

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – FEBRUARY 2, 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; Joan Sanzenbacher, Trustee; Bill Boucher, Trustee; Patricia Gorman, Trustee; Mark McCluskey, Trustee; Frank Richards, Trustee

Trustees absent: None

Trustee Boucher joined the meeting at 7:36 a.m.
Trustee McCluskey left the meeting at 8:45 a.m.
Trustee Talbot left the meeting at 8:50 a.m.

Also present: Jeff LaCasse, General Manager; Jefferson Longfellow, KWD Engineer; Benny LaPlante, KWD Distribution Superintendent; Mike O'Brien, KWD Customer Service/Safety Manager; Matt Zetterman, KWD Director of Water Quality; 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 JANUARY 19, 2017.

Motion by Trustee Talbot, "to accept the minutes of the Regular Board of Trustees' Meeting of January 19, 2017," seconded by Trustee Fuller.

Vote: Motion carried unanimously.

ITEM 3: FINANCIALS

A. ACCOUNT WARRANT

February 2, 2017

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
BNY Mellon Corporate Trust	2004 Bond Principal & Interest	01/17/17	76,252.07
Atwork Franchise Inc.	Flaggers-16.50 Hours	01/18/17	250.80
Bluetarp Financial Inc.-Aubuchon	Painter's Tape/Drop Cloth	01/18/17	29.65
E. S. Boulous Company	Wire Basement Sump Pump & Alum/Cat Poly Pump-WTP	01/18/17	234.00
S W Cole Engineering Inc.	Construction Materials & Testing Services-WAPS	01/18/17	430.92
Earthlink Business	Monthly Telephone Service	01/18/17	347.16
EMSL Analytical Inc.-Products	Cryptosporidium Sampling	01/18/17	380.00
Eurofins Eaton Analytical Inc.	Chlorate Sampling	01/18/17	50.00
Fabian Oil Inc.	Propane-Various Locations	01/18/17	516.67
Fastenal Company	Bottom Tap/Fall Protection Training/Hex Nuts/Lock Nuts Hooks/Hammers/Prybar	01/18/17	904.06
FedEx	Overnight Shipping Charges for Chlorate Sample	01/18/17	86.69
FP Mailing Solutions	Annual Postage Meter Rental	01/18/17	468.00
Wex Bank	Monthly Vehicle Fuel Usage	01/18/17	1,577.60
GWI	Monthly Internet Service	01/18/17	284.60
Harcross Chemicals Inc.	Sodium Hypochlorite-WTP	01/18/17	2,492.56
Home Depot Credit Service	Lumen Headlights Headware	01/18/17	39.94
Hussey Communications Inc.	Monthly Internet Service	01/18/17	250.00
J & S Oil Company Inc.	Off Road Diesel Fuel	01/18/17	544.57
K L Jack & Company Inc.	Electrical Tape/Work Gloves/Face Shields/Paper Towels	01/18/17	540.27
Kennebec Auto Service	4 Tires Mount & Balance & Alignment-Tk 20 Exhaust & Brake Work-Tk 8	01/18/17	2,073.84
Kennebec Water District	Monthly Petty Cash	01/18/17	93.00
M C Disposal Inc./DBA CMD	Monthly Rubbish Removal/Monthly Portapotty Rental	01/18/17	163.00
Maine Municipal Association	Annual MMA Associate Membership	01/18/17	600.00
Maine Municipal Emp. Health Trst.	Monthly Health Insurance Premiums	01/18/17	26,011.29
Maine Oxy/Spec Air Gases & Tech.	CO2 Exchange-2	01/18/17	67.50
Maine Water Works Supply	Stainless Steel Repair Clamp	01/18/17	184.07
Treasurer, State of Maine	OSHA Training Completion Cards	01/18/17	16.00
Workplace Health	Audiograms-9 Employees	01/18/17	387.00
MaineToday Media Inc.	Publishing of Legal Notice Regarding Rate Increase	01/18/17	971.36
Matheson Tri-Gas Inc.	5-Year Lease HP Cylinder	01/18/17	135.00
Motor Supply Company	Floor Dry Absorbent/Car Wash Cleaner	01/18/17	33.54
William Mushero Inc.	Sand/Salt Mix	01/18/17	247.50
Northeast Laboratory	Total Organic Carbon Testing-Raw & Finished Water	01/18/17	100.00
Fanado Pelotte	Wheelers/Tri-Axle Services-Various Locations	01/18/17	2,341.25
Quill Corporation	File Cabinet/Paper/Sheet Protectors	01/18/17	334.54
Spring Brook Ice & Fuel	Fuel Oil/Propane-Various Locations	01/18/17	1,208.02
Staples Credit Plan	Time Cards/Binders/Backup/Note Pads/Pens/Log Book	01/18/17	190.94
Super Shoe Stores Inc.	Employee Boots	01/18/17	139.49
Time Warner Cable	Monthly Internet/Phone Service	01/18/17	232.57
Walmart Community/GEMB	Window Wash Fluid/Vinegar/Cleaning Supplies Coffee/Paper Goods/Isopropyl Alcohol	01/18/17	140.03
City of Waterville	Excavation Street Permits-3	01/18/17	225.00
F. W. Webb Company	3" Cam Adapter/Flange/Gaskets	01/18/17	107.77

