

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – AUGUST 3, 2017 at 7:30 AM**

The meeting was called to order at 7:30 a.m. by President Hodsdon.

Trustees present: Al Hodsdon, President; Karl Dornish, Vice-President; J. Michael Talbot, Treasurer; Allan Fuller, Clerk; Jeff Earickson, Assistant Treasurer; Joan Sanzenbacher, Trustee; Mark McCluskey, Trustee; Bill Boucher, Trustee; Kevin Gorman, Trustee

Trustees absent: Frank Richards, Trustee

Also present: Jeff LaCasse, General Manager; Jefferson Longfellow, KWD Engineer; Mike O'Brien, KWD Customer Service/Safety Manager; Matt Zetterman, KWD Director of Water Quality; Benny LaPlante, KWD Distribution 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 JULY 20, 2017.

Motion by Trustee Sanzenbacher, "to accept the minutes of the Regular Board of Trustees' Meeting of July 20, 2017," seconded by Trustee Dornish.

Vote: Motion carried unanimously.

ITEM 3: FINANCIALS

A. ACCOUNT WARRANT

August 3, 2017

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Postmaster	Bulk Mail Postage-Billing	07/17/17	776.44
T Buck Construction, Inc.	Inspection of Gates-M-4	07/19/17	2,620.00
Deborah Gagnon	Refund-Sold Home and Had Credit Balance on Account	07/19/17	50.54
Waterman Industries	Lift Gate Nut for Lagoon Sluice Gate	07/19/17	1,734.24
BNY Mellon Corporate Trust	2004 Bond Principal and Interest	07/19/17	38,152.08
Kennebec County Reg. of Deeds	Water Lien Discharges-2 Properties	07/20/17	44.00
Postmaster	Bulk Mail Postage-Billing	07/21/17	410.87
EMSL Analytical Inc. - Products	Cryptosporidium Sampling	07/21/17	390.00
Fastenal Company	Masterlock Padlocks	07/21/17	74.16
Wex Bank	Monthly Vehicle Fuel Usage	07/21/17	2,183.63
Hydraulic Solutions of N. England	Floor Jack Repair	07/21/17	488.00
Idexx Distribution, Inc.	Test Kits/Lab Supplies-WTP	07/21/17	1,123.53
Kaufman Enterprises LLC	New Deck Over Trailer for Shoring Boxes	07/21/17	4,891.00
Kennebec Auto Service	Service & Inspection-Tk 8	07/21/17	58.56
Gerald MacKenzie Inc.	Pavement Patches-Variou Locations	07/21/17	6,476.45
Maine Water Works Supply	Couplings/Ball Valves/Gate Box Bottoms/Mech. Joints	07/21/17	3,949.01
Treasurer, State of Maine	Public Advocate Office Annual Regulatory Assessment	07/21/17	583.00
Motor Supply Company	Floor Dry Absorbent	07/21/17	21.50
E. J. Prescott, Inc.	1 1/2 Inch Meter/Accessory Kit/Adaptor Pack	07/21/17	987.63
Quill Corporation	Towels/Packing Tape	07/21/17	77.98
Roki Repair Shop	Service-Tk 1 & Tk 13	07/21/17	1,215.00
Spiller's	Batteries-Variou Sizes	07/21/17	81.44
Time Warner Cable	Monthly Internet/Phone Service	07/21/17	232.38
Winslow Supply, Inc.	Couplings	07/21/17	43.20
Wright-Pierce	Professional Services-Western Ave Pumping Station	07/21/17	32,553.39
Central Maine Power	Monthly Electricity-Western Ave Pumping Station	07/26/17	7,079.25
Kennebec County Reg. of Deeds	Water Lien-Discharge-1 Property	07/27/17	22.00
Agway, Inc.	Grass Seed	07/28/17	69.99
Alere Escreen	Employee Random Drug Testing	07/28/17	62.00
American Shoring, Inc.	New Shoring Box & Panels	07/28/17	25,055.00
Answering Services Unlimited	Monthly Answering Service	07/28/17	80.00
Business Card-Bank of America	Google Apps-Google/NEWWA Conference-Ocean Edge		
	Norton Security-Amazon	07/28/17	303.22
T Buck Construction, Inc.	Western Avenue Pumping Station Capital Project	07/28/17	150,041.57
Carbon Activated Corp.	Granular Activated Carbon Project-WTP	07/28/17	303,577.50
D. J.'s Municipal Supply Inc.	Work Zone Signs (will rec. reimbursement from grant)	07/28/17	2,332.00
Earthlink Business	Monthly Telephone Service	07/28/17	362.27
Eastern Fire	Annual Sprinkler System Testing Contract Renewal	07/28/17	557.00
Fisher Scientific	Lab Supplies-WTP	07/28/17	299.09
General Alum N. E. Corp.	Alum	07/28/17	4,876.20
Hammond Lumber Company	Brushes for Hydrant Painting	07/28/17	19.95
Idexx Distribution, Inc.	Sample Bottles-WTP	07/28/17	300.08
Kennebec Equipment - Fairfield	Suction Hose/Parts for Vacuum Unit/Foot Compactor Rep.	07/28/17	304.70
Maine Municipal Health Trust	Monthly Health Insurance	07/28/17	26,984.02
Maine Oxy	CO2 Exchange	07/28/17	38.36
Maine Water Utilities Association	Office Session Seminar-3 Employees	07/28/17	150.00

