

AGENDA
BOARD OF TRUSTEES
PORTLAND WATER DISTRICT
1-408-418-9388
Access Code 132 193 7516, Meeting Password 76784492
6:00 p.m., Monday, July 27, 2020

- | | | |
|-----|---|------------------------------------|
| 1. | <u>Roll Call</u> | Clerk |
| 2. | <u>Convene Meeting</u> with vote to conduct the meeting remotely. | Clerk |
| 3. | <u>Acceptance of Minutes</u> of Regular Meeting of June 22, 2020, the Workshop Meeting of July 13, 2020. | President Douglas |
| 4. | <u>Invitation for Public Comment</u> | President Douglas |
| 5. | <u>Reports:</u> | |
| | ▪ Operations Committee Reports | Trustee Beck |
| | ▪ Planning Committee Reports | Trustee Siviski |
| | ▪ 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 sewer bonds. | Administration & Finance Committee |
| | B. <u>Resolution 20-012</u> authorizing issuance of up to \$900,000 of Sewer Bonds to finance the upgrades of the Little John pump station in Cape Elizabeth. | Administration & Finance Committee |
| | C. <u>Order 20-024</u> authorizing the transfer of the 2019 annual operating fund change for Gorham, Portland and Westbrook wastewater funds. | Administration & Finance Committee |
| 7. | <u>Other Business.</u> An item may be added to this agenda provided seven trustees vote to waive the rule regarding agendas. | President Douglas |
| 8. | <u>Second Invitation for Public Comment.</u> | President Douglas |
| 9. | <u>Trustee Comments.</u> | President Douglas |
| 10. | <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 Douglas |
| 11. | <u>Adjournment.</u> | President Douglas |

Donna M. Katsiaticas
Clerk

Portland Water District
Board of Trustees Regular Meeting

July 27, 2020

New Business

Agenda Items 6A-6C



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6A-B Resolution 20-012
Date of Meeting: July 27, 2020
Subject: Wastewater Bond Authorization
Presented By: David Kane, Director of Administration

RECOMMENDATION

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

RESOLVED, the issuance of up to \$900,000 of Cape Elizabeth Sewer Bonds is hereby authorized to finance the upgrade of the Little John Pump Station in Cape Elizabeth and other related infrastructure upgrades and improvements. The full form of the Resolution is attached hereto and incorporated as part of the minutes of this meeting.

BACKGROUND ANALYSIS

The proposed motion provides funding for projects that were included in the 2018 Capital Improvement Plan (CIP):

2018	1360	Family Field (Little John) Pump Station	\$900,000
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At the April 6, 2020 meeting, the Board authorized a project budget of \$900,000.

FISCAL REVIEW / FUNDING

The bond is planned to be issued through the Maine Municipal Bond Bank SRF program. It indicates that the first full year’s debt service payment would be \$54,000. The financial impact was incorporated into the Cape Elizabeth Wastewater fund and assessment forecast provided to the municipalities.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

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

ATTACHMENT(S)

A. Full Form of Motion

**PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING SEWER BONDS IN THE
PRINCIPAL AMOUNT NOT TO EXCEED \$900,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) of upgrade of the Family Field (Little John) Pump Station located in Cape Elizabeth and other related infrastructure upgrades and improvements (the “Project”);

WHEREAS, the District desires to finance the Costs of such Project by issuing its sewer bonds in the maximum aggregate amount of \$900,000 and to borrow such money through the Maine Municipal Bond Bank’s 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, there is hereby authorized and approved the issuance of the District’s sewer bonds in an aggregate principal amount not to exceed \$900,000, 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 through a public offering or through one of the Maine Municipal Bond Bank’s State Revolving Loan Fund programs or its general borrowing program or other qualified purchaser of the bonds or a combination thereof.

THAT: Each Bond or note issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.

