



MEMORANDUM PORTLAND WATER DISTRICT

TO: Board of Trustees

FROM: Carrie Cote

DATE: June 15, 2023

RE: **Workshop Meeting – Tuesday, June 20, 2023**

There will be a Workshop Meeting of the Board of Trustees of the Portland Water District on Tuesday, June 20, 2023. The meeting will begin at 6:30 p.m. in the Nixon Training Center at the general offices of the District located at 225 Douglass Street, Portland, Maine.

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

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

AGENDA – WORKSHOP

1. State of the Water Industry – AWWA vs. PWD

Staff will provide an overview and discuss the state of water utilities in the U.S. as captured in the recent State of the Water Industry Report published annually by the American Water Works Association (AWWA). Staff will provide information on how the District compares with utilities nationally on key issues. Some of the areas discussed will include aging infrastructure, long-term water supply, the public value of water resources, and the workforce.

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 six-month performance review.

4. Adjourn



MEMORANDUM PORTLAND WATER DISTRICT

TO: Administration and Finance Committee / Board of Trustees

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

DATE: June 15, 2023

RE: **Administration and Finance Committee Meeting – June 20, 2023**

A meeting of the Administration and Finance Committee of the Portland Water District Board of Trustees will be held on Tuesday, June 20, 2023. The meeting will begin at 5:30 p.m. in the Monie Room at 225 Douglass Street, Portland, Maine.

AGENDA

1. **Annual Comprehensive Financial Report**
Staff will present the 2022 Annual Comprehensive Financial Report and request the Committee accept the report. (See attached memo)
2. **Bond Authorization**
Staff will present several requests to issue bonds to finance capital projects.
(See attached memos)
3. **Pension Report and COLA**
Staff will present the actuary's 2024 defined benefit pension plan funding report. Additionally, the Committee requested the actuary's calculation on cost-of-living adjustment options. (See attached memo)
4. **Water Rate Annual Adjustment**
Staff will present a proposal to amend the water rate annual adjustment to help stabilize the annual water revenues.
5. **Other Business**



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1
Date of Meeting: June 20, 2023
Subject: 2022 Annual Comprehensive Financial Report
Presented By: Thomas Quirk, Finance Director

RECOMMENDATION

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

RESOLVED, that the Board of Trustees accepts the 2022 Annual Comprehensive Financial Report.

BACKGROUND ANALYSIS

Each year an Annual Comprehensive Financial Report (ACFR) is prepared. The report is prepared to meet the standards of the Government Finance Officers Association as demonstrated by receiving their certificate of achievement (COA). The COA is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The District has received the COA every year since 1996 and believes the 2022 report meets those standards.

FISCAL REVIEW / FUNDING

None

LEGAL REVIEW

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

CONCLUSION

Staff recommends the Board accept the 2022 COA report and recommend it be forwarded to the full Board for their consideration.

ATTACHMENT(S)

A - Annual Comprehensive Financial Report (ACFR) [click here to read](#)
B - COA Holders

COA Holders – Maine and Water-Related New England Organizations**Maine Organizations****New England Water Organizations**

Lewiston	47
Falmouth	30
Auburn	29
Portland	29
Cumberland	28
Cumberland County	26
Portland Water	26
Bangor	25
Brunswick	23
Presque Isle	22
Saco	20
Gorham	19
MePers	18
Scarborough	17
South Portland	15
State Of Maine	15
Biddeford	12
Kennebunkport	9

Boston Water & Sewer Commission	29
Narragansett Bay Commission	20



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 2-A
Date of Meeting: June 20, 2023
Subject: Wastewater Bond Amendment
Presented By: David Kane, Director of Administration

RECOMMENDATION

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

RESOLVED, Resolution 21-009 is hereby amended to allow bond proceeds to be used to finance upgrades to Ottawa Road Pump Station and related infrastructure in the Town of Cape Elizabeth. 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

In 2021, the Board authorized the issuance of a \$650,000 bond to finance the upgrades to the Maiden Road Pump Station in Cape Elizabeth. A \$575,000 bond was issued on November 3, 2022. The actual cost of the project is approximately \$11,000 less than the bond. Staff recommends that the unspent amount be allocated to finance the Ottawa Road Pump Station upgrades and related infrastructure. The 2023 Budget assumed a \$350,000 bond would be issued to fund the Ottawa Road Pump Station project. If the Board approves the motion, the \$350,000 bond will be reduced by \$11,000. The reduced bond amount will lower Cape Elizabeth's debt service cost by \$1,000 annually.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

Staff recommends the motion be approved.

