



## MEMORANDUM PORTLAND WATER DISTRICT

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TO: Board of Trustees

FROM: Carrie Cote

DATE: March 7, 2023

RE: **Workshop Meeting – Monday, March 13, 2023**

There will be a Workshop Meeting of the Board of Trustees of the Portland Water District on Monday, March 13, 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 and will be accessible via Zoom Link at:

<https://us06web.zoom.us/j/87298237921?pwd=MktmTzlpdm13a2VMc2tjQXQxeFpUUT09>

The Workshop will be preceded by meetings of the following Board Committees which will occur at 225 Douglass Street:

<b><u>Committee</u></b>	<b><u>Room / Location</u></b>	<b><u>Time</u></b>
Pension	General Manager's Conference Room	5:15 p.m.
Administration & Finance	Monie Conference Room	5:30 p.m.
Operations	EOC 2 <sup>nd</sup> Floor	5:30 p.m.
Planning	Nixon Training Center	5:30 p.m.

### **AGENDA – WORKSHOP**

#### **1. PWD Branding**

Public Relations and Communications Manager, Michelle Clements, will present an overview of recent efforts to refresh and standardize the PWD brand as well as review the customer perception survey slated to be released in May. Branding is important because it creates a distinct identity for an organization and can negatively or positively impact public perception. In the coming months, a PWD style guide will be created that will help standardized certain brand aspects like colors, logos, and fonts which will be used to improve consistency throughout all PWD communications.

#### **2. Hybrid Meetings**

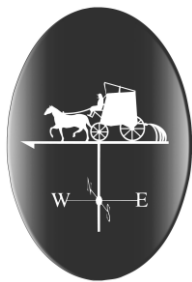
Donna Katsiaficas, Corporate Counsel, will review and discuss the remote meeting policy in anticipation of hybrid meetings.

#### **3. 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 six-month performance review.

#### **4. Adjourn**



## MEMORANDUM PORTLAND WATER DISTRICT

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TO: Pension Committee / Board of Trustees

FROM: Mary Demers, Director of Employee Services

DATE: March 7, 2023

RE: **Pension Committee Meeting – March 13, 2023**

A meeting of the Pension Committee of the Portland Water District Board of Trustees is scheduled for Monday, March 13, 2023 in the General Manager's Conference Room at 225 Douglass Street, Portland, Maine. The meeting is scheduled to start at 5:15 p.m.

### **AGENDA**

1. **Approval of Pension Distributions**  
Staff will present a request to approve benefits for two retirees.
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: March 7, 2023

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

A meeting of the Administration and Finance Committee of the Portland Water District Board of Trustees will be held on Monday, March 13, 2023. The meeting will begin at 5:30 p.m. in the Monie Room at 225 Douglass Street, Portland, Maine.

### **AGENDA**

**1. Water Bond – Green Designation**

The Committee will consider a motion declaring water bonds as ‘Green’. (See attached memo)

**2. Water Rate Change Policy Amendment**

The Committee will consider a motion amending the Procedure to Enact Water Rate Change to eliminate the requirement to publish a legal ad of the public hearing. (See attached memo)

**3. Other Business**



Portland Water District  
*From Sebago Lake To Casco Bay*

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

Agenda Item: 1  
Date of Meeting: March 13, 2023  
Subject: Designation of Bonds as ‘Green Bonds’  
Presented By: David Kane, Treasurer

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### **RECOMMENDATION**

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

ORDERED, that the \$3.0 million in water bonds authorized on June 25, 2018 (Resolution 18-007) are designated as ‘Green Bonds’, with the proceeds to be used for ‘Green’ purposes; and

ORDERED, that the water bonds issued to refund and refinance the remaining balance of the District’s 2013 \$8.0 million water bonds authorized on July 25, 2011 (Resolution 11-013), are designated as ‘Green Bonds,’ with the proceeds to be used for ‘Green’ purposes.

### **BACKGROUND ANALYSIS**

The Board authorized the issuance of \$3.0 million of water bonds on June 25, 2018 (Resolution 18-007) to finance the construction of a new Windham 407 Zone water tank. The \$3.0 million bonds to be issued in 2023 (the “Water Tank Bonds”) will finance the preliminary and construction costs of the tank. Additional bonds will be issued in the future to finance additional construction costs.

The Board authorized the issuance of \$8.0 million of water bonds on July 25, 2011 (Resolution 11-013) (the “2013 Bonds”), and the 2013 Bonds were issued on November 4, 2013. The District’s Financial Advisor recommends the District consider issuing refunding bonds (the “Refunding Bonds”) to refinance the remaining \$4.4 million principal amount outstanding of the 2013 Bonds, resulting in an estimated present value savings of \$375,788 and estimated cashflow savings of \$426,156. The actual savings will depend on the interest rates near the issue date of the Refunding Bonds. The 2013 Bonds will only be refinanced if the actual interest rates on the Refunding Bonds provide sufficient savings.

