

Proposed Comprehensive Budget Report

Fiscal Year 2014 | Portland, Maine

Portland Water District



Portland Water District



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Portland, ME 04101

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Portland Water District Budget – Reader’s Guide

The budget document is intended to provide practical and pertinent information about the Portland Water District’s financial planning and policies. The budget holds a wealth of information including how water and wastewater revenues are used to support infrastructure and fund future year’s development. Some questions we answer include:

How does the budget impact my water bill?

For information on how changes in the budget impact customers’ water bills, please see the Revenue Section.

How does it affect my municipalities’ sewer budget?

The Budget by Fund section includes a summary of each of the communities we provide wastewater service (Cape Elizabeth, Cumberland, Gorham, Portland, Westbrook and Windham) and billing services (Falmouth, Scarborough, and South Portland).

How does the District spend its money?

See the Operating Expense Section for information on how money is spent across the Water, Wastewater, Environmental, Engineering, and Administrative departments.

How can I participate in the process?

PWD members and the public at large are encouraged to join any of the Board meetings held on the 2nd and 4th Monday of every month. The Board will review the proposed budget at the November 25th meeting at 6pm. Meetings can also be seen on your local public access channel and on our website.

What water mains will be replaced in 2014?

For a complete list of proposed water main renewal projects please go the Capital Improvement section.

A complete list of the budget’s contents can be found in the Table of Contents.

The Portland Water District prides itself on serving Portland and the surrounding communities. We encourage members and the community to engage in discussions regarding water main renewal, water and wastewater treatment, and how best to protect Sebago Lake and its watershed. To stay up to date please visit www.pwd.org regularly or follow us on Facebook and Twitter.

Table of Contents

Preface

Portland Water District Budget Reader's Guide.....	2
Overview of the Water and Wastewater System	6
Letter from the General Manager.....	7

Introduction

Introduction and Service Territory.....	11
History.....	12
Top Reasons to Choose Portland, Maine Now.....	13
Portland Economic Scorecard.....	14
The Regulatory Environment in Which We Function.....	15
Water Rate Change Process.....	16
Organization Structure.....	18
Annual Planning and Budget Process.....	19
Planning/Budget Process Calendar.....	20
Mission Statement.....	21
Strategic Goals.....	22
Board Established Guidelines.....	28
External Factors Impacting the 2014 Budget.....	30
Significant Budget Uncertainties.....	31
Major Policy and Resource Allocation Decisions.....	32
Operating Budget Summary.....	34
Capital Budget Summary.....	35
Combined Water and Wastewater Operating Funds.....	36
Combined Operating, Capital and Grant Funds.....	37
GFOA Budget Presentation Award.....	38

Budget by Fund

Introduction.....	39
Water Fund.....	40
Cape Elizabeth Wastewater Fund.....	48
Cumberland Wastewater Fund.....	54
Gorham Wastewater Fund.....	60
Portland Wastewater Fund.....	66
Wastewater System Disposal Wipe Issue.....	73
Westbrook Wastewater Fund.....	74
Windham Wastewater Fund.....	80
Contracted Billing Services – Falmouth, Scarborough, and South Portland.....	86
Operating Budget by Fund Summary.....	88

Revenue

Introduction.....	89
Water Revenue.....	90
Meter Water Consumption.....	91
Revenue Trends – Water Sales.....	92
Water Rate Schedule.....	94
Wastewater Assessment and Contract Billing Income.....	95
Revenue Trends – Wastewater Assessments.....	96
Current Municipal Wastewater Rates.....	97
Fund Balance.....	98
Investment Income.....	101
Other Revenue.....	102
Projections for Rate-Making Purposes.....	103

Operating Expenses

Introduction and Financial Summary by Category and Department.....	111
Operating Expense by Category.....	112
Salaries/Wages.....	112
Employee Benefits and Biosolids Disposal.....	113
Chemicals.....	114
Contracted Services.....	115
Deferred Cost Write-off.....	116
Heat/Fuel Oil and Insurance.....	117
Materials & Supplies.....	118
Other Expense.....	119
Purchased Power.....	120
Regulatory/Taxes and Telephone/Other Utilities and Transportation.....	121
Operating Expense by Department.....	122
Water Operations.....	122
Wastewater Operations.....	139
Environmental Services.....	154
Engineering Services.....	170
Administrative Services.....	183
Non-Departmental.....	197
Employee Recognition.....	198

Human Resources

Introduction.....	199
Salary Costs.....	200
Labor Hours/Average Pay Rates.....	201
Employee Benefits.....	202
Authorized Head Count.....	205
Non-Union Positions.....	206
Union Positions.....	207
Temporary and Non-Benefit Employees.....	208
Work Force Management.....	209

Capital Finance

Introduction and Annual Fund Operating Budget.....	213
Bond Financing.....	214
Water and Wastewater Funds Debt Service.....	217
Debt Service Summary.....	219
Water Fund – Renewal and Replacement Fund.....	227
Wastewater Fund – Renewal and Replacement Fund.....	228
Bond Issued for Water Treatment Plant Upgrade.....	230

Capital Expenditures

Introduction.....	231
Capital Improvement Program Process.....	232
Infrastructure and Operational Evaluation Plans.....	233
Program Summary and Board of Trustee Orders.....	243
Program Summary	244
Fund Summary.....	246
Financing Summary.....	248
Priority Summary Report – Non-Routine.....	250
Priority Summary Report – Routine.....	251
Operating Fund Impact of Non-Routine Capital Projects.....	252
Subprograms with Pending Unscheduled Work.....	253
Capital Improvement Program – Five Year Plan.....	254
Current Year CIP Progress Report.....	257
Subprogram Details.....	260
Wastewater Treatment Process.....	308

Financial Policies

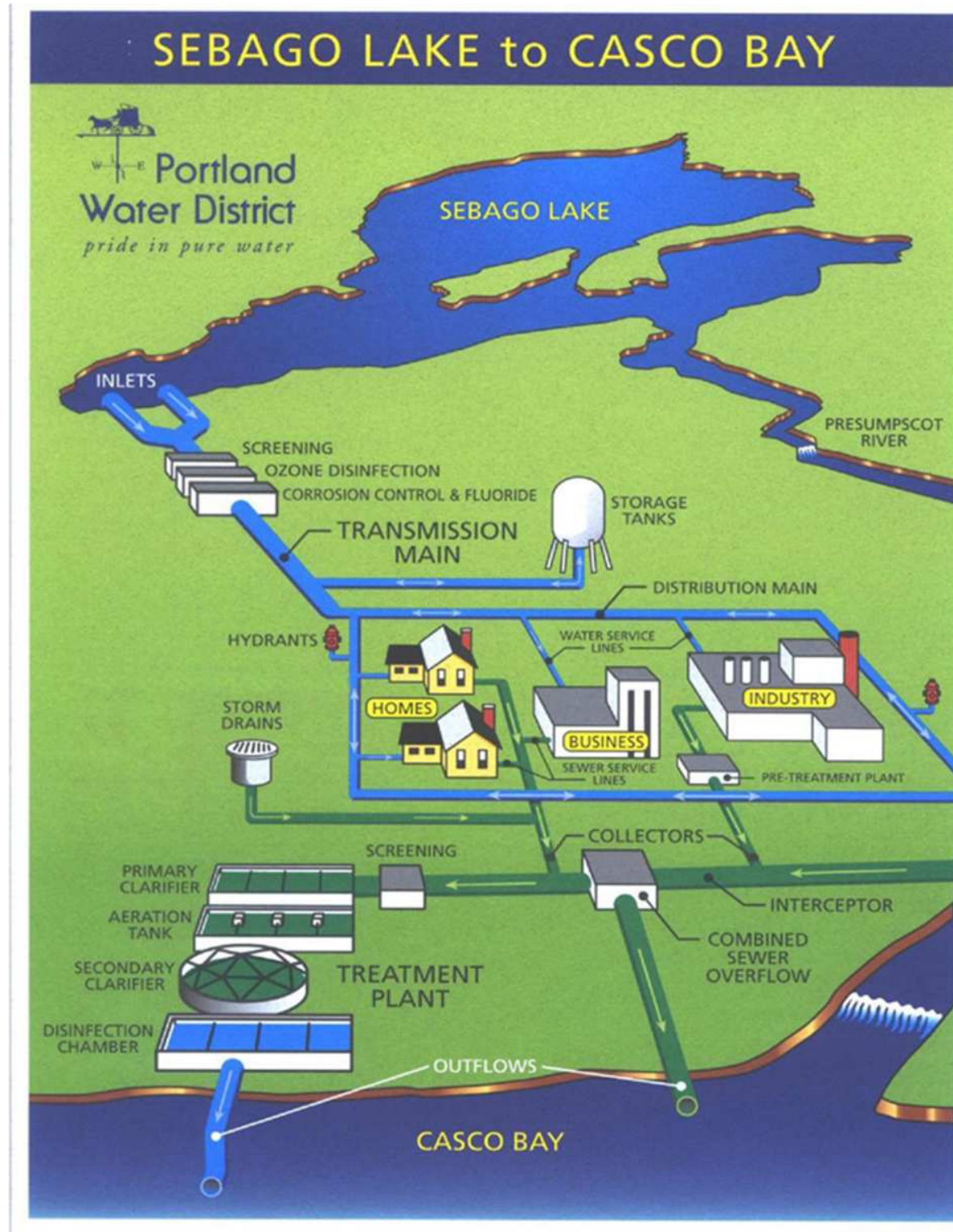
Introduction.....	309
Significant Financial Policies.....	309
Cost Allocation Policy Detail.....	315

Appendix

Commitment to our Communities.....	329
Portland Economic Scorecard.....	330
Water Benchmark Data.....	335
Customer Satisfaction Survey Results.....	337
Board of Trustees Orders and Resolutions.....	338
Glossary/Acronyms.....	346
Value of Water Campaign.....	352

Overview of the Water and Wastewater System

The diagram provides a simplified schematic of the District system with common infrastructure terms.





Ronald Miller

General Manager

Portland Water District

From Sebago Lake To Casco Bay

October 28, 2013

To the members of the Board of Trustees,

On behalf of the entire Management Team, I'm pleased to submit for your consideration the Portland Water District's Comprehensive Annual Budget Proposal for 2014. The document is designed to present the comprehensive financial framework for all District activities for the budget year. As you consider the budget for our upcoming 106th year, reflect on our past accomplishments, present challenges and opportunities, and future aspirations. Our dedicated full-time staff of 178 employees works every day to ensure tap water is delivered to the 200,000 inhabitants of Greater Portland, to provide adequate water for fire protection, and to treat wastewater before returning it to the environment.

Watershed Protection

Since the early 1900's, the District has spent significant resources to protect the water source by purchasing 2,500 acres of land surrounding Sebago Lake's lower bay and creating a robust watershed protection program. The 2014 budget includes an Environmental Services staff of eight with an operating budget of more than \$1,025,000 to maintain the excellent water source. Since Sebago is a multi-use lake and water quality is affected by activities in remote parts of the watershed, staff will continue to focus in 2014 on collaborative efforts to encourage lake stewardship. Efforts will continue to seek partners within the Sebago Lake watershed to limit development and preserve the forested land.

Water Treatment

In 1993, the Environmental Protection Agency granted the District a waiver to its rule that generally requires filtration of surface water supplies. The waiver was granted because of our excellent raw water quality and our strong watershed protection program. Although not filtered, our raw water is disinfected by an ozone treatment process. In the upcoming year, the District will complete the construction of the ultraviolet/ozone treatment system at a total cost of \$12,000,000 to comply with Environmental Protection Agency's enhanced rules. The 2014 financial impact includes debt service payments of \$650,000 and higher chemical costs (\$144,000) partially offset by lower electricity costs (\$70,000).

Water Operation

Water is distributed through a system of 1,000 miles of water mains, three major pump stations, and ten storage facilities. Infrastructure age, cold winter temperatures and the underground location of many of our assets challenge staff to operate and maintain the system with minimal disruption. A 2003 master plan identified \$175 million of distribution system needs over 20 years. The proposed budget commits an additional \$6 million to replace aging water main infrastructure. That commitment has reduced mains breaks to about 150 per year or 45% from its peak in 1987, and has begun to address the miles of mains reaching the end of their useful life.

Wastewater Operations

The District's wastewater staff manages an interceptor system consisting of 90 miles of pipe and 63 pump stations to deliver a combined average of 23 million gallons of wastewater daily to our four treatment facilities. Three of the facilities were constructed in the mid-1970s and have needed significant renovations. Continued efforts to renovate aging infrastructure in 2014 will include beginning work on the aeration systems at the Westbrook Regional and Portland Wastewater Treatment Plants.

In addition to addressing aging infrastructure, wastewater staff will support Cape Elizabeth, Portland and Westbrook in reducing combined sewer overflows in their communities. The District may be impacted by additional storm water flows delivered to treatment facilities.

Support Services

Supporting the Environmental, Water and Wastewater Service departments are the Engineering and Administrative Service departments. Those departments provide engineering, computer system, financial, employee relations and customer services. Current challenges these departments are addressing include:

- **Infrastructure Assets:** PWD has adopted an asset management philosophy and has developed the data systems to support it. In 2014, the data focus will be on digitizing the location of customer associated assets such as water service lines and meters.
- **Customer Service Options:** The District will continue to expand customers "on demand" access to a variety of common transactions through telephonic and on-line tools.
- **Public Relations:** Customers having an understanding of the benefits of well-maintained system that delivers quality water to customers' homes and treats their wastewater 24/7 is important. Continued efforts will be made in 2014 including a 'value of water' campaign and bottle water filling station grant program will be initiated.
- **Document Management:** The challenge to manage the electronic and paper documents will be addressed in 2014.

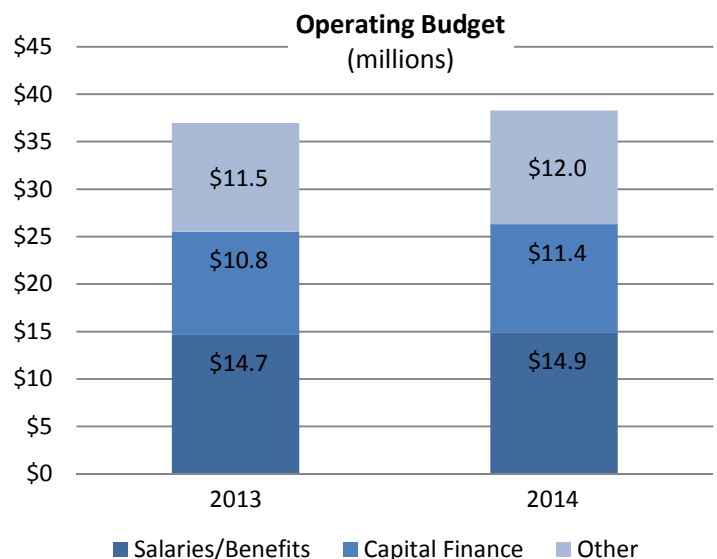
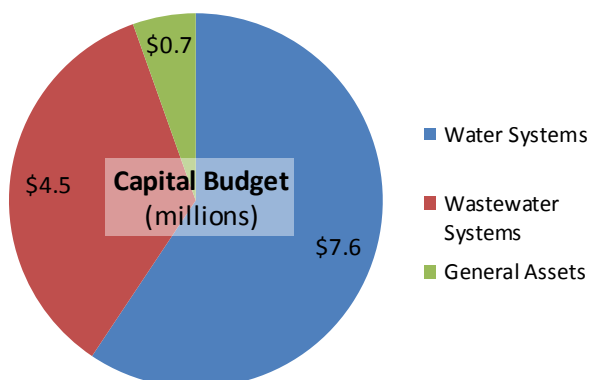
Financial Overview

These activities are constrained by the financial resources that are available and affordable to our rate payers.

The proposed budget for 2014 recommends \$38.3 million for operations and \$12.8 million for the first year of a five year Capital Improvement Plan. The operating budget consists of three major expense categories – salaries/ benefits (39%), capital finance (30%) and all other materials and services (31%). Salaries/benefits reflects a wage adjustment of 1.5% and increased pension costs (\$111,000; 9% higher). Health insurance costs are slightly lower due to flat premiums and increased employees' co-payment. Capital financing cost increases reflect the first debt payments related to the Water Treatment Plant – Ultraviolet Upgrade and Portland's Peak Island Sewer Extension (\$583,000; 5.4% higher). Total other expenses are \$476,000, or 4%, higher than the prior year.

The significant changes in specific line-items include:

- Higher contractor construction costs: additional costs to complete valve box work and paving costs.
- Higher chemical costs: new water treatment process requires additional chemicals.
- Higher wastewater treatment contracted services: Falmouth's charged for the use their facility for Cumberland flows increased.
- Lower electricity costs: a new contract has lowered unit costs and new water treatment process requires less electricity.



The capital budget includes \$7.6 million for water systems with \$6 million of that targeted to replace aging water mains.

The \$4.5 million wastewater system capital budget includes \$1.6 million to upgrade Portland's Fore River pump station and \$1.1 million for a study and preliminary design related to the aeration systems at the Westbrook Regional and East End treatment plants.

Budget Highlights

NEW INITIATIVES

Construction of a drinking water ultraviolet/ozone treatment system, with the \$12 million project on-line by April 2014.

Investing an additional \$2 million in water main renewal through new capital reserve fund.

New Public Relations programs implemented - water bottle fountain grant program and 'value of water' campaign.

BUDGET SUMMARY

The Operating Budget is proposed to be \$38.3 million, an increase of \$1,244,187 or 3.4%.

Total Revenues are projected at \$38.8 million, which assumes a 3.0% water rate increase and wastewater assessments that meet the municipalities' expectations.

The Capital Budget is proposed at \$12.8 million. It continues commitment to invest in water mains and wastewater facilities renovations.

Full-time Positions remain at 178. Benefits increased by almost \$34,000 or 1.3%.

The proposed budget continues funding to implement technology solutions for knowledge management, continues to invest in staff training, and provides incentives for multi-skill development.

CHALLENGES AND ISSUES

Higher regulatory standards demanded a level of effort to monitor drinking water quality and treat additional volume of wastewater.

Aging infrastructure requires asset replacement.

Aging workforce

Improving but relatively weak economic growth reduces revenue growth from new customers and increases customers' sensitivity to rate/assessment increases.

Customer Impact

The proposed budget assumes a 3.0% rate adjustment effective May 1, 2014. The increase is consistent with the Board's intent to adopt small water rate adjustments annually. For a typical customer, the impact is \$6.12 a year or \$0.51 a month. One third of the rate adjustment will be dedicated to fund a new capital reserve account that will support \$2 million debt bond to pay for main renewal replacements.

Assessments to wastewater communities meet or are lower than municipal expectations. Assessments for Westbrook and Windham remain the same as last year. Cape Elizabeth's, Cumberland's and Gorham's assessments increase by 1.0%, 2.5% and 2.0%, respectively. Portland's assessment increase is 3.2%, higher than other communities due the requested extension of the sewer system on Peaks Island.

The 2014 budget guidelines established by the Board of Trustees are met in this budget proposal.

- Operating fund expenses are not increasing greater than inflation,
- Wastewater assessments meet the municipal expectations,
- Full-time positions do not exceed the target, and
- Investment in our infrastructure continues as planned.

Ronald Miller
General Manager

David M. Kane
Treasurer

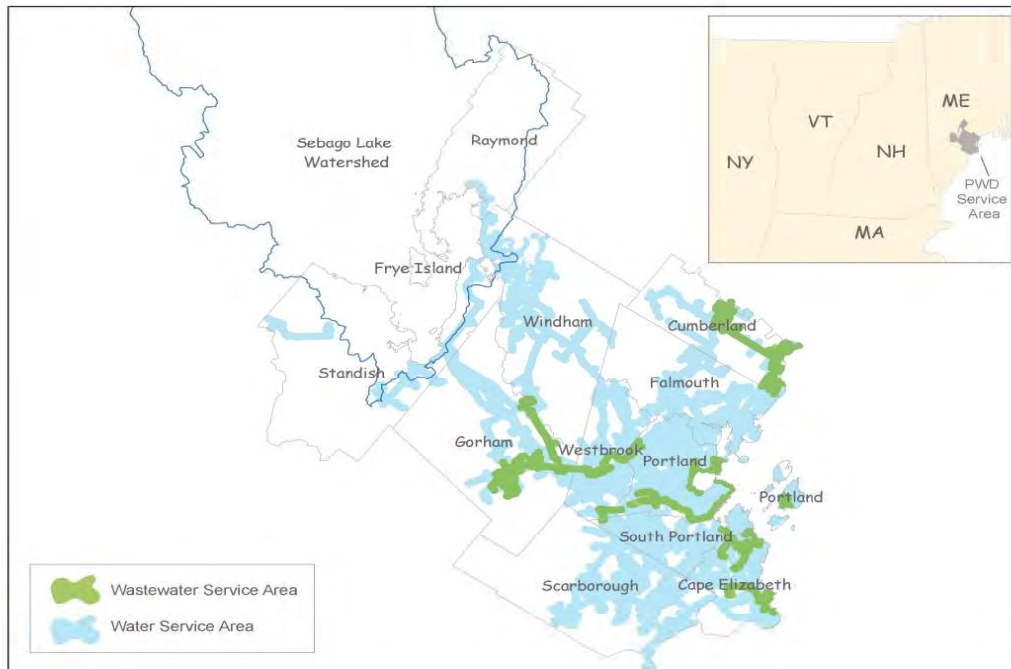
Introduction

The Portland Water District (PWD) is a quasi-municipal utility authorized by state charter to provide water service to eleven Greater Portland communities and wastewater treatment and interception services to six of those communities. Water service is provided to 52,000 customers. Sebago Lake provides virtually all the water delivered. A network of 1,000 miles of water mains delivers water from Sebago Lake to customers. The system provides fire protection through 4,800 fire hydrants and 2,000 sprinkler systems. PWD provides additional wastewater-related services through contracts with the communities. Additional services include sewer billing and collector/storm drain system operations.

Summary of Wastewater Services Provided:

Community	Customers	By Charter:			By Contract:		
		Treatment	Interceptors	Collectors	Storm Drains	Billing	
Cape Elizabeth	2,257	Yes	Yes	No	No	Yes	
Cumberland	1,054	No	Yes	Yes	No	Yes	
Falmouth	1,919	No	No	No	No	Yes	
Gorham	1,617	Yes	Yes	Yes	No	Yes	
Portland	16,838	Yes	Yes	No	Peaks Island(only)	Yes	
Scarborough	407	No	No	No	No	Yes	
South Portland	7,722	No	No	No	No	Yes	
Westbrook	4,411	Yes	Yes	No	No	Yes	
Windham	56	Yes	Yes	Yes	No	Yes	

Service Territory



History

In 1862, a group of citizens foresaw the necessity of improving the Greater Portland water supply to support continued growth. Private wells were no longer sufficient for domestic and fire protection use. This group formed the Portland Water Company. In 1869, the first water flowed from Sebago Lake to Portland, and the first water service was turned on in Portland on Thanksgiving Day.

In 1908, the Portland Water District bought the Portland Water Company and the Standish Water and Construction Company and began serving water to Portland and South Portland. PWD later acquired the Gorham Water Company and the Falmouth Water Company. In the years that followed, Cumberland, Falmouth, Westbrook, Cape Elizabeth, Scarborough, Gorham, and the islands of Casco Bay also began receiving public water from the Portland Water District.

During the next 45 years, Greater Portland grew to be the industrial and financial hub of the state. Growth in the Portland area required several upgrades of the Portland Water District's system, including the construction of water supply systems to serve North Windham, Steep Falls, and Standish. The North Windham system was later decommissioned, partly due to the threat of MtBE contamination.

As a logical extension of its role as the regional water supplier, in the 1960s, the Portland Water District offered to handle and treat the region's wastewater. Since then, PWD constructed treatment plants in Portland (1979), Westbrook (1978), Little Falls (1987), Cape Elizabeth (1987), and Peaks Island (1993). In addition, PWD began providing wastewater maintenance and operating services to the town of Cumberland (1984) and now accepts septage from several Sebago Lake region communities.

During the 1990s water utilities around the country faced tighter regulatory requirements, more informed customers expecting a better product, and the emergence of newly detected contaminants and pathogens which did not exist or were unidentified years ago. The Portland Water District rose to meet these challenges with a state-of-the-art ozonation facility (built in 1994), a technologically advanced staff with expanded skills, more sampling and monitoring, and an emphasis on honest and ample communication.

The decade starting in 2000 also witnessed the aging of PWD's wastewater treatment facilities and an increased emphasis on odor control. The East End Wastewater Treatment Facility started undergoing renovations to upgrade the facility and control odors, while a complete evaluation of the Westbrook/Gorham Wastewater Treatment Facility was conducted and upgrades began. Both facilities through the 2010's continue to address aging equipment with the focus in the next couple years being the aerations systems.

In 2001 the Town of Raymond became the tenth member of the District; water service in the Town began in 2002.

A focus on aging water mains began in 2011 with the Board committing to double the main renewal budget by 2016. Also, new regulation required a second water treatment process be installed. Several years of efforts will result in a new ultraviolet treatment process being implemented in 2014.

Top Reasons to Choose Portland, Maine Now

Portland is Maine's business, financial and retail capital and the largest city in the state. Seascapes and cityscapes blend harmoniously in Portland, perched on a peninsula, jutting out into island-studded Casco Bay. The metropolitan hub of Maine's south coast region, Portland is a progressive, lively city incorporating the character of yesteryear into a modern urban environment. Historic architecture blends gracefully with the new as you stroll along her working waterfront or the cobblestone streets of the restored Old Port section of the city. With a metro population of 230,000, the Greater Portland area is home to almost one quarter of Maine's total population.

High quality water delivered to homeowners/businesses and cleaned wastewater delivered back to the environment is a key expectation of our customers. Being a desirable place to visit during the summer contributes to variance in customer's water consumption by almost 40% between winter and summer months. With a relatively high concern for the environment, customers support our efforts to protect our watershed and realize the importance of wastewater treatment in protecting our coastal waters.

Good Place To Live

Portland Named One of America's Most Learned Cities
Back-to-School Report gives high ranks for Portland's educated residents

This month, CardHub released its Back-to-School Report, which identifies cities and states with the best learning environments for children. The report listed Portland, Maine as one of twenty cities in the country that had the most highly educated citizens. 9/4/2013

Parenting Magazine named the City of Portland the 3rd Best City in the U.S. for Families. Citing the city's low crime, quality education, and active family living, the magazine described Portland as a "tranquil, kid-friendly city to call home." 7/17/ 2012

Concerned About the Environment

Portland Ranked Seventh "Greenest City" in the United States, according to the readers of Travel & Leisure Magazine. 4/4/2012

Women's Health Magazine ranks Portland #10 - reflecting efforts to make it easy to live healthy active lives in Maine's largest city
01/18/2013

Good place to Visit

Portland Metro Region one of the Best Restaurant Areas in the Country

Online magazine ranks the Portland-Lewiston area eighth best restaurant city with the most eateries per capita 1/25/2013

Portland Receives Top Marks from National Geographic Traveler 11-2008

Economic Hub of Maine

Forbes Ranks Portland Area in Top 10 for Job Prospects. 3/3/2012


Techie.com Lists Portland, Maine as One of its 10 Most Unexpected Cities for High-Tech Innovation
Techie.com asked innovators, entrepreneurs, and city leaders this question: "What are the most unexpected cities that are leading the high-tech revolution?" 4/8/2013

Portland Economic Scorecard 2012-13

The Portland Community Chamber issued 'Portland's Economic Scorecard 2012' to help understand how Portland is performing economically. Summary table below and selected charts are included in the Appendix. The scorecard indicates a relatively healthy economy with concerns for future growth.

Portland's Economic Scorecard 2012-13

INDICATOR	 RATING	TARGET
Regional Employment Growth	Lagging	Annual regional employment growth will exceed the national benchmarks.
Regional Private Sector Employment Growth	Lagging	Annual regional private sector growth will exceed national benchmarks.
Employment Growth in Key Sectors - Biomedical/Life Sciences; Information Technology; and Business & Financial Services	Lagging	Employment growth in key sectors for the Portland region will exceed that of the U.S. as a whole.
Employment Growth in Key Sectors - Arts, Entertainment, Recreation, & Visitor	Exceeding	Employment growth in key sectors for the Portland region will exceed that of the U.S. as a whole.
City Unemployment Rate	Exceeding	The annual Portland region unemployment rate will be below the national benchmarks.
Regional Unemployment Rate	Exceeding	The annual regional unemployment rate will be below the national benchmarks.
Regional Earnings per Employee	Exceeding	Regional earnings per employee will grow annually and will equal the New England average within 3 years.
Regional Personal Income Growth	Lagging	Annual regional personal income growth will exceed the national benchmarks.
Median City Household Income	Exceeding	Annual city median household income will exceed the national benchmarks.
Median Regional Household Income	Exceeding	Annual regional median household income will exceed the national benchmarks.
Gross Metro Product Growth	Exceeding	Annual growth in gross metro product will exceed the national benchmarks.
Value of City Imports & Exports per Capita	Lagging	The value of total city imports and exports will continue to grow and reach 75% of the national benchmarks within 3 years.
Regional Retail Sales	Exceeding	Annual growth in retail sales will exceed the national benchmarks.
City Vacancy Rate	Keeping Up	Annual downtown and suburban Portland Class A & B office space vacancy rate will be between 5% and 10%.
City Population Growth	Lagging	Annual city population growth will equal the national benchmarks.

INDICATOR	 RATING	TARGET
City Educational Attainment	Exceeding	Annual percent of city population 25 years or older with a bachelor's degree or higher will exceed the national benchmarks.
Regional Educational Attainment	Exceeding	Annual percent of regional population 25 years or older with a bachelor's degree or higher will exceed the national benchmarks.
Crime Rate per 100,000 Population	Keeping Up	City crime rate per 100,000 population will be below the benchmark cities.
Housing Affordability	Lagging	Portland's median monthly housing costs as a percent of household income will be equal to or below the national benchmarks.
Rental Affordability	Exceeding	Portland's median gross rent as a percent of household income will be equal to or below the national benchmarks.
City Full Value Tax Rates	Lagging	Annual city full value property tax rate will be equal or below the Maine benchmarks.
Total Municipal General Fund Debt Outstanding per Capita	Lagging	Municipal debt per capita for Portland will be lower than the reference geographies.
Municipal Full-Time Equivalent Employees per 1,000 Population	Lagging	Municipal full-time equivalent employees per 1,000 population for Portland will be lower than the reference geographies.
City Property Valuation	Lagging	Annual city property valuation will exceed the Maine benchmarks.
Total Regional Cost Index	Lagging	The total regional cost index will be no more than 5% above the national benchmarks.
Regional Science & Engineering Occupations	Keeping Up	Annual percent of regional employment in SGE occupations will equal the national benchmarks.
Regional Venture Capital Investment	Lagging	Venture capital as a percent of gross metro product will equal or exceed the total for the benchmark regions.
Regional Patents Issued	Lagging	The level of patents per 1,000 residents will exceed the national benchmarks.
Regional Food Services & Drinking Places Sales Growth	Keeping Up	Annual growth in regional food services and drinking places sales will exceed the national benchmarks.
Visitors to Greater Portland/Casco Bay Region	Keeping Up	Annual total Maine overnight visitors to the Greater Portland/Casco Bay region will increase to 20% of the state within 3 years.

Portland's Economic Scorecard 2012-13

The Regulatory Environment in Which We Function

The Portland Water District functions in a highly regulated environment. Its operations are regulated by federal, state and local government, and by a variety of government agencies. The laws and regulations created and implemented by these layers of government affect not only the District's direct operations in a regulatory sense, but its budget as it complies with various government directives.

The District's water operations are governed at the federal level by the Safe Drinking Water Act (SDWA). Originally enacted in 1974, the SDWA allows the Environmental Protection Agency (EPA) to promulgate national primary drinking water regulations to regulate contaminants that may pose health risks and that are likely to be in the public water supply. Under the SDWA, EPA establishes a maximum contaminant level standard that regulates physical, chemical, biological and radiological substances in the drinking water supply. The best available technology and treatment techniques that are economically and technically feasible must then be used to meet this standard.

The SDWA allows the EPA to delegate to the states the primary oversight and enforcement of the law (primacy) to the state if the state meets certain requirements. The state of Maine has received primacy and its oversight and enforcement program is administered by the Department of Health and Human Services Drinking Water Program.

At the present time, the District is working to comply with an EPA regulation known as LT2 Surface Water Treatment Rule. This EPA rule, enacted in implementation of the SDWA, will require that the District construct and maintain a ultra-violet (UV) disinfection system to assure that the water supply is protected from any possible contamination by cryptosporidium. Although the District has repeatedly tested for this contaminant and it has not been found in its water, the rule requires the construction of a UV system at an estimated cost of \$12 million – which will be completed by April 2014.

Wastewater regulation falls under the provisions of the federal Clean Water Act (CWA). Passed in 1972, with significant amendments in 1977 when it became known as the CWA, it is implemented and enforced by the EPA and the Army Corp. of Engineers. The CWA establishes the basic structure for regulating pollutants discharging into the waters of the United States. It gives the EPA authority to implement pollution control programs, such as setting wastewater standards for industry. The CWA makes it unlawful to discharge a pollutant into navigable waters without a permit (National Pollutant Discharge Elimination System Permit (NPDES)).

As with the SDWA, the CWA provides that the EPA will create rules to implement the law, and will delegate to the state the administration and enforcement of the law on a day-to-day basis. In Maine, the Department of Environmental Protection (DEP) has been delegated this function, with EPA retaining concurrent authority to take enforcement action. The DEP has more stringent monitoring requirement for biosolids, whole effluent toxicity and mercury than the requirements established by EPA. The District's treatment plants must obtain a discharge permit issued by the DEP utilizing those stricter requirements.

The Regulatory Environment in Which We Function (continued)

In addition to the environmental regulations which govern the District's operations, the District's water business is also regulated by the state Public Utilities Commission and a system of Maine law found in title 35-A of the Maine Revised Statutes, designed to regulate the District's standards of service and water rates. The Public Utilities Commission regulates the District's water business operations through review and approval of the District's Terms and Conditions of Service, and establishes the rates the District charges for its water services. State law and regulations enacted by the Commission also regulate service standards for water utilities, as well as standards for construction, water main extensions and service lines.

Local government regulations affect the District's construction activities, as the District must comply with street opening requirements in the municipalities where it conducts construction or repair operations.

The annual costs for the District's wastewater operations are determined pursuant to the terms of its charter, enacted by the Maine Legislature (Ch. 84, P. & S.L. 1975 as amended through Ch. 18, P. & S.L. 2009). The District's charter provides that prior to January 15 of each year, the District shall determine the total anticipated amount to be raised from the participating municipalities based on the trustees' best estimate of the cost of providing for the operation of the wastewater and sewage systems for the fiscal year. The amount assessed to the municipalities includes: regional costs, financing costs and operation and maintenance costs. Municipalities are advised of their yearly assessments by the District and establish their respective sewer user rates considering the District's assessment and the costs of maintaining their respective sewer collection systems. The District's charter governs the manner of assessing participating municipalities and the treatment of any surplus funds existing at the end of a calendar year.

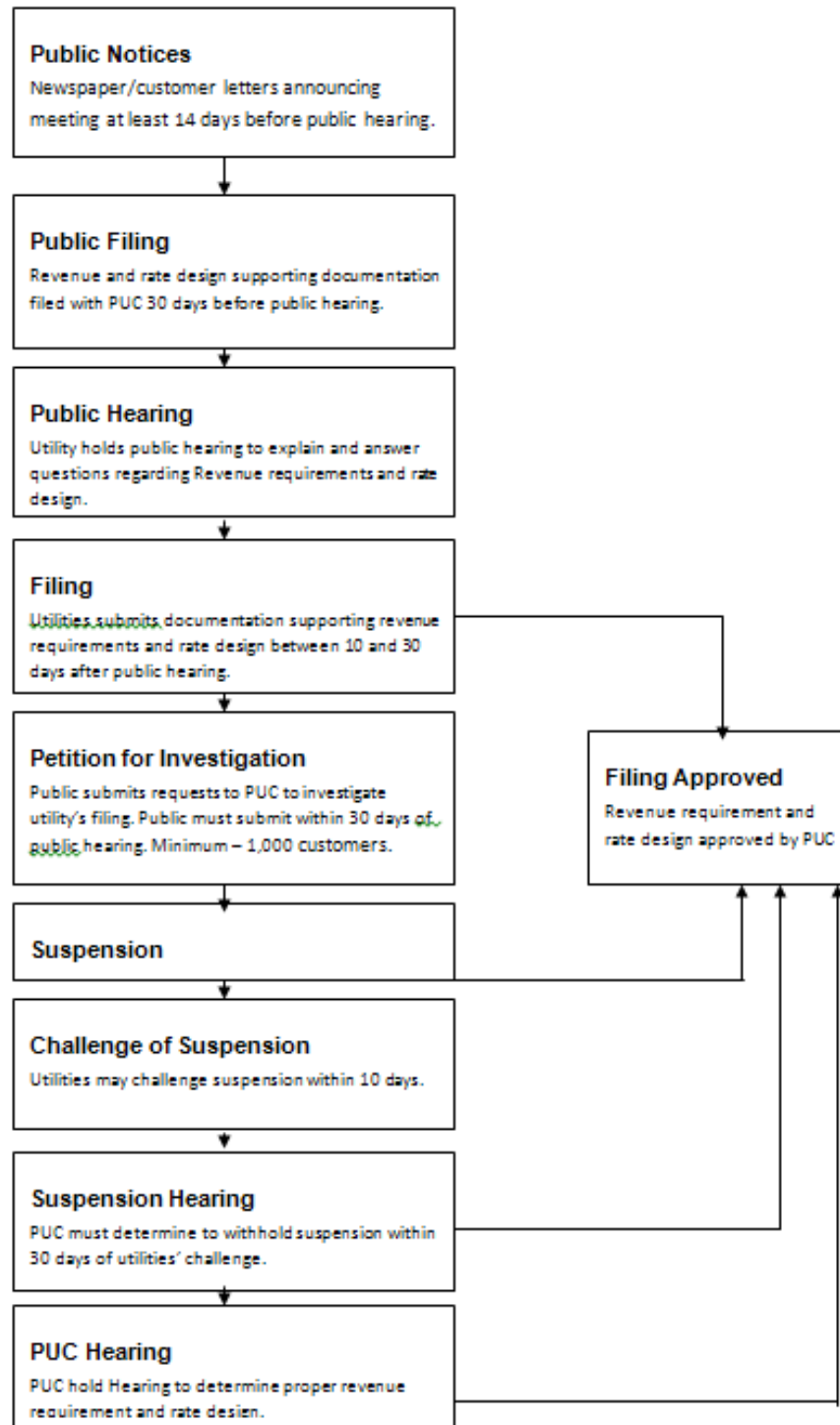
Water Rate Change Process

In 2014, the District intends to file for a request a 3.0% rate adjustment. State law (Title 35-A, Chapter 6104) outlines the process. The chart on next page outlines the regulatory process.

A new Public Utilities Commission rule (chapter 675) allows for the creation of a capital reserve fund. The fund can be used to pay costs related to water infrastructure. For utilities our size, an additional 10% over other costs may be included in justifying proposed water rates. A system infrastructure assessment (SIA) must be submitted prior to getting approval to fund the reserve. The SIA would include the list of infrastructure projects that will be funded from the reserve. Annual updates of the status of the projects and reserve fund balances are required. The District intends to file the SIA in October 2013 and incorporate funding the reserve by designating 1% of the proposed 3% rate adjustment for the reserve.

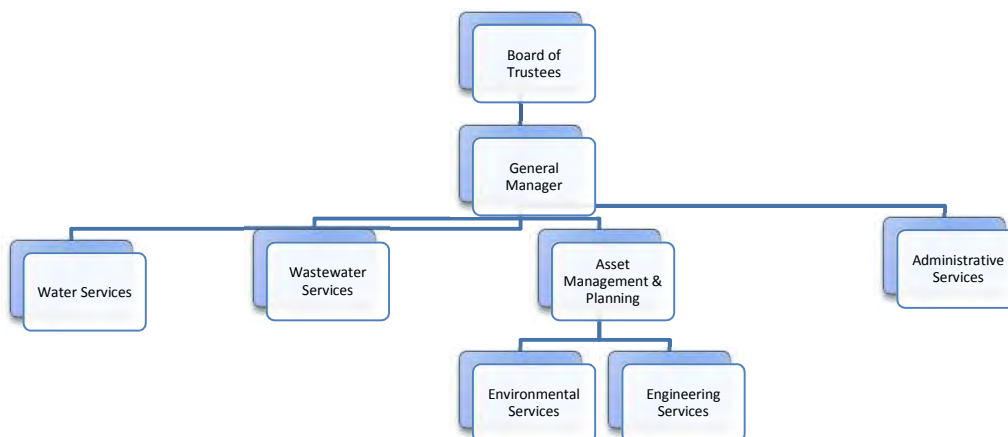
The Regulatory Environment in Which We Function (continued)

Consumer-Owned Water Utility – Rate Case Process

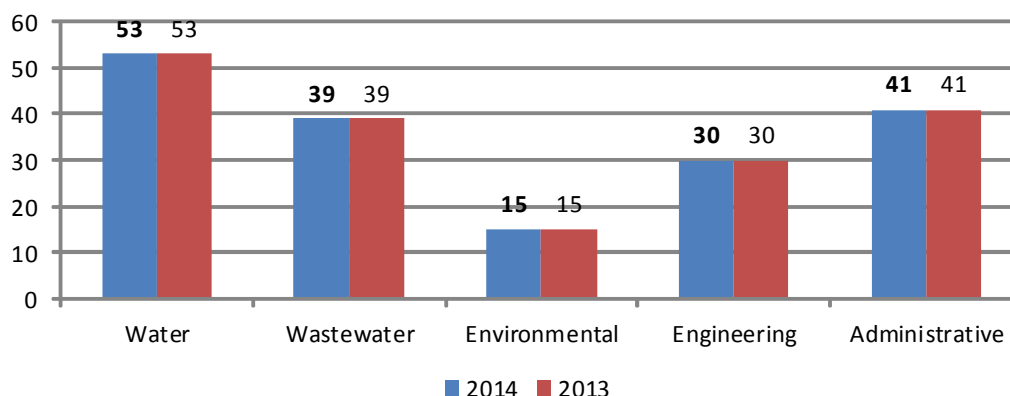


Organization Structure

The Portland Water District is overseen by an 11-person Board that is publically elected. The Board appoints a General Manager, who oversees the daily operation of the District. Operation is comprised of five departments – Water Services, Wastewater Services, Environmental Services, Engineering Services and Administrative Services.



Authorized Number of Employees



- Water Services provides water treatment and distribution system operation and maintenance.
- Wastewater Services provides wastewater treatment and interception/collector system operation and maintenance services.
- Environmental Services provides watershed protection and laboratory services.
- Engineering Services provides general engineering, facilities and vehicles maintenance services.
- Administrative Services provides customer, computer, finance and general management services.

A more detail organization chart and description of services provided are provided in the Operating Expense section.

Annual Planning/Budget Process

An outcome of the annual planning/budget process is a document that outlines the financial and operational plan for the upcoming fiscal year. The resulting annual operating and capital plan provides an overview of the resources expected to be available and how those resources will be used. Decisions made in developing the annual plan incorporate information from other planning processes and sources including the following:

Other Planning Processes and Information Sources:	Budget Document Location:
Mission Statement and Strategic Goals. At the beginning of the annual budget process, management reviews and updates our mission statement and strategic goals. One focus of the review was to identify how resources allocation decisions should be different.	Introduction Section, Mission Statement and Strategic Goals
Annual Budget Guidelines by Board. Broad guidelines were established providing important budget parameters.	Introduction Section, Board Established Annual Budget Guidelines
External Factors. A review of the industry, economic, and stakeholders' trends provided information to make better planning decisions.	Introduction Section, External Factors Impacting the Budget
Multi-Year Ratemaking Revenue Projections. Water revenues and wastewater assessments projections are made for three years to assist in rate making. The proposed budget is consistent with the projections.	Revenue Section, Projection for Rate-Making Purposes
Capital Master Plans and Asset Evaluations Studies. Proposed budget incorporates recommendations from the various infrastructure plans/studies.	Capital Expenditures Section, Infrastructure and Operational Evaluation Plans
Customer Satisfaction Survey. A review of the customer satisfaction survey's results provided guidance on how best to allocate resources in the upcoming year.	Appendix Section, Customer Satisfaction Survey
Workforce Management. As part of the review of current employee demographics and future employees' needs, action steps were identified. The budget incorporates those action steps.	Human Resource Section, Workforce Management
Financial Policies. Financial policies were reviewed to assure budget decisions were made consistent with good financial standards.	Financial Policies Section

Planning/Budget Process Calendar

The outline below illustrates the process used to arrive at an adopted budget. The only legal requirement is that wastewater communities must be assessed the budgeted operating budget by January 15th.

May

- 9 Senior Management Team reviews budget process and timeline; stakeholders input; and external factors impact budget
- 15 Senior Management Team reviews major policy and resource allocation issues; significant budget uncertainties; and long-term and short-term goals
- 27-31 Senior Managers host meetings with Department Managers to review 2014 budget parameters and process

June

- 21 Department Managers submit first draft Operating Budget and conceptual-level Capital & Non-capital projects and initiatives

July

- 12 Board review Staff's 2014 recommended guidelines and provides policy and high-level direction for the 2014 Budget.
- 18 Senior Management Team provides feedback on first draft submittal and Board feedback
- 26 Department Managers submit second draft Operating Budget and preliminary-level Capital & Non-capital projects and initiatives.

Aug

- 19-30 Department Managers present second draft Operating and Capital budget to the Senior Management Team.

Sep

- 13 Department Managers submit third draft Operating Budget and Capital & Non-capital projects and initiatives.

Oct

- 28 Budget is presented to the Board of Trustees.

Nov

- 12 Department presents Operating Budget and Capital & Non-Capital projects and initiatives to their respective Board Committee. Full Board reviews the Five-Year Capital Improvement Plan.
- 25 Board considers adopting budget.

Board Committees' Department Review Responsibility

Administration and Finance – Executive Office, Customer Services, Information Services, Financial Services and Employees Services.

Operations – Water Services and Wastewater Services

Planning – Environmental Services and Engineering Services

Wastewater Communities: The proposed Wastewater Assessment to each municipality is presented and reviewed with each municipality at meetings scheduled between October 31st and November 8th. By January 15, 2014, the District notifies the municipality of certified assessment amount.

Mission Statement

The District's mission is to protect public health, safety, and the environment by providing our customers with reliable and affordable water, wastewater and related services. In order to fulfill the mission, the following six strategic goals have been established.

Goal 1 - Public Health:

The District will provide products and services that meet all federal, state and local quality standards.

Goal 2 - Public Safety:

The District will design and maintain its water system to meet modern firefighting needs.

Goal 3 - Environment:

The District will promote the sustainability of natural resources within Casco Bay watershed.

Goal 4 - Reliability:

The District can be trusted to provide its products and services in a manner that meets all reasonable customer expectations.

Goal 5 - Affordability:

The District will balance the delivery of products and services with customers' ability to pay water and wastewater rates and charges.

Goal 6 - Employees and Work Environment:

The District will have well trained and satisfied employees who will work in a safe and work environment conducive to productive work.

Strategic benchmarks have been created to indicate the District's performance over the long-term. The impact of variations in benchmarks performance is best understood looking at the long-term trend. Additional background explanation of the strategic goals and benchmarks with the impact to the budget are provided on the next six pages.

Annual objectives and tactical benchmarks are established to guide and monitor annual performance towards meeting our strategic goals - see individual departments' objectives and benchmarks in the Operating Expenses section.

Strategic Goals

Strategic Goal 1: Public Health

The District will provide products and services that meet all federal, state and local quality standards.

Background

The District's water operations are governed at the federal level by the Safe Drinking Water Act (SDWA). Originally enacted in 1974, the SDWA allows the Environmental Protection Agency (EPA) to promulgate national primary drinking water regulations to regulate contaminants that may pose health risks and that are likely to be in the public water supply. Under the SDWA, EPA establishes maximum contaminant level standards that regulate physical, chemical, biological and radiological substances in the drinking water supply. The best available technology and treatment techniques that are economically and technically feasible must then be used to meet this standard.

The SDWA allows the EPA to delegate to the states the primary oversight and enforcement of the law (primacy) to the state if the state meets certain requirements; the state of Maine has received primacy and its oversight and enforcement program is administered by the Department of Health and Human Services Drinking Water Program.

Strategic Benchmarks (updated periodically):

The District is in compliance with all regulatory standards. Two key criteria of whether the District continues to meet future compliance requirements are the quality of the source water in Sebago Lake, and the ability to maintain an adequate level of disinfectant throughout the distribution system. The state of the lake is monitored by the Trophic State Index - an index that tracks water clarity along with the amounts of phosphorus and algae in the water. The current trophic state for Sebago Lake is good for drinking water quality, and changes would signal an improving or declining trend. Chloramines are added to maintain a level of disinfectant throughout the distribution system. The level of chloramines are measured weekly at forty-eight locations throughout the service area, and the treatment process is adjusted monthly to maintain desired levels.

Benchmarks:

	<u>1998</u>	<u>2003</u>	<u>2008</u>
Percent of Days in Compliance with Water Regulations	100%	100%	100%
Water Quality – Sebago Lake Trophic State Index (goal – 24 to 32)	31	27	30
10th Percentile Chlorine Residual – goal is 0.4 mg/l	N/A	N/A	0.2 mg/l

Current Status, Challenges and Impact to Current Budget:

At present the District is working to comply with a new EPA regulation, known as the Long-Term 2 Enhanced Surface Water Treatment Rule. The purpose of this rule is to prevent illness linked with the contaminant *Cryptosporidium*, a disease causing microorganism in drinking water. Although the District has repeatedly tested for *Cryptosporidium* and has not found it in the source water, the rule requires the construction of a UV treatment system at an estimated cost of \$12 million by 2014. The 2014 Budget includes the costs related to completing construction of the additional treatment system and related operating expenses.

Strategic Goal 2: Safety

The District will design and maintain its water system to meet modern firefighting needs.

Background

One of the original reasons the District was created was to provide adequate water volume and pressure to combat fires.

A common benchmark measuring the fire-fighting capability is the community's public protection classification, a numerical grade given by the Insurance Service Office (ISO). The classification is developed based on grades given the community's fire department (60%) and water supply (40%) systems. The District is mainly responsible for the water supply system within our service territory. The classification is developed by the ISO, an international firm that provides information regarding property and liability risk.

Strategic Benchmarks (periodically by ISO):

The 2003 Comprehensive Water System Strategic Plan identified infrastructure and operational changes that would improve the water system rating within our service territory. The date indicates the last time the rating has been updated by ISO.

Benchmarks:

Stable or Improving Communities' ISO rating for Water Systems - Communities Improve/Stable Rating

Municipality	Percent of Municipality Served by the District	Water System (maximum = 40%)	ISO Rating Date
Cape Elizabeth	78%	36.54%	1995
Cumberland	43%	22.89%	2001
Falmouth	50%	32.93%	1992
Gorham	32%	34.20%	1993
Portland	94%	37.48%	2000
Raymond	3%	27.28%	2002
Scarborough	40%	32.46%	1991
South Portland	90%	37.35%	1999
Standish	13%	25.25%	1996
Westbrook	79%	36.84%	1996
Windham	37%	25.73%	2004

Current Status, Challenges and Impact to Current Budget:

The 2014 Capital Improvement Plan includes funding to replace water mains and hydrants; including \$9 million to continue upgrading the 407 zone, an area in Gorham and Windham over the next 5 years. Additionally, staff will continue meeting with the municipal fire department identifying action steps to improve. Three local municipalities amended their current building code requiring all new construction have sprinklers systems. Other municipalities are considering amending their code.

Strategic Goal 3: Environment

The District will promote the sustainability of natural resources within the Casco Bay watershed.

Background

The District treats and returns to Casco Bay watershed 23 million gallons of wastewater each day. The discharged wastewater must meet certain wastewater regulations. Wastewater regulations fall under the provisions of the federal Clean Water Act (CWA). Passed in 1972, with significant amendments in 1977 when it became known as the CWA, it is implemented and enforced by the EPA and the Army Corp. of Engineers. The CWA establishes the basic structure for regulating pollutants discharging into the waters of the United States. It gives the EPA authority to implement pollution control programs, such as setting wastewater standards for industry. The CWA makes it unlawful to discharge a pollutant into navigable waters without a permit (National Pollutant Discharge Elimination System Permit (NPDES)).

The CWA provides that the EPA will create rules to implement the law, and will delegate to the state the administration and enforcement of the law on a day-to-day basis. In Maine, the Department of Environmental Protection (DEP) has been delegated this function, with EPA retaining concurrent authority to take enforcement action. The DEP has more stringent monitoring requirement for biosolids, whole effluent toxicity and mercury than the requirements established by EPA. The District's treatment plants must obtain a discharge permit issued by the DEP utilizing those stricter requirements.

Strategic Benchmarks (updated every 5 years):

The District meets the standards required by each plant DEP-issued wastewater discharge permit. The standards include numerous daily, weekly and monthly benchmarks. In addition, the elimination of any discharges of untreated wastewater during dry weather (i.e. – no rain or snow melt) to watershed is a goal.

	<u>1998</u>	<u>2003</u>	<u>2008</u>
<u>Compliance with discharge permit:</u>			
East End Wastewater Treatment Facility	Not available	91.5%	95.5%
Westbrook / Gorham / Windham Treatment Facility		99.7	99.6
South Cape Elizabeth Treatment Facility		98.4	98.0
Peak's Island (in Portland) Treatment Facility		100.0	100.0
Dry Weather Overflows	Not available	Not available	1

Current Status, Challenges and Impact to Current Budget:

Many of the non-compliance incidents occur during wet weather when the facilities cannot treat the volume of water resulting in untreated or less treated wastewater to be discharged to the watershed. In 2014, the focus in each system is as follows:

Cape Elizabeth –Assisting the town in identifying the source and solution for the overflow related to the Ottawa Road pump station.

Gorham/Westbrook/Windham – Assisting the city in eliminating combined sewer overflow in the city's collector system.

Portland - Assisting the city in eliminating combined sewer overflow in the city's collector system. We will modify our process to accommodate the city's 2 new wastewater water storage tanks.

Strategic Goal 4: Reliability

The District can be trusted to provide its products and services in a manner that meets all reasonable customer expectations.

Background

The state has granted the District the exclusive authority to provide public drinking water service and wastewater treatment/interceptor service to customers in our service territory. Customers and regulators assume we will provide appropriate service 24/7. Water service standards are established by the Maine Public Utilities Commission and Department of Human Services; including standards related to customer and billing service. Wastewater service standards are established by the Maine Department of Environmental Protection.

Strategic Benchmarks (updated every 5 years):

The District conducts a formal customer satisfaction survey periodically. Customers expect us to provide two basic services reliably- provide water to customers' homes and treat wastewater delivered to District's system.

	1998	2003	2008
Water Service failure per million hours of available service - (52,000 services x 365 days x 24 hours / day of service outage)	Not available	17	10
Wastewater Reliability Index – WW Systems infrastructure that is In Service Full (ability to deliver design flow)	Not available	Not available	98.6%
WW Systems and Pumping Stations convey flow to treatment plants	Not available	Not available	100%
WW Treatment Plants available to treat flow	Not available	Not available	
Customer Satisfaction Survey Results	85%	89%	89%

Current Status, Challenges and Impact to Current Budget:

The last formal customer satisfaction survey was received early 2012. The survey indicated that customers are generally pleased with the level, quality and reliability of the water and wastewater services provided. Items identified to improve upon include creating an internal customer service recognition program, reviewing our new customer process for ways to improve the process, expanding customer service on-line services, promoting the District through a community outreach program and promoting the value of water.

In 2014, several significant water system projects/programs that will increase reliability are the \$6 million investment in aging water mains, which will reduce main failures and the focus on addressing fire hydrants that are out-of-service. Significant wastewater system projects/programs that will increase reliability include the purchase of additional backup generators for pump stations to provide reliable source of electricity during bad weather events and continue implementation of monitoring devices throughout the system that allows the remote monitoring of facilities and prompt response to system problems.

Strategic Goal 5: Affordability

The District will balance the delivery of products and services with customers' ability to pay water and wastewater rates and charges.

Background

An industry affordability benchmark is to compare the typical household bill as a percent of median household income. The national standard is the utility bill is considered affordable if the annual bill is less than 2% of median income. The District water rates are well below the affordability standard with the typical household paying only 0.5% of median income.

Another typical benchmark is the average revenue per customer. The Board established target is not to increase water rates greater than the rate of inflation. Since 1998, water rates are significantly below that target. Wastewater assessments per customer served have approximately increased by the rate of inflation.

	1998	2003	2008
Water Rates for a Typical 3-person household as a percent of Median Income	0.6%	0.5%	0.5%
Water Revenue per Customer Actual	\$410	\$352	\$352
Inflation Adjusted		\$466	\$538
Wastewater Assessment per Customer Actual	\$442	\$506	\$575
Inflation Adjusted		\$503	\$581

Current Status, Challenges and Impact to Current Budget:

Water rates are assumed to increase by 3% effective May 1, 2014. Since 1998, water rates are significantly below the long-term inflation rate. The proposed increase is consistent with the Board of Trustees' direction to have small incremental water rate increases annually. Increases are needed to meet the increasing capital costs to replace aging water mains, upgrading the disinfection facilities with ultraviolet protection, funding a new capital reserve fund and funding an adequate contingency fund.

Wastewater assessments remain the same between 2014 and 2013 for Westbrook and Windham. All other municipalities' assessment are at or below the mutually agreed upon multi-year projection. Assessment increases in Cape Elizabeth's (1%) and Gorham (2%) are below the rate of inflation. Cumberland (2.5%) and Portland (3.2%) are slightly higher due to municipal requested projects—Cumberland requested additional Inflow and Infiltration work and Portland requested a Peaks Island sewer extension project.

Wastewater assessments have increased at a rate greater than inflation since 2008 due to municipal requested changes and regulatory compliance mandates. Specifically, the abandoning of the Little Falls Treatment facility and redirecting wastewater flow to the Westbrook Regional Treatment plant was a \$6.5 million project requested by the towns of Gorham and Windham for economic development purposes. Regulatory mandates to reduce sewer overflow during rain events have resulted in higher operating expenses and capital projects. To mitigate the upward pressure of assessments, the wastewater services area have reorganized its staff and continue to review processes and procedures to become more efficient.

Strategic Goal 6: Employees and Work Environment

The District will have well trained and satisfied employees who work in a safe and productive work environment.

Background

Since 1995, a periodic survey of all employees is conducted. The survey provides employee feedback on the work environment including questions related to compensation, management and policies.

The premium paid on workers compensation is partially based on a modification factor (MOD). The factor compares the District injury rate with other organizations with similar risk exposure. The District seeks workers' compensation injury rate that is no higher than industry average (i.e. – a rating of 1 or less).

Finding time for training is an important goal. The goal that has been established is an average of 80 training hours per employee.

Strategic Benchmarks (updated every 5 years):

	1998	2003	2008
District's biennial Employee Satisfaction Average Score -Range 1 (lowest) to 6 (highest)	3.52	4.02	4.42
Workers' Compensation Modification Factor – 1.00 = Industry average (goal is less than 1)	1.62	0.99	1.06
Average Training Hours Per Employee – current goal is 80 hours	22	55	83

Current Status, Challenges and Impact to Current Budget:

In 2013, a survey of employees was conducted. The average score improved to 4.48. The survey was conducted using a web-based survey tool that provides confidentiality with minimal costs. Based on the survey results, three areas that will be focused on in the upcoming year are inconsistent application of policies, fairness of decisions regarding promotion and value of the employee evaluation process. As surveys have traditionally been conducted every other year, another employee survey will be done in 2015.

The current workers' compensation modification factor indicates that our injury rate is slightly above average for our industry (last 10 years average is 1.05; 2013 factor increased to 1.15).

Management development and consistency of practice efforts continue through monthly "Lunch and Learns". This effort impacts both our training and employee satisfaction goals.

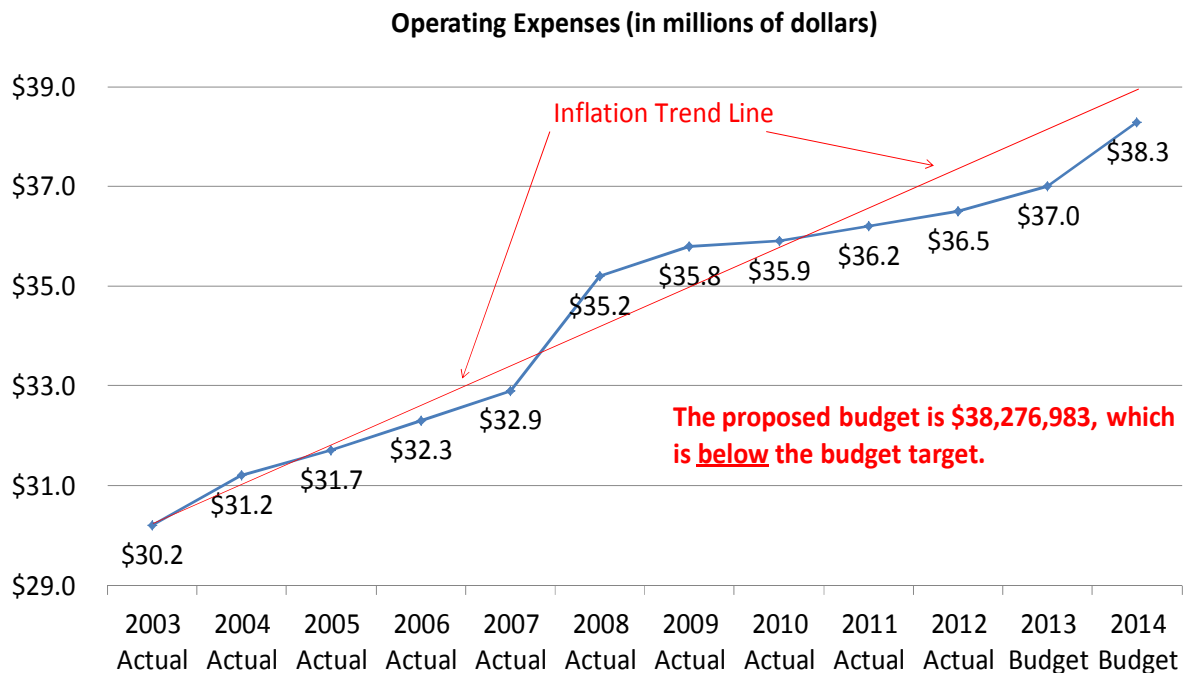
Efforts continue to build a stronger foundation for our safety efforts. Performance appraisals for 2013 will incorporate expanded expectations for our non-union staff. Labor contract negotiations at the end of 2012 addressed expanded expectations for forepersons. In 2014, we will also strengthen our incident investigation process to ensure improved data collection to aid job hazard prevention.

Board Established Annual Budget Guidelines

To help guide staff, the Board of Trustees set four guidelines for the budget process.

<u>Guideline</u>	The Operating Funds' Budget will not increase more than the rate of inflation over the long-term. The annual target is rate of inflation plus any unfunded federal/state/local mandates. Assuming a 2% inflation rate plus 1.5% increase due to the water treatment plant upgrade required by EPA and Portland's Peak Island sewer extension request, the 2014 operating budget target increase was established to not to exceed 3.5%. The resulting budget target of \$38.30 would be almost \$1.4 M less than the budget would be if it increased at the rate of inflation.
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The Guideline is established to limit growth of the budget to a reasonable growth level not exceeding the inflation rate. The limit can be exceeded if a municipality requests expansion of service or service level.



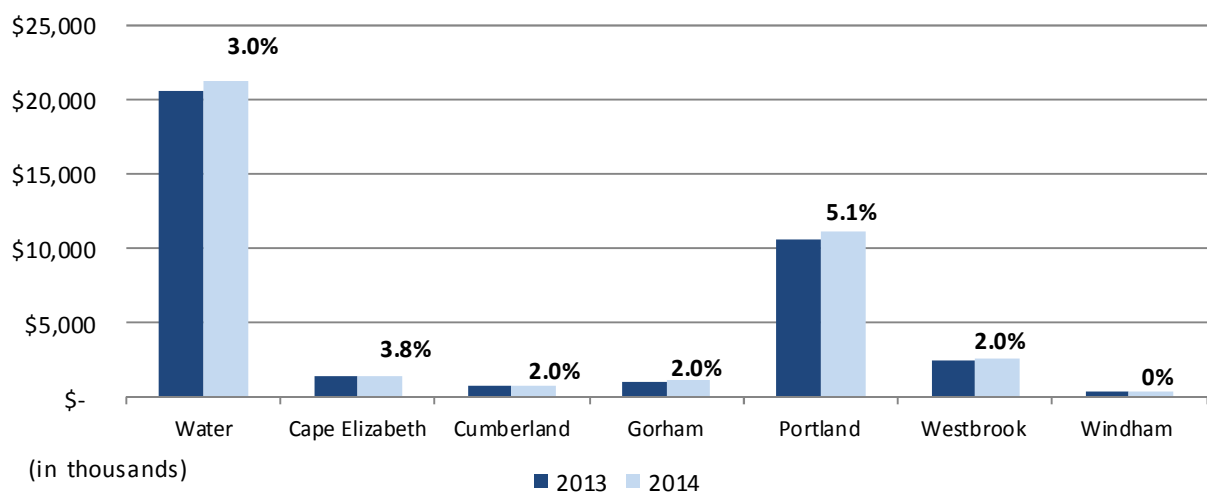
<u>Guideline</u>	Capital expenditures will be consistent with the levels recommended in the Water and Wastewater system plans.
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A guideline was established to assure capital projects are consistent with various plans including the Water Master Plan, Comprehensive Plant and System plans, and Combined Sewer Overflow plans. **The proposed capital expenditures meet the guidelines** – see Infrastructure and Operational Evaluation Plans in the Capital Expenditures section for details.

Board Established Annual Budget Guidelines (continued)

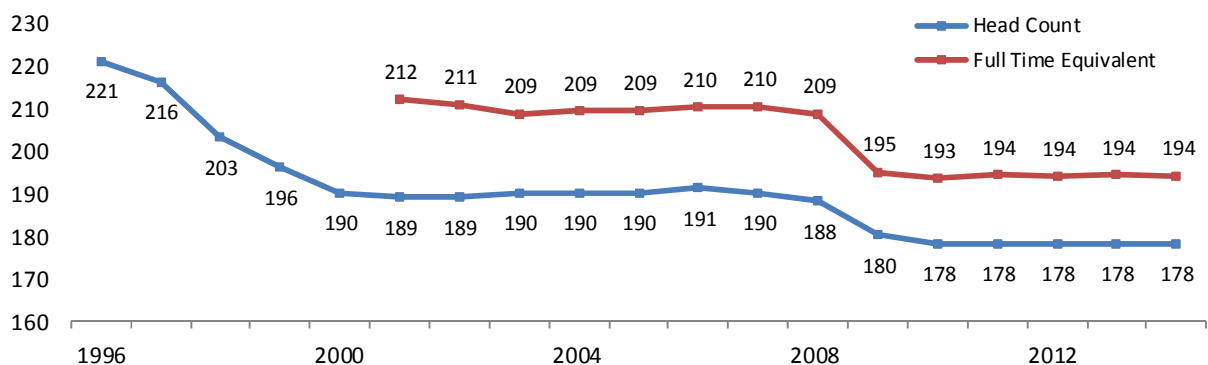
<u>Guideline</u>	Water Revenue Requirement and Wastewater Assessments increases will not exceed the rate of inflation excluding the impact of mutually agreed upon changes in services, capital investments, surplus fund utilization or Board's request to increase surplus balance. Additionally, the wastewater assessment should not exceed the mutually agreed upon projected assessment provided to the municipality.
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Water fund's rates are scheduled to increase 3.0% in 2014. Wastewater assessments' increases should not exceed the rate of inflation (2%). Cape Elizabeth's target is higher due to their request to upgrade the Garden Lane pump station. Portland's target is higher due to their request of a sewer extension on Peaks Island. **The proposed budget meets the rate of inflation guidelines, except in Cumberland and Portland.** However, Cumberland's and Portland's proposed assessment meets their expectations.



<u>Guideline</u>	The number of employees will not exceed 178 and the -time equivalency (FTE) will not exceed 194.
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Salary and benefits are one of the District's most significant costs. To control costs, a targeted headcount is established. **The proposed budget meets the target.**



External Factors Impacting the Budget

Economy

The local economy continues to make slow improvement from the national recession. State unemployment remains elevated at 7.0%, which is better the prior year's rate of 7.6% (as of August 2013). The rate for most of the past 18 years the rate has been below 5.5%. However, the unemployment rate is better than national unemployment rate of 7.3%. Greater Portland's unemployment rate is 5.2%, which is 0.3% better than last year.

Greater Portland's real estate market continues to rebound. In 2012, the number sales returned to the level prior to recession and year-to-date 2013 sales are 15% higher than 2012. In the 2014 budget, the water consumption projection includes the number of households as of June 30, 2013 and assumes no customer growth. A typical year's growth in new customers is 1.5% (750 accounts).

The recession impacted the financial markets, resulting in continued lower interest earning on investments and interest expense on debt. The 2014 budget includes a \$66,727, or 15% reduction, in earnings from operating funds investments as older investment mature and reinvested in investments with lower interest rates.

The strong equity market increase partially mitigated the impact of negotiated union pension increase. Also, a more modest investment policy was adopted - expected future returns reduced to 7% from 7.5%. The 2014 annual required contribution to our pension plans is \$856,563, which is \$89,000 or 11% higher than the prior year.

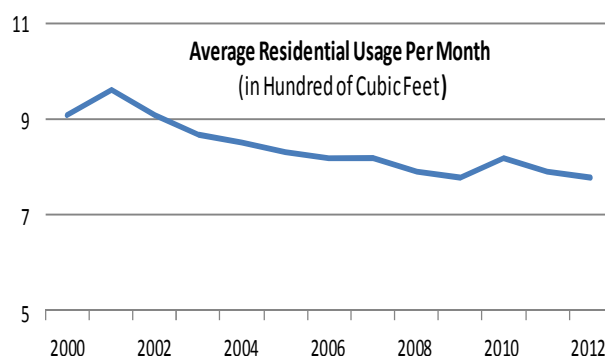
The chemical, metal and fuel commodity market prices are impacted by the economy's health and have been volatile in the past couple of years. With the slower economic growth, the lower demand for chemicals has resulted in lower per unit prices for chemicals purchased by the District. Approximately 10% of the District's expenses are related to chemical, metal and fuel markets. The 2014 budget reflects the commodity prices available in mid-2013.

Regulatory Mandates

The water and wastewater industry must comply with various federal and state regulations with two of the most important regulations being the Safe Drinking Water Act (SDWA) and Clean Water Act (CWA). The current regulatory focus is compliance with the long-term surface water disinfection rule under the SDWA and the combined sewer overflow requirements under the CWA. The 2014 Budget includes the impact of debt service of \$12 million in capital expenditures and approximately \$200,000 in operating expenses addressing these two focus areas.

Water Consumption

Though the District has ample supply of water, consumers have reduced their water consumption. Since 2000, the average residential household usage (HCF) has declined by more than 10%. Some of the reasons are rising wastewater fees encouraging conservation and the availability of more water efficient household appliances.



Significant Budget Uncertainties

During the budget development, certain assumptions are made. Several budget areas have significant uncertainties including the following:

Salaries and Wages (\$10.0 million or 26.1% of total budget). With the ratification of the three-year union contract starting November 2012, the union wage rates are known and the 1.5% increase is included in the budget. The non-union pay rates are also assumed to increase by 1.5%. Though it is expected the average increase to be approximately 1.5%, the actual increase will not be decided until January 2014. A 1% variance would be approximately \$40,000.

In addition, the budget assumes 20,300 hours of premium pay. The amount of overtime pay is directly related to amount of emergency repair work that is needed. For every additional 1,000 hours of overtime pay, costs increase by approximately \$35,000.

Purchased Power (\$1.8 million or 4.7% of total budget). The District's contracts for electricity currently extend through the end of 2014 on large and medium accounts and until May 2014 on small accounts. Though the unit price will be stable, the actual amount of electricity varies primarily based on weather conditions which impacts the amount of water produced and wastewater processed. Since 2007, the variance between the highest and lowest kilowatt amount of electricity for individual accounts in total is 12%, which would impact the budget by approximately \$250,000.

Chemicals (\$1.1 million or 2.8% of total budget). The chemical contract is put out to bid each December. Prices used for the budget were estimates using the June market prices. Chemical prices have been volatile and have reacted to the global/national economy.

Heat & Vehicle Fuels (\$0.69 million or 1.9% of total budget). As of the publication date of the Budget, the District does not have fixed prices on these commodities. The per unit cost of these items was based on the actual cost in June 2013. The Budget estimates 2014 usage of approximately 170,000 gallons of heating and vehicle fuels. In December 2012, the East End Treatment plant converted to natural gas heat system and a new roof will be installed in 2013 with an expected benefit of reducing heating costs. The estimated volume of gas included in the budget was based on engineering estimate and actual experience may vary.

Combined Sewer Overflow Plans The District and Cities of Westbrook and Portland and Town of Cape Elizabeth have or are in the process of developing plans to address combined sewer overflows. The Department of Environmental Protection will review the plans and could require changes to the plans that may require significant unplanned operating expenses and capital expenditures in 2014. The 2014 plan contains the costs to comply with the proposed plans.

Weather The weather is a noteworthy determinant of operating expenses. The timing and duration of below freezing weather impacts the number of water main and service leaks. The amount of snowfall and timing of snow melt and rainfall impacts the amount of storm water that must be pumped to and treated by wastewater plants. The duration of hot summer days impacts the amount of water to be produced by the water treatment facility. For the 2014 budget, the past three-year average of water produced and wastewater treated was assumed for operating expenses projections.

Major Policy and Resource Allocation Decisions

Operating Budget

Overall Budget As noted above, the Board established an overall operating budget cap of 3.5% greater than the 2013 budget and authorized head count to be no more than the current level of 178. With essentially the same level of resources, the major decisions related on how best to provide current level of service with the existing resources.

Personnel Continued focus on reducing the amount of premium (i.e.- overtime, double time, etc.) compensation was made while planning for 2014. Including the \$13,000 reduction in the 2014 budget, premium pay has been reduced by \$78,000 over the past three budgets without reducing service levels.

In 2014, Water and Wastewater Services continues to make staff changes that are consistent with the goal of creating positions whose job responsibilities are defined more broadly. This long-term goal creates a more versatile, responsive work force and requires improved information sharing systems and processes. The 2014 budget includes five apprentices (\$300,000) that begin their career by rotating through different areas on the company over two years. Also, four interns (\$30,000) are hired to promote the District and industry to young students.

Employee Benefits The most costly employee benefits are health insurance and pension benefits. In 2014, the employees' co-pay percent was increased to 4% from 2%, resulting in a savings of almost \$33,000. An updated pension plans' actuarial valuation increased the actuarial required contribution minimum to \$856,563 from \$768,055. The increase reflects recently approved union contract benefit increases (\$1.75 over three years) and using a more conservative future investment returns (7% from 7.5%). The Board elected to allocate an additional \$70,000 over the minimum. The total annual contribution brings the contribution amount close to the recently Board-adopted Pension Plan Funding policy that goes into effect in 2015.

Transportation Transportation costs are allocated based on hourly rate for each vehicle. The 2014 Plan includes the impact of revising the allocation method to include charging for time when a vehicle is not being used during the work day. The new policy will more fairly allocate these costs to departments/funds and encourage better utilization. Though the change in policy does not change the overall District costs, the change allocates more costs to the wastewater and watershed departments.

Public Relations The District allocates almost \$168,000 to public relations and a part-time Public Relations Manager. In 2014, the program includes for the first time a grant program supporting the installing of water bottle filling stations and a 'value of water' campaign.

Wastewater Sewer Lines Inspection In 2008, a commitment was made to inspect all sewer lines at least once every 10 years. Almost \$60,000 was allocated in 2014 to meet that commitment. No money was allocated to the Cape Elizabeth system in 2014 due to budget restraints but work is planned in subsequent years.

Major Policy and Resource Allocation Decisions (continued)

Capital Projects

The 2003 water strategic master plan noted that a considerable amount of water mains will be reaching the end of their useful life in the next 20 years. In 2014, the amount dedicated to replace aging water mains will increase by \$2.5 million to a total of \$6.0 million. Water Services and Engineering Services staff will allocate significant resources to manage these projects. Water Services has included additional money to outsource tasks to the private sector, enabling staff to allocate additional time for water main inspection.

Significant capital projects include the following:

- **Water Treatment plant upgrade:** New regulations are requiring the District construct a second treatment process to provide extra assurance that safe water is delivered to customers. A study concluded in early 2010 that an ultraviolet treatment process should be added. In 2011, the design of the new facility was completed. During 2013/14, the District intends to complete the construction with a start-up date by April 1, 2014.
- **Portland Wastewater pump station upgrade:** The Fore River pump station will be upgraded after over 30 years of service (\$1,600,000).
- **Portland and Westbrook Regional Wastewater Treatment Plant:** Preliminary engineering on the aeration systems at both plants will be completed during 2014. Actual construction is scheduled for the following year.
- **Windham/Gorham 407 Zone upgrade:** The 2003 water master plan noted that, within the next 20 years, customer's water demand growth in Windham and Gorham will exceed current capacity. Since 2003, incremental improvements have been made to address the future shortfall. Preliminary engineering of the next phase will be done in 2014 with construction scheduled for 2015.

Revenues

To balance the desire to provide funding for infrastructure improvement and operational needs with keeping water rates affordable, the Board adopted a policy of small modest annual increases close to the rate of inflation. The 2014 budget assumes a 3.0% increase in rates. Water consumption was assumed to be the same as the past twelve months.

The 3.0% increase includes allocating 1.0% to the proposed Capital Reserve fund. The Maine Public Utilities Commission recently adopted a rule allowing the District to increase its water rates up to 10% of water revenues and dedicate revenues for capital improvement. The proposed budget assumes the additional reserve will be used to pay the debt service of \$2 million bond to finance replacing aging water mains.

Operating Budget Summary

The proposed budget includes \$38.83 million in revenues and \$38.28 million expenses.

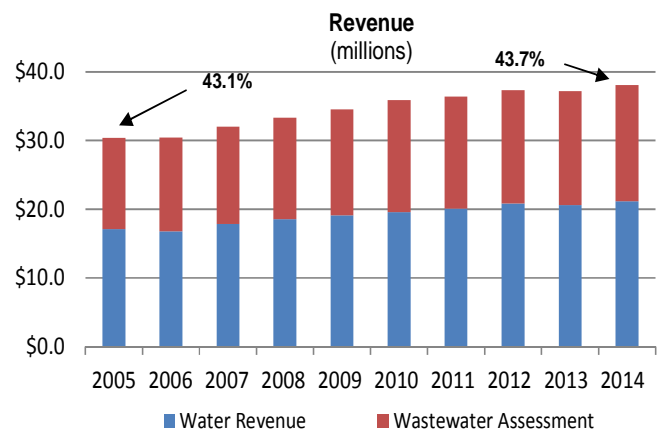
Revenues

The two major revenue sources are water revenues (\$20.86 million or 54.4% of total revenue) and wastewater assessment revenues (\$16.97 million or 43.7% of total revenue). Wastewater revenues have increased from \$13.50 million, or 43.1% of total revenue, since 2005 principally due to addressing capital needs requested by municipalities or aging plant.

Water revenues are generated from potable water and sprinkler charges to individual customers, and public fire protection charges to municipalities. The 2014 Budget assumes an increase of 3.0% over current rates on May 1, 2014.

Wastewater assessments are the amounts billed individual municipalities to provide collection, sewer treatment, interception, utility

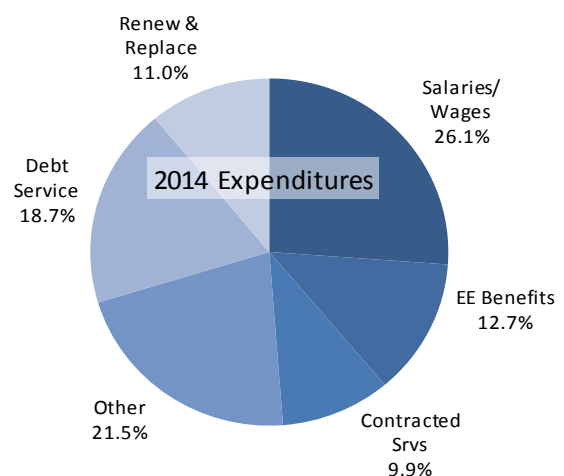
billing services and, by request, collection and billing services. Assessments in 2014 increased 2.3% overall (\$383,856).



Expenses

Operating fund expenses increased to \$38.28 million, an increase of 3.4%.

Personnel Costs, (Salaries/Wages and employee Benefits) which are 38.8% of the total budget, increased 1.3% due to labor rate increases. Debt Service (18.7% of expense) rose 10.0% due to new debt service in related the upgrades at the Water treatment facility and sewer expansion on Peaks Island in Portland. Contracted Services rose 9.1% (\$309,656) due to increases in third party contractor work. Renewal and Replace contribution was relatively flat with a decrease of 1.7% as was Other Expense with an increase of 1.2%.



Capital Budget Summary

The proposed Capital Budget is \$12.8 million dollars with projects for the water and wastewater funds of \$8.2 and \$4.6 million, respectively.

Water

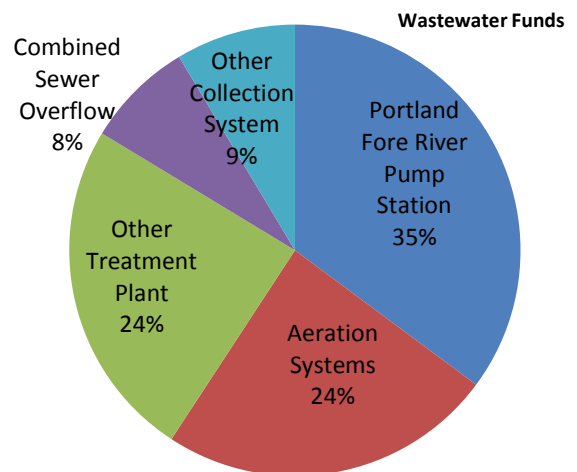
Of the \$8.2 million in water capital projects, the largest component (87%) involved the renewal of water distribution assets such as mains, services and hydrants. The other categories included facilities & security (4%), vehicles & equipment (4%), technology & SCADA (3%) and meters (2%).

The projects will be funded by issuing \$5 million in bonds and utilizing \$3.2 million in renewal and replacement proceeds.

Wastewater

The Wastewater projects include the \$1.5 million upgrade to the Fore River pump station in Portland and preliminary engineering of the aerations systems at Portland's East End and the Westbrook Regional treatment facilities.

The projects will be funded by issuing \$2.7 million in bonds and by utilizing \$1.9 million in renewal & replacement fund proceeds.



Combined Water and Wastewater Operating Funds

Total revenues are \$38.83 million, \$0.93 million or 2.4% higher than last year's budget. The 2014 Budget proposes a 3.0% water rate increase (effective May 1, 2014). Wastewater Assessments increases for the full year are budgeted in Cape Elizabeth (0.9%), Cumberland (2.5%), Gorham (2.0%), and Portland (3.2%)

Total Expenses are \$38.28 million, an increase of 3.4%. The following pages provide additional details.

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Beginning Fund Balance	8,371,659	9,013,933	8,580,989	9,665,091		
Water Revenue	20,345,782	9,835,929	20,586,377	21,130,183	543,806	2.6%
WW Assessments	16,515,780	8,294,232	16,588,464	16,972,320	383,856	2.3%
Contracted Billing Income	217,608	109,008	218,016	218,016	-	0.0%
Other Income	525,233	122,307	436,700	446,180	9,480	2.2%
Interest Income	84,240	39,793	77,641	66,727	(10,914)	-14.1%
Total Revenue	37,688,643	18,401,269	37,907,198	38,833,426	926,228	2.4%
Salaries/Wages	9,527,678	4,774,423	9,917,218	10,003,869	86,651	0.9%
Employee Benefits	4,397,788	2,304,430	4,779,503	4,877,174	97,671	2.0%
Biosolids Disposal	1,174,262	687,313	1,295,458	1,298,503	3,046	0.2%
Chemicals	980,640	454,689	1,029,693	1,139,119	109,426	10.6%
Contracted Svcs	3,308,777	1,581,273	3,411,755	3,791,741	379,986	11.1%
Deferred Cost W/O	107,029	15,328	45,656	21,888	(23,768)	-52.1%
Heat/Fuel Oil	500,248	321,130	435,013	515,008	79,995	18.4%
Insurance	189,012	95,522	183,679	188,736	5,057	2.8%
Materials/Supplies	1,549,501	890,976	1,633,237	1,586,165	(47,072)	-2.9%
Other Expense	661,996	320,271	707,695	755,149	47,454	6.7%
Purchased Power	1,871,944	989,001	1,953,253	1,829,293	(123,960)	-6.3%
Regulatory/Taxes	186,720	124,321	190,301	221,017	30,716	16.1%
Tele/Oth Utilities	314,308	142,803	319,049	313,657	(5,392)	-1.7%
Transportation	1,163,351	527,999	1,210,867	1,264,935	54,068	4.5%
(less) Transport Offset	(755,116)	(389,232)	(860,032)	(893,706)	(33,674)	3.9%
Operating Expense	25,178,138	12,840,249	26,252,344	26,912,548	660,204	2.5%
Debt Service	7,488,764	3,244,540	6,486,602	7,141,485	654,883	10.1%
Renewal & Replacement	3,828,202	2,146,925	4,293,850	4,222,950	(70,900)	-1.7%
Total Expense	36,495,104	18,231,714	37,032,796	38,276,983	1,244,187	3.4%
Current Year Surplus (Deficit)	1,193,539	169,555	874,402	556,443		
Return of WW Accumulated Surplus	-	(215,000)	-	-		
Transfer to R&R Reserve	(551,266)	-	-	-		
Ending Fund Balance	9,013,933	8,968,489	9,455,391	10,221,535		

Combined Operating, Capital and Grant Funds

The total combined revenue and funding for 2014 is \$51.62 million, total combined expenditures are \$51.06 million. The budgeted surplus for 2014 is \$556,443.

Operating funds details are included in Operating Revenues, Operating Expenses and Human Resources Sections. Capital funds details are included in Capital Finance and Capital Expenditures Sections. The Budget by Fund Section provides a summary of the Operating and Capital budget by individual enterprise fund – water fund and 6 wastewater funds for each community provided with wastewater service.

	Operating	Capital	Total
Water Revenue	21,130,183	-	21,130,183
WW Assessments	16,972,320	-	16,972,320
Water Bond	-	5,000,000	5,000,000
Water R&R	-	3,234,000	3,234,000
WW Bond (Future)	-	1,095,000	1,095,000
WW Bond	-	1,600,000	1,600,000
WW R&R	-	1,856,000	1,856,000
Contracted Billing Income	218,016	-	218,016
Other Income	446,180	-	446,180
Interest Income	66,727	-	66,727
Total Revenue	38,833,426	12,785,000	51,618,426
Salaries/Wages	10,003,869	343,820	10,347,689
Employee Benefits	4,877,174	153,546	5,030,720
Biosolids Disposal	1,298,503	-	1,298,503
Chemicals	1,139,119	-	1,139,119
Contracted Svcs	3,791,741	11,618,704	15,410,445
Deferred Cost W/O	21,888	-	21,888
Heat/Fuel Oil	515,008	-	515,008
Insurance	188,736	-	188,736
Materials/Supplies	1,586,165	573,133	2,159,298
Other Expense	755,149	-	755,149
Purchased Power	1,829,293	-	1,829,293
Regulatory/Taxes	221,017	-	221,017
Tele/Oth Utilities	313,657	-	313,657
Transportation	1,264,935	95,797	1,360,732
(less) Transport Offset	(893,706)	-	(893,706)
Operating Expense	26,912,548	12,785,000	39,697,548
Debt Service	7,141,485	-	7,141,485
Renewal & Replacement	4,222,950	-	4,222,950
Total Expense	38,276,983	12,785,000	51,061,983
Surplus (Deficit)	556,443	-	556,443

GFOA Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Portland Water District, Maine for its annual budget for the year beginning January 1, 2013. In order to receive the award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and are submitting it to GFOA to determine its eligibility for another award.



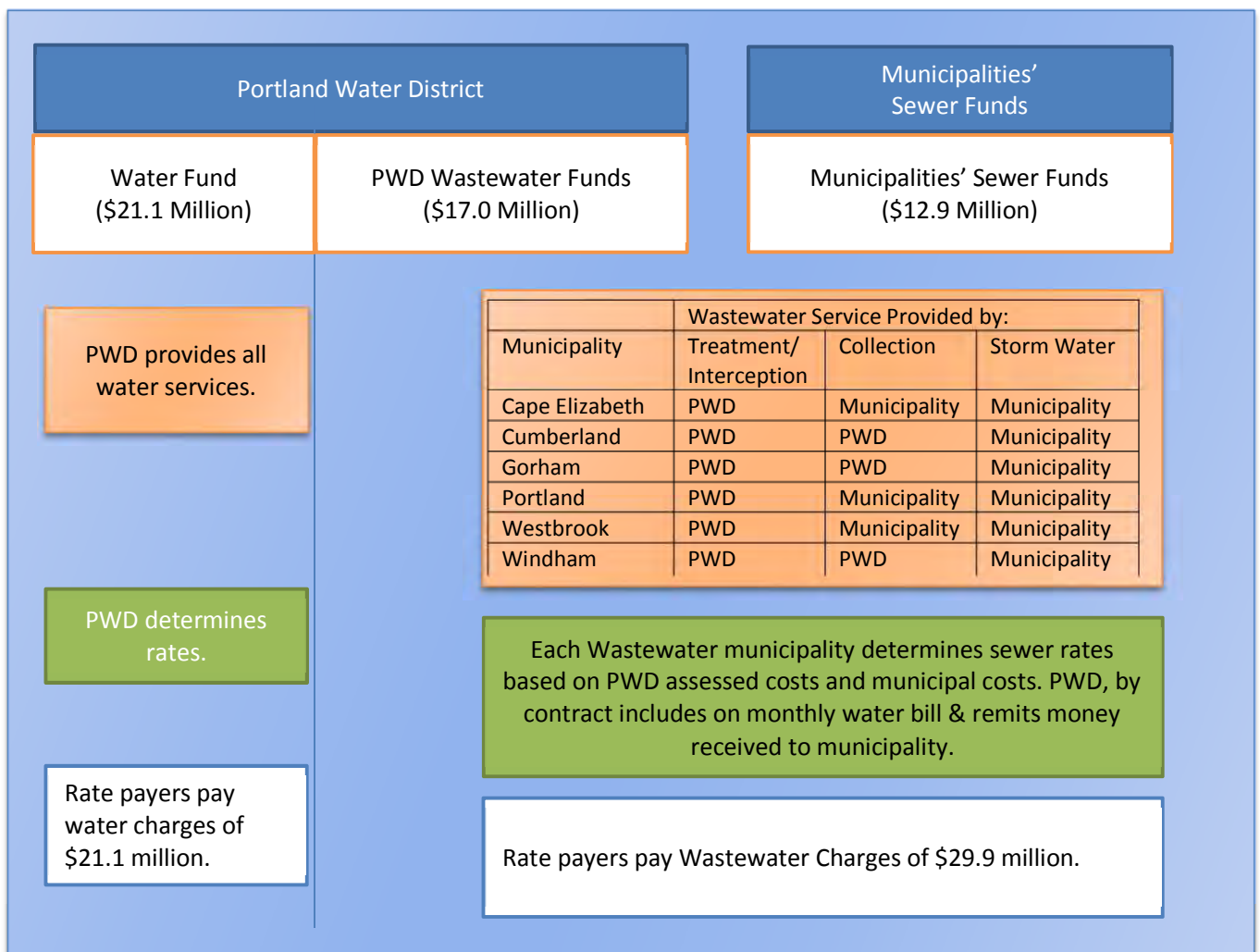
Introduction

The District uses seven enterprise funds – a water fund and six wastewater funds. The six wastewater funds are for the towns of Cape Elizabeth, Cumberland, Gorham and Windham and cities of Portland, Westbrook. Each of the seven funds has a separate operating and capital budget appropriation. Details are provided for each fund in the Budget by Fund section.

Relationship between Portland Water District Funds/Municipalities' Sewer Funds and the Ratepayer

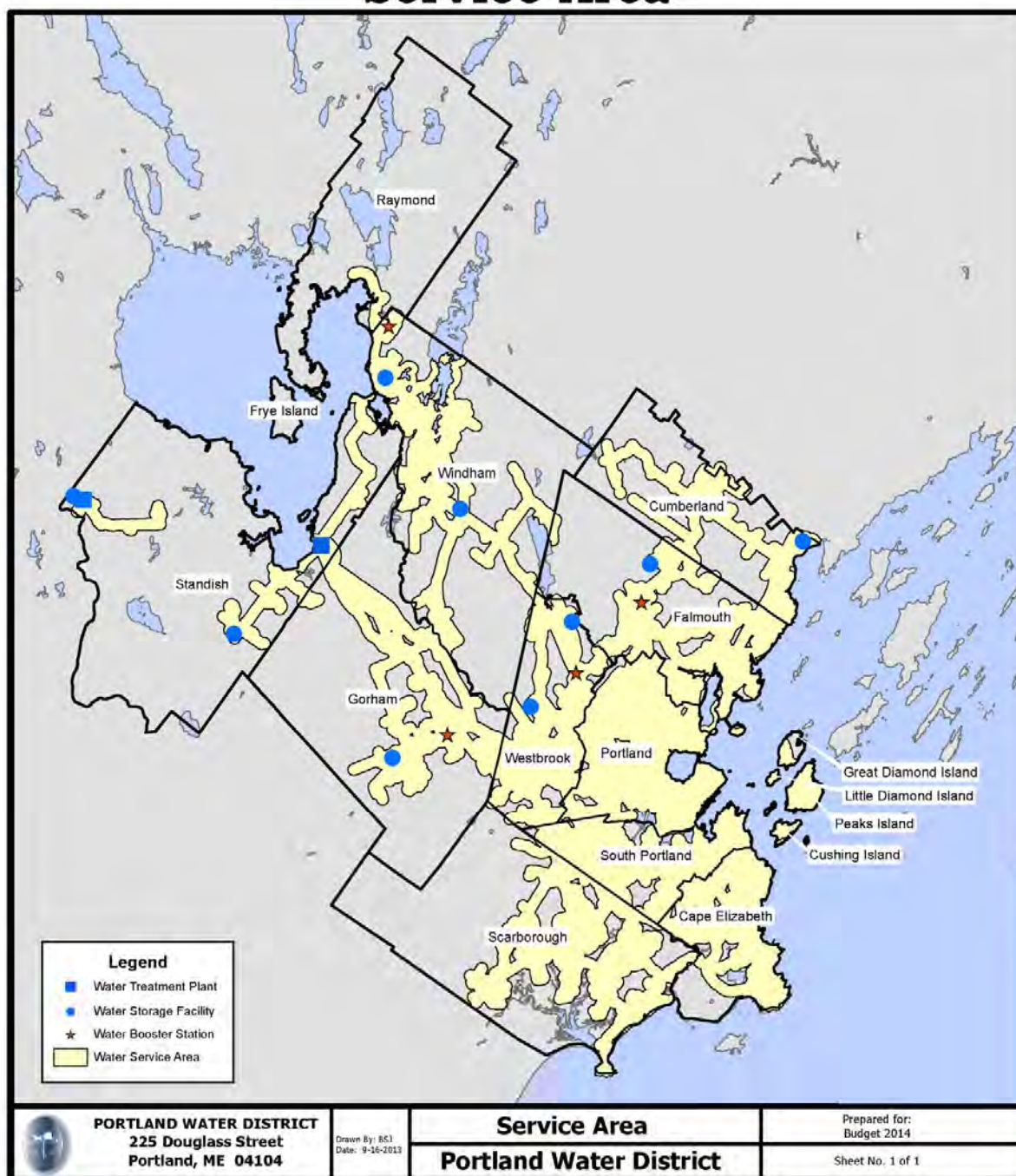
The District provides water service directly to ratepayers. The cost of water service is recorded in a separate enterprise fund. Ratepayers' individual monthly charges are billed to customer by the District.

The District provides certain wastewater service on behalf of six communities – each with a separate enterprise fund. The services provided by the District and Municipality are listed below. The District bills the Municipality for services rendered. The Municipality determines the ratepayers' rates to recover the District bill and their internal costs. The Municipality has requested the District to include these monthly fees on the water billed mailed to the Ratepayers.



Fund: Water

Portland Water District Service Area



Fund: Water

Background

The Portland Water District's charter authorizes the District to provide service to the inhabitants of 11 cities and towns. Approximately 200,000 inhabitants are served portable drinking water. In addition, water for public and private fire protection is provided. The District's water operation is regulated by the Maine Public Utilities Commission, including the determination of water rates to be charged to customers.

The Portland Water District operates two very different water systems; the Greater Portland System delivers 22 million gallons of water per day from Sebago Lake and the Steep Falls System which delivers 30,000 gallons per day from a single well in Standish. The quality of the water from Sebago Lake is exemplary, and the District was fortunate to receive a waiver from the filtration requirement that is normal for most surface water supplies. In order to maintain this waiver, the District must have an effective source protection program and meet stringent requirements for disinfecting the water.

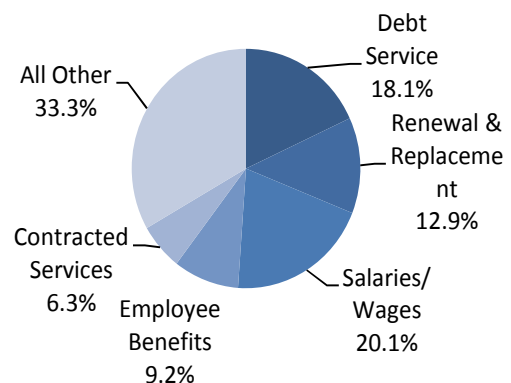
2014 Summary

The proposed 2014 total expense and capital budgets are \$20,817,310 and \$8,109,000, respectively.

Total Expense was \$834,671, or 4.2%, higher than the previous year. Operating Expense was up 2.6% (\$357,838) and Renewal & Replacement (direct & indirect) was relatively flat (down \$2,560 or 0.1%). The biggest change was the \$479,393 (14.6%) increase in Debt Service due new debt related to the treatment plant upgrade.

The capital budget includes \$6.0 million for distribution main renewals. Additionally, \$2.1 million in capital work involving various other assets will be funded from the renewal and replacement fund.

2014 Total Expense



2014 Details

Revenue:

Water Sales - The 2014 Budget assumes an average 3% rate increase as of May 1, 2014. Consumption was assumed to be the same as the 12 month period ending June 30, 2013. Overall, Water Revenue budget is expected to increase \$543,806 or 2.6% (see Revenue Section for details).

Other Income - This category consists of charges for cross connection, new account activation and other miscellaneous work. This budget, which was based primarily on prior year activity, increased 4.1% (\$9,480).

Interest - The interest earned on funds not expended. The average interest rates in the 2014 Budget were assumed to be 0.32%, lower than the previous budget assumption of 0.34%.

Expenses:

Salaries/Wages – Wage rates increased an average for 1.5%. The slight decrease of 0.3% was the result of a shift of about 2,800 hours of Water Operations labor to capital for increased efforts for water main construction inspection.

Employee Benefits – Benefits, which are charged as a percentage of regular wages, decreased 0.5%. The benefit rate was relatively flat (an increase of 1.7%); the result was a budget decrease of \$10,479.

Chemicals – Costs are budgeted to increase 26.8% (\$110,320) due to addition of liquid oxygen, at a cost of \$143,884, to the updated treatment process. All other chemical costs have small declines due to either projected reductions in per unit cost or usage.

Contracted Services – The budget is up 25.3% (\$265,733) due a rise in Water Operation's contractor construction budget to the expected levels of value box and other outsourced work.

Transportation – The budget is up (\$14,051 or 1.8%) due to the general cost increases for the operations and maintenance of vehicle pool.

Purchased Power – Delivery charges for the water treatment plant are expected to increase 14.6%, charges to other water facilities are expect to rise 6.1%. Energy rates will drop 6.1% for the treatment plant and 8.2% for medium sized accounts. The budgeted energy usage was reduced due to energy conservation efforts and change in the ozone production process resulting in a 14.5% (\$68,338) reduction.

Heat/Fuel Oil – Usage is expected to be flat but an increase in the projected per gallon cost of fuel lead to the 10.7% (\$14,937) increase in the budget.

Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as administrative time or training) or work done on behalf of several municipalities at the same time (engineering or laboratory services) that is allocated based on the value to each fund. The combined Support Services costs increased 0.9% (\$35,174).

Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. This expense will increase 14.6% (\$479,393) in 2014 due to new debt being issued related to the upgrade of the water treatment facility.

Renewal & Replacement - Dollars put aside to fund capital projects.

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Water Revenue	\$20,345,782	\$9,774,892	\$20,586,377	\$21,130,183	\$543,806	2.6%
Other Income	274,033	116,018	231,300	240,780	9,480	4.1%
<u>Interest Income</u>	<u>36,423</u>	<u>13,476</u>	<u>31,670</u>	<u>26,630</u>	<u>(5,040)</u>	<u>-15.9%</u>
Total Revenue	20,656,238	9,904,387	20,849,347	21,397,593	548,246	2.6%
Salaries/Wages	4,008,594	1,919,483	4,186,555	4,173,945	(12,610)	-0.3%
Employee Benefits	1,763,080	884,180	1,934,513	1,924,034	(10,479)	-0.5%
Chemicals	339,588	155,117	410,930	521,250	110,320	26.8%
Contracted Svcs	1,131,532	432,788	1,052,304	1,318,037	265,733	25.3%
Deferred Cost W/O	10,780	2,800	5,600	1,200	(4,400)	-78.6%
Facilities	97,102	48,525	108,533	109,233	701	0.6%
Heat/Fuel Oil	151,325	94,695	139,964	154,901	14,937	10.7%
Insurance	22,195	11,050	26,728	34,985	8,257	30.9%
Materials/Supplies	558,481	301,567	593,980	557,531	(36,449)	-6.1%
Other Expense	128,056	82,860	122,023	142,942	20,919	17.1%
Purchased Power	443,362	224,947	470,072	401,734	(68,338)	-14.5%
Regulatory/Taxes	186,720	124,321	190,301	221,017	30,716	16.1%
Tele/Oth Utilities	53,948	22,541	62,060	51,365	(10,695)	-17.2%
Transportation	775,505	363,309	777,163	791,213	14,051	1.8%
SS - Administration	2,901,626	1,543,088	3,127,956	3,095,699	(32,257)	-1.0%
SS - Engineering Services	692,181	398,847	578,373	671,131	92,758	16.0%
SS - Environmental Svcs	91,652	37,642	84,466	87,299	2,833	3.4%
<u>SS - Water Services</u>	<u>84,182</u>	<u>66,733</u>	<u>119,002</u>	<u>90,842</u>	<u>(28,160)</u>	<u>-23.7%</u>
Operating Expense	13,439,910	6,714,492	13,990,521	14,348,359	357,838	2.6%
Debt Service	4,249,502	1,647,076	3,294,134	3,773,527	479,393	14.6%
Renew & Replace - Direct	2,400,000	1,200,000	2,400,000	2,400,000	-	0.0%
<u>Renew & Replace - Indirect</u>	<u>298,249</u>	<u>148,992</u>	<u>297,984</u>	<u>295,424</u>	<u>(2,560)</u>	<u>-0.9%</u>
Total Expense	20,387,661	9,710,560	19,982,639	20,817,310	834,671	4.2%
Surplus (Deficit)	268,577	193,827	866,708	580,283		
Return of Prior Surplus	-	-	-	-		
Transfer to R&R	-	-	-	-		
<u>Prior Surplus</u>	<u>2,565,593</u>	<u>2,834,170</u>	<u>2,945,952</u>	<u>3,503,515</u>		
Accumulated Surplus	2,834,170	3,027,997	3,812,660	4,083,798		

Operation Summary

The current treatment processes at the Sebago Lake Water Treatment Facility (SLWTF) include ozone and chloramines for disinfection, fluoridation for dental benefit, and the addition of a corrosion control inhibitor. In order to meet the requirements of the new Long-Term II Treatment Rule by early 2014, the District is completing the addition of an ultraviolet (UV) treatment system. The construction phase of the UV Project is almost complete, and includes the replacement of the 20 year old ozone production system.

