

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 25, 2019. Attending from staff were Messrs. Kane, Crovo, Wallace, Firmin, Johnson and Ms. Lewis, Katsiaficas, Demers and Walker. Joe Piccone, Business Agent for Teamsters Local Union #340 and a number of union members were also 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. Trustees Cote, Beck and Willey were absent.

ACCEPTANCE OF MINUTES

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

Voted all in favor to accept the minutes of the Regular Meeting of January 28, 2019, and the minutes of the Workshop Meeting of February 11, 2019.

INVITATION FOR PUBLIC COMMENT

Joe Piccone addressed the Board on the status of labor negotiations. He expressed displeasure with the characterization of the negotiations in the General Manager's emails, which had been sent to employees. He repeated his request for participation by the Trustees in labor negotiations and stated that the labor contract with PWD does not work for the union members. President Lunt told Mr. Piccone that the Board would be discussing labor negotiations at their meeting in March and would discuss his comments at that time.

REPORTS

Operations Committee

Trustee Siviski provided a summary of the Operations Committee meeting on February 11, 2019. One item discussed, Phase II of the upgrades to the Fore River Pump Station will be taken up under new business. Staff reviewed the waiver from filtration criteria as it applies to the A3-Treatment/Systems group, and demonstrated how the District annually reviews these standards with the Maine Drinking Water Program to maintain compliance with the waiver. Staff also shared a draft committee work plan at the meeting.

Planning Committee

Trustee Levinsky provided a summary of the Planning Committee meeting on February 11, 2019. Staff recommended amending the Watershed Land Policy to acquire a real estate interest in conserved land to which it contributes. Staff also recommended adopting Policy 640 - Private Fire Protection Services. Staff reviewed with the Committee the history of the property, deeds, easements and configuration of the existing Munjoy Hill concrete reservoir. The Committee heard from the parties seeking to acquire the property and an interested member of the public on the issue of redevelopment of the site. Planning Committee meeting staff will review various options for disposal of this property at the March meeting. The following updates were also provided to the Committee. Watershed Land Acquisition – 25 Dog Leg Road – Standish. The Committee went into executive session to discuss this real estate matter and give staff guidance on negotiations. CMP Substation – Purchase Sale Agreement – Staff noted that the purchase and sale agreement should be an agenda item for the Planning Committee in March.

Administration and Finance Committee

Trustee Rich provided a summary of the Administration and Finance Committee meeting on February 11, 2019. Three items discussed; water fund 2018 surplus balance, wastewater fund 2018 surplus balance and the audit services contract will be taken up under new business. Mr. Cutrone provided an update on the Billing and Computerized Maintenance Management System Projects. He noted functional testing of the Cayenta billing product continues. He reviewed several process changes including establishing a fixed schedule for each billing cycle, assessing late fees after 28 days rather the current 30 days, and decreasing the collection threshold to \$101 for all accounts. When the system is implemented, the bill format will be changed and a new online bill presentment/payment site will be utilized. He also noted the CMMS vendor has been narrowed down to 2 vendors who will doing vendor demonstration later this month with a target selection by the end of March.

Trustee Libby expressed concern that the contract for audit services had not been out to bid since 2006.

General Manager's Report

- The District co-hosted with St. Joseph's College, the Sebago Lake Symposium on Feb. 2.
- The 93rd Maine Water Utilities Meeting and Trade Show was held in Portland on Feb. 5 & 6.
- Testimony was provided to the Legislature on two bills of interest to the District- LD 216, dealing with the testing of septic systems in the Shoreland zone, and LD 347 dealing with the funding of water and wastewater infrastructure.
- The comment period for Clean Water Act Waters of the United States has opened. PWD is against rolling back protections for source water quality and will submit comments.
- The proposed water rate increase notice has been mailed to all customers.
- Demonstrations by two possible vendors for the Computerized Maintenance Management System will be on February 27 and 28.
- The 2018 GM Award was presented to David Dougherty.

