

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – SEPTEMBER 1, 2016 at 7:30 AM**

The meeting was called to order at 7:30 a.m. by President Hodsdon.

Trustees present: Al Hodsdon, President; Karl Dornish, Vice-President; J. Michael Talbot, Treasurer; Allan Fuller, Clerk; Jeff Earickson, Assistant Treasurer; Joan Sanzenbacher, Trustee; Bill Boucher, Trustee; Patricia Gorman, Trustee; Mark McCluskey, Trustee

Trustees absent: Gary Coull, Trustee

Trustee Sanzenbacher left the meeting at 8:40 a.m.
Trustee Talbot left the meeting at 8:50 a.m.

Also present: Jeff LaCasse, General Manager; Jefferson Longfellow, KWD Engineer; 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 AUGUST 4, 2016.

Motion by Trustee Talbot, "to accept the minutes of the Regular Board of Trustees' Meeting of August 4, 2016," seconded by Trustee Dornish.

Vote: Motion carried unanimously.

ITEM 3: FINANCIALS

A. ACCOUNT WARRANT

September 1, 2016

CHECKS RELEASED		Check	Dollar
Vendor	Description	Date	Amount
Postmaster	Bulk Mail Postage-Billing	08/05/16	387.82
McGee Construction LLC	Water Main Replacement Contract	08/05/16	171,522.00
B2B Auto Sales Inc.	Floor Board and Cab Corner Hole Repair-Tk 4	08/08/16	719.00
Budget Document Technology	Postage Machine Ink	08/08/16	124.45
Central Maine Power	Monthly Electricity-Variou Locations	08/08/16	7,635.10
Constellation NewEnergy Inc.	Monthly Electricity-Variou Locations	08/08/16	10,110.69
Damon Refrigeration Co. Inc.	Troubleshoot Multiple HVAC Electrical Issues-WTP	08/08/16	876.75
Eastern Fire Services Inc.	Quarterly Sprinkler Tests-WTP	08/08/16	557.00
Eurofins Eaton Analytical Inc.	Chlorate Sampling-Raw and Finished Water	08/08/16	50.00
Fastenal Company	Impact Wrench/Adjustable Wrench	08/08/16	225.93
Fisher Scientific	Fluoride Probe-WTP	08/08/16	682.56
GWI	Monthly Internet Service	08/08/16	224.70
Hach Company	Reagents/ph Buffers/Fluoride Buffers/Culture Broth-WTP	08/08/16	1,269.86
Harcross Chemicals Inc.	Sodium Hypochlorite-WTP	08/08/16	2,089.47
Ray Haskell Ford Lincoln Mercury	Oil Change/Inspection-Tk 10	08/08/16	89.73
J & S Oil Company Inc.	Diesel Fuel	08/08/16	317.68
Joseph's Sporting Goods	Employee Clothing	08/08/16	233.03
Kennebec Water District	Monthly Petty Cash	08/08/16	102.78
Maine Oxy/Spec Air Gases & Tech.	Carbon Dioxide/Wire Brush	08/08/16	46.14
Maine Rural Water Association	Principles & Practices of Water Trtmt Class/Manual-1 Emp.	08/08/16	415.00
Maine Water Utilities Association	Annual Meeting/Clambake-3 Emp./1 Trustee	08/08/16	192.00
Maine Water Works Supply	Gate Box Bottoms-Tops-Covers/Service Boxes/Rods Copper Tubing/Packjoints	08/08/16	4,487.40
Treasurer, State of Maine	Monthly Sales Tax	08/08/16	2,405.61
Workplace Health	Annual Audiogram-1 Emp.	08/08/16	42.00
MainePERS	Monthly Retirement Employer Contribution	08/08/16	7,517.50
MainePERS	Monthly Group Life Premiums	08/08/16	703.43
Protection One Alarm Monitoring	Installation of Two Additional Keypads	08/08/16	746.00
Quill Corporation	Paper/Liquid Paper Dryline	08/08/16	261.22
David Morin	Monthly Lawn Service-Variou Locations	08/08/16	1,035.00
Staples Credit Plan	Office Chair/Ink/Water Application Form Paper	08/08/16	241.95
C H Stevenson Inc.	Cold Patch	08/08/16	2,752.00
Walmart Community/GEMB	Hose Connectors & Hanger/Distilled Water/White Vinegar Beverages/Cleaner-WTP	08/08/16	71.96
Ware-Butler Inc.	Wood for Bin Dividers-Tk 5	08/08/16	9.00
Waterville Sewerage District	Quarterly Sewer Bills-Variou Locations	08/08/16	137.70
Atwork Franchise Inc.	Flaggers-21 Hours-W River Road Main Break	08/11/16	319.20
Bluetarp Financial-Aubuchon	Paint/Tape-for Hydrant Painting	08/11/16	49.68
BNY Mellon Corporate Trust	2004 Bond Principal & Interest	08/11/16	38,150.55
Critical Alert	Replace Pagers	08/11/16	108.67
Earthlink Business	Monthly Telephone Service	08/11/16	329.43
Fastenal Company	Hex Nuts	08/11/16	17.85
FedEx	Overnight Shipping Charges for Chlorate Samples	08/11/16	171.16
Wex Bank	Monthly Vehicle Fuel Usage	08/11/16	3,123.44
Hammond Lumber Company	Chip Brushes for Hydrant Painting	08/11/16	18.72

