

As voted by the Board of Trustees and in accordance with the notice of the meeting, the Regular Meeting of the Board of Trustees of the Portland Water District was held at the Jeff P. Nixon Training Center, 225 Douglass Street, Portland, Maine, on Monday, November 28, 2016. Attending from staff were Messrs. Miller, Crovo, Kane, Johnson, Wallace and Firmin and Meses. Katsiaticas and Walker. In attendance from the public were Cathy Steele, Joshua Willey and Jay York. The meeting was convened by President Cote at 6:01 p.m. with the Pledge of Allegiance and a moment of silence.

ROLL CALL

The roll was called by the Clerk. All Trustees were present except Trustee Swinton.

DECLARATION OF ELECTION RESULTS AND INAUGURATION FOR THE TRUSTEE REPRESENTING PORTLAND ELECTED ON NOVEMBER 8, 2016

Trustee James Willey, representing Portland, was sworn in as he began his five year term.

ACCEPTANCE OF MINUTES

It was moved by Trustee Libby, seconded by Trustee Lunt.

President Cote noted there was one revision to the October 24, 2016 minutes.

Voted all in favor to waive the reading and accept the minutes of the Regular Meeting of October 24, 2016, and the Workshop Meeting of November 14, 2016.

INVITATION FOR PUBLIC COMMENT

Mr. Jay York of 58 Wilmont Street, Portland addressed the Board. He requested that the Board consider rescinding allowance of the placement of graffiti on the wall abutting the East End Plant. He requested that a mural be placed there instead.

REPORTS

Operations Committee

Trustee Lunt, Chair, provided a summary of the Operations' Committee meeting. The Wastewater and Water Services Departments presented their respective 2017 budgets, and answered all questions to the satisfaction of the committee members.

Planning Committee

Trustee Libby, (Trustee Swinton was absent), provided a summary of the Planning Committee's meeting. The Asset Management and Planning Department which is comprised of Environmental and Engineering Services presented their respective budgets as described in the 2017 Comprehensive Budget Report. They discussed briefly with the committee the projects and initiatives they accomplished in the previous year and outlined their goals for this coming year. They also discussed their respective financial overviews for their departments. Paul Hunt, Environmental Services Manager reviewed the Water Resources and Laboratory budgets and noted that their proposed budget was increasing approximately 0.4% over the previous year. Gordon Johnson, Engineering Services Manager and Roger Paradis, Facilities Chief Operator noted the Facility, Asset Engineering, and Instrumentation Services budgets proposed a budget

increase of 2.2%. Committee members noted they were satisfied with this year's budget proposals for Engineering and Environmental Services.

Administration and Finance Committee

Trustee Garrison, Chair, provided a summary of the Administration and Finance Committee's meeting. Mr. David Kane presented a motion authorizing a cost-of-living increase to current pensioners of 0.36%. The increase is 50% of the annual consumer price index change, which is the maximum allowed under the defined benefit plan. Ms. Mary Demers presented a motion amending the non-union pay structure by 5%. The Board adopted non-union compensation policy states the non-union pay structure should be adjusted at least every 2 years to reflect market changes. The structure was last changed effective January 1, 2015. The committee reviewed the Administration Departments budget. It was noted that the overall budget request is \$5,459,534, which is \$107,652 or 2.0% higher than the prior year. The managers of Information Services, Financial Services, Customer Service and Employee Services departments presented their budget request to the Committee and responded to a number of questions posed by the Committee members.

General Manager's Report

Ron Miller, General Manager, welcomed James Willey back to the district and congratulated him on his election to office. Mr. Miller thanked outgoing Trustee Brad Cleaves for his service. Mr. Miller noted that the full Board had gone over the 2017 budget extensively at the November workshop and that the 1.7% water increase that the budget assumes will be considered in January. Mr. Miller advised that senior staff of the District had met with senior staff of the wastewater municipalities to discuss next year's assessments; he reported that the municipalities were pleased with the District's services.

Trustee Lunt requested that the minutes from the Standish Steering Committee be included in the minutes of this meeting. Trustee Willey made the motion and it was seconded by Trustee Libby, with all in favor.

NEW BUSINESS

Order 16-036, adopting the 2017 Budget and Wastewater Assessments with the exception of the Scarborough Sanitary District.

Trustee Garrison noted that in the past he has asked that he be allowed to recuse himself from the vote on the Scarborough Sanitary District as he was a member of the Board. His term has expired.

The Board was requested to accept the 2017 Budget and authorize billing the municipalities (with the exception of Scarborough) for wastewater and billing services.

It was moved by Trustee Garrison and seconded by Trustee Dreger.

