

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – OCTOBER 19, 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; Bill Boucher, Trustee; Kevin Gorman, Trustee; Joan Sanzenbacher, Trustee; Mark McCluskey, Trustee; Frank Richards, Trustee

Trustees absent: None

Trustee Talbot left the meeting at 8:35 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 OCTOBER 5, 2017.

Motion by Trustee Talbot, "to accept the minutes of the Regular Board of Trustees' Meeting of October 5, 2017," seconded by Trustee Earickson.

Vote: Motion carried unanimously.

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

October 19, 2017

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Treasurer, State of Maine	OSHA Training Completion Cards-3 Employees	09/29/17	24.00
A Partner in Technology	Computer Technology Consultant Services	10/05/17	165.00
Business Card-Bank of America	Prescription Safety Glasses-Rx Safety/NEWWA Conf.-2 Laptop Adapter/Battery/VHS to DVD-Amazon Dallas Flight Reservation Sensus Conf.-Expedia.Com Sensus Conf. Registration-Sensus/Aps-Google Cloud	10/05/17	3,123.96
E S Boulos Company	Electrical Services-Variou Locations	10/05/17	1,045.00
Central Maine Power	Monthly Electricity-Taylor Ave	10/05/17	54.48
S W Cole Engineering Inc.	Construction Materials Testing Services-WAPS	10/05/17	267.00
Creative Print Services	Various Envelope Stock	10/05/17	3,687.75
Fastenal Company	Safety Straps for New Shoring Box	10/05/17	735.62
GWI	Monthly Internet Service	10/05/17	284.60
Hahnel Bros. Company	WTP Roof Project	10/05/17	57,487.00
Hammond Lumber Company	Aquaphalt Patch Material	10/05/17	393.03
A. H. Harris & Sons Inc.	Black Poly to Cover Gravel Pile	10/05/17	554.87
Houle's Plumbing, Heating & AC	Repair BFP Damaged During Clinton Ave Project	10/05/17	172.02
Kennebec Auto Service	Service,Check Eng. Light, Replace Sway Bar Links-Tk 3	10/05/17	391.04
Gerald MacKenzie Inc.	Pavement Patches-Variou Locations	10/05/17	899.50
Maine Municipal Association	Workers Compensation Premium-4th Installment	10/05/17	3,031.80
Maine Water Works Supply	Cam Loks/Adapters/Gaskets/Couplings/GB Tops & Covers	10/05/17	1,721.43
Treasurer, State of Maine	Water Tests	10/05/17	1,349.00
Commonwealth of Massachusetts	Toll Payment-Drive to NEWWA Conference	10/05/17	3.15
Motor Supply Company	Mud Flaps-Tk 6	10/05/17	28.50
Nalco Company	Cat-Floc Polymer Chemical -WTP-1 Year Supply	10/05/17	15,704.60
Northern Safety Company Inc.	Various Gloves	10/05/17	138.72
Fanado Pelotte	Backhoe/Wheeler/Gravel-Variou Locations	10/05/17	13,517.25
E. J. Prescott Inc.	160 IPERL Meters	10/05/17	20,000.00
Roki Repair Shop	Trailer Inspect/Repair Brakes-Tk 13/Inspect & Repair-Tk 1	10/05/17	1,416.23
Spring Brook Ice & Fuel	Propane-Business Office	10/05/17	315.84
Tyler Technologies Inc.	Annual MUNIS & Forms Application Services	10/05/17	20,119.35
US Bank Corporate Trustee	2009 Bond Principal & Interest	10/05/17	894,310.23
McGee Construction LLC	Clinton Avenue, Winslow, Capital Project	10/05/17	122,580.00
Postmaster	Bulk Mail Postage-Billing	10/06/17	579.84
Treasurer, State of Maine	Monthly Sales Tax	10/06/17	3,690.45
MainePERS	Monthly Employer Retirement Contribution	10/06/17	7,679.68
MainePERS	Monthly Group Life Premiums	10/06/17	693.46
TOTAL WARRANT			\$1,176,164.40

Motion by Trustee Talbot, "to ratify the total warrant of checks released for \$1,176,164.40," seconded by Trustee Earickson.

Trustee Dornish referred to the payment made to Hammond Lumber Company and asked for a further explanation of aquaphalt patch material. Mr. LaPlante answered that aquaphalt is an environmentally friendly black water-activated material used for repairing small pavement patches.

Rather than mobilizing a contractor and to save cost, KWD uses this material for smaller pavement repair areas. Mr. LaPlante added that this material has proven to have a long life span.

Vote: Motion carried unanimously.

B. Other

Mr. LaCasse informed the Trustees that, in order to meet the timeline for the numerous notifications and filings, at the November 2nd meeting he will provide information for discussion of the potential rate increase with an effective date of April 1, 2018. The public hearing will presumably be scheduled in January 2018.