The projects previously financed with the 2013 Bonds (to be refinanced with the Refunding Bonds) and the 407 Zone water tank project to be financed with the Water Tank Bonds are environmentally beneficial projects designed to ensure safe drinking water for the public in the State in accordance with State, Federal, and local standards. Therefore, such Refunding Bonds

and Water Tank Bonds can be designated as ‘Green Bonds’. The District’s Financial Advisor recommends the Board pass an order indicating the projects financed or refinanced with the proceeds of the Refunding Bonds and the Water Tank Bonds will be used for ‘Green’ purposes. Other than declaring such Refunding Bonds and Water Tank Bonds as ‘Green’ in the related Official Statement the only other obligation on the District would be to provide certain post-issuance reporting showing the actual use of bond proceeds for their declared purpose.

Staff currently estimates that the authorized water bonds are scheduled to be sold on or about August 3, 2023.

#### **FINANCIAL REVIEW**

The District intends to issue Refunding Bonds and Water Tank Bonds on or about August 3, 2023. The estimated annual interest savings in the first year of debt service on the \$3.0 million ‘Green’ Water Tank Bonds could be in the order of \$20,000. In addition, refinancing the 2013 Bonds would reduce the water fund debt service by approximately \$35,000 per year.

#### **LEGAL REVIEW**

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

#### **CONCLUSION(S)**

Staff recommends the Committee approve the motion.

#### **ATTACHMENT(S)**

None



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

Agenda Item: 2  
Date of Meeting: March 13, 2023  
Subject: Procedure to Enact Water Rate Change  
Presented By: David Kane, Director of Administration

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### **RECOMMENDATION**

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

WHEREAS, on September 22, 2015 the Public Utilities Commission (PUC) approved exemptions from certain regulations for the Portland Water District, effective January 1, 2016; and

WHEREAS, on November 23, 2015 the Board of Trustees adopted Policy 6.30-15 Procedure to Enact Water Rate Change, and

WHEREAS, the PUC recently amended their water rate change procedures;

ORDERED, that Policy 6.30-15 is hereby amended incorporating the revised procedures attached hereto and incorporated herein by reference, effective July 1, 2023.

### **BACKGROUND ANALYSIS**

The Public Utilities Commission (PUC) recently adopted a rule – Chapter 616: Specific Exemptions from Regulatory Requirements for Consumer-Owned Water Utilities. The rule eliminates the requirement of doing a legal ad in a newspaper for the public hearing on water rate adjustments as long as notice is provided in at least two of the alternative ways described in the policy. The alternative ways would be a more visible and effective method than a legal ad in the newspaper and would reduce costs.

### **FISCAL REVIEW/ FUNDING**

Legal ads cost of approximately \$730 would be eliminated.

### **LEGAL REVIEW**

Corporate Counsel has reviewed and approved the form of motion.

### **CONCLUSION(S)**

Staff recommends the policy be approved as presented in Attachment A.

**ATTACHMENT(S)**

- A. Proposed Policy 6.30-15 (red-lined)
- B. PUC Rule

**POLICY NUMBER:** 6.30-15

**SUBJECT:** Procedure to Enact Water Rate Change

**EFFECTIVE DATE:** 01-01-2016

**SUPERSEDES:** n/a

**APPROVED BY:** Board of Trustees

## **A. Purpose**

The purpose of this Policy is to establish a procedure for the staff of PWD and its Board of Trustees to follow when enacting water rate changes.

The Policy is necessary as a result of the granting of exemptions to PWD from rate making statutes, allowing PWD to enact its own water rate changes without Public Utilities Commission Approval. Chapter 120 of the Rules of the Public Utilities Commission has been used for guidance in the creation of this policy.

## **B. Procedure**

1. **Notice of Rate Making.** PWD shall provide the notices described below:

**Newspaper Publication.** A newspaper notification for public hearings will not published provided that PWD has provided a utility provides notice of the public hearing by regular mail to all customers in addition to utilizing at least two of the following notification methods at least 14 days prior to the public hearing:

1. **Email.** Email notice is made individually to each customer. Email notice may be included in electronic customer bills;

2. **Conspicuous posting.** Posting a notice in the main office;

3. **Website.** Posting notice on the District's website;

4. **Social media.** Posting notice on the District's social media accounts; or

5. **Other.** Any other method reasonably calculated to provide broad notice to the utility's customers.

