

**KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – FEBRUARY 15, 2024 at 7:30 AM**

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

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

Trustees absent: Amy Stabins, Trustee; Mark McCluskey, Trustee

Also present: Roger Crouse, KWD General Manager; Amy Dyer, KWD Finance Manager; Jeff Longfellow, KWD Engineering Manager; Matt Zetterman, KWD Technology Manager (Remote Access); Benny LaPlante, KWD Service Manager (Remote Access); Jared Bragdon, KWD Distribution Manager (Remote Access); Robbie Bickford, KWD Water Quality Manager; 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 JANUARY 18, 2024.

Motion by Trustee Williams, "to accept the minutes of the Regular Board of Trustees' meeting of January 18, 2024," seconded by Trustee Earickson.

Vote: Motion carried unanimously.

ITEM 3: REVIEW AND APPROVAL OF ACCOUNT WARRANT

Motion by Trustee Earickson, "to ratify the February 15, 2024 total warrant of checks released for \$208,307.68," seconded by Trustee Talbot.

Vote: Motion carried unanimously.

ITEM 4: REVIEW DECEMBER 2023 FINANCIAL REPORTS

The Trustees were provided with the December 2023 Financial Statements and Accounts Receivable Aging Report, and a brief review was conducted. There will be minor adjustments to these statements as a result of the 2023 financial audit which will be conducted at the end of February.

The Board members thanked Ms. Dyer for the review of the financial statements.

ITEM 5: APPROVALS/MOTIONS NEEDED

A. Purchase of Ortho-Polyphosphate

The Trustees were provided with a request for authorization memo which included proposals from three bidders for the purchase of the corrosion control chemical ortho-polyphosphate.

Motion by Trustee Earickson, “to accept the low bid from Coyne Chemical for 2,000 gallons of ortho-polyphosphate for \$21,640.60,” seconded by Trustee Talbot.

Vote: Motion carried unanimously.

B. Purchase of Cationic Polymer

The Trustees were provided with a request for authorization memo outlining the reasons for requesting approval of sole sourcing with Nalco Chemical Company the purchase of cationic polymer which is used during the water treatment process. As in the past, the bid process was not utilized because this is a proprietary formula only manufactured by Nalco Chemical Company.

Motion by Trustee Earickson, “to authorize the purchase of 1,200 gallons of cationic polymer from Nalco Chemical Company for \$25,387.00,” seconded by Trustee Williams.

Vote: Motion carried unanimously.

C. Agreement for an Upgrade to the Reservoir Site PLC

The Trustees were provided with a request for authorization memo outlining the reasons for requesting approval of sole sourcing with Automatrix an upgrade to the reservoir programmable logic controller (PLC). Mr. Bickford and Mr. Zetterman explained the particulars of this project, and the value, including minimizing security risks, of utilizing the vendor which is most familiar with the complexity of the KWD system. Trustee Williams cited he would have preferred the utilization of the bid process for this project.

Motion by Trustee Earickson, “to authorize sole sourcing with Automatrix a contract to upgrade the reservoir programmable logic controller for \$18,832.00,” seconded by Trustee Murray.

Vote: 7 in favor, Trustee Williams opposed, motion carried.

D. Agreement with MDOT for Valve Box Adjustment

The Trustees were provided with a request for authorization memo outlining the reasons for after the fact approval to enter into an agreement with the Maine Department of Transportation (MDOT) for valve box adjustment work on Main Street, Fairfield, which is being milled and paved in 2024. KWD staff will be responsible for lowering the valves boxes and conducting any repairs before paving. The MDOT contractor, which will be chosen by bid at a later date, will be responsible for raising the valve boxes to grade as the pavement work is completed. KWD staff will be on site to inspect the raising of the valve boxes to ensure the work meets KWD specifications.

Motion by Trustee Williams, “to approve the after the fact agreement with the Maine Department of Transportation to incorporate the specifications and raising of the KWD valves boxes in their contract for the Main Street, Fairfield, paving project,” seconded by Trustee Murray.

Vote: Motion carried unanimously.

E. Borrowing Resolutions:

- i. Kennebec-Lockwood Main Replacement (Long-Term Financing)**
- ii. Pleasant Street Main Replacement (Interim Financing)**
- iii. Vacuum Excavation Truck (Long-Term Financing)**

The Trustees were provided with three borrowing resolutions for their review. (See full resolutions following conclusion of minutes.) Mr. Crouse explained the details of the loans and/or interim loan, grants, and principal forgiveness for each resolution and answered questions from the Board members.

Motion by Trustee Earickson, “to approve the 2024 Maine Municipal Bond Bank Kennebec Street and Lockwood Avenue, Waterville, water main replacements borrowing resolution for \$550,000.00,” seconded by Trustee Talbot.

Vote: Motion carried unanimously.

Motion by Trustee Earickson, “to approve the 2024 Maine Municipal Bond Bank Pleasant Street Area, Waterville, water main replacements borrowing resolution for \$2,750,000.00,” seconded by Trustee Talbot.

Vote: Motion carried unanimously.

Motion by Trustee Earickson, “to approve the 2024 Maine Municipal Bond Bank Vacuum Truck for Service Line Inventory Project borrowing resolution for \$615,000.00,” seconded by Trustee Williams.

Trustee Talbot voiced his concern of a ten-year loan for a truck which could have a life expectancy of less than ten years. Trustee Williams requested that a meeting agenda item be added in either May or June to discuss paying off this bond in full.

Vote: 7 in favor, Trustee Talbot opposed, motion carried.

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 informed the Trustees that the sale of the South Street garage property is still pending due to shoreland zoning regulations. The interested purchasing party, Messalonskee Stream Hydro, is willing to contend with the legalities of these regulations in order to close the sale; however, there will be some acquired legal cost to accomplish this. At Mr. Crouse’s recommendation, the consensus of the Trustees was to pay Messalonskee Stream Hydro one-half the incurred legal costs up to \$10,000.00

The Board members thanked Mr. Crouse for his report.

ITEM 7: DEPARTMENT REPORTS

As part of their Board packet, the Trustees were provided with the Monthly Department Reports prepared by the respective managers.

In response to a question by Trustee Fuller, Mr. Bickford stated that the China Lake South Peninsula tree harvesting has been delayed again due to the ground not being adequately frozen to support heavy machinery.

At Trustee Fuller's request, Mr. Bickford explained that the water filter carbons, which are slated for replacement, were tested by Calgon to determine the amounts of contaminants and metallics and eligibility for disposal has been approved. This testing before disposal is an industry standard.

The Board members thanked the Department Managers for their reports.

ITEM 8: TRUSTEE COMMENTS, CONCERNS, AND/OR IDEAS

A. Jeff Earickson-Cost of Service, Rate Modeling, Fire Service Charges, and Other Musings

Trustee Earickson reviewed the current KWD rates and rate structure, including the public fire protection charges to the municipalities. After some analysis and discussions with colleagues, he indicated that an updated cost of service study might not produce the ultimate results. He proposed instead the development of a financial revenue rate structure computer model to project different financial scenarios and aspects. The potential of a computer model will be discussed further before committing to developing one. Trustee Earickson plans to continue to analyze KWD data and will report any new findings to the Board when appropriate.

ITEM 9: PUBLIC PARTICIPATION

None

ITEM 10: AS NEEDED: EXECUTIVE SESSION – 1 MRS §405. EXECUTIVE SESSIONS

None

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

Vote: Motion carried unanimously.

Meeting adjourned at 8:52 a.m.

Sue Markatine, Recording Secretary

KENNEBEC WATER DISTRICT

2024 Maine Municipal Bond Bank

– Kennebec Street & Lockwood Avenue Water Main Replacements Resolution (\$550,000.00)

The Kennebec Water District (the “**District**”) hereby resolves as follows:

1. Pursuant to Chapter 200 of Private and Special Laws of 1899, as amended, the District is hereby authorized to borrow up to the aggregate principal amount of **Five Hundred Fifty Thousand and 00/100 Dollars (\$550,000.00)** (the “**Loan**”) from the **Maine Municipal Bond Bank**, Augusta, Maine (the “**Bond Bank**”), with up to \$80,000 in loan forgiveness, all in accordance with the terms and conditions of an approval letter from the Bond Bank to the District dated June 27, 2023, as the same may be amended, and to execute and implement a Loan Agreement with the Bond Bank in the form prescribed by the Bond Bank (the “**Loan Agreement**”) for the purpose of financing construction and improvements for the District’s Kennebec Street & Lockwood Avenue Water Main Replacements Project, together with related costs and expenses, including the costs of issuance (collectively, the “**Project**”).
2. Pursuant to the Loan Agreement, and as evidence of the Loan, the District is hereby authorized to issue and sell to the Bond Bank interest bearing and/or non-interest bearing note(s) or bond(s) of the District in the aggregate principal amount of up to **Five Hundred Fifty Thousand and 00/100 Dollars (\$550,000.00)** (the “**Bonds**”).
3. The Bonds shall bear such date or dates as the Bond Bank shall request, bear such interest rate or rates, be in such denominations, maturities, and be redeemable at such price or prices, all as shall be set forth in the Loan Agreement and the Bonds, and as may hereafter be determined by the Treasurer and the President of the Board of Trustees to be necessary or advisable, the execution of the Loan Agreement and the Bonds to be conclusive evidence of their determination of the terms and provisions thereof.
4. Each of the Bonds shall bear on its face the words “Kennebec Water District” and shall be signed by the Treasurer and shall be countersigned by the manual or facsimile signature of the President of the Board of Trustees of the District, and shall be in substantially the same form as prescribed in the Loan Agreement or otherwise as prescribed by the Bond Bank.
5. The District covenants to establish, maintain, revise, and collect rates and charges for water services furnished by the District sufficient to provide revenues to pay when due current expenses of operating and maintaining the water system; to pay when due interest on the outstanding indebtedness of the District incurred or assumed for District purposes; and to pay or provide for the payment of all indebtedness created or assumed by the District.
6. All actions taken to date by the Board of Trustees and the officers of the District with respect to the authorization, issuance, and sale of the Bonds and consistent with the 26090427_1 foregoing resolutions are hereby ratified and confirmed. The President of the Board of Trustees, Treasurer, General Manager, and other officers of the District are, and each of them singly is, hereby authorized to take such action, and to execute and deliver the following with respect to the Bonds: a Loan Agreement, a Signature and No Litigation Certificate, and such additional documents, certificates and instruments and any amendments thereto as may be deemed by them as necessary or appropriate to effectuate the issuance of the Bonds heretofore authorized.
7. Any prior resolutions of the Trustees restricting the amount of authorized loans or issuance of bonds and notes, to the extent they conflict with the foregoing resolutions, are hereby superseded.

KENNEBEC WATER DISTRICT**2024 Maine Municipal Bond Bank – Pleasant Street Area Water Main Replacements Resolution
(\$2,750,000.00)**

The Kennebec Water District (the “**District**”) hereby resolves as follows:

1. Pursuant to Chapter 200 of Private and Special Laws of 1899, as amended, the District is hereby authorized to borrow up to the aggregate principal amount of **Two Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$2,750,000.00)** (the “**Loan**”) from the **Maine Municipal Bond Bank**, Augusta, Maine (the “**Bond Bank**”), with up to \$345,000 in loan forgiveness, all in accordance with the terms and conditions of an approval letter from the Bond Bank to the District dated June 27, 2023, as the same may be amended, and to execute and implement a Loan Agreement with the Bond Bank in the form prescribed by the Bond Bank (the “**Loan Agreement**”) for the purpose of financing construction and improvements for the District’s Pleasant Street Area Water Main Replacements Project, together with related costs and expenses, including the costs of issuance (collectively, the “**Project**”).
2. Pursuant to the Loan Agreement, and as evidence of the Loan, the District is hereby authorized to issue and sell to the Bond Bank interest bearing and/or non-interest bearing note(s) or bond(s) of the District in the aggregate principal amount of up to **Two Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$2,750,000.00)** (the “**Bonds**”).
3. The Bonds shall bear such date or dates as the Bond Bank shall request, bear such interest rate or rates, be in such denominations, maturities, and be redeemable at such price or prices, all as shall be set forth in the Loan Agreement and the Bonds, and as may hereafter be determined by the Treasurer and the President of the Board of Trustees to be necessary or advisable, the execution of the Loan Agreement and the Bonds to be conclusive evidence of their determination of the terms and provisions thereof.
4. Each of the Bonds shall bear on its face the words “Kennebec Water District” and shall be signed by the Treasurer and shall be countersigned by the manual or facsimile signature of the President of the Board of Trustees of the District, and shall be in substantially the same form as prescribed in the Loan Agreement or otherwise as prescribed by the Bond Bank. In anticipation of the Bonds heretofore authorized, the District is also hereby authorized to borrow the aggregate principal amount of up to \$2,750,000.00 from the Bond Bank for the Project (the “**SRF Interim Loan**”); (ii) to execute and deliver a Loan Agreement with the Bond Bank in the form prescribed by the Bond Bank (the “**SRF Interim Loan Agreement**”) for the SRF Interim Loan; and (iii) to execute and deliver to the Bond Bank a note in anticipation of the Bonds in the aggregate principal amount of up to \$2,750,000.00 (the “**SRF Interim Note**”) for the Project, in the form prescribed by the Bond Bank. The SRF Interim Note shall be sold at the par value thereof to the Bond Bank, bear interest at a 26090186_1 rate determined by the Bond Bank, and shall mature upon the issuance of the Bonds, or 12 months from the date of the SRF Interim Note, whichever occurs first. The SRF Interim Note shall contain such other terms and provisions as may hereafter be determined by the Treasurer and President of the Board of Trustees to be necessary or advisable, their execution of the SRF Interim Note to be conclusive evidence of their determination of the terms and provisions thereof.
5. The SRF Interim Note shall bear on its face the words “Kennebec Water District” and “General Obligation Note” and shall be signed by the Treasurer and shall be countersigned by the manual or facsimile signature of the President of the Board of Trustees of the District.
6. The District covenants to establish, maintain, revise, and collect rates and charges for water services furnished by the District sufficient to provide revenues to pay when due current expenses of operating and maintaining the water system; to pay when due interest on the outstanding indebtedness of the District incurred or assumed for District purposes; and to pay or provide for the payment of all indebtedness created or assumed by the District.

7. All actions taken to date by the Board of Trustees and the officers of the District with respect to the authorization, issuance, and sale of the Bonds and SRF Interim Note and consistent with the foregoing resolutions are hereby ratified and confirmed. The President of the Board of Trustees, Treasurer, General Manager, and other officers of the District are, and each of them singly is, hereby authorized to take such action, and to execute and deliver the following with respect to the Bonds and with respect to any SRF Interim Note: a Loan Agreement, a Signature and No Litigation Certificate, and such additional documents, certificates and instruments and any amendments thereto as may be deemed by them as necessary or appropriate to effectuate the issuance of the Bonds and SRF Interim Note heretofore authorized.
8. Any prior resolutions of the Trustees restricting the amount of authorized loans or issuance of bonds and notes, to the extent they conflict with the foregoing resolutions, are hereby superseded.

KENNEBEC WATER DISTRICT**2024 Maine Municipal Bond Bank – Vac Truck for Service Line Inventory Project
(\$615,000.00)**

The Kennebec Water District (the “**District**”) hereby resolves as follows:

1. Pursuant to Chapter 200 of Private and Special Laws of 1899, as amended, the District is hereby authorized to borrow up to the aggregate principal amount of **Six Hundred Fifteen Thousand and 00/100 Dollars (\$615,000.00)** (the “**Loan**”) from the Maine Municipal Bond Bank, Augusta, Maine (the “**Bond Bank**”), with up to \$340,000 in loan forgiveness, all in accordance with the terms and conditions of an approval letter from the Bond Bank to the District dated April 30, 2023, as the same may be amended, and to execute and implement a Loan Agreement with the Bond Bank in the form prescribed by the Bond Bank (the “**Loan Agreement**”) for the purpose of financing the District’s Vac Truck for Service Line Inventory Project, together with related costs and expenses, including the costs of issuance (collectively, the “**Project**”).
2. Pursuant to the Loan Agreement, and as evidence of the Loan, the District is hereby authorized to issue and sell to the Bond Bank interest bearing and/or non-interest bearing note(s) or bond(s) of the District in the aggregate principal amount of up to Six Hundred Fifteen Thousand and 00/100 Dollars (\$615,000.00) (the “**Bonds**”).
3. The Bonds shall bear such date or dates as the Bond Bank shall request, bear such interest rate or rates, be in such denominations, maturities, and be redeemable at such price or prices, all as shall be set forth in the Loan Agreement and the Bonds, and as may hereafter be determined by the Treasurer and the President of the Board of Trustees to be necessary or advisable, the execution of the Loan Agreement and the Bonds to be conclusive evidence of their determination of the terms and provisions thereof.
4. Each of the Bonds shall bear on its face the words “Kennebec Water District” and shall be signed by the Treasurer and shall be countersigned by the manual or facsimile signature of the President of the Board of Trustees of the District, and shall be in substantially the same form as prescribed in the Loan Agreement or otherwise as prescribed by the Bond Bank.
5. The District covenants, to establish, maintain, revise and collect rates and charges for water services furnished by the District sufficient to provide revenues to pay when due current expenses of operating and maintaining the water system; to pay when due interest on the outstanding indebtedness of the District incurred or assumed for District purposes; and to pay or provide for the payment of all indebtedness created or assumed by the District.
6. All actions taken to date by the Board of Trustees and the officers of the District with respect to the authorization, issue, and sale of the Bonds and consistent with the foregoing resolutions are hereby ratified and confirmed. The President of the Board of Trustees, 26090428_1 Treasurer, General Manager, and other officers of the District are, and each of them singly is, hereby authorized to take such action, and to execute and deliver the following with respect to the Bonds: a Loan Agreement, a Signature and No Litigation Certificate, and such additional documents, certificates and instruments and any amendments thereto as may be deemed by them as necessary or appropriate to effectuate the issuance of the Bonds heretofore authorized.
7. Any prior resolutions of the Trustees restricting the amount of authorized loans or issuance of bonds and notes, to the extent they conflict with the foregoing resolutions, are hereby superseded.