



## MEMORANDUM PORTLAND WATER DISTRICT

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TO: Board of Trustees

FROM: Carrie Walker

DATE: February 9, 2022

RE: **Workshop Meeting – Monday, February 14, 2022**

There will be a remote Workshop Meeting of the Board of Trustees of the Portland Water District on Monday, February 14, 2022, at 6:30 p.m. Please go to [www.pwd.org](http://www.pwd.org) for specific meeting access information or call 207-523-5266.

The workshop will be preceded by meetings of the following Board committees:

<b><u>Committee</u></b>	<b><u>Room / Location</u></b>	<b><u>Time</u></b>
Pension	Remotely	5:15 p.m.
Administration & Finance	Remotely	5:30 p.m.
Operations	Remotely	5:30 p.m.
Planning	Remotely	5:30 p.m.

### **AGENDA – WORKSHOP**

- 1. Wastewater Documentary Fundraising Video**  
Michelle Clements, Public Relations Manager, will share with the Board a fund-raising video made by Portland-based documentary filmmakers about wastewater collection and treatment that features PWD employees and the East End Wastewater Treatment Plant.
- 2. RFP for Comprehensive Infrastructure Asset Management Plan (CIAMP) Project**  
Chris Crovo, Director of Asset Management and Planning will provide an update to the process and schedule of the RFP along with Trustee involvement in the project.
- 3. Standish Steering Committee Membership**  
The Town of Standish has requested a meeting of the PWD Standish Steering Committee. It has been several years since the full Committee last met, so reconsideration of PWD's membership is in order. The most recent membership included Trustees Lunt, Siviski, and Ross.
- 4. General Manager Succession Planning**  
President Douglas will lead a discussion on the planning process for the selection of a General Manager with a target to replace Ms. Lewis by the end of June.
- 5. Other Business**
- 6. Adjourn**



## **MEMORANDUM PORTLAND WATER DISTRICT**

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TO: Pension Committee / Board of Trustees

FROM: Mary Demers, Director of Employee Services

DATE: February 4, 2022

RE: **Pension Committee Meeting – February 14, 2022**

A meeting of the Pension Committee of the Portland Water District Board of Trustees will be held on Monday, February 14, 2022. The meeting will begin at 5:15 p.m. via teleconference. The public may access the meeting by dialing 408-418-9388, access code 2633 655 9780, meeting password 74297967.

### **AGENDA**

1. **Approval of Pension Distributions**  
Staff will present a request to approve benefits for one retiree.
2. **Other Business**



## MEMORANDUM PORTLAND WATER DISTRICT

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TO: Administration and Finance Committee / Board of Trustees

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

DATE: February 4, 2022

RE: **Administration and Finance Committee Meeting – February 14, 2022**

A meeting of the Administration and Finance Committee of the Portland Water District Board of Trustees will be held on Monday, February 14, 2022. The meeting will begin at 5:30 p.m. via teleconference. The public may access the meeting by dialing 408-418-9388, access code 2634 824 8328, meeting password 99827996.

### **AGENDA**

1. **Juneteenth Holiday**

The Committee will review a motion establishing Juneteenth as a paid holiday at PWD.  
(See attached memo)

2. **Water Bond Authorization**

The Committee will consider a motion authorizing the issuance of a \$7.8M water bond.  
(See attached memo)

3. **Safety Program Overview**

Eric Sawyer, Safety Specialist, will provide an overview of the 2022 safety program.

4. **Defined Benefit Plans – COLA Policy**

At the December 2021 committee meeting, the Committee approved a cost-of-living increase for current pensioners and requested additional information on what other entities provide for annual pension increases. The information was provided at the January 2022 meeting. Additional information was requested and will be presented at the February meeting.  
(See attached memo)

5. **Annual Committee Workplan Review**

The Committee will review the annual Administration and Finance Committee Workplan.  
(See attachment)

6. **Other Business**



Portland Water District  
*From Sebago Lake To Casco Bay*

**ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY**

Agenda Item: 1  
Date of Meeting: February 14, 2022  
Subject: Juneteenth Holiday  
Presented By: Carrie Lewis, General Manager

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**RECOMMENDATION**

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

ORDERED, that Juneteenth is hereby added to the list of paid holidays for Portland Water District employees not covered by the Collective Bargaining Agreement with Teamsters Local 340; the Collective Bargaining Agreement shall govern the list of paid holidays for all employees covered by said Agreement.

**BACKGROUND ANALYSIS**

Pursuant to state Law, 1 M.R.S. §150-H, “The Governor shall annually issue a proclamation designating the 3rd Saturday in June as Juneteenth Independence Day to commemorate the day freedom was proclaimed to all slaves in the South by Union General Gordon Granger in 1865, 2 1/2 years after the Emancipation Proclamation was signed”. The State of Maine began recognizing this holiday with a first proclamation in 2019.

