



MEMORANDUM PORTLAND WATER DISTRICT

TO: Board of Trustees

FROM: Carrie Walker

DATE: July 7, 2021

RE: **Workshop Meeting – Monday, July 12, 2021**

There will be a Workshop Meeting of the Board of Trustees of the Portland Water District on Monday, July 12, 2021. The meeting will begin at 6:30 p.m. in the Nixon Training Center at the general offices of the District, 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 | 3 rd Floor Conference Room | 5:30 p.m. |
| Operations | Nixon Training Center | 5:30 p.m. |
| Planning | EOC 2 nd Floor | 5:30 p.m. |

AGENDA – WORKSHOP

1. **ABC-CMMS**. The Board will see a live demonstration of the EAM Asset Management system by Gordie Johnson, Engineering Services Manager and the Cayenta billing system by Peter Cutrone, Project Manager. Michelle Clements, Public Relations Manager, will present an overview of the communication plan to customers.
2. **North Windham Wastewater Project Update**. Chris Crovo, Director of Asset Management and Planning, will brief the Board on the North Windham Wastewater Project. The Windham Town Council will be briefed at their meeting on Tuesday, July 13th.
3. **Remote Meetings**. Donna Katsiaficas, Corporate Counsel, will describe the provisions of the new state law allowing remote meetings in certain circumstances and the Board will discuss whether it desires to have staff draft up a policy for Committee review. (See attachment)
4. **Other Business**
5. **Adjourn**

REMOTE MEETING REQUIREMENTS

1 M.R.S. §403-B Remote Participation in Public Proceedings

If the Board of Trustees wants to conduct remote meetings after July 30, 2021 it must adopt a written policy, after holding a public hearing.

The written policy must provide:

1. That a Board member is expected to be physically present for a Board meeting unless being physically present is not “practicable.”

Circumstances where physical presence is not considered practicable by state law include illness, existence of an emergency (like weather) or urgent issue requiring a remote meeting, a temporary absence (like a vacation) from the area.

2. The written policy must provide members of the public an opportunity to attend by remote means and provide access to people with disabilities.
3. The policy must provide for communications between the public and Board members.
4. All votes taken will be by roll call vote with the public having the ability to hear the roll call vote.

Prepared by Donna Katsiaficas, 6/21/21



MEMORANDUM PORTLAND WATER DISTRICT

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

DATE: July 2, 2021

RE: **Administration and Finance Committee Meeting – July 12, 2021**

A meeting of the Administration and Finance Committee of the Portland Water District Board of Trustees will be held on Monday, July 12, 2021. The meeting will begin at 5:30 p.m. in the Third Floor Training Room at 225 Douglass Street, Portland, Maine.

AGENDA

1. Bond Authorization

The Committee will consider authorizing the issuance of bonds to finance capital projects. (See attached memos)

2. Bond Rating Agency Report

The Committee will review the recently issued water bond rating reports from Moody's and S&P. (See attachments)

3. Other Business

A. 2022 Budget Update



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1-A
Date of Meeting: July 12, 2021
Subject: Cape Elizabeth Wastewater Bond - \$650,000
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 \$650,000 of Cape Elizabeth Sewer Bonds is hereby authorized to finance upgrades to the Maiden Cove Pump Station in Cape Elizabeth 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

The proposed motion provides funding for projects that were included in the 2019 and 2020 Capital Improvement Plan (CIP):

| | | | |
|------|----------|--|--------------|
| 2019 | 052-3002 | Maiden Cove Pump Station Preliminary Engineering | \$ 15,000 |
| 2020 | 052-3002 | Maiden Cove Pump Station | 430,000 |
| | | Proposed amendment to Project Budget – July 26, 2021 | 197,000 |
| | | Contingency | <u>8,000</u> |
| | | Total | \$ 650,000 |

FISCAL REVIEW / FUNDING

The bond is planned to be issued through the Maine Municipal Bond Bank General Resolution Program. It indicates that the first full year’s debt service payment would be \$49,000. The financial impact was incorporated into the Cape Elizabeth Wastewater fund and assessment forecast provided to the municipalities.

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
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING SEWER BONDS IN THE
PRINCIPAL AMOUNT NOT TO EXCEED \$650,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) upgrades to the Maiden Cove Pump Station located in Cape Elizabeth 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 \$650,000 and to borrow such money through the Maine Municipal Bond Bank’s Clean Water State Revolving Loan Fund program or its general borrowing program or other qualified purchaser of the bonds or a combination thereof;

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

THAT: Pursuant to the District’s Charter, Chapter 84 of the Private and Special Laws of 1975 and all amendments thereof and acts additional thereto, and all other authority thereto enabling, there is hereby authorized and approved the issuance of the District’s sewer bonds in an aggregate principal amount not to exceed \$650,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project (the “Bonds”).

THAT: The Bonds may be issued through a public offering or through one of the Maine Municipal Bond Bank’s State Revolving Loan Fund programs or its general borrowing program or other qualified purchaser of the bonds or a combination thereof.

THAT: Each Bond or note issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.

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

THAT: The Bonds may be made subject to call for redemption, with or without a premium, before the date fixed for final payment of the Bonds, as shall be determined by the Treasurer.

THAT: The Treasurer is authorized to borrow money in anticipation of said Bonds by the issuance and sale of notes or renewal notes in anticipation thereof and to determine the date, form, interest rate, maturities and all other details of each issue of notes, including the form and manner of their sale and award, subject to the provisions of the law, the District’s Charter and these Resolutions.

- THAT:** The Treasurer and President of the District from time to time shall execute such bonds as may be required to provide for exchanges or transfers of Bonds heretofore authorized, all such Bonds to be signed as provided in the next preceding paragraph.
- THAT:** The Bonds and notes may be sold on a competitive or negotiated basis or a combination thereof, as the Treasurer may determine to be appropriate.
- THAT:** The Treasurer be and hereby is authorized to select the underwriter for such Bonds and notes and the Treasurer be and hereby is authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.
- THAT:** The Treasurer be and hereby is authorized to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of such Bonds and notes, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, with the advice of bond counsel for the District, and that the use and distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the District in connection with offering such Bonds and notes for sale be and hereby is approved.
- THAT:** If the Bonds or notes (or 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 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, with the advice of bond counsel, be and hereby is authorized to designate such Bonds and notes as qualified tax-exempt obligations for

purposes of Section 265(b)(3) of the Code, to the extent such designation is available and permissible under said Section 265(b)(3).

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

THAT: 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: The Treasurer, President of the District and Clerk and other proper officials of the District be, and hereby are authorized and empowered in its name and on its behalf to do or cause to be done all such acts and things, and to execute, deliver, file, approve, and record all such financing documents, contracts, agreements, deeds, assignments, certificates, memoranda, abstracts, and other documents (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 the resolutions heretofore adopted at this meeting in connection with the Project, the issuance, execution, sale, and delivery by the District of the Bonds and the execution and delivery of the documents, including the entering into of 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 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 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 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 determine the date, form, interest rate, maturities (not to exceed 40 years from the date of issuance of the original Bonds) and all other details of such refunding bonds, including the form and manner of their sale and award, and to execute and deliver, all in the name of and on behalf of the District, such additional Bond Documents as may be reasonable or necessary with respect to such refunding. The Treasurer be and hereby is further authorized to provide that any of such refunding bonds hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity, and to make such designation or determination of such refunding bonds as he is authorized to make with respect to the original Bonds, and each refunding bond issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1-B
Date of Meeting: July 12, 2021
Subject: Wastewater Bond Authorization
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 \$750,000 of Gorham, Westbrook and Windham Wastewater Bonds is hereby authorized to finance upgrades to the sludge storage odor control system and related infrastructure at the Westbrook Regional Wastewater Treatment facility. The full form of the Resolution is attached hereto and incorporated as part of the minutes of this meeting.

