

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, DECEMBER 12, 2017
6:00 p.m.

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BOARD MEMBERS:

PRESIDENT: JONATHAN KILBOURN - (PRESENT)

VICE-PRESIDENT: - DAVID CLUFF - (PRESENT)

GENERAL MANAGER/TREASURER: TODD SHEA - (PRESENT)

CLERK: ROBERT EMMONS - (NOT PRESENT)

TRUSTEE: DAN BARTILUCCI - (PRESENT)

TRUSTEE: BRADLEY "SCOTT" DUCHARME - (PRESENT)

ALSO PRESENT:

Beverly Freudenreich, Kennebunk

Bill Grabin, Kennebunk

Bob Wuerthner, Kennebunk

Matthew Rancourt, Business Manager

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

APPEARANCES:

Mithun Vyas, Project Director
NextEra Energy Resources

Aaron Svedlow, Project Development Director
NextEra Energy Resources

David Doscocil, Business Development Manager
NextEra Energy Resources

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.

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

Whereupon, Item III, Board Review and Approve

11/28/17 Meeting Minutes, occurred. President Kilbourn noted that on Page 1968 of the November 28, 2017 meeting minutes Vice-President Cluff was referred to as Mr. Kolff.

Thereupon, with no additional comments, President Kilbourn made a motion to approve the November 28, 2017 Meeting Minutes. Trustee Bartilucci seconded the motion.

Whereupon, with unanimous ayes heard, the November 28, 2017 Meeting Minutes were approved.

Whereupon, Item IV, DG Maine Solar Project Timeline Update to Board, occurred. General Manager Shea took the floor and introduced Mr. Aaron Svedlow, Mr. Mithun Vyas, and Mr. David Doscocil all from NextEra Energy Resources. The gentlemen introduced themselves to those present. A presentation by the NextEra Energy Resources representatives then occurred in which the Board was brought up to date on the project, its status, and the timeline.

Whereupon, Item V, Board Second Review and Commentary on 2018 District Budget, occurred. General Manager Shea took the floor and advised the Board that several revisions have occurred. The present budget reflects a shift away from the increased burden to employees in regard to the health insurance benefits. Conversations have begun in regard to coverage on spouses and other ways to ease the burden on the District.

General Manager Shea stated that the increase to the minimum charge continues to be proposed by Management to the Board. He will be meeting with Mike Hubbard to discuss the rate increase further. General Manager Shea, however, is asking that the budget be approved as presented, with the \$3.00 increase to the minimum charge, with the consideration that it would only go up once General Manager Shea has spoken to Mr. Hubbard. A three tier minimum charge rate was then discussed along with the rates and tariffs offered by Central Maine Power.

Business Manager Rancourt took the floor to explain further the variations and the difficulties of a rate comparison study of Central Maine Power's rates and those of KLPD. Business Manager Rancourt has reviewed CMP's terms and conditions and their prices and has tried to compare them to the fees and rates of KLPD. He discussed the multi-tiered rate structure offered by CMP for demand and delivery. Trustee Ducharme would like to see the differences between light and heavy industrial use.

General Manager Shea advised the Board that due to a discrepancy that he found within the billing to KLPD from CMP, in which CMP was miscalculating LNS due to inaccurate labeling of the District's substation, the District will realize approximately an \$89,000 refund from CMP for the billing error. General Manager Shea reminded the Board of the size difference between CMP and KLPD and the fact that they are not a public entity.

Trustee Ducharme asked about fixed costs. General Manager Shea stated that that will be something that Mr. Hubbard will assess. President Kilbourn then discussed rate tiers and their structure.

The Board discussed the capital plan, maintenance plan, pending projects, and cash-on-hand, and priorities. Trustee Ducharme added that he is okay with the \$3.00 increase of the minimum charge, although he expects that there will be some negativity felt within the District. He added that the increase will reflect a \$36.00 increase per year per customer. He also thanked Business Manager Rancourt for his efforts in regard to the insurance benefits offered to the employees. He asked about the projects on Mill Street and Ross Road, and if the District could purchase materials for both projects as one to reduce cost. General Manager Shea stated that it is potentially possible. He will review bulk quantity purchasing further with Foreman Dufoe. General Manager Shea added that these projects are reflected within this year's budget. Trustee Ducharme discussed the attorney fees noted within the hydro portion of the budget. He would like to see a full breakdown of the attorney fees. General Manager Shea will forward that information to Trustee Ducharme.

Vice-President Cluff asked when the rate change will occur. General Manager Shea stated that within the first quarter of 2018 the rate case will be completed.

