

Portland Water District



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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 services (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 24th 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 2015?

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.

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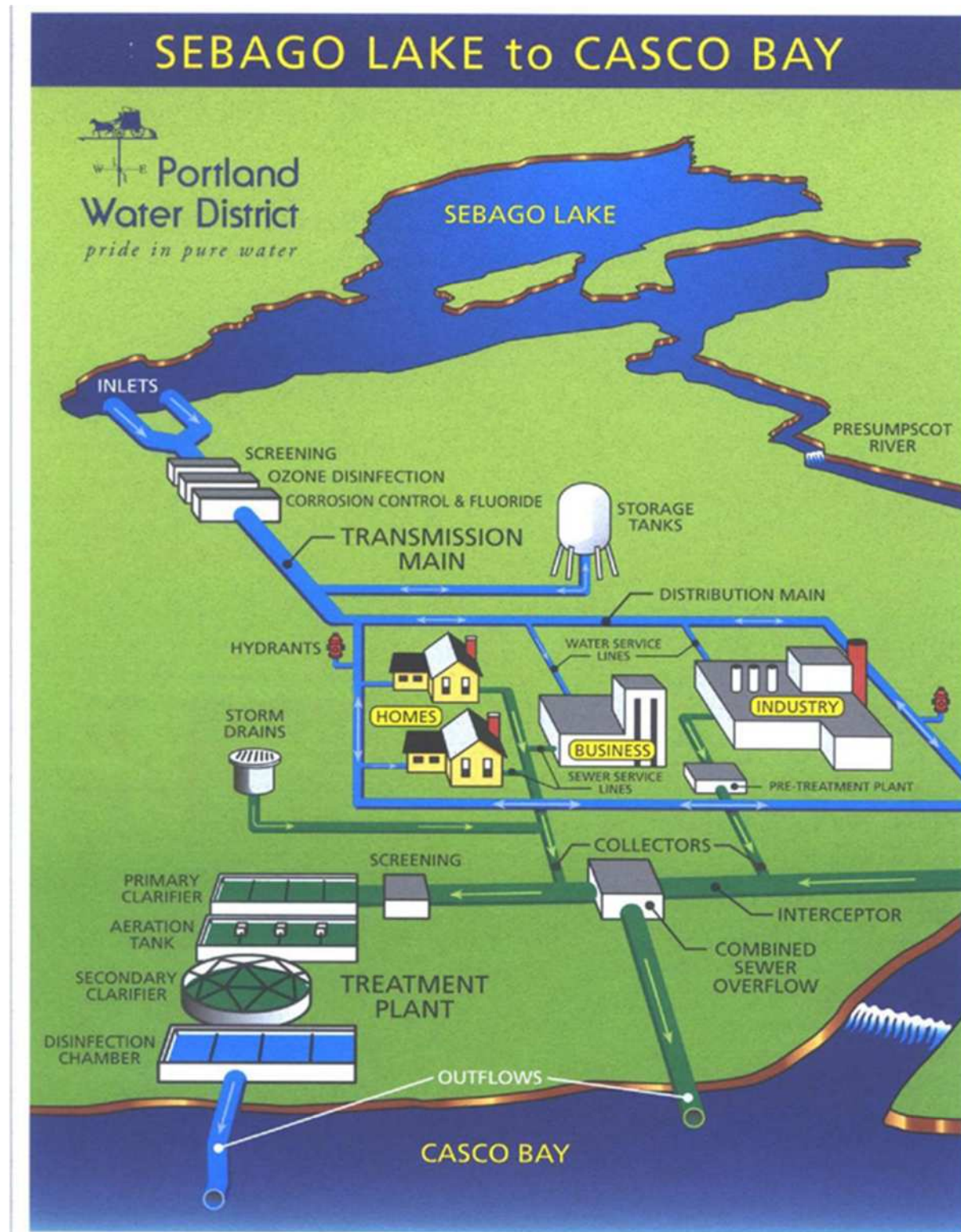
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Overview of the Water and Wastewater System

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 27, 2014

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 2015. 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 107th year, please 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 2015 budget includes an Environmental Services staff of eight with an operating budget of more than \$1,050,000 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 2015 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 and, during 2014, the District completed 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 2015 budget includes debt service payments of \$931,000 for this new system.

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, and we are on track to meet that goal. The proposed budget commits an additional \$6.5 million to replace aging water main infrastructure. That commitment has reduced mains breaks to about 100 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 a collection system consisting of 90 miles of pipe and 64 pump stations to deliver a combined average of 21 million gallons of wastewater daily to our four treatment facilities. Three of the facilities were constructed in the mid-1970s and have undergone significant renovations. Continued efforts to renovate aging infrastructure in 2015 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 2015, 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 2015 expanding the 'value of water' campaign and water bottle water filling station grant program.
- **Document Management:** The challenge to manage the electronic and paper documents will be addressed in 2015.

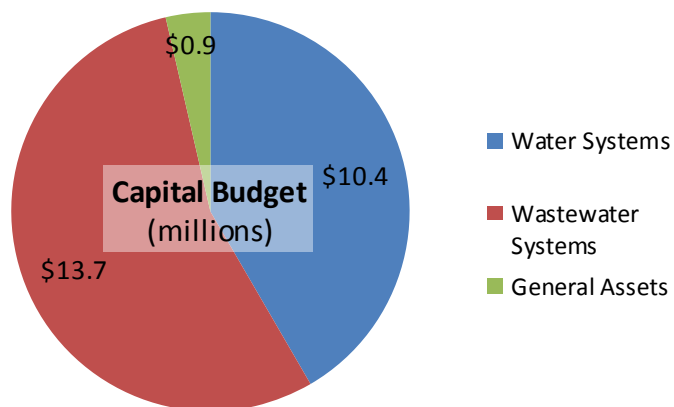
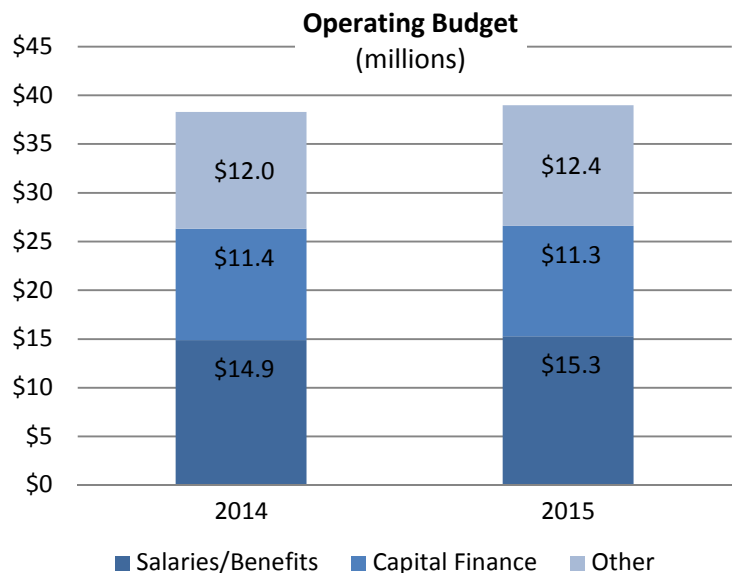
Financial Overview

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

The proposed budget for 2015 recommends \$39.0 million for operations and \$25.0 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 (29%) and all other materials and services (32%). Salaries/benefits reflect a wage adjustment of 2.0% and increased pension costs (\$92,000; 7% higher). Health insurance costs are only slightly higher partially due to increased employee' contributions. Capital financing cost are flat as debt service to finance water main renewal work and water treatment upgrades was offset by retiring debt. Total other expenses are \$396,000, or 3.3%, 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 (\$158,000) and maintenance on the recently installed ultraviolet treatment equipment (\$60,000.)
- Higher biosolids disposal costs: annual cost unit escalation of 2.5% and slightly more material projected to be produced (\$89,000)
- Lower electricity costs: the new water treatment process requires less electricity and lower per unit costs from our local electricity distributor will be lower (\$39,000).



The capital budget includes \$10.4 million for water systems with \$6.5 million of that targeted to replace aging water mains. Also, investment of \$2.0 million will be made to improve supply in the 407 Zone.

The \$13.7 million wastewater system capital budget includes \$11.0 million to replace the aeration system at the East End treatment plants. A budget of \$1.0 million is targeted to address combined sewer overflows in Westbrook.

Budget Highlights

NEW INITIATIVES

Renovation of the East End Wastewater Treatment Plant's aeration system, with the \$12 million project completed by April 2017.

Investing an additional \$6.5 million in water main renewal; including \$2.0 million through new capital reserve fund.

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

BUDGET SUMMARY

The Operating Budget is proposed to be \$39.0 million, an increase of \$743,910 or 1.9%.

Total Revenues are projected at \$39.6 million, which assumes a 3.8% water rate increase and wastewater assessments that meet the municipalities' expectations.

The Capital Budget is proposed at \$25 million. It continues commitment to invest in water mains and wastewater facilities renovations.

Full-time Positions remain at 178.

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 limits revenue growth from new customers.

Customer Impact

The proposed budget assumes a 3.8% rate adjustment effective May 1, 2015. The increase is consistent with the Board's intent to adopt small water rate adjustments annually. For a typical customer, the impact is \$8.40 a year or \$0.70 a month. Of the 3.8% rate adjustment, 2.8% will be used for general operation and 1% 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 Cumberland, Gorham, Westbrook and Windham remain the same as last year. Cape Elizabeth's and Portland's assessments increase by 2.5% and 1.0%, respectively.

The 2015 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

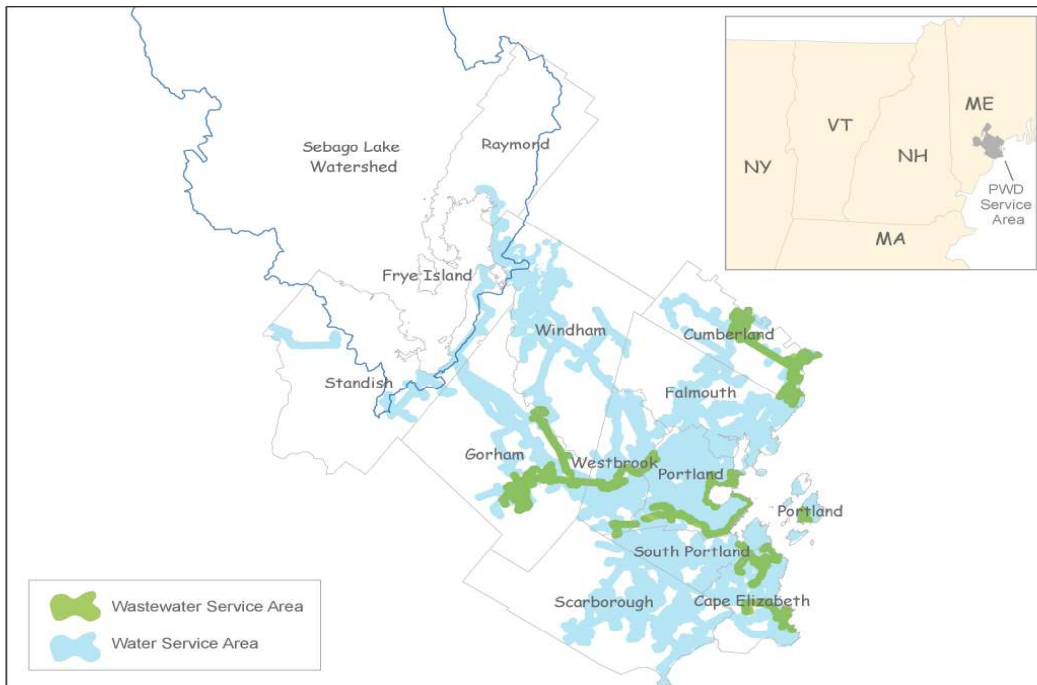
Introduction

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 51,800 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 5,000 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	By Charter:			By Contract:		
	Customers	Treatment	Interceptors	Collectors	Storm Drains	Billing
Cape Elizabeth	2,279	Yes	Yes	No	No	Yes
Cumberland	1,107	No	Yes	Yes	No	Yes
Falmouth	1,914	No	No	No	No	Yes
Gorham	1,665	Yes	Yes	Yes	No	Yes
Portland	16,960	Yes	Yes	Peaks Island (only)	Peaks Island (only)	Yes
Scarborough	405	No	No	No	No	Yes
South Portland	7,789	No	No	No	No	Yes
Westbrook	4,433	Yes	Yes	No	No	Yes
Windham	52	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. In 2014, the Board established a capital reserve fund that will provide an additional \$2 million available for main renewal. A \$6.5 million investment in water main replacement is budgeted for 2015. Also, new regulation required a second water treatment process be installed. An ultraviolet treatment process was implemented in 2014 with the full operating budget impacting 2015.

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 was named 2014's 19th Most Educated Metro Area in a recent study from the personal finance outlet WalletHub.com.

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

In total, the City's port will host a 15% increase in passengers this year with 74 cruise ship visits and more than 82,000 passengers between June and November

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 2014-2015

The Portland Community Chamber issued 'Portland's Economic Scorecard 2014' 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 low unemployment and household income keeping up. Long-term employment and population growth is a concern. The tourist business continues to be strong.

INDICATOR	RATING	
Total Employment Growth	LAGGING	
Employment Growth – Business and Financial Services (including Insurance)	LAGGING	
Employment Growth – Life Science/Bioscience (including Health Care)	KEEPING UP	
Employment Growth – Food Production	LAGGING	
Employment Growth – Information Technology	LAGGING	
Employment Growth – Visitation/Tourism	LAGGING	
Growth in Creative Occupations	LAGGING	
Average Annual Wages	LAGGING	
Unemployment Rate		EXCEEDING
Gross Metro Product Growth	LAGGING	
Value of Imports per Capita		EXCEEDING
Value of Exports per Capita	LAGGING	
Total Consumer Sales Growth	LAGGING	
Commercial Vacancy Rate (Commercial Properties)	KEEPING UP	
Population Growth	LAGGING	
Median Household Income	KEEPING UP	
Educational Attainment		EXCEEDING
Housing (Ownership) Affordability	LAGGING	
Rental Affordability		EXCEEDING
Property Valuation Growth		EXCEEDING
Property Tax Burden – Property Tax Paid on Median Valued Home as a % of Median Household Income	LAGGING	
Property Tax Rate	LAGGING	
Restaurant and Lodging Retail Sales	KEEPING UP	
Hotel/Motel Occupancy Rates	KEEPING UP	
Overnight Visitors	KEEPING UP	
Airline Passenger Counts (Enplanements)		EXCEEDING
Amtrak Downeaster Ridership		EXCEEDING
Crime Rate		EXCEEDING

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.

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.

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.

The Regulatory Environment in Which We Function (continued)

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 2015, the District intends to file for a request a 3.8% 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 starting in 2014. 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 filed the SIA in October 2013 and has incorporated funding the reserve by designating 1% of the proposed 3.8% rate adjustment for the reserve.

Act to Reform Regulation of Consumer-Owned Water Utilities

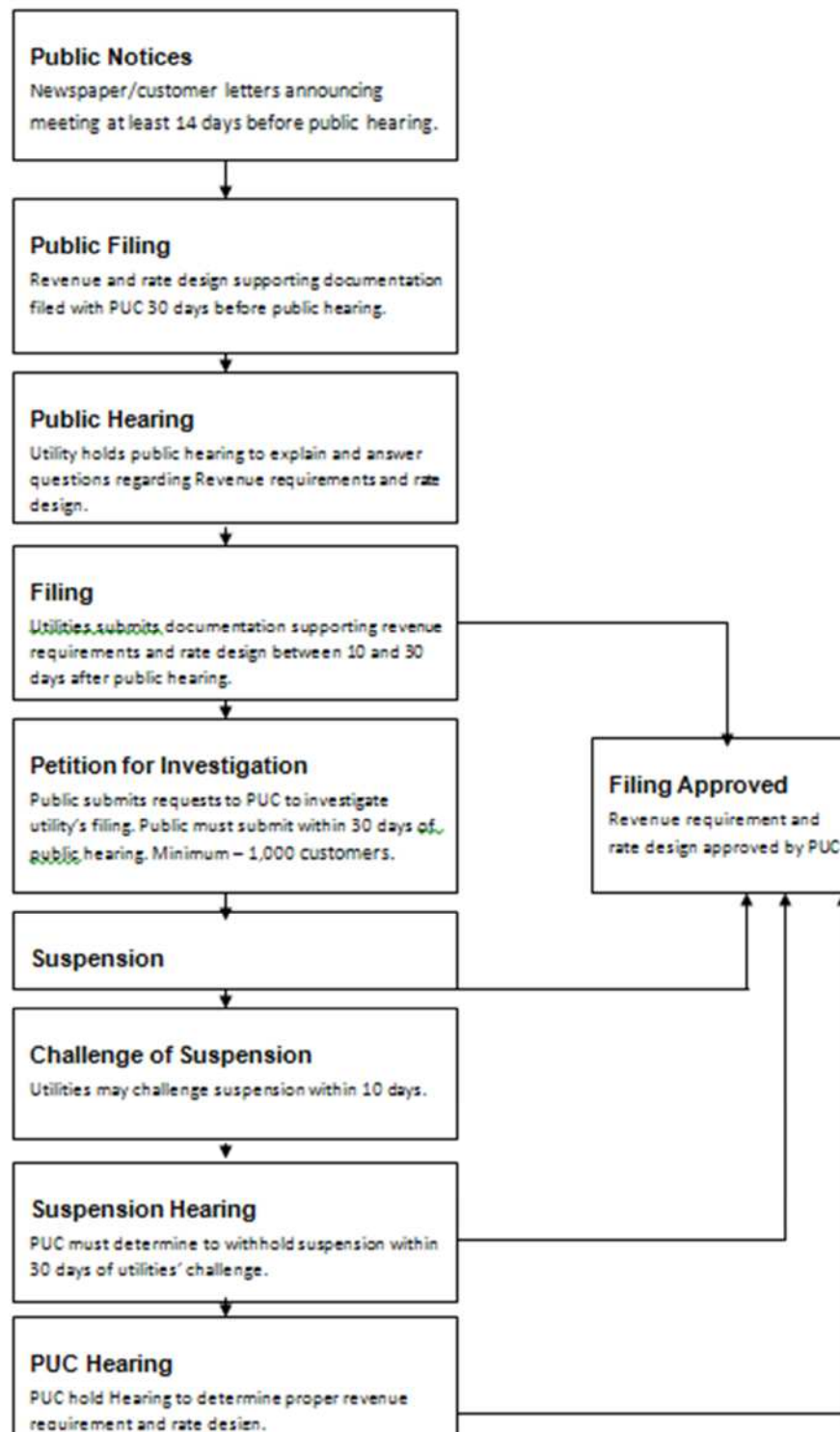
In 2014, a state law was enacted (chapter 6114) allowing the State Public Utilities Commission to exempt certain individual utilities from state regulation, if requested by the utility, or classes of utilities. The Commission began a rule-making process outlining how the law would be implemented.

It is expected the proposed rule will go into effect in 2015. The District intends to file for exemption for certain state regulations and implement local rules.

The changes may include allowing water rate changes and bond issuance authorization be approved solely by the District's publicly elected officials without state commission review.

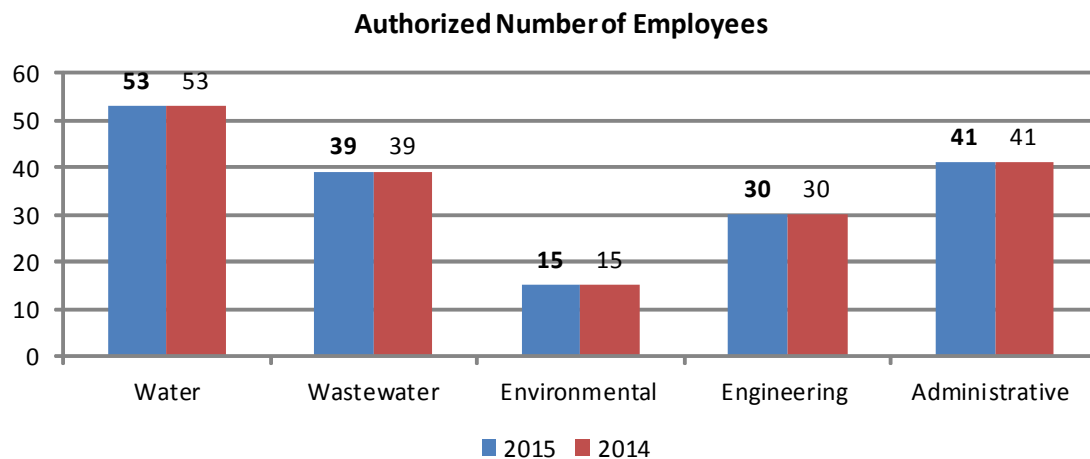
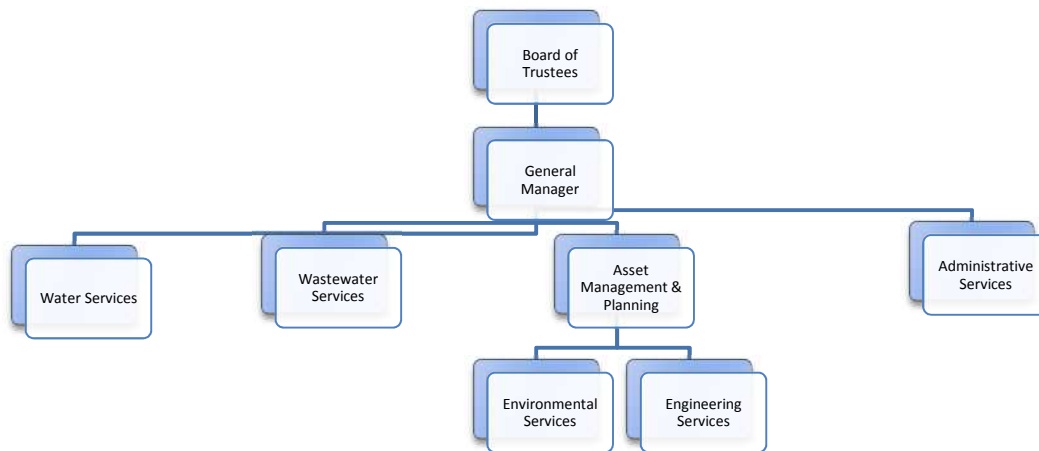
The Regulatory Environment in Which We Function (continued)

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.



- 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.	Individual Fund Projection in the Budget by Fund Section. Summary is included in the Revenue Section.
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

- 8 Senior Management Team reviews budget process and timeline; stakeholders input; and external factors impact impacting budget, major policy and resource allocation issues; significant budget uncertainties; and long-term and short-term goals.
- 26-30 Senior Managers host meetings with Department Managers to review budget parameters and process

June

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

July

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

Aug

- 18-22 Department Managers present second draft Operating and Capital budget to the Senior Management Team.

Sep

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

Oct

- 27 Budget is presented to the Board of Trustees.

Nov

- 10 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.
- 24 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 27 and November 10. By January 15, 2015, 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). Ensuring compliance with the SDWA requires short- and long-term initiatives aimed at protecting, monitoring, and treating for water quality from the source to the tap. Protecting the source begins with protecting the watershed, and protecting the watershed begins with protecting the forest's natural ability to produce clean water. Therefore the District's approach to protecting public health includes programs aimed at promoting forest conservation, monitoring and inspecting development in the watershed, monitoring the water quality of the lake and its tributaries, providing security of the area around the intakes, and performing education/outreach to keep the public involved in the process.

Strategic Benchmarks (updated periodically):

The District is in compliance with all regulatory standards. Two key measures 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 indicated 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. Chloramines are added to maintain a level of disinfectant throughout the distribution system. The level of chloramines are measured weekly at forty-three locations throughout the service area, and the treatment process is adjusted continuously to maintain desired levels.

Benchmarks:	1998	2003	2008	2013
Percent of Days in Compliance with Water Regulations	100%	100%	100%	100%
Water Quality: Sebago Lake Trophic State Index (goal – 24 to 32)	31	27	30	32
10th Percentile Chloramine Residual (goal 0.4 mg/L)	N/A	N/A	0.2 mg/L	0.3 mg/L
Land in Conservation in the Watershed	N/A	0	350	1100
Service Area Communities served by Education/Outreach Programs	N/A	N/A	10	11
Security (violations per 1000 visitors)	N/A	N/A	12	7

Current Status, Challenges and Impact to Current Budget:

The District is working in partnership with the Cumberland County Soil and Water Conservation District and the Department of Environmental Protection to develop a watershed-based management plan to prioritize future conservation and erosion control work.

An allocation of \$2,000,000 has been made for the design process of the 407 pressure zone upgrade, which will eventually include the replacement of Windham Center tank and the installation of a new pump station in the area of Ward's Hill to replace both Gorham and Prides Corner Pump Stations.

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 2015 Capital Improvement Plan includes funding to replace water mains and hydrants; including \$7.5 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>2003</u>	<u>2008</u>	<u>2013</u>
<u>Compliance with discharge permit:</u>			
East End Wastewater Treatment Facility	49	22	5
Westbrook / Gorham / Windham Treatment Facility	8	8	0
South Cape Elizabeth Treatment Facility	10	13	2
Peak's Island (in Portland) Treatment Facility	0	3	0
Dry Weather Overflows	N/A	1	3

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 2015, 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.

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 – to provide water to customers' homes and to treat wastewater delivered to District's system.

	2003	2008	2013
Water Service failure per million hours of available service - Total Customer Outage Hrs. / ((51,296 X 365 X 24) / 1,000,000)	15.8	15.7	9.4
Wastewater Reliability Index – WW Systems infrastructure that is In Service Full (ability to deliver design flow)			
WW Systems and Pumping Stations convey flow to treatment plants	Not available	98.6%	99.6%
WW Treatment Plants available to treat flow	Not available	100%	100%
Customer Satisfaction Survey Results	89%	85%	87%

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. The 2015 budget includes conducting a new survey

In 2015, several significant water system projects/programs that will increase reliability are the \$6.5 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 0.46% of median income. 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.

The Board's policy is to increase assessment to municipalities for wastewater service at or below the rate of inflation. Costs related to municipal requests for additional/expanded service and federal unfunded regulations may result in higher assessment.

	1998	2003	2008	2013	
Water Rates for a Typical 3-person household as a percent of Median Income	0.52%	0.42%	0.41%	0.46%	
Water Revenue per Typical Customer Actual	\$ 228.12	\$ 210.72	\$ 221.64	\$ 254.16	
Inflation Adjusted		\$275.16	\$309.67	\$336.05	
Wastewater Assessments:					<u>2013 vs 1998</u>
Cape Elizabeth	\$ 944,000	\$ 863,052	\$ 1,049,052	\$ 1,365,084	45%
Cumberland	\$ 315,800	\$ 498,144	\$ 764,236	\$ 713,940	126%
Gorham	\$ 428,200	\$ 490,608	\$ 924,732	\$ 1,084,464	153%
Portland	\$ 6,972,900	\$ 8,753,220	\$ 9,951,852	\$ 10,540,044	51%
Westbrook	\$ 1,588,300	\$ 1,599,100	\$ 1,800,540	\$ 2,533,176	59%
Windham	\$ 46,000	\$ 45,996	\$ 214,320	\$ 351,756	665%

Current Status, Challenges and Impact to Current Budget:

Water rates are assumed to increase by 3.8% effective May 1, 2015. 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 2015 and 2014 for all municipalities except for Cape Elizabeth and Portland. Assessment increase in Portland (1%) is below the rate of inflation. Cape Elizabeth's assessment increase (2.5%) is slightly higher due to municipal requested project – Garden Land pump station upgrade.

Wastewater assessments have increased near or slightly above the rate of inflation (47%) since 1998 except in Cumberland, Gorham and Windham. Gorham's and Windham's higher increase reflects their request to expand the sewer system by connecting the Little Falls area to the Westbrook regional treatment facility. Cumberland's increase is attributed to higher assessment from the town of Falmouth. The District's share of the assessment has increased 51%. 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	2013
District's biennial Employee Satisfaction Average Score - Range 1 (lowest) to 6 (highest)	3.52	4.02	4.42	4.48
Workers' Compensation Modification Factor – 1.00 = Industry average (goal is less than 1)	1.62	0.99	1.06	1.06
Average Training Hours Per Employee – current goal is 80 hours	22	55	83	105

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 1.07; 2014 factor increased to 1.15).

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.

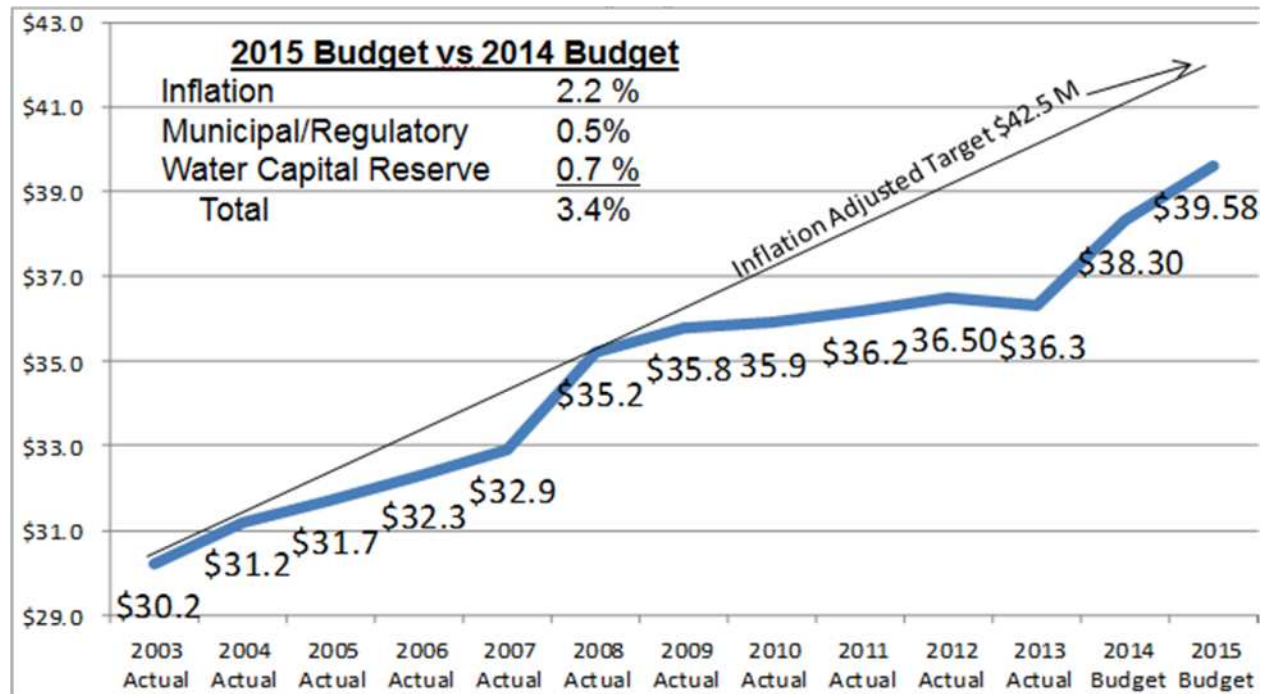
Management development and consistency of practice efforts continue through "Lunch and Learns". This effort impacts both our training and employee satisfaction goals.

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 and funding for water main renewal of up to 1% of water revenues. Assuming a 2.2% inflation rate plus 0.5% increase due to the water treatment plant upgrade required by EPA and Portland's Peak Island sewer extension request, the 2015 operating budget target increase was established to not to exceed 3.4%. The resulting budget target of \$39.58 would be almost \$3.0 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. **Proposed budget is \$39 million, almost \$0.6 better than Board guideline.**



<u>Guideline</u>	Capital expenditures will be consistent with the levels recommended in the Water and Wastewater system plans.
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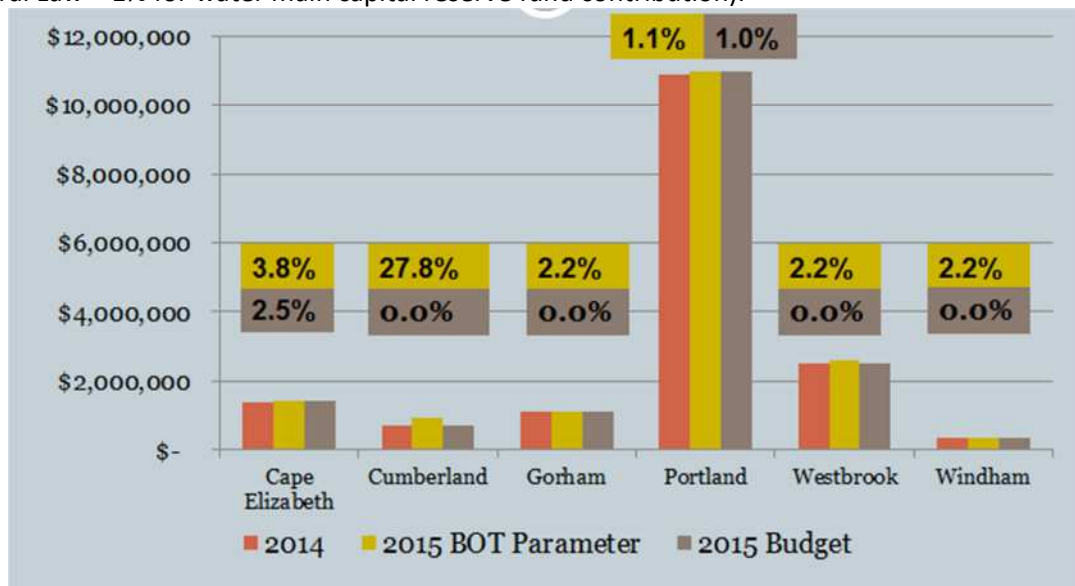
A guideline was established to assure capital projects are consistent with various plans including the Water Master Plan, Comprehensive Plant and System plans, and Combined Sewer Overflow plans. **The proposed capital expenditures meet the guidelines** – see Infrastructure and Operational Evaluation 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.
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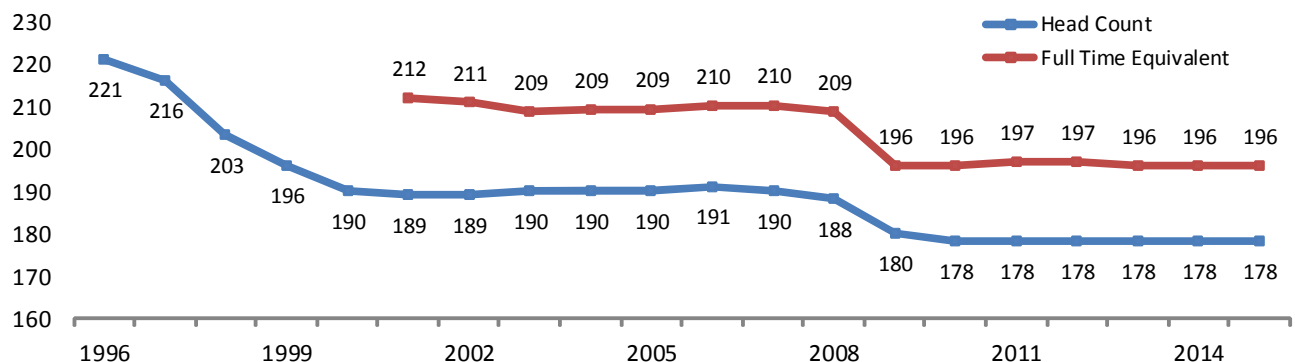
All Wastewater assessments and Water Rates Increases meet or are below the Board of Trustees

target. Cape Elizabeth's target is slightly above the inflation rate primarily due to additional television inspection work. The significant change between the Cumberland's target and proposed assessment is due to a delay of the Mill Creek Capital project. Water rates are scheduled to increase 3.8% in 2015 equal to the Board's target (2.2% inflation + 06% Ultraviolet treatment plant upgrade mandated by Federal Law + 1% for water main capital reserve fund contribution).



<u>Guideline</u>	The number of employees will not exceed 178 and the -time equivalency (FTE) will not exceed 196.
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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 contains 178 employees and 196 full-time equivalent employees – meeting the Goal.**



External Factors Impacting the Budget

Economy

The local economy continues to make slow improvement from the national recession. State unemployment remains elevated at 5.6%, which is better the prior year's rate of 6.7% (as of July 2014). 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 6.1%. Greater Portland's unemployment rate is 4.4%, which is 1.1% better than last year.

Greater Portland's real estate market continues to rebound. In 2013, the number sales returned to the level prior to recession and year-to-date 2014 sales are 5% higher than 2013. In the 2015 budget, the water consumption projection includes the number of households as of July 31, 2014 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 2015 budget includes a \$9,509, or 14% 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 2015 annual required contribution to our pension plans is \$1,000,000, which is \$74,000 or 8% higher than the prior year.

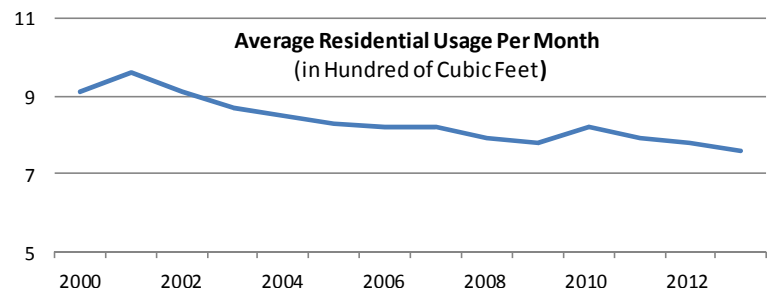
The chemical, metal and fuel commodity market prices are impacted by the economy's health and have been volatile in the past couple of years. With the slower economic growth, the lower demand for chemicals has resulted in lower per unit prices for chemicals purchased by the District. Approximately 10% of the District's expenses are related to chemical, metal and fuel markets. The 2015 budget reflects the commodity prices available in mid-2014.

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 2015 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 15%. 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 (\$10.18 million or 26.1% of total budget). The latest three-year union contract is effective from November 2012 to October 2015. The union wage rates, which include a 2.0% increase in November 2014, are known for most of budget year.

We assumed a similar increase for the final two months of the year not covered by this contract. The non-union pay rates were assumed to increase by 2.0% and will be in place all of 2015 although the final figure will not be decided until January 2015. A 1.0% variance would be approximately \$40,000.

In addition, the budget assumes 14,623 hours of overtime and double time pay. The amount of overtime and double time is directly related to amount of emergency repair work that is needed. For every additional 1,000 hours of overtime/double time pay, costs increase by approximately \$35,000.

Purchased Power (\$1.79 million or 4.6% of total budget). The District's contracts for electricity currently extend through the end of 2016 on large and medium accounts. The unit price will be stable for all accounts except the Water Treatment facility. Approximately one third of the Water Treatment facility's use will pay the current day's market rate, which historically ranges from 3 to 11 cents. 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 (\$1.07 million or 2.7% 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 (\$0.80 million or 2.1% of total budget). The prices assumed for heating oil and vehicle fuel in the budget are the actual rates through September 2015. The prices for the final quarter of 2015 are estimated. In addition the price for natural gas, which is used for heat at the East End WWTF and is budgeted for \$130,158 in budget, is still under negotiation as of the publication of this budget. Also, the quantities budgeted are based on past historical usage and 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 2015. The 2015 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 2015 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 2.2% greater than the 2014 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 2015, including the \$3,033 reduction in the 2015 budget. Over the past three budgets premium time has been reduced from \$551,043 in the 2012 Budget to \$514,502 in the 2015 Budget without reducing service levels.

In 2015, 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 2015 budget includes 13 entry level positions (nine in Water and four in Wastewater) that begin their career by rotating through different areas of the company. Also, six seasonal positions included in the budget to promote the District and industry to young students.

Overall, the 2015 budget continues our emphasis on training employees with the continued goal of providing an average of 80 hours training.

Employee Benefits The most costly employee benefits are health insurance and pension benefits. In 2015, the employees' co-pay percent was increased to 5.0% from 4.0%, resulting in a savings of almost \$16,000. The defined benefit plan contributions in the 2015 Budget increased \$74,000 (8.0%) to \$1,000,000. The contribution is consistent with Board adopted long-term funding policy and estimated by the District's actuary. The actual actuarially determined contribution will be calculated early 2015. The plan is solely funded by the District without any employee contribution.

Wastewater Sewer Lines Inspection In 2008, a commitment was made to inspect all sewer lines at least once every 10 years. Almost \$65,250 was allocated in 2015 to meet that commitment.

Water System Flushing Starting in 2012, a renewed effort was made to flush the whole distribution over a 3-year cycle. Flushing the system improves the water quality in the distribution system. The 2015 budget continues this effort by allocating close to \$125,000.

Renewal and Replacement The annual commitment for water mains is an increase in \$200,000 or from \$4,602,950 to \$4,866,342.

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 2015, the amount dedicated to replace aging water mains will increase by \$0.5 million to a total of \$6.5 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. Construction was completed in 2014 and was operational by the planned date of 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 was completed during 2014. Actual construction is scheduled to begin in 2015 (\$11,000,000).
- **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 was completed in 2014 with construction scheduled for 2015 (\$2,000,000).

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 2015 budget assumes a 3.8% increase in rates.

The 3.8% increase includes allocating 1.0% to the proposed Capital Reserve fund. The Maine Public Utilities Commission adopted a rule in 2013 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.

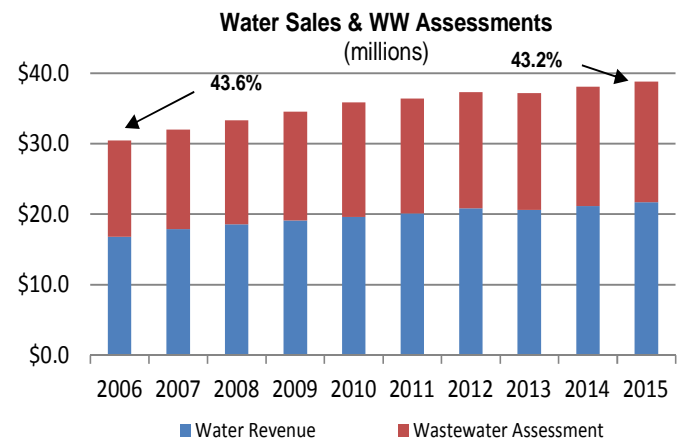
Revenues

The two major revenue sources are water sales (\$21.69 million or 54.7% of total revenue) and wastewater assessment revenues (\$17.12 million or 43.2% of total revenue). Wastewater revenues have increased from \$13.80 million, or 43.6% 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 2015 Budget assumes an increase of 3.8% over current rates on May 1, 2015.

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

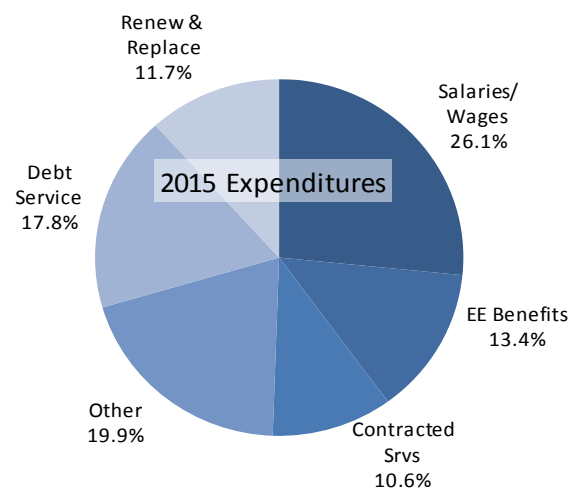
billing services and, by request, collection and billing services. Assessments in 2015 increased 0.8% overall (\$143,964).



Expenses

Operating Expenses increased to \$39.02 million, an increase of 1.9%.

Personnel Costs, (Salaries/Wages and employee Benefits) which are 39.5% of the total budget, increased 2.8% due to labor/benefit rate increases (2.0% & 3.3%). Debt Service (17.8% of expense) dropped 4.6% due to debt retirements. Contracted Services rose 7.5% (\$284,315) due to increases in third party contractor work. Renewal and Replace contributions increased \$263,412 (6.2%) while Other Expense increased \$51,118 (6.8%).



Capital Budget Summary

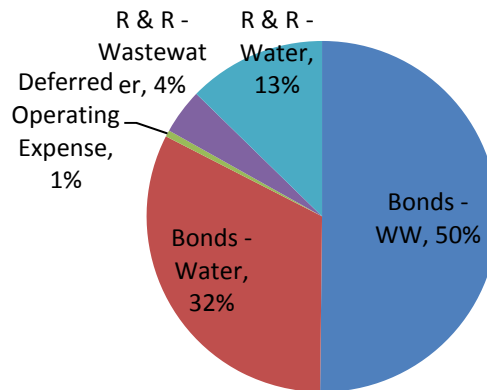
The proposed Capital Budget is \$25 million dollars with projects for the water and wastewater funds of \$11.3 and \$13.7 million, respectively.

Water

Of the \$11.3 million in water capital projects, the largest component (73.5%) involved the renewal of water distribution assets such as mains, services and hydrants. The other categories include the 407 zone (18%), facilities & security (2%), vehicles & equipment (2.4%), technology & SCADA (2.4%) and meters (1.7%).

The projects will be funded by issuing \$8.5 million in bonds and utilizing \$2.8 million in renewal and replacement proceeds.

Financing Summary

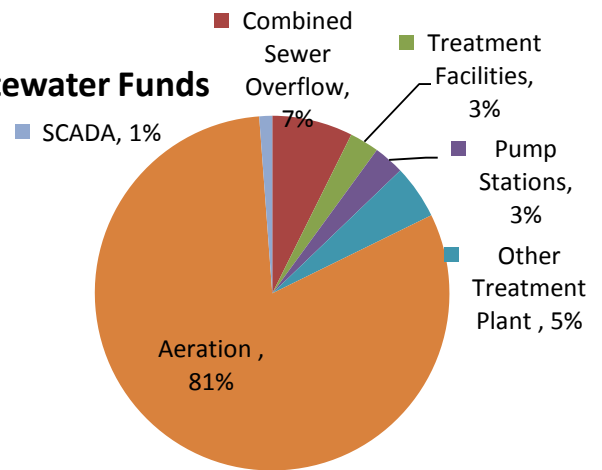


Wastewater

The Wastewater projects include the \$12 million upgrades to the aeration systems at Portland's East End and the Westbrook Regional treatment facilities.

The projects will be funded by issuing \$12 million in bonds and by utilizing \$1.6 million in renewal & replacement fund proceeds and \$150,000 from Deferred Operating Expense, which will be expensed in future years.

Wastewater Funds



Combined Water and Wastewater Operating Funds

Total revenues are \$39.63 million, \$0.79 million or 2.0% higher than last year's budget. The 2015 Budget proposes a 3.8% water rate increase (effective May 1, 2015). Wastewater Assessments increases for the full year are budgeted in Cape Elizabeth (2.5%), and Portland (1.0%).

Operating Expenses are \$39.02 million, an increase of 1.9%. The following pages provide additional details.

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Beginning Fund Balance	9,013,934	9,509,031	9,665,091	10,462,598		
Water Revenue	20,301,648	9,897,472	21,130,183	21,690,890	560,707	2.7%
WW Assessments	16,588,464	8,485,800	16,972,320	17,116,284	143,964	0.8%
Contracted Billing Income	218,016	109,008	218,016	218,016	-	0.0%
Interest Income	73,394	46,983	66,727	76,236	9,509	14.3%
<u>Other Income</u>	<u>533,435</u>	<u>192,471</u>	<u>446,180</u>	<u>526,280</u>	<u>80,100</u>	<u>18.0%</u>
Total Revenue	37,714,957	18,731,734	38,833,426	39,627,706	794,280	2.0%
Salaries/Wages	9,645,534	4,774,189	10,003,869	10,178,032	174,163	1.7%
Employee Benefits	4,618,007	2,358,994	4,869,224	5,118,429	249,205	5.1%
Biosolids Disposal	1,351,703	753,733	1,298,503	1,387,398	88,895	6.8%
Chemicals	967,733	529,908	1,139,119	1,070,838	(68,281)	-6.0%
Contracted Svcs	3,266,940	1,534,116	3,799,691	4,084,006	284,315	7.5%
Deferred Cost W/O	38,156	10,944	21,888	29,488	7,600	34.7%
Heat/Fuel Oil	456,842	316,575	515,008	499,058	(15,950)	-3.1%
Insurance	186,312	90,054	188,736	204,560	15,824	8.4%
Materials/Supplies	1,587,849	972,251	1,586,165	1,611,952	25,787	1.6%
Other Expense	744,540	341,878	755,149	806,267	51,118	6.8%
Purchased Power	1,879,630	836,056	1,829,293	1,790,652	(38,641)	-2.1%
Regulatory/Taxes	221,701	115,978	221,017	226,586	5,569	2.5%
Tele/Oth Utilities	269,698	143,873	313,657	317,429	3,772	1.2%
Transportation	1,130,939	553,929	1,264,935	1,297,239	32,304	2.6%
<u>(less) Transport Offset</u>	<u>(780,140)</u>	<u>(397,598)</u>	<u>(893,707)</u>	<u>(898,062)</u>	<u>(4,355)</u>	<u>0.5%</u>
Departmental Expense	25,585,444	12,934,880	26,912,547	27,723,872	811,325	3.0%
Debt Service	6,428,634	3,555,866	7,141,485	6,810,659	(330,826)	-4.6%
Renewal & Replacement (Direct)	3,803,850	1,866,474	3,732,950	3,996,362	263,412	7.1%
<u>Renewal & Replacement (Indirect)</u>	<u>490,000</u>	<u>245,003</u>	<u>490,000</u>	<u>490,000</u>	<u>-</u>	<u>0.0%</u>
Operating Expense	36,307,928	18,602,223	38,276,982	39,020,893	743,911	1.9%
Current Year Surplus (Deficit)	1,407,029	129,511	556,444	606,813		
Transfer to Water Capital Reserve	-	-	-	(66,831)		
Transfer to Water Land Fund	(250,000)	-	-	-		
Write-off Bond Issuance Expense*	(164,421)	-	-	-		
Return of WW Accumulated Surplus	(215,000)	-	-	-		
Transfer to R&R Reserve	(282,511)	-	-	-		
Ending Fund Balance	9,509,031	9,638,542	10,221,535	11,002,580		
*Due to new GASB rules, bond issuance expenses incurred in prior years was expensed						

Combined Operating, Capital and Grant Funds

The total combined revenue and funding for 2015 is \$64.59 million, total combined expenditures are \$63.98 million. The budgeted surplus for 2015 is \$606,813.

Operating funds details are included in Operating Revenues, Operating Expenses and Human Resources Sections. Capital funds details are included in 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	21,690,890	-	21,690,890
WW Assessments	17,116,284	-	17,116,284
Water Bond	-	8,000,000	8,000,000
Water R&R	-	3,170,000	3,170,000
WW Bond (Future)	-	11,000,000	11,000,000
WW Bond	-	1,337,500	1,337,500
WW R&R	-	1,396,362	1,396,362
Deferred Operating Expense	-	150,000	150,000
Contracted Billing Income	218,016	-	218,016
Interest Income	76,236	-	76,236
Other Income	526,280	-	526,280
Total Revenue	39,627,706	25,053,862	64,681,568
Salaries/Wages	10,178,032	355,836	10,533,868
Employee Benefits	5,118,429	92,612	5,211,041
Biosolids Disposal	1,387,398	-	1,387,398
Chemicals	1,070,838	-	1,070,838
Contracted Svcs	4,084,006	24,410,029	28,494,035
Deferred Cost W/O	29,488	-	29,488
Heat/Fuel Oil	499,058	-	499,058
Insurance	204,560	-	204,560
Materials/Supplies	1,611,952	111,940	1,723,892
Other Expense	806,267	-	806,267
Purchased Power	1,790,652	-	1,790,652
Regulatory/Taxes	226,586	-	226,586
Tele/Oth Utilities	317,429	-	317,429
Transportation	1,297,239	83,445	1,380,684
(less) Transport Offset	(898,062)	-	(898,062)
Operating Expense	27,723,872	25,053,862	52,777,734
Debt Service	6,810,659	-	6,810,659
Renewal & Replace - Direct	3,996,362	-	3,996,362
Renewal & Replace - Indirect	490,000	-	490,000
Total Expense	39,020,893	25,053,862	64,074,755
Surplus (Deficit)	606,813	-	606,813

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, 2014. 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.



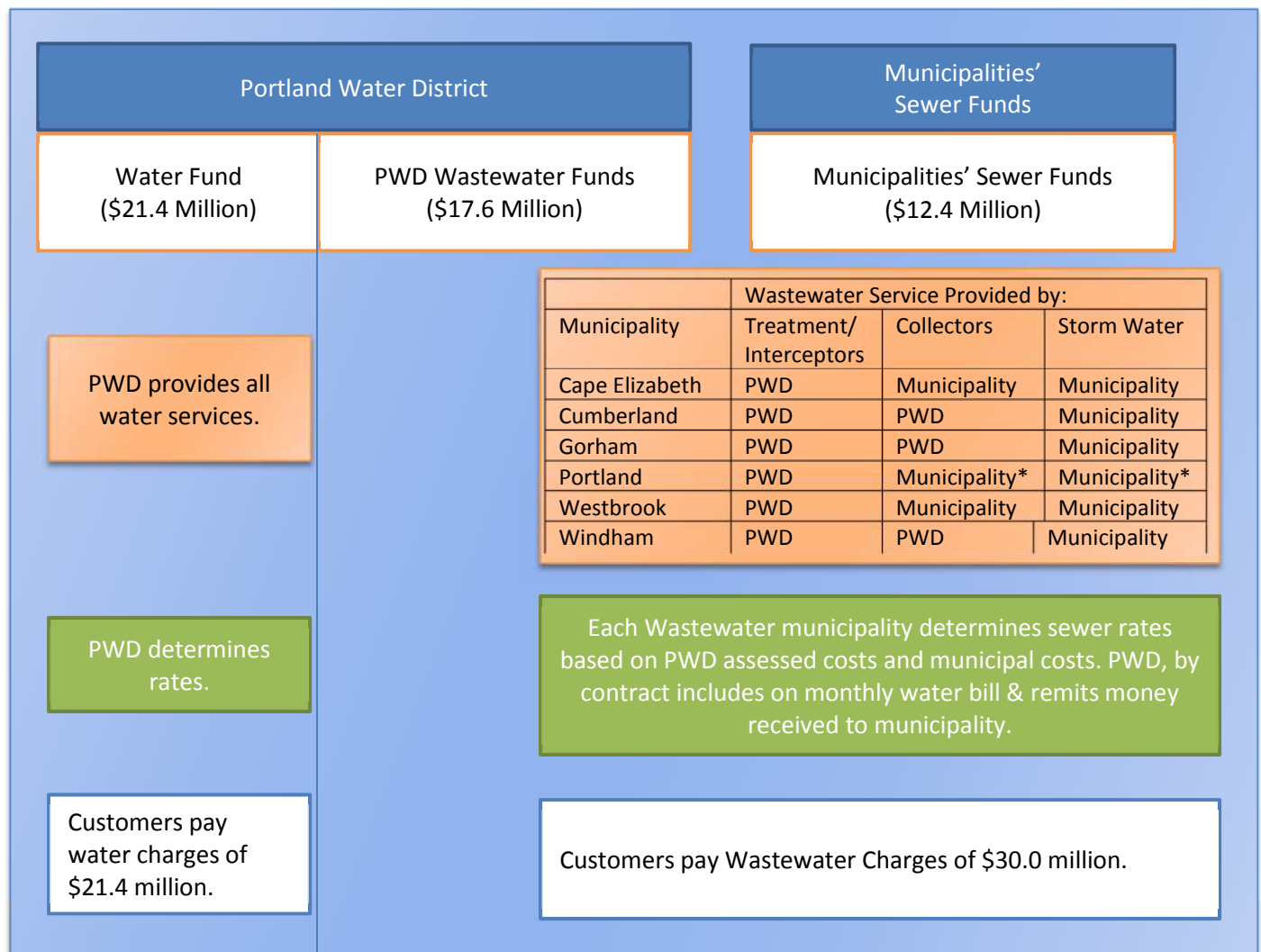
Introduction

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 Financial Summary 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.

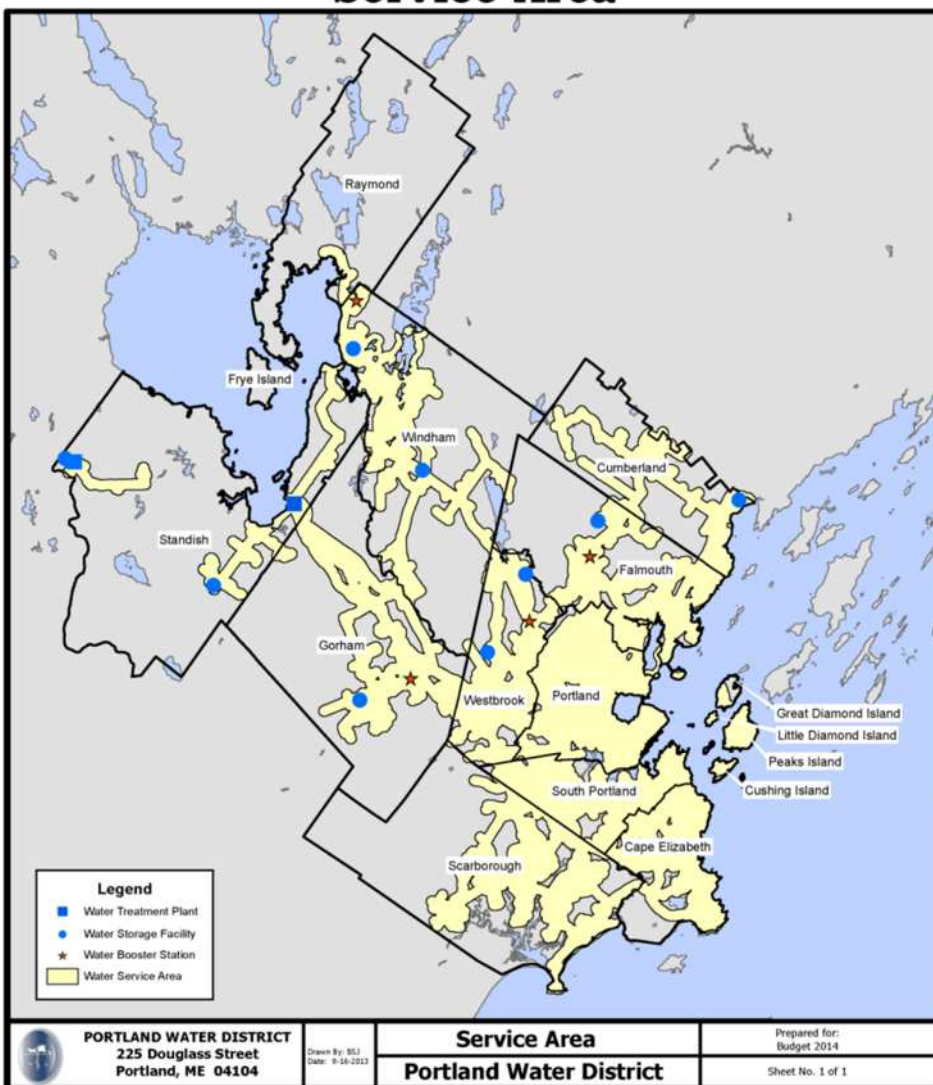


Fund: Water

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.