The total projected cost is \$12.0 million.

The District maintains approximately 1,000 miles of water mains that carry the water from Sebago Lake to the customer's homes. During the past few years, more efforts are being focused on the renewal of the older water mains in our system. In 2014, the District plans to spend approximately 6 million dollars to replace and upgrade these mains, and intends to increase the amount annually by \$500,000 every year through at least 2016 in order to achieve our renewal objectives. In addition, the Transmission/Distribution group performs operation and maintenance procedures to ensure that our customers experience minimal disruptions in water service.

Water quality in the distribution system is constantly monitored by routine sampling and through tracking of water quality inquiries. This information is reviewed and shared monthly with office and field employees to help make water quality everyone's responsibility.

August 2013 Distribution System Water Quality Summary

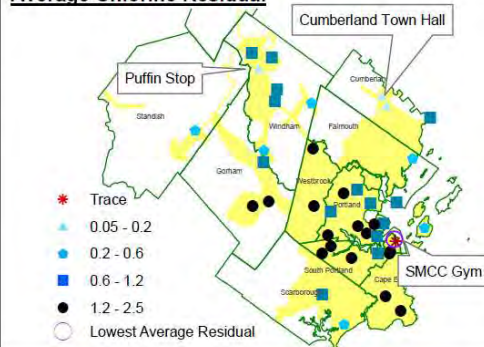
Page 1 of 1

July Greater Portland:				
1 of 162 coliform samples were positive (0.62%, Limit = 5%)				
2013 Totals:				
1 of 1319 coliform samples were positive (0.08%)				
Distribution System Water Quality Data				
Parameter	August	Year to Date	Goal	
Cl ₂ Residual				
10th Percentile	0.20 ppm	0.40 ppm	≥ 0.40 ppm	
Mean	1.12 ppm	1.23 ppm		
pH Value				
10th Percentile	6.90	7.00	≥ 7.20	
Median	7.30	7.40		

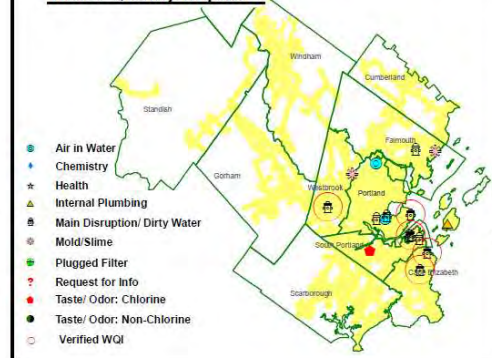
Lowest Average Chlorine Residual

SMCC Gym	0.05 mg/L
Cumberland Town Hall	0.08 mg/L
Puffin Stop	0.11 mg/L

Average Chlorine Residual



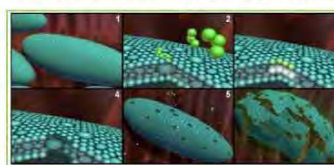
Water Quality Inquiries



How Does Ozone Work?

1. A healthy bacillus bacterial cell (waiting to ruin your day).
2. Zooming in closer, Ozone (light green) comes into contact with the cell wall. The cell wall is vital to the bacteria because it ensures the organism can maintain its shape.
3. As ozone molecules make contact with the cell wall, a reaction called an oxidative burst occurs which literally creates a tiny hole in the cell wall.
4. A newly created hole in the cell wall has injured the bacterium.
5. The bacterium begins to lose its shape while ozone molecules continue creating holes in the cell wall.
6. After thousands of ozone collisions over only a few seconds, the bacterial wall can no longer maintain its shape and the cell dies.

Bacteria Destruction by Ozone



Note: bacteria cannot build an immunity to ozone due to the oxidation that occurs on the cell wall.

Operation Summary (continued)

In an effort to improve the water quality in the distribution system, the District performs multi-directional flushing to remove any sediment that deposits on the bottom of these mains. This sediment can cause a reduction in the area's chlorine residual and increase customer's water quality inquiries. The program's resources had been stretched thin over the past few years, with the amount of the system flushed falling to 9% during 2009. A renewed emphasis was placed on the program and during 2012 and 2013 our annual objective of flushing 33% of the system was met. The goal is to flush the entire distribution system in a 3-year cycle.

	2011 Actual	2012 Actual	2013 Projected	2014 Goal
% of Distribution System Flushed	30%	33%	33%	33%

The hydrant inspection program was revised over the past 2 years and the new procedures were implemented during the winter of 2012. One expanded area of this program is to exercise and confirm that each hydrant is fully functional. The long-term goal is to test each hydrant annually; however it may take a few years to reach this level of productivity. Many hydrants have not been tested against this higher standard, and have created more maintenance work during the first few years of the revised program. The goal for 2014 will be the first time staff attempt to inspect 100% of the public hydrants.

	2011 Actual	2012 Actual	2013 Projected	2014 Goal
Annual Hydrant Inspections	N/A	2971	1,992	4,963

The District continues to be innovative in its use of technology. Over the past 10 years, many projects have improved the day-to-day operation by automating systems and converting information from static, printed documents to digital records that are available instantly to employees both in the office and in the field via laptops. One significant project under way is the GPS locating of all water service lines. This multi-year project will improve the efficiency of employees by clarifying 100 year old records and thus reducing time spent determining the exact location of buried assets.



Capital Summary

A five-year capital plan is updated each year. The projects are prioritized based on operational needs and financing availability.

Capital project expenditures are financed by issuance of bonds or renewal and replacement funds collected. Water bonds are usually issued through the Maine Municipal Bond Bank though the District did issue an \$8.0 million bond in 2013 directly to the bond market. The 2014 planned projects are listed below. A detailed description of the projects is listed in the capital improvement plan section of the budget book. In 2014, the district plans to issue \$5.0 million in bonds and fund renewal and replacement at \$3.27 million to fund the remaining capital projects.

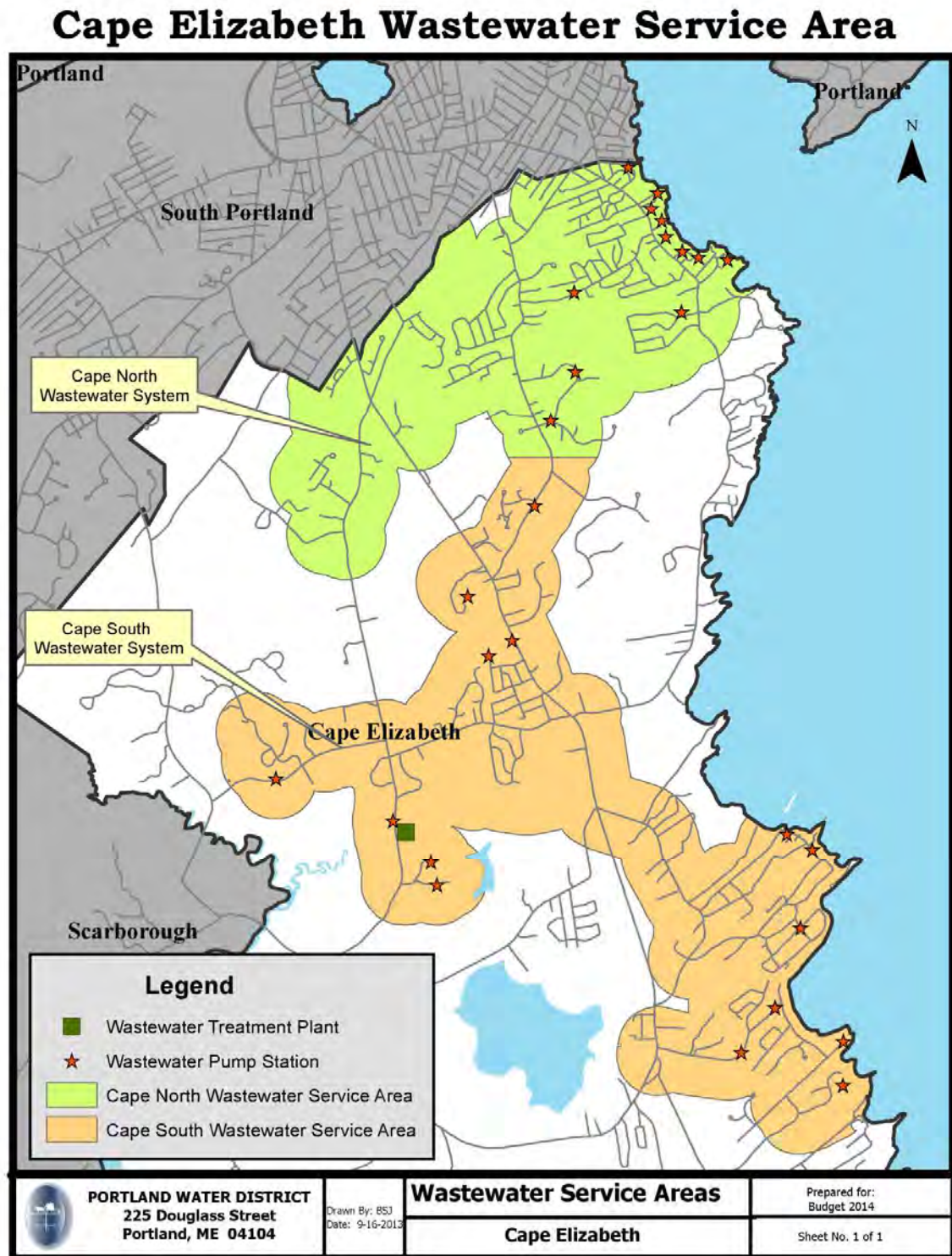
	2012 Actual	2013 Projected	2014 Budget
Beginning of Year Fund Balance	\$2,466,549	\$1,963,766	\$2,203,766
Funding Sources:			
Bond Proceeds - current year	2,130,000	2,500,000	5,000,000
Bond Proceeds - Ozone Plant	12,000,000	-	-
Renewal & Replacement Contribution	<u>3,270,000</u>	<u>3,270,000</u>	<u>3,270,000</u>
	17,400,000	5,770,000	8,270,000
Expenditures:			
Scada & Technology	127,125	175,000	147,000
Vehicle/Equipment Replacement	311,222	275,000	325,000
Water Operations - Mains/Valves	132,818	225,000	275,000
Water Operations - Services/Meters	135,310	575,000	500,000
Water Operations - Hydrants	104,346	100,000	100,000
Main Renewal Projects	4,295,497	3,825,000	6,000,000
Main Renew related (Hydrant/Service)	n/a	n/a	450,000
Ozone Plant/UV Project	12,000,000	-	-
407 Zone Work	400,000	-	-
Water Facilities	366,900	330,000	287,000
Water Supply Security	<u>29,565</u>	<u>25,000</u>	<u>25,000</u>
	17,902,783	5,530,000	8,109,000
End of Year Fund Balance	1,963,766	2,203,766	2,364,766

Water Main Renewals



Our commitment to maintain aging water infrastructure includes replacing water mains. The 2014 budget continues this commitment with planned projects totaling \$6 million dollars. The projects will be funded with current year's revenue (\$1 million) and bond proceeds (\$5 million).

Fund: Wastewater- Cape Elizabeth



Fund: Wastewater- Cape Elizabeth

Background

The Portland Water District's charter authorizes the District to provide wastewater treatment and interception service to the town. By contract with the town, the District additionally maintains several pump stations and provides utility billing and collection services. The District operates a treatment facility that treats wastewater from the southern section of the town and contracts with the city of South Portland to provide treatment services for the northern section of the town. The town maintains the collection system that transports wastewater from the user's property to the District's interceptor system.

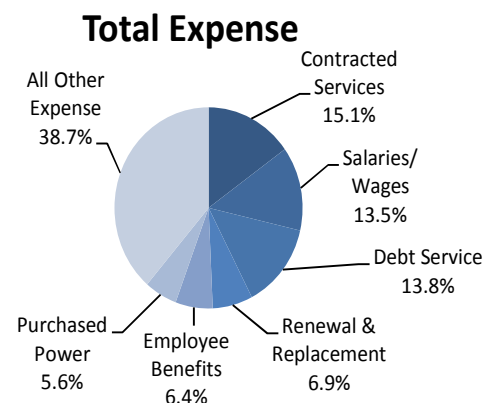
The District estimates the cost to provide the service as documented in the annual budget and assesses the town the estimated cost. The assessment is billed to the town in equal monthly payments. The town determines the system user fees to pay the District's assessment and any town costs related to the sewer system. By contract with the town, the District includes the sewer user fees, which are based on water consumption, on the monthly water utility bill sent to customers. Sewer user fees collected from users are remitted to the town on a weekly basis.

2014 Summary

The proposed assessment of \$1,377,252 is a 0.9% increase. The assessment is \$42,000 lower than the forecasted assessment provided the town last year.

The proposed 2014 Total Expense and Capital budgets are \$1,378,857 and \$308,000, respectively. The Total Expense budget increased \$12,114 or 0.9%.

The 2014 capital budget involves upgrades at the Garden Lane pump station; South Portland Meter Station roof and small equipment repairs at the treatment plant and pump stations. Work will be financed by a withdrawal of \$58,000 from the renewal and replacement fund and a bond of \$250,000.



2014 Details

Revenues:

Assessments - The Assessment to be paid by the Town to the District (\$1,377,252) is an increase of 0.9%.

Interest - The interest earned on funds not expended, including sewer fees collected but not remitted to the municipality. The average rate of return assumed in the 2014 Budget was 0.32%.

Expenses:

Salaries/Wages – The budget of \$186,294 increased 1.8% (\$3,294).

Employee Benefits – Benefits, which are charged as a percentage of regular wages, increased 3.6% (\$3,062) to a total of \$88,527. The benefit rate had a small increase of 1.7%.

Heat/Fuel Oil – The budget for this item increased \$1,043 (6.6%). The budgeted per unit price increase of 10.3% was somewhat offset by a projected decrease in usage.

Insurance – Insurance rose \$2,082 (65.5%) due to costs associated with the recently completed treatment plant and pump station upgrades.

Materials & Supplies – The budget items, used during the operations and maintenance of the treatment plant and the pump stations, were increased \$5,300 (18.9%) to match the historical levels of usage.

Purchased Power – Power costs increased by \$3,262 or 4.4%. The total budget for power is \$77,514.

Transportation – Transportation costs decreased by 14.2% or \$10,572, largely due to a change in the allocation of vehicle expenses by going to a 40 hour vehicle concept where standby vehicle time is charged via the Wastewater Support Services (SS) line. The total budget for transportation is \$64,138.

Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as administrative time or training) or work done on behalf of several municipalities at the same time (engineering or laboratory services) that is allocated based on the value to each fund. The combined Support Services costs increased 4.5% (\$16,100). The increase in the Wastewater (\$5,650) area was primarily due to change in District's transportation cost allocation process in which the standby time for vehicles is now charged on this line. Administrative costs allocated based on the average costs of each fund over the past three years, the increase on this line (12.8%) was due to impact of the recent debt service issued for the treatment plant/pump station upgrades fully impacting that average.

Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. This cost was reduced \$16,199, or 7.8%, from the prior year budget to \$190,314.

Renewal & Replacement - Dollars put aside to fund capital projects. A contribution of \$94,728 will be made in 2014; an increase of \$1,306 or 1.4%.

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
WW Assessments	\$1,293,540	\$682,542	\$1,365,084	\$1,377,252	\$12,168	0.9%
Other Income	1,955	-	-	-	-	n/a
<u>Interest Income</u>	<u>(1,112)</u>	<u>844</u>	<u>1,659</u>	<u>1,605</u>	<u>(54)</u>	<u>-3.3%</u>
Total Revenue	1,294,383	683,386	1,366,743	1,378,857	12,114	0.9%
Salaries/Wages	196,268	87,524	183,000	186,294	3,294	1.8%
Employee Benefits	89,513	41,777	85,465	88,527	3,062	3.6%
Biosolids Disposal	11,042	8,396	14,000	14,005	5	0.0%
Chemicals	10,262	3,834	11,007	11,882	875	7.9%
Contracted Svcs	187,443	109,681	206,994	207,955	961	0.5%
Heat/Fuel Oil	13,998	12,793	15,755	16,798	1,043	6.6%
Insurance	4,021	2,409	3,180	5,262	2,082	65.5%
Materials/Supplies	38,468	24,896	28,000	33,300	5,300	18.9%
Other Expense	2,151	2,954	3,600	3,900	300	8.3%
Purchased Power	69,493	40,934	74,252	77,514	3,262	4.4%
Tele/Oth Utilities	12,784	7,199	12,294	13,590	1,296	10.5%
Transportation	70,095	32,804	74,710	64,138	(10,572)	-14.2%
SS - Administration	132,216	72,272	145,530	164,161	18,632	12.8%
SS - Engineering Services	40,506	24,439	64,648	66,728	2,080	3.2%
SS - Environmental Svcs	26,087	20,954	45,541	36,147	(9,394)	-20.6%
SS - Wastewater Services	101,770	49,493	95,322	100,972	5,650	5.9%
<u>SS - Water Services</u>	<u>2,287</u>	<u>1,813</u>	<u>3,510</u>	<u>2,642</u>	<u>(868)</u>	<u>-24.7%</u>
Operating Expense	1,008,406	544,172	1,066,808	1,093,815	27,007	2.5%
Debt Service	196,178	103,256	206,513	190,314	(16,199)	-7.8%
Renew & Replace - Direct	80,000	40,000	80,000	80,000	-	0.0%
<u>Renew & Replace - Indirect</u>	<u>13,072</u>	<u>6,711</u>	<u>13,422</u>	<u>14,728</u>	<u>1,306</u>	<u>9.7%</u>
Total Expense	1,297,655	694,139	1,366,743	1,378,857	12,114	0.9%
Surplus (Deficit)	(3,272)	(10,753)	-	-		
Return of Prior Surplus	-	-	-	-		
Transfer to R&R	-	-	-	-		
<u>Prior Surplus</u>	<u>206,084</u>	<u>202,812</u>	<u>220,348</u>	<u>203,033</u>		
Accumulated Surplus	202,812	192,059	220,348	203,033		

Operation Summary

Wastewater Treatment: The Cape Wastewater System is divided into two sectors, North and South. Flow generated in the Northern sector is pumped to South Portland for treatment while flow generated in South Cape is treated at the Cape South WWTF. The Cape South facility is designed to treat 520,000 gallons per day. Cape North has 715,400 gallons per day capacity at South Portland's WWTF. The wet weather capacity was increased in 2011 to manage high flows during wet weather. This system performed as designed during the record rain event in June of 2012 that delivered over 7.5 inches of rain over several days and has continued to perform very well. The table below illustrates 2012 actual flows and the percent of capacity being used.

Area	2012 Actual Flow	Design Capacity	% of Capacity
North Cape	429,520 gal/day	715,400 gal/day	60.0 %
South Cape	280,548 gal/day	520,000 gal/day	54.0 %

2013 YTD - The South Cape WWTF has operated well through the first three quarters. The plant is averaging 93% removal of organic material and 97% of total suspended solids. State license requirements are a minimum 85% removal for both parameters.

Parameter	DEP Limit	Facility Average	
Biological Oxygen Demand (BOD) (lbs/day) *	208 lbs/day	23 lbs/day	Measure of organic materials
Total Suspended Solids (TSS) (lbs/day) **	208 lbs/day	20 lbs/day	Measure of suspended material

Wastewater Conveyance – interceptors and pumping stations: The Draft Ottawa Road CSO Long Term Control Plan was submitted to MEDEP in December 2011 and was approved in September 2013. The 5 year plan will begin in 2014. The project will mitigate the frequency and volume of overflow during extreme wet weather events by addressing private sources of infiltration and inflow in the collection system of Cape Elizabeth and South Portland. Staff continues to respond and maintain service during various storm events and power failures, while installing emergency generators to assist in managing elevated flows during power losses. Additional work performed by the Systems crew is shown in the table below.

Parameter	2013 Actual to Oct.	2014 Projected
Preventive Work Orders	293	300
Corrective Repair Work Orders	60	50
Wet Wells Cleaned	39	40
Debris Removed (tons)	37.25	40
Dry Weather Overflows	1	0

2013 Other Highlights

- An emergency generator (Broad Cover North) and boiler (Family Field) were installed.
- Asset Management Software will continue to drive the preventive maintenance program, generating both monthly and annual preventive maintenance tasks for all pump stations, continuing our emphasis on pump station preventive maintenance program.
- The Garden Circle Pump Station design was completed in 2013. The project is expected to be constructed in 2014.

2014 Work Plan

- The roof of the metering station will be replaced.
- The Garden Lane Pump Station project will be completed in the spring of 2014.

Capital Summary

A five-year capital plan is updated each year. The projects are prioritized based on operational needs and financing availability.

Capital project expenditures are financed by issuance of bonds or distribution from the renewal and replacement (R&R) fund. Wastewater bonds are usually issued through the Maine Municipal Bond Bank and utilize the state revolving loan fund (SRF) for eligible projects, which provides a 2% below market interest rate. The renewal and replacement fund is appropriated \$80,000 from the annual assessment in 2014. The planned projects are listed below:

Treatment Plant – 424: routine and equipment failure replacements (\$20,000). These projects will be financed through the renewal and replacement fund.

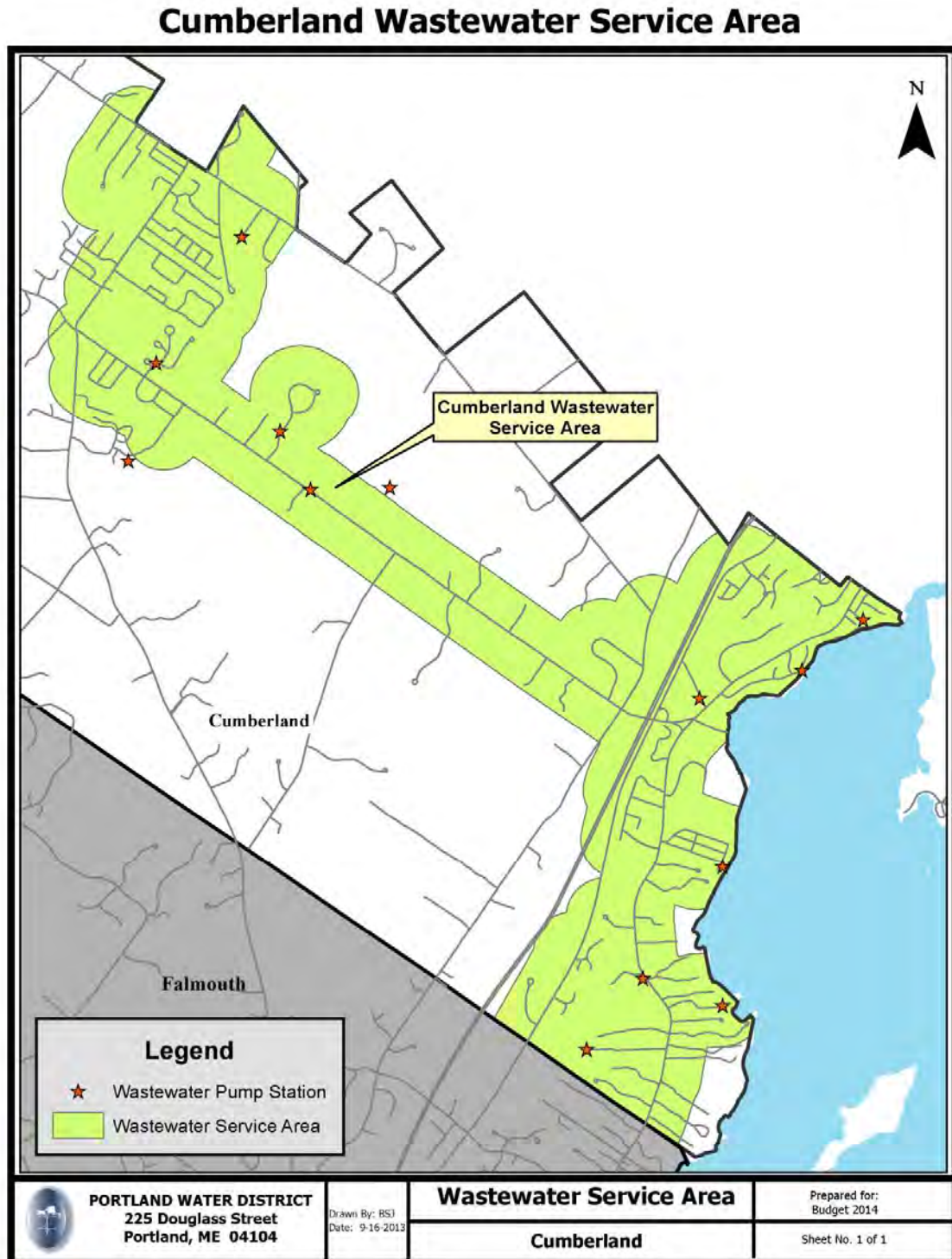
Cape Elizabeth Pump Stations – 407: Garden Lane Pump Station replacement (\$250,000). *1 This project will be financed by a bond in November 2014.

Cape Elizabeth Pump Stations – 52: South Portland Meter Station Roof (\$8,000) and routine and equipment failure replacements (\$30,000). These projects will be financed through the renewal and replacement fund.

	2012 Actual	2013 Projected	2014 Budget
Capital Fund:			
Beginning of Year Fund Balance	\$132,138	\$128,499	(\$2,001)
Source of Funds:			
Bond Proceeds - current year	160,000		250,000
Bond Proceeds - future years			
Renewal and Replacement Contribution	80,000	80,000	80,000
Bond Discount Credit	3,292	0	0
Capital Funding	243,292	80,000	330,000
Capital Expenditures:			
Treatment Plant – 418 / 424	146,683	95,000	20,000
Cape CSO / Pump Station Capital Program - 407 *1	94,818		250,000
Pump Station R & R – 52	5,430	115,500	38,000
Capital Expenditures	246,931	210,500	308,000
End of Year Fund Balance	\$128,499	(\$2,001)	\$19,999

*1 - Garden Lane upgrade is a carry-forward project from 2013. A carry-forward Project is a project that was budgeted for completion in the current year but will not become operational until a future budget year.

Fund: Wastewater - Cumberland



Fund: Wastewater- Cumberland

Background

The Portland Water District's charter authorizes the District to provide wastewater treatment and interception service to the town. By contract with the town, the District additionally provides sewer collection system operations and provides utility billing and collection services. The District contracts with the town of Falmouth to provide treatment services

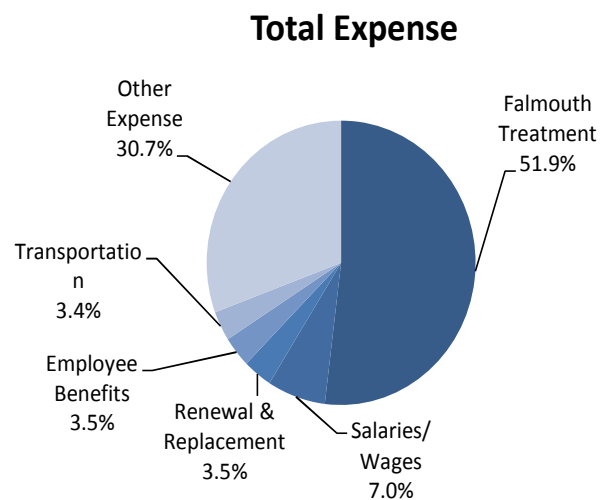
The District estimates the cost to provide the service as documented in the annual budget and assesses the town the estimated cost. The assessment is billed to the town in equal monthly payments. The town determines the system user fees to pay the District's assessment and any town costs related to the sewer system. By contract with the town, the District includes the sewer user fees, which are based on water consumption, on the monthly water utility bill sent to customers. Sewer user fees collected from users are remitted to the town on a weekly basis.

2014 Summary

The proposed assessment of \$731,784 is a \$17,844 (2.5%) increase over the previous year. The assessment equals the forecasted assessment provided the town last year.

The proposed 2014 Total Expense and Capital budgets are \$771,632 and \$55,000, respectively. The Total Expense budget increased \$55,464 or 7.7%. The increased costs are due in part to an increase in budgeted labor due to projects; including efforts related to inflow and infiltration (I&I) removal and the Falmouth Mill Creek Pump Station project. Additionally, the fee paid annually to the Town of Falmouth for wastewater treatment services increased \$47,379.

Capital work in 2014 will include installation of a generator in the Ledge Road Pump Station and routine small equipment repairs. The work will be funded by a withdrawal of \$55,000 from the renewal and replacement fund.



2014 Details

Revenues:

Assessments - The requested assessment of \$731,784 is a \$17,844 (2.5%) increase from the 2013 budget.

Interest - The interest earned on funds not expended, including sewer fees collected but not remitted to the municipality. The average rate of return assumed in the 2014 Budget was 0.32%.

Expenses:

Salaries/Wages – This expense is budgeted to increase 14.6% or \$6,905 to \$54,061. This increase reflects the level of effort associated with operating the system and the wet weather project work.

Employee Benefits – Benefits, which are charged as a percentage of regular wages, increased 18.2% (\$4,136) to a total of \$26,852. The benefit rate had a small increase of 1.7%.

Contracted Services – This category involves payments to the Town of Falmouth for wastewater treatment services which increased \$47,379 or 11.9% to a budgeted amount \$444,205. This increase is consistent with projections provided by the Town of Falmouth in 2013; however, the reason for the increase is different. The proposed increase reflects right of way clearing (\$27,000) and Johnson Pump Station's generator (\$11,000). The \$2 million Mill Creek upgrade project timeline has been modified. Expenses at the Town's plant are allocated based on the percentage of flow from each community. The 2014 Budget estimated Cumberland's percentage to be 24%.

Purchased Power – The budget for purchased power remained nearly flat with a decrease of \$468 to a budget of \$25,858. This represents a decrease of 1.8%.

Transportation – Transportation costs increased by 1.8% or \$468. This small increase was largely due to a change in the allocation of vehicle expenses using a 40 hour vehicle concept where standby vehicle time is charged via the Wastewater Support Services (SS) line. The total budget for transportation is \$26,132.

Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as administrative time or training) or work done on behalf of several municipalities at the same time (engineering or laboratory services) that is allocated based on the value to each fund. The combined Support Services costs increased 5.0% (\$6,628). The increase in the Wastewater (\$3,748) area was primarily due to change in District's transportation cost allocation process in which the standby time for vehicles is now charged on this line.

Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. No new debt is expected to be issued in 2014 and the expense will decline 1.5% (\$234).

Renewal and Replacement – This is the annual contribution to a fund to finance smaller capital projects. A contribution of \$27,135 will be made in 2014. The contribution has been reduced as the need for funding is less after the completion of major pump stations upgrades.

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
WW Assessments	\$712,800	\$356,970	\$713,940	\$731,784	\$17,844	2.5%
Other Income	387	-	-	-	-	n/a
<u>Interest Income</u>	<u>2,381</u>	<u>966</u>	<u>2,228</u>	<u>1,762</u>	<u>(466)</u>	<u>-20.9%</u>
Total Revenue	715,568	357,936	716,168	733,546	17,378	2.4%
Salaries/Wages	49,132	26,835	47,155	54,061	6,905	14.6%
Employee Benefits	22,974	13,520	22,716	26,852	4,136	18.2%
Contracted Svcs	421,772	191,787	396,826	444,205	47,379	11.9%
Heat/Fuel Oil	64	-	70	170	100	142.9%
Insurance	1,443	1,757	2,078	1,063	(1,015)	-48.8%
Materials/Supplies	6,658	8,964	5,700	12,450	6,750	118.4%
Other Expense	-	50	-	-	-	n/a
Purchased Power	22,332	12,760	26,327	25,858	(468)	-1.8%
Tele/Oth Utilities	325	228	373	425	52	13.9%
Transportation	24,239	11,868	25,665	26,132	468	1.8%
SS - Administration	77,710	42,667	85,426	86,871	1,445	1.7%
SS - Engineering Services	18,267	11,662	28,953	30,786	1,833	6.3%
SS - Wastewater Services	18,119	7,632	15,422	19,170	3,748	24.3%
<u>SS - Water Services</u>	<u>1,131</u>	<u>896</u>	<u>1,670</u>	<u>1,271</u>	<u>(398)</u>	<u>-23.9%</u>
Operating Expense	664,165	330,627	658,380	729,315	70,935	10.8%
Debt Service	15,722	7,708	15,416	15,182	(234)	-1.5%
Renew & Replace - Direct	35,000	17,500	35,000	19,628	(15,372)	-43.9%
<u>Renew & Replace - Indirect</u>	<u>7,412</u>	<u>3,686</u>	<u>7,372</u>	<u>7,507</u>	<u>135</u>	<u>1.8%</u>
Total Expense	722,300	359,521	716,168	771,632	55,464	7.7%
Surplus (Deficit)	(6,731)	(1,585)	-	(38,086)		
Return of Prior Surplus	-	-	-	-		
Transfer to R&R	-	-	-	-		
<u>Prior Surplus</u>	<u>277,678</u>	<u>270,947</u>	<u>269,385</u>	<u>268,962</u>		
Accumulated Surplus	270,947	269,362	269,385	230,876		

Operation Summary

Wastewater Treatment: The wastewater generated in the Town of Cumberland is collected and pumped to the Falmouth Wastewater Treatment Facility (FWWTF). Currently, the Town owns 30% of design treatment plant capacity, or the ability to pump 468,000 gallons each day. The town is billed based on the ratio of Cumberland flow to the total flow processed at the Falmouth facility. The table below illustrates Cumberland's flow contribution to the Falmouth plant in 2011.

Year	Cumberland Flow	Falmouth WWTF Flow	% Cumberland Share
2012	209,699 gal/day	929,414gal/day	22.6 %

FWWTF Cap.	Cumberland Cap (30%)	% Cap. Used	Capacity Remaining
1,560,000 gal/day	468,000 gal/day	44.8 %	258,301 gal/day

Wastewater Conveyance – collectors, interceptors and pumping stations:

Parameter	2013 Actual to Oct	2014 Projected
Preventive Work Orders	149	180
Corrective Repair Work Orders	14	15
Wet Wells Cleaned	23	30
Debris Removed (Tons)	33.43	30

2013 Other Highlights

- In preparation for pending upgrades to joint use pump stations in Falmouth, an I/I investigation to determine peak flows from the area began in 2012. CCTV work will be completed along with the repair of several issues that were previously identified. Further work, including smoke testing, will continue through 2014.
- All pump stations will be monitored 24/7 with our SCADA system and dispatch service. Operations staff will continue to visit each station on a weekly basis.
- The Asset Management Program will continue to drive the preventive maintenance program, generating both monthly and annual preventive maintenance work orders for each of the pump stations.
- Wet wells will continue to be scheduled for cleaning on a quarterly basis unless experience dictates otherwise.
- A flow meter was installed on Route 1. Along with the Route 88 meter, this meters all flows to the Falmouth system.

2014 Work Plan

- The Town and PWD will work with Falmouth during the design of the upgrade to the Mill Creek Pump Station in Falmouth. The I/I work, alongside the design of peak capacity in the station, will manage wet weather flows from the Cumberland system.
- A generator will be installed at the Ledge Road Pump Station.
- The Asset Management Program will continue to drive the preventive maintenance program, generating both monthly and annual preventive maintenance work orders for each of the pump stations.
- Wet wells will continue to be scheduled for cleaning on a quarterly basis unless experience dictates otherwise.

Capital Summary

A five-year capital plan is updated each year. The projects are prioritized based on operational needs and financing availability.

Capital project expenditures are financed by issuance of bonds or distribution from the renewal and replacement (R&R) fund. Wastewater bonds are usually issued through the Maine Municipal Bond Bank and utilize the state revolving loan fund (SRF) for eligible projects, which provides a 2% below market interest rate. The renewal and replacement fund is appropriated \$19,628 from the annual assessment in 2014. For certain projects within the town's tax increment finance (TIF) area, the town may contribute funds to pay for capital projects.

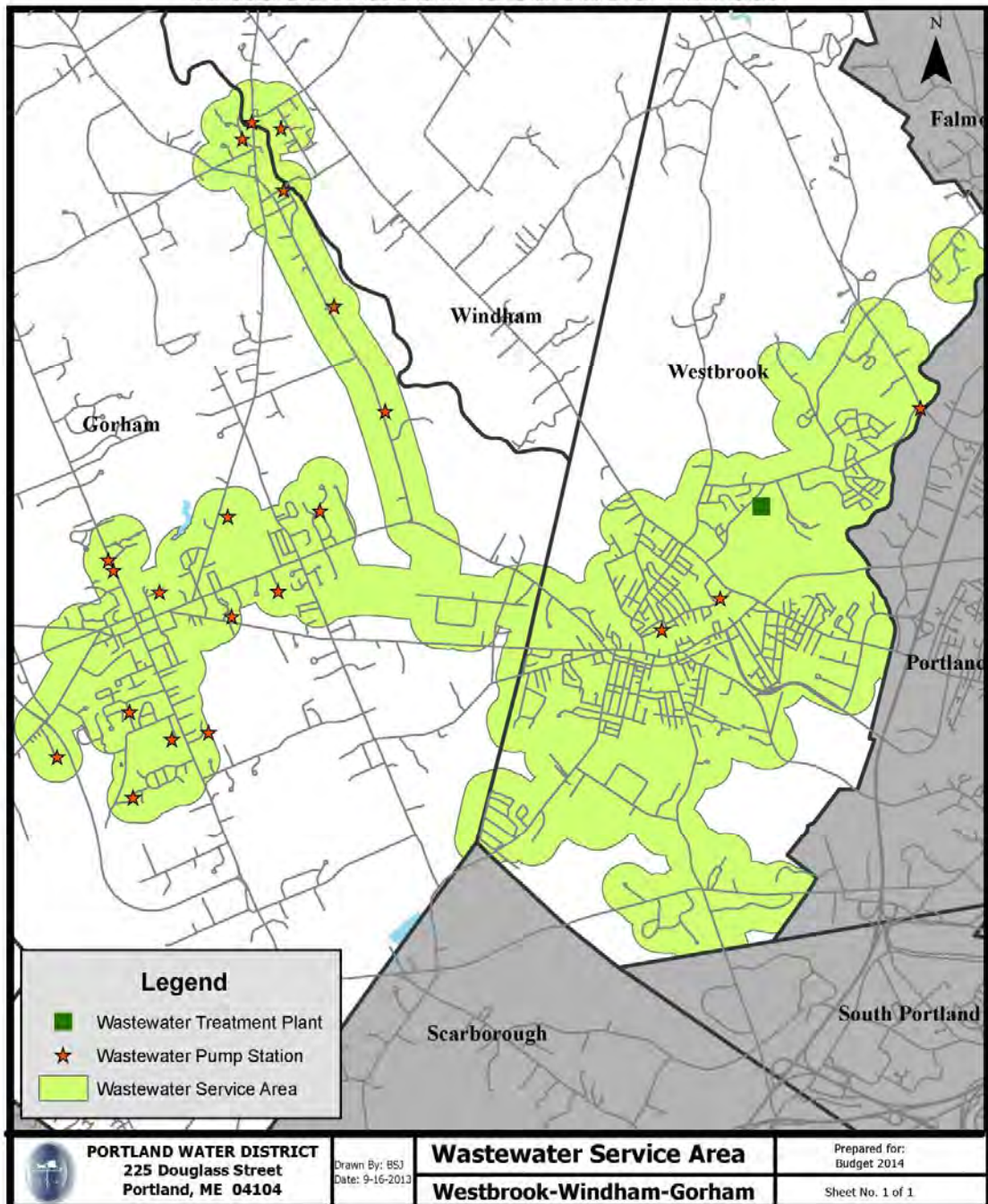
The planned projects are listed below:

Cumberland Pump Stations – 41: Ledge Road Pump Station generator (\$35,000) and routine and equipment failure replacements (\$20,000). These projects will be financed through the renewal and replacement fund.

	2012 Actual	2013 Projected	2014 Budget
Capital Fund:			
Beginning of Year Fund Balance	\$229,675	\$264,675	\$146,775
Source of Funds:			
Bond Proceeds - current year			
Renewal and Replacement Contribution	35,000	35,000	19,628
Tax Increment Finance (TIF)			
Bond Discount Credit			
Operating Surplus Transfer	0	0	0
Capital Funding	35,000	35,000	19,628
Capital Expenditures:			
Pump Station Capital Program - 415			
Pump Station R &R – 41	0	152,900	55,000
Capital Expenditures	0	152,900	55,000
End of Year Fund Balance	\$264,675	\$146,775	\$111,403

Fund: Wastewater - Gorham

Westbrook Windham Gorham Wastewater Service Area



Fund: Wastewater - Gorham

Background

The Portland Water District's charter authorizes the District to provide wastewater treatment and interception service to the town. By contract with the town, the District additionally operates and maintains the sewer collection system and provides utility billing and collection services. Gorham's wastewater has been treated at the treatment facility located in Westbrook and jointly used by the Town of Windham and City of Westbrook since 1988. In 2008, the Little Falls treatment facility was closed and wastewater from that area of the town was conveyed to the plant located in Westbrook.

The District estimates the cost to provide the service as documented in the annual budget and assesses the town the estimated cost. The assessment is billed to the town in equal monthly payments. The town determines the system user fees to pay the District's assessment and any town costs related to the sewer system. By contract with the town, the District includes the sewer user fees, which are based on water consumption, on the monthly water utility bill sent to customers. Sewer user fees collected from users are remitted to the town on a weekly basis.

2014 Summary

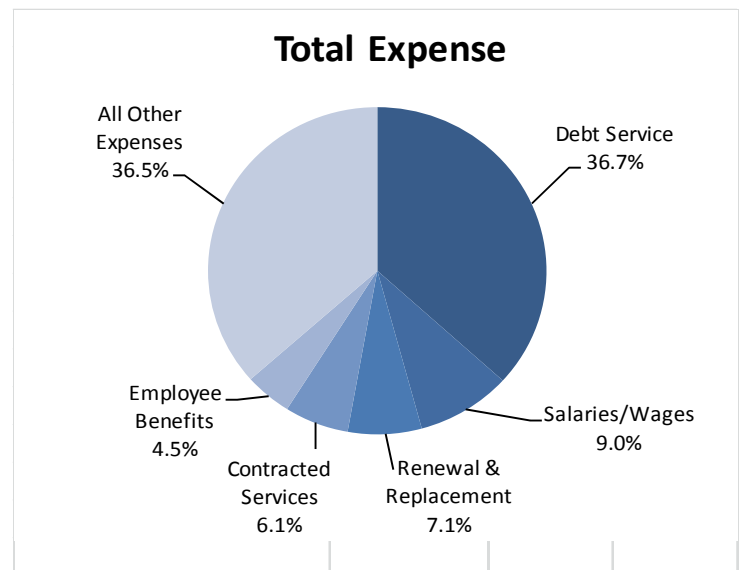
The proposed assessment is \$1,106,148. This is an increase of \$21,684 or 2.0% over last year. The assessment is \$11,000 less than the forecasted assessment provided the town last year.

The proposed 2014 Total Expense and Capital budgets are \$1,121,671 and \$180,510, respectively.

The Total Expense budget increase \$21,056 or 1.9%. With recent growth in the system, the addition of several pump stations, the increase in the percentage of flow at the treatment plant, operating costs have increased. Debt service decreased by \$20,764 or 4.8%. The renewal and replacement contribution (direct and indirect) was decreased by \$39,704 to \$67,313.

The major capital projects in 2014 include upgrades at the regional wastewater treatment plant of the Flow Splitting, Aeration System Evaluation and routine small equipment repairs. Gorham pump stations will also incur routine small equipment repair costs. The treatment plant

Flow Splitting will be bonded in November 2014 and Aeration System Evaluation bonded in future years. The capital work will be funded by renewal and replacement funds of \$70,400 and bonds of \$110,110.



2014 Detail

Revenues:

Assessments - The proposed assessment is \$1,106,148. This is an increase of \$21,684 or 2.0% over last year.

Other Income - Income that is primarily Gorham's prorated share of septage haulers fees collected at the treatment facility located in Westbrook. \$12,400 was budgeted for 2014 (unchanged from 2013).

Interest - The interest earned on funds not expended, including sewer fees collected but not remitted to the municipality. The average rate of return assumed in the 2014 Budget was 0.32%.

Expenses:

Salaries/Wages – The budget for salaries and wages is related to the labor required to deliver wastewater services. Treatment plant costs are allocated based on flows. With relative increases in flow and additional pump stations, this increased \$23,422 or 30.0%. The budget is \$101,469.

Employee Benefits – This cost is charged as a percentage of regular wages. With the increase in salaries/wages, this increased to \$50,494, or \$12,848 (34.1%). The benefit rate had a small increase of 1.7%.

Purchased Power – The budget for power is expected to decrease by 3.9% or \$1,654 to \$40,969. The increase is due mainly to the larger percentage of joint flows attributable to Gorham.

Biosolids Disposal – The budget assumptions for wet tons disposed increased due to a decrease in the expected % total solids of the dewatered sludge. The costs are expected to increase with inflation. Biosolids costs are also allocated based on flow to the treatment plant. The \$6,794 (18.9%) increase results in a budget amount of \$42,760.

Transportation – Transportation costs increased \$4,820 or 18.4% to a total of \$31,007. This change is related to the increase in labor costs noted above.

Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as administrative time or training) or work done on behalf of several municipalities at the same time (engineering or laboratory services) that is allocated based on the value to each fund. The combined Support Services costs increased 8.6% (\$20,673). The increase in the Wastewater (\$12,324) area was primarily due to change in District's transportation cost allocation to a 40 hour vehicle concept process in which the standby time for vehicles is now charged on this line. In addition, most all of the allocations are impacted by the rise in the percent of flow by Gorham.

Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. This item decreased 4.8% (\$20,764) as older bond issues were retired.

Renewal & Replacement - Dollars put aside to fund smaller capital projects. A contribution of \$79,312 will be made in 2014.

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
WW Assessments	\$1,084,464	\$542,232	\$1,084,464	\$1,106,148	\$21,684	2.0%
Other Income	17,559	6,085	12,400	12,400	-	0.0%
<u>Interest Income</u>	<u>4,025</u>	<u>1,703</u>	<u>3,750</u>	<u>3,123</u>	<u>(627)</u>	<u>-16.7%</u>
Total Revenue	1,106,048	550,020	1,100,614	1,121,671	21,057	1.9%
Salaries/Wages	76,429	37,811	78,048	101,469	23,422	30.0%
Employee Benefits	35,416	18,472	37,646	50,494	12,848	34.1%
Biosolids Disposal	36,961	20,215	35,966	42,760	6,794	18.9%
Chemicals	7,023	5,047	11,787	11,334	(453)	-3.8%
Contracted Svcs	42,542	14,827	55,070	68,857	13,787	25.0%
Heat/Fuel Oil	3,934	3,214	4,781	5,151	371	7.8%
Insurance	1,187	714	1,233	1,521	288	23.4%
Materials/Supplies	11,443	6,565	11,306	12,513	1,206	10.7%
Other Expense	632	132	837	869	33	3.9%
Purchased Power	37,194	20,479	42,623	40,969	(1,654)	-3.9%
Tele/Oth Utilities	1,798	958	3,393	2,499	(895)	-26.4%
Transportation	24,350	9,646	26,187	31,007	4,820	18.4%
SS - Administration	122,691	63,687	127,943	130,621	2,678	2.1%
SS - Engineering Services	40,347	24,569	61,187	65,654	4,467	7.3%
SS - Environmental Svcs	17,618	6,351	13,879	15,717	1,838	13.2%
SS - Wastewater Services	33,633	17,634	34,825	47,149	12,324	35.4%
<u>SS - Water Services</u>	<u>1,863</u>	<u>1,477</u>	<u>2,754</u>	<u>2,119</u>	<u>(634)</u>	<u>-23.0%</u>
Operating Expnes	495,061	251,799	549,465	630,705	81,240	14.8%
Debt Service	434,849	217,447	432,417	411,654	(20,764)	-4.8%
Renew & Replace - Direct	50,000	53,509	107,017	67,313	(39,704)	-37.1%
<u>Renew & Replace - Indirect</u>	<u>12,120</u>	<u>5,857</u>	<u>11,715</u>	<u>11,999</u>	<u>284</u>	<u>2.4%</u>
Total Expense	992,029	528,612	1,100,614	1,121,671	21,056	1.9%
Surplus (Deficit)	114,019	21,408	-	-		
Return of Prior Surplus	-	-	-	-		
Transfer to R&R	(114,019)	-	-	-		
<u>Prior Surplus</u>	<u>489,084</u>	<u>489,084</u>	<u>489,084</u>	<u>513,755</u>		
Accumulated Surplus	489,084	510,492	489,084	513,755		

Operation Summary

Wastewater Treatment: All wastewater generated in Gorham is now being treated at the Westbrook/ Gorham/Windham Regional WWTF. The table below depicts flow from Gorham to the regional facility and from the Little Falls section of Gorham to the regional facility. The Town of Gorham shares operational costs at the treatment facility in Westbrook based on the amount of flow the town contributes to the total flow through the treatment facility. Gorham has 30.8 % of the treatment facility capacity, or 1,398,320 gallons per day.

Area	2012 Gorham Flow	Westbrook WWTF Flow	% Gorham Share
Total Gorham Flow	506,167 gal/day	3,139,205 gal/day	16.1 %

WGWWTF Capacity	Gorham Capacity (30.8%)	2012 - % Capacity Used	Capacity Remaining
4,540,000 gal/day	1,398,320 gal/day	36.2 %	892,153 gal/day

Wastewater Conveyance – interceptors and pumping stations

Parameter	2013 Actual to Oct	2014 Projected
Preventive Work Orders	165	170
Corrective Repair Work Orders	18	20
Wet Wells Cleaned	27	30
Debris Removed (tons)	35.8	35

2013 Other Highlights

- The Asset Management Program will continue to drive the preventive maintenance program, generating both monthly and annual preventive maintenance work orders for each of the pump stations.
- Wet wells will continue to be scheduled for cleaning on a quarterly basis.
- The Town has worked to obtain and transfer ownership of the Heartwood Pump to the District.
- Emergency generators installed at existing pump stations, and the installation of generators as part of new installations has reduced the need to respond to these critical stations during system power failures, improving the level of service to customers.
- Continued to work with the Town on several expansions, including South Street and several new subdivisions.
- The odor control system at the Mallison Falls Pump Station has worked well since it was installed in the summer of 2012. We have received no odor complaints since its installation.

2014 Work Plan

- The Asset Management Program will continue to drive the preventive maintenance program, generating both monthly and annual preventive maintenance work orders for each of the pump stations.
- Wet wells will continue to be scheduled for cleaning on a quarterly basis.

Capital Summary

A five-year capital plan is updated each year. The projects are prioritized based on operational needs and financing availability.

Capital project expenditures are financed by issuance of bonds or distribution from the renewal and replacement (R&R) fund. Wastewater bonds are usually issued through the Maine Municipal Bond Bank and utilize the state revolving loan fund (SRF) for eligible projects, which provides a 2% below market interest rate. The renewal and replacement fund is appropriated \$67,313 from the annual assessment in 2014.

The planned projects are listed below:

Regional Treatment Plant Capital – 167: Regional treatment plant Flow Splitting upgrade is a carry-forward project from 2013 that will be funded by \$262,500, November 2014 bond. Gorham will pay a prorated share of the costs (\$80,850). An Aeration System Evaluation will be done in 2014 with bond funding in 2015. Gorham will pay a prorated share of the costs (\$29,260).

Regional Treatment Plant Repair – 416: Routine and equipment failure replacements (\$50,000). These projects will be financed through the renewal and replacement fund. Gorham will pay a prorated share of the costs (\$15,400).

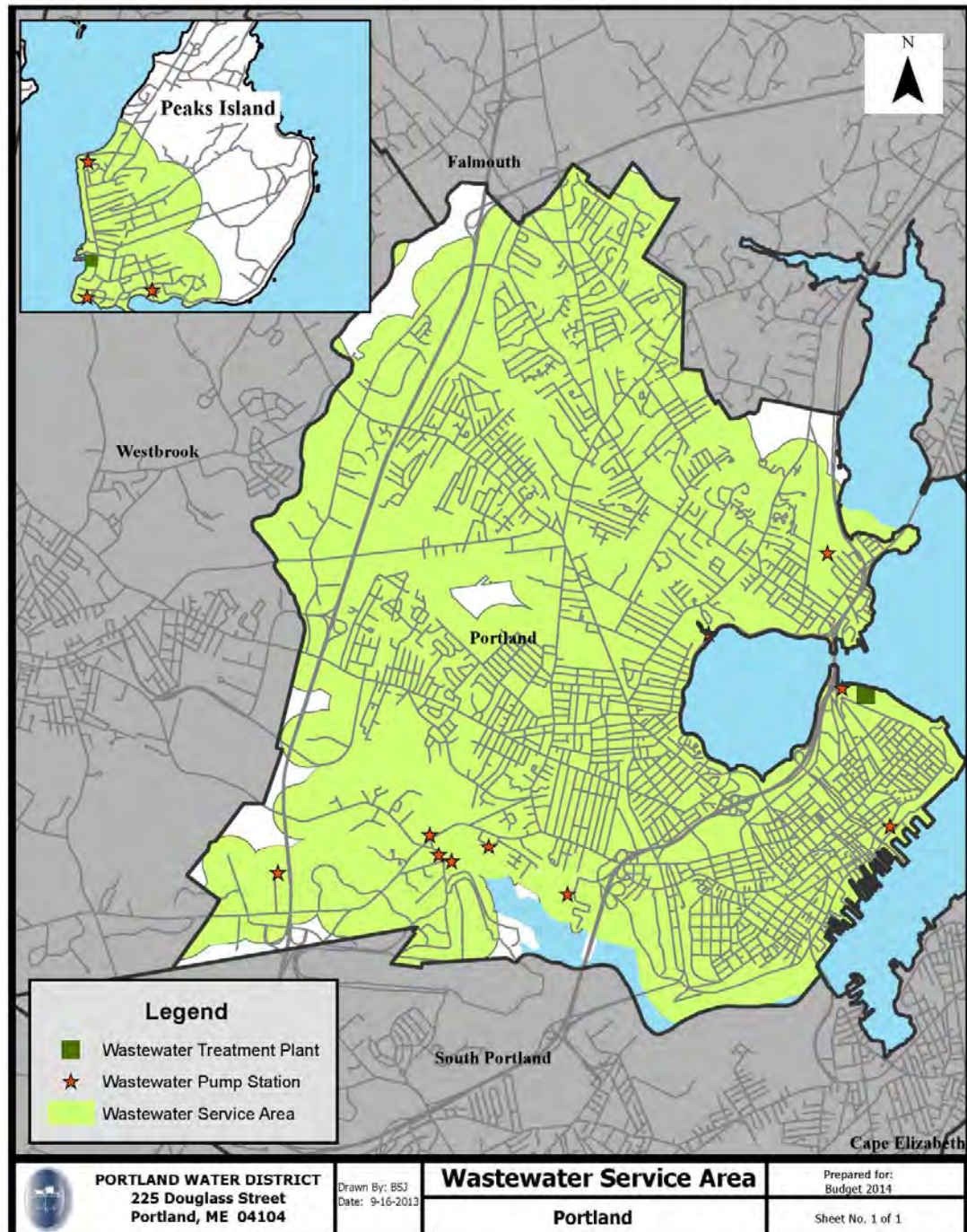
Gorham Pump Station Repair – 60: Briarwood Pump Station generator (\$35,000) and routine and equipment failure replacements (\$20,000). These projects will be financed through the renewal and replacement fund. These stations are Gorham only; therefore Gorham pays 100% of the costs to repair.

Capital Fund:	2012 Actual	2013 Projected	2014 Budget
Beginning of Year Fund Balance	\$300,908	\$456,089	\$259,417
Source of Funds:			
Bond Proceeds - current year			80,850
Bond Proceeds - future years			29,260
Renewal and Replacement Contribution	50,000	107,017	67,313
Bond Discount Credit	6,000		
Operating Surplus Transfer	114,019	0	0
Capital Funding	170,019	107,017	177,423
Capital Expenditures:			
SCADA System Controls @ WWTF(prorated)-177		38,500	
WWTF Flow Splitting (prorated) – 167 *1			80,850
WWTF Aeration Evaluation (prorated) – 167			29,260
Treatment Plant R & R (prorated) – 416	14,838	64,064	15,400
Laboratory Equipment (prorated) – 95		1,125	
Gorham Pump Station R & R – 60	0	200,000	55,000
Capital Expenditures	14,838	303,689	180,510
End of Year Fund Balance	\$456,089	\$259,417	\$256,330

*1 - Aeration Flow Splitting is a carry-forward project from 2013. A carry-forward project is a project that was budgeted for completion in the current year but will not become operational until a future year.

Fund: Wastewater - Portland

Portland Wastewater Service Area



Fund: Wastewater - Portland

Background

The Portland Water District's charter authorizes the District to provide wastewater treatment and interception service to the city. By contract with the city, the District additionally provides utility billing and Peaks Island's collection services. The city maintains the collection system that transports wastewater from user's property to the District's interceptor system.

The District estimates the cost to provide the service as documented in the annual budget and assesses the city the estimated cost. The assessment is billed to the city in equal monthly payments. The city determines the system user fees to pay the District's assessment and any city costs related to the sewer system. By contract with the city, the District includes the sewer user fees, which are based on water consumption, on the monthly water utility bill sent to customers. Sewer user fees collected from users are remitted to the city on a weekly basis.

2014 Summary

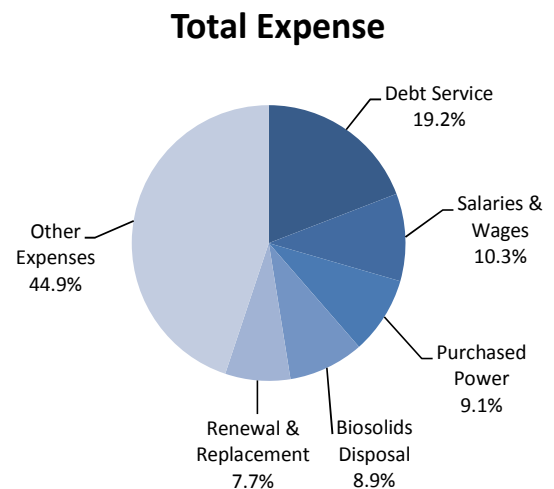
The city's assessment will increase 3.2% or \$332,160 to \$10,872,204. Of this increase, \$221,839 is related to an increase in debt service due to capital projects including the Peaks Island sewer extension. The assessment is \$247,000 less than the forecasted assessment provided the city last year.

The proposed 2014 Total Expense and Capital budgets are \$10,982,397 and \$4,051,000, respectively.

The Total Expense budget is \$328,743, or 3.1%, higher than the previous year. Operating expense increased by 1.3% or \$106,071. As noted, debt service increased \$221,839 and renewal & replacement (direct and indirect) of \$844,257 remained at essentially the same level as 2013 with a 0.1% increase of \$833.

The major capital projects in 2014 will involve the Fore River P.S., design of the East End treatment plant aeration upgrade (and other projects) and

Peaks Island treatment plant. This work will be funded by renewal and replacement funds totaling \$1,451,000 and bonds of \$2,600,000.



2014 Detail

Revenues:

Assessment - The city's assessment will increase 3.2% or \$332,160 to \$10,872,204.

Other Income - This income consists primarily of septage haulers fees collected at the treatment facility. The budget for 2014 of \$93,400 remains consistent with 2013 levels.

Interest - The interest earned on funds not expended, including sewer fees collected but not remitted to the municipality. The average rate of return assumed in the 2014 Budget was 0.32%.

Expenses:

Salaries/Wages – Budgeted expenses increased 0.7% or \$7,634 to \$1,125,370. Budget increases associated with annual increases were offset by continued optimization of the use of premium pay.

Employee Benefits – This cost is charged as a percentage of regular wages and the increase in this category was 4.0% or \$20,414 to a total of \$534,641. The benefit rate had a small increase of 1.7%.

Purchased Power – Purchased power use has been reduced by \$45,999 or a reduction of 4.4% to a total of \$999,791. The Budget assumed a 11.2% reduction in energy rates while assuming transmission and distribution rates would increase 1.6% at the East End WWTF and 6.2% at the India Street Pump Station.

Biosolids Disposal – The budget for this item was decreased by \$25,724 or 2.6%. The budget assumes cost of disposal will increase by 1.5% per ton and that the wet tons disposed will decrease by 4.0%. The Budget also assumes that the percent solids of the waste will decrease from 24.0% to 23.5% making the waste slightly heavier; however, it is also assumed that the amount of waste coming to the plant will decrease thus offsetting any impact.

Contracted Services – This budget item includes engineering services, control system programming, and maintenance services. This budget was increased 8.3% or \$40,037 to address maintenance needs and to provide continued engineering and controls support. The total budgeted in this category is \$523,144.

Chemicals – Chemical use at the East End Plant related to wastewater disinfection was decreased slightly due to process control efforts. Odor control chemical use has increased due to continued efforts to manage odors from the facility. Increases in chemical costs are related primarily to expected price increases. The budget area was increased by 1.5% or \$7,932 to a total budget of \$524,708.

Heat/Fuel Oil – In late 2012, the East End Wastewater Treatment plant switched its heating system from heating oil to pipeline delivered natural gas. Based on projected costs and the same volume of natural gas budgeted in 2013, the budget increased 26.5% or \$35,293 to a total of \$168,628. Of this increase, \$40,000 is related to the increase in natural gas costs. This increase is due in part to an underestimation of natural gas pricing in the 2013 budget.

Transportation – Transportation budgeted costs decreased by 23.2% or \$35,060 to \$116,260. This is due to vehicle optimization, the outsourcing of snow plowing, and changes to the method of allocating transportation costs by going to a 40 hour vehicle concept in the 2014 budget.

Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as administrative time or training) or work done on behalf of several municipalities at the same time (engineering or laboratory services) that is allocated based on the value to each fund. The combined Support Services costs increased 2.7% (\$69,910).

Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. The expense will increase \$221,839 in the 2014 budget.

Renewal and Replacement - The annual contribution to a fund to finance smaller capital projects. A contribution of \$844,257 will be made in 2014.

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
WW Assessments	\$10,540,044	\$5,270,022	\$10,540,044	\$10,872,204	\$332,160	3.2%
Other Income	84,917	21,594	93,400	93,400	-	0.0%
<u>Interest Income</u>	<u>22,365</u>	<u>9,136</u>	<u>20,210</u>	<u>16,793</u>	<u>(3,417)</u>	<u>-16.9%</u>
Total Revenue	10,647,326	5,300,752	10,653,654	10,982,397	328,743	3.1%
Salaries/Wages	1,055,447	556,213	1,117,735	1,125,370	7,634	0.7%
Employee Benefits	466,656	260,751	514,227	534,641	20,414	4.0%
Biosolids Disposal	878,907	523,414	1,004,796	979,072	(25,724)	-2.6%
Chemicals	576,492	256,723	516,775	524,708	7,932	1.5%
Contracted Srvs	409,880	170,466	483,107	523,144	40,037	8.3%
Heat/Fuel Oil	204,429	116,826	133,335	168,628	35,293	26.5%
Insurance	24,226	12,201	25,376	26,112	736	2.9%
Materials/Supplies	274,863	170,634	256,075	271,288	15,213	5.9%
Other Expense	45,766	(2,256)	15,207	15,507	300	2.0%
Purchased Power	1,025,017	546,303	1,045,791	999,791	(45,999)	-4.4%
Tele/Oth Utilities	117,300	46,041	92,422	107,807	15,385	16.6%
Transportation	153,483	57,849	151,320	116,260	(35,060)	-23.2%
SS - Administration	1,142,265	612,389	1,235,852	1,254,504	18,652	1.5%
SS - Engineering Services	263,321	161,166	414,779	422,784	8,006	1.9%
SS - Environmental Srvs	243,865	129,697	282,044	263,206	(18,838)	-6.7%
SS - Wastewater Services	778,933	385,958	603,217	673,094	69,877	11.6%
SS - Water Services	<u>22,321</u>	<u>17,694</u>	<u>32,904</u>	<u>25,117</u>	<u>(7,787)</u>	<u>-23.7%</u>
Operating Expense	7,683,170	4,022,068	7,924,963	8,031,035	106,071	1.3%
Debt Service	1,903,128	942,633	1,885,266	2,107,105	221,839	11.8%
Renew & Replace - Direct	552,702	364,098	728,196	728,196	-	0.0%
<u>Renew & Replace - Indirect</u>	<u>115,373</u>	<u>57,614</u>	<u>115,228</u>	<u>116,061</u>	<u>833</u>	<u>0.7%</u>
Total Expense	10,254,373	5,386,413	10,653,654	10,982,397	328,743	3.1%
Surplus (Deficit)	392,953	(85,662)	-	-		
Return of Prior Surplus	-	-	-	-		
Transfer to R&R	(392,953)	-	-	-		
<u>Prior Surplus</u>	<u>3,324,976</u>	<u>3,324,976</u>	<u>3,324,976</u>	<u>3,378,578</u>		
Accumulated Surplus	3,324,976	3,239,314	3,324,976	3,378,578		

Operation Summary

Wastewater Treatment: The Portland Water District operates and maintains the treatment facilities for the City of Portland. The largest facility, East End WWTF located off of the Eastern Promenade operated well in 2012. Below is a chart depicting the average results of four key parameters for 2012.

EEWTF Parameter	DEP Limit	2012 Facility Avg	2012 -% Capacity Used
Flow (million gal per day)	19.8 mgd	17.0 mgd	86.0 %
Biological Oxygen Demand (BOD) (lbs/day) *	7,431 lbs/day	2,074 lbs/day	
Total Suspended Solids (TSS) (lbs/day) **	7,431 lbs/day	1,945 lbs/day	
Biosolids Removed (wet tons/month)	N/A	1,179 wt/month	

* Measure of organic material ** Measure of suspended material

The second facility on Peaks Island provides wastewater treatment to the residents and business on Peaks Island. Waste solids generated on the island are shipped to the mainland and processed at the EEWTF.

Wastewater Conveyance – interceptors and pumping stations

Parameter	2013 Actual to Oct	2014 Projected
Preventive Work Orders	127	130
Corrective Repair Work Orders	62	50
Wet Wells Cleaned	11	15
Debris Removed (Tons)	11.06	15
Dry Weather Overflows	0	0

Operation Summary (continued)

2013 Other Highlights

- Monthly CSO activities continue to be monitored and reported by PWD for regular distribution to stakeholders. Sites are continuously monitored by web base software.
- In response to concerns regarding odors from the facility, an odor management plan and notification system was implemented. The intensity and volume of odor complaints has been significantly reduced through these efforts.
- An Administrative Consent Agreement with the Department of Environmental Protection addressed a number of violations in 2012 related to plant disinfection system performance. Plant staff has managed the issues well in 2013.
- The Peaks Island Facility continued to operate well through the summer due to operational changes implemented by staff to accommodate the high seasonal loadings. Controls improvements in 2013 will continue to enhance the plant's performance and the ability for the plant to be operated remotely.
- District Staff has worked with the City of Portland on the expansion of the Peaks Island collection system. The project will be completed in 2013. The City has completed inspections of residential systems to identify sources of I/I that will be removed to allow for the additional flow associated with the expansion.
- Pump Station upgrade work was completed at Thompson's Point and Arcadia St Pump Stations in 2013. The Thompson's Point work will consider possible development of the surrounding area.
- Biosolids dewatering improvements have resulted in improved solids concentrations that have reduced the expense of disposal and consistency with the Biosolids management program.
- Despite the screening Local Limits on BOD and TSS, the loadings to the treatment plant have not decreased and the facility continues to operate above the design limit. This issue will be investigated during the design of the aeration system in 2014 for construction in 2015.

2014 Work Plan

- The Asset Management Program will continue to drive the preventive maintenance program, generating both monthly and annual preventive maintenance work orders for each of the pump stations in Portland.
- The District will manage the construction of the Peaks Island collection system while the City works to remove private sources of I/I to allow for the additional flow.
- Plant operations will continue to focus on improving plant performance through process control efforts.
- The design of the aeration system upgrade will begin in 2014. This will help manage plant loadings which continue to exceed design capacity.
- The Fore River Pump Station upgrade will begin to replace equipment that has reached the end of its design life.

Capital Summary

A five-year capital plan is updated each year. The projects are prioritized based on operational needs and financing availability. Projects are financed by issuance of bonds or distribution from the renewal and replacement (R&R) fund.

The planned projects are listed below:

East End Treatment Capital Program – 21: Aeration design (\$1,000,000), financed by a future November 2015 bond.

Pump Stations R & R – 70: India St P.S. shaft repair (\$84,000) and routine and equipment failure replacements (\$50,000), financed from the renewal and replacement fund.

Portland CSO Mitigation – 131: Long Wharf Tide Gate replacement (\$200,000), financed from the renewal and replacement fund.

East End Treatment Plant R & R – 409: Miscellaneous plant upgrades (\$665,000), financed from the renewal and replacement fund.

Pump Station Capital Program – 420: Fore River P.S. upgrade (\$1,600,000) financed by November 2014 bond.

Peaks Island R & R – 423 / 177: Peaks Island combination Ultraviolet / Hypo disinfection system upgrade (\$300,000), Peaks Treatment Plant building modifications (\$60,000), Sequential Batch Reactor Evaluation (\$8,000) and routine and equipment failure replacements (\$10,000), financed from the renewal and replacement fund.

SCADA/Process Control Program – 177: East End Treatment Plant process controls and SCADA upgrades (\$50,000) and replacement of SCADA PC's (\$24,000), financed from the renewal and replacement fund.

Capital Fund:	2012 Actual	2013 Projected	2014 Budget
Beginning of Year Fund Balance	\$1,923,189	\$2,185,372	\$996,092
Source of Funds:			
Bond Proceeds - current year		3,700,000	1,600,000
Bond Proceeds - future year			1,000,000
Renewal and Replacement Contribution	552,702	728,196	728,196
Bond Discount Credit	28,484		
Operating Surplus Transfer	<u>392,953</u>	<u>0</u>	<u>0</u>
Capital Funding	974,139	4,428,196	3,328,196
Capital Expenditures:			
Pump Station R & R – 70	163,503	50,000	134,000
Pump Station Capital Program – 420			1,600,000
Laboratory Equipment R & R (prorated) – 95		42,285	
CSO Program R & R – 131		20,000	200,000
East End Treatment Facility R & R – 409	512,958	1,030,191	665,000
East End Treatment Facility Capital Program – 21		600,000	1,000,000
Peaks Island R & R – 423 / 177	33,659	105,000	378,000
Peaks Island Capital Program – 118		3,700,000	
SCADA/ Process Control Program – 177	<u>1,836</u>	<u>70,000</u>	<u>74,000</u>
Capital Expenditures	711,956	5,617,476	4,051,000
End of Year Fund Balance	\$2,185,372	\$996,092	\$273,288

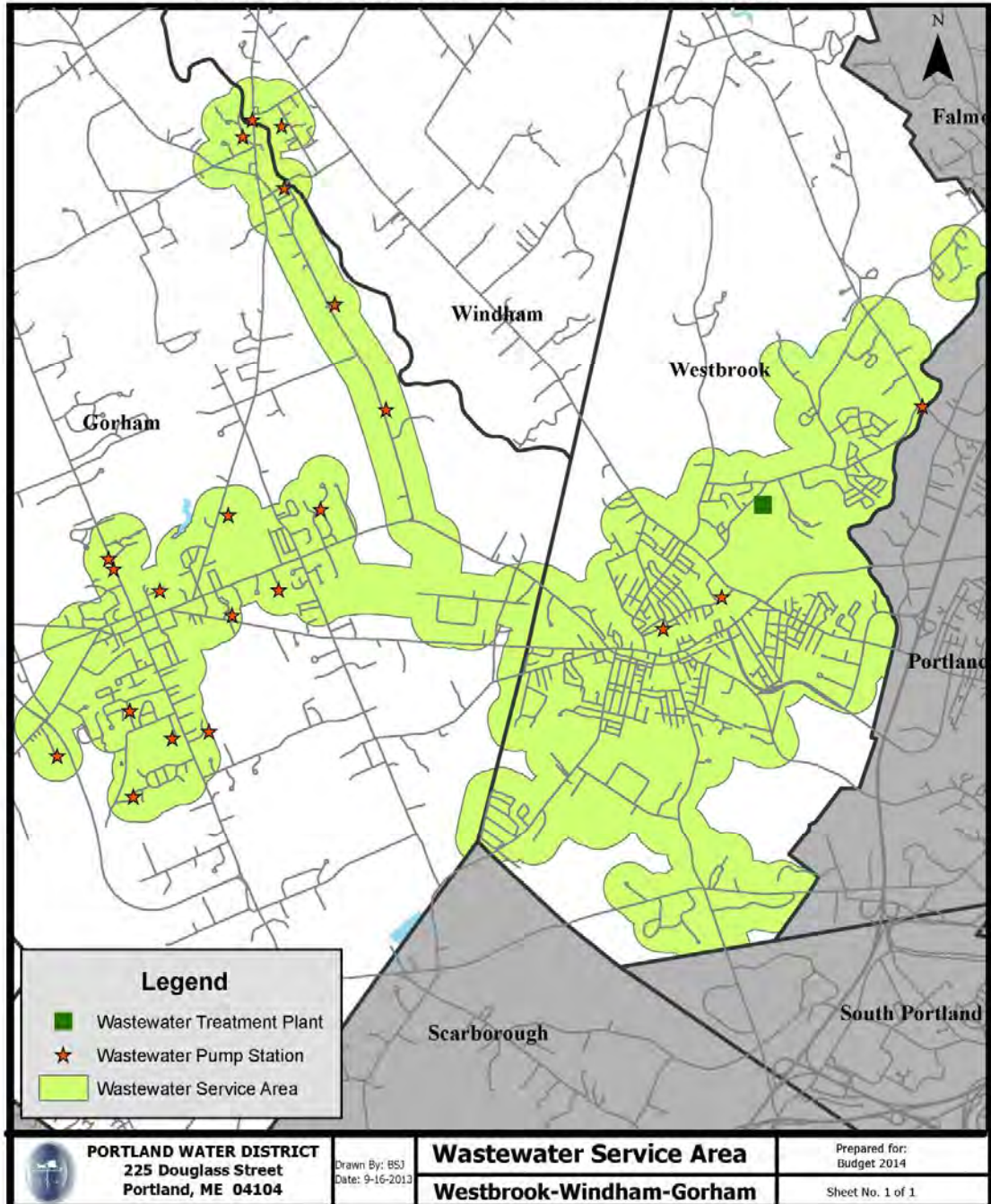
Wastewater System Disposal Wipe Issue

Baby wipes and other non-woven materials that are flushed into our nation's sewer systems wreak havoc for wastewater utilities around the globe. The Portland Water District continues to work with our state and national industry associations to seek solutions, accumulate data, and encourage manufacturers to properly label their products. In 2013, PWD representatives participated in ongoing discussions with the national consumer wipes association (INDA) and wastewater associations to develop a public outreach campaign. A local advertising agency has been selected to facilitate the process and a campaign approach has been agreed upon. The outreach campaign will take place in Portland metro in the first quarter of 2014.



Fund: Wastewater - Westbrook

Westbrook Windham Gorham Wastewater Service Area



Fund: Wastewater - Westbrook

Background

The Portland Water District's charter authorizes the District to provide wastewater treatment and interception service to the city. By contract with the city, the District additionally provides utility billing services. Westbrook's wastewater is treated at the treatment facility located in Westbrook and jointly used by the towns of Windham and Gorham. The city maintains the collection system that transports wastewater from user's property to the District's interceptor system.

The District estimates the cost to provide the service as documented in the annual budget and assesses the town the estimated cost. The assessment is billed to the city in equal monthly payments. The city determines the system user fees to pay the District's assessment and any city costs related to the sewer system. By contract with the city, the District includes the sewer user fees, which are based on water consumption, on the monthly water utility bill sent to customers. Sewer user fees collected from users are remitted to the city on a weekly basis.

2014 Summary

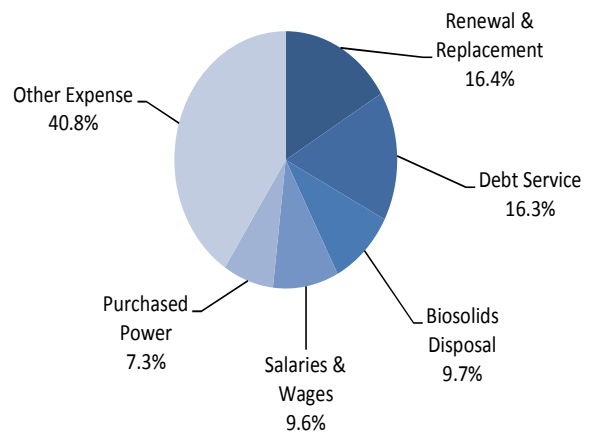
No increase in the city's assessment is proposed (\$2,533,176).

The proposed 2014 Total Expense and Capital budgets are \$2,645,693 and \$448,395, respectively.

The Total Expense budget is \$1,238 lower than the previous year. Operating Expense increased by \$9,400 or 0.5%, Debt Service declined 1.5% to \$430,421 while Renewal & Replacement (direct and indirect) funding decreased by \$4,098 to \$433,416.

The major capital projects in 2014 include upgrades at the regional wastewater treatment plant of the Flow Splitting, Aeration System Evaluation and small equipment replacement. This work will be funded by renewal and replacement funds totaling \$210,300 and bonds of \$238,095.

2014 Total Expense



2013 Detail

Revenues:

Assessment - The requested assessment of \$2,533,176 is the same as the previous budget.

Other Income - Income that is primarily Westbrook's prorated share of septage haulers fees collected at the Westbrook treatment facility and remained consistent with 2013 levels.

Interest - The interest earned on funds not expended, including sewer fees collected but not remitted to the municipality. The average rate of return assumed in the 2014 Budget was 0.32%.

Expense:

Salaries/Wages – The expense increase of 0.8% (\$1,984) has resulted in a budget amount of \$252,763.

Employee Benefits – Benefits, which are charged as a percentage of regular wages, increased 1.7% (\$2,097) to a total of \$123,755. The benefit rate had a small increase of 1.7%.

Biosolids Disposal – The budget was adjusted to reflect the performance of the dewatering system in the past several years – the % of total solids budget assumption was decreased to 16.5% partially resulting in an increase of 9.1% or \$21,309 to 255,642.

Purchased Power – Usage is based on past year averages. Overall, the budget is 8.0% (\$16,977) lower than last year's budget. The budgeted amount for 2014 is \$194,217

Chemicals – Chemical use is carefully monitored and controlled. Through controls improvements and other process control efforts, chemical use has decreased. Overall, expenses in this area are budgeted to decrease \$9,026 or 11.7% to a total budget amount of \$68,082.

Transportation – Transportation costs decreased by \$15,997 (49.1%), largely due to a change in the allocation of vehicle expenses to a 40 hour vehicle concept where standby vehicle time is charged via the Wastewater Support Services (SS) line. The total budget for transportation is \$16,574.

Deferred Cost Write-off (W/O) – This expense involves the expense recognition of the Combined Sewer Overflow (CSO) master plan. The expense is being written off each year thru 2019.

Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as administrative time or training) or work done on behalf of several municipalities at the same time (engineering or laboratory services) that is allocated based on the value to each fund. The combined Support Services costs increased 4.0% (\$24,825). The increase in the Wastewater (\$15,832) area was primarily due to change in District's transportation cost allocation process in which the standby time for vehicles is now charged on this line.

Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. This item decreased 1.5% (\$6,540).

Renewal & Replacement - Dollars put aside to fund capital projects. A contribution of \$433,416 will be made in 2014.

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
WW Assessments	\$2,533,176	\$1,266,588	\$2,533,176	\$2,533,176	\$0	0.0%
Other Income	143,255	38,593	97,000	97,000	-	0.0%
<u>Interest Income</u>	<u>18,567</u>	<u>12,858</u>	<u>16,754</u>	<u>15,517</u>	<u>(1,237)</u>	<u>-7.4%</u>
Total Revenue	2,694,998	1,318,039	2,646,930	2,645,693	(1,237)	0.0%
Salaries/Wages	236,785	121,858	250,778	252,763	1,984	0.8%
Employee Benefits	106,102	59,177	121,657	123,755	2,097	1.7%
Biosolids Disposal	240,813	131,711	234,333	255,642	21,309	9.1%
Chemicals	46,032	33,074	77,108	68,082	(9,026)	-11.7%
Contracted Svcs	107,736	31,865	107,009	119,338	12,330	11.5%
Deferred Cost W/O	10,602	5,301	10,602	10,602	(0)	0.0%
Heat/Fuel Oil	23,035	17,964	27,557	24,396	(3,161)	-11.5%
Insurance	5,629	2,858	5,880	6,022	143	2.4%
Materials/Supplies	41,464	26,059	40,105	40,654	549	1.4%
Other Expense	4,214	967	5,204	4,976	(228)	-4.4%
Purchased Power	187,796	100,410	211,194	194,217	(16,977)	-8.0%
Tele/Oth Utilities	11,759	6,237	23,724	15,275	(8,448)	-35.6%
Transportation	29,559	10,379	32,571	16,574	(15,997)	-49.1%
SS - Administration	282,722	151,088	305,407	306,622	1,215	0.4%
SS - Engineering Services	58,331	32,898	84,864	90,986	6,122	7.2%
SS - Environmental Svcs	105,410	37,967	82,786	86,277	3,491	4.2%
SS - Wastewater Services	139,462	73,808	143,887	159,719	15,832	11.0%
<u>SS - Water Services</u>	<u>5,281</u>	<u>4,187</u>	<u>7,789</u>	<u>5,954</u>	<u>(1,835)</u>	<u>-23.6%</u>
Operating Expense	1,642,734	847,808	1,772,456	1,781,856	9,400	0.5%
Debt Service	470,069	218,480	436,961	430,421	(6,540)	-1.5%
Renew & Replace - Direct	200,000	204,955	409,910	405,798	(4,112)	-1.0%
<u>Renew & Replace - Indirect</u>	<u>27,069</u>	<u>13,802</u>	<u>27,604</u>	<u>27,618</u>	<u>14</u>	<u>0.1%</u>
Total Expense	2,339,872	1,285,045	2,646,930	2,645,693	(1,238)	0.0%
Surplus (Deficit)	355,127	32,993	-	-		
Return of Prior Surplus	-	(215,000)	-	-		
Transfer to R&R	-	-	-	-		
<u>Prior Surplus</u>	<u>1,264,029</u>	<u>1,619,156</u>	<u>1,264,029</u>	<u>1,492,608</u>		
Accumulated Surplus	1,619,156	1,437,149	1,264,029	1,492,608		

Operation Summary

Wastewater Treatment: The wastewater generated in the City of Westbrook is pumped to the Westbrook/Gorham/Windham Regional WWTF on Park Road. Flows from the Little Falls section of Gorham and the Town of Windham, including the Maine Correctional Center, are conveyed to this facility. The table below depicts flows from each contributing community. The chart illustrates capacity used for each community and total plant capacity being used based on a design flow of 4.54 MGD.

Municipality (Design Flow)	2012 Flow	% of 2012 Flow	Reserved Capacity	% of Capacity Used
Westbrook (66.6%)	2,558,089 gpd	81.5 %	3,023,640 gpd	84.6 %
Gorham (30.8%)	506,167 gpd	16.1 %	1,398,320 gpd	36.2 %
Windham (2.6%)	74,949 gpd	2.4 %	118,040 gpd	63.5 %
Total Plant Flow	3,139,205 gpd		4,540,000 gpd	69.1 %

Various projects designed to upgrade this 30 year old facility have been completed to maintain operational efficiency. The following table depicts some of the key parameters that are monitored at the facility.

WGWWTF Parameter	DEP Limit	2012 Facility Average
Biological Oxygen Demand (BOD) (lbs/day) *	1,137 lbs/day	236 lbs/day
Total Suspended Solids (TSS) (lbs/day) **	1,137 lbs/day	144 lbs/day
Biosolids Removed (wet tons/month)	N/A	377 wt/month

*1 - Measure of organic material *2 - Measure of suspended material

Wastewater Conveyance – interceptors and pumping stations

Parameter	2013 Actual to Oct	2014 Projected
Preventive Work Orders	34	50
Corrective Repair Work Orders	16	15
Wet Wells Cleaned	1	3
Debris Removed (tons)	2	3
Dry Weather Overflows	0	0

2013 Other Highlights

- CSO monitoring continues in Westbrook.
- The PLC control system will be replaced in 2013. The disinfection system will be further automated during this project.
- The aeration flow split project is under design, with construction expected in 2013/2014. This will assist with off-hours operations and the management of high flows.

2014 Work Plan

- Support of the City of Westbrook's ongoing CSO Long-Term Control Plan will continue based on the draft LTCP plan submitted to MEDEP. The 5 year update to the plan will take place in 2014 and will summarize work completed in the first 5 years of the plan.
- The aeration system will be evaluated in 2014. The evaluation will review aeration system upgrades, provide a budget and implementation plan, and will review potential impacts from future pending phosphorus limits.
- Preventative maintenance will continue to be the focus for operations personal during 2014.

Capital Summary

A five-year capital plan is updated each year. The projects are prioritized based on operational needs and financing availability. Capital project expenditures are financed by issuance of bonds or distribution from the renewal and replacement (R&R) fund. Wastewater bonds are usually issued through the Maine Municipal Bond Bank and utilize the state revolving loan fund (SRF) for eligible projects, which provides a 2% below market interest rate. The renewal and replacement fund is appropriated \$405,798 from the annual assessment in 2014. The planned projects are listed below:

Regional Treatment Plant Capital – 167: The Flow Splitting project is a carry-forward project from 2013 that will be financed by a \$262,500 November 2014 bond, Westbrook will pay a prorated share of the costs (\$174,825). An Aeration Evaluation project will be done in 2014 with a bond financing it in 2015, Westbrook will pay a prorated share of costs (\$63,270).

Westbrook CSO Program R & R – 29: Westbrook CSO Master Plan Update (\$40,000) and miscellaneous CSO construction projects (\$112,000) will be financed through the renewal and replacement fund. Westbrook CSO's are funded 100% by the Westbrook fund only.

Westbrook only System Projects R&R – 411: Dana Court Bypass installation (\$15,000) and routine and equipment failure replacements (\$10,000). These projects will be financed through the renewal and replacement fund. Westbrook pays 100% of the Westbrook only projects.

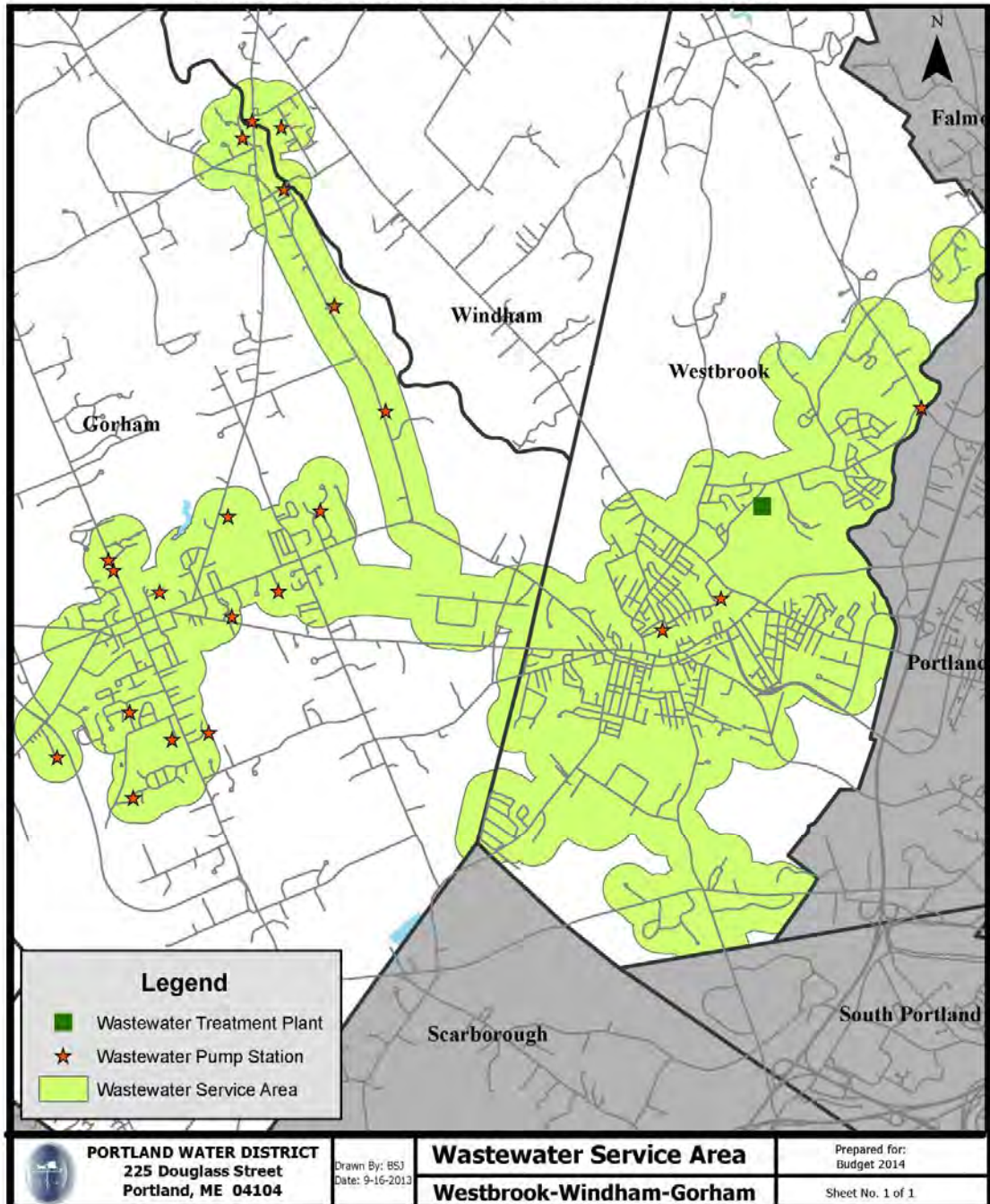
Regional Treatment Plant R&R – 416: Routine and equipment failure replacements (\$50,000). These projects will be financed through the renewal and replacement fund. Westbrook will pay a prorated share of the costs (\$33,300).

Capital Fund:	2012 Actual	2013 Projected	2014 Budget
Beginning of Year Fund Balance	\$766,350	\$921,861	\$1,062,112
Source of Funds:			
Bond Proceeds - current year			174,825
Bond Proceeds - future year			63,270
Renewal and Replacement Contribution	200,000	409,910	405,798
Bond Discount Credit	5,127		
Operating Surplus Transfer	0	0	0
Capital Funding	205,127	409,910	643,893
Capital Expenditures:			
SCADA / Process Controls R & R (prorated) - 177		83,250	
Westbrook CSO program R & R - 29	17,530	30,000	152,000
Treatment Plant Capital Program (prorated) – 167			63,270
Treatment Plant Flow Splitting & Secondary Clarifier Carry-Forward Project (prorated)– 167 *			174,825
Westbrook only System Projects R&R - 411		10,000	25,000
Treatment Plant R & R (prorated) - 416	32,086	138,528	33,300
Laboratory Equipment R & R (prorated)– 95	0	7,881	0
Capital Expenditures:	49,616	269,659	448,395
End of Year Fund Balance	\$921,861	\$1,062,112	\$1,257,610

* - Flow Splitting is a carry-forward project from 2013. a carry-forward project is a project that was budgeted for completion in the current year but will not become operational until a future year.

Fund: Wastewater - Windham

Westbrook Windham Gorham Wastewater Service Area



Fund: Wastewater - Windham

Background

The Portland Water District's charter authorizes the District to provide wastewater treatment and interception service to the town. By contract with the town, the District additionally provides utility billing and collection services. Windham's wastewater is treated at the treatment facility located in Westbrook and jointly used by Windham, the Town of Gorham and City of Westbrook.

The District estimates the cost to provide the service as documented in the annual budget and assesses the town the estimated cost. The assessment is billed to the town in equal monthly payments. The town determines the system user fees to pay the District's assessment and any town costs related to the sewer system. By contract with the town, the District includes the sewer user fees, which are based on water consumption, on the monthly water utility bill sent to customers. Sewer user fees collected from users are remitted to the town on a weekly basis.

2014 Summary

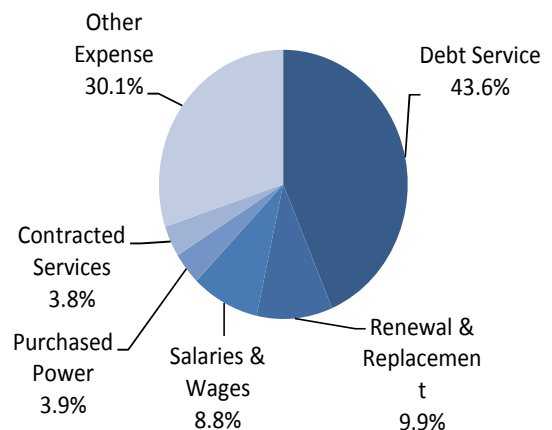
No increase in the town's assessment is proposed (\$351,756).

The proposed 2014 Total Expense and Capital budgets are \$355,253 and \$20,595, respectively.

The expenses remained nearly flat, with a slight decrease of (\$113)

The major capital projects in 2014 include the continuation of upgrades at the regional wastewater treatment plant of the Flow Splitting, Aeration System Evaluation and small equipment replacements. This work will be funded by renewal and replacement funds totaling \$11,300 and bonds of \$9,295.

2014 Total Expense



2013 Detail

Revenues:

Assessment - The assessment for 2014 of \$351,756 is the same as the previous two budget years.

Other Income - Income that is primarily Windham's prorated share of septage haulers fees collected at the treatment facility located in Westbrook. Due to the acceptance of septage during the summer, \$2,600 is included in the budget.

Interest - The interest earned on funds not expended, including sewer fees collected but not remitted to the municipality. The average rate of return assumed in the 2014 Budget was 0.32%.

Expenses:

Salaries/Wages – Wage rates were budgeted to increase 25.0%. The \$6,263 increase in this budget item was due to an increase in the projected work hours. The 2013 budget included a decrease and this adjustment has been made in response to the actual work in 2013.

Employee Benefits – Benefits, which are charged as a percentage of regular wages, increased 20.2% (\$2,468) to a total of \$14,674.

Contracted Services – This category includes items such as maintenance services and grease disposal fees. A decrease of (\$666 or 4.7%) has resulted in a budget of \$13,353.

Purchased Power – The budget for power costs is expected to remain nearly flat. A 2.6% increase of \$354 for the year resulted in a budgeted amount of \$13,766.

Transportation – Transportation costs increased \$1,176 or 10.2% to a total of \$12,669. This change is related to the increase in labor costs noted above.

Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as administrative time or training) or work done on behalf of several municipalities at the same time (engineering or laboratory services) that is allocated based on the value to each fund. The combined Support Services costs increased 5.6% (\$3,341). The increase in the Wastewater (\$2,614) area was primarily due to change in District's transportation cost allocation process to a 40 hour vehicle concept in which the standby time for vehicles is now charged on this line.

Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. This item decreased 1.4% (2,227) as older bond issues were retired.

Renewal & Replacement - Dollars put aside to fund capital projects. A contribution of \$35,052 will be made in 2014.

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
WW Assessments	\$351,756	\$175,878	\$351,756	\$351,756	\$0	0.0%
Other Income	3,127	1,054	2,600	2,600	-	0.0%
<u>Interest Income</u>	<u>1,131</u>	<u>507</u>	<u>1,010</u>	<u>897</u>	<u>(113)</u>	<u>-11.2%</u>
Total Revenue	356,014	177,439	355,366	355,253	(113)	0.0%
Salaries/Wages	19,444	10,162	25,100	31,363	6,263	25.0%
Employee Benefits	9,272	5,129	12,206	14,674	2,468	20.2%
Biosolids Disposal	6,539	3,577	6,363	7,025	662	10.4%
Chemicals	1,243	893	2,085	1,862	(223)	-10.7%
Contracted Svcs	9,534	4,124	14,019	13,353	(666)	-4.7%
Heat/Fuel Oil	1,850	553	1,852	1,764	(88)	-4.8%
Insurance	777	395	810	840	30	3.7%
Materials/Supplies	4,561	1,746	3,618	4,433	815	22.5%
Other Expense	104	23	139	135	(5)	-3.3%
Purchased Power	13,435	7,181	13,412	13,766	354	2.6%
Tele/Oth Utilities	273	146	697	366	(331)	-47.5%
Transportation	8,152	4,033	11,493	12,669	1,176	10.2%
SS - Administration	33,940	18,042	35,357	35,588	231	0.7%
SS - Engineering Services	7,613	4,641	11,710	12,343	633	5.4%
SS - Environmental Svcs	2,542	946	2,057	1,949	(108)	-5.2%
SS - Wastewater Services	8,585	5,248	10,470	13,084	2,614	25.0%
<u>SS - Water Services</u>	<u>103</u>	<u>82</u>	<u>170</u>	<u>141</u>	<u>(29)</u>	<u>-16.9%</u>
Operating Expense	127,966	66,922	151,559	165,355	13,795	9.1%
Debt Service	160,217	78,537	157,073	154,846	(2,227)	-1.4%
Renew & Replace - Direct	20,500	21,863	43,727	32,015	(11,712)	-26.8%
<u>Renew & Replace - Indirect</u>	<u>3,037</u>	<u>1,504</u>	<u>3,007</u>	<u>3,037</u>	<u>30</u>	<u>1.0%</u>
Total Expense	311,720	168,826	355,366	355,253	(113)	0.0%
Surplus (Deficit)	44,294	8,614	-	-		
Return of Prior Surplus	-	-	-	-		
Transfer to R&R	(44,294)	-	-	-		
<u>Prior Surplus</u>	<u>171,168</u>	<u>171,168</u>	<u>171,168</u>	<u>182,000</u>		
Accumulated Surplus	171,168	179,782	171,168	182,000		

Operation Summary

Wastewater Treatment

Wastewater generated within the Town of Windham, including the Maine Correctional Center and the Little Falls area of Gorham, was conveyed to the Westbrook/Gorham/Windham Regional WWTF. The Town of Windham has reserved 2.6% of a design capacity of 4.54 million gallons a day or, 118,040 gallons. The table below shows the volume of flows to the Westbrook/Gorham/Windham Regional wastewater facility

Area	2012 Windham Flow	Westbrook WWTF Flow	% Windham Share
Windham	74,949 gal/day	3,139,205 gal/day	2.4 %
WGWWTF Capacity	Windham Capacity (2.6%)	2012 % Capacity Used	Capacity Remaining
4,540,000 gal/day	118,040 gal/day	63.5 %	43,091 gal/day

Wastewater Conveyance – collectors, interceptors and pumping stations

Parameter	2013 Actual to Oct.	2014 Projected
Preventive Work Orders	20	25
Corrective Work Orders	3	5
Wet Wells Cleaned	9	15
Debris Removed (tons)	7.14	10
Dry Weather Overflows	0	0

2013 Other Highlights

- A flow meter on the Windham sewer at Mallison St. was installed to more accurately measure Windham's contribution to the Mallison St. Pump Station.
- Preventative type work continues to be the main focus of system staff.
- Wet well and siphon cleaning were performed on a regular schedule using our Hansen unit scheduled maintenance program. This effort is in response to odor concerns in the area and the need to regularly clean the siphon to ensure the system operates properly.
- In response to odor concerns at the Mallison St. Pump Station, an odor control system was installed. There have been no complaints of odor since the system was installed in the summer of 2012.
- The Route 202 Pump Station flow meter failed and its replacement is under evaluation (the location makes replacement difficult).

2014 Work Plan

- All pump stations will be continuously monitored with our SCADA system and dispatch service. Operations staff will visit each station on a weekly basis.
- Asset Management Software will drive the preventive maintenance program, generating both monthly and annual preventive maintenance work orders.
- Wet wells scheduled for cleaning on a quarterly basis unless experience dictates otherwise.
- The siphon will be inspected and cleaned as needed.
- The Routine Renewal and Replacement capital account will be used to address any unanticipated equipment issues.

Capital Summary

A five-year capital plan is updated each year. The projects are prioritized based on operational needs and financing availability. Capital project expenditures are financed by issuance of bonds or distribution from the renewal and replacement (R&R) fund. Wastewater bonds are usually issued through the Maine Municipal Bond Bank and utilize the state revolving loan fund (SRF) for eligible projects, which provides a 2% below market interest rate. The renewal and replacement fund is appropriated \$32,015 from the annual assessment in 2014.

The planned projects are listed below:

Regional Treatment Plant Capital– 167: The Flow Splitting project is a carry-forward project from 2013 that will be financed by a \$262,500 November 2014 bond, Windham will pay a prorated share of the costs (\$6,825). An Aeration System Evaluation will be done in 2014 with a bond financing it in 2015, Windham will pay a prorated share of the costs. (\$2,470)

Regional Treatment Plant R& R – 416: Routine and equipment failure replacements (\$50,000) will be financed through the renewal and replacement fund. Windham will pay a prorated share of the costs (\$2,470).

Windham System Pumping R & R - 180: Routine and equipment failure replacements (\$10,000) will be financed through the renewal and replacement fund. Windham pays 100% of Windham only projects.

Capital Fund:	2012 Actual	2013 Projected	2014 Budget
Beginning of Year Fund Balance	\$75,172	\$140,757	\$120,731
Source of Funds:			
Bond Proceeds - current year			6,825
Bond Proceeds - future year			2,470
Renewal and Replacement Contribution	20,500	43,727	32,015
Bond Discount Credit	2,043		
Operating Surplus Transfer	44,294	0	0
Capital Funding	66,837	43,727	41,310
Capital Expenditures:			
SCADA/ Process Controls R & R (prorated) - 177		3,250	
Treatment Plant Aeration Evaluation (prorated) – 167			2,470
Treatment Plant Flow Splitting Project (prorated) – 167 *1			6,825
Treatment Plant R & R (prorated)- 416	1,252	5,408	1,300
Windham Systems Pumping R & R - 180		55,000	10,000
Laboratory Equipment R & R (prorated) – 95	0	95	0
Capital Expenditures	1,252	63,753	20,595
End of Year Fund Balance	\$140,757	\$120,731	\$141,446

*1 - A carry-forward project is a project that was budgeted for completion in the current year but will not become operational until a future budget year.

Contracted Services: Falmouth, Scarborough and South Portland

Background

Falmouth

The Portland Water District's charter authorizes the district to provide wastewater treatment and interception service to the town of Falmouth. However by mutual agreement, the town of Falmouth operates their own wastewater treatment system. By contract with the town, the district provides utility billing and collection services.

Scarborough and South Portland

By contract, the district provides utility billing and collection services for Scarborough and South Portland. Wastewater services are provided in the town of Scarborough by the Scarborough Sanitary District, an independent wastewater utility, and in the city of South Portland by Water Resource Protection, a department of the city of South Portland.

For all three municipalities, the district estimates the cost to provide the billing and payment collection service as documented in the annual budget and bills the municipalities the estimated cost. The amount is billed to the municipality in equal monthly payments.

The municipality determines the system user fees to pay the district bill and any municipal costs related to the sewer system. The district includes the sewer user fees on the monthly water utility bill sent to customers. Sewer user fees collected from users are remitted to the municipality on a weekly basis.

Sewer user fees are based on water consumption in South Portland and Scarborough, with a 1 HCF (hundred cubic feet) minimum fee plus an additional fee for each HCF used above the minimum. Falmouth user fees are based on a flat rate per month for residential homeowners and commercial customers billed at a flat rate plus a fee based on the number of fixtures and number of units at the location.

2014 Summary

The District is proposing the same assessment as last year for Falmouth, Scarborough and South Portland.

Expenses for all three municipalities had only decreases to Total Expense with Falmouth's total decreasing \$499 (4.0%), Scarborough's \$599 (5.6%) and South Portland \$5,413 (2.9%).

Contracted Services: Falmouth, Scarborough and South Portland

Falmouth:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Contracted Billing Income	\$15,012	\$7,506	\$15,012	\$15,012	-	0.0%
Interest Income	155	77	140	123	(17)	-12.1%
Total Revenue	15,167	7,583	15,152	15,135	(17)	-0.1%
Operating Expense	11,201	5,565	12,394	11,895	(499)	-4.0%
Surplus (Deficit)	3,966	2,018	2,758	3,240		
Prior Surplus	24,036	28,002	27,936	32,219		
Accumulated Surplus	\$28,002	\$30,020	\$30,694	\$35,459		

Scarborough:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Contracted Billing Income	\$10,212	\$5,310	\$10,620	\$10,620	-	0.0%
Interest Income	12	5	10	9	(1)	-10.0%
Total Revenue	10,224	5,315	10,630	10,629	(1)	0.0%
Operating Expense	1,827	1,335	2,442	1,914	(528)	-21.6%
Debt Service	6,634	3,323	6,634	6,577	(57)	-0.9%
Renewal & Replacement	1,639	819	1,639	1,625	(14)	-0.9%
Total Expense	10,100	5,477	10,715	10,116	(599)	-5.6%
Surplus (Deficit)	123	(162)	(85)	513		
Prior Surplus	2,532	2,655	2,532	2,424		
Accumulated Surplus	\$2,655	\$2,493	\$2,447	\$2,937		

South Portland:

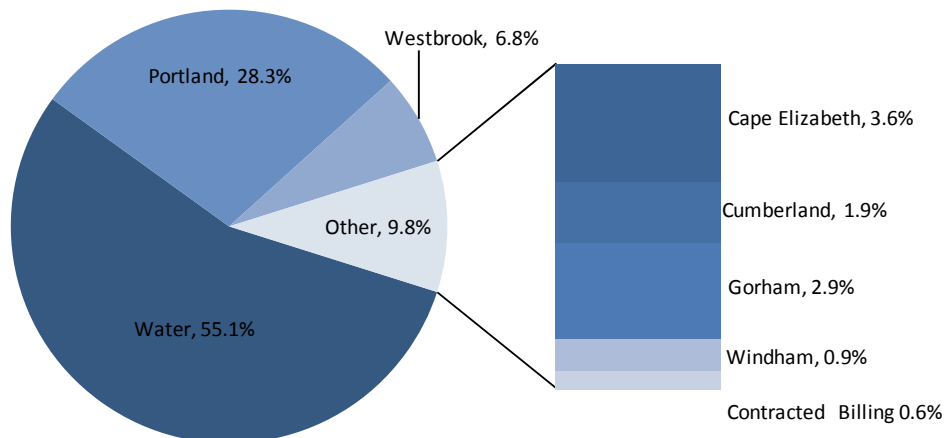
	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Contracted Billing Income	\$192,384	\$96,192	\$192,384	\$192,384	-	0.0%
Interest Income	293	220	210	268	58	27.6%
Total Revenue	192,677	96,412	192,594	192,652	58	0.0%
Operating Expense	103,698	55,461	123,355	118,299	(5,055)	-4.1%
Debt Service	52,466	26,080	52,188	51,859	(330)	-0.6%
Renewal & Replacement	12,029	6,015	12,029	12,001	(28)	-0.2%
Total Expense	168,193	87,555	187,572	182,159	(5,413)	-2.9%
Surplus (Deficit)	24,484	8,856	5,022	10,493		
Prior Surplus	46,479	70,963	65,579	87,998		
Accumulated Surplus	\$70,963	\$79,820	\$70,601	\$98,491		

2014 Operating Budget by Fund Summary

The table provides a summary of all funds and contract billing cost centers with a grand total. The individual fund information is on the previous pages.

	Total	Water	Cape Eliz	Cumber	Gorham	Portland	Westbk	Windham	Contract
Beginning Balanc	\$9,665,092	\$3,503,515	\$203,033	\$268,962	\$513,755	\$3,378,578	\$1,492,608	\$182,000	\$122,641
Water Revenue	21,130,183	21,130,183	-	-	-	-	-	-	-
WW Assessment	16,972,320	-	1,377,252	731,784	1,106,148	10,872,204	2,533,176	351,756	-
Contracted Billing	218,016	-	-	-	-	-	-	-	218,016
Other Income	446,180	240,780	-	-	12,400	93,400	97,000	2,600	-
Interest Income	66,727	26,630	1,605	1,762	3,123	16,793	15,517	897	400
	38,833,426	21,397,593	1,378,857	733,546	1,121,671	10,982,397	2,645,693	355,253	218,416
									-
Operating Expense	26,912,548	14,348,359	1,093,815	729,315	630,705	8,031,035	1,781,856	165,355	132,108
Debt Service	7,141,485	3,773,527	190,314	15,182	411,654	2,107,105	430,421	154,846	58,436
Renewal & Repl	4,222,950	2,695,424	94,728	27,135	79,312	844,257	433,416	35,052	13,626
	38,276,983	20,817,310	1,378,857	771,632	1,121,671	10,982,397	2,645,693	355,253	204,170
Surplus (Deficit)	556,443	580,283	-	(38,086)	-	-	-	-	14,246
Transfer to R&R	-	-	-	-	-	-	-	-	-
Return Surplus	-	-	-	-	-	-	-	-	-
Ending Surplus	\$10,221,535	\$4,083,798	\$203,033	\$230,876	\$513,755	\$3,378,578	\$1,492,608	\$182,000	\$136,887

Revenues by Fund 2014



Introduction

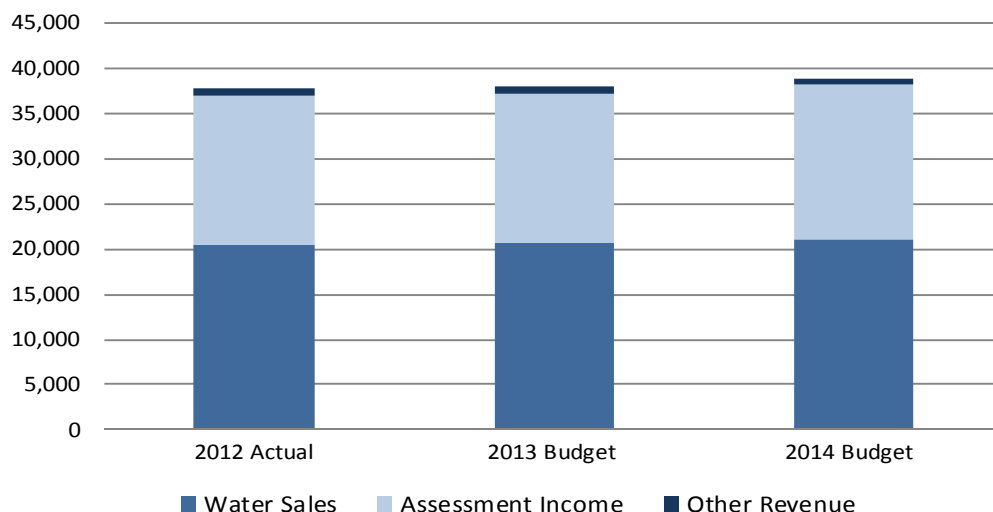
Revenue is obtained from two major sources: payments by individual customers for water services (Water Revenue, 54.4%) and payments from municipalities for wastewater services (Wastewater Assessments, 43.7%). Water revenues in 2014 are expected to increase 2.6% over last year's budget as a result of a proposed 3.0% rate increase to take effect in May. Wastewater Assessments increased for the Towns of Cape Elizabeth, Cumberland, Gorham and City of Portland to cover estimated 2014 costs.

Contracted Billing Income (0.6% of budgeted revenue) is revenue paid by the City of South Portland and Towns of Falmouth and Scarborough for wastewater billing services.

Other Water and Wastewater revenue (1.3% of budgeted revenue) is derived from other activities, such as interest income, cross connection fees, customer connection and activation fees, jobbing surcharge and septage haulers fees, which are further detailed in this section.

	2012 Actual	2013 Actual Jan-Jun	2013 Budget	2014 Budget	\$-Diff.	%-Diff.
Water Sales	\$20,345,782	\$9,774,892	\$20,586,377	\$21,130,183	\$543,806	2.6%
Assessment Income	16,515,780	8,294,232	16,588,464	16,972,320	383,856	2.3%
Contracted Billing Income	217,608	109,008	218,016	218,016	-	0.0%
Interest Income	84,240	39,793	77,641	66,727	(10,914)	-14.1%
Other Income	525,233	183,344	436,700	446,180	9,480	2.2%
Total Revenues	\$37,688,643	\$18,401,269	\$37,907,198	\$38,833,426	\$926,228	2.4%

Total District Revenue
(\$,000)



Water Revenue

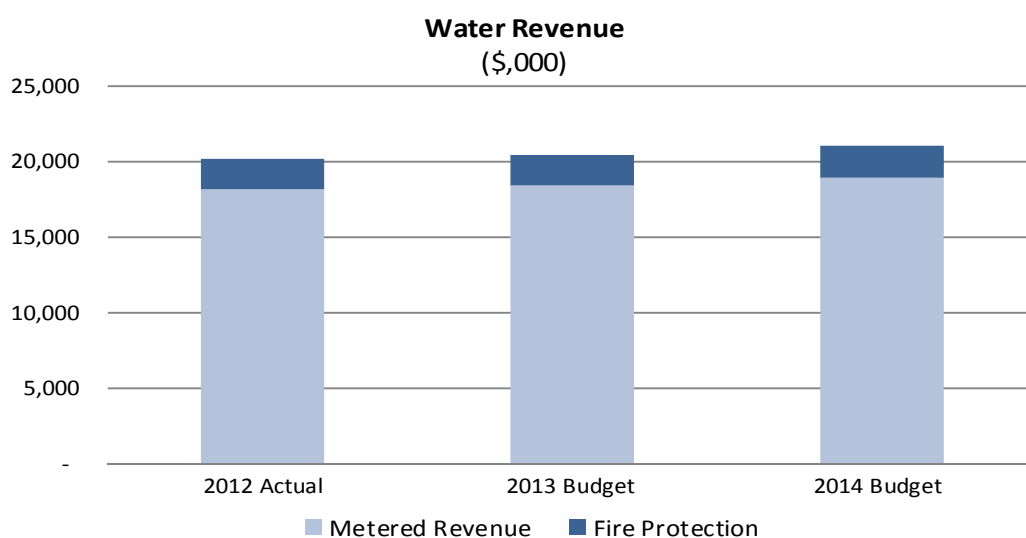
Water revenues consist of:

- (1) metered revenue from residential, governmental, industrial and commercial customers;
- (2) public fire protection revenue from charges to municipalities for hydrants;
- (3) private fire protection revenue from charges to private users for hydrants and sprinklers;
- (4) interest from customers and customer penalties.

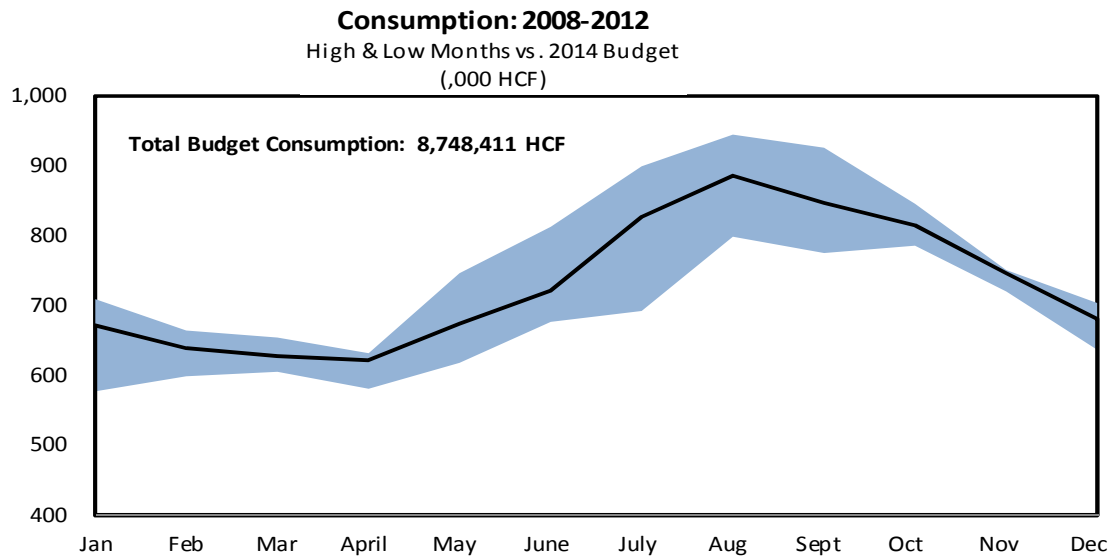
The 2014 Budget assumes a rate adjustment averaging 3.0% effective May 1, 2014. In addition to the Board's approval, all water rate adjustments are subject to review and approval by the Maine Public Utilities Commission. The assumed consumption is based on the actual consumption for the past 12 month period from July 2012 to June 2013 and is 0.6% lower than the average of the last three full years.

Rates were last adjusted effective May 1, 2013 by an average increase of 1.3%. In 2012, a planned increase of 2.0% did not occur as actual expenses were less than expected.

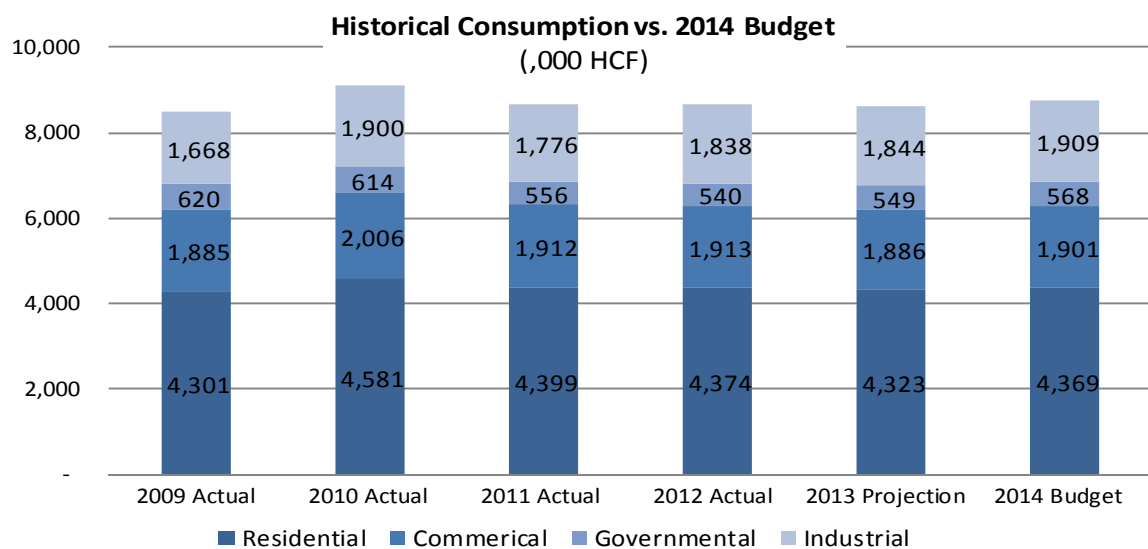
	2012 Actual	2013 Actual Jan-Jun	2013 Budget	2014 Budget	\$-Diff.	%-Diff.
Metered Revenue	\$18,200,465	\$8,706,648	\$18,436,408	\$18,920,028	\$483,620	2.6%
Public Fire Protection	1,187,433	596,056	1,199,367	1,229,348	29,981	2.5%
Private Fire Protection	832,535	416,943	842,602	865,980	23,378	2.8%
Other Water Revenue	125,349	55,244	108,000	114,827	6,827	6.3%
Gross Water Revenue	\$20,345,782	\$9,774,891	\$20,586,377	\$21,130,183	\$543,806	2.6%



Meter Water Consumption



A key determinate of revenues is the amount of water consumption. The 2014 estimate is based on a review of monthly and annual consumption. The top and bottom of the graph's shaded area show the highest and lowest consumption for each month during the last five full years (2008 to 2012). The black line shows the projected consumption by month used in the 2014 Budget which was based on actual usage from July 2012 to June 2013 distributed based on average monthly consumption from a rolling 36 month period ending August 2013 (the most current month available at the time). The 2014 budgeted usage is within the historical average usage. The graph also shows the impact of summer-time weather on water revenues and the difficulty in accurately estimating revenues.



Revenue Trends – Water Sales

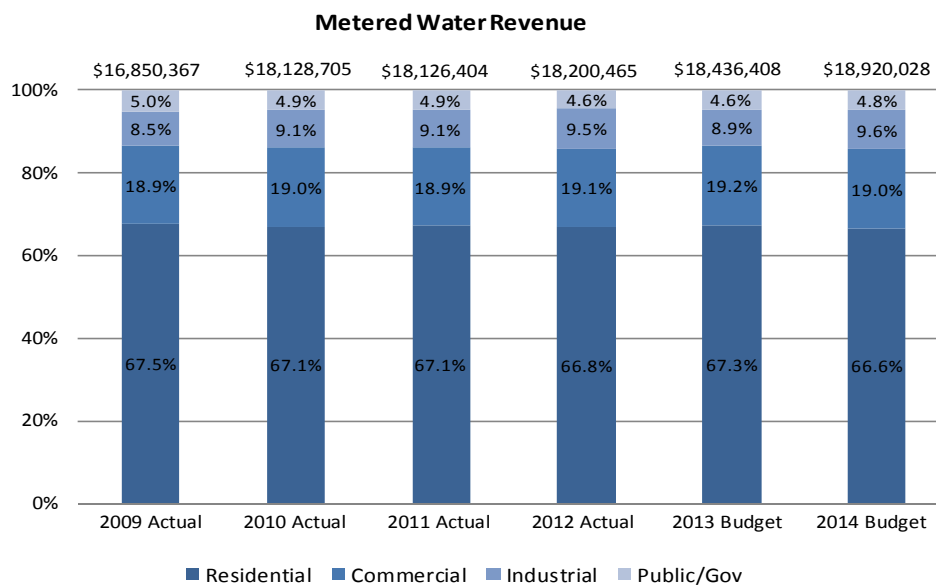
Water rates were unchanged from 2002 through 2006, rate changes since that time were:

<u>Effective Date</u>	<u>Metered Rates</u>	<u>Fire Projection Rates</u>
01/01/07	3.5% increase	11.0% increase
01/01/08	3.8% increase	unchanged
01/01/09	7.0% increase	3.0% increase
05/01/10	3.6% increase	3.5% increase
05/01/11	2.0% increase	2.0% increase
05/01/13	1.3% increase	1.5% increase
05/01/14*	3.0% increase	3.0% increase

* = Proposed increase, subject to Board of Trustees and Maine Public Utility Commission approval.(see Appendix: Overview of the Regulatory Environment in Which We Operate – Consumer-Owned Water Utility Rate Case Process for a description of the rate approval process).

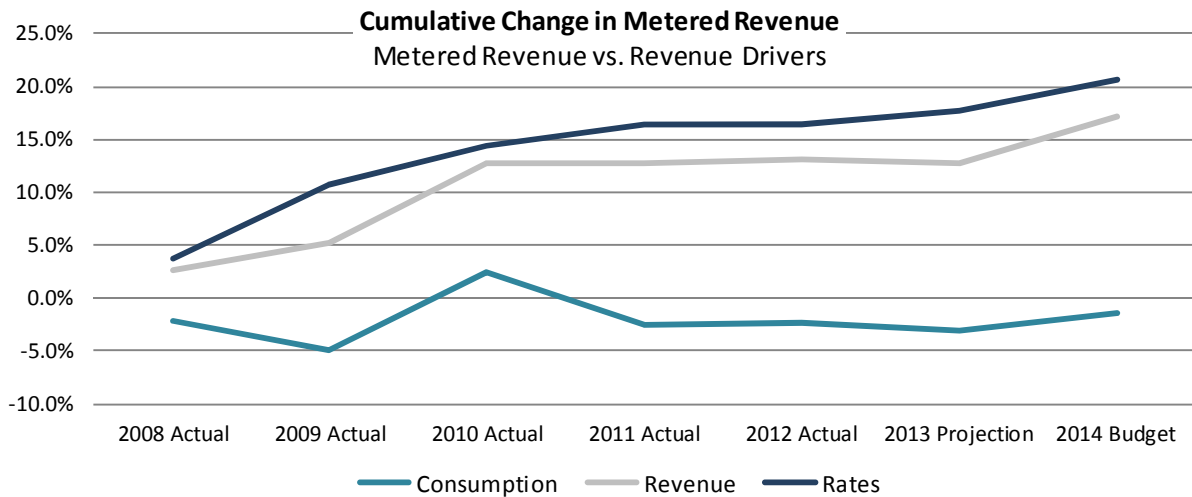
<u>Typical Customer Increases</u>		<u>Current</u>	<u>Proposed 3%</u>	<u>\$</u>	<u>%</u>
Residential (per month)	.62" meter, 7 HCF	\$20.67	\$21.18	\$0.51	2.50%
Commercial (per month)	.75" meter, 80 HCF	152.75	157.45	4.7	3.10%
Small Industrial (per month)	2" meter, 1,300 HCF	1,453.54	1,508.33	54.79	3.80%
Large Industrial (per month)	8" meter, 56,000 HCF	47,069.38	48,773.55	1,704.17	3.60%
Sprinkler (per year)	6" meter	368.64	379.75	11.11	3.00%
Public Fire (per year)		1,205,244.00	1,241,403.00	36,159.00	3.00%
Seasonal (per year)	.62" meter	205.49	211.65	6.16	3.00%

Metered water revenue has risen from \$16.8 million in 2009 to the budgeted amount of \$18.9 million (12.5%). The rise in revenue was the result in rate increases offset by lower metered water usage. The ratio of each customer class as a percentage of all sales (shown below) has been fairly stable.

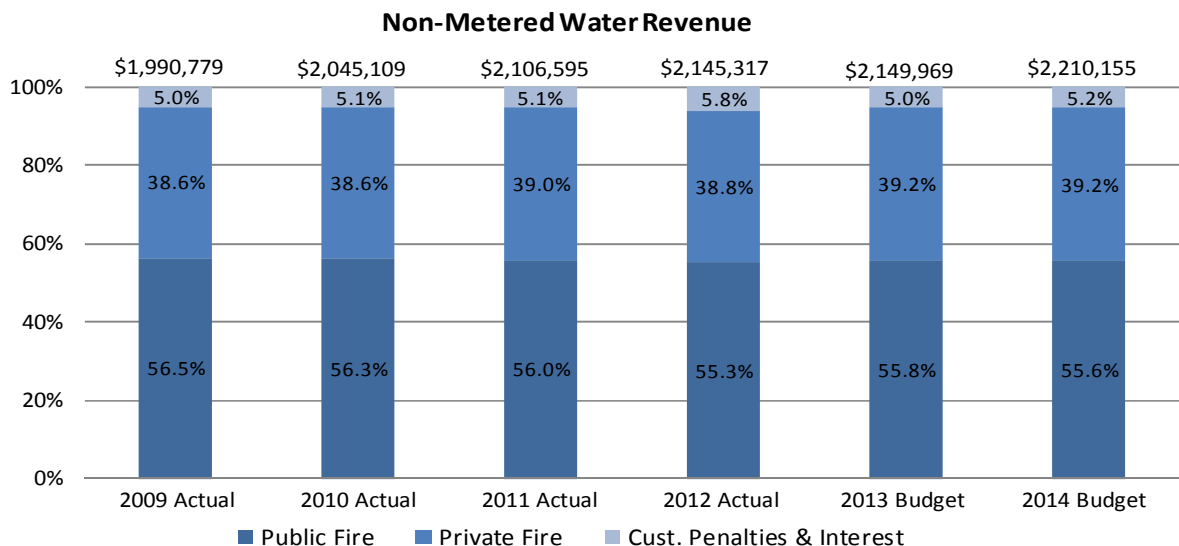


Revenue Trends – Water Sales (continued)

Changes in metered revenue are strongly correlated to changes in rates. There is also a relationship between metered revenue growth and changes in consumption. The graph below reflects this correlation. The revenue line runs closely to rates, while changes in its slope correspond to changes in consumption. The 4.3% increase in water revenue (2013 Projection vs. 2014 Budget) was the result of the 3.0% increase in rates and a 1.6% increase in forecasted consumption.



Non-metered water revenue has risen from \$2.0 million in 2009 to the budgeted amount of \$2.2 million (10.0%). The rise in fire service revenue was the result of rate increases while the growth in customer penalties and interest corresponds to an increase in the District's aged receivables balance.



Water Rate Schedule

A 3.0% increase is proposed to be implemented effective 5/1/2014. Board of Trustees will review and approve any rate adjustment in first quarter of 2014.

Current Rates: Effective 05/01/2013

Meter or Service Line Size	Member Rate	Non-member Rate
<u>Private Fire Monthly Fee</u>		
2	\$3.22	\$3.70
3	7.20	8.28
4	12.86	14.79
6	30.72	35.32
8	51.44	59.15
10	80.37	92.43
12	115.73	133.09
16	205.74	236.60
<u>Minimum Monthly Charges</u>		
5/8	\$8.25	\$9.48
3/4	9.72	11.16
1	12.63	14.52
1 1/2	20.35	23.40
2	29.31	33.69
3	53.18	61.14
4	80.03	92.04
6	154.64	177.82
8	244.15	280.78
10	353.51	406.54
12	467.96	538.14
Low income	2.07	2.39
<u>Monthly Volume Charge</u>		
First 100 Cf	minimum	minimum
Next 2,900 Cf	\$2.07	\$2.39
Next 7,000 Cf	1.63	1.91
Next 40,000 Cf	1.43	1.68
Over 50,000 Cf	0.82	0.96

Wastewater Assessment & Contracted Billing Income

Wastewater Assessments are amounts payable by each municipality for wastewater services provided by the District. The assessments cover the operating and debt service costs of operating wastewater facilities maintained by the District. The assessments are billed in monthly installments. In 2014, assessments for Cape Elizabeth, Cumberland, Gorham and Portland were increased (see table below).

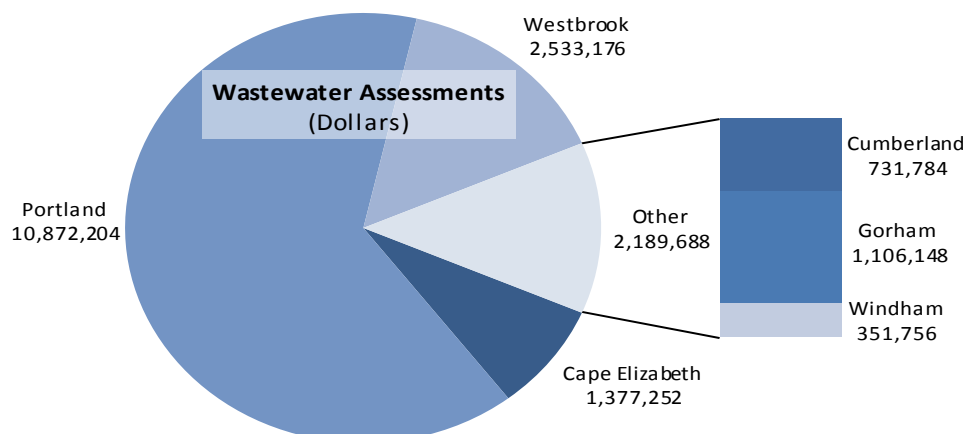
Wastewater Assessments

	2012 Actual	2013 Actual Jan-Jun	2013 Budget	2014 Budget	\$-Diff.	%-Diff.
Cape Elizabeth	\$1,293,540	\$682,542	\$1,365,084	\$1,377,252	\$12,168	0.9%
Cumberland	712,800	356,970	713,940	731,784	17,844	2.5%
Gorham	1,084,464	542,232	1,084,464	1,106,148	21,684	2.0%
Portland	10,540,044	5,270,022	10,540,044	10,872,204	332,160	3.2%
Westbrook	2,533,176	1,266,588	2,533,176	2,533,176	-	0.0%
Windham	351,756	175,878	351,756	351,756	-	0.0%
	\$16,515,780	\$8,294,232	\$16,588,464	\$16,972,320	\$383,856	2.3%

Contracted Billing Income is revenue paid by municipalities for wastewater billing services provided. Falmouth, Scarborough and South Portland operate and maintain their own wastewater collection and treatment systems. The District only provides billing-related services for those communities.

Contracted Billing Income

	2012 Actual	2013 Actual Jan-Jun	2013 Budget	2014 Budget	\$-Diff.	%-Diff.
Falmouth	\$15,012	\$7,506	\$15,012	\$15,012	\$ -	0.0%
Scarborough	10,212	5,310	10,620	10,620	-	0.0%
South Portland	192,384	96,192	192,384	192,384	-	0.0%
	\$217,608	\$109,008	\$218,016	\$218,016	\$ -	0.0%



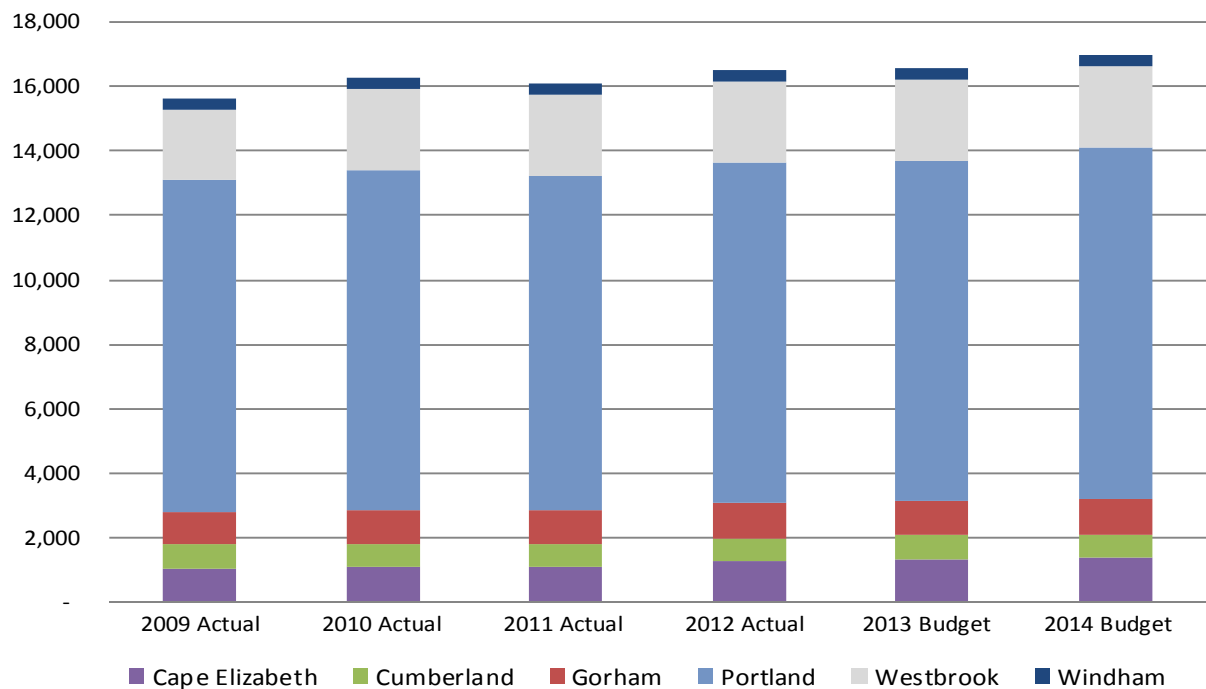
Revenue Trends – Wastewater Assessments

Wastewater assessments rose from \$15.6 million in 2009 to a budgeted \$17.0 million in 2013 (an increase of 9.0%). While operating costs have increased over this time period, the majority of the increases were due to capital projects done to upgrade existing wastewater facilities.

Wastewater Assessments by Fund:

	Cape Elizabeth	Cumberland	Gorham	Portland	Westbrook	Windham	Total
2009 Actual	\$1,049,052	\$764,232	\$1,021,008	\$10,250,412	\$2,208,971	\$331,848	\$15,625,523
2010 Actual	1,089,984	702,264	1,068,444	10,540,044	2,533,176	351,756	16,285,668
2011 Actual	1,089,984	702,264	1,068,444	10,340,044	2,533,176	351,756	16,085,668
2012 Actual	1,293,540	712,800	1,084,464	10,540,044	2,533,176	351,756	16,515,780
2013 Budget	1,365,084	713,940	1,084,464	10,540,044	2,533,176	351,756	16,588,464
2014 Budget	1,377,252	731,784	1,106,148	10,872,204	2,533,176	351,756	16,972,320

Assessments by Fund (2009-Present) (\$,000)



Current Municipal Wastewater Rates

Wastewater rates are established by each municipality. The rates are designed to cover the municipal costs, including the District's annual assessment.

The table below indicates the municipal sewer fees for municipalities that the District provides billing services. These fees are included on the monthly bill, which includes the District's water fees. Customer remits their payment for both water and sewer fees to the District. On a weekly basis, the sewer fees are remitted to the municipalities. Once a month, the municipality pays 1/12th of the annual assessment to the District from these sewer fees.

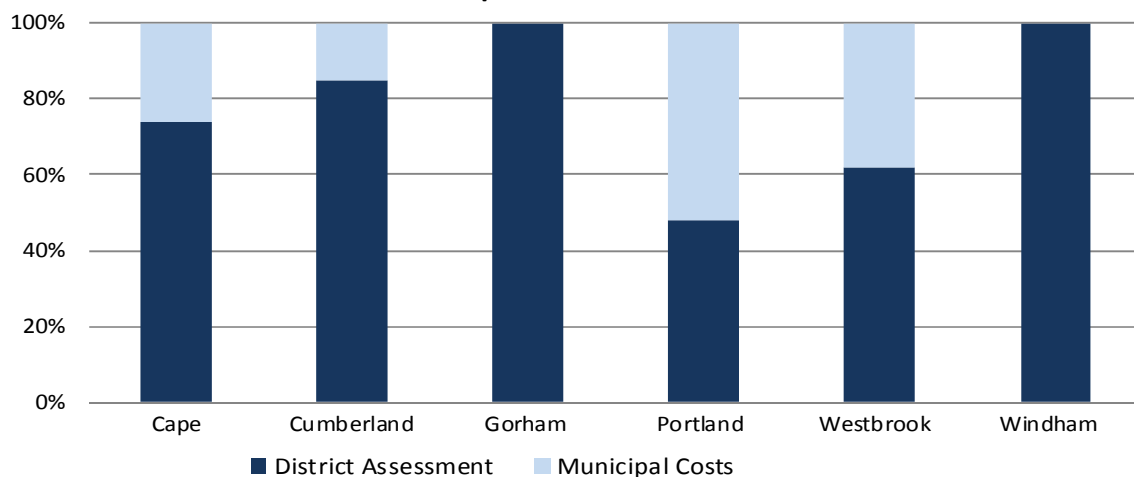
Sewer Rates Effective 10/01/2013

	Minimum HCF	Minimum Charge	Additional HCF
Portland	1	\$8.35	\$8.35
Cumberland	0	34.25	5.29
South Portland	1	4.57	4.57
Cape Elizabeth	1	43.00	5.25
Westbrook	1	11.13	6.13
Gorham	1	13.74	6.29
Windham	5	48.84	3.24

HCF= Hundred Cubic Feet (748 gallons)

The chart below indicates the percent of sewer fees collected in 2012 that the municipalities used to pay the District's assessment and their internal costs. In 2012, Gorham's and Windham's sewer fees were less than District's assessment by \$40,000 and \$17,000, respectively. The shortfall was covered by the town's prior year surplus or general fund appropriation.

Municipal Sewer Fees Collected in 2012



Fund Balance

Fund Balance, or Surplus, is the excess of revenues over expenses on a budgetary basis (see financial policy section for description of differences between budgetary and generally accepted account principles). In addition to the surplus fund balance, a portion of water net income is reserved in a watershed protection land fund. In 2009, the District's Board of Trustees (BOT) adopted a policy setting targets for operating fund balance (25% of net budget) and watershed protection reserve (15% of water revenues). These policies do not apply to the Contracted Billing municipalities.

It is projected that most funds will be above the operating fund target at the end of 2014. The Water fund, which was below the target when the policy was put in place, is projected to continue positive movement towards the goal in 2013 and 2014. The Cape Elizabeth Wastewater fund is below the target but is projected to have no deficit in fiscal year 2013.

The Board ordered that the proceeds from the sales of certain surplus properties be added to the Land Cash Reserve. Those sales, when added to the carry forward total, are expected to yield a reserve balance of \$1,002,560.

In the Capital Finance section, the balances of the renewal and replacement fund are listed.

Water & Wastewater Fund Operating Surpluses (Goal 25.0%)

	Balance 1/1/2013	Projected 2013	Budget 2014	Balance 12/31/2014	Target Balance	Projection %
Water	\$2,834,170	\$669,345	\$580,283	\$4,083,798	\$5,204,328	19.6%
Cape Elizabeth	202,812	221	-	203,033	344,714	14.7%
Cumberland	270,947	(1,985)	(38,086)	230,876	192,908	29.9%
Gorham	489,084	24,671	-	513,755	280,418	45.8%
Portland	3,324,976	53,602	-	3,378,578	2,745,599	30.8%
Westbrook	1,619,156	(126,548)	-	1,492,608	661,423	56.4%
Windham	171,168	10,832	-	182,000	88,813	51.2%
	<u>\$8,912,313</u>	<u>\$630,138</u>	<u>\$542,197</u>	<u>\$10,084,648</u>	<u>\$9,518,203</u>	<u>26.5%</u>

Contracted Billing Operating Surpluses:

	Balance 1/1/2013	Projected 2013	Budget 2014	Balance 12/31/2014
Falmouth	\$28,002	\$4,217	\$3,240	\$35,459
Scarborough	2,655	(231)	513	2,937
So. Portland	70,963	17,035	10,493	98,491
	<u>\$101,620</u>	<u>\$21,021</u>	<u>\$14,246</u>	<u>\$136,887</u>

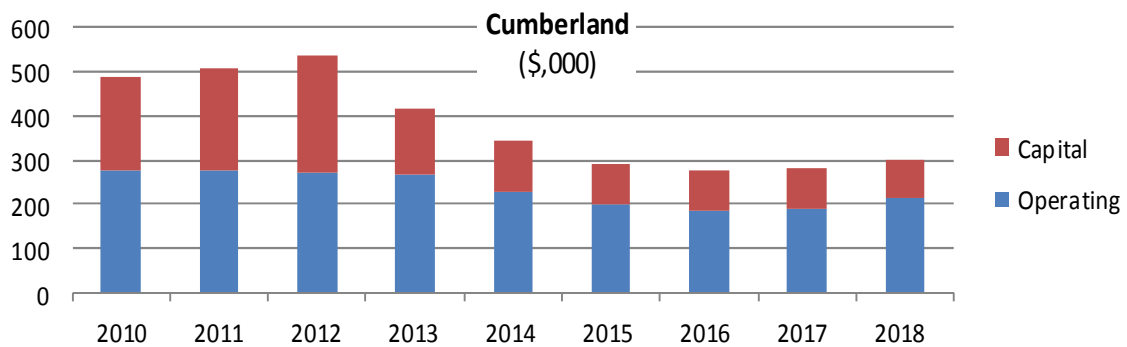
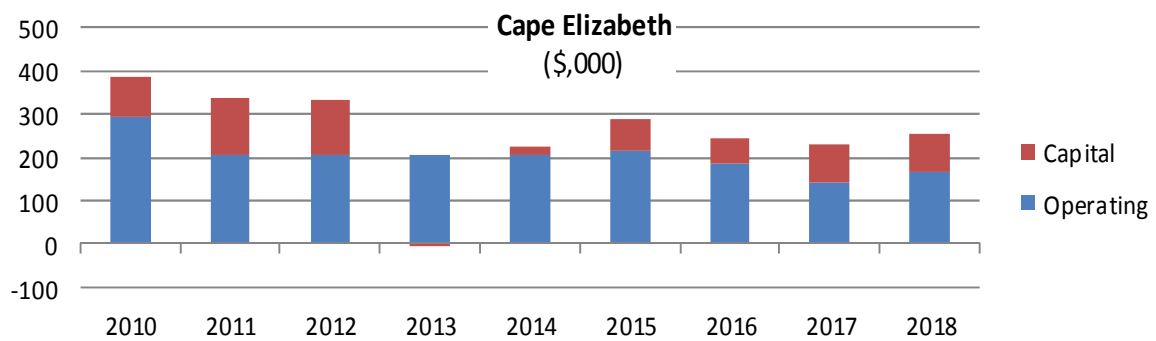
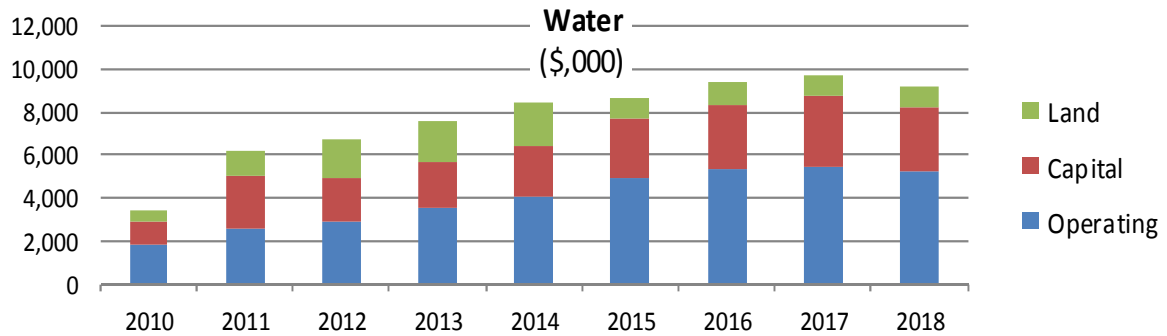
Combined Surpluses \$9,013,933 \$651,159 \$556,443 \$10,221,535

Watershed Protection Land Funds (Goal 15.0%)

	Balance 1/1/2013	Projected 2013	Budget 2014	Balance 12/31/2014	Target Balance	Projection %
Watershed Reserve	\$969,782	-	-	\$969,782	\$3,169,527	4.6%
Land Cash Reserve	941,102	61,458	-	1,002,560		
	<u>\$1,910,884</u>	<u>\$61,458</u>	<u>-</u>	<u>\$1,972,342</u>	<u>\$3,169,527</u>	<u>9.3%</u>

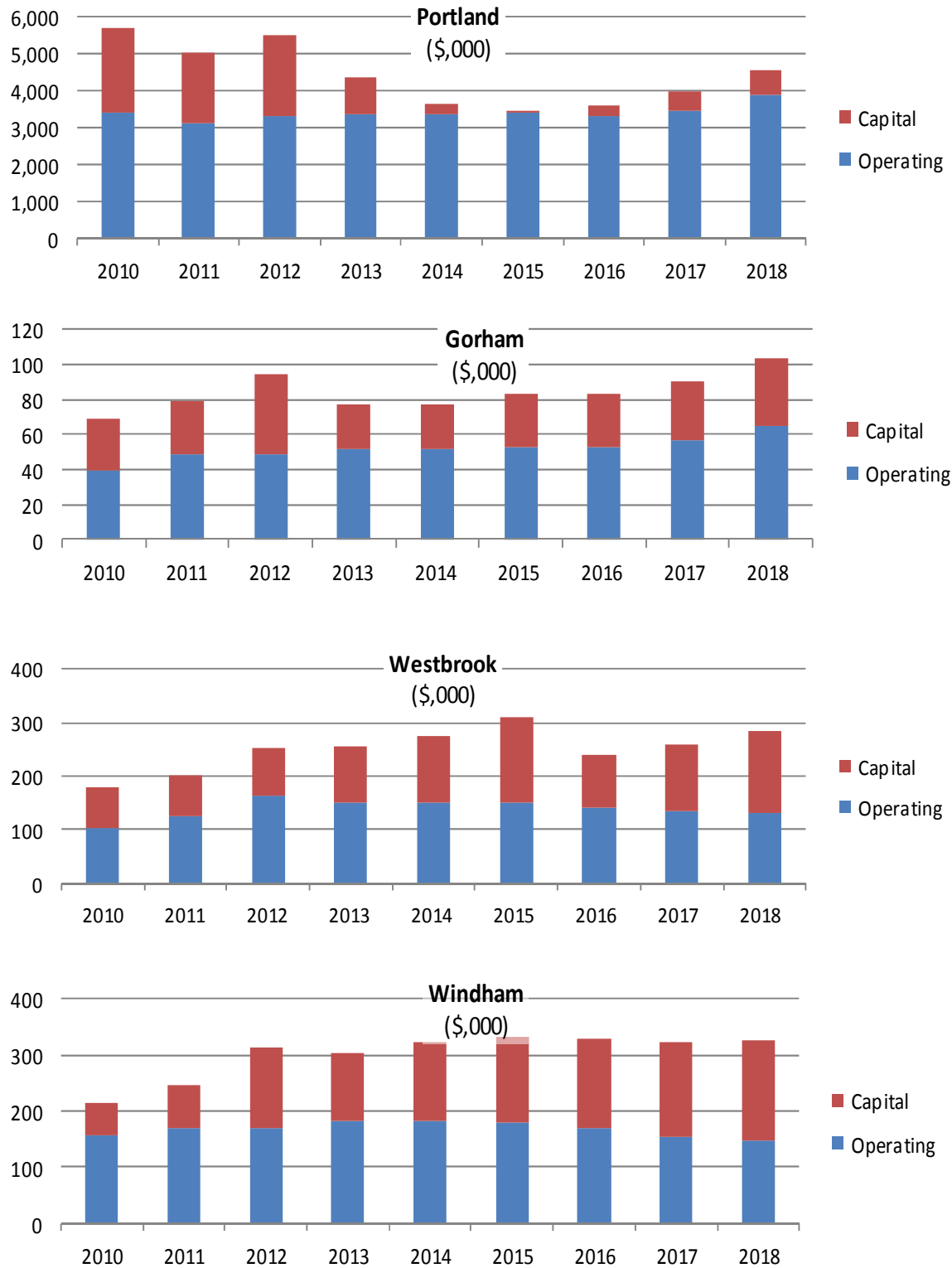
Fund Balance (continued)

A summary of the historical and forecasted balances are listed below. The balance incorporates the financial operating projections presented at the end of the Revenues section.



Fund Balance (continued)

A summary of the historical and forecasted balances are listed below. The balance incorporates the financial operating projection presented at the end of the Revenues section.



Investment Income

The District's investment policy limits investments to US Government obligations, certificates of deposit that are fully insured or collateralized and other similar issues with the goal of protecting the District's principal balances. The rate of return on investments is assumed to be 0.32% and is based on a cash and investment balance of \$22.5 million. The rate of return for the 2014 Budget is a decrease from the prior year budgeted rate as well as the actual rate from 2012.

In 2008, the Windham fund purchased assets from the Westbrook fund. This purchase was funded by a loan between funds of \$264,733 and has an average interest rate of 4.395%. Westbrook will receive \$8,292 from that loan in 2014.

	2012 Actual	2013 Actual Jan-Jun	2013 Budget	2014 Budget	\$-Diff.	%-Diff.
Water Fund	\$36,423	\$13,476	\$31,670	\$26,630	-\$5,040	-15.9%
Wastewater Operating Funds:						
Cape Elizabeth	(1,112)	844	1,659	1,605	(54)	-3.3%
Cumberland	2,381	966	2,228	1,762	(466)	-20.9%
Gorham	4,025	1,703	3,750	3,123	(627)	-16.7%
Portland	22,365	9,136	20,210	16,793	(3,417)	-16.9%
Westbrook	18,567	12,858	16,754	15,517	(1,237)	-7.4%
Windham	1,131	507	1,010	897	(113)	-11.2%
	47,357	26,014	45,611	39,697	(5,914)	-13.0%
Contracted Billing:						
Falmouth	155	77	140	123	(17)	-12.1%
Scarborough	12	5	10	9	(1)	-10.0%
South Portland	293	220	210	268	58	27.6%
	460	302	360	400	40	11.1%
Total	\$ 84,240	\$ 39,792	\$ 77,641	\$ 66,727	\$ (10,914)	-14.1%

Other Revenues

Other revenues consists of fees charged for various other services including fees related to new water assets, new account setups, work done for outside parties and the acceptance of septage. The specific fees are outlined below:

Revenue Type	Revenue Description
Cross Connection Fees	Fees collected for work relating to the inspection of water backflow devices.
Customer Connection Fees	Application fees for new mains, services & meters.
Customer Activation Fees	Fees for new account activations.
Jobbing Revenue	Revenue for work performed by District employees which is billable to outside parties.
Septage Hauler Fees	Fees from outside septage haulers for the treatment of wastewater delivered to District wastewater treatment facilities.

Water Fund:	2012 Actual	2013 Actual Jan-Jun	2013 Budget	2014 Budget	\$-Diff.	%-Diff.
Cross Connection Fees	\$16,993	\$18,702	\$27,800	\$17,000	-\$10,800	-38.8%
Customer Connection Fees	85,088	42,335	57,500	85,100	27,600	48.0%
Customer Activation Fee	57,761	24,976	55,700	57,750	2,050	3.7%
Jobbing Surcharge	56,211	9,783	67,200	49,900	(17,300)	-25.7%
Miscellaneous Income	<u>71,696</u>	<u>21,008</u>	<u>23,100</u>	<u>31,030</u>	<u>7,930</u>	<u>34.3%</u>
Total Water Division	\$287,749	\$116,804	\$231,300	\$240,780	\$9,480	4.1%

Wastewater Funds:	2012 Actual	2013 Actual Jan-Jun	2013 Budget	2014 Budget	\$-Diff.	%-Diff.
Septage - Gorham	\$17,137	\$5,843	\$12,400	\$12,400	-	0.0%
Septage - Portland	77,846	21,594	93,400	93,400	-	0.0%
Septage - Westbrook	113,493	38,070	97,000	97,000	-	0.0%
Septage - Windham	3,032	1,034	2,600	2,600	-	0.0%
Miscellaneous Income	<u>25,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>n/a</u>
Total Wastewater Division	237,485	66,541	205,400	205,400	-	0.0%
Total Water & Wastewater	\$525,234	\$183,345	\$436,700	\$446,180	\$9,480	2.2%

Projections for Rate-Making Purposes

Multi-year projections are made for the water fund's revenue and each of the wastewater funds' assessment. The projections provide guidance to the wastewater municipalities to assist them in determining their wastewater sewer rates. A summary of the projections are provided below with a detail of each fund on subsequent pages. The proposed budget is compared to the projection provided to the Board of Trustees and Municipal officials in last year's budget.

	Proposed 2014 Budget	Prior Year 2014 Projection	2015 Projection	2016 Projection	2017 Projection	2018 Projection
Water	\$ 21,130,183	\$ 21,203,968	\$ 22,081,041	\$ 23,074,688	\$ 24,113,049	\$ 25,198,136
			4.5%	4.5%	4.5%	4.5%
Wastewater:						
Cape Elizabeth	1,377,252	1,419,686	1,459,887	1,547,480	1,640,329	1,738,749
			6.0%	6.0%	6.0%	6.0%
Cumberland	731,784	731,789	750,239	768,995	788,220	815,808
			2.5%	2.5%	2.5%	3.5%
Gorham	1,106,148	1,116,998	1,139,332	1,179,209	1,220,481	1,263,198
			3.0%	3.5%	3.5%	3.5%
Portland	10,872,204	11,119,746	11,252,731	11,815,368	12,406,136	12,840,351
			3.5%	5.0%	5.0%	3.5%
Westbrook	2,533,176	2,609,171	2,609,171	2,700,492	2,795,009	2,892,834
			3.0%	3.5%	3.5%	3.5%
Windham	351,756	351,756	351,756	351,756	351,756	364,067
			0.0%	0.0%	0.0%	3.5%
Total Wastewater	\$ 16,972,320	\$ 17,349,146	\$ 17,563,116	\$ 18,363,300	\$ 19,201,931	\$ 19,915,007

Water Operating Fund - The proposed 2014 water revenue budget is better than projection done in 2013 for 2014 by \$445,439 due to forgoing the 2012 planned rate adjust as expenses were lower than expected. The 2014 budget includes an average 3.0% increase in water rates, effective May 1, 2014 and increases of 4.5% for 2015 to 2018. The Board of Trustees will review the multi-year plan during January 2014.

Wastewater Operating Funds - All 2014 wastewater assessments are at or below projections that were provided to the wastewater municipalities last year. The updated 2015-2018 are preliminary and will be reviewed with municipal officials in November 2013 before being finalized.

Major Assumptions:

The assumptions incorporated in the projections are as follows:

- Salary increases of 2% in 2015 and 3% in subsequent years.
- Benefit increases of 7% in 2015 and 5% in subsequent years. Assumed pension contribution increased to \$1 million a year and health insurance increases 10% per year.
- Other expenses increase by 3% in 2015 and 3.5% in subsequent years. Adjusted electricity budget for expected higher increases in unit costs per Central Maine Power, partially reduced in the Water fund for lower usage due to the new UV water treatment process. Biosolids costs are assumed to increase by an additional 5% when the current contract expires in 2016.
- New debt service and renewal/replacement fund expenditures consistent with the 2014 5-year capital plan (new debt assumed a 20 year life at 5%). Assumed water capital reserve bonds are issued for 10 years. A summary of capital expenditures and funding source is included.
- Estimated wastewater treatment assessments from third-parties are included.

Projections for Rate-Making Purposes (continued)

Operating Fund:

Water Fund	2014	2015	2016	2017	2018
Revenue:	Budget	Projected	Projected	Projected	Projected
Water Revenue	\$21,130,183	\$22,081,041	\$23,074,688	\$24,113,049	\$25,198,136
Other Income	240,780	240,780	240,780	240,780	240,780
Interest Income	26,630	26,630	26,630	26,630	26,630
Total Revenue	21,397,593	22,348,451	23,342,098	24,380,459	25,465,546
Expense:					
Salaries/Wages	4,173,945	4,257,424	4,385,147	4,516,701	4,652,202
Employee Benefits	1,924,034	2,058,716	2,161,652	2,269,735	2,383,222
Contracted Svcs	1,318,037	1,357,578	1,405,093	1,454,271	1,505,170
Transportation	791,213	814,949	843,472	872,994	903,549
Materials/Supplies	557,531	574,257	594,356	615,158	636,689
Purchased Power	401,734	398,786	412,744	427,190	442,142
Chemicals	521,250	536,888	555,679	575,128	595,257
Regulatory/Taxes	221,017	227,648	235,616	243,863	252,398
Heat/Fuel Oil	154,901	159,548	165,132	170,912	176,894
Facilities	109,233	112,510	116,448	120,524	124,742
Other Expense	142,943	147,231	152,384	157,717	163,237
Tele/Oth Utilities	51,365	52,906	54,758	56,675	58,659
Insurance	34,985	36,035	37,296	38,601	39,952
Deferred Cost W/O	1,200	1,236	1,279	1,324	1,370
Support Services:					
Administration	3,095,699	3,188,570	3,300,170	3,415,676	3,535,225
Engineering Services	671,131	691,265	715,459	740,500	766,418
Water Services	90,842	93,567	96,842	100,231	103,739
Environmental Services	87,299	89,918	93,065	96,322	99,693
Capital:					
Debt Service	3,773,527	3,768,291	4,697,080	5,515,789	6,349,513
Renewal & Replacement	2,695,424	2,895,424	2,895,424	2,895,424	2,895,424
Total Expense	20,817,310	21,462,747	22,919,096	24,284,735	25,685,495
Annual Surplus (Deficit)	580,283	885,704	423,002	95,724	-219,949
Carryforward Surplus	3,503,515	4,083,798	4,969,502	5,392,504	5,488,228
Period End Surplus	4,083,798	4,969,502	5,392,504	5,488,228	5,268,279
Target	5,204,328	5,365,687	5,729,774	6,071,184	6,421,374
Below Target	-\$1,120,530	-\$396,185	-\$337,270	-\$582,956	-\$1,153,095

Capital Expenditures:

Year	Beg Balance	R&R Contribution	Bond	Land Reserve	Expenditures	End Balance
2014	\$2,203,766	\$3,270,000	\$5,000,000	\$0	\$8,109,000	\$2,364,766
2015	2,364,766	3,470,000	9,300,000	1,000,000	13,390,000	2,744,766
2016	2,744,766	3,470,000	8,000,000	0	11,225,000	2,989,766
2017	2,989,766	3,470,000	14,438,000	0	17,663,000	3,234,766
2018	3,234,766	3,090,000	8,551,000	0	11,876,000	2,999,766

Projections for Rate-Making Purposes (continued)

Operating Fund:

Wastewater Cape Elizabeth	2014	2015	2016	2017	2018
Revenue:	Budget	Projected	Projected	Projected	Projected
Assessment Income	\$1,377,252	\$1,459,887	\$1,547,480	\$1,640,329	\$1,738,749
Interest Income	1,605	1,605	1,605	1,605	1,605
FEMA Reimbursement	0	0	0	0	0
Total Revenue	1,378,857	1,461,492	1,549,085	1,641,934	1,740,354
Expense:					
Contracted Svcs	207,955	223,472	227,361	231,330	237,947
Salaries/Wages	186,294	190,020	195,721	201,593	207,641
Employee Benefits	88,527	94,724	99,460	104,433	109,655
Purchased Power	77,514	80,952	82,976	85,050	87,176
Transportation	64,138	65,741	67,385	69,070	70,797
Materials/Supplies	33,300	34,133	34,986	35,861	36,758
Heat/Fuel Oil	16,798	17,218	17,648	18,089	18,541
Biosolids Disposal	14,005	14,355	15,432	15,818	16,213
Tele/Oth Utilities	13,590	13,930	14,278	14,635	15,001
Chemicals	11,882	12,179	12,483	12,795	13,115
Other Expense	3,900	3,998	4,098	4,200	4,305
Insurance	5,262	5,394	5,529	5,667	5,809
Support Services:					
Administration	164,161	168,265	172,472	176,784	181,204
Wastewater Services	100,972	103,496	106,083	108,735	111,453
Engineering Services	66,728	68,396	70,106	71,859	73,655
Environmental Services	36,147	37,051	37,977	38,926	39,899
Water Services	2,642	2,708	2,776	2,845	2,916
Capital:					
Debt Service	190,314	217,402	319,615	393,389	388,162
Renewal & Replacement	94,728	94,728	94,728	94,728	94,728
Total Expense	1,378,857	1,448,162	1,581,114	1,685,807	1,714,975
Annual Surplus (Deficit)	0	13,330	-32,029	-43,873	25,379
Carryforward Surplus	203,033	203,033	216,363	184,334	140,461
Period Ending Surplus	203,033	216,363	184,334	140,461	165,840
Target	344,714	362,041	395,279	421,452	428,744
Below Target	-\$141,681	-\$145,678	-\$210,945	-\$280,991	-\$262,904

Capital Expenditures:

Year	Beg Balance	R&R Contribution	Bond	Expenditures	End Balance
2014	(\$2,001)	\$80,000	\$0	\$58,000	\$19,999
2015	19,999	80,000	1,180,000	1,210,000	69,999
2016	69,999	80,000	1,000,000	1,090,000	59,999
2017	59,999	80,000	0	50,000	89,999
2018	89,999	80,000	0	80,000	89,999

Projections for Rate-Making Purposes (continued)

Operating Fund:

Wastewater Cumberland	2014	2015	2016	2017	2018
Revenue:	Budget	Projected	Projected	Projected	Projected
Assessment Income	\$731,784	\$750,239	\$768,995	\$788,220	\$815,808
Interest Income	1,762	1,762	1,762	1,762	1,762
FEMA Reimbursement	0	0	0	0	0
Total Revenue	733,546	752,001	770,757	789,982	817,570
Expense:					
Falmouth Treatment	400,784	404,529	401,045	397,562	397,562
Salaries/Wages	54,061	55,142	56,796	58,500	60,255
Employee Benefits	26,852	28,732	30,169	31,677	33,261
Contracted Srvs	43,421	44,724	46,066	47,448	48,871
Transportation	26,132	26,916	27,723	28,555	29,412
Purchased Power	25,858	26,634	27,433	28,256	29,104
Materials/Supplies	12,450	12,824	13,209	13,605	14,013
Insurance	1,063	1,095	1,128	1,162	1,197
Tele/Oth Utilities	426	439	452	466	480
Heat/Fuel Oil	170	175	180	185	191
Support Services:					
Administration	86,871	86,871	86,871	86,871	86,871
Engineering Services	30,786	30,786	30,786	30,786	30,786
Wastewater Services	19,170	19,170	19,170	19,170	19,170
Water Services	1,271	1,271	1,271	1,271	1,271
Capital:					
Debt Service	15,182	15,174	15,080	14,987	14,893
Renewal & Replacement	27,135	27,135	27,135	27,135	27,135
Total Expense	771,632	781,617	784,514	787,636	794,472
Annual Surplus (Deficit)	-38,086	-29,616	-13,757	2,346	23,098
Transfer to R&R					
Carryforward Surplus	268,962	230,876	201,260	187,503	189,849
Period Ending Surplus	230,876	201,260	187,503	189,849	212,947
Target	192,908	195,404	196,129	196,909	198,618
Above/(Below) Target	\$37,968	\$5,856	(\$8,626)	(\$7,060)	\$14,329

Capital Expenditures:

Year	Beg Balance	R&R Contribution	Bond	Expenditures	End Balance
2014	\$146,775	\$19,628	\$0	\$55,000	\$111,403
2015	111,403	19,628	0	40,000	91,031
2016	91,031	19,628	0	20,000	90,659
2017	90,659	19,628	0	20,000	90,287
2018	90,287	19,628	0	20,000	89,915

Projections for Rate-Making Purposes (continued)

Operating Fund:

Wastewater Gorham	2014	2015	2016	2017	2018
Revenue:	Budget	Projected	Projected	Projected	Projected
Assessment Income	\$1,106,148	\$1,139,332	\$1,179,209	\$1,220,481	\$1,263,198
Other Income	12,400	12,400	12,400	12,400	12,400
Interest Income	3,123	3,123	3,123	3,123	3,123
Total Revenue	1,121,671	1,154,855	1,194,732	1,236,004	1,278,721
Expense:					
Contracted Srvs	68,857	70,923	73,405	75,974	78,633
Salaries/Wages	101,469	103,498	106,603	109,801	113,095
Employee Benefits	50,494	54,029	56,730	59,567	62,545
Purchased Power	40,969	41,869	43,334	44,851	46,421
Biosolids Disposal	42,760	44,043	47,787	49,460	51,191
Transportation	31,007	31,937	33,055	34,212	35,409
Chemicals	11,334	11,674	12,083	12,506	12,944
Materials/Supplies	12,513	12,888	13,339	13,806	14,289
Heat/Fuel Oil	5,151	5,306	5,492	5,684	5,883
Tele/Oth Utilities	2,499	2,574	2,664	2,757	2,853
Insurance	1,521	1,567	1,622	1,679	1,738
Other Expense	871	897	928	960	994
Support Services:					
Administration	130,621	130,621	130,621	130,621	130,621
Engineering Services	65,654	65,654	65,654	65,654	65,654
Environmental Services	15,717	15,717	15,717	15,717	15,717
Wastewater Services	47,149	47,149	47,149	47,149	47,149
Water Services	2,119	2,119	2,119	2,119	2,119
Capital:					
Debt Service	411,654	415,760	457,789	451,036	428,953
Renewal & Replacement	79,312	79,312	79,312	79,312	79,312
Total Expense	1,121,671	1,137,537	1,195,403	1,202,865	1,195,520
Annual Surplus (Deficit)	0	17,318	-671	33,139	83,201
Transfer to R&R					
Carryforward Surplus	513,755	513,755	531,073	530,402	563,541
Period Ending Surplus	513,755	531,073	530,402	563,541	646,742
Target	280,418	284,384	298,851	300,716	298,880
Above Target	\$233,337	\$246,689	\$231,551	\$262,825	\$347,862

Capital Expenditures:

Year	Beg Balance	R&R Contribution	Bond	Expenditures	End Balance
2014	\$259,417	\$67,313	\$110,110	\$180,510	\$256,330
2015	256,330	67,313	617,458	642,858	298,243
2016	298,243	67,313	0	65,440	300,116
2017	300,116	67,313	0	25,400	342,029
2018	342,029	67,313	0	25,400	383,942

Projections for Rate-Making Purposes (continued)

Operating Fund:

Wastewater Portland	2014	2015	2016	2017	2018
Revenue:	Budget	Projected	Projected	Projected	Projected
Assessment Income	\$10,872,204	\$11,252,731	\$11,815,368	\$12,406,136	\$12,840,351
Other Income	93,400	93,400	93,400	93,400	93,400
Interest Income	16,793	16,793	16,793	16,793	16,793
Total Revenue	10,982,397	11,362,924	11,925,561	12,516,329	12,950,544
Expense:					
Biosolids Disposal	979,072	1,008,444	1,094,162	1,132,458	1,172,094
Salaries/Wages	1,125,370	1,147,877	1,182,313	1,217,782	1,254,315
Employee Benefits	534,641	561,373	589,442	618,914	649,860
Purchased Power	999,791	1,059,785	896,877	928,268	960,757
Chemicals	524,708	540,449	559,365	578,943	599,206
Contracted Svcs	523,144	538,838	557,697	577,216	597,419
Heat/Fuel Oil	168,628	173,687	179,766	186,058	192,570
Materials/Supplies	271,288	279,427	289,207	299,329	309,806
Transportation	116,260	119,748	123,939	128,277	132,767
Tele/Oth Utilities	107,807	111,041	114,927	118,949	123,112
Insurance	26,112	26,895	27,836	28,810	29,818
Other Expense	15,509	15,974	16,533	17,112	17,711
Support Services:					
Administration	1,254,504	1,254,504	1,254,504	1,254,504	1,254,504
Wastewater Services	673,094	673,094	673,094	673,094	673,094
Engineering Services	422,784	422,784	422,784	422,784	422,784
Environmental Services	263,206	263,206	263,206	263,206	263,206
Water Services	25,117	25,117	25,117	25,117	25,117
Capital:					
Debt Service	2,107,105	2,244,562	2,922,783	3,057,594	2,991,871
Renewal & Replacement	844,257	844,257	844,257	844,257	844,257
Total Expense	10,982,397	11,311,062	12,037,809	12,372,672	12,514,268
Annual Surplus (Deficit)	0	51,862	-112,248	143,657	436,276
Carryforward Surplus	3,378,578	3,378,578	3,430,440	3,318,192	3,461,849
Period Ending Surplus	3,378,578	3,430,440	3,318,192	3,461,849	3,898,125
Target	2,745,599	2,827,766	3,009,452	3,093,168	3,128,567
Above/(Below) Target	\$632,979	\$602,675	\$308,740	\$368,681	\$769,558

Capital Expenditures:

Year	Beg Balance	R&R Contribution	Bond	Expenditures	End Balance
2014	\$996,092	\$728,196	\$2,600,000	\$4,051,000	\$273,288
2015	273,288	728,196	8,150,000	9,140,000	11,484
2016	11,484	728,196	2,900,000	3,348,000	291,680
2017	291,680	728,196	500,000	1,020,000	499,876
2018	499,876	728,196	0	580,000	648,072

Projections for Rate-Making Purposes (continued)

Operating Fund:

Wastewater Westbrook	2014	2015	2016	2017	2018
Revenue:	Budget	Projected	Projected	Projected	Projected
Assessment Income	\$2,533,176	\$2,609,171	\$2,700,492	\$2,795,009	\$2,892,834
Other Income	97,000	97,000	97,000	97,000	97,000
Interest Income	15,517	15,517	15,517	15,517	15,517
Total Revenue	2,645,693	2,721,688	2,813,009	2,907,526	3,005,351
Expense:					
Biosolids Disposal	255,642	263,311	285,693	295,692	306,041
Salaries/Wages	252,763	257,818	265,553	273,520	281,726
Employee Benefits	123,755	129,943	136,440	143,262	150,425
Purchased Power	194,217	204,544	211,703	219,113	226,782
Contracted Srvs	119,338	122,918	127,220	131,673	136,282
Chemicals	68,082	70,124	72,578	75,118	77,747
Transportation	16,574	17,071	17,668	18,286	18,926
Materials/Supplies	40,654	41,874	43,340	44,857	46,427
Heat/Fuel Oil	24,396	25,128	26,007	26,917	27,859
Tele/Oth Utilities	15,275	15,733	16,284	16,854	17,444
Deferred Cost W/O	10,602	10,920	11,302	11,698	12,107
Other Expenses	4,978	5,125	5,304	5,490	5,682
Insurance	6,022	6,203	6,420	6,645	6,878
Support Services:					
Administration	306,622	315,821	326,875	338,316	350,157
Environmental Services	86,277	88,865	91,975	95,194	98,526
Engineering Services	90,986	93,716	96,996	100,391	103,905
Wastewater Services	159,719	164,511	170,269	176,228	182,396
Water Services	5,954	6,133	6,348	6,570	6,800
Capital:					
Debt Service	430,421	466,442	652,362	657,888	644,301
Renewal & Replacement	433,416	415,416	333,416	333,416	333,416
Total Expense	2,645,693	2,721,616	2,903,753	2,977,128	3,033,827
Annual Surplus (Deficit)	0	72	-90,744	-69,602	-28,476
Carryforward Surplus	1,492,608	1,492,608	1,492,680	1,401,936	1,332,334
Period Ending Surplus	1,492,608	1,492,680	1,401,936	1,332,334	1,303,858
Target	661,423	680,404	725,938	744,282	758,457
Above Target	\$831,185	\$812,276	\$675,998	\$588,052	\$545,401

Capital Expenditures:

Year	Beg Balance	R&R Contribution	Bond	Expenditures	End Balance
2014	\$1,062,112	\$405,798	\$238,095	\$448,395	\$1,257,610
2015	1,257,610	387,798	2,335,152	2,378,452	1,602,108
2016	1,602,108	305,798	144,522	1,046,880	1,005,548
2017	1,005,548	305,798	0	43,300	1,268,046
2018	1,268,046	305,798	0	43,300	1,530,544

Projections for Rate-Making Purposes (continued)

Operating Fund:

Wastewater Windham	2014	2015	2016	2017	2018
Revenue:	Budget	Projected	Projected	Projected	Projected
Assessment Income	\$351,756	\$351,756	\$351,756	\$351,756	\$364,067
Other Income	2,600	2,600	2,600	2,600	2,600
Interest Income	897	897	897	897	897
Total Revenue	355,253	355,253	355,253	355,253	367,564
Expense:					
Contracted Svcs	13,353	14,440	14,945	15,468	16,009
Salaries/Wages	31,363	31,990	32,950	33,939	34,957
Employee Benefits	14,674	15,701	16,486	17,310	18,176
Purchased Power	13,766	14,479	14,986	15,511	16,054
Biosolids Disposal	7,025	7,236	7,851	8,126	8,410
Transportation	12,669	13,049	13,506	13,979	14,468
Chemicals	1,862	1,918	1,985	2,054	2,126
Materials/Supplies	4,433	4,566	4,726	4,891	5,062
Heat/Fuel Oil	1,764	1,817	1,881	1,947	2,015
Tele/Oth Utilities	366	377	390	404	418
Insurance	840	865	895	926	958
Other Expense	135	139	144	149	154
Support Services:					
Administration	35,588	36,418	37,693	39,012	40,377
Engineering Services	12,343	12,061	12,483	12,920	13,372
Environmental Services	1,949	2,119	2,193	2,270	2,349
Wastewater Services	13,084	10,784	11,161	11,552	11,956
Water Services	141	175	181	187	194
Capital:					
Debt Service	154,846	154,381	156,731	154,911	152,829
Renewal & Replacement	35,052	35,052	35,052	35,052	35,052
Total Expense	355,253	357,567	366,239	370,608	374,936
Annual Surplus (Deficit)	0	-2,314	-10,986	-15,355	-7,372
Carryforward Surplus	182,000	182,000	179,686	168,700	153,345
Period Ending Surplus	182,000	179,686	168,700	153,345	145,973
Target	88,813	89,392	91,560	92,652	93,734
Above Target	\$93,187	\$90,294	\$77,140	\$60,693	\$52,239

Capital Expenditures:

Year	Beg Balance	R&R Contribution	Bond	Expenditures	End Balance
2014	\$120,731	\$32,015	\$9,295	\$20,595	\$141,446
2015	141,446	32,015	52,123	73,423	152,161
2016	152,161	32,015	0	24,680	159,496
2017	159,496	32,015	0	21,300	170,211
2018	170,211	32,015	0	21,300	180,926

Introduction

Operating Expenses are recorded to each department by expense category by fund and program. A summary of all expense categories is provided with an explanation of major assumption and changes. Additionally, operating expenses for each department is provided. The District has five departments – Water Operations, Wastewater Operations, Environmental Services, Engineering Services and Administrative Services. For each department, the following information is provided:

- Description of Core Services
- Key Statistics
- Performance Benchmarks
- Past Accomplishments
- Current Year Projects and Initiatives
- Financial Summary in total and by sub-departments with a summary of each sub-department fund and program expenses

2014 Financial Summary by Category

	2013 Budget	2014 Budget	Diff \$	Diff %
Salaries/Wages	\$9,917,218	\$10,003,869	\$86,651	0.9%
Employee Benefits	4,774,253	4,869,224	94,971	2.0%
Biosolids Disposal	1,295,458	1,298,503	3,046	0.2%
Chemicals	1,029,693	1,139,119	109,426	10.6%
Contracted Svcs	3,417,005	3,799,691	382,686	11.2%
Deferred Cost W/O	45,656	21,888	(23,768)	-52.1%
Heat/Fuel Oil	435,013	515,008	79,995	18.4%
Insurance	183,679	188,736	5,057	2.8%
Materials/Supplies	1,633,237	1,586,165	(47,072)	-2.9%
Other Expense	707,695	755,149	47,454	6.7%
Purchased Power	1,953,253	1,829,293	(123,960)	-6.3%
Regulatory/Taxes	190,301	221,017	30,716	16.1%
Tele/Oth Utilities	319,049	313,657	(5,392)	-1.7%
Transportation	1,210,867	1,264,935	54,068	4.5%
Grand Total	27,112,376	27,806,254	693,878	2.6%
less Transportation	(860,032)	(893,706)	(33,674)	3.9%
Operating Expense	\$26,252,344	\$26,912,548	\$660,204	2.5%

2014 Financial Summary by Department

	Number of Employees	2013 Budget	Number of Employees	2014 Budget	Budget Diff \$	Budget Diff %
Water Operations	53	\$7,416,388	53	\$7,704,198	\$287,810	3.9%
Wastewater Services	39	8,681,239	39	8,930,589	249,350	2.9%
Environmental Services	15	1,847,455	15	1,854,185	6,730	0.4%
Engineering Services	30	3,773,793	30	3,878,479	104,686	2.8%
Administration	40	5,067,686	40	5,071,114	3,428	0.1%
Non-Departmental	1	325,815	1	367,689	41,874	12.9%
Total	178	\$27,112,376	178	\$27,806,254	\$693,878	2.6%

Operating Expense by Category

Salaries/Wages:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
660111 - SALARIES/WAGES NON-UNION	\$3,491,154	\$1,813,374	\$3,696,196	\$3,739,019	\$42,824	1.2%
660121 - WAGES/REGULAR UNION	5,154,748	2,574,804	5,348,748	5,380,562	31,814	0.6%
660122 - WAGES/OVERTIME UNION	432,372	208,422	423,319	412,661	(10,658)	-2.5%
660123 - WAGES/DOUBLETIME UNION	50,000	25,524	60,493	55,954	(4,540)	-7.5%
660124 - WAGES/STANDBY TIME UNION	125,376	65,014	115,660	118,618	2,957	2.6%
660131 - WAGES - REGULAR - TEMPS	164,950	55,750	202,183	182,347	(19,836)	-9.8%
660132 - WAGES - OVERTIME- TEMPS	3,055	78	3,761	-	(3,761)	-100.0%
660133 - WAGES - DOUBLETIME - TEMP	357	-	-	-	-	n/a
66014 - VACATION ACCRUAL	(2,735)	-	-	-	-	n/a
660141 - TRUSTEES COMPENSATION	23,625	12,500	27,000	27,000	-	0.0%
66015 - SICKTIME ACCRUAL	33,917	-	-	-	-	n/a
66351 - CONTRACTED TEMPORARIES	50,859	18,957	39,858	87,709	47,851	120.1%
	\$9,527,678	\$4,774,423	\$9,917,218	\$10,003,869	\$86,651	0.9%

The budgeted dollars for labor reflects work on operating (O&M) activities. Labor planned for capital projects is included as part of the Capital Improvement Plan (CIP) later in this document. Overall, the percentage of labor planned for CIP projects increased from 2.7% of total labor in 2013 to 3.3% in 2014 (an increase of \$62,622 or 18.3%), primarily due to additional water main construction inspection as the amount of water main renewal work increases to \$6 million from \$3.5 million.

Labor rates for all employees (union and non-union) were assumed to be 1.5% higher than the rates paid to employees on July 1, 2013. The overall O&M increase for all labor categories equaled only 0.9% due to the shift to more capital work noted above and the reduction of premium pay in the Wastewater Department. The department has changed its off-shift coverage and reduced the week-end sampling requirements at remote plants resulting in a reduction of premium pay of \$29,000.

The reduction in Wages-Regular-Temps (660131) was the result of the decision by Water Operations to hire many of their temps for the upcoming year through an outside employment agency rather than putting them on the District's payroll. That shift can be seen in the budget for Contracted Temporaries (66351). The rate paid to outside agencies is higher as they are responsible for FICA, workers compensation and unemployment (which the District carries in its benefit budget).

The District's overall number of employees remains the same between 2013 and 2014. The Public Relations Manager moved from full-time to part-time.

Budget	Full-Time	Part-Time	Total
2013	176	2	178
2014	<u>175</u>	<u>3</u>	<u>178</u>
Change	-1	1	0

The Human Resources section has additional details.

Operating Expense by Category (continued)

Employee Benefits:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
660401 - FICA - EMPLOYERS' SHARE	704,944	354,408	755,618	758,586	2,968	0.4%
660405 - SAFETY/WHY PROGRAM ITEMS	29,373	6,611	33,173	31,904	(1,269)	-3.8%
660411 - MEALS ALLOWANCE	5,918	3,546	7,490	2,163	(5,327)	-71.1%
660413 - PWD TRAINING PROGRAM	2,380	1,092	-	-	-	n/a
6604151 - FIELD UNIFORMS	1,200	1,200	1,200	1,200	-	0.0%
660418 - STIPENDS	14,111	13,600	17,000	14,283	(2,717)	-16.0%
660419 - EMPLOYEE BENEFITS-MISC OTH	14,234	529	800	1,050	250	31.3%
660491 - FRINGE BENEFITS-REG/SAL	3,618,509	1,919,102	3,958,972	4,060,038	101,066	2.6%
	4,390,669	2,300,088	4,774,253	4,869,224	94,971	2.0%

The amount noted is the operating funds' portion of employee benefit cost. As with labor, a small portion of benefit expense is charged to capital projects.

The largest item (Fringe Benefits - 660491) covers the District's portion of employee benefits, most notably health insurance and pension. This charge is applied as a percentage of regular labor (excluding overtime, double time, etc.) charges. In the 2014 Budget, the percentage is 44.52% which is an increase of 0.75% over 2013's percentage of 43.77%. Total benefit costs rose 3.3% with an increase in the cost of pensions being partially offset by a small reduction in health insurance.

Biosolids Disposal:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
663571 - BIOSOLIDS DISPOSAL	\$1,174,262	\$687,313	\$1,295,458	\$1,298,503	\$3,046	0.2%
	\$1,174,262	\$687,313	\$1,295,458	\$1,298,503	\$3,046	0.2%

The material remaining at the end of the wastewater treatment process is called biosolids. The cost of biosolids disposal is the volume disposed (wet tons) times the rate per ton:

Facility	2013	2014	Change	%	2013 % Solids	2014 % Solids ²
Portland (East End)	15,570.3	14,953.0	(617.3)	-4.0%	24.0%	23.5%
Westbrook	4,300.0	4,678.0	378.0	8.8%	17.0%	16.0%
Cape Elizabeth	217.6	214.5	(3.1)	-1.4%	24.0%	23.5%
Peaks Island	46.6	42.6	(4.0)	-8.6%	24.0%	23.5%
Total	20,134.6	19,888.1	(246.5)	-1.2%		

The price per wet ton is expected to be \$65.29; this is a 1.5% increase over the prior year's budget assumption (\$64.34). The actual price being paid in 2013 is \$63.70, so the increase over the actual rate is 2.5% (the contract limits the increase to 3.5%). Offsetting the unit price increase is an expected decrease in budgeted volume of 1.2%.

Operating Expense by Category (continued)

Chemicals:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
66181 - AMMONIA	\$26,385	\$14,572	\$29,032	\$27,360	(\$1,672)	-5.8%
661811 - SODIUM BICARBONATE	3,872	3,591	5,286	8,800	3,514	66.5%
661812 - SODIUM BISULFITE	169,340	65,987	157,150	171,211	14,061	8.9%
6618121 - SODIUM BISULFITE-ACCRUAL	516	2,680	-	-	-	n/a
66182 - CAUSTIC SODA	78,181	32,616	108,934	97,219	(11,715)	-10.8%
66183 - FLUORINE COMPOUND	72,598	33,283	70,931	69,018	(1,913)	-2.7%
66184 - ZINC ORTHOPHOSPHATE	72,279	33,911	88,079	79,541	(8,538)	-9.7%
66185 - SODIUM HYPOCHLORITE	378,369	164,846	391,737	354,960	(36,777)	-9.4%
661851 - SODIUM HYPO - ACCRUAL	(6,243)	4,582	-	-	-	n/a
66189 - POLYMER	188,196	96,213	173,540	182,020	8,479	4.9%
661891 - POLYMER - ACCRUAL	(6,784)	366	-	-	-	n/a
661892 - LIQUID OXYGEN (LOX)	-	-	-	143,884	143,884	n/a
661899 - OTHER CHEMICALS	3,931	2,043	5,003	5,106	103	2.1%
	\$980,640	\$454,689	\$1,029,693	\$1,139,119	\$109,426	10.6%

Chemicals are primarily used at the District's one water and four wastewater treatment facilities. The 2014 Budget assumes that per unit chemical pricing either be flat or decline as compared with the 2013 Budget. Volumes used were adjusted up or down depending upon historic usage.

The biggest change was the addition of liquid oxygen starting in 2014 with the completion of the upgrade to the District's water treatment facility. The liquid oxygen will be used in the production of ozone, which is used to disinfect the water. The prior process used air and an energy intensive process to create ozone. The increased chemical cost will be partially offset by lower electricity costs.

	2013 Assumption Units	2013 Assumption Per Unit	2014 Assumption Units	2014 Assumption Per Unit	% Change Units	Per Unit	Budget Dollars
<u>Water Treatment (Ozone)</u>							
Ammonia	19,100	1.520	17,100	1.600	-10.5%	5.3%	-\$1,672
Caustic Soda	95,867	1.050	92,325	0.960	-3.7%	-8.6%	-\$12,028
Fluorine Compound	20,648	3.420	21,334	3.224	3.3%	-5.7%	-\$1,838
Liquid Oxygen'	0	0.000	191,846	0.750	n/a	n/a	\$143,885
Sodium Hypochlorite	151,901	0.790	158,230	0.700	4.2%	-11.4%	-\$9,241
Zinc Orthophosphate	195,731	0.450	194,240	0.410	-0.8%	-9.0%	-\$8,538
<u>East End WWTF</u>							
Polymer	115,680	1.250	120,680	1.250	4.3%	0.0%	\$6,250
Sodium Bisulfite	82,500	1.520	110,711	1.300	34.2%	-14.5%	\$18,524
Sodium Hypochlorite	290,000	0.790	299,282	0.700	3.2%	-11.4%	-\$19,603
<u>Westbrook WWTF</u>							
Polymer	18,320	1.384	20,610	1.350	12.5%	-2.5%	\$2,469
Sodium Bisulfite	13,200	2.200	12,000	2.070	-9.1%	-5.9%	-\$4,200
Sodium Hypochlorite	45,570	0.790	40,000	0.700	-12.2%	-11.4%	-\$8,000

Operating Expense by Category (continued)

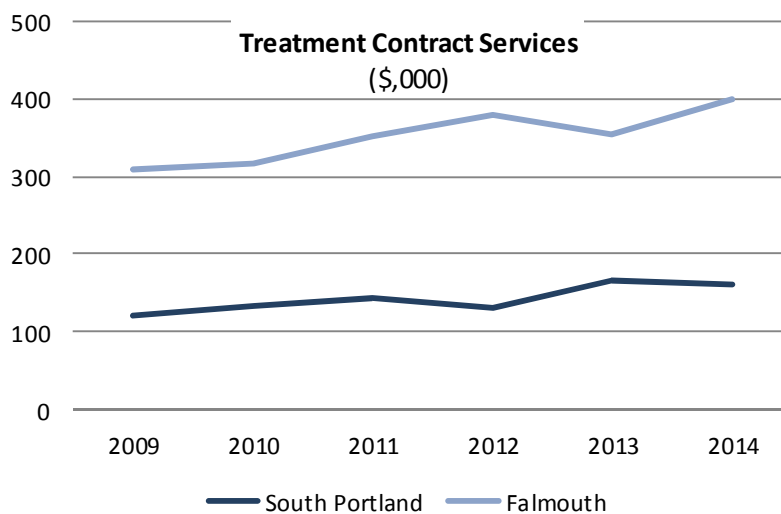
Contracted Services:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
662062 - PRINTER REPAIR	\$4,127	\$1,000	\$2,500	\$3,500	\$1,000	40.0%
662063 - COPIER MAINTENANCE/TONER	9,395	5,675	9,500	9,500	-	0.0%
6631 - ENGINEERING SERVICES	53,509	15,685	80,500	82,500	2,000	2.5%
6632 - ACCOUNTING SERVICES	28,950	31,838	35,000	31,250	(3,750)	-10.7%
66331 - LEGAL - LABOR RELATIONS	82,977	77,282	45,000	45,000	-	0.0%
66333 - BOND COUNSEL	7,500	-	7,500	7,500	-	0.0%
66339 - LEGAL - OTHER	41,752	56,329	43,400	36,400	(7,000)	-16.1%
66352 - CONSTRUCTION SERVICES	-	-	3,829	679	(3,150)	-82.3%
663521 - TRAFFIC CONTROL	52,258	27,162	49,978	49,001	(977)	-2.0%
6635221 - PAVING - MINOR REPAIR	359,240	128,998	344,794	350,692	5,898	1.7%
663523 - SIDEWALK	14,754	6,622	15,519	10,055	(5,464)	-35.2%
663524 - STREET OPENING	46,501	42,476	47,531	41,803	(5,728)	-12.1%
663525 - CONTRACTOR CONSTRUCTION	383,596	113,610	227,895	495,163	267,268	117.3%
663526 - INSPECTION SERVICES	4,815	-	-	-	-	n/a
663527 - EMERGENCY RESPONSE- FEMA	18,800	-	300	-	(300)	-100.0%
66353 - REPAIR SERVICES	15,267	9,782	6,048	10,865	4,817	79.6%
66354 - MAINTENANCE SERVICES	550,019	252,845	593,444	634,915	41,471	7.0%
663542 - LARGE METER TESTING	2,450	1,713	45,000	38,000	(7,000)	-15.6%
663543 - CSO FLOW MONITORING	157,234	54,653	171,266	180,574	9,308	5.4%
663544 - MAINT SERVICES - CCTV	63,546	-	80,157	78,948	(1,209)	-1.5%
663545 - RADIO SERVICING AND EQUIP	4,151	977	5,000	5,000	-	0.0%
663546 - MAINTENANCE - SNOW REMOVL	-	-	-	77,093	77,093	n/a
663551 - LAB ANALYSIS	40,384	23,967	61,775	40,415	(21,360)	-34.6%
663561 - COMPUTER LICENSES	64,333	68,549	78,150	82,013	3,863	4.9%
663562 - COMPUTER MAINTAINENCE	187,601	102,843	221,446	223,877	2,431	1.1%
663563 - COMPUTER CONSULTING/OTHER	30,859	19,087	40,300	40,300	-	0.0%
663572 - GRIT & SCREENS DISPOSAL	46,338	18,569	63,000	70,330	7,330	11.6%
663573 - GREASE DISPOSAL	23,781	14,309	41,800	39,700	(2,100)	-5.0%
663574 - DISPOSAL SERVICES	53,930	20,062	49,944	47,185	(2,759)	-5.5%
6635801 - EMPLOYEE HEALTH SRVS	7,119	4,342	5,250	7,950	2,700	51.4%
663581 - UTILITY BILLING PRINTING	86,939	57,296	91,055	85,597	(5,458)	-6.0%
663582 - PAYMENT PROCESSING	123,873	54,556	124,000	127,650	3,650	2.9%
663583 - RECEIVABLE COLLECTIONS	8,579	5,275	10,000	10,000	-	0.0%
663584 - BANK SERVICE CHARGES	12,328	5,779	13,200	12,000	(1,200)	-9.1%
663585 - TREATMENT CONTRACT SERVIC	509,934	259,440	518,880	560,580	41,700	8.0%
6635851 - WW DEWATERING SERVICES	-	1,941	3,400	3,357	(43)	-1.3%
6635852 - WW DEWATERING SRVS CREDIT	-	(1,941)	(3,400)	(3,400)	-	0.0%
663587 - COURIER SERVICES	19,874	10,272	20,427	19,902	(525)	-2.6%
663588 - EQUIPMENT MAINTENANCE	7,583	1,955	32,482	29,682	(2,800)	-8.6%
663589 - SECURITY SERVICES	68,700	32,863	65,000	65,000	-	0.0%
663592 - RECRUITING SERVICES	4,040	3,208	6,500	7,250	750	11.5%
663594 - DIGSAFE	73,167	37,463	80,450	76,080	(4,370)	-5.4%
663595 - OUTPLACEMENT SERVICES	-	-	2,000	2,000	-	0.0%
663598 - HR CONSULTANT SERVICES	6,499	450	3,000	2,000	(1,000)	-33.3%
6635982 - TREE TRIMMING / REMOVAL	-	-	7,000	7,000	-	0.0%
663599 - MISC OTHER SERVICES	31,060	17,213	51,185	30,485	(20,700)	-40.4%
6636 - TECHNICAL SERVICES	8,136	1,472	16,000	24,300	8,300	51.9%
	\$3,315,896	\$1,585,615	\$3,417,005	\$3,799,691	\$382,686	11.2%

Operating Expense by Category (continued)

Contracted Services covers a large variety of services contracted to outside vendors, budget changes of note included:

- Contractor Construction (663525) – This account increased \$267,268 (117.3%), the increase was due to valve box work and other road related work such as raising manhole covers.
- Treatment Contracted Services (663585) – The account on the whole is up \$41,700 (8.0%) due to the increased assessment from the Town of Falmouth to provide wastewater services for the Cumberland.
- Maintenance Services (66354) – Increases in vendor-provided maintenance (\$41,471 or 7.0%) of District facilities and equipment including HVAC equipment and grounds-keeping.
- Maintenance – Snow Removal (663546) – This account was added this year to consolidate snow removal budgets from several different account lines including Miscellaneous Services (663599) which declined \$20,700.
- Laboratory Analysis (663551) – These charges, for laboratory testing done by outside vendors, were reduced \$21,360 (34.6%) because this is the “off year” for some tests done once every two or three years.



South Portland and Falmouth treats the wastewater flows from Cape Elizabeth and Cumberland, respectively. The District is assessed and pays an annual fee to those communities for that service.

Deferred Cost Write-Off:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
66754 - DEFERRED COST WRITE OFF	\$107,029	\$15,328	\$45,656	\$21,888	(\$23,768)	-52.1%
	\$107,029	\$15,328	\$45,656	\$21,888	(\$23,768)	-52.1%

The Deferred Cost Write-Off contains the annual amortization of studies or other items that have multi-year impacts. The decrease in 2014 is related to final write-off of several items including computer licenses and a watershed study.

Operating Expense by Category (continued)

Heat/Fuel Oil:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
66161 - HEATING OIL	\$441,075	\$189,350	\$278,442	\$294,933	\$16,491	5.9%
661621 - PIPELINE DELIVERED PROPAN	8,155	97,230	102,600	143,050	40,450	39.4%
661622 - CONTAINER DELIVERED	42,943	29,080	44,271	52,325	8,054	18.2%
66166 - UNLEADED GAS	8,054	5,450	9,700	24,700	15,000	154.6%
66167 - KEROSENE GAS	22	21	-	-	-	n/a
	\$500,248	\$321,130	\$435,013	\$515,008	\$79,995	18.4%

The first three accounts in this category (66161 to 661622) involve fuel used for facilities' heat or backup generators. The Unleaded Gas (66166) is for District vehicles that fuel up at remote locations and the boat used in the District's Sebago Lake monitoring efforts. The East End treatment facility converted to natural gas from heating oil in 2012 resulting in significant savings.

	2013 Assumption		2014 Assumption		% Change	
	Units	Per Unit	Units	Per Unit	Units	Per Unit
Heating Oil:						
Douglass Street	38,000	\$2.90	38,000	\$3.30	0.0%	13.8%
Water Treatment/Ozone Plant	36,575	\$2.90	36,669	\$3.27	0.3%	12.6%
Westbrook WWTF	8,928	\$2.90	6,700	\$3.20	-25.0%	10.3%
Cape Elizabeth WWTF	4,379	\$2.90	4,020	\$3.20	-8.2%	10.3%
Peaks Island WWTF	3,876	\$3.87	2,000	\$5.00	-48.4%	29.2%
Dana Court WWPS (Westbrook)	1,027	\$2.90	1,027	\$3.30	0.0%	13.8%
Water - Throttling Valve Building	1,000	\$2.90	786	\$3.265	-21.4%	12.6%
Family Field WWPS (Cape Elizabeth)	933	\$2.90	0	\$0.00	-100.0%	-100.0%
	94,718	\$2.94	89,202	\$3.31	-5.8%	12.6%
Natural Gas:						
Portland (East End) WWTF	11,111	\$9.00	11,884	\$11.78	7.0%	30.9%
Family Field WWPS (Cape Elizabeth)	0	\$0.00	1,200	\$2.81	n/a	n/a

Insurance:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
6656 - VEHICAL INSURANCE	\$29,418	\$15,569	\$30,251	\$28,090	(\$2,161)	-7.1%
66561 - VEHICAL INSURANCE REIMBUR	(1,055)	(139)	-	-	-	n/a
6657 - GEN LIABILITY INSURANCE	53,535	27,120	55,965	46,088	(9,877)	-17.6%
66591 - DAMAGES AND CLAIMS	473	-	2,976	958	(2,018)	-67.8%
66592 - DAMAGES & CLAIMS-GOODWILL	16,231	3,462	2,000	2,000	-	0.0%
66593 - UMBRELLA INSURANCE COVER	8,877	6,227	8,069	10,875	2,806	34.8%
66594 - PROFESSION/CRIME BONDING	16,369	8,809	16,751	19,319	2,568	15.3%
66599 - PROPERTY & BOILER INSURANCE	65,163	34,474	67,667	81,406	13,739	20.3%
	\$189,012	\$95,522	\$183,679	\$188,736	\$5,057	2.8%

Insurance costs include premiums paid on coverage for District property as well as small claims paid directly to outside parties. The water treatment plant upgrade of \$12 million is estimated to increase insurance premiums by \$10,600. The increase is offset by a premium decrease that resulted from putting the insurance service out to bid.

Operating Expense by Category (continued)

Materials & Supplies:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
6619 - ASSET PURCHASES	\$99,364	\$83,943	\$149,713	\$144,296	(\$5,417)	-3.6%
662012 - CRUSHED GRAVEL	777	63	775	845	70	9.0%
662016 - SAND	444	66	-	-	-	n/a
662017 - SAND AND SALT	3,412	2,869	7,324	5,187	(2,137)	-29.2%
66202 - TOOLS	26,497	24,247	47,186	44,765	(2,421)	-5.1%
66203 - VENDOR PURCH SUPPLIES	448,502	237,930	473,584	472,680	(904)	-0.2%
662041 - MATERIALS INV	214,738	110,029	186,704	177,078	(9,626)	-5.2%
662042 - SUPPLIES INV	79,339	51,225	74,047	67,050	(6,997)	-9.4%
66204201 - INV - QPR	10,342	8,967	16,766	18,435	1,669	10.0%
66204202 - INV - BNKRUN GRAVEL	3,471	1,763	8,419	7,137	(1,282)	-15.2%
66204203 - INV - CRUSHD GRAVEL	33,031	11,919	31,769	28,055	(3,714)	-11.7%
66204204 - INV - CRUSHED STONE	1,748	168	705	538	(167)	-23.7%
66204205 - INV - LOAM	2,687	389	2,339	2,076	(263)	-11.2%
662043 - TOOL INV	65,930	40,042	72,434	69,272	(3,162)	-4.4%
66204301 - INV - TONER	14,700	4,787	12,578	12,589	11	0.1%
66204302 - INV - PAPER	3,259	1,543	6,160	6,000	(160)	-2.6%
66204303 - INV-COMPUTER EQUIP	13,157	8,883	9,937	7,671	(2,266)	-22.8%
662044 - METER INV	55,500	52,105	27,297	1,217	(26,080)	-95.5%
662046 - HYDRANT INV	57,672	44,482	26,995	47,060	20,065	74.3%
662047 - GARAGE INV	15,179	6,377	12,770	13,558	788	6.2%
66204701 - INV - UNLEADED GAS	166,260	81,346	163,659	168,720	5,061	3.1%
66204702 - INV - DIESEL	89,605	38,720	90,306	92,510	2,204	2.4%
66204703 - INV - TIRES	11,253	6,817	15,000	15,000	-	0.0%
66205 - CONSUMABLE SUPPLIES	78,398	44,574	114,996	104,415	(10,581)	-9.2%
663564 - COMPUTER-EQUIP	54,236	27,725	81,774	80,011	(1,763)	-2.2%
	\$1,549,501	\$890,976	\$1,633,237	\$1,586,165	(\$47,072)	-2.9%

This group is a wide array of items including vehicle fuel and parts, bulk materials such as gravel, water infrastructure items (mains, meters, hydrants, and fittings) and office supplies. These items are consumed during normal operations and are used for the repair and maintenance of District assets. Meter Inventory (662044) dropped as the work is now classified as work will be categorized as capital and included in the capital budget. Hydrant Inventory (662046) increase reflects the expected levels of hydrant maintenance that will be needed as Water Operations continues with their enhanced hydrant inspection program.

The assumptions for vehicle fuel were:

Fuel Type	2013 Assumption Units	2013 Assumption Per Unit	2014 Assumption Units	2014 Assumption Per Unit	% Change Units	Per Unit
Diesel	27,804	\$3.22	29,000	\$3.19	4.3%	-0.9%
Unleaded Gas	55,716	\$3.28	57,000	\$2.96	2.3%	-9.8%
	83,520		86,000		3.0%	

Operating Expense by Category (continued)

Other Expense:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
6641 - BUILDING/REAL PROP RENT	\$5,600	\$ -	\$5,600	\$5,600	\$ -	0.0%
66411 - INTERNAL RENTAL CHARGES	48,600	24,300	48,600	48,600	-	0.0%
6642 - EQUIPMENT RENT	9,905	2,184	11,143	9,849	(1,294)	-11.6%
66601 - PUBLIC RELATIONS	71,138	2,712	14,750	5,500	(9,250)	-62.7%
66609 - OTHER ADVERTISING	5,795	7,937	12,700	47,076	34,376	270.7%
6670 - BAD DEBT EXPENSE	38,853	21,400	42,800	40,800	(2,000)	-4.7%
667511 - TRAINING	-	-	1,000	1,000	-	0.0%
6675111 - INSTATE TRAINING	47,884	34,056	64,978	68,710	3,732	5.7%
6675112 - OUT OF STATE TRAINING	4,005	16,663	18,320	15,700	(2,620)	-14.3%
6675121 - IN STATE CONFERENCES	8,409	4,217	16,200	14,300	(1,900)	-11.7%
6675122 - OUT-OF-STATE CONFERENCES	30,725	19,847	35,750	38,150	2,400	6.7%
667513 - DUES	59,718	12,363	63,680	67,970	4,290	6.7%
667514 - PROFESSIONAL LICENSES	12,505	17,742	10,388	14,363	3,975	38.3%
667515 - PERIODICAL SUBSCRIPTIONS	3,887	2,411	4,480	5,951	1,471	32.8%
667516 - PERMITS	25,446	3,464	29,212	29,212	-	0.0%
667517 - PLANT OPER LICENSE FEES	403	63	625	450	(175)	-28.0%
667518 - REGULATORY REQUIRED FEES	11,199	-	14,000	14,000	-	0.0%
667519 - REGULATORY FINES	-	6,350	-	-	-	n/a
667521 - POSTAGE - THIRD PARTY	198,970	103,212	240,426	212,275	(28,151)	-11.7%
667522 - POSTAGE - INTERNAL	19,258	9,284	21,760	19,163	(2,597)	-11.9%
667523 - POSTAGE - EXPRESS DELIVER	2,478	841	1,760	1,050	(710)	-40.3%
667531 - PRINTING COSTS	20,933	24,705	55,650	55,717	67	0.1%
667533 - FORMS STOCK	1,020	78	-	600	600	n/a
667552 - SAFETY TRAINING	7,830	1,072	3,400	4,285	885	26.0%
667553 - DOT SUBSTANCE ABUSE	962	644	2,000	2,000	-	0.0%
667554 - EPA / OSHA COMPLIANCE	400	-	3,178	3,408	230	7.2%
667555 - SAFETY EXPENSES	15,006	3,796	17,400	17,700	300	1.7%
667556 - FREIGHT CHARGES (STOCK)	4,287	3,858	-	5,000	5,000	n/a
667561 - WATERSHED GRANTS/SUPPORT	62,742	31,372	38,900	41,450	2,550	6.6%
6675611 - GRANTS - PASS-THROUGH	-	6,194	-	-	-	n/a
667581 - ANNUAL LAND CONTRIB CAPE	-	2,500	2,500	2,500	-	0.0%
667591 - UNIFORMS	3,561	1,503	2,750	2,750	-	0.0%
667592 - FOOD SUPPLIES	4,169	1,801	6,895	7,245	350	5.1%
667598 - GEN MANAGER CONTINGENCY	-	-	15,000	35,000	20,000	133.3%
6675981 - GEN MNG - TRUSTEES	-	5,855	12,800	11,700	(1,100)	-8.6%
6675982 - GEN MNG - COMMUNITY	3,296	10,693	21,050	25,365	4,315	20.5%
667599 - OTHER MISCELLANEOUS	52,862	9,676	8,700	6,650	(2,050)	-23.6%
6676 - CONTRA ACCOUNT	(136,853)	(81,022)	(157,700)	(142,940)	14,760	-9.4%
6706 - AMORT OF U P ACQ ADJUSTS	17,000	8,500	17,000	17,000	-	0.0%
	\$661,996	\$320,271	\$707,695	\$755,149	\$47,454	6.7%

Other expenses include postage (\$232,488), training and conferences (\$137,860) and dues (\$67,970) costs. The Contra Account (6676) contains expenses transferred to other departments or capital projects.

Other Advertising (66609) increased due to projected spending on the upcoming "Value of Water Campaign". Postage costs decreased due to the increased enrollment in the Utility Bill Paperless program.

Operating Expense by Category (continued)

Purchased Power:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
66151 - POWER - LARGE ENERGY	\$842,344	\$428,666	\$856,939	\$740,690	(\$116,249)	-13.6%
66152 - POWER - LARGE T&D	407,968	223,697	435,110	452,115	17,005	3.9%
66153 - POWER - MEDIUM ENERGY	337,856	181,830	357,971	331,524	(26,447)	-7.4%
66154 - POWER - MEDIUM T&D	186,751	95,872	201,539	213,601	12,062	6.0%
66155 - POWER - SMALL ENERGY	48,864	27,498	47,966	47,913	(53)	-0.1%
66156 - POWER - SMALL T&D	49,800	32,396	60,292	58,451	(1,841)	-3.1%
66157 - FORWARD CAPACITY	334	183	480	-	(480)	-100.0%
66158 - LOAD RESPONSE	(1,972)	(1,141)	(7,044)	(15,000)	(7,956)	112.9%
	\$1,871,944	\$989,001	\$1,953,253	\$1,829,293	(\$123,959)	-6.3%

Electricity is purchased through Maine Power Option, an energy aggregation company. The District has contracts running through 11/01/16 for the purchase of electricity on our medium accounts, East End and India Street, through 05/14/14 for small accounts, and through 12/01/14 for the Ozone Plant.

Large Accounts (3):

Facility Name (Function)	Budget Rate Changes		2014 Budget
	T&D Rates	Energy Rates	Energy Rate
Ozone Plant (Water Treatment)	14.6%	-6.1%	5.80
East End (WW Treatment/Pumping)	1.6%	-11.2%	6.09
India Street (WW Pumping)	6.2%	-11.2%	6.09

Medium Accounts (20):

Energy Rates: 6.61 cents per kwh, down 8.2% from the 2013 Budget.
T&D Rates: 6.1% increase from the 2013 Budget.

Small Accounts (88):

Energy Rates: 6.67 cents per kwh, a 10.0% increase from the 2013 Budget.
T&D Rates: 6.1% increase from the 2012 Budget.

Usage assumptions are made taking into consideration historical averages for kwh usage with some weight given to changes in operational procedures and kwh demand goals. It is anticipated that the Ozone Plant will see a significant decrease in power usage resulting from changing the ozone production process.

Forward capacity charges are assessed by the New England ISO to provide financial incentives to construct additional electricity capacity in New England. The charges are either embedded in the base electricity rate or separately billed and is based on facility's electricity demand on peak day. Because the electricity demand can be managed by going off-line and using generators on the New England annual electricity peak day, the Ozone plant pays the fee separately and has a lower base electricity rate. Since the Ozone plant was able to go completely off-line on the peak day, it is anticipated the forward capacity charge will be zero in 2014.

Additionally, the Ozone Plant and East End Plants participate in a load response program that provides financial incentive to reduce power usage on days when the New England electricity market nears its peak.

Operating Expense by Category (continued)

Regulatory/Taxes:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
670821 - STANDISH REAL ESTATE TAX	\$53,053	\$27,666	\$50,060	\$55,700	\$5,640	11.3%
670822 - OTHER R/E TAX(NON-STANDI)	6,549	5,050	6,945	7,021	76	1.1%
670823 - PUC ASSESSMENT	53,637	52,457	55,000	80,000	25,000	45.5%
670824 - ME DRINKING WTR PROGRAM	61,793	30,898	61,796	61,796	-	0.0%
670825 - PUC PUBLIC ADVOCATE	11,689	8,250	16,500	16,500	-	0.0%
	\$186,720	\$124,321	\$190,301	\$221,017	\$30,716	16.1%

The District pays real estate taxes (670821) and personal property taxes (670822) to the Town of Standish for land and other property in the town. Annual assessments are also paid by the District to the Maine Public Utility Commission (PUC) and the Maine Drinking Water Program. The PUC fee is based on each utilities revenues and time spent on matters related to each industry sector. Because of PUC efforts in rewriting the Water Industry's Consumer Protection Standards, the PUC assessment was increased significantly.

Telephone/Other Utilities:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
66101 - WATER	\$159,543	\$67,272	\$152,448	\$155,936	\$3,488	2.3%
66102 - WASTEWATER	8,211	4,672	7,690	8,211	521	6.8%
66111 - TELEPHONE LINES	40,900	13,235	49,416	30,280	(19,136)	-38.7%
66112 - DATA LINES	66,070	38,258	61,367	77,461	16,094	26.2%
66113 - CELLULAR PHONES	37,038	16,831	45,793	39,455	(6,338)	-13.8%
66114 - PAGERS	2,546	2,536	2,335	2,314	(21)	-0.9%
	\$314,308	\$142,803	\$319,049	\$313,657	(\$5,392)	-1.7%

The budgets changes in the budget for communications (Telephone, Data and Cellular) were adjusted due to reclassification of costs to different accounts, changes in operational needs and actual costs incurred.

Transportation:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
66501 - TRANSPORTATION - INTERNAL	\$1,081,578	\$449,362	\$1,140,025	\$747,402	(\$392,623)	-34.4%
665019 - TRANS INTERNAL INACTIVE	-	-	-	434,028	434,028	n/a
66502 - TRANSPORTATION - EXTERNAL	61,975	69,039	47,622	59,382	11,760	24.7%
66503 - MILEAGE REIMBURSEMENT	19,663	9,575	23,220	24,124	904	3.9%
66504 - MTA TRANS-PASS TOLL FEES	135	23	-	-	-	n/a
	\$1,163,351	\$527,999	\$1,210,867	\$1,264,935	\$54,068	4.5%

Departments are assessed an hourly rate for each vehicle. Starting in 2014, a standard 40 hour week will be charged for most vehicles with the charge when the vehicle is in used charged to Transportation Internal (66501) and the balance to the Inactive (665019) account. The change allocates costs more fairly between department and funds.

Transportation External (66502) involves vehicles rented from outside vendors. Mileage Reimbursement (66503) is paid to employees who use their own vehicles when conducting District business.

Water Services

Hydrant Flushing



In an effort to improve the water quality in the distribution system, the District performs multi-directional flushing to remove any sediment that deposits on the bottom of these mains. This sediment can cause a reduction in the area's chlorine residual and increase customer's water quality inquiries. The program's resources had been stretched thin over the past few years, with the amount of the system flushed falling to 9% during 2009. A renewed emphasis was placed on the program with the goal of 33% was met in 2012 and 2013. The goal is to flush the entire distribution system in a 3 year cycle.

	2011 Actual	2012 Actual	2013 Projected	2014 Goal
% of Distribution System Flushed	30%	33%	33%	33%

PWD Flushing Program Overview

- ☐ Corporate Goal to Flush 1/3 of the system each year.
- ☐ Mains Less than 16" In Diameter
- ☐ Roughly 850 Miles of Main < 16" – Approximately 283 Miles Per Year
- ☐ Start Late April/Early May Weather Permitting – Two Crews Working 4-10 Hr. Days 8 PM- 6 AM Mon-Thur.
- ☐ Ended this Year in Late August – Sometimes Go Until October Depending on Productivity

Water Services – Purpose Statement

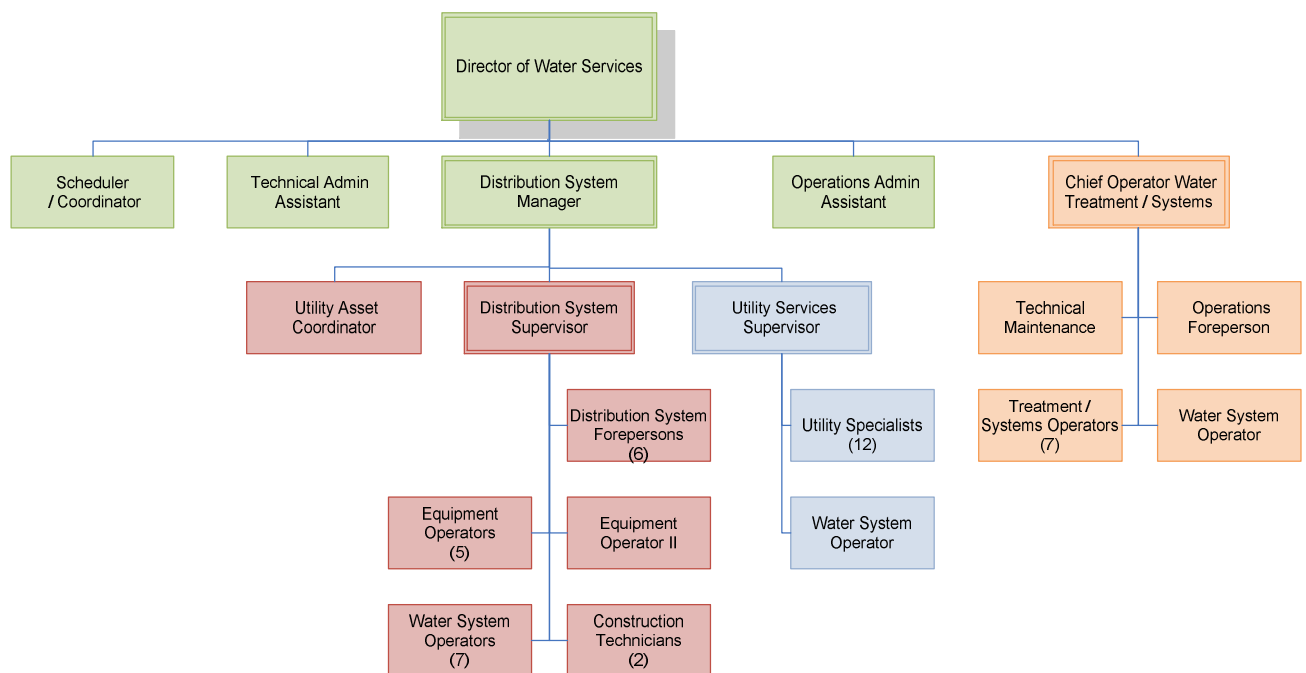
To operate and maintain water system infrastructure including the treatment, water storage and distribution systems.

Core Services

Water Operations is responsible for operating and maintaining the Sebago Lake and Steep Falls Well treatment and water distribution systems by providing the following services:

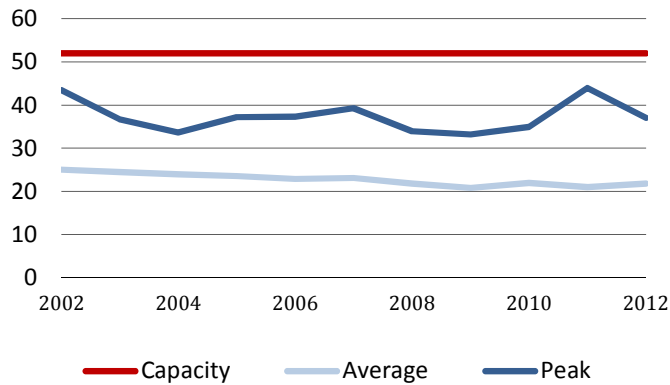
- Operation and maintenance of distribution system including emergency response, contractor inspection (Transmission/Distribution Group – A2; **red** in the organization chart).
- Operation and maintenance of the pumping, treatment, storage and chemical addition facilities (Treatment Group- A3; **orange** in organization chart).
- Field support services including customer meter and water quality inquiries, back-flow inspection, system flushing, hydrant inspection and contractor inspection (Utility Services Group – A6; **blue** in the organization chart).

Water Operations has a five-person group (Administration Group- A1; **green** in organization chart) that directs, oversees and provides administrative support.



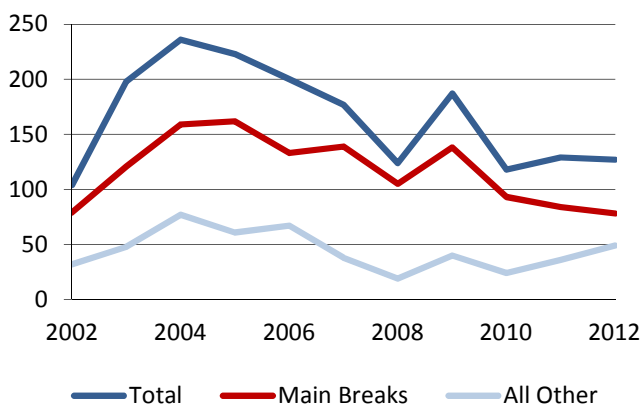
Key Statistics

Plant Production
(in millions of gallons a day)

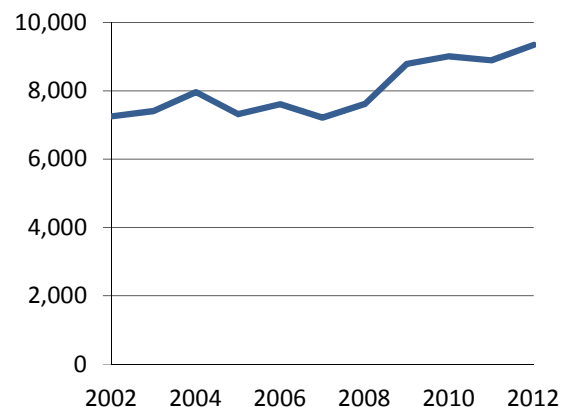


Water Supply	Surface – 99%
	Groundwater -1%
Water Treatment	Ozone, Chloramination, Corrosion Control, Fluoridation
Water Mains	1003.1 miles
Valves	11,270
Hydrants	4,954
Service Lines	56,389
Water Storage	11 (2 non-active)
Sites	
Booster Stations	5
Backflow Devices	4,487

Leaks Repaired



Digsafe Locates Performed Annually



- Plant Production reflects the long-term trend of declining water consumption.
- Leaks repaired each year vary by number/severity of leaks and is a significant budgetary variable.
- Digsafe locates includes marking of water and wastewater infrastructure for others who are working near our assets.

Performance Benchmarks

	2012 Actual	2013 Budget	2014 Budget
Corporate Goal – Public Health			
Compliance of Water Regulations	100%	100%	100%
Avg. Distribution Chlorine Residual	1.1 mg/l	1.0 mg/l	1.0 mg/l
Avg. Distribution pH	7.4 SU	7.5 SU	7.5 SU
Corporate Goal – Public Safety			
Meeting with Municipal Fire Chiefs	2	2	2
Corporate Goal – Reliability			
Water Outage Index	10.4	10	< 20
Fire Service Outage Index	2.6 days	3 days	3 days
Leaks per 100 miles of main	7.8	<25	<25
Transmission valves exercised	456	264	418
Distribution valves exercised	141	150	150
Customer Appointments On-time	99.8%	99.8%	99.8%
Corporate Goal – Affordability			
Water Facility Maintenance Ratio	89% / 11%	75% / 25%	75% / 25%
Water Production million gallons	7942	7,758	7,878
Department Cost / million gal	\$900	\$956	\$978
Treatment Cost / million gal	\$262	\$283	\$295
Unaccounted for Water %	11.8%	< 10%	< 10%
Corporate Goal – Employees and Work Environment			
Employee Training Hours	95	80	80

Past Accomplishments

Water Field

- Completed our sixth-year of the Water System Operator apprentice program to expose new employees to all water departments. To date, seven of the program's participants have been promoted into higher skilled positions, with one of them recently moving into a foreperson position and another joining the non-union staff
- Contracted out nearly 100% of paving preparation work, thus eliminating one of the more physically demanding and potentially injury causing tasks
- Continued management of the Transmission Main Right-of-Way (ROW) Maintenance Program; in the past 3 years our contractor has cleared approximately 7.6 miles of ROW and mowed selected areas that were cleared in 2010 & 2011, respectively
- Successfully piloted the use of hot mix asphalt for winter pavement restorations in the City of Portland
- Participated in the AWWA Partnership for Safe Water for Distribution Systems. Our participation involves reporting of data for disinfectant residual, system pressure, and main breaks to the Partnership for comparison with other utilities nationwide

Water Plant

- Continued compliance with all Surface Water Treatment Rules
- Successfully completed the annual Maine Drinking Water Program Audit of PWD Treatment Facilities for the 19th straight year
- Managing the ratio of Preventative to Corrective work at the Treatment Facility; preventative maintenance continues to be above 85% of the total maintenance hours, while corrective maintenance is less than 15% of the hours
- Recipient of Water Fluoridation Quality Awards for Greater Portland and Steep Falls systems for 2009, 2010, 2011, and 2012
- Improved the water quality in the distribution system by closely managing chemical dosages , thus raising the yearly average chlorine residual to 1.1 mg/l and maintaining a median pH of 7.4
- Supported MWUA Education & Operation, as well as the Water Use Efficiency Committees through participation in regular meetings and by delivering presentations at training sessions across the state

Projects and Initiatives

Corporate Goal – Public Health

- Corporate Initiative
 - Work with the contractors to facilitate the start-up of new ultraviolet and ozone systems to meet new regulations for treatment
 - Expand the Cross Connection Control Program to require the installation of backflow protection devices during new construction of residential buildings
- Departmental Initiatives
 - Monitor for Unintended Impacts of New Treatment Processes

Corporate Goal – Public Safety

- Departmental Initiative
 - Complete the 3rd year of the revised Public Hydrant Inspection Program; perform new inspection procedures on 100% of the hydrants during 2014

Corporate Goal – Reliability

- Corporate Initiative
 - Reorganize Water Field staffing and priorities to support the increase in water main renewal
- Departmental Initiatives
 - Continue to Right-of-way Maintenance Program; clear another couple miles of ROW and perform mowing to keep previously cleared areas open; make plans to repair significant deficiencies when discovered
 - Complete rehabilitation of SLWTF throttling-valves and upgrade of the valve operators
 - Prioritize and replace 1-2 transmission valves
 - Continue efforts to understand the impact of hot soils in areas where there are leaks on ductile iron mains

Projects and Initiatives (continued):

Corporate Goal – Affordability

- Corporate Initiative
 - O&M Water fund expenses increase no more than 3.5%
- Departmental Initiatives
 - Investigate Options for Periods of Unattended Operation at the SLWTF
 - Evaluate recent history of meter changes and eliminate any unnecessary effort

Corporate Goal – Employees and Work Environment

- Corporate Initiatives
 - Maintain an average of 80 hours of training per employee
 - Active staff participation in the Executive Safety Committee
 - Active Confined Space Team holds 5 training exercises
- Departmental Initiatives
 - Staff participation in monthly JETCC-MWUA Management training program during 2013-2014 session
 - Continue Water System Operator development program to promote cross-training and assignment of employees across departmental lines to meet work level demands
 - Support of MWUA Education and Operation Committee and assist with the delivery of industry training sessions

2011-2012 JETCC Management Training Program Participants



Financial Overview

The Water Services Budget for 2014 has increased by 3.9% or \$287,810. The Chemicals and Contracted Services budgets account for 85% of the increases, while reductions in Materials and Power reduced these increases by \$134,625. Higher expenses for Wages and Fuel Oil amount to 10% of the increases.

The A1- Water Administration area increased 2.9%, with labor and benefits accounting for 88% of the \$12,779 increase.

At \$177,508, A2 – Water Transmission & Distribution is increasing by 5.3%. The most significant changes to the 2014 budget are in Contracted Services (\$227,325) and Transportation (\$42,478). The Contracted Services increase is related in part to an increase in municipal paving projects where the District needs to adjust our infrastructure prior to paving. This work involves breaking out valve boxes in the street which is a backbreaking task prone to causing injuries. In addition, a smaller portion of the Contracted Services increase is related to the anticipation of higher costs for asphalt. Additionally, A2 will be exploring the use of a newer style of trench box in 2014 which will generate an additional expense in the coming year.

The A3 - Water Treatment area has an overall increase of 5.7% or \$125,718. The most significant increase to this year's budget is the addition of liquid oxygen to supply the new ozone generators. This \$143,884 expense is partially off-set by a reduction in power that was used to dry the inlet air that fed the old ozone generators. The new UV system will use some of that power, however with lower power costs locked in, the total power costs will decrease by \$68,511. The next most significant increase is in Contracted Services \$45,318, mainly for snow removal at the water facilities. Finally an increase in Heat/Fuel Oil \$16,067 will adequately budget for our three-year average, and heat the new UV area.

Finally, the A6 – Water Utility Services area has a decrease of 2.0% or \$28,195. Labor is increasing by 3.2% due in part to the addition of a Utility Specialist position and a slight decrease in overtime expenses over the past three years. Transportation is decreasing by 16.6% due primarily to a change in budgeting for all PWD rolling fleet.

New Liquid Oxygen Storage Area under Construction



Water Services: Total**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Sub-Groups:						
A1 - Water Administration	\$435,288	\$220,602	\$445,053	\$457,832	\$12,779	2.9%
A2 - Transmission/Distribution	3,404,982	1,526,494	3,342,431	3,519,940	177,508	5.3%
A3 - Water Treatment	2,079,273	1,078,989	2,196,911	2,322,629	125,718	5.7%
A6 - Utility Services	1,231,314	682,904	1,431,993	1,403,798	(28,195)	-2.0%
Grand Total	7,150,857	3,508,989	7,416,388	7,704,198	287,810	3.9%
Expense Types:						
Salaries/Wages	2,703,766	1,332,622	2,823,304	2,849,808	26,504	0.9%
Employee Benefits	1,157,791	596,517	1,283,622	1,286,165	2,543	0.2%
Chemicals	338,802	154,899	410,572	520,884	110,312	26.9%
Contracted Svcs	1,061,773	395,583	948,761	1,204,604	255,843	27.0%
Deferred Cost W/O	4,780	-	-	-	-	n/a
Heat/Fuel Oil	134,627	87,257	120,425	136,446	16,021	13.3%
Insurance	20,027	9,926	24,403	32,664	8,261	33.9%
Materials/Supplies	517,298	330,624	540,004	473,890	(66,114)	-12.2%
Other Expense	10,143	6,717	23,682	33,121	9,439	39.9%
Purchased Power	440,823	223,878	467,713	399,202	(68,511)	-14.6%
Tele/Oth Utilities	45,419	19,216	52,500	43,145	(9,355)	-17.8%
Transportation	715,609	351,750	721,401	724,267	2,866	0.4%
Grand Total	7,150,857	3,508,989	7,416,388	7,704,198	287,810	3.9%
Staffing Trend:						
Full-Time	53	53	53	53	0	0.0%

	2012 Budget	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Salaries/Wages						
660111 - SALARIES/WAGES NON-UNION	\$414,233	\$220,694	\$451,647	\$459,555	\$7,908	1.8%
660121 - WAGES/REGULAR UNION	1,840,081	904,759	1,937,218	1,916,668	(20,550)	-1.1%
660122 - WAGES/OVERTIME UNION	245,412	116,525	231,757	238,061	6,305	2.7%
660123 - WAGES/DOUBLETIME UNION	22,251	13,541	19,143	22,790	3,647	19.1%
660124 - WAGES/STANDBY TIME UNION	92,379	48,725	85,753	86,933	1,181	1.4%
660131 - WAGES - REGULAR - TEMPS	39,074	10,468	56,169	40,092	(16,077)	-28.6%
660132 - WAGES - OVERTIME- TEMPS	2,871	78	3,761	-	(3,761)	-100.0%
660133 - WAGES - DOUBLETIME - TEMP	207	-	-	-	-	n/a
66014 - VACATION ACCRUAL	(2,644)	-	-	-	-	n/a
66015 - SICKTIME ACCRUAL	15,101	-	-	-	-	n/a
66351 - CONTRACTED TEMPORARIES	34,801	17,832	37,858	85,709	47,851	126.4%
Salaries/Wages Total	2,703,766	1,332,622	2,823,304	2,849,808	26,504	0.9%
Employee Benefits						
660401 - FICA - EMPLOYERS' SHARE	197,778	97,425	213,087	211,454	(1,633)	-0.8%
660405 - SAFETY/WHY PROGRAM ITEMS	10,012	2,658	10,710	10,616	(94)	-0.9%
660411 - MEALS ALLOWANCE	5,472	3,112	6,919	1,468	(5,451)	-78.8%
660413 - PWD TRAINING PROGRAM	598	110	-	-	-	n/a
660418 - STIPENDS	4,600	4,400	7,300	4,733	(2,567)	-35.2%
660419 - EMPLOYEE BENEFITS-MISC OTH	200	108	-	-	-	n/a
660491 - FRINGE BENEFITS-REG/SAL	939,131	488,704	1,045,606	1,057,895	12,288	1.2%
Employee Benefits Total	1,157,791	596,517	1,283,622	1,286,165	2,543	0.2%
Chemicals						
66181 - AMMONIA	26,385	14,572	29,032	27,360	(1,672)	-5.8%
66182 - CAUSTIC SODA	71,930	31,326	100,744	88,771	(11,973)	-11.9%
66183 - FLUORINE COMPOUND	72,598	33,283	70,931	69,018	(1,913)	-2.7%
66184 - ZINC ORTHOPHOSPHATE	72,279	33,911	88,079	79,541	(8,538)	-9.7%
66185 - SODIUM HYPOCHLORITE	95,610	41,583	121,786	112,310	(9,476)	-7.8%
661892 - LIQUID OXYGEN (LOX)	-	-	-	143,884	143,884	n/a
661899 - OTHER CHEMICALS	-	225	-	-	-	n/a
Chemicals Total	338,802	154,899	410,572	520,884	110,312	26.9%
Contracted Svcs						
6631 - ENGINEERING SERVICES	-	-	5,000	-	(5,000)	-100.0%
66352 - CONSTRUCTION SERVICES	-	-	3,829	679	(3,150)	-82.3%
663521 - TRAFFIC CONTROL	51,314	26,712	49,678	48,701	(977)	-2.0%
6635221 - PAVING - MINOR REPAIR	355,890	128,998	344,794	350,692	5,898	1.7%
663523 - SIDEWALK	14,754	6,622	15,519	10,055	(5,464)	-35.2%
663524 - STREET OPENING	46,501	42,476	47,531	41,803	(5,728)	-12.1%
663525 - CONTRACTOR CONSTRUCTION	383,596	107,985	227,895	468,163	240,268	105.4%
663526 - INSPECTION SERVICES	1,035	-	-	-	-	n/a
663527 - EMERGENCY RESPONSE- FEMA	9,400	-	300	-	(300)	-100.0%
66353 - REPAIR SERVICES	1,621	7,231	2,048	1,865	(183)	-8.9%
66354 - MAINTENANCE SERVICES	151,693	49,114	132,868	131,030	(1,838)	-1.4%
663541 - MAINT SERV - ARC FLASH	260	-	-	-	-	n/a
663542 - LARGE METER TESTING	2,450	1,713	45,000	38,000	(7,000)	-15.6%
663546 - MAINTENANCE - SNOW REMOVL	-	-	-	49,593	49,593	n/a
663561 - COMPUTER LICENSES	13,014	14,962	16,507	15,949	(558)	-3.4%
663574 - DISPOSAL SERVICES	4,869	1,006	4,496	7,696	3,200	71.2%
6635801 - EMPLOYEE HEALTH SERVICES	395	-	-	-	-	n/a
663587 - COURIER SERVICES	2,196	1,130	3,314	2,196	(1,118)	-33.7%
663588 - EQUIPMENT MAINTENANCE	7,543	1,955	25,982	23,182	(2,800)	-10.8%
663594 - DIGSAFE	5,750	1,500	5,000	-	(5,000)	-100.0%
6635982 - TREE TRIMMING / REMOVAL	-	-	7,000	7,000	-	0.0%
663599 - MISC OTHER SERVICES	9,492	4,179	12,000	8,000	(4,000)	-33.3%
Contracted Svcs Total	1,061,773	395,583	948,761	1,204,604	255,843	27.0%

	2012 Budget	2013 Jan- Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Deferred Cost W/O						
66754 - DEFERRED COSTS WRITE OFF	\$4,780	\$0	\$0	\$0	\$0	n/a
Deferred Cost W/O Total	4,780	-	-	-	-	n/a
Heat/Fuel Oil						
66161 - HEATING OIL	117,337	77,455	108,968	121,840	12,872	11.8%
661622 - CONTAINER DELIVERED	17,290	9,802	11,457	14,606	3,149	27.5%
Heat/Fuel Oil Total	134,627	87,257	120,425	136,446	16,021	13.3%
Insurance						
66591 - DAMAGES AND CLAIMS	473	-	2,976	958	(2,018)	-67.8%
66592 - DAMAGES & CLAIMS-GOODWILL			1,000		(1,000)	-100.0%
66599 - PROPERTY & BOILER INSUR	19,554	9,926	20,427	31,706	11,279	55.2%
Insurance Total	20,027	9,926	24,403	32,664	8,261	33.9%
Materials/Supplies						
6619 - ASSET PURCHASES	23,566	36,978	23,663	19,796	(3,867)	-16.3%
662012 - CRUSHED GRAVEL	777	63	775	845	70	9.0%
662014 - CRUSHED STONE	229	-	-	-	-	n/a
662015 - LOAM	37	126	-	-	-	n/a
662016 - SAND	444	66	-	-	-	n/a
662017 - SAND AND SALT	3,412	2,869	6,924	4,787	(2,137)	-30.9%
662018 - BANKRUN GRAVEL	132	-	-	-	-	n/a
66202 - TOOLS	13,217	13,968	23,086	23,165	79	0.3%
66203 - VENDOR PURCHASED SUPPLIES	48,515	23,802	64,934	58,180	(6,754)	-10.4%
662041 - MATERIALS INVENTORY	158,960	82,095	165,379	148,853	(16,526)	-10.0%
662042 - SUPPLIES INVENTORY	28,961	9,364	28,147	19,050	(9,097)	-32.3%
66204201 - INVENTORY - QPR	10,342	8,967	16,766	18,435	1,669	10.0%
66204202 - INVENTORY - BNKRUN GRAVEL	3,339	1,763	8,419	7,137	(1,282)	-15.2%
66204203 - INVENTORY - CRUSHD GRAVEL	33,031	11,919	31,769	28,055	(3,714)	-11.7%
66204204 - INVENTORY - CRUSHED STONE	1,519	168	705	538	(167)	-23.7%
66204205 - INVENTORY - LOAM	2,650	263	2,339	2,076	(263)	-11.2%
662043 - TOOL INVENTORY	45,136	26,542	50,434	45,047	(5,387)	-10.7%
66204301 - INVENTORY - TONER	2,560	558	2,228	1,589	(639)	-28.7%
66204302 - INVENTORY - PAPER	85	85	-	-	-	n/a
66204303 - INVENTORY-COMPUTER EQUIP	2,193	1,635	1,092	396	(696)	-63.7%
662044 - METER INVENTORY	57,814	60,581	27,297	1,217	(26,080)	-95.5%
662045 - TRUCK INVENTORY	(912)	-	-	-	-	n/a
662046 - HYDRANT INVENTORY	57,472	44,286	26,995	47,060	20,065	74.3%
662047 - GARAGE INVENTORY	2,753	1,551	3,045	2,433	(612)	-20.1%
66205 - CONSUMABLE SUPPLIES	18,135	1,970	29,846	19,450	(10,396)	-34.8%
663564 - COMPUTER-RELATED EQUIP	2,930	1,003	26,161	25,781	(380)	-1.5%
Materials/Supplies Total	517,298	330,624	540,004	473,890	(66,114)	-12.2%

	2012 Budget	2013 Jan- Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Other Expense						
6641 - BUILDING/REAL PROP RENT	\$5,600	\$0	\$5,600	\$5,600	\$0	0.0%
6642 - EQUIPMENT RENT	2,938	-	4,843	3,899	(944)	-19.5%
66751 - EMPLOYEE DEVELOPMENT	-	300	-	-	-	n/a
6675111 - INSTATE TRAINING	14,148	14,170	17,178	18,940	1,762	10.3%
6675112 - OUT OF STATE TRAINING	65	-	1,320	-	(1,320)	-100.0%
6675121 - IN STATE CONFERENCES	-	-	1,000	1,000	-	0.0%
6675122 - OUT-OF-STATE CONFERENCES	1,175	48	-	-	-	n/a
667513 - DUES	994	714	3,510	3,510	-	0.0%
667514 - PROFESSIONAL LICENSES	3,623	790	4,453	4,116	(337)	-7.6%
667515 - PERIODICAL SUBSCRIPTIONS	-	-	200	-	(200)	-100.0%
667516 - PERMITS	771	640	680	680	-	0.0%
667521 - POSTAGE - THIRD PARTY	211	8	200	3,276	3,076	1538.0%
667522 - POSTAGE - INTERNAL	1,973	1,058	100	-	(100)	-100.0%
667523 - POSTAGE - EXPRESS DELIVER	168	176	400	200	(200)	-50.0%
667531 - PRINTING COSTS	-	302	-	8,487	8,487	n/a
667552 - SAFETY TRAINING	629	-	-	385	385	n/a
667554 - EPA / OSHA COMPLIANCE	400	-	3,178	3,408	230	7.2%
667555 - SAFETY EXPENSES	585	145	4,500	4,500	-	0.0%
667592 - FOOD SUPPLIES	268	132	520	320	(200)	-38.5%
667599 - OTHER MISCELLANEOUS	1,794	834	1,200	-	(1,200)	-100.0%
6676 - CONTRA ACCOUNT	(25,200)	(12,600)	(25,200)	(25,200)	-	0.0%
Other Expense Total	10,143	6,717	23,682	33,121	9,439	39.9%
Purchased Power						
66151 - POWER - LARGE ENERGY	265,676	130,429	287,877	224,818	(63,059)	-21.9%
66152 - POWER - LARGE T&D	89,963	46,244	101,237	95,694	(5,543)	-5.5%
66153 - POWER - MEDIUM ENERGY	38,667	19,954	38,117	35,422	(2,695)	-7.1%
66154 - POWER - MEDIUM T&D	22,365	11,378	20,563	24,419	3,856	18.8%
66155 - POWER - SMALL ENERGY	12,904	7,627	11,335	11,749	415	3.7%
66156 - POWER - SMALL T&D	12,905	9,048	15,148	15,100	(48)	-0.3%
66157 - FORWARD CAPACITY	315	162	480	-	(480)	-100.0%
66158 - LOAD RESPONSE	(1,972)	(963)	(7,044)	(8,000)	(956)	13.6%
Purchased Power Total	440,823	223,878	467,713	399,202	(68,511)	-14.6%
Tele/Oth Utilities						
66101 - WATER	4,435	1,662	3,030	2,601	(429)	-14.2%
66102 - WASTEWATER	8,211	4,672	7,690	8,211	521	6.8%
66111 - TELEPHONE LINES	1,835	900	1,836	1,836	-	0.0%
66112 - DATA LINES	18,328	5,746	20,343	17,231	(3,112)	-15.3%
66113 - CELLULAR PHONES	11,480	5,101	18,496	12,086	(6,410)	-34.7%
66114 - PAGERS	1,131	1,136	1,105	1,180	75	6.8%
Tele/Oth Utilities Total	45,419	19,216	52,500	43,145	(9,355)	-17.8%
Transportation						
66501 - TRANSPORTATION - INTERNAL	664,715	286,860	687,653	406,013	(281,640)	-41.0%
665019 - TRANS INTERNAL INACTIVE	-	-	-	273,879	273,879	n/a
66502 - TRANSPORTATION - EXTERNAL	47,631	63,190	31,198	41,761	10,563	33.9%
66503 - MILEAGE REIMBURSEMENT	3,259	1,685	2,550	2,615	65	2.5%
66504 - MTA TRANS-PASS TOLL FEES	4	15	-	-	-	n/a
Transportation Total	715,609	351,750	721,401	724,267	2,866	0.4%
Grand Total	7,150,857	3,508,989	7,416,388	7,537,279	120,891	1.6%

Water Services: Water Administration (A1)**Financial Summary:**

	2012 Budget	2013 Jan- Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$277,809	\$143,035	\$286,478	\$292,648	\$6,170	2.2%
Employee Benefits	136,497	73,375	147,604	152,678	5,074	3.4%
Contracted Svcs	9,545	145	-	-	-	n/a
Materials/Supplies	3,409	879	1,360	1,916	556	40.9%
Other Expense	5,649	2,247	6,430	6,785	355	5.5%
Tele/Oth Utilities	1,218	730	1,920	2,556	636	33.1%
Transportation	1,160	193	1,260	1,249	(11)	-0.9%
Grand Total	435,288	220,602	445,053	457,832	12,779	2.9%
Programs:						
98 - TRAINING	24,839	15,078	18,788	19,593	805	4.3%
99 - ADMINISTRATION	410,449	205,524	426,265	438,239	11,974	2.8%
Grand Total	435,288	220,602	445,053	457,832	12,779	2.9%
Funds:						
10 - General/Alloc	105,018	38,536	69,875	71,771	1,896	2.7%
20 - Water	330,270	182,065	373,588	384,356	10,768	2.9%
50 - WW Gen	-	-	1,589	1,704	115	7.2%
Grand Total	435,288	220,602	445,053	457,832	12,779	2.9%
Staffing Trend:						
Full-Time	5	5	5	5	0	0.0%

Water Services: Water Transmission/Distribution (A2)**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$1,165,083	\$548,902	\$1,208,825	\$1,189,390	-\$19,435	-1.6%
Employee Benefits	485,978	232,916	523,930	497,256	(26,673)	-5.1%
Contracted Svcs	916,920	315,965	744,006	971,331	227,325	30.6%
Insurance	130	-	2,476	958	(1,518)	-61.3%
Materials/Supplies	316,455	170,688	351,399	314,739	(36,660)	-10.4%
Other Expense	16,493	7,814	16,166	15,866	(300)	-1.6%
Tele/Oth Utilities	12,553	4,706	13,260	5,551	(7,709)	-58.1%
Transportation	491,369	245,504	482,370	524,848	42,478	8.8%
Grand Total	3,404,982	1,526,494	3,342,431	3,519,940	177,508	5.3%
Programs:						
01 - Seasonal Water Supply	104,469	38,269	71,515	83,884	12,369	17.3%
02 - Meter Reading	31,762	8,102	49,533	43,723	(5,810)	-11.7%
04 - Contractor Rel Projects	165,305	8,564	327,543	418,147	90,605	27.7%
10 - General Distribution	242,556	96,917	248,807	260,182	11,375	4.6%
11 - Distribution Valve Maintenance	1,339,550	628,864	1,085,398	1,084,674	(724)	-0.1%
12 - Paving Box Work	567,204	271,404	743,960	573,942	(170,018)	-22.9%
15 - Digsafe Locates	4,920	-	496	196	(300)	-60.5%
17 - Hydrant Repair	265,541	146,805	193,710	226,357	32,647	16.9%
20 - Meter Repair/Testing	137	611	6,123	-	(6,123)	-100.0%
34 - Distribution Maintenance	1,403	17	-	-	-	n/a
44 - WW Pumping	2,933	2,471	-	178	178	n/a
45 - WW Treatment	1,203	652	-	725	725	n/a
90 - Vehicles	34,738	13,401	39,899	30,739	(9,160)	-23.0%
91 - Snow Removal	15,457	26,716	44,363	26,166	(18,197)	-41.0%
92 - Bulk Materials Adjustment	15,611	(499)	-	2,583	2,583	n/a
98 - Training	69,600	54,288	73,171	70,539	(2,632)	-3.6%
99 - Administration	542,592	229,913	457,913	697,905	239,992	52.4%
Grand Total	3,404,982	1,526,494	3,342,431	3,519,940	177,508	5.3%
Funds:						
10 - General/Alloc	467,903	217,971	365,152	638,283	273,131	74.8%
20 - Water	2,925,884	1,305,130	2,977,279	2,880,381	(96,898)	-3.3%
30 - Water	2,875	455	-	185	185	n/a
51 - WW Cape Elizabeth	-	2,170	-	-	-	n/a
53 - WW Cumberland	2,933	-	-	178	178	n/a
57 - WW Portland	1,203	768	-	725	725	n/a
66 - WW Peaks Island	4,184	-	-	188	188	n/a
Grand Total	3,404,982	1,526,494	3,342,431	3,519,940	177,508	5.3%
Staffing Trend:						
Full-Time	24	24	24	23	-1	-4.2%

Water Services: Water Treatment (A3)**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$621,256	\$307,598	\$610,143	\$627,250	\$17,107	2.8%
Employee Benefits	271,680	141,510	282,759	293,777	11,018	3.9%
Chemicals	338,802	154,899	410,572	520,884	110,312	26.9%
Contracted Srvs	116,923	73,393	134,273	179,591	45,318	33.8%
Deferred Cost W/O	4,780	-	-	-	-	n/a
Heat/Fuel Oil	134,627	87,257	120,389	136,446	16,057	13.3%
Insurance	19,554	9,926	20,427	31,706	11,279	55.2%
Materials/Supplies	77,684	57,060	87,645	82,085	(5,560)	-6.3%
Other Expense	(17,672)	(8,239)	(6,078)	(8,868)	(2,790)	45.9%
Purchased Power	440,123	223,878	467,713	399,202	(68,511)	-14.6%
Tele/Oth Utilities	19,001	9,197	21,307	22,053	746	3.5%
Transportation	52,514	22,510	47,761	38,502	(9,259)	-19.4%
Grand Total	2,079,273	1,078,989	2,196,911	2,322,629	125,718	5.7%
Programs:						
01 - SEASONAL WATER SUPPLY	-	3	-	-	-	n/a
06 - WATER TREATMENT	1,409,818	749,577	1,600,199	1,653,813	53,614	3.4%
18 - LAKE SYSTEM MAINTENANCE	110,519	57,220	112,063	109,861	(2,201)	-2.0%
24 - OPERATIONS	288,674	140,386	242,807	302,504	59,697	24.6%
25 - WATER STORAGE	14,167	7,253	18,010	15,011	(2,999)	-16.6%
28 - MONITORING	459	-	-	-	-	n/a
34 - DISTRIBUTION MAINTENANCE	35,114	16,992	33,881	33,263	(618)	-1.8%
98 - TRAINING	51,194	23,450	37,538	40,945	3,407	9.1%
99 - ADMINISTRATION	169,330	84,109	152,414	167,231	14,818	9.7%
Grand Total	2,079,273	1,078,989	2,196,911	2,322,629	125,718	5.7%
Funds:						
10 - General/Alloc	184,963	90,598	149,404	172,314	22,910	15.3%
20 - Water	1,859,935	968,484	2,003,747	2,101,932	98,184	4.9%
30 - Water	34,376	19,906	43,759	48,383	4,624	10.6%
Grand Total	2,079,273	1,078,989	2,196,911	2,322,629	125,718	5.7%
Staffing Trend:						
Full-Time	11	11	11	11	0	0.0%

Water Services: Water Utility Services (A6)**Financial Summary:**

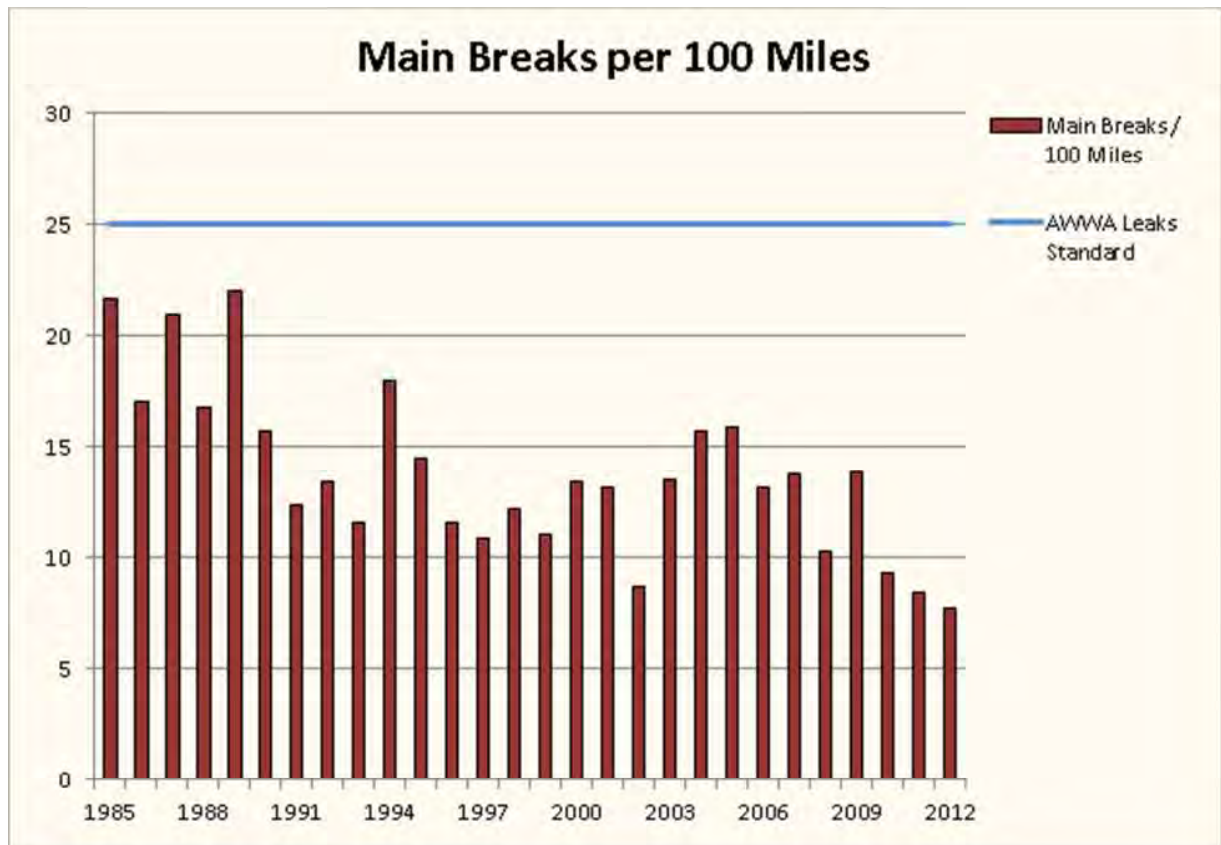
	2012 Actual	2013 Jan- Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Salaries/Wages	\$639,618	\$333,087	\$717,859	\$740,521	\$22,662	3.2%
Employee Benefits	263,635	148,717	329,328	342,454	13,125	4.0%
Contracted Svcs	18,384	6,080	70,482	53,682	(16,800)	-23.8%
Insurance	343	-	1,500	-	(1,500)	-100.0%
Materials/Supplies	119,750	101,997	99,600	75,150	(24,450)	-24.5%
Other Expense	6,372	4,896	7,200	19,338	12,138	168.6%
Tele/Oth Utilities	12,646	4,584	16,013	12,985	(3,028)	-18.9%
Transportation	170,565	83,543	190,011	159,668	(30,342)	-16.0%
Grand Total	1,231,314	682,904	1,431,993	1,403,798	(28,195)	-2.0%
01 - SEASONAL WATER SUPPLY	33,412	21,830	44,111	34,268	(9,843)	-22.3%
02 - METER READING	82,494	42,210	62,262	57,947	(4,314)	-6.9%
03 - LEAK SURVEYS	-	-	2,000	1,000	(1,000)	-50.0%
04 - CONTRACTOR REL PROJ	419	416	5,023	4,398	(624)	-12.4%
07 - GENERAL INVESTIGATION	217,956	122,473	259,713	195,531	(64,182)	-24.7%
10 - GENERAL DISTRIBUTION	36,997	12,501	44,784	77,110	32,326	72.2%
11 - DISTRIB VALVE MAINTENANCE	3,244	217	6,664	-	(6,664)	-100.0%
12 - PAVING BOX WORK	554	-	6,821	-	(6,821)	-100.0%
14 - DISTRIBUTION FLUSHING	112,010	43,847	102,707	124,737	22,029	21.4%
15 - DIGSAFE LOCATES	206,182	107,483	227,216	236,707	9,491	4.2%
16 - CROSS CONNECTION	10,574	6,153	-	34,875	34,875	n/a
17 - HYDRANT REPAIR	758	5,281	167,614	119,862	(47,752)	-28.5%
18 - LAKE SYSTEM MAINTENANCE	213	-	-	710	710	n/a
19 - WINTER HYDRANT PUMP	97,696	41,053	-	12,780	12,780	n/a
20 - METER REPAIR/TESTING	109,795	92,551	99,332	71,436	(27,897)	-28.1%
21 - LARGE METER TESTING	12,434	4,783	56,265	50,496	(5,769)	-10.3%
22 - METER LONG SERVICE	1,714	1,476	15,173	11,061	(4,112)	-27.1%
25 - WATER STORAGE	-	-	1,243	-	(1,243)	-100.0%
26 - SUBMETERS	1,394	733	-	811	811	n/a
31 - VEHICLE CLEANING	2,038	665	-	-	-	n/a
34 - DISTRIBUTION MAINTENANCE	-	120	1,243	-	(1,243)	-100.0%
76 - COLLECTION	12,761	7,328	48,250	11,331	(36,918)	-76.5%
90 - VEHICLES	285	169	13,267	4,398	(8,869)	-66.8%
94 - TECHNOLOGY TEAMS	5,386	1,515	-	1,623	1,623	n/a
98 - TRAINING	33,510	42,005	41,918	54,406	12,488	29.8%
99 - ADMINISTRATION	249,489	128,095	226,387	298,310	71,923	31.8%
Grand Total	1,231,314	682,904	1,431,993	1,403,798	(28,195)	-2.0%
10 - General/Alloc	402,498	259,238	449,018	391,376	(57,641)	-12.8%
20 - Water	819,557	422,001	969,019	991,903	22,884	2.4%
30 - Water	2,330	932	-	4,617	4,617	n/a
50 - WW Gen	-	-	709	-	(709)	-100.0%
51 - WW Cape Elizabeth	50	17	1,364	3,670	2,305	168.9%
53 - WW Cumberland	2,915	-	5,363	3,670	(1,694)	-31.6%
55 - WW Windham LF	294	-	1,177	4,389	3,213	273.1%
57 - WW Portland	966	666	-	152	152	n/a
59 - WW So Portland	83	17	-	254	254	n/a
61 - WW Gorham Village	2,476	33	5,344	3,616	(1,728)	-32.3%
62 - WW Westbrook	144	-	-	152	152	n/a
Grand Total	1,231,314	682,904	1,431,993	1,403,798	(28,195)	-2.0%
Staffing Trend:						
Full-Time	13	13	13	14	1	7.7%

Water Services

A key determinate of Water Services budget is the number of water main breaks. Main breaks occur for a number of reasons, including age, pressure surges, and cold weather. The long-term trend indicates a declining number of leaks partially due to the capital investments made in prior year's targeting replacements of aging pipes.

A report in the American Water Works Association Journal states that a reasonable goal for main breaks in North America is 25 breaks per 100 miles of main per year.

The operating budget assumes the typical number of main breaks in a year. As the chart indicates, some years are significantly higher than average resulting in significantly higher expenses.



Wastewater Services – Purpose Statement

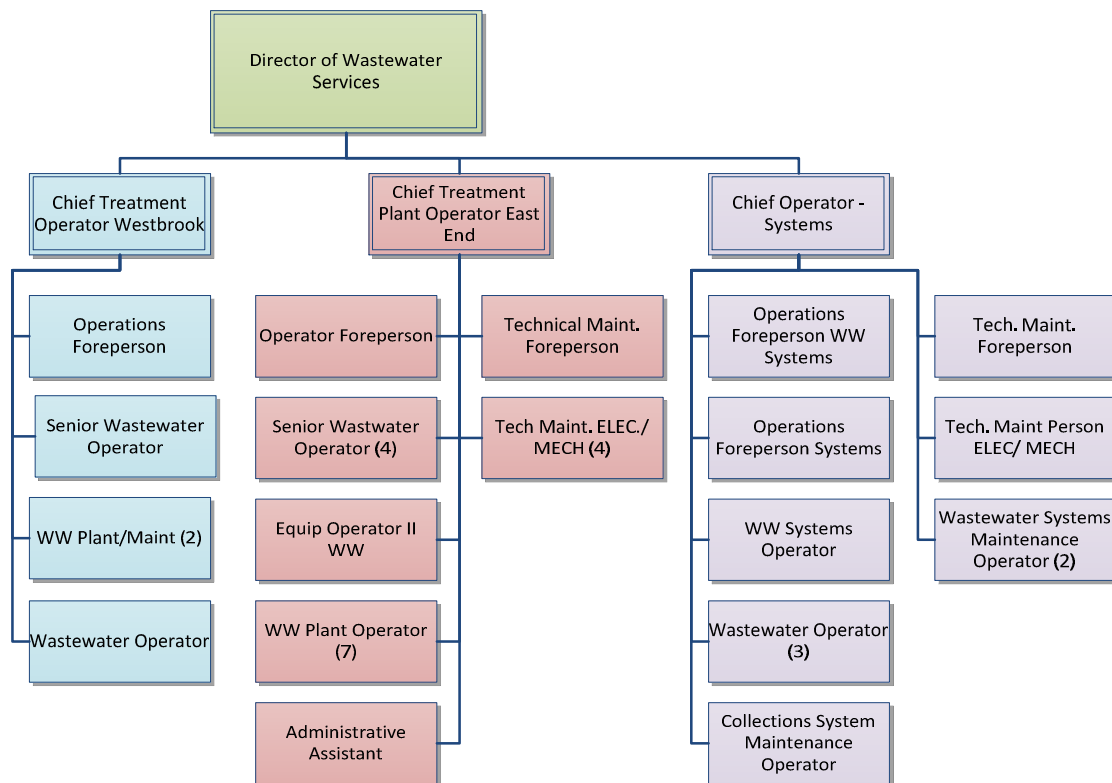
To provide effective high quality customer-oriented wastewater collection and treatment services in an efficient and responsive manner meeting all federal and state of Maine discharge standards while protecting the surface and receiving waters of Casco Bay.

Core Services

The Portland Water District's Wastewater Services Group is responsible for portions of the wastewater infrastructure in Cape Elizabeth, Cumberland, Gorham, Portland (including Peaks Island), Westbrook and Windham. Services provided include:

Administration for the Wastewater Services Group is comprised of the Director of Wastewater Services who oversees and provides administrative support to the operational units (Wastewater Administration – B1; **green** in organization chart). Operation and maintenance staff of 19 are responsible for the East End Treatment Plant in Portland and maintenance at all treatment plants (Portland Group – B3; **red** in organization chart). Operations staff of 6 is responsible for the treatment facility in Westbrook serving Gorham, Westbrook and Windham, along with the Cape Elizabeth and Peaks Island Treatment Facilities (Westbrook/Cape/Peaks group – B4; **blue** in organization chart).

Wastewater Systems staff of 12 people is responsible for the operation and maintenance of interceptors, force mains, pump stations, collectors, flow monitoring, and combined sewer regulators in six communities (L9; **purple** in organization chart).



Key Statistics

Wastewater Treatment Facilities - 2012

Cape Elizabeth South WWTF

Average Daily Flow – 0.28 million gallons

Portland – East End WWTF

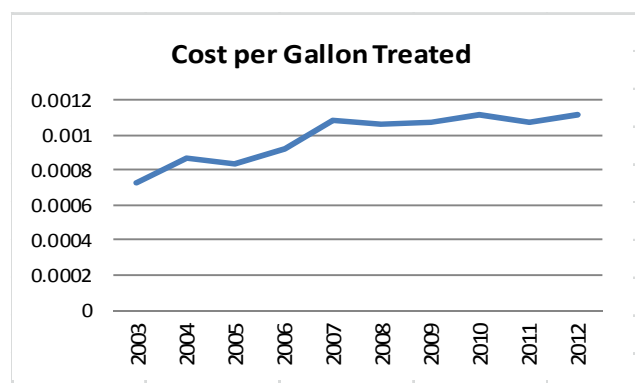
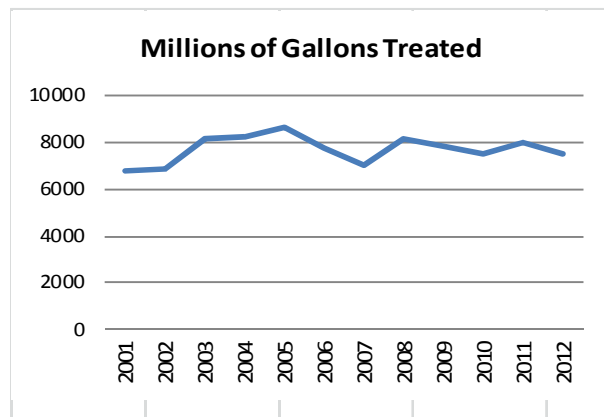
Average Daily Flow – 18.03 million gallons

Peaks Island (Portland) WWTF

Average Daily Flow – 0.09 million gallons


Westbrook/Gorham/Windham Regional WWTF

Average Daily Flow – 3.16 million gallons



Wastewater Services Group Facts

- CSO program includes a web-based system that allows for near real-time monitoring and alarming of nearly 90% of the total overflow sites.
- The East End Treatment plant provided primary treatment and disinfection of 34% (362 million gallons) of CSO and wet weather flow in 2012 as part of Portland's overall CSO control program
- The investigation of sources of inflow and infiltration of clear water into the sewer system during wet weather periods continues in most of our wastewater communities, either as part of a CSO Long Term Control Plan or in separate system to better manage the capacity of the collection system. The Ottawa Rd. CSO LTCP was approved by MEDEP in 2013. 2014 will be the first year in the five-year plan to reduce overflows.
- The Wastewater Operator apprentice program has been implemented to address coming workforce management issues due to pending retirements in the coming years. Four positions have been created which allow operators to work in each of our treatment plants and the wastewater systems and pumping group. The positions will also assist the AMaP group with the asset management program and will spend a short time with the water operations groups.

Wastewater Systems Responsibility


Cape Elizabeth – Interceptors, force mains, and 27 pump stations
Cumberland – Collectors, interceptors, force mains and 11 pump stations
Gorham – Collectors, interceptors, force mains and 15 pump stations
Portland – Interceptors, force mains, 29 combined sewer regulators, CSO monitoring, and 10 pump stations
Peaks Island (Portland) – Collectors, interceptors, force mains, storm drain system and 3 pump stations
Westbrook – Interceptors, force mains, 5 combined sewer regulators, CSO monitoring and 3 pump stations
Windham – Collectors, force mains and 2 pump stations

Performance Benchmarks

	2012 Actual	2013 Projected	2014 Goal
<u>Wastewater Systems</u>			
Corporate Goal - Environment			
Wet wells cleaned	103	150	125
Feet of pipe cleaned	1,900	15,000	>20,000
Feet of pipe televised	40,589	30,000	>30,000
Dry weather overflows	4	4	0
Corporate Goal -Reliability			
Corrective Maintenance tasks	205	290	<500
Corporate Goal -Affordability			
Preventive Maintenance tasks	1,115	1,107	1,300
<u>Treatment Operations</u>			
Corporate Goal - Environment			
Total license excursions	26	15	<26
Corporate Goal -Reliability			
Biosolids removed (wet tons)	18,680	20,000	<20,500
% organic removed from sewage	95	95	>85
% suspended solids removed	95	95	>85

Past Accomplishments

- Flow monitoring of combined sewer overflow events
 - PWD continuously monitors over 95% of all combined sewer overflows in Portland, Westbrook, and Cape Elizabeth. This program has assisted in the development of Long Term CSO Control Plans in Portland, Westbrook, and Cape Elizabeth.
 - The CSO Long-Term Control Plan for the Ottawa Road CSO was approved by DEP in 2013. The 5-year work-plan will begin in 2014.
 - Using data from the flow monitoring system, sources of seawater inflow to the Portland collection system are monitored and any increases are investigated to minimize the inflow of seawater. Seawater infiltration accounts for approximately 5% of the annual treatment plant flow in Portland.
- Westbrook/Gorham/Windham Regional Treatment Facility upgrades
 - The control system upgrade at the Westbrook Plant will be completed by the end of 2013. The control system will be built to meet PWD's SCADA Standards and will enhance the operation of the treatment facility. The disinfection system will also be upgraded to respond to changes in effluent flow and quality.
 - The Westbrook Plant has again accepted septage during summer months – due in part to the efforts of the treatment plant team and septage haulers to manage odors during septage deliveries.
- Improvements to Pump Station reliability
 - PWD monitors all systems through a SCADA computer system. Treatment plants can be remotely operated from the East End Treatment Facility, the Westbrook/Gorham Regional Treatment Facility, or the Douglass St. Office during emergencies using the SCADA system.
 - To improve the reliability of systems during power interruption, PWD requires generators at new pump stations and has installed an average of 3 generators per year at its existing pump stations. The majority of pump stations that require emergency generators have been upgraded or have generators installed during construction as part of our new infrastructure standards.
- East End Wastewater Treatment Plant
 - The conversion from fuel oil to natural gas for heating has reduced annual heating costs by an estimated \$200,000.
 - Dewatering system improvements and operational enhancements have reduced Biosolids costs and improved the operations of the treatment plant.
 - New local limits for BOD and TSS have been in place since 2011. To date there has not been a reduction in loading to the treatment plant, which operates with influent loadings slightly above the design capacity. The local limits will be reviewed as part of a required 2014 update. If the current limits do not decrease the loading to the treatment plant, the ultimate design capacity may have to be revisited as the aeration system is designed and upgraded in 2014 – 2015.
- Wastewater Services Department changes
 - The Wastewater Operator apprentice program continues to train operators to assist with workforce management as pending retirements in the coming years.

Projects and Initiatives

General

B1 – Administration

- We continue to monitor changing regulations related to phosphorus, nitrogen, and the primary bypass operation at the East End Wastewater Treatment Facility. These changes could result in significant future capital costs to meet the required treatment levels.
- Staff continues to work with the City of Portland to coordinate the operation of the City's Baxter Boulevard Wet Weather Flow Storage Conduit. The 2 million gallons storage tank system is the first of 5 planned conduits that will capture and store excessive sewer flows during wet weather. Using flow signals from PWD's control system, the City will operate the system to release the stored flow for ultimate treatment at the East End Wastewater Treatment Facility.
- As part of the Peaks Island sewer expansion, PWD has worked with the City of Portland and MEDEP to identify and removed inflow and infiltration to the sewer in an effort to eliminate the need to operate the plant in emergency bypass mode several times each year. The goal for removal of flow from the system is at least 250 gallons per minute during peak wet weather periods.

B3, B4, L9 – Operations

- Treatment Plant Operators continue to focus on effluent compliance. A Consent Agreement was completed in 2013 at the request of PWD to address fecal coliform exceedances from the East End WWTF. Staff has implemented a number of operational initiatives that have reduced the number of reoccurring exceedances.
- The installation of a security system, operational adjustments, and changes to the required sampling program has reduced the need for overtime staffing to cover operator leave time.
- The operations team continues to focus on implementing safe work practices throughout the workplace.

Corporate Goal – Reliability

B1 – Administration

- Assist with the implementation of SCADA Standards through regular coordination with AMaP and Operations staff.

B3, B4, L9 – Operations

- Continue developing preventive maintenance practices that lead to or exceed a 75%/25% mix of preventive to corrective work order history.
- Monitor pump system's ability to minimize pump station downtime.
- Continue the condition assessment program of combining line cleaning and CCTV inspection of 10% of each community's buried infrastructure.
- The Westbrook/Gorham/Windham Regional WWTF control system will be upgraded in 2013.
- The Peaks Island Facility Controls will be upgraded in 2013 to further enhance the operation of the plant and to allow for improved remote operation of the facility.

Projects and Initiatives (continued)

Corporate Goal – Affordability

B1 – Administration

- Working with AMaP, the Operations team has implemented the bulk of the 2008 Energy Management Work Plan. Power use is monitored and managed to ensure efficient operations.
- Work with operations staff to implement cost savings related to overtime and off-shift coverage.

B3, B4, L9 – Operations

- Manage departmental budgets with area supervisors that lead to cost savings measures, i.e. dewatered solids, station visits, chemical use, etc. Major budget items, including chemicals, power, Biosolids, and others are monitored using the WIMS data management system to measure and control operations and budgets.
- Continue to implement process control measures in the operation of wastewater treatment facilities. Operations Plans have been developed for each facility and Operations Manuals are being updated to serve as guidance for the Operations Team.
- Continue to support the use of the District's asset management systems to efficiently manage equipment and systems.

Corporate Goal – Environment

B1 – Administration

- Continue to monitor existing performance and developing regulations.

B3, B4, L9 – Operations

- Treatment and Systems teams work to ensure facilities operate in accordance to permit requirements.
- The target for effluent violations for permit exceedances has been reduced by over 10 per year in the past 3 years. By 2016 our goal will be zero exceedances each year from all treatment plants.

Corporate Goal – Employees and Work Environment

B1 – Administration

- Promote the District's professional development program of a minimum 80 hours of training each year.

B3, B4, L9 – Operations

- Provide support to employees through annual performance reviews and regular support.
- Develop and maintain a safe working environment in each area of responsibility. Develop wastewater operators through the apprentice program; operators will rotate through systems, treatment plants, the Asset Management and Planning department (AMaP), and the Water Services Department.

Financial Overview

The Wastewater Services Group continues to operate with a goal of delivering effective services at reasonable costs to its member communities. Overall, the 2014 budget total includes an increase of \$249,349 to \$8,930,589. This is a 2.9% increase from the 2013 budget.

Salaries/Wages: Overall staffing levels remain unchanged from 2013. Maintenance support for all treatment plants continues to come from the central treatment maintenance group at the East End treatment plant. The Wastewater Administrative Assistant position has been moved from B1 to B3 due to the location at the treatment plant. Premium Pay has been decreased by \$29,000 due to changes in off-shift coverage and the reduction of weekend sampling requirements at remote plants.

Biosolids Disposal: The total budget for the disposal of biosolids generated from the treatment of wastewater has increased slightly by \$3,046 in 2014 or 0.2%. The budgeted % Total Solid from the Westbrook/Gorham Regional WWTF has been adjusted to 16.5% to reflect performance over the past several years.

Chemicals: The chemical use per million gallons has been further optimized at each plant, mainly to improve the performance of the disinfection systems while efficiently dosing chemical. Sodium hypochlorite at the East End is still used to control filamentous bacteria in the activated sludge process. Generally, chemicals are used at each of our facilities to disinfect the treated wastewater before being discharged to the environment, to aid in dewatering biosolids, and for odor control. Unit prices are also expected to decrease from the 2013 budget. Overall, the total budget for chemicals has decreased by \$989 or -0.2% from the 2013 budget.

Contracted Services: Contracted services include the costs of the Falmouth and South Portland treatment plants to treat flows conveyed by PWD from Cumberland and Northern Cape Elizabeth. Contracted Services also includes a maintenance agreement related to the CSO monitoring services. The budget amount increased by \$122,096, or 10.2%, to a total of \$1,318,664.

Heat/Fuel Oil: The East End treatment plant converted from fuel oil to natural gas in 2012. Natural gas use is continually monitored and recorded by the SCADA control system. Along with recent efficiency improvements like the window replacement at the East End plant, the new roof installation is expected to increase system efficiency. Due to uncertainty of future prices and natural gas consumption at the East End WWTF, the budget has increase by \$34,173 or 18.8%.

Purchased Power: Based on usage trends related to energy use at the East End (associated with aeration) and an expected reductions in the cost for power the overall energy budget has decreased by \$61,483 or -4.3% in 2014.

Transportation: Due to a revision in the method to allocate vehicle purchase and maintenance costs, the transportation costs have increased by \$51,305 or 16.4%.

Wastewater Services: Total**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Sub-Groups:						
B1 - WW Administration	\$212,045	\$100,280	\$203,703	\$154,766	-\$48,937	-24.0%
B3 - Portland (East End) WWTF	4,442,849	2,307,850	4,347,256	4,490,607	143,351	3.3%
B4 - Westbrook/CE/Peaks WWTF's	1,270,736	716,934	1,533,750	1,528,327	(5,423)	-0.4%
L9 - Wastewater Systems	2,540,083	1,237,204	2,596,531	2,756,888	160,358	6.2%
Grand Total	8,465,712	4,362,269	8,681,239	8,930,589	249,349	2.9%
Expense Types:						
Salaries/Wages	2,042,334	1,033,419	2,091,092	2,105,290	14,198	0.7%
Employee Benefits	939,771	500,960	995,911	1,028,694	32,784	3.3%
Biosolids Disposal	1,174,262	687,313	1,295,458	1,298,503	3,046	0.2%
Chemicals	637,907	297,972	616,118	615,128	(989)	-0.2%
Contracted Svcs	1,122,908	498,020	1,196,568	1,318,664	122,096	10.2%
Deferred Cost W/O	4,780	-	-	-	-	n/a
Heat/Fuel Oil	246,190	150,897	181,584	215,757	34,173	18.8%
Insurance	37,282	20,334	38,557	40,820	2,263	5.9%
Materials/Supplies	382,840	241,373	338,818	378,276	39,458	11.6%
Other Expense	78,604	19,186	58,857	62,707	3,850	6.5%
Purchased Power	1,355,268	728,066	1,413,599	1,352,116	(61,483)	-4.3%
Tele/Oth Utilities	155,233	66,399	141,943	150,592	8,649	6.1%
Transportation	288,335	118,329	312,735	364,040	51,305	16.4%
Grand Total	8,465,712	4,362,269	8,681,239	8,930,589	249,349	2.9%
Staffing Trend:						
Full-Time	39	39	39	39	0	0.0%

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Diff \$	Diff %
Salaries/Wages						
660111 - SALARIES/WAGES NON-UNION	\$277,855	\$140,308	\$279,924	\$286,574	\$6,650	2.4%
660121 - WAGES/REGULAR UNION	1,540,881	803,526	1,601,177	1,636,509	35,331	2.2%
660122 - WAGES/OVERTIME UNION	144,059	63,190	138,818	121,964	(16,854)	-12.1%
660123 - WAGES/DOUBLETIME UNION	21,095	8,396	34,285	21,582	(12,703)	-37.1%
660124 - WAGES/STANDBY TIME UNION	31,394	15,791	29,680	31,453	1,773	6.0%
660131 - WAGES - REGULAR - TEMPS	2,976	2,208	7,207	7,207	-	0.0%
66014 - VACATION ACCRUAL	(4,322)	-	-	-	-	n/a
66015 - SICKTIME ACCRUAL	19,488	-	-	-	-	n/a
66351 - CONTRACTED TEMPORARIES	8,909	-	-	-	-	n/a
Salaries/Wages Total	2,042,334	1,033,419	2,091,092	2,105,290	14,198	0.7%
Employee Benefits						
660401 - FICA - EMPLOYERS' SHARE	152,517	77,841	159,969	161,055	1,086	0.7%
660405 - SAFETY/WHY PROGRAM ITEMS	6,353	1,464	6,793	5,558	(1,235)	-18.2%
660411 - MEALS ALLOWANCE	424	423	491	575	84	17.1%
660418 - STIPENDS	5,300	5,300	5,300	5,350	50	0.9%
660419 - EMPLOYEE BENEFITS-MISC OTH	11,229	(50)	-	-	-	n/a
660491 - FRINGE BENEFITS-REG/SAL	763,948	415,981	823,358	856,157	32,799	4.0%
Employee Benefits Total	939,771	500,960	995,911	1,028,694	32,784	3.3%
Biosolids Disposal						
663571 - BIOSOLIDS DISPOSAL	1,174,262	687,313	1,295,458	1,298,503	3,046	0.2%
Biosolids Disposal Total	1,174,262	687,313	1,295,458	1,298,503	3,046	0.2%
Chemicals						
661811 - SODIUM BICARBONATE	3,872	3,591	5,286	8,800	3,514	66.5%
661812 - SODIUM BISULFITE	169,340	65,987	157,150	171,211	14,061	8.9%
6618121 - SODIUM BISULFITE-ACCRUAL	516	2,680	-	-	-	n/a
66182 - CAUSTIC SODA	6,251	1,290	8,190	8,448	258	3.2%
66185 - SODIUM HYPOCHLORITE	282,759	123,263	269,951	242,650	(27,301)	-10.1%
661851 - SODIUM HYPO - ACCURAL	(6,243)	4,582	-	-	-	n/a
66189 - POLYMER	188,196	96,213	173,540	182,020	8,479	4.9%
661891 - POLYMER - ACCRUAL	(6,784)	366	-	-	-	n/a
661899 - OTHER CHEMICALS	-	-	2,000	2,000	-	0.0%
Chemicals Total	637,907	297,972	616,118	615,128	(989)	-0.2%
Contracted Svcs						
6631 - ENGINEERING SERVICES	51,207	13,850	70,500	77,500	7,000	9.9%
6635 - OTHER SERVICES	-	-	1,000	-	(1,000)	-100.0%
663521 - TRAFFIC CONTROL	944	450	300	300	-	0.0%
6635221 - PAVING - MINOR REPAIR	3,350	-	-	-	-	n/a
663525 - CONTRACTOR CONSTRUCTION	-	5,625	-	27,000	27,000	n/a
663527 - EMERGENCY RESPONSE- FEMA	9,400	-	-	-	-	n/a
66353 - REPAIR SERVICES	-	-	4,000	4,000	-	0.0%
66354 - MAINTENANCE SERVICES	195,136	85,190	190,350	197,450	7,100	3.7%
663543 - CSO FLOW MONITORING	157,234	54,653	171,266	180,574	9,308	5.4%
663544 - MAINT SERVICES - CCTV	63,546	-	80,157	78,948	(1,209)	-1.5%
663546 - MAINTENANCE - SNOW REMOVL	-	-	-	26,000	26,000	n/a

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Diff \$	Diff %
663551 - LAB ANALYSIS	\$5,155	\$350	\$2,500	\$2,300	-\$200	-8.0%
663561 - COMPUTER LICENSES	28,365	32,047	28,843	34,944	6,101	21.2%
663572 - GRIT & SCREENS DISPOSAL	46,338	18,569	63,000	70,330	7,330	11.6%
663573 - GREASE DISPOSAL	23,781	14,309	41,800	39,700	(2,100)	-5.0%
663574 - DISPOSAL SERVICES	21,275	11,276	19,748	14,689	(5,059)	-25.6%
663585 - TREATMENT CONTRACT SERVIC	509,934	259,440	518,880	560,580	41,700	8.0%
6635851 - WW DEWATERING SERVICES	-	1,941	3,400	3,357	(43)	-1.3%
6635852 - WW DEWATERING SRVS CREDIT	-	(1,941)	(3,400)	(3,400)	-	0.0%
663587 - COURIER SERVICES	4,391	2,260	4,224	4,392	168	4.0%
663599 - MISC OTHER SERVICES	2,504	-	-	-	-	n/a
6636 - TECHNICAL SERVICES	350	-	-	-	-	n/a
Contracted Srvs Total	1,122,908	498,020	1,196,568	1,318,664	122,096	10.2%
Deferred Cost W/O						
66754 - DEFERRED COSTS WRITE OFF	4,780	-	-	-	-	n/a
Deferred Cost W/O Total	4,780	-	-	-	-	n/a
Heat/Fuel Oil						
66161 - HEATING OIL	223,456	41,248	59,274	47,693	(11,581)	-19.5%
661621 - PIPELINE DELIVERED PROPAN	6,823	96,433	101,100	141,250	40,150	39.7%
661622 - CONTAINER DELIVERED	15,494	13,195	20,810	26,414	5,604	26.9%
66166 - UNLEADED GAS	395	-	400	400	-	0.0%
66167 - KEROSENE GAS	22	21	-	-	-	n/a
Heat/Fuel Oil Total	246,190	150,897	181,584	215,757	34,173	18.8%
Insurance						
66599 - PROPERTY & BOILER INSUR	37,282	20,334	38,557	40,820	2,263	5.9%
Insurance Total	37,282	20,334	38,557	40,820	2,263	5.9%
Materials/Supplies						
6619 - ASSET PURCHASES	53,430	26,862	74,000	84,500	10,500	14.2%
662017 - SAND AND SALT	-	-	400	400	-	0.0%
66202 - TOOLS	5,983	3,546	8,500	8,000	(500)	-5.9%
66203 - VENDOR PURCHASED SUPPLIES	236,884	133,410	194,400	211,550	17,150	8.8%
662041 - MATERIALS INVENTORY	37,267	28,744	13,625	20,925	7,300	53.6%
662042 - SUPPLIES INVENTORY	27,008	30,864	23,650	26,075	2,425	10.3%
662043 - TOOL INVENTORY	11,518	6,143	13,000	13,425	425	3.3%
66204301 - INVENTORY - TONER	234	-	350	250	(100)	-28.6%
66204302 - INVENTORY - PAPER	141	111	660	500	(160)	-24.2%
66204303 - INVENTORY-COMPUTER EQUIP	1,089	1,735	1,945	1,525	(420)	-21.6%
662047 - GARAGE INVENTORY	1,432	1,318	1,925	2,175	250	13.0%
66205 - CONSUMABLE SUPPLIES	2,053	1,156	2,275	2,175	(100)	-4.4%
663564 - COMPUTER-RELATED EQUIP	5,800	7,484	4,088	6,776	2,688	65.8%
Materials/Supplies Total	382,840	241,373	338,818	378,276	39,458	11.6%

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Diff \$	Diff %
Other Expense						
6642 - EQUIPMENT RENT	\$1,488	\$0	\$500	\$500	\$0	0.0%
66609 - OTHER ADVERTISING	281	-	-	-	-	n/a
667511 - TRAINING	-	-	1,000	1,000	-	0.0%
6675111 - INSTATE TRAINING	9,884	7,041	9,200	9,570	370	4.0%
6675112 - OUT OF STATE TRAINING	-	-	6,100	6,200	100	1.6%
6675121 - IN STATE CONFERENCES	1,588	1,600	4,350	4,050	(300)	-6.9%
6675122 - OUT-OF-STATE CONFERENCES	3,124	6,155	3,150	3,350	200	6.3%
667513 - DUES	7,821	123	9,450	9,300	(150)	-1.6%
667514 - PROFESSIONAL LICENSES	2,560	1,780	1,850	2,130	280	15.1%
667515 - PERIODICAL SUBSCRIPTIONS	-	165	50	200	150	300.0%
667516 - PERMITS	23,536	1,864	26,032	26,032	-	0.0%
667517 - PLANT OPER LICENSE FEES	403	-	625	450	(175)	-28.0%
667518 - REGULATORY REQUIRED FEES	11,199	-	14,000	14,000	-	0.0%
667519 - REGULATORY FINES	-	6,350	-	-	-	n/a
667521 - POSTAGE - THIRD PARTY	-	167	25	25	-	0.0%
667522 - POSTAGE - INTERNAL	76	26	200	100	(100)	-50.0%
667523 - POSTAGE - EXPRESS DELIVER	995	83	225	200	(25)	-11.1%
667552 - SAFETY TRAINING	1,215	40	-	-	-	n/a
667555 - SAFETY EXPENSES	7,527	2,475	2,400	5,900	3,500	145.8%
667556 - FREIGHT CHARGES (STOCK)	20	15	-	-	-	n/a
667581 - ANNUAL LAND CONTRIB CAPE	-	2,500	2,500	2,500	-	0.0%
667592 - FOOD SUPPLIES	54	323	600	600	-	0.0%
667599 - OTHER MISCELLANEOUS	30,233	180	-	-	-	n/a
6676 - CONTRA ACCOUNT	(23,400)	(11,700)	(23,400)	(23,400)	-	0.0%
Other Expense Total	78,604	19,186	58,857	62,707	3,850	6.5%
Purchased Power						
66151 - POWER - LARGE ENERGY	576,668	298,237	569,062	515,871	(53,190)	-9.3%
66152 - POWER - LARGE T&D	318,005	177,452	333,873	356,421	22,549	6.8%
66153 - POWER - MEDIUM ENERGY	249,300	138,209	273,516	246,924	(26,593)	-9.7%
66154 - POWER - MEDIUM T&D	143,735	73,942	160,588	165,819	5,231	3.3%
66155 - POWER - SMALL ENERGY	33,112	18,487	34,115	33,476	(639)	-1.9%
66156 - POWER - SMALL T&D	34,448	21,917	42,446	40,605	(1,841)	-4.3%
66158 - LOAD RESPONSE	-	(178)	-	(7,000)	(7,000)	n/a
Purchased Power Total	1,355,268	728,066	1,413,599	1,352,116	(61,483)	-4.3%
Tele/Oth Utilities						
66101 - WATER	136,615	57,281	122,608	129,525	6,917	5.6%
66111 - TELEPHONE LINES	858	(1)	4,930	3,840	(1,090)	-22.1%
66112 - DATA LINES	9,895	4,804	6,042	8,570	2,528	41.8%
66113 - CELLULAR PHONES	6,990	3,456	7,587	7,977	390	5.1%
66114 - PAGERS	875	858	776	680	(96)	-12.4%
Tele/Oth Utilities Total	155,233	66,399	141,943	150,592	8,649	6.1%
Transportation						
66501 - TRANSPORTATION - INTERNAL	274,730	112,974	297,910	243,142	(54,769)	-18.4%
665019 - TRANS INTERNAL INACTIVE	-	-	-	106,179	106,179	n/a
66502 - TRANSPORTATION - EXTERNAL	12,655	5,089	13,000	13,300	300	2.3%
66503 - MILEAGE REIMBURSEMENT	950	266	1,825	1,420	(406)	-22.2%
66504 - MTA TRANS-PASS TOLL FEES	1	-	-	-	-	n/a
Transportation Total	288,335	118,329	312,735	364,040	51,305	16.4%
Grand Total	8,465,712	4,362,269	8,681,239	8,930,589	249,349	2.9%

Wastewater Services: Wastewater Administration (B1)**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$125,288	\$62,651	\$124,524	\$94,244	-\$30,280	-24.3%
Employee Benefits	61,501	32,146	64,430	49,167	(15,263)	-23.7%
Contracted Svcs	9,685	-	500	500	-	0.0%
Deferred Cost W/O	4,780	-	-	-	-	n/a
Materials/Supplies	13	23	575	575	-	0.0%
Other Expense	9,330	4,790	9,875	9,150	(725)	-7.3%
Tele/Oth Utilities	904	286	960	960	-	0.0%
Transportation	544	384	2,839	170	(2,669)	-94.0%
Grand Total	212,045	100,280	203,703	154,766	(48,937)	-24.0%
Programs:						
45 - WW TREATMENT	41,328	21,475	40,079	-	(40,079)	-100.0%
98 - TRAINING	8,080	8,235	7,476	5,521	(1,955)	-26.1%
99 - ADMINISTRATION	162,638	70,570	156,148	149,244	(6,904)	-4.4%
Grand Total	212,045	100,280	203,703	154,766	(48,937)	-24.0%
Funds:						
10 - General/Alloc	305	2	-	-	-	n/a
50 - WW Gen	170,412	78,804	163,624	154,766	(8,858)	-5.4%
51 - WW Cape Elizabeth	1,164	618	1,364	-	(1,364)	-100.0%
57 - WW Portland	37,843	19,647	30,073	-	(30,073)	-100.0%
64 - WW Joint Westbrook	1,232	591	7,277	-	(7,277)	-100.0%
66 - WW Peaks Island	1,088	618	1,364	-	(1,364)	-100.0%
Grand Total	212,045	100,280	203,703	154,766	(48,937)	-24.0%
Staffing Trend:						
Full-Time	2	2	2	1	-1	-50.0%

Wastewater Services: East End Treatment Plant - Portland (B3)

Financial Summary:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$1,016,031	\$506,285	\$966,153	\$1,008,242	\$42,089	4.4%
Employee Benefits	464,234	241,230	447,253	486,673	39,420	8.8%
Biosolids Disposal	876,256	522,107	1,001,796	976,294	(25,502)	-2.5%
Chemicals	569,609	253,658	509,290	514,723	5,433	1.1%
Contracted Svcs	138,509	78,348	196,942	222,276	25,334	12.9%
Heat/Fuel Oil	196,646	112,758	115,560	156,338	40,778	35.3%
Insurance	13,748	6,880	14,431	14,633	202	1.4%
Materials/Supplies	219,680	127,713	183,825	199,938	16,113	8.8%
Other Expense	44,637	1,701	27,875	29,075	1,200	4.3%
Purchased Power	761,584	401,577	756,478	724,438	(32,040)	-4.2%
Tele/Oth Utilities	75,416	32,332	71,527	71,737	210	0.3%
Transportation	66,498	23,261	56,127	86,240	30,114	53.7%
Grand Total	4,442,849	2,307,850	4,347,256	4,490,607	143,351	3.3%
Programs:						
44 - WW PUMPING	6,641	4,516	-	-	-	n/a
45 - WW TREATMENT	4,010,737	2,093,712	4,107,206	4,218,043	110,837	2.7%
47 - SEPTAGE PUMPING	139	-	-	-	-	n/a
98 - TRAINING	47,363	42,269	73,913	65,797	(8,116)	-11.0%
99 - ADMINISTRATION	377,970	167,353	166,137	206,767	40,630	24.5%
Grand Total	4,442,849	2,307,850	4,347,256	4,490,607	143,351	3.3%
Funds:						
10 - General/Alloc	448	477	-	-	-	n/a
20 - Water	6,790	4,080	3,710	3,415	(295)	-8.0%
50 - WW Gen	424,885	209,146	228,001	272,564	44,563	19.5%
51 - WW Cape Elizabeth	83,155	27,172	51,925	76,421	24,496	47.2%
57 - WW Portland	3,838,461	2,035,924	3,936,369	4,024,607	88,238	2.2%
64 - WW Joint Westbrook	43,884	15,899	73,127	71,077	(2,050)	-2.8%
66 - WW Peaks Island	45,226	15,152	54,124	42,524	(11,600)	-21.4%
Grand Total	4,442,849	2,307,850	4,347,256	4,490,607	143,351	3.3%
Staffing Trend:						
Full-Time	20	17.67	17.67	19	1.33	7.5%

Wastewater Services: Westbrook Regional/Cape Elizabeth, and Peaks Island Treatment Plants (B4)

Financial Summary:

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$290,265	\$158,708	\$355,524	\$327,636	-\$27,889	-7.8%
Employee Benefits	125,951	75,895	166,982	156,743	(10,238)	-6.1%
Biosolids Disposal	298,006	165,206	293,662	322,209	28,547	9.7%
Chemicals	68,297	44,314	106,828	100,405	(6,422)	-6.0%
Contracted Svcs	173,703	108,906	237,738	254,947	17,209	7.2%
Heat/Fuel Oil	39,104	31,267	56,290	47,676	(8,614)	-15.3%
Insurance	4,881	2,912	4,796	6,332	1,536	32.0%
Materials/Supplies	57,011	24,074	64,130	64,750	620	1.0%
Other Expense	12,396	4,544	12,432	12,832	400	3.2%
Purchased Power	159,498	80,080	179,416	162,350	(17,067)	-9.5%
Tele/Oth Utilities	23,669	13,822	34,168	30,090	(4,078)	-11.9%
Transportation	17,955	7,206	21,784	42,358	20,573	94.4%
Grand Total	1,270,736	716,934	1,533,750	1,528,327	(5,423)	-0.4%
44 - WW PUMPING	427	2,711	-	-	-	n/a
45 - WW TREATMENT	1,176,982	670,201	1,438,369	1,416,224	(22,145)	-1.5%
98 - TRAINING	12,450	13,879	31,138	20,923	(10,215)	-32.8%
99 - ADMINISTRATION	80,876	30,143	64,243	91,181	26,938	41.9%
Grand Total	1,270,736	716,934	1,533,750	1,528,327	(5,423)	-0.4%
Funds:						
10 - General/Alloc	745	328	-	-	-	n/a
50 - WW Gen	92,582	43,695	95,381	112,103	16,723	17.5%
51 - WW Cape Elizabeth	263,522	169,665	350,930	338,648	(12,281)	-3.5%
57 - WW Portland	13,557	2,420	47,957	13,706	(34,252)	-71.4%
62 - WW Westbrook	123	1,234	-	-	-	n/a
64 - WW Joint Westbrook	785,869	446,525	880,044	899,128	19,084	2.2%
65 - WW Joint LF	554	-	-	-	-	n/a
66 - WW Peaks Island	113,784	53,068	159,438	164,742	5,304	3.3%
Grand Total	1,270,736	716,934	1,533,750	1,528,327	(5,423)	-0.4%
Staffing Trend:						
Full-Time	5	6.67	6.67	6	-0.67	-10.0%

Wastewater Services: Wastewater Systems (L9)**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$610,751	\$305,775	\$644,891	\$675,169	\$30,277	4.7%
Employee Benefits	288,085	151,690	317,246	336,111	18,865	5.9%
Contracted Svcs	801,011	310,766	761,388	840,941	79,553	10.4%
Heat/Fuel Oil	10,440	6,872	9,734	11,743	2,009	20.6%
Insurance	18,653	10,542	19,330	19,856	525	2.7%
Materials/Supplies	106,136	89,563	90,288	113,013	22,725	25.2%
Other Expense	12,240	8,151	8,675	11,650	2,975	34.3%
Purchased Power	434,186	246,408	477,705	465,328	(12,376)	-2.6%
Tele/Oth Utilities	55,243	19,959	35,288	47,805	12,517	35.5%
Transportation	203,337	87,478	231,986	235,273	3,287	1.4%
Grand Total	2,540,083	1,237,204	2,596,531	2,756,888	160,358	6.2%
Programs:						
24 - OPERATIONS	-	90	-	-	-	n/a
30 - MAINTENANCE	-	32	-	-	-	n/a
39 - COMPOST SITE	2,975	1,672	5,050	2,050	(3,000)	-59.4%
44 - WW PUMPING	1,795,593	867,871	1,852,531	1,923,497	70,966	3.8%
45 - WW TREATMENT	387,171	178,812	367,336	411,485	44,149	12.0%
90 - VEHICLES	24,276	19,406	28,193	30,504	2,311	8.2%
95 - DOUGLASS STREET	11,098	6,540	16,356	9,440	(6,916)	-42.3%
98 - TRAINING	31,292	28,056	52,055	47,784	(4,271)	-8.2%
99 - ADMINISTRATION	287,678	134,725	275,009	332,128	57,119	20.8%
Grand Total	2,540,083	1,237,204	2,596,531	2,756,888	160,358	6.2%
Funds:						
10 - General/Alloc	36,588	18,507	24,455	20,351	(4,105)	-16.8%
20 - Water	1,949	4,523	3,602	4,335	732	20.3%
30 - Water	-	90	-	-	-	n/a
50 - WW Gen	343,790	188,883	374,465	431,749	57,284	15.3%
51 - WW Cape Elizabeth	280,102	149,320	281,605	280,237	(1,368)	-0.5%
53 - WW Cumberland	530,387	261,024	511,255	574,026	62,770	12.3%
55 - WW Windham LF	21,784	10,630	30,741	32,180	1,439	4.7%
57 - WW Portland	872,157	414,196	853,558	858,550	4,991	0.6%
61 - WW Gorham Village	116,852	53,455	139,917	184,377	44,460	31.8%
62 - WW Westbrook	167,739	61,867	165,271	159,231	(6,040)	-3.7%
64 - WW Joint Westbrook	101,189	48,457	114,606	111,918	(2,688)	-2.3%
65 - WW Joint LF	30,710	16,065	39,398	45,863	6,465	16.4%
66 - WW Peaks Island	36,836	10,187	57,657	54,073	(3,585)	-6.2%
Grand Total	2,540,083	1,237,204	2,596,531	2,756,888	160,358	6.2%
Staffing Trend:						
Full-Time	12	12.66	12.66	13	0.34	2.7%

Environmental Services

Lakescaper Grants



Grants of up to \$1,000 are made to individual property owners and up to \$2,000 to businesses, associations, or municipalities for implementing erosion and sedimentation control BMPs based on our recommendations. A 50-50 match is required.

The picture above is a lakefront border garden, which was partially funded through the lakescaper program.

Environmental Services – Purpose Statement

Environmental Services is organized to monitor and protect water quality from watershed to tap and wastewater from collection to discharge.

Core Services

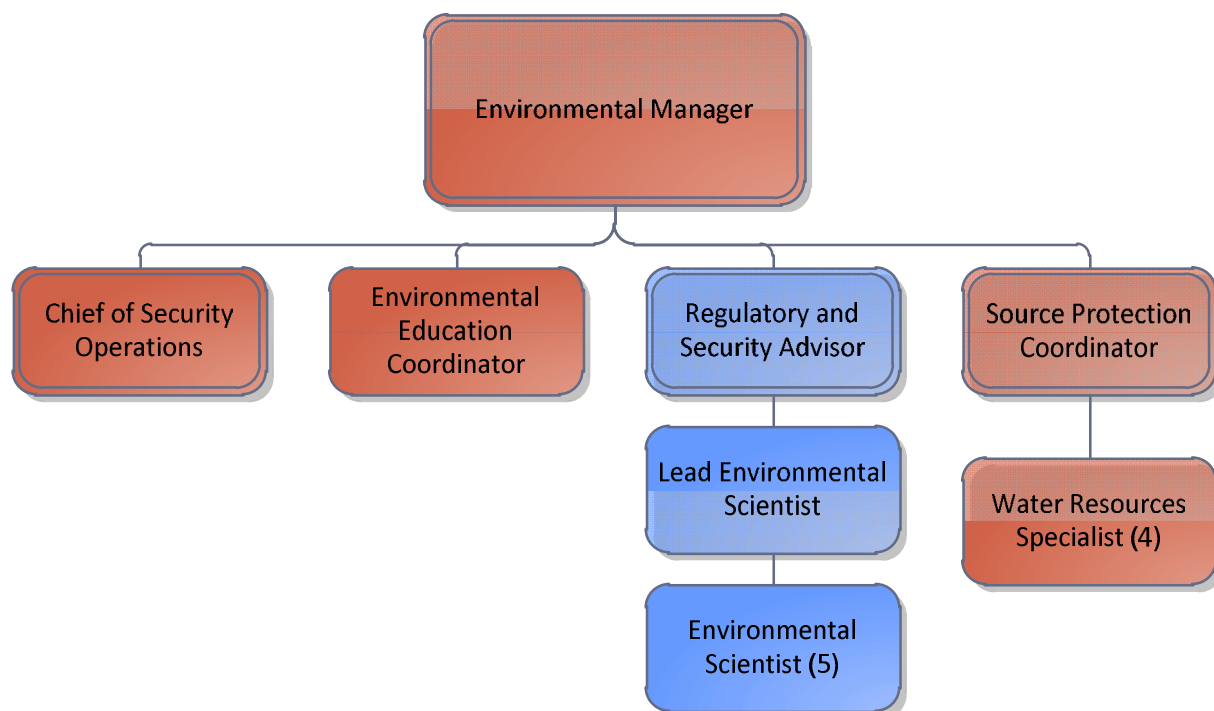
Environmental Services provides services in five core areas:

Water Resource Group (A5; red in the organization chart)

1. The Source Protection section monitors Sebago Lake and the watershed, inspects development projects in the watershed to minimize their impact, and works with watershed partners to install pollution prevention and mitigation projects.
2. The Environmental Education section communicates water quality and environmental principles to children and adults throughout the watershed and service area with the goal of encouraging public stewardship of our water resources.
3. The Water Resources Security section provides for the protection of Sebago Lake by patrolling Lower Bay and enforcing the rules of access to the Sebago Lake Land Reserve.

Laboratory Services Group (L6; blue in organization chart)

4. The Environmental Laboratories ensure the proper collection, chemical and microbiological analysis and reporting of water, wastewater and biosolids samples and the maintenance and operation of all laboratory sampling and monitoring equipment at the District's five laboratories.
5. The Industrial Pretreatment Program is responsible for permitting and monitoring industrial sewer customers who discharge significant quantities of non-domestic wastewater to the collection system to ensure their activities do not impact our operation or the receiving waters.



Key Statistics



Map shows water distribution system sampling locations

Watershed Monitoring Programs: 17

Annual Watershed Inspections: 550

Students and Adults Impacted by Education and Outreach programs: More than 4,000 annually

Annual Land Reserve Day-use Visitors: 11,000

Land Reserve Violations Issued: 150

Annual Lower Bay Patrol Hours: 2000

Annual Lower Bay Violators cited: 125

Certified Laboratory Analytes: 38

Average Annual Water Quality Inquiries: 225

IPT Industries Regulated: 44

IPT Sampling Locations: 45

Performance Benchmarks

Corporate Goals – Public Health and Environment	2012 Actual	2013 Projected	2014 Goal
Verified Water Quality Inquiries	66	60	45
Shore Land Zone Inspections	507	500	550
Watershed Properties Improved or Recommendations Made	35	30	30
Lower Bay Water Violations	106	110	100
Land Reserve Day Use Visitors	12,675	12,000	12,000
Land Reserve Violations	150	150	150
Visitors per Land Reserve Violation	85	80	80
Certified Laboratory Analytes	48	38	38
Students served monthly by Hydrologics In-School Program	>1,000	>1000	>1000

Past Accomplishments:

Source Protection since 2000:

- Completed more than 7,300 watershed inspections
- Made recommendations for improvement to more than 482 watershed properties
- Directed water quality-related improvements to more than 187 properties
- Awarded more than \$216,000 in Lake Stewards Grants which leveraged more than \$710,000 in water quality improvements
- Maintained 17 ongoing lake and watershed monitoring programs
- Reviewed plans for more than 141 large developments and, when necessary, provided planning board feedback in an effort to minimize the impact of these projects.
- Responded to 408 complaints, 234 of which prevented or mitigated environmental violations and/or pollution

Education and Outreach since 2000:

- Produced 19 Watershed News newsletters and 4 State of the Lake reports
- Distributed more than 39,000 Sebago Lake maps and 8,000 “Images of Sebago Lake” calendars to watershed residents and visitors
- Distributed more than 72,000 brochures and fact sheets to watershed residents and visitors
- Taught water principles to approximately 12,000 middle school-aged students through our Hydrologics in-school education program
- Provided environmental instruction to approximately 12,500 additional children, teachers, and adults through tours, events, workshops, and one-time lessons
- Provided WET (Water Education for Teachers) training for more than 930 educators - who collectively have served more than 19,500 additional students beyond those receiving direct instruction by PWD staff

Water Resources Security since 2005:

- Patrolled Lower Bay by boat and attended the Standish Boat Launch for approximately 15,500 hours combined.
- Issued more than 1337 warnings for violation of water contact regulations.
- Recorded more than 71,000 day-use visits to the Sebago Lake Land Reserve.
- Issued more than 1,750 warnings for violation of Land Reserve Rules.
- Suspended privileges to visit Land Reserve of 42 individuals for aggravated or multiple Land Reserve Rule violations.

Environmental Laboratories since 2000:

- Combined the water and wastewater laboratories into one functioning unit with shared resources, staff, and expertise.
- Consolidated in one location the daily wastewater analyses for the four wastewater treatment facilities in order to improve consistency and reduce duplication of quality control requirements.
- Upgraded laboratory certification program to current EPA and state standards to maintain certification for 38 water and wastewater analytes.
- Correctly analyzed 100% of PT samples in 2012.
- Reengineered the customer water quality inquiry process to ensure prompt and consistent response by appropriate staff. Responded to 193 water quality inquiries in 2011 and 317 in 2012.
- Supported the Maine State Planning Office by participating in the Maine healthy beaches program.
- Accomplished the adoption of more stringent local limits on Portland industrial dischargers.

Past Accomplishments (continued)

Budget Year 2013 Highlights:

- Installed trail signs throughout the Otter Ponds property in the Sebago Lake Land Reserve
- Began implementing the Board's new Land Conservation Program for the watershed
- Developed methods for analyzing for arsenic and TKN in the environmental laboratories to end the practice of having those analyzed by outside labs
- Worked on 10 new outreach initiatives for the watershed including the first Trail Day in September
- Summer boat patrol staff began doing routine maintenance on POWADIS III
- Completed an IPT Owner's Manual describing the administration of the Portland IPT Program. A similar manual for the Westbrook Program will be completed by the end of the year.
- A water response exercise is planned for the last part of the year

Budget Year 2014 Staffing Changes:

There were no changes made in staffing levels.

Projects and Initiatives

General

- Work with Administrative Facility Chief Operator to evaluate Lake Office space needs

Source Protection

- Perform inspections of all property development in the shore land zone of Sebago Lake.
- Provide technical assistance for home owners, road associations and camps to improve storm water quality.
- Complete scheduled monitoring and testing for all 17 water quality monitoring programs, analyze the data, and produce applicable water quality assessment reports.
- Monitor planning board agendas, provide technical assistance, and track large-scale projects such as subdivision and commercial development within the Sebago Lake watershed.
- Track progress of Eel Weir Dam relicensing and provide data to regulators as necessary.
- Continue collaboration with the Presumpscot Regional Land Trust to ensure that trail stewardship remains in accordance with District security/land use policies.
- Continue the development and implementation of the AIM system and database for source protection and monitoring program management and recordkeeping as applicable.
- Continue to implement the Crooked River Outreach project to address erosion concerns in the upper watershed.
- Begin process of digitizing watershed septic system files.
- Collaborate with CCSWCD on a Watershed Management Plan (if funded by DEP).
- Work with VLMP and volunteers on a plant survey of Sebago Lake.
- Work with Portland Pipeline Company to reduce likelihood and potential impact of an oil spill on Sebago Lake.

Projects and Initiatives (continued):

Environmental Laboratories and Industrial Pretreatment

- Maintain certification for testing methods at East End and Sebago Lake laboratories for all analytes reportable to state regulators
- Report on water quality inquiries at dead end locations.
- Provide water quality training to District staff.
- Improve lab safety through hazard analysis and improved chemical inventory procedures.
- Manage IPT scheduling and data management through the District's AIM system.
- Complete an Industrial Waste Survey of the Westbrook-Gorham Regional Wastewater System.
- Provide analytical support for ultraviolet light pilot test at Peaks Island Wastewater Treatment Facility
- Support operations with monitoring for unintended impacts of new treatment at Sebago Lake WTF
- Update the District's water vulnerability assessment

District Security

- Exercise District's emergency response plan, full scale or table top.
- Patrol Lower Bay by boat during summer, ensuring compliance with body contact and trespassing restrictions.
- Patrol Sebago Lake Land Reserve year-round to ensure compliance with District land use policy.
- Conduct training for Operations staff in security patrol procedures of District's water storage facilities.
- Conduct training of Lake Office staff in Land Reserve patrol procedures.
- Support local first responders as requested in response to lake rescue incidents.
- Patrol Lower Bay during ice fishing season to minimize impact of activity on water quality.
- Improve parking conditions at the Rte. 35 kiosk.
- Develop a 5-year Management and Maintenance Plan for the Sebago Lake Land Reserve.

Environmental Education and Outreach

- Maintain 2013 level of Hydrologics and Classroom Hatcheries programs in watershed and service area schools.
- Provide outreach materials to lake area public including maps, calendars, and informational brochures.
- Coordinate outreach initiatives with District public relations efforts.
- Utilize technology and a variety of media to connect with more children and adults with PWD environmental stewardship messages.
- Recognize Drinking Water Week with District-sponsored activities for adults and children.
- Provide support to the Southern Maine Children's Water Festival.

2013 Highlights



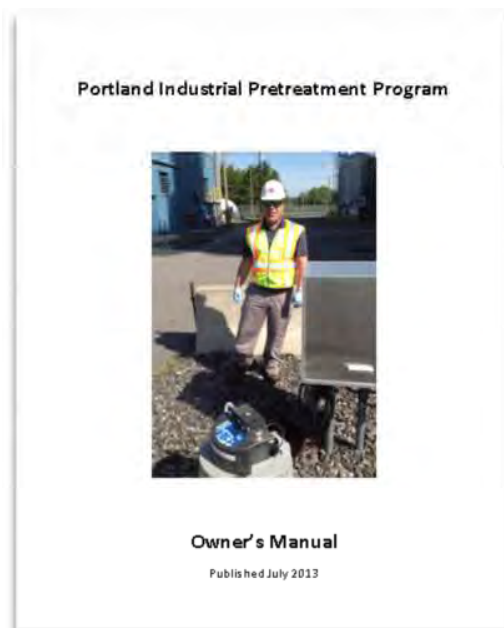
September 21, 2013, Trail Day logo



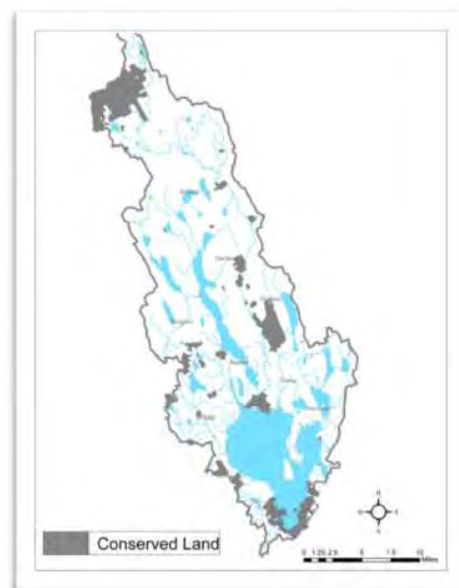
Trail Signs installed in the Land Reserve



Profiles of Woodland Stewardship video premiered in Bridgton



Portland IPT Owner's manual

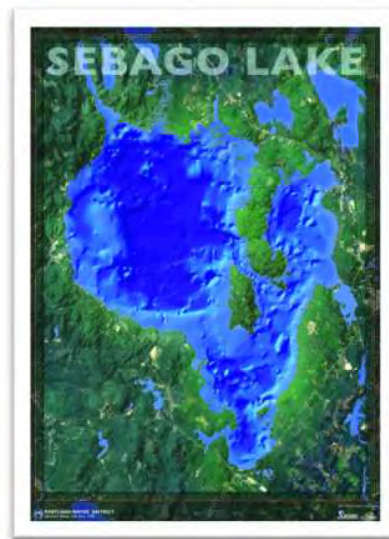


Land Conservation Program

2014 Goals



Perform a plant survey of Sebago Lake in partnership with Maine VLMP and utilizing a team of volunteers



Create a new version of the lake map, our most popular handout



Provide analytical support for start of UV treatment at Sebago Lake Water Treatment Facility



Work with Portland Pipe Line to reduce risk of an oil spill to lake

Financial Overview

There is an overall increase of 1.9% in the Environmental Services budget from 2013.

A5: Water Resources

- There is a \$19,104 increase in the overall A5 budget, \$4,295 of which is for employee benefits. There was also an increase of \$19,205 for internal transportation due to the new method of charging for fleet vehicles.
- There is a \$6,400 increase in Maintenance Services. This reflects an increase of \$5,000 for removing vegetation along CMP's road rights of way along Routes 35 and 237 and an increase of \$1,500 for snow removal in the Ecology Center parking lot. These services were previously budgeted by other departments.
- There is a \$2,550 increase in our Watershed Grants and Support budget to increase support for our watershed monitoring and protection partners (Volunteer Lake Monitoring Program, Raymond Waterways Protective Association, Lakes Environmental Association, Loon Echo Land Trust and Western Foothills Land Trust). All are presently working on initiatives to assist our lake protection efforts.
- There is a \$2,000 increase in Technical Services to work toward digitizing our source protection inspection and septic system records that are currently stored in file cabinets.
- There was a decrease of \$1,760 as a result of eliminating the data and phone lines previously needed to use the Standish Pump building as a seasonal security base. Seasonal security operations have been moved to the Ecology Center.
- There was a decrease of \$2,000 in Asset Purchases. It was higher in 2013 for a conference table and chairs for the Ecology Center Conference Room.

L6: Laboratory Services

- The overall L6 budget is down \$12,374 (1.5%) 2013. The increases in labor (\$6,055 or 1.5%) and employee benefits (\$6,137 or 3.1%) is more than offset by a decrease in lab analysis costs.
- The \$21,771 decrease in lab analysis is due to the cyclical nature of monitoring. In particular, UCMR3 monitoring of water (\$10,000) is complete and the Portland IPT monitoring budget is in an off-year cycle so is reduced by \$3,000. Also Westbrook WWTF and Cape WWTF do not have to be sampled for Whole Effluent Toxicity in 2014.
- There is a \$3,360 increase in Professional Licenses because the bi-annual lab certification payments must be made in 2014.

2014 Targeted Grants to Watershed Partners			
2014 Proposed	Title	Recipient	Purpose
\$300	Misc. Watershed Education Support	Watershed organizations	Education
<i>Materials for watershed events</i>			
\$2,300	Teacher Mini-Grants	Maine Educators	Education
<i>Provides teaching materials and equipment to local teachers to support water education.</i>			
\$18,000	Lakescaping Grants	Watershed property owners, businesses	Source Protection
<i>Grants of up to \$1,000 are made to individual property owners and up to \$2,000 to businesses, associations, or municipalities for implementing erosion and sedimentation control BMPs based on our recommendations. A 50-50 match is required. This includes \$5,000 for E & S control BMPs in the upper Crooked River Watershed.</i>			
\$750	COLA Support	Congress of Lake Associations	Advocacy
<i>A contribution of \$750 to COLA to support their operations. Their advocacy benefits all surface supplies including PWD.</i>			
\$1,000	VLMP Support	Volunteer Lakes Monitoring Program	Advocacy, Outreach
<i>A contribution of \$1000 to support their operations. Their outreach raises awareness statewide to issues of lake protection, particularly invasive aquatic plants. They conduct training at PWD and for PWD employees on request.</i>			
\$13,550	LEA Support	Lakes Environmental Association	Advocacy, Education, Source Protection
<i>LEA provides support for our upper watershed protection efforts. The lakes they work on all drain ultimately to Sebago. LEA monitors lake water quality and participates in the planning process in upper watershed towns to minimize development impact. Staff provide technical assistance to lakefront landowners on BMPs for lake protection and compliance with Shoreland zoning and the Natural Resources Protection Act. LEA is an important 319 grant partner on multiple lakes every year, provides education programs in classrooms and for the public, and has a milfoil removal program on the Songo River, a tributary to Sebago Lake.</i>			
\$1,250	RWPA Support	Raymond Waterways Protective Association	Outreach, Source Protection
<i>RWPA is a newer organization similar in style to LEA. They provide tech support and comment on development proposals for Raymond Lakes - this includes Sebago and many other lakes in the direct watershed. They work on invasives eradication, BMP installation, and do outreach via a newsletter. They work on 319 projects in the indirect watershed. They also receive financial support from the town, grants, and individuals.</i>			

2014 Targeted Grants to Watershed Partners			
2014 Proposed	Title	Recipient	Purpose
\$1,500	Loon Echo Support	Loon Echo Land Trust	Source Protection
Loon Echo hosts semi-monthly meetings of the Upland Headwaters Alliance - an alliance of land trusts seeking to protect, among other things, the Crooked River watershed. Loon Echo has preserved land at Holt Pond and Pondicherry Park and has a service area that encompasses a key part of the Sebago Lake watershed.			
\$1,500	Western Maine Foothills Land Trust	Western Maine Foothills Land Trust	Source Protection
The Western Foothills Land Trust protects land in the northern section of the Crooked River/Sebago Lake watersheds by advocating for open space and resource protection, stewarding lands held in fee-ownership, and assisting landowners as a legal holder of donated or purchased conservation easements. WFLT is a member of the Upland Headwaters Alliance - an alliance of land trusts seeking to protect, among other things, the Crooked River watershed. They are one of the recipients of a \$500,000 Conservation Innovation Grant from the USDA which will, in part, go towards preservation of the Crooked River Watershed. WFLT has assisted landowners Hague, Parkhill and Willet in placing conservations easements on their land within the Sebago Lake Watershed.			
\$500	Maine Water Conference Support	U Maine Mitchell Center	Public Relations
Our support mostly serves a public relations function, ensuring the District's name on promotional materials. The conference also provides an opportunity to attract Maine colleges and Universities to research on Sebago Lake.			
\$800	Children's Water Festival	Southern Maine CWF Committee	Education, Public Relations
Our support serves both a PR purpose and contributes to the educational goal of the event - raising student awareness of water issues.			
\$41,450	Total Grant Support to Watershed Partners		

Environmental Services: Total**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Sub-Groups:						
A5 - Water Resources	\$926,489	\$433,800	\$1,005,815	\$1,024,919	\$19,104	1.9%
L6 - Water/WW Laboratory	774,364	423,607	841,640	829,266	(12,374)	-1.5%
Grand Total	1,700,853	857,407	1,847,455	1,854,185	6,730	0.4%
Expense Types:						
Salaries/Wages	909,070	440,624	931,690	936,649	4,959	0.5%
Employee Benefits	409,431	208,856	428,973	439,405	10,432	2.4%
Chemicals	3,931	1,818	3,003	3,106	103	3.4%
Contracted Svcs	92,461	42,402	138,033	123,646	(14,387)	-10.4%
Deferred Cost W/O	9,180	2,200	4,400	-	(4,400)	-100.0%
Heat/Fuel Oil	17,817	7,891	21,304	19,605	(1,699)	-8.0%
Insurance	2,241	1,123	2,325	2,321	(4)	-0.2%
Materials/Supplies	67,577	58,322	113,425	110,328	(3,097)	-2.7%
Other Expense	149,797	77,650	161,745	161,895	150	0.1%
Purchased Power	2,539	1,069	2,359	2,532	173	7.3%
Tele/Oth Utilities	7,507	3,273	5,360	4,020	(1,340)	-25.0%
Transportation	29,303	12,178	34,837	50,678	15,840	45.5%
Grand Total	1,700,853	857,407	1,847,455	1,854,185	6,730	0.4%
Staffing Trends:						
Full-Time Employees	14	14	14	14	0	0.0%
Part-Time	1	1	1	1	0	0.0%
Total	15	15	15	15	0	0.0%

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Diff \$	Diff %
Salaries/Wages						
660111 - SALARIES/WAGES NON-UNION	\$310,203	\$147,359	\$312,141	\$312,901	\$760	0.2%
660121 - WAGES/REGULAR UNION	484,760	244,202	490,233	498,188	7,955	1.6%
660122 - WAGES/OVERTIME UNION	23,935	10,631	25,242	25,590	348	1.4%
660123 - WAGES/DOUBLETIME UNION	6,304	3,587	7,065	6,720	(345)	-4.9%
660124 - WAGES/STANDBY TIME UNION	-	204	-	-	-	n/a
660131 - WAGES - REGULAR - TEMPS	85,353	34,642	97,009	93,250	(3,759)	-3.9%
660132 - WAGES - OVERTIME- TEMPS	184	-	-	-	-	n/a
660133 - WAGES - DOUBLETIME - TEMP	150	-	-	-	-	n/a
66014 - VACATION ACCRUAL	4,141	-	-	-	-	n/a
66015 - SICKTIME ACCRUAL	(5,959)	-	-	-	-	n/a
Salaries/Wages Total	909,070	440,624	931,690	936,649	4,959	0.5%
Employee Benefits						
660401 - FICA - EMPLOYERS' SHARE	68,908	33,403	71,274	71,654	379	0.5%
660403 - LIFE INSURANCE	-	1,200	-	-	-	n/a
660405 - SAFETY/WHY PROGRAM ITEMS	3,157	308	3,300	3,555	255	7.7%
660411 - MEALS ALLOWANCE	11	-	-	-	-	n/a
6604151 - FIELD UNIFORMS	1,200	-	1,200	1,200	-	0.0%
660418 - STIPENDS	1,800	1,700	2,000	1,900	(100)	-5.0%
660419 - EMPLOYEE BENEFITS-MISC OTH	100	(75)	-	-	-	n/a
660491 - FRINGE BENEFITS-REG/SAL	334,255	172,320	351,199	361,097	9,898	2.8%
Employee Benefits Total	409,431	208,856	428,973	439,405	10,432	2.4%
Chemicals						
661899 - OTHER CHEMICALS	3,931	1,818	3,003	3,106	103	3.4%
Chemicals Total	3,931	1,818	3,003	3,106	103	3.4%
Contracted Svcs						
66354 - MAINTENANCE SERVICES	27,449	14,735	47,046	52,835	5,789	12.3%
663546 - MAINTENANCE - SNOW REMOVL	-	-	-	1,500	1,500	n/a
663551 - LAB ANALYSIS	35,229	23,617	59,275	38,115	(21,160)	-35.7%
663574 - DISPOSAL SERVICES	15,250	1,868	7,700	6,700	(1,000)	-13.0%
663587 - COURIER SERVICES	2,196	1,130	2,112	2,196	84	4.0%
663599 - MISC OTHER SERVICES	4,551	(420)	7,900	-	(7,900)	-100.0%
6636 - TECHNICAL SERVICES	7,786	1,472	14,000	22,300	8,300	59.3%
Contracted Svcs Total	92,461	42,402	138,033	123,646	(14,387)	-10.4%
Deferred Cost W/O						
66754 - DEFERRED COSTS WRITE OFF	9,180	2,200	4,400	-	(4,400)	-100.0%
Deferred Cost W/O Total	9,180	2,200	4,400	-	(4,400)	-100.0%
Heat/Fuel Oil						
661622 - CONTAINER DELIVERED	10,158	6,084	12,004	11,305	(699)	-5.8%
66166 - UNLEADED GAS	7,659	1,808	9,300	8,300	(1,000)	-10.8%
Heat/Fuel Oil Total	17,817	7,891	21,304	19,605	(1,699)	-8.0%
Insurance						
66599 - PROPERTY & BOILER INSUR	2,241	1,123	2,325	2,321	(4)	-0.2%
Insurance Total	2,241	1,123	2,325	2,321	(4)	-0.2%

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Diff \$	Diff %
Materials/Supplies						
6619 - ASSET PURCHASES	\$3,977	\$13,067	\$19,800	\$12,750	-\$7,050	-35.6%
66202 - TOOLS	314	25	1,450	1,450	-	0.0%
66203 - VENDOR PURCHASED SUPPLIES	4,098	2,521	9,850	10,750	900	9.1%
662042 - SUPPLIES INVENTORY	552	321	1,600	1,575	(25)	-1.6%
662043 - TOOL INVENTORY	774	60	650	850	200	30.8%
66204301 - INVENTORY - TONER	31	1,154	-	-	-	n/a
66204302 - INVENTORY - PAPER	54	30	-	-	-	n/a
66204303 - INVENTORY - COMPUTER EQUIP	1,141	559	300	350	50	16.7%
662047 - GARAGE INVENTORY	18	-	100	100	-	0.0%
66205 - CONSUMABLE SUPPLIES	53,861	39,514	74,425	75,690	1,265	1.7%
663564 - COMPUTER-RELATED EQUIP	2,756	1,070	5,250	6,813	1,563	29.8%
Materials/Supplies Total	67,577	58,322	113,425	110,328	(3,097)	-2.7%
Other Expense						
66411 - INTERNAL RENTAL CHARGES	48,600	24,300	48,600	48,600	-	0.0%
6642 - EQUIPMENT RENT	-	-	350	-	(350)	-100.0%
66601 - PUBLIC RELATIONS	5,445	1,788	8,000	5,500	(2,500)	-31.3%
66609 - OTHER ADVERTISING	919	2,592	5,100	5,600	500	9.8%
6675111 - INSTATE TRAINING	2,616	2,223	3,700	4,200	500	13.5%
6675112 - OUT OF STATE TRAINING	948	812	2,900	1,500	(1,400)	-48.3%
6675121 - IN STATE CONFERENCES	1,541	1,073	2,600	3,500	900	34.6%
6675122 - OUT-OF-STATE CONFERENCES	2,708	339	2,100	2,300	200	9.5%
667513 - DUES	15,975	555	16,105	16,245	140	0.9%
667514 - PROFESSIONAL LICENSES	4,326	14,075	1,035	3,945	2,910	281.2%
667515 - PERIODICAL SUBSCRIPTIONS	642	176	1,080	580	(500)	-46.3%
667516 - PERMITS	80	90	-	-	-	n/a
667521 - POSTAGE - THIRD PARTY	2,222	979	5,150	3,350	(1,800)	-35.0%
667522 - POSTAGE - INTERNAL	357	181	400	400	-	0.0%
667523 - POSTAGE - EXPRESS DELIVER	162	-	300	300	-	0.0%
667531 - PRINTING COSTS	16,095	6,256	19,700	19,550	(150)	-0.8%
667555 - SAFETY EXPENSES	175	-	-	-	-	n/a
667561 - WATERSHED GRANTS/SUPPORT	39,809	18,982	38,900	41,450	2,550	6.6%
667591 - UNIFORMS	3,561	1,503	2,750	2,750	-	0.0%
667592 - FOOD SUPPLIES	719	561	1,975	1,975	-	0.0%
667599 - OTHER MISCELLANEOUS	2,897	1,167	1,000	150	(850)	-85.0%
Other Expense Total	149,797	77,650	161,745	161,895	150	0.1%
Purchased Power						
66155 - POWER - SMALL ENERGY	1,341	518	1,125	1,248	123	10.9%
66156 - POWER - SMALL T&D	1,198	552	1,234	1,284	50	4.0%
Purchased Power Total	2,539	1,069	2,359	2,532	173	7.3%
Tele/Oth Utilities						
66101 - WATER	174	71	310	310	-	0.0%
66111 - TELEPHONE LINES	657	296	650	650	-	0.0%
66112 - DATA LINES	3,212	1,585	2,300	540	(1,760)	-76.5%
66113 - CELLULAR PHONES	3,464	1,321	2,100	2,520	420	20.0%
Tele/Oth Utilities Total	7,507	3,273	5,360	4,020	(1,340)	-25.0%
Transportation						
66501 - TRANSPORTATION - INTERNAL	19,959	7,997	26,437	14,419	(12,019)	-45.5%
665019 - TRANS INTERNAL INACTIVE	-	-	-	27,209	27,209	n/a
66502 - TRANSPORTATION - EXTERNAL	43	-	-	-	-	n/a
66503 - MILEAGE REIMBURSEMENT	9,291	4,173	8,400	9,050	650	7.7%
66504 - MTA TRANS-PASS TOLL FEES	11	8	-	-	-	n/a
Transportation Total	29,303	12,178	34,837	50,678	15,840	45.5%
Grand Total	1,700,853	857,407	1,847,455	1,854,185	6,730	0.4%

Environmental Services: Water Resources (A5)**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$516,353	\$239,909	\$524,554	\$523,457	-\$1,097	-0.2%
Employee Benefits	222,501	111,603	233,498	237,792	4,295	1.8%
Contracted Svcs	42,381	10,031	67,448	74,832	7,384	10.9%
Deferred Cost W/O	4,400	2,200	4,400	-	(4,400)	-100.0%
Heat/Fuel Oil	16,418	7,375	19,300	18,300	(1,000)	-5.2%
Insurance	2,241	1,123	2,325	2,321	(4)	-0.2%
Materials/Supplies	12,800	10,962	30,100	29,338	(762)	-2.5%
Other Expense	76,103	36,147	89,020	85,670	(3,350)	-3.8%
Purchased Power	2,539	1,069	2,359	2,532	173	7.3%
Tele/Oth Utilities	7,507	3,273	5,360	4,020	(1,340)	-25.0%
Transportation	23,247	10,106	27,451	46,656	19,205	70.0%
Grand Total	926,489	433,800	1,005,815	1,024,919	19,104	1.9%
Programs:						
					-	
28 - MONITORING	137,693	50,129	137,190	122,294	(14,897)	-10.9%
41 - PRETREATMENT	794	2,439	29,055	5,928	(23,127)	-79.6%
56 - TECH OPS SUPPORT	53,259	15,289	71,714	71,585	(129)	-0.2%
78 - EDUCATION	122,744	58,788	151,871	148,102	(3,769)	-2.5%
82 - LAKE SECURITY	166,912	74,586	187,907	179,705	(8,203)	-4.4%
83 - CUSTOMER OUTREACH	89,386	53,360	88,158	106,147	17,990	20.4%
98 - TRAINING	24,961	21,319	35,546	31,870	(3,676)	-10.3%
99 - ADMINISTRATION	330,741	157,890	304,373	359,288	54,915	18.0%
Grand Total	926,489	433,800	1,005,815	1,024,919	19,104	1.9%
Funds:						
					-	
10 - General/Alloc	207,377	101,652	178,608	231,361	52,754	29.5%
20 - Water	718,319	329,708	798,152	787,630	(10,523)	-1.3%
57 - WW Portland	510	2,439	14,527	5,928	(8,600)	-59.2%
62 - WW Westbrook	284	-	14,527	-	(14,527)	-100.0%
Grand Total	926,489	433,800	1,005,815	1,024,919	19,104	1.9%
Staffing Trend:						
Full-Time	7	7	7	7	0	0.0%
Part-Time	1	1	1	1	0	0.0%
Total	8	8	8	8	0	0.0%

Environmental Services: Laboratory Service (L6)**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$392,717	\$200,715	\$407,136	\$413,192	\$6,055	1.5%
Employee Benefits	186,930	97,253	195,476	201,613	6,137	3.1%
Chemicals	3,931	1,818	3,003	3,106	103	3.4%
Contracted Svcs	50,080	32,371	70,585	48,814	(21,771)	-30.8%
Deferred Cost W/O	4,780	-	-	-	-	n/a
Heat/Fuel Oil	1,398	516	2,004	1,305	(699)	-34.9%
Materials/Supplies	54,777	47,359	83,325	80,990	(2,335)	-2.8%
Other Expense	73,694	41,503	72,725	76,225	3,500	4.8%
Transportation	6,056	2,072	7,386	4,022	(3,365)	-45.6%
Grand Total	774,364	423,607	841,640	829,266	(12,374)	-1.5%
Programs:						
28 - MONITORING	-	218	-	-	-	n/a
41 - PRETREATMENT	49,237	35,182	48,621	67,144	18,524	38.1%
56 - TECH OPS SUPPORT	50,102	24,832	62,739	64,009	1,270	2.0%
63 - SAMPLE ANALYSIS	346,968	215,278	430,549	394,947	(35,602)	-8.3%
78 - EDUCATION	-	155	762	2,571	1,808	237.1%
98 - TRAINING	36,914	14,616	29,535	29,284	(250)	-0.8%
99 - ADMINISTRATION	291,143	133,326	269,434	271,310	1,877	0.7%
Grand Total	774,364	423,607	841,640	829,266	(12,374)	-1.5%
Funds:						
10 - General/Alloc	263,217	110,712	248,428	240,758	(7,670)	-3.1%
20 - Water	208,184	127,249	240,509	244,250	3,741	1.6%
50 - WW Gen	223,958	122,846	262,345	249,838	(12,507)	-4.8%
51 - WW Cape Elizabeth	1,284	2,562	3,600	1,000	(2,600)	-72.2%
57 - WW Portland	46,205	42,139	45,448	56,495	11,047	24.3%
61 - WW Gorham Village	4,883	2,023	5,509	6,431	923	16.7%
62 - WW Westbrook	17,225	9,116	19,344	22,073	2,729	14.1%
64 - WW Joint Westbrook	6,538	5,355	13,958	6,822	(7,136)	-51.1%
66 - WW Peaks Island	2,871	1,605	2,500	1,600	(900)	-36.0%
Grand Total	774,364	423,607	841,640	829,266	(12,374)	-1.5%
Staffing Trend:						
Full-Time	7	7	7	7	0	0.0%

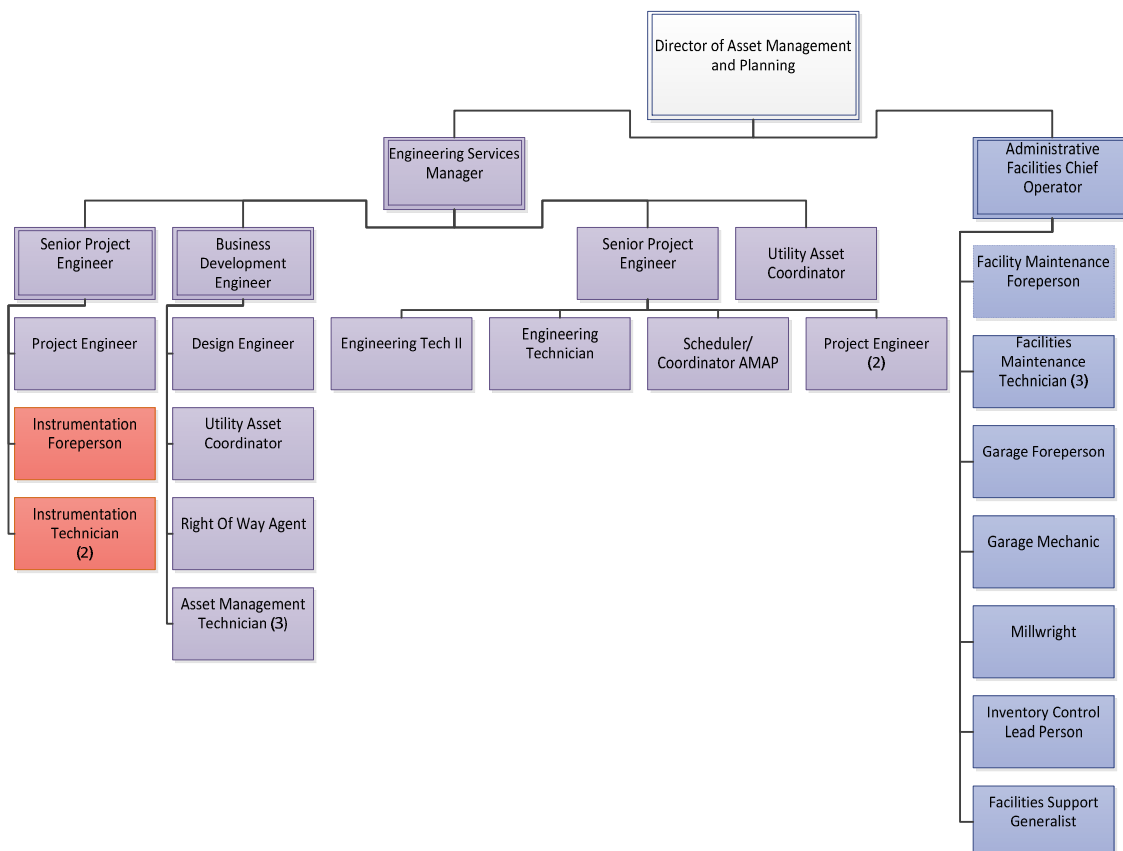
Engineering Services - Purpose Statement

To provide direct and supported design and construction of water, wastewater and administrative infrastructure and support an asset management approach to infrastructure acquisition and maintenance.

Core Services

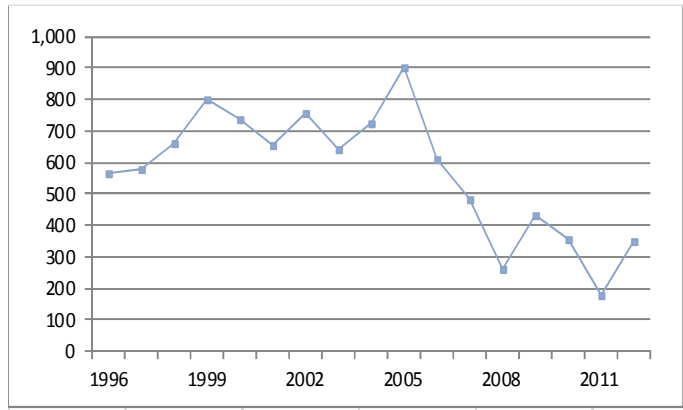
Engineering Services is responsible for providing engineering and maintenance services to internal and external customers. They are responsible for the following services:

- Manages planning and design of developer installed water and sewer infrastructure and coordination of existing District field and facilities assets. Supports long range planning, alternatives evaluation, and detailed design development of water main renewal programs as well as treatment and pumping facility projects. Provides construction oversight/recordkeeping for all infrastructure projects. (Asset Engineering Services Group, E2; purple in organization chart).
- Responsible for operation and maintenance of administrative facilities. Provides facility support services including garage, structural maintenance and stock room services (Facility Services Group-C1; blue in organization chart).
- Provides design, installation, maintenance and technical support of the Supervisory Control and Data Acquisition (SCADA) systems (Instrumentation Group-E7; red in organization chart).



Key Statistics

New Water Services



Assets in the Asset Information Management System (AIM)

Facilities	141
Facility Processes & Systems	1,312
Equipment/Components	8,411
Vehicles/Heavy Equipment	111
Water Service Association Assets (meters, backflows, etc)	207,629
Water Field Assets	45,312
Sewer Field Assets	6,297
Total Assets	269,261

Performance Benchmarks

	2012 Actual	2013 Projected	2014 Goal
Corporate Goal – Reliability			
Leaks per 100 miles of main	7.8	<25	<25
Main Renewals, feet	14,100	17,500	19,500
Main Extensions, feet	19,500	11,000	12,000
SCADA telemetry uptime (Wastewater), percent	98.45	99.00	99.00
SCADA telemetry uptime (Water), percent	98.41	99.00	99.00
Corporate Goal - Affordability			
New Water Services	348	285	300
Property Records digitally linked	52	60	40
Corporate Goal – Employees and Work Environment			
Employee Training Hours	63	73	80

Past Accomplishments

- Implemented and supported improvements to water/wastewater process control and documentation through SCADA, data warehouse, digital control and radio projects.
- Reviewed and ensured a one-to-one relationship between water service lines and billing accounts in Falmouth as part of the Service-Associated Asset documentation effort.
- Undertook project design and construction support efforts at wastewater treatment facilities to deliver identified capital improvements, including Westbrook disinfection improvements.
- Renewed more than 4 miles of water mains as lead agency and as a partner with MDOT and municipalities. Undertook water main design and construction in support of Combined Sewer Overflow (CSO) initiatives in the City of Portland.
- Continued building envelope improvements with additional roof, window and wall replacement projects at Douglass St, the Ecology Center and the Portland EEWTF.
- Managed installation of new boilers at Family Field PS and the Ecology Center
- Managed design and contracting of new customer service entrance to Douglass St.
- Supported installation of security upgrades including software, intercoms and cameras.
- Supported development of next generation hierarchical browser asset management tool.
- Coordinated and provided internal lead for construction of the Peaks Island Sewer project.
- Supported the construction project for UV/Ozone disinfection upgrade project at Sebago Lake Water Treatment Facility (SLWTF).
- Reviewed and updated job descriptions and organizational structure for three positions where retirements occurred during 2013.

Projects and Initiatives

Corporate Goal – Public Health

- Continue lead and support role of construction of SLWTF UV/Ozone disinfection upgrade project.
- Continue to support startup and commissioning of the SLWTF UV/Ozone disinfection upgrade..

Corporate Goals – Reliability and Affordability

- Continue envelope (roof, window and door) improvements of Douglass St facility.
- Continue to support development of hierarchy browser asset management tool.
- Continue development of wastewater capital project delivery through Engineering Services. Projects include work at all wastewater treatment facilities.
- Continue implementation of project to improve quality and digital accessibility of Service-Associated Assets (Water Service line, Water Meter, Water Backflow, etc.).
- Continue to support effort to move more work processes and asset data into the District's Asset Information Management (AIM) system.

Corporate Goal – Employees and Work Environment

- Reach an average of 80 hours of training per employee.
- Continue to support ongoing workplace safety management and training.

2013 Highlights



Oversaw design and construction of Peaks Island Sewer and Water Infrastructure project



Managed UV/Ozone Disinfection upgrade project



Successfully partnered with Municipalities, Developers and MDOT to deliver water main replacement program through District



Successful Factory Acceptance Testing (FAT) on major and minor projects

2014 Goals



Work cooperatively with Wastewater Operations to scope, prioritize, design and deliver infrastructure renewal projects

Facility Building/Structure Elements					
Hierarchical Association	Master Inventory Type	Project	Theme Character Code	Unit Type Code	Notes
Facility	FAC	PA	FACIL	PROGVS	
Regulation/Control Process	FAC	BT	PROGVS	PROGVS	
Building System Subsystem	FAC	BT	PROGVS	PROGVS	
Roofing	FAC	BT	WOP	BLDGROF	Roof
Windows/Glazing	FAC	BT	WDR	BLDGWIN	Windows and Doors
Building Envelope	FAC	BT	ENV	BLDGENV	Building envelope components not separately identified i.e. exterior walls, foundations, doors.

Lead and support implementation of improved vertical asset definitions in Asset Information Management System (AIM)

Unit Id	Description	Total Cost	Asset Type	Labor Usage
STW01	SEBAGO LAKE WATER TREAT PLANT	310,135.00	FAC	8,657.64
STW01CC	SLWTF CORROSION CONTROL SYSTEM	2,979.38	FAC	88.65
STW01DS	SLWTF DISINFECTION SYSTEM	21,354.89	FAC	558.95
STW01AM	AQUA AMMONIA SYSTEM	2,668.84	FAC	61.75
STW01CL	SLWTF HYPOCHLORITE SYSTEM	5,849.85	FAC	173.50
STW01CL-BLK141	NADCL #1 STORAGE TANK	24.45	FSU	0.75
STW01CL-BLK142	NADCL #2 STORAGE TANK	24.45	FSU	0.75
STW01CL-DAY143	NADCL #1 DAY TANK	0.00	FSU	0.00
STW01CL-DAY144	NADCL #2 DAY TANK	0.00	FSU	0.00
STW01CL-FIT1441	NADCL FLOW METER #1	0.00	EQ	0.00
STW01CL-FIT1451	NADCL FLOW METER #2	0.00	EQ	0.00

Explore with Information Services a vertical asset browser tool



Successfully manage delivery and start-up of Ultraviolet/Ozone Disinfection upgrade project with Water Operations



Lead program to prioritize, design and construct expanded water main replacement program

Financial Overview

The Engineering Group 2014 budget request is \$3,878,479 which is \$104,687 or 2.8% higher than last year's budget. The group consists of 3 subgroups – Facility Services (C1), Asset Engineering (E2) and Instrumentation (E7).

Facility Services' budget increases by \$67,850 or 3.5% reflecting substantially higher heat/fuel costs and increased maintenance costs.

Asset Engineering's budget increases by \$30,412 or 2.0%. Salaries/Wages/Benefits increases are partially offset by reduction in computer related equipment and changes in accounting for software and internal transportation.

Instrumentation's budget is \$6,425 or 2.0% higher due to Salaries/Wages/Benefits increases and higher costs related to software licenses and internal transportation due to changes in accounting for these items.

Significant Expense Type changes in 2014 are listed below:

Employee Benefits

No changes in the number of employees are planned for 2014. Increase reflects salary increase of 1.5% and higher allocated benefits costs, primarily due to the increases in pension plan costs.

Contracted Services

There is a \$30,420 increase in Maintenance Services. This is primarily due to increases in grounds maintenance, CCTV maintenance contract (\$5,000), fuel system maintenance and compliance repairs, and a plan to improve the reliability to the boiler through increased off-peak maintenance.

Heat/Fuel Oil

This line was increased \$31,500 (28.2%) to both reflect the increase in per gallon costs (\$3.30 from \$2.90) for Douglass Street heating oil and the transfer from materials and supplies the fuel budget for District vehicles that fuel at remote (non-Douglass Street) locations. The usage was kept constant to reflect the 3-year actual usage.

Other Expenses

The line item includes an increase in freight charges of \$5,000 to reflect the current actual costs. It also reflects \$1,200 toward boiler licenses.

Engineering Services – Total**Financial Summary**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Sub-Groups:						
C1 - Facility Services	\$1,788,084	\$873,729	\$1,916,696	\$1,984,546	\$67,850	3.5%
E2 - Asset Engineering	1,565,025	803,147	1,533,988	1,564,399	30,412	2.0%
E7 - Instrumentation	289,415	153,292	323,109	329,534	6,425	2.0%
Grand Total	3,642,524	1,830,167	3,773,793	3,878,479	104,687	2.8%
Expense Types:						
Salaries/Wages	1,644,565	827,279	1,650,444	1,656,554	6,110	0.4%
Employee Benefits	796,506	424,813	835,635	849,582	13,948	1.7%
Contracted Srvs	314,465	177,261	355,695	390,672	34,977	9.8%
Deferred Cost W/O	45,703	5,901	11,802	11,802	(0)	0.0%
Heat/Fuel Oil	101,614	75,084	111,700	143,200	31,500	28.2%
Insurance	40,220	22,568	41,853	41,717	(136)	-0.3%
Materials/Supplies	505,686	229,764	574,715	566,618	(8,097)	-1.4%
Other Expense	(57,008)	(34,516)	(73,150)	(50,840)	22,310	-30.5%
Purchased Power	73,315	35,989	69,581	75,442	5,861	8.4%
Tele/Oth Utilities	88,670	37,558	94,872	91,100	(3,772)	-4.0%
Transportation	88,787	28,467	100,645	102,632	1,987	2.0%
Grand Total	3,642,524	1,830,167	3,773,793	3,878,479	104,687	2.8%
Staffing Trends:						
Full-Time Employees	30	30	30	30	0	0.0%

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Diff \$	Diff %
Salaries/Wages Total					-	n/a
660111 - SALARIES/WAGES NON-UNION	\$888,442	\$466,503	\$897,133	\$898,127	\$993	0.1%
660121 - WAGES/REGULAR UNION	705,078	349,242	707,061	709,254	2,193	0.3%
660122 - WAGES/OVERTIME UNION	4,007	2,808	8,062	6,121	(1,941)	-24.1%
660123 - WAGES/DOUBLETIME UNION	350	-	-	4,861	4,861	n/a
660124 - WAGES/STANDBY TIME UNION	1,604	293	228	232	4	1.6%
660131 - WAGES - REGULAR - TEMPS	32,267	8,432	37,960	37,960	-	0.0%
66014 - VACATION ACCRUAL	2,677	-	-	-	-	n/a
66015 - SICKTIME ACCRUAL	10,141	-	-	-	-	n/a
Salaries/Wages Total	1,644,565	827,279	1,650,444	1,656,554	6,110	0.4%
Employee Benefits						
660401 - FICA - EMPLOYERS' SHARE	120,852	61,168	126,259	126,726	467	0.4%
660405 - SAFETY/WHY PROGRAM ITEMS	5,017	1,349	5,520	5,210	(310)	-5.6%
660411 - MEALS ALLOWANCE	11	-	-	40	40	n/a
660413 - PWD TRAINING PROGRAM	350	355	-	-	-	n/a
660418 - STIPENDS	1,700	1,900	1,700	2,000	300	17.6%
660419 - EMPLOYEE BENEFITS-MISC OTH	1,000	19	-	-	-	n/a
660491 - FRINGE BENEFITS-REG/SAL	667,576	360,022	702,156	715,606	13,450	1.9%
Employee Benefits Total	796,506	424,813	835,635	849,582	13,948	1.7%
Contracted Svcs						
6631 - ENGINEERING SERVICES	2,302	1,835	5,000	5,000	-	0.0%
663526 - INSPECTION SERVICES	3,780	-	-	-	-	n/a
66353 - REPAIR SERVICES	13,645	2,551	-	5,000	5,000	n/a
66354 - MAINTENANCE SERVICES	175,481	101,868	223,180	253,600	30,420	13.6%
663561 - COMPUTER LICENSES	19,880	21,490	26,000	25,120	(880)	-3.4%
663562 - COMPUTER MAINTAINENCE	-	3,000	250	250	-	0.0%
663563 - COMPUTER CONSULTING/OTHER	-	-	800	800	-	0.0%
663574 - DISPOSAL SERVICES	12,441	5,912	18,000	18,100	100	0.6%
663587 - COURIER SERVICES	8,802	4,549	8,465	8,802	337	4.0%
663588 - EQUIPMENT MAINTENANCE	-	-	5,000	5,000	-	0.0%
663589 - SECURITY SERVICES	68,700	32,863	65,000	65,000	-	0.0%
663599 - MISC OTHER SERVICES	9,434	3,193	2,000	2,000	-	0.0%
6636 - TECHNICAL SERVICES	-	-	2,000	2,000	-	0.0%
Contracted Svcs Total	314,465	177,261	355,695	390,672	34,977	9.8%
Deferred Cost W/O						
66754 - DEFERRED COSTS WRITE OFF	45,703	5,901	11,802	11,802	(0)	0.0%
Deferred Cost W/O Total	45,703	5,901	11,802	11,802	(0)	0.0%
Heat/Fuel Oil						
66161 - HEATING OIL	100,281	70,646	110,200	125,400	15,200	13.8%
661621 - PIPELINE DELIVERED PROPAN	1,332	796	1,500	1,800	300	20.0%
66166 - UNLEADED GAS	-	3,642	-	16,000	16,000	n/a
Heat/Fuel Oil Total	101,614	75,084	111,700	143,200	31,500	28.2%

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Diff \$	Diff %
Insurance						
6656 - VEHICAL INSURANCE	\$29,418	\$15,569	\$30,251	\$28,090	-\$2,161	-7.1%
66561 - VEHICAL INSURANCE REIMBUR	(1,055)	(139)	-	-	-	n/a
66593 - UMBRELLA INSURANCE COVER	5,770	4,047	5,245	7,069	1,824	34.8%
66599 - PROPERTY & BOILER INSUR	6,087	3,091	6,358	6,558	200	3.1%
Insurance Total	40,220	22,568	41,853	41,717	(136)	-0.3%
Materials/Supplies						
6619 - ASSET PURCHASES	7,397	1,154	30,250	25,250	(5,000)	-16.5%
66202 - TOOLS	6,751	6,707	14,150	12,150	(2,000)	-14.1%
66203 - VENDOR PURCHASED SUPPLIES	156,102	77,108	199,600	188,450	(11,150)	-5.6%
662041 - MATERIALS INVENTORY	18,752	(810)	7,700	7,300	(400)	-5.2%
662042 - SUPPLIES INVENTORY	20,739	9,798	17,850	17,800	(50)	-0.3%
662043 - TOOL INVENTORY	6,836	5,687	8,175	9,775	1,600	19.6%
66204301 - INVENTORY - TONER	417	1,048	-	750	750	n/a
66204302 - INVENTORY - PAPER	(28)	199	500	500	-	0.0%
66204303 - INVENTORY-COMPUTER EQUIP	3,237	3,621	500	2,300	1,800	360.0%
662044 - METER INVENTORY	(2,314)	(8,476)	-	-	-	n/a
662046 - HYDRANT INVENTORY	200	195	-	-	-	n/a
662047 - GARAGE INVENTORY	11,843	3,475	7,700	8,850	1,150	14.9%
66204701 - INVENTORY - UNLEADED GAS	166,260	81,346	163,659	168,720	5,061	3.1%
66204702 - INVENTORY - DIESEL	89,605	38,720	90,306	92,510	2,204	2.4%
66204703 - INVENTORY - TIRES	11,253	6,817	15,000	15,000	-	0.0%
66205 - CONSUMABLE SUPPLIES	2,268	343	5,550	4,350	(1,200)	-21.6%
663564 - COMPUTER-RELATED EQUIP	6,369	2,832	13,775	12,913	(862)	-6.3%
Materials/Supplies Total	505,686	229,764	574,715	566,618	(8,097)	-1.4%
Other Expense						
6642 - EQUIPMENT RENT	2,563	887	2,500	2,500	-	0.0%
66609 - OTHER ADVERTISING	440	209	-	-	-	n/a
6675111 - INSTATE TRAINING	5,311	6,562	9,900	10,000	100	1.0%
6675112 - OUT OF STATE TRAINING	2,982	3,340	7,000	7,000	-	0.0%
667512 - CONFERENCES	7	-	-	-	-	n/a
6675121 - IN STATE CONFERENCES	4,005	21	3,000	3,000	-	0.0%
6675122 - OUT-OF-STATE CONFERENCES	1,431	625	2,000	4,000	2,000	100.0%
667513 - DUES	1,188	493	3,050	2,550	(500)	-16.4%
667514 - PROFESSIONAL LICENSES	1,649	750	2,150	3,350	1,200	55.8%
667515 - PERIODICAL SUBSCRIPTIONS	384	66	200	550	350	175.0%
667516 - PERMITS	1,060	870	2,500	2,500	-	0.0%
667521 - POSTAGE - THIRD PARTY	14	-	-	-	-	n/a
667522 - POSTAGE - INTERNAL	318	216	1,100	500	(600)	-54.5%
667523 - POSTAGE - EXPRESS DELIVER	1,017	561	500	-	(500)	-100.0%
667531 - PRINTING COSTS	309	-	-	-	-	n/a
667552 - SAFETY TRAINING	567	-	-	500	500	n/a
667555 - SAFETY EXPENSES	769	458	1,500	1,500	-	0.0%
667556 - FREIGHT CHARGES (STOCK)	5,594	3,844	-	5,000	5,000	n/a
667592 - FOOD SUPPLIES	-	358	50	50	-	0.0%
667599 - OTHER MISCELLANEOUS	1,637	2,946	500	500	-	0.0%
6676 - CONTRA ACCOUNT	(88,253)	(56,722)	(109,100)	(94,340)	14,760	-13.5%
Other Expense Total	(57,008)	(34,516)	(73,150)	(50,840)	22,310	-30.5%

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Diff \$	Diff %
Purchased Power						
66153 - POWER - MEDIUM ENERGY	\$49,889	\$23,668	\$46,338	\$49,178	\$2,841	6.1%
66154 - POWER - MEDIUM T&D	20,651	10,552	20,388	23,362	2,974	14.6%
66155 - POWER - SMALL ENERGY	1,507	867	1,392	1,440	48	3.5%
66156 - POWER - SMALL T&D	1,249	880	1,464	1,462	(2)	-0.2%
66157 - FORWARD CAPACITY	19	21	-	-	-	n/a
Purchased Power Total	73,315	35,989	69,581	75,442	5,861	8.4%
Tele/Oth Utilities						
66101 - WATER	18,319	8,258	26,500	23,500	(3,000)	-11.3%
66111 - TELEPHONE LINES	37,550	12,040	42,000	23,954	(18,046)	-43.0%
66112 - DATA LINES	25,791	13,724	19,028	36,302	17,274	90.8%
66113 - CELLULAR PHONES	6,470	2,994	6,890	6,890	-	0.0%
66114 - PAGERS	540	542	454	454	-	0.0%
Tele/Oth Utilities Total	88,670	37,558	94,872	91,100	(3,772)	-4.0%
Transportation						
66501 - TRANSPORTATION - INTERNAL	85,392	27,024	91,920	69,696	(22,224)	-24.2%
665019 - TRANS INTERNAL INACTIVE	-	-	-	22,761	22,761	n/a
66502 - TRANSPORTATION - EXTERNAL	904	407	2,500	3,450	950	38.0%
66503 - MILEAGE REIMBURSEMENT	2,371	1,035	6,225	6,725	500	8.0%
66504 - MTA TRANS-PASS TOLL FEES	120	-	-	-	-	n/a
Transportation Total	88,787	28,467	100,645	102,632	1,987	2.0%
Grand Total	3,642,524	1,830,167	3,773,793	3,878,479	104,687	2.8%

Engineering Services - Facilities Services (C1)**Financial Summary**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$466,036	\$225,125	\$467,580	\$468,910	\$1,330	0.3%
Employee Benefits	226,556	114,949	234,859	238,028	3,169	1.3%
Contracted Svcs	281,929	148,660	321,645	357,502	35,857	11.1%
Heat/Fuel Oil	101,614	75,084	111,700	143,200	31,500	28.2%
Insurance	40,220	22,568	41,853	41,717	(136)	-0.3%
Materials/Supplies	478,788	210,055	534,465	527,718	(6,747)	-1.3%
Other Expense	(6,453)	(4,060)	(7,400)	110	7,510	-101.5%
Purchased Power	73,315	35,989	69,581	75,442	5,861	8.4%
Tele/Oth Utilities	75,866	32,144	82,034	76,988	(5,046)	-6.2%
Transportation	50,213	13,214	60,378	54,930	(5,448)	-9.0%
Grand Total	1,788,084	873,729	1,916,696	1,984,546	67,850	3.5%
Programs:						
23 - STOCKROOM OPERATION	127,333	40,299	133,145	97,761	(35,385)	-26.6%
24 - OPERATIONS	58,624	24,950	20,656	43,706	23,050	111.6%
30 - MAINTENANCE	191,265	97,274	203,915	226,879	22,964	11.3%
55 - PROF OPS SUPPORT	36,768	33,187	40,600	43,037	2,437	6.0%
90 - VEHICLES	602,414	303,893	664,199	712,123	47,924	7.2%
93 - STOCKROOM SCRAP	4,524	(19)	-	250	250	n/a
95 - DOUGLASS STREET	596,248	311,136	709,562	738,001	28,439	4.0%
98 - TRAINING	17,119	12,630	27,555	35,818	8,262	30.0%
99 - ADMINISTRATION	153,787	50,377	117,063	86,972	(30,091)	-25.7%
Grand Total	1,788,084	873,729	1,916,696	1,984,546	67,850	3.5%
Funds:						
10 - General/Alloc	1,362,725	677,077	1,518,379	1,572,913	54,534	3.6%
20 - Water	270,909	121,957	268,093	249,870	(18,223)	-6.8%
30 - Water	22,764	7,855	3,377	16,287	12,910	382.3%
51 - WW Cape Elizabeth	20,712	11,962	19,113	19,544	431	2.3%
53 - WW Cumberland	6,718	5,605	8,614	8,960	345	4.0%
55 - WW Windham LF	260	147	-	110	110	n/a
57 - WW Portland	64,806	32,273	77,982	78,454	472	0.6%
61 - WW Gorham Village	6,051	3,651	6,823	8,811	1,988	29.1%
62 - WW Westbrook	2,922	2,933	1,813	4,433	2,619	144.5%
64 - WW Joint Westbrook	23,045	7,383	9,601	20,226	10,625	110.7%
65 - WW Joint LF	1,170	450	1,200	1,200	-	0.0%
66 - WW Peaks Island	6,002	2,434	1,699	3,738	2,039	120.0%
Grand Total	1,788,084	873,729	1,916,696	1,984,546	67,850	3.5%
Staffing Trend:						
Full-Time	10	10	10	10	0	0.0%

Engineering Services -Asset Engineering Services (E2)**Financial Summary**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$1,026,735	\$527,661	\$1,028,838	\$1,030,395	\$1,557	0.2%
Employee Benefits	496,061	270,832	521,524	529,865	8,341	1.6%
Contracted Srvs	16,871	12,099	13,050	9,800	(3,250)	-24.9%
Deferred Cost W/O	45,703	5,901	11,802	11,802	(0)	0.0%
Materials/Supplies	11,416	9,753	13,100	12,100	(1,000)	-7.6%
Other Expense	(55,346)	(31,994)	(76,350)	(61,050)	15,300	-20.0%
Tele/Oth Utilities	9,349	3,967	9,388	10,042	654	7.0%
Transportation	14,236	4,928	12,635	21,445	8,810	69.7%
Grand Total	1,565,025	803,147	1,533,988	1,564,399	30,412	2.0%
Programs:						
57 - MEANS COORDINATION	231,452	101,932	325,911	285,052	(40,859)	-12.5%
79 - AMAP SERVICES	423,284	189,647	540,954	483,212	(57,741)	-10.7%
94 - TECHNOLOGY TEAMS	120,417	109,338	213,614	266,252	52,638	24.6%
98 - TRAINING	63,730	48,250	71,719	74,017	2,298	3.2%
99 - ADMINISTRATION	726,142	353,981	381,790	455,865	74,076	19.4%
Grand Total	1,565,025	803,147	1,533,988	1,564,399	30,412	2.0%
Funds:						
10 - General/Alloc	709,007	443,404	522,478	689,239	166,762	31.9%
20 - Water	695,739	278,179	742,712	635,927	(106,785)	-14.4%
50 - WW Gen	15,109	14,121	258,196	228,548	(29,648)	-11.5%
51 - WW Cape Elizabeth	30,741	1,310	-	-	-	n/a
53 - WW Cumberland	620	274	-	-	-	n/a
55 - WW Windham LF	582	114	-	-	-	n/a
57 - WW Portland	34,719	13,051	-	84	84	n/a
61 - WW Gorham Village	3,645	313	-	-	-	n/a
62 - WW Westbrook	12,195	5,301	10,602	10,602	(0)	0.0%
64 - WW Joint Westbrook	23,180	13,461	-	-	-	n/a
66 - WW Peaks Island	39,488	33,621	-	-	-	n/a
Grand Total	1,565,025	803,147	1,533,988	1,564,399	30,412	2.0%
Staffing Trend:						
Full-Time	17	17	17	17	0	0.0%

Engineering Services - Instrumentation Services (E7)**Financial Summary**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$151,794	\$74,493	\$154,026	\$157,248	\$3,223	2.1%
Employee Benefits	73,889	39,032	79,252	81,690	2,438	3.1%
Contracted Svcs	15,666	16,502	21,000	23,370	2,370	11.3%
Materials/Supplies	15,482	9,956	27,150	26,800	(350)	-1.3%
Other Expense	4,791	1,538	10,600	10,100	(500)	-4.7%
Tele/Oth Utilities	3,454	1,447	3,450	4,070	620	18.0%
Transportation	24,339	10,324	27,631	26,256	(1,375)	-5.0%
Grand Total	289,415	153,292	323,109	329,534	6,425	2.0%
Programs:						
81 - INSTRUMENTATION & CONTROL	175,775	84,568	218,987	206,481	(12,506)	-5.7%
94 - TECHNOLOGY TEAMS	-	-	3,638	3,085	(552)	-15.2%
98 - TRAINING	11,329	4,981	18,453	18,609	156	0.8%
99 - ADMINISTRATION	102,312	63,744	82,031	101,359	19,328	23.6%
Grand Total	289,415	153,292	323,109	329,534	6,425	2.0%
Funds:						
10 - General/Alloc	113,640	68,724	104,123	123,054	18,931	18.2%
20 - Water	53,829	22,482	80,508	73,911	(6,597)	-8.2%
50 - WW Gen	9,573	7,935	76,448	57,919	(18,529)	-24.2%
51 - WW Cape Elizabeth	23,327	9,633	500	500	-	0.0%
53 - WW Cumberland	4,851	548	1,000	1,000	-	0.0%
57 - WW Portland	57,425	24,811	58,130	70,751	12,620	21.7%
61 - WW Gorham Village	9,390	4,605	500	500	-	0.0%
62 - WW Westbrook	6,741	7,294	500	500	-	0.0%
64 - WW Joint Westbrook	5,318	2,555	800	800	-	0.0%
65 - WW Joint LF	2,243	712	-	-	-	n/a
66 - WW Peaks Island	3,079	3,993	600	600	-	0.0%
Grand Total	289,415	153,292	323,109	329,534	6,425	2.0%
Staffing Trend:						
Full-Time	3	3	3	3	0	0.0%

Administrative Services - Purpose Statement

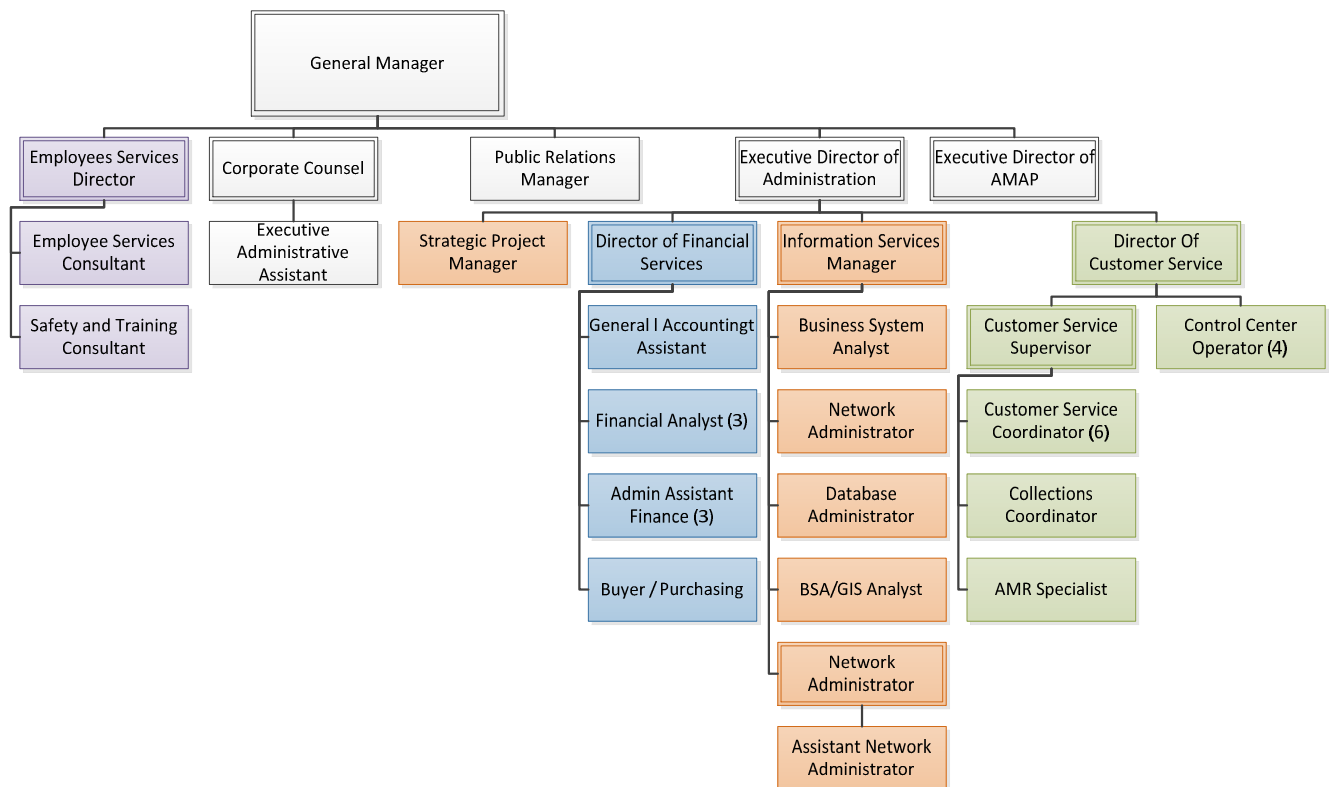
To provide support services to internal and external customers

Core Services

Administrative Services provides support services to internal and external customers by providing the following services:

- External customers' call center response and billing services (Customer Service Group- F1; green in the organization chart).
- Computer system and related technology support and maintenance services (Information Services Group – G1; orange in the organization chart).
- Financial transaction processing and information services (Financial Services Group – H1; blue in the organization chart).
- Employee development, benefits and management services (Employee Services Group – I1; purple in the organization chart).

The District has a seven-person group (Executive Group – J1; black in the organization chart) that directs, oversees and provides administrative support for the District.



Key Statistics

Customer Services:

- Customers Served – 53,546, 52,468
- Customer Contacts per Year – 50,834
- Billing – monthly, water and wastewater services

	2012 Actual	2013 Projected	2014 Goal
Phone calls answered within 1 min	85.00%	80.00%	82.00%
Customer satisfaction	97.00%	97.00%	90.00%
Actual vs Estimated Reads	99.73%	99.73%	99.00%
Accurate bill index	99.97%	99.97%	99.85%
Customer Contacts	53,899	52,500	52,000
Bills Produced	628,994	631,900	634,000

Information Services:

Devices Maintained:

Device Type	2011	2012	2013	2014
Servers	28	30	30	43
Virtual Servers	6	6	9	19
Laptops	61	60	54	54
CPU	60	52	40	30
Thin Clients	95	95	112	120
Firewall	1	3	3	3
Switches	25	32	24	26
Routers	5	5	5	5
Phone Switches	11	11	11	11
Desk Phones	157	162	164	164
Smart Phones	13	16	19	18
Printers	38	36	41	41
Copiers	6	8	8	8
Tablets	0	3	16	20
Scanners	3	4	6	6
Total	509	523	542	564

Major Software:

ESRI Geographic Information Systems
Pentamotion Financial
Hansen Asset Management/Customer Relation
Oracle databases (3)
Informix database (1)
Microsoft Office
SharePoint
Crystal Reports
Call Recording
AutoCAD
ShoreTel phone
WIMS

Financial Services:

Significant financial transaction processing:

- Payroll (weekly, 9,600 checks/year)
- Vendor payment (weekly, 6,150 check/year)
- Bill payments (daily, 600,000/year)

Past Accomplishments

Significant accomplishments in the past year include the following:

Customer Service

- Title Check Program: Customer Self-help on the WEB to Reduce Phone Calls: When a property is being sold, title companies call PWD to obtain outstanding water and sewer balances, and projected final bill amounts, in order to collect full payment and ensure a clear title to the property. There were 3,400 Title Check calls to PWD in 2012. We want to significantly reduce that call volume by offering title companies the opportunity to obtain the information for themselves on our website, rather than calling a representative. A Title Check self-help Program, providing all the required information, was built by PWD and made available to two title companies to test in April 2013. In September we rolled the program out to all title companies and invited them to attend a training session at PWD on September 4th.
- Paper-free Bills: In 2013 we continued our campaign to increase the number of paper-free bill customers. Paper-free bills reduce postage and bill printing costs. By year end, we project paperless bill customers to increase by 12.5%, or 10,400 customers. The overall cost savings based on 2013 prices is over \$64,000.
- Rates: Updated and tested sewer rate increases for five municipalities including: City of Portland, City of South Portland, Town of Cape Elizabeth, Town of Cumberland and City of Westbrook. Water rates were also updated and tested.
- Submeters: In June, Portland customers began purchasing submeters from the City instead of PWD. This was part of the MOU (Memorandum of Understanding) created between the City of Portland and PWD last year. Sale and inspection of submeters by the municipality will clarify the City's ownership of the submeter program.
- Personnel: Hired and trained 4 new CS employees in 2013. This comprised 33% of the CS staff. We also initiated a field training program for the CS staff to spend a day in the field with a Utility Specialist to enhance their technical knowledge.

Information Services

- Deployment of the Title Company Website. – Worked with our Customer Service Department to create a web portal for title companies to check on outstanding customer balances. On track to reduce title company calls to PWD by 40%.
- Continued expansion of server virtualization – By utilizing virtual servers vs. physical servers, we will be able to reduce energy cost and hardware costs.
- iPad deployment to SMT and Board of Trustees
- 5 Year Technology Master Plan completed – IS Department framework for next 5 years.
- Perimeter security audit of SCADA network – Ensured all best practices are followed and network is secure.
- Paperless implementation of AP invoices – All invoices are now scanned and searchable online.
- Upgrade of core GIS system – upgrade to the most current version of ArcGIS Server.
- Rollout of 60 virtual desktops – reducing desktop hardware cost per user by 30%

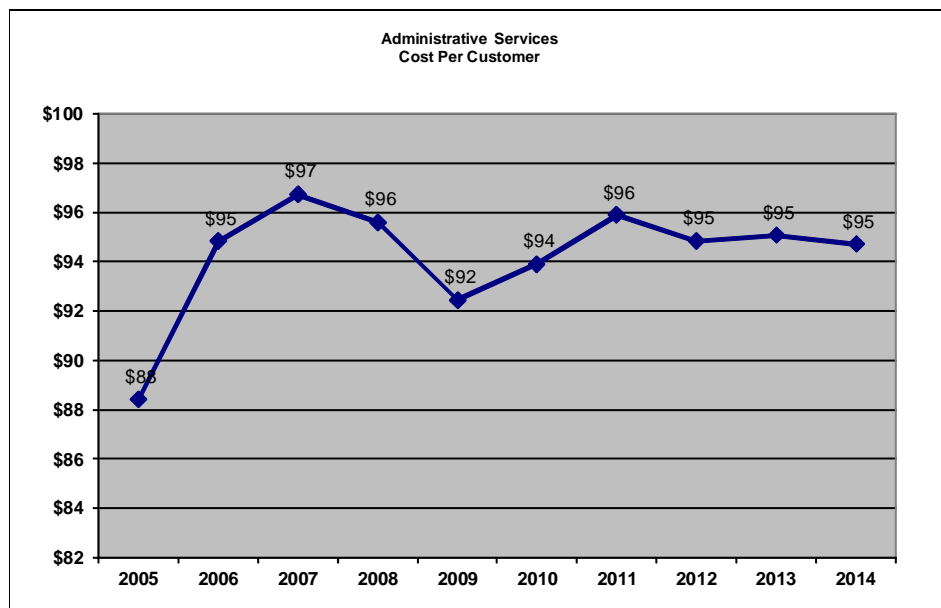
Past Accomplishments (continued)

Financial Services

- Received Government Finance Officers Association's "Certificate of Achievement for Excellence in Financial Reporting" for the 2011 CAFR which was the 16th annual award in a row and the "Distinguished Budget Presentation Award" for the 2013 Comprehensive Budget Report which was the third year in a row.
- Put in place a feature that allows managers to view scanned copies of paid vendor invoices from their computers via the SharePoint and the Pentamation software.
- Developed process to bring payroll data directly from the Hansen timecard system to the Pentamation payroll system eliminating the manual input of timecards.

Employee Services

- A new Labor Contract was negotiated in 2012-3 and ratified by the Board of Trustees on 4/22/13, affecting pay and benefits into 2015.
- Legislative action in 2013 caused specific benefit actions including:
 - Mandatory employee notice of Health Exchanges (ACA)
 - Replaced "domestic partner" with same gender spouse (Supreme Court DOMA decision and Maine legislation)
- Management put forward and the Board approved revisions to the Defined Benefit plans to clarify spousal benefits, and insert changes related to the new labor agreement.
- Defined Contribution providers were changed to a single provider (Principal) after an extensive fiduciary and RFP review.
- Employees were provided the opportunity to complete the bi-annual Employee Satisfaction Survey from which management action items were generated for 2013-14.



Projects and Initiatives

Departmental

Customer Service

- Paper-free Bill Campaign: We will continue to work on increasing the number of customers who choose environmentally friendly, paper-free bills to keep costs as low as possible. Another Win Free Water for a Year incentive is planned.
- MOU and New Submeter Process: Create a Memorandum of Understanding for wastewater municipalities who receive our billing and collection services. We will recommend each municipality move to the new submeter process where the municipality sells and inspects the submeter. The MOU also establishes contacts for approvals and questions related to billing and collection services PWD provides. The MOU will be an addendum to the contract we currently have with the municipalities who receive our billing and collection services.
- Customer Satisfaction Team: Inform customers about methods PWD uses to ensure their bills are accurate. This will probably be in the form of a bill insert and information posted on our website.
- Rates: When water and sewer rates increase, we will update our billing system and test the changes to ensure bills are accurate.
- RFP for bill printing and mailing: An RFP will be created to put our bill printing and mailing out to bid early in 2014.
- Develop Simulated Training Modules: Explore the option of using our call recording software simultaneously with our computer recording software to create training modules that capture what is being said along with what is being entered into the customer information system.

Information Services

- Upgrade of Exchange Mail Server
- Active Directory upgrade – Upgrade of network operating system to Windows Server 2008.
- Annual Network Security Audit.
- Continued development of our SharePoint Intranet. –Workflows, document management, additional integration with our asset management system.
- WAN Optimization – Increase data speeds between PWD facilities.
- Continued expansion of server virtualization.

Financial Services

- Develop and put in place a process for electronic review and approval of employee timecards.
- Link all fixed asset additions between the Pentamotion financial system and the Hansen asset system via Hansen's asset valuation module.

Employees Services

- Provide organizational development support to help management satisfy goals associated with the Employee Satisfaction Survey
- Improve data collection and analysis of injuries and accidents to enhance root cause identification and support long-term prevention measures
- Review/update Safety compliance policies and a significant portion "Workplace/Workplace Conduct" policies

Financial Overview

The Administrative Services budget request is \$5,071,144, which is \$3,428 or 0.1% higher than last year. The number of employees remains the same at 40 with one employee, the Public Relation Manager, reducing her hours to 32 hours per week.

Customer Service (F1) Group (\$1,454,996 request; \$17,498 or 1.2% lower)

- Salaries/Wages and Benefits– No staffing changes proposed. Estimated overtime pay is \$18,725, only \$368 higher than last year. The impact of the downgrading the call center positions' job classification in the last union position pay review continues to be implemented as employee turnover in those position. Benefits increase due to estimated health care cost increase.
- Contracted Services – With the increase in electronic bill presentation, bill printing costs are lower (\$5k). Also, maintenance costs for meter reading equipment is reduced to the same level as 2012 (\$6k lower).
- Other Expenses – Lower postage costs related to lower number of paper bills being mailed.
- Transportation costs – The revised transportation cost allocation policy resulted in a lower hourly rate charge for the meter reader and collection employees.

Information Service (G1) Group (\$933,687 request; \$16,032 or 1.7% higher)

- Salaries/Wages and Benefits– No staffing changes requested. Increase due to estimated health care cost increase.
- Deferred Cost W/O – Final year of writing off Hanson and Oracle licenses purchased in 2006 occurred in 2012.
- Other Expenses- additional staff training is planned for 2014 (\$3k).

Financial Services (H1) Group (\$952,743 request; \$78,424 or 9.0% higher)

- Salaries/Wages and Benefits: Increases primarily due to the increase in the headcount from eight (8) to nine (9). Addition position one of the "work force management" positions previously in the Executive Group's budget.
- Contracted Services: Increase in fees related to higher number on-line payments is offset by lower audit fee. In 2013, the auditor conducted a special review of the cost allocation policy.

Employee Service (I1) Group (\$390,651 request; \$4,227 or 1.1% lower)

- Salaries/Wages and Benefits: No staffing changes planned. Benefits increase due to estimated health care cost increase.
- Other changes: Training and safety budget was reduced by \$7,500.

Executive (J1) Group (\$1,339,037 request; \$69,303 or 4.9% lower)

- Salaries/Wages and Benefits: Reduction reflects transferring headcount to the Financial Services area and the Public Relations Manager hours reducing her hours to 32 hours per week.
- Other changes: Lower general liability insurance resulted from putting the contract out to bid. The elimination of the requirement to print/mail an annual consumer confidence report was offset by other public relation efforts including the water bottle dispenser grant program.

Administrative Services: Total**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Sub-Groups:						
F1 - Customer Service	\$1,365,709	\$674,808	\$1,472,495	\$1,454,996	-\$17,498	-1.2%
G1 - Information Services	889,434	424,180	917,656	933,687	16,032	1.7%
H1 - Financial Services	863,453	527,446	874,318	952,743	78,424	9.0%
I1 - Employee Services	418,751	226,791	394,878	390,651	(4,227)	-1.1%
J1 - Executive	1,161,317	644,617	1,408,339	1,339,037	(69,303)	-4.9%
Grand Total	4,698,664	2,497,843	5,067,686	5,071,114	3,428	0.1%
Expense Types:						
Salaries/Wages	2,227,943	1,140,478	2,370,684	2,397,165	26,480	1.1%
Employee Benefits	1,087,170	568,942	1,204,401	1,234,908	30,507	2.5%
Contracted Svcs	724,290	472,350	777,948	762,105	(15,843)	-2.0%
Deferred Cost W/O	42,585	7,227	29,454	10,086	(19,368)	-65.8%
Insurance	89,243	41,571	76,540	71,213	(5,327)	-7.0%
Materials/Supplies	66,663	30,894	66,275	57,053	(9,222)	-13.9%
Other Expense	401,974	202,750	476,761	490,466	13,705	2.9%
Tele/Oth Utilities	17,479	16,357	24,374	24,800	426	1.7%
Transportation	41,317	17,275	41,248	23,318	(17,930)	-43.5%
Grand Total	4,698,664	2,497,843	5,067,686	5,071,114	3,428	0.1%
Staffing Trends:						
Full-Time Employees	38	39	39	38	-1	-2.6%
<u>Part-Time Employees</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>100.0%</u>
Total	40	40	40	40	0	0.0%

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Diff \$	Diff %
Salaries/Wages						
660111 - SALARIES/WAGES NON-UNION	\$1,600,421	\$838,509	\$1,705,347	\$1,723,458	\$18,111	1.1%
660121 - WAGES/REGULAR UNION	583,949	273,075	613,059	619,944	6,885	1.1%
660122 - WAGES/OVERTIME UNION	14,960	15,269	19,440	20,925	1,485	7.6%
660131 - WAGES - REGULAR - TEMPS	5,280	-	3,838	3,838	-	0.0%
66014 - VACATION ACCRUAL	(2,587)	-	-	-	-	n/a
660141 - TRUSTEES COMPENSATION	23,625	12,500	27,000	27,000	-	0.0%
66015 - SICKTIME ACCRUAL	(4,855)	-	-	-	-	n/a
66351 - CONTRACTED TEMPORARIES	7,150	1,125	2,000	2,000	-	0.0%
Salaries/Wages Total	2,227,943	1,140,478	2,370,684	2,397,165	26,480	1.1%
Employee Benefits						
660401 - FICA - EMPLOYERS' SHARE	164,890	84,571	181,204	183,230	2,026	1.1%
660405 - SAFETY/WHY PROGRAM ITEMS	4,833	831	6,850	6,965	115	1.7%
6604065 - PENSION LEGAL EXPENSE	-	266	-	-	-	n/a
660411 - MEALS ALLOWANCE	-	11	80	80	-	0.0%
660413 - PWD TRAINING PROGRAM	1,432	627	-	-	-	n/a
660418 - STIPENDS	711	300	700	300	(400)	-57.1%
660419 - EMPLOYEE BENEFITS-MISC OTH	1,705	61	800	1,050	250	31.3%
660420 - WORKFORCE PLANNING	-	200	-	-	-	n/a
660491 - FRINGE BENEFITS-REG/SAL	913,599	482,074	1,014,766	1,043,283	28,516	2.8%
Employee Benefits Total	1,087,170	568,942	1,204,401	1,234,908	30,507	2.5%
Contracted Svcs						
662062 - PRINTER REPAIR	4,127	1,000	2,500	3,500	1,000	40.0%
662063 - COPIER MAINTENANCE/TONER	9,395	5,675	9,500	9,500	-	0.0%
6632 - ACCOUNTING SERVICES	28,950	31,838	35,000	31,250	(3,750)	-10.7%
66331 - LEGAL - LABOR RELATIONS	82,977	77,282	45,000	45,000	-	0.0%
66333 - BOND COUNSEL	7,500	-	7,500	7,500	-	0.0%
66339 - LEGAL - OTHER	41,752	56,329	43,400	36,400	(7,000)	-16.1%
66354 - MAINTENANCE SERVICES	-	1,938	-	-	-	n/a
663545 - RADIO SERVICING AND EQUIP	4,151	977	5,000	5,000	-	0.0%
663561 - COMPUTER LICENSES	3,074	50	6,800	6,000	(800)	-11.8%
663562 - COMPUTER MAINTAINENCE	187,601	99,843	221,196	223,627	2,431	1.1%
663563 - COMPUTER CONSULTING/OTHER	30,859	19,087	39,500	39,500	-	0.0%
663574 - DISPOSAL SERVICES	95	-	-	-	-	n/a
6635801 - EMPLOYEE HEALTH SERVICES	6,724	4,342	5,250	7,950	2,700	51.4%
663581 - UTILITY BILLING PRINTING	86,939	57,296	91,055	85,597	(5,458)	-6.0%
663582 - PAYMENT PROCESSING	123,873	54,556	124,000	127,650	3,650	2.9%
663583 - RECEIVABLE COLLECTIONS	8,579	5,275	10,000	10,000	-	0.0%
663584 - BANK SERVICE CHARGES	12,328	5,779	13,200	12,000	(1,200)	-9.1%
663587 - COURIER SERVICES	2,291	1,203	2,312	2,316	4	0.2%
663588 - EQUIPMENT MAINTENANCE	40	-	1,500	1,500	-	0.0%
663592 - RECRUITING SERVICES	4,040	3,208	6,500	7,250	750	11.5%
663594 - DIGSAFE	67,417	35,963	75,450	76,080	630	0.8%
663595 - OUTPLACEMENT SERVICES	-	-	2,000	2,000	-	0.0%
663598 - HR CONSULTANT SERVICES	6,499	450	3,000	2,000	(1,000)	-33.3%
6635984 - LANGUAGE INTERPRETATION	-	-	300	300	-	0.0%
663599 - MISC OTHER SERVICES	5,078	10,261	27,985	20,185	(7,800)	-27.9%
Contracted Svcs Total	724,290	472,350	777,948	762,105	(15,843)	-2.0%
Deferred Cost W/O						
66754 - DEFERRED COSTS WRITE OFF	42,585	7,227	29,454	10,086	(19,368)	-65.8%
Deferred Cost W/O Total	42,585	7,227	29,454	10,086	(19,368)	-65.8%
Insurance						
6657 - GEN LIABILITY INSURANCE	53,535	27,120	55,965	46,088	(9,877)	-17.6%
66592 - DAMAGES & CLAIMS-GOODWILL	16,231	3,462	1,000	2,000	1,000	100.0%
66593 - UMBRELLA INSURANCE COVER	3,107	2,180	2,825	3,806	982	34.7%
66594 - PROFESSION/CRIME BONDING	16,369	8,809	16,751	19,319	2,568	15.3%
Insurance Total	89,243	41,571	76,540	71,213	(5,327)	-7.0%

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Diff \$	Diff %
Materials/Supplies						
6619 - ASSET PURCHASES	\$1,555	\$5,882	\$2,000	\$2,000	\$0	0.0%
66202 - TOOLS	232	-	-	-	-	n/a
66203 - VENDOR PURCHASED SUPPLIES	2,903	1,088	4,800	3,750	(1,050)	-21.9%
662041 - MATERIALS INVENTORY	(241)	-	-	-	-	n/a
662042 - SUPPLIES INVENTORY	2,078	878	2,800	2,550	(250)	-8.9%
662043 - TOOL INVENTORY	1,666	1,609	175	175	-	0.0%
66204301 - INVENTORY - TONER	11,458	2,026	10,000	10,000	-	0.0%
66204302 - INVENTORY - PAPER	3,007	1,118	5,000	5,000	-	0.0%
66204303 - INVENTORY-COMPUTER EQUIP	5,497	1,333	6,100	3,100	(3,000)	-49.2%
662047 - GARAGE INVENTORY	45	34	-	-	-	n/a
66205 - CONSUMABLE SUPPLIES	2,082	1,590	2,900	2,750	(150)	-5.2%
663564 - COMPUTER-RELATED EQUIP	36,380	15,336	32,500	27,728	(4,772)	-14.7%
Materials/Supplies Total	66,663	30,894	66,275	57,053	(9,222)	-13.9%
Other Expense						
6642 - EQUIPMENT RENT	2,916	1,297	2,950	2,950	-	0.0%
66601 - PUBLIC RELATIONS	65,694	923	6,750	-	(6,750)	-100.0%
66609 - OTHER ADVERTISING	4,155	5,137	7,600	41,476	33,876	445.7%
6675111 - INSTATE TRAINING	15,925	3,760	25,000	26,000	1,000	4.0%
6675112 - OUT OF STATE TRAINING	10	12,511	1,000	1,000	-	0.0%
6675121 - IN STATE CONFERENCES	1,267	1,524	5,250	2,750	(2,500)	-47.6%
6675122 - OUT-OF-STATE CONFERENCES	22,287	12,680	28,500	28,500	-	0.0%
667513 - DUES	33,740	10,478	31,565	36,365	4,800	15.2%
667514 - PROFESSIONAL LICENSES	347	347	900	822	(78)	-8.7%
667515 - PERIODICAL SUBSCRIPTIONS	2,861	2,004	2,950	4,621	1,671	56.6%
667517 - PLANT OPER LICENSE FEES	-	63	-	-	-	n/a
667521 - POSTAGE - THIRD PARTY	196,523	102,058	235,051	205,624	(29,427)	-12.5%
667522 - POSTAGE - INTERNAL	16,533	7,803	19,960	18,163	(1,797)	-9.0%
667523 - POSTAGE - EXPRESS DELIVER	136	22	335	350	15	4.5%
667531 - PRINTING COSTS	4,563	18,148	35,950	27,680	(8,270)	-23.0%
667532 - PHOTOCOPYING COSTS	(34)	-	-	-	-	n/a
667533 - FORMS STOCK	1,020	78	-	600	600	n/a
667552 - SAFETY TRAINING	5,364	1,032	3,400	3,400	-	0.0%
667553 - DOT SUBSTANCE ABUSE	962	644	2,000	2,000	-	0.0%
667555 - SAFETY EXPENSES	6,005	718	9,000	5,800	(3,200)	-35.6%
667556 - FREIGHT CHARGES (STOCK)	(1,327)	-	-	-	-	n/a
667561 - WATERSHED GRANTS/SUPPORT	300	-	-	-	-	n/a
667592 - FOOD SUPPLIES	3,128	427	3,750	4,300	550	14.7%
667598 - GEN MANAGER CONTINGENCY	-	-	15,000	35,000	20,000	133.3%
6675981 - GEN MNG - TRUSTEES	-	5,855	12,800	11,700	(1,100)	-8.6%
6675982 - GEN MNG - COMMUNITY	3,296	10,693	21,050	25,365	4,315	20.5%
667599 - OTHER MISCELLANEOUS	16,302	4,548	6,000	6,000	-	0.0%
Other Expense Total	401,974	202,750	476,761	490,466	13,705	2.9%
Tele/Oth Utilities						
66112 - DATA LINES	8,845	12,398	13,654	14,818	1,164	8.5%
66113 - CELLULAR PHONES	8,634	3,959	10,720	9,982	(738)	-6.9%
Tele/Oth Utilities Total	17,479	16,357	24,374	24,800	426	1.7%
Transportation						
66501 - TRANSPORTATION - INTERNAL	36,782	14,507	36,104	14,133	(21,972)	-60.9%
665019 - TRANS INTERNAL INACTIVE	-	-	-	4,000	4,000	n/a
66502 - TRANSPORTATION - EXTERNAL	742	352	924	871	(53)	-5.7%
66503 - MILEAGE REIMBURSEMENT	3,793	2,415	4,220	4,314	94	2.2%
Transportation Total	41,317	17,275	41,248	23,318	(17,930)	-43.5%
Grand Total	4,698,664	2,497,843	5,067,686	5,071,114	3,428	0.1%

Administrative Services: Customer Services (F1)**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$618,958	\$305,202	\$666,083	\$674,249	\$8,166	1.2%
Employee Benefits	311,307	151,270	338,845	347,614	8,769	2.6%
Contracted Svcs	173,807	99,983	196,201	184,704	(11,497)	-5.9%
Materials/Supplies	9,916	4,463	8,600	15,338	6,738	78.3%
Other Expense	213,021	98,452	225,196	212,552	(12,644)	-5.6%
Tele/Oth Utilities	2,345	785	2,148	2,148	-	0.0%
Transportation	36,354	14,653	35,422	18,392	(17,030)	-48.1%
Grand Total	1,365,709	674,808	1,472,495	1,454,996	(17,498)	-1.2%
Programs:						
74 - CONTROL CENTER	270,985	128,175	199,717	200,313	596	0.3%
76 - COLLECTION	79,864	35,545	81,371	61,324	(20,046)	-24.6%
77 - BILLING	291,579	153,822	323,871	329,547	5,676	1.8%
80 - METER READING	90,966	41,363	90,466	86,708	(3,758)	-4.2%
98 - TRAINING	76,684	68,067	44,788	46,537	1,749	3.9%
99 - ADMINISTRATION	555,633	247,837	732,282	730,567	(1,715)	-0.2%
Grand Total	1,365,709	674,808	1,472,495	1,454,996	(17,498)	-1.2%
Funds:						
10 - General/Alloc	1,285,846	637,781	1,391,124	1,373,235	(17,889)	-1.3%
20 - Water	52,883	22,369	50,129	43,176	(6,954)	-13.9%
30 - Water	804	845	501	428	(72)	-14.4%
51 - WW Cape Elizabeth	1,481	769	1,855	3,144	1,289	69.5%
53 - WW Cumberland	516	319	677	3,385	2,707	399.7%
54 - WW Falmouth	1,014	479	1,001	569	(432)	-43.2%
55 - WW Windham LF	13	-	83	37	(47)	-55.9%
57 - WW Portland	11,936	5,676	14,740	15,414	674	4.6%
59 - WW So Portland	4,877	3,348	6,150	6,094	(56)	-0.9%
61 - WW Gorham Village	1,676	1,162	1,772	3,255	1,483	83.7%
62 - WW Westbrook	4,663	2,060	4,462	6,260	1,799	40.3%
Grand Total	1,365,709	674,808	1,472,495	1,454,996	(17,498)	-1.2%
Staffing Trend:						
Full-Time	14	14	14	14	0	0.0%

Administrative Services: Information Services (G1)**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$407,922	\$205,859	\$413,415	\$420,800	\$7,385	1.8%
Employee Benefits	202,638	105,993	212,098	218,823	6,725	3.2%
Contracted Svcs	191,451	88,522	226,600	235,900	9,300	4.1%
Deferred Cost W/O	24,978	5,934	11,868	-	(11,868)	-100.0%
Materials/Supplies	46,442	13,023	30,000	31,500	1,500	5.0%
Other Expense	7,476	1,578	17,025	20,275	3,250	19.1%
Tele/Oth Utilities	7,473	2,830	5,650	5,890	240	4.2%
Transportation	1,054	441	1,000	500	(500)	-50.0%
Grand Total	889,434	424,180	917,656	933,687	16,032	1.7%
Programs:						
75 - COMPUTER SUPPORT	1	-	-	-	-	n/a
88 - SAFETY	60,434	32,457	-	-	-	n/a
94 - TECHNOLOGY TEAMS	8,236	6,709	-	-	-	n/a
98 - TRAINING	28,677	20,488	39,317	42,678	3,361	8.5%
99 - ADMINISTRATION	792,085	364,526	878,339	891,009	12,671	1.4%
Grand Total	889,434	424,180	917,656	933,687	16,032	1.7%
Funds:						
10 - General/Alloc	886,997	424,180	917,656	933,687	16,032	1.7%
20 - Water	2,437	-	-	-	-	n/a
Grand Total	889,434	424,180	917,656	933,687	16,032	1.7%
Staffing Trend:						
Full-Time	6	6	6	6	0	0.0%
Part-Time	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0.0%</u>
Total Employees	7	7	7	7	0	0.0%

Administrative Services: Financial Services (H1)**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$427,549	\$256,018	\$418,791	\$468,865	\$50,074	12.0%
Employee Benefits	210,663	132,191	215,604	244,356	28,752	13.3%
Contracted Svcs	194,939	127,970	202,447	203,181	734	0.4%
Deferred Cost W/O	10,086	5,043	10,086	10,086	-	0.0%
Materials/Supplies	5,601	2,580	7,275	6,315	(960)	-13.2%
Other Expense	14,345	3,611	19,665	19,540	(125)	-0.6%
Transportation	270	34	450	400	(50)	-11.1%
Grand Total	863,453	527,446	874,318	952,743	78,424	9.0%
Programs:						
77 - BILLING	147,978	66,854	152,481	153,758	1,276	0.8%
98 - TRAINING	15,718	9,101	34,127	37,127	3,000	8.8%
99 - ADMINISTRATION	699,757	451,491	687,710	761,858	74,148	10.8%
Grand Total	863,453	527,446	874,318	952,743	78,424	9.0%
Funds:						
10 - General/Alloc	769,384	480,754	777,472	854,072	76,601	9.9%
20 - Water	94,069	46,693	96,847	98,670	1,823	1.9%
Grand Total	863,453	527,446	874,318	952,743	78,424	9.0%
Staffing Trend:						
Full-Time	8	8	8	9	1	12.5%

Administrative Services: Employee Services (I1)**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$195,352	\$91,265	\$195,315	\$199,488	\$4,173	2.1%
Employee Benefits	97,022	48,013	100,917	104,801	3,884	3.8%
Contracted Svcs	97,921	83,848	62,250	63,950	1,700	2.7%
Deferred Cost W/O	7,522	(3,750)	7,500	-	(7,500)	-100.0%
Materials/Supplies	2,477	81	2,250	2,250	-	0.0%
Other Expense	15,652	6,685	22,450	15,900	(6,550)	-29.2%
Tele/Oth Utilities	1,790	416	3,100	3,100	-	0.0%
Transportation	1,015	234	1,096	1,162	66	6.0%
Grand Total	418,751	226,791	394,878	390,651	(4,227)	-1.1%
Programs:					-	
88 - SAFETY	64,455	23,803	70,145	-	(70,145)	-100.0%
98 - TRAINING	8,310	9,439	14,681	11,628	(3,052)	-20.8%
99 - ADMINISTRATION	345,985	193,549	310,052	379,022	68,970	22.2%
Grand Total	418,751	226,791	394,878	390,651	(4,227)	-1.1%
Funds:					-	
10 - General/Alloc	418,751	226,791	394,878	390,651	(4,227)	-1.1%
Grand Total	418,751	226,791	394,878	390,651	(4,227)	-1.1%
Staffing Trend:						
Full-Time	3	3	3	3	0	0.0%

Administrative Services: Executive (I1)**Financial Summary:**

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries/Wages	\$578,162	\$282,135	\$677,081	\$633,764	-\$43,317	-6.4%
Employee Benefits	265,540	131,475	336,937	319,314	(17,623)	-5.2%
Contracted Svcs	66,171	72,027	90,450	74,370	(16,080)	-17.8%
Insurance	89,243	41,571	76,540	71,213	(5,327)	-7.0%
Materials/Supplies	2,227	10,748	18,150	1,650	(16,500)	-90.9%
Other Expense	151,479	92,424	192,425	222,199	29,774	15.5%
Tele/Oth Utilities	5,870	12,325	13,476	13,662	186	1.4%
Transportation	2,623	1,914	3,280	2,864	(416)	-12.7%
Grand Total	1,161,317	644,617	1,408,339	1,339,037	(69,303)	-4.9%
Programs:						
05 - PUBLIC RELATIONS	-	83,727	91,025	167,203	76,178	83.7%
98 - TRAINING	44,441	25,927	63,466	61,450	(2,016)	-3.2%
99 - ADMINISTRATION	1,116,876	534,963	1,253,849	1,110,384	(143,465)	-11.4%
Grand Total	1,161,317	644,617	1,408,339	1,339,037	(69,303)	-4.9%
Funds:						
10 - General/Alloc	1,157,393	630,625	1,355,839	1,293,037	(62,803)	-4.6%
20 - Water	1,423	13,742	52,500	46,000	(6,500)	-12.4%
50 - WW Gen	2,501	250	-	-	-	n/a
Grand Total	1,161,317	644,617	1,408,339	1,339,037	(69,303)	-4.9%
Staffing Trend:						
Full-Time Employees	7	8	8	6	-2	-25.0%
Part-Time Employees	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>n/a</u>
Total	8	8	8	7	-1	-12.5%

Non-Departmental

Non-Department expenses are expenses that are not specifically assigned to a department. Other expenses include Public Utilities Commission's assessment, real estate taxes assessed by the Town of Standish and Bad Debt write-off.

	2012 Actual	2013 Jan-Jun	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Expense Types:						
Salaries/Wages	\$0	\$0	\$50,003	\$58,404	\$8,401	16.8%
Employee Benefits	-	-	25,712	30,469	4,758	18.5%
Materials/Supplies	9,438	-	-	-	-	n/a
Other Expense	78,486	48,484	59,800	57,800	(2,000)	-3.3%
Regulatory/Taxes	186,720	124,321	190,301	221,017	30,716	16.1%
Grand Total	274,644	172,806	325,816	367,690	41,874	12.9%

The District pays real estate taxes (670821) and personal property taxes (670822) to the Town of Standish for land and other property in the town. Annual assessments are also paid by the District to the Maine Public Utility Commission (PUC) and the Maine Drinking Water Program. The PUC assessment has two components – general assessment and public advocate. The PUC general assessment is based on the utilities size and the amount of time the Commission spends in each industry sector. Because of the PUC efforts to update the Consumer Protection rule (Chapter 660), the assessment is projected to increase. The assessment from the Drinking Water Program is based on population. The budget includes an amount to be available for work force management purposes.

Employee Recognition



General Manager's Award

The 2012 General Manager's Award went to Environmental Scientist Rebekah Sirois. Each year, the general manager selects one employee from the previous year Inspire award recipients to recognize with the General Manager Award.

2012 Inspire Awards

Harold Cole
Senior Wastewater Plant Operator

Harvey Forbes
Technical Maintenance

David Taylor
Water Utility Specialist

Brian York
Construction Technician

Joel Anderson
Water Treatment Plant / Chief Operator

Ed Cash
Technical Maintenance

Shana Lowe
Business System Analyst - GIS

Rebekah Sirois
Environmental Scientist

Lee Earley
Equipment Operator

Scot Lausier
Wastewater Operators' Foreperson

Christian Rodriguez
Distribution System Foreperson

Gary Rogers
Customer Service

Tad Berube
Technical Maintenance

Introduction

Total salaries, wages and benefits budget for 2014 is \$15,317,008 which is \$289,500 or 1.9% higher than the 2013 budget.

Total Labor & Benefits (O&M and Capital):

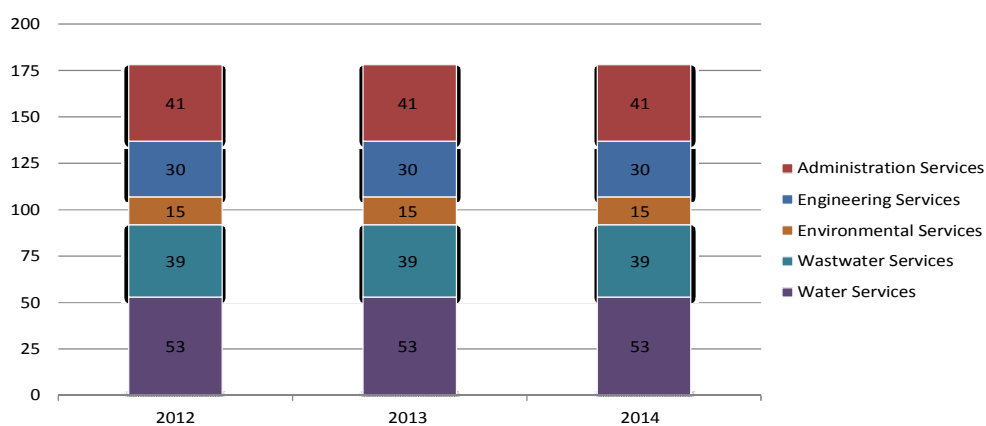
	2012 Actual	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Salaries & Wages	\$9,788,304	\$10,197,419	\$10,346,692	\$149,273	1.5%
Employee Benefits	4,429,076	4,830,089	4,970,316	140,227	2.9%
	\$14,217,380	\$15,027,508	\$15,317,008	\$289,500	1.9%

Employees record their labor hours by specific water and wastewater operating funds and capital projects. Benefits are allocated based on the labor dollars to the funds. It is estimated staff will allocate \$494,514 in labor/benefits to capital projects in 2014; which is \$98,814 higher than the 2013 budget. Most of the capital dollars relate to the construction or replacement of water mains which is dependent on customers' request for new mains and the District's main replacement schedule.

	2012 Actual	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Operations & Maintenance	\$13,851,131	\$14,631,808	\$14,822,493	\$190,685	1.3%
Capital	366,249	395,700	494,514	98,814	25.0%
	\$14,217,380	\$15,027,508	\$15,317,008	\$289,500	1.9%

Total Employee Headcount:

Authorized headcount remains at 178; this is the same as in the previous three budgets (2011, 2012 & 2013). In addition, there were no shifts of headcount between District departments.



Salary Costs

The Budget assumes total labor costs will increase by 1.4% (\$149,273). Because of a shift away to capital work (from 2.7% to 3.3% of total labor), operating fund labor costs will increase by 0.9% while capital labor increases 18.3%.

Total Labor (O&M and Capital) by Type:

	2012 Actual	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Regular (Hourly & Salaried)	\$8,874,302	\$9,260,591	\$9,403,177	\$142,586	1.5%
Overtime	490,323	470,630	461,031	(9,600)	-2.1%
Doubletime	53,556	62,721	56,474	(6,247)	-11.1%
Standby	125,376	115,660	118,617	2,957	2.5%
Premium Time/Standby	669,256	649,012	636,122	(12,890)	-2.0%
Trustee Compensation	23,625	27,000	27,000	0	0.0%
District Employeed	170,262	216,717	182,347	(34,370)	-18.8%
Agency (Contract) Employees	50,859	44,099	98,046	53,947	55.0%
Temporary Employees	221,122	260,816	280,393	19,577	7.0%
Total Labor Cost	\$9,788,304	\$10,197,419	\$10,346,692	\$149,273	1.4%

Total Labor broken out by O&M and Capital:

	2012 Actual	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Operations & Maintenance	\$9,527,678	\$9,917,218	\$10,003,869	\$86,651	0.9%
Capital	260,626	280,201	342,823	62,622	22.3%
	\$9,788,304	\$10,197,419	\$10,346,692	\$149,273	1.5%
Operations & Maintenance	97.3%	97.3%	96.7%		
Capital	2.7%	2.7%	3.3%		
	100.0%	100.0%	100.0%		

Labor Hours/Average Pay Rates

Budgeted hours for the 2014 Budget decreased 1% (4,240 hours). The majority of this decrease (2,898 hours) had to do with a partial shift to the use of outside contracted temporary employees. The other reductions were in regular time (673 hours), due to a full-time position changing to part-time, overtime and double-time.

Total Labor (O&M and Capital) Hours by Type:

	2012 Actual	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Regular (Hourly & Salaried)	355,495	368,989	368,316	(673)	-0.2%
Overtime	15,226	14,282	13,773	(509)	-3.6%
Doubletime	1,205	1,424	1,245	(179)	-12.6%
Standby	5,365	5,321	5,340	19	0.4%
Premium Time/Standby	21,796	21,027	20,358	(669)	-3.2%
District Employeeed Temps	13,628	17,422	14,524	(2,898)	-16.6%
Total Labor Hours	390,918	407,438	403,198	(4,240)	-1.0%

On average pay rates were increased 1.5%. Upgrade to a Union position in the most recent Union Contract resulted in the average regular wage increase of 1.7%. Changes to overtime, double-time and standby varied due to shifts in personnel budgeted to cover those hours. Wastewater Services reduced the number of operators working overnight shifts reducing the number of premium hours.

Labor Rates by Type:

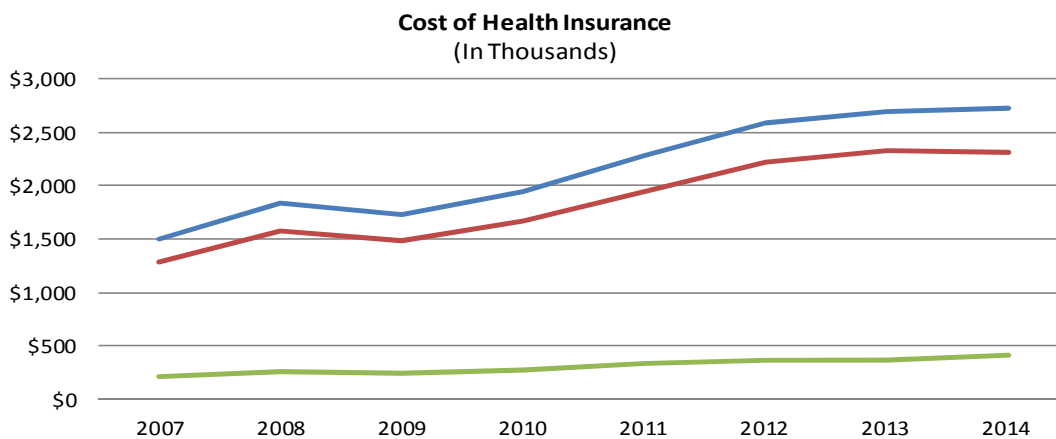
	2012 Actual	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Regular (Hourly & Salaried)	\$24.96	\$25.10	\$25.53	\$0.43	1.7%
Overtime	32.20	32.95	33.47	0.52	1.6%
Doubletime	44.44	44.05	45.36	1.31	3.0%
Standby	23.37	21.74	22.21	0.48	2.2%
Premium Time/Standby	30.71	30.87	31.25	0.38	1.2%
District Employeeed Temps	12.49	12.44	12.56	0.12	0.9%
Total Labor Cost	\$24.85	\$24.85	\$25.35	\$0.50	2.0%

Employee Benefits

In order to qualify for benefits employees must work more than 20 hours/week. Seasonal or temporary employees do not qualify for benefits. Benefits are charged to departments as a percentage of the regular non-premium pay. In 2014, the benefits percentage increased from 43.77% to 44.52%. Pension costs rose 9.4% while health insurance expense had a slight decline.

Health Insurance

The largest benefit expense is the District's portion of employee health insurance costs (\$2,306,115 in the 2014 Budget). The 2013 Budget assumed a rate increase of 9.1%; the actual increase was actually 8.1% due. The 2014 Budget saw a decline in cost from \$2,327,564 in 2013 due to three factors: plan utilization costs were down, higher employee share of the cost and increase in co-pays.



As a result of labor negotiations, employee premium share cost toward medical coverage will increase 1% each year, over the term of the labor contract. The District had been contributing 98% and the employee 2% of the cost for regular employees who work 40 hours per week. That ratio changed for union represented employees to 3% effective July 1, 2013. As of January 1, 2014 PWD's premium cost share for *all* employees will increase to 4%. The co-pay increase to \$20 will go in effect for all participating employees on January 1, 2014.

The District makes health insurance coverage available to regular employees who work at least 20 hours per week. The medical cost for part-time employees is pro-rated based on hours worked.

The District continues to pay \$20/week to any employee who is insured outside the District. At the end of 2013 we had 7 opt-outs. We are projecting the same for 2014.

Year	Insured	Non-Insured	Total
2013	166	7	173
2014	166	7	173
Change	0	0	0

Employee Benefits (continued)

We assume that five positions will either be vacant or that we would have new employees who had not yet become eligible for coverage. We also factor in how many employees qualify for insurance but opt out.

Pension

Pension related expenses are \$1,287,600 in the 2014 Budget. The District offers employees a defined benefit and a defined contribution pension plans.

The defined benefit plan contributions in the 2014 Budget increased \$65,112 (7.6%) to \$926,000. The annual required contribution is determined by a biennial actuary study. The 7.6% increase aligns with said approved resolutions. The plan is solely funded by the District without any employee contribution. This plan is closed to new employees.

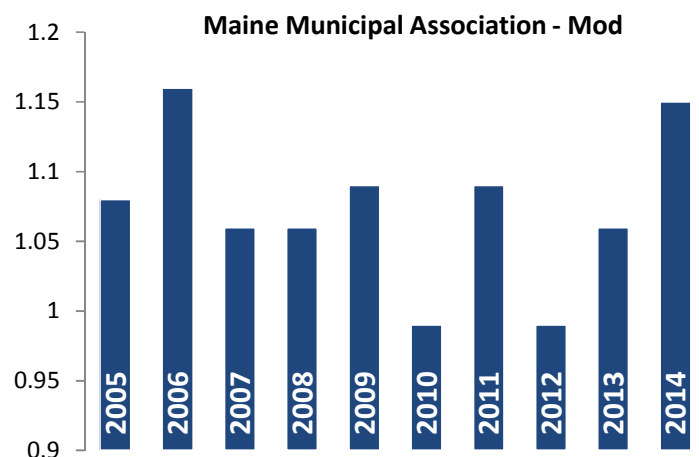
The deferred compensation plan for Union employees hired prior to 2011, and Non-Union employees hired prior to 2012, will fully match employee contributions up to \$1,225 annually. The cost of this match is \$148,900.

New Union employees hired starting in 2011 and Non-Union employees starting in 2012 are not enrolled in the defined benefit plan but in the defined compensation plan. The plan requires employees to contribute 3% of pay which the District matches at a rate of 150%. The expense for the match is budgeted at \$79,700 in 2013.

Workers Compensation

The District participates in the Maine Municipal Association's workers compensation program. The cost in the 2014 Budget is \$268,543. The premium assessed is based on amount of wages and a claim experience factor. In 2014, the "Mod" factor is 1.15 which indicates the District injury experience is slightly higher than average (a factor of 1.0 is average). Our 10 year average is 1.05.

In 2014, an additional factor affecting our premium cost involves changes to the NCCI (National Council on Compensation Insurance) standards. The net impact of those changes is a projected increase in our Worker's Compensation premiums next year.



Employee Benefits (continued)

Other Benefits

Other benefits which include dental, uniforms, unemployment, long-term disability and life insurance totaled \$324,036.

	2012 Actual	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Health Insurance:					
Premiums (District Portion)	\$2,047,804	\$2,327,564	\$2,298,835	(\$28,729)	-1.2%
Medical Insurance Payout	10,224	11,400	7,280	(4,120)	-36.1%
	2,058,028	2,338,964	2,306,115	(32,849)	-1.4%
Pension Expenses:					
Pension - Contribution	860,888	860,888	926,000	65,112	7.6%
Deferred Comp Match	194,908	192,000	228,600	36,600	19.1%
Administrative & Legal	123,846	123,550	133,000	9,450	7.6%
	1,179,642	1,176,438	1,287,600	111,162	9.4%
Workers Compensation:					
Workers Compensation	211,350	259,000	268,543	9,543	3.7%
Other Benefits:					
Dental Insurance	46,214	47,380	51,600	4,220	8.9%
Uniforms/Clothing Allowance	47,194	50,900	49,850	(1,050)	-2.1%
Unemployment Compensation	34,561	38,500	38,500	-	0.0%
Long-Term Disability	25,459	25,000	25,500	500	2.0%
Life Insurance	23,532	22,500	23,500	1,000	4.4%
Employee Training	4,447	20,000	22,000	2,000	10.0%
Education Subsidy	11,163	15,000	15,000	-	0.0%
Programs Administration	6,578	6,320	6,600	280	4.4%
Wellness Program	285	2,500	2,500	-	0.0%
Miscellaneous Other Benefits	56,450	50,858	88,986	38,128	75.0%
	255,881	278,958	324,036	45,078	16.2%
Total Employee Benefits	3,704,901	4,053,360	4,186,294	132,934	3.3%
FICA Expense	724,174	776,729	784,021	7,293	0.9%
Total Costs	4,429,076	4,830,089	4,970,316	140,227	2.9%
Total Regular & Salaried Costs used as Benefit Rate Base	\$8,843,120	\$9,260,591	\$9,403,177	\$142,586	1.5%
Benefit Rate	41.90%	43.77%	44.52%	0.8%	1.7%
FICA Rate	7.65%	7.65%	7.65%	0.0%	0.0%
Total Benefit/FICA Rate	49.55%	51.42%	52.17%	0.8%	1.5%

Note: The total employee benefits expense above (\$4,970,316) does not include \$50,600 in employee benefits charged directly to departments. When these costs are included the District's total benefits cost is \$5,020,916.

Authorized Headcount

The changes in the headcount for regular (non-temporary, benefit receiving) employees in the 2014 Budget are outlined below. One change in the headcount was to transition one position, which was vacated due to retirement, from Water Transmission to Utility Services. Also, one position was moved from WW Administration to the East End WWTF. Lastly, one workforce management position was moved from the Executive Office into Financial Services. The overall headcount for all groups was unchanged.

Please refer to the more detailed write-ups in the department section for more information.

	2012	2013	2014	12 to 14	13 to 14
<u>Water Services</u>					
A1 - Water Administration	5.00	5.00	5.00	0.00	0.00
A2 - Transmission/Distribution	24.00	24.00	23.00	-1.00	-1.00
A3 - Water Treatment	11.00	11.00	11.00	0.00	0.00
A6 - Utility Services	13.00	13.00	14.00	1.00	1.00
	53.00	53.00	53.00	0.00	0.00
<u>Wastewater Services</u>					
B1 - Wastewater Administration	2.00	2.00	1.00	-1.00	-1.00
B3 - Portland (East End) WWTF	20.00	17.67	19.00	-1.00	1.33
B4 - Westbrook/Cape/Peaks WWTF's	5.00	6.67	6.00	1.00	-0.67
L9 - Water / WW Systems	12.00	12.66	13.00	1.00	0.34
	39.00	39.00	39.00	0.00	0.00
<u>Environmental Services</u>					
A5 - Environmental Services	8.00	8.00	8.00	0.00	0.00
L6 - Water / WW Laboratory	7.00	7.00	7.00	0.00	0.00
	15.00	15.00	15.00	0.00	0.00
<u>Engineering Services</u>					
C1 - Facility Services Administration	10.00	10.00	10.00	0.00	0.00
E2 - Planning & Design	17.00	17.00	17.00	0.00	0.00
E7 - Instrumentation	3.00	3.00	3.00	0.00	0.00
	30.00	30.00	30.00	0.00	0.00
<u>Administrative Services</u>					
F1 - Customer Service	14.00	14.00	14.00	0.00	0.00
G1 - Information Services	7.00	7.00	7.00	0.00	0.00
H1 - Financial Services	8.00	8.00	9.00	1.00	1.00
I1 - Employee Services	3.00	3.00	3.00	0.00	0.00
J1 - Executive Office	8.00	8.00	7.00	-1.00	-1.00
Non-Departmental	1.00	1.00	1.00	0.00	0.00
	41.00	41.00	41.00	0.00	0.00
	178.00	178.00	178.00	0.00	0.00

Non-Union Positions

The overall Non-Union headcount was unchanged at 55 in the 2014 Budget. Within this headcount, a PC Support Specialist transitioned to Assistant Network Administrator, one Workforce Management position was used to create a General Accounting Assistant position, and two Project Engineers were reclassified as Senior Project Engineers. Additionally, the Public Relations Manager position went from full-time to part-time (35 hours/week).

The table below shows the requested Non-Union positions by pay range:

<u>Range 1 (\$30,197 to \$45,355)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>	<u>Range 4 (\$61,597 to \$92,395)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>
Executive Administrative Assistant	1	1	0	Director of Customer Service	1	1	0
General Accounting Assttstant	0	1	1	Director of Financial Services	1	1	0
PC Support Specialist	<u>1</u>	<u>0</u>	<u>-1</u>	Distribution Systems Manager	1	1	0
	2	2	0	Engineering Services Manager	1	1	0
				Environmental Services Manager	1	1	0
<u>Range 2 (\$44,032 to \$66,048)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>	Information Services Manager	1	1	0
Assistant Network Administrator	0	1	1	Project Engineer	3	1	-2
Business System Analyst GIS	1	1	0	Senior Project Engineer	<u>0</u>	<u>2</u>	<u>2</u>
Business Systems Analyst	1	1	0		9	9	0
Customer Service Supervisor	1	1	0				
Design Engineer	1	1	0	<u>Range 5 (\$69,056 to \$103,674)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>
Environmental Education Coord	1	1	0	Director of Employee Services	1	1	0
ES Consultant Employment	1	1	0	Director of Operation Services	<u>2</u>	<u>2</u>	<u>0</u>
ES Consultant Safety Training	1	1	0		3	3	0
Financial Analyst	3	3	0				
Purchasing Agent, Buyer	1	1	0	<u>Range 6 (\$77,718 to \$116,455)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>
Right of Way Agent	1	1	0	Corporate Counsel	1	1	0
Scheduler Coordinator AMAP	1	1	0	Exec Dir of Administration	1	1	0
Scheduler Coordinator Operations	1	1	0	Exec Dir of AMAP	<u>1</u>	<u>1</u>	<u>0</u>
Source Protection Coordinator	1	1	0		3	3	0
Water Resources Security Officer	<u>1</u>	<u>1</u>	<u>0</u>				
	16	17	1	<u>Range 7 (\$93,598 to \$140,277)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>
				General Manager	1	1	0
<u>Range 3 (\$51,370 to \$77,116)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>				
Admin Facility Chief Operator	1	1	0	<u>Workforce Management</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>
Business Development Engineer	1	1	0	<u>Position</u>	3	2	-1
Chief Operator Wtr Treatment Plant	1	1	0				
Chief Operator WW Plant/Systems	3	3	0	Total Non-Union Positions:	55	55	0
Database Administrator	1	1	0				
Network Administrator	1	1	0				
Project Engineer	2	2	0				
Public Relations Manager(part time)	1	1	0				
Regulatory Security Advisor	1	1	0				
Strategic Project Manager(part time)	1	1	0				
Transmission Distribution Superv	1	1	0				
Utility Asset Coordinator	3	3	0				
Utility Services Supv	<u>1</u>	<u>1</u>	<u>0</u>				
	18	18	0				

Union Positions

For the 2014 Budget, the Union headcount was unchanged at 123. Several positions were modified and reclassified – Wastewater System Operator was modified to Wastewater Operator (additional apprentice), Facility Maintenance Technician to Facility Maintenance Technician II, and Construction Technician to Utility Specialist (additional resources to do water main inspection).

The current 3 year Union Contract was ratified in March 2013, with an effective date of November 2012; the rates shown (probationary and regular) will be paid through October 2014. Effective November 2014, rates will be 1.5% higher.

<u>Paygrade - D (\$16.42/\$17.27)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>	<u>Paygrade - H (\$20.74/\$21.79)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>
AMR Specialist	<u>1</u>	<u>1</u>	<u>0</u>	Asset Management Technician	3	3	0
	1	1	0	Collection Systems Maintenance Operator	1	1	0
				Customer Service Coordinator	4	4	0
<u>Paygrade - E (\$17.37/\$18.28)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>	Engineering Technician	1	1	0
Administration Assistant Operations	1	1	0	Facility Maintenance Technician	1	0	-1
Administrative Assistant Finance	3	3	0	Inventory Control Lead Person	<u>1</u>	<u>1</u>	<u>0</u>
Administrative Assistant WasteWater	<u>1</u>	<u>1</u>	<u>0</u>		11	10	-1
	5	5	0				
				<u>Paygrade - I (\$21.96/\$23.09)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>
<u>Paygrade - F (\$18.43/\$19.38)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>	Instrumentation Technician	2	2	0
Construction Technician	3	2	-1	Senior Wastewater Operator	5	5	0
Control Center Operator	4	4	0	Technical Maintenance Person EM	4	4	0
Equipment Operator II	1	1	0	Wastewater System Maint Operator	2	2	0
Equipment Operator II WW	1	1	0	Water Treatment Plant Systems Operator	7	7	0
Facility Maintenance Technician II	2	3	1	Utility Specialist	<u>11</u>	<u>12</u>	<u>1</u>
Facility Support Generalist	1	1	0		31	32	1
Technical Administrative Assistant	1	1	0				
Wastewater Operator	2	3	1	<u>Paygrade - J (\$23.28/\$24.51)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>
Water System Operator	<u>9</u>	<u>9</u>	<u>0</u>	Environmental Scientist	5	5	0
	24	25	1	Facility Maintenance Foreperson	1	1	0
				Technical Maintenance Person EM	1	1	0
<u>Paygrade - G (\$19.54/\$20.55)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>	Technical Maintenance Person SLWTF	1	1	0
Collections Coordinator	1	1	0	Water Resources Specialist	<u>4</u>	<u>4</u>	<u>0</u>
Customer Service Coordinator	2	2	0	(1 of 4 is part-time)	12	12	0
Engineering Technician II	1	1	0				
Equipment Operator I	5	5	0	<u>Paygrade - K (\$24.67/\$25.93)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>
Garage Mechanic I	1	1	0	Distribution System Foreperson	6	6	0
Millwright I	1	1	0	Environmental Laboratory Lead Person	1	1	0
Wastewater Plant Operator	8	8	0	Garage Foreperson	1	1	0
Wastewater Systems Operator	<u>4</u>	<u>3</u>	<u>-1</u>	Operations Foreperson Systems	1	1	0
	23	22	-1	Operations Foreperson WW Systems	1	1	0
				Operations Foreperson	<u>3</u>	<u>3</u>	<u>0</u>
					13	13	0
				<u>Paygrade - L (\$26.18/\$27.53)</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>
				Instrumentation Maint Foreperson	1	1	0
				Technical Maintenance Foreperson	<u>2</u>	<u>2</u>	<u>0</u>
					3	3	0
					123	123	0

Temporary & Non-Benefit Employees

Temporary and non-benefit employees supplement regular employees particularly during the busy times of year. The Lab Assist II position is a full-time, non-benefit, employee who works 20 hours/week. All other positions are seasonal employees who also do not receive benefits. The position totals are listed as full time equivalents (FTE's). Temporary employees hired via outside agencies are also included below.

Water Operations	2012	2013	2014	Change '13 to 14
A1 - Water Administration	0.0	0.0	0.0	0.0
A2 - Transmission/Distribution	2.3	2.5	2.5	0.0
A3 - Water Treatment	0.0	0.0	0.0	0.0
A6 - Utility Services	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	0.0
	3.6	3.8	3.8	0.0
<u>Wastewater Operations</u>				
B1 - Wastewater Administration	0.0	0.0	0.0	0.0
B3 - Portland/Cape/Peaks WWTP's	0.0	0.2	0.2	0.0
B4 - Westbrook/Gorham/Windham WWTP	0.0	0.0	0.0	0.0
L9 - Water / WW Systems	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.0</u>
	0.1	0.3	0.3	0.0
<u>Environmental Services</u>				
A5 - Environmental Services	3.0	3.1	3.1	0.0
L6 - Water / WW Laboratory	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	0.0
	3.5	3.6	3.6	0.0
<u>Engineering Services</u>				
C1 - Facility Services Administration	0.5	0.5	0.5	0.0
E2 - Planning & Design	1.0	1.0	1.0	0.0
E3 - New Mains & Construction	0.0	0.0	0.0	0.0
E7 - Instrumentation	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	1.5	1.5	1.5	0.0
<u>Administration Department</u>				
F1 - Customer Service	0.0	0.0	0.0	0.0
G1 - Information Services	0.2	0.2	0.2	0.0
H1 - Financial Services	0.0	0.0	0.0	0.0
I1 - Employee Services	0.0	0.0	0.0	0.0
J1 - Executive Office	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0
	0.2	0.2	0.2	0.0
	8.9	9.4	9.4	0.0

Temporary & Non-Benefit Employees (continued)

2014 Budgeted Positions:

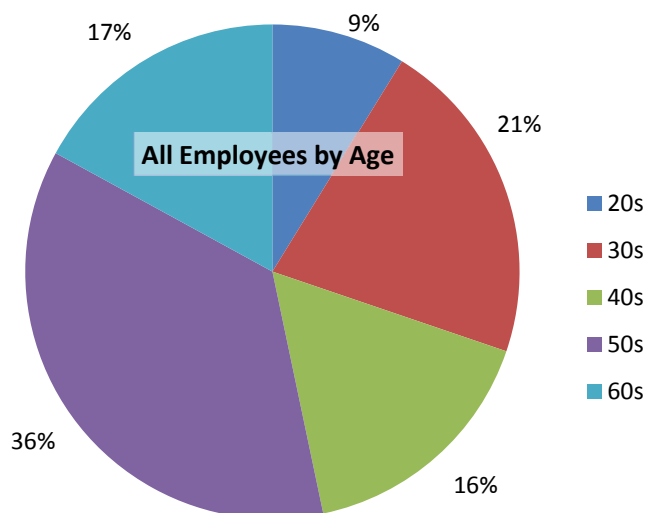
During the summer of 2013, interns were hired in Engineering Services, Water Operations, Information Services, and Wastewater Services. College internship allow PWD to get some additional work done, provides good community relations exposure, and helps PWD build good public relations with our local colleges and universities. Anticipated Internships for 2014 are as shown below as well as seasonal workers.

Temporary Positions by Title:

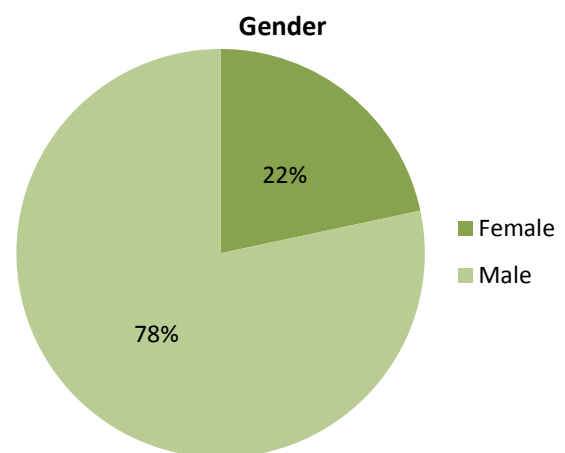
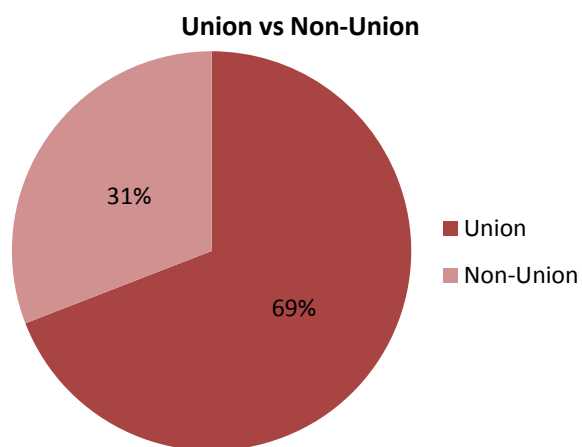
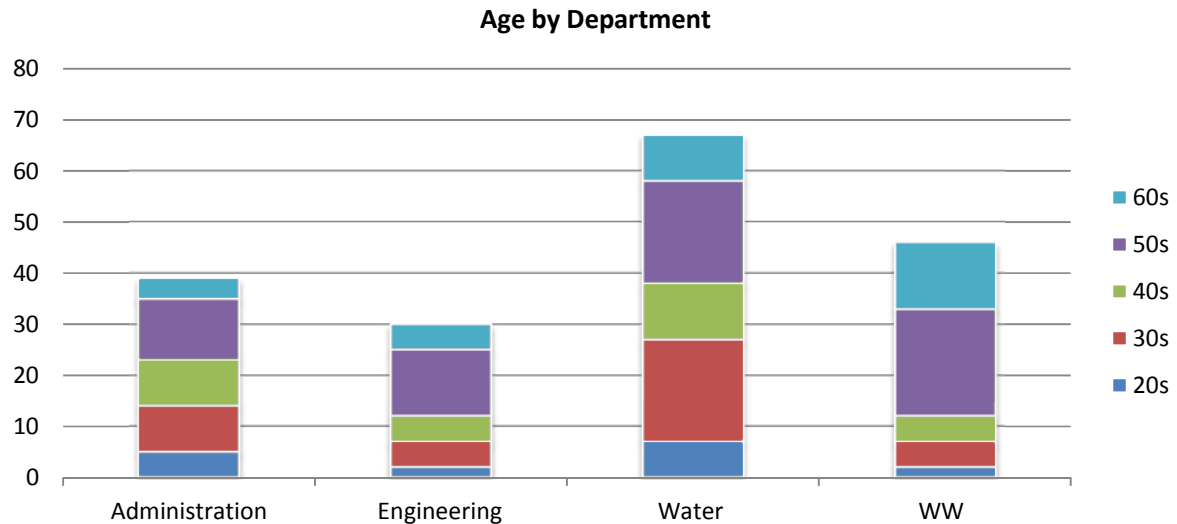
Position Title	Group	2012	2013	2014	13 to 14
Construction Laborer-Temp	A2	2.2	2.2	2.2	0.0
Operations Intern	A2	0.0	0.3	0.3	0.0
Temporary Assistant Educator	A5	1.6	1.6	1.6	0.0
Temporary Boat Launch Inspector	A5	1.4	1.5	1.5	0.0
Temporary Hydrant Flushing	A6	1.3	1.3	1.3	0.0
Operations Intern	B3	0.0	0.2	0.2	0.0
Temporary Facilities Maint	C1	0.5	0.5	0.5	0.0
Temporary Engineering Technician	E2	1.0	1.0	1.0	0.0
IS Intern	G1	0.2	0.2	0.2	0.0
Laboratory Assistant II	L6	0.5	0.5	0.5	0.0
Operations Intern	L9	0.2	0.1	0.1	0.0
		8.9	9.4	9.4	0.0

Work Force Management

The District actively manages its workforce to meet the challenges of today and tomorrow. Many of the challenges are similar to other organizations – aging workforce, generational work environment expectations, and increased customer demands for efficiency and effectiveness. As the charts indicate, the District is especially impacted by the aging union workforce as we have a higher percent of ‘boomer’ generation employees. The Wastewater Services department will be disproportionately impacted with 76% of the department employees eligible for retirement within 10 years. Employees within five years of retirement are identified and a plan has been developed. By December 31, 2014, 10 employees will be eligible to retire.



Work Force Management (continued)



Managing Today

To address work force management issues, the District requires all employees' performance be evaluated yearly with an action plan to assist with continuous development. Pay adjustments for non-union employees are based on performance. Non-Union Compensation policy requires that a market survey be conducted every two years to assure we are competitively compensating employees. The next non-union market survey will be conducted in 2014 with results implemented January 2015.

Work Force Management (continued)

Employee Development

The District actively promotes skill development by encouraging participation in local, regional and national organizations, and on the job training. Also, a goal of an average of 80 hours of training per employee per year has been established.

Travel Budget

The Board of Trustees approves an annual budget for out-of-state and overnight business travel. The General Manager specifically approves all travel requests. The total costs may not exceed the District's total budget without the Board's authorization.

Department	2013 Budget	2014 Budget	Change
Water Services	\$1,320	\$0	-\$1,320
Wastewater Services	9,250	9,550	300
Environmental Services	5,000	3,800	-1,200
Engineering Services	9,000	11,000	2,000
Administration	<u>29,500</u>	<u>29,500</u>	<u>0</u>
	\$54,070	\$53,850	-\$220

Training Budget

Employee development is comprised of the annual budget for all in-state and out-of-state training events. Employee development costs include the travel budget listed above.

Department	2013 Budget	2014 Budget	Change
Water Services	\$172,415	\$186,483	\$14,068
Wastewater Services	169,032	143,444	-25,588
Environmental Services	65,081	61,154	-3,927
Engineering Services	117,728	128,444	10,716
Administration	<u>198,879</u>	<u>201,420</u>	<u>2,541</u>
	\$723,135	\$720,945	-\$2,190
Operating Expense Budget	\$26,352,411	\$26,912,548	
Percentage of O&M Budget	2.7%	2.7%	

Work Force Management (continued)

Environment and Tools

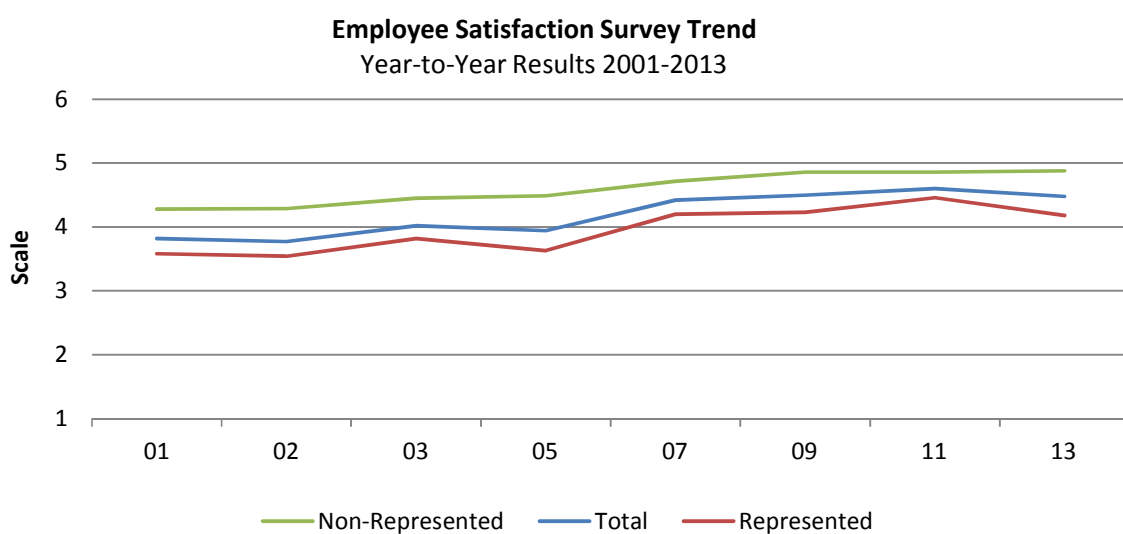
The District continues to focus more on its core business. For example, Water Services is allocating additional staff in 2014 to oversee main renewal projects and having the private sector perform routine field work such as valve box replacement. Changes like this enable us to focus on higher level, more interesting tasks that employees will find more rewarding.

Additionally, the District's organization structure and managerial philosophy encourages cross training and sharing of knowledge. In the 2014, Wastewater Services create another apprentice position. These positions allow an employee to get a broad education of all facets of the business. Additionally, they are developing a wiki with the department's manual. An effort to cross-train system operations and maintenance staff continue.

Technology development is a key to transferring knowledge to the next generation and providing the environment that next generation will expect. The District has an extensive asset management information system. We will continue migrating more data and information processing to the system. Projects planned for 2014 include continue migrating and correcting all of the customers' service line related assets to the asset management system, using SharePoint to manage our documents, and installing additional instrumentation equipment to monitor and operate more facilities remotely.

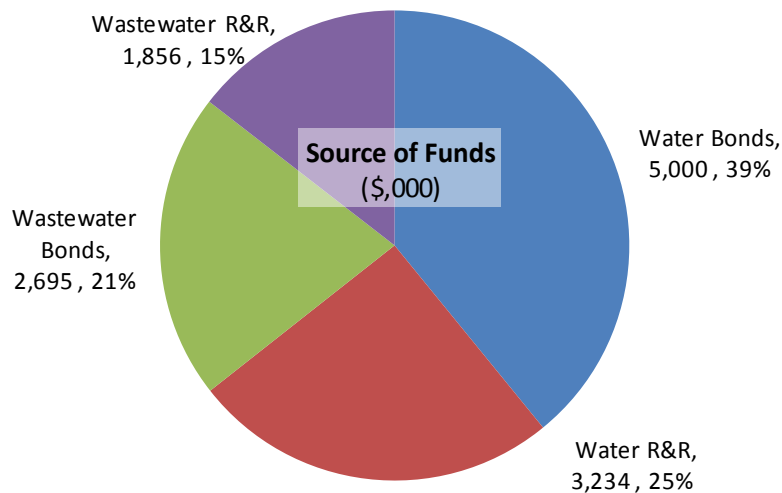
Employees Satisfaction Survey

A survey of employees on the work climate is conducted every other year. The survey results are reviewed with employees and areas to improve are identified. A survey was conducted in 2013 and three focus areas were identified, and they are the same as in 2011. They are: – inconsistent application of policies, fairness of decisions regarding promotion and value of the employee evaluation process. Specific actions have been identified and managers have been asked to include them in 2014 work plans.



Introduction

Capital expenditures are financed either from withdrawals from the renewal and replacement fund (R&R fund) established for each enterprise fund or through the issuance of a bond. The financing option for each project is noted when the Board authorizes the project. A summary of 2014 financing options (source of funds) are noted in the chart below. The funds will be used to fund \$8.2 million water projects and \$4.6 million wastewater projects.



Annual Fund Operating Budget

The annual budget includes the impact of issuing \$7.695 million of debt and \$5.090 million in contributions to the renewal and replacement funds. The renewal & replacement contribution was decreased for wastewater only in 2014.

The transportation debt service and renewal & replacement contributions are allocated to funds and departments through an hourly rate and are included in the transportation - internal line item.

	2013 Budget	2014 Budget	\$ Change
Debt Service Principal, Interest & Related Expense	\$5,790,102	\$6,457,926	\$667,824
Debt Service - Allocated	696,500	683,559	(12,941)
Debt Service - Funds	6,486,602	7,141,485	654,883
Annual Debt Service	6,486,602	7,141,485	654,883
Renewal & Replacement - Water - General	2,400,000	2,400,000	-
Renewal & Replacement - Wastewater	1,403,850	1,332,950	(70,900)
Renewal & Replacement - Multi-Fund Assets	490,000	490,000	-
Renewal & Replacement - Funds	4,293,850	4,222,950	(70,900)
Renewal and Replacement - Transportation	380,000	380,000	-
Annual Renewal and Replacement Contributions	4,673,850	4,602,950	(70,900)
Total Capital / Finance	\$11,160,452	\$11,744,435	\$583,983

Bond Financing

Overview

The District typically finances larger capital projects by issuing revenue bonds for a term of the asset's useful life or 20 years, whichever is shorter. Since most of the District's assets have useful life in excess of 20 years, the typical bond term is 20 year. The District's charter authorizes the District, through its trustees and without vote of its inhabitants, to issue bonds to pay for the costs of capital outlays incurred in connection with acquiring, renovating or constructing water and wastewater assets. Water bonds are secured by the revenues of customers' water rates and charges. In the event of a bond payment default, the District has the power to assess its member municipalities to provide funds to cure the default. Such assessments would be allocated based upon the municipalities' respective state valuation.

Wastewater bonds are secured by the District's sewer assessment revenue. In the event of a bond payment default, the municipalities served would be responsible for the debt service related to assets serving that municipality. The annual sewer Assessment, once certified to the municipality by the District, is an obligation of the municipality on *parity* with the municipalities' general obligation debt and entitled to the full faith and credit of the municipality.

Water Capital Reserve Bond

The 2014 Budget includes issuing a \$2 million, **10-Year** bond to finance the replacement of aging water mains. A new rule promulgated by the Maine Public Utilities Commission (MPUC) in 2013 allows utilities to create a capital reserve to pay for infrastructure improvements, including debt service costs, and allows the reserve to be funded by designating a portion of the utility's revenue. The 2014 budget assumes that 1% of the proposed 3% rate adjustment will be used to fund the reserve and will pay for the debt service of the proposed \$2 million bond. The tentative plan is to issue \$2 million each of the next 10 years and raise water rates an additional 1% each year.

Bond Options

The District issues bonds either directly to the market or through the Maine Municipal Bond Bank (MMBB). For larger projects, typically greater than \$10 million, the District considers issuing directly to the market. For smaller projects, the most cost effective option is to issue through MMBB.

MMBB has three different programs – General Bond, Drinking Water SRF (State Revolving Fund) and Clean Water SRF programs. General Bond issues are done twice a year at tax-exempt market rates. The SRF programs have a more flexible closing date and typically result in an interest rate 2% less than market. For qualifying projects, part of the principal may be forgiven. Projects financed through the SRF are competitively awarded by the State of Maine's Department of Human Services (water projects) or Department of Environmental Protection (wastewater projects). Those projects need to comply with certain procurement standards.




Bond Financing (continued)

The current water bond ratings by Moody's and Standard & Poor's ratings are A1 and A+, respectively. Moody's bond ratings range from Aaa (highest quality) to C (lowest quality) and apply a number qualifier (1-high, 2-mid and 3-low) for each letter range. Standard & Poor's top four bond ratings (AAA, AA, A and BBB) generally are regarded as eligible for bank investment (AAA is highest rating). The latest rating was in September 2013. Moody's noted the District's strength was sizable, wealthy service area and sound debt service coverage supported by annual rate increases. In addition to the items Moody noted, S&P noted the District's sound system operations with virtually unlimited water supply and good financial flexibility due to the affordability of the water rates. Moody's noted as a challenge the weak legal security. The weak legal security references that since the District has to be in default before evoking the municipalities' 'double barrel' general taxes cure. S&P noted the lack of autonomy in raising water rates because Maine Public Utilities Commission must approve all increases and the fact additional debt needs, absent future rate increases, may pressure the debt service coverage.

The current Portland Fund wastewater bond ratings by Moody's and Standard & Poor's ratings are Aa1 and AA, respectively. Because the municipalities are ultimately responsible for wastewater debt, both firms used Portland's general obligation bond. Both noted the relatively strong regional economy, diverse tax base and above average socioeconomics factors along with strong city's financial performance.

Maine Municipal Bond Bank

The Maine Municipal Bond Bank was created in 1972 by the Maine State Legislature. The agency has an immense history of providing Maine's cities, towns, school systems, water and sewer districts, and other governmental entities access to low cost capital funds through the sale of its highly rated tax-exempt bonds. Established as an independent agency, the Bond Bank is administered by a board of commissioners appointed by the Governor. The Bond Bank works closely with its municipal clientele to provide unique, cost effective and competitive financing programs.

	GENERAL BOND RESOLUTION PROGRAM For municipalities, school districts, water districts, sewer districts and other local government requesting loan financing through the General Resolution Program. Under this tax-exempt bond financing program, the proposed debt will be paid from a General Resolution pledge of the municipality or municipalities. Click here to learn more about the approval and financing process of this program.
	CLEAN WATER SRF PROGRAM Created by the Clean Water Act of 1972, the Maine Municipal Bond Bank serves as financial manager of the Clean Water State Revolving Loan Fund in cooperation with the Maine Department of Environmental Protection. Click here to learn more about the approval and financing process of this program.
	DRINKING WATER SRF PROGRAM Created by the Safe Drinking Water Act of 1996, the Maine Municipal Bond Bank serves as financial manager of the Drinking Water State Revolving Loan Fund in cooperation with the Maine Department of Human Services. Click here to learn more about the approval and financing process of this program.

Bond Limits

The District has no legal limits of debt. A board approved policy establishes a target maximum level of debt service to 35% of total fund budget and minimum debt service ratio of 1.25. The table indicates the current status and projected status. The projected status is based on the projection included at the end of the Revenue section and includes bond financed capital projects as noted in the 5-year capital plan in the Capital Expenditures section.

The Gorham & Windham fund exceeds the debt service target due to a 2009 project requested by both municipalities. The project connected the Little Falls area to the Westbrook Regional Treatment Facility. The ratios for all communities except for Cumberland improved over the prior year. The shortfall in the debt service ratio is primarily due to utilization of operating fund balances greater than target fund balance.

Percent of Budget Dedicated to Debt Service – Target: Not to Exceed 35%

Funds	2013	2014	2015	2016	2017	2018
Water	16%	18%	18%	20%	23%	25%
Wastewater						
Cape Elizabeth	15%	14%	15%	20%	23%	23%
Cumberland	2%	2%	2%	2%	2%	2%
Gorham	38%	37%	37%	38%	37%	36%
Portland	19%	20%	20%	24%	25%	24%
Westbrook	16%	16%	17%	22%	22%	21%
Windham	43%	44%	43%	43%	42%	41%

Debt Service Ratio – Target: Greater or Equal to 1.25

Funds	2013	2014	2015	2016	2017	2018
Water	2.09	1.87	2.00	1.71	1.54	1.42
Wastewater						
Cape Elizabeth	1.47	1.50	1.50	1.20	1.13	1.31
Cumberland	3.82	0.28	0.84	1.89	2.97	4.37
Gorham	1.29	1.19	1.23	1.17	1.25	1.38
Portland	1.46	1.40	1.40	1.25	1.32	1.43
Westbrook	2.02	2.01	2.00	1.73	1.79	1.91
Windham	1.31	1.23	1.21	1.15	1.13	1.18

Water & Wastewater Funds Debt Service

Long-Term Debt

The District has \$5,092,279 and \$1,915,234 of principal and interest payments in 2014. Of the total, \$4,663,529 and \$1,660,425 of principal and interest, respectively, are expensed to the individual funds. A portion of the debt service related to Meters is allocated directly to water and wastewater funds (principal of \$428,750 and interest of \$254,809). The Meter debt service relates to bonds issued for meters that are used for both water and wastewater purposes and is allocated based on relative benefit received by each fund.

Intra-Fund Note and Bond Anticipation Notes

The Windham Intra-fund note payable to Westbrook is for Windham's portion of a one-time buy-in of the regional treatment facility. The original note of \$264,733 was issued on 4/1/08 at 4.395% interest with annual principal and interest payments. The 2014 principal and interest expense accrued are \$13,240 and \$8,292, respectively.

Debt Issuance Expense

The Water and Wastewater funds incur costs for issuance of the permanent financing. The bond issuance costs for new bonds issued in 2014 will be expensed 100% in 2014. Water and Wastewater related write-offs for 2014 are estimated at \$10,750, and \$2,641, respectively, for a total of \$13,391.

Administrative Fees

Maine Municipal Bond Bank bonds issued under the Drinking Water State Revolving Fund (DWSRF) for Water and the State Revolving Fund (SRF) for Wastewater access an administrative fee of 5% of each year's principal and coupon interest payments. Maine Municipal Bond Bank Non-SRF bonds do not access any administrative fees. Water and Wastewater bonds issued as stand-alone bonds directly to the market also do not access administrative fees.

Water & Wastewater Funds Debt Service (continued)

Summary of Debt Service

Funds	Principal	Interest	Intra-Fund Note & Interest	Debt Issuance Expense	MMBB & DEP Admin Fees	Debt Service Total
Direct Charges:						
Water	<u>\$2,305,551</u>	<u>\$1,001,371</u>	<u>\$0</u>	<u>\$10,750</u>	<u>\$30,642</u>	<u>\$3,348,314</u>
Wastewater:						
Cape Elizabeth	134,250	31,419	-	313	7,169	173,151
Cumberland	6,250	1,146	-	-	370	7,766
Gorham	303,069	80,433	-	101	15,684	399,287
Portland	1,537,354	392,073	-	2,000	45,215	1,976,642
Westbrook	276,170	127,451	(13,240)	218	7,850	398,449
Windham	<u>100,885</u>	<u>26,532</u>	<u>21,532</u>	<u>9</u>	<u>5,359</u>	<u>154,317</u>
Subtotal - Wastewater	<u>2,357,978</u>	<u>659,054</u>	<u>8,292</u>	<u>2,641</u>	<u>81,647</u>	<u>3,109,612</u>
Total Direct Charges	<u>4,663,529</u>	<u>1,660,425</u>	<u>8,292</u>	<u>13,391</u>	<u>112,289</u>	<u>6,457,926</u>
Meters Allocated:						
Water	266,618	158,595	-	-	-	425,213
Wastewater:						
Cape Elizabeth	10,781	6,382	-	-	-	17,163
Cumberland	4,656	2,760	-	-	-	7,416
Gorham	7,764	4,603	-	-	-	12,367
Portland	81,868	48,595	-	-	-	130,463
Westbrook	20,066	11,906	-	-	-	31,972
Windham	<u>332</u>	<u>197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>529</u>
Subtotal - Wastewater	<u>125,467</u>	<u>74,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,910</u>
Contracted Services:						
Falmouth	-	-	-	-	-	-
Scarborough	4,130	2,447	-	-	-	6,577
South Portland	<u>32,535</u>	<u>19,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,859</u>
Total Meters Allocated	<u>428,750</u>	<u>254,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>683,559</u>
Debt Service - Funds	<u>5,092,279</u>	<u>1,915,234</u>	<u>8,292</u>	<u>13,391</u>	<u>112,289</u>	<u>7,141,485</u>
Debt Service (Total)	<u>\$5,092,279</u>	<u>\$1,915,234</u>	<u>\$8,292</u>	<u>\$13,391</u>	<u>\$112,289</u>	<u>\$7,141,485</u>

Debt Service Summary

The debt service expense for each fund consists of two parts:

Fund Debt Service – These charges are related to assets belonging to the specific fund such as treatment plants, pump stations, mains, etc.

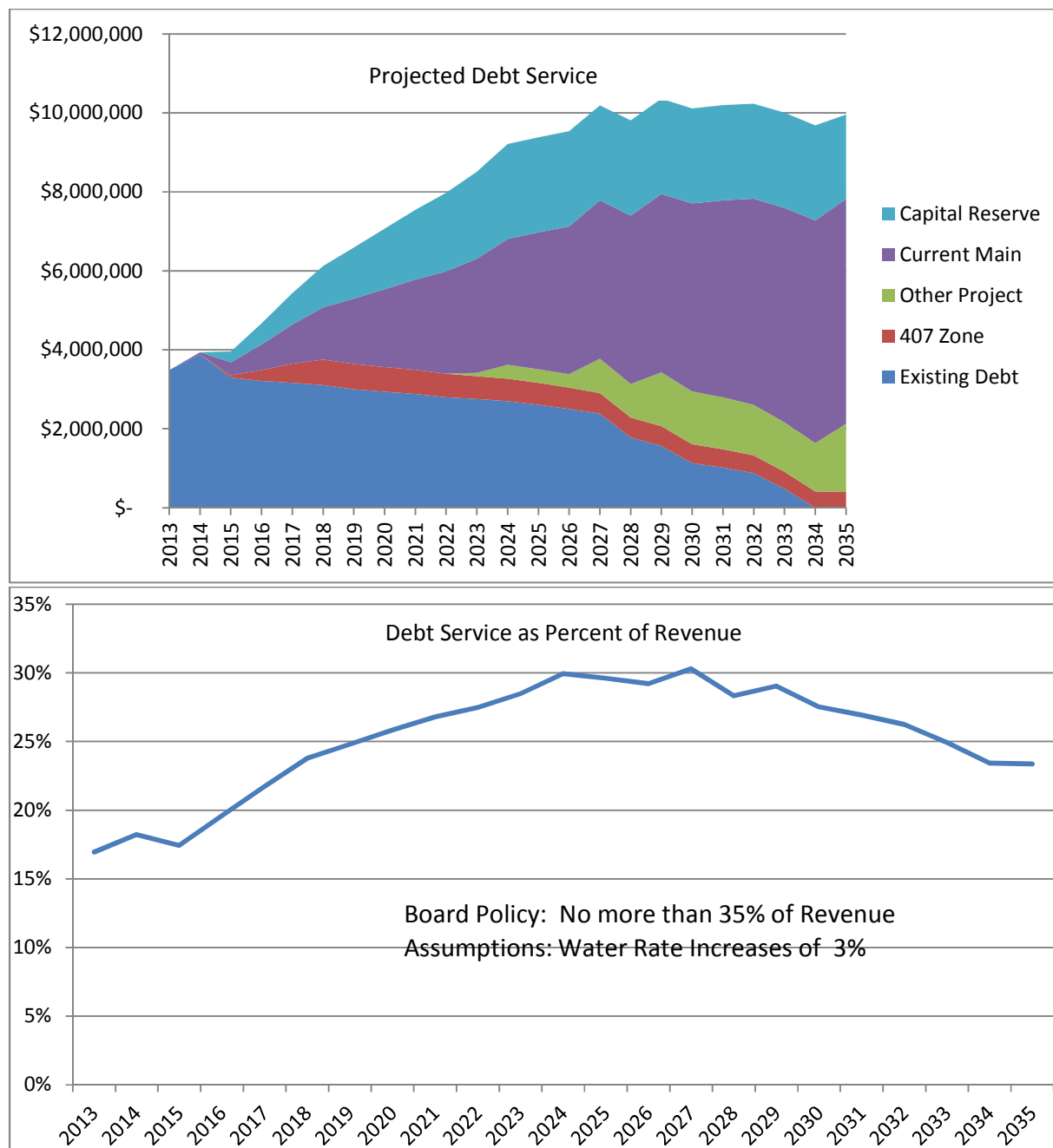
Meter Debt Service – Meters are an asset of the Water fund but are used to calculate both water and wastewater bills. The debt related to meters is allocated to each fund based on number and size of the meters in each municipality.

Together, these two are combined to become each fund's debt service expense.

	Fund	Meter	Total
Water	\$3,348,314	\$425,213	\$3,773,527
Wastewater:			
Cape Elizabeth	173,151	17,163	190,314
Cumberland	7,766	7,416	15,182
Gorham	399,287	12,367	411,654
Portland	1,976,642	130,463	2,107,105
Westbrook	398,449	31,972	430,421
Windham	154,317	529	154,846
Contracted Services:			
Falmouth	-	-	-
Scarborough	-	6,577	6,577
South Portland	-	51,859	51,859
	\$6,457,926	\$683,559	\$7,141,485

Water Debt

The Water Fund has significant future bond financing needs including completing the 407 zone system upgrade and main renewals. Starting in 2014, it is proposed that an additional \$2 million be bonded to pay for main renewal and be funded through the capital reserve.



Water Funds Long-Term Debt

Long-Term Debt Detail:

The table below is a list of all outstanding water fund bonds. A significant amount of debt will be paid off in 2014 and will mitigate the debt service of the new ultraviolet treatment plant upgrade scheduled to be completed in 2014.

2013 bond issues may appear in the proposed section if the target issue date is after the publication date of 2014 budget.

IssueDate	BondID	Purpose	Maturity	Range of Interest	Original Issue Principal	Yr End 2013 Balance	2014 Principal	Yr End 2014 Balance	2014 Interest Exp	MMBB/DEP Admin Fee	Issue Cost	PUC Docket#
Existing Debt Water General LTD												
10/27/1994	WTR94-01	Ozone, Reservoir & General	2014	6.5170% - 6.5170%	\$7,000,000	\$350,000	\$350,000	\$0	\$8,754			94-252
07/01/2002	WTR02-01	Refunding Bond (Ozone)	2014	5.0000% - 5.0000%	\$8,340,000	\$600,000	\$600,000	\$0	\$23,800			94-004
10/27/2005	WTR05-02	General Assets	2025	3.0000% - 5.0000%	\$900,000	\$540,000	\$45,000	\$495,000	\$20,413			2005-488
10/26/2006	WTR06-01	General Assets	2026	3.0000% - 6.0000%	\$1,500,000	\$975,000	\$75,000	\$900,000	\$37,926			2006-510
09/01/2007	WTR07-03	General Assets	2027	4.2500% - 4.2500%	\$6,125,000	\$4,467,500	\$306,250	\$4,161,250	\$183,514			2006-732 & 2007-333
10/30/2008	WTR08-01	General Assets	2028	2.0750% - 5.5750%	\$1,500,000	\$1,125,000	\$75,000	\$1,050,000	\$56,545			2008-360
04/01/2009	WTR09-01	General Assets (407 Zone)	2028	1.0500% - 1.0500%	\$1,598,500	\$1,198,875	\$79,925	\$1,118,950	\$12,448	\$4,626		2008-360 AMENDED
08/28/2009	WTR09-04	General Assets (ARRA)	2029	0.0000% - 0.0000%	\$2,991,066	\$2,392,853	\$149,553	\$2,243,300	\$0	\$7,478		2009-128
08/28/2009	WTR09-05	General Assets (ARRA)	2029	0.0000% - 0.0000%	\$163,953	\$131,162	\$8,198	\$122,965	\$0	\$410		2009-128
05/27/2010	WTR10-01	General Assets	2014	2.0600% - 2.0600%	\$100,000	\$25,000	\$25,000	\$0	\$429			2010-62
05/27/2010	WTR10-02	General Assets (RZEDB)	2030	3.3640% - 5.7460%	\$400,000	\$400,000	\$0	\$400,000	\$11,082			2010-62
11/01/2010	WTR10-03	General Assets (DWSRF)	2030	1.0000% - 1.0000%	\$902,500	\$767,125	\$45,125	\$722,000	\$7,596	\$2,640		2010-62
10/27/2011	WTR11-01	General Assets	2031	0.5000% - 5.5000%	\$2,300,000	\$2,070,000	\$115,000	\$1,955,000	\$69,197			2011-266
05/01/2012	WTR12-03	Ozone UV Design & Forest Ave (DWSRF)	2032	1.0000% - 1.0000%	\$1,130,000	\$1,073,500	\$56,500	\$1,017,000	\$10,358	\$3,348		2011-266
10/25/2012	WTR12-01	General Assets	2032	1.4800% - 3.7060%	\$2,000,000	\$1,900,000	\$100,000	\$1,800,000	\$51,084			2012-357
05/01/2013	WTR13-01	Ozone-UV Construction Phase 1 (DWSRF)	2032	1.0000% - 1.0000%	\$2,850,000	\$2,850,000	\$150,000	\$2,700,000	\$28,250	\$8,925		2011-266
05/23/2013	WTR13-04	General Assets	2033	0.6000% - 3.7000%	\$1,428,000	\$1,428,000	\$71,400	\$1,356,600	\$34,344			2013-00167
Total Existing Debt Water General LTD						\$22,294,015	\$2,251,951	\$20,042,064	\$555,740	\$27,426		
Proposed Water General LTD												
11/01/2013	WT_GA2013_2_7	Water General Assets (DWSRF)	2033	1.0000% - 1.0000%	\$1,072,000	\$1,072,000	\$53,600	\$1,018,400	\$10,631	\$3,216		
11/01/2013	WT_UV_constr_ph2_3	Water UV Phase 2 Construction	2034	5.0000% - 5.0000%	\$8,000,000	\$8,000,000	\$0	\$8,000,000	\$400,000			
11/01/2014	WT_GA2014_1	Water General Assets	2034	5.0000% - 5.0000%	\$3,000,000	\$0	\$0	\$3,000,000	\$25,000		\$3,750	
11/01/2014	WT_GA2014_2_1	Water General Assets	2024	3.0000% - 3.0000%	\$2,000,000	\$0	\$0	\$2,000,000	\$10,000		\$2,500	
Total Proposed Debt Water General LTD						\$9,072,000	\$53,600	\$14,018,400	\$445,631	\$3,216	\$6,250	
Total Existing and Proposed Debt Water General LTD						\$31,366,015	\$2,305,551	\$34,060,464	\$1,001,371	\$30,642	\$6,250	
Existing Debt Meters Allocated												
09/01/2007	WTR07-01	Meters	2027	4.2500% - 4.2500%	\$3,500,000	\$2,450,000	\$175,000	\$2,275,000	\$100,589			2006-403
09/01/2007	WTR07-02	Sub-meters	2027	4.2500% - 4.2500%	\$375,000	\$262,500	\$18,750	\$243,750	\$10,777			2006-403
05/28/2009	WTR09-02	Meters	2029	2.0800% - 5.5800%	\$4,519,800	\$3,615,840	\$225,990	\$3,389,850	\$137,943			2006-403
05/28/2009	WTR09-03	Sub-Meters	2029	0.0000% - 5.5800%	\$180,200	\$144,160	\$9,010	\$135,150	\$5,500			2006-403
Total Existing Debt Meters Allocated						\$6,472,500	\$428,750	\$6,043,750	\$254,809			
						\$9,072,000	\$53,600	\$14,018,400	\$445,631	\$3,216	\$6,250	
Total Existing and Proposed Water Debt						\$37,838,515	\$2,734,301	\$40,104,214	\$1,256,180	\$30,642	\$6,250	

Wastewater Funds Long-Term Debt

Long-Term Debt Detail:

The tables below contain a list of all outstanding debt for Cape Elizabeth, Cumberland, Gorham and Portland wastewater funds. Bonds for the Westbrook Regional Wastewater Treatment Plant and related interception assets are proportionately split between Westbrook, Windham and Gorham.

2013 bond issues may appear in the proposed section if the target issue date is after the publication date of the 2014 budget.

IssueDate	BondID	Purpose	Maturity	Range of Interest	Original Issue	Yr End 2013	2014	Yr End 2014	Accrued 2014 Interest & Fees			MMBB/DEP	Issue Cost
					Principal	Balance	Principal	Balance	Interest Exp	DEP Mgt Fee	Interest Expense	Admin Fee	
Existing Debt Cape Elizabeth													
10/30/2008	WW08-03	Generators	2028	2.0750% - 5.5750%	\$95,000	\$71,250	\$4,750	\$66,500	\$3,581	\$0	\$3,581		
12/16/2011	WW11-01	Treatment / Spurwink (SRF)	2031	1.0000% - 1.0000%	\$2,430,000	\$2,187,000	\$121,500	\$2,065,500	\$21,668	\$0	\$21,668	\$7,169	
10/25/2012	WW12-03	Ottawa Rd CSO Studies / Treatment	2032	1.4800% - 3.7060%	\$160,000	\$152,000	\$8,000	\$144,000	\$4,087	\$0	\$4,087		
Total Existing Debt Cape Elizabeth						\$2,410,250	\$134,250	\$2,276,000	\$29,335	\$0	\$29,335	\$7,169	
Proposed Cape Elizabeth													
11/01/2014	WW_Garden Ln_6	Garden Lane P.S. Upgrade	2034	5.0000% - 5.0000%	\$250,000	\$0	\$0	\$250,000	\$2,083	\$0	\$2,083		\$313
Total Proposed Debt Cape Elizabeth						\$0	\$0	\$250,000	\$2,083	\$0	\$2,083		\$313
Total Existing and Proposed Debt Cape Elizabeth						\$2,410,250	\$134,250	\$2,526,000	\$31,419	\$0	\$31,419	\$7,169	\$313
Existing Debt Cumberland													
12/22/2006	WW06-01	Tuttle Pump Station (SRF)	2026	1.4200% - 1.4200%	\$125,000	\$81,250	\$6,250	\$75,000	\$1,146	\$0	\$1,146	\$370	
Total Existing Debt Cumberland						\$81,250	\$6,250	\$75,000	\$1,146	\$0	\$1,146	\$370	
Existing Debt Gorham													
04/01/2003	WW03-03	Treatment Dewatering (SRF)	2022	0.0000% - 4.2030%	\$78,120	\$34,618	\$3,906	\$30,712	\$443	\$0	\$443	\$66	
11/13/2003	WW03-14	Treatment Headworks Upgrade (SRF)	2023	0.0000% - 4.4930%	\$73,185	\$36,439	\$3,659	\$32,780	\$443	\$0	\$443	\$148	
12/01/2005	WW05-02	Cottage Place/ E. Bridge PS upgrades (SRF)	2025	1.6300% - 1.6300%	\$252,000	\$151,200	\$12,600	\$138,600	\$2,447	\$0	\$2,447	\$753	
07/02/2007	WW07-01	Treatment Water Plant & Scum (SRF)	2017	1.0000% - 1.0000%	\$146,000	\$58,400	\$14,600	\$43,800	\$511	\$0	\$511	\$759	
05/15/2008	WW08-01	Treatment Generator / Electrical Upgrades	2028	2.0000% - 5.5000%	\$50,400	\$37,800	\$2,520	\$35,280	\$1,585	\$0	\$1,585		
10/30/2008	WW08-02	Cottage Place/ E. Bridge PS Screens	2029	2.0750% - 5.5750%	\$474,672	\$379,738	\$23,734	\$356,004	\$19,066	\$0	\$19,066		
01/15/2009	WW09-01	Little Falls Conveyance (SRF)	2028	1.4400% - 1.4400%	\$4,258,208	\$3,225,915	\$215,061	\$3,010,854	\$45,679	\$0	\$45,679	\$13,076	
02/27/2009	WW09-02	Headworks/Cottage Place/ E Bridge (SRF)	2028	1.0000% - 1.0000%	\$253,475	\$190,106	\$12,674	\$177,433	\$1,869	\$0	\$1,869	\$729	
05/28/2009	WW09-04	Little Falls Conveyance	2029	2.0800% - 5.5800%	\$233,954	\$187,164	\$11,698	\$175,466	\$7,140	\$0	\$7,140		
11/01/2010	WW10-04	Treatment Misc Upgrades (SRF)	2030	1.0000% - 1.0000%	\$52,360	\$44,506	\$2,618	\$41,888	\$441	\$0	\$441	\$153	
Total Existing Debt Gorham						\$4,345,885	\$303,069	\$4,042,816	\$79,624	\$0	\$79,624	\$15,684	
Proposed Gorham													
05/01/2014	WW_Aeration_SRF_2	WTP Aeration Flow Splitting (SRF)	2034	1.0000% - 1.0000%	\$80,850	\$0	\$0	\$80,850	\$0	\$809	\$809		\$101
Total Proposed Debt Gorham						\$0	\$0	\$80,850	\$0	\$809	\$809		\$101
Total Existing and Proposed Debt Gorham						\$4,345,885	\$303,069	\$4,123,666	\$79,624	\$809	\$80,433	\$15,684	\$101

Wastewater Funds Long-Term Debt (continued)

Long-Term Debt Detail: (continued)

The tables below contain a list of all outstanding debt for Cape Elizabeth, Cumberland, Gorham and Portland wastewater funds. Bonds for the Westbrook Regional Wastewater Treatment Plant and related interception assets are proportionately split between Westbrook, Windham and Gorham.

2013 bond issues may appear in the proposed section if the target issue date is after the publication date of the 2014 budget.

IssueDate	BondID	Purpose	Maturity	Range of Interest	Original Issue	Yr End 2013	2014	Yr End 2014	Accrued 2014 Interest & Fees			MMBB/DEP	Issue Cost
					Principal	Balance	Principal	Balance	Interest Exp	DEP Mgt Fee	Interest Expense	Admin Fee	
Existing Debt Portland													
05/23/1996	WW96-01	Portland CSO Upgrades	2016	5.9010% - 5.9010%	\$900,000	\$135,000	\$45,000	\$90,000	\$5,966	\$0	\$5,966		
10/30/1997	WW97-01	Peaks Torrington Point Upgrades	2017	5.3800% - 5.3800%	\$1,100,000	\$220,000	\$55,000	\$165,000	\$9,960	\$0	\$9,960		
10/26/2001	WW01-01	Peaks Ryefield / Seashore Upgrades (SRF)	2021	2.1000% - 2.1000%	\$2,785,000	\$1,114,000	\$139,250	\$974,750	\$22,907	\$0	\$22,907	\$2,440	
11/01/2001	WW01-02	Treatment Clarifiers/Screens/Grit Upgrades (SRF)	2021	2.1000% - 2.1000%	\$1,250,000	\$500,000	\$62,500	\$437,500	\$10,281	\$0	\$10,281	\$1,095	
04/01/2003	WW03-01	Refund Issue TF Clarifiers/Screens/Grit (SRF)	2020	0.0000% - 4.0590%	\$1,615,500	\$623,512	\$89,750	\$533,761	\$6,635	\$0	\$6,635	\$1,464	
04/01/2003	WW03-02	Treatment Odor Control (SRF)	2022	0.0000% - 4.2030%	\$5,200,000	\$2,304,302	\$260,000	\$2,044,302	\$16,042	\$0	\$16,042	\$4,400	
11/13/2003	WW03-12	TF Dewatering/Clarifiers/Screens/Grit (SRF)	2023	0.0000% - 4.4930%	\$1,230,000	\$606,850	\$61,500	\$545,350	\$6,156	\$0	\$6,156	\$2,493	
11/13/2003	WW03-13	Treatment Primary Sedimentation & Odor (SRF)	2023	0.0000% - 4.4930%	\$2,000,000	\$998,721	\$100,000	\$898,721	\$13,459	\$0	\$13,459	\$4,054	
12/03/2004	WW04-01	Treatment Odor Control (SRF)	2024	1.3300% - 1.3300%	\$375,000	\$206,250	\$18,750	\$187,500	\$2,681	\$0	\$2,681	\$752	
12/03/2004	WW04-02	Treatment Dewatering (SRF)	2024	1.3300% - 1.3300%	\$1,740,000	\$957,000	\$87,000	\$870,000	\$12,439	\$0	\$12,439	\$3,490	
12/01/2005	WW05-01	Treatment Hypochlorite Upgrade (SRF)	2025	1.6300% - 1.6300%	\$1,900,000	\$1,140,000	\$95,000	\$1,045,000	\$18,453	\$0	\$18,453	\$5,679	
04/01/2009	WW09-03	India Pump Station Upgrade (SRF)	2028	1.4700% - 1.4700%	\$5,700,000	\$4,214,910	\$280,994	\$3,933,916	\$61,271	\$0	\$61,271	\$17,148	
11/01/2010	WW10-03	Northeast & Pump Station Upgrades (SRF)	2030	1.0000% - 1.0000%	\$752,200	\$639,370	\$37,610	\$601,760	\$6,331	\$0	\$6,331	\$2,200	
10/27/2011	WW11-02	Portland Pump Station Upgrades	2031	0.5000% - 5.5000%	\$400,000	\$360,000	\$20,000	\$340,000	\$12,034	\$0	\$12,034		
Total Existing Debt Portland						\$14,019,915	\$1,352,354	\$12,667,561	\$204,615	\$0	\$204,615	\$45,215	
Proposed Portland													
11/01/2013	WW_Island_Ave_4	Peaks Island Sewer Extensions	2033	5.0000% - 5.0000%	\$3,700,000	\$3,700,000	\$185,000	\$3,515,000	\$183,458	\$0	\$183,458		
11/01/2014	WW_Fore_River_SRF_2	Fore River P.S. Upgrade (SRF)	2034	1.0000% - 1.0000%	\$1,600,000	\$0	\$0	\$1,600,000	\$0	\$4,000	\$4,000		\$2,000
Total Proposed Debt Portland						\$3,700,000	\$185,000	\$5,115,000	\$183,458	\$4,000	\$187,458		\$2,000
Total Existing and Proposed Debt Portland						\$17,719,915	\$1,537,354	\$17,782,561	\$388,073	\$4,000	\$392,073	\$45,215	\$2,000

Wastewater Funds Long-Term Debt (continued):

Long-Term Debt Detail: (continued)

The tables below contain a list of all outstanding debt for the Westbrook wastewater fund. Bonds for the Westbrook Regional Wastewater Treatment Plant and related interception assets are proportionately split between Westbrook, Windham and Gorham.

2013 Bond issues may appear in the proposed section if the target issue date is after the publication date of the 2014 budget.

IssueDate	BondID	Purpose	Maturity	Range of Interest	Original Issue	Yr End 2013	2014	Yr End 2014	Accrued 2014 Interest & Fees			MMBB/DEP	Issue Cost
					Principal	Balance	Principal	Balance	Interest Exp	DEP Mgt Fee	Interest Expense	Admin Fee	
Existing Debt Westbrook													
04/01/2003	WW03-03	Treatment Dewatering (SRF)	2022	0.0000% - 4.2030%	\$284,208	\$125,943	\$14,210	\$111,732	\$1,611	\$0	\$1,611	\$240	
11/13/2003	WW03-14	Treatment Headworks Upgrade (SRF)	2023	0.0000% - 4.4930%	\$266,254	\$132,568	\$13,313	\$119,255	\$1,611	\$0	\$1,611	\$539	
12/01/2005	WW05-02	Cottage Place/ E. Bridge PS upgrades (SRF)	2025	1.6300% - 1.6300%	\$1,316,800	\$790,080	\$65,840	\$724,240	\$12,789	\$0	\$12,789	\$3,936	
05/15/2008	WW08-01	Treatment Generator / Electrical Upgrades	2028	2.0000% - 5.5000%	\$183,360	\$137,520	\$9,168	\$128,352	\$5,767	\$0	\$5,767		
10/30/2008	WW08-02	Cottage Place/ E. Bridge PS Screens	2029	2.0750% - 5.5750%	\$2,384,641	\$1,907,713	\$119,232	\$1,788,481	\$95,782	\$0	\$95,782		
02/27/2009	WW09-02	Headworks/Cottage Place/ E Bridge (SRF)	2028	1.0000% - 1.0000%	\$974,925	\$731,194	\$48,746	\$682,448	\$7,190	\$0	\$7,190	\$2,803	
11/01/2010	WW10-04	Treatment Misc Upgrades (SRF)	2030	1.0000% - 1.0000%	\$113,220	\$96,237	\$5,661	\$90,576	\$953	\$0	\$953	\$331	
Total Existing Debt Westbrook						\$3,921,254	\$276,170	\$3,645,084	\$125,703	\$0	\$125,703	\$7,850	
Proposed Westbrook													
05/01/2014	WW_Aeration_SRF_2	WTP Aeration Flow Splitting (SRF)	2034	1.0000% - 1.0000%	\$174,825	\$0	\$0	\$174,825	\$0	\$1,748	\$1,748		\$218
Total Proposed Debt Westbrook						\$0	\$0	\$174,825	\$0	\$1,748	\$1,748	\$0.00	\$218
Total Existing and Proposed Debt Westbrook						\$3,921,254	\$276,170	\$3,819,909	\$125,703	\$1,748	\$127,451	\$7,850	\$218

Wastewater Funds Long-Term Debt (continued):

Long-Term Debt Detail: (continued)

The tables below contain a list of all outstanding debt for the Windham wastewater fund. Bonds for the Westbrook Regional Wastewater Treatment Plant and related interception assets are proportionately split between Westbrook, Windham and Gorham.

2013 Bond issues may appear in the proposed section if the target issue date is after the publication date of the 2014 budget.

IssueDate	BondID	Purpose	Maturity	Range of Interest	Original Issue	Yr End 2013	2014	Yr End 2014	Accrued 2014 Interest & Fees			MMBB/DEP	Issue Cost
					Principal	Balance	Principal	Balance	Interest Exp	DEP Mgt Fee	Interest Expense	Admin Fee	
Existing Debt Windham													
04/01/2003	WW03-03	Treatment Dewatering (SRF)	2022	0.0000% - 4.2030%	\$9,672	\$4,286	\$484	\$3,802	\$55	\$0	\$55	\$8	
11/13/2003	WW03-14	Treatment Headworks Upgrade (SRF)	2023	0.0000% - 4.4930%	\$9,061	\$4,511	\$453	\$4,058	\$55	\$0	\$55	\$18	
12/01/2005	WW05-02	Cottage Place/ E. Bridge PS upgrades (SRF)	2025	1.6300% - 1.6300%	\$31,200	\$18,720	\$1,560	\$17,160	\$303	\$0	\$303	\$93	
05/15/2008	WW08-01	Treatment Generator / Electrical Upgrades	2028	2.0000% - 5.5000%	\$6,240	\$4,680	\$312	\$4,368	\$196	\$0	\$196		
10/30/2008	WW08-02	Cottage Place/ E. Bridge PS Screens	2029	2.0750% - 5.5750%	\$40,687	\$32,550	\$2,034	\$30,515	\$1,634	\$0	\$1,634		
01/15/2009	WW09-01	Little Falls Conveyance (SRF)	2028	1.4400% - 1.4400%	\$1,681,792	\$1,274,085	\$84,939	\$1,189,146	\$18,041	\$0	\$18,041	\$5,164	
02/27/2009	WW09-02	Headworks/Cottage Place/ E Bridge (SRF)	2028	1.0000% - 1.0000%	\$21,600	\$16,200	\$1,080	\$15,120	\$159	\$0	\$159	\$62	
05/28/2009	WW09-04	Little Falls Conveyance	2029	2.0800% - 5.5800%	\$196,046	\$156,836	\$9,802	\$147,034	\$5,983	\$0	\$5,983		
11/01/2010	WW10-04	Treatment Misc Upgrades (SRF)	2030	1.0000% - 1.0000%	\$4,420	\$3,757	\$221	\$3,536	\$37	\$0	\$37	\$13	
Total Existing Debt Windham						\$1,515,626	\$100,885	\$1,414,740	\$26,464	\$0	\$26,464	\$5,359	
Proposed Windham													
05/01/2014	WW_Aeration_SRF_2	WTP Aeration Flow Splitting (SRF)	2034	1.0000% - 1.0000%	\$6,825	\$0	\$0	\$6,825	\$0	\$68	\$68		\$9
Total Proposed Debt Windham						\$0	\$0	\$6,825	\$0	\$68	\$68		\$9
Total Existing and Proposed Debt Windham						\$1,515,626	\$100,885	\$1,421,565	\$26,464	\$68	\$26,532	\$5,359	\$9

Subprogram #407 Cape Elizabeth Pump Station – Capital

Project 1874 – Proposed replacement of the 1975 Garden Land Ejector Station, which is 37 years old. Project costs are estimated to be \$250,000. A 20 year bond is scheduled to be issued in the spring of 2014 (part of the Cape Elizabeth Wastewater \$300,000 bond). Before and after:



Renewal & Replacement

Each fund contributes to a renewal and replacement (R&R) fund. These funds are used to pay for smaller capital projections as an alternative to issuing long term debt. Each fund maintains an R&R fund for assets owned by that fund. In addition, R&R balances are maintained for other groups of assets that, while owned by the Water fund, serve the needs of all District funds. These other R&R balances are:

Douglass St – This fund is for the building and grounds that serve as the District’s main headquarters.

Meters – Water meters measure water flow but provide data used in both water and wastewater billing.

Technology – This category includes both computer hardware and software systems that serve all District funds.

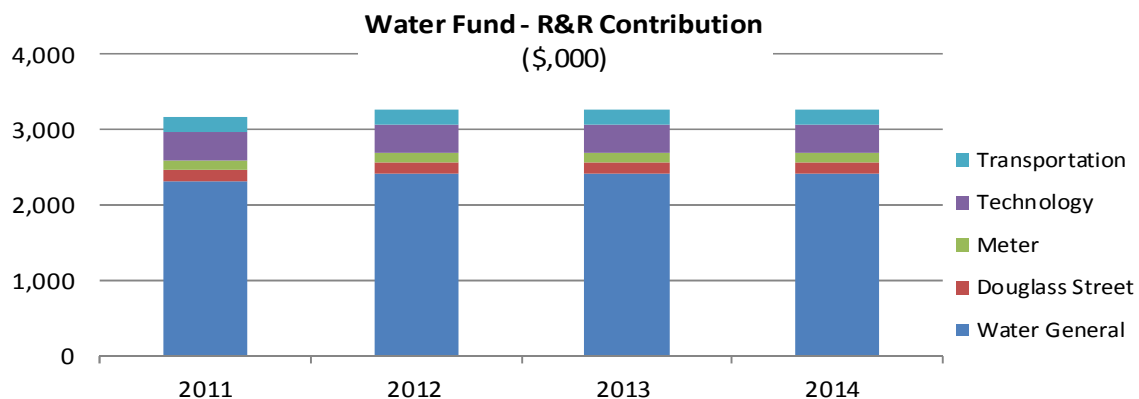
Transportation – These assets are used by all District funds. The charge for the R&R funding is part of the hourly rate of each vehicle (an internal line item).

2014 Contributions:

	Fund	Douglass St	Meters	Technology	Total
Water	\$2,400,000	\$94,500	\$91,784	\$109,140	\$2,695,424
Wastewater:					
Cape Elizabeth	80,000	4,950	2,478	7,300	94,728
Cumberland	19,628	2,295	1,232	3,980	27,135
Gorham	67,313	3,915	2,044	6,040	79,312
Portland	728,196	34,065	24,276	57,720	844,257
Westbrook	405,798	7,950	5,768	13,900	433,416
Windham	32,015	1,005	112	1,920	35,052
Contracted Services:					
Falmouth	-	-	-	-	-
Scarborough	-	15	1,610	-	1,625
South Portland	-	1,305	10,696	-	12,001
R&R - Funds	\$3,732,950	\$150,000	\$140,000	\$200,000	\$4,222,950
R&R - Transportation					380,000
R&R - Total					\$4,602,950

Water Fund - Renewal & Replacement Fund

A total of \$3,270,000 is contributed to the renewal and replacement fund in 2014. Similar to the debt service costs, renewal and replacement reserve is directly received from the fund or indirectly through appropriate allocation method from all funds. The Water renewal and replacement contribution is capped at approximately \$3,690,000, which is the estimated depreciation of all water assets, per Maine Public Utility Commission rules. Starting in 2011, the District began to track and reserve balances by different categories of renewal & replacement with part of the general surplus designated to the transportation, technology, meter and Douglass Street building reserves.



	Water General	Douglass Street	Water Meters	Transportation	Technology	Total
Balance 12/31/10	\$1,124,534	\$0	\$0	\$0	\$0	\$1,124,534
Reserve Designation	-249,638	138,617	0	83,096	27,925	0
Adjusted Balance	874,896	138,617	0	83,096	27,925	1,124,534
Contribution - 2011	2,300,000	150,000	140,000	380,000	200,000	3,170,000
Expenditure	-1,379,947	-52,009	0	-314,044	-81,985	-1,827,985
Balance 12/31/11	1,794,949	236,608	140,000	149,052	145,940	2,466,549
Contribution - 2012	2,400,000	150,000	140,000	380,000	200,000	3,270,000
Expenditure	-3,237,291	-114,320	0	-311,222	-109,950	-3,772,783
Balance 12/31/12	957,658	272,288	280,000	217,830	235,990	1,963,766
Contribution - 2013	2,400,000	150,000	140,000	380,000	200,000	3,270,000
Expenditure (Est'd)	-2,310,000	-170,000	-150,000	-275,000	-125,000	-3,030,000
Balance 12/31/13 (Est'd)	1,047,658	252,288	270,000	322,830	310,990	2,203,766
Contribution - 2014	2,400,000	150,000	140,000	380,000	200,000	3,270,000
Expenditure (Est'd)	-2,342,000	-142,000	-200,000	-275,000	-100,000	-3,059,000
Balance 12/31/13 (Est'd)	\$1,105,658	\$260,288	\$210,000	\$427,830	\$410,990	\$2,414,766
Target Renewal and Replacement (1% of Gross Fixed Asset Cost)						\$2,618,892

Wastewater Funds - Renewal & Replacement Funds

Each wastewater fund includes an annual contribution to the renewal and replacement (R&R) reserve to finance capital additions or replacements.

In 2014, all R & R contributions changed except for Cape Elizabeth and Portland from the 2013 Budget. The transfer of excess operating surplus to R & R is allowed under the district's fund balance policy. The 2012 Surpluses in Gorham, Portland and Windham were transferred in 2012 to the R&R funds. The estimated 2014 expenditures from the R&R fund are based on the 2014 Capital Improvements Budget as outlined in the Capital Expenditure section.

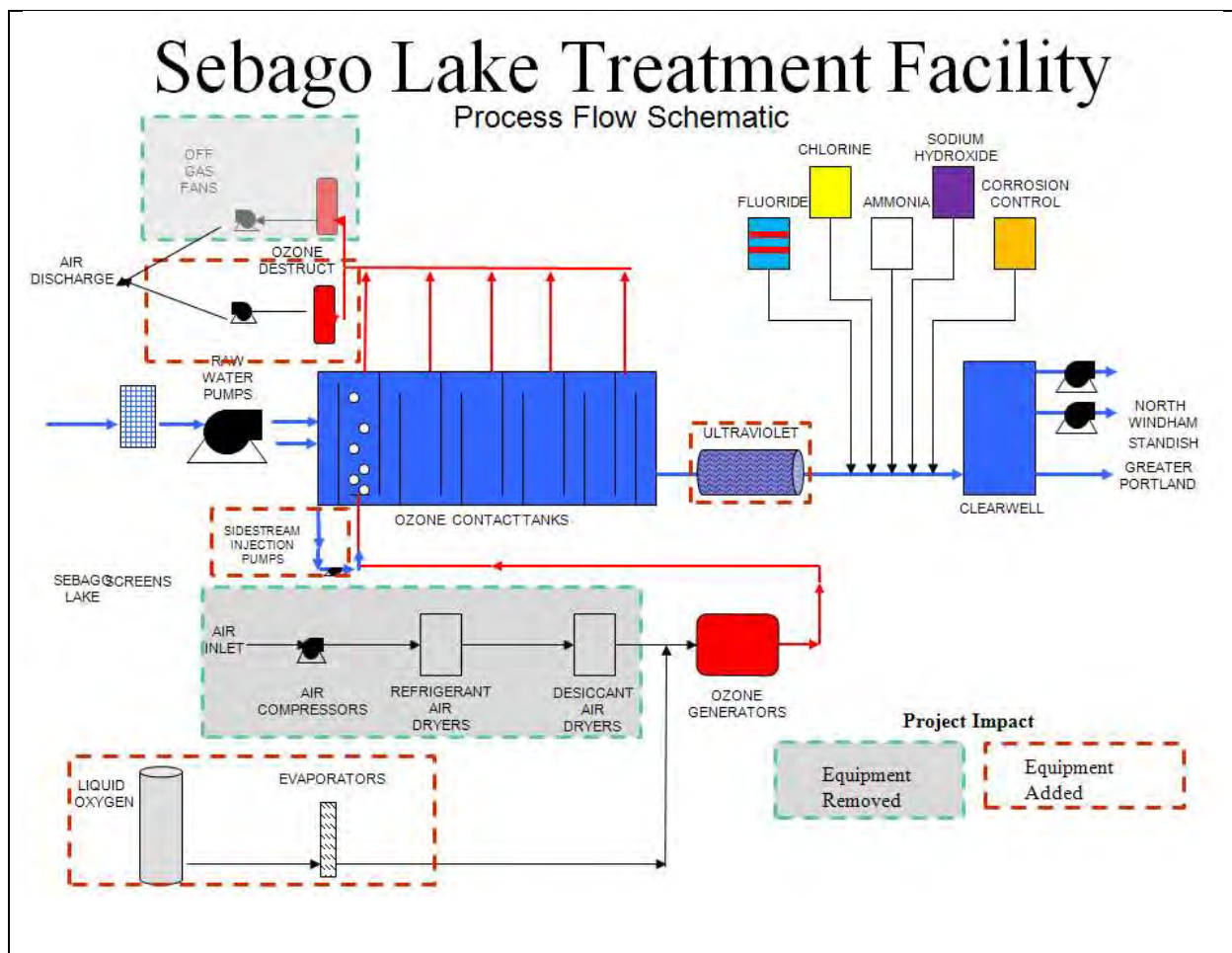
In 2011 and prior years, the Bond Discount Credit was the result of bond issuance costs being included in the bond issue. Since the cost of issuance was written-off as an operating expense over the life of the bond and the municipality pays for bond principal due each year, a credit is provided for the amount written-off to expense. Starting in 2012, new audit guidelines suggest that bond issuance expense should be written-off in the year incurred. In 2012 a one-time write-off of the unamortized bond discount was booked. Since issuance costs are no longer financed by the bond, the bond discount credit to R&R will stop with the 2012 final write-off.

	----- Wastewater Funds -----					
	CAPE ELIZABETH	CUMBERLAND	GORHAM	PORTLAND	WESTBROOK	WINDHAM
Balance 12/31/11	\$132,138	\$229,675	\$300,908	\$1,923,189	\$766,350	\$75,172
Contribution - 2012	80,000	35,000	50,000	552,702	200,000	20,500
Operating Surplus Transfer	-	-	114,019	392,953	-	44,294
Expenditure	86,931	-	14,839	711,956	49,616	1,253
Bond Discount Credit	3,292	-	6,000	28,484	5,127	2,043
Balance 12/31/12	128,499	264,675	456,088	2,185,372	921,861	140,756
Contribution - 2013	80,000	35,000	107,017	728,196	409,910	43,727
Operating Surplus Transfer	-	-	-	-	-	-
Expenditure (Est'd)	210,500	152,900	303,689	1,917,476	269,659	63,753
Balance 12/31/13 Estimated	(2,001)	146,775	259,416	996,092	1,062,112	120,730
Contribution - 2014	80,000	19,628	67,313	728,196	405,798	32,015
Operating Surplus Transfer	-	-	-	-	-	-
Expenditure (Est'd)	58,000	55,000	70,400	1,451,000	210,300	11,300
Balance 12/31/14 Estimated	\$19,999	\$111,403	\$256,329	\$273,288	\$1,257,610	\$141,445
Target Renew al & Replacement (3% of gross fixed asset cost)	\$465,834	\$229,228	\$499,374	\$2,877,130	\$601,724	\$88,474

Bond Issued for Water Treatment Plant Upgrade Project – Ultraviolet/Ozone System Upgrade

A second water treatment process, ultraviolet (UV), will be completely installed by April 2014. When completed, water will be treated by ozone and UV processes. While installing the UV system, the 20-year old ozone equipment was replaced with more cost-effective equipment.

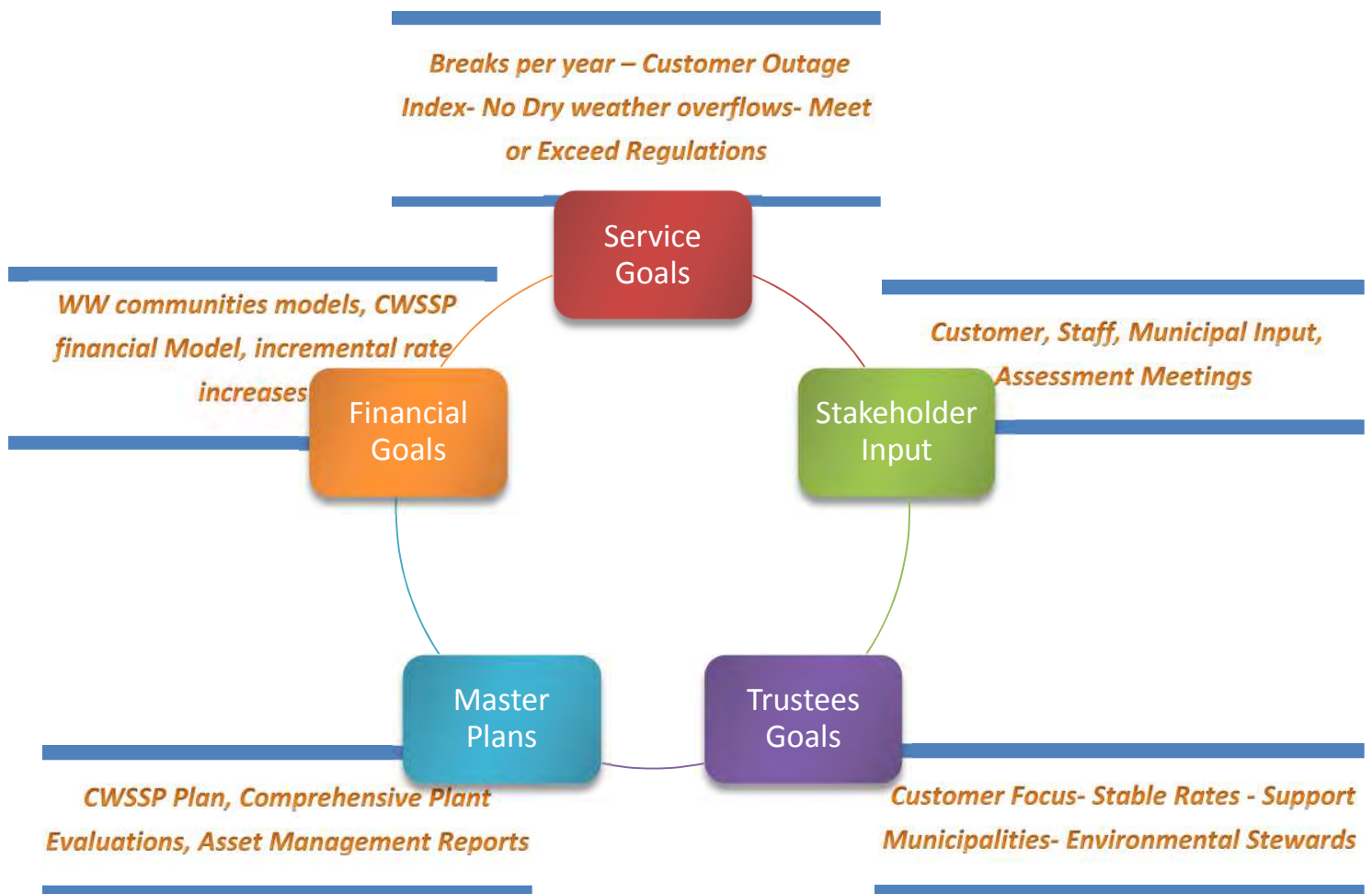
The impact to the 2014 budget includes the debt service costs related to issuing \$12 million bonds to pay for the project and reduced electricity costs due to the new ozone equipment. Debt Service costs in 2014 is \$ 650,000. With the new equipment, electricity costs will be approximately \$70,000 less in 2014.



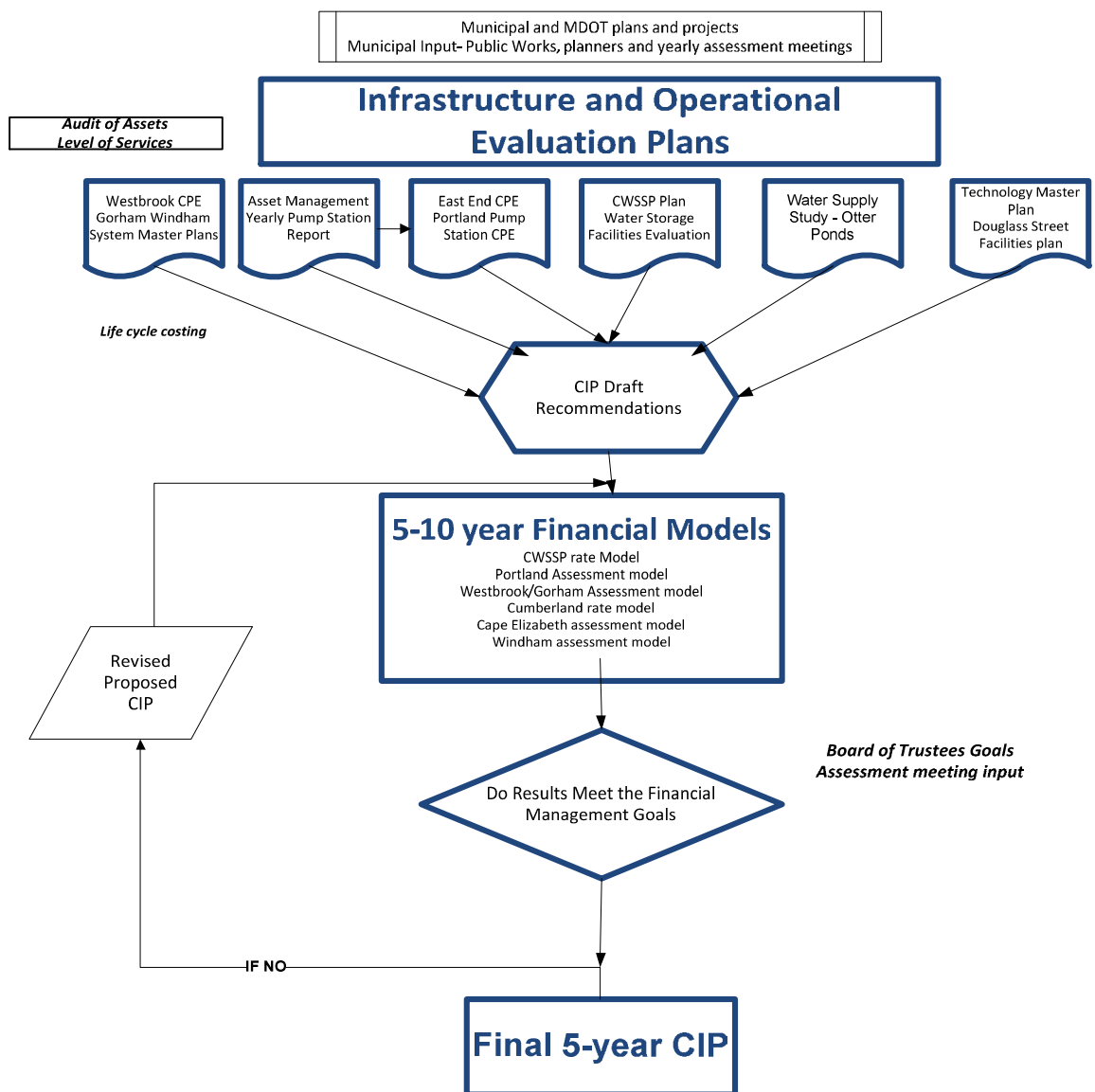
Water is pumped from Sebago Lake to the plant. The water is treated with ozone. Previously, ozone was created from air that was compressed and cooled. The new process uses liquid oxygen. After the ozone treatment process, the new UV process adds a second treatment process. Fluoride (teeth health), chlorine & ammonia (distribution system disinfectant), sodium hydroxide (pH control) and corrosion control chemicals are added to the water before sending the water through the distribution system.

Introduction

A five-year capital improvement plan is developed each year taking into consideration various factors including Infrastructure and Operational Evaluation Plans, Strategic/Tactical Goals and Benchmarks, Multi-year Financial Projections and Board Established Budget Guidelines (described in the Introduction Section). The plan is developed with much stakeholder's input, including input from customers, municipalities, regulators and staff. Staff recommends the Board of Trustees authorize the projects in first year of the plan to be completed.



Capital Improvement Program Process



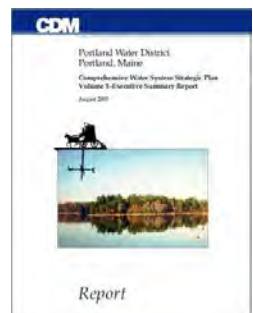
Infrastructure and Operational Evaluation Plans

The water and wastewater industry is an infrastructure oriented industry. Approximately 95% of the District's total assets are infrastructure assets and capital financing costs related to those assets are 30% of the annual budget. As the chart on the previous page indicates, a number of studies have been conducted to provide an assessment of those assets and is the basis for the capital improvement plan. A summary of the studies are provided below. Projects to be done in 2014 are identified by project numbers.

Water Fund

Comprehensive Waster System Strategic Plan (CWSSP) - March 2003

Camp Dresser & McKee completed the master plan of the distribution system in March of 2003. The plan was prepared to guide the development, operations and financing of the water system through year 2020. The first 7- year planning cycle (priority -1 projects 2003-2010) included an investment increase in the water main renewal program. This annual investment increase of \$1,000,000 was added to the \$1,000,000 the District was already funding to address the aging water main pipelines. This level of investment started in 2004. In 2012 an additional \$700,000 was funded for CIP # 43 Water Main Replacement and CIP #111 Galvanize Replacement bringing the total investment in main renewal up to \$3,000,000. In 2013, an additional \$500,000 was programmed for Water Main Replacement. In 2014 an additional \$2,500,000 is being proposed to be added to the CIP #43. Along with the increase in water main renewals, the District undertook the replacement of our existing water meters with new radio read meters. The project was completed in 2009 as recommended in the plan.



CWSSP also recommended removal or rehabilitation of existing water storage tanks. The District has removed 3 tanks from the system – Munjoy Hill reservoir, Shore Acres and Oak Hill. In 2008 the District rehabilitated 2 tanks, Steep Falls and Gowen. In 2009 the Standish Tank was rehabilitated and a bulk mixer added. In 2012 modifications to the concrete tanks to comply with OSHA fall protection standards were made (CIP project #203). A similar project was proposed for 2013.

In the plan, system deficiencies and recommended actions were identified. The most significant project identified from the priority -1 projects was inadequacies associated with service from the Elevation 407 zone. CWSSP recommended the combining of the 407 north zone with the south zone. Many projects have been completed to that end. This included the inclusion of transmission main piping in the MDOT Rt. 202/Presumpscot River Bridge project, installation of 8,000 feet of trunk main on Fort Hill road along with several upgrades in the Little Falls area of Gorham and Windham as part of the Little Falls Conveyance Project. In 2008, 4,000 feet of transmission main was extended to the new pump station location on Ward's Hill road. In 2009, the transmission main was extended from the end of the Fort Hill main along Huston Road to the proposed pump station location.

A hydraulic analysis of the combined system, final design of the proposed pump station and land acquisition for a new storage facility to replace the Windham Center Tank were proposed for 2011 (CIP 307) and will be completed in 2014. In the 2012 plan, construction of the new 407 zone pump station was funded but has since been reprogrammed to 2015.

Water Fund (continued)

Southern Maine Regional Water Council – Water Master Plan Study – October 2008



The Southern Maine Regional Water Council, made up of the 7 major water utilities of Cumberland and York County, completed a master plan in October of 2008. This document provides the southern Maine region with a planning tool for regional solutions to sustainable water resources and infrastructure for the foreseeable future. This study attained the following goals:

- Identified existing and potential sources of supply in the region and established the present and projected water needs in the region. Also, identified the limitations and risks of the existing and future supplies.
- Explored the logistics, benefits and impediments of creating an integrated, regional water supply system.
- Detailed the hydraulic considerations and infrastructure required to supply water over a large geographical area and evaluated potential water quality issues associated with blending various supplies and considered existing and future interconnections between systems.
- Developed short-term strategies for mutual-aid and sharing of resources between member utilities and developed an action plan to protect identified resources for future generations.
- Developed an integrated water supply plan for the entire region.
- Considered potential governance models for a regional supply organization.

The Council has continued to collaborate on regional utility planning and purchasing efforts and will be developing an action plan to carry out the report's recommendations.

Greater Portland Water System – Water Treatment/Alternate Source – November 2008

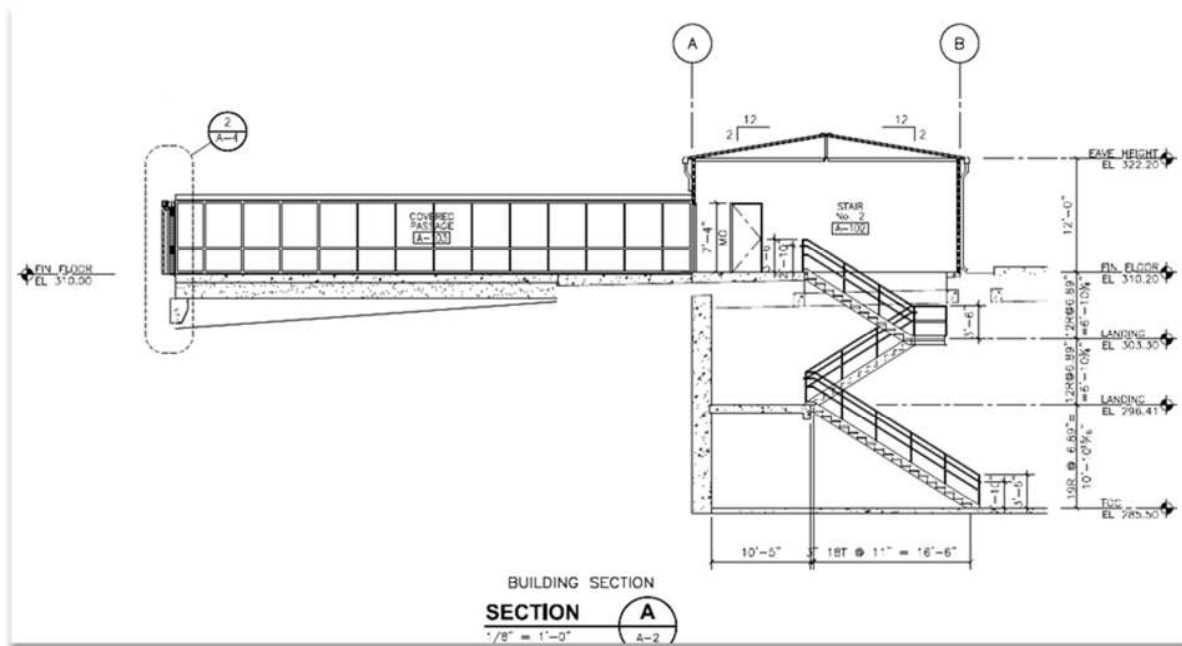
Camp Dresser & McKee completed a study of the Sebago Lake Water Treatment Facility in November of 2008. The primary focus of the study was to evaluate design alternatives for the ultraviolet disinfection process proposed to meet upcoming disinfection requirements and evaluate replacement of the existing 20-year old Ozone equipment. This study also reviewed raw water screening alternatives to replace the existing screening equipment. The third area looked at by this study was to evaluate the potential to connect the well supply that was being investigated in the Otter Ponds Aquifer area to the Sebago Lake Water Treatment Facility (SLWTF) as a backup or supplemental supply.

The report recommended conducting a pilot study of ultraviolet disinfection to evaluate the potential of fouling on the ultraviolet disinfection equipment and to help guide the choice of location and technology. The pilot work was completed in 2011. Final design of the UV facility and Ozone replacement equipment commenced in 2011 and was completed in May 2012. Construction is currently underway for the \$12 million project and is expected to be on line by April of 2014.

Water Fund (continued)

The final hydrogeological study of the Otter Ponds Aquifer well has been completed. A production well has been developed, tested and is licensed for an emergency supply that could supply Standish, Gorham and Windham if needed. The in-lake screening alternative was recommended to provide raw water screening for SLWTF. In this alternative, large screens would be added to the two intake pipes and the screening process would be removed from the current Intake Facilities. This project is proposed in 2015 (CIP #18 SLWTF intakes).

Below is the engineering plan for the walkway and electrical building for the ultra-violet (UV) disinfection system that is currently being constructed. The total project cost including the Ozone system replacement is \$12 million.



The contractor is working on the new Electrical Building that was erected in August of 2013



Wastewater Funds

Cape Elizabeth – Sewer System

Wright-Pierce completed an evaluation designed to mitigate bypass pumping at the Spurwink Avenue pump station in 2007. The Maine Department of Environmental Protection (DEP) accepted W-P's report, and modified the South Cape Wastewater Treatment Facility discharge license to reflect the schedule of design and construction milestones recommended in the report. The plant was upgraded to accept 2.75 mgd and the bypass pump station was eliminated.

In 2009, the District also engaged Wright-Pierce to evaluate methods that could lead to elimination of an unlicensed combined sewer overflow associated with the Ottawa Road pump station in North Cape. The report stated the estimated expense involved in elimination of the CSO and recommended that another approach be taken. This report was accepted by the Department and led to a three-party license between the Town of Cape Elizabeth, the City of South Portland and the Portland Water District. The Ottawa Rd. CSO License includes the requirement for the development of a Long-Term Control Plan to mitigate the Ottawa Rd. CSO.

The scope of work will include flow monitoring and CCTV assessments in the area's collection systems and a final plan for the mitigation of CSO's through infiltration/inflow (I/I) reduction, pump station improvements, or other options. The report was submitted in 2001 and approved by the DEP in 2013. Work on the 5-year plan will begin in 2014.

Cape Elizabeth - Pump Stations

The District has continued with the installation of standby power generators at key pump stations. These generators enable systems to operate during the frequent power outages that occur in Cape Elizabeth while reducing manpower during these events. Additionally, the emergency power will go a long way towards eliminating the occasional back up that has occurred within the collection system.

The Garden Circle Pump Station is regularly flooded during extreme high tides. Following the completion of design in 2013, the pump station will be renovated in 2014 to include a submersible system that is not prone to damage from flooding. This will improve the reliability of the station and reduce the cost to service this station.

Future years will need to include the CCTV assessment of the collection system as part of the District's 10 year program to inspect its entire collection systems.

Wastewater Funds (continued)

Gorham/Westbrook/Windham – Westbrook Regional Treatment Plant Evaluation - March, 2001.

Wright-Pierce completed a comprehensive plant evaluation of the Westbrook Regional WWTF. The plan outlined recommended upgrades to the facility constructed in the late '70s. To date, the District has made improvements to:

- The plant electrical system (including the installation of an emergency power generator)
- HVAC systems
- Complete roof replacement
- Plant water system
- Clarifier scum removal
- Scum handling, and sludge handling processes
- Filtrate pumps
- Chlorine contact tanks
- RAS pumping system
- Belt filter press dewatering power pack
- Polymer system
- Aeration flow split

Proposed major modifications for a headworks upgrade were set aside in favor of installing screens at the two major pump stations feeding the treatment plant. Start-up of these systems at the Cottage Place and East Bridge St. Pump Stations has successfully eliminated pump plugging and has reduced the quantity of rags at the treatment plant.

In 2013, design and replacement of the control system began. This will be completed in 2014 along with improvements and automation of the disinfection system.

Major projects such as a grit removal system and upgrades to the aeration process have been pushed out further in time. This decision was influenced by the probability that the State will be mandating nutrient removal from major facilities whose discharge has the potential to impact Casco Bay. Although the mandate is not likely for the next few years, when it occurs, there will be the need for a major modification to the treatment process currently utilized at the W/GWWTF. The aeration system will be evaluated in 2014 to establish a budget for upgrades that may include nutrient removal.

During 2010, the Town of Windham completed a feasibility study to sewer a significant section of the town in the North Windham area. The study recommended the construction of collector sewers and interception to convey wastewater to the treatment plant in Westbrook. A vote in 2012 to not implement the sewer plan has placed this project on hold indefinitely.

Wastewater Funds (continued)

Westbrook – Sewer System

In late 2007, the District signed a contract with Woodard & Curran, Brown & Caldwell and Jordan Environmental to upgrade the City of Westbrook's CSO Master Plan. This plan was completed and submitted to Maine DEP in 2008. Some of the work included in the plan will involve the City, and some will involve the District. Because the City operates the collection system, the bulk of the first five years will focus on the removal of I/I from the City collection system. Later portions of the plan will include storage and other work on District owned assets.

All outfalls are now continuously monitored.

The plan will be updated in 2014 and will include a summary of the work completed in the first 5 years. This plan will be submitted to the DEP in 2014 and may include a revised set of projects and schedule.

Gorham/Windham – Pump Stations and Collector Systems

In May of 2008, flows from the Town of Windham, the Maine Correctional Center and the Little Falls section of Gorham began to be treated at the Westbrook/Gorham WWTF. This action led to the closure of two outfalls into the Presumpscot River. This project also led to an upgrade of the Tow Path pump station and the decommissioning of the treatment plant side in 2010. Due to the relatively young age of most of Gorham's other pump stations, preventive maintenance, condition assessment through CCTV inspection of buried infrastructure, and minor repairs were completed in 2010.

To increase reliability and improve service during power outages, standby generators have been installed at most of the pump stations in the Town. Growth continues in the Town of Gorham, with 2 new pump stations added in 2014.

Wastewater Funds (continued)

Portland Wastewater – East End Treatment Plant Evaluation – March, 1998

As a result of a comprehensive evaluation completed by Woodard & Curran, the Portland Water District has completed a number of key projects at the East End Wastewater Treatment Facility. Each of the major processes associated with this treatment plant has been upgraded; excluding the aeration system. Major work that has been completed (under CIP projects 21 and 409) includes:

- Grit and screenings removal systems at the headworks facility including odor control
- Influent flow split into the primary sedimentation basins including odor control
- Primary sedimentation basin improvements including odor control
- Clarifier drive mechanism replacement and flow baffling
- Change over from chlorine and sulfur gas use to sodium hypochlorite and sodium bisulfite
- Modifications to the instrumentation and controls associated with the disinfection system
- Complete upgrade to the sludge dewatering system and year three of a five year upgrade to HVAC systems
- Major roof replacements and Demolition of obsolete equipment and systems

In addition to the large projects listed above, a number of smaller projects that supported these major upgrades have also been completed:

- Replacement of process gates for the aeration system and chlorine contact tanks
- Installation of a second CSO rated screen in the headworks
- Installation of a polymer system to manage high flows
- Installation of nine process gates in the aeration system

The only major system that remains to be upgraded at the EEWTF is the aeration system. This upgrade will enable the treatment plant to manage the increasing pollutant loading to the treatment plant. Design of the upgrade is scheduled for 2014 and the project is currently included in the draft 2015 Capital Improvements Plan. Any improvement to the aeration system will require consideration of future possible nutrient removal requirements that may be required by the State.

Wastewater Funds (continued)

Portland Wastewater- Pump Station Evaluation – July, 2002

At the request of the Portland Water District, the consulting firm of Wright-Pierce completed a comprehensive evaluation of the pump stations located within the City of Portland. A series of recommendations were made to upgrade the key stations. Late in 2006, plans associated with development in the area of the India Street pump station, led to a project associated with that station and the Northeast pump station. India Street has been upgraded to include self-cleaning wet wells, new pumps, and odor control. Upgrades to the Northeast pump station (pumps, valves and piping) were completed and the internal piping replacement project was completed.

Further modifications to Northeast pump station are pending future CSO and storm water work planned by the City. Project 70 outlines future plans for the remaining pump stations in the City. The Baxter Boulevard Pump Station was delayed to allow the City's plan to include possible upgrades to the flow capacity of the pump station. Thompson Point Pump Station and the associated force main were upgraded along with the Arcadia Pump Station.

The Fore River Pump Station pumping system and controls will be replaced in 2014. Increase flows from the City's separation efforts have increased flow to the pump station.

The City of Portland submitted a Tier III Long Term Control Plan for the mitigation of CSO flows to MEDEP in 2011. The plan includes a \$167 million dollar plan over 15 years. This plan focuses on storage and dedicated wet weather systems at the East End WWTF in the later years of the plan. A 2 million gallon storage conduit along Baxter Blvd. and Payson Park will be commissioned in last 2013.

The Portland City Council approved a \$3.1 million dollar sewer expansion on Peaks Island. The project will be managed, constructed, and financed by the District. The project will be completed in 2014.

Peaks Island Sewer Extension Project: Installation of the new sewer extension on Island Ave May 2013



Wastewater Funds (continued)

Cumberland – Pump Stations

In 2007, the District completed upgrading the Tuttle Road pump station and the Foreside Road pump station. Minor revisions were completed at Powell Road pump station in 2006. The Powell Rd. Pump Station was completed in 2008. This work completes major upgrades to all of the primary Cumberland pumping stations. Planned improvements to the Cumberland system are shown in project 41. The following was completed in 2009:

- Hooking up a metering vault located on Route 88. This will give us a reading of all Cumberland flow going into Falmouth
- Refurbishment of the Ledge Lane pump station
- Minor repairs as needed

In 2011, the 4th year of CCTV assessment of buried infrastructure was completed. An emergency generator was installed at the Smalls Brook Crossing Pump Station. This was part of a continued program to install emergency generators at pump stations.

The District and the Town of Cumberland have investigated Infiltration and Inflow sources in the collection system. CCTV work, flow monitoring, and smoke testing will be used to identify sources of I/I. The Town of Cumberland, with the District's assistance, will also inspect homes in an effort to properly manage sump pumps and other sources of inflow. This project is intended to better understand the peak flows that will be sent to Falmouth for treatment and will possible impact the capacity and cost of shared infrastructure in Falmouth.

Wastewater Funds (continued)

Wastewater – SCADA and Process Control Plan

In the early part of this decade, the District began installing Supervisory Control and Data Acquisition (SCADA) equipment throughout its service area. The goal was to bring all critical alarming back into the District. Since then, standards have developed and SCADA is in place at most all of our installations. The next step is to meet our goal of bringing all wastewater related SCADA information into a single site located at the EEWTF. This will allow us to monitor each wastewater facility at a single wastewater location. The construction of the Central Control Center at the East End WWTF began in mid-2010. During this time, the Westbrook/Gorham/Windham WWTF was connected to the control system directly, improving the ability to monitor and control this facility.

Future programming routines will allow staff to interact with remote sites from a central location. In the end, our goal is to have operation staff in position to acknowledge alarms, trouble shoot mechanical problems and make process adjustments to four wastewater plants and better than 70 pump stations without having to call in additional staff.

Project 177 outlines much of the work that is needed to complete the long-range SCADA plan. The 2009 plan began the installation of the Centralized Control Center at the EEWTF. The Peaks Island WWTF automation upgrade was completed in 2009, allowing for improved automatic operation and monitoring and control of the plant from the EEWTF's SCADA System. The upgrade of the treatment plant in Cape Elizabeth will include similar control system improvements.

Program Summary and Board of Trustees Approval Order

Program	Program Approval 11/25/13	Special Approval
SCADA & Technology	\$321,000	
Vehicle and Equipment Replacement	\$370,000	
Wastewater Collection Systems and Pumping	\$669,000	
• CIP # 420, Project 1081 Fore River Pump Station		\$1,600,000
Wastewater Treatment Facilities	\$1,208,000	
• CIP #21, Project 796, Aeration System Upgrade Design		\$1,000,000
Water Distribution System Upgrades	\$7,325,000	
Water Facilities Program	\$267,000	
Water Supply - Sebago Lake and Steep Falls	\$25,000	
Program Totals	\$10,185,000	\$2,600,000
Combined Program Total		\$12,785,000

Note: Projects that require "Special Approval" will be brought back to the Board of Trustees for specific authorization. In 2014, there are two projects included in this category.

Proposed Board Action:

ORDERED: that the 2014-2018 Capital Improvement Plan is hereby adopted and the General Manager is authorized to solicit bids or proposals for the year 2014 projects; excepting CIP# 21, project 796 and CIP# 420, project 1081, and to authorize the General Manager to award contracts for approved projects to the lowest bidder if the bid is within the project budget.

BE IT FURTHER ORDERED: that the General Manager shall solicit bids or proposals and to partner with Municipalities, MDOT and Developers for the year 2014 for the replacement and extension of water mains, services, valves and hydrants as outlined in the Water Distribution Systems Upgrades 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.

Program Summary for 2014

Program	Subprogram #	Budget
<u>SCADA & Technology</u>		
SCADA /Process Control - Wastewater	177	\$74,000
SCADA /Process Control - Water	110	\$47,000
Technology Upgrade and Replacement	50	\$200,000
	Program Total	\$321,000
<u>Vehicle and Equipment Replacement</u>		
Lab Equipment Replacement	95	\$45,000
Vehicle and Equipment Replacement	326	\$325,000
	Program Total	\$370,000
<u>Wastewater Collection Systems and Pumping</u>		
Cape Eliz. Pump Stations - R&R	52	\$38,000
Cumberland WW Pump Stations - R&R	41	\$55,000
Gorham WW Pump Stations - R&R	60	\$55,000
Portland CSO Mitigation	131	\$200,000
Portland WW Pump Station Capital Upgrade	420	\$1,600,000
Portland WW Pump Stations - R&R	70	\$134,000
Westbrook CSO Abatement	29	\$152,000
Westbrook WW Systems R&R	411	\$25,000
Windham- Little Falls WW System R&R	180	\$10,000
	Program Total	\$2,269,000
<u>Wastewater Treatment Facilities</u>		
Cape Eliz. WWTF - R&R	424	\$20,000
Comprehensive Plant Evaluation - Westbrook	167	\$95,000
East End WWTF - R&R	409	\$665,000
East End WWTF Capital Upgrade	21	\$1,000,000
Peaks Island R&R	423	\$378,000
Westbrook/Gorham /Windham WWTF R&R	416	\$50,000
	Program Total	\$2,208,000

Program Summary for 2014

Program	Subprogram #	Budget
<u>Water Distribution System Upgrades</u>		
Meter Replacement and Leak Detection	63	\$200,000
Water Distribution Valve Replacement	53	\$250,000
Water Hydrants Replacement	65	\$200,000
Water Main Renewal- Seasonal Mains	56	\$25,000
Water Main Replacement - Capital	43	\$5,000,000
Water Main Replacement - R&R	111	\$1,000,000
Water Services - Renew Domestic & Fire	61	\$600,000
Water System Redundancy (Looping) and Upsizing Dev.	408	\$50,000
	Program Total	\$7,325,000
<u>Water Facilities Program</u>		
Facilities Improvements	68	\$167,000
Water Facilities Renewal and Replacement	122	\$50,000
Water Storage Facility Maintenance & Upgrade	203	\$50,000
	Program Total	\$267,000
<u>Water Supply - Sebago Lake and Steep Falls</u>		
Water System Security	46	\$25,000
	Program Total	\$25,000
	CIP Total	\$12,785,000

Fund Summary for 2014

Subprogram	Subprogram #	Budget	Manager
Division 10 Allocation			
Facilities Improvements	68	\$167,000	Paradis, Roger
Meter Replacement and Leak	63	\$200,000	Wallace, Jim
Detection SCADA /Process Control -	110	\$22,000	Richard, Emile
Water Technology Upgrade and	50	\$200,000	Davis, Chad
Replacement Vehicle and Equipment	326	\$325,000	Paradis, Roger
	Division 10	Total	\$914,000
Division 20 Water - General			
Lab Equipment Replacement	95	\$45,000	Hunt, Paul
SCADA /Process Control -Water	110	\$25,000	Richard, Emile
Water Distribution Valve Replacement	53	\$250,000	Wallace, Jim
Water Facilities Renewal and Replacement	122	\$50,000	Wallace, Jim
Water Hydrants Replacement	65	\$200,000	Wallace, Jim
Water Main Renewal- Seasonal Mains	56	\$25,000	Wallace, Jim
Water Main Replacement - Capital	43	\$5,000,000	Pierce, Ned
Water Main Replacement - R&R	111	\$1,000,000	Pierce, Ned
Water Services - Renew Domestic & Fire	61	\$600,000	Wallace, Jim
Water Storage Facility Maintenance & Upgrade	203	\$50,000	Johnson, Gordon
Water System Redundancy (Looping) and Upsizing dev	408	\$50,000	Spugnardi, Rico
Water System Security	46	\$25,000	Wallace, Jim
	Division 20	Total	\$7,320,000
Division 51 Wastewater - Cape Elizabeth			
Cape Eliz. Pump Stations- R&R	52	\$38,000	Poulin, Charlene
Cape Eliz. WWTF - R&R	424	\$20,000	Waterman, Robert
	Division 51	Total	\$58,000
Division 53 Wastewater - Cumberland			
Cumberland WW Pump Stations - R&R	41	\$55,000	Poulin, Charlene
	Division 53	Total	\$55,000
Division 55 Wastewater - Windham Little Falls			
Windham- Little Falls WW system R&R	180	\$10,000	Poulin, Charlene
	Division 55	Total	\$10,000

Fund Summary for 2014

Subprogram		Subprogram #	Budget	Manager
Division 57 Wastewater - Portland				
East End WWTF - R&R		409	\$665,000	Sloan, Steve
East End WWTF Capital Upgrade		21	\$1,000,000	Sloan, Steve
Portland CSO Mitigation		131	\$200,000	Poulin, Charlene
Portland WW Pump Station Capital Upgrade		420	\$1,600,000	Rodriguez, Paul
Portland WW Pump Stations -R&R		70	\$134,000	Poulin, Charlene
SCADA /Process Control - Wastewater		177	\$74,000	Richard, Emile
	Division 57	Total	\$3,673,000	
Division 61 Wastewater - Gorham Village				
Gorham WW Pump Stations - R&R		60	\$55,000	Poulin, Charlene
	Division 61	Total	\$55,000	
Division 62 Wastewater - Westbrook				
Westbrook CSO Abatement		29	\$152,000	Poulin, Charlene
Westbrook WW Systems R&R		411	\$25,000	Poulin, Charlene
	Division 62	Total	\$177,000	
Division 64 Wastewater - Joint Westbrook				
Comprehensive Plant Evaluation - Westbrook		167	\$95,000	Rodriguez, Paul
Westbrook/Gorham /Windham WWTF R&R		416	\$50,000	Waterman, Robert
	Division 64	Total	\$145,000	
Division 66 Wastewater - Peaks				
Peaks Island R&R		423	\$378,000	Waterman, Robert
	Division 66	Total	\$378,000	
Total of All Divisions:			\$12,785,000	

Financing Summary for 2014

In 2014, capital projects will be funded through bonds, bond anticipation notes and renewal and replacement (R and R) reserve withdrawals as described in the Capital Finance section.

Funding Source	Subprogram	Subprogram #	Budget
Bonds - Wastewater			
	Comprehensive Plant Evaluation - Westbrook	167	\$95,000
	East End WWTF Capital Upgrade	21	\$1,000,000
	Portland WW Pump Station Capital Upgrade	420	\$1,600,000
	Total for: Bonds - Wastewater		\$2,695,000
Bonds - Water			
	Water Main Replacement - Capital	43	\$5,000,000
	Total for: Bonds - Water		\$5,000,000
R & R - Wastewater			
	Cape Eliz. Pump Stations- R&R	52	\$38,000
	Cape Eliz. WWTF - R&R	424	\$20,000
	Cumberland WW Pump Stations - R&R	41	\$55,000
	East End WWTF - R&R	409	\$665,000
	Gorham WW Pump Stations - R&R	60	\$55,000
	Peaks Island R&R	423	\$378,000
	Portland CSO Mitigation	131	\$200,000
	Portland WW Pump Stations -R&R	70	\$134,000
	SCADA /Process Control - Wastewater	177	\$74,000
	Westbrook CSO Abatement	29	\$152,000
	Westbrook WW Systems R&R	411	\$25,000
	Westbrook/Gorham /Windham WWTF R&R	416	\$50,000
	Windham- Little Falls WW system R&R	180	\$10,000
	Total for: R & R - Wastewater		\$1,856,000

Financing Summary for 2014

In 2014, capital projects will be funded through bonds, bond anticipation notes and renewal and replacement (R and R) reserve withdrawals as described in the Capital Finance section.

Funding Source	Subprogram	Subprogram #	Budget
R & R - Water			
	Facilities Improvements	68	\$167,000
	Lab Equipment Replacement	95	\$45,000
	Meter Replacement and Leak Detection	63	\$200,000
	SCADA /Process Control -Water	110	\$47,000
	Technology Upgrade and Replacement	50	\$200,000
	Vehicle and Equipment Replacement	326	\$325,000
	Water Distribution Valve Replacement	53	\$250,000
	Water Facilities Renewal and Replacement	122	\$50,000
	Water Hydrants Replacement	65	\$200,000
	Water Main Renewal- Seasonal Mains	56	\$25,000
	Water Main Replacement - R&R	111	\$1,000,000
	Water Services - Renew Domestic & Fire	61	\$600,000
	Water Storage Facility Maintenance & Upgrade	203	\$50,000
	Water System Redundancy (Looping) and Upsizing dev	408	\$50,000
	Water System Security	46	\$25,000
	Total for: R & R - Water		\$3,234,000
	Grand Total for: 2014		\$12,785,000

Priority Summary Report for 2014

Non-Routine

Priority Reason	Subprogram	Subprogram #	Budget
<u>Regulatory mandate</u>			
These projects are required by law or permits.			
	Portland CSO Mitigation	131	\$200,000
	Westbrook CSO Abatement	29	\$152,000
	Total for: Regulatory mandate		\$352,000
<u>Security of facilities</u>			
These are projects to address water and wastewater system security vulnerabilities.			
	Water System Security	46	\$25,000
	Total for: Security of facilities		\$25,000
<u>Upgrade obsolete facility</u>			
These projects have been identified through comprehensive facility evaluations (CWSSP and CPE) as necessary to extend the life of existing facilities.			
	Comprehensive Plant Evaluation - Westbrook	167	\$95,000
	East End WWTF Capital Upgrade	21	\$1,000,000
	Facilities Improvements	68	\$167,000
	Portland WW Pump Station Capital Upgrade	420	\$1,600,000
	SCADA /Process Control – Wastewater	177	\$74,000
	SCADA /Process Control -Water	110	\$47,000
	Total for: Upgrade Obsolete facility		\$2,983,000

Items in RED are planned to be financed from bond issues in 2014 or Future Years. Other projects are to be financed through the renewal and replacement reserves.

Priority Summary Report for 2014**Routine**

Priority Reason	Subprogram	Subprogram #	Budget
Routine replacement			
Projects that require year-to-year funding to routinely replace or renew			
Cape Elizabeth Pump Stations- R&R		52	\$38,000
Cape Elizabeth WWTF - R&R		424	\$20,000
Cumberland WW Pump Stations - R&R		41	\$55,000
East End WWTF - R&R		409	\$665,000
Gorham WW Pump Stations - R&R		60	\$55,000
Lab Equipment Replacement		95	\$45,000
Meter Replacement and Leak Detection		63	\$200,000
Peaks Island R&R		423	\$378,000
Portland WW Pump Stations -R&R		70	\$134,000
Technology Upgrade and Replacement		50	\$200,000
Vehicle and Equipment Replacement		326	\$325,000
Water Distribution Valve Replacement		53	\$250,000
Water Facilities Renewal and Replacement		122	\$50,000
Water Hydrants Replacement		65	\$200,000
Water Main Renewal- Seasonal Mains		56	\$25,000
Water Main Replacement - Capital		43	\$5,000,000
Water Main Replacement - R&R		111	\$1,000,000
Water Services - Renew Domestic & Fire		61	\$600,000
Water Storage Facility Maintenance & Upgrade		203	\$50,000
Water System Redundancy (Looping) and Upsizing Dev.		408	\$50,000
Westbrook WW Systems R&R		411	\$25,000
Westbrook/Gorham/Windham WWTF R&R		416	\$50,000
Windham- Little Falls WW system R&R		180	\$10,000
Total for: Routine replacement			\$9,425,000
Grand Total			\$12,785,000

Items in RED are planned to be financed from bond issues in 2014 or Future Years. Other projects are to be financed through the renewal and replacement reserves.

Operating Fund Impact of Non-Routine Capital Projects

Portland CSO Abatement- NPDES permit 9 minimum controls	Long Wharf CSO tide gate replacement – Construction is proposed for 2014. This project will lead to a more secure tide gate thus removing extraneous flow of seawater entering the interceptor system. It is estimated that this gate is leaking approximately 5% of the estimated flow to the India Street Pump station. This project could result in approximately \$3000 a year in savings related to reduced pumping.
Westbrook CSO Abatement Program- NPDES permit	This will provide a 5-year update to the City of Westbrook Long Term Control plan for Combined Sewer Overflows as required by Permit. Also design of pipe enlargements will take place in 2014 in preparation for construction in 2015. No expected cost from this to operating budget
Water System Security Program	No impact on operating fund.
Comprehensive Plant Evaluation - Westbrook	Westbrook Aeration Upgrade Evaluation Phase. Upgrade alternatives offer a variety of opportunities for energy efficiency. As part of aeration upgrade, various process reconfiguration alternatives will be evaluated to identify the impact of potential future effluent limit changes on the equipment selection. New nutrient rules are currently under review by the DEP and EPA. No impact to the 2014 operating fund
East End WWTF Capital Upgrade	Aeration System Upgrade. In 2014, alternatives analysis and capacity improvements will be studied. A design of replacement aeration will be completed for construction in 2015. Energy efficient system will replace the current system. No impact to the 2014 budget and undetermined impact to the future budgets.
Facilities Improvements Program	Replacement of various roofs at Douglass Street Facility will improve the work environment of employees along with the protection of the building structure. No impact to operating fund
Portland WW Pump Station Capital Upgrade Program	Fore Rive Pump Station Upgrade - Pumps replaced will be more energy efficient and reduce energy costs an estimated \$2,000. Project will be bond financed so future budget will have debt service expense (\$135,100/year).
SCADA /Process Control Program – Wastewater/Water	Planned improvements to the water/wastewater SCADA systems will result more reliability along with some benefits to the operations. The resulting savings to operations will be minimal.

Subprograms with Pending Unscheduled Work

Subprogram Title	Subprogram #	Cost	Manager
<u>Division 20 Water - General</u>			
Watershed Land Acquisition	1	\$434,000	Twaddel, Norman
<u>Division 51 Wastewater - Cape Elizabeth</u>			
Cape Elizabeth Pump Stations - Capital	407	\$200,000	Firmin, Scott
<u>Division 57 Wastewater - Portland</u>			
East End WWTF - R&R	409	\$150,000	Sloan, Steve
Total of All Divisions:		\$784,000	

Pending Unscheduled Work are projects that may be occur in 2014.

Subprogram # 1 -Watershed land acquisitions occur if a buyer approaches the District to sell their property located in our watershed area.

Subprogram # 407 -A study is underway exploring the source and possible solutions to address sewer overflow on Ottawa Road in Cape Elizabeth. The study may indicate that a capital improvement needs to be made at the pump station.

Subprogram #409 -Certain repairs of the aeration system at the East End wastewater treatment facility may need to occur. A major capital improvement to the system is not planned until 2015 and more than like will not be functional until 2016

If the project is undertaken, the Board of Trustees will be requested to approve and the Capital Improvement Plan amended.

Capital Improvement Program - Five Year Plan

Subprogram	#	2014	2015	2016	2017	2018	Five-Year Total
<u>Water Fund:</u>							
Division: 10 Allocation							
Facilities Improvements	68	\$167,000	\$200,000	\$150,000	\$150,000	\$250,000	\$917,000
Meter Replacement and Leak Detection	63	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
SCADA /Process Control -Water	110	\$22,000					\$22,000
Technology Upgrade and Replacement	50	\$200,000	\$240,000	\$200,000	\$200,000	\$200,000	\$1,040,000
Vehicle and Equipment Replacement	326	\$325,000	\$400,000	\$400,000	\$400,000	\$400,000	\$1,925,000
Division 10 Total		\$914,000	\$1,040,000	\$950,000	\$950,000	\$1,050,000	\$4,904,000
Division: 20 Water - General							
Gorham/Windham 407 Zone Improvements	307		\$2,000,000	\$2,000,000	\$2,438,000	\$2,551,000	\$8,989,000
Lab Equipment Replacement	95	\$45,000					\$45,000
SCADA /Process Control -Water	110	\$25,000	\$50,000	\$50,000	\$50,000	\$50,000	\$225,000
SLWTF - Emergency Storage/60" Transmission Ph 1	262					\$6,000,000	\$6,000,000
SLWTF Intakes - Replace Mechanical Screens	18		\$1,100,000				\$1,100,000
Water Distribution Valve Replacement	53	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
Water Facilities Renewal and Replacement	122	\$50,000	\$100,000	\$50,000	\$50,000	\$50,000	\$300,000
Water Hydrants Replacement	65	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
Water Main Renewal- Seasonal Mains	56	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
Water Main Replacement - Capital	43	\$5,000,000	\$5,500,000	\$6,000,000	\$6,000,000	\$6,000,000	\$28,500,000
Water Main Replacement - R&R	111	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000
Water Services - Renew Domestic & Fire	61	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$3,000,000
Water Storage Facility Maintenance & Upgrade	203	\$50,000	\$450,000	\$25,000	\$25,000	\$25,000	\$575,000
Water System Redundancy (Looping) and Upsizing	408	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Water System Security	46	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000

Capital Improvement Program - Five Year Plan

Subprogram	#	2014	2015	2016	2017	2018	Five-Year Total
Water Fund:							
Watershed Security and Safety - Rt 35/237 redesign	425		\$1,000,000				\$1,000,000
Division 20 Total		\$7,320,000	\$12,350,000	\$10,275,000	\$16,713,000	\$10,826,000	\$57,484,000

Wastewater Fund:

Division: 51 Wastewater - Cape Elizabeth

Cape Eliz. Pump Stations -Capital	407		\$875,000				\$875,000
Cape Eliz. Pump Stations- R&R	52	\$38,000	\$125,000	\$70,000	\$30,000	\$30,000	\$293,000
Cape Eliz. WWTF - Capital	418			\$1,000,000			\$1,000,000
Cape Eliz. WWTF - R&R	424	\$20,000	\$210,000	\$20,000	\$20,000	\$50,000	\$320,000
Division 51 Total		\$58,000	\$1,210,000	\$1,090,000	\$50,000	\$80,000	\$2,488,000

Division: 53 Wastewater - Cumberland

Cumberland WW Pump Stations - R&R	41	\$55,000	\$40,000	\$20,000	\$20,000	\$20,000	\$155,000
Division 53 Total		\$55,000	\$40,000	\$20,000	\$20,000	\$20,000	\$155,000

Division: 55 Wastewater - Windham Little Falls

Windham- Little Falls WW system R&R	180	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$90,000
Division 55 Total		\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$90,000

Division: 57 Wastewater - Portland

East End WWTF - R&R	409	\$665,000	\$675,000	\$328,000	\$400,000	\$410,000	\$2,478,000
East End WWTF Capital Upgrade	21	\$1,000,000	\$8,150,000	\$400,000	\$500,000		\$10,050,000
Portland CSO Mitigation	131	\$200,000					\$200,000
Portland WW Pump Station Capital Upgrade	420	\$1,600,000		\$2,500,000			\$4,100,000
Portland WW Pump Stations -R&R	70	\$134,000	\$220,000	\$50,000	\$50,000	\$100,000	\$554,000
SCADA /Process Control - Wastewater	177	\$74,000	\$75,000	\$50,000	\$50,000	\$50,000	\$299,000
Division 57 Total		\$3,673,000	\$9,120,000	\$3,328,000	\$1,000,000	\$560,000	\$17,681,000

Capital Improvement Program - Five Year Plan

Subprogram	#	2014	2015	2016	2017	2018	Five-Year Total
Wastewater Fund:							
Division: 61 Wastewater - Gorham Village							
Gorham WW Pump Stations - R&R	60	\$55,000	\$10,000	\$10,000	\$10,000	\$15,000	\$100,000
Division 61 Total		\$55,000	\$10,000	\$10,000	\$10,000	\$15,000	\$100,000
Division: 62 Wastewater - Westbrook							
Westbrook CSO Abatement	29	\$152,000	\$1,000,000	\$217,000			\$1,369,000
Westbrook WW Pump Station Capital	74			\$700,000			\$700,000
Westbrook WW Systems R&R	411	\$25,000	\$10,000	\$10,000	\$10,000	\$10,000	\$65,000
Division 62 Total		\$177,000	\$1,010,000	\$927,000	\$10,000	\$10,000	\$2,134,000
Division: 64 Wastewater - Joint Westbrook							
Comprehensive Plant Evaluation - Westbrook	167	\$95,000	\$2,004,733				\$2,099,733
Westbrook/Gorham /Windham WWTF R	416	\$50,000	\$50,000	\$180,000	\$50,000	\$50,000	\$380,000
Division 64 Total		\$145,000	\$2,054,733	\$180,000	\$50,000	\$50,000	\$2,479,733
Division: 66 Wastewater - Peaks							
Peaks Island R&R	423	\$378,000	\$20,000	\$20,000	\$20,000	\$20,000	\$458,000
Division 66 Total		\$378,000	\$20,000	\$20,000	\$20,000	\$20,000	\$458,000
Grand Total		\$12,785,000	\$26,874,733	\$16,820,000	\$18,843,000	\$12,651,000	\$87,973,733

Highlighted in red – Proposed Future Bonds Issues

2013 CIP Progress Report

<u>Program</u>	<u>CIP #</u>	<u>Appropriated Funds</u>	<u>Carry over projects to 2014</u>	<u>Unspent Re-appropriate to RR</u>
<u>SCADA & Technology</u>				
SCADA /Process Control - Wastewater	177	\$110,000	Completed 2013	
SCADA /Process Control -Water	110	\$50,000	Completed 2013	
Technology Upgrades	50	\$200,000	Completed 2013	\$75,000
<u>Vehicle and Equipment Replacement</u>				
Vehicle and Equipment Replacement	326	\$325,000	Completed 2013	\$50,000
<u>Wastewater Collection Systems and Pumping</u>				
Cape Eliz. Pump Station - Capital	407	\$50,000	Completed 2013	
Cape Eliz. Pump Stations- R&R	52	\$54,000	2208 Family field boiler – complete 2207 Algonquin hut – 4 th quarter 2013 1759 General R&R	
Cumberland WW Pump Stations - R&R	41	\$55,000	2224 PS R&R – Currently \$12000 left may do more repairs before Dec 31. 2217 Route 1 Flow meter – Complete 1109 Ocean Terrace 2 nd - 2014 - wet well rehab at station.	
Gorham Wastewater PS R&R Prog.	60	\$10,000	Routine RR did not utilize	\$10,000
Peaks Island – Sewer Extension	118	\$2,508,000	Completion is June of 2014	
Portland CSO Mitigation	131	\$20,000	Engineering 1 st quarter 2014	
Portland Pump Station – R&R	70	\$50,000	Completed 2013	
Portland Pump Station – Capital	120	1,500,000	REPROGRAMMED to 2014 CIP	
Westbrook CSO Abatement	29	\$30,000	2209 – FC Open - \$18,000 committed to metering remaining \$12,000 for analysis 1 st quarter 2014	
Westbrook WW Systems R&R	411	\$10,000	Routine RR did not utilize	\$10,000
Windham Little Falls System R&R	180	\$40,000	2089 Route 202 – 2 nd Quarter 2014	

<u>2013 CIP Progress Report-continued</u>				
<i>Program</i>	<i>CIP #</i>	<i>Appropriated Funds</i>	<i>Carry over to 2013</i>	<i>Unspent Re-appropriate to RR</i>
<u>Wastewater Treatment Facilities</u>				
Cape Eliz. WWTF - R&R	424	\$70,000	2073 – Heat pump removal	
East End WWTF - R&R	409	\$320,000	Reprogrammed project 2226 to 2014	\$75,000
East End WWTF – Capital	21	\$600,000	Completed 2013	
Peaks Island R&R	423	\$45,000	2227- UV feasibility study – 1 st quarter 2014	
Westbrook/Gorham /Windham WWTF R&R	416	\$75,000	Completed 2013	
<u>Water Distribution System Upgrades</u>				
Meter Replacement and Leak Detection	63	\$150,000	Completed 2013	\$50,000
Water Distribution Valve Replacement	53	\$200,000	Completed 2013	
Water Hydrants Replacement	65	\$200,000	Completed 2013	
Water Main Renewal - Cast Iron Mains	43	\$2,500,000	Washington Ave, West Kidder, Portland expected to be completed June of 2014 – \$530,000	
Water Main Renewal - Galvanized Mains	111	\$1,000,000	Completed 2013	
Water Main Renewal - Seasonal Mains	53	\$25,000	Completed 2013	
Water Services - Renew Domestic & Fire	61	\$600,000	Completed 2013	
Water System Redundancy (Looping) and Upsizing	408	\$50,000	Completed 2013	
<u>Water Facilities Program</u>				
Facilities Improvements	68	\$200,000	Completed 2013	\$75,000
Water Facilities Renewal and Replacement	122	\$50,000	Completed 2013	
Water Storage Facility Maintenance & Upgrade	203	\$110,000	Completed 2013 1837 West Falmouth Tank postponed	\$50,000
<u>Water Supply - Sebago Lake and Steep Falls</u>				
Water System Security	46	\$25,000	Completed 2013	

Completed 2013 - This designates the subprogram is either completed or will be completed by first quarter of 2014. Carry over projects are projects that were programmed to be started in 2013 but will not start until sometime in 2014.

2011 - 2012 CIP Progress Report – Status of delayed, held over or reprogrammed projects

<i>Program</i>	<i>CIP #</i>	<i>Appropriated Funds</i>	<i>Carry over projects to 2014</i>	<i>Unspent Re-appropriate to RR</i>
<u>Wastewater Treatment Facilities</u>				
2011 Comprehensive Plant Evaluation - Westbrook	167/992	\$750, 000	Postponed to future	
<u>Water Distribution System Upgrades</u>				
2011 Gorham Windham/407 Zone Improvements - Design	307	\$1,100,000	Design/ Modeling \$300,000 - Engineering 2014 – remaining funds reprogrammed	
2012 Gorham Windham/407 Zone Improvements - Construction	307	\$1,500,000	Reprogrammed to 2015	Future Bond
2012 SLWTF - Treatment Process Improvements	315	\$12,900,000	Completion scheduled for June of 2014	

CIP #167 Comprehensive Plant Evaluation – Westbrook. These projects 1862, 1852, and 992 are combined to select one engineer to design the flow split and gate project and to evaluate and design improvements to the secondary clarifiers.

CIP#307 Gorham Windham/407 Zone improvements. Design/modeling of the 407 zone pump station to be completed 2014.

CIP #315 SLWTF – Treatment Process Improvements – UV/Ozone Disinfection Project - Started Construction in September of 2012 on schedule to complete in June of 2014.

Subprogram # 1 Watershed Land Acquisition

Division: Water - General
Funding: Land Reserve

Manager: Twaddel, Norman
Priority: Regulatory mandate

Description:

Purchase land with or without buildings in accordance with the Watershed Land Purchase Policy.

Justification / Impact:

Ownership of land, particularly along the shore of Sebago Lake within the two-mile limit is the surest way to control land use which affects Lower Bay water quality and body contact.

History:

The District has a long standing policy to purchase Sebago Lake water frontage and other critical land for the purpose of watershed protection and long-term maintenance of Sebago Lake water quality. We do not aggressively solicit land to buy. We have made public our interest to purchase Watershed land and, in recent times, all purchases have resulted from seller initiated contacts.

Budget Summary:

<u>Budget year</u>	<u>Project</u>	<u>Budget Year Cost</u>
PEND	1 Watershed Protection Land Purchase	\$434,000
Total Cost, All Years:		\$434,000

Previous Years on CIP:

All since 1994

Related Projects:

None

Procurement Issues:

Purchase decisions are negotiated on the basis of professional real estate appraisals. Board of Trustees approval of individual purchases is required.

Eel Cove – Shorefront properties within the 2 mile limit left
 (Lanni, Porter purchased in 2007 and Stanford in 2008)



Subprogram # 18 SLWTF Intakes - Replace Mechanical Screens

Division: Water - General
Funding: Bonds - Water

Manager: McMullin, Tim
Priority: Routine replacement

Description:

This project involves selecting and installing a screen system to replace the existing screens in service at the intakes on Sebago Lake. The present systems use two travelling screens with backwash at each location with three sets of hand screens at the 1925 Intake and two sets of hand screens at the 1952 Intake.

Justification / Impact:

The existing equipment is approaching 50 years old and is basically worn out. The new equipment will be chosen to automate the screening process as much as possible to minimize operator time and reduce/prevent fish breakthrough.

History:

The intake screens were supposed to be retired after SLWTF start-up. Manual screens, designed for the inlet channel of the ozone contactor, were supposed to replace the need for the ones at the intakes. Unfortunately, a method for washing the screens was not designed into the facility. Many attempts were made to use the inlet screens before deciding to continue the use of the intake screens.

Origin of the Subprogram:

The hand and travelling screens at the intake buildings were installed in the early 1950's. They are past their expected lifespan. Present washing procedures are labor intensive, requiring nine to fifteen labor hours per week. We have experienced small fish getting by the screens and showing up in the clearwell. The ozone and chlorination process kills the fish, but we do not want to let them escape into the system.

Budget Summary:

<u>Budget Year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2015	675 Replace Mechanical Screens with Intake Screens	\$1,000,000
Total Cost, All Years:		\$1,000,000

Previous Years on CIP: 1998 to present

Related Projects:

Procurement Issues: Internal engineering services followed by competitive proposals for purchase and installation.

Subprogram # 21 East End WWTF Capital Upgrade

Division: Wastewater – Portland
Funding: Bonds - Wastewater

Manager: Sloan, Steve
Priority: Upgrade obsolete facility

Description:

The Portland Comprehensive Plant Evaluation (CPE) Program completed in 1998 identified a long range series of plant system upgrades needed to replace obsolete equipment and systems to meet future operating and regulatory conditions. This CPE Upgrade Program represents the phased implementation of that long range program. The inclusion of the initial phase of odor control was requested by the City of Portland and included in this Program. This Program continues to provide for the replacement of outdated and obsolete systems, including the primary clarifier sludge collection equipment and sludge dewatering system.

Justification / Impact:

The current facility is twenty-seven years old and many of the original systems are worn out and/or functionally obsolete. Implementation of the program shown below allows the District to meet current and future regulatory requirements while obtaining the operating cost advantages of new technology. The impact and benefit of this program is reduced operating cost, system reliability and the ability to meet permit conditions.

History:

This implementation program began with the Woodard & Curran CPE completed in 1998. Wright-Pierce and CH2M-Hill were retained to implement the initial phases of this on-going program. Since then, work has been completed on the influent channels, screening, grit removal, primary sedimentation basins, odor control and secondary clarifiers. Construction of the new dewatering system, including the Fournier Rotary Presses, was completed in 2005.

Origin of the Subprogram:

The aging facility and increasing difficulty to achieve reliable operations that consistently meet license requirements led to the CPE. This implementation program is a direct result of the CPE.

Budget Summary:

<u>Budget Year</u>	<u>Project</u>	<u>Div. #</u>	<u>Budget Year Cost</u>
2014	796 Aeration System Upgrade - Design	57	\$1,000,000
2015	671 Aeration System Upgrade - Construction	57	\$8,150,000
2016	2046 EEWTF-Influent screen replacement	57	\$400,000
2017	1525 Septage Receiving Improvements	57	\$500,000
Total Cost, All Years:			\$10,050,000

Previous Years on CIP: 1999 to present

Related Projects: 409 EE WW TF- RR, 422 EEWTF Treatment Process Improvement

Procurement Issues: Engineering Services will be procured using RFP process. Board of Trustees shall approve method (comprehensive approach) and contract for engineering.

Proposed Project - # 796, 691 Design (2014) and replacement (2015 of the original 1978 aeration system at the East End Wastewater Treatment Facility). The picture below is dewatered areator tank exposing the mixer (taken in October of 2013).



Subprogram # 29 Westbrook CSO Abatement

Division: Wastewater - Westbrook
Funding: R & R - Wastewater

Manager: Firmin, Scott
Priority: Regulatory mandate

Description:

This project contemplates funding and programming the design and construction of projects recommended in a study that was completed by Woodard and Curran and Brown and Caldwell. The purpose of the study was to update the Westbrook CSO Master Plan.

Justification / Impact:

The District, City of Westbrook, and the DEP agreed that an upgrade to the existing CSO Master Plan was favored over work previously scheduled for the sewer between Brown and King Streets. The Westbrook/Gorham WWTF license was renewed in 2006. Written into the new license was a requirement for the District to submit a CSO Master Plan update and abatement schedule on or before December 31, 2008. This was completed on time and submitted to DEP for their approval.

History:

King Street / Brown Street sewer work put aside in lieu of updating the Westbrook CSO Master Plan. Project awarded to Woodard and Curran/Brown and Caldwell. Updated Master Plan was due on or before 12/31/08 for Department review and approval.

Origin of the Subprogram:

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	2223	Westbrook CSO Master Plan Update	\$40,000
2014	2222	Westbrook - Design of pipe from King Street CSO	\$45,000
2014	2221	Westbrook - Enlarge Brown Street Pipe Design	\$50,000
2014	1554	WE Separate Catch Basin on Reserve Street	\$17,000
2015	74	Implementation of recommendations	\$1,000,000
2016	2189	Westbrook CSO Abatement	\$142,000
2016	2188	Westbrook CSO Abatement	\$75,000
Total Cost, All Years:			\$1,369,000

Previous Years on CIP: 2000 to present

Related Projects: None

Procurement Issues: Standard purchasing procedures will apply

Subprogram # 41 Cumberland WW Pump Stations - R&R

Division: Wastewater - Cumberland

Manager: Poulin, Charlene

Funding: R & R Wastewater

Priority: Routine replacement

Description:

This project provides for continual upgrade of the pumping stations located within the Cumberland wastewater system. In most cases the work involves pump and rail replacements along with control modifications.

Justification / Impact:

Physical assets require scheduled maintenance and eventual replacement. This program will provide a planned approach to the maintenance management of Cumberland's wastewater pump stations.

History:

This planned approach will assist maintenance and operations in moving towards a goal of predictive and preventative maintenance.

Origin of the Subprogram:

Budget Summary:

Budget year		Project	Budget Year Cost
2014	2298	Cumberland Generator Addition – Ledge Road	\$35,000
2014	1912	Cumberland WW Pump Stations - R&R	\$20,000
2015	2316	Brookside Pump Station Upgrade	\$20,000
2015	2023	Cumberland WW Pump Stations - R&R	\$20,000
2016	2186	Cumberland WW Pump Stations - R&R	\$20,000
2017	2261	Cumberland WW Pump Stations - R&R	\$20,000
2018	2315	Cumberland WW Pump Stations - R&R	\$20,000
Total Cost, All Years:			\$155,000

Previous Years on CIP: 2001 to present

Related Projects: None

Procurement Issues: Standard purchasing procedures will apply

Subprogram # 43 Water Main Replacement - Capital

Division: Water – General
Funding: Bonds - Water

Manager: Pierce, Ned
Priority: Routine replacement

Description:

Renew, replace, upgrade and loop cast iron water mains using materials and sizing for current and future conditions. Approximately 15,000 feet is scheduled for yearly replacement.

Justification / Impact:

This is a cost saving and water quality improvement process. Mains selected for replacement use the same priority system as the Galvanized Main Renewal Program: water quality complaints, leak frequency data, and municipal/state reconstruction projects.

History:

Cast iron mains in sizes 2 inches and above had been a standard from the late 1800s until the introduction of Ductile Iron pipe in the late 60s and early 70s and PVC and HDPE pipe in the 80s. The rigidity and lack of flexibility of cast iron has been attributed to failures such as frost movement, cross trenches, water hammers, contractor damages, as well as normal deterioration and corrosion through age. A percentage of these mains are unlined causing iron build up resulting in restricted flow and dirty water complaints. The District has a long term program to upgrade these mains.

Origin of the Subprogram:

The current list of projects is determined on the basis of water quality complaints, leak frequency data, age of main and municipal/state reconstruction projects

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Div</u>	<u>Budget Year Cost</u>
2014	2439	Deering Ave - Portland	20	\$480,000
2014	2438	Cumberland Street - Westbrook	20	\$700,000
2014	2437	Thorton Heights Area Ph.1 – South Portland	20	\$900,000
2014	2436	Pleasant Street - Portland	20	\$350,000
2014	2435	Exchange Street -Portland	20	\$75,000
2014	2434	Bridge Street Bridge - Westbrook	20	\$350,000
2014	2433	Somerset Street - Portland	20	\$475,000
2014	2431	Munjoy Hill Neighborhood	20	\$1,015,000
2014	1899	Various Renewal Projects	20	\$655,000
Total Cost, 2014:				\$5,000,000

Previous Years on CIP: All

Related Projects: 43 Cast Iron Main Renewal

Procurement Issues: Projects are put out to bid by the District or through a Municipality or MDOT as part of their projects. It is the District intent to seek cost effective ways of partnering.

2014 – Proposed Water Main Replacement Projects – CIP Subprograms 43 and 111

SR#	2014 project list	Cost	Install	Retire	Price/ft
	Master Plan, Major Arterial projects				
218002	CE-Scott Dyer - Phase 3, 8"-1948	\$ 450,000	1900	1900	\$ 237
268971	SP-Broadway Street, Anthoine to Elm 12"-1900	\$ 600,000	2500	2500	\$ 240
	Gas company and City paving coordination				
273917	PO-Exchange Street, Congress to Federal 8"-1882	\$ 70,000	260	260	\$ 269
268629	PO-Vesper Street, Eastern Prom, to Congress 6"-1892	\$ 300,000	1300	1300	\$ 231
268626	PO-Wilson Street, Morning to Atlantic 6"-1915	\$ 200,000	800	800	\$ 250
268626	PO-Munjoy Street 6"-1904	\$ 90,000	350	350	\$ 257
170383	PO-Wilson Street, Portland Eastern Prom, to Morning 6"-1915	\$ 75,000	300	300	\$ 250
170383	PO-Moody Street, Eastern Prom to Vesper 6"-1915	\$ 150,000	600	600	\$ 250
170383	PO-Morning, Eastern Prom to Moody 6"-1897	\$ 200,000	900	900	\$ 222
244832	PO-Pleasant St, High to Center 6"- 1887	\$ 350,000	1300	1300	\$ 269
274538	PO-Somerset Street - Elm to Hanover - Phase 1 20"-1912	\$ 125,000	500	500	\$ 250
274538	PO-Somerset Street - Hanover to Forest -Phase 2 20"-1912	\$ 300,000	1200	1200	\$ 250
	MDOT projects				
242129	WE-Bridge Street Bridge replacement 8"-1889	\$ 375,000	1000	1000	\$ 375
284244	GO-State Street, Phase 1 - School Street to Flaggy 8"-1895	\$ 600,000	2500	2500	\$ 240
	Scheduled projects CSO, City Reconstruction				
272163	SP-Thornton Heights Area Phase 1 ** 6"-1925	\$ 900,000	4260	4260	\$ 211
272975	WE-Cumberland St- Park to Pierce - 6", 12"-1916,1959	\$ 700,000	3000	3000	\$ 233
166020	PO-Deering Ave - High to Melton 6"-1887	\$ 350,000	1600	1600	\$ 219
	PO - Mellon Congress to Cumberland	\$ 130,000	600	600	\$ 217
284535	WE-William Clark, TL to Conant Street ph 1 8"-1933	\$ 315,000	1500	1500	\$ 210
	Totals:	\$ 6,280,000			
	Total retired for the year			26370	
	These projects are committed				
	These projects we would like to fund next year if budget allows				

**Thornton Heights, Phase 1	4260
Gerry Street, Main to DE (1925)	1100
Tremont (1936)	460
Main Street, Westbrook to Marnard (1922)	2700

Longfellow, Deblois Streets Water Main Replacement Project – Funded by the State Revolving Loan Fund – Completed in 2013

District Inspector watching the replacement of the old circa 1909 - 2" galvanized water main with a new 8" water main on Longfellow Street in Portland.



Subprogram # 46 Water System Security

Division: Water – General

Funding: R & R - Water

Manager: Wallace, Jim

Priority: Security of facilities

Description:

This program is to improve the security of the District's facilities. The wireless network project will provide the backbone for a video surveillance system on all critical facilities. Many of the facilities are at remote sites (tanks) and would be difficult to transmit video. This wireless network (WIFI) will provide cost effective and secure method to transmit video and data. It is the intent of District to have a system over time that can monitor all its facilities from one location.

Justification / Impact:

Along with the security benefits of video surveillance, this project will also provide for redundant communication lines for voice and data transmission

History:

In the fall of 2004 and summer of 2005 fencing was installed on the East and West side of the lower bay inside the 2 mile limit. This was funded through the CIP. In 2005 hatch covers along with alarms were installed over tank hatches and a cyberlock system was installed on all SCADA panels. This was funded by a grant from MEMA - Homeland Security.

Origin of the Subprogram: The vulnerability assessment completed in March of 2003 indicated that physical protection of existing facilities could be improved.

Budget Summary:

Budget Year		Project	Budget Year Cost
2014	1545	Water system Security improvements	\$25,000
2015	2024	Water System Security improvements	\$25,000
2016	2259	Water System Security improvements	\$25,000
2017	2258	Water System Security improvements	\$25,000
2018	2421	Water System Security improvements	\$25,000
Total Cost, All Years:			\$125,000

Previous Years on CIP: 2004 to present

Related Projects: None

Procurement Issues: Standard purchasing procedures will apply

New access control installed at the Sebago Lake Water Treatment Facility



Subprogram # 50 Technology Upgrade and Replacement

Division: Allocation
Funding: R & R - Water

Manager: Davis, Chad
Priority: Routine replacement

Description:

PWD has made a commitment to using technology as a means of operating more efficiently. This project is an ongoing one. Project crosses all department lines and major processes. Focus is on establishing and maintaining a stable reliable network and databases to support PWD decision making, planning, budgeting, and daily work activities. Projects must also plan for growth and adaptation as new technology solutions become feasible.

Justification / Impact:

While economic payback can be demonstrated for many of the line items in this project, replacement of obsolete facilities is also a factor in technology investment. A fast, secure, reliable network and databases impact PWD ability to be proactive and competitive. Better available information that is timely supports a customer centric business perspective.

History:

Technology infusion into PWD began anew after an EMA study in 1996 recommended the use of technology to reduce a competitive gap, improve customer service and operating efficiency. Early on a technology master plan was developed as a guide for our investments. Key development work focused on building a stable reliable network infrastructure, acquiring best fit software solutions, and populating the associated databases and documenting standard operating procedures. Most of the work was done in team environments to ensure the technology solution met the needs of the target PWD employee group. Today the PWD network consists of a 206 PC/Laptop/Thin Client wide area network supported by 39 servers housing various applications and data sources supporting asset management, customer billing, financials, GIS, voice mail, email, and VoIP phone. Our network also supports over fifty employees in the field via a wireless data network. Technology advances and cost savings continue to influence the design and delivery of information to our employees and customers.

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	2358	Crystal Enterprise Upgrade	\$10,000
2014	2357	SCADA Audit	\$25,000
2014	2356	Replace 4 Servers	\$25,000
2014	2355	Continued Server Virtualization	\$10,000
2014	2353	Vertical Assets	\$10,000
2014	2352	Mail Server Upgrade	\$10,000
2014	2351	Cold Site Deployment	\$10,000
2014	1251	Technology Upgrades (Reserve account)	\$100,000
2015	2359	GIS - SCADA integration	\$20,000
2015	2354	AIM Spatial Upgrade	\$20,000
2015	2025	Technology Upgrades	\$200,000
2016	2161	Technology Upgrades	\$200,000
2017	2248	Technology Upgrades	\$200,000
2018	2414	Technology Upgrades	\$200,000
Total Cost, All Years			\$1,040,000

Subprogram # 52 Cape Elizabeth Pump Stations - R&R

Division: Wastewater - Cape Elizabeth
Funding: R & R - Wastewater

Manager: Poulin, Charlene
Priority: Routine replacement

Description:

This program provides a planned approach for the replacement of obsolete equipment in Cape Elizabeth wastewater pump stations.

Justification / Impact:

The pump stations have reached the end of their useful design life and obsolete equipment must be replaced. Upgrades, including the addition of VFD's in some cases, will provide more pumping capacity, mitigate CSO activity, and provide some power savings.

History:

This planned approach will assist maintenance and operations in moving toward a goal of performing more predictive/ preventative maintenance instead of emergency maintenance.

Origin of the Subprogram:

Budget Summary:

Budget Year		Project	Budget Year Cost
2014	2309	South Portland Meter Station Roof	\$8,000
2014	1905	Cape Elizabeth Pump Stations- R&R	\$30,000
2015	2314	Wildwood Pump Station Upgrade	\$95,000
2015	1122	Cape Elizabeth Pump Stations- R&R	\$30,000
2016	2183	Cape Elizabeth Pump Stations- R&R	\$20,000
2017	2260	Cape Elizabeth Pump Stations- R&R	\$20,000
2018	2312	Cape Elizabeth Pump Stations- R&R	\$20,000
Total Cost, All Years:			\$293,000

Previous Years on CIP: 2000 to present

Related Projects: Subprogram 407

Procurement Issues: Standard purchasing procedures will apply

Subprogram # 53 Water Distribution Valve Replacement

Division: Water - General
Funding: R & R - Water

Manager: Wallace, Jim
Priority: Routine replacement

Description:

This program is for the replacement of deteriorated and non-functioning valves in the distribution system.

Justification / Impact:

Replacement is determined and prioritized through data and work orders generated from our Distribution Valve Operation Program, Inspectors Valve Operation Reports, Leak Reports, Flushing Program Data, and the Distribution Maintenance Crews.

History:

Internal inspection of valves replaced has shown decay of the discs and spreaders which render the valves non-operational and ineffective in isolating a section of the distribution system. External inspection has shown corrosion of nuts and bolts, corroded operating nuts, and bent operating stems. Repacking and rebolting these valves has only provided a costly and temporary solution to the external portion of the valve. Replacement insures the valve will be up to standard and operational for many years to come with no required maintenance.

Origin of the Subprogram:

Our target is to replace 50 (+ or -) valves per year

Budget Summary:

Budget Year		Project	Budget Year Cost
2014	2377	Transmission Valve Repair	\$110,000
2014	1896	Replace Distribution Valves	\$140,000
2015	1836	Replace Distribution Valves	\$200,000
2016	2176	Replace Distribution Valves	\$250,000
2017	2251	Replace Distribution Valves	\$250,000
2018	2251	Replace Distribution Valves	\$250,000
Total Cost, All Years:			\$1,200,000

Previous Years on CIP: All

Related Projects: 43, 111

Procurement Issues: This work is typically accomplished by District Staff, equipment and material.

Subprogram # 56 Water Main Renewal - Seasonal Mains

Division: Water - General
Funding: R & R - Water

Manager: Wallace, Jim
Priority: Routine replacement

Description:

This portion of the Water Main Renewal Program is to replace depreciated seasonal surface mains with new Seasonal Surface mains. Approximately 2000 to 3000 feet of main are included annually in this general program.

Justification / Impact:

This program improves customer satisfaction with improved water flow and quality and reduces maintenance costs via new leak free materials.

History:

This is a long term program in which old galvanized seasonal water mains with capacity, water quality or maintenance problems are replaced on an as-needed basis.

Origin of the Subprogram:

Projects are initiated by monitoring customer complaints and leakage problems. When consistent problems are identified, the main is scheduled for replacement.

Budget Summary:

Budget Year		Project	Budget Year Cost
2014	1901	Water Main renewal – Seasonal Mains	\$25,000
2015	2021	Water Main renewal - Seasonal Mains	\$25,000
2016	2173	Water Main renewal - Seasonal Mains	\$25,000
2017	2253	Water Main renewal - Seasonal Mains	\$25,000
2018	2418	Water Main renewal - Seasonal Mains	\$25,000
Total Cost, All Years:			\$125,000

Previous Years on CIP: All

Related Projects: 43, 111

Procurement Issues: This work is typically accomplished by District Staff, equipment and material.

Subprogram # 60 Gorham WW Pump Stations - R&R

Division: Wastewater - Gorham Village
Funding: R & R - Wastewater

Manager: Poulin, Charlene
Priority: Routine replacement

Description:

This is an ongoing project designed to maintain and improve Gorham wastewater pump stations. Modifications and upgrades will assure adequate capacity, reliability and safety.

Justification / Impact:

Components of the older pump stations have reach their useful life and obsolete equipment should be replaced. Replacing this equipment before it fails completely will reduce the amount spent on operating and maintaining the equipment

History:

This planned renewal and replacement will assist operations in moving toward a goal of performing more predictive and preventive maintenance instead of emergency maintenance.

Origin of the Subprogram:

Budget Summary:

Budget Year		Project	Budget Year Cost
2014	2320	Briarwood Pump Station Generator Installation	\$35,000
2014	1916	Gorham WW Pump Stations - R&R	\$20,000
2015	2022	Gorham WW Pump Stations - R&R	\$10,000
2016	2185	Gorham WW Pump Stations - R&R	\$10,000
2017	2264	Gorham WW Pump Stations - R&R	\$10,000
2018	2319	Gorham WW Pump Stations - R&R	\$15,000
Total Cost, All Years:			\$100,000

Previous Years on CIP:

2000-present

Related Projects:

None

Procurement Issues:

Primarily staff labor for installation using standard parts procured competitively.

Subprogram # 61 Water Services - Renew Domestic & Fire

Division: Water - General
Funding: R & R - Water

Manager: Wallace, Jim
Priority: Routine replacement

Description:

Replace obsolete galvanized, cast iron, cement lined iron, and 50 year old copper services with current materials and sized for future conditions.

Justification / Impact:

Replacement is determined and prioritized by water quality concerns, leaking conditions, street reconditioning, distribution main replacement, and area/report analysis through District Data. This Project is also coordinated with the various municipal paving projects in order to minimize future inflated municipal Street opening costs and repairs.

History:

Galvanized and cast iron were common materials used in the installation of services from the early 1900s to the late 1940s. Copper was also used starting in the 1930s. The relatively inferior material of galvanized and cast iron are subject to rust related water quality and restricted flow problems from plugging as well as leak frequency from deterioration and corrosion. Older copper lines (50 years old + or -) are starting to show signs of leak failures from the old tube nut fittings used to couple fittings together. From a cost and end product comparison it is more efficient to replace than repair. The District has a long term program to replace and upgrade all sub-standard services.

Origin of the Subprogram:

There are approximately 1,000 (1/2" to 2" size) galvanized, cement lined iron, and cast iron domestic services, and an additional 11,000 copper services installed prior to 1950. We also have 260 cast iron services installed prior to 1950.

Budget Summary:

Budget Year		Project	Budget Year Cost
2014	1903	Water services replacement	\$600,000
2015	2026	Water services replacement	\$600,000
2016	2180	Water services replacement	\$600,000
2017	2255	Water services replacement	\$600,000
2018	2419	Water services replacement	\$600,000
Total Cost, All Years:			\$3,000,000

Previous Years on CIP:

All

Related Projects:

43, 111

Procurement Issues:

Project to be performed using District Staff, equipment, and materials and contracted through our main replacement projects.

Subprogram # 63 Meter Replacement and Leak Detection

Division: Allocation
Funding: R & R - Water

Manager: Wallace, Jim
Priority: Routine replacement

Description:

This work includes the cost to maintain the Long Service Meter Change program, and replacement of damaged meters. It also includes the purchasing of leak detection and monitoring equipment. The District completed a change out all of its 50,000 meters to radio read system in 2009. The meters and batteries are expected to last 20 years for the smaller meters and less for the larger meters.

Justification / Impact:

This is a required program to meet PUC requirements and maintain accurate billing of customer accounts and account for loss water. Since long service meters typically under estimate the actual water flow, the Long Service Meter Change program is needed to assure that the District receives all the revenue to which it is entitled.

History:

New terms and conditions have recently been instituted to increase the long service interval from 15 to 20 years.

Origin of the Subprogram:

These costs do not reflect the value of meters and radio reading devices which is contributed by customers.

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	1902	Water metering and leak detection	\$200,000
2015	2020	Water metering and leak detection	\$200,000
2016	1676	Water metering and leak detection	\$200,000
2017	2249	Water metering and leak detection	\$200,000
2018	2411	Water metering and leak detection	\$200,000
Total Cost, All Years:			\$1,000,000

Previous Years on CIP: All

Related Projects: None

Procurement Issues: Standard meter procurement procedures

Subprogram # 65 Water Hydrants Replacement

Division: Water - General
Funding: R & R - Water

Manager: Wallace, Jim
Priority: Routine replacement

Description:

Replace and upgrade obsolete hydrants to meet current safety and operational standards, and to insure inventory parts availability for hydrant repairs.

Justification / Impact:

Replacement is determined and prioritized by: (1) hydrant failures (major damage and/or external leak,) (2) upgrade and replacement of obsolete sub-standard hydrants based on (age - safety standards - repair parts availability - cost comparison to replace or repair,) (3) distribution main replacement program, (4) municipal and state reconstruction projects and (5) data gathered from the Hydrant Repair and Reconditioning Programs and the Winter Hydrant Inspection Program.

History:

The O & M Hydrant Repair/ Reconditioning Programs and the Hydrant Winter Inspection Programs have been in place since the early 60's. These programs insure that our hydrants meet fire protection standards and provide direction for our C. I. P. Replacement Program. In recent times the ability to procure replacement parts for the six hundred and twenty (620) Matthews Post hydrants (Vintage late 1800s to the late 1940s) has become difficult or impossible. The eight hundred and seventy (870) Darling B-50 hydrants (vintage early 1950s to early 1960s) require major internal rebuilding. Both hydrant makes are not traffic model hydrants and fail to have sheer points to breakaway on impact. This failure results in costly repairs and replacements, and is unsafe in many highway standards (Deadly-Fixed-Objects Regulation).

Origin of the Subprogram:

Our project is focused to replace and upgrade 75 hydrants per year over a twenty year replacement program of 1450 hydrants.

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	1898	Hydrant Replacement	\$200,000
2015	2027	Hydrant Replacement	\$200,000
2016	2177	Hydrant Replacement	\$200,000
2017	2254	Hydrant Replacement	\$200,000
2018	2417	Hydrant Replacement	\$200,000
Total Cost, All Years:			\$1,000,000

Previous Years on CIP: All

Related Projects: 43, 111

Procurement Issues: Project is performed using District staff, equipment, and materials.

Subprogram # 68 Facilities Improvements

Division: Allocation
Funding: R & R - Water

Manager: Paradis, Roger
Priority: Upgrade obsolete facility

Description:

This project is combination of numerous subprojects addressing the improvements and maintenance needs of the Douglass Street and Lake Office facilities. Some of the projects shown in this year's plan are ongoing projects while others are for the current plan year only.

Justification / Impact:

In order to maintain our office facilities in good condition and provide a suitable environment for our employees and customers, it is necessary to have a program to address any problem areas and additional requirements. In order to maintain the integrity of the facilities, problem areas such as leaks, indoor air quality, worn out or aging equipment and infrastructure needs to be addressed on an ongoing basis.

History:

Origin of the Subprogram:

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Div</u>	<u>Budget Year Cost</u>
2014	2395	Facilities Upgrades R&R (reserve account)	10	\$25,000
2014	2287	Douglass St. Roll-Up door	10	\$12,000
2014	2286	Douglass St. New roof over C.S. Department	10	\$30,000
2014	2285	Douglass St. State roof repairs	10	\$60,000
2014	1219	Facilities Upgrades R&R (reserve account)	10	\$25,000
2014	2284	Douglass St. Garage 4 post ground ramp	10	\$15,000
2015	2396	Ecology Center Renovation	10	\$50,000
2015	874	Facilities Upgrades R&R	10	\$150,000
2016	2246	Facilities Upgrades R&R	10	\$150,000
2017	2247	Facilities Upgrades R&R	10	\$150,000
2018	2407	Facilities Upgrades R&R	10	\$150,000
2018	1070	Douglass St. Lunchroom Addition	10	\$100,000
Total Cost, All Years:				\$917,000

Previous Years on CIP: 2000

Related Projects: None

Procurement Issues: Standard Procurement process

Nixon Development Center (Nixon Room) Entry Way Improvements



In 2013, the landscaping at the Nixon Development Center was redone, including replanting the garden and placing a refurbished transmission valve.

The Nixon Development Center is used by Maine Water Utilities, New England Water Utilities Association and other groups for training programs. The Center is also used for Board of Trustees meetings held twice per month – usually the 2nd and 4th Monday of every month.

Subprogram # 70 Portland WW Pump Stations - R&R

Division: Wastewater - Portland
Funding: R & R - Wastewater

Manager: Poulin, Charlene
Priority: Routine replacement

Description:

This program provides for a planned approach to the replacement of obsolete equipment in the Portland wastewater pump stations. This program provides for a planned approach to the replacement of obsolete equipment throughout the Portland Water District's Portland wastewater pump stations. Few improvements have taken place during the 25 years of operation. Pumps have to be upgraded, screens reconsidered and control systems revamped.

Justification / Impact:

The pump stations have reached the end of their useful design life and obsolete equipment must be replaced. Continued attention to the pump stations will allow for a predictive approach to maintenance while ensuring operational optimization and reliability.

History:

This program is based on the Portland Pump Station CPE performed by Wright-Pierce and contemplates improvements with funding from the R&R accounts.

Origin of the Subprogram:

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	2409	India Street Pump Shaft Repair	\$84,000
2014	1915	Portland WW Pump Stations - R&R	\$50,000
2015	2425	Fore River Pump Station Upgrades – ph 2- roof replacement	\$80,000
2015	2031	Portland WW Pump Stations -R&R	\$100,000
2015	1875	Westbrook St. Pump Station Generator	\$40,000
2016	2191	Portland WW Pump Stations -R&R	\$50,000
2017	1914	Portland WW Pump Station -R&R	\$50,000
2018	2427	Portland WW Pump Stations -R&R	\$100,000
Total Cost, All Years:			\$540,000

Previous Years on CIP: 2003 to present

Related Projects: 420 - Portland WW Pump Station - Capital

Procurement Issues:

Subprogram # 74 Westbrook WW Pump Station Capital Upgrade

Division: Wastewater - Westbrook
Funding: Bonds - Wastewater

Manager: Firmin, Scott
Priority: Upgrade obsolete facility

Description:

This program provides for a planned approach to the replacement of obsolete equipment throughout the Portland Water District's Westbrook wastewater pump stations. Few improvements had taken place during the first 20 years of operation. This project is based upon the CPE performed by Wright-Pierce with changes based upon a more detailed review of the work scope. The revised scope includes complete replacement of drives, motors, pumps, and other major equipment to ensure operational reliability of the pump stations.

Justification / Impact:

The pump stations have reached the end of their useful design life and obsolete equipment must be replaced. These improvements will ensure the pump stations continue to deliver adequate flows to the WWTP with increased reliability. Additionally, these needed improvements will allow for a Preventative Maintenance plan that will keep the pump stations operating at the design level well into the life of the upgrade.

History:

This program is based on the CPE of Westbrook wastewater pump stations performed by Wright-Pierce. The project budgets have been increased from the original scope due to a more refined analysis of the project, the equipment status, and the necessary function of the pump stations. Cottage Place with Bridge Street pump stations had significant upgrades in 2008. The remaining station (Dana Court) is programmed for improvements as part of the CSO long-term control plan.

Origin of the Subprogram:

Budget Summary:

<u>Budget Year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2016 1010	Dana Court Pump Station Upgrade	\$700,000
Total Cost, All Years:		\$700,000

Previous Years on CIP: 2003
Related Projects: 411
Procurement Issues: Standard bidding procedure

Subprogram # 95 Lab Equipment Replacement

Division: Water
Funding: R&R Water

Manager: Hunt, Paul
Priority: Routine Replacement

Description:

This program provides for a planned approach to the replacement of obsolete Lab equipment. The District's Laboratory utilizes two instruments of significant value. 1) An autoclave used in microbiological analysis, 2) an inductively coupled plasma spectrometer, or ICP for analyzing metals in biosolids, Industrial Pretreatment (IPT) and other wastewater samples. The ICP was replaced in 2011 for \$75,000. Autoclave used extensively (daily) to support District's Total Coliform Rule monitoring program. Original equipment purchased in 1993. I will soon to be unsupported by manufacturer.

Justification / Impact:

Maintain laboratory ability to prepare sample collection bottles and microbiological medians to support TCR analyses.

<u>Budget Year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2014	2145 SLWTF Lab – Autoclave Unit	\$45,000
Total Cost, All Years:		\$45,000

Previous Years on CIP: 2010
Related Projects:
Procurement Issues: Standard bidding procedure



Subprogram # 110 SCADA /Process Control -Water

Division: Water - General
Funding: R & R - Water

Manager: Richard, Emile
Priority: Upgrade obsolete facility

Description:

The program supports 30 water sites across the District in upgrading and replacing the exiting Supervisory Control and Data Acquisition (SCADA) equipment. The work needed is replacement of hardware and software to be compatible to the District SCADA standards and provide for increased automation of the water systems and treatment. Programmable Logic Controllers (PLC) have been replaced across the District to meet the new standards and remove outdated, non-maintainable equipment.

Justification / Impact:

The benefit of this program to increase the automation and reduce the staff hours needed to perform routine activities for the systems and treatment plants across the District.

History:

The District started changing out the system in 2003 by replacing the existing 20 year-old system and installing new SCADA equipment where it did not exist. Most systems have been retrofitted or replaced but more automation of these systems will continue.

Origin of the Subprogram:

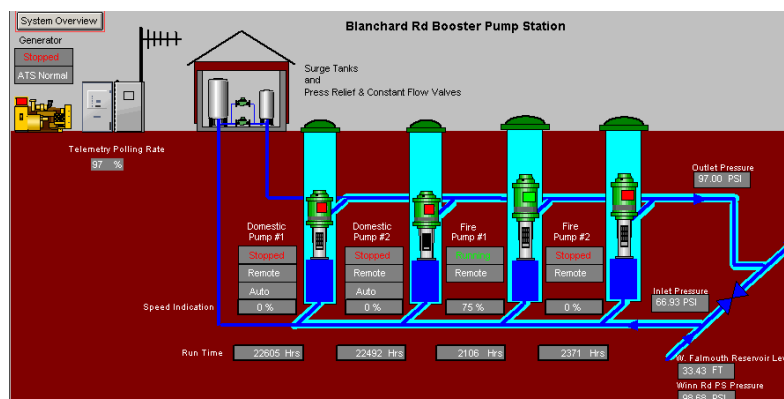
Budget Summary:

Budget Year		Project	Div	Budget Year Cost
2014	2282	Automatic Transfer Relay (ATR) Project	10	\$22,000
2014	1895	Miscellaneous Control Projects Upgrades	20	\$50,000
2015	1807	Miscellaneous Control Projects Upgrades	20	\$50,000
2016	2174	Miscellaneous Control Projects Upgrades	20	\$50,000
2017	2250	Miscellaneous Control Project Upgrades	20	\$50,000
2018	2412	Miscellaneous Control Project Upgrades	20	\$50,000
Total Cost, All Years:				\$247,000

Previous Years on CIP: 2003

Related Projects: 177

Typical water system SCADA screen



Subprogram # 111 Water Main Replacement – R&R

Division: Water - General

Manager: Pierce, Ned

Funding: R & R - Water

Priority: Routine replacement

Description:

Renew, replace and upgrade obsolete galvanized and small diameter water mains with current materials sized for current and future conditions.

Justification / Impact:

This is a cost saving and water quality improvement process. Mains selected for replacement are prioritized on the basis of water quality complaints including low volumes, leak frequency data, and age of existing plant. Commitment to Municipal and M.D.O.T. based on street reconstruction, and paving is also a major selection factor.

History:

Galvanized mains were installed as low cost water supply beginning in the 1900's. At one time over 250,000 feet were installed in our system. This relatively inferior material has less life expectancy than cast iron and is subject to rust related water quality and plugging problems. The District has a long term program to eliminate all galvanized mains from our system and currently approximately 26,000 feet are still in service.

Origin of the Subprogram:

The current list of project is determined on the basis of water quality complaints, leak history, and municipal or state reconstruction projects by AMAP and Water Services.

Budget Summary:

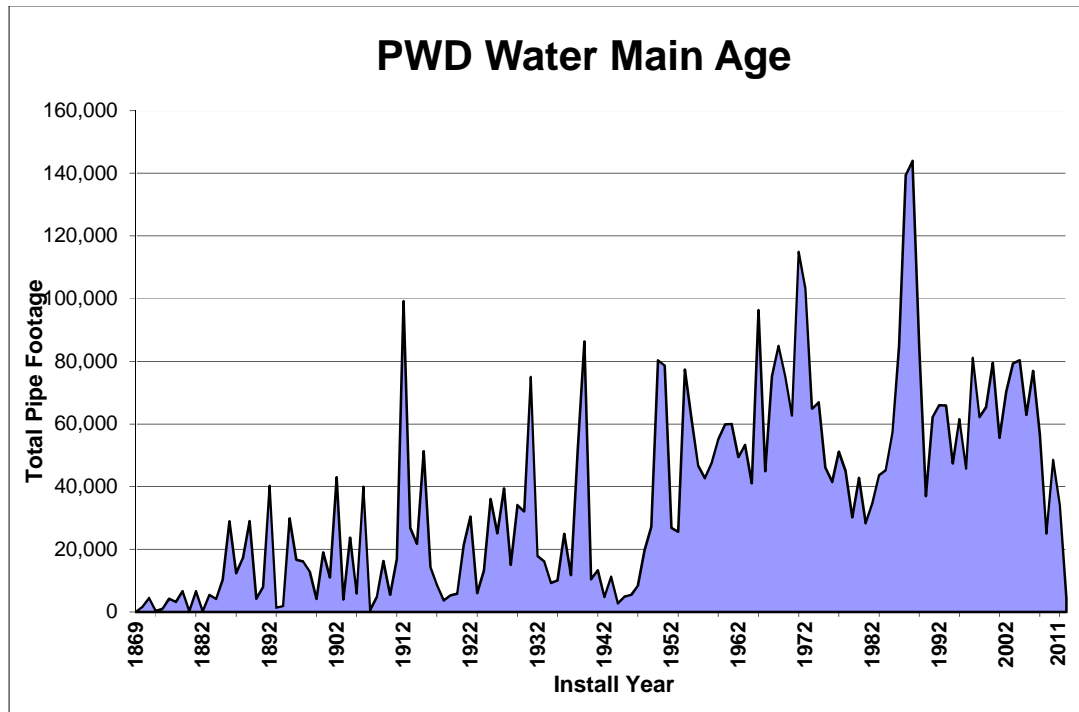
<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	2440	Water Main Condition Assessment Study	\$50,000
2014	2441	State Street – Gorham	\$500,000
2014	2015	Various Renewal Projects	\$450,000
2015	2014	Various Renewal Projects	\$1,000,000
2016	2172	Various Renewal Projects	\$1,000,000
2017	1900	Various Renewal Projects	\$1,000,000
2018	1675	Various Renewal Projects	\$1,000,000
Total Cost, All Years:			\$5,000,000

Previous Years on CIP: All

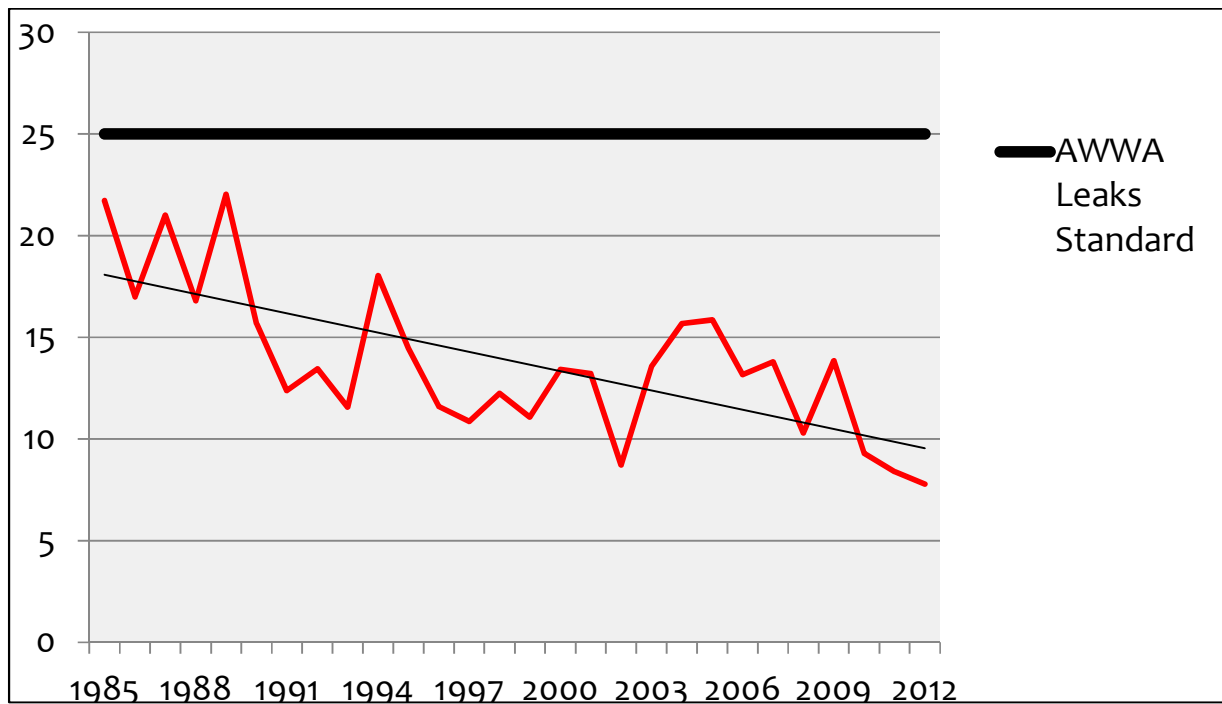
Related Projects: 43 Cast Iron Main Renewal

Procurement Issues: Projects are put out to bid by the District or through a Municipality or MDOT as part of their projects. It is the District intent to seek cost effective ways of partnering.

Age Distribution graph of the Portland Water District Water Main Age



Service Levels - Leaks per 100 miles



Subprogram # 122 Water Facilities Renewal and Replacement

Division: Water - General
Funding: R & R - Water

Manager: Wallace, Jim
Priority: Routine replacement

Description:

This is an ongoing project designed to maintain and improve water pump stations, treatment facilities and related infrastructure. Modifications and upgrades will assure adequate capacity, reliability and safety of these facilities.

Justification / Impact:

Components of the older pump stations have reach their useful life and obsolete equipment should be replaced. Replacing this equipment before it fails completely will reduce the amount spent on operating and maintaining the equipment

History:

This planned renewal and replacement will assist operations in moving toward a goal of performing more predictive and preventive maintenance instead of emergency.

Origin of the Subprogram:

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	1897	Water Facilities R&R	\$50,000
2015	2378	SLWTF HVAC controls replacement	\$50,000
2015	2030	Water Facilities R&R	\$50,000
2016	2175	Water Facilities R&R	\$50,000
2017	2252	Water Facilities R&R	\$50,000
2018	2415	Water Facilities R&R	\$50,000
Total Cost, All Years:			\$250,000

Previous Years on CIP: 2010

Removal of the old 1994 Ozone Generator as part the UV/Ozone Disinfection Project



Subprogram # 131 Portland CSO Mitigation

Division: Wastewater - Portland
Funding: R & R - Wastewater

Manager: Poulin, Charlene
Priority: Regulatory mandate

Description:

Our CSO responsibility is essentially end of pipe with regard to implementation of CSO 9 Minimum Controls. Upstream mitigation is primarily the responsibility of Portland and Westbrook respectively. One of the 9 Minimum Control measures that we can implement is that of floatable controls. As Westbrook and Portland continue mitigation efforts, it is critically important that we begin to show real improvement with respect to overflow incidences from the standpoint of number of events and duration and volume of those events. Permanent monitors at critical sites will permit us to measure mitigation effectiveness from quantity and quality perspectives. Additionally, it is critical that we have real time monitoring at key sites. This monitoring will permit us to proactively address potential dry weather events as well as increasing our ability to implement operational measures based on system performance.

Justification / Impact:

The intent of this control is to document that low cost control measures have been implemented which reduce solids and floatables discharged from CSO's. Possible control measures include: baffles, trash racks, static screens, end of pipe nets and outfall booms. The funds requested will be used to begin addressing floatable control on a prioritized site by site basis by purchase of appropriate technologies as well as possible consultant services. The funds requested would cover the purchase and installation of permanent monitors and associated power and telemetry linkages. Once installed, the monitors could be linked to the District's SCADA system thereby affording us the opportunity to monitor, sample and, in some cases, control CSO occurrences. We expect that real time monitoring can be accomplished at seven sites in Portland and two in Westbrook. These sites would be selected based on frequency of overflow and aesthetic impact. If available, monies may also be used to permanently monitor at all remaining CSO sites. This permanent monitoring approach would provide better data to determine future CSO reduction investments.

History:

A floatable study was completed by Brown & Caldwell in July of 2005 CSO monitoring program with ADS was completed in 2007 for the 7 largest CSO in the Portland system.

Origin of the Subprogram:

Budget Summary:

<u>Budget Year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2014	2084 Long Wharf Tide Gate Replacement - Construction	\$200,000
Total Cost, All Years:		\$220,000

Previous Years on CIP: 2003 - present

Related Projects:

Procurement Issues:

Subprogram # 167 Comprehensive Plant Evaluation - Westbrook

Division: Wastewater - Joint Westbrook
Funding: Bonds - Wastewater

Manager: Firmin, Scott
Priority: Upgrade obsolete facility

Description:

The Westbrook Comprehensive Plant Evaluation (CPE) Program completed in 2001 identified a series of recommended system improvements and upgrades to replace inefficient, non-existent, or obsolete equipment and systems. Many of the items identified are intended to improve plant performance and efficiency. This CPE Upgrade Program represents the phased implementation of that long range program.

Justification / Impact:

The current facility is over 34 years old and many of the existing systems have reached or exceeded the design life of the equipment. Even with the excellent level of maintenance, many of the systems will eventually require replacement. Additionally, the identified programs are designed to provide for more efficient and cost effective treatment systems. Regulatory requirements continue to increase and the technology required to meet these levels has increased. Achieving these standards through a more reliable, efficient, and cost effective manner is the ultimate goal of this program.

History:

This program is the result of the CPE study performed by Wright-Pierce dated March 2001. The project schedule presented in the report has been reprioritized by Staff to reflect a detailed 5 year plan, with other work extended beyond that period.

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	2342	Aeration Upgrade Evaluation	\$95,000
2015	991	Aeration System Upgrade (Long Term)	\$1,600,000
2015	1000	Thickened Sludge Storage Tank Upgrade	\$404,733
Total Cost, All Years:			\$2,099,733

Procurement Issues: Engineering Services will be procured using RFP process. Board of Trustees shall approve method (comprehensive approach) and contract for engineering.

Westbrook Gorham Windham Wastewater Treatment Facility - Built in 1978



Subprogram # 177 SCADA /Process Control - Wastewater

Division: Wastewater - Peaks

Manager: Richard, Emile

Funding: R & R - Wastewater

Priority: Upgrade obsolete facility

Description:

The program supports all 80 wastewater sites across the District in upgrading and replacing the existing Supervisory Control and Data Acquisition (SCADA) equipment. The work needed is replacement of hardware and software to be compatible to the District SCADA standards and provide for increased automation of wastewater systems and treatment. Programmable Logic Controllers (PLC) have been replaced across the District to meet the new standards and remove outdated, non-maintainable equipment. In 2012 the District replaced the one remaining older PLCs in the system at the Westbrook Gorham Regional Wastewater Treatment Facility.

Justification / Impact:

The benefit of this program to increase the automation and reduce the staff hours needed to perform routine activities for the systems and treatment plants across the District.

History:

The District started changing out the system in 2003 by replacing the existing 20 year-old system across the 6 wastewater communities and installing new SCADA equipment where it did not exist. Most systems have been retrofitted or replaced but more automation of these systems will continue.

Origin of the Subprogram:

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	2329	EEWWTP – Replace PC's & New NAS	\$24,000
2014	1551	Process Control and SCADA upgrades	\$50,000
2015	2369	High Flow Control Programming	\$50,000
2015	2028	Process Control and SCADA upgrades	\$50,000
2016	1683	Process Control and SCADA upgrades	\$50,000
2017	2267	Process Control and SCADA upgrades	\$50,000
2018	2428	Process Control and SCADA upgrades	\$50,000
Total Cost, All Years:			\$299,000

Previous Years on CIP: 2003 to present

Related Projects: 110

Procurement Issues:

Subprogram # 180 Windham- Little Falls WW System R&R

Division: Wastewater - Windham Little Falls
Funding: R & R - Wastewater

Manager: Poulin, Charlene
Priority: Routine replacement

Description:

This program provides for a planned approach to the replacement of obsolete equipment for the Windham-Little Falls wastewater pump stations. Few improvements had taken place during the first 25 - years of operation. The scope of this program is based on the amount of required maintenance and current performance of the existing infrastructure. The scope includes complete replacement of drives, motors, pumps, controls and other major equipment to ensure operational reliability of the pump stations.

Justification / Impact:

When pump stations have reached the end of their useful design life (typical 20-years) obsolete equipment should be replaced. These improvements will ensure the pump stations continue to deliver adequate flows to the WWTP with increased reliability. Additionally, these needed improvements will allow for a Preventative Maintenance plan that will keep the pump stations operating at the design level well into the life of the upgrade.

History:

The original Windham-Little Falls waste water system was built in 1987. The original system included two pump stations. These two pump station were to be replaced with a single new pump station as part of the 2008 redevelopment of the Keddy Mill site. This project was never completed and the existing pump stations are now more than 25-years old.

Budget Summary:

<u>Budget Year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2014	2220 Windham R&R - Pump Station	\$10,000
2015	2317 Androscoggin Pump Station Upgrades	\$20,000
2016	2423 Windham R&R -Pump Station	\$20,000
2017	2422 Windham R&R - Pump Station	\$20,000
2018	2318 Windham R&R - Pump Station	\$20,000
Total Cost, All Years:		\$90,000

Previous Years on CIP: 2000 to present

Related Projects:

Procurement Issues:

Subprogram # 203 Water Storage Facility Maintenance & Upgrade

Division: Water - General

Manager: Johnson, Gordon

Funding: R & R - Water

Priority: Routine replacement

Description:

This project consists of developing a maintenance program. Maintenance that may be necessary includes leak repair, painting, inside liners, base and /or cover needs. Once this work is complete, a multi-year program of maintenance contracts will be let to upgrade individual facilities. In some facilities, recirculation systems to routinely turn over the water in the tank and / or new altitude valves will be installed.

Justification / Impact:

Basic maintenance to preserve and prolong the useful life of needed facilities. Prevent water quality problems due to corrosion and from water stagnating in the tank.

History:

Several steel standpipes and elevated tanks have been removed over the last decade. Those which remain will be evaluated for their hydraulic value and water quality impact in the Comprehensive Water System Strategic Plan. Those which are considered to be valuable hydraulic assets to the water system will be upgraded via this ongoing program.

Origin of the Subprogram:

Maintenance has been deferred for several years pending completion of a hydraulic study to determine which tanks still have hydraulic value.

Budget Summary:

Budget Year	Project	Div	Budget Year Cost
2014	1742 Water Tank Maintenance	20	\$50,000
2015	1840 Water Storage Tank Maintenance: Gorham Tank	20	\$400,000
2015	1839 Improve Water Quality in Gowen Road Tank	20	\$50,000
2016	368 Water Tank Maintenance	20	\$25,000
2017	2256 Water Tank Maintenance	20	\$25,000
2018	2256 Water Tank Maintenance	20	\$25,000
Total Cost, All Years:			\$575,000

Previous Years on CIP:

Since 2000

Related Projects:

Comprehensive Water System Strategic Plan

Procurement Issues:

RFP preparation and contract administration will be by District Staff.
Maintenance and repair services will be competitively bid.

Gorham Tank – Proposed Rehabilitation – 2015



Subprogram # 262 SLWTF - Emergency Storage/60" Transmission**Division:** Water - General**Manager:** Johnson, Gordon**Funding:** Bonds - Water**Priority:** Customer driven**Description:**

Construct a 7.0 Million Gallon Prestressed Concrete Reservoir near the Sebago Lake Water Treatment Facility.

Justification / Impact:

The purpose is to provide additional storage for partial redundancy of the SLWTF so that it can be shut down for longer periods of time and improve water quality by relying less on in system storage

History:

This project was conceived as part of the Comprehensive Water System Strategic Plan, as a future need and will be assessed further during a future "Water Purification Master Plan."

Origin of the Subprogram:

This is a CWSSP recommendation to improve water quality and backup storage

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2018	262	Emergency Storage Tank - 7.0 MG / 60" transmission	\$6,000,000
Total Cost, All Years:			\$6,000,000

Previous Years on CIP: 2004**Related Projects:****Procurement Issues:** Standard consulting and/or contractor retention procedures.

Subprogram # 307 Gorham/Windham 407 Zone Improvements

Division: Water - General

Manager: Johnson, Gordon

Funding: Bonds - Water

Priority: Upgrade obsolete facility

Description:

This subprogram is a phased design and construction of transmission mains, pumps and a water tank for the integration of the 407 Zones (Gorham & Windham).

Justification / Impact:

The growth in these communities requires increased capacity. There are also specific service deficiencies and water quality issues that need to be addressed in the 407 Zones.

The Construction of the New 407 zone Pump Station is now scheduled for 2015 and Engineering Design is to take place in 2014 from previously programmed funds.

History:

The projects listed below were anticipated by the 1989 Master Plan. Further analysis and identification was undertaken as part of the CWSSP study.

Origin of the Subprogram:

Projects identified and proposed phasing outlined in Comprehensive Water System Strategic Plan.

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Div</u>	<u>Budget Year Cost</u>
2015	1385	Construction of the New 407 zone pump station	20	\$2,000,000
2016	497	New 407Zone Tank Design/Construction	20	\$2,000,000
2017	507	407 Zone ISO Improvements	20	\$2,438,000
2018	510	407 Zone Reliability Improvements III	20	\$1,575,000
2018	498	407 Zone N - Piping Improvements	20	\$976,000
Total Cost, All Years:				\$8,989,000

Previous Years on CIP:

2000

Related Projects:

None

Procurement Issues:

Engineering Services will be procured through Design through RFP process. BOT shall approve the method (phased approach) and contract for engineering. Engineering bidding and construction services will be approved at the time of construction of Pump Station.

Subprogram # 326 Vehicle and Equipment Replacement

Division: Allocation

Manager: Paradis, Roger

Funding: R & R - Water

Priority: Routine replacement

Description:

This project is to replace a portion of the District's Vehicle and Equipment fleet each year.

This year's review included the evaluation of all of the vehicles and equipment which have met or exceeded the trade criteria. In reviewing the fleet, the replacement cost is between \$4,500,000 and \$5,000,000.

Justification / Impact:

The rolling stock and construction equipment fleet are essential to the District's "mission to provide our customers with quality water, wastewater and related environmental services." Maintaining a reliable fleet of vehicles and equipment enables staff to fulfill the mission with safety, efficiency and timeliness. Worker safety, efficient operations and customer satisfaction are the basic benefits of maintaining a sound vehicle and equipment inventory.

History:

The Asset Management Department conducts an annual evaluation of major pieces of equipment and vehicles to determine our annual replacement needs. The various trade criteria are also reviewed to assure that they are appropriate. Based on the age and use of the fleet, projections of future annual costs are included in the five-year plan. These projections are re-reviewed each year to develop a minimum replacement program for the current year. Several major pieces of equipment will need to be replaced in the next two to four years.

Origin of the Subprogram:

Annual review and replacement of vehicles and equipment is a basic operating need of any geographically dispersed utility.

Budget Year		Project	Budget Year Cost
2014	1907	Annual vehicle and equipment replacement	\$325,000
2015	1894	Annual vehicle and equipment replacement	\$400,000
2016	2162	Annual vehicle and equipment replacement	\$400,000
2017	2245	Annual vehicle and equipment replacement	\$400,000
2018	2413	Annual vehicle and equipment replacement	\$400,000
2018	1844	Replacement of Water Stand-by Pumper	\$50,000
2018	1835	Vacuum/Valve Turner for A6 Vehicle	\$60,000
2018	1834	Vacuum/Valve Turner for A2 Vehicle	\$60,000
Total Cost, All Years:			\$1,925,000

Previous Years on CIP: All

Related Projects: None

Procurement Issues: Specifications are developed and proposals are solicited from approximately thirty vehicle and equipment dealers. Purchases are made on the basis of price and other criteria which lead to lowest life cycle cost.

2014 Annual Vehicle and Equipment Replacement

VEH 05020 Window Van	Asset Purchases	\$23,000
VEH 05020 Trade-in value	Other	(\$6,500)
VEH 08110 Window Van	Asset Purchases	\$23,000
VEH 08110 Trade-in value	Other	(\$6,500)
VEH 08120 Window Van	Asset Purchases	\$23,000
VEH 08120 Trade-in value	Other	(\$6,500)
VEH 09050 Window Van	Asset Purchases	\$23,000
VEH 09050 Trade-in value	Other	(\$6,500)
VEH 06040 Light Duty Truck	Asset Purchases	\$20,500
VEH 06040 Trade-in value	Other	(\$5,500)
VEH 06070 Window Van	Asset Purchases	\$23,000
VEH 06070 Trade-in value	Other	(\$6,500)
VEH 07020 4X4 Plow Truck	Asset Purchases	\$37,000
VEH 07020 Trade-in value	Other	(\$5,000)
VEH 07040 Utility Truck	Asset Purchases	\$32,000
VEH 07040 Trade-in value	Other	(\$6,000)
VEH 04050 Utility Truck	Asset Purchases	\$32,000
VEH 04050 Trade-in value	Other	(\$4,000)
VEH 07080 Light Duty Van	Asset Purchases	\$24,000
VEH 07080 Trade-in value	Other	(\$5,000)
TRL 03530 Air Compressor	Asset Purchases	\$16,000
TRL 03530 Trade-in value	Other	(\$2,000)
TRL 03520 Air Compressor	Asset Purchases	\$16,000
TRL 03520 Trade-in value	Other	(\$2,000)
TRL 81310 Trailer Generator 30kw	Asset Purchases	\$32,000
TRL 81310 Trade-in value	Other	(\$3,000)
TRL 94540 Air Compressor sold at auction	Other	(\$500)
TRL 03510 Air Compressor sold at auction	Other	(\$2,000)
TRL 83310Trailer Generator sold at auction	Other	(\$2,000)
VEH 94100 Sludge Container Truck sold at auction	Other	(\$5,000)
New job trailer purchase dual axle flat bed	Asset Purchases	\$8,000
Vehicle set up	Other	\$17,000
Total for vehicle purchase less Trade -ins		\$275,000
Vehicle and equipment reserve account	Reserve Account	\$50,000
	Total CIP request	\$325,000

Subprogram # 407 Cape Elizabeth Pump Stations -Capital

Division: Wastewater - Cape Elizabeth

Manager: Firmin, Scott

Funding: Bonds - Wastewater

Priority: Regulatory mandate

Description:

This program is designed to satisfy two needs; upgrading of aging pump stations throughout the Cape North and South systems, and to meet a requirement to eliminate combined sewer overflow at the Ottawa Road pump station.

Justification / Impact:

The need to eliminate the CSOs at Ottawa Road and Spurwink is regulatory driven. Some elements of the system, especially in North Cape, have been in operation since the 70's are in need of upgrade. This project allows for the funding of those upgrades.

History:

The Cape Elizabeth WWTF along with the Spurwink Pump station were upgraded to eliminate the by-passes due to high flows. Pump stations throughout the Cape System have been upgraded along with the installation of generators.

Origin of the Subprogram:

Cape Elizabeth, the City of South Portland and the Portland Water District have a joint permit for the Ottawa Road CSO

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2015	1360	Family Field Pump Station Upgrade	\$500,000
2015	1867	Peabbles Cove Force Main	\$125,000
2015	52	Maiden Cove Upgrade to Submersible PS	\$250,000
PEND	2086	Ottawa Road CSO Master Plan- Year 1 Implementation	\$50,000
PEND	867	Ottawa Rd. WWPS Capacity Upgrade	\$150,000
Total Cost, All Years:			\$1,075,000

Previous Years on CIP:

Related Projects:

Procurement Issues:

Subprogram # 408 Water System Redundancy (Looping) and Upsizing

Division: Water - General

Manager: Spugnardi, Rico

Funding: R & R - Water

Priority: Routine replacement

Description:

Identify and evaluate areas requiring system redundancy. Design and schedule the installation of looping these systems and eliminating critical dead end areas in the distribution system. This also provides a source of funds for the upsizing of water mains for developments that would be beneficial to greater distribution and supply of water to an area of the system.

Justification / Impact:

The justification, impact, and benefit of this program is a priority system based on, water quality (eliminating dead ends), water availability (Increased demands through growth and fire flow demands), and improving general district system and water system redundancy.

History:

History is based on decreases in fire flows and increased usage demands noted when conducting activities in these areas such as flushing and temporary shutdown of present supply mains.

Origin of the Subprogram:

The current projects listed are based on increased demand and multiple system redundancy.

Budget Summary:

<u>Budget Year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2014	1904 Water main looping and or upsizing for development	\$50,000
2015	2029 Water main looping and or upsizing for development	\$50,000
2016	2181 Water main looping and or upsizing for development	\$50,000
2017	2257 Water main looping and or upsizing for development	\$50,000
2018	2182 Water main looping and or upsizing for development	\$50,000
Total Cost, All Years:		\$250,000

Previous Years on CIP:

none

Related Projects:

43, 111

Procurement Issues:

District labor and equipment, low bid contract installation or partnering with Developers

Subprogram # 409 East End WWTF - R&R**Division:** Wastewater - Portland**Manager:** Sloan, Steve**Funding:** R & R - Wastewater**Priority:** Routine replacement**Description:**

Various systems and equipment will need to be replaced and/or modified as the equipment becomes obsolete due to age. This series of projects contemplates replacement of these systems and equipment through the planned use of existing R&R funds.

Justification / Impact:

The management of assets requires the continuous replacement and refurbishment of infrastructure as it ages and wears. The current facility is over twenty-five years old and many of the support systems and equipment are showing their age. Many of these replacements are required to provide continued service and to meet regulatory requirements. Other items are intended to maintain the physical infrastructure associated with the treatment facilities.

Origin of the Subprogram:

This project has been created in order to provide for a structured and planned utilization of existing R&R.

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	2076	Lower parking lot rebuild and pavement	\$75,000
2014	2273	Elevator Improvements	\$65,000
2014	2305	Security Improvements – Year 2	\$40,000
2014	2306	Hypochlorite Pump Replacements	\$50,000
2014	2307	Clarifier Repairs – Year 1	\$30,000
2014	2308	Wash press & conveyor system	\$200,000
2014	2310	Mast Light Replacement	\$30,000
2014	2370	Routine R&R	\$75,000
2014	2398	Supplemental Air units for Aeration Basins	\$25,000
2014	1816	EEWWTF - Influent Gates (4)	\$75,000
2015	1830	Roadway & Parking Lot Paving	\$150,000
2015	1823	Primary Basins	\$75,000
2015	2153	Effluent Flow Meter Replacement	\$25,000
2015	2274	Effluent Thermal Heating System	\$150,000
2015	2397	Dewatering Odor Control System	\$200,000
2015	1818	Plant Water System	\$50,000
2016	1612	HVAC Project - Phase 4	\$178,000
2016	2045	Process gate Automation	\$150,000
2017	1764	HVAC Project - Misc.	\$350,000
2017	2198	Process Clarifier Feed Gate Replacement	\$50,000
2018	1913	Plant upgrades	\$350,000
2018	2311	Gate Replacements	\$60,000
PEND	2150	EEWWTF - Aeration System blade replacement	\$150,000
Total Cost, All Years:			\$2,628,000

East End Wastewater Treatment Facility Improvements



Subprogram # 411 Westbrook WW Systems R&R**Division:** Wastewater - Westbrook**Manager:** Poulin, Charlene**Funding:** R & R - Wastewater**Priority:** Routine replacement**Description:**

This project provides for the timely renewal of equipment associated with pump stations and the purchase of monitoring equipment for the interceptor system. Major pump stations have been recently upgraded but funds need to be available for replacement parts when necessary.

Justification / Impact:

An on-going study to upgrade the Westbrook CSO Master Plan will be complemented with the addition of a portable flow monitoring device. The Dana Court pump station has yet to be upgraded and funds are required to assure continued operation.

History:**Origin of the Subprogram:****Budget Summary:**

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	2321	Dana Court Bypass Installation	\$15,000
2014	1919	Westbrook WW Systems R&R	\$10,000
2015	2033	Westbrook WW Systems R&R	\$10,000
2016	2187	Westbrook WW Systems R&R	\$10,000
2017	2266	Westbrook WW Systems R&R	\$10,000
2018	2322	Westbrook WW Systems R&R	\$10,000
Total Cost, All Years:			\$65,000

Previous Years on CIP:**Related Projects:****Procurement Issues:**

Subprogram # 416 Westbrook/Gorham /Windham WWTF R&R**Division:** Wastewater - Joint Westbrook**Manager:** Waterman, Robert**Funding:** R & R - Wastewater**Priority:** Routine replacement**Description:**

Various systems and equipment will need to be replaced and/or modified as the equipment becomes obsolete due to age. An item has also been included to revise the O&M Manual to reflect these and other changes in the operating systems of the plant over the last 20+ years.

Justification / Impact:

The management of assets requires the continuous replacement and refurbishment of infrastructure as it ages and wears. The current facility is over twenty years old and many of the support systems and equipment are showing their age. Many of these replacements are required to provide continued service and to meet regulatory requirements. Other items are intended to maintain the physical infrastructure associated with the treatment facilities.

History:

This project was created to provide for a planned use of the R&R funds in meeting the needs of the Westbrook/Gorham WWTF.

Origin of the Subprogram:

This project has been created in order to provide for a structured and planned utilization of existing R&R.

Budget Summary:

Budget Year		Project	Budget Year Cost
2014	1920	Routine Renewal and Replacement	\$50,000
2015	2034	Routine Renewal and Replacement	\$50,000
2016	2075	WGWWTF - Belt Filter Press rebuild	\$180,000
2017	2265	Routine Renewal and Replacement	\$50,000
2018	2426	Routine Renewal and Replacement	\$50,000
Total Cost, All Years:			\$380,000

Previous Years on CIP:**Related Projects:****Procurement Issues:**

Subprogram # 418 Cape Elizabeth WWTF - Capital**Division:** Wastewater - Cape Elizabeth**Manager:** Firmin, Scott**Funding:** Bonds - Wastewater**Priority:** Regulatory mandate**Description:**

Provide for capital plant upgrades required to continue to meet regulatory and operational requirements. The following compliance schedule has been included in the Draft Revision of the Permit: By Dec. 31, 2009 - Submit Phase I final design to MEDEP for review, by April 30, 2010 commence Phase I construction, by April 30, 2011 provide progress report to MEDEP, by Sept. 30, 2011 complete Phase I upgrades.

Justification / Impact:

Many of the projects will be developed in response of the findings of a study currently being conducted by Wright-Pierce. The study involves increasing the flow through the treatment plant to help eliminate wet weather plant bypassing issues at the Spurwink influent pump station. Other projects are justified as part of the timely upgrading of the treatment facility which has been on line for 20 years without any substantial modifications. Control system improvements will allow for off-hour monitoring and response as well as assurances that regulatory requirements are consistently met.

History:

The Maine Department of Environmental Protection wrote into the facility's most recent license, a requirement that a study to eliminate the bypassing of flows during periods of wet weather must be completed by 12/31/08. The requirement calls for a scope of work and a time frame to complete study recommendations. At a minimum, upgrades to plant effluent pumping capacity and minor piping modifications will be necessary.

Origin of the Subprogram:

The following compliance schedule has been included in the Draft Revision of the Permit: By Dec. 31, 2009 - Submit Phase I final design to MEDEP for review, by April 30, 2010 commence Phase I construction, by April 30, 2011 provide progress report to MEDEP, by Sept. 30, 2011 complete Phase I upgrades.

Budget Summary:

<u>Budget Year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2016 1911	Cape Elizabeth Treatment Plant - Ph 2 improvements	\$1,000,000
Total Cost, All Years:		\$1,000,000

Previous Years on CIP:**Related Projects:****Procurement Issues:**

Subprogram # 420 Portland WW Pump Station Capital Upgrade

Division: Wastewater - Portland

Manager: Firmin, Scott

Funding: Bonds - Wastewater

Priority: Upgrade obsolete facility

Description:

This project will allow for the complete upgrade of the larger 27 year old Portland pump stations to ensure reliable operation at the required level of service for each of the stations. The projects include a revised approach to complete the required upgrades under a single project rather than a series of smaller projects spread over a number of years. The upgrades will provide a complete upgrade to the stations, including the replacement of retired screenings equipment, pumps, support systems, and controls.

Justification / Impact:

These upgrades will ensure that equipment operates at required levels of service and will allow for the continued preventative maintenance of the critical pump stations. The upgrade is also intended to improve remote control capabilities of the pump stations allowing for increased remote functionality.

History:

These projects are based upon the original Portland Pump Station CPE. Some additions to the scope (inclusion of additional VFDs for all pumps to allow for increase redundancy and reliability) have been made based upon a more detailed analysis, however, these projects are revision to the approach originally identified. Rather than completing a series of 3 or 4 smaller projects at each station, the entire project will be completed in a single contract at each station. This should result in increased efficiencies associated with implementation and management of the projects.

Origin of the Subprogram: TBA

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	1081	Fore River Pump Station Upgrade – phase 1	\$1,600,000
2016	2424	Fore River Pump Station Upgrades – phases 3, 4, and 5	\$2,500,000
Total Cost, All Years:			\$4,100,000

Previous Years on CIP: None

Related Projects: CIP year 2012 project 2171 Engineering Design for Fore River Pump Station

Procurement Issues: Project will be bid in late fall 2014

Subprogram # 423 Peaks Island R&R**Division:** Wastewater - Peaks**Manager:** Waterman, Robert**Funding:** R & R - Wastewater**Priority:** Routine replacement**Description:**

This account will provide for timely routine replacement of equipment at the Peaks Island Treatment Plan and pump stations.

Justification / Impact:

Physical assets require scheduled maintenance and eventual replacement. This project provides funding for the efficient and timely replacement of equipment using routine and replacement funds.

History:

This program has been used at most PWD wastewater systems in the past. Origin of the Subprogram:

Budget Summary:

<u>Budget Year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2014	Treatment Plan Sequencing Batch Reactor Evaluation	\$8,000
2014	Treatment Plant Building Water Leakage repairs	\$60,000
2014 2072	UV/Hypochlorite Disinfection System	\$300,000
2014 1922	Peaks Island R&R	\$10,000
2015 2035	Peaks Island R&R	\$20,000
2016 2190	Peaks Island R&R	\$20,000
2017 2323	Peaks Island R&R	\$20,000
2018 2323	Peaks Island R&R	\$20,000
Total Cost, All Years:		\$458,000

Previous Years on CIP: 2007 - present**Related Projects:****Procurement Issues:**

Subprogram # 424 Cape Elizabeth WWTF - R&R**Division:** Wastewater - Cape Elizabeth**Manager:** Waterman, Robert**Funding:** R & R - Wastewater**Priority:** Routine replacement**Description:**

This account will provide for the timely routine replacement of equipment at the Cape South Treatment Plant. This facility was brought on line in 1988.

Justification / Impact:

Physical assets require scheduled maintenance and eventual replacement. This project provides funding for the efficient and timely replacement of equipment using renewal and replacement(R&R) funds. Planned upgrades will ultimately lead to improved automation at the facility, allowing for the initiation of process changes from a remote location.

History:

This program has been used at most PWD wastewater systems in the past.

Budget Summary:

<u>Budget Year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2014	1906	Cape Elizabeth WWTF - R&R	\$20,000
2015	2394	Treatment Plant Effluent	\$115,000
2015	2389	Heating Boiler replacement	\$50,000
2015	2304	Security Improvements	\$25,000
2015	2032	Cape Elizabeth WWTF - R&R	\$20,000
2016	2184	Cape Elizabeth WWTF - R&R	\$20,000
2017	2262	Cape Elizabeth WWTF - R&R	\$20,000
2018	2055	WAS/RAS Piping Replacement at CEWWTF	\$50,000
Total Cost, All Years:			\$320,000

Previous Years on CIP: 2006**Related Projects:****Procurement Issues:**

Subprogram # 425 Watershed Security and Safety - Rt 35/237 Redesign

Division: Water - General

Manager: Johnson, Gordon

Funding: Land Reserve

Priority: Security of facilities

Description:

The District maintains critical water supply infrastructure in the lower bay of Sebago Lake. Major roadway routes run in very close proximity to this critical infrastructure and in the past have experienced very bad vehicle accidents. The District has had concerns regarding the potential contamination as a result of an accident. Working with MDOT the District is undertaking a Feasibility Study to evaluate a number of alternatives to accomplish improved vehicle safety and lake protection. If there is an alternative that is feasible, the District would be responsible for the difference in cost between rebuilding the road where it is and relocating to a safer location.

Justification / Impact:

Moving the intersection of 237/35 will reduce the probability on an accident that could contaminate the Sebago Lake.

History:

This project was initiated by the fact that the MDOT was preparing to Survey Route 35 from Chadbourne Landing to the RR Bridge for a complete reconstruction of that section of road.

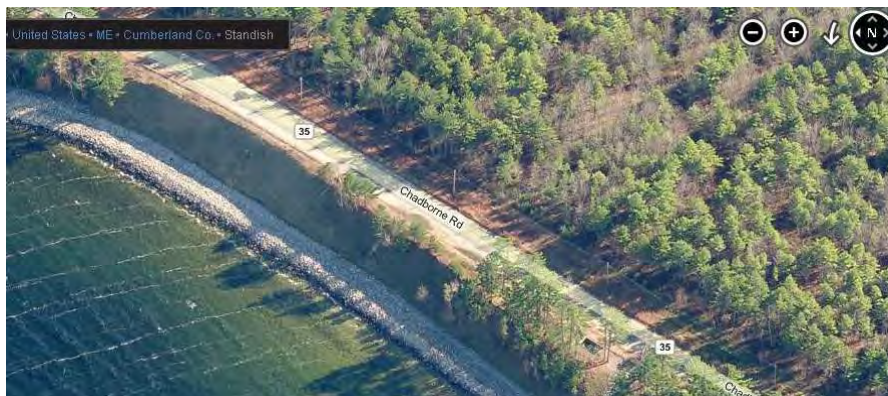
Budget Summary:

<u>Budget Year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2014	1668 Route 35/237 relocation	\$1,000,000
Total Cost, All Years:		\$1,000,000

Previous Years on CIP: None

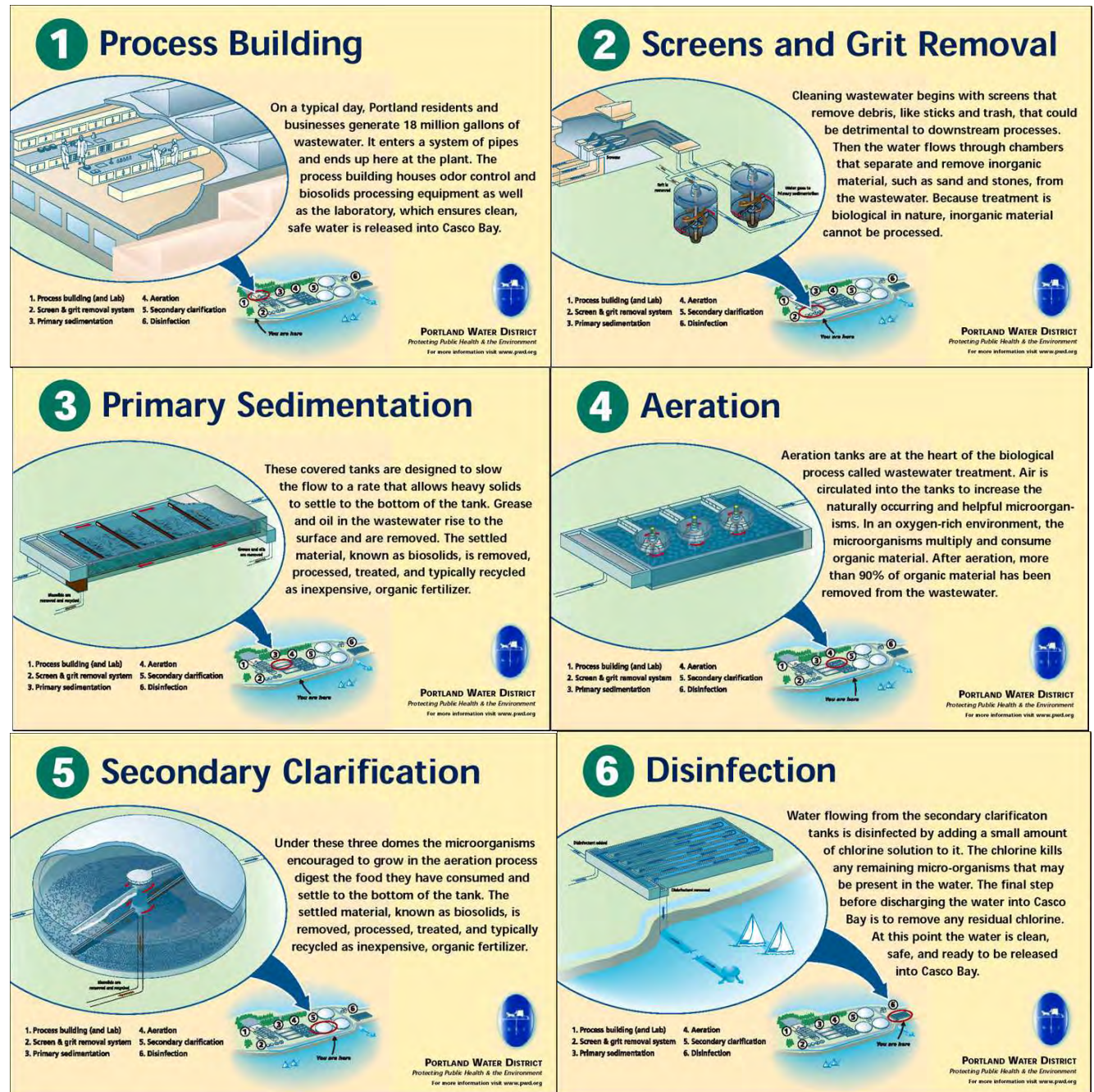
Procurement Issues: Collaborative Effort with Maine DOT

High Bank on Route 35



Portland's East End Wastewater Treatment Plant Upgrade

Table below shows the steps in treating wastewater resulting in clean water being returned to Presumpscot River and Casco Bay. In 2014, a preliminary study and design will examine the aeration tanks at an estimated cost of \$1 million, which are a key component of the treating wastewater. The conceptual engineering estimate for construction is greater than \$8 million.



Introduction

The District has the responsibility to manage their financial resources by establishing and following prudent financial policies and procedures. A summary of the significant financial policies are listed below. The district is in compliance with the policies except where noted below. Each policy is designated as being adopted by law (District's Charter, Maine Public Utilities Commission rules), Board or Management.

Significant Financial Policies

Accounting, Auditing, and Financial Reporting:

Basis of Accounting (Charter)

The District maintains its accounting records and reports on its financial conditions and results of operations in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GAAP). The District uses accrual accounting for financial reporting and budget preparation (see Budgeting and Financial Planning section for difference between GAAP and Budget).

Fund Structure (Charter)

As required by the District's charter, seven-supporting enterprise funds will be maintained – one fund for water service and six funds for each of the communities we provide wastewater service. Revenues and expenses that are solely for the benefit of that fund are allocated directly to the enterprise fund. Enterprise funds, used for business-like activities, operate on an accrual basis. The accrual basis of accounting used by enterprise funds requires revenue to be recognized when it is earned and expenses to be recognized when the related benefit is received.

By contract, the District provides billing and meter reading services to three communities. Related costs are recorded in the appropriate fund.

Costs that benefits more than one funds are recorded in an allocated fund. The balance in each fund is fully allocated to the appropriate enterprise or contracted utility billing funds. A detail explanation of the allocation methods used is provided on subsequent pages (see Cost Allocation Policy Detail on subsequent pages).

Annual Audit (Charter)

Annual audit shall be conducted each year by the June 30. The Board of Trustees shall appoint auditor.

2013-2014 Policy Changes

Water Revenue: Amends annual adjustment to reflect small incremental increase at rate of inflation + 1%. Additional 1% is used to fund capital reserve. Impacts 2014 by increasing water revenues by 1% and capital investment in water main by \$2 million.

Pension: Amends investment parameters to allow a more diverse portfolio with shift from bonds to international and alternative investment options. Also, provides guidance on the amount of future pension plan funding contributions. Assumption for future investment returns decreased to 7% from 7.5% Impacts 2014 by increasing the pension liability by \$1 million and annual required contribution in 2014 by \$40,000.

Transportation Costs Allocation: Revised practice to allocate costs based on a 40-hour per week standard. No bottom-line impact to the 2014 budget but shifted costs between departments/funds.

Significant Financial Policies (continued)

Financial Planning Policies:

Financial Reporting (Management)

Monthly financial reports should be distributed to the Board of Trustees and Management for their review. The report should include a comparison of actual results to budget with variance noted and explained.

Budgeting and Financial Planning (Management)

The budget is consistent with GAAP except for the following items:

- Depreciation, being a non-cash expense, is not budgeted,
- Contributions to asset renewal and replacement cash reserve is budgeted,
- Principal Payments are included in the budget,
- Contributed assets are not included in the operating or capital budget, and
- Net proceeds of asset sales are not recorded in the budget.

The external GAAP-based financial statements include Falmouth as a stand-alone fund. For budget purposes, it is not considered a fund since the only service provided is wastewater utility billing services done by contract. The policy notes that a balanced budget is a budget that has total expenditures equal to total revenues, including use of fund balance.

The Board must authorize any amendment to the operating budget that results in a net increase in the total net operating budget. The general manager and treasurer are authorized to approve transfers between department and funds. All capital projects must be approved by the Board of Trustees. The upcoming year's projects listed in the Capital Expenditure section of this document are approved when the document is adopted. As long as the actual costs are at or below the approved amount and it is awarded to the lowest bidder, the project does not need additional Board approval.

The policy requires the preparation of a multi-year projection of operating and capital expenses. The budget must be completed so the wastewater communities can be assessed the annual estimated costs by January 15th. The budget year is January 1 to December 31.

Balanced Budget (Charter)

A balanced operating budget is a budget that has total expenditures equal to total revenues, including use of fund balance. A balanced capital budget is a budget that has total expenditures that do not exceed available renewal /replacement fund amounts and external financing (bonds, grants or contributions).

Significant Financial Policies (continued)

Financial Planning Policies (continued):

Long –Range Planning (Management)

Capital Improvements Plan

A five-year capital improvement plan will be updated annually. The Board may authorize capital expenditures in the upcoming year as long the staff awards the project to lowest bidder and the total project budget is within the amount in the capital improvement plan.

Operating Budget

Operating projections of at least three future years are created. For the water fund, the projection is used to decide the appropriate water rate adjustment to consider. For most communities, wastewater services are a joint effort of the District providing treatment and interception service and the community providing collection and storm drain services. The District's projected assessment of our cost and their internal costs are considered when determining the appropriate sewer rate. All funds incorporate the recommendations of the capital improvement plans and operational evaluations/studies when projecting operating costs.

Asset Inventory (Management)

The District utilizes an asset management system that identifies the District assets. All employees must record their time to work orders and the applicable asset they are working on. Assets classifications are being reviewed for accuracy and completeness with review focusing on the most important assets. Condition rating of assets has been done on some assets and efforts will continue on critical assets. Asset evaluation studies are completed periodically on critical assets.

Revenue Policies:

Water Rates (General – Maine Public Utilities; Timing - Board)

Water rates are established to provide sufficient revenues to fully support the operation of the water fund's activities. In 1994 and 2006, cost of service studies calculated for each customer class (e.g. – residential, commercial, etc.) the amount of revenues generated and costs incurred. The study indicated that some classes were subsidizing other classes. Recognizing the impact of changing rates to reflect the cost of service for each customer class would cause significant rate shock for some customers, the approach of gradually adjusting rates over the future rate adjustments was adopted. Cost of service studies should be done periodically, approximately every 10 years, or if significant financial or operational change occurs that may have shifted the costs to serve the different customer classes. The next cost of service study is planned for 2016. Generally, the Board has approved small annual rate adjustment near the increase in the consumer price index.

In 2013, a new Maine Public Utilities rule allowed for a funding through rates an infrastructure capital reserve. The rule allows the District to include an additional 10% in rates to fund a capital reserve. The 2014 budget assumes 1% of the proposed 3% water rate adjustment be dedicated to the capital reserve. The 1% will fund the debt service on \$2 million, 10-year bond for replacing aging water mains. Past practice is to issue 20 year bond to finance main renewal. **Management proposes an additional 1% be added for the next 10 years to fund the debt service of issuing \$2 million bonds annually. If accepted by the Board, the general guideline for water rate increases for the next 10 years would be modified to annual water rate adjustment at level close to the increase in consumer price index plus 1%.**

Significant Financial Policies (continued)

Revenue Policies (continued):

Wastewater Assessment (Charter)

Wastewater assessments are established to provide sufficient revenues to support the operation for each of wastewater funds' activities. By state law, the municipality must pay the district's assessment.

Service Fees (General - Maine Public Utilities; Timing - Management)

Fees for miscellaneous service should be based on the cost to provide the service. For water related fees, the District must file 'terms and conditions' (T&C) with the Maine Public Utilities Commission for their approval. The T&C includes the fees for any service the District requires customers to obtain from the District. The District intends to file updated T&C at least every two years to assure the fees assessed covers the costs of providing the service. Updated T&C are scheduled to be filed by November 1, 2011.

Investments (Board)

Operating fund investments must be invested with the primary objective, in priority order, of safety, liquidity and yield. Investments should be made in securities that are backed directly or indirectly by the federal government. Currently, we are in compliance with the policy.

Pension funds' investments will be primarily invested in a diversified portfolio of equity and debt securities within guidelines established in the policy. **The policy was revised in 2013 to reduce the bond weight and increase the international equities and alternative weight.**

	Minimum <u>Weight</u>	Target <u>Weight</u>	Maximum <u>Weight</u>
US Equities	30%	40%	50%
International Equities	10%	25%	30%
Bonds	20%	25%	40%
Alternatives	0%	10%	15
Cash & Equivalents	0%	0%	30%

Use of One-time/Unpredictable Revenue (Board)

The District's Board has established a fund to collect the net proceeds of water land sales. The fund is dedicated to future investment in protecting the watershed land. Unexpected water net income is typically allocated to contingency or rainy day fund. However, the Board considers whether any portion should be allocated to the watershed land fund. The Board has established a goal of 25% and 15% of operating expense for the contingency and watershed land funds, respectively. Unexpected wastewater net income is retained in the individual funds contingency fund.

Significant Financial Policies (continued)

Expenditure Policies:

Debt (Board)

Debt may be issued for capital expenditures only. There is no legal limit for the amount of debt the District can issue. However, the Board has set a maximum target for debt service in any fund to 35% of total budget. In addition, operating revenue available for debt service should be at least 125% of the annual debt service. The District is in compliance with the policy with the exception that the Gorham and Windham wastewater funds are above the 35% limit due to construction of the Little Falls Conveyance system in 2009 at the request of the Towns of Windham and Gorham. Debt will not be issued for longer than the useful life of the assets being financed. The average duration of outstanding debt should be 10 years or less.

Reserve Balances (Board)

Each operating fund has a target balance of 25% of annual net operating budget. The Water fund currently does not meet the target but is expected to increase its surplus balance to 19.5% by the end of 2014. The Wastewater funds meet the operating fund balance target, except for Cape Elizabeth – the fund is projected to be at 14.7%, \$141,681 under the target balance, at the end of 2014.

Each fund has a cash reserve fund for the renewal and replacement of fixed assets. The target balance for the water and wastewater funds are 1% and 3%, respectively, of gross fixed asset costs. The Water fund meets its goal while the wastewater funds combined are at 23% of the goal. Also, the Water fund has a target balance of 15% of the annual net operating budget for a watershed land reserve. Currently that reserve is at 8.8%.

Capital Expenditures (Board)

A capital expenditure is a project with a cost of \$10,000 or more and has a useful life greater than three years. An exception is made for certain assets annually purchased in bulk that exceed the \$10,000 amount in a year. For example, individual hydrants, meters and service lines costs less than \$10,000 but total annual purchases exceed \$10,000.

All capital expenditures must be approved by the Board of Trustees. An annual capital improvement plan is reviewed and approved by the Board and provides authorization for capital expenditures as long as the project costs is not exceeded and the lowest bid is accepted. If project cost is anticipated to exceed budget or the lowest bid is not accepted, the Board must specifically authorize. Emergency capital expenditures must be approved by the General Manager who must inform the Board of the expenditure.

Purchasing (Board)

The policy outlines the requirements for obtaining competitive pricing and the formal bidding processes. It also establishes authorization levels for operating expenses including the requirement that expenses greater than \$50,000 be approved by the Board. Amounts less than \$50,000 must be included in the Board approved budget. We are in compliance with the policy.

Significant Financial Policies (continued)

Expenditure Policies (continued):

Pension Funding Policy (Board)

The Board voted to fully fund the District's defined benefit plan by contributing at least the annual required contribution as calculated by the actuary. **Because of new accounting rules going into effect in 2015, the Board adopted a new pension funding policy.** The policy states the Districts intention to adequately fund the pension plan and contribute at least the actuarially determined contribution consistent with assumption used to calculate the pension expense under the new accounting rule, except to spread out the funding for impact of changes of the benefits negotiated as part of the three-year union contract over the life of the union contract. The policy states the District will fund \$1 million a year, assuming the \$1 million is greater than the actuarially determined contribution.

Risk Management Policies

Maine Tort Claims Act (State Law)

As a public entity, the District's liability for third party tort claims is limited by the provisions of the Maine Tort Claims Act. The Act provides that the District is immune from claims, unless the Act provides a specific exception from immunity. In the District's case, the exception most likely to affect the District is one making the District liable for negligent use of machinery and equipment. Should the District be liable for a claim under the provisions of the Act, its liability is capped by the Act at \$400,000. The immunity provided public entities by the Tort Claims Act help keeps the cost of the District's insurance lower, allowing the District to pass this savings to its rate payers.

Property and Liability Insurance (Board)

Property and liability insurance is purchased to cover building and personal property losses including losses due to flood and earthquakes. Certain liability claims are limited under the Maine Tort Claim Act to \$400,000. Board adopted change to limit insurance on claims covered by the Tort Claim Act to the Act limit.

Safety Program (Management)

A full-time safety officer and executive safety team oversee various safety policies including confined space entry, electrical safety, ergonomic for video display terminals, fall protection, hazard communication and safety commitment policies. A safety incentive policy outlines an employee award program recognizing good safety performance.

Employee Management (Management)

A three-person Employee Services department oversees the district's employee relations management and practices. Over 60 policies have been created to guide management and employees with one goal of reducing the District's risk to losses.

In-House Legal Counsel (Board)

In 2006, the Board authorized hiring in-house legal counsel. Legal counsel participate actively participates in overseeing the district's operation, including reviewing all contracts, and proactively identifying ways to reduce or avoid legal issues.

Cost Allocation Policy Detail

The District has one water fund and six wastewater funds (Cape Elizabeth, Cumberland, Gorham, Portland, Westbrook and Windham). In addition, the District also provides billing and/or meter reading services to three other municipalities (Falmouth, Scarborough and South Portland).

It is the District's policy to directly assign expenses to a fund/municipality whenever possible. However there are some expenses, such as paid time off or work done by administrative personnel, where such an assignment is not possible. In such cases, an allocation of that cost must be done.

In 1995, the District engaged an outside consultant to review and update its cost allocation process. Since that time, organizational and other changes have necessitated updates and modifications. The changes that were made used the guidelines from the 1995 study. The current allocations were reviewed and approved by the District's current auditors during 2013.

Currently the District uses the following methods to allocate costs:

- Customers Served
- Direct Labor
- General Allocation Percentage
- Gross Asset Value
- Meter Equivalent Units
- Relative Benefits
- Square Footage Utilized

A description of each method, the percentages used in the 2014 Budget and the dollars allocated, are of the following pages.

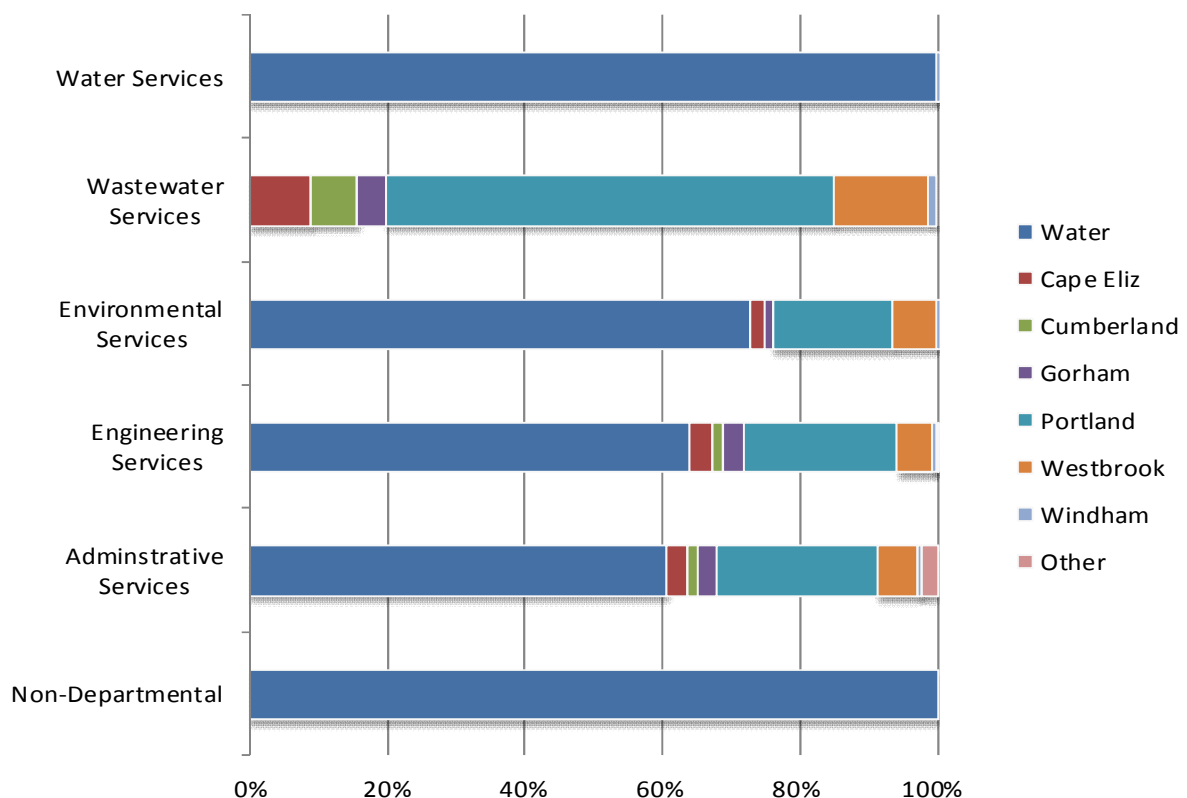
Each financial transaction is assigned a cost center number when the transaction is recorded in the financial system. The fund number indicates whether it is a 'direct' charge to the fund or an 'indirect' charge that will be allocated. Each department's costs are broken down into the fund category in Operating Expense section (see pages 110-113,125-128,139-140,149-151 and 161-15). All costs ultimately are assigned to the one of the seven enterprise funds or three contract billing municipalities.

Fund	Description	Fund	Description
10	Allocated to All Direct Funds	56	Gorham Wastewater (Little Falls)
20	Water –members	57	Portland Wastewater
30	Water –nonmembers	59	South Portland Contracted Billing
50	Allocated to All Wastewater Funds	61	Gorham Wastewater (Village)
51	Cape Elizabeth Wastewater	62	Westbrook Wastewater
53	Cumberland Wastewater	64	Allocated to Gorham/Westbrook/Windham
54	Falmouth Contracted Billing	65	Allocated to Gorham/Windham WW
55	Windham Wastewater	66	Portland Wastewater (Peaks Island)

Relation of Functional Units (Departments) to Funds

As expenses are incurred, each department charges a cost center which indicates to what fund the expenditure belongs. The totals below show how the costs for each department are spread across the organization. Not surprisingly 99.8% of the costs of the Water Services department are assigned to the Water Fund and 99.8% of the Wastewater Services department costs go the Wastewater funds. The expenditures of the remaining departments assign between 60.6% and 72.9% of costs to the Water Fund with the remaining going to the Wastewater funds.

Department	Dept Exp	Water	Cape Eliz	Cumber	Gorham	Portland	Westbr	Windham	Other
Water Svcs	\$7,704,198	99.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Wastewater Svcs	\$8,930,589	0.2%	8.9%	6.6%	4.3%	65.1%	13.7%	1.2%	0.0%
Environmental Svcs	\$1,854,185	72.9%	2.0%	0.0%	1.2%	17.6%	6.2%	0.1%	0.0%
Engineering Svcs	\$3,878,479	63.9%	3.4%	1.6%	2.9%	22.5%	4.9%	0.6%	0.2%
Administrative Svcs	\$5,071,114	60.6%	3.1%	1.7%	2.5%	23.4%	5.8%	0.7%	2.2%
Non-Departmental	\$367,689	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Department	\$27,806,254								
(less) Trans Exp	-\$893,706								
Operating Expense	\$26,912,548	\$14,348,359	\$1,093,815	\$729,315	\$630,705	\$8,031,035	\$1,781,856	\$165,355	\$132,108



Customers Served

This method determines the ratio of customers per fund to the total number of customers served based on the average total number of water and sewer customers.

The costs for Customer Service have three different allocations (general, billing and meter reading costs) that vary slightly. Falmouth has flat billings for their sewer customers; therefore their general needs are limited (compared with sewer bills based on usage) and they do not utilize meter reading data. In addition, Scarborough does its own billing and payment processing utilizing the District's meter reading data, thus they have no general or billing expenses.

Most dollars allocated were relatively unchanged; Billing (F1) decreased \$14,761 due to the increase in paperless bills reducing both printing and postal costs.

Sub-Groups Using Method:

F1 – Customer Service

H1 – Financial Services (payment processing)

2014 Alloc. %:

	General F1	Billing F1	Mtr Read F1	Pymts H1
Water	67.23%	67.47%	68.84%	65.83%
Cape Eliz	2.15%	2.05%	2.05%	2.15%
Cumberland	1.00%	0.96%	0.96%	1.00%
Falmouth	0.36%	1.74%	0.00%	1.83%
Gorham	1.54%	1.47%	1.47%	1.54%
Portland	16.10%	15.26%	15.26%	16.04%
Scarborough	0.00%	0.00%	0.37%	0.00%
So Portland	7.39%	7.00%	7.00%	7.36%
Westbrook	4.18%	4.00%	4.00%	4.20%
Windham	0.05%	0.05%	0.05%	0.05%
	100.00%	100.00%	100.00%	100.00%

2013 Alloc. %:

	General F1	Billing F1	Mtr Read F1	Pymts H1
Water	67.23%	67.26%	68.61%	65.77%
Cape Eliz	2.15%	2.06%	2.06%	2.15%
Cumberland	1.00%	0.95%	0.95%	1.00%
Falmouth	0.36%	1.72%	0.00%	1.82%
Gorham	1.54%	1.46%	1.46%	1.54%
Portland	16.10%	15.41%	15.41%	16.10%
Scarborough	0.00%	0.00%	0.37%	0.00%
So Portland	7.39%	7.08%	7.08%	7.39%
Westbrook	4.18%	4.01%	4.01%	4.18%
Windham	0.05%	0.05%	0.05%	0.05%
	100.00%	100.00%	100.00%	100.00%

Dollars Alloc. :

	General F1	Billing F1	Mtr Read F1	Pymts H1
Water	\$569,464	\$208,557	\$59,690	\$101,219
Cape Eliz	18,211	6,337	1,778	3,306
Cumberland	8,470	2,967	832	1,538
Falmouth	3,049	5,379	0	2,814
Gorham	13,044	4,544	1,275	2,368
Portland	136,373	47,170	13,232	24,663
Scarborough	0	0	321	0
So Portland	62,596	21,638	6,070	11,317
Westbrook	35,406	12,364	3,468	6,458
Windham	425	155	43	77
	\$847,038	\$309,110	\$86,708	\$153,758

Dollars Alloc. :

	General F1	Billing F1	Mtr Read F1	Pymts H1
Water	\$569,083	\$217,835	\$62,069	\$100,287
Cape Eliz	18,199	6,672	1,864	3,278
Cumberland	8,465	3,077	859	1,525
Falmouth	3,047	5,571	0	2,775
Gorham	13,036	4,729	1,321	2,348
Portland	136,282	49,908	13,941	24,550
Scarborough	0	0	335	0
So Portland	62,554	22,930	6,405	11,268
Westbrook	35,383	12,987	3,628	6,374
Windham	423	162	45	76
	\$846,472	\$323,871	\$90,466	\$152,481

Direct Labor

This method calculates the ratio of labor dollars directly charged by the area to specific funds.

Sub-Groups Using Method:

B1 – Wastewater Administration

B3 – East End (Portland) Wastewater Treatment

B4 – Westbrook Regional (including Gorham & Windham), Cape Elizabeth, Peaks Island (Portland) Wastewater Treatment

C1 – Facilities Services

E3 – New Mains & Construction

E7 – Instrumentation (general wastewater)

L6 – Laboratory

L9 – Water/Wastewater Systems

The allocated costs for the wastewater groups (B3, B4 & L9) are up due to the inclusion in the allocation of standby vehicle costs (direct costs are down). Allocated costs for C1 & E7 are lower due to more labor, and related benefits, being directly charged to operating divisions (C1) or other allocations (E7).

2014 Allocation %:	B1	B3	B4	C1	E7	L6	L9
Water	0.00%	0.00%	0.00%	71.91%	0.00%	36.26%	0.00%
Cape Elizabeth	11.14%	4.11%	17.62%	2.50%	11.14%	5.00%	11.14%
Cumberland	3.05%	0.00%	0.00%	0.52%	3.05%	0.00%	3.05%
Gorham	5.66%	0.73%	8.55%	1.90%	5.66%	3.00%	5.66%
Portland	63.97%	90.66%	21.34%	18.96%	63.97%	40.70%	63.97%
Westbrook	14.40%	4.38%	51.09%	4.12%	14.40%	14.77%	14.40%
Windham	1.78%	0.12%	1.40%	0.09%	1.78%	0.27%	1.78%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Dollars Allocated:	B1	B3	B4	C1	E7	L6	L9
Water	\$0	\$0	\$0	\$92,137	\$0	\$87,299	\$0
Cape Elizabeth	17,956	11,202	19,753	3,203	6,452	12,038	52,061
Cumberland	4,916	0	0	666	1,767	0	14,254
Gorham	9,123	1,990	9,585	2,434	3,278	7,223	26,451
Portland	103,111	247,107	23,923	24,293	37,051	97,989	298,954
Westbrook	23,211	11,938	57,273	5,279	8,340	35,560	67,296
Windham	2,869	274	1,326	30	1,170	745	6,269
	\$161,186	\$272,564	\$112,103	\$128,128	\$57,919	\$240,758	\$467,335
2013 Allocation %:	B1	B3	B4	C1	E7	L6	L9
Water	0.00%	0.00%	0.00%	76.70%	0.00%	34.00%	0.00%
Cape Elizabeth	11.50%	3.22%	22.34%	2.19%	11.50%	6.61%	11.50%
Cumberland	2.66%	0.00%	0.00%	0.83%	2.66%	0.00%	2.66%
Gorham	4.44%	0.70%	7.85%	0.89%	4.44%	2.63%	4.44%
Portland	65.26%	91.40%	17.27%	18.00%	65.26%	42.25%	65.26%
Westbrook	14.61%	4.56%	51.15%	1.37%	14.61%	14.21%	14.61%
Windham	1.53%	0.12%	1.39%	0.02%	1.53%	0.30%	1.53%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Dollars Allocated:	B1	B3	B4	C1	E7	L6	L9
Water	\$0	\$0	\$0	\$114,999	\$0	\$84,466	\$0
Cape Elizabeth	19,552	7,342	21,308	3,284	8,792	16,421	47,120
Cumberland	4,522	0	0	1,244	2,034	0	10,899
Gorham	7,549	1,596	7,487	1,334	3,394	6,534	18,193
Portland	110,953	208,393	16,472	26,988	49,890	104,961	267,399
Westbrook	24,840	10,397	48,787	2,054	11,169	35,302	59,864
Windham	2,601	274	1,326	30	1,170	745	6,269
	\$170,017	\$228,001	\$95,381	\$149,934	\$76,448	\$248,428	\$409,743

General Allocation Percentage

The ratio is calculated by determining each fund's operating budget (total expenditures less other/interest income) as a percentage to the total operating budget.

Sub-Groups Using Method:

E7 – Instrumentation

H1 – Financial Services

J1 – General Manager's

G1 – Information Service

I1 – Employee Services

Office

The E7 allocation is up as allocated labor, and related benefits, were shifted from general wastewater to the overall general category. The increase in H1 and decrease in J1 have to do with a headcount shift between the groups.

2014 Allocation %:	E7	G1	H1	I1	J1
Water	54.57%	54.57%	54.57%	54.57%	54.57%
Cape Elizabeth	3.65%	3.65%	3.65%	3.65%	3.65%
Cumberland	1.99%	1.99%	1.99%	1.99%	1.99%
Gorham	3.02%	3.02%	3.02%	3.02%	3.02%
Portland	28.86%	28.86%	28.86%	28.86%	28.86%
Westbrook	6.95%	6.95%	6.95%	6.95%	6.95%
Windham	0.96%	0.96%	0.96%	0.96%	0.96%
	100.00%	100.00%	100.00%	100.00%	100.00%
Dollars Allocated:	E7	G1	H1	I1	J1
Water	\$72,934	\$536,616	\$418,594	\$229,896	\$764,839
Cape Elizabeth	4,878	35,892	27,998	15,377	51,157
Cumberland	2,660	19,569	15,265	8,384	27,891
Gorham	4,036	29,697	23,166	12,723	42,328
Portland	38,572	283,796	221,378	121,583	404,494
Westbrook	9,289	68,343	53,312	29,279	97,409
Windham	1,283	9,440	7,364	4,044	13,456
	\$133,652	\$983,353	\$767,077	\$421,286	\$1,401,574

2013 Allocation %:	E7	G1	H1	I1	J1
Water	55.60%	55.60%	55.60%	55.60%	55.60%
Cape Elizabeth	3.14%	3.14%	3.14%	3.14%	3.14%
Cumberland	1.96%	1.96%	1.96%	1.96%	1.96%
Gorham	2.96%	2.96%	2.96%	2.96%	2.96%
Portland	28.43%	28.43%	28.43%	28.43%	28.43%
Westbrook	6.95%	6.95%	6.95%	6.95%	6.95%
Windham	0.96%	0.96%	0.96%	0.96%	0.96%
	100.00%	100.00%	100.00%	100.00%	100.00%
Dollars Allocated:	E7	G1	H1	I1	J1
Water	\$63,717	\$540,881	\$381,885	\$236,469	\$813,762
Cape Elizabeth	3,598	30,546	21,567	13,355	45,957
Cumberland	2,246	19,067	13,462	8,336	28,687
Gorham	3,392	28,795	20,331	12,589	43,323
Portland	32,580	276,569	195,270	120,914	416,102
Westbrook	7,965	67,610	47,736	29,559	101,720
Windham	1,100	9,339	6,594	4,083	14,051
	\$114,598	\$972,808	\$686,844	\$425,304	\$1,463,602

Gross Asset Value

The allocation percentage is each fund's gross (fixed) asset value as a ratio to all gross assets. Costs allocated include those that involve all District assets (All) or in some cases only wastewater assets (WW). The same asset values are used in both calculations except that the Water assets are removed for the wastewater calculations.

Sub-Group Using Method:

E2 – Planning and Design

Allocated costs for all divisions rose due to a labor (and benefits) shift away from the Water fund to more general costs due to a change in department positions and responsibilities.

2014 Allocation %:

	All	WW
Water	62.31%	0.00%
Cape Elizabeth	3.68%	9.76%
Cumberland	1.81%	4.81%
Falmouth	0.00%	0.00%
Gorham	3.94%	10.46%
Portland	22.76%	60.39%
Westbrook	4.80%	12.73%
Windham	0.70%	1.85%
	100.00%	100.00%

2013 Allocation %:

	All	WW
Water	61.93%	0.00%
Cape Elizabeth	3.70%	9.72%
Cumberland	1.77%	4.65%
Falmouth	0.00%	0.00%
Gorham	4.01%	10.53%
Portland	23.07%	60.59%
Westbrook	4.81%	12.64%
Windham	0.71%	1.87%
	100.00%	100.00%

Dollars Allocated:

	All	WW
Water	\$506,061	\$0
Cape Elizabeth	29,888	22,306
Cumberland	14,700	10,993
Falmouth	0	0
Gorham	31,999	23,906
Portland	184,849	138,020
Westbrook	38,984	29,094
Windham	5,685	4,229
	\$812,166	\$228,548

Dollars Allocated:

	All	WW
Water	\$399,657	\$0
Cape Elizabeth	23,877	25,097
Cumberland	11,422	12,006
Falmouth	0	0
Gorham	25,878	27,188
Portland	148,879	156,441
Westbrook	31,041	32,636
Windham	4,582	4,828
	\$645,337	\$258,196

Meter Equivalent Units

This calculation takes each meter and assigns a weight based on its size to determine a value of meter service provided to each fund.

Sub-Group Using Method:

A6 – Utility Services (meter service)

It is anticipated that the majority of the meter hardware costs going forward will involve the replacement of the “newer meters” that were not changed out during the recent meter capital project. Thus most of the meter costs will shift from operating expense to capital.

2014 Allocation %:

	A6
Water	65.56%
Cape Elizabeth	1.77%
Cumberland	0.88%
Gorham	1.46%
Portland	17.34%
Scarborough	1.15%
South Portland	7.64%
Westbrook	4.12%
Windham	0.08%
	100.00%

2013 Allocation %:

	A6
Water	65.51%
Cape Elizabeth	1.78%
Cumberland	0.88%
Gorham	1.45%
Portland	17.37%
Scarborough	1.16%
South Portland	7.66%
Westbrook	4.11%
Windham	0.08%
	100.00%

Dollars Allocated:

	A6
Water	\$90,842
Cape Elizabeth	2,453
Cumberland	1,219
Gorham	2,023
Portland	24,027
Scarborough	1,593
South Portland	10,586
Westbrook	5,709
Windham	111
	\$138,563

Dollars Allocated:

	A6
Water	\$119,002
Cape Elizabeth	3,233
Cumberland	1,599
Gorham	2,634
Portland	31,553
Scarborough	2,107
South Portland	13,915
Westbrook	7,466
Windham	145
	\$181,655

Relative Benefits

This method of allocation is based upon management's assessment of the benefit received by the departments and funds from the areas providing the service. Customer Service (control/dispatch) allocation assumes most work (95%) will involve the Water fund; the remaining dollars are allocated to wastewater funds based on the number of pump stations in each community. The Laboratory wastewater split was determined by the number of tests run for each community.

Sub-Groups Using Method:

F1 – Customer Service (control/dispatch center)

L6 – Laboratory (general wastewater)

Costs for F1 are relatively flat. The L6 costs declined 4.0% as labor and benefit charges shifted to more direct charging operating divisions.

2014 Allocation %:

	F1	L6
Water	95.00%	0.00%
Cape Elizabeth	1.89%	9.65%
Cumberland	0.90%	0.00%
Gorham	0.68%	3.40%
Portland	1.07%	66.13%
Westbrook	0.19%	20.30%
Windham	0.27%	0.52%
	100.00%	100.00%

Dollars Allocated:

	F1	L6
Water	\$206,319	\$0
Cape Elizabeth	4,105	24,109
Cumberland	1,955	0
Gorham	1,477	8,494
Portland	2,324	165,218
Westbrook	413	50,717
Windham	585	1,300
	\$217,178	\$249,838

2013 Allocation %:

	F1	L6
Water	95.00%	0.00%
Cape Elizabeth	1.89%	11.10%
Cumberland	0.90%	0.00%
Gorham	0.68%	2.80%
Portland	1.07%	67.50%
Westbrook	0.19%	18.10%
Windham	0.27%	0.50%
	100.00%	100.00%

Dollars Allocated:

	F1	L6
Water	\$205,684	\$0
Cape Elizabeth	4,092	29,120
Cumberland	1,949	0
Gorham	1,472	7,346
Portland	2,317	177,083
Westbrook	411	47,484
Windham	585	1,312
	\$216,509	\$262,345

Square Footage Utilized

The costs of the Douglass Street administrative facility are charged to each area based of the square footage they occupy. Office space is charged out at a higher rate (five times higher) than warehouse space. The dollars are allocated to the sub-groups.

Overall costs were relatively flat with an overall increase of only 0.4%.

2014 Allocation %:

Water Operations	
A1 - Water Administration	2.68%
A2 - Transmission/Distribution	4.56%
A6 - Utility Services	1.41%
	8.65%
Environmental Services	
A5 - Water Resources	0.83%
	0.83%
Wastewater Operations	
B1 - WW Administration	0.83%
L9 - Water/WW Systems	4.60%
	5.43%
Engineering Services	
C1 - Facility Services	23.57%
E2 - Planning & Design	15.89%
E7 - Instrumentation	1.37%
	40.83%
Administration	
F1 - Customer Service	11.23%
G1 - Information Services	6.42%
H1 - Financial Services	8.62%
I1 - Employee Services	3.96%
J1 - BOT & Senior Management	14.03%
	44.26%
	100.00%

Dollars Allocated:

	\$
Water Operations	\$66,917
Environmental Services	6,421
Wastewater Operations	42,007
Engineering Services	315,863
Administration	342,398
	\$773,606

2013 Allocation %:

Water Operations	
A1 - Water Administration	2.69%
A2 - Transmission/Distribution	4.53%
A6 - Utility Services	1.40%
	8.62%
Environmental Services	
A5 - Water Resources	0.83%
	0.83%
Wastewater Operations	
B1 - WW Administration	1.60%
L9 - Water/WW Systems	4.58%
	6.18%
Engineering Services	
C1 - Facility Services	23.51%
E2 - Planning & Design	15.18%
E7 - Instrumentation	1.36%
	40.05%
Administration	
F1 - Customer Service	11.19%
G1 - Information Services	7.16%
H1 - Financial Services	8.03%
I1 - Employee Services	3.95%
J1 - BOT & Senior Management	13.98%
	44.31%
	100.00%

Dollars Allocated:

	\$
Water Operations	\$66,398
Environmental Services	6,393
Wastewater Operations	47,603
Engineering Services	308,497
Administration	341,311
	\$770,281

Vehicle Rates

Internal Transportation costs are charges the departments receive for the availability of District owned vehicles. Each type of vehicle and piece of equipment has an assigned hourly rate. Most vehicles are charged for 40 hours per week. Charges are either assigned directly to the task or to a “stand-by” account and later allocated. Transportation costs represent the expense of operating the garage and include labor, materials, occupancy and depreciation.

Overall costs were up 2.5% with most budget items remaining stable including fuel.

Vehicle Type	Rate	Active Hours	Stand-by Hours	Total Hours
Backhoe/Loader <19,501 GVW	\$40.85	2,449	-	2,449
Backhoe/Loader >=19,500 GVW	\$47.03	103	-	103
Car	\$3.88	365	-	365
Compressor	\$24.75	2,149	-	2,149
Dump Truck < 15,000 GVW	\$10.44	470	1,610	2,080
Dump Truck >= 40,000 GVW	\$17.89	2,483	3,757	6,240
Dump Truck 15,001- 40,000 GVW	\$13.42	2,032	6,289	8,321
Generator/Load Bank	\$42.08	343	-	343
Misc. Const. Equipment - Forklift, etc.	\$28.47	400	-	400
Misc. Trained Equipment	\$18.57	289	-	289
Pick-up Truck/SUV - Heavy - 7,501-10,000 GVW	\$5.07	6,648	8,137	14,785
Pick-up Truck/SUV - Light - < 6,000 GVW	\$3.88	2,605	3,631	6,236
Pick-up Truck/SUV - Medium - 6,001-7,500 GVW	\$4.18	11,020	14,388	25,408
Special Purpose - C - Crane, Sludge, etc.	\$55.70	775	188	963
Special Purpose - D - Jetvac, etc.	\$74.26	1,220	-	1,220
Utility Truck 10,001 - 14,000 GVW	\$5.96	4,573	1,668	6,241
Utility Truck 14,001 - 16,000 GVW	\$6.56	7,938	4,542	12,480
Utility Truck 16,001 - 19,500 GVW	\$7.16	4,928	3,802	8,730
Utility Truck 6,001 - 10,000 GVW	\$4.18	10,623	6,000	16,623
Van < 6,000 GVW	\$3.88	2,385	1,773	4,158
Van 6,001-7,500 GVW	\$4.18	1,439	639	2,078
Van 7,501-10,000 GVW	\$5.07	34,092	7,508	41,600
Total Hours		99,329	63,932	163,261

Sub-Group	2013 Budget	2014 Budget	\$ - Difference	% - Difference
A1 - Water Administration	\$1,066	\$599	(\$467)	-43.8%
A2 - Transmission/Distribution	524,602	553,336	28,734	5.5%
A3 - Water Treatment	47,128	38,002	-9,126	-19.4%
A5 - Water Resources	22,312	40,856	18,544	83.1%
A6 - Utility Services	190,101	166,372	-23,729	-12.5%
B1 - WW Administration	2,440	0	-2,440	-100.0%
B3 - Portland (East End) WWTF	55,628	86,015	30,387	54.6%
B4 - Westbrook/Cape/Peaks WWTPs	9,389	29,833	20,444	217.7%
C1 - Facility Services	56,428	49,813	-6,615	-11.7%
E2 - Planning & Design	33,364	30,447	-2,917	-8.7%
E7 - Instrumentation	27,445	26,056	-1,389	-5.1%
F1 - Customer Service	34,364	17,371	-16,993	-49.5%
I1 - Employee Services	0	762	762	n/a
J1 - BOT & Senior Management	1,066	0	-1,066	-100.0%
L6 - Water/WW Laboratory	4,138	772	-3,366	-81.4%
L9 - Water/WW Systems	230,595	233,473	2,878	1.2%
	\$1,240,066	\$1,273,706	\$33,640	2.6%

Joint Use Facilities – Operations and Maintenance Allocations

The District has two areas where wastewater flows from more than one community are combined. Costs associated with these combinations are allocated by the percentage of the flow contributed by each community. The areas of combined flow are:

Portland Water District Facilities:

Westbrook Regional – All of the wastewater from Gorham, Westbrook and Windham is treated at Westbrook Regional Wastewater Treatment Facility. In addition, one pump station handles the combined waste from all three communities. The budget for this area in 2014 is \$1,109,972 (up 1.0%).

Little Falls – The Little Falls areas of Gorham and Windham used to be a self-contained system with its own small treatment facility. Starting in 2008, wastewater from this area was conveyed to the Westbrook Regional Wastewater Treatment Facility. As it is presently constituted, wastewater from Windham moves into Gorham where it is combined with that community's flow until it joins with the Westbrook flow at the Westbrook town line. This area's budget is \$47,063 in 2014, up 15.9% (\$6,465) due to an increased workload for Wastewater Services (L9).

----- Westbrook Regional -----				----- Little Falls -----	
	Gorham	Westbrook	Windham	Gorham	Windham
2010	11.0%	86.7%	2.3%	15.0%	85.0%
2011	11.0%	86.7%	2.3%	15.0%	85.0%
2012	13.0%	84.7%	2.3%	15.0%	85.0%
2013	13.0%	84.7%	2.3%	15.0%	85.0%
2014	14.0%	83.7%	2.3%	15.0%	85.0%

Contracted Services Facilities:

South Portland – All of the wastewater from the Northern portion of Cape Elizabeth is treated at the South Portland Treatment Facility through a contractual agreement. Charges to the District are budgeted to be \$159,780 in 2014 (a 3.0% decrease).

Falmouth – All of the wastewater from Cumberland is treated at the Falmouth Treatment Facility through a contractual agreement. This cost is budgeted to increase 13.2% (to \$400,800) due to right of way clearing and other work planned by Falmouth in 2014.

----- South Portland -----			----- Falmouth -----		
	Cape Eliz	So Portland	Cumberland	Falmouth	Millcreek PS
2010	6.7%	93.3%	23.0%	77.0%	0.0%
2011	6.7%	93.3%	24.0%	76.0%	0.0%
2012	6.7%	93.3%	27.0%	73.0%	0.0%
2013	6.7%	93.3%	24.0%	76.0%	40.8%
2014	6.7%	93.3%	24.0%	76.0%	40.8%

Note: Starting in 2013 Millcreek Pump Station (PS) costs will be allocated to Cumberland at 40.8% whereas in prior years it was allocated based on the Cumberland flow ratio.

Joint Use Facilities – Capital Cost Sharing Allocations

The District has two areas where wastewater flows from more than one community are combined. Costs associated with these combinations are allocated by the percentage of the design flow contributed by each community. The areas of combined flow are:

Portland Water District Facilities:

Westbrook Regional – All of the wastewater from Gorham, Westbrook and Windham is treated at Westbrook Regional Wastewater Treatment Facility. In addition, one pump station handles the combined waste from all three communities.

System	--- Millions of Gallons/Day (MGD) ---				----- Flow Percentage -----		
	Westbrook	Gorham	Windham	Total	Westbrook	Gorham	Windham
Southside Interceptor above Manhole 60	0.16	1.06	0.12	1.34	12.0%	79.1%	9.0%
Manhole 60 up to and including Siphon	5.00	1.06	0.12	6.18	81.0%	17.2%	1.9%
Cottage Place Pumping Station & Force Main	2.12	0.70	0.06	2.88	73.7%	24.3%	2.1%
Westbrook Regional WWTF & Outfall	3.02	1.40	0.12	4.54	66.6%	30.8%	2.6%

Little Falls –The Little Falls areas of Gorham and Windham used to be a self-contained system with its own small treatment facility. Starting in 2008, wastewater from this area was conveyed to the Westbrook Regional Wastewater Treatment Facility. As it is presently constituted, wastewater from Windham moves into Gorham where it is combined with that community's flow until it joins with the Westbrook flow at the Westbrook town line.

Facility Name	----- Gallons/Day -----			-- Flow Percent --	
	Gorham	Windam	Total	Gorham	Windam
Gray Rd/Mallison St Gravity Sewer	63,500	53,500	117,000	54.3%	45.7%
Mallison St Pump Station (PS)/Flow Meter (FM)	84,000	100,000	184,000	45.6%	54.4%
Mosher Rd Gravity Sewer	145,000	100,000	245,000	59.2%	40.8%
Little River PS/FM	222,500	100,000	322,500	69.0%	31.0%
Mosher Rd & Cross Country Gravity Sewer	638,000	100,000	738,000	86.4%	13.6%
Industrial Park Gravity Sewer Upgrade	2,105,000	100,000	2,205,000	95.5%	4.5%
Woodlaw n Ave PS (Tow Path Rd) effective 2008	-	-	-	100.0%	0.0%
Fire Station (Route 202) PS	-	-	-	0.0%	100.0%
Androscoggin St PS	-	-	-	0.0%	100.0%

Contracted Services Facilities:

South Portland – All of the wastewater from the Northern portion of Cape Elizabeth is treated at the South Portland Treatment Facility through a contractual agreement.

--- Millions Gallons/Day (MGD) ---				----- Flow Percentage -----	
Facility Name	Cape Eliz	So Portland	Total	Cape Eliz	So Portland
Treatment Plant	0.716	8.584	9.300	7.7%	92.3%

Note: In Cape Elizabeth 1/13th of average design flow = 7.7% per Sewer Service Agreement dated 08/11/93.

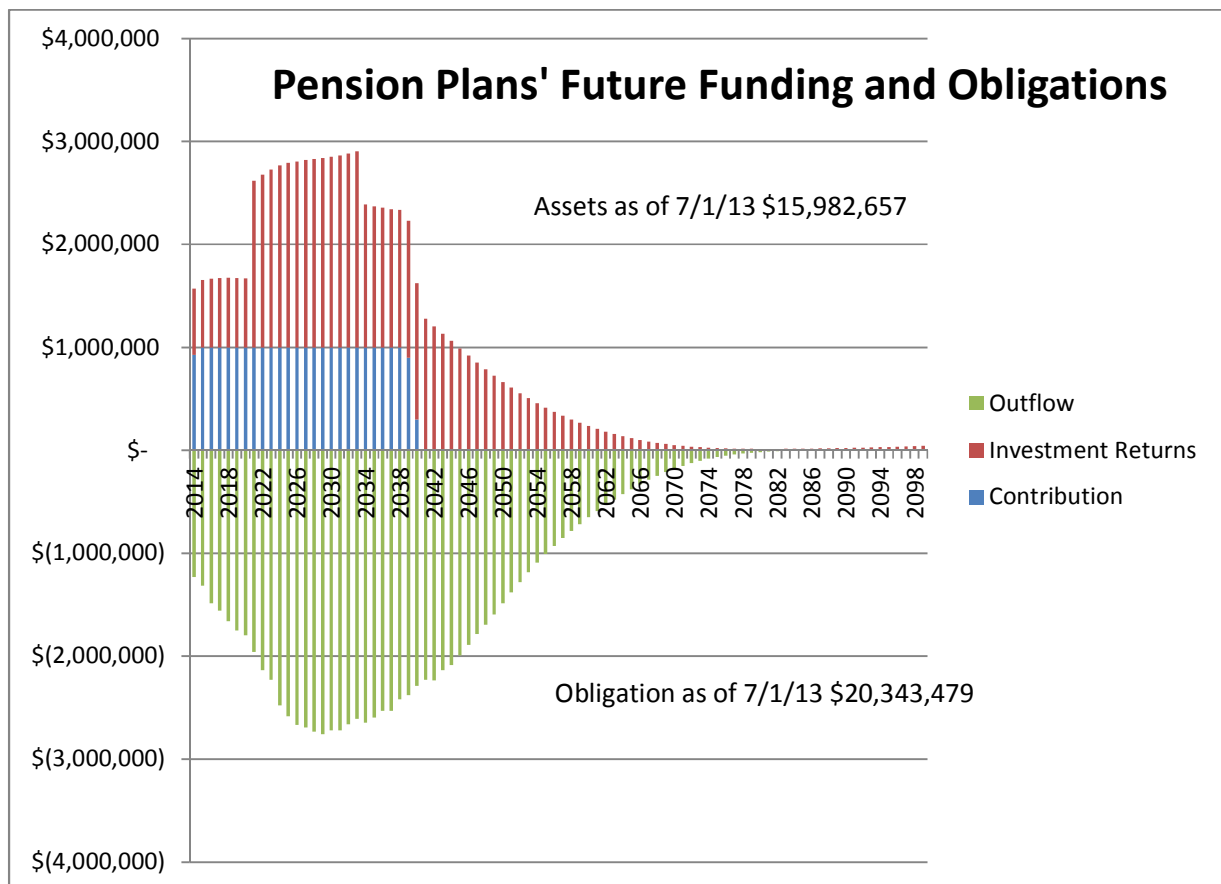
Falmouth – All of the wastewater from Cumberland is treated at the Falmouth Treatment Facility through a contractual agreement.

Millions of Gallons/Day (MGD)*				---- Flow Percentage ----	
Facility Name	Cumberland	Falmouth	Total	Cumberland	Falmouth
Route 88 Interceptor - Town Line to Millcreek PS	1.790	1.007	2.797	64.0%	36.0%
Millcreek PS & Force Main	1.076	1.998	3.074	35.0%	65.0%
Millcreek Interceptor	2.030	1.595	3.625	56.0%	44.0%
Treatment Facility (average design flow)	0.468	1.092	1.560	30.0%	70.0%
Cumberland Route 1 Sewer Extension to Johnson Rd PS	0.144	0.490	0.634	22.7%	77.3%
Existing Sewers & Mains - Johnson Rd to Millcreek	0.144	0.216	0.360	40.0%	60.0%
Johnson Road PS (gallons pumped per minute)	100	150	250	40.0%	60.0%

* = Peak flow unless noted otherwise

Defined Pension Plan's Funding Policy

The Board adopted a funding policy for the District's Pension Obligation. The District has two plans – a non-bargaining and bargaining unit plan. The plans are now closed to new employees. The graph below indicates the estimated pension payment outflows, projected investment returns and annual contributions. The funding policy was adopted in anticipation of the new accounting rule (GASB 68), which goes into effect in 2015.



Introduction

The appendix contains the following:

- Committed to our Communities
- Portland Economic Scorecard – Selected Detail charts
- Water Benchmark Data
- Customer Satisfaction Survey
- Board of Trustees' Orders and Resolutions
- Glossary
- Value of Water Campaign

Committed to our Communities



In 2013, the \$1,500 Joseph A. DiPietro Scholarship was awarded to Alyssa Marchant of South Portland. Marchant will attend the University of Southern Maine to study biology.



The Portland Water District's 12th Annual Charity Golf Classic raised over \$7,500 for worthy causes supported by United Way and MaineShare. PWD thanks all participants, volunteers, and sponsors for making the fundraiser a success.



In 2013, the Portland Water District launched a grant program to encourage the installation of water bottle filling fountains in convenient, high traffic locations. The program will award at least two water bottle filling fountains to local partners each year.



Our in-school education program, Hydrologics, typically reaches over 2,000 students a year at various schools within the watershed and service area. All lessons are environmentally themed and aim to raise awareness and promote stewardship.

Portland Economic Scorecard

The Portland Community Chamber issued 'Portland's Economic Scorecard 2012' to help understand how Portland is performing economically. A summary table is in the Introduction. Some of the details are listed below.

Regional Private Sector Employment Growth

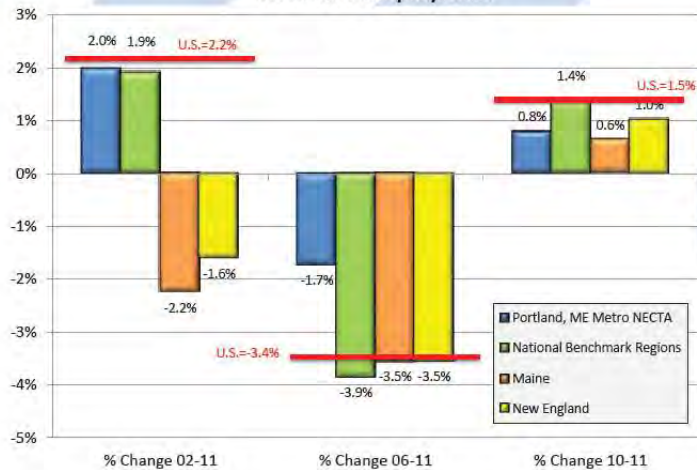


TARGET: Annual regional private sector growth will exceed national benchmarks.

Between 2010 and 2011, the Portland region's private non-farm employment increased by 0.8%, which was less than the 1.4% increase for the national benchmark regions.

From 2006-11, the Portland region experienced a 1.7% decrease in private non-farm employment. This decrease was less than that of the comparison geographies. The decrease for the national benchmark regions was 3.9% and 3.5% for Maine and New England. Over the last 9 years, from 2002-2011, the Portland region (2.0%) exceeded all of the comparison geographies in private employment growth.

Percent Change in Total Regional Private Non-Farm Employment

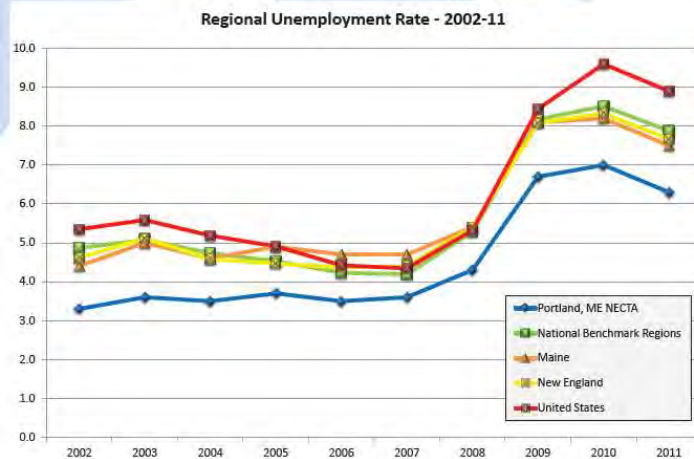


Regional Unemployment Rate



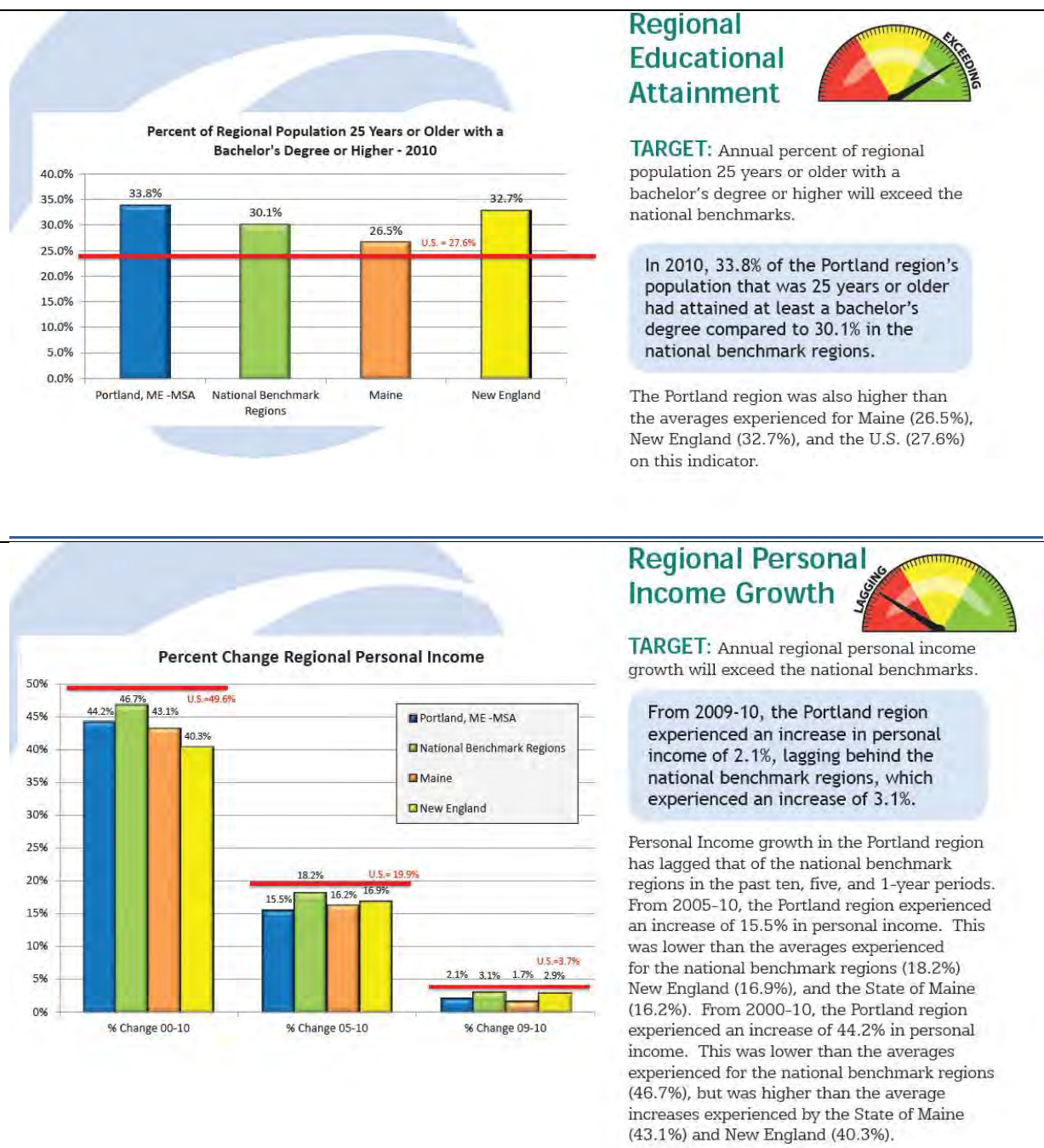
TARGET: The annual Portland region unemployment rate will be below the national benchmarks.

From 2002-11, the annual unemployment rate for the Portland region has remained lower than all the reference geographies.

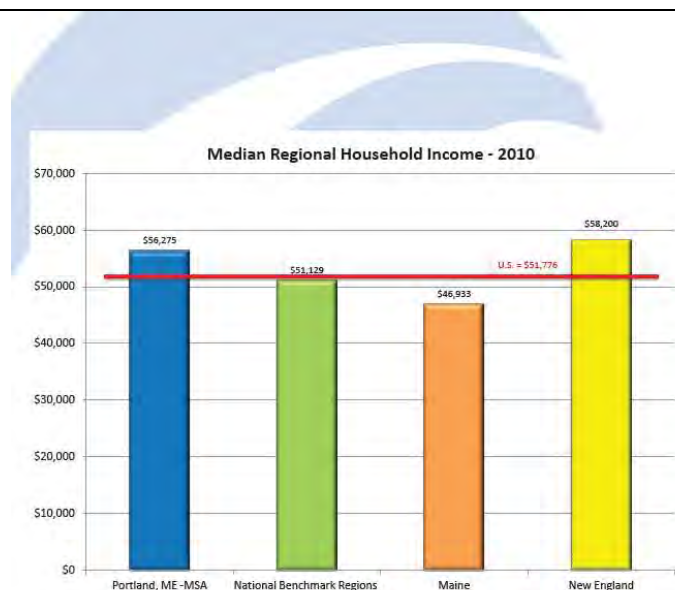


During this period, the unemployment rate for the Portland region experience a low of 3.3% in 2002, but has since risen, reaching a high of 6.8% in 2010, and dropping to 6.1% in 2011. During this period, the unemployment rate for the national benchmark regions started at 4.9% in 2002, climbed to a high of 8.5% in 2010, and dropped to 7.9% in 2011.

Portland Economic Scorecard (continued)



Portland Economic Scorecard (continued)



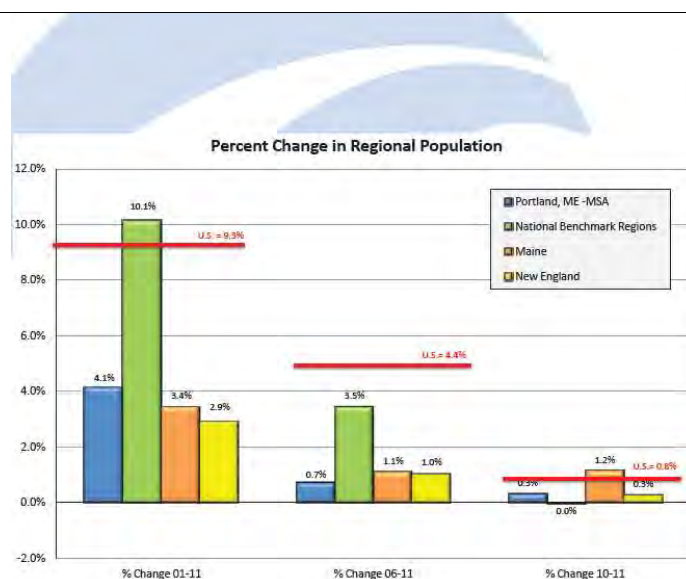
Median Regional Household Income



TARGET: Annual regional median household income will exceed the national benchmarks.

In 2010, the median income of households in the Portland region was \$56,275 and exceeded that of the national benchmark regions and Maine.

The Portland region's median income (\$56,275) was higher than the median for the national benchmark regions (\$51,129) and for the State of Maine (\$46,933) but was lower than the median for New England (\$58,200).



Regional Population Growth

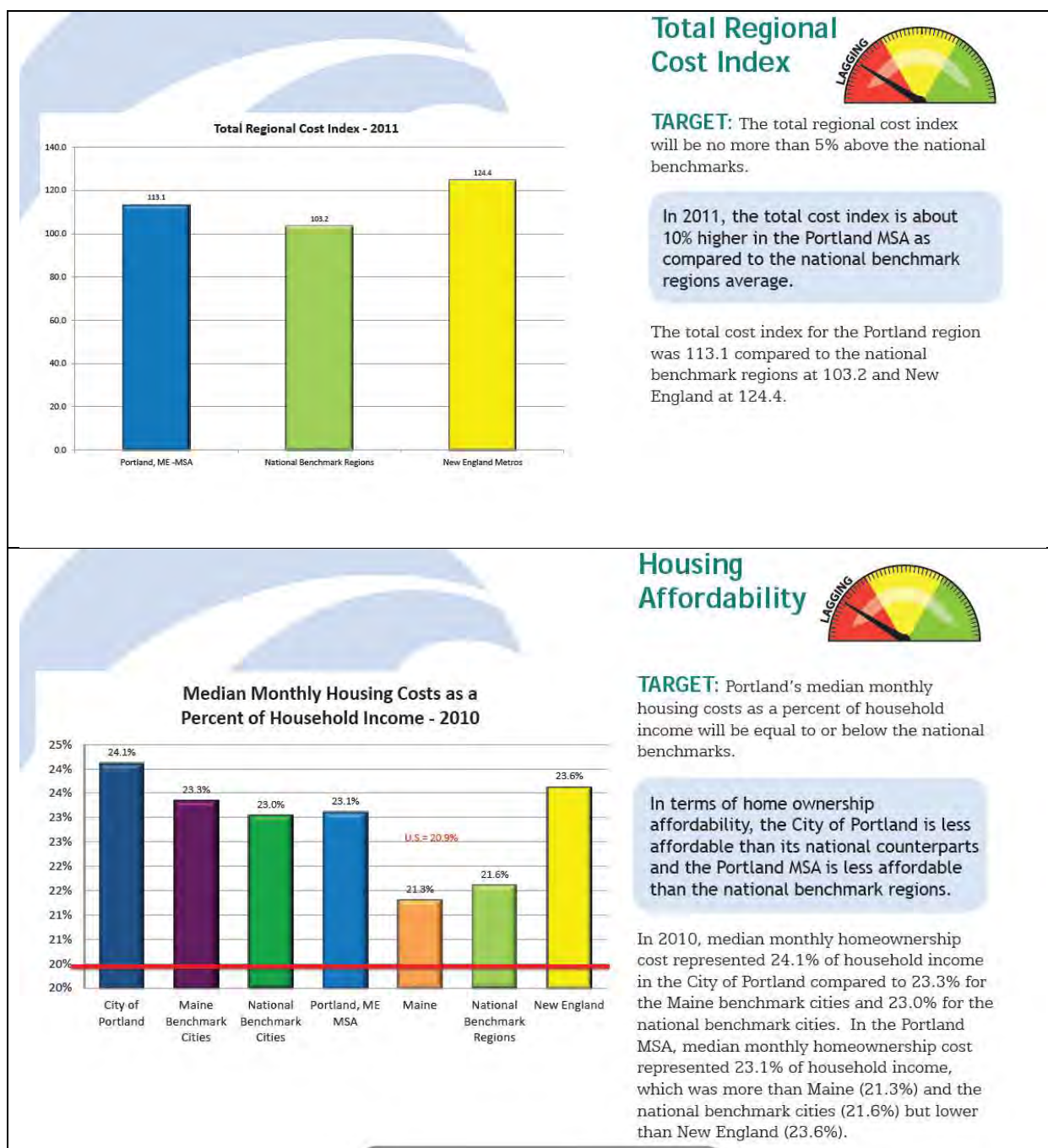


TARGET: Annual regional population growth will equal the national benchmarks.

The Portland region grew 0.3% in population during the last one-year period, 2010-11; the national benchmark regions stayed essentially flat, while Maine increased by 1.2%, and New England grew by a modest 0.3%.

From 2006-11, the population of the Portland MSA increased by 0.7%, while the national benchmark cities increased by 3.5%, Maine increased by 1.1%, and New England increased by 1.0%. From 2001-11, the population of the Portland region grew by 4.1%, which was much slower than the national benchmark regions (10.1%), but faster than the State of Maine (3.4%) and New England (2.9%).

Portland Economic Scorecard (continued)

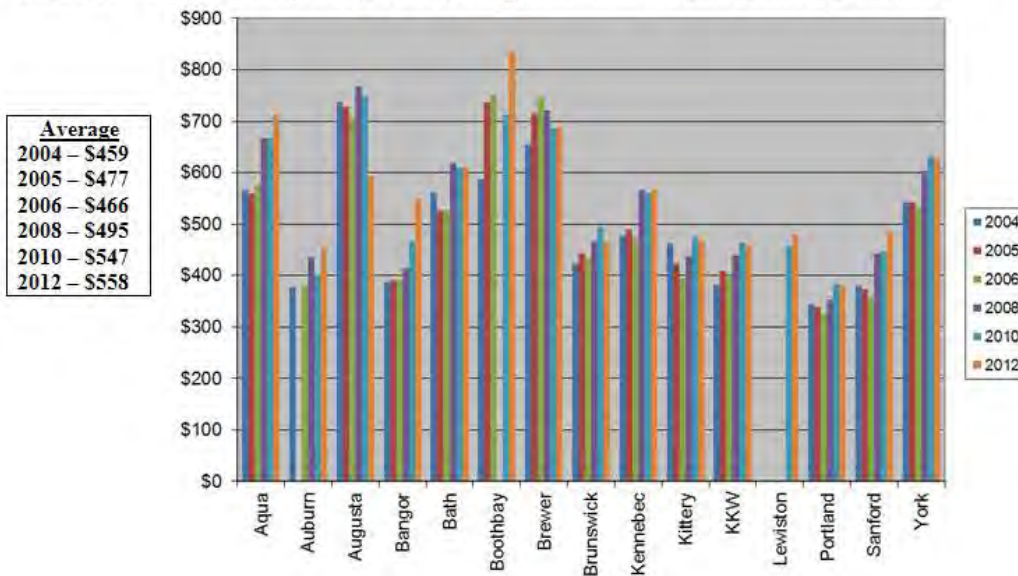


Water Benchmark Data

Maine Water Utilities Survey Results

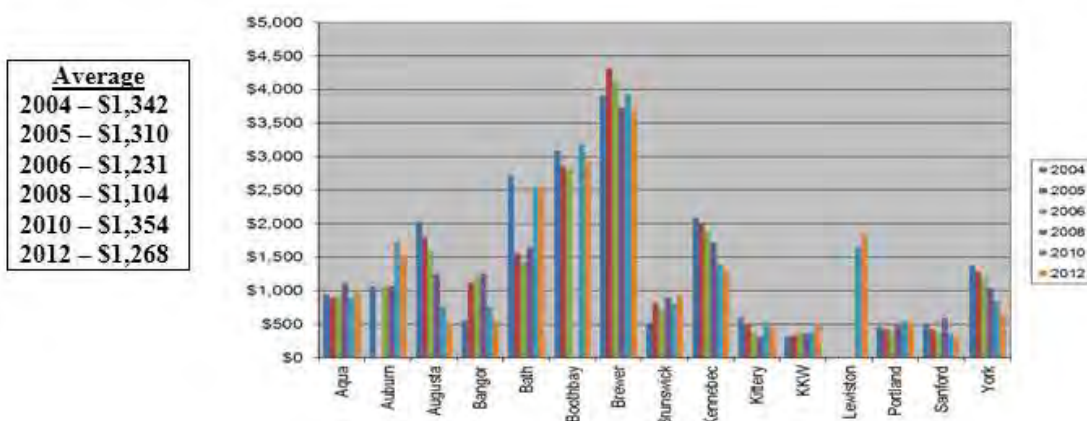
The District participates in a survey of Maine water utilities. Two selected items surveyed are average customer revenue per thousand and debt per capita.

Key Ratio: **Average Customer Revenue**
 Significance: Important to understand customer revenue for rate purposes.
 Calculation: *PUC Annual Report Page F-4 Operating Revenue divided by W-3 Number of Customers*



District's average revenue collected per customer is lower than other utilities indicating the relative efficiency of the District's operation.

Key Ratio: **Total Debt Per Capita**
 Significance: Measures debt burden relative to service area population.
 Calculation: *PUC Annual Report Page F-2 Account 221/232 Bond/Notes Payable divided by W-3 Number of Customers*



District has the third lowest debt service per capita, indicating the relative higher ratepayer capacity to pay for additional debt financing.

Water Benchmark Data (continued)

Water Rates

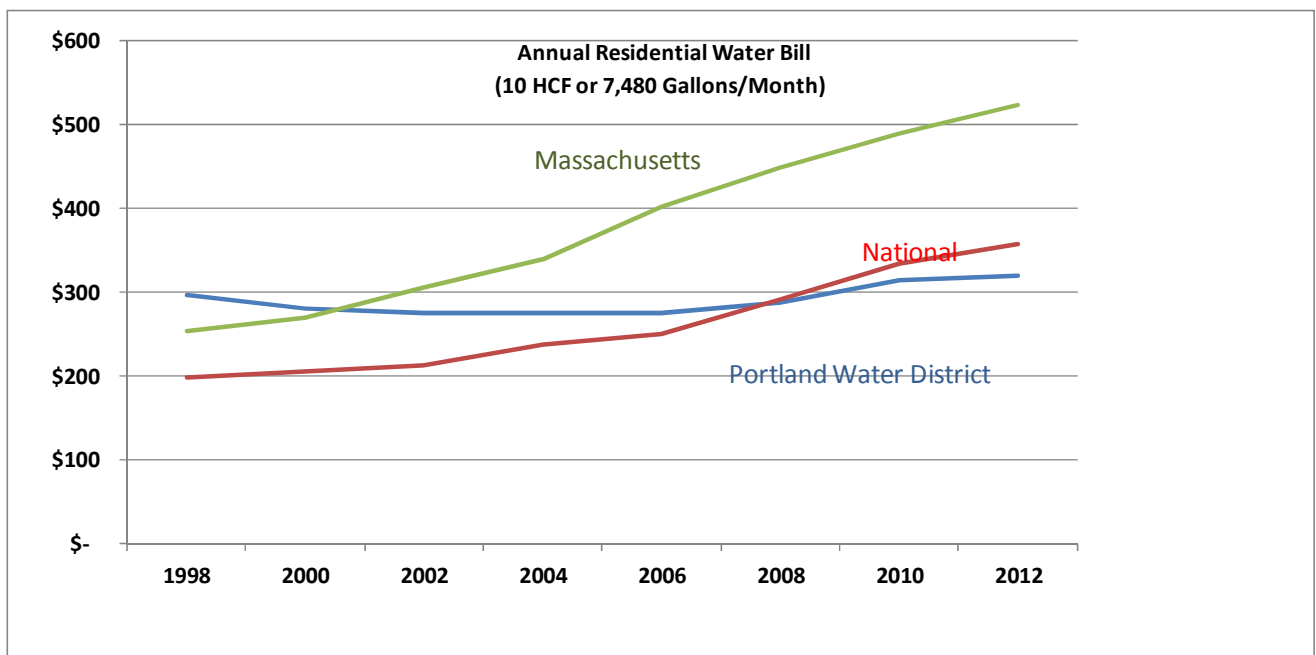
The District's rates are well below the Environment Protection Agency's affordability standard – water rates should not exceed 2% of median income. The District's service territory is a subset of Cumberland County and a major reason why Cumberland County's rates are the lowest in relations to median income.

	<u>Maine Median Income (MSHA) 2004-2012</u>					<u>Water Revenue as % of Annual Median</u>				
	<u>2004</u>	<u>2006</u>	<u>2008</u>	<u>2010</u>	<u>2012</u>	<u>2004</u>	<u>2006</u>	<u>2008</u>	<u>2010</u>	<u>2012</u>
Androscoggin	\$39,452	\$42,126	\$43,149	\$40,653	\$45,699	0.83%	0.00%	1.01%	1.06%	1.02%
Cumberland	\$50,316	\$53,255	\$55,558	\$52,459	\$57,267	0.76%	0.71%	0.74%	0.84%	0.74%
Kennebec	\$39,430	\$41,634	\$44,261	\$44,668	\$46,904	1.54%	1.42%	1.51%	1.47%	1.24%
Penobscot	\$37,939	\$40,188	\$42,152	\$40,301	\$43,601	1.37%	1.41%	1.35%	1.43%	1.42%
Sagadahoc	\$46,680	\$49,278	\$51,944	\$54,754	\$56,865	1.23%	1.30%	1.19%	1.21%	1.27%
York	\$48,561	\$51,121	\$53,366	\$54,134	\$56,552	0.91%	0.82%	0.90%	0.93%	0.90%
Averages	\$43,730	\$46,267	\$48,405	\$47,828	\$51,148	0.95%	0.81%	0.96%	0.99%	0.94%

Portland

Water District	\$44,064	\$46,601	\$48,405	\$48,123	\$47,841	0.68%	0.61%	0.64%	0.65%	0.67%
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The District's water rates for a typical household are relatively lower than Massachusetts and National utilities. Since the 2012 survey, the District rates have increased to \$323 from \$320. The budget requests an average increase of 3.0% to \$330. Even after the increase, rates will have only increased 11.5% since 1998, which is an average increase of 0.7% annually.

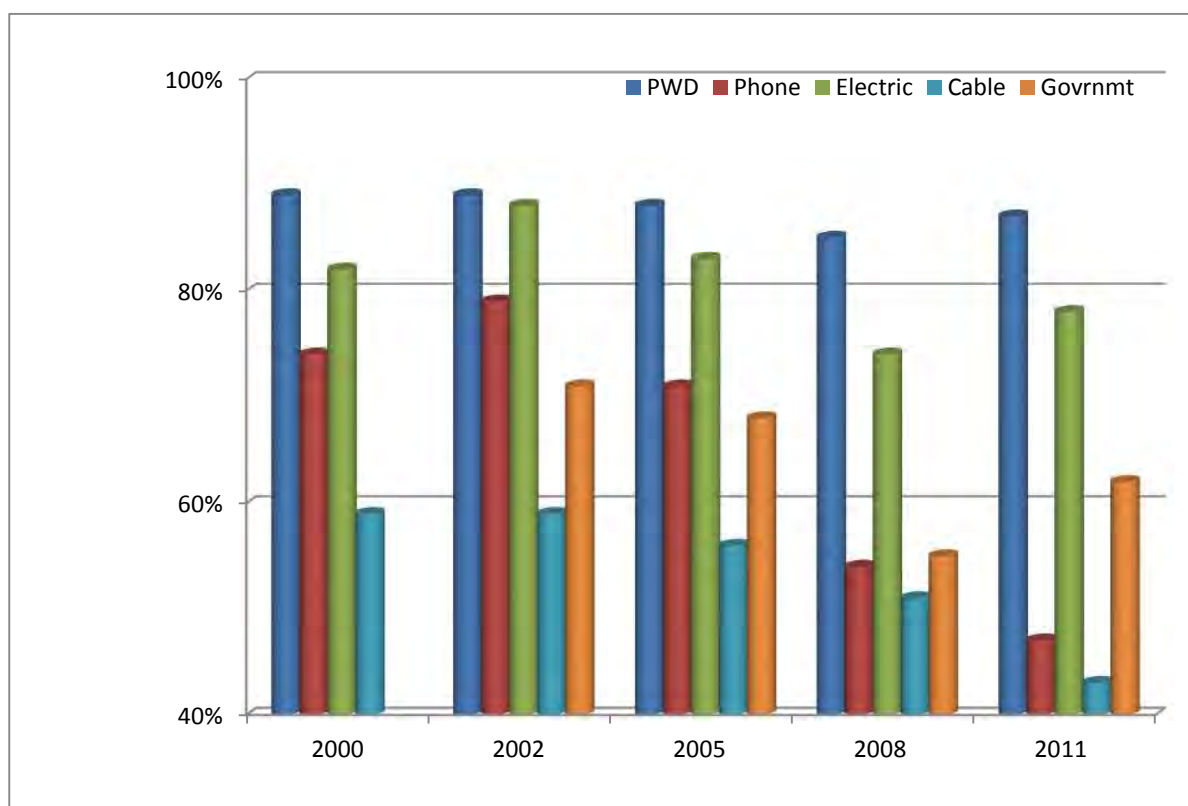


Customer Satisfaction Survey

A periodic customer satisfaction survey is conducted. The last survey was conducted in 2011. A summary of the results are below and indicate that overall satisfaction remains high relative to previous surveys and other local utilities. Relatively low sewer scores mostly attributed to including the relatively high and increasing municipal sewer charges on the District's water bill.

Action items identified that will be implemented in 2014 include a public relation campaign to promote the 'value of water' and continue expanding services provided electronically.

Year	Overall	Water Service/Quality	Sewer
2011	87%	92%	71%
2008	85%	90%	76%
2005	88%	89%	78%
2002	89%	90%	83%
2000	89%	91%	79%
1998	NA	85%	74%



Proposed Board of Trustees' Orders and Resolutions



Portland Water District
From Sebago Lake To Casco Bay

BOARD OF TRUSTEES / AGENDA ITEM SUMMARY

Agenda Items:

Date of Meeting: November 25, 2013

Subject: Proposed Budget Orders

Presented By: Ronald Miller

The Administration and Finance, Operations and Planning Committees reviewed the 2014 Budget and CIP for which they have jurisdiction. Below are the recommended motions to be considered at the regular meeting.

The proposed motion accepts the 2014 budget and authorizes billing the municipalities for wastewater and billing services.

Order 13-043

ORDERED that the 2014 Budget and Wastewater Assessments as presented by the General Manager 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 2014 the participating municipalities for wastewater related costs as follows:

Town of Cape Elizabeth	\$ 1,377,252
Town of Cumberland	731,784
Town of Gorham	1,106,148
City of Portland	10,872,204
City of Westbrook	2,533,176
Town of Windham	351,756

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

Town of Falmouth	\$ 15,012
City of South Portland	192,384
Scarborough Sanitary District	10,620

The motion accepts the proposed capital improvement plan and authorizes staff to implement the 2014 projects within the restrictions stated below and in compliance with the purchasing policy guidelines.

Order 13-044

ORDERED that the 2014 – 2018 Capital Improvement Plan is hereby adopted and the General Manager is authorized to solicit bids or proposals for the year 2014 projects, excepting CIP# 21, project 796 and CIP# 420, project 1081; and to authorize the General Manager to award contracts for approved projects to the lowest bidder if the bid is within the project budget;

BE IT FURTHER ORDERED that the General Manager is authorized to solicit bids or proposals and is authorized to partner with municipalities, MDOT and developers for the year 2014 for the replacement and extension of water mains, services, valves and hydrants as outlined in the Water Distribution Systems Upgrades Program; and the General Manager is also authorized to enter into contracts and award contracts if the bids or partnering proposals that are within the overall program budget

State law requires water revenue be committed to the treasurer to allow property liens be executed on delinquent water rate payers.

Order 13-045

ORDERED that all water charges for the Fiscal Year 2014 are hereby committed to the Treasurer of the Portland Water District for collection in support of the appropriations for the Water Fund.

Before approving water rate adjustment, staff will provide additional information for the Board's consideration. Additionally, if the Board decides a rate adjustment is necessary, public notice will be provided to all customers and a public hearing will be held.

Order 13-046

ORDERED that the Board of Trustees directs the General Manager and Treasurer to undertake the preliminary steps necessary to prepare a rate adjustment of approximately 3.0% for further Board consideration and submittal to the Maine Public Utilities Commission in 2014.

In compliance with Internal Revenue Service (IRS) regulation, 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. Resolutions 13-015 to 13-019 are intent to borrow motions for each fund. 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.

Resolution 13-015

RESOLVED the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for water fund projects identified in the 2014 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.

Resolution 13-016

RESOLVED the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Cape Elizabeth wastewater fund projects identified in the 2014 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.

Resolution 13-017

RESOLVED the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Cumberland wastewater fund projects identified in the 2014 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.

Resolution 13-018

RESOLVED the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Portland wastewater fund projects identified in the 2014 CIP. The full form of the Resolution is attached hereto and incorporated herein by reference, and shall be a part of the minutes of this meeting.

Resolution 13-019

RESOLVED the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Gorham/Westbrook/Windham wastewater funds' projects identified in the 2014 CIP. The full form of the Resolution is attached hereto and incorporated herein by reference, and shall be a part of the minutes of this meeting.

RESOLUTION 13-015
DECLARATION OF OFFICIAL INTENT PURSUANT TO
TREASURY REGULATION §1.150-2
(Water Fund)

WHEREAS, the Portland Water District (the “Issuer”) intends to proceed with the projects described in section 2 below (the “Projects”); and

WHEREAS, the Issuer intends to finance some or all of the costs of the Projects through the issuance of bonds or notes in anticipation thereof; and

WHEREAS, the Issuer may incur certain of the costs of the Projects prior to the issuance of such notes or bonds and the Issuer expects to be reimbursed from the proceeds thereof; and

WHEREAS, Treasury Regulation §1.150-2 requires that the Issuer declare its official intent to reimburse itself for such expenditures with the proceeds of such notes or bonds.

NOW, THEREFORE, the Issuer does hereby declare its official intent as follows:

1. **Declaration of Intent.** The Issuer reasonably expects to reimburse itself for expenditures made on the Projects with the proceeds of bonds or notes in anticipation thereof to be issued by the Issuer to finance the costs of the Projects in the maximum principal amount of \$8,234,000.
2. **General Description of Property to which Reimbursement Relates.** The following is a reasonably accurate general functional description of the type and use of the property with respect to which reimbursements will be made:
 - Construction or installation of new water mains, valves, hydrants, services and meters;
 - Acquisition of vehicles, leak detection and related equipment;
 - Renovation of water facilities;
 - Acquisition and installation of various computer-related equipment; and
 - Building improvements at the Douglass Street facilities.
3. **Public Availability of Official Intent.** This Declaration of Official Intent shall be maintained as a public record of the Issuer.
4. **Treasury Regulations.** This is a declaration of official intent pursuant to the requirements of Treasury Regulations § 1.150-2.
5. **Authority for Declaration.** This declaration is adopted pursuant to the following action of the Issuer: Resolution adopted by the Portland Water District Board of Trustees.

RESOLUTION 13-016
DECLARATION OF OFFICIAL INTENT PURSUANT TO
TREASURY REGULATION §1.150-2
(Cape Elizabeth Sewer Fund)

WHEREAS, the Portland Water District (the “Issuer”) intends to proceed with the projects described in section 2 below (the “Projects”); and

WHEREAS, the Issuer intends to finance some or all of the costs of the Projects through the issuance of bonds or notes in anticipation thereof; and

WHEREAS, the Issuer may incur certain of the costs of the Projects prior to the issuance of such notes or bonds and the Issuer expects to be reimbursed from the proceeds thereof; and

WHEREAS, Treasury Regulation §1.150-2 requires that the Issuer declare its official intent to reimburse itself for such expenditures with the proceeds of such notes or bonds.

NOW, THEREFORE, the Issuer does hereby declare its official intent as follows:

1. **Declaration of Intent.** The Issuer reasonably expects to reimburse itself for expenditures made on the Projects with the proceeds of bonds or notes in anticipation thereof to be issued by the Issuer to finance the costs of the Projects in the maximum principal amount of \$58,000.
2. **General Description of Property to which Reimbursement Relates.** The following is a reasonably accurate general functional description of the type and use of the property with respect to which reimbursements will be made:
 - Purchase and install roof at South Portland Meter Station, and
 - Replacement of obsolete assets at various pump stations and treatment plant.
3. **Public Availability of Official Intent.** This Declaration of Official Intent shall be maintained as a public record of the Issuer.
4. **Treasury Regulations.** This is a declaration of official intent pursuant to the requirements of Treasury Regulations § 1.150-2.
5. **Authority for Declaration.** This declaration is adopted pursuant to the following action of the Issuer: Resolution adopted by the Portland Water District Board of Trustees.

RESOLUTION 13-017
DECLARATION OF OFFICIAL INTENT PURSUANT TO
TREASURY REGULATION §1.150-2
(Cumberland Sewer Fund)

WHEREAS, the Portland Water District (the “Issuer”) intends to proceed with the projects described in section 2 below (the “Projects”); and

WHEREAS, the Issuer intends to finance some or all of the costs of the Projects through the issuance of bonds or notes in anticipation thereof; and

WHEREAS, the Issuer may incur certain of the costs of the Projects prior to the issuance of such notes or bonds and the Issuer expects to be reimbursed from the proceeds thereof; and

WHEREAS, Treasury Regulation §1.150-2 requires that the Issuer declare its official intent to reimburse itself for such expenditures with the proceeds of such notes or bonds.

NOW, THEREFORE, the Issuer does hereby declare its official intent as follows:

1. **Declaration of Intent.** The Issuer reasonably expects to reimburse itself for expenditures made on the Projects with the proceeds of bonds or notes in anticipation thereof to be issued by the Issuer to finance the costs of the Projects in the maximum principal amount of \$55,000.
2. **General Description of Property to which Reimbursement Relates.** The following is a reasonably accurate general functional description of the type and use of the property with respect to which reimbursements will be made:
 - Replacement of obsolete assets at various pump stations and
 - Installation of generator at pump station located on Ledge Road in Cumberland
3. **Public Availability of Official Intent.** This Declaration of Official Intent shall be maintained as a public record of the Issuer.
4. **Treasury Regulations.** This is a declaration of official intent pursuant to the requirements of Treasury Regulations § 1.150-2.
5. **Authority for Declaration.** This declaration is adopted pursuant to the following action of the Issuer: Resolution adopted by the Portland Water District Board of Trustees.

RESOLUTION 13-018
DECLARATION OF OFFICIAL INTENT PURSUANT TO
TREASURY REGULATION §1.150-2
(Portland Sewer Fund)

WHEREAS, the Portland Water District (the “Issuer”) intends to proceed with the projects described in section 2 below (the “Projects”); and

WHEREAS, the Issuer intends to finance some or all of the costs of the Projects through the issuance of bonds or notes in anticipation thereof; and

WHEREAS, the Issuer may incur certain of the costs of the Projects prior to the issuance of such notes or bonds and the Issuer expects to be reimbursed from the proceeds thereof; and

WHEREAS, Treasury Regulation §1.150-2 requires that the Issuer declare its official intent to reimburse itself for such expenditures with the proceeds of such notes or bonds.

NOW, THEREFORE, the Issuer does hereby declare its official intent as follows:

1. **Declaration of Intent.** The Issuer reasonably expects to reimburse itself for expenditures made on the Projects with the proceeds of bonds or notes in anticipation thereof to be issued by the Issuer to finance the costs of the Projects in the maximum principal amount of \$2,645,000.
2. **General Description of Property to which Reimbursement Relates.** The following is a reasonably accurate general functional description of the type and use of the property with respect to which reimbursements will be made:
 - Renovation and repair of equipment and facilities at the East End Treatment Plant, including projects related to the aeration system and wash press & conveyor system ;
 - Renovation and repair of equipment and facilities at the Peaks Island Treatment Plant, including projects related to the disinfection system ;
 - Replacement of equipment at various pump stations, including Fore River Pump Station; and
 - Installation of SCADA/Process control system upgrades at East End and Peaks Island treatment plants.
3. **Public Availability of Official Intent.** This Declaration of Official Intent shall be maintained as a public record of the Issuer.
4. **Treasury Regulations.** This is a declaration of official intent pursuant to the requirements of Treasury Regulations § 1.150-2.
5. **Authority for Declaration.** This declaration is adopted pursuant to the following action of the Issuer: Resolution adopted by the Portland Water District Board of Trustees.

RESOLUTION 13-019
DECLARATION OF OFFICIAL INTENT PURSUANT TO
TREASURY REGULATION §1.150-2
(Gorham/Westbrook/Windham Sewer Funds)

WHEREAS, the Portland Water District (the “Issuer”) intends to proceed with the projects described below (the “Projects”); and

WHEREAS, the Issuer intends to finance some or all of the costs of the Projects through the issuance of bonds or notes in anticipation thereof; and

WHEREAS, the Issuer may incur certain of the costs of the Projects prior to the issuance of such notes or bonds and the Issuer expects to be reimbursed from the proceeds thereof; and

WHEREAS, Treasury Regulation §1.150-2 requires that the Issuer declare its official intent to reimburse itself for such expenditures with the proceeds of such notes or bonds.

NOW, THEREFORE, the Issuer does hereby declare its official intent as follows:

1. Declaration of Intent. The Issuer reasonably expects to reimburse itself for expenditures made on the Projects with the proceeds of bonds or notes in anticipation thereof to be issued by the Issuer to finance the costs of the Projects in the maximum principal amount of \$ 235,000.

2. General Description of Property to which Reimbursement Relates. The following is a reasonably accurate general functional description of the type and use of the property with respect to which reimbursements will be made:

- Renovation and repair of equipment and facilities at the Westbrook Regional Treatment Plant, including projects related to the aeration system.; and
- Replacement of equipment at various pump stations.

3. Public Availability of Official Intent. This Declaration of Official Intent shall be maintained as a public record of the Issuer.

4. Treasury Regulations. This is a declaration of official intent pursuant to the requirements of Treasury Regulations § 1.150-2.

5. Authority for Declaration. This declaration is adopted pursuant to the following action of the Issuer: Resolution adopted by the Portland Water District Board of Trustees.

Glossary/Acronyms

Term	Description
Accurate bill index	The ratio of correct read adjustments on accounts to the total of all accounts
Accrual Basis	The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at the time)
AMaP	Asset Management and Planning group
Amortization	The write-off of costs that has a financial benefit exceeding 1 year but is not a capital expenditure. The write-off period is determined based on an estimate of asset's useful life.
AMR	Automated Meter Reading
ARRA	American Recovery and Reinvestment Act of 2009. The federal stimulus law that provided federal subsidies for various projects in order to boost employment during a recessionary period.
Asset Information Management system	Computerized asset identification system used to document all asset maintenance schedules / procedures from day of acquisition to disposal.
BOD	Biochemistry Oxygen Demand- a measure of organic material in the influent / effluent of the wastewater system expressed in lbs./ day
Bond	A written promise to pay (debt) a specified sum of money (called principal) at a specified future date (called the maturity date(s)) along with periodic interest payments at a specific percentage of principal (interest rate).
BMP's	Best Management Practices
Capital Expenditure	Expenditures for a physical asset that exceeds \$5,000 and has a useful life of greater than 5 years or extends the useful life of an existing asset for more than 5 years.

Glossary/Acronyms

CPE	Comprehensive Plant Evaluation
Cross Connection Fees	Fees collected for work relating to the inspection of water backflow devices.
Cryptosporidium	A one cell parasite that originates from the feces of infected animals and humans that can cause gastrointestinal illness.
CSWWTF	Cape South Wastewater Treatment Facility
Customer Activation Fees	Fees charged customer if a new billing account needs to be created; typically when a customer moves into a new home.
Customer Connection Fees	Applications fees charged to customers requesting to install a new water main, service line or meter.
Customer Penalties	Disconnection fees charged to customers for non-payment of services.
CWA	Clean Water Act
Deferred Costs	Costs that have been incurred for a purpose that has a beneficial period in excess of one year but does not culminate into a capital expenditure. These costs are normally written-off to operating expense over the estimated useful life of the item.
DEP	Department of Environmental Protection, State of Maine
Depreciation	The write-off of an asset based on the decrease in value of property over its estimated useful life.
DHHS	Department of Health and Human Services
EEWWTF	East End Wastewater Treatment Facility
Enterprise Fund	A proprietary fund used by governments to account for business-type activities. Such a fund is appropriately used for operations that are financed and operated in a manner similar to private business enterprise where the intent is that the costs be financed or recovered primarily through user charges.

Glossary/Acronyms

EPA	Environmental Protection Agency, Federal Agency
ERP	Emergency Response Plan
FEMA	Federal Emergency Management Agency - a federal agency that provides financial assistance after declared national disasters.
Fire Service Outage Index	Standard to monitor hydrants returned to service within 3 business days.
Fund	An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and /or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.
Generally Accepted Accounting Principal (GAAP)	Uniform minimum standards of, and guidelines for, external financial and reporting. They govern the form and content of basic financial statements of an entity. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. The primary authoritative statements on the application of GAAP to local governments are Government Accounting Standards Board pronouncements (GASB).
HCF	Hundred Cubic Feet- the standard measure used for billing water usage, 1 HCF is equal to 748 gallons of water, 1 cubic foot of water is equal to 7.48 gallons.
Industrial Pretreatment Program	A program responsible for permitting and monitoring industrial sewer customers who discharge significant quantities of non-domestic wastewater to the collection system to ensure their activities do not impact our operation or the receiving waters.
Infiltration/Inflow	Ground water that enters the sanitary sewer system through infrastructure weaknesses.
Interest from Customers	Late fees charged to past due balances. An account is considered delinquent after 25 days the bill is mailed customers.
ISO	Insurance Service Office

Glossary/Acronyms

IVR	Interactive Voice Response
Jobbing Revenue	Revenue for work performed by District employees which is billable to outside parties.
LTD	Long Term Debt
MDOT Cash Reserve	Funds received from Maine Department of Transportation from sales of land to be reserved for future land purchases.
MEANS	Main Extension and New Services program
MMBB	Maine Municipal Bond Bank
Ozone	A gas formed by electrical discharge in air used as an oxidizing, deodorizing and bleaching agent in the purification of water.
Pentamation	Accounting software used by Portland Water District
PI	Plant Information - a database used to automatically compile performance information on a specific asset.
Project WET	Water Education for Teachers program
Proprietary Funds	Accounting funds established to separate assets and operational costs based on the type of system (i.e. Water or Wastewater) or Wastewater municipality.
PS	Pump Station
Quasi-municipality	Independent government entity as defined by state law. It has many of the responsibilities and rights of a typical governmental entity.
R&R Multi-fund Assets	Assets utilized by all funds and paid for by allocations to the funds (i.e. computers, meters, administrative office space).
Renewal and Replacement Funds	A cash reserve created to fund smaller capital projects.
Sanitary Sewer Overflows (SSO)	Sewer systems that contain only sanitary flows that may discharge directly into water bodies without being treated.

Glossary/Acronyms

SCADA	Supervisory Control and Data Acquisition equipment
SDWA	Safe Drinking Water Act
Septage Hauler Revenue	Fees from outside septage haulers for the treatment of wastewater delivered to District wastewater treatment facilities.
SLWTF	Sebago Lake Water Treatment Facility
SOP	Standard operating procedure
Spatial Scheduling	Use of the district's geographic information system to schedule customer appointments on a daily basis to best utilize manpower and vehicle usage.
SRF	State Revolving Fund- Maine Municipal Bond Bank program for long-term financing
STD	Short Term Debt
SU	Standard units of measuring Ph with a range of 1 - 14.
Sub-meters	Meters installed to measure water that will not be returned to the sewer system for disposal. This water may be used for irrigation purposes or other outside use and therefore should not be included in the calculation of wastewater disposal charges.
SWTR standards	Surface Water Treatment Rules
TCR samples	Total Coliform Rule
10th Percentile Chlorine Residual	Minimum residual found in water samples approximately 90% of the time.
TIF	Tax Increment Finance- a designated municipal fund established to fund structural improvements
TPS Pumping	Thickened Primary Sludge pumping
Tropic State Index	Calculated measure of lake productivity with clear, clean water as the desired result. Range of less than 30 to greater than 100 with the lower the number, the better the results.

Glossary/Acronyms

TSS	Total Suspended Solids- a measure of suspended material in the influent / effluent of the wastewater system expressed in lbs. / day
Unaccounted for Water	Water not measured by metered flow such as fire service use, main leaks, etc.
Water Outage Index	Index of the ratio of customer outage hours/million hours available. Customer outage hours are computed by taking the # of customers without water service times the number of hours the outage lasts. The hours available is derived by taking the number of customers times number days times 24 hours per day.
Watershed	A stretch of high land dividing the areas drained by different rivers or river systems into Sebago Lake.
Watershed Reserve	PUC allowed reserve of Water revenue to be used for future land purchases to protect PWD's watershed.
Weighted average unit price	Total cost of a product divided by the total product units
WIMS	Water information management solution (software)
WWTF	Wastewater Treatment Facility

Value of Water Campaign

Beginning in 2104, the Portland Water District will embark on a multi-year, multi-faceted, communication campaign to raise the level of perceived value of water services among consumers. A disconnect exists between consumers' perceived value and understanding, what is important to them, and how much they pay for water services. Not only do water bills pale in comparison to other monthly household expenses, people do not know much about their water services. But water and wastewater bills are on the rise, and increases may be significant over the coming years as the Board determines how to pay for the increases to fund replacing aging water mains infrastructure. The Portland Water District's value of public water campaign will pull all these elements together and build value in water services.