Maine Water Works Supply	Couplings/Meter Adapters/Gate Box Parts/Rods	07/28/17	2,028.00
Treasurer, State of Maine	Water Tests	07/28/17	386.00
Needham Electric Supply	Various Light Bulbs	07/28/17	89.60
Protection One Alarm Monitoring	Annual Service Contract	07/28/17	1,123.80
Quill Corporation	2-Drawer File Cabinet	07/28/17	159.99
Robert & Sons Masonry, Inc.	Waterproof Wall/Repair Sidewalk-WTP	07/28/17	7,350.00
Roki Repair Shop	Repair Hydraulics-Tk 13	07/28/17	104.10
Saturn Business Services Inc.	Blueprints for Clinton Ave, Winslow, Main Project	07/28/17	144.00
David Morin	Lawn Care-Various Locations	07/28/17	1,000.00
Spiller's	Batteries	07/28/17	19.36
Spring Brook Ice & Fuel	Fuel Oil-South Street	07/28/17	153.39
Staples Credit Plan	Multifold Towels/Cups	07/28/17	35.98
United States Cellular	Monthly Data Service	07/28/17	98.64
United States Cellular	Monthly Cell Phone Service	07/28/17	90.12
Verizon Wireless	Monthly Tablet Service	07/28/17	131.00
Walmart Community/GEMB	Tissue/Trash Bags	07/28/17	59.40
City of Waterville	Permits-Various Locations	07/28/17	347.50
Winslow Supply, Inc.	Adapters/Tee	07/28/17	4.43
TOTAL WARRANT			\$635,057.54

Motion by Trustee Talbot, “to ratify the total warrant of checks released for \$635,057.54,” seconded by Trustee Earickson.

Trustee McCluskey asked for further details regarding the payment made to Wright-Pierce for \$32,553.39 for the services for the Western Avenue Pumping Station capital improvement and also if this payment is symbolic of the typical monthly cost. Mr. LaCasse explained that this payment entails two invoices, one for the resident project representative (inspector) and one for the construction administration. He added that KWD receives two invoices per month, one for each service, and this has been the average monthly cost for the project.

The Trustees were also curious regarding the cost of \$1,734.24 for the lift gate nut purchased from Waterman Industries as this appears to be a high price for a nut. Mr. LaCasse explained that this is a specialized machine assembly part including the nut which aids in raising and lowering the sluice gates.

Vote: Motion carried unanimously.

B. Credit Card Payment Policy Review

At today’s meeting, the Board members were provided with three documents: 1) a narrative by Mr. LaCasse summarizing the KWD accepted methods of payment and focusing on the credit card payment services which are available to its customers at no cost, 2) a spreadsheet outlining the cost absorbed by KWD due to the credit card transactions from the most recent three month period, and 3) a copy of one KWD Bangor Savings Merchant Card Services invoice reflecting the credit card transactions and fees for the month of July.

