

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, January 25, 2016. Attending from staff were Messrs. Miller, Kane, Johnson, Crovo, Wallace and Ms. Katsiaficas and Walker. The meeting was convened by President Cote at 6:04 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.

ACCEPTANCE OF MINUTES

It was moved by Trustee Libby, seconded by Trustee Dreger

Voted all in favor to waive the reading and accept the minutes of the Regular Meeting of December 28, 2015 and the Workshop Meeting of January 11, 2016.

INVITATION FOR PUBLIC COMMENT

None.

REPORTS

Operations Committee

Trustee Lunt, Chair, provided a summary of the Operations Committee meeting. Staff recommended and voted (2-0) to use the phased approach for selecting an engineering consultant for evaluation of the aging HVAC systems at each of the District's four wastewater treatment facilities. The phased method will limit the scope of services to engineering evaluation and planning level design efforts. The staff explained and provided an overview of the District's Confined Space Rescue Team. Trustee Lunt expressed how pleased he was with such an excellent presentation.

Planning Committee

Trustee Levinsky, Chair, provided a summary of the Planning Committee's meeting. Staff recommended and voted (3-0) to approve 4 parcels of land to go before the full board for consideration. These items appear under New Business as Items 6D-G. Staff recommended and voted (3-0) to partner with Cumberland County Soil and Water for the implementation of a \$59,000 grant under new business. Staff discussed marketing the District's water tanks for leasing space to mount cell antennas. Staff recommended reaching out to our management consultant to determine what the fees would be to market the District's facilities. Once it is received the committee will give staff guidance as how to proceed.

Administration and Finance Committee

Trustee Garrison (not present at 1/11/16 meeting) gave a summary of the Administration and Finance Committee's meeting. Staff provided additional financial information for the proposed 3.73% water rate adjustment and recommend preparing the necessary documents supporting the increase for the public review and a March public hearing. If approved, a letter will be sent to all customers in February. The Committee concurred with the staff's recommendations. The

estimated 2015 water fund net income is almost \$1 million and the staff recommends allocating \$335,000 to the Watershed Supply Protection Fund. Mr. Davis gave an update on the current asset information system infrastructure and noted that it is approaching the end of its useful life. Staff will request a proposal to see if there are options to extend its life. Mr. Quirk gave an overview of the purchasing process and also presented a list of all 2015 vendor payments for review. Finally, all customers received a bill staff promoting enrollment in paper-free billing. Any customer who signs up before March 11th will be entered in to win one year's worth of free water.

General Manager's Report

The General Manager was happy to report that Standish has started construction on the access road for the public access beach and they are on track to have the beach open for summer 2016. The engineering bid for 407 pressure zone will be going out. The North Gorham area will see improvements on water pressure and roughly 150 customers will be notified of the changes taking place.

Channel 6 has asked for a tour of the water plant and that will take place on 1/26/16.

For the February workshop there will be two items:

Staff will present some revisions to the Public Utility Commission rules that the Board has recently adopted as its own.

The GM recruitment consultant will be providing an update to the Board on search efforts.

Trustee Levinsky asked when the value of water campaign will air? There is no date at this time.

NEW BUSINESS

Order 16-001, authorizing the Treasurer to begin the process of increasing water rates an average of 3.73% effective May 1, 2016.

The Board of Trustees approved the 2016 budget assuming an average water rate increase of 3.73% with a target effective date of May 1, 2016. The 2016 net expenditure operating budget is \$22.4 million as approved by the Board. Due to the expected significant increase in debt service related primarily to mains renewal projects and 407 pressure zone improvements, the operating budget is expected to grow to \$27.0 million by 2020. Consistent with the Board policy of small annual rate adjustments, staff proposed increases of 3.73% in 2016 and 5.0% in 2017 through 2020. The 2016 water budget assumed a 3.73% rate adjustment would generate \$22.2 million in revenues resulting in an operating net income of \$150,816. Approximately \$16,000 of the net income will be dedicated to capital reserve with the balance allocated to the operating contingency fund.

For the first time, the water rate adjustment will not need additional Maine Public Utilities Commission approval in addition to the Board of Trustees approval. The schedule for the rate making process was provided to the Board.

