

WORKSHOP MEETING BOARD OF TRUSTEES

225 Douglass Street, Portland, Maine
Jeff P. Nixon Training Center

6:30 p.m. on Monday, January 8, 2024

<https://us06web.zoom.us/j/84049634105?pwd=gRLRNan5IUC3OgH1mIEYCbUURHIMSf.1>

There will be a Workshop Meeting of the Board of Trustees of the Portland Water District on Monday, January 8, 2024. 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	General Manager's Conference Room	5:15 p.m.
Administration & Finance	Monie Room	5:30 p.m.
Operations	EOC 2 nd Floor	5:30 p.m.
Planning	Nixon Training Center	5:30 p.m.

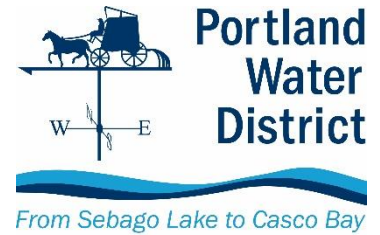
AGENDA – WORKSHOP

1. Gambo Property

Staff will provide an overview of the Gambo Pit Property and discuss the potential sale of the unused portion property (surplus) including leasing the property to the Town of Windham.

2. Other Business

3. Adjourn



MEMORANDUM PORTLAND WATER DISTRICT

TO: Pension Committee/Board of Trustees

FROM: Mary Demers, Director of Employee Services

DATE: January 3, 2024

RE: Pension Committee Meeting – January 8, 2024

A meeting of the Pension Committee of the Portland Water District Board of Trustees is scheduled for Monday, January 8, 2024, 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 two retirees.
2. Other Business



MEMORANDUM PORTLAND WATER DISTRICT

TO: Administration and Finance Committee/Board of Trustees

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

DATE: January 3, 2024

RE: **Administration and Finance Committee Meeting – January 8, 2024**

A meeting of the Administration and Finance Committee of the Portland Water District Board of Trustees will be held on Monday, January 8, 2024, at 5:30 p.m., in the Monie Conference Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

1. **Water and Portland Wastewater Bond Authorization**
Staff will present a motion authorizing Water and Portland Wastewater bonds of up to \$15.71 million and \$11.5 million, respectively, to finance capital projects. (See attached memos)
2. **Watershed Supply Protection Fund Allocation**
Staff will present a motion authorizing a \$200,000 transfer from the Water Supply Protection Fund to the Watershed Protection Fund. (See attached memo)
3. **2024 Committee Workplan**
Will review the Committee's 2024 work plan. (See attached)
4. **Other Business**



ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1-A
 Date of Meeting: January 8, 2024
 Subject: Water Bonds - \$15,710,000
 Presented By: David Kane, Executive Director of Administration

RECOMMENDATION

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

RESOLVED, the issuance of up to \$15,710,000 in water bonds to finance the installation and renewal of water mains, replacement of the Sebago Lake Water Treatment Facility’s Roof, upgrade of the Windham Water Pump Station, and obtaining Service Lines’ GPS data points 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.

BACKGROUND ANALYSIS

The approved 2024 Capital Improvement Plan (CIP) includes five water projects to be financed by the issuance of water bonds. Those projects totaled \$10,310,000 as listed in the table below. The Water Mains, Sebago Lake Water Treatment Facility Roof and Windham Pump Station Upgrades projects will be included in the PWD bonds expected to be issued in August. The Galvanized Water Line and GPS of Service Line projects will be financed through a State Revolving Loan Fund Bond. The state has authorized \$7.2 million and \$1.0 million, respectively, for those projects. Those projects will be completed over a three-year time frame with the expected 2024 disbursement of \$2.4 million and \$0.4 million, respectively.

Project	CIP Reference	2024	Total	Comment:
Water Mains	43/121	\$ 6,000,000	\$ 6,000,000	20 year, market rate bond
Sebago Lake Treatment Plant Roof	122/3287	\$ 660,000	\$ 660,000	20 year, market rate bond
Windham Water Pump Station	122/3211	\$ 850,000	\$ 850,000	20 year, market rate bond
Lead Rule Compliance:				
Galvanized Water Lines	43/3296	\$ 2,400,000	\$ 7,200,000	20 year, SRF- 55% principal forgiveness & 0%
GPS of Service Lines	61/3282	\$ 400,000	\$ 1,000,000	20 year, SRF- 55% principal forgiveness & 0%
Bond Authorization		\$ 10,310,000	\$ 15,710,000	

FISCAL REVIEW / FUNDING

The 2024 Budget included the impact of issuing bonds totaling \$10.31M. The multi-year plan assumed the issuance of additional bonds in future years to fund the remaining Lead and Copper Rule Compliance projects.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

The Water Fund has the debt, financial and economic capacity to issue the proposed bond. Staff recommends the motion be forwarded to the full Board for their consideration.

