AGENDA
ANNUAL MEETING OF THE BOARD OF TRUSTEES
PORTLAND WATER DISTRICT
225 Douglass Street, Portland, Maine
Jeff P. Nixon Training Center
6:00 p.m., Monday, March 26, 2018

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

2. Roll Call Clerk

3. Election of Officers for 2018-2019 Clerk
   - President
   - Vice President
   - Treasurer
   - Clerk

President for 2018-2019 assumes Chair

4. Acceptance of Minutes of Regular Meeting of February 26, 2018, Special Meeting of March 12, 2018 and the Workshop Meeting of March 12, 2018. President

5. Invitation for Public Comment President

6. Reports:
   - Operations Committee Reports Trustee Douglas
   - Planning Committee Reports Trustee Levinsky
   - Administration & Finance Committee Reports (no report this month) Trustee Garrison
   - General Manager’s Report General Manager

7. New Business

   A. **Order 18-012** authorizing the final rate schedule for the water rate increase. Administration & Finance Committee

   B. **Order 18-013** authorizing a professional services contract with Woodard & Curran for the Northeast Pump Station/East End WWTF Backup Power Project. Operations Committee

   C. **Order 18-014** authorizing the comprehensive method for the procurement of engineering services for the Cape Elizabeth WWTF UV Disinfection Project. Operations Committee

   D. **Order 18-015** authorizing the General Manager to execute a Memorandum of Understanding with the City of Portland. Planning Committee

   E. **Order 18-016** authorizing the General Manager to execute an Interconnection Agreement with the Yarmouth Water District. Planning Committee

   Over
F. **Order 18-017** authorizing salary adjustment for the General Manager.

8. **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.

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

10. **Second Invitation for Public Comment.**

11. **Trustee Comments.**

12. **Adjournment.**

Donna M. Katsiaficas
Clerk
Portland Water District

Board of Trustees Regular Meeting

March 26, 2018

New Business

Agenda Items 7A-7F
BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 7A Order 18-012
Date of Meeting: March 26, 2018
Subject: Water Rate Change
Presented By: David Kane, Treasurer

RECOMMENDATION

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

ORDERED, that the final rate schedule for the water rate increase, attached hereto and incorporated herein by reference, is hereby approved.

BACKGROUND

In January 2018, the Board of Trustees requested staff to prepare a rate filing supporting a 3.7% rate adjustment. The filing includes a rate increase differential between residential and commercial/industrial rates resulting in an increase of residential customer rates by 3.3% and commercial customers by 4.2%. Fire protection charges increase by 3.8%.

Pursuant to Board rules, a public hearing was held on March 12, 2018. All 52,000 customers received notification of the rate adjustment. No comments were received from any customers.
FISCAL REVIEW / FUNDING
The 3.7% rate adjustment is projected to increase water revenue by $844,749 in total. With the rate adjustment, revenues are expected to meet the projected expenses.

### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>2017 Actual</th>
<th>2018 W/O Adjustment</th>
<th>2018 W/ Adjustment</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$ 23.2</td>
<td>$ 23.0</td>
<td>$ 23.8</td>
<td>$ 25.0</td>
<td>$ 26.6</td>
</tr>
<tr>
<td>Expenses</td>
<td>$ 22.8</td>
<td>$ 23.4</td>
<td>$ 23.4</td>
<td>$ 24.8</td>
<td>$ 26.3</td>
</tr>
<tr>
<td>Net Income</td>
<td>$ 0.4</td>
<td>$(0.4)</td>
<td>0.4</td>
<td>$ 0.2</td>
<td>$ 0.3</td>
</tr>
<tr>
<td>Allowable Annual Contingency</td>
<td>$ 1.1</td>
<td>$ 1.2</td>
<td>$ 1.2</td>
<td>$ 1.2</td>
<td>$ 1.3</td>
</tr>
<tr>
<td></td>
<td>$(0.7)</td>
<td>$(1.6)</td>
<td>$(0.8)</td>
<td>$(1.0)</td>
<td>$(1.0)</td>
</tr>
</tbody>
</table>

### Contingency Balance

- Balance 1/1/2018: $5.9, 25% (Three months of expenses)
- Target: $5.9, 25%
- Below Target: $-, 0%

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

ATTACHMENT(S)
Proposed Rate Schedule
PORTLAND WATER DISTRICT

SCHEDULE OF RATES

Effective date:
May 1, 2018 PWD Board of Trustees Order 18-012 on March 26, 2018

_________________________________________________________________
Treasurer
RATES FOR WATER TO METERED CUSTOMERS

Member Rate - Applies to Cape Elizabeth, Cumberland, Falmouth, Gorham, Portland, Raymond, Scarborough, South Portland, Westbrook and Windham

MONTHLY RATES:

<table>
<thead>
<tr>
<th>For the first</th>
<th>100 cubic feet</th>
<th>included in minimum charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the next</td>
<td>2,900 cubic feet</td>
<td>2.35 per 100 cubic feet</td>
</tr>
<tr>
<td>For the next</td>
<td>7,000 cubic feet</td>
<td>2.02 per 100 cubic feet</td>
</tr>
<tr>
<td>For the next</td>
<td>40,000 cubic feet</td>
<td>1.78 per 100 cubic feet</td>
</tr>
<tr>
<td>In excess of</td>
<td>50,000 cubic feet</td>
<td>1.00 per 100 cubic feet</td>
</tr>
</tbody>
</table>

SEASONAL RATES:

| See meter size for the allowance included in the minimum charge |
| Excess up to | 90,000 cubic feet | 2.35 per 100 cubic feet |
| In excess of | 90,000 cubic feet | 1.78 per 100 cubic feet |

MINIMUM CHARGES:

<table>
<thead>
<tr>
<th>Monthly Rates</th>
<th>Seasonal Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meter Size</strong></td>
<td><strong>Minimum Charge</strong></td>
</tr>
<tr>
<td>5/8</td>
<td>$ 9.40</td>
</tr>
<tr>
<td>3/4</td>
<td>11.08</td>
</tr>
<tr>
<td>1</td>
<td>14.37</td>
</tr>
<tr>
<td>1 1/2</td>
<td>24.73</td>
</tr>
<tr>
<td>2</td>
<td>35.62</td>
</tr>
<tr>
<td>3</td>
<td>64.63</td>
</tr>
<tr>
<td>4</td>
<td>97.29</td>
</tr>
<tr>
<td>6</td>
<td>187.97</td>
</tr>
<tr>
<td>8</td>
<td>296.77</td>
</tr>
<tr>
<td>10</td>
<td>429.70</td>
</tr>
<tr>
<td>12</td>
<td>568.82</td>
</tr>
<tr>
<td>Low Income</td>
<td>2.36</td>
</tr>
</tbody>
</table>

Monthly Rates minimums are prorated to exact day in first and last month of service.
Monthly rate customer on temporary water lines may not be billed for up to first 15 HCF.

Effective date: May 1, 2018

______________________________
Treasurer
RATES FOR WATER TO METERED CUSTOMERS

Nonmember Rate - Applies to Standish and Yarmouth

MONTHLY RATES:

For the first 100 cubic feet included in minimum charge
For the next 2,900 cubic feet 2.71 per 100 cubic feet I
For the next 7,000 cubic feet 2.33 per 100 cubic feet I
For the next 40,000 cubic feet 2.04 per 100 cubic feet I
In excess of 50,000 cubic feet 1.15 per 100 cubic feet I

SEASONAL RATES:

See meter size for the allowance included in the minimum charge
Excess up 90,000 cubic feet 2.71 per 100 cubic feet I
In excess of 90,000 cubic feet 2.04 per 100 cubic feet I

MINIMUM CHARGES:

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Minimum Charge</th>
<th>Allowance Cubic Feet</th>
<th>Surface Mains Min. Charge</th>
<th>Deep Mains Min. Charge</th>
<th>Allowance Cubic Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8</td>
<td>$10.81</td>
<td>100</td>
<td>$307.48</td>
<td>$258.79</td>
<td>3,000</td>
</tr>
<tr>
<td>3/4</td>
<td>12.72</td>
<td>100</td>
<td>398.57</td>
<td>349.88</td>
<td>6,300</td>
</tr>
<tr>
<td>1</td>
<td>16.55</td>
<td>100</td>
<td>473.86</td>
<td>425.17</td>
<td>9,000</td>
</tr>
<tr>
<td>1 1/2</td>
<td>28.43</td>
<td>100</td>
<td>724.74</td>
<td>676.05</td>
<td>18,000</td>
</tr>
<tr>
<td>2</td>
<td>40.95</td>
<td>100</td>
<td>1,025.80</td>
<td>977.11</td>
<td>28,800</td>
</tr>
<tr>
<td>3</td>
<td>74.30</td>
<td>100</td>
<td>1,828.69</td>
<td>1,780.00</td>
<td>57,600</td>
</tr>
<tr>
<td>4</td>
<td>111.87</td>
<td>100</td>
<td>2,731.91</td>
<td>2,683.22</td>
<td>90,000</td>
</tr>
<tr>
<td>6</td>
<td>216.15</td>
<td>100</td>
<td>5,240.87</td>
<td>5,192.18</td>
<td>180,000</td>
</tr>
<tr>
<td>8</td>
<td>341.30</td>
<td>100</td>
<td>8,251.63</td>
<td>8,202.94</td>
<td>288,000</td>
</tr>
<tr>
<td>10</td>
<td>494.16</td>
<td>100</td>
<td>16,280.30</td>
<td>16,231.61</td>
<td>576,000</td>
</tr>
<tr>
<td>12</td>
<td>654.13</td>
<td>100</td>
<td>25,361.27</td>
<td>25,312.58</td>
<td>900,000</td>
</tr>
<tr>
<td>Low Income</td>
<td>2.71</td>
<td>100</td>
<td>1</td>
<td>1</td>
<td>I</td>
</tr>
</tbody>
</table>

Monthly Rates minimums are prorated to exact day in first and last month of service. Monthly rate customer on temporary water lines may not be billed for up to first 15 HCF.

Effective date: May 1, 2018

Treasurer
MUNICIPAL FIRE SERVICE

There shall be paid monthly to the District by the municipalities an annual fire protection charge as follows:

<table>
<thead>
<tr>
<th>MUNICIPALITY</th>
<th>ANNUAL CHARGE</th>
<th>MONTHLY CHARGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland</td>
<td>$379,284</td>
<td>$31,607</td>
</tr>
<tr>
<td>South Portland</td>
<td>171,972</td>
<td>14,331</td>
</tr>
<tr>
<td>Westbrook</td>
<td>140,544</td>
<td>11,712</td>
</tr>
<tr>
<td>Cape Elizabeth</td>
<td>92,436</td>
<td>7,703</td>
</tr>
<tr>
<td>Falmouth</td>
<td>122,940</td>
<td>10,245</td>
</tr>
<tr>
<td>Cumberland</td>
<td>75,624</td>
<td>6,302</td>
</tr>
<tr>
<td>Raymond</td>
<td>6,396</td>
<td>533</td>
</tr>
<tr>
<td>Scarborough</td>
<td>171,732</td>
<td>14,311</td>
</tr>
<tr>
<td>Gorham</td>
<td>85,224</td>
<td>7,102</td>
</tr>
<tr>
<td>Windham</td>
<td>103,884</td>
<td>8,657</td>
</tr>
<tr>
<td>Standish</td>
<td>50,568</td>
<td>4,214</td>
</tr>
</tbody>
</table>

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Total: $1,400,604

Rates for hydrants installed on or after the effective date shall be determined in accordance with Public Utilities Commission Rules and Regulations Chapter 690 as amended in Docket Number: 87-203.

