

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, and via Zoom, on Monday, October 23, 2023. Attending from staff were S. Garrison, C. Crovo, D. Kane, J. Wallace, S. Firmin, J. Hudak, P. Cutrone, D. Katsiaficas, and C. Cote.

The meeting was convened by President Lunt at 6:00 p.m.

ROLL CALL

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

ACCEPTANCE OF MINUTES

Trustee Siviski motioned to accept the minutes of the September 18, 2023, Regular Meeting, seconded by Trustee Willett. It was voted all in favor.

Trustee Cote motioned to accept the minutes of the October 10, 2023, Workshop Meeting, seconded by Trustee Willett. It was voted all in favor.

INVITATION FOR PUBLIC COMMENT

None

REPORTS

Operations Committee

Trustee McCann provided a summary of the Operations Committee meeting on October 10, 2023.

Staff provided a recommendation to award a professional service contract and amend an engineering method approval for the Comprehensive Infrastructure Asset Management Plan.

Staff provided a recommendation to award a construction contract for the East End Secondary Clarifiers and Primary Gallery Upgrade Project and amend an existing engineering service contract.

Both items will be taken up under new business.

Planning Committee

Trustee Douglas provided a summary of the Planning Committee meeting on October 10, 2023.

Staff recommended purchasing a vacuum excavator utilizing a grant award from the Drinking Water Program Lead Copper Compliance Funds.

Staff and the Committee went into executive session pursuant to 1 M.R.S. §405(6)(C) real estate, to discuss negotiations for the disposal of real estate known as the Munjoy Hill Reservoir.

Administration and Finance Committee

Trustee Cote provided a summary of the Administration and Finance Committee meeting on October 10, 2023.

Mr. Kane noted that the Board will consider approving the 2024 Budget including adopting new water rates and fees at the November regular meeting. Fees consist of tariff and non-tariff fees. The tariff fees are included in the District's Terms and Conditions and Non-Tariff Fee Schedule. Mr. Sellick and Mr. Bartels reviewed the proposed changes to the Terms and Conditions. The changes included updating the fees for the updated costs reflecting the current estimate of time to provide the service. Also, it was noted a review of the Main Extension and New Service (MEANS) processes

was completed to ensure all appropriate costs were included in the fees. The proposed non-tariff fee schedule reflects a 4% general price increase.

Mr. Cutrone presented a motion authorizing a contract be executed to purchase software to assist in testing upgrades to the customer billing software. He noted the current billing system was installed in October 2021 and no software updates have been made since going live. Software updates require staff to conduct thorough and time-consuming testing to ensure the updates do not impact the accuracy of the billing-related processes. With the need to implement more software updates in the future, staff explored software that could automate the testing process and became aware of a product from E-Source. This will be taken up under new business.

Ms. Demers presented an overview of the 2024 employee benefits program. She noted that all programs have been renewed with no increase except for a 2% increase in the dental program. She noted the worker compensation annual modification rate decreased to 0.68 (anything below 1 denotes the District claims are below average). The low modification rate will decrease the worker compensation program's annual premium.

The Operations Committee will consider a recommendation to purchase a hydro vacuum excavator. The excavator would be bond-financed through the Lead Copper Loan Fund. The loans would be tax-exempt and are designated as 55% Principal Forgiveness at 0% interest loans for a maximum of 20 years. To take advantage of the tax-exempt bond, an intent to borrow motion needs to be approved by the Board before any money is spent. This will be taken up under new business.

General Manager's Report

- PWD hosted two national media journalists recently. CNN toured the East End Wastewater Treatment Facility (EEWWTF) and interviewed Scott Firmin for a story they are doing on PFAS challenges in Maine. They are highlighting the contamination of farms from industrial biosolids spreading. PWD was able to share its PFAS challenges with wastewater treatment and biosolids disposal, and describe how we are working to be part of the solution.
- Freelance writer Charlie Schmidt went on a tour of the Sebago Lake Water Treatment Facility (SLWTF) and is doing a piece for MIT's Undark publication on PFAS challenges in drinking water.
- PWD has made great progress on the service line inventory requirements of EPA's Lead and Copper Rule Revisions (LCRR). After completing research on service line records, there are only 372 unknown private service lines where PWD is not able to definitively determine they are not lead. PWD has ruled out over 99% of the 57,000 plus service lines as potentially being made of lead.
- Disconnections for non-payment are down by about 20% year-to-date from 2022 numbers and disconnection notices are down 17%.

