

AGENDA
MEETING OF THE BOARD OF TRUSTEES
PORTLAND WATER DISTRICT
225 Douglass Street, Portland, Maine
Jeff P. Nixon Training Center
6:00 p.m. on Monday, February 27, 2023

- | | | |
|-----|---|----------------------------|
| 1. | <u>Convene Meeting</u> with Pledge of Allegiance and moment of silence | President Douglas |
| 2. | <u>Roll Call</u> | Clerk |
| 3a. | <u>Acceptance of Minutes</u> of the Regular Meeting of January 23, 2023 | President Douglas |
| 3b. | <u>Acceptance of Minutes</u> of the Workshop Meeting of February 13, 2023 | President Douglas |
| 4. | <u>Invitation for Public Comment</u> | President Douglas |
| 5. | <u>Reports:</u> | |
| | ▪ Operations Committee Report | Trustee Beck |
| | ▪ Planning Committee Report | Trustee Shattuck-Heidorn |
| | ▪ Administration & Finance Committee Report | Trustee Siviski |
| | ▪ General Manager's Report | General Manager |
| 6. | <u>New Business:</u> | |
| | A. <u>Public Hearing</u> regarding authorization of Water Bonds | Admin. & Finance Committee |
| | B. <u>Resolution 23-001</u> authorizing the issuance of up to \$6,500,000 in water bonds to finance the installation and renewal of water mains and related infrastructure | Admin. & Finance Committee |
| | C. <u>Order 23-004</u> authorizing the issuance of 'Green Bonds' | Admin. & Finance Committee |
| | D. <u>Order 23-005</u> authorizing the allocation of the 2022 Water Fund Surplus | Admin. & Finance Committee |
| | E. <u>Order 23-006</u> authorizing the convenience fee assessed to customers for use of credit/debit card, or other similar electronic options | Admin. & Finance Committee |
| | F. <u>Order 23-007</u> authorizing the General Manager to procure General Engineering Services for the purpose of supporting the District's Capital Improvement Plan (CIP) for a period of three years | Operations Committee |
| | G. <u>Order 23-008</u> authorizing the General Manager to execute a contract with Woodard & Curran for Engineering Services related to the Battery Storage Project | Operations Committee |
| | H. <u>Order 23-009</u> authorizing actions related to the East End WWTF Secondary Clarifiers Upgrades Design Project | Operations Committee |
| | I. <u>Order 23-010</u> authorizing an amendment to Order 22-040; a contribution to Mahoosuc Land Trust | Planning Committee |

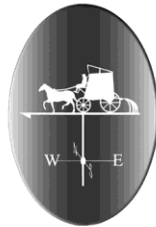
7. Other Business An item may be added to this agenda provided seven trustees vote to waive the rule regarding agendas. President Douglas
8. Second Invitation for Public Comment President Douglas
9. Trustee Comments President Douglas
10. Executive Session A motion may be made to go into Executive Session 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 Douglas
11. Adjournment President Douglas

Donna M. Katsiaficas
Clerk

Portland Water District
Board of Trustees Regular Meeting
February 27, 2023

New Business

Agenda Item 6A-6I



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6A-B Resolution 23-001
Date of Meeting: February 27, 2023
Subject: Water Bonds - \$6,500,000
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 \$6,500,000 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 2023 Capital Improvement Plan (CIP) includes \$8,640,000 of water distribution system upgrade projects being financed through the issuance of a \$6,000,000 bond and \$2,640,000 in withdrawals from the renewal and replacement fund. The bond will finance water main and related infrastructure improvements throughout the service territory.

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 \$4,000,000 financed over 20 years.

The proposed projects will be bid later this year. We anticipate costs will be higher than planned because of the current economic and bidding environment. The motion includes an additional amount (\$500,000) to cover possible higher costs. Staff will only borrow the additional amount if needed.

Attachment E includes additional information on the debt, financial and economic impact of proposed bond.

FISCAL REVIEW / FUNDING

The 2023 Budget included the issuance of a \$6.0M bond. The additional \$500,000 bonded increases debt service by approximately \$50,000.

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. Staff recommends the motion be forwarded to the full Board for their consideration. The Committee unanimously recommended the motion be forwarded to the full Board for its consideration.

ATTACHMENT(S)

- A. Full Form of Motion
- B. Debt Service Amortization Schedule–10 year for \$2.0 Maine Municipal Bond Bank
- C. Debt Service Amortization Schedule–20 year for \$5.8 Maine Municipal Bond Bank
- D. Debt Service Amortization Schedule–20 year for additional \$500,000
- E. Debt, Financial and Economic Analysis

**PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING BONDS IN THE AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$6,500,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) of water main improvements, the Windham storage tank and other related water system infrastructure upgrades and improvements (all collectively, 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 \$6,500,000 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 \$6,500,000, 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 \$6,500,000 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 any 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: The term “Cost” or “Costs” as used herein and applied to the Project, or any portion thereof, includes, 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 (including original issue premium), if any, be and hereby are appropriated for the following purposes, such proceeds to be held and applied for the following purposes, as 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
4. To any other project or improvement for which the Board has authorized the District’s bonds; and
5. 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 extent 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, the entering into of investment agreements regarding the proceeds of the Bond and notes hereinabove authorized, and the waiving of the District's sovereign or governmental immunity with respect to the enforceability of any of the forgoing.
- 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 the 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, 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, and to execute and deliver, all in the name of and on behalf of the District, such additional Bond Documents as may be reasonable or necessary with respect to such refunding. 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 10 Year

Portland Water District PREPARED ON 02/02/2023						
	DATE	PRINCIPAL	RATE	INTEREST	TOTAL	ANNUAL DEBT SERVICE
TOTALS		2,000,000.00		505,140.00	2,505,140.00	2,505,140.00
1	05/01/2024			45,120.00	45,120.00	
2	11/01/2024	200,000.00	4.270%	45,120.00	245,120.00	290,240.00
3	05/01/2025			40,850.00	40,850.00	
4	11/01/2025	200,000.00	4.340%	40,850.00	240,850.00	281,700.00
5	05/01/2026			36,510.00	36,510.00	
6	11/01/2026	200,000.00	4.380%	36,510.00	236,510.00	273,020.00
7	05/01/2027			32,130.00	32,130.00	
8	11/01/2027	200,000.00	4.420%	32,130.00	232,130.00	264,260.00
9	05/01/2028			27,710.00	27,710.00	
10	11/01/2028	200,000.00	4.490%	27,710.00	227,710.00	255,420.00
11	05/01/2029			23,220.00	23,220.00	
12	11/01/2029	200,000.00	4.540%	23,220.00	223,220.00	246,440.00
13	05/01/2030			18,680.00	18,680.00	
14	11/01/2030	200,000.00	4.580%	18,680.00	218,680.00	237,360.00
15	05/01/2031			14,100.00	14,100.00	
16	11/01/2031	200,000.00	4.620%	14,100.00	214,100.00	228,200.00
17	05/01/2032			9,480.00	9,480.00	
18	11/01/2032	200,000.00	4.710%	9,480.00	209,480.00	218,960.00
19	05/01/2033			4,770.00	4,770.00	
20	11/01/2033	200,000.00	4.770%	4,770.00	204,770.00	209,540.00

