

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – JULY 6, 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; Allan Fuller, Clerk; Jeff Earickson, Assistant Treasurer; Joan Sanzenbacher, Trustee; Frank Richards,, Trustee; Mark McCluskey, Trustee; Bill Boucher, Trustee; Kevin Gorman, Trustee

Trustees absent: J. Michael Talbot, Treasurer

Joan Sanzenbacher, Trustee, joined the meeting at 7:45 a.m.

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; 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 JUNE 15, 2017.

Motion by Trustee Dornish, "to accept the minutes of the Regular Board of Trustees' Meeting of June 15, 2017," seconded by Trustee Gorman.

Vote: Motion carried unanimously.

ITEM 3: FINANCIALS

A. ACCOUNT WARRANT

July 6, 2017

| CHECKS RELEASED | | Check | Dollar |
|-----------------------------------|---|----------|------------|
| Vendor | Description | Date | Amount |
| Postmaster | Bulk Mail Postage-Billing | 06/13/17 | 349.26 |
| McGee Construction | Appleton/Temple Streets-Waterville-Water Main Work | 06/15/17 | 23,625.00 |
| Kennebec County Reg. of Deeds | Water Lien Filings-2 Properties | 06/15/17 | 44.00 |
| Answering Services Unlimited | Monthly Answering Service | 06/16/17 | 80.00 |
| T Buck Construction Inc. | Western Avenue Pumping Station Capital Upgrade | 06/16/17 | 309,481.52 |
| FedEx | Overnight Delivery for Granular Activated Carbon Sample | 06/16/17 | 59.77 |
| Wex Bank | Monthly Vehicle Fuel Usage | 06/16/17 | 2,624.51 |
| Kennebec Auto Service | Repairs & Inspections-Tk 5 & Tk 21 | 06/16/17 | 860.21 |
| M C Disposal Inc./DBA CMD | Monthly Rubbish Removal/Monthly Portapotty Rental | 06/16/17 | 238.00 |
| Gerald MacKenzie Inc. | Pavement Patches-Variou Locations | 06/16/17 | 1,721.90 |
| Maine Water Works Supply | Gate Box Tops/Service Boxes/SS Rods | 06/16/17 | 1,703.58 |
| MaineToday Media Inc. | Spring Flushing Newspaper Ad | 06/16/17 | 213.75 |
| Northern Safety Company Inc. | Safety Glasses | 06/16/17 | 109.76 |
| E. J. Prescott Inc. | 1-Inch Iperl Meters-2 | 06/16/17 | 336.54 |
| Quill Corporation | Paper/Toner/Storage Boxes/Staples | 06/16/17 | 1,376.77 |
| Snow Pond Technology Group Inc. | Upgrade Virtual Private Network at Chase Ave & WAPS | 06/16/17 | 550.00 |
| Staples Credit Plan | Ink Cartridges-2 | 06/16/17 | 143.98 |
| Time Warner Cable | Monthly Internet/Phone Service | 06/16/17 | 232.48 |
| The Turf Doctor North | Annual Grub Protection | 06/16/17 | 107.38 |
| Walmart Community/GEMB | Beverages/Sugar/Paper Supplies/Frames/Hanger Kits | | |
| | Vinegar/Distilled H2O/Tape/Tweezers/Notebook/Pens | 06/16/17 | 178.13 |
| Wright-Pierce | Services for Western Avenue Pumping Station Upgrade | 06/16/17 | 27,249.87 |
| Treasurer, State of Maine | OSHA Training Completion Cards-2 Employees | 06/16/17 | 16.00 |
| Postmaster | Bulk Mail Postage-Billing | 06/21/17 | 257.76 |
| BNY Mellon Corporate Trust | 2004 Bond Principal & Interest | 06/21/17 | 38,152.08 |
| Gerald MacKenzie Inc. | Pavement Patches-Variou Locations | 06/22/17 | 5,698.25 |
| Advance 1 Cleaning Services Inc. | Carpet Cleaning-Business Office | 06/29/17 | 503.65 |
| Business Card-Bank of America | Kaspersky Security-Amazon/Google Cloud-Google | | |
| | Boat & Accessories-Dick's Sporting Goods | 06/29/17 | 1,219.38 |
| Business Card-Bank of America | Gloves/Cord/Strobe Lights/Sweeping Compound-Amazon | 06/29/17 | 333.58 |
| BMC Diving Inc. | Sealing Turbine Area-M-4 | 06/29/17 | 2,341.14 |
| E S Boulous Company | Electrical Services-Variou Locations | 06/29/17 | 723.44 |
| Central Maine Power | Monthly Electricity-Variou Locations | 06/29/17 | 7,547.37 |
| T W Clark LTD | Mulch Hay | 06/29/17 | 100.00 |
| Fastenal Company | Vinyl Marking Tape | 06/29/17 | 5.47 |
| Hammond Lumber Company | Aquaphalt Patch Material | 06/29/17 | 436.70 |
| Hilltop Cleaning Service | Monthly Cleaning Service | 06/29/17 | 611.00 |
| Joseph's Sporting Goods | Employees Clothing | 06/29/17 | 513.27 |
| Kennebec Auto Service | Inspection & Maintenance-Tk 8 & Tk 11 | 06/29/17 | 68.65 |
| Kennebec Equipment-Fairfield | Jackhammer Repair/Compactor Repair | | |
| | Pump & Hose Rental-M-4 | 06/29/17 | 306.21 |
| Gerald MacKenzie Inc. | Pavement Patches-Variou Locations | 06/29/17 | 3,084.00 |
| Maine Municipal Emp. Health Trust | Monthly Health Insurance Premiums | 06/29/17 | 26,984.02 |
| Maine Water Utilities Association | Water Loss Management Workshop-1 Employee | 06/29/17 | 60.00 |
| Maine Water Works Supply | Meter Flange Kit/Meter Gaskets | 06/29/17 | 232.96 |

