

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – JUNE 16, 2022 at 7:30 AM**

Note: KWD Trustees held this meeting at the KWD Business Office. Notice of this meeting was posted on the KWD Facebook and Webpage.

The meeting was called to order at 7:35 a.m. by President Stabins.

Trustees present: Amy Stabins, President; Frank Richards, Vice-President; J. Michael Talbot, Treasurer; Jeff Earickson, Assistant Treasurer (Remote Access); Sarah Whateley, Clerk (Remote Access); Denise Bruesewitz, Trustee (Remote Access); Allan Fuller, Trustee; Bruce Williams, Trustee; Ben Murray, Trustee

Trustees absent: Mark McCluskey, Trustee

Denise Bruesewitz, Trustee, left the meeting at 8:10 a.m.

Also present: Roger Crouse, KWD General Manager; Amy Dyer, KWD Finance Manager; Jeff Longfellow, KWD Engineering Manager (Remote Access); Matt Zetterman, KWD Technology Manager (Remote Access); Robbie Bickford, KWD Water Quality Manager (Remote Access); Sue Markatine, KWD Recording Secretary

ITEM 1: INTRODUCTION OF GUESTS

A. Tim Gill, representative from Runyon Kersteen Ouellette, to summarize the results of the 2021 financial audit.

Mr. Gill from KWD's auditing firm, Runyon Kersteen Ouellette, attended the meeting via Zoom and was introduced to the Board members. Mr. Gill conducted a PowerPoint presentation summarizing the results of the 2021 KWD financial audit and answered questions from the Trustees.

On behalf of the Trustees, President Stabins welcomed Trustee Murray. Trustee Murray was appointed by the Winslow Town Council to complete the balance of Karl Dornish's term (through December 31, 2022). Mr. Dornish resigned from the Board in May 2022.

ITEM 2: REVIEW AND APPROVE THE MINUTES OF THE REGULAR BOARD OF TRUSTEES' MEETING OF JUNE 2, 2022.

Motion by Trustee Williams, "to accept the minutes of the Regular Board of Trustees' meeting of June 2, 2022," seconded by Trustee Talbot.

Roll Call Vote: Trustee Earickson – Yea, Trustee Bruesewitz – Yea, Trustee Talbot – Yea, Trustee Richards – Yea, Trustee Stabins – Abstained, Trustee Murray – Yea, Trustee Fuller – Yea, Trustee Whateley – Yea, Trustee Williams – Yea. Motion carried.

ITEM 3: REVIEW AND APPROVAL OF ACCOUNT WARRANT

Motion by Trustee Talbot, "to ratify the June 16, 2022 total warrant of checks released for \$156,279.22," seconded by Trustee Earickson.

Roll Call Vote: Trustee Earickson – Yea, Trustee Bruesewitz – Yea, Trustee Talbot – Yea, Trustee Richards – Yea, Trustee Stabins – Yea, Trustee Murray – Yea, Trustee Fuller – Yea, Trustee Whateley – Yea, Trustee Williams – Yea. Motion carried unanimously.

ITEM 4: REVIEW MAY 2022 FINANCIAL REPORTS

The Trustees were provided with the May/Year-to-Date 2022 Financial Statements and Accounts Receivable Aging Report, and a brief review was conducted.

ITEM 5: APPROVALS/MOTIONS NEEDED

A. Purchase of Aluminum Sulfate and Sodium Hypochlorite in Totes

The Trustees were provided with a request for authorization memo which included proposals from two bidders to purchase chemicals in totes. This storage and utilization method is necessary while the Water Treatment Plant (WTP) chemical storage system improvement project is in progress.

Motion by Trustee Fuller, “to accept the bid from GAC Chemical Corporation for the purchase of alum in totes for \$3.16 per gallon and to accept the bid from Harcros Chemicals for the purchase of sodium hypochlorite in totes for \$2.60 per gallon,” seconded by Trustee Talbot.

Roll Call Vote: Trustee Earickson – Yea, Trustee Bruesewitz – Yea, Trustee Talbot – Yea, Trustee Richards – Yea, Trustee Stabins – Yea, Trustee Murray – Yea, Trustee Fuller – Yea, Trustee Whateley – Yea, Trustee Williams – Yea. Motion carried unanimously.