Pursuant to state Law, 5 M.R.S. §59, “the State designates June 19<sup>th</sup> of each year as Juneteenth and as a state holiday. All nonessential state offices must be closed on Juneteenth.” This law was signed into law in June, 2021. Under state policy, when a paid state holiday falls on Saturday, it is celebrated on Friday; when it falls on Sunday, it is celebrated on Monday.

Given the significance of the holiday at the federal, state and local level, I propose to include Juneteenth on the list of paid holidays for Portland Water District employees, following the State’s policy. The paid holiday would be provided to non-union employees upon approval of the Board of Trustees; receipt of the paid holiday by union employees will be governed by the collective bargaining agreement.

**FISCAL REVIEW / FUNDING**

The incremental cost to implement Juneteenth as a holiday for non-union employees is almost zero, as 61 of the 63 employees are salaried. There will be a loss of productivity associated with those employees who are not working on this date.

**LEGAL REVIEW**

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

**CONCLUSION**

Approval of the request to add Juneteenth as a paid holiday for non-union employees as described herein is recommended.

**ATTACHMENT**

None



## **ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY**

Agenda Item: 2  
Date of Meeting: February 14, 2022  
Subject: Water Bond - \$7,800,000  
Presented By: David Kane, Director of Administration

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### **RECOMMENDATION**

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

RESOLVED, the issuance of up to \$7,800,000 in water bonds to finance the installation and renewal of water mains and related infrastructure is hereby authorized. The full form of the Resolution attached hereto is hereby approved and shall be attached to and incorporated as part of the minutes of this meeting.

### **BACKGROUND ANALYSIS**

The approved 2022 Capital Improvement Plan includes \$10,610,000 of water distribution system upgrade projects being financed through the issuance of a \$7,800,000 bond and \$2,810,000 in withdrawals from the renewal and replacement fund. The bond will finance water main and related infrastructure improvements throughout the service territory.

At least \$2,000,000 of the projects will be projects listed on the System Infrastructure Assessment report filed with the PUC and, therefore, the projects' debt service costs are eligible to be funded from the capital reserve fund. That \$2,000,000 will be financed over 10 years with the remaining \$5,800,000 financed over 20 years.

Attachment D includes additional information on the debt, financial and economic impact of proposed bond.

### **FISCAL REVIEW / FUNDING**

The 2022 Budget included the issuance of a \$7.8M bond.

### **LEGAL REVIEW**

Corporate Counsel has reviewed the proposed Resolution as to form.

### **CONCLUSION(S)**

The Water Fund has the debt, financial and economic capacity to issue the proposed bond. Staff recommends the motion be forwarded to the full Board for their consideration.

**ATTACHMENT(S)**

- A. Full Form of Motion
- B. Debt Service Amortization Schedule—10 year for \$2.0 Maine Municipal Bond Bank
- C. Debt Service Amortization Schedule—20 year for \$5.8 Maine Municipal Bond Bank
- D. Debt, Financial and Economic Analysis

**PORTLAND WATER DISTRICT  
RESOLUTION OF BOARD OF TRUSTEES  
AUTHORIZING BONDS IN THE AGGREGATE  
PRINCIPAL AMOUNT NOT TO EXCEED \$7,800,000**

**WHEREAS**, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) of water main improvements and other related water system infrastructure upgrades and improvements (the “Project”).

**WHEREAS**, the District desires to finance the Costs of such Project by issuing its water bonds and / or sewer bonds, or some combination thereof in the maximum aggregate amount of \$7,800,000 and to borrow such money through a public offering or through the Maine Municipal Bond Bank’s Safe Drinking Water State Revolving Loan Fund program, Clean Water State Revolving Loan Fund program or its general 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, and the Decision and Order of the Public Utilities Commission of the State of Maine issued in Docket No. 2015-00159 dated November 13, 2015, there is hereby authorized and approved the issuance of the District’s water bonds and / or sewer bonds, or some combination thereof and/or temporary notes in anticipation thereof in an aggregate principal amount not to exceed \$7,800,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project (the “Bonds”).

**THAT:** The Bonds may be issued as water bonds and / or sewer bonds, or some combination thereof, in the maximum aggregate amount of \$7,800,000 and may be issued through a public offering or through the Maine Municipal Bond Bank’s Safe Drinking Water State Revolving Loan Fund program, Clean Water State Revolving Loan Fund program or its general borrowing program or other qualified purchaser of the bonds or a combination thereof.

