

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, September 14, 2020. In attendance from staff were Messrs. Crovo, Kane, Wallace, Firmin and Mses. Lewis, Katsiaticas, Doiron and Demers. President Douglas convened the Workshop at 6:33 p.m.

All Trustees were present.

1. **Per - and Polyfluoroalkyl Substances (PFAS)**. At the March Workshop, Scott Firmin, Director of Wastewater Services, provided an update on PFAS in biosolids and near-term challenges to the wastewater industry. Mr. Firmin discussed more recent developments and the current biosolids management agreement.

Mr. Firmin gave a general description of PFAS and its uses. It is a chemical that once it is in the environment, it does not leave it. It is becoming increasingly regulated. The Maine legislature has attempted to pass several pieces of legislation dealing with PFAS, and the general direction is to increase liability on entities having something to do with using or disposing of products that have PFAS in them.

As PFAS disposal becomes more and more restricted, it becomes more difficult to dispose of biosolids. Limits on disposal pushes more materials to be landfilled as opposed to composted.

Landfills need more municipal solid waste at the time when the disposal of biosolids is occurring in order to mix it with the biosolids. Odor issues might also arise.

PWD is in year 15 of a 20 year contract with Casella. There is not a lot of interest from vendors in a long term contract for disposal of biosolids. Prices for disposal are increasing. PWD may end up paying \$90.00 per wet ton for disposal. The extension of 5 years to the 20 year mark for the Casella contact appears to be the best deal for PWD, especially when compared to what other entities are paying for disposal.

PWD is in a difficult position at this point. The increased cost of biosolid disposal District wide will be \$400,000.

Trustee Libby asked if septage will need to be retained for a longer period of time, and if it will affect odors. Mr. Firmin said landfill limits have been in place for a while, and PWD has been working with Casella for some time to schedule trucks and has attained efficiencies in scheduling, so there should not be much impact on the East End facility.

2. **District's Finances**. David Kane, Director of Administration, presented an update on the District's finances.

Mr. Kane provided a reminder about how the debt collection process works. PWD has not been disconnecting utility service for delinquencies since March, when the PUC disallowed disconnections. Since that time, delinquencies have doubled the number of accounts eligible to be shut is 1,800 as of two weeks ago – 1,700 of those accounts are residential. 75% of the accounts eligible to shut have had collection issues in the last two years.

It is expected that the PUC will reverse the disconnection moratorium on September 15, with disconnections allowed to proceed as of November 1, 2020. PUC requires notice, which will go out in October. For PWD, the disconnections will likely begin after Thanksgiving. PWD will

likely raise the amount eligible to shut to \$300 (from \$100). This will help the District's work load. When the workload is manageable, the amount eligible to shut will go back to \$100. Payment arrangements will likely give the customer up to 12 months to pay off their delinquent bill. Staff may recommend that late fees be waived till May, 2021. Presently, late fees are waived until 30 days after the expiration of the State civil state of emergency.

PWD continues to lien accounts greater than \$5,000 – there is only one such account at this time.

The PUC may require PWD to open its office for customers to come in to pay their bills.

Trustee Lunt asked about sewer balances that are owed. Mr. Kane said payments are applied to the oldest water/sewer balance owed. PWD does not turn over sewer money to the municipalities until it receives the money from the customer.

Trustee Willey asked about the application of payments. Mr. Kane said if the delinquencies are the same age, water gets paid first, then sewer gets paid.

The late fee waiver will be reviewed by the Board in October.

A rate adjustment recommendation of an increase of 3.4% will be made for the Board to consider in October. Through August, revenues are down about \$50,000; projected losses may be as much as \$400,000 by the end of the year. Expenses are trending lower by \$500,000-\$800,000.

Moving to 2021, the proposed budget request is flat, of almost \$25.6 Million Dollars. To fund the budget, a 3.4% increase is needed. PWD will also be drawing on reserves to pay for the budget. This translates to .61 a month for residential customers. To have the rate implemented December 1, a hearing would be held in October, with Board approval at the October business meeting, effective December 1. This would fully fund the budget for 2021. PWD had no increase year to date in 2020. The last rate increase was May of 2019.

Due to implementation of the new billing system, if the rates are not adjusted in December 2020, it would not be prudent to have a rate adjustment until December of 2021.

The General Manager asked for a consensus on this approach.

Trustee Lunt voiced support for the approach. He noted PWD was lucky and had increased revenue this summer due to a dry season. He does not support delaying a rate increase to the end of 2021.

Trustee Garrison asked about revenue collection for the City of Portland, and if the City has deferred some of their larger projects. Mr. Crovo said the deferred projects are being bid now for construction next season. The projects are required by the DEP consent agreement. The City of Portland's budget for 2021 has been delayed till October.

Trustee Rich voiced support for the plan.

The General Manager noted it is unlikely the new billing system will be launched in February 2021; it will likely be delayed.

Trustee Willey noted PWD had a million dollar surplus in 2018, and that reserve accounts were created. Trustee Willey voiced support to draw \$500,000 from the reserve accounts, and drop the

rate increase lower. Mr. Kane said \$400,000 is being taken from reserves already; an additional \$500,000 would mean a drawdown of \$900,000 for reserves. He voiced support for the staff plan; but is open to pulling up to \$500,000 more from reserves if others support it. Mr. Kane said if \$500,000 additional is drawn down, the rate increase will be 1.4%; however that means a rate increase of 9% will be needed for the 2022 budget. A 3.4% increase now means a rate increase of 6% for 2022.

Trustee Garrison suggested PWD is locked in by policies and that the impact of rate increases on commercial businesses is not fully understood.

Trustee Siviski asked about the policy of having higher rate increase for commercial accounts than residential – he asked if the Board is locked into that policy. Trustee Libby noted that as a result of a cost of service study, it showed that residential customers were subsidizing commercial and industrial customers. The Board made a policy decision that Commercial and Industrial increases would be more to balance out the cost to residential. Trustee Siviski noted he was not ready to revisit the issue, and he was just raising it for discussion. He is comfortable moving forward with the staff recommendation.

Trustee Cote and Beck agreed as well.

A public hearing will be held in October; the final rate schedule will be reviewed at the business meeting.

A new notice will be sent to customers.

3. Executive Session. Pursuant to 1 M.R.S. §405(6)(A) personnel, the Board went into executive session to discuss a personnel disciplinary matter.

A motion was made by Trustee Siviski and seconded by Trustee Levinsky to go into executive session to discuss a personnel disciplinary matter.

The Executive Session began at 7:37 p.m. and ended at 7:58 p.m. Motion to come out of Executive Session made by Trustee Lunt, second by Trustee Libby.

4. Other Business.

Trustees were reminded of the Annual Meeting of the Southern Maine Regional Water Council Meeting which will be held remotely via Zoom on Thursday starting at 6:00 p.m.

Trustees were encouraged to look at the recording of the August business meeting which was live-streamed on Town Hall Streams using the Webex platform. The quality of the broadcast was very high.

Scott Firmin, Director of Wastewater Services, presented the highlights of the plan that Wastewater Services has developed for operations. The plan includes implementation of a project planning form for non-routine work, consideration of changes to staff schedules and reporting arrangements, and increased emphasis on safety, communication and documentation. An After Action Review of recent incidents will be conducted by a third party. Many of the actions noted in the plan had already begun to be implemented in Wastewater Services.

5. Adjournment.

The meeting was adjourned at 8:25 p.m.

Submitted by,

Donna M. Katsiaficas
Clerk