KWD
Kennebec Water District

Kennebec Water District Board of Trustees
Regular Meeting
Thursday, September 3, 2026 – 7:30 AM
131 Drummond Avenue, Waterville, ME and Via Zoom
AGENDA

1. Introduction of guests
2. Review and approve minutes of regular meeting of August 6, 2026
3. Review and approval of account warrant
4. Review July 2026 financial reports
5. Financial Planning Discussion - continued
6. Approvals/motions needed:
   a. Approval of agreement for pavement restoration
   b. Approval of agreement to removal water treatment residuals – sole source
   c. Approval of agreement for auditing services
7. General Manager report
8. Department reports
9. Trustee comments, concerns, and/or ideas
   a. Board quorum requirement (7 members required) – should we seek a charter change?
10. Public participation
11. As needed: Executive session 1 MRS §405. 6.
12. Adjournment

KENNEBEC WATER DISTRICT
REGULAR BOARD OF TRUSTEES MEETING
THURSDAY – AUGUST 6, 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; J. Michael Talbot, Assistant Treasurer; Sarah Whateley, Clerk; Amy Stabins, Trustee; Allan Fuller, Trustee; Nathan Saunders, Trustee; Paul Fongemie, Trustee; Alex Lelchuk, Trustee
Trustees absent:	None
	Trustee Whateley, Clerk, left the meeting at 8:50 a.m.
Also present:	Roger Crouse, KWD General Manager; Amy Dyer, KWD Finance Manager; Matt Zetterman, KWD Engineering Manager; Benny LaPlante, KWD Service Manager (Remote Access); Robbie Bickford, KWD Water Quality Manager (Remote Access); 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 JULY 16, 2026

Motion by Trustee Talbot, "to accept the minutes of the Regular Board of Trustees' meeting of July 16, 2026," seconded by Trustee Richards.

Vote: Motion carried unanimously.

ITEM 3: REVIEW AND APPROVAL OF ACCOUNT WARRANT

Motion by Trustee Earickson, "to ratify the August 6, 2026 total warrant of checks released for $697,782.06," seconded by Trustee Talbot.

Vote: Motion carried unanimously.

ITEM 4: FINANCIAL PLANNING DISCUSSION

At the July 16, 2026, Board meeting, the Trustees were presented with five funding scenarios using the Waterworth financial model. The Board's consensus was to further explore options to move toward a pay-as-you-go system for long-term funding of water main replacement. At today's meeting, the Trustees were provided with a summary of six pay-as-you-go transitions ranging from an immediate transition to transitioning over fifteen years. The Trustees were also provided with a Summary of Activities Required to Develop and Implement a Long-Term Water Main Replacement Program document, a draft of a Kennebec Water District Long-Term Water Main Replacement Funding and Asset Sustainability Policy resolution, and a recommendation for a January 1, 2027 water rate increase.

The Trustees discussed the six different transition periods, focusing on estimated rate increases, debt balances, and annual percentage of pipe replacement goals. Ms. Dyer explained and Mr. Crouse demonstrated using a graft the logic of using a variable water rate increase rather than a fixed water rate increase through the years. Mr. Crouse reiterated that even with the adoption of a pay-as-you-go system, KWD will continue to seek Drinking Water State Revolving Fund loans with principal forgiveness or other grants when available. He also stated that, dependent upon circumstances, the Board can decide to modify the chosen financial model annually.

The Board members will take time to process and assess the several model options for long-term funding of water main replacement before making a decision.

ITEM 5: APPROVALS/MOTIONS NEEDED

A. Approval of January 2027 Rate Increase

The Trustees discussed rate increase percentages, and a motion was proposed.

Motion by Trustee Earickson, "to approve an across-the-board water rate increase of four-percent effective January 1, 2027," seconded by Trustee Richards.

Vote: 9 in favor, Trustee Fuller opposed, motion carried.

B. Adoption of Resolution for Long-Term Water Main Replacement Funding

Motion by Trustee Richards, "to table Item 5. B. Adoption of Resolution for Long-Term Water Main Replacement Funding," seconded by Trustee Fongemie.

Vote: Motion carried unanimously.

ITEM 6: 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.

Because numerous water systems in several states have recently been targets of cyberattacks, Mr. Zetterman reviewed why KWD does not have the vulnerabilities that have been exploited by the recent cyberattacks and the proactive steps KWD has taken over the past 15 years to reduce the risk of impacts by cyberattacks. He also mentioned that KWD has been a participant in several cybersecurity assessments over the past seven years from which KWD has continued to make cybersecurity improvements. The most recent assessment, conducted by the Maine Army National Guard, highlighted KWD's strong cybersecurity position. KWD receives regular cybersecurity alerts including daily monitoring updates from the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency.

On behalf of the Board members, President Murray thanked Mr. Zetterman for this 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.

At the request of Trustee Fuller, Mr. Bickford explained that during routine water sampling, two areas tested positive for coliform but were below the governmental compliance level. Following KWD protocol, the water mains were flushed, and the resampling tested negative for coliform.

In response from a question from Trustee Fuller regarding City residents' complaints, Mr. Crouse reviewed the steps being taken to resolve the dust and noise issues associated with the contractor use of the KWD South Street, Waterville, property.

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

ITEM 8: TRUSTEE COMMENTS, CONCERNS, AND/DEPARTMENT REPORTS

None

ITEM 9: PUBLIC PARTICIPATION

None

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

None

ITEM 11: ADJOURNMENT

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

Vote: Motion carried unanimously.

Meeting adjourned at 9:06 a.m.

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Sue Markatine, Recording Secretary

