

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, JULY 25, 2017  
6:00 PM

- - -

BOARD MEMBERS:

PRESIDENT: JONATHAN KILBOURN - (PRESENT)

VICE-PRESIDENT: DAVID CLUFF - (PRESENT)

GENERAL MANAGER/TREASURER: TODD SHEA - (PRESENT)

CLERK: ROBERT EMMONS - (PRESENT)

TRUSTEE: DAN BARTILUCCI - (PRESENT)

TRUSTEE: BRADLEY "SCOTT" DUCHARME - (PRESENT)

APPEARANCES:

DRUMMOND WOODSUM  
BY: ELEK A. MILLER, ESQ.  
84 Marginal Way  
Suite 600  
Portland, ME 04101-2480

ALSO PRESENT:

Lauren Burr, Kennebunk  
David Wayne, Kennebunk  
Albert Kolff, Kennebunk  
Bill Grabin, Kennebunk  
Bill Pasquill, Kennebunk  
Philip Walcutt, Kennebunk  
John Walker, Kennebunk  
Donna Teague, Kennebunk  
Shawn Teague, Kennebunk  
Bob Wuerthner, Kennebunk  
Ward Hansen, Kennebunk  
Wayne Berry, Kennebunk  
Kathy Polletto, Kennebunk  
John Polletto, Kennebunk  
Peter Ashley, Cape Neddick  
Beverly Freudenreich, Kennebunk  
Bill Harmon, Kennebunk  
Peter Ashley, Cape Neddick  
Albert Kolff, Kennebunk

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

ALSO PRESENT:

Matthew Rancourt, Business Manager  
Kathleen DeMarre, Recording Secretary

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 6:00 p.m. Trustee Ducharme was introduced and former Vice-President Berry was thanked for his service by President Kilbourn.

Whereupon, Item II, Approval of Regular Meeting Agenda, occurred.

Whereupon, Item III, Election of District Officers (President, Vice President and Clerk), occurred. President Kilbourn stated that he is willing to continue to serve as President of the Kennebunk Light & Power District Board of Trustees if the Board so chooses.

Trustee Cluff stated that he was interested in holding the position of Vice President of the Kennebunk Light & Power District Board of Trustees. Clerk Emmons made a motion to accept Trustee Cluff as the Vice President.

Trustee Ducharme then nominated Trustee Bartilucci for the position of President of the Kennebunk Light & Power District Board of Trustees. Trustee Bartilucci seconded the motion.

Clerk Emmons then nominated President Kilbourn to continue to serve as the President of the Kennebunk Light & Power District Board of Trustees. The nomination was seconded by Trustee Cluff.

Thereupon, a vote was taken for Trustee Bartilucci to serve as President of the Kennebunk Light & Power District Board of Trustees for the coming year. Ayes were seen from Trustee Ducharme and Trustee Bartilucci. Nays were seen from President Kilbourn, Clerk Emmons, and Trustee Cluff. The vote being two in favor and three opposed.

Thereupon, a vote was then taken for President Kilbourn to remain in the position of President of the Kennebunk Light & Power District Board of Trustees for the coming year. Ayes were seen from Trustee Cluff, Clerk Emmons, and President Kilbourn. Nays were seen from Trustee Bartilucci and Trustee Ducharme. The vote being three in favor and two opposed.

Thereupon, Jonathan Kilbourn will hold the position of President of the Kennebunk Light & Power District Board of Trustees for the coming year.

Whereupon, Clerk Emmons nominated Trustee Cluff to serve as the Vice President of the Kennebunk Light & Power District Board of Trustees for the coming year. It was seconded by President Kilbourn.

Trustee Ducharme then nominated Trustee Bartilucci for the position of Vice President of the Kennebunk Light & Power District Board of Trustees. Trustee Bartilucci then seconded the motion.

Thereupon, A vote was then taken for Trustee Cluff to become Vice President of the Kennebunk Light & Power District Board of Trustees. Ayes were President Kilbourn, Clerk Emmons, and Trustee Cluff. Nays were Trustee Bartilucci and Trustee Ducharme.

Whereupon, David Cluff will hold the position of Vice President for the Kennebunk Light & Power District Board of Trustees for the coming year.

Thereupon, Vice-President Cluff nominated Clerk Emmons to continue to hold the position of Clerk of the Kennebunk Light & Power District Board of Trustees. The motion was seconded in unison by President Kilbourn and Trustee Ducharme.

Thereupon, A vote was then taken with unanimous ayes heard.

Whereupon, Robert Emmons will hold the position of Clerk for the Kennebunk Light & Power District Board of Trustees for the coming year.

Whereupon, Item IV, Board Roles and Responsibilities Presentation by Elek Miller of Drummon Woodsum (Specific Legal Advice May Necessitate a Motion into Executive Session Pursuant to 1 MRS 405.6 (E) For Legal Advice from the District's Attorney), occurred.

Attorney Miller took the floor and began his presentation on Board Members' rights and responsibilities. He advised those presents of his background and his knowledge in this field.

The Power Point slide presentation was as follows:

***The Powers and Duties of Kennebunk Light & Power District***

***Board Members***

**Topics For Discussion -**

Keeping roles clear

Fiduciary Duty

Freedom of Access Act

Conflict of Interest

Personal Liability

**Keeping Your Roles Clear:**

Board Members - Responsible for Making Policy

Administration - Responsible for Implementing Policy

**Keeping Your Roles Clear - Part 2**

An individual board member exercises his/her authority only:

When the Board or a committee is in legal session.

When the Board has expressly delegated authority to the individual.

That means that outside of those two instances, you are not acting as a Board member.

Avoid confusion in the eyes of KLPD personnel and the public.

Avoid the appearance of impropriety.

Avoid potential liability.

**Customer complaints and personnel matters should always be referred to the General Manager.**

Proper Boardsmanship - respects the different roles within the organization.

Avoids potential liability.

**Board Members are the face of the KLPD...**

So, how you perform as a board member and how you interact with each other will dictate how KLPD is perceived by the public.

**Some Important steps toward making the organization run smoothly and engendering public confidence:**

Act in board meetings and vote for the general good rather than for individual interests.

