

As voted by the Board of Trustees and in accordance with the notice of the meeting, the Regular Meeting of the Board of Trustees of the Portland Water District was held at the Jeff P. Nixon Training Center, 225 Douglass Street, Portland, Maine, and via Zoom, on Monday, November 24, 2025. Attending from staff were S. Firmin, D. Katsiaficas, K. Tibbets, J. Wallace, M. Clements, J. Hudak, C. Brown, M. Archibald, and G. Pellerin.

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

ROLL CALL

The roll was called by the Clerk. Trustee Douglas was absent. Trustee Voltz attended remotely.

DECLARATION OF ELECTION RESULTS AND INAUGURATION FOR THE TRUSTEES REPRESENTING CAPE ELIZABETH/SOUTH PORTLAND AND PORTLAND ELECTED ON NOVEMBER 4, 2025.

Trustee Christopher Scontras, representing Cape Elizabeth and South Portland, was sworn in as he began his five-year term. Trustee William Hewes, representing Portland, was sworn in as he began his five-year term.

ACCEPTANCE OF MINUTES

Trustee Willett made a motion to accept the minutes of the Regular Meeting of October 27, 2025, seconded by Trustee Shaughnessy. It was voted all in favor.

Trustee Shaughnessy made a motion to accept the minutes of the Workshop Meeting of November 10, 2025, seconded by Trustee Crockett. It was voted all in favor.

INVITATION FOR PUBLIC COMMENT

None.

REPORTS

Operations Committee

Trustee Crockett provided a summary of the Operations Committee meeting on November 10, 2025.

Staff presented the proposed 2026 budget, noting moderate increases largely driven by rising labor, services, and power costs. Wastewater Services reported a 2.2% overall increase (\$346,436) across the six communities served, remaining within municipal expectations. Water Services outlined a 4.1% increase (\$488,105), including plans to add staff to support an additional field crew focused on system maintenance and emergency response, with higher expenses partially offset by reduced chemical costs. After discussion, the committee confirmed that all questions had been addressed and agreed to move the budgets forward for approval at the upcoming board meeting.

Planning Committee

Trustee Shaughnessy provided a summary of the Planning Committee meeting on November 10, 2025.

Staff presented the proposed 2026 operating expenses for AMAP departments, beginning with Engineering Services, where new fixed costs for infrastructure condition assessments, a staff transfer from Water Operations, increased transportation expenses, and reduced capital labor assignment were highlighted.

Environmental Services and Facilities Services also presented their proposed budgets, with Facilities noting higher costs for transportation and insurance.

Under Other Business, the committee was informed that potential adjustments to the previously approved CMP Substation Easement will be brought to the Board for consideration at a future meeting.

Administration and Finance Committee

Trustee Willett provided a summary of the Administration and Finance Committee meeting on November 10, 2025.

The committee reviewed a motion to authorize the issuance of up to \$60.8 million in bonds for the construction of the new North Windham Wastewater Treatment Plant, consistent with the project budget previously approved by the Board, and agreed to advance the motion to the full Board for consideration.

Staff also presented the proposed 2026 budgets for the administrative departments, which collectively total \$7,644,712, representing a 2.4% increase. Staff outlined key budget drivers and upcoming goals. Following the discussion, the committee requested no changes to the proposed budget.

General Manager's Report

The General Manager asked the Board to review next year's proposed meeting schedule for 2026 and bring any proposed changes to the next meeting.

Mr. Firmin also updated the Board that the monitoring buoy at Sebago Lake has been removed for the season.

NEW BUSINESS

Public Hearing. Scott Firmin, General Manager, provided an overview of the bond proposal, outlining the specific purposes and intended uses for the requested funds.

Resolution 25-015 amending Resolution 23-009 to increase the authorized bond amount.

In 2021, the Board authorized the issuance of a \$11,000,000 bond to finance only the first phase of the construction of a new wastewater treatment plant in Windham. In 2023, the Board increased the authorized amount to \$38,900,000. The total project costs are expected to be up to \$60,800,000. The Town is expected to receive grants to fund part of the project costs, though the full amount is not currently known. The District will only bond the amount necessary to fund the project.

