



MEMORANDUM PORTLAND WATER DISTRICT

TO: Board of Trustees

FROM: Carrie Cote

DATE: January 4, 2023

RE: **Workshop Meeting – Monday, January 9, 2023**

There will be a Workshop Meeting of the Board of Trustees of the Portland Water District on Monday, January 9, 2023. The meeting will begin at 6:30 p.m. in the Nixon Training Center at the general offices of the District located at 225 Douglass Street, Portland, Maine.

The Workshop will be preceded by meetings of the following Board Committees:

<u>Committee</u>	<u>Room / Location</u>	<u>Time</u>
Administration & Finance	Monie Conference Room	5:30 p.m.
Operations	EOC 2 nd Floor	5:30 p.m.
Planning	Nixon Training Center	5:30 p.m.

AGENDA – WORKSHOP

1. **Non-Union Salary Structure**

David Kane, Executive Director of Administration, and Mary Demers, Director of Employee Services, will provide information on the history of non-union compensation adjustments at PWD and recent employments data to support potential changes to the Non-Union Salary Structure.

2. **Storm Response**

Staff will provide a brief overview of severe weather preparations and response practices at PWD, using the December 23, 2022 storm as a case study.

3. **Other Business**

4. **Adjourn**



MEMORANDUM PORTLAND WATER DISTRICT

TO: Administration and Finance Committee / Board of Trustees

FROM: David Kane, Director of Administration
Mary Demers, Director of Employee Services

DATE: December 30, 2022

RE: **Administration and Finance Committee Meeting – January 9, 2023**

A meeting of the Administration and Finance Committee of the Portland Water District Board of Trustees will be held on Monday, January 9, 2023. The meeting will begin at 5:30 p.m. in the Monie Room at 225 Douglass Street, Portland, Maine.

AGENDA

1. **Home Service Contract Renewal**
The Committee will discuss the potential renewal of a contract with Home Service to provide water and wastewater pipe warranty service. (See attached memo)
2. **Defined Benefit Pension Benefit Annual Adjustment**
Staff will present information about the current practice of providing annual cost-of-living increases to retirees that are limited to half the Consumer Price Index (CPI) percentage increase from the previous year. (See attached memo)
3. **Other Business**



ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1
 Date of Meeting: January 9, 2023
 Subject: Service Line Warranty Program Contract Renewal
 Presented By: David M. Kane

RECOMMENDATION

The following proposed language is presented for Board of Trustee approval:

ORDERED, the contract with HomeServe USA Corporation to provide a water and wastewater line warranty program is hereby extended for a period of three years according to the same terms as the present contract with the District.

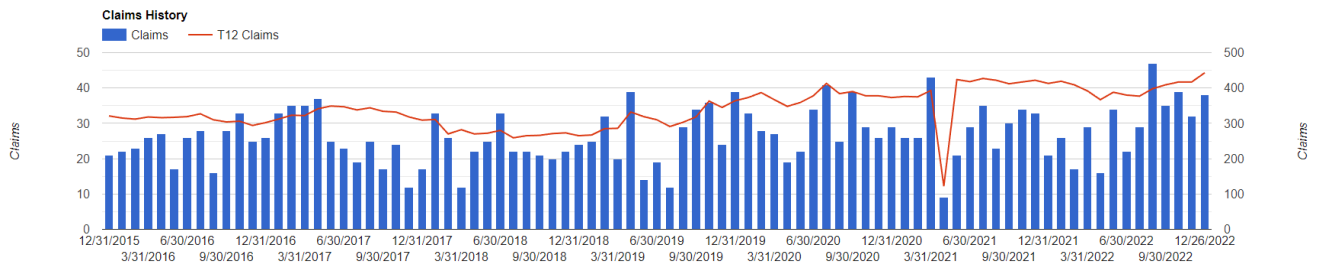
BACKGROUND

Since 2006, the District has partnered with HomeServe (formerly Home Service USA) to provide an optional, customer paid warranty program. The program currently provides financial assistance for water lines, sewer lines and internal plumbing. Currently, the number of customers participating in the program is 8,904. The current monthly fees for the program are listed below:

Water Service line	\$5.99
Sewer Service line	\$7.99
Internal Plumbing	\$9.99

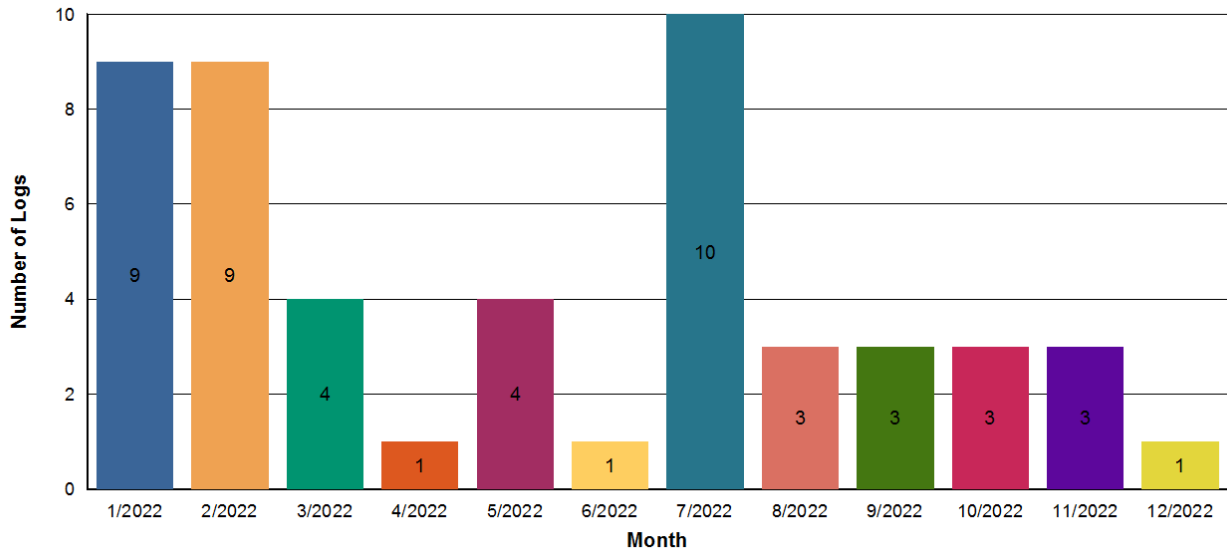
Unlike most HomeServe partners, the District chose not to receive a portion of the fee charged to customers and instead the customer's fee is reduced by 5%. HomeServe has reported that 4,182 customers have received over \$3.6M in benefits from the program.

The District provides HomeServe with a list of current customers and their address. After reviewing and approving the letter to be sent to the customers, HomeServe sends out an introductory letter to customers noting the availability of the program.



FISCAL REVIEW / FUNDING

The District is not charged to provide the program. HomeServe remits \$200 per month to cover the administrative costs of providing customer information. On average, the District received 10 or less contacts per month from customers in the past year. Most customer contacts are either related to verifying whether HomeServe is a legitimate organization or to obtain general program information. Customers are referred to HomeServe for detailed information and program registration.



LEGAL REVIEW

Corporate Counsel reviewed the proposed motion and approved it as to form.

CONCLUSION(S)

Staff recommends that the proposed motion be forwarded to the full Board for their consideration.

ATTACHMENT(S)

A. Historical Summary (see Attachment A)

Historical Background

In 2005, the Administration and Finance Committee considered several proposals designed to assist the District's customers with the expense of replacing or repairing water and sewer lines. After reviewing the options, the Committee selected Home Service USA to provide the service. At two Board workshops, the Board reviewed and provided feedback on the program specifics. Based on the Board's involvement, the following provisions were added to the contract:

- All customer contacts and documents must be approved by the District and mandate compliance with a 'do not mail list' for customers who do not want to be contacted regarding the program;
- Wastewater coverage includes all costs, including street opening fees;
- Monthly fee reduced by 5% by waiving the District's commission, and
- The program would be offered only to municipalities where the District provides water or wastewater service.