Hussey Communications Inc.	Monthly Internet Service	08/11/16	212.00
J & S Oil Company Inc.	Diesel Fuel	08/11/16	352.95
John's Market	28 Bags of Ice	08/11/16	55.72
Kennebec Auto Service	Strobe Light Installation-Tk 5	08/11/16	255.46
M C Disposal Inc/DBA CMD	Monthly Rubbish Removal/Portapotty Rental	08/11/16	163.00
Maine Oxy/Spec Air Gases & Tech.	CO2 Exchanges	08/11/16	140.48
Maine Water Works Supply	Fittings/Couplings/Gate Box Aligners/Clamp/Tubing	08/11/16	1,382.75
MaineToday Media Inc.	Ad-Determination of Categorical Exclusion-WAPS	08/11/16	432.20
E. J. Prescott Inc.	Grip Ring Accessory Packs	08/11/16	782.46
Protection One Alarm Monitoring	Replace Faulty Keypad	08/11/16	613.91
Q. C. Services	Annual Service for Lab Equipment-WTP	08/11/16	873.57
Robert & Sons Masonry Inc.	Repair Exterior Walls-WTP	08/11/16	6,898.16
Univar USA Inc.	Sodium Hydroxide-WTP	08/11/16	5,600.78
USA Blue Book	Copper Rerounder/Meter Box Wrench/Door Knob Bags		
	Lens Cleaning Wipes	08/11/16	206.52
Walmart Community/GEMB	Trashbags/Paper Goods/Beverages/Soap/Creamers	08/11/16	95.67
Whittemore & Sons	Oil Mix	08/11/16	24.50
Winslow Supply Inc.	Conduits/Pipe Clamps/Emery Cloth	08/11/16	83.28
Postmaster	Bulk Mail Postage-Billing	08/15/16	299.68
Kennebec County Reg. of Deeds	Water Lien Release Fee-1 Property	08/24/16	22.00
Postmaster	Bulk Mail Postage-Billing	08/24/16	480.02
Atkins Printing Service	Window Envelopes	08/24/16	239.00
Bluetarp Financial-Aubuchon	Hydrant Paint	08/24/16	113.97
Business Card-Bank of America	NEWWA Conference-NEWWA/Google Apps-Google		
	Portable Generator-Amazon/Life Jackets-Amazon		
	Water Dist. Class II Exam-PSI-AMP Testing	08/24/16	2,563.08
Central Maine Power	WAPS-Three Phase Electric Service for Hydro Mod.	08/24/16	33,279.78
General Alum N. E. Corp.	Alum-WTP	08/24/16	4,415.60
J & S Oil Company Inc.	Diesel Fuel	08/24/16	404.86
John's Market	28 Bags of Ice	08/24/16	55.72
Gerald Mackenzie Inc.	Patches-Various Locations	08/24/16	8,121.20
Maine Central Railroad, Treasurer	Property Taxes for Water Line-Winslow	08/24/16	24.00
Maine Municipal Health Trust	Monthly Health Insurance	08/24/16	23,738.14
Maine Oxy/Spec Air Gases & Tech.	CO2 Exchanges	08/24/16	171.34
Motor Supply Company	Oil	08/24/16	35.50
Fanado Pelotte	Excavators/Backhoe/Wheelers/Gravel/Mower-Var. Locs.	08/24/16	17,139.13
Protection One Alarm Monitoring	Annual Monitoring/Equipment/Labor	08/24/16	1,061.93
Quill Corporation	Add Tape/Eraser/Stapler/Paper/Ruler/Scissors	08/24/16	283.79
Roki Repair Shop	Labor/State Inspection/Battery-for Trailer	08/24/16	189.74
Sensus	Annual Flexnet (Meter Read System) Support	08/24/16	10,840.95
Time Warner Cable	Monthly Internet/Telephone Service	08/24/16	232.74
United States Cellular	Monthly Cell Phone Service	08/24/16	76.93
United States Cellular	Monthly GIS/WTP Hot Spot Service	08/24/16	97.80
USA Blue Book	Distilled Water-WTP	08/24/16	83.92
Verizon Wireless	Monthly Data Service	08/24/16	131.00
Walmart Community/GEMB	Office Supplies/Beverages/Insect Repell/Batteries		
	Paper Goods/Cleaning Supplies/Vinegar	08/24/16	256.05
Whittemore & Sons	Labor-Attempt Fix for Pavement Saw/New Pavement Saw	08/24/16	1,452.38
Wright-Pierce	Fall Protection Design Services/WAPS Services	08/24/16	46,680.12
Kennebec County Reg. of Deeds	Water Lien Release Fee-1 Property-2 Liens on Property	08/26/16	35.00
TOTAL WARRANT			\$431,269.94

