

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – OCTOBER 20, 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; Bill Boucher, Trustee; Patricia Gorman, Trustee

Trustees absent: Joan Sanzenbacher, Trustee; Gary Coull, Trustee; Mark McCluskey, Trustee

Also present: Jeff LaCasse, General Manager; Jefferson Longfellow, KWD Engineer; Mike O'Brien, KWD Customer Service/Safety Manager; Roger Bellavance, KWD Customer Service Representative; Sue Markatine, Recording Secretary

ITEM 1: INTRODUCTION OF GUESTS

On behalf of the Trustees, President Hodsdon introduced and welcomed Mr. Bellavance to today's Board of Trustees' meeting.

ITEM 2: REVIEW AND APPROVE THE MINUTES OF THE REGULAR BOARD OF TRUSTEES' MEETING OF OCTOBER 6, 2016.

Motion by Trustee Talbot, "to accept the minutes of the Regular Board of Trustees' Meeting of October 6, 2016," seconded by Trustee Dornish.

Vote: Motion carried unanimously.

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

October 20, 2016

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Central Maine Power	Monthly Electricity-Variou Locations	10/05/16	7,571.49
CMD Powersystems Inc.	Preventive Maintenance & Repairs-Variou Generators	10/05/16	1,553.03
Constellation NewEnergy Inc.	Monthly Electricity-Variou Locations	10/05/16	9,488.01
Charles B. Davis Co. Inc.	Goose Neck Galvanized Blower Exhaust Hood	10/05/16	195.88
DLT Solutions LLC	Autodesk Civil Eng. Annual Maintenance Plan	10/05/16	1,950.06
Employee Data Forms LLC	2017 Employee Data Calendars	10/05/16	27.25
Eurofins Eaton Analytical Inc.	Chlorate Sampling Analysis	10/05/16	50.00
Fastenal Company	Hex Screws/Sockets	10/05/16	163.90
GWI	Monthly Internet Service	10/05/16	333.83
HD Supply Waterworks LTD	Tape Measures/Vests	10/05/16	419.00
Hilltop Cleaning Service	Monthly Cleaning Service	10/05/16	658.00
J & S Oil Company Inc.	Diesel Fuel	10/05/16	237.15
Kennebec Auto Service	Oil Change-Tk 5/Oil Change & Service-Tk 9	10/05/16	197.05
Kennebec Equipment-Fairfield	Compactor Maintenance & Repair/Light Tower Rental	10/05/16	377.54
Kennebec Water District	Monthly Petty Cash	10/05/16	48.40
Maine Municipal Association	Unemployment & Workers Compensation Premiums	10/05/16	4,346.22
Maine Water Works Supply	Flex Coup/Adapter Kit/Saddles/Pipe	10/05/16	481.79
Treasurer, State of Maine	Monthly Sales Tax	10/05/16	3,451.06
Treasurer, State of Maine	Water Distribution License Fees-2 Employees	10/05/16	95.00
Treasurer, State of Maine	Water Tests	10/05/16	1,837.00
MainePERS	Monthly Employer Contribution	10/05/16	9,310.33
MainePERS	Monthly Group Life Premiums	10/05/16	703.43
Northeast Laboratory	Water Tests	10/05/16	150.00
Northern Safety Company Inc.	Hydrocortisone Cream/Burn Cream	10/05/16	27.71
E. J. Prescott Inc.	Pack Joints	10/05/16	1,115.73
Results Engineering Inc.	Ignition Software with 1 Year Support-SCADA Upgrade	10/05/16	10,854.00
David Morin	Monthly Lawn Mowing & Yard Maintenance-Var. Locations	10/05/16	1,390.00
Staples Credit Plan	Toner for Fax Machine	10/05/16	154.99
US Bank Corporate Trust Boston	1996 & 2009 Bond Principal & Interest	10/05/16	929,186.69
VWR International LLC	LabSupplies-WTP	10/05/16	539.64
Walmart Community/GEMB	Vinegar/Tire Pump/Cups	10/05/16	89.38
City of Waterville	Excavation Permits-Variou Locations	10/05/16	2,291.05
Kennebec County Reg. of Deeds	Lien/Discharge Filing Fees-5 Locations	10/07/16	110.00
Postmaster	Bulk Mail Postage-Billing	10/07/16	460.59
Somerset County Reg. of Deeds	Lien Filing Fee-1 Property	10/07/16	22.00
Postmaster	Bulk Mail Postage-Billing	10/14/16	397.76
TOTAL WARRANT			\$990,284.96