President Kilbourn discussed the schedule and the review of charging the appropriate rate for all ancillary services that are provided to the customers within the District such as installation, pruning services, poles and wires for customers, meters, et cetera. General Manager Shea discussed truck charges and labor charges and how they are now being calculated. He discussed the Statement of Assets and revenue. He discussed calculations of labor and material on a per foot basis. General Manager Shea discussed costs on materials and other aspects of services rendered by the District. Trustee Ducharme would like to a presentation by management of the current cost of services, what should be charged moving forward, and a comparison with other utility entities. He also suggested having a special meeting to discuss delivery costs, breakdown, and costs for services offered by KLPD.

Thereupon, Trustee Ducharme made a motion to accept the budget as stated. Trustee Bartilucci seconded the motion.

After a discussion between President Kilbourn and Business Manager Rancourt in regard to a difference of figures within the materials given to the Board, a vote occurred.

Thereupon, with unanimous ayes heard, the motion passes and the 2018 Budget was approved.

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

A. Past Board Meeting Requests:

ii. Business Manager Rancourt has reflected cash-on-hand with and without the impact of the bond payments and it will appear on the financials moving forward.

ii. The comparative study continues to be worked on.

iii. Minimum charge rates for residential and commercial accounts have been discussed and will be addressed.

iv. Rate schedule was previously discussed.

v. Grouping and the mailing of bills with the same mailing address is being discussed with the vendor and in-house verification of address information is being reviewed.

vi. Upcoming meetings will be discussed further later in the meeting.

B. FERC Filings to Date Regarding Mousam River Project:

i. FERC has denied all motions to intervene as of December 12, 2017.

ii. General Manager Shea would like to have an Executive Session December 19, 2017 to hear from the District's attorney in regard to America First Hydro and the consolidation of the docket.

iii. Trustee Bartilucci is concerned that he is not receiving information via the drop box promptly. General Manager Shea stated that he forwards on to the Board information as he receives it. President Kilbourn would like to see a binder kept in-house of all FERC materials. He would also like to see a folder created within the drop box for all FERC filings. General Manager Shea plans to create that information.

iv. A discussion occurred in regard to the Board meeting either Friday December 15, 2017 or Tuesday December 19, 2017 to discuss America First Hydro and the awarding of the contract in regard to the tree trimming contract. Protocol and policies in regard to awarding contracts were then thoroughly discussed by the Board.

Thereupon, after a discussion in regard to the tree trimming contract process, its criteria, and the bidding process occurred, President Kilbourn made a motion to authorize General Manager Shea to sign and award the contract that is in the best interest of the District, subject to it being within the budget that was approved earlier this evening. Vice-President Cluff seconded the motion.

Trustee Ducharme noted that he hopes that whoever General Manager Shea chooses, it will be because of the contract and that the Board does not have to second guess his decision. He pointed out that the Board, in its entirety, along with the management team, are responsible for the decisions made.

Trustee Bartilucci is in agreement that General Manager Shea should make the decision to award the contract.

Thereupon, a vote occurred, and with unanimous ayes heard, the motion passes.

C. Follow Up of FERC Scoping Meetings did not occur.

D. Discussion on Request for Meeting to be Held 12/19/17 occurred previously.

E. Discussion of Meeting Dates for 2018:

i. The Board was given the 2018 schedule. The next regular Board of Trustees meeting will be held January 30, 2018, at 6:00 p.m., at the District office.

F. Update on 2017 Goals:

i. The goals were provided to the Board by General Manager Shea and after review, President Kilbourn asked about the status of customer on-line payments. General Manager Shea stated that the District's attorney is reviewing the contract and upon the completion of that review, the process will be complete.

ii. Trustee Ducharme asked if meetings are still occurring between General Manager Shea and the Kennebunk Town Manager in regard to the dams and other projects occurring within the community. General Manager Shea confirmed that meetings still occur.

iii. Trustee Bartilucci asked for an update in regard to the oil change. General Manager Shea stated that the representative will review his calendar and notify him of his availability. General Manager Shea will notify the Board when that date has been set.

Whereupon, Item VII, Public Comment Period (Limited to 15 minutes total) occurred.

Public Comment Period

Verbatim Transcription

MR. GRABIN: On the -- a follow up on the scoping meetings, I'm not sure if I blanked out for a moment, but did you -- is there much to say?

GENERAL MANAGER SHEA: There wasn't a lot of follow up.

MR. GRABIN: Right. Okay. And there was a question about the Executive Session, I don't know if that was part of that?

GENERAL MANAGER SHEA: No. There wasn't a lot of update on the scoping meetings. It was more of the legalese. The scoping meetings were fairly well attended. Jay would have to update us on what happened at night. I, unfortunately -- well, not unfortunately --

PRESIDENT KILBOURN: The three of us were there.

(Several discussions occurring at once.)

GENERAL MANAGER SHEA: Okay. So the transcript will be out --

PRESIDENT KILBOURN: (INAUDIBLE) -- Duffy.

