

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, November 25, 2019. Attending from staff were Messrs. Crovo, Kane, Wallace, Firmin, Johnson and Mses. Lewis, Katsiaficas, Demers and Walker.

**Election of President Pro Tem**

It was moved by Trustee Libby for Trustee Lunt to be President Pro Tem for the meeting, seconded by Trustee Garrison, voted all in favor.

The meeting was convened by Trustee 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. All Trustees were present except Trustees Cote and Douglas.

**DECLARATION OF ELECTION RESULTS AND INAUGURATION FOR THE TRUSTEES REPRESENTING WESTBROOK, GORHAM SOUTH PORTLAND AND CAPE ELIZABETH ELECTED ON NOVEMBER 5, 2019**

Trustee Robert Burns, representing Gorham, was sworn in for a term that will end in November 2022.

Trustee Matthew Beck, representing South Portland and Cape Elizabeth was sworn in as he began his five-year term.

Trustee Guy Cote, representing Westbrook, was absent from the meeting and will be sworn in at the next business meeting.

**ACCEPTANCE OF MINUTES**

It was moved by Trustee Libby, seconded by Trustee Siviski.

Voted all in favor to waive the reading and accept the minutes of the Regular Meeting of October 28, 2019, and the Workshop Meeting of November 12, 2019.

**INVITATION FOR PUBLIC COMMENT**

None

**REPORTS**

**Operations Committee**

Trustee Siviski provided a summary of the Operations Committee meeting on November 12, 2019. The Wastewater and Water Services Departments presented their respective 2020 budgets. After answering all questions to the satisfaction of the Committee members, the Committee agreed to forward these budgets to the full Board for their consideration.

### **Planning Committee**

Trustee Libby provided a summary of the Planning Committee meeting on November 12, 2019. The Asset Management and Planning Department, which is comprised of Environmental and Engineering Services, presented their respective budgets as described in the 2020 Comprehensive Budget Report – Operating Expenses, pages 194 – 226. Committee members noted they were satisfied with this year’s budget proposals for Engineering and Environmental Services and they recommended approval and forwarding their recommendation to the full Board for their consideration.

### **Administration and Finance Committee**

Trustee Garrison provided a summary of the Administration and Finance Committee meeting on November 12, 2019. Mr. David Kane presented a motion authorizing a cost-of-living increase to current pensioners of .82%. The increase is 50% of the annual consumer price index change, which is the maximum allowed under the defined benefit plan. Mr. Kane also presented a motion authorizing the renewal of the HomeServe program for three years. He presented a memo outlining the product enhancements, including limit increases and IT/infrastructure improvements. HomeServe requested authorization to offer a new ‘add-on’ product called enhanced restoration – for \$1.99 customers receive an additional \$1,000 for property restoration. HomeServe has agreed to incorporate the ability to customer to ‘opt out’ of receiving future mailings into letters sent to customers. The Committee reviewed the Administration Departments budget. Overall, the departments’ budget is \$6.1 million, \$242,690 or 4.2% higher. The managers of Information Services, Financial Services, Customer Service and Employee Services presented their budget request to the Committee and responded to a number of questions posed by the Committee members. All of the proposed motions were reviewed and it was recommended to forward to the full Board for their consideration.

### **General Manager’s Report**

The General Manager advised the Board that November 28 will mark the 150<sup>th</sup> anniversary of the Portland Water Company-predecessor to the District- providing water to the City of Portland (a residence on Danforth Street); this was done through a 20 inch main. The main has since been replaced with a 42 and a 48 inch main. The reason for the construction of the water line was initially for fire protection. WCSH 6 and the Press Herald will be noting the anniversary with stories later this week.

Trustee Willey commented that while there has been a decrease in water sales this year he is pleased to see that growth in the District service area is increasing.

The General Manager provided an introduction to the 2020 budget. The budget meets the guidelines established by the Board of Trustees. The Operating Budget is 47.5 Million Dollars; the Capital Budget is 28.1 Million Dollars.