Motion by Trustee Talbot, "to ratify the total warrant of checks released for \$990,284.96," seconded by Trustee Earickson.

Vote: Motion carried unanimously.

B. August Financials

The August financial reports were provided to the Trustees, and a brief review was conducted. The August 2016 net operating revenues are above August 2015 by \$19,244, and the overall 2016 year-to-date revenues are above 2015 by \$15,475. Mr. LaCasse attributed this to the dry summer season instigating customers to water lawns and gardens on a more frequent basis. The year-to-date metered-sales commercial customers is the only water sales category in a decline, and this is basically due to the now vacant property formally known as Maine General Medical Center, Seton Campus.

Overall, the 2016 year-to-date net income is below 2015 by \$16,366.

Similar to August 2015, the August 2016 M-4 revenue is very low, \$245. Overall, the 2016 year-to-date M-4 net income is above 2015 by \$12,939.

C. Other

The Trustees were provided with a graph illustrating that the KWD workers' compensation experience modification rating, which is based on a three-year incident cycle, will decrease to an all-time low of .66 for 2017. This will result in a decrease in insurance premium cost for KWD.

Another item relating to this insurance is, if KWD does not have any work-related accidents in 2016, KWD should now qualify for the Maine Department of Labor Safety and Health Award for Public Employers (SHAPE) certification program. SHAPE recognizes employers who maintain an exemplary safety and health management system. Mr. O'Brien has been spear heading this program, and along with KWD staff has been correcting all identified hazards including upgrading safety equipment and providing additional employee safety training as recommended by the State of Maine Bureau of Labor. Due to some minor Occupational Safety and Health Administration (OSHA) violations a few years ago, KWD has not been eligible for the SHAPE designation until the present. Trustee Hodsdon commended Mr. O'Brien and the entire KWD staff on a job well done.

Mr. LaCasse was pleased to report that the 1996 bond obligation has been satisfied reducing the bond debt by \$46,512 annually which will aid in offsetting a portion of the new bond debt service for the Western Avenue Pump Station (WAPS) project.

ITEM 4: MOTION ISSUES

A. Bid for Folder/Inserter

At the October 6th meeting, the Board was provided with two bid submittals for the folder/inserter automated machine which folds outgoing bills, inserts the bills and return envelopes, and seals the envelope. Before approving the purchase, the Trustees had requested Mr. LaCasse to investigate if SBS/Carbon Copy in Waterville is a distributor of these types of machines and to also check the reliability of the two machines proposed by the bids. At today's meeting, Mr. LaCasse informed the Trustees that SBS/Carbon Copy is not a supplier of nor does it service these machines. With regard to reviews, there were none related to these particular machines and the vendors did not provide any references. As at the previous meeting, Mr. LaCasse recommended purchasing the machine from the low bidder, Budget Document Technology for \$9,899 and with an annual service contract of \$693. Trustee Boucher inquired if there was a trade-in allowance for the present machine.

Mr. LaCasse replied that the bidders were asked for an allowance; however, in its current condition the present machine has no value. The company did offer to remove the current machine for no charge.

Motion by Trustee Dornish, “to authorize the General Manager to purchase a folder/insert machine from Budget Document Technology for \$9,899 and with the annual service contract of \$693,” seconded by Trustee Gorman.

Trustee Hodsdon asked if this item was included in the capital budget. Mr. LaCasse replied that it falls under the category of Business Office/Information Technology listed in the budget. Judging from the previous two machines, it appears that the life span for this particular piece of equipment is in the four to five year range.