It was moved by Trustee Garrison and seconded by Trustee Levinsky

It was Voted and unanimously

ORDERED, pursuant to Board of Trustees Policy, the Treasurer shall prepare the supporting documents for a water rate increase of approximately 3.73% with new rates to be effective May 1, 2016; and

ORDERED, the District will allocate 1% of the proposed increase to the capital reserve fund to finance the installation of water mains included in the System Infrastructure Assessment report.

Order 16-002, authorizing an allocation of the 2015 Water Fund Surplus Balance.

The water fund financial results indicate an estimated surplus of \$1,028,722, which is \$490,554 better than budget. Per state law, the District may allocate any surplus balance generated from operations up to 5% of total revenue annually to the Water Supply Protection Fund. . The Administration and Finance Committee reviewed and recommended allocating \$335,000 to the Watershed Supply Protection Fund. The allocation replenishes the fund for withdrawals made in 2015.

It was moved by Trustee Garrison and seconded by Trustee Dreger

It was Voted and unanimously

ORDERED, that the 2015 Water Fund's Surplus Balance is hereby allocated in the following manner: \$ 335,000 to Watershed Supply Protection Fund with the balance of the Surplus Balance allocated to Operating Contingency Fund.

Order 16-003, authorizing the Phased Engineering Method of procurement for the WWTF HVAC Systems Evaluation Project.

Staff is seeking approval to procure engineering services (phased method) for evaluation of the HVAC systems at each of the District's four wastewater treatment facilities. The phased method for engineering will limit the scope of services of this contract to engineering evaluation and planning level design efforts.

Staff estimates that the cost for this evaluation to be \$150,000. This project will review the performance of existing systems, current code requirements, and provide a recommended schedule and budget to upgrade or replace these critical systems.

It was moved by Trustee Lunt and seconded by Trustee Dreger

It was Voted and unanimously

ORDERED, that the Phased Engineering Method is authorized for the procurement of engineering services for the WWTF HVAC Systems Evaluation Project, pursuant to the District's Purchasing Policy, and that the General Manager and the Treasurer, each acting singly, are authorized to take such other steps as may be necessary to accomplish the intent of this vote.

Order 16-004, authorizing the General Manager to convey surplus property at 291 Summit Street, Portland.

The Portland Water District purchased a parcel of land in 1979 off Summit Street in Portland for the future construction of a water tank as shown on the attached map. This lot is 0.87 acres in size and is assessed by the City of Portland at \$32,000. The lot is landlocked with no frontage on a public street, but there is a 30 foot wide easement from the lot out to Frost Hill Road for the construction of water lines.

The water storage tank was never built and most likely will never be built. Other water system improvements in the area have improved the water pressure and capacity in the area. The District has no need for the water line easement once the property is sold.

It was moved by Trustee Levinsky and seconded by Trustee Ross

It was Voted and unanimously

Ordered, the General Manager is authorized to convey the surplus property located at 291 Summit Street in Portland to Richard Meoli for the sum of \$6,500.00;

BE IT FURTHER ORDERED, that the easement for water line purposes to this lot shall be released to the current owner of the property where the easement is located, and further the General Manager and the Treasurer, each acting singly, are authorized to take such other steps as may be necessary to accomplish the intent of this vote.

Order 16-005, authorizing release of a sewer easement and a declaration of surplus property for unused land behind 1909 Congress Street, Portland.

The easement corridor being discussed came off the Stroudwater Corridor and runs behind the Elks Club on Congress Street It was never used by the District, due to poor soils and alternative sewer plans. Staff asked the City Department of Public Services if they have any future use of this sewer corridor. Michael Bobinsky, then Director of Public Services, stated that the City had no future use for this sewer corridor and did not object to it being released back to the current owners. In 2011, the Board voted to authorize the release of the easements back to the current owners of the properties for the price we paid for the easements in 1981. Most of the easement corridor has been released back to the owners; the Elks Club easement release was not completed. The Board was also asked to declare a small parcel surplus, and to have staff offer it to the two abutters to the property.

