



WORKSHOP MEETING BOARD OF TRUSTEES

225 Douglass Street, Portland, Maine
Jeff P. Nixon Training Center
6:30 p.m. on Monday, January 12, 2025

<https://us06web.zoom.us/j/81909590908?pwd=RplvrJOf4t4b3a4kaQ6TSz4cSGFSRP.1>

There will be a Workshop Meeting of the Board of Trustees of the Portland Water District on Monday, January 12, 2025. The meeting will begin at 6:30 p.m. in the Nixon Training Center at the general offices of the District located at 225 Douglass Street, Portland, Maine.

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

| <u>Committee</u> | <u>Room / Location</u> | <u>Time</u> |
|---|---------------------------|-------------|
| Pension | GM Conference Room | 5:15 p.m. |
| Administration & Finance | Monie Room | 5:30 p.m. |
| The public can access the Administration and Finance Committee meeting on Zoom here: https://us06web.zoom.us/j/89688630356?pwd=M9V18Tz6tVB9gvznwgrogfXDoLB7bo.1 | | |
| Operations | EOC 2 nd Floor | 5:30 p.m. |
| Planning | Nixon Training Center | 5:30 p.m. |

AGENDA – WORKSHOP

1. **Media Training**
Donna Katsiaficas, Corporation Counsel, and Michelle Clements, Communications and Public Relations Director, will discuss public meeting and public response protocol, as well as provide media training for the Board.
2. **General Manager Comments**
3. **Other Business**
4. **Adjourn**



MEMORANDUM PORTLAND WATER DISTRICT

TO: Pension Committee/Board of Trustees

FROM: Emanuel Archibald, Director of Human Resources

DATE: January 6, 2026

RE: **Pension Committee Meeting – January 12, 2026**

A meeting of the Pension Committee of the Portland Water District Board of Trustees is scheduled for Monday, January 12, 2026, in the General Manager's Conference Room at the District office, 225 Douglass Street, Portland, Maine. The meeting is scheduled to start at 5:15 p.m.

AGENDA

1. **Approval of Pension Distributions**
Staff will present a request to approve benefits for one retiree.
2. **Other Business**



MEMORANDUM PORTLAND WATER DISTRICT

TO: Administration and Finance Committee/Board of Trustees

FROM: David Kane, Executive Director of Administration
Emanuel Archibald, Human Services Director

DATE: January 6, 2026

RE: **Administration and Finance Committee Meeting – January 12, 2026**

A meeting of the Administration and Finance Committee of the Portland Water District Board of Trustees will be held on Monday, January 12, 2025, at 5:30 p.m., in the Monie Conference Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

1. Falmouth's Request for the Sewer Fund Refund

The town of Falmouth has requested a portion of the Falmouth Sewer Fund's operating surplus. (See attached).

2. Home Serve Contract

The Home Serve contract expires in May 2026. The Committee discussed whether or not to extend the contract at their December 2025 meeting and requested additional information. The requested information has been provided. (See attached).

3. Other Business

A. Review 2026 Committee Workplan. (See attached).

ADMINISTRATION AND FINANCE COMMITTEE/AGENDA ITEM SUMMARY

Agenda Item: 1
Date of Meeting: January 12, 2026
Subject: Allocation of Falmouth's Surplus Balances
Presented By: David Kane, Treasurer

RECOMMENDATION

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

RESOLVED, that \$70,000 of the Falmouth Wastewater Fund's surplus be distributed to the Town of Falmouth.

FISCAL REVIEW / FUNDING

Falmouth's Sewer Fund has a cumulative operating fund surplus of \$71,864 as of 12/31/2024 and is estimated to be \$91,000 as of 12/31/2025. The town has requested that the surplus balance be distributed to the Town. The fund expenses are primarily the debt service on the Mill Creek pump station. The debt service payments are a known amount, with the last payment in 2037.

LEGAL REVIEW

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

CONCLUSION(S)

Staff recommends that the motion be approved by the Committee and sent to the full Board for its consideration.

ATTACHMENT(S)

None.

ADMINISTRATION AND FINANCE COMMITTEE/AGENDA ITEM SUMMARY

Agenda Item: 2
Date of Meeting: January 12, 2026
Subject: Service Line Warranty Program Contract Renewal
Presented By: David Kane, Executive Director of Administration

RECOMMENDATION

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

ORDERED, the General Manager is authorized to execute a one-year contract extension with Home Serve USA Corporation to provide a water and wastewater line warranty program.

BACKGROUND ANALYSIS

Since 2006, the District has partnered with Home Serve (formerly Home Service USA) to provide an optional, customer-paid warranty program. The program currently provides financial assistance for water lines, sewer lines, and internal plumbing. Currently, the program has 8,410 customers participating. The current monthly fees for the program are listed below:

- Water Service Line \$5.99; limit of \$7,000
- Sewer Service Line \$6.99; limit of \$10,000
- Internal Plumbing \$8.99; limit of \$5,000

Unlike most Home Serve partners, the District chose not to receive a portion of the fee charged to customers, and instead, the customer's fee is reduced by 5%. Home Serve has reported that 4,182 customers have received over \$5.5M in benefits from the program.

In the past, the District provided a list of residential customers to Home Serve. Home Serve was authorized to send letters to those customers using a District-approved letter and frequency. A recent Maine law was passed that prohibits the District from providing customers' names and addresses. The four options for the District are as follows:

- A. Home Serve provides the list of Home Serve customers. The District would compare the list to the District's records and mail letters to the PWD customers not on Home Serve's list. Home Serve would bear all costs. (Staff recommended option for a one-year pilot)**
- B. District provides a list of zip codes for our service territory. Home Serve would send a letter to all residents – District customers and non-District customers. The current Home Serve products cover the well and septic tank lines of non-District customers.
- C. Modify the partnership arrangement where the District promotes the Home Serve product via bill stuffer and social media. Home Serve sends no solicitation letters to potential new Home Serve customers.
- D. Provide notice to Home Serve to cease the partnership. This would need to be done by January 9, 2026.