ATTACHMENT(S)

A. Full Form of Motion

**PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING WATER BONDS IN THE AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$15,710,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) of water main improvements, the Windham pump station, Sebago Lake Treatment Facility’s Roof, Service Lines GPS points collection and other related water system infrastructure upgrades and improvements (all collectively, the “Project”).

WHEREAS, the District desires to finance the Costs of such Project by issuing its water bonds in the maximum aggregate amount of \$15,710,000 and to borrow such money through a public offering or through the Maine Municipal Bond Bank’s Safe Drinking Water State Revolving Loan Fund program, or its general resolution borrowing program or other qualified purchaser of the bonds or a combination thereof;

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

THAT: Pursuant to the District’s Charter, Chapter 84 of the Private and Special Laws of 1975 and all amendments thereof and acts additional thereto, and all other authority thereto enabling, and the Decision and Order of the Public Utilities Commission of the State of Maine issued in Docket No. 2015-00159 dated November 13, 2015, there is hereby authorized and approved the issuance of the District’s water bonds and/or temporary notes in anticipation thereof in an aggregate principal amount not to exceed \$15,710,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project (the “Bonds”).

THAT: The Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to issue the Bonds and notes authorized hereby through a public offering (on a competitive or negotiated basis or a combination thereof) or through the Maine Municipal Bond Bank’s Drinking Water State Revolving Loan Fund program or its general resolution borrowing program or to another qualified purchaser of the Bonds or a combination thereof, and such Bonds may be issued in serial form or as term bonds, or some combination thereof, issued at one time or from time to time, all as the Treasurer shall determine to be appropriate in his sole discretion.

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

THAT: The Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to establish, determine and approve the form, date(s), maturity(ies) (not to exceed 40 years from the date(s) of issuance), denomination(s), interest rate(s), place(s) of payment, and other details of the Bonds and notes authorized hereby, including the timing and provision for their sale and award, and to provide that any of such Bonds and notes may be made subject to call for redemption, with or without a premium, before the stated maturity date(s) of such Bonds or notes, such establishment, determination and approval to be conclusively evidenced by his execution thereof.

THAT: The Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to do or cause to be done all such acts and things, and to execute, deliver, file, approve, and record all such financing documents, contracts, agreements, deeds, assignments, certificates, memoranda, abstracts, and other documents (collectively with

any other agreements authorized herein, referred to as the “Bond Documents”) as may be necessary or advisable, with the advice of counsel for the District, to carry out the provisions of these resolutions in connection with the Project, the issuance, sale, and delivery by the District of the Bonds and the execution and delivery of the documents, including the entering into of loan agreements or interim loan agreements with the Bond Bank, should the Bonds and notes (or any portion thereof) be purchased by the Bond Bank, the entering into of investment agreements regarding the proceeds of the Bond and notes hereinabove authorized, and the waiving of the District’s sovereign or governmental immunity with respect to the enforceability of any of the forgoing.

THAT: If the Bonds or notes (or a portion thereof) are issued in a public offering, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to select the underwriter for such Bonds and notes and the Treasurer be and hereby is authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.

THAT: If the Bonds or notes (or a portion thereof) are issued in a public offering, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of such Bonds and notes, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, and that the use and distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the District in connection with offering such Bonds and notes for sale be and hereby is approved.

THAT: If the Bonds or notes (or any portion thereof) are issued to the Maine Municipal Bond Bank (the “Bond Bank”) pursuant to the State’s Drinking Water Revolving Loan Fund program established under Title 30-A, §§5953-B and 6006-B, or its general borrowing program established under Title 30-A, §5953, the Treasurer and the President of the District be and hereby are authorized and empowered, in the name and on behalf of the District, to execute and deliver, under the seal of the District attested by its Clerk, one or more loan agreements between the District and the Bond Bank providing for loans from the Bond Bank to the District in an amount not to exceed such amount, said loan agreements to be in the usual and ordinary form utilized by the Bond Bank in connection with the Clean Water Revolving Loan Fund program or its general borrowing program, which is hereby approved, and to contain such other terms and provisions, not contrary to the general tenor hereof, as the Treasurer and the President of the District may approve, their approval to be conclusively evidenced by the execution thereof.

THAT: The Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to select the registrar, paying agent and transfer agent (the “Transfer Agent”) for the Bonds and notes hereinbefore authorized and to execute and deliver such contracts and agreements as may be necessary or appropriate to secure their services.

THAT: If the Bonds and notes (or any portion thereof) hereinbefore authorized are issued on a tax-exempt basis, the Treasurer be and hereby is authorized to covenant and certify in the name of and on behalf of the District that no part of the proceeds of the issue and sale of such Bonds and notes shall be used directly or indirectly (a) to acquire any securities or obligations, the acquisition of which would cause such Bonds or notes to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), or (b) to cause such notes or Bonds to be “private activity bonds” within the meaning of Section 141 of the Code.