Work harmoniously with each other.

Be constructive rather than negative in how you address issues.

Accept the will of the majority

Avoid surprises at meetings

Preserve confidential information

**Fiduciary Duty:**

Duty of Care - Act as an ordinarily prudent person would.

Duty of Loyalty - Act in the best interests of the organization.

Steward of the public trust.

Financial Accountability - One of the key responsibilities of board members is to maintain financial accountability of the organization, which requires that members exercise due diligence to oversee that the organization is well managed and its financial situation remains sound.

## **Freedom Of Access Act**

### **Public Meetings**

Unless specifically provided under 1 M.R.S. Sec. 405, all public proceedings must be open.

Informal discussions

Transaction of business in private.

### **Permissible topics for Executive Session:**

Employment related matters

Acquisition of real property and fixtures

Collective Bargaining

Consultation with counsel

Employment related matters - "employment, appointment, assignment, duties, promotion, demotion, compensation, evaluation, disciplining, resignation or dismissal" if:

Public discussion might damage reputation or invade privacy.

Person "charged or investigated" has the right to be present.

Have the meeting in public if requested in writing.

Person bringing complaints of misconduct has the right to be present.

### **Going into Executive Session:**

Must be a public vote of 3/5 of the members present and voting to enter.

Must include a citation of the statutory source.

**Impermissible Actions in Relating to an Executive Session:**

Taking any action (such as voting).

Straying from the topic cited to enter.

Disclosing the contents of discussion.

**Public Records:**

Information in virtually any form in the possession or control of KLPD (including board members) that has been "received or prepared for use in connection with the transaction of public or governmental business or contains information relating to the transaction of public or governmental business."

Unless there is an exception.

**Conflicts of Interest:**

Personal or professional interests of board member at odds with best interests of the organization.

Includes situations where there is an appearance of a conflict, even if no legal conflict exists.

**Personal Liability:**

Individual board members can be sued.

Private and Special Law (1951).

Main Tort Claims Act immunity.

Insurance.

Organization's obligation to defend claims against individuals.

**Conclusion:**



Take responsibility for your actions.

Act for the good of Kennebunk Light & Power District rather than for individual interests.

Maintain good communications.

Embrace and respect division of responsibilities.

(Whereupon, the presentation concluded at 7:25 p.m. and a brief recess occurred.)

Whereupon, Item V, Board Review and Approve 05/30/17 Meeting Minutes, occurred. A motion was made by Clerk Emmons to accept the May 30, 2017 meeting minutes. It was seconded by Vice-President Cluff.

Thereupon, with no further discussion, a vote was taken, unanimous ayes were heard, and the May 30, 2017 meeting minutes were approved. Trustee Ducharme abstained as he was not a board member at the time of the May 30, 2017 meeting.

Whereupon, Item VI, Board Review May and June 2017 Financials, occurred. Business Manager Rancourt took the floor and discussed the May 2017 financials. Energy and RNS are lower this year over last. Delivery revenues are higher this year over last due to the rate increase. Other revenue is lower this year over last, due to the timing of recording of pole rentals. Customer accounting and collections are higher this year over last due to a timing issue with mailing costs. Vice-President Cluff thanked Business Manager Rancourt for the new format. He asked if the energy revenue and power expense differential was solely because of the loss of Corning or due to a timing issue. Business Manager Rancourt stated that the differential is due to sales being lower this year over last along with the loss of Corning.

President Kilbourn asked how much of the differential is that of Corning. Business Manager Rancourt does not have that breakdown. Vice-President Cluff added that the loss reflected for June of 2017 is at \$28,000, with May being reflected as \$77,000. General Manager Shea asked Business Manager Rancourt to capture the Corning impact and report back to the Board.

President Kilbourn also is pleased with the improvements to the format of the financial information. However, President Kilbourn would like to have clarification between how many kilowatt hours, or the volume of consumption, is the delivery figure as opposed to the energy sales figure. He is able to see the information for delivery revenue but the kilowatt hours are not being reflected. Consumption was then discussed with Business Manager Rancourt stating that consumption is the term used for sales, so consumption is the kilowatt hours going out, not what has been purchased. President Kilbourn added that KLPD receives revenue from delivery, which is based upon all the kilowatt hours that are delivered, whether the energy has been sold or not. President Kilbourn stated that the kilowatt hours is different from the kilowatt hours that are being reflected under consumption. President Kilbourn clarified that he would like to see the trend of kilowatt hours for delivery, both for what has occurred in the past and then as part of the monthly financials.

June 2017 was then discussed. Sales are higher this year over last. Delivery revenues are \$38,000 higher this year over last due to increased sales and the rate increase. Other revenue is higher this year over last due to the recording of pole rentals.

President Kilbourn stated that in June the delivery revenues were \$38,505 higher than in June of 2016, with only \$1,244 was related to the rate increase. The rate increase was then discussed by President Kilbourn and Business Manager Rancourt. President Kilbourn discussed cash-on-hand, the position currently held by KLPD, and his request for Business Manager Rancourt to track the catch-up figure on a year-to-date basis as well in an effort to understand where the catch up is coming from.

Vice-President Cluff stated that in reviewing the May and June of 2017 delinquent account graphs, there is a significant drop from May to June in the 30-60 day threshold, but that the 61-90 days and 91+ days are continuing to creep up. General Manager Shea noted that comparing the February financials to current the delinquent figure has dropped from \$189,000 to \$151,000. He discussed the rules and regulations put forth by the PUC. He discussed timing issues and the ability to collect through Small Claims Court.

Business Manager Rancourt referred to an analysis that has been compiled over the last ten years. The analysis reflects increased sales during that period with bad debt write offs either staying the same or decreasing per year. Management has been in discussion regarding the bad debt issue. Business Manager Rancourt added that the amortization schedule and current balances for the bonds have been incorporated into the report.

Delinquent accounts were further discussed by the Board. Renters were discussed. Vice-President Cluff would like the legislatures of the PUC to be asked if the meters could be charged to the property owner versus the renter. General Manager Shea then discussed the legislative process, the delegation, and utility liens. President Kilbourn then mentioned creating public policy initiatives through the strategic planning process.

