

AGENDA
PORTLAND WATER DISTRICT
225 Douglass Street, Portland, Maine
Jeff P. Nixon Training Center
6:00 p.m., Monday, April 24, 2017

- | | | |
|----|--|------------------------------------|
| 1. | <u>Convene Meeting</u> with Pledge of Allegiance and moment of silence. | President Lunt |
| 2. | <u>Roll Call</u> | Clerk |
| 3. | <u>Acceptance of Minutes</u> of Regular Meeting of March 27, 2017, and the Workshop Meeting of April 10, 2017. | President Lunt |
| 4. | <u>Invitation for Public Comment</u> | President Lunt |
| 5. | <u>Reports:</u> | |
| | ▪ Operations Committee Reports | Trustee Siviski |
| | ▪ Planning Committee Reports | Trustee Levinsky |
| | ▪ Administration & Finance Committee Reports | Trustee Garrison |
| | ▪ General Manager's Report | General Manager |
| 6. | <u>New Business</u> | |
| | A. <u>Public Hearing</u> regarding the issuance of bonds. | Administration & Finance Committee |
| | B. <u>Resolution 17-004</u> authorizing issuance of up to \$8,000,000 in bonds to finance the installation and renewal of water mains and Gorham/Windham 407 Zone improvements. | Administration & Finance Committee |
| | C. <u>Order 17-011</u> approving the final rate schedule for Public Fire Protection. | Administration & Finance Committee |
| | D. <u>Resolution 17-005</u> authorizing a contribution to Standish Summer Spectacular. | Administration & Finance Committee |
| | E. <u>Order 17-012</u> authorizing the comprehensive engineering method for the procurement of engineering services for the Fore River Pump Station Phase II Upgrades Project. | Operations Committee |
| | F. <u>Order 17-013</u> authorizing an increase to the 2017 CIP Water Facilities Renewal & Replacement Program 122-2415. | Operations Committee |
| | G. <u>Order 17-014</u> authorizing the General Manager to execute a purchase and sale agreement for 3 Dog Leg Road, Standish. | Planning Committee |
| | H. <u>Order 17-015</u> authorizing an increase to the 2017 CIP Subprogram 326, Vehicle and Equipment Replacement. | Planning Committee |

7. Executive Session. A motion will be made pursuant to 1 M.R.S. §405(6)(A) personnel, to go into Executive Session to discuss the status of the negotiation of an offer for the General Manager's position. President Lunt
8. Other Business. An item may be added to this agenda provided seven trustees vote to waive the rule regarding agendas. President Lunt
9. Second Invitation for Public Comment. President Lunt
10. Trustee Comments. President Lunt
11. Adjournment. President Lunt

Donna M. Katsiaficas
Clerk

Portland Water District
Board of Trustees Regular Meeting

April 24, 2017

New Business

Agenda Items 6A-6H



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6A-6B Resolution 17-004
Date of Meeting: April 24, 2017
Subject: Water Bond - \$8,000,000
Presented By: David Kane, Director of Administration

RECOMMENDATION

The following language is proposed for Board of Trustee approval:

RESOLVED, the issuance of up to \$8,000,000 in bonds to finance the installation and renewal of water mains and Gorham/Windham 407 Zone improvements 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 2017 Capital Improvement Plan includes \$12,033,500 of water distribution system upgrade projects being financed through the issuance of an \$8,000,000 bond and a \$4,033,500 withdrawal from the water renewal/replacement fund. The \$8,000,000 bond would finance main renewals and Gorham/Windham 407 Zone improvements.

Staff proposes issuing a bond either through the Maine Municipal Bond Bank or as a public issue. The bonds may be issued through the Bond Bank's regular or state revolving loan fund. Mains have a 77-year useful life (PUC rules define useful life), and we expect no additional annual operating costs as a result of these projects being financed. The projects are consistent with the 2003 Water Master Plan. At least \$2,000,000 of the projects will be projects listed on the System Infrastructure Assessment report filed with the PUC and, therefore, the projects debt service costs are eligible to be funded from the capital reserve fund. That \$2,000,000 will be financed over 10 years with the remaining \$6,000,000 financed over 20 years.

The debt management policy adopted by the Board requires the following information be disclosed to the Board for their consideration while approving the bond issuance.

A. Debt Analysis

Annual debt service on the \$8.0M bond issue peaks at an estimated \$732,841 in 2018, using Maine Municipal Bond Bank estimated interest rates as of March 31, 2017. The amounts included in the table below reflect the projects for 2017-2019 as outlined in the 2017 CIP. Additional projects may be approved and would increase the projected debt service.