ACCOUNT WARRANT SEPTEMBER 3, 2026

NO.	CHECK DATE	VENDOR NAME	DESCRIPTION	DOLLAR AMOUNT
1	07/15/2026	BILL (FORMERLY DIVVY)	STOP SIGNS/TAPE/WIPES/ KEYBOARD/IT SUPPLIES/	
		DRY ERASE/MARKERS/SAFETY EQUIPMENT/DEHUMIDIFER PARTS/LEAF BLOWER/FLOOR MATS/		
		VEHICLE REMOTE/MEETING FOOD/MONTHLY GOOGLE SUBS./MONTHLY TELEPHONE SERVICE/		
		CUPS/PEG HOOKS/PRINTER INK/MWUA SUMMER OUTING/MONTHLY MICROSOFT SUBS./		
		DRONE LICENSE TRAINING/COPY PAPER/BOAT FUEL/RR CROSSING MAIN ST FLAGGING &		
		INSPECTION		12,512.06
2	08/03/2026	FLORES & ASSOCIATES	HEALTH INS. DEDUCTIBLE REIMBURSEMENT	262.86
3	08/03/2026	TREASURER, STATE OF MAINE	MONTHLY SALES TAX	4,474.00
4	08/03/2026	MAINEPERS	MONTHLY EMPLOYER RETIREMENT CONTRIBUTION	23,599.09
5	08/04/2026	MAINEPERS	MONTHLY GROUP LIFE PREMIUMS	1,307.71
6	08/04/2026	FRANCOTYP-POSTALIA, INC.	POSTAGE FOR POSTAGE MACHINE	2,000.00
7	08/07/2026	CENTRAL MAINE POWER	MONTHLY ELECTRICITY-VARIOUS LOCATIONS	4,096.53
8	08/07/2026	CINTAS	EMPLOYEES UNIFORM SERVICE	146.73
9	08/07/2026	HOULE'S PLUMBING HEATING & A/C	REPAIR WORK-DRUMMOND AVENUE	3,079.71
10	08/07/2026	INFOSEND, INC.	MONTHLY BILL PROCESSING AND MAILING	1,888.66
11	08/07/2026	TREASURER, STATE OF MAINE-HETL	WATER TESTS	655.00
12	08/07/2026	CARPARTS DIST. CENTER-MOTOR SUPPLY	SILICONE GASKET MAKER	10.20
13	08/07/2026	T-MOBILE	MONTHLY TELEPHONE/INTERNET SERVICE	623.76
14	08/07/2026	VERIZON	MONTHLY VEHICLE DATA SERVICE	303.20
15	08/07/2026	TREASURER, STATE OF MAINE-DOT	HIGHWAY OPENING PERMIT	75.00
16	08/07/2026	FLORES & ASSOCIATES	MONTHLY ADMIN FEE DEDUCTIBLE REIMBURSEMENT	84.00
17	08/07/2026	ADVANCE 1 CLEANING SERVICES, INC.	MONTHLY CLEANING SERVICE	1,350.00
18	08/07/2026	TJH MANAGEMENT, LLC	TANK PLC UPGRADE	2,589.33
19	08/07/2026	ANALYTICHEM USA, INC.	WATER TEST	55.00
20	08/07/2026	AQUA BACKFLOW, INC.	PROGRAM MANAGEMENT SERVICE	408.00
21	08/07/2026	DIG SAFE SYSTEM, INC.	MONTHLY COST OF OPERATIONS	767.20
22	08/07/2026	ERGOS TECHNOLOGY PARTNERS, INC.	BACKUP SERVICE/RECOVERY SERVICE	238.00
23	08/07/2026	KIMBERLEY A FEUGILL	HYDRANT ID DECALS	264.00
24	08/07/2026	HALL'S HOMES RE, LLC	MONTHLY LAWN SERVICE-DRUMMOND AVENUE	525.00
25	08/07/2026	HARCROS CHEMICALS, INC.	SODIUM HYPOCHLORITE-WTP	5,202.14
26	08/07/2026	INFO TECHNOLOGY EXCHANGE, INC.	RECYCLING SERVICES	165.00
27	08/07/2026	MAINE LABORATORIES, LLC	WATER TESTS	1,590.00
28	08/07/2026	TECHNOLOGY SOLUTIONS OF MAINE	MONTHLY ANSWERING SERVICE	105.30
29	08/07/2026	UNIVAR SOLUTIONS	SODIUM HYDROXIDE-WTP	6,919.00
30	08/07/2026	VERTEXONE SOFTWARE, LLC	ANNUAL AGREEMENT FOR WATERSMART	19,776.00
31	08/10/2026	FLORES & ASSOCIATES	HEALTH INS. DEDUCTIBLE REIMBURSEMENT	414.76
32	08/12/2026	PROSEAL, LLC	PAVEMENT PATCH-WATERVILLE	1,683.33
33	08/17/2026	THE HARTFORD	MONTHLY GROUP LIFE PREMIUMS	67.19
34	08/20/2026	PAYMENTUS	MONTHLY CUSTOMER CC TRANSACTIONS FEES	3,302.49
35	08/21/2026	BARD AND SONS PAVING	PAVEMENT PATCHES-WINSLOW	14,800.00
36	08/21/2026	DIRIGO ENGINEERING	ENG. SERVICES-CHASE AVENUE BOOSTER STATION	11,452.23
37	08/21/2026	DOSTIE'S TOWING WATERVILLE	OIL CHANGE-1 VEHICLE	97.90
38	08/21/2026	GENERAL ALUM N.E. CORP.	ALUM-WTP	5,719.00
39	08/21/2026	KIMBERLEY A FEUGILL	HYDRANT ID DECALS/MXU DECALS	412.00
40	08/21/2026	HAMMOND LUMBER COMPANY	AQUAPHALT BLACK TOP PATCH	2,469.62
41	08/21/2026	HR MAINE CONSULTING	HUMAN RESOURCE CONSULTING	75.00
42	08/21/2026	HUSSEY COMMUNICATIONS, INC.	MONTHLY INTERNET SERVICE	182.00
43	08/21/2026	KENNEBEC EQUIPMENT RENTAL-FF	JACK HAMMER PARTS	147.90
44	08/21/2026	MESSALONSKEE STREAM HYDRO, LLC	ENERGY CREDITS	9,385.30
45	08/21/2026	MODERN INDUSTRIES, INC.	WATER TESTS	580.00
46	08/21/2026	DAVID MORIN	MONTHLY LAWN SERVICE-VARIOUS LOCATIONS	2,641.00
47	08/21/2026	VERTEXONE SOFTWARE, LLC	MONTHLY WATERSMART DOCUMENT STORAGE	103.35
48	08/21/2026	201 TIRE, BATTERY & SERVICE, INC.	BOAT BATTERY	169.99
49	08/21/2026	CAPITAL ONE TRADE CREDIT-AUBUCHON	AQUAPHALT PATCH/HAY	557.11

ACCOUNT WARRANT SEPTEMBER 3, 2026

NO.	CHECK DATE	VENDOR NAME	DESCRIPTION	DOLLAR AMOUNT
50	08/21/2026	CAREER MANAGEMENT ASSOCIATES	LEADERSHIP TRAINING	6,000.00
51	08/21/2026	CINTAS	EMPLOYEES UNIFORM SERVICE	146.73
52	08/21/2026	E.W. LITTLEFIELD, INC.	REFUND-INSPECTION FEES LESS THAN ANTICIPATED	753.83
53	08/21/2026	HEWS COMPANY, LLC	SERVICE AIR COMPRESSOR-1 VEHICLE	1,081.75
54	08/21/2026	KENNEBEC WATER DISTRICT-PETTY CASH	REG. OF DEEDS-RECORD RAILROAD SQ EASEMENT	40.00
55	08/21/2026	TREASURER, STATE OF MAINE-HETL	WATER TESTS	990.00
56	08/21/2026	WORKPLACE HEALTH	PHYSICAL EXAMS-2 EMPLOYEES	220.00
57	08/21/2026	CARPARTS DIST. CENTER-MOTOR SUPPLY	DIESEL ADDITIVE	252.34
58	08/21/2026	NEW ENGLAND WATER WORKS ASSOC.	2026 ANNUAL CONFERENCE-1 EMPLOYEE	275.00
59	08/21/2026	PINE TREE WASTE, INC.	PORTAPOTTY RENTAL/RUBBISH REMOVAL	404.00
60	08/21/2026	SULLIVAN ASSOCIATES	TWIN TANKS LEVEL SENSOR PROJECT	4,042.31
61	08/21/2026	UNITED AG & TURF NE, LLC	TRAILER PIN	6.26
62	08/21/2026	E.H. WACHS	VACUUM UNIT PARTS	358.04
63	08/21/2026	WATERVILLE SEWERAGE DISTRICT	QUARTERLY SEWER CHARGE-VARIOUS LOCATIONS	106.92
64	08/21/2026	F.W. WEBB COMPANY	WATER SYSTEM REPLACEMENT ITEMS	1,575.42
65	08/21/2026	WHITTEMORE & SONS	REPLACEMENT CUT OFF SAW	1,400.00
66	08/21/2026	WRIGHT-PIERCE	AERIAL SURVEY-HALIFAX STREET	960.20
67	08/21/2026	CHADWICK-BAROSS, INC.	DIGGING TUBE FOR VEHICLE	357.05
68	08/21/2026	MAINE WATER UTILITIES ASSOCIATION	DRINKING WATER SEMINAR-1 EMPLOYEE/1 TRUSTEE	200.00
69	08/27/2026	MAINE MUNICIPAL EMPS. HEALTH TRUST	MONTHLY HEALTH INSURANCE PREMIUMS	38,957.39
70	08/27/2026	NORTHEAST DELTA DENTAL	MONTHLY DENTAL INSURANCE PREMIUMS	1,125.80
71	08/27/2026	APEX CONSTRUCTION, INC.	CHASE AVENUE PUMP STATION UPGRADE	85,460.16
72	08/27/2026	CENTRAL MAINE POWER	MONTHLY ELECTRICITY-VARIOUS LOCATIONS	11,096.49
73	08/27/2026	CINTAS	EMPLOYEES UNIFORM SERVICE	146.73
74	08/27/2026	CONSOLIDATED COMMUNICATIONS	MONTHLY INTERNET SERVICE	451.77
75	08/27/2026	CORE & MAIN LP	ANNUAL SENSUS REG NETWORK INTERFACE/ANALYTICS	32,594.84
76	08/27/2026	EASTWOOD CONTRACTORS, INC.	SANGER/BOUTELLE WTVL WATER MAIN IMPROVEMENTS	336,461.95
77	08/27/2026	ESRI	ANNUAL ENTERPRISE AGREEMENT FEE	5,300.00
78	08/27/2026	GREATER AUGUSTA UTILITY DISTRICT	WATER STORAGE TANK INSPECTION & CLEANING	19,000.00
79	08/27/2026	JUDDI L HALLOWELL	SURFACE GRAVEL	14,800.00
80	08/27/2026	KENNEBEC COUNTY REGISTRY OF DEEDS	LIEN RECORDING DISCHARGE FEE-1 PROPERTY	25.00
81	08/27/2026	MAINE WATER UTILITIES ASSOCIATION	ANNUAL DRINKING WATER SEMINAR-1 EMPLOYEE	100.00
82	08/27/2026	TREASURER, STATE OF MAINE-HETL	WATER TESTS	160.00
83	08/27/2026	PULSE MARKETING AGENCY	ADA COMPLIANCE WEBPAGE TASKS	652.50
84	08/27/2026	SOMATEX	HOIST REPAIR PARTS-WTP	268.19
85	08/27/2026	TRANE US, INC.	HVAC EQUIPMENT SCHEDULED MAINTENANCE	4,641.00
86	08/27/2026	POWERPLAN	JOHN DEERE EQUIPMENT SERVICE-2	3,904.37
87	08/27/2026	VERIZON WIRELESS	MONTHLY TELEPHONE/DATA SERVICE	100.05
88	08/27/2026	F.W. WEBB COMPANY	PVC PIPE COVERS	43.12
89	08/27/2026	ANALYTICHEM USA, INC.	WATER TESTS	215.00
90	08/27/2026	BARD AND SONS PAVING	PAVEMENT PATCHES-FAIRFIELD	10,434.00
91	08/27/2026	DIRIGO ENGINEERING	ENG. SERVICES-CHASE AVENUE BOOSTER STATION	7,573.95
92	08/27/2026	DOSTIE'S TOWING WATERVILLE	INSPECTION & OIL CHANGE-1 VEHICLE	110.40
93	08/27/2026	HARCROS CHEMICALS, INC.	SODIUM HYPOCHLORITE-WTP	5,181.47
94	08/27/2026	INFORMATION TECH EXCHANGE, INC.	RECYCLING SERVICES	141.00
95	08/27/2026	ITG COMMUNICATIONS	MONTHLY KWD LOCATES	3,939.52
96	08/27/2026	MAINE LABORATORIES, LLC	WATER TESTS	1,590.00
97	08/27/2026	PORTLAND PAPER PRODUCTS	TISSUE/TOWEL SUPPLIES	120.94
98	08/27/2026	ROKI REPAIR SHOP	INSPECTIONS & MAINTENANCE-2 TRAILERS/1 LOADER	416.98
TOTAL WARRANT				753,515.12

