AGENDA
BOARD OF TRUSTEES
PORTLAND WATER DISTRICT
225 Douglass Street, Portland, Maine
Jeff P. Nixon Training Center
6:00 p.m., Monday, February 24, 2020

1. **Convene Meeting** with Pledge of Allegiance and moment of silence.
   
   President Cote

2. **Roll Call**
   
   Clerk

   
   President Cote

4. **Invitation for Public Comment**
   
   President Cote

5. **Reports:**
   
   - Operations Committee Reports
     
     Trustee Siviski
   - Planning Committee Reports
     
     Trustee Lunt
   - Administration & Finance Committee Reports
     
     Trustee Garrison
   - General Manager’s Report
     
     General Manager

6. **New Business**
   
   A. **Order 20-004** authorizing the General Manager to execute a lease agreement extension with Presumpscot Regional Land Trust.
      
      Planning Committee
   
   B. **Public Hearing** regarding the issuance of water bonds.
      
      Administration and Finance Committee
   
   C. **Resolution 20-003** authorizing the issuance of up to $7,000,000 in water bonds to finance the installation and renewal of water mains and related infrastructure.
      
      Administration and Finance Committee
   
   D. **Order 20-005** authorizing the issuance of “Green Bonds”.
      
      Administration and Finance Committee
   
   E. **Order 20-006** authorizing actions related to the HVAC Upgrade Project for the East End WWTF Dewatering Areas and the Cape Elizabeth WWTF Headworks Area.
      
      Operations Committee
   
   F. **Order 20-007** authorizing the Phased Engineering method for the procurement of engineering services for the East End WWTF Primary Gallery Electrical Upgrade Preliminary Design Project.
      
      Operations Committee
   
   G. **Order 20-008** authorizing an increase to the 2019 CIP for the East End WWTF Primary Clarifier Rehabilitation Project.
      
      Operations Committee
   
   H. **Order 20-009** authorizing an amendment to the District’s 319 Grant Funding Policy.
      
      Planning Committee

Over
7. **Other Business.** An item may be added to this agenda provided seven trustees vote to waive the rule regarding agendas. President Cote

8. **Second Invitation for Public Comment.** President Cote

9. **Trustee Comments.** President Cote

10. **Executive Session.** A motion may be made to go into Executive Session at any time during the meeting to discuss, pursuant to 1 M.R.S. §405(6)(A) personnel, 1 M.R.S. §405(6)(C) real estate, 1 M.R.S. §405 (6)(D) labor negotiations, or 1 M.R.S. §405(6)(E) legal matters. President Cote

11. **Adjournment.** President Cote

Donna M. Katsiaficas
Clerk
Portland Water District

Board of Trustees Regular Meeting

February 24, 2020

New Business

Agenda Items 6A-6H
BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6A Order 20-004
Date of Meeting: February 24, 2020
Subject: Presumpscot Regional Land Trust – Sebago To The Sea Trail Lease Extension
Presented By: Norman Twaddel, Right of Way Agent

RECOMMENDATION
The following proposed language is presented to the Board of Trustees for approval:

ORDERED, a 10-year lease extension with Presumpscot Regional Land Trust for the Sebago to the Sea Trail on PWD property is hereby authorized under the same terms and conditions as the existing lease;

BE IT FURTHER ORDERED, that the General Manager and the Treasurer, each acting singly, are authorized to take such other steps as may be necessary to accomplish the intent of this vote.

BACKGROUND ANALYSIS
On June 3, 2010, the Board of Trustees authorized a 10-year lease with Presumpscot Regional Land Trust for the Sebago to the Sea Trail portion located on PWD land as shown on the attached map attached with the current lease. The current lease expires June 2, 2020. According to Source Protection staff, there have not been any issues related to the use of this trail on PWD land during the current lease period. Staff is proposing to extend the Lease Agreement another 10 years under the same terms and conditions as the existing Lease.

FISCAL REVIEW / FUNDING
The proposed Lease extension will not involve any cash payments.

LEGAL REVIEW
Corporate Counsel will review the Lease Extension document prior to execution.

CONCLUSION(S)
Staff recommends that PWD proceed with the proposal described above. The Committee approved and agreed to send to the full Board for their consideration.

ATTACHMENTS
Current Lease and Trail Map
LEASE

THIS LEASE made this 3rd day of June, 2010 by and between the PORTLAND WATER DISTRICT, a quasi-municipal corporation organized and existing under the laws of the State of Maine and located at Portland, County of Cumberland and State of Maine and having a mailing address of P.O. Box 3553, Portland, Maine 04104-3553 (hereinafter the “DISTRICT”) and the PRESUMPSCOT REGIONAL LAND TRUST, a Maine non-profit corporation located in the Town of Gorham, County of Cumberland and State of Maine and having a mailing address of P.O. Box 33, Gorham, Maine 04038 (hereinafter “Lessee”).

Whereas, the DISTRICT owns a parcel of land located in the vicinity of Sebago Lake in Town of Standish, the parcel being more particularly described on a map, attached hereto and incorporated herein by reference as Exhibit A (hereinafter the “Premises”); and

Whereas, Lessee desires to use, maintain and construct a trail (hereinafter “Trail”) on the Premises for use by the public for passive recreational activities in a manner not in conflict with the use of the remaining land by the DISTRICT for its purposes; and

Whereas, the DISTRICT is willing to allow Lessee to utilize the Premises for the limited use herein described subject to the terms and conditions herein contained.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1) The DISTRICT leases to Lessee for the term hereof and subject to the terms and conditions herein contained, a certain parcel of land containing 3.45 acres, more or less, along with a right of way for access thereto located in the Town of Standish, County of Cumberland and State of Maine, said lot and right of way all as shown on a plan entitled “Sebago to the Sea Trail, Portland Water District, Standish Maine” prepared by Alex Abbott, US Fish and Wildlife Service, Falmouth, Maine dated April 27, 2010. A reduced-size copy of said plan shall be attached hereto, marked as Exhibit A. A full-sized copy of said plan is on file at the offices of the DISTRICT and Lessee.

2) Lessee shall use, maintain and construct the Trail on the premises, as shown on Exhibit B to this lease. The Trail may be marked by signage installed by Lessee, with prior approval and consent of the DISTRICT. Lessee agrees that the trail shall be used for passive recreation only, including but not limited to walking, off road bicycling, cross country skiing and snow shoeing. Lessee acknowledges that the DISTRICT’S policies also permit snowmobiling on the Premises when appropriate conditions allow such use. All land use policies of the DISTRICT shall apply to the Trail.

Lessee further agrees not to use the Premises or the Trail for any purpose which will constitute a nuisance or a hazard to the public or any abutting landowners, or which will interfere with the use of the existing access roads by the DISTRICT for its purposes.
Maintenance activities to be performed by Lessee include but are not limited to: litter pick-up, bi-annual monitoring, brush clearing, trimming and blow-down removal. Lessee may install sanitation facilities providing that the DISTRICT has approved of the facilities and the location of the facilities.

3) The DISTRICT may, require relocation of the Trail if in its sole discretion it is necessary to do so for any reason. Relocation of the Trail shall be accomplished at the expense of the Lessee; the DISTRICT will use all reasonable efforts to minimize the cost of relocation.