Vote: Motion carried unanimously.

B. Other

The next motion item discussed was a project recommendation as a result of an Information Technology Meeting a few months ago which included KWD Staff, Mr. Goulette who is the KWD IT contractor from Hanover Computer Company, and Trustee Earickson whose expertise is computer technology. Mr. LaCasse received a proposal from Hanover Computer Company to install a virtual network between the Business Office, Operations Building, and Water Treatment Plant which would include an upgrade of two physical servers. For comparison purposes, the proposal included hardware pricing for Dell and for Hanover custom-made equipment, which was considerably less expensive. The pricing for the total package is \$18,242.10 for the quote with the custom-made equipment; however, it could be slightly less as a couple items could be removed from the list as different options are being explored including the e-mail server and provider.

The Board members discussed the proposition. Trustee Talbot remarked that Hanover Computer Company is a one-man operation and expressed a concern that Mr. Goulette might not always be available to service the equipment in the event of a failure. Mr. LaCasse assured the Trustees that there are other knowledgeable computer firms which could manage the maintenance if Mr. Goulette was unavailable. Trustee Talbot also mentioned that KWD’s policy is to typically solicit bids for projects over a particular amount, and asked if this process should be considered. Mr. LaCasse responded that KWD could bid this project, but because Mr. Goulette is the KWD computer contractor and is most familiar with the majority of all the complex aspects of the KWD computer hardware and applications, he feels continuity of a person with this knowledge would most benefit this type of specialized project.

Motion by Trustee Earickson, “to authorize the General Manager to proceed with the computer upgrade project utilizing Hanover Computer Company with expenditures not to exceed \$18,242.10,” seconded by Trustee Dornish.

Trustee Earickson also commented he agrees with the suggestion that KWD veer away from Microsoft Exchange for e-mail and mentioned that Windows Server 2016 is now available.

Vote: Motion carried unanimously.

Because a couple of Trustees had to leave around the 8:30 a.m. mark, Item b. of the General Manager’s report was discussed at this time. Please see this agenda item below.

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

None

B. Other

None

ITEM 6: ENGINEER’S REPORT

A. Engineer’s Report

China Lake Elevation: 170.2
Stream Flow: 12 cfs

The main project files have been updated since the main projects have come to a close for 2016. The punch list items have been completed, so we will need to release the retainage soon.

We have met with the owner of Trafton Properties to decide on some main extension options when the West River Road and part of the Trafton Road are rebuilt as part of the new I-95 exit on Trafton Road. Drawings were completed showing two options so that the developer can get pricing from the contractor that will be rebuilding the roads.

Minor work is progressing with the Western Avenue Pumping Station upgrade. I have had to meet with Central Maine Power (CMP) to make some modifications to an original guy wire location on the Western Avenue side of the station. The change eliminates an interference with the planned retaining wall. Soon after, CMP’s contractor set a new pole and guy wire anchor for the new electrical service. It seems that T. Buck Construction will be doing some work in 2016, but it will be limited to the outside conduit banks and generator pad.

Jefferson Longfellow, P. E.

Mr. Longfellow reported that Sargent Corporation has been in contact with him to obtain pricing information to extend a 12-inch water main in the Trafton Road, Waterville, in 2016 before the Department of Transportation constructs the new I-95 exit in 2017.

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

Vote: Motion carried unanimously.

ITEM 7: GENERAL MANAGER'S REPORT

A. Project Updates

The Trustees were provided with a copy of a letter from Central Maine Power explaining and confirming that although M-4 and the WAPS will no longer be directly connected, the electricity from M-4 will still be used to power the WAPS by remotely syncing the two meters to obtain a net consumption reading. As is the current situation, M-4 will need to be generating and the WAPS will need to be pumping in order for this "net metering" to synchronize. This correspondence also outlines the fact that any excess power generated from M-4 that is not used to offset the WAPS load will be reported as generation to the Independent System Operator of New England (ISO NE) for sale revenue purposes. Trustee Fuller asked if this is a continuous arrangement or if it will be up for renewal on an annual basis. Mr. LaCasse replied it is an arrangement in place until such time changes occur due to new rules or regulations which could have an impact on this type of configuration. Trustee Hodsdon asked if the arrangement needs to be reviewed and approved by the Maine Public Utilities Commission (MPUC). Mr. LaCasse responded that, because this situation is similar to the current one, he does not believe so; however, he will contact the MPUC to confirm this.