**THAT:** Each Bond or note 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.

**THAT:** The Bonds may be issued in serial form or as term bonds, or some combination thereof, and may be issued at one time or from time to time, in an amount not to exceed the aggregate amount authorized herein, and shall mature at such times (but not to exceed 40 years from the date(s) of issuance), shall be dated, shall bear interest at such rate or rates, and otherwise shall be in such form and contain such other terms and provisions as the Treasurer may approve, subject to the provisions of the law, the District’s Charter and these Resolutions, such approval to be conclusively evidenced by his execution thereof.



- THAT:** The Bonds may be made subject to call for redemption, with or without a premium, before the date fixed for final payment of the Bonds, as shall be determined by the Treasurer.
- THAT:** The Treasurer is authorized to borrow money in anticipation of said Bonds by the issuance and sale of notes or renewal notes in anticipation thereof and to determine the date, form, interest rate, maturities and all other details of each issue of notes, including the form and manner of their sale and award, subject to the provisions of the law, the District's Charter and these Resolutions.
- THAT:** The Treasurer and President of the District from time to time shall execute such bonds as may be required to provide for exchanges or transfers of Bonds heretofore authorized, all such Bonds to be signed as provided in the next preceding paragraph.
- THAT:** The Bonds and notes may be sold on a competitive or negotiated basis or a combination thereof.
- THAT:** If the Bonds or notes (or a portion thereof) are issued on a competitive basis, the Treasurer be and hereby is authorized 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 on a competitive basis, the Treasurer be and hereby is authorized 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, with the advice of bond counsel for the District, 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 a portion thereof) are issued to the Maine Municipal Bond Bank (the "Bond Bank") pursuant to the State's Safe Drinking Water Revolving Loan Fund program established under Title 30-A, §§5953-B and 6006-B, or its Clean 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 Safe Drinking Water State Revolving Loan Fund program, the Clean 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 of the District 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 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 a 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, with the advice of bond counsel, be and hereby is authorized 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 officers executing such Bonds and notes be and hereby are individually authorized to covenant and agree, in the name of and on behalf of the District, 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:** 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, 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:

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 and collect water rates, assessments or charges for water services furnished by the District; to pay when due current expenses of operating and maintaining the water system; to pay when due interest on the outstanding indebtedness of the District issued or assumed for water purposes including any Bonds or notes hereinabove authorized and issued as water bonds; to pay when due the principal of the outstanding indebtedness of the District issued or assumed by the District including any Bonds or notes hereinabove authorized and issued as water bonds; for water purposes.

**THAT:** Notwithstanding the above provisions of this Order, to the extent deemed necessary or appropriate by the District Treasurer, the Bonds and notes authorized hereunder may be issued as water bonds, sewer bonds or some combination thereof as the Treasurer shall determine and establish and that the debt service on the Bonds and notes authorized hereunder shall be allocated annually between the water system and the waste water and sewage system in a manner consistent with Section 15 of the District's Charter.

**THAT:** To the extent any of the Bonds and notes authorized hereunder shall be allocated to the District's waste water and sewage system as provided in the foregoing paragraph, the District covenants to establish, maintain, apportion, revise 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, to pay when due interest and principal and premium, if any, to pay or provide for the payment of all sewer indebtedness created or assumed by the District in providing a waste water and sewage system.

**THAT:** The Treasurer, President and Clerk of the District and other proper officials of the District be, and hereby are authorized and empowered in its name and on its behalf 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 as may be necessary or advisable, with the advice of counsel for the District, to carry out the provisions of the resolutions heretofore adopted at this meeting in connection with the Project, the issuance, execution, sale, and delivery by the District of the Bonds and the execution and delivery of the documents, including the entering into of a loan agreement or an interim loan agreement with the Bond Bank, should the Bonds and notes (or any portion thereof) be purchased by the Bond Bank.

**THAT:** If the Treasurer, President or Clerk of the District 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, a deputy, on an interim basis or otherwise, is authorized to act for such official with the same force and effect as if such person had herself performed such act.

**THAT:** If any of authorized representatives of the District who have signed or sealed the Bonds and notes hereinbefore authorized shall cease to be such officers or officials 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 Clean 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 Clean Water Revolving Loan Fund Program:

(1) that a Project Account shall be created for the Projects 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, the Treasurer be and hereby is authorized to issue and deliver refunding bonds to refund some or all of the Bonds then outstanding, and to determine the date, form, interest rate (not to exceed 8.00% per annum), maturities (not to exceed 40 years from the date of issuance of the original Bonds) and all other details of such refunding bonds, including the form and manner of their sale and award. The Treasurer be and hereby is further authorized to provide that any of such refunding bonds hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity, and to make such designation or determination of such refunding bonds as he is authorized to make with respect to the original Bonds, 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.