4) The term of the lease shall be ten (10) years commencing on ____________ , 2010. Either the DISTRICT or Lessee may terminate this Lease at any time by giving 30 days written notice of the intention to the other, at the end of which 30 days this Lease shall terminate. The lease may be renewed for additional ten (10) year periods upon written request provided to the DISTRICT at least sixty (60) days prior to the expiration of the then current ten (10) year term; renewal shall be subject to approval of the District’s Board of Trustees.

During the initial 10 year term, the DISTRICT will consider conveying the leased interest to the Lessee in the form of an easement, depending on the experience of the parties under the lease. In the event that an easement is proposed to be conveyed, Lessee will be responsible for any costs associated with obtaining regulatory approvals, including but not limited to approval of the Maine Public Utilities Commission, which may be required in order to complete the easement conveyance.

5) The DISTRICT reserves the right for its employees and agents to use the existing access roads across the Premises at any time for any purpose including but not limited to the removal of sand, gravel or timber and the performance of routine maintenance on the premises.

6) Lessee agrees that any construction or substantial maintenance of the trail or of any improvement related to the public’s use of the Trail, shall be approved by the DISTRICT prior to the commencement of said construction or maintenance. Lessee shall be responsible for obtaining any and all permits necessary for any of its construction activities.

7) Parking for use of the Trail may be available at the Otter Ponds DISTRICT Kiosk, Johnson Field DISTRICT Kiosk, the Route 35 Overpass DISTRICT Kiosk, the Route 35 District Kiosk, the Pond Road DISTRICT Kiosk located on Pond Road as accessed from Whites Bridge Road., and the Route 237 DISTRICT kiosk and the DISTRICT Kiosk located at the end of the paved section of Pond Road.

8) Lessee may install, upon prior written approval of the DISTRICT, permanent signage to be located on the premises designating and guiding users to the Trail.

9) Lessee agrees to maintain the Premises and any agreed upon improvements thereon at its sole expense during the term of the Lease. Any and all improvements made to the Premises by Lessee shall remain the property of Lessee and shall be removed by Lessee.
at the termination of the Lease or of any renewal. If the improvements shall not have been removed within thirty (30) days of such termination, at the option of the DISTRICT, such improvements shall become the property of the DISTRICT, or may be removed by the DISTRICT at the sole expense of Lessee.

10) Lessee agrees to use its best efforts to keep the Premises free from use by unauthorized persons. Lessee shall advise Trail users that users must stop at DISTRICT kiosks to complete and obtain a use permit for use of the Trail on DISTRICT property.

11) During the Lease term and any renewal, the DISTRICT shall continue to pay real estate taxes related to the Premises to the Town of Standish.

12) Lessee shall not assign or sublet the Premises or any part thereof, except on the written approval of the DISTRICT.

13) Lessee shall carry, at its expense, for the benefit of the DISTRICT, public liability insurance covering the Premises, said insurance shall name Lessee and the DISTRICT as insureds, shall be in the amount of not less than One Million ($1,000,000.00) dollars and shall be written with such company and shall include such other terms as are satisfactory to the DISTRICT. Any property of Lessee located on the Premises shall be at the sole risk of Lessee. The DISTRICT shall not be liable to Lessee or its employees, patrons, agents, visitors or invitees for any loss or damage to person or property, and Lessee agrees to indemnify and hold the DISTRICT harmless from any and all claims, damages, causes and action or otherwise arising out of Lessee’s use of the Premises, including but not limited to reasonable attorney’s fees. Nothing herein is intended by either party to waive the immunities and defenses they each have pursuant to the provisions of Maine law, including but not limited to the provisions of the Maine Tort Claims Act, 14 MRSA §8101 et. seq., as amended and any successor provisions thereof, and the provisions of Title 14 M.R.S. Section 159-A, et seq., as amended and successor provisions thereof, and under any other applicable provision of law.

14) Lessee agrees not to remove any timber from the Premises except with prior approval of the District in the course of preparing or maintaining the Trail. If Lessee shall make or suffer any strip or waste other than the changes associated with the preparation of the trail as approved by the DISTRICT, or shall fail to quit or surrender the Premises to the DISTRICT at the end of said term in the manner aforesaid; or shall violate any of the covenants in this Lease to be performed by Lessee; the DISTRICT may immediately or at any time thereafter enter and expel Lessee or those claiming under it and remove its or their effects, without prejudice to any other remedies for breach of covenant; and upon any such entry the terms of this Lease shall cease.

15) Any notice, advice or demand upon Lessee shall be made in writing and shall be deemed to have been given or made on the day when it was sent by registered or certified mail to Lessee addressed to P.O. Box 33, Gorham, Maine 04038, or at such address as Lessee may hereafter from time to time specify in writing to the DISTRICT for such purpose. Any notice, advice or demand upon the DISTRICT shall be made in writing and shall be deemed to have been given or made on the day when it was sent by registered or certified mail to the DISTRICT addressed to General Manager, Portland Water District, 225
Douglass Street, P.O. Box 3553, Portland, Maine 04104-3553 or at such address as the DISTRICT may hereafter from time to time specify in writing to Lessee for such purpose.

IN WITNESS WHEREOF, the parties hereto interchangeably set their hands and seals this 3rd day of June, 2010.

Signed, Sealed and Delivered In the presence of:

PORTLAND WATER DISTRICT

[Signature]

Ronald Miller, General Manager

PRESUMPSCOT REGIONAL LAND TRUST

[Signature]

By: Richard Curtis

Its: President
Sebago to the Sea Trail
Portland Water District
Standish, Maine
April 27, 2010

LEGEND

- Trail Route
- Permit Required
- No Trespassing
- Kiosk Locations

Existing Trails
- Mountain Division (Rail with Trail)
- PWD Unimproved Trails

Conservation/Recreation Lands
- Town and School
- State/Federal/Non-Profit

Base Layers
- Town Boundaries
- Railroad Tracks

Notes:
- Trail locations are approximate only. This layer does not show all trails.
- Access to Conservation and Public Lands may be restricted.
- Please do not trespass on private property.
- Contact the landowner or land trust for access information.

Disclaimer:
Members of the Sebago to the Sea Coalition are working to acquire rights of way to form a contiguous recreational and alternative transportation trail from Sebago Lake to Casco Bay connecting trails in Standish, Gorham, Windham, Westbrook, Falmouth and Portland.

Much of the trail network shown on this map is currently in place and available for public use. These trails are listed as "Existing Trails". The remainder of the envisioned trail network has not been specifically planned or identified because the necessary land is privately owned, inaccessible, or undeveloped. These undeveloped segments of the proposed network are shown as "Envisioned Trail Corridors" on the map, and they should not (and in many cases may not) be used by the public until we have permission from landowners.

Check our website www.sebagotothesea.org for updated maps and notices of new trails as they are built, or contact us at prlanttrust@yahoo.com.
BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6B-C Resolution 20-003
Date of Meeting: February 24, 2020
Subject: Water Bond - $7,000,000
Presented By: David Kane, Director of Administration

RECOMMENDATION
The following proposed language is presented for Board of Trustee approval:

RESOLVED, the issuance of up to $7,000,000 in water bonds to finance the installation and renewal of water mains and related infrastructure is hereby authorized. The full form of the Resolution attached hereto is hereby approved and shall be attached to and incorporated as part of the minutes of this meeting.

