

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – NOVEMBER 17, 2016 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; Gary Coull, Trustee; Mark McCluskey, Trustee; Bill Boucher, Trustee; Patricia Gorman, Trustee

Trustees absent: None

Trustee Talbot left the meeting at 8:00 a.m.

Also present: Jeff LaCasse, General Manager; Jefferson Longfellow, KWD Engineer; Mike O'Brien, KWD Customer Service/Safety Manager; 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 NOVEMBER 3, 2016.

Motion by Trustee Talbot, "to accept the minutes of the Regular Board of Trustees' Meeting of November 3, 2016," seconded by Trustee Sanzenbacher.

Vote: Motion carried unanimously.

ITEM 3: FINANCIALS**A. ACCOUNT WARRANT**

November 17, 2016

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Central Maine Power	Monthly Electricity-Variou Locations	11/03/16	7,527.78
Constellation NewEnergy Inc.	Monthly Electricity-Variou Locations	11/03/16	9,122.55
Creative Print Services	Envelopes for Billing Purposes	11/03/16	2,816.00
Eurofins Eaton Analytical Inc.	Monthly Chlorate Sampling	11/03/16	50.00
Fabian Oil Inc.	Propane	11/03/16	45.26
GWI	Monthly Internet Service	11/03/16	284.60
A. H. Harris & Sons Inc.	Black Poly to Cover Gravel Pile	11/03/16	446.88
J & S Oil Company Inc.	Diesel Fuel	11/03/16	168.34
Kennebec Auto Service	Repairs & Inspection - Tk 18	11/03/16	571.59
Kennebec County Reg. of Deeds	Recording Fee for Lien Release-1 Property	11/03/16	22.00
Treasurer, State of Maine	Water Testing	11/03/16	175.00
Northeast Laboratory	Water Testing	11/03/16	150.00
E. J. Prescott Inc.	2" Meter & Gaskets	11/03/16	725.07
Merton Richards Inc.	Screened Loam	11/03/16	648.00
Staples Credit Plan	Printer Ink	11/03/16	129.68
Tukey Brothers Inc.	Lumber Blocks	11/03/16	371.20
Town of Vassalboro	Quarterly Real Estate Taxes	11/03/16	7,921.75
Walmart Community/GEMB	Vinegar/Distilled Water/Beverages/Tissue/Cleaning Sup.	11/03/16	114.80
Postmaster	Bulk Mail Postage-Billing	11/04/16	286.57
TOTAL WARRANT			\$31,577.07

Motion by Trustee Earickson, "to ratify the total warrant of checks released for \$31,577.07," seconded by Trustee Talbot.

Vote: Motion carried unanimously.

B. Health Insurance Costs and Options for 2017

Mr. LaCasse informed the Board that he received notification from the Maine Municipal Association (MMA) that the health insurance rates for the plan KWD is enrolled, PPO 1500, will increase by 11.25 percent in 2017. Under the current unit contract, if the health insurance premium increase is 10 percent or less, the District shall continue with the existing health insurance plan if available. Under the current plan, the District pays 85 percent of the premium coverage, and the employee pays the balance of 15 percent. In addition, a few years ago when KWD changed to a less expensive employee health insurance policy with a higher deductible, the agreement was made that under the current conditions, KWD would fund the plan deductibles.

At today's meeting, the Trustees were provided with six spreadsheets illustrating annual comparatives of the various MMA health plan costs, annual dollar increases for each category, annual cost comparison options for 2017, impact if changed from PPO 1500 (\$1,500/\$3,000 deductible) plan to PPO 2500 (\$2,500/\$5,000 deductible), PPO 500 (\$500/\$1,000 deductible) or PPO 1000 (\$1,000/\$2,000 deductible) plan, available options (staying with the current plan or moving to a different plan), and annual health insurance percentage increases dating back to 2009.

At this time, Mr. LaCasse reviewed a few of the notable points from the various spreadsheets. In the PPO 1500 plan, the annual increase in cost from 2016 for single person coverage would be \$921 and for family coverage would be \$2,065. The annual financial impact to KWD (with the present census of 6 on single coverage and 15 on family coverage) would be \$31,023 above 2016. Mr. LaCasse did note that the overall cost impact could increase or decrease as employees' status could change (join the insurance, drop the insurance, or coverage change) at any time during the year. The financial impact on an individual employee with single person coverage would be \$138 annually and with family coverage would be \$310 annually.