| | | | |
|------------------------------|---|----------|---------------------|
| Northern Safety Company Inc. | Various Reusable Accident Prevention Tags | 06/29/17 | 133.27 |
| Spiller's | Magnetic Locator/Hardhats | 06/29/17 | 816.48 |
| Staples Credit Plan | Ink Cartridges-4 | 06/29/17 | 261.96 |
| United States Cellular | Monthly Cell Phone Service | 06/29/17 | 92.63 |
| United States Cellular | Monthly Data Hot Spot Service | 06/29/17 | 98.64 |
| Verizon Wireless | Monthly Tablet Service | 06/29/17 | 131.00 |
| Walmart Community/GEMB | Batteries | 06/29/17 | 25.92 |
| Postmaster | Bulk Mail Postage-Billing | 06/30/17 | 611.55 |
| TOTAL WARRANT | | | \$462,652.79 |

Motion by Trustee Earickson, "to ratify the total warrant of checks released for \$462,652.79," seconded by Trustee Boucher.

Trustee McCluskey noted that there were a few payments made to Gerald MacKenzie, Inc., and asked the reason that there were three invoices rather than one. Mr. LaCasse responded that after Gerald MacKenzie, Inc. completes numerous pavement patching jobs for KWD he submits an invoice which includes a list of the individual locations at which the work has been performed. Trustee McCluskey also asked if Gerald MacKenzie, Inc. was the KWD low bidder for the excavation paving contract, and asked if KWD has been content with the work being conducted. Mr. LaCasse answered that Gerald MacKenzie, Inc. was the low bidder for the annual contract and has been KWD's contractor for the past few years. KWD has been very satisfied with the work provided. Mr. LaCasse further explained that this work is essentially for small pavement replacement jobs related to excavation repairs and which can require some manual labor. Mr. Longfellow added that this company has aided KWD in some emergency pavement projects.

Trustee Fuller asked if KWD has received reimbursement for the KWD pipe replacement and relocation work related to the Colby College dormitory work at the Concourse in Waterville. Mr. LaCasse replied that there will be no reimbursement as the arrangement was for project cost sharing. KWD has paid the contractor for its portion of the construction phase of project as agreed upon. Paving has not yet been completed.

Vote: Motion carried unanimously.

B. May Financials

As part of their packet, the Board members were provided with a copy of the May financial statements, and a brief review was conducted. The rate increase went into effect on April 1, 2017 and a few of the operating revenue categories are now reflecting a slight upturn. Overall, year-to-date 2017 net operating revenues are above 2016 by \$14,964.

