

KENNEBUNK LIGHT & POWER DISTRICT  
COUNTY OF YORK  
STATE OF MAINE

- - -

BOARD OF TRUSTEES MEETING MINUTES

- - -

KENNEBUNK LIGHT & POWER DISTRICT  
4 FACTORY PASTURE LANE  
KENNEBUNK, ME 04043  
TUESDAY, FEBRUARY 28, 2017  
5:00 p.m.

- - -

BOARD MEMBERS:

PRESIDENT: JONATHAN KILBOURN - (PRESENT)

VICE-PRESIDENT: WAYNE E. BERRY - (PRESENT)

GENERAL MANAGER/TREASURER: TODD SHEA - (PRESENT)

CLERK: ROBERT EMMONS - (PRESENT)

TRUSTEE: DAVID CLUFF - (NOT PRESENT)

TRUSTEE: DAN BARTILUCCI - (PRESENT)

ALSO PRESENT:

Donna Teague, Kennebunk

Beverly Freudenreich, Kennebunk

Peter Ashley, Cape Neddick

Ward Hansen, Kennebunk

Matthew Rancourt, Business Manager

TRANSCRIPT OF PROCEEDINGS

THE VERBATIM PORTIONS OF THIS MEETING are supplied to you on the condition that receipt thereof will certify the accuracy of the spoken word but not that of the speakers.

THE VERBATIM PORTIONS OF THIS MEETING are a transcript of the recorded proceedings and since the proceedings were not taken in front of a court reporter, accuracy in the depiction of speakers cannot be guaranteed in the colloquy of the transcript.

THE VERBATIM PORTIONS OF THIS MEETING are the only official transcript which may be relied upon for purposes of verbatim citation of the proceedings.

Whereupon, President Kilbourn called the meeting to order at 5:00 p.m.

Whereupon, Item II, Approval of Regular Meeting Agenda, occurred. It was noted that Item IV, Tentative Executive Session Pursuant to 1 MRSA 405.6 (E) for Legal Advice from the District's Attorney, will be deferred until a later date to allow the Board ample time to review the contract from NextEra Energy. Item VII, Tentative Board review and approve NextEra Energy Solar PPA, will be deferred until a later date for the same reason.

Whereupon, Item III, Executive Session Pursuant to MRSA 405.6 (E) for Legal Advice from the District's Attorney, occurred. President Kilbourn asked for a motion to move into Executive Session. It was moved by Clerk Emmons and seconded by Vice-President Berry. Vice-President Berry asked that Business Manager Rancourt be permitted to attend the Executive Session. There was no disagreement heard from the Board members present.

Whereupon, with unanimous ayes heard, the Board moved into Executive Session at 5:05 p.m.

- - -

*Executive Session*

- - -

Whereupon, the Board came out of Executive Session at 7:00 p.m.

Whereupon, Item V, Board Review and Approve January 31, 2017 Meeting Minutes, occurred. Trustee Bartilucci asked what the figure is for meters that are outside of the town of Kennebunk. General Manager Shea will advise the Board at the next meeting what those figures are. There being no other discussion, President Kilbourn asked for a motion to approve the minutes. Vice-President Berry made the motion and it was seconded by Clerk Emmons.

Whereupon, with unanimous ayes heard, the minutes were approved.

Whereupon, Item VI, Public Comment Period (Limited to 15 Minutes Total) occurred.

- - -

*Public Comment Period*

*Verbatim Transcription*

- - -

MS. FREUDENREICH: Bev Freudenreich. My question is probably for Todd, I guess. I just wanted to know how many of the dams are up and running right now, and if they aren't all running, which ones aren't running, how long have they been down, and how soon would they be repaired?

GENERAL MANAGER SHEA: I can't answer all of those right now off the top of my head, because I don't know which ones are running right now. I can gather that information for you and send it to you in an e-mail if you would like.

MS. FREUDENREICH: Okay.

GENERAL MANAGER SHEA: But at the moment, I don't know what is running.

MS. FREUDENREICH: Is there any way that if they're not -- yeah, that would be fine.

GENERAL MANAGER SHEA: All right.

MS. FREUDENREICH: That will be fine.

GENERAL MANAGER SHEA: And we --

MS. FREUDENREICH: That is the question that comes up all the time.