The requested additional information at the December 8, 2025 meeting and tabled the item to a future meeting. Additional information is attached. To give the Board the option to not renew the contract, notice of possible non-renewal has been sent to Home Serve.

FISCAL REVIEW / FUNDING

The District currently receives \$2,400 to cover administrative costs incurred.

LEGAL REVIEW

Corporation Counsel will review and approve the documents prior to their execution.

CONCLUSION(S)

Staff recommends that the Board approve the motion to extend the contract for a year, trying option A.

ATTACHMENT(S)

- A. History of Program
- B. Home Service Program Statistics – Updated to include information requested by the Board
- C. Contract Amendment

Historical Background

In 2005, the Administration and Finance Committee considered several proposals designed to assist the District's customers with the expense of replacing or repairing water and sewer lines. After reviewing the options, the Committee selected Home Service USA to provide the service. At two Board workshops, the Board reviewed and provided feedback on the program specifics. Based on the Board's involvement, the following provisions were added to the contract:

- All customer contacts and documents must be approved by the District and mandate compliance with a 'do not mail list' for customers who do not want to be contacted regarding the program;
- Wastewater coverage includes all costs, including street opening fees;
- Monthly fee reduced by 5% by waiving the District's commission, and
- The program would be offered only to municipalities where the District provides water or wastewater service.

The Board approved the following motion at their May 2006 meeting:

ORDERED, to authorize the general manager to execute a contract with Home Service USA Corporation to provide a water and wastewater line warranty program, subject to the Public Utilities Commission's approval of the terms and condition allowing a water service line warranty program.

The District signed a 5-year contract running until 2011. The water line program was offered to customers beginning in September 2006. The cities of Westbrook and Portland and town of the Cumberland requested that we offer the sewer line program with the first mailing during the summer of 2007. Cape Elizabeth, Falmouth, Gorham, Scarborough, South Portland and Windham requested that their residents be allowed to participate in the sewer line program in 2010.

At its December 10, 2007 workshop, the Board reviewed the letters sent to customers and requested that the letters clearly indicate the program is being offered by Home Service, and requested that frequency of letters be reduced. Also, the Board requested that the sewer line coverage be expanded, which was agreed to by Home Service.

At its October 5, 2009 meeting, the Administration and Finance Committee further reviewed the letters and requested the following changes:

- Renewal letter should be sent by Home Service in an envelope with the District's logo. This will encourage customers to open the letter.
- The renewal letter should not contain the District's logo and the return address should not include the District's name.
- The introduction letter should contain both the District and Home Service logo.
- The intro letter needs to explain PWD is waiving the 5% fee, normally paid to Home Service partners for the use of the utility's mailing list, to reduce the rate our customers pay for the Home Service product.
- Trustee Lunt requested a price for Home Service to offer the drainage product from the house to the property line only (same as water service product).

The requested changes were incorporated into the letters. Home Service created a separate sewer line product and began offering in 2010. The Board voted to extend the contract for an additional 2 and 3 years, respectively, in 2011, 2013, 2016, 2019 and 2023.

Portland Water & HomeServe Renewal

Portland Water has partnered with HomeServe since June of 2006

- 8,410 customers enrolled
- 15,952 plans - meaning almost every customer has opted in to more than one plan
- 87.2% retention rate

Product Breakdown

HomeServe offers three different coverage plans to Portland Water customers - we could also offer Water Heater, Heating and Cooling coverages serviced by our local contractors

- 8,222 Water Service Line Plans - 52% of plans
- 5,231 Sewer Service Line Plans - 33% of plans
- 2,499 Interior Plumbing & Drainage Plans - 15% of plans

Channel Breakdown

Customers can enroll via web, our call center or via Direct Mail (up to 2 mailings a year)

- 8,614 plans enrolled via the **mailer** - our most popular form with 54% of plans
- 3,828 plans enrolled via **web** - 24% of enrollments
- 3,510 plans enrolled via **phone** - 22% of enrollments

Claims & Goodwill

In addition to our plan repairs, HomeServe performs pro-bono work under our corporate goodwill fund

- Since Launch - 5,557 jobs with **\$5.5 million** in spend
- Last 12 Months - 460 jobs with **\$675,438** in spend
- Since 2017 - more than **\$34,800** in goodwill spend in Portland

Customer Service Score & Testimonials

- 90 surveys in 2025 YTD with a **4.84/5 customer satisfaction** score

"HomeServe is very professional and empathetic to your situation. Good communication."
Daniel & Belinda M

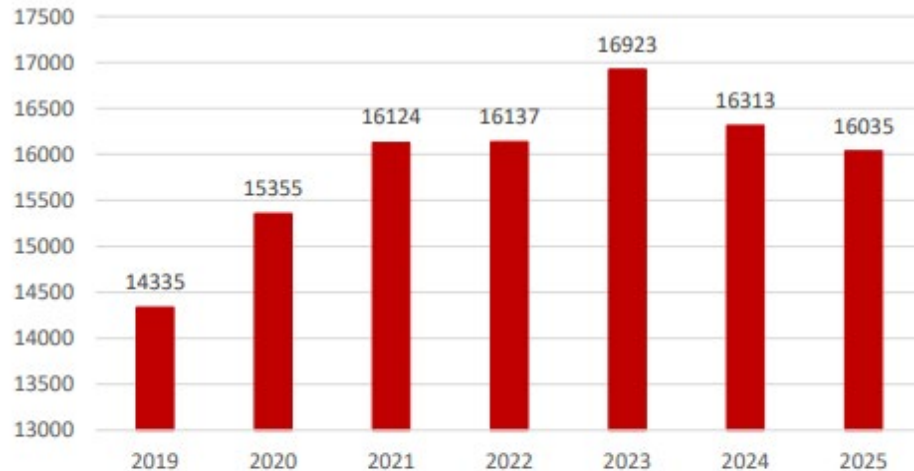
"Our call was answered right away and the plumber fixed what was for us, a difficult problem. We are happy with this service!"
Lorraine K

