

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – AUGUST 4, 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; Joan Sanzenbacher, Trustee; Gary Coull, Trustee; Bill Boucher, Trustee; Patricia Gorman, Trustee; Mark McCluskey, Trustee

Trustees absent: Allan Fuller, Clerk; Jeff Earickson, Assistant Treasurer

Trustee McCluskey joined the meeting at 7:35 a.m.

Also present: Jeff LaCasse, General Manager; Jefferson Longfellow, KWD Engineer; Mike O'Brien, KWD Customer Service Manager/Safety Manager; Matt Zetterman, KWD Director of Water Quality; 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 JULY 21, 2016.

Motion by Trustee Sanzenbacher, "to accept the minutes of the Regular Board of Trustees' Meeting of July 21, 2016," seconded by Trustee Dornish.

Vote: Motion carried unanimously.

ITEM 3: FINANCIALS

A. ACCOUNT WARRANT

August 4, 2016

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Charlie's Chevrolet	2016 Chevy Express Cargo Van	07/19/16	27,589.52
Postmaster	Bulk Mail Postage-Billing	07/21/16	659.92
Kennebec County Reg. of Deeds	Lien Filing & Discharge Fees-5 Properties	07/21/16	110.00
The Sheridan Corporation	Intake Building Rehabilitation Project	07/22/16	86,708.00
A C Electric Corp.	Remove Damaged Contact Asbly. & Repair Breakers-WTP	07/22/16	1,320.00
Advance 1 Cleaning Services Inc.	Rug Cleaning-Business Office	07/22/16	519.40
Advance Auto Parts	Door Handle-Tk 18	07/22/16	26.99
Answering Services Unlimited	Monthly Answering Service	07/22/16	93.63
Atwork Franchise Inc.	Flaggers-64 Hours-Various Locations	07/22/16	972.80
Bluetarp Financial Inc.-Aubuchon	Hydrant Paint/M-4 Screws/Keys	07/22/16	138.40
Business Card-Bank of America	Water Op Exams-Water-Wastewater/Standard Methods for Examination of Water and Wastewater-AWWA/ Google Apps for Work-Google	07/22/16	505.57
Business Card-Bank of America	Annual AWWA Membership-2 Emps.-AWWA Cables & Charging Ports-Amazon	07/22/16	562.32
E S Boulos Company	Replace Lights at M-4/Fluoride & Recycle Pump Fuse-WTP	07/22/16	808.00
Central Maine Power	Monthly Electricity-Taylor Ave	07/22/16	46.16
DN Tanks Inc.	East Tank Exterior Cleaning	07/22/16	45,000.00
Eagle Rental	Light Tower Rental-Main Leak on Taylor Ave.	07/22/16	430.00
Earthlink Business	Monthly Telephone Service	07/22/16	323.70
Eastern Fire Services Inc.	Battery Replacement-WTP	07/22/16	219.95
Environmental Projects Inc.	Fluoride Spill Clean Up & Waste Disposal-WTP	07/22/16	21,470.98
Eurofins Eaton Analytical Inc.	Chlorate Testing	07/22/16	100.00
Grainger	Magnetic Drive Pump-WTP	07/22/16	832.00
Wex Bank	Monthly Vehicle Fuel Usage	07/22/16	1,743.88
Hammond Tractor Company	Pavement Saw Belts	07/22/16	99.98
Hilltop Cleaning Service	Monthly Cleaning Service-June	07/22/16	564.00
Hussey Communications Inc.	Monthly Internet Service	07/22/16	212.00
J & S Oil Company Inc.	Diesel Fuel	07/22/16	237.48
John's Market Inc.	28 Bags of Ice	07/22/16	55.72
Kennebec Auto Service	Oil Change-Tk 20/Tire Repair-Tk 22	07/22/16	56.90
M C Disposal Inc./DBA CMD	Monthly Rubbish Removal & Portapotty Rental	07/22/16	163.00
Maine Municipal Association	Unemployment Installment	07/22/16	146.97
Maine Municipal Association	Property & Casualty Insurance	07/22/16	23,857.00
Maine Municipal Association	Monthly Employees Health Insurance	07/22/16	22,374.38
Maine Water Utilities Association	MWUA Office Session-5 Emps./Ladder, Scaffolding & Fall Protection Training-1 Emp./GIS Tech Class-2 Emps.	07/22/16	285.00
Maine Water Works Supply	Cement/Tees/Pipe/Adapters/Couplings/Gate Valve/ T-Head/Clamp/Gate Box Aligners/Operating Nut/Valves	07/22/16	22,191.34
Treasurer, State of Maine	Highway Opening Application	07/22/16	25.00
Treasurer, State of Maine	Water Tests	07/22/16	515.00
Workplace Health	Audiograms-3 Employees	07/22/16	124.00
MaineToday Media Inc.	Hydrant Flushing Newspaper Notification	07/22/16	90.75
McMaster-Carr Supply Company	Chemical Transfer Dispensing Pump-WTP	07/22/16	553.78
Susan Motley	Refund-Customer Had Credit Balance After House Sold	07/22/16	95.26
Motor Supply Company	Boat Battery	07/22/16	104.49

