

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 27, 2017

- | | | |
|----|---|--|
| 1. | <u>Convene Meeting</u> with Pledge of Allegiance and moment of silence. | President Cote |
| 2. | <u>Roll Call</u> | Clerk |
| 3. | <u>Election of Officers for 2017-2018</u>
<ul style="list-style-type: none"> ▪ President ▪ Vice President ▪ Treasurer ▪ Clerk <p><u>President for 2017-2018 assumes Chair</u></p> | Clerk |
| 4. | <u>Acceptance of Minutes</u> of Regular Meeting of February 27, 2017, Special Meeting of March 13, 2017 and the Workshop Meeting of March 13, 2017. | President |
| 5. | <u>Invitation for Public Comment</u> | President |
| 6. | <u>Reports:</u>
<ul style="list-style-type: none"> ▪ Operations Committee Reports ▪ Planning Committee Reports ▪ Administration & Finance Committee Reports ▪ General Manager's Report | Trustee Lunt
Trustee Swinton
Trustee Garrison
General Manager |
| 7. | <u>New Business</u>
<p>A. <u>Order 17-008</u> authorizing the final rate schedule for the water rate increase.</p> <p>B. <u>Order 17-009</u> allocation of 2016 Water Fund Surplus.</p> <p>C. <u>Order 17-010</u> authorizing the phased engineering method for the procurement of engineering services for the East End WWTF.</p> <p>D. <u>Recommendation Regarding Public Art Wall</u></p> | Administration &
Finance Committee

Administration &
Finance Committee

Operations Committee

Planning Committee |

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. President
9. Other Business. An item may be added to this agenda provided seven trustees vote to waive the rule regarding agendas. President
10. Second Invitation for Public Comment. President
11. Trustee Comments. President
12. Adjournment. President

Donna M. Katsiaficas
Clerk

Portland Water District
Board of Trustees Regular Meeting

March 27, 2017

New Business

Agenda Items 7A-7D



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 7A Order 17-008
Date of Meeting: March 27, 2017
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 2017, the Board of Trustees requested staff to prepare a rate filing supporting a 1.0% rate adjustment. The filing includes a rate increase differential between residential and commercial/industrial rates resulting in an increase of residential customer rates by 0.9% and commercial/industrial customers by 1.1%. Fire protection charges increase by 1.0%.

Pursuant to Board rules, a public hearing was held on March 13, 2017. All 52,000 customers received notification of the rate adjustment. No comments were received from any customers.

FISCAL REVIEW / FUNDING

The 1.0% rate adjustment is projected to increase water revenue by \$212,998 in total. With the rate adjustment, revenues are expected to meet the projected expenses. Expenses are expected to grow to \$25.3 million in 2019 mostly due to financing costs related to additional main renewal project.

Income Statement

	<u>2016</u>	<u>2017 W/O</u>	<u>2017 W/</u>	<u>2018</u>	<u>2019</u>
	<u>Actual</u>	<u>Adjustment</u>	<u>Adjustment</u>		
Revenue	\$ 23.3	\$ 22.5	\$ 22.7	\$ 23.9	\$ 25.1
Expenses	\$ 21.9	\$ 22.6	\$ 22.6	\$ 24.0	\$ 25.3
Net Income	\$ 1.4	\$ (0.1)	\$ 0.1	\$ (0.1)	\$ (0.2)
Allowable Annual Contingency	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.3
	\$ 0.3	\$ (1.2)	\$ (1.0)	\$ (1.3)	\$ (1.5)

Contingency Balance

Balance 1/1/2017	\$ 5.7	25%
Target	\$ 5.7	25% (Three months of expenses)
Below Target	\$ 0.0	0%

LEGAL REVIEW

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

ATTACHMENT(S)

Proposed Rate Schedule

PORTLAND WATER DISTRICT

PORTLAND WATER DISTRICT

SCHEDULE OF RATES

Proposed effective date: May 1, 2017

Effective date: _____

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:

For the first	100 cubic feet	included in minimum charge	
For the next	2,900 cubic feet	2.28 per 100 cubic feet	I
For the next	7,000 cubic feet	1.93 per 100 cubic feet	I
For the next	40,000 cubic feet	1.70 per 100 cubic feet	I
In excess of	50,000 cubic feet	0.95 per 100 cubic feet	I

SEASONAL RATES:

See meter size for the allowance included in the minimum charge

Excess up to	90,000 cubic feet	2.28 per 100 cubic feet	I
In excess of	90,000 cubic feet	1.66 per 100 cubic feet	I

MINIMUM CHARGES:

<u>MONTHLY RATES</u>			<u>SEASONAL RATES</u>			
<u>Meter Size</u>	<u>Minimum Charge</u>	<u>Allowance Cubic Feet</u>	<u>Surface Mains Min. Charge</u>	<u>Deep Mains Min. Charge</u>	<u>Allowance Cubic Feet</u>	
5/8	\$ 9.11	100	\$ 257.70	\$ 216.90	3000	D
3/4	10.74	100	334.05	293.25	6,300	I
1	13.92	100	397.14	356.34	9,000	I
1 1/2	23.60	100	607.42	566.62	18,000	I
2	33.99	100	859.75	818.95	28,800	I
3	61.67	100	1,532.66	1,491.86	57,600	I
4	92.83	100	2,289.70	2,248.90	90,000	I
6	179.36	100	4,392.54	4,351.74	180,000	I
8	283.18	100	6,915.97	6,875.17	288,000	I
10	410.02	100	13,645.11	13,604.31	576,000	I
12	542.77	100	21,256.15	21,215.35	900,000	I
Low Income	2.28	100				I

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.