Postmaster	Bulk Mail Postage-Billing	01/19/17	617.43
Kennebec County Reg. of Deeds	Lien Releases-2	01/19/17	57.00
Somerset County Reg. of Deeds	Lien Filings-2	01/19/17	44.00
Postmaster	Bulk Mail Postage-Billing	01/26/17	616.08
Business Card-Bank of America	Christmas Luncheon Food-Shaw's/Google Apps-Google Membership Dues-North American Lake Mgmt Society Construction & Demo Waste-Pine Tree Waste	01/26/17	583.41
E S Boulos Company	LED Floodlight/Replace Emergency Light-M-4	01/26/17	899.00
T Buck Construction Inc.	Western Avenue Pumping Station Capital Project	01/26/17	96,759.14
Dennis K Burke Inc.	Heating Oil-WTP	01/26/17	3,600.76
Fastenal Company	Marking Paint/Earplugs/Saw Blades/Cutting Wheel	01/26/17	185.63
Galeton Gloves	Gloves	01/26/17	361.27
Hammond Lumber Company	Plywood/Paint/Chip Brush/Sledge Hammer	01/26/17	68.98
HD Supply Waterworks LTD	Hydrant Markers/Patch Material/PVC Tophat	01/26/17	792.50
IDEXX Laboratories Inc.	Lab Supplies-WTP	01/26/17	1,128.27
J & S Oil Company Inc.	Off Road Diesel Fuel	01/26/17	329.10
Maine Water Works Supply	Repair Clamps	01/26/17	350.44
Treasurer, State of Maine	Lead Water Testing-Schools	01/26/17	40.00
Workplace Health	Audiograms-5 Employees	01/26/17	215.00
Quill Corporation	Copy Paper/Date Stamp	01/26/17	223.94
The Sherwin-Williams Company	Paint/Brushes	01/26/17	155.63
Spring Brook Ice & Fuel	Service Garage Heater/Heating Oil-WAPS	01/26/17	559.94
D L Thurrott Inc.	Chemical Pump Tubing-WTP	01/26/17	697.89
Tractor Supply Credit Plan	Spotlights-Tk 13 & Tk 6	01/26/17	49.98
United States Cellular	Monthly Data Hotspots	01/26/17	98.60
USA Blue Book	Lab Supplies-WTP	01/26/17	1,487.45
Walmart Community/GEMB	Paper Goods/Beverages/Headlight/Smoke Alarm/Tape	01/26/17	82.88
F. W. Webb Company	Hole Saw Blade	01/26/17	41.59
Wright-Pierce	Professional Services-Western Avenue Pumping Station	01/26/17	14,464.91
TOTAL WARRANT			\$246,193.09

Motion by Trustee Earickson, “to ratify the total warrant of checks released for \$246,193.09,” seconded by Trustee Talbot.

Vote: Motion carried unanimously.

B. November Financials

As part of their packets, the Trustees were provided with a copy of the November financial reports, and a brief review was conducted. The 2016 year-to-date net operating revenues are above 2015 by \$35,672.

The 2016 year-to-date operations and maintenance expenses are above 2015 by \$151,513. As had been discussed in previous meetings, the main reason for this increase is the required recording of the employer portion of the MainePERS expense in 2016 which is boosting the employee pensions and benefits category which is above 2015 by \$117,667. The 2016 contractual services – others category is above 2015 by \$42,847. This category reflects the expenses primarily for the outside contractors and is related to repairs and paving projects which are not capitalized.

