



WORKSHOP MEETING BOARD OF TRUSTEES

225 Douglass Street, Portland, Maine
Jeff P. Nixon Training Center
6:30 p.m. on Monday, November 13, 2023

There will be a Special Meeting of the Board of Trustees to conduct a Public Hearing on a proposed water rate increase, followed by a Workshop Meeting of the Board of Trustees of the Portland Water District.

The Special Meeting and Public Hearing will be followed by a Workshop of the Board of Trustees. The Special Meeting and Workshop will be preceded by meetings of the following Board committees:

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

SPECIAL MEETING

Public Hearing to receive public input on the proposed average 6.4% increase in water rates effective January 1, 2024. The public can access the hearing here: <https://tinyurl.com/PWD-Rate-Hearing>

AGENDA – WORKSHOP

- 1. 2024-2028 Capital Improvement**
Christopher Crovo, Executive Director of AMAP, will present the proposed CIP. *Please bring your budget books or iPads to the meeting.*
- 2. Other Business**
- 3. Executive Session**
Pursuant to 1 M.R.S. §405(6)(A) personnel, the Board will go into Executive Session to conduct the General Manager's annual performance review.
- 4. Adjourn**



MEMORANDUM PORTLAND WATER DISTRICT

TO: Administration and Finance Committee/Board of Trustees

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

DATE: November 7, 2023

RE: **Administration and Finance Committee Meeting – November 13, 2023**

A meeting of the Administration and Finance Committee of the Portland Water District Board of Trustees will be held on Monday, November 13, 2022, at 5:30 p.m., in the Monie Conference Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

1. **Water Bond Authorization - \$700,000**

The Committee will consider a motion authorizing the issuance of water bonds to finance the purchase of a vacuum excavator. (See attached memo)

2. **Meter and Meter Reading System Consultant**

The Committee will consider a motion authorizing a contract with Diameter Services Inc. to provide consultant services related to designing and procuring a meter and meter reading system solution. (See attached memo)

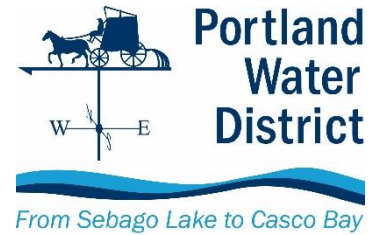
3. **2024 Pensioners' COLA Adjustment**

The Committee will discuss whether a cost-of-living adjustment (COLA) should be made to existing pensioners' monthly benefit. (See attached memo)

4. **2024 Budget**

The administrative departments will present their respective budgets (see 2024 Proposed Comprehensive Annual Budget Report – Operating Expenses, pages 229 through 252).

5. **Other Business**



ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1
Date of Meeting: November 13, 2023
Subject: Water Bond - \$700,000
Presented By: David Kane, Executive Director of Administration

RECOMMENDATION

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

RESOLVED, the issuance of up to \$700,000 of Water Bonds is hereby authorized to finance the purchase of a vacuum excavator. The full form of the Resolution is attached hereto and incorporated as part of the minutes of this meeting.

BACKGROUND ANALYSIS

The Board of Trustees at their October 23, 2023, meeting authorized the purchase of a Hydro Vacuum Excavator for up to \$700,000. Financing has tentatively been approved by the Maine Drinking Water Program to come from their Lead Copper Loan fund for assessing water lines for lead and mitigating lead from water distribution systems. The loan is expected to be designated as 55% Principal Forgiveness at 0% interest loans for a maximum of 20 years. The proposed motion authorizes the bonds be issued.

FISCAL REVIEW / FUNDING

The proposed bond is included in the proposed 2024 Budget. The budget assumed a cost of \$800,000 with an annual debt service of \$33,750. A \$700,000 bond debt service payment would be \$31,500, which is \$2,250 lower.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

Staff recommended the motion be approved.

ATTACHMENT(S)

A. Full Form of Motion

**PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING WATER BONDS IN THE AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$700,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) to purchase a vacuum excavator (the “Project”);

WHEREAS, the District desires to finance the Costs of such Project by issuing its sewer bonds in the maximum aggregate amount of \$700,000 and to borrow such money through the Maine Municipal Bond Bank’s Drinking Water State Revolving Loan Fund program or its general resolution borrowing program or other qualified purchaser of the bonds or a combination thereof;

NOW THEREFORE, BE IT HEREBY RESOLVED by the Board of Trustees of the Portland Water District (the “Board”) Assembled, following a public hearing duly called, noticed and held under District Policy No. 6.50-15:

THAT: Pursuant to the District’s Charter, Chapter 84 of the Private and Special Laws of 1975 and all amendments thereof and acts additional thereto, and all other authority thereto enabling, there is hereby authorized and approved the issuance of the District’s sewer bonds (the “Bonds”), and notes in anticipation thereof, in the aggregate principal amount not to exceed \$700,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project.

