



## MEMORANDUM PORTLAND WATER DISTRICT

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TO: Board of Trustees

FROM: Carrie Walker

DATE: June 1, 2022

RE: **Workshop Meeting – Monday, June 6, 2022**

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

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

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

### **AGENDA – WORKSHOP**

- 2023 Budget Parameters**  
David Kane, Director of Administration, and Carrie Lewis, General Manager, will provide a high level proposal for developing the 2023 budget.
- Legislative Update**  
Donna Katsiaficas, Corporate Counsel, and Scott Firmin, Director of Wastewater Services, will present an overview of the Second Regular Session of the 130<sup>th</sup> Legislature.
- Other Business**
- Adjourn**



## **MEMORANDUM PORTLAND WATER DISTRICT**

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TO: Pension Committee / Board of Trustees

FROM: Mary Demers, Director of Employee Services

DATE: May 27, 2022

RE: **Pension Committee Meeting – June 6, 2022**

A meeting of the Pension Committee of the Portland Water District Board of Trustees will be held on Monday, June 6, 2022. The meeting will begin at 5:15 p.m. via teleconference. The public may access the meeting by dialing 408-418-9388, access code 2631 086 0418, meeting password 65766772.

### **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: May 27, 2022

RE: **Administration and Finance Committee Meeting – June 6, 2022**

A meeting of the Administration and Finance Committee of the Portland Water District Board of Trustees will be held on Monday, June 6, 2022. The meeting will begin at 5:30 p.m. via teleconference. The public may access the meeting by dialing 408-418-9388, access code 2631 269 6245, meeting password 88479882.

### **AGENDA**

1. **Sewer Bond Authorization – Portland Wastewater \$2.2 Million**  
Mr. Kane will present a motion authorizing the issuance of a bond for up to \$2.2 million to finance the upgrade of Portland's Baxter Boulevard Pump Station. (See attached memo)
2. **Defined Benefit Pension Plans – 2023 Funding Recommendation**  
Mr. Kane will present the updated valuation of the defined benefit pension plan with a recommendation for 2023 funding. (See attached memo)
3. **Cayenta Billing System Update**  
Mr. Cutrone will provide an update on the status of the Cayenta Billing System.
4. **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 6, 2022  
Subject: Portland Sewer Bond - \$2,200,000  
Presented By: David Kane, Director of Administration

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### **RECOMMENDATION**

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

RESOLVED, the issuance of up to \$2,200,000 of Portland Sewer Bonds is hereby authorized to finance upgrades to the Baxter Boulevard Pump Station 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**

At the March 22, 2021 Board meeting, a motion was approved authorizing a \$2.2M project budget for the Baxter Boulevard Pump Station. The proposed upgrades are intended to improve operation reliability. The project was originally included in the 2019 CIP (project 70-3144). The motion authorizes issuing a bond to cover the project costs.

### **FISCAL REVIEW / FUNDING**

The first full year's debt service payment is estimated to be \$138,000. The multi-year plan included an estimated amount of \$148,000. Because the project is being completed earlier than expected, the debt service payments are impacting Portland's budget a year earlier than forecasted.

### **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

**PORTLAND WATER DISTRICT  
RESOLUTION OF BOARD OF TRUSTEES  
AUTHORIZING SEWER BONDS IN THE AGGREGATE  
PRINCIPAL AMOUNT NOT TO EXCEED \$2,200,000**

**WHEREAS**, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) upgrades to the Baxter Boulevard Pump Station in Portland and other related infrastructure upgrades and improvements (the “Project”);

**WHEREAS**, the District desires to finance the Costs of such Project by issuing its sewer bonds in the maximum aggregate amount of \$2,200,000 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 \$2,200,000, 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.

