

As voted by the Board of Trustees and in accordance with the notice of the meeting, the Regular Meeting of the Board of Trustees of the Portland Water District was held at the Jeff P. Nixon Training Center, 225 Douglass Street, Portland, Maine, and via Zoom, on Monday, June 24, 2024. Attending from staff were S. Garrison, C. Crovo, D. Kane, S. Firmin, J. Wallace, J. Hudak, D. Katsiaficas, and C. Cote.

The meeting was convened by President Lunt at 6:01 p.m. with the Pledge of Allegiance and a moment of silence.

### **ROLL CALL**

The roll was called by the Clerk. Trustee Shattuck-Heidorn was absent.

### **ACCEPTANCE OF MINUTES**

Trustee Cote made a motion to accept the minutes of the Regular Meeting of May 28, 2024, seconded by Trustee McCann. It was voted all in favor.

Trustee Cote made a motion to accept the minutes of the Workshop Meeting of June 17, 2024, seconded by Trustee Willett. It was voted all in favor.

### **INVITATION FOR PUBLIC COMMENT**

None

### **REPORTS**

#### **Operations Committee**

Trustee Siviski provided a summary of the Operations Committee meeting on June 17, 2024. Staff provided an update on PWD's ongoing activities to improve the grounds of the East End Wastewater Treatment Facility and shared the video that will be used as an introduction for tours.

Also discussed was the broad scope and power of branding to influence perceptions and the trends towards wastewater utilities changing their name to better reflect what they do, including a recent name change of the Lewiston Auburn Pollution Control Authority to Lewiston Auburn Clean Water Authority. The Committee agreed the idea of name changes at PWD wastewater facilities would be worth a brainstorming discussion internally and conversations with communities.

Staff gave a quick overview of problems with one of the SLWTF ozone generator's power control module. The vendor is currently on site to troubleshoot the problem. The second ozone generator is functioning fine. As an alternative, PWD setup a back-up disinfection process in 2021, and staff are reviewing the standard operating procedures, in the event the process must be applied.

Staff quickly discussed the Rules of Order for the Committee meeting, and staff will bring this topic back to the Committee at a future date.

#### **Planning Committee**

Trustee Crockett provided a summary of the Planning Committee meeting on June 17, 2024.

The Committee went go into Executive Session pursuant to 1 M.R.S. §402 (3) (M), to discuss the security of PWD's information technology infrastructure.

Staff recommended declaring approximately 50 acres of the Gambo Property in Windham surplus property.

#### **Administration and Finance Committee**

Trustee Cote provided a summary of the Administration and Finance Committee meeting on June 17, 2024. The Committee reviewed the following items, all of which will be taken up under new business

tonight: authorizing wastewater bonds for Portland and Cape Elizabeth, an amendment to the Deferred Compensation (457) Plan, System Infrastructure Assessment Plan, and the Cayenta System Upgrade.

Several additional updates were provided including:

- Cyber security audit continues. The Committee will receive an update when the project is completed.
- PWD's 2024 Budget document was recognized by the national Governmental Finance Officers Association with special notice to the strategic planning section of the document.
- Maine Paid Leave law rules have been announced. The law provisions state, funding the program starts in 2025 and benefits starts in 2026. The item will be discussed in more details at the July Committee meeting.

### **General Manager's Report**

Mr. Garrison reported the following:

The 2024 Annual Water Quality Report was published and is now available online. PWD experienced no drinking water quality violations for the reporting period. The report is being communicated to customers this month through various means including a bill stuffer.

PWD continues to make up ground on revenue after being below projections for the first few months of the year. Year-to-date (YTD) revenue is now only \$37,200 under budget and over last year's YTD actual by \$697,395. Actual metered consumption was 2.3% above budget overall due to high industrial usage (+22.4%). Residential consumption was down 2.5%. June is expected to be a strong month for metered water sales, which should push revenue above budget YTD.

### **NEW BUSINESS**

**Public Hearing** regarding the authorization of wastewater bonds for Portland and Cape Elizabeth.

President Lunt opened the public hearing. No one from the public was present. President Lunt closed the public hearing.

**Resolution 24-007**, authorizing the issuance of up to \$1,500,000 in Portland wastewater bonds to finance upgrades of the Congress and Garrison Street Pump Stations and related infrastructure projects.

The approved 2021 Capital Improvement Plan (CIP) included \$1,500,000 to upgrade the Congress and Garrison Street pump stations (CIP 2021-3184 and 2021-3185). The upgrades are underway and should be completed this year. The 2024 Budget assumed the projects would be financed by issuing a 20-year bond.

It was moved by Trustee Cote and seconded by Trustee McCann.

It was Voted and unanimously,

**RESOLVED**, the issuance of up to \$1,500,000 in Portland wastewater bonds to finance upgrades of the Congress and Garrison Street Pump Stations and related infrastructure projects is hereby authorized. The full form of the Resolution attached hereto is hereby approved and shall be attached to and incorporated as part of the minutes of this meeting.