Motion by Trustee Talbot, “to ratify the total warrant of checks released for \$431,269.94”, seconded by Trustee Earickson.

Referring to the fluoride spill at the WTP, Trustee Gorman inquired if the invoice listed on the August 4th warrant from Environmental Projects, Inc. for \$21,470.98 for the fluoride clean-up and disposal concludes the expenses for this incident. Mr. LaCasse replied that he believes all invoices for the associated repairs have been received and paid with the total cost being in the vicinity of \$30,000. He added that supplemental alarms have been installed to alert WTP staff more swiftly if a future failure should occur. In addition, protective measures have been added to contain the fluoride in the event of a spill.

Trustee Dornish asked for a further explanation regarding the payment made to David Morin for the monthly lawn service for \$1,035.00. Trustee Talbot explained that this is for lawn service at the various KWD locations. He added that this company was hired a couple of years ago after a cost evaluation proved that hiring an outside service was less expensive than both hiring a temporary employee during the mowing months to conduct this task and KWD having to buy and maintain the necessary mowing equipment. Trustee McCluskey inquired if the company charges a flat rate. Mr. LaCasse responded KWD is not invoiced a flat rate but is charged a rate for time spent for the services.

Mr. LaCasse pointed out that on today’s warrant there is an invoice listed for Robert & Sons Masonry, Inc. for the WTP exterior wall repair. This project was contracted for masonry repair over a phase of three years, and this is for the third and final installment for this project.

Mr. LaCasse also commented on the payment made to Central Maine Power (CMP) for \$33,279.78 on today’s warrant. As part of the Western Avenue Pump Station (WAPS) capital upgrade, the electrical service connecting M-4 and the WAPS will be severed, and KWD will be acquiring two separate new services. This invoice is for the cost of the new electrical service connection to the Western Avenue Pump Station (WAPS), and there will also be a similar invoice for the new electrical service connection to M-4.

Trustee Fuller asked if he was correct in stating that although M-4 and the WAPS will no longer be directly connected, the electricity from M-4 will still be used to “power” the WAPS by remotely syncing the two meters to obtain a net consumption reading, and Mr. LaCasse ascertained there was an agreement proposed by CMP to this effect. However, as is the current situation, M-4 will need to be generating and the WAPS will need to be pumping in order for this “net metering” to synchronize. Trustee McCluskey inquired if this new configuration will allow for KWD to further coordinate the running of the WAPS with the M-4 generation. Mr. LaCasse replied that KWD presently does and will continue to attempt to take advantage of utilizing the power from M-4 for the running of the WAPS in order to minimize electrical expenses. However, in actuality there are many factors involved which prohibits this on a consistent basis, one such being the present situation of the almost non-existent river flow which is hindering the operation of M-4. Trustee Hodsdon requested a copy of all new proposed CMP contracts for Board review.

Vote: Motion carried unanimously.

B. June Financials

As part of their packets, the Trustees were proved with a copy of the June financial reports, and a brief review was conducted. Both the 2016 year-to-date metered sales for residential customers' revenue and metered sales for commercial customers' revenue are below 2015, by \$6,790 and \$19,150 respectively. Although water usage and associated revenue has been on the decline during previous years, this decrease is somewhat surprising given the lack of precipitation this summer. Overall, 2016 net operating revenues are below 2015 by \$8,580.

The June 2016 salaries and wages employees' expense is higher than the June 2015 expense. Mr. LaCasse explained this is due to the way the calendar falls; June 2016 had five pay periods whereas June 2015 had four pay periods. Both the June 2016 materials and supplies expenses and contractual services – others expenses are above 2015. As was noted at previous meetings, this was anticipated due to emergency repairs and various maintenance projects being conducted during construction season. Trustee Hodsdon inquired about projects which are capitalized rather than expensed. Mr. LaCasse explained that these categories only reflect projects which are for operational and maintenance type projects and does not reflect capital projects such as main replacements or major upgrades to equipment or facilities.