Proposed effective date: May 1, 2017

Effective date: _____

 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	2.63 per 100 cubic feet	I
For the next	7,000 cubic feet	2.21 per 100 cubic feet	I
For the next	40,000 cubic feet	1.96 per 100 cubic feet	I
In excess of	50,000 cubic feet	1.11 per 100 cubic feet	I

SEASONAL RATES:

See meter size for the allowance included in the minimum charge

Excess up	90,000 cubic feet	2.63 per 100 cubic feet	I
In excess of	90,000 cubic feet	1.91 per 100 cubic feet	I

MINIMUM CHARGES:

<u>MONTHLY RATES</u>			<u>SEASONAL RATES</u>			
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5/8	\$ 10.47	100	\$ 296.37	\$ 249.44	3,000	D
3/4	12.33	100	384.16	337.23	6,300	I
1	16.04	100	456.73	409.80	9,000	I
1 1/2	27.13	100	698.54	651.61	18,000	I
2	39.07	100	988.72	941.79	28,800	I
3	70.90	100	1,762.59	1,715.66	57,600	I
4	106.75	100	2,633.17	2,586.24	90,000	I
6	206.25	100	5,051.44	5,004.51	180,000	I
8	325.67	100	7,953.38	7,906.45	288,000	I
10	471.53	100	15,691.86	15,644.93	576,000	I
12	624.17	100	24,444.60	24,397.67	900,000	I
Low Income	2.63	100				I

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.

Proposed effective date: May 1, 2017

Effective date: _____

 Treasurer

MUNICIPAL FIRE SERVICE

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

<u>MUNICIPALITY</u>	<u>ANNUAL CHARGE</u>	<u>MONTHLY CHARGE</u>	
Portland	\$ 365,580 382,788	\$30,465 31,899	I
South Portland	165,756 167,820	13,813 13,985	I
Westbrook	135,468 136,152	11,289 11,346	I
Cape Elizabeth	89,100 92,520	7,425 7,710	I
Falmouth	118,500 118,080	9,875 9,840	I
Cumberland	72,888 62,208	6,074 5,184	I
Raymond	6,168 6,300	514 525	I
Scarborough	165,528 161,124	13,794 13,427	I
Gorham	82,140 74,688	6,845 6,224	I
Windham	100,128 101,184	8,344 8,432	I
Standish	48,744 47,136	4,062 3,928	I
Total:		\$1,350,000	

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.

Proposed effective date: May 1, 2017

Effective date: _____

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:

MONTHLY CHARGES

<u>SIZE OF CONNECTION</u>	<u>MEMBERS</u>	<u>NONMEMBERS</u>	
2"	\$ 3.61	\$ 4.14	I
3"	8.07	9.28	I
4"	14.40	16.56	I
6"	34.42	39.57	I
8"	57.63	66.25	I
10"	90.02	103.58	I
12"	129.63	149.08	I
16"	230.45	265.02	I

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.

Proposed effective date: May 1, 2017

Effective date: _____
Treasurer

PORTLAND WATER DISTRICT
SCHEDULE OF RATES

Proposed effective date: May 1, 2017

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Proposed effective date: May 1, 2017

Effective date: _____
Treasurer



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 7B Order 17-009
Date of Meeting: March 27, 2017
Subject: Allocation of 2016 Water Fund Surplus
Presented By: David Kane, Treasurer

RECOMMENDATION

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

ORDERED, that the 2016 Water Fund's Surplus Balance is hereby allocated in the following manner: \$1,034,378 to the Operating Contingency Fund with the balance to the Watershed Supply Protection Fund.

BACKGROUND ANALYSIS

The water fund financial results indicate an estimated surplus of \$1,434,078, which is \$1,283,262 better than budget. Though no changes are expected, the numbers are not final until the District's auditor complete their review in May. 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 2016 results, up to \$1,165,000 may be allocated to the fund.

State law restricts the cumulative unspent balance of the Water Supply Protection Fund to 15% of revenues or just over \$3,495,283. The dedication of funds to the Watershed Supply Protection Fund reserves amounts for future purchases of real estate to protect the water supply. These amounts may be withdrawn and returned to the Contingency Fund if the transfer is in the best interest of the District's customers.