Overview and presentation regarding the Draft 2024 Budget

Mr. Garrison provided a PowerPoint presentation on the draft 2024 budget. He provided details on the categories of spending in the operating budget. Electricity costs and costs of contracted services and chemicals have increased substantially. These costs are outside of PWD's control. Cumulative water rate increases since 1997 are below what the rate of inflation has been since that time. He noted that PWD is providing service to more customers with the same number of staff. Board committees will review the individual budget areas in November, with final approval set for the business meeting in November.

NEW BUSINESS

Order 23-034, authorizing actions related to the Water Main Business Risk Exposure Analysis (WMBRE Analysis) Project as a subcomponent of the Comprehensive Infrastructure Asset Management Plan (CIAMP) Project.

In 2003, PWD completed the Comprehensive Water System Strategic Plan (CWSSP), which provided a framework for the future operation of the PWD water system. Twenty years have passed since the plan was developed and, in that time, water main likelihood of failure (LOF) analysis tools have adopted statistical modeling and artificial intelligence-based approaches to help predict water main failures and summarize conditions. PWD has a corporate reliability goal of less than 10 leaks per 100 miles of water main. In recent years, PWD has met this goal; however, it is anticipated that the level of investment will hit an inflection point at some point in the relatively near future and require significantly higher levels of resources to meet this goal. The water main model will consider both the likelihood and consequence of failure (COF) to provide risk-based predictions for the PWD water system piping network that can be utilized for annual and multi-year water main capital planning and budgeting that meet stakeholder level of service expectations.

Staff reviewed and scored four qualification packages from engineering teams and vendors that provided proposed methods for achieving the project goals. Based on the outcome of the review and ranking, infraPLAN partnered with Burgess & Niple received the best overall score (134). Staff therefore recommends an award to infraPLAN for an amount of \$254,145, with a project contingency of \$30,855, and a total project budget not to exceed \$285,000. It was moved by Trustee McCann and seconded by Trustee Siviski.

It was Voted and unanimously,

ORDERED, the General Manager is authorized to execute a professional services contract with infraPLAN LLC in the amount of \$254,145.00 for engineering services for a Water Main Business Risk Exposure Analysis (WMBRE Analysis) project as a subcomponent of the Comprehensive Infrastructure Asset Management Plan (CIAMP) project (CIP 2023-3/3071); 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; and

BE IT FURTHERED ORDERED, that the Phased Method is hereby authorized for the procurement of engineering services for the Comprehensive Infrastructure Asset Management Plan (CIAMP) Project, pursuant to the District's Purchasing Policy; and

BE IT FURTHER ORDERED, that a total subcomponent WMBRE Analysis project budget is hereby authorized, not to exceed \$285,000; 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.

Order 23-035, authorizing actions related to the East End Secondary Clarifiers and Primary Gallery Upgrade Project.

The three existing secondary clarifiers at the East End Wastewater Treatment Facility are beyond their useful life and have experienced several failures. PWD hired Kleinfelder to provide design phase engineering services and Woodard & Curran to provide Owners Project Manager (OPM) Services earlier in 2023. Kleinfelder provided design phase engineering services for the Primary Gallery Upgrade Project in 2021 and 2022; therefore, the decision was made to combine the Secondary Clarifier Upgrade Project with the Primary Gallery Upgrade Project for a combined construction project.

The Project was publicly bid on August 31, 2023. Bids were received from two general contractors on September 26, 2023: Penta Corporation and T. Buck Construction. Both of the bids were under budget and were within 0.4% of each other. Kleinfelder performed a due diligence review of the response and has determined that the apparent low bidder has the contracting capacity, relevant project experience, qualifications, and resources to complete the Project. PWD therefore recommends that Penta Corporation be considered the low-responsive and responsible bidder and recommends awarding the contract for \$5,045,100.

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

It was Voted and unanimously,

ORDERED, the General Manager is hereby authorized to execute a professional services contract amendment with Kleinfelder, in the amount of \$951,000 for construction services for the East End Secondary Clarifiers and Primary Gallery Upgrade Project (CIP 2021-21/3152 & CIP 2022-21/3147); and

BE IT FURTHER ORDERED, a professional services contract amendment with Woodard & Curran is hereby authorized, in the amount of \$100,000 for project management for construction services for the Project; 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.

BE IT FURTHER ORDERED, a construction contract with Penta Corporation is hereby authorized, in the amount of \$5,045,100 for the Project; 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.

BE IT FURTHER ORDERED, that a total project budget is hereby authorized, not to exceed \$10,375,000; 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.

