

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, January 25, 2021. Attending from staff were Messrs. Kane, Crovo, Firmin, Wallace and Mses. Lewis, Katsiaficas, Demers and Walker. The meeting was convened by President Douglas at 6:01 p.m.

**ROLL CALL**

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

**CONVENE MEETING**

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

**ACCEPTANCE OF MINUTES**

It was moved by Trustee Willey, seconded by Trustee Levinsky.

It was voted all in favor to waive the reading and accept the minutes of the Regular Meeting of December 21, 2020 and the minutes of the Workshop Meeting of January 11, 2021.

**INVITATION FOR PUBLIC COMMENT**

None

**REPORTS**

**Operations Committee**

Trustee Beck provided a summary of the Operations Committee meeting on January 11, 2021. Staff presented a recommendation to award a contract for engineering services for the alternatives evaluation and concept level planning for the Cape Elizabeth WWTF Process Evaluation (Advanced Treatment) project. This will be taken up under new business tonight. Due to technical difficulties with the remote meeting software, the Right of Way Maintenance Update was not presented and will be rescheduled for a later date.

**Planning Committee**

Trustee Siviski provided a summary of the Planning Committee meeting on January 11, 2021. Staff recommended executing a new lease with Madison VWB Realty LLC for another 5 years. This will be taken up under new business tonight. Staff reviewed with the Committee preliminary sketches from Verizon to lease space on the Cumberland tank to place cellular antennas and a small utility building on the property. Verizon will be attending the February Planning Committee to describe their proposal to the Committee in more detail. Staff did not get to the Industrial Pretreatment (IPT) Update due to technical difficulties with the remote WebEx connection. Ms. Lewis noted that the IPT Update will be given to the full Board at the February workshop.

### **Administration and Finance Committee**

Trustee Garrison provided a summary of the Administration and Finance Committee meeting on January 11, 2021.

Staff provided the following recommendations:

- Authorizing the issuance of \$6 million bond to finance water mains and related infrastructure projects. The bond continues the annual investment in replace aging water mains.
- Declaring the \$6 million bond as a ‘green’ bond.
- Authorizing the issuance of \$12 million bond to finance the upgrade of the aeration system at the Westbrook Regional Wastewater Treatment facility. The motion increases the previously approved motion from \$10.5 million to \$12.0 million. The bond amount is consistent with the project budget approved by the Board at December 2020 Board meeting. The amount was included in the 2021 Budget and the impacted municipalities have begun to raise their sewer rates in anticipation of the project.
- Declaring the District’s intent to issue bonds to finance the purchase of land rights on property in the Sebago Lake watershed. Last month the Committee reviewed options to finance the purchase of land rights and suggested issuing a bond. In order for the costs to be financed through a tax-exempt bond, an intent to issue such bonds needs be declared before any costs are incurred.

Ms. Demers provided an overview of two recently enacted laws, Maine’s Earned Paid Leave and City of Portland’s Minimum Wage, and how the laws impact the District.

The Renewable Energy Projects Update was postponed to a future meeting due to time constraints.

### **General Manager’s Report**

Ms. Lewis reported the COVID-19 protocols instituted by PWD have been effective. Employee reporting systems, contact tracing, testing and exposure protocols have been followed. PWD has had 4 cases of COVID-19 of its employees. Water and Wastewater workers have been placed in Phase 1-C for COVID-19 vaccines, presently scheduled to begin in May/June. It is hoped that as vaccines accelerate, that the schedule will be moved up. Ms. Lewis also advised the Board that the water industry had been advised of an increased risk of cyber-attacks and insurrection around the time of the inauguration. PWD observed extra vigilance during that time period, and all remained quiet.

Trustee Willey commented that he would like to strongly advise all employees of the District receive the vaccine when it becomes available to them.

### **NEW BUSINESS**

**Public Hearing**, regarding an amendment to the existing Westbrook sewer bond and to authorize issuance of water bonds.