ATTACHMENT(S)

A. Full Form of Motion

**PORTLAND WATER DISTRICT
BOARD OF TRUSTEES
AMENDMENT TO RESOLUTION 21-009
(Cape Elizabeth - Maiden Cove Pump Station Project)**

WHEREAS, pursuant to Resolution 21-009 adopted on July 26, 2021 (the “Prior Resolution”), the Board of Trustees of the Portland Water District authorized, among other things, the District’s sewer bonds in an amount of up to \$650,000 to finance upgrades to the Maiden Cove Pump Station in Cape Elizabeth (the “Original Project”); and

WHEREAS, on November 3, 2021, the District issued its \$575,000 2021 Sewer Bonds (Cape Elizabeth – Maiden Cove Pump Station) (the “Bonds”) to finance the costs of the Original Project; and

WHEREAS, the Original Project is expected to come in under budget leaving unspent bond proceeds of approximately \$11,000 and the District now desires to amend the Prior Resolution to amend the scope of the Original Project to be financed with the proceeds of the Bonds to include upgrades to the Ottawa Road Pump Station and related infrastructure;

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

1. That the description of the Original Project in the Prior Resolution be and hereby is amended to include upgrades to the Ottawa Road Pump Station and related infrastructure in the Town of Cape Elizabeth (the “Additional Project”), which Additional Project is expected to be financed in part with the unspent proceeds of the Bonds and in part with additional sewer bonds to be issued by the District.

2. That in all other respects, the Prior Resolution is hereby ratified and confirmed as if more specifically set forth herein.

Dated: June 26, 2023



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 2-B
Date of Meeting: June 20, 2023
Subject: Portland Sewer Bond - \$16,750,000
Presented By: David Kane, Director of Administration

RECOMMENDATION

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

RESOLVED, the issuance of up to \$16,750,000 of Portland Sewer Bonds is hereby authorized to finance upgrades to the East End Wastewater Treatment Facility, including the primary sludge handling and gallery upgrade, and the secondary clarifier sludge rake mechanism replacements, and Stroudwater Pump Station upgrade in Portland and other related infrastructure upgrades and improvements. The full form of the Resolution is attached hereto and incorporated as part of the minutes of this meeting.

BACKGROUND ANALYSIS

Two significant projects are planned for Portland's East End Wastewater Treatment Facility – Primary Sludge Handling/Gallery Upgrade and Secondary Clarifier Sludge Rake Mechanism Replacement. Due to operational issues, staff recommends the projects be completed at the same time with work starting in 2023. The projects have not been put out to bid so the final costs are not known, but are not expected to exceed \$16,000,000. Authorization is being requested before the projects are bid in order to submit an application to the Maine Municipal Bond Bank and to reserve any Clean Water State Revolving Funds that may be available. Only the amount needed for the projects and approved by the Board will be bond financed.

Additionally, the Stroudwater Pump Station is being upgraded with an estimated project cost of \$675,000.

The additional \$75,000 amount is to cover contingency costs.

FISCAL REVIEW / FUNDING

If a bond was issued for the full \$16,750,000, the first full year's debt service payment is estimated to be \$1.2 million if fully SRF funded, and \$1.7 million if fully market rate bond funded. The multi-year forecast assumed a bond of \$13.7 million would be issued with an annual debt service payment of \$1.0 million.

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
- B. Amortization Schedule - \$16,750,000 General Resolution Market Bond
- C. Amortization Schedule - \$16,750,000 SRF Bond

**PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING SEWER BONDS IN THE AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$16,750,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) of upgrades to the East End Wastewater Treatment Facility, including the primary sludge handling and gallery upgrade and secondary clarifier sludge rake mechanism replacement, and Stroudwater Pump Station upgrade in Portland (the “Project”);

WHEREAS, the District desires to finance the Costs of such Project by issuing its sewer bonds in the maximum aggregate amount of \$16,750,000 and to borrow such money through the Maine Municipal Bond Bank’s Clean 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 \$16,750,000, 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 Clean 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 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 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 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 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 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.