For credit card payment, KWD offers options for use of either a Visa or MasterCard debit or credit card either in person, by telephone, or online thru the KWD website. Use of the online payment method has been increasing steadily as customers discover this option is available. There is

no added charge to customers to use their credit or debit card, but there is a cost to KWD. KWD felt it was reasonable to absorb the card fees as a customer service perk. The fees assessed to KWD are dependent upon which type of card is used and the amount of the payment. This convenient means of payment was established mainly with the typical KWD residential service customer with an average bill of around \$100 per quarter in mind. With the initiation of credit card payment acceptance by KWD, there have been fewer water disconnections due to non-payment of bills which has saved KWD significant labor and transportation costs.

In order to control the fees it has agreed to absorb in credit card transactions, KWD put a restriction on the amount it will accept in this type of payment format. The KWD website states that "online payments are limited to a maximum of \$300 per transaction". This limit was expected to be sufficient to cover most residential situations. The limit also served to control the size of the individual fees that would have to be absorbed by KWD. Mr. LaCasse reviewed the fact that at the time of his last analysis in August 2016, the average cost to KWD per transaction was \$1.66. Due to the increase in card usage, the current analysis reveals that it has increased, for May \$1.94, for June \$1.70, and for July \$1.75. Those costs were felt to be reasonable.

Recently, however, at least one third-party expense management service that pays bills for some area businesses paid some significant KWD bills online by splitting them into \$300 increments. For example, they might make four \$300 online credit card payments to cover a \$1,200 bill. Mr. LaCasse speculated that such companies might be utilizing credit cards in order to take advantage of some type of card reward or bonus program associated with card use. For these large payments, KWD was generally being charged much more than the \$1.74 - \$1.90 average for the last couple of months. He pointed out that a few of the business cards being used charge a substantial fee. For example, the Bangor Merchant Card services statement reflects one transaction listed for \$367.91 with a fee of \$9.85 and three transactions listed for a total of \$1,185.24 with a total fee of \$29.93 (which averages \$9.98 per transaction).

Mr. LaCasse stated that he felt this practice was not a planned part of the program and bypassed the intent of the \$300 limit on credit transactions. He said it would result in unreasonable fees to be absorbed by KWD, and, therefore, could result in the need for KWD to discontinue the practice of absorbing the fees and to initiate instead a program of charging a fee to customers using the credit card payment option. He said he felt it would be unfair to the balance of the District's customers to have to absorb the cost of financing the businesses' use of their high fee cards.

He said that the documentation provided to the Trustees today was informational for future discussion regarding review of the present situation and potential establishment of a formal policy for credit card usage including limitations of card use and potential fees to charge to the customers who choose to pay by card. Mr. LaCasse stated that the Maine Public Utilities Commission (MPUC) allows transaction fees, but in most cases that would be a set fee, typically beginning at around \$3 per transaction, and administered through a third party. Trustee Hodsdon suggested exploring the idea of a direct wire transfer for the larger KWD customers, from their bank account to KWD's bank account. Trustee Earickson asked if a company with a large bill, such as the \$1,200, is allowed to pay via a card by telephone. Mr. LaCasse answered that, until a policy is established, at the present time this has been permitted for companies on a case-by-case basis. Trustee McCluskey asked if it is known if other utilities charge a fee for card usage. Mr. LaCasse responded that some do charge a fee to the customers by utilizing a third-party administrator. The third party assesses a fee to the customers to use its payment process. Trustee Dornish offered that with the convenience of online payment processing, people are writing fewer checks for all their bills.