It was Voted and unanimously,

ORDERED, that the 2017 Budget and Wastewater Assessments as presented by the General Manager are accepted and adopted and shall be filed with the minutes of this meeting; and pursuant to Section 12 of the District’s Charter, to assess for 2017 the participating municipalities for wastewater related costs as follows:

Town of Cape Elizabeth	\$ 1,468,692
Town of Cumberland	844,584
Town of Falmouth	263,604
Town of Gorham	1,106,148
City of Portland	11,841,972
City of Westbrook	2,533,176
Town of Windham	360,528

and to assess non-participating municipal corporations for billing-related costs as follows:

City of South Portland	\$ 192,384
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Trustee Lunt asked if the Falmouth charge include both the debt service and related costs. It does.

Order 16-036a, adopting the 2017 Budget and Wastewater Assessment for the Scarborough Sanitary District in the amount of \$10,980.

It was moved by Trustee Garrison, seconded by Trustee Dreger.

It was Voted and unanimously

ORDERED, that the Scarborough Sanitary District is hereby assessed the sum of \$10,980 for billing-related costs for 2017.

Order 16-037, adopting the 2017-2021 Capital Improvements Plan.

Trustee Willey commented that he was sorry he missed the CIP presentation.

It was moved by Trustee Garrison and seconded by Trustee Dreger.

The Board was requested to adopt the 2017-2021 proposed capital improvement plan and authorize staff to implement the 2017 projects within the restrictions stated below and in compliance with the purchasing policy guidelines.

It was Voted and unanimously,

ORDERED, that the 2017 – 2021 Capital Improvement Plan is hereby adopted and the General Manager is authorized to solicit bids or proposals for the year 2017 projects; and to authorize the General Manager to award contracts for approved projects to the lowest bidder if the bid is within the project budget;

BE IT FURTHER ORDERED, that the General Manager is authorized to solicit bids or proposals and is authorized to partner with municipalities, MDOT and developers for the year 2017 for the replacement and extension of water mains, services, valves and hydrants as outlined in the Water Distribution Systems Upgrades Program; and the General Manager is also authorized to enter into contracts and award contracts if the bids or partnering proposals that are within the overall program budget.

The General Manager explained the nature of the budget and the process that was utilized to adopt it. He noted that staff had worked diligently to bring the budget to the Board, and that it met the goals established by the Board of Trustees.

Order 16-038, authorizing the General Manager and Treasurer to begin the process of a 2017 water rate increase.

It was moved by Trustee Garrison and seconded by Trustee Dreger.

The Board was requested to authorize the General Manager and Treasurer to begin preliminary steps necessary to prepare a rate adjustment of approximately 1.67%.

It was Voted and unanimously,

ORDERED, that the Board of Trustees directs the General Manager and Treasurer to undertake the preliminary steps necessary to prepare a rate adjustment of approximately 1.67% for further Board consideration.

Resolution 16-012, declaring the Board's intent to issue debt to reimburse costs incurred for water fund projects identified in the 2017 CIP.

It was moved by Trustee Garrison and seconded by Trustee Dreger.

It was Voted and unanimously

RESOLVED, the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for water fund projects identified in the 2017 CIP. The full form of the resolution is attached hereto and incorporated herein by reference, and shall be part of the minutes of this meeting.

Resolution 16-013, declaring the Board's intent to issue debt to reimburse costs incurred for Cape Elizabeth's wastewater fund projects identified in the 2017 CIP.

It was moved by Trustee Garrison and seconded by Trustee Dreger.

It was Voted and unanimously,

RESOLVED, the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Cape Elizabeth wastewater fund projects

identified in the 2017 CIP. The full form of the Resolution is attached hereto and incorporated herein by reference, and shall be part of the minutes of this meeting.

Resolution 16-014, declaring the Board's intent to issue debt to reimburse costs incurred for Cumberland wastewater fund projects identified in the 2017 CIP.

It was moved by Trustee Garrison and seconded by Trustee Dreger.

It was Voted and unanimously,

RESOLVED the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Cumberland wastewater fund projects identified in the 2017 CIP. The full form of the Resolution is attached hereto and incorporated herein by reference and shall be part of the minutes of this meeting.

Resolution 16-015, declaring the Board's intent to issue debt to reimburse costs incurred for Gorham wastewater fund projects identified in the 2017 CIP.

It was moved by Trustee Garrison and seconded by Trustee Dreger.

It was Voted and unanimously,

RESOLVED the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Gorham wastewater fund projects identified in the 2017 CIP. The full form of the Resolution is attached hereto and incorporated herein by reference and shall be part of the minutes of this meeting.

Resolution 16-016, declaring the Board's intent to issue debt to reimburse costs incurred for Portland wastewater fund projects identified in the 2017 CIP.

It was moved by Trustee Garrison and seconded by Trustee Dreger.

It was Voted and unanimously,

RESOLVED the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Portland wastewater fund projects identified in the 2017 CIP. The full form of the Resolution is attached hereto and incorporated herein by reference, and shall be a part of the minutes of this meeting.