The Board approved the following motion at their May 2006 meeting:

ORDERED, to authorize the general manager to execute a contract with Home Service USA Corporation to provide a water and wastewater line warranty program, subject to the Public Utilities Commission's approval of the terms and condition allowing a water service line warranty program.

The District signed a 5-year contract running until 2011. The water line program was offered to customers beginning in September 2006. The cities of Westbrook and Portland and town of the Cumberland requested that we offer the sewer line program with the first mailing during the summer of 2007. Cape Elizabeth, Falmouth, Gorham, Scarborough, South Portland and Windham requested that their residents be allowed to participate in the sewer line program in 2010.

At its December 10, 2007 workshop, the Board reviewed the letters sent to customers and requested that the letters clearly indicate the program is being offered by Home Service, and requested that frequency of letters be reduced. Also, the Board requested that the sewer line coverage be expanded, which was agreed to by Home Service.

At its October 5, 2009 meeting, the Administration and Finance Committee further reviewed the letters and requested the following changes:

- Renewal letter should be sent by Home Service in an envelope with the District's logo. This will encourage customers to open the letter.
- The renewal letter should not contain the District's logo and the return address should not include the District's name.
- The introduction letter should contain both the District and Home Service logo.
- The intro letter needs to explain PWD is waiving the 5% fee, normally paid to Home Service partners for the use of the utility's mailing list, to reduce the rate our customers pay for the Home Service product.

- Trustee Lunt requested a price for Home Service to offer the drainage product from the house to the property line only (same as water service product).

The requested changes were incorporated into the letters. Home Service created a separate sewer line product and began offering in 2010. The Board voted to extend the contract for an additional 2 and 3 years, respectively, in 2011, 2013, 2016 and 2019.



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 2
Date of Meeting: January 9, 2023
Subject: Defined Benefit Pension Plan – COLA Adjustment
Presented By: Mary Demers, Director of Employee Services

BACKGROUND ANALYSIS

In December 2021, the Committee requested more information regarding the Cost of Living Adjustment (COLA) for the Defined Benefit Pension plans. This was provided in January and February 2022, there was limited time for discussion. No recommendations were made at that time. We are revisiting this with the Committee for a resolution.

Each year it is determined whether or not a COLA of half (½) of the Consumer Price Index (CPI) will be applied to retiree pension benefits. The purpose of the COLA is to protect retiree benefits from inflation. We will examine whether or not to change the COLA formula. It is important to note that this is a “closed” group of participants. The census below provides details of the participants in each plan.

December 2022 - Portland Water District Non-Bargaining Unit

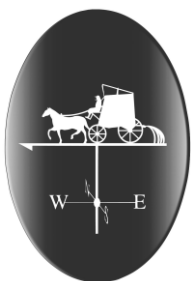
	<u>Non-union</u>	<u>Union</u>	<u>Total</u>
Beneficiary - Non-Union	8	13	21
<u>Retired - Non-Union</u>	<u>38</u>	<u>96</u>	<u>134</u>
Total Beneficiary & Retired	46	109	155
Vested Current Employee	2	6	8
<u>Vested-Terminated Non-Union</u>	<u>8</u>	<u>20</u>	<u>28</u>
Total Vested	10	26	36
Active Employees	20	36	56
	76	171	247

The District currently pays a total of \$154,000 monthly in benefits for both the Bargaining Unit Defined Benefit Pension plan (\$85,000 monthly), and the Non-union employees' Defined Benefit Pension plan (\$69,000 monthly). This is an annual total of \$1,848,000.

We will be providing a cost analysis of different COLA scenarios shortly. As background, most public employers provide COLAs by either an ad hoc basis, an automatic basis, based on investment returns, or a combination approach.