On a related subject, Mr. LaCasse updated the Trustees on DOXO, the third party bill pay company which accepts payments for various utilities, including KWD, and other companies for a fee paid by the customer. The Trustees were provided with a copy of a Better Business Bureau report revealing that there have been numerous consumer complaints regarding DOXO which, at the time, had a 79 percent dissatisfaction rating. This report also lists the actions DOXO has taken to placate the consumer concerns. Mr. LaCasse has been communicating with a DOXO Customer Service Representative regarding some of the KWD concerns. Due to the changes and improvements DOXO has implemented, Mr. LaCasse feels that this is a viable website for customers to use for online payments if one prefers and is willing to pay the fee charged by DOXO. Trustee Fuller asked if DOXO charges KWD a fee when customers utilize this website. Mr. LaCasse answered that KWD receives the full amount of its bill and that the customer is charged a fee on the card transaction by DOXO. One change DOXO has made is to add a “due by” date so that the user is clear on when the payment will arrive to the business. Therefore, if the customer has a disconnection notice, he or she should know if the payment will arrive before the cut-off date. There is an option Mr. LaCasse is considering where a wire transfer could be made directly from DOXO to the KWD bank account which would expedite the receipt of the payment. Mr. LaCasse will be monitoring the DOXO website and, if any concerns emerge, he will again broach this subject with the Board.

On a different subject, Trustee Hodsdon asked the KWD procedure when a business declares bankruptcy. Ms. Markatine explained that a final bill is produced as of the bankruptcy date and the account is reinstated as of the day after that date. A lien is permitted to be assessed to any past due monies due to the bankruptcy.

C. Other

None

ITEM 4: MOTION ISSUES

A. Other

None

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

None

B. Succession Planning Committee Schedule

It was decided that the Succession Planning Committee would meet briefly at the conclusion of today’s meeting.

C. Other

After a brief discussion, it was decided that a second meeting in August would not be necessary. The next regularly scheduled meeting will be on September 7, 2017.

ITEM 6: ENGINEER'S REPORT**A. Engineer's Report August 3, 2017**

China Lake Elevation: 171.2

Stream Flow: 12 cfs

Progress is happening at the Western Avenue Pumping Station. The "old" cage with 95-year old electrical components has been removed to make way for a work area for the metering crew. Concrete encased conduits are being installed to each of KWD's buildings on South Street so that they will share the same service and back-up generation as the pumping station. The easterly suction line to the station has been installed and tested. The first two of six stainless steel header pipes have been delivered and are being aligned to the pumps. The temporary water main to serve the buildings on South Street has been removed since all are now being fed by normal street mains.

A contract has been signed with McGee Construction for the Clinton Avenue, Winslow, main replacement. The work is scheduled to start on August 7th within the "hill" portion of the roadway. By starting there, KWD's work will be done first and avoid conflict with the town's plans for the road.

AC Electric has been onsite to start repairs to the generator windings. They needed to be onsite to perform a bi-annual relay testing as part of KWD's connection to Central Maine Power Company's distribution system. Having one electrical company onsite should be easier than having two who perform similar work.

Jefferson Longfellow, P.E.

Mr. Longfellow also informed the Trustees that the Clinton Avenue project in Winslow is scheduled to commence on Monday, August 7th. The supplier for this job has offered to provide zinc-coated ductile iron pipe without its standard 5-percent mark-up in price rather than asphalt-coated ductile iron pipe. Mr. Longfellow explained that zinc-coated pipe is better for corrosion control and has a longer life in areas with corrosive soil. Although Clinton Avenue does not have corrosive soil, Mr. Longfellow recommended accepting the offer of trying this product because it is the same price as asphalt-coated pipe and the Trustees concurred.

In regards to M-4, AC Electric was able to cut out and repair the portion where the windings were damaged rather than having to remove all the windings. AC Electric is also scheduled to conduct the bi-annual relay testing on August 18th which is a stipulation of the Central Maine Power interconnection agreement. Unfortunately, the heater to dry the windings when not in operation has failed and a replacement will need to be purchased and wired.

Motion by Trustee Talbot, "to accept the Engineer's Report as presented," seconded by Trustee Sanzenbacher.

Vote: Motion carried unanimously.