The 2017 year-to-date operations and maintenance expense are above 2016 by \$117,458. The year-to-date 2017 employee pensions and benefits expense is above 2016 by \$20,292 chiefly due to the increase in monthly health insurance premiums. The May 2017 chemicals expense is above May 2016 by \$22,789 with an overall year-to-date increase of \$24,229. Mr. LaCasse explained that KWD bought a bulk supply of polyphosphate in May explaining that this chemical is used in relatively small quantities and is typically only purchased every couple of years. The May 2017 miscellaneous expense is above May 2016 by \$15,192 due to the fact that KWD made a \$15,000 contribution in May to the China Lake Association (CLA) to be used for the LakeSmart Program. Noting that the

CLA payments are folded into the miscellaneous category, Trustee Fuller inquired if KWD is able to delineate the payments for the various environmental projects, such as the LakeSmart Program and China Lake Road Survey. Mr. LaCasse answered that the financial details of money going to the Lakesmart program and money going to the camp road project have been reported separately. KWD does not receive information on specific projects completed under each program until the end of the season.

Trustee Dornish commented that because KWD buys chemicals in bulk, he understands the reason the cost could spike for the month the chemical is purchased and that this category should balance out somewhat throughout the year. Mr. LaCasse said that assumption was correct. Trustee Dornish asked if there is a future forecast for the contractual services-other category which is reflecting an increase above 2016 by \$16,951. Mr. LaCasse answered that this expense is not as predictable as some of the other categories as it can fluctuate due to unexpected variables. Some of the projects and associated costs which can influence this category are planned and expected. However, there can be numerous unexpected emergency projects such as repairs to services, hydrants, and mains which can drive this expense up from the projected budget.

The 2017 year-to-date M-4 net income is below 2016 by \$50,400. This is due to the combination of non-generating because of mechanical issues and the associated cost to make the repairs.

Overall, as anticipated, the 2017 year-to-date net income is below 2016 by \$141,808. There is some expectation that when the full impact of the rate increase is reflected in future financial statements there will be slightly less of a downward trend. As discussed at previous meetings, Mr. LaCasse stated that he expects another small rate increase will be warranted in 2018.

Referring to the cash-flow statement, the cash received is much higher in May 2017 due to the closing of the bond for the Western Avenue Pumping Station (WAPS) capital project, and KWD's receipt of a reimbursement of \$1,076,450 from the Maine Municipal Bond Bank for the KWD funds expended for the project prior to the closing. Cash expenditures were also high as up until the bond closing, KWD was still utilizing the invested checking monies for the work associated with the WAPS project. KWD pays for project costs on a monthly basis and then receives reimbursement for those payments from the Maine Bond Bank once the paperwork is approved.

C. Finalized Fuel Oil and Electric Contracts

Mr. LaCasse informed the Trustees that KWD has renewed the contract with Constellation NewEnergy, Inc. for the electrical generation portion of the KWD three largest power users, the WTP, the WAPS, and the Chase Avenue Pump Station. The present contract which will expire in November 2017 is \$0.07426 per kWh. The new three-year contract price is \$0.053 per kWh. Mr. LaCasse also mentioned that for some unknown reason but related to the WAPS project, Central Maine Power (CMP) has changed the "name and location" of the South Street electrical account to Cool Street with a new account number and billed for both the CMP transmission and delivery cost and for generation, which KWD typically pays to Constellation NewEnergy. He will contact CMP to resolve this matter. Trustee Hodsdon asked the price KWD pays for the transportation and delivery charge portion of the electricity bill. Mr. LaCasse replied approximately \$0.005 per kWh. He reiterated that the demand charge is the largest portion of the CMP bill by far.

Next, Mr. LaCasse updated the Board regarding the fuel oil price for the WTP 2017-2018 heating season. The Board had granted prior authorization to accept the low bid which was presented through the auction process conducted the week of June 19th. The bid was awarded to Dennis K. Burke for 8,000 gallons at the price of \$1.575 per gallon. Mr. LaCasse also restated the fact that several years ago the WTP used up to 18,000 gallons per heating season. Due to the efforts of the WTP staff, improved efficiencies have been realized, and the amount has slowly been decreasing throughout the years. Mr. Zetterman commented that a few projects which have influenced this decrease is insulating pipes in the boiler room, changing the heating system controls based on the outdoor temperature, and improving the HVAC (heating, ventilation, and air conditioning) circulation system.