General Resolution Bond

Appendix B

Portland Water District - Portland
 PREPARED ON 05/22/2023

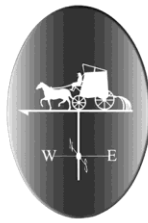
	DATE	PRINCIPAL	RATE	INTEREST	TOTAL	ANNUAL DEBT SERVICE
TOTALS		16,750,000.00		9,180,667.30	25,930,667.30	25,930,667.30
1	05/01/2024			415,353.97	415,353.97	
2	11/01/2024	837,500.00	4.270%	415,353.97	1,252,853.97	1,668,207.94
3	05/01/2025			397,473.34	397,473.34	
4	11/01/2025	837,500.00	4.340%	397,473.34	1,234,973.34	1,632,446.68
5	05/01/2026			379,299.59	379,299.59	
6	11/01/2026	837,500.00	4.380%	379,299.59	1,216,799.59	1,596,099.18
7	05/01/2027			360,958.34	360,958.34	
8	11/01/2027	837,500.00	4.420%	360,958.34	1,198,458.34	1,559,416.68
9	05/01/2028			342,449.59	342,449.59	
10	11/01/2028	837,500.00	4.490%	342,449.59	1,179,949.59	1,522,399.18
11	05/01/2029			323,647.71	323,647.71	
12	11/01/2029	837,500.00	4.540%	323,647.71	1,161,147.71	1,484,795.42
13	05/01/2030			304,636.46	304,636.46	
14	11/01/2030	837,500.00	4.580%	304,636.46	1,142,136.46	1,446,772.92
15	05/01/2031			285,457.71	285,457.71	
16	11/01/2031	837,500.00	4.620%	285,457.71	1,122,957.71	1,408,415.42
17	05/01/2032			266,111.46	266,111.46	
18	11/01/2032	837,500.00	4.710%	266,111.46	1,103,611.46	1,369,722.92
19	05/01/2033			246,388.33	246,388.33	
20	11/01/2033	837,500.00	4.770%	246,388.33	1,083,888.33	1,330,276.66
21	05/01/2034			226,413.95	226,413.95	
22	11/01/2034	837,500.00	4.970%	226,413.95	1,063,913.95	1,290,327.90
23	05/01/2035			205,602.07	205,602.07	
24	11/01/2035	837,500.00	5.175%	205,602.07	1,043,102.07	1,248,704.14
25	05/01/2036			183,931.76	183,931.76	
26	11/01/2036	837,500.00	5.279%	183,931.76	1,021,431.76	1,205,363.52
27	05/01/2037			161,825.95	161,825.95	
28	11/01/2037	837,500.00	5.363%	161,825.95	999,325.95	1,161,151.90
29	05/01/2038			139,368.39	139,368.39	
30	11/01/2038	837,500.00	5.452%	139,368.39	976,868.39	1,116,236.78
31	05/01/2039			116,538.14	116,538.14	
32	11/01/2039	837,500.00	5.470%	116,538.14	954,038.14	1,070,576.28
33	05/01/2040			93,632.51	93,632.51	
34	11/01/2040	837,500.00	5.530%	93,632.51	931,132.51	1,024,765.02
35	05/01/2041			70,475.63	70,475.63	
36	11/01/2041	837,500.00	5.570%	70,475.63	907,975.63	978,451.26
37	05/01/2042			47,151.25	47,151.25	
38	11/01/2042	837,500.00	5.620%	47,151.25	884,651.25	931,802.50
39	05/01/2043			23,617.50	23,617.50	
40	11/01/2043	837,500.00	5.640%	23,617.50	861,117.50	884,735.00

State Revolving Loan Fund Bond

Appendix C

Portland Water District
PREPARED ON 05/22/2023

	DATE	PRINCIPAL	RATE	INTEREST	MMBB FEE	DEP ADMIN FEE	TOTAL	ANNUAL DEBT SERVICE
TOTALS		16,750,000.00		3,470,041.67	303,300.73	707,701.56	21,231,043.96	21,231,043.96
1	10/01/2023	-		120,041.67	1,800.63	4,201.46	126,043.76	126,043.76
2	04/01/2024	837,500.00	2.000%	167,500.00	15,075.00	35,175.00	1,055,250.00	
3	10/01/2024			159,125.00	2,386.88	5,569.38	167,081.26	1,222,331.26
4	04/01/2025	837,500.00	2.000%	159,125.00	14,949.38	34,881.88	1,046,456.26	
5	10/01/2025			150,750.00	2,261.25	5,276.25	158,287.50	1,204,743.76
6	04/01/2026	837,500.00	2.000%	150,750.00	14,823.75	34,588.75	1,037,662.50	
7	10/01/2026			142,375.00	2,135.63	4,983.13	149,493.76	1,187,156.26
8	04/01/2027	837,500.00	2.000%	142,375.00	14,698.13	34,295.63	1,028,868.76	
9	10/01/2027			134,000.00	2,010.00	4,690.00	140,700.00	1,169,568.76
10	04/01/2028	837,500.00	2.000%	134,000.00	14,572.50	34,002.50	1,020,075.00	
11	10/01/2028			125,625.00	1,884.38	4,396.88	131,906.26	1,151,981.26
12	04/01/2029	837,500.00	2.000%	125,625.00	14,446.88	33,709.38	1,011,281.26	
13	10/01/2029			117,250.00	1,758.75	4,103.75	123,112.50	1,134,393.76
14	04/01/2030	837,500.00	2.000%	117,250.00	14,321.25	33,416.25	1,002,487.50	
15	10/01/2030			108,875.00	1,633.13	3,810.63	114,318.76	1,116,806.26
16	04/01/2031	837,500.00	2.000%	108,875.00	14,195.63	33,123.13	993,693.76	
17	10/01/2031			100,500.00	1,507.50	3,517.50	105,525.00	1,099,218.76
18	04/01/2032	837,500.00	2.000%	100,500.00	14,070.00	32,830.00	984,900.00	
19	10/01/2032			92,125.00	1,381.88	3,224.38	96,731.26	1,081,631.26
20	04/01/2033	837,500.00	2.000%	92,125.00	13,944.38	32,536.88	976,106.26	
21	10/01/2033			83,750.00	1,256.25	2,931.25	87,937.50	1,064,043.76
22	04/01/2034	837,500.00	2.000%	83,750.00	13,818.75	32,243.75	967,312.50	
23	10/01/2034			75,375.00	1,130.63	2,638.13	79,143.76	1,046,456.26
24	04/01/2035	837,500.00	2.000%	75,375.00	13,693.13	31,950.63	958,518.76	
25	10/01/2035			67,000.00	1,005.00	2,345.00	70,350.00	1,028,868.76
26	04/01/2036	837,500.00	2.000%	67,000.00	13,567.50	31,657.50	949,725.00	
27	10/01/2036			58,625.00	879.38	2,051.88	61,556.26	1,011,281.26
28	04/01/2037	837,500.00	2.000%	58,625.00	13,441.88	31,364.38	940,931.26	
29	10/01/2037			50,250.00	753.75	1,758.75	52,762.50	993,693.76
30	04/01/2038	837,500.00	2.000%	50,250.00	13,316.25	31,071.25	932,137.50	
31	10/01/2038			41,875.00	628.13	1,465.63	43,968.76	976,106.26
32	04/01/2039	837,500.00	2.000%	41,875.00	13,190.63	30,778.13	923,343.76	
33	10/01/2039			33,500.00	502.50	1,172.50	35,175.00	958,518.76
34	04/01/2040	837,500.00	2.000%	33,500.00	13,065.00	30,485.00	914,550.00	
35	10/01/2040			25,125.00	376.88	879.38	26,381.26	940,931.26
36	04/01/2041	837,500.00	2.000%	25,125.00	12,939.38	30,191.88	905,756.26	
37	10/01/2041			16,750.00	251.25	586.25	17,587.50	923,343.76
38	04/01/2042	837,500.00	2.000%	16,750.00	12,813.75	29,898.75	896,962.50	
39	10/01/2042			8,375.00	125.63	293.13	8,793.76	905,756.26
40	04/01/2043	837,500.00	2.000%	8,375.00	12,688.13	29,605.63	888,168.76	888,168.76



