

March 28, 2016

As voted by the Board of Trustees and in accordance with the notice of the meeting, the Regular Meeting of the Board of Trustees of the Portland Water District was held at the Jeff P. Nixon Training Center, 225 Douglass Street, Portland, Maine, on Monday, March 28, 2016. Attending from staff were Messrs. Miller, Kane, Johnson, Crovo, Wallace, Firmin and Ms. Katsiaficas and Walker. Attending from the public was Joe Piccone, of Teamsters Local 340. The meeting was convened by President Cote at 6:00 p.m. with the Pledge of Allegiance and a moment of silence.

ROLL CALL

The roll was called by the Clerk. All Trustees were present except Trustee Cleaves.

Election of Officers for 2016-2017

It was moved by Trustee Lunt, seconded by Trustee Levinsky that the board vote Guy Cote, for President, Duane Dreger, for Vice-President, Donna Katsiaficas, for Clerk and David Kane, for Treasurer. Voted all in favor.

ACCEPTANCE OF MINUTES

It was moved by Trustee Libby, seconded by Trustee Lunt

Voted all in favor to waive the reading and accept the minutes of the Regular Meeting of February 22, 2016, Special Meeting of March 14, 2016 and the Workshop Meeting of March 14, 2016.

INVITATION FOR PUBLIC COMMENT

None

REPORTS

Operations Committee

Trustee Lunt, Chair, provided a summary of the Operations Committee meeting. Staff presented a recommendation and voted (2-0) to seek engineering services (comprehensive method) for design and construction services associated with the new Wards Hill Water Booster Pump Station in Gorham.

Planning Committee

Trustee Levinsky, Chair, provided a summary of the Planning Committee's meeting. Staff recommended and voted (3-0) to reassigning a lease for a parking lot on District property at the corner of Libby Ave. and Main Street in Gorham.

Administration and Finance Committee

Trustee Garrison gave a summary of the Administration and Finance Committee's meeting. Staff presented a proposed revision to the 3.73% water rate adjustment and noted a public hearing was held subsequent to the Committee meeting. Staff presented and recommended changes to the Terms and Conditions. The changes update several fees to reflect the current costs of providing service. Also, several references to PUC rules were replaced with references to PWD Board policies. Staff presented a request by the town of Falmouth to finance the

renovation of the Falmouth's Mill Creek Pump Station. The debt service costs will be assessed to the town of Falmouth. Additionally, staff requested to reestablish the Falmouth Wastewater Enterprise Fund in the financial records. The committee recommended forwarding to the Board for its consideration.

General Manager's Report

The Southern Maine Regional Water Council's annual meeting is April 14. This is an excellent opportunity to meet with other trustees in the area.

National Drinking Water Week is the first week of May. A notice of all the District's celebratory activities will be in April's bills.

The General Manager made the Board aware of the sewer force main leak in Cape Elizabeth at Peabbles Cove. It has been temporarily repaired but the town and DEP are concerned about the long term impact on the area. The District has proposed an emergency sole source design build contract to replace this section. An update will be provided next month.

NEW BUSINESS

Order 16-012, authorizing the final rate schedule for the water rate increase.

In January 2016, the Board of Trustees requested staff to prepare a rate filing supporting a 3.7% rate adjustment. The filing includes a rate increase differential between residential and commercial/ industrial rates resulting in an increase of residential customer rates by 3.4% and commercial/ industrial customers by 4.5%. Fire protection charges increase by 3.7%.

Pursuant to Board rules, a public hearing was held on March 14, 2016. All 52,000 customers received notification of the rate adjustment. Four customers made inquiries about the rate change – 1 call to understand the impact of the change on their business, 2 calls not supporting the increase and 1 comment supporting the increase. One person attended the public hearing - Christine Cain Johnson. She noted she believes that paying for clean water is worth it. She appreciated the efforts the District has made in providing good, clean water.

It was moved by Trustee Garrison and seconded by Trustee Dreger

It was Voted and unanimously

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

Order 16-013, approving Policy 620, Water Service Standards.

During the process for obtaining exemptions from regulation from the PUC, the District represented that it would utilize Chapters 620 of the Rules of the Maine Public Utilities Commission as a foundation for its water operations. Staff represented to the Commission that the District would be making modifications at some point in the future to those chapters in order to accommodate its business needs. The PUC approved the District's proposal with the

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stipulation that future modification of Chapters 62 be filed with the PUC within 30 days of adoption by the District. The filing is for informational purposes only. Policy 620 reflects modifications to the adopted Chapter 62.

It was moved by Trustee Cote and seconded by Trustee Dreger

It was Voted and unanimously

ORDERED, that Policy 620 Water Service, attached hereto and incorporated herein, is hereby adopted.

Order 16-014, approving Policy 675, Infrastructure Surcharge and Capital Reserve Accounts.