Kennebec Water District
Balance Sheet
As of July 31, 2026

	July 2026	July 2025	Variance
ASSETS			
Current Assets			
Cash	10,579,590.26	8,147,220.10	2,432,370.16
Accounts Receivables	465,637.35	567,659.45	(102,022.10)
Grants and Loans Receivable	-	553,702.98	(553,702.98)
Unbilled services	800,774.32	839,770.66	(38,996.34)
Prepaid expenses	118,601.16	92,867.06	25,734.10
Inventory	585,763.16	493,378.87	92,384.29
Total Current Assets	12,550,366.25	10,694,599.12	1,855,767.13
Non-Current Assets			
Other Assets	47,498.44	50,377.05	(2,878.61)
Total Non-Current Assets Excluding Capital	47,498.44	50,377.05	(2,878.61)
Capital Assets			
Capital assets, not being depreciated	2,429,339.01	3,757,740.84	(1,328,401.83)
Capital assets, being depreciated	92,761,544.28	88,222,417.53	4,539,126.75
Accumulated Depreciation	(32,489,241.65)	(30,900,140.61)	(1,589,101.04)
Total Capital Assets	62,701,641.64	61,080,017.76	1,621,623.88
DEFERRED OUTFLOWS OF RESORUCES			
Deferred Other Post Employee Benefits	94,024.18	70,431.18	23,593.00
Deferred Pension Benefits	341,050.75	360,099.75	(19,049.00)
Total Deferred Outflows of Resources	435,074.93	430,530.93	4,544.00
TOTAL ASSETS AND DEFERRED OUTFLOWS	**75,734,581.26**	**72,255,524.86**	**3,479,056.40**
LIABILITIES			
Current Liabilities			
Accounts Payable	34,438.90	277,102.09	(242,663.19)
Accrued Expenses	12,850.04	174,103.23	(161,253.19)
Accrued wages and benefits	73,025.78	58,535.23	14,490.55
Accrued Interest Payable	156,195.63	150,476.51	5,719.12
Short-Term Debt	-	1,806,901.66	(1,806,901.66)
Current portion of LT Debt	1,011,116.24	1,015,786.41	(4,670.17)
Total Current Liabilities	1,287,626.59	3,482,905.13	(2,195,278.54)
Non-Current Liabilities			
Other Post Employee Benefits Liabilities	289,711.00	285,984.00	3,727.00
Net Pension Liability	661,490.00	839,659.00	(178,169.00)
Accrued Compensated Balances	434,730.27	433,078.80	1,651.47
Unamortized bond premium, less current	291,089.51	312,481.62	(21,392.11)
Long-Term Debt (Net)	25,456,781.45	24,158,231.65	1,298,549.80
Total Non-Current Liabilities	27,133,802.23	26,029,435.07	1,104,367.16
TOTAL LIABILITIES	**28,421,428.82**	**29,512,340.20**	**(1,090,911.38)**
DEFERRED INFLOWS OF RESOURCES			
Deferred Credits	3,709,296.22	2,934,849.33	774,446.89
Deferred Other Post Employee Benefits	105,786.27	71,009.27	34,777.00
Deferred-Pension Benefits	144,630.15	87,303.15	57,327.00
TOTAL DEFERRED INFLOWS OF RESOURCES	**3,959,712.64**	**3,093,161.75**	**866,550.89**
NET POSITION	**43,353,439.80**	**39,650,022.91**	**3,703,416.89**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**75,734,581.26**	**72,255,524.86**	**3,479,056.40**