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE/ AGENDA ITEM SUMMARY

Agenda Item: 2-C
Date of Meeting: June 20, 2023
Subject: Wastewater Bond Amendment
Presented By: David Kane, Director of Administration

RECOMMENDATION

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

RESOLVED, Resolution 21-010 is hereby amended to allow bond proceeds to be used to finance upgrades to the aeration and clarifier systems and related infrastructure at the Westbrook Regional Wastewater Treatment Facility. 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

In 2021, the Board authorized the issuance of a \$250,000 bond to finance the upgrades to the sludge storage odor control system and related infrastructure at the Westbrook Regional Wastewater Treatment facility. A \$175,000 bond was issued on November 4, 2021. The actual cost of the project is approximately \$7,000 less than the bond. Staff recommends the unspent amount be allocated to finance the upgrades to aeration and clarifier systems and related infrastructure at the Westbrook Regional Wastewater Treatment Facility. The 2023 Budget assumed a \$4,000,000 bond be issued to fund the aeration and clarifier systems upgrade. If the Board approves the motion, the \$4,000,000 bond will be reduced by \$7,000. The reduced bond amount will lower debt service cost by \$700 annually.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

Staff recommends the motion be approved.

ATTACHMENT(S)

A. Full Form of Motion

**PORTLAND WATER DISTRICT
BOARD OF TRUSTEES
AMENDMENT TO RESOLUTION 21-010
(Gorham/Westbrook/Windham - Sludge Storage Odor Control System Project)**

WHEREAS, pursuant to Resolution 21-010 adopted on July 26, 2021 (the “Prior Resolution”), the Board of Trustees of the Portland Water District authorized, among other things, the District’s sewer bonds in an amount of up to \$250,000 to finance upgrades to the sludge storage odor control system and related infrastructure at the Westbrook Regional Wastewater Treatment facility (the “Original Project”); and

WHEREAS, on November 4, 2021, the District issued its \$175,000 2021 Sewer Bonds (Gorham/Westbrook/Windham – Sludge Storage Odor Control System Project) (the “Bonds”) to finance the costs of the Original Project; and

WHEREAS, the Original Project is expected to come in under budget leaving unspent bond proceeds of approximately \$7,000 and the District now desires to amend the Prior Resolution to amend the scope of the Original Project to be financed with the proceeds of the Bonds to include upgrades to the aeration and clarifier systems and related infrastructure at the Westbrook Regional Wastewater Treatment facility;

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

3. That the description of the Original Project in the Prior Resolution be and hereby is amended to include upgrades to the aeration and clarifier systems and related infrastructure at the Westbrook Regional Wastewater Treatment facility (the “Additional Project”), which Additional Project is expected to be financed in part with the unspent proceeds of the Bonds and in part with additional sewer bonds to be issued by the District.

4. That in all other respects, the Prior Resolution are hereby ratified and confirmed as if more specifically set forth herein.

Dated: June 26, 2023



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 2-D
Date of Meeting: June 20, 2023
Subject: Windham Tank Water Bond Amendment
Presented By: David Kane, Director of Administration

RECOMMENDATION

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

RESOLVED, Resolution 18-007, relating to the construction of a water tank and related infrastructure in Windham, is hereby amended to increase the authorized bond amount to \$5,500,000. 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

In 2018, the Board authorized the issuance of a \$3,000,000 bond to finance the construction of a new water storage tank in Windham as part of the upgrade to the 407 Zone. Bids for the construction were recently received and the project cost is now expected to be \$5,300,000. In addition to the project cost of \$5,300,000, the motion authorizes an additional \$200,000 of bonds to cover any cost overrun bringing the bond authorized amount to \$5,500,000.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

Staff recommends the motion be approved.