Maine Municipal Bond Bank - Estimate of Borrowing - \$6.0 Million for 20 Year

Portland Water District

PREPARED ON 02/02/2023

	DATE	PRINCIPAL	RATE	INTEREST	TOTAL	ANNUAL DEBT SERVICE
TOTALS		4,000,000.00		2,192,398.00	6,192,398.00	6,192,398.00
1	05/01/2024			99,189.00	99,189.00	
2	11/01/2024	200,000.00	4.270%	99,189.00	299,189.00	398,378.00
3	05/01/2025			94,919.00	94,919.00	
4	11/01/2025	200,000.00	4.340%	94,919.00	294,919.00	389,838.00
5	05/01/2026			90,579.00	90,579.00	
6	11/01/2026	200,000.00	4.380%	90,579.00	290,579.00	381,158.00
7	05/01/2027			86,199.00	86,199.00	
8	11/01/2027	200,000.00	4.420%	86,199.00	286,199.00	372,398.00
9	05/01/2028			81,779.00	81,779.00	
10	11/01/2028	200,000.00	4.490%	81,779.00	281,779.00	363,558.00
11	05/01/2029			77,289.00	77,289.00	
12	11/01/2029	200,000.00	4.540%	77,289.00	277,289.00	354,578.00
13	05/01/2030			72,749.00	72,749.00	
14	11/01/2030	200,000.00	4.580%	72,749.00	272,749.00	345,498.00
15	05/01/2031			68,169.00	68,169.00	
16	11/01/2031	200,000.00	4.620%	68,169.00	268,169.00	336,338.00
17	05/01/2032			63,549.00	63,549.00	
18	11/01/2032	200,000.00	4.710%	63,549.00	263,549.00	327,098.00
19	05/01/2033			58,839.00	58,839.00	
20	11/01/2033	200,000.00	4.770%	58,839.00	258,839.00	317,678.00
21	05/01/2034			54,069.00	54,069.00	
22	11/01/2034	200,000.00	4.970%	54,069.00	254,069.00	308,138.00
23	05/01/2035			49,099.00	49,099.00	
24	11/01/2035	200,000.00	5.175%	49,099.00	249,099.00	298,198.00
25	05/01/2036			43,924.00	43,924.00	
26	11/01/2036	200,000.00	5.279%	43,924.00	243,924.00	287,848.00
27	05/01/2037			38,645.00	38,645.00	
28	11/01/2037	200,000.00	5.363%	38,645.00	238,645.00	277,290.00
29	05/01/2038			33,282.00	33,282.00	
30	11/01/2038	200,000.00	5.452%	33,282.00	233,282.00	266,564.00
31	05/01/2039			27,830.00	27,830.00	
32	11/01/2039	200,000.00	5.470%	27,830.00	227,830.00	255,660.00
33	05/01/2040			22,360.00	22,360.00	
34	11/01/2040	200,000.00	5.530%	22,360.00	222,360.00	244,720.00
35	05/01/2041			16,830.00	16,830.00	
36	11/01/2041	200,000.00	5.570%	16,830.00	216,830.00	233,660.00
37	05/01/2042			11,260.00	11,260.00	
38	11/01/2042	200,000.00	5.620%	11,260.00	211,260.00	222,520.00
39	05/01/2043			5,640.00	5,640.00	
40	11/01/2043	200,000.00	5.640%	5,640.00	205,640.00	211,280.00

Maine Municipal Bond Bank - Estimate of Borrowing – Additional \$500,000 for 20 Year

Portland Water District PREPARED ON 02/03/2023

	DATE	PRINCIPAL	RATE	INTEREST	TOTAL	ANNUAL DEBT SERVICE
TOTALS		500,000.00		274,050.14	774,050.14	774,050.14
1	05/01/2024			12,398.64	12,398.64	
2	11/01/2024	25,000.00	4.270%	12,398.64	37,398.64	49,797.28
3	05/01/2025			11,864.89	11,864.89	
4	11/01/2025	25,000.00	4.340%	11,864.89	36,864.89	48,729.78
5	05/01/2026			11,322.39	11,322.39	
6	11/01/2026	25,000.00	4.380%	11,322.39	36,322.39	47,644.78
7	05/01/2027			10,774.89	10,774.89	
8	11/01/2027	25,000.00	4.420%	10,774.89	35,774.89	46,549.78
9	05/01/2028			10,222.39	10,222.39	
10	11/01/2028	25,000.00	4.490%	10,222.39	35,222.39	45,444.78
11	05/01/2029			9,661.14	9,661.14	
12	11/01/2029	25,000.00	4.540%	9,661.14	34,661.14	44,322.28
13	05/01/2030			9,093.64	9,093.64	
14	11/01/2030	25,000.00	4.580%	9,093.64	34,093.64	43,187.28
15	05/01/2031			8,521.14	8,521.14	
16	11/01/2031	25,000.00	4.620%	8,521.14	33,521.14	42,042.28
17	05/01/2032			7,943.64	7,943.64	
18	11/01/2032	25,000.00	4.710%	7,943.64	32,943.64	40,887.28
19	05/01/2033			7,354.89	7,354.89	
20	11/01/2033	25,000.00	4.770%	7,354.89	32,354.89	39,709.78
21	05/01/2034			6,758.64	6,758.64	
22	11/01/2034	25,000.00	4.970%	6,758.64	31,758.64	38,517.28
23	05/01/2035			6,137.39	6,137.39	
24	11/01/2035	25,000.00	5.175%	6,137.39	31,137.39	37,274.78
25	05/01/2036			5,490.51	5,490.51	
26	11/01/2036	25,000.00	5.279%	5,490.51	30,490.51	35,981.02
27	05/01/2037			4,830.63	4,830.63	
28	11/01/2037	25,000.00	5.363%	4,830.63	29,830.63	34,661.26
29	05/01/2038			4,160.25	4,160.25	
30	11/01/2038	25,000.00	5.452%	4,160.25	29,160.25	33,320.50
31	05/01/2039			3,478.75	3,478.75	
32	11/01/2039	25,000.00	5.470%	3,478.75	28,478.75	31,957.50
33	05/01/2040			2,795.00	2,795.00	
34	11/01/2040	25,000.00	5.530%	2,795.00	27,795.00	30,590.00
35	05/01/2041			2,103.75	2,103.75	
36	11/01/2041	25,000.00	5.570%	2,103.75	27,103.75	29,207.50
37	05/01/2042			1,407.50	1,407.50	
38	11/01/2042	25,000.00	5.620%	1,407.50	26,407.50	27,815.00
39	05/01/2043			705.00	705.00	
40	11/01/2043	25,000.00	5.640%	705.00	25,705.00	26,410.00

A. Debt Analysis

Annual debt service on the \$6.0M bond issue peaks at an estimated \$689,000 in 2023. Borrowing an additional \$500,000 would increase the 2023 amount by \$50,000. The amounts included in the table below reflect the projects for 2023-2025 as outlined in the 2022 CIP. Additional projects may be approved which would increase the projected debt service.