THAT: If the Bonds and notes (or any portion thereof) hereinbefore authorized are issued on a tax-exempt basis, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to designate such Bonds and notes as qualified tax-exempt

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

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

THAT: The term “Cost” or “Costs” as used herein and applied to the Project, or any portion thereof, includes, but is not limited to (1) the purchase price or acquisition cost of all or any portion of the Project; (2) the cost to design, construct, renovate, improve, furnish and equip the Project; (3) the cost of land, easements and other real property interests, landscaping and site preparation, all appurtenances and other fixtures, facilities, buildings and structures either on, above, or under the ground which are used or usable in connection with the Project; (4) the cost of feasibility studies, surveys, environmental studies and assessments, engineering, plans and specifications, legal and other professional services associated with the Projects; and (5) issuance costs, including premiums for insurance, capitalized interest and other fees and expenses relating to the financing transaction.

THAT: The investment earnings on the proceeds of the Bonds and notes hereinbefore authorized, if any, and the excess proceeds of such Bonds and notes (including premium), if any, be and hereby are appropriated for the following purposes, such proceeds to be held and applied in the order of priority determined by the Treasurer, for the following purposes:

1. To any Costs of the Project in excess of the principal amount of the Bonds or notes;
2. If issued on a tax-exempt basis, in accordance with applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the Bonds or notes;
3. To pay debt service on the Bonds;
4. To any other project or improvement for which the Board has authorized the District's bonds; and
5. To the District's general fund.

THAT: The District covenants to establish, maintain, apportion, revise and collect fees, charges and assessments for water services furnished by the District, to pay when due current expenses of operating and maintaining the water system and to pay when due principal, interest and premium, if any, of all outstanding water system indebtedness, including any Bonds hereinabove authorized, created or assumed by the District to provide a water system or otherwise for water system purposes.

THAT: If the Treasurer, President of the District or Clerk are for any reason unavailable to approve and execute the Bonds and notes hereinbefore authorized, or any of the Bond Documents to be delivered with respect thereto, the person or persons then acting in any such capacity, whether as an assistant or a deputy, on an acting or interim basis or otherwise, is authorized to act for such official with the same force and effect as if such person had himself or herself performed such act.

THAT: If any authorized representative of the District who has signed or sealed the Bonds and notes hereinbefore authorized shall cease to be such officer or official before the Bonds or notes so signed and sealed shall have been actually delivered by the District and / or

authenticated, such Bonds or notes nevertheless may be issued, delivered and authenticated with the same force and effect as though the person or persons who signed or sealed such Bonds notes had not ceased to be such officer or official. also any such Bonds or notes may be signed and sealed in the name of and on behalf of the District by those persons who, at the actual date of the execution of such Bonds or notes, shall be the proper officers and officials of the District, although at the nominal date of such Bonds or notes any such person shall not have been such officer or official.

THAT: During the term any of the Bonds are outstanding, in order to obtain additional debt service savings, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to issue and deliver refunding bonds, on either a current or advance refunding basis, to refund some or all of the Bonds then outstanding, and to establish, determine and approve the form, date(s), maturity(ies) (not to exceed 40 years from the date of issuance of the original Bonds), denomination(s), interest rate(s), place(s) of payment, and other details of the Bonds and notes authorized hereby, including the timing and provision for their sale and award, and to provide that any of such refunding bonds may be made subject to call for redemption, with or without a premium, before the stated maturity date(s) of such refunding bonds, and all other details of such refunding bonds, including the form and manner of their sale and award, and to execute and deliver, all in the name of and on behalf of the District, such establishment, determination and approval to be conclusively evidenced by his execution thereof, and each refunding bond issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.

THAT: Notwithstanding the above provisions of this Order, to the extent deemed necessary or appropriate by the District Treasurer, the Bonds and notes authorized hereunder may be issued as water bonds, sewer bonds or some combination thereof as the Treasurer shall determine and establish and that the debt service on the Bonds and notes authorized hereunder shall be allocated annually between the water system and the waste water and sewage system in a manner consistent with Section 15 of the District's Charter.

THAT: To the extent any of the Bonds and notes authorized hereunder shall be allocated to the District's waste water and sewage system as provided in the foregoing paragraph, the District covenants to establish, maintain, apportion, revise 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 so allocated, created or assumed by the District to provide a waste water and sewage system or otherwise for sewer purposes.

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 Projects 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, the Treasurer be and hereby is authorized to issue and deliver refunding bonds 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.



ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1-B
Date of Meeting: January 8, 2024
Subject: Portland Wastewater Bonds - \$11,500,000
Presented By: David Kane, Executive Director of Administration

RECOMMENDATION

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

RESOLVED, the issuance of up to \$11,500,000 in Portland wastewater bonds to finance the upgrade of the dewatering system at Portland's East End Wastewater Treatment Facility and related infrastructure 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.

BACKGROUND ANALYSIS

The approved 2024 Capital Improvement Plan (CIP) includes a \$11 million capital project to upgrade the dewatering system at Portland's East End Wastewater Treatment Facility (CIP 21-3204). The 2023 CIP included a \$500,000 project for the related preliminary engineering costs. The proposed motion authorizes the issuance of bonds in the amount of up to \$11.5 million to fund both of the projects.