Order 23-036, authorizing acceptance of \$700,000 from the Maine Drinking Water Program's SRF Lead Copper Compliance Funds.

The District applied in March 2023 for \$9M for the Maine Drinking Water Program's State Revolving Loan Lead Copper Loan fund for mitigating lead from the water distribution system. There were three projects that the District applied for and were tentatively approved in August. The three projects are service line inventory \$1M, the replacement of galvanized pipe \$7.2M, and the purchase of vacuum excavation equipment estimated at \$800,000. These projects are designated as 55% Principal Forgiveness at 0 % interest loans for a maximum of 20 years

The District was approved by the Drinking Water Program to put out a Request for Bids (RFB) to purchase a new Hydro Vacuum Excavator to self-perform vacuum excavations for developing a service line material inventory required by the revised Lead & Copper Rule.

It was moved by Trustee Douglas and seconded by Trustee Siviski.

It was Voted and unanimously,

ORDERED, that the sum of \$700,000 is hereby accepted from the Maine Drinking Water Programs SRF Lead Copper Compliance funds, compromised of \$385,000 in principle forgiveness (grant) and a \$315,000 no interest loan; and

BE IT FURTHER ORDERED, that the General Manager is authorized to execute a contract with JESCO Inc. for the sum of \$685,000 for the purchase of a vacuum excavator; and

BE IT FURTHER ORDERED, that the 2023 Capital Improvement Plan Project 326/3041 is hereby amended and increased by the sum of \$700,000; and the General Manager and Treasurer are authorized each acting singly to take whatever actions necessary to accomplish the intent of this vote.

Resolution 23-013, declaring the Board's intent to reimburse costs paid by the District from the Water Fund with the proceeds of a future tax-exempt bond.

At their October 10, 2023 meeting, the Operations Committee considered, a motion authorizing the purchase of a Hydro Vacuum Excavator for up to \$700,000. Financing has tentatively been approved by the Maine Drinking Water Program to come from their Lead Copper Loan fund for assessing water lines for lead and mitigating lead from water distribution systems. The loan would be tax-exempt and designated as 55% Principal Forgiveness at 0% interest loans for a maximum of 20 years.

In compliance with Internal Revenue Service (IRS) regulation, an 'intent to borrow' motion must be approved by the Board before expenditures are incurred on a project that may be financed with tax-exempt financing. The Board previously adopted 'intent to borrow' motions for the projects. The current motion supplements the prior motions to account for the increase in estimated project costs. Before a bond is actually authorized or issued, a public hearing will be held. Subsequent to the hearing, the Board will consider authorizing the bond.

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

It was Voted and unanimously,

RESOLVED, the Board hereby declares its intent to reimburse costs paid by the District from the Water fund with the proceeds of a future tax-exempt bond. The full form of the resolution is attached hereto and incorporated herein by reference, and shall be part of the minutes of this meeting.

Order 23-037, authorizing a contract with E-Source for the purchase of computer system testing software and related implementation services.

Software testing is critical when implementing and maintaining core business systems. This is especially true for customer-facing applications such as the Cayenta Billing system. Software is not static but undergoes continual development and improvement by the provider. Staying up to date with versions is an expectation for provider support.

PWD has a very thorough manual testing regimen to ensure no unintended consequences or errors occur for any change to the system. The resources and effort to do the complete testing are significant. Currently, PWD employs four people for an estimated four weeks at a total cost of roughly \$41,072 (labor with benefits). These resources must be taken away from their normal duties, which include customer service and billing functions.

Staff has researched and found a software product that will automate much of the testing effort and provide an opportunity to keep up with the continual updates Cayenta makes to the application. The automated solution is configured around PWD business processes and is repeatable and reusable. Use of the application will result in savings year over year. After implementing the solution for

automated testing, the ongoing effort to test Cayenta updates is expected to be approximately one week or \$10,268 resulting in an annual savings of \$30,804.

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

It was Voted and unanimously,

ORDERED, the General Manager is hereby authorized to execute a contract with E-Source, not to exceed \$178,500, for the purchase of computer system testing software and related implementation services, and

BE IT FURTHER ORDERED, that the 2023 capital improvement plan is hereby amended by increasing it by \$178,500; 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.

OTHER BUSINESS

None

SECOND INVITATION FOR PUBLIC COMMENT

None

TRUSTEE COMMENTS

Trustee Levinsky reminded people that local elections are coming up in November.

EXECUTIVE SESSION

None

ADJOURNMENT

Meeting adjourned at 6:53 p.m.

Submitted by,

Carrie E. Cote
Assistant Clerk