Trustee Bartilucci then discussed the ACH program offered by KLPD. General Manager Shea states that the program works well and Trustee Bartilucci asked if customers could be encouraged to use the program. General Manager Shea stated that staff does encourage customers to participate. He also stated that information regarding the ACH program is available on the District's website. Trustee Bartilucci asked if there could be an incentive program created for early payment. General Manager Shea is unsure if such a program is permissible. He will need to report back to the Board. Trustee Ducharme discussed incentives for customers who pay in advance of their due date. Further discussion occurred between Trustee Bartilucci, Trustee Ducharme and management. Seasonal accounts were discussed. Business Manager Rancourt stated that Management would need to get back to the Board with more information in regard to incentive programs for early payers.

Trustee Ducharme then stated that the June 2017 financials reflect \$52,725.00 within the 90 days delinquent threshold, with a total of \$151,000. He noted that delinquent accounts are increasing approximately \$6,000.00 per month. Business Manager Rancourt stated that the delinquency reflects a cyclical pattern. He discussed the differences between winter and summer months.

Trustee Ducharme also discussed new rentals on new businesses and having the meters be kept in the owner's name. General Manager Shea discussed the policies put forth by the PUC. Trustee Ducharme then discussed obtaining deposits on commercial accounts. General Manager Shea then advised Trustee Ducharme of the policies in regard to deposits on commercial accounts.

President Kilbourn then stated that he would like to see a plan that reflects trends, that has supporting data, the perceived goals, and how the goals will be met. He would like to see further discussion in regard to this issue. President Kilbourn concluded by saying, based upon the data provided by Business Manager Rancourt, that 2016 write offs were the lowest bad debt write off since 2005. The concern facing the Board are items over 90 days. President Kilbourn also stated that the figures reflect that consumption has gone up. Based upon that, President Kilbourn asked if, as a percentage of consumption, the delinquency rate increasing? Accounts receivables, delivery and consumption were discussed further by the Board.

Whereupon, Item VII, General Manager's Report:

A. Address Past Meeting Board Requests:

i. Solar Update - General Manager Shea will be meeting with SGC Engineering and NextEra Energy to review the interconnection agreement. There will be an analysis of the lowest maximum usage during the peak production periods. NextEra Energy is interested in proposing a larger megawatt array, which could potentially save the District additional money. If there is an ability to expand the array, it will come before the Board. There will also be a progress update on the permitting process. Environmental assessments have been done at the site, along with engineering assessments.

Trustee Ducharme asked about zoning. General Manager Shea stated that it is the responsibility of NextEra Energy to address that issue. President Kilbourn would like to see NextEra Energy demonstrate to KLPD that they are performing on their intent to complete this in an expeditious fashion along with saving money on the rates. President Kilbourn stated that he is not interested in expansion until he is confident that they will proceed with all due diligence, including property rights and zoning questions. General Manager Shea stated that that has been made very clear to NextEra Energy. Trustee Ducharme asked about the projected completion date. General Manager Shea stated that the fall of 2018 is their projected date. President Kilbourn would like General Manager Shea to give the Board an exact date.

ii. Hydro Production and Maintenance Update - May of 2017 production for the three facilities was 153,180 kilowatt hours, June of 2017 was 164,320 kilowatt hours, with the total year-to-date of 675,740 kilowatt hours. Currently KLPD is not generating due to lack of water. During this time, crew will repair the flashboards at Dane Perkins and the booms at the Kesslen Dam will be removed and the boards will be repaired.

Trustee Ducharme was advised that the repairs are all being done in-house. Trustee Bartilucci asked about the results of the oil tests. General Manager Shea will forward that information to the Board.

General Manager Shea discussed proper protocol in regard to Board member group e-mails.

Trustee Bartilucci asked about maintenance in regard to the generators. General Manager Shea stated that nothing is occurring currently as the results of the dive inspections have not been received. They are expected to be available by the next meeting. General Manager Shea then discussed critical energy infrastructure information protocols.

B. Outages/Complaints:

i. Squirrel Related Outages were discussed and the information has been posted to the website. Outages due to squirrels have occurred as follows:

June 21, 2017, 10:30 p.m.

June 22, 2017, 3:30 a.m.

July 2, 2017, 6:08 a.m. on Patterson Drive

July 5, 1017, Patterson Drive

July 10, 2017, 6:00 a.m., Cat Mousam Road

July 15, 2017, 7:53 a.m., Thompson Road

Circuit 4 and Circuit 2 were then discussed. Squirrel guards were discussed and introduced to the Board. Standoff brackets were discussed along with load-break cutoffs, and riser pole underground squirrel guards. President Kilbourn would like to see a management goal to understand the magnitude of the problem and how rapidly the goal can be achieved. It was noted that the cost of the squirrel guard is approximately \$40.00 each.

ii. Large Oak Tree Outage on July 19, 2017 on Alewife Road was discussed.

iii. On July 20, 2017, an outage occurred on Curtis Road due to a thunderstorm that took down a limb.

General Manager Shea advised those present that he would like to see people sign up for notices and alerts. President Kilbourn would like to see General Manager Shea add two category topics to include customer communications and follow up/resolution to any customer inquiry that has been received by Board members and then forwarded to General Manager Shea for resolution.

C. FERC Correspondence was then discussed. General Manager Shea stated that there is a 120 day period where other entities are allowed to step forward and potentially take over the KLPD license to generate power on the Mousam River. General Manager Shea then discussed the lack of a quorum for the commission of FERC.

i. FERC NOI Response Clarification was discussed and is available on the District's website.

D. Update and Discussion of Selectmen's July 20, 2017 Workshop Meeting, occurred. General Manager Shea attended the meeting. A link for the Town Hall stream was forwarded to the Board of that meeting. General Manager Shea stated that the Board of Selectmen

voted to have a subsequent meeting for Friday to discuss a proposal for Kleinschmidt Associates to complete a third-party review of the generating and non-generating options on the Mousam River. A link of that video was sent to the Board members. The video ended prior to the meeting adjourning. General Manager Shea contacted Kathy Nolette who informed General Manager Shea that the vote of the July 21, 2017 special Selectmen's meeting was as follows:

Motion by Shiloh Schulte and seconded by William Ward;

Five members were in favor and two were opposed;

The two opposing were Dan Boothby and Ed Karytko.

