

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 in the Nixon Training Center at the general offices of the District, 225 Douglass Street, Portland, Maine on May 13, 2019. In attendance from staff were Messrs. Crovo, Hunt, Quirk, Kane, Firmin, Wallace, Johnson and Meses. Lewis, Jackson, Katsiaticas, and Demers. Chad Dudley and Kelly Peaslee from Wipfli were in attendance.

All Trustees were present.

President Cote convened the workshop at 6:45 p.m.

1. 2018 Audit Report.

Representatives from Wipfli LLP, the District's auditor, presented the 2018 audit report.

Chad Dudley addressed the Board on behalf of Wipfli. He explained that MacPage merged with Wipfli in 2018. Personnel has not changed. Local people are still working on local accounts.

He explained how the audit of financial statements was conducted. The firm issued a clean opinion to PWD. He noted that PWD has good liquidity and can meet its obligations that are coming due. PWD is in a good financial position as of the end of 2018. No significant deficiencies were found or reported. Minor comments were made for areas of improvements. They have been addressed with and by management.

President Cote asked how does the audit affect PWD's bond rating. Mr. Dudley said the audit does affect PWD's bond rating. The rating continues to be high and there is no change from last year.

2. Sebago Clean Waters.

Karen Young, Coordinator of Sebago Clean Waters, described the overarching goals of the effort, an overview of recent achievements of the partnership, and the next steps going forward.

Paul Hunt began the presentation. He provided information about the clean water of Sebago Lake, and explained that the forest is the filtration for the water in the lake. Eighty-nine percent of the forest in the area of the lake is not protected. PWD is required to control detrimental activities occurring in the watershed, and must maximize land ownership or control land use within the watershed in order for PWD to maintain its filtration waiver. PWD's land conservation efforts that it undertakes are designed to meet these requirements.

Ms. Young then addressed the Board. She provided a summary of the Sebago Clean Waters history, beginning in 2007. The Sebago Clean Waters initiative came together in spring of 2017. Allagash Brewing was the first business partner in the fall of 2017.

There are 9 partner organizations. It is a coalition, not a stand-alone organization. The partners work collaboratively together and share resources. A governance Committee is staffed by 4 partners. All partners sit on the Steering Committee.

The goal is to conserve 35,000 acres in the watershed in the next 15 years—this will be 25% of the acreage in the lake watershed conserved. A second goal is to raise \$15 Million Dollars for a Water Fund to be used to acquire the conservation land.

Every \$1.00 invested in the watershed for conservation yields almost \$9.00 in benefits according to a study conducted by the University of Maine. Loss of 8% of the forest cover in the area could trigger an increase in sediment and nutrient pollution. It could cost up to \$150 Million Dollars to build a filtration plant.

SCW operations are currently funded with a \$350,000 grant from U.S. Endowment to Forestry and Communities and several of the Partners. PWD has pledged to fund up to 25% of the cost for each conservation project. This translates to up to \$9.2 Million Dollars over the next 15 years.

The concept of a Water Fund and its effect was explained.

Benefits of collaboration were explained. More knowledge is available, funding is leveraged and new partners become involved.

Ms. Young thanked PWD for its commitment to conservation and to the funding of conservation work. Ms. Young provided a list of accomplishments of SCW for the Board. Accomplishments include the completion of a University of Maine economic study, creation of an online mapper tool and increasing the capacity of land trusts to conserve property.

SCW received its first donation from an individual last week. Allagash Brewing has provided an \$8,500 contribution to SCW. Foundation Brewing has created a beer which it sells and generates contributions into the Water Fund.

Ms. Young then reiterated what the success of SCW would look like.

Laurel Jackson then addressed the board. She showed maps where conserved land in the watershed is located, and showed where PWD has made contributions. The Tiger Hill Community Forest in Sebago on the Northwest River is scheduled to close at the end of 2019. The property is over 1400 acres. This is the first project SCW is working on. PWD is providing a substantial contribution for its acquisition. The acreage is primarily forested and has wetlands. The total project cost is just under \$2 Million Dollars. PWD contribution is \$345,000. Loon Echo Land Trust will ultimately own the land and manage it as a community forest.

Trustee Lunt asked if any of the \$2 Million Dollars is a stewardship contribution. Ms. Jackson said yes, the stewardship contribution will be raised before the closing.

Trustee Levinsky asked about the up to \$9 Million Dollar contribution over the next 15 years, and if it included PWD conservation efforts. Mr. Hunt said the SCW fund is meant to be a supplement to PWD efforts. The 9 Million represents an increase in the number of projects PWD would fund.

Trustee Siviski asked if the forest cover area was decreasing in the watershed. Mr. Hunt said it is slightly decreasing—a few percent. Trustee Siviski also asked about the language of the CFR regulation related to the waiver of filtration, and asked if the 35,000 acre conservation goal was an aspirational goal, or a requirement. Mr. Hunt responded it was aspirational.

Trustee Beck asked if there were more farms and less forests in the history of the Lake. Mr. Hunt said there were more farms long ago. There was more algae and lower water quality when there were more farms and less forest land.

Trustee Lunt asked if the Partners in SCW had similar funding criteria to PWD. Ms. Young said they have essentially adopted the same criteria as PWD.

Trustee Willey asked about the Northwest River and noted there were no “sinks” in the River. He and Mr. Hunt discussed the water quality value of the land and water quality priority areas. He asked if the acreage on the Northwest River was used by the public for hunting and other traditional activities. Ms. Jackson said the land has been open to public use including hunting.

Trustee Grant asked about funds that had been given to SCW to hire a contractor (Ms. Young).

Trustee Libby asked if logging would be allowed on the Northwest River property. Ms. Jackson said she expected it would be allowed.

Trustee Lunt asked about soliciting conservation land and not over emphasizing the water quality purpose, as some will want to conserve the land simply because they do not want development. Mr. Hunt agreed and explained the evaluation process.

Ms. Young noted that studies have shown that having conservation land in a town increases property values and increases jobs as well.

PWD has contributed just over half a Million Dollars so far in the last 10 – 15 years.

3. Other Business.

President Cote mentioned the suggested minor changes to the by-laws and rules which are being proposed. It will be discussed at a future meeting.

Ms. Lewis reminded the Board of the Southern Maine Regional Water Council annual meeting. She also said the buoy has been placed in the Lake. She also responded to a question from Trustee Libby about the cost of the advertising space.

She also asked if the Board would support giving PWD employees July 5th off. The consensus of the Board was that it was acceptable.

4. Adjourn.

The meeting adjourned at 8:02 p.m.

Submitted by,

Donna M. Katsiaficas
Clerk