Trustee McCluskey inquired if the dollar figure for the amount of deductible (presently \$1,500 for a single person and \$3,000 for a family) is recorded on the warrant and if the year-to-date reimbursement amount is known. Mr. LaCasse replied that the deductible is reimbursed through the payroll process and is not recorded on the accounts payable warrant. He will compile the recent totals for board review. The maximum exposure amount under the PPO 1500 plan with the present census is \$54,000; however, based on past percentage rates of use of deductibles by employees, the probable exposure amount is closer to \$27,000. A switch to either the PPO 500 plan or PPO 1000 plan even with no reimbursement would present more financial impact for KWD. Full reimbursement of the deductible (\$2,500/\$5,000) for the PPO 2500 plan would project at \$45,000. With that potential reimbursement added to the premium savings to KWD under the PPO 2500 plan, KWD would see savings of approximately \$8,500 from the PPO 1500 plan. If the reimbursement of deductibles was left at the current \$1,500/\$3,000 level, KWD's savings would be approximately \$26,500. The potential individual impacts on employees, however, would be significant with the increased deductible and coinsurance requirements.

Although the increase is slightly over 10 percent, after reviewing the various plan options with consideration of both comparable expense and coverage, Mr. LaCasse recommends remaining with the PPO 1500 plan under the current conditions. Trustee Sanzenbacher commented that when taking into consideration the present overall health insurance marketplace, she concurs with Mr. LaCasse's suggestion. Mr. LaCasse also informed the Board that the Maine Municipal Association's Health Trust implemented a few changes pertaining to the plan in 2017 to assist in controlling costs. For instance, the emergency room co-pay is being increased in order to deter the use of this service for non-emergency health issues. Co-pays for 90 day prescriptions are also being increased unless the recipient utilizes an on-line prescription mail-order service.

The Trustees will further consider the information provided to them at today's meeting and will make a proposal at the next meeting. Trustee Hodsdon suggested that the overall inclination of the Board is to remain with the current PPO 1500 plan for 2017 with KWD funding the employee deductible portion of the plan.

C. Other

None

ITEM 4: MOTION ISSUES

A. Other

None

ITEM 5: TRUSTEES**A. Comments, Concerns, Ideas**

Because there has been much conversation regarding restoration of alewife passage into China Lake, Trustee Dornish mentioned that there was an article in today's Morning Sentinel regarding another area in Maine which is in the process of a similar project. This endeavor involves the removal of two dams and installing a fish passage ladder in order to restore fish passage on the Presumpscot River which runs about 24 miles from Sebago Lake to Casco Bay. Trustee Boucher commented that he was recently surveying the Vassalboro boat launch and noticed that there are still schools of alewives in China Lake.

On a different subject, Trustee Hodsdon conveyed that a local real estate broker commented to him that she had difficulty scheduling an appointment on the day she desired for a meter swap in order to obtain a final read and dollar amount for a property sale closing transaction. Eventually and although KWD was solidly booked during the week she requested the appointment, Tammy Martin-Littlefield, KWD's Assistant Finance and Office Manager, managed to re-arrange some appointments in order to squeeze in and grant the realtor's request to her satisfaction. Trustee Hodsdon commented that although the situation was remedied, the realtor did harbor some resentment regarding the means in which the process played out. He added that KWD should always be dedicated to providing the utmost in customer service.

Mr. LaCasse explained that during this time of year the appointment board is quite full due to seasonal meter removal and water shut off requests (for both customers leaving for a warmer climate and recreational/high school sporting event fields). He further explained the process for a real estate transaction that, after an application is received from the buyer, if the building already has a new Iperl meter and backflow prevention (BFP) device, it is not necessary to make an appointment. The business office staff can read the meter remotely and final the account. If the building has the older Rockwell style meter and/or no BFP, an appointment is scheduled to meet the real estate agent to swap the meter, install the BFP if needed, and final the account. Mr. LaCasse remarked that although it is necessary to give priority to the customers who have called in advance and scheduled appointments, KWD always attempts to accommodate all requests, even if last minute, sometimes by utilizing the construction crew staff if they are available. He said the goal is to handle appointments within a two day window, although that is not always possible.

Conversely to the situation Trustee Hodsdon mentioned, Trustee Coull stated that he has called the KWD business office often for a seasonal turn off for a friend's home and has always found both the business office staff and meter department technicians extremely efficient and courteous.

Regarding a different topic, Trustee Hodsdon inquired about a recent incident which concerned the City of Waterville and KWD. Mr. LaCasse explained that a couple of days ago the KWD operations crew was repairing a public fire hydrant on Main Street in Waterville, part of Waterville's fire protection system. A City of Waterville employee threatened to call the police and shut down the job because KWD had not paid a \$75 permit fee in advance. This situation of shutting down a KWD job site due to non-payment of the fee in advance had not occurred in the past as the city always billed KWD after the fact for the permits. However, in 2015 the City of Waterville adopted new ordinances regarding its road opening permits and fees.

In review, prior to 2015, KWD was only required to pay a \$75 permit fee regardless of excavation size. Presently, the city is now charging the \$75 plus an impact value assessment cost. For instance, there was a water main break on Veterans' Day on the Quarry Road, Waterville. The paving for this is expected to cost KWD approximately \$33,000, plus KWD is required to pay the City of Waterville \$3,300 for an impact fee. There are other areas in which the new permitting process has affected KWD. Since the change, KWD staff has been inundated with paperwork for projects. One example which occurred is when KWD set back services and adjusted gate valves on Oakland Street (this work was being done in coordination with the City of Waterville reclamation of the street). KWD was required to file 30 individual permits at a base cost of \$75 each (with an additional impact fee to be added to each). After Mr. LaCasse and Mr. LaPlante met with city staff, this was reduced to one permit for the total project. Another area of concern is when KWD repairs a service box, which is typically between the city right-of-way and home owner's property line. Although this has no impact on the city street, KWD is required to pay the \$75 permit fee plus the impact value assessment cost.

Mr. LaCasse is planning to contact Mr. Roy, Waterville's City Manager, in order to discuss an equitable solution regarding the permit fee process for KWD (possibly via an ordinance policy change). Mr. LaCasse pointed out that KWD is a quasi-municipality of which the City of Waterville is a corporate owner and both serve the same members of the public. Both Trustee Sanzenbacher and Trustee Gorman volunteered to contact their local City Councilor regarding this subject if this support is necessary in order to come to a mutual resolution. Trustee Sanzenbacher also pointed out and other Trustees were in concurrence that the cost of these permits and impact value assessment fees ultimately fall back to the KWD rate payers and City of Waterville tax payers.

The next topic was brought up by Trustee Fuller. He received an e-mail from the Maine Rural Water Association regarding the annual conference at the Cross Center, Bangor. One session was regarding Trustee training, and he inquired if others had been to this in the past and if he should consider attending this program. Both Trustee Sanzenbacher and Trustee McCluskey reported they have attended this session in the past and found it to be worthwhile.

B. Election Results and Invitation to 2016 Meetings

The Trustee election results were as follows: Trustee Talbot and Trustee Earickson were re-elected to represent the City of Waterville; Trustee Dornish was re-elected to represent the Town of Winslow; Trustee Hodsdon was re-elected to represent the Town of Fairfield; and Frank Richards was newly elected as Trustee to represent the Town of Vassalboro. Although Mr. Richards' tenure does not officially begin until January, typically Mr. LaCasse extends an invitation to new Trustees to attend the December Board meetings in order to get them acclimated to the process and current issues. The Trustees were in favor of this proposal.

C. Other

Mr. LaCasse reported that due to the recent law legalizing marijuana for personal use, KWD's policies will need to be updated to incorporate its personnel and safety programs to address potential related issues in its workplace.

ITEM 6: ENGINEER'S REPORT

A. Western Avenue Pumping Station (WAPS) Project Update

Mr. Longfellow reported that when T. Buck began excavating in order to install the transformer pad, extensive ledge was discovered. The majority of the lead has been pummeled and the transformer pad should be put in position today and the project for the associated conduit for the generator should begin to progress. Trustee Hodsdon asked who T. Buck has hired for sub-contractors for this phase of the project. Mr. Longfellow replied Express Electrical Constructors, Inc. for the electrical services and Len Poulin is providing dump truck services and some materials. Trustee Hodsdon suggested that if the WAPS contract does not state KWD receive a list of all sub-contractors, KWD should request a list of all the sub-contractors for the project potentially along with references.

B. Other

China Lake Elevation: 169.7
Stream Flow: 130 cfs

The main extension on the Trafton Road, Waterville, is underway. The entire main has been installed, but it would not maintain pressure when tested. Sargent Corp. thinks they have found the leak but will have to cut out that portion of the main and have it replaced to be able to retest the main.

There has been a progress meeting regarding the Western Avenue Pumping Station. Many of the shop drawings are being sent in for review. From this meeting, a new schedule was developed to have T. Buck start on November 15th and work about three weeks outside to get the generator and transformer pads, and the associated conduit installed before winter. This will allow for the incoming electrical service to be installed during the winter and be fully tested and available to power the temporary pumps when they are delivered. KWD will be conducting the inspection during this phase of the job until one can be assigned from Wright-Pierce.

I was able to attend an "Introduction to Management" class presented by the Maine Water Utilities Association. This class is also presented as one of the 11 topics for the management candidate school that is organized by JETCC. KWD has sent various employees to the JETCC class over the years.

Jefferson Longfellow, P. E.

Mr. Longfellow reported that Sargent Corp. has conducted the repairs to the main extension on the Trafton Road and is planning to re-test it today.

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

Vote: Motion carried unanimously.

ITEM 7: GENERAL MANAGER'S REPORT**A. Update on China Lake Issues (Drawdown, Outlet Dam, etc.)**

The first update review was regarding the China Lake drawdown. To briefly recap, a few years ago KWD applied for and was granted a modification of the lake level order from the Department of Environmental Protection to allow for an earlier and increased fall flushing. The goal being to allow larger amounts of phosphorus and other nutrients which contribute to algae blooms to be exported from the lake. Mr. LaCasse reported that the 2016 drawdown has been going smoothly and in approximately a week the goal of dropping the level 2.5 feet below the spillway should be achieved. Mr. LaCasse reiterated the fact that the China Lake water quality and clarity continues to be very good. Due to low precipitation and associated run-off, a leading source for nutrient addition, China Lake, along with numerous other lakes across the state, is experiencing great water quality.

Mr. LaCasse next informed the Trustees that he and Mr. Zetterman, KWD's Director of Water Quality, attended a very productive meeting regarding the Outlet Stream Dam including members of U. S. Fish and Wildlife, Maine Rivers, Maine Department of Marine Resources, Alewife Restoration Initiative (ARI), and some China and Vassalboro residents interested in the China Lake alewife fish restoration project. This was an initial fact-finding meeting to gather information in order to begin the determination of the fish passage ladder design necessary for the Outlet Stream Dam. The design engineer from the U. S. Fish and Wildlife informed the group that flows of 5 to 20 cubic feet per second (cfs) to the Outlet Stream would suffice for the alewife passage. Mr. Zetterman and Mr. LaCasse were pleased with this information as prior estimates had suggested a flow of 60 cfs would be necessary for fish passage. The 60 cfs outflow could potentially be a problem for China Lake, especially in a year with low precipitation. The projected need of 5-20 cfs for proper fish passage, however, should not negatively impact the ability of the dam's operators to meet lake level and streamflow requirements. If that design flow is incorporated, most of KWD's concerns related to the Outlet Dam fish passage project would be eliminated. As the design progresses, there will be additional meetings in order to review the plans and make adjustments as deemed necessary.