During the process for obtaining exemptions from regulation from the PUC, the District represented that it would utilize Chapter 675 of the Rules of the Maine Public Utilities Commission as part of its financial operations. Staff represented to the Commission that the District would be making modifications at some point in the future to the Chapter in order to accommodate its business needs. The PUC approved the District's proposal with the stipulation that future modification of Chapter 675 be filed with the PUC within 30 days of adoption by the District. The filing is for informational purposes only. Policy 675 reflects changes to the adopted Chapter 675.

It was moved by Trustee Cote and seconded by Trustee Dreger

It was Voted and unanimously

ORDERED, that Policy 675 Infrastructure Surcharge and Capital Reserve Accounts, attached hereto and incorporated herein by reference, is hereby approved.

Public Hearing, regarding the issuance of a bond for the Town of Falmouth.

No one from the public spoke.

Resolution 16-002, authorizing issuance of bonds for the Town of Falmouth not to exceed the sum of \$6,138,000 to replace and upgrade pump station and sewer mains.

In February, the towns of Falmouth and Cumberland requested the District finance the renovation of the Mill Creek pump station (see Attachment B). Falmouth intended to issue a \$6.1 million bond to finance the upgrade. However, the town's request to issue a bond through the Maine Municipal Bond Bank's State Revolving Loan Fund was rejected because MMBB wanted the town to issue a general obligation bond rather than the proposed revenue bond.

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Since the town of Cumberland's wastewater flows through the station, Falmouth would assess the District 43.7% of the bond's annual debt service as Cumberland's share. To avoid further project delay, and to expedite obtaining project financing, and to take full advantage of the State Revolving Loan Fund's low interest rate and loan forgiveness allocation, Falmouth, with the Town of Cumberland's concurrence, requested the District to consider issuing the bond. To issue the bonds, Falmouth would need to turn over the pump station's ownership to the District. They would also enter into a contract where they would be responsible for the operation and maintenance of the facility. After the bond is paid off, ownership would revert back to the Town. The District and Falmouth executed contracts accomplishing a similar arrangement in 1983 for the Pleasant Hill Road collection system.

It was moved by Trustee Garrison and seconded by Trustee Dreger

It was Voted unanimously

ORDERED, that the issuance of up to \$6,138,000 in bonds to finance the installation and renewal of the Mill Creek pump station, force main and related improvements in Falmouth is hereby authorized, and;

BE IT FURTHER RESOLVED, that the Construction and Operating Agreement with the Town of Falmouth substantially in the form presented to the Board of Trustees at this meeting and attached hereto, is hereby approved, and;

BE IT FURTHER RESOLVED that the General Manager and the Treasurer of the District be and hereby are each individually authorized and empowered, in the name of and on behalf of the Town, to executed and deliver said agreement, with such incidental changes and modifications as the General Manager or the Treasurer may approve, his approval to be conclusively evidenced by his execution thereof.

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

Order 16-015, re-establishing the Falmouth Enterprise Wastewater Fund.

In 1983, the District constructed sewer facilities on Pleasant Hill/Middle Road in Falmouth. The construction cost was financed by the District and cost was assessed to the town. The debt was retired in 2010 and the assets located in Falmouth were sold to the Town. With the relinquishment of all assets, there was no longer a need to have a separate enterprise fund for financial reporting purposes and the Board authorized closing the fund in June 2014.

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Similar to the Pleasant Hill/Middle Road project, Falmouth is requesting the District to finance the Mill Creek pump station project which would require reestablishing the Falmouth Enterprise Wastewater Fund.

It was moved by Trustee Garrison and seconded by Trustee Ross

It was Voted and unanimously

WHEREAS pursuant to Order 14-024 adopted by the Portland Water District Board of Trustees on June 23, 2014, the District closed the Falmouth Enterprise Wastewater Fund;

WHEREAS at the request of the Town of Falmouth, the Board of Trustees has authorized issuance of the District's sewer bonds in the amount of \$6,138,000 to finance the replacement of the Mill Creek pump station in the Town of Falmouth and the installation of ancillary force mains (the "Pump Station Project") for the benefit of sewer users in the Town of Falmouth and the Town of Cumberland; and

WHEREAS while such debt remains outstanding, the District will own the Pump Station Project, which will be operated and maintained by the Town of Falmouth; and

WHEREAS debt services on any debt issued for the Pump Station Project will be apportioned to the Town of Falmouth pursuant to Sections 12 and 13 of the District charter and shall be included in the District's annual assessment to the Town of Falmouth;

WHEREAS the District desires to reestablish the Falmouth Enterprise Wastewater Fund to account for the assessment and payment of debt service on the debt issued for the Pump Station Project:

NOW THEREFORE, BE IT HEREBY ORDERED by the Board of Trustees of the Portland Water District assembled that the Falmouth Enterprise Wastewater Fund be reopened and re-established on the books and records of the District.