Plan & Customer Growth since 2019

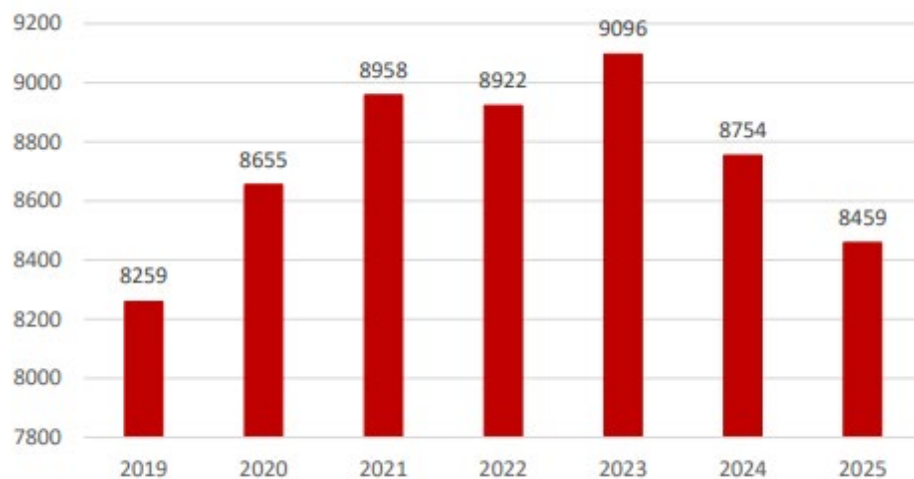
We were seeing consistent growth with plans and customers by mailing twice a year - in 2024 we were only able to mail once a year and saw a slight decline. In 2025 we have one mailing that performed well and have a second that is still in the market.

In addition, many customers have all three plans provided by Portland Water - we believe there could be appetite for additional coverages (ex. Water Heater, Heating, Cooling)

Portland Water Plan Growth



Portland Water Customer Growth



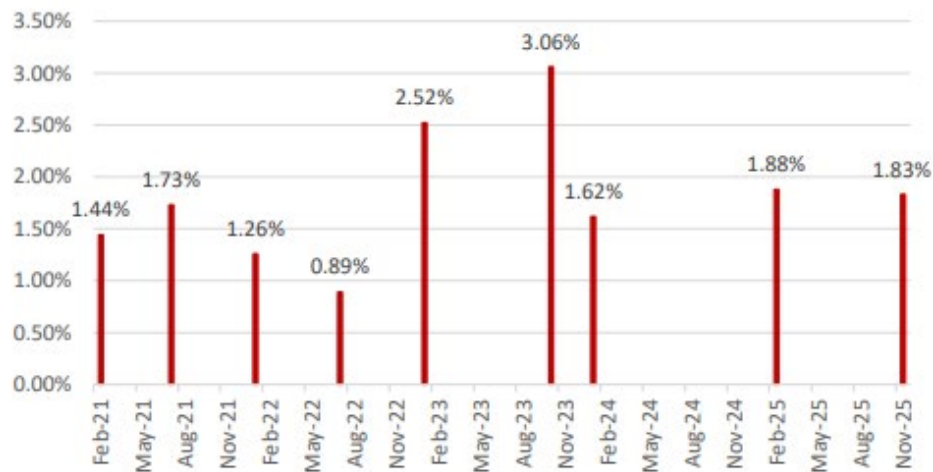
New & Existing Customer Response Rates since '21

Response remains strong for an almost 20 year partnership - mailing twice a year means we do not over-saturate the market and we see continuing interest from any new movers.

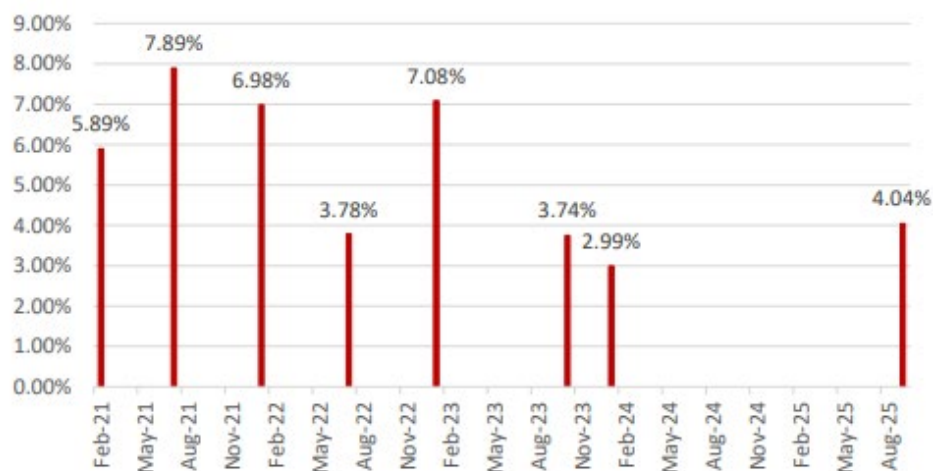
We see peaks and valleys based on creative testing and offer discounts.
On the existing customer side, there continues to be strong interest in additional products.

For reference, a new customer for a brand-new partner is forecasted at a 1.5% response rate, and a cross-sell customer is forecasted at a 2% response rates .