The next project update involved the WAPS project and the fact that T. Buck Construction, contractor for this project, will be conducting some project work this fall. Mr. LaCasse discussed this with Mr. Jeff Muisch from Wright-Pierce and Mr. Muisch suggested that because this is preliminary basic work and to save on cost, KWD utilize its own staff for the inspection process. Next March when the project is at the height of activity and until it is completed, a full-time independent contractor, yet to be determined if the preferred contractor is unavailable, will be necessary for the inspection duties.

B. Lead Testing in Schools

Mr. LaCasse began by reviewing the fact that when Flint, Michigan gained national attention due to the fact that there were high levels of lead in the drinking water due to lead service pipes, the Trustees and KWD had initiated a "courtesy program" to test lead levels at local schools as children are especially vulnerable to lead poisoning. Although regulated testing of the KWD finished water has determined that there is not a lead level concern in the distribution system and the District does not have lead service lines, KWD is being proactive by assisting the schools with a risk assessment. The first five elementary schools which participated in this lead testing program passed with great results. Unfortunately, one of the schools recently sampled, Benton Elementary School, had test results with lead levels exceeding the action level for schools. The school was tested on Friday, October 14th, and the outcome was received by KWD late in the afternoon on Tuesday, October 18th. KWD staff contacted the proper school authorities early the next morning. The Department of Health and Human Services Drinking Water Program was notified and monitored the assessment. The media soon learned of this lead risk and has been reporting on it through both written and television publication, including an article in today's Morning Sentinel. Trustee Boucher also commented that the news is also running rampant on social media.

Recounting some history of the Benton Elementary School, Mr. LaCasse informed the Board that the school was built in 1957, before lead solder was banned. The school was then expanded and updated in the 1990s. When checking the KWD construction records, Mr. LaCasse verified that there was no lead goose neck piping ever installed on this service.

Mr. LaCasse explained that the action level for lead in water in schools is 20 parts per billion. At Benton Elementary School there were 670 parts per billion at a cafeteria sink faucet, 57 parts per billion at a first-floor drinking faucet, and 78 parts per billion at a second-floor drinking faucet. The first step taken was to recommend that the school cease drinking and cooking with this water. Mr. LaCasse contacted Poland Springs and explained the circumstances, and they, in turn, willingly responded to the situation by donating and delivering water bubblers and gallons of jugs of water to the school. KWD is now assisting the school in investigating the source responsible for contaminating the water. Although prior sampling within the distribution system affirms there is no lead exposure risk to customers from the KWD system, KWD is planning to also take samples from hydrants on either side of the school to verify the problem is internal. Trustee Hodsdon suggested also testing for pH to confirm this has not changed in the KWD water by any abnormal degree. In addition to this, KWD will also pull a water sample from the first point of entry into the building at the meter location. Subsequently, water samples from the previous sites inside the school will again be collected to aid in determining the lead source location. Protocol for these samples is to take them at the time of the first water draw of the day. There will be three tests at each location, one immediately when the water is turned on to capture the water near the fixture, one after the water has run slightly to capture the water in the school pipes, and one after the water has run cold to capture the water in the KWD main. These water samples will be collected on Friday, October 21st, and it is hopeful that the state lab will consider this a priority and the results will be available by Monday, October 24th. Trustee Boucher also offered that another avenue to potentially investigate is the possibility of an ungrounded stray electrical current discharging into the water and elevating the lead level.