Portland Water District Service Area



Fund: Water

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.

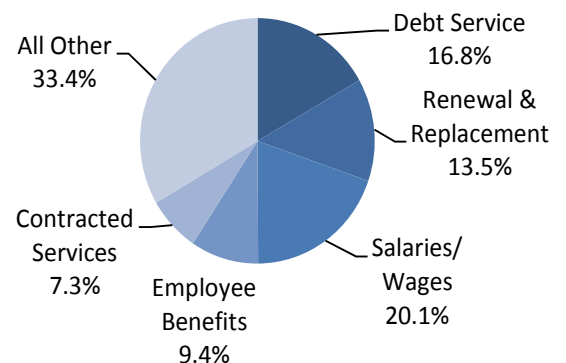
2015 Financial Summary

The proposed 2015 operating expense and capital budgets are \$21,385,652 and \$11,245,000, respectively.

Operating Expense was \$568,342, or 2.7%, higher than the previous year. Departmental Expense was up 3.9% (\$554,581) and Renewal & Replacement (direct & indirect) was up \$200,455. Debt Service moved downward with a decrease of \$186,694 (4.9%) due to debt retirements outpacing newer issues.

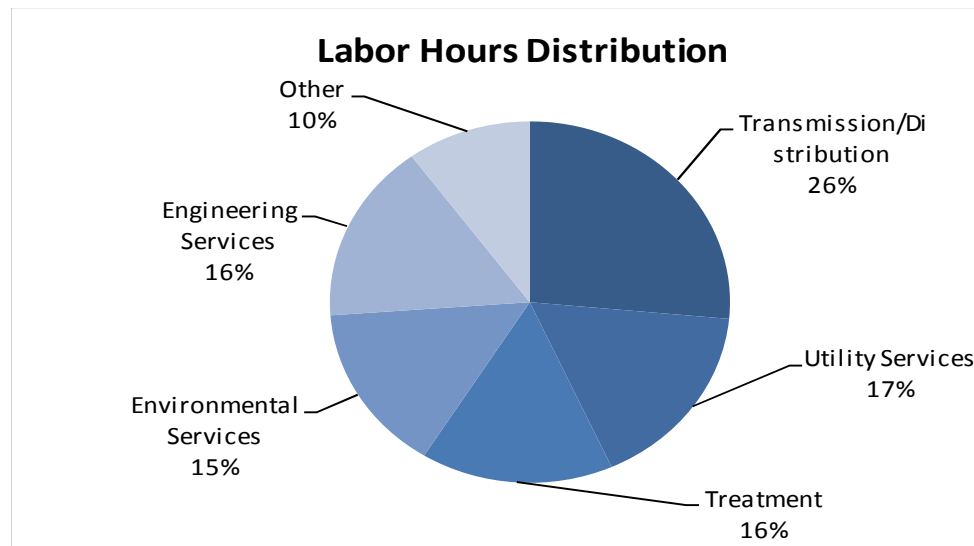
The capital budget includes \$6.5 million for distribution main renewals. Additionally, \$4.8 million in capital work involving various other assets will be funded from the renewal and replacement fund.

2015 Operating Expense



2015 Operating Expense Highlights

Salaries/Wages – Wage rates increased an average for 2.0%. The smaller overall increase of 0.5% (\$19,346) was the result of a reduction in overtime hours and a shift 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, increased 4.1%. The benefit rate increased 3.3% due to increases in health insurance and pension costs.

Chemicals – Costs are budgeted to decrease 22.7% (\$118,275), the majority (\$90,242) involved liquid oxygen. Liquid oxygen was added to the updated treatment process in early 2014. The 2014 Budget was based on engineering estimates; the 2015 Budget was based on actual usage at the plant which resulted in a large decrease in both projected usage and price. All other chemical costs have small declines due to either projected reductions in per unit cost or usage.

Contracted Services – The budget is up 18.3% (\$241,735) due a rise in Water Operation's contractor construction budget to the expected levels of value box, maintenance and other outsourced work.

Other Expense – Other Expense increased \$53,666 (37.5%). This increase is mostly attributable to costs put into the 2015 Budget to deal with deregulation issues.

Purchased Power – Delivery charges for the water treatment plant are expected to decrease 28.2%, charges to other water facilities are expect to decline 2.5%. Energy rates will rise 16.7% for the treatment plant and medium sized accounts will remain the same. These rate shifts contributed to a 5.2% (\$21,062) increase. A larger increase was mitigated by a decrease in energy use at the Ozone Facility due to energy savings from upgraded equipment.

Tele/Other Utilities – This is expense is up \$16,457 (32.0%) due to the outsourcing of holding tank pumping at the water treatment facility and higher costs for cell phones.

Transportation – The budget is up (\$35,219 or 4.5%) due to an increase in estimated vehicle use of about 800 hours by Water Operations.

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 4.6% (\$182,350) due increased efforts in the water fund by facilities group and the laboratory.

Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. This expense will decrease 4.9% (\$186,694) in 2015 due to the retirement of older debt.

Renewal & Replacement – These are dollars put aside to fund capital projects. They will increase \$200,455 to support continued capital work including the renewal of older water mains.

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Water Sales	20,301,648	9,897,472	21,130,183	21,690,890	560,707	2.7%
Interest Income	29,265	19,178	26,630	34,391	7,761	29.1%
<u>Other Income</u>	<u>271,722</u>	<u>112,153</u>	<u>240,780</u>	<u>265,370</u>	<u>24,590</u>	<u>10.2%</u>
Total Revenue	20,602,635	10,028,803	21,397,593	21,990,651	593,058	2.8%
Salaries & Wages	3,931,556	2,016,377	4,173,946	4,193,292	19,346	0.5%
Employee Benefits	1,780,150	943,942	1,924,036	2,002,068	78,032	4.1%
Chemicals	346,472	147,356	521,250	402,975	(118,275)	-22.7%
Contracted Services	1,081,759	396,418	1,318,037	1,559,772	241,735	18.3%
Deferred Cost W/O	5,600	600	1,200	800	(400)	-33.3%
Facilities	88,817	54,173	109,233	112,850	3,617	3.3%
Heat/Fuel Oil	147,203	93,752	154,901	159,341	4,440	2.9%
Insurance	22,423	11,699	34,985	36,667	1,682	4.8%
Materials & Supplies	610,171	377,785	557,531	567,612	10,081	1.8%
Other Expense	203,584	128,062	142,936	196,602	53,666	37.5%
Purchased Power	453,575	176,981	401,736	422,798	21,062	5.2%
Regulatory/Taxes	221,702	115,977	221,017	226,586	5,569	2.5%
Tele/Other Utilities	51,383	31,164	51,365	67,822	16,457	32.0%
Transportation	762,264	361,377	791,213	826,432	35,219	4.5%
SS - Administration	2,979,324	1,484,914	3,095,701	3,185,851	90,150	2.9%
SS - Engineering Services	796,655	378,348	671,131	739,689	68,558	10.2%
SS - Environmental Services	85,363	40,677	87,299	109,197	21,898	25.1%
<u>SS - Water Services</u>	<u>65,325</u>	<u>132,889</u>	<u>90,842</u>	<u>92,586</u>	<u>1,744</u>	<u>1.9%</u>
Departmental Expense	13,633,326	6,892,491	14,348,359	14,902,940	554,581	3.9%
Debt Service	3,244,932	1,875,274	3,773,527	3,586,833	(186,694)	-4.9%
Renewal & Replace - Direct	2,400,000	1,200,000	2,400,000	2,600,000	200,000	8.3%
<u>Renewal & Replace - Indirect</u>	<u>297,414</u>	<u>147,712</u>	<u>295,424</u>	<u>295,879</u>	<u>455</u>	<u>0.2%</u>
Operating Expense	19,575,672	10,115,477	20,817,310	21,385,652	568,342	2.7%
Surplus (Deficit)	1,026,963	(86,674)	580,283	604,999		
Write-off Bond Issuance Exp	(110,346)	-	-	-		
Transfer to Capital Reserve	-	-	-	(66,831)		
Transfer to Land Fund	(250,000)	-	-	-		
<u>Prior Surplus</u>	<u>2,834,170</u>	<u>3,500,787</u>	<u>3,503,515</u>	<u>4,097,689</u>		
Accumulated Surplus	3,500,787	3,414,113	4,083,798	4,635,857		

Operation Summary

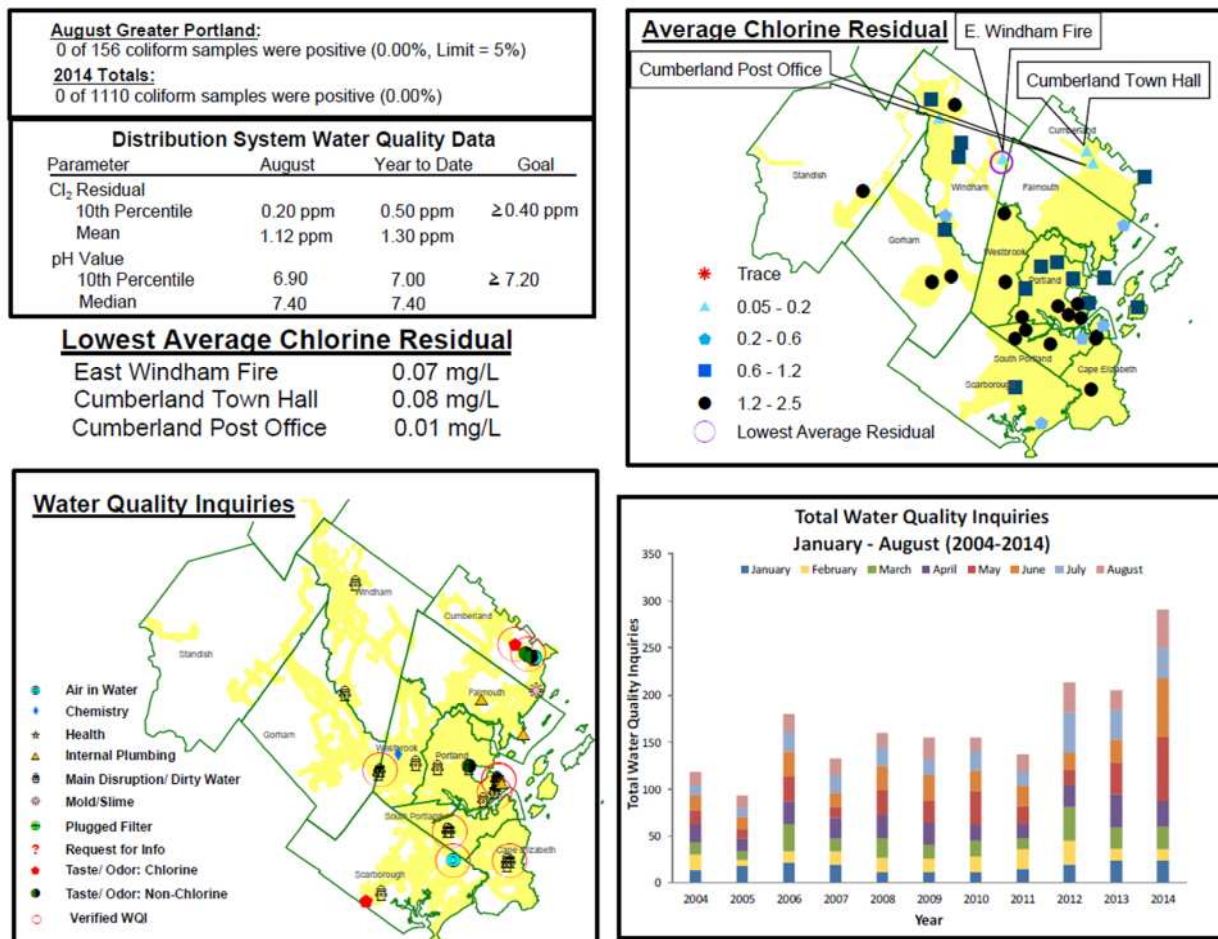
The current treatment processes at the Sebago Lake Water Treatment Facility (SLWTF) include ozone, ultra-violet energy (U V) and chloramines for disinfection, fluoridation for dental benefit, and the addition of a corrosion control inhibitor. In order to meet the requirements of the new Long-Term II Treatment Rule in early 2014, the District installed a UV treatment system. The construction project also included the replacement of the 20 year old ozone production system.

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 2015, the District plans to spend approximately \$6.5 million dollars to replace and upgrade these mains, and intends to increase the amount by \$500,000 in 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 2014 Distribution System Water Quality Summary

Page 1 of 1



Operation Summary (continued)

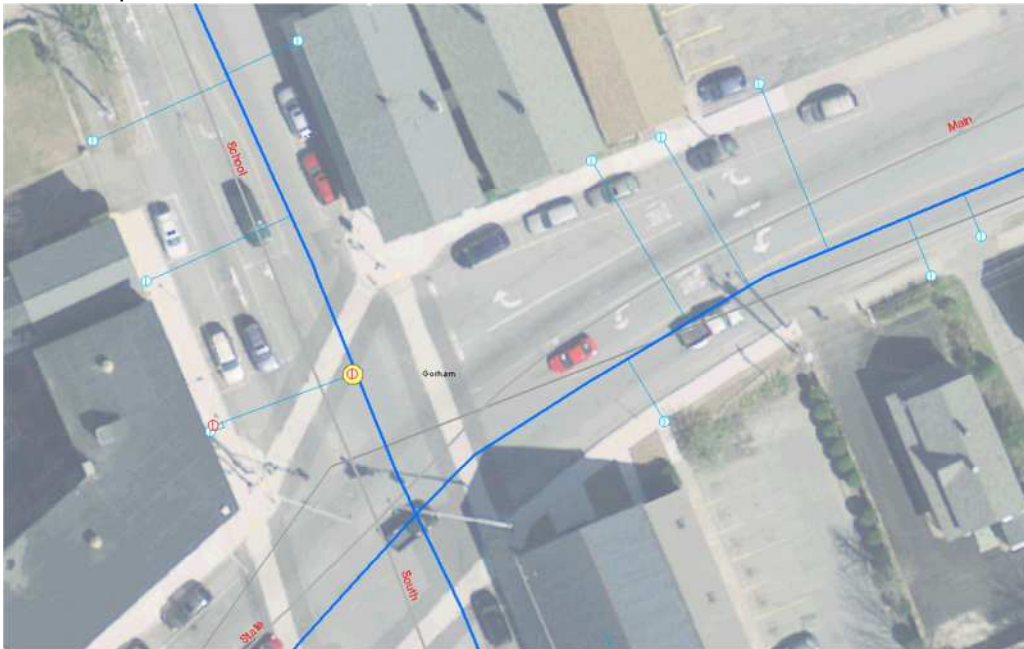
In an effort to improve the water quality in the distribution system, the District performs multi-directional flushing to remove any sediment that deposits on the bottom of these mains. This sediment can cause a reduction in the area's chlorine residual and increase customer's water quality inquiries. 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.

	2012 Actual	2013 Actual	2014 Projected	2015 Goal
% of Distribution System Flushed	33%	33%	37%	33%

The hydrant inspection program was revised over the past 3 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 objective is to test each hydrant annually. Many hydrants had not been tested against this higher standard, and this created more maintenance work during the first few years of the revised program.

	2012 Actual	2013 Actual	2014 Projected	2015 Goal
Annual Hydrant Inspections	2971 (60%)	1992 (40%)	4963 (100%)	4,963 (100%)

The District continues to be innovative in its use of technology. One significant project under way is the GPS locating, confirming addresses, and updating the utility account information of all water service lines. This multi-year project will improve the efficiency of employees by clarifying 100 year old records and thus reduce time spent determining the exact location of buried assets. The Town of Gorham was completed in 2013, staff expects to complete the Town of Falmouth by the end of 2014, and will move into another community in 2015. Depending on the size of the community selected, it may take more than a year to complete.



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 a \$4.5 million bond in 2014 directly to the bond market. The 2015 planned projects are listed below. A detailed description of the projects is listed in the capital improvement plan section of the budget book. In 2015, the district plans to issue \$8.5 million in bonds and fund renewal and replacement at \$3.27 million to fund the remaining capital projects.

	2013 Actual	2014 Projected	2015 Budget
Beginning of Year Fund Balance	\$2,374,784	\$2,882,788	\$2,383,788
Funding Sources:			
Bond Proceeds - current year	-	-	-
Bond Proceeds - Main Renewal	2,500,000	5,000,000	5,500,000
Bond Proceeds - 407 Zone	-	-	2,000,000
Bond Proceeds - Ozone Plant	11,000,000	-	500,000
Renewal & Replacement Contribution	<u>3,270,000</u>	<u>3,270,000</u>	<u>3,470,000</u>
	19,144,784	11,152,788	13,853,788
Expenditures:			
Scada & Technology	69,183	147,000	265,000
Vehicle/Equipment Replacement	318,490	320,000	275,000
Water Operations - Mains/Valves	147,625	200,000	275,000
Water Operations - Services/Meters	318,965	400,000	790,000
Water Operations - Hydrants	146,521	150,000	200,000
Main Renewal Projects	4,113,412	7,300,000	6,500,000
Main Renew related (Hydrant/Service)	n/a	-	50,000
Ozone Plant/UV Project	11,000,000	-	500,000
407 Zone Work	-	-	2,000,000
Water Facilities	147,800	227,000	365,000
Water Supply Security	<u>-</u>	<u>25,000</u>	<u>25,000</u>
	16,261,996	8,769,000	11,245,000
End of Year Fund Balance	2,882,788	2,383,788	2,608,788

Projections for Rate-Making Purposes

Multi-year projections are made for the water fund to provide an understanding of the future impact on water rates.

Summary

Major Assumptions:

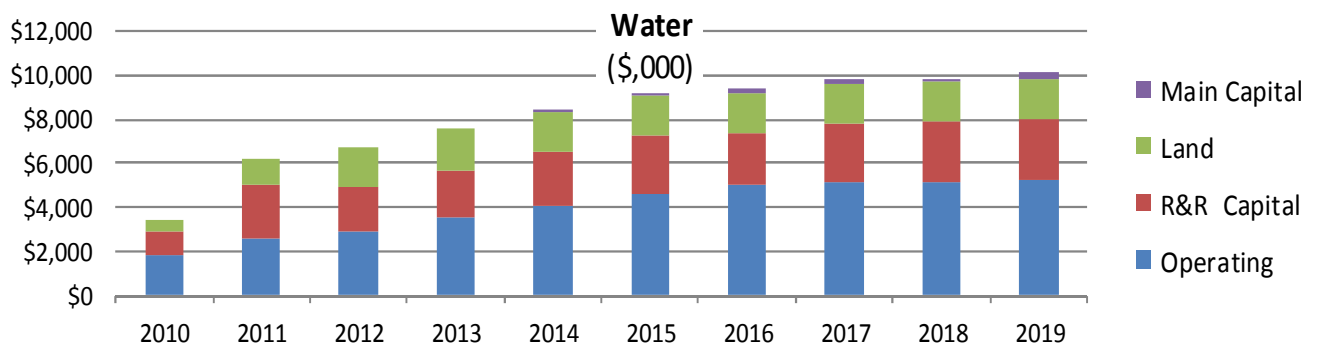
The assumptions incorporated in the projections are as follows:

- Salary increases of 2% each year. Maintain same number of employees.
- Benefit increases of 5% each year. Assumed pension contribution increased to \$1 million a year in 2015 and health insurance increases 7 % per year.
- Other expenses increase by 2.5% in 2015-2016 and 3.5% in subsequent years.
- New debt service and renewal/replacement fund expenditures consistent with the 2015 5-year capital plan (new debt assumed a 20 year life at 5%). Significant projects include an annual investment of \$7 million of water mains and combined investment in the 407 zone upgrade of \$7.5 million.

Summary

Water is projected to increase to \$26,365,413, a 21% increase, with the most significant cost change related to debt service issued to finance capital projects. Operating Reserve balance is expected to be below target balance. Renewal and Replacement fund and debt ratio are expected to meet target.

Reserve Fund Balances



Percent of Budget Dedicated to Debt Service – Target: Not to Exceed 35%

Funds	2014	2015	2016	2017	2018	2019
Water	17%	17%	20%	22%	25%	26%

Debt Service Ratio – Target: Greater or Equal to 1.25

Funds	2014	2015	2016	2017	2018	2019
Water	1.87	1.98	1.73	1.57	1.45	1.44

Projections for Rate-Making Purposes (continued)

Water Fund

Operating Fund:

	2015	2016	2017	2018	2019
Revenue:	Budget	Projected	Projected	Projected	Projected
Water Revenue	\$21,690,890	\$22,775,435	\$23,914,207	\$25,109,917	\$26,365,413
Other Income	265,370	265,370	265,370	265,370	265,370
Interest Income	34,391	34,391	34,391	34,391	34,391
Total Revenue	21,990,651	23,075,196	24,213,968	25,409,678	26,665,174
Expense:					
Salaries/Wages	4,193,292	4,277,158	4,362,701	4,449,955	4,538,954
Employee Benefits	2,002,068	2,102,171	2,207,280	2,317,644	2,433,526
Contracted Svcs	1,559,772	1,598,766	1,654,723	1,712,638	1,772,580
Transportation	826,432	847,093	876,741	907,427	939,187
Materials/Supplies	567,612	581,802	602,165	623,241	645,054
Purchased Power	422,798	433,368	448,536	464,235	480,483
Chemicals	402,975	413,049	427,506	442,469	457,955
Regulatory/Taxes	226,586	232,251	240,380	248,793	257,501
Heat/Fuel Oil	159,341	163,325	169,041	174,957	181,080
Facilities	112,850	115,671	119,719	123,909	128,246
Other Expense	196,602	201,517	208,570	215,870	223,425
Tele/Oth Utilities	67,822	69,518	71,951	74,469	77,075
Insurance	36,667	37,584	38,899	40,260	41,669
Deferred Cost W/O	800	820	849	879	910
Support Services:					
Administration	3,185,851	3,265,497	3,379,789	3,498,082	3,620,515
Engineering Services	739,689	758,181	784,717	812,182	840,608
Water Services	92,586	94,901	98,223	101,661	105,219
Environmental Services	109,197	111,927	115,844	119,899	124,095
Capital:					
Debt Service	3,586,833	4,485,820	5,359,486	6,251,297	6,791,177
Renewal & Replacement	2,895,879	2,895,879	2,895,879	2,895,879	2,895,879
Total Expense	21,385,652	22,686,298	24,062,999	25,475,746	26,555,138
Annual Surplus (Deficit)	604,999	388,898	150,969	-66,068	110,037
Transfer to Cap Reserve	-66,831	-30,254	4,358	4,748	-30,863
Carryforward Surplus	4,097,689	4,635,857	5,024,755	5,175,724	5,109,656
Period End Surplus	4,635,857	5,024,755	5,175,724	5,109,656	5,219,693
Target	5,346,413	5,671,575	6,015,750	6,368,937	6,638,784
Below Target	-\$710,556	-\$646,820	-\$840,026	-\$1,259,281	-\$1,419,091

Capital Expenditures: (See details in the Capital Expenditure section) Target Balance: \$2,687,840

Year	Beg Balance	R&R Contribution	Bond	Land Reserve	Expenditures	End Balance
2015	2,383,788	3,470,000	8,000,000	0	11,245,000	2,608,788
2016	2,608,788	3,470,000	8,000,000	0	11,688,000	2,390,788
2017	2,390,788	3,470,000	10,025,000	0	13,225,000	2,660,788
2018	2,660,788	3,470,000	6,000,000	0	9,375,000	2,755,788
2019	2,755,788	3,470,000	7,000,000	0	10,375,000	2,850,788

Water Main Renewals

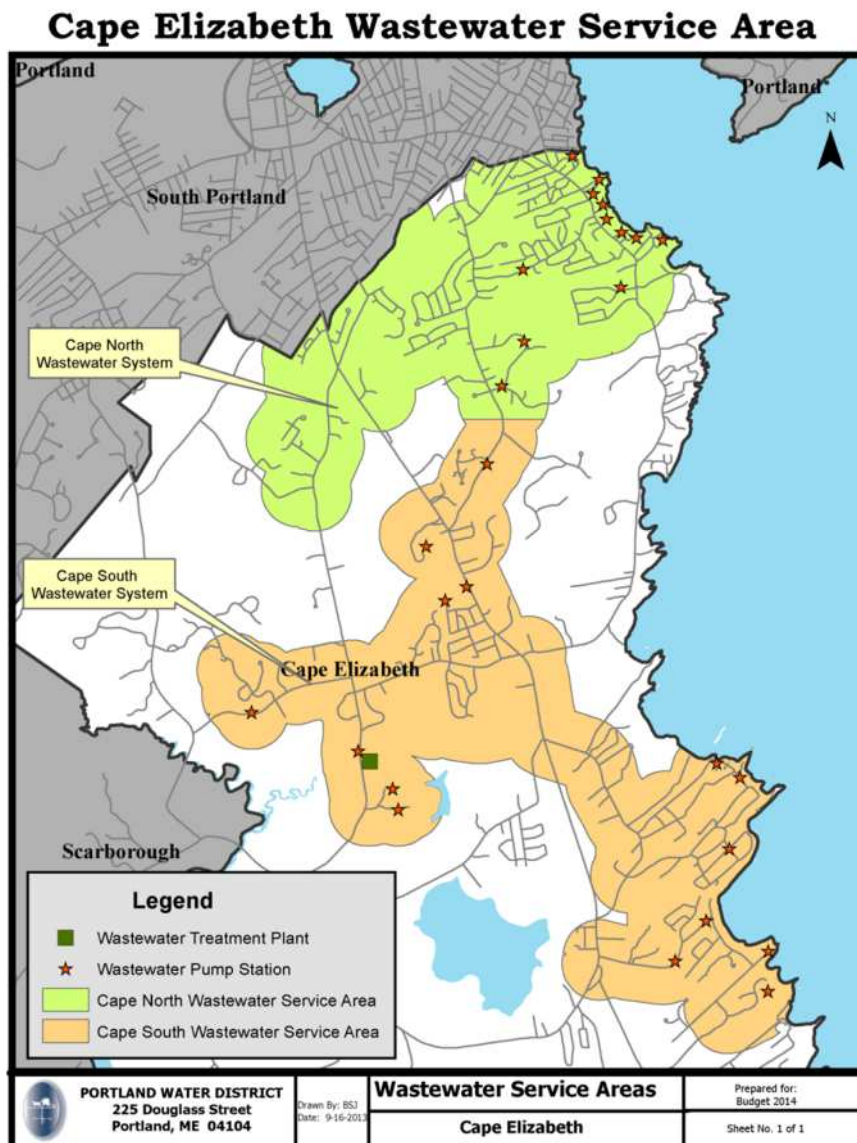


Our commitment to maintain aging water infrastructure includes replacing water mains. The 2015 budget continues this commitment with planned projects totaling \$6.5 million dollars. The projects will be funded with current year's revenue (\$1 million) and bond proceeds (\$5.5 million).

Fund: Wastewater - Cape Elizabeth

Background

The Portland Water District's charter authorizes the District to provide wastewater treatment and collection system-interceptors service to the town. The town maintains most of the collection system-collectors system but has contracted with the District to maintain several pump stations with that system. 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. Additionally, by contract, the District provides utility billing services.



Summary of Services Provided:

Treatment:

*0.623 million gallons/
day*

Collection System:

*23 Pump Stations with
13.5 miles of pipe*

Utility Billing Services:

*Annual Billings of
\$1,881,114 on 2,279
Customers (avg.
\$67.15/month)*

Fund: Wastewater - Cape Elizabeth

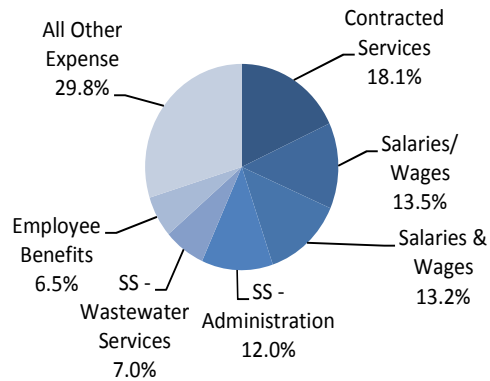
2015 Financial Summary

The proposed assessment of \$1,412,112 is a 2.5% increase. The assessment is \$47,775 lower than the forecasted assessment provided the town last year.

The proposed 2015 Operating Expense and Capital budgets are \$1,414,100 and \$412,676, respectively. The Operating Expense budget increased \$35,243 or 2.6%.

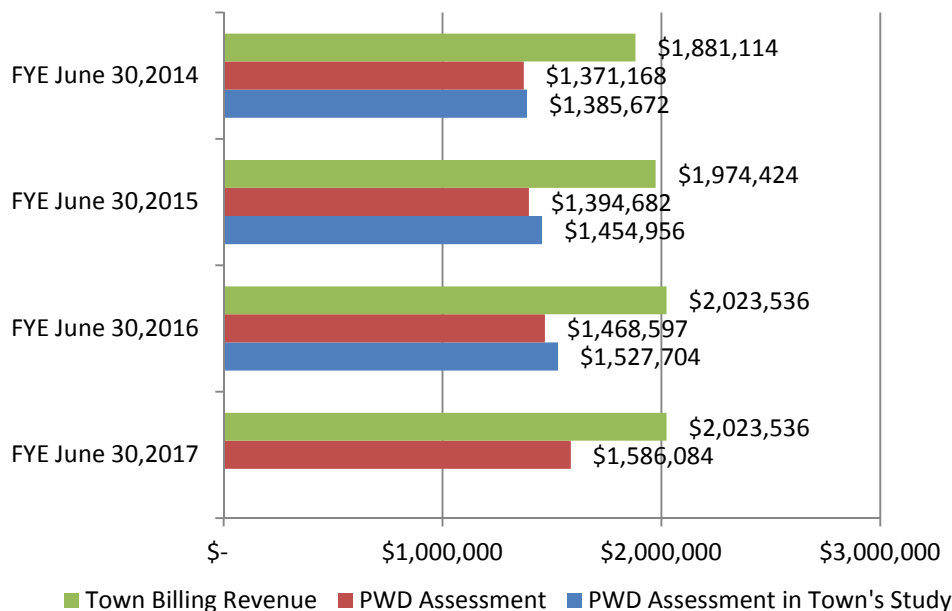
The 2015 capital budget involves an upgrade at the Wildwood pump station as well as the beginning of Phase 2 of work at the treatment facility, per agreement with Maine DEP. Work will be financed by a withdrawal of \$75,176 from the renewal and replacement fund and bonds of \$337,500.

2015 Operating Expense



Assessment Compared to Ratepayers' Billing

The municipality's fiscal year end is June 30, while the District's is year end. The chart below compares the sewer billing cash as collected by the District on their behalf and the District's assessment for services rendered. The municipality may incur additional sewer-related costs. The municipality determines whether or not to increase the sewer billing rates.



Revenue Assumptions:

- Consumption is the 12 months ending June 30, 2014

- Rates Assumed:

Effective Date:	Base/Per HCF
-----------------	--------------

Mar 2013	\$43/\$5.25
Mar 2014	\$46/\$5.41
Mar 2015	\$48/\$5.57

2015 Operating Expense Highlights

Salaries/Wages – The budget of \$187,062 increased 0.4% (\$769). District labor rates increased an average of 2.0% and hours for this fund declined 1.8%. The hourly reduction was many due to the outsourcing of sludge hauling between the Cape Elizabeth WWTF and the East End WWTF. A total of 7,945 hours (3.8 full time equivalents) were budgeted for 2015.

Employee Benefits – Benefits, which are charged as a percentage of regular wages, increased 3.1% (\$2,706) to a total of \$91,232. The benefit rate increased 3.3% due to increases in health insurance and pension costs.

Contracted Services – The budget for this item increased \$47,301 (22.7%). The increase included \$17,300 for the outsourcing of sludge hauling, \$14,000 for CCTV (inspection by video) of sewer lines and \$8,800 for snow plowing.

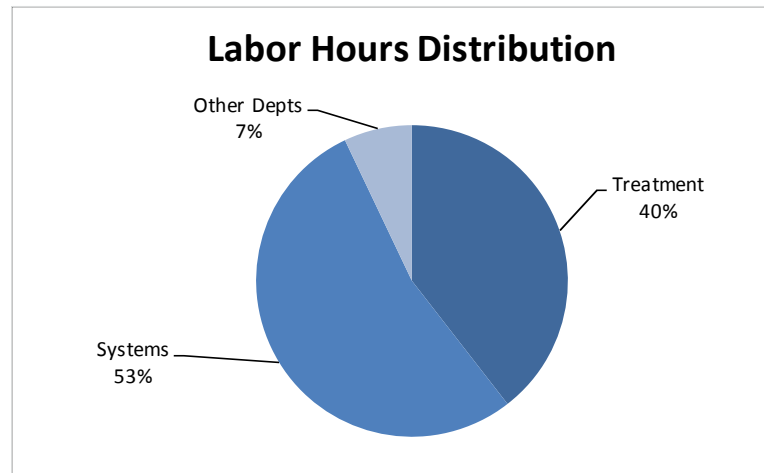
Transportation – Transportation decreased \$22,178 (34.6%) mostly due to the outsourcing of sludge hauling to an outside contractor.

Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as customer service, billing or information technology) 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 1.0% (\$3,809). The changes to each line varied from the 3.3% increase in Administration (due in large part to wage and benefits increases) to a 5.1% decrease in Environmental Services due to a reduction in work for the Cape Elizabeth WWTF in relation to the total work done in the laboratory.

Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. This cost increased \$1,219 (0.6%) from the prior year budget to \$191,534. The plan calls for new bond issues of \$337,500 and \$250,000 in November 2015 for work at the Garden Lane and Wildwood Pump Stations as well as several Cape Elizabeth WWTF projects.

Renewal & Replacement - Dollars put aside to fund capital projects. A contribution of \$94,678 will be made in 2015; a decrease of \$50 or 0.3%.



	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Assessment Income	\$1,365,084	\$688,626	\$1,377,252	\$1,412,112	\$34,860	2.5%
Interest Income	<u>1,915</u>	<u>1,022</u>	<u>1,605</u>	<u>1,988</u>	<u>383</u>	<u>23.9%</u>
Total Revenue	1,366,999	689,648	1,378,857	1,414,100	35,243	2.6%
Salaries & Wages	172,478	81,019	186,293	187,062	769	0.4%
Employee Benefits	80,445	39,477	88,526	91,232	2,706	3.1%
Biosolids Disposal	13,409	7,274	14,005	14,622	617	4.4%
Chemicals	8,307	5,020	11,882	12,767	885	7.4%
Contracted Services	206,245	100,259	207,955	255,256	47,301	22.7%
Heat/Fuel Oil	14,237	9,678	16,798	16,457	(341)	-2.0%
Insurance	4,929	2,631	5,261	5,631	370	7.0%
Materials & Supplies	36,369	8,360	33,300	34,225	925	2.8%
Other Expense	6,341	2,371	3,902	3,900	(2)	-0.1%
Purchased Power	71,272	40,677	77,514	76,657	(857)	-1.1%
Tele/Other Utilities	14,509	4,564	13,590	13,660	70	0.5%
Transportation	69,905	28,121	64,138	41,960	(22,178)	-34.6%
SS - Administration	143,876	78,522	164,161	169,507	5,346	3.3%
SS - Engineering Services	50,325	24,413	66,727	67,570	843	1.3%
SS - Environmental Services	34,955	17,792	36,147	34,293	(1,854)	-5.1%
SS - Wastewater Services	84,980	52,622	100,972	98,569	(2,403)	-2.4%
SS - Water Services	<u>1,790</u>	<u>3,588</u>	<u>2,643</u>	<u>4,520</u>	<u>1,877</u>	<u>71.0%</u>
Departmental Expense	1,014,372	506,388	1,093,814	1,127,888	34,074	3.1%
Debt Service	199,941	94,611	190,315	191,534	1,219	0.6%
Renewal & Replace - Direct	80,000	40,000	80,000	80,000	-	0.0%
Renewal & Replace - Indirect	<u>13,708</u>	<u>7,364</u>	<u>14,728</u>	<u>14,678</u>	<u>(50)</u>	<u>-0.3%</u>
Operating Expense	1,308,021	648,363	1,378,857	1,414,100	35,243	2.6%
Surplus (Deficit)	58,978	41,285	-	-		
Write-off Bond Issuance Exp	(4,059)	-	-	-		
Return of Surplus	-	-	-	-		
Transfer to R&R	-	-	-	-		
Prior Surplus	<u>202,812</u>	<u>257,731</u>	<u>203,033</u>	<u>322,118</u>		
Accumulated Surplus	257,731	299,016	203,033	322,118		

Operation Summary

Wastewater Treatment: The Cape Elizabeth 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 several "record" rain event and has continued to perform very well. The table below illustrates 2013 actual flows and the percent of capacity being used.

Area	2013 Actual Flow	Design Capacity	% of Capacity
North Cape	367,907 gal/day	715,400 gal/day	51.40 %
South Cape	254,700 gal/day	520,000 gal/day	49.0 %

2014 YTD - The South Cape WWTF has operated well through the first three quarters. The plant is averaging 91% removal of BOD and 96% of total suspended solids, which exceeds the minimum 85% removal required in the permit for both parameters.

Parameter (lbs/day)	DEP Limit	Facility Avg	
Biological Oxygen Demand (BOD)	208 lbs/day	28 lbs/day	Measure of organic material
Total Suspended Solids (TSS)	208 lbs/day	11 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 began 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	2014 Actual to Oct.	2013 Projected
Preventative Work Orders	287	300
Corrective	47	50
Wet wells cleaned	44	40
Debris removed	37.22	40
DWO	0	0

2014 Other Highlights

- 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 will be completed in 2014.
- The roof of the metering station will be replaced.

2015 Work Plan

- The Town will begin implementing the findings of the I/I assessment. PWD will continue to assist the Town as needed.
- The Wildwood Pump Station will be upgraded in 2015.

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 2015. The planned projects are listed below:

Pump Stations – 52: Routine and equipment renewal and replacements (\$30,000) will be financed through the renewal and replacement fund.

SCADA/Process Control Program – 177: East End Treatment Plant SCADA upgrades and various process and management systems (\$20,176), financed from the renewal and replacement fund.

Pump Stations – 407: Wildwood Pump Station replacement (\$95,000) projects totaling \$345,000. These projects will be financed by bonds in November 2015.

Treatment Plant – 418: This project (\$242,500) is Phase 2 of the treatment plant improvements as part of an agreement with Maine DEP. This project will be financed by a bond in November 2015.

Treatment Plant – 424: Routine and equipment renewal and replacements (\$25,000). These projects will be financed through the renewal and replacement fund.

	2013 Actual	2014 Projected	2015 Budget
Capital Fund:			
Beginning of Year Fund Balance	\$128,499	\$143,754	\$170,767
Source of Funds:			
Bond Proceeds - prior year(s)	153,920	-	-
Bond Proceeds - current year	-	-	337,500
Bond Proceeds - future years	-	250,000	
Renewal and Replacement Contribution	80,000	80,000	80,000
Transfer from Operating Fund	-	-	-
Capital Funding	233,920	330,000	417,500
Capital Expenditures:			
Pump Station R&R – 52	39,458	28,872	30,000
SCADA System Controls (prorated) - 177	-	-	20,176
Cape CSO / Pump Station Capital Program - 407	154,599	250,000	95,000
Treatment Plant Capital Program – 418	-	-	242,500
Treatment Plant R&R – 424	24,608	24,115	25,000
Capital Expenditures	218,665	302,987	412,676
End of Year Fund Balance	143,754	170,767	175,591

Projections for Rate-Making Purposes

Multi-year projections are made for 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 projection is provided on next page.

Summary

Major Assumptions:

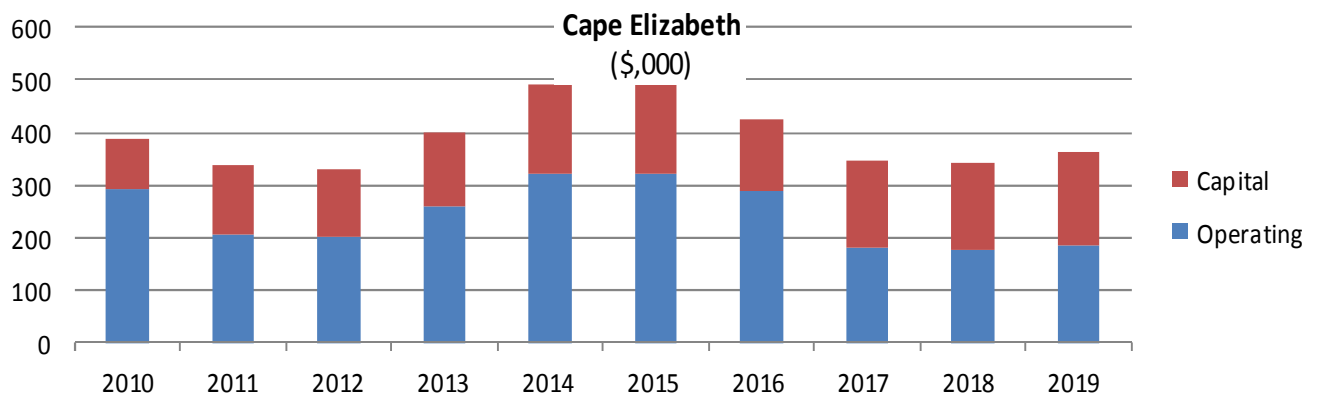
The assumptions incorporated in the projections are as follows:

- Salary increases of 2% each year. Maintain same number of employees.
- Benefit increases of 5% each year. Assumed pension contribution increased to \$1 million a year in 2015 and health insurance increases 7 % per year.
- Other expenses increase by 2.5% in 2015-2016 and 3.5% in subsequent years. 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 2015 5-year capital plan (new debt assumed a 20 year life at 5%). Significant projects include \$1 million upgrade at the treatment facility in 2016 and upgrades to the Wildwood, Maiden Cove, Family Field and Peabbles Cove pump station.

Summary

Assessment is projected to increase to \$1,832,220 with the most significant cost change related to debt service issued to finance capital projects. Reserves balances are expected to below target balances.

Reserve Fund Balances



Percent of Budget Dedicated to Debt Service – Target: Not to Exceed 35%

Funds	2014	2015	2016	2017	2018	2019
Cape Elizabeth	14%	14%	19%	26%	25%	25%

Debt Service Ratio – Target: Greater or Equal to 1.25

Funds	2014	2015	2016	2017	2018	2019
Cape Elizabeth	1.50	1.49	1.21	0.97	1.20	1.23

Projections for Rate-Making Purposes (continued)

Operating Fund:

Wastewater Cape Elizabeth	2015	2016	2017	2018	2019
Revenue:	Budget	Projected	Projected	Projected	Projected
Assessment Income	\$1,412,112	\$1,525,081	\$1,647,087	\$1,778,854	\$1,832,220
Interest Income	1,988	1,988	1,988	1,988	1,988
FEMA Reimbursement	0	0	0	0	0
Total Revenue	1,414,100	1,527,069	1,649,075	1,780,842	1,834,208
Expense:					
Contracted Svcs	255,256	271,687	276,619	281,651	286,786
Salaries/Wages	187,062	190,803	194,619	198,511	202,481
Employee Benefits	91,232	95,794	100,584	105,613	110,894
Purchased Power	76,657	78,573	81,323	84,169	87,115
Transportation	41,960	43,009	44,514	46,072	47,685
Materials/Supplies	34,225	35,081	36,309	37,580	38,895
Heat/Fuel Oil	16,457	16,868	17,458	18,069	18,701
Biosolids Disposal	14,622	15,719	16,269	16,838	17,427
Tele/Oth Utilities	13,660	14,002	14,492	14,999	15,524
Chemicals	12,767	13,086	13,544	14,018	14,509
Other Expense	3,900	3,998	4,138	4,283	4,433
Insurance	5,631	5,772	5,974	6,183	6,399
Support Services:					
Administration	169,507	173,745	179,826	186,120	192,634
Wastewater Services	98,569	101,033	104,569	108,229	112,017
Engineering Services	67,570	69,259	71,683	74,192	76,789
Environmental Services	34,293	35,150	36,380	37,653	38,971
Water Services	4,520	4,633	4,795	4,963	5,137
Capital:					
Debt Service	191,534	297,268	458,433	452,675	453,351
Renewal & Replacement	94,678	94,678	94,678	94,678	94,678
Total Expense	1,414,100	1,560,158	1,756,207	1,786,496	1,824,426
Annual Surplus (Deficit)	0	-33,089	-107,132	-5,654	9,782
Carryforward Surplus	322,118	322,118	289,029	181,898	176,244
Period Ending Surplus	322,118	289,029	181,898	176,244	186,027
Target	353,525	390,039	439,052	446,624	456,106
Below Target	-\$31,407	-\$101,010	-\$257,154	-\$270,380	-\$270,080

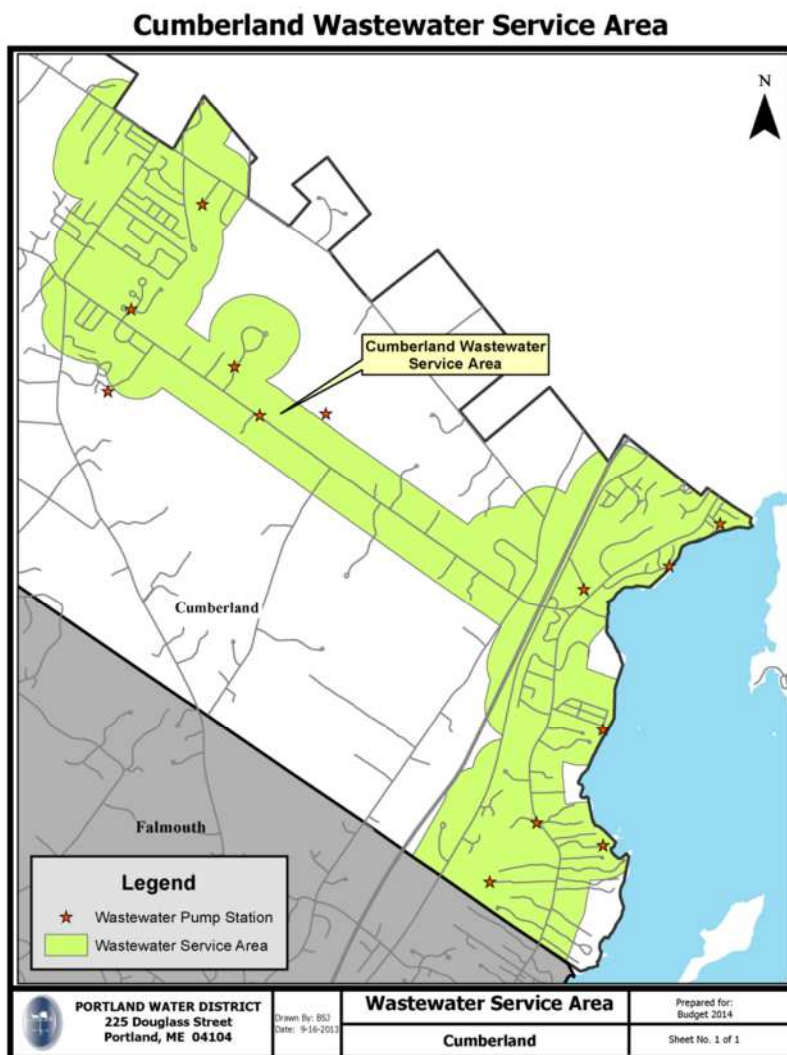
Capital Expenditures: (See details in the Capital Expenditure section) Target Balance: \$471,607

Year	Beg Balance	R&R Contribution	Bond	Expenditures	End Balance
2015	\$170,767	\$80,000	\$337,500	\$412,676	\$175,591
2016	175,591	80,000	2,195,400	2,315,400	135,591
2017	135,591	80,000	0	50,000	165,591
2018	165,591	80,000	125,000	205,000	165,591
2019	165,591	80,000	0	70,000	175,591

Fund: Wastewater - Cumberland

Background

The Portland Water District's charter authorizes the District to provide wastewater treatment and collection system- interceptors service to the town. By contract with the town, the District additionally operates and maintains the collectors in the sewer collection system. The District contracts with the Town of Falmouth to provide treatment services. Additionally, by contract, the District provides utility billing services.



Summary of Services Provided:

Treatment

*0.227 million
gallons/day*

Collection System:

*13 Pump Stations with
25.0 miles of pipe*

Utility Billing Services:

*Annual Billings of
\$885,617 on 1,107
Customers (avg.
\$67.25/month)*

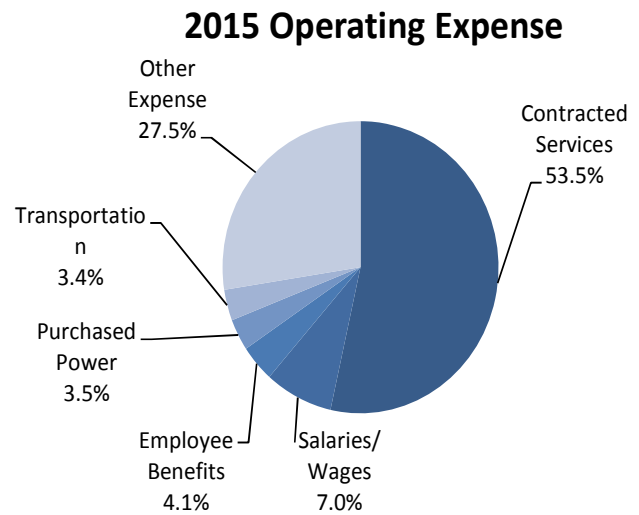
Fund: Wastewater - Cumberland

2015 Financial Summary

The proposed assessment of \$731,784 is the same as the previous year. This assessment is lower than the forecasted assessment provided the town last year.

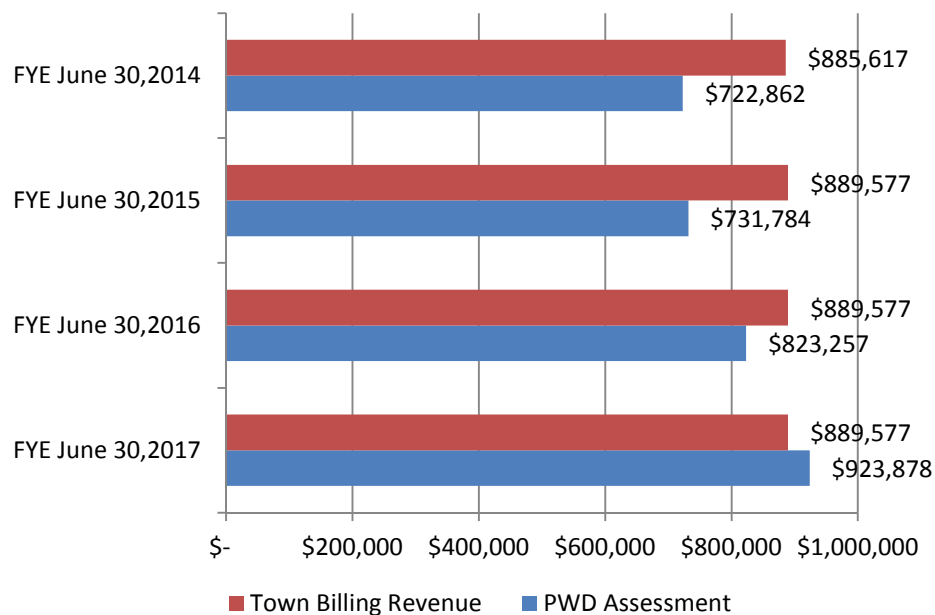
The proposed 2015 Operating Expense and Capital budgets are \$733,695 and \$48,740, respectively. The Operating Expense budget decreased \$37,936 or 4.9%. The major factor in this decrease is the reduction in the fee projected to be paid annually to the Town of Falmouth for wastewater treatment services by \$45,269.

Capital work in 2015 will include installation of a control panel in the Brookside Pump Station and routine small equipment repairs. The work will be funded by a withdrawal of \$48,740 from the renewal and replacement fund.



Assessment Compared to Ratepayers' Billing

The municipality's fiscal year end is June 30, while the District's is year end. The chart below compares the sewer billing cash as collected by the District on their behalf and the District's assessment for services rendered. The municipality may incur additional sewer-related costs. The municipality determines whether or not to increase the sewer billing rates.



Revenue Assumptions:

- Consumption is the 12 months ending June 30, 2014

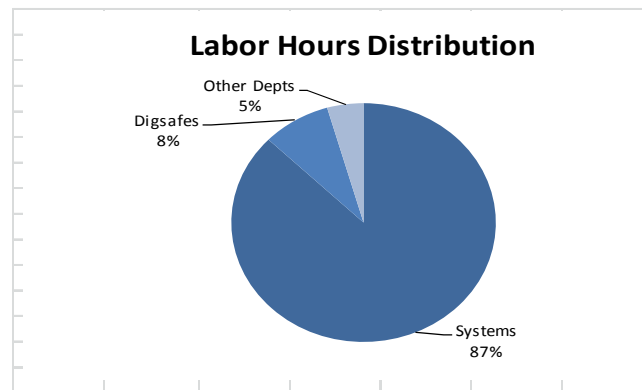
- Rates Assumed:

Effective Date:	Base/Per HCF
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Jul 2013	\$34.25/\$4.96
Sep 2013	\$34.25/\$5.29

2015 Operating Expense Highlights

Salaries/Wages – This expense is budgeted to increase 8.8% or \$4,744 to \$58,804. District labor rates increased an average of 2.0% and hours for this fund increased 7.0% (162 hours). The majority of the change was the 100 hour increase for dig safe locates related to gas line installations. A total of 2,472 hours (1.2 full time equivalents) were budgeted for 2015 and were distributed as follows:



Employee Benefits – Benefits, which are charged as a percentage of regular wages, increased 10.8% (\$2,908) to a total of \$29,760. The benefit rate increased 3.3% due to increases in health insurance and pension costs.

Contracted Services – This category involves payments to the Town of Falmouth for wastewater treatment services which decreased \$45,269 or 11.3% to a budgeted amount \$355,531. This amount is consistent with projections provided by the Town of Falmouth in 2014, except it does not include the proposed Mill Creek project as it is deemed unlikely to be constructed in time to impact the 2015 budget. Last year Falmouth included \$45,000 of one-time capital projects.

Materials & Supplies – The budget for this item declined \$4,650 or 37.3% because of generator parts that were needed in the 2014 Budget not being needed in 2015.

Purchased Power – The budget for purchased power remained nearly flat with an increase of \$98 to a budget of \$25,857. This represents an increase of 0.4%.

Transportation – Transportation costs had a small decline. The budget requested is a decrease of \$875 (3.3%) to an annual budget of \$25,258.

Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as customer service, billing or computer support) 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 7.4% (\$10,163); most of the increase (\$7,492) was in the Administrative area. This allocation is done via a three year average of overall costs relative to the other funds; Cumberland's costs have risen over the past few years due to increasing charges from the Town of Falmouth for wastewater treatment.

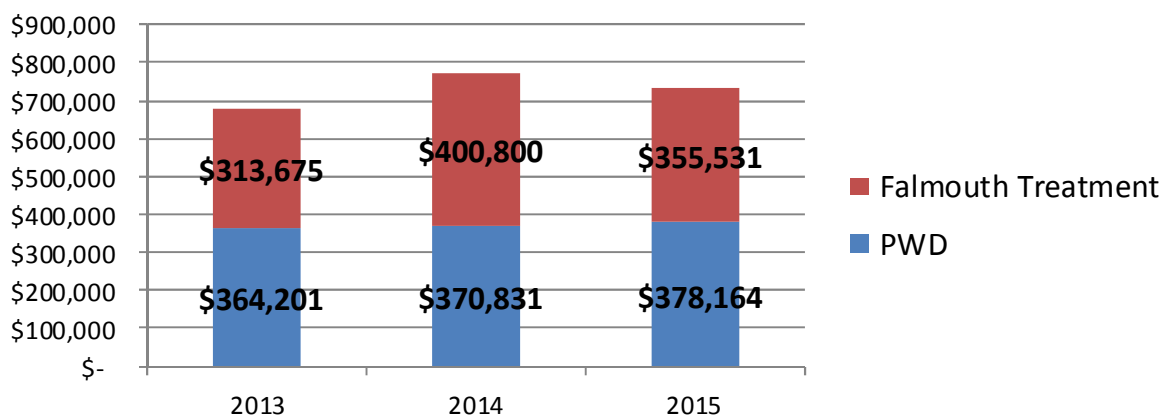
Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. No new debt is expected to be issued in 2015 and the expense will decline 1.4% (\$216).

Renewal and Replacement – This is the annual contribution to a fund to finance smaller capital projects. A contribution of \$27,380 will be made in 2015.

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Assessment Income	\$713,940	\$365,532	\$731,784	\$731,784	\$0	0.0%
Interest Income	<u>2,002</u>	<u>1,100</u>	<u>1,762</u>	<u>1,911</u>	<u>149</u>	<u>8.5%</u>
Total Revenue	715,942	366,632	733,546	733,695	149	0.0%
Salaries & Wages	50,695	31,649	54,060	58,804	4,744	8.8%
Employee Benefits	25,112	16,436	26,852	29,760	2,908	10.8%
Contracted Services	357,783	229,609	444,205	392,371	(51,834)	-11.7%
Heat/Fuel Oil	-	-	170	170	-	0.0%
Insurance	2,214	1,962	1,063	2,544	1,481	139.3%
Materials & Supplies	13,836	1,774	12,450	7,800	(4,650)	-37.3%
Purchased Power	23,035	13,617	25,859	25,957	98	0.4%
Tele/Other Utilities	385	398	425	425	-	0.0%
Transportation	24,041	11,513	26,133	25,258	(875)	-3.3%
SS - Administration	79,570	41,533	86,871	94,363	7,492	8.6%
SS - Engineering Services	23,173	11,352	30,785	30,903	118	0.4%
SS - Wastewater Services	19,475	9,566	19,170	21,133	1,963	10.2%
SS - Water Services	<u>885</u>	<u>1,784</u>	<u>1,271</u>	<u>1,861</u>	<u>590</u>	<u>46.4%</u>
Departmental Expense	620,204	371,193	729,314	691,349	(37,965)	-5.2%
Debt Service	15,420	7,562	15,182	14,966	(216)	-1.4%
Renewal & Replace - Direct	35,000	9,814	19,628	19,628	-	0.0%
Renewal & Replace - Indirect	<u>7,252</u>	<u>3,754</u>	<u>7,507</u>	<u>7,752</u>	<u>245</u>	<u>3.3%</u>
Operating Expense	677,876	392,323	771,631	733,695	(37,936)	-4.9%
Surplus (Deficit)	38,066	(25,691)	(38,085)	-		
Write-off Bond Issuance Expense	(460)	-	-	-		
Return of Surplus	-	-	-	-		
Transfer to R&R	-	-	-	-		
Prior Surplus	<u>270,947</u>	<u>308,553</u>	<u>268,962</u>	<u>261,481</u>		
Accumulated Surplus	308,553	282,862	230,877	261,481		

Contracted Services – Treatment Services from Town of Falmouth

Almost half of the annual budget relates to the costs assessed by the town of Falmouth for the use of the treatment facility in Falmouth.