William Mushero Inc.	Crane Service for Messalonskee Stream Line Valve Rep.	07/22/16	840.00
Northern Safety Company Inc.	Fire Resistant Coveralls/Arc Flash Hard Hat & Hood	07/22/16	400.59
Town of Oakland	2016 Real Estate Tax	07/22/16	313.10
Fanado Pelotte	Excavator/Sand/Wheelers/Gravel/Loader/Bulldozer	07/22/16	19,187.51
Pike Industries Inc.	Stone	07/22/16	458.55
E. J. Prescott Inc.	Korner Horns/Backflow Preventers	07/22/16	4,118.98
Quill Corporation	Report Covers/Allergen Spray/Paper	07/22/16	334.68
The Sherwin-Williams Company	Rollers/Brushes/Tray	07/22/16	35.46
Standard Waterproofing Inc.	Repair & Re-Coat Clearwell Tanks & Stairwell Wall	07/22/16	199.70
Staples Credit Plan	Ink/Sheet Protectors/Backup/Paper/Beverages	07/22/16	258.32
Time Warner Cable	Monthly Internet/Phone Service	07/22/16	232.69
Tyler Business Forms	Check Paper Stock	07/22/16	296.79
United States Cellular	Monthly Data Hot Spot Service	07/22/16	97.80
United States Cellular	Monthly Cell Phone Service	07/22/16	163.35
USA Blue Book	Distilled Water-WTP	07/22/16	91.20
Walmart Community/GEMB	Vinegar/Distilled Water/Cleaning Supplies/Beverages/ Velcro/Sugar/Folders	07/22/16	87.14
Ware-Butler Inc.	Hooks/Masonry Bits/Handles/Shovels	07/22/16	82.58
F. W. Webb Company	Fluoride Pump and Tank Parts	07/22/16	505.13
Wright-Pierce	Fall Protection Design Services/WAPS Services	07/22/16	54,152.57
Postmaster	Bulk Mail Postage-Billing	07/28/16	669.41
Environmental Projects Inc.	Gasoline Contamination Monitoring at Union Street	07/28/16	5,730.00
Hilltop Cleaning Service	Monthly Cleaning Service-July	07/28/16	658.00
Home Depot Credit Service	Drawer Liner for New Service Dept. Van	07/28/16	29.94
IDEXX Distribution Inc.	Testing Kits/Sample Bottles-WTP	07/28/16	1,484.06
Kennebec Auto Service	Replace Axle Seal-TK 20/Service & Inspection-Tk 8/ Starter Issue & Oil Change-Tk18	07/28/16	752.84
Gerald MacKenzie Inc.	Patches-Various Locations	07/28/16	5,609.03
Workplace Health	Audiogram Recheck-1 Employee	07/28/16	42.00
Messalonskee Stream Hydro LLC	Eel Ramp Repairs and Labor	07/28/16	2,809.21
Northern Safety Company Inc.	Eye Saline Solution	07/28/16	97.14
Staples Credit Plan	Ink	07/28/16	83.98
Verizon Wireless	Monthly Data Service	07/28/16	131.00
Ware-Butler Inc.	Lags/Bits	07/28/16	7.79
TOTAL WARRANT			\$361,893.81

Motion by Trustee Talbot, “to ratify the total warrant of checks released for \$361,893.81”, seconded by Trustee Gorman.

