

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, February 26, 2024. Attending from staff were S. Garrison, C. Crovo, D. Kane, J. Hudak, D. Katsiaticas, M. Demers, and C. Cote.

The meeting was convened by President Lunt at 6:02 p.m. with the Pledge of Allegiance and a moment of silence.

#### **ROLL CALL**

The roll was called by the Clerk. Trustee Shattuck-Heidorn was absent.

#### **ACCEPTANCE OF MINUTES**

Trustee Willett made a motion to accept the minutes of the Regular Meeting of January 22, 2024, seconded by Trustee Siviski. It was voted all in favor.

Trustee Siviski made a motion to accept the minutes of the Workshop Meeting of February 12, 2024, 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 February 12, 2024.

Staff provided a recommendation to execute professional services contracts with nine qualified firms for General Engineering Services for three years.

Staff provided a recommendation to amend the CIP and execute a construction contract for upgrades at the Douglass St. Facility.

##### **Planning Committee**

Trustee Douglas provided a summary of the Planning Committee meeting on February 12, 2024.

Staff recommended entering into a Purchase and Sale agreement with Silver Street LLC on the sale of the Munjoy Hill Reservoir property.

Staff recommended entering into a Memorandum of Understanding with the Town of Windham for leasing a portion of the Gambo Pit Property.

Staff reviewed the proposed 2024 work plan. The Planning Committee has advocated for ways the District can enhance habitat for pollinator species. Paul Hunt provided a brief list of actions taken in 2023 which included installation of a garden of native plant species at the Standish Boat Launch. He also listed opportunities that will be considered in 2024. This could include the encouragement of pollinator species at District facilities including the East End Wastewater Treatment Facility in Portland and the Sebago Lake Water Treatment Facility in Standish. PWD has instructed the forester to utilize practices that encourage native pollinator-friendly species as part of the management of our watershed lands.

### **Administration and Finance Committee**

Trustee Beck provided a summary of the Administration and Finance Committee meeting on February 12, 2024.

Staff noted the Board authorized a water bond at the January 22, 2024 Board meeting. Staff presented a motion to declare that bond as a 'green' bond. The declaration allows the bond to be marketed as financing projects that are environmentally beneficial.

Staff noted the remaining balance on the bond issued in 2014 is now eligible to be called and refinanced. If the interest rates continue to be favorable, the bond to be issued in August would include an amount to pay off the 2014 bond. Bond Counsel recommends the Board declare the 2014 as 'green'.

Staff noted the administrative services for the defined benefit pension plan is done by Morgan Stanley and Key Bank. The administrative services of deferred compensation pension (457) plan is done by Principal Financial Group (Principal). Staff explored whether any cost savings could be generated by consolidating the administrative services of all pension plans.

Principal provided a proposal to reduce the costs by \$60,000 and staff prepared and distributed to the Committee a memo recommending consolidating the administrative services with Principal. Subsequent to mailing the memo, Morgan Stanley provided a proposal reducing their costs by at least \$60,000. The Committee recommended tabling the motion to allow more time for staff to obtain additional information on Morgan Stanley's proposal.

At a previous meeting, the Committee discussed possible steps to improve its bond rating. An update was provided to the Committee including a potential change to state law. The item was discussed with the full Board at the February 12, 2024 Workshop.

### **General Manager's Report**

Mr. Garrison reported the following:

PWD was featured in a WGME news piece about staffing shortages and veteran recruitment efforts in Maine's wastewater industry. <https://wgme.com/news/local/maine-veterans-new-americans-help-fill-water-district-staffing-shortages-safety-lab-technicians-wastewater-retirement-purity-clean>

Competitive Energy Services (CES) provided an update on the projected savings from the Net Energy Billing (NEB) program for 2024. Projected savings are estimated to be \$281,000 for NEB credits and \$166,000 from the sales of associated Renewal Energy Certificates (REC). In addition, PWD switched to a different CMP tariff rate for the East End Wastewater Treatment Facility and the India Street pump station recently. The estimated annualized savings are approximately \$85,000.

The US Department of Health and Human Services released the initial Low-Income Household Water Assistance Program (LIHWAP) Implementation and Impact Report. PWD received 523 payments for 245 accounts (most getting two payments from the program) totaling \$286,796.98.

The Scholarship Committee is looking for new trustee members, if they are interested.