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 2013.

Year	Cumberland Flow	Falmouth WWTF Flow	% Cumberland Share
2013	227,041 gal/day	904,551 gal/day	25.1 %

FWWTF Cap.	Cumberland Cap (30%)	% Cap. Used	Capacity Remaining
1,560,000 gal/day	468,000 gal/day	48.5 %	241,000 gal/day

Wastewater Conveyance – collectors, interceptors and pumping stations:

Parameter	2014 Actual to Oct	2015 Projected
Preventative Work Orders	167	180
Corrective	17	15
Wet wells cleaned	27	30
Debris removed	60.24	30
DWO	1	0

2014 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 2015. The Town and PWD began negotiations for capacity in the upgraded pump station and force main.
- All pump stations are 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.
- A historic rain event in August 2013 flooded the area of the Powell Rd. Pump Station. Crews had the pump station operating within hours and restored the pump station to full operation within a few days.

2015 Work Plan

- The Town and PWD will continue to 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 be used to 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 2015. 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: Brookside Pump Station generator (\$20,000) and routine and equipment renewal and replacements (\$20,000) for a total of \$40,000. These projects will be financed through the renewal and replacement fund.

SCADA/Process Control Program – 177: East End Treatment Plant SCADA upgrades and various process and management systems (\$8,740), financed from the renewal and replacement fund.

	2013 Actual	2014 Projected	2015 Budget
Capital Fund:			
Beginning of Year Fund Balance	\$264,675	\$284,076	\$227,204
Source of Funds:			
Bond Proceeds - prior year(s)	-	-	-
Bond Proceeds - current year	-	-	-
Bond Proceeds - future year(s)	-	-	-
Outside Contribution	53,975	-	-
Renewal and Replacement Contribution	35,000	19,628	19,628
Operating Surplus Transfer	-	-	-
Capital Funding	88,975	19,628	19,628
Capital Expenditures:			
Pump Station - Contributed	53,975	-	-
Pump Station R&R – 41	15,599	76,500	40,000
SCADA Systems Controls (prorated) - 177	-	-	8,740
Capital Expenditures	69,574	76,500	48,740
End of Year Fund Balance	284,076	227,204	198,092

Projections for Rate-Making Purposes

Multi-year projections are made for 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 projection is provided on next page.

Major Assumptions:

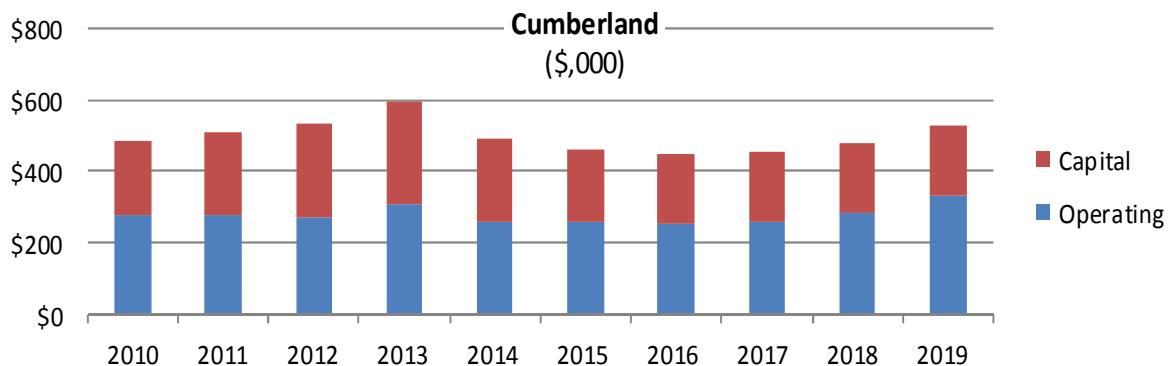
The assumptions incorporated in the projections are as follows:

- Salary increases of 2% each year. Maintain same number of employees.
- Benefit increases of 5% each year. Assumed pension contribution increased to \$1 million a year in 2015 and health insurance increases 7 % per year.
- Other expenses increase by 2.5% in 2015-2016 and 3.5% in subsequent years.
- The \$5.9 million Mill Creek Pump Station upgrade impact is assumed to begin in 2016.

Summary

Assessment is projected to increase to \$970,720 by 2019 with the most significant cost change related to Town of Falmouth's assessment increase due to the Mill Creek pump station upgrade. Operating Reserve balance and debt ratios are expected to better than target.

Reserve Fund Balance



Percent of Budget Dedicated to Debt Service – Target: Not to Exceed 35%

Funds	2014	2015	2016	2017	2018	2019
Cumberland	2%	2%	2%	2%	2%	2%

Debt Service Ratio – Target: Greater or Equal to 1.25

Funds	2014	2015	2016	2017	2018	2019
Cumberland	0.28	2.81	2.05	3.30	4.58	5.89

Projections for Rate-Making Purposes (continued)

Operating Fund:

Wastewater Cumberland	2015	2016	2017	2018	2019
Revenue:	Budget	Projected	Projected	Projected	Projected
Assessment Income	\$731,784	\$914,730	\$933,025	\$951,686	\$970,720
Interest Income	1,911	1,911	1,911	1,911	1,911
FEMA Reimbursement	0	0	0	0	0
Total Revenue	733,695	916,641	934,936	953,597	972,631
Expense:					
Falmouth Treatment	355,531	544,648	538,938	533,246	527,518
Salaries/Wages	58,804	59,980	61,180	62,404	63,652
Employee Benefits	29,760	31,248	32,810	34,451	36,174
Contracted Srvs	36,840	37,761	38,705	39,673	40,665
Transportation	25,258	25,889	26,536	27,199	27,879
Purchased Power	25,957	26,606	27,271	27,953	28,652
Materials/Supplies	7,800	7,995	8,195	8,400	8,610
Insurance	2,544	2,608	2,673	2,740	2,809
Tele/Oth Utilities	425	436	447	458	469
Heat/Fuel Oil	170	174	178	182	187
Support Services:					
Administration	94,363	94,363	94,363	94,363	94,363
Engineering Services	30,903	30,903	30,903	30,903	30,903
Wastewater Services	21,133	21,133	21,133	21,133	21,133
Water Services	1,861	1,861	1,861	1,861	1,861
Capital:					
Debt Service	14,966	15,174	15,080	14,987	14,893
Renewal & Replacement	27,380	27,135	27,135	27,135	27,135
Total Expense	733,695	927,914	927,408	927,088	926,903
Annual Surplus (Deficit)	0	-11,273	7,528	26,509	45,728
Transfer to R&R					
Carryforward Surplus	261,481	261,481	250,208	257,736	284,245
Period Ending Surplus	261,481	250,208	257,736	284,245	329,973
Target	183,424	231,979	231,852	231,772	231,726
Above/(Below) Target	\$78,057	\$18,230	\$25,884	\$52,473	\$98,247

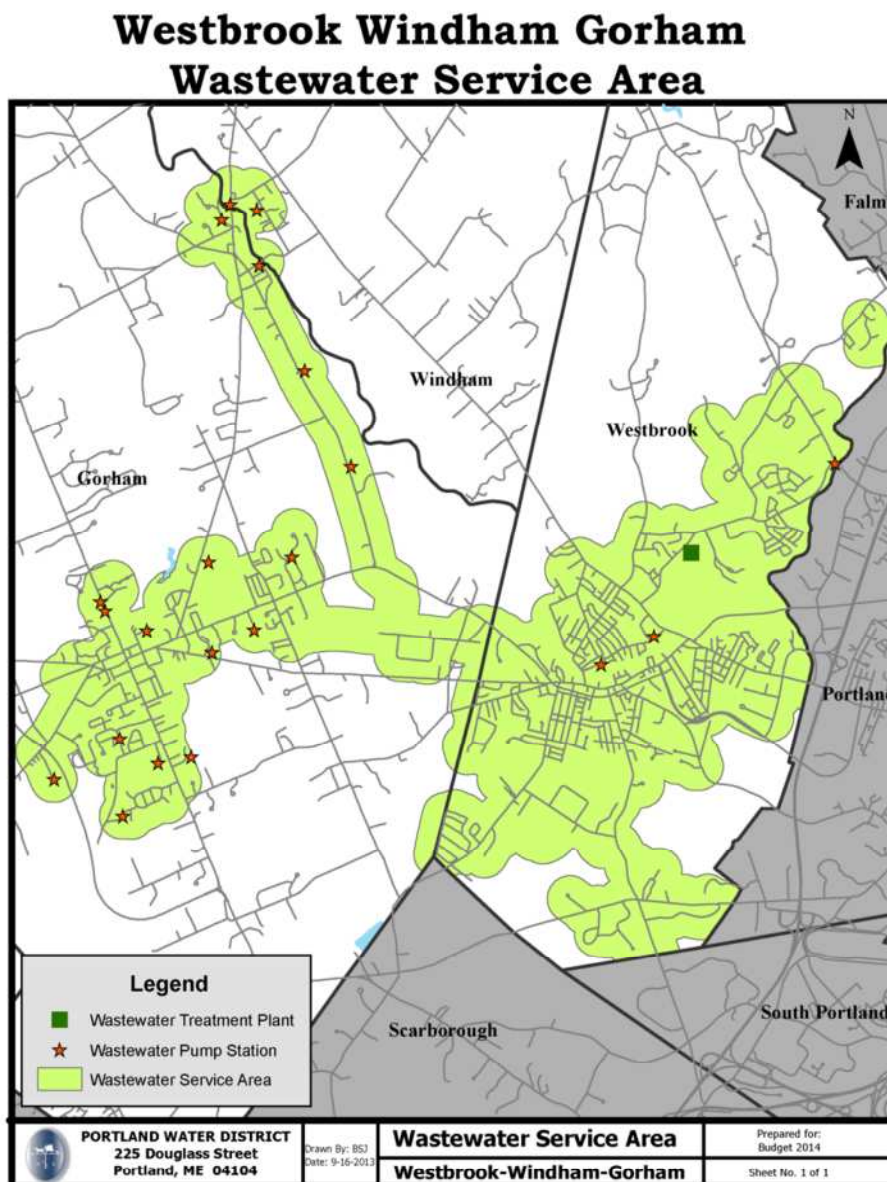
Capital Expenditures: (See details in the Capital Expenditure section) Target Balance: 231,315

Year	Beg Balance	R&R Contribution	Bond	Expenditures	End Balance
2015	\$227,204	\$19,628	\$0	\$48,740	\$198,092
2016	198,092	19,628	0	20,000	197,720
2017	197,720	19,628	0	20,000	197,348
2018	197,348	19,628	0	20,000	196,976
2019	196,976	19,628	0	20,000	196,604

Fund: Wastewater - Gorham

Background

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



Summary of Services Provided:

Treatment

*0.53 million
gallons/day*

Collection System

*9 Gorham only & 3
Joint use Pump
Stations with 28 miles
of pipe*

Utility Billing

*Annual Billings of
\$1,065,140 on 1,655
Customers (avg.
\$53.35/month)*

Fund: Wastewater - Gorham

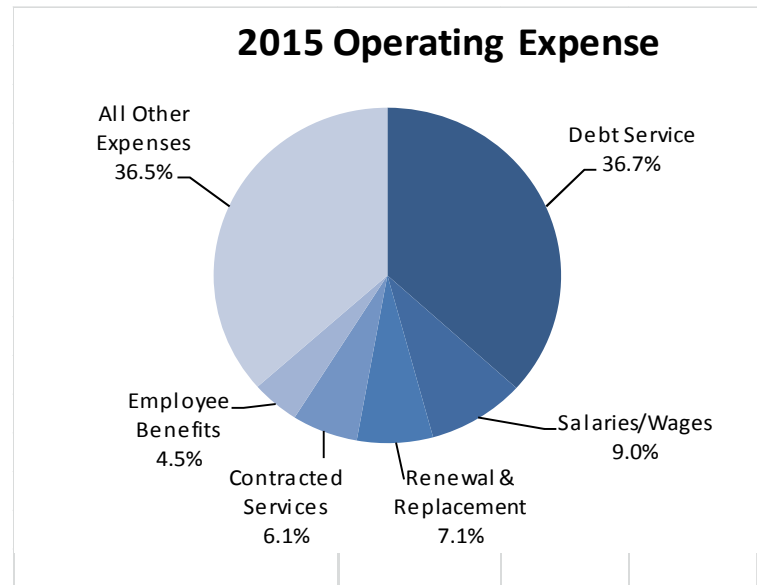
2015 Financial Summary

The proposed assessment is \$1,106,148; this is the same assessment as the prior year. The assessment is \$33,184 less than the forecasted assessment provided the town last year.

The proposed 2015 Operating Expense and Capital budgets are \$1,128,383 and \$58,249, respectively.

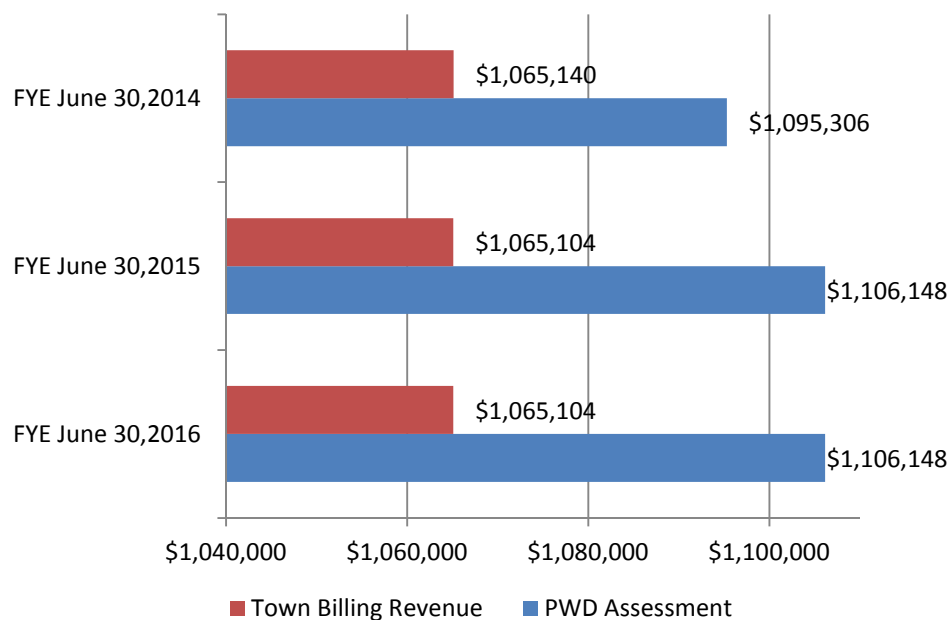
The Operating Expense budget increase is \$6,712 or 0.6%. The small increase was related to the reductions in salaries/wages, employee benefits and contracted services.

The capital projects in 2015 include upgrades at the regional wastewater treatment plant. The capital work will be funded by renewal and replacement funds.



Assessment Compared to Ratepayers' Billing

The municipality's fiscal year end is June 30, while the District's is year end. The chart below compares the sewer billing cash as collected by the District on their behalf and the District's assessment for services rendered. The municipality may incur additional sewer-related costs. The municipality determines whether or not to increase the sewer billing rates.



Revenue Assumptions:

- Consumption is the 12 months ending June 30, 2014

- Rates Assumed:

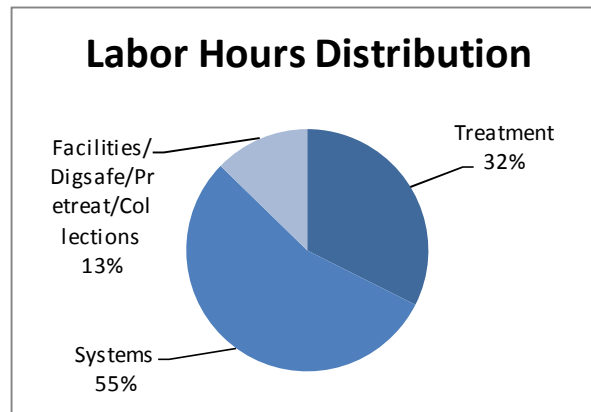
Effective Date:	Base/Per HCF
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Nov 2006	\$13.74/6.29
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No change in rates since 11/1/2006.

2015 Operating Expense Highlights

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. The budget decreased \$16,139 (15.9%) to \$85,329 which is in line with the prior year actual (\$82,197) and the projected full cost for 2014 (approximately \$86,000). A total of 3,571 hours (1.4 full time equivalents) were budgeted for 2015 and were distributed as follows:



Employee Benefits – This cost is charged as a percentage of regular wages. With the decrease in salaries/wages, this line decreased to \$7,055 (14.0%). The benefit rate increased 3.3% due to increases in health insurance and pension costs.

Biosolids Disposal – The budget assumed the volume of wet tons disposed would increase by 6.2% along with an estimated 2.5% increase in the disposal rate. Those items increased costs of disposal at the Westbrook Regional WWTF by 8.6%. However, due to a reduction in flows, Gorham's share of treatment costs decreased from 14.0% in 2014 to 13.0% in 2015. The result was only a 0.9% (\$370) increase in expense.

Contracted Services – The budget for this item decreased \$17,805 (25.9%) mostly due to a reduction in the amount of CCTV (inspection by video) of sewer lines being done.

Purchased Power – The budget for power is expected to decrease by 3.9% or \$1,600 to \$39,370. The decrease is due mainly to the smaller percentage of joint flows attributable to Gorham noted above.

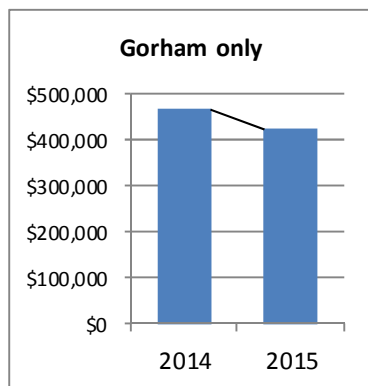
Transportation – Transportation costs decreased \$1,819 or 5.9% to a total of \$29,189. This change is related to the decrease in labor costs noted above.

Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as customer billing or information technology) 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 decreased 2.1% (\$5,548). The decrease in the Wastewater (\$6,260) is attributed to the labor decrease as costs in this area are allocated on that basis.

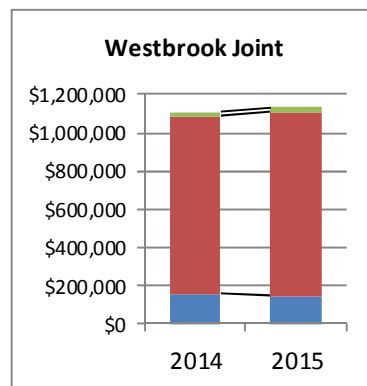
Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. This item decreased 1.5% (\$5,973) as older bond issues were retired.

Renewal & Replacement - Dollars put aside to fund smaller capital projects. A contribution of \$139,646 will be made in 2015.

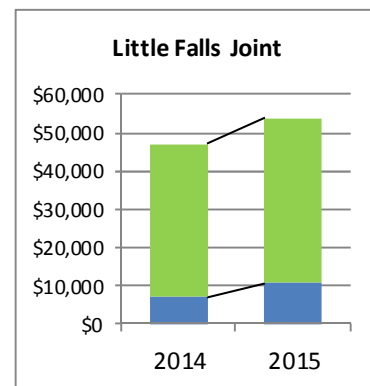
	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Assessment Income	1,084,464	553,074	1,106,148	1,106,148	-	0.0%
Interest Income	3,606	1,577	3,123	3,425	302	9.7%
<u>Other Income</u>	<u>17,827</u>	<u>5,772</u>	<u>12,400</u>	<u>18,810</u>	<u>6,410</u>	<u>51.7%</u>
Total Revenue	1,105,897	560,423	1,121,671	1,128,383	6,712	0.6%
Salaries & Wages	82,197	43,019	101,468	85,329	(16,139)	-15.9%
Employee Benefits	39,878	21,718	50,494	43,439	(7,055)	-14.0%
Biosolids Disposal	38,959	24,842	42,760	43,130	370	0.9%
Chemicals	8,877	4,166	11,334	11,469	135	1.2%
Contracted Services	56,401	37,337	68,857	51,052	(17,805)	-25.9%
Heat/Fuel Oil	7,911	4,964	5,152	6,098	946	18.4%
Insurance	1,390	760	1,520	1,626	106	7.0%
Materials & Supplies	12,813	15,953	12,513	13,369	856	6.8%
Other Expense	701	667	869	861	(8)	-0.9%
Purchased Power	37,802	21,765	40,970	39,370	(1,600)	-3.9%
Tele/Other Utilities	1,835	950	2,499	2,411	(88)	-3.5%
Transportation	25,476	9,891	31,008	29,189	(1,819)	-5.9%
SS - Administration	124,984	62,448	130,622	131,738	1,116	0.9%
SS - Engineering Services	49,004	24,009	65,654	65,689	35	0.1%
SS - Environmental Services	13,189	7,658	15,717	14,287	(1,430)	-9.1%
SS - Wastewater Services	38,046	24,628	47,149	40,889	(6,260)	-13.3%
<u>SS - Water Services</u>	<u>1,467</u>	<u>2,959</u>	<u>2,119</u>	<u>3,110</u>	<u>991</u>	<u>46.8%</u>
Departmental Expense	540,930	307,734	630,705	583,056	(47,649)	-7.6%
Debt Service	431,171	204,547	411,654	405,681	(5,973)	-1.5%
Renewal & Replace - Direct	107,017	33,656	67,313	127,947	60,634	90.1%
<u>Renewal & Replace - Indirect</u>	<u>11,909</u>	<u>6,000</u>	<u>11,999</u>	<u>11,699</u>	<u>(300)</u>	<u>-2.5%</u>
Operating Expense	1,091,027	551,937	1,121,671	1,128,383	6,712	0.6%
Surplus (Deficit)	14,870	8,486	-	-		
Write-off Bond Issuance Exp	(5,996)	-	-	-		
Return of Surplus	-	-	-	-		
Transfer to R&R	(80,874)	-	-	-		
<u>Prior Surplus</u>	<u>489,084</u>	<u>417,085</u>	<u>513,755</u>	<u>422,074</u>		
Accumulated Surplus	417,084	425,571	513,755	422,074		



Gorham Only – Down \$43k due to lower labor & CCTV.



Westbrook JT – Up \$25k (2.2%), Gorham % down (14% to 13%).



Little Falls JT – Up \$7k, Gorham % up (15% to 20%).

Operation Summary

Wastewater Treatment: All wastewater generated in Gorham is 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	2013 Gorham Flow	Westbrook WWTF Flow	% Gorham Share
Total Gorham Flow	531,387 gal/day	2,953,200 gal/day	18.0 %

WGWWTF Capacity	Gorham Capacity (30.8%)	2013 - % Capacity Used	Capacity Remaining
4,540,000 gal/day	1,398,320 gal/day	38.0 %	866,933 gal/day

Wastewater Conveyance – interceptors and pumping stations

Parameter	2014 Actual to Oct	2015 Projected
Preventative Work Orders	188	190
Corrective	19	20
Wet wells cleaned	25	30
Debris removed	35.66	35
DWO	1	0

2014 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.
- Ownership of the Heartwood Pump Station will be transferred to the District in 2014.
- 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.
- 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.

2015 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 \$127,947 from the annual assessment in 2015.

The planned projects are listed below:

Regional Treatment Plant Capital – 167: A Secondary Clarifier Evaluation (\$30,000) for the Westbrook Treatment Facility will be a deferred operating expense. Gorham will pay a prorated share of the costs (\$9,240 or 30.8%).

SCADA/Process Control Program – 177: East End Treatment Plant SCADA upgrades and various process and management systems (\$11,289), financed from the renewal and replacement fund.

Regional Treatment Plant R&R – 416: Routine and equipment renewal and replacements (\$50,000) as well as Security Upgrades (\$30,000) and Sludge Dewatering Pilot Testing (\$10,000) will be financed through the renewal and replacement fund. Gorham will pay a prorated share of the costs (\$27,720).

Gorham Pump Station Repair – 60: Routine and equipment renewal and replacements (\$10,000). 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:	2013 Actual	2014 Projected	2015 Budget
Beginning of Year Fund Balance	\$456,089	\$518,731	\$408,703
Source of Funds:			
Bond Proceeds - prior year(s)	-	-	-
Bond Proceeds - current year	-	-	-
Bond Proceeds - future year(s)	-	-	-
Outside Contribution	721,563	-	-
Renewal and Replacement Contribution	107,017	67,313	127,947
Operating Surplus Transfer	80,874	-	-
Capital Funding	909,454	67,313	127,947
Capital Expenditures:			
Gorham Pump Station R&R – 60	60,103	51,831	10,000
WWTF Flow Splitting (prorated) – 167	721,563	80,850	9,240
WWTF Aeration Evaluation (prorated) – 167	-	29,260	-
SCADA System Controls @ WWTF(prorated) -177	65,146	-	11,289
Treatment Plant R&R (prorated) – 416	-	15,400	27,720
Capital Expenditures	846,812	177,341	58,249
End of Year Fund Balance	518,731	408,703	478,401

Projections for Rate-Making Purposes

Multi-year projections are made for 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 projection is provided on next page.

Summary

Major Assumptions:

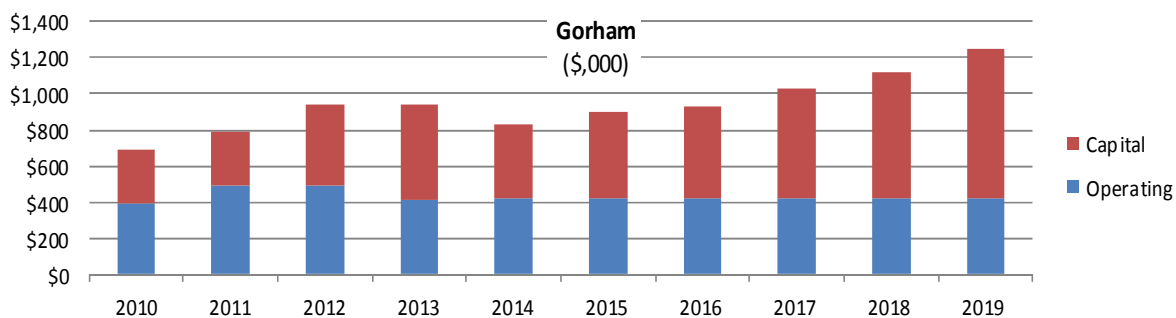
The assumptions incorporated in the projections are as follows:

- Salary increases of 2% each year. Maintain same number of employees.
- Benefit increases of 5% each year. Assumed pension contribution increased to \$1 million a year in 2015 and health insurance increases 7 % per year.
- Other expenses increase by 2.5% in 2015-2016 and 3.5% in subsequent years. 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 2015 5-year capital plan (new debt assumed a 20 year life at 5%). The most significant project is the \$1.2 million aeration system upgrade at the Westbrook Regional Treatment Facility. The estimated cost is preliminary and may be higher.

Summary

Assessment is projected to increase to \$1,196,782 by 2019, an 8% increase. Reserves balance and debt ratios are expected to better than target.

Reserve Fund Balances



Percent of Budget Dedicated to Debt Service – Target: Not to Exceed 35%

Funds	2014	2015	2016	2017	2018	2019
Gorham	37%	36%	35%	34%	35%	33%

Debt Service Ratio – Target: Greater or Equal to 1.25

Funds	2014	2015	2016	2017	2018	2019
Gorham	1.19	1.34	1.32	1.35	1.33	1.41

Projections for Rate-Making Purposes (continued)

Operating Fund:

Wastewater Gorham	2015	2016	2017	2018	2019
Revenue:	Budget	Projected	Projected	Projected	Projected
Assessment Income	\$1,106,148	\$1,106,148	\$1,117,209	\$1,156,311	\$1,196,782
Other Income	18,810	18,810	18,810	18,810	18,810
Interest Income	3,425	3,425	3,425	3,425	3,425
Total Revenue	1,128,383	1,128,383	1,139,444	1,178,546	1,219,017
Expense:					
Contracted Srvs	51,052	52,328	54,159	56,055	58,017
Salaries/Wages	85,329	87,036	88,777	90,553	92,364
Employee Benefits	43,439	45,611	47,892	50,287	52,801
Purchased Power	39,370	39,370	40,748	42,174	43,650
Biosolids Disposal	43,130	46,429	48,054	49,736	51,477
Transportation	29,189	29,919	30,966	32,050	33,172
Chemicals	11,469	11,756	12,167	12,593	13,034
Materials/Supplies	13,369	13,703	14,183	14,679	15,193
Heat/Fuel Oil	6,098	6,250	6,469	6,695	6,929
Tele/Oth Utilities	2,411	2,471	2,557	2,646	2,739
Insurance	1,626	1,667	1,725	1,785	1,847
Other Expense	861	883	914	946	979
Support Services:					
Administration	131,738	135,031	138,407	141,867	145,414
Engineering Services	65,689	67,331	69,014	70,739	72,507
Environmental Services	14,287	14,644	15,010	15,385	15,770
Wastewater Services	40,889	41,911	42,959	44,033	45,134
Water Services	3,110	3,188	3,268	3,350	3,434
Capital:					
Debt Service	405,681	399,772	387,295	408,512	401,761
Renewal & Replacement	139,646	129,083	134,880	134,461	162,795
Total Expense	1,128,383	1,128,383	1,139,444	1,178,546	1,219,017
Annual Surplus (Deficit)	0	0	0	0	0
Transfer to R&R					
Carryforward Surplus	422,074	422,074	422,074	422,074	422,074
Period Ending Surplus	422,074	422,074	422,074	422,074	422,074
Target	282,096	282,096	284,861	294,637	304,754
Above Target	\$139,978	\$139,978	\$137,213	\$127,438	\$117,320

Capital Expenditures: (See details in the Capital Expenditure section) Target Balance: \$524,756

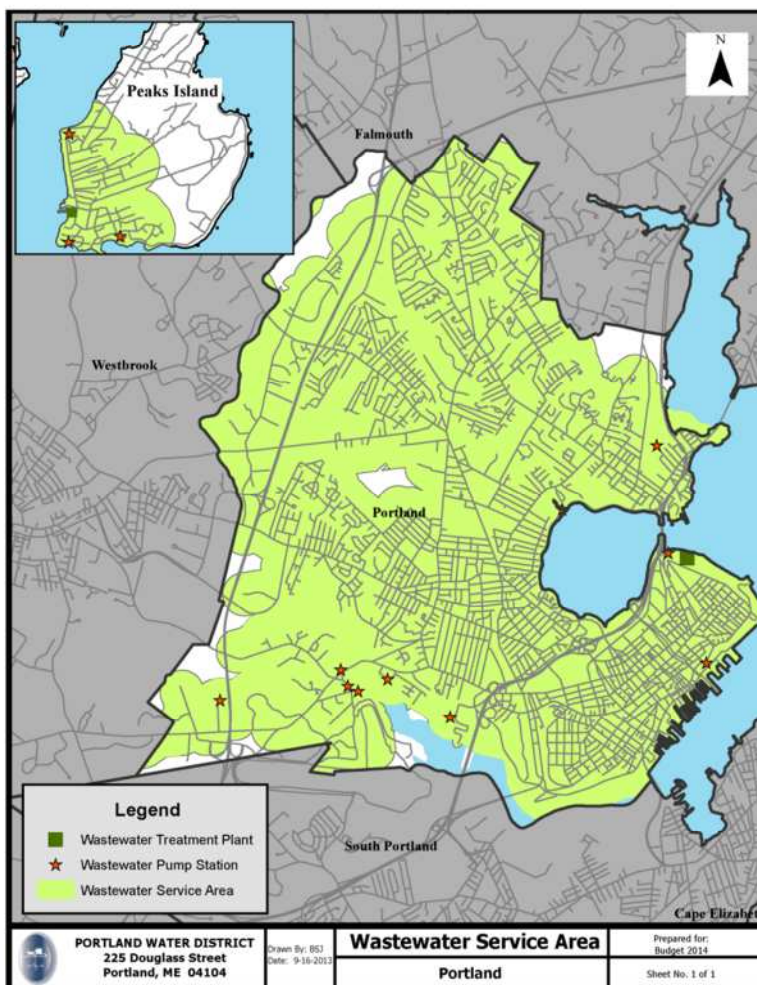
Year	Beg Balance	R&R Contribution	Bond	Expenditures	End Balance
2015	\$408,703	\$127,947	\$0	\$58,249	\$478,401
2016	478,401	117,384	0	\$84,440	511,345
2017	511,345	123,181	355,658	\$386,910	603,274
2018	603,274	122,762	0	\$25,400	700,636
2019	700,636	151,096	0	\$25,400	826,332

Fund: Wastewater - Portland

Background

The Portland Water District's charter authorizes the District to provide wastewater treatment and collection system-interception services to the city. By contract with the city, the District provides Peaks Island's collection system-collector and storm water system services. The city maintains the mainland's collection system- collectors that transport wastewater from user's property to the District's interceptors. Additionally, by contract, the District provides utility billing services.

Portland Wastewater Service Area



Summary of Services

Provided:

Treatment

Mainland: 17.22 million gallons/day

Peaks Island: 0.088 million gallons/day

Collection System

13 Pump Stations with 23.1 miles of pipe

Storm Water system

Peaks Island with 1.7 miles of pipe

Utility Billing

Annual Billings of \$21,587,047 on 16,960 Customers (avg. \$105.45/month)

Fund: Wastewater - Portland

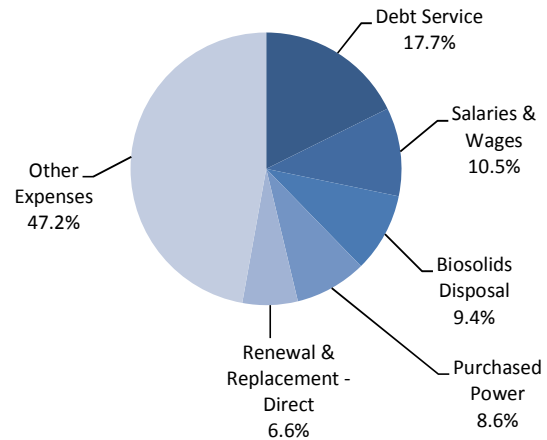
2015 Financial Summary

The city's assessment will increase 1.0% or \$109,104 to \$10,981,308. The assessment is \$271,423 less than the forecasted assessment provided the city last year.

The proposed 2015 Operating Expense and Capital budgets are \$11,095,444 and \$11,906,477, respectively.

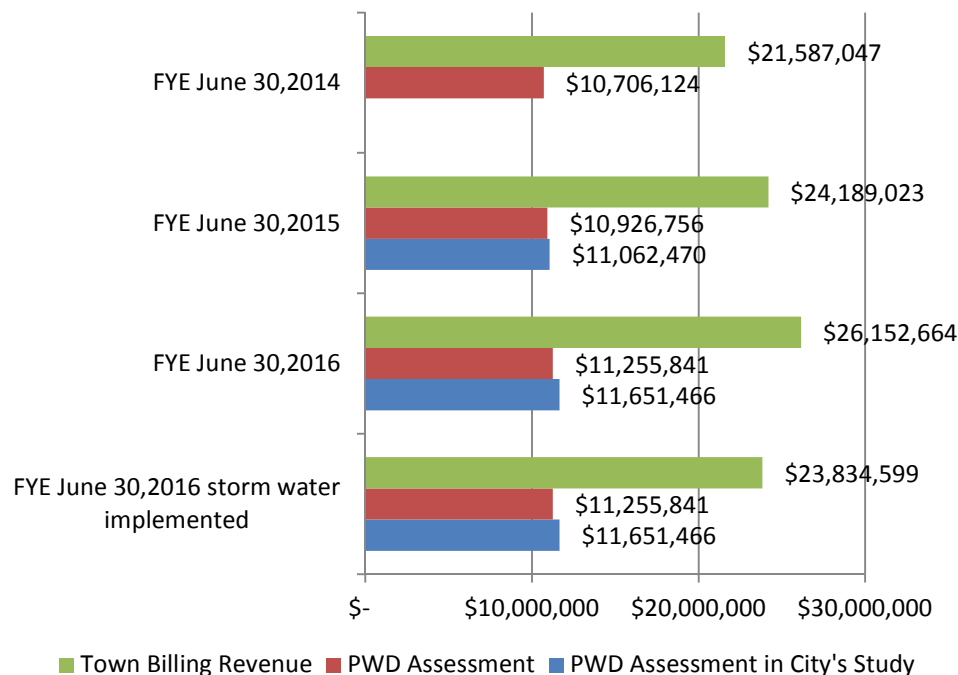
The Operating Expense budget is \$113,047, or 1.0%, higher than the previous year. Departmental expense increased by 3.1% or \$250,725. Debt service decreased \$137,848 and renewal & replacement (direct and indirect) of \$846,427 remained at essentially the same level as 2017 with an increase of \$ 170.

2015 Operating Expense



Assessment Compared to Ratepayers' Billing

The municipality's fiscal year end is June 30, while the District's is year end. The chart below compares the sewer billing cash as collected by the District on their behalf and the District's assessment for services rendered. The municipality may incur additional sewer-related costs. The municipality determines whether or not to increase the sewer billing rates.



Revenue Assumptions:

- Consumption is the 12 months ending June 30, 2014

- Rates Assumed:

Effective Date:	Base/Per HCF
Jul 1 2013	\$8.35
Jul 1 2014	\$8.81
Jul 1 2015	\$9.70

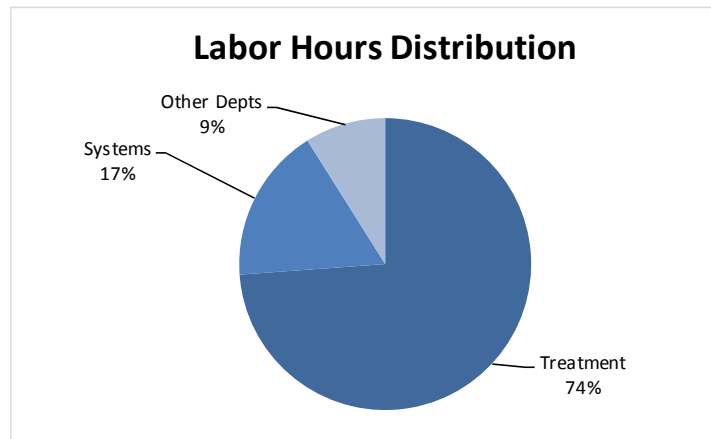
If stormwater fee implemented, sewer fee reduction:

Jan 1, 2016	\$8.20
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2015 Operating Expense Highlights

Salaries/Wages – Budgeted expenses increased 3.8% or \$43,019 to \$1,168,388. The increase was due to the average 2.0% increase in wage rates and a small increase (1.2%) in budgeted hours due to reassignment of personnel due to a staff retirement. A total of 48,394 hours (23.3 full time equivalents) were budgeted for 2015.

Employee Benefits – This cost is charged as a percentage of regular wages and the increase in this category was 7.3% or \$39,171 to a total of \$573,812. The benefit rate increased 3.3% due to increases in health insurance and pension costs.



Biosolids Disposal – The budget for this item was increased 6.3% (\$61,935). The budget assumes cost of disposal will increase by 2.5% per ton and that the wet tons disposed will increase by 3.7%. The Budget also assumes that the percent solids of the waste will stay the same at 23.5%.

Chemicals – The budget for this area was increased by \$41,874 (8.0%). The increase was due to the 30% increase in the budgeted usage of sodium hypochlorite at the East End WWTF. The 2015 Budgeted usage matches the norm for the past two years, the higher usage improves the disinfection process at the facility and has improved compliance with the effluent permit requirement.

Contracted Services – This budget item includes engineering services, control system programming, and maintenance services. This budget was increased 8.9% or \$46,407. The majority of that increase was the \$32,100 added to the budget for contracted treatment services. This expense, paid to the City of Westbrook for treatment of waste from the Riverside Street area. Though it has been paid in prior year it was not budgeted.

Purchased Power – Purchased power use has been reduced by \$46,816 (4.7%) to a total of \$952,977. Energy rates remained the same while transmission and distribution rates have dropped at both the East End WWTF and the India Street Pump Station.

Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as customer billing or information technology) 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 3.9% (\$102,296). The largest percentage increase was from Wastewater (5.7%) due to a shift in budgeted labor hours (the basis for the allocation) towards Portland. This shift better aligns the budget with past actual labor hours.

Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. The expense will decrease \$137,848 (6.5%) in the 2015 budget.

Renewal and Replacement – This is the fund’s annual contribution to a fund to finance smaller capital projects. A contribution of \$844,427 will be made in 2015.

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Assessment Income	10,540,044	5,436,102	10,872,204	10,981,308	109,104	1.0%
Interest Income	17,597	10,630	16,793	17,186	393	2.3%
<u>Other Income</u>	<u>96,950</u>	<u>39,197</u>	<u>93,400</u>	<u>96,950</u>	<u>3,550</u>	<u>3.8%</u>
Total Revenue	10,654,591	5,485,929	10,982,397	11,095,444	113,047	1.0%
Salaries & Wages	1,111,732	549,250	1,125,369	1,168,388	43,019	3.8%
Employee Benefits	513,253	267,793	534,641	573,812	39,171	7.3%
Biosolids Disposal	1,038,609	569,016	979,072	1,041,007	61,935	6.3%
Chemicals	544,221	347,537	524,708	566,582	41,874	8.0%
Contracted Services	443,195	141,706	523,144	569,551	46,407	8.9%
Heat/Fuel Oil	136,633	101,611	168,628	156,027	(12,601)	-7.5%
Insurance	24,884	13,097	26,112	28,058	1,946	7.5%
Materials & Supplies	263,961	96,133	271,288	273,000	1,712	0.6%
Other Expense	48,704	(9,265)	15,507	15,772	265	1.7%
Purchased Power	1,023,377	445,704	999,793	952,977	(46,816)	-4.7%
Tele/Other Utilities	83,656	43,600	107,807	97,948	(9,859)	-9.1%
Transportation	134,009	35,783	116,260	97,636	(18,624)	-16.0%
SS - Administration	1,169,486	599,889	1,254,504	1,303,461	48,957	3.9%
SS - Engineering Services	313,098	158,924	422,785	428,393	5,608	1.3%
SS - Environmental Services	258,708	129,145	263,206	266,260	3,054	1.2%
SS - Wastewater Services	715,367	337,551	673,094	711,173	38,079	5.7%
SS - Water Services	<u>17,447</u>	<u>35,148</u>	<u>25,117</u>	<u>31,715</u>	<u>6,598</u>	<u>26.3%</u>
Departmental Expense	7,840,138	3,862,622	8,031,035	8,281,760	250,725	3.1%
Debt Service	1,887,315	1,050,099	2,107,105	1,969,257	(137,848)	-6.5%
Renewal & Replacement - Direct	728,196	364,098	728,196	728,196	-	0.0%
<u>Renewal & Replace - Indirect</u>	<u>114,966</u>	<u>58,031</u>	<u>116,061</u>	<u>116,231</u>	<u>170</u>	<u>0.1%</u>
Operating Expense	10,570,615	5,334,850	10,982,397	11,095,444	113,047	1.0%
Surplus (Deficit)	83,976	151,079	-	-		
Write-off Bond Issuance Expense	(31,590)	-	-	-		
Return of Surplus	-	-	-	-		
Transfer to R&R	(52,386)	-	-	-		
<u>Prior Surplus</u>	<u>3,324,976</u>	<u>3,324,976</u>	<u>3,378,578</u>	<u>3,584,761</u>		
Accumulated Surplus	3,324,976	3,476,055	3,378,578	3,584,761		

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 experienced a year of excellent compliance with the effluent permit in 2013. Below is a chart depicting the average results of four key parameters for 2013.

EEWTF Parameter	DEP Limit	2013 Facility Avg	2013 -% Capacity Used
Flow (million gal per day)	19.8 mgd	17.22 mgd	87.0 %
Biological Oxygen Demand (BOD) (lbs/day) *	7,431 lbs/day	2,233 lbs/day	
Total Suspended Solids (TSS) (lbs/day) **	7,431 lbs/day	1,530 lbs/day	
Biosolids Removed (wet tons/month)	N/A	1,374 wt/month	

* Measure of organic material ** Measure of suspended material

The treatment 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 generally processed at the EEWTF.

Wastewater Conveyance – interceptors and pumping stations

Parameter	2013 Actual to Oct	2014 Projected
Preventative Work Orders	144	150
Corrective	53	50
Wet wells cleaned	7	15
Debris removed	5.8	15
DWO	1	0

Operation Summary (continued)

2014 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 reduced through these efforts.
- 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 have enhanced 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 was 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. Several of these have been addressed by the City.
- Design of an aeration system began in 2014. Construction on this much needed project is expected to begin in 2015.

2015 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.
- Plant operations will continue to focus on improving plant performance through process control efforts.
- Construction of the aeration system will begin in 2015.
- Construction of the Fore River Pump Station upgrade will begin in 2015.

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 Construction (\$11,000,000), financed by a future 2016 bond.

Pump Stations R&R – 70: Fore River PS roof repair (\$80,000), Northeast PS shaft and crane replacements, and routine and equipment renewal and replacements (\$75,000), financed from the renewal and replacement fund.

East End Treatment Plant R&R – 409: Five small plant upgrades (\$455,000) including a dewatering odor control upgrade, financed from the renewal and replacement fund.

Peaks Island R&R – 423 / 177: Peaks Island Headworks ventilation, alkalinity feeding system, influent valve and security upgrades, and unplanned equipment renewal and replacements, financed from the renewal and replacement fund (\$155,000).

SCADA/Process Control Program – 177: East End Treatment Plant SCADA upgrades and various process and management systems (\$90,077), financed from the renewal and replacement fund.

Capital Fund:	2013 Actual	2014 Projected	2015 Budget
Beginning of Year Fund Balance	\$2,185,372	\$2,551,065	\$1,313,390
Source of Funds:			
Bond Proceeds - prior year(s)	198,518	1,925,968	
Bond Proceeds - current year	1,074,032	-	-
Bond Proceeds - future year	-	1,600,000	11,000,000
Renewal and Replacement Contribution	728,196	728,196	728,196
Operating Surplus Transfer	52,386	-	-
Other Sources	736	-	-
Capital Funding	2,053,868	4,254,164	11,728,196
Capital Expenditures:			
Pump Station R&R – 70	20,281	134,000	206,400
Pump Station Capital Program – 420	289,271	1,600,000	-
CSO Program R&R – 131		212,809	-
East End Treatment Facility R&R – 409	304,591	592,525	455,000
East End Treatment Facility Capital Program – 21		563,520	11,000,000
Peaks Island R&R – 423 / 177	-	389,017	155,000
Peaks Island Capital Program – 118	1,074,032	1,925,968	-
SCADA / Process Control Program – 177	-	74,000	90,077
Capital Expenditures	1,688,175	5,491,839	11,906,477
End of Year Fund Balance	2,551,065	1,313,390	1,135,109

Projections for Rate-Making Purposes

Multi-year projections are made for 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 projection is provided on next page.

Summary

Major Assumptions:

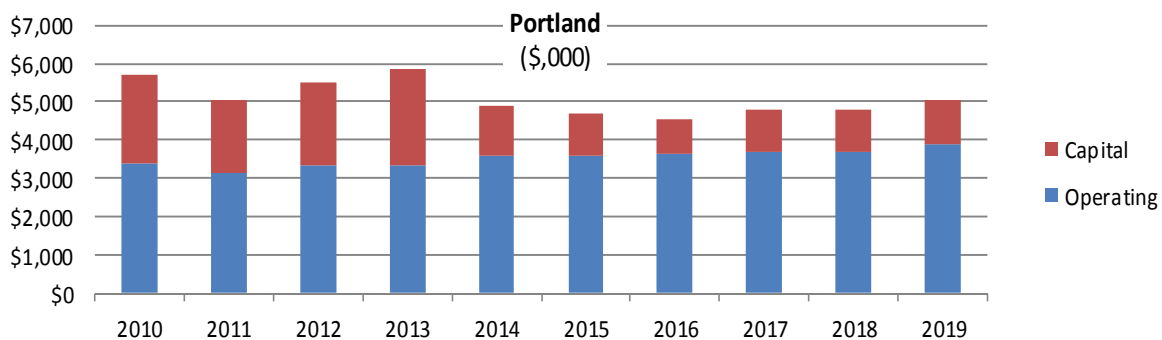
The assumptions incorporated in the projections are as follows:

- Salary increases of 2% each year. Maintain same number of employees.
- Benefit increases of 5% each year. Assumed pension contribution increased to \$1 million a year in 2015 and health insurance increases 7 % per year.
- Other expenses increase by 2.5% in 2015-2016 and 3.5% in subsequent years. 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 2015 5-year capital plan (new debt assumed a 20 year life at 5%). The most significant project is the \$12 million aeration system upgrade at the East End Treatment Facility. The estimated cost is preliminary and may be higher.

Summary

Assessment is projected to increase to \$13,218,304 by 2019. Operating Reserves balance and debt ratios are expected to be better than target. Capital Reserve balance is expected to be below target.

Reserve Fund Balances



Percent of Budget Dedicated to Debt Service – Target: Not to Exceed 35%

Funds	2014	2015	2016	2017	2018	2019
Portland	20%	18%	19%	23%	25%	24%

Debt Service Ratio – Target: Greater or Equal to 1.25

Funds	2014	2015	2016	2017	2018	2019
Portland	1.40	1.43	1.42	1.32	1.27	1.33

Projections for Rate-Making Purposes (continued)

Operating Fund:

Wastewater Portland	2015	2016	2017	2018	2019
Revenue:	Budget	Projected	Projected	Projected	Projected
Assessment Income	\$10,981,308	\$11,530,373	\$12,222,195	\$12,833,305	\$13,218,304
Other Income	96,950	96,950	96,950	96,950	96,950
Interest Income	17,186	17,186	17,186	17,186	17,186
Total Revenue	11,095,444	11,644,509	12,336,331	12,947,441	13,332,440
Expense:					
Biosolids Disposal	1,041,007	1,114,918	1,153,940	1,194,328	1,236,129
Salaries/Wages	1,168,388	1,191,756	1,215,591	1,239,903	1,264,701
Employee Benefits	573,812	602,503	632,628	664,259	697,472
Purchased Power	952,977	972,037	981,058	1,015,395	1,050,934
Chemicals	566,582	577,914	523,141	541,451	560,402
Contracted Svcs	569,551	580,942	601,275	622,320	644,101
Heat/Fuel Oil	156,027	159,148	164,718	170,483	176,450
Materials/Supplies	273,000	278,460	288,206	298,293	308,733
Transportation	97,636	99,589	103,075	106,683	110,417
Tele/Oth Utilities	97,948	99,907	103,404	107,023	110,769
Insurance	28,058	28,619	29,621	30,658	31,731
Other Expense	15,772	16,087	16,650	17,233	17,836
Support Services:					
Administration	1,303,461	1,329,530	1,356,121	1,383,243	1,410,908
Wastewater Services	711,173	725,396	739,904	754,702	769,796
Engineering Services	428,393	436,961	445,700	454,614	463,706
Environmental Services	266,260	271,585	277,017	282,557	288,208
Water Services	31,715	32,349	32,996	33,656	34,329
Capital:					
Debt Service	1,967,257	2,208,325	2,790,394	3,180,625	3,118,947
Renewal & Replacement	846,427	844,257	844,257	844,257	844,257
Total Expense	11,095,444	11,570,283	12,299,696	12,941,683	13,139,826
Annual Surplus (Deficit)	0	74,226	36,635	5,758	192,614
Carryforward Surplus	3,584,761	3,584,761	3,658,987	3,695,622	3,701,380
Period Ending Surplus	3,584,761	3,658,987	3,695,622	3,701,380	3,893,994
Target	2,773,861	2,892,571	3,074,924	3,235,421	3,284,957
Above/(Below) Target	\$810,900	\$766,416	\$620,698	\$465,959	\$609,038

Capital Expenditures: (See details in the Capital Expenditure section) Target Balance: \$ 2,926,039

Year	Beg Balance	R&R Contribution	Bond	Expenditures	End Balance
2015	\$1,313,390	\$728,196	\$11,000,000	\$11,906,477	\$1,135,109
2016	1,135,109	728,196	2,900,000	3,893,000	870,305
2017	870,305	728,196	500,000	1,020,000	1,078,501
2018	1,078,501	728,196	0	730,000	1,076,697
2019	1,076,697	728,196	0	670,000	1,134,893

Wastewater System Disposal Wipe Issue

Maine's Don't Flush Baby Wipes Campaign Receives National Recognition

The Don't Flush Baby Wipes Campaign was recognized with two prestigious awards, the US EPA Environmental Merit Award and the Governor's Award for Environmental Excellence. The outreach campaign was developed by Maine Water Environment Association, the Portland Water District, and national partners to raise consumer awareness about the problems that occur when baby wipes are flushed down the toilet. With the theme, "Save Your Pipes: Don't Flush Baby Wipes," the campaign ran January - April with television commercials featuring a game show titled, "What the Flush?!?", and other outreach efforts.

"This campaign appears to have been successful, but this message is one that needs to reach consumers around the country," says 2014 Maine Water Environment Association President Aubrey Strause.

"Consumers need to be consistently reminded that baby wipes are never flushable, so our next step is sharing the campaign materials with everyone else fighting this problem."



EPA Award: (from left) Maine DEP Commissioner Patricia Aho, INDA Director of Marketing Joan Izzo, Maine Water Environment Association President Aubrey Strause, Portland Water District Director of Wastewater Services Scott Firmin, EPA New England's Deputy Regional Administrator Deb Szaro.

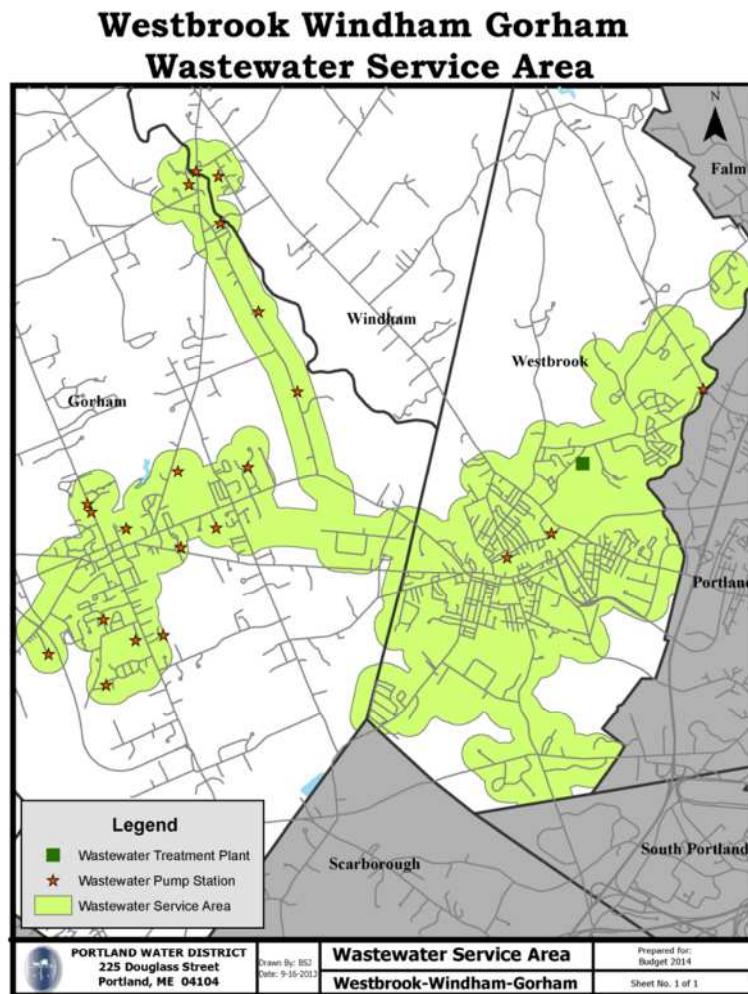


Gov Award: (from left) Yarmouth Water Pollution Control Dept. Superintendent Tom Connolly, Governor Paul LePage, Casella Director of Sales and Marketing Jennifer McDonnell, Portland Water District Public Relations Manager Michelle Clements, Maine DEP Commissioner Patricia Aho.

Fund: Wastewater - Westbrook

Background

The Portland Water District's charter authorizes the District to provide wastewater treatment and collection system-interceptor service to the city. 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-collectors that transport wastewater from user's property to the District's interceptor system. Additionally, by contract, the District provides utility billing services.



Summary of Services Provided:

Treatment

2.39 million gallons/day

Collection System

*3 Westbrook only & 1
Joint use Pump Stations
with 8.0 miles of pipe*

Utility Billing

*Annual Billings of
\$4,151,758 on 4,433
Customers (avg.
\$82.08/month)*

Fund: Wastewater - Westbrook

2015 Financial Summary

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

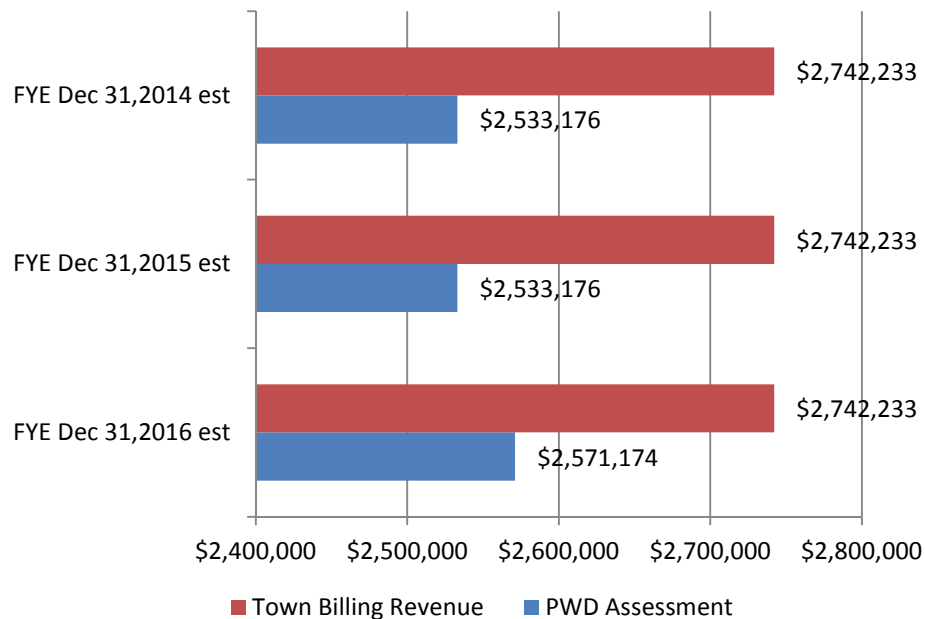
The proposed 2015 Operating Expense and Capital budgets are \$2,691,105 and \$1,117,366 respectively.