A public hearing was held on the proposed authorizing to amend a previously authorized bond issued for the Westbrook Regional Wastewater Treatment Facility primary clarifier upgrade and to authorize issuance of water bonds to finance the installation and renewal of water mains and related infrastructure.

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

**Resolution 21-001**, authorizing an amendment to the previously authorized sewer bonds issued to finance upgrades to the aeration and clarifier systems and related infrastructure at the Westbrook Regional Wastewater Treatment Facility.

At the June 24, 2019 meeting, the Board authorized the issuance of a \$10.5 million bond to finance the upgrades to the aeration and clarifier systems and related infrastructure at the Westbrook Regional Wastewater Treatment facility. The project was recently put out to bid and, at the December 21, 2020 meeting, the Board authorized a \$12 million budget. The proposed motion increases the bond authorization to reflect the projected actual costs. The 2021 Budget included the impact of the \$12 million bond in the Gorham, Westbrook and Windham five year forecast.

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

It was Voted and unanimously,

**RESOLVED**, Resolution 19-009 is hereby amended to authorize the issuance of up to \$12,000,000 of Gorham, Westbrook and Windham Wastewater Bonds to finance upgrades to the aeration and clarifier systems and related infrastructure at the Westbrook Regional Wastewater Treatment facility. 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 21-002**, authorizing the issuance of up to \$6,000,000 in water bonds to finance the installation and renewal of water mains and related infrastructure.

The approved 2021 Capital Improvement Plan includes \$8,075,000 of water distribution system upgrade projects being financed through the issuance of a \$6,000,000 bond and \$2,075,000 in withdrawals from the water renewal/replacement and master plan funds.

Staff proposed issuing a bond either through the Maine Municipal Bond Bank or as a publicly issued bond. The bonds may be issued through the Bond Bank's regular or state revolving loan fund. Mains have a 77-year useful life (PUC rules define useful life), and we expect no additional annual operating costs as a result of these projects being financed. The projects are consistent with the 2003 Water Master Plan. At least \$2,000,000 of the projects will be projects listed on the System Infrastructure Assessment report filed with the PUC and, therefore, the projects' debt service costs are eligible to be funded from the capital reserve fund. That \$2,000,000 will be financed over 10 years with the remaining \$4,000,000 financed over 20 years.

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

It was Voted and unanimously,

**RESOLVED**, the issuance of up to \$6,000,000 in water bonds to finance the installation and renewal of water mains and related infrastructure is hereby authorized. 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 21-003**, declaring the intent to issue water bonds to reimburse costs incurred by the District for the purchase of land and land rights in the Sebago Lake Watershed.

The District was recently awarded an \$8 million grant to fund efforts to protect the watershed. The grant is expected to fund \$4.8 million for the purchase of conservation easements over the next 5 years. Additionally, land trusts estimate that an additional \$1 million of fee purchases will be made for which they would request the District's participation. The Board has adopted a policy, Portland Water District Policy for Watershed Land Conservation Outside the Two-mile Limit, stating the District will contribute between 0% and 25% of the conservation value of each transaction. Staff estimates the District's share over the next 5 years will be \$1,400,000.

In recent years, funding for the purchase of land and land interests has been funded through the Watershed Protection Land Funds - Watershed Supply Protection Fund and Land Cash Fund. The available funds balance is \$1,574,000.

The Administration and Finance Committee discussed funding possibilities at their December 7, 2020 meeting and recommended staff consider bond financing for the land and land rights acquisitions. The purchases may be tax-exempt bond financed so it is recommended an intent to issue bond motion be approved by the Board to assure the costs are eligible to be bonded. The Board would need to authorize the actual bond issuance at a future meeting.

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

It was Voted and unanimously,

**RESOLVED**, the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for purchase of land and land rights in the Sebago Lake Watershed. 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 21-001**, authorizing the issuance of "Green Bonds".