ATTACHMENT(S)

A. Full Form of Motion

**PORTLAND WATER DISTRICT
BOARD OF TRUSTEES
AMENDMENT TO RESOLUTION 18-007
(Water – Windham Water Tank)**

WHEREAS, pursuant to Resolution 18-007 adopted on June 25, 2018 (the “Prior Resolution”), the Board of Trustees of the Portland Water District authorized, among other things, the District’s water bonds in an amount of up to \$3,000,000 to finance construction of a water tank and related infrastructure in Windham (the “Original Project”); and

WHEREAS, project costs (including a contingency for cost overruns) are now expected to be up to \$5,500,000; and

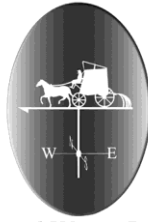
WHEREAS, the District now desires to amend the Prior Resolution to reflect the higher cost estimate;

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

5. That the amount of District bonds authorized to be issued by the Prior Resolution be and hereby is amended to replace the amount of \$3,000,000 with the amount of \$5,500,000, and

6. That in all other respects, the Prior Resolution is hereby ratified and confirmed as if more specifically set forth herein.

Dated: June 26, 2022



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 2-E
Date of Meeting: June 20, 2023
Subject: North Windham Bond Amendment
Presented By: David Kane, Director of Administration

RECOMMENDATION

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

RESOLVED, Resolution 21-013, related to the construction of a wastewater treatment plant and related infrastructure in Windham, is hereby amended to increase the authorized bond amount from \$11,000,000 to \$38,900,000. 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

In 2021, the Board authorized the issuance of a \$11,000,000 bond to finance only the first phase of the construction of a new wastewater treatment plant in Windham. The total project costs are expected to be up to \$38,900,000. The Town is expected to receive grants to fund part of the project costs; though the full amount is not known. The District will only bond the amount necessary to fund the project.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

Staff recommends the motion be approved.

ATTACHMENT(S)

A. Full Form of Motion

**PORTLAND WATER DISTRICT
BOARD OF TRUSTEES
AMENDMENT TO RESOLUTION 21-013
(Windham Wastewater – North Windham Wastewater Treatment Plant)**

WHEREAS, pursuant to Resolution 21-013 adopted on July 26, 2021 (the “Prior Resolution”), the Board of Trustees of the Portland Water District authorized, among other things, the District’s Windham wastewater bonds in an amount of up to \$11,000,000 to finance construction of a wastewater treatment plant and related infrastructure in Windham (the “Original Project”); and

WHEREAS, project costs are now expected to be up to \$38,900,000; and

WHEREAS, the District now desires to amend the Prior Resolution to reflect the higher cost estimate;

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

7. That the amount of District bonds authorized to be issued by the Prior Resolution be and hereby is amended to replace the amount of \$11,000,000 with the amount of \$38,900,000, and

8. That in all other respects, the Prior Resolution is hereby ratified and confirmed as if more specifically set forth herein.

Dated: June 26, 2022



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 2-F
Date of Meeting: June 20, 2023
Subject: Designation of Bonds as ‘Green’
Presented By: David Kane, Treasurer

RECOMMENDATION

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

ORDERED, that the \$5.5 million water bonds authorized on June 26, 2023 (Resolution 18-007 as amended by Resolution 23-____) are designated as ‘Green Bonds’, with the proceeds to be used for ‘Green’ purposes.

BACKGROUND ANALYSIS

The Board is scheduled to authorize the issuance of up to \$5.5 million in water bonds at its June 20, 2023 meeting. The bonds will provide funds to finance the construction of the Windham Center Elevated Water Storage Tank and related infrastructure. These 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, the bonds can be designated as ‘Green Bonds’.

Staff became aware that ‘Green Bonds’ versus ordinary bonds are, on average, about 6 basis points below yields paid by otherwise equivalent bonds. The District’s Financial Advisor recommended the Board pass an order indicating the bond proceeds will be used for ‘Green’ purposes. Other than declaring the bonds as ‘Green’ in the bond’s Official Statement the only other obligation on the District would be to provide certain post-issuance reporting showing the actual use of the bond proceeds for its 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 a \$5.5 million bond on or about August 3. The estimated annual interest savings in the first year of this ‘Green’ bond could be on the order of \$33,000.

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)

A-section 1 Support for Estimated Debt Service Savings

A-section 2 Draft Language to be included in the Bond's Official Statement

Attachment A

1. Excerpt from ‘Financing the Response to Climate Change: The Pricing and Ownership of U.S. Green Bonds’ by Malcolm Baker Harvard Business School and NBER, Daniel Bergstresser Brandeis International Business School, George Serafeim Harvard Business School and Jeffrey Wurgler NYU Stern School of Business and NBER.

We confirm that green municipal bonds are indeed priced at a premium. After-tax yields at issue for green bonds versus ordinary bonds are, on average, about 6 basis points below yields paid by otherwise equivalent bonds. The estimates control for numerous factors related to ratings maturity, tax status, the yield curve, and other time-varying and bond-specific characteristics, even issuer fixed effects. On a bond with a 10-year duration, a yield difference of 6 basis points corresponds to approximately a 0.60 percentage-point difference in value, which seems plausible and economically meaningful.