Referring to the fluoride spill at the WTP and the associated costs for clean-up and repairs, Trustee Coull inquired if KWD has been informed officially by its insurance provider, Maine Municipal Association (MMA), that the claim for damages has either been approved or been denied. Mr. LaCasse directed the Trustees attention to a letter provided to them at today’s meeting from the MMA signifying that the claim is not covered by the Coverage Certificate and has been denied. Included in this letter were the clauses encompassed in the Coverage Certificate which described the applicable exclusions for this type of claim. Basically, the claim was disallowed for several reasons including but not limited to the fact that there is no coverage for damage arising out of chemical releases, and because it was deemed that the failed nuts and bolts on the fluoride transfer pump loosened and caused the fluoride leak which is not considered an actual breakdown (breakdown as defined by the coverage language) of equipment. Trustee Hodsdon suggested the possibility of

purchasing supplemental insurance coverage for this type of potential incident. Mr. LaCasse agreed that this is an option; however, he added that there are numerous other pumps and equipment in the KWD system which could falter due to an unexpected and extreme condition and it most likely would be very expensive to insure against potential failures of all. He added that additional alarms have been added to the fluoride system and have been networked in order to alert the WTP staff immediately if this situation should occur in the future. If there is a failure after hours, as with the other alarm systems in place, the WTP person on duty call will be alerted that there is an issue. Trustee Hodsdon commented that due to the chemical composition of the fluoride and the damage it can cause, it might be warranted to purchase extra insurance coverage for this precise tank and pumping equipment only.

Vote: Motion carried unanimously.

B. Other

For his preliminary review of a potential recommended rate increase for 2017, Mr. LaCasse began compiling financial comparisons for previous years. During this process, he found the financial comparison of the years 1995 and 2015 quite interesting. He shared this information with the Trustees at today's meeting and conducted a review of a few of the financial categories points of interest.

In 1995 the metered sales' industrial customers' revenue was \$1,772,756, and in 2015 it was \$220,359. Essentially, this downward spiral was due to the loss of industrial business in the area and the subsequent loss in revenue. In addition, around the mid-1990s the Huhtamaki Manufacturing reconfigured its manufacturing process to use river water in place of KWD water. In contrast, in 1995 the metered sales' residential customers' revenue was \$1,537,012, and in 2015 it was \$2,683,656. Mr. LaCasse explained that this increase in revenue is not because of higher water consumption by consumers but due to a significant shift in the ratepayer base and resultant higher rates to residential customers. Due to the loss of industrial business in the area, numerous rate increases were necessary throughout the years in order to produce the financial revenues necessary for KWD to meet expenses. In 1995 total operating revenues were \$4,400,580, and in 2015 it was \$5,046,206, only a difference of \$645,616.

Over the twenty year period, and in line with the wage index, salary and wages have virtually doubled. The employee pensions and benefits expense reflects a substantial increase; however, this comparison is skewed due to the required reporting of the employer contribution to the retirement fund beginning in 2015. On a positive note, the purchase power and chemical expenses were much lower in 2015 than in 1995. The two primary reasons for these reductions are the increased and improved efficiencies at the WTP and the decreased water demand due to the aforementioned industry changes. Mr. LaCasse stated that at times in 1995 KWD's water production was 10 to 11 million gallons per day to meet demands, and presently, the amount is at approximately 3 million gallons per day. Another interesting and unexpected aspect is that the KWD insurance expense was less in 2015 than in 1995, a difference of \$33,976.

The interest expense in 1995 was \$1,292,264, and in 2015 it was \$278,100. Contrary to this, the appropriated retained earnings in 1995 were \$401,250, and in 2015 they were \$1,279,228. Both these line items represent the KWD debt service and as in most interest bearing loans, over time the annual amount for the interest portion decreases and the annual amount for the principal portion increases.

The M-4 income in 1995 was a negative \$32,740, and in 2015 it was a positive \$158,198. Mr. LaCasse explained that the year 1995 was the first year KWD solely owned M-4; previously there was a tri-party ownership. The reason for the loss in 1995 was chiefly due to the fact that KWD had a contractual agreement with Central Maine Power to operate M-4, and this cost was substantial. CMP did run M-4 for a couple years thereafter, and KWD hired an independent operator after this for a few years. Eventually, KWD staff took over the operations of M-4 until Essex Hydro was hired in 2010 at a reasonable rate. Essex Hydro owns the three other hydro stations on the Messalonskee Stream, with M-4 being one in the middle, and Essex Hydro staff dedicates time to operate the dams in order to optimize flow times for premium generation and revenue.