ITEM 7: DEPARTMENT OPERATIONAL REPORTS

A. Operations and Maintenance Update August 3, 2017

The O+M Department is extremely busy performing maintenance on six streets the city of Waterville has decided for their paving projects. Gilman Street and Hazelwood Avenue will be reclaimed 12", requiring us to lower all valve boxes 16". Crommet Street, Pearl Street, Lawrence Street, and Squire Streets will all be shimmed and overlaid which will not require lowering the valve boxes, but they will need to be maintained so they can be raised to the proper grade during the paving process. We have a very small window to perform all the work necessary for these projects, especially with the MDOT Upper Main Street paving project already in progress.

We had three leaks in Waterville, two service leaks on Prospect Street and West River Road, and one main leak on Glen Avenue. We also had two leaks in Winslow, one service leak on Charland Street, and one main leak on Rousseau Street.

The Tapping Contest team is very anxious to compete! They will have very limited practice time, but are willing to give it their all. Everyone is very excited for them and we all thank you and Jeff for allowing us to participate in this event. Have a great day!

Benjamin LaPlante, Distribution Superintendent

In addition to the above, Mr. LaPlante informed the Trustees and explained the locations where the contractor for the Maine Department of Transportation, Lane Construction Corporation, will be conducting the paving projects on Upper Main Street, Waterville, beginning on the night of August 6th. The KWD crew has been extremely busy preparing its valves for this work.

Since his written report, there have been three additional main breaks. There was one in Shawmut shortly after his report was written and another one in Shawmut August 2nd. In order to repair the second leak, the whole Shawmut area had to be shut down and without water for a short period of time. When this water was turned back on, there was a related occurrence which resulted in a hole in the main on Mountain Avenue in Fairfield. That pipe was repaired and service restored.

Mr. LaPlante also informed the Trustees that KWD has received the new shoring box and panels, and also the deckover trailer that were included in the 2017 capital budget. Trustee Hodsdon asked if the fairly new backhoe, which KWD has had numerous problems with, is operating better. Mr. LaPlante replied that the backhoe is presently functioning and is currently being used at a job site.

B. Water Treatment Plant and Watershed Update August 3, 2017

It has been an incredible year for water quality on China Lake. On July 14th, we measured the best secchi disk reading on the lake since 1982 at 7.55 meters, and then on July 26th we measured an even better reading at 7.95 meters. Not only is it unusual to see such high readings, but it's also unusual to see secchi readings increase in July. Typically, as the water gets warmer algae formation increases and secchi disk decreases.

There have been some smaller blooms of algae along the shoreline of the lake that we're not accustomed to seeing, but the impact has been relatively minor. Also, the Maine Drinking Water

Program has been testing for cyanotoxins this year on China Lake, but without a wide spread cyanobacteria (blue-green algae) bloom on the lake so far their results won't necessarily be representative of what they'd see in a normal year.

Hahnel Brothers did a pull test on the WTP roof to make sure the glue they're going to use for the roofing project is going to hold and all went well. They haven't scheduled a date with us yet, but they were hoping to get started sometime in August. We are also having a water age issue in Vassalboro that has required us to run a hydrant at low flow over the past few weeks. The issue is showing up in the form of low chlorine and higher turbidity but continuously running the hydrant has helped. We have asked Wright Pierce to look into water age throughout our distribution system as part of our comprehensive plan, because we've seen water age issues in other parts of the system as well. One potential solution may be adding mixers to our storage tanks.

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

Mr. Zetterman highlighted the fact that, to date, the 2017 water quality for China Lake has been remarkably good, surpassing any expectations of improvement. It is hopeful that all the work in the watershed around the lake to deter phosphorus run-off by the various organizations is beginning to show results especially when coupled with the annual fall water drawdown flushing regime started in 2014. Typically, during dry summers such as this one and 2016 lakes experience better than normal water quality due to less phosphorus run-off, but there are many lakes which are presently undergoing algae blooms, including Webber Pond in Vassalboro.