# Appendix B

## ESTIMATE OF DEBT SERVICE

### Portland Baxter Boulevard Pump Station

PREPARED ON 05/23/2022

	DATE	PRINCIPAL	PRINCIPAL FORGIVENESS	RATE	INTEREST	MMBB FEE	DEP ADMIN FEE	TOTAL	ANNUAL DEBT SERVICE
TOTALS		2,200,000.00	-		231,000.00	36,465.00	85,085.00	2,552,550.00	2,552,550.00
1	05/01/2023				11,000.00	165.00	385.00	11,550.00	
2	11/01/2023	110,000.00		1.000%	11,000.00	1,815.00	4,235.00	127,050.00	138,600.00
3	05/01/2024				10,450.00	156.75	365.75	10,972.50	
4	11/01/2024	110,000.00		1.000%	10,450.00	1,806.75	4,215.75	126,472.50	137,445.00
5	05/01/2025				9,900.00	148.50	346.50	10,395.00	
6	11/01/2025	110,000.00		1.000%	9,900.00	1,798.50	4,196.50	125,895.00	136,290.00
7	05/01/2026				9,350.00	140.25	327.25	9,817.50	
8	11/01/2026	110,000.00		1.000%	9,350.00	1,790.25	4,177.25	125,317.50	135,135.00
9	05/01/2027				8,800.00	132.00	308.00	9,240.00	
10	11/01/2027	110,000.00		1.000%	8,800.00	1,782.00	4,158.00	124,740.00	133,980.00
11	05/01/2028				8,250.00	123.75	288.75	8,662.50	
12	11/01/2028	110,000.00		1.000%	8,250.00	1,773.75	4,138.75	124,162.50	132,825.00
13	05/01/2029				7,700.00	115.50	269.50	8,085.00	
14	11/01/2029	110,000.00		1.000%	7,700.00	1,765.50	4,119.50	123,585.00	131,670.00
15	05/01/2030				7,150.00	107.25	250.25	7,507.50	
16	11/01/2030	110,000.00		1.000%	7,150.00	1,757.25	4,100.25	123,007.50	130,515.00
17	05/01/2031				6,600.00	99.00	231.00	6,930.00	
18	11/01/2031	110,000.00		1.000%	6,600.00	1,749.00	4,081.00	122,430.00	129,360.00
19	05/01/2032				6,050.00	90.75	211.75	6,352.50	
20	11/01/2032	110,000.00		1.000%	6,050.00	1,740.75	4,061.75	121,852.50	128,205.00
21	05/01/2033				5,500.00	82.50	192.50	5,775.00	
22	11/01/2033	110,000.00		1.000%	5,500.00	1,732.50	4,042.50	121,275.00	127,050.00
23	05/01/2034				4,950.00	74.25	173.25	5,197.50	
24	11/01/2034	110,000.00		1.000%	4,950.00	1,724.25	4,023.25	120,697.50	125,895.00
25	05/01/2035				4,400.00	66.00	154.00	4,620.00	
26	11/01/2035	110,000.00		1.000%	4,400.00	1,716.00	4,004.00	120,120.00	124,740.00
27	05/01/2036				3,850.00	57.75	134.75	4,042.50	
28	11/01/2036	110,000.00		1.000%	3,850.00	1,707.75	3,984.75	119,542.50	123,585.00
29	05/01/2037				3,300.00	49.50	115.50	3,465.00	
30	11/01/2037	110,000.00		1.000%	3,300.00	1,699.50	3,965.50	118,965.00	122,430.00
31	05/01/2038				2,750.00	41.25	96.25	2,887.50	
32	11/01/2038	110,000.00		1.000%	2,750.00	1,691.25	3,946.25	118,387.50	121,275.00
33	05/01/2039				2,200.00	33.00	77.00	2,310.00	
34	11/01/2039	110,000.00		1.000%	2,200.00	1,683.00	3,927.00	117,810.00	120,120.00
35	05/01/2040				1,650.00	24.75	57.75	1,732.50	
36	11/01/2040	110,000.00		1.000%	1,650.00	1,674.75	3,907.75	117,232.50	118,965.00
37	05/01/2041				1,100.00	16.50	38.50	1,155.00	
38	11/01/2041	110,000.00		1.000%	1,100.00	1,666.50	3,888.50	116,655.00	117,810.00
39	05/01/2042				550.00	8.25	19.25	577.50	
40	11/01/2042	110,000.00		1.000%	550.00	1,658.25	3,869.25	116,077.50	116,655.00



Portland Water District  
*From Sebago Lake To Casco Bay*

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

Agenda Item: 2  
Date of Board Meeting: June 6, 2022  
Subject: Defined Benefit Pension Plans' Funding for 2023  
Presented By: David Kane, Treasurer