Debt Service with Proposed Bond:

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Outstanding Bonds at 12/31/16:			
Gross Water Fund Debt Service	\$4,638,458	\$4,597,519	\$4,468,733
Requested Bond:			
20 Yr Bond -\$6,000,000, using MMBB Estimate	\$0	\$485,745	\$477,600
10 Yr Bond -\$2,000,000, using MMBB Estimate	\$0	\$247,096	\$242,800
Future Bonded Projects Planned:			
CIP - 2016 20 YR Bond - \$1,313,000 Main Street, Gorham, (SRF)	\$13,852	\$78,323	\$77,667
CIP - 2018 - \$8.3 M	\$ -	\$ 315,000	\$ 930,000
CIP - 2019 - \$8.5 M	\$ -	\$ -	\$ 425,000
Projected Debt Service	<u>\$4,652,310</u>	<u>\$5,723,683</u>	<u>\$6,621,800</u>
Revenue Impact:			
Water Revenue (assumes 1.0,5.0 & 5.0% increase in 2017-2019)	\$22,697,328	\$23,905,350	\$25,100,618
Requested Debt Service Percent	0.00%	2.03%	1.90%
Projected Debt Service Percent	20.50%	23.94%	26.38%
Board Policy Maximum	35%	35%	35%
Debt Service Ratio	<u>1.52</u>	<u>1.36</u>	<u>1.27</u>
Bond Convent Minimum Target	1.25	1.25	1.25
Per Customer Annual Impact:			
Number of Customers	54,800	55,348	55,901
Requested Debt Service Dollar Per Year	\$0.00	\$8.78	\$8.54
Projected Debt Service Dollar Per Year	\$85	\$103	\$118
Board Policy Target	\$100	\$100	\$100
Long-term Plan Expectation (2013 Estimate)	\$101	\$113	\$121

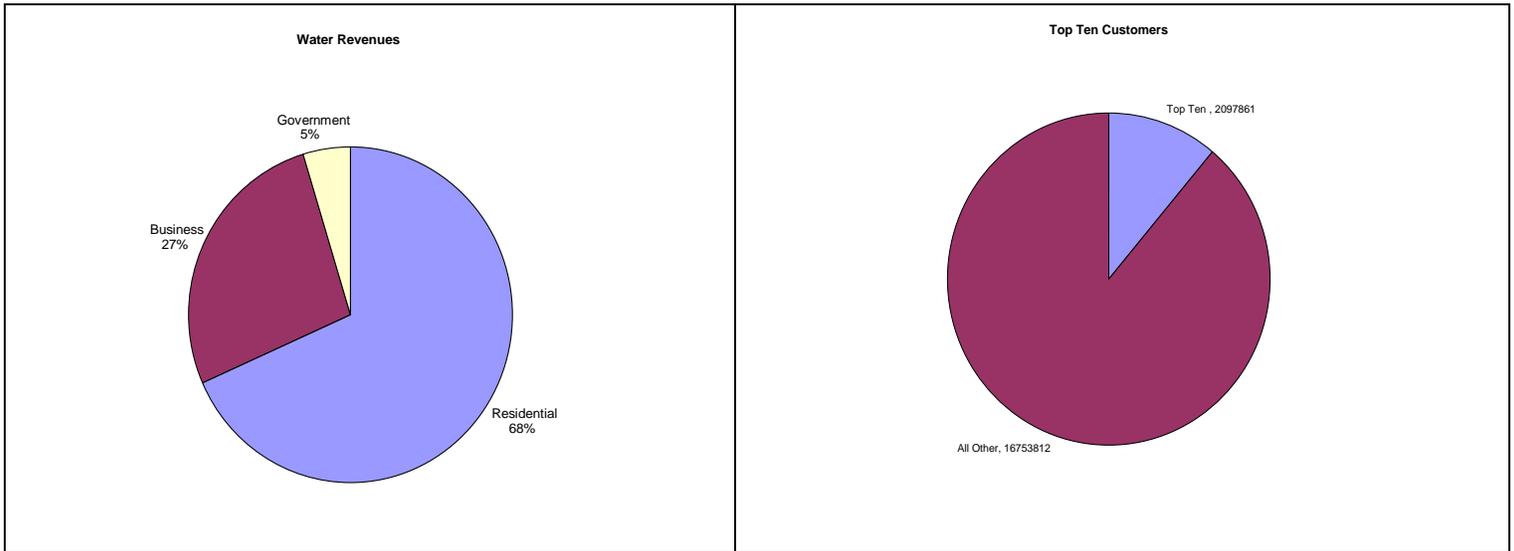
B. Financial Analysis

Water rates increase of 1.0 % in 2017 resulting in a projected cumulative surplus balance of \$5.8 million, or 25% of annual budget, as of 12/31/17. Adequate surplus balance exists to handle any short-term cash flow issues.

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

C. Economic Analysis

The customer base has been fairly consistent and is well diversified. The local economy has recovered from the recent recession.



FISCAL REVIEW / FUNDING

Attached is the schedule of projected annual debt service payments.

The 2017 Budget assumed the \$8.0M bonds would be issued on June 20, 2017 at 5% (regular bond) interest rate. Using Maine Municipal Bond Bank estimated interest rates as of January 28, 2016, the 2016 debt service payments would be \$263,000 lower than budget primarily due to issuing the bonds in November rather than June.

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. Committee recommends the Board authorize the issuance of the bonds.

ATTACHMENTS

- A. Full Form of Motion
- B. Debt Service Amortization Schedule – 20 year loan for \$6 M Maine Municipal Bond Bank
- C. Debt Service Amortization Schedule – 10 year loan for \$2 M Maine Municipal Bond Bank

**PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING BONDS IN THE AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) of water main improvements and Gorham/Windham 407 Zone improvements and other related water system infrastructure upgrades and improvements (the “Project”).

