

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 26, 2018. Attending from staff were Messrs. Crovo, Kane, Firmin, and Mses. Lewis, Katsiaficas, Demers, and Walker. The meeting was convened by President Lunt at 6:01 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 Trustee Garrison.

DECLARATION OF ELECTION RESULTS AND INAUGURATION FOR THE TRUSTEES REPRESENTING PORTLAND AND SCARBOROUGH ELECTED ON NOVEMBER 6, 2018

Trustee Kim Rich, representing Portland, was sworn in as she began her five-year term.

Trustee Seth Garrison, representing Scarborough, was elected for another five-year term. Trustee Garrison 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 Cote.

Voted all in favor to waive the reading and accept the minutes of the Regular Meeting of October 22, 2018, and the Workshop Meeting of November 13, 2018.

INVITATION FOR PUBLIC COMMENT

None

REPORTS

Operations Committee

Trustee Siviski provided a summary of the Operations Committee meeting on November 13, 2018. The Wastewater and Water Services Departments presented their respective 2019 budgets. Water Services reviewed accomplishments from 2018 and noted some of the changes planned for 2019, resulting in an overall increase of 3.9%. Wastewater Services highlighted their 2018 accomplishments and challenges and discussed the 2019 budget work plan in the six communities that PWD serves. The overall budget increase was 2.0%, which met the budget guidelines and was within the municipal expectations previously shared. 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 Levinsky provided a summary of the Planning Committee meeting on November 13, 2018. The Asset Management and Planning Department, which is comprised of Environmental and Engineering Services, presented their respective budgets as described in the 2019 Comprehensive Budget Report – Operating Expenses, pages 196 – 228. Staff provided an overview of the Environmental and Engineering Services proposed 2019 budget. They discussed briefly with the Committee the projects and initiatives they accomplished in the previous year and outlined their goals for this coming year. They also discussed their respective financial

overviews for their departments. Paul Hunt, Environmental Services Manager, reviewed the Water Resources and Laboratory budgets and noted that their proposed budget was increasing approximately 0.3% over the previous year. Gordon Johnson, Engineering Services Manager, and Andrew Welch, Facilities Chief Operator, noted the Facility, Asset Engineering, and Instrumentation Services budgets proposed a budget increase of 3.8%. Committee members noted they were satisfied with this year's budget proposals for Engineering and Environmental Services and voted 3-0 to approve the proposal as outlined in the Comprehensive Budget Report and forward to the full board for their consideration.

Administration and Finance Committee

Trustee Willey provided a summary of the Administration and Finance Committee meeting on November 13, 2018. He noted that the pension cost of living increase and non-union pay structure will be taken up later in the meeting. The Committee reviewed the Administration Departments budget. It was noted that the overall budget request is \$5,821,457, which is \$183,577 or 3.3% higher than the prior year. 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. Ms. Carrie Lewis noted to the Committee that the decision has been made to continue implementing Cayenta's Billing and Customer Relation software but forgo implementing Cayenta's Asset software.

General Manager's Report

The General Manager provided an update on the ABC project and stated that PWD would be moving forward with Cayenta on the CIS system, and pursuing other options for the asset management system. This will mean a change in the project schedule. Ms. Lewis will provide an update on the project schedule and project budget when negotiations with Cayenta for revising our contract have concluded.

Ms. Lewis also reported that wastewater assessment meetings with member municipalities have concluded and went well. Affordability of water and wastewater services was discussed, as was affordability initiatives of PWD.

Union negotiations are underway. Preliminary meetings have been held with another meeting scheduled in the next couple of weeks.

A watershed control audit letter from the State was recently issued. The audit reviews PWD's watershed protection efforts and is important in maintaining PWD's filtration waiver. The audit praised the effectiveness of PWD's watershed control program. Part 2, in the video series, *Protecting a Trillion Gallons of Water* was shown to the Board.

Trustee Willey noted that the participants in the Lifeline Program for low-income households is spread across the communities we serve, not just Portland, as he had previously stated. He is glad we offer this program. Trustee Willey also commented that he recently attended the Land Conservation Task Force public comment meeting in Bangor. He commended them for the excellent job they do protecting land in Maine.

Trustee Cote asked if Calpine notifies the District when they have a planned outage. They do, usually months in advance.

NEW BUSINESS

Trustee Lunt asked the General Manager to introduce the budget items.

Ms. Lewis described the timeline for the budget process. The proposed operating budget is \$45.5 million dollars and the proposed capital budget is \$23.3 million dollars. It is important to note that the District met the budget goals set by the Board of Trustees. The operating expense increase does not exceed the inflation rate; the wastewater assessments met the Municipalities expectations, the workforce will remain at 182 employees and the Capital Budget continues to implement the water and wastewater plans. On the water side most of the capital is being spent on water main replacements and renewals and on the wastewater side most of it is being spent on the East End Treatment Plant projects.

Order 18-033, adopting the 2019 Budget and Wastewater Assessments.