In regards to a potential rate increase, Trustee Sanzenbacher commented that she recalls that the January 1, 2007 increase was in double digits (19.65). Adding that she is in favor of smaller, more frequent increases rather than exposing rate payers to an extreme increase. Trustee Hodsdon mentioned that if the rate increase is 5 percent or less, KWD could utilize the Maine Public Utilities Commission streamlined chapter for the rate filing. He suggested the potential of a rate increase of 3 percent in 2017 and another 3 percent in 2018. Mr. LaCasse pointed out the fact that the financial shortfall for 2015 (without incorporating the MainePERS surplus funds) was \$292,216. Based on \$5 million in annual revenues, a 5 percent rate increase would produce an additional \$250,000 in revenues. Discussions of a potential rate increase for 2017 will continue at future meetings.

Turning to a different subject, at the July 21st Board meeting, there was some discussion pertaining to the Maine Drinking Water Commission (DWC) AFM and the fact that this figure reflected an increase for the first time in several years. At today's meeting, the Trustees were provided with a copy of the annual invoice from the DWC which explained that in order to meet costs, an increase of approximately 11 percent was necessary. In addition, the DWC anticipates this new fee structure will hold for at least two years before another increase will be required.

ITEM 4: MOTION ISSUES

A. Other

None

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

Because there will be a change to the Central Maine Power (CMP) configuration as a result of the Western Avenue Pump Station (WAPS) upgrade, Trustee Hodsdon inquired if KWD has a new contract for the purchasing of electricity. Mr. LaCasse explained that KWD will be acquiring two separate new services, one for the Western Avenue Pump Station and one for M-4. Mr. LaCasse assured that although the M-4 hydro-station will no longer be directly connected to the WAPS, the electricity from M-4 can still be used to "power" the WAPS by utilizing and remotely syncing the two meters, one at M-4 and one at the WAPS, to obtain a net consumption reading. At the request of Trustee Hodsdon, Mr. LaCasse will provide a copy of the proposed CMP contracts at a future meeting for the Trustees review.

On a different topic, Trustee Boucher explained that when he was at the China Lake Vassalboro boat launch, he observed that a couple of children were waist high in the water. He explained to the adult who accompanied the children that this lake is a water supply for KWD customers and according to the source water protection law, there is no swimming in the West Basin of China Lake. Trustee Boucher commented the signage notifying the public of this information is not real visible, and suggested moving or adding more notices to ensure this information is more evident. Mr. LaCasse stated he will contact the State of Maine and Town of Vassalboro to learn if additional permits are necessary to move or add more signage.

Regarding a different subject, Trustee McCluskey, who lives in Fairfield, stated that he has noticed a great deal of water pressure from his hose, and inquired if KWD has adjusted any of its system processes. Mr. LaCasse replied that there have been no changes.

B. Future Meeting Schedule

Mr. LaCasse informed the Board that he will be on vacation the week of August 15th, and will not be in attendance for the August 18th meeting. Because there were not many items slated for the agenda, it was decided to forgo the August 18th meeting. The next regularly scheduled meeting will be on September 1st.

C. MWUA Outing

Mr. LaCasse informed the Trustees that the Maine Water Utilities Association's annual meeting/clambake is scheduled for Thursday, August 11th, at Thomas Point Beach in Brunswick. Trustees can either register themselves or inform Mr. LaCasse if they are interested in attending. Trustee Hodsdon commented that some of the MWUA meetings and events are quite costly, and asked that this sentiment be conveyed to the MWUA Committee Members.

D. Other

At recent meetings, there was discussion regarding the granular activated carbon utilized during the filtration process at the WTP and the need to replace the carbon in 2017. Mr. LaCasse informed the Board that Trustee Fuller has provided him with some useful information from Jacobi Carbons, an industry leader in carbon activation, regarding this subject matter.

ITEM 6: DEPARTMENT OPERATIONAL REPORTS

A. Operations and Maintenance Update August 4, 2016

We have been working hard to complete all of the valve maintenance and service setbacks on four streets that the city will be repaving next month. This is approximately 12 valves for maintenance, a couple that didn't need maintenance but must be lowered to avoid being hit during the reclaim process, and 30 service setbacks. We have hired Pelotte's Backhoe and Dump truck to aid with this work and are just about finished. We will need to dig and/or vacuum these valve boxes out after the base layer of pavement is laid down to bring them back up to the surface and then work alongside the paving contractor to bring them up to final grade as they lay the surface layer of pavement down.