WHEREAS, the District desires to finance the Costs of such Project by issuing its water bonds and / or sewer bonds, or some combination thereof in the maximum aggregate amount of \$8,000,000 and to borrow such money through a public offering or through the Maine Municipal Bond Bank’s Safe Drinking Water State Revolving Loan Fund program, Clean Water State Revolving Loan Fund program or its general borrowing program or other qualified purchaser of the bonds or a combination thereof;

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

THAT: Pursuant to the District’s Charter, Chapter 84 of the Private and Special Laws of 1975 and all amendments thereof and acts additional thereto, and all other authority thereto enabling, and the Decision and Order of the Public Utilities Commission of the State of Maine issued in Docket No. 2015-00159 dated November 13, 2015, there is hereby authorized and approved the issuance of the District’s water bonds and / or sewer bonds, or some combination thereof and/or temporary notes in anticipation thereof in an aggregate principal amount not to exceed \$8,000,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project (the “Bonds”).

THAT: The Bonds may be issued as water bonds and / or sewer bonds, or some combination thereof, in the maximum aggregate amount of \$8,000,000 and may be issued through a public offering or through the Maine Municipal Bond Bank’s Safe Drinking Water State Revolving Loan Fund program, Clean Water State Revolving Loan Fund program or its general borrowing program or other qualified purchaser of the bonds or a combination thereof.

THAT: 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 (but not to exceed 8.00% per annum), 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 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 be and hereby is authorized to provide that any of the Bonds and notes hereinbefore authorized be made callable, with or without premiums, prior to their maturity, and each Bond or note issued hereunder shall be signed by the Treasurer and the President of the Board of Trustees, and shall be sealed with the seal of the District, attested to by its Clerk.
- THAT:** The Treasurer and President of the Board of Trustees 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 Board of Trustees 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 Board of Trustees may approve, their approval to be conclusively evidenced by the execution thereof.

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

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

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

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

THAT: 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 of construction, building, alteration, enlargement, reconstruction, renovation, improvement, and equipping of the Project; (3) the cost of all appurtenances and other facilities either on, above, or under the ground which are used or usable in connection with the Project; (4) the cost of landscaping, site preparation and remodeling of any improvements or facilities used or usable in connection with the Project; (5) the cost of all labor, materials, building systems, machinery and equipment incurred with respect to the Project; (6) the cost of land, structures, real property interests, rights, easements, and franchises acquired in connection with the Project; (7) the cost of all utility extensions and site improvements and development relating to the Project; (8) the cost of planning, developing, preparation of specifications, surveys, engineering, feasibility studies, legal and other professional services associated with the Project; (9) the cost of environmental studies and assessments relating to the Project; (10) the cost of

financing charges and issuance costs, including premiums for insurance, interest prior to and during construction, and for the period ending three (3) years from the issue date of the Bonds, underwriters' fees and costs, legal and accounting fees and costs, application fees, and other fees and expenses relating to the financing transaction. (11) the cost of all other financing authorized hereunder, whether related or unrelated to the foregoing.

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

1. To any Costs of the Project in excess of the principal amount of the Bonds or notes;
2. If issued on a tax-exempt basis, in accordance with applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the Bonds or notes.
3. To 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 of the Board of Trustees and Clerk and other proper officials of the District be, and hereby are authorized and empowered in its name and

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

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

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

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

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

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

(3) that a final accounting shall be made to the Bond Bank of the total cost of the project upon completion of the Project performance certification as set out in Section G(3) of the SRF Regulations and the District acknowledges that the Bond Bank

reserves the right at its sole discretion to be provided with a cost certification of the Project as built.

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

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

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

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

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

(9) that the District must demonstrate the ability to pay reasonably anticipated costs of operating and maintaining the financed Project.

(10) that the District abide by the SRF Regulations, as revised and amended and relevant State statutes of the State of Maine.

