

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – NOVEMBER 16, 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; Jeff Earickson, Assistant Treasurer; Bill Boucher, Trustee; Kevin Gorman, Trustee; Joan Sanzenbacher, Trustee; Mark McCluskey, Trustee; Frank Richards, Trustee

Trustees absent: Allan Fuller, Clerk

Trustee Talbot left the meeting at 7:45 a.m.

Also present: Jeff LaCasse, General Manager; Mike O'Brien, KWD Customer Service/Safety Manager; Benny LaPlante, KWD Distribution Superintendent; Sue Markatine, Recording Secretary

ITEM 1: INTRODUCTION OF GUESTS

None

ITEM 2: REVIEW AND APPROVE THE MINUTES OF THE REGULAR BOARD OF TRUSTEES' MEETING OF NOVEMBER 2, 2017.

Motion by Trustee Sanzenbacher, "to accept the minutes of the Regular Board of Trustees' Meeting of November 2, 2017," seconded by Trustee Dornish.

Vote: Motion carried unanimously.

ITEM 3: FINANCIALS

A. ACCOUNT WARRANT

November 16, 2017

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Postmaster	Bulk Mail Postage-Billing	10/30/17	482.90
Kennebec County Reg. of Deeds	Lien Release-1 Property	11/02/17	22.00
A Partner in Technology	Various Computer Technology Services	11/02/17	1,147.75
American Lung Association	Memorial Donation for Former Trustee	11/02/17	100.00
Business Card-Bank of America	Central Plus Subscription-LogMeIn/Data Cords, Car Charger Adapter-Amazon/Internet Security-Kaspersky GM Job Posting-NEWWA/Google Cloud-Google	11/02/17	1,916.04
Bromar Printing	Meter Work Slips-2000	11/02/17	298.00
Brown's Welding and Steel	Materials to Fabricate Valve Packing Plates	11/02/17	210.19
Central Maine Power	Monthly Electricity-Variou Locations	11/02/17	11,244.76
Eastern Fire	Hydro Test CO2 Tanks and Hoses-WTP	11/02/17	7,750.00
Fabian Oil Inc.	Propane-Vassalboro	11/02/17	49.66
Fastenal Company	Wheel Blades/Drill Bits/Flat File/Paint/Ear Plugs	11/02/17	965.51
Goodman Wiper & Paper	Flannel Wiper Rags	11/02/17	443.95
Hach Company	pH Meter/Probe-WTP	11/02/17	711.07
Hahnel Bros. Company	WTP Roof Project-Balance Due	11/02/17	18,813.00
Hammond Lumber Company	Hardwood Grade Stakes	11/02/17	171.90
Hilltop Cleaning Service	Monthly Cleaning Service-Variou Locations	11/02/17	658.00
Kennebec Equipment-Fairfield	Vacuum Unit Repair/Light Tower Rental/Safety Vests	11/02/17	1,685.63
Kodiak Steel Company	Service Box Pipe	11/02/17	61.30
Maine Water Utilities Association	GIS Solutions for Water Utilities Seminar-2 Employees Bi-Monthly Meeting-2 Employees	11/02/17	180.00
Maine Water Works Supply	Packing Nut Glands/Valve Assemblies/Stems/Plugs Adapter Kit/Repair Clamp/Gauges	11/02/17	3,428.47
Treasurer, State of Maine	Water Tests	11/02/17	1,154.00
Commonwealth of Massachusetts	NEWWA Conference Road Tolls	11/02/17	3.15
McGee Construction LLC	Appleton/Temple Sts. Main Work/Clinton Ave Main Break	11/02/17	3,593.50
Messalonskee Stream Hydro LLC	Labor & Materials M-4 Eel Passage	11/02/17	10,935.05
Motor Supply Company	Drill Press Belt/Gas Cap	11/02/17	17.61
Northeast Laboratory	Water Test-M-4-Messalonskee Stream	11/02/17	40.00
E. J. Prescott Inc.	Pack Joints/Korner Horns	11/02/17	1,820.48
Quill Corporation	Planners/Trash Bags/Paper/Toner/Pens/Tissue/Towels Tape/Rubber Bands/Report Covers	11/02/17	1,872.75
Super Shoe Stores Inc.	Employee Clothing	11/02/17	173.67
United States Cellular	Monthly Cell Phone Service	11/02/17	96.60
United States Cellular	Monthly Data Service	11/02/17	98.68
Utilitronics	Hydrant Pump	11/02/17	334.82
Verizon Wireless	Monthly Data Service	11/02/17	131.00
Ware-Butler Inc.	Ceiling Tile/Outlet/Outlet Cover	11/02/17	189.46
City of Waterville	Highway Opening Permit	11/02/17	172.20
F. W. Webb Company	Cutter Wheel	11/02/17	18.84
G H Berlin Windward	Mobil Oil	11/02/17	631.42
The Bank of New York Mellon	Annual Administrative Fees for 2004 Bond	11/02/17	3,548.00
Advance Auto Parts	Multi-Cleaner	11/08/17	5.99
Aesseal Inc.	Mechanical Seal	11/08/17	518.19
Answering Services Unlimited	Monthly Answering Service	11/08/17	111.39