At the aforementioned meeting, Mr. LaCasse advised the group that KWD is always available to provide accurate and historical information and other data regarding China Lake as it has been the KWD source of supply since 1905. They were also provided with a narrative compiled by Mr. LaCasse entitled "Information and Communications – ARI Project, KWD, and China Lake", a sketch of the Outlet Dam elevations dating back to 1921, and an excerpt from the Water Power of Maine book dating back to 1869 that detailed all the dams on the Outlet Stream with the hydro power and uses of each at that point in history. The Trustees were also provided with a copy of this documentation at today's meeting.

A portion of Mr. LaCasse's narrative is dedicated to clarifying misinformation regarding the KWD position regarding the ARI initiative and other related topics that have been stated publicly as fact in varied outlets over time. Some of these details were discussed at today's meeting and copies will be sent to the Town of China and Town of Vassalboro after the Trustees have had an opportunity to further review the document and make suggestions for any changes.

B. Emerging Contaminant Information – Chlorate and Legionella

The United States Environmental Protection Agency has an unregulated contaminant monitoring program (UCMR) in which water utilities are requested to test for selected contaminants to establish if their presence is to the level that they should be added to the list of regulated contaminants. This past year, KWD conducted tests required for chlorate, and some of the test results for the finished water revealed a relatively high level. Mr. LaCasse reviewed the fact that chlorates frequently results from the degradation of sodium hypochlorite (chlorine), which KWD utilizes as a disinfectant. KWD has been investigating to determine the cause of the test results in order to take steps for a solution. However, after reviewing delivery dates, storage times, and chlorate levels, in addition to making some handling and process changes, no correlation had been found. Based on these findings, one possibility suspected was that the sodium hypochlorite sits in storage in an external environment at the supplier or manufacturer location before arriving at KWD. The product shipments which are received are kept in a stable environment at the WTP. Mr. LaCasse did comment that during the time of sampling, deliveries were received from two different suppliers. One correlation which was discovered is that more than fifty percent of the utilities in New England that had the highest readings had them during the warmer, summer months. KWD has taken several steps in order to reduce the levels, such as cleaning and sanitizing the hypochlorite tank and reducing the amount of chemical ordered in each delivery from its supplier in order to reduce the period of time the chlorine is in storage at KWD's plant. KWD readings for August, September, and October were 120, 300, and 150 respectively, although none approached the initial sample's level of 510. Mr. LaCasse also noted that when KWD sampled at different locations, the readings were higher at the tank point of departure than in the finished water, which made no sense to KWD staff. Recently, new information has been discovered which might help explain some of the quandary. During a conversation between Mr. Zetterman and a rep from JCI Chemical revealed that chlorine orders received in Maine are obtained from the same manufacturer in Canada. This chemical is shipped in a high concentration via rail car and could be stationed on the train several days before reaching its destination in Maine for dilution. KWD will continue to conduct the sampling and to continue to provide the Maine Drinking Water Program with data in order to keep it abreast of the situation.

Although not a contamination concern in Maine presently due to programs and processes in place, Mr. LaCasse mentioned that due to lack of corrosion controls in the Flint, Michigan, system, there was also a breakout of the bacteria legionella which causes legionnaires disease. Unlike lead which needs to be ingested to be dangerous, the legionella bacteria is transmitted into the respiratory system through water droplets, flourishing in air conditioning, central heating systems, showers, and hot tubs. Unfortunately, this disease can and has been the cause of several deaths in Flint.

C. Arbitration Hearing

Mr. LaCasse informed the Board that an arbitration hearing due to an employee grievance will be held on December 5th. This employee is contending that KWD should pay him overtime as he claims seniority was not followed. KWD's stance is that the claim has no validity.

D. Other

Mr. LaCasse informed the Board that he has received two calls from an interested party regarding purchasing the KWD Fairfield/Waterville property which is for sale. Per his request, Mr. LaCasse has provided him with some additional information regarding this property.

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

Vote: Motion carried unanimously.

ITEM 8: EXECUTIVE SESSION (IF NECESSARY)

None

ITEM 9: PUBLIC PARTICIPATION

None

Motion by Trustee Coull, “to adjourn the meeting,” seconded by Trustee Sanzenbacher.

Vote: Motion carried unanimously.

Meeting adjourned at 9:04 a.m.

Sue Markatine, Recording Secretary