

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, February 27, 2023. Attending from staff were S. Garrison, C. Crovo, D. Kane, J. Wallace, S. Firmin, D. Katsiaficas, and C. Cote.

The meeting was convened by President Douglas at 6:06 p.m.

### **ROLL CALL**

The roll was called by the Clerk. Trustees Cote, Siviski, and Shattuck-Heidorn were absent.

### **ACCEPTANCE OF MINUTES**

Trustee Beck made a motion to accept the minutes of the Regular Meeting of January 23, 2023, seconded by Trustee Willett. It was voted all in favor.

Trustee Willett made a motion to accept the minutes of the Workshop Meeting of February 13, 2023, seconded by Trustee Lunt. It was voted all in favor.

### **INVITATION FOR PUBLIC COMMENT**

None

### **REPORTS**

#### **Operations Committee**

Trustee Beck provided a summary of the Operations Committee meeting on February 13, 2023.

Staff described the condition of the secondary clarifiers and an engineering approach to fast-track the replacement of the failing rake arm mechanisms. After completing an engineering study in 2019/2020, the project was placed on the PWD Capital Improvement Plan (CIP) for design in 2023 and construction in 2024. Following the failures of two of the three clarifier mechanisms, which resulted in effluent permit violations, the current renewal schedule was reviewed. While the mechanisms can be kept in service with some ongoing effort, PWD proposes designing and purchasing new equipment. The lead time on this equipment is expected to be over one year.

Engineering Consultant selection requirements for SRF funds has changed. In addition, the internal and external dynamics of the engineering consulting model have evolved. PWD needs to involve engineering firms earlier in the design process, and utilize firms that have successfully worked with PWD's standards to reduce time and expense of engaging design professionals. Staff will provide a future recommendation for a method of procurement to obtain General Engineering Services from engineering firms for a 3-year period to work on miscellaneous capital and operational projects across PWD.

PWD recommended a project to employ a battery bank to address power costs by managing peak energy demand. The scope has been enhanced to provide additional redundancy and resiliency to PWD's electrical distribution systems the Sebago Lake and East End facilities.

Staff provided an update on the Windham Center Water Storage Tank Replacement Project and schedule.

### **Planning Committee**

Trustee Libby provided a summary of the Planning Committee meeting on February 13, 2023.

Staff presented a proposal to contribute \$52,000 to Mahoosuc Land Trust to conserve property known as Flint Mountain. This is an amendment to a project approved by the Board in September of 2022.

Susan Jasper gave a presentation to the Committee explaining the reasons for the program and gave a brief history of the Lead and Copper Rule.

Donna Katsiaticas updated the Board on the status of the CMP Substation. CMP is due to buy an easement from PWD on our East End Plant property by June 30, 2023. After purchase, CMP has 10 years to construct the substation and have it operational.

A brief discussion of the Munjoy Hill Reservoir property occurred. The matter will be placed on the Committee's agenda in March.

### **Administration and Finance Committee**

Trustee Levinsky provided a summary of the Administration and Finance Committee meeting on February 13, 2023.

Mr. Kane noted the Board-approved 2023 Budget included financing \$6 million of water mains through the issuance of a tax-exempt bond. Because we anticipate higher than planned costs due to the current economic and bidding environment, staff is requesting authorization to issue bonds for an additional \$500,000. The preliminary financial results indicate the Water Fund will have a net positive net change of approximately \$900,000. Several possible uses of the funds were discussed and the Committee unanimously recommended the funds first be used to bring the operating fund reserve to the Board-approved target (i.e. - 25% of budget) with the remaining balance transferred to the Renewal and Replacement Fund.

Mr. Peter Cutrone made a presentation on the following three topics related to the District's On-line Bill presentation and payment program: Convenience Fee for Credit/Debit Card transactions, Expanded Payment Options, and Paperless Enrollment.

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

Mr. Garrison reported the following:

- PWD is "opening back up" and will begin to host events again; including events for the Drinking Water Week in May. School tours will be beginning again as well.
- Biosolids disposal situation in Maine is becoming volatile. The Juniper Ridge Landfill can no longer accept biosolids material as there is a decrease in the bulking agents needed to mix with these materials for disposal. PWD is involved in developing a regional solution.
- The number of hours worked by staff last year has decreased by over 12 FTEs, due to staffing shortages.

### **NEW BUSINESS**

**Public Hearing**, regarding authorization of Water Bonds.

President Douglas opened the public hearing. There was no one from the public wishing to speak. President Douglas closed the public hearing.

**Resolution 23-001**, authorizing the issuance of up to \$6,500,000 in water bonds to finance the installation and renewal of water mains and related infrastructure.