There shall be no reduction in fire protection charges for fire hydrants removed.

Effective date: May 1, 2018

________________________
Treasurer
PRIVATE FIRE SERVICE

For each private fire service connected to the District system there shall be paid to the District an annual fire protection charge as follows:

<table>
<thead>
<tr>
<th>SIZE OF CONNECTION</th>
<th>MEMBERS</th>
<th>NONMEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2”</td>
<td>$ 3.75</td>
<td>$ 4.30</td>
</tr>
<tr>
<td>3”</td>
<td>8.37</td>
<td>9.62</td>
</tr>
<tr>
<td>4”</td>
<td>14.94</td>
<td>17.18</td>
</tr>
<tr>
<td>6”</td>
<td>35.71</td>
<td>41.06</td>
</tr>
<tr>
<td>8”</td>
<td>59.79</td>
<td>68.73</td>
</tr>
<tr>
<td>10”</td>
<td>93.40</td>
<td>107.47</td>
</tr>
<tr>
<td>12”</td>
<td>134.49</td>
<td>154.67</td>
</tr>
<tr>
<td>16”</td>
<td>239.09</td>
<td>274.96</td>
</tr>
</tbody>
</table>

In cases where fire protection systems are supplied with water through metered connections, the quantity of water used for emergency extinguishment of fires will be estimated upon notification and deducted from the quantity registered by the meter before billing.

Monthly Charges are prorated to exact day in first and last month of service.

Effective date: May 1, 2018

_________________________________________
Treasurer
Agenda Item: 7B Order 18-013
Date of Meeting: March 26, 2018
Subject: Northeast Pump Station/East End WWTF Backup Power Design - Professional Services Contract - Selection
Presented By: Gordon Johnson, Engineering Services Manager

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

ORDERED, a professional services contract with Woodard & Curran in the amount of $243,743 is hereby authorized, for design phase engineering services for the Northeast Pump Station/East End WWTF Backup Power Project (CIP 2018-21/2711); 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 standby generators currently in service at the Northeast Pump Station and East End WWTF are original equipment and are at the end of their service life. The WWTF Electrical Master Plan recommended replacing both generators with one unit sized to handle the pump station as well as the entire treatment plant load.

The proposed scope for this project follows the WWTF Electrical Master Plan recommendation to install a medium voltage natural gas powered generator to accommodate the combined total load from the pump station and the plant. The design will accommodate the installation of a second generator of equal size if desired in the future. The unit will be located near the electrical service entrance to the facility and associated gear will be located adjacent to the Northeast Pump Station.

Staff reviewed and scored three proposals from qualified teams that provided proposed methods for achieving the project goals. Based on the outcome of the review and ranking, Woodard & Curran received the best overall score (100). Staff therefore recommends award to Woodard & Curran for an amount of $243,743, which includes design phase services from preliminary design through project bidding. Future recommendations will include construction phase engineering based on the project scope developed during the design phase.

This project includes design phase engineering services, including preliminary design, detailed design and bidding. As approved by Board Order 17-038 on December 18, 2017 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 Woodard & Curran is therefore anticipated to cover construction phase services once the final design is complete and the required scope can be refined.

**Project #:** 2018-Subprogram 21/ Project 2711

**FISCAL REVIEW/FUNDING**
This project includes comprehensive engineering services for the Northeast Pump Station/East End WWTF Backup Power Project, and will not have an operating fund impact. The design will lead to the construction of an approximately $4M project with an estimated operating fund impact of approximately $400,000 in debt service. The project will be submitted for consideration for the Clean Water State Revolving Fund project list for funding through the Maine Municipal Bond Bank.

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

**CONCLUSION(S)**
Staff recommends awarding the contract for design engineering services for the Northeast Pump Station/East End WWTF Backup Power Project to Woodard & Curran. The Committee voted 2-0 to send to the full Board for their consideration.

**ATTACHMENT(S)**
SUPPORTING INFORMATION
SUPPORTING INFORMATION

The standby generators currently in service at the Northeast Pump Station and East End WWTF are original equipment and are at the end of their service life. The WWTF Electrical Master Plan recommended replacing both generators with one unit sized to handle the pump station as well as the entire treatment plant load.

The proposed scope for this project follows the WWTF Electrical Master Plan recommendation to install a medium voltage natural gas powered generator to accommodate the combined total load from the pump station and the plant. The design will accommodate the installation of a second generator of equal size if desired in the future. The unit will be located near the electrical service entrance to the facility and associated gear will be located adjacent to the Northeast Pump Station.

The focus of the upgrades will be enhanced reliability and utility cost effectiveness while providing standby power for the entire treatment plant electrical load. The design will incorporate Maintenance of Operations needs during construction as well as life cycle considerations into decision making related to key equipment.

This project includes design phase engineering services, including preliminary design, detailed design and bidding. This effort will include establishing a design basis report outlining the components of the preliminary design and associated cost breakdown, followed by development of the plans and specifications with intermediate milestones to confirm scope objectives and project cost. The detailed design also includes development control system documentation including detailed functional narratives, instrumentation diagrams, control panel modifications and new operator interface screens to monitor and control the new equipment. The scope of the construction phase engineering services will be refined based on work sequencing and other project requirements developed during design.

Three qualified engineering firms were invited, and responded to the RFP: Arcadis, Woodard & Curran, and Stantec. A selection team of five PWD staff including representation from Wastewater Operations and AMaP was assembled to review each firm’s proposal. The selection committee conducted a review of the proposals and held three interviews, one with each of the firms.

Each selection team member then ranked the proposals based on the two non-fee categories identified in the RFP; Methods & Approach (35%) and Qualifications & Experience (35%) and a final review meeting was held. Each proposal was ranked for each category using a 1-3 scale where a #1 ranking represented the proposal that best met the requirements. The rankings for each firm were averaged for the entire review team. The lump sum fee information for each proposal was opened and added to the overall ranking of the proposals (at 30%). Therefore a total of 100 represents a perfect score and the lowest fee.