FISCAL REVIEW / FUNDING

The Board may designate part or all of the annual net income to the Watershed Supply Protection Fund. Any amount designated to the Watershed Supply Protection Fund may be returned to the Contingency Fund if it is in the District's best interest. Allocation to the Watershed Supply Protection Fund may only be done in years when the District has a net income.

The chart below reflects allocating 2016 net income (\$1,434,078) to the Contingency Fund and Water Supply Fund as recommended by the Administration and Finance Committee..

	Contingency Fund	-----Available for Watershed Protection-----		
		Water Supply Protection Fund	Board-Designated Cash Reserve	Total Watershed Protection
Balance, December 31, 2015	\$ 3,931,874	\$ 1,583,782	\$ 962,845	\$ 2,546,627
2015 Net Income Allocation	\$ 677,066	\$ 335,000		\$ 335,000
Subtotal December 31, 2015 Restated	\$ 4,608,940	\$ 1,918,782	\$ 710,567	\$ 2,629,349
2016 Authorized Transactions				
Property Sales-Done			\$ 6,500	\$ 6,500
Property Sales- Committed				
Contributions - Done			\$ 1,928	\$ 1,928
Contributions - Returned MDOT Rt 35 Study			\$ (36,860)	\$ (36,860)
2016 Estimated Operating Income	\$ 1,034,378	\$ 399,700		\$ 399,700
Balance, December 31, 2016	\$ 5,643,318	\$ 2,318,482	\$ 682,135	\$ 3,000,617
Board Policy Target	\$ 5,643,318 (25% of Budget)			\$ 3,495,283 (15% of Revenues)

LEGAL REVIEW

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

CONCLUSION(S)

The Administration and Finance Committee recommended allocating the 2016 surplus balance to the Contingency Fund up to the 25% of budget target set by the Board with the balance to the Water Supply Protection Fund.

ATTACHMENT(S)

Estimated Water Fund Financial Results (refer to Attachment A).

Estimated 2016 Water Fund Results

		Actual	Budget	YTD Percent	YTD Diff \$
Revenue					
	Water Sales	\$23,301,887	\$22,213,173	104.9%	\$1,088,714
	Other Income	475,554	265,370	179.2%	\$ 210,184
	Interest Income	89,988	56,031	160.6%	\$ 33,957
	FEMA Reimbursement	-	-	n/a	\$ -
		23,867,429	22,534,574	105.9%	1,332,855
Expense					
	Operating Expense	15,300,283	15,055,976	101.6%	244,307
	Renewal & Replacement	3,064,611	3,063,303	100.0%	1,308
	Debt Service	4,068,458	4,264,479	95.4%	(196,021)
		22,433,351	22,383,758	100.2%	49,593
Net Income		1,434,078	150,816	950.9%	1,283,262



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 7C Order 17-010
Date of Meeting: March 27, 2017
Subject: East End WWTF Headworks Gates, Influent Screen and Effluent Flow Meter Replacement – 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 Phased Engineering Method is authorized for the procurement of engineering services for the East End WWTF Headworks Gates, Influent Screen and Effluent Flow Meter Replacement Projects, 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 (phased method) for preliminary design of upgrades to the East End WWTF influent screen #3, influent flow gates and channel isolation, effluent flow metering and isolation of the secondary chlorine contact tank and associated gates and structures. The phased method for engineering will limit the scope of services of this contract to preliminary design.

Staff estimates that the cost for this effort to be \$60,000. This project will include development of 30% plans, preliminary specifications and sequence of construction, and an updated project cost estimate for consideration in future CIPs.

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

FISCAL REVIEW/ FUNDING

Associated projects were included in the 2017 CIP, Subprogram 21 project #2547 (Headworks Gates and Screen Replacement - Phase 3 Design) and Subprogram 409 project #2584 (Chlorine Contact Tank and Effluent Meter Isolation – Design).

LEGAL REVIEW

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

CONCLUSION(S)

Staff recommends that the phased engineering method be utilized for engineering services for this project and voted 2-0 to forward to the Board for their consideration.

ATTACHMENTS

None.



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 7D
Date of Meeting: March 27, 2017
Subject: Recommendation Regarding Public Art Wall
Presented By: Nisha Swinton, Chair Planning Committee

As the Board knows, the Planning Committee has been reviewing the status of the public art wall located at the East End Wastewater Treatment Plant. As part of its review, the Planning Committee has discussed the status of the wall with staff, and held a well attended public hearing on January 25, 2017. At the public hearing, approximately 50 people appeared. Trustees Willey and Lunt were in attendance, as well as the members of the Planning Committee. Of those testifying, the majority of those requested that the wall remain open for use by the public for public art. Two people did not support this position.

The Planning Committee has carefully considered the comments of the public and the status of the wall. It is the recommendation of the Planning Committee that the status quo be maintained, and that the wall remain open for use by the public for public art. Planning Committee members will be available at the business meeting of the Board to further explain their reasoning should the Board want further explanation.