As approved by the Board and noted by Trustee Hodsdon, KWD is utilizing its invested checking funds as interim financing for the Western Avenue Pumping Station upgrade and will reimburse itself once the bond is issued later this year. During the time before the bond is issued, Trustee Hodsdon asked if the cost for this project will be reflected as an expense item or a capital item. Mr. LaCasse answered the costs will be capitalized and will not be reflected on the monthly income statement report but will be reducing the amount in the invested checking balance (until the reimbursement) which is a line item on the monthly cash flow report. Beginning in December, there have been a few payments for this project. Because the work for this job is not expected to commence again until spring, additional payments will not be until that time and at the approximate issuance date of the long-term bond. Mr. LaCasse explained that although the loan approval amount is \$3.3 million for this project, the Drinking Water State Revolving Loan Fund will only allow funding up to \$3.0 million for the two years expected life of this project. The project schedule has been compacted to begin in April and to be completed in September which could result in some cost savings, for example in the expense for inspection services.

The 2016 year-to-date M-4 net income is below 2015 by \$11,913. Mr. LaCasse informed the Board that beginning in December and continuing since, M-4 has been generating on almost a 24-hour period.

Overall, the 2016 year-to-date net income at the end of November is below 2015 by \$118,422.

C. Comparative Utility Rates

At the January 19th meeting, the Trustees had expressed interest in the KWD water rates as compared to other utilities in the State of Maine. At today's meeting, the Board was provided with this information with two comparisons, one with major Maine water utilities (over 2,000 customers) and one with a selected and varied group of Maine water utilities. Mr. LaCasse explained that the locations with the highest rates are the utilities which are required to operate and maintain a water filtration facility. The locations with the lower rates are the utilities which are exempt from the requirement of a water treatment facility and have limited treatment costs, some of which source of supply are wells. KWD was second from the top in residential rates for 1200 cubic feet of use per quarter for Maine utilities over 2000 customers. Trustee Earickson noted Portland Water District's rates are quite low and asked if this was partly due to the percentage of economy to scale. Mr. LaCasse agreed that economy to scale is a large factor, plus the fact that they are exempt from the full filtration process.

D. Preliminary Capital Budget

The Board was provided with the 2017 Capital Budget Requests spreadsheet. It was clarified that this spreadsheet represents the preliminary projects and equipment requests from each department. Mr. LaCasse and the KWD managers will review this spreadsheet, and after taking into consideration such factors as the cost of the project, the necessity of the project, and the ability to complete the project, will prioritize and fine tune the list. The major reduction will be under the Engineering Department request category as there is presently listed a total of \$3,833,620 for main replacements. During the review of these potential main replacements, several variables will be considered with leak history and concurrent road reconstruction projects being the highest measures of priority.

Trustee McCluskey noted that under the Meter Department category there is a request for IPERL replacement meters (various sizes) for \$35,790. He was under the impression that KWD had already bought the inventory of meters necessary to replace the older bronze body meters. Mr. LaCasse explained that a few years ago, KWD had completed its meter reading upgrade program which involved installing endpoint MUXs on each serviced structure, but the KWD meter replacement plan was expected to take at least eight years and began late in the year 2010. KWD only orders the set amount of meters which it feels it will be able to install in any given year. In order to replace a meter, the KWD staff has to gain access to the home or business. Inventory of the balance of the meters to totally complete the program are not ordered as the meters would be losing battery life sitting on our shelf. The life expectancy of the battery is projected to be approximately 20 years. Mr. O'Brien informed the Board that out of the approximate 8,800 meters in the KWD service territory, by his calculations, 5,001 meters have been replaced with IPERL meters.

Trustee Earickson noted that under the Operations and Maintenance category there is a request for a potholing vacuum unit. He recalled that KWD already has a vacuum unit and asked for more detail regarding this request. Mr. LaPlante explained that the present unit is designed for operating valves and cleaning out gate boxes and service boxes. Because the use for this unit is not intended for potholes, it is being worn out more quickly. The potholing vacuum unit is more ruggedized and is designed for entrenching larger holes than the current unit, but much smaller than are created when digging with a backhoe. Potholing is much less intrusive and can be refilled and paved more easily and with fewer materials which will greatly reduce cost.

Mr. LaPlante also informed the Board that a crew truck might be necessary to add to the capital budget as one broke down yesterday. Later in the meeting, he learned more information regarding this mechanical failure. He reported that there is a computer failure in this vehicle and Roki Repair Shop is unable to conduct the repair, and it will be necessary to tow the truck to a dealership.

After the preliminary 2017 Capital Budget has been adjusted, Mr. LaCasse will present his final recommendations to the Board for review.