The motion was to authorize the Town Manager to go back to Kleinschmidt Associates for a revised proposal, not to exceed \$13,000.00, including a comprehensive review and to assess the costs associated with the removal and retention of the dams without generation.

General Manager Shea understands that there will be follow-up discussion at the Board of Selectmen's meeting of August 08, 2017. General Manager Shea recommended to the Board to schedule the District's strategic planning meeting for August 15, 2017, to enable both himself and any others to attend the Board of Selectmen's meeting.

The Board members who attended the meetings then discussed the context of the meetings. Trustee Ducharme discussed the four options that were given by the Board of Selectmen and the differences from the four alternatives given by Wright-Pierce.

Trustee Ducharme discussed the dams further. He discussed expenses, the possible options of involving the Town. He then asked if KLPD could ask the Town what their standing is on the issue.

Trustee Ducharme then made a motion to request a vote from the Board of Trustees on turning the dams over to the Town of Kennebunk so that Kennebunk Light & Power District and the ratepayers are not burdened with the costs. General Manager Shea stated that it has not been listed as an agenda item. He feels that it should be an agenda item, then discussed, and then voted upon. He discussed further the agenda process and the upcoming meetings of both the Board of Trustees and the Board of Selectmen. The Kleinschmidt Associates report, if made a public document, will be available for review by the Board of Trustees.

Trustee Ducharme then expressed his feelings that Kennebunk Light & Power District will never produce electricity on those dams after 2022. In the best interest of the ratepayers, Trustee Ducharme stated, he would like to turn the dams over to the Town.

In regard to comments made by Dick Morin, President Kilbourn gave an in depth review of the participation of the District with the Town of Kennebunk, including the joint meetings, and conversations that have occurred. He discussed the many steps that will be involved, including the costs, requirements of the regulators and the broader interests of the community. President Kilbourn stated that the Board is open and will be receptive to have communication with the Town. It was decided that this issue would be placed on the next agenda, that General Manager Shea will talk with the Town Manager to facilitate this issue further if the Town Manager and the Board of

Selectmen are so inclined. A discussion of having a joint meeting in September was also briefly discussed by the Board.

Trustee Ducharme reiterated that he would like to make a motion to turn the dams over to the Town of Kennebunk. He stated that in reading the Wright-Pierce report, there is \$125,000 worth of work that needs to be done and asked when the drop date is. General Manager Shea stated that there is currently not a drop date, that FERC has given the District a stay of execution until it is determined what will happen to the dams. Trustee Ducharme then asked if a decision could be made presently to bring forward an agenda item and vote for the August 29, 2017 Board of Trustees meeting to yield the dams to the Town of Kennebunk. A discussion occurred in regard to the upcoming meetings of the Board of Selectmen, possible joint discussions and/or a workshop. Vice-President Cluff asked if a meeting would be necessary, as General Manager Shea has been given direction by the Board of Trustees to speak with the Town Manager in regard to yielding the dams to the Town of Kennebunk. He stated that the District is open for a discussion if the Town is interested in going that route. Trustee Ducharme feels that a meeting prior to August 29, 2017 is necessary to discuss Item III and Item IV proposed by the Town. He feels that it will give the Board of Selectmen further guidance and direction on how to proceed.

A lengthy discussion continued. Timeframes and FERC requirements were discussed, as well. Trustee Ducharme stated that meeting with the Selectmen to discuss the issue does not mean that a decision has to be made. He feels the intent should be to air out both what KLPD is interested in doing and the thoughts of the Selectmen. He feels that an open discussion should occur. The parameters of an executive session in regard to this matter were then discussed.

E. Tree trimming update occurred. Per General Manager Shea, the crew is working diligently around the District. Extra assistance and equipment is planned to help the District catch up with the tree trimming. General Manager Shea discussed with the Board the areas within the district that are most problematic. Vice-President Cluff addressed General Manager Shea by stating that he has asked for the specifics, a plan, alternatives, and financials from him in regard to this issue. He discussed tree growth, history, timing, and tree trimming maintenance issues. General Manager Shea stated that for the remainder of this year, the District is looking to outside companies to assist the tree crew.

Standards were discussed, quantification of work, and deciding upon the best approach to stay current with tree trimming. The five-year plan was discussed, in which 25 miles per year are to be trimmed. Vice-President Cluff feels that as that goal has not been reached, acceleration is needed to meet the goal and get back on track for the remaining years on the five year plan. The Hendrix lines were then discussed and the need for the proper equipment to successfully rectify that issue. Vice-President Cluff suggested using crew for primary and secondary roads, developments, and other areas within the District, while hiring an outside company to complete the main routes; 35, 99, Alfred Road, et cetera and he discussed maintaining reliable service. General Manager Shea discussed the costs involved. He discussed how the District cuts strictly for KLPD lines not for telephone and cable. General Manager Shea asked if the Board is inclined to ask the other entities to cut further back. Vice-President Cluff would like to see a policy created, which will then be reviewed and approved by the Board. General Manager Shea discussed the specs from CMP. Vice-President Cluff then asked about increasing the monthly rentals on entities that rent the District's poles. Surcharges were then discussed. President Kilbourn asked for a review of the pole rental contracts by Management.

Vice-President Cluff asked if Executive Session could be moved until after the public comment session. The Board unanimously agreed.

Whereupon, Item VIII, Board Consideration, Revision, and Agreement on STRAT Plan Revised Timeline and Completion Date, occurred. General Manager Shea would like to see the following schedule for upcoming meetings, all to be held at the District's office and all commencing at 6:00 p.m.:

August 15, 2017 - Strategic Planning p.m.

August 29, 2017 - Board of Trustees meeting.

September 12, 2017 - Strategic Planning meeting.