BACKGROUND ANALYSIS

The proposed motion provides funding for projects included in the 2019 Capital Improvement Plan (CIP):

2019 CIP 2019 416-3025 Sludge Storage Odor Control \$ 750,000

FISCAL REVIEW / FUNDING

The bond is planned to be issued through the Maine Municipal Bond Bank General Resolution Program. The estimated first full year’s debt service payment would be \$49,000. The impact to each municipality is listed below:

| | <u>Bond Amount</u> | <u>Highest Annual Bond Payment</u> |
|------------|--------------------|------------------------------------|
| Westbrook: | \$ 499,500 | \$ 38,597 |
| Gorham: | 231,000 | 17,850 |
| Windham: | <u>19,500</u> | <u>1,507</u> |
| | <u>\$ 750,000</u> | <u>\$ 57,954</u> |

The financial impact was incorporated into the assessment forecast provided to the municipalities.

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

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) of upgrades to the sludge storage odor control system and related infrastructure at the Westbrook Regional Wastewater Treatment Plant (the “Project”);

WHEREAS, the District desires to finance the Costs of such Project by issuing its sewer bonds in the maximum aggregate amount of \$750,000 and to borrow such money through the Maine Municipal Bond Bank’s Clean Water State Revolving Loan Fund program or its general borrowing program or other qualified purchaser of the bonds or a combination thereof;

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

THAT: Pursuant to the District’s Charter, Chapter 84 of the Private and Special Laws of 1975 and all amendments thereof and acts additional thereto, and all other authority thereto enabling, there is hereby authorized and approved the issuance of the District’s sewer bonds in an aggregate principal amount not to exceed \$750,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project (the “Bonds”).

THAT: The Bonds may be issued through a public offering or through one of the Maine Municipal Bond Bank’s State Revolving Loan Fund programs or its general borrowing program or other qualified purchaser of the bonds or a combination thereof.

THAT: Each Bond or note issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.

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

THAT: The Bonds may be made subject to call for redemption, with or without a premium, before the date fixed for final payment of the Bonds, as shall be determined by the Treasurer.

THAT: The Treasurer is authorized to borrow money in anticipation of said Bonds by the issuance and sale of notes or renewal notes in anticipation thereof and to determine the date, form, interest rate, maturities and all other details of each issue of notes, including the form and manner of their sale and award, subject to the provisions of the law, the District’s Charter and these Resolutions.

- THAT:** The Treasurer and President of the District from time to time shall execute such bonds as may be required to provide for exchanges or transfers of Bonds heretofore authorized, all such Bonds to be signed as provided in the next preceding paragraph.
- THAT:** The Bonds and notes may be sold on a competitive or negotiated basis or a combination thereof, as the Treasurer may determine to be appropriate.
- THAT:** The Treasurer be and hereby is authorized to select the underwriter for such Bonds and notes and the Treasurer be and hereby is authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.
- THAT:** The Treasurer be and hereby is authorized to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of such Bonds and notes, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, with the advice of bond counsel for the District, and that the use and distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the District in connection with offering such Bonds and notes for sale be and hereby is approved.
- THAT:** If the Bonds or notes (or 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 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, with the advice of bond counsel, be and hereby is authorized to designate such Bonds and notes as qualified tax-exempt obligations for

purposes of Section 265(b)(3) of the Code, to the extent such designation is available and permissible under said Section 265(b)(3).

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

THAT: 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: The Treasurer, President of the District and Clerk and other proper officials of the District be, and hereby are authorized and empowered in its name and on its behalf to do or cause to be done all such acts and things, and to execute, deliver, file, approve, and record all such financing documents, contracts, agreements, deeds, assignments, certificates, memoranda, abstracts, and other documents (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 the resolutions heretofore adopted at this meeting in connection with the Project, the issuance, execution, sale, and delivery by the District of the Bonds and the execution and delivery of the documents, including the entering into of 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 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 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 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 determine the date, form, interest rate, maturities (not to exceed 40 years from the date of issuance of the original Bonds) and all other details of such refunding bonds, including the form and manner of their sale and award, and to execute and deliver, all in the name of and on behalf of the District, such additional Bond Documents as may be reasonable or necessary with respect to such refunding. The Treasurer be and hereby is further authorized to provide that any of such refunding bonds hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity, and to make such designation or determination of such refunding bonds as he is authorized to make with respect to the original Bonds, and each refunding bond issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1-C
Date of Meeting: July 12, 2021
Subject: Windham Wastewater Bond - \$640,000
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 \$640,000 of Windham Sewer Bonds is hereby authorized to finance upgrades to the Depot Street Pump Station in Windham 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

The proposed motion provides funding for projects that were included in the 2019 Capital Improvement Plan (CIP) and has been amended for actual bid results and town-requested addition scope change:

| | |
|--|------------------|
| 2019 CIP 2019 180-3139 Sludge Storage Odor Control | \$ 560,000 |
| Budget Amendment Order 20-036 (December 21, 2020) | 225,000 |
| Proposed Budget Amendment (July 26, 2021) | <u>105,000</u> |
| Total | 890,000 |
| Less Grant | <u>(250,000)</u> |
| Bond Amount | \$ 640,000 |

FISCAL REVIEW / FUNDING

The bond is planned to be issued through the Maine Municipal Bond Bank General Resolution Program program. It indicates that the first full year’s debt service payment would be \$49,600. The financial impact is \$2,310 higher than that amount incorporated into the Windham Wastewater fund and assessment forecast provided to the municipalities.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

Staff recommends the motion be approved.

ATTACHMENT

A. Full Form of Motion

**PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING SEWER BONDS IN THE
PRINCIPAL AMOUNT NOT TO EXCEED \$640,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) upgrades to the Depot Street Pump Station located in Windham 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 \$640,000 and to borrow such money through the Maine Municipal Bond Bank’s Clean Water State Revolving Loan Fund program or its general borrowing program or other qualified purchaser of the bonds or a combination thereof;

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

THAT: Pursuant to the District’s Charter, Chapter 84 of the Private and Special Laws of 1975 and all amendments thereof and acts additional thereto, and all other authority thereto enabling, there is hereby authorized and approved the issuance of the District’s sewer bonds in an aggregate principal amount not to exceed \$640,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project (the “Bonds”).

THAT: The Bonds may be issued through a public offering or through one of the Maine Municipal Bond Bank’s State Revolving Loan Fund programs or its general borrowing program or other qualified purchaser of the bonds or a combination thereof.

THAT: Each Bond or note issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.

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

THAT: The Bonds may be made subject to call for redemption, with or without a premium, before the date fixed for final payment of the Bonds, as shall be determined by the Treasurer.

THAT: The Treasurer is authorized to borrow money in anticipation of said Bonds by the issuance and sale of notes or renewal notes in anticipation thereof and to determine the date, form, interest rate, maturities and all other details of each issue of notes, including the form and manner of their sale and award, subject to the provisions of the law, the District’s Charter and these Resolutions.

- THAT:** The Treasurer and President of the District from time to time shall execute such bonds as may be required to provide for exchanges or transfers of Bonds heretofore authorized, all such Bonds to be signed as provided in the next preceding paragraph.
- THAT:** The Bonds and notes may be sold on a competitive or negotiated basis or a combination thereof, as the Treasurer may determine to be appropriate.
- THAT:** The Treasurer be and hereby is authorized to select the underwriter for such Bonds and notes and the Treasurer be and hereby is authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.
- THAT:** The Treasurer be and hereby is authorized to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of such Bonds and notes, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, with the advice of bond counsel for the District, and that the use and distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the District in connection with offering such Bonds and notes for sale be and hereby is approved.
- THAT:** If the Bonds or notes (or 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 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, with the advice of bond counsel, be and hereby is authorized to designate such Bonds and notes as qualified tax-exempt obligations for

purposes of Section 265(b)(3) of the Code, to the extent such designation is available and permissible under said Section 265(b)(3).