BNY Mellon Corporate Trust	2004 Bond Principal & Interest	11/08/17	37,818.75
Earthlink Business 1058	Monthly Telephone Service	11/08/17	379.30
EMSL Analytical Inc. - Products	Cryptosporidium-WTP	11/08/17	580.00
Fastenal Company	Dowell Pins/Saw Blades/Bolt Gauges	11/08/17	173.77
Fisher Scientific	Fluoride Meter-WTP	11/08/17	1,203.09
Global Metal Fabrication LLC	SS Plate	11/08/17	355.00
GWI	Monthly Internet Service	11/08/17	284.60
Hussey Communications Inc.	Monthly Internet Service	11/08/17	250.00
Kennebec Water District	Monthly Petty Cash	11/08/17	102.32
M C Disposal Inc./DBA CMD	Monthly Rubbish Removal/Portapotty Rental	11/08/17	163.00
Maine Water Works Supply	Couplings	11/08/17	1,627.30
Treasurer, State of Maine	Monthly Sales Tax	11/08/17	2,523.19
MainePERS	Monthly Employer Retirement Contribution	11/08/17	7,766.77
MainePERS	Monthly Group Life Premiums	11/08/17	693.46
MaineToday Media	Advertisement for General Manager Position	11/08/17	1,098.48
Rockingham Electrical Supply Co.	Contacto Electric Switch-WTP	11/08/17	146.55
Town of Vassalboro	Quarterly Real Estate Taxes	11/08/17	8,203.66
Waterville Sewerage District	Quarterly Sewer Bill-Various Locations	11/08/17	137.70
G H Berlin Windward	Mobil Grease/Biocide	11/08/17	561.70
Postmaster	Bulk Mail Postage-Billing	11/09/17	426.27
TOTAL WARRANT			\$140,301.84

Motion by Trustee Talbot, “to ratify the total warrant of checks released for \$140,301.84,” seconded by Trustee Earickson.

Trustee Earickson referred to the payment made to and service provided by A Partner in Technology for the new server and asked for further details. Mr. LaCasse explained that this is for the Axcient System which is a direct recovery back-up system which is being leased on a month-to-month basis at the present time. Trustee Earickson recommended that, if this has not been conducted already, the recovery system should be tested and verified in order to ensure the data can be retrieved and in a timely manner. Mr. LaCasse answered that, although the recovery system is guaranteed to work properly, to his knowledge, this testing has not been performed. Trustee Hodsdon asked if Trustee Earickson would be willing to participate in this testing, and Trustee Earickson answered he would be willing if he had advance notice of the date.

Vote: Motion carried unanimously.

B. Other

The Board members were provided with a copy of the September 2017 financial statements, and a brief review was conducted. The 2017 year-to-date revenue is above 2016 by \$83,760 which is chiefly due to the April 1, 2017 rate increase. The 2017 year-to-date operating expenses are below 2016 by \$16,054. The 2017 contractual services-others expense category, which reflects expenses primarily for outside contractors for various types of repairs and services including paving projects, is below 2016 by \$104,672.