2. Bond Official Statement – Draft Statement

The District has designated the “X” Bonds as ‘Green Bonds’ based on the intended use of the proceeds of the bonds to finance environmentally beneficial projects as described below. Such projects are designed to ensure safe drinking for the public in accordance with State and Federal standards. The purpose of labeling the bonds as ‘Green Bonds’ is to allow investors to invest directly in bonds that finance such environmentally beneficial purposes. The holders of the bonds do not assume any specific project risk or economic benefit related to any of the funded projects as a result of the ‘Green Bonds’ designation.

Use of Bond Proceeds. Below is a brief description of the projects expected to be financed with proceeds of the bonds.

- The sum of \$6.5 million is appropriated for improvements throughout the Portland Water District’s distribution system and appurtenances thereto, including but not limited to cleaning, relining, repair and replacement of water mains, services lines, valves and related appurtenances, including the costs of issuance.

Post-issuance Reporting. The District will report on the expenditure of the proceeds in its Annual Report until all the proceeds of the bond have been spent. The Annual Report will be available at the following web address: www.pwd.org. Once all the proceeds of the bond have been spent, no further reports will be provided.



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 3
 Date of Meeting: June 20, 2023
 Subject: Defined Benefit Pension Plans' Funding for 2024
 Presented By: David Kane, Treasurer

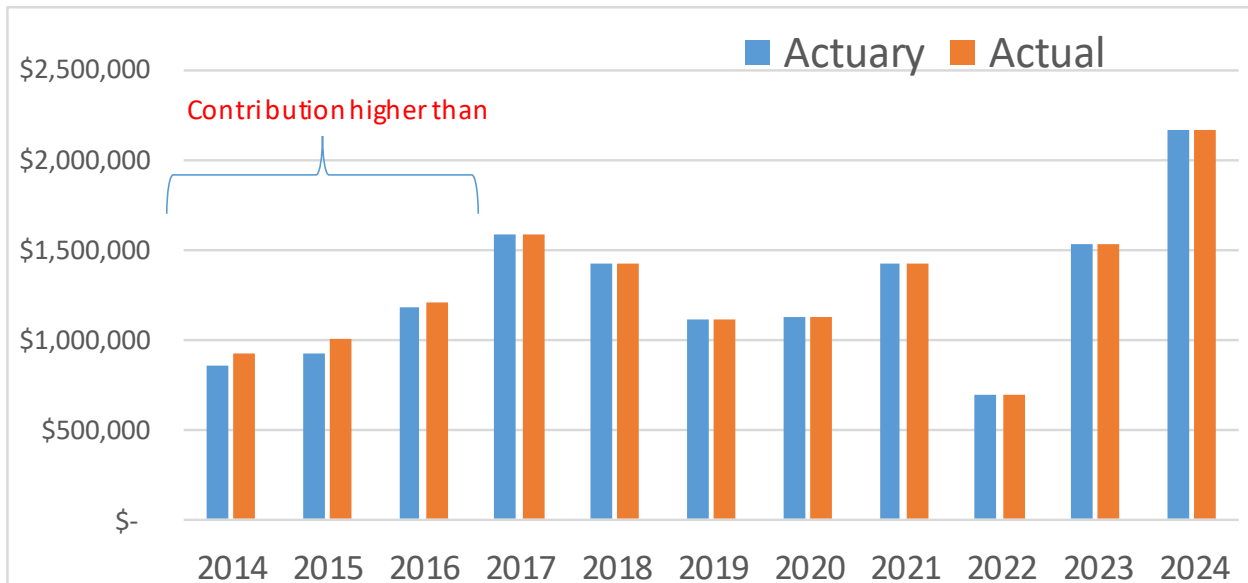
BACKGROUND

The District has two defined benefit plans – a non-bargaining unit plan and a bargaining unit plan. The actuary conducts a study using data as of May 1st each year to calculate the recommended contribution (actuarially determined contribution (ADC)) to be made in the following year. The actuary follows the guidance incorporated in the Board-adopted Defined Benefit Pension Plans' Funding Policy (see attachment). The preliminary report indicated the 2024 contribution should be increased by \$638,253 as listed below:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Non-Bargained	608,121	330,113	666,341	828,876
Bargained	<u>816,192</u>	<u>366,518</u>	<u>858,468</u>	<u>1,334,186</u>
Total	1,424,313	696,631	1,524,809	2,163,062

The primary reason for the increase was higher benefits due to the bargaining unit contract settlement and commensurate non-union benefits, as well as a decline in asset values (5/1/22 \$27.9M to 5/1/2023 \$27.5M) because of financial market conditions.

PWD History of Actual Pension Contributions vs Actuary's Recommended Contributions



FISCAL REVIEW / FUNDING

The actuarial determined contribution amount is normally included in the budget. The general policy was not followed in three years (2014-2016) as the Board requested a higher amount be funded.

CONCLUSION(S)

The Committee will review and provide guidance on the amount to include in the proposed 2024 budget. The full Board will review and vote on the budget at their November 2024 meeting.