BACKGROUND ANALYSIS
The approved 2020 Capital Improvement Plan includes $9,075,000 of water distribution system upgrade projects being financed through the issuance of a $7,000,000 bond and a $2,075,000 withdrawal from the water renewal/replacement fund.

Staff proposes issuing a bond either through the Maine Municipal Bond Bank or as a publicly issued bond. The bonds may be issued through the Bond Bank’s regular or state revolving loan fund. Mains have a 77-year useful life (PUC rules define useful life), and we expect no additional annual operating costs as a result of these projects being financed. The projects are consistent with the 2003 Water Master Plan. At least $2,000,000 of the projects will be projects listed on the System Infrastructure Assessment report filed with the PUC and, therefore, the projects’ debt service costs are eligible to be funded from the capital reserve fund. That $2,000,000 will be financed over 10 years with the remaining $5,000,000 financed over 20 years. Of the $5,000,000, $1,000,000 is to construct water mains related to the 407 Zone Transmission Improvements.

Attachment E includes additional information on the debt, financial and economic impact of proposed bond.
**FISCAL REVIEW / FUNDING**
The District has submitted an application to finance the $2.8M Mackworth Road project through the Drinking Water SRF program and the project was selected for the program at an interest rate of 1.5%. General bond rates have increased by a half of percent since last year. Overall, interest cost would be approximately $6,000 higher than expected.

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<th>Current Estimate</th>
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<td>$2.0 20 Year at 1.5%</td>
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<tr>
<td>Capital Reserve Bond</td>
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<tr>
<td>General Bond</td>
<td>$5.0 20 Year 2.5%</td>
<td>$3.0 20 Year at 3.0%</td>
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**LEGAL REVIEW**
Corporate Counsel has reviewed the proposed Resolution as to form.

**CONCLUSION(S)**
The Water Fund has the debt, financial and economic capacity to issue the proposed bond. The Administration and Finance Committee recommended the motion be forwarded to the full Board for their consideration at the February 10, 2020 meeting.

**ATTACHMENTS**
A. Full Form of Motion
B. Debt Service Amortization Schedule–20 year SRF loan for $2.0 M Maine Municipal Bond Bank
C. Debt Service Amortization Schedule–10 year loan for $2M Moors & Cabot
D. Debt Service Amortization Schedule–20 year loan for $3M Moors & Cabot
E. Debt, Financial and Economic Analysis
PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING BONDS IN THE AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED $7,000,000

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) of water main improvements and other related water system infrastructure upgrades and improvements (the “Project”).

WHEREAS, the District desires to finance the Costs of such Project by issuing its water bonds and / or sewer bonds, or some combination thereof in the maximum aggregate amount of $7,000,000 and to borrow such money through a public offering or through the Maine Municipal Bond Bank’s Safe Drinking Water State Revolving Loan Fund program, Clean Water State Revolving Loan Fund program or its general borrowing program or other qualified purchaser of the bonds or a combination thereof;

NOW THEREFORE, BE IT HEREBY RESOLVED by the Board of Trustees of the Portland Water District (the “Board”) Assembled, following a public hearing duly called, noticed and held under District Policy No 6.50-15:

THAT: Pursuant to the District’s Charter, Chapter 84 of the Private and Special Laws of 1975 and all amendments thereof and acts additional thereto, and all other authority thereto enabling, and the Decision and Order of the Public Utilities Commission of the State of Maine issued in Docket No. 2015-00159 dated November 13, 2015, there is hereby authorized and approved the issuance of the District’s water bonds and / or sewer bonds, or some combination thereof and/or temporary notes in anticipation thereof in an aggregate principal amount not to exceed $7,000,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project (the “Bonds”).

THAT: The Bonds may be issued as water bonds and / or sewer bonds, or some combination thereof, in the maximum aggregate amount of $7,000,000 and may be issued through a public offering or through the Maine Municipal Bond Bank’s Safe Drinking Water State Revolving Loan Fund program, Clean Water State Revolving Loan Fund program or its general borrowing program or other qualified purchaser of the bonds or a combination thereof.

THAT: Each Bond or note issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.

THAT: The Bonds may be issued in serial form or as term bonds, or some combination thereof, and may be issued at one time or from time to time, in an amount not to exceed the aggregate amount authorized herein, and shall mature at such times (but not to exceed 40 years from the date(s) of issuance), shall be dated, shall bear interest at such rate or rates, and otherwise shall be in such form and contain such other terms and provisions as the Treasurer may approve, subject to the provisions of the law, the District’s Charter and these Resolutions, such approval to be conclusively evidenced by his execution thereof.
THAT: The Bonds may be made subject to call for redemption, with or without a premium, before the date fixed for final payment of the Bonds, as shall be determined by the Treasurer.

THAT: The Treasurer is authorized to borrow money in anticipation of said Bonds by the issuance and sale of notes or renewal notes in anticipation thereof and to determine the date, form, interest rate, maturities and all other details of each issue of notes, including the form and manner of their sale and award, subject to the provisions of the law, the District’s Charter and these Resolutions.

THAT: The Treasurer and President of the District from time to time shall execute such bonds as may be required to provide for exchanges or transfers of Bonds heretofore authorized, all such Bonds to be signed as provided in the next preceding paragraph.

THAT: The Bonds and notes may be sold on a competitive or negotiated basis or a combination thereof.

THAT: If the Bonds or notes (or a portion thereof) are issued on a competitive basis, the Treasurer be and hereby is authorized to select the underwriter for such Bonds and notes and the Treasurer be and hereby is authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.

THAT: If the Bonds or notes (or a portion thereof) are issued on a competitive basis, the Treasurer be and hereby is authorized to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of such Bonds and notes, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, with the advice of bond counsel for the District, and that the use and distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the District in connection with offering such Bonds and notes for sale be and hereby is approved.

THAT: If the Bonds or notes (or a portion thereof) are issued to the Maine Municipal Bond Bank (the “Bond Bank”) pursuant to the State’s Safe Drinking Water Revolving Loan Fund program established under Title 30-A, §§5953-B and 6006-B, or its Clean Water Revolving Loan Fund program established under Title 30-A, §§5953-A and 6006-A, or its general borrowing program established under Title 30-A, §5953, the Treasurer and the President of the District be and hereby are authorized and empowered, in the name and on behalf of the District, to execute and deliver, under the seal of the District attested by its Clerk, one or more loan agreements between the District and the Bond Bank providing for loans from the Bond Bank to the District in an amount not to exceed such amount, said loan agreements to be in the usual and ordinary form utilized by the Bond Bank in connection with the Safe Drinking Water State Revolving Loan Fund program, the Clean Water Revolving Loan Fund program or its general borrowing program, which is hereby approved, and to contain such other terms and provisions, not contrary to the general tenor hereof, as the Treasurer of the District and the President of the District may approve, their approval to be conclusively evidenced by the execution thereof.

THAT: The Treasurer be and hereby is authorized to select the registrar, paying agent and transfer agent (the “Transfer Agent”) for the Bonds and notes hereinbefore authorized and to
execute and deliver such contracts and agreements as may be necessary or appropriate to secure their services.

**THAT:** If the Bonds and notes (or a portion thereof) hereinbefore authorized are issued on a tax-exempt basis, the Treasurer be and hereby is authorized to covenant and certify in the name of and on behalf of the District that no part of the proceeds of the issue and sale of such Bonds and notes shall be used directly or indirectly (a) to acquire any securities or obligations, the acquisition of which would cause such Bonds or notes to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), or (b) to cause such notes or Bonds to be “private activity bonds” within the meaning of Section 141 of the Code.