D. Comparison of Benefit to Wage Ratios for Maine Water Utilities

At the previous meeting, Trustee Hodsdon had asked if the KWD employee pensions and benefits percentage as compared to salaries and wages were comparable to other utilities. Mr. LaCasse compiled two spreadsheets, a 2016 Comparative of Compensation Packages and a 2015 and 2016 Comparative of Percentage of Wages to Benefits, utilizing information from several mid-size Maine water utilities' Maine Public Utilities Commissions (MPUC) filed reports. These spreadsheets depict the fact that the KWD percentage of benefits to wages was at 35.3 percent for 2015 and 42.9 percent for 2016 which falls in the median range compared to other utilities. There were some number anomalies for a few of the water utilities due to the fact that not all utilities report the benefits and pensions costs in a uniform manner. Some expenses, such as health insurance, are reported on a different line item on the MPUC report than pensions and benefits. Trustee Earickson pointed out that the increase for percentage of benefits to wages for KWD from 2015 to 2016 was 7.60 percent and could be partly due to the increase in health insurance premium costs, which, as Mr. LaCasse relayed, was 8.25 percent for 2016. Trustee Earickson added that health insurance premium costs are likely a huge contributor to the benefits to wages percentage for many utilities and businesses. Trustee Hodsdon thanked Mr. LaCasse for providing this information for the Board's review.

E. Other

Mr. LaCasse informed the Board that Linwood "Doey", "Woody" Pelotte recently died due to a tragic accident. Mr. Pelotte was part owner of Fanado Pelotte Contractors who KWD employs on a frequent basis. Mr. Pelotte worked with and was well respected by KWD staff. A large contingent of KWD personnel attended the packed-house funeral service. Mr. Pelotte's wife expressed appreciation for the KWD response, especially the "line-up" of KWD vehicles adjacent to the funeral service location.

ITEM 4: MOTION ISSUES

A. Other

None

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

Trustee Earickson noted that in today's warrant there was a purchase from Amazon for Kaspersky security/antivirus software. He stated that he has received information that the Department of Defense and National Security Agency urge companies to forego the use of this antivirus as it is owned by a Russian company. Both Trustee Earickson and Trustee Fuller recommended seeking alternative sources for security/antivirus software. Mr. Zetterman and Mr. LaCasse stated that there are a limited number of KWD computers that employ the Kaspersky software, and those computers will be changed to new virus software.

B. Collection of Comments on Succession Documents for Committee Review

At the June 15th Board meeting, the Trustees were provided with several documents relating to the General Manager's job duties, benefit package, and hiring process composed by Mr. LaCasse. This information was also e-mailed to the Trustees for their review and written commentary. A copy of Trustee Richards' general comments and questions regarding these documents were supplied to the Board at today's meeting, and Trustee Hodsdon thanked him for providing his input. The remainder of the Trustees were asked to either submit their views regarding this information or to inform Mr. LaCasse if they are satisfied with the documents as is. These comments will be reviewed at the next KWD Succession Planning Committee meeting whose members are Trustee Sanzenbacher, Trustee Dornish, Trustee McCluskey, Trustee Hodsdon, and Mr. LaCasse.

Next, there was some discussion regarding the desired process for Board members' involvement throughout the numerous steps necessary during the hiring process to replace the KWD General Manager. Trustee Richards offered that, in his opinion, the Succession Committee can make decisions regarding the hiring process until such time the Committee does reach a process in which it wants other Board members input and opinions. Trustee Hodsdon agreed with this statement, adding that when the Committee reaches the point of specific recommendations, the total Board will be briefed for review and approval. Trustee Fuller stated that without going into all the details of the Committee meetings, he would be interested in knowing at which step the Committee is at in the process. Trustee McCluskey asked if there is a target date in which to advertise for the GM position, and Trustee Sanzenbacher answered in October 2017. Taking into consideration these requests, Trustee Dornish recommended, and the rest of the Board members concurred, that after each meeting of the Succession Planning Committee's to add an item to the agenda to briefly report on the committee's progress.

The next Succession Planning Committee meeting is slated for at the conclusion of the August 3rd regular Board meeting.

C. Other

Mr. LaCasse informed the Board that after today's meeting and as stated on the agenda, he will be conducting a tour of the KWD facilities for interested Trustees. Mr. LaCasse also mentioned that, at some point, he plans to create a virtual video tour of all these facilities to make it easier for visualizations when discussing specific projects and issues.