### **NEW BUSINESS**

**Order 24-003** authorizing the designation of 'Green Bonds'.

The Board previously adopted Resolution 24-002 authorizing water bonds of up to \$15.71 million to finance the installation and renewal of water mains, replacement of the Sebago Lake Water Treatment Facility's roof, upgrade of the Windham Water Pump Station, and obtaining service lines' GPS data points and related infrastructure projects. 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'.

Based on discussions with Moors & Cabot, PWD's Financial Advisor, and published materials staff has reviewed, a 'Green Bonds' designation results in yields that, on average, are about 6 basis points below yields on otherwise equivalent bonds that do not have that designation. To obtain these debt savings,

Staff currently estimates that \$10.31 million of the authorized water bonds will be sold on or about August 1, 2024. The remaining amount will be sold in future years. The 'Green Bonds' designation applies to the full \$15.71 of bonds authorized by Resolution 24-002.

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

It was Voted and unanimously,

ORDERED, that the \$15.71 million water bonds authorized on January 22, 2024 (Resolution 24-002) are designated as 'Green Bonds', with the proceeds to be used for 'Green' purposes.

**Order 24-004**, authorizing the designation of refunded bonds as 'Green Bonds'

The Board previously adopted Resolution 14-002 and authorized water bonds of up to \$5 million to finance the installation of water mains, fire hydrants, and related infrastructure. PWD issued its \$4.541 million bonds for these purposes on June 30, 2014. Those 2014 bonds are eligible to be refinanced this year and the PWD's Financial Advisor, Moors & Cabot, recommends including the refinancing in the PWD's regular annual water bond issue in August. The 2014 bonded projects relate to the installation of water mains and related infrastructure. 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 refunding bonds can be designated as 'Green Bonds'.

Based on discussions with PWD's Financial Advisor, and published materials staff has reviewed, a 'Green Bonds' designation results in yields that, on average, are about 6 basis points below yields on otherwise equivalent bonds that do not have that designation. To obtain these debt savings, the District's Financial Advisor has recommended the Board pass an order indicating the bond proceeds will be used for 'Green' purposes.

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

It was Voted and unanimously,

ORDERED, that the water bonds to be issued to refund and refinance the current outstanding callable principal of PWD's \$4,541,000 water bonds previously issued in 2014 pursuant to Resolution 14-002 adopted February 24, 2014, are designated as 'Green Bonds', with the proceeds to be used for 'Green' purposes.

**Order 24-005**, authorizing the General Manager to execute professional services contracts for general engineering services.

PWD is facing diverse capital needs in the next few years requiring a mix of small, medium, and large projects of varying types and complexities to address aging infrastructure, regulatory requirements, and an increased need for extreme weather resiliency. In aggregate, these diverse projects will increase the total Capital Improvements Plan (CIP) workload. In order to deliver projects to meet this elevated demand, staff is recommending a range of project delivery mechanisms to effectively leverage engineering consultants including General Engineering Services contracts.

As approved by Board Order 23-007 on February 27, 2023, the General Engineering Method was approved for this program. PWD issued a Request for Qualifications (RFQ) in November 2023 for General Engineering Services. PWD received 12 qualification packages, indicating substantial interest. A selection committee consisting of staff in the Engineering Services Group reviewed the proposals and selected a group of qualified firms. In addition to the qualifications packages, each firm provided a sealed rate summary for the key staff included on the firm's project team.

Staff will select from the pre-qualified firms for certain small to medium sized CIP projects based on expertise and delivery capability, specific to each project. PWD and the selected firm(s) shall negotiate a scope and fee, and develop a task order amendment to the original General Engineering Services agreement. PWD and the Engineering Services Group will continue to utilize a separate competitive procurement process for larger and more complex projects, as needed. Additionally, PWD will identify opportunities to work with new firms in order to ensure a consistent and competitive pool of service providers.

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

It was Voted and unanimously,

ORDERED, the General Manager is authorized to execute professional services contracts with the firms listed in this Order for General Engineering Services for a three-year period beginning March 1, 2024, 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. The firms selected are as follows:

- Kleinfelder
- Hazen
- Woodard & Curran
- Tighe & Bond
- Sebago Technics
- Brown & Caldwell
- Gorrill Palmer
- Wright-Pierce
- Stantec

Order 24-006, authorizing actions for the Douglass Street HVAC Improvements Phase 2 and Office Renovations.

