KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – JULY 16, 2026 at 7:30 AM

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

Trustees present: Ben Murray, President; Frank Richards, Vice-President; Jeff Earickson, Treasurer (Remote Access); J. Michael Talbot, Assistant Treasurer; Sarah Whateley, Clerk (Remote Access); Amy Stabins, Trustee Allan Fuller, Trustee (Remote Access); Nathan Saunders, Trustee; Paul Fongemie, Trustee; Alex Lelchuk, Trustee

Trustees absent: None

Also present: Roger Crouse, KWD General Manager; Amy Dyer, KWD Finance Manager; Matt Zetterman, KWD Engineering Manager (Remote Access); Benny LaPlante, KWD Service 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 JUNE 4, 2026

Motion by Trustee Talbot, "to accept the minutes of the Regular Board of Trustees' meeting of June 4, 2026," seconded by Trustee Richards.

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

ITEM 3: REVIEW AND APPROVAL OF ACCOUNT WARRANT

Motion by Trustee Talbot, "to ratify the July 16, 2026 total warrant of checks released for $1,614,469.64," seconded by Trustee Earickson.

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

ITEM 4: REVIEW OF MAY AND JUNE 2026 FINANCIAL REPORTS

The Trustees were provided with the May and June 2026 Financial Statements and Accounts Receivable Aging Report, and a brief review was conducted.

On behalf of the Board members, President Murray thanked Ms. Dyer for the review of the financial statements.

ITEM 5: SOURCE PROTECTION COORDINATOR POSITION DISCUSSION

As a result of a discussion at the June 4, 2026, Board meeting, the Trustees were provided with a memo outlining the key responsibilities and justification for adding a Source Protection Coordinator position and a copy of the recommended job description. Advantages of adding this position include KWD enhancement on source protection matters including watershed conservation/land acquisition, land-use practices and ordinances, water quality monitoring, public education, and community partnerships. Mr. Crouse noted that adding a new KWD position does have a financial impact and included the approximate amount of this impact in his memo. There was a lengthy discussion regarding this potential position with a few suggested changes to the job description. There was also a request to incorporate this approximate position cost in the KWD financial model scenarios developed with the aid of the Waterworth team. Although no firm decision was necessary at today's meeting, there was overall support from the Board to continue to pursue this position.

ITEM 6: FINANCIAL PLANNING SUMMARY

Trustees were provided a summary of a financial planning model developed with the aid of the Waterworth team. This model summarizes five different scenarios for the long-term funding of water main replacement including:

1. Status Quo – assumes continued access to Drinking Water State Revolving Fund (DWSRF) loan – with 35 percent principal forgiveness indefinitely
2. Use of market rate loans
3. Pay-As-You-Go – using cash (direct rate revenues)
4. Transition from market rate loans to pay-as-you-go over five years
5. Transition from market rate loans to pay-as-you-go over ten years.

The summary illustrates the high-level impact (water rates, debt, interest payments, and total debt service) of each scenario at ten-year intervals. Mr. Crouse reviewed with explanation of the implications of the five scenarios. There was a lengthy discussion of the significances of the five scenarios. Because the first scenario is not a viable long-term (or even short-term) solution, the development of a long-term plan requires a decision on using loans (market rate loans) or cash (pay-as-you-go) to finance water main replacement projects.

Mr. Crouse explained that if the pay-as-you-go model (likely with a transition period) is adopted, KWD will continue to seek DWSRF loans with principal forgiveness, grants, or other favorable funding when available. Board members expressed interest in seeing additional scenarios for the transition from market rate loans to pay-as-you-go. Trustees also expressed interest in consistent levels of rate increases (where possible).

Motion by Trustee Richards, "to table Agenda Item 6: Financial Planning Summary," seconded by Trustee Earickson.

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

ITEM 7: APPROVALS/MOTIONS NEEDED

A. Approval of Payment of MPUC Annual Assessment – $29,126.00 ($25,997.00 in 2025)

Mr. Crouse informed the Trustees that the Maine Public Utilities Commission (MPUC) annual regulatory assessment is $29,126.00. This amount is determined by annual revenues of a utility, and the percentage of time spent by MPUC staff for water-related items in proportion to other utilities.

Motion by Trustee Fongemie, “to authorize the payment of $29,126.00 to the Maine Public Utilities Commission for the annual regulatory assessment fee,” seconded by Trustee Richards.