THAT: The Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to issue the Bonds and notes authorized hereby through a public offering (on a competitive or negotiated basis or a combination thereof) or through the Maine Municipal Bond Bank’s Drinking Water State Revolving Loan Fund programs or its general resolution borrowing program or to another qualified purchaser of the Bonds or a combination thereof, all as the Treasurer shall determine to be appropriate in his sole discretion.

THAT: Each Bond or note authorized hereby shall be signed in the name of and on behalf of the District, by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.

THAT: The Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to establish, determine and approve the form, date(s), maturity(ies) (not to exceed 40 years from the date(s) of issuance), denomination(s), interest rate(s), place(s) of payment, and other details of the Bonds and notes authorized hereby, including the timing and provision for their sale and award, and to provide that any of such Bonds and notes may be made subject to call for redemption, with or without a premium, before the stated maturity date(s) of such Bonds or notes, such establishment, determination and approval to be conclusively evidenced by his execution thereof.

THAT: The Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to do or cause to be done all such acts and things, and to execute, deliver, file, approve, and record all such financing documents, contracts, agreements, deeds, assignments, certificates, memoranda, abstracts, and other documents (collectively with any other agreements authorized herein, referred to as the “Bond Documents”) as may be necessary or advisable, with the advice of counsel for the District, to carry out the provisions of these resolutions in connection with the Project, the issuance, sale, and delivery by the District of the Bonds and the execution and delivery of the documents, including the entering into of

loan agreements or interim loan agreements with the Bond Bank, should the Bonds and notes (or any portion thereof) be purchased by the Bond Bank, the entering into of investment agreements regarding the proceeds of the Bond and notes hereinabove authorized, and the waiving of the District's sovereign or governmental immunity with respect to the enforceability of any of the forgoing.

THAT: If the Bonds or notes (or a portion thereof) are issued in a public offering, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to select the underwriter for such Bonds and notes and the Treasurer be and hereby is authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.

THAT: If the Bonds or notes (or a portion thereof) are issued in a public offering, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of such Bonds and notes, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, and that the use and distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the District in connection with offering such Bonds and notes for sale be and hereby is approved.

THAT: If the Bonds or notes (or any portion thereof) are issued to the Maine Municipal Bond Bank (the "Bond Bank") pursuant to the State's Drinking Water Revolving Loan Fund program established under Title 30-A, §§5953-A and 6006-A, or its general borrowing program established under Title 30-A, §5953, the Treasurer and the President of the District be and hereby are authorized and empowered, in the name and on behalf of the District, to execute and deliver, under the seal of the District attested by its Clerk, one or more loan agreements between the District and the Bond Bank providing for loans from the Bond Bank to the District in an amount not to exceed such amount, said loan agreements to be in the usual and ordinary form utilized by the Bond Bank in connection with the Drinking Water Revolving Loan Fund program or its general borrowing program, which is hereby approved, and to contain such other terms and provisions, not contrary to the general tenor hereof, as the Treasurer and the President of the District may approve, their approval to be conclusively evidenced by the execution thereof.

THAT: The Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to select the registrar, paying agent and transfer agent (the "Transfer Agent") for the Bonds and notes hereinbefore authorized and to execute and deliver such contracts and agreements as may be necessary or appropriate to secure their services.

THAT: If the Bonds and notes (or any portion thereof) hereinbefore authorized are issued on a tax-exempt basis, the Treasurer be and hereby is authorized to covenant and certify in the name of and on behalf of the District that no part of the proceeds of the issue and sale of such Bonds and notes shall be used directly or indirectly (a) to acquire any securities or obligations, the acquisition of which would cause such Bonds or notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or (b) to cause such notes or Bonds to be "private activity bonds" within the meaning of Section 141 of the Code.

THAT: If the Bonds and notes (or any portion thereof) hereinbefore authorized are issued on a tax-exempt basis, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to designate such Bonds and notes as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code, to the extent such designation is available and permissible under said Section 265(b)(3).

THAT: If the Bonds and notes (or any portion thereof) hereinbefore authorized are issued on a tax-exempt basis, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to covenant and agree, for the benefit of the holders of such Bonds or notes, that the District will file any required reports and take any other action that may be necessary to ensure that interest on the Bonds or notes will remain exempt from federal income taxation, and that the District will refrain from any action that would cause interest on such Bonds or notes to be subject to federal income taxation.

THAT: The term “Cost” or “Costs” as used herein and applied to the Project, or any portion thereof, includes, but is not limited to (1) the purchase price or acquisition cost of all or any portion of the Project; (2) the cost to design, construct, renovate, improve, furnish and equip the Project; (3) the cost of land, easements and other real property interests, landscaping and site preparation, all appurtenances and other fixtures, facilities, buildings and structures either on, above, or under the ground which are used or usable in connection with the Project; (4) the cost of feasibility studies, surveys, environmental studies and assessments, engineering, plans and specifications, legal and other professional services associated with the Projects; and (5) issuance costs, including premiums for insurance, capitalized interest and other fees and expenses relating to the financing transaction.