September 26, 2017 - Board of Trustees meeting.

October 10, 2017 - Strategic Planning meeting.

General Manager Shea noted that the August 15, 2017 Strategic Planning meeting will be to determine the first three priority goals as determined by Board, Staff, and Crew input.

The Board reviewed their calendars and it appears that there are no conflicts.

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

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*Public Comment Period*

*Verbatim Transcription*

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MR. ASHLEY: I earlier was going to bring up something, to be brought up when you were going into in Executive Session, to talk about it at that time, and the item is number one of two. Mr. Watts, I've talked to him, he's very personable on the phone, down at FERC, and the phone number is readily available. You have it already.

The Town is faced with time constraints, we all are, getting things done, communicating, et cetera, et cetera, and the possibility, if you wait too long, to offer communication between the two boards may be inappropriate due diligence to operate under, per the previous presentation, which I thought was excellent and I'm glad we happened to be here tonight when you had that.

The time constraints are always a problem, of course, but if the two boards come together as a means for discussing problems between the two that they're not talking about it because they don't see each other, okay? And those problems are the Town's problems. Whatever these two boards do, whatever problem develops or goodness comes out of it, is the benefit or the detriment of the Town.

So, I think you -- first of all, the greatest help you could -- for the Town, because that's the purpose of that whole presentation earlier, is what is good for the rest of the world from whatever entity is working on it, is to find out from Mr. Watts what he thinks is possible for the legal situation he's in, because they have that kind of constraint down there, as well, because of someone is missing on the Board or something.

So, I think that if you found out what you had to do, what hoops you had to be -- to jump through, that would be good information to transfer to the other board, so the two boards are not felt -- you know, ready to give up. We're all getting to that point.

So, then, the second one is really based on that. The two boards cooperating with each other so that the information is transferred and there aren't any hiccups later on. Like, you didn't tell us this, et cetera, et cetera. Well, you know, the angst around the whole town. So, the two boards could meet at any time the two boards decided to, depending on the time constraints, and the time constraints can be alleviated by that phone call to Watts, maybe, but FERC's running on its own rules and we, unfortunately, have to follow them.

That's all.

PRESIDENT KILBOURN: Thank you for that.

MR. ASHLEY: If you can talk it over in your Executive Session, maybe that --

PRESIDENT KILBOURN: Just to be clear, I don't think we're going to be discussing that in Executive Session, but here tonight I think the Board gave the big nod to Todd to go to the Town and to say that we're open to having a meeting and we're looking at schedules and Todd will get back to us on that. So -- yeah.

MR. ASHLEY: Thank you.

PRESIDENT KILBOURN: The comment is well taken, thank you. Yes?

MR. POLLETTO: John Polletto. Just on the topic of the tree trimming that you just discussed. I was just curious, does the State have any monies that they can give to local towns who find themselves behind the tree trimming schedules? I thought, if an emergency might be creeping up, if you can't maintain the trees like you'd like --

GENERAL MANAGER SHEA: I don't know if the State has any free money. We could look into it. We do have the ability, if we made the case to the PUC that we have to increase rates for this -- for a special project, we could do that. But I'd be more than happy to look into whether or not there are funds available there.

MR. POLLETTO: The main reason why I bring it up, we moved up here from Maryland.

GENERAL MANAGER SHEA: Um-hmm.

MR. POLLETTO: In Maryland, we had excess money in the state budget. If the counties had some kind of fiscal problems, they could coax the state -- they may have (INAUDIBLE) --

PRESIDENT KILBOURN: Great question. Thank you.



GENERAL MANAGER SHEA: That is a great question.

PRESIDENT KILBOURN: Todd will take a look.

MR. POLLETTO: Okay. Thank you.

PRESIDENT KILBOURN: Yes.

MR. GRABIN: Jay mentioned more about Dick Morin's comments about the KLPD board in the meeting the other night and then -- I know you started to talk about that and then it got into these other thoughts about having a common workshop, et cetera. I just wanted -- I just wanted to specify that I felt that was very important to connect with Dick, you know, through Todd or whatever. But, to try to soften that, it didn't feel good at all, Dick's comments, and I don't know all the history that he perceives, but I think it's important for the two boards to somehow get beyond that.

VICE-PRESIDENT CLUFF: I don't have a problem with a chair speaking to a chair. I mean, it would be one board's chair speaking to another board's chair for clarification on that; versus Todd having to be the middle, you know....

MR. GRABIN: Exactly. Because I think for everyone's sake it's the last thing anyone needs; for the two boards to be....

VICE-PRESIDENT CLUFF: At odds.

PRESIDENT KILBOURN: Yes. All right. If you could hold on just one second, we'll come to you. I don't know --

VICE-PRESIDENT CLUFF: Does the rest of the Board --

PRESIDENT KILBOURN: -- how others feel about that. I'm certainly willing to have a chat with Dick and explain that we're very interested in continuing in close dialogue with him.

TRUSTEE DUCHARME: You'd be reaching out a hand.

PRESIDENT KILBOURN: Exactly. I don't want to do it without the Board's --

TRUSTEE DUCHARME: No decisions are made.

PRESIDENT KILBOURN: Right. No decisions are made.

TRUSTEE DUCHARME: Right.

PRESIDENT KILBOURN: That's for sure. You can count on that, but I --

VICE-PRESIDENT CLUFF: No. I think it's for just a general discussion.

PRESIDENT KILBOURN: -- think he needs to understand that we, as a board -- I mean, my understanding, we, as a board, have been open and genuinely want to have more dialogue with the Town.

TRUSTEE DUCHARME: I'm not saying you haven't, but...

PRESIDENT KILBOURN: Yeah, right. But I'd love to reinforce that --

TRUSTEE DUCHARME: But I guess he's heard it from the public that -- that this Board needs help. We need to reach out our hands.

PRESIDENT KILBOURN: Does anyone have an objection to me doing that or reporting back to the Board about that?

TRUSTEE BARTILUCCI: No.

PRESIDENT KILBOURN: Okay. Yes?

MR. HARMON: I understand what you're saying, Jay, what you think. I'm going to offer you a different viewpoint.