**THAT:** If the Bonds and notes (or any portion thereof) hereinbefore authorized are issued on a tax-exempt basis, the Treasurer, with the advice of bond counsel, be and hereby is authorized to designate such Bonds and notes as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code, to the extent such designation is available and permissible under said Section 265(b)(3).

**THAT:** If the Bonds and notes (or any portion thereof) hereinbefore authorized are issued on a tax-exempt basis, the officers executing such Bonds and notes be and hereby are individually authorized to covenant and agree, in the name of and on behalf of the District, for the benefit of the holders of such Bonds or notes, that the District will file any required reports and take any other action that may be necessary to ensure that interest on the Bonds or notes will remain exempt from federal income taxation, and that the District will refrain from any action that would cause interest on such Bonds or notes to be subject to federal income taxation.

**THAT:** but is not limited to (1) the purchase price or acquisition cost of all or any portion of the Project; (2) the cost to design, construct, renovate, improve, furnish and equip the Project; (3) the cost of land, easements and other real property interests, landscaping and site preparation, all appurtenances and other fixtures, facilities, buildings and structures either on, above, or under the ground which are used or usable in connection with the Project; (4) the cost of feasibility studies, surveys, environmental studies and assessments, engineering, plans and specifications, legal and other professional services associated with the Projects; and (5) issuance costs, including premiums for insurance, capitalized interest and other fees and expenses relating to the financing transaction.

**THAT:** The investment earnings on the proceeds of the Bonds and notes hereinbefore authorized, if any, and the excess proceeds of such Bonds and notes, if any, be and hereby are appropriated for the following purposes, such proceeds to be held and applied in the order of priority determined by the Treasurer:

1. To any Costs of the Project in excess of the principal amount of the Bonds or notes;

2. If issued on a tax-exempt basis, in accordance with applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the Bonds or notes.

3. To pay debt service on the Bonds; and
4. To the District’s general fund.

**THAT:** The District covenants to establish, maintain and collect water rates, assessments or charges for water services furnished by the District; to pay when due current expenses of operating and maintaining the water system; to pay when due interest on the outstanding indebtedness of the District issued or assumed for water purposes including any Bonds or notes hereinabove authorized and issued as water bonds; to pay when due the principal of the outstanding indebtedness of the District issued or assumed by the District including any Bonds or notes hereinabove authorized and issued as water bonds; for water purposes.

**THAT:** Notwithstanding the above provisions of this Order, to the extend deemed necessary or appropriate by the District Treasurer, the Bonds and notes authorized hereunder may be issued as water bonds, sewer bonds or some combination thereof as the Treasurer shall determine and establish and that the debt service on the Bonds and notes authorized hereunder shall be allocated annually between the water system and the waste water and sewage system in a manner consistent with Section 15 of the District’s Charter.

**THAT:** To the extent any of the Bonds and notes authorized hereunder shall be allocated to the District’s waste water and sewage system as provided in the foregoing paragraph, the District covenants to establish, maintain, apportion, revise and collect fees, charges and assessments for sewer and wastewater services furnished by the District, to pay when due current expenses of operating and maintaining the sewer system, to pay when due interest and principal and premium, if any, to pay or provide for the payment of all sewer indebtedness created or assumed by the District in providing a waste water and sewage system.

**THAT:** The Treasurer, President and Clerk of the District and other proper officials of the District be, and hereby are authorized and empowered in its name and on its behalf to do or cause to be done all such acts and things, and to execute, deliver, file, approve, and record all such financing documents, contracts, agreements, deeds, assignments, certificates, memoranda, abstracts, and other documents as may be necessary or advisable, with the advice of counsel for the District, to carry out the provisions of the resolutions heretofore adopted at this meeting in connection with the Project, the issuance, execution, sale, and delivery by the District of the Bonds and the execution and delivery of the documents, including the entering into of a loan agreement or an interim loan agreement with the Bond Bank, should the Bonds and notes (or any portion thereof) be purchased by the Bond Bank.

**THAT:** If the Treasurer, President or Clerk of the District are for any reason unavailable to approve and execute the Bonds and notes hereinbefore authorized, or any of the bond documents to be delivered with respect thereto, the person or persons then acting in any such capacity, whether as an assistant, a deputy, on an interim basis or otherwise, is authorized to act for such official with the same force and effect as if such person had herself performed such act.

**THAT:** If any of authorized representatives of the District who have signed or sealed the Bonds and notes hereinbefore authorized shall cease to be such officers or officials before the Bonds or notes so signed and sealed shall have been actually delivered by the District and / or authenticated, such Bonds or notes nevertheless may be issued, delivered and authenticated with the same force and effect as though the person or persons who signed
or sealed such Bonds notes had not ceased to be such officer or official. Also any such Bonds or notes may be signed and sealed in the name of and on behalf of the District by those persons who, at the actual date of the execution of such Bonds or notes, shall be the proper officers and officials of the District, although at the nominal date of such Bonds or notes any such person shall not have been such officer or official.

**THAT:** If the Bonds or notes authorized hereunder, or any portion of them, are issued through the Clean Water Revolving Loan Fund Program, the following resolutions required by Section C(4)(e) of the State of Maine Revolving Loan Fund Rules, Chapter 595, Department of Environmental Protection and the Bond Bank (the “SRF Regulations”), and governing any loan to be made to the District under the State Revolving Loan Fund Program be and hereby are adopted with respect to the said Bonds or notes issued through the Clean Water Revolving Loan Fund Program:

1. that a Project Account shall be created for the Projects which shall be separate from all other accounts of the District. If operating revenues are to be used to retire the debt, a sub-account will be established.

2. that the Project Account shall be maintained in accordance with standards set forth by the Maine Municipal Bond Bank and in accordance with generally accepted government account standards.

3. that a final accounting shall be made to the Bond Bank of the total cost of the project upon completion of the Project performance certification as set out in Section G(3) of the SRF Regulations and the District acknowledges that the Bond Bank reserves the right at its sole discretion to be provided with a cost certification of the Project as built.

4. that an annual audit of the District, prepared by a certified public accountant or licensed public accountant be provided to the Bond Bank for the term of the loan.

5. that the District shall maintain insurance coverage on the Project in an amount adequate to protect the Bond Bank’s interest for the term of the loan with the Bond Bank named as loss payee.

6. that the District will comply with any special conditions specified by the Department of Environmental Protection’s environmental determination until all financial obligations to the State have been discharged.

7. that the District certify to the Bond Bank that it has secured all permits, licenses and approvals necessary and that it has a dedicated source of revenue for repayment.

8. that the District establish a rate, charge or assessment schedule in order to pay principal and interest. Such rate change or schedule shall provide total operations and debt service coverage at a level at which the coverage for the Bond Bank is sufficient.

9. that the District must demonstrate the ability to pay reasonably anticipated costs of operating and maintaining the financed Project.
(10) that the District abide by the SRF Regulations, as revised and amended and relevant State statutes of the State of Maine.