THAT: The investment earnings on the proceeds of the Bonds and notes hereinbefore authorized, if any, and the excess proceeds of such Bonds and notes (including premium), if any, be and hereby are appropriated for the following purposes, such proceeds to be held and applied in the order of priority determined by the Treasurer, for the following purposes:

1. To any Costs of the Project in excess of the principal amount of the Bonds or notes;
2. If issued on a tax-exempt basis, in accordance with applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the Bonds or notes;
3. To pay debt service on the Bonds; and
4. To the District’s general fund.

THAT: The District covenants to establish, maintain, apportion and collect fees, charges and assessments for sewer and wastewater services furnished by the District, to pay when due current expenses of operating and maintaining the sewer system and to pay when due principal, interest and premium, if any, of all outstanding sewer indebtedness, including any Bonds hereinabove authorized, created or assumed by the District to provide a waste water and sewage system or otherwise for sewer purposes.

THAT: If the Treasurer, President of the District or Clerk are for any reason unavailable to approve and execute the Bonds and notes hereinbefore authorized, or any of the Bond Documents to be delivered with respect thereto, the person or persons then acting in any such capacity, whether as an assistant or a deputy, on an acting or interim basis or otherwise, is authorized to act for such official with the same force and effect as if such person had himself or herself performed such act.

THAT: If any authorized representative of the District who has signed or sealed the Bonds and notes hereinbefore authorized shall cease to be such officer or official before the Bonds or notes so signed and sealed shall have been actually delivered by the District and / or authenticated, such Bonds or notes nevertheless may be issued, delivered and authenticated with the same force and effect as though the person or persons who signed or sealed such Bonds notes had not ceased to be such officer or official. also any such Bonds or notes may be signed and sealed in the name of and on behalf of the District by those persons who, at the actual date of the

execution of such Bonds or notes, shall be the proper officers and officials of the District, although at the nominal date of such Bonds or notes any such person shall not have been such officer or official.

THAT: If the Bonds or notes authorized hereunder, or any portion of them, are issued through the Drinking Water Revolving Loan Fund Program, the following resolutions required by Section C(4)(e) of the State of Maine Revolving Loan Fund Rules, Chapter 595, Department of Environmental Protection and the Bond Bank (the “SRF Regulations”), and governing any loan to be made to the District under the State Revolving Loan Fund Program be and hereby are adopted with respect to the said Bonds or notes issued through the Drinking Water Revolving Loan Fund Program:

(1) that a Project Account shall be created for the Project which shall be separate from all other accounts of the District. If operating revenues are to be used to retire the debt, a sub-account will be established.

(2) that the Project Account shall be maintained in accordance with standards set forth by the Maine Municipal Bond Bank and in accordance with generally accepted government account standards.

(3) that a final accounting shall be made to the Bond Bank of the total cost of the Project upon completion of the Project performance certification as set out in Section G(3) of the SRF Regulations and the District acknowledges that the Bond Bank reserves the right at its sole discretion to be provided with a cost certification of the Project as built.

(4) that an annual audit of the District, prepared by a certified public accountant or licensed public accountant be provided to the Bond Bank for the term of the loan.

(5) that the District shall maintain insurance coverage on the Project in an amount adequate to protect the Bond Bank’s interest for the term of the loan with the Bond Bank named as loss payee.

(6) that the District will comply with any special conditions specified by the Department of Environmental Protection’s environmental determination until all financial obligations to the State have been discharged.

(7) that the District certify to the Bond Bank that it has secured all permits, licenses and approvals necessary and that it has a dedicated source of revenue for repayment.

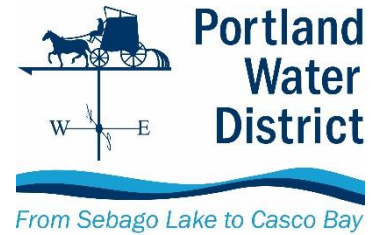
(8) that the District establish a rate, charge or assessment schedule in order to pay principal and interest. Such rate change or schedule shall provide total operations and debt service coverage at a level at which the coverage for the Bond Bank is sufficient.

(9) that the District must demonstrate the ability to pay reasonably anticipated costs of operating and maintaining the financed Project.

(10) that the District abide by the SRF Regulations, as revised and amended and relevant State statutes of the State of Maine.

THAT: During the term any of the Bonds are outstanding, in order to obtain additional debt service savings, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to issue and deliver refunding bonds, on either a current or advance refunding basis, to refund some or all of the Bonds then outstanding, and to establish, determine and approve the form, date(s), maturity(ies) (not to exceed 40 years from the date of issuance of the original Bonds), denomination(s), interest rate(s), place(s) of payment, and

other details of the Bonds and notes authorized hereby, including the timing and provision for their sale and award, and to provide that any of such refunding bonds may be made subject to call for redemption, with or without a premium, before the stated maturity date(s) of such refunding bonds, and all other details of such refunding bonds, including the form and manner of their sale and award, and to execute and deliver, all in the name of and on behalf of the District, such establishment, determination and approval to be conclusively evidenced by his execution thereof, and each refunding bond issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.



ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 2
Date of Meeting: November 13, 2023
Subject: Meter Replacement and Leak Detection Plan: Professional Services Contract
Presented By: Peter Cutrone, Project Manager-Administration

RECOMMENDATION

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

ORDERED, the General Manager is hereby authorized to execute a contract with Diameter, Inc. for consulting services to assist the Portland Water District with the Advanced Meter Infrastructure/Automated Meter Reading Assessment and Meter Renewal Planning (AMI/AMR Meter Planning) project as a subcomponent of the Meter Replacement and Leak Detection project (CIP 2023-63/3046); and

BE IT FURTHER ORDERED, that an amendment to the 2023 capital improvement plan of \$400,000 is hereby authorized; and that the General Manager and the Treasurer, each acting singly, are authorized to take such steps as may be necessary to accomplish the intent of the vote.

BACKGROUND ANALYSIS

In 2009, PWD completed a three-year project that changed out nearly all of its 50,000 plus meters with a drive-by radio read Automated Meter Reading (AMR) system. There was a substantial customer impact to change meters since they are located inside customer's homes and businesses. The replacement of meters and meter reading technology improved customer levels of service by reducing estimated bills, meter reading related adjustments, and the labor required to read meters every month, as well as providing the ability to recover lost revenue due to declining registration accuracy with respect to consumption.

The drive-by system includes both a meter and an attached battery powered endpoint receiver transmitter (ERT). The meters and batteries were expected to function without intervention for 20 years for the smaller diameter meters and less for the larger diameter meters. We are approaching the end of life for both small meters and their batteries.

The Board of Trustees adopted Policy 620 – Water Service Standards which includes a reference to American Water Work Association (AWWA) standards for testing meters to determine whether water flow is accurately measured and thus billing the customer correctly. Meter testing is done at a low, medium, and high flow rate with a fixed volume of water. The volume and flow rate vary based on meter size and design. However, the results are expressed as a % of accuracy with 100% being the ideal for each flow rate. The policy states a meter is acceptable if it tests within +/-2% at the medium and high flow rate and greater than 90% at the low flow rate.

Current testing of small diameter meters (1" and less) indicates a nearly 60% failure rate, primarily on the low flow registration.

PWD sent a sample of ERTs that were installed between 2006 and 2008 to their manufacturer, Itron, to test for the remaining life of the batteries. The samples represented the two models installed during the drive-by project, 50W and 60W. Itron tested the 60W endpoints first and the results indicate that model is failing sooner than expected; the estimated useful life is 17.5 years. There are just over 9,000 60W actively installed at this time. The 50W endpoints are still undergoing the capacity tests, which are expected to be complete by the end of October 2023. Early results suggest that this model is exceeding the expected 20-year battery life. There are over 44,000 active 50W endpoints installed.

Meter and meter reading technology has evolved significantly over the last five to ten years. The range of detectable consumption has expanded on both low and high flows, and newer meters offer affordable non-mechanical options that also provide abilities including leak detection, reverse flow detection, and pressure and temperature monitoring.

Meter reading technologies continue to offer drive-by systems, but also offer Advanced Meter Infrastructure (AMI) which essentially is a communication backbone that provides two-way communication with the meter or other sensors. These sensors can be attached and the meters can act as a data repository that can collect information every hour or more frequently.

The consulting services recommended would help PWD understand the type of information available and how it can apply that information to improve not only the customer experience and level of service but also improve operational efficiency and engineering/planning.

This engagement has two significant phases, planning and procurement. The planning phase takes PWD through an assessment of its current metering solution, a review of current meters and meter reading technology, an evaluation of goals and objectives, and the business case analysis for the various opportunities that the new technologies offer. The planning portion culminates with a Request for Proposal (RFP) that reflects the District's strategic goals, needs, and valuations.

In addition to the planning and design, the engagement retains the consulting service to assist in the procurement process of soliciting bids, evaluating the responses, vendor interviews and demonstrations, selection, and contract negotiations.

A five-person team reviewed and scored seven qualification packages from consultants that provided methods for achieving the project goals. Based on the outcome of the review and ranking, Diameter received the best overall score. Staff therefore recommends an award to Diameter for an amount of \$384,115, with a project contingency of \$15,885, and a total project budget not to exceed \$400,000.

FISCAL REVIEW/FUNDING

This project was included in the 2023 CIP, Subprogram 63, Project 3046. The 5-year estimated cost is \$13.3M. The proposed motion authorizes the planning and procurement phases of the project to begin in 2023.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed order as to form.

CONCLUSION(S)

Staff recommends the contract with Diameter be authorized.

ATTACHMENT(S)

A. Additional Background Information

Additional Background Information

Over a dozen firms were invited to attend an online pre-bid meeting to discuss the project and the RFQ. Seven consulting firms submitted a response.

The selection team was comprised of representatives from those departments directly impacted by a meter project. Those departments are Water Operations, Engineering, Information Services and Customer Service.

