

As voted by the Board of Trustees and in accordance with the notice of the meeting, the monthly Workshop Meeting of the Board of Trustees of the Portland Water District was held in the Nixon Training Center at the general offices of the District, 225 Douglass Street, Portland, Maine, on Monday, April 14, 2024. In attendance from staff were C. Crovo, D. Kane, S. Firmin, J. Wallace, M. Archibald, J. Hudak, P. Hunt and D. Katsiaficas.

Trustees J. Siviski and G. Libby were absent.

President Lunt convened the workshop meeting at 6:30 p.m.

1. "Follow the Water"

Paul Hunt, Environmental Services Manager, gave a brief description of Sebago Clean Waters and the improvement in the amount of conservation PWD has been able to accomplish as a result of the partnership.

Paul Hunt then shared the short documentary film.

2. Water Systems Development Charge

David Kane, Director of Administration led a financial discussion about a water system development fee. At the Administration Committee meeting in April, the concept of water system development charges was discussed.

Water rate increases are expected to continue and get larger in the coming years. PWD is exploring ways to mitigate the amount of those charges. Mr. Kane explained a forecast of the operating budget. It is anticipated that approximately \$105 Million Dollars in capital work will need to be done.

On the water side, operating expenses have been increasing 10%. To maintain our service levels, in the next 40 years, 1-2 Trillion dollars will need to be spent to improve and maintain the system.

Mr. Kane explained the capital budget funding sources for 2025. Impact fees are a potential source of funding in the future. They are assessed to new customers based on standards in state law. The money collected from those customers can only be used for capital costs related to increasing demand for service. Growth pays for growth is the theory. This means general ratepayers pay a little bit less, and it helps with debt service.

PWD adds about 500 new customers per year. A fee would be developed based on the size of the service the new customer has.

PWD does have projects in the works that would qualify for an impact fee. An estimate of approximately 172.5 million dollars in projects could qualify for the imposition of impact fees. (7 projects)

If PWD decides to proceed with the charge, it will not need PUC approval as it has received an exemption from regulation for that fee. The Board of Trustees can decide whether an impact fee will be enacted and the amount.

The next step in the process would be to conduct a study that would be completed by Sept. 1. The Board would review the study. In conjunction with the budget, a potential impact fee or system development fee could be developed to be implemented on January 1. This is an aggressive schedule.

There may be public opposition to the charge, which is why it is important to have a consultant study it and provide recommendations. The consultant study will cost between \$20,000 and \$40,000.

A potential impact fee would be paid by developers/developments. The fee could be in the range of \$1,000-\$2,000 for an individual unit. The proposed study will help identify what the impact fee should be. PWD will be following the same process the PUC uses when approving an impact fee.

The Trustees felt that the study should be conducted as soon as possible because there are many projects in the pipeline for approval. While development fees will help offset the increasing rates, but they will not alleviate the need for increasing rates in the future.

Trustees also suggested PWD educate the public as to the need to replace existing infrastructure and investing in PWD assets.

3. Other Business

None.

4. Adjourn

The meeting was adjourned at 7:40 p.m.

Submitted by,

Donna M. Katsiaficas

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Clerk