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

It was Voted and unanimously,

RESOLVED, Resolution 21-013, previously amended by Resolution 23-009, related to the construction of a wastewater treatment plant and related infrastructure in Windham (the "Project"), is hereby further amended to increase the authorized bond amount from \$38,900,000 to \$60,800,000, and to authorize the District to assume certain Town of Windham debt issued for a portion of the Project. The full form of the Resolution attached hereto is hereby approved and shall be attached to and incorporated as part of the minutes of this meeting.

Order 25-027 adopting the 2026 Budget, Wastewater Assessments, and Billing Service Fee.

PWD staff prepared the 2026 Comprehensive Budget Report and presented the report to the Board at the October 27, 2025, meeting. The Administration and Finance, Operations, and Planning

Committees reviewed their respective areas of the budget at the November 10, 2025, Committee meetings. As incorporated in the proposed budget, the assessment amounts included provide funding to fully support the 2026 budgeted expenses.

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

It was Voted and unanimously,

ORDERED that the 2026 Budget and Wastewater Assessments as presented by the General Manager at the October 27, 2025, Regular Board meeting are accepted and adopted and shall be filed with the minutes of this meeting; and pursuant to Section 12 of the District's Charter, to assess for 2026 the participating municipalities for wastewater-related costs as follows:

<u>Town of Cape Elizabeth</u>	<u>\$ 2,607,936</u>
<u>Town of Cumberland</u>	<u>\$ 1,544,256</u>
<u>Town of Falmouth</u>	<u>\$ 314,112</u>
<u>Town of Gorham</u>	<u>\$ 1,756,356</u>
<u>City of Portland</u>	<u>\$ 18,270,780</u>
<u>City of Westbrook</u>	<u>\$ 4,232,532</u>
<u>Town of Windham</u>	<u>\$ 1,651,332</u>

and to assess non-participating municipal corporations for billing-related costs as follows:

<u>City of South Portland</u>	<u>\$ 265,368</u>
<u>Scarborough Sanitary District</u>	<u>\$ 23,328</u>

Order 25-028 authorizing the final rate schedule for a water rate increase.

The proposed 2026 Budget assumes a water rate adjustment with an average adjustment of 7.4% effective January 1, 2026. The adjustment includes a rate differential between residential and commercial/industrial rates, resulting in an increase of 6.8% for residential customers, 8.4% for commercial customers, and 9.6% for industrial customers. Fire protection charges are increasing by 6.4%.

Pursuant to Board rules, a public hearing was held on November 10, 2025. All customers received notification of the meeting to review the proposed rate adjustment. Supporting documentation was posted to the District's website.

It was moved by Trustee Willett and seconded by Trustee Shaughnessy.

It was Voted and unanimously,

ORDERED, that the final rate schedule for the water rate adjustment, attached hereto and incorporated herein by reference, is hereby adopted with an effective date of January 1, 2026.

Order 25-029 authorizing revisions to the District's Terms and Conditions.

The Water Terms and Conditions (T&C) are reviewed annually as part of the budget process, and the fees are updated to reflect actual costs. The last fee update was approved on November 25, 2024 (Order 24-030). Because the District was granted a waiver from the Public Utilities Commission from rate-related filings, the T&C changes need only Board approval.

The changes being proposed include the following:

- Updating fees to current costs. All fees include an additional amount to cover supervisor and office-related costs.
- Section 315: A new fee to cover the third-party cost related to backflow tests done by District's staff.
- Section 321: Amending the frequency of testing the accuracy of meters.

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

It was Voted and unanimously,

ORDERED, that the revisions to the Portland Water District's Terms & Conditions of water service, attached hereto and incorporated herein by reference, are hereby adopted with an effective date of January 1, 2026.

Order 25-030 authorizing revisions to the Fee Schedule for Non-Water Tariff Services.

Starting in 2022, PWD reviews the Fee Schedule for Non-Water Tariff Services annually and updates the fees to reflect current costs as part of the budget review. The Fee Schedule for Non-Water Tariff Services schedule of fees outlines miscellaneous fees not included in the Water Schedule of Rates and Terms & Conditions. The only changes staff is requesting are a 3% increase in the septage fee and adjustment of the fee assessed for meter radio replacement in Portland to the actual cost of \$112.