KENNEBEC WATER DISTRICT
MONTHLY INCOME STATEMENT FOR THE PERIOD ENDING JULY 31, 2026

	2026 JULY ACTUAL	2025 JULY ACTUAL	MONTHLY VARIANCE	2026 YTD ACTUAL	2025 YTD ACTUAL	YTD VARIANCE	2026 BUDGET	% OF BUDGET USED
OPERATING REVENUES								
METERED SALES RESIDENTIAL CUST	438,718	410,237	28,481	2,353,482	2,193,275	160,206	4,019,224	59%
METERED SALES COMMERCIAL CUST	117,705	105,319	12,387	728,943	712,379	16,564	1,292,898	56%
METERED SALES INDUSTRIAL CUST	54,842	178,756	(123,914)	532,289	1,037,429	(505,140)	675,000	79%
METERED SALES GOVERNMENTAL	21,512	22,738	(1,226)	126,543	120,838	5,705	221,497	57%
PUBLIC FIRE PROTECTION	239,864	222,110	17,754	719,592	666,330	53,263	959,515	75%
PRIVATE FIRE PROTECTION	95,446	88,905	6,541	284,980	265,568	19,412	382,418	75%
SALES FOR RESALE	24,903	26,284	(1,381)	151,751	127,606	24,145	266,000	57%
FORFEITED DISCOUNTS & PENALTIES	5,360	3,815	1,545	34,639	24,856	9,784	45,000	77%
MISC SERVICE REVENUE	26,974	13,456	13,517	79,177	43,405	35,772	71,400	111%
OTH WATER REVENUE (SALE READ)	7,273	6,927	346	33,525	33,179	346	55,125	61%
TOTAL OPERATING REVENUES	**1,032,597**	**1,078,547**	**(45,949)**	**5,049,138**	**5,225,516**	**(176,378)**	**7,988,077**	**63%**
NON-OPERATING REVENUES								
INTEREST & DIVIDEND INCOME	31,439	23,447	7,991	219,697	199,102	20,596	200,000	110%
MISCELLANEOUS INCOME/(LOSS)	(157)	547,592	(547,749)	32,424	1,106,183	(1,073,759)	98,000	33%
TOTAL NON-OPERATING REVENUES	**31,282**	**571,039**	**(539,757)**	**252,121**	**1,305,285**	**(1,053,164)**	**298,000**	**85%**
TOTAL REVENUES	**1,063,879**	**1,649,586**	**(585,707)**	**5,301,259**	**6,530,801**	**(1,229,541)**	**8,286,077**	**64%**
OPERATING EXPENSES								
SALARIES & WAGES EMPLOYEES	207,046	193,211	13,835	1,316,465	1,210,922	105,543	2,330,250	56%
EMPLOYEE PENSIONS & BENEFITS	47,738	42,141	5,597	475,278	437,520	37,758	867,175	55%
PURCHASED POWER	26,641	35,983	(9,342)	210,075	223,890	(13,815)	324,600	65%
CHEMICALS	12,086	32,086	(20,000)	97,050	125,357	(28,307)	175,000	55%
MATERIALS & SUPPLIES	60,844	37,665	23,179	310,886	284,895	25,991	601,500	52%
CONTRACTUAL SERVICES	48,826	76,802	(27,976)	301,614	472,844	(171,230)	884,750	34%
RENTAL EXPENSE	424	326	99	1,994	1,837	157	4,450	45%
TRANSPORTATION EXPENSES	5,417	(16,755)	22,172	21,224	27,456	(6,233)	56,000	38%
INSURANCE	9,078	8,030	1,049	60,429	58,716	1,713	115,297	52%
ADVERTISING EXPENSES	-	-	-	-	-	-	500	0%
TAXES OTH THAN INCOME	41,465	35,185	6,280	169,509	156,758	12,751	255,450	66%
MISCELLANEOUS EXPENSES	5,967	21,636	(15,669)	122,642	99,946	22,696	224,916	55%
TOTAL OPERATING EXPENSES	**465,532**	**466,309**	**(777)**	**3,087,165**	**3,100,140**	**(12,975)**	**5,839,888**	**53%**
EARNINGS BEFORE INTEREST, TAXES, DEPR & AMORT (EBITDA)	**598,347**	**1,183,277**	**(584,930)**	**2,214,094**	**3,430,660**	**(1,216,566)**	**2,446,189**	**91%**

KENNEBEC WATER DISTRICT
MONTHLY INCOME STATEMENT FOR THE PERIOD ENDING JULY 31, 2026

	2026 JULY ACTUAL	2025 JULY ACTUAL	MONTHLY VARIANCE	2026 YTD ACTUAL	2025 YTD ACTUAL	YTD VARIANCE	2026 BUDGET	% OF BUDGET USED	
DEPRECIATION AND AMORTIZATION EXPENSE (NON-CASH ITEMS)	133,907	145,572	(11,665)	986,106	1,064,775	(78,669)	1,633,114	60%	
TOTAL DEPRECIATION AND AMORTIZATION	**133,907**	**145,572**	**(11,665)**	**986,106**	**1,064,775**	**(78,669)**	**1,633,114**	**60%**	
INTEREST EXPENSE - LT DEBT	69,736	68,338	1,398	477,673	477,613	60	900,750	53%	
TOTAL INTEREST & AMORTIZATION	**69,736**	**68,338**	**1,398**	**477,673**	**477,613**	**60**	**900,750**	**53%**	
EXTRAORDINARY INCOME	**422,364**	**-**	**422,364**	**1,038,467**	**-**	**1,038,467**	**150,000**	**692%**	a
NET INCOME	**817,068**	**969,367**	**(152,299)**	**1,788,782**	**1,888,272**	**(99,490)**	**62,325**	**2870%**	

COMMENTS ON SIGNIFICANT 2026 ITEMS

a The third installment of the 3M PFAS settlement in the amount of $422,439.34 was received in July. These funds will be set aside in a separate CD for PFAS mitigation. In total, KWD has received $2,355,460.02 from PFAS settlements.

Kennebec Water District
Statement of Cash Flows
For the Period Ending July 31, 2026

Cash Balance 06/30/26	$	10,396,104.71
Utility Billing Receipts		849,088.13
Payments to Vendors		(857,326.46)
PFAS Settlement - 3M 3rd payment		422,364.34
Interest		31,438.53
Payroll		(262,078.99)
Net Monthly Activity	$	**183,485.55**
Cash Balance 07/31/26	$	**10,579,590.26**

Cash and Investment Accounts-Ending Balances

Operating Checking Account TD Bank		1,342,730.92
Checking Account-Northeast Bank		3,150.27
Certificates of Deposit TD Bank		2,121,679.83
Certificates of Deposit Northeast Bank		7,108,192.46
Cash Drawers & Petty Cash & Deposits		3,836.78
Cash Balance 07/31/26	$	**10,579,590.26**

Reserve for Debt Payments

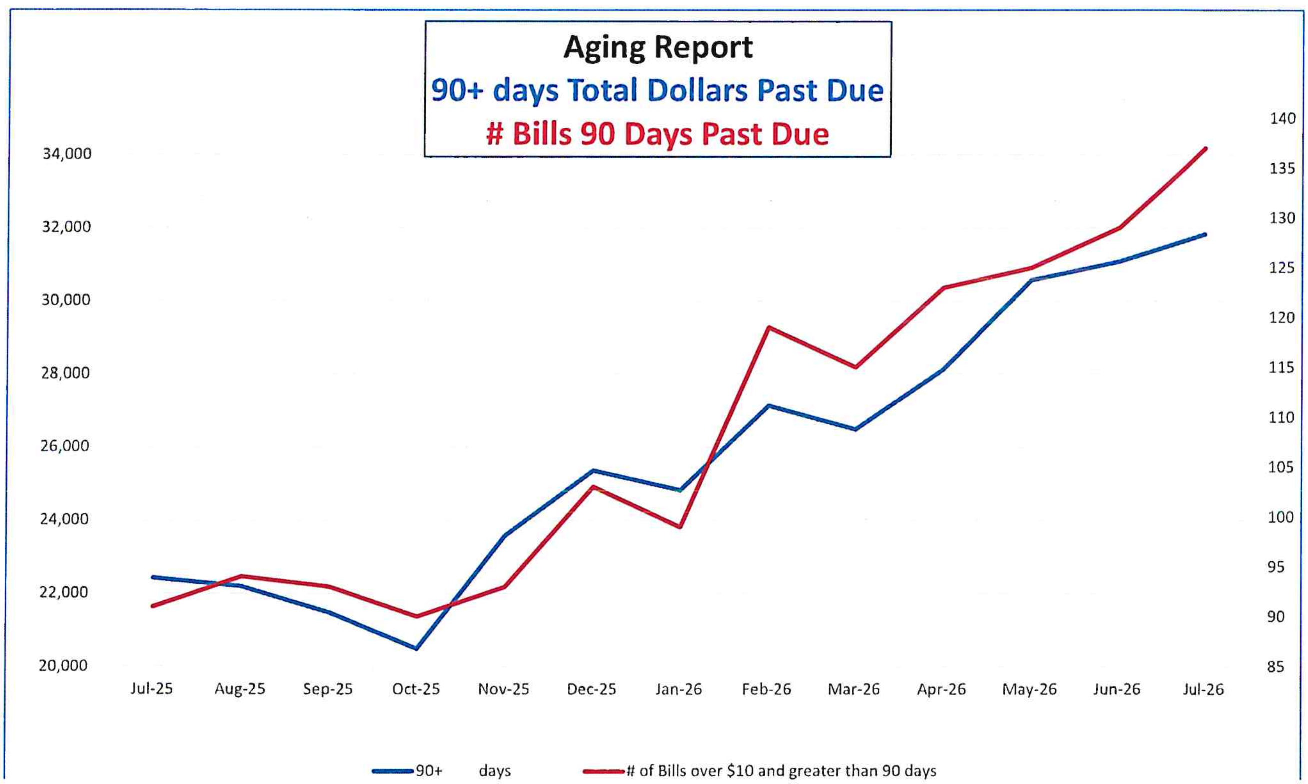
LESS RESERVE 2026 BOND PRINCIPAL	$	96,150.09
LESS RESERVE 2026 BOND INTEREST	$	37,585.70
LESS RESERVE 2025 BOND PRINCIPAL	$	68,598.69
LESS RESERVE 2025 BOND INTEREST	$	22,921.15
LESS RESERVE 2025 BOND PRINCIPAL	$	27,453.92
LESS RESERVE 2024 BOND PRINCIPAL	$	21,089.00
LESS RESERVE 2024 BOND INTEREST	$	4,031.08
LESS RESERVE 2022 BOND PRINCIPAL	$	50,780.63
LESS RESERVE 2022 BOND INTEREST	$	9,105.19
LESS RESERVE 2022 BOND PRINCIPAL	$	36,560.54
LESS RESERVE 2022 BOND INTEREST	$	6,555.46
LESS RESERVE 2022 REVENUE BOND PRINCIPAL	$	430,000.00
LESS RESERVE 2022 REVENUE BOND INTEREST	$	689,018.76
LESS RESERVE 2021 BOND PRINCIPAL	$	32,661.64
LESS RESERVE 2021 BOND INTEREST	$	5,473.39
LESS RESERVE 2020 BOND PRINCIPAL	$	142,537.00
LESS RESERVE 2020 BOND INTEREST	$	22,231.38
LESS RESERVE 2020 BOND PRINCIPAL	$	23,928.00
LESS RESERVE 2020 BOND INTEREST	$	3,457.01
LESS RESERVE 2017 BOND PRINCIPAL	$	137,834.00
LESS RESERVE 2017 BOND INTEREST	$	15,943.08
LESS RESERVE 2011 BOND PRINCIPAL	$	72,542.00
LESS RESERVE 2011 BOND INTEREST	$	16,630.33
LESS RESERVE 2009 STIMULUS PRINC	$	14,337.42
TOTAL CASH RESERVED BONDS	$	**1,987,425.46**