GENERAL MANAGER SHEA: Yup. The ones that aren't running, I can -- I'll let you know why they aren't, because I know there's one that is not running and it's because of an accumulator and a governor that we have an outside consultant that, as Peter so kindly put today, water is running everywhere, so -- he's very busy, so we're trying to get to the bottom of an issue. But I'll let you know where we're at and how it's going.

MS. FREUDENREICH: And how long they've been down. I have the water running by my house. I can tell by the water going across the street that the people across from me had kayaks out and now -- they were far from the water and now they're pretty close. Pretty close. So, I have a lot of water out there.

PRESIDENT KILBOURN: I think the Board would like to -- we would appreciate hearing that update, as well.

MS. FREUDENREICH: Okay.

PRESIDENT KILBOURN: Thank you for asking the question.

Other comments or questions from the public?

MS. TEAGUE: I have a question. Donna Teague. And I think it's a Todd question, too. Last time, Todd, at the meeting, you mentioned that there were four companies that expressed an interest in the dams.

GENERAL MANAGER SHEA: Um-hmm.

MS. TEAGUE: Who are they and where is the -- like, did they ask for stuff, what did they get?

GENERAL MANAGER SHEA: I don't believe I can disclose who they are. I can tell you that Surge Hydro was one of them, but they have not expressed interest since May of 2016. One was -- the others that have never expressed -- I guess I can say who they are, whether or not

I've spoken to them. Other than a return e-mail saying that we are interested in releasing the facilities, Blue Water Hydro is one that was a New York -- that the Governor's office gave me the name of that -- they gave -- the Governor's office gave me their name, sent me contact information. I replied to the contact information and didn't have any further communication. And those -- those two are the solid -- others were -- never came to fruition after I tried to reach out. I tried to reach out to Krueger, who owns a bunch of hydro's, and the last name escapes me. There is --

MS. TEAGUE: Okay.

GENERAL MANAGER SHEA: I don't know what the last one is, to be honest. Krueger, I believe it's called Blue Water, and Surge are the ones that -- Surge is the only one that's furthered any communications.

MS. TEAGUE: Okay. Thank you.

PRESIDENT KILBOURN: Just a question here. Maybe it's a statement. You can correct me if I'm wrong. I don't think the names of the folks that we sent the announcement to and those who responded and their names would be confidential, but any of the dialogue --

MS. FREUDENREICH: That was way back when.

GENERAL MANAGER SHEA: That was way back, yeah.

PRESIDENT KILBOURN: Okay. Oh, okay. You're not talking about the official solicitation?

MS. FREUDENREICH: Yeah, yeah.

MS. TEAGUE: In the 2012, no.

MS. FREUDENREICH: Yeah, we're talking about recently.

MS. TEAGUE: Just recently.

PRESIDENT KILBOURN: Okay.

MS. TEAGUE: Thank you.

GENERAL MANAGER SHEA: You're welcome.

PRESIDENT KILBOURN: Anything else?

MR. ASHLEY: I'm just going to touch on a few things.

PRESIDENT KILBOURN: For the record, this is Peter Ashley speaking.

MR. ASHLEY: What's that?

PRESIDENT KILBOURN: I was just getting on tape as to who you are because we're recording the meeting.

MR. ASHLEY: Oh, who am I? I often wonder. I look in the mirror and I say, oh, my God. Who is that old character? So, yeah. I'm Peter, Peter Ashley. Oh, you're recording on the machine.

PRESIDENT KILBOURN: Yes. Thank you, Peter.

MR. ASHLEY: And I'm from out of town, and we've been trying to find a piece of property around here and I'm nervous about the taxes.

PRESIDENT KILBOURN: You might be at the wrong meeting.

MR. ASHLEY: The taxes -- I go by the high school and I get very nervous looking at all of those windows facing north. You won't believe, there's about 30 of them. I don't know, they're four by eight or more, the heat loss is -- oh, let's not go into that.

Okay. Now, you folks have been talking about solar and I have avoided that subject, 'cause it's a learning curve, and you really have to get down to the bells and whistles of computers and stuff to really discuss it and it's a quiet, small group type discussion, where you fix -- you try to fix a direction and then you try and stick to it, and that's the hardest part.

