

AGENDA
PORTLAND WATER DISTRICT
225 Douglass Street, Portland, Maine
Jeff P. Nixon Training Center
6:00 p.m., Monday, June 26, 2017

- | | | |
|----|---|---------------------------------------|
| 1. | <u>Convene Meeting</u> with Pledge of Allegiance and moment of silence. | President Lunt |
| 2. | <u>Roll Call</u> | Clerk |
| 3. | <u>Declaration of Election Results and Inauguration</u> for the Trustees elected on June 13, 2017. | Clerk |
| 4. | <u>Acceptance of Minutes</u> of Regular Meeting of May 22, 2017, and the Workshop Meeting of June 19, 2017. | President Lunt |
| 5. | <u>Invitation for Public Comment</u> | President Lunt |
| 6. | <u>Reports:</u> | |
| | ▪ Operations Committee Reports | Trustee Douglas |
| | ▪ Planning Committee Reports | Trustee Levinsky |
| | ▪ Administration & Finance Committee Reports | Trustee Garrison |
| | ▪ General Manager's Report | General Manager |
| 7. | <u>New Business</u> | |
| | A. <u>Resolution 17-008</u> awarding the Joseph A. DiPietro Scholarship. | President Lunt |
| | B. <u>Order 17-017</u> authorizing the transfer of operating 2016 annual net income balances to the respective capital renewal and replacement funds for each of the wastewater funds. | Administration &
Finance Committee |
| | C. <u>Order 17-018</u> authorizing the General Manager to execute a service contract amendment with Wright-Pierce and a construction contract with Apex Construction for the Wards Hill Pump Station Project. | Operations Committee |
| | D. <u>Order 17-019</u> authorizing the General Manager to execute a service and construction contract with Woodard & Curran for the Northeast Pump Station Odor Control Project. | Operations Committee |
| | E. <u>Order 17-020</u> authorizing the General Manager to execute a release deed to the City of Portland for the easement in Wessex Street, Portland. | Planning Committee |
| 8. | <u>Executive Session.</u> 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 Lunt |
| 9. | <u>Other Business.</u> An item may be added to this agenda provided seven trustees vote to waive the rule regarding agendas. | President Lunt |

10. Second Invitation for Public Comment. President Lunt
11. Trustee Comments. President Lunt
12. Adjournment. President Lunt

Donna M. Katsiaficas
Clerk

Portland Water District
Board of Trustees Regular Meeting

June 26, 2017

New Business

Agenda Items 7A-7E



RESOLUTION
PORTLAND WATER DISTRICT
BOARD OF TRUSTEES



WHEREAS the Board of Trustees has established the Joseph A. DiPietro Scholarship in memory of Mr. DiPietro's fifteen years of dedicated service representing the city of Portland as a Trustee of the District, and

WHEREAS Mohammed-Noor Idhle Omane, a resident of Portland, is pursuing a degree in business administration at Southern Maine Community College, and

WHEREAS Mr. Omane has demonstrated a commitment to community and charitable service, and

WHEREAS Mr. Omane has demonstrated need for the scholarship, and

WHEREAS Mr. Omane is the first in his family to attend college, and

WHEREAS the Board of Trustees' Scholarship Committee unanimously recommends Mr. Omane to be the recipient of the 2017 Joseph A. DiPietro Scholarship,

NOW THEREFORE BE IT RESOLVED that the Board of Trustees recognizes the accomplishments and needs of Mr. Omane and supports his academic endeavors by awarding him the \$1,500 scholarship for 2017 established in tribute to Joseph A. DiPietro.

Adopted this 26th day of June 2017.

Attest:
Donna M. Katsiaficas
Clerk

William Lunt, III, President
Board of Trustees





Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 7B Order 17-017
Date of Meeting: June 26, 2017
Subject: Transfer of Operating 2016 Annual Net Income Balances to Respective Capital Renewal and Replacement Funds for each of the Wastewater Funds
Presented By: David Kane, Treasurer

RECOMMENDATION

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

ORDERED, that the 2016 annual operating fund net income in the Cumberland, Gorham, Portland, Westbrook and Windham Wastewater Funds is hereby transferred to their respective Capital Renewal and Replacement Funds, and

BE IT FURTHER ORDERED, that the Board hereby adopts the amended Fund Balance policy dated June 26, 2017, in substantial form as attached hereto as Exhibit A.

FISCAL REVIEW / FUNDING

Due to 2016 expenses being less than the budget, all of the wastewater funds, except Cape Elizabeth, had annual operating net income. The 2016 annual net income for each fund is as follows:

Cape Elizabeth:	(\$ 1,229)
Cumberland	\$ 25,186
Gorham	\$ 71,536
Portland	\$598,992
Westbrook	\$ 38,409
Windham	\$ 19,335

The annual net income can be added to the operating contingency fund balance, capital renewal and replacement fund balance or returned to the municipalities. At our meetings with the municipalities' managers last fall, they requested the District retain any surplus balance. Each municipality's operating and capital fund balance are listed below with a comparison of the balances to the target balance established by Board policy.

	Operating Contingency Fund		Capital Renewal and Replacement Fund		
	Balance	Target (25% of Budget)	Balance	Target (3% of Assets)	Target (5% of Assets)
Cape Elizabeth	\$ 400,000	\$ 368,855	\$ 286,870	\$ 487,500	\$ 812,500
Cumberland	\$ 328,678	\$ 212,593	\$ 276,532	\$ 232,600	\$ 387,600
Gorham	\$ 310,000	\$ 282,928	\$ 889,358	\$ 528,500	\$ 880,800
Portland	\$ 3,150,009	\$ 3,006,470	\$ 3,251,089	\$ 3,130,800	\$ 5,217,900
Westbrook	\$ 844,744	\$ 676,666	\$ 2,971,109	\$ 643,200	\$ 1,072,000
Windham	\$ 109,069	\$ 91,617	\$ 331,933	\$ 90,200	\$ 150,400

All funds currently have cumulative operating contingency fund balances in excess of the Board policy target balance. It is recommended to transfer all of the 2016 net income to the capital renewal and replacement (R&R) funds. The R&R balances in excess of the target may be used to finance larger projects that typically would have been bond financed and reduce future debt service payments.

Last year the Committee requested staff to consider changing the Capital Renewal and Replacement fund target to 5% of gross assets. The 5% numbers are included in the table above and an amendment to the fund balance policy reflecting that change is attached for the Committee's consideration

LEGAL REVIEW

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

CONCLUSION(S)

The Committee recommended the surplus balance be allocated to the Renewal & Replacement funds and the policy be amended as recommended.

ATTACHMENT

Exhibit A – Fund Balance Policy, redlined version reflecting proposed changes.

The Portland Water District is a publicly-owned water and wastewater utility and strives to maintain a balanced operating budget with on-going revenues equal to on-going expenses. However, good financial practice recommends all utilities maintain a fund balance to meet seasonal cash flow shortfalls, provide for unexpected contingencies so it can continue to provide service, enable water rates and wastewater assessments yearly change to be less volatile, and maintain the District's credit rating by establishing an unrestricted Operating Reserve Fund Balance in each water and wastewater funds. Additionally, the District maintains a Watershed Supply Protection Fund balance and Sewer Renewal and Replacement Funds balances. Those funds provide financial resources to support the acquisition of real estate interest promoting protection of our water supply and to pay for smaller capital expenditures.

The following fund balance policy provides the guidance on the level of fund balance to be maintained by the District. The actual fund balance targets are reviewed by the Board of Trustees and wastewater member municipalities each year during the budget process.

1. Operating Reserve Fund Balance.

1.1 Water Fund. State law (Title 35-A, 6112) provides the ability for a utility to include an annual contingency allowance of 5% of revenues for rate making purposes. If the utility's actual annual surplus is greater than 7% of the utility's total annual operating expenses for three consecutive years, the water utility shall notify customers in writing of the over-collection and hold a public hearing to detail the extent of the over-collections.

The target fund balance is 3 month or 25% (~~approximately \$4,850,000~~) of water revenues.

1.2 Wastewater Funds. The District's charter states that all surplus shall be transferred to sewer surplus fund which at no time should exceed 3% of the net book value of the asset attributable to the wastewater system unless approved by the Trustees. The amount should be credited against sums otherwise to be assessed upon participating municipalities on an equitable basis. Exception to the standard may be made with the consent from the wastewater municipalities and the Board.

Individual wastewater fund balance target balance is 3 months or 25% of operating budget.

2. Watershed Supply Protection Fund.

2.1 State law (Title 35-A, 6113) allows the creation of watershed supply protection fund for the acquisition of interests in real property reasonably necessary for the protection of a public water supply and, if the consumer-owned water utility has adopted a watershed control program, any expenditures from the water supply protection fund pursuant to this section for the purposes of watershed protection must be in conformity with that watershed control program.

The law sets a fund balance limit of 15% of annual revenue (approximately \$2.9 million). The District may annually contribute up to 5% of prior year surplus to the fund.

The funds may be withdrawn from the fund and returned to operating reserve fund if removal would be in the best interest of the District.

3. Water Renewal and Replacement Fund.

3.1 The Public Utilities Commission rules allow the District to collect water rates to fund capital projects up to the amount of fixed asset depreciation. As part of the annual planning/budget process, the amount of depreciation to be included in the water fund expenses and available for capital improvement is authorized by the Board.

The target balance is 1% of gross fixed assets.

4. Wastewater Renewal and Replacement Fund.

4.1 The Board established a renewal and replacement fund for each wastewater fund. The fund is intended to finance smaller, unexpected or emergency capital expenditures. With Board approval, the fund may be used for other capital expenditures.

The target balance is ~~3~~5% of gross fixed assets.

5. General

5.1 Operating fund balances pursuant to this policy are calculated based on and consistent with generally accepted accounting principles except for the following:

Water:

- Inclusion of depreciation expense up to the amount to fund capital expenditures;
- Inclusion of debt principal payment;
- ~~Inclusion of the amortization of contribution revenue~~
- Inclusion of defined benefit plan's annual contribution; and
- Consistent with the PUC rules for rate-making.

Wastewater:

1. Inclusion of a contribution to a renewal and replacement fund in lieu of depreciation expense ~~;~~ and
- ~~2.~~ Inclusion of debt principal payment; and
- ~~2.3.~~ Inclusion of defined benefit plan's annual contribution.

5.2 A plan to address any shortfall to targeted fund balance should be developed by staff and approved by the Board of Trustees.



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 7C Order 17-018
Date of Meeting: June 26, 2017
Subject: Wards Hill Pump Station – Construction
Presented By: Gordon Johnson, Engineering Services Manager

RECOMMENDATION

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

WHEREAS; the Board authorized the comprehensive method of engineering services for the Wards Hill Pump Station Project in May 2011 (Project); and

WHEREAS; the Board authorized a service contract with Wright-Pierce in March 2016 for the Project,

ORDERED; the General Manager is hereby authorized to execute a service contract amendment with Wright-Pierce, in the amount of \$170,000 for construction and application engineering services for the Wards Hill Pump Station Project (CIP 2017 – 307/1382); and

BE IT FURTHER ORDERED, a construction contract with Apex Construction, Inc. is hereby authorized, in the amount of \$1,528,400 for the Wards Hill Pump Station Project (CIP 2017 – 307/1382); and

BE IT FURTHER ORDERED, that a total project budget is hereby authorized, not to exceed \$2,130,000; and that the General Manager, and the Treasurer, each acting singly, are authorized to take such steps as may be necessary to accomplish the intent of the vote.

BACKGROUND ANALYSIS

In 2003, PWD completed the Comprehensive Water System Strategic Plan (CWSSP), to guide the development of the water system through the year 2020. One of the CWSSP recommendations included consolidation of the North 407 pressure zone (Windham) and the Southern 407 zone (Gorham) as the most efficient means of addressing the long term needs of the pumping and storage facilities currently serving those areas. The 407 zone consolidation recommendations included installation of a pump station off of Wards Hill Road.

Many of the upgrades proposed in the CWSSP have been completed, including rerouting the 30” transmission main down Wards Hill Rd and extending a 16” main up Fort Hill and Huston Rd. In

addition, a 24” main has been installed from the intersection of Huston Rd. (Brackett Rd.) and Rt. 202 (Gray Rd) to the Little Falls Bridge, and two 12” lines have been installed across the river within the precast concrete bridge structure. Construction of the Wards Hill Pump Station is the next step in the 407 zone consolidation program.

As approved by Board Order 11-015 in May of 2011, the comprehensive method for procuring engineering services was approved for use on this project, allowing the same firm to be utilized for preliminary and final design as well as construction services. A contract for design services with Wright-Pierce was approved by Board Order 16-016 in March of 2016. The design was completed in April 2017. The construction and application engineering services provided under the professional services amendment is \$170,000.

The project received design review approval from the Maine Drinking Water Program and was put out to public bid on April 6, 2017. Bids were received from five General Contractors on May 3, 2017:

No.	Contractor	Base Bid Price	Alternate A.1	Alternate A.2
1	Apex Construction, Inc.	\$1,436,400	\$92,000	\$9,000
2	T. Buck Construction, Inc.	\$1,493,903	\$5,000	\$11,000
3	Penta Corporation	\$1,569,900	\$93,400	\$9,800
4	Ducas Construction, Inc.	\$1,649,240	\$64,890	\$6,350
5	Kinsmen Corporation	\$1,977,000	\$69,000	\$11,000

Wright-Pierce performed a due diligence review and has determined that Apex Construction has the qualifications and resources to complete the project. Wright-Pierce recommends that Apex Construction be considered the low responsive and responsible bidder and award the contract. Per the Contract Documents, award must be based on the Base Bid excluding Alternates. The Contract includes two alternates: Bid Alternate A.1 would change the exterior of the pump station from vinyl siding to brick, and Bid Alternate A.2 would add a heat-pump system to supplement the base bid electric heating system. Proceeding with Bid Alternate A.1 is recommended due to the longevity and lower maintenance costs associated with the brick exterior façade.

The following project budget is proposed:

Item	Amount	Board Approval
Design and System Modeling	\$255,000	CIP 2016 – 307/507, March 2016
Construction and Application Engineering Services	\$170,000	CIP 2017 – 307/1382 June 2017 (Proposed)
Construction	\$1,528,400	
Three Phase Power Extension (Central Maine Power)	\$100,000	
Project Contingency	\$76,600	
Project Total	\$ 2,130,000	

Project #: 2017-Subprogram 307/ Project 1382

FISCAL REVIEW/FUNDING

This project is the construction of the Wards Hill Pump Station and will have an estimated operating fund impact of \$200,000 to \$220,000 in debt service. The project received Drinking Water SRF 2017 funding for design and construction.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed order as to form.

CONCLUSION(S)

Staff recommends awarding the contract to the lowest responsive and responsible bidder for the project, Apex Construction, Inc. and amendment of the professional services contract with Wright-Pierce to reflect the provision of construction services and application engineering services of the Wards Hill Pump Station project. The Committee voted 2-0 to forward to the full Board for their consideration.

ATTACHMENT(S)

None



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 7D Order 17-019
Date of Meeting: June 26, 2017
Subject: Northeast Pump Station Odor Control Design-Build Services - Selection
Presented By: Gordon Johnson, Engineering Services Manager

RECOMMENDATION

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

WHEREAS; the Board authorized the design-build method of engineering services for the Northeast Pump Station Odor Control Project in January 2017 (Project);

ORDERED; the General Manager is hereby authorized to execute a service and construction contract with Woodard & Curran in the amount of \$487,000 for design and construction of the Northeast Pump Station Odor Control Project (CIP 2017 – 420/2532); and

BE IT FURTHER ORDERED, that a total project budget is hereby authorized, not to exceed \$550,000; and that the General Manager, and the Treasurer, each acting singly, are authorized to take such steps as may be necessary to accomplish the intent of the vote.

BACKGROUND ANALYSIS

The Northeast Pump Station is the largest wastewater pumping facility in the system (50 MGD). The proposed project would install an odor scrubber similar to the system in operation at the India Street Station to mitigate odors.

As approved by Board Order 17-002 in January 2017, the design-build method for procuring engineering services was approved for use on this project. Three qualified engineering firms specializing in design-build contracting were invited to respond to the RFP for design-build services (CDM-Smith, Weston and Sampson, and Woodard & Curran). All three firms attended a project walkthrough and information session on April 11, 2017. A selection team of four PWD staff including representation from Wastewater Operations and AMaP was assembled to review each firm's proposals. Two proposals were received on May 23, 2017. The selection committee conducted a review of the proposals over the next two weeks. Each selection team member ranked the proposals based on the two non-fee categories identified in the RFP: Methods & Approach (35%) and Qualifications & Experience (35%). A review meeting was held and all the committee members provided an integer rank for each category, where a #1 ranking represented the proposal that best met the requirements. The rankings for each firm were averaged for the entire committee.

The lump sum fee information for each proposal was opened by the Purchasing Agent and added to the overall ranking of the proposals (at 30%). Therefore a total of 100 represents a perfect score.

Based on the outcome of the review and ranking, Woodard & Curran received the best overall score (104). Scores ranged from 104 to 170. While both proposals offered unique strengths, the key factors that led to the scoring results are summarized below:

- Well developed and detailed plan for step by step execution of the work;
- The proposed team’s construction management focus and depth.

Criteria	Woodard & Curran	Weston and Sampson
1. Methods & Approach Weight - 35% (Best Score = 35) Methods Score	35	70
2. Qualifications & Experience Weight - 35% (Best Score = 35) Qualifications Score	35	70
3. Fee Weight - 30% (Best Score = 30) Lump Sum Fee Fee Score	\$487,000 34	\$459,100 30
Total Score	104	170
Rank	1	2

Staff therefore recommends award to Woodard & Curran for an amount of \$487,000 which includes design and construction services.

Item	Amount	Board Approval
Design and Construction	\$487,000	CIP 2017 – 420/2532
Project Contingency	\$63,000	
Project Total	\$ 550,000	

Project #: 2017-Subprogram 420/ Project 2532

FISCAL REVIEW/FUNDING

The award of the contract in the amount of \$487,000 to Woodard & Curran is within the project budget.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed order as to form.

CONCLUSION(S)

Staff recommends awarding a design-build contract to Woodard & Curran in the amount of \$487,000 for design and construction of the Northeast Pump Station Odor Control Project. The Committee voted 2-0 to forward to the full Board for their consideration.

ATTACHMENT(S)

None



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 7E Order 17-020
Date of Meeting: June 26, 2017
Subject: Easement Swap – Hall Elementary School - Portland
Presented By: Norman Twaddel, Right of Way Agent

RECOMMENDATION

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

ORDERED, the General Manager is authorized to execute a release deed to the City of Portland for the easement in Wessex Street in Portland as part of an easement swap and further the General Manager and the Treasurer, each acting singly, are authorized to take such other steps as may be necessary to accomplish the intent of this vote.

BACKGROUND ANALYSIS

The City of Portland is razing the current Hall Elementary School located at 23 Orono Road in Portland and plans to construct an all new school on the site. The District has a 20" water main that runs through the property in an easement. During negotiations with the City, the District has agreed to abandon a portion of the 20" main running through the property to accommodate the new location of the school on the site. The City is constructing a new water main connection between Warwick Street and Purchas Street and providing the District with an easement for that water main. Staff has determined that this 20" main is not a critical feed to the Warren Avenue area and that the additional connections will continue to provide adequate water supply to that area. The easiest way to modify the District's easement is to release the old easement and accept a new easement from the City for the new water main location. Therefore, staff is recommending that the General Manager be given authority to release the old easement to make this happen.

FISCAL REVIEW / FUNDING

The proposed easement swap will not involve any cash payments.

LEGAL REVIEW

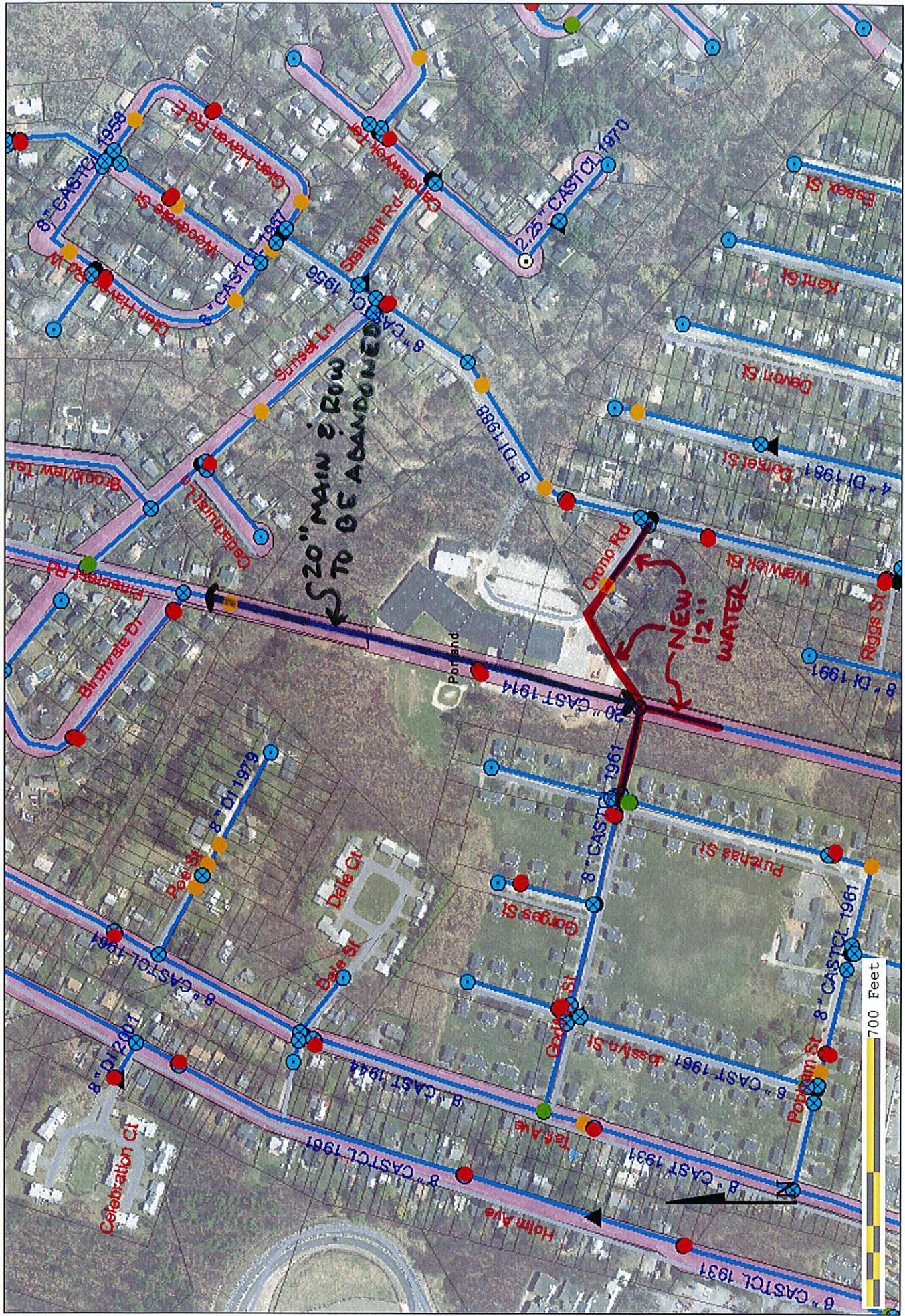
Corporate Counsel will review the proposed deeds prior to execution.

CONCLUSION(S)

Staff recommends that PWD proceed with the proposal described above. The Committee voted unanimously to send to the full Board for their consideration.

ATTACHMENTS

Plan



Hall School - PO

May 23, 2017



PORTLAND WATER BUREAU