~~a. At least fourteen (14) days before holding a public hearing on the rate filing, PWD will publish a notice of the rate filing in a newspaper of general circulation in the area served by PWD.~~

a.

b. **Individual Notice.** At least fourteen (14) days before the public



hearing, PWD will furnish individual notices of the proposed rate change to each of its customers by the same means it uses to distribute its customer bills.

c. **Content of Notice.** Each notice will contain:

- (i) The amount of the rate change;
- (ii) The percentage rate change for each customer class;
- (iii) The customer's right to request information relating to the present and proposed rates;
- (iv) The customer's right to an open and fair hearing and to further hearings before the Board of Trustees;
- (v) The availability of assistance from the Public Advocate; ~~and,~~

(vi) The date, time, place and purpose of the public hearing; and,

~~(vi)~~ (vii) All notices whether by mail or other method must contain the same information.-

## 2. **Supporting Materials.**

a. At least thirty (30) days before the public hearing on the rate filing, PWD will have on file at its principal business office a copy of all relevant materials supporting the rate filing. The materials will include:

- (i) The proposed annual revenue change;
- (ii) The proposed new rate sheets; and
- (iii) Any calculations, exhibits, statements, or work papers showing that the proposed rate filing will produce the necessary revenues.

b. PWD will make a copy of all relevant material supporting the rate filing available for examination by customers at its offices for at least thirty (30) days prior to the hearing.

c. PWD will promptly provide, upon request by a customer, any information or relevant additional material which is readily available.

## 3. **Public Hearing.**

PWD will hold a public hearing prior to approving the proposed rates. At the public hearing, any customer or interested party may testify, and may question the officials of PWD regarding the proposed rate filing. PWD will answer questions, provide supporting materials for inspection, and accept statements.

**4. Filing.**

- a. **Time for Filing.** PWD will submit its approved rates to the Commission not later than thirty (30) days, after the adoption of the rates by the Board of Trustees; the filing shall be for informational purposes only.
- b. **Effective Date of Rate Changes.** A rate change will take effect no sooner than thirty (30) days after approval by the Board of Trustees.

**65-407 PUBLIC UTILITIES COMMISSION****Chapter 616: SPECIFIC EXEMPTIONS FROM REGULATORY REQUIREMENTS FOR CONSUMER-OWNED WATER UTILITIES**

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**SUMMARY:** This Rule sets forth certain exemptions that are applicable to consumer-owned water utilities.

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**§ 1 APPLICABILITY**

This Chapter sets forth certain exemptions that are applicable to consumer-owned water utilities. Nothing in this Chapter shall be deemed to authorize an exemption from the statutory right of any 10 persons to bring complaints regarding utility service to the Commission pursuant to 35-A M.R.S. § 1302.

**§ 2 DEFINITIONS**

- A. “Consumer owned water utility” or “utility” has the same meaning as “consumer-owned water utility in 35-A M.R.S. § 6101(1-A).

**§ 3. EXEMPTIONS**

A. **Customer Notifications Pursuant to 35-A M.R.S. §§ 6104 & 6104-A**

A consumer-owned water utility is exempt from the newspaper notification requirements for public hearings pursuant to 35-A M.R.S. §§ 6104(3) and 6104-A(5) provided that a utility provides notice of the public hearing by regular mail to all customers in addition to utilizing at least two of the following notification methods at least 14 days prior to the public hearing:

1. **Email.** Email notice must be made individually to each customer. Email notice may be included in electronic customer bills;
2. **Conspicuous posting.** The utility may post notice in a town office or other conspicuous place within the utility’s service area;
3. **Website.** If the utility has a website, the utility may post notice on its website;
4. **Social media.** If the utility has social media accounts, it may post notice on those social media accounts; or
5. **Other.** Any other method reasonably calculated to provide broad notice to the utility’s customers.

The utility must provide notice individually to each customer and the mailing must be postmarked at least 14 days before the public hearing. Utilities may include notice in mailed customer bills. Utilities must file copies of the notice in the Commission’s Case

Management System at least 14 days before the date of the public hearing. All notices, whether by mail or other method, must contain the same information.

In addition, utilities must file verification of the email, conspicuous posting, website, social media, or other notifications in the Commission's Case Management System at least 14 days before the date of the public hearing. Verification may be screenshots, photographs, or other media sufficient to show compliance with this section.

#### § 4. WAIVER

To the extent permitted by law, where good cause appears, the Commission, the Commission's Administrative Director, the Director of Telephone and Water Utility Industries, or a Presiding Officer assigned to a proceeding related to this Chapter may permit deviation or waiver from this Chapter. The Commission, the Commission's Administrative Director, the Director of Telephone and Water Utility Industries, or a Presiding Officer assigned to a proceeding related to this Chapter may grant a request for a substantive deviation or waiver upon a finding of good cause or that compliance would be unduly burdensome, and that the deviation or waiver is not inconsistent with the purposes of this Chapter Title 35-A of the Maine Revised Statutes.

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BASIS STATEMENT: The factual and policy basis for this Chapter is set forth in the Commission's Order Amending Rule and Statement of Factual and Policy Basis, Docket No. 2022-00243, issued on November 22, 2022. Copies of the Order have been filed with this Chapter at the Office of the Secretary of State. Copies may also be obtained from the Administrative Director, Public Utilities Commission, 18 State House Station, Augusta, Maine 04333-0018.

STATUTORY AUTHORITY: 35-A M.R.S. § 6114

EFFECTIVE DATE: This Chapter was approved as to form and legality by the Attorney General on 12/20/22. It was filed with the Secretary of State on 12/21/22 and became effective on 12/26/22.