A Public Fund Survey conducted by the National Association of State Retirement Administrators and the National Council on Teacher Retirement determined that:

- 20% used ad hoc COLAs
- 27% use a fixed rate COLA (often 3%)
- 35% base the COLA on CPI (often capped at 3%)
- 6% base their COLAs on the CPI
- 12% provide COLA through other approaches (half include COLAs based partly on investment returns/based on amounts that accumulate in reserve accounts)



MEMORANDUM PORTLAND WATER DISTRICT

TO: Operations Committee / Board of Trustees

FROM: Scott Firmin, Director of Wastewater Services
James Wallace, Director of Water Services

DATE: December 30, 2022

RE: **Operations Committee Meeting – January 9, 2023**

A meeting of the Operations Committee of the Portland Water District Board of Trustees will be held on Monday, January 9, 2023 beginning at 5:30 p.m., in the Emergency Operations Center (EOC) Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

1. Storm Planning and Response

Staff will provide a detailed overview of severe weather preparations and response practices at PWD, using the December 23, 2022 storm as a case study.

2. Other Business



MEMORANDUM PORTLAND WATER DISTRICT

TO: Planning Committee / Board of Trustees

FROM: Christopher Crovo, P.E., Director of Asset Management and Planning

DATE: December 30, 2022

RE: **Planning Committee Meeting – January 9, 2023**

A meeting of the Planning Committee of the Portland Water District Board of Trustees will be held on Monday, January 9, 2023 at 5:30 p.m. in the Nixon Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

1. **Request for Contribution of up to \$200,000 to Loon Echo Land Trust to Support the Sebago Cove Conservation Project**

Staff will recommend a contribution of \$200,000 to conserve 361 acres in the Sebago Lake watershed in the town of Naples with 2,500 feet of shore frontage on Sebago Lake.
(See attached memo)

2. **Review Proposed 2023 Committee Work Plan**

Staff will review proposed 2023 committee work plan. (See attached)

3. **Other Business**



PLANNING COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1
Date of Meeting: January 9, 2023
Subject: Request for Contribution of up to \$200,000 to Loon Echo Land Trust to Support the Sebago Cove Conservation Project
Presented By: Carina Brown, Water Resources Specialist
Chad Thompson, Source Protection Coordinator

RECOMMENDATION

The following proposed language is presented for Board of Trustee approval:

ORDERED, that the General Manager is authorized to contribute up to \$200,000 to the Loon Echo Land Trust to support the conservation of land known as Sebago Cove located in Naples.

BACKGROUND

The Sebago Lake watershed encompasses 235,000 acres of land which is primarily forested. The long-term water quality of the lake will be determined, in large part, by the conservation of those forests. Our Watershed Land Conservation Policy states our commitment to, and support for, locally-initiated land conservation efforts since conserved forests naturally treat our customers' drinking water. At present, about 16% of the watershed is comprised of conserved land. Working with Sebago Clean Waters partners, we are working to bring that total to 25% by 2032. We are presently about 21,000 acres from that goal.

The Sebago Cove property is 361 acres located in the town of Naples with 2,500 feet of shore frontage on Sebago Lake. Loon Echo Land Trust is purchasing a conservation easement on the Sebago Cove property. The property is forested and contains wetlands and a brook that empties directly into Sebago Lake.

The project is supported by Sebago Clean Waters, a partnership of conservation organizations, land trusts and the Portland Water District committed to water quality protection through forest conservation in the Sebago watershed. Additionally, the project will be funded by the Natural Resources Conservation Service RCPP award.

ANALYSIS

The recommended contribution of \$200,000 is the amount requested by the applicant, which was less than the calculated contribution of \$313,950 using the District's site-specific assessment. The appraised value of the easement is \$1,495,000. The recommended contribution represents about \$554 per acre of protected land within the watershed. The District's contribution is to be used towards the purchase of the easement.

The District contribution of \$200,000 represents nearly 10% of our total projected match towards the RCPP award. Contributions were projected based on staff time and District funds spent on activities that support the goals of the project.

According to the Watershed Land Conservation policy, the details of this project require that the District obtain a real-estate interest. Loon Echo Land Trust will purchase the conservation easement and include in the easement language which names PWD as Third Party Holder of the easement. The Land for Maine's Future Fund will also be a Third Party to the easement.