B. Maine Environmental Solutions Agreement for Third-Party Inspector

The Trustees were provided with a request for authorization memo outlining the reasons for requesting approval of sole sourcing with Maine Environmental Solutions (MES) as a third-party inspector. This is a requirement of the Department of Environmental Protection (DEP) to ensure construction activities associated with the new KWD facility comply within the guidelines of the DEP permit.

Motion by Trustee Fuller, “to approve the agreement with Maine Environmental Solutions as a third-party inspector for the new KWD facility with a per site visit cost of \$400,” seconded by Trustee Richards.

Roll Call Vote: Trustee Earickson – Yea, Trustee Talbot – Yea, Trustee Richards – Yea, Trustee Stabins – Yea, Trustee Murray – Yea, Trustee Fuller – Yea, Trustee Whateley – Yea, Trustee Williams – Yea. Motion carried unanimously.

C. Agreement with A Partner in Technology for Cybersecurity Improvements

The Trustees were provided with a request for authorization memo outlining the reasons for requesting approval of sole sourcing to A Partner in Technology the implementation of the recommended security improvements in the supervisory control and data acquisition (SCADA) system. The cost of this project will be funded by a grant awarded by the Maine Drinking Water Program.

Motion by Trustee Richards, “to approve the agreement with A Partner in Technology to implement the SCADA cybersecurity improvements for \$7,500,” seconded by Trustee Williams.

Roll Call Vote: Trustee Earickson – Yea, Trustee Talbot – Yea, Trustee Richards – Yea, Trustee Stabins – Yea, Trustee Murray – Yea, Trustee Fuller – Yea, Trustee Whateley – Yea, Trustee Williams – Yea. Motion carried unanimously.

D. Updated Bond Resolution for DWSRF Loans to Match DWSRF Approval Levels

- i. The March 25, 2022, resolution authorized: \$3,140,513**
- ii. The June 16, 2022, resolution will authorize: \$3,157,000**

The Trustees were provided with a revised bond resolution for review, and a motion was proposed. (See full resolution following conclusion of minutes.)

Motion by Trustee Richards, “to approve the revision of the 2022 Borrowing Resolution for the Western Avenue, Fairfield, water main replacement project and the Water Treatment Plant Chemical Storage Improvement project from \$3,140,513.00 to \$3,157,000.00,” seconded by Trustee Earickson.

Roll Call Vote: Trustee Earickson – Yea, Trustee Talbot – Yea, Trustee Richards – Yea, Trustee Stabins – Yea, Trustee Murray – Yea, Trustee Fuller – Yea, Trustee Whateley – Yea, Trustee Williams – Yea. Motion carried unanimously.

ITEM 6: GENERAL MANAGER’S REPORT

The Trustees were provided with the General Manager’s report, and a brief review was conducted by Mr. Crouse.

In addition to his report, Mr. Crouse updated the Trustees on the funding for the new KWD facility which will be through the sale of a bond and the impact of increasing interest rates. The Board directed Mr. Crouse to continue as planned with a thirty-year term note. KWD will have the option to refinance the bond after the ten-year mark.

Mr. Crouse informed the Trustees that the U. S. Environmental Protection Agency recently issued new health advisory level recommendations for the amounts of PFOA and PFOS chemicals in water. The Board discussed the implications and challenges these new guidelines will have on KWD, water districts, and well owners across the State.

On June 13, 2022, Mr. Crouse received a request from the Union steward asking for the Board to consider Juneteeth as a KWD recognized paid holiday. The Board discussed this request, and a motion was proposed.

Motion by Trustee Fuller, “to recognize Juneteeth as a KWD paid holiday for all personnel beginning in the year 2023,” seconded by Trustee Williams.

Roll Call Vote: Trustee Earickson – Nay, Trustee Talbot – Nay, Trustee Richards – Yea, Trustee Stabins – Yea, Trustee Murray – Yea, Trustee Fuller – Yea, Trustee Whateley – Yea, Trustee Williams – Yea. Motion carried.

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

Roll Call Vote: Trustee Earickson – Yea, Trustee Talbot – Yea, Trustee Richards – Yea, Trustee Stabins – Yea, Trustee Murray – Yea, Trustee Fuller – Yea, Trustee Whateley – Yea, Trustee Williams – Yea. Motion carried unanimously.

ITEM 7: TRUSTEE COMMENTS, CONCERNS, AND/OR IDEAS

After discussing the meeting schedule for July, a motion was proposed.