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

It was Voted and unanimously,

ORDERED, that the revision to the Fee Schedule for Non-Water Tariff Services, attached hereto and incorporated herein by reference, is hereby adopted with an effective date of January 1, 2026.

Order 25-031 adopting the 2026-2030 Capital Improvement Plan.

PWD staff prepared a detailed five-year capital plan (see pages 271 to 376 of the 2026 Comprehensive Budget Report). At the November 10, 2025, Board workshop, the Board of Trustees received a presentation outlining the proposed projects and recommended funding. The five-year total is over \$271M.

It was moved by Trustee McCann and seconded by Trustee Shattuck-Heidorn.

It was Voted and unanimously,

ORDERED, the 2026-2030 Capital Improvement Plan is hereby adopted, and the General Manager is authorized to solicit bids or proposals for the 2026 projects, excepting CIP#182 & project 3241\North Windham Wastewater system, and to authorize the General Manager to award contracts for approved projects to the lowest bidder if the bid is within the project budget; and

BE IT FURTHER ORDERED, the General Manager shall solicit bids or proposals and partner with municipalities, MDOT, and developers for the replacement and extension of water mains, services, valves and hydrants as outlined in the Water Distribution Systems Program and to authorize the General Manager to award and enter into contracts if the bid or partnering proposals are within the overall program budget; and

BE IT FURTHER ORDERED, the General Manager shall solicit bids or proposals as outlined in the Sebago Lake Treatment Plant Water Facilities Program and Portland East End Wastewater Treatment Program in Table 1, attached hereto as Exhibit A, and authorize the General Manager to award and enter into contracts if the bid or partnering proposals are within the overall program budget. The Design-Build Method is authorized for the procurement of engineering services for the Water Facilities and WW Treatment programs listed below, pursuant to the District's Purchasing Policy.

Resolution 25-016 declaring the Board's intent to issue debt to reimburse costs incurred for the Water fund, and the Wastewater funds for Cape Elizabeth, Cumberland, Portland, Westbrook, Gorham, and Windham projects identified in the 2026 CIP.

The proposed 2026 Budget includes over \$82 million of capital projects. In compliance with Internal Revenue Service (IRS) regulations, an 'intent to borrow' motion must be approved by the Board before expenditures are incurred on a project that may be financed with tax-exempt financing. Resolution 25-016 indicates the intent to borrow motion for all funds. Before a bond is actually authorized or issued, a public hearing will be held. Subsequent to the hearing, the Board will consider authorizing the bond.

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

It was Voted and unanimously,

RESOLVED, the Board of Trustees hereby declares its intent to issue debt to reimburse costs incurred by the District for the water fund, and Cape Elizabeth, Cumberland, Portland, Westbrook, Gorham, and Windham wastewater funds projects identified in the 2026 CIP. The full form of the resolution is attached hereto and incorporated herein by reference, and shall be part of the minutes of this meeting.

OTHER BUSINESS

None.

SECOND INVITATION FOR PUBLIC COMMENT

None.

TRUSTEE COMMENTS

Trustee Willett complimented the staff and expressed appreciation for the documentary on the wastewater plant.

Trustee Shaughnessy provided everyone with a schedule of when the film will be shown in December; she noted that it gave good context as to why rate increases are needed.

Trustees Crockett and Voltz welcomed the new Trustees and thanked those Trustees who have left the Board.

President Lunt also complimented the film, saying it highlighted how most of the equipment currently in use is from the 1960s and 1970s, and he is grateful that the staff can make the old equipment work. He thanked the staff. He, too, welcomed the new Trustees.

EXECUTIVE SESSION

Pursuant to 1 M.R.S. §405(6)(A), personnel evaluation, the Board went into Executive Session to discuss annual reviews.

Trustee McCann made a motion to go into executive session, pursuant to 1 M.R.S. §405(6)(A), personnel evaluation, to discuss annual reviews, seconded by Trustee Shaughnessy. All in favor.

Trustee Libby made a motion to come out of executive session, pursuant to 1 M.R.S., seconded by Trustee McCann. All in favor.

ADJOURNMENT

Meeting adjourned at 7:35 p.m.

Submitted by,

Donna M. Katsiaficas
Donna M. Katsiaficas
Clerk