New Customer Response Rate



Cross-Sell Response Rate

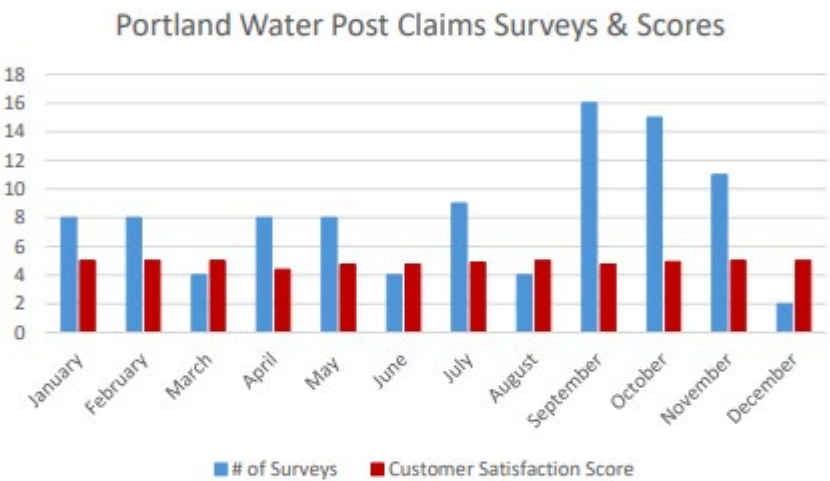


Portland Water Customer Satisfaction

After every claim, we send out a survey via the Dispatch Me application.

Customers are asked to provide a rating between 1-5, and can provide additional written feedback (see Portland Water customer testimonials on page 1)

Year to date, we have received 97 surveys from Portland Water customers averaging a 4.86



| Month | # of Surveys | Customer Satisfaction Score |
|-----------|--------------|-----------------------------|
| January | 8 | 5.00 |
| February | 8 | 5.00 |
| March | 4 | 5.00 |
| April | 8 | 4.38 |
| May | 8 | 4.75 |
| June | 4 | 4.75 |
| July | 9 | 4.89 |
| August | 4 | 5.00 |
| September | 16 | 4.75 |
| October | 15 | 4.93 |
| November | 11 | 5.00 |
| December | 2 | 5.00 |

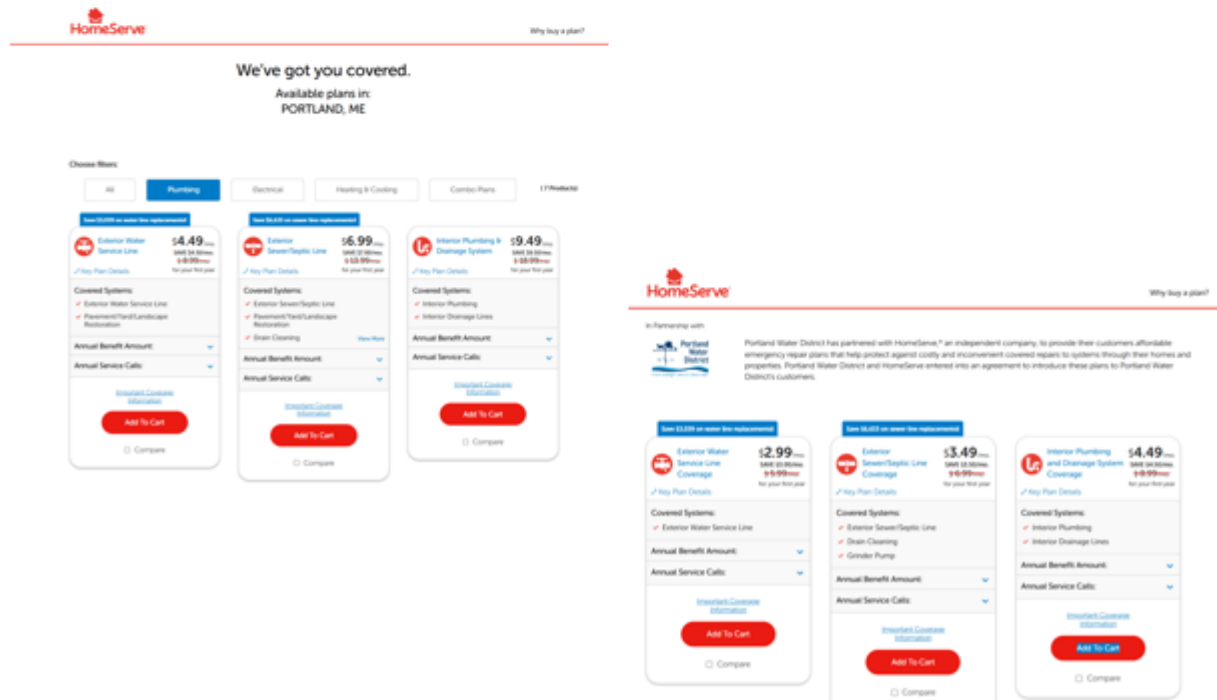
Portland Water Partnership Discounts

When entering into partnership with HomeServe, the Portland Water District Board negotiated a 5% discount for their customers in lieu of receiving a commission.