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

Attachment B

Maine Municipal Bond Bank - Estimate of Borrowing - \$6 Million for 20 Year

Date	Principal	Rate	Interest	Total Payment	FY Total
05/1/2018			\$94,245.00	\$94,245.00	
11/1/2018	\$300,000.00	1.8000%	\$91,500.00	\$391,500.00	\$485,745.00
05/1/2019			\$88,800.00	\$88,800.00	
11/1/2019	\$300,000.00	1.9000%	\$88,800.00	\$388,800.00	\$477,600.00
05/1/2020			\$85,950.00	\$85,950.00	
11/1/2020	\$300,000.00	2.0000%	\$85,950.00	\$385,950.00	\$471,900.00
05/1/2021			\$82,950.00	\$82,950.00	
11/1/2021	\$300,000.00	2.1000%	\$82,950.00	\$382,950.00	\$465,900.00
05/1/2022			\$79,800.00	\$79,800.00	
11/1/2022	\$300,000.00	2.2000%	\$79,800.00	\$379,800.00	\$459,600.00
05/1/2023			\$76,500.00	\$76,500.00	
11/1/2023	\$300,000.00	2.3000%	\$76,500.00	\$376,500.00	\$453,000.00
05/1/2024			\$73,050.00	\$73,050.00	
11/1/2024	\$300,000.00	2.4000%	\$73,050.00	\$373,050.00	\$446,100.00
05/1/2025			\$69,450.00	\$69,450.00	
11/1/2025	\$300,000.00	2.7000%	\$69,450.00	\$369,450.00	\$438,900.00
05/1/2026			\$65,400.00	\$65,400.00	
11/1/2026	\$300,000.00	2.8000%	\$65,400.00	\$365,400.00	\$430,800.00
05/1/2027			\$61,200.00	\$61,200.00	
11/1/2027	\$300,000.00	3.0000%	\$61,200.00	\$361,200.00	\$422,400.00
05/1/2028			\$56,700.00	\$56,700.00	
11/1/2028	\$300,000.00	3.2000%	\$56,700.00	\$356,700.00	\$413,400.00
05/1/2029			\$51,900.00	\$51,900.00	
11/1/2029	\$300,000.00	3.3000%	\$51,900.00	\$351,900.00	\$403,800.00
05/1/2030			\$46,950.00	\$46,950.00	
11/1/2030	\$300,000.00	3.4000%	\$46,950.00	\$346,950.00	\$393,900.00
05/1/2031			\$41,850.00	\$41,850.00	
11/1/2031	\$300,000.00	3.6000%	\$41,850.00	\$341,850.00	\$383,700.00
05/1/2032			\$36,450.00	\$36,450.00	
11/1/2032	\$300,000.00	3.8000%	\$36,450.00	\$336,450.00	\$372,900.00
05/1/2033			\$30,750.00	\$30,750.00	
11/1/2033	\$300,000.00	3.9000%	\$30,750.00	\$330,750.00	\$361,500.00
05/1/2034			\$24,900.00	\$24,900.00	
11/1/2034	\$300,000.00	4.0000%	\$24,900.00	\$324,900.00	\$349,800.00
05/1/2035			\$18,900.00	\$18,900.00	
11/1/2035	\$300,000.00	4.1000%	\$18,900.00	\$318,900.00	\$337,800.00
05/1/2036			\$12,750.00	\$12,750.00	
11/1/2036	\$300,000.00	4.2000%	\$12,750.00	\$312,750.00	\$325,500.00
05/1/2037			\$6,450.00	\$6,450.00	
11/1/2037	\$300,000.00	4.3000%	\$6,450.00	\$306,450.00	\$312,900.00
TOTALS	\$6,000,000.00		\$2,207,145.00	\$8,207,145.00	

Maine Municipal Bond Bank - Estimate of Borrowing - \$ 2Million for 10 Year

Date	Principal	Rate	Interest	Total Payment	FY Total
05/1/2018			\$23,896.00	\$23,896.00	
11/1/2018	\$200,000.00	1.8000%	\$23,200.00	\$223,200.00	\$247,096.00
05/1/2019			\$21,400.00	\$21,400.00	
11/1/2019	\$200,000.00	1.9000%	\$21,400.00	\$221,400.00	\$242,800.00
05/1/2020			\$19,500.00	\$19,500.00	
11/1/2020	\$200,000.00	2.0000%	\$19,500.00	\$219,500.00	\$239,000.00
05/1/2021			\$17,500.00	\$17,500.00	
11/1/2021	\$200,000.00	2.1000%	\$17,500.00	\$217,500.00	\$235,000.00
05/1/2022			\$15,400.00	\$15,400.00	
11/1/2022	\$200,000.00	2.2000%	\$15,400.00	\$215,400.00	\$230,800.00
05/1/2023			\$13,200.00	\$13,200.00	
11/1/2023	\$200,000.00	2.3000%	\$13,200.00	\$213,200.00	\$226,400.00
05/1/2024			\$10,900.00	\$10,900.00	
11/1/2024	\$200,000.00	2.4000%	\$10,900.00	\$210,900.00	\$221,800.00
05/1/2025			\$8,500.00	\$8,500.00	
11/1/2025	\$200,000.00	2.7000%	\$8,500.00	\$208,500.00	\$217,000.00
05/1/2026			\$5,800.00	\$5,800.00	
11/1/2026	\$200,000.00	2.8000%	\$5,800.00	\$205,800.00	\$211,600.00
05/1/2027			\$3,000.00	\$3,000.00	
11/1/2027	\$200,000.00	3.0000%	\$3,000.00	\$203,000.00	\$206,000.00
TOTALS	\$2,000,000.00		\$277,496.00	\$2,277,496.00	



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6C Order 17-011
Date of Meeting: April 24, 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, sheet 3, for the Public Fire Protection charges effective June 1, 2017, 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 would 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.

On March 27, 2017, the Board voted to accept all the proposed rate schedules except sheet 3 – Public Fire Protection. The Board requested to review and discuss the proposed fire protection with the purpose of better understanding the reasons and impact of the changes made to the schedule between the public hearing held March 13 and the March 27, 2017 meeting. Between the March 13 and March 27 meeting, the District’s rate consultant discovered that the public fire protection charges had been incorrectly calculated and provided updated numbers to staff. The Public Fire Service table on the next page lists the current, original proposed and revised proposed amounts with the net change between the current and the revised proposed amounts. Municipalities with increases 4% or above have been contacted.