Amidst these projects and normal operations, we have had to contend with one service and four main leaks this month. We have also performed 52 utility locates for Dig Safe requests, many of which were whole streets.

We continue to talk about upgrades to some of the processes that we feel will be more efficient, but at this point haven't found the time to start implementing them. On that note, I feel that as we continue changing our forms and records to a more technologically based system we will eventually need a fulltime position to aid with these upgrades. Have a great day everyone!

Benjamin LaPlante, Distribution Superintendent

Mr. LaPlante stated that the number of breaks for the past month is now at five. Trustee Hodsdon inquired if there was a common denominator for this series of breaks. Mr. LaPlante replied that there is nothing definitive; however, he will be cross referencing these breaks with the annual Waterville Fire Department Hydrant Flow Testing Schedule to determine if this could have been a contributing factor. There is a potential that breaks can occur due to hydrants being turned on or turned off too quickly which produces water hammer waves throughout the main causing weak spots to break. Trustee Sanzenbacher asked if there should be a training class offered to the fire department staff regarding the operation of the hydrants. Mr. LaCasse replied that in past years, KWD has offered training to the fire department personnel but did not receive a significant amount of interest in response. Trustee McCluskey suggested assigning a KWD employee to assist with the fire-flow testing conducted by the fire departments. Mr. Longfellow commented that this could be a consideration, but due to emergencies and other projects, the testing schedule and the personnel conducting the flow tests is subject to change quite often and some of it is conducted during times outside of the normal KWD workday. Mr. Longfellow did add that one benefit of the hydrant testing is that from time to time private hydrants (ones which are not owned by KWD) that have been discovered to be inoperable are repaired and ready in the event of a fire. Trustee McCluskey also expressed dismay that there is no actual recording of the "unaccounted for water" data which is part of the KWD year-end reporting. Mr. LaCasse agreed that this has always been a concern, and estimates have been used in past years to account for this water. Mr. LaPlante commented that he has future plans to visit the city and town fire departments to open discussions on this overall topic including the subject of water hammer and to determine if the departments are receptive to hydrant operations training sessions.

B. Water Treatment Plant Update August 4, 2016

It's been over a month since the fluoride spill and the costs are starting to come in. As expected the largest expense so far has been the clean-up and hazardous waste disposal which was \$21,470.98. Other costs include new piping and pump costs, carpet replacement, concrete repair, and sealing the containment berm. The total cost is expected to be just over \$30,000. Because we were able to get the fluoride system back online in less than 30 days we were not required to notify the public that we weren't adding fluoride.

We have only had one taste and odor complaint in the last three weeks opposed to thirteen the three weeks prior. This one complaint was on a dead end main so it's likely the water hasn't had a chance to turn over in that main yet, but it appears the issue has cleared up in the rest of the distribution system. I can't emphasize enough that musty odor caused by changing water chemistry is

very normal in many surface water systems this time of year because of algae blooms. Now that we know that the potential exists for an odor problem with our current filter media we intend to be more aggressive with future blooms to minimize the number of complaints until we replace the filter media.

The Alewife Restoration Initiative has started drawing down the Outlet Stream between Masse Dam and the Outlet Dam in preparation for removing Masse Dam which has left the stream quite low. We have had to fight some misconceptions that the low stream level is the District's fault due to the way we operate the Outlet Dam. The lake level of China Lake is also low right now despite our best efforts as we've had very little precipitation. Our summer target is to be between dam spillway elevation and 6 inches above spillway, and we're currently 3 inches below spillway. The bright side of the low precipitation is that we've had good water quality in the lake after getting over an initial algae bloom in the spring.

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

Trustee Hodsdon asked about the current China Lake water condition. Mr. Zetterman responded that except for the spring algae bloom up to this point the overall quality of the lake water this year has been good; however, at the present time it is just beginning to show signs of some deterioration. He further explained that if there are heavy rains in the near future this will add to the phosphorus run-off which would result in further decline.

Referencing the slight taste and odor past issue, Trustee McCluskey inquired the means in which this was remedied. Mr. Zetterman answered that basically the WTP increased the amount of alum dosage and shortened the water backwash filter media cycle to alleviate this problem.

