

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – FEBRUARY 15, 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; Bill Boucher, Trustee; Mark McCluskey, Trustee; Frank Richards, Trustee; Denise Bruesewitz, Trustee;

Trustees absent: Alex Wild, Trustee

Mark McCluskey, Trustee, left the meeting at 8:50 a.m.

Also present: Roger Crouse, General Manager, Jeff LaCasse, Former General Manager; Matt Zetterman, KWD Director of Water Quality; Benny LaPlante, 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 FEBRUARY 1, 2018.

Motion by Trustee Talbot, "to accept the minutes of the Regular Board of Trustees' Meeting of February 1, 2018," seconded by Trustee Earickson.

Vote: Motion carried unanimously.

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

February 15, 2018

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Postmaster	Bulk Mail Postage-Billing	01/31/18	718.14
Kennebec County Reg. of Deeds	Water Lien Filing Fees-3 Properties	02/01/18	66.00
Postmaster	Bulk Mail Postage-Billing	02/07/18	290.83
American Glass Company	Windshield Replacement-Tk 17	02/07/18	234.00
Business Card-Bank of America	Christmas Party Food-Shaws/Google Cloud-Google Corrugated Roll File-Amazon	02/07/18	499.65
Budget Document Technology	Envelope Sealing Solution for Folder/Inserter Machine	02/07/18	34.45
Central Maine Power	Monthly Electricity-Variou Locations	02/07/18	7,688.71
Central Tire Company Inc.	Backhoe Flat Repair	02/07/18	75.00
Constellation NewEnergy Inc.	Monthly Electricity-Chase Avenue	02/07/18	263.89
EMSL Analytical Inc. - Products	Water Testing	02/07/18	770.00
Fastenal Company	Safety Glasses/Grinder Discs/Ext. Cord/Grinder/Nuts/Bolts	02/07/18	322.45
Grainger	Gloves/Safety Glasses	02/07/18	204.34
Hach Company	Lab Supplies	02/07/18	658.64
Hammond Lumber Company	Lumber-Spruce for Storage Container	02/07/18	67.80
Jordan Equipment Company	Lifting Sling Materials for Shoring Box	02/07/18	275.22
Kennebec Auto Service	Service-Tk 18/Service & Repairs-Tk 10	02/07/18	1,869.87
Kennebec Water District	Monthly Petty Cash	02/07/18	80.88
Maine Water Works Supply	Adapter Kit/Couplings/Valves/Tee/Gate Box Covers Hydraulic Cement/Couplers/Saddle/Pipe/S/B Rod/Clamps	02/07/18	3,898.93
William Mushero Inc.	Sand/Salt Mix	02/07/18	300.00
NLC Ink LLC	Digitization Fee/Employee Clothing Stching Fee	02/07/18	82.00
E. J. Prescott Inc.	160 IPERL Meters	02/07/18	20,000.00
Protection One Alarm Monitoring	Services-7 Months	02/07/18	106.94
Quill Corporation	Binder Clips/Copy Paper/Correction Tape/File Jackets	02/07/18	302.38
Snow Pond Technology Group	Firewall License for WTP	02/07/18	105.00
Spring Brook Ice & Fuel	Fuel Oil-Variou Locations	02/07/18	886.90
Staples Credit Plan	Floor Protector/Batteries/Cable/Flash Dr./Monitor/Ink	02/07/18	416.31
Super Shoe Stores Inc.	Employee Boots	02/07/18	139.49
Town of Vassalboro	Quarterly Real Estate Taxes	02/07/18	8,203.66
Walmart Community/GEMB	Kitchen Supplies/Window Wash Fluid/Paper Goods Beverages/Retirement Gift/Employee Clothing	02/07/18	510.46
F. W. Webb Company	Check Valves/Ells/Tees/Ball Valve/Couplings	02/07/18	573.40
TOTAL WARRANT			\$49,645.34

Motion by Trustee Earickson, “to ratify the total warrant of checks released for \$49,645.34,” seconded by Trustee Talbot.