Resolution 16-017, declaring the Board's intent to issue debt to reimburse costs incurred for Westbrook wastewater funds' projects identified in the 2017 CIP.

It was moved by Trustee Garrison and seconded by Trustee Dreger.

It was Voted and unanimously,

RESOLVED the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Westbrook wastewater fund projects identified in the 2017 CIP. The full form of the Resolution is attached hereto and incorporated herein by reference, and shall be a part of the minutes of this meeting.

Resolution 16-018, declaring the Board's intent to issue debt to reimburse costs incurred for Windham wastewater funds' projects identified in the 2017 CIP.

It was moved by Trustee Garrison and seconded by Trustee Dreger.

It was Voted and unanimously,

RESOLVED the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Windham wastewater fund projects identified in the 2017 CIP. The full form of the Resolution is attached hereto and incorporated herein by reference, and shall be a part of the minutes of this meeting.

Order 16-039, authorizing an adjustment in pension benefits for eligible retirees and annuitants.

Since 1989 the Board of Trustees has authority to grant an annual adjustment in pension benefits equal of one-half of the previous year's consumer price index (CPI) increase up to a maximum of 5%. The adjustment is not automatic; it is subject to the Board's approval each year. The table below indicates increases given since 2009:

1989 - 2008:	50% of CPI
2009:	Eligible for 2.41%, no increase granted
2010:	CPI negative, no increase granted
2011:	Eligible for 1.14%, no increase granted
2012:	50% of CPI, 1.61%
2013:	50% of CPI, 1.20%
2014:	50% of CPI, 0.72%
2015:	50% of CPI, 0.82%
2016:	CPI negative, no increase granted
2017 Proposed:	50% of CPI, 0.36%

The CPI average for 2016 (November 2015 to October 2016) increased 0.72% (estimated; final number will be available in mid-November) over the 2015 average. Therefore, pension benefits for eligible retirees and beneficiaries could increase 0.36%. The impact of providing the adjustment would be approximately \$360 per month, and would bring the pension payments total to approximately \$100,223 per month for 122 pensioners and beneficiaries. Retirees eligible for an increase are pensioners receiving a pension as of January 1, 2016.

Trustee Libby expressed concern that the funded ratio for the union and non-union have decreased significantly since 2015. Mr. Kane explained that the new accounting rules put in place in 2016 had more conservative estimates that had to be used when calculating the funding for the plan and that contributed to the decrease.

It was moved by Trustee Garrison and seconded by Trustee Dreger.

It was Voted and unanimously,

ORDERED, effective January 1, 2017, an adjustment of 0.36% in pension benefits is authorized for eligible retirees and annuitants in accordance with Article X of the District's pension plans.

Order 16-040, adopting the Non-union Salary Structure effective January 1, 2017.

It was moved by Trustee Garrison and seconded by Trustee Willey.

It was Voted and unanimously,

ORDERED, the Non-Union Salary Structure, in substantial form as attached hereto, is hereby adopted to become effective January 1, 2017.

Resolution 16-019, adopting the Board's meeting schedule for 2017.

The Board reviewed the proposed meeting calendar for 2017.

It was moved by President Cote and seconded by Trustee Levinsky.

Mr. Miller mentioned one particular conflict with the June workshop. The AWWA conference is on the same date. It was moved by President Cote and seconded by Trustee Levinsky to move the June Workshop from June 12 to June 19. The motion was approved unanimously. The amended motion was then moved and

It was Voted and unanimously,

RESOLVED, to adopt the proposed Board of Trustees meeting schedule for 2017.

EXECUTIVE SESSION

None

OTHER BUSINESS

Trustee Libby asked that the President take Mr. York's request into consideration and that he assign the issue, if there is any, of the graffiti wall at the East End, to a committee and that they

invite Mr. York along with anyone he would like to bring to a workshop so he may participate in the discussion. The matter will be referred to a Board Committee and Workshop.

SECOND INVITATION FOR PUBLIC COMMENT

None

TRUSTEE COMMENTS

Trustee Willey thanked Trustee Cleaves for his years of service and expressed his happiness at being able to run for Trustee again and serve for the next five years. He also commented on how thankful he was for the years Trustee Ross served.

President Cote added that Trustee Willey will be serving on the Administration & Finance Committee.

President Cote thanked the Board for their kind words on Trustee Ross' service over the years that were spoken at the last meeting and with his passing there will be a need to fill the vacancy. At this time, there is no immediate need to hold a special election as the cities of South Portland and Cape Elizabeth are well represented by Trustee Siviski. The decision to hold a special election will be discussed at the December workshop.

Trustee Lunt expressed thanks to the staff for their work on Winn Road in Cumberland regarding the recent leak.

Adjournment.

Meeting adjourned at 6:46 p.m.

Submitted by

Donna M. Katsiaficas, Esq.
Clerk