FISCAL REVIEW / FUNDING

The recommended contribution of \$200,000 was the amount requested by the applicant, Loon Echo Land Trust. Our intent is to borrow from the Drinking Water SRF to make this contribution and issue bonds with a twenty-year term. Because we expect as many as six conservation projects to close in 2023, it may be more fiscally prudent to contribute to this project through a withdrawal from one of our two watershed funds and we propose to use the most favorable option at the time of closing.

On May 24, 2021, the Board authorized issuing bonds up to \$1.4 million for watershed protection easement purchases. To date, bonds of \$500,000 (Crooked River) have been issued and prior commitments to other projects of \$398,000 (Rolfe and Edward Mills) have been made. The remaining amount of the \$1.4 million authorized and available for the proposed project is \$502,000, more than enough to cover the cost of this project.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Motion and has approved as to form.

CONCLUSION(S)

This property include frontage on Sebago Lake. Conserving the land in its present forested condition will contribute to the long-term protection of Sebago Lake and the recommended contribution meets the guidelines of the District's Watershed Land Conservation Policy.

ATTACHMENT(S)

Sebago Cove Report



PORTLAND WATER DISTRICT

Land Conservation Program

Site-Specific Assessment



Sebago Cove Property

Naples, Maine

*Report prepared by PWD's Environmental Services Department
December 20, 2022*

Sebago Cove Property Site Walk

Site Visit

Brie Holme and Carina Brown
12/5/2022

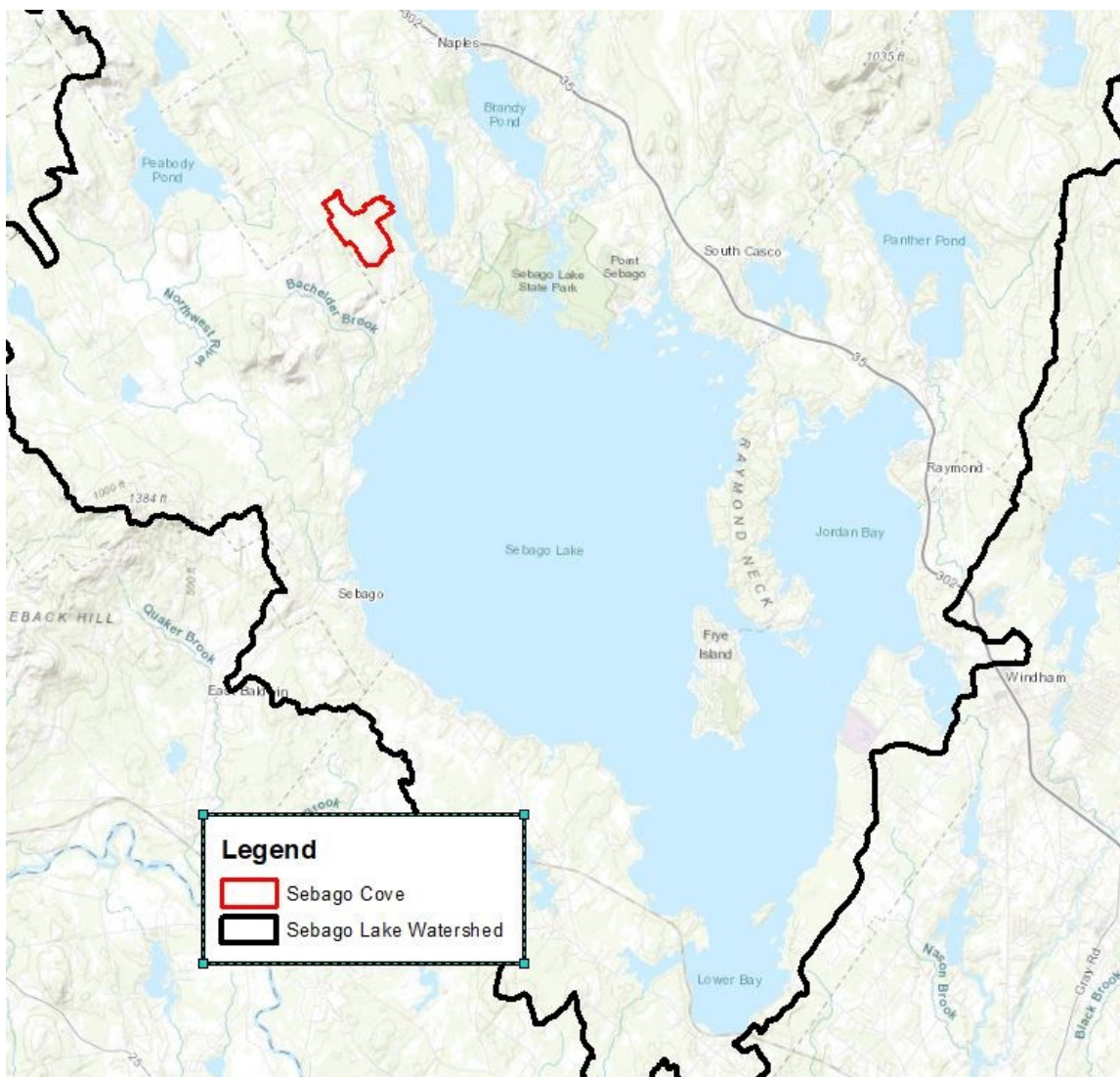
Description

The Sebago Cove project is comprised of one 361-acre parcel with 2,500 feet of undeveloped shoreline on Sebago Lake in Naples. The property will be protected with a conservation easement held by Loon Echo Land Trust. The easement will guarantee public access for low-impact, non-motorized recreational use including hunting, fishing, swimming, and hiking. If this forested land is not conserved, there is a high risk of development as subdivision plans have been submitted to the ME Department of Environmental Protection. A subdivision on the adjacent parcel has seen significant development activity over the past three years as Sebago lake waterfront and ROW lots were developed. The town of Naples has provided a letter of support for the Sebago Cove Conservation Easement Project.

Site Features

Location