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

B. Approval of Maine CDC Drinking Water Program Annual Drinking Water Fee – $15,447.00 (same as 2025)

Mr. Crouse informed the Trustees that the Maine CDC Drinking Water Program annual assessment fee is $15,447.00. This program is a supportive regulatory agency for all Maine water utilities.

Motion by Trustee Fuller, “to authorize the payment of $15,447.00 for the Maine CDC Drinking Water Program annual assessment fee,” seconded by Trustee Richards.

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

C. Approval of 2026-2027 Property and Casualty Insurance Premium

The Trustees were provided with a request for authorization memo explaining the noteworthy valuation adjustments and requesting approval of the annual KWD Property and Casualty Insurance premium administered through the Maine Municipal Association.

Motion by Trustee Fongemie, “to authorize the payment of $76,858.00 to the Maine Municipal Association for KWD’s 2026 – 2027 Property and Casualty Insurance premium,” seconded by Trustee Fuller.

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

D. Approval of Agreement for Demolition of 5 South Street Building

The Trustees were provided with a request for authorization memo which included proposals from two contractors (KWD solicited five firms) for the 5 South Street, Waterville, building demolition project. Mr. Crouse explained that for security purposes, this former office building is not being sold or leased as it is located adjacent to KWD's transmission main and pump station and to maintain this building would be a continuing cost to KWD. Mr. Zetterman answered questions from the Board members.

Motion by Trustee Earickson, "to execute an agreement with Briggs Contracting for the demolition of the 5 South Street, Waterville, office building and associated site stabilization work in the amount of $98,780.00, contingent upon satisfactory verification of references," seconded by Trustee Fongemie.

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

E. Approval of Gravel Purchase Price

The Trustees were provided with a request for authorization memo which included prices from two bidders (KWD solicited 9 firms) for the 2026 gravel supply.

Motion by Trustee Richards "to accept the low bid from David Hallowell Construction for the 2026 gravel supply for the price of $18.50 per cubic yard," seconded by Trustee Stabins.

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

F. Approval of Bond Resolution for PFAS Design Loan

The Trustees were provided with the borrowing resolution for the water treatment plant modifications (PFAS mitigation) design for their review. (See full resolution following the conclusion of the minutes.) CDM Smith was awarded the design contract for this project. Mr. Crouse reviewed the interim loan details and answered questions from the Trustees.

Motion by Trustee Fongemie, "to adopt the 2026 Maine Municipal Bond Bank Water Treatment Plant Modifications (PFAS Mitigation) Project Resolution for $1,313,000.00," seconded by Trustee Talbot.

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

G. Approval of Net Energy Billing (NEB) Agreement with Revision Energy

The Trustees were provided with a request for authorization memo to develop a Net Energy Billing Credits agreement with ReVision Energy. Mr. Crouse explained that this agreement will provide KWD with savings of approximately fifteen percent of the cost of 200,000 kWhs per year (energy cost only), which amounts to an estimated $7,000 per year.

Motion by Trustee Richards, "to enter into a Net Energy Billing Credits agreement with ReVision Energy for five years with the opportunity to extend the agreement for three additional five-year periods," seconded by Trustee Earickson.

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

ITEM 8: GENERAL MANAGER'S REPORT

As part of their Board packet, the Trustees were provided with the General Manager's report.

On behalf of the Board members, President Murray thanked Mr. Crouse for the General Manager's report.

ITEM 9: DEPARTMENT REPORTS

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

On behalf of the Board members, President Murray thanked the Department Managers for their reports.

ITEM 10: TRUSTEE COMMENTS, CONCERNS, AND/DEPARTMENT REPORTS

Trustee Richards mentioned there was an excellent article in the *Town Line* regarding the KWD transfer (for one dollar) of the parcel of land to the Town of Vassalboro to enable further enhancement of the walking trail system.

ITEM 11: PUBLIC PARTICIPATION

None

ITEM 12: AS NEEDED: EXECUTIVE SESSION – 1 MRS §405. EXECUTIVE SESSION

None

ITEM 13: ADJOURNMENT

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

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

Meeting adjourned at 9:26 a.m.

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Sue Markatine, Recording Secretary

KENNEBEC WATER DISTRICT

2026 Maine Municipal Bond Bank – Water Treatment Plant Modifications (PFAS Mitigation) Project ($1,313,000.00)
Resolution

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 **One Million Three Hundred Thirteen Thousand and 00/100 Dollars ($1,313,000.00)** (the "**Loan**") from the **Maine Municipal Bond Bank**, Augusta, Maine (the "**Bond Bank**"), with up to $459,550 in loan forgiveness, all in accordance with the terms and conditions of an approval letter from the Maine Department of Health and Human Services to the District dated April 17, 2026, as the same may be amended, and, if the District's loan application is accepted, 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 engineering of water treatment plant modifications for PFAS mitigation, 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 **One Million Three Hundred Thirteen Thousand and 00/100 Dollars ($1,313,000.00)** (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. In anticipation of the Bonds heretofore authorized, the District is also hereby authorized to borrow the aggregate principal amount of up to $1,313,000.00 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 $1,313,000.00 (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 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.

