

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 remotely via teleconference, on Monday, June 22, 2020. Attending from staff were Messrs. Kane, Crovo, Wallace, Firmin, and Mses. Lewis, Katsiaficas, Demers and Walker. The meeting was convened by President Douglas at 6:03 p.m.

ROLL CALL

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

CONVENE MEETING

President Douglas made a motion to conduct the meeting remotely, seconded by Trustee Cote. Voted all in favor.

ACCEPTANCE OF MINUTES

It was moved by President Douglas, seconded by Trustee Burns. Voted all in favor to waive the reading and accept the minutes of the Regular Meeting of May 26, 2020.

It was moved by Trustee Lunt, seconded by Trustee Willey. Voted all in favor to waive the reading and accept the minutes of the Workshop Meeting of June 8, 2020.

INVITATION FOR PUBLIC COMMENT

None

REPORTS

Operations Committee

Trustee Beck provided a summary of the Operations Committee meeting on June 8, 2020. Matthew Beck was elected Committee Chair. Staff provided a recommendation to award an engineering services contract for the East End Wastewater Treatment Facility's Primary Galley Electrical Assessment and also provided a recommendation for the comprehensive method of procurement for the North Windham Wastewater Treatment Facility project. This approach will allow for regular check-in with the Town at critical project milestones.

Planning Committee

Trustee Siviski provided a summary of the Planning Committee meeting on June 8, 2020. Joseph Siviski was elected Committee Chair. Staff discussed soliciting proposals to lease a portion of the District's property at Rocky Hill for a solar farm development and provided an update to the City of Westbrook's potential involvement in the project. Staff reported that Trustee Cote reached out to City staff and Mayor of Westbrook and the Mayor responded that they are interested in exploring a partnership with the District and that they have a solar RFP that they are planning to put out for City facilities. Staff also provided the following updates:

- Cumberland Tank – potential cellular communication lease – Verizon was notified by the District's consultant that a public meeting will be required prior to any commitment from the District to lease space on the Tank for their equipment.
- Regional Conservation Partnership Program (RCPP) Grant for Land Conservation. Paul Hunt reported that the RCPP Grant was filed and notice of the grant awards will be

sometime in August. Staff had a brief discussion with the Committee on whether or not shoreline zone property in the watershed should be considered as conserved property. Staff noted that they were preparing to discuss this in the August workshop of the Board.

Administration and Finance Committee

Trustee Garrison provided a summary of the Administration and Finance Committee meeting on June 8, 2020. Seth Garrison was elected Committee Chair. Mr. Kane presented a proposed motion to transfer the 2019 Wastewater Surplus Balance annual net income of Gorham, Portland and Westbrook to the Renewal and Replacement fund. It was noted another option is to refund the funds to each of the municipalities. The Committee unanimously recommended to table the item and requested staff to ask each of the municipalities whether they prefer the District to retain the funds for capital projects or refund the amount to them. Ms. Carrie Lewis reported that the Cayenta/Lucity projects would not be ready to go live on the anticipated October 2020 date. The delay is primarily due to complications of the pandemic regarding remote work and training of staff. Staff will be discussing with the two vendors on a new live date with a preliminary target date of early February 2021. She stated the key milestone date of having all the programming in place to integrate the two systems remains the same and that no ‘scope creep’ of project deliverables will occur.

Utility Bill Collection Update. Ms. Doiron, Customer Service Manager, provided an overview of the collection activities normally completed on delinquent billing accounts, the impact COVID-19 has had on collections and the plans on how collection activities will change once the COVID-19 emergency orders are rescinded and normal collection activities are allowed. She noted delinquencies are starting to grow – residential accounts are up to \$250,000 from \$200,000 and non-residential accounts are up to \$80,000 from \$40,000. The Board authorized the waiver of late fees until 30 days after the Governor’s emergency order ceases. The PUC has mandated no service disconnection occur on delinquent accounts. When that order expires, the District plans on starting disconnection but will do in manner to limit interaction between the customers and PWD staff.

Defined Benefit Pension Plan – Funding Policy. Mr. Kane noted the actuary recently provided their yearly May 1st valuation report. The report included an increase in the recommended 2021 contribution of \$1.7M, a \$600,000 increase over 2020. Most of the increase is attributed to the decline in asset values due to COVID-19. The current Board-approved funding policy does not allow any adjustment for short-term market disruption due to a national emergency. The actuary suggested an amendment to the funding policy to allow such an adjustment be made. Since the market has recovered much of its loss, the adjustment will result in a lower 2021 contribution. The Committee unanimously recommended the proposed change be made.

