

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, June 27, 2016. Attending from staff were Messrs. Miller, Kane, Johnson, Crovo, Wallace, Firmin and Ms. Katsiaticas, Demers and Walker. Attending from the public were Ed Sawtelle, Mary Sawtelle and Jennifer Sawtelle all of Scarborough. 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 Swinton.

DECLARATION OF ELECTION RESULTS AND INAUGURATION FOR THE TRUSTEE REPRESENTING FALMOUTH AND CUMBERLAND, ELECTED ON JUNE 14, 2016.

William Lunt was sworn in for another five year term on the Board.

ACCEPTANCE OF MINUTES

It was moved by Trustee Garrison, seconded by Trustee Lunt.

Voted all in favor to waive the reading and accept the minutes of the Regular Meeting of May 23, 2016, and the Workshop Meeting of June 13, 2016.

INVITATION FOR PUBLIC COMMENT

This New Business Agenda Item 7A was taken out of order.

It was moved by Trustee Lunt and seconded by Trustee Dreger to move the awarding of the DiPietro Scholarship to be before the committee reports; the Board approved unanimously.

Resolution 16-009, awarding the Joseph A. DiPietro Scholarship.

Trustee Libby spoke about Joseph DiPietro and his commitment to the community and the value of education. Mr. DiPietro had a life long interest in public service; this scholarship award is in his memory and was established in 2004.

Trustee Levinsky congratulated Ms. Sawtelle's parents on a job well done.

It was moved by Trustee Libby and seconded by Trustee Ross.

It was Voted and unanimously,

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 Jennifer Sawtelle, a resident of Scarborough, is pursuing a degree in environmental science at the University of Southern Maine, and

WHEREAS Ms. Sawtelle has demonstrated a commitment to community and charitable service, and

WHEREAS Ms. Sawtelle has demonstrated need for the scholarship, and

WHEREAS Ms. Sawtelle is the first in her family to attend college, and

WHEREAS the Board of Trustees' Scholarship Committee unanimously recommends Ms. Sawtelle to be the recipient of the 2016 Joseph A. DiPietro scholarship,

NOW THEREFORE BE IT RESOLVED that the Board of Trustees recognizes the accomplishments and needs of Ms. Sawtelle and supports her academic endeavors by awarding her the \$1,500 scholarship for 2016 established in tribute to Joseph A. DiPietro.

REPORTS

Operations Committee

Trustee Lunt, Chair, provided a summary of the Operations Committee meeting. Staff provided a recommendation for the award of a contract for engineering services associated with the design and construction of the Dana Court PS upgrade. Staff discussed a draft Consent Agreement with DEP. The action is due to delays caused by the City of Westbrook. Staff provided an update on the upgrade of the aeration system at the East End Wastewater Treatment Facility (EEWWTF). There has been a great deal of activity and the project is on schedule for a late summer start-up of the first aeration basin and blower system. Staff provided an update on the Peabbles Cover forcemain replacement project. The project is progressing well and should be substantially complete by the end of June. Staff also discussed the nozzle recall notice on some American Darling hydrants. The fire Chiefs were informed of the issue and field crews are inspecting these hydrants to determine the number that require attention.

Planning Committee

Trustee Libby (Chair, Trustee Swinton was absent), provided a summary of the Planning Committee's meeting. Staff noted that a neighborhood meeting was held on June 9th at Cape Elizabeth Town Hall regarding the Shore Acres Tank Project and 13 residents attended along with the town manager. At the meeting staff from the District and the painting contractor provided an overview of the project and explained in detail the noise created and length of time needed for removing the existing lead based paint. Staff also explained the effort required to measure the effectiveness of the contractor's containment system. Staff provided an update and progress made on land conservation efforts in the Watershed. To date the District has participated in 17 conservation projects which translated into 4,000 acres conserved in the Sebago Lake Watershed. Staff and the committee discussed the possible parameters for the District to consider if the District were to participate in grant funding of agricultural easements.

Administration and Finance Committee

Trustee Garrison gave a summary of the Administration and Finance Committee's meeting. Mr. Kane presented a motion authorizing the transfer of all the wastewater funds' 2015 net income to the Renewal and Replacement Funds, except for Cape Elizabeth. For Cape Elizabeth, it was recommended to transfer part of their net income to the Operating Contingency Fund to bring it up to the target established by the Board. The balance of the 2015 net income would be transferred to the Capital Renewal and Replacement fund. The Committee thought the Capital Renewal and Replacement fund's balance and target should be higher to assure adequate funds were available in case of an emergency. It was recommended to transfer additional amounts from the Operating Contingency fund to the Capital Renewal and Replacement.