Selection team members reviewed proposals independently and held several review meetings. Each selection team member ranked the proposals based on the three non-fee categories identified in the RFQ; Qualifications and Experience (50%), Project Approach (25%) and References (15%). Each proposal was ranked for each category using a 1-7 scale where a #1 ranking represented the proposal that best met the category requirements. The rankings for each firm were averaged for the entire review team and the average was multiplied by the percentage of the category. The lower the score, the more favorable.

Qualifications and Experience (50%) and Project Approach (25%) were ranked first and based on the results the team eliminated two teams from further consideration. References were contacted for the remaining teams. The selection team reconvened to review the conversations with the references and those scores were added in. Cost consideration was 10% of the value of the proposal and those were opened after the first three categories were ranked and scored.

Based on the outcome of the review and ranking, Diameter received the best overall score (1.8).

Key factors that led to the recommendation of Diameter include:

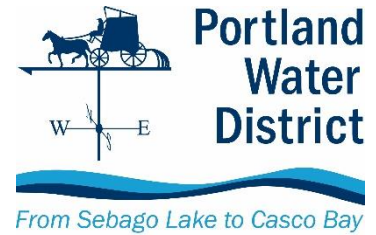
- This is their niche service offering. They specialized in meters, AMR, and AMI.
- They possess a high degree of experience with these types of projects and with a range of vendors and solutions.
- Their approach reflected PWD unique circumstances with respect to indoor locations for meters and endpoints.
- They will provide a better understanding of the business drivers and building the business case to ensure PWD solution is the best fit and value.
- They provided a very strong public outreach plan.
- They have been used as experts by other firms that submitted bids.

The following table summarizes the results of the selection committee's evaluation of each respondent.

Proposers:	Qualifications 50%	Approach 25%	Subtotal Q&A	References 15%	Costs 10%	Total Score	Rank
Diameter	0.60	0.35	0.95	0.15	0.70	1.80	1
Arcadis	1.40	0.50	1.90	0.41	0.30	2.61	2
Jacobs	1.40	0.80	2.20	0.45	0.60	3.25	3
Weston & Sampson	2.20	1.15	3.35	0.45	0.10	3.90	4
Black & Veatch	2.40	1.20	3.60	0.56	0.40	4.56	5
ESource	2.50	1.30	3.80	n/a	n/a	n/a	
Lemmerhirt	3.50	1.75	5.25	n/a	n/a	n/a	

The services Diameter will provide are shown in the table below. Not all are shown.

Area	Service	Description
Design	Background Information	Collect and analyze data and information from District current water meter population, organization structure, meter reading equipment, current business practices, billing and maintenance, and existing software and integrations.
Workshop	Organizational & Project Goals	Key stakeholders engaged in a guided discussion to determine the biggest issues affecting PWD, key initiatives PWD intends to pursue and how meters and meter reading can support. Must align with District's strategic plan, Board Directives and goals.
Workshop	Assessment of ERTs and Meters	In depth analysis of the data previously collected of PWD metering profile and future recommendations
Workshop	Overview of AMR/AMI and Metrology	Technical education focused on evaluation and comparison of available technologies that are best suited to meet the needs of the District.
Workshop	Systems Assessment on Interface requirements	How our systems currently interact and how they could change.
Workshop	Business Drivers	An assessment of the qualitative and quantitative value-added aspects of AMR versus AMI as they pertain to PWD.
Workshop	Capital and Lifecycle Costs	Presentation of cost projections based on comprehensive financial model for at least three different solution designs.
Workshop	Recommendations	Compilation of all previous workshops and sets overall strategy of RFP.
Workshop	Procurement Strategy and Implementation Schedule	Impacts of metering decisions, technology directions and ROI.
Workshop	Public Outreach Design	This is especially important for PWD since we have indoor sets.
RFP	Specification Development	Detailed list of specifications, importance, scoring metrics including <ul style="list-style-type: none"> • Water MAR/AMI technology • Water Meters • Installation • Meter Data Management/Analytics • Evaluation criteria
Procurement Support		From publication of RFP to evaluation of submittals, vendor presentations, contract negotiations and recommendation report.



ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 3
Date of Meeting: November 13, 2023
Subject: 2024 Pension Adjustment
Presented By: David Kane, Executive Director of Administration

RECOMMENDATION

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

ORDERED, an adjustment of 2.2% in pension benefits is authorized for eligible retirees and annuitants, effective January 1, 2024, in accordance with Article X of PWD's pension plans.

BACKGROUND ANALYSIS

Since 1989, the Board of Trustees has the authority to grant an annual adjustment in pension benefits equal to 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	50% of CPI, 0.36%
2018	50% of CPI, 1.03%
2019	50% of CPI, 1.29%
2020	50% of CPI, 0.82%
2021	50% of CPI, 0.67%
2022	50% of CPI, 2.10%
2023	50% of CPI 4.32%
2024	50% of CPI 2.20%

The CPI average for 2023 (November 2022 to October 2023) increased 4.4% over the 2022 average. Therefore, pension benefits for eligible retirees and beneficiaries could increase by 2.20%. The impact of providing the adjustment would be approximately \$3,417 per month and would bring the pension payments total to approximately \$158,749, per month for 135 pensioners and beneficiaries. Retirees eligible for an increase are pensioners receiving a pension as of January 1, 2024.