The firms developed proposals that highlighted the proposed methods of addressing the challenges anticipated to achieve success. Based on the outcome of the review and ranking, Woodard & Curran received the best overall score (100).
Key factors that led to the recommendation of the Woodard & Curran team include the following:

- A demonstrated understanding of the District’s standards and objectives through development of a detailed and thorough approach;
- A project team with substantial industry experience with standby generators operating in various modes and configurations to reduce overall utility costs;
- Recognition of the need to keep budget constraints and project cost containment as a key focus area for the design team;

The following table summarizes the results of the selection committee’s evaluation of each respondent, including a scoring breakdown:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Woodard &amp; Curran</th>
<th>Stantec</th>
<th>Arcadis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Methods &amp; Approach</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weight - 35% (Best Score = 35)</td>
<td>35</td>
<td>77</td>
<td>98</td>
</tr>
<tr>
<td>Methods Score</td>
<td>35</td>
<td>77</td>
<td>98</td>
</tr>
<tr>
<td>2. Qualifications &amp; Experience</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weight - 35% (Best Score = 35)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualifications Score</td>
<td>35</td>
<td>84</td>
<td>91</td>
</tr>
<tr>
<td>3. Fee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weight - 30% (Best Score = 30)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lump Sum Fee (through Final Design and Bidding)</td>
<td>$243,743</td>
<td>$248,000</td>
<td>$280,000</td>
</tr>
<tr>
<td>Fee Score</td>
<td>30</td>
<td>38.93</td>
<td>31.05</td>
</tr>
<tr>
<td>Total Score</td>
<td>100</td>
<td>200</td>
<td>220</td>
</tr>
<tr>
<td>Rank</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

As a result of this ranking, the review team recommends awarding to Woodard & Curran for an amount of $243,743 for completion of the Northeast Pump Station/East End WWTF Backup Power project. Once the design has been completed, a recommendation will be made to amend the contract to include construction phase services.

As approved by Board Order 17-038 on December 18, 2017, 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 preliminary and final design as well as construction services.
BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 7C Order 18-014
Date of Meeting: March 26, 2018
Subject: Cape Elizabeth WWTF Ultraviolet (UV) Disinfection – Professional Services Contract – Engineering Method Approval
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 authorized for the procurement of engineering services for the Cape Elizabeth WWTF UV Disinfection Project (CIP 2018-418/2701), 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 design, bidding and construction administration (Comprehensive Method) for upgrades to the Cape Elizabeth WWTF to include ultraviolet disinfection as recommended in the Cape Elizabeth WWTF UV Feasibility Assessment completed in 2017. The Comprehensive Method for engineering would result in one engineering consulting firm that would provide all the engineering services for the project from design to startup of the upgrade.

This effort will develop detailed design plans and specifications based on the concept level recommendations in the Feasibility Assessment. Staff estimates that the cost for detailed design and bidding of these upgrades to be approximately $150,000 dollars; construction phase engineering is estimated to be approximately $100,000 dollars.

Once the Method is approved, staff will issue a request for proposals. It is expected that a recommendation for procurement of engineering services will be offered to the Board at the June meetings.
**FISCAL REVIEW/FUNDING**
The project was included in the 2018 CIP (418/2701).

**LEGAL REVIEW**
Corporate Counsel has reviewed and approved the form of motion.

**CONCLUSION(S)**
Staff recommends that the Comprehensive Engineering Method be utilized to design and build this project. The Committee voted 2-0 to send to the full Board for their consideration.

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

Agenda Item: 7D Order 18-015
Date of Meeting: March 26, 2018
Subject: An MOU with the City of Portland regarding the Industrial Pretreatment Program
Presented By: Chris Crovo, Director of Asset Management and Planning
Paul Hunt, Environmental Manager

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

ORDERED, that the General Manager is authorized to execute a Memorandum of Understanding in substantial form as that attached hereto as Exhibit A, with the City of Portland related to the transfer of the operation of Portland’s Industrial Pretreatment Program to the Portland Water District.

BACKGROUND ANALYSIS
PWD has a NPDES permit for the operation of the East End Wastewater Treatment Facility (EEWWTF). As part of the permit requirements, and because of the capacity of the EEWWTF and the types of industries that discharge to the sewer system, the District is required by federal law to have an Industrial Pretreatment Program (IPT Program). An IPT Program is designed to ensure that industrial wastewater that is discharged to a municipal sewer system does not harm the treatment workers, interfere with the sewer collection system, disrupt the treatment process, or pollute receiving waters. The Portland IPT Program was initiated in 1979 and approved in 1984. It involves identifying significant industries, issuing them permits, inspecting them, sampling and testing their effluent, taking steps to enforce the terms of their permits as needed, and periodically reporting on program activities to the DEP.

Since its establishment, the Portland IPT Program has been jointly administered by the District and the City of Portland, with Portland issuing permits, inspecting industries and doing enforcement when necessary. The District has historically been responsible for testing, administration, and reporting. This is a unique arrangement in Maine – in other Maine municipalities; it is typical for the wastewater utility to manage the entire program. Because of shared goals, close cooperation and dedicated staff at both organizations, the IPT Program has been effective. There are, however, some inefficiencies resulting from the division of responsibilities and the constant need to exchange information. For this reason, the City has asked the District to assume responsibility for virtually all of the day-to-day activities of the program.
Staff from both the City and the District have worked together to detail IPT work practices in a document referred to as the program Owner’s Manual. They have further developed a transition plan, which involves jointly conducting some program activities for at least one year in order that the owners and operators of all industries can meet District staff, sampling procedures can be demonstrated, and institutional knowledge shared. Staff for both the City and the District are confident this transition can be done smoothly and effectively.

An MOU describes the responsibilities of both organizations leading to the complete transition of the program to the District. The City will continue to be responsible for establishing annual surcharges and is committed to working cooperatively with the District going forward. The City will also be implementing ordinance changes to allow for the transition of the program to PWD.

**FISCAL REVIEW / FUNDING**
In anticipation of this change, the estimated costs for managing the program beginning April 1 were included in the District’s 2018 budget and were included in the Portland assessment.

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

**CONCLUSION(S)**
Staff recommends approval of the Memorandum of Understanding. The Committee voted unanimously to send to the full Board for their consideration.

**ATTACHMENT(S)**
Memorandum of Understanding
MEMORANDUM OF UNDERSTANDING
BETWEEN PORTLAND WATER DISTRICT AND
THE CITY OF PORTLAND, MAINE

This Memorandum of Understanding (MOU) is entered into between the City of Portland (hereafter “the City”), a body politic and corporate with offices at 389 Congress Street, Portland ME 04101, and the Portland Water District, a quasi-municipal corporation organized and existing under the laws of the State of Maine, with a place of business at 225 Douglass Street, Portland, Maine (hereinafter, the “District”).

WHEREAS, the District is the holder of MePDES Permit Number ME0110275/Waste Discharge License Number W002671-H-R (hereinafter, “permit”), which was issued by the Department of Environmental Protection on August 17, 2011, for a five-year term; and

WHEREAS, the District is also the holder of a renewal of the permit dated March 21, 2017 (the “2017 renewal”); and

WHEREAS, the permit is routinely renewed following the five year terms; and

WHEREAS, in order to help facilitate the District’s industrial pretreatment responsibilities under the permit, the City put in place a regulatory framework in Chapter 24 of its Code of Ordinances (the “Sewer Ordinance”) and, in collaboration with the District, adopted Rules and Regulations for the Use of the Sewer System (the “Sewer System Rules”) aimed at codifying the requirements of the permit and 2017 renewal as well as in subsequent renewals; and

WHEREAS, in addition to the City’s Sewer Ordinance and its Sewer System Rules, the City and the District jointly promulgated Portland’s Industrial Pretreatment Program Owner’s Manual in February, 2018 (hereinafter “Manual”), which outlines the City’s and the District’s joint responsibility for ensuring compliance with the City’s Industrial Pretreatment Program, the permit and the 2017 renewal; and

WHEREAS, the City and the District have a desire to shift responsibility for certain components of the Industrial Pretreatment Program (hereinafter, “IPT Program”) from the City to the District as described in the Manual

NOW THEREFORE, the City and the District hereby agree as follows:

1. The Portland Industrial Pretreatment Program will be administered as outlined in the Manual,” which is attached hereto as Exhibit A and incorporated herein by reference. The Manual may be amended from time to time by the District and the City as needed to implement the IPT Program.
2. In order to facilitate the administration of the Portland IPT Program the City will initially propose any amendments to the City’s Sewer Ordinance and its Sewer System Rules required to implement this Memorandum of Understanding for consideration and approval by the Portland City Council. The District shall review and approve all such ordinance amendments prior to consideration and approval by the Portland City Council.

Following the assumption of responsibility for the IPT program by the District as described in the Manual, the District will assume responsibility for proposing amendments to the City’s Sewer Ordinance and Sewer System Rules for consideration and approval of the Portland City Council.

3. Following the execution of this MOU, for a minimum period of one year but for no more than two years after the transition from the City to the District of responsibility for issuing permits and monitoring compliance with the IPT Program, City staff will work cooperatively with District staff to advise and assist the District in issuing permits and conducting sampling and inspections throughout the City so that the District can assume responsibility for those functions as seamlessly as possible.

4. The District shall assess to the City and the City shall pay to the District, through its annual assessment, as provided in the District’s Charter, all undisputed costs and fees associated with the operation of the IPT Program.

5. No third persons or entities are intended to be or are third party beneficiaries of or under this MOU. Nothing in the Agreement shall be construed to create any liability on the part of the City or the District, or their respective directors, officers, shareholders, employees or agents, as the case may be, to any such third parties for any act or failure to act of any Party hereto.

6. Prior to the final approval and adoption by the Portland City Council of amendments to the City’s Sewer Ordinance required to transfer administration of the IPT Program to the District, either party may terminate this MOU with or without cause and without liability to the other party by providing written notice of such termination to the other party. Such termination shall be effective upon receipt of such notice by the other party.

City of Portland

Witness: ____________________________ By: ________________________________
Jon Jennings, City Manager

Portland Water District

Witness: ____________________________ By: ________________________________
Carrie Lewis, General Manager
BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 7E Order 18-016
Date of Meeting: March 26, 2018
Subject: Interconnection Agreement with Yarmouth Water District
Presented By: Chris Crovo, Director of Asset Management and Planning
Donna Katsiaficas, Corporate Counsel

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

ORDERED, that the General Manager is authorized to execute an
Interconnection Agreement in substantial form as that attached hereto as
Exhibit A, with the Yarmouth Water District related to the provision of water
to the Wyman Power Station on Cousins Island.

BACKGROUND ANALYSIS
PWD and the Yarmouth Water District (YWD) entered into an agreement in June 1977, which
provided for an interconnection of facilities at the Yarmouth/Cumberland line. PWD owns the
facilities leading into a meter pit and owns the meter pit. YWD owns the facilities from the meter
pit which serve the power plant and a small number of other customers. YWD pays PWD for
water usage at the non-member rate. The Agreement with YWD expires July 1 of 2018.

PWD and YWD have agreed to an extension of the Interconnection Agreement for a period of 5
years. After the five-year period, either party may terminate on a 2-year notice. The status of the
Wyman Power Station and its continued operation is unclear. As a result, the water districts have
agreed to keep the term of the contract extension short with the ability to terminate.

FISCAL REVIEW / FUNDING
PWD receives $170,000 in yearly revenues from YWD as a result of the Interconnection
Agreement. No expenditures by either district are required to continue the interconnection.

LEGAL REVIEW
Corporate Counsel has reviewed the proposed Motion and has approved as to form.
CONCLUSION(S)
Staff recommends approval of the Interconnection Agreement. The Agreement may also need approval of the Public Utilities Commission. The Committee voted unanimously to send to the full Board for their consideration.

ATTACHMENT(S)
Interconnection Agreement from 1977
Interconnection Agreement 2018
MEMORANDUM OF AGREEMENT

This Agreement made as of the ____ day of ____ , 19__ , by and between the YARMOUTH WATER DISTRICT, a quasi-municipal corporation existing under the laws of the State of Maine and having its principal place of business in the Town of Yarmouth, in the County of Cumberland and State of Maine, hereinafter "Yarmouth"; and the PORTLAND WATER DISTRICT, a quasi-municipal corporation existing under the laws of the State of Maine and having its principal office at Portland, in the County of Cumberland in said State, hereinafter "Portland".

WITNESSETH that

WHEREAS, the Yarmouth Water District and the Portland Water District are public utilities organized for the purpose of furnishing water to the inhabitants of Yarmouth, and Greater Portland, respectively, for domestic, agricultural, commercial, industrial, sanitary and municipal purposes; and

WHEREAS, Central Maine Power Company ("Central Maine") is a public utility organized to generate and distribute electricity, and is constructing a new steam electric unit at William F. Wyman Station on the tip of Cousins Island in the Town of Yarmouth, to be known as William F. Wyman Unit No. 4, which new unit will require additional large quantities of water; and

WHEREAS, Central Maine Power Company has requested Yarmouth to supply this additional water; and
WHEREAS, Yarmouth's existing supply of water is inadequate to supply this need now and in the future; and

WHEREAS, Portland is willing to supply water to Yarmouth in the amounts and subject to the terms and conditions of this contract; and

WHEREAS, Portland, pursuant to Section 2A of its Charter, is authorized to sell water to Yarmouth; and

WHEREAS, Portland's existing water transmission facilities are not interconnected with Yarmouth's system; and

WHEREAS, to build this interconnection between Portland and Yarmouth requires Portland to expend large sums of money for engineering, design, materials, and construction, for the new transmission facilities;

NOW, THEREFORE, Portland and Yarmouth mutually agree as follows:

1. Description of the Project.

The "Pipeline Facilities" will consist of the following:

One continuous pipeline including 11,700 feet more or less of 20-inch water main from an existing Portland pipeline at or near the intersection of the Johnson Road, so-called, and U. S. Route 1 in the Town of Falmouth in a northerly direction along said U. S. Route 1 to the intersection of the Tuttle Road and said U. S. Route 1 in the Town of Cumberland; 4,870 feet more or less of 20-inch water main from the said intersection of Tuttle Road and U. S. Route 1 in an easterly direction along said Tuttle Road to the intersection with Maine Route 88 and then along Maine Route 88 to Brentwood, so-called; 1,880 feet more or less of 20-inch water main from Brentwood to the Cumberland-Yarmouth Town Line meter vault.

There will be included in the Pipeline Facilities, required ties and supports, foundations, pipe and fittings,
valves, blowoffs, relief valves, other connections to existing mains any any other necessary metering and control equipment, all of which shall remain the property of Portland.

The meter vault on the Cumberland-Yarmouth Town Line will be designed by Portland and constructed by Yarmouth at Yarmouth's sole expense including the costs of all valves and fittings. Portland will supply at no expense to this project the metering devices and telemetry as set forth in paragraph 7.

Upon completion, the meter vault and all appurtenances shall become the property and responsibility of Portland.

Portland agrees to provide these Pipeline Facilities ready for delivery of the water requirements described in Section 2 on or before July 1, 1978.

2. Water Requirements.

Portland hereby agrees to sell to Yarmouth upon the completion of the Pipeline Facilities water of good and potable quality satisfactory for domestic use and meeting the requirements of applicable municipal, state and federal regulatory agencies. The water will be furnished by Portland and accepted and received by Yarmouth at the Yarmouth end of the meter. Portland agrees to supply water to the extent of Yarmouth's needs up to a maximum rate of thirteen hundred (1300) gallons per minute at a hydraulic gradient of at least one hundred sixty-six (166) feet (USGS), and such water shall be delivered at the Cumberland-Yarmouth Town Line, and Yarmouth agrees to construct whatever facilities are necessary to receive such quantity of water. In lieu of a minimum water use requirement, Yarmouth agrees to use Portland as the primary source of supply for the water to be delivered to the Wyman Station.
Additional points of delivery may be established at such times and places as may be mutually agreed upon. Such installations shall be at Yarmouth's expense. All meters and telemetry shall be installed and maintained at the expense of Portland.

3. **Design and Construction of Pipeline Facilities.**

Portland will have responsibility for the design, engineering, procurement, installation and all other aspects of the construction of the Pipeline Facilities, and title to these facilities shall remain with Portland. These activities are to be performed according to good engineering practice in a competent and workmanlike manner.

While responsibility for design, engineering, procurement, installation and all other aspects of construction of the Pipeline Facilities rests with Portland, Yarmouth reserves the right to review the design, engineering, procurement, installation and construction of the Pipeline Facilities. To facilitate this review, Portland shall provide Yarmouth or its agent with two copies of all documents, plans, drawings, reports, calculations or other information relevant to such purpose of review as Yarmouth may request.

4. **Operation and Maintenance of the Pipeline Facilities.**

After completion of construction, Portland will be solely responsible for the operation and maintenance of the Pipeline Facilities, and shall maintain and operate them in accordance with good water utility operating practice. Portland will not provide water storage or alternate supply facilities for Yarmouth's needs in the event of emergency fire demands or Portland's transmission and distribution line emergencies. Portland will be solely liable for
risks of its employees' negligence and other ordinary risks of operation and maintenance associated with the Pipeline Facilities.

Portland agrees to use its best efforts to have available for delivery to Yarmouth at all times an adequate supply of water as provided in Section 2. Portland, however, shall not be liable to Yarmouth or Central Maine or their respective successors and assigns, for failure to supply water on or before July 1, 1978 or at any time thereafter, because of causes beyond Portland's control, including, without limiting the generality of the foregoing, acts of God, droughts, strikes, labor trouble, war or insurrection, inadequate supply of construction material, pipe breakage, whether the damages caused by such failure shall be direct, indirect, consequential or otherwise.

5. Approvals of Regulatory Agencies.

Portland shall proceed to give all notifications to and obtain all approvals, authorizations, certificates, licenses or permits from local, state and federal authorities and regulatory agencies required for the construction and operation of the Pipeline Facilities; including, but not limited to, those required by the Maine Department of Human Services, the Maine Department of Transportation, the Town of Cumberland, the Town of Falmouth, the Maine Public Utilities Commission, and the Maine Department of Environmental Protection. Yarmouth agrees for itself and Central Maine to participate in any way necessary to aid in the procurement of such licenses and permits.


Portland shall be responsible for obtaining all necessary easements and rights of way to construct, operate, and maintain the
Pipeline Facilities. The parties recognize that Portland has the authority to lay and maintain the Pipeline Facilities in the public ways pursuant to its Charter and to the extent that Portland decides to use such roads, the parties consent thereto. If at any future time, Portland has to remove or relocate any of the Pipeline Facilities constructed in the public way, Yarmouth agrees to pay its proportionate share of the expenses of such removal and relocation.

7. Financing Pipeline Facilities.

Portland shall be responsible for obtaining all necessary short-term and long-term financing of the entire project as described in Section 1. Yarmouth's share of the Project Cost shall be allocated to it and shall include all costs actually related to the construction of a 14-inch pipeline from the Johnson Road at U. S. Route 1, to the Cumberland-Yarmouth town line. Such costs shall include the costs of engineering, legal services, land acquisition, permits, financing costs and related expenses up to the time of permanent financing. Portland's share of the Project Costs shall be determined by comparative prices for pipe and materials at the time of construction for the difference between 14-inch pipe and the size of the pipe which is actually constructed. In addition, Portland will pay for necessary metering devices and telemetry.

When Yarmouth's portion of the "Project Costs" is reasonably known and at Portland's discretion, permanent financing will be obtained by Portland. If any portion of the original financing of Yarmouth's share is refinanced, adjustments will be made to reflect such refinancing and Yarmouth will continue to make the payments in accordance with the time schedule as hereinafter set forth. An annual
charge to cover debt service including principal and interest on
Yarmouth's share as established above, but exclusive of any charge
for water, shall be billed to Yarmouth for its proportionate share
forty-five (45) days prior to each of the payment dates of the issue.
Payment by Yarmouth will be due and payable fifteen (15) days prior
to said payment dates. As security for the payment of the financing
hereunder, Yarmouth will assign the right to receive certain payments
from the Central Maine Power Company pursuant to its agreement, if
Yarmouth should fail to make any payment hereunder.

If, at any time in the future, Yarmouth requires more than the
maximum flowage of 1300 gallons per minute, as a condition of such
delivery, Yarmouth and Portland will renegotiate the expenses of
construction so that Yarmouth will bear a greater proportion of the
costs of the Pipeline Facilities.


Yarmouth agrees to pay Portland, on a monthly basis, for all
water delivered in accordance with rates as established by Portland
and approved by the Maine Public Utilities Commission, together with
any minimum rates applicable to the metering devices of the Pipeline
Facilities.


This Agreement shall constitute the entire understanding among
the parties and shall supersede any and all previous understandings
pertaining to the subject of this Agreement. This Agreement is subject
to the approval of any regulatory authority.
10. **Term.**

This contract shall be in effect for the period beginning _June 1_ , 1977 and Portland agrees to provide the gallonage as set forth in Section 2 hereof for a period of forty (40) years from July 1, 1978.

IN WITNESS WHEREOF, YARMOUTH WATER DISTRICT has caused this instrument to be signed by its Trustees, and PORTLAND WATER DISTRICT has caused this instrument to be signed by its General Manager, hereunto duly authorized, all as of the day and year first above written.

YARMOUTH WATER DISTRICT

/ Signature /

David J. Coons

Trustees

PORTLAND WATER DISTRICT

By / Signature /

Its General Manager
INTERCONNECTION AGREEMENT

This Agreement is made this day of , 2018, by and between the Yarmouth Water District, a quasi-municipal corporation existing under the laws of the State of Maine and having its principal place of business at 181 Sligo Road, Yarmouth, Maine (hereinafter “YWD”) and the Portland Water District, a quasi-municipal corporation existing under the laws of the State of Maine with a principal place of business at 225 Douglass Street, Portland, Maine (hereinafter “PWD”).

Whereas, YWD and PWD entered into an agreement dated June 1, 1977 for the provision of water by PWD to YWD related to the Wyman power station on Cousins Island (hereinafter the “1977 Agreement”); and

Whereas, the 1977 Agreement also provided for interconnection of YWD’s water system with PWD’s water system at certain locations; and

Whereas, PWD’s charter provides that it has the authority to sell water to the Yarmouth Water District; and

Whereas, the 1977 Agreement expires July 1, 2018; and

Whereas, YWD and PWD seek to continue their business relationship established in the Agreement;

NOW THEREFORE, for mutual consideration described herein, the parties agree as follows:

1. Purpose

PWD and YWD agree to continue the existing interconnection of their systems at 330 Foreside Road in Cumberland and continue to purchase and sell water at the interconnection in accordance with the terms of this Agreement.

2. Price of Water

Except as explicitly provided herein, the price of water sold by PWD to YWD shall be equal to the effective “Non-Member Rate” included in PWD rate schedules, including any minimum rates applicable to metering devices of the pipeline facilities, on file at the Maine Public Utilities Commission (“MPUC”).

3. Quantity of Water

PWD agrees to continuously supply water to YWD at a rate of no less than the instantaneous peak demand of Wyman Station and no greater than 3,000 gallons per minute, at a hydraulic gradient of at least 263 feet (USGS).
4. **Water Quality**

PWD agrees to supply at the point of interconnection water of good and potable quality satisfactory for domestic use and meeting all the municipal, state and federal regulatory requirements. PWD agrees that it will provide to YWD copies of and back up data for any water quality testing performed by PWD on water delivered to PWD to YWD upon request of YWD. YWD shall be responsible for water quality from the point of interconnection to its customers.

PWD agrees to provide reasonable notice to YWD of any significant changes in treatment techniques or chemical addition, including fluoride, to water sold to YWD or any changes in PWD operation that significantly affect the quality of water sold to YWD.

5. **Term**

After five years, either party may terminate the agreement on two years written notice to the other party.

6. **Interconnection**

The point of interconnection where water is physically delivered by PWD to YWD will be at the meter pit located at 330 Foreside Road in Cumberland near the Cumberland-Yarmouth municipal boundary on Route 88.

The interconnection shall remain open to allow a continuous flow of water from PWD to YWD.

In event of an emergency, the flow of water may be reversed in accordance with a mutual supply agreement to be negotiated between PWD and YWD.

7. **Metering**

The meter vault, the metering devices, and all appurtenances shall be owned by PWD and the repair, maintenance and replacement of the equipment and facilities shall be the responsibility of PWD.

Both parties shall have access to the meters and the meter pit.

YWD may place its telemetering and monitoring equipment in the meter vault, at YWD’s expense and risk, and shall have access to and use of data and information available from PWD’s telemetering and SCADA systems.

Should demand conditions change and warrant a change in meter size, PWD and YWD shall work together jointly to determine the appropriate size for the new demand conditions.
8. **Shutdown of Power Plant**

   In the event the Wyman Station power plant ceases commercial operation for more than 12 months, the Parties agree to terminate this agreement.

9. **Force Majeure**

   PWD agrees to use its best efforts to have available for delivery to YWD at all times an adequate supply of water. PWD, however, shall not be liable to YWD for failure to supply water because of causes beyond PWD’s control, including, without limitation, acts of god, droughts, strikes, labor troubles, war or insurrections, inadequate supply of construction material, pipe breakage, whether the damages caused by such failure shall be direct, indirect, consequential or otherwise.

10. **Dispute resolution**

    Disputes will be resolved by the Maine PUC to the extent it has jurisdiction over the dispute; otherwise, after the parties carefully and in good faith consider and discuss the benefits of submitting the dispute to mediation, if the parties do not agree to submit the dispute to mediation or if the mediation is unsuccessful, it shall be submitted to private binding arbitration subject to the commercial rules of the American Arbitration Association.

    Unless explicitly modified in the Agreement, the parties agree that the PUC statutes and rules, (except those from which PWD is exempt pursuant to the PUC Order Dkt. No. 2015-00159) PWD rate schedules and PWD Terms & Conditions apply to the sale of water under this Agreement. In the event the PUC does not have jurisdiction over this Agreement or the parties performance under this Agreement the parties agree that the PUC statutes and rules (except those from which PWD is exempt pursuant to the PUC Order Dkt. No. 2015-00159); and PWD rate schedules and PWD Terms & Conditions shall be incorporated into the Agreement and, shall govern the resolution of any dispute in arbitration.

11. **Indemnification**

    Indemnification. Each District agrees to indemnify and hold harmless the other and their respective directors, employees and agents from and against any and all liabilities, damages, injuries, costs, expenses and claims of any kind (including without limitation, court costs and attorneys’ fees incurred in litigation or otherwise) that at any time may be paid or incurred by or asserted against the other District with respect to, or as a result of the consumption of the indemnifying District’s water, the existence and operation of the indemnifying District’s facilities, or the performance by the indemnifying District of any obligation under this Agreement. This provision is not intended by either District to waive or reduce any immunities, defenses and limits of liability either District may have under the Maine Tort Claims Act.
12. Notice

Notice. Any notices to be given hereunder shall be delivered in hand or by Certified Mail as follows:

To PWD:
General Manager
Portland Water District
225 Douglass St.
Portland, ME 04102

With copies to:
Corporate Counsel

To YWD:
Superintendent
Yarmouth Water District
181 Sligo Road
Yarmouth, ME 04096

13. Miscellaneous

Complete Agreement. This Agreement shall constitute the entire understanding among the parties and shall supersede any and all previous understandings pertaining to the subject of this Agreement.

Signatures/Entire Agreement. This instrument may be executed in multiple counterparts, each of which shall be deemed an original, and this Agreement contains the entire agreement between the parties and may not be modified other than by a written instrument duly executed by the authorized representative of each District.

Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Districts.

Waiver. A waiver by a party of any breach, requirement or provision of this Agreement shall not be deemed or construed as a waiver of any other or subsequent breach, requirement or provision.

IN WITNESS WHEREOF, Portland Water District has caused this instrument to be signed and sealed in its corporate name and behalf by Carrie Lewis, its General Manager duly authorized, and Yarmouth Water District has caused this instrument to be signed and sealed in its corporate name and behalf by Robert MacKinnon, its Superintendent, duly authorized, all as of the day and date first above written.
WITNESS:

Portland Water District By:

______________________________
Carrie Lewis, Its General Manager

Yarmouth Water District

By: ____________________________
Robert MacKinnon, Its Superintendent
The annual review of the General Manager’s performance has been completed. Based upon this review, the following Order is proposed:

ORDERED, that the General Manager’s annual compensation is hereby increased by 3% effective January 1, 2018.