### **NEW BUSINESS**

Trustee Burns asked that he be allowed to recuse himself from the vote on the wastewater assessment for the Town of Gorham as he is the public works director for Gorham.

It was moved by Trustee Rich and seconded by Trustee Libby, and unanimously (Trustee Burns abstained) voted to allow Trustee Burns to recuse himself due to his position as public works director for Gorham in order to avoid the implication of a conflict of interest.

**Order 19-035**, adopting the 2020 Budget and Wastewater Assessments with the exception of the Town of Gorham.

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

It was Voted and unanimously,

**ORDERED** that the 2020 Budget and Wastewater Assessments as presented by the General Manager are accepted and adopted and shall be filed with the minutes of this meeting; and pursuant to Section 12 of the District's Charter, to assess for 2020 the participating municipalities for wastewater related costs as follows:

Town of Cape Elizabeth	\$ 1,705,380
Town of Cumberland	965,292
Town of Falmouth	314,112
City of Portland	12,863,340
City of Westbrook	2,820,768
Town of Windham	389,004

and to assess non-participating municipal corporations for billing-related costs as follows:

City of South Portland	\$ 201,132
Scarborough Sanitary District	11,328

**Order 19-035A**, adopting the 2020 Wastewater Assessment for the Town of Gorham.

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

It was Vote and unanimously,

**ORDERED** pursuant to Section 12 of the District's Charter, to assess for 2020 to the Town of Gorham the sum of \$1,160,676 for wastewater related costs.

**Order 19-036**, adopting the 2020-2024 Capital Improvements Plan.

The Board was requested to adopt the 2020-2024 proposed capital improvement plan and authorize staff to implement the 2020 projects within the restrictions stated below and in compliance with the purchasing policy guidelines.

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

It was Voted and unanimously,

ORDERED that the 2020-2024 Capital Improvement Plan is hereby adopted and the General Manager is authorized to solicit bids or proposals for the year 2020 projects and to authorize the General Manager to award contracts for approved projects to the lowest bidder if the bid is within the project budget.;

BE IT FURTHER ORDERED that the General Manager shall solicit bids or proposals and to partner with Municipalities, MDOT and Developers for the year 2020 for the replacement and extension of water mains, services, valves and hydrants as outlined in the Water Distribution Systems Upgrades Program and to authorize the General Manager to award and enter into contracts if the bid or partnering proposals are within the overall program budget.

**Order 19-037**, authorizing the General Manager and Treasurer to begin the process of a 2020 water rate increase.

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

The Board was requested to authorize the General Manager and Treasurer to begin preliminary steps necessary to prepare a rate adjustment of approximately 3.5%.

It was Voted and unanimously,

ORDERED that the Board of Trustees directs the General Manager and Treasurer to undertake the preliminary steps necessary to prepare a rate adjustment of approximately 3.5% for further Board consideration.

**Resolution 19-016**, declaring the Board's intent to issue debt to reimburse costs incurred for water fund projects identified in the 2020 CIP.

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 water fund projects identified in the 2020 CIP. The full form of the resolution is attached hereto and incorporated herein by reference, and shall be part of the minutes of this meeting.

**Resolution 19-017**, declaring the Board's intent to issue debt to reimburse costs incurred for Cape Elizabeth's wastewater fund projects identified in the 2020 CIP.

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 the Cape Elizabeth wastewater fund projects identified in the 2020 CIP. The full form of the Resolution is attached hereto and incorporated herein by reference, and shall be part of the minutes of this meeting.

**Resolution 19-018**, declaring the Board's intent to issue debt to reimburse costs incurred for Portland wastewater fund projects identified in the 2020 CIP.

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

It was Voted and unanimously,

**RESOLVED** the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Portland wastewater fund projects identified in the 2020 CIP. The full form of the Resolution is attached hereto and incorporated herein by reference, and shall be a part of the minutes of this meeting.