It was moved by Trustee Levinsky and seconded by Trustee Lunt

It was Voted unanimously

ORDERED, the small parcel of unused land located behind 1909 Congress Street in Portland, shown on Exhibit A, attached hereto, is determined to be surplus;

BE IT FURTHER ORDERED, staff is directed to offer the land for sale to the two abutters by sealed bid.

BE IT FURTHER ORDERED, that confirming a 2011 Trustee vote, the General Manager is authorized to release the unused sewer easement across the Northland Enterprises land for the sum of \$2,400, which is the price paid by the District for the easement, with the funds from the sale of the lot and release of the easement to be deposited in the Portland Renewal and Replacement Fund;

BE IT FURTHER ORDERED, the General Manager and the Treasurer, each acting singly, are authorized to take such other steps as may be necessary to accomplish the intent of this vote.

Order 16-006, authorizing an easement swap with the City of Portland for property in the Portland Technology Park.

In 2012, the City of Portland developed a parcel of land on Rand Road in Portland for a technology park development. The District was granted an easement in the roadway for the water main extension that was installed to serve the development. During negotiations with a major tenant recently, the City has agreed to revise the location of the roadway slightly to make the lot a business is buying work for them. The roadway at the end is shifted slightly to the south. This shift does not affect the District's ability to maintain its water line.

The easiest way to modify the District's easement is to release the old easement and accept a new easement for the revised roadway location

It was moved by Trustee Levinsky and seconded by Trustee Lunt

It was Voted and unanimously

ORDERED, the General Manager is authorized to execute a release deed to the City of Portland for the easement in the roadway at Portland Technology Park off Rand Road as part of an easement swap and further the General Manager and the Treasurer, each acting singly, are authorized to take such other steps as may be necessary to accomplish the intent of this vote.

Order 16-007, authorizing a land swap with David Sinclair for property located behind Aldworth Street, Portland

The District owns a parcel of land located behind Aldworth Street in Portland for a water transmission main. An abutting owner, David Sinclair, approached staff requesting to purchase a

small piece of this land in order to construct a road turnaround needed to develop his abutting property.

Instead of a sale of land, it was proposed that the District swap him a triangular piece approximately 200 square feet in size to make up the parcel he needed for the turnaround, in exchange for the remaining portion of his triangular parcel which is about the same size. This swap was agreeable to Mr. Sinclair.

It was moved by Trustee Levinsky and seconded by Trustee Lunt

It was Voted and unanimously

ORDERED, the General Manager is authorized to execute a deed to David Sinclair for a 200 +/- square foot parcel of land located behind Aldworth Street in Portland as part of a land swap and further the General Manager and the Treasurer, each acting singly, are authorized to take such other steps as may be necessary to accomplish the intent of this vote.

Order 16-008, authorizing an in-kind contribution of up to \$10,880 to support the Sebago Lake Watershed Protection Project – Phase III

The Cumberland County Soil and Water Conservation District (CCSWCD) requested District sponsorship and financial support for a watershed protection project that will be funded by a federal 319 grant and supported by numerous watershed partners. This project will help to protect the water quality of Sebago Lake by reducing the amount of soil and sediments that enter the lake. If approved, the project will improve 8 private and public road erosion sites that were identified in a road survey conducted by PWD staff in 2014.

The total project cost for the Sebago Lake Watershed Protection Project is \$108,171, which breaks down to \$59,327 in grant funds and \$48,844 in matching funds. Matching funds include in-kind services.

It was moved by Trustee Levinsky and seconded by Trustee Cleaves

It was Voted and unanimously

ORDERED that the District shall make an in-kind contribution of up to \$10,880 to support the PWD sponsored, Cumberland County Soil and Water Conservation District (CCSWCD) administered the Sebago Lake Watershed Protection Project – Phase III;

BE IT FURTHER ORDERED, that because the District is acting as a pass-through for federal 319 grant funds related to the project, the 2016 budget shall include revenues and expenses of \$108,171.

EXECUTIVE SESSION

No executive session.

OTHER BUSINESS

None.

SECOND INVITATION FOR PUBLIC COMMENT

None.

TRUSTEE COMMENTS

None.

Adjournment.

Meeting adjourned at 6:45 p.m.

Submitted by

Donna M. Katsiaficas, Esq.
Clerk