E. Other

At a previous meeting, Mr. LaCasse brought to the Board's attention that a KWD employee had expressed interest in participating in the Maine Municipal Association (MMA) income protection plan, essentially a short-term disability plan. He has now conducted a survey and it appears that there are several employees who are interested in participating in this program. KWD would administer the MMA program, which would require some office payroll labor, but the employees would be solely responsible for the premiums. The amount of the premium is based on the amount of protection coverage chosen by the employee and their current rate of pay. Trustee Hodsdon asked if KWD presently provides short-term disability as a benefit. Mr. LaCasse responded that KWD does not provide this benefit; however, employees are provided with one sick day per month which they can accrue up to a maximum of 120 days to utilize if a sickness/accident should occur and be paid at 100 percent of their salary. Unfortunately, a fairly new employee would not have many days accumulated, and therefore, would not have the benefit of much paid sick leave. KWD, of course, is required to participate in worker's compensation which would pay an employee who is involved in a workplace accident. KWD also offers a program similar to the MMA plan through AFLAC, which is also fully funded by the employee(s). However, the MMA plan appears to be more economical for the employees than the current AFLAC plan.

Motion by Trustee Talbot, “to authorize KWD to make available to the employees the MMA income protection plan which will be funded solely by the participating employee(s),” seconded by Trustee Gorman

Vote: Motion carried unanimously.

On a similar subject, Mr. LaCasse mentioned that, although there is a potential repealing of the Affordable Care Act, for the present time Maine Municipal Health Trust plans to uphold the changes which were brought forth with the AFA. Some of these inclusions are allowing for adult children coverage under their parents plan until the age of 26, having to provide coverage for pre-existing conditions, and eliminating the lifetime maximum.

ITEM 4: MOTION ISSUES

A. Other

None

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

Trustee Sanzenbacher was approached by a customer who lives on Mayflower Hill Drive and who had received an additional charge on her water bill for approximately \$50. The customer did call the office, and she stated that the person she spoke with was very pleasant and explained that it was a one-time charge. After this call, the customer became more curious about the details of this charge and asked Trustee Sanzenbacher to research it for her. Trustee Sanzenbacher will get this person’s exact address so that KWD staff can investigate and provide additional information.

B. Updates on ARI Meeting on Outlet Dam Fish Passage/Reports

Recently, Mr. LaCasse, Mr. Zetterman, and Trustee Fuller attended another very productive meeting regarding the Outlet Stream Dam alewife fish passage project which was hosted by KWD at the WTP. Some of the members participating in this meeting were U. S. Fish and Wildlife, Maine Rivers, Maine Department of Marine Resources, and some China and Vassalboro residents. Discussion of and information provided at this meeting included design for the passage, annual amount of fish passage, China Lake water levels and flows, and land ownership surrounding the dam as it will be necessary to utilize this during the construction period.

Mr. LaCasse stated that KWD is quite pleased with the overall fish passage design and the fact that the necessary flow for the migration should not impact the ability of the dam’s operators to meet lake level and streamflow requirements. It is expected that at the next meeting in March a conceptual design plan will be provided. Regarding the timeline, Mr. LaCasse advised the Trustees that the target date for the completion of the Outlet Dam fish passage project is by the end of 2017. He expects a 2018 completion at the outside. Trustee Richards offered that, from his understanding,

also as part of the ARI project the Masse Dam will be removed in 2017 and the Lombard Dam will be removed in either 2017 or 2018.

Regarding the amount of fish passage, the configuration of the input structure is designed to limit the number of alewives migrating into China Lake to 900,000 annually. It is felt that this number is reasonable as it matches the maximum amount limit before reaching a level that potentially could result in negative impacts to the water quality of the lake suggested by Dr. Bjorn Lake's comprehensive report. Dr. Lake was commissioned by KWD and completed the scientific study regarding the potential effects of alewife restoration in China Lake.

Security and safety at the site were also discussion points as typically there are interested viewers at dams during the migration period of the alewives. The land surrounding the dam is presently not conformed to allow access or to support a viewing audience and the land on either side of the dam is private property. KWD does own some property upstream before the dam but not in a optimal location. Trustee Richards commented that the migration period at Webber Pond draws a big crowd and these are much smaller runs than the runs at the China Lake dams. In fact, he stated in the past that some elementary schools have bused in students to watch the Webber Pond run and to be educated on fish migration. Mr. LaCasse mentioned that the Town of Vassalboro is being made aware of the security and safety concerns and will need to be instrumental in the deciding solutions.

After the next ARI meeting scheduled in March, Mr. LaCasse will provide a new update to the Board regarding this topic.