The HVAC Improvements Phase 2 was programmed and approved in the 2023 CIP at \$600,000 to address the North Wing of the Douglass Street office facility. The project was sent out as an RFP for engineering design-build services and AAA Energy Service was the lowest qualified bidder. Upon working on a design with AAA, it was determined that the original scope of work which was heat pumps for the office facility was not going to provide the comfort and control that PWD wanted to achieve in this project. Due to this decision, it was determined that PWD would need to adjust the scope of work to include a new chiller in this phase of the project to be able to support this new system. The replacement of the existing chiller was programmed to be replaced in a later phase of the Douglass Street HVAC Improvement Program (Phase 4).

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

It was Voted and unanimously,

ORDERED, a construction contract with AAA Energy Service is hereby authorized, in the amount of \$872,811 for the Douglass Street HVAC Improvements Phase 2- 2023 CIP 068-3054 and Office Renovations- 2024 CIP 068-3217; and

BE IT FURTHER ORDERED, that the project budget is amended by increasing it by \$200,000 and that the total budget for the combined Projects CIP 068-3054 and CIP 068-3217 is hereby authorized not to exceed \$900,000; 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 24-007**, authorizing the General Manager to execute a Purchase and Sale Agreement with Island View Apartments II, LLC.

The District owns a 1.56-acre parcel of land in Portland at the intersection of Walnut and North Streets that contains an abandoned underground water storage reservoir. The property has been declared surplus in accordance with the District's Policy for the Sale or Other Use of District Real Property. Silver Street Development Corporation, owners of the adjacent parcel, submitted a Letter of Intent to the District proposing to purchase the property with the ultimate goal of developing it into affordable housing. In its November 2023 meeting, the Board of Trustees approved accepting the Letter of Intent.

The Purchase and Sale Agreement follows the terms outlined in the Letter of Intent approved by the Board in November, 2023. Island View Apartments II, LLC is an entity of Silver Street Development Corporation.

The deed will specify that it is being sold "As is, where is" and will absolve the District of all further responsibility or liability for the reservoir or the property.

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

It was Voted and unanimously,

ORDER, The General Manager is authorized to execute a Purchase and Sale Agreement in substantial form as that attached hereto, with Island View Apartments II, LLC for the sale of surplus District property on Walnut Street in Portland known as the Munjoy Hill Reservoir; 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 24-007**, authorizing the General Manager to execute a Purchase and Sale Agreement with Island View Apartments II, LLC.

The District owns approximately 100 acres of land off Gambo Road in Windham. The undeveloped parcel contains a gravel pit and is primarily used by Water Operations for material storage and spoils disposal. The Town of Windham is in need of a laydown area for public works projects and has requested joint use of the District's property. Staff is not opposed to the Town's use of the property, and has outlined the proposed terms of a lease agreement in a Memorandum of Understanding.

The District will lease a portion of the property to the Town for the storage of materials, supplies, pipe, and equipment for town projects, as well as for the storage of snow removed from municipal property. Additionally, the Town will be permitted to mine gravel on the site within limits set by the District.

The Town will improve the access road and will be responsible for snow removal and road maintenance. The District will have reasonable use of the Town's loader, its covered storage bins, and materials.

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

It was Voted and unanimously,

ORDERED, the General Manager is authorized to execute a Memorandum of Understanding and subsequent Lease Agreement with the Town of Windham for the use of a portion of the District's Gambo Road property; 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.

**OTHER BUSINESS**

None

**SECOND INVITATION FOR PUBLIC COMMENT**

None

**TRUSTEE COMMENTS**

Trustee Beck announced that he is running for the legislature in a special election on March 5. He is resigning his position as Trustee as under the PWD Charter he cannot serve as a Trustee and State Official. This is his last meeting as a Trustee if he wins the state legislative election. He thanked his fellow trustees and said he was grateful for his 6 years of service on the Board.

Trustee Siviski wished him well and success in the election. Trustees Douglas and McCann and President Lunt echoed those comments.

**EXECUTIVE SESSION**

None

**ADJOURNMENT**

The meeting adjourned at 6:42 p.m.

Submitted by,

Carrie E. Cote  
Assistant Clerk