The 2017 M-4 revenues are \$67,583; however, the 2017 deductions from this income, which includes repairs, are \$188,176. Therefore, the 2017 year-to-date net income is a deficit of \$120,593 and below 2016 by \$202,832. Trustee McCluskey asked the usual amount of annual income from M-

4. Mr. LaCasse answered that the amount is typically in the \$150,000 to \$200,000 range. Unfortunately, M-4 is still not connected to the grid and generating due to the fact that the new power pole, which was inadvertently wedged through a storm drain when set, has not been corrected by Central Maine Power (CMP). Mr. LaCasse mentioned he plans on contacting CMP to attempt to expedite this rectification as this is also delaying the M-4 portion of and the completion of the Western Avenue Pumping Station capital project. Although not operating, KWD does receive M-4 forward capacity revenue of approximately \$600 monthly, and recently, received the 2nd quarter renewable energy credit revenue of approximately \$600.

Overall, the 2017 year-to-date net income is below 2016 by \$120,955. In view of this, Mr. LaCasse recommends continuing with the April 2018 5-percent rate increase process, but noted that the Board can adjust the percentage or nullify the increase in the future if deemed warranted.

Regarding a different subject, Mr. LaCasse informed the Board that KWD applied for and was approved for two safety grants which will decrease the cost substantially for necessary safety equipment.

To answer a question asked at the November 2nd meeting regarding the expense for bond counsel service for the Western Avenue Pumping Station capital project, Mr. LaCasse informed the Trustees that the final cost paid to the Verrill Dana Law Firm was \$4,199. This was paid directly by KWD and was not included in a reimbursement through the State Revolving Fund loan.

ITEM 4: MOTION ISSUES

A. Other

None

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

None

B. Results of November 7th Elections

The Trustee election results were as follows: Trustee Fuller was re-elected to represent the Town of Benton; Trustee McCluskey was re-elected to represent the Town of Fairfield; Trustee Boucher was re-elected to represent the Town of Winslow; and Denise Ann Bruesewitz and Alexander Gregory Wild were newly elected Trustees to represent the City of Waterville.

C. Invitation of New Board Members

Although their tenure does not officially begin until January, typically Mr. LaCasse extends an invitation to new Trustees to attend the December Board meetings in order to get them acclimated to the process and current issues. The Trustees were in favor of this proposal.

D. Other

None

ITEM 6: ENGINEER'S REPORT**A. Engineer's Report**

China Lake Elevation: 170.0

Stream Flow: 105 cfs

I will not be attending the November 16th meeting. I will be at an Occupational and Safety and Health Administration (OSHA) 10-hour course on Thursday the 16th and Friday the 17th. I am the last of the employees taking this course, since I had been busy on projects throughout the spring and summer when the course had been offered.

The bulk of the work at the Western Avenue Pumping Station is clean up and painting, so when the flooring begins, there will be little chance of getting paint on it. Also underway are the electric transfers of the garage and office to the pumping station. By being connected, these buildings will share the backup generator when the power fails.

Other time has been spent getting pricing for the 2018 proposed capital budget and working to enhance the geographic information system (GIS).

Jefferson Longfellow, P. E.

Trustee Hodsdon referred to the above report and asked if the office mentioned above which will have backup generator power in the event of a power failure is the Business Office on Cool Street. Mr. LaCasse answered that it is not for the Business Office, it is for the offices at the South Street facility. Mr. LaCasse added that KWD does have a portable generator which will be utilized at the Business Office in the event of a power failure.

Trustee Earickson mentioned that he was at the Western Avenue Pumping Station recently and observed that electrical connections were protruding from the building. Mr. LaCasse explained that this was the connection between the Pumping Station and M-4 and will no longer be utilized. He will make sure the insulators and wiring will be removed. Trustee Earickson also noted that on the outside of the building there were electrical boxes with levers which should be locked-out to prevent someone from inadvertently upsetting this equipment. Mr. LaCasse stated that this matter will also be addressed.

Trustee McCluskey asked if there were many change-orders for the scope of work at the Western Avenue Pumping Station project. Mr. LaCasse answered that, to date, there have only been two change-orders which have amounted to approximately 2-percent of the total project. Due to the size of the project, a couple of the Trustees commented that this low number was impressive. Because the M-4 portion of the project has not been completed, it is unknown if there will be any additional change-orders.

