

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 24, 2020. Attending from staff were Messrs. Kane, Crovo, Firmin, Wallace and Mses. Lewis, Katsiaficas, Demers, Ness, Aloisio and Walker. Rachelle Curran Apse, Executive Director of the Presumpscot Regional Land Trust, was also in attendance.

The meeting was convened by Vice-President Douglas at 6:01 p.m. with the Pledge of Allegiance and a moment of silence.

ROLL CALL

The roll was called by the Clerk. Trustees Cote, Beck and Willey were absent.

ACCEPTANCE OF MINUTES

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

Voted all in favor to accept the minutes of the Regular Meeting of January 27, 2020, and the minutes of the Workshop Meeting of February 10, 2020.

INVITATION FOR PUBLIC COMMENT

None

REPORTS

Operations Committee

Trustee Siviski provided a summary of the Operations Committee meeting on February 10, 2020. Staff discussed the monthly Water and Wastewater Services reports. Staff then made recommendations on the following items which will be taken up under new business tonight:

- Construction Services for the HVAC Upgrade Project at the East End and Cape Elizabeth WWTF.
- Engineering Method at the East End WWTF for the Primary Gallery Electrical Upgrade Preliminary Design HVAC Project.
- Amending the CIP for the East End WWTF Primary Clarifier Rehabilitation Project.

Planning Committee

Trustee Lunt provided a summary of the Planning Committee meeting on February 10, 2020. Staff and the Committee discussed the 319-grant funding program and a lease extension for Sebago to the Sea, both will be taken up under new business tonight. Staff also discussed with the Committee the leasing of District property for a solar farm development. Staff was approached by a solar farm developer to gauge the District's interest in leasing approximately 20 acres at the Rocky Hill property in Westbrook. After much discussion, the Committee instructed staff to provide the following information for next month's Planning Committee meeting.

- Review legal issues as it relates to the District's Charter and the PUC rules regarding long term leasing of District property.
- Survey of area municipalities on their recent contracts with solar farm developers.
- Example of a request for proposal to lease land

Administration and Finance Committee

Trustee Garrison provided a summary of the Administration and Finance Committee meeting on February 10, 2020. Mr. Kane presented a motion authorizing the issuance of \$7 million in water bonds to pay for water main projects throughout the systems. He noted the bonds were included in the 2020 budget. He also presented a motion authorizing the designation of the \$7 million in water bonds as green. These items will be taken up under new business tonight.

The Board authorized the creation of water rate stabilization and water master plan funds at their January meeting. Mr. Kane presented an amended fund balance policy incorporating those approved funds. The Committee was supportive of the policy but wanted additional information and input from other Trustees on whether the funds should have an upper limit. Staff will request additional information from the District's Financial Advisor.

The Committee discussed the guidelines to establish for the 2021 Budget and future years. Mr. Kane provide additional information to the Committee. He noted the 2021 Budget process for staff is being modified from prior years to streamline the process and move the process for staff away from the September/October computer systems go live date to an earlier time frame. This requires setting the 2021 Budget Parameters earlier.

For the 2021 Budget, Mr. Kane proposed the following parameters:

- Operating Expenses would not increase more than 2.3% plus any unfunded municipal/federal mandates. The basis for the 2.3% increase is an assumed 3.25% increase in wages based on union contract, full year impact of new positions added in 2020 and non-union pay adjustments above the average 3%. All other costs increasing by the annual growth of the American City and County indexes – average increase of 1.58%.
- Capital Expenses would not exceed more than the amount projected for 2020; \$510,000, or 3.2%, increase.
- Wastewater assessments would not exceed the expectation set for 2021 as presented to 2020 Plan document.
- Water Revenues would not increase by more \$1.12 million, or 4.4% increase.
- Number of employees would remain at the same level established in 2020 Plan.

The full Board will review the guidelines at the April workshop.

General Manager's Report

The General Manager reported the following:

- Terry Colpitts received the General Manager's award for 2019.
- The finance staff received a certificate of achievement for the 2018 CAFR from the GFOA.
- The City of Portland voted last week to participate in the renewable energy project which the Board of Trustees had earlier voted to participate in.
- The Tiger Hill Community Forrest Project acquisition has been completed with the assistance of PWD, and PWD has a conservation easement on the property.
- Footage from a WMTW newscast highlighting the problems that wipes and other items can cause when flushed down the toilet was shown to the Board.