The property is located in Naples.



Sebago Cove Property Location map

Sebago Cove Property Site Walk

Water Resources

In addition to having 2,500 feet of shoreline on Sebago Lake, the property has three wetlands covering thirteen acres and 2,800 feet of stream channel that all drain to Sebago Lake.



Sebago Lake frontage



Wetland

Connection to Sebago Lake

The project is located on the shore of Sebago Lake, in the Sebago Cove area of the Lake. All of the property's wetlands and streams drain into Sebago Lake.



Stream connecting wetland to Sebago Lake

Sebago Cove Property Site Walk

Land Use/Land Cover

The land is entirely forested and is located less than one mile from a large area of conserved land, over 1,700 acres, that includes LELT-owned Tiger Hill Community Forest and the Cold Rain Pond State Wildlife Management Area. Wildlife habitat includes 7 acres of deer wintering areas and 8 acres of inland waterfowl and wading bird habitat in the northwest corner of the property, according to the Maine Department of Inland Fisheries and Wildlife Beginning with Habitat dataset. In total, the parcel includes 22.9 acres of above average land for water quality and biodiversity in the Sebago Lake watershed according to the Sebago Clean Waters Mapper. According to The Nature Conservancy's Resilient Lands Mapper, 149 acres of the property are slightly above average or above average in climate resilience, reflecting the land's predicted ability to maintain species diversity and ecological function in a changing climate. In addition, 332 acres are slightly above average or above average land for climate connectivity and flow, indicating the land's ability to foster species' movements and range shifts as the climate changes.

The habitat types are predominantly pine-oak forest and hemlock-northern hardwood forest. Recent forest management has consisted of selective harvesting in the winter of 2012-13 and 2014-15 to encourage species and age class diversification, which followed a larger timber harvest in 2010. No clearcuts were found.

Currently, public access is limited to hunting and fishing. There are no existing trails or recreational infrastructure, but the local snowmobile club has utilized the land in the past. LELET will enhance the currently limited public access to Sebago Lake by developing a non-motorized trail to Sebago Cove in addition to encouraging community recreation through low-impact activities such as hiking, hunting, and fishing.