So, let's hope that -- this is Arundel Ford with a little snow on it, and I think there are -- they have big inverters on them, so a string inverter. A string inverter is not a micro-inverter. A micro-inverter controls each module so that you get a very good feeling for the output of each of your little devices. It's like having a big flashlight and you're wondering what the voltage is somewhere along the chain and all of a sudden it doesn't work. It may be one battery. So, one module can really ruin the output in the long run. So, I hope you've been talking about string inverters, okay.

Then, you get an inch of rain and you convert it to snow, that's around 12 inches of snow, which makes it easy to go the other way, 'cause a twelfth of 62.4 is roughly 5.1 pounds, so we get the area of the roof and there's about 7,000 pounds on Arundel Ford. So, the other part of the whole thing is, I hope you're going to get a good support system on this.

Now, the long run with a power purchase agreement is that someday the District might own it, someone else might own it. I don't know. It all depends on how you handle it. If you go over time, like 40 years, 50 years, whatever, which you should be doing, of course, you get a degradation of these cells, and rust, and as a result, the module decreases output and everything. So, it becomes maybe better later on to start thinking about oh, we should have had something that changed, not in an azimuth, but in elevation so that you can pick up the snow reflections in the winter because you've got a steeper -- so it dumps the snow on the ground and you don't have the thing collapse under X amount of pounds of snow.

So, when you first put up the basic structure, the real sturdy bottom part, like a lighthouse, you know, you design it so that the array can be tilted. Can be is the trick word. So, you cut the costs, the initial installation costs, by leaving all the bells and whistles off. Now, linear ball screws, and actuators, and electronics, and all of that stuff that -- you know, one strike

of lightning might be kind of a disconcerting thing to have on all that stuff. So, you -- later on, when you're getting to the point maybe of buying it, and I don't know -- what's the length of a power purchase agreement?

GENERAL MANAGER SHEA: We have three options, 20, 25, and 30. We haven't -- we haven't settled on what term it will be.

MR. ASHLEY: So you get the manufacturer's expected degradation curve and you plot that, and then you -- you know, the output and all of those things, which is great fun. So, when you get it to change in azimuth, then it's easy to clean, 'cause you can use gravity. You tilt it up and the truck drives by and sprays it with -- not high pressure, but, you know, an appropriate pressure with a safety factor. The manufacturer of the cells will -- the modules will tell you what that should be, and then you make sure that there's a cleaning phase in each year -- especially after the pollen finishes. When you see the yellow all over it and you take it off and the whole temperature jumps about 18 degrees or so and -- 'cause I have had thermal since 1970 something, so the most important thing is the micro-inverter, the support system, so that you can upgrade it later. And you go and sell it to somebody else, you can say that's a selling feature, we should get a little more for it if we're not going to run it, that kind of stuff.

All right. Now, I've got to go to my list, which I just found on the back side of something that was reasonable --

PRESIDENT KILBOURN: Peter, if I might, just a quick question. Are there others who wish to comment during the 15 minute comment period tonight?

(No verbal response.)

PRESIDENT KILBOURN: Okay. Proceed.

MR. ASHLEY: Okay. So, the other is clearance underneath. You ought to be able to drive a little garden tractor or whatever it is that will take care of the vegetation problems and those spray, of course. So, supports to allow the three positions, and I pick usually 30, 40, and 50 degrees, and then install feature active -- after the years approved that it is time to have that advantage. Washing, I've spoken about that, and the pollen and the micro-inverter, so that takes care of that sheet.

Now, there's --

GENERAL MANAGER SHEA: It's right there, Peter. Oh, you've got one that's falling down, too.

MR. ASHLEY: Okay. Wait one second. I've been visiting the library. I'm beginning to be recognized by my footsteps coming up the elevator. I suddenly realized one day that there's a lot of data out there, so where is it? And I said, oh, it's in the library, of course. So, Ward has been very kind to help me out and I try to help him out. Where is --

UNIDENTIFIED FEMALE SPEAKER: He's gone.

GENERAL MANAGER SHEA: He's not here.

MR. ASHLEY: He's gone. Oh, okay. So up at the top of the page is 1929, and down at the bottom there's 1981, and then it goes to the next sheet and the numbers get a lot bigger quick because they are more involved and it ends in 2016. So, I got to the place where all these zeros are. What is going on? So, then, I had to go back and get all the town reports out again and start reading the managers' and trustees' reports, which are very, very interesting and an incredible history of the Town.