## 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: March 7, 2023

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

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

### **AGENDA**

1. **Recommendation to Amend the CIP Budget for the India Street Pump Station Roof Replacement Project CIP 23-70-3254**  
Staff will recommend to amend the project budget. (See attached memo)
2. **Recommendation to Amend the CIP Budget for the Peaks Island Fire Monitoring Replacement Project CIP 23-423-3277**  
Staff will recommend to amend the project budget. (See attached memo)
3. **Recommendation to Amend an Engineering Contract with Brown and Caldwell for the Biosolids Master Plan Project CIP 23-21-3204**  
Staff will recommend amending Brown and Caldwell's current contract to further develop the Biosolids Master Plan. The budget for this work will be presented to the Committee at the meeting. (See attached memo)
4. **Update on Secondary Clarifier Sludge Rake Replacement CIP 23-21-3147**  
Staff will provide an update on the project and schedule.
5. **Other Business**



Portland Water District  
*From Sebago Lake To Casco Bay*

## **OPERATIONS COMMITTEE / AGENDA ITEM SUMMARY**

Agenda Item: 1  
Date of Meeting: March 13, 2023  
Subject: India St. Roof Replacement Project CIP # 23-070-3254  
Presented By: Joshua Hudak CFM, Facilities Manager

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### **RECOMMENDATION**

The following proposed language is presented for Committee approval:

**ORDERED**, that the project budget for the India Street Pump Station Roof is amended by increasing it by \$35,000 and that the total budget for the Project is hereby authorized, not to not to exceed \$210,000; 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**

The India St. Pump Station Roof is the original roof that was last installed in 1979. Some patches and a portion of the roof was replaced in 2006. A recent inspection in 2021 determined that the roof was in need of replacement and the project was programmed in the Capital Improvement Program to be replaced in 2023. The project was bid in January and the lowest bidder came in at \$199,000 which is \$24,000 over the Board approved CIP budget of \$175,000. The primary reason for the increase over the budget amount was staff decided to remove the roof hatches that are no longer needed and would eventually need to be replaced if left as is. The additional \$35,000 requested will cover the budget deficit and includes a contingency of \$11,000 for unknowns encountered while in construction.

**Project #:** 2023-Subprogram 70/ Project 3254

### **FISCAL REVIEW/FUNDING**

The \$35,000 would be paid from withdrawal from the Portland Wastewater Renewal and Replacement Funds. The fund has \$5.8 million. This project does not impact operational costs.

### **LEGAL REVIEW**

Corporate Counsel has reviewed the proposed order as to form.

### **CONCLUSION(S)**

Staff recommends adding \$35,000 to the India Street Roof Replacement Project budget.

### **SUPPORTING INFORMATION**

See attached

## Bid Tab for 2023 Roof Replacement Projects

1. India Street Roof 2023-70-3254. Budgeted at \$175,000 bid at \$198,734
2. East Bridge Roof 2023-060-3274 budgeted at \$150,000 bid at \$104,920.
3. Cottage Place Roof 2023-411-3284 budgeted at \$150,000 bid at \$124,555

### **India Street Pump Station:**

<b>Proposal Price Based Upon Market Experience:</b>	<b>\$ 198,734</b>
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### **Garland/DBS Price Based Upon Local Market Competition (India Street Pump Station):**

<b>Tech Roofing Service, Inc.</b>	<b>\$ 198,734</b>
<b>St. Hilaire Contractrs Inc.</b>	<b>\$ 240,228</b>
<b>Hahnel Bros. Co.</b>	<b>\$ 432,857</b>

### **Unforeseen Site Conditions:**

Wood Blocking (Nailer) Replacement	\$ 6.84 per Ln. Ft.
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### **East Bridge Street Pump Station:**

<b>Proposal Price Based Upon Market Experience:</b>	<b>\$ 104,920</b>
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### **Garland/DBS Price Based Upon Local Market Competition (East Bridge St Pump Station):**

<b>Tech Roofing Service, Inc.</b>	<b>\$ 104,920</b>
<b>St. Hilaire Contractrs Inc.</b>	<b>\$ 106,601</b>
<b>Hahnel Bros. Co.</b>	<b>\$ 292,615</b>

### **Unforeseen Site Conditions:**

Wood Blocking (Nailer) Replacement	\$ 6.84 per Ln. Ft.
Wood Blocking Deduct (if parapet nailer exists)	\$ 5.70 per Ln. Ft.

### **Cottage Place Pump Station:**

<b>Proposal Price Based Upon Market Experience:</b>	<b>\$ 124,555</b>
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### **Garland/DBS Price Based Upon Local Market Competition (Cottage Place Pump Station):**

<b>Tech Roofing Service, Inc.</b>	<b>\$ 124,555</b>
<b>St. Hilaire Contractrs Inc.</b>	<b>\$ 129,422</b>
<b>Hahnel Bros. Co.</b>	<b>\$ 356,468</b>

### **Unforeseen Site Conditions:**

Wood Blocking (Nailer) Replacement	\$ 6.84 per Ln. Ft.
Wood Blocking Deduct (if parapet nailer exists)	\$ 5.70 per Ln. Ft.



