

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, January 28, 2019. Attending from staff were Messrs. Kane, Crovo, Wallace, Johnson and Ms. Lewis, Katsiaticas, Demers and Walker. Members of the public were in attendance.

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.

ACCEPTANCE OF MINUTES

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

Voted all in favor to accept the minutes of the Regular Meeting of December 17, 2018, and the minutes of the Workshop Meeting of January 14, 2019.

INVITATION FOR PUBLIC COMMENT

Members of the Elders for Future Generations addressed the Board regarding their views of tar sands going through the pipeline to South Portland and the dangers of a spill to the water supply. They are concerned about the threat to the water quality of Sebago Lake should a leak occur and asked the District to do more education for its customer related to pipeline hazards.

President Lunt thanked them for their comments.

REPORTS

Operations Committee

Trustee Siviski provided a summary of the Operations Committee meeting on January 14, 2019. Rules and Regulations for Use of the Wastewater System was discussed and staff provided an overview of the process to develop local limits, which is a requirement of our plant permits issued by the Maine Department of Environmental Protection. Staff also reviewed proposed modifications to the process to implement local limits. Staff provided a summary of the electrical power feed issues associated with the failure of the East End plant's main electrical feeder conductors. Staff also discussed the development of a draft 2019 work plan for the Operations Committee at the next meeting.

Planning Committee

Trustee Levinsky provided a summary of the Planning Committee meeting on January 14, 2019. Staff discussed and recommended selling the reservoir property on North Street for \$1.00 to Silver Street Development Corporation. The Corporation has an easement over the property already associated with a housing development adjacent to the property.

Staff provided updates on the following:

Chapter 64 - The Board will be asked to approve Policy 640-Private Fire Service in February. The Policy is needed because of PWD's exemption from PUC Chapter 64.

CMP Substation - Purchase and Sale Agreement - PWD is waiting for approval by CMP of the final Purchase and Sale Agreement.

AT&T Lease-Shore Acres Tank - AT&T is completing final construction design plans and will be submitting a building permit application to the Town of Cape Elizabeth for the placement of equipment on the tank and the placement of a small out building on the site.

Conservation Land District Ownership - Staff discussed the concept of ownership of conservation easements or rights of enforcement of those easements with land trusts. The Planning Committee will be updated at a future meeting with a proposed change to the land conservation program.

Eleanor Webb property - The Committee went into executive session (Motion by Libby, seconded by Levinsky, unanimous) to discuss placing a bid on the property owned by Ms. Webb's estate. The property is located within the 2-mile limit.

IPT Violations - The Committee was advised of violation issues with a business in Gorham and a business in Westbrook.

Trustee Willey commented that the CMP substation being located at the East End is a good thing and he hopes it gets approved.

Administration and Finance Committee

Trustee Willey provided a summary of the Administration and Finance Committee meeting on January 14, 2019. All three items discussed, the water rate increase, the District's Purchasing Policy and Project ABC, were unanimously forwarded to the Board and will be taken up under new business.

General Manager's Report

- 2018 ended with a water fund surplus of just under 1 million dollars.
- Wastewater - Cape and Portland performed better than budget estimates. Gorham, Westbrook, Windham and Cumberland had yearly deficits due to unexpected work that needed to be done to the systems.
- The District spent \$16 million on capital expenditures in 2018. \$8.7 million was spent on bonds for water projects and \$3.7 million was spent on bonds for wastewater projects.
- The Comprehensive Annual Financial Report for 2017 qualified for the GFOA's Certificate of Achievement for Excellence, for the 21st year in a row.
- Maine Drinking Water Program was on-site in December to conduct the 3-year sanitary survey.
- 6 out of the 7 water bottle filling station grant acceptance letters have been received and State Street Housing Preservation has already installed their unit.
- Part 4, in the video series, *Protecting a Trillion Gallons of Water* was shown to the Board.

NEW BUSINESS

Order 19-001, authorizing the Treasurer to begin the process of increasing water rates an average of 4.4% effective May 1, 2019.

The Board of Trustees approved the 2019 budget assuming an average water rate increase of 4.4% with a target effective date of May 1, 2019. Additional information is being provided to assist the Board in deciding whether and how much of a rate adjustment is needed and should be proposed at the public hearing in March and included in the customer notice about the public hearing.

The 2019 net expenditure operating budget is \$24.8 million as approved by the Board. Due to the expected significant increase in debt service related primarily to mains renewal projects and 407 pressure zone improvements, the operating budget is expected to grow to \$30.0 million by 2023. Consistent with the Board policy of gradual annual rate adjustments, staff proposes an increase of 4.4% in 2019.

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

It was Voted and unanimously,

ORDERED, pursuant to Board of Trustees Policy, the Treasurer shall prepare the supporting documents for a water rate increase of approximately 4.4% with new rates to be effective May 1, 2019; and

ORDERED, the District will allocate 1% of the proposed increase to the capital reserve fund to finance the installation of water mains included in the System Infrastructure Assessment report.

Order 19-002, approving the amendments to the District's Purchasing Policy.

Three amendments to the purchasing policy are recommended. The changes are listed below:

- Increasing the lowest purchasing level requiring pricing comparison/bidding to \$2,500 from \$1,000.
- Incorporating the federal requirements on projects funded by federal money, including a written conflict of interest policy.
- Clarifying that bids received electronically can be accepted as valid bids.

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

It was Voted and unanimously,

ORDERED, that the purchasing policy attached hereto is hereby approved and replaces the existing policy enacted by the Board in 2008 and amended August 23, 2010.