ALTERNATIVES CONSIDERED

The increase is discretionary and no increase is necessary. The Board could grant any increase up to 2.2%, which is 50% of the consumer price index.

FISCAL REVIEW / FUNDING

The last actuary study was done as of May 1, 2023. A summary of the study results is below:

	Non-Bargaining	Bargaining	Total
Assets	\$ 13,478,229	\$ 14,192,325	\$ 27,670,554
Liability	\$ 14,793,500	\$ 16,412,576	\$ 31,206,076
Unfunded	\$ (1,315,271)	\$ (2,220,251)	\$ (3,535,522)
Funding Percent	91%	86%	89%

The proposed COLA adjustment would require an additional cash payment of \$41,007 (\$3,417*12 months) a year. The proposed change increases the pension liability by an estimated \$210,000.

LEGAL REVIEW

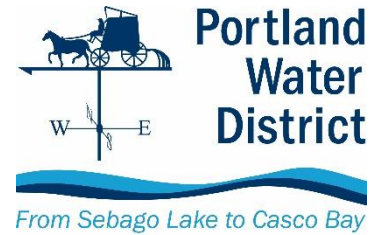
Corporate Counsel reviewed the proposed motion and approved it as to form.

CONCLUSION(S)

Staff recommends that the Committee approve forwarding this order to the Board for their consideration.

ATTACHMENT(S)

None



MEMORANDUM PORTLAND WATER DISTRICT

TO: Operations Committee/Board of Trustees

FROM: Scott Firmin, Director of Operations - Wastewater
James Wallace, Director of Operations - Water

DATE: November 7, 2023

RE: **Operations Committee Meeting – November 13, 2023**

A meeting of the Operations Committee of the Portland Water District Board of Trustees will be held on Monday, November 13, 2023, at 5:30 p.m., in the Emergency Operations Center (EOC) Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

- 1. Westbrook Combined Sewer Overflow Long-Term Control Plan**
Staff will provide a recommendation to amend an engineering services contract to provide flow monitoring and other services. (See attached memo)
- 2. 2024 Budget**
The operational departments will present their respective budgets (see 2024 Proposed Comprehensive Budget Report, Departmental Expenses, Water Services starting on page 158, and Wastewater Services starting on page 177.)
- 3. Other Business**



OPERATIONS COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1
 Date of Meeting: November 13, 2023
 Subject: Westbrook Combined Sewer Overflow Long-Term Control Plan
 Presented By: Scott Firmin, Director of Wastewater Services

RECOMMENDATION

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

ORDERED, the General Manager is hereby authorized to execute an amendment to the professional services contract with Wright-Pierce in the amount of \$65,000 to complete flow monitoring and other work; and

BE IT FURTHER ORDERED, that the capital improvement plan for 2020 and 2021 is increased by \$5,000 and \$60,000 respectively, and that the General Manager and the Treasurer, each acting singly, are authorized to take such steps as may be necessary to accomplish the intent of the vote.

BACKGROUND ANALYSIS

In October 2021, a contract was approved for Wright-Pierce to provide an update to the Westbrook Long-Term Combined Sewer Overflow Plan (LTCP). The planning effort relies heavily on flow monitoring to calibrate a model that can be used to evaluate the need for and benefit of various recommendations.

The plan originally included several months of flow monitoring in 2022. Unfortunately, the amount of rain and intensity of storms was not sufficient to provide meaningful data. When reviewing the data, Maine DEP was contacted and requested that the study be extended to include flow monitoring in 2023. This work was completed and the amount and intensity of rain was more than sufficient to collect meaningful data.

This data will be used to develop the final recommendations to DEP on projects with both the Portland Water District and the City of Westbrook’s interception and collection systems. The report is due at the end of this year.

			<u>Original</u>		<u>Requested</u>
Model Update	2020-29-3164	\$	25,000	\$	30,000
CSO Master Plan	2021-29-3163	\$	75,000	\$	75,000
Flow Monitoring	2021-29-2320	\$	50,000	\$	110,000
			\$ 150,000		\$ 215,000

FISCAL REVIEW / FUNDING

The project cost of \$65,000 will be withdrawn from the City of Westbrook’s capital reserves. The capital reserve account currently has an amount of nearly \$3,200,000.

LEGAL REVIEW

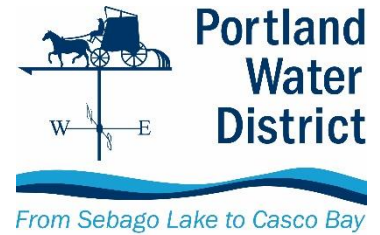
Corporate Counsel has reviewed the proposed order as to form.