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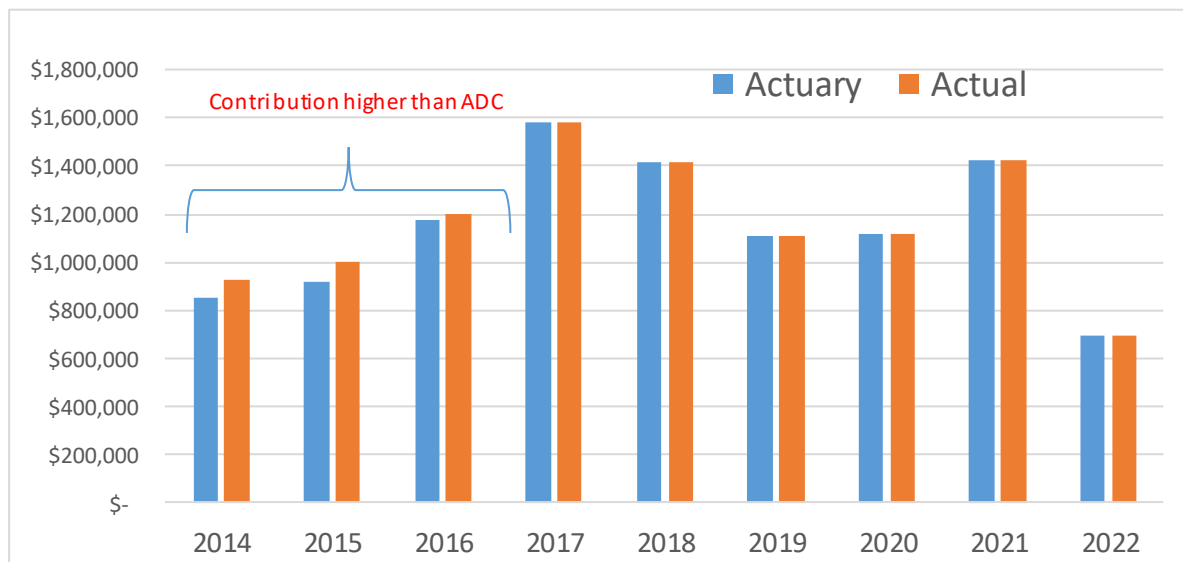
**BACKGROUND**

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 1<sup>st</sup> 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 2023 contribution would be increased by \$1,140,837 (future returns of 6%) or \$828,178 (future returns of 6.5%) as listed below:

	<u>2021</u>	<u>2022</u>	<u>2023-6%</u>	<u>2023-6.5%</u>
Non-Bargained	608,121	330,113	825,166	666,341
Bargained	<u>816,192</u>	<u>366,518</u>	<u>1,012,302</u>	<u>858,468</u>
Total	1,424,313	696,631	1,837,468	1,524,809

The primary reason for the increase was the decline in asset values (12/31/21 \$31.2M to 5/1/2022 \$27.9M).

**Actual Pension Contribution vs Actuary's Recommended Contribution**



**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 2023 budget. The full Board will review and vote of the budget at their November 2023 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.

	<b>GASB 68 (Expense)</b>	<b>Funding Level (Actuarially Determined Contribution-ADC)</b>
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.

**May 1, 2022 Actuarial Valuation Results****Calculated using December 31, 2021 GASB 68 Disclosure assumptions**

	<u>Non-Bargained</u>	<u>Bargained</u>	<u>Total</u>
2023 Actuarially Determined Contribution	825,166	1,012,302	1,837,468
2022 Actuarially Determined Contribution	330,113	366,518	696,631
Increase (Decrease)	495,053	645,784	1,140,837
Accrued Liability	14,999,886	16,943,702	31,943,588
Market Value of Assets	13,012,906	14,884,462	27,897,368
Unfunded Liability	1,986,980	2,059,240	4,046,220
Expected Return	6.00%		
CPI	3.00%		

**Updated capital market expectations**

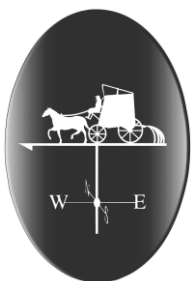
	<u>Non-Bargained</u>	<u>Bargained</u>	<u>Total</u>
2023 Actuarially Determined Contribution	666,341	858,468	1,524,809
vs. "Consistent Assumption" ADC	825,166	1,012,302	1,837,468
Increase (Decrease)	(158,825)	(153,834)	(312,659)
Accrued Liability	14,300,658	16,142,509	30,443,167
Market Value of Assets	13,012,906	14,884,462	27,897,368
Unfunded Liability	1,287,752	1,258,047	2,545,799
Expected Return	6.50%		
CPI	3.00%		