## Maine Municipal Bond Bank - Estimate of Borrowing - \$2.0 Million for 10 Year

## ESTIMATE OF DEBT SERVICE

## Portland Water District

PREPARED ON 01/27/2022

	DATE	PRINCIPAL	RATE	INTEREST	TOTAL	ANNUAL DEBT SERVICE
TOTALS		2,000,000.00		121,807.94	2,121,807.94	2,121,807.94
1	05/01/2023			9,317.94	9,317.94	
2	11/01/2023	200,000.00	0.550%	9,370.00	209,370.00	218,687.94
3	05/01/2024			8,820.00	8,820.00	
4	11/01/2024	200,000.00	0.580%	8,820.00	208,820.00	217,640.00
5	05/01/2025			8,240.00	8,240.00	
6	11/01/2025	200,000.00	0.620%	8,240.00	208,240.00	216,480.00
7	05/01/2026			7,620.00	7,620.00	
8	11/01/2026	200,000.00	0.680%	7,620.00	207,620.00	215,240.00
9	05/01/2027			6,940.00	6,940.00	
10	11/01/2027	200,000.00	0.790%	6,940.00	206,940.00	213,880.00
11	05/01/2028			6,150.00	6,150.00	
12	11/01/2028	200,000.00	0.930%	6,150.00	206,150.00	212,300.00
13	05/01/2029			5,220.00	5,220.00	
14	11/01/2029	200,000.00	1.080%	5,220.00	205,220.00	210,440.00
15	05/01/2030			4,140.00	4,140.00	
16	11/01/2030	200,000.00	1.230%	4,140.00	204,140.00	208,280.00
17	05/01/2031			2,910.00	2,910.00	
18	11/01/2031	200,000.00	1.390%	2,910.00	202,910.00	205,820.00
19	05/01/2032			1,520.00	1,520.00	
20	11/01/2032	200,000.00	1.520%	1,520.00	201,520.00	203,040.00

## Maine Municipal Bond Bank - Estimate of Borrowing - \$5.8 Million for 20 Year

## ESTIMATE OF DEBT SERVICE

## Portland Water District

PREPARED ON 01/27/2022

	DATE	PRINCIPAL	RATE	INTEREST	TOTAL	ANNUAL DEBT SERVICE
TOTALS		5,800,000.00		1,335,185.78	7,135,185.78	7,135,185.78
1	05/01/2023			49,891.28	49,891.28	
2	11/01/2023	290,000.00	0.550%	50,170.00	340,170.00	390,061.28
3	05/01/2024			49,372.50	49,372.50	
4	11/01/2024	290,000.00	0.580%	49,372.50	339,372.50	388,745.00
5	05/01/2025			48,531.50	48,531.50	
6	11/01/2025	290,000.00	0.620%	48,531.50	338,531.50	387,063.00
7	05/01/2026			47,632.50	47,632.50	
8	11/01/2026	290,000.00	0.680%	47,632.50	337,632.50	385,265.00
9	05/01/2027			46,646.50	46,646.50	
10	11/01/2027	290,000.00	0.790%	46,646.50	336,646.50	383,293.00
11	05/01/2028			45,501.00	45,501.00	
12	11/01/2028	290,000.00	0.930%	45,501.00	335,501.00	381,002.00
13	05/01/2029			44,152.50	44,152.50	
14	11/01/2029	290,000.00	1.080%	44,152.50	334,152.50	378,305.00
15	05/01/2030			42,586.50	42,586.50	
16	11/01/2030	290,000.00	1.230%	42,586.50	332,586.50	375,173.00
17	05/01/2031			40,803.00	40,803.00	
18	11/01/2031	290,000.00	1.390%	40,803.00	330,803.00	371,606.00
19	05/01/2032			38,787.50	38,787.50	
20	11/01/2032	290,000.00	1.520%	38,787.50	328,787.50	367,575.00
21	05/01/2033			36,583.50	36,583.50	
22	11/01/2033	290,000.00	1.878%	36,583.50	326,583.50	363,167.00
23	05/01/2034			33,860.40	33,860.40	
24	11/01/2034	290,000.00	2.135%	33,860.40	323,860.40	357,720.80
25	05/01/2035			30,764.65	30,764.65	
26	11/01/2035	290,000.00	2.318%	30,764.65	320,764.65	351,529.30
27	05/01/2036			27,403.55	27,403.55	
28	11/01/2036	290,000.00	2.447%	27,403.55	317,403.55	344,807.10
29	05/01/2037			23,855.40	23,855.40	
30	11/01/2037	290,000.00	2.568%	23,855.40	313,855.40	337,710.80
31	05/01/2038			20,131.80	20,131.80	
32	11/01/2038	290,000.00	2.675%	20,131.80	310,131.80	330,263.60
33	05/01/2039			16,253.05	16,253.05	
34	11/01/2039	290,000.00	2.732%	16,253.05	306,253.05	322,506.10
35	05/01/2040			12,291.65	12,291.65	
36	11/01/2040	290,000.00	2.784%	12,291.65	302,291.65	314,583.30
37	05/01/2041			8,254.85	8,254.85	
38	11/01/2041	290,000.00	2.831%	8,254.85	298,254.85	306,509.70
39	05/01/2042			4,149.90	4,149.90	
40	11/01/2042	290,000.00	2.862%	4,149.90	294,149.90	298,299.80