Resolution 16-003, approving revisions to the District's Terms and Conditions of water service.

The District updates its Terms and Conditions (T&C) every two years and they were last updated in 2014. Because the District was granted a waiver from the Public Utilities Commission from rate-related filings, the T&C changes can now be approved by the Board of Trustees. The changes being proposed include updating the fees to reflect the current costs and incorporating several language clarifications including the following:

- Updates the fees for current costs, and
- Changes applicable references from the Public Utilities rules to the Portland Water District policies.

It was moved by Trustee Garrison and seconded by Trustee Lunt

It was Voted and unanimously

RESOLVED, the revisions to the District's Terms and Conditions of water service are hereby adopted.

Order 16-016, authorizing the General Manager to enter into a design professional services contract for the Wards Hill Pump Station Project.

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.

Eight qualified engineering firms were invited to respond to the RFP for preliminary and final design services. Based on the outcome of the review and ranking, Wright-Pierce received the best overall score (139). Staff recommended an award to Wright-Pierce for an amount of \$255,000, which includes preliminary design, detailed design (including applications engineering), and bid phase services.

Trustee Libby asked why Wright-Pierce was better qualified when there were 2 lower bids received. Mr. Johnson explained that 6 bids were received and that it was narrowed down to 3 and that the 2 lower bids did not meet the scope of the project. Trustee Cote inquired why even show the low bidders. Mr. Miller explained that for complete disclosure all bids needed to be shown.

It was moved by Trustee Lunt and seconded by Trustee Dreger

It was Voted and unanimously

ORDERED to authorize a professional services contract with Wright-Pierce in the amount of \$255,000 for the Wards Hill Pump Station Project - Design (CIP 2016-307/507); 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.

Order 16-017, authorizing the General Manager to execute a lease assignment assigning an existing lease with R&A Realty, Inc. to Andrea Taliento-McBride.

In 2009, the District entered into a lease agreement with R & A Realty Inc. for use of District property at the corner of Main Street and Libby Road in Gorham for a staff parking lot for their dental practice. That lease has a term ending on October 26, 2019. Dr. Ronald Seekins (R & A Realty Inc.) is selling the property to another dentist currently doing business there, Andrea M. Taliento-McBride. In addition to the property, he would also like to transfer the Lease to her for the use of our property for staff parking. The Lease fee is currently \$2200/ year.

It was moved by Trustee Levinsky and seconded by Trustee Ross

It was Vote and unanimously

ORDERED, the General Manager is authorized to execute a lease assignment assigning an existing Lease with R & A Realty, Inc. to Andrea M. Taliento-McBride for use of the District owned land located on Main Street at Libby Road in Gorham; 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.

Resolution 16-004, appointing representatives to the Southern Maine Regional Water Council Board of Directors

The Board of Trustees must annually appoint a representative to serve on the Southern Maine Regional Water Council. Presently, Chris Crovo is the District's representative, with Trustee Lunt designated as the District's alternate representative.

It was moved by President Cote and seconded by Trustee Dreger

It was Voted and unanimously

BE IT RESOLVED, that Christopher Crovo is appointed as Portland Water District's representative to the Board of Directors of the Southern Maine Regional Water Council; and

BE IT FURTHER RESOLVED, that Trustee William M. Lunt III is designated as the District's non-voting Alternate Representative to the Southern Maine Regional Water Council. Both appointments shall be through December 2016.

Resolution 16-005, ratifying the union labor contract

On March 22, 2016, Teamsters Local 340 membership ratified the labor agreement for November 2015 – November 2019 negotiated and recommended by their leadership.

It was moved by Trustee Libby and seconded by Trustee Lunt

BE IT ORDERED, that the Board of Trustees hereby ratifies the Agreement between the Portland Water District and Teamsters Local 340 as approved by the membership of the bargaining unit on March 22, 2016, and authorizes the General Manager to execute the Agreement on behalf of the District.

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EXECUTIVE SESSION

It was moved by President Cote and seconded by Trustee Libby to move the Executive Session to the last item of business of the night. It was voted and unanimous.

OTHER BUSINESS

None

SECOND INVITATION FOR PUBLIC COMMENT

None

TRUSTEE COMMENTS

Trustee Libby expressed that there has been much in the news regarding Flint, MI and feels that the District should expand on explaining its efforts of how it keeps the water safe and clean. Trustee Lunt added that he had just come back from a month in Florida and that our water is far better as is the work we do to keep it that way.

EXECUTIVE SESSION

Trustee Dreger made a motion to go into executive session, pursuant to 1 M.R.S. §405(6)(A) personnel, to discuss the status of the offer made to the candidate for the General Manager's position, seconded by Trustee Libby. All in favor.

Adjournment.

Meeting adjourned at 7:15p.m.

Submitted by

Donna M. Katsiaficas, Esq.
Clerk