ITEM 6: ENGINEER'S REPORT**A. Engineer's Report**

China Lake Elevation: 171.5
Stream Flow: 13 cfs

The transformation of the Western Avenue Pumping Station is underway. The existing pumps and piping have been removed from the station and now on to the installation of the new. The new pump pads have been installed, and the pumps and motor have been set and anchored to them. The concrete pads to accommodate the composite flooring have been cast and are curing. The floor is being prepped for the concrete leveling, and then the floor will be cast in place. While these items are curing, work will transition to the outside for the new exterior piping connections.

Additional work to get M-4 up and running has been completed. With the gates correctly adjusted, the unit was started since the stream was flowing. When it was started, a short in the windings developed. This short caused a failure in the electrical system, and repairs to that side of the process will need to be evaluated for repair.

The work to relocate mains in downtown Waterville is substantially complete. Work had been set to begin to get main and services installed in a Winslow subdivision, but ledge was discovered so now that work is on hold. Focus has been on service enhancements in the Geographical Information System (GIS). These areas are more difficult to decipher and the mapping is slow, but once it is done, the records will be available to all.

Jefferson Longfellow, P.E.

Mr. Longfellow circulated pictures of the new pumps which are part of the WAPS project.

In regards to M-4, Mr. Longfellow has contacted Maine Industrial and is waiting to hear when their staff will be available to evaluate the necessary repairs for M-4. Mr. LaCasse provided pictures and schematics of M-4 to the Board members and briefly explained each. Per Trustee Fuller's request, Mr. Longfellow detailed the operations of some of the M-4 components including the location of the above-mentioned short. He further added that there is a "clunking" noise being heard in the turbine area involving either a coupling or the shaft.

Trustee Richards asked if, from a strategic standpoint, KWD should consider selling M-4 "as is" instead of continuing to fund costly repairs. He realizes M-4 is not as valuable in its current condition; however, because this is such a diversion of the KWD core mission and due to the mechanical failures and time and effort devoted to the repairs, he would be inclined to entertain a sale. Trustee Hodsdon commented that he feels, and believes other Trustees are in agreement as Trustee Richards expressed, that the time has come to seriously consider selling the hydro station. Knowing that it is part of the plan due to the WAPS capital project, Trustee Earickson asked if M-4 has been physically decoupled from the WAPS. Mr. LaCasse stated that this will be completed within a few months and would not hold up a potential sale. Because there should be more information regarding the cost of the M-4 repairs at an upcoming meeting, no formal decision by the Trustees regarding the sale of M-4 was made at today's meeting. However, it was the consensus of the Board that Mr. LaCasse should begin the process to collect information regarding the potential divestiture of M-4. Trustee McCluskey did voice a concern that typically M-4 produces income for KWD, and this extra income would have to be derived from another avenue if M-4 was sold. Mr. LaCasse is hopeful that with the new electrical efficiencies at the WAPS and the lower electricity rate

three- year contract, a portion of the M-4 profits will be offset. He added that for 2017, there is low expectation of any M-4 net income and, very likely, the potential for a deficit.

Mr. Longfellow informed the Board that the Town of Winslow is moving forward with the lowering of the road on Clinton Avenue (aka Sandhill). In conjunction with this project, it will be necessary for KWD to insulate services, reclaim services, replace main, and relocate a fire hydrant. This project was listed on the KWD 2017 capital budget. Mr. Longfellow stated the selective bid solicitations for this KWD project is prepared for mailing. The bid openings will be scheduled for July 19th and be presented to the Trustees for review at the (now re-scheduled) July 20th Board meeting. Mr. LaCasse commented that if the Board wanted to stay with the plan to hold only one meeting in July, at today's meeting, the Trustees could authorize Mr. Longfellow to accept the low bid from the responsible contractor that meets the KWD project specifications including the requirements of providing a bid bond and performance bond. He added that he will be on vacation the week of July 17th, and there will be limited agenda items to discuss at the July 20th meeting. Trustee Earickson asked the expectation of the cost for this project, and Mr. Longfellow replied approximately \$200,000. Because of the project cost, a few of the Trustees asked for the meeting to be held on July 20th in order for them to review the submitted bids before awarding the contract.

Motion by Trustee Dornish, "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 July 6, 2017

The O+M Department has completed work on the hydrant valve for Hydrant #30 on Upper Main Street opposite Boutelle Avenue in Waterville. The threaded brass section of the valve broke, so we were unable to repair it. Unfortunately, this valve and tee were installed in 1922 and are not compatible with the style we use today which forced us to shut down the main, cut out the old tee and valve, and replace them with new fittings. Upon completion of this hydrant valve replacement, we believed we had finished the necessary work in preparation for the MDOT Paving Project. We found out this past Wednesday the transition line from pavement grinding to surface overlay changed and now includes one more system valve which will have to be called in for DigSafe and lowered for the project. I have attached a couple pictures of the valve for you to see.