Referring to the payment made to NLC Ink LLC, Trustee Earickson asked for a further explanation of the digitization fee. Mr. LaPlante answered that this is a new vendor, who is also a KWD customer, and this fee is for the conversion of the KWD logo into a computerized embroidery format in order to stich the logo onto the employee clothing provided by KWD.

The Trustees also questioned the lower than usual dollar amount for this warrant. This was just due to the timing of the invoices being received and paid over the course of the one-week period between the previous Board meeting and the date the packets for this meeting were disbursed.

Vote: Motion carried unanimously.

B. November Financials

As part of their packet, the Board members were provided with a copy of the November financial statements. It was noted that the 2017 year-to-date operating revenues are reflecting an increase of \$155,633 above 2016. The 2017 year-to-date operations and maintenance expense are reflecting a decrease of \$22,725 below 2016. Overall, the 2017 year-to-date income is below 2016 by \$70,782.

Due to the fact that the M-4 hydro-generator has not been operating and has required numerous costly repairs, the 2017 year-to-date M-4 net income is below 2016 by \$209,138. Mr. Crouse reported that Mr. Longfellow, KWD Engineer, worked with Central Maine Power (CMP) and A. C. Electric on February 9th to complete the phase rotation analysis which tested successfully. CMP is scheduled to return tomorrow, February 16th, to finish some minor adjustments. It is hopeful that when this has been completed, M-4 will be operational once more.

On a different subject, Trustee Hodsdon questioned if any of the KWD facilities experience flooding during heavy rains. No flooding has been detected at any of the locations. Phase one of the roof overlay project conducted in 2017 at the WTP, which previously experienced numerous leaks, proved to be successful.

C. 2018 Capital Budget

As part of their Board packet, the Trustees were provided with two spreadsheets pertaining to the 2018 Capital Budget: 1) Itemized requests by department; and 2) Summary requests by department. The Board discussed the budget.

Trustee Talbot questioned the fact that the Meter/Safety Department had no capital projects or equipment listed for 2018. Mr. Crouse explained that, although there will be numerous expense-related projects and purchases for the Meter/Safety Department, there is no one project or item purchase determined to be at the \$5,000 cost threshold which defines a capital expenditure. He further explained that the preliminary 2018 Capital Budget spreadsheet, which represented requests from each department and was provided to the Board at the February 1st meeting, did include several expense related items in addition to capital related items for all departments including the Meter/Safety Department. Mr. LaCasse added that himself and Betty Hastings, KWD Finance Manager, recently discussed the cost value for depreciable capital items and came to the conclusion that it should be raised from \$1,000 to \$5,000. One example given for this change was when a \$1,000 computer is purchased and capitalized. Typically, the computer has a 5-year life span but with a depreciable life of 10 years. Mr. Crouse offered to compile a 2018 anticipated expense-related spreadsheet for the Board; however, after some discussion, it was deemed this would not be necessary as all items purchased are listed on the account warrant and reviewed by the Trustees.

Trustee Earickson asked for additional details regarding the uninterruptible power source (UPS) replacement at the WTP, specifically, whether KWD is just replacing the battery or the total

unit. Mr. Zetterman explained that this power source activates at the loss of power and up until the generator begins. During a power outage this past fall, the UPS failed and created numerous issues such as losing functionality for the programmable logic controllers (PLCs), analyzers, and remote control valves. In addition, a fluoride meter was damaged due to this incident and had to be replaced. The present UPS system is the original unit installed when the WTP was first put on-line, is no longer supported for maintenance purposes, and will be replaced. Trustee Earickson suggested considering replacing it with a unit Colby College is contemplating. He explained that this piece of equipment is a flywheel UPS system. During normal operations, electricity is used to power the flywheels. When power is lost, the stored inertial energy is converted to electrical power to maintain power until the generator begins online. With this system, there would be no need to purchase the expensive UPS batteries every few years. Trustee Earickson was unsure of the cost differential between the battery-operated UPS system and the flywheel UPS system. Mr. Zetterman will explore the cost and potential for purchasing this alternative system.

Trustee Dornish noted that included in the capital budget is the second phase of the WTP roof overlay project and asked if this will conclude the roof repairs. Mr. Zetterman answered affirmatively.

Trustee Hodsdon noted that the only street slated for a main replacement is Hallowell Street, Winslow. Mr. LaPlante informed the Board that the City of Waterville is still in the midst of compiling their construction budget, and, at this time, the streets which will be listed for rehab is still an unknown factor.

Trustee Dornish asked if the solar project planned in Waterville will affect any of the KWD infrastructures. Mr. LaPlante answered that he has not been contacted regarding this project. Mr. LaCasse added that he does not believe KWD has pipes in this particular area.

Trustee Fuller asked if there are any main installation plans in place for the Trafton Road, Waterville, development. Trustee Hodsdon offered that when the West River Road Interstate Extension was built, the pipe was extended past the construction. He added that he does not believe there will be development at this location for a couple of years. When this does occur and if water infrastructure is necessary, the cost will be incurred by the developer.

Referring to the capital budget request for the virtual private network (VPN), Trustee Fuller asked if there will be wires or fiber optics associated with this project. Mr. Zetterman answered there is no hard wiring involved, it is all internet based. Trustee Fuller mentioned that he attended a session on data at the Maine Water Works Utilities conference. He commented that, for extra security measures, the Portland Water District (PWD) has a firewall between its supervisory control and data acquisition (SCADA) systems. Mr. Zetterman commented that he believes that the PWD has limited any type of remote access to its WTP. The PWD also is manned 24 hours a day. Because the KWD WTP is not manned 24 hours, and, at times, the WTP is operating during unattended hours, KWD staff needs to be able to remotely monitor the operations.

Trustee Richards requested, and other Board members agreed, that at a future meeting more information such as an in-house comprehensive report and review be provided regarding KWD's computer system, for instance the security and adequacy of and between systems. After some discussion, because KWD is in the midst of major internet, computer, and telephone upgrades, it was decided this review could be presented after these projects have been completed. Trustee Hodsdon commented that any of KWD's security devices and measures should be kept private and discussed in

Executive Session to prevent cyber attackers from procuring this information. Trustee Earickson suggested a diagram such as a data flow chart would be useful, including the firewall systems.

D. Other

None

ITEM 4: MOTION ISSUES

A. Other

The 2018 allocated depreciation funds, which are dedicated to replacing or upgrading depreciable assets, are anticipated to be \$990,000. The totality of the capital budget anticipated spending is \$1,024,000. Therefore, \$34,000 monies from the invested checking account would be utilized to fund the balance of the project costs. Trustee Hodsdon mentioned that this is a baseline budget and due to the nature of the industry, there are almost always unexpected and necessary projects that arise during the course of the year which could change the budget priorities. Mr. LaCasse also reminded the Trustees that any project expenditure \$5,000 and above will be presented to the Board for review and approval before commencing.

Motion by Trustee Fuller, “to approve the proposed 2018 Capital Budget expenditures in the amount of \$1,024,000,” seconded by Trustee McCluskey.

Vote: Motion carried unanimously.

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

Trustee McCluskey commented that he was recently contacted by the owner of The End Zone, sports bar and grill, inquiring about installing a water sprinkler system in the building. At some point in the future, KWD will be contacted regarding establishing water service for this project.