Portland Water District  
*From Sebago Lake To Casco Bay*

## **OPERATIONS COMMITTEE / AGENDA ITEM SUMMARY**

Agenda Item: 2  
Date of Meeting: March 13, 2023  
Subject: Peaks Island Fire Alarm 423-3277  
Presented By: Joshua Hudak CFM, Facilities Manager

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### **RECOMMENDATION**

The following proposed language is presented for Committee approval:

ORDERED, that the project budget for the Peaks Island Fire System is amended by increasing it by \$5,000 and that the total budget for the Project is hereby authorized, not to not to exceed \$35,000; 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 the 2023 Capital Improvement Program the Peaks Island Fire Alarm monitoring system was programmed and budgeted at \$30,000. The current monitoring system was determined not to meet the Portland Fire Code regulation and was programmed to be replaced this year. Staff bid the project and the bid came back at \$31,827 which is \$1,827 over the approved CIP budget. Staff is recommending amending the CIP by \$5,000 to cover budget deficit and provide a construction contingency of \$3,172

**Project #:** 2023-Subprogram 423/ Project 3277

### **FISCAL REVIEW/FUNDING**

The \$5,000 would be paid from withdrawal from the Portland Wastewater Renewal and Replacement Funds. The fund has \$5.8 million. This project does not impact operational costs.

### **LEGAL REVIEW**

Corporate Counsel has reviewed the proposed order as to form.

### **CONCLUSION(S)**

Staff recommends increasing the project budget from \$30,000 to \$35,000.

### **SUPPORTING INFORMATION**

None





Portland Water District  
*From Sebago Lake To Casco Bay*

## **OPERATIONS COMMITTEE / AGENDA ITEM SUMMARY**

Agenda Item: 3  
Date of Meeting: March 13, 2023  
Subject: Biosolids Master Plan Development  
Presented By: Scott Firmin, Director of Operations - Wastewater

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### **RECOMMENDATION**

The following proposed language is presented for Committee approval:

ORDERED, that the engineering services contract for the Biosolids Master Plan with Brown and Caldwell is hereby amended in the amount of \_\_\_\_\_; 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**

The reliable disposal of PWD biosolids has been interrupted without notice due to challenges at the Juniper Ridge Landfill. For many reasons, the landfill has essentially become the sole outlet for biosolids generated by many treatment plants in Maine. This situation reinforces the fragile nature of the waste disposal framework and challenges PWD's ability to manage biosolids in the near and long term. The situation is expected to remain fragile due to issues with PFAS and restrictions on importing bulking materials needed to mix with biosolids for landfill stability.

The Biosolids Master Plan was completed for PWD by Brown and Caldwell in October 2021. That plan identified a series of immediate and longer-term projects to manage PWD's biosolids. The recommendations included:

- Immediate improvements to PWD's dewatering systems to reduce the volume of biosolids and to improve PWD's ability to produce biosolids more quickly.
- With dewatering improvements, the plan recommended consideration of sludge dryers to reduce the volume of biosolids to be managed. This option could reduce biosolids volumes by 80%, making the challenges of landfill or management capacity easier to deal with.
- Developing thermal technologies such as Pyrolysis are showing the potential to further reduce biosolids volumes, destroy or reduce PFAS concentrations, and possibly produce an end product with some market value.

The first step, or dewatering improvements, includes the application of well-established equipment that has been included in the Master Plan, as this would have immediate benefits and would be required as a first step to any future planning. This effort will develop a Basis of Design Report to develop the expected scope and budget for upgrades at the East End Facility and enhancements at the Westbrook/Gorham and operated in treatment plants for years. This was referred to as the "no regrets" option.

This effort will also continue to develop the mid and long-range elements of the Master Plan. The plan will develop siting requirements for the systems, review air pollution permitting opportunities and challenges, recommend specific drying technologies with possible digestion (including co-digestion with food waste) to support the sludge dryers, and thermal processes like pyrolysis. This study will develop planning level costs and will further our understanding of applicable technologies and a path forward to implement those technologies.

**Project #:** 2023-Subprogram 21/ Project 3204

**FISCAL REVIEW/FUNDING**

Five Hundred Thousand Dollars is included in the 2023 CIP.

**LEGAL REVIEW**

Corporation Counsel has reviewed the proposed order as to form.

**CONCLUSION(S)**

Staff recommends amending the engineering services contract with Brown and Caldwell by \$\_\_\_\_\_ to continue the development of the Biosolids Master Plan.