**A. Debt Analysis**

Annual debt service on the \$7.8M bond issue peaks at an estimated \$609,000 in 2022. The amounts included in the table below reflect the projects for 2022-2024 as outlined in the 2021 CIP. Additional projects may be approved which would increase the projected debt service.

**Debt Service with Proposed Bond:**

	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
<b>Projected Debt Service</b>			
Gross Water Fund Debt Service	\$ 6,929,562	\$ 7,270,640	\$ 8,142,056
<b>Requested Bond:</b>			
10 Yr Bond -\$2,000,000, using MMBB Estimate	\$20,833	\$218,687	\$217,640
20 Yr Bond -\$5,800,000, using MMBB Estimate	\$60,417	\$390,061	\$388,745
Projected Debt Service	<u>\$7,010,812</u>	<u>\$7,879,388</u>	<u>\$8,748,441</u>
<b>Revenue Impact:</b>			
Water Revenue	\$26,824,845	\$28,556,594	\$30,230,414
Requested Debt Service Percent	0.08%	0.77%	0.72%
Projected Debt Service Percent	26.14%	27.59%	28.94%
Board Policy Maximum	35.00%	35.00%	35.00%
Debt Service Ratio	<u>1.37</u>	<u>1.32</u>	<u>1.30</u>
Bond Minimum Target	1.25	1.25	1.25
<b>Per Customer Annual Impact:</b>			
Number of Customers	55,795	56,295	56,795
Requested Debt Service Dollar Per Year	\$0.37	\$3.88	\$3.83
Projected Debt Service Dollar Per Year	\$126	\$140	\$154
Long-term Plan Expectation (2013 Estimate)	\$144	\$153	\$165

**B. Financial Analysis**

An estimated cumulative surplus balance of \$7.9 million, or 30% of annual budget, exists as of 12/31/20. An adequate surplus balance exists to handle any short-term cash flow issues.

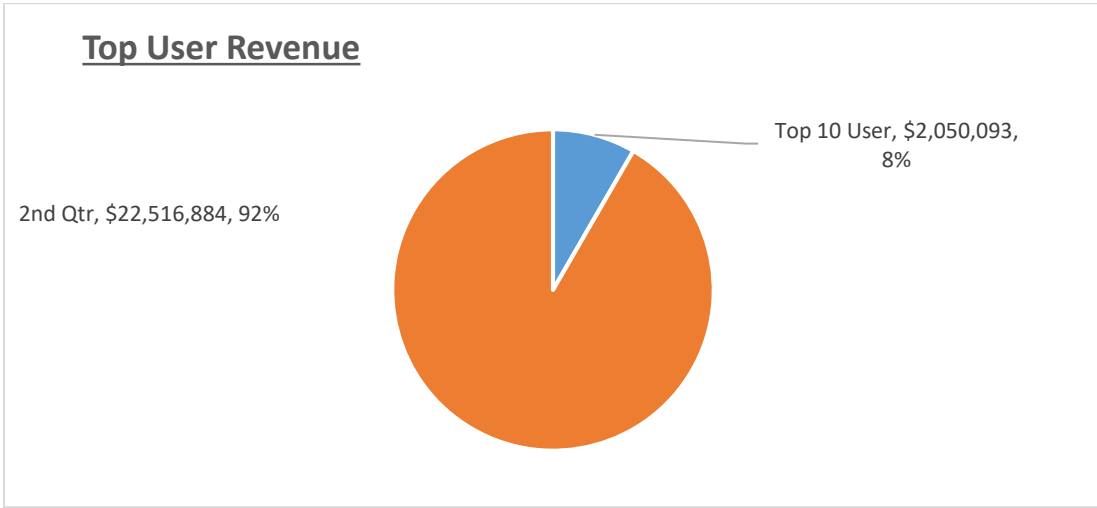
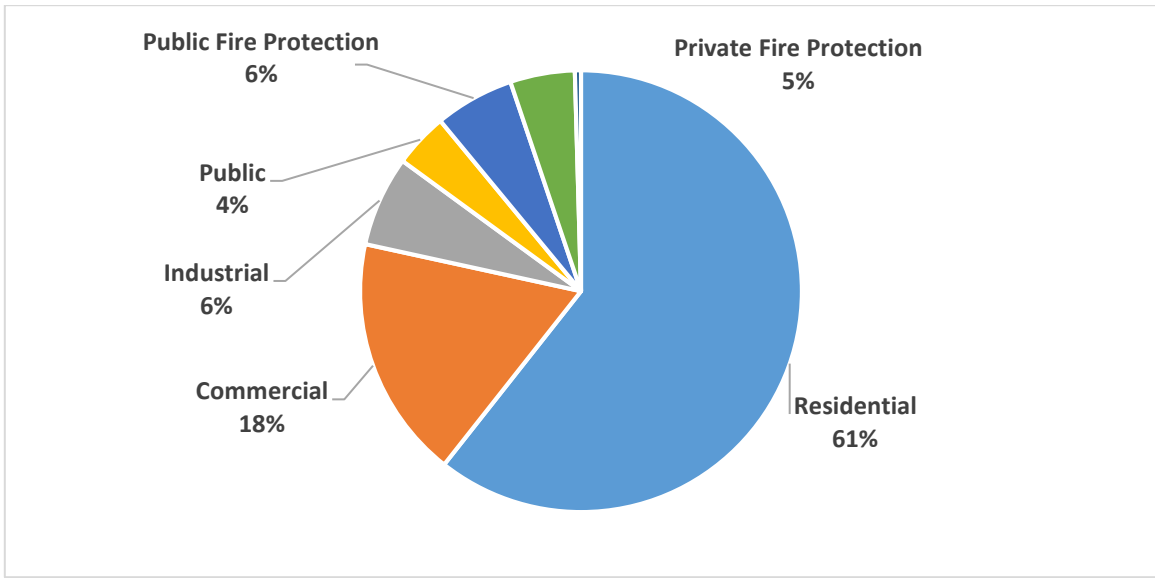
Water rates, as a percent of income, are within the range of local municipalities we serve and within the affordable parameter set by EPA.