GENERAL MANAGER SHEA: -- within the next couple of weeks, I think --

VICE-PRESIDENT CLUFF: (INAUDIBLE).

GENERAL MANAGER SHEA: -- and when I get the recording, I'll send it to you.

TRUSTEE DUCHARME: I think the only other thing that they talked about differently from the one o'clock meeting was that they got into the historic preservation, the history of the dams and stuff like that.

PRESIDENT KILBOURN: I don't know how the rest of the Board feels, but I'd like to see the videos made available on the public access channel.

GENERAL MANAGER SHEA: Yup. I'm going to do what I can to do that.

TRUSTEE DUCHARME: Oh, that would be fantastic.

MR. GRABIN: So, who's doing the transcript and the --

GENERAL MANAGER SHEA: FERC does the transcript. FERC has a -- had a court reporter there. It will be an official court reporter transcript that will be done. They will issue it in the docket, is my understanding, so when I get it, I'll put it on our website.

MR. GRABIN: And the video, was that done by --

GENERAL MANAGER SHEA: We -- KLPD paid to do that. Video Creations did the video.

MR. GRABIN: Okay.

GENERAL MANAGER SHEA: We -- I was dumbfounded and flummoxed, I would say, that FERC almost refused to let us do it. I said, it's a public meeting, public -- we're recording the meeting and so, once that's available, I'll -- I'm going to try to work with Blake to get it on public access, but also to get it on our website.

MR. GRABIN: The Town website?

GENERAL MANAGER SHEA: Yeah -- ah, no. We'll try to get it on the television. I don't get the channel; is it 5?

MR. GRABIN: Right.

GENERAL MANAGER SHEA: I don't have cable at my house.

MR. GRABIN: And try to get it on the website also, I would guess?

GENERAL MANAGER SHEA: Yes. If possible.

PRESIDENT KILBOURN: And stream it on our site, as well?

GENERAL MANAGER SHEA: I can link it on our website.

PRESIDENT KILBOURN: I see. Okay.

MR. GRABIN: And I just had a comment for Dan. I don't know -- I wasn't sure what document you were talking about --

TRUSTEE BARTILUCCI: Oh, yeah.

MR. GRABIN: -- for FERC, but if it's -- if it was the last letter from America First, with the stuff about the consolidation, that just came out on November 28th.

Trustee Bartilucci that's correct. Yeah. You read about it, you read the document?

MR. GRABIN: Yes.

TRUSTEE BARTILUCCI: Okay. You read about it, but I didn't read about it.

(Several conversations occurring at once.)

TRUSTEE BARTILUCCI: That's my point.

PRESIDENT KILBOURN: I don't know. I can't figure it out by your e-mails, but I --

(Several conversations occurring at once.)

GENERAL MANAGER SHEA: I'll sign you each up individually.

PRESIDENT KILBOURN: Great.

GENERAL MANAGER SHEA: And then, maybe, that will -- but I'll also keep the file in the drop box --

PRESIDENT KILBOURN: Keep stuff in the drop box.

GENERAL MANAGER SHEA: -- so that it's more readily available.

PRESIDENT KILBOURN: Everybody can go to the drop box any time they want to see updates. If you ping us with an e-mail that there's an update, we'll get it.

Anything else?

MR. WUERTHNER: How was the site reviews this morning?

GENERAL MANAGER SHEA: Cold. You're looking at the two people that attended, so -- and three, yeah. Yes, three. It was --

MR. WUERTHNER: It was FERC people?

GENERAL MANAGER SHEA: Yeah, and the three FERC people. They were -- so I ended up actually taking the Maine DEP on their tour yesterday after the first meeting. At 4:30 I

took them to the three sites, 'cause they didn't want to come back down in the weather. FERC seemed to be happy with what I showed them. I invited them back if they wanted to come in nicer weather. Somebody commented, don't schedule your scoping meetings in December and you might not have this problem. But, they got to see what they wanted to see.

MR. GRABIN: Did they go down to Dane Perkins?

GENERAL MANAGER SHEA: They drove by Dane Perkins. They didn't decide to go down. And everybody now knows about the gumball bridge.

TRUSTEE DUCHARME: Scoping on these building studies, that's another thing, on January 7th --

GENERAL MANAGER SHEA: Um-hmm.

TRUSTEE DUCHARME: -- and as far as putting in -- and this is going way far forward.

GENERAL MANAGER SHEA: Um-hmm.

TRUSTEE DUCHARME: -- you know, if a dam -- if an application doesn't come about two years before the application, then they'll be decommissioning and if we -- we need to put -- make sure that the soil study is -- soil study is done.

GENERAL MANAGER SHEA: Yup.

TRUSTEE DUCHARME: Because, I'm just looking at cost.

