

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 at the District, 225 Douglass Street, Portland, Maine on November 13, 2017. In attendance from staff were Messrs. Crovo, Kane, Wallace, Firmin, Johnson, Cutrone and Mses. Lewis, Demers and Katsiaficas. Trustee-elect from Gorham, Tom Grant, was also in attendance.

All Trustees were present.

President Lunt convened the meeting at 6:42 p.m.

1. ABC Project.

Carrie Lewis, General Manager, presented information on contracts that will be recommended for execution to commence the ABC Project.

Ms. Lewis began her presentation by explaining the importance of the ABC project to the District. She noted that Cayenta, the District's selected vendor, is a good fit for the District. PWD has done its due diligence. It has evaluated other options. It has a good internal team working on the project.

The successful contract negotiations have led to a reduction in annual support costs, utility billing license costs and a reduction in the annual growth factor. Over 15 years, PWD will save over \$935,000. The complete project total cost should be 4.6 million dollars.

Arcadis, PWD's consultant, has expressed support for the choice of Cayenta, and for the software package that PWD is purchasing. Arcadis indicates PWD is very advanced in the manner in which it manages its assets.

Ms. Lewis is requesting Trustee approval to have the multiple agreements with Cayenta authorized at the Admin and Finance Committee, and thereafter at the full Board meeting on November 27. She provided a list of the various agreements, which are up for approval.

Trustee Garrison asked about the implementation schedule. Mr. Cutrone indicated that the project gets fully started in March 2018. September 2019 is the go-live date. The project would wrap up in the first quarter of 2020. The original schedule was 15 months from start to finish. The PWD internal team thought that the time frame was not realistic; therefore, the project schedule was spread out a bit.

Trustee Cote asked if PWD had physical space for operating the old and new system at the same time. Mr. Cutrone explained how it will work, and noted PWD had done this kind of implementation before. Trustee Cote asked if PWD was still paying for support from Hansen. Ms. Lewis and Mr. Cutrone indicated that no, PWD is no longer paying the Hansen fee.

Trustee Siviski asked if PWD was adequately protected in the written contractual agreements. Corporate Counsel Katsiaficas indicated that she believed PWD was adequately protected.

Trustee Garrison asked if there was an estimate on the total number of hours PWD employees are spending on the project. Mr. Cutrone indicated that there are 21,000 hours planned for. Trustee Garrison then requested that the District track the actual hours worked vs. the planned hours. Mr. Cutrone explained that we already are and there is a work order in placed for employees to bill their hours to.

President Lunt asked about the make up of the 4.6 million dollar budget, with respect to brick and mortar investments. Mr. Cutrone responded that \$250,000 is an investment in hardware; \$660,000 is an investment in software, \$150,000 is other software not belonging to Cayenta. The bulk of project costs are services to bring the system to life.

President Lunt also wanted PWD staff to keep track of staff hours on the project so that they could be added to the project to get a true cost of the project. Ms. Lewis agreed that staff hours would be tracked.

2. 2018-2022 Capital Improvement.

Chris Crovo, Director of Asset Management and Planning, presented the proposed CIP.

Pages 277-362 of the budget book contain the CIP projects.

Mr. Crovo explained how the CIP plan is put together. Trustee goals, wastewater assessment meeting with municipalities and existing master plans and management plans are all rolled into a financial model and then an analysis is done as to where PWD stands with respect to its CIP plan.

Mr. Kane looks at it to determine what kind of rates and assessments will be needed to fund the plans.

Mr. Crovo then went on to describe a total of 19.8 million dollars in CIP projects for the fiscal year 2018. Projects include, but are not limited to SCADA and technology upgrades, vehicle and equipment placement (\$500,000), wastewater collections systems and pumping (1.9 million dollars). Cape Elizabeth has the most pump stations maintained by the District – 27 pump stations. Mr. Crovo detailed the investments of \$930,000 that will be made in Cape Elizabeth in 2018. He also explained the R&R expenditures that are being requested for wastewater systems in each town and city serviced by PWD.

Trustee Garrison asked about running the pump stations to failure. Mr. Crovo explained the process and the evaluations done by PWD. In the small stations, if a pump fails, it is replaced. In the larger stations, more evaluation is done. Mr. Firmin indicated there is redundancy at the stations as well.

PWD treats about a million gallons of seawater in Portland a year. PWD is trying to tighten up the system, and will be replacing a couple of tide gates in the Portland system. The East End Treatment Facility will receive about \$725,000 in investments, including security improvements

and odor control fans. It will also receive 1.5 million dollars in capital upgrades; this will include HVAC upgrades.

Mr. Crovo went on to detail wastewater treatment projects that will take place in Cape Elizabeth and at the Westbrook/Gorham/Windham regional plant. A big aeration project of approximately 8 million dollars is coming in the near future to the Westbrook regional facility; the City has been advised of the project and is planning for it. Loadings are increasing at the plant, and it needs to be improved. Peaks Island plant will also see minor investment.

Almost 30,000 feet of water mains are scheduled to be replaced in 2018. Mr. Crovo gave detail on which projects will be conducted. Many of the pipes being replaced are more than 100 years old. PWD experiences approximately 10 main breaks per 100 miles of line; this is below the national average.

Trustee Garrison asked for a presentation in the future on main breaks and correlations to age of the pipe and other factors. Mr. Crovo said that such a presentation could be done.

Overall, water investment will be 14.4 million dollars and wastewater investment will be 5.5 million dollars.

Trustee Willey asked about a five million dollar project that would provide back up power to the East End facility. Mr. Crovo said the East End has major issues with respect to power. Major rehab to the electrical backbone of the plant needs to be done; it includes transfer switches, generators and other improvements. Mr. Firmin said the reliability of the electrical system is required by the District's NPDES permit. Mr. Crovo said a study will be done of possibly reducing electrical costs of operation through exploring efficiency improvements.

Trustee Siviski asked what happens if a project is not completed for any reason as to the funding. Mr. Crovo said if the project comes in too high, staff requests more funds, or a project can be re-programmed for a later year with a better scope of work. If more funding is needed to complete a project, Board approval must be sought.

Trustee Libby asked if a project is approved for one year, but not done in that year, is the money used somewhere else? Mr. Crovo said no, it was not used somewhere else.

Authorizing the CIP means that if a project comes in higher than projected in the CIP, the Board must be consulted and must approve more funding for additional program funding.

3. Other Business

Ms. Lewis had several follow up items for the Board from the October 23 meeting.

Gender demographics – PWD demographics of 80% male and 20% female is typical for the water and wastewater utility industry in the country.

David Kane explained the CPI used in PWD's budget goals. PWD uses a melded rate put out by City and County magazine. They publish the CPI, a municipal index, and a construction rate index; all three are melded together. This year, a 2.5 % rate was used, with an additional 1% added for capital reserve. Trustee Willey noted that 30% of PWD's budget seems to be construction of water mains and other construction; therefore, it was appropriate to use the construction index as part of the index. President Lunt would like a presentation as to how the three indexes are melded together. Trustee Garrison said that those indexes reflect national costs, not necessarily regional costs that affect PWD.

The City of Portland has formally requested that PWD assume the responsibility for their Industrial Pretreatment program.

PWD has received 16 applications for the water bottle filling station grants. Trustee Willey will be added to the committee.

The December business meeting will occur on December 18, 2017.

For the calendar for 2018, Rosh Hashanah is on Sept 10, 2018. Ms. Lewis will review.

4. Adjourn.

Meeting was adjourned at 7:55 p.m.

Submitted by,

Donna M. Katsiaficas
Clerk