HomeServe seeks to offer value beyond that, and Portland Water customers benefit from a:

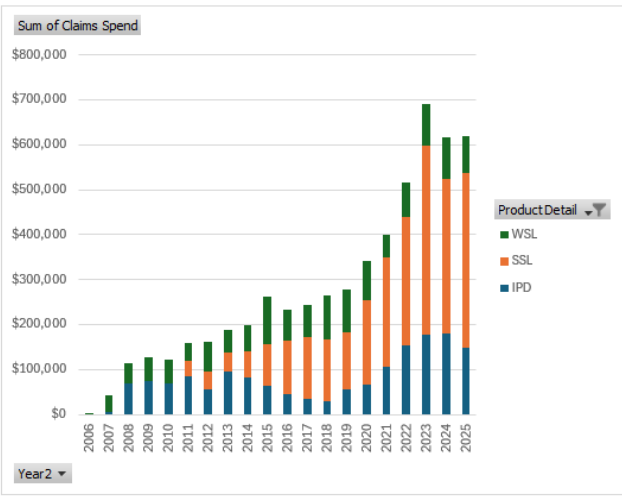
- 33% discount on water service lines
- 50% discount on sewer service lines
- 52% discount on Interior Plumbing & Drainage.

| Product | PWD Customer Pricing | Non-PWD Customer Pricing |
|------------------------------|------------------------------|-------------------------------|
| Water Service Line | \$5.99 (\$2.99 intro) | \$8.99 (\$4.49 intro) |
| Sewer Service Line | \$6.99 (\$3.49 intro) | \$13.99 (\$6.99 intro) |
| Interior Plumbing & Drainage | \$8.99 (\$4.49 intro) | \$18.99 (\$9.49 intro) |

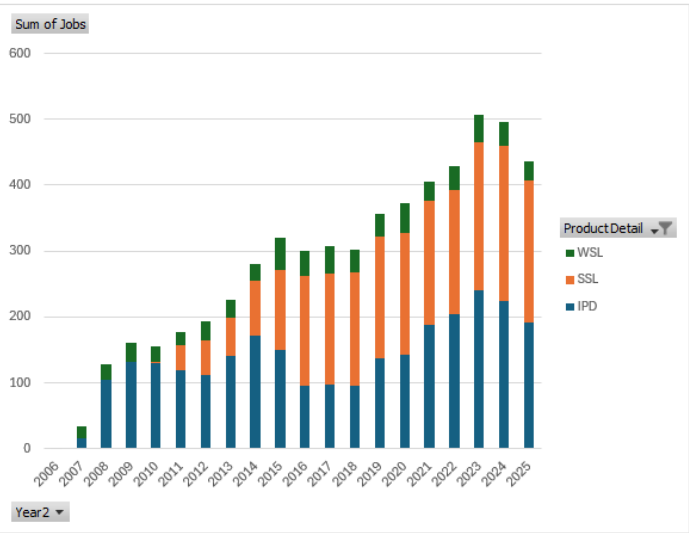


Home Service Claims by Year by Product

| Sum of Claims Column Labels | | | | |
|-----------------------------|-------------|-------------|-------------|-------------|
| Row Labels | IPD | SSL | WSL | Grand Total |
| 2006 | | | \$1,780 | \$1,780 |
| 2007 | \$5,402 | | \$36,684 | \$42,087 |
| 2008 | \$68,257 | | \$47,010 | \$115,267 |
| 2009 | \$75,392 | | \$50,894 | \$126,285 |
| 2010 | \$67,904 | \$559 | \$53,538 | \$122,001 |
| 2011 | \$84,567 | \$35,746 | \$37,462 | \$157,775 |
| 2012 | \$55,810 | \$38,630 | \$68,483 | \$162,922 |
| 2013 | \$94,726 | \$42,539 | \$52,049 | \$189,314 |
| 2014 | \$83,079 | \$57,720 | \$57,569 | \$198,368 |
| 2015 | \$65,021 | \$91,454 | \$105,155 | \$261,630 |
| 2016 | \$44,607 | \$118,447 | \$68,991 | \$232,045 |
| 2017 | \$34,966 | \$136,003 | \$73,101 | \$244,070 |
| 2018 | \$29,012 | \$137,497 | \$97,260 | \$263,769 |
| 2019 | \$56,346 | \$126,878 | \$93,674 | \$276,898 |
| 2020 | \$66,679 | \$186,274 | \$88,281 | \$341,234 |
| 2021 | \$107,298 | \$242,021 | \$51,077 | \$400,396 |
| 2022 | \$152,927 | \$286,599 | \$77,184 | \$516,710 |
| 2023 | \$177,467 | \$420,375 | \$91,740 | \$689,582 |
| 2024 | \$179,009 | \$344,267 | \$92,843 | \$616,118 |
| 2025 | \$148,894 | \$386,969 | \$83,369 | \$619,231 |
| Grand Total | \$1,597,363 | \$2,651,978 | \$1,328,144 | \$5,577,484 |



| Sum of Jobs Column Labels | | | | |
|---------------------------|-------|-------|-----|-------------|
| Row Labels | IPD | SSL | WSL | Grand Total |
| 2006 | | | 2 | 2 |
| 2007 | 16 | | 19 | 35 |
| 2008 | 105 | | 23 | 128 |
| 2009 | 132 | | 29 | 161 |
| 2010 | 130 | 2 | 23 | 155 |
| 2011 | 119 | 38 | 20 | 177 |
| 2012 | 112 | 53 | 29 | 194 |
| 2013 | 141 | 58 | 28 | 227 |
| 2014 | 171 | 84 | 26 | 281 |
| 2015 | 151 | 120 | 50 | 321 |
| 2016 | 95 | 168 | 37 | 300 |
| 2017 | 97 | 169 | 41 | 307 |
| 2018 | 96 | 171 | 35 | 302 |
| 2019 | 138 | 184 | 35 | 357 |
| 2020 | 142 | 186 | 44 | 372 |
| 2021 | 189 | 188 | 29 | 406 |
| 2022 | 204 | 188 | 37 | 429 |
| 2023 | 241 | 225 | 41 | 507 |
| 2024 | 224 | 236 | 36 | 496 |
| 2025 | 191 | 217 | 29 | 437 |
| Grand Total | 2,694 | 2,287 | 613 | 5,594 |



Home Service Financial Information

Home Service response to request:

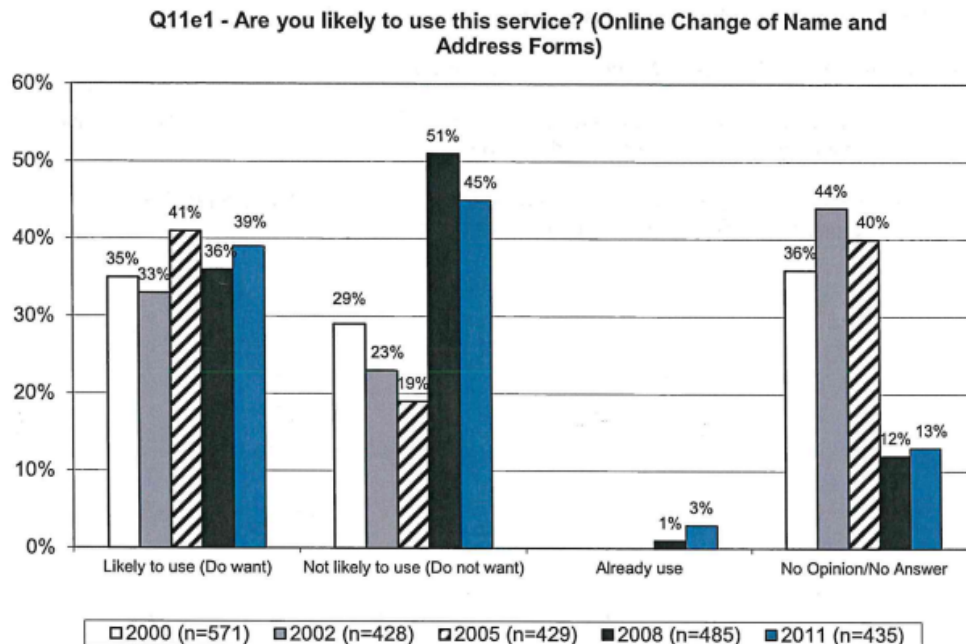
HomeServe's P&L is proprietary, and we are not able to share.

Did provide some information on the parent company:

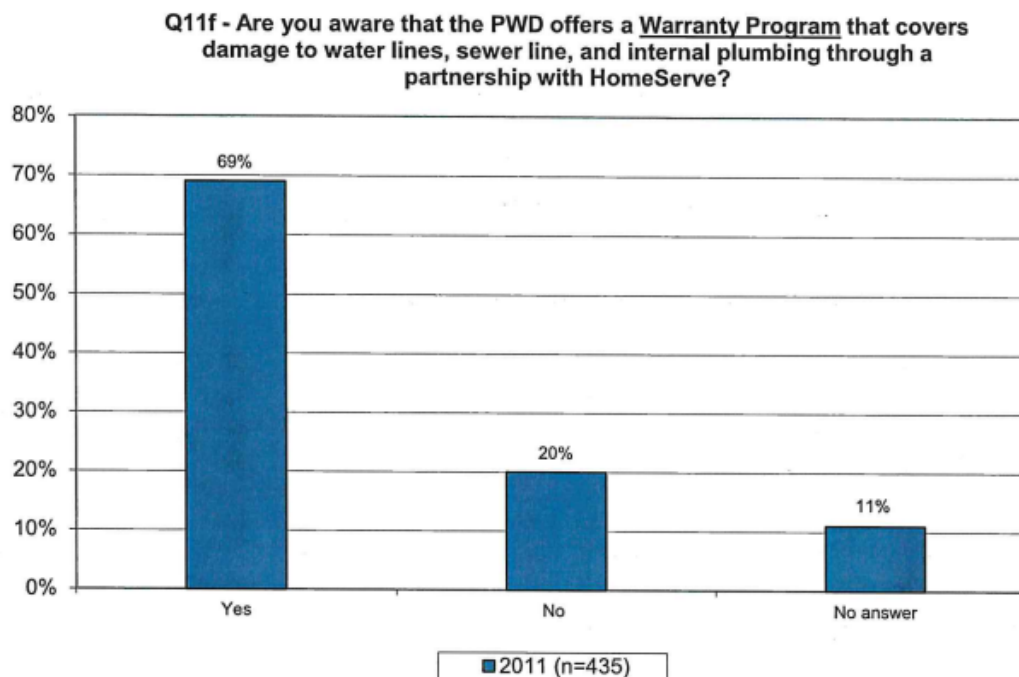
- HomeServe is owned by Brookfield Infrastructure (BIF III), which in turn is ultimately controlled by Brookfield Corporation, a publicly traded entity.
- Brookfield Corporation has approximately \$1 trillion in assets and 240,000 employees in operations around the world in areas such as infrastructure, utilities, renewable power, and more.
- HomeServe North America specifically has over 1,340 municipal and utility partners across the United States and Canada.
- We have over 4.6 million customers who hold over 9.6 million plans and have completed over 7 million jobs - saving our customers over \$2.5 billion in home repairs.
- We have 700+ employees across our corporate office in Norwalk, CT / call center in Chattanooga, TN / remote employees across North America.

Customer Satisfaction Survey

The District periodically does a customer satisfaction survey. Below is the response to Home Service questions.



