

As voted by the Board of Trustees and in accordance with the notice of the meeting, the monthly Workshop Meeting of the Board of Trustees of the Portland Water District was held remotely on Monday, February 8, 2021. In attendance from staff were Messrs. Crovo, Kane, Wallace, Firmin, Hunt and Meses. Lewis, Katsiaficas, Sirois, Demers and Walker. President Douglas convened the Workshop at 6:37 p.m.

All Trustees were present.

1. Industrial Pretreatment (IPT) Update

Rebekah Sirois, Industrial Pretreatment Program Supervisor, provided an overview and update on the District's Industrial Pretreatment Program.

Ms. Sirois had a PowerPoint presentation for the Board.

Ms. Sirois explained the IPT program and explained what the program is and how it is managed. Programs were established as part of the Clean Water act in the 1970's. Programs are designed to protect the treatment works, protect the receiving waters and protect wastewater workers. Programs attempt to avoid pass through and interference.

Pretreatment programs are required if a treatment plant takes in 5 million gallons a day or more, or if there is industrial input into the sewer system. In PWD's territory, there is a program for Portland and the Westbrook-Gorham-Windham plants.

Industries are identified as needing a permit; then a permit is issued. Permits are either "Full" permits or "Best Management Practices" permits. PWD also inspects each industry at least once a year. It also samples industrial wastewater at least once a year. PWD is also responsible for enforcing the rules and has an emergency response plan.

The Portland Program year runs May-April. There are 26 permitted facilities. In 2019-2020, no new permits were issued. In Westbrook, the program runs September-August. In 2019-2020 there were 17 permitted facilities. Due to COVID, inspections of facilities generally occurred electronically, and site visits in person were not conducted. During 2019-2020, in Portland, 12 violation notices were issued. In Westbrook, 17 violation notices were issued; there were 4 industries who were in significant non-compliance in Westbrook for the time period.

PWD has an IPT sampling team made up of members of the wastewater systems crew. Environmental scientists assist in the program as well.

In 2017, EPA's dental Amalgam rule was promulgated. This required dentists to have amalgam separators; PWD is now responsible to insure that all dentists are complying with the separator rule.

In 2020, PWD was required to change its enforcement response plan to reflect a change related to a 24 hour notice requirement of violations.

Trustee Willey asked about the types of industries regulated by IPT. Ms. Sirois said there are brewers, food processors and industrial laundries regulated by PWD.

Ms. Sirois then moved on to the enforcement actions PWD pursued in 2019-2020. The first entity was Schlotterbeck and Foss, in Westbrook. She described the violations of oil and grease,

and the success they have experienced since making improvements to their process. A second company, Kerry, located in Portland, also was pursued by PWD for violations. They too have made improvements to their process; it is unclear as of this date as to whether they will be successful in solving their issues.

In 2021, an IPT newsletter will be produced and distributed by PWD to the permit holders. PWD will also work with the City of Portland to establish brewery regulations; some breweries in Portland are not currently regulated. An industrial waste survey will also be undertaken to see if new businesses/industries should be permitted by the program.

2. Defined Contribution 457 Plan

At the December 21, 2020 meeting, the Teamster Business Agent requested the District consider a change to the Defined Contribution (457) Plan allowing employees to borrow against their balance. David Kane, Director of Administration, provided background information on the plan and offering the loan option.

Mr. Kane provided an overview of the pension plans. PWD has 2 defined benefit plans - union and non-union (they are no longer open to enrollment of employees). There is a deferred compensation plan for all employees hired after 1/1/2011 (union) or 1/1/2012 (non-union). The discussion now is about the 457 plan.

Mr. Kane explained that for the short term employees, the 457 plan is the only plan available at the District for retirement. Plan withdrawals are allowed for retirement or hardship. Hardship is defined by the IRS - it has to be an unforeseeable emergency for which there are no other funds available. Requests for withdrawals are reviewed by a 3 person team. Twenty-one requests have been granted.

In December, the District was requested to add a loan component to the 457 Plan. Typically loans, if allowed, are allowed for up to 50% of the vested balance up to \$50,000. Generally, loans would be repaid in 5 years, at a reasonable rate (prime plus 2), with one outstanding loan at a time in a 12 month time frame. The Plan could allow a loan for a primary home with a longer time frame for repayment. Balance must be repaid when terminated. Defaults result in taxes/penalties to a participant. All of these recommendations were provided by Principal - the company that administers the plan for PWD.

There are some advantages to employees in allowing loans, including that a loan approval is not required and quick access to money. There are also some drawbacks - loss of deferred earnings while funds are loaned and double taxation among others.

Loans would place additional fiduciary responsibilities on PWD. Employees would need to be educated. Employees would potentially have reduced funds for their retirement. Employees may also save less for retirement.

Staff recommends that loans not be offered as part of the 457 plan. Reasoning includes encouraging employees to maintain their retirement savings.

President Douglas asked why hardship loans have to be reviewed by 3 people. Mr. Kane stated it is because the committee of 3 is charged with administering the Plan under the terms of the Plan.

Employees can only withdraw their own money that is actually in the Plan, not the employer contribution.

Trustee Willey asked about the challenges of administering this. Mr. Kane noted education of employees, making sure Principal follows the IRS rules, administering the loan balance amounts, making sure loans are repaid are some of the challenges.

Trustee Beck asked why this should be a Trustee decision, as the money belonged to the employees. He believed the money belongs to the employees, and it should be the employee's decision to make. Both he and President Douglas suggested that PWD was being paternalistic, and that the employees should be able to make the decision for themselves, and that other employers allow such borrowing.

Trustee Willey expressed support for allowing this concept to move forward, and allowing employees to borrow. Trustee Levinsky also agreed.

Trustee Cote expressed support for the staff's position. He noted that employees could already borrow for a hardship. Mr. Kane noted that a loan could not be taken against the employer's contribution. It would be possible for PWD to make the annual contribution and the employee to remove their own contribution, while the employer contribution stayed in the plan. Allowing loans would depress savings. Trustee Cote also noted PWD's fiduciary responsibility, and stated that unless repayments were made through payroll deduction, he would not support borrowing by employees.

Trustee Siviski also supported allowing employees to take out these loans.

Ms. Lewis explained her continued support for hardship withdrawals, but not borrowing for other reasons, and echoed the reasoning expressed by Mr. Kane. Ms. Demers agreed as well, noting PWD's fiduciary responsibility.

Due to lack of consensus, the General Manager suggested referring the matter to the Administration and Finance Committee for further review. The Board agreed, and the matter will be referred to the Administration and Finance Committee.

3. Other Business

President Douglas expressed condolences to Trustee Lunt on the passing of his wife, Ginny.

4. Adjourn

The meeting adjourned at 7:45 p.m.

Submitted by,

Donna M. Katsiaficas
Clerk