The Operating Expense budget is \$45,413 higher (1.7%) than the previous year. Departmental Expense increased by \$42,720 or 2.4%, Debt Service rose 0.3% to \$431,558 while Renewal & Replacement (direct and indirect) funding increased by \$1,556 to \$434,972.

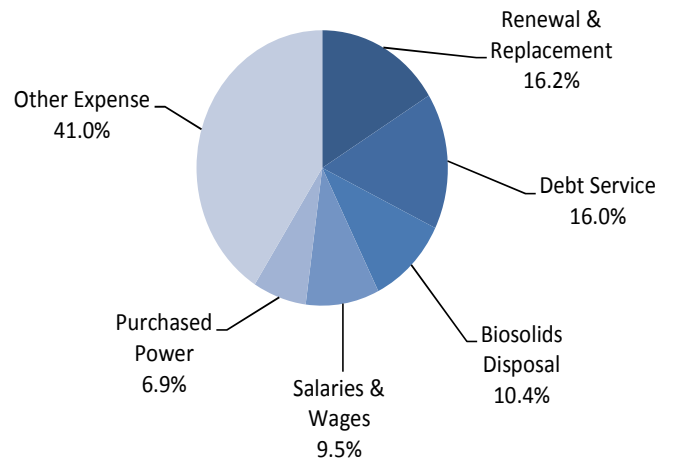
The major capital projects in 2015 include upgrades at the Dana Court Pump Station and the Brown Street CSO.

Assessment Compared to Ratepayers' Billing

The municipality's fiscal year end is Dec 31, while the District's is year end. The chart below compares the sewer billing cash as collected by the District on their behalf and the District's assessment for services rendered. The municipality may incur additional sewer-related costs. The municipality determines whether or not to increase the sewer billing rates.



2015 Operating Expense



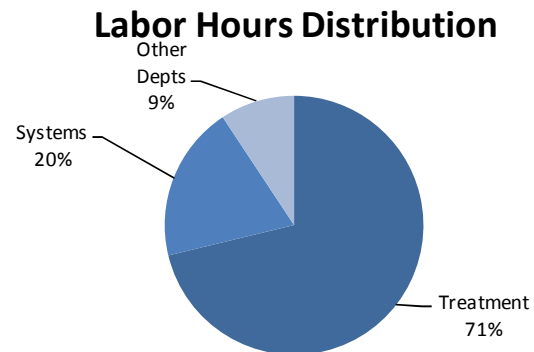
Revenue Assumptions:

- Consumption is the 12 months ending Sep 30, 2014
- Rates Assumed:
Effective Date: Jan 2013
Base/Per HCF: \$11.13/\$6.13

2015 Operating Expense Highlights

Salaries/Wages – The expense increase of 0.7% (\$1,791) has resulted in a budget amount of \$254,555. District labor rates increased an average of 2.0% while hours for this fund declined 0.2%. A total of 10,508 hours (5.1 full time equivalents) were budgeted for 2015.

Employee Benefits – Benefits, which are charged as a percentage of regular wages, increased 5.8% (\$7,227) to a total of \$130,982. The benefit rate increased 3.3% due to increases in health insurance and pension costs.



Biosolids Disposal – The budget assumed the volume of wet tons disposed would increase by 6.2% along with an estimated 2.5% increase in the disposal rate. Those items increased costs of disposal at the Westbrook Regional WWTF by 8.6%. However, due to an increase in flows, Westbrook's share of treatment costs increased from 83.7% in 2014 to 84.3% in 2015 resulting in 9.9% (\$25,366) increase.

Chemicals – The 2015 Budget assumed a larger volume of polymer and a higher price for sodium bisulfite. The result was a 10.2% (\$6,933) increase in expense.

Purchased Power – Usage is based on past year averages. Overall, the budget is 4.3% (\$8,439) lower than last year's budget. The budgeted amount for 2015 is \$185,777.

Deferred Cost Write-off (W/O) – The Deferred Cost Write-Off contains the annual amortization of studies or other items that have multi-year impacts. The increase in 2015 is related to new costs for the Westbrook Combined Storm Overflow (CSO) study.

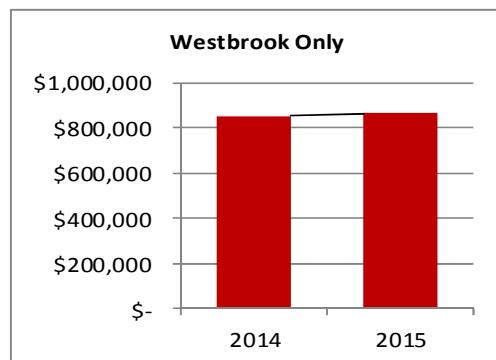
Transportation – Transportation costs decreased by \$5,248 (31.7%), largely due to elimination of sludge/grit/screenings hauling by District vehicles. The total budget for transportation is \$11,325.

Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as customer service or information technology) 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 0.5% (\$3,435).

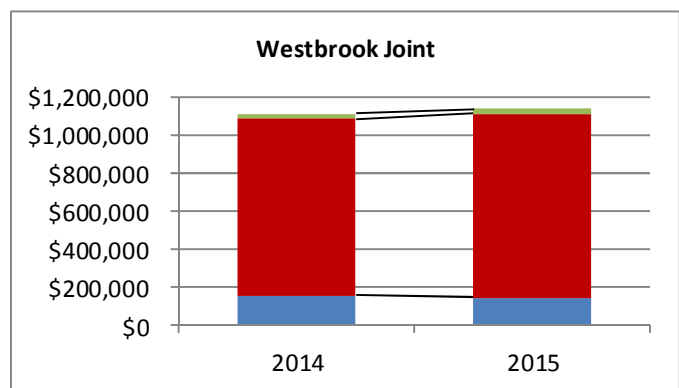
Debt Service – The annual principal and interest payments on bonds issued to finance capital projects. This item increased 0.3% (\$1,137).

Renewal & Replacement – Dollars put aside to fund capital projects. A contribution of \$434,972 will be made in 2014.

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Assessment Income	2,533,176	1,266,588	2,533,176	2,533,176	-	0.0%
Interest Income	17,413	12,651	15,517	15,870	353	2.3%
<u>Other Income</u>	<u>143,824</u>	<u>34,407</u>	<u>97,000</u>	<u>142,060</u>	<u>45,060</u>	<u>46.5%</u>
Total Revenue	2,694,413	1,313,646	2,645,693	2,691,106	45,412	1.7%
Salaries & Wages	249,707	117,136	252,764	254,555	1,791	0.7%
Employee Benefits	119,730	58,424	123,755	130,982	7,227	5.8%
Biosolids Disposal	253,833	148,520	255,642	281,008	25,366	9.9%
Chemicals	58,285	25,144	68,082	75,015	6,933	10.2%
Contracted Services	89,137	28,249	119,339	122,365	3,026	2.5%
Deferred Cost W/O	10,602	5,301	10,602	18,602	8,000	75.5%
Heat/Fuel Oil	25,417	20,086	24,396	25,010	614	2.5%
Insurance	5,804	3,011	6,022	6,493	471	7.8%
Materials & Supplies	43,710	13,800	40,659	41,222	563	1.4%
Other Expense	5,026	3,391	4,973	5,085	112	2.3%
Purchased Power	186,217	95,815	194,216	185,777	(8,439)	-4.3%
Tele/Other Utilities	10,259	5,233	15,275	14,144	(1,131)	-7.4%
Transportation	26,293	8,013	16,573	11,325	(5,248)	-31.7%
SS - Administration	297,318	146,663	306,622	307,669	1,047	0.3%
SS - Engineering Services	67,399	34,501	90,986	89,442	(1,544)	-1.7%
SS - Environmental Services	84,022	42,197	86,277	86,869	592	0.7%
SS - Wastewater Services	145,407	86,275	159,719	161,210	1,491	0.9%
<u>SS - Water Services</u>	<u>4,141</u>	<u>8,351</u>	<u>5,954</u>	<u>7,803</u>	<u>1,849</u>	<u>31.1%</u>
Departmental Expense	1,682,307	850,110	1,781,856	1,824,576	42,720	2.4%
Debt Service	434,274	214,632	430,421	431,558	1,137	0.3%
Renewal & Replace - Direct	409,910	202,899	405,798	407,904	2,106	0.5%
<u>Renewal & Replace - Indirect</u>	<u>28,038</u>	<u>13,809</u>	<u>27,618</u>	<u>27,068</u>	<u>(550)</u>	<u>-2.0%</u>
Operating Expense	2,554,529	1,281,450	2,645,693	2,691,106	45,413	1.7%
Surplus (Deficit)	139,884	32,196	-	-		
Write-off Bond Issuance Exp	(6,304)	-	-	-		
Return of Surplus	(215,000)	-	-	-		
Transfer to R&R	(133,580)	-	-	-		
<u>Prior Surplus</u>	<u>1,619,156</u>	<u>1,404,156</u>	<u>1,492,608</u>	<u>1,439,317</u>		
Accumulated Surplus	1,404,156	1,436,352	1,492,608	1,439,317		



Westbrook Only – Up \$10.5k (1.2%), higher CCTV offset by lower wages/benefits.



Westbrook JT – Up \$32.1k (3.5%), Westbrook % up (83.7% to 84.7%). Pooled costs are up 2.2%.

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 the treatment plant capacity of 4.54 MGD.

Municipality (Design Flow)	2013 Flow	% of 2013 Flow	Reserved Capacity	% of Capacity Used
Westbrook (66.6%)	2,340,391 gpd	79.2 %	3,023,640 gpd	77.4 %
Gorham (30.8%)	531,387 gpd	18.0 %	1,398,320 gpd	38.0 %
Windham (2.6%)	81,422 gpd	2.8 %	118,040 gpd	69.0 %
Total Plant Flow	2,953,200 gpd		4,540,000 gpd	61.1 %

Various projects designed to upgrade this 35 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	2014 Facility Average
Biological Oxygen Demand (BOD) (lbs/day) *	1,137 lbs/day	258 lbs/day
Total Suspended Solids (TSS) (lbs/day) **	1,137 lbs/day	120 lbs/day
Biosolids Removed (wet tons/month)	N/A	394 wet ton/month

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

Wastewater Conveyance – interceptors and pumping stations

Parameter	2014 Actual to Oct	2015 Projected
Preventative Work Orders	46	50
Corrective	22	20
Wet wells cleaned	1	3
Debris removed	1.52	3
DWO	0	0

2014 Other Highlights

- CSO monitoring continues in Westbrook.
- The aeration flow split project is under construction in 2014. This will assist with off-hours operations and the management of high flows.
- The controls upgrade has improved the operation and monitoring of the treatment facility.

2015 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 be completed in 2014 and will summarize work completed in the first 5 years of the plan.
- The aeration system will be evaluated in late 2014 and 2015. 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 personnel during 2015.

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 \$431,558 from the annual assessment in 2015. The planned projects are listed below:

Regional Treatment Plant Capital – 167: A Secondary Clarifier Evaluation (\$30,000) for the Westbrook Treatment Facility.

SCADA/Process Control Program – 177: East End Treatment Plant SCADA upgrades and various process and management systems (\$27,446), financed from the renewal and replacement fund.

Westbrook CSO Program R&R – 29: Westbrook CSO Master Plan Update (\$1,000,000) will be financed with a bond while the miscellaneous CSO construction projects (\$10,000) 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: Routine and equipment renewal and replacements (\$10,000) 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 renewal and replacements (\$50,000) as well as Security Upgrades (\$30,000) and Sludge Dewatering Pilot Testing (\$10,000) will be financed through the renewal and replacement fund. Westbrook will pay a prorated share of the costs (\$59,940).

Capital Fund:	2013 Actual	2014 Projected	2015 Budget
Beginning of Year Fund Balance	\$921,861	\$1,320,231	\$1,306,632
Source of Funds:			
Bond Proceeds - current year	-	-	1,000,000
Bond Proceeds - future year	-	-	-
Renewal and Replacement Contribution	409,910	405,798	407,904
Operating Surplus Transfer	133,580	-	-
Capital Funding	543,490	405,798	1,407,904
Capital Expenditures:			
SCADA/Proccess Controls R&R (prorated) - 177	140,868	-	27,446
Westbrook CSO program R&R - 29	-	135,000	1,000,000
Treatment Plant Capital Program (prorated) – 167	-	63,270	19,980
Treatment Plant Flow Splitting & Secondary Clarifier Carry-Forward Project (prorated) – 167 *	-	174,825	-
Westbrook only System Projects R&R - 411	-	15,000	10,000
Treatment Plant R&R (prorated) - 416	4,252	31,302	59,940
Laboratory Equipment R&R (prorated) – 95	-	-	-
Capital Expenditures:	145,120	419,397	1,117,366
End of Year Fund Balance	\$1,320,231	\$1,306,632	\$1,597,170

Projections for Rate-Making Purposes

Multi-year projections are made for 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 projection is provided on next page.

Summary

Major Assumptions:

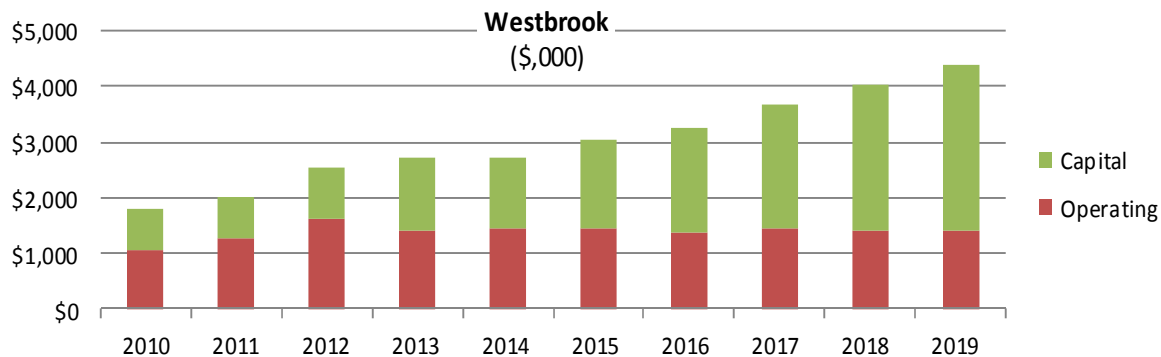
The assumptions incorporated in the projections are as follows:

- Salary increases of 2% each year. Maintain same number of employees.
- Benefit increases of 5% each year. Assumed pension contribution increased to \$1 million a year in 2015 and health insurance increases 7 % per year.
- Other expenses increase by 2.5% in 2015-2016 and 3.5% in subsequent years. 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 2015 5-year capital plan (new debt assumed a 20 year life at 5%). One significant project is the \$1.2 million aeration system upgrade at the Westbrook Regional Treatment Facility. The estimated cost is preliminary and may be higher. Also, other significant projects relate to the combined sewer overflow abatement with total \$6.3 million expected to be spent in the next 5 years.

Summary

Assessment is projected to increase to \$2,768,873 by 2019. Reserve balances and debt ratios are expected to be better than target.

Reserve Fund Balances



Percent of Budget Dedicated to Debt Service – Target: Not to Exceed 35%

Funds	2014	2015	2016	2017	2018	2019
Westbrook	16%	16%	18%	15%	16%	16%

Debt Service Ratio – Target: Greater or Equal to 1.25

Funds	2014	2015	2016	2017	2018	2019
Westbrook	2.01	2.01	1.76	2.13	1.90	1.92

Projections for Rate-Making Purposes (continued)

Operating Fund:

Wastewater Westbrook	2015	2016	2017	2018	2019
Revenue:	Budget	Projected	Projected	Projected	Projected
Assessment Income	\$2,533,176	\$2,609,171	\$2,661,354	\$2,714,581	\$2,768,873
Other Income	142,060	142,060	142,060	142,060	142,060
Interest Income	15,870	15,870	15,870	15,870	15,870
Total Revenue	2,691,106	2,767,101	2,819,284	2,872,511	2,926,803
Expense:					
Contracted Svcs	122,365	125,424	129,814	134,357	139,059
Salaries/Wages	254,555	259,646	264,839	270,136	275,539
Employee Benefits	130,982	137,531	144,408	151,628	159,209
Purchased Power	185,777	185,777	192,279	199,009	205,974
Biosolids Disposal	281,008	290,254	300,413	310,927	321,809
Transportation	11,325	11,608	12,014	12,434	12,869
Chemicals	75,015	76,890	79,581	82,366	85,249
Materials/Supplies	41,222	42,253	43,732	45,263	46,847
Heat/Fuel Oil	25,010	25,635	26,532	27,461	28,422
Tele/Oth Utilities	14,144	14,498	15,005	15,530	16,074
Insurance	6,493	6,655	6,888	7,129	7,379
Other Expense	23,687	23,814	23,996	24,185	24,380
Administration	307,669	315,361	323,245	331,326	339,609
Engineering Services	89,442	91,678	93,970	96,319	98,727
Environmental Services	86,869	89,041	91,267	93,549	95,888
Wastewater Services	161,210	165,240	169,371	173,605	177,945
Water Services	7,803	7,998	8,198	8,403	8,613
Capital:					
Debt Service	431,558	509,989	419,885	468,915	461,030
Renewal & Replacement	434,972	434,972	434,972	434,972	434,972
Total Expense	2,691,106	2,814,264	2,780,409	2,887,514	2,939,594
Annual Surplus (Deficit)	0	-47,163	38,875	-15,003	-12,791
Transfer to R&R					
Carryforward Surplus	1,439,317	1,439,317	1,392,154	1,431,029	1,416,026
Period Ending Surplus	1,439,317	1,392,154	1,431,029	1,416,026	1,403,235
Target	672,777	703,566	695,102	721,879	734,899
Above Target	\$766,541	\$688,588	\$735,927	\$694,148	\$668,337

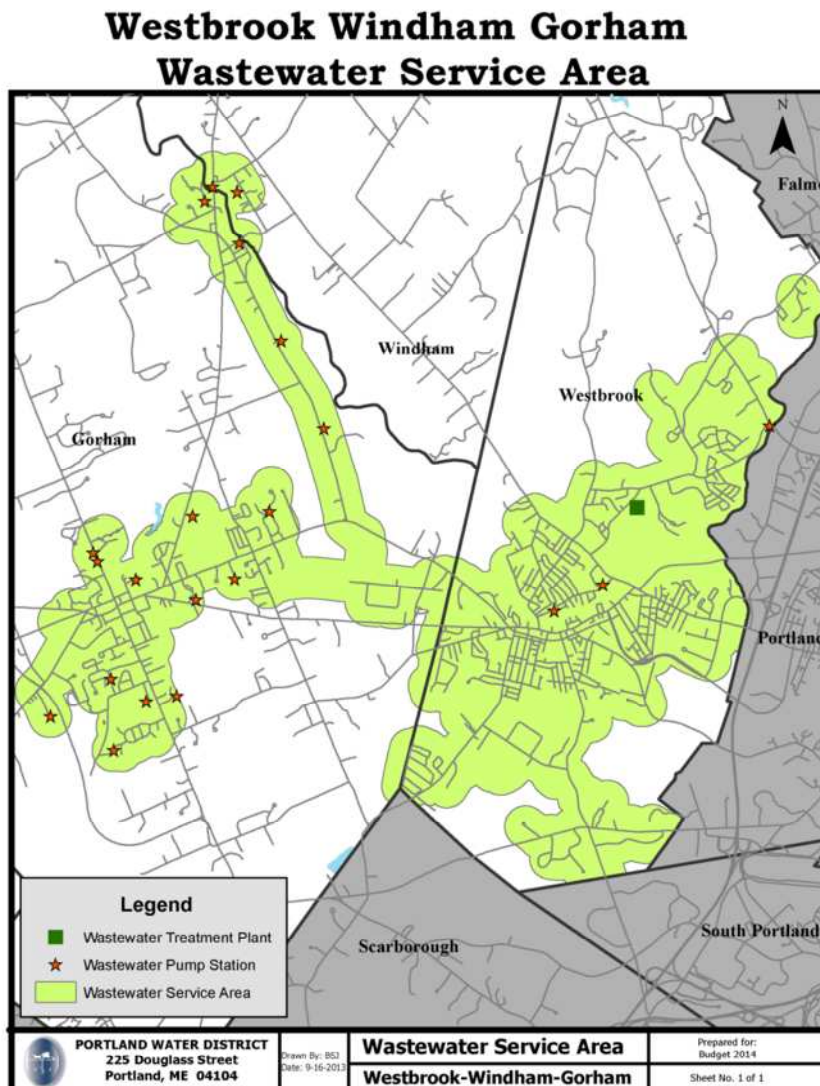
Capital Expenditures: (See details in the Capital Expenditure section) Target Balance: \$605,745

Year	Beg Balance	R&R Contribution	Bond	Expenditures	End Balance
2015	\$1,306,632	\$407,904	\$1,000,000	1,117,366	\$1,597,170
2016	1,597,170	\$407,904	382,000	511,880	1,875,194
2017	1,875,194	\$407,904	2,054,052	2,100,006	2,237,144
2018	2,237,144	\$407,904	400,000	443,300	2,601,748
2019	2,601,748	\$407,904	3,200,000	3,243,300	2,966,352

Fund: Wastewater – Windham

Background

The Portland Water District's charter authorizes the District to provide wastewater treatment and collection system-interceptors service to the town. By contract with the town, the District additionally operates and maintains the collectors in the sewer collection system. 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. Additionally, by contract, the District provides utility billing services.



Summary of Services Provided:

Treatment

*0.081 Million
gallons/day*

Collection System

*2 Windham only & 3
Joint use Pump Stations
with 8.2 miles of pipe*

Utility Billing

*Annual Billings of
\$330,097 on 52
Customers*

Fund: Wastewater - Windham

2015 Financial Summary

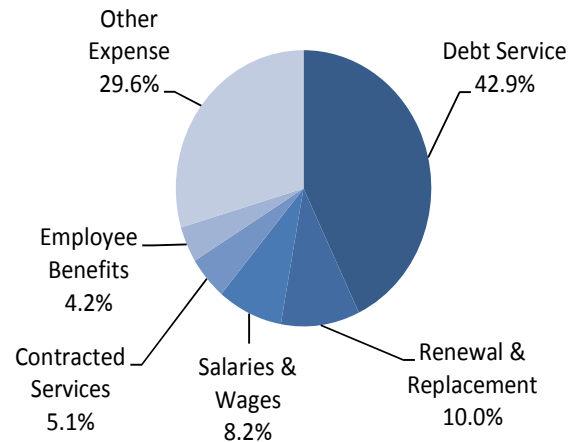
No increase in the town's assessment is proposed (\$351,756).

The proposed 2015 Operated Expense and Capital budgets are \$355,971 and \$24,089, respectively.

The expenses remained nearly flat, with a slight increase of \$718 (0.2%)

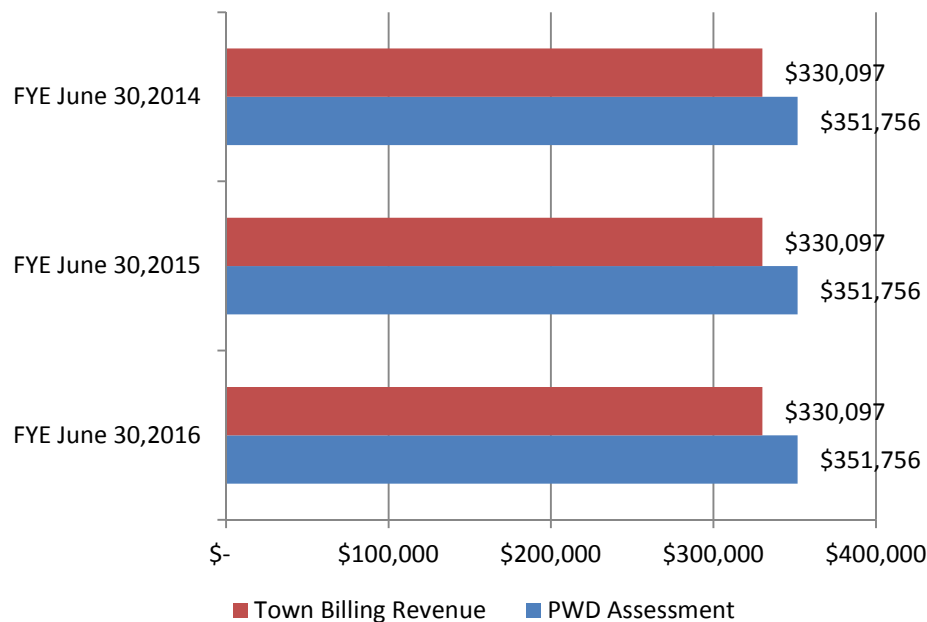
The capital projects in 2015 include the continuation of upgrades at the regional wastewater treatment plant of the Sludge Dewatering Pilot Testing and small equipment replacements. This work will be funded by renewal and replacement funds.

2015 Operating Expense



Assessment Compared to Ratepayers' Billing

The municipality's fiscal year end is June 30, while the District's is year end. The chart below compares the sewer billing cash as collected by the District on their behalf and the District's assessment for services rendered. The municipality may incur additional sewer-related costs. The municipality determines whether or not to increase the sewer billing rates.



Revenue Assumptions:

- Consumption is the 12 months ending June 30, 2014

- Rates Assumed:

Effective Base/Per HCF
Date:

April 2009 \$48.84/\$3.24

No change since 4/1/2009

2015 Operating Expense Highlights

Salaries/Wages – Wage rates were budgeted to decrease 6.4% (\$2,019). District labor rates increased an average of 2.0% but this was more than offset by the 8.9% (150 hour) decrease hours budgeted. A total of 1,531 hours (0.74 full time equivalents) were budgeted for 2015.

Employee Benefits – Benefits, which are charged as a percentage of regular wages, increased 2.2% (\$321) to a total of \$14,996. The benefit rate increased 3.3% due to increases in health insurance and pension costs.

Biosolids Disposal – The budget assumed the volume of wet tons disposed would increase by 6.2% along with an estimated 2.5% increase in the disposal rate. Those items increased costs of disposal at the Westbrook Regional WWTF by 8.6%.

Chemicals – The 2015 Budget assumed a larger volume of polymer and a higher price for sodium bisulfite. The result was a 9.0% (\$167) increase in expense.

Contracted Services – The budget for this item increased \$4,838 (33.6%). The figure included a \$7,735 increase for CCTV (inspection by video) of sewer lines somewhat offset by a \$2,266 decrease in maintenance services.

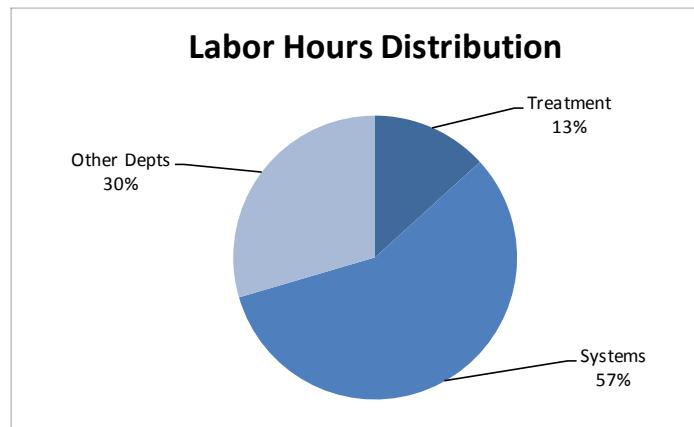
Purchased Power – The budget for power costs is expected to remain nearly flat. A 0.1% decrease of \$12 for the year resulted in a budgeted amount of \$13,755.

Transportation – Transportation costs decreased \$841 or 6.6% to a total of \$11,829. This change is related to the decrease in labor costs noted above.

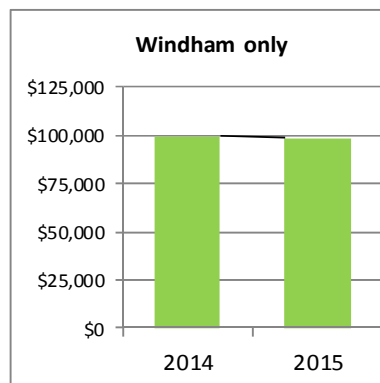
Support Services – These costs are related to general work done that cannot be directly charged to a fund as noted above (such as customer billing or information technology) or work done on behalf of several municipalities at the same time (engineering or laboratory services) that is allocated based on the value to each fund. The combined Support Services costs decreased 2.1% (\$1,350). The decrease in the Wastewater (\$783) is attributed to the labor decrease as costs in this area are allocated on that basis.

Debt Service - The annual principal and interest payments on bonds issued to finance capital projects. This item decreased 1.5% (\$2,283) as older bond issues were retired.

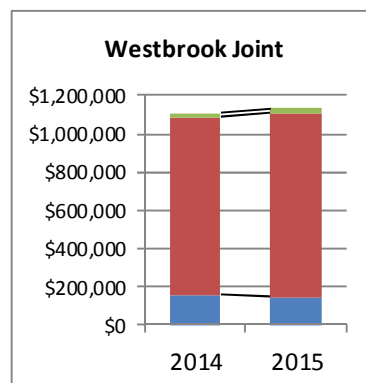
Renewal & Replacement - Dollars put aside to fund capital projects. A contribution of \$35,634 will be made in 2015.



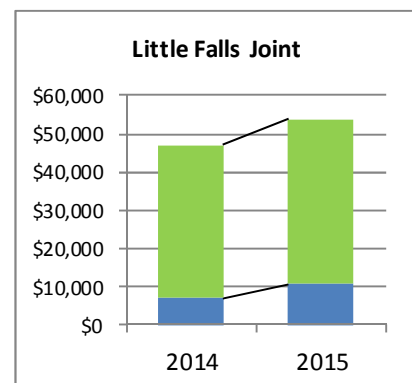
	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Assessment Income	351,756	175,878	351,756	351,756	-	0.0%
Interest Income	1,083	557	897	1,125	228	25.4%
<u>Other Income</u>	<u>3,111</u>	<u>942</u>	<u>2,600</u>	<u>3,090</u>	<u>490</u>	<u>18.8%</u>
Total Revenue	355,950	177,377	355,253	355,971	718	0.2%
Salaries & Wages	20,678	11,224	31,362	29,343	(2,019)	-6.4%
Employee Benefits	10,221	5,751	14,675	14,996	321	2.2%
Biosolids Disposal	6,893	4,081	7,025	7,631	606	8.6%
Chemicals	1,571	684	1,862	2,029	167	9.0%
Contracted Services	12,738	3,249	13,354	18,192	4,838	36.2%
Heat/Fuel Oil	937	1,161	1,764	1,710	(54)	-3.1%
Insurance	803	419	841	846	5	0.6%
Materials & Supplies	2,394	847	4,428	5,221	793	17.9%
Other Expense	120	89	136	136	-	0.0%
Purchased Power	13,359	7,542	13,767	13,755	(12)	-0.1%
Tele/Other Utilities	239	122	366	331	(35)	-9.6%
Transportation	8,473	3,921	12,670	11,829	(841)	-6.6%
SS - Administration	35,332	16,962	35,588	35,170	(418)	-1.2%
SS - Engineering Services	9,204	4,542	12,342	12,051	(291)	-2.4%
SS - Environmental Services	2,136	959	1,949	2,087	138	7.1%
SS - Wastewater Services	9,473	6,710	13,084	12,301	(783)	-6.0%
<u>SS - Water Services</u>	<u>83</u>	<u>162</u>	<u>141</u>	<u>145</u>	<u>4</u>	<u>2.8%</u>
Departmental Expense	134,654	68,425	165,354	167,773	2,419	1.5%
Debt Service	156,966	76,952	154,847	152,564	(2,283)	-1.5%
Renewal & Replace - Direct	43,727	16,007	32,015	32,687	672	2.1%
<u>Renewal & Replace - Indirect</u>	<u>3,087</u>	<u>1,519</u>	<u>3,037</u>	<u>2,947</u>	<u>(90)</u>	<u>-3.0%</u>
Operating Expense	338,434	162,903	355,253	355,971	718	0.2%
Surplus (Deficit)	17,516	14,474	-	-		
Write-off Bond Issuance Exp	(1,845)	-	-	-		
Return of Surplus	-	-	-	-		
Transfer to R&R	(15,671)	-	-	-		
<u>Prior Surplus</u>	<u>171,168</u>	<u>171,168</u>	<u>182,000</u>	<u>191,335</u>		
Accumulated Surplus	171,168	185,642	182,000	191,335		



Windham Only – Costs flat,
(down \$1.1k)



Westbrook JT – Up \$25k (2.2%),
Windham % unchanged (2.3%).



Little Falls JT – Up \$7k, Windham
% down (85% to 80%).

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 Treatment Facility.

Area	2013 Windham Flow	Westbrook WWTF Flow	% Windham Share
Windham	81,422 gal/day	2,953,200 gal/day	2.8 %
WGWWTF Capacity	Windham Capacity (2.6%)	2013 % Capacity Used	Capacity Remaining
4,540,000 gal/day	118,040 gal/day	69.0 %	36,618 gal/day

Wastewater Conveyance – collectors, interceptors and pumping stations

Parameter	2014 Actual to Oct.	2015 Projected
Preventative Work Orders	15	25
Corrective	2	5
Wet wells cleaned	13	15
Debris removed	7.37	10
DWO	1	0

2014 Other Highlights

- 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 planned for 2015 (the location makes replacement difficult).

2015 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 \$32,687 from the annual assessment in 2015.

The planned projects are listed below:

Regional Treatment Plant Capital – 167: A Secondary Clarifier Evaluation (\$30,000) for the Westbrook Treatment Facility. Windham will pay a prorated share of the costs (\$780).

SCADA/Process Control Program – 177: East End Treatment Plant SCADA upgrades and various process and management systems (\$969), financed from the renewal and replacement fund.

Regional Treatment Plant R&R – 416: Routine and equipment renewal and replacements (\$50,000) as well as Security Upgrades (\$30,000) and Sludge Dewatering Pilot Testing (\$10,000) will be financed through the renewal and replacement fund. Windham will pay a prorated share of the costs (\$2,340).

Windham System Pumping R&R – 180: Routine and equipment renewal and replacements (\$20,000) will be financed through the renewal and replacement fund. Windham pays 100% of Windham only projects.

Capital Fund:	2013 Actual	2014 Projected	2015 Budget
Beginning of Year Fund Balance	\$140,756	\$188,220	\$199,848
Source of Funds:			
Bond Proceeds - current year	0	0	0
Bond Proceeds - future year	0	0	0
Renewal and Replacement Contribution	43,727	32,015	32,687
Operating Surplus Transfer	15,671	0	0
Capital Funding	59,398	32,015	32,687
Capital Expenditures:			
SCADA/ Process Controls R&R (prorated) - 177	5,499	0	969
Treatment Plant Aeration Evaluation (prorated) – 167	0	2,340	780
Treatment Plant Flow Splitting Project (prorated) – 167 *1	0	6,825	0
Treatment Plant R&R (prorated) – 416	0	1,222	2,340
Windham Systems Pumping R&R - 180	6,435	10,000	20,000
Laboratory Equipment R&R (prorated) – 95	0	0	0
Capital Expenditures	11,934	20,387	24,089
End of Year Fund Balance	188,220	199,848	208,446
*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.			

Projections for Rate-Making Purposes

Multi-year projections are made for 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 projection is provided on next page.

Summary

Major Assumptions:

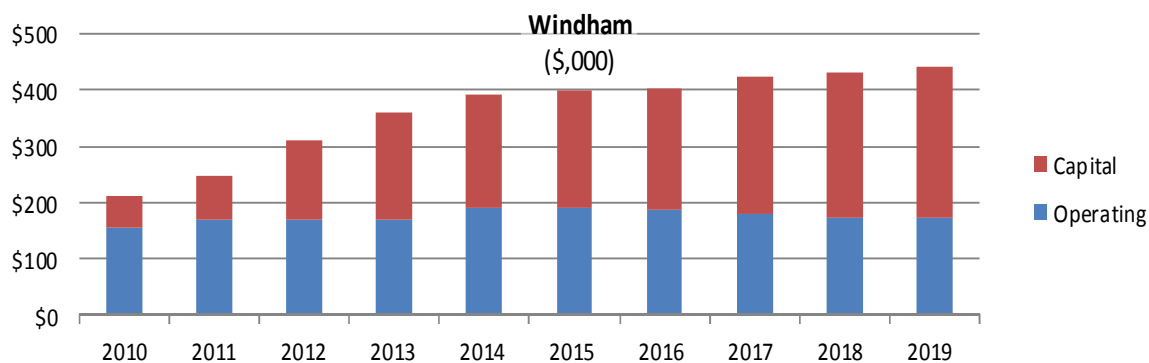
The assumptions incorporated in the projections are as follows:

- Salary increases of 2% each year. Maintain same number of employees.
- Benefit increases of 5% each year. Assumed pension contribution increased to \$1 million a year in 2015 and health insurance increases 7 % per year.
- Other expenses increase by 2.5% in 2015-2016 and 3.5% in subsequent years. 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 2015 5-year capital plan (new debt assumed a 20 year life at 5%). The most significant project is the \$1.2 million aeration system upgrade at the Westbrook Regional Treatment Facility. The estimated cost is preliminary and may be higher.

Summary

Assessment is projected to increase to \$365,967 by 2019, a 4% increase. Reserve balances and debt ratios are expected to be better or close to target.

Reserve Fund Balances



Percent of Budget Dedicated to Debt Service – Target: Not to Exceed 35%

Funds	2014	2015	2016	2017	2018	2019
Windham	44%	43%	42%	41%	41%	40%

Debt Service Ratio – Target: Greater or Equal to 1.25

Funds	2014	2015	2016	2017	2018	2019
Windham	1.23	1.23	1.20	1.19	1.20	1.24

Projections for Rate-Making Purposes (continued)

Operating Fund:

Wastewater Windham	2015	2016	2017	2018	2019
Revenue:	Budget	Projected	Projected	Projected	Projected
Assessment Income	\$351,756	\$351,756	\$351,756	\$358,791	\$365,967
Other Income	3,090	3,090	3,090	3,090	3,090
Interest Income	1,125	1,125	1,125	1,125	1,125
Total Revenue	355,971	355,971	355,971	363,006	370,182
Expense:					
Contracted Svcs	18,192	18,647	19,300	19,976	20,675
Salaries/Wages	29,343	29,930	30,529	31,140	31,763
Employee Benefits	14,996	15,746	16,533	17,360	18,228
Purchased Power	13,755	13,755	14,236	14,734	15,250
Biosolids Disposal	7,631	8,022	8,303	8,594	8,895
Transportation	11,829	12,125	12,549	12,988	13,443
Chemicals	2,029	2,080	2,153	2,228	2,306
Materials/Supplies	5,221	5,352	5,539	5,733	5,934
Heat/Fuel Oil	1,710	1,753	1,814	1,877	1,943
Tele/Oth Utilities	331	339	351	363	376
Insurance	846	867	897	928	960
Other Expense	136	139	144	149	154
Administration	35,170	36,049	36,950	37,874	38,821
Engineering Services	12,051	12,352	12,661	12,978	13,302
Environmental Services	2,087	2,139	2,192	2,247	2,303
Wastewater Services	12,301	12,609	12,924	13,247	13,578
Water Services	145	149	153	157	161
Capital:					
Debt Service	152,564	152,772	150,576	149,968	147,200
Renewal & Replacement	35,634	35,634	35,634	35,634	35,634
Total Expense	355,971	360,459	363,438	368,175	370,926
Annual Surplus (Deficit)	0	-4,488	-7,467	-5,169	-744
Transfer to R&R					
Carryforward Surplus	191,335	191,335	186,847	179,380	174,211
Period Ending Surplus	191,335	186,847	179,380	174,211	173,467
Target	88,993	90,115	90,860	92,044	92,732
Above Target	\$102,342	\$96,732	\$88,521	\$82,167	\$80,736

Capital Expenditures: (See details in the Capital Expenditure section) Target Balance: \$88,828

Year	Beg Balance	R&R Contribution	Bond	Expenditures	End Balance
2015	\$199,848	\$32,687	\$0	\$24,089	\$208,446
2016	208,446	32,015	0	24,680	215,781
2017	215,781	32,015	30,023	31,817	246,002
2018	246,002	32,015	0	21,300	256,717
2019	256,717	32,015	0	21,300	267,432

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.

2015 Summary

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

The changes to Operating Expense were: Falmouth increasing \$392 (3.3%), Scarborough decreasing \$106 (1.0%) and South Portland increasing \$12,086 (6.6%).

Contracted Services: Falmouth, Scarborough and South Portland

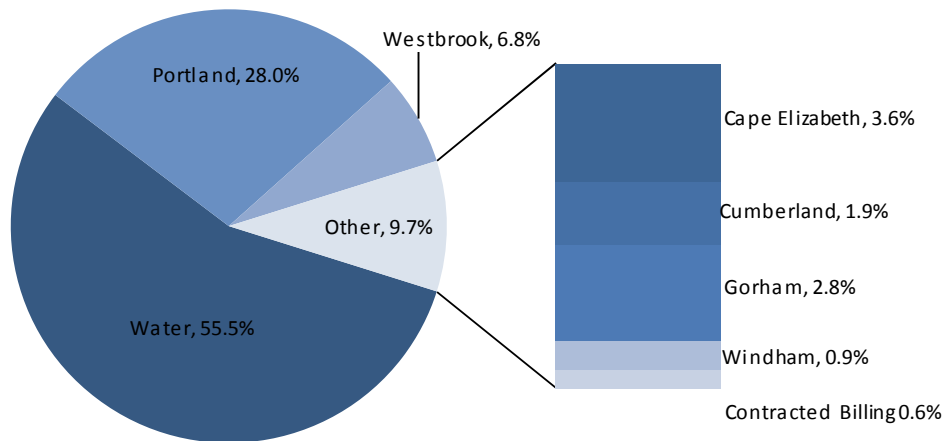
Falmouth:						
	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Contracted Billing Income	\$15,012	\$7,506	\$15,012	\$15,012	\$0	0.0%
Interest Income	146	73	123	114	(9)	-7.3%
Total Revenue	15,158	7,579	15,135	15,126	(9)	-0.1%
Dept/Operating Expense	11,395	5,946	11,896	12,288	392	3.3%
Surplus (Deficit)	3,763	1,633	3,239	2,838		
Prior Surplus	28,003	31,766	32,219	35,513		
Accumulated Surplus	31,766	33,399	35,458	38,351		
Scarborough:						
	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Contracted Billing Income	\$10,620	\$5,310	\$10,620	\$10,620	\$0	0.0%
Interest Income	8	3	9	7	(2)	-22.2%
Total Revenue	10,628	5,313	10,629	10,627	(2)	0.0%
Departmental Expense	1,473	2,458	1,914	1,865	(49)	-2.6%
Debt Service	6,577	3,677	6,577	6,520	(57)	-0.9%
Renewal & Replace - Indirect	1,625	813	1,625	1,625	-	0.0%
Operating Expense	9,675	6,948	10,116	10,010	(106)	-1.0%
Surplus (Deficit)	953	(1,635)	513	617		
Write-off Bond Issuance Exp	(415)	-	-	-		
Prior Surplus	2,656	3,194	2,424	3,705		
Accumulated Surplus	3,194	1,559	2,937	4,322		
South Portland:						
	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Contracted Billing Income	\$192,384	\$96,192	\$192,384	\$192,384	\$0	0.0%
Interest Income	359	192	268	220	(48)	-17.9%
Grand Total	192,743	96,384	192,652	192,604	(48)	0.0%
Departmental Expense	106,645	67,513	118,300	130,378	12,078	10.2%
Debt Service	52,038	28,512	51,858	51,746	(112)	-0.2%
Renewal & Replace - Indirect	12,001	6,001	12,001	12,121	120	1.0%
Operating Expense	170,684	102,026	182,159	194,245	12,086	6.6%
Surplus (Deficit)	22,059	(5,642)	10,493	(1,641)		
Write-off Bond Issuance Exp	(3,406)	-	-	-		
Prior Surplus	70,963	89,616	87,998	104,605		
Accumulated Surplus	89,616	83,974	98,491	102,964		

2015 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
Beg Balance	\$10,462,598	\$4,097,689	\$322,118	\$261,481	\$422,074	\$3,584,761	\$1,439,317	\$191,335	\$143,823
Water Revenue	21,690,890	21,690,890	-	-	-	-	-	-	-
WW Assess	17,116,284	-	1,412,112	731,784	1,106,148	10,981,308	2,533,176	351,756	-
Contract Billing	218,016	-	-	-	-	-	-	-	218,016
Interest Income	76,236	34,391	1,988	1,911	3,425	17,186	15,870	1,125	340
Other Income	526,280	265,370	-	-	18,810	96,950	142,060	3,090	-
	39,627,706	21,990,651	1,414,100	733,695	1,128,383	11,095,444	2,691,106	355,971	218,356
									-
Depart Expense	27,723,872	14,902,940	1,127,888	691,349	583,056	8,281,760	1,824,576	167,773	144,530
Debt Service	6,810,659	3,586,833	191,534	14,966	405,681	1,969,257	431,558	152,564	58,266
Renew I & Repl	4,486,362	2,895,879	94,678	27,380	139,646	844,427	434,972	35,634	13,746
	39,020,893	21,385,652	1,414,100	733,695	1,128,383	11,095,444	2,691,106	355,971	216,542
Surplus (Deficit)	606,813	604,999	-	-	-	-	-	-	1,814
Transfer-Cap Resrv	(66,831)	(66,831)	-	-	-	-	-	-	-
Ending Surplus	\$11,002,580	\$4,635,857	\$322,118	\$261,481	\$422,074	\$3,584,761	\$1,439,317	\$191,335	\$145,637

Revenues by Fund 2015



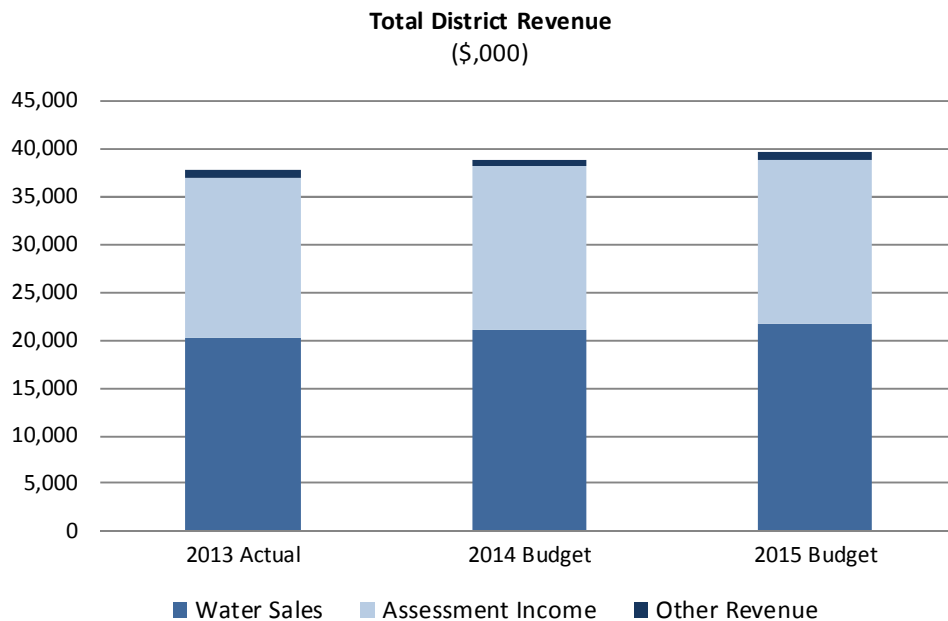
Introduction

Revenue is obtained from two major sources: payments by individual customers for water services (Water Revenue, 54.7%) and payments from municipalities for wastewater services (Wastewater Assessments, 43.2%). Water revenues in 2015 are expected to increase 2.7% over last year's budget as a result of a proposed 3.8% rate increase to take effect in May. Wastewater Assessments increased for the Towns of Cape Elizabeth and Portland to cover estimated 2015 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.

	2013 Actual	2014 Actual Jan-Jun	2014 Budget	2015 Budget	\$-Diff.	%-Diff.
Water Sales	\$20,301,648	\$9,897,472	\$21,130,183	\$21,690,890	\$560,707	2.7%
Assessment Income	16,588,464	8,485,800	16,972,320	17,116,284	143,964	0.8%
Contracted Billing Income	218,016	109,008	218,016	218,016	-	0.0%
Interest Income	73,394	46,983	66,727	76,236	9,509	14.3%
Other Income	533,435	192,471	446,180	526,280	80,100	18.0%
Total Revenues	\$37,714,957	\$18,731,734	\$38,833,426	\$39,627,706	\$794,280	2.0%



Water Sales

Water sales consist of:

- **Metered Revenue** from residential, governmental, industrial and commercial customers. Customers are billed a monthly minimum based on meter size, which includes 1 hundred cubic feet (HCF) of water (748 gallons). For amounts greater than 1 HCF, customers pay based on a four-tier declining block. Current member rates are :

Monthly Water Usage:		
From	To	Rate
1 HCF	30 HCF	\$2.12
31 HCF	100 HCF	\$1.72
101 HCF	500 HCF	\$1.52
Greater than 500 HCF		\$0.86

- **Public Fire Protection** revenue from charges to municipalities for hydrants. Eleven communities pay a monthly fee based on the number of the hydrants in the community and proportionate share of water system costs to assure water is available to fight fires.
- **Private Fire Protection** revenue from charges to private users for hydrants and sprinklers. Customers are assessed a monthly fee based on the service line to the hydrant/sprinkler. The fee based on proportionate share of water system costs to assure water is available to fight fires.
- **Other Water Revenue** such as interest on delinquent customer balance and customer penalties.

The 2015 Budget of \$21,690,890 reflects an assumed rate adjustment averaging 3.8% effective May 1, 2015 and estimated number of customers and usage. Details on the how the estimated number of estimated number of customer and usage was determined are on subsequent pages.

Water Sales rates have been adjusted annually. Average rate adjustments of 2.9% and 1.3% were made on May 1, 2014 and 2013, respectively. In addition to the Board's approval, all water rate adjustments are subject to review and approval by the Maine Public Utilities Commission.

	2013 Actual	2014 Actual Jan-Jun	2014 Budget	2015 Budget	\$-Diff.	%-Diff.
Metered Revenue	\$18,150,642	\$8,807,251	\$18,920,028	\$19,405,220	\$485,192	2.6%
Public Fire Protection	1,198,678	607,286	1,229,348	1,272,849	43,501	3.5%
Private Fire Protection	843,912	432,816	865,980	909,500	43,520	5.0%
Other Water Revenue	108,416	50,119	114,827	103,321	(11,506)	-10.0%
Total Water Sales	\$20,301,648	\$9,897,472	\$21,130,183	\$21,690,890	\$560,707	2.7%

Water Sales - Cost of Service Study

Every 10 years, a cost of service study is done to compare the revenue generated by each meter revenue customer class – residential, commercial, industrial and government - and fire protection categories to the costs of providing services those customers. The most common and widely used cost of service or cost allocation process is presented in the American Water Works Association’s manual of practice M1 – Principles of Water Rates, Fees, and Charges. The process consists of several steps to determine the cost of providing service to various classes of customers.

1. Costs are first assigned to various functions such as supply, treatment, pumping and distribution. The District’s accounting system readily provides this functional breakdown.
2. The functional costs are then allocated to various types of service provided by the water utility or cost components. The most common method is termed the “base-extra capacity method”. Under this method, the functional costs are allocated to the categories:
 - Base: costs that vary with the amount of water use, independent of peak demands
 - Extra Capacity: costs that are associated with meeting peak demand requirements
 - Customer: costs that are related to customer service and independent of water use. These are often subdivided into:
 - a. General or billing costs (meter reading, collection, etc.)
 - b. Meter and service costs (cost of meter or service line repair, maintenance and testing)
 - Direct Fire Protection: cost associated with public fire hydrants.
3. Lastly, the costs that have been allocated to cost components are distributed to customer classes or groups based on the relative amount of use that each class has of the various cost components.

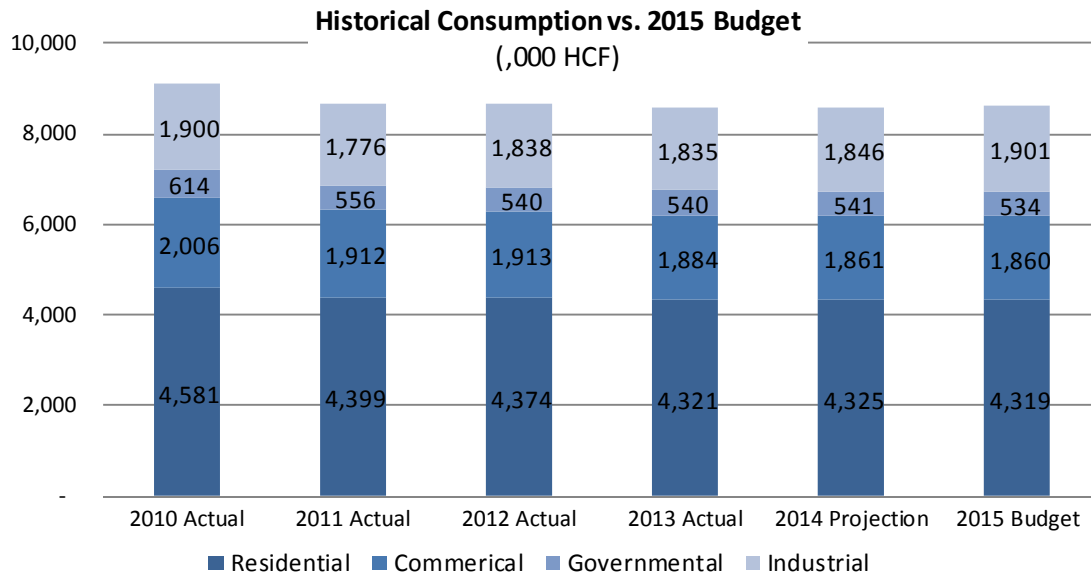
In general, we have followed the guidance in the AWWA’s M1 Manual to develop the cost of service analysis for the District.

The last study was conducted in 2006. The study indicated industrial and commercial customers were not paying the full cost of service. Because the rate change needed to those customer would create rate shock and impact economic development, a policy was established to gradually increase the rates impacting those customers over subsequent rate adjustments. Since 2007, those rates have been increased at a rate of 150% of the rate change for residential customers.

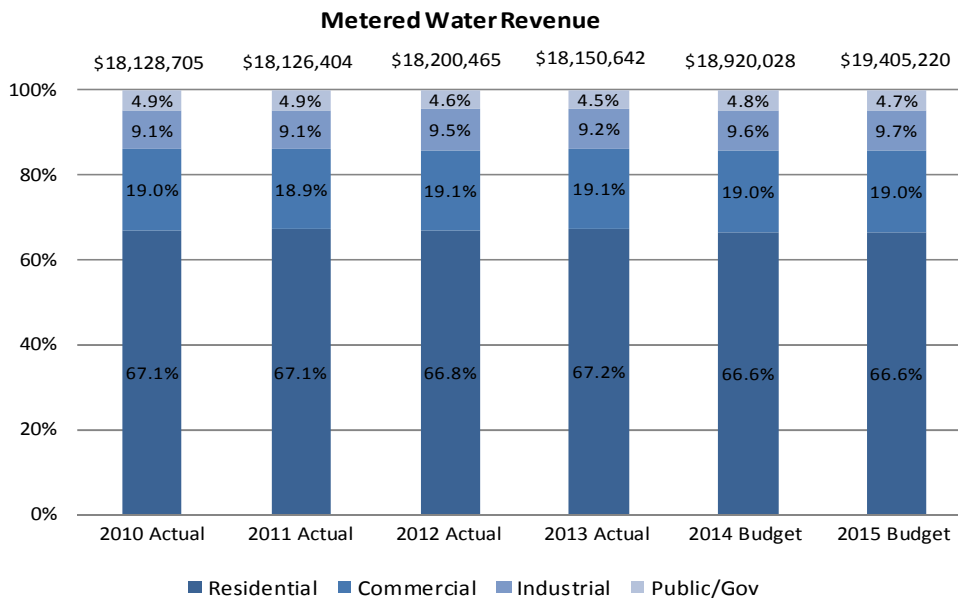
The next study is scheduled to be conducted in 2016.

Water Sales – Metered Revenue

Metered water revenue has risen from \$18.1 million in 2010 to the budgeted amount of \$19.4 million (7.2%). The rise in revenue was the result in rate increases offset by lower metered water usage. The District measures metered consumption by four customer classes, Residential, Commercial, Industrial and Governmental/Public. The consumption patterns of each of these customer classes vary from one another and these variations have been taken into consideration in estimating the consumption used for the budget – see detail discussion on subsequent pages.



The ratio of each customer class as a percentage of all sales (shown below) has been fairly stable.

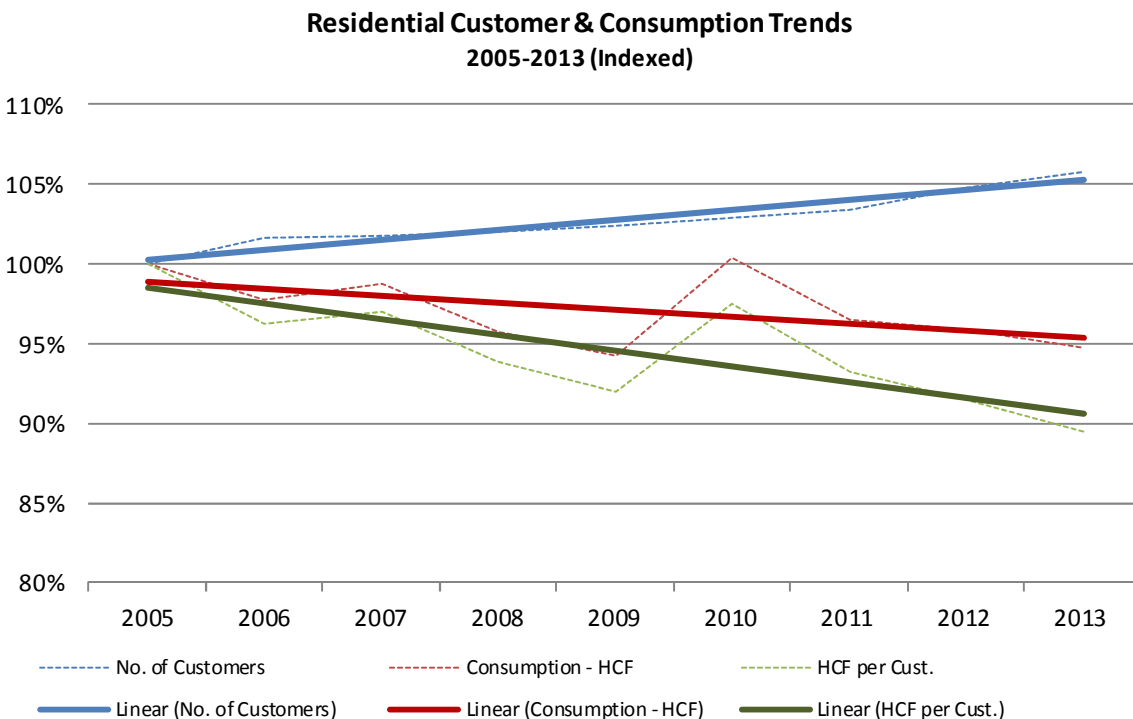


Water Sales – Metered Revenue - Consumption

Residential

Residential consumption makes up about 50% of total metered consumption and generates roughly 67% of the District's total metered water revenue. The two segments of residential consumption are monthly billed and seasonal customers. Monthly billed customers receive bills year round on a monthly basis. Seasonal customers receive a bill in the spring for a minimum consumption level and are billed again in the fall for any excess usage above the minimum.