Uncommitted Balance	$	**8,592,164.80**

Kennebec Water District

AGING REPORT

	Current	31-60 days	61-90 days	90+ days	Total	# of Bills over $10 and greater than 90 days
Jul-25	544,304	(2,086)	3,238	22,417	567,872	91
Aug-25	377,553	(3,611)	1,454	22,194	397,590	94
Sep-25	352,304	724	1,654	21,472	376,153	93
Oct-25	569,408	(771)	2,995	20,482	592,114	90
Nov-25	462,363	940	3,013	23,580	489,896	93
Dec-25	350,120	(3,132)	1,728	25,348	374,064	103
Jan-26	531,309	8,983	3,438	24,822	568,552	99
Feb-26	398,683	(70)	2,451	27,133	428,197	119
Mar-26	364,772	(1,284)	2,739	26,483	392,710	115
Apr-26	644,117	(3,942)	4,209	28,125	672,509	123
May-26	423,826	(1,207)	2,377	30,576	455,571	125
Jun-26	258,379	5,342	(230)	31,073	294,563	129
Jul-26	427,168	1,802	4,844	31,824	465,637	137



MEMO

August 6, 2026

To: Kennebec Water District Board of Trustees

From: Roger Crouse, General Manager

Subject: Financial Planning for Water Main Replacement

Recommendation: I recommend that the Board approve a four percent rate increase effective January 1, 2027, and a resolution that records the Board's preferred long-term plan to fund water main replacement.

Background

At the July 16, 2026, Board of Trustees meeting, staff presented five funding scenarios using the Waterworth financial model. The Board's consensus was to move toward a pay-as-you-go system for the long-term funding of water main replacement.

The attached Table 1 presents a summary of seven transitions to pay-as-you-go - from an immediate transition to transitioning over 15 years.

As shown in Table 1, the rate impacts are very similar across the 30-year period. The projected rates in 30 years for KWD's minimum rate range from $315 to $342. Given the level of accuracy associated with a high-level 30-year plan, these numbers are not materially different from each other.

I recommend that Trustees focus on the transition periods and the estimated rate increases when deciding on the preferred option rather than on the specific rate outcome.

To formalize the preferred option, the Board of Trustees should adopt a resolution describing its intention to increase rates, so KWD is positioned to adequately fund water main replacement work with direct water rate revenue. Our attorney at Verrill is currently reviewing a draft resolution, which may or may not be ready for the August 6, 2026, meeting.

Implementation of the preferred option should be methodical and transparent. Table 2, Summary of Activities Required to Develop and Implement a Long-Term Water Main Replacement Program, highlights the major activities that should be completed as we move through this process. This list is not exhaustive, but it illustrates the level of work needed to successfully implement our path forward.

Because of the complexity of this effort, I strongly recommend a limited rate increase in January 2027, with the first year of more significant rate increases occurring in 2028. In each scenario presented in Table 1, I assumed a four percent rate increase for January 2027. The four percent January 2027 increase ensures KWD does not lose ground compared with inflation while avoiding more complex rate discussions so early in the implementation of the financial plan.

Request

1. Approve a four percent rate increase effective January 1, 2027.
2. Adopt a resolution describing the Board of Trustees' preferred option and providing staff, customers, and others with clarity on the Board's intention. Adoption does not need to occur during the August 6, 2026, meeting.

Financial Planning

Model Summary August 6, 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.

Scenario Name	Description	General Summary of Rate increases over 30 years (2027-2056) (4% increase in first year - all scenarios)	Minimum Quarterly Water Rate (5/8 inch meter) 2026	2036	2046	2056	Debt Balance 2026	2036	2046	2056
Full Pay as You Go	Fund for pipe replacement projects directly through rates (excluding projects with established funding)	25% 2028-2029, 10% in 2030, 4% (2031-2036) 2.5% (2037-2044), 2% through 2056	$90.36	$204.37	$259.07	$315.80	$ 30,451,684	$ 19,468,894	$ 4,914,001	$ -
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 2028-2032, 6% increase 2033-2037, 2.5% 2038-2042, 1.5% 2043-2050, 2.5% through 2056	$90.36	$209.09	$266.14	$327.58	$ 30,451,684	$ 25,593,939	$ 6,338,255	$ -
Market Rate to Pay as You Go - 7 year transition	Assumes market rate loans for 7 years then pay as you go. Over the 7 years, the percent of borrowing decreases.	10% increase 2028-2033, 7% increase 2034-2037, 4% 2038-2041, 1.5% through 2056	$90.36	$203.95	$275.02	$319.17	$ 30,451,684	$ 29,346,507	$ 7,599,097	$ -
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.	10% increase 2028-2029, 8% increase 2030-2039, 2% 2040-2046, 1.5% through 2056	$90.36	$194.88	$281.99	$327.26	$ 30,451,684	$ 35,378,848	$ 10,338,251	$ -
Market Rate to Pay as You Go - 12 year transition	Assumes market rate loans for 12 years then pay as you go. Over the 12 years, the percent of borrowing decreases.	8% increase 2027-2040, 3% 2041-2043, 1% 2044-2051, 2% through 2056	$90.36	$187.86	$287.74	$333.89	$ 30,451,684	$ 38,018,759	$ 12,986,210	$ 124,015
Market Rate to Pay as You Go - 15 year transition	Assumes market rate loans for 15 years then pay as you go. Over the 15 years, the percent of borrowing decreases.	8% increase 2028-2039, 3% 2040-2047, 1.5% increase through 2056	$90.36	$187.86	$291.04	$342.76	$ 30,451,684	$ 40,765,772	$ 18,322,035	$ 366,548