Trustee Boucher was curious if the fall drawdown of China Lake in order to flush out phosphorus was still on-going. Mr. LaCasse answered that the drawdown continues, and the progress will be re-assessed next week. Although the lake was at a low level when the drawdown began, recent rains brought the level up again. Therefore, KWD has not reached the drawdown level goal of 2 ½ feet below spillway. It is important to flush as much phosphorus from the lake during this period but with the mindset of the lake being able to replenish itself back to a normal level in the spring. In addition, although the number is decreasing, there continues to be alewives migrating through the Outlet Stream Dam.

Trustee Boucher also mentioned that he was recently at the China Lake Vassalboro Boat Launch and noticed a truck spreading manure in a field fairly close to the lake. Mr. LaCasse stated there is not much of a buffer between this land and the lake and the water location area of the KWD intake pipe, and this is a very undesirable situation. This problem had been addressed in the past, and he was not aware that this practice had cropped up again. He will do some investigating and speak to the company/person conducting this work.

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

Vote: Motion carried unanimously.

ITEM 7: GENERAL MANAGER’S REPORT

A. China Lake Drawdown Progress

This topic was discussed under Agenda Item 6. Engineer’s Report.

B. KWD Updated Communications System Plan

As was demonstrated to the Board members prior to the meeting by skyping in Mr. Zetterman, KWD’s Director of Water Quality, from the WTP, Mr. LaCasse stated that KWD now has the capability of video-conferencing. One circumstance this could be utilized for is in the event a Trustee is out of the area and still desires to attend the Board meeting. Mr. LaCasse did add that this would not be available for Executive Session, as there would be no means to verify if there was another person in the room of the Trustee present through remote access.

Mr. LaCasse also informed the Trustees that KWD has been working in conjunction with a phone systems provider and KWD’s computer consultant company to acquire information, details, and costs to update the phone system for all the KWD facilities. Mr. LaCasse has received a quote to upgrade the current system to one which will provide such items as system integration for all the KWD locations and updated and increased internet speed. The combined monthly service cost for this new system, which will provide all the updated features, will only be slightly above the present cost paid individually for the three KWD facilities. Mr. LaCasse plans on discussing the cost and features of this new system with the KWD management staff before making a firm commitment to move forward. Mr. LaCasse added that the phone system at the WTP has been in place since the year 1993 and the phone system at the Business Office has been in place since the year 2004.

C. Communications from Waterville Code Enforcement Office Related to Complaints

The Trustees were provided with a copy of the terms of settlement offered to Hamelin's Furniture from T. Buck Construction and Auburn Concrete to rectify the damage to the Hamelin's parking lot and the complaint of dust on their buildings. Mr. LaCasse commended T. Buck Construction staff on their handling of this situation.

The Board was also provided with copies of two responses, one dated October 25th and one dated November 2nd, from the City of Waterville Code Enforcement Office to address various other complaints from Hamelin's Furniture Store owner against KWD's South Street operations. These letters conclude that, as long as KWD continues to follow the decrees as set forth in the City of Waterville Zoning Ordinance, it is acting within compliance.

D. Other

Trustee Hodsdon asked if there were any comments from Mr. LaPlante or Mr. O'Brien. Mr. LaPlante commented that hydrant checks are ongoing to ensure that there is no water in the barrels which would cause freezing and failure in the event of an emergency. He added that for the Operations & Maintenance Department, there is presently a skeleton crew as vacation days are being taken before the year-end. Today, two of the crew members are assisting with attempted/disconnections due to customer non-payments as the Meter Department is booked with service calls.

Mr. O'Brien commented that the aforementioned safety grants are for an air monitor and for fall protection gear. He also added that the large meter testing at the customers' locations is presently being conducted. Trustee Hodsdon asked the frequency of these tests. Mr. O'Brien explained that 3-inch meters are tested every four years; 4-inch meters are tested every two years; and 6-inch meters or larger are tested on an annual basis.

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

Vote: Motion carried unanimously.

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

At 8:08 a.m., motion by Trustee McCluskey, "to enter Executive Session under 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 8:31 a.m. Trustee Hodsdon brought the Board out of Executive Session.

Motion by Trustee Dornish, "for KWD to continue with the Maine Municipal Employees Health Trust Insurance Plan, PPO 1500, for the year 2018," seconded by Trustee Sanzenbacher.

Vote: Motion carried unanimously.

ITEM 9: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 8:35 a.m.

Sue Markatine, Recording Secretary