For monthly customers, consumption has been calculated by determining the core level of consumption, then estimating the amount of additional usage that largely occurs during the summer months. The monthly core level was reached by taking the average of the lowest three months of each year in the sample data and annualizing that value.

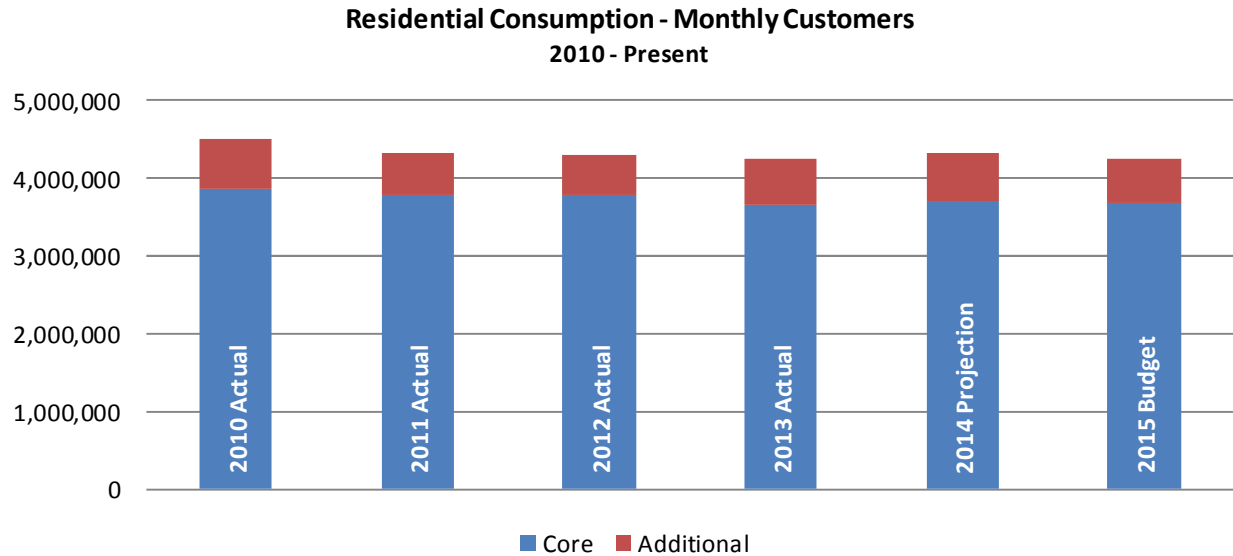


As shown above, overall consumption (red line) has declined by approximately 4% despite a 5% increase in the number of customers (blue). This is due to roughly a 7% decrease in consumption per customer (green). To incorporate the slow decline in residential consumption year over year this percentage of decline was factored into the core.

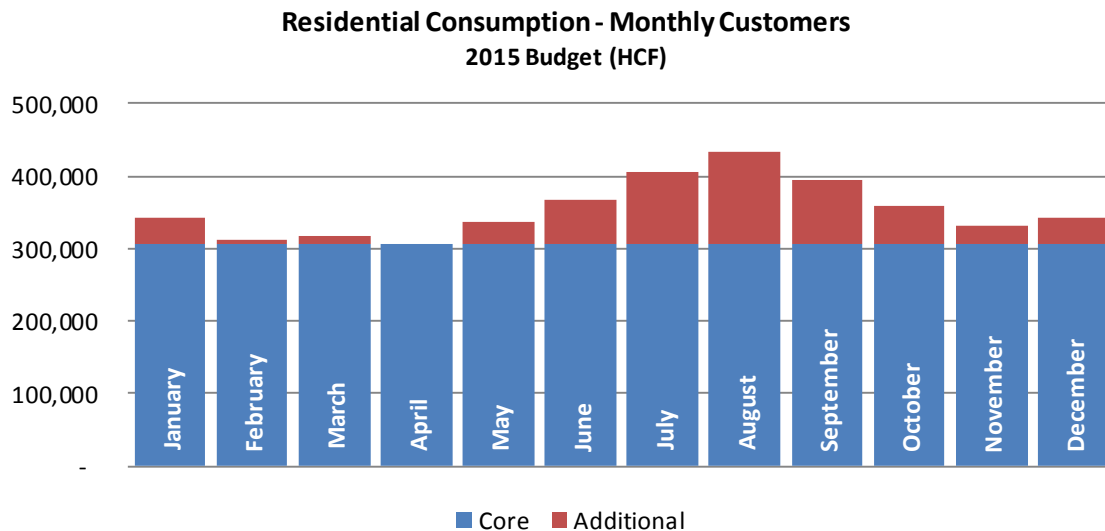
The additional usage was then determined by averaging the percentage of additional consumption over the core in the sample years. For the 2015 budget the core consumption was approximately 3.7 million hcf (hundred cubic feet) and the additional was 15% of the core. This falls in line with historical data.

Water Sales – Metered Revenue - Consumption

Residential (continued)



The monthly additional consumption was determined based on average monthly consumption from a rolling 36 month period ending July 2014 (the most current month available at the time). Two-thirds of the additional consumption is used between the months of June through September.



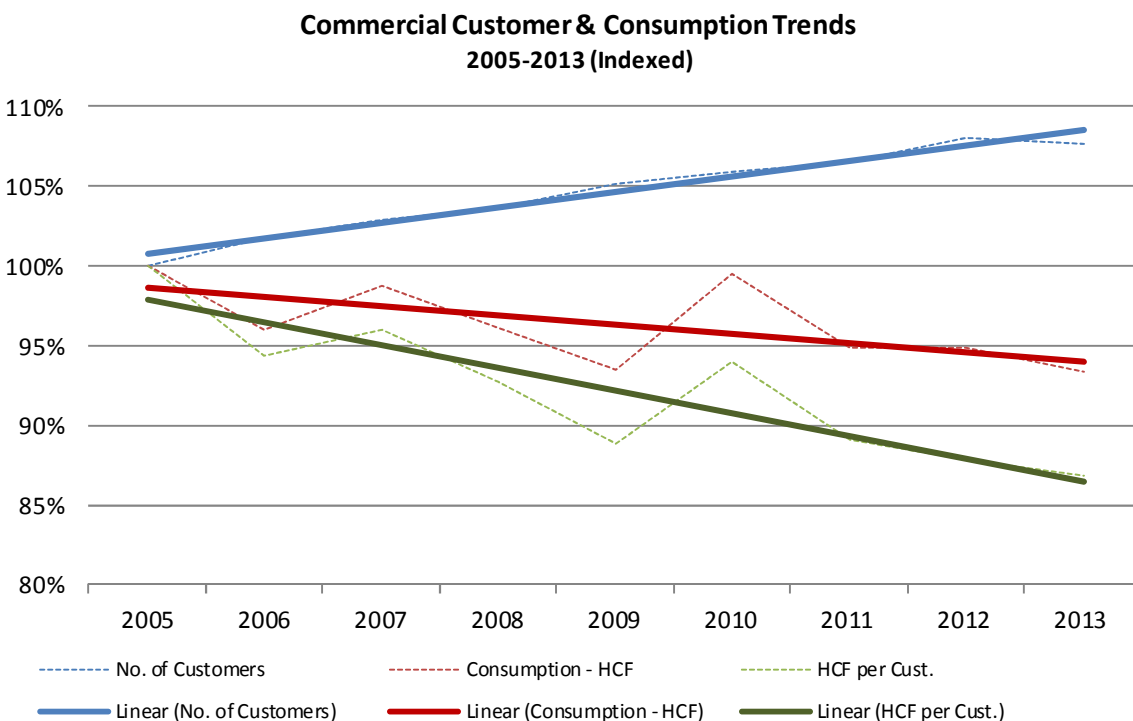
Consumption by seasonal customers makes up only 1.4% of total residential consumption. Residential seasonal consumption for the budget was based the historical average from 2010 to 2013 and is approximately 62,000 hcf for the year.

Water Sales – Metered Revenue - Consumption

Commercial

In estimating commercial usage, consumption was also split between monthly billed and seasonal customers, similar to the residential class.

In the same manner as previously stated, monthly customer consumption has been calculated by determining the core level of consumption, then estimating the amount of additional usage. The monthly core level was reached by taking the average of the lowest three months of each year in the sample data and annualizing that value. The rate of increase in customers is greater for this class than residential but the decrease in consumption per customer is also larger, producing a very similar rate of decline in overall consumption as is present on the residential side. To incorporate this decline in commercial consumption year over year, this percentage of decline was also factored into the core.

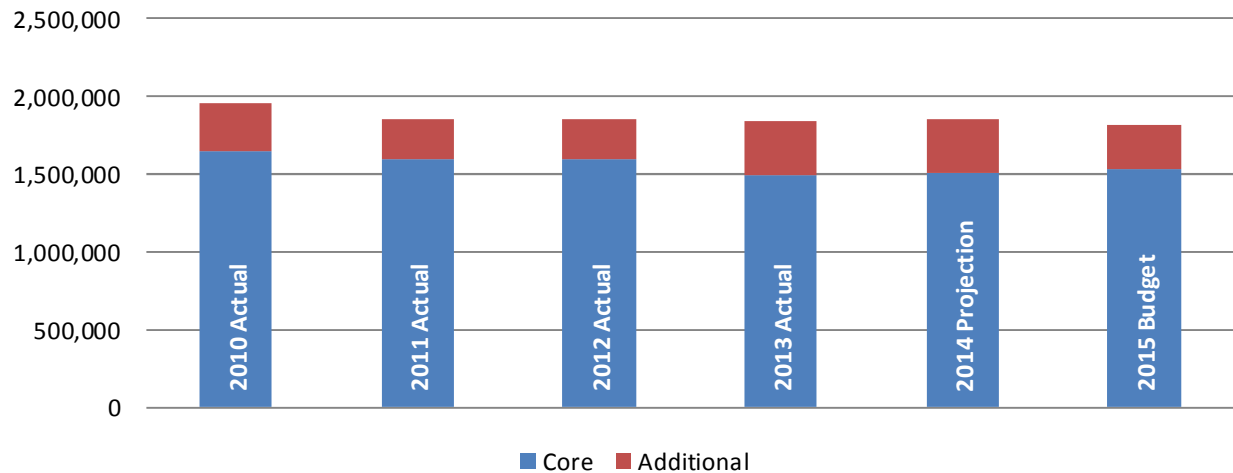


The additional usage was then determined by averaging the percentage of additional consumption over the core in the sample years. For the 2015 budget the core consumption was approximately 1.5 million hcf and the additional was 18% of the core. The variation of additional consumption (over core) has ranged between 16% and 22% in the sample years.

Water Sales – Metered Revenue - Consumption

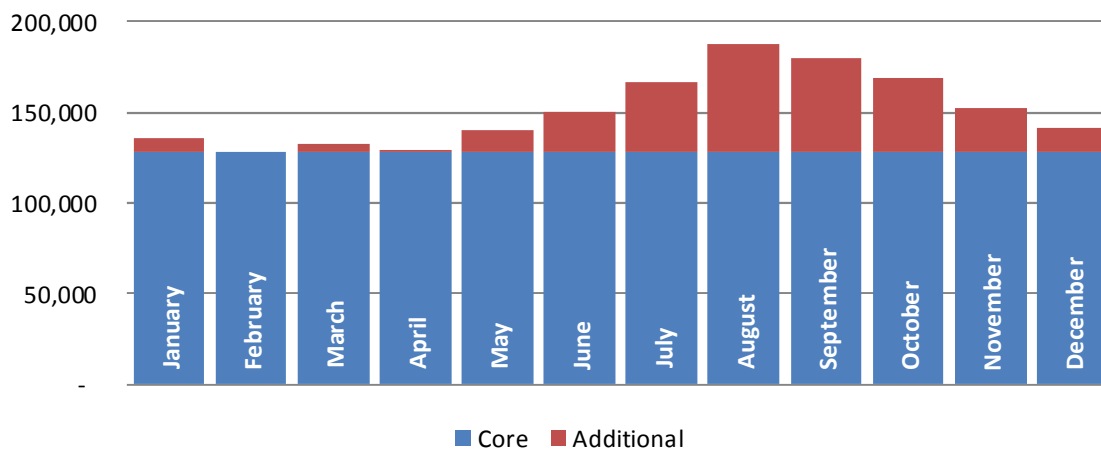
Commercial (continued)

Commercial Consumption - Monthly Customers
2010 - Present



The monthly additional consumption was determined based on average monthly consumption from a rolling 36 month period ending July 2014. Roughly 62% of additional consumption is used between the months of June through September.

Commercial Consumption - Monthly Customers
2015 Budget (HCF)



Consumption by seasonal customers makes up only 2.4% of total commercial consumption. Commercial seasonal consumption for the budget was determined based on monthly consumption from a rolling 12 month period ending July 2014.

Water Sales – Metered Revenue - Consumption

Industrial

Historically, approximately 90% of industrial usage has come from just five customers, Calpine, Texas Instruments (formerly National Semiconductor), Sappi Fine Paper, Fairchild Semiconductor, and B&G Foods. In forecasting Industrial consumption, an estimate was made for each of these five customers.

Calpine

The Calpine power plant is the District's largest customer. Located in Westbrook, Calpine uses two combustion turbines routed to two heat recovery steam generators, which provide steam to one steam turbine. This facility produces enough electric power to meet the needs of more than 500,000 homes throughout New England. Usage for 2015 should be more in line with the 2013 figure and has been estimated at 750,000 hcf. Lower 2014 usage was the result of a few unplanned shutdowns for maintenance reasons.

Texas Instruments (formerly National Semiconductor)

Texas Instruments is a company that designs and makes semiconductors which it sells to electronics designers and manufacturers globally. In 2011, the company bought National Semiconductor, a semiconductor manufacturer which specializes in analog devices and subsystems that operates a wafer fabrication plant in South Portland. Water usage for 2015 is not expected to differ from current levels and has been estimated at roughly 340,000 hcf, the same as the 12 month period ending July 2014.

Sappi Fine Paper

Sappi Fine Paper North America is the leading producer and supplier of coated fine paper, pulp and release paper in the United States. The company has two facilities in Westbrook, a mill and a technology center. The mill is primarily a production facility for specialty release papers and films. The technology center is equipped with two state-of-the-art pilot coaters that enable prototype development for both coated fine papers and specialty release paper. Based on a review of their current usage pattern an estimated consumption of 370,000 hcf was assumed.

Fairchild Semiconductor

Fairchild Semiconductor is an electronics component manufacturer. The company makes tiny silicon chips used in a variety of industries, including cellular technology, home goods and automotive applications. Fairchild operates a manufacturing facility in Portland and a business office in South Portland. The consumption estimate for 2015 was based on a historical average of approximately 168,000 hcf.

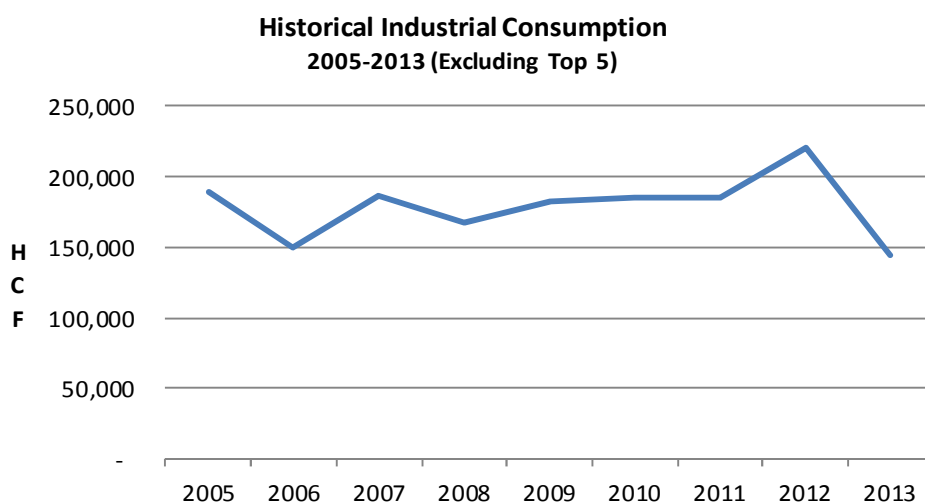
Water Sales – Metered Revenue - Consumption

Industrial (continued)

B&G Foods

B&G Foods and its subsidiaries manufacture, sell and distribute a diversified portfolio of high-quality, branded shelf-stable foods across the United States, Canada and Puerto Rico. They own B&M Beans, which operates a bean cannery in Portland. A representative from B&G stated that consumption in 2015 should not vary from current usage and has been estimated at 90,000 hcf.

All Other Industrial Customers



The remaining industrial usage makes up roughly 10% of the consumption for this customer class. As shown in the graph above, there has been no clear pattern in consumption for these users. Therefore, consumption for this group has been estimating using the historical average for 2010-2013 of about 183,000 hcf. This value is also consistent with the historical average for all data currently available (2005-2013).

Water Sales – Metered Revenue - Consumption

Public/Governmental

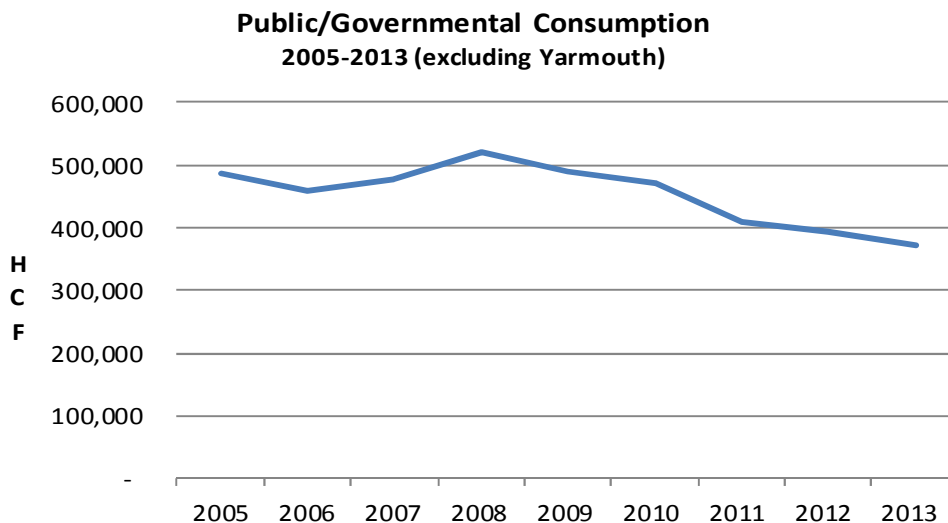
Yarmouth Water District

Approximately 30% of public/governmental consumption comes from usage by the Yarmouth Water District which provides this water almost entirely to the Wyman Power Plant on Cousins Island. Wyman Power Plant is a spot producer of power for the northeast and is only used during peak energy demand because, as an oil-fired generator, it has become obsolete.

Wyman rarely ran in recent years because it competes with natural gas fired units in New England. They generate roughly half the region's power and are much cheaper to operate. Due to a colder '13-'14 winter the Wyman Power Plant was needed more often than past years and may be called upon again this winter due to periodic planned shutdowns at other northeast power plants. Also to be considered is the high probability of a milder winter due to El Nino. Assessing these factors, the assumed consumption for Yarmouth Water District has been set at 157,000 hcf, approximately 5% lower than the prior 12 month period.

Other Public/Governmental Customers

Public/Governmental consumption has been in decline since the economic downturn. Government entities have sought out ways to decrease expenditures including their water and sewer bill. As a result, we do not anticipate this decrease in consumption to return and have predicted usage to be similar to the most recent 12 month period.



Water Sales – Metered Revenue - Rates

Water Rate Schedule

A 3.8% increase is proposed to be implemented effective 5/1/2015. Board of Trustees will review and approve any rate adjustment in first quarter of 2015.

Current Rates: Effective 05/01/2014

Meter or Service Line Size	Member Rate	Non-member Rate
<u>Private Fire Monthly Fee</u>		
2	\$3.32	\$3.81
3	7.45	8.53
4	13.24	15.23
6	31.65	36.39
8	52.99	60.92
10	82.78	95.25
12	119.20	137.09
16	211.91	243.70
<u>Minimum Monthly Charges</u>		
5/8	\$8.46	\$9.73
3/4	9.97	11.45
1	12.93	14.90
1 1/2	21.14	24.31
2	30.45	35.00
3	55.25	63.52
4	83.15	95.63
6	160.67	184.75
8	253.67	291.73
10	367.30	422.40
12	486.21	559.13
Low income	2.12	2.45
<u>Monthly Volume Charge</u>		
First 100 Cf	minimum	minimum
Next 2,900 Cf	\$2.12	\$2.45
Next 7,000 Cf	1.72	1.98
Next 40,000 Cf	1.52	1.75
Over 50,000 Cf	0.86	1.00

Water Sales – Metered Revenue - Rates

Water Rate Schedule (continue)

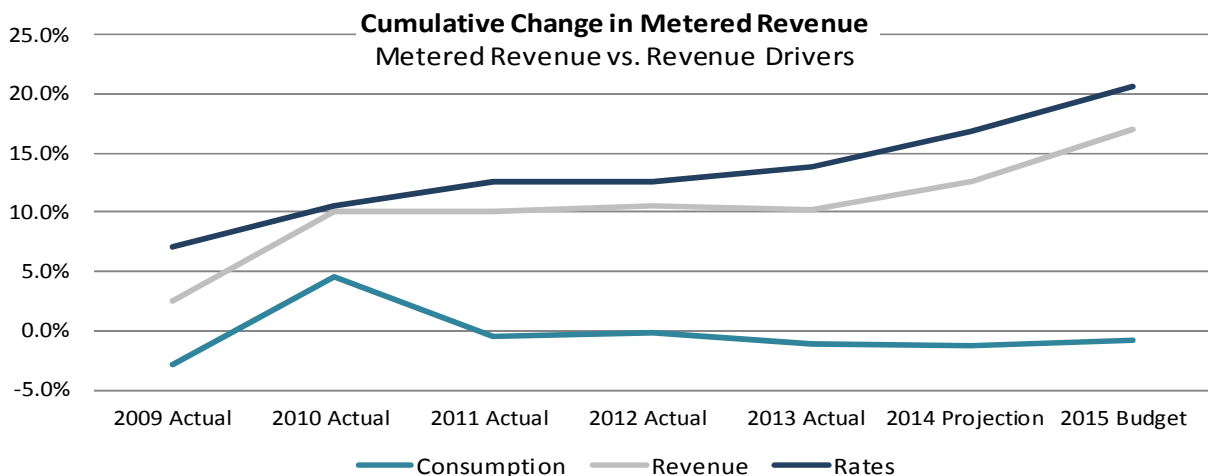
Water rates were unchanged from 2002 through 2006, rate changes since that time were:

<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	2.9% increase	3.0% increase
05/01/15*	3.8% increase	3.8% increase

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

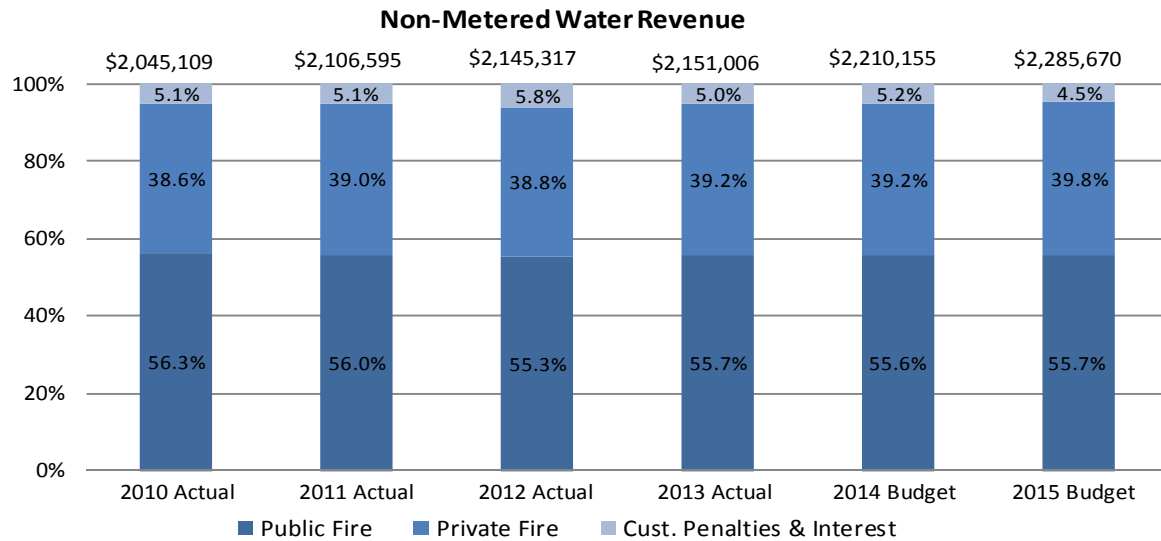
<u>Typical Customer Increases</u>		<u>Current</u>	<u>Proposed 3.8%</u>	<u>\$</u>	<u>%</u>
Residential (per month)	.62" meter, 7 HCF	\$21.18	\$21.88	\$0.70	3.3%
Commercial (per month)	.75" meter, 80 HCF	157.45	164.31	6.86	4.4%
Small Industrial (per month)	2" meter, 1,300 HCF	1,508.33	1,582.17	73.84	4.9%
Large Industrial (per month)	8" meter, 56,000 HCF	48,773.55	51,046.44	2,272.89	4.7%
Sprinkler (per year)	6" meter	379.80	394.23	14.43	3.8%
Public Fire (per year)		1,241,400.00	1,288,572.00	47,172.00	3.8%
Seasonal (per year)	.62" meter	211.65	219.69	8.04	3.8%

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 4.4% increase in water revenue (2014 Projection vs. 2015 Budget) was the result of the 3.8% increase in rates and a 0.5% increase in forecasted consumption.

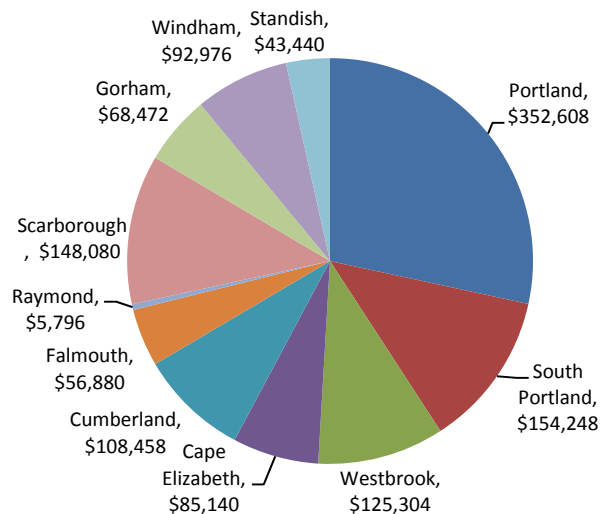


Water Sales – Non-Metered Revenue

Non-metered water revenue has risen from \$2.0 million in 2010 to the budgeted amount of \$2.3 million (15.0%). The rise in fire service revenue was the result of rate increases while the decline in customer penalties and interest corresponds to a decrease in the District's aged receivables balance.



Public Fire Protection Revenue



Allocated based on number of hydrants and inch feet of mains in each municipality.

Private Fire Protection Revenue

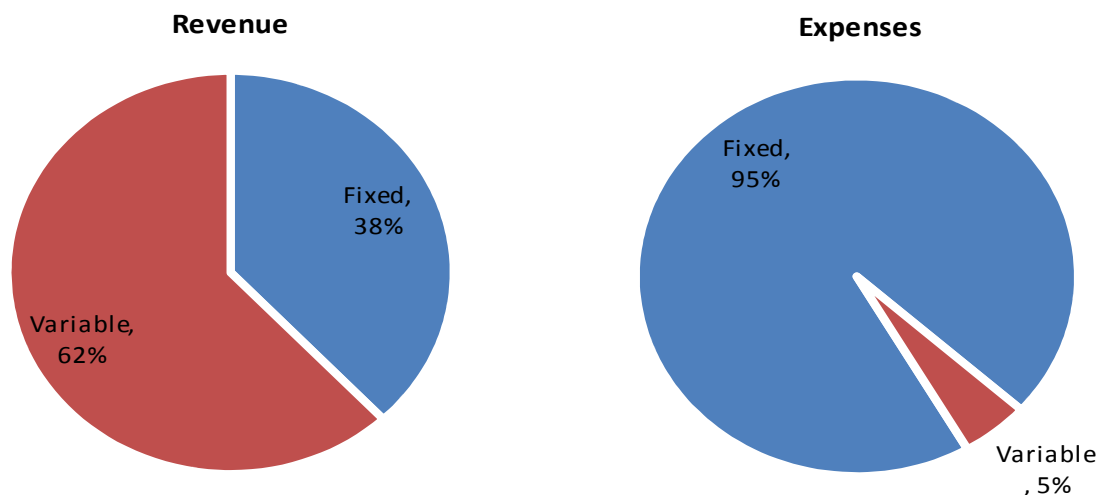
Service Line Size (inches)	Annual Fee	Number of Customers
2	\$ 39.84	288
3	\$ 89.04	0
4	\$ 158.88	168
6	\$ 379.80	1120
8	\$ 635.88	543
10	\$ 993.36	37
12	\$ 1,430.40	12
16	\$ 2,542.92	16

Allocated between service line size based on the relative demand on the water system.

Water Sales - Long-Term Considerations

Revenue & Expense: Fixed vs. Variable

As shown below, approximately 38% of the District's water revenue is fixed, generated from minimum charges on metered accounts and fire protection charges. The remaining 62% varies depending on consumption levels. In comparison, 95% of the District's expenses are fixed, largely infrastructure costs.



Decline in Consumption

There has been a nationwide trend in recent years toward lower consumption levels. This trend also appears in the District's consumption data. Some factors contributing to this decline are more efficient appliances and fixtures, increasing water/ sewer rates and a decrease in average household size.

Slow Customer Growth

Population growth in the District's service area is lower than in other parts of the country and is not expected to increase. In recent years, customer growth has been less than 1% per year.

Cost of Service Gap

The last Cost of Service Study was completed in 2006. The study indicated that industrial/commercial customers generate less revenue than the costs to serve them. The Board requested that the gap be closed over future rate adjustments by increasing revenue generated by industrial/commercial customers at higher increments. The proposed rate schedule will continue to have greater impact on larger customers by a factor 150% compared to smaller ones.

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 2015, assessments for Cape Elizabeth and Portland were increased (see table below).

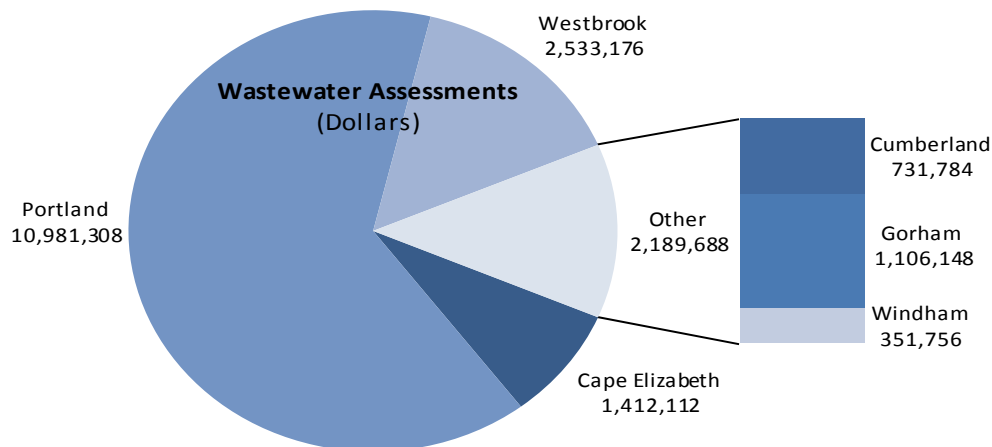
Wastewater Assessments

	2014 Actual	2014 Actual Jan-Jun	2014 Budget	2015 Budget	\$-Diff.	%-Diff.
Cape Elizabeth	\$1,365,084	\$688,626	\$1,377,252	\$1,412,112	\$34,860	2.5%
Cumberland	713,940	365,532	731,784	731,784	-	0.0%
Gorham	1,084,464	553,074	1,106,148	1,106,148	-	0.0%
Portland	10,540,044	5,436,102	10,872,204	10,981,308	109,104	1.0%
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%
	<u>\$16,588,464</u>	<u>\$8,485,800</u>	<u>\$16,972,320</u>	<u>\$17,116,284</u>	<u>\$143,964</u>	<u>0.8%</u>

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

	2013 Actual	2014 Actual Jan-Jun	2014 Budget	2015 Budget	\$-Diff.	%-Diff.
Falmouth	\$15,012	\$7,506	\$15,012	\$15,012	\$ -	0.0%
Scarborough	10,620	5,310	10,620	10,620	-	0.0%
South Portland	192,384	96,192	192,384	192,384	-	0.0%
	<u>\$218,016</u>	<u>\$109,008</u>	<u>\$218,016</u>	<u>\$218,016</u>	<u>\$ -</u>	<u>0.0%</u>



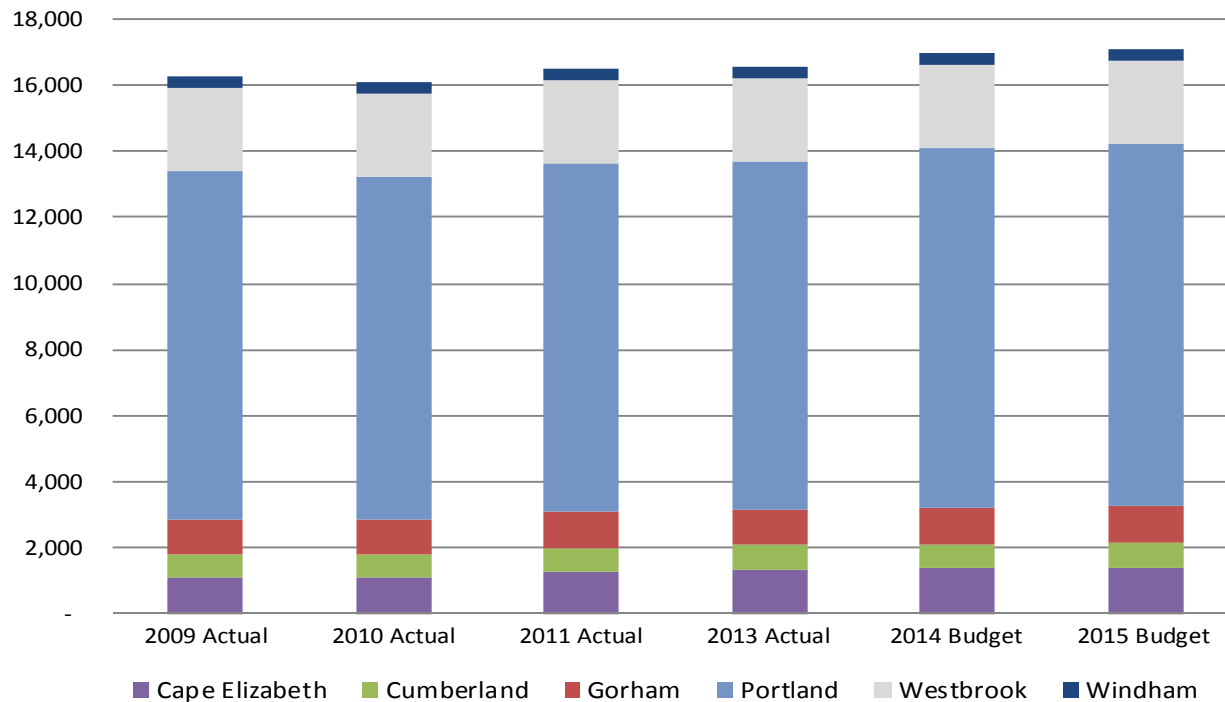
Wastewater Assessments Revenue Trend

Wastewater assessments rose from \$16.3 million in 2010 to a budgeted \$17.1 million in 2015 (an increase of 5.0%). 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
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 Actual	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
2015 Budget	1,412,112	731,784	1,106,148	10,981,308	2,533,176	351,756	17,116,284

Assessments by Fund (2010-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.

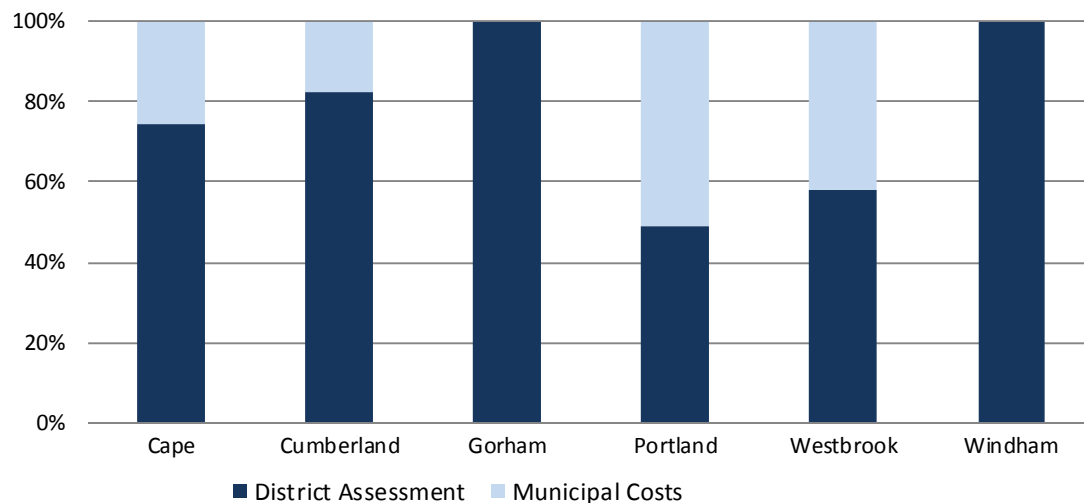
Sewer Rates Effective 10/01/2014

	Minimum HCF	Minimum Charge	Additional HCF
Portland	1	\$8.81	\$8.81
Cumberland	0	34.25	5.29
South Portland	1	4.66	4.66
Cape Elizabeth	1	46.00	5.41
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 2013 that the municipalities used to pay the District's assessment and their internal costs. In 2013, Gorham's and Windham's sewer fees were less than District's assessment by \$25,000 and \$20,000, respectively. The shortfall was covered by the town's prior year surplus or general fund appropriation.

Municipal Sewer Fees Collected in 2013



Interest 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 0.26% and is based on a cash and investment balance of \$26.4 million. The rate of return for the 2015 Budget is a decrease from the prior year budgeted rate as well as the actual rate from 2013.

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 \$7,710 from that loan in 2015.

	2013 Actual	2014 Actual Jan-Jun	2014 Budget	2015 Budget	\$-Diff.	%-Diff.
Water Fund	\$29,265	\$19,178	\$26,630	\$34,391	\$7,761	29.1%
Wastewater Operating Funds:						
Cape Elizabeth	1,915	1,022	1,605	1,988	383	23.9%
Cumberland	2,002	1,100	1,762	1,911	149	8.5%
Gorham	3,606	1,577	3,123	3,425	302	9.7%
Portland	17,597	10,630	16,793	17,186	393	2.3%
Westbrook	17,413	12,651	15,517	15,870	353	2.3%
Windham	<u>1,083</u>	<u>557</u>	<u>897</u>	<u>1,125</u>	<u>228</u>	<u>25.4%</u>
	43,616	27,537	39,697	41,504	1,807	4.6%
Contracted Billing:						
Falmouth	146	73	123	114	(9)	-7.3%
Scarborough	8	3	9	7	(2)	-22.2%
South Portland	<u>359</u>	<u>192</u>	<u>268</u>	<u>220</u>	<u>(48)</u>	<u>-17.9%</u>
	513	268	400	341	(59)	-14.8%
Total	\$ 73,394	\$ 46,983	\$ 66,727	\$ 76,236	\$ 9,509	14.3%

Other Income

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.
Wastewater Misc. Income	Treatment services provided to Portland for Riverside area per agreement.

Water Fund:	2013 Actual	2014 Actual Jan-Jun	2014 Budget	2015 Budget	\$-Diff.	%-Diff.
Cross Connection Fees	\$26,899	\$29,226	\$17,000	\$26,900	\$9,900	58.2%
Customer Connection Fees	90,184	42,011	85,100	90,180	5,080	6.0%
Customer Activation Fee	65,086	27,891	57,750	65,090	7,340	12.7%
Jobbing Surcharge	39,629	6,168	49,900	54,360	4,460	8.9%
Miscellaneous Income	49,924	6,857	31,030	28,840	(2,190)	-7.1%
Total Water Division	\$271,722	\$112,153	\$240,780	\$265,370	\$24,590	10.2%

Wastewater Funds:	2013 Actual	2014 Actual Jan-Jun	2014 Budget	2015 Budget	\$-Diff.	%-Diff.
Septage - Gorham	\$17,827	\$5,772	\$12,400	\$18,810	6,410	51.7%
Septage - Portland	96,950	39,197	93,400	96,950	3,550	3.8%
Septage - Westbrook	114,206	34,407	97,000	112,460	15,460	15.9%
Septage - Windham	3,111	942	2,600	3,090	490	18.8%
Miscellaneous Income	29,618	-	-	29,600	29,600	n/a
Total Wastewater Division	261,713	80,318	205,400	260,910	55,510	27.0%
Total Water & Wastewater	\$533,435	\$192,471	\$446,180	\$526,280	\$80,100	18.0%

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 provide below with a detail of each fund in the Budget by Fund section. The proposed budget is compared to the projection provided to the Board of Trustees and Municipal officials in last year's budget.

	Proposed 2015 Budget	Prior Year 2015 Projection	2016 Projection	2017 Projection	2018 Projection	2019 Projection
Water	\$ 21,690,890 3.8%	\$ 22,081,041 4.8%	\$ 22,775,435 5.0%	\$ 23,914,207 5.0%	\$ 25,109,917 5.0%	\$ 26,365,413 5.0%
Wastewater:						
Cape Elizabeth	1,412,112 2.5%	1,459,887 6.0%	1,525,081 8.0%	1,647,087 8.0%	1,778,854 8.0%	1,832,220 3.0%
Cumberland	731,784 0.0%	750,539 2.5%	914,730 25.0%	933,025 2.0%	951,686 2.0%	970,720 2.0%
Gorham	1,106,148 0.0%	1,139,332 3.0%	1,106,148 0.0%	1,117,209 1.0%	1,156,311 3.5%	1,196,782 3.5%
Portland	10,981,308 1.0%	11,252,731 3.5%	11,530,373 5.0%	12,222,195 6.0%	12,833,305 5.0%	13,218,304 3.0%
Westbrook	2,533,176 0.0%	2,609,171 3.0%	2,609,171 3.0%	2,661,354 2.0%	2,714,581 2.0%	2,768,873 2.0%
Windham	351,756 0.0%	351,756 0.0%	351,756 0.0%	351,756 0.0%	358,791 2.0%	365,967 2.0%
Total Wastewater	\$ 17,116,284	\$ 17,563,416	\$ 18,037,259	\$ 18,932,626	\$ 19,793,528	\$ 20,352,866

Water Operating Fund - The proposed 2015 water revenue budget is lower than projection done in 2013 for 2015 by \$390,151 due to lower revenues as rates increase is lower than was forecast and is less than consumption. The 2015 budget includes an average 3.8% increase in water rates, effective May 1, 2015 and increases of 5.0% for 2016 to 2019 are projected. The Board of Trustees will review the multi-year plan during January 2015.

Wastewater Operating Funds - All 2015 wastewater assessments are at or below projections that were provided to the wastewater municipalities for ratemaking purposes last year. The updated 2016-2019 are preliminary and will be reviewed with municipal officials in November 2014 before being finalized.

Major Assumptions:

The assumptions incorporated in the projections are as follows:

- Salary increases of 2% each year. Maintain same number of employees.
- Benefit increases of 5% each year. Assumed pension contribution increased to \$1 million a year in 2015 and health insurance increases 7 % per year.
- Other expenses increase by 2.5% in 2015-2016 and 3.5% in subsequent years. Biosolids costs are assumed to increase by an additional 5% when the current contract expires in 2016. Decreased Portland's operating expenses for new aeration system.
- New debt service and renewal/replacement fund expenditures consistent with the 2015 5-year capital plan (new debt assumed a 20 year life at 5%). Assumed water capital reserve bonds were issued for 10 years. A summary of capital expenditures and funding source is included.
- Estimated wastewater treatment assessments from third-parties are included.

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 2015. The Water and Cape Elizabeth fund, which were below the target when the policy was put in place, are projected to continue positive movement towards the goal by the end of 2015.

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 \$586,517.

In the Capital Finance section, the balances of the renewal and replacement funds and water main capital reserve fund are listed.

Water & Wastewater Fund Operating Surpluses (Goal 25.0%)

	Balance 1/1/2014	Projected 2014	Budget 2015	Balance 12/31/2015	Target Balance	Projection %
Water	\$3,500,787	\$596,902	\$538,168	\$4,635,857	\$5,271,473	22.0%
Cape Elizabeth	257,731	64,387	-	322,118	\$353,028	22.8%
Cumberland	308,553	(47,072)	-	261,481	\$182,946	35.7%
Gorham	417,084	4,990	-	422,074	\$276,537	38.2%
Portland	3,324,976	259,785	-	3,584,761	\$2,745,327	32.6%
Westbrook	1,404,156	35,161	-	1,439,317	\$633,294	56.8%
Windham	171,168	20,167	-	191,335	87,939	54.4%
	\$9,384,455	\$934,320	\$538,168	\$10,856,943	\$9,550,544	28.4%

Contracted Billing Operating Surpluses:

	Balance 1/1/2014	Projected 2014	Budget 2015	Balance 12/31/2015
Falmouth	\$31,766	\$3,747	\$2,838	\$38,351
Scarborough	3,194	511	617	4,322
So. Portland	89,616	14,989	(1,641)	102,964
	\$124,576	\$19,247	\$1,814	\$145,637

Combined Surpluses \$9,509,031 \$953,567 \$539,982 \$11,002,580

Watershed Protection Land Funds (Goal 15.0%)

	Balance 1/1/2014	Projected 2014	Budget 2015	Balance 12/31/2015	Target Balance	Projection %
Watershed Reserve	\$1,219,782	-	-	\$1,219,782	\$3,253,634	5.6%
Land Cash Reserve	944,960	(358,443)	-	586,517		
	\$2,164,742	(\$358,443)	-	\$1,806,299	\$3,253,634	8.3%

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

2015 Financial Summary by Category

	2014 Budget	2015 Budget	Diff \$	Diff %
Salaries & Wages	10,003,869	10,178,032	\$174,163	1.7%
Employee Benefits	4,869,224	5,118,429	249,205	5.1%
Biosolids Disposal	1,298,503	1,387,398	88,895	6.8%
Chemicals	1,139,119	1,070,838	(68,281)	-6.0%
Contracted Services	3,799,691	4,084,006	284,315	7.5%
Deferred Cost W/O	21,888	29,488	7,600	34.7%
Heat/Fuel Oil	515,008	499,058	(15,950)	-3.1%
Insurance	188,736	204,560	15,824	8.4%
Materials & Supplies	1,586,165	1,611,952	25,787	1.6%
Other Expense	755,149	806,267	51,118	6.8%
Purchased Power	1,829,293	1,790,652	(38,641)	-2.1%
Regulatory/Taxes	221,017	226,586	5,569	2.5%
Tele/Other Utilities	313,657	317,429	3,772	1.2%
Transportation	1,264,935	1,297,239	32,304	2.6%
Grand Total	27,806,254	28,621,934	815,680	2.9%
Transport Offset	(893,707)	(898,062)	(4,355)	0.5%
Operating Expense	26,912,547	27,723,872	811,325	3.0%

2015 Financial Summary by Department

	Number of Employees	2014 Budget	Number of Employees	2015 Budget	Budget Diff \$	Budget Diff %
Water Operations	53	\$7,704,198	53	\$8,008,811	\$304,613	4.0%
Wastewater Services	39	8,930,589	39	9,091,655	161,066	1.8%
Environmental Services	15	1,854,185	15	1,899,441	45,256	2.4%
Engineering Services	30	3,878,479	30	4,011,001	132,522	3.4%
Administration	40	5,071,114	40	5,249,828	178,714	3.5%
Non-Departmental	1	367,689	1	361,198	(6,491)	-1.8%
Total	178	\$27,806,254	178	\$28,621,934	\$815,680	2.9%

Operating Expense by Category

Salaries/Wages:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
660111 - SALARIES/WAGES NON-UNION	\$3,620,754	\$1,756,693	\$3,739,022	\$3,854,002	\$114,980	3.1%
660121 - WAGES/REGULAR UNION	5,198,892	2,613,963	5,380,563	5,465,803	85,240	1.6%
660122 - WAGES/OVERTIME UNION	395,914	214,030	412,659	389,560	(23,099)	-5.6%
660123 - WAGES/DOUBLETIME UNION	47,949	29,677	55,951	47,048	(8,903)	-15.9%
660124 - WAGES/STANDBY TIME UNION	130,237	63,976	118,616	121,234	2,618	2.2%
660131 - WAGES - REGULAR - TEMPS	152,411	62,308	182,349	183,393	1,044	0.6%
660132 - WAGES - OVERTIME- TEMPS	213	71	0	0	0	n/a
660133 - WAGES - DOUBLETIME - TEMP	77	0	0	0	0	n/a
660136 - CONTRACTED - TEMPS	0	0	0	89,992	89,992	n/a
66014 - VACATION ACCRUAL	(7,756)	0	0	0	0	n/a
660141 - TRUSTEES COMPENSATION	23,150	11,950	27,000	27,000	0	0.0%
66015 - SICKTIME ACCRUAL	19,041	0	0	0	0	n/a
66351 - CONTRACTED TEMPORARIES	<u>64,652</u>	<u>21,521</u>	<u>87,709</u>	<u>0</u>	<u>(87,709)</u>	<u>-100.0%</u>
	9,645,534	4,774,189	10,003,869	10,178,032	174,163	1.7%

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 3.3% of total labor in 2014 to 3.4% in 2015 (an increase of \$13,012 or 3.8%).

Labor rates for all employees (union and non-union) were assumed to be 2.0% higher than the rates paid to employees on July 1, 2015. The overall O&M increase for all labor categories equaled only 1.7% due to the shift to more capital work noted above (particularly for overtime and double time) and the turnover of Non-Union positions where the newer/less senior employees have a lower starting rate of pay.

Combined the two regular labor accounts (660111 & 660121) increased 2.2% with a slight increase (0.4%) in hours due to the conversion of one part-time position to full time.

Budgeted hours were reduced for both overtime (982 hours or 8.0%) and doubletime (229 hours or 18.5%) due to a shift in hours to capital and a reduction in weekend coverage hours.

The District's overall number of employees remained the same between 2014 and 2015 at 178.

Budget	2014 Budget	2015 Budget	Change
Full Time	175	176	1
Part Time	<u>3</u>	<u>2</u>	<u>-1</u>
Total	178	178	0

The Human Resources section has additional details.

Operating Expense by Category (continued)

Employee Benefits:

	2013 Actual	2014 Jan- Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
660401 - FICA - EMPLOYERS' SHARE	\$710,363	\$355,171	\$758,587	\$771,733	\$13,146	1.7%
660403 - LIFE INSURANCE	0	1,200	0	0	0	n/a
660405 - SAFETY/WHY PROGRAM ITEMS	31,526	6,125	31,904	35,687	3,783	11.9%
660406 - PENSION LEGAL EXPENSE	190	0	0	0	0	n/a
660407 - EDUCATION SUBSIDY	0	933	0	0	0	n/a
660411 - MEALS ALLOWANCE	6,338	4,460	2,158	6,396	4,238	195.6%
660413 - PWD TRAINING PROGRAM	1,092	724	0	0	0	n/a
6604151 - FIELD UNIFORMS	0	0	1,200	1,200	0	0.0%
660418 - STIPENDS	13,600	13,200	14,283	13,750	(533)	-3.7%
660419 - EMPLOYEE BENEFITS-MISC OTH	28,687	3,128	1,050	5,350	4,300	409.5%
660420 - WORKFORCE PLANNING	200	0	0	0	0	n/a
660491 - FRINGE BENEFITS-REG/SAL	<u>3,826,011</u>	<u>1,974,053</u>	<u>4,060,042</u>	<u>4,284,313</u>	<u>224,271</u>	<u>5.5%</u>
	4,618,007	2,358,994	4,869,224	5,118,429	249,205	5.1%

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 2015 Budget, the percentage is 45.97% which is an increase of 1.45% over 2014's percentage of 44.52%. Total benefit costs rose 5.4% with increases in both of pensions (7.2%) and health insurance (2.9%).

Biosolids Disposal:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
663571 - BIOSOLIDS DISPOSAL	<u>\$1,351,703</u>	<u>\$753,733</u>	<u>\$1,298,503</u>	<u>\$1,387,398</u>	<u>\$88,895</u>	<u>6.8%</u>
	1,351,703	753,733	1,298,503	1,387,398	88,895	6.8%

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	2014	2015	Change	%	2014 % Solids	2015 % Solids
Portland (East End)	14,953.0	15,511.0	558.0	3.7%	23.5%	23.5%
Westbrook	4,678.0	4,958.0	280.0	6.0%	16.0%	16.0%
Cape Elizabeth	214.5	218.5	4.0	1.9%	23.5%	23.5%
Peaks Island	<u>42.6</u>	<u>45.0</u>	<u>2.4</u>	<u>5.6%</u>	23.5%	23.5%
Total	19,888.1	20,732.5	844.4	4.2%		

The price per wet ton is expected to be \$66.92; this is a 2.5% increase over the prior year's budget assumption (\$65.29). The volume of material disposed is projected to increase 4.2%.

Operating Expense by Category (continued)

Chemicals:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
66181 - AMMONIA	\$26,415	\$14,473	\$27,360	\$23,748	(\$3,612)	-13.2%
661811 - SODIUM BICARBONATE	6,458	6,783	8,800	12,474	3,674	41.8%
661812 - SODIUM BISULFITE	141,687	94,634	171,211	171,042	(169)	-0.1%
6618121 - SODIUM BISULFITE-ACCRUAL	(1,965)	1,695	0	0	0	n/a
66182 - CAUSTIC SODA	82,417	35,117	97,219	93,610	(3,609)	-3.7%
66183 - FLUORINE COMPOUND	69,267	19,894	69,018	59,265	(9,753)	-14.1%
66184 - ZINC ORTHOPHOSPHATE	70,220	19,800	79,541	77,004	(2,537)	-3.2%
66185 - SODIUM HYPOCHLORITE	386,754	193,940	354,960	388,018	33,058	9.3%
661851 - SODIUM HYPO - ACCRUAL	236	1,102	0	0	0	n/a
66189 - POLYMER	154,107	138,366	182,020	186,029	4,009	2.2%
661891 - POLYMER - ACCRUAL	27,630	(16,037)	0	0	0	n/a
661892 - LIQUID OXYGEN (LOX)	0	17,883	143,884	53,642	(90,242)	-62.7%
661899 - OTHER CHEMICALS	<u>4,507</u>	<u>2,258</u>	<u>5,106</u>	<u>6,006</u>	<u>900</u>	<u>17.6%</u>
	967,733	529,908	1,139,119	1,070,838	(68,281)	-6.0%

Chemicals are primarily used at the District's one water and four wastewater treatment facilities. The 2015 Budget assumes most chemicals per unit chemical pricing will either be flat or decline as compared with the 2014 Budget. Actual unit prices will be known in December. Volumes used were adjusted up or down depending upon historic usage.

The biggest change was the budget for liquid oxygen. Use of liquid oxygen started in early 2014 upon the completion of the upgrade at the District's water treatment facility. The 2014 Budget figures were done via engineering estimates. The 2015 Budget, which projects both lower usage and price, is based on several months of actual production.