**C. Economic Analysis**

The customer base has been fairly consistent and is well diversified. In the past year, revenues are 3% higher than budget.

The local economy had been relatively strong with low unemployment and additional housing and economic development in recent years.







## **ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY**

Agenda Item: 4  
Date of Meeting: February 14, 2022  
Subject: Defined Benefit Pension Plan – COLA Adjustment  
Presented By: David Kane, Executive Director of Administration

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### **BACKGROUND ANALYSIS**

At the December 6, 2021 Administration and Finance Committee meeting, the Committee considered granting current pensioners a cost of living increase. The increase allowed under the plan is stated in the plan document and listed below,

10.02 Annual Adjustment. The benefits payable to former Participants, surviving Spouses and survivor annuitants may, in the discretion of the Board of Trustees, as of January 1, 1990, and each year thereafter, be increased by the following amounts to partially reflect increases in the cost of living during each such year: the lesser of (i) one-half (2) of the percentage increase in the current cost of living index for such year over the current cost of living index for the immediately preceding year, or (ii) five percent (5%).

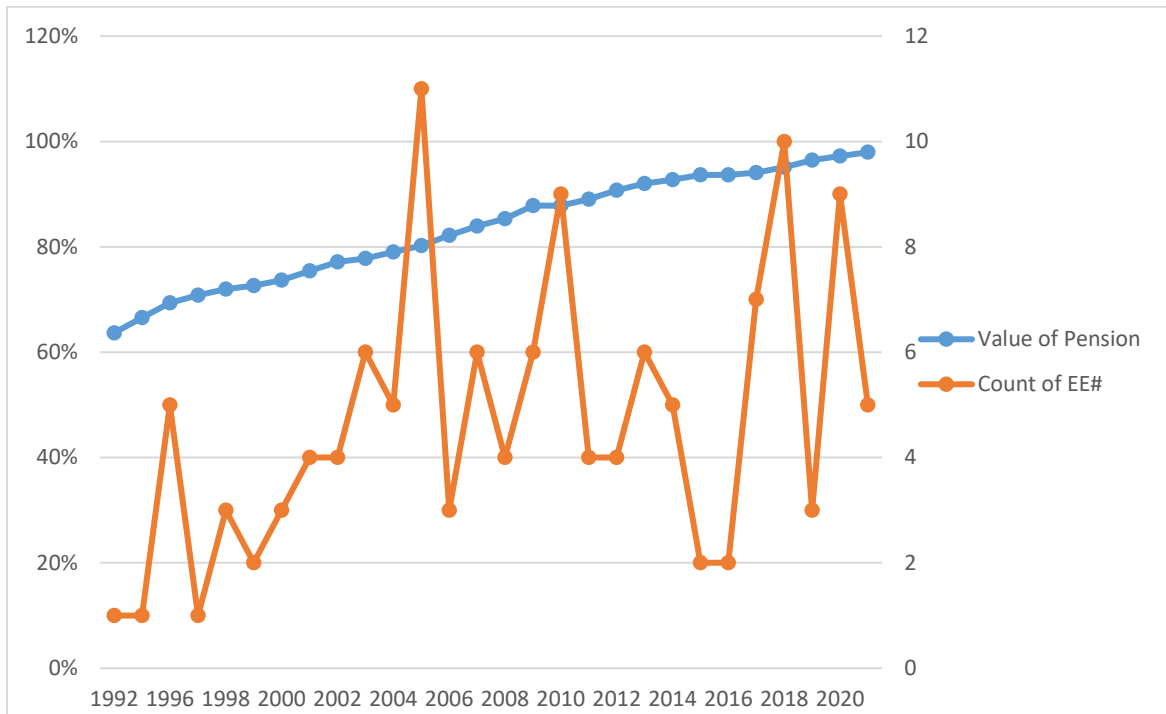
For purposes of this Section 10.02, “current cost of living index” shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers, published by the United States Department of Labor for the month of October.