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

THAT: 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: The Treasurer, President of the District and Clerk and other proper officials of the District be, and hereby are authorized and empowered in its name and on its behalf to do or cause to be done all such acts and things, and to execute, deliver, file, approve, and record all such financing documents, contracts, agreements, deeds, assignments, certificates, memoranda, abstracts, and other documents (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 the resolutions heretofore adopted at this meeting in connection with the Project, the issuance, execution, sale, and delivery by the District of the Bonds and the execution and delivery of the documents, including the entering into of 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 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 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 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 determine the date, form, interest rate, maturities (not to exceed 40 years from the date of issuance of the original Bonds) and all other details of such refunding bonds, including the form and manner of their sale and award, and to execute and deliver, all in the name of and on behalf of the District, such additional Bond Documents as may be reasonable or necessary with respect to such refunding. The Treasurer be and hereby is further authorized to provide that any of such refunding bonds hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity, and to make such designation or determination of such refunding bonds as he is authorized to make with respect to the original Bonds, and each refunding bond issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1-D
Date of Meeting: July 12, 2021
Subject: Portland Wastewater Bond - \$575,000
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 \$575,000 of Portland Sewer Bonds is hereby authorized to finance upgrades to the Heating, Ventilation and Air Conditioning System at the East End Treatment Plant 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

The proposed motion provides funding for projects that were included in the 2019 Capital Improvement Plan (CIP) and has been amended for actual bid results and town-requested addition scope change:

2019 CIP 21-3017 \$ 575,000

FISCAL REVIEW / FUNDING

The bond is planned to be issued through the Maine Municipal Bond Bank State Revolving Loan Program. The first full year’s debt service payment is estimated to be \$36,225. The financial impact was incorporated into the Portland Wastewater fund and assessment forecast provided to the municipalities.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

Staff recommends the motion be approved.

ATTACHMENT

A. Full Form of Motion

**PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING SEWER BONDS IN THE
PRINCIPAL AMOUNT NOT TO EXCEED \$575,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) upgrades to the Heating, Ventilation and Air Conditioning System at the East End Treatment Plant 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 \$575,000 and to borrow such money through the Maine Municipal Bond Bank’s Clean Water State Revolving Loan Fund program or its general borrowing program or other qualified purchaser of the bonds or a combination thereof;

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

THAT: Pursuant to the District’s Charter, Chapter 84 of the Private and Special Laws of 1975 and all amendments thereof and acts additional thereto, and all other authority thereto enabling, there is hereby authorized and approved the issuance of the District’s sewer bonds in an aggregate principal amount not to exceed \$575,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project (the “Bonds”).

THAT: The Bonds may be issued through a public offering or through one of the Maine Municipal Bond Bank’s State Revolving Loan Fund programs or its general borrowing program or other qualified purchaser of the bonds or a combination thereof.

THAT: Each Bond or note issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.

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

THAT: The Bonds may be made subject to call for redemption, with or without a premium, before the date fixed for final payment of the Bonds, as shall be determined by the Treasurer.

THAT: The Treasurer is authorized to borrow money in anticipation of said Bonds by the issuance and sale of notes or renewal notes in anticipation thereof and to determine the date, form, interest rate, maturities and all other details of each issue of notes, including

the form and manner of their sale and award, subject to the provisions of the law, the District's Charter and these Resolutions.

THAT: The Treasurer and President of the District from time to time shall execute such bonds as may be required to provide for exchanges or transfers of Bonds heretofore authorized, all such Bonds to be signed as provided in the next preceding paragraph.

THAT: The Bonds and notes may be sold on a competitive or negotiated basis or a combination thereof, as the Treasurer may determine to be appropriate.

THAT: The Treasurer be and hereby is authorized to select the underwriter for such Bonds and notes and the Treasurer be and hereby is authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.

THAT: The Treasurer be and hereby is authorized to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of such Bonds and notes, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, with the advice of bond counsel for the District, and that the use and distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the District in connection with offering such Bonds and notes for sale be and hereby is approved.

THAT: If the Bonds or notes (or 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 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, with the advice of bond counsel, be and hereby is authorized to designate such Bonds and notes as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code, to the extent such designation is available and permissible under said Section 265(b)(3).

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

THAT: 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: The Treasurer, President of the District and Clerk and other proper officials of the District be, and hereby are authorized and empowered in its name and on its behalf to do or cause to be done all such acts and things, and to execute, deliver, file, approve, and

record all such financing documents, contracts, agreements, deeds, assignments, certificates, memoranda, abstracts, and other documents (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 the resolutions heretofore adopted at this meeting in connection with the Project, the issuance, execution, sale, and delivery by the District of the Bonds and the execution and delivery of the documents, including the entering into of 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 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 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 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 determine the date, form, interest rate, maturities (not to exceed 40 years from the date of issuance of the original Bonds) and all other details of such refunding bonds, including the form and manner of their sale and award, and to execute and deliver, all in the name of and on behalf of the District, such additional Bond Documents as may be reasonable or necessary with respect to such refunding. The Treasurer be and hereby is further authorized to provide that any of such refunding bonds hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity, and to make such designation or determination of such refunding bonds as he is authorized to make with respect to the original Bonds, and each refunding bond issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.



Portland Water District
From Sebago Lake To Casco Bay

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1-E
Date of Meeting: July 12, 2021
Subject: Windham Wastewater Bond - \$11,000,000
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 \$11,000,000 of Windham Sewer Bonds is hereby authorized to finance the construction of a treatment facility in Windham 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

The proposed motion provides funding for design engineering (\$1,000,000). The engineering will provide a better project construction budget. The construction will only occur if the Town authorizes the project.

| | | |
|---|----|-------------------|
| Design Engineering: | | |
| Project Budget Authorized – Order 20-035 (December 21, 2020) | \$ | 961,000 |
| Contingency | | 39,000 |
| Construction (to be updated after the design engineering is complete) | | <u>10,000,000</u> |
| Total | \$ | 11,000,000 |

FISCAL REVIEW / FUNDING

The bond is planned to be issued through the Maine Municipal Bond Bank State Revolving Loan Program. The financial impact of the project higher than that was incorporated into the multi-year forecast provided to the town.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

Staff recommends the motion be approved.

ATTACHMENT

A. Full Form of Motion

**PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING SEWER BONDS IN THE
PRINCIPAL AMOUNT NOT TO EXCEED \$11,000,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) to construct a treatment facility in Windham 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 \$11,000,000 and to borrow such money through the Maine Municipal Bond Bank’s Clean Water State Revolving Loan Fund program or its general borrowing program or other qualified purchaser of the bonds or a combination thereof;

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

THAT: Pursuant to the District’s Charter, Chapter 84 of the Private and Special Laws of 1975 and all amendments thereof and acts additional thereto, and all other authority thereto enabling, there is hereby authorized and approved the issuance of the District’s sewer bonds in an aggregate principal amount not to exceed \$11,000,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project (the “Bonds”).

THAT: The Bonds may be issued through a public offering or through one of the Maine Municipal Bond Bank’s State Revolving Loan Fund programs or its general borrowing program or other qualified purchaser of the bonds or a combination thereof.

THAT: Each Bond or note issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.

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

THAT: The Bonds may be made subject to call for redemption, with or without a premium, before the date fixed for final payment of the Bonds, as shall be determined by the Treasurer.

THAT: The Treasurer is authorized to borrow money in anticipation of said Bonds by the issuance and sale of notes or renewal notes in anticipation thereof and to determine the date, form, interest rate, maturities and all other details of each issue of notes, including

the form and manner of their sale and award, subject to the provisions of the law, the District's Charter and these Resolutions.

THAT: The Treasurer and President of the District from time to time shall execute such bonds as may be required to provide for exchanges or transfers of Bonds heretofore authorized, all such Bonds to be signed as provided in the next preceding paragraph.

THAT: The Bonds and notes may be sold on a competitive or negotiated basis or a combination thereof, as the Treasurer may determine to be appropriate.

THAT: The Treasurer be and hereby is authorized to select the underwriter for such Bonds and notes and the Treasurer be and hereby is authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.

THAT: The Treasurer be and hereby is authorized to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of such Bonds and notes, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, with the advice of bond counsel for the District, and that the use and distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the District in connection with offering such Bonds and notes for sale be and hereby is approved.