C. Reminder of February 16th Seminar Presentation on Succession Planning

The Trustees were reminded that Joanna Bowers from Verrill Dana will be conducting a "Succession Planning Strategies and Why They Matter in Your Business" seminar for the Board members at approximately 8:00 a.m. on February 16th. Regularly scheduled Trustee business agenda items will be discussed between 7:30 and the start of her presentation and then after the presentation if necessary. In the event of a storm, this session will be rescheduled for the March 2nd meeting.

D. MWUA Annual Conference Update

Mr. LaCasse stated that the Trustees who are planning to attend the Maine Water Utilities Association seminars have all been registered.

E. Other

None

ITEM 6: GENERAL MANAGER'S REPORT

A. Update on L. D. 55

The Trustees were recently notified that the public hearing for L. D. 55, "An Act to Provide Funding for the Restoration of China Lake" which purpose is to charge a fee to customers of the Kennebec Water District to be used to restore the water quality in China Lake had been postponed

until February 9th and as of today that continues to be the scheduled date. Also as of today, this bill has no more additional specific language and remains in concept draft form.

There has been some conflicting information regarding the theory behind this bill, and the intended use of the fees collected. Trustee Dornish contacted Winslow Representative Nadeau regarding this bill stating he understood that its goal is to charge a fee to Kennebec Water District customers to aid in the cost to restore alewives to China Lake. She responded that this fee will not be contributing to the alewife restoration but will be for other projects such as constructing riprap and restoring roads in order to impede phosphorus run-off. Trustee Dornish replied to Representative Nadeau informing her that for years, in addition to sponsoring other China Lake projects, KWD has been funding these types of lake projects and providing in-kind services and suggested that a conversation take place between her and KWD staff. As of today, he had not received additional correspondence from Representative Nadeau. Trustee Dornish has also contacted Winslow Representative Cyrway regarding L. D. 55, and as of today, had not received a response.

Mr. LaCasse has been informed from a source that the speculation is that the backers of L. D. 55 are seeking to charge a \$5 fee per KWD customer annually rather than a fee per gallon of water basis. Trustee Richards commented that he believes that the promoters could be facing difficulty translating the bill's concept into definitive and specific legislative language. Although Mr. LaCasse has prepared testimony against this bill, because there is ambiguity, it is somewhat difficult for him and others to know which exact areas to focus their testimony. Mr. LaCasse added that because the implication of this bill could impact other water utilities at some point, there will be some representatives from other water utilities at the hearing to testify against this bill. In addition, as authorized by the Trustees at the previous meeting, Trustee Hodsdon, as representative of the KWD Board of Trustees, will be testifying in opposition of L. D. 55.

In related news, Mr. LaCasse had sent his narrative entitled "Information and Communications – ARI Project, KWD, and China Lake" to the Towns of China and Vassalboro. This documentation was compiled in order to clarify some misinformation that has been spread in various forums and to convey the present KWD position regarding the ARI. It also was intended to provide some historical data and information regarding the Outlet Stream Dam. With the permission of Mr. LaCasse, an edited version of this appeared in the local newspaper The Town Line published on January 19th, with a footnote informing readers that the entire contents could be read on line at www.townline.org. The Town Line published on January 26th included two letters to the editor, one from Matt Streeter, Project Manager of the ARI, thanking KWD for its thoughtful community commentary and also stating that he feels the "KWD's phrasing strikes us as appropriate". The second letter was from John Glowa who, among other comments, refers to L. D. 55 and the fact that the bill provides no pertinent details. The Trustees were provided with copies of both of these letters.

The Board was also provided with an e-mail correspondence addressed to Mr. LaCasse from Dr. Lake, the primary contributor to the KWD commissioned report on the potential impacts of alewife reintroduction into China Lake, who commented that he read and was pleased with the KWD article in The Town Line as it reiterated and clarified the scientific information provided in his report and the intention to use this information to make informed decisions. Dr. Lake has been in support of the ARI as he commented to the effect that alewife restoration will have a positive influence on the ecosystem from the ocean through the Outlet Stream and into China Lake.

Trustee Fuller made the comment that although L.D. 55 could be considered outlandish, a positive is that the goal of improving water quality in China Lake is a forefront focal point of the communities and community leaders.

If the public hearing for L.D. 55 should be postponed again, Mr. LaCasse will send an e-mail informing the Trustees of the new date and time.