Because a Trustee had to leave the meeting early, Mr. LaCasse recommended entering Executive Session at this time instead of at the end of the meeting.

At 7:33 a.m., motion by Trustee Talbot, “to enter Executive Session under MRSA Title 1, Section 405-6C to discuss a real estate transaction and under MRSA Title 1, Section 405-6D to discuss collective bargaining issues between KWD and Teamsters Local No. 340,” seconded by Trustee Sanzenbacher.

Motion carried unanimously.

At 8:00 a.m., President Hodsdon brought the Board out of Executive Session.

ITEM 4: MOTION ISSUES

A. Other

None

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

Trustee Boucher mentioned that, although progressing, Ranger Construction has had a few issues when installing the planks during the renovation of the China Lake Vassalboro boat launch due to the water being higher than expected and the soil at the site being silty. The contractor had to add a coffer dam in order to be able to install the planks. For lake quality purposes, this actually worked better than the containment boom initially used, which did not restrain all the sediments from leaching into the lake.

B. Vision Statement Update Process (May Be Discussed later in Meeting)

This topic was postponed and will be discussed at a future meeting. Trustee Hodsdon did thank Trustee Richards for his written comments regarding the updating of the KWD Vision Statement.

C. Other

None

ITEM 6: ENGINEER'S REPORT

A. Engineer's Report

China Lake Elevation: 171.2

Stream Flow: 10 cfs

Although the Western Avenue Pumping is operational and considered substantially complete, much work remains. The painting work continues so that there is a consistent color scheme. There is much electrical work remaining, including connecting the hydro station to the grid so that it can generate power. The other buildings need to be connected to the primary power feed, so that they will be on back-up generation as well. The site outside needs to be cleaned up and the pavement restored before the weather is too cold for paving. All is planned for the next few weeks.

The main replacement on Clinton Avenue, Winslow, has had the trenches paved to close out the job. When the paving was done, since the equipment and crews were mobilized on the street, the Town of Winslow requested that numerous areas of poor pavement be milled away and new surface paving installed. The town will be paying for this work, not KWD. The areas they are having milled are greater than I expected, but it is their road, and the mill/surface should give some extra life to the road and eliminate areas of concern.

Jefferson Longfellow, P. E.

In addition to the above, Mr. Longfellow informed the Trustees that at the Western Avenue Pumping Station the asphalt binder is being laid today for both South Street and Western Avenue, and the final pavement work is expected to begin on October 23rd.

Referring to the project on Clinton Avenue in Winslow, Mr. Longfellow stated he met with the Winslow Public Works Director and measured the square yardage of the excavation by the KWD contractor (2400 square yards) in order to determine the cost of the road opening impact fee assessment. The impact fee in the Town of Winslow is based on the same criteria as in Waterville. The impact fee is added to the permit fee and, in theory, is to be held by the town in escrow in the event that future issues result with the replacement pavement in the District's trench. KWD, on its own, funds the actual cost of trench paving. In this case, for the 2400 square yard trench, 10 percent of the impact fee to Winslow was \$12,000, which was added to the \$75 permit fee and the actual cost of repaving the KWD trench (KWD's contractor charges \$51.40 per square yard for excavation paving).

Mr. Longfellow added that KWD is required to pay a \$75 permit fee plus 10 percent of the total impact fee which is based on the size of the disturbed areas. He said the District gets some degree of a break by paying the impact fee itself rather than requiring its contractor to include the fee in its project bid. If this fee was required to be paid by the KWD contractor before the project had begun rather than by KWD itself, 100 percent of the estimated impact value would have had to be paid up front instead of 10 percent, in this case resulting in \$120,000 of added project cost. This

money would then be held in escrow and refunded (minus 10 percent) upon satisfactory repair of the excavated area. If the 100 percent was forced to be paid at the onset, this would have substantially increased the price of the initial cost of the project and substantially reduce the projects KWD was able to undertake this year. Previously, for both the City of Waterville and Town of Winslow, KWD was only required to pay a \$75 permit fee regardless of excavation size.

Mr. LaCasse stated that, as with the Waterville impact fee system, KWD has issues with the requirement for KWD to pay an “impact fee” in addition to a permit fee. He said that he and Mr. LaPlante will be seeking meetings with the councils in both municipalities in an effort to make the District exempt from the impact fee process on the basis that the impact fees have added substantial cost in direct fees and labor to the District, are not being kept in escrow as intended, ignore the fact that KWD is already required to maintain its excavations for two years, and are not appropriate to be charged to a quasi-municipal entity like KWD that serves the same ratepayers/taxpayers as the municipality. Unfortunately, under the new municipal requirements, the additions of 10 percent of all impact fee assessments ultimately fall back onto the KWD rate payer.