**Resolution 24-008**, authorizing the issuance of up to \$675,000 in Cape Elizabeth wastewater bonds to finance upgrades of the Ottawa Pump Station and SCADA systems at various locations and related infrastructure projects.

The approved 2022 Capital Improvement Plan (CIP) included \$350,000 to upgrade the Ottawa Pump Stations (CIP 2022 52-3005). At the December 18, 2023 meeting, the Board authorized increasing the budget to \$430,000 (Order 23-050).

The approved 2021 CIP included \$350,000 to upgrade the SCADA system in Cape Elizabeth and Portland (CIP 2021 177-3125). The portion of the project allocated to Cape Elizabeth is \$245,000.

The 2024 Budget assumed both projects would be financed by issuing a 20-year bond.

It was moved by Trustee Cote and seconded by Trustee McCann.

It was Voted and unanimously,

RESOLVED, the issuance of up to \$675,000 in Cape Elizabeth wastewater bonds to finance upgrades of the Ottawa Pump Station and SCADA system at various locations and related infrastructure projects is hereby authorized. The full form of the Resolution attached hereto is hereby approved and shall be attached to and incorporated as part of the minutes of this meeting.

Order 24-018, authorizing an amendment to the 457 Plan effective January 1, 2023.

PWD offers a deferred compensation plan to employees which allows employees to save for their retirement in a tax-favored way. For union employees hired after December 31, 2010, and non-union employees after December 31, 2011, participation is mandatory. For employees hired before those dates, participation is voluntary. A plan document outlining how the plan operates is required. At the December 18, 2023 meeting, the Board authorized several amendments related to the recently enacted federal law (SECURE acts). One of the amendments authorized a participant to elect to withdraw their vested benefit if they were deemed to have a terminal illness. The Internal Revenue Service issued a clarification that this distribution option is not available for 457 plans. The District's pension attorney has prepared and recommended that the plan be amended, removing the provision from the plan document. No participants had requested to use the provision.

It was moved by Trustee Cote and seconded by Trustee McCann.

It was Voted and unanimously,

WHEREAS, following the Internal Revenue Service's publication of Notice 2024-2, providing that governmental plan sponsors are ineligible to permit the special distributions to terminally ill individuals included under SECURE 2.0, the District wishes to adopt a First Amendment to the District's Deferred Compensation Plan (the "457 Plan" or "Plan") to remove the provision from the 2023 restatement of the Plan.

NOW THEREFORE, IT IS HEREBY:

ORDERED, that the First Amendment to the 457 Plan, effective as of January 1, 2023, is hereby adopted and approved, with such changes therein, not inconsistent with the general tenor thereof, as the officers of the District deem necessary and appropriate to carry out the objectives thereof and as recommended by legal counsel; and

BE IT FURTHER ORDERED, that the General Manager and the Treasurer, or each acting singly, is hereby authorized and directed to take any actions necessary or appropriate to effectuate the foregoing Order, including but not limited to: (i) executing the Amendment; (ii) communicating the Plan change to Plan participants and eligible individuals; (iii) working with legal counsel and/or the Plan's third-party

administrator to implement the First Amendment and develop appropriate communications; and

BE IT FURTHER ORDERED, that all actions heretofore taken by any employee of the District in connection with the transactions authorized by the foregoing resolutions, and all transactions related thereto, are hereby approved, ratified, and confirmed in all respects.

**Resolution 24-009**, ratifying the System Infrastructure Assessment Program as amended with an effective date of June 24, 2024.

In 2013, a new state law was enacted allowing water utilities to create a capital reserve funded by ratepayer revenue. Under the law, Portland Water District (PWD) can allocate up to 10% of its water revenues to a capital reserve. To create the reserve, Maine Public Utilities Commission (PUC) rules require a System Infrastructure Assessment (SIA). On August 26, 2013, the Board approved a SIA for PWD. The SIA identified over 217 miles of pipe needing to be replaced at a cost of \$255 million targeting four subsets of water mains:

- Program A- Cast Iron main replacement (> 100 years old),
- Program B- Cast Iron main replacement (75 – 100 years old),
- Program C- Galvanized Iron main replacement, and
- Program D - 2-1/4" Cast Iron main replacement

The amount of pipe replacement identified in the SIA exceeds the amount of money being allocated in the program, leaving a growing inventory of pipes in the PWD system that are past their useful lives. An update of the engineering assessment that identified over 217 miles of pipe is currently underway. The assessment will show that significantly more investment is needed beyond the levels specified in the SIA going forward.

The Board voted in 2013 to increase PWD's investment in water main replacement by an additional \$2 million a year to begin addressing the need to replace aging and failing water mains. To ease the impact on ratepayers, the investment was financed by issuing 10-year bonds to be paid by an annual increase of an additional 1% in water revenue. Now that 10 years have passed, the maximum 10% of revenue threshold has been met. In 2023, it was decided not to issue further bonds related to SIA and fund capital projects under SIA directly from the fund saving the interest costs.

Staff recommended simplification of the administration of drawing funds from the reserve by amending the SIA by designating that any water main replacement and selected other water fund related projects may be funded from the reserves. The recommended SIA would be incorporated into the annual budget and adopted as part of the budget process.

It was moved by Trustee Cote and seconded by Trustee McCann.

It was Voted and unanimously,

RESOLVED, the Board of Trustees hereby ratifies the System Infrastructure Assessment Program as amended with an effective date of June 24, 2024, simplifying the administration of drawing funds from the reserve.

**Order 24-019**, authorizing a contract with N Harris Computer Corporation.

Portland Water District (PWD) went live with Cayenta billing software in October 2021. The go-live version of the software was locked in from May of 2021. Software like Cayenta is continuously updated and evolves in subsequent versions. It requires clients to stay relatively up-to-date with versioning to maintain functionality, address bugs, and take advantage of feature updates. A three-

year difference between the version PWD is operating and the currently available version is significant.

In the three years, since PWD implemented Cayenta, Harris has made advances towards achieving the roadmap goal of a web-based delivery and overcome some of the restrictions of the current underlying program platform by refactoring. Refactoring is a disciplined technique for restructuring an existing body of code, altering its internal structure without changing its external behavior.

PWD needs to set up new servers and install the latest version of Cayenta as well as the associated reporting software Cognos, which is used to produce water bills. During the Cayenta implementation project, PWD Information Services set up the servers but Cayenta installed the software. This engagement will enable PWD staff to perform the installation of hardware and software going forward.

It was moved by Trustee Cote and seconded by Trustee McCann.

It was Voted and unanimously,

ORDERED, the General Manager is hereby authorized to execute a contract with N Harris Computer Corporation, for a sum not to exceed \$175,000, for installation services related to upgrading the Cayenta billing system; and

BE IT FURTHER ORDERED, that the 2024 CIP is amended by the amount not to exceed \$175,000 to include this project.

**Order 24-020**, declaring 50 acres of District-owned property in Windham as surplus land.

The District owns approximately 95 acres of land off Gambo Road in Windham. The parcel contains a gravel pit and is primarily used by Water Operations for material storage and spoils disposal. This comprises about half the property, and the other half is wooded and unused by the District. Being adjacent to the Town of Windham's soccer fields and located on the Presumpscot River, the Town reached out to the District about using the property for recreational fields, trails, and river access.

Beyond retaining a right-of-way for a future pipeline installation, staff does not see any potential future use of the approximately 50 acres of undeveloped, wooded land on the property. Therefore, staff recommends that the Board of Trustees vote to declare the portion of the Gambo Road property as surplus land. The District will retain easement rights for a water main and access rights for our adjacent property.

Once declared surplus, the property will be surveyed to delineate the parcel to be sold, an appraisal will be obtained and it will be offered to the Town of Windham first, as required by the Policy. The Maine PUC will also need to certify that the land sale meets any relevant regulatory requirements.

If the Town opts to move forward with the purchase, the District will give them adequate time to take the necessary steps to get approval and raise funds to purchase the property. If it is not acquired by the Town, staff will come back to the Committee to determine the best method of disposal to the public. The final sale will be brought back to the Board for their final approval.

It was moved by Trustee Crockett and seconded by Trustee Libby.

It was Voted and unanimously,

ORDERED, a 50-acre portion of District-owned property located on Gambo Road in Windham is hereby declared as surplus, and staff is directed to take steps to dispose of

the property in compliance with the Policy for the Sale or Other Use of District Real Property, with the terms and conditions of the sale brought back to the Board of Trustees for their final approval; and

BE IT FURTHER ORDERED, 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.

**OTHER BUSINESS**

None

**SECOND INVITATION FOR PUBLIC COMMENT**

None

**TRUSTEE COMMENTS**

Trustee Libby noted that he has been a Trustee for 30 years. He expressed admiration for the people he has worked with over the years. President Lunt said it has been a pleasure working with Trustee Libby all these years.

Trustee Cote noted with respect to the bond interest rate, PWD money is not going as far as it used to.

**EXECUTIVE SESSION**

Trustee Siviski made a motion to go into Executive Session pursuant to 1 M.R.S. §405 (6)(D) labor negotiations, to discuss with the District's labor attorney the upcoming labor negotiations, seconded by Trustee Levinsky. Voted all in favor.

Trustee Siviski made a motion to go into Executive Session pursuant to 1 M.R.S. §405 (6)(E) for consultation with the District's attorney regarding legal rights and responsibilities of the Board, seconded by Trustee Levinsky. Voted all in favor.

The Board went into Executive Session at 6:35 p.m.

Trustee Siviski made a motion to come out of Executive Session, seconded by Trustee McCann. Voted all in favor.

**ADJOURNMENT**

The meeting adjourned at 8:17 p.m.

Submitted by,

Carrie E. Cote  
Assistant Clerk