So, in 1962, or just after that, the light district had someone come in and review the -- are they cost effective or whatever; are we making money, are we losing a little bit of money, how much either way, is it worth it to stay going when it's losing a tiny bit, et cetera. So, for like 15 years or so. What is that, '63 to '76? I'm not good at doing math upside down, so anyway, the question was why.

So, they had done a study, and whoever did it, and it didn't mention getting more than one person, said, no, it's not cost effective. You know, shut them off, let them sit there. Don't spend the money on them. Don't worry about maintaining them. Whatever they said. That's all just imagination. So, they sat there. And then it got to 1976, and a little glitch came along and it was having to do with the oil around the world and all of that stuff, and Central Maine Power, I believe, was the supplier at that time, and it went up 28 percent, which was a little over, I think, 260, some thousand, dollar increase in rates for your supply. What are we going to do? You know, you're hit with that and it says it's due within the month, a quarter of a million dollars, crazy. So, they looked around and they said, oh, we'll take the canvas off of Duffy's, start that up, and they did that. So, you can see the price -- the kilowatts jumped 189,000, and then they started talking with Lawrence Kenny (ph), who had Old Falls and New Dam, and he got those going, and I think it was December of -- maybe it was December of '78 they produced with them all running 7 -- 600,000, I think it was, Kilowatt hours.

PRESIDENT KILBOURN: Peter, we have about two minutes.

MR. ASHLEY: That was the beginning and now, it progressed to up to -- two million, two million, two million, two million, thing, and then a one million, then two, two, two, and then one. It started doing very well. So, I guess the bottom line is that I hope the solar is not kind of like, oh, if they're not profitable, we're going to go and get something else somewhere else. We're going to get some gas up the pipeline, or we're going to get solar -- or we're going to do the -- I hope that you've seen through the cobwebs and analyzed it properly all the way through, because when you -- when you go and look at the GZA and they're talking about 4 million kilowatt hours, those -- that's an entirely possible figure. So, don't throw the baby out with the bath water.

Remember that solar can be saved up and that's the last point, is that demand charges just went up to the -- and demand charges is a deep subject, and it's debatable, and I'd like to learn more about it, but I saw figures for the alcove, I saw figures for the domestic hot water heater, the switch on and off program, and I don't know why they were stopped -- for some reason -- and maybe they can be reinstated.

And then somewhere, back in a trustees' meeting a while back, there was talk about how much it heats to -- takes to heat this place. Well, when they were talking about designing this, I said, well, let's put radiant heat in where the trucks are going to go, so you can melt the ice off



and have them last longer and all that stuff, which was never done. They didn't realize I was into solar so much.

So, that subject I would like to talk more about and Dan is going to start talking about it. He mentioned to me that's a good subject to hone up on and if you're talking about weatherizing everybody in town, this makes a good opportunity to do a big PR event of the installation of the electric light district, to lower our peak load on the grid, our own grid. So --

PRESIDENT KILBOURN: Thank you, very much. I would also point out that we have a strategy planning session, which we've all been waiting for, some of us for multiple years, scheduled in April.

MR. ASHLEY: Yup.

PRESIDENT KILBOURN: And if you are available, that might be a good one to both comment at and listen to, because we will be having, I hope, a fairly wide ranging discussion about many matters other than solar and the dams, and to do with our strategic direction. I made a couple of notes and I appreciate it. Thank you for your comments.

MR. ASHLEY: Dan has the thing on the Mitsubishi large systems and he's going to be reading, I'm going to be reading more, and it's a 19 -- a 2011 thing, so we'll get an update for it.

PRESIDENT KILBOURN: Thank you.

MR. ASHLEY: I went to a seminar back in, I don't know, 2008, that Mitsubishi had in Boston [sic], so now you know that they are everywhere.

PRESIDENT KILBOURN: Well, thank you, very much. We'll bring the public comment period to a close now and I just want to say that I have some solar panels with those micros on there, Peter, on my rooftop right now. I just provided a draft report to the District of the results, very detailed results of my work, and I can look on my cell phone right now, if the sun were out, and even now I can look and see what each panel is performing at on my rooftop, so it's pretty --

MR. ASHLEY: It's called a module.

PRESIDENT KILBOURN: It's pretty sophisticated. So, let's move along. Thank you, again, everybody for your comments and questions.

--

*Public Comment Period and Verbatim Transcript Concluded at 7:30 p.m.*

--

Whereupon, Item VIII, General Manager's Report, occurred as follows:

A. Address Past Meeting Board Requests were discussed as follows:

1. General Manager Shea discussed the bond rating and has asked Joe Cutara (ph) to come to a meeting based on his availability to discuss this topic further.

2. The comparison of Central Maine Power and the District will be completed by the March 28, 2017 meeting.

3. Net metering documents, in regard to the PUC's decision and the potential direction that the Legislature may take, will be forwarded by General Manager Shea to the Board of Trustees.

B. Outages/Complaints.

1. Only a handful of outages have occurred within the month of February. KLPD was called upon by Central Maine Power to assist with outages that they encountered throughout areas of Kennebunk, Wells, and other areas that Central Maine Power serves. General Manager Shea noted that CMP had approximately 18,000 customers without power in York County. KLPD had six homes that lost power in that same outage.

President Kilbourn would like the broader public to be informed when the crew of Kennebunk Light & Power District assists in community based situations. Ms. Freudenreich feels that a letter should be sent to the local newspapers for publication.

General Manager Shea then added that due to Ms. Freudenreich's suggestion that an article be written in regard to the District's squirrel dilemma, a national recognition of the problem is now under way. General Manager Shea pointed out that there is an organization called the Cyber Squirrel Squad that tracks squirrel outages worldwide. The organization presented a report to the United Nations in regard to the electrical grid in the United States and the dangers to that grid. Their findings show that the biggest danger to the electrical grid is rodents, birds, and snakes. The organization sent General Manager Shea a letter thanking the District for the publicity.

C. Update on discussion with Governor's office and staff:

1. General Manager Shea was invited by the Town to attend the meeting that occurred at the Governor's office. Two meetings occurred. The first was with the Governor. The second was with the Governor's staff. General Manager Shea stated that there is a concerted effort on behalf of KLPD and the Town, working in conjunction with one another, to find a solution to what is deemed by some to be the problem of the dams in Kennebunk. The Governor has taken notice and has expressed interest in, if not hydro-generation, the physical dam assets and the history of those assets. KLPD and the Town of Kennebunk are working with the State to try to find a solution if one exists.

(Thereupon, several members of the public left the meeting.)

Trustee Bartilucci then discussed the District's website. General Manager Shea stated that Ms. De Marre is in the process of revamping the website and the hope is to have a rollout available for the Board's review by the March, 2017 meeting.

Whereupon, Item IX, Board decision on Date of Strategic Planning Meeting (April 4, April 11, 2017), occurred. It was determined by the Board that the Strategic Planning Meeting will occur on April 4, 2017 at the District's offices. Any suggestions or ideas should be passed on to General Manager Shea. The strategic planning meeting will be based around, but not limited to, the goals, longer term strategies, capital usage, technology questions and public relations issues of Kennebunk Light & Power District. Safety, reliability, and cost effectiveness was then discussed further by General Manager Shea.

Whereupon, Item X, Date of Next Meeting, March 28, 2017 at 6:00 p.m. and the District offices was discussed.

Whereupon, Item XI, Board Recommendation for Agenda Items for Next Meeting, occurred. Clerk Emmons then discussed the wire job at the substation. He feels that this is an important issue and should be addressed. It will be part of the strategic planning meeting according to President Kilbourn.

Vice-President Berry then asked about the Notice of Intent. General Manager Shea brought the Board up to date on the NOI status. After completion, it will be filed with FERC via their e-library.

Vice-President Berry then asked if a joint meeting between the Board of Selectmen of Kennebunk and the KLPD Board of Trustees has been scheduled. General Manager Shea stated that no further discussion has occurred in regard to a joint meeting. He added that the Board of Selectmen are still getting up to speed on the issue. General Manager Shea will bring it up to the Board of Selectmen again. He also stated that there has been no further discussion in regard to a potential workshop meeting.

An individual from the public then asked if the NOI would be made public. President Kilbourn stated that it will be made public at the appropriate time as it has not been written as of yet.

There being no additional business of the District discussed by the Board, President Kilbourn asked for a motion to adjourn. Clerk Emmons made the motion to adjourn and it was seconded by Trustee Bartilucci.

Whereupon, with unanimous ayes heard, the meeting adjourned at 7:45 p.m.

Attest: \_\_\_\_\_  
Bob Emmons, Clerk