Trustee Garrison asked what prompted the change out of the UV bulbs at the Sebago Lake Treatment Facility. Ms. Lewis responded that it was due to some of the bulbs starting to fail. All the bulbs in one of the reactors have been successfully changed out.

NEW BUSINESS

Order 19-005, authorizing allocation of the 2018 Water Fund Surplus Balance.

The Water Fund financial results indicate an estimated annual operating fund change of \$895,524, which is \$733,769 better than budget. Per state law, the District may allocate any surplus balance generated from operations up to 5% of total revenue annually to the Water Supply Protection Fund. Based on preliminary 2018 results, up to \$1,203,000 may be allocated to the fund. Last year, the Committee recommended allocating a portion of the operating surplus to the Capital Renewal/Replacement Fund.

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

It was Voted and unanimously,

ORDERED, that the 2018 annual operating fund change in the Water Fund is hereby allocated to the Operating Contingency Fund.

Order 19-006, authorizing the transfer of the 2018 annual operating fund change to the respective capital renewal and replacement funds for Cape Elizabeth and Portland wastewater funds.

Due to 2018 expenses being less than the budget, the Cape Elizabeth and Portland Wastewater Funds had a positive annual operating net change. The other wastewater funds had a negative annual operating net change, as expenses were higher than expected.

Cape Elizabeth's and Portland's annual surplus can be added to their respective operating contingency fund balance, capital renewal and replacement fund balance or returned to the municipalities. It was recommended to allocate the portion of the annual surplus to bring the operating contingency balance up to the target balance with the remaining balance allocated to the renewal and replacement fund.

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

It was Voted and unanimously,

ORDERED, that all of the 2018 annual operating fund change in the Cape Elizabeth Wastewater Fund is hereby transferred to their Capital Renewal and Replacement Fund; and

BE IT FURTHER ORDERED, that the amount of the 2018 annual operating fund change in excess of \$66,000 in the Portland Wastewater Fund is hereby transferred to their Capital Renewal and Replacement Fund.

Order 19-007, authorizing the General Manager to execute a contract with Wipfli LLP for audit services.

The bylaws of the District require that an annual audit report on the financial affairs be prepared. In 2006, Macpage was selected, after reviewing proposals from five firms, to conduct the audit for the fiscal years 2007 to 2010. This agreement later was extended twice by the Board of Trustees to cover fiscal years 2011 to 2018. The prior auditors, Runyon Kersteen Ouellette (RKO), had conducted the audit for four years. In the past year, Macpage merged with another organization called Wipfli LLP.

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

It was Voted 6-2 (Libby and Grant opposed) and,

ORDERED, the General Manager is authorized to execute a contract with Wipfli LLP for audit services for the fiscal years 2019 to 2022.

Order 19-008, authorizing actions related to the Fore River Pump Station Phase II Upgrade Project.

The Fore River Pump Station conveys wastewater flows from the West Deering and Stroudwater areas and was built in 1976 and the majority of the original screening, ventilation and electrical equipment remains in service today. A previous project, Phase I Upgrade, included replacing the four existing pumps with four new equally sized pumps, variable speed control, and instrumentation/control system upgrades.

As approved by Board resolution in April 2017, the comprehensive method for procuring engineering services was approved for use on this project, allowing the same firm to be utilized for preliminary and final design as well as construction services. A contract for design services with Hazen and Sawyer was approved by Board resolution in May of 2017. The design was completed in December 2018. The construction and application engineering services provided under the professional services amendment is \$250,000.

Value engineering conducted throughout the effort was incorporated into the design; however, the bid responses exceed the available budget for construction. Hazen and Sawyer performed a due diligence review and has determined that T. Buck Construction had the qualifications and resources to complete the project, and recommends that T. Buck Construction be considered the low responsive and responsible bidder.

Chris Crovo answered questions asked by Trustees Libby and Garrison.