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

It was Voted and unanimously,

ORDERED, that the 2019 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 2019 the participating municipalities for wastewater related costs as follows:

Town of Cape Elizabeth	\$ 1,572,912
Town of Cumberland	905,364
Town of Falmouth	314,112
Town of Gorham	1,13,436
City of Portland	12,616,080
City of Westbrook	2,539,800
Town of Windham	366,768

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

City of South Portland	\$ 201,132
Scarborough Sanitary District	11,256

Order 18-034, adopting the 2019-2023 Capital Improvement Plan.

The Board was requested to adopt the 2019-2023 proposed capital improvement plan and authorize staff to implement the 2019 projects within the restrictions stated below and in compliance with the purchasing policy guidelines.

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

It was Voted and unanimously,

ORDERED, that the 2019-2023 Capital Improvement Plan is hereby adopted and

the General Manager is authorized to solicit bids or proposals for the year 2019 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 2019 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 18-035, authorizing the General Manager and Treasurer to begin the process of a 2019 water rate increase.

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

The Board was requested to authorize the General Manager and Treasurer to begin preliminary steps necessary to prepare a rate adjustment of approximately 4.4%.

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 4.4% for further Board consideration.

Resolution 18-010, declaring the Board's intent to issue debt to reimburse costs incurred for water fund projects identified in the 2019 CIP.

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

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 2019 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 18-011, declaring the Board's intent to issue debt to reimburse costs incurred for Cape Elizabeth wastewater fund projects identified in the 2019 CIP.

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

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 2019 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 18-012, declaring the Board’s intent to issue debt to reimburse costs incurred for Portland wastewater fund projects identified in the 2019 CIP.

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

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 2019 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 18-013, declaring the Board’s intent to issue debt to reimburse costs incurred for Westbrook, Gorham and Windham wastewater fund projects identified in the 2019 CIP.

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

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 2019 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 18-036, 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 CPS, 1.30% (Proposed)

Trustee Beck inquired why there was no increase in 2009 and 2011. Ms. Lewis explained that it was based on the economic condition of the District at the time. Trustee Siviski asked where the authority to grant this increase comes from. Ms. Lewis explained that it is written in the pension plan policy.

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

It was Voted and unanimously,

ORDERED, effective January 1, 2019 an adjustment of 1.30% in pension benefits is authorized for eligible retirees and annuitants in accordance with Article X of the District's pension plans.

Order 18-037, adopting the Non-Union Salary Structure effective January 1, 2019.

The Board adopted the current policy on non-union compensation in 1998. The policy requires a periodic review of the salary structure to ensure that the District's salary ranges are competitive with the regional and industry markets. Additionally, it requires that specific positions are reviewed to ensure they are placed in the appropriate pay band.

The salary structure was last reviewed in December 2016 based on a salary survey conducted that year. It has been two years since the pay scales have been revised.

While the District's seven pay bands have been wide enough to accommodate performance pay changes over the past two years, based on this annual guidance, it is now time to adjust the entire scale by 6% to reflect market changes since 2016. This affects only the pay scale, not employee compensation. Changes would affect entry level, midpoint and maximum pay for a position. Using comprehensive national survey data on compensation planning and practices, supplemented by data reported by clients and/or participants in recent surveys, Human Resource Partners, LLC concludes that salary increases have remained at 3%. For the District, this means that since we last updated our non-union compensation structure effective 1/1/17, the average salary for executive and professional/managerial levels was 3% in 2017 and 2018, and it is projected that it will remain at 3% for 2019. Based on this review, our positioning does suggest the increase of 6% is appropriate to maintain the structural integrity of our plan.

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

It was Voted and unanimously,

ORDERED, the Non-Union Salary Structure, in substantial form as attached hereto, is hereby adopted to become effective January 1, 2019.

Resolution 18-014, adopting the Board of Trustees meeting schedule for 2019.

The Board reviewed the proposed meeting calendar for 2019.

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

President Lunt noted that two options for the schedule were handed out. Trustee Levinsky asked what the difference was on the schedules. Option 1 had the September Business Meeting on September 23 and option 2 had it on September 30. Trustee Libby asked Trustee Levinsky if there were any conflicts with the Jewish holidays. It was noted that Rosh Hashanah begins at sundown on September 29.

It was moved by Trustee Libby and seconded by Trustee Siviski to move the September Business Meeting from September 30 to September 16. The motion was approved unanimously.

It was Voted and unanimously,

RESOLVED, to adopt the proposed Board of Trustees meeting schedule for 2019 in its amended form.

EXECUTIVE SESSION

None

OTHER BUSINESS

None

SECOND INVITATION FOR PUBLIC COMMENT

None

TRUSTEE COMMENTS

Trustee Rich commented that she is happy to be here.

Trustee Lunt asked that the Trustees look over the template he handed out for the General Manager's review process. He would like to discuss the goals for General Manager at the next workshop.

Adjournment.

Meeting adjourned at 6:52 p.m.

Submitted by,

Donna M. Katsiaficas
Clerk