

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 Monday, July 10, 2023. In attendance from staff were S. Garrison, C. Crovo, D. Kane, S. Firmin, J. Wallace, J. Hudak, M. Demers, D. Katsiaficas, and C. Cote. Leroy Crockett of Scarborough was also in attendance.

All Trustees were present except Trustee Douglas.

President Lunt convened the workshop at 6:40 p.m.

## **1. 2024 Budget Parameters**

David Kane, Director of Administration, and Seth Garrison, General Manager, provided a high-level framework for developing the 2024 budget.

An overview of the planning process included the following steps:

- Review of External Factors,
- Review and Update of Mission, Values and Strategic Goals,
- Create Tentative List of Projects/Initiatives,
- Obtain Board's Direction and Feedback,
- Prepare Budget for Board/Community Review in October/November,
- Adopt Budget in November – Operating, Capital, Water Rate and Fees, and
- Implementation of budget and rates effective January 1, 2024

Five parameters for the 2024 budget were presented to the Board for feedback.

1. **Operating Budget Increase Not To Exceed Inflation Rate over the Long-Term.** The first draft budget indicates a 9.2% expense increase is needed. That exceeds the rate of inflation due to higher debt service costs related to several significant capital projects, chemical and electricity costs.
2. **Wastewater Assessments Meet Municipal Expectations.** Municipal assessment increases range between 4.8% and 9.5%. Higher than municipal expectations for all municipalities as noted in item 1.
3. **Water Rates Affordable and Sufficient to Meet Operational Needs.** The draft 2024 budget indicates an average 7% water rate adjustment is needed. The impact on typical customers was shared. The average residential adjustment is 6.22%. It was noted that the Finance Committee reviewed a proposal to adjust the rate increase methodology to allocate more of the increase percentage to a larger customer base rate.
4. **Number of Positions Optimized for Workload.** The draft 2024 includes a headcount of 189, up by one, and a full-time equivalent count of 206, down by one.
5. **Capital Budget Continues Implementation of Water/Wastewater Master Plans.** A summary list of proposed projects was presented.

A summary of the first draft revenue and expenses was presented. The Trustees had a number of questions and comments. They were encouraged to provide additional feedback at the upcoming Committee meetings or to the General Manager. In the coming months, staff will review the first draft of operating and capital budgets and make appropriate adjustments based on the feedback. Staff will present the proposed budget at the October meeting.

A copy of the budget presentation is attached.

## **2. Other Business**

The General Manager advised the Board of recent claims that have been received. He reminded the Board that the current process is to let our insurance company handle all claims and most of them fall under the Maine Tort Claims Act, 14 M.R.S.A § 8103, for which we have immunity. Most recently there was a main break in South Portland. A claimant reached out to Trustee Beck requesting restitution. The Board discussed the past history manner in which claims have been handled. The Board asked that staff propose an approach on how to handle claims where PWD's insurer does not cover the loss due to PWD's immunity. It will be discussed at a later date.

## **3. Adjourn**

The meeting was adjourned at 8:04 p.m.

Submitted by,

Carrie E. Cote  
Assistant Clerk