Also relating to China Lake, a question was posed recently asking that if water clarity did improve and algae blooms no longer occurred would KWD achieve substantial chemical and electrical cost savings? Mr. LaCasse provided the Trustees with a spreadsheet for the years 2014, 2015, 2016 of monthly chemical and electrical costs and indicated the times without blooms and with blooms. According to the DEP definition for algae blooms, Secchi disk readings of less than two meters, there were no blooms for the years 2015 and 2016. He said KWD actually uses a stricter standard to define blooms, turbidity greater than 2.5 NTU. Using the KWD definition, there were four months of bloom in 2014. There was just a small cost difference in chemical and electrical cost per million gallons of water produced in those bloom months as opposed to the annual average. In 2016, a year with exceptional water quality because of the lack of precipitation, the chemical and electrical use per million gallons produced was about the same as in 2014 and greater than in 2015. The spreadsheet is evidence that savings would be minimal at best with a source water improvement.

There are many variables that impact chemical and electricity costs each year. KWD still must treat its water to exacting regulatory standards to ensure removal of specific viruses, bacteria and other organisms and cannot vary its treatment processes much without increasing the risk of not meeting standards and producing a safe water quality for its consumers.

B. Low Impact Hydropower Institute (LIHI) Process and Funding Update

As had been discussed in prior meetings, the recertification for M-4 as a low impact hydropower facility is in process. Because M-4 is currently certified as low impact, KWD is able to increase revenue by selling renewable energy credits through brokerage by Essex Hydro. Because there has been a change regarding the recertification methodology, there are additional criteria standards. Also, in addition to the annual certification charge of \$1,000, there is \$2,500 recertification application fee. During the review process, the LIHI has deemed that KWD will be required to conduct some water quality monitoring in the Messalonskee Stream, both upstream and downstream. These tests will be conducted by KWD staff and the costs are expected to be controllable. Mr. LaCasse explained that these samplings were conducted when KWD initially took ownership of M-4. After a couple of years of this testing, the Department of Environmental Protection (DEP) was satisfied with the results and discontinued the necessity of the tests. The DEP sampling protocol for hydropower facilities will again be followed when conducting this water monitoring and testing.

C. Sidney Service Area and Related Project

Mr. LaCasse explained as part of the overall building of the new I-95 exit in Waterville, a portion of the West River Road and Trafton Road were rebuilt and a new water main extension was installed by Sargent Corp. on the Trafton Road. The Trafton Road water main will be extended further in order to develop the area for commercial entities. A portion of this area being expanded is next to the Sidney Town line and, if some of the commercial buildings are located within the town of Sidney, KWD would be requested to provide water outside its normal service area. Mr. LaCasse

informed the Board that KWD was granted authorization by the Maine Public Utilities Commission in 1973 to serve a portion of Sidney. That service area extension includes the area next to Trafton Road that might be included in this new development. Trustee Earickson asked if KWD will be required to offer a seat on the KWD Board of Trustees for a Sidney representative if KWD does provide water to the town. Mr. LaCasse replied that this is not mandatory as the order is an exception and is not making Sidney a service community or corporate member of KWD. As a customer, anyone with a service in Sidney will have the same rights of any other customer and be able to address and interact with any of the sitting KWD Board members or the M.P.U.C. in order to voice their opinion.

D. Other

At the January 19th meeting, Trustee Fuller had expressed interest in receiving additional literature regarding the LakeSmart Program. Mr. LaCasse found a fairly comprehensive source of information which is a 2016 thesis paper from a Colby College student entitled “Assessing LakeSmart – The Development and Effectiveness of a Lake Protection Program”, and he will provide a copy of this via email to the Trustees.

Mr. LaCasse also informed the Board that he and Mr. Zetterman plan to meet with Marie Michaud, representative from the China Lake LakeSmart Program, to obtain a more detailed report on the accomplishments and costs of the projects in 2016 and the project plans for 2017. Mr. LaCasse and Mr. Zetterman will also work with LakeSmart reps on applying for a source water protection grant from the Maine Drinking Water Program to financially aid the 2017 projects.