Mr. Zetterman also informed the Board that WTP staff continues to work with staff from the State of Maine's Laboratory Certification Program. In May of 2016, two members from the program visited the WTP to conduct an assessment. The WTP has received the report from the State of Maine, has been implementing the recommended changes, and has responded to the report. Overall, Mr. Zetterman has been extremely pleased with the process and has received positive feedback from the State of Maine Lab Officials. Trustee McCluskey asked if all the WTP operators are lab certified. Mr. Zetterman replied the WTP lab is certified by the State of Maine, and all the operators are trained as lab analysts.

C. Customer Service and Safety Updates August 4, 2016

Meter

Service news of note:

The Weathervane building on KMD was torn down.

A bread products warehouse (new construction) was metered at 93 Airport Rd, Waterville.

A 1-1/2" meter was installed at the new Taco Bell on Main Street, Waterville.

A 1" meter was installed at a new apartment building on School Street, Benton.

A new gardening center opened in the old motor supply building on College Avenue and was metered.

The meter department continues to move from the Western Avenue Pump Station to 6 South Street in anticipation of the WAPS upgrade project startup.

The primary customer service vehicle, a 2008 Ford E-150 with 102,000 miles, was traded in for a 2016 Chevrolet Express Cargo Van with 8 miles on it.

The meter system technician continues to cross train in the main office.

Safety

KWD received \$3,000 in MMA training grant money for rigger/signalperson training (\$1,500) and excavation safety training (\$1,500).

KWD received \$507.64 in MMA safety grant money for fall protection harnesses. A fourth grant approved by MMA will reimburse us 2/3 of the cost for Fire Resistant (FR) clothing and electrical safety personal protective equipment (PPE).

Safety Data Sheets for the South Street complex have been added to Google Drive providing access to them on employee phones and tablets.

Mike O'Brien, Customer Service Manager

In addition to the above, Mr. O'Brien added that electrical contractor E. S. Boulos has inspected the garage area of the newly acquired KWD property at 6 South Street and has provided an estimate of \$2,600 for changes and repairs. During the WAPS upgrade, the Meter Department will be relocated to this garage area. This property was a former residence, and with the purchasing of this property, KWD wants to ensure that all the required standard electrical regulations are being followed. Trustee McCluskey commented that KWD should not invest a great deal of money in this property if there are future plans to tear it down. Mr. LaCasse advised that it will be necessary to occupy the garage area during the WAPS upgrade, but the residence portion will not be utilized and no monies will be devoted. After the WAPS project has been completed, a plan will be devised as to the disposition of the structure and the usage of the property.

Mr. O'Brien also inquired of the Board if the service news included in his report is helpful. Trustee Sanzenbacher answered and the other Trustees concurred that this is useful information as from time to time customers ask about the city/towns activities.

Motion by Trustee Dornish, "to accept the above Department Managers' Reports as presented," seconded by Trustee McCluskey.

Vote: Motion carried unanimously.

ITEM 7: ENGINEER'S REPORT

A. Engineer's Report

China Lake Elevation: 171.2
Stream Flow: 14 cfs

The work on Union Street, Waterville, has been completed. There are a few clean-up items that remain, but the street has been turned over to the City for it to be reclaimed. The contractor worked to get the College Avenue paving completed in a timely manner to allow for the road reclaiming, but that has been delayed a week so the trenches will need to be maintained for another week. A change order needed to be generated, because the pavement in College Avenue was three times thicker than anticipated, and the City wanted the entire depth of asphalt and Portland cement pavement matched with the new asphalt. KWD has received the report on the gasoline contaminated soils, and it also shows that the soil was handled properly.

Work is well underway on Nelson Street, Waterville. If all goes well, the majority of the main, except for the Kennedy Memorial Drive crossing, should be completed by Monday, August 1st. After pressure testing and disinfecting the main services, the side streets will start to be transferred from the old main to the new. The last step will be the connection to Kennedy Memorial Drive.

Wright-Pierce will be advertising for bids on August 3rd for the Western Avenue Pump Station upgrade. The Drinking Water Program requires 30 days for bidding, so to exceed that time, they have proposed a bid opening of September 7th, with a potential award at the September 15th Trustees meeting.

Jefferson Longfellow, P.E.

In addition to the above, Mr. Longfellow stated that the Nelson Street services are being transferred from the old main to the new main beginning today. The connection to KMD crosses the full street and will be scheduled for night work when there is low traffic flow.