FISCAL REVIEW / FUNDING

The 2024 Budget assumes a bond anticipation note would be issued to fund the costs incurred during the year. The multi-year plan assumes that permanent bond financing will happen in 2025. The forecast assumed the project would be financed through the state revolving loan fund (SRF) at reduced interest rate. However, the state only awarded a \$375,000 grant. A market-rate bond would result in a debt service payment of approximately \$190,000 higher than an SRF bond in 2026.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

Staff recommends the motion be forwarded to the full Board for their consideration.

ATTACHMENT(S)

A. Full Form of Motion

**PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING SEWER BONDS IN THE AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$11,500,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) of upgrades to the dewatering system at Portland’s East End Wastewater Treatment Facility and other related water system infrastructure upgrades and improvements (all collectively, the “Project”);

WHEREAS, the District desires to finance the Costs of such Project by issuing its sewer bonds in the maximum aggregate amount of \$11,500,000 and to borrow such money through the Maine Municipal Bond Bank’s Clean Water State Revolving Loan Fund program or its general resolution borrowing program or through another qualified purchaser of the bonds or a combination thereof;

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

THAT: Pursuant to the District’s Charter, Chapter 84 of the Private and Special Laws of 1975 and all amendments thereof and acts additional thereto, and all other authority thereto enabling, there is hereby authorized and approved the issuance of the District’s sewer bonds (the “Bonds”), and notes in anticipation thereof, in the aggregate principal amount not to exceed \$11,500,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project.

THAT: The Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to issue the Bonds and notes authorized hereby through a public offering (on a competitive or negotiated basis or a combination thereof) or through the Maine Municipal Bond Bank’s Clean Water State Revolving Loan Fund program or its general resolution borrowing program or to another qualified purchaser of the Bonds or a combination thereof, and such Bonds may be issued in serial form or as term bonds, or some combination thereof, issued at one time or from time to time, all as the Treasurer shall determine to be appropriate in his sole discretion.

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

THAT: The Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to establish, determine and approve the form, date(s), maturity(ies) (not to exceed 40 years from the date(s) of issuance), denomination(s), interest rate(s), place(s) of payment, and other details of the Bonds and notes authorized hereby, including the timing and provision for their sale and award, and to provide that any of such Bonds and notes may be made subject to call for redemption, with or without a premium, before the stated maturity date(s) of such Bonds or notes, such establishment, determination and approval to be conclusively evidenced by his execution thereof.

THAT: The Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to do or cause to be done all such acts and things, and to execute, deliver, file, approve, and record all such financing documents, contracts, agreements, deeds, assignments, certificates, memoranda, abstracts, and other documents (collectively with

any other agreements authorized herein, referred to as the “Bond Documents”) as may be necessary or advisable, with the advice of counsel for the District, to carry out the provisions of these resolutions in connection with the Project, the issuance, sale, and delivery by the District of the Bonds and the execution and delivery of the documents, including the entering into of loan agreements or interim loan agreements with the Bond Bank, should the Bonds and notes (or any portion thereof) be purchased by the Bond Bank, the entering into of investment agreements regarding the proceeds of the Bond and notes hereinabove authorized, and the waiving of the District’s sovereign or governmental immunity with respect to the enforceability of any of the forgoing.

THAT: If the Bonds or notes (or a portion thereof) are issued in a public offering, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to select the underwriter for such Bonds and notes and the Treasurer be and hereby is authorized and empowered to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.

THAT: If the Bonds or notes (or a portion thereof) are issued in a public offering, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of such Bonds and notes, such Preliminary Official Statement and Official Statement to be in such form and contain such information as may be approved by the Treasurer, and that the use and distribution of the Preliminary Official Statement and the Official Statement in the name of and on behalf of the District in connection with offering such Bonds and notes for sale be and hereby is approved.

THAT: If the Bonds or notes (or any portion thereof) are issued to the Maine Municipal Bond Bank (the “Bond Bank”) pursuant to the State’s Clean Water Revolving Loan Fund program established under Title 30-A, §§5953-A and 6006-A, or its general borrowing program established under Title 30-A, §5953, the Treasurer and the President of the District be and hereby are authorized and empowered, in the name and on behalf of the District, to execute and deliver, under the seal of the District attested by its Clerk, one or more loan agreements between the District and the Bond Bank providing for loans from the Bond Bank to the District in an amount not to exceed such amount, said loan agreements to be in the usual and ordinary form utilized by the Bond Bank in connection with the Clean Water Revolving Loan Fund program or its general borrowing program, which is hereby approved, and to contain such other terms and provisions, not contrary to the general tenor hereof, as the Treasurer and the President of the District may approve, their approval to be conclusively evidenced by the execution thereof.

THAT: The Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to select the registrar, paying agent and transfer agent (the “Transfer Agent”) for the Bonds and notes hereinbefore authorized and to execute and deliver such contracts and agreements as may be necessary or appropriate to secure their services.