	Units	Per Unit	Units	Per Unit	Units	Per Unit	Dollars
<u>Water Treatment (Ozone)</u>							
Ammonia	17,100	1.600	15,521	1.530	-9.2%	-4.4%	-\$3,612
Caustic Soda	92,325	0.960	105,213	0.820	14.0%	-14.6%	-\$2,357
Fluorine Compound	214,470	0.319	207,323	0.285	-3.3%	-10.8%	-\$9,434
Liquid Oxygen	191,846	0.750	111,753	0.480	-41.7%	-36.0%	-\$90,242
Sodium Hypochlorite	158,230	0.700	155,656	0.650	-1.6%	-7.1%	-\$9,585
Zinc Orthophosphate	194,010	0.410	187,814	0.410	-3.2%	0.0%	-\$2,537
<u>East End WWTF</u>							
Polymer	120,680	1.250	120,680	1.250	0.0%	0.0%	\$0
Sodium Bisulfite	110,711	1.300	108,042	1.300	-2.4%	0.0%	-\$3,470
Sodium Hypochlorite	299,282	0.700	390,000	0.650	30.3%	-7.1%	\$44,003
<u>Westbrook WWTF</u>							
Polymer	20,610	1.350	23,651	1.350	14.8%	0.0%	\$4,109
Sodium Bisulfite	12,000	2.070	12,253	2.300	2.1%	11.1%	\$3,341
Sodium Hypochlorite	40,000	0.700	41,520	0.650	3.8%	-7.1%	-\$1,012

Operating Expense by Category (continued)

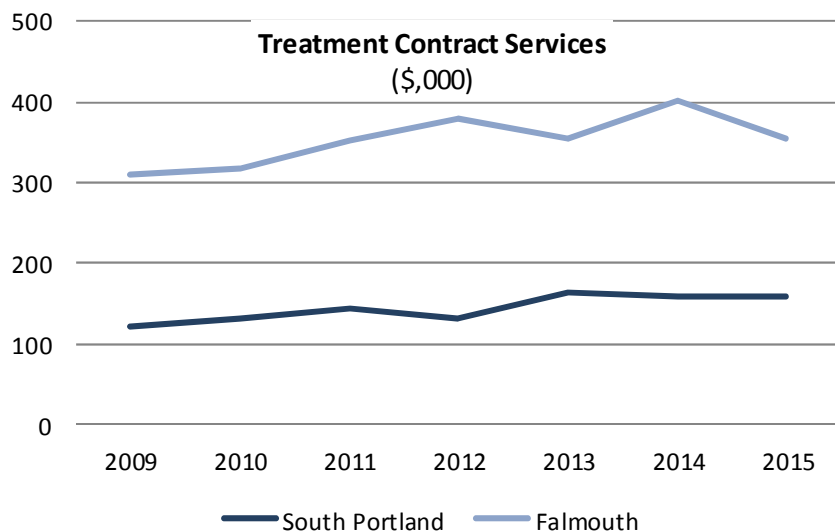
Contracted Services:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
662062 - PRINTER REPAIR	\$2,000	\$4,000	\$3,500	\$3,500	\$0	0.0%
662063 - COPIER MAINTENANCE/TONER	10,610	3,733	9,500	9,500	-	0.0%
6631 - ENGINEERING SERVICES	37,611	13,426	82,500	136,000	53,500	64.8%
6632 - ACCOUNTING SERVICES	31,838	31,250	31,250	32,500	1,250	4.0%
66331 - LEGAL - LABOR RELATIONS	96,115	8,698	45,000	55,000	10,000	22.2%
66333 - BOND COUNSEL	-	-	7,500	7,500	-	0.0%
66339 - LEGAL - OTHER	56,802	42,748	36,400	36,400	-	0.0%
663521 - TRAFFIC CONTROL	54,813	20,935	49,001	49,010	9	0.0%
6635221 - PAVING - MINOR REPAIR	271,858	69,525	350,692	314,387	(36,305)	-10.4%
663523 - SIDEWALK	24,842	7,752	10,055	15,756	5,701	56.7%
663524 - STREET OPENING	73,693	21,319	41,803	53,151	11,348	27.1%
663525 - CONTRACTOR CONSTRUCTION	461,041	133,447	495,163	653,474	158,311	32.0%
66353 - REPAIR SERVICES	19,543	36,850	10,865	28,293	17,428	160.4%
66354 - MAINTENANCE SERVICES	534,160	263,203	634,915	733,529	98,614	15.5%
663542 - LARGE METER TESTING	7,596	1,473	38,000	25,000	(13,000)	-34.2%
663543 - CSO FLOW MONITORING	131,371	26,164	180,574	180,775	201	0.1%
663544 - MAINT SERVICES - CCTV	47,183	59,537	78,948	65,250	(13,698)	-17.4%
663545 - RADIO SERVICING AND EQUIP	1,583	3,281	5,000	5,000	-	0.0%
663546 - MAINTENANCE - SNOW REMOVL	8,435	1,740	77,093	78,000	907	1.2%
663547 - WASTE SLUDGE TRANSPORT	-	-	-	21,462	21,462	n/a
663551 - LAB ANALYSIS	47,268	16,654	40,415	50,725	10,310	25.5%
663561 - COMPUTER LICENSES	77,323	50,715	82,010	80,631	(1,379)	-1.7%
663562 - COMPUTER MAINTAINENCE	179,022	114,864	223,877	203,159	(20,718)	-9.3%
663563 - COMPUTER CONSULTING/OTHER	30,447	12,969	40,300	33,300	(7,000)	-17.4%
663572 - GRIT & SCREENS DISPOSAL	62,471	25,968	70,330	73,954	3,624	5.2%
663573 - GREASE DISPOSAL	26,760	12,763	39,700	35,200	(4,500)	-11.3%
663574 - DISPOSAL SERVICES	46,369	21,523	47,185	48,956	1,771	3.8%
6635801 - EMPLOYEE HEALTH SERVICES	7,198	3,688	7,950	8,746	796	10.0%
663581 - UTILITY BILLING PRINTING	82,604	52,382	85,597	74,579	(11,018)	-12.9%
663582 - PAYMENT PROCESSING	128,520	65,211	127,650	131,850	4,200	3.3%
663583 - RECEIVABLE COLLECTIONS	12,165	3,906	10,000	10,000	-	0.0%
663584 - BANK SERVICE CHARGES	11,951	6,031	12,000	12,000	-	0.0%
663585 - TREATMENT CONTRACT SERVIC	464,823	280,290	560,580	545,657	(14,923)	-2.7%
6635851 - WW DEWATERING SERVICES	3,242	1,688	3,357	3,526	169	5.0%
6635852 - WW DEWATERING SRVS CREDIT	(3,242)	(1,688)	(3,400)	(3,400)	-	0.0%
663587 - COURIER SERVICES	21,453	11,285	19,901	22,269	2,368	11.9%
663588 - EQUIPMENT MAINTENANCE	3,255	982	29,681	27,931	(1,750)	-5.9%
663589 - SECURITY SERVICES	70,311	35,203	65,000	71,500	6,500	10.0%
663592 - RECRUITING SERVICES	3,631	1,963	7,250	7,250	-	0.0%
663594 - DIGSAFE	73,517	40,902	76,080	74,736	(1,344)	-1.8%
663595 - OUTPLACEMENT SERVICES	-	-	2,000	2,000	-	0.0%
663598 - HR CONSULTANT SERVICES	675	-	2,000	2,000	-	0.0%
6635982 - TREE TRIMMING / REMOVAL	-	-	7,000	7,000	-	0.0%
6635984 - LANGUAGE INTERPRETATION	-	-	300	300	-	0.0%
663599 - MISC OTHER SERVICES	34,712	23,004	30,864	31,550	686	2.2%
6636 - TECHNICAL SERVICES	8,375	4,732	24,300	25,100	800	3.3%
	3,266,940	1,534,116	3,799,691	4,084,006	284,315	7.5%

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 \$158,311 (32.0%), 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 down \$14,923 (2.7%), costs were reduced for both Cape Elizabeth and Cumberland which offset the addition of Portland payments to Westbrook which were not in the previous budget.
- Maintenance Services (66354) – This account was up \$98,614 (15.5%) due in large part to the new addition to the budget of \$59,500 for annual maintenance of the new UV equipment at the water treatment plant.
- Waste Sludge Transport (663547) – This expense (\$21,462) involves the hauling of waste from the Cape Elizabeth and Peaks Island WWTF's to the East End WWTF for further treatment and disposal. This process was outsourced starting with the 2015 Budget.
- Engineering Services – WW customers for engineering services for small projects that the internal staff can't support.



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. Portland (not shown on the graph) also pays Westbrook for flows from the Riverside area; this was included for the first time in the 2015 Budget.

Deferred Cost Write-Off:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
66754 - DEFERRED COST WRITE OFF	\$38,156	\$10,944	\$21,888	\$29,488	\$7,600	34.7%
	\$38,156	\$10,944	\$21,888	\$29,488	\$7,600	34.7%

The Deferred Cost Write-Off contains the annual amortization of studies or other items that have multi-year impacts. The increase in 2015 is related to new costs for the Westbrook Combined Storm Overflow (CSO) study.

Operating Expense by Category (continued)

Heat/Fuel Oil:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
66161 - HEATING OIL	\$276,258	\$188,767	\$294,933	\$294,115	(\$818)	-0.3%
661621 - PIPELINE DELIVERED PROPAN	120,386	89,293	143,050	130,158	(12,892)	-9.0%
661622 - CONTAINER DELIVERED	42,356	28,016	52,325	50,885	(1,440)	-2.8%
66166 - UNLEADED GAS	17,821	10,499	24,700	23,900	(800)	-3.2%
66167 - KEROSENE GAS	21	-	-	-	-	n/a
	<u>\$456,842</u>	<u>\$316,575</u>	<u>\$515,008</u>	<u>\$499,058</u>	<u>(\$15,950)</u>	<u>-3.1%</u>

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.

	2014 Assumption Units	Per Unit	2015 Assumption Units	Per Unit	% Change Units	Per Unit
Heating Oil:						
Douglass Street	38,000	\$3.30	38,000	\$3.06	0.0%	-7.3%
Water Treatment/Ozone Plant	36,669	\$3.27	40,617	\$3.16	10.8%	-3.4%
Westbrook WWTF	6,700	\$3.20	7,060	\$3.10	5.4%	-3.1%
Cape Elizabeth WWTF	4,020	\$3.20	3,929	\$3.10	-2.3%	-3.1%
Peaks Island WWTF	2,000	\$5.00	2,000	\$5.00	0.0%	0.0%
Dana Court WWPS (Westbrook)	1,027	\$3.30	1,027	\$3.10	0.0%	-6.1%
Water - Throttling Valve Building	786	<u>\$3.265</u>	707	<u>\$3.329</u>	<u>-10.1%</u>	<u>1.9%</u>
	89,202	\$3.31	93,340	\$3.15	4.6%	-4.9%
Natural Gas:						
Portland (East End) WWTF	11,884	\$11.78	11,878	\$10.67	-0.1%	-9.5%

Insurance:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
6656 - VEHICAL INSURANCE	\$29,261	\$14,045	\$28,091	\$30,057	\$1,966	7.0%
66561 - VEHICAL INSURANCE REIMBUR	(1,357)	541	-	-	-	n/a
6657 - GEN LIABILITY INSURANCE	52,202	23,044	46,088	49,314	3,226	7.0%
66591 - DAMAGES AND CLAIMS	-	-	958	-	(958)	-100.0%
66592 - DAMAGES & CLAIMS-GOODWILL	7,247	-	2,000	4,000	2,000	100.0%
66593 - UMBRELLA INSURANCE COVER	12,059	5,437	10,875	11,636	761	7.0%
66594 - PROFESSION/CRIME BONDING	18,278	10,128	19,319	20,670	1,351	7.0%
66599 - PROPERTY & BOILER INSUR	<u>68,622</u>	<u>36,859</u>	<u>81,405</u>	<u>88,883</u>	<u>7,478</u>	<u>9.2%</u>
	<u>\$186,312</u>	<u>\$90,054</u>	<u>\$188,736</u>	<u>\$204,560</u>	<u>\$15,824</u>	<u>8.4%</u>

Insurance costs include premiums paid on coverage for District property as well as small claims paid directly to outside parties. Much of the increase is due to increased insured value at the District's Water Treatment Facility for the recent upgrade.

Operating Expense by Category (continued)

Materials & Supplies:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
6619 - ASSET PURCHASES	\$161,303	\$64,286	\$144,299	\$169,301	\$25,002	17.3%
66201 - BULK MATERIALS	-	590	-	-	-	n/a
662012 - CRUSHED GRAVEL	288	340	845	620	(225)	-26.6%
662014 - CRUSHED STONE	173	-	-	-	-	n/a
662015 - LOAM	161	84	-	-	-	n/a
662016 - SAND	2,742	5,209	-	857	857	n/a
662017 - SAND AND SALT	6,292	-	5,187	9,043	3,856	74.3%
662018 - BANKRUN GRAVEL	60	-	-	-	-	n/a
66202 - TOOLS	38,818	14,234	44,765	48,149	3,384	7.6%
66203 - VENDOR PURCHASED SUPPLIES	387,056	223,536	472,680	451,597	(21,083)	-4.5%
662041 - MATERIALS INVENTORY	251,060	154,490	177,078	204,039	26,961	15.2%
662042 - SUPPLIES INVENTORY	87,832	42,169	67,050	64,538	(2,512)	-3.7%
662042 - TOOL INVENTORY	72	474	300	500	200	66.7%
66204201 - INVENTORY - QPR	9,142	1,837	18,435	8,237	(10,198)	-55.3%
66204202 - INVENTORY - BNKRUN GRAVEL	1,840	(809)	7,137	6,362	(775)	-10.9%
66204203 - INVENTORY - CRUSHD GRAVEL	35,381	14,094	28,055	23,586	(4,469)	-15.9%
66204204 - INVENTORY - CRUSHED STONE	1,532	755	538	656	118	21.9%
66204205 - INVENTORY - LOAM	2,535	328	2,076	2,510	434	20.9%
662043 - TOOL INVENTORY	78,630	43,372	68,972	65,648	(3,324)	-4.8%
66204301 - INVENTORY - TONER	10,716	5,856	12,589	11,962	(627)	-5.0%
66204302 - INVENTORY - PAPER	3,423	1,546	6,000	5,850	(150)	-2.5%
66204303 - INVENTORY - COMPUTER EQUIP	13,524	10,520	7,671	18,288	10,617	138.4%
662044 - METER INVENTORY	19,617	150,178	1,217	-	(1,217)	-100.0%
662045 - TRUCK INVENTORY	(5,315)	-	-	-	-	n/a
662046 - HYDRANT INVENTORY	63,438	35,611	47,060	47,015	(45)	-0.1%
662047 - GARAGE INVENTORY	11,624	6,162	13,558	13,717	159	1.2%
66204701 - INVENTORY - UNLEADED GAS	163,553	81,564	168,720	187,530	18,810	11.1%
66204702 - INVENTORY - DIESEL	87,820	41,261	92,510	91,513	11,890	12.9%
66204703 - INVENTORY - TIRES	20,598	6,914	15,000	15,000	-	0.0%
66205 - CONSUMABLE SUPPLIES	83,003	42,964	104,412	101,682	(2,730)	-2.6%
66206 - COMPUTER EQUIPMENT	-	-	-	49,752	49,752	n/a
663564 - COMPUTER-RELATED EQUIP	50,931	24,686	80,011	14,000	(66,011)	-82.5%
	1,587,849	972,251	1,586,165	1,611,952	25,787	1.6%

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.

The assumptions for vehicle fuel were:

Fuel Type	2014 Assumption Units	2014 Assumption Per Unit	2015 Assumption Units	2015 Assumption Per Unit	% Change Units	% Change Per Unit
Diesel	29,000	\$3.19	29,000	\$3.16	0.0%	-1.1%
Unleaded Gas	57,000	\$2.96	57,000	\$3.29	0.0%	11.1%
	86,000		86,000		0.0%	

Operating Expense by Category (continued)

Other Expense:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
663541 - SAFETY EXPENSES	\$0	\$ -	\$2,500	\$2,500	\$ -	0.0%
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	11,118	4,579	9,849	10,271	422	4.3%
66601 - PUBLIC RELATIONS	7,451	4,066	5,500	7,100	1,600	29.1%
66609 - OTHER ADVERTISING	12,951	9,069	47,076	45,176	(1,900)	-4.0%
6670 - BAD DEBT EXPENSE	42,800	20,400	40,800	40,800	-	0.0%
6675111 - INSTATE TRAINING	60,809	43,093	69,710	69,772	62	0.1%
6675112 - OUT OF STATE TRAINING	23,715	276	15,700	20,900	5,200	33.1%
6675121 - IN STATE CONFERENCES	7,206	2,757	14,300	13,550	(750)	-5.2%
6675122 - OUT-OF-STATE CONFERENCES	44,749	19,018	38,150	35,350	(2,800)	-7.3%
667513 - DUES	48,499	25,873	67,970	78,971	11,001	16.2%
667514 - PROFESSIONAL LICENSES	22,655	3,431	14,363	12,672	(1,691)	-11.7%
667515 - PERIODICAL SUBSCRIPTIONS	5,222	2,640	5,951	6,970	1,019	17.1%
667516 - PERMITS	26,976	6,773	29,212	29,312	100	0.3%
667517 - PLANT OPER LICENSE FEES	63	-	450	525	75	16.7%
667518 - REGULATORY REQUIRED FEES	11,540	-	14,000	14,000	-	0.0%
667519 - REGULATORY FINES	6,350	-	-	-	-	n/a
667521 - POSTAGE - THIRD PARTY	202,144	115,454	212,275	221,438	9,163	4.3%
667522 - POSTAGE - INTERNAL	17,948	7,173	19,163	19,441	278	1.5%
667523 - POSTAGE - EXPRESS DELIVER	1,814	690	1,050	1,878	828	78.9%
667531 - PRINTING COSTS	45,728	30,260	55,717	58,783	3,066	5.5%
667533 - FORMS STOCK	704	626	600	650	50	8.3%
667552 - SAFETY TRAINING	3,464	1,604	4,285	4,600	315	7.4%
667553 - DOT SUBSTANCE ABUSE	1,320	609	2,000	2,000	-	0.0%
667554 - EPA / OSHA COMPLIANCE	320	500	3,408	3,408	-	0.0%
667555 - SAFETY EXPENSES	6,136	2,301	15,200	16,190	990	6.5%
667556 - FREIGHT CHARGES (STOCK)	8,226	3,517	5,000	5,100	100	2.0%
667561 - WATERSHED GRANTS/SUPPORT	102,010	58,052	41,450	42,000	550	1.3%
6675611 - GRANTS - PASS-THROUGH	22,391	-	-	-	-	n/a
667581 - ANNUAL LAND CONTRIB CAPE	2,500	2,500	2,500	2,500	-	0.0%
667591 - UNIFORMS	3,158	1,081	2,750	2,750	-	0.0%
667592 - FOOD SUPPLIES	3,580	1,460	7,245	6,645	(600)	-8.3%
667598 - GEN MANAGER CONTINGENCY	-	-	35,000	70,000	35,000	100.0%
6675981 - GEN MNG - TRUSTEES	7,676	5,796	11,700	11,000	(700)	-6.0%
6675982 - GEN MNG - COMMUNITY	25,338	4,720	25,365	25,115	(250)	-1.0%
667599 - OTHER MISCELLANEOUS	47,548	4,230	6,650	6,500	(150)	-2.3%
6676 - CONTRA ACCOUNT	(160,769)	(73,470)	(142,940)	(152,800)	(9,860)	6.9%
6706 - AMORT OF U P ACQ ADJUSTS	17,000	8,500	17,000	17,000	-	0.0%
	744,540	341,878	755,149	806,267	51,118	6.8%

Other expenses include postage (\$242,488), training and conferences (\$139,572) and dues (\$78,971) costs. The Contra Account (6676) contains expenses transferred to other departments or capital projects. General Manager Contingency increased to cover costs related to water deregulation implementation.

Operating Expense by Category (continued)

Purchased Power:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
66151 - POWER - LARGE ENERGY	\$824,996	\$275,703	\$740,689	\$782,660	\$41,971	5.7%
66152 - POWER - LARGE T&D	431,501	225,918	452,116	382,721	(69,395)	-15.3%
66153 - POWER - MEDIUM ENERGY	335,198	167,586	331,523	326,226	(5,297)	-1.6%
66154 - POWER - MEDIUM T&D	192,181	104,841	213,601	194,043	(19,558)	-9.2%
66155 - POWER - SMALL ENERGY	46,079	29,537	47,915	62,557	14,642	30.6%
66156 - POWER - SMALL T&D	57,588	35,738	58,449	57,445	(1,004)	-1.7%
66157 - FORWARD CAPACITY	353	-	-	-	-	n/a
66158 - LOAD RESPONSE	(8,266)	(3,267)	(15,000)	(15,000)	-	0.0%
	\$1,879,630	\$836,056	\$1,829,293	\$1,790,652	(\$38,641)	-2.1%

Electricity is purchased through Maine Power Option, an energy aggregation organization. The District has contracts running through 11/01/16 for the purchase of electricity on our medium accounts, East End and India Street and through 12/01/16 for the Ozone Plant. Currently, the District is receiving the PUC determined standard offer rate for small accounts.

Large Accounts (3):

	Bud Rate Changes	2015 Budget
Facility Name (Function)	Energy Rates	Energy Rate
Ozone Plant (Water Treatment)	16.7%	6.77
East End (WW Treatment/Pumping)	0.0%	6.09
India Street (WW Pumping)	0.0%	6.09

	Medium Accounts (19):	Small Accounts (88):
Energy Rates:	6.61 cents per kwh, same as 2014 Budget.	8.20 cents per kwh, 23.1% increase from 2014 Budget.

There are several components that make up the overall T&D rate. In 2014, Central Maine Power modified their rates. Decreases in delivery charges were offset by increases in the fixed service charges.

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 2015. 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:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
670821 - STANDISH REAL ESTATE TAX	\$56,347	\$29,173	\$55,700	\$58,570	\$2,870	5.2%
670822 - OTHER R/E TAX(NON-STANDI)	7,889	5,090	7,021	7,170	149	2.1%
670823 - PUC ASSESSMENT	79,957	40,000	80,000	80,000	-	0.0%
670824 - ME DRINKING WTR PROGRAM	61,793	30,933	61,796	61,796	-	0.0%
670825 - PUC PUBLIC ADVOCATE	15,715	10,782	16,500	19,050	2,550	15.5%
	\$221,701	\$115,978	\$221,017	\$226,586	\$5,569	2.5%

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.

Telephone/Other Utilities:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
66101 - WATER	\$121,169	\$60,058	\$155,936	\$143,740	(\$12,196)	-7.8%
66102 - WASTEWATER	18,752	13,058	8,211	16,400	8,189	99.7%
66111 - TELEPHONE LINES	24,212	12,876	30,280	26,369	(3,911)	-12.9%
66112 - DATA LINES	65,603	31,309	77,461	88,606	11,145	14.4%
66113 - CELLULAR PHONES	37,425	24,244	39,454	40,075	621	1.6%
66114 - PAGERS	2,537	2,328	2,315	2,239	(76)	-3.4%
	\$269,698	\$143,873	\$313,657	\$317,429	\$3,772	1.2%

The budgets changes in the communications related line items (Telephone, Data and Cellular) were adjusted due to reclassification of costs to different accounts, changes in operational needs and actual costs incurred. Wastewater costs rose due to the outsourcing of disposal services, those increases were offset by reductions in internal labor and transportation.

Transportation:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
66501 - TRANSPORTATION - INTERNAL	\$1,020,583	\$353,471	\$747,401	\$745,594	(\$1,807)	-0.2%
665019 - TRANS INTERNAL INACTIVE	-	166,076	434,027	452,734	18,707	4.3%
66502 - TRANSPORTATION - EXTERNAL	92,763	25,473	59,382	74,424	15,042	25.3%
66503 - MILEAGE REIMBURSEMENT	17,570	8,909	24,125	24,487	362	1.5%
66504 - MTA TRANS-PASS TOLL FEES	23	-	-	-	-	n/a
	\$1,130,939	\$553,929	\$1,264,935	\$1,297,239	\$32,304	2.6%

A standard 40 hour week is charged for most vehicles, when the vehicle is in used it is charged to Transportation Internal (66501) and the balance to the Inactive (665019) account. 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 flushing the entire system over a 3-year cycle, and staff met that goal over the 2012, 2013, and 2014 years.

	2012 Actual	2013 Actual	2014 Projected	2015 Goal
% of Distribution System Flushed	33%	33%	37%	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 in late March, Weather Permitting. During May and into October Two Crews Work 4-10 Hr. Days 8 PM- 6 AM Mon-Thur.
- ☐ Ended this Year in Late September – Sometimes Go into October Depending on Productivity

Water Services – Purpose Statement

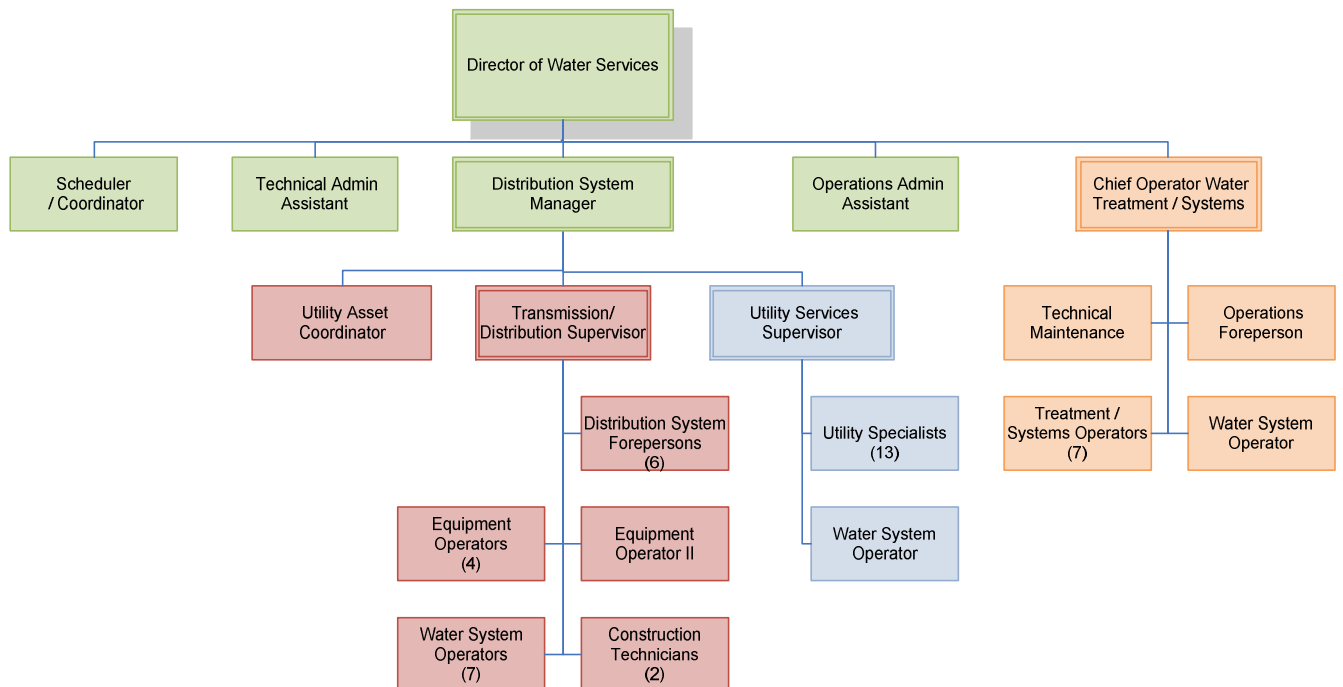
To operate and maintain water system infrastructure including the treatment, water storage and distribution systems.

Core Services

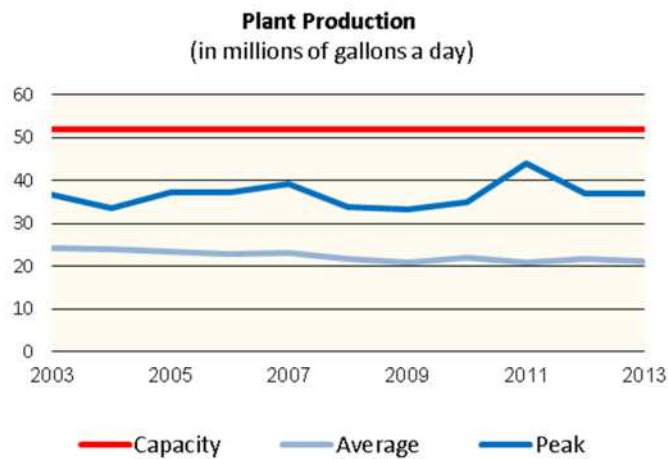
Water Operations is responsible for operating and maintaining the Sebago Lake and Steep Falls Well treatment and water distribution systems by providing the following services:

- 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).

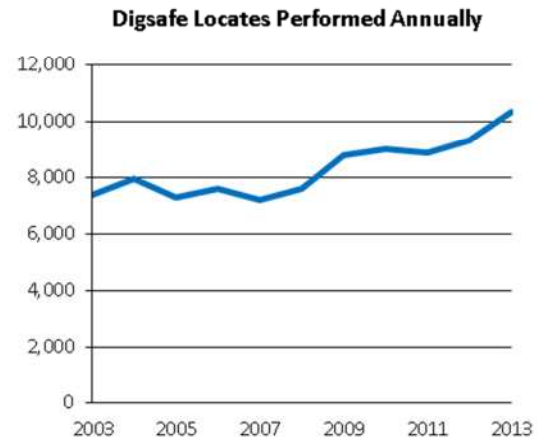
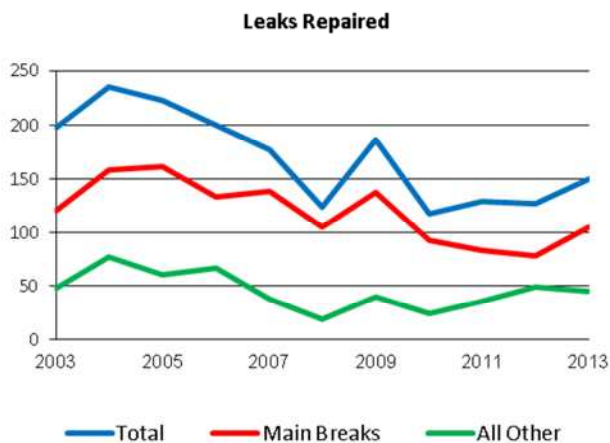
Water Operations has a five-person group (Administration Group- A1; **green** in organization chart) that directs, oversees and provides administrative support.



Key Statistics



Water Supply	Surface – 99%
	Groundwater -1%
Water Treatment	Ozone, Ultraviolet, Chloramination, Corrosion Control, Fluoridation
Water Mains	991 miles
Valves	11,294
Hydrants	4,985
Service Lines	56,316
Water Storage	10 (+2 non-active)
Sites	
Booster Stations	5
Backflow Devices	4,570

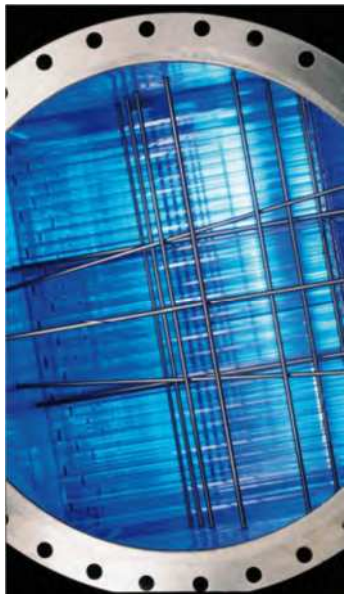


- Plant Production reflects the long-term trend of declining water consumption.
- Leaks repaired each year vary by number/severity of leaks and is a significant budgetary variable.
- Digsafe locates includes marking of water and wastewater infrastructure for others who are working near our assets.

Performance Benchmarks

	2013 Actual	2014 Budget	2015 Budget
Corporate Goal – Public Health			
Compliance of Water Regulations	100%	100%	100%
Avg. Distribution Chlorine Residual	1.3 mg/l	1.0 mg/l	1.0 mg/l
Avg. Distribution pH	7.4 SU	7.5 SU	7.4 SU
Corporate Goal – Public Safety			
Meeting with Municipal Fire Chiefs	2	2	2
Corporate Goal – Reliability			
Water Outage Index	9.7	< 20	< 20
Fire Service Outage Index	3.0 days	3 days	3 days
Leaks per 100 miles of main	10.9	< 25	< 25
Transmission valves exercised	396	418	418
Distribution valves exercised	87	150	150
Customer Appointments On-time	99.6%	99.8%	99.8%
Corporate Goal – Affordability			
Water Facility Maintenance Ratio	70% / 30%	75% / 25%	75% / 25%
Water Production million gallons	7,837	7,878	7,837
Department Cost / million gal	\$932	\$978	\$1022
Treatment Cost / million gal	\$279	\$295	\$303
Unaccounted for Water %	10.2%	< 10%	< 10%
Corporate Goal – Employees and Work Environment			
Employee Training Hours	129	80	80

New Wedeco UV Treatment Reactor



Past Accomplishments

Water Field

- Completed our seventh-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
- 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 4 years our contractor has cleared approximately 9 miles of ROW and mowed selected areas that were cleared.
- Participated in the AWWA Partnership for Safe Water for Distribution Systems for the second year. 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 20th straight year
- Managing the ratio of Preventative to Corrective work at the Treatment Facility; the average of preventative maintenance for the past 7 years is 85% of the total maintenance hours, while corrective maintenance is 15% of the hours
- Recipient of Water Fluoridation Quality Awards for Greater Portland and Steep Falls systems for 2009, 2010, 2011, 2012, and 2013.
- Improved the water quality in the distribution system by closely managing chemical dosages , thus raising the yearly average chlorine residual to 1.3 mg/l and maintaining a median pH of 7.4
- Supported MWUA Education & Operation Committee through participation in regular meetings and by delivering presentations at training sessions across the state

Projects and Initiatives

Corporate Goal – Public Health

- Corporate Initiative
 - Expand the Cross Connection Control Program to require the installation of backflow protection devices during new construction of residential buildings
- Departmental Initiatives
 - Complete monitoring for Unintended Impacts of New Treatment Processes

Corporate Goal – Public Safety

- Departmental Initiative
 - Review the past 3-years of effort on the Public Hydrant Inspection Program and update procedures as necessary.

Corporate Goal – Reliability

- Corporate Initiative
 - Prepare to increase participation from Phase II to Phase III of the AWWA Partnership for Safe Water for the Distribution System; Draft narratives by December 2015 for submittal in June 2016.
 - Continue to reorganize Water Field staffing and priorities to support the increase in water main renewal
- Departmental Initiatives
 - Review liquid chemical addition Systems at SLWTF and update Capital Improvement Plans
 - 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 4%
- Departmental Initiatives
 - Investigate Options for Periods of Unattended Operation at the SLWTF

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
 - 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

2013-2014 JETCC Management Training Program Participants



PWD Staff member Christian Rodriguez (second from left in front) attended program with 14 other employees from regional utility organizations.

Financial Overview

The Water Services Budget for 2015 has increased by 4% or \$304,613. The significant changes are occurring in wages & benefits, chemicals, contracted services and transportation lines.

The A1- Water Administration area increased 3.2%, with labor and benefits accounting for all of the \$14,877 increases, with decreases in cell phone, utilities and materials slightly off-setting the overall total.

At \$184,564, A2 - Water Transmission and Distribution is increasing by 5.2%. The most significant changes to the 2015 budget are in Contracted Services (\$169,046) and Transportation (\$44,529). The Contracted Services increase is to fully fund the adjustment of valve box adjustments for paving, and for an anticipated 8% increase in the cost of paving. The increases in transportation are related to updates in the internal accounting for vehicles and the charging for idle time.

The A3 – Treatment area has an overall increase of 2.2% or \$51,345. The amount of liquid oxygen used by the ozone system is 42% less than expected and the projected price is 30% less than last year, resulting in an overall decrease of \$90,242. The other bulk chemicals uses are expected to remain consistent; however all of the prices are projected to decrease, resulting in a total decrease of \$28,002. The increases in both contracted services (\$57,110) and Materials and Supplies (\$24,375) are largely related to the new treatment equipment. Staff intends to engage the original vendors to perform the first year's maintenance on the UV, LOX, and Ozone systems. A decision will then be made on whether staff or the vendor is better suited to perform this maintenance in the future. Power is projected to increase (\$20,673) and a new high-speed internet connection (\$11,340) was run into the treatment facility to improve performance of the network for all staff stationed at the lake.

Finally, the A6 – Utility Services area has an increase of 3.8% or \$53,827. Labor is increasing for the second year, as another position is being transferred to this group from the Transmission and Distribution area to support increased inspection for main renewal. Maintenance services and materials are decreasing as meter changes are being moved to capital funds and staff adjusts budgeting to match actual expenditures.

**New High Efficiency
Ozonia
Ozone Generator**



Water Services: Total

Financial Summary:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Sub-Groups:						
A1 - Water Administration	\$456,781	\$228,305	\$457,831	\$472,708	\$14,877	3.2%
A2 - Wtr Transmission/Distrib	3,324,437	1,571,484	3,519,940	3,704,504	184,564	5.2%
A3 - Water Treatment	2,160,076	1,036,233	2,322,629	2,373,974	51,345	2.2%
A6 - Water Utility Services	1,275,252	807,287	1,403,798	1,457,625	53,827	3.8%
Grand Total	7,216,546	3,643,309	7,704,198	8,008,811	304,613	4.0%
Expense Types:						
Salaries & Wages	2,734,911	1,403,550	2,849,808	2,884,003	34,195	1.2%
Employee Benefits	1,210,526	640,373	1,286,165	1,355,046	68,881	5.4%
Chemicals	345,958	147,089	520,884	402,640	(118,244)	-22.7%
Contracted Services	968,368	351,208	1,204,604	1,415,760	211,156	17.5%
Heat/Fuel Oil	130,812	86,697	136,446	144,731	8,285	6.1%
Insurance	20,158	10,537	32,664	34,113	1,449	4.4%
Materials & Supplies	559,205	445,894	473,890	486,980	13,090	2.8%
Other Expense	20,018	12,773	33,123	39,650	6,527	19.7%
Purchased Power	451,223	175,552	399,202	419,875	20,673	5.2%
Tele/Other Utilities	46,016	28,586	43,145	59,242	16,097	37.3%
Transportation	729,350	341,050	724,267	766,771	42,504	5.9%
Grand Total	7,216,545	3,643,309	7,704,198	8,008,811	304,613	4.0%
Full-Time	53	53	53	53	0	0.0%
Part- Time	0	0	0	0	0	n/a
Total	53	53	53	53	0	0.0%

**New Liquid Oxygen
Storage System**



	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Salaries & Wages						
660111 - SALARIES/WAGES NON-UNION	\$453,068	\$228,980	\$459,555	\$474,525	\$14,970	3.3%
660121 - WAGES/REGULAR UNION	1,835,704	937,506	1,916,668	1,960,292	43,624	2.3%
660122 - WAGES/OVERTIME UNION	222,619	141,868	238,061	218,148	(19,913)	-8.4%
660123 - WAGES/DOUBLETIME UNION	21,752	20,938	22,790	22,391	(399)	-1.8%
660124 - WAGES/STANDBY TIME UNION	98,114	48,020	86,933	88,684	1,751	2.0%
660131 - WAGES - REGULAR - TEMPS	25,829	10,343	40,092	40,091	(1)	0.0%
660132 - WAGES - OVERTIME- TEMPS	155	71	-	-	-	n/a
660136 - CONTRACTED - TEMPS	-	-	-	79,872	79,872	n/a
66014 - VACATION ACCRUAL	5,461	-	-	-	-	n/a
66015 - SICKTIME ACCRUAL	14,877	-	-	-	-	n/a
66351 - CONTRACTED TEMPORARIES	57,332	15,824	85,709	-	(85,709)	-100.0%
Salaries & Wages Total	2,734,911	1,403,550	2,849,808	2,884,003	34,195	1.2%
Employee Benefits						
660401 - FICA - EMPLOYERS' SHARE	196,935	102,788	211,454	214,516	3,062	1.4%
660405 - SAFETY/WHY PROGRAM ITEMS	10,752	2,627	10,616	11,047	431	4.1%
660407 - EDUCATION SUBSIDY	-	331	-	-	-	n/a
660411 - MEALS ALLOWANCE	5,788	4,380	1,468	5,698	4,230	288.1%
660413 - PWD TRAINING PROGRAM	110	-	-	-	-	n/a
660418 - STIPENDS	4,400	4,900	4,732	4,500	(232)	-4.9%
660419 - EMPLOYEE BENEFITS-MISC OTH	7,542	232	-	-	-	n/a
660491 - FRINGE BENEFITS-REG/SAL	984,999	525,115	1,057,895	1,119,285	61,390	5.8%
Employee Benefits Total	1,210,526	640,373	1,286,165	1,355,046	68,881	5.4%
Chemicals						
66181 - AMMONIA	26,415	14,473	27,360	23,748	(3,612)	-13.2%
66182 - CAUSTIC SODA	78,513	31,453	88,771	86,394	(2,377)	-2.7%
66183 - FLUORINE COMPOUND	69,267	19,894	69,018	59,265	(9,753)	-14.1%
66184 - ZINC ORTHOPHOSPHATE	70,220	19,800	79,541	77,004	(2,537)	-3.2%
66185 - SODIUM HYPOCHLORITE	101,320	43,586	112,310	102,587	(9,723)	-8.7%
661892 - LIQUID OXYGEN (LOX)	-	17,883	143,884	53,642	(90,242)	-62.7%
661899 - OTHER CHEMICALS	223	-	-	-	-	n/a
Chemicals Total	345,958	147,089	520,884	402,640	(118,244)	-22.7%
Contracted Services						
6631 - ENGINEERING SERVICES	6,432	-	-	50,000	50,000	n/a
66352 - CONSTRUCTION SERVICES	1,576	-	679	65	(614)	-90.4%
663521 - TRAFFIC CONTROL	54,363	20,935	48,701	48,710	9	0.0%
6635221 - PAVING - MINOR REPAIR	271,432	69,525	350,692	314,387	(36,305)	-10.4%
663523 - SIDEWALK	24,842	7,751	10,055	15,756	5,701	56.7%
663524 - STREET OPENING	73,693	21,125	41,803	53,151	11,348	27.1%
663525 - CONTRACTOR CONSTRUCTION	346,432	129,499	468,163	622,974	154,811	33.1%
663526 - INSPECTION SERVICES	-	555	-	-	-	n/a
663527 - EMERGENCY RESPONSE- FEMA	-	-	-	300	300	n/a
66353 - REPAIR SERVICES	11,111	30,462	1,865	9,893	8,028	430.5%
66354 - MAINTENANCE SERVICES	130,849	48,542	131,030	177,883	46,853	35.8%
663542 - LARGE METER TESTING	7,596	1,473	38,000	25,000	(13,000)	-34.2%
663546 - MAINTENANCE - SNOW REMOVL	-	-	49,593	43,200	(6,393)	-12.9%
663561 - COMPUTER LICENSES	14,962	9,287	15,949	16,388	439	2.8%
663574 - DISPOSAL SERVICES	7,786	7,193	7,696	7,738	42	0.5%
663587 - COURIER SERVICES	2,244	1,124	2,196	2,133	(63)	-2.9%
663588 - EQUIPMENT MAINTENANCE	3,246	858	23,182	21,182	(2,000)	-8.6%
663589 - SECURITY SERVICES	3,245	-	-	-	-	n/a
663594 - DIGSAFE	2,000	250	-	-	-	n/a
6635982 - TREE TRIMMING / REMOVAL	-	-	7,000	7,000	-	0.0%
663599 - MISC OTHER SERVICES	6,559	2,629	8,000	-	(8,000)	-100.0%
Contracted Services Total	968,368	351,208	1,204,604	1,415,760	211,156	17.5%

	2013 Actual	2014 Jan- Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Heat/Fuel Oil						
66161 - HEATING OIL	\$117,226	\$71,812	\$121,840	\$130,523	\$8,683	7.1%
661622 - CONTAINER DELIVERED	13,586	14,845	14,606	14,208	(398)	-2.7%
66166 - UNLEADED GAS	-	40	-	-	-	n/a
Heat/Fuel Oil Total	130,812	86,697	136,446	144,731	8,285	6.1%
Insurance						
66591 - DAMAGES AND CLAIMS	-	-	958	-	(958)	-100.0%
66599 - PROPERTY & BOILER INSUR	20,158	10,537	31,706	34,113	2,407	7.6%
Insurance Total	20,158	10,537	32,664	34,113	1,449	4.4%
Materials & Supplies						
6619 - ASSET PURCHASES	48,637	9,312	19,796	30,501	10,705	54.1%
66201 - BULK MATERIALS	-	590	-	-	-	n/a
662012 - CRUSHED GRAVEL	288	340	845	620	(225)	-26.6%
662014 - CRUSHED STONE	173	-	-	-	-	n/a
662015 - LOAM	161	84	-	-	-	n/a
662016 - SAND	2,741	5,209	-	857	857	n/a
662017 - SAND AND SALT	6,292	-	4,787	8,843	4,056	84.7%
662018 - BANKRUN GRAVEL	60	-	-	-	-	n/a
66202 - TOOLS	21,251	9,024	23,165	27,749	4,584	19.8%
66203 - VENDOR PURCHASED SUPPLIES	48,655	56,542	58,180	51,432	(6,748)	-11.6%
662041 - MATERIALS INVENTORY	204,618	104,517	148,853	168,314	19,461	13.1%
662042 - SUPPLIES INVENTORY	23,505	16,382	19,050	17,488	(1,562)	-8.2%
66204201 - INVENTORY - QPR	9,141	1,837	18,435	8,237	(10,198)	-55.3%
66204202 - INVENTORY - BNKRUN GRAVEL	1,840	(809)	7,137	6,362	(775)	-10.9%
66204203 - INVENTORY - CRUSHD GRAVEL	35,381	14,095	28,055	23,586	(4,469)	-15.9%
66204204 - INVENTORY - CRUSHED STONE	1,532	756	538	656	118	21.9%
66204205 - INVENTORY - LOAM	2,535	327	2,076	2,510	434	20.9%
662043 - TOOL INVENTORY	51,865	29,425	45,047	41,999	(3,048)	-6.8%
66204301 - INVENTORY - TONER	959	-	1,589	1,562	(27)	-1.7%
66204302 - INVENTORY - PAPER	114	-	-	-	-	n/a
66204303 - INVENTORY-COMPUTER EQUIP	2,190	1,496	396	8,700	8,304	2097.0%
662044 - METER INVENTORY	21,864	148,746	1,217	-	(1,217)	-100.0%
662045 - TRUCK INVENTORY	(5,315)	-	-	-	-	n/a
662046 - HYDRANT INVENTORY	65,480	35,589	47,060	47,015	(45)	-0.1%
662047 - GARAGE INVENTORY	2,689	1,162	2,433	2,692	259	10.6%
66205 - CONSUMABLE SUPPLIES	6,045	6,299	19,450	17,657	(1,793)	-9.2%
66206 - COMPUTER EQUIPMENT	-	-	-	20,200	20,200	n/a
663564 - COMPUTER-RELATED EQUIP	6,504	4,971	25,781	-	(25,781)	-100.0%
Materials & Supplies Total	559,205	445,894	473,890	486,980	13,090	2.8%

	2013 Actual	2014 Jan- Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Other Expense						
663541 - SAFETY EXPENSES	\$0	\$0	\$2,500	\$2,500	\$0	0.0%
6641 - BUILDING/REAL PROP RENT	5,600	-	5,600	5,600	-	0.0%
6642 - EQUIPMENT RENT	4,621	2,895	3,899	4,021	122	3.1%
66751 - EMPLOYEE DEVELOPMENT	300	-	-	-	-	n/a
667511 - TRAINING	365	-	-	-	-	n/a
6675111 - INSTATE TRAINING	19,822	13,152	18,940	23,772	4,832	25.5%
6675121 - IN STATE CONFERENCES	-	63	1,000	1,000	-	0.0%
6675122 - OUT-OF-STA TE CONFERENCES	48	195	-	-	-	n/a
667513 - DUES	2,431	244	3,510	3,286	(224)	-6.4%
667514 - PROFESSIONAL LICENSES	3,126	1,063	4,116	5,404	1,288	31.3%
667515 - PERIODICAL SUBSCRIPTIONS	-	-	-	200	200	n/a
667516 - PERMITS	990	370	680	680	-	0.0%
667521 - POSTAGE - THIRD PARTY	931	1,747	3,276	3,956	680	20.8%
667522 - POSTAGE - INTERNAL	1,546	181	-	100	100	n/a
667523 - POSTAGE - EXPRESS DELIVER	176	-	200	200	-	0.0%
667531 - PRINTING COSTS	2,237	4,290	8,487	8,202	(285)	-3.4%
667552 - SAFETY TRAINING	-	-	385	-	(385)	-100.0%
667554 - EPA / OSHA COMPLIANCE	320	500	3,408	3,408	-	0.0%
667555 - SAFETY EXPENSES	186	-	2,000	2,000	-	0.0%
667556 - FREIGHT CHARGES (STOCK)	933	-	-	-	-	n/a
667592 - FOOD SUPPLIES	247	63	322	521	199	62.5%
667599 - OTHER MISCELLANEOUS	1,339	610	-	-	-	n/a
6676 - CONTRA ACCOUNT	(25,200)	(12,600)	(25,200)	(25,200)	-	0.0%
Other Expense Total	20,018	12,773	33,123	39,650	6,527	19.7%
Purchased Power						
66151 - POWER - LARGE ENERGY	266,142	77,332	224,818	269,261	44,443	19.8%
66152 - POWER - LARGE T&D	96,968	51,701	95,694	68,724	(26,970)	-28.2%
66153 - POWER - MEDIUM ENERGY	40,590	18,173	35,422	36,252	830	2.3%
66154 - POWER - MEDIUM T&D	23,628	12,266	24,419	23,855	(564)	-2.3%
66155 - POWER - SMALL ENERGY	12,146	8,044	11,749	15,101	3,352	28.5%
66156 - POWER - SMALL T&D	15,489	9,834	15,100	14,682	(418)	-2.8%
66157 - FORWARD CAPACITY	331	-	-	-	-	n/a
66158 - LOAD RESPONSE	(4,071)	(1,798)	(8,000)	(8,000)	-	0.0%
Purchased Power Total	451,223	175,552	399,202	419,875	20,673	5.2%
Tele/Other Utilities						
66101 - WATER	4,182	1,327	2,601	3,185	584	22.5%
66102 - WASTEWATER	16,422	12,281	8,211	16,400	8,189	99.7%
66111 - TELEPHONE LINES	1,811	758	1,836	1,248	(588)	-32.0%
66112 - DATA LINES	12,175	6,906	17,231	24,739	7,508	43.6%
66113 - CELLULAR PHONES	10,289	6,183	12,086	12,540	454	3.8%
66114 - PAGERS	1,137	1,131	1,180	1,130	(50)	-4.2%
Tele/Other Utilities Total	46,016	28,586	43,145	59,242	16,097	37.3%
Transportation						
66501 - TRANSPORTATION - INTERNAL	648,469	228,566	406,013	446,950	40,937	10.1%
665019 - TRANS INTERNAL INACTIVE	-	92,493	273,879	259,583	(14,296)	-5.2%
66502 - TRANSPORTATION - EXTERNAL	78,606	19,252	41,761	57,174	15,413	36.9%
66503 - MILEAGE REIMBURSEMENT	2,260	739	2,614	3,064	450	17.2%
66504 - MTA TRANS-PASS TOLL FEES	15	-	-	-	-	n/a
Transportation Total	729,350	341,050	724,267	766,771	42,504	5.9%
Grand Total	7,216,545	3,643,309	7,704,198	8,008,811	304,613	4.0%

Water Services: Water Administration (A1)

Financial Summary:

	2013 Actual	2014 Jan- Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$297,102	\$146,066	\$292,648	\$299,892	\$7,244	2.5%
Employee Benefits	148,693	77,491	152,678	160,965	\$8,287	5.4%
Contracted Services	145	0	0	0	\$0	n/a
Materials & Supplies	2,153	1,261	1,916	850	-\$1,066	-55.6%
Other Expense	6,562	2,362	6,785	7,946	\$1,161	17.1%
Tele/Other Utilities	1,704	1,042	2,556	1,920	-\$636	-24.9%
Transportation	422	83	1,248	1,135	-\$113	-9.0%
Grand Total	456,781	228,305	457,831	472,708	14,877	3.2%
Programs:						
98 - Training	24,199	11,816	19,593	21,036	1,443	7.4%
99 - Administration	432,582	216,489	438,238	451,672	13,434	3.1%
Grand Total	456,781	228,305	457,831	472,708	14,877	3.2%
Funds:						
10 - General	93,498	38,145	71,771	76,373	4,602	6.4%
20 - Water General	363,028	189,910	384,356	394,631	10,275	2.7%
50 - Wastewater General	255	250	1,704	1,704	0	0.0%
Grand Total	456,781	228,305	457,831	472,708	14,877	3.2%
Staffing Trend:						
Full-Time	5	5	5	5	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	5	5	5	5	0	0.0%
Full-Time	5	5	5	5	0	0.0%

Water Services: Water Transmission/Distribution (A2)

Financial Summary:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$1,130,223	\$569,918	\$1,189,390	\$1,146,574	-\$42,816	-3.6%
Employee Benefits	481,716	248,340	497,256	506,455	9,199	1.8%
Contracted Services	810,888	259,806	971,331	1,140,377	169,046	17.4%
Heat/Fuel Oil	0	40	0	0	0	n/a
Insurance	0	0	958	0	-958	-100.0%
Materials & Supplies	369,671	216,969	314,739	312,800	-1,939	-0.6%
Other Expense	21,402	10,294	15,866	20,113	4,247	26.8%
Tele/Other Utilities	8,811	5,600	5,551	8,807	3,256	58.7%
Transportation	501,726	260,517	524,849	569,378	44,529	8.5%
Grand Total	3,324,437	1,571,484	3,519,940	3,704,504	184,564	5.2%
Programs:						
1 - Seasonal Mains	89,475	54,504	83,884	89,707	5,823	6.9%
10 - General Distribution	221,239	102,378	260,182	228,205	-31,977	-12.3%
11 - Mains & Valves Maint	1,371,339	442,985	1,084,674	1,268,461	183,787	16.9%
12 - Services Maintenance	710,790	288,952	573,942	666,239	92,297	16.1%
15 - Digsafe Locates	566	216	196	0	-196	-100.0%
17 - Hydrant Maintenance	228,921	124,024	226,357	219,879	-6,478	-2.9%
2 - Meter Reading	19,161	23,355	43,723	16,304	-27,419	-62.7%
20 - Meter Service	780	186	0	0	0	n/a
4 - Paving (Mains)	10,219	95,033	418,147	349,875	-68,272	-16.3%
44 - WW Pumping	3,032	0	178	0	-178	-100.0%
45 - WW Treatment	3,407	5,245	725	0	-725	-100.0%
90 - Vehicles	28,512	14,075	30,739	29,147	-1,592	-5.2%
91 - Snow Removal	39,024	20,193	26,166	40,044	13,878	53.0%
92 - Bulk Materials Adjustment	3,202	2,384	2,583	12	-2,571	-99.5%
98 - Training	84,944	92,675	70,539	77,818	7,279	10.3%
99 - Administration	509,826	305,279	697,905	718,813	20,908	3.0%
Grand Total	3,324,437	1,571,484	3,519,940	3,704,504	184,564	5.2%
Funds:						
10 - General	422,313	287,732	638,283	575,289	-62,994	-9.9%
20 - Water General	2,893,526	1,278,113	2,880,381	3,129,094	248,713	8.6%
30 - Water Standish	2,160	332	185	121	-64	-34.6%
51 - WW Cape Elizabeth	2,239	0	0	0	0	n/a
53 - WW Cumberland	0	0	178	0	-178	-100.0%
57 - WW Portland	3,257	5,209	725	0	-725	-100.0%
62 - WW Westbrook	472	0	0	0	0	n/a
64 - WW Joint Westbrook	470	36	0	0	0	n/a
66 - WW Peaks Island	0	62	188	0	-188	-100.0%
Grand Total	3,324,437	1,571,484	3,519,940	3,704,504	184,564	5.2%
Staffing Trend:						
Full-Time	24	23	23	22	-1	-4.3%
Part-Time	0	0	0	0	0	n/a
Total	24	23	23	22	-1	-4.3%

Water Services: Water Treatment (A3)

Financial Summary:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$634,059	\$322,724	\$627,250	\$652,900	\$25,650	4.1%
Employee Benefits	285,101	144,756	293,777	312,064	\$18,287	6.2%
Chemicals	345,958	147,089	520,884	402,640	-\$118,244	-22.7%
Contracted Services	143,417	87,646	179,591	236,701	\$57,110	31.8%
Heat/Fuel Oil	130,812	86,657	136,446	144,731	\$8,285	6.1%
Insurance	20,158	10,537	31,706	34,113	\$2,407	7.6%
Materials & Supplies	92,183	36,784	82,085	106,460	\$24,375	29.7%
Other Expense	-17,652	-10,334	-8,868	-8,218	\$650	-7.3%
Purchased Power	451,223	175,552	399,202	419,875	\$20,673	5.2%
Tele/Other Utilities	26,050	16,405	22,053	34,558	\$12,505	56.7%
Transportation	48,767	18,417	38,503	38,150	-\$353	-0.9%
Grand Total	2,160,076	1,036,233	2,322,629	2,373,974	51,345	2.2%
Programs:						
1 - Seasonal Mains	3	0	0	0	0	n/a
11 - Mains & Valves Maint	0	430	0	0	0	n/a
12 - Services Maintenance	63	26	0	0	0	n/a
18 - Water Treatment Maint	103,139	51,193	109,861	109,600	-261	-0.2%
24 - Distribution Operations	291,081	141,414	302,504	276,904	-25,600	-8.5%
25 - Water Storage Maintenance	26,451	7,841	15,011	34,864	19,853	132.3%
28 - Monitoring	34	0	0	0	0	n/a
34 - Distribution Maintenance	38,529	10,736	33,263	29,443	-3,820	-11.5%
6 - Water Treatment	1,468,108	713,472	1,653,813	1,704,391	50,578	3.1%
98 - Training	43,586	37,527	40,945	40,068	-877	-2.1%
99 - Administration	189,082	73,594	167,232	178,704	11,472	6.9%
Grand Total	2,160,076	1,036,233	2,322,629	2,373,974	51,345	2.2%
Funds:						
10 - General	193,107	88,310	172,314	172,634	320	0.2%
20 - Water General	1,929,552	929,170	2,101,932	2,134,817	32,885	1.6%
30 - Water Standish	37,417	18,753	48,383	66,523	18,140	37.5%
Grand Total	2,160,076	1,036,233	2,322,629	2,373,974	51,345	2.2%
Staffing Trend:						
Full-Time	11	11	11	11	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	11	11	11	11	0	0.0%

Water Services: Water Utility Services (A6)

Financial Summary:

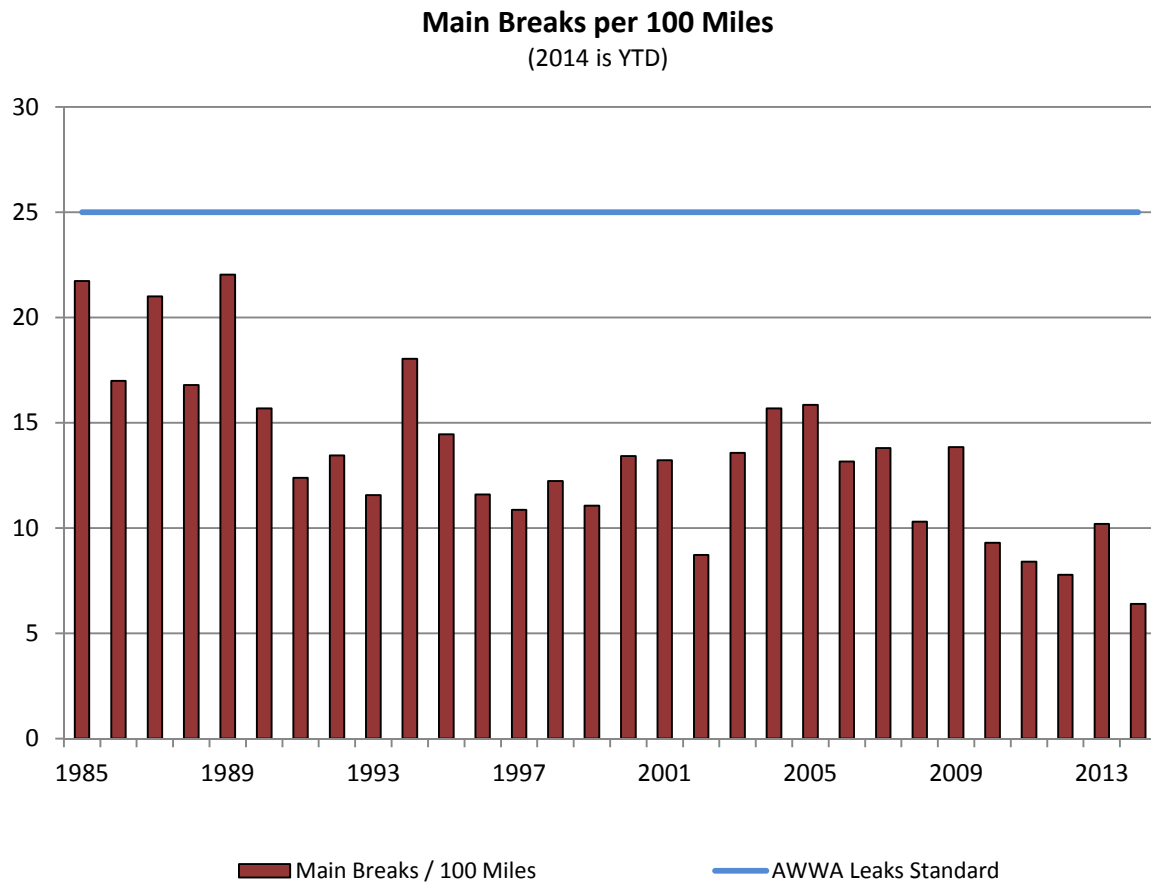
	2013 Actual	2014 Jan- Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$673,526	\$364,842	\$740,521	\$784,638	\$44,117	6.0%
Employee Benefits	295,017	169,786	342,454	375,562	\$33,108	9.7%
Contracted Services	13,919	3,756	53,682	38,682	-\$15,000	-27.9%
Materials & Supplies	95,199	190,880	75,150	66,870	-\$8,280	-11.0%
Other Expense	9,707	10,450	19,338	19,808	\$470	2.4%
Tele/Other Utilities	9,451	5,538	12,985	13,957	\$972	7.5%
Transportation	178,433	62,035	159,668	158,108	-\$1,560	-1.0%
Grand Total	1,275,252	807,287	1,403,798	1,457,625	53,827	3.8%
Programs:						
1 - Seasonal Mains	40,673	21,415	34,268	33,557	-711	-2.1%
10 - General Distribution	23,573	17,314	77,110	51,066	-26,044	-33.8%
14 - Distribution Flushing	81,333	4,802	124,737	128,519	3,782	3.0%
15 - Digsafe Locates	221,665	100,257	236,707	268,391	31,684	13.4%
16 - Cross Connection	13,060	10,569	34,875	36,274	1,399	4.0%
17 - Hydrant Maintenance	10,847	87,198	119,862	37,471	-82,391	-68.7%
18 - Water Treatment Maint	0	0	710	602	-108	-15.2%
19 - Winter Hydrant Pump	96,942	11,881	12,780	113,030	100,250	784.4%
2 - Meter Reading	96,331	43,770	57,947	87,296	29,349	50.6%
20 - Meter Service	81,062	196,051	71,436	95,953	24,517	34.3%
21 - Large Meter Testing	11,107	3,489	50,496	41,014	-9,482	-18.8%
22 - Meter Replacement Program	2,217	209	11,061	12,277	1,216	11.0%
26 - Submeters	1,133	325	811	803	-8	-1.0%
3 - Leak Surveys	419	12	1,000	500	-500	-50.0%
31 - Vehicle Cleaning	1,290	1,547	0	3,925	3,925	n/a
4 - Paving (Mains)	783	63	4,398	0	-4,398	-100.0%
7 - General Investigation	230,719	125,641	195,531	194,203	-1,328	-0.7%
76 - Collection	14,181	5,978	11,331	14,313	2,982	26.3%
90 - Vehicles	204	49	4,398	6,204	1,806	41.1%
94 - Technology Teams	6,647	0	1,623	1,204	-419	-25.8%
98 - Training	64,871	33,788	54,406	57,799	3,393	6.2%
99 - Administration	276,195	142,929	298,311	273,224	-25,087	-8.4%
Grand Total	1,275,252	807,287	1,403,798	1,457,625	53,827	3.8%
Funds:						
10 - General	391,461	355,117	391,375	405,741	14,366	3.7%
20 - Water General	880,723	443,489	991,903	1,007,565	15,662	1.6%
30 - Water Standish	1,935	8,356	4,617	5,250	633	13.7%
50 - Wastewater General	0	0	0	13,736	13,736	n/a
51 - WW Cape Elizabeth	72	70	3,670	5,971	2,301	62.7%
53 - WW Cumberland	0	0	3,670	7,174	3,504	95.5%
55 - WW Windham LF	0	0	4,389	5,732	1,343	30.6%
57 - WW Portland	988	80	152	125	-27	-17.8%
59 - WW South Portland	39	158	254	276	22	8.7%
61 - WW Gorham	34	0	3,616	5,930	2,314	64.0%
62 - WW Westbrook	0	17	152	125	-27	-17.8%
Grand Total	1,275,252	807,287	1,403,798	1,457,625	53,827	3.8%
Staffing Trend:						
Full-Time	13	14	14	15	1	7.1%
Part-Time	0	0	0	0	0	n/a
Total	13	14	14	15	1	7.1%

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

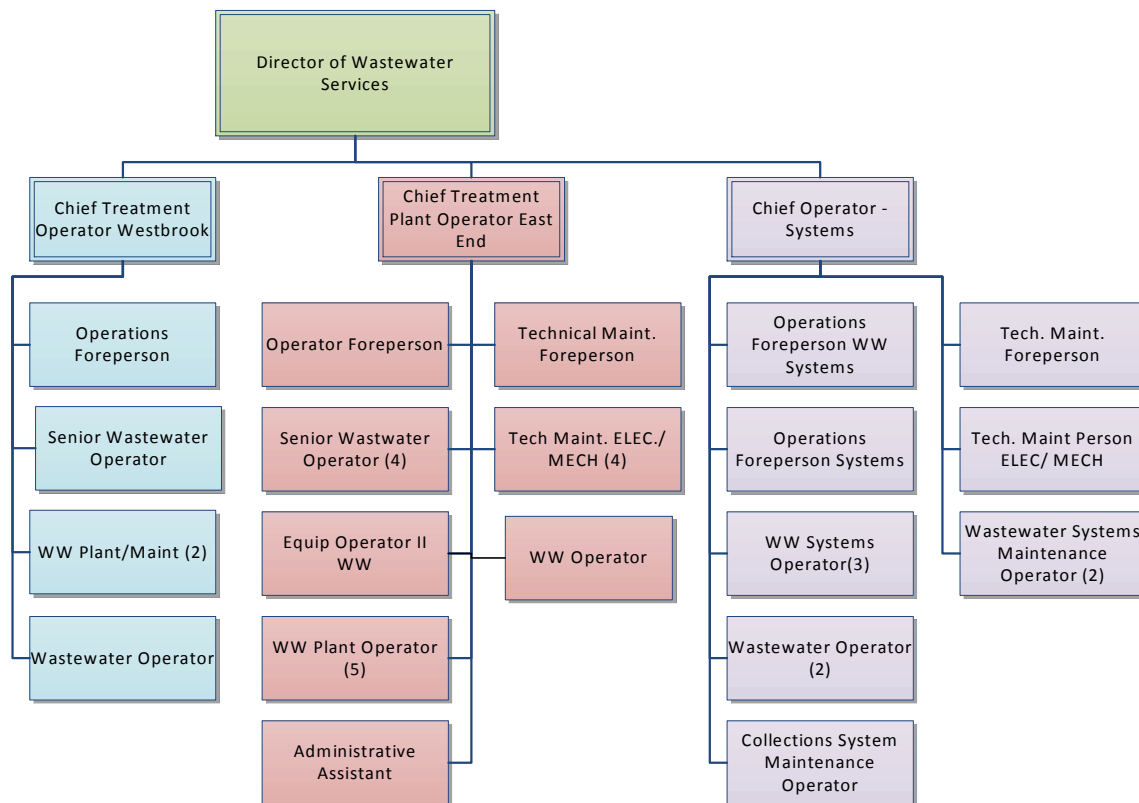
To provide effective high quality customer-oriented wastewater collection and treatment services in an efficient and responsive manner meeting all federal and state of Maine discharge standards while protecting the surface and receiving waters of Casco Bay.