PRESIDENT KILBOURN: I'm sorry, of what study?

TRUSTEE DUCHARME: Of sledge and soil --

PRESIDENT KILBOURN: Oh, okay.

GENERAL MANAGER SHEA: The sediment.

PRESIDENT KILBOURN: Sediment.

TRUSTEE DUCHARME: -- Is completed because, God forbid, if we, you know, it turns out that we have to pay for taking down the dams and cleanup costs.

GENERAL MANAGER SHEA: Yup.

TRUSTEE DUCHARME: It would be millions, and millions, and millions and we don't have that.

GENERAL MANAGER SHEA: Yup. And that's a different -- that's a different proceeding, though. But --

TRUSTEE DUCHARME: I know. But you have to --

GENERAL MANAGER SHEA: I can give you --

TRUSTEE DUCHARME: Well, they would -- I did speak to him about that and he said, at that point, we'd have a whole new scope --

GENERAL MANAGER SHEA: Correct.

TRUSTEE DUCHARME: -- scoping --

GENERAL MANAGER SHEA: Correct.

TRUSTEE DUCHARME: But...

GENERAL MANAGER SHEA: We do. You may not have -- well, I know you have one around, but let me send you -- it's in the drop box, but I'll send you the sediment sampling that we did.

TRUSTEE DUCHARME: I saw that, but I think it needs to be a little more --

GENERAL MANAGER SHEA: Absolutely. That was just to see what might be represented, yup.

TRUSTEE DUCHARME: It was right by Kesslen, right?

GENERAL MANAGER SHEA: Yup.

TRUSTEE DUCHARME: It didn't do all the way up to --

GENERAL MANAGER SHEA: Yup.

TRUSTEE DUCHARME: -- or any of that?

PRESIDENT KILBOURN: There were reasons for that, though.

GENERAL MANAGER SHEA: Yup.

PRESIDENT KILBOURN: Both of them were breached in the '80s, so --

TRUSTEE DUCHARME: No. I'm just -- I'm just using an example that --

PRESIDENT KILBOURN: Yup.

TRUSTEE DUCHARME: -- you might want to think about what studies we need to do before January -- maybe the lawyer will -- you know, that somebody is going to forget. Once that deadline hits, that's it.

GENERAL MANAGER SHEA: Yes, sir.

PRESIDENT KILBOURN: Yeah, in fact, if members of the public have studies that they think we should --

GENERAL MANAGER SHEA: Yeah, anybody can.

PRESIDENT KILBOURN: -- be requesting, for whatever -- for whatever reason, to understand better the situation, I think we would be welcoming in hearing it.

Are you sure you don't have a comment tonight? Come on, Bev.

MS. FREUDENREICH: Thank you and -- (INAUDIBLE) -- an update -- by the Board.

PRESIDENT KILBOURN: On what?

MS. FREUDENREICH: On the fish.

PRESIDENT KILBOURN: Fish.

MS. FREUDENREICH: Is there going to be -- (INAUDIBLE).

PRESIDENT KILBOURN: We know that.

MS. FREUDENREICH: It's very -- it's very demanding. (INAUDIBLE).

PRESIDENT KILBOURN: Yeah, it's technical.

MS. FREUDENREICH: It's just -- they have a calendar here (INAUDIBLE).

GENERAL MANAGER SHEA: Um-hmm.

PRESIDENT KILBOURN: All right. Well, that's a good comment, thank you.

Thank you, all of you. We've covered it. You don't feel slighted anymore?

(Laughter and various conversations occurring at once.)

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Public Comment Period and Verbatim Transcript

Concluded at 8:04 p.m.

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Whereupon, Item VIII, Next Business Meeting December 19, 2017 (Pending Approval), occurred.

Whereupon, Item IX, Board Recommendation for Agenda Items for Next Meeting, occurred. President Kilbourn has various items that he would like reviewed as agenda items including a review of annual reviews, including that of General Manager Shea, organizational goals for 2018, discussion of the strategic plan draft, capital expense budget review and having a meeting with SEEK within the first quarter of 2018.

Trustee Ducharme would like to see a conversation and vote to have the Kesslen Dam registered as an historical site.

Vice-President Cluff asked for an update in regard to Mike Hubbard. General Manager Shea will be meeting with him soon and will ask if he can be available for the January 30, 2018 meeting.

Trustee Bartilucci asked if the oil changes could be done by the end of 2017. General Manager Shea will try to have that completed, but it is pursuant upon the representative's schedule.

There being no additional business of the District discussed by the Board, President Kilbourn made a motion to adjourn. The motion was seconded by Trustee Bartilucci.

Whereupon, with unanimous ayes heard, the meeting adjourned at approximately 8:10 p.m.

Attest: _____
Bob Emmons, Clerk