Mr. Davis presented the results of a third-party review of the Hansen work management and billing system platform by Systems Engineering. He noted the system has been use for 20 years and is now the 'hub of PWD's operations'. The system currently is operating well but it uses an old operating system/hardware that is becoming obsolete. Systems Engineering recommends beginning the work to upgrade or replace the Hansen system immediately. They proposed a 5-year timeline to complete the project. The General Manager has selected Peter Cutrone to be the project lead. During the next year, he will be working with staff to define our needs and developing a Request for Information with a target release date of second quarter 2017.

General Manager's Report

The District's credit rating has been upgraded by Moody's Investors Service to Aa3. Standard & Poor's also upgraded the District to AA. The agencies cited deregulation, strong charter and strong management for their two grade improvement.

The 15th annual charity golf classic will be held on July 13th at Val Halla. Over \$120,000 has been raised in the last 15 years for charity.

As mentioned in the Planning Committee report, the tank painting project in Cape Elizabeth is almost complete. It has been a very clean, relatively noise free project with out incident or complaint that the District is aware of.

The Peabbles Cove project is nearing completion with very minor clean up left to do.

Trustee Garrison mentioned that during the Administration & Finance meeting they briefly talked about ways to continue to increase the bond rating. One way would be to increase the amount of reserves the District has available and Mr. Kane will be looking into other ways to increase the bond rating because we are very close to the top rating right now.

Trustee Levinsky inquired when the public beach in Standish would be ready. It is still under construction and the town hopes to have a soft opening in late summer.

NEW BUSINESS

Order 16-027, authorizing the transfer of operating 2015 annual net income balances to the respective capital renewal and replacement funds for each of the wastewater funds.

Due to 2015 expenses being less than the budget, all of the wastewater funds had annual operating net income. The 2015 annual net income for each fund is as follows:

Cape Elizabeth:	\$127,694
Cumberland	\$ 21,658
Gorham	\$ 70,286
Portland	\$418,859
Westbrook	\$124,509
Windham	\$ 8,481

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)
Cape Elizabeth	\$ 287,262	\$ 361,594	\$ 234,302	\$ 477,250
Cumberland	\$ 307,020	\$ 188,371	\$ 281,831	\$ 232,560
Gorham	\$ 417,084	\$ 282,736	\$ 611,208	\$ 528,139
Portland	\$ 3,324,976	\$ 2,856,133	\$ 2,575,365	\$ 1,992,297
Westbrook	\$ 1,404,156	\$ 692,044	\$ 1,984,405	\$ 640,203
Windham	\$ 171,168	\$ 91,382	\$ 230,014	\$ 90,184

The Cumberland, Gorham, Portland, Westbrook and Windham funds currently have cumulative operating contingency fund balances in excess of the Board Policy target balance. It is recommended to transfer all of the 2015 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.

Cape Elizabeth's operating contingency fund balance is below the 25% target. It is recommended that \$112,738 of the \$127,694 surplus be allocated to the operating surplus fund to bring the cumulative balance with the remaining balance (\$14,956) transferred to the capital renewal and replacement fund. After the transfer, the R&R fund, Cape Elizabeth's capital renewal and replacement fund balance will be \$ 249,258 below its target.

It was moved by Trustee Garrison and seconded by Trustee Dreger.

It was Voted and unanimously,

ORDERED, that the 2015 annual operating fund net income in the 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 \$14,956 and \$112,738 of 2015 annual operating fund net income in the Cape Elizabeth fund is hereby transferred to the Capital Renewal and Replacement Fund and Operating Contingency Fund, respectively, and

BE IT FURTHER ORDERED, that the following additional transfers to the respective Capital Renewal and Replacement Fund from the Operating Contingency Fund are authorized:

Gorham	\$ 107,084
Portland	\$ 174,967
Westbrook	\$ 559,412
Windham	\$ 62,069

Order 16-028, authorizing a contract with Stantec for engineering services related to the Dana Court pump station upgrade.