The Board reviewed at their April 10, 2017 meeting. The Administration and Finance Committee reviewed at their meeting the same night and recommended the propose motion by approved by the full Board.

Public Fire Service

	<u>Current</u>	<u>Proposed</u>	<u>Revised Proposed</u>	<u>Change:</u>	
Cape Elizabeth	\$ 91,668	\$ 92,520	\$ 89,100	\$ (2,568)	-3%
Cumberland	\$ 61,248	\$ 62,208	\$ 72,888	\$ 11,640	19%
Falmouth	\$ 116,772	\$ 118,080	\$ 118,500	\$ 1,728	1%
Gorham	\$ 73,728	\$ 74,688	\$ 82,140	\$ 8,412	11%
Portland	\$ 379,656	\$ 382,788	\$ 365,580	\$ (14,076)	-4%
Raymond	\$ 6,240	\$ 6,300	\$ 6,168	\$ (72)	-1%
Scarborough	\$ 159,444	\$ 161,124	\$ 165,528	\$ 6,084	4%
Standish	\$ 46,776	\$ 47,136	\$ 48,744	\$ 1,968	4%
South Portland	\$ 166,080	\$ 167,820	\$ 165,756	\$ (324)	0%
Westbrook	\$ 134,916	\$ 136,152	\$ 135,468	\$ 552	0%
Windham	\$ 100,104	\$ 101,184	\$ 100,128	\$ 24	0%
	<u>\$ 1,336,632</u>	<u>\$ 1,350,000</u>	<u>\$ 1,350,000</u>	<u>\$ 13,368</u>	<u>1%</u>

FISCAL REVIEW / FUNDING

Fire protection revenue would increase by \$13,368 or 1%.

LEGAL REVIEW

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

ATTACHMENT(S)

Proposed Rate Schedule, Sheet 3

PORTLAND WATER DISTRICT

PORTLAND WATER DISTRICT

SCHEDULE OF RATES

Proposed effective date: June 1, 2017

Treasurer

MUNICIPAL FIRE SERVICE

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

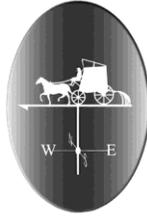
<u>MUNICIPALITY</u>	<u>ANNUAL CHARGE</u>	<u>MONTHLY CHARGE</u>	
Portland	\$ 365,580	\$30,465	D
South Portland	165,756	13,813	D
Westbrook	135,468	11,289	I
Cape Elizabeth	89,100	7,425	D
Falmouth	118,500	9,875	I
Cumberland	72,888	6,074	I
Raymond	6,168	514	D
Scarborough	165,528	13,794	I
Gorham	82,140	6,845	I
Windham	100,128	8,344	I
Standish	48,744	4,062	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: June 1, 2017

Treasurer



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6D Resolution 17-005
Date of Meeting: April 24, 2017
Subject: Standish Summer Spectacular Support
Presented By: Michelle Clements, Public Relations Manager

RECOMMENDATION

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

WHEREAS on June 22 through June 24 the Town of Standish will celebrate the rich history of the three villages that make up the Town by hosting the *Standish Summer Spectacular* event, and

WHEREAS the Portland Water District has long had a unique relationship with the Town due to the District's watershed protection efforts and the location of its water treatment facilities in the Town, and

WHEREAS the Portland Water District strives to be a respected corporate citizen of the Town, and values its relationship with the Town;

NOW THEREFORE BE IT RESOLVED that the Board of Trustees expresses its' support and recognition of the Town of Standish in its' celebration of *Standish Summer Spectacular*, and

BE IT FURTHER RESOLVED the Portland Water District demonstrates its' support by contributing as a Gold Level Sponsor of the event.

BACKGROUND

The District supported the event last year at the Gold Level (\$300). Additional information is attached (see attachment A). The Administration and Finance Committee recommends continued support of the event.

Standish Summer Spectacular



June 22rd - June 24th will be the eighth year we will honor the rich history of the villages that make up Standish: Steep Falls, Standish Corner and Sebago Lake Station!

The "Spectacular" will focus on "3 villages. 1 Community." We look forward to the many ways that our townspeople will promote that theme.

Thursday, June 22	6:30—8:30 pm	Taste of Maine	Sebago Lake Boat Launch
Friday, June 23	6:00—10:00 pm	Beach Boogie & Fireworks	Standish Memorial Park
Saturday, June 24	7:30—9:30 am	Pancake Breakfast	Standish Congregational Church
	9:00am—1:00pm	Community Marketplace	George E. Jack School (lawn)
	10:00am	Parade (Rain or Shine!)	Blake Rd, 25 W, to Oak Hill Connector

Prizes: Judge's Choice, Best Depiction of Standish, Most Creative, Best Community Organization Entry, Best Business Organization Entry

9:00am-2:00pm	Steep Falls Farmers Market	Steep Falls Village Park
	100th Anniversary Events	Steep Falls Library
	River Walks	
	Chicken Dinner	
	Chandler's Band	Steep Falls
	Co-sponsored by the American Legion and the Steep Falls Library	

Gold Sponsor	N/A	N/A	Th F Sa	06/22/2017 - 06/24/2017	\$300.00 R,
2285				6:30 PM - 6:31 PM	\$300.00 NR
Standish Corner, Sebago Lake Station, Steep Falls Village					

You will receive a Full Page Ad in the Program, public acknowledgement at all events, Free publicity on our websites and Facebook pages and all local media where we advertise the event.