Motion by Trustee Williams, “to hold only one KWD Board meeting in July which is scheduled for Thursday, July 21, 2022,” seconded by Trustee Richards.

Roll Call Vote: Trustee Earickson – Abstained, Trustee Talbot – Yea, Trustee Richards – Yea, Trustee Stabins – Yea, Trustee Murray – Yea, Trustee Fuller – Yea, Trustee Whateley – Yea, Trustee Williams – Yea. Motion carried.

ITEM 8: PUBLIC PARTICIPATION

None

ITEM 9: AS NEEDED: EXECUTIVE SESSION – 1 MRS §405. EXECUTIVE SESSIONS

None

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

Roll Call Vote: Trustee Earickson – Yea, Trustee Talbot – Yea, Trustee Richards – Yea, Trustee Stabins – Yea, Trustee Murray – Yea, Trustee Fuller – Yea, Trustee Whateley – Yea, Trustee Williams – Yea. Motion carried unanimously.

Meeting adjourned at 9:00 a.m.

Sue Markatine, Recording Secretary

**KENNEBEC WATER DISTRICT
RESOLUTION AUTHORIZING A LOAN IN THE AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$3,157,000**

BE IT HEREBY RESOLVED by the Board of Trustees of the Kennebec Water District (the “District”) assembled:

THAT: Pursuant to the District Charter, and all other authority thereto enabling, and subject to and conditioned on an approving order of the Public Utilities Commission of the State of Maine (the “PUC”), there is hereby authorized and approved a borrowing in the aggregate principal amount not to exceed \$3,157,000 (of which a portion is anticipated to be forgiven), and issuance of the District’s bonds and/or temporary notes in anticipation thereof therefor (the “Bonds”), the proceeds of which are appropriated for

and shall be used to finance the costs to acquire land or an interest in land, and to design, construct, install, furnish and equip the following (collectively, the “Projects”):

<u>Description</u>	<u>Amount</u>
Water Treatment Plant upgrades (Chemical Storage)	\$1,610,000
Water Main Project – Western Avenue, Fairfield	\$1,547,000

THAT: The General Manager of the District is hereby authorized, in the name of and on behalf of the District, to execute and file with the PUC an application to authorize the District to issue such Bonds, and any such prior action is hereby ratified and approved.

THAT: The Bonds and temporary notes authorized hereby shall be executed in the name of and on behalf of the District by its Treasurer, countersigned by its President and shall bear the corporate seal of the District thereon, attested by its Clerk.

THAT: The Treasurer of the District is hereby authorized and empowered, in the name of and on behalf of the District, to establish, determine and approve the time(s) of the sale, award and settlement of the Bonds and temporary notes authorized hereby (which may be publicly sold or privately placed, on a competitive or negotiated basis, and issued in serial form or as term bonds, or a combination thereof), the date(s), maturity(ies) (not to exceed 30 years from the date(s) of issuance), denomination(s), interest rate(s), payment date(s), place(s) of payment, and all other details of such Bonds and temporary notes, and to provide that any of such Bonds and temporary notes may be made subject to call for redemption, with or without premium, before their stated maturity date(s), such determination and approval to be conclusively evidenced by his execution thereof.

THAT: The Treasurer of the District is hereby authorized and empowered, in the name of and on behalf of the District, to execute and deliver all such contracts, agreements, investment agreements, tax compliance agreements or arbitrage certificates, closing certificates, instruments and other documents as may be necessary or advisable, in connection with the financing of the Projects and the sale, execution, issuance, and delivery by the District of the Bonds and temporary notes authorized hereby, and the investment of the proceeds thereof (the “Bond Documents”), which Bond Documents shall be in such form and contain such terms and provisions including, without limitation, the waiving of the District’s sovereign or governmental immunity with respect to the enforceability of any of the forgoing, which waiver of sovereign or governmental immunity is hereby authorized, confirmed and approved, and such other details as he shall establish, determine and approve, such determination and approval to be conclusively evidenced by his execution thereof.

