

KENNEBUNK LIGHT & POWER DISTRICT  
COUNTY OF YORK  
STATE OF MAINE

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BOARD OF TRUSTEES MEETING MINUTES

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KENNEBUNK LIGHT & POWER DISTRICT  
4 FACTORY PASTURE LANE  
KENNEBUNK, ME 04043  
TUESDAY, May 29, 2018  
6:00 p.m.

- - -

BOARD MEMBERS:

PRESIDENT: JONATHAN KILBOURN - (PRESENT)

VICE-PRESIDENT: - DAVID CLUFF - (NOT PRESENT)

GENERAL MANAGER/TREASURER: TODD SHEA - (PRESENT)

CLERK: ROBERT EMMONS - (PRESENT)

TRUSTEE: DAN BARTILUCCI - (PRESENT)

TRUSTEE: BRADLEY "SCOTT" DUCHARME - (PRESENT)

ALSO PRESENT:

Beverly Freudenreich, Kennebunk

Matthew Rancourt, Business Manager

*(Other members of the public may have been present but not identified.)*

APPEARANCES:

RUNYON KERSTEEN OULETTE

BY: CASEY LEONARD

20 Long Creek Drive

South Portland, ME 04106

Whereupon, President Kilbourn called the meeting to order at 6:00 p.m.

Whereupon, Item II, Review Regular Meeting Agenda, occurred.

Whereupon, Item III, Board Review and Approve Minutes of March 27, 2018 and April 24, 2018 Meetings, occurred.

There was not a quorum to vote on the March 27, 2018 meeting minutes. It will, therefore, be tabled until the June, 2018 meeting. President Kilbourn made a motion to accept the minutes of April 24, 2018. It was seconded by Trustee Bartilucci.

Thereupon, with no further discussion occurring, a vote was taken and unanimous ayes were heard. The April 24, 2018 Meeting Minutes were approved and accepted.

Whereupon, Item IV, RKO Presentation of 2017 Financial Audit to Board of Trustees, occurred. Mr. Leonard gave a full and detailed report and presentation in regard to the 2017 financial audit that the firm conducted. The opinion of the firm is unmodified and is in accordance with generally accepted accounting principles and is considered a clean opinion. A Yellow Book audit was also performed by the firm in which a clean opinion was found.

Mr. Leonard then addressed the Management Letter in which he reviewed the comments made to management. Inventory was discussed along with audit trail procedures. Depreciation of the District's assets were reviewed and discussed in detail. Segregation of duties were discussed, with Mr. Leonard noting that segregation is impossible due to the size of the administrative staff. Recommendations in regard to reducing the opportunity of theft and risk to the District were discussed. Capital asset records were discussed. OPEB (Other Post Employment Benefits) were then discussed by Mr. Leonard. He discussed implicit rate subsidy and the negative impact it has on the District's rating. The new standard which becomes effective December 31, 2018 may have a material impact on the District. Health, life, and retirement benefits of retirees were then discussed by the Board and Mr. Leonard.

With no further discussion, President Kilbourn asked for a motion to accept the audit as presented by Mr. Leonard. The motion was made by Trustee Ducharme and seconded by Trustee Bartilucci.

Thereupon, with unanimous ayes heard, the motion passes.

(Thereupon, a brief recess occurred and Mr. Leonard left the meeting at 6:40 p.m.)

Whereupon, Item V, Board Review April, 2018 Financials, occurred. Business Manager Rancourt took the floor and briefly discussed sales and expenses. Dispatch services were discussed. Restricted and unrestricted cash was discussed by Business Manager Rancourt. Cash-on-hand was also discussed along with delinquent accounts. Depreciation in regard to the dams was discussed by the Board and Management.

Whereupon, Item VI, Board Discussion and Decision on Post Road Memorandum of Understanding, occurred. General Manager Shea advised the Board of the background in regard to the Post Road Memorandum. He explained that the organization is looking for communities to promote digital inclusion to increase availability of telemedicine, telecommuting, virtual

generation, and to promote large digital use companies to go to less populated areas within the country. Kennebunk Light & Power District, in conjunction with the City of Sanford were selected for the pilot program. The pilot program would involve a pre-feasibility study to determine whether or not the investors would be interested in investing in the Town of Kennebunk and the City of Sanford. The study would determine viability and need within the District's territory, along with asset cost, asset revenue, and financing of the assets. The program would cost \$200,000, with Kennebunk Light & Power District splitting a 10% grant with the City of Sanford. KLPD's portion would be \$10,000.

General Manager Shea discussed fiberoptics, its benefits, the benefits to the Town of Kennebunk, and the beneficial opportunity for KLPD if the Board elects to participate in the program. Solar, virtual power and smart grids were also discussed by those present.