NEW BUSINESS

Order 20-004, authorizing the General Manager to execute a lease agreement extension with Presumpscot Regional Land Trust.

On June 3, 2010, the Board of Trustees authorized a 10-year lease with Presumpscot Regional Land Trust for the Sebago to the Sea Trail portion located on PWD land as shown on the attached map attached with the current lease. The current lease expires June 2, 2020. According to Source Protection staff, there have not been any issues related to the use of this trail on PWD land during the current lease period. Staff is proposing to extend the Lease Agreement another 10 years under the same terms and conditions as the existing Lease.

Rachelle Curran Apse, Executive Director of the Presumpscot Regional Land Trust addressed the Board. She detailed how the Trust covers west of Portland to Sebago Lake. The Trust stewards and conserves land as well as runs the water quality monitoring programs for all the rivers and streams that are part of the Presumpscot River watershed. The Trust oversees 15 different parcels and allows public access to the trails. One of these trails is Sebago to the Sea. She expressed her gratitude for the partnership with the District and stated that the trails are well used and appreciated by the public.

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

It was Voted and unanimously,

ORDERED, a 10-year lease extension with Presumpscot Regional Land Trust for the Sebago to the Sea Trail on PWD property is hereby authorized under the same terms and conditions as the existing lease;

BE IT FURTHER ORDERED, 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.

Public Hearing, regarding the issuance of water bonds.

Vice-President Douglas opened the public hearing, no members of the public wished to speak. Vice-President Douglas closed the public hearing.

Resolution 20-003, authorizing the issuance of up to \$7,000,000 in water bonds to finance the installation and renewal of water mains and related infrastructure.

The approved 2020 Capital Improvement Plan includes \$9,075,000 of water distribution system upgrade projects being financed through the issuance of a \$7,000,000 bond and a \$2,075,000 withdrawal from the water renewal/replacement fund.

Staff proposes issuing a bond either through the Maine Municipal Bond Bank or as a publicly issued bond. The bonds may be issued through the Bond Bank's regular or state revolving loan fund. The projects are consistent with the 2003 Water Master Plan. 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 \$5,000,000 financed

over 20 years. Of the \$5,000,000, \$1,000,000 is to construct water mains related to the 407 Zone Transmission Improvements.

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

It was Voted and unanimously,

RESOLVED, the issuance of up to \$7,000,000 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 20-005, authorizing the issuance of “Green Bonds”.

The Board is scheduled to authorize the issuance of up to \$7.0 million in water bonds at their February 24, 2020 meeting. 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 became aware that “green” bonds versus ordinary bonds are, on average, about 6 basis points below yields paid by otherwise equivalent bonds.

The Bond is scheduled to be sold in July 2020.

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

It was Voted and unanimously,

ORDERED, that the \$7.0 million water bond authorized on February 24, 2020 will be designated as “green bonds”, with the proceeds used for “green” purposes.

Order 20-006, authorizing actions related to the HVAC Upgrade Project for the East End WWTF Dewatering Areas and the Cape Elizabeth WWTF Headworks Area.

The HVAC Upgrade Project includes work at two wastewater treatment facilities: the East End WWTF in Portland and the Cape Elizabeth WWTF in Cape Elizabeth. The EEWTF portion includes upgrades to the ventilation systems in the dewatering and chemical storage areas and removal of interconnections to the sludge cake garage which is served by the odor control system. The Cape Elizabeth upgrades include ventilation and heating for the Cape Elizabeth WWTF Headworks area.

The design was completed in January 2019. The Project was put out to public bid on January 28, 2019. Bids were received from three General Contractors on February 22, 2019. Patriot Mechanical was the low bidder at that time. Following Board approvals in March 2019, attempts to proceed with contract execution continued through June of 2019. At that time Patriot Mechanical negotiated a release to withdraw their bid. The District received approval from the DEP to re-issue the project with a revised construction timeline on November 14, 2019.

Triple Point Engineering performed a due diligence review and has determined that Port City Mechanical has the contracting capacity, relevant project experience, qualifications, and resources to complete the Project. Triple Point Engineering recommends that Port City Mechanical be considered the low responsive and responsible bidder and awarded the contract.

Trustee questions were answered by Mr. Firmin and Mr. Crovo.