CONCLUSION(S)

Staff recommends the contract be adjusted.

ATTACHMENT(S)

None



MEMORANDUM PORTLAND WATER DISTRICT

TO: Planning Committee/Board of Trustees

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

DATE: November 7, 2023

RE: Planning Committee Meeting – November 13, 2023

A meeting of the Planning Committee of the Portland Water District Board of Trustees will be held on Monday, November 13, 2023, at 5:30 p.m., in the Nixon Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

1. Sale of Surplus Property -Walnut Street Property and Underground Reservoir
Staff will recommend the sale of the Munjoy Hill Reservoir. (See attached memo)
2. Asset Management and Planning Departments - 2024 Budget Review
The Asset Management and Planning Departments (Environmental and Engineering Services) will present their respective budgets. See 2024 Comprehensive Budget Report – Operating Expenses, pages 194 – 228.
3. Other Business



PLANNING COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1
Date of Meeting: November 13, 2023
Subject: Sale of Walnut Street Property and Underground Reservoir
Presented By: Laurel Jackson, Right of Way Agent

RECOMMENDATION

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

ORDER, The General Manager is authorized to sign the Letter of Intent with Silver Street Development Corporation for the sale of surplus District property on Walnut Street in Portland known as the Munjoy Hill Reservoir; and

BE IT FURTHER ORDERED, 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.

BACKGROUND ANALYSIS

The District owns a 1.56-acre parcel of land in Portland at the intersection of Walnut and North Streets. In the 1970's the District constructed a 2 million-gallon concrete, underground reservoir on the property. The adjacent property, the Island View Apartments, has easement rights over the surface of the District's reservoir parcel. The easement area is currently being used for parking, utility lines, a playground, a gazebo, and lawn.

In the early 2000's, the District determined that the underground reservoir was no longer needed, disconnected it from the water system, and the parcel was declared "surplus property." It was offered to the City of Portland on two occasions, in 2007 and 2019. Both times the City indicated that it was not interested in acquiring the property.

The City of Portland has assessed the land value at \$611,500. However, this does not account for the encumbrances on the parcel. Island View Apartment owners have perpetual easement rights to use the surface of the property, making it essentially useless to any other potential developer.

Silver Street Development Corporation, owners of the Island View Apartment property, have submitted a Letter of Intent (attached) to the District proposing to purchase the property with the ultimate goal of developing it into affordable housing. If the District were to retain the property, eventually the reservoir would need to be removed or filled with a solid material to prevent it from collapsing.

Based on the potential investment required by the District to maintain the property, and its negligible value for development by anyone other than the owners of the Island View Apartments, staff recommends that the District sell the property to Silver Street Development Corporation. The Purchase and Sale Agreement will include the terms outlined in the attached Letter of Intent.

The deed will specify that it is being sold "As is, where is" and will absolve the District of all further responsibility or liability for the reservoir or the property.

FISCAL REVIEW / FUNDING

The proposed sale price is proposed to be \$15,000.

LEGAL REVIEW

Corporate Counsel will review the proposed deed prior to execution.

CONCLUSION(S)

Staff recommends that PWD proceed with the proposal described above.

ATTACHMENT(S)

Silver Street Development Corporation- Letter of Intent

September 26, 2023

Laurel Jackson
Right of Way Agent
Portland Water District
225 Douglas Street
PO Box 3553
Portland, ME 04104-3553

Re: Letter Of Intent to Purchase 1 Walnut Street, Portland, ME (Parcel ID: 015 A003001)

Dear Ms. Jackson,

Island View Apartments, LLC (“Silver Street” or “Buyer”), an affiliate of Silver Street Development, is pleased to present this Letter of Intent to the Portland Water District (“PWD” or “Seller”) to purchase the property known as 1 Walnut Street (Parcel ID: 015 A003001) located in Portland, ME 04101 (the “Property”).

Silver Street and its affiliates own approximately 8,000 units of affordable housing throughout the United States, including Island View Apartments (“Island View”), a seventy unit (70 unit) residential development directly adjacent to the Property.

This letter is not a binding purchase and sale agreement to purchase the Property. Such purchase and sale agreement would be negotiated and signed by both parties within 60 days after acceptance of this letter of intent (the “LOI”).

Sale Price

The Buyer proposes a sale price of **Fifteen Thousand Dollars (\$15,000.00)** paid by the Buyer via wire transfer or certified check. Seller shall convey to Buyer all real property, improvements and personal property located at the Property. Seller agrees to deliver the Property free and clear of all encumbrances and liens. Customary prorations, transfer taxes and fees shall be incorporated into the purchase and sale agreement, and the sale price shall be subject to adjustments and prorations as shall be further described in the purchase and sale agreement.