The crews have been busy repairing blow-offs, performing many DigSafe locates, and locating service valves throughout the system. These valves will all be added to our GIS once they are located, and we tend to find many damaged service valve boxes in need of repair.

Benjamin LaPlante, Distribution Superintendent

Mr. LaCasse mentioned that the Maine Water Utilities Association is bringing back a contest at its annual clambake this year which it previously held years ago at its annual conference. This event is a pipe tapping competition which consists of a four-man team. There has been some internal discussion whether KWD should enter this contest as some staff from the KWD Operations and

Maintenance Department expressed an interest in participating in or, at least, observing the 2017 contest on August 10th.

B. Water Treatment Plant and Watershed Update July 6, 2017

So far this year water quality on China Lake has been fantastic. We measured the best secchi disk reading in 7 years on June 29th at 6.7 meters. There are a lot of factors that impact water quality, but some of the more obvious factors include consecutive dry years, work in the watershed, and the implementation of the new drawdown plan in 2014.

We've started sampling water quality in Messalonskee Stream per the Department of Environmental Protection (DEP) requirements for M-4. Sampling will take place every other week over a period of 20 weeks and includes parameters such as secchi disk, dissolved oxygen, phosphorus, and chlorophyll-a. The Maine Drinking Water Program has also been working with us to take raw water and finished water samples to test for cyanotoxins. Cyanotoxins can be present in cyanobacteria (blue-green algae) and can be dangerous to humans and wildlife. Fortunately, granular activated carbon (GAC) has been shown to be effective at removing cyanotoxins.

Treatment Plant operations continue to go well. With the incoming raw water turbidity better than usual for this time of year (less than 1NTU-nephelometer turbidity unit) we've been able to add less coagulant chemical and perform fewer flushes and backwashes than usual. In regards to projects going on at the WTP, Dick Roberts and Sons Masonry is repointing, re-caulking, and weatherproofing the final side of the exterior of the building, and Fairfield Drafting and Construction is working on the fabrication of fall protection anchors for the pipe gallery. Hahnel Brothers will be at the WTP in August to start the roofing project.

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

A sample of the material which will be used for the WTP roofing project was circulated amongst the Trustees.

C. Customer Service/Safety Update July 6, 2017

Meter

- Service news of note:

The 2" meter at the old Sukee Arena in Winslow was downsized to a 1" meter as most of the plumbing was removed. The facility apparently will be used as a warehouse.

A 1-1/2" meter was installed at the new dialysis building located at 205 Ridge Road, Fairfield.

A 1-1/2" meter was installed at the former Hains building (a Colby rehab project) located at 173 Main Street, Waterville.

A 1" meter will be installed at 369 Main Street, Waterville (Pine Tree Mall), to service a proposed retail business.

Safety

A customer was required to provide safe access to the basement of a home in order to receive service. The basement had no stairs. The owner installed stairs, and the work was rescheduled and completed.

A customer insisted that customer service representatives (CSRs) remove their shoes to enter the house to access the basement. The customer was informed that for safety and sanitary reasons KWD personnel cannot remove their footwear and that the customer would need to reschedule and prepare for the CSRs to walk through the house.

On June 12, Mary Matthews, a Maine Department of Labor SafetyWorks! inspector, performed an inspection of KWD's training records, written safety programs, and facilities in connection with KWD's efforts to attain the Safety and Health Award for Public Employers. KWD has approximately two months to address the five deficiencies contained in the report. Overall, KWD was praised for its safety program.

Mike O'Brien, Customer Service Manager

In addition to the above, Mr. O'Brien informed the Trustees that in conjunction with the above-mentioned safety inspection, an Occupational Safety and Health Administration (OSHA) assessment was conducted and KWD received a perfect score. He will include the OSHA report in his next Monthly Meter/Safety Report for the Trustees' review. Trustee Earickson was interested to learn the amount of time Mr. O'Brien dedicates to the safety aspect of his job, as there appears to be a large amount of paperwork associated with the safety program. Mr. O'Brien responded that the Meter Department staff is extremely knowledgeable and self-reliant and does not require a great amount of supervision which allows him to devote a significant amount of his time to the KWD safety program. Just over the past few years, Mr. O'Brien has taken the lead to ensure that KWD is in compliance with all state and federal safety requirements in addition to ensuring that KWD employees are practicing sound work safety habits. He added that there continuously are new or updated safety standards and compliances, and KWD has to be aware of and conform to these new requirements. In addition to his time, Mr. LaPlante and Mr. Zetterman are substantially involved and updated by Mr. O'Brien on a consistent basis. There is also time dedicated by the total KWD employees regularly. In addition to following the safety rules on a daily basis, there is involvement in such items as conducting safety inspections, documenting and updating daily safety forms, and attending training classes.

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

Vote: Motion carried unanimously.

ITEM 8: GENERAL MANAGER'S REPORT

A. Update on Third Party Payment Site Issue

Before the above update, Mr. LaCasse reminded the Board that in 2013 KWD had a malfunction at one of the KWD tower gateway base (TGB), and a technician conducted the repairs in

order to get the TGB back on-line. Unfortunately, shortly thereafter, Mr. LaCasse received notification that the particular technician who conducted the repairs performed various unlawful computer infiltrations at other sites across the country. The only information the KWD tower transmits is the meter readings; therefore, the impact on the KWD customers was negligible. KWD's other towers were able to pick up most of the meter readings that the compromised tower normally provided. However, because KWD and others across the country are public water utilities, any breach is a federal offense, and the Federal Bureau of Investigation (FBI) became involved and contacted Mr. LaCasse several times during its investigation. At today's meeting, the Board members were provided with a recent article outlining the reasons the technician conducted these breaches, the interview conversation between him and the FBI, and the technician's prison and fine consequences. As a result of the recent publicizing of the 2013 incident, Mr. LaCasse was contacted by the Department of Homeland Security and offered additional assistance.

At past Board meetings, the subject of a third party online bill-pay company named DOXO, Inc. which accepts payments for various utilities, including KWD, and other companies was discussed. Although this is a legitimate company, there was a concern due to the fact that DOXO, Inc. copied a portion of the KWD website onto its own webpage, and the public could have the misconception that this is the KWD website. DOXO, Inc. charges a fee for its transactions, and it may lead customers to believe that KWD charges a fee when, in fact, KWD does not charge a fee for credit card transactions. There is now a warning statement on the KWD website which alerts customers to third-party sites, the fact that these sites do charge a fee, and that payment might not be received by KWD for up to two weeks.

At today's meeting, Mr. LaCasse provided to the Trustees a copy of an "Important Notice" postcard he recently received from DOXO, Inc. stating that KWD has 69 customers, which is not a substantiated number, who pay through the DOXO, Inc. website. The Trustees were also provided with a copy of a summary compiled by Mr. LaCasse regarding the DOXO, Inc. KWD situation. The question posed to the Board members today was whether to make a request that DOXO, Inc. remove the KWD screenshot/link on the DOXO, Inc. website which connects the customers to the KWD official website or to allow DOXO, Inc. to keep the KWD screenshot on the DOXO, Inc. website. In his narrative, Mr. LaCasse adds "While the screenshot may present the impression that the KWD and DOXO, Inc. are affiliated, having the screen shot on the site also does offer a chance for customers to directly go to the KWD site for payment simply by clicking on the screenshot of the KWD page". He also adds that the DOXO, Inc. site includes verbiage that directs customers to "click" on the screenshot to get to KWD customer service and official site, and, when directed to this site, KWD has the warning notice to the customers of third party pay sites and the potential for extra fees.

Trustee Fuller asked if DOXO, Inc. charges or deducts a fee from KWD when customers utilize this website. Mr. LaCasse answered that KWD receives the full amount of its bill, and that the customer are charged a fee by DOXO, Inc. There was no objection by the Board members to, at this time, permit the KWD screenshot/link to be retained on the DOXO, Inc. website as the KWD customer can decide which on-line payment website he/she prefers.

B. Discussion to Initiate Process to Investigate Divestiture of M-4

This subject was previously discussed under agenda Item 6, Engineer's report.

C. Other

None

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

Vote: Motion carried unanimously.

ITEM 9: EXECUTIVE SESSION, (If Necessary)

None

ITEM 10: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 9:02 a.m.

Sue Markatine, Recording Secretary