

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, March 27, 2017. Attending from staff were Messrs. Kane, Crovo, Wallace, Firmin and Mses. Lewis, Katsiaficas, Demers and Walker. In attendance from the public was Matthew Beck of South Portland. The meeting was convened by President Cote at 6:00 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.

Election of Officers for 2017-2018

It was moved by Trustee Libby, seconded by Trustee Willey that the board vote, William Lunt for President, Guy Cote, for Vice-President, Donna Katsiaficas, for Clerk and David Kane, for Treasurer. Voted all in favor.

ACCEPTANCE OF MINUTES

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

Voted all in favor to waive the reading and accept the minutes of the Regular Meeting of February 27, 2017, Special Meeting of March 13, 2017 and the Workshop Meeting of March 13, 2017.

INVITATION FOR PUBLIC COMMENT

None

REPORTS

Operations Committee

Trustee Douglas provided a summary of the Operations Committee meeting on March 13, 2017. Staff recommended a phased method for procurement of engineering services for the East End WWTF Headworks Gates, Influent Screens, and Effluent Flow Meter Replacement Projects. The phased method for engineering will limit the scope of services of this contract to preliminary design. Staff reviewed District and State efforts to encourage schools to test for lead in their drinking water. Staff gave a review of 2016 Water Services' significant events and distributed an updated work plan.

Planning Committee

Trustee Swinton provided a summary of the Planning Committee meeting on March 13, 2017. The status of the public art wall was discussed. Trustees noted that the public comment received overwhelmingly supported retaining the wall for art. Concerns about paint on the pavement of the trail and the fence and light poles in the area of the wall are not under the jurisdiction of the Board, but are under the jurisdiction of the City and Portland Trails. Trustees agreed to recommend to the full Board retaining the wall for public art.

She also provided a Watershed Land Conservation Efforts update. And a Sebago Lake Buoy update.

She informed the Board that AT&T was seeking a reduction in the rent escalator for their lease on the Shore Acres tank. After discussion, trustees voted to deny the request. Trustee Siviski inquired as to the basis for the request. Trustee Libby explained that AT&T had hired a company to represent them in seeking a reduction in rent. There is a slight risk in denying their request but the committee felt the risk was not significant enough to make a change in the rent.

Administration and Finance Committee

Trustee Willey (Trustee Garrison was absent) provided a summary of the Administration and Finance Committee's meeting on March 13, 2017. Mr. Tom Quirk, Financial Services Manager, provided an overview of the internal control procedures over vendor's cash disbursement and purchasing. Additionally, he presented a list of all 2016 vendor transactions for the Committees review.

Mr. Peter Cutrone, ABC Project Manager, provided an update on the Asset, Billing and Customer Relation project. Several software requirement workshops were held in February and March. An RFP for the software should be issued by the end of April with a recommendation to the Board expected no later than November 1st.

Mr. David Kane, Treasurer, reported the water fund had net income of \$1,434,078 in 2016. He noted the net income was generated by higher water sales due to the dry summer (\$1,088,714) and higher net interest and other non-operating revenues (\$244,153). The Committee recommended the net income be allocated to the contingency fund resulting in a balance that meets the Board's goal of 25% of operating budget with the balance allocated to the Water Supply Protection Fund.

General Manager's Report

In addition to the monthly report provided to the Board, Ms. Lewis reported that the East End Wastewater Treatment Facility received their Discharge Permit from DEP. Trustee Garrison asked if any changes were going to be required at the plant. Ms. Lewis explained the current upgrades at the plant were taken into account by DEP and will allow the District some monitoring that will create results that will then give DEP more information about the future.

Trustee Willey commended the on-going training at the District.

NEW BUSINESS

Order 17-008, authorizing the final rate schedule for the water rate increase.

In January 2017, the Board of Trustees requested staff to prepare a rate filing supporting a 1.0% rate adjustment. The filing includes a rate increase differential between residential and commercial/industrial rates resulting in an increase of residential customer rates by 0.9% and commercial/industrial customers by 1.1%. Fire protection charges increase by 1.0%.