Scenario Name		Annual Interest Payments 2026	2036	2046	2056	Annual Debt Service Payments (P+I+MMBB Fees) 2026	2036	2046	2056
Full Pay as You Go		$ 894,886	$ 689,750	$ 237,136	$ -	$ 2,169,269	$ 2,357,323	$ 1,942,113	$ -
Market Rate to Pay as You Go - 5 year transition		$ 894,886	$ 962,957	$ 322,311	$ -	$ 2,169,269	$ 3,100,609	$ 2,497,368	$ -
Market Rate to Pay as You Go - 7 year transition		$ 894,886	$ 1,128,009	$ 387,695	$ -	$ 2,169,269	$ 3,514,834	$ 2,811,924	$ -
Market Rate to Pay as You Go - 10 year transition		$ 894,886	$ 1,353,167	$ 521,285	$ 3,255	$ 2,169,269	$ 4,101,851	$ 3,345,913	$ 38,794
Market Rate to Pay as You Go - 12 year transition		$ 894,886	$ 1,442,847	$ 645,379	$ 17,700	$ 2,169,269	$ 4,351,844	$ 3,773,052	$ 198,973
Market Rate to Pay as You Go - 15 year transition		$ 894,886	$ 1,536,802	$ 889,356	$ 70,633	$ 2,169,269	$ 4,610,204	$ 4,525,975	$ 437,181

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 significant capital investment beyond what is noted in #3 above other than pipe replacement (#1 above)
5. Models seek to maintain a cash balance between $2 and $5 million
6. Models assume a 4 percent rate increase in 2027 for all scenarios to avoid an unexpected rate increase in the middle of the municipal fiscal year

Table 2
Summary of Activities Required to Develop and Implement a Long-Term Water Main Replacement Program

Working Draft - July 31, 2026

Activities include but are not limited to:

Activity	Description	Progress	Timeline
Water Main Replacement Rate Targets	A foundational decision in the development of a long-term main replacement plan. The replacement rate will determine the funding levels required.	Staff has proposed a water main replacement rate of 0.8 percent annually for the first 10 years, increasing to 1.0 percent thereafter. The American Water Works Association recommends a 1.0 percent replacement rate.	Proposed in July 2026
Cash Reserve Targets	The timing of rate increases is dependent upon the impact spending has on KWD's cash reserves. Identifying cash reserve targets is necessary to determine when revenues are below or above utility needs.	In developing the financial model, staff proposed that KWD's minimum cash target should be 50 percent of operating revenues plus $3 million to maintain adequate liquidity during construction projects.	Proposed in July 2026
Financial Model	A financial model provides the utility with a tool to adjust revenue, spending, and other parameters to predict required rate changes and cash balances.	KWD retained Waterworth to develop a financial model. Various scenarios have been considered, and the model can be updated regularly to reflect changing conditions.	Base model substantially complete; ongoing updates as conditions change.
Board Resolution	To provide clarity regarding the District's intended course of action and help ensure long-term objectives are achieved, the Board of Trustees should adopt a resolution describing the District's long-term plan.	A draft resolution will be presented at or before the August 6, 2026 Board meeting.	Adoption should occur in the third quarter of 2026.
Comprehensive Water System Facilities Plan	A comprehensive water system facilities plan identifies the utility's capital investment needs over a long-term planning horizon.	KWD's Engineering Department is developing an updated Facilities Plan identifying investment needs over the next 10 years. The previous Facilities Plan was developed in 2018.	Completion anticipated in the third quarter of 2026.

Cost-of-Service Evaluation	A cost-of-service study determines the total cost to operate the system and allocates those costs equitably among customer classes.	With the financial model essentially complete, KWD staff can work with Waterworth to conduct the evaluation.	Complete by the end of 2026.
Rate and Fee Structure Evaluation	A rate and fee structure evaluation helps ensure rates and fees support utility goals and community values.	Following the cost-of-service evaluation, staff will work with Waterworth to evaluate changes requiring Board approval.	TBD (several months).
Low-Income Water Rate Assistance Program	With anticipated rate increases, lower-income customers may benefit from a water rate assistance program.	No formal efforts have been initiated to date.	2027
Monthly Billing for All Customers	Most utility services are billed monthly. As water rates rise, distributing costs through smaller monthly bills may improve affordability.	An internal kickoff meeting is planned for September 2026.	Anticipated in 2028.
Communication with the Public Utilities Commission	The Maine PUC provides financial regulatory oversight of public utilities. Rate increases require PUC approval.	KWD staff met with PUC water staff on June 22, 2026 to discuss pay-as-you-go financing and the regulatory process.	Ongoing; waiver request if needed.
Communication with the Office of the Public Advocate	The OPA advocates for the public regarding utility rates. Early engagement will be important to program success.	No formal efforts have been initiated to date.	2026 through 2027
Communication with Municipal Partners and Leaders	Rate increases will directly affect municipalities through public fire protection charges and water rates.	Although no formal outreach related to this initiative has occurred, KWD staff regularly meet with municipal leaders.	2026 through 2027
Public Messaging and Engagement	Public engagement and messaging will be essential. Use of a marketing firm may be beneficial.	KWD has a strong social media presence that can be leveraged. Additional outreach efforts will need to be identified.	Ongoing.
Rate Increases	Applications for rate increases will need to occur regularly and generally require public notices and hearings.	Seeking Board approval for a January 2027 rate increase of four percent. Additional requests are anticipated annually or biennially.	Ongoing.

KENNEBEC WATER DISTRICT
RESOLUTION

LONG-TERM WATER MAIN REPLACEMENT FUNDING AND ASSET SUSTAINABILITY POLICY

WHEREAS, the Kennebec Water District ("District") owns, operates, and maintains the infrastructure necessary to provide safe, reliable, and high-quality drinking water service to customers in the communities of Waterville, Winslow, Fairfield, Vassalboro, and Benton, Maine, and that service; and

WHEREAS, the District's water distribution system includes more than 150 miles of water main infrastructure, representing a substantial public asset that requires ongoing maintenance, rehabilitation, and replacement to ensure continued reliability and service to present and future generations of customers; and

WHEREAS, the Board of Trustees recognizes its responsibility to ensure that District assets are properly maintained and replaced as necessary to fulfill the District's mission and provide dependable water service to present and future generations; and

WHEREAS, the Board of Trustees finds that a long-term, predictable, and sustainable funding strategy is necessary to support ongoing water main replacement and to avoid the accumulation of deferred infrastructure needs or significant debt; and

WHEREAS, the Board of Trustees recognizes that funding ongoing water main replacement through District revenues and available cash reserves, rather than relying primarily on long-term borrowing, will reduce future debt obligations and avoid significant principal and interest costs that would otherwise be borne by District ratepayers; and

WHEREAS, the Board of Trustees acknowledges that transitioning from debt financing to cash financing will require a deliberate and phased approach while maintaining the financial stability of the District; and

WHEREAS, the Board of Trustees believes that transitioning from debt financing to cash financing will have a long-term positive impact on rate stabilization and enable the District to use its resources for operating and maintaining the infrastructure necessary to provide safe, reliable, and high-quality drinking rather than for debt service; and

WHEREAS, the Board of Trustees has determined that the transition from debt-financed water main replacement to cash-funded replacement shall commence in Calendar Year 2028 and continue through Calendar Year [??]; and

WHEREAS, the District will continue to pursue grants, principal-forgiveness programs, low-interest loans, state and federal assistance programs, and other favorable funding opportunities whenever available and beneficial to ratepayers;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Kennebec Water District as follows:

Section 1. Commitment to Ratepayer Value

The Board finds that a sustainable cash-funded water main replacement program is in the long-term best interest of District ratepayers by providing predictable investment in critical infrastructure, preserving the value and reliability of District assets, reducing dependence on debt financing, avoiding substantial future principal and interest costs, strengthening the District's financial position, and promoting the reliable delivery of safe drinking water.

Section 2. Long-Term Funding Policy

The Board hereby adopts a long-term financial strategy intended to provide for the sustainable replacement of water mains through the planned use of District revenues and cash reserves, with the ultimate objective of funding ongoing water main replacement projects on a cash basis rather than through traditional debt financing.

Section 3. Ten-Year Transition Period

The District shall implement a [??]-year transition period beginning January 1, 2028, and continuing through December 31, [??]. During this period, annual borrowing for water main replacement projects shall be progressively reduced, the use of District revenues and accumulated cash reserves shall be progressively increased, and the District shall target replacement of approximately 0.8 percent of the total water main system annually. Beginning in Calendar Year [??], the District shall have substantially completed the transition to cash funding for routine water main replacement.