THAT: If the Bonds or notes (or 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 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, with the advice of bond counsel, be and hereby is authorized to designate such Bonds and notes as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code, to the extent such designation is available and permissible under said Section 265(b)(3).

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

THAT: 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: The Treasurer, President of the District and Clerk and other proper officials of the District be, and hereby are authorized and empowered in its name and on its behalf to do or cause to be done all such acts and things, and to execute, deliver, file, approve, and

record all such financing documents, contracts, agreements, deeds, assignments, certificates, memoranda, abstracts, and other documents (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 the resolutions heretofore adopted at this meeting in connection with the Project, the issuance, execution, sale, and delivery by the District of the Bonds and the execution and delivery of the documents, including the entering into of 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 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 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 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 determine the date, form, interest rate, maturities (not to exceed 40 years from the date of issuance of the original Bonds) and all other details of such refunding bonds, including the form and manner of their sale and award, and to execute and deliver, all in the name of and on behalf of the District, such additional Bond Documents as may be reasonable or necessary with respect to such refunding. The Treasurer be and hereby is further authorized to provide that any of such refunding bonds hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity, and to make such designation or determination of such refunding bonds as he is authorized to make with respect to the original Bonds, and each refunding bond issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.

LEAD ANALYST

Christopher Yared

617-535-7693

christopher.yared@moodys.comDEBT PROFILE:

1. Please provide an overview of the new issue. The issue funds the replacement of water mains throughout the service territory.
2. Outside of the new sale, what are the district's future long term debt plans? The CIP (see page 27 of the OS) includes \$60.7 million of projects of which \$46.9 million would be bond financed.
3. Discuss ESG statement.

SERVICE AREA AND SYSTEM CHARACTERISTICS:

4. Any major changes to the service area since we spoke last? No.

DEBT SERVICE COVERAGE AND LIQUIDITY:

5. Any anticipated rate increases recently passed or planned? Next increase anticipated early 2022. Regular annual adjustment of 3-5% planned.
6. 2020 audited results
 - a. How much did the budget increase on a \$ and % basis from the prior year? \$1,044,488, or 4.1% increase. Wage increase (salary adjustment + 3 new positions), additional debt service and new costs related to the asset/billing computer system were the primary increased costs.
 - b. Did the district run a surplus or deficit, and what is driving that? 2020 surplus of \$635,871. Water revenue was \$477,012 higher as consumption was higher. The balance was net expenses being lower due to steps to control costs during the pandemic. The surplus is after an addition to the receivable reserve (\$200k), one-time costs related to a mud slide (\$300k) and certain one-time costs related to the new computer system (\$300k).
7. 2021 year to date
 - a. How much did the budget increase from the prior year on a dollar and percentage basis? Decrease of \$281,408 or 1.1%. Lower capital 'pay-go' contribution, one-time assessment main evaluation removed from budget were two of the larger decreases.
 - b. How was that increase balanced on the revenue side? The Dec 1, 2020 rate adjustment is estimated to provide sufficient funding in 2021.
 - c. What sort of federal stimulus, if any, are you anticipating at this time? No money has been allotted to the District as of today. Working with officials to obtain funding.
 - d. Have you been able to work through the build up in accounts receivable since we last spoke? Have write offs increased materially from prior levels? Delinquent balance is approximately \$250,000 and are down from almost \$500,000. Last month we returned to the pre-pandemic level of disconnection (\$101 outstanding more than 60 days old). We increase the allowance be almost \$200,000 in 2020.

MANAGEMENT AND GOVERNANCE:

8. Is there any significant litigation outstanding that could materially impact the district's financial condition? **No.**
9. Any new cyber problems? **No.**
10. Are there any other issues that could materially impact the overall credit strength of the district? **No.**

MOODY'S:

11. Timing of release

CREDIT OPINION

1 July 2021

 Rate this Research

Contacts

Christopher Yared +1.617.535.7693
 Analyst
 christopher.yared@moodys.com

Grayson Nichols +1.214.979.6851
 VP-Senior Analyst
 grayson.nichols@moodys.com

CLIENT SERVICES

Americas 1-212-553-1653

Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

Portland Water District, ME

Update to credit analysis

Summary

[Portland Water District](#) (Aa3 water bonds, Aa1 wastewater bonds) is a well-managed district with sound debt service coverage, manageable debt profile and very strong liquidity. The district benefits as the exclusive franchise providing an essential service to the greater [Portland](#) (Aa1 stable) area, with its diverse customer base and average wealth levels. In addition, the district is deregulated from the Maine Public Utilities Commission meaning rate increases, long-term debt issuance, and other operating matters are subject to approval only by the district's Board of Trustees.

The district's water bonds have weak legal provisions, including a sum sufficient rate covenant, no additional bonds test, and a sinking fund equal to at least 1% total debt outstanding. Bondholders benefit from additional post-default security provided by the district's ability to assess 10 member municipalities (as provided by Title 35-A, Section 6103 of the Maine Revised Statutes, as amended) to satisfy any debt service deficiency upon event of default.

Credit strengths

- » Sizable and stable service area
- » Sound debt service coverage supported by generally annual rate increases
- » Strong management

Credit challenges

- » Weak legal security provisions

Rating outlook

Moody's does not usually assign outlooks to local government credits with this amount of debt outstanding.

Factors that could lead to an upgrade

- » Significant increase in debt service coverage and liquidity position
- » Stronger legal provisions

Factors that could lead to a downgrade

- » Decline in debt service coverage or liquidity

- » Significant increase in debt ratio
- » Downgrade to the city of Portland's general obligation rating

Key indicators

Exhibit 1

| Portland Water District, ME | | | | | |
|--|---|----------|----------|----------|----------|
| System Characteristics | | | | | |
| Asset Condition (Net Fixed Assets / Annual Depreciation) | 42 years | | | | |
| System Size - O&M (\$000) | \$16,934 | | | | |
| Service Area Wealth: MFI % of US median | 112.10% | | | | |
| Legal Provisions | | | | | |
| Rate Covenant (x) | 1.00x | | | | |
| Debt Service Reserve Requirement | No explicit DSRF; or funded with speculative grade surety (Baa and Below) | | | | |
| Management | | | | | |
| Rate Management | Aaa | | | | |
| Regulatory Compliance and Capital Planning | Aa | | | | |
| Financial Strength | | | | | |
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Operating Revenue (\$000) | \$23,508 | \$23,381 | \$24,285 | \$24,789 | \$26,313 |
| System Size - O&M (\$000) | \$15,242 | \$15,428 | \$15,999 | \$15,361 | \$16,934 |
| Net Revenues (\$000) | \$8,594 | \$8,330 | \$8,919 | \$10,255 | \$9,968 |
| Net Funded Debt (\$000) | \$46,141 | \$48,412 | \$53,448 | \$55,627 | \$54,944 |
| Annual Debt Service (\$000) | \$4,280 | \$4,639 | \$5,155 | \$5,771 | \$6,210 |
| Annual Debt Service Coverage (x) | 2.0x | 1.8x | 1.7x | 1.8x | 1.6x |
| Cash on Hand | 508 days | 548 days | 531 days | 549 days | 518 days |
| Debt to Operating Revenues (x) | 2.0x | 2.1x | 2.2x | 2.2x | 2.1x |

Note: While the district's rate covenant is sized to sum sufficient (1.00 times) coverage, the district implemented a debt management policy in June 2007 that targets 1.25x coverage. Since that time, the district has never dropped below the 1.25x coverage level.

Source: Moody's Investors Service and issuer's audited financial statements

Profile

Portland Water District provides water and wastewater services to a population of approximately 215,000, representing 16% of the [State of Maine's](#) (Aa2 stable) population and 76% of the population of [Cumberland County](#) (Aa2), where all the district's customers are located.