Mr. LaCasse also added that KWD measures on a bi-weekly basis the amount of phosphorus in China Lake. For 2017, the readings have been remarkably good, in the vicinity of 12 to 14 parts per billion (ppb) rather than the typical 15 to 20 ppb for this time of the year. Based on scientific data and past experience, the capacity of phosphorus China Lake can manage without producing an algae bloom is 15 ppb or less.

Referring to the copy of the China Lake Association Newsletter provided to the Board, Trustee Hodsdon commented that in addition to Mr. Zetterman's editorial entitled "Kennebec Water District Contributions", KWD did receive accolades for its various donations and participation in the Alewives Restoration Initiative Outlet Dam project in a few of the other articles. Mr. LaCasse informed the Trustees that the Town Line, which reported on the recent China Lake Association Annual Meeting, also mentioned the various contributions by KWD.

On a different subject, Trustee Dornish asked if Hahnel Brothers has provided a date to begin the above-mentioned WTP roof project. Mr. Zetterman answered that he has not received a start date as of yet.

C. Customer Service/Safety Update August 3, 2017

Meter

- Service news of note:

A 2" meter was installed at 232A College Avenue in Waterville, site of the new Maurice & Son Autobody Shop, to provide temporary water for the construction project.

The fire service at 10 Railroad Square is scheduled for activation on August 1.

Stiles Co. Inc. will test KWD's big meters in place for the foreseeable future. Ryan Johnson, who tested those meters for several years for Maine Water Works Supply, Inc. in Oakland, now works for Stiles and procured the testing equipment from Maine Water Works who reportedly is out of the meter business altogether.

Safety

KWD submitted a reimbursement request from Maine Municipal Association's Ed MacDonald Safety Enhancement Grant program for \$1,334.67 for eleven road construction warning signs purchased this summer. KWD was awarded the safety grant in May.

Staff met with Mary Matthews, Maine Department of Labor Safety Engineer, for clarification on OSHA's Confined Space in Construction standard.

Mike O'Brien, Customer Service Manager

In addition to the above, Mr. O'Brien informed the Trustees that the fire service at 10 Railroad Square has now been activated for water service. The service was originally installed in late 2015, but had yet to be activated while waiting for internal work to be completed. The building at 8 Water Street, Waterville, (aka the previous Central Maine Power building) is scheduled for metering and service activation on August 4th. It is believed that a beer brewing company will be renting this space.

As mentioned in the above report, Mr. O'Brien and Mr. LaPlante met with Mary Matthews for clarification on the Occupational Safety and Health Administration Confined Space in Construction standard. Mr. O'Brien explained that it was believed that a rescue team needed to be on site for certain hazardous activity, entering a permit required confined space during a construction activity using non-entry rescue. Ms. Matthews explained that the standard only requires a call be made to the rescue unit informing them of the date and time of the activity and when the activity comes to a close. This will allow the team to be on alert to dispense to the site as quickly as possible if an event should occur. Mr. O'Brien discussed this with the Delta Ambulance Service. Trustee Earickson inquired if the ambulance service will charge a "standby" fee, and Mr. O'Brien replied there is no charge.

Motion by Trustee Talbot, "to accept all Departmental Reports as presented," seconded by Trustee Sanzenbacher.

Vote: Motion carried unanimously.

ITEM 8: GENERAL MANAGER'S REPORT

A. Forestry Planning for China Lake

Mr. LaCasse and Mr. Zetterman recently met with Comprehensive Land Technologies, a company that provides woodlot management plus several other services. This company has been coordinating some tree harvesting on a China property abutting KWD property. Mr. LaCasse stated he feels that KWD should consider commissioning a company to devise a Forest Management Plan

for the KWD properties in China and Vassalboro, and he has asked Comprehensive Land Technologies, Inc. for a proposal. The Trustees were provided with a copy of a document entitled KWD Forested Acreage in Vassalboro and China and Potential Access Points to that Acreage Report compiled by Mr. LaCasse. In the Town of China, KWD owns 259 acres and in the Town of Vassalboro, KWD owns 57.81 acres at various lots and 63 acres at the WTP.

