

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, April 24, 2017. Attending from staff were Messrs. Kane, Crovo, Wallace, Firmin, Johnson and Mses. Lewis, Katsiaticas, Demers and Walker. In attendance from the public were Dale Messenger of Standish and Matthew Beck of South Portland. The meeting was convened by President Lunt at 6:04 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 Willey.

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 March 27, 2017 and the Workshop Meeting of April 10, 2017.

INVITATION FOR PUBLIC COMMENT

None

REPORTS

Operations Committee

Trustee Siviski provided a summary of the Operations Committee meeting on April 10, 2017. Staff recommended a request for the comprehensive method for procurement of engineering services for the second phase of the Fore River Pump Station upgrade. Staff provided a recommendation to amend the 2017 CIP to rebuild a pump and motor at the Raw Water Pump Station. Staff discussed the recently renewed East End WWTF permit, highlighting new provisions related to nitrogen.

Planning Committee

Trustee Levinsky provided a summary of the Planning Committee meeting on April 10, 2017. The committee voted 2-0 to elect Trustee Ken Levinsky as Chair of the committee. Staff discussed property located at 3 Dog Leg Road in Standish and recommended purchasing the property. Staff also recommended amending the 2017 CIP to purchase an equipment trailer.

Administration and Finance Committee

Trustee Garrison provided a summary of the Administration and Finance Committee's meeting on April 10, 2017. Mr. David Kane presented a request to support the 2017 Standish Summer Spectacular and staff recommended supporting the request.

Mr. Kane presented a motion authorizing the issuance of \$8M bond to finance water mains and 407 Zone improvements projects. The \$8M bond was included in the 2017 Budget. The Committee reviewed the debt, financial and economic impact of the proposed bond issue and recommended the motion be forwarded to the full Board for its consideration. He also presented a motion authorizing the implementation of a public fire protection rate tariff effective June 1,

2017. He noted the proposed rate tariff increases the total fire protection revenue by 1% to \$1,350,000 and includes the corrected break down by municipality.

Ms. Mary Demers provided an update on the defined benefit and deferred compensation pension plans. She reminded the Committee the bargaining and non-bargaining defined benefit plans were closed in 2010 and 2011, respectively. Since that time, new employees are required to participate in the deferred compensation plan. Currently, there are 102 active employees in the defined benefit plan and 62 in the deferred compensation plan. The annual deferred compensation plan investment review was completed by Pension Professional. They recommended, and staff agreed, to change one of the investment options to another fund. Staff is conducting a review of the plan's fees and education programs. General Manager Lewis sent a letter to participants encouraging them to consider contributing up to the amount the District matches.

General Manager's Report

Ms. Carrie Lewis provided the following update:

- As of May 1st all customers requesting submeters will apply to their own municipality, rather than PWD.
- The initial Westbrook plant DEP permit has been issued
- One bid was received for the Route 25 project in Gorham. The bid was substantially over estimates and MDOT rejected the bid and will re-advertise later this summer.
- Bangor Water District met with the District and toured the Ozone Plant and found the meeting to be extremely productive and was very complimentary of the "fine talent at PWD".
- PWD's watershed land conservation program was cited in the April issue of the *Journal of the American Water Work Association*.
- On April 25th, 27 employees will be recognized for their years of service at the District.

Trustee Libby commented on the increase in overtime beginning in February and asked for an explanation. Field crews have more overtime in the winter due to more repairs, a large main break on Munjoy Hill and multiple snow storms contributing to the increase in overtime.

NEW BUSINESS

Trustee Libby moved to take agenda item #6 G out of order and to allow item G, Order 17-014 to be heard first, Trustee Garrison seconded, with all in favor.

Order 17-014, authorizing the General Manager to execute a purchase and sale agreement for 3 Dog Leg Road, Standish.

His property is located on Eel Cove at Sebago Lake inside the 2-mile limit.

Staff has offered, subject to Trustee approval, to purchase Mr. Messenger's property for \$425,000 and grant him a life estate to occupy the property for the remainder of his life. Consistent with the Esty life estate and the Stanford lease agreement, the District will pay the property taxes (currently \$4,925/year) and Mr. Messenger will be required to maintain the property, pay all operating expenses and keep it insured at his expense. Staff will do semi-annual inspections to assure that the property is being properly maintained.