THAT: The Bonds may be issued in serial form or as term bonds, or some combination thereof, and may be issued at one time or from time to time, in an amount not to exceed the aggregate amount authorized herein, and shall mature at such times (but not to exceed 40 years from the date(s) of issuance), shall be dated, shall bear interest at such rate or rates, and otherwise shall be in such form and contain such other terms and provisions as the Treasurer may approve, subject to the provisions of the law, the District’s Charter and these Resolutions, such approval to be conclusively evidenced by his execution thereof.

THAT: The Bonds may be made subject to call for redemption, with or without a premium, before the date fixed for final payment of the Bonds, as shall be determined by the Treasurer.

THAT: The Treasurer is authorized to borrow money in anticipation of said Bonds by the issuance and sale of notes or renewal notes in anticipation thereof and to determine the date, form, interest rate, maturities and all other details of each issue of notes, including

the form and manner of their sale and award, subject to the provisions of the law, the District's Charter and these Resolutions.

THAT: The Treasurer and President of the District from time to time shall execute such bonds as may be required to provide for exchanges or transfers of Bonds heretofore authorized, all such Bonds to be signed as provided in the next preceding paragraph.

THAT: The Bonds and notes may be sold on a competitive or negotiated basis or a combination thereof, as the Treasurer may determine to be appropriate.

THAT: 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: 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 any portion thereof) are issued to the Maine Municipal Bond Bank (the "Bond Bank") pursuant to the State's Clean Water Revolving Loan Fund program established under Title 30-A, §§5953-A and 6006-A, or its general borrowing program established under Title 30-A, §5953, the Treasurer and the President of the District be and hereby are authorized and empowered, in the name and on behalf of the District, to execute and deliver, under the seal of the District attested by its Clerk, one or more loan agreements between the District and the Bond Bank providing for loans from the Bond Bank to the District in an amount not to exceed such amount, said loan agreements to be in the usual and ordinary form utilized by the Bond Bank in connection with the 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 and the President of the District may approve, their approval to be conclusively evidenced by the execution thereof.

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

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

amended (the “Code”), or (b) to cause such notes or Bonds to be “private activity bonds” within the meaning of Section 141 of the Code.

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

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

THAT: The term “Cost” or “Costs” as used herein and applied to the Project, or any portion thereof, includes, but is not limited to (1) the purchase price or acquisition cost of all or any portion of the Project; (2) the cost to design, construct, renovate, improve, furnish and equip the Project; (3) the cost of land, easements and other real property interests, landscaping and site preparation, all appurtenances and other fixtures, facilities, buildings and structures either on, above, or under the ground which are used or usable in connection with the Project; (4) the cost of feasibility studies, surveys, environmental studies and assessments, engineering, plans and specifications, legal and other professional services associated with the Projects; and (5) issuance costs, including premiums for insurance, capitalized interest and other fees and expenses relating to the financing transaction..

THAT: The investment earnings on the proceeds of the Bonds and notes hereinbefore authorized, if any, and the excess proceeds of such Bonds and notes (including premium), 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, for the following purposes:

1. To any Costs of the Project in excess of the principal amount of the Bonds or notes;
2. If issued on a tax-exempt basis, in accordance with applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the Bonds or notes;
3. To pay debt service on the Bonds; and
4. To the District’s general fund.

THAT: The District covenants to establish, maintain, apportion 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 and to pay when due principal, interest and premium, if any, of all outstanding sewer indebtedness, including any Bonds hereinabove authorized, created or assumed by the District to provide a waste water and sewage system or otherwise for sewer purposes.

THAT: The Treasurer, President of the District 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 District 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 Project 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, in order to obtain additional debt service savings, the Treasurer be and hereby is authorized to issue and deliver refunding bonds, on either a current or advance refunding basis, to refund some or all of the Bonds then outstanding, and to determine the date, form, interest rate, maturities (not to exceed 40 years from the date of issuance of the original Bonds) and all other details of such refunding bonds, including the form and manner of their sale and award. The Treasurer be and hereby is further authorized to provide that any of such refunding bonds hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity, and to make such designation or determination of such refunding bonds as he is authorized to make with respect to the original Bonds, and each refunding bond issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6C Order 20-024
Date of Meeting: July 27, 2020
Subject: Allocation of Annual Wastewater Net Income
Presented By: David Kane, Treasurer

RECOMMENDATION

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

ORDERED, that portion of the 2019 annual operating fund change in the Gorham Fund in excess of the Operating Contingency Fund target balance is hereby transferred to its Capital Renewal and Replacement Fund, and

BE IT FURTHERED ORDERED, that portion of the 2019 annual operating fund change in the Portland and Westbrook Wastewater Funds in excess of the Operating Contingency Fund target balance is hereby refunded to each municipality.

FISCAL REVIEW / FUNDING

Due to 2019 expenses being less than the budget, all wastewater funds, except Cumberland and Windham, had a positive annual operating net change. (See 2019 Net Change amounts in the table below.)

The Cape Elizabeth fund had an annual net income but the Operating Contingency Balance is below their target balance and therefore recommended the balance not be transferred.

The Gorham, Portland and Westbrook funds had an annual net income and have Operating Contingency Balances in excess of the targeted balance. Staff recommended the excess balances over the targeted balance be moved to the Renewal and Replacement fund and to partially finance the fund's share of the Cayenta/Lucity project and thus reduce the need to finance those amounts. The Committee at its June 8, 2020 meeting requested Staff to reach out to each of the municipalities and ask whether they preferred the District retain or refund the funds to them. Gorham requested the District retain the funds and Portland & Westbrook requested a refund.

The Cumberland and Windham funds had a net loss and no action is requested.

Operating Funds:

	1/1/2019 Balance	2019 Net Change (Unaudited)	1/1/2019 Balance	Target (25% of Budget)	Over/(Under) Budget
Cape Elizabeth	\$398,772	\$31,803	\$430,575	\$431,566	(\$991)
Cumberland	\$256,136	(\$28,458)	\$227,678	\$244,649	(\$16,971)
Gorham	\$253,102	\$45,968	\$299,070	\$294,783	\$4,287
Portland	\$3,091,009	\$711,798	\$3,802,807	\$3,306,961	\$495,846
Westbrook	\$811,222	\$40,034	\$851,256	\$732,991	\$118,265
Windham	\$64,276	(\$10,438)	\$53,838	\$99,277	(\$45,439)

Renewal and Replacement Funds:

	12/31/2019 Balance (Estimated)	Target (5% of Asset)	Over/(Under) Budget
Cape Elizabeth	\$261,088	\$874,800	(\$613,712)
Cumberland	\$382,422	\$439,700	(\$57,278)
Gorham	\$925,773	\$894,000	\$31,773
Portland	\$4,082,209	\$5,718,600	(\$1,636,391)
Westbrook	\$3,314,543	\$1,132,200	\$2,182,343
Windham	\$375,519	\$152,100	\$223,419

LEGAL REVIEW

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

CONCLUSION(S)

The Committee reviewed at their June 8 meeting and asked staff to reach out to each of the municipalities and ask whether they preferred the District retain or refund the funds to them. The proposed motion reflects the request of the municipalities. The Committee recommended the motion be forwarded to the full Board for its consideration.

ATTACHMENT(S)

Letter from City of Westbrook



Finance Department
2 York Street
Westbrook, Maine 04092
Phone: 207-591-8130
Fax: 207-854-0635

July 24, 2020

David Kane
Executive Director of Administration
Portland Water District
225 Douglass St.
Portland, Maine 40102

Good Morning David,

Thank you for informing us of the surplus. The City would like to apply the \$118,265 surplus to our capital projects. If you have any questions, please feel free to contact us.

Sincerely,

Suzanne Knight
Treasurer/Finance Director

City of Westbrook
2 York Street
Westbrook, Maine
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