After the awarding of the bids for the WAPS, Trustee Hodsdon asked if KWD would request an updated cost estimate from Wright-Pierce for the project. It was mentioned that although a portion of this work will be conducted during the winter months which could be slower demand times and produce lower bid prices for some contractors, the majority of the WAPS is required to be performed by specialty contractors who do not typically reduce their rates.

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

Vote: Motion carried unanimously.

ITEM 8: GENERAL MANAGER’S REPORT

A. Project Updates

Mr. LaCasse informed the Trustees that as required by the Drinking Water Program the notification for the KWD categorical exclusion for the WAPS project was advertised in the newspaper on July 27th. As was discussed at the July 21st meeting, the Department of Environmental Protection (DEP) staff noted that the planned generator location according to the WAPS specs does not meet the requirement of being 25-feet away from the stream. Because of this, the “permit by rule” process could potentially be disallowed. Mr. LaCasse has appealed to and been in conversation

with the DEP Enforcement Leader for allowance of the original planned location for the generator through the “permit by rule” process. One option offered is to extend the building incorporating the generator into this expansion, which would be somewhat more costly. Another option is to change the plans to move the generator to a different location, but this is undesirable as it would reduce the amount of available parking. If these or any other available options are not viable solutions, KWD could be required to apply for a full NRPA (Natural Resource Protection Act) permit from the DEP which is an extensive formal process and could cause delays in the project. Trustee Hodsdon commented that it might be to KWD’s advantage to apply for the full permit rather than change the generator site to an unwanted location or incur additional cost for a building extension. Mr. LaCasse stated that it is imperative to resolve this soon as the location of the bypass pumping will be based on the location of the generator. Mr. LaCasse will continue to update the Board on this subject matter as new information becomes available.

Also concerning the WAPS project, at the previous meeting there was discussion as to who would be the inspector on site, KWD Engineers, Wright-Pierce Engineers, or a combination of both. At the request of the Board, Mr. LaCasse has asked for a cost proposal from Wright-Pierce for inspection services and will present to the Board this information and a cost comparison analysis if the inspection is conducted by KWD, Wright-Pierce, or a combination of both.

B. China Lake Status and Related Issues

As Mr. Zetterman had mentioned in his report, the Alewife Restoration Initiative has begun the drawdown in the Masse Dam impoundment area in order to prepare for the removal of the Masse Dam. According to the Environmental Protection Agency, the Outlet Stream Dam is to be managed to provide a minimum flow of 10 cubic feet per second to the Outlet Stream. Presently, it is at a flow rate of 14 cfs. This number is near the allowable maximum flow at this time due to the lack of precipitation and the fact that there is a spillway requirement level of at or above six inches which the China Lake water level is slightly below. Trustee Hodsdon asked which circumstance receives precedence, the minimum flow or spillway level requirement. Mr. LaCasse responded that the minimum 10 cfs flow to the Outlet Stream has primacy unless the lake level falls more than two feet below spillway. If this should occur, the minimum flow can be reduced to 2.3 cfs. Pictures were circulated of the present stream condition between the Masse Dam and the Outlet Dam which portrays low water and which would seem to provide a difficult path for alewives to migrate. From viewing these pictures, it would appear that a fish ladder at the Masse Dam site would be the appropriate route rather than the removal of the dam and its impoundment. A fish ladder has not been the chosen option of the ARI group because of the added expense for construction.

C. LIHI Recertification Progress

Mr. LaCasse is in the process of completing the five-year recertification application for M-4 as a low impact hydropower facility to be submitted to the Low Impact Hydropower Institute (LIHI). Because M-4 is certified as low impact, KWD is able to increase revenue by selling renewable energy credits (REC) through brokerage by Essex Hydro. In fact, KWD recently received the 2016 first quarter REC monies in the amount of \$30,000. KWD has submitted the initial flat fee of \$2,000 required by the LIHI for the recertification. Furthermore, Essex Hydro staff, which assisted in completing the initial application for M-4 and has certified all the dams owned by Essex, has been assisting Mr. LaCasse with the application process, and there will be a cost associated for this assistance.

D. Other

Just for a point of interest, the Board members were provided with the first addition of the China Region Lakes Alliance newsletter dated August 1996. The issue confirmed some of the discussion points brought up at prior meetings regarding the origin of the organization and its stated purpose.

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

Vote: Motion carried unanimously.

ITEM 9: EXECUTIVE SESSION

None

ITEM 10: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 8:50 a.m.

Sue Markatine, Recording Secretary