Mr. LaCasse explained that around the West Basin of China Lake, KWD typically owns from the shorefront to approximately 200 feet inland, but there are a limited number of points to access this property. At some points, in order to access its property for harvesting, KWD would have to receive permission from abutting land owners.

Comprehensive Land Technologies, Inc. will review the KWD information and present a proposal for a Forest Management Plan including a report of the acreage which will best benefit with tree harvesting. Mr. LaCasse further explained that if KWD participates in the Tree Growth Program Plan there is a potential for a real estate tax reduction benefit. Trustee Earickson asked if the Forest Management Plan itself will cost KWD money or potentially create some revenue. Mr. LaCasse answered that the plan itself will be at a cost; however, if KWD does decide on a tree harvesting, some income should be realized. Mr. LaCasse stated that this should also be considered part of a water quality improvement plan as the shore land cover will be optimized and become healthier with the removal of dead and older vegetation. New growth tends to be more effective in filtering nutrients before they reach the lake, reducing the potential for algae blooms.

Trustee Hodsdon questioned the reason KWD pays real estate taxes to the town of Vassalboro as it is part of KWD's service area. Mr. LaCasse explained that according to the KWD Charter, only the City of Waterville and the Towns of Winslow and Fairfield are corporate members of the District. Properties and assets related to water operations within the District's corporate boundaries are exempt from real estate taxes. In contrast, Vassalboro and Benton are not corporate members, but are considered service communities. In those two communities and the town of China, KWD is required to pay taxes on all land, but is exempt from paying taxes on its buildings and structures. KWD does not have any structures in Benton, but has the WTP and other structures in Vassalboro.

Trustee Sanzenbacher asked if KWD ever sold the few acres of land it had on the market in Vassalboro. Mr. LaCasse answered that both the Vassalboro land and the Fairfield 170 acres continue to be for sale. Trustee Sanzenbacher inquired if KWD should consider a Forest Management Plan for the Fairfield property or not due to the fact that this land is for sale. Mr. LaCasse replied that, at this time, he does not believe a plan is necessary for the Fairfield property. He further explained that KWD did harvest this property several years ago, and it is presently in the re-growth stage. The prior harvesting was completed under a management plan designed by a forester associated with Sappi in Skowhegan.

The consensus of the Board was in support of the idea of a Forest Management Plan, with Trustee Hodsdon adding that it is a prudent course of action. When Mr. LaCasse receives the proposal from Comprehensive Land Technologies, Inc., he will present it to the Trustees for review.

B. Third Party Payment Update

This subject was previously discussed under agenda Item 3B, Credit Card Payment Policy Review.

C. Other

Mr. LaCasse informed the Trustees that in support of the Alewives Restoration Project, the China Region Lakes Alliance (CRLA) is paying for the removal of the Masse Dam and for the Youth Conservation Corps to conduct planting along the Outlet Stream due to the drop in water level. Although respectful to the ARI project, these actions by the CRLA reinforce the fact that the majority of the CRLA funds are being dedicated to a fish passage project rather than to watershed protection activities on China Lake and the other two lakes in the area. This also supports KWD's decision to utilize its dedicated water protection monies for the China Lake Association which conducts projects within the China Lake basin and for KWD to continue to commission projects on its own, such as the survey of and mediation plans for the fire roads surrounding the lake.

Mr. LaCasse also brought to the Board's attention a recent article in the Morning Sentinel entitled "Alewife Project Moves Ahead in Vassalboro, but Controversy Remains". This article reveals that the CRLA permit to remove the Masse Dam has been approved by the Maine Department of Environmental Protection, but opposition faction to the removal of the dam is considering appealing this decision due to the potential impacts to the area. It also mentions that the state denied a public hearing and residents were not able to present their views on this project.

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

Vote: Motion carried unanimously.

ITEM 9: EXECUTIVE SESSION, (If Necessary)

None

ITEM 10: PUBLIC PARTICIPATION

None

Motion by Trustee Talbot, "to adjourn the meeting," seconded by Trustee Earickson.

Vote: Motion carried unanimously.

Meeting adjourned at 8:35a.m.

Sue Markatine, Recording Secretary