Overall and as forecasted, the 2016 year-to-date net income is below 2015 by \$67,647.

Regarding the cash flow report, Mr. LaCasse noted that, after taking into consideration the bond debt, the balance in the normal reserve is \$1,774,108. Include in this the MainePERS balance of \$1,328,504, results in a net balance in the invested checking of \$3,102,612.

Trustee Hodsdon commented that besides the above cash assets, KWD has unused assets, specifically the properties which are for sale in Fairfield/Waterville (170 acres in Fairfield/3.75 in Waterville) and the less than 5 acres in Vassalboro. He suggested revisiting the subject of marketing and selling these properties. To date, KWD has only advertised by posting signage and including the information on its website. Mr. LaCasse explained that because Fairfield (along with Waterville and Winslow) is a corporate member of the District, KWD is exempt from paying taxes on this land. However, if this property was sold, the buyer would be required to pay taxes which would boost revenue for the Town of Fairfield and City of Waterville. Mr. LaCasse also mentioned KWD has received income from harvesting of the trees on this property. However, this was just conducted a few years ago, and another harvest will not be ready for approximately ten years.

Trustee Boucher asked if the price of the Fairfield/Waterville land is deterring buyers. Mr. LaCasse explained that after in-depth discussions, the Board did set an asking price years ago of \$675,000. Mr. LaCasse has received several inquiries since, and these potential buyers have been informed that the Board would entertain any offers, but no formal offers have been made to date. Trustee McCluskey commented that the asking figure of \$675,000 continues to be displayed on the KWD website. The Trustees agreed that perhaps this should be removed, with Trustee Hodsdon adding that he feels the present day value is well below that figure. Trustee Sanzenbacher suggested a current appraisal might be warranted, and the Board concurred with this proposal.

Motion by Trustee Sanzenbacher, "to authorize the General Manager to hire an appraiser to set a value on both the Fairfield/Waterville and Vassalboro properties," seconded by Trustee McCluskey.

The Trustees discussed the motion. It was decided that Mr. LaCasse could use his discretion as to which appraiser to hire.

Vote: Motion carried unanimously.

C. Other (Current Interest Rates on Investment)

At a previous meeting, Trustee Hodsdon had suggested placing some of the monies in the KWD invested checking in certificate of deposits (CDs) to achieve optimal interest. Mr. LaCasse reported at today's meeting that the current interest rate KWD is receiving on the invested checking funds is .34 percent interest. One-year CDs at the present time are offering .40 percent interest, a difference of .06 percent. In addition, there are some fees involved with the administrating of CDs which would most likely offset any additional interest gained by the investment. Trustee Hodsdon commented that CDs with higher term years generally yield a higher percentage rate, and it might behoove KWD to invest some of its monies in these CDs.

Because KWD receives less in interest returns for its invested monies than it pays in interest fees for bonded projects, Trustee Dornish suggested a review of strategy at a future meeting to utilize a portion of the invested monies to reduce the KWD debt and associated interest expense. Although regulations do not permit KWD to satisfy bond debt early, KWD could consider utilizing on-hand funds for future projects instead of bond issuance. Mr. LaCasse stated that the present plan is for KWD not to issue new bonds to fund major upgrades until at least 2021 when the majority of KWD's bonded debt service will be extinguished. Other than the WAPS capital improvement project, which is being funded by the low interest State Revolving Funds and with some principal forgiveness, KWD is utilizing the allocated depreciation funds and invested checking funds for capital projects.

Regarding the WAPS, because this project encompasses two years, the Bond Bank has agreed to interim financing and the execution of one bond issuance with the funds available around April 2017. Presently, KWD has been utilizing the monies from the invested checking to pay the WAPS contractor, Wright Pierce Engineers, for work completed to date, and KWD will be reimbursed for these costs through the Bond Bank interim financing. Because the interest for the interim financing is one percent, Trustee McCluskey suggested KWD utilize its cash on hand instead of requesting interim financing and paying interest. Once the bond has been issued in 2017, KWD can reimburse itself for the cost of the project. Trustee Hodsdon asked for an interest savings projection to be presented at a future meeting to aid the Board in deciding if it would be warranted for KWD to front the project cost rather than obtained temporary financing.

In other financial news, KWD has received the 2016 tax bill from the City of Waterville for the M-4 hydro-generator related real estate, and it has decreased by \$420 from 2015.