PRESIDENT KILBOURN: Please.

MR. HARMON: I think it's the viewpoint of the general public is that you have not been communicating with the public very well and the two boards, the selectmen and the trustees, you've been waiting for one and each other to come to the other. You haven't been communicating. Well, we're going to wait for the Selectmen to do this. Well, we're going to wait for the Trustees to do this and we're caught in the middle. You haven't been doing a thing.

Todd is awful good in giving lip service on stuff. I've noticed that tonight, Todd. Duffy asked you to do something 18 months ago and you haven't done it yet. For God's sake. I'd be a little upset if I was on this board.

VICE-PRESIDENT CLUFF: It wasn't 18 months ago. I just had a conversation with him two weeks ago about this and asked him for -- -

MR. HARMON: I thought you said 18 months ago.

VICE-PRESIDENT CLUFF: No. We started this conversation 18 months ago, when the Board was discussing where we were going to go with tree cutting, because at that time we were looking at possible going outside and hiring an outside every year versus keeping it inside and then we moved away from that. But, because of the recent problem, I came and had a conversation with Todd and asked Jay to put it on as an agenda item for discussion so that we could get back into that process.

I think it fell off the radar, because we've been bogged down on so many other things, and I wanted to bring it back before --

MR. HARMON: Generally, I agree with what Scott was trying to get you folks to do, is to communicate better. We're in a very bad spot right now and if you do nothing, that's not going to make it any better. It's going to make it worse. So, I think it behooves you, if you're interested in doing what's best for the public, whether it's -- well, no matter what your interest is, is to work with the Selectmen. And what was very clear at that workshop meeting, is we are in a bad spot. We are going to be spending a lot of money, and if I was a selectmen, you'd keep the dams, because

they're interested in the tax payers. You're interested in the ratepayers. Your ratepayers are going to be paying a lot more if you -- if you get to keep the dams. If the Town gets to keep the dams, the taxpayers are going to be paying a lot more.

We're in a no win situation it seems and you guys have put us there. That's my opinion. I think if you thought long term, all the money it's going to cost us, or has cost us from this point on, could have been avoided. 22 years ago you were a third less than CMP. Now, you're a -- (INAUDIBLE) -- You've lost a major account in town, Corning, which that's kind of upsetting. So, you've lost revenue there.

PRESIDENT KILBOURN: So, just to be clear, the revenue issue with Corning, we haven't really lost any revenue. The way it works is, they have the right in the free market to buy their power from wherever they can get it the cheapest, but we do distribute to them and they get charged for everything that we distribute, we deliver to them. So, in terms of our operating expenses, we haven't lost any money. It doesn't really matter to the health of this district. It's probably better economically for them if they have a bulk purchase, if they can go direct and if it's cheaper for them to just to buy the power. So, just to be clear, that's not a jeopardy for us. It doesn't matter either way and it's probably better for Corning if they can get it cheaper.

TRUSTEE DUCHARME: Well, yeah, Corning can do that, but, you know, even with what you said, that it had to -- you know, the more power we sell, the more money we make.

PRESIDENT KILBOURN: The more we deliver.

TRUSTEE DUCHARME: Deliver, right.

PRESIDENT KILBOURN: We don't have to sell the power.

TRUSTEE DUCHARME: Yeah, well, I understand.

PRESIDENT KILBOURN: Yeah.

TRUSTEE DUCHARME: I said a wrong word.

PRESIDENT KILBOURN: So we're still delivering to Corning.

TRUSTEE DUCHARME: That's 350,000 kilowatts.

MR. HARMON: KLPD used to be a very important reason for owning a home in the Kennebunk Light & Power District. It's no longer a consideration. In fact, it's quickly becoming to switch to the negative side as a good reason not to move in here.

PRESIDENT KILBOURN: So, if we could take your second comment. Just to confirm, my understanding is our rates are still lower than CMP.

GENERAL MANAGER SHEA: Um-hmm, they are.

PRESIDENT KILBOURN: So, just to reassure you, right now they're still lower than CMP and hopefully, as we drive our costs down with solar, for example, and other sourcing, we're going to continue to do better. We don't control our --

MR. HARMON: -- (INAUDIBLE) -- up or down.

PRESIDENT KILBOURN: We don't control our destiny today, so, yeah. But thank you. I appreciate the comment. You made three good comments, so I hope...

TRUSTEE CLUFF: And I just want to make one other comment about my recollection of where this Board has been with the dams and stuff. We've always been open to the Town, and we've also had conversations with the Town in the past, that if you want the dams, we're willing to hand the dams over to you, and if that's at a dollar, then that's what it is. Because we have been open with working with them in some of these discussions, and I guess, you know, we just haven't done a good enough job in communicating that so everyone is aware of that. And, so, we can take the hit for that, but I know that we have had those conversations with the Town. If they want the dams, we're willing to give them the dams.

MR. HARMON: It's not entirely your fault, Duffy. The Selectmen have refused to accept any --

VICE-PRESIDENT CLUFF: Right.

MR. HARMON: -- responsibility. They're waiting for you to come to a decision. Now, we're down to the eleventh hour, 120 days -- less than 120 days, for them to make a -- they're spending \$13,000 of the taxpayer's money, which they shouldn't have had to do that if you guys had been doing your jobs right. That's my opinion.

TRUSTEE CLUFF: Thank you.

PRESIDENT KILBOURN: Thank you for the comment. Yes?

MR. WUERTHNER: I think there's a lot of misunderstanding about what happened Friday after the workshop and Bill will correct me if I'm wrong. What they -- what the Select Board decided on Friday was to ask Mike to go back to Kleinschmidt and ask them to do two things. One, to review the Wright-Pierce report, which was -- that was the first thing. The second thing was to do a cost of what it would -- what the cost would be, to whomever, to keep the dams and/or take them down. So the Selectmen want that -- they want that data. They see that's important. It's important for you, Trustees. It's very important.

Now, the rest of that, and they're asking Kleinschmidt to do that for the \$13,000. They, obviously, won't do that for \$13,000, so they're coming back on August 8th with a proposal from Kleinschmidt, probably over 13,000, so it will then have to be voted on publically by the Selectmen.