THAT: During the term any of the Bonds are outstanding, the Treasurer be and hereby is authorized to issue and deliver refunding bonds to refund some or all of the Bonds then outstanding, and to determine the date, form, interest rate (not to exceed 8.00% per annum), maturities (not to exceed 40 years from the date of issuance of the original Bonds) and all other details of such refunding bonds, including the form and manner of their sale and award. The Treasurer be and hereby is further authorized to provide that any of such refunding bonds hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity, and to make such designation or determination of such refunding bonds as he is authorized to make with respect to the original Bonds, and each refunding bond issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.
## Attachment B

**Maine Municipal Bond Bank - Estimate of Borrowing - $2.0 Million for 20 Year**

**ESTIMATE OF DEBT SERVICE**

**Portland Water District**

PREPARED ON 01/02/2020

<table>
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Moors Cabot - Estimate of Borrowing - $2 Million for 10 Year

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Moors Cabot - Estimate of Borrowing - $3 Million for 20 Year

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A. Debt Analysis

Annual debt service on the $7.0M bond issue peaks at an estimated $662,000 in 2021. The amounts included in the table below reflect the projects for 2020-2022 as outlined in the 2020 CIP. Additional projects may be approved which would increase the projected debt service.

**Debt Service with Proposed Bond:**

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<td>Gross Water Fund Debt Service</td>
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<td><strong>Future Bonded Projects Planned:</strong></td>
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<td>CIP - Preble Street, Portland Water Main ($266,000)</td>
<td>$15,938</td>
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<td>Tiger Hill ($345,000)</td>
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<td>CIP - 2019 - $400,000 Ward's Hill Tank Design</td>
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<td>CIP - 2019 - $2,500,000 Ward's Hill Tank Construction</td>
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<td>CIP - 2021 - $2.0 M Cap Reserve, 10 years</td>
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<td>CIP - 2021 - $4.0M Water Mains, $3.5M SLWTF Intake 20 years</td>
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**Revenue Impact:**

- **Water Revenue**
  - $25,686,370
  - $27,232,956
  - $28,536,589

(assumes 3.5,7.2 & 4.0% increase in 2020-2022)

- **Requested Debt Service Percent**
  - 0.08%
  - 0.50%
  - 0.47%

- **Projected Debt Service Percent**
  - 23.22%
  - 23.58%
  - 24.50%

- **Board Policy Maximum**
  - 35%
  - 35%
  - 35%

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<td>Bond Minimum Target</td>
<td>1.25</td>
<td>1.25</td>
<td>1.25</td>
</tr>
</tbody>
</table>

**Per Customer Annual Impact:**

- **Number of Customers**
  - 55,900
  - 56,400
  - 56,900

- **Requested Debt Service Dollar Per Year**
  - $0.36
  - $2.42
  - $2.37

- **Projected Debt Service Dollar Per Year**
  - $107
  - $114
  - $123

- **Long-term Plan Expectation (2013 Estimate)**
  - $129
  - $137
  - $144
B. **Financial Analysis**

A water rates increase of 2.9% in 2020 will result in a projected cumulative surplus balance of $6.7 million, or 26% of annual budget, as of 12/31/20. An adequate surplus balance exists to handle any short-term cash flow issues.

Water rates, as a percent of income, are within the range of local municipalities we serve and within the affordable parameter set by EPA.

C. **Economic Analysis**

The customer base has been fairly consistent and is well diversified. The local economy has been relatively stronger with low unemployment and additional housing and economic development in recent years.

---

**Water Revenues**

- Residential: 68%
- Business: 27%
- Government: 5%

**Top Ten Customers**

- Top Ten, 2097861
- All Other, 16753812

---
Agenda Item: 6D Order 20-005
Date of Meeting: February 24, 2020
Subject: Designation of Bonds as “Green”
Presented By: David Kane, Treasurer

RECOMMENDATION
The following proposed language is presented for Board of Trustee approval:

ORDERED, that the $7.0 million water bond authorized on February 24, 2020 will be designated as “green bonds”, with the proceeds used for “green” purposes.

BACKGROUND ANALYSIS
The Board is scheduled to authorize the issuance of up to $7.0 million in water bonds at their February 24, 2020 meeting. The bonds will provide funds to finance the installation and renewal of water main improvements and other related infrastructure upgrades and improvements. These are environmentally beneficial projects designed to ensure safe drinking water for the public in the State in accordance with State, Federal and local standards. Therefore, the bonds can be designated as “Green Bonds”.

Staff became aware that “green” bonds versus ordinary bonds are, on average, about 6 basis points below yields paid by otherwise equivalent bonds. The District’s Financial Advisor recommended the Board pass a motion indicating the bond proceeds will be used for “green” purposes. Other than declaring the bonds as “green” in the bond’s Official Statement the only other obligation on the District would be to provide certain post-issuance reporting showing the actual use of the bond proceeds for its declared purpose.

The Bond is scheduled to be sold in July 2020.

FINANCIAL REVIEW
The District intends to issue a $7.0 million bond on August 1. The estimated annual interest savings in the first year of this “green” bond could be on the order of $42,000.
LEGAL REVIEW
Corporate Counsel reviewed the proposed motion and approved it as to form.

CONCLUSION(S)
The Committee recommended the motion be forwarded to the full Board for its consideration.

ATTACHMENT(S)
A-section 1 Support for Estimated Debt Service Savings
A-section 2 Draft Language to be included in the Bond’s Official Statement

We confirm that green municipal bonds are indeed priced at a premium. After-tax yields at issue for green bonds versus ordinary bonds are, on average, about 6 basis points below yields paid by otherwise equivalent bonds. The estimates control for numerous factors related to ratings maturity, tax status, the yield curve, and other time-varying and bond-specific characteristics, even issuer fixed effects. On a bond with a 10-year duration, a yield difference of 6 basis points corresponds to approximately a 0.60 percentage-point difference in value, which seems plausible and economically meaningful.

2. Bond Official Statement

The District has designated the X Bonds as ‘Green Bonds’ based on the intended use of the proceeds of the bonds to finance environmentally beneficial projects as described below. Such projects are designed to ensure safe drinking for the public in accordance with State and Federal standards. The purpose of labeling the bonds as Green Bonds is to allow investors to invest directly in bonds that finance such environmentally beneficial purposes. The holders of the bonds do not assume any specific project risk or economic benefit related to any of the funded projects as a result of the Green Bonds designation.

Use of Bond Proceeds. Below are brief description of the projects expected to be financed with proceeds of the bonds.

- The sum of $7.0 million is appropriated for improvements throughout the Portland Water District’s distribution system and appurtenances thereto, including but not limited to cleaning, relining, repair and replacement of water mains, services lines, valves and related appurtenances, including the costs of issuance.

Post-issuance Reporting. The District will report on the expenditure of the proceeds in its Annual Report until all the proceeds of the bond have been spent. The Annual Report will be available at the following web address: www.pwd.org. Once all the proceeds of the bond have been spent, no further reports will be provided.
RECOMMENDATION
The following proposed language is presented for Board of Trustee approval:

ORDERED, the General Manager is hereby authorized to execute a service contract amendment with Triple Point Engineering in the amount of $25,000 for construction services for the HVAC Upgrade Project – EEWWTF Dewatering Areas and CEWWTF Headworks, (the “Project”); and

BE IT FURTHER ORDERED, a construction contract with Port City Mechanical is hereby authorized, in the amount of $685,300 for the Project; and

BE IT FURTHER ORDERED, that EEWWTF Dewatering Areas HVAC Upgrade Project (CIP 2018 -2705) is amended by $13,000 for a project budget of $438,000 and CEWWTF Headworks HVAC Project (CIP 2018-2571) is amended by $118,000 for a project budget of $393,000 and that the General Manager, and the Treasurer, each acting singly, are authorized to take such steps as may be necessary to accomplish the intent of the vote.