B. Review of Maine Water Utilities Association (MWUA) Conference

Trustee Hodsdon commended Mr. LaPlante as one of the presenters for the “Vacuum Excavation: Tricks of the Trade” session at the MWUA. There was standing room only for this session, which was originally slated for 30 attendees and ended up with 115 attendees. Mr. LaPlante mentioned that because it was such a popular topic, there is discussion of a possible workshop for this subject. The ProCity Deluxe Kit, which allows utilities including KWD to replace rounded, broken, or missing valve nuts without using an excavator, was part of the demonstration. In addition to allowing this work to be conducted without calling DigSafe, without removing and replacing pavement, and no road opening permits and fees, this is a much safer repair method. Mr. LaPlante commented that at the MWUA, he and other KWD employees had the opportunity to network and discuss tools and ideas with other utilities which will further add to the efficiencies of the O & M Department. Trustee McCluskey pointed out that in addition to gaining knowledge, KWD employees who attend these types of seminars are awarded credits to maintain or earn their various water-related licenses. Trustee Fuller stated that the purchase of this one tool has increased productivity and safety

for all the aforementioned reasons and encourages these types of ideas to be continued to be brought before the Board.

Trustee Richards remarked that KWD's participation in these types of conferences and seminars is a great means of promoting the reputation and image of KWD as one of the leaders in techniques and knowledge. He added that this is a valuable asset which cannot be quantified and is important to the District. Trustee Richards was also curious if this type of public participation, which is also a demonstration of KWD's reputation, leads to more qualified applicants when there are job opportunities at KWD. Mr. LaPlante commented that it does further advertise KWD's reputation, and others in the industry might consider KWD if there is an employment opening. He added that the water industry is not widely promoted for employment as a whole, for instance at such places as job fairs. Mr. Zetterman noted that being contacted by and approaching schools and colleges to conduct presentations and tours at the WTP is an important part of the KWD public relations and adds visibility to the work being conducted to provide clean and quality drinking water.

C. Other

None

ITEM 6: ENGINEER'S REPORT

A. Engineer's Report

The KWD Engineer is on vacation.

Because a Trustee stated he had to leave the meeting early, the Board decided to enter Executive Session at this time rather than at the end of the meeting.

At 8:17 a.m., motion by Trustee Talbot, "to enter Executive Session under MRSA Title 1, Section 405-6A to discuss personnel related issues and MRSA Title 1, Section 405-6D to discuss collective bargaining issues between KWD and Teamsters Local No. 340," seconded by Trustee Earickson.

Vote: Motion carried unanimously.

At 8:50 a.m., President Hodsdon brought the Board out of Executive Session.

At a result of Executive Session, motion by Trustee Talbot, "to sell the 2012 Ford Escape to Mr. LaCasse as part of his retirement severance package," seconded by Trustee Dornish.

Vote: Motion carried unanimously.

ITEM 7: GENERAL MANAGER'S REPORT

A. Project Updates

The first project update was regarding the technology changes occurring at KWD. Mr. Crouse informed the Board that last week the necessary upgrade was completed to improve and increase the speed to the KWD internet and a new firewall was installed. Because this has been

completed, KWD is now able to migrate from the MUNIS, KWD's financial and accounting software, dedicated server located at the Business Office to the cloud-based offsite server located at Tyler Technology. This change is being implemented this morning. At the completion of this, Tyler Technology will host, secure, back-up, and install updates for the MUNIS system.

New computers with Office 365 and Windows 10 for numerous employees are ready to be installed, and this should occur within the next few weeks. After this has been accomplished, the voice over internet protocol (VOIP) telephone system, which will integrate the three separate KWD office locations, will be installed. Mr. Crouse commented that these system updates will provide KWD with a more secure and resilient system which will also help aid in better serving the KWD customers.

The next project update was the prospect of a Forest Management Plan for the KWD properties in China and Vassalboro beginning this year and for future years. Mr. Crouse reported that research has proven that when a forest is harvested you develop diversified silviculture (older tree growth mixed with newer tree growth) which is better protection for the watershed and can improve water quality. Comprehensive Land Technologies (CLT), Inc. is preparing a proposal for this project. Mr. Crouse mentioned that there is a college student presently working at CLT who is working on her senior thesis. With the aid of a licensed forester as the overseer, the KWD harvesting plan, including marking boundary lines, will be the center of her project. Mr. Crouse informed the Trustees that because a student is involved with the development of this plan, KWD has been granted a significant cost discount.