Then, at that point, if they agree, then Kleinschmidt will go to work and, as soon as possible, come back with a review of Wright-Pierce and also the cost of keeping the dams, non-hydro of course, or taking them down. So, I think in your talk, when you're thinking about this, keep that in mind. In other words, the Select Board, they've got some things that they need information, and they're trying to respond to the needs of the town. When they get this information, they will then have to talk about what they do next and I'm sure that's -- obviously, that's where you guys get involved. I think it's -- you know, there's been a lot of misinformation here tonight.

Bill, am I essentially right?

MR. GRABIN: I'd make one clarification.

MR. WUERTHNER: Sure.

MR. GRABIN: I think --

PRESIDENT KILBOURN: You have three minutes to -- go ahead.

MR. GRABIN: John is asking Kleinschmidt, I believe, to clarify what they will do with the 13,000, whether they will do all that. I think they're not asking them to do the full scope of work, but rather to just clarify what's covered by the 13,000 and they said that if the answer was that it would require a higher price to do the full scope of work, then the Town would have to put it out to bid to Kleinschmidt and whoever.

MR. WUERTHNER: Yeah, that's right. But I think the important --

PRESIDENT KILBOURN: Thank you.

TRUSTEE DUCHARME: Scott [sic] had mentioned that they thought that it would be under \$15,000, the information that they wanted.

MR. WUERTHNER: Well, but, I think --

TRUSTEE DUCHARME: And that was Thursday's meeting.

MR. WUERTHNER: What was important in Friday's meeting is that Shiloh made an amendment. He wanted to know the cost of keeping or taking down. And, you know, that's important information for anybody that's going to have a intelligent discussion about the future.

So, stay tuned. August 8th, I think, is a key day.

PRESIDENT KILBOURN: Thank you.

MR. HANSEN: I guess there was a lot of question as to whether they were going to vote to call Kleinschmidt and say, hey, go ahead starting today, yesterday, tomorrow, whatever. And what you're saying, the way I'm understanding it is, they are communicating with Kleinschmidt now what can you do for X dollars. They're going to bring the proposal back, and then on the 8th, the Selectmen will take a vote on what they want Kleinschmidt to do; is that what you're saying?

MR. WUERTHNER: Well, yeah.

PRESIDENT KILBOURN: All right. If I could interrupt for just a second.

(Whereupon, several conversations are occurring simultaneously.)

PRESIDENT KILBOURN: Thank you.

GENERAL MANAGER SHEA: Let me read. Everybody. So, after that meeting, I watched the video. It ended. No vote had been taken. So, I e-mailed Mike, Joel. Mike is on vacation, Joel is on vacation, so Kathy Nolette responded. This is what she said:

"I received your voicemail today regarding the vote from last Friday's meeting." Meaning the 21st. "The vote from the 07/21/17 Special Selectmen's Meeting was as follows: Motion by Shiloh Schulte and seconded by William Ward with five in favor, two opposed, Dan Boothby and Ed Karytko were opposed. The motion was to authorize the Town Manager to go to Kleinschmidt Associates for a revised proposal not to exceed \$13,000, including a comprehensive review and to assess the costs associated with and retention of the dams without generation."

Now, if I might add, that in reading that motion, there's no reference to reviewing the information that's out there. It sounds like they're asking them to come up with new information. But that was the vote. The motion was to authorize Mike Pardue to go back to Kleinschmidt for a revised proposal, not to exceed \$13,000, including a comprehensive review, and to assess the costs associated with removal and retention of the dam without generation. And, I believe, that is how it was left and -- you were at the meeting, right, Dan, that meeting? I wasn't there.

TRUSTEE BARTILUCCI: Yeah, I was there.

GENERAL MANAGER SHEA: But was there -- I had heard anecdotally that there was a conversation about how if -- so it's no longer an emergency, so if Kleinschmidt can't do it for that price, that it would -- it may, in fact, have to go out for an RFP bid to more than one entity. And I don't know if you want to --

TRUSTEE BARTILUCCI: My understanding is that they decided that one and two they were going to do.

GENERAL MANAGER SHEA: Yup. And so --

TRUSTEE BARTILUCCI: Not three and four, so that --

GENERAL MANAGER SHEA: -- that gets rid of the September.

UNIDENTIFIED MALE SPEAKER: Could you say that again?

TRUSTEE BARTILUCCI: Well, that's what Blake said.

GENERAL MANAGER SHEA: Okay.

TRUSTEE BARTILUCCI: But that doesn't mean that they might come back with a valuation. One and two is back into the game.

GENERAL MANAGER SHEA: Right.

TRUSTEE BARTILUCCI: They might come up with somebody who could do it.

GENERAL MANAGER SHEA: Yup.

VICE-PRESIDENT CLUFF: He was asking for clarification. He didn't hear what --

PRESIDENT KILBOURN: Somebody's phone is talking to him.

VICE-PRESIDENT CLUFF: I think what they said was, the Town said one and two wasn't an option, so then the 120 days wasn't --

GENERAL MANAGER SHEA: Wasn't an emergency any longer.

VICE-PRESIDENT CLUFF: Wasn't an emergency.

TRUSTEE BARTILUCCI: They don't have anybody -- any viable candidates. However, they might have some viable candidates.

GENERAL MANAGER SHEA: Right.

TRUSTEE BARTILUCCI: So that's -- that's --

MR. ASHLEY: Todd, in that wordage it says comprehensive review. What, in your mind, do you think that part means?

GENERAL MANAGER SHEA: Well, that's a good question, because I got quotes from Kleinschmidt for a comprehensive review and they were way over \$13,000. But the reason that I say that, Peter, is because it says: "Including a comprehensive review and to assess the costs associated" -- So, it says "to assess the costs associated with removal and retention of the dams without generation."

So, that could mean to review the Wright-Pierce options that don't contain generation or that are to remove. That could be, now that I read it again, that could be what that means.

MR. ASHLEY: Well, a comprehensive review, was reviewing all --

GENERAL MANAGER SHEA: Of reviewing the options --

MR. ASHLEY: -- the information that's available --

GENERAL MANAGER SHEA: That don't contain generation --

MR. ASHLEY: Right.

GENERAL MANAGER SHEA: Is --

TRUSTEE BARTILUCCI: That's the only extra thing.

GENERAL MANAGER SHEA: Yup.

TRUSTEE BARTILUCCI: Because dam withdrawal --

GENERAL MANAGER SHEA: Yes.

TRUSTEE BARTILUCCI: -- was already specified in Wright-Pierce.

GENERAL MANAGER SHEA: Yeah. So, removal and retention of the dams without generation. So, it must be to review the Wright-Pierce that didn't -- options that didn't include generation.

PRESIDENT KILBOURN: So, if I could, last comment from the public. Mrs. Teague, you had your hand up.

MS. TEAGUE: I just wanted to clarify at least from Thursday. I wasn't at Friday. But, my understanding is, is that because what the lawyers laid out in option one and two, was going to involve, perhaps, the Town doing an NOI and a CAD by September 11th, they did not want to be in that position to do that, because they don't want to generate. They don't want to own the license.

TRUSTEE DUCHARME: They kept saying that.

GENERAL MANAGER SHEA: Um-hmm.

MS. TEAGUE: So, that took away the September 11th.

PRESIDENT KILBOURN: Correct.

GENERAL MANAGER SHEA: Yes.

MS. TEAGUE: And then pushed them toward, you know, really option two. Option four isn't really an option; it's FERC deciding.

GENERAL MANAGER SHEA: Right. I'm sorry, I keep erroneously --

MS. TEAGUE: No, and everybody -- everybody does confuse --

GENERAL MANAGER SHEA: Option three is a consensus agreement. Option four is FERC, what are we doing?

MS. TEAGUE: Right.

PRESIDENT KILBOURN: Right.

MR. GRABIN: Option four is essentially option three that failed.

GENERAL MANAGER SHEA: Right.

MS. TEAGUE: Right.

TRUSTEE DUCHARME: We, as a board, would have to work with them on --

GENERAL MANAGER SHEA: Right.

MR. HANSEN: And doesn't option three have to happen within the 30 days following the 120?

MS. TEAGUE: I don't think so.



GENERAL MANAGER SHEA: Our license doesn't expire until 2022, so technically we would have a year or two to come to that agreement.

MS. TEAGUE: Right.

GENERAL MANAGER SHEA: So, we would have to tell FERC we're going to try to come to an agreement and then we'd have -- I don't -- I --

TRUSTEE DUCHARME: I think that's what, after 120 days, we have to tell FERC in 30 days, that we are --

MS. TEAGUE: No.

TRUSTEE DUCHARME: -- doing this number three.

MS. TEAGUE: No.

TRUSTEE DUCHARME: No?

MS. TEAGUE: No. They --

GENERAL MANAGER SHEA: I don't want to throw out numbers for how far before -- there has to be a plan in place X amount of days before the license expires, or X amount of months before the license expires, or there is the ability for an extension, or there is the ability for it to just fail miserably and FERC decides. There are -- there are projects in California that are extending ten years past their license because they can't -- I've heard examples of the state won't act until the municipality acts, and the municipality won't act until the state acts. So, if there is --

(Whereupon, several conversations are occurring simultaneously.)

GENERAL MANAGER SHEA: Yeah, exactly. If there is no beautiful agreement by 2022, what happens, or what has the ability to happen, is FERC extends our current license in one year increments. So we're getting close to an agreement, but it's almost the deadline, we'll give you another year, and so I can get the answer to what a definite answer needs to be had by FERC, but I think it's a moving target.

PRESIDENT KILBOURN: I think it would be good to know what the black and white requirements are.

GENERAL MANAGER SHEA: Yup.

PRESIDENT KILBOURN: Understanding that -- so that we all, and we're clear, and you have it in black in white and every time we get confused you can tell us.

GENERAL MANAGER SHEA: Yup.

PRESIDENT KILBOURN: That would be great. I'd just like to say one quick thing here, then I think we need to move on, because this is a pretty late meeting for everybody.

First, I just appreciate everybody being here. I also appreciate the tone tonight from board members and from the public, and in a strange way, I think we've had -- people have really been speaking their minds tonight, but in a generally respectful way. I sense a tone here that there's an interest in really trying now to figure this out, that the Selectmen are really paying attention. We've been paying attention for a long time. We need to communicate. I've heard that. I maybe didn't hear it as clearly as I should have before personally, but I get it, and I really appreciate the positive spirit even though people look discouraged, and tired, and everything. I think it's --

MR. HARMON: I want to apologize if I sounded a little too harsh with -- especially with you, Todd.

PRESIDENT KILBOURN: Well, thank you. I appreciate that.

GENERAL MANAGER SHEA: I've grown used to it. Not from you, but just in general.

VICE-PRESIDENT CLUFF: We understand everyone's passion.

PRESIDENT KILBOURN: But, thank you. It's frustrating, and tiring, and, you know, we should feel like we're in control of this process, but sometimes we don't. So, thank you all. Let's keep trying and I know Todd has a good mission here to try and carry that, you know, renewed olive branch of openness to having a conversation.

You know, I think Scott, in his first meeting here, has really brought, again, the emphasis that, you know, talking is sometimes important. Even if we don't know exactly what we're going to talk about, I appreciate that. Maybe I was a little deaf to it. I get it. Let's see what we can do.

GENERAL MANAGER SHEA: If it makes you feel any better, Bill. I'm a ratepayer and a resident, and so when I go home, I say some pretty nasty things about myself too.

TRUSTEE DUCHARME: He's a sailor.

(Laughter.)

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*Public Comment Period and Verbatim Transcript*

*Concluded at 9:45 p.m.*

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Whereupon, President Kilbourn asked for a motion to move into Executive Session pursuant to Item VII. Trustee Bartilucci made the motion. It was seconded by Clerk Emmons.

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Executive Session

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Whereupon, the Board came out of Executive Session at 9:44 p.m.

Whereupon, 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 9:45 p.m.

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