BACKGROUND ANALYSIS
The HVAC Upgrade Project includes work at two wastewater treatment facilities: the East End WWTF in Portland and the Cape Elizabeth WWTF in Cape Elizabeth. The EEWWTF portion includes upgrades to the ventilation systems in the dewatering and chemical storage areas and removal of interconnections to the sludge cake garage which is served by the odor control system. The Cape Elizabeth upgrades include ventilation and heating for the Cape Elizabeth WWTF Headworks area.

As approved by Board resolution, the comprehensive method for procuring engineering services was approved for use on this Project, allowing the same firm to be utilized for preliminary and final design as well as construction services. A contract for design services with Triple Point Engineering was approved by Board resolution in July 2018.
The design was completed in January 2019. The Project received design review approval from the Maine State Revolving Fund and was put out to public bid on January 28, 2019. Bids were received from three General Contractors on February 22, 2019. Patriot Mechanical was the low bidder at that time. Following Board approvals in March 2019, attempts to proceed with contract execution continued through June of 2019. At that time Patriot Mechanical negotiated a release to withdraw their bid. The District received approval from the DEP to re-issue the project with a revised construction timeline on November 14, 2019. Bids for the revised project are shown on Attachment A.

Triple Point Engineering performed a due diligence review and has determined that Port City Mechanical has the contracting capacity, relevant project experience, qualifications, and resources to complete the Project. Triple Point Engineering recommends that Port City Mechanical be considered the low responsive and responsible bidder and awarded the contract. The construction engineering services provided under the professional services amendment is $25,000.

The Project budget is as proposed on Attachment A.

**FISCAL REVIEW/FUNDING**
This project is the construction of the Cape Elizabeth WWTF Headworks Heating and Ventilation Design Project and the East End WWTF Dewatering Areas Ventilation Upgrades and will have an estimated operating fund impact of $25,500 and $28,500 for Cape Elizabeth and Portland, respectively. The project is expected to be financed through the Maine SRF program. At the 2/26/18 meeting, Resolution 18-002 was approved which included $275,000 and $425,000 for these projects. If the Board approves the project budget changes herein, a motion to amend the bonding authorizations will be made.

**LEGAL REVIEW**
Corporate Counsel has reviewed the proposed order as to form.

**CONCLUSION(S)**
Staff recommends awarding the contract to the lowest responsive and responsible bidder for the project, Port City Mechanical. Staff also recommends an amendment of the professional services contract with Triple Point Engineering to reflect the provision of construction services for the Cape Elizabeth WWTF Headworks Heating and Ventilation Design Project and the East End WWTF Dewatering Areas Ventilation Upgrades. The Committee voted to forward the motion to the full Board for its consideration.

**ATTACHMENT(S)**
Attachment A
ATTACHMENT A

Bids submitted:

<table>
<thead>
<tr>
<th>No.</th>
<th>Contractor</th>
<th>Base Bid Price 1/16/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Damon Mechanical</td>
<td>$858,870</td>
</tr>
<tr>
<td>2</td>
<td>Johnson &amp; Jordan</td>
<td>$812,180</td>
</tr>
<tr>
<td>3</td>
<td>Port City Mechanical</td>
<td>$685,300</td>
</tr>
</tbody>
</table>

Proposed Amended CIP Budgets

<table>
<thead>
<tr>
<th>Amended CIP Budgets</th>
<th>EEWWTF 2018 CIP 409,#2709</th>
<th>CEWWTF2018 CIP 418, #2571</th>
<th>Total combined Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>$34,550</td>
<td>$34,550</td>
<td>$69,100</td>
</tr>
<tr>
<td>Construction</td>
<td>$363,500</td>
<td>$321,800</td>
<td>$685,300</td>
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<tr>
<td>Construction Engineering</td>
<td>$12,500</td>
<td>$12,500</td>
<td>$25,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$27,450</td>
<td>$24,150</td>
<td>$51,600</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$438,000</strong></td>
<td><strong>$393,000</strong></td>
<td><strong>$831,000</strong></td>
</tr>
<tr>
<td>Original CIP Budget</td>
<td>$425,000</td>
<td>$275,000</td>
<td></td>
</tr>
<tr>
<td>CIP Budget amended</td>
<td>-$13,000</td>
<td>-$118,000</td>
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</tr>
</tbody>
</table>
BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6F Order 20-007
Date of Meeting: February 24, 2020
Subject: Engineering Method Approval – East End WWTF Primary Gallery Electrical Upgrade Preliminary Design
Presented By: Gordon Johnson, Engineering Services Manager

RECOMMENDATION
The following proposed language is presented for Board of Trustee approval:

ORDERED, that the Phased Engineering Method is authorized for the procurement of engineering services for the East End WWTF Primary Gallery Electrical Upgrade Preliminary Design Project, pursuant to the District’s Purchasing Policy, and that the General Manager and the Treasurer, each acting singly, are authorized to take such other steps as may be necessary to accomplish the intent of this vote.

BACKGROUND ANALYSIS
Pursuant to the District’s purchasing policy, staff is seeking approval from the Board of Trustees to procure engineering services for the East End WWTF Primary Gallery Electrical Upgrade Preliminary Design Project. The phased method for engineering will limit the scope of services of this contract to condition assessment, alternatives evaluation, preliminary design and cost estimating for upgrade of the 480V switchgear and associated electrical connections for the devices powered from the Primary Gallery.

Staff estimates that the cost for the preliminary design to be $50,000. The evaluation will identify the most cost effective approach to upgrading the motor control centers and associated gear which have been in operation for over 40 years and are nearing the end of their expected service life. The upgrade will focus on future reliability, resiliency, and achieving compliance with applicable codes and standards.

Once the Method is approved, staff will issue a request for proposals. It is expected that a recommendation will be offered to the Board at the May meetings.

FISCAL REVIEW/FUNDING
The project was included in the 2020 CIP, Subprogram 21, Project 3208. It has been assumed that project costs will be paid from R&R funds.
LEGAL REVIEW
Corporate Counsel has reviewed and approved the form of motion.

CONCLUSION(S)
Staff recommends that the phased engineering method be utilized for the East End WWTF Primary Gallery Electrical Upgrade Preliminary Design services for this project. The Committee voted to forward the motion to the full Board for its consideration.

ATTACHMENT(S)
None
BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6G Order 20-008
Date of Meeting: February 24, 2020
Subject: East End Wastewater Treatment Facility Primary Clarifier Rehabilitation Project - CIP Amendment
Presented By: Gordon Johnson, Engineering Services Manager

RECOMMENDATION
The following proposed language is presented for Board of Trustee approval:

ORDERED, that the 2019 Capital Improvement Plan is increased by $230,000 in order to fund change ordered work for the East End Wastewater Treatment Facility Primary Clarifier Rehabilitation Project. (2019 CIP 21-3013)

BACKGROUND ANALYSIS
The Primary Clarifier Rehabilitation project (Basin #1 and Basin #2) is currently under construction with a contractor, Weston & Sampson. Rehabilitation of Basin #3 was completed in 2018 and was the basis for estimating the cost for Basin #1 and #2.