Note about Sale Price: Due to the unique nature of the Property and the presence of the PWD 2-million-gallon underground reservoir beneath it, Silver Street views the acquisition of the Property as a potential liability and long-term maintenance issue. However, control of the Property through ownership, either to keep as-is in perpetuity or for the potential development of additional affordable housing, has initiated Silver Street to put forth this proposal. Due to the current affordable housing crisis in Maine, and nationally, Silver Street would like to see the Property developed for additional affordable housing and has the capacity and experience to do so. However, due to the challenging nature of both the Property

and affordable housing development in general, Silver Street is unable to guarantee that it will be developed for affordable housing at this time. A brief summary of challenges to developing Property are included here.

1. **MaineHousing:** The financing of new affordable housing development in Maine is almost exclusively controlled by resources made available by the Maine State Housing Authority (“MaineHousing”). The award of financing is competitive and typically heavily oversubscribed on an annual basis. Acquisition cost and overall project cost are two key parameters governing the award and execution of such financing. Thus, in this instance, keeping the sale price nominal greatly increases the probability of a future financing award from MaineHousing.
2. **City of Portland:** The City of Portland, through its City Council and Planning Board, will have to approve potential zoning proposals/amendments for a new affordable housing development, an amended Site Plan for the existing Island View development, and a new site plan for any new affordable housing development. While the City has generally been supportive of new affordable housing development, it would be premature to predict whether the specific proposal that we would bring forth to develop the Property as affordable housing would gain the ultimate support of the neighborhood and the approval by these governing bodies.
3. **Challenging Design:** The presence of the PWD 2-million-gallon underground reservoir presents a unique design challenge to any developer looking to build on this site. The cost to remove and/or backfill the reservoir in order to establish a more conventional building footprint would be cost prohibitive for any affordable housing project. Silver Street has consulted with the architect and structural engineer that worked on the original Island View project. They have come forward with a conceptual design that would attempt to reuse the reinforced concrete structure as a platform or foundation upon which to construct a new building. However, this conceptual design would require further due diligence, refinement, and development in order to determine its ultimate feasibility in terms of cost and design. That work would be done in conjunction with a specific proposal brought before the City of Portland and MaineHousing. Therefore, while the reuse of the existing reservoir structure is a very promising and creative idea, it is premature to predict whether the conceptual design is ultimately executable.

Due Diligence

The purchase and sale agreement will be subject to the Buyer’s review of and satisfaction with the following items within one hundred eighty (180) days after the execution of the purchase and sale agreement (the “Due Diligence Period”):

- a) **Phase I Environmental Study.** If a Phase II Study is recommended, an automatic 30-day extension of the Due Diligence Period shall be granted.
- b) **Additional structural survey of the second chamber of the concrete reservoir.** The Seller will allow access for this purpose and shall provide PWD personnel with appropriate training and equipment to assist in the due diligence efforts by the Buyer. (Note: A survey of one of the two chambers was completed on July 26, 2023. The second chamber still needs to be surveyed.) The Seller will continue to provide this access and PWD personnel beyond the due diligence period up until the time of closing.
- c) **Satisfactory Title Commitment.**

Deposit

Five Thousand Dollars (**\$5,000**) at signing of purchase and sale agreement to be deposited with an escrow holder. The deposit will become non-refundable upon Buyer’s waiver of its right to terminate the purchase and sale agreement during the Due Diligence Period (defined above).

Closing

Buyer shall have the option of closing on the later of: (i) 30 days after the expiration of the Due Diligence Period and (ii) closing on the financing necessary to commence development of the Buyer’s proposed affordable housing project.

Assignment or Sale of the Purchase Contract to a Silver Street Entity

The Buyer shall have the right to assign or sell its rights and obligations in the purchase and sale agreement to a single-purpose entity, formed for the specific purpose of developing the Property. Such entity shall be controlled by the principals of Silver Street. If the Buyer assigns or sells its rights and obligations in the purchase and sale agreement to a Silver Street entity, it shall assign a price to this transfer sufficient to cover the transactional costs of the Buyer and the assigned entity as well as any sunk costs the Buyer has incurred to date. If the Buyer sells or assigns the Property for a profit (profit being defined as any proceeds over and above any transactional or sunk costs the Buyer has incurred, or will incur, to either acquire or sell the Property), the Buyer agrees to pay 50% of the profit earned by the Buyer to PWD.

Sale of Property to a non-Silver Street Entity

The Buyer, or any subsequent Silver Street entity, shall have the right to sell the Property to a non-Silver Street entity for the purposes of affordable housing development. If the Buyer, or any subsequent Silver Street entity, sells the Property for a profit (profit being defined as any proceeds over and above any transactional or sunk costs the Buyer has incurred, or will incur, to either acquire or sell the Property), the Buyer, or any subsequent Silver Street entity, agrees to pay 50% of the profit earned by the Buyer to PWD.

Contiguous Sale of the existing Island View development and the Property together

Silver Street shall have the right to sell Island View together with the Property. Under such a scenario, Silver Street would not be required to share any proceeds of such sale with PWD.

If this LOI is acceptable, please sign a copy of this letter and return.

Sincerely,

Island View Apartments, LLC

Agreed:

Portland Water District

Roger J. Gendron
Manager

Name:
Title: