

AGENDA
PORTLAND WATER DISTRICT

225 Douglass Street, Portland, Maine

Jeff P. Nixon Training Center

6:00 p.m. on Monday, June 24, 2024

Remote Meeting Participation Available to the Public via Zoom at:

<https://us06web.zoom.us/j/84140248990?pwd=5FeEomFhADod3VLMxyzVyalg6A7Wd8.1>

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| 1. | <u>Convene Meeting</u> with Pledge of Allegiance and moment of silence | President Lunt |
| 2. | <u>Roll Call</u> | Clerk |
| 3a. | <u>Acceptance of Minutes</u> of the Regular Meeting of May 28, 2024 | President Lunt |
| 3b. | <u>Acceptance of Minutes</u> of the Workshop Meeting of June 17, 2024 | President Lunt |
| 4. | <u>Invitation for Public Comment</u> | President Lunt |
| 5. | <u>Reports:</u> | |
| | ▪ Operations Committee Report | Trustee Shattuck-Heidorn |
| | ▪ Planning Committee Report | Trustee Crockett |
| | ▪ Administration & Finance Committee Report | Trustee Cote |
| | ▪ General Manager's Report | General Manager |
| 6. | <u>New Business:</u> | |
| | A. <u>Public Hearing</u> regarding the authorization of wastewater bonds for Portland and Cape Elizabeth | Administration and Finance Committee |
| | B. <u>Resolution 24-007</u> 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 | Administration and Finance Committee |
| | C. <u>Resolution 24-008</u> authorizing 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 | Administration and Finance Committee |
| | D. <u>Order 24-018</u> authorizing the First Amendment to the 457 Plan, effective as of January 1, 2023 | Administration and Finance Committee |
| | E. <u>Resolution 24-009</u> ratifying the System Infrastructure Assessment Program as amended with an effective date of June 24, 2024 | Administration and Finance Committee |
| | F. <u>Order 24-019</u> authorizing a contract with N Harris Computer Corporation | Administration and Finance Committee |
| | G. <u>Order 24-020</u> declaring 50 acres of District-owned property in Windham as surplus land | Planning Committee |

- 7. Other Business An item may be added to this agenda provided seven trustees vote to waive the rule regarding agendas. President Lunt
- 8. Second Invitation for Public Comment President Lunt
- 9. Trustee Comments President Lunt
- 10. Executive Session A motion will be made 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. President Lunt

A motion will be made 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.
- 11. Adjournment President Lunt

Donna M. Katsiaficas
Clerk

Portland Water District
Board of Trustees Regular Meeting
June 24, 2024

New Business

Agenda Item 6A – 6G



ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 6A-B Resolution 24-007
Date of Meeting: June 24, 2024
Subject: Portland Wastewater Bonds - \$1,500,000
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 \$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.

BACKGROUND ANALYSIS

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.

FISCAL REVIEW / FUNDING

The 2024 Budget included the impact of issuing bonds totaling \$1,500,000 with an interest rate of 4%. The estimated first-year impact to the city's assessment is \$135,000. The multi-year plan provided to the City of Portland included the impact.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

Staff recommends the amended motion be forwarded to the full Board for its consideration. The Committee unanimously recommended the motion be forwarded to the Board for its consideration.

ATTACHMENT(S)

A. Full Form of Motion

**PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING PORTLAND SEWER BONDS IN THE AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$1,500,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) of upgrades of the Congress and Garrison Streets pump station and other related sewer 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 \$1,500,000 and to borrow such money through a public offering or through the Maine Municipal Bond Bank’s Clean 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, there is hereby authorized and approved the issuance of the District’s sewer bonds (the “Bonds”) and/or temporary notes in anticipation thereof (the “Notes”) in an aggregate principal amount not to exceed \$1,500,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project.

THAT: Each Bond or Note shall be signed in the name of and on behalf of the District, by the Treasurer and either the President or Vice-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, in the name of and on behalf of the District, to establish, determine and approve the time of the sale, award and settlement of the Bonds and Notes, which may be issued at one time, or from time to time, 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, such establishment, determination and approval to be conclusively evidenced by the execution thereof, all as the Treasurer shall determine to be appropriate in his sole discretion.

THAT: The Treasurer be and hereby is authorized, in the name of and on behalf of the District, to establish, determine and approve the date, form, denominations, interest rates, maturity (not to exceed 40 years from the date(s) of issuance), provisions for early redemption, and other details of the Bonds and Notes, such establishment, determination and approval to be conclusively evidenced by his execution thereof.

THAT: The Treasurer be and hereby is authorized, in the name of and on behalf of the District, to do or cause to be done all such acts and things necessary and expedient in connection with the financing of the Project and the issuance the Bonds and Notes, and the investment of the proceeds thereof, including to select a financial advisor, underwriter, or paying agent/registrar with respects to the Bonds and Notes, and to execute, deliver, file,

approve, and record all agreements, investment agreements, bond purchase agreements, preliminary and final official statements or other offering documents, escrow agreements, continuing disclosure agreements, tax compliance agreements, or arbitrage certificates, and all other closing certificates and documents (collectively with any other agreements authorized herein, referred to as the “Bond Documents”), which Bond Documents may be in such form and contain such terms, conditions and provisions including, without limitation, the waiving of the District’s sovereign or governmental immunity with respect to the enforceability of any of the forgoing, which waiver of sovereign or governmental immunity is hereby authorized, confirmed and approved, as the Treasurer shall establish, determine and approve, such establishment, determination and approval to be conclusively evidenced by his execution thereof.

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 either the President or Vice-President of the District be and hereby are authorized, 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 either the President or Vice-President of the District may approve, their approval to be conclusively evidenced by the execution thereof.

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, in the name of and on behalf of the District:

- To covenant and certify (A) that no part of the proceeds of the issue and sale of such Bonds and Notes, including any use of the Project, shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause such Bonds or Notes to be “private activity bonds” or “arbitrage bonds” within the meaning of Sections 141 or 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and (B) that the district will file any required reports and take any other action that may be necessary to insure 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 the Bonds and Notes to be subject to federal income taxation; and
- To designate the Bond or Notes, or a portion thereof, as qualified tax-exempt obligations under and as permitted by Section 265(b)(3) of the Code, to the extent such designation is available and permissible under said Section 265(b)(3).

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 Project; 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, 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, and either the President or Vice-President of the District or Clerk are for any reason unavailable to approve and execute the Bonds, Notes, or any related Bond Document, the person or persons then acting in any such capacity, whether as an assistant, a deputy, or otherwise, in an interim or acting basis or otherwise, is authorized, in the name of and on behalf of the District, 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 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 or Notes had not ceased to be such officer or official; and 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, the Treasurer be and hereby is authorized, 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 time of the sale, award and settlement of such refunding bonds, and the date, form, denominations, interest rates, maturity(ies) (not to exceed 40 years from the date of issuance of the original Bonds), provisions for early redemption, and , all other details of such refunding bonds, such establishment, determination and approval to be conclusively evidenced by his execution

thereof, and to execute and deliver, 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, and each refunding bond issued hereunder shall be signed in the same manner as the Bonds.

THAT: Notwithstanding the above provisions of this Order, to the extent deemed necessary or appropriate by the District Treasurer, the Bonds and Notes 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 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 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, 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.



BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6C Resolution 24-008
Date of Meeting: June 24, 2024
Subject: Cape Elizabeth Wastewater Bonds - \$675,000
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 \$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.

BACKGROUND ANALYSIS

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.

FISCAL REVIEW / FUNDING

The 2024 Budget included the impact of issuing bonds with an interest rate of 4%. The estimated first-year impact to the city's assessment is \$61,000. The multi-year plan provided to the Town of Cape Elizabeth included the impact.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed Resolution as to form.