**Resolution 19-019**, declaring the Board's intent to issue debt to reimburse costs incurred for Westbrook, Gorham and Windham wastewater fund projects identified in the 2020 CIP.

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

It was Voted and unanimously,

**RESOLVED** the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Westbrook, Gorham and Windham wastewater fund projects identified in the 2020 CIP. The full form of the Resolution is attached hereto and incorporated herein by reference, and shall be a part of the minutes of this meeting.

**Order 19-038**, authorizing an adjustment in pension benefits for eligible retirees and annuitants.

Since 1989, the Board of Trustees has authority to grant an annual adjustment in pension benefits equal of one-half of the previous year's consumer price index (CPI) increase up to a maximum of 5%. The adjustment is not automatic; it is subject to the Board's approval each year. The table below indicates increases given since 2009:

1989 - 2008:	50% of CPI
2009:	Eligible for 2.41%, no increase granted
2010:	CPI negative, no increase granted
2011:	Eligible for 1.14%, no increase granted
2012:	50% of CPI, 1.61%
2013:	50% of CPI, 1.20%
2014:	50% of CPI, 0.72%
2015:	50% of CPI, 0.82%
2016:	CPI negative, no increase granted
2017	50% of CPI, 0.36%
2018	50% of CPI, 1.03%
2019	50% of CPI, 1.29%
2020	50% of CPI, 0.82%

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

It was Voted and unanimously,

ORDERED, effective January 1, 2020 an adjustment of 0.82% in pension benefits is authorized for eligible retirees and annuitants in accordance with Article X of the District’s pension plans.

**Order 19-039**, extending the HomeServe USA Corporation warranty program contract.

Since 2006, the District has partnered with HomeServe (formerly Home Service USA) to provide an optional, customer paid warranty program. The program currently provides financial assistance for water lines, sewer lines and internal plumbing. Currently, the number of customers participating in the program is 8,348. The current monthly fees for the program are listed below:

Water Service line	\$6.99
Sewer Service line	\$10.49
Internal Plumbing	\$11.49

Unlike most HomeServe partners, the District chose not to receive a portion of the fee charged to customers and instead the customer’s fee is reduced by 5%. HomeServe has reported that 2,571 customers have received over \$2.1M in benefits from the program.

The Administration Committee requested staff to inquire on whether HomeServe would increase their limits and incorporate into their letters how customers can ‘opt out’ from future mailings. HomeServe responded that limits were increased 5 years ago. They also reviewed PWD claims and noted only 1 instance where the full limit was paid. They agreed to include ‘opt out’ language in future mailings. The Committee agreed to HomeServe’s suggestion to offer a new add-on product, Enhanced Restoration, which provides for an additional \$1,000 for property restoration

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

It was Voted and unanimously,

ORDERED, the contract with HomeServe USA Corporation to provide a water and wastewater line warranty program is hereby extended for a period of three years according to the same terms as the present contract with the District.

**Resolution 19-020**, adopting the Board of Trustees meeting schedule for 2020.

The Board reviewed the proposed meeting calendar for 2020.

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

It was Voted and unanimously,

RESOLVED, to adopt the proposed Board of Trustees meeting schedule for 2020.

Trustee Willey stated he will be sending the 2020 schedule to the Forecaster and thanked them for publishing our meetings.

**OTHER BUSINESS**

None

**SECOND INVITATION FOR PUBLIC COMMENT**

None

**TRUSTEE COMMENTS**

Trustee Libby and Trustee Lunt wished a safe and Happy Thanksgiving to all and thanked them for their service.

Trustee Garrison noted that while Trustee Willey mentioned water sales have decreased this year, the big cost, that is a fixed cost, is the cost of delivering water.

**EXECUTIVE SESSION**

None

**Adjournment.**

Meeting adjourned at 6:43 p.m.

Submitted by

Donna M. Katsiaficas  
Clerk