In addition, and as directed by the Board, Mr. LaCasse composed and sent a letter to Scott Pierz, President of China Lake Association (CLA), confirming that KWD is dedicated to supporting and financially sponsoring a portion of the CLA programs. The Trustees and the Towns of China and Vassalboro were provided with a copy of this letter. Although Trustee Richards is in favor of KWD directly funding projects through the CLA, he expressed that he feels KWD should also contribute to the China Region Lakes Alliance to support their administration. Because Trustee Richards is new to the Board, Mr. LaCasse reviewed the fact that KWD had been a proponent of the CRLA both monetarily (flat donations of \$13,100 for numerous years and \$18,000 in recent years and courtesy boat inspection reimbursement for 2015) and with in-kind services for several years. In fact, former KWD employee Jon Van Bourg was one of the original driving forces behind the CRLA, and Jim Hart, the previous KWD Director of Water Quality, was the CRLA President when he was employed by KWD and continues to be President. Both of these former KWD employees were essential in obtaining thousands of dollars’ worth of grants for watershed projects on behalf of the CRLA. Once the CRLA shifted its primary focus towards the ARI project, Mr. LaCasse and the KWD Board decided that contributions from KWD ratepayers should not be dedicated to a fish passage project. However, as stewards of China Lake, KWD will continue to promote and sponsor, either on its own or with other organizations, other China Lake projects which will benefit the lake.

On a different note, because lead in drinking water has been a national and local topic over the past year, the Trustees were provided with a copy of an article published in the Morning Sentinel on July 30, 1993 titled “Water Questions Trickling In”. Mr. LaCasse explained that this was just prior to the time that the KWD WTP was put on-line. This article addressed elevated lead levels in the drinking water and solutions to this issue in the same manner as to which have been recently in the news and discussed. For instance, the article mentions that “There is no lead in KWD’s water when it leaves China Lake, and it doesn’t pick up any in KWD’s supply lines. But when it sits in

household pipes joined with lead solder, the metal leaches out.” Mr. LaCasse also explained that since the filtration plant has been in operation, KWD’s finished water does contain a corrosion control chemical.

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

Vote: Motion carried unanimously.

ITEM 7: DEPARTMENT REPORTS

A. Operations and Maintenance Update February 2, 2017

This month the O+M Department has spent much of its time cleaning up snow and ice at South Street, Cool Street, and remote sites. We have also been verifying inventory and performing maintenance on all of the small equipment and other items as necessary. We have done some fabrication and welding to the body/tool cabinets on truck #13 as preventative maintenance. These bodies tend to rust out rather quickly. Truck #1 is far worse, but is scheduled for replacement this year.

We had two main leaks this month, a 6” on Francis Street in Waterville, and a 2” on Willow Street in Vassalboro, both were circumferential splits. There was a small leak in the Western Avenue Pump Station on a line to an outside sillcock. We were able to isolate the leak without affecting anything else, and this line will be upgraded as part of the WAPS project. We have removed the small meter bench and tank from the pump station and are currently in the process of removing the large meter bench and larger tanks as well. Have a great day everyone!

Benjamin LaPlante, Distribution Superintendent

There were no additional questions for Mr. LaPlante.

B. Water Treatment Plant and Watershed Update February 2, 2017

As of January 26th, our area is still considered to be in a moderate drought despite recent precipitation according to the National Drought Mitigation Center. With that in mind, China Lake continues to rise and is well within the DEP’s lake level order range for the winter season. We had an Outlet Dam Committee meeting recently to discuss fish passage at the dam which once again proved to be beneficial for all parties involved. Representatives from the Fish and Wildlife Service expect to have a conceptual design available soon and provided a rough figure of \$200,000 for design, construction, and permitting of the fish ladder. They did provide the caveat that they may have to construct a second fish ladder if they find that too many alewives are sitting in the stream consuming oxygen while trying to get into the lake. A couple of Vassalboro residents expressed concern over the safety of people watching the alewives entering and leaving the lake, because space is currently limited around the dam. This concern will be addressed during the design of the fish passage.

After accepting the bid at our previous Board meeting, we have started to work with Carbon Activated Corp. to get the granular activated carbon (GAC) replacement project going. We haven’t

received a schedule from them yet, but the contract documents state that the project must be completed between April 3rd and May 17th. The reason for the tight timeline is that we want to have the GAC in place before the first algae bloom of the year to minimize potential taste and odor problems. We are also considering doing some concrete repair inside of the filters while the GAC is removed. Also regarding concrete, Standard Waterproofing is currently working on repairing and recoating the concrete along the outside wall of the filter bay at the water treatment plant. The existing coating is falling off, and the concrete is pitted.

Operationally at the treatment plant we have been having trouble with the valve that controls the flow of water for our backwash process. Because we don't have any redundancy with this valve and because of the importance of the backwash process, it is critical that this valve is working properly. The valve doesn't always open when it's called to open, so we have to watch backwashes as they happen in case we have to open it manually. We have done a lot of troubleshooting on the valve and are at the point where we feel it is in our best interest to replace the valve.