CONCLUSION(S)

Staff recommends the amended motion be forwarded to the full Board for its consideration. The Committee unanimously recommended the motion be forwarded to the Board for its consideration.

ATTACHMENT(S)

A. Full Form of Motion

**PORTLAND WATER DISTRICT
RESOLUTION OF BOARD OF TRUSTEES
AUTHORIZING CAPE ELIZABETH SEWER BONDS IN THE AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$675,000**

WHEREAS, the Portland Water District (the “District”) intends to finance the Costs (as defined herein) of upgrades of the Ottawa pump station and SCADA system and other related sewer 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 \$675,000 and to borrow such money through a public offering or through the Maine Municipal Bond Bank’s Clean 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, there is hereby authorized and approved the issuance of the District’s sewer bonds (the “Bonds”) and/or temporary notes in anticipation thereof (the “Notes”) in an aggregate principal amount not to exceed \$675,000, the proceeds of which are appropriated for and shall be used to finance the Costs of the Project.

THAT: Each Bond or Note shall be signed in the name of and on behalf of the District, by the Treasurer and either the President or Vice-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, in the name of and on behalf of the District, to establish, determine and approve the time of the sale, award and settlement of the Bonds and Notes, which may be issued at one time, or from time to time, 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, such establishment, determination and approval to be conclusively evidenced by the execution thereof, all as the Treasurer shall determine to be appropriate in his sole discretion.

THAT: The Treasurer be and hereby is authorized, in the name of and on behalf of the District, to establish, determine and approve the date, form, denominations, interest rates, maturity (not to exceed 40 years from the date(s) of issuance), provisions for early redemption, and other details of the Bonds and Notes, such establishment, determination and approval to be conclusively evidenced by his execution thereof.

THAT: The Treasurer be and hereby is authorized, in the name of and on behalf of the District, to do or cause to be done all such acts and things necessary and expedient in connection with the financing of the Project and the issuance the Bonds and Notes, and the investment of the proceeds thereof, including to select a financial advisor, underwriter, or paying agent/registrars with respects to the Bonds and Notes, and to execute, deliver, file, approve, and record all agreements, investment agreements, bond purchase agreements, preliminary and final official statements or other offering documents, escrow agreements, continuing disclosure agreements, tax compliance agreements, or arbitrage certificates,

and all other closing certificates and documents (collectively with any other agreements authorized herein, referred to as the “Bond Documents”), which Bond Documents may be in such form and contain such terms, conditions and provisions including, without limitation, the waiving of the District’s sovereign or governmental immunity with respect to the enforceability of any of the forgoing, which waiver of sovereign or governmental immunity is hereby authorized, confirmed and approved, as the Treasurer shall establish, determine and approve, such establishment, determination and approval to be conclusively evidenced by his execution thereof.

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 either the President or Vice-President of the District be and hereby are authorized, 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 either the President or Vice-President of the District may approve, their approval to be conclusively evidenced by the execution thereof.

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, in the name of and on behalf of the District:

- To covenant and certify (A) that no part of the proceeds of the issue and sale of such Bonds and Notes, including any use of the Project, shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause such Bonds or Notes to be “private activity bonds” or “arbitrage bonds” within the meaning of Sections 141 or 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and (B) that the district will file any required reports and take any other action that may be necessary to insure 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 the Bonds and Notes to be subject to federal income taxation; and
- To designate the Bond or Notes, or a portion thereof, as qualified tax-exempt obligations under and as permitted by Section 265(b)(3) of the Code, to the extent such designation is available and permissible under said Section 265(b)(3).

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 Project; 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, 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, and either the President or Vice-President of the District or Clerk are for any reason unavailable to approve and execute the Bonds, Notes, or any related Bond Document, the person or persons then acting in any such capacity, whether as an assistant, a deputy, or otherwise, in an interim or acting basis or otherwise, is authorized, in the name of and on behalf of the District, 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 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 or Notes had not ceased to be such officer or official; and 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, the Treasurer be and hereby is authorized, 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 time of the sale, award and settlement of such refunding bonds, and the date, form, denominations, interest rates, maturity(ies) (not to exceed 40 years from the date of issuance of the original Bonds), provisions for early redemption, and , all other details of such refunding bonds, such establishment, determination and approval to be conclusively evidenced by his execution thereof, and to execute and deliver, 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, and each refunding bond issued hereunder shall be signed in the same manner as the Bonds.

THAT: Notwithstanding the above provisions of this Order, to the extent deemed necessary or appropriate by the District Treasurer, the Bonds and Notes 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 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 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, 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.



BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6D Order 24-018
Date of Meeting: June 24, 2024
Subject: Deferred Compensation (457) Plan Amendments
Presented By: David Kane, Executive Director of Administration
Mary Demers, Director of Employee Services

RECOMMENDATION

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

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.

BACKGROUND

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.

FISCAL REVIEW / FUNDING

The changes do not result in any fiscal impact to PWD.

LEGAL REVIEW

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

CONCLUSION(S)

Staff recommends that the Committee approve the proposed motion. The Committee unanimously recommended the motion be forwarded to the Board for its consideration.

ATTACHMENT(S)

A. Portland Water District Deferred Compensation Plan – First Amendment

**FIRST AMENDMENT
TO THE
PORTLAND WATER DISTRICT DEFERRED COMPENSATION PLAN**

The Portland Water District Deferred Compensation Plan (the “Plan”) was last restated effective January 1, 2023, and has not been amended since that date. The Plan is hereby amended in the following respects:

1. The terms used in this Amendment shall have the meanings set forth in the Plan unless the context indicates otherwise.

2. Subsection (b)(4) of Section 5.03 of the Plan is hereby amended to read as follows:

(b)(4) [RESERVED].

3. Section 5.05 of the Plan is hereby amended by removing in its entirety, the subsection titled “Terminal Illness Distribution.”

This Amendment shall be effective January 1, 2023.

IN WITNESS WHEREOF, to record adoption of this Amendment, the Portland Water District has caused this instrument to be executed by its duly authorized officer this 24 day of June, 2024.

WITNESS:

PORTLAND WATER DISTRICT

By: _____



BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6E Resolution 24-009
Date of Meeting: June 24, 2024
Subject: System Infrastructure Assessment
Presented By: David Kane, Executive Director of Administration

RECOMMENDATION

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

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.

BACKGROUND ANALYSIS

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) could 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

Note that 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 recommends to simplify 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.

FINANCIAL REVIEW

No additional funding is being requested at this time. However, more resources will be needed to meet water infrastructure renewal goals beyond those identified and paid through the capital reserve. The annual budget will continue to allocate 10% of water revenue to the capital reserve to be used to fund projects identified in the SIA.

LEGAL REVIEW

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

CONCLUSION(S)

Staff recommends the Committee approve the motion and forward it to the Board for its consideration. The Committee unanimously recommended the motion be forwarded to the Board for its consideration.

ATTACHMENT

A. System Infrastructure Assessment – 6/24/24

Background

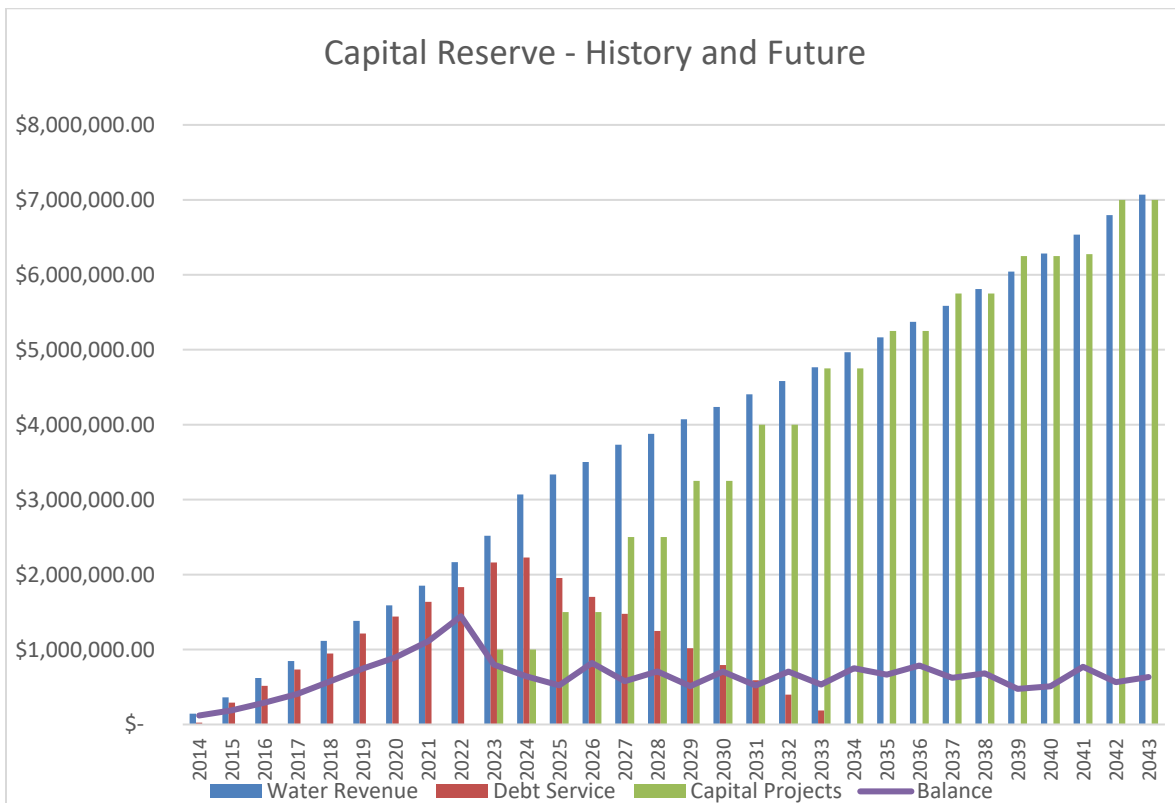
In 2013, a new state law was enacted allowing for the creation of a capital reserve funded by water ratepayer revenue. Under the law, PWD could allocate up to 10% of the water revenues to a capital reserve. To create the reserve, the PUC rules required a System Infrastructure Assessment (SIA). On August 26, 2013, the Board approved the SIA. The SIA identified over 217 miles of pipe needing to be replaced at a cost of \$255 million targeting 4 subsets of water main:

- 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

Note that 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.

To begin addressing the need to replace the water mains, the Board voted to increase the investment in water main replacement by an additional \$2 million a year. To ease the impact to ratepayers, the investment would be 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 and fund capital projects directly from the fund saving the interest costs.

Staff recommends to simplify 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.



System Infrastructure Assessment (SIA) Programs

Program Summary

A significant amount of water assets are reaching the end of their useful life. Two areas of particular concern are water mains and water treatment-related assets.

Program A – Water Mains – Each year a significant amount of water mains are replaced with priorities placed on older and leak-prone water mains.

Program B – Water Treatment Plant – The Sebago Lake Treatment Facility was built in 1994 and significant upgrades are planned including:

- Chemical Storage Facilities upgrades
- Roof replacements
- Intake screens



BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6F Order 24-019
Date of Meeting: June 24, 2024
Subject: Cayenta Install Services
Presented By: Robin Doiron, Customer Service Manager
Peter Cutrone, Project Manager

RECOMMENDATION

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

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.

BACKGROUND ANALYSIS

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.

Two related projects will co-benefit from this engagement. First, the automated testing scripts supplied by ESource will be engaged. The scripts have been written and tested on our current production software but require the new software version to be installed to re-point and test against. Second, the upcoming meter and meter reading replacement requires interfaces to be written to the Cayenta system. Having the new version installed, tested, and in production before those interfaces are developed ensures that PWD only has to develop the interface for a single version.

FINANCIAL REVIEW

The project was not included in the 2024 Capital Improvement Plan. The project cost will be allocated to each fund's renewal replacement fund or, for those funds without a R&R fund, operating surplus proportionally in the same manner as all utility billing cost. The impact on each fund is listed in the table below.

Fund	Project Cost Share	Funding Source
Water	\$ 116,428	66.53% R&R
Wastewater:		
Cape Elizabeth	\$ 3,763	2.15% R&R
Cumberland	\$ 1,908	1.09% R&R
Famouth	\$ 3,343	1.91% Operating
Gorham	\$ 3,045	1.74% R&R
Portland	\$ 26,653	15.23% R&R
South Portland	\$ 12,338	7.05% Operating
Westbrook	\$ 7,438	4.25% R&R
Windham	\$ 84	0.05% R&R
	<u>\$ 175,000</u>	<u>100.00%</u>

LEGAL REVIEW

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

CONCLUSION(S)

Staff recommends the Committee approve the motion and forward to the Board for its consideration. The Committee unanimously recommended the motion be forwarded to the Board for its consideration.

ATTACHMENT(S)

None



BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Item: 6G Order 24-020
Date of Meeting: June 24, 2024
Subject: Surplus Land Declaration – Gambo Fields - Windham
Presented By: Laurel Jackson, Right of Way Agent

RECOMMENDATION

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

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.

BACKGROUND ANALYSIS

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 shown on Attachment A 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.

FISCAL REVIEW / FUNDING

The proposed sale price will be determined by a fair-market appraisal.

LEGAL REVIEW

Corporate Counsel will review the proposed deed prior to execution.

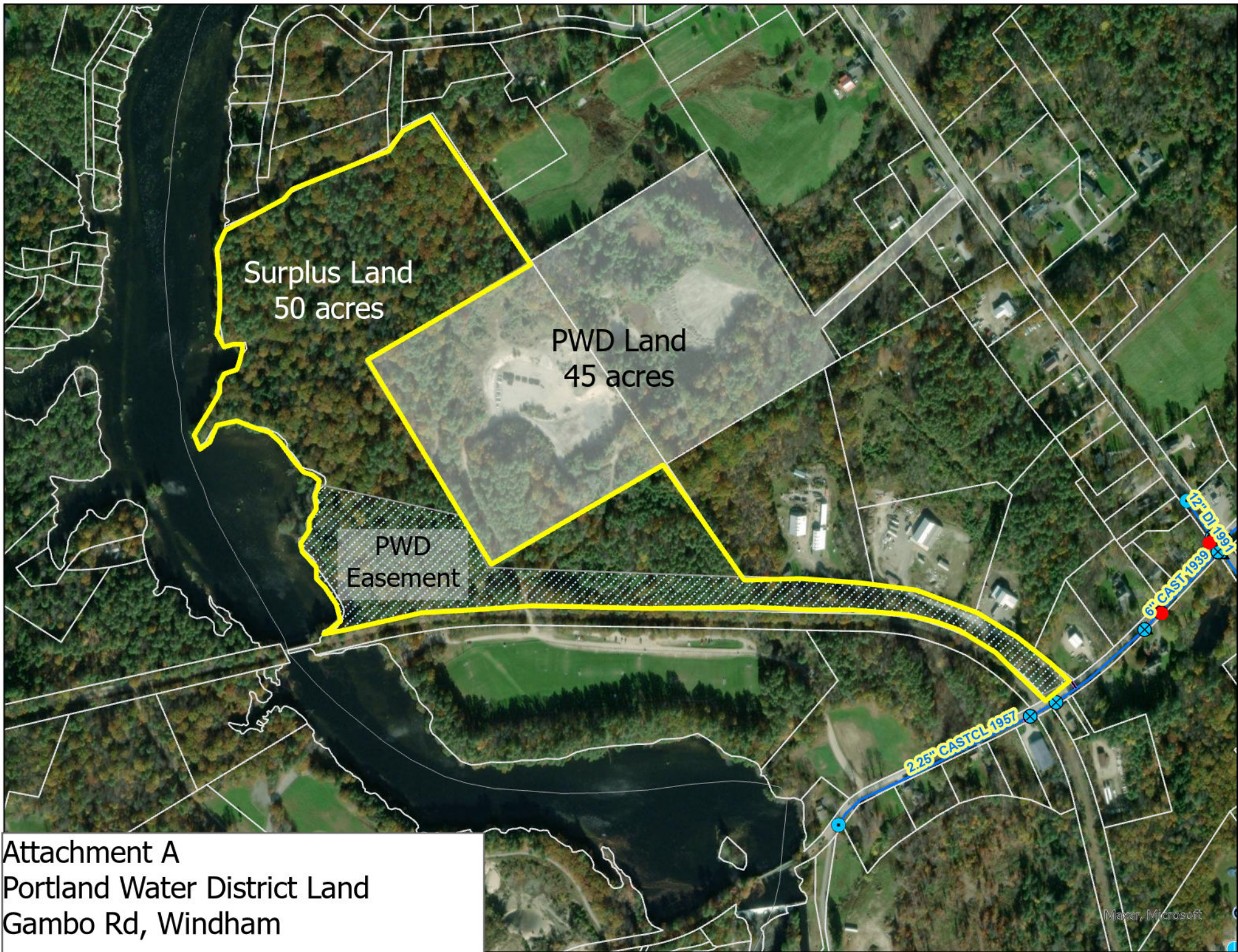
CONCLUSION(S)

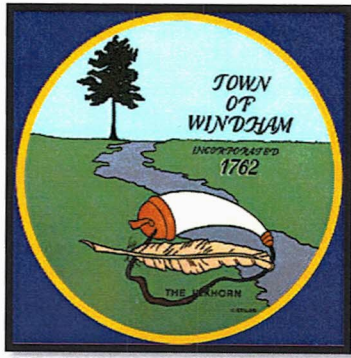
Staff recommends that a portion of the District's Gambo Rd property be declared surplus. The Committee supported the request and voted to send it to the full Board for consideration and approval.

ATTACHMENT(S)

A - Map of Gambo Property

B - Letter of Request - Town of Windham





Town of Windham

8 School Road
Windham, ME 04062

Barry A. Tibbetts, Town Manager
batibbetts@windhammaine.us

Mark Morrison, Council Chair
markmorrison@windhammaine.us

207.892.1907 voice
207.892.1910 fax

June 4, 2024

Portland Water District, Trustees
225 Douglass Street
Portland, ME 04104-3553

Re: Potential Surplus Land Located at Gambo

Dear Trustees:

The Town of Windham is interested in the approximate fifty surplus acres, depicted on the attached map, for permanent recreational use. The Town Council has reviewed this potential opportunity for fields and trails and is unanimously in support of acquiring the parcel.

We envision making improvements to Cherry Lane to provide safer access to the soccer fields and the existing hand-carried river access area. The Town desires that this parcel would be open to the public with walking trails, small craft launch and playing fields. Additionally, the fifty acres of surplus land would be forever protected from housing or business development.

We are offering to have the parcel surveyed for your valuation purposes and commit to funding this park with public input on the design and usage. Preserving this parcel is consistent with the Town's Comprehensive and Open Space Plans and would be a regional asset.

Thank you for your consideration of this request for a public park.

Sincerely,

A blue ink signature of Barry A. Tibbetts, consisting of a stylized, flowing line.

Barry A. Tibbetts
Town Manager

A black ink signature of Mark Morrison, written in a cursive style.

Mark Morrison
Council Chair



Attachment A
Portland Water District Land
Gambo Rd, Windham