

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, June 6, 2022. In attendance from staff were Messrs. Crovo, Kane, Firmin, Wallace, Cutrone and Mses. Lewis, Katsiaticas, Demers and Walker. President Douglas convened the Workshop at 6:36 p.m.

All Trustees were present.

1. 2023 Budget Parameters

David Kane, Director of Administration, and Carrie Lewis, General Manager, provided a high level proposal for developing the 2023 budget.

Ms. Lewis explained her goal is to provide continuity with the budget given that she will be leaving PWD.

The 2023 parameters for the budget were given to the Board. Inflation for this year may be as high as 11.7 %. PWD may be unable to meet municipal expectations for wastewater assessments. PWD may be in need of additional personnel if the North Windham wastewater project is approved; and PWD may need an additional employee for payment processing.

Mr. Kane then took over the budget presentation. He stated that it will be a challenging budget year this year. He provided high level estimates for water revenue and wastewater assessments. Water rates may need to increase 6% as of January 1, 2023. Wastewater assessments may increase up to 14%. Interest income is projected to be up \$300,000.

A residential customer could expect an increase of \$1.41 per month on their water bill if the general 6% rate increase is approved. Residential customers would see an increase of 5.4%.

Municipalities have been contacted and advised that wastewater assessments will be increasing.

Expenses for 2023 are expected to be up 11.7% from 2022. The proposed 2023 budget outlook proposes to use up to 1 Million Dollars in surplus to fund water main work in 2023. Personnel costs have increased; these costs include wages, health insurance and the pension contribution. The labor contract remains in negotiation. Third party expenses, especially biosolids disposal costs - are increasing rapidly. Chemical costs may increase by as much as 45%.

PWD is not alone in experiencing these cost increases. Municipalities and consumers and others are all experiencing varying costs of significant inflation.

Mr. Kane provided a time table for the budget development to the Board. Board review and approval will occur in October and November.

Trustee Garrison expressed concern on rates going up on industrial customers. He asked if the costs sharing between residential and industrial customers have changed over time. Mr. Kane said there has been growth in the useage by industrial accounts. The next time a cost of service study will be conducted is 2026. Trustee Garrison is not asking for a study at this time, but

expressed interest to see if there has been some closing of the gap between industrial/commercial customers and residential. Mr. Kane said he cannot quantify it at this time.

Trustee Libby asked if the semi-conductor facilities and commercial food facility businesses could be broken out so that their usage could be seen separately. Mr. Kane said customers are not categorized by industry types. Some larger customers are identified.

Trustee Garrison asked about the stability of PWD's chemical contracts. PWD's chemicals are procured through the Southern Maine Regional Water Council and chemicals are procured annually. The next procurement is December. Mr. Kane also explained PWD's electricity contracts. Electricity prices for PWD should be fairly stable for a year, then it get repriced, through a bid process by Maine Power Options.

Ms. Lewis asked about the 6% rate increase and asked if it was palatable to the Trustees. Trustee Cote and Douglas said it was reasonable and seemed to be something that couldn't be avoided.

Numbers presented tonight are preliminary.

2. Legislative Update

Donna Katsiaficas, Corporate Counsel, and Scott Firmin, Director of Wastewater Services, presented an overview of the Second Regular Session of the 130th Legislature.

Attorney Katsiaficas explained that unless enacted as an emergency measure, laws that were passed in this legislative session will go into effect August 8, 2022.

She went on to say that many of the bills PWD was following this session were either defeated or withdrawn by their sponsors. This was true of most labor bills. With respect to the bills that were passed that affect PWD, most were in the category of PFAS, which will be covered by Scott Firmin.

The other bill of note was LD 1772 which made changes to the remote meeting law. The bill removed the requirement that remote policies have a presumption that board members will be physically present for meetings, and also removed the statutory examples of what was considered an acceptable reason for an absence by a Board member. These reasons included an emergency or urgent issue that requires the board to meet via remote methods, or an illness or temporary absence of a member that causes significant difficulty traveling to the meeting location. These examples are in PWD's remote policy. As a result of the statutory change, PWD can amend its policy to comply with the statute, but it is not required to do so.

Ms. Katsiaficas then turned the presentation over to Mr. Firmin for discussion of the PFAS related bills.

Mr. Firmin took over the presentation and explained LD 1911 and its impact on PWD wastewater operations. He provided a slide presentation explaining the legislation and its significant impact on the wastewater industry. Impacts include the prohibition of land application of septage and the prohibition of selling compost made from wastewater sludge or septage.

The 10.00 per ton fee was rescinded, saving PWD \$240,000. Costs of disposal of biosolids will continue to increase as the only option to dispose of biosolids will be to landfill.

3. Other Business

The town of Freeport may be looking to consolidate their wastewater services to a bigger organization. This information was passed along by Cumberland County Commissioner, Steve Gorden. He thought if PWD was interested we could give them a call. Freeport is, of course, outside PWD's charter area and if we were to pursue this, PWD would need a change to the charter.

Ms. Lewis recommended at this time that we take no action as we await the outcome of the Windham referendum on the North Windham Wastewater Treatment project. The Trustees were in agreement.

At the Sebago Lake Overlook on Rte. 35, trees are beginning to grow above the fence and will eventually block the view.

As presented to the Planning Committee in December 2021, PWD will be working with/allowing the Town of Standish to begin a maintenance regime to keep the view. This is what has been approved by the DEP:

The town can cut all the trees from the top of the bank to the normal high water line within the span of the wooden guard rail at the Sebago Lake Overlook on Rte. 35. Stumps must be left in place so as not to destabilize the bank. Shoreland Zoning allows an existing cleared opening to be maintained if it is maintained every two years. The trees need to be cut this year, and subsequent tree growth needs to be cut every two years. Replanting with low-growing native shrubs will help to prevent new tree growth and to stabilize the bank.

Brie Holme of Environmental Services will write a Sebago Lakescaping report for the re-planting. We will offer the Town a matching Lakescaping grant of \$2,000 for shrubs.

4. Executive Session

Pursuant to 1 M.R.S. §405 (6)(D) labor negotiations, the Board went into Executive Session to discuss the status of labor union contract negotiations with Teamsters Local Union #340.

A motion was made by Trustee Siviski and seconded by Trustee Garrison to go into executive session to discuss the status of labor union contract negotiations with Teamsters Local Union #340. Voted all in favor.

The Executive Session began at 7:30 p.m. and ended at 7:56 p.m. Motion to come out of Executive Session and adjourn made by Trustee Siviski, second by Trustee Cote. And approved unanimously.

5. Adjourn

The meeting was adjourned at 7:56 p.m.

Submitted by,

Donna M. Katsiaticas
Clerk