Partial cut harvest



Partial cut harvest

Site-Specific Property Assessment

Property Name: Sebago Cove

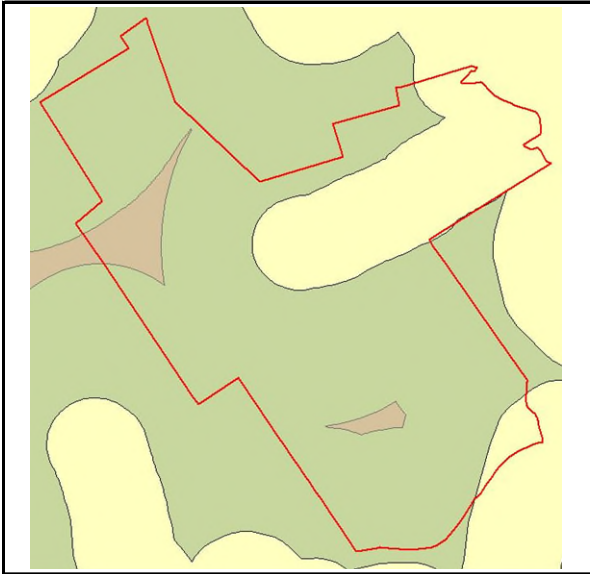
Area (acres): 361

Location: Naples

Land Trust: LET

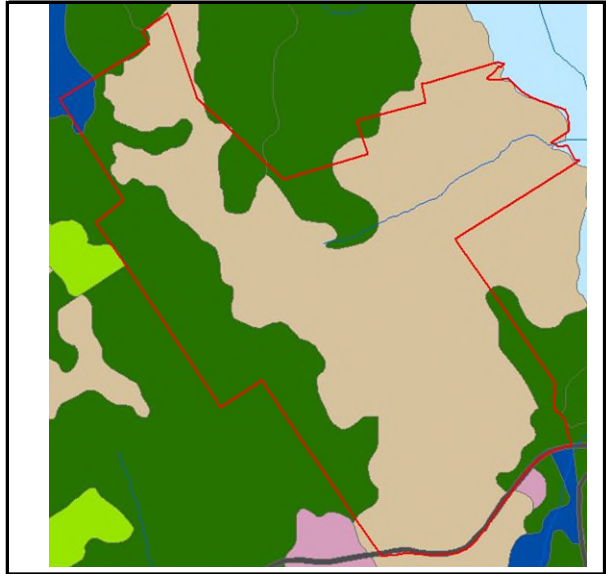
Description: 2500 ft. of frontage on Sebago Cove (Sebago Lake)

Waterbodies map



	acres	percent
Within 500 ft.	83	23
Within 500 - 1500 ft.	262	73
Beyond 1500 ft.	16	4

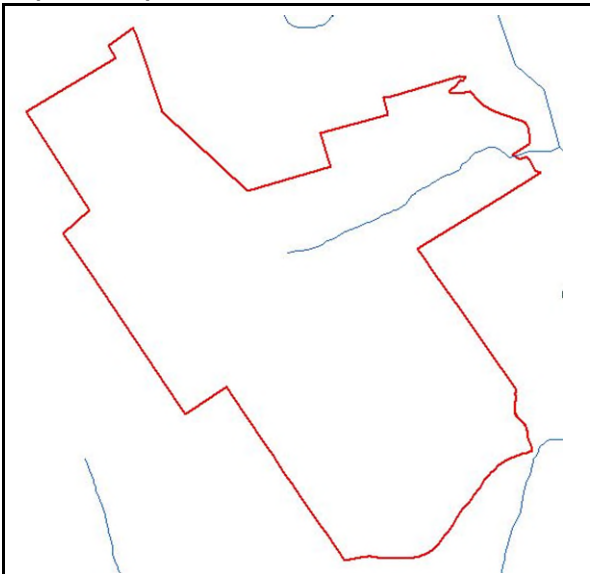
Land cover map



Forest cover	356	acres
	99	percent

Reforestation of the partial cut (light brown) areas have been verified by aerial imagery and a site walk.