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

In addition to the above, Mr. Zetterman added that Carbon Activated Corp. is planning to replace the GAC at one filter per week over a six-week period. This schedule is best suited for the WTP as there will be minimal impact on operations.

Trustee Boucher referred to an apartment fire which occurred yesterday, and asked if this has any impact on the WTP operations. Mr. Zetterman replied that this does not disrupt the filtration plant other than possibly having to produce additional finished water.

Referring to the above report and the backwash process flow control valve, Trustee Earickson inquired if there are concrete plans to replace this equipment. Mr. Zetterman answered the valve is definitely being replaced at a cost of approximately \$5,500, and this item is listed on the 2017 Capital Budget.

C. Customer Service and Safety Update February 2, 2017

Meter

Service news of note: None

Safety

Annual audiograms for the fourteen employees in the hearing conservation program were completed in January by Workplace Health, our program coordinator.

OSHA's 10-hour training programs are intended to provide a general awareness on recognizing and preventing hazards in the workplace. They are not required in Maine but will serve to demonstrate KWD's commitment to safety. Two O&M employees obtained their OSHA 10-hour Construction cards in January. By July 14th, all O&M and Engineering employees will have obtained their cards. By September 29th, all plant operators will have obtained their OSHA 10-hour General Industry cards. SafetyWorks provides the training at no cost.

OSHA Regulation 1926.50(c) - In the absence of an infirmary, clinic, hospital, or physician, that is reasonably accessible in terms of time and distance to the worksite,...a person who has a valid

certificate in first-aid training...that can be verified by documentary evidence, shall be available at the worksite to render first aid. (The General Industry reg is similar.)

Biannual First Aid/CPR training was completed for KWD employees by John Lacombe through a KVCC program.

Annual safety training consisting of Ladders & Scaffolding, Hearing Conservation, Blood-borne Pathogens, Crystalline Silica, Fire Extinguishers, and Respiratory Protection was completed in-house on January 25th.

Mike O'Brien, Customer Service Manager

In addition to the above, Mr. O'Brien informed the Trustees that at the present time, KWD does own one defibrillator, and it is located at the WTP. One of his goals is to obtain additional defibrillators to have on hand at other KWD locations and in a few of its vehicles due to the potential of an electrical shock when working at other sites.

Continuing with the safety topic, Mr. O'Brien provided the Board with a copy of the State of Maine Bureau of Labor Standards compliance directive outlining key safety written programs, required training, records to maintain, equipment to inspect, and facility areas to inspect. This guide line is further evidence of the comprehensive safety standards required to be adhered to in order to ensure the safety of the employees.

ITEM 8: ENGINEER'S REPORT

A. Engineer's Report

China Lake Elevation: 170.3
Stream Flow: 20 cfs

Much of the last weeks have been spent with Josh Couture, KWD's Assistant Engineer, and I working on filling a data base of the water mains within KWD's geographic information system (GIS). Each of the mains is first being assigned a value for its age, the materials that it's made from, the way it was joined, its friction loss value, leak history, and the static pressure that it endured. These items will be given weighting values to get a rating on the likely hood of failures. The mains that have the highest ratings of each will be the more critical mains that will need replacement.

When not working on this analysis, I have been having lengthy discussions with the Maine Department of Transportation (MDOT) concerning the planned paving of Waterville's Main Street from the railroad tracks into Fairfield Center. This is nearly a 6-mile long paving project that will impact KWD's infrastructure.

There has also been several proposed development projects, in various stages, which I have been working on in order to get water for domestic and fire suppression. These range from getting water to an existing building to a medical facility in Fairfield.

Jefferson Longfellow, P. E.

Referencing to the above MDOT Waterville/Fairfield Main Street project, Mr. Longfellow reported this will have a definite impact on KWD and will potentially begin in May and with some work being conducted at night. He estimates approximately 104 KWD valves which in this area which will be necessary to raise and lower for this project.

Another upcoming project planned by a developer is a new dormitory building for Colby students in downtown Waterville. A portion of this work will require the contractor to replace the KWD water main on Appleton Street, and this cost is expected to be absorbed by Colby. However, because a sewer main will also be required to be relocated in the Concourse area, it was his opinion that it might behoove to KWD to replace its main in this area at the same time.

Motion by Trustee Dornish, “to accept all Departmental Reports as presented,” seconded by Trustee Sanzenbacher.

Vote: Motion carried unanimously.

ITEM 9: EXECUTIVE SESSION, (IF NECESSARY)

None

ITEM 10: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 9:10 a.m.

Sue Markatine, Recording Secretary