The Dana Court Pump Station is the last of three PWD pump stations in Westbrook that are to be upgraded after more than 35 years of service. Alternatives to increase the capacity of the pump station will be evaluated and a final design will be developed to implement the recommended alternative. The Construction and associated Construction Services portion of this project are currently projected to be undertaken in 2017. The project is included in the compliance schedule of the Combined Sewer Overflow (CSO) Master Plan Update submitted to the Maine DEP in 2014.

It was moved by Trustee Lunt and seconded by Trustee Dreger

It was Voted and unanimously,

ORDERED, a professional services contract with Stantec in the amount of \$121,100 for design phase engineering services for the Westbrook Gorham Windham Regional WWTF Sludge Dewatering Upgrades (CIP 2016-29/2527) is hereby authorized; 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 16-029, ratification of the Westbrook CSP Consent Agreement.

In 2012, the Maine Department of Environmental Protection issued a permit to PWD for the Westbrook/Gorham Regional Wastewater Treatment Facility. Since PWD owns all the combined sewer overflows in Westbrook (they are all associated with PWD's interceptor system), the permit included requirements for the Westbrook CSO Master Plan. The majority of projects associated with the CSO Master Plan involve sewer separation in the City of Westbrook's collection system.

Following issuance of the treatment plant's permit, and in recognition that much of the compliance requirements associated with the Master Plan and the permit were the sole responsibility of the City of Westbrook, PWD and the City of Westbrook entered into an agreement. The agreement included a provision where the "*City agrees to hold PWD harmless*

and indemnify PWD for any and all damages, fines, penalties and any equitable remedies imposed by DEP against PWD as a result of any Permit violation which is caused in whole or in part by failure of City to complete the Projects as required by the CSO Master Plan”.

In July 2015, DEP issued a notice of violation due to significant delays in a number of the City of Westbrook’s projects. In January 2016, DEP issued a draft Consent Agreement to PWD. PWD, the City of Westbrook, and DEP have worked to finalize the draft Consent Agreement.

Trustee Libby asked for additional information as to why the City of Westbrook failed to respond to our requests to discuss the joint permitting. Mr. Miller indicated that there had been numerous attempts to secure a meeting. President Cote intervened on the District’s behalf as well and the District was unable to make contact with the appropriate city staff. A letter is being sent to the mayor requesting reimbursement for the \$30,000 fine. A letter is also being sent to the city administrator requesting a meeting to discuss the joint licensing. We have put the city on notice that we expect them to live up to the indemnification and reimburse us for the \$30,000 we have already paid. Trustee Garrison asked for highlights on the new consent agreement and since they have not been able to comply in the past how will they remedy that with the new agreement. Mr. Miller responded that the delinquent projects now have a new timeframe and the city has explained to the DEP that they now have budget authority and should be able to meet most of the projects and will undertake them according to the new schedule. Trustee Sivisky inquired as to why the DEP was unable to issue a joint permit. Mr. Miller explained that in 2012 the DEP believed it did not have the authority to issue a joint license; because the District had the plant they were only able to issue the District the license. Since 2012 the EPA has issued other joint licenses in the area and the DEP now feels they have the green light to issue joint licenses.

It was moved by Trustee Lunt and seconded by Trustee Dreger.

It was Voted unanimously,

Whereas, on March 6, 2012, the District was issued an MEPDES permit (“Permit”) to operate the Westbrook Gorham Regional Wastewater Treatment Facility; and

Whereas, as a condition of the Permit, Westbrook was required to undertake and complete various projects in the collection system; and

Whereas, Westbrook agreed to indemnify the District for any and all penalties related to any nonperformance of its responsibilities; and

Whereas, Westbrook has failed to complete the projects required by the permit, and the Maine Department of Environmental Protection (DEP) is requiring a Consent Agreement addressing the failure to live up to the required permit milestones;

ORDERED, the Administrative Consent Agreement regarding the Westbrook Wastewater Treatment System between the District and the DEP is hereby ratified, with Westbrook indemnifying the District for all applicable fines and penalties.

EXECUTIVE SESSION

None

OTHER BUSINESS

None

SECOND INVITATION FOR PUBLIC COMMENT

None

TRUSTEE COMMENTS

Trustee Lunt stated he had been on the Board for 20 years and was happy to have been elected for another 5 years. He stated that this has been the best Board he has had the pleasure to serve on.

Adjournment.

Meeting adjourned at 6:40 p.m.

Submitted by

Donna M. Katsiaficas
Clerk