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6E Order 17-012
Date of Meeting: April 24, 2017
Subject: Fore River Pump Station Phase II Upgrades (Portland) – 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 Engineering Method is authorized for the procurement of engineering services for the Fore River Pump Station (Portland) Phase II Upgrades Project, pursuant to the District's Purchasing Policy, and that the General Manager and the Treasurer, each acting singly, are authorized to take such other steps as may be necessary to accomplish the intent of this vote.

BACKGROUND ANALYSIS

Pursuant to the District's purchasing policy, staff is seeking approval from the Board of Trustees to procure engineering services (comprehensive method) for design and construction services associated with the second phase of upgrades to the Fore River Pump Station.

Staff estimates that the cost for the design phase portion of this project to be \$500,000-\$700,000. The design will include new screening equipment, generator and standby power system, ventilation system, mechanical piping, and provisions for bypassing the station. The Construction and associated Construction Services portion of this project are currently projected to be undertaken in 2018.

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

FISCAL REVIEW/ FUNDING

The project was included in the 2017 CIP, Subprogram 420 project #2424.

LEGAL REVIEW

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

CONCLUSION(S)

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

ATTACHMENTS

None.



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6F Order 17-013
Date of Meeting: April 24, 2017
Subject: Rebuild of Raw Water Pump #2 at the Sebago Lake Water Treatment Facility
Presented By: James Wallace, Director of Water Services

RECOMMENDATION

The following proposed authorization of funds is presented for Board of Trustee approval:

ORDERED, that the 2017 Capital Improvement Plan Water Facilities Renewal and Replacement Program 122 - 2415 is hereby increased by \$25,500 for the rebuild of raw water pump # 2 at the Sebago Lake Water Treatment Facility in Standish and will be funded from the Water Renewal and Replacement Fund.

BACKGROUND ANALYSIS

There are four pumps at the Raw Water Pump Station, and it is common to run three pumps to supply high summer demand. Rebuilding this pump will ensure the District has the redundancy to always produce enough water to meet our customer's demands.

Vibration analysis of raw water pump #2 indicates the bearings are beginning to fail. The District's predictive maintenance contractor recommends the District use this pump for emergencies only, until the motor and pump bearings are replaced. The rebuild of this pump was unanticipated, and the recommendation received too late to be included in the 2017 CIP Budget process.

Vibration analysis is performed annually at all of Water Services' water pump facilities. In most cases, the District receives an early indication of future pump issues, allowing staff to budget accordingly. This was not the case in this instance.



FISCAL REVIEW / FUNDING

The 2017 CIP Water Facilities Renewal and Replacement Project 122 – 2415 has a budget of \$75,000. There are \$52,000 of committed projects planned for this year, leaving \$23,000 for other unanticipated replacement projects.

The raw water pump project will require \$48,450. With only \$23,000 available in the project budget, it is being proposed to be withdrawal the additional \$25,500 from the water general assets renewal and replacement fund. The fund has an approximate available balance of \$7.3 million dollars.

Water Facilities R and R Program 122–2415 Committed Projects	\$52,000
Raw Water Pump #2 Rebuild	\$48,500
Total CIP Program 122–2415 Needs	\$100,500
Current CIP	\$75,000
Requested Addition to the CIP	\$25,500

LEGAL REVIEW

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

CONCLUSION(S)

Staff recommends approval of the project allocation and the Committee voted 2-0 to send 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 17-014
Date of Meeting: April 24, 2017
Subject: 3 Dog Leg Road - Standish
Presented By: Norman Twaddel, Right of Way Agent

RECOMMENDATION

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

ORDERED, that the General Manager is authorized to purchase the Dale Messenger property located at 3 Dog Leg Road in Standish for \$425,000 allowing Mr. Messenger a life estate to occupy the premises for the remainder of his life, and further to authorize the General Manager and the Treasurer, each acting singly to execute any documents as may be necessary to implement the intent of this vote.

BACKGROUND ANALYSIS

Staff has been working with Dale Messenger, owner of property at 3 Dog Leg Road in Standish, to either resolve a boundary line issue or to purchase his property for the last couple years. His property is located on Eel Cove at Sebago Lake inside the 2-mile limit. The lot contains 0.4 acres and has 100 feet of frontage on Sebago Lake. The two story house contains 1770 square feet. There is also a boat house on the lot.

With the help of our surveyors, the boundary line issue has been agreed upon with Mr. Messenger and he is willing to execute a boundary line agreement to confirm the surveyed boundaries if we are unable to purchase the property.