Section 4. Permanent Cash-Funding Objective

Beginning in Calendar Year [??], it shall be the policy of the District to fund routine and ongoing water main replacement primarily through cash reserves and annual revenues. Following completion of the transition period, the District shall target replacement of approximately 1.0 percent of the total water main system annually, subject to operational needs, engineering priorities, financial capacity, and other circumstances determined appropriate by the Board of Trustees.

Section 5. Rate Planning

The Board recognizes that implementation of this policy will require increases in District revenues over time. Rate adjustments necessary to support this strategy shall be considered and approved by the Board through future rate proceedings. Nothing in this Resolution requires or approves any specific rate increase.

Section 6. Alternative Funding Sources

The District shall continue to seek and evaluate grants, principal-forgiveness programs, low-interest loans, state and federal funding opportunities, and other favorable financing mechanisms whenever advantageous to the District and its customers.

Section 7. Administration

The Board hereby directs and authorizes the General Manager to develop and implement the financial, operational, and capital planning measures necessary to carry out the intent of this Resolution and to periodically report to the Board regarding progress toward achieving its objectives.

Section 8. Effective Date

This Resolution shall take effect immediately upon adoption by the Board of Trustees.

ADOPTED by the Board of Trustees of the Kennebec Water District this ____ day of __________, 20____.

____

President, Board of Trustees

____

Clerk, Board of Trustees

KWD
Kennebec Water District

MEMO

September 3, 2026

To: Kennebec Water District Board of Trustees

From: Jared Bragdon, Distribution Manager

CC: Roger Crouse, General Manager

Subject: Request for Authorization of agreement with Proseal LLC

Need/Background:
KWD will no longer be utilizing the previously approved agreement with Bard and Sons Paving for pavement restoration work. To complete the remainder of the 2026 construction season, I obtained a proposal from ProSeal, LLC to provide pavement patching services at the same unit prices approved and utilized in 2025. ProSeal has also agreed to hold those same prices through the 2027 construction season.

Summary of Bids
Prices are as follows for the remainder of the 2026 season through 2027.

Item	Unit Price
4" Thick Patch Repair	$101.00/Square Yard
Each Additional 1" of Patch Depth	$46.00/Square Yard
Pavement Cut	$13.00/Linear Foot
6" Bituminous Curb Repair	$23.00/Linear Foot

Although ProSeal's pricing is higher than Bard and Sons' pricing, the 2026 paving restoration budget is expected to accommodate the increase. Given ProSeal's proven performance and unchanged pricing from 2025, I recommend the Board of Trustees approve this agreement.

Request
I am requesting Board of Trustee authorization to approve ProSeal, LLC for pavement restoration services for the remainder of 2026 and approve the same unit pricing for the 2027 construction season.

KWD
Kennebec Water District

MEMO

September 3, 2026

To: Kennebec Water District Board of Trustees

From: Robbie Bickford, Water Quality Manager

Cc: Roger Crouse, General Manager

Subject: Request for authorization of sole-source agreement for the removal and disposal of alum residuals

Need/Background:
As a routine part of the water treatment process, aluminum sulfate (alum) is added to the water to cause suspended particles to coagulate and form a floc. This floc is removed as the water passes through the clarifiers and filters. When the clarifiers and filters become loaded with this floc and other debris, they become less effective and are backwashed/flushed to return them to normal operation levels.

The water used to backwash and flush the clarifiers and filters, along with the floc and other debris, is pumped to the settling lagoons where the larger particles settle out. The effluent is returned to the treatment plant for treatment. Every 2 years the "in use" lagoon is switched and the settled material (residuals) is allowed to dry before removal from the lagoon bed. Once removed from the lagoon bed additional drying occurs. These sediments are considered a form of non-hazardous special waste and must be disposed of at a landfill that can handle special waste. For the last 2 years the residuals removed in 2024 have been air drying and are ready to be disposed of. This will provide a location for the residuals scheduled to be removed from a lagoon this fall to dry.

Summary of Proposals/Bids:
In previous years, multiple estimates were solicited for the disposal of these alum residuals. For the last 6 removal cycles, Waste Management submitted the best price, by a considerable margin, and was selected to complete the disposal.

For this removal cycle Waste Management has submitted an estimate of $88.00 per ton of residuals. This estimate includes all state permitting and fees, all transportation costs, and the landfill disposal fee. The estimated tonnage of residuals is approximately 500 tons resulting in a total cost of approximately $44,000. The 2026 operational budget included a line item for this work with an estimated cost of $50,000.

Request:
With the additional costs and time required associated with soliciting additional quotes, along with Waste Management's track record of competitive pricing and consistent service, I am requesting Board of Trustee approval to execute a sole-source agreement with Waste Management for the removal of the WTP alum residuals.

KWD
Kennebec Water District
SINCE 1899

MEMO

September 3, 2026

To: Kennebec Water District Board of Trustees

From: Amy Dyer, Finance Manager

Cc: Roger Crouse, General Manager

Subject: Request for approval of agreement with Wipfli LLP for Audit Services (2026–2027) and Optional Extension (2028–2029)

Need/Background:
Per the requirements of the Public Utilities Commission (as well as judicious financial management practices), KWD must have a third-party conduct an audit of the financial system.

On June 5, 2026, Nicholson, Michaud & Nadeau (NMN) (KWD's current auditing firm) informed KWD that the firm is transitioning away from audit services due to changes in strategic direction, staffing, and service offerings.

NMN was selected through a request for proposal process in 2025. Proposals were received from three firms: Runyon Kersteen Oullette (RKO), Wipfli LLP, and NMN. As can be seen in the table below, Wipfli's price was second to NMN's.

	Firm and Fees*		
Audit Period	**Nicholson, Michaud & Nadeau**	**RKO**	**Wipfli**
2025	$15,000	$25,250	$18,550
2026	$15,000	$26,000	$19,292
2027	$15,000	$26,750	$20,064***
2028**	$15,500	$27,500	$20,866***
2029**	$16,000	$28,250	$21,700***
Totals	**$76,500**	**$133,750**	**$100,472*** **

*Includes annual financial statements and single audit
** KWD's request for proposal solicited fees for a three-year contract and a supplemental proposal for an additional two years.
*** Amounts have been updated to reflect correct figures from 2025.

Wipfli is a large national firm with experience auditing entities regulated by the Maine Public Utilities Commission. I have conducted informal discussions with multiple entities regarding their current audit services and experiences. Following is a summary of these discussions.

- The Town of Millinocket reported high satisfaction with Wipfli's timeliness and overall audit process.
- Wells Sanitary District described Wipfli as "top-notch."
- Portland Water District stated Wipfli delivered quality work and timely reports and would recommend them; they transitioned to Berry Dunn in 2024 solely for pricing considerations.

Wipfli has confirmed they will honor their originally proposed pricing for 2026–2029.

To avoid the time and expense of re-soliciting proposals, I recommend that the Board of Trustees approve entering into an agreement with Wipfli as outlined below.

Request:
Based on Wipfli's strong references, demonstrated reliability, and competitive pricing, I request Board approval to:

- **Engage Wipfli LLP for audit services for the 2026 and 2027 fiscal years** at fees of **$19,292** and **$20,064**, respectively.
- **Authorize an optional two-year extension** for 2028 and 2029 at **$20,866** and **$21,700**, respectively, contingent upon satisfactory performance.

KWD
Kennebec Water District
SINCE 1899

September 3, 2026
Trustee Meeting
General Manager Report

1. **Notable accomplishments/successes since last report (including personnel commendations):**
    a. N/A

2. **Progress report on items presented at the previous Trustee meeting:**
    a. KWD's 1st employee satisfaction survey was completed on August 28, 2026. A summary of results will be presented at an upcoming Trustee meeting.
    b. The initial filing for KWD's four percent rate increase was submitted to the Public Utilities Commission on August 28, 2026. A notice will be mailed to all customers on September 9, 2026. A public hearing is scheduled for 7 pm on Tuesday, September 29, 2026, at 131 Drummond Avenue. Trustees should attend if possible.
    c. KWD's summer staff meeting will be held on Friday, September 18, 2026. Retirees and Trustees interested in attending the lunch can arrive any time after 11:30 am. Lunch is anticipated to be served at 12 pm. Please RSVP by September 11th with the General Manager.
3. **New or upcoming items of significance:**
    a. We have started preliminary planning for the development of the 2027 budgets. Matt Zetterman is leading the effort in the development of the capital budget and Amy Dyer is leading the effort on the development of the operations and cash budgets. We anticipate holding a budget workshop with the Board of Trustees in October. Due to a scheduling conflict with the 3rd Thursday in October, this workshop would preferably be held during the week of October 19th. Other dates are also available based upon Board preferences.