Detailed credit considerations

Service area and system characteristics: Essential service provided to stable service area; adequate water supply and treatment capacity

The district serves over 53,000 metered and over 2,500 unmetered connections across the Portland area. The district's primary water source, Sebago Lake, provides an estimated safe yield of 432 million gallons per day (MGD) supply, far exceeding the 2020 system average consumption of 21.2 MGD (5% of safe yield). The district's capacity to treat water is 50 MGD, or 40.4% of the current 20 MGD water production. The maximum daily demand in 2020 was 37.6 MGD.

Approximately 400-500 new connections per year are expected to come online given new residential and commercial development in the City of Portland, as well as new residential development in some of the surrounding communities. The ten largest water customers,

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

including wholesale users are [Yarmouth Water District](#) (Aa3) and Portland Housing Authority and several industrial consumers, remain largely stable and represented 18% of total consumption and 7.7% of total water charges in 2020, down slightly from the prior year.

Water revenues are derived primarily from residential sales (58% of 2020 total sales), but the commercial (22%) and industrial (14%) sectors represent healthy components as well. Individual cities and towns cannot withdraw from the system without the express consent of the state legislature. Wastewater revenues are derived from assessments paid by the participating members. Wealth levels of the district are favorable, with a median family income of 112% of the nation.

Debt service coverage and liquidity: Sound coverage and strong liquidity supported by generally annual rate increases

The district's financial position will remain sound given a history of conservative budgeting, sound debt service coverage, and strong liquidity. According to the December 31, 2020 audited financials, total debt service coverage decreased to 1.61x from 1.78x in the prior year. In previous years, coverage was over 2.00x, but coverage remains strong and the district has maintained coverage of over 1.6x for each of the past five years. The district maintains an operating reserve fund with a target balance of 25% of expenditures, which was achieved in 2020. Days' cash on hand was very strong at approximately 518 days. Management's history of increasing rates on a timely basis is key to the credit profile. Since 2011, wastewater rates have increased by 28%, while water rates have increased by 26%.

During fiscal 2020, the district was barred from shutting off water service to delinquent payers due to the ongoing COVID-19 pandemic. Those rules have since been reversed, and while uncollected accounts did increase marginally, they remained – even at their peak – a small percentage of revenues. Finally, the district's rates compare well versus similar districts throughout the state or nation.

LIQUIDITY

In 2020, days cash on hand measured 518 days of operating expenditures.

Debt and legal covenants: Well-managed debt profile with moderate future borrowing needs; weak legal provisions

The debt position will remain affordable given the district's history of timely rate increases structured to adequately cover debt service obligations and a reasonable capital improvement program (CIP). The debt ratio of 22% in 2020 was 1% lower than the prior year. The five-year CIP calls for \$113 million of spending or about \$23 million per year. Only a small minority of these projects are expected to be financed with bonds.

The district maintains an internal target for debt service not to exceed 35% of annual expenditures. The bonds are water revenue and wastewater revenue obligations of the district, and debt service is payable from available revenues of the water and wastewater system, respectively.

Although the district operates both as a regional water distribution system and a wastewater treatment system, water bonds are payable only from water system revenues. As required by the district's charter, which was enacted by the state legislature and can only be amended by the same body, revenues are derived solely from water rates set at sums sufficient to pay for water system operating expenses and debt service. Furthermore, the district's charter requires the district to maintain water and wastewater records, accounts, and rate-setting processes under separate systems. The district has not established a debt service reserve nor provided legal rate covenants or an additional bonds test; there is no bond indenture. However, the district's policy is to maintain debt service coverage of at least 1.25x, and the district has been in compliance with the policy since its adoption in June 2007.

Furthermore, the bonds are supported by the district's authority to initiate a post-default mechanism, which requires municipalities in the district that have adopted Section 6103 to levy a tax set at a uniform rate applied to 100% of respective equalized state valuation on all property. Municipalities are required to collect and remit the proceeds from such a tax to the district for purposes of paying debt service, although we note that subsequent to a default, under the procedure provided in Section 6103, up to a year could elapse before taxes could be levied and remitted to the district and bondholders. The district's water system serves 11 cities and towns and one water district (being a wholesale customer subject to contract). Members of the district who have accepted Section 6103 are the Cities of Portland (Aa1 stable), [South Portland](#) (Aaa stable) and [Westbrook](#) (Aa3) and the Towns of [Cape Elizabeth](#) (Aa1), [Gorham](#) (Aa2), [Cumberland](#) (Aa2), [Falmouth](#) (Aaa), [Scarborough](#) (Aa3), [Windham](#) (Aa2) and Raymond. The Town of Standish is a non-member of PWD and is therefore not subject to Section 6103; however, the town is considering becoming a member. The district's wastewater system serves as a wholesale provider of wastewater treatment to seven municipalities in the Portland region. The city of Portland owns and operates collector sewer lines and is responsible for the maintenance of such. The city, the district, and the Department of Environmental Protection have entered into agreements to minimize combined sewer overflows (CSO). The city and district have

identified \$167 million in projects to be completed over the next 15 years. The district is responsible for \$45 million in projects, with the city covering the remainder.

DEBT STRUCTURE

The entire debt portfolio is fixed rate with about 75% of principal retired in ten years.

DEBT-RELATED DERIVATIVES

The district is not party to any interest rate swaps or derivative agreements.

PENSIONS AND OPEB

The district contributes to its non-bargaining unit employees' pension plan and its bargaining unit employees' pension plan, two single employer defined benefit pension plans. Neither plan requires employee contributions. Participation in the plans have been closed to new members since 2010 and 2011, respectively.

ESG considerations

Environmental considerations

There are no major environmental considerations. The district's water infrastructure assets are located on high ground and management considers climate change preparedness as part of its capital planning process.

Social considerations

Outside of the COVID-19 information discussed above, there are no major social considerations. The district operates throughout Cumberland County, which has above average incomes and a lower median age relative to the rest of the state.

Management and governance considerations

District management employs conservative budgeting and financial management as evidenced in well-managed financial operations with satisfactory reserves and sound debt service coverage, as well as long-term planning for capital expenditures. In November 2015, the Maine Public Utilities Commission approved the district's request to become deregulated. Therefore, rate increases, long-term debt issuance, and many other operating decisions are now subject to approval only by the district's Board of Trustees.

© 2021 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY550,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

CLIENT SERVICES

| | |
|--------------|-----------------|
| Americas | 1-212-553-1653 |
| Asia Pacific | 852-3551-3077 |
| Japan | 81-3-5408-4100 |
| EMEA | 44-20-7772-5454 |

Management Meeting Details

Issuer: Portland Water District
Meeting Date: 6/28/2021 @ 2 pm EST
S&P Primary Analyst: Jaime Blansit
S&P Secondary Analyst: Edward McGlade

Agenda

- Introductions
- Standard & Poor's/Issuer Opening Remarks
- Issuer Presentation (optional)
- Questions & Answers
- Meeting Conclusion
- Next Steps / Timeline

Topics to Generally Discuss

- Please advise on the service area economy and customer base.
 - Have there been any changes to the top customers to the water system in the last year? Top 10 Customers – Revenue 2020 - \$2,030,037, 1% lower than 2019. YTD consumption for top two customer (Calpine Natural Gas Energy and Sapi Paper Mill) is 300,415, up 84% over last year and 39% higher than 2019.)
 - What growth expectations does the District have for residential, commercial, or industrial development? Expect growth to continue at 0.7% or 400 customers a year.
- Please advise on the rate plans for the authority.
 - Please advise if the authority has any rate adjustments pre-approved or planned after 2021. The next rate adjustment is expected early 2022.
 - Any changes to the rate setting policies expected? No. Expect annual rate adjustments between 2.5 to 5% each year.
- Please update us on the operations of the District.
 - Please advise of any regulatory issues the water system may have. Any contamination or infiltration? PFAS, lead, or otherwise. No issues. Lead – District decided in the 1980's to remove lead water lines. We will take the required 'inventory' but the list is expected to be small. We have taken steps to identify any water service lines that are lead. Will increase monitoring samples & conduct survey of schools/day cares as required. PFAS – Complete test and water was free of PFAS chemicals except for 1 amount just over the detectable level.
 - Any expectations of filtration requirements being added in the medium term? No. Taking active steps to protect watershed land. Received first federal grant under the 2019 Farm Bill - \$8M grant. Created Sebago Clean Water partnership for fundraising and public relations.