THAT: If the Bonds and temporary notes authorized hereby (or any portion thereof) are issued to the Maine Municipal Bond Bank (the “Bond Bank”) pursuant to the Bond Bank’s Safe Drinking Water Revolving Loan Fund program or its general resolution borrowing program, the Treasurer and President of the District are hereby authorized and empowered, in the name of and on behalf of the District, to execute and deliver, under the seal of the District attested by its Clerk, one or more loan agreements between the District and the Bond Bank providing for loans from the Bond Bank to the District in an amount not to exceed in the aggregate the amount of such Bonds and temporary notes, said loan agreements to be substantially in the usual and ordinary form utilized by the Bond Bank in connection with the Safe Drinking Water State Revolving Loan Fund or its general resolution borrowing program, which is hereby approved, to contain such other terms and provisions, as the Treasurer and President may establish, determine and approve, such determination and approval to be conclusively evidenced by their execution thereof.

THAT: The Treasurer of the District is hereby authorized and empowered, in the name of and on behalf of the District, to select the underwriter, registrar, paying agent and transfer agent, municipal or financial advisor, and bond counsel for the Bonds and temporary notes authorized hereby and to execute and deliver any contracts or agreements as may be necessary or appropriate in connection therewith.

THAT: The Treasurer of the District is hereby authorized and empowered, in the name of and on behalf of the District, to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of the Bonds and temporary notes authorized hereby, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be established, determined and approved by the Treasurer, and that the use and distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the District in connection with offering such Bonds and temporary notes for sale is hereby approved.

THAT: The Bonds and temporary notes authorized hereby shall be transferable only on the registration books of the District kept by the transfer agent, and said principal amount of such Bonds and temporary notes of the same maturity (but not of other maturity), upon surrender thereof at the principal office of the transfer agent, with a written instrument of transfer satisfactory to the transfer agent duly executed by the registered owner or his or her attorney duly authorized in writing.

THAT: The Treasurer and President of the District from time to time, in the name of and on behalf of the District, shall execute such bonds and temporary notes as may be required to provide for exchanges or transfers of the Bonds and temporary notes authorized hereby, and in case any officer of the District whose signature appears on any of such bonds or temporary notes shall cease to be such officer before the delivery of such bonds or temporary notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery thereof.

THAT: Upon each exchange or transfer of the Bonds or temporary notes authorized hereby, the District and transfer agent may make a charge sufficient to cover any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange, and subsequent to the first exchange or transfer, the cost of which shall be borne by the District, the cost of preparing new bonds or temporary notes upon exchanges or transfers thereof shall be paid by the person requesting the same.

THAT: In lieu of physical certificates of the Bonds and temporary notes authorized hereby, the Treasurer of the District is authorized and empowered, in the name of and on behalf of the District, to undertake all acts necessary to provide for the issuance and transfer of such Bonds and temporary notes in book-entry form pursuant to the Depository Trust Company Book-Entry Only System, as an alternative to the provisions of the foregoing paragraphs regarding physical transfer of bonds, and to enter into a Letter of Representation or any other contract, agreement or understanding necessary or appropriate in order to qualify such Bonds and temporary notes for and to participate in the Depository Trust Company Book-Entry Only System.

THAT: The Bonds and temporary notes authorized hereby may be issued on either a taxable or a tax-exempt basis, or a combination thereof, as determined by the Treasurer of the District.

THAT: If the Bonds or temporary notes authorized hereby (or any portion thereof) are issued on a tax-exempt basis, the Treasurer of the District is hereby authorized and empowered to covenant and certify in the name of and on behalf of the District that no part of the proceeds of the issue and sale of such Bonds or temporary notes shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause such Bonds or temporary notes to be "private activity bonds" or "arbitrage bonds"

within the meaning of Sections 141 and 148 of the Internal Revenue Code of 1986, as amended (the “Code”).

THAT: If the Bonds and temporary notes authorized hereby (or any portion thereof) are issued on a tax-exempt basis, the Treasurer of the District be and hereby is authorized and empowered to designate such Bonds and temporary notes as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code, to the extent such designation is available and permissible under said Section 265(b)(3).

THAT: If the Bonds and temporary notes authorized hereby (or any portion thereof) are issued on a tax-exempt basis, the Treasurer of the District is authorized and empowered, in the name of and on behalf of the District, to covenant and agree for the benefit of the holders of such Bonds and temporary notes, that the District will file any required reports and take any other action that may be necessary to ensure that the interest on the Bonds or temporary notes is and will remain exempt from federal income taxation, and that the District will refrain from any action that would cause the interest on such Bonds or notes to be subject to federal income taxation.