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

It was Voted and unanimously,

WHEREAS; the Board authorized the comprehensive method of engineering services for the Fore River Pump Station Phase II Upgrades in April 2017 (Project); and

WHEREAS; the Board authorized a service contract with Hazen and Sawyer in May 2017 for the Project,

ORDERED, the General Manager is hereby authorized to execute a service contract amendment with Hazen and Sawyer, in the amount of \$250,000 for construction and application engineering services for the Fore River Pump Station Phase II Upgrade Project (CIP 2017 – 70/2424); and

BE IT FURTHER ORDERED, a construction contract with T. Buck Construction, Inc. is hereby authorized, in the amount of \$2,657,222 for the Fore River Pump Station Phase II Upgrade Project (CIP 2017 – 70/2424); and

BE IT FURTHER ORDERED, that an amended total project budget (CIP 2017 – 70/2424) is hereby authorized, not to exceed \$3,496,107; 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 19-009, approving amendments to the District's Watershed Land Conservation Policy.

The Sebago Lake watershed comprises 234,000 acres of land in parts of more than 20 towns. Owning a substantial percentage of this land is not feasible, nor is it necessary to protect water quality. Working with other individuals and organizations who are seeking to conserve forested land effectively controls land use in the upper watershed without necessitating ownership by the District.

The District's Watershed Land Conservation Policy states the District's commitment to and support for locally initiated land conservation efforts. Participation in land conservation projects in cooperation with individual landowners and local land trusts has proven to be a successful way to protect forested land from development in recent years. However, staff recommends strengthening the program by making it a condition of our financial support of land conservation transactions that the District acquire some type of real estate interest in the conserved property. In this way, the District will acquire legal standing to enforce the terms of an easement at some future date, in the presumably unlikely event that should ever become necessary. This will add a layer of protection to the property should its legally conserved designation be challenged in the future.

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

It was Voted and unanimously,

ORDERED, that the District's Watershed Land Conservation Policy, adopted in 2007 and subsequently amended, be further amended to include a requirement that the District acquire a real estate interest in conserved land to which it contributes.

Order 19-010, approving Policy 640, Private Fire Protection.

During the process for obtaining exemptions from regulation from the PUC, the District represented that it would utilize Chapter 640 of the Rules of the Maine Public Utilities Commission as a foundation for its water operations. Staff represented to the Commission that the District would be making modifications at some point in the future to this chapter in order to accommodate its business needs. The PUC approved the District's proposal with the stipulation that future modification of Chapter 640 be filed with the PUC within 30 days of adoption by the District. The filing is for informational purposes only.

Chapter 640 rules were promulgated by the PUC for water utilities to generally define condition of service as it relates to Private Fire Protection services. Like many utilities, the District utilized its Terms and Conditions to further define these conditions. The majority of the changes noted in the proposed Policy 640 are a rewrite of Chapter 640 to reflect its ongoing practices.

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

It was Voted and unanimously,

ORDERED, that Policy 640 Private Fire Protection, attached hereto and incorporated herein, is hereby adopted.

Order 19-011, authorizing salary adjustment for the General Manager.

The annual review of the General Manager's performance has been completed. Trustee Garrison mentioned that this increase is consistent with what other General Managers across the US are being paid and fully in-line with those.

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

It was Voted and unanimously,

ORDERED, that the General Manager's annual compensation shall increase 4% effective January 1, 2019 and,

BE IT FUTHER ORDERED, that the General Manager shall receive a one-time addition of 40 hours to her vacation bank effective on the date of approval.

OTHER BUSINESS

None

SECOND INVITATION FOR PUBLIC COMMENT

None

TRUSTEE COMMENTS

Trustee Grant attended the snowshoeing event in Harrison on February 23 and was very impressed with the turnout and the staff from the District who assisted in the event.

Trustee Garrison informed the Board that a colleague of his has been elected President of American Water Works Association. He hopes she will be able to visit Maine and talk with the water utilities.

EXECUTIVE SESSION

None

ADJOURNMENT

Meeting adjourned at 7:04 p.m.

Submitted by

Donna M. Katsiaficas
Clerk