The Board approved the 2023 CIP includes \$8,640,000 of water distribution system upgrade projects being financed through the issuance of a \$6,000,000 bond and \$2,640,000 in withdrawals from the renewal and replacement fund. The bond will finance water main and related infrastructure improvements throughout the service territory.

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 Levinsky and seconded by Trustee Beck.

It was Voted and unanimously,

**RESOLVED**, the issuance of up to \$6,500,000 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.

**Order 23-004**, authorizing the issuance of 'Green Bonds'.

The Board is authorized the issuance of up to \$6.5 million in water bonds (see above). 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'.

Staff currently estimates that the authorized water bonds are scheduled to be sold on or about August 3, 2023.

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

It was Voted and unanimously,

**ORDERED**, that the \$6.5 million water bonds authorized on February 27, 2023 are designated as 'Green Bonds', with the proceeds used for 'Green' purposes.

**Order 23-005**, authorizing the allocation of the 2022 Water Fund Surplus.

Preliminary 2022 Financials indicate the Water Fund will have a positive net change of approximately \$900,000. The financial results are due to higher revenues (\$1,288,000) partially offset by higher expenses (\$388,000) than anticipated. Some of the ways the surplus balance can be used are listed below:

- Operating Reserve Contribution: Operating Reserve is 25.4% of 2022 Budget, 0.4% higher than target. The balance (\$6.8 million) is 23.4% of the 2023 Budget or \$464,526 less than target
- Watershed Protection Fund Contribution: Per state law, the District may allocate any surplus balance generated from operations up to 5% of total revenue annually to the Water Supply Protection Fund. Based on preliminary 2022 results, up to \$1,400,000 may be allocated to the fund. The current available balance is \$1.5 million.
- Renewal and Replacement Fund Contribution: Projected 12/31/22 balance is \$5.7 million. The 2023 budget has an annual deficit in capital project funding of \$1,000,000.
- Dedicated Reserve
  - Master Plan and Related (\$944,548 balance)
  - Rate Stabilization Fund (\$300,000 balance)

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

It was Voted and unanimously,

ORDERED, the 2022 annual operating fund change in the Water Fund is hereby allocated to Operating Reserve up to the Board target balance of \$7,289,055 with the remaining balance allocated to the Renewal and Replacement Fund.

Order 23-006, authorizing the convenience fee assessed to customers for use of credit/debit card, or other similar electronic options.

At the October 27, 2014 meeting, the Board authorized offering customers paying their utility bill the option to pay by credit/debit card. Transaction costs are paid by the customers through a convenience fee of 2.5% with a \$1 minimum. In December 2022, the current service provider, Invoice Cloud, provided notification they intended to increase the minimum to \$1.75. They stated the increase is needed due to increase in the interchange fees accessed by credit card companies. At the request of the District, Invoice Cloud provided several options. Staff recommends maintaining the \$1 minimum and increase the percent to 3.05%. Both structures generate approximately the same total fees.

The convenience fee would apply to credit and debit cards transactions and other electronic transactions such as payments using apple pay, google pay, pay pal and Venmo. The fee does not apply to payments processed directly from customers bank accounts.

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

It was Voted and unanimously,

ORDERED, that the convenience fee assessed to customers paying their utility bill by a credit/debit card, or other similar electronic options, be 3.05% of the transaction amount with a \$1 minimum.

Order 23-007, authorizing the General Manager to procure General Engineering Services for the purpose of supporting the District's CIP for a period of three years.

The District is facing an increase in CIP project delivery workload in the coming years, due to aging infrastructure and overall increased resiliency needs. In order to facilitate this increased demand, Asset Management and Planning is planning to create a General Engineering Services program in order to further leverage our partnerships with Engineering Consultants for project delivery needs.

The District will issue an On Call General Engineering Services Request for Qualification (RFQ), which will be sent to firms pursuant to their capabilities as they relate to our ongoing needs. Firms will be considered for different services such as treatment and process improvements, site/civil engineering, electrical engineering, HVAC, SCADA etc.

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

It was Voted and unanimously,

ORDERED, the General Manager is authorized to procure General Engineering Services for the purpose of supporting the District's Capital Improvement Plan (CIP) for a period of three years, 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.

**Order 23-008**, authorizing the General Manager to execute a contract with Woodard & Curran for Engineering Services related to the Battery Storage Project.

In December, Staff reported to the Board that they were working with Competitive Energy Services, (CES) to develop a Request for Proposal (RFP) for engineering, procurement, and construction services (EPC) to install two battery storage facilities -- one at the District's East End Wastewater Treatment Facility (WWTF) and the other at the Sebago Lake Water Treatment Facility (WTF). These storage facilities are being designed to store electricity from the grid when electricity rates are at their lowest and then utilize the stored electricity when the electricity rates are at their highest. The estimated payback from this project is expected to be 4.5 years. The project is expected to yield a savings of \$4.3M over the 20-year life of the batteries.

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

It was Voted and unanimously,

ORDERED, that the General Manager is authorized to execute a contract with Woodard & Curran in the amount of \$44,000 for Engineering Services related to the Battery Storage Project; and

BE IT FURTHER ORDERED, that the 2023 Capital Improvement Plan (CIP) is amended in the amount of up to \$44,000 for the Battery Storage Project Evaluation.

**Order 23-009**, authorizing actions related to the East End WWTF Secondary Clarifiers Upgrades Design Project.

The three existing secondary clarifiers at the East End WWTF are beyond their useful life, with both the frequency and severity of issues increasing in recent years. The current state of the

clarifiers has created what has been classified as an emergency situation and this project has been initiated on an accelerated schedule.

Due to the emergency nature of this project, staff is not following the typical procurement process. Staff has selected Kleinfelder to provide preliminary design phase engineering services for the upgrades to the secondary clarifiers. Kleinfelder is a qualified team that is currently under contract designing upgrades to the gravity sludge thickeners at the East End WWTF; an amendment to this contract was completed to add the secondary clarifier preliminary design scope. A further amendment to this contract with Kleinfelder is anticipated to cover the final design once the scope is refined during preliminary design.

Staff has selected Woodard & Curran to act as Owner Project Manager throughout the engineering design phase to support new staff and provide technical expertise. Woodard & Curran is a qualified team that is currently under contract for an electrical upgrade project at the East End WWTF and the secondary clarifier scope was added to their existing contract as an amendment.

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

It was Voted and unanimously,

ORDERED, that the Comprehensive Method is hereby authorized for the procurement of engineering services for the East End WWTF Secondary Clarifiers Upgrades Design Project, pursuant to the District's Purchasing Policy; and

BE IT FURTHER ORDERED, the professional services contract amendment with Kleinfelder in the amount of \$242,500 for preliminary design phase engineering services for the East End WWTF Secondary Clarifiers Upgrades Design Project (2023-21/3147) executed by the General Manager on February 16, 2023 is hereby ratified; and

BE IT FURTHER ORDERED, the professional services contract amendment with Woodard & Curran in the amount of \$68,165 for project management for design phase engineering services for the East End WWTF Secondary Clarifiers Upgrades Design Project (2023-21/3147) executed by the General Manager on February 16, 2023 is hereby ratified; 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 23-010, authorizing an amendment to Order 22-040; a contribution to Mahoosuc Land Trust.

The Flint Mountain property is 201 acres located in Albany Township. Mahoosuc Land Trust plans to purchase the Flint Mountain property and place a conservation easement on the Flint Mountain parcel and a nearby 148-acre parcel known as Sawin Hill. Both properties are primarily forested and drain to a branch of a tributary to the Crooked River. The property is part of Mahoosuc Land Trust's strategic conservation plan, Crooked River Focus Area, which aims to connect the 12,268-acre Crooked River Headwaters conservation easement and the White Mountain National Forest through conservation easements and fee interests.

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

It was Voted and unanimously,

Whereas, The Board of Trustees authorized a contribution to Mahoosuc Land Trust on September 19, 2022 in the amount of \$52,632 for the purposes of conserving two properties totaling 349 acres known as Flint Mountain-Sawin Mill; and

Whereas, the nature of the transaction approved by the Board has changed, with the type of property interest purchased modified; and

Whereas, after review of the revised transaction, the Board deems it is in the best interest of the District to continue to contribute to the purchase of a conservation interest;

NOW THEREFORE BE IT ORDERED, that Order 22-040 is hereby amended, and that the General Manager is authorized to contribute up to \$52,000 to Mahoosuc Land Trust to support the conservation of land known as Flint Mountain and the adjacent Sawin Hill property, located in Albany Township.

**OTHER BUSINESS**

None

**SECOND INVITATION FOR PUBLIC COMMENT**

None

**TRUSTEE COMMENTS**

President Douglass reminded the Board it is time for the General Manager's 6-month review. The General Manager was requested to provide a list of his priorities for the management of the District.

**EXECUTIVE SESSION**

None

**ADJOURNMENT**

Meeting adjourned at 7:08 p.m.

Submitted by,

Donna M. Katsiaficas  
Clerk