- Are there any environmental risks that the District prioritizes? See attachment A
 - Flooding, sea level rise, etc.
- Please update us on the finances of the District.
 - Please provide an update on the liquidity reserves – any expected drawdowns or buildups in the near term? Operating Reserve:2020 – added \$487,268 to operating reserves – a 1.8% increase, bringing the operation reserve balance to \$7.3M or 27.9%.
 - Any planned additional debt? See page 35 of OS for authorized future bonds. See attachment B for future debt plans.
 - Please advise on some of the larger projects in the CIP.
 - What improvements are needed for the water distribution system, WW treatment, etc?. Between 2021 and 2025, \$60.7 million of water projects included in the CIP of which \$46.9 million is expected to be bond financed. See Attachment B
- Management Policies
 - How often are budgets compared to actuals and presented to the board? Monthly report provided to Board.

Attachment A

Rating Agency ESG Statement (Draft) June 2021

Water Supply Quantity and Quality

In a typical year Portland Water District customers consume approximately 8 billion gallons of water. PWD's source of water, Sebago Lake, holds more than 800 billion gallons of water. This means we have more than 100 years' worth of water in storage, a quantity of available water that provides a profound level of protection from the impacts of drought.

The quality of the water is even more impressive. In the United States there are about 13,000 surface water supplies. Of these only about 50 are so clean that they have been determined by EPA to not require filtration prior to disinfection. The PWD system is one of these 50.

One way to quantify the outstanding quality of the water is by examining its turbidity – a measure of the quantity of suspended particles (e.g., algae, sediment, pollen) in the water. This is important because excessive turbidity can make disinfection more difficult. Any river or lake will have some suspended material (meaning turbidity is not zero) and it is common for turbidity to increase during storm events. The Safe Drinking Water Act requires surface water suppliers to monitor the turbidity of untreated water entering the plant. For an unfiltered system, such as PWD's, the turbidity cannot exceed 5 turbidity units. Any lake or river could experience temporary increases in turbidity during storm and other events so larger systems such as PWD's monitor turbidity continuously using on-line instruments. This means any increases would be detected were they to occur. However, in the past 10 years, Sebago Lake's turbidity has been incredibly stable. The maximum turbidity of untreated water has been 0.8 turbidity, the minimum has been 0.12 turbidity units, and the average has been 0.23 turbidity units. Even through all major storms that have occurred in those 10 years, the turbidity has never once reached even 20% of the allowable limit.

Watershed Forest Conservation Program

Sebago Lake has been the water supply for Greater Portland since 1869. It is an enormous and spectacularly clean lake that is of such high quality in part because of the largely forested watershed. Based on an analysis of 2004 aerial imagery, about 84% of the watershed is covered in forest. This means 16% of the watershed is no longer fully forested. However, even most of the portion of the forest that is not fully forested is still pervious (not paved) and able to absorb some rainfall and runoff. An analysis of 2013 LANDSAT imagery revealed that in total about 94% of the watershed land is pervious. This forest and vegetated cover provides natural filtration that is far more resilient to changing climate than any built system could be.

PWD has established a *Watershed Land Conservation Program* which provides financial support to land trusts and others to increase the percentage of these forested lands that are permanently conserved. Since 2000 when the first investment was made, more than 6,000 acres have been protected in fee or by conservation easement and will thus be forested in perpetuity. The partners worked informally for many years before forming a partnership, *Sebago Clean Waters*, in 2017. The partnership received an \$8M federal grant in 2020 that will result in the conservation of more than 10,000 additional forested acres in the next five years.

Water System Risk and Resilience Assessments and Risk Mitigation

A water system is comprised of hundreds of square miles, is partly buried and partly exposed, and consists of components made of widely varied materials and ages. This means all water systems are vulnerable to storms and natural disasters. It is industry best practice to mitigate vulnerability by:

1. Identifying the human-caused or natural events that could damage the system or impact operations;
2. Ranking these events in order of risk;
3. Determining the cost and efficacy of potential countermeasures to mitigate these risks;
4. Implementing measures to mitigate the most likely and most impactful of the risks; and
5. Repeating this process every 5 years to recognize countermeasures we've implemented and re-rank areas of risk.

The PWD has gone through the risk mitigation cycle described above three times since 2000 and will repeat it every five years, as required by the American Water Infrastructure Act of 2018. The 2015 and 2020 Risk Assessments were consistent with the ANSI/AWWA J100 that requires assessing the vulnerabilities to natural disasters, as well as man-made threats. Many countermeasures, large and small, have been implemented and others are part of capital planning in the coming years. Improvements are made each year that incrementally lessen overall risk in the Greater Portland drinking water system.

Severe Storm Preparedness

All water and wastewater systems are designed and built to continue operations during and after severe storm events. However, their very nature means there is always the potential for disruption. This is because these systems are extensive, often sprawling across multiple towns; are built of solid materials but buried in soils that freeze, thaw, and shift; are powered by electrical systems with their own vulnerabilities; and slowly rust and deteriorate over the decades while mostly underground and unseen.

To minimize the severity and duration of service interruptions due to storm events, PWD's various operational departments employ a storm early warning and preparedness system. The *Cumberland County Emergency Management Agency* consistently sends pre-storm information prepared by the *National Weather Service*, often starting as much as a week before the storm is expected to arrive. When a storm is a day or two away it is ranked by PWD's operations staff based on anticipated severity; and each department activates a pre-designed series of preparatory steps calibrated to the expected type and duration of impacts. These steps include mobilizing resources and people, fueling vehicles, placing staff on call, filling storage tanks, preparing generators, and many others. All of these pre-storm measures enable us to avoid the worst potential impacts of storms, respond more quickly, and return PWD's systems to normal functioning sooner. Because PWD's preparation is coordinated with the county, the response actions are similarly coordinated with first responders and utilities and PWD's needs included in regional prioritization during the post-storm restoration.

Incident Management System

PWD has developed a company-wide series of practices to respond quickly and effectively to natural or human-caused disruptions of PWD's operations. We have developed an *Incident Management Process* based on the national ICS system as required by the ANSI/AWWA G430-14. We have an *Emergency Operations Center* that is integrated with county and State EMA; and we have a number of staff who have completed ICS training to various levels. To ensure the process runs smoothly we conduct exercises annually involving multiple operations and planning departments and sometimes also include area first responders. After each such exercise we conduct an after-action review to identify and correct deficiencies.

Water and Wastewater System Redundancy and Resiliency

Water staff maintain a history of weather events and operational issues that have affected the operation of the water system or caused near misses during the past 25 years. Review of these events has led to creation of emergency response procedures, training of employees, and the regular exercise of emergency response equipment. The PWD has invested in equipment and infrastructure that facilitate temporary chemical facilities, enable mobile pumping, and valves that automatically respond to system disruptions to maintain minimum service levels. In addition, alternative treatment techniques have been set up to meet primary treatment requirements during various emergency incident scenarios.

As part of PWD's Wastewater capital improvement program (CIP), we are systematically installing generators at remote locations to ensure those facilities run during outages. Most of PWD's critical pump stations have built-in, dedicated generators, and PWD's Wastewater CIP includes funding for several others in the next three years. Additionally, PWD has installed bypass piping at pump stations during upgrades. Bypass pumping ensures that operations are not interrupted during repairs. The PWD has two large mobile pump units that can be readily connected and serve a pump station during repair or power loss. Pump stations that do not have dedicated generators have generator plugs to allow temporary generators for prompt installation. Pump stations have backup float systems to allow for simplified operation under radio communication or power issues.

A major electrical upgrade is ongoing at the East End Wastewater Treatment Facility, PWD's largest wastewater treatment facility. This multi-year project provides resiliency to enable uninterrupted operation during prolonged outages. As part of this effort, there are new generator connections at the East End facility and standard procedures are established for the rental and connection of a temporary generator, if needed.