Mr. Messenger addressed the Board and appreciates the District's willingness to purchase the property and understands how important is to protect the water source.

Trustee Siviski inquired about the priority 1 list and how it was determined. Mr. Crovo explained that in 1994 the Board adopted a land acquisition policy within the 2 mile limit and the properties that were along the 500' strip just outside of the 2 mile limit were marked as properties the District would like to purchase.

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

It was Voted and unanimously,

ORDERED, that the General Manager is authorized to purchase the Dale Messenger property located at 3 Dog Leg Road in Standish for \$425,000 allowing Mr. Messenger a life estate to occupy the premises for the remainder of his life, and further to authorize the General Manager and the Treasurer, each acting singly to execute any documents as may be necessary to implement the intent of this vote.

Public Hearing, regarding issuance of bonds.

President Lunt opened the public hearing for members of the public to comment. Seeing no one from the public in attendance wishing to speak, President Lunt closed the public hearing.

Resolution 17-004, authorizing issuance of up to \$8,000,000 in bonds to finance the installation and renewal of water mains and Gorham/Windham 407 Zone improvements..

The approved 2017 Capital Improvement Plan includes \$12,033,500 of water distribution system upgrade projects being financed through the issuance of an \$8,000,000 bond and a \$4,033,500 withdrawal from the water renewal/replacement fund. The \$8,000,000 bond would finance main renewals and Gorham/Windham 407 Zone improvements.

Staff proposes issuing a bond either through the Maine Municipal Bond Bank or as a public issue. The bonds may be issued through the Bond Bank's regular or state revolving loan fund. Mains have a 77-year useful life (PUC rules define useful life), and we expect no additional annual operating costs as a result of these projects being financed. The projects are consistent with the 2003 Water Master Plan.

Trustee Libby asked if there are bonds already issued that are close to being paid off. Mr. Kane explained on the water side there are bonds maturing in 2025.

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

It was Voted and unanimously,

RESOLVED, the issuance of up to \$8,000,000 in bonds to finance the installation and renewal of water mains and Gorham/Windham 407 Zone improvements 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 17-011, approving the final rate schedule for Public Fire Protection.

In January 2017, the Board of Trustees requested staff to prepare a rate filing supporting a 1.0% rate adjustment. The filing includes a rate increase differential between residential and commercial/ industrial rates resulting in an increase of residential customer rates by 0.9% and commercial/ industrial customers by 1.1%. Fire protection charges would increase by 1.0%.

Pursuant to Board rules, a public hearing was held on March 13, 2017. All 52,000 customers received notification of the rate adjustment. No comments were received from any customers.

On March 27, 2017, the Board voted to accept all the proposed rate schedules except sheet 3 – Public Fire Protection. The Board requested to review and discuss the proposed fire protection with the purpose of better understanding the reasons and impact of the changes made to the schedule between the public hearing held March 13 and the March 27, 2017 meeting. Between the March 13 and March 27 meeting, the District's rate consultant discovered that the public fire protection charges had been incorrectly calculated and provided updated numbers to staff. The Public Fire Service table on the next page lists the current, original proposed and revised proposed amounts with the net change between the current and the revised proposed amounts. Municipalities with increases 4% or above have been contacted.

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

It was Voted and unanimously,

ORDERED, that the final rate schedule, sheet 3, for the Public Fire Protection charges effective June 1, 2017, attached hereto and incorporated herein by reference, is hereby approved.

Resolution 17-005, authorizing a contribution to Standish Summer Spectacular.

The District supported the event last year at the Gold Level (\$300).

It was moved by Trustee Garrison and seconded by Trustee Cote

It was Voted and unanimously,

WHEREAS on June 22 through June 24 the Town of Standish will celebrate the rich history of the three villages that make up the Town by hosting the *Standish Summer Spectacular* event, and

WHEREAS the Portland Water District has long had a unique relationship with the Town due to the District's watershed protection efforts and the location of its water treatment facilities in the Town, and

WHEREAS the Portland Water District strives to be a respected corporate citizen of the Town, and values its relationship with the Town;

NOW THEREFORE BE IT RESOLVED that the Board of Trustees expresses its' support and recognition of the Town of Standish in its' celebration of *Standish Summer Spectacular*, and

BE IT FURTHER RESOLVED the Portland Water District demonstrates its' support by contributing as a Gold Level Sponsor of the event.