Pursuant to Board rules, a public hearing was held on March 13, 2017. All 52,000 customers received notification of the rate adjustment. No comments were received from any customers.

The 1.0% rate adjustment is projected to increase water revenue by \$212,998 in total. With the rate adjustment, revenues are expected to meet the projected expenses. Expenses are expected to grow to \$25.3 million in 2019 mostly due to financing costs related to additional main renewal project.

It was moved by Trustee Garrison and seconded by Trustee Cote. It was then moved by Trustee Willey, seconded by Trustee Siviski to amend the motion to exclude the municipal fire service, sheet 3 and it will be taken up at the next workshop meeting and voted on at the April business meeting. The amended motion was unanimously passed.

The main Motion was Voted and unanimously,

ORDERED, that the final rate schedule for the water rate increase, attached hereto and incorporated herein by reference, is hereby approved.

Order 17-009, allocation of 2016 Water Fund Surplus.

The water fund financial results indicated an estimated surplus of \$1,434,078, which is \$1,283,262 better than budget. Though no changes are expected, the numbers are not final until the District's auditor completes their review in May. 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. Based on preliminary 2016 results, up to \$1,165,000 may be allocated to the fund.

State law restricts the cumulative unspent balance of the Water Supply Protection Fund to 15% of revenues or just over \$3,495,283. The dedication of funds to the Watershed Supply Protection Fund reserves amounts for future purchases of real estate to protect the water supply. These amounts may be withdrawn and returned to the Contingency Fund if the transfer is in the best interest of the District's customers.

The Board may designate part or all of the annual net income to the Watershed Supply Protection

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

It was Voted and unanimously,

ORDERED, that the 2016 Water Fund's Surplus Balance is hereby allocated in the following manner: \$1,034,378 to the Operating Contingency Fund with the balance to the Watershed Supply Protection Fund.

Order 17-010, authorizing the phased engineering method for the procurement of engineering services for the East End WWTF.

Pursuant to the District's purchasing policy, staff sought approval from the Board of Trustees to procure engineering services (phased method) for preliminary design of upgrades to the East End WWTF influent screen #3, influent flow gates and channel isolation, effluent flow metering and

isolation of the secondary chlorine contact tank and associated gates and structures. The phased method for engineering will limit the scope of services of this contract to preliminary design.

Staff estimated the cost for this effort to be \$60,000. This project will include development of 30% plans, preliminary specifications and sequence of construction, and an updated project cost estimate for consideration in future CIPs.

Trustee Libby asked why only 30% of the plans. Mr. Crovo explained that will give the District two options. An estimate of the cost of construction for future CIPs and also allow the District flexibility to decide if design build or full design is the way to go.

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

It was Voted and unanimously,

ORDERED, that the Phased Engineering Method is authorized for the procurement of engineering services for the East End WWTF Headworks Gates, Influent Screen and Effluent Flow Meter Replacement Projects, 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.

Recommendation Regarding Public Art Wall

The Planning Committee has carefully considered the comments of the public and the status of the wall. It is the recommendation of the Planning Committee that the status quo be maintained, and that the wall remain open for use by the public for public art.

It was discussed and the Board was in agreement that Ms. Lewis would work with Michelle Clements on a press release regarding the Board's decision on the wall.

EXECUTIVE SESSION

None

OTHER BUSINESS

None

SECOND INVITATION FOR PUBLIC COMMENT

None

TRUSTEE COMMENTS

Trustee Levinsky thanked Trustee Cote for his service as President.

Trustee Willey thanked Mr. Miller for his tenure as General Manager.

Trustee Lunt commented that he had just come back from a month in Florida, and as he says every year, he is thankful that our water is far better and is proud of the work we do to keep it that way.

Adjournment.

Meeting adjourned at 6:45 p.m.

Submitted by

Donna M. Katsiaficas
Clerk