PWD's operations staff are cross trained on a rotating basis so that over the course of a year they gain experience in all of PWD's major facilities, ensuring that we can respond rapidly and effectively to a disruption in service during any shift.

Facility Design Strategy

As part of the design process PWD design teams assess stormwater levels specifically applicable to the site of each facility as part of PWD's standard approach for every upgrade. Considerations include, but are not limited to, the FEMA 100-year flood elevations with future sea level rise buffer and *Sea, Lake and Overland Surges* information. Following review of this information, the design teams either design systems to operate under inundation with elevated electrical and control systems or relocate the facilities.

Asset Information Management

We have a comprehensive *Asset Information Management System* (AIM) and *Work Order System* that documents PWD's approximately 300,000 assets, tracks work against them, and enables troubleshooting and timely replacement before failure. The District has defined *Levels of Service* that have been part of the annual Comprehensive Budget for more than 15 years and serve as the basis of prioritization of programs and initiatives that the District undertakes. The software applications that form the core of this system (GIS and CMMS) are currently undergoing a major upgrade and integration effort. This will support further data integration for improved asset performance (SCADA control systems and financial). The PWD is also embarking on a company-wide update of the current *Asset Management Plan* (AMP) and will leverage the AIM system to improve understanding of critical assets and comprehensive condition assessment of assets.

SCADA

PWD utilizes an extensive SCADA (*Supervisory Control and Data Acquisition*) system, which is responsible for process automation, and provides staff with operational data for all of PWD's process systems and sites. The system consists of thousands of process instruments and equipment signals, and hundreds of Programmable Logic Controllers, which feed data into a secure SCADA network isolated from the district's administrative network. The system automates many of PWD's treatment processes, and alerts staff when conditions are outside normal range. SCADA also provides information for many of PWD's remote sites, which allows for remote monitoring and control during daily operation and also provides operational resiliency during emergency situations. SCADA also trends historical data, allowing for analysis of operational data for improved efficiency and function in the future.

Attachment B

Project by Program and Subprogram/Project Summary

| | -2021- | -2022- | -2023- | -2024- | -2025- |
|---|--------------------|---------------------|---------------------|---------------------|---------------------|
| Comprehensive Planning | | | | | |
| 3\3071\Comprehensive Asset Management Strategic Plan | \$750,000 | | | | |
| SCADA & Technology | | | | | |
| 110\3058\Miscellaneous Control Project Upgrades | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| 110\3061\SLWTF SCADA PC Replacement Project | | | | | \$25,000 |
| Vehicle/Equipment Replacement | | | | | |
| 326\3042\Replace Lake Patrol Boat | | \$150,000 | | | |
| Water Distribution System | | | | | |
| 262\3069\SLWTF - Emergency Storage/Transmission- Design | | | | \$600,000 | |
| 262\3070\SLWTF - Emergency Storage/Trans - Construction | | | | | \$6,000,000 |
| 307\3067\407 Zone Reliability Improvements | | \$1,600,000 | | | |
| 307\3068\407 Zone Reliability Improvements | | | \$2,000,000 | | |
| 408\3092\Water System Redundancy (looping), Upsizing | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| 43\3121-a\WMR- Various Main Replacements | \$4,000,000 | \$4,000,000 | \$4,000,000 | \$5,000,000 | \$6,000,000 |
| 43\3121-b\WMR- Various Main Replacements | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 |
| 43\3121-c\WMR- Various Main Replacements R&R | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 |
| 53\3087\Water Valve Replacement | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| 56\3077\Water Main Replacement - Seasonal Mains | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |
| 61\3082\Water Services - Renew Domestic and Fire | \$600,000 | \$600,000 | \$600,000 | \$600,000 | \$600,000 |
| 65\3072\Water Hydrant Replacement | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| Water Facilities Program | | | | | |
| 122\3032\Water Facilities R&R | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| 122\3210\Chemical Storage Facilities Upgrades | | \$300,000 | | | |
| 122\3211\Windham Pump Upgrades | | \$350,000 | | | |
| 122\3238\Parking Lot Improvements (Permeable Pavement) | \$65,000 | | | | |
| 122\3240\SLWTF Raw Water Pump #4 Rebuild | | | | | \$180,000 |
| 18\3007\SLWTF Intake Screening Phase 1 | | | \$240,000 | \$3,500,000 | |
| 203\3102\Water Storage Facility Maintenance & Upgrade | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| 203\3104\Water Tank Maintenance- Gorham Tank Rehab | | | \$450,000 | | |
| Water Supply | | | | | |
| 46\3097\Water System Security Improvements | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |
| Grand Total | \$9,115,000 | \$10,700,000 | \$10,990,000 | \$13,400,000 | \$16,505,000 |

| Fund | Water |
|------|-------|
|------|-------|

Financing Summary

| | -2021- | -2022- | -2023- | -2024- | -2025- |
|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Bond | \$6,000,000 | \$7,600,000 | \$8,240,000 | \$11,100,000 | \$14,000,000 |
| R&R | \$2,365,000 | \$3,100,000 | \$2,750,000 | \$2,300,000 | \$2,505,000 |
| Reserves | \$750,000 | | | | |
| Grand Total | \$9,115,000 | \$10,700,000 | \$10,990,000 | \$13,400,000 | \$16,505,000 |



MEMORANDUM PORTLAND WATER DISTRICT

TO: Operations Committee / Board of Trustees

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

DATE: July 2, 2021

RE: **Operations Committee Meeting – July 12, 2021**

A meeting of the Operations Committee of the Portland Water District Board of Trustees will be held on Monday, July 12, 2021 beginning at 5:30 p.m., in the Douglass Street Nixon Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

- 1. Engineering Method Approval – Biosolids Processing and Disposal Assessment**
Staff will provide a recommendation to procure engineering services for the evaluation of alternatives and future planning considerations for disposal of biosolids from our wastewater treatment facilities. (See attached memo)
- 2. Maiden Cove Pump Station Upgrades – Construction Services**
Staff will provide a recommendation to award a construction contract for the Maiden Cove Pump Station Upgrades Project. (See attached memo)
- 3. Depot Street Pump Station – Construction Services and Project Budget Amendment**
Staff will provide a recommendation to execute an amendment to the construction services contract for the Depot St. project. (See attached memo)
- 4. Other Business**



Portland Water District
From Sebago Lake To Casco Bay

OPERATIONS COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1
Date of Meeting: July 12, 2021
Subject: Engineering Method Approval – Biosolids Processing and Disposal Assessment
Presented By: Paul Rodriguez, Sr. Project Engineer

RECOMMENDATION

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

ORDERED, that the Phased Engineering Method is authorized for the procurement of engineering services for the Biosolids Processing and Disposal Assessment, pursuant to the District's Purchasing Policy, and that the General Manager and the Treasurer, each acting singly, are authorized to take such other steps as may be necessary to accomplish the intent of this vote.

BACKGROUND ANALYSIS

Pursuant to the District's purchasing policy, staff is seeking approval from the Board of Trustees to procure engineering services for the evaluation of alternatives and future planning considerations for disposal of biosolids from our wastewater treatment facilities. The phased method for engineering will limit the scope of services to this study; engineering procurements for any future recommendations resulting from the study will be procured independently from this effort.

The assessment will include a holistic review of biosolids processing options in the region and evaluation of alternatives in the context of the current regulatory climate regarding biosolids reuse and ultimate disposal. Staff estimates that the cost for the study to be \$100,000.

Once the Method is approved, staff will issue a request for proposals. It is expected that a recommendation will be offered to the Board at the December meetings.

FISCAL REVIEW/ FUNDING

The project was included in the 2021 CIP, Subprogram 421, Project 3233. Project costs will be allocated through capitalization and/or expense based on the effort expended for each fund.

LEGAL REVIEW

Corporate Counsel has reviewed and approved the form of motion.