ITEM 4: MOTION ISSUES

A. Motion to Approve Process to Solicit a Master Plan Update in 2017

Mr. LaCasse explained that as recommended by the Drinking Water Program and for the benefit of future planning for KWD, a Comprehensive Facilities Master Plan should be conducted every ten years. This entails hiring an engineering firm to extensively evaluate all facilities and operations and to provide an array of information including detailed procedures and schedules for

preventive maintenance and repair requirements for corrective measures. This Master Plan is also a prerequisite from various financial institutions including the State of Maine Bond Bank when requesting financing. The last one KWD commissioned was in 2002. Mr. LaCasse further explained that in 2002 KWD received a Capacity Development Grant for \$15,000 from the Drinking Water Program which was approximately half the cost of the service, and he would again apply for this grant. Mr. LaCasse noted that many of the recommended upgrades and improvements listed in the 2002 report have been completed, one of which is the WAPS which is now in progress.

Motion by Trustee Fuller, “to authorize the General Manager to begin the process to commission a Comprehensive Facilities Master Plan to be conducted in 2017 and to apply for a Capacity Development Grant from the Maine Drinking Water Program,” seconded by Trustee Dornish.

Vote: Motion carried unanimously.

B. Other

The next motion item considered by the Board was a software update for the Supervisory Control and Data Acquisition (SCADA) System. The present software system being utilized by KWD will no longer be supported by the developer. In conjunction with Results Engineering, Inc. Mr. Zetterman, KWD’s Director of Water Quality, has been evaluating software systems in order to determine which one would provide the optimal solution for KWD, and the Ignition SCADA module was chosen. Purchasing this software through Results Engineering will provide a 20 percent discount, lowering the cost to \$10,854. Results Engineering will also be assisting in the transition to this software and the expectation for this service is less than \$5,000.

Motion by Trustee McCluskey, “to accept the proposal from Results Engineering, Inc. for the purchase and transition to the Ignition SCADA software,” seconded by Trustee Gorman.

The Trustees discussed the motion. Trustee Earickson mentioned that security of this new system should be an utmost concern. Mr. LaCasse stated that, as with the present system, security measures, including firewalls, will be implemented in order to safeguard this system from cyber threats. Trustee Fuller inquired if the system can be manually operated if a failure of the software should occur. Mr. LaCasse replied that, as with the present system, although it requires some finesse, the system can be run manually.

Trustee McCluskey recalled that there had been some discussions regarding the KWD servers and security in past meetings, and asked for an update regarding this topic. KWD presently has two Sensus servers which are used solely for the FlexNet fixed-based radio meter read systems, one Munis server which is dedicated to the financial and accounting software applications, one network server which hosts the remainder of the KWD computer applications including file sharing and e-mail, and the aforementioned SCADA system which controls and monitors the operational functions. Both Sensus and Munis are offering Software as a Service (SaaS) “cloud” solutions for the data systems with the software and database hosted at a secured location off site. At a previous meeting, the Board was provided with the SaaS proposals from these two firms. Trustee Earickson, whose expertise is information technology, was very impressed with the services being offered from these two companies. With Sensus and Munis hosting the data at a remote location, system security will be improved. Presently, Mr. LaCasse is engaged with staff from Munis in order to move forward with the transition for this server. In 2017, he will be in contact with staff from Sensus to begin the second

phase of the plan. There are also plans to eventually evaluate the network server to determine the technological updates both preferred and necessary.

Vote: Motion carried unanimously.

The final motion item discussed today was regarding the financing for the second phase of the WAPS capital project. Previously, the Board had authorized support and commitment for funds from the Drinking Water State Revolving Fund (DWSRF) for the 2016 loan up to \$1,500,000 with 10-percent principal forgiveness. At today's meeting, confirmation of Board approval for the financing through the DWSRF for the second phase of this project is necessary in order for the continuation of the project.

Motion by Trustee Dornish, "to authorize the General Manager to confirm interest to the Maine Drinking Water Program for the 2017 DWSRF loan offer up to \$1,500,000 for the KWD Western Avenue Pump Station Upgrade – Phase 2 of 2," seconded by Trustee Gorman.

Vote: Motion carried unanimously.

ITEM 5: TRUSTEES

A. Comments, Concerns, Ideas

Trustee Boucher inquired the approximate timeframe the paving will be conducted to fix the area damaged by a main break on the Augusta Road in the vicinity of Cumberland Farms. Mr. LaCasse responded KWD solicited bids for this repair and the low bidder, Fine Line Paving and Grading, will be conducting this fix within the next couple of weeks.

Now that the schools are back in session, Trustee Fuller asked if KWD will continue with the lead testing at these institutions. Mr. LaCasse replied that KWD will be contacting both the various schools which did not respond previously to the KWD letter offering aid in lead testing and the schools which were not solicited for the first round of testing.