THAT: If the Bonds and notes (or any portion thereof) hereinbefore authorized are issued on a tax-exempt basis, the Treasurer be and hereby is authorized to covenant and certify in the name of and on behalf of the District that no part of the proceeds of the issue and sale of such Bonds and notes shall be used directly or indirectly (a) to acquire any securities or obligations, the acquisition of which would cause such Bonds or notes to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), or (b) to cause such notes or Bonds to be “private activity bonds” within the meaning of Section 141 of the Code.

THAT: If the Bonds and notes (or any portion thereof) hereinbefore authorized are issued on a tax-exempt basis, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to designate such Bonds and notes as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code, to the extent such designation is available and permissible under said Section 265(b)(3).

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

THAT: The term "Cost" or "Costs" as used herein and applied to the Project, or any portion thereof, includes, but is not limited to (1) the purchase price or acquisition cost of all or any portion of the Project; (2) the cost to design, construct, renovate, improve, furnish and equip the Project; (3) the cost of land, easements and other real property interests, landscaping and site preparation, all appurtenances and other fixtures, facilities, buildings and structures either on, above, or under the ground which are used or usable in connection with the Project; (4) the cost of feasibility studies, surveys, environmental studies and assessments, engineering, plans and specifications, legal and other professional services associated with the Projects; and (5) issuance costs, including premiums for insurance, capitalized interest and other fees and expenses relating to the financing transaction.

THAT: The investment earnings on the proceeds of the Bonds and notes hereinbefore authorized, if any, and the excess proceeds of such Bonds and notes (including premium), if any, be and hereby are appropriated for the following purposes, such proceeds to be held and applied in the order of priority determined by the Treasurer, for the following purposes:

1. To any Costs of the Project in excess of the principal amount of the Bonds or notes;
2. If issued on a tax-exempt basis, in accordance with applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the Bonds or notes;
3. To pay debt service on the Bonds;
4. To any other project or improvement for which the Board has authorized the District's bonds; and
5. To the District's general fund.

THAT: The District covenants to establish, maintain, apportion and collect fees, charges and assessments for sewer and wastewater services furnished by the District, to pay when due current expenses of operating and maintaining the sewer system and to pay when due principal, interest and premium, if any, of all outstanding sewer indebtedness, including any Bonds hereinabove authorized, created or assumed by the District to provide a waste water and sewage system or otherwise for sewer purposes.

THAT: If the Treasurer, President of the District or Clerk are for any reason unavailable to approve and execute the Bonds and notes hereinbefore authorized, or any of the Bond Documents to be delivered with respect thereto, the person or persons then acting in any such capacity, whether as an assistant or a deputy, on an acting or interim basis or otherwise,

is authorized to act for such official with the same force and effect as if such person had himself or herself performed such act.

THAT: If any authorized representative of the District who has signed or sealed the Bonds and notes hereinbefore authorized shall cease to be such officer or official before the Bonds or notes so signed and sealed shall have been actually delivered by the District and / or authenticated, such Bonds or notes nevertheless may be issued, delivered and authenticated with the same force and effect as though the person or persons who signed or sealed such Bonds notes had not ceased to be such officer or official. also any such Bonds or notes may be signed and sealed in the name of and on behalf of the District by those persons who, at the actual date of the execution of such Bonds or notes, shall be the proper officers and officials of the District, although at the nominal date of such Bonds or notes any such person shall not have been such officer or official.

THAT: Notwithstanding the above provisions of this Order, to the extent deemed necessary or appropriate by the District Treasurer, the Bonds and notes authorized hereunder may be issued as water bonds, sewer bonds or some combination thereof as the Treasurer shall determine and establish and that the debt service on the Bonds and notes authorized hereunder shall be allocated annually between the water system and the waste water and sewage system in a manner consistent with Section 15 of the District's Charter.

THAT: To the extent any of the Bonds and notes authorized hereunder shall be allocated to the District's water system as provided in the foregoing paragraph, the District covenants to establish, maintain, apportion, revise and collect fees, charges and assessments for water services furnished by the District, to pay when due current expenses of operating and maintaining the water system and to pay when due principal, interest and premium, if any, of all outstanding water system indebtedness, including any Bonds so allocated, created or assumed by the District to provide a water system or otherwise for water system purposes.

THAT: If the Bonds or notes authorized hereunder, or any portion of them, are issued through the Clean Water Revolving Loan Fund Program, the following resolutions required by Section C(4)(e) of the State of Maine Revolving Loan Fund Rules, Chapter 595, Department of Environmental Protection and the Bond Bank (the "SRF Regulations"), and governing any loan to be made to the District under the State Revolving Loan Fund Program be and hereby are adopted with respect to the said Bonds or notes issued through the Clean Water Revolving Loan Fund Program:

(1) that a Project Account shall be created for the Project which shall be separate from all other accounts of the District. If operating revenues are to be used to retire the debt, a sub-account will be established.

(2) that the Project Account shall be maintained in accordance with standards set forth by the Maine Municipal Bond Bank and in accordance with generally accepted government account standards.

(3) that a final accounting shall be made to the Bond Bank of the total cost of the Project upon completion of the Project performance certification as set out in Section G(3) of the SRF Regulations and the District acknowledges that the Bond Bank reserves the right at its sole discretion to be provided with a cost certification of the Project as built.

(4) that an annual audit of the District, prepared by a certified public accountant or licensed public accountant be provided to the Bond Bank for the term of the loan.

(5) that the District shall maintain insurance coverage on the Project in an amount adequate to protect the Bond Bank's interest for the term of the loan with the Bond Bank named as loss payee.

(6) that the District will comply with any special conditions specified by the Department of Environmental Protection's environmental determination until all financial obligations to the State have been discharged.

(7) that the District certify to the Bond Bank that it has secured all permits, licenses and approvals necessary and that it has a dedicated source of revenue for repayment.

(8) that the District establish a rate, charge or assessment schedule in order to pay principal and interest. Such rate change or schedule shall provide total operations and debt service coverage at a level at which the coverage for the Bond Bank is sufficient.

(9) that the District must demonstrate the ability to pay reasonably anticipated costs of operating and maintaining the financed Project.

(10) that the District abide by the SRF Regulations, as revised and amended and relevant State statutes of the State of Maine.

THAT: During the term any of the Bonds are outstanding, in order to obtain additional debt service savings, the Treasurer be and hereby is authorized and empowered, in the name of and on behalf of the District, to issue and deliver refunding bonds, on either a current or advance refunding basis, to refund some or all of the Bonds then outstanding, and to establish, determine and approve the form, date(s), maturity(ies) (not to exceed 40 years from the date of issuance of the original Bonds), denomination(s), interest rate(s), place(s) of payment, and other details of the Bonds and notes authorized hereby, including the timing and provision for their sale and award, and to provide that any of such refunding bonds may be made subject to call for redemption, with or without a premium, before the stated maturity date(s) of such refunding bonds, and all other details of such refunding bonds, including the form and manner of their sale and award, and to execute and deliver, all in the name of and on behalf of the District, such establishment, determination and approval to be conclusively evidenced by his execution thereof, and each refunding bond issued hereunder shall be signed by the Treasurer and the President of the District, and shall be sealed with the seal of the District, attested to by its Clerk.

ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 2
 Date of Meeting: January 8, 2024
 Subject: Water Supply Protection Fund
 Presented By: David Kane, Executive Director of Administration

RECOMMENDATION

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

ORDERED, the transfer of \$200,000 from the Water Supply Protection Fund to the Watershed Protection Fund is hereby authorized.

BACKGROUND ANALYSIS

The Board of Trustees has supported the PWD's watershed protection efforts by creating and funding two reserve funds: Water Supply Protection Fund and Watershed Protection Fund.

The Water Supply Protection Fund is established under state law and can be funded from excess annual net income. In the past, the Board has voted to allocate money to the fund, which currently has a balance of \$1,367,000. The law stipulates how the funds can be used including the requirement to get a land interest when funding an easement purchase.

The Watershed Protection Fund was created by the Board and is funded by net proceeds from the sale of surplus property. The balance in the fund has dropped below \$7,000. The use of funds is for projects related to watershed protection.

The Board authorizes the funding and use of both funds on a project-by-project basis. Because of the depletion of the Watershed Protection Fund, staff is requesting a transfer of \$200,000 from the Water Supply Protection Fund to the more broadly used Watershed Protection Fund. A withdrawal from the Water Supply Protection Fund is allowed under state law if the Board determines the transfer is in the best interest of PWD.

	Authority	Funding	Use	Current Balance
Water Supply Protection Fund	State Law	Water Fund Net Income	Real Property Interests	\$ 1,367,000
Watershed Protection Fund	Board Created	Net Proceeds from Sale of Surplus Property	Watershed Protection Projects	\$ 7,000

FISCAL REVIEW / FUNDING

The motion is requesting a transfer between two reserve funds and has no impact on the operating budget.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

Staff recommends the motion be forwarded to the full Board for their consideration.

	Admin Committee 2024 Work Plan	Attachment 3.3
2024		
Jan	Lead Program Bond Authorizations – mains and GPS(or part of Feb motions)/ Portland Dewatering Bond, Transfer money between Watershed Protection funds	
Feb	Annual review of Turnover statistics, Water/Wastewater Spring Bond Authorization: water (mains, SL roof, Windham pump , ww – Cape Scada, Portland Congress/Garrison Street PS),IT Multi-Year Plan, Additional Subscription to be approved? Consolidating Pension Plan	
Mar	Annual Approve Water Surplus Disposition, Preliminary Labor Negotiation Parameters	WS- May
Apr	Election of Chair, Annual WW Surplus Disposition;Chapter 870 Policy Amendmen	
May	Audit report	
Jun	Budget Parameters, Pension Actuary Report Review, Safety Program update	
Jul	Water/Wastewater Fall Bond Authorization (Cape-Ottawa Road, Cumberland-Tuttle/Powell, Portland-Fore River PS), IS security audit	
Aug		
Sep	Water Rate Adjustment Recommendation, Family Leave Law, SIA Policy Amendment/Designation	
Oct	Annual Benefit Program Review, Terms&Conditions/Non-Tariff Review,457 Pension Plan Amendment – 2024 and beyond items due to Secure 2.0	
Nov	Budget, Pension's COLA	
Dec	Annual Non-Union Pay Scale Adjustment	

Workshop (WS) WS

Board Action (BA) BA

Possible

HomeServ Renewal Dec 2025	ba
Meter/AMR: Strategic Discussion	
Meter/AMR: Selection	ba
E-Source Program Update	
Meter Reading Program Education	
Finance System Upgrade recommendation	
Long-term Financial Plan/Options – conceptual	
Investment Review	
Water Impact Fee	ba
Bond Rating - AAA	
Customer Service levels – front desk, non-phone contact	ba?
457 Plan – Investment Policy – Forte recommended	ba
Formally change pension plan funding policy	ba
IT Security Audit	
CES Project Update	
Defined Benefits- Pensioners COLA increase practice (see if in Labor Negotiations	ba
Low-income Conservation program	
New Union Contract - pension plans amendments	ba
457 Plan : Document describing what is delegated to Pension Committee	ba
SIA Policy Amendment to 30 day notice to allow approval as part of budget	ba
SIA Designated Projects - more flexible and dedicate certain projects to be funded but leave flexibility	ba
NEB program update	



MEMORANDUM PORTLAND WATER DISTRICT

TO: Operations Committee/Board of Trustees

FROM: Scott Firmin, Director of Operations - Wastewater
James Wallace, Director of Operations - Water

DATE: January 3, 2024

RE: **Operations Committee Meeting – January 8, 2024**

A meeting of the Operations Committee of the Portland Water District Board of Trustees will be held on Monday, January 8, 2024, at 5:30 p.m., in the Emergency Operations Center (EOC) Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

- 1. North Windham Sewer Project – Project Budget Increase**
Staff will provide a recommendation to amend the Project budget in anticipation of future engineering contract amendments to get through the final design. (See attached memo)
- 2. Methodist Road Water Main Renewal**
Staff will review minor renewal projects that have been completed by the District's transmission distribution crews, such as the water main on Methodist Road in Westbrook.
- 3. Other Business**

OPERATIONS COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1
Date of Meeting: January 8, 2024
Subject: North Windham Sewer Project – Project Budget Increase
Presented By: Greg Pellerin, Senior Project Engineer

RECOMMENDATION

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

ORDERED, that the Project (CIP 2022-182/3324) budget is amended by increasing it by \$1,600,000 to a total of \$13,936,000; 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

PWD executed an Engineering Services Agreement with Brown and Caldwell in December 2022 for preconstruction services associated with the ongoing North Windham Sewer Project. The scope of this contract included general project management activities, 60% design drawings for the wastewater treatment facility (“WWTF”), a review of the 60% design cost estimate from the construction manager-at-risk (“CMAR”), MWH Constructors, effluent disposal field design support, and 30% design of the initial collection system.

This project budget increase of \$1,600,000.00 is proposed in anticipation of future engineering contract amendments with Brown and Caldwell to finalize the project design in preparation for the construction phase of the WWTF and the remaining collection system.

Project #: 2022-Subprogram 182/ Project 3324

FISCAL REVIEW/FUNDING

PWD and the Town of Windham secured funding approval for a \$38.9M loan at a 1.5% interest rate with \$2.25M in principal forgiveness from the Department of Environmental Protection (DEP) Clean Water State Revolving Loan Fund in April of 2022. The Board of Trustees and the Town Council approved the acceptance of these funds in May 2022. Windham approved, by referendum vote in June of 2022, the North Windham Sewer project with a budget of \$38.9M.

Phase 1 of the project, which will include GMP 1 and 2, has a total estimated project budget of between \$37-39M and the costs for the Engineering and CMAR will be funded from this budget. The Town will bond approximately \$32M of these costs, and the remainder will be funded using grants and SRF loan principal forgiveness. Future operating costs for the wastewater system will be funded through user fees and the debt service will be funded through the Town’s tax incremental financing created for the commercial zone of North Windham. Phase 1 of this project is expected to be on-line by January 1, 2026. Future phases will be constructed as funding becomes available.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed order as to form.

CONCLUSION(S)

Staff recommends increasing the project budget in the amount of \$1,600,000 and increasing the Project budget to \$13,936,000.

ATTACHMENT(S)

Supporting Information

SUPPORTING INFORMATION

Introduction and Project Organization

The Town of Windham and PWD are engaged in a collaborative effort to provide a new wastewater collection system, treatment plant, and effluent disposal system in the commercial area of North Windham along Rt. 302. This system is intended to meet the needs of existing and future commercial development in the area. The project is currently in the construction phase for GMP (Guaranteed Maximum Price) 1 and final design phase for both the WWTF and remaining Collection System, which will be made into future GMP contract(s).

After engaging Brown and Caldwell to advance the 30% design (produced by Tighe and Bond in 2022), the WWTF design has approached the 60% design level. However, some budget challenges have required several modifications to the design. This budget increase will provide the necessary design budget to advance through the final design and into the next Design Build Construction Phase with the next GMP(s).

Schedule Summary: It is expected that the design will be completed during the Spring of 2024, and GMP2 construction will begin in the Summer of 2024. The WWTF is expected to be started up during early 2026.

Budget Summary (to date):

Project Phase	Firm	Price	
Preliminary Design	Tighe & Bond	\$ 1,127,000.00	
30-60% Full Project	MWH	\$ 400,000.00	
30-60% Full Project	Brown and Caldwell	\$ 1,800,000.00	
Final Design Full Project	Brown and Caldwell	\$ 1,600,000.00	Note: estimated amount to be refined
30-60%	Stantec	\$ 59,000.00	
30-60%	PWD	\$ 300,000.00	
GMP 1	MWH	\$ 8,650,000.00	
	Current Total Budget	\$ 13,936,000.00	

Design Phase Engineering costs are currently estimated to run about 12% of the future total project budget, which is within the industry standard range.



MEMORANDUM PORTLAND WATER DISTRICT

TO: Planning Committee/Board of Trustees

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

DATE: January 3, 2024

RE: Planning Committee Meeting – January 8, 2024

A meeting of the Planning Committee of the Portland Water District Board of Trustees will be held on Monday, January 8, 2024, at 5:30 p.m., in the Nixon Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

1. **Update of Surplus Property - Walnut Street Property and Underground Reservoir**
Staff will provide an update on the sale of the Munjoy Hill Reservoir property.
2. **Gambo Pit Property – Windham**
Staff will provide a preview of the Gambo Pit Property discussion including leasing the property to the Town of Windham in preparation for the workshop meeting.
3. **Review Proposed 2024 Committee Work Plan**
Staff will review the proposed 2024 Committee work plan. (See attached)
4. **Other Business**



PORTLAND WATER DISTRICT TRUSTEES PLANNING COMMITTEE 2024

Trustee Louise Douglas, Chair
Trustee Gary Libby
Trustee Leroy Crockett

Committee Staff Clerk – Christopher Crovo

GENERAL POLICY AREAS OF THE COMMITTEE

The mission of the Planning Committee is to provide counsel and direction on the planning and governmental affairs of the Portland Water District. The committee may initiate or review, and recommend to the Board of Trustees, positions on such issues as, but not limited to:

- Oversight and Review of Asset Management and Planning Department’s Budget and Operations of that Department
- Asset Management – Infrastructure renewal (Long Term)
- Land issues - Policy for the Sale or Other Use of District Real Property
- Watershed Protection Policy (White Paper on Lower Bay)
- Charter Issues
- Tracking and developing positions on State and Federal Legislation
- Master Planning (CWSSP)
- Vulnerability and Security Planning
- Long Term Strategic Direction
- Regionalism Opportunities – SMRWC
- Future Rules and Regulations of Water and Wastewater
- Watershed Land Use Policy and Implementation Plan (Sebago Lake Land Reserve)
- Watershed Land Acquisition Policy (within Standish)
- Watershed Preservation Policy

COMMITTEE ROOM – Nixon Training Center

MEETINGS – 5:30 p.m. – 6:30 p.m. immediately prior to the Board of Trustees monthly Workshop (second Monday of each month unless otherwise announced).

PROPOSED
COMMITTEE 2024 AGENDA ITEMS

<u>Mo.</u>	<u>Proposed Topics</u>	<u>Possible Board Action</u>
JAN	<ul style="list-style-type: none"> • Gambo Field Review • Review Committee work plan 2024 	
FEB	<ul style="list-style-type: none"> • Lead & Copper program update 	
MAR	<ul style="list-style-type: none"> • 2023 Standish Beach report (Chad) 	
APR	<ul style="list-style-type: none"> • Election of Chair • Revised Forest Management Plan and plans for coming season (Chad) 	
MAY	<ul style="list-style-type: none"> • Main Extension and New Services (Bobby) • Land Reserve and Lower Bay activity report (Rod) 	
JUN	<ul style="list-style-type: none"> • Education and Outreach Programs Update 	
JUL	<ul style="list-style-type: none"> • Regulatory updates 	
AUG	<ul style="list-style-type: none"> • Lower Bay Tour - (Rod) 	
SEP	<ul style="list-style-type: none"> • Sebago Clean Waters/RCCP Grant update (Paul) 	
OCT	<ul style="list-style-type: none"> • Industrial Pretreatment Program update • CMP lease/substation Update 	
NOV	<ul style="list-style-type: none"> • AMaP department budget review 	
DEC	<ul style="list-style-type: none"> • Review proposed agenda items for 2024 	

Other possible activities, issues & concerns that may or will come up: Easements and other land requests.