CONCLUSION(S)

Staff recommends that the phased engineering method be utilized for the Biosolids Processing and Disposal Assessment.

ATTACHMENTS

None



Portland Water District
From Sebago Lake To Casco Bay

OPERATIONS COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 2
Date of Meeting: July 12, 2021
Subject: Maiden Cove Pump Station Upgrades – Construction Services
Presented By: Paul Rodriguez, Sr. 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 T. Buck Construction Inc., in the amount of \$528,517 for construction services for the Maiden Cove Pump Station Upgrade Project, (the “Project”); and

BE IT FURTHER ORDERED, that the Project budget is amended by increasing it by \$197,000 and that the total budget for the Project is hereby authorized, not to exceed \$642,000; and that the General Manager, and the Treasurer, each acting singly, are authorized to take such steps as may be necessary to accomplish the intent of the vote.

BACKGROUND ANALYSIS

The proposed Project would be the first major upgrade or renovation to the station since original construction in 1975. The station’s electrical systems (including the standby generator and fiberglass enclosure), piping, and pumps are at the end of their service life and in need of replacement. The station currently utilizes a steel “canned” enclosure that extends 20 feet below grade and houses two pneumatic ejectors and a compressed air system.

During detailed design the benefits of converting the station to a submersible pump/wetwell configuration were considered. For stations of this size, the submersible style is our typical approach for new construction and would allow for most maintenance activities to be conducted at grade. Pneumatic ejector systems require frequent cleaning of the high pressure valving arrangement which relies on tight tolerances for effective operation.

Converting to a submersible style station would replace the below grade steel structure with a new concrete wetwell. The existing structure has been in service for 46 years and is in adequate condition; while below grade steel structures have a generally accepted service life of 30 to 50 years they can last much longer under ideal soil conditions. A well maintained new concrete structure would be expected to last 50 to 75 years, therefore providing a much longer expected service life and added value compared to re-use of the existing structure. The cost of converting to a submersible style arrangement is \$200,000.

The design was completed and issued for bid in April 2021; the project was advertised and directly solicited to over 60 contractors and suppliers in the region. An online project review and site visit were conducted on April 13th and 15th and attended by five potential respondents. Bids were received on May 18, 2021; T. Buck Construction Inc. was the sole respondent. The District engaged with T. Buck to discuss any potential cost savings opportunities and identified use of pre-cast concrete in lieu of cast-in-place as a viable alternative.

Staff recommends awarding the contract to T. Buck Construction, Inc. as the lowest responsive and responsible bidder for the Maiden Cove Pump Station upgrade project. Further, staff recommends use of pre-cast concrete to reduce construction costs by \$70,000. The Project budget is as proposed on Attachment A.

FISCAL REVIEW/FUNDING

This project is the upgrade of the Maiden Cove Pump Station and will have an estimated operating fund impact of \$42,000 for Cape Elizabeth.

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, T. Buck Construction, Inc.

ATTACHMENT(S)

Attachment A

ATTACHMENT A

Bid submitted:

| No. | Contractor | Base Bid Price |
|-----|----------------------------|----------------|
| | | 1/16/20 |
| 1 | T. Buck Construction, Inc. | \$598,518 |

Proposed Budget:

| Item | Amount | Board Approval |
|---|-------------------|--|
| Survey and Preliminary Engineering | \$15,000 | CIP 2019 – 52/3002 |
| Electrical, Structural and Mechanical Detailed Design | \$10,980 | CIP 2020 – 52/3002 July 2021 (Proposed) |
| Telemetry Upgrade and AESS Services | \$45,000 | |
| Construction | \$528,517 | |
| Project Contingency and Equipment Pre-Purchase | \$42,503 | |
| Project Total | \$ 642,000 | |

Project#: CIP 2019/2020 – Subprogram 52, #3002



Portland Water District
From Sebago Lake To Casco Bay

OPERATIONS COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 3
Date of Meeting: July 12, 2021
Subject: Depot Street Pump Station – Construction Services and Project Budget Amendment
Presented By: Helen Newman, Project Engineer

RECOMMENDATION

The following proposed language is for Board of Trustee approval:

ORDERED, the General Manager is hereby authorized to execute an amendment to the construction services contract with D&C Construction Co., Inc. in the amount of \$99,920.00 to construct the High Street Sanitary Sewer Replacement as part of the Depot Street Pump Station Project (the “Project”); and

BE IT FURTHER ORDERED, that the Project budget is amended by increasing it by \$105,000 and that the total budget for the Project is hereby authorized, not to exceed \$890,000; and that the General Manager, and the Treasurer, each acting singly, are authorized to take such steps as may be necessary to accomplish the intent of the vote.

BACKGROUND ANALYSIS

At the request of the Town of Windham, the District undertook the design and construction of the Depot Street sanitary sewer pump station. The project scope included new gravity pipe and force main along Depot Street to replace the existing 4-inch diameter siphon pipe. The original project scope and budget were limited to Depot Street to maintain alignment with the Town’s roadway restoration project along Depot Street.

In March of 2021, the Town reported that it is planning to repave High Street in 2022 or 2023 and High Street contains the last 320 feet of the 4-inch siphon pipe. A sanitary sewer pipe replacement design consisting of 320 feet of 8-inch gravity sewer pipe, a new manhole, and modifications to the existing siphon manhole was sent to D&C Construction. D&C Construction provided a cost for the additional project scope and it is shown on Attachment A.

The additional project scope and cost implications were discussed with the Town on June 29th, 2021 and they directed PWD staff to request a project budget increase to complete the additional work with D&C Construction while they are mobilized at the project site.

The revised budget for the project as proposed is shown on Attachment A.

Project#: 2019-Subprogram 180/ Project 3139

FISCAL REVIEW/FUNDING

The High Street Sanitary Sewer Replacement will have an estimated additional operating fund impact of \$8,400 for Windham.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed order as to form.

CONCLUSION(S)

Staff recommends increasing the project budget and awarding the High Street wastewater change order to D&C Construction Co., Inc.

ATTACHMENT(S)

SUPPORTING INFORMATION

ATTACHMENT A

High Street Addition – Depot Street Wastewater Pump Station:

| Contractor | Base Bid Price |
|---------------------------|----------------|
| D&C Construction Co., Inc | \$99,920.00 |

Proposed Budget:

| Item | Original Amount | Revised Amount | Board Approval |
|---|-------------------|-------------------|----------------------|
| Detailed Design and Bidding | \$68,110 | \$68,110 | Sole Source Approval |
| Construction Phase Engineering Services | \$57,592 | \$57,592 | December 2020 |
| Construction Phase Pipe Inspection | \$26,000 | \$26,000 | |
| Pump Purchase | \$20,554 | \$20,554 | |
| Construction | \$549,561 | \$649,481 | July 2021 (Proposed) |
| CMP Electrical Service | \$5,445 | \$5,445 | December 2020 |
| Utility Relocation | \$26,300 | \$26,300 | |
| Project Contingency | \$31,438 | \$36,518 | July 2021 (Proposed) |
| Project Total | \$ 785,000 | \$ 890,000 | July 2021 (Proposed) |

Project#: CIP 2019-Subprogram 180, Project # 3139



MEMORANDUM PORTLAND WATER DISTRICT

TO: Planning Committee / Board of Trustees

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

DATE: July 2, 2021

RE: **Planning Committee Meeting – July 12, 2021**

A meeting of the Planning Committee of the Portland Water District Board of Trustees will be held on Monday, July 12, 2021 at 5:30 p.m. in the Douglass Street EOC of the District, 225 Douglass Street, Portland, Maine.

AGENDA

- 1. Easement Swap/ Easement Modification – India Street Pump Station - Portland**
Staff will provide an update and will recommend to table.
- 2. Recommendation to Authorize Signing of the Regional Conservation Partnership Program Grant (RCPP) Acceptance Documents**
Staff will recommend accepting the Federal Grant. (Supporting memo will be sent out later this week.)
- 3. Education and Outreach Programs Update.**
Staff will review the education and outreach program with the Committee.
- 4. Other Business**