6. 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.

7. 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.

8. 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.

9. 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.

Financial Planning

Model Summary July 15, 2026

The model summaries are intended to generally illustrate the high level impact of each scenario at 10 year intervals. All numbers are subject to change based upon further refinement of the scenarios.

			Minimum Quarterly Water Rate (5/8 inch meter)				Debt Balance (estimated total debt in the year indicted)			
Scenario Name	**Description**	**General Summary of Rate increases over 30 years**	**2026**	**2036**	**2046**	**2056**	**2026**	**2036**	**2046**	**2056**
Status Quo	Assumes on-going access to DWSRF loans (2% interest rate) & 35 percent principal forgiveness	4.5 percent increase annually through 2037, decreases to 4% through 2043, then decrease to 3.25%	$90.36	$140.33	$204.23	$281.21	$ 30,451,684	$ 39,624,254	$ 51,370,152	$ 65,034,755
Market Rate	Assumes market rate (4% interest rate) loans for all borrowing - no grant or principal forgiveness	7% increase for three years, then 5% through 2041, then decrease to 4 percent	$90.36	$155.76	$241.86	$358.01	$ 30,451,684	$ 50,737,755	$ 76,408,695	$ 100,053,471
Market Rate to Pay as You Go - 5 year transition	Assumes market rate loans for 5 years then pay as you go. Over the 5 years, the percent of borrowing decreases.	12% increase for 4 years, reduced to 8 and 7% (each for one year) then reduced to six percent for 4 years, then dropping to 3 percent	$90.36	$207.43	$270.65	$304.62	$ 30,451,684	$ 25,109,939	$ 6,294,254	$ -
Market Rate to Pay as You Go - 10 year transition	Assumes market rate loans for 10 years then pay as you go. Over the 10 years, the percent of borrowing decreases.	8% increase each year for 11 years, then reduced to 5% for 5 years, then down to 3 for 1 year, then 1 percent	$90.36	$195.08	$282.53	$305.76	$ 30,451,684	$ 34,894,848	$ 10,294,250	$ -
Full Pay as You Go	Fund for pipe replacement projects directly through rates (excluding projects with established funding)	25% for first two years, reduced to 8% for one year, then to 4% for six years, then 2.5%	$90.36	$197.76	$253.15	$324.06	$ 30,451,684	$ 18,985,349	$ 4,754,190	$ -

	Annual Interest Payments				Annual Debt Service Payments (P+I)			
Scenario Name	**2026**	**2036**	**2046**	**2056**	**2026**	**2036**	**2046**	**2056**
Status Quo	$ 922,340	$ 1,062,487	$ 1,042,846	$ 1,103,485	$ 2,207,192	$ 4,049,995	$ 6,572,739	$ 7,221,796
Market Rate	$ 922,359	$ 1,879,914	$ 2,723,395	$ 3,397,580	$ 2,207,192	$ 5,476,300	$ 9,953,565	$ 12,236,261
Market Rate to Pay as You Go - 5 year transition	$ 922,340	$ 926,365	$ 314,596	$ -	$ 2,207,192	$ 2,966,370	$ 2,443,201	$ -
Market Rate to Pay as You Go - 10 year transition	$ 922,340	$ 1,334,424	$ 518,645	$ 3,254	$ 2,207,192	$ 3,987,548	$ 3,295,908	$ 38,794
Full Pay as You Go	$ 922,340	$ 669,510	$ 234,496	$ -	$ 2,207,192	$ 2,242,380	$ 2,014,005	$ -

Model Assumptions

1. Assume 0.8 percent pipe replacement rate through 2036. Increase pipe replacement rate to 1.0 percent 2037 and beyond
2. Assumes an across the board 3 percent annual inflation rate
3. All models include an annual capital cash investment in vehicles ($150,000) and miscellaneous capital projects ($300,000) (spending levels increased annually by 3 percent)
4. Models assume no signifcant capital investment beyond what is noted in #3 above other than pipe replacement (#1 above)
4. Models seek to maintain a cash balance between $2 and $5 million