Debt Service with Proposed Bond:

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Projected Debt Service			
Gross Water Fund Debt Service	\$ 7,793,772	\$ 7,563,756	\$ 7,136,000
Requested Bond:			
10 Yr Bond -\$2,000,000, using MMBB Estimate	\$37,600	\$290,240	\$281,700
20 Yr Bond -\$4,000,000, using MMBB Estimate	\$82,658	\$398,378	\$389,838
20 Yr Bond - \$500,000, using MMBB Estimate	\$10,332	\$49,797	\$48,729
Other Proposed Bonds	\$35,014	\$386,232	\$2,094,124
Projected Debt Service	<u>\$ 7,959,375</u>	<u>\$ 8,688,403</u>	<u>\$ 9,950,391</u>
Revenue Impact:			
Water Revenue	\$29,043,602	\$31,024,509	\$33,889,863
Requested Debt Service Percent	0.45%	2.38%	2.13%
Projected Debt Service Percent	27.40%	28.00%	29.36%
Board Policy Maximum	35.00%	35.00%	35.00%
Debt Service Ratio	1.28	1.14	1.14
Bond Minimum Target	1.25	1.25	1.25
Per Customer Annual Impact:			
Number of Customers	56,295	56,795	57,295
Requested Debt Service Dollar Per Year	\$0.67	\$5.11	\$4.92
Projected Debt Service Dollar Per Year	\$141	\$153	\$174
Long-term Plan Expectation (2013 Estimate)	\$153	\$165	\$167

B. Financial Analysis

An estimated cumulative surplus balance of \$7.3 million, or 25% of annual budget, exists as of 12/31/22. 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. In the past year, revenues are 5% higher than budget. The local economy had been relatively strong with low unemployment and additional housing and economic development in recent years.



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6C Order 23-004
Date of Meeting: February 27, 2023
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 \$6.5 million water bonds authorized on February 27, 2023 are designated as ‘Green Bonds’, with the proceeds used for ‘Green’ purposes.

BACKGROUND ANALYSIS

The Board is scheduled to authorize the issuance of up to \$6.5 million in water bonds at its February 27, 2023 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 an order 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.

Staff currently estimates that the authorized water bonds are scheduled to be sold on or about August 3, 2023.

FINANCIAL REVIEW

The District intends to issue a \$6.5 million bond on or about August 3. The estimated annual interest savings in the first year of this ‘Green’ bond could be on the order of \$40,000.

LEGAL REVIEW

Corporate Counsel reviewed the proposed motion and approved it as to form.

CONCLUSION(S)

Staff recommends the Committee approve the motion. The Committee unanimously 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

1. Excerpt from ‘Financing the Response to Climate Change: The Pricing and Ownership of U.S. Green Bonds’ by Malcolm Baker Harvard Business School and NBER, Daniel Bergstresser Brandeis International Business School, George Serafeim Harvard Business School and Jeffrey Wurgler NYU Stern School of Business and NBER.

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 – Draft 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 is a brief description of the projects expected to be financed with proceeds of the bonds.

- The sum of \$6.5 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.



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6D Order 23-005
Date of Meeting: February 27, 2023
Subject: Allocation of 2022 Water Fund Surplus
Presented By: David Kane, Treasurer

RECOMMENDATION

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

ORDERED, the 2022 annual operating fund change in the Water Fund is hereby allocated to Operating Reserve up to the Board target balance of \$7,289,055 with the remaining balance allocated to the Renewal and Replacement Fund.

BACKGROUND ANALYSIS

Preliminary 2022 Financials indicate the Water Fund will have a positive net change of approximately \$900,000. The financial results are due to higher revenues (\$1,288,000) partially offset by higher expenses (\$388,000) than anticipated. Some of the ways the surplus balance can be used are listed below:

- Operating Reserve Contribution: Operating Reserve is 25.4% of 2022 Budget, 0.4% higher than target. The balance (\$6.8 million) is 23.4% of the 2023 Budget or \$464,526 less than target
- Watershed Protection Fund Contribution: Per state law, the District may allocate any surplus balance generated from operations up to 5% of total revenue annually to the Water Supply Protection Fund. Based on preliminary 2022 results, up to \$1,400,000 may be allocated to the fund. The current available balance is \$1.5 million.
- Renewal and Replacement Fund Contribution: Projected 12/31/22 balance is \$5.7 million. The 2023 budget has an annual deficit in capital project funding of \$1,000,000.
- Dedicated Reserve
 - Master Plan and Related (\$944,548 balance)
 - Rate Stabilization Fund (\$300,000 balance)

LEGAL REVIEW

Corporate Counsel reviewed the proposed motion and approved it as to form.

CONCLUSION(S)

The Committee recommended the proposed motion be forwarded to the full Board.

ATTACHMENT(S)

None



BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6E Order 23-006
Date of Meeting: February 27, 2023
Subject: Utility Bill Payment Options - Credit/Debit Cards
Presented By: David Kane, Treasurer

RECOMMENDATION

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

ORDERED, that the convenience fee assessed to customers paying their utility bill by a credit/debit card, or other similar electronic options, be 3.05% of the transaction amount with a \$1 minimum.

BACKGROUND ANALYSIS

At the October 27, 2014 meeting, the Board authorized offering customers paying their utility bill the option to pay by credit/debit card. Transaction costs are paid by the customers through a convenience fee of 2.5% with a \$1 minimum. In December 2022, our current service provider, Invoice Cloud, provided notification they intended to increase the minimum to \$1.75. They stated the increase is needed due to increase in the interchange fees accessed by credit card companies. At the request of the District, Invoice Cloud provided several options. Staff reviews and recommends maintaining the \$1 minimum and increase the percent to 3.05%. Both structures generate approximately the same total fees. Staff prefers maintaining the \$1 minimum to keep the costs low for small, residential customers.

The convenience fee would apply to credit and debit cards transactions and other electronic transactions such as payments using apple pay, google pay, pay pal and Venmo. The fee does not apply to payments processed directly from customers bank accounts. Those direct transactions will continue to be free to the customers.