The District purchased another year round home in the area located at 86 Eel Cove Road in 2006 from Barbara Lawrence for the price of \$430,000. This property contained 0.17 acres and had 100 feet of frontage on the lake. The two story house contained 962 square feet. We also purchased a seasonal cottage located at 15 Dog Leg Road in 2008 from Paul Stanford for the price of \$380,000. This property contained 0.3 acres of land and 50 feet of frontage. This purchase also included a five year lease to occupy the cottage. The one story cottage contained 504 square feet. We also purchased a property from Eleanor Esty in 1996 in which we granted her a life estate.

Staff has offered, subject to Trustee approval, to purchase Mr. Messenger's property for \$425,000 and grant him a life estate to occupy the property for the remainder of his life. Consistent with the Esty life estate and the Stanford lease agreement, the District will pay the property taxes (currently \$4,925/year) and Mr. Messenger will be required to maintain the property, pay all operating expenses and keep it insured at his expense. Staff will do semi-annual inspections to assure that the property is being properly maintained. Staff has not done an appraisal of the property, but based on historic purchases in the past, staff feels this is a fair offer for the property. If we do not purchase the property, we may not get a chance again in the near future and prices will only continue to increase.

FISCAL REVIEW / FUNDING

Funding will come from the Watershed Land Fund. The Treasurer has confirmed that there are adequate funds in the account for the purchase. Current balance of the fund is \$3 million.

LEGAL REVIEW

Corporate Counsel has reviewed the offer and upon approval, will prepare a Purchase and Sale Agreement for the proposed sale which will include a life estate. Leasing or renting the cottage will not be allowed.

CONCLUSION(S)

The purchase of this property would leave eight remaining properties on the Priority 1 Purchase List. Staff recommends that this purchase be approved and voted 3-0 to send to the Board for their consideration

ATTACHMENTS

Map of the parcel.

Plan References:

- 1. "Property Of Daniel Rose, Sebago Lake", on file at the Portland Water District.
2. "Plan Of Daniel Rose Land To PWD", on file at the Portland Water District, Plan No. 2337-345.
3. "Plan Of Land Of Martin, John B.", on file at the Portland Water District, Plan No. 2337-347.
4. "Plan Of Land In Standish, Maine Owned By The E. I. Du Pont De Nemours Powder Co.", survey dates: Oct. 1906, Dec. 1908, Sept. 1909 by H. W. Foster, H. W. Grant, and others. Recorded October 29, 1909 in CCRD Plan Book 11, Page 24.

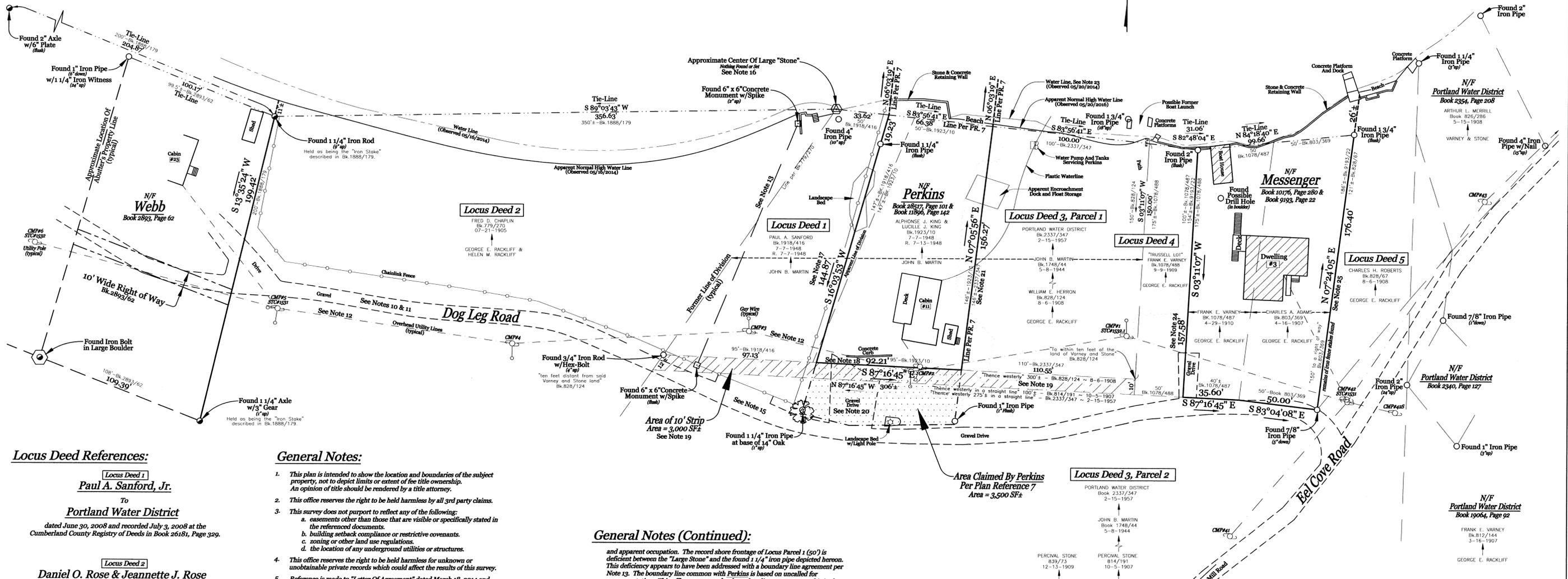
- 5. "Plan Showing Varney Lot Standish Maine", dated November 29, 1983 on file at the Portland Water District, Plan No. A3/74.
6. "Plan Of Property Of Mosley Property For Jonathan Shaw", dated February 14, 2002, revised March 18, 2003 by Sebago Technics. Recorded March 19, 2003 in CCRD Plan Book 203, Page 174.
7. "Boundary Survey Map For Keith A. Perkins & Donna M. Perkins Of The Property Situated At 11 Dog Leg Road Along Eel Cove At Sebago Lake", dated February 24, 2016 by Maine Boundary Consultants.