During installation of chain and scraper equipment in Basin #1, significant concrete deterioration was discovered near the drive unit. Woodard & Curran was contracted to perform an initial structural investigation. They determined that structural repairs were necessary before equipment installation could continue. Woodard & Curran proceeded to complete the necessary plans and specifications for pricing by the contractor. The contractor proposes to subcontract the repair work to Knowles Industrial of Gorham, a contractor specializing in this type of repair.

The project also includes the replacement of equipment in Basin #2 once Basin #1 is completed. Basin #2 will be taken offline, drained and inspected once Basin #1 is online. It’s anticipated that the same repair will be required. Below is the revised project budget with the additional engineering and construction costs for Basin #1 and estimated additional costs for Basin #2 with contingency.
FISCAL REVIEW / FUNDING
The existing project 2019 CIP 21-3013 is being financed through the Maine Bond Bank. The proposed additional increase of $230,000 will be added to the loan amount and will result in an $18,000 yearly debt service increase to the City of Portland Sewer Assessment.

LEGAL REVIEW
Corporate Counsel has reviewed the proposed Motion and has approved as to form.

CONCLUSION(S)
Staff recommends approval of the change ordered work and amended budget. The Committee voted to forward the motion to the full Board for its consideration.

ATTACHMENT(S)
None

Project Budget Table:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Original Project Budget</strong></td>
<td>$750,000</td>
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<tr>
<td>Construction - Weston &amp; Sampson</td>
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<tr>
<td>Contingency</td>
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<tr>
<td><strong>Basin 1 - Actual Cost - Change Order work</strong></td>
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<tr>
<td>Initial Structural Investigation</td>
<td>$5,907</td>
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<tr>
<td>Structural Design &amp; Construction Admin</td>
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<tr>
<td>Total Engineering Cost</td>
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<tr>
<td>Structural Repair Construction Cost</td>
<td>$88,907</td>
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<tr>
<td><strong>Basin 2 - Estimated Cost - Change Order Work</strong></td>
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</tr>
<tr>
<td>Initial Structural Investigation</td>
<td>$6,000</td>
</tr>
<tr>
<td>Structural Design &amp; Construction Admin</td>
<td>$5,000</td>
</tr>
<tr>
<td>Total Engineering</td>
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<tr>
<td>Structural Repair Construction Est.</td>
<td>$90,000</td>
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<tr>
<td>Change Order Contingency</td>
<td>$15,959</td>
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<td><strong>Total Additional Project Costs</strong></td>
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<tr>
<td><strong>Revised Project Budget</strong></td>
<td>$980,000</td>
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</tbody>
</table>
RECOMMENDATION
The following proposed language is presented for Board of Trustee approval:

ORDERED, that the District’s policy for supporting “319” projects is hereby amended and approved in substantial form as that attached hereto as Exhibit A, and incorporated herein by reference.

BACKGROUND
Stabilizing erosion on the land that drains to a lake helps to protect water quality.

Section 319 of the Clean Water Act provides funding to states to do this – which is why these are commonly called “319 Projects.” The Maine DEP requires that this work be done in three steps:

(1) a Watershed Survey; followed by
(2) a Watershed Protection Plan; and, finally,
(3) Implementation Projects.

The Maine DEP administers a grant program to help pay for Implementation Projects. Because of the significant cost of this kind of work, organizations form partnerships in order to get them done. The District has managed 319 projects in the past and has also supported municipalities and other organizations to fix erosion problems on other lakes in the watershed. In the past 20 years more than 2 million dollars’ worth of 319 work has been done with District help. We have contributed less than $300,000 of that cost, about a 1:6 match.

By offering financial and technical support for 319 work in the watershed, the District helps to make these projects possible. This benefits our customers because they improve and protect the quality of water that flows into Sebago Lake. Our matching funds and assistance leverage the work and funds from our partner organizations.
ANALYSIS
The revision to the current policy is being requested for two reasons:

(1) Staff have needed to repeatedly request exceptions to the funding limits in the existing policy for work in the direct watershed – or land that drains directly into Sebago Lake; and

(2) DEP’s 319 funding formula was changed in 2014, resulting in no DEP funds for the first two steps in the process.

In 2014, Maine DEP added the requirement for a Watershed Protection Plan before an applicant could seek funding for an Implementation Project but did not provide funding for creating the plan. They also eliminated funding for Watershed Surveys. The change in the funding structure has made the entire process a bigger challenge for lake associations and municipalities to fix erosion problems on their lakes. Though the revised policy allows for greater District support for the first two phases of a 319 project – which will help get it off the ground – the third and most expensive phase will still largely be funded by DEP and our partners.

FISCAL REVIEW / FUNDING
Contributions to Watershed Survey, Watershed Protection Plans, and Implementation Projects are funded through the District’s watershed protection fund and are subject to Board approval.

LEGAL REVIEW
Corporate Counsel has reviewed the proposed Motion and has approved as to form.

CONCLUSION(S)
Contributing to Watershed Survey, Watershed Protection Plan, and Implementation Projects benefits the District by correcting erosion problems in the Sebago Lake watershed. This ultimately protects and improves water quality. The Committee approved and agreed to send to the full Board for their consideration.

ATTACHMENT(S)
Exhibit A: Policy for Watershed Survey, Watershed Protection Plan, and Implementation Project Grant Funding - Marked

Exhibit A: Policy for Watershed Survey, Watershed Protection Plan, and Implementation Project Grant Funding - Clean
POLICY NUMBER: 6.30-12 6.30-20

SUBJECT: Policy for Watershed Survey, Watershed Protection Plan, and Implementation Project Grant Funding

EFFECTIVE DATE: 3/26/2012 2/24/2020

SUPERCEDES: 6/07, 6/12

APPROVED BY: BOT

Purpose: The purpose of this policy is to define the District's position on contributions to Watershed Survey, Watershed Protection Plan, and Implementation projects.

Scope: This policy applies to all

Responsibility: The interpretation of this policy shall be the responsibility of the Director of AMaP and the General Manager

Definitions: None

Policy:

Background:

A watershed survey is a systematic evaluation of erosion and runoff problems in a given watershed. It is usually followed by one or more phases of implementation of erosion control BMPs to remedy the problems found in the survey. The projects usually cost between $10,000-$30,000 for surveys and $75,000-$250,000 for implementation. Funding can come from various sources such as municipalities, lake associations, individual landowners and the federal government. Under Section 319 of the Clean Water Act, federal grant funds are available but require local matching funds. In recent years the Portland Water District has provided matching funds (both in the form of cash and in-kind services). Similar requests are expected in future years.
Because of the large cost and scope of watershed survey and implementation projects, it is vital that many organizations partner in order to accomplish the ultimate goal. By offering support, the District helps to make these projects possible. Such projects (surveys and subsequent BMP projects) benefit the customers of the Portland Water District as they improve the quality of water leaving these subwatersheds and ultimately flowing into Sebago Lake.

One of the largest threats to lake water quality is nutrient input to a lake from soil erosion. Nutrients can lead to unwanted algae growth and degradation of water quality. Identifying, assessing, and remediating erosion on the land that drains to a lake helps to protect water quality.

Section 319 of the Clean Water Act provides funding to states to correct erosion problems on water bodies. The Maine Department of Environmental Protection administers the grant program at the state level each year. The District has been awarded grants in the past to fix erosion problems around Sebago Lake and has partnered with other organizations to fix erosion problems on other lakes in the watershed.