Trustee Hodsdon mentioned the fact that a few weeks ago KWD had a main break after hours on West Street in Fairfield. He remarked that the Fairfield Director of Public Works approached and asked him the reasons there was a delay in KWD staff arriving on the scene and that this leak was not repaired immediately. This person had a concern of road damage and water flowing into a home owner's cellar. On a side note, the water was flowing into a catch basin; however, this water somehow found its way into the sewer system and caused the Kennebec Sanitary Treatment District's flow to spike dramatically which is an issue for the Town of Fairfield to resolve. Mr. LaCasse stated he was the supervisor on duty for this break. According to FF Public Works, KWD staff was on site in approximately 30 minutes. Mr. LaCasse explained this is a reasonable arrival time, as it does take some time from the moment the on-duty personnel receives the call to the time of arrival at the scene. Unfortunately, due to the nature of this break, there was a lot of water released in a short period of time and before the duty operator was notified. In regards to the delay in fixing the leak, Mr. LaCasse stated each after hours break is evaluated for several elements, including but not limited to homes without water, road damage potential, property damage potential, availability of bringing in the crew, and avoidance of safety issues. In this particular case, it was determined that the water could be left on in a limited capacity allowing the four impacted home owners to continue to have

limited water service without any further road damage. The amount of time between bringing in the crew after midnight and when they regularly report to duty and would begin working on the repair was only a difference of a few hours. In regards to the water flowing into a home owner's cellar, Mr. LaCasse was unaware of this as the flow of the water was such that it was in the direction of the street and running into a catch basin. Trustee McClusky expressed dismay that, although this is a low traffic area, the road damage caused by this break was not attended to for several days. He added that after he called to inquire the timeframe for the cleanup, it was immediately fixed.

On a different topic, Trustee Sanzenbacher and Trustee Dornish both received positive feedback from appreciative customers who had received telephone calls from the KWD Business Office staff regarding high water usage and alerting them that there is a potential that they could have an internal plumbing problem, for instance a faucet leaking or toilet running.

B. Discussion of "MMA Legal Notes" Topics

For informational purposes and review, the Trustees were provided with legal notes from the Maine Townsman. The following topics were included: 1) No Secret Ballots at Board Meetings; 2) Special Notice Requirements; 3) More on the Oath of Office; 4) Tort Claims Notice Must Be in Writing; 5) Update: Remote Participation in Board Meeting Not OK'd; 6) Can a Chairman Vote?; and 7) All About Resignations.

C. Other

None

ITEM 6: DEPARTMENT OPERATIONAL REPORTS

A. Operations and Maintenance Update September 1, 2016

This past month we have completed the infrastructure maintenance in the streets the city of Waterville will be repaving. We will be working with the contractor to bring the valve boxes up to the final pavement grade.

Other projects scheduled for next month are installing a 2" Blow-Off at the end of the 8" main on China Rd. near the Cushman Rd. in Winslow to take care of some issues of air and discolored water. These issues became apparent after the leak on the corner of the China Rd. and the Augusta Rd. We are also planning to repair a broken Butterfly Valve on the Taylor Rd. in Winslow. We have dissected and studied a broken valve that we replaced earlier this year on that street that was installed during the same project. The materials to replace this valve are around \$4500 and would take almost twice the time to complete. We have fabricated a piece of steel to replace the broken part on the last valve and are hoping to repair this valve with no material costs.

The fall flushing of the distribution system is approaching soon. We have traditionally done this at the beginning of October, but we would like to complete this task before the leaves fall from the trees to avoid plugging catch basins and flooding streets and lawns.

Benjamin LaPlante, Distribution Superintendent**B. Water Treatment Plant Update September 1, 2016**

Another month has gone by and China Lake water quality continues to be very good. From a clarity perspective it's the clearest the west basin of the lake has been in August since 1990 with a secchi disk transparency of 3.5 meters. With precipitation levels being low across the state many lakes in Maine are seeing great water quality right now. The lake level continues to drop (we are 7-8 inches below our target) but we are only one month removed from the annual fall drawdown of the lake so we won't have to worry about our summer target for much longer.

Standard Waterproofing has begun prepping the clearwells at the plant for recoating. This involves grinding out cracks, pressure washing, and priming the concrete surface. They are also resealing the interface between the tanks and the access hatches into the tanks. In the pipe gallery we have determined that the most cost effective solution for fall protection while working on valves is going to be a combination of anchor points for tying off, staging, and a monorail system with a hoist for lowering a lift into the lower level. The hoist could also be used to lower valves and other heavy pieces of equipment when necessary. Wright-Pierce Engineering has been working on the design work for this project and we will be looking to include these items in next year's budget cycle.