## PWD Pensions Projected Returns

18.8

PWD Pensions Strategic Allocation		7-Years	20-Years	Volatility
	Target			
US Equities Large	25%	4.55%	8.35%	14.45%
US Equities Small	15%	6.60%	7.80%	18.60%
Int'l Dev Equities	15%	5.60%	7.20%	14.70%
Int'l EM Equities	10%	8.30%	8.60%	17.50%
Core Bonds	20%	2.00%	3.80%	4.90%
High Yield Bond	5%	3.60%	5.40%	7.50%
REITs	5%	4.40%	6.60%	13.70%
Real Assets	5%	4.60%	6.00%	10.30%
Gross Return		4.83%	6.86%	
Portfolio Expense		-0.62%	-0.62%	
Active Mgt Premium		0.50%	0.50%	
Net Return		4.71%	6.74%	
PWD Long-Term Target Return			6.00%	

[Source: Global Investment Committee, April 2022]



## **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: May 27, 2022

RE: **Operations Committee Meeting – June 6, 2022**

A meeting of the Operations Committee of the Portland Water District Board of Trustees will be held on Monday, June 6, 2022. The meeting will begin at 5:30 p.m. via teleconference. The public may access the meeting by dialing 408-418-9388, access code 2632 130 3494, meeting password 58966786.

### **AGENDA**

**1. Lead and Copper Rule Revisions**

Staff will provide an overview of the tasks required to comply with the new National Primary Drinking Water Regulation: Lead and Copper Rule Revisions.

**2. Other Business**



## **MEMORANDUM PORTLAND WATER DISTRICT**

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TO: Planning Committee / Board of Trustees

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

DATE: May 27, 2022

RE: **Planning Committee Meeting – June 6, 2022**

A meeting of the Planning Committee of the Portland Water District Board of Trustees will be held on Monday, June 6, 2022. The meeting will begin at 5:30 p.m. via teleconference. The public may access the meeting by dialing 408-418-9388, access code 2632 126 4784, meeting password 93893529.

### **AGENDA**

1. **Easement Swap Prides Corner Pump Station 32 Elmwood Ave., Westbrook**  
Staff will recommend an easement swap. (See attached memo)
2. **Review Supply Chain Issues and How They Are Affecting the District Operations.**  
Staff will provide the Committee an overview of various supply chain issues that have affected the District operations.
3. **Other Business**



Portland Water District  
*From Sebago Lake To Casco Bay*

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

Agenda Item: 1  
Date of Meeting: June 6, 2022  
Subject: Easement Swap- 32 Elmwood Ave., Westbrook  
Presented By: Laurel Jackson, Right of Way Agent

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### **RECOMMENDATION**

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

ORDERED, the General Manager is authorized to execute an easement deed to 32 Elmwood LLC for property at the District's Prides Corner Pump Station in Westbrook for vehicular access in return for an adjacent easement(s) granted to the District; and

BE IT FURTHER ORDERED, the General Manager and the Treasurer, each acting singly, are authorized to take such other steps and execute such documents as may be necessary to accomplish the intent of this vote.

### **BACKGROUND ANALYSIS**

The District purchased the property for the Prides Corner Pump Station in 1958. Upon recent investigation, it was determined that the District's driveway is encroaching on the neighboring property. The neighboring property owner, 32 Elmwood LLC, has agreed to grant the District an easement in exchange for \$2,000 and an easement granting him the right to use the District's driveway to access his property.

The 2,200 square foot easement granted to the District will allow the continued use of the existing driveway as well as provide additional space for District vehicle parking, snow removal, generator location and potential pump station repairs. The easement granted to 32 Elmwood LLC will allow use of the District's driveway to access the neighboring property.

### **FISCAL REVIEW / FUNDING**

The proposed easement swap will include a \$2,000 cash payment to 32 Elmwood LLC. This is the approximate easement value as determined by the Right-of-Way Agent.

### **LEGAL REVIEW**

Corporate Counsel will review the proposed deeds prior to execution.

**CONCLUSION(S)**

Staff recommends that PWD proceed with the proposal described above.

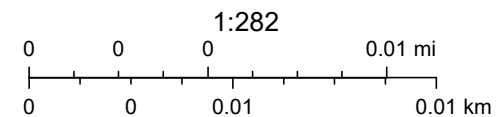
**ATTACHMENTS**

Prides Corner Pump Station Proposed Easements

# Prides Corner Pump Station & Elmwood Ave



5/27/2022



Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community