Trustee McCluskey asked how this fee is affected if KWD conducts a job at an area where the municipality is remediating a road. Mr. Longfellow answered that the cost would not be as great, but this is also dependent upon the circumstance. Normally, KWD would only be assessed the permit fee, but if KWD’s work extends beyond the plans by the municipality, there would be supplemental impact fees for KWD. The ability to avoid pavement costs and impact fees is the primary reason that linking main replacements to planned municipal road work is a high consideration when planning KWD’s annual projects. Trustee Earickson pointed out that it’s probably fortunate that the life of the KWD main typically outlasts the life of the pavement.

Keeping in mind that the M-4 hydro station has not been generating for several months, Trustee McCluskey asked if KWD continues to pay Essex Hydro when it is not operating. Mr. LaCasse answered that the Essex Hydro operations contract is based on a percent of generation revenue. Therefore, no operation means no generation revenue. Trustee Fuller asked if there was an approximate time when M-4 will be re-connected to the grid. Mr. Longfellow replied that the necessary electric poles have been set to allow the new service connection to M-4 from Cool Street, and service installation is now dependent upon coordinating the schedules of Central Maine Power and the KWD electrical contractor.

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

Vote: Motion carried unanimously.

ITEM 7: GENERAL MANAGER’S REPORT

A. China Lake Issues Update

Before the above topic was discussed, Mr. LaCasse informed the Trustees that the Number 4 Question on the State of Maine ballot for the November election regarding the Maine Public Employers’ Pension System (MEPERS) would be beneficial to KWD and other municipal employees if passed.

Mr. LaCasse informed the Trustees that the China Lake fall drawdown began on October 16th. The first day the number of cubic feet per second (cfs) released through the Outlet Stream Dam was increased from 10 cfs to 30 cfs. The following day it was increased to 50 cfs with an expectancy of the maximum release amount to be 80 cfs, which would have been a higher number if not for the low lake level due to the atypically dry conditions of this past summer. Noticeably, the alewives have been appearing at the same approximate time each day to pass through the dam, about 1:00 p.m. Mr. LaCasse also commented that with the Masse Dam being recently de-constructed and the impoundment removed, there has been some soil erosion along the banks causing some murkiness in the water. Hopefully, in future years there will be vegetative re-growth and this will not be a continuous occurrence. Pictures of the water flowing down the stream were circulated amongst the Board members.

Mr. LaCasse also stated that Mary Sabins, Vassalboro Town Manager, has been kept informed of the China Lake fall drawdown schedule. A citizen contacted the Town of Vassalboro, KWD, and Landis Hudson, Executive Director from Maine Rivers which is the lead participant in the Alewife Restoration Initiative (ARI), concerned that the juvenile alewives in the West Basin of China Lake could not migrate due to the Outlet Stream dam gates not being opened wide enough to allow for significant stream flow. Mr. LaCasse explained that the drawdown and the opening of the gates wider was postponed for a couple of days at the request of two members of the ARI, Fred Seavey from the National Fisheries Association and Nate Gray from the Department of Marine Resources, to allow them to conduct some surveying at the Box Mill Dam without the significant increase in water flow. Mr. Seavey and Mr. Gray both volunteered to talk to any concerned citizen to answer questions regarding the alewife migration, including the fact that there is no issue with the alewives being in a holding pattern in the lake slightly longer. Trustee Richards commented that, in his opinion, having large schools in the lake before they are able to migrate is not harmful to the fish. Mr. LaCasse reiterated the fact that the ARI, Department of Marine Resources, and Department of Environmental Protection all understand and are satisfied with the fall drawdown plan, the opening of the Outlet Stream dam gates, and on-going release of the alewives. He stated that alewives have been exiting the lake for several weeks under the current flow conditions as he demonstrated with a recent video of the outmigration shown to Board members.

Regarding the KWD donation to the China Lake Association (CLA), for their review, the Trustees were provided with a draft copy of a Memorandum of Understanding (MOU) between KWD, CLA, and the Lakesmart Program which will be signed by both a KWD rep and a CLA rep. Mr. LaCasse stated that this document will be up for review and potential renewal on an annual basis as it is dependent upon the level of funds the Board decides to donate and the Lakesmart Program completed projects and expenditures. Trustee Hodsdon asked to be reminded of the amount KWD will receive from the Maine Drinking Water Program (MDWP) for the 2017 program. Mr. LaCasse answered KWD pledged \$15,000 and will be reimbursed for \$10,000 from the MDWP. Trustee Dornish made the suggestion that, although the MOU does include the specific date of 2017, additional language should be added to clarify that this is an annual agreement, as it could be changed or be nullified for any given year. Trustee Dornish also proposed striking several words in the last bullet point, so it will read “transferred to any other organization” only. The other Trustees concurred with both these recommendations.

Referencing the relationship between KWD and the CLA, Trustee Richards commented he believes it is a logical and beneficial fit for several reasons. He commended the CLA Board of Directors for their dedication and hard work. Trustee Richards also praised the China Region Lakes Alliance (CRLA) for its pivotal and catalytic roles for the well-being and healthiness of China Lake,

Webber Pond, and Three-Mile Pond. Because CRLA and CLA are closely related and work towards the same goals, Trustee Richards fears that if CRLA diminishes, there would be an adverse effect for the CLA. He recommended that if the CRLA does seek a monetary donation in the future, the Board should thoughtfully consider this request and support the CRLA by making a contribution. Trustee Hodsdon thanked Trustee Richards for his comments, adding that if the CRLA does make a request in the future, the Board certainly will take the request under advisement.

B. Update on Succession Planning Committee

Mr. LaCasse stated that the deadline for applications for the General Manager's position is November 3rd. He suggested that the Succession Planning Committee meet after the next Board meeting on November 2nd to review the proposed documents which will be used as tools to evaluate and rate the applicants. Although he anticipates more, to date he has received three applications for this position.

C. 2017 Capital Improvement Plan Modifications

Mr. LaCasse explained that during any given year the capital budget can shift slightly. For instance, some projects and purchases included in the budget might not materialize, might be postponed to a future year, or some items might be over or under the estimated cost in the original budget. This is the case for 2017. One example is that the Clinton Avenue, Winslow, project came in at approximately \$219,000 below the budgeted figure. In addition, one item being postponed for purchase under the operations and maintenance (O & M) category is the replacement of the compactor for \$8,200. Therefore, there are some capital monies still available providing the opportunity to purchase a few other items not included in the original budget.

Mr. LaCasse stated that one item, which was not included in the 2017 capital budget, the Operations and Maintenance staff would like to purchase this year is a device which will enable the crew to replace faulty valve operating nuts by using this special tool from above the ground rather than having to excavate for the repair. Presently, to repair one of these valve nuts, KWD has to apply for an excavation permit from the municipality, conduct the excavation, conduct the repair below the ground at the physical location, cover the hole, and pave the hole. This device kit will save KWD much time and cost, paying for itself in just a few projects. Mr. LaPlante explained that both the Portland and Bangor Water Districts use this type of tool kit and are extremely pleased with its operation. He also informed the Board that the company rep will be on site for a day of training, and a few valves which are on the maintenance list will be repaired at that time. Trustee McCluskey asked if excavation will continue to be necessary for nuts which are rusted and corroded. Mr. LaPlante answered that this device has many special tools, ones which are able to shave and pull the faulty and rusted nut off in order to replace it without digging. Mr. LaCasse mentioned that there is a video on-line of the method with which this tool operates, and the Trustees requested the link for this be forwarded to them. The cost for this piece of equipment is expected to be less than \$5,000.

Another capital project item KWD is planning for 2017, which was not included in the 2017 capital budget, is to add a wireless supervisory control and data acquisition (SCADA) system at the Intake Building. This will enable KWD to have security and to be able to monitor the lake level at this location. Results Engineering, who has been the KWD contractor for various projects of these types and has extensive knowledge of the schematics of the system, will be the contractor for this project. The cost projection for this is approximately \$8,000.

D. Other

Mr. LaCasse stated that API Technology, the company KWD is now utilizing for its information technology systems, is working out well. They have installed an Axcient backup and recovery server system which backs up the KWD data to the “cloud”. Trustee Earickson suggested ensuring that the KWD contract has not only the back-up solution program but a reliable recovery solution program as well. As, depending on the company and system, data retrieval can be extremely costly and time consuming.

API Technology is also working towards networking the various KWD facilities through a virtual private network (VPN) system. One cost-savings suggestion they have made is, rather than having a VPN at both the South Street and the Business Office buildings, to use a low-cost device which will transmit between the two buildings. Trustee Earickson mentioned this type of system is utilized for some areas on the Colby College Campus and it works well.

Turning to security measures, Trustee Fuller mentioned his concern of customer information being compromised. Mr. LaCasse responded that, although from the news it appears hackers are quite capable of infiltrating any company, KWD does have security measures in place to prevent this. Trustee Earickson advised expunging any sensitive customer information from the KWD system.

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

Vote: Motion carried unanimously.

ITEM 8: EXECUTIVE SESSION, (Under MRSA Title 1, Section 405-6C, Real Estate Transaction and MRSA Title 1, Section 405-6D Collective Bargaining Discussions)

This agenda item was conducted earlier in the meeting, see Item 3. B. Other.

ITEM 9: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 8:50 a.m.

Sue Markatine, Recording Secretary