Order 19-003, approving the amendment to Order 17-035 Project ABC.

In November of 2017, the Board approved a project budget and a contract with Cayenta to replace the existing Billing and CMMS software (Hansen). As part of the project, the District and Cayenta performed a Fit Gap analysis to determine if the software and its implementation would properly fit the operations of the District. Through the Fit Gap analysis, it was determined that the Billing and Customer relations software and implementation would meet the District's needs, but the Computerized Maintenance Management System (CMMS) portion was not a good fit. The District has amended the contract with Cayenta and removed the CMMS portion of the work. District staff has started the process of reviewing and preparing to select another CMMS software product to complete the project. Staff is recommending to the Board that through this amendment to the original order, that the General Manager be given the authority to select and enter into contracts and implement CMMS software to complete this project.

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

It was Voted and unanimously,

ORDERED, Order #17-035 is hereby amended to give the General Manager the authority to procure a Computerized Maintenance Management System (CMMS) from a vendor other than Cayenta, and to implement such CMMS, and to execute any and all documents necessary to complete such purchase and implementation; and

BE IT FURTHER ORDERED, that the budget established by Order #17-035 remains unchanged.

Resolution 19-001, approving the amendments to the District's Rules and Regulations for the Use of the Wastewater System.

The Portland Water District administers two industrial pretreatment programs, one for the Portland Wastewater System and one for the Westbrook-Gorham Wastewater System. These proposed changes update the limits to match those recently adopted by the Cities of Portland and Westbrook and propose new language to streamline the process and avoid conflicting language between municipal ordinances and PWD's rules. The added language states that, going forward, the numerical limits in Schedule A and Schedule B will be updated upon Maine Department of Environmental Protection (DEP) approval of new limits. In the future these changes will not require further Trustee approval.

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

It was Voted and unanimously,

RESOLVED, that the Board of Trustees hereby approves amendments to the Portland Water District's Rules and Regulations for the Use of the Wastewater System in substantial form as shown in Section 7.7 (Schedule A) and Section 7.8 (Schedule B) attached hereto and made part of this Resolution.

Order 19-004, authorizing the General Manager to execute a deed to Silver Street Development Corp.

In 1913, PWD purchased land from Munjoy Land Company on Walnut and North Street and constructed an above ground open water reservoir. That reservoir was replaced in the early 1970's with a 2 million gallon underground concrete reservoir. Also in 1972, the District sold a majority of the property to Union Mutual Life Insurance Company. In that deed, UNUM also acquired easement rights to utilize the surface of the PWD retained property over and around the reservoir. Promenade East Condominiums and Island View Apartment complexes are now located on the property. For years, there were tennis courts located on the surface of the reservoir. The tennis courts were later replaced with grass, a play scape and a gazebo. Around 2003, the underground reservoir was determined to be no longer needed and was physically disconnected from the water system and declared surplus property by the Board in 2007.

George Rheault of Portland addressed the Board asking for them to consider postponing the vote on this item. He requested that the District explore all alternative options for use of this property and that the appropriate value is received should it be sold.

The Board had much discussion on this item. Chris Crovo and Donna Katsiaticas answered the questions posed by the Board.

It was moved by Trustee Libby and seconded by Trustee Garrison to table this item until April and send it back to the Planning Committee for further review.

Resolution 19-002, appointing a representative to the Southern Maine Regional Water Council Board of Directors.

The Board of Trustees must annually appoint a representative to serve on the Southern Maine Regional Water Council. Presently, Chris Crovo is the District's representative.

Pursuant to the Council's bylaws, the District's appointment would be confirmed by the membership at the next annual meeting, which will occur in April 2019. The period of appointment as PWD's representative will be for the period January 1, 2019 through December 31, 2019.

It was moved by President Lunt and seconded by Trustee Libby.

It was Voted and unanimously,

BE IT RESOLVED, that Christopher Crovo is appointed as Portland Water District's representative to the Board of Directors of the Southern Maine Regional Water Council.

Resolution 19-003, authorizing the General Manager to take positions and testify on bills during the legislative session.

Trustee Garrison asked that when possible, the Board be notified of the intended position when there is adequate time to do so.

It was moved by President Lunt and seconded by Trustee Libby.

It was Voted and unanimously,

NOW THEREFORE BE IT RESOLVED that the Board of Trustees authorizes the General Manager to take positions and testify on bills during the legislative session consistent with her understanding of the Board's view on the issues, and

FURTHER BE IT RESOLVED that the General Manager shall report to the Board of Trustees at their next meeting, the positions she may have taken and the testimony she may have given.

OTHER BUSINESS

None

SECOND INVITATION FOR PUBLIC COMMENT

None

TRUSTEE COMMENTS

Trustee Willey commented that the Sebago Lake Symposium, of which the District is one of the hosts, will be held this coming Saturday, February 2 at St. Joseph's College and it will be Live Streamed on the District's website for those who would like to watch it.

President Lunt thanked the District employees who have been responding and repairing main breaks during the cold weather.

EXECUTIVE SESSION

Pursuant to 1 M.R.S. §Section 405(6)(A), the Board went into executive session to finalize the General Manager's annual performance review.

A motion was made by Trustee Libby and seconded by Trustee Cote to go into executive session to finalize the General Manager's annual performance review.

The Executive Session began at 7:40 p.m. and ended at 8:15 p.m. Motion to come out of Executive Session and adjourn made by Trustee Libby, second by Trustee Siviski.

Submitted by,

Donna M. Katsiaficas
Clerk