

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – OCTOBER 18, 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; Amy Stabins, Trustee

Trustees absent: Denise Bruesewitz, Trustee; Alex Wild, Trustee

Also present: Roger Crouse, General Manager; Jeff Longfellow, KWD Engineer; Jared Bragdon, KWD Operations 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 OCTOBER 4, 2018.

Motion by Trustee Talbot, "to accept the minutes of the Regular Board of Trustees' Meeting of October 4, 2018," seconded by McCluskey.

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

ITEM 3: FINANCIALS

A. Account Warrant

Motion by Trustee Talbot, "to ratify the total warrant of checks released for \$1,050,500.34," seconded by Trustee Earickson.

Vote: Motion carried unanimously.

B. 2018 Capital Budget Review

Mr. Crouse provided the Board members with a year-to-date evaluation of the 2018 capital budget and expenditures. This document comprised the available 2018 capital funds, actual year-to-date capital project expenditures, listing of pending capital project expenditures, estimated remaining year-end capital funds, listing of projects included in the 2018 capital budget but which will be postponed until 2019, and projects which are on-hold indefinitely.

C. KWD Cash Policy – What is our target level?

For informational purposes, the Trustees were provided with a detailed analysis of 2017 Comparison Benchmarks for Largest Maine Water Utilities, including KWD, compiled by Greg Leighton from The Maine Water Company. One comparison included in this report was the days of cash on hand for the various utilities. Mr. Crouse explained that when establishing and considering the financial facets of KWD, such as operational budgets, capital budgets, rate increases, and borrowing base, the prudent amount of retained cash to have available for immediate use if necessitated needs to be factored. Dialogue points from the Trustees included the following: 1) industry standards for cash on hand; 2) borrowing versus utilizing cash on hand for projects; 3) utilizing the present cash on hand and/or borrowing to complete more projects now due to the continuous escalating costs for materials; 4) utilizing the “MainePERS transferred funds” solely for the monthly employer contribution or to utilize some or all for capital projects; and 5) exploring the investing of the present cash on hand, potentially in certificate of deposits with staggered maturation dates. Mr. Crouse will compile a recommendation of a level range for the amount of cash on hand KWD should retain and present this to the Board for review at a future meeting.

D. Other

None

ITEM 4: FUNDING REQUEST FROM VASSALBORO FIRE DEPARTMENT

At the October 4th meeting, Mr. Vashon, Representative from the Town of Vassalboro Fire Department, had appealed to the Board to consider a contribution to the Vassalboro Fire Department to aid in offsetting the cost for a new fire truck.

Motion by Trustee Richards, “to authorize a contribution of \$10,000 to the Vassalboro Fire Department with \$5,000 payable in 2018 and \$5,000 payable in 2019,” seconded by Trustee Hodsdon.

The Trustees deliberated this subject at length before the vote.

Vote: 1 in favor, 7 opposed, motion failed.

ITEM 5: MOTION ISSUES**A. Approval of Purchase of Security Gate at the Water Treatment Plant**

The Board members were provided with two quotes for a new electric barrier arm gate with keypad, remote controls, and free exit loop to replace the present manual padlock gate at the WTP entrance. This item was included in the 2018 capital budget for \$8,000 and the recommendation is to accept the low bid from P.D.Q. Door for \$7,150.

The Trustees questioned if the present gate should be replaced with a gate similar to the present rugged manual gate. The Trustees also questioned if the overall security of the entire WTP facility should be evaluated. After much discussion, the determination was made to table this agenda item.

ITEM 6: TRUSTEES**A. Comments, Concern, Ideas**

Noting the fact that the written Board minutes are now more condensed than in the past, Trustee Fuller inquired if the meetings are recorded. In accordance with the KWD Trustee Standard Operating Procedures, all Board meetings are recorded.

B. General Manager's Performance Evaluation

The General Manager's Performance Evaluation sub-committee will meet after the conclusion of today's regular meeting, and the performance evaluation is tentatively scheduled for the November 1st meeting.

ITEM 7: GENERAL MANAGER'S REPORT**A. Goals and Areas of Focus**

Per the request of the Board, Mr. Crouse provided the Trustees with a document listing his major goals and objectives for the KWD for the coming year. Mr. Crouse explained that numerous of these items are presently already a work-in-progress. At today's meeting, the Trustees asked Mr. Crouse to compile a list of his major accomplishments over the past several months.

B. Development of 2019 Budgets

Mr. Crouse informed the Trustees that, with the aid of his Management Team, he plans to begin developing the 2019 KWD operating and capital budgets. He requested input on the level of involvement Board members wanted in the budget development process.

C. Other

Mr. Crouse commented that he recently spoke to Mr. William Harwood, KWD's attorney from Verrill Dana, regarding the guidelines of a public meeting. Mr. Harwood suggested that when two or more Trustees meet together to conduct KWD business, the requirements of Maine's Freedom of Access Act must be met, including advertising to the public when and where the meeting will be held. In addition to the regularly scheduled Board meetings, this applies to all special meetings and sub-committee meetings which occur independent of the time frame of the regular meetings.

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

Vote: Motion carried unanimously.

ITEM 8: PUBLIC PARTICIPATION

None.

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

Vote: Motion carried unanimously.

Regular meeting adjourned at 9:05 a.m.

At this time, the Trustees appointed to the General Manager's Performance Evaluation sub-committee decided to enter Executive Session.

At 9:06 a.m., motion by Trustee Fuller, "to enter Executive Session under MRSA Title 1, Section 405-6A, Personnel Issues, specifically the General Manager's annual evaluation," seconded by Trustee McCluskey.

Vote: Motion carried unanimously.

At 9:30 a.m., the sub-committee was brought out of Executive Session.

Sue Markatine, Recording Secretary