ATTACHMENT(S)

- A. Defined Benefit Pension Plans' Funding Policy – June 22, 2020 revision
- B. EPIC's Preliminary Summary Results
- C. Morgan Stanley Long-term Return Expectations

Defined Benefit Pension Plans' Funding Policy***June 22, 2020***

The Portland Water District has two defined benefit pension plans – a non-bargaining and a bargaining unit plan. The non-bargaining plan is for employees that are not members of the union and have at least 5 years of service. The pension benefit is based on 1% of credited years of the three highest years of earnings. The plan was closed for employees hired after December 31, 2011. The bargaining plan is for employees that are members of the union and have at least 5 years of service. The pension benefit is based on a negotiated dollar amount per year of credited service. The plan was closed for employees hired after December 31, 2010.

1. General Funding Policy Goal.

The District's goal is to fund the pension plans to meet the plans' future obligations as they become due and be sufficient to enable the District to utilize the long-term expected rate of return on the pension plan investments vs. bifurcated rates. In other words, funding, consisting of current investment balance plus expected future payments and investment returns, will be sufficient to pay future obligations. This approach attempts to avoid a bifurcation of discount rates between the investment portfolio rate and a rate based on a 20 year tax-exempt general obligation municipal bond as required by the Governmental Accounting Standards Board Statement 68 (GASB 68) in the event the expected contributions and assets fall short of making future benefit payments.

2. Actuarial Cost Method.

The Entry Age Normal Actuarial Cost Method with level percentage of payroll will be used to calculate the cost for funding and expense calculation purposes.

3. Asset Smoothing Method and Amortization Practice.

The table below summarizes how the various pension obligation determinants will be recognized for expense and funding purposes. All determinants will be handled the same except for changes in benefit terms, which will be recognized over the term on the union contract, currently 3 years.

	GASB 68 (Expense)	Funding Level (Actuarially Determined Contribution-ADC)
Current-period service	Current Year	Current Year
Interest on Total Pension Liability	Current Year	Current Year
Changes in Benefit Terms	Current Year	Term of Union Contract, currently 3 years
Changes in Demographics	Remaining Service Life of Employees	Remaining Service Life of Employees
Changes in Economic Assumptions	Remaining Service Life of Employees	Remaining Service Life of Employees
Actual to Expected Experience (non-investment related)	Remaining Service Life of Employees	Remaining Service Life of Employees
Actual to Expected Experience (investment related)	Closed 5 Year	Closed 5 Year

4. Specific Funding Amount.

The initial annual funding amount in 2015 will be \$1,000,000 allocated proportionately between the two plans in relation to their respective ADC amounts. This funding amount will continue indefinitely until such time that it is determined to be less than the Funding Level amount (defined above in section 3) as determined by each year's actuarial valuation and/or generates a projected fiduciary net position insufficiency. An insufficiency exists at the point where the fiduciary net position (plan assets) is no longer adequate to provide ongoing benefits in future years. The annual funding amount will be increased by an additional amount necessary to generate a projected fiduciary net position sufficiency. The ADC calculation may include an adjustment reflecting a decline in assets at of the measurement date due to a declared national emergency that recovered subsequent to the measurement date. The adjustment should be amortized over the same time frame as other 'actual to expected experience' items.

Key Valuation Results		Bargaining	NonBargaining
Valuation Date		5/1/2023	5/1/2023
Actuarially Determined Contribution		1,334,186	828,876
Increase / (decrease) per funding policy		-	-
Funding Policy Contribution		1,334,186	828,876
Fair Value of Assets		14,192,533	13,381,486
Funding Liability		16,412,576	14,793,500
Unfunded Liability			
		6.5%	6.5%
Funding policy contributions			
		Bargaining	NonBargaining
Normal Cost		\$ 78,547	\$ 160,382
Admin Cost		-	-
Supplemental Cost		<u>1,180,801</u>	<u>622,000</u>
Contribution 5/1/2023		1,259,348	782,382
Interest to PMT date		<u>74,838</u>	<u>46,494</u>
Prelim contribution		1,334,186	828,876
LY (for comparison only)		858,468	666,341

PWD Pensions Projected Returns

PWD Pensions Strategic Allocation		7-Years	20-Years	Volatility
	<u>Target</u>			
US Equities Large	25%	4.85%	8.25%	15.25%
US Equities Small	15%	6.05%	7.80%	20.45%
Int'l Dev Equities	15%	5.20%	7.20%	15.40%
Int'l EM Equities	10%	7.80%	8.40%	19.30%
Core Bonds	20%	4.80%	3.80%	5.20%
High Yield Bond	5%	7.10%	5.40%	8.30%
REITs	5%	4.00%	6.40%	16.00%
Real Assets	5%	5.50%	6.10%	12.30%
Gross Return		5.47%	6.81%	
Portfolio Expense		-0.62%	-0.62%	
<u>Active Mgt Premium</u>		<u>0.50%</u>	<u>0.50%</u>	
Net Return		5.35%	6.69%	
PWD Long-Term Target Return			6.00%	

[Source: Global Investment Committee, April 2023]



MEMORANDUM PORTLAND WATER DISTRICT

TO: Operations Committee / Board of Trustees

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

DATE: June 15, 2023

RE: **Operations Committee Meeting – June 20, 2023**

A meeting of the Operations Committee of the Portland Water District Board of Trustees will be held on Tuesday, June 20, 2023, beginning at 5:30 p.m., in the Emergency Operations Center (EOC) Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

1. **Windham Center Water Storage Tank Replacement Project –CIP 19 project 307-3004**
Staff will recommend awarding construction contract #2 for the Windham Center Water Storage Tank Replacement Project. (See attached memo)
2. **Update on the Secondary Clarifier Project**
Staff will provide an update on the project and schedule.
3. **Other Business**



Portland Water District
From Sebago Lake To Casco Bay

OPERATIONS COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1
Date of Meeting: June 20, 2023
Subject: Windham Center Elevated Water Storage Tank Replacement in Pressure Zone 407 North – Tank Construction
Presented By: Adam Sellick, Project Engineer

RECOMMENDATION

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

ORDERED, the General Manager is hereby authorized to execute a construction contract with DN Tanks of Maine, LLC in the amount of \$2,751,900 for the Windham Center Elevated Water Storage Tank Replacement Project (“Project”); 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); and

BE IT FURTHER ORDERED, that a total Project budget is hereby authorized not to exceed \$5,304,211; 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 existing elevated water storage tank in Windham was constructed and placed in operation in 1957. The tank was targeted for replacement in the 2003 Comprehensive Water System Strategic Plan (CWSSP). The most recent maintenance was completed in 2019 when two leaks were repaired on the riser. The tank is beyond its useful life and is due for replacement.

The Project was publicly bid on April 18, 2023. Bids were received from two (2) contractors, DN Tanks of Maine, LLC and Preload, LLC, on May 24, 2023. The bids fell within the project budget.

PWD performed a due diligence review of the response and has determined that the apparent low bidder has the contracting capacity and resources to complete the Project. PWD, therefore, recommends that DN Tanks of Maine, LLC be considered the low-responsive and responsible bidder.

Please refer to Attachment A for a summary of the contractor bid and a breakdown of the proposed project budget.

FISCAL REVIEW/FUNDING

The CIP 2018 budget approved by the Board of Trustees for engineering design and land acquisition is \$400,000 (Project #: 2018-Subprogram 307/ Project 2658) and the 2019 CIP budget approved was \$2,500,000. (Project #: 2019-Subprogram 307/ Project 3004). The design and land acquisition qualified for the Maine Drinking Water State Revolving Loan Fund (DWSRF) and was awarded principal forgiveness of \$165,000 this past year. Staff applied for DWSRF funds for the construction phase of the project and did not receive funding. The District will finance the project over a twenty-year period resulting in an estimated annual debt service of \$500,000. The Project was included in the multi-year water fund forecast at an estimated cost of \$7,300,000. The lower budget will reduce the operating budget by \$125,000.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed order as to form.

CONCLUSION(S)

Staff recommends awarding the contract to the lowest responsive and responsible bidder for the project, DN Tanks of Maine, LLC to reflect the provision of tank construction services for the Windham Center Elevated Water Storage Tank Replacement Project.

ATTACHMENT(S)

Attachment A

ATTACHMENT A

Bid Summary:

BASE BID	DN Tanks of Maine, LLC	Preload, LLC
Item #1 Lump Sum Tank Site & Tank Construction	\$2,631,200.00	\$2,800,000.00
Item #2 Alternate A [Add] DWSRF¹ Requirements	\$20,700.00	\$45,000.00
Item #3 Lump Sum [Cash Allowance] Electrical Work [CMP²]	\$100,000.00	\$100,000.00
TOTAL BID	\$2,751,900.00	\$2,945,000.00

¹ - Drinking Water State Revolving Fund

² - Central Maine Power

Proposed Budget:

Item	Amount	Board Approval
Design Phase Engineering ¹	\$400,000.00	CIP #2018-307/2658
Construction Phase Engineering	\$680,000.00	CIP #2019 307/3004
Construction	\$1,272,311.00	
CP1 - Project Contingency	\$80,000.00	June 2023 (Proposed)
Tank Construction	\$2,751,900.00	
CP2 - Project Contingency	\$120,000.00	
Project Total	\$5,304,211.00	

Project #: CIP 2018 – Subprogram 307, #2658

Project #: CIP 2019 – Subprogram 307, #3004

¹ The design and land acquisition qualified for the Maine Drinking Water State Revolving Loan Fund (DWSRF) and was awarded principal forgiveness of \$165,000.



MEMORANDUM PORTLAND WATER DISTRICT

TO: Planning Committee / Board of Trustees

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

DATE: June 15, 2023

RE: **Planning Committee Meeting – June 20, 2023**

A meeting of the Planning Committee of the Portland Water District Board of Trustees will be held on Tuesday, June 20, 2023, at 5:30 p.m. in the Nixon Training Center at 225 Douglass Street, Portland, Maine.

AGENDA

1. **Sale of Surplus Land – Munjoy Hill Reservoir – North Street, Portland, Silver Street LLC**
Staff will report on the progress made on the Munjoy Hill reservoir.
2. **Updates:**
 - Sebago Clean Waters
 - Rail Trail
3. **Other Business**