that are currently controlled pneumatically.

Department: Customer Service / Safety Submitted by: Benjamin LaPlante

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

a. We continue to remove older brass bodied meters and replace them with new ceramic meters. The old meters are taken to Kennebec Scrap Metal in Oakland. Our historic practice has been to dismantle these meters to get the maximum scrape value. However, Bob Durand and Roger Bellavance, our Customer Service Representatives, recently learned that the scrap value for the whole meter is \$5 (the scrap value for the dismantled meter is \$5.98). The dismantling of the meter takes about 15 minutes. We determined that the additional \$0.98 in revenue did not off-set the 15 minutes of staff cost, so we have decided to no longer dismantle the meters.

b. Alford Youth Center staff contacted us approximately a month ago to discuss an unusually high-water bill. We met with their Operations Department to tour the facility, help them with tracking their usage, and looking for probable causes. Initially, Alford Youth Center staff was looking for an adjustment to the bill. However, by showing them the meter records and the calculated flows through the meter at the extreme usage periods (which was up to 1,000 cubic feet per hour) we assured them

that the flows were well within the capabilities of the meter. Alford Youth Center staff finally determined that a former employee had been experimenting with the pool backwash process, which they said was the probable cause. They thanked us for our hard work helping them understand the usage and for giving them tips to track their own usage. They would like to see us upgrade to an application that will allow them to access their accounts online, which would also allow us greater capabilities of catching these high use situations and leaks much sooner.

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

a. New employees continue to receive the required training. We are at a point where we need to start sending the senior employees back to certain trainings to keep them updated on new standards also. Some of these trainings are only required once; however, it is our responsibility to keep our employees safe and training is the number one way to accomplish that task.

b. We are still awaiting the arrival of a new 2" meter to replace an older one at the Kennebec River Development Park in Winslow.

3. New or upcoming items of significance:

a. We have installed a new 1.5" meter at the new Colby building, 150 Main Street in Waterville. This meter will be used for the dormitories. Once some internal plumbing at the building is complete, we will be able to install the an additional for the commercial customer on the ground floor.

Department: Operations & Maintenance Submitted by: Jared Bragdon

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

a. Pavement patches are continuing as our paving contractor fits this work in with other jobs they have going on. There are a couple large patches to complete from main breaks on College Ave and a hydrant installation on Merchant Court in Waterville.

b. On August 3, 2018, O&M staff successfully repaired a main break on the China Rd in Winslow. The broken 8-inch water main was 11 feet down, which made for a significant excavation. CMP was on-site to hold a utility pole which was approximately 4' from the water main. Time was of the essence as we had a high usage customer (Elanco) without water. Elanco was without water for approximately 6 hours.

c. Jared Bragdon and Tylen Pooler successfully completed two safety training courses (OSHA 10 in Augusta and Excavation Safety class in Massachusetts). Both courses were two days.

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

a. As of the last report, around 35 hydrant valve repairs were completed. O&M completed a long list (111) of hydrant valve gate box maintenance. All this work was done using vacuum

excavation methods. This work included fixing misaligned valve boxes, broken valve boxes, and in some cases locating (valve box covers were paved over and/or underground not visible) and fixing the hydrant valve box.

3. New or upcoming items of significance:

a. Presently O&M and Engineering are developing a plan to inspect and repair all gate valve boxes in the system. This is an effort to ensure that a valve wrench can be put on every valve nut in the system. This is the first step in a routine valve maintenance program.

b. New Kravich tools for surface maintenance of the distribution system have been ordered.

c. O&M is planning on installing a new line valve on Mayflower Hill at the intersection with Taylor Rd. This will ensure a much smaller shutdown area in the event of another main break in that area in the future. This work will be executed the week of August 13th.

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

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

a. The installation of the new water main on Hallowell Street is completed. The installation of services are still pending. Services have been delayed while the contractor worked on the sewer main replacement.

b. The GIS system is getting updated with the goal to have all the services mapped by the end of the year.

c. KWD staff has met with the new Waterville Fire Chief to work out ways to work together to provide the best water supply to fight fires.

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

a. We are investigating alternatives to the replacement of the Messalonskee stream crossing. Working with Wright-Pierce on the evaluation of the distribution system using our hydraulic model, we believe we may be able to abandon the stream crossing. Additional modeling scenarios will be run, and Wright-Pierce will meet with the KWD Management Team to make a final decision. Other system improvements (that are less costly) may need to be made to establish the same system resiliency that existed with the stream crossing in place. If the stream crossing is needed, we have received all needed permission to work within the Messalonskee Stream.

3. New or upcoming items of significance:

a. Negotiating a changer order to cover the higher painter wage cost for the Western Avenue Pumping Station.

Motion by Trustee Earickson, “to accept all Department Reports as presented,” seconded by Trustee McCluskey.

Vote: Motion carried unanimously.

ITEM 9: PUBLIC PARTICIPATION

Mr. Crouse brought to the Board’s attention a letter he received from a customer. This customer claims he did not receive his regular quarterly water bill mailed by KWD. This customer did receive a copy of the KWD disconnect notice due to the non-payment of the quarterly bill. Typically, this customer pays his bill on or before the due date and is upset he is being charged interest due to the overdue bill. Based upon principle, he has requested the interest on his account be waived. He also contends that KWD should invest in an easier on-line payment process such as an electronic alert for bills for the ease of its customers. As has been discussed, KWD does have intentions to update and modernize the bill payment process. Trustee Richards mentioned that for the convenience of the rate payers, an automated debit from the customer’s checking account for the water bill should be considered.

KWD does receive requests from customers periodically to waive the interest for various reasons (including non-receipt of bills). Because the KWD has to regard all its customers uniformly and in order to not set a precedent, the interest for this customer will not be waived.

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

Vote: Motion carried unanimously.

Meeting adjourned at 9:35 a.m.

Sue Markatine, Recording Secretary