

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES' MEETING
THURSDAY – DECEMBER 19, 2019 at 7:30 AM**

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

Trustees present: Jeff Earickson, President; Mark McCluskey, Vice-President; J. Michael Talbot, Treasurer; Allan Fuller, Clerk; Al Hodsdon, Trustee; Karl Dornish, Trustee; Amy Stabins, Trustee; Frank Richards, Trustee; Denise Bruesewitz, Trustee

Trustees absent: Alex Wild, Assistant Treasurer

Allan Fuller, Clerk, joined the meeting at 7:40 a.m.
J. Michael Talbot, Treasurer, left the meeting at 8:38 a.m.
Denise Bruesewitz, Trustee, left the meeting at 8:55 a.m.

Also present: Roger Crouse, General Manager; Jeff Longfellow, KWD Engineer; Betty Hastings, KWD Finance Manager; Matt Zetterman, KWD Director of Technology; Benny LaPlante, KWD Customer Service Manager/Safety Coordinator; Jared Bragdon, KWD Operations Superintendent; Sue Markatine, KWD Recording Secretary

ITEM 1: INTRODUCTION OF GUESTS

None

ITEM 2: REVIEW AND APPROVE THE MINUTES OF THE REGULAR BOARD OF TRUSTEES' MEETING OF DECEMBER 4, 2019.

Motion by Trustee Talbot, "to accept the minutes of the Regular Board of Trustees' Meeting of December 4, 2019," seconded by Trustee Dornish.

Vote: Motion carried unanimously.

ITEM 3: FINANCIALS

A. Account Warrant

Motion by Trustee Talbot, "to ratify the December 19, 2019 total warrant of checks released for \$189,962.12," seconded by Trustee Earickson.

Vote: Motion carried unanimously.

B. November Financials

The Board members were provided with the November/Year-to-Date 2019 Income Statement and November 2019 Cash Flow Report. There were no questions regarding these statements.

C. Outstanding Service Bills

This agenda item was tabled until the January 2, 2020 meeting.

D. 2020 Budgets
a. Operational
b. Capital
c. Cash

The Trustees were provided with the following documents: 1) Proposed 2020 Capital Budget; 2) 2019 Cash Budget Update; 3) Proposed 2020 Uncommitted Cash Reserves Budget; 4) Proposed 2020 Operating Budget; 5) Operations Budget Category Descriptions; 6) Annual Water Treatment Plant Output Graph 1990 – 2018; and 7) Consumption versus Revenue Graft 2015 – 2018.

The 2020 Proposed Capital Budget was previously reviewed at the December 4th Board meeting. An adjustment was made to this budget, and the revised version was provided to the Board. There were no additional questions regarding this budget.

As a prelude to the review of the proposed operating budget, Mr. Crouse reviewed the 2019 Cash Budget Update Report, which captured the projected 2019 year-end revenues, expenses, and cash balance compared to the actual and updated estimates for the 2019 year-end revenues, expenses, and cash balance.

Next, Mr. Crouse reviewed the Proposed 2020 Operating Budget which included an explanation of the rationalization for the financial line item budget estimates and responded to questions from the Trustees. Due to the 2019 decline in residential water consumption and associated revenue, Trustee Hodsdon recommended decreasing the 2020 budgeted figure for this line item which will also decrease the overall total operating revenues.

Mr. Crouse also explained the 2020 Uncommitted Cash Reserves Budget analysis which included details of the influence of the timing of the receipt of the Drinking Water State Revolving Fund loan monies from the Maine Municipal Bond Bank.

E. Other

Trustee Earickson mentioned that Mr. Crouse’s salary for the year 2020 has not been addressed by the Board; therefore, he proposed a motion.

Motion by Trustee Earickson, “to award a 2.5 percent wage increase to the General Manager effective January 1, 2020,” seconded by Trustee Fuller.

Vote: Motion carried unanimously.

ITEM 4: EXECUTIVE SESSION – 1 MRS §405. EXECUTIVE SESSIONS

None

ITEM 5: MOTION ISSUES

A. Approval of 2020 Budgets

Motion by Trustee Earickson, “to approve the 2020 Capital Budget, 2020 Operating Budget with an adjustment to decrease the projected operating revenues, and 2020 Uncommitted Cash Reserves Budget,” seconded by Trustee Dornish.

Vote: Motion carried unanimously.

B. Personnel Manual Approval

At the previous few meetings, the Board had reviewed and made recommendations to the updated KWD Personnel Manual.

Motion by Trustee Earickson,” to adopt the revised version of the KWD Personnel Manual,” seconded by Trustee Richards.

Vote: Motion carried unanimously.

C. Purchase of Land for New KWD Facility

Presently, KWD has two land options to purchase agreements for the new KWD Operations Center which are set to expire at year-end. With consideration of these two sites, the sub-committee had chosen one to be more appropriate. The Trustees discussed this topic, other potential land options, and the new facility cost estimate provided by SMRT Architects and Engineers. The Board recommended an extension to the purchase option for the property on the Industrial Road in Fairfield, a more complete site evaluation for the Waterville/Fairfield upper Main Street land presently owned by KWD, and a further evaluation of the conceptual design of the new facility to identify opportunities for cost reduction with the general consensus being that a new facility is considered to be necessary.

Motion by Trustee Earickson, “to extend the option to purchase agreement for the Fairfield property for, at the minimum, two months and to request SMRT Architects and Engineers to conduct a site evaluation for a new facility at KWD’s Waterville/Fairfield land site ,” seconded by Trustee McCluskey.

Vote: Motion carried unanimously.

D. Other

None

ITEM 6: TRUSTEES

A. Comments, Concerns, Ideas

On behalf of the Kennebec Sanitary Treatment District, Trustee Hodsdon thanked the staff from KWD for their aid during the recent sewer main break on Water Street, Waterville.

In lieu of the fact that the water demand from KWD’s customers has been slightly declining for the past several years, Trustee McCluskey suggested KWD staff approach Huhtamaki Manufacturing Plant (HMP) staff to inquire if there is a means, perhaps a special water rate with the

Maine Public Utilities Commission’s approval, to persuade HMP to utilize more KWD water than river water during its manufacturing process.

B. 2020 Officer Elections – January 2, 2020

Mr. Crouse mentioned that at the Annual KWD Board meeting on January 2nd, election of Board officers will occur for 2020.

ITEM 7: GENERAL MANAGER’S REPORT

A. New Facility Cost Estimate Review

This item was previously reviewed. See agenda item 5. C.

B. Other

Mr. Crouse informed the Board that at the recent KWD All-Staff meeting there was a review of the changes to the updated KWD Personnel Manual and the revised KWD Values and Mission Statement.

Mr. Crouse reported that Wright-Pierce has incorporated the KWD staff comments and recommendations derived from the 60 percent set of plans and specifications for the KWD downtown Waterville main replacement project and will be providing a 90 percent plan and specifications completion within the next couple of weeks.

Trustee Earickson recommended testing a new agenda format to one more of a topic-based with the motion items be presented earlier in the meeting in the event a Trustee(s) must leave the meeting early. Trustee Hodsdon suggested that, in order for Trustees to better prepare for the Board meetings, receiving a brief General Manager’s report as part of the Board packet.

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

Vote: Motion carried unanimously.

ITEM 8: PUBLIC PARTICIPATION

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 9:20 a.m.