FISCAL REVIEW / FUNDING

Customers will be assessed a convenience fee by Invoice Cloud. IC will pay all credit/debit transaction costs from the convenience fee collected.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed motion and approved it as to form.

CONCLUSION(S)

Staff recommends the proposed motion be forwarded it to the full Board for its consideration. The Committee voted unanimously to forward to the full Board for their consideration.

ATTACHMENT(S)

None



BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6F Order 23-007
Date of Meeting: February 27, 2023
Subject: On Call General Engineering Services – Professional Services Contract – Engineering Method Approval
Presented By: Greg Pellerin, Senior Project Engineer

RECOMMENDATION

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

ORDERED, the General Manager is authorized to procure General Engineering Services for the purpose of supporting the District's Capital Improvement Plan (CIP) for a period of three years, 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

The District is facing an increase in CIP project delivery workload in the coming years, due to aging infrastructure and overall increased resiliency needs. In order to facilitate this increased demand, Asset Management and Planning is planning to create a General Engineering Services program to further leverage partnerships with Engineering Consultants for project delivery needs.

Additionally, for all projects for which application for federal funding is anticipated, it is required (in accordance with Department of Environmental Protection (DEP) and Maine Municipal Bond Bank (MMBB) Ch 595 Rules), that all engineering services are procured utilizing Qualifications Based Selection (QBS). This effort will generate a pool of QBS approved services providers which can be drawn from to meet the District's project delivery needs. The approach is common in the industry to facilitate the QBS requirement.

The District will issue an On Call General Engineering Services Request for Qualification (RFQ), which will be sent to firms pursuant to their capabilities as they relate to our ongoing needs. Firms will be considered for different services such as treatment and process improvements, site/civil engineering, electrical engineering, HVAC, SCADA etc. The selection process will utilize a similar structure to previous Engineering selection processes, but tailored to comply with DEP's QBS requirements.

Once the method is approved, staff will issue an RFQ. It is expected that a recommendation will be offered to the Board in the Spring.

FISCAL REVIEW/ FUNDING

None

LEGAL REVIEW

Corporate Counsel has reviewed and approved the form of motion.

CONCLUSION(S)

Staff recommends that General Engineering Services be procured for various future project needs. The Committee voted unanimously to forward to the full Board for their consideration.

ATTACHMENT(S)

None



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6G Order 23-008
Date of Meeting: February 27, 2023
Subject: Battery Storage Project East End and Sebago Lake Facilities
Presented By: Christopher Crovo, P.E., Executive Director of AMaP

RECOMMENDATION

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

ORDERED, that the General Manager is authorized to execute a contract with Woodard & Curran in the amount of \$44,000 for Engineering Services related to the Battery Storage Project; and

BE IT FURTHER ORDERED, that the 2023 Capital Improvement Plan (CIP) is amended in the amount of up to \$44,000 for the Battery Storage Project Evaluation.

BACKGROUND ANALYSIS

In December, Staff reported to the Board that they were working with Competitive Energy Services, (CES) to develop a Request for Proposal (RFP) for engineering, procurement and construction services (EPC) to install two battery storage facilities -- one at the District's East End Wastewater Treatment Facility (WWTF) and the other at the Sebago Lake Water Treatment Facility (WTF). These storage facilities are being designed to store electricity from the grid when electricity rates are at their lowest and then utilize the stored electricity when the electricity rates are at their highest. The estimated payback from this project is expected to be 4.5 years. The project is expected to yield a savings of \$4.3M over the 20-year life of the batteries.

In light of recent power interruptions experienced by PWD, along with the age of the electrical infrastructure (30 years at Sebago Lake WTF and 44 years at the East End WWTF), as well as the delay of the installation the CMP substation at the East End WWTF, staff has decided to expand the use of battery storage projects to provide more resiliency and stability of the power supplies for both plants by utilizing the batteries as an uninterruptible power supply (UPS). Along with this concept, staff also wanted to connect the batteries to the District's SCADA system which will provide increased functionality and monitoring capabilities. Staff is recommending PWD utilize Woodard & Curran engineers, our current engineering and SCADA consultant at the East End WWTF, to provide the necessary engineering, project management and SCADA support to expand the use of the battery projects to include the UPS functionality and the ability to operate the batteries from our SCADA system. Staff is also recommending to amend the 2023 CIP to include the battery storage projects, and establish a \$44,000 budget for the RFP process and to select an EPC firm.

The recommended budget will be utilized to contract with Woodard & Curran for engineering and project management services for this Project to ensure that these systems provide the UPS functionality and to assist in the review and selection of the EPC proposers.

Upon staff selection of an EPC proposer, staff will return to the Board in April or May to seek approval to move forward with the selected proposer.

FISCAL REVIEW / FUNDING

The \$44,000 would be paid from withdrawals of \$22,000 from both Water and Portland Wastewater Renewal and Replacement Funds. Both funds have sufficient balances.

LEGAL REVIEW

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

CONCLUSION(S)

Staff recommends approval to amend the 2023 CIP to include the battery storage project establishing project budget of \$44,000 and enter into a contract with Woodard & Curran. The Committee unanimously recommended the request be brought to the full Board for consideration.

ATTACHMENT(S)

None



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6H Order 23-009
Date of Meeting: February 27, 2023
Subject: Secondary Clarifiers Upgrades Design (East End WWTF) - Professional Services Contract - Ratification
Presented By: Gordon Johnson, Engineering Services Manager

RECOMMENDATION

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

ORDERED, that the Comprehensive Method is hereby authorized for the procurement of engineering services for the East End WWTF Secondary Clarifiers Upgrades Design Project, pursuant to the District's Purchasing Policy; and

BE IT FURTHER ORDERED, the professional services contract amendment with Kleinfelder in the amount of \$242,500 for preliminary design phase engineering services for the East End WWTF Secondary Clarifiers Upgrades Design Project (2023-21/3147) executed by the General Manager on February 16, 2023 is hereby ratified; and

BE IT FURTHER ORDERED, the professional services contract amendment with Woodard & Curran in the amount of \$68,165 for project management for design phase engineering services for the East End WWTF Secondary Clarifiers Upgrades Design Project (2023-21/3147) executed by the General Manager on February 16, 2023 is hereby ratified; 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 three existing secondary clarifiers at the East End WWTF are beyond their useful life, with both the frequency and severity of issues increasing in recent years. The current state of the clarifiers has created what has been classified as an emergency situation and this project has been initiated on an accelerated schedule.