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

It was Voted and unanimously,

ORDERED, the General Manager is hereby authorized to execute a service contract amendment with Triple Point Engineering in the amount of \$25,000 for construction services for the HVAC Upgrade Project – EEWTF Dewatering Areas and CEWWTF Headworks, (the “Project”); and

BE IT FURTHER ORDERED, a construction contract with Port City Mechanical is hereby authorized, in the amount of \$685,300 for the Project; and

BE IT FURTHER ORDERED, that EEWTF Dewatering Areas HVAC Upgrade Project (CIP 2018 -2705) is amended by \$13,000 for a project budget of \$438,000 and CEWWTF Headworks HVAC Project (CIP 2018-2571) is amended by \$118,000 for a project budget of \$393,000 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 20-007, authorizing the Phased Engineering method for the procurement of engineering services for the East End WWTF Primary Gallery Electrical Upgrade Preliminary Design Project.

Pursuant to the District’s purchasing policy, staff is seeking approval from the Board of Trustees to procure engineering services for the East End WWTF Primary Gallery Electrical Upgrade Preliminary Design Project. The phased method for engineering will limit the scope of services of this contract to condition assessment, alternatives evaluation, preliminary design and cost estimating for upgrade of the 480V switchgear and associated electrical connections for the devices powered from the Primary Gallery.

Staff estimates that the cost for the preliminary design to be \$50,000. The upgrade will focus on future reliability, resiliency, and achieving compliance with applicable codes and standards. Once the Method is approved, staff will issue a request for proposals. It is expected that a recommendation will be offered to the Board at the May meetings.

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

It was Voted and unanimously,

ORDERED, that the Phased Engineering Method is authorized for the procurement of engineering services for the East End WWTF Primary Gallery Electrical Upgrade Preliminary Design Project, 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 20-008, authorizing an increase to the 2019 CIP for the East End WWTF Primary Clarifier Rehabilitation Project.

The Primary Clarifier Rehabilitation project (Basin #1 and Basin #2) is currently under construction with a contractor, Weston & Sampson. Rehabilitation of Basin #3 was completed in 2018 and was the basis for estimating the cost for Basin #1 and #2.

During installation of chain and scraper equipment in Basin #1, significant concrete deterioration was discovered near the drive unit. Woodard & Curran was contracted to perform an initial structural investigation. They determined that structural repairs were necessary before equipment installation could continue. Woodard & Curran proceeded to complete the necessary plans and specifications for pricing by the contractor. The contractor proposes to subcontract the repair work to Knowles Industrial of Gorham, a contractor specializing in this type of repair.

The project also includes the replacement of equipment in Basin #2 once Basin #1 is completed. Basin #2 will be taken offline, drained and inspected once Basin #1 is online. It's anticipated that the same repair will be required. Below is the revised project budget with the additional engineering and construction costs for Basin #1 and estimated additional costs for Basin #2 with contingency.

Trustees posed several questions regarding the repairs needed and the conditions of the basins; questions were answered by Mr. Firmin and Mr. Crovo.

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

It was Voted and unanimously,

ORDERED, that the 2019 Capital Improvement Plan is increased by \$230,000 in order to fund change ordered work for the East End Wastewater Treatment Facility Primary Clarifier Rehabilitation Project. (2019 CIP 21-3013)

Order 20-009, authorizing an amendment to the District's 319 Grant Funding Policy.

The Maine DEP administers a grant program to help pay for Implementation Projects. Because of the significant cost of this kind of work, organizations form partnerships in order to get them done. The District has managed 319 projects in the past and has also supported municipalities and other organizations to fix erosion problems on other lakes in the watershed. In the past 20 years more than 2 million dollars' worth of 319 work has been done with District help. PWD has contributed less than \$300,000 of that cost, about a 1:6 match.

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

It was Voted and unanimously,

ORDERED, that the District's policy for supporting "319" projects is hereby amended and approved in substantial form as that attached hereto as Exhibit A, and incorporated herein by reference.

OTHER BUSINESS

None

SECOND INVITATION FOR PUBLIC COMMENT

None

EXECUTIVE SESSION

None

TRUSTEE COMMENTS

None

ADJOURNMENT

Meeting adjourned at 7:06 p.m.

Submitted by

Donna M. Katsiaficas
Clerk