THAT: The term “cost” or “costs” as used herein and applied to the Projects, or any portion thereof, includes, but is not limited to (1) the purchase price or acquisition cost of all or any portion of the Projects; (2) the cost to design, construct, renovate, improve, furnish and equip the Projects; (3) the cost of land, easements and other real property interests, landscaping and site preparation, all appurtenances and other fixtures, facilities, buildings and structures either on, above, or under the ground which are used or usable in connection with the Projects; (4) the cost of feasibility studies, surveys, environmental studies and assessments, engineering, plans and specifications, legal and other professional services associated with the Projects; and (5) issuance costs, including premiums for insurance, capitalized interest and other financing charges, fees and expenses relating to the authorization, issuance and delivery of the Bonds and temporary notes authorized hereby.

THAT: The investment earnings on the proceeds of the Bonds and temporary notes authorized hereby, if any, and the excess proceeds of such Bonds and temporary notes (including original issue premium), if any, are hereby appropriated and applied for the following purposes, as determined by the Treasurer of the District:

1. To any costs of the Projects in excess of the principal amount of such Bonds or temporary notes;
2. If issued on a tax-exempt basis, in accordance with applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the Bonds or temporary notes;
3. To pay debt service on the Bonds; and
4. To the District’s general fund.

THAT: If the actual cost of any Project differs from the estimated cost set forth herein, whether due to completion, delay or abandonment of the Project or for any other reason, the Treasurer of the District is authorized, in his discretion, to reallocate proceeds of the bonds to any other listed Project.

THAT: That the District covenants to establish, maintain, apportion, revise and collect assessments, rates and/or charges for water services furnished by the District to pay when due the current expenses of operating

and maintaining the District's water system, and to pay when due, or to provide for such payment, all indebtedness created or assumed by the District.

THAT: The Treasurer, President and Clerk of the District and other proper officials of the District be, and hereby are authorized and empowered in its name of and on its behalf to do or cause to be done all such acts and things as may be necessary or advisable, with the advice of counsel for the District, to effect the sale, issuance, execution, and delivery by the District of the Bonds and temporary notes authorized hereby.

THAT: If the Treasurer, President or Clerk of the District are for any reason unavailable to approve and execute the Bonds and temporary notes authorized hereby, or any of the Bond Documents to be delivered with respect thereto, the person or persons then acting in any such capacity, whether as an assistant, a deputy, on an acting or interim basis or otherwise (including but not limited to the District's Vice President acting for the President and the District's Assistant Treasurer acting for the Treasurer), is authorized to act for such official with the same force and effect as if such person had herself performed such act.

THAT: If any of authorized representatives of the District who have signed or sealed the Bonds and temporary notes authorized hereby shall cease to be such officers or officials before such Bonds or temporary notes so signed and sealed shall have been actually delivered by the District and / or authenticated, such Bonds or temporary notes nevertheless may be issued, delivered and authenticated with the same force and effect as though the person or persons who signed or sealed such Bonds or temporary notes had not ceased to be such officer or official. also any such Bonds or temporary notes may be signed and sealed in the name of and on behalf of the District by those persons who, at the actual date of the execution of such Bonds or temporary notes, shall be the proper officers and officials of the District, although at the nominal date of such Bonds or temporary notes any such person shall not have been such officer or official.

THAT: During the term any of the Bonds are outstanding, the Treasurer of the District is hereby authorized and empowered to issue and deliver refunding bonds to refund some or all of the Bonds then outstanding, and to establish, determine and approve the date(s), maturity(ies) (not to exceed 40 years from the date(s) of issuance of the original Bonds), denomination(s), interest rate(s), payment date(s), place(s) of payment, and all other details of such refunding bonds, including the form and manner of their sale and award, such determination and approval to be conclusively evidenced by their execution thereof. The Treasurer of the District be and hereby is further authorized to provide that any of such refunding bonds authorized hereby be made callable, with or without premium, prior to their stated date(s) of maturity, and each refunding bond issued hereunder shall be signed by the Treasurer and the President of the District, shall be sealed with the seal of the District, attested to by its Clerk.

THAT: These resolutions constitute a Declaration of Official Intent by the District pursuant to Treasury Regulation §1.150-2 to reimburse any original expenditures made on the Projects.