Trustee Earickson inquired if KWD has been receiving calls from residents in the Benton area regarding lead in the water. Mr. LaCasse confirmed KWD has been receiving some calls, including one from an owner of a day-care center. It has been relayed to these concerned citizens that the lead element is likely the result of older water fixtures and pipes within the school building. The KWD system testing has proven there are minimal traces of lead in its distribution mains. In fact, based on its prior sampling results, KWD has been on a reduced monitoring schedule since the 1990's. Trustee Fuller suggested, if not present KWD procedure, to incorporate the lead and copper sampling locations and results in one spreadsheet for an easy overview. If customers have further concerns, they have been informed that they can work with a reputable testing lab, including the Maine State Lab, and by following the testing sample protocol (first water draw of the day), obtain results of the amount of lead in their individual plumbing systems. The cost for this testing is approximately \$20. Concerned parents can also speak to their children's physicians regarding a blood test to determine if the child is demonstrating an elevated level of lead in his/her system.

The first round of the KWD testing targeted the elementary schools. As was stated previously, young children are most vulnerable to the effects of lead. The next round of testing offered will be to the middle and high schools. Mr. LaCasse is also participating with state and water utility executives in a collaborative effort to form a state-wide coalition with educators, including funding means, to encourage school water testing for lead. Trustee Dornish commended KWD for being one of the leading districts in the state taking initiative to conduct this courtesy testing within the schools.

Mr. LaCasse will continue to work with staff members at the Benton Elementary School and the other agencies involved to aid in discovering the source of the lead and will update the Board on the testing results and progress in eliminating this problem. As General Manager, he will also be the press relations spokesperson regarding the KWD efforts to resolve this issue.

C. Outlet Stream Flow Update

As was discussed at previous meetings, the Alewife Restoration Initiative (ARI) was planning and has now followed through on opening the Masse Dam penstocks (sluice gate which controls water flow) which has somewhat simulated the stream reaction if the Masse Dam is permanently removed. A resident, who is against the removal of the Masse Dam, provided KWD with pictures of the impoundment area, and these pictures were circulated among the Board members. Although this is an atypical year due to the little precipitation keeping the flow to the Outlet Stream at close to minimal, this area has now been reduced to very nearly all mud flats, which would not appear to be conducive for the migration of thousands of alewives. This appears to be an indication that the impoundment area may need to be retained and a fish ladder passageway installation considered as a viable option to minimize problems with fish migration.

On another note, an individual, who is an activist in the restoration of alewives to China Lake, was at the Outlet Stream Dam and reported that a dead cormorant (fish-eating aquatic bird) was caught in the gate of the Outlet dam. This citizen talked to a staff member at the Department of Environmental Protection (DEP) who in turn sent Mr. LaCasse an e-mail asking several questions regarding this bird. Mr. LaCasse stated that KWD, of course, has no knowledge of this particular bird's habits or the cause of its demise, whether it died from a natural or accidental cause and will respond with such information to the DEP staffer.

Mr. LaCasse also reported that he is in the process of completing the police reports for the two trespass breaches at the Outlet Stream Dam in which a person(s) tampered with the flow gates.

D. Drought Impacts on KWD

Fortunately, because China Lake is a large bodied lake, the drought has had minimal impact on the KWD operations and no discernible impacts to the KWD customers. Safe yield in a drought period is 20 million gallons per day. KWD's demand is approximately 3 million gallons per day. Some water districts in the state, primarily those with groundwater supplies, have found it necessary to ask for water conservation efforts from their customers. With the China Lake level already being quite low, however, the fall drawdown to flush phosphorus out of the lake which typically commences at the beginning of October will not be conducted until the end of October. Hopefully, this winter will produce more snowfall than the previous winter which will aid in the replenishing of the lake water during the spring snow melts. Mr. LaCasse added that the lack of precipitation resulted in no significant algae blooms in the lake this year, and the best measured water quality since 1990. The only algae bloom in China Lake this year was an insignificant one in the spring.

E. Other

None

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

Vote: Motion carried unanimously.

ITEM 8: EXECUTIVE SESSION (IF NECESSARY)

None

ITEM 9: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 8:37 a.m.

Sue Markatine, Recording Secretary