General Manager’s Report

Ms. Lewis provided several updates to the Board.

- Essential services are aggressively being provided by PWD. People will continue to work remotely until a second wave of the virus has passed, or the experts confirm that there will be no second wave.
- All field operations are being conducted except for disconnections.
- Billed consumption continues to be down – residential is up 10%, but commercial/industrial is down 30%-40%. Delinquencies are up.
- Wastewater expenses are better than budget; water expenses are better than the budget as well, due to the cost cutting measures that have been implemented at PWD.

- PWD is working with a professor at St. Joseph's college to possible test for RNA fragments of COVID-19 in the wastewater treated by PWD. Communities across the country are beginning to do this to see if they can determine if COVID is in their communities and to what extent.
- On June 15 the Conservation Fund announced it acquired 15,000 acres of land in Western Maine. 3,000 of those aces are in the Sebago Lake watershed.

NEW BUSINESS

Public Hearing, regarding an amendments to an existing bond and to authorize issuance of sewer bonds.

A public hearing was held on the proposed authorizing to amend a previously authorized bond issued for the East End Wastewater Treatment Facility primary clarifier upgrade and to authorize issuance of sewer bonds to finance installation of tide gates near India Street, Portland.

President Douglas opened the public hearing, no members of the public wished to speak. President Douglas closed the public hearing.

Resolution 20-009, authorizing an amendment to the previously authorized sewer bonds issued to finance the primary clarifier upgrade at the Portland East End Wastewater Treatment Facility in Portland.

At the February 24, 2020 meeting, the Board authorized an increase of \$230,000 to the construction budget of the project upgrading the primary clarifier at the East End Treatment Plant in Portland. The Board previously authorized \$750,000 for this project.

The 2020 Budget had assumed a Portland bond amount of \$750,000. The amendment increases the proposed bond amount by \$230,000, which increases the annual assessment by an estimated \$18,000.

Trustee Lunt asked for clarification on the \$230,000 increase. Mr. Crovo explained the reason for the increase was due to the repairs needed and the significant concrete deterioration conditions of the basins.

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

It was Voted and unanimously,

RESOLVED, Resolution 19-011 is hereby amended to authorize the issuance of up to \$980,000 in Portland Sewer Bonds, reflecting an increase of \$230,000, to finance the primary clarifier upgrade at the East End Treatment Plant in Portland. 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.

Resolution 20-010, authorizing issuance of sewer bonds to finance installation of tide gates near India Street, Portland.

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

| | | | |
|------|------|--|-----------|
| 2018 | 2577 | India St and NEPS Tide Gate Replacement | \$400,000 |
| 2017 | 2641 | India St and NEPS Tide Gate Replacement design | \$20,000 |

Trustees Garrison and Lunt inquired on the replacement of additional tidal gates. The current one being replaced has served its useful life after 40 years. Mr. Firmin explained there are 2 large gates left to replace which will be done over the next several years, however, the City of Portland has more to replace.

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

It was Voted and unanimously,

RESOLVED, the issuance of up to \$420,000 of Portland Sewer Bonds is hereby authorized to finance installation of tide gates near India Street in Portland 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.

Order 20-021, authorizing the issuance of “Green Bonds”.

The Board is scheduled to authorize the issuance of up to \$980,000 and \$420,000 Portland wastewater bonds at their June 22, 2020 meeting. The bonds will provide funds to finance the upgrade of the primary clarifier at the East End Wastewater Treatment Plant and the installation of tide gates near India Street and other related infrastructure upgrades and improvements. These are environmentally beneficial projects designed to ensure safe drinking water for the public in the State in accordance with State, Federal and local standards. Therefore, the bonds can be designated as “Green Bonds”.

“Green” bonds versus ordinary bonds are, on average, about 6 basis points below yields paid by otherwise equivalent bonds. The Bond is scheduled to be sold in July 2020.

Trustee Garrison commented it is wise for the District to have green investments.

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

It was Voted and unanimously,

ORDERED, that the \$980,000 and \$420,000 Portland sewer bonds authorized on June 22, 2020 will be designated as “green bonds”, with the proceeds used for “green” purposes.

Resolution 20-011, authorizing an amendment to the Defined Benefit Pension Plans’ Funding Policy.