More than two-thirds (69%) of respondents are aware that the Portland Water District offers a warranty program through a partnership with HomeServe; 15% already use and 18% are likely to use this service.



| | Admin Committee 2026 Work Plan | Attachment 3.3 |
|------|---|----------------|
| 2026 | DRAFT | |
| Jan | Cybersecurity Policy, Falmouth's request for refund | |
| Feb | Annual review of Turnover statistics/Recruiting Strategy, Water/Wastewater Spring Bond Authorization, Green Bond motion(s), Meter Project status - Gorham Pilot, Cayenat AI Product | |
| Mar | Annual Approve Water Surplus Disposition, Year End Actuary Report, Leave Policy update (impact of new Maine law) | |
| Apr | Election of Chair, Annual WW Surplus Disposition, Amend Pension Plan for Union Contract Changes | |
| May | Audit report ; Customer Service - AI | |
| Jun | Budget Parameters, Pension Actuary Funding Report, Safety Program and Training Programs update | |
| Jul | Water/Wastewater Fall Bond Authorization, Non-Union Comp Policy/Structure Change, Meter Project Update | |
| Aug | (assume at Lake with limited committee meeting. | |
| Sep | Water Rate Adjustment Recommendation, Annual SIA Policy Amendment/Designation | |
| Oct | Annual Benefit Program Review, Terms&Conditions/Non-Tariff Review, Cybersecurity 2025 Update | |
| Nov | Budget Review | |
| Dec | Annual Non-Union Pay Scale Adjustment; Pension COLA, Meter Project Update | |

| | |
|----------|---|
| | Board Action (BA) |
| Possible | <div>HomeServ Renewal Dec 2028</div> <div>Finance System Upgrade recommendation</div> <div>Long-term Financial Plan/Options – conceptual</div> <div>Investment Review - operating and/or pension</div> <div>System Development Charge Update</div> <div>Customer Service levels – front desk, non-phone contact</div> <div>457 Plan – Investment Policy – Forte recommended</div> <div>Formally change pension plan funding policy</div> <div>Low-income Conservation program</div> <div>457 Plan : Document describing what is delegated to Pension Committee</div> <div>SIA Policy Amendment to 30 day notice to allow approval as part of budget</div> <div>Inform them of M22 changes & impact to to District, Bylaws and Rules Changes</div> |



MEMORANDUM PORTLAND WATER DISTRICT

TO: Operations Committee/Board of Trustees

FROM: Charlene Poulin, Director of Operations - Wastewater
James Wallace, Director of Operations - Water

DATE: January 6, 2026

RE: Operations Committee Meeting – January 12, 2026

A meeting of the Operations Committee of the Portland Water District Board of Trustees will be held on Monday, January 12, 2026, at 5:30 p.m., in the Emergency Operations Center (EOC) Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

1. Overview of PWD's Wastewater Collection Systems

Staff will discuss the Wastewater Collection System and explain the services the department provides.

2. Overview of PWD's Water Distribution System Inspection and Maintenance Activities

Staff will provide an overview of activities performed on water field assets.

3. Other Business

Staff will provide a general update on two design-build projects currently underway at the East End Wastewater Treatment Facility and the Sebago Lake Water Treatment Facility.



MEMORANDUM PORTLAND WATER DISTRICT

TO: Planning Committee/Board of Trustees

FROM: Greg Pellerin, Executive Director of AMAP

DATE: January 6, 2026

RE: Planning Committee Meeting – January 12, 2025

A meeting of the Planning Committee of the Portland Water District Board of Trustees will be held on Monday, January 12, 2026, at 5:30 p.m., in the Nixon Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

1. **Lease Extension**
Staff will present a request for a lease extension related to property at 63 Label Avenue in Portland.
2. **Facilities Services Update**
The Facilities Manager, Josh Hudak, will provide a presentation including ongoing projects and maintenance efforts within the Facilities Services program in AMAP.
3. **Other Business**

PLANNING COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1
Date of Meeting: January 12, 2026
Subject: Lease - 63 Label Avenue, Portland
Presented By: Laurel Jackson, Right-of-Way Agent

RECOMMENDATION

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

ORDERED, the General Manager is authorized to execute a lease agreement in substantial form as attached hereto with Christopher Morin of 63 Label Avenue in Portland for a driveway located on District land on Label Avenue;

BE IT FURTHER ORDERED, 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

The District owns a parcel of land adjacent to 63 Label Avenue for a 48" concrete water transmission main right-of-way. In 2015, the District discovered that a small portion of the driveway (36 square feet) encroaches onto District property. In 2016, the Board approved a lease agreement with the owner of 63 Label Avenue for the driveway encroachment. The lease expired on January 1, 2026, and the homeowner has requested to continue leasing the property from the District.

Staff proposes an annual lease fee of \$100, payable annually in advance. The only expense to the District is staff time for lease administration and annual billing.

The lease would be for a period of five years and could be terminated by either party with 30 days written notice. The driveway is located approximately 20 feet from the water main and does not impact our ability to operate and maintain it. The District will not be responsible for any damage if it needs to excavate to repair or replace the main. If the driveway is ever re-paved, Mr. Morin will be required to relocate it back onto his own property and the Lease will be terminated.

FISCAL REVIEW / FUNDING

The proposed lease will result in an annual fee of \$100.

LEGAL REVIEW

Corporation Counsel will draft the proposed lease.

CONCLUSION(S)

Staff recommends that PWD enter into a five-year lease agreement with the owner of 63 Label Avenue.

ATTACHMENT(S)

Draft Lease

**LEASE AGREEMENT BY AND BETWEEN
PORTLAND WATER DISTRICT**

AND

CHRISTOPHER W. MORIN

THIS INDENTURE made this ____ day of _____, 2026, by and between the **PORTLAND WATER DISTRICT**, a quasi-municipal corporation located at 225 Douglass Street, Portland, in Cumberland County, State of Maine (hereinafter the "**DISTRICT**") and Christopher W. Morin, of 63 Label Ave., Portland, Maine (hereinafter "**LESSEE**").

W I T N E S S E T H:

That **DISTRICT**, for and in consideration of the rent hereinafter to be paid by **LESSEE**, and other consideration, and the covenants and agreements hereinafter contained, to be kept and performed by **LESSEE**, does hereby demise, lease and let unto **LESSEE**, the property located on Label Avenue, and known as a portion of Tax Map 307 Block F Lot 32 in the City of Portland, Maine and more particularly described below (hereinafter the "**PREMISES**"). To have and to hold unto said **LESSEE** on the following terms and conditions:

1. Premises

PREMISES leased to **LESSEE** are outlined in red on a plan labeled, "63 Label Avenue, Portland", attached hereto and incorporated herein by reference.