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 - 2013

Cape Elizabeth South WWTF

Average Daily Flow – 0.255 million gallons

Portland – East End WWTF

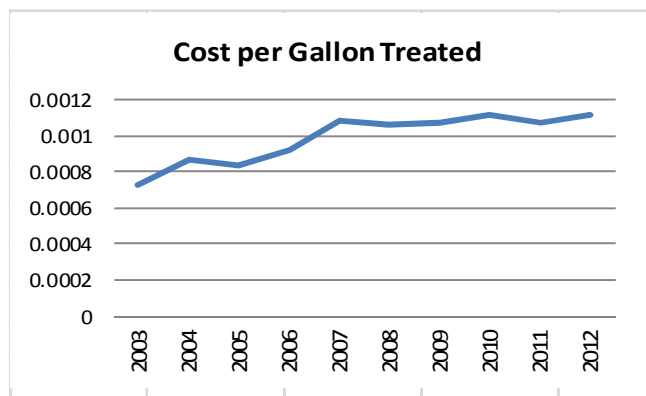
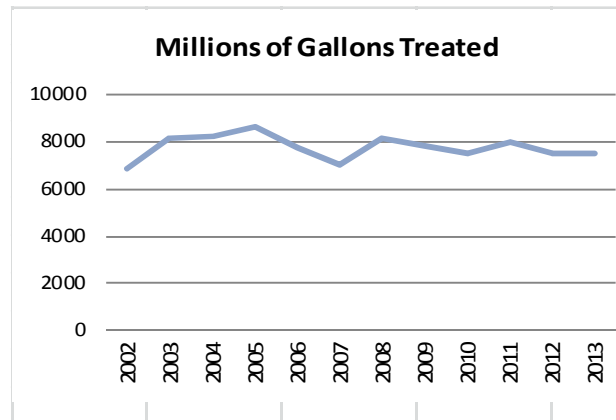
Average Daily Flow – 17.21 million gallons

Peaks Island (Portland) WWTF

Average Daily Flow – 0.088 million gallons

Westbrook/Gorham/Windham Regional WWTF

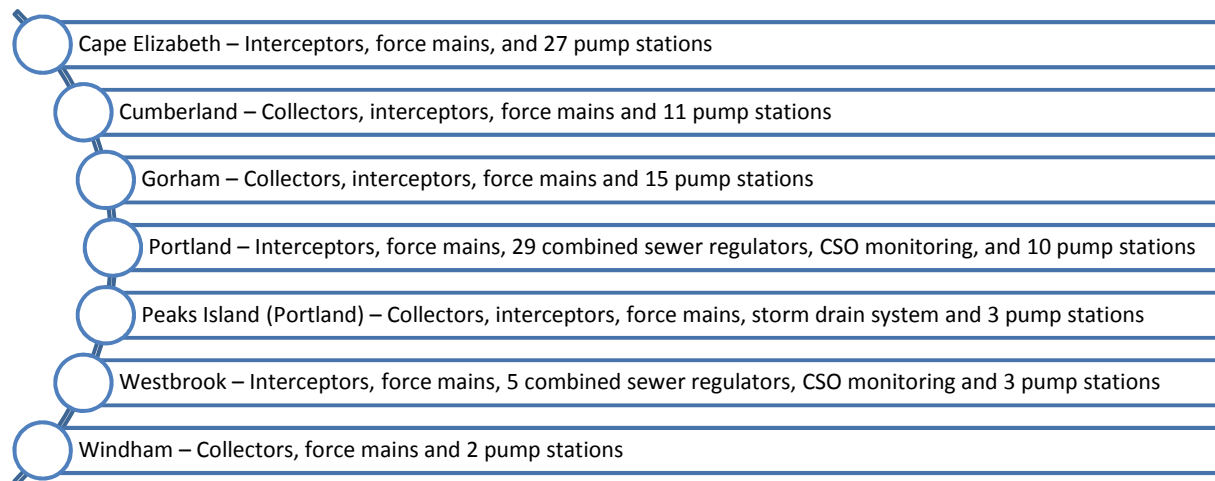
Average Daily Flow – 3.00 million gallons



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 51.4% (186.62 million gallons) of CSO and wet weather flow in 2013 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 (LTCP) or in separate system to better manage the capacity of the collection system. The Ottawa Rd. CSO LTCP was approved by MEDEP in 2013. In 2014, the Town of Cape Elizabeth will begin working to identify source of residential infiltration and inflow in the drainage area.
- 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 also assist the Engineering Services group with the asset management program and spend a short time with the water operations groups.

Wastewater Systems Responsibility



Performance Benchmarks

	2013 Actual	2014 Projected	2015 Goal
<u>Wastewater Systems</u>			
Corporate Goal - Environment			
Wet wells cleaned	137	125	125
Feet of pipe cleaned	2,601	5,000	>20,000
Feet of pipe televised	49,330	30,000	>30,000
Dry weather overflows	3	4	0
Corporate Goal -Reliability			
Corrective Maintenance tasks	255	245	<500
Corporate Goal -Affordability			
Preventive Maintenance tasks	1,150	1,274	1,100
<u>Treatment Operations</u>			
Corporate Goal - Environment			
Total license excursions	10	10	<26
Corporate Goal -Reliability			
Biosolids removed (wet tons)	21,220	22,656	<21,500
% BOD removed	93.5	93.5	>85
% suspended solids removed	95.5	95.5	>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 began in 2014 with a focus by the Town of Cape Elizabeth to identify source of residential I/I.
 - 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.
 - The Town of Falmouth is entertaining the upgrade of the Mill Creek Pump Station, which serves the Town of Cumberland. PWD continues to work with Cumberland to identify current and future flow needs with a focus on the elimination of significant wet weather peak flows.
- Westbrook/Gorham/Windham Regional Treatment Facility upgrades
 - The treatment plant's control system was upgraded in 2013. Major processes are controlled through the plant's SCADA control system. The plant is monitored remotely through the District's radio network.
 - 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.
 - In 2014, the flow split project will be completed to further automate the plant's response to wet weather events and to ensure the facility meets effluent permit limits during these events.
 - At the request of the Department of Environmental Protection, effluent samples for phosphorus and nitrogen were collected during the summer months. This information will be sent to the DEP and will be used to better understand the need for future effluent limitations on these nutrients. This is part of a state-wide effort by DEP.
- 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.
 - Staff completed an assessment of all pump stations in 2014. A summary report has been prepared for each community that PWD services.
- 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.

Past Accomplishments (continued)

- 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 remain in place until the 2016 permit renewal. 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.

Projects and Initiatives

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. Through staff efforts at both the City and PWD, the process of accepting flow from the conduit has been largely automated.
- 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. The City has completed a survey of 80% of the homes and is working to develop a plan to remove roof leaders and sump pumps that have been identified.
- Working with treatment and systems groups, and with the support of AMaP and Environmental Services, we continue to refine business practices with a goal of developing consistent departmental Standard Operating Procedures. This will ensure efficient operations while making the transition of new staff into the Department more successful.

B3, B4, L9 – Operations

- Treatment Plant Operators continue to focus on effluent compliance. Staff continues to make process control adjustments to the operation of the treatment plant as needed.
- 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. Additional areas continue to be added to the system to further monitor chemical storage areas and to monitor additional points of entry.
- The operations team continues to focus on implementing safe work practices throughout the workplace.

Projects and Initiatives (continued)

Corporate Goal – Reliability

B1 – Administration

- Assist with the implementation of SCADA Standards through regular coordination with AMaP and Operations staff. Monthly coordination meetings take place to further support this effort.

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 was upgraded in 2013.
- The Peaks Island Facility Controls was upgraded in 2013 to further enhance the operation of the plant and to allow for improved remote operation of the facility. By the spring of 2015, a new ultraviolet (UV) treatment system will be installed at the Peak's Island facility.

Corporate Goal – Affordability

B1 – Administration

- Working with Engineering Services, the Operations team has implemented the bulk of the 2008 Energy Management Work Plan. Power use is monitored and managed to ensure efficient operations. The EEWWTF participates in an electricity Demand Response through ISO New England and receives roughly \$7,000 for its participation.
- 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. Operations staff and maintenance staff are working with the AMaP Department to complete our asset inventory and to ensure preventative maintenance tasks for each facility are in place.

Projects and Initiatives (continued)

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.
- Through process control enhancements at the Peaks Island and Cape Elizabeth WWTF's, each plant is managing effluent nitrogen limits. While not currently required, the current performance would likely meet DEP's future permit limits. The configuration of these plants has made this possible with minor control upgrades and the process control enhancements. This will not be possible at the Westbrook/Gorham/Windham Regional and East End WWTFs without significant capital investments.
- The target for effluent violations for permit exceedences has been reduced by over 10 per year in the past 3 years. By 2016, our goal will be zero exceedences 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 2015 budget total includes an increase of \$161,066 to \$9,091,655. This is a 1.8% increase from the 2014 budget.

Salaries/Wages: Overall budgeted staffing levels remain unchanged from 2014. Maintenance support for all treatment plants continues to come from the central treatment maintenance group at the East End treatment plant. Premium Pay has been decreased by \$8,334 due to staffing optimization and further reductions in weekend sampling requirements at remote plants.

Biosolids Disposal: The total budget for the disposal of biosolids generated from the treatment of wastewater has increased by \$88,895 in 2015 or 6.8%. The budgeted % Total Solid from the Westbrook/Gorham Regional WWTF has been lowered to 16.0% to reflect performance and biosolids production over the past several years. When combined with the expected increase in the service fee, this is responsible for approximately 1/3 of the total increase. The remaining increase is due to projected biosolids production at the East End WWTF.

Chemicals: 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. The amount of sodium hypochlorite at the East End WWTF has been increased to manage compliance with the effluent permit. Over the past two years, average use has increased and the 2015 budget includes a 10% increase in the projected chemical use. Sodium hypochlorite at the East End is used to control filamentous bacteria in the activated sludge process. Unit prices are also expected to increase slightly in 2015 budget. Overall, the total budget for chemicals has increased by \$49,064 or 8.0% from the 2014 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 \$26,994, or 2.0%, to a total of \$1,345,658.

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. Additionally, the boiler at the Peaks Island WWTF was replaced with a more efficient unit. Overall, heat and fuel oil costs have decreased by 5.3% or \$11,485 to a total of \$204,272.

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 \$57,622 or -4.3% in the 2015 budget.

Transportation: In the 2015 budget, the hauling of liquid sludge from the Cape Elizabeth and Peaks Island WWTFs has been contracted with a private hauler. This has resulted in a reduction in the transportation budget. The 2015 budget total is \$331,033, a \$33,007 or 9.1% reduction from 2014.

Wastewater Services: Total

Financial Summary:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Sub-Groups:						
B1 - Wastewater Administration	\$211,498	\$77,382	\$154,766	\$165,980	\$11,214	7.2%
B3 - East End Port WWTF	4,370,861	2,220,780	4,490,608	4,580,660	90,052	2.0%
B4 - Westbr/Cape/Peaks WWTF's	1,409,294	750,556	1,528,327	1,606,245	77,918	5.1%
L9 - Wastewater Systems	2,443,035	1,256,271	2,756,888	2,738,770	-18,118	-0.7%
Grand Total	8,434,688	4,304,989	8,930,589	9,091,655	161,066	1.8%
Expense Types:						
Salaries & Wages	2,031,910	1,006,738	2,105,290	2,145,104	39,814	1.9%
Employee Benefits	988,297	502,401	1,028,694	1,083,096	54,402	5.3%
Biosolids Disposal	1,351,703	753,733	1,298,503	1,387,398	88,895	6.8%
Chemicals	617,490	380,563	615,128	664,192	49,064	8.0%
Contracted Services	999,027	522,475	1,318,664	1,345,658	26,994	2.0%
Heat/Fuel Oil	184,057	137,118	215,757	204,272	-11,485	-5.3%
Insurance	39,922	21,881	40,820	45,192	4,372	10.7%
Materials & Supplies	378,325	147,666	378,276	382,038	3,762	1.0%
Other Expense	99,672	11,756	62,709	68,927	6,218	9.9%
Purchased Power	1,355,061	625,118	1,352,116	1,294,494	-57,622	-4.3%
Tele/Other Utilities	121,122	61,797	150,592	140,251	-10,341	-6.9%
Transportation	268,102	133,743	364,040	331,033	-33,007	-9.1%
Grand Total	8,434,688	4,304,989	8,930,589	9,091,655	161,066	1.8%
Staffing Trend:						
Full-Time	39	39	39	39	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	39	39	39	39	0	0.0%

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Diff \$	Diff %
Salaries & Wages						
660111 - SALARIES/WAGES NON-UNION	\$283,761	\$141,903	\$286,574	\$294,627	\$8,053	2.8%
660121 - WAGES/REGULAR UNION	1,574,183	788,550	1,636,509	1,676,604	40,095	2.5%
660122 - WAGES/OVERTIME UNION	122,549	51,303	121,964	118,067	(3,897)	-3.2%
660123 - WAGES/DOUBLETIME UNION	19,808	6,557	21,583	16,520	(5,063)	-23.5%
660124 - WAGES/STANDBY TIME UNION	31,626	15,731	31,453	32,079	626	2.0%
660131 - WAGES - REGULAR - TEMPS	6,216	2,694	7,207	7,207	-	0.0%
66014 - VACATION ACCRUAL	(4,832)	-	-	-	-	n/a
66015 - SICKTIME ACCRUAL	(1,401)	-	-	-	-	n/a
Salaries & Wages Total	2,031,910	1,006,738	2,105,290	2,145,104	39,814	1.9%
Employee Benefits						
660401 - FICA - EMPLOYERS' SHARE	152,600	75,876	161,055	164,100	3,045	1.9%
660405 - SAFETY/WHY PROGRAM ITEMS	7,299	1,416	5,558	7,195	1,637	29.5%
660411 - MEALS ALLOWANCE	483	40	575	575	-	0.0%
660418 - STIPENDS	5,300	4,400	5,349	5,051	(298)	-5.6%
660419 - EMPLOYEE BENEFITS-MISC OTH	5,892	217	-	-	-	n/a
660491 - FRINGE BENEFITS-REG/SAL	816,723	420,452	856,157	906,175	50,018	5.8%
Employee Benefits Total	988,297	502,401	1,028,694	1,083,096	54,402	5.3%
Biosolids Disposal						
663571 - BIOSOLIDS DISPOSAL	1,351,703	753,733	1,298,503	1,387,398	88,895	6.8%
Biosolids Disposal Total	1,351,703	753,733	1,298,503	1,387,398	88,895	6.8%
Chemicals						
661811 - SODIUM BICARBONATE	6,456	6,782	8,799	12,474	3,675	41.8%
661812 - SODIUM BISULFITE	141,687	94,634	171,211	171,042	(169)	-0.5%
6618121 - SODIUM BISULFITE-ACCRUAL	(1,965)	1,695	-	-	-	n/a
66182 - CAUSTIC SODA	3,904	3,664	8,448	7,216	(1,232)	-14.6%
66185 - SODIUM HYPOCHLORITE	285,435	150,356	242,650	285,431	42,781	17.1%
661851 - SODIUM HYPO - ACCRUAL	235	1,102	-	-	-	n/a
66189 - POLYMER	154,107	138,366	182,020	185,929	3,909	-0.1%
661891 - POLYMER - ACCRUAL	27,631	(16,036)	-	-	-	n/a
661899 - OTHER CHEMICALS	-	-	2,000	2,000	-	0.0%
Chemicals Total	617,490	380,563	615,128	664,092	48,964	8.0%
Contracted Services						
6631 - ENGINEERING SERVICES	23,880	11,018	77,500	81,000	3,500	4.5%
663521 - TRAFFIC CONTROL	450	-	300	300	-	0.0%
663525 - CONTRACTOR CONSTRUCTION	5,625	3,948	27,000	30,500	3,500	13.0%
66353 - REPAIR SERVICES	4,691	3	4,000	4,000	-	0.0%
66354 - MAINTENANCE SERVICES	167,353	71,492	197,450	218,630	21,180	10.7%
663543 - CSO FLOW MONITORING	131,371	26,164	180,574	180,775	201	0.1%
663544 - MAINT SERVICES - CCTV	47,183	59,537	78,948	65,250	(13,698)	-17.4%
663546 - MAINTENANCE - SNOW REMOVL	8,435	1,740	26,000	33,300	7,300	28.1%
663547 - WASTE SLUDGE TRANSPORT	-	-	-	21,462	21,462	n/a
663551 - LAB ANALYSIS	350	-	2,300	2,300	-	0.0%
663561 - COMPUTER LICENSES	32,047	22,050	34,944	34,123	(821)	-2.3%
663572 - GRIT & SCREENS DISPOSAL	62,471	25,967	70,330	73,950	3,620	5.1%
663573 - GREASE DISPOSAL	26,767	12,762	39,700	35,200	(4,500)	-11.3%
663574 - DISPOSAL SERVICES	17,870	5,257	14,689	14,818	129	0.9%
663585 - TREATMENT CONTRACT SERVIC	464,823	280,290	560,580	545,657	(14,923)	-2.7%
6635851 - WW DEWATERING SERVICES	3,242	1,688	3,357	3,527	170	5.1%
6635852 - WW DEWATERING SRVS CREDIT	(3,242)	(1,688)	(3,400)	(3,400)	-	0.0%
663587 - COURIER SERVICES	4,488	2,247	4,392	4,266	(126)	-2.9%
663594 - DIGSAFE	300	-	-	-	-	n/a
6636 - TECHNICAL SERVICES	923	-	-	-	-	n/a
Contracted Services Total	999,027	522,475	1,318,664	1,345,658	26,994	2.0%

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Diff \$	Diff %
Heat/Fuel Oil						
66161 - HEATING OIL	\$46,104	\$40,647	\$47,693	\$47,326	(\$367)	-0.8%
661621 - PIPELINE DELIVERED PROPANE	118,746	88,368	141,250	128,178	(13,072)	-9.3%
661622 - CONTAINER DELIVERED	19,117	7,878	26,414	28,368	1,954	7.4%
66166 - UNLEADED GAS	69	225	400	400	-	0.0%
66167 - KEROSENE GAS	21	-	-	-	-	n/a
Heat/Fuel Oil Total	184,057	137,118	215,757	204,272	(11,485)	-5.3%
Insurance						
66599 - PROPERTY & BOILER INSUR	39,922	21,881	40,820	45,192	4,372	10.7%
Insurance Total	39,922	21,881	40,820	45,192	4,372	10.7%
Materials & Supplies						
6619 - ASSET PURCHASES	71,539	22,393	84,500	91,000	6,500	7.7%
662017 - SAND AND SALT	-	-	400	200	(200)	-50.0%
66202 - TOOLS	5,389	3,476	8,000	7,300	(700)	-8.8%
66203 - VENDOR PURCHASED SUPPLIES	184,742	80,443	211,550	205,900	(5,650)	-2.7%
662041 - MATERIALS INVENTORY	46,515	15,964	20,925	27,975	7,050	33.7%
662042 - SUPPLIES INVENTORY	43,028	14,312	26,075	25,725	(350)	-1.3%
662043 - TOOL INVENTORY	10,640	7,624	13,425	11,875	(1,550)	-11.5%
66204301 - INVENTORY - TONER	153	-	250	250	-	0.0%
66204302 - INVENTORY - PAPER	257	-	500	350	(150)	-30.0%
66204303 - INVENTORY-COMPUTER EQUIP	2,950	1,555	1,525	750	(775)	-50.8%
662046 - HYDRANT INVENTORY	-	1	-	-	-	n/a
662047 - GARAGE INVENTORY	2,011	617	2,175	2,075	(100)	-4.6%
66205 - CONSUMABLE SUPPLIES	2,131	135	2,175	2,125	(50)	-2.3%
66206 - COMPUTER EQUIPMENT	-	-	-	6,513	6,513	n/a
663564 - COMPUTER-RELATED EQUIP	8,970	1,146	6,776	-	(6,776)	-100.0%
Materials & Supplies Total	378,325	147,666	378,276	382,038	3,762	1.0%
Other Expense						
6642 - EQUIPMENT RENT	540	226	500	500	-	0.0%
66609 - OTHER ADVERTISING	-	266	-	-	-	n/a
667511 - TRAINING	-	-	1,000	-	(1,000)	-100.0%
6675111 - INSTATE TRAINING	11,446	7,140	9,570	10,700	1,130	11.8%
6675112 - OUT OF STATE TRAINING	779	125	6,200	6,400	200	3.2%
6675121 - IN STATE CONFERENCES	3,455	986	4,050	5,300	1,250	30.9%
6675122 - OUT-OF-STATE CONFERENCES	12,790	5,473	3,350	3,850	500	14.9%
667513 - DUES	8,138	-	9,300	13,100	3,800	40.9%
667514 - PROFESSIONAL LICENSES	2,335	625	2,130	2,130	-	0.0%
667515 - PERIODICAL SUBSCRIPTIONS	616	-	200	250	50	25.0%
667516 - PERMITS	24,746	5,613	26,032	26,032	-	0.0%
667517 - PLANT OPER LICENSE FEES	-	-	450	525	75	16.7%
667518 - REGULATORY REQUIRED FEES	11,542	-	14,000	14,000	-	0.0%
667519 - REGULATORY FINES	6,350	-	-	-	-	n/a
667521 - POSTAGE - THIRD PARTY	167	13	25	62	37	148.0%
667522 - POSTAGE - INTERNAL	55	103	100	100	-	0.0%
667523 - POSTAGE - EXPRESS DELIVER	477	8	200	378	178	89.0%
667552 - SAFETY TRAINING	40	-	-	-	-	n/a
667555 - SAFETY EXPENSES	3,310	(425)	5,900	5,900	-	0.0%
667556 - FREIGHT CHARGES (STOCK)	475	427	-	100	100	n/a
667581 - ANNUAL LAND CONTRIB CAPE	2,500	2,500	2,500	2,500	-	0.0%
667592 - FOOD SUPPLIES	523	83	602	500	(102)	-16.7%
667599 - OTHER MISCELLANEOUS	32,788	293	-	-	-	n/a
6676 - CONTRA ACCOUNT	(23,400)	(11,700)	(23,400)	(23,400)	-	0.0%
Other Expense Total	99,672	11,756	62,709	68,927	6,218	9.9%

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Diff \$	Diff %
Purchased Power						
66151 - POWER - LARGE ENERGY	\$558,854	\$198,371	\$515,871	\$513,399	(\$2,472)	-0.5%
66152 - POWER - LARGE T&D	334,534	174,218	356,421	313,997	(42,424)	-11.9%
66153 - POWER - MEDIUM ENERGY	248,481	127,537	246,924	240,796	(6,128)	-2.5%
66154 - POWER - MEDIUM T&D	146,471	82,257	165,819	149,092	(16,727)	-10.1%
66155 - POWER - SMALL ENERGY	31,461	19,943	33,476	44,012	10,536	31.5%
66156 - POWER - SMALL T&D	39,456	24,262	40,605	40,198	(407)	-1.0%
66158 - LOAD RESPONSE	(4,196)	(1,470)	(7,000)	(7,000)	-	0.0%
Purchased Power Total	1,355,061	625,118	1,352,116	1,294,494	(57,622)	-4.3%
Tele/Other Utilities						
66101 - WATER	101,742	50,260	129,525	120,745	(8,780)	-6.8%
66102 - WASTEWATER	2,330	778	-	-	-	n/a
66111 - TELEPHONE LINES	(1)	-	3,840	1,340	(2,500)	-65.1%
66112 - DATA LINES	9,079	4,989	8,570	8,857	287	3.3%
66113 - CELLULAR PHONES	7,114	4,920	7,977	8,607	630	7.9%
66114 - PAGERS	858	850	680	702	22	3.2%
Tele/Other Utilities Total	121,122	61,797	150,592	140,251	(10,341)	-6.9%
Transportation						
66501 - TRANSPORTATION - INTERNAL	254,805	93,672	243,142	195,997	(47,145)	-19.4%
665019 - TRANS INTERNAL INACTIVE	-	34,571	106,179	120,391	14,212	13.4%
66502 - TRANSPORTATION - EXTERNAL	12,523	5,259	13,300	13,300	-	0.0%
66503 - MILEAGE REIMBURSEMENT	774	241	1,419	1,345	(74)	-5.4%
Transportation Total	268,102	133,743	364,040	331,033	(33,007)	-9.1%
Grand Total	8,434,688	4,304,989	8,930,589	9,091,655	161,066	1.8%

Wastewater Services: Wastewater Administration (B1)

Financial Summary:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$125,749	\$47,184	\$94,244	\$96,618	\$2,374	2.5%
Employee Benefits	65,290	25,003	49,167	52,006	\$2,839	5.8%
Contracted Services	0	0	500	500	\$0	0.0%
Materials & Supplies	631	0	575	325	-\$250	-43.5%
Other Expense	18,073	4,305	9,150	14,605	\$5,455	59.6%
Tele/Other Utilities	597	674	960	1,756	\$796	82.9%
Transportation	1,158	216	170	170	\$0	-0.6%
Grand Total	211,498	77,382	154,766	165,980	11,214	7.2%
Programs:						
45 - WW Treatment	43,170	128	0	0	0	n/a
98 - Training	16,394	7,026	5,521	5,640	119	2.2%
99 - Administration	151,934	70,228	149,245	160,340	11,095	7.4%
Grand Total	211,498	77,382	154,766	165,980	11,214	7.2%
Funds:						
10 - General	1,896	9	0	0	0	n/a
50 - Wastewater General	166,433	77,245	154,766	165,980	11,214	7.2%
51 - WW Cape Elizabeth	1,162	0	0	0	0	n/a
57 - WW Portland	39,737	128	0	0	0	n/a
64 - WW Joint Westbrook	1,108	0	0	0	0	n/a
66 - WW Peaks Island	1,162	0	0	0	0	n/a
Grand Total	211,498	77,382	154,766	165,980	11,214	7.2%
Staffing Trend:						
Full-Time	2	1	1	1	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	2	1	1	1	0	0.0%

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

Financial Summary:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Biosolids Disposal	\$1,035,809	\$567,845	\$976,294	\$1,037,996	\$61,702	6.3%
Salaries & Wages	947,610	483,580	1,008,242	1,032,917	24,675	2.4%
Employee Benefits	460,079	238,397	486,673	515,435	28,762	5.9%
Chemicals	535,809	341,469	514,723	554,021	39,298	7.6%
Contracted Services	134,722	69,527	222,276	254,283	32,007	14.4%
Heat/Fuel Oil	129,494	92,820	156,338	143,798	-12,540	-8.0%
Insurance	13,978	7,316	14,633	15,664	1,031	7.0%
Materials & Supplies	196,216	69,692	199,938	204,400	4,462	2.2%
Other Expense	55,197	-5,624	29,075	29,340	265	0.9%
Purchased Power	751,966	293,466	724,438	688,341	-36,097	-5.0%
Tele/Other Utilities	57,206	31,171	71,737	68,018	-3,719	-5.2%
Transportation	52,775	31,121	86,241	36,447	-49,794	-57.7%
Grand Total	4,370,861	2,220,780	4,490,608	4,580,660	90,052	2.0%
Programs:						
44 - WW Pumping	4,132	2,464	0	0	0	n/a
45 - WW Treatment	4,048,683	2,082,737	4,218,043	4,312,851	94,808	2.2%
98 - Training	60,368	46,146	65,797	64,285	-1,512	-2.3%
99 - Administration	257,678	89,433	206,768	203,524	-3,244	-1.6%
Grand Total	4,370,861	2,220,780	4,490,608	4,580,660	90,052	2.0%
Funds:						
10 - General	2,062	704	0	0	0	n/a
20 - Water General	12,673	13,096	3,415	0	-3,415	-100.0%
50 - Wastewater General	315,983	134,875	272,564	267,808	-4,756	-1.7%
51 - WW Cape Elizabeth	47,707	23,151	76,421	41,334	-35,087	-45.9%
53 - WW Cumberland	0	113	0	0	0	n/a
57 - WW Portland	3,916,322	2,013,732	4,024,607	4,167,168	142,561	3.5%
64 - WW Joint Westbrook	40,179	19,942	71,077	64,332	-6,745	-9.5%
66 - WW Peaks Island	35,935	15,167	42,524	40,018	-2,506	-5.9%
Grand Total	4,370,861	2,220,780	4,490,608	4,580,660	90,052	2.0%
Staffing Trend:						
Full-Time	17.67	19	19	19	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	17.67	19	19	19	0	0.0%

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

Financial Summary:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Biosolids Disposal	\$315,894	\$185,888	\$322,209	\$349,402	\$27,193	8.4%
Salaries & Wages	322,457	159,331	327,636	327,925	289	0.1%
Employee Benefits	151,416	78,061	156,743	163,618	6,875	4.4%
Chemicals	81,682	39,094	100,405	110,171	9,766	9.7%
Contracted Services	229,892	121,591	254,947	296,809	41,862	16.4%
Heat/Fuel Oil	42,424	33,746	47,676	47,553	-123	-0.3%
Insurance	5,950	3,166	6,332	6,773	441	7.0%
Materials & Supplies	43,657	18,363	64,750	66,500	1,750	2.7%
Other Expense	12,624	6,686	12,832	12,932	100	0.8%
Purchased Power	159,143	75,047	162,350	154,851	-7,499	-4.6%
Tele/Other Utilities	25,180	10,697	30,090	27,790	-2,300	-7.6%
Transportation	18,975	18,886	42,357	41,921	-436	-1.0%
Grand Total	1,409,294	750,556	1,528,327	1,606,245	77,918	5.1%
Programs:						
44 - WW Pumping	5,953	4,046	0	0	0	n/a
45 - WW Treatment	1,310,713	677,500	1,416,224	1,503,958	87,734	6.2%
98 - Training	21,863	14,319	20,923	19,957	-966	-4.6%
99 - Administration	70,765	54,691	91,180	82,330	-8,850	-9.7%
Grand Total	1,409,294	750,556	1,528,327	1,606,245	77,918	5.1%
Funds:						
10 - General	671	105	0	0	0	n/a
50 - Wastewater General	91,958	68,906	112,103	102,287	-9,816	-8.8%
51 - WW Cape Elizabeth	310,593	152,344	338,648	372,997	34,349	10.1%
57 - WW Portland	2,451	1,567	13,706	11,021	-2,685	-19.6%
62 - WW Westbrook	2,971	2,030	0	0	0	n/a
64 - WW Joint Westbrook	881,727	441,678	899,128	941,193	42,065	4.7%
66 - WW Peaks Island	118,923	83,926	164,742	178,747	14,005	8.5%
Grand Total	1,409,294	750,556	1,528,327	1,606,245	77,918	5.1%
Staffing Trend:						
Full-Time	6.67	6	6	6	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	6.67	6	6	6	0	0.0%

Wastewater Services: Wastewater Systems (L9)

Financial Summary:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$636,095	\$316,643	\$675,169	\$687,644	\$12,475	1.8%
Employee Benefits	311,512	160,940	336,111	352,036	15,925	4.7%
Contracted Services	634,412	331,358	840,941	794,066	-46,875	-5.6%
Heat/Fuel Oil	12,139	10,553	11,743	12,921	1,178	10.0%
Insurance	19,993	11,398	19,856	22,755	2,899	14.6%
Materials & Supplies	137,821	59,611	113,013	110,813	-2,200	-1.9%
Other Expense	13,777	6,389	11,650	12,050	400	3.4%
Purchased Power	443,953	256,605	465,328	451,303	-14,025	-3.0%
Tele/Other Utilities	38,139	19,254	47,805	42,687	-5,118	-10.7%
Transportation	195,194	83,520	235,272	252,495	17,223	7.3%
Grand Total	2,443,035	1,256,271	2,756,888	2,738,770	-18,118	-0.7%
Programs:						
24 - Distribution Operations	90	28	0	0	0	n/a
30 - Maintenance	305	0	0	0	0	n/a
39 - Compost Site	3,499	966	2,050	2,000	-50	-2.4%
44 - WW Pumping	1,718,310	843,471	1,923,497	1,915,544	-7,953	-0.4%
45 - WW Treatment	319,426	203,879	411,485	366,308	-45,177	-11.0%
90 - Vehicles	34,335	14,231	30,504	31,211	707	2.3%
95 - Douglass Street	12,621	4,410	9,440	9,910	470	5.0%
98 - Training	46,229	43,796	47,784	58,979	11,195	23.4%
99 - Administration	308,220	145,490	332,128	354,818	22,690	6.8%
Grand Total	2,443,035	1,256,271	2,756,888	2,738,770	-18,118	-0.7%
Funds:						
10 - General	33,213	15,480	20,351	21,363	1,012	5.0%
20 - Water General	6,952	4,514	4,335	4,064	-271	-6.3%
30 - Water Standish	90	5	0	0	0	n/a
50 - Wastewater General	391,752	211,591	431,747	465,851	34,104	7.9%
51 - WW Cape Elizabeth	277,037	133,649	280,237	305,226	24,989	8.9%
53 - WW Cumberland	484,718	301,171	574,026	522,675	-51,351	-8.9%
55 - WW Windham LF	20,478	9,972	32,180	30,997	-1,183	-3.7%
57 - WW Portland	799,530	337,087	858,550	873,823	15,273	1.8%
61 - WW Gorham	147,828	97,791	184,377	147,157	-37,220	-20.2%
62 - WW Westbrook	117,393	57,321	159,231	159,672	441	0.3%
64 - WW Joint Westbrook	93,464	50,040	111,918	102,116	-9,802	-8.8%
65 - WW Joint LF	35,142	18,244	45,863	52,529	6,666	14.5%
66 - WW Peaks Island	35,438	19,406	54,073	53,297	-776	-1.4%
Grand Total	2,443,035	1,256,271	2,756,888	2,738,770	-18,118	-0.7%
Staffing Trend:						
Full-Time	12.66	13	13	13	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	12.66	13	13	13	0	0.0%

Environmental Services

Sebago Lake Land Reserve



The Sebago Lake Land Reserve is 2,500 acres of land around the southern end of Sebago Lake near the water intakes. It was purchased over the previous century to protect the water supply and to provide for public recreation. In 2005 a trail and visitor kiosk system was established to manage public access to 1,700 acres of this land. There are more than 13 miles of trails just in the Otter Ponds section of the Land Reserve and these trails have been improved and marked with signs in the past few years.

The picture above was taken in May 2014 at the second annual Trail Day. This event is organized to raise awareness of this recreational resource. Part of the planning strategy this year included reaching out to local partners to lead one of the five events offered. District staff led two events, and were joined by the Presumpscot Regional Land Trust, Maine Department of Inland Fisheries & Wildlife's Hooked on Fishing Program, New England Mountain Biking Association, and Bicycle Coalition of Maine, who lead the others. More than 130 member of the public attended.

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

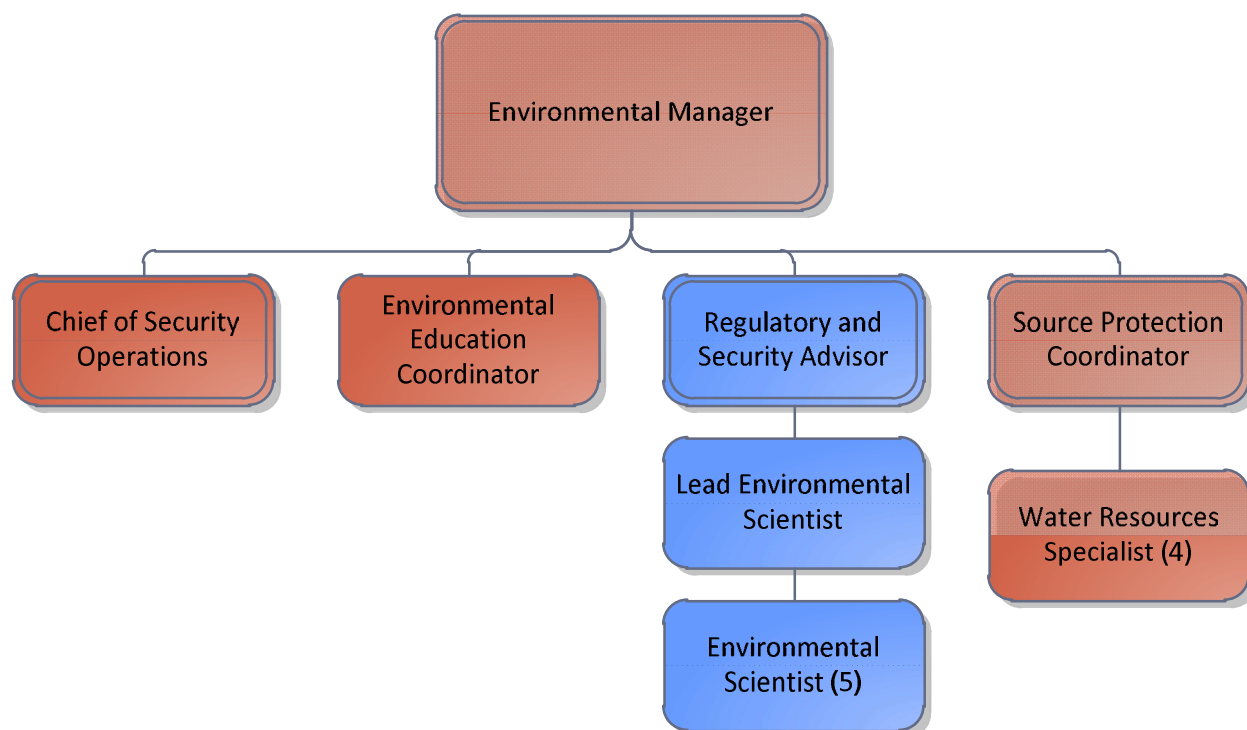
Environmental Services provides services in five core areas:

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

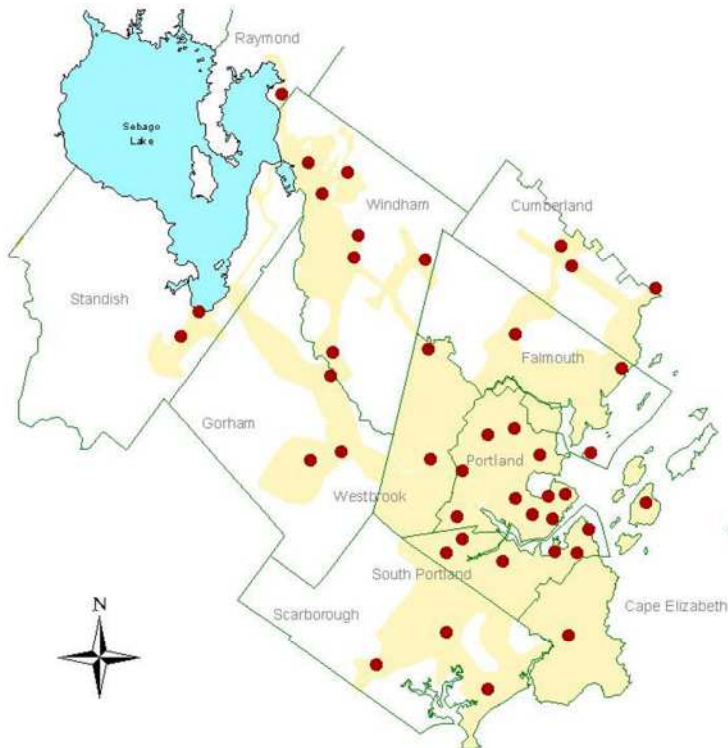
1. The Source Protection section monitors Sebago Lake and the watershed, inspects development projects in the watershed to minimize their impact, works with watershed partners to install pollution prevention and mitigation projects and works with watershed land trusts to help landowners seeking to conserve their land in perpetuity.
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: 18

Annual Watershed Inspections: 500

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

Annual Land Reserve Day-use Visitors: 15,000

Land Reserve Violations Issued: 150

Annual Lower Bay Patrol Hours: 2000

Annual Lower Bay Violators cited: 125

Certified Laboratory Analytes: 70

Average Annual Water Quality Inquiries: 258

IPT Industries Regulated: 44

Performance Benchmarks

Corporate Goals – Public Health and Environment	2013 Actual	2014 Projected	2015 Goal
Verified Water Quality Inquiries	52	70	40
Shore Land Zone Inspections	507	500	550
Watershed Properties Improved or Recommendations Made	35	20	30
Lower Bay Water Violations	127	119	110
Land Reserve Day Use Visitors	12,851	17,851	20,000
Land Reserve Violations	151	148	130
Visitors per Land Reserve Violation	143	160	150
Certified Laboratory Analytes	38	70	71
Students served monthly by Hydrologics In-School Program	1003	1000	1000

Past Accomplishments:

Source Protection since 2000:

- Completed more than 7,800 watershed inspections
- Made recommendations for improvement to more than 500 watershed properties
- Directed water quality-related improvements to more than 200 properties
- Awarded more than \$230,000 in Lake Stewards Grants which leveraged more than \$730,000 in water quality improvements
- Maintained 18 ongoing lake and watershed monitoring programs
- Reviewed plans for more than 144 large developments and, when necessary, provided planning board feedback in an effort to minimize the impact of these projects.
- Responded to 421 complaints, 243 of which prevented or mitigated environmental violations and/or pollution
- Contributed more than \$450,000 to assist in the conservation by area land trusts of more than 4,200 acres of land in the watershed.

Education and Outreach since 2000:

- Produced 21 Watershed News newsletters and 4 State of the Lake reports
- Distributed more than 41,000 Sebago Lake maps and 9,000 “Images of Sebago Lake” calendars to watershed residents and visitors
- Distributed more than 75,000 brochures and fact sheets to watershed residents and visitors
- Taught water principles to approximately 13,000 middle school-aged students through our Hydrologics in-school education program
- Provided environmental instruction to approximately 15,600 additional children, teachers, and adults through tours, events, workshops, and one-time lessons

Water Resources Security since 2005:

- Patrolled Lower Bay by boat and attended the Standish Boat Launch for approximately 16,850 hours combined.
- Issued more than 1,330 warnings for violation of water contact regulations.
- Recorded more than 87,029 day-use visits to the Sebago Lake Land Reserve.
- Issued more than 1,920 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 70 water and wastewater analytes.
- Correctly analyzed performance testing samples to maintain lab certification.
- Re-engineered the customer water quality inquiry process to ensure prompt and consistent response by appropriate staff. Responded to 317 water quality inquiries in 2012 and 271 in 2013.
- Supported the Maine State Planning Office by participating in the Maine healthy beaches program.
- Accomplished the adoption of more stringent local limits on Portland and Westbrook industrial dischargers.

Past Accomplishments (continued)

Budget Year 2014 Highlights:

- Continued implementation of the Board's new Watershed Land Conservation Program. The District approved \$346,000 to help conserve over 1300 acres of land in 2014.
- Performed an assessment of the Portland-Montreal Pipeline including its current operations, integrity management, public awareness, and spill response plans.
- In partnership with towns of Standish and Frye Island and the CCSWCD, the Sebago Lake Phase II federal non-point source grant was completed representing approximately \$47,000 of on-the-ground water quality improvements.
- Began implementation of federal non-point source grant to develop a watershed-based management for Sebago Lake.
- Worked with the Town of Standish Beach Committee to provide technical assistance for the potential development of a town swimming beach on Sebago Lake.
- Developed arsenic and TKN methods to analyze wastewater samples in the PWD lab rather than outsourcing to other labs.
- Analyzed more than 500 wastewater samples to support the East End aeration project.
- Completed and distributed an Industrial Waste Survey to Westbrook industries who in the future may be included in the IPT program.
- Analyzed several samples to support UV/Ozone project and monitored for unintended WQ changed due to the new treatment.
- A wastewater response exercise is planned for the last part of the year.
- Constructed a footbridge within the Land Reserve, protecting a small waterway from soil disturbance.
- Began construction of an outside amphitheater located behind the Resource Center.
- Incorporated additional PWD staff and local partners for annual TroutKids trout releases, including those from Maine Department of Inland Fisheries & Wildlife, Maine Department of Environmental Protection, Casco Bay Estuary Partnership, Cumberland County Soil & Water Conservation District, City of South Portland, and Royal River Conservation Trust.
- Hosted second annual Trail Day on the Sebago Lake Land Reserve; attended by 134 members of the public with events hosted by both the District and five local partners.

Budget Year 2015 Staffing Changes:

There were no changes made in staffing levels.

2014 Highlights



Organized the second annual Trail Day on the SLLR and welcomed 134 guests



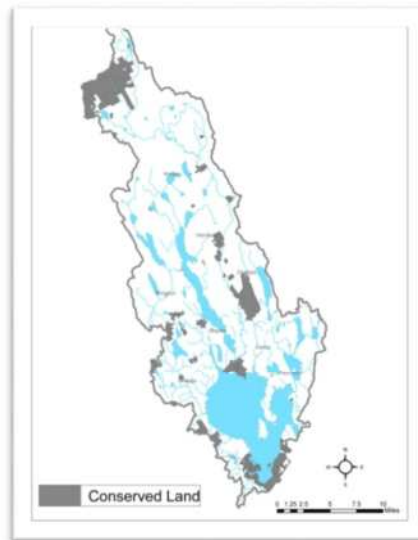
Completed the re-establishment of 13 miles of trails at Otter Ponds



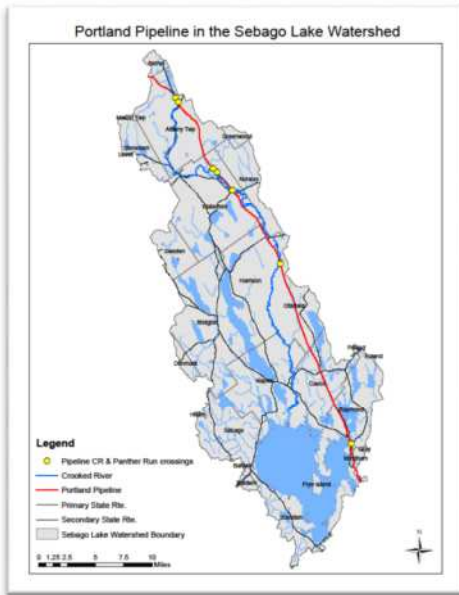
2014 Trout releases, the culmination of the TroutKids Program, were facilitated by additional experts from other departments at PWD and six community partners.



488th MP National Guard Exercise, June, 2014



Supported conservation of 1300 acres of watershed land through the Land Conservation Program



Performed an assessment of the Portland-Montreal Pipeline including its current operations, integrity management, public awareness, and spill response plans



Completed Homeland Security site assessments at Sebago Lake WTF and East End WWTF, August



Conducted lab analyses to support the 2014 UV-Ozone project at Sebago Lake WTF and to support design for the 2014-2015 Aeration upgrade at East End WWTF



Incorporated PWD Critical Contacts into MaineHAN system for quick notification during emergency

Projects and Initiatives

General

- Work with Administrative Facility Chief Operator to redesign the Lake office space.

Source Protection

- Perform inspections of all property development in the shoreland 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 18 water quality monitoring programs, analyze the data, and produce applicable water quality assessment reports.
- Continue implementation of the watershed-based management for Sebago Lake.
- 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.
- Perform upper watershed outreach and work with Portland Pipeline to ensure pipeline spill response contractors and watershed emergency response agencies are prepared in the event of a pipeline spill in the watershed.
- Complete a 2015 State of Lake Report.
- Complete process of digitizing watershed septic system files.

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.
- Initiate Round #2 monitoring for Cryptosporidium per LT2 drinking water regulation
- 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.
- Provide analytical support for ultraviolet light pilot test at Peaks Island Wastewater Treatment Facility.
- Support operations with continued monitoring for unintended water quality impacts of new treatment at Sebago Lake WTF.
- Update the District's water vulnerability assessment.

Projects and Initiatives (continued)

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 Route 237 kiosk.
- Develop a 5-year Management and Maintenance Plan for the Sebago Lake Land Reserve.
- Finish construction of an amphitheater located behind the Resource Center within the Sebago Lake Land Reserve.

Environmental Education and Outreach

- Maintain 2014 level of HydroLogics and TroutKids programs in watershed and service area schools.
- Evaluate current education programming to ensure consistency with new national science standards (Next Generation Science Standards), best practices, and teacher feedback.
- Coordinate outreach initiatives with District public relations efforts.
- Utilize technology and a variety of media to connect the public with PWD events and environmental stewardship messages.
- Recognize Drinking Water Week with District-sponsored activities for adults and children.
- Provide outreach materials to lake area public including maps, calendars, and informational brochures.
- Provide support to the Southern Maine Children's Water Festival.

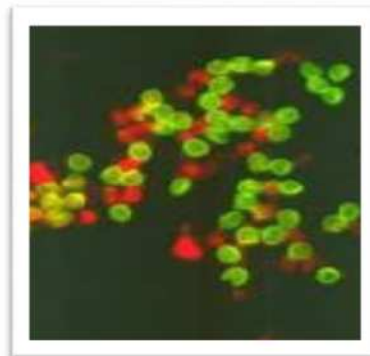
2015 Goals



Continue monitoring for unintended WQ changes after start of UV treatment at Sebago Lake Water Treatment Facility



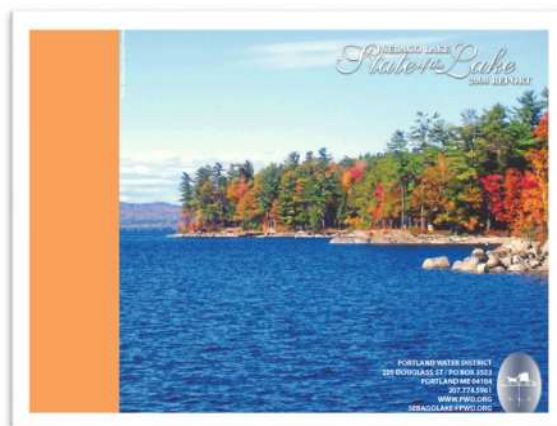
Evaluate current education programming to ensure consistency with new national science standards, best practices, and teacher feedback



Begin 2-year crypto monitoring per LT2 drinking water regulation



Work with Portland Pipe Line and upper watershed towns to ensure an effective spill response.



Complete a 2015 State of Lake Report.