The District has two defined benefit plans – a non-bargaining unit plan and a bargaining unit plan. The actuary conducts a study using data as of May 1st each year to calculate the recommended contribution (actuarially determined contribution (ADC)) to be made in the following year. The actuary follows the guidance incorporated in the Board-adopted Defined Benefit Pension Plans’ Funding Policy. The preliminary report was recently prepared and indicated the 2021 contribution would increase by \$596,325 as listed below:

| | <u>2020</u> | <u>2021</u> | <u>Increase</u> |
|---------------|----------------|----------------|-----------------|
| Non-Bargained | 488,318 | 748,543 | 260,225 |
| Bargained | <u>632,344</u> | <u>968,444</u> | <u>336,100</u> |
| Total | 1,120,662 | 1,716,987 | 596,325 |

The primary reason for the increase was the decline in asset values primarily due to the COVID-19 national emergency. The asset value as of May 1, 2020 was \$23,577,717, a \$1,451,697 decline from the prior year. Subsequent to the May 1, 2020, most of the decline has been recovered. The proposed policy amendment allows an adjustment to the ADC calculation due to market valuation anomaly due to a declared national emergency.

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

It was Voted and 10-1 (Levinsky absent for vote),

RESOLVED, the Defined Benefit Pension Plans' Funding Policy approved September 23, 2013 and amended March 23, 2015 be further amended to allow an adjustment to the actuarial determined contribution due to the impact of a declared national emergency.

Order 20-022, authorizing the General Manager to execute a professional services contract with Woodard & Curran.

The electrical gear in the Primary Gallery was installed during initial construction in the mid 1970's and is nearing the end of its service life. Per the 2017 WWTF Electrical Master Plan, following upgrade of the medium voltage distribution system and main switchgear (currently underway) it was recommended to replace the low voltage equipment feeding the process areas coincident with upgrades in that area. The Primary Gallery serves several processes currently under consideration for upgrade including Gravity Thickener #1, plant water pumping, and primary sludge handling systems. The assessment will evaluate the condition of the Primary Gallery, evaluate alternatives to most cost effectively replace the existing equipment, and provide a preliminary design of the proposed solution for consideration in future Capital Improvement Plans.

Staff reviewed and scored three proposals from qualified teams that provided proposed methods for achieving the project goals. Based on the outcome of the review and ranking, Woodard & Curran received the best overall score (109). Staff therefore recommends award to Woodard & Curran for an amount of \$49,600, which includes condition assessment, alternatives analysis and preliminary design.

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

It was Voted and unanimously,

ORDERED, the General Manager is authorized to execute a professional services contract with Woodard & Curran in the amount of \$49,600 for preliminary engineering services for the East End WWTF Primary Gallery Electrical Upgrade Preliminary Design (CIP 2020-21/3208); 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 20-023, authorizing the comprehensive method for the procurement of engineering services for the North Windham Wastewater Treatment Facility Project.

Pursuant to the District's purchasing policy and the Memorandum of Understanding (MOU) approved May 26, 2020 (Order 20-020), staff is seeking approval from the Board of Trustees to procure engineering services for the planning, design, and bidding of the North Windham Wastewater Treatment Facility. The Comprehensive Method for engineering would result in one engineering contract that would provide all the engineering services for the project from design to startup of the upgrade. Contract amendments would be negotiated at pre-determined milestones defined in the request for proposals (RFP).

The focus of this RFP will be to exhaustively seek the most cost effective system configuration possible, taking into account both initial and long term impacts. The engineering analysis performed under this contract will evaluate cost containment strategies to ensure the proposed wastewater solutions offer the Town the best possible value.

It was moved by Trustee Beck and seconded by Trustee Cote.

It was Voted and unanimously,

ORDERED, that the Comprehensive Method is authorized for the procurement of engineering services for the North Windham Wastewater Treatment Facility 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.

OTHER BUSINESS

None

SECOND INVITATION FOR PUBLIC COMMENT

None

TRUSTEE COMMENTS

Trustee Willey inquired on the direction the District will be taking about returning to in-person meetings and asked what the other Trustees thoughts were. President Douglas and Ms. Lewis both replied this topic will be discussed at the July workshop. Ms. Katsiaficas explained that the current State of Emergency allows the District to continue to hold board meetings remotely until August 11, 2020. This may change should the Governor elect to extend the current State of Emergency. Trustees Lunt and Cote are in favor of in-person meetings if it safe to do so.

EXECUTIVE SESSION

None

ADJOURNMENT

Meeting adjourned at 7:06 p.m.

Submitted by,

Donna M. Katsiaficas
Clerk