Trustee Boucher questioned if there are state or federal shore land restrictions regarding harvesting timber around the West Basin of China Lake. Mr. LaCasse answered that this is no longer classified as a strict no cut zone and some cutting is permitted. Mr. Crouse commented that CLT, being the experts, will know the legalities of the timber harvesting and incorporate this knowledge into its proposal.

Trustee Hodson inquired if KWD should apply for a source-water protection grant from the Maine Drinking Water Program (MDWP) for the cost of the plan. Mr. Zetterman stated that only one MDWP source water protection grant is permitted per year for a water utility, and the Trustees had mentioned using this grant again for the China LakeSmart program. This program strategizes the addition of natural landscaping buffers around the East Basin of China Lake, mostly on private properties, to aid in impeding run-off, a contributor of phosphorus and algae growth. Mr. Zetterman informed the Trustees that, with the discount, the cost of the Forest Management Plan is only expected to be approximately \$3,000. Therefore, it would behoove KWD to apply for the maximum grant limit allowed of \$10,000 from the MDWP for the LakeSmart program.

Trustee Fuller asked the amount of land being considered for the harvesting plan and if it will produce revenue for KWD. Mr. Zetterman answered approximately 320 acres will be considered. Mr. Crouse responded that there could be some revenue gained from the harvest over the years; however, this will be offset, to some extent, by the investment of the plan cost and the marking of the property lines. He also added that the land being managed is a narrow strip surrounding the lake and will be somewhat difficult to harvest involving more overhead cost.

Trustee Richards commented that, as counter intuitive as harvesting may sound, old growth forests are not beneficial to the lake shed. He is convinced that the harvesting is part of a water quality improvement plan, as the shore land cover will be optimized and become healthier with the

removal of dead and older vegetation. New growth tends to be more effective in filtering nutrients before they reach the lake, reducing the potential for algae blooms.

As when discussed at a previous meeting, the consensus of the Board was in support of the idea of a Forest Management Plan. After the plan(s) are received from CLT, Mr. Crouse will review the information and present it to the Board for review.

B. Other

Mr. Crouse began by thanking the Board for his employment opportunity at KWD. He stated that over the past couple of weeks he has had the chance to meet with the KWD employees and has concluded that the staff is great and has a high level of job commitment. Mr. Crouse praised the management team and plans a collaborative approach to form a unified work environment through continuous interaction. He added that although he is the General Manager and in conjunction with the Board's directives ultimate decisions will be made, his view is that the KWD management team is collectively running the District. Mr. Crouse added that, as with any organization, now that there is a new General Manager, the dynamics of the KWD will be different and some changes are inevitable. He stated he is excited to be at KWD and looks forward to continual learning of the fine points of KWD including developing and understanding the relationship between the management team and the Board. In conclusion, for future Board meetings, he is planning to be unaccompanied by Mr. LaCasse, which will provide a better opportunity for the Board to become dependent upon and interact with him and the management team for the KWD happenings and events. Mr. Crouse also expressed his appreciation for Mr. LaCasse, who has close to 40 years of employment with KWD, and added that he will continue to seek the guidance of and utilize Mr. LaCasse as a resource. Trustee Richards commented that this appears to be a sensible approach during the transitional period.

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

Vote: Motion carried unanimously.

C. Other

ITEM 8: EXECUTIVE SESSION, (Under MRSA Title 1, Section 405-6A, Personnel Related Issues Discussions, and MRSA Title 1, Section 405-6D, Collective Bargaining Discussions)

This agenda item was conducted earlier in the meeting, see Item 6.

ITEM 9: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 9:08 a.m.

Sue Markatine, Recording Secretary