Sebago Lake
Eel Cove

Magnetic North
(Observed 2014)

Plan Purpose:

The purpose of this survey was to expand survey coverage from previous services performed in 2014 and to review the findings of a recent survey performed for an abutter, Keith A. Perkins & Donna M. Perkins, located at 11 Dog Leg Road (See Plan Reference 7).



Locus Deed References:

- Locus Deed 1: Paul A. Sanford, Jr. To Portland Water District.
Locus Deed 2: Daniel O. Rose & Jeannette J. Rose To Portland Water District.
Locus Deed 3: John B. Martin & Pauline G. Martin To Portland Water District.
Locus Deed 4: Barbara F. Harmon & Stanley M. Harmon To Portland Water District.
Locus Deed 5: John H. Cragin, II & Virginia A. Cragin To Portland Water District.

General Notes:

- 1. This plan is intended to show the location and boundaries of the subject property, not to depict limits or extent of fee title ownership.
2. This office reserves the right to be held harmless by all 3rd party claims.
3. This survey does not purport to reflect any of the following:
a. easements other than those that are visible or specifically stated in the referenced documents.
b. building setback compliance or restrictive covenants.
c. zoning or other land use regulations.
d. the location of any underground utilities or structures.

General Notes (Continued):

- 18. The southerly sideline of the Perkins Lot was located by establishing the boundaries of the operative deed conveyed from George E. Rackliff to William E. Herron, dated August 6, 1908 recorded in CCRD Book 828, Page 124.
19. This hatched area depicts a 10' wide strip of land between said Herron and said "Varney and Stone land".
20. Access to said Herron land was granted as follows: "Also a right of way to said lot from the town road, across my land".

General Notes (Continued):

- 24. The easterly sideline of Locus Deed 4 is based on the operative conveyance from George E. Rackliff to Frank E. Varney as described in CCRD Book 1078, Page 488, dated September 9, 1909, holding the found 2" Iron Pipe near the shore and a line parallel to said Herron land.
25. The westerly sideline of Locus Deed 5 is based on the operative conveyance from George E. Rackliff to Charles A. Adams as described in CCRD Book 803, Page 369, dated April 16, 1907, holding the found 1 3/4" Iron Pipe near the shore, as being the "stake" described in said Adams deed and a found 7/8" Iron Pipe on the edge.

Surveyor's Statement:

Nadeau Land Surveys hereby states exclusively to the client listed herein, that this plan is based on, and the result of, an on the ground field survey and that to the best of our knowledge, information, and belief, it conforms to the Maine Board of Licensure For Professional Land Surveyors Rules and Regulations.
This plan is not valid without the signature and stamp of the below listed Professional Land Surveyor who prepared this plan as it may contain unauthorized alterations unknown to this office.

Graphic Scale:



Revised 12-19-2016: Revised easterly boundary of Locus Deed 4 and Note 24, due to found monumentation
Revised 7-29-2016: Updated site conditions and expanded survey limits.

Plan Depicting The Results Of A Boundary Survey
On A Portion Of Land Made For
Portland Water District
Northerly Sideline Of Dog Leg Road
Standish, Maine
PREPARED BY: Nadeau Land Surveys
RECORD OWNER: Portland Water District
DRAWN BY: MLC
CHECKED BY: JDN/TPB
INSTR: Topcon GPT-3003W
SCALE: 1" = 30'



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6H Order 17-015
Date of Meeting: April 24, 2017
Subject: Amend CIP to purchase an equipment trailer
Presented By: Chris Crovo, Director of Asset Management and Planning

RECOMMENDATION

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

ORDERED, that the 2017 CIP, Subprogram 326, Vehicle and Equipment Replacement is hereby increased by \$25,000 for the purchase of a 15 ton trailer and will be funded from the Water Renewal and Replacement Fund for transportation.

BACKGROUND ANALYSIS

The 2017 Vehicle and Equipment Replacement budget was approved for \$350,000 and included the purchase of the 15 ton trailer. The vehicles purchased under the fund were more costly than originally estimated. This request is to add \$25,000 to purchase the equipment trailer.

FISCAL REVIEW / FUNDING

The trailer will be funded from the Vehicle and Equipment Replacement fund. The balance of this fund is \$565,168.

LEGAL REVIEW:

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

CONCLUSION(S)

Staff recommends approval of the increase and voted 3-0 to forward to the full Board for their consideration.

ATTACHMENTS

None