2015 Targeted Grants to Watershed Partners			
2015 Proposed	Type	Recipient	Purpose
\$300	Watershed Education Support	Watershed organizations	Environmental Education
<i>Materials for watershed events.</i>			
\$4,350	Service Learning Project	Cumberland County Soil & Water Conservation District	Environmental Education
<i>Support for a service learning project in a school that recently completed a year of HydroLogics. Students will learn one water-related topic in-depth and provide a related service to their community. This program will also increase local program effectiveness through partner collaboration.</i>			
\$1,500	Teacher Support Grants	Maine Educators	Environmental Education
<i>Provides teaching resources to local teachers to support water education.</i>			
\$15,000	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.</i>			
\$750	Lakes Protection Support	Maine Lakes Society	Advocacy
<i>A contribution of \$750 to Maine Lakes Society to support their operations. Their advocacy benefits all surface supplies including PWD.</i>			
\$1,250	Lake Protection Support	Volunteer Lakes Monitoring Program	Advocacy, Monitoring
<i>A contribution of \$1,250 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>			
\$13,050	Watershed Organization 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 provides technical assistance to lakefront landowners on BMPs for lake protection and compliance with Shoreland zoning and the Natural Resources Protection Act.</i>			
\$1,250	Watershed Organization Support	Raymond Waterways Protective Association	Outreach, Source Protection
<i>RWPA works on invasive plant control, 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>			

2015 Targeted Grants to Watershed Partners (Continued)			
2015 Proposed	Type	Recipient	Purpose
\$1,500	Land Trust Support	Loon Echo Land Trust	Source Protection
<i>Loon Echo's mission is to conserve land in the towns of Denmark, Bridgton, Harrison, Naples, Casco, Sebago, and Raymond. The trust's service area encompasses 126,000 acres – nearly half - of the Sebago Lake watershed. As they make progress in pursuit of their mission our water supply is better protected.</i>			
\$1,500	Land Trust support	Western Maine Foothills Land Trust	Source Protection
<i>The Western Foothills Land Trust is organized to conserve land in the towns of Otisfield, Norway, Bethel and Waterford, among others. The trust's service area encompasses 54,000 acres – about 20% - of the Sebago Lake watershed. As they make progress in pursuit of their mission our water supply is better protected.</i>			
\$750	Maine Water Conference Support	U Maine Mitchell Center	Public Relations
<i>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. We are working with the Michelle Center to initiate a Sebago Lake Track for presentations at the conference.</i>			
\$800	Children's Water Festival	Southern Maine CWF Committee	Education, Public Relations
<i>Our support serves both a PR purpose and contributes to the educational goal of the event - raising student awareness of water issues.</i>			
\$42,000	Total Grant Support to Watershed Partners		

All Grants are subject to Board of Trustee approval.

Financial Overview

The overall Environmental Services budget is up \$45,256 from the 2014 budget, an increase of 2.4%. Of that total \$37,261 is for employee wages and benefits. Beyond the cost of labor, the most significant increase is for contracted services – lab analysis (\$10,310). These costs are for analyses required by federal or state regulation.

A5: Water Resources

- The heating budget for the lake office was reduced by \$3,000. Some contingency funds were cut (\$1,000) and the rest of the reduction represents expected savings from the installation of new windows.
- Printing costs were increased by \$3,200. This increase is because the cost of the Watershed News was underestimated last year and because in 2015 we will publish the periodic “State of the Lake” report which is more expensive to produce.
- The budget for advertising is reduced by \$3,400 due to a shift from paid advertising in newspapers and publications to less expensive advertising through social media and email.
- The budget for data lines is increased by \$1,100 to support in-field hand held data devices.
- \$4,350 is budgeted to provide a grant to Cumberland County Soil and Water Conservation District. They have agreed to pilot a service learning project which, if successful, will make their in-school education program complimentary to ours.

L6: Laboratory Services

- The budget for Professional Licenses is decreased by more than \$3,000 because the laboratories are required to be licensed every other year and 2015 is an off year.
- The lab analysis budget is increased by more than \$10,000 to cover the cost of required monitoring for cryptosporidium on the water side and Whole Effluent Toxicity and Industrial Pretreatment samples on the wastewater side. All these analyses are required by regulation.

Environmental Services: Total**Financial Summary:**

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Sub-Groups:						
A5 - Water Resources	\$924,499	\$488,114	\$1,024,919	\$1,052,393	\$27,474	2.7%
L6 - Water/WW Laboratory	820,000	406,092	829,266	847,048	17,782	2.1%
Grand Total	1,744,499	894,206	1,854,185	1,899,441	45,256	2.4%
Expense Types:						
Salaries & Wages	923,804	452,808	936,649	952,841	16,192	1.7%
Employee Benefits	419,740	218,480	439,405	460,474	21,069	4.8%
Chemicals	4,281	2,257	3,106	4,006	900	29.0%
Contracted Services	96,359	40,658	123,646	136,019	12,373	10.0%
Deferred Cost W/O	4,400	0	0	0	0	n/a
Heat/Fuel Oil	17,369	7,437	19,605	15,809	-3,796	-19.4%
Insurance	2,265	1,161	2,321	2,554	233	10.0%
Materials & Supplies	100,422	60,865	110,328	108,288	-2,040	-1.8%
Other Expense	142,630	88,758	161,895	161,230	-665	-0.4%
Purchased Power	2,352	1,428	2,532	2,923	391	15.4%
Tele/Other Utilities	5,314	2,527	4,020	4,700	680	16.9%
Transportation	25,563	17,827	50,678	50,597	-81	-0.2%
Grand Total	1,744,499	894,206	1,854,185	1,899,441	45,256	2.4%
Staffing Trend:						
Full-Time	14	14	14	14	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	15	15	15	15	0	0.0%

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Diff \$	Diff %
Salaries & Wages						
660111 - SALARIES/WAGES NON-UNION	\$302,259	\$155,088	\$312,901	\$320,574	\$7,673	2.5%
660121 - WAGES/REGULAR UNION	492,770	244,657	498,188	508,286	10,098	2.0%
660122 - WAGES/OVERTIME UNION	21,080	10,203	25,590	22,511	(3,079)	-12.0%
660123 - WAGES/DOUBLETIME UNION	6,388	2,180	6,720	6,654	(66)	-1.0%
660124 - WAGES/STANDBY TIME UNION	204	-	-	-	-	n/a
660131 - WAGES - REGULAR - TEMPS	90,081	40,680	93,250	94,816	1,566	1.7%
660132 - WAGES - OVERTIME- TEMPS	57	-	-	-	-	n/a
660133 - WAGES - DOUBLETIME - TEMP	77	-	-	-	-	n/a
66014 - VACATION ACCRUAL	5,720	-	-	-	-	n/a
66015 - SICKTIME ACCRUAL	5,168	-	-	-	-	n/a
Salaries & Wages Total	923,804	452,808	936,649	952,841	16,192	1.7%
Employee Benefits						
660401 - FICA - EMPLOYERS' SHARE	68,371	34,474	71,654	72,892	1,238	1.7%
660403 - LIFE INSURANCE	-	1,200	-	-	-	n/a
660405 - SAFETY/WHY PROGRAM ITEMS	2,752	367	3,554	3,455	(99)	-2.8%
660411 - MEALS ALLOWANCE	36	-	-	-	-	n/a
6604151 - FIELD UNIFORMS	-	-	1,200	1,200	-	0.0%
660418 - STIPENDS	1,700	1,800	1,900	1,900	-	0.0%
660419 - EMPLOYEE BENEFITS-MISC OTH	1,891	40	-	-	-	n/a
660491 - FRINGE BENEFITS-REG/SAL	344,990	180,599	361,097	381,027	19,930	5.5%
Employee Benefits Total	419,740	218,480	439,405	460,474	21,069	4.8%
Chemicals						
661899 - OTHER CHEMICALS	4,281	2,257	3,106	4,006	900	29.0%
Chemicals Total	4,281	2,257	3,106	4,006	900	29.0%
Contracted Services						
66353 - REPAIR SERVICES	-	-	-	4,400	4,400	n/a
66354 - MAINTENANCE SERVICES	32,919	16,852	52,835	49,848	(2,987)	-5.7%
663545 - RADIO SERVICING AND EQUIP	-	157	-	-	-	n/a
663546 - MAINTENANCE - SNOW REMOVL	-	-	1,500	1,500	-	0.0%
663551 - LAB ANALYSIS	46,918	16,654	38,115	48,425	10,310	27.0%
663574 - DISPOSAL SERVICES	5,689	702	6,700	4,800	(1,900)	-28.4%
663587 - COURIER SERVICES	2,244	1,124	2,196	2,946	750	34.2%
663599 - MISC OTHER SERVICES	1,137	2,682	-	-	-	n/a
6636 - TECHNICAL SERVICES	7,452	2,487	22,300	24,100	1,800	8.1%
Contracted Services Total	96,359	40,658	123,646	136,019	12,373	10.0%
Deferred Cost W/O						
66754 - DEFERRED COSTS WRITE OFF	4,400	-	-	-	-	n/a
Deferred Cost W/O Total	4,400	-	-	-	-	n/a
Heat/Fuel Oil						
661622 - CONTAINER DELIVERED	9,653	5,293	11,305	8,309	(2,996)	-26.5%
66166 - UNLEADED GAS	7,716	2,144	8,300	7,500	(800)	-9.6%
Heat/Fuel Oil Total	17,369	7,437	19,605	15,809	(3,796)	-19.4%
Insurance						
66599 - PROPERTY & BOILER INSUR	2,265	1,161	2,321	2,554	233	10.0%
Insurance Total	2,265	1,161	2,321	2,554	233	10.0%

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Diff \$	Diff %
Materials & Supplies						
6619 - ASSET PURCHASES	\$19,213	\$16,527	\$12,750	\$12,050	(\$700)	-5.5%
66202 - TOOLS	158	176	1,450	1,100	(350)	-24.1%
66203 - VENDOR PURCHASED SUPPLIES	7,312	2,146	10,750	10,250	(500)	-4.7%
662042 - SUPPLIES INVENTORY	743	439	1,575	1,675	100	6.3%
662042 - TOOL INVENTORY	72	474	300	500	200	66.7%
662043 - TOOL INVENTORY	30	140	550	550	-	0.0%
66204301 - INVENTORY - TONER	1,154	-	-	-	-	n/a
66204302 - INVENTORY - PAPER	88	-	-	-	-	n/a
66204303 - INVENTORY-COMPUTER EQUIP	1,579	1,942	350	1,350	1,000	285.7%
662047 - GARAGE INVENTORY	21	11	100	100	-	0.0%
66205 - CONSUMABLE SUPPLIES	68,388	35,019	75,690	75,250	(440)	-0.6%
66206 - COMPUTER EQUIPMENT	-	-	-	5,463	5,463	n/a
663564 - COMPUTER-RELATED EQUIP	1,664	3,991	6,813	-	(6,813)	-100.0%
Materials & Supplies Total	100,422	60,865	110,328	108,288	(2,040)	-1.8%
Other Expense						
66411 - INTERNAL RENTAL CHARGES	48,600	24,300	48,600	48,600	-	0.0%
6642 - EQUIPMENT RENT	-	-	-	300	300	n/a
66601 - PUBLIC RELATIONS	6,031	3,193	5,500	5,500	-	0.0%
66609 - OTHER ADVERTISING	5,881	2,971	5,600	2,200	(3,400)	-60.7%
6675111 - INSTATE TRAINING	3,487	4,466	4,200	6,800	2,600	61.9%
6675112 - OUT OF STATE TRAINING	1,111	48	1,500	6,500	5,000	333.3%
6675121 - IN STATE CONFERENCES	1,647	596	3,500	-	(3,500)	-100.0%
6675122 - OUT-OF-STATE CONFERENCES	3,664	1,623	2,300	-	(2,300)	-100.0%
667513 - DUES	2,480	14,914	16,245	16,480	235	1.4%
667514 - PROFESSIONAL LICENSES	14,300	418	3,945	795	(3,150)	-79.8%
667515 - PERIODICAL SUBSCRIPTIONS	201	33	580	580	-	0.0%
667516 - PERMITS	90	80	-	100	100	n/a
667521 - POSTAGE - THIRD PARTY	1,951	1,103	3,350	2,900	(450)	-13.4%
667522 - POSTAGE - INTERNAL	329	229	400	750	350	87.5%
667523 - POSTAGE - EXPRESS DELIVER	7	-	300	150	(150)	-50.0%
667531 - PRINTING COSTS	14,905	9,603	19,550	22,750	3,200	16.4%
667556 - FREIGHT CHARGES (STOCK)	183	183	-	-	-	n/a
667561 - WATERSHED GRANTS/SUPPORT	32,020	22,452	41,450	42,000	550	1.3%
667591 - UNIFORMS	3,158	1,073	2,750	2,750	-	0.0%
667592 - FOOD SUPPLIES	938	613	1,975	2,075	100	5.1%
667599 - OTHER MISCELLANEOUS	1,647	860	150	-	(150)	-100.0%
Other Expense Total	142,630	88,758	161,895	161,230	(665)	-0.4%
Purchased Power						
66155 - POWER - SMALL ENERGY	1,129	691	1,248	1,673	425	34.1%
66156 - POWER - SMALL T&D	1,223	737	1,284	1,250	(34)	-2.6%
Purchased Power Total	2,352	1,428	2,532	2,923	391	15.4%
Tele/Other Utilities						
66101 - WATER	149	79	310	310	-	0.0%
66111 - TELEPHONE LINES	296	-	650	650	-	0.0%
66112 - DATA LINES	1,985	932	540	1,640	1,100	203.7%
66113 - CELLULAR PHONES	2,884	1,516	2,520	2,100	(420)	-16.7%
Tele/Other Utilities Total	5,314	2,527	4,020	4,700	680	16.9%
Transportation						
66501 - TRANSPORTATION - INTERNAL	17,406	7,435	14,419	16,507	2,088	14.5%
665019 - TRANS INTERNAL INACTIVE	-	5,937	27,209	24,640	(2,569)	-9.4%
66503 - MILEAGE REIMBURSEMENT	8,157	4,455	9,050	9,450	400	4.4%
Transportation Total	25,563	17,827	50,678	50,597	(81)	-0.2%
Grand Total	1,744,499	894,206	1,854,185	1,899,441	45,256	2.4%

Environmental Services: Water Resources (A5)

Financial Summary:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$513,397	\$252,490	\$523,457	\$534,192	\$10,735	2.1%
Employee Benefits	226,536	118,170	237,792	249,424	11,632	4.9%
Contracted Services	38,707	20,387	74,832	79,382	4,550	6.1%
Deferred Cost W/O	4,400	0	0	0	0	n/a
Heat/Fuel Oil	16,258	7,003	18,300	14,500	-3,800	-20.8%
Insurance	2,265	1,161	2,321	2,554	233	10.0%
Materials & Supplies	20,865	23,272	29,338	29,025	-313	-1.1%
Other Expense	73,407	45,926	85,670	89,495	3,825	4.5%
Purchased Power	2,352	1,428	2,532	2,923	391	15.4%
Tele/Other Utilities	5,314	2,527	4,020	4,700	680	16.9%
Transportation	20,998	15,750	46,657	46,198	-459	-1.0%
Grand Total	924,499	488,114	1,024,919	1,052,393	27,474	2.7%
Programs:						
28 - Monitoring	123,541	49,719	122,294	143,606	21,312	17.4%
41 - Pretreatment	3,367	954	5,928	6,134	206	3.5%
56 - Tech Ops Support	43,682	16,582	71,585	53,019	-18,566	-25.9%
78 - Education	99,595	61,137	148,102	123,925	-24,177	-16.3%
82 - Lake Security	178,100	83,535	179,705	183,237	3,532	2.0%
83 - Customer Outreach	106,680	69,560	106,147	121,651	15,504	14.6%
98 - Training	41,769	26,182	31,870	35,639	3,769	11.8%
99 - Administration	327,765	180,445	359,288	385,182	25,894	7.2%
Grand Total	924,499	488,114	1,024,919	1,052,393	27,474	2.7%
Funds:						
10 - General	215,801	112,417	231,361	258,553	27,192	11.8%
20 - Water General	705,331	374,743	787,630	787,706	76	0.0%
57 - WW Portland	3,135	358	5,928	6,134	206	3.5%
61 - WW Gorham	0	358	0	0	0	n/a
62 - WW Westbrook	232	238	0	0	0	n/a
Grand Total	924,499	488,114	1,024,919	1,052,393	27,474	2.7%
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:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$410,407	\$200,317	\$413,192	\$418,648	\$5,456	1.3%
Employee Benefits	193,203	100,310	201,613	211,051	9,438	4.7%
Chemicals	4,281	2,257	3,106	4,006	900	29.0%
Contracted Services	57,653	20,272	48,814	56,637	7,823	16.0%
Heat/Fuel Oil	1,111	434	1,305	1,309	4	0.3%
Materials & Supplies	79,557	37,593	80,990	79,263	-1,727	-2.1%
Other Expense	69,222	42,833	76,225	71,735	-4,490	-5.9%
Transportation	4,566	2,076	4,021	4,399	378	9.4%
Grand Total	820,000	406,092	829,266	847,048	17,782	2.1%
Programs:						
28 - Monitoring	218	0	0	0	0	n/a
41 - Pretreatment	66,145	35,837	67,144	66,506	-638	-1.0%
56 - Tech Ops Support	48,610	33,851	64,009	55,738	-8,271	-12.9%
63 - Sample Analysis	402,094	188,270	394,947	371,814	-23,133	-5.9%
78 - Education	155	241	2,571	1,603	-968	-37.7%
98 - Training	27,414	15,133	29,284	28,683	-601	-2.1%
99 - Administration	275,364	132,760	271,311	322,704	51,393	18.9%
Grand Total	820,000	406,092	829,266	847,048	17,782	2.1%
Funds:						
10 - General	244,874	112,182	240,758	288,500	47,742	19.8%
20 - Water General	229,765	119,421	244,250	237,849	-6,401	-2.6%
50 - Wastewater General	233,501	126,246	249,837	224,495	-25,342	-10.1%
51 - WW Cape Elizabeth	2,614	317	1,000	1,980	980	98.0%
57 - WW Portland	72,312	32,020	56,495	58,024	1,529	2.7%
61 - WW Gorham	4,310	1,837	6,431	4,940	-1,491	-23.2%
62 - WW Westbrook	20,529	10,437	22,073	20,730	-1,343	-6.1%
64 - WW Joint Westbrook	10,067	2,347	6,822	9,605	2,783	40.8%
66 - WW Peaks Island	2,028	1,285	1,600	925	-675	-42.2%
Grand Total	820,000	406,092	829,266	847,048	17,782	2.1%
Staffing Trend:						
Full-Time	7	7	7	7	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	7	7	7	7	0	0.0%

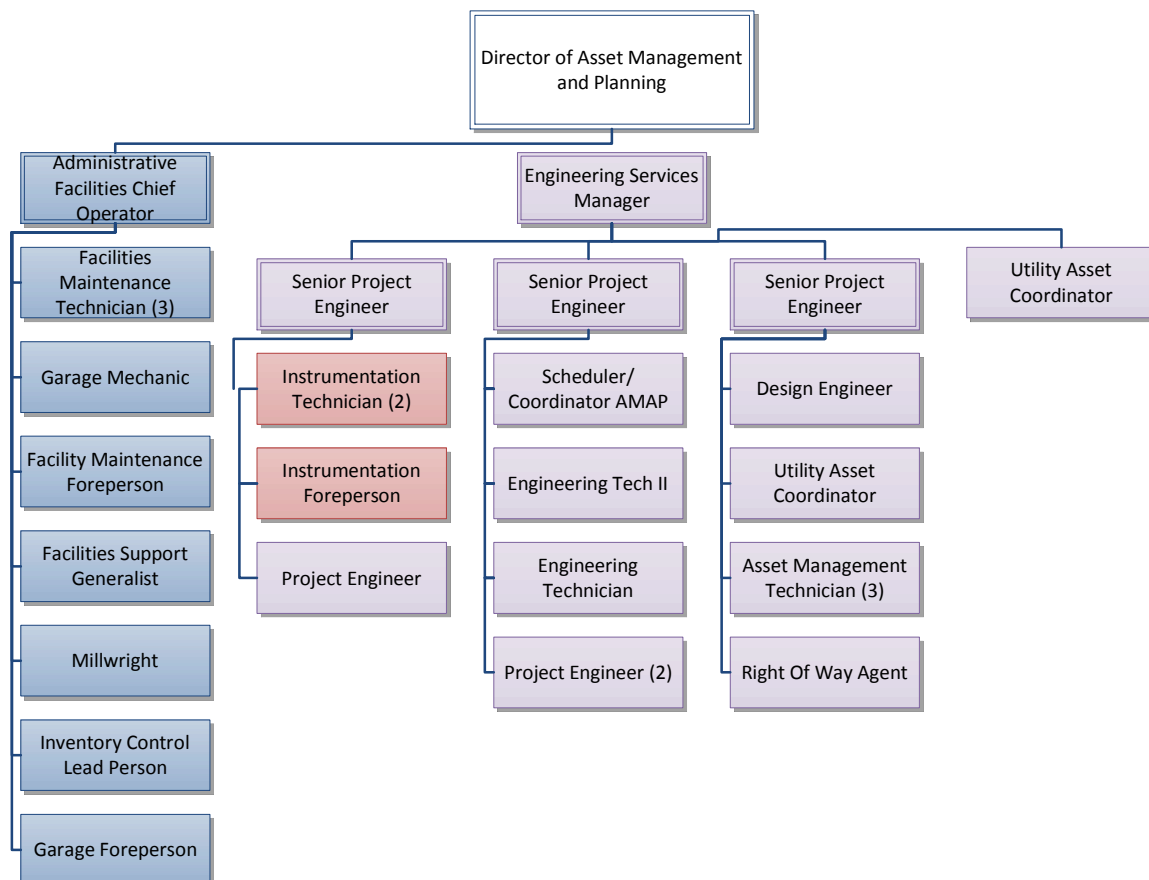
Engineering Services - Purpose Statement

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

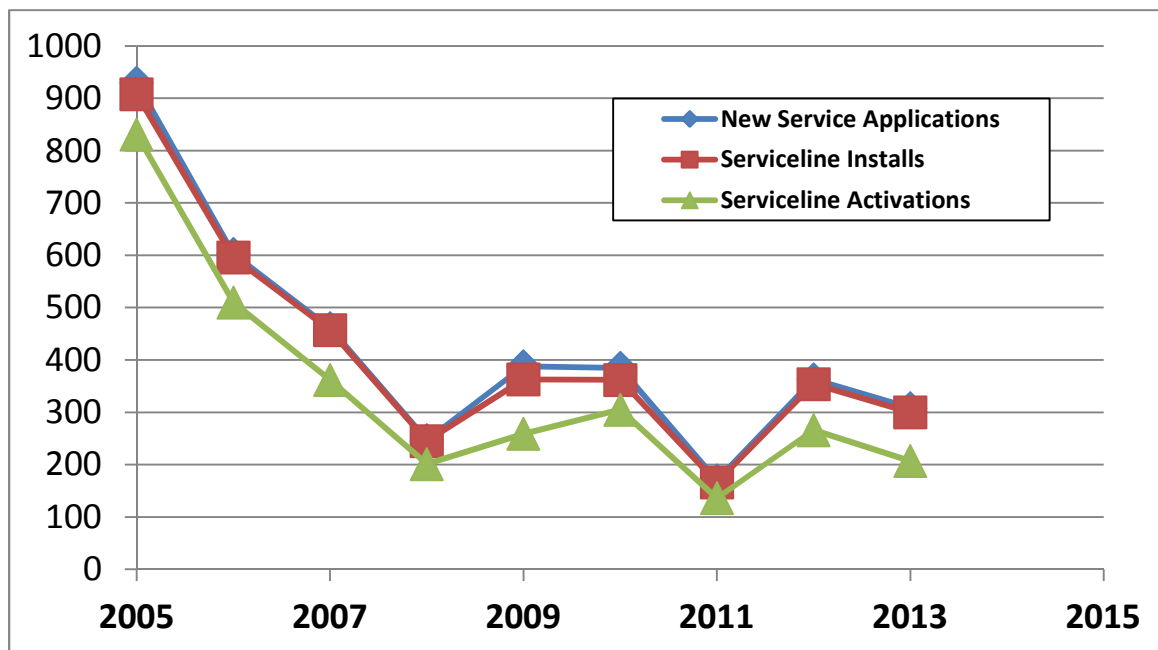
Engineering Services is responsible for providing engineering and maintenance services to internal and external customers. They are responsible for the following services:

- 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	1,318
Equipment/Components	9,144
Vehicles/Heavy Equipment	109
Water Service Association Assets (meters, backflows, etc)	209,300
Water Field Assets	45,776
Sewer Field Assets	6,436
Total Assets	272,273

Performance Benchmarks

Corporate Goal – Reliability	2013 Actual	2014 Projected	2015 Goal
Leaks per 100 miles of main	10.9	<25	<25
Main Renewals, feet	24,500	29,500	27,000
Main Extensions, feet	10,700	8,000	11,000
SCADA telemetry uptime (Wastewater), percent	99.64	99.00	99.00
SCADA telemetry uptime (Water), percent	98.92	99.00	99.00
Corporate Goal - Affordability			
New Water Services	300	300	350
Corporate Goal – Employees and Work Environment			
Employee Training Hours	83	85	80

Past Accomplishments

- Implemented and supported improvements to water/wastewater process control and documentation through SCADA, data warehouse, digital control and radio projects.
- Supported Wastewater vertical asset P&ID development and apprentice training.
- 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 EEWWTF aeration upgrade preliminary design.
- Renewed more than 5 miles of water mains as lead agency and as a partner with MDOT and municipalities. Undertook water and sewer main design and construction in support of Combined Sewer Overflow (CSO) initiatives in the Cities of Portland and Westbrook.
- Continued building envelope improvements with additional roof projects at Douglass St and the South Portland Metering Station.
- Managed construction of new customer service entrance to Douglass St.
- 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).

Projects and Initiatives

Corporate Goal – Public Health

- Continue lead/support role of design and construction of EEWWTF aeration upgrade project.

Corporate Goals – Reliability and Affordability

- Continue facility improvements including the Nixon Center Audio system and roof at the Douglass St facility and the Fore River Pump Station roof.
- Continue to support development and deployment of the hierarchy browser and GIS AIMSpatial asset management tools.
- 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.

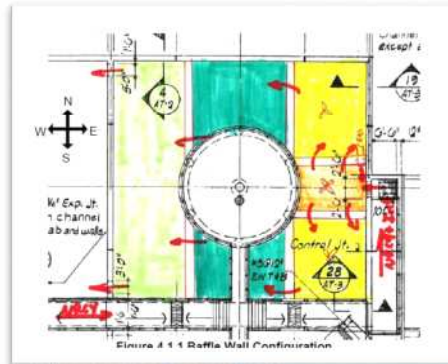
Corporate Goal – Employees and Work Environment

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

2014 Highlights



Oversaw design and construction of Douglass St. Customer Service entrance



Managed EEWWTF Aeration Upgrade project

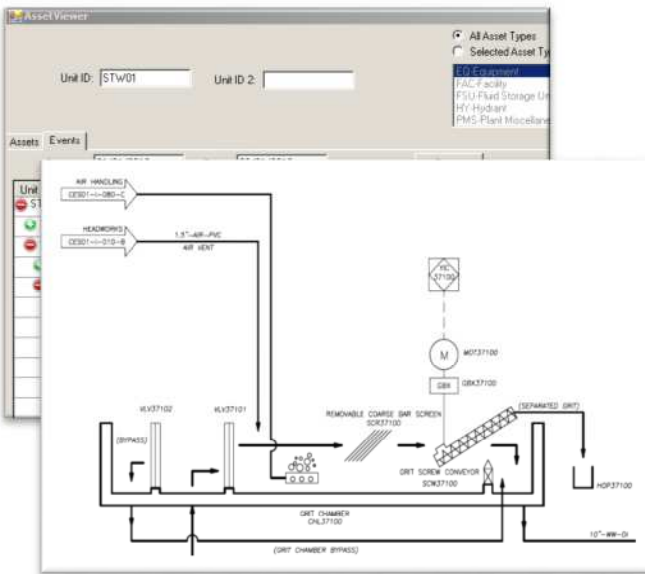


Managed UV/Ozone Disinfection upgrade project



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

2015 Goals



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

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



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

Successfully manage design and construction of EEWTF Aeration Upgrade

Financial Overview

The Engineering Services 2015 budget request is \$4,011,001 which is \$132,522 or 3.4% 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 \$110,121 or 5.5% reflecting higher gasoline costs and increased maintenance costs.

Asset Engineering's budget increases by \$22,071 or 1.4%. Salaries/Wages/Benefits increases are partially offset by reduction in engineering project charge-offs.

Instrumentation's budget is \$330 or 0.1% higher due to Salaries/Wages/Benefits increases offset by reductions in certain inventories.

Significant Expense Type changes in 2015 are listed below:

Salaries, Wages and Employee Benefits

No changes in the number of employees are planned for 2015. Increase reflects salary increase of 2.0% and higher allocated benefits costs, primarily due to the increases in pension plan costs.

Contracted Services

There is a \$33,573 increase in Maintenance Services. This is primarily due to increases in grounds and vehicle maintenance.

Deferred Cost W/O

The line item includes an increase of \$7,600 to reflect costs related to the Wastewater CSO Master Plan Study.

Heat/Fuel Oil

This line was decreased \$8,955 (6.3%) to reflect the decrease in per gallon costs (\$3.06 from \$3.30) for Douglass Street heating oil. The usage was kept constant to reflect the 3-year actual usage.

Materials and Supplies

The line item includes an increase of \$18,810 in unleaded gas reflecting higher unit prices.

Other Expenses

The line item includes an increase in the credit to the O&M budget for engineering costs allocated to capital projects of \$9,860.

Transportation

The line item includes an increase in inactive internal transportation costs of \$21,070.

Engineering Services – Total

Financial Summary

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Sub-Groups:						
C1 - Facilities Services	\$1,779,072	\$986,658	\$1,984,546	\$2,094,667	\$110,121	5.5%
E2 - Asset Engineering	1,544,216	727,317	1,564,399	1,586,470	22,071	1.4%
E7 - Instrumentation	303,316	161,701	329,534	329,864	330	0.1%
Grand Total	3,626,604	1,875,676	3,878,479	4,011,001	132,522	3.4%
Expense Types:						
Salaries & Wages	1,632,037	771,303	1,656,554	1,676,192	19,638	1.2%
Employee Benefits	848,049	405,189	849,582	885,891	36,309	4.3%
Contracted Services	335,629	205,440	390,672	438,746	48,074	12.3%
Deferred Cost W/O	11,802	5,901	11,802	19,402	7,600	64.4%
Heat/Fuel Oil	124,603	85,324	143,200	134,245	-8,955	-6.3%
Insurance	42,018	21,400	41,717	44,644	2,927	7.0%
Materials & Supplies	492,163	291,302	566,618	585,258	18,640	3.3%
Other Expense	-72,089	-32,825	-50,840	-58,000	-7,160	14.1%
Purchased Power	70,994	33,958	75,442	73,360	-2,082	-2.8%
Tele/Other Utilities	70,274	38,889	91,100	85,213	-5,887	-6.5%
Transportation	71,124	49,795	102,632	126,050	23,418	22.8%
Grand Total	3,626,604	1,875,676	3,878,479	4,011,001	132,522	3.4%
Staffing Trend:						
Full-Time	30	30	30	30	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	30	30	30	30	0	0.0%

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Diff \$	Diff %
Salaries & Wages						
660111 - SALARIES/WAGES NON-UNION	\$915,803	\$407,103	\$898,127	\$897,917	(\$210)	0.0%
660121 - WAGES/REGULAR UNION	716,986	354,269	709,254	729,464	20,210	2.8%
660122 - WAGES/OVERTIME UNION	4,567	1,116	6,121	9,418	3,297	53.9%
660123 - WAGES/DOUBLETIME UNION	-	-	4,861	1,481	(3,380)	-69.5%
660124 - WAGES/STANDBY TIME UNION	293	226	232	472	240	103.4%
660131 - WAGES - REGULAR - TEMPS	28,108	8,589	37,959	37,440	(519)	-1.4%
66014 - VACATION ACCRUAL	(8,347)	-	-	-	-	n/a
66015 - SICKTIME ACCRUAL	(25,373)	-	-	-	-	n/a
Salaries & Wages Total	1,632,037	771,303	1,656,554	1,676,192	19,638	1.2%
Employee Benefits						
660401 - FICA - EMPLOYERS' SHARE	122,778	56,982	126,726	128,229	1,503	1.2%
660405 - SAFETY/WHY PROGRAM ITEMS	5,471	797	5,210	7,415	2,205	42.3%
660411 - MEALS ALLOWANCE	10	20	40	40	-	0.0%
660413 - PWD TRAINING PROGRAM	355	14	-	-	-	n/a
660418 - STIPENDS	1,900	1,800	2,000	2,100	100	5.0%
660419 - EMPLOYEE BENEFITS-MISC OTH	6,431	927	-	-	-	n/a
660491 - FRINGE BENEFITS-REG/SAL	711,104	344,649	715,606	748,107	32,501	4.5%
Employee Benefits Total	848,049	405,189	849,582	885,891	36,309	4.3%
Contracted Services						
6631 - ENGINEERING SERVICES	7,299	2,408	5,000	5,000	-	0.0%
6635221 - PAVING - MINOR REPAIR	426	-	-	-	-	n/a
663524 - STREET OPENING	-	194	-	-	-	n/a
663525 - CONTRACTOR CONSTRUCTION	500	-	-	-	-	n/a
663526 - INSPECTION SERVICES	1,193	13	-	-	-	n/a
66353 - REPAIR SERVICES	3,741	6,385	5,000	10,000	5,000	100.0%
66354 - MAINTENANCE SERVICES	201,099	126,309	253,600	287,173	33,573	13.2%
663561 - COMPUTER LICENSES	21,520	19,157	25,120	25,120	-	0.0%
663562 - COMPUTER MAINTAINENCE	3,000	-	250	250	-	0.0%
663563 - COMPUTER CONSULTING/OTHER	-	-	800	800	-	0.0%
663574 - DISPOSAL SERVICES	15,024	8,373	18,100	21,600	3,500	19.3%
663587 - COURIER SERVICES	9,004	4,495	8,802	8,553	(249)	-2.8%
663588 - EQUIPMENT MAINTENANCE	-	125	5,000	5,250	250	5.0%
663589 - SECURITY SERVICES	67,066	35,203	65,000	71,500	6,500	10.0%
663591 - APPRAISAL SERVICES	900	-	-	-	-	n/a
663599 - MISC OTHER SERVICES	4,857	533	2,000	2,500	500	25.0%
6636 - TECHNICAL SERVICES	-	2,245	2,000	1,000	(1,000)	-50.0%
Contracted Services Total	335,629	205,440	390,672	438,746	48,074	12.3%
Deferred Cost W/O						
66754 - DEFERRED COSTS WRITE OFF	11,802	5,901	11,802	19,402	7,600	64.4%
Deferred Cost W/O Total	11,802	5,901	11,802	19,402	7,600	64.4%
Heat/Fuel Oil						
66161 - HEATING OIL	112,927	76,309	125,400	116,265	(9,135)	-7.3%
661621 - PIPELINE DELIVERED PROPAN	1,640	925	1,800	1,980	180	10.0%
66166 - UNLEADED GAS	10,036	8,090	16,000	16,000	-	0.0%
Heat/Fuel Oil Total	124,603	85,324	143,200	134,245	(8,955)	-6.3%

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Diff \$	Diff %
Insurance						
6656 - VEHICAL INSURANCE	\$29,261	\$14,045	\$28,090	\$30,056	\$1,966	7.0%
66561 - VEHICAL INSURANCE REIMBUR	(1,357)	541	-	-	-	n/a
66593 - UMBRELLA INSURANCE COVER	7,838	3,534	7,069	7,564	495	7.0%
66599 - PROPERTY & BOILER INSUR	6,276	3,280	6,558	7,024	466	7.1%
Insurance Total	42,018	21,400	41,717	44,644	2,927	7.0%
Materials & Supplies						
6619 - ASSET PURCHASES	15,949	12,746	25,250	32,750	7,500	29.7%
66202 - TOOLS	11,940	1,556	12,150	12,000	(150)	-1.2%
66203 - VENDOR PURCHASED SUPPLIES	144,859	84,050	188,450	180,915	(7,535)	-4.0%
662041 - MATERIALS INVENTORY	(73)	34,004	7,300	7,750	450	6.2%
662042 - SUPPLIES INVENTORY	17,751	9,547	17,800	17,050	(750)	-4.2%
662043 - TOOL INVENTORY	13,304	5,774	9,775	11,000	1,225	12.5%
66204301 - INVENTORY - TONER	2,341	-	750	-	(750)	-100.0%
66204302 - INVENTORY - PAPER	561	63	500	500	-	0.0%
66204303 - INVENTORY-COMPUTER EQUIP	4,677	2,595	2,300	3,300	1,000	43.5%
662044 - METER INVENTORY	(2,246)	1,432	-	-	-	n/a
662046 - HYDRANT INVENTORY	(2,044)	21	-	-	-	n/a
662047 - GARAGE INVENTORY	6,856	4,332	8,850	8,850	-	0.0%
66204701 - INVENTORY - UNLEADED GAS	163,553	81,564	168,720	187,530	18,810	11.1%
66204702 - INVENTORY - DIESEL	87,820	41,261	92,510	91,512	(998)	-1.1%
66204703 - INVENTORY - TIRES	20,598	6,914	15,000	15,000	-	0.0%
66205 - CONSUMABLE SUPPLIES	1,681	939	4,350	4,100	(250)	-5.7%
66206 - COMPUTER EQUIPMENT	-	-	-	13,001	13,001	n/a
663564 - COMPUTER-RELATED EQUIP	4,636	4,504	12,913	-	(12,913)	-100.0%
Materials & Supplies Total	492,163	291,302	566,618	585,258	18,640	3.3%
Other Expense						
6642 - EQUIPMENT RENT	3,202	-	2,500	2,500	-	0.0%
66601 - PUBLIC RELATIONS	-	62	-	-	-	n/a
66609 - OTHER ADVERTISING	681	-	-	-	-	n/a
6675111 - INSTATE TRAINING	8,358	8,983	10,000	10,500	500	5.0%
6675112 - OUT OF STATE TRAINING	9,127	84	7,000	7,000	-	0.0%
6675121 - IN STATE CONFERENCES	251	226	3,000	3,000	-	0.0%
6675122 - OUT-OF-STATE CONFERENCES	1,191	788	4,000	5,000	1,000	25.0%
667513 - DUES	1,265	514	2,550	2,850	300	11.8%
667514 - PROFESSIONAL LICENSES	2,145	1,103	3,350	3,450	100	3.0%
667515 - PERIODICAL SUBSCRIPTIONS	66	-	550	550	-	0.0%
667516 - PERMITS	1,150	710	2,500	2,500	-	0.0%
667521 - POSTAGE - THIRD PARTY	8	-	-	-	-	n/a
667522 - POSTAGE - INTERNAL	437	170	500	500	-	0.0%
667523 - POSTAGE - EXPRESS DELIVER	1,111	554	-	800	800	n/a
667552 - SAFETY TRAINING	-	-	500	500	-	0.0%
667555 - SAFETY EXPENSES	458	-	1,500	1,500	-	0.0%
667556 - FREIGHT CHARGES (STOCK)	6,635	2,912	5,000	5,000	-	0.0%
667592 - FOOD SUPPLIES	358	-	50	50	-	0.0%
667599 - OTHER MISCELLANEOUS	3,637	239	500	500	-	0.0%
6676 - CONTRA ACCOUNT	(112,169)	(49,170)	(94,340)	(104,200)	(9,860)	10.5%
Other Expense Total	(72,089)	(32,825)	(50,840)	(58,000)	(7,160)	14.1%

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Diff \$	Diff %
Purchased Power						
66153 - POWER - MEDIUM ENERGY	46,127	21,876	49,178	49,178	-	0.0%
66154 - POWER - MEDIUM T&D	22,082	10,319	23,362	21,098	(2,264)	-9.7%
66155 - POWER - SMALL ENERGY	1,344	859	1,440	1,771	331	23.0%
66156 - POWER - SMALL T&D	1,419	904	1,462	1,313	(149)	-10.2%
66157 - FORWARD CAPACITY	22	-	-	-	-	n/a
Purchased Power Total	70,994	33,958	75,442	73,360	(2,082)	-2.8%
Tele/Other Utilities						
66101 - WATER	15,096	8,392	23,500	19,500	(4,000)	-17.0%
66111 - TELEPHONE LINES	22,105	12,118	23,954	23,131	(823)	-3.4%
66112 - DATA LINES	27,061	15,162	36,302	36,068	(234)	-0.6%
66113 - CELLULAR PHONES	5,470	2,871	6,890	6,110	(780)	-11.3%
66114 - PAGERS	542	346	454	404	(50)	-11.0%
Tele/Other Utilities Total	70,274	38,889	91,100	85,213	(5,887)	-6.5%
Transportation						
66501 - TRANSPORTATION - INTERNAL	68,133	16,854	69,696	73,244	3,548	5.1%
665019 - TRANS INTERNAL INACTIVE	-	31,166	22,761	43,831	21,070	92.6%
66502 - TRANSPORTATION - EXTERNAL	822	573	3,450	3,100	(350)	-10.1%
66503 - MILEAGE REIMBURSEMENT	2,169	1,202	6,725	5,875	(850)	-12.6%
Transportation Total	71,124	49,795	102,632	126,050	23,418	22.8%
Grand Total	3,626,604	1,875,676	3,878,479	4,011,001	132,522	3.4%

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

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$463,928	\$222,752	\$468,910	\$481,188	\$12,278	2.6%
Employee Benefits	235,527	116,433	238,028	253,041	15,013	6.3%
Contracted Services	297,841	183,617	357,502	379,253	21,751	6.1%
Heat/Fuel Oil	124,603	85,324	143,200	147,180	3,980	2.8%
Insurance	42,018	21,400	41,717	44,644	2,927	7.0%
Materials & Supplies	454,463	265,814	527,718	564,868	37,150	7.0%
Other Expense	-7,798	-3,526	110	1,250	1,140	1036.4%
Purchased Power	70,994	33,958	75,442	73,360	-2,082	-2.8%
Tele/Other Utilities	59,993	33,292	76,988	72,655	-4,333	-5.6%
Transportation	37,503	27,594	54,931	77,228	22,297	40.6%
Grand Total	1,779,072	986,658	1,984,546	2,094,667	110,121	5.5%
Programs:						
23 - Stockroom Operations	91,606	52,793	97,761	127,675	29,914	30.6%
24 - Distribution Operations	52,127	30,199	43,706	48,168	4,462	10.2%
30 - Maintenance	215,239	98,947	226,879	224,523	-2,356	-1.0%
55 - Prof Ops Support	67,871	37,565	43,037	69,012	25,975	60.4%
90 - Vehicles	623,365	309,036	712,123	711,374	-749	-0.1%
93 - Stockroom Scrap	7,998	22,688	250	250	0	0.0%
95 - Douglass Street	578,715	359,064	738,001	749,836	11,835	1.6%
98 - Training	27,493	23,729	35,818	35,156	-662	-1.8%
99 - Administration	114,658	52,637	86,971	128,673	41,702	47.9%
Grand Total	1,779,072	986,658	1,984,546	2,094,667	110,121	5.5%
Funds:						
10 - General	1,342,699	744,414	1,572,913	1,625,040	52,127	3.3%
20 - Water General	293,065	187,132	249,870	322,383	72,513	29.0%
30 - Water Standish	11,606	293	16,287	11,857	-4,430	-27.2%
51 - WW Cape Elizabeth	26,498	11,837	19,544	22,164	2,620	13.4%
53 - WW Cumberland	6,927	5,425	8,960	8,974	14	0.2%
55 - WW Windham LF	206	0	110	130	20	18.2%
57 - WW Portland	65,515	29,285	78,454	71,785	-6,669	-8.5%
61 - WW Gorham	7,090	2,088	8,811	7,353	-1,458	-16.5%
62 - WW Westbrook	4,811	1,582	4,433	4,353	-80	-1.8%
64 - WW Joint Westbrook	13,692	2,142	20,226	17,058	-3,168	-15.7%
65 - WW Joint LF	1,125	495	1,200	1,200	0	0.0%
66 - WW Peaks Island	5,838	1,965	3,738	2,370	-1,368	-36.6%
Grand Total	1,779,072	986,658	1,984,546	2,094,667	110,121	5.5%
Staffing Trend:						
Full-Time	10	10	10	10	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	10	10	10	10	0	0.0%

Engineering Services -Asset Engineering Services (E2)

Financial Summary

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$1,012,572	\$476,684	\$1,030,395	\$1,035,220	\$4,825	0.5%
Employee Benefits	534,010	250,502	529,865	547,331	17,466	3.3%
Contracted Services	20,343	2,665	9,800	10,300	500	5.1%
Deferred Cost W/O	11,802	5,901	11,802	19,402	7,600	64.4%
Materials & Supplies	19,317	5,834	12,100	11,813	-287	-2.4%
Other Expense	-68,918	-30,965	-61,050	-69,750	-8,700	14.3%
Tele/Other Utilities	7,586	3,984	10,042	8,708	-1,334	-13.3%
Transportation	7,504	12,712	21,445	23,446	2,001	9.3%
Grand Total	1,544,216	727,317	1,564,399	1,586,470	22,071	1.4%
Programs:						
57 - Means Coordination	210,779	111,644	285,052	286,395	1,343	0.5%
79 - Amap Services	347,633	215,816	483,212	487,324	4,112	0.9%
94 - Technology Teams	235,990	108,514	266,252	259,140	-7,112	-2.7%
98 - Training	74,260	44,078	74,017	73,955	-62	-0.1%
99 - Administration	675,554	247,265	455,866	479,656	23,790	5.2%
Grand Total	1,544,216	727,317	1,564,399	1,586,470	22,071	1.4%
Funds:						
10 - General	882,554	375,133	689,238	708,823	19,585	2.8%
20 - Water General	497,879	275,166	635,927	635,716	-211	0.0%
50 - Wastewater General	36,632	18,419	228,548	223,122	-5,426	-2.4%
51 - WW Cape Elizabeth	3,245	1,975	0	0	0	n/a
53 - WW Cumberland	1,059	0	0	0	0	n/a
55 - WW Windham LF	114	0	0	0	0	n/a
57 - WW Portland	32,871	30,227	84	207	123	146.4%
61 - WW Gorham	398	0	0	0	0	n/a
62 - WW Westbrook	10,602	6,830	10,602	18,602	8,000	75.5%
64 - WW Joint Westbrook	28,140	10,662	0	0	0	n/a
66 - WW Peaks Island	50,722	8,905	0	0	0	n/a
Grand Total	1,544,216	727,317	1,564,399	1,586,470	22,071	1.4%
Staffing Trend:						
Full-Time	17	17	17	17	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	17	17	17	17	0	0.0%

Engineering Services - Instrumentation Services (E7)

Financial Summary

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$155,538	\$71,866	\$157,248	\$159,785	\$2,537	1.6%
Employee Benefits	78,512	38,254	81,690	85,519	3,829	4.7%
Contracted Services	17,445	19,157	23,370	23,370	0	0.0%
Materials & Supplies	18,382	19,654	26,800	21,465	-5,335	-19.9%
Other Expense	4,627	1,666	10,100	10,500	400	4.0%
Tele/Other Utilities	2,695	1,612	4,070	3,850	-220	-5.4%
Transportation	26,117	9,492	26,256	25,375	-881	-3.4%
Grand Total	303,316	161,701	329,534	329,864	330	0.1%
Programs:						
81 - Instrumentation & Control	182,642	75,856	206,481	187,247	-19,234	-9.3%
94 - Technology Teams	16	0	3,085	1,861	-1,224	-39.7%
98 - Training	12,889	8,327	18,609	18,755	146	0.8%
99 - Administration	107,769	77,518	101,359	122,001	20,642	20.4%
Grand Total	303,316	161,701	329,534	329,864	330	0.1%
Funds:						
10 - General	120,675	85,846	123,053	142,616	19,563	15.9%
20 - Water General	53,271	26,876	73,911	63,525	-10,386	-14.1%
50 - Wastewater General	14,916	11,315	57,919	58,181	262	0.5%
51 - WW Cape Elizabeth	25,616	4,463	500	425	-75	-15.0%
53 - WW Cumberland	2,483	0	1,000	850	-150	-15.0%
57 - WW Portland	53,135	10,365	70,751	62,407	-8,344	-11.8%
61 - WW Gorham	6,910	5,549	500	425	-75	-15.0%
62 - WW Westbrook	11,202	4,675	500	425	-75	-15.0%
64 - WW Joint Westbrook	6,959	7,114	800	560	-240	-30.0%
65 - WW Joint LF	2,420	1,071	0	0	0	n/a
66 - WW Peaks Island	5,729	4,427	600	450	-150	-25.0%
Grand Total	303,316	161,701	329,534	329,864	330	0.1%
Staffing Trend:						
Full-Time	3	3	3	3	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	3	3	3	3	0	0.0%

Administrative Services - Purpose Statement

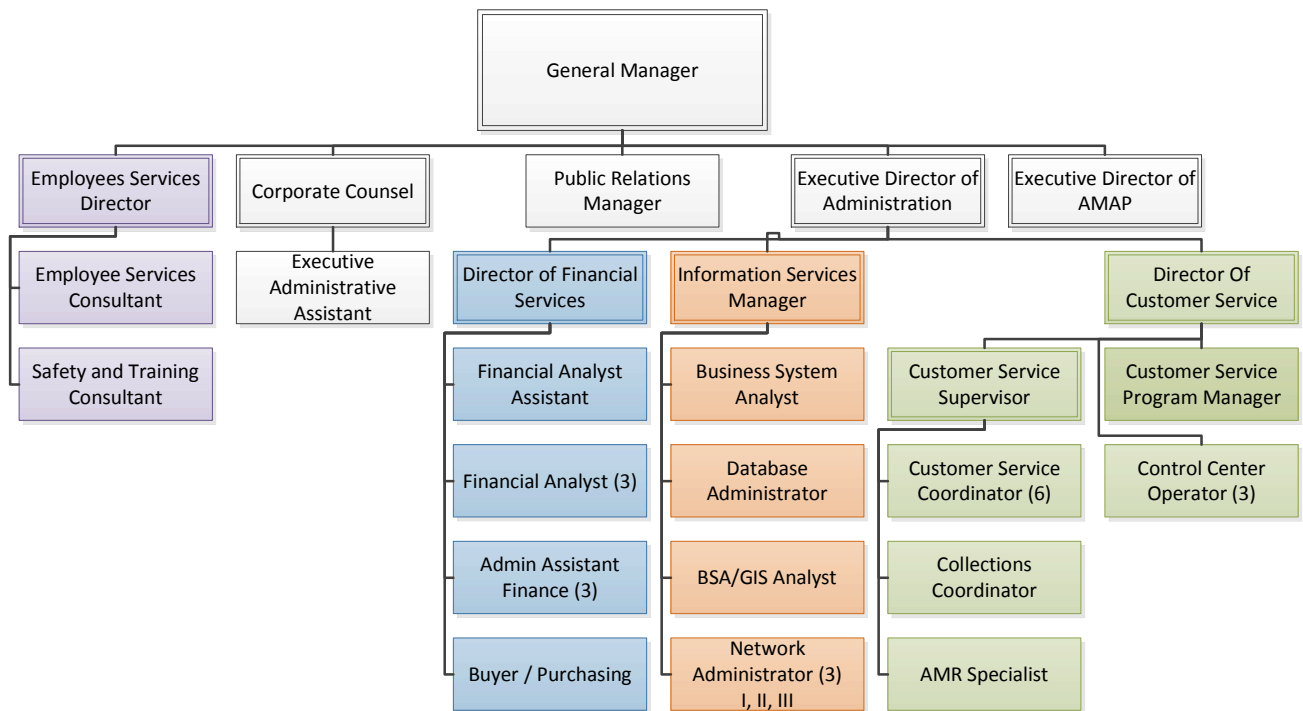
To provide support services to internal and external customers

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.

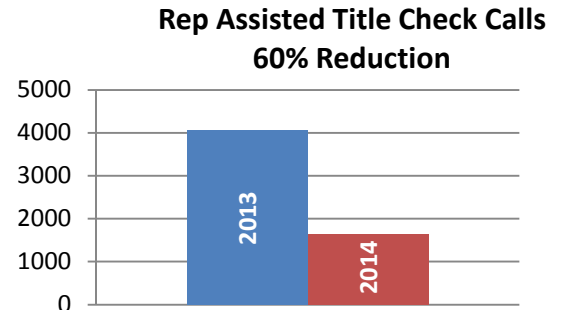


Past Accomplishments and 2015 Projects and Initiatives

Customer Service

Past Accomplishments

- **Title Check Program: Self-service on the WEB to Reduce Phone Calls:** When a property is being sold, title companies call PWD to obtain outstanding water and sewer balances so full payment can be collected at the closing. PWD created a WEB program allowing title companies to obtain this information themselves without involving PWD's call center. From August 2013 through August 2014 the Title Check WEB program has reduced the number of customer rep assisted phone calls by 60%.



- **Paperless Bills:** We continued our campaign to increase the number of paperless bills by running a contest for a drawing to Win Free Water for A Year for customers who signed up for paperless bills. We increased the number of paperless bills by 14% in 2014. We expect to have a total of 12,230 customers on paperless bills by year end, for an annual savings of \$79,250.
- **Rates:** PWD Water rates were updated and tested as well as sewer rates for the City of Portland, City of South Portland, and the Town of Cape Elizabeth.
- **RFP for Bill Printing:** The contract for bill printing, mailing and billing supplies went out to bid in 2014. We secured a 3 year contract with Direct Mail of Maine and Tall Oaks Printing. The contract included a price reduction for DMM's labor and a price reduction in the cost of bill statement forms
- **Memorandum of Understanding (MOU):** A Memorandums of Understanding, outlining sewer billing and collection services provided by PWD to participating municipalities, was created for each municipality.
- **Submeters:** June 2014 completed a one year pilot program for Portland customers to purchase submeters from the City instead of PWD. The program was a success and will be rolled out to other sewer municipalities in the near future. The program clarifies the municipality's ownership of the submeter program.
- **Training:** Our field training program for CS employees continued into 2014 with visits to the ecology center and the Sebago Lake Water Treatment Facility. The SLWTF included tours of the lab and the new UV disinfection area.
- **Paperless WOs and SRs for Utility Specialists:** Customer Service participated on a team with water operations to eliminate printing daily work orders used by Utility Specialists. Under the new process the Utility Specialists use their truck laptops to access orders and complete their work. CS staff now processes completed work by report rather than stacks of printed orders.

Past Accomplishments and 2015 Projects and Initiatives (continued)

Customer Service (continued)

2015 Projects and Initiatives

- 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.
- MOU and New Submeter Process: Meetings will be set up with wastewater municipalities who receive our billing and collection services to review their newly created Memorandum of Understanding. As part of the MOU, we will recommend each municipality move to the new submeter process where the municipality sells and inspects the submeter, and PWD ships it. The MOU will be an addendum to the contract we currently have with municipalities who receive our sewer billing and collection services.
- ITRON Equipment Upgrade: We expect our automated mobile meter reading equipment and handheld units to be replaced in 2015. This may also involve an upgrade of our meter reading software called MVRs. Our original equipment is aging and will not be able to read the new 100w ERTS that are replacing the 60w ERTS we currently install.
- Rates: PWD water rates and wastewater rates for municipalities who are changing their rates will be updated in our billing system and tested to ensure bills are accurate.
- Automated Processing to Finalize or Establish Service: PWD receives approximately 400 requests each month to open or close an account due to change of ownership. A meter reading is required to start or end billing, and several fields in the customer billing system are manually updated. We would like to automate the manual processing to be more efficient and accurate.
- SMART Form for Self-service on the WEB: We will explore creating a form on the WEB that allows customers to self-help rather than contact our call center for assistance. Depending on what type of self-service we decide to allow, we may need to build intelligence into the form that looks to the billing system to approve or deny the self-service request. If denied the customer would be advised to call us to speak with a customer service representative.
- Create SMART Report for URR (Usage Reading Review): We manually review usage before billing for anomalies (high usage, negative usage, usage but no one to bill, etc.). The anomalies are displayed on a screen in the billing system but are not captured on a report. Once reviewed the information disappears. We want to create a report that preserves the data and builds in the intelligence, currently provided by staff, to screen the data.

Key Statistics

	2013	2014	2015
	Actual	Projected	Goal
Customers Served	53,790	54,000	54,500
Phone calls answered within 1 min	81.00%	85.00%	82.00%
Customer satisfaction	98.00%	97.00%	97.00
Actual vs Estimated Reads	99.67%	99.57%	99.00%
Accurate bill index	99.97%	99.96%	99.85%
Customer Contacts	51,552	55,700	57,500
Bills Produced			
Bills Produced	633,604	636,000	631,000

Past Accomplishments and 2015 Projects and Initiatives (continued)

Information Services

2014 Highlights



Computer Infrastructure Projects

- VDI Deployment – Converted end user machines to virtual desktops
- Windows 7 Upgrade from Windows XP
- Call Rex – Upgraded enterprise call recording system.
- WINOPS – Lab Data collection server – increased performance by 200%
- **Migration of 6 physical network servers to Virtual Network Servers (reducing overall count by 5 servers)**

Water Treatment Facilities Projects

- Fiber upgrade at Ozone Plant Speed increase from 5MB to 20MB
- Cold Site Phase 1 at Ozone Plant – First phase of developing a redundant data center.
- Wi-Fi Installation at Ozone Plant and Resource Center
- Replacement Ozone DHCP Server – Critical server used to enable network logons.



Computer Security

- SCADA Security Audit - Installation of SCADA Virus Scan Stations – Used to ensure now virus can be transferred onto SCADA network via contractor USB keys.

System Development and Process Projects

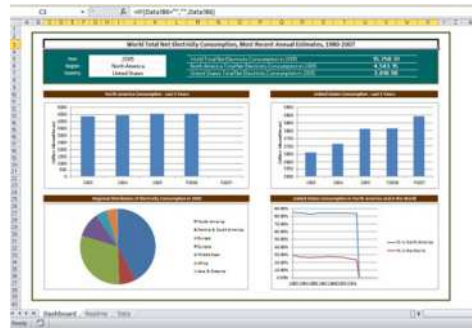
- Vehicle Booking Workflow – Automated booking and tracking application.
- New CIP Database – Used to track Capital Improvement Programs at PWD.
- Redesign of PWD.ORG website – Enable viewing of pwd.org website on mobile devices.
- Timecard automation of Hansen data to Pentamation.
- Email to Project Logs – Integrates Outlook and our Asset Management System.
- Vehicle Utilization Electronic Sign Off
- SharePoint Document Management Pilot
- Paperless Timecard



Past Accomplishments and 2015 Projects and Initiatives (continued)

Information Services

2015 Projects and Initiatives



Computer Infrastructure Projects

- Mail Server Upgrade to Exchange 2010
- Phone system software upgrade
- Active Directory Upgrade – used to manage network users.
- SharePoint Upgrade to SharePoint 2013
- Crystal Enterprise Upgrade – PWD reporting system
- Upgrade GIS to ESRI 10.1 – PWD's mapping software
- Microsoft Office Upgrade to Office 2013
- Hansen Server Upgrade – Upgrade of physical server that runs our asset management system and billing system.

System Development and Process Projects

- SharePoint Document Management
- SharePoint Dashboards

Devