

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, June 26, 2023. Attending from staff were S. Garrison, C. Crovo, D. Kane, S. Firmin, J. Hudak, D. Katsiaficas, and C. Cote. Jamie Willey of Portland was also in attendance.

The meeting was convened by President Lunt at 6:02 p.m.

### **ROLL CALL**

The roll was called by the Clerk. All Trustees were present; Trustee Shattuck-Heidorn joined the meeting at 6:30 p.m.

### **ACCEPTANCE OF MINUTES**

Trustee Cote motioned to accept the minutes of the May 22, 2023, Regular Meeting, seconded by Trustee Siviski. It was voted all in favor.

Trustee Cote motioned to accept the minutes of the June 20, 2023, Workshop Meeting, seconded by Trustee Siviski. 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 June 20, 2023.

Staff recommended the award of a construction contract for the Windham Center Water Storage Tank Replacement Project. This will be taken up under new business tonight.

Staff provided an update on the secondary clarifier project and schedule. The project has been combined with a similar project to upgrade a gravity thickener and primary sludge pump gallery, which is similar in nature to this work. The award of the contract for installation is expected in October. The collection mechanisms have been ordered and the first is expected to arrive on site in December. The Committee “virtually” walked through a 3-dimensional visual model of the clarifier and noted the challenging condition of the mechanisms.

Clarifier #3 has failed and repair would be challenging. With the first clarifier mechanism arriving in December, the project is focused on ensuring that the contractor and clarifier #3 are ready to immediately install the equipment when it arrives. Having only two clarifiers is impacting the plant’s nutrient optimization efforts.

With the loss of clarifier #3, an engineering consultant will assist PWD with planning to operate the plant with two clarifiers and prepare contingency plans if a second clarifier fails.

Staff also discussed the Primary Clarifier chain and flight issues. Two basins have been taken offline. The first tank was inspected with the manufacturer and operations staff are pumping out the second tank for inspection. Following an assessment, the required scope to repair the chain and flight collection systems will be prepared and shared with the Board of Trustees.

### **Planning Committee**

Trustee Douglas provided a summary of the Planning Committee meeting on June 20, 2023.

Staff noted that the Planning Committee had the sale of surplus land – Munjoy Hill Reservoir in March in order for Silver Street to obtain a structural analysis of the concrete tank to see if affordable housing on that site is feasible. Staff explained that the tank is being drained and that staff needed permission from the Department of Environmental Protection in order to drain the tank slowly into Casco Bay. The tank draining should take between 5 and 10 days and sometime after that, a structural analysis will be performed. Staff expects that either in July or August, they will report back to the Committee.

Paul Hunt reported that the Mountain Division Rail Trail bill in the legislature has been reported out of committee - ought to pass - and is waiting to be voted on by the full legislature. He noted that there is a separate bill for funding that will also need to be voted on by the full legislature.

Staff noted that they are working on the 2024 budget and are considering proposing funding a portion of the Sebago Clean Waters Operating budget through a contract, and wanted to get some feedback from the Committee. After much discussion the Committee requested more information from staff and staff noted that they will bring back more details in subsequent Planning Committee meetings.

### **Administration and Finance Committee**

Trustee Willett provided a summary of the Administration and Finance Committee meeting on June 20, 2023.

Staff presented the 2022 Annual Comprehensive Financial Report. The report contains the audit report reviewed by the Board last month. The report will be submitted to the Government Finance Officers Association to be reviewed for compliance with their standards.

Staff presented multiple bond-related motions to finance capital projects. These will all be taken up under new business tonight.

Staff presented a summary of the actuary's 2024 defined benefit pension plan funding report. The report indicates actuarially determined contribution (ADC) for 2024 is \$2,163,062, which is \$638,253 higher than 2023. The increase is due primarily to lower-than-expected asset returns.

It was noted the defined benefit plans are closed to new participants and only have 50 active employees in the plan. The actuary provided a forecast of projected future annual contributions needed. Because of the projected decline in annual contributions, the Committee recommended an annual funding level lower than actuarially determined contribution (ADC) be set and maintained until the pension funds are adequately funded. The recommended amount was \$1.6 million. It will be incorporated into the draft 2024 budget, which will be reviewed later this year by the full Board.

Staff presented a proposal to amend the water rate annual adjustment to stabilize the annual water revenue. It was proposed to increase the variable consumption charge for the 30-100hcf and 100-500hcf blocks by the same percentage as the general increase rather than 150% of the general rate as has been done typically. The lower variable revenue would be offset by higher fixed minimum charges. The overall water revenue impact would be the same.

The change increases the percent of fixed revenue resulting in a more stable revenue stream and continues to address the disparity between the cost of service and revenue generated by each customer class. The Committee recommended staff utilize the amended water rate adjustment methodology for the next water rate adjustment.

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

- The North Windham Wastewater Project groundbreaking ceremony is scheduled for June 27, 2023. The event will mark the beginning of a project that has been *50 years in the making, the North Windham Wastewater Project*.
- The Annual Water Quality Report was created, posted, and printed in May
- LD211 – An Act to Amend the Laws Governing Water Supply Protection Funds sponsored by PWD, was passed and signed.
- LD 404 – Resolve, to Direct the Department of Transportation to Implement the Recommendations of the Mountain Division Rail Use Advisory Council, is pending action in the legislature.
- LD 718 – An Act to Increase the Beneficial Reuse of Construction and Demolition Debris, was passed and signed. The out-of-state waste is used as a bulking agent for biosolids.
- A Request for Qualifications (RFQ) for a water pipeline likelihood of failure (LoF) analysis is being reviewed internally and will be released shortly. This will help PWD determine which aging pipes to replace by reviewing statistical leak and break data, and other condition factors.

### **NEW BUSINESS**

**Order 23-023**, authorizing actions related to the Windham Center Elevated Water Storage Tank Replacement Project.

The existing elevated water storage tank in Windham was constructed and placed in operation in 1957. The tank was targeted for replacement in the 2003 Comprehensive Water System Strategic Plan (CWSSP). The most recent maintenance was completed in 2019 when two leaks were repaired on the riser. The tank is beyond its useful life and is due for replacement.

The Project was publicly bid on April 18, 2023. Bids were received from two (2) contractors, DN Tanks of Maine, LLC and Preload, LLC, on May 24, 2023. The bids fell within the project budget.

PWD performed a due diligence review of the response and has determined that the apparent low bidder has the contracting capacity and resources to complete the Project. PWD, therefore, recommends that DN Tanks of Maine, LLC be considered the low-responsive and responsible bidder.

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

It was Voted and unanimously,

**ORDERED**, the General Manager is hereby authorized to execute a construction contract with DN Tanks of Maine, LLC in the amount of \$2,751,900 for the Windham Center Elevated Water Storage Tank Replacement Project (“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); and

BE IT FURTHER ORDERED, that a total Project budget is hereby authorized not to exceed \$5,304,211; 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.

### **Public Hearing**

President Lunt opened the public hearing for comments regarding the issuance of bonds to finance various capital projects. No one present from the public or attending remotely wished to speak.

President Lunt closed the public hearing.

**Resolution 23-005**, authorizing an amendment to increase the authorized bond amount for the Windham Center Elevated Water Storage Tank Replacement Project.

In 2018, the Board authorized the issuance of a \$3,000,000 bond to finance the construction of a new water storage tank in Windham as part of the upgrade to the 407 Zone. Bids for the construction were recently received and the project cost is now expected to be \$5,300,000. In addition to the project cost of \$5,300,000, the motion authorizes an additional \$200,000 of bonds to cover any cost overrun bringing the bond authorized amount to \$5,500,000.

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

It was Voted and unanimously,

RESOLVED, Resolution 18-007, relating to the construction of a water tank and related infrastructure in Windham is hereby amended to increase the authorized bond amount to \$5,500,000. 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 23-024**, authorizing the issuance of ‘Green Bonds’.

The Board authorized the issuance of up to \$5.5 million in water bonds at its June 26, 2023 meeting. The bonds will provide funds to finance the construction of the Windham Center Elevated Water Storage Tank 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 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 Cote and seconded by Trustee Beck.

It was Voted and unanimously,

ORDERED, that the \$5.5 million water bonds authorized on June 26, 2023 (Resolution 18-007 as amended by Resolution 23-005) are designated as ‘Green Bonds’, with the proceeds to be used for ‘Green’ purposes.

**Resolution 23-006**, authorizing an amendment to allow bond proceeds to be used to finance upgrades to Ottawa Road Pump Station and related infrastructure in the Town of Cape Elizabeth.

In 2021, the Board authorized the issuance of a \$650,000 bond to finance the upgrades to the Maiden Road Pump Station in Cape Elizabeth. A \$575,000 bond was issued on November 3, 2022. The actual cost of the project is approximately \$11,000 less than the bond. Staff recommends that the unspent amount be allocated to finance the Ottawa Road Pump Station upgrades and related infrastructure. The 2023 Budget assumed a \$350,000 bond would be issued to fund the Ottawa Road Pump Station project. If the Board approves the motion, the \$350,000 bond will be reduced by \$11,000. The reduced bond amount will lower Cape Elizabeth’s debt service cost by \$1,000 annually.

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

It was Voted and unanimously,

RESOLVED, Resolution 21-009 is hereby amended to allow bond proceeds to be used to finance upgrades to Ottawa Road Pump Station and related infrastructure in the Town of Cape Elizabeth. 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 23-007**, authorizing the issuance of up to \$16,750,000 of Portland Sewer Bonds to finance upgrades to the East End Wastewater Treatment Facility.

Two significant projects are planned for Portland’s East End Wastewater Treatment Facility – Primary Sludge Handling/Gallery Upgrade and Secondary Clarifier Sludge Rake Mechanism Replacement. Due to operational issues, staff recommends the projects be completed at the same time with work starting in 2023. The projects have not been put out to bid so the final costs are not known, but are not expected to exceed \$16,000,000. Authorization is being requested before the projects are bid in order to submit an application to the Maine Municipal Bond Bank and to reserve any Clean Water State Revolving Funds that may be available. Only the amount needed for the projects and approved by the Board will be bond financed.

Additionally, the Stroudwater Pump Station is being upgraded with an estimated project cost of \$675,000.

The additional \$75,000 amount is to cover contingency costs.

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

It was Voted and unanimously,

RESOLVED, the issuance of up to \$16,750,000 of Portland Sewer Bonds is hereby authorized to finance upgrades to the East End Wastewater Treatment Facility, including the primary sludge handling and gallery upgrade, and the secondary clarifier sludge rake mechanism replacements, and a Stroudwater Pump Station

upgrade 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.

**Resolution 23-008**, authorizing an amendment to allow bond proceeds to be used to finance upgrades to the aeration and clarifier systems and related infrastructure at the Westbrook Regional Wastewater Treatment Facility.

In 2021, the Board authorized the issuance of a \$250,000 bond to finance the upgrades to the sludge storage odor control system and related infrastructure at the Westbrook Regional Wastewater Treatment facility. A \$175,000 bond was issued on November 4, 2021. The actual cost of the project is approximately \$7,000 less than the bond. Staff recommends the unspent amount be allocated to finance the upgrades to aeration and clarifier systems and related infrastructure at the Westbrook Regional Wastewater Treatment Facility. The 2023 Budget assumed a \$4,000,000 bond be issued to fund the aeration and clarifier systems upgrade. If the Board approves the motion, the \$4,000,000 bond will be reduced by \$7,000. The reduced bond amount will lower debt service cost by \$700 annually.

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

It was Voted and unanimously,

**RESOLVED**, Resolution 21-010 is hereby amended to allow bond proceeds to be used 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 23-009**, authorizing an amendment to increase the authorized bond amount for the Windham Wastewater Treatment Plant and related infrastructure.

In 2021, the Board authorized the issuance of a \$11,000,000 bond to finance only the first phase of the construction of a new wastewater treatment plant in Windham. The total project costs are expected to be up to \$38,900,000. The Town is expected to receive grants to fund part of the project costs; though the full amount is not known. The District will only bond the amount necessary to fund the project.

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

It was Voted and unanimously,

**RESOLVED**, Resolution 21-013, related to the construction of a wastewater treatment plant and related infrastructure in Windham, is hereby amended to increase the authorized bond amount from \$11,000,000 to \$38,900,000. 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 23-025**, authorizing the issuance of ‘Green Bonds’.

The Board previously adopted Resolution 11-013 and authorized water bonds of up to \$14 million to finance the installation of an ultraviolet treatment system and upgrade of the ozone system at the Water Treatment Facility in Standish. The District issued an \$8 million bond for these purposes on November 4, 2013. Those 2013 bonds are eligible to be refinanced this year and the District’s financial advisor, Moors & Cabot, recommends including the refinancing in the District’s regular annual bond issue in August. The refinancing is projected to result in aggregate cumulative savings of approximately \$270,000. The bonded projects relate to the installation of an ultraviolet treatment system and upgrade of the ozone system at the Water Treatment Facility in Standish. 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 Beck and seconded by Trustee Siviski.

It was Voted and unanimously,

**ORDERED**, that the water bonds to be issued to refund and refinance the District’s \$8MM water bonds previously issued in 2013 pursuant to Resolution 11-013 adopted July 25, 2011, are designated as ‘Green Bonds’, with the proceeds to be used for ‘Green’ purposes.

**Resolution 23-010**, accepting the 2022 Annual Comprehensive Financial Report.

Each year an Annual Comprehensive Financial Report (ACFR) is prepared. The report is prepared to meet the standards of the Government Finance Officers Association as demonstrated by receiving their certificate of achievement (COA). The COA is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The District has received the COA every year since 1996 and believes the 2022 report meets those standards.

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

It was Voted and unanimously,

**RESOLVED**, that the Board of Trustees accepts the 2022 Annual Comprehensive Financial Report.

**OTHER BUSINESS**

None

**SECOND INVITATION FOR PUBLIC COMMENT**

Jamie Willey addressed the Board on the topic of Sebago Clean Waters. He told the Board about a walk he participated in led by Sebago Clean Waters. He complimented the organization on the positive things they do in the watershed and the public engagement they provide. He also mentioned an event at Portland Green Drinks where Sebago Clean Waters provided public engagement. He felt they provide a clear message related to conservation and thinking of Sebago Lake as a resource and protecting the lake. He noted that funding that organization is money well spent.

**TRUSTEE COMMENTS**

Trustee Cote asked if Trustees should reach out to legislators to lobby on LD 258-- the water/wastewater match for federal funding. They were encouraged to do so.

**EXECUTIVE SESSION**

None

**ADJOURNMENT**

Meeting adjourned at 6:47 p.m.

Submitted by,

Carrie E. Cote  
Assistant Clerk