We have continued to phase new procedures into the laboratory in order to improve quality control which has included in-house examination of each operator in the lab. These new procedures have gone a long way in improving our already solid laboratory program. We have also been evaluating new SCADA software, Ignition, both through a demo copy of the software and through a visit to Maine Water Company's Mirror Lake treatment plant in Rockport where they have been using it for 7 years. The evaluation has gone very well and will be the software package we recommend moving forward. Our existing software is no longer supported by the developer.

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

Mr. LaCasse highlighted the fact that the above report states that the China Lake water quality is the best it has been since 1990. Part of this is attributed to the lack of precipitation this summer and low phosphorus run-off which is a leading source for algae blooms. Due to the lack of rainfall, the lake level continues to drop, and KWD is forced to maintain close to the minimum allowance flow to the Outlet Stream. Unfortunately, because of this low flow, the alewives that are anxious to migrate out of the lake are unable to do so to date. Mr. LaCasse commented that if there continues to be little precipitation, the alewives will not have an opportunity to migrate out until the annual fall drawdown of the lake in October.

On a similar subject, the Department of Environmental Protection (DEP) is not allowing a "permit by rule" for the removal of the Masse Dam, which is one of the first steps in restoring alewife passage into China Lake. Therefore, the Alewife Restoration Initiative (ARI) will be required to file for a regular Natural Resources Protection permit which requires a more formal process. Mr. LaCasse has requested from the DEP to be a participant in the process as he is able to provide accurate historical and current data regarding China Lake.

C. Customer Service and Safety Updates September 1, 2016**Meter**

Service news of note:

Toast Express at Railroad Square in Waterville closed; the service was re-metered, and a bakery is reportedly taking over the space.

Waterville Parks & Rec installed a drinking fountain at the North Street picnic area which required activating and metering a previously unused existing service.

A damaged 1" meter was replaced at the Winslow Rite-Aid. The regional manager was put on notice that it appeared as though the meter may have been damaged by Rite-Aid staff and that Rite-Aid will be financially responsible for any further damage to KWD meters pursuant to the Terms and Conditions, Section 26.G.

Nearly all MXUs (meter reading endpoints) were installed on the outside of buildings and other structures for ease of installation and future access. MXUs are connected to meters by a 22-gauge wire (looks like phone wire). Having repaired the wire several times at the Fairfield House of Pizza, we moved the MXU inside to prevent the wire from being chewed apart within the wall yet again.

Meter staff unknowingly encountered and were bitten multiple times within minutes by fleas while attempting to meter a mobile home at Village Green mobile home park off West River Road, Waterville recently.

Safety

MMA reimbursed KWD \$248.25 for fire resistant (FR) clothing and electrical safety personal protective equipment (PPE). The four grants (2 training, 2 equipment) approved by MMA during the spring grant period totaled \$3,755.89.

Potential items for grant requests for the fall grant period include shoring box panels, road signs, and fall protection rescue items.

Electrical work and carpentry is on-going at the 6 South Street garage in order to occupy the space safely. The meter department continues to move from the Western Avenue Pump Station to 6 South Street in anticipation of the WAPS upgrade project startup.

Somatex, Inc., who provides annual crane/hoist inspection services, has been asked for a proposal to perform annual fixed ladder inspections.

Mike O'Brien, Customer Service Manager

ITEM 7: ENGINEER'S REPORT

A. Engineer's Report

China Lake Elevation: 170.9

Stream Flow: 14 cfs

The main and services replacement on Nelson Street, Waterville, has been completed. Despite some problems, the paving has been completed, and the road has been turned over to the City for them to install a new surface layer of payment which is tentatively scheduled for the week of August 29th. KWD and McGee will need to have a change order for the paving because the road repair method by the City changed from a shim and overlay to a reclaim and pave when the project was bid, and then changed back to a shim and overlay. Because there was limited paving planned, the change order will be to pay for the additional prep work and paving. The next street planned for main replacement is Stuart Street, Winslow. This replacement will be delayed a week or so to allow the contractor to replace the sewer mains on the street first. Because the sewer will be deeper than the water main, this is a reasonable cause for a delay.

Wright-Pierce and KWD hosted a pre-bid meeting for the upgrades to the Western Avenue Pumping Station. The meeting room was at capacity, and it seems that there is a lot of interest in the project. There was also at least one likely bidder, who was unable to attend the pre-bid meeting, who arranged a visit a week later.

The speed switches that were removed from M-4 have been overhauled and re-installed. Sadly, there has yet to be any significant rainfall to get the stream flow running for power generation.

During the Stuart Street delay in main installation, we will be enhancing an existing survey of the South Street complex done several years ago to add topography which will help us plan for the future use of the properties.

Jefferson Longfellow, P.E.