Order 17-012, authorizing the comprehensive engineering method for the procurement of engineering services for the Fore River Pump Station Phase II Upgrades Project.

Pursuant to the District's purchasing policy, staff is seeking approval from the Board of Trustees to procure engineering services (comprehensive method) for design and construction services associated with the second phase of upgrades to the Fore River Pump Station.

Staff estimates that the cost for the design phase portion of this project to be \$500,000-\$700,000. The design will include new screening equipment, generator and standby power system, ventilation system, mechanical piping, and provisions for bypassing the station. The Construction and associated Construction Services portion of this project are currently projected to be undertaken in 2018.

Once the comprehensive method is approved, staff will issue a request for proposals. It is expected that a recommendation will be offered to the Board at the July meetings.

It was moved by Trustee Siviski and seconded by Trustee Libby

It was Voted and unanimously,

ORDERED, that the Comprehensive Engineering Method is authorized for the procurement of engineering services for the Fore River Pump Station (Portland) Phase II Upgrades 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 17-013, authorizing an increase to the 2017 CIP Water Facilities Renewal & Replacement Program 122-2415.

There are four pumps at the Raw Water Pump Station, and it is common to run three pumps to supply high summer demand. Rebuilding this pump will ensure the District has the redundancy to always produce enough water to meet our customer's demands.

Vibration analysis of raw water pump #2 indicates the bearings are beginning to fail. The District's predictive maintenance contractor recommends the District use this pump for emergencies only, until the motor and pump bearings are replaced. The rebuild of this pump was unanticipated, and the recommendation received too late to be included in the 2017 CIP Budget process.

Vibration analysis is performed annually at all of Water Services' water pump facilities. In most cases, the District receives an early indication of future pump issues, allowing staff to budget accordingly. This was not the case in this instance.

Trustee Garrison commended the District on the predictive maintenance being done. He also asked if the District has considered an on-line or full time vibration sensing analysis. It has been considered.

Trustee Libby had a series of questions, including: how old is the pump, what was the predicted useful life of the pump and why didn't the District anticipate that this was going to happen? Mr. Wallace explained there are 4 pumps at the facility. One has never been rebuilt since 1994, 2 have been rebuilt in the last 10 years. When an analysis is conducted on a pump, if it shows something of concern, the concern is addressed.

Trustee Cote asked if there was a contingency built into the amount being requested. Mr. Wallace replied that there is.

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

It was Voted and unanimously,

ORDERED, that the 2017 Capital Improvement Plan Water Facilities Renewal and Replacement Program 122 - 2415 is hereby increased by \$25,500 for the rebuild of raw water pump # 2 at the Sebago Lake Water Treatment Facility in Standish and will be funded from the Water Renewal and Replacement Fund.

Order 17-015, authorizing an increase to the 2017 CIP Subprogram 326, Vehicle and Equipment Replacement.

The 2017 Vehicle and Equipment Replacement budget was approved for \$350,000 and included the purchase of the 15 ton trailer. The vehicles purchased under the fund were more costly than originally estimated. This request is to add \$25,000 to purchase the equipment trailer.

It was moved by Trustee Siviski and seconded by Trustee

It was Voted and unanimously,

ORDERED, that the 2017 CIP, Subprogram 326, Vehicle and Equipment Replacement is hereby increased by \$25,000 for the purchase of a 15 ton trailer and will be funded from the Water Renewal and Replacement Fund for transportation.

EXECUTIVE SESSION

None

OTHER BUSINESS

None

SECOND INVITATION FOR PUBLIC COMMENT

None

TRUSTEE COMMENTS

President Lunt presented Trustee Cote with a plaque commemorating his service as President of the Board from 2013-2017.

Adjournment.

Meeting adjourned at 6:47 p.m.

Submitted by

Donna M. Katsiaficas
Clerk