2. Term

This Agreement shall be effective as of January 1, 2026 until January 1, 2031, unless the lease is sooner terminated by either **DISTRICT** or **LESSEE** as provided herein.

3. Rent

LESSEE agrees to pay to **DISTRICT** as rent for such use and occupancy of the premises the sum of One Hundred Dollars (\$ 100 .00) per year of the lease term. Said amount shall be paid at the execution of the lease, and thereafter on the first day of the year each subsequent year of the Lease term.

LESSEE shall use the **PREMISES** for a portion of his driveway as it exists on the premises on the date of this lease. All use shall be in compliance with State and local laws, codes, rules and regulations.

DISTRICT reserves the right without limitation to possession of the **PREMISES** in common with **LESSEE**, and to use the **PREMISES** for any purpose that does not interfere with the use by **LESSEE** described herein.

5. Repairs and Maintenance

LESSEE represents that it has inspected and examined the **PREMISES** and accepts them in their present condition, and agrees that **DISTRICT** shall not be required to make any improvements or repairs whatsoever in or upon the **PREMISES** or any part thereof; **LESSEE** agrees to make any and all routine repairs at **LESSEE**'s sole cost and expense, and agrees to keep said **PREMISES** safe and in good order and condition at all times during the term hereof, and upon expiration of this Lease or any sooner termination thereof, the **LESSEE** will quit and surrender the possession of the **PREMISES** quietly and peaceably and in as good order and condition as they were at the commencement hereof, reasonable wear, tear, and damage by the elements excepted; **LESSEE** further agrees to leave the **PREMISES** free from all nuisance and dangerous and defective conditions not in existence at the commencement hereof.

6. Assignment

This Lease may not be assigned without approval of the **DISTRICT**.

7. Insurance and Indemnity

Prior to the execution of this Agreement, **LESSEE** will procure and maintain Public Liability Insurance coverage in amounts of not less than \$400,000 combined single limit for bodily injury, death, and property damage, naming the **DISTRICT** as an additional insured thereon. Lessee shall also procure property insurance protecting its leased interest in the **PREMISES**, which insurance shall contain a rider which provides coverage for any claims related to any pollution created or deposited on the **PREMISES** as a result of **LESSEE**'s operations. This insurance shall be primary on the **PREMISES** to any insurance procured by the **DISTRICT**. **LESSEE** shall furnish and thereafter maintain certificates evidencing such coverage, which certificates shall guarantee thirty (30) days' notice to **DISTRICT** of termination of insurance from insurance company or agent.

To the fullest extent permitted by law, **LESSEE** shall defend, indemnify and hold harmless the **DISTRICT**, its officers, agents and employees, from and against all claims, damages, losses, and expenses, just or unjust, including, but not limited to, the costs of defense and attorneys' fees, arising out of or resulting from the performance of this Agreement

The **LESSEE** also agrees to indemnify, defend and save harmless the **DISTRICT**, its officers, agents and employees, from all liens, claims or losses occurring or resulting to any and all contractors, subcontractors, materialmen, laborers, and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Agreement.

8. Termination

Either party may terminate this Lease at any time upon thirty (30) days' prior written notice to the other party, and thereafter the **LESSEE** shall have no further right to the use or occupancy of the **PREMISES**. All personal property shall be removed therefrom by the **LESSEE**.

This Lease shall be immediately terminated in the event that the driveway on the property at 63 Label Avenue is ever repaved. At such time of repaving, the driveway shall be completely relocated onto **LESSEE's** property.

9. Default

In the event that **LESSEE** shall be in default of any payment of any rent or in the performance of any of the terms or conditions herein agreed to be kept and performed by **LESSEE**, then in that event, **DISTRICT** may terminate and end this Lease upon a thirty (30) day prior written notice, and thereafter **DISTRICT** may enter upon said **PREMISES** and remove all persons and property therefrom if **LESSEE** has failed to cure said default within said notice period. **LESSEE** shall be liable to **DISTRICT** for all costs incurred by it as a result of the **LESSEE's** default and **LESSEE** shall pay all costs of collection and cure incurred by **DISTRICT**, including reasonable attorney's fees.

10. Hold Over

In the event that **LESSEE** shall hold over and remain in possession of the **PREMISES** with the consent of the **DISTRICT**, such holding over shall be deemed to be from month to month only, and upon all the same rents, terms, covenants and conditions as contained herein.

11. Notices

Any notices which are required hereunder, or which either **DISTRICT** or **LESSEE** may desire to serve upon the other shall be in writing and shall be deemed served when delivered personally, or when deposited in the United States mail, postage pre-paid, return receipt

requested, addressed to Christopher Morin, 63 Label Avenue, Portland, ME 04102 or addressed to **DISTRICT**, General Manager, 225 Douglass Portland, ME 04102.

12. Waiver

Waiver by either party of any default in performance by the other of any of the terms, covenants, or conditions contained herein, shall not be deemed a continuing waiver of the same or any subsequent default herein.

13. Compliance with Laws

Each party agrees to comply with all laws, ordinances, rules and regulations which may pertain or apply to the **PREMISES** and the use thereof.

14. Successors in Interest

All of the terms, covenants and conditions contained herein shall continue, and bind all successors in interest of the **DISTRICT** and **LESSEE** respectively, herein.

IN WITNESS WHEREOF, the said **PORTLAND WATER DISTRICT** has caused this Lease Agreement to be signed in its corporate name by Ronald Miller, its General Manager, thereunto duly authorized, and Christopher W. Morin. has caused this Lease Agreement to be signed as of the day and date first set forth above.

WITNESS:

PORTLAND WATER DISTRICT

By: _____
Scott Firmin
Its General Manager

Christopher Morin