The Board is scheduled to authorize the issuance of up to \$6.0 million in water bonds at its January 25, 2021 meeting. The bonds will provide funds to finance the installation and renewal of water main improvements 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 District's Financial Advisor recommended the Board pass an order indicating the bond proceeds will be used for "green" purposes. Other than declaring the bonds as "green" in the bond's Official Statement the only other obligation on the District would be to provide certain post-issuance reporting showing the actual use of the bond proceeds for its declared purpose.

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

It was Voted and 10-1 (Trustee Libby unavailable),

ORDERED, that the \$6.0 million water bonds authorized on January 25, 2021 are designated as “green bonds”, with the proceeds used for “green” purposes.

**Order 21-002**, authorizing the General Manager to execute a professional services contract with Kleinfelder.

The Cape Elizabeth WWTF currently utilizes oxidation ditches and peripheral feed clarifiers to provide treatment for an average daily flow of approximately 0.25 MGD of largely residential and light commercial wastewater. The oxidation ditches are operated in a manner to maximize nitrification and denitrification to the extent practicable; however the configuration of the existing system poses challenges and limitations to the degree of denitrification that can be achieved. This evaluation will consider process modifications within the existing configuration as well as system reconfiguration alternatives and assess the associated expected benefits.

Staff reviewed and scored two proposals from engineering teams that provided proposed methods for achieving the project goals. Based on the outcome of the review and ranking, Kleinfelder received the best overall score (114). Staff therefore recommends award to Kleinfelder for an amount of \$42,560.

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

It was Voted and unanimously,

ORDERED, the General Manager is authorized to execute a professional services contract with Kleinfelder in the amount of \$42,560 for alternatives evaluation and concept level planning for the Cape Elizabeth WWTF Process Evaluation (Advanced Treatment) project (CIP 2020-SP424/3000); 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 21-003**, authorizing the General Manager to execute a lease agreement with Madison VWB Realty LLC.

Dr. Andrea Taliento of Madison VWB Realty, LLC, known as Maplewood Dental, has a Lease with Portland Water District to use a portion of the District’s Pump Station lot located next door to her dentist’s office on Main Street in Gorham for use as staff parking area as shown on the attached Lease and Plan. The current lease has expired. She would like to continue using the parking area and has requested a new Lease Agreement.

Staff recommends that the agreement be in the form of a five year lease beginning January 1, 2021 with five year extension. The Lease can be terminated if necessary upon 30 days written notice. The District has similar leases in South Portland with Pape Autogroup and the Coast Guard Commissary on Broadway. Using the same formula for a lease payment, staff recommends that the annual rent be increased to \$2,420 for the first 5 years and increase 10% to \$2,662 for the second 5 years.

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

It was Voted and unanimously,

ORDERED, the General Manager is authorized to execute a new lease agreement with Madison VWB Realty LLC for parking on PWD land located on Main Street in Gorham in accordance with the terms described herein; and

BE IT FURTHER ORDERED, 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.

Order 21-004, authorizing a compensation adjustment for the General Manager.

The 2020 annual review of the General Manager's performance has been completed. Due to the General Manager's extraordinary effort and exemplary leadership of the District during the challenging conditions of the COVID-19 pandemic, the Board authorized a salary increase, bonus and additional vacation time.

It was moved by President Douglas and seconded by Trustee Garrison.

Ms. Lewis thanked the Board and noted that she was assisted in her performance by PWD employees, for which she was thankful.

It was Voted and unanimously,

ORDERED, that the General Manager's annual compensation shall increase 3.0% effective January 1, 2021, and

BE IT FURTHER ORDERED, that the General Manager shall receive a one-time bonus equal to 3.0% of her 2020 salary and a one-time addition of 40 hours to her vacation bank effective on the date of approval.

**OTHER BUSINESS**

None

**SECOND INVITATION FOR PUBLIC COMMENT**

None

**TRUSTEE COMMENTS**

Trustee Lunt thanked all the employees of the District for all their hard work in 2020 while dealing with the complications the pandemic has raised.

**EXECUTIVE SESSION**

None

**ADJOURNMENT**

Meeting adjourned at 6:46 p.m.

Submitted by,

Donna M. Katsiaficas  
Clerk