The Committee recommended the maximum allowed increase, 50% of CPI, but requested additional information on what other plans provided for annual adjustment.

Most private sector plans do not have an annual adjustment. Public sector plans typically do include adjustments. The Committee reviewed two documents (A NASRA Issue Brief and GRS Insight.). A request was made to estimate the impact of inflation on the value of the current retirees. The information is on the next page.

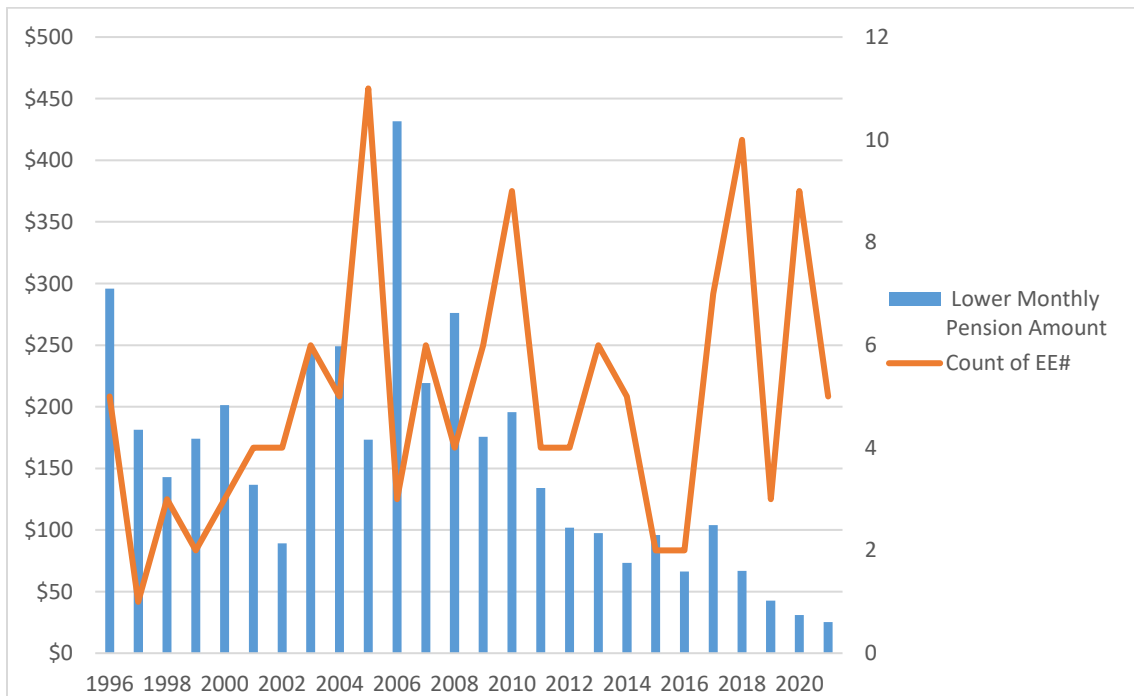
### **Percent Reduction in the Value of Pension**

Graph indicates how much the pension value has declined since the employee retired. For example, 1 employee retired in 1992 and their pension value has been reduced by 64%.



### **Monthly Dollar Reduction in the Value of Pension**

Note: removed the two highly paid employees that retired in 1992/1993 whose value reduced by more than \$1500.

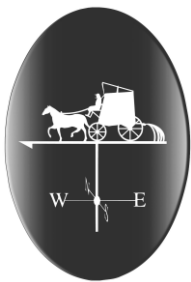


**DRAFT 2022 Administration and Finance Committee Calendar****12/17/21 version**

	<b>Bold Items are Committee Action Items/ Green Items are ES related.</b>
Jan	<ul style="list-style-type: none"> <li>• CES Project Update</li> <li>• Defined Benefits- Pensioners COLA increase practices</li> </ul>
Feb	<ul style="list-style-type: none"> <li>• <b>Water/Wastewater Spring Bond Authorization</b></li> <li>• <b>Safety Program Update</b></li> <li>• Low-income assistance program review</li> </ul>
Mar	<ul style="list-style-type: none"> <li>• <b>Approve 2021 Water Surplus Balance to be transfers</b></li> <li>• <b>T&amp;C changes – AMAP requested changes at least</b></li> <li>• IT security audit</li> </ul>
Apr	<ul style="list-style-type: none"> <li>• Election of Committee Chair for the Apr 2022 to March 2023</li> <li>• <b>Approve 2021 Wastewater Surplus Balance to be transfers</b></li> <li>• ESG statement – <b>possible Board motion</b></li> </ul>
May	<ul style="list-style-type: none"> <li>• <b>Auditor's Report</b></li> <li>• Credit card/AP review</li> </ul>
Jun	<ul style="list-style-type: none"> <li>• Actuary report – Funding Recommendation 2023/Pension Plan Investment Review</li> <li>• <b>457 Plan Restatement (RMD compliance, COVID &amp; hardship)</b></li> </ul>
Jul	<ul style="list-style-type: none"> <li>• 2023 Financial Plan Parameters – done earlier</li> <li>• <b>Water/Wastewater Fall Bond Authorization</b></li> </ul>
Aug	<ul style="list-style-type: none"> <li>• Lake? Only necessary items?</li> </ul>
Sep	<ul style="list-style-type: none"> <li>• Water Rate adjustment (Jan 1<sup>st</sup> effective date)</li> </ul>
Oct	<ul style="list-style-type: none"> <li>• <b>2022 Benefit Program Review</b></li> <li>• <b>Workers Compensation Program RFP</b></li> <li>• <b>Home Service Renewal 2023 – 2026</b></li> </ul>
Nov	<ul style="list-style-type: none"> <li>• <b>2023 Budget Review</b></li> </ul>
Dec	<ul style="list-style-type: none"> <li>• <b>Pensioners' Annual COLA Adjustment</b></li> </ul>

**Other thoughts:**

- Annual IT Security Audit Result
- IT Multi-year Plan
- Investment Review – Pension and Operating
- Ready-to-Serve Fee concept update
- Fund Balance Policy
- **T&C for Billing System Change and Periodic Update**
- Low-income Conservation Program
- ESG statement approved
- 457 restatement has to be done every 6 years per IRS – due by July 2022.
- Cayenta – things left to do, status – Invoice Cloud, customer contacts, bill error rate
- Finance Plus upgrade
- Multi-year assumptions review
- Customer satisfaction survey?
- Marketing Plan review
- Employee Recruitment
- Annual review of turnover statistics
- Non-union COLA adjustment review mid-year?
- Financial policy review - assets definition, minimum cash balance
- Cybersecurity Fundamentals – how are we doing?



## **MEMORANDUM PORTLAND WATER DISTRICT**

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TO: Operations Committee / Board of Trustees

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

DATE: February 4, 2022

RE: **Operations Committee Meeting – February 14, 2022**

A meeting of the Operations Committee of the Portland Water District Board of Trustees will be held on Monday, February 14, 2022. The meeting will begin at 5:30 p.m. via teleconference. The public may access the meeting by dialing 408-418-9388, access code 2631 511 4177, meeting password 72695597.

### **AGENDA**

1. **Overview of Water Operations**  
Staff will provide an overview of water treatment and distribution operations.
2. **Other Business**



## MEMORANDUM PORTLAND WATER DISTRICT

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TO: Planning Committee / Board of Trustees

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

DATE: February 4, 2022

RE: **Planning Committee Meeting – February 14, 2022**

A meeting of the Planning Committee of the Portland Water District Board of Trustees will be held on Monday, February 14, 2022. The meeting will begin at 5:30 p.m. via teleconference. The public may access the meeting by dialing 408-418-9388, access code 2630 595 9627, meeting password 53973577.

### **AGENDA**

1. **Mountain Division Rail Corridor Use Advisory Council Update**  
Staff will provide an update on the Mountain Division Rail Corridor Use Advisory Council.
2. **Review Proposed 2022 Committee Work Plan**  
Staff will review the proposed 2022 committee work plan.
3. **Other Business**