Due to the emergency nature of this project, staff is not following the typical procurement process. Staff has selected Kleinfelder to provide preliminary design phase engineering services for the upgrades to the secondary clarifiers. Kleinfelder is a qualified team that is currently under contract designing upgrades to the gravity sludge thickeners at the East End WWTF; an amendment to this contract was completed to add the secondary clarifier preliminary design scope. A further

amendment to this contract with Kleinfelder is anticipated to cover the final design once the scope is refined during preliminary design.

Staff has selected Woodard & Curran to act as Owner Project Manager throughout the engineering design phase to support new staff and provide technical expertise. Woodard & Curran is a qualified team that is currently under contract for an electrical upgrade project at the East End WWTF and the secondary clarifier scope was added to their existing contract as an amendment.

This project includes design phase engineering services, including preliminary design, detailed design and bidding. The comprehensive method for procuring engineering services will be used for this project, meaning that it is anticipated that the same firm will be utilized for detailed design as well as construction services. An amendment to this agreement with Kleinfelder is therefore anticipated to cover final design and construction phase services.

Project #: 2023-Subprogram 21/ Project 3147

FISCAL REVIEW/FUNDING

This project includes preliminary engineering services and comprehensive Owner Project Manager services for the East End WWTF Secondary Clarifier Upgrades. It is anticipated this effort will lead to a recommendation of future upgrades that are expected to total \$7,820,000 and would be completed by the end of 2025. The project will be submitted for consideration for the CWSRF project list for funding through MMBB. The anticipated annual operating fund impact (assuming a 2.0% rate from the CWSRF program) would be \$575,000. If the project does not qualify for the CWSRF program the annual impact is estimated to be \$723,000. The multi-year financial plan provided to the City of Portland assumed the project qualified for the CWSRF program.

The project was included in the 2023 CIP, Subprogram 21, Project 3147. Project costs will be allocated through capitalization and/or operational expense.

LEGAL REVIEW


Corporate Counsel has reviewed the proposed order as to form.

CONCLUSION(S)

Staff recommends ratifying the Kleinfelder contract for preliminary design engineering services for the East End WWTF Secondary Clarifiers Upgrades Design. Staff recommends ratifying the Woodard & Curran contract for Owner Project Management services for the East End WWTF Secondary Clarifiers Upgrades Design.

ATTACHMENT(S)


SUPPORTING INFORMATION



Secondary Clarifier Emergency Upgrades - EEWWTf -



Professional Services Procurement
Operations Committee Meeting
2/13/23

Portland Water District



EEWWTF


- 3 Secondary Clarifiers
 - Originally Constructed in 1975
 - Major Upgrades in 2000
 - Condition Assessment in 2019/2020 → 2023/2024 CIP
 - **Emergency** Upgrades in 2023



Portland Water District




Design Phase Engineering – Contract Amendments



Design Services

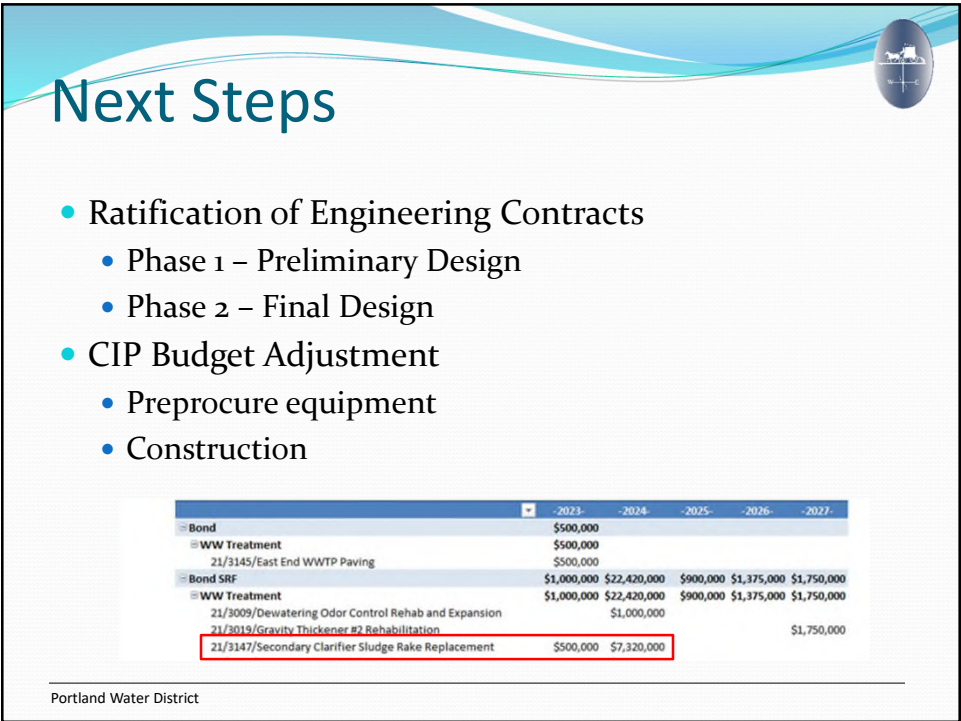
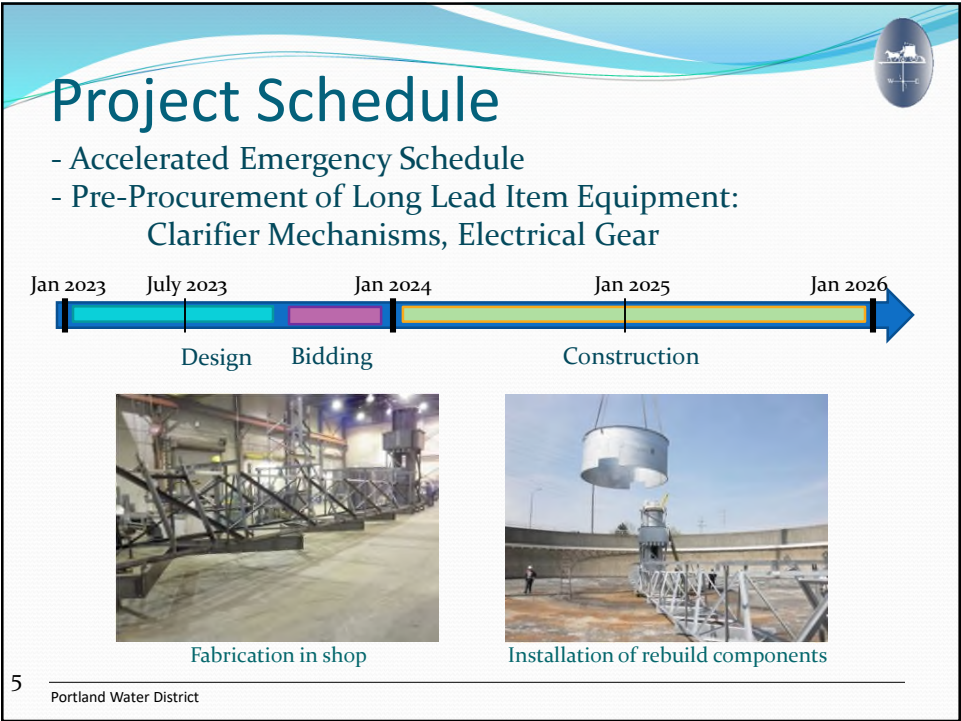
- Completed Cape Elizabeth WWTP Aeration and Secondary Clarification Assessment
- Under contract for Gravity Thickener Project at EEWTF, nearly identical process to Secondary Clarification
- Familiar with District Standards and Plant Processes

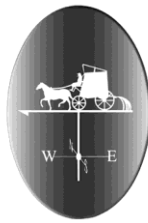


Project Manager

- Under contract for Electrical Upgrade Project at EEWTF
- Familiar with District Standards, Plant Processes and SCADA system
- Highly qualified team

Portland Water District





Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6I Order 23-010
Date of Meeting: February 27, 2023
Subject: Request for Contribution of up to \$52,000 to Mahoosuc Land Trust to Support the Flint Mountain Conservation Project
Presented By: Carina Brown, Water Resources Specialist
Chad Thompson, Source Protection Coordinator

RECOMMENDATION

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

Whereas, The Board of Trustees authorized a contribution to Mahoosuc Land Trust on September 19, 2022 in the amount of \$52,632 for the purposes of conserving two properties totaling 349 acres known as Flint Mountain-Sawin Mill; and

Whereas, the nature of the transaction approved by the Board has changed, with the type of property interest purchased modified; and

Whereas, after review of the revised transaction, the Board deems it is in the best interest of the District to continue to contribute to the purchase of a conservation interest;

NOW THEREFORE BE IT ORDERED, that Order 22-040 is hereby amended, and that the General Manager is authorized to contribute up to \$52,000 to Mahoosuc Land Trust to support the conservation of land known as Flint Mountain and the adjacent Sawin Hill property, located in Albany Township.

BACKGROUND

The Sebago Lake watershed encompasses 235,000 acres of land which is primarily forested. The long-term water quality of the lake will be determined, in large part, by the conservation of those forests. Our Watershed Land Conservation Policy states our commitment to, and support for, locally-initiated land conservation efforts since conserved forests naturally treat our customers' drinking water. At present, about 16% of the watershed is comprised of conserved land. Working with Sebago Clean Waters partners, we are working to bring that total to 25% by 2032. We are presently about 21,000 acres from that goal.

The Flint Mountain property is 201 acres located in Albany Township. Mahoosuc Land Trust plans to purchase the Flint Mountain property and place a conservation easement on the Flint Mountain parcel and a nearby 148-acre parcel known as Sawin Hill. Both properties are primarily forested and drain to a branch of a tributary to the Crooked River. The property is part of Mahoosuc Land Trust's strategic conservation plan, Crooked River Focus Area, which aims to connect the 12,268-acre

Crooked River Headwaters conservation easement and the White Mountain National Forest through conservation easements and fee interests.

The project is supported by Sebago Clean Waters, a partnership of conservation organizations, land trusts and the Portland Water District committed to water quality protection through forest conservation in the Sebago watershed.

ANALYSIS

The recommended contribution of \$52,000 is the amount requested by the applicant, which was less than the calculated contribution of \$68,250 using the District's site-specific assessment. The appraised value of the parcel is \$325,000. The recommended contribution represents about \$258 per acre of protected land within the watershed. The District's contribution is to be used towards the cost of purchasing the land.

The District contribution of \$52,000 represents 2% of our total projected match towards the RCPP award. Contributions were projected based on staff time and District funds spent on activities that support the goals of the project.

According to the Watershed Land Conservation policy, the details of this project require that the District obtain a real-estate interest. Mahoosuc Land Trust will purchase the land in fee, grant a conservation easement to the Northeast Wilderness Trust, and grant a right of enforcement to the District. The easement and the District's right of enforcement will extend to the Sawin Hill parcel (148 acres), which will be included in the easement. This means that this transaction will protect 349 acres of forest from development.

FISCAL REVIEW / FUNDING

The recommended contribution of \$52,000 was the amount requested by the applicant, Mahoosuc Land Trust. The contribution will be drawn from the District's Watershed Protection Fund.

LEGAL REVIEW

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

CONCLUSION(S)

This project will contribute to the long-term protection of Sebago Lake and the recommended contribution meets the guidelines of the District's Watershed Land Conservation Policy. The Committee voted to send the request to the Board for its approval.

ATTACHMENT(S)

Flint Mountain Report



PORTLAND WATER DISTRICT

Land Conservation Program

Site-Specific Assessment



Flint Mountain

Albany Township, Maine

Report prepared by PWD's Environmental Services Department
January 30, 2023

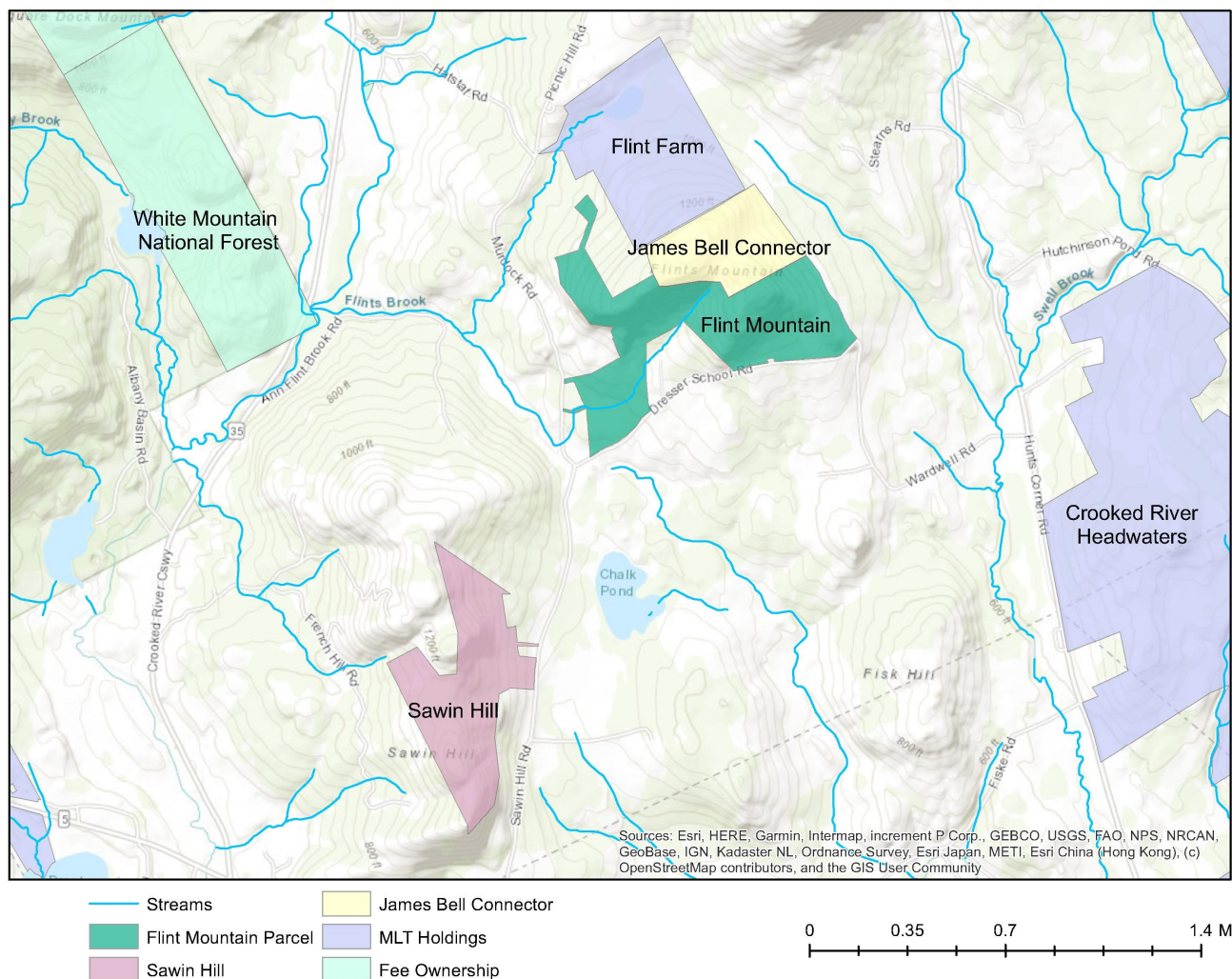
Flint Mountain Property Site Walk

Site Visit

Brie Holme and Carina Brown, 7/18/2022

Description

The Flint Mountain project is 201 forested acres in the Crooked River watershed, in Albany Township. Mahoosuc Land Trust (MLT) will purchase the Flint Mountain parcel and place a conservation easement on Flint Mountain, their recently acquired James Bell Connector parcel, and the nearby Sawin Hill parcel. Located within the land trust's strategic conservation plan, Crooked River Focus Area, this parcel lies in close proximity (1100 meters) to MLT's 12,268-acre Crooked River Headwaters conservation easement and (1500 meters) to the White Mountain National Forest. This property abuts MLT's recently acquired conservation land, James Bell Connector (82 acres), which abuts MLT's existing 180-acre Flint Farm conservation easement. This project creates 439 acres of connected conserved forests in the Crooked River watershed. MLT seeks to acquire conservation easements and fee interests abutting this project to conserve contiguous tracts connecting Flint Mountain to the White Mountain National Forest and Crooked River Headwaters.



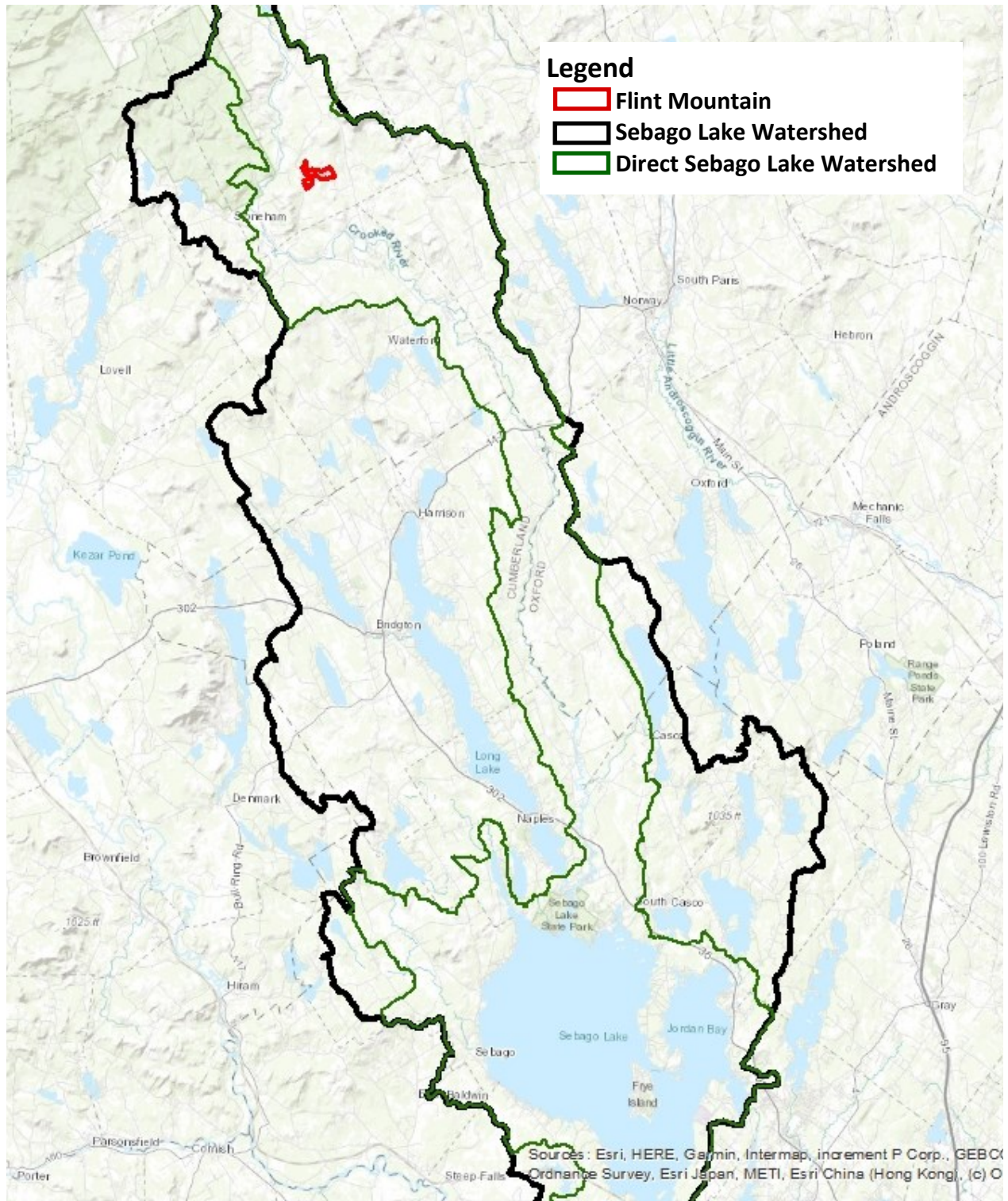
Flint Mountain property in context to other conservation land

Flint Mountain Property Site Walk

Site Features

Location

The property is located in Albany Township.



Flint Mountain location in watershed

Flint Mountain Property Site Walk

Water Resources

A branch of Flint Brook drains the land between the two peaks of Flint Mountain into the Crooked River. Flint Brook is recognized by Maine Beginning with Habitat as wild brook trout habitat and by the Sebago Clean Waters Mapper as a wild brook trout priority area.



A branch of Flint Brook

Connection to Sebago Lake

The Flint Mountain parcel is located in the Crooked River watershed and is connected to the Crooked River by a tributary stream. The Crooked River is the largest tributary to Sebago Lake, supplying approximately 40% of surface water inflow to the lake. The river has excellent water quality.

Flint Mountain Property Site Walk

Land Use/Land Cover

The land is completely forested. All areas that were once partially cut have re-forested. A small portion of the parcel that was once a potato field has also re-forested.

The property will have permanent “forever wild” status through a conservation easement granted to Northeast Wilderness Trust. Timber harvesting will not be allowed. Flint Mountain contains large hardwood stands containing abundant red oak approximately 100 years in age and other “pasture oaks” possibly dating back well into the 1800’s. There has been little or no harvesting in the last 40 years. Management actions, if any, will be primarily limited to ecological restoration of native species, preservation of natural communities and rare species at risk, and maintenance of non-motorized trails. Primary permissible recreational access will be hiking, snowshoeing, and back country skiing. Flint Mountain has a lightly-used hiking trail to the summit. A small parking area will be developed in the future if needed, in addition to roadside parking. Hunting of non-predator species will be allowed.



Former potato field now reforested



Old partial cut

Site-Specific Property Assessment

Property Name: Flint Mountain

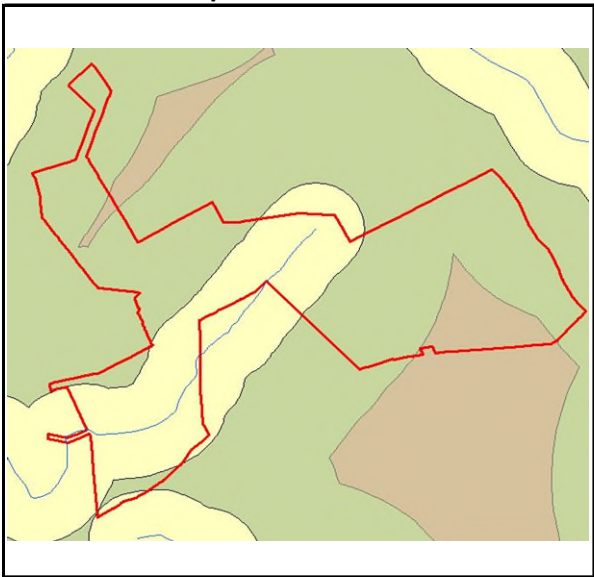
Area (acres): 201

Location: Albany Township

Land Trust: Mahoosuc Land Trust

Description: Forested parcel located in Albany Township

Waterbodies map



	acres	percent
Within 500 ft.	64	32
Within 500 - 1500 ft.	120	60
Beyond 1500 ft.	17	8

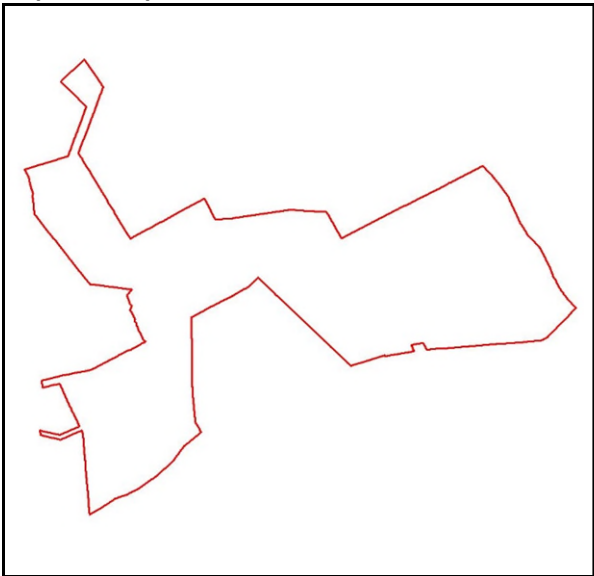
Land cover map



Forest cover	194	acres
	97	percent

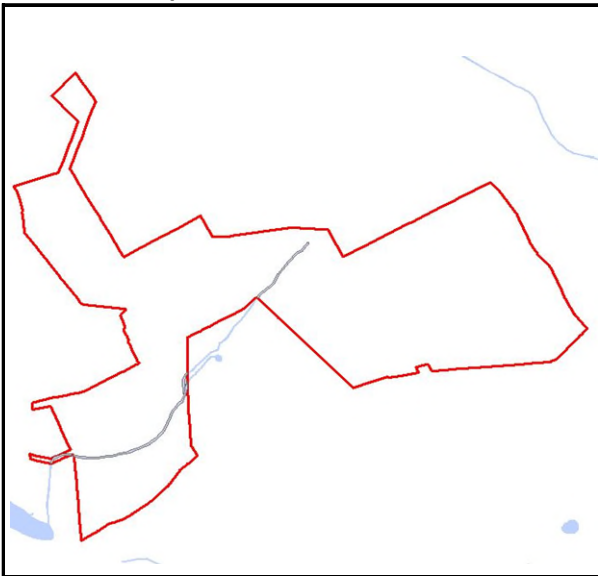
Reforestation of the partial cut (tan) and agricultural (yellow) areas have been verified by aerial imagery and a site walk.

Aquifer map



Sig. sand and gravel aquifers	0	acres
	0	percent

Wetlands map



Mapped wetlands	1	acres
	0	percent

Site-Specific Property Assessment

Property Name: Flint Mountain

Appraised Value of Fee

\$325,000

Factors

25% or more in direct Sebago Lake watershed? add %

25% or more within 500 ft. of a waterbody? add %

25% or more within 1500 ft. of a waterbody? add %

100 ft. or more of frontage on a waterbody? add %

50% or more forested? add %

20% or more with mapped wetlands? add %

10% or more sign. sand and gravel aquifers? add %

25% or more in a shoreland town? add %

Likely to be developed? add %

Other (explain) - maximum of 3%

add %

1. Public access existing and planned

2. "Forever Wild" management for carbon storage

3. Crooked River Focus Area

Calculated contribution (percent) - maximum 25%

%

Calculated contribution

\$68,250

Amount requested

\$52,000

Recommended contribution

\$52,000