**SUPPORTING INFORMATION**

None



## 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: March 7, 2023

RE: **Planning Committee Meeting – March 13, 2023**

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

1. **Sale of Surplus Land – Munjoy Hill Reservoir – North Street, Portland, Silver Street LLC**

Staff will recommend to the Committee to dispose of the property. (See attached memo)

2. **Request for Contribution of up to \$313,950 to Loon Echo Land Trust to Support the Sebago Cove Conservation Project**

Staff will recommend an additional contribution of \$113,950 to the \$200,000 amount already approved by the Board to conserve a 361-acre property in the Sebago Lake watershed. The property is located in the town of Naples with 2,500 feet of shore frontage on Sebago Lake. The reason for the additional funding request is that a key funder became unqualified to participate, creating a \$700,000 shortfall in project funding. (See attached memo)

3. **Watershed Land Acquisition Within the 2-mile Limit**

Staff will recommend going into Executive Session to discuss real estate acquisition - Pursuant to 1 M.R.S. §405(6)(C).

4. **Other Business**



Portland Water District  
*From Sebago Lake To Casco Bay*

## **PLANNING COMMITTEE / AGENDA ITEM SUMMARY**

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

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### **RECOMMENDATION**

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

ORDERED, the General Manager is authorized to execute a deed to Island View Apartments LP releasing all the PWD's rights in the property and underground reservoir located on Walnut Street in Portland for the price of \$1.00; 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**

In 1913, the District purchased land from Munjoy Land Company on Walnut and North Street and constructed an above-ground open water reservoir. That reservoir was replaced in the early 1970s with a 2 million-gallon underground concrete reservoir. Also in 1972, the District sold a majority of the property to Union Mutual Life Insurance Company (UNUM). In that deed, UNUM also acquired easement rights to utilize the surface of the District's retained property over the reservoir. Promenade East Condominiums and Island View Apartment complexes are now located on the property. The easement area is currently being used for parking, utility lines, a playground, a gazebo, and lawn.

Around 2003, the underground reservoir was determined to be no longer needed and was physically disconnected from the water system. In 2007, the Board of Trustees declared the property as surplus. It was offered to the City of Portland consistent with the Surplus Land Disposal Policy. The City indicated on two occasions, in 2007 and 2019, that they were not interested in acquiring the property.

In 2019, the Island View Apartment owners approached staff asking if the District would be interested in selling the property. The Planning Committee recommended that the Board of Trustees approve the sale of the property for \$1.00. However, the Board did not vote in favor approving the sale due to a concern raised by a member of the public that the property had some monetary value.

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. In 2019, staff estimated that it would cost approximately \$400,000 to fill the tank with material.

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 Complex owners have perpetual easement rights to use the surface of the property, making it essentially useless from a development perspective.

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 Apartment Complex, staff recommends that the District sell the property to Island View Apartments for \$1.00. 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 \$1.00.

#### **LEGAL REVIEW**

Corporate Counsel will review the proposed deed prior to execution.