KWD
Kennebec Water District
SINCE 1899

September 3, 2026
Trustee Meeting
Department Reports

Department: Water Quality **Submitted by:** Robbie Bickford

1. **Notable accomplishments/successes since last report (including personnel commendations):**
   a. The MEDWP approved a $10,000 grant award (2026 Asset Security Grant Program) to install electrified door locking hardware on the employee entrance of the water treatment plant.
2. **Progress report on items presented at the previous Trustee meeting:**
   a. China Lake (Lake Elevation: 171.0 feet or 6 inches below spillway)
      i. Secchi Disk readings from 8/20/26, in all three basins, were around 3m (9 feet). The lowest readings since September 2024.
      ii. The 2026 Courtesy Boat Inspection Program on China Lake is coming to an end on September 7, 2026. To date, almost 3,000 inspections (>150 plant fragments found) of boats and/or trailers have been completed at the 6 launches in our region.
   b. PFAS Mitigation Project:
      i. The 60% design documents were delivered to KWD in August 2026 for review and comment. CDM Smith has now started work on the 90% design documents. The completion of the final design continues to be scheduled for Q4 2026.
   c. Pneumatic Valve Upgrade
      i. The overhead hangers installed as part of the project and intended to be used for valve removal and replacement have been reset following failure under load.
      ii. Replacement of the remaining valves/actuators is scheduled to begin the week of August 31, 2026.
   d. Reservoir Level Transducers
      i. The hardware for the new level sensors has been installed at the reservoir tanks. Integration of these level sensors into our existing SCADA is scheduled for September 2026.
3. **New or upcoming items of significance:**
   a. After 2 years of drying, the residuals in the East Lagoon are ready to be removed and placed on the drying pads. Following the removal of these residuals, the East Lagoon will be brought online, and the West Lagoon will be drained to dry until 2028 when the process begins again.

KWD
Kennebec Water District

September 3, 2026
Trustee Meeting
Department Reports

Department: Finance Department **Submitted by: Amy Dyer**

1. Notable accomplishments/successes since the last report (including personnel commendations):
    a. N/A

2. Progress report on items presented at the previous Trustee meeting:
    a. We have been working with Erik Nadeau of Nicholson, Michaud & Nadeau, CPAs (NMN) on our 2025 year-end audit, and we anticipate receiving the final reports and board presentation in **October**.
        i. NMN recently reassessed its long-term strategy, staffing, and services and decided to discontinue government audit work. The firm has committed to completing our 2025 audit and helping us transition to a new auditor for 2026. Because NMN is exiting the government audit business and has limited capacity to deliver a timely audit, I recommend beginning the selection process immediately. Based on the proposals received through our 2024 RFP, I recommend appointing Wipfli LLP as our independent auditor for the 2026 and 2027 audits, with an option to extend the contract through the 2029 audit. Wipfli's previous proposal supports this recommendation and would allow us to complete the transition promptly.
    b. Completed all the documentation required for the 2027 four percent rate increase filing for the Maine PUC. Materials are ready for filing and the upcoming public hearing.

3. New or upcoming items of significance:
    a. N/A

Kennebec Water District

September 3, 2026
Trustee Meeting
Monthly Department Report

Department: Service **Submitted by:** Benny LaPlante

1. **Notable accomplishments/successes since last report (including personnel commendations):**
   a.

2. **Progress on items presented in previous monthly department reports:**
   a. The test shutdown at MaineGeneral Thayer was very successful. Staff used a private gate valve to isolate the 8" domestic service while keeping the fire service active. The valve was left closed to confirm system redundancy through the separate 6" domestic service. During testing, staff identified a malfunctioning valve inside the facility. They have already received a new valve, which will be replaced before KWD technicians complete the scheduled meter replacement on September 1.

3. **New or upcoming items of significance:**
   a.

Meter Installations - June 2026

Meter Size:	5/8x3/4"	3/4"	1"	1-1/2"	2"	3"	4"	6"	**Total**
Meter Totals:	59	1	2	3	3	0	1	0	**69**

Meter Installations - July 2026

Meter Size:	5/8x3/4"	3/4"	1"	1-1/2"	2"	3"	4"	6"	**Total**
Meter Totals:	75	3	3	3	6	0	0	0	**90**

Note: This table includes replacements, new installations, formerly vacant accounts, and seasonal accounts with both new and used meters.

Kennebec Water District

SINCE 1899

September 3, 2026
Trustee Meeting
Monthly Department Reports

Department: Distribution **Submitted by:** Jared Bragdon

1. **Notable accomplishments/successes since the last report (including personnel commendations):**
   a. N/A
2. **Progress on items presented in previous monthly department reports:**
   a. Sunset Heights Winslow project- Crews continue supporting the project on an as-needed basis. Ensure KWD infrastructure is properly identified and protected and reconfigure service lines when conflicts arise with new sewer and storm drain installations. This effort is on going and since last report, KWD has abandoned four undocumented service connections and completed two service line adjustments to accommodate for new sewer lines.
   b. Benton Ave paving project (MDOT) – KWD is complete, surface paving is scheduled for 8/31/26.
   c. Clinton Ave/Outer Clinton Ave paving project (MDOT) – KWD is complete, surface paving is scheduled for 8/31/26.
   d. Town of Fairfield Paving-Complete
   e. System wide single flow hydrant testing began in early June, prioritizing hydrants installed through watermain improvement projects since 2020. A total of 134 hydrants were tested, effort is ongoing.
3. **New or upcoming items of significance:**
   a. Fall hydrant flushing

Main Break Summary:

No breaks during this reporting period!

DATE OF LEAK	LOCATION (STREET)	MUNCIPALITY	PIPE SIZE	PIPE/SERVICE/VALVE INSTALLED DATE	MATERIAL	TYPE OF LEAK

September 3, 2026
Trustee Meeting
Monthly Department Reports

Department: Engineering **Submitted by:** Matt Zetterman

1. **Notable accomplishments/successes since last report (including personnel commendations):**
   a. Comprehensive Water System Facilities Plan – District staff have completed a comprehensive Water System Facilities Plan that will serve as a strategic planning document for capital improvements over the next ten years. A key focus of the plan is increased investment in the replacement and rehabilitation of aging water mains.
   b. Gutermann Leak Sensors – KWD has purchased six Gutermann leak sensors through EJ Prescott that will be used to accurately locate leaks within the distribution system. The District's focus now shifts to evaluating and implementing a broader leak detection system that can continuously monitor the water system and identify areas of potential concern. Those areas can then be further investigated and confirmed using the Gutermann leak sensors, improving KWD's ability to proactively identify and address water loss.

2. **Progress report on items presented at the previous Trustee meeting:**
   a. Chase Avenue Pump Station Upgrade Project – No significant project work has been completed since the last update. Electrical and mechanical installation within the building is not expected to begin until all major equipment and materials have been received, which is currently anticipated to occur in September or October.
   b. 2026 Sanger-Boutelle Water Main Improvement Project – Work on Colonial Street has been completed, and construction activities have shifted to Boutelle Avenue, beginning with the installation of temporary water services. District staff are currently finalizing the remaining submittals required by CSX to facilitate installation of the new water main beneath the railroad tracks on Main Street. This work is anticipated to begin within the next month.
   c. 5 South Street Building Demolition – Briggs Contracting is scheduled to begin demolition of the former 5 South Street office building on August 31. The project is expected to take several weeks to complete.
   d. 2028 Halifax Water Main Improvements Project – Wright-Pierce Engineering will be utilizing drone surveying technology to collect data along approximately 6,000 feet of roadway and develop a CAD base map. This information will be used by District staff to support the design of the upcoming water main improvement project. This work is anticipated for September.

3. **New or upcoming items of significance:**
   N/A