After a thorough discussion, President Kilbourn made a motion to accept the recommendation of the general manager, at an amount of \$5,000, with the General Manager being requested to negotiate with the Town of Kennebunk for the remaining \$5,000 in order to cover the 10% match with the City of Sanford, to proceed with the outline as described in the proposal, and proceed to negotiate the memorandum of understanding. Clerk Emmons seconded the motion.

Thereupon, with unanimous ayes heard, the motion carries.

Whereupon, Item VII, Board Review and Approve 2018 Goals, occurred as follows with General Manager Shea's revised draft goals:

- A. Substation and load shifting projected for September of 2018, out to bid by December of 2018.
- B. Review and restructure debt projected for no later than December of 2018.
- C. Full Requirement Service RFQ by August of 2018.
- D. Issue bid package in regard to ending contract with NextEra Energy by December of 2018 with a final decision by June of 2019.
- E. Solar Array - General Manager Shea to press for project completion by December of 2018.
- F. Building cash reserves continues to be an ongoing project.
- G. FERC negotiations continues to be an ongoing project.
- H. Strategic planning - General Manager Shea to have a draft plan by June of 2018.
- I. Rate fixes continue to be an ongoing project.
- J. Online payments are anticipated to begin in July of 2018.
- K. Hydro focus continues to be an ongoing project.

L. Capital Budget to be completed by August of 2018.

M. Additional infrastructure needs continues to be an ongoing project.

After a brief discussion occurred, President Kilbourn asked for a motion to accept the revised 2018 goals. Clerk Emmons made the motion. It was seconded by Trustee Ducharme.

Thereupon, with no further discussion occurring and unanimous ayes heard, the motion passes.

Whereupon, Item VIII, Continue Discussion Regarding Engineering Services, occurred. General Manager Shea asked the Board for clarification in regard to preparing an RFQ for engineering services for the design of the substation. General Manager Shea reviewed SGC Engineering, TRC, and a few other companies that are in the region with the Board.

After a discussion amongst the Board members, Trustee Ducharme made a motion to have General Manager Shea put an RFQ out and for it to be completed in time for the next monthly meeting. Trustee Bartilucci seconded the motion.

Thereupon, with no further discussion and unanimous ayes heard, the motion carries.

Whereupon, Item IX, General Manager's Report:

A. Past Board Meeting Requests

1. The number of meters that have been upgraded within the District to a newer technology is approximately 4,000.

B. FERC Inspection Update and Filing Update:

1. The inspection occurred in May and lasted approximately three hours.

2. Filings have been organized within the drop box for the Board's review.

3. A site and study plan visit by AFH is scheduled for June 18, 2018 at 8:30 a.m.

C. Substation Planning Update:

1. Surveyors have been reviewing the parcel with elevations being shot.

2. Discussion with the Town of Kennebunk have occurred and are ongoing.

3. Pins will be placed. 4.

D. Asplundh Tree Trimming Update:

1. Asplundh is working in West Kennebunk and the Asplundh team is doing a much better in job in regard to past issues.

E. Update on FEMA October Storm Process:

1. The process is continuing.

F. AFH Site/Study Plan Visit 06/18/18, 8:00 A.M.

G. Hydro Operations Update:

1. The District is up to 570,000 kilowatt hours for 2018 thus far.

2. Gaskets, filters, and oil have been ordered for all three facilities. The old oil will be drained, the reservoirs cleaned, filters and gaskets will be replaced and the oil will be replaced within each facility.

3. Boards will be replaced at Dane Perkins.

4. The cedar poles will be taken out at Kessler Dam.

5. A large floating stump that is approximately 14 feet in length and 3 feet in diameter will be removed from Twine Mill.

H. Solar Array Progress Report and Contract Revision Update.

1. DEP site visit has been completed with no significant vernal pools being found.

2. The permits required are a storm water permit, two permits by rule for stream crossings, and a Tier 1/NEPPA permit for cutting trees in the wetlands due to the occurrence of shading. Timing was also discussed.

Whereupon, Item X, Public Comment Period (Limited to 15 Minutes Total), occurred. Ms. Freudenreich asked for clarification in regard to the Post Road Memorandum of Understanding, the City of Sanford's involvement and how funds would be expended.

Whereupon, Item XI, Next Meetings, Tuesday, June 26, 2018 and July 31, 2018.

Whereupon, Item XII, Board Recommendation for Agenda Items for Next Meeting, will be forwarded to General Manager Shea.

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. It was seconded by Trustee Bartilucci.

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

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