In addition to the above, Mr. Longfellow stated the change order for the extra prep work and paving for Nelson Street will cost approximately \$53,000. Trustee Hodsdon and Trustee McCluskey both questioned the reason the miscommunication (change from a pavement reclaim to a shim) between the City and KWD occurred. Although realizing that due to the nature of the construction season the City does change specs last minute occasionally, they questioned if some type of procedure could be put in place to prevent this from occurring in the future.

Mr. Longfellow informed the Trustees that the bid opening for the upgrades to the WAPS is scheduled for Wednesday, September 7th.

Mr. Longfellow stated that the Maine Department of Transportation (MDOT) has awarded the Trafton Road, Waterville, interchange project to Sargent Corporation. In anticipation of this project, KWD has changed the location of a hydrant, installing a new one on the West River Road and abandoning the other one. Mr. Longfellow will be in contact with the MDOT to learn if the West River Road portion of this project will be completed in 2016; if not, it will be necessary for KWD to continue to maintain the pavement at the place of the water main break which occurred in February.

Motion by Trustee Talbot, "to accept the Engineer's Report as presented," seconded by Trustee Gorman.

Vote: Motion carried unanimously.

ITEM 8: GENERAL MANAGER'S REPORT

A. Western Avenue Pump Station (WAPS) Project Updates

As had been discussed in previous meetings, the DEP staff had noted that the planned generator location according to the WAPS specs did not meet the requirement of being 25-feet away from the stream. Because of this, the “permit by rule” provision could have potentially been disallowed. Mr. LaCasse appealed to and has been in conversation with the DEP Enforcement Leader, and there has been a resolution to solve this dilemma. As suggested by the DEP Enforcement Leader, KWD will extend the building incorporating the generator into this expansion. Although slightly more costly, the generator site will be in the desired location, and the bypass pumping can be at the location of the original design.

Continuing with the WAPS discussion, due to the segregation of the M-4 and WAPS electrical service, a new transformer will be necessary. KWD has the options of buying, installing, and maintaining this 4160 volt unit, or having CMP own and maintain the transformer at the cost of \$400 per month. After discussing these options with electrical engineers from Wright-Pierce, it was determined the best option at this time was to have CMP own and maintain the transformer. The reasoning for this is that if issues with the transformer should occur, KWD does not have the resources or the expertise to conduct the repair. In all practicality, CMP could conduct the repair and have KWD back on-line in a much quicker timeframe which is imperative for the operations. KWD will have the option to purchase and be responsible for the maintenance of the unit if desired at a future date. Trustee Fuller stated he would be curious to learn the cost for KWD to purchase the transformer. Mr. Longfellow mentioned that in addition to the purchase cost, there would be unknown annual maintenance costs. In addition, if the transformer fails, KWD does not have the same network resources as CMP to obtain one immediately. In discussions with A. C. Electric staff regarding this subject, their suggestion was, if KWD did purchase the transformer, to have a spare one in inventory in the event of a failure and to employ a local line company to conduct the repair. Overall, KWD does not feel this is practical as this item is likely to be costly, is comprised of some hazardous chemicals, and will experience deterioration if not in service. A couple of the Trustees commented that KWD is not in the electrical provider business, and there is a risk of being without electrical service longer than necessary if there is a problem.

The final WAPS update today was in regards to the matter of who will be the site inspector for this project, Wright-Pierce staff, KWD staff, or a combination of both. Included in the Wright-Pierce contract is the estimated cost of inspection at \$100,000. If Wright-Pierce were to provide full-time inspection services for the 15-month upgrade window the cost is estimated to be between \$200,000 and \$230,000. If the Wright-Pierce contract does not require KWD to hire its recommended inspector, Trustee McCluskey suggested pursuing cost estimates for KWD to hire an independent contractor for a portion of this project inspection. Mr. LaCasse will investigate this avenue and report back to the Board.

B. 6 South Street Improvements

At the August 4th meeting, there was discussion regarding the electrical and structural repairs and upgrades necessary in order for KWD to utilize the garage at the newly acquired property at 6 South Street, Waterville. Mr. LaCasse informed the Trustees that the electrical costs amounted to \$2,500 and the structural costs amounted to \$3,500. This building is being utilized for both storage and to garage one vehicle.

C. China Lake Issues Update

This subject was discussed under agenda item 6. B. Water Treatment Plant and Water Quality.

D. MUNIS Software as a Service Initiation

This subject was discussed under agenda item 4. B. Other.

E. Other

As a point of interest, a copy of a brochure from Natgun Corporation demonstrating the erection of the two KWD 6-million gallon water tanks in Waterville many years ago were circulated amongst the Board members.

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

Vote: Motion carried unanimously.

ITEM 9: EXECUTIVE SESSION

None

ITEM 10: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 9:08 a.m.

Sue Markatine, Recording Secretary