Aquifer map



Sig. sand and gravel aquifers	0	acres
	0	percent

Wetlands map



Mapped wetlands	13	acres
	4	percent

Site-Specific Property Assessment

Property Name: Sebago Cove

Appraised Value of Fee or Easement

\$1,495,000

Factors

25% or more in direct Sebago Lake watershed? add %

25% or more within 500 ft. of a waterbody? add %

25% or more within 1500 ft. of a waterbody? add %

100 ft. or more of frontage on a waterbody? add %

50% or more forested? add %

20% or more with mapped wetlands? add %

10% or more sign. sand and gravel aquifers? add %

25% or more in a shoreland town? add %

Likely to be developed? add %

Other (explain) - maximum of 3%

add %

1. Public trails plans

2. Town of Naples letter of support

3. Inland Waterfowl and Wading Bird Habitat

Calculated contribution (percent) - maximum 25%

%

Calculated contribution

Amount requested

Recommended contribution (dollars)



PORTLAND WATER DISTRICT TRUSTEES PLANNING COMMITTEE 2023

Trustee Charles Shattuck-Heidorn, Chair
Trustee Gary Libby
Trustee Guy Cote

Committee Staff Clerk – Christopher Crovo

GENERAL POLICY AREAS OF THE COMMITTEE

The mission of the Planning Committee is to provide counsel and direction on the planning and governmental affairs of the Portland Water District. The committee may initiate or review, and recommend to the Board of Trustees, positions on such issues as, but not limited to:

- Oversight and Review of Asset Management and Planning Department's Budget and Operations of that Department
- Asset Management – Infrastructure renewal (Long Term)
- Land issues - Policy for the Sale or Other Use of District Real Property
- Watershed Protection Policy (White Paper on Lower Bay)
- Charter Issues
- Tracking and developing positions on State and Federal Legislation
- Master Planning (CWSSP)
- Vulnerability and Security Planning
- Long Term Strategic Direction
- Regionalism Opportunities – SMRWC
- Future Rules and Regulations of Water and Wastewater
- Watershed Land Use Policy and Implementation Plan (Sebago Lake Land Reserve)
- Watershed Land Acquisition Policy (within Standish)
- Watershed Preservation Policy

COMMITTEE ROOM – Nixon Training Center

MEETINGS – 5:30 p.m. – 6:30 p.m. immediately prior to the Board of Trustees monthly Workshop (second Monday of each month unless otherwise announced).

PROPOSED
COMMITTEE 2023 AGENDA ITEMS

<u>Mo.</u>	<u>Proposed Topics</u>	<u>Possible Board Action</u>
JAN	<ul style="list-style-type: none"> • Watershed Land Conservation Project • Review Committee work plan 2023 	Board action
FEB	<ul style="list-style-type: none"> • CMP lease/substation Update (Donna, Chris) • Lead & Copper program update (Susan) 	
MAR	<ul style="list-style-type: none"> • 2022 Standish Beach report (Chad) 	
APR	<ul style="list-style-type: none"> • Election of Chair • Revised Forest Management Plan and plans for coming season (Chad) 	
MAY	<ul style="list-style-type: none"> • Main Extension and New Services (Bobby) • Land Reserve and Lower Bay activity report (Rod) 	
JUN	<ul style="list-style-type: none"> • Education and Outreach Programs Update (Kirsten) 	
JUL	<ul style="list-style-type: none"> • Regulatory updates (Mike) 	
AUG	<ul style="list-style-type: none"> • Lower Bay Tour – new boat – (Rod) 	
SEP	<ul style="list-style-type: none"> • Sebago Clean Waters/RCCP Grant update (Paul) 	
OCT	<ul style="list-style-type: none"> • Industrial Pretreatment Program update (Rebekah) 	
NOV	<ul style="list-style-type: none"> • AMaP department budget review 	
DEC	<ul style="list-style-type: none"> • Review proposed agenda items for 2024 	

Other possible activities, issues & concerns that may or will come up: Easements and other land requests.