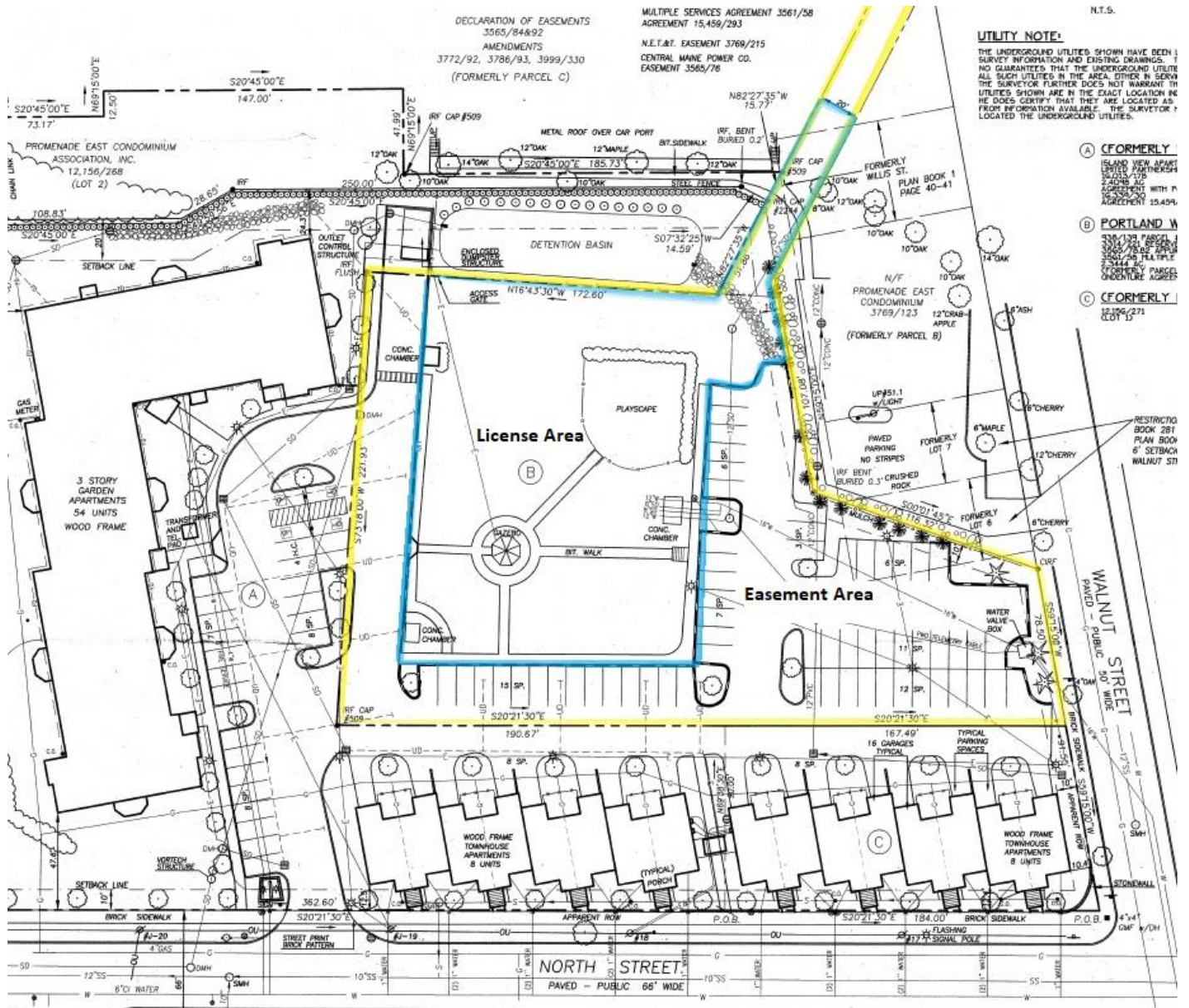
#### **CONCLUSION(S)**

Staff recommends that PWD proceed with the proposal described above.

#### **ATTACHMENTS**

Map

# Plan of Portland Water District Property, 1 Walnut Street, Portland





Portland Water District  
*From Sebago Lake To Casco Bay*

## **PLANNING COMMITTEE / AGENDA ITEM SUMMARY**

Agenda Item: 2  
Date of Meeting: March 13, 2023  
Subject: Request for Contribution of up to \$313,950 to Loon Echo Land Trust to Support the Sebago Cove Conservation Project  
Presented By: Carina Brown, Water Resources Specialist  
Chad Thompson, Source Protection Coordinator  
Paul Hunt, Environmental Services Manager

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## **RECOMMENDATION**

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

Whereas, The Board of Trustees authorized a contribution to Loon Echo Land Trust on January 23, 2023 in the amount of \$200,000 for the purposes of conserving the 361-acre property known as Sebago Cove; and

Whereas, a key source of funding for the transaction approved by the Board has now become unavailable to the land trust; and

Whereas, after review of the revised transaction, the Board deems it is in the best interest of the District to continue to contribute to the purchase of a conservation interest at a greater funding level;

**NOW THEREFORE BE IT ORDERED**, that Order 23-001 is hereby amended, and that the General Manager is authorized to contribute up to \$313,950 to Loon Echo Land Trust to support the conservation of land known as Sebago Cove, located along the shore of the lake 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, PWD is working to bring that total to 25% by 2032. PWD is 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 2,800 feet of brook frontage that empties directly into Sebago Lake.

The project is supported by Sebago Clean Waters, a partnership of conservation organizations, land trusts, and PWD committed to water quality protection through forest conservation in the Sebago watershed.

### **ANALYSIS**

The Board previously approved a contribution of \$200,000, which was the amount requested by the Loon Echo Land Trust. They requested that much because they thought they had secured the rest of the funding from other sources. One source of funding totaling \$700,000 has not been realized. They are now returning to the existing funders to see if the pledged amounts can be increased as well as contacting new possible funders to try to close this funding gap. They believe that, with this increase in funding from PWD, they can raise the rest of the funds and close in 2023.

The contribution of \$313,950 requested in this order is the amount calculated by 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 \$313,950 represents 15% 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 \$313,950 is the amount calculated by the District's site-specific assessment. PWD's intent is to borrow from the Drinking Water SRF to make this contribution and issue bonds with a twenty-year term. Because PWD expects 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 two watershed funds. PWD proposes 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)**

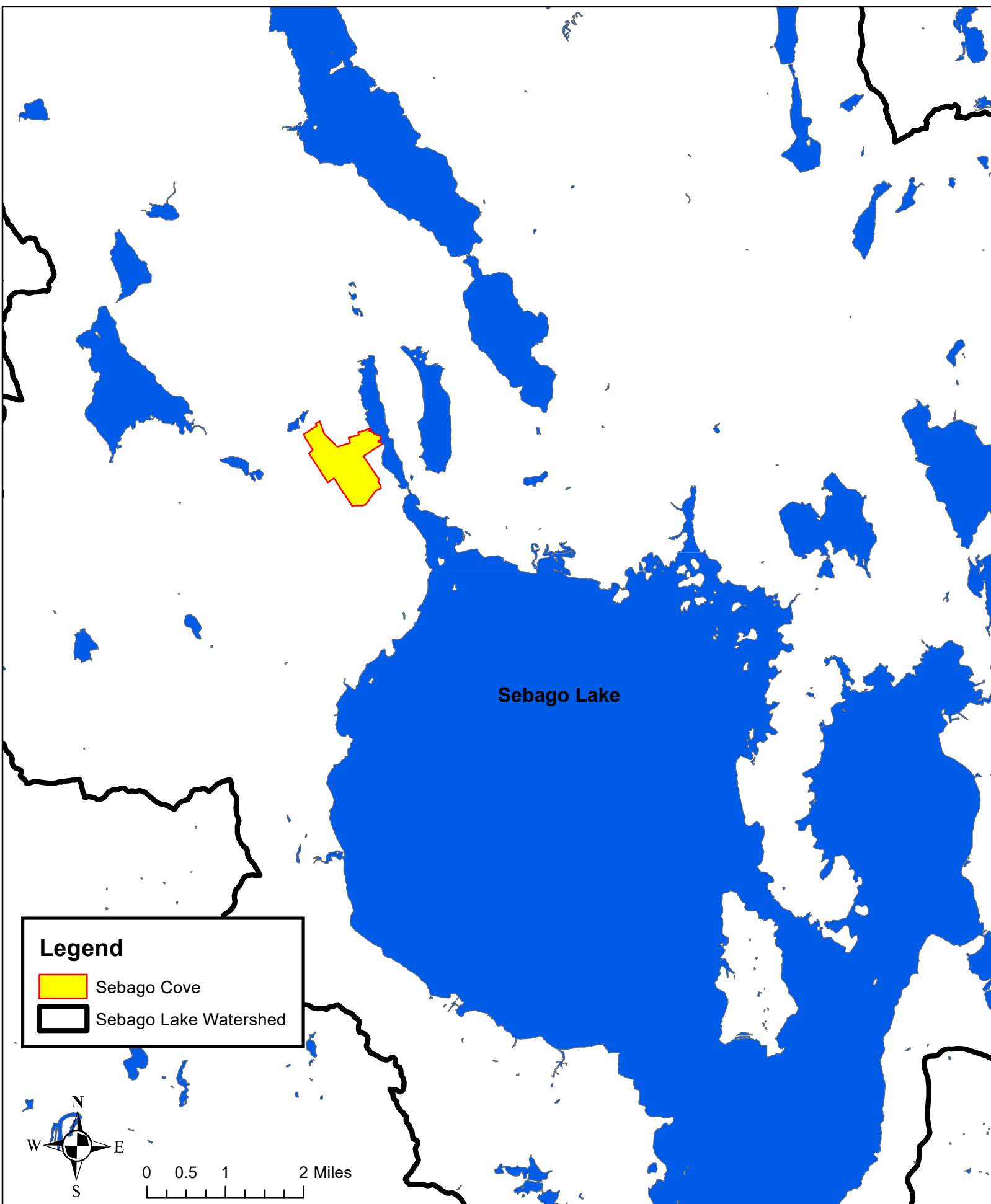
This project will contribute to the long-term protection of Sebago Lake and the recommended contribution meets the guidelines of the District's Watershed Land Conservation Policy.

**ATTACHMENT(S)**

Sebago Cove Project Location Map

Sebago Cove Revised Budget

# Sebago Cove Property Location



## Sebago Cove Conservation Easement -Budget

updated: 2/27/2023

Notes: Deadline to extend sale contract is 3/31/23, will require \$100k deposit, contract extends to 9/30/23

### Expense

Easement Purchase	\$1,495,000
Due Diligence	\$13,300
Legal and Title	\$4,000
Stewardship/Enforcement	\$63,350
Baseline Documentation	\$2,500
Trail and Access Infrastructure	\$40,000
Direct and Indirect Costs	\$48,545
Total	\$1,666,695

### Income

Source		Status
RCPP/NRCS	\$0	\$700,000 was the anticipated NRCS allocation
LMF Access Fund	\$40,000	submit after closing
SCW Due Diligence Fund	\$16,500	committed
Portland Water District	\$200,000	committed
Land For Maine's Future (LMF)	\$350,000	committed
Open Space Institute	\$200,000	committed
Private Donations	\$15,000	committed
Private Foundation #1	\$300,000	committed
Sebago Clean Waters Fund	\$20,000	pending - highly likely
Private Foundation #2	\$275,000	pending - highly likely
The Nature Conservancy	\$50,000	pending - highly likely
Portland Water District Grant #2	\$113,950	pending
LMF Grant #2	\$85,000	uncommitted - decision end of March
Total	\$1,665,450	
Total Committed	\$1,081,500	
Total Pending	\$458,950	
Total Uncommitted	\$85,000	