There are three steps in the process of conducting this type of erosion control work:

- **Watershed Survey:**
  The first step in the process, a Watershed Survey involves assessing and prioritizing erosion sites along roads and shorefront areas in the watershed of a waterbody. There is no grant funding for conducting a Watershed Survey.

- **Watershed Based Protection Plan (WBPP):**
  The second step is a report that incorporates the Watershed Survey information and provides a locally supported plan to address nonpoint source pollution over time. The WBPP must be approved by Maine DEP and EPA and is a requirement for an organization to apply for 319 grant funding. There is no grant funding for developing a WBPP.

- **Implementation Project:**
  The last step in the process is to implement fixes to erosion sites identified in the WBPP. The typical timeframe for an Implementation Project is two years. There may be multiple Implementation Projects done in phases over a number of years within a watershed. There is 319 grant funding available for Implementation Projects.

In 2015, District staff and partner organizations assessed the movement of nutrients in the Sebago Lake watershed. This 2015 assessment of the watershed has been used to guide the
revision of the current policy. The watershed encompasses 450 square miles, which includes the direct and indirect portions of the watershed. The direct watershed is about 220 square miles in area and is the land area where runoff flows directly into Sebago Lake or a tributary that drains to the lake, such as the Crooked River. In the direct watershed, harmful nutrients can flow directly into Sebago Lake. The indirect watershed is about 230 square miles in area and is the land where runoff drains to another lake or lakes before reaching Sebago Lake. This means that some nutrients can potentially settle out of the water before it reaches Sebago Lake.

Because of the large cost and scope of Watershed Surveys, Watershed Based Protection Plans (WBPP), and Implementation Projects, it is vital that many organizations partner in order to accomplish the ultimate goal of water quality protection. By offering financial and technical support, the District helps to make these projects possible. Such projects benefit the customers of the Portland Water District, as they improve the quality of water ultimately flowing into Sebago Lake.
**Funding Policy:** All contributions must be approved by the Board of Trustees. District contributions (cash + in-kind match) for watershed surveys and erosion control implementation projects will be for an amount not to exceed 10% of the total project cost, without special approval from the board. The total PWD contribution (cash + in-kind service) will not exceed the total contribution(s) (cash + in-kind service) of the participating organizations.

**District contributions to projects in the direct watershed of Sebago Lake:**

<table>
<thead>
<tr>
<th>Step I: Watershed Survey</th>
<th>PWD share of each step</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100% (PWD staff time)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Step II: Watershed Based Protection Plan</th>
<th>PWD share of each step</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100% (PWD staff time)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Step III: Implementation Project</th>
<th>PWD share of each step</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Up to 30% *</td>
</tr>
</tbody>
</table>

* District match is largely comprised of annually budgeted work that Source Protection staff completes as part of their routine lake protection work.

**District contributions to projects in the indirect watershed of Sebago Lake:**

<table>
<thead>
<tr>
<th>Step I: Watershed Survey</th>
<th>PWD share of each step</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Up to 25%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Step II: Watershed Based Protection Plan</th>
<th>PWD share of each step</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Up to 25%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Step III: Implementation Project</th>
<th>PWD share of each step</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Up to 10%</td>
</tr>
</tbody>
</table>

**Complaint Procedure:** Any concerns about this policy should be directed to the Board of Trustees.
POLICY NUMBER: 6.30-20

SUBJECT: Policy for Watershed Survey, Watershed Protection Plan, and Implementation Project Grant Funding

EFFECTIVE DATE: 2/24/2020

SUPERCEDES: 6/07, 6/12

APPROVED BY: BOT

Purpose: The purpose of this policy is to define the District's position on contributions to Watershed Survey, Watershed Protection Plan, and Implementation projects.

Scope: This policy applies to all

Responsibility: The interpretation of this policy shall be the responsibility of the Director of AMaP and the General Manager

Definitions: None

Policy:

Background:

One of the largest threats to lake water quality is nutrient input to a lake from soil erosion. Nutrients can lead to unwanted algae growth and degradation of water quality. Identifying, assessing, and remediating erosion on the land that drains to a lake helps to protect water quality.

Section 319 of the Clean Water Act provides funding to states to correct erosion problems on water bodies. The Maine Department of Environmental Protection administers the grant program at the state level each year. The District has been awarded grants in the past to fix erosion problems around Sebago Lake and has partnered with other organizations to fix erosion problems on other lakes in the watershed.
There are three steps in the process of conducting this type of erosion control work:

- **Watershed Survey:**
  The first step in the process, a Watershed Survey involves assessing and prioritizing erosion sites along roads and shoreline areas in the watershed of a waterbody. There is no grant funding for conducting a Watershed Survey.

- **Watershed Based Protection Plan (WBPP):**
  The second step is a report that incorporates the Watershed Survey information and provides a locally supported plan to address nonpoint source pollution over time. The WBPP must be approved by Maine DEP and EPA and is a requirement for an organization to apply for 319 grant funding. There is no grant funding for developing a WBPP.

- **Implementation Project:**
  The last step in the process is to implement fixes to erosion sites identified in the WBPP. The typical timeframe for an Implementation Project is two years. There may be multiple Implementation Projects done in phases over a number of years within a watershed. There is 319 grant funding available for Implementation Projects.

In 2015, District staff and partner organizations assessed the movement of nutrients in the Sebago Lake watershed. This 2015 assessment of the watershed has been used to guide the revision of the current policy. The watershed encompasses 450 square miles, which includes the direct and indirect portions of the watershed. The direct watershed is about 220 square miles in area and is the land area where runoff flows directly into Sebago Lake or a tributary that drains to the lake, such as the Crooked River. In the direct watershed, harmful nutrients can flow directly into Sebago Lake. The indirect watershed is about 230 square miles in area and is the land where runoff drains to another lake or lakes before reaching Sebago Lake. This means that some nutrients can potentially settle out of the water before it reaches Sebago Lake.

Because of the large cost and scope of Watershed Surveys, Watershed Based Protection Plans (WBPP), and Implementation Projects, it is vital that many organizations partner in order to accomplish the ultimate goal of water quality protection. By offering financial and technical support, the District helps to make these projects possible. Such projects benefit the customers of the Portland Water District, as they improve the quality of water ultimately flowing into Sebago Lake.
**Funding Policy:** All contributions must be approved by the Board of Trustees.

**District contributions to projects in the direct watershed of Sebago Lake:**

<table>
<thead>
<tr>
<th>Step</th>
<th>PWD share of each step</th>
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<tbody>
<tr>
<td><strong>Step I:</strong> Watershed Survey</td>
<td>100% (PWD staff time)</td>
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<tr>
<td><strong>Step II:</strong> Watershed Based Protection Plan</td>
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* District match is largely comprised of annually budgeted work that Source Protection staff completes as part of their routine lake protection work.

**District contributions to projects in the indirect watershed of Sebago Lake:**

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<tr>
<td><strong>Step II:</strong> Watershed Based Protection Plan</td>
<td>Up to 25%</td>
</tr>
<tr>
<td><strong>Step III:</strong> Implementation Project</td>
<td>Up to 10%</td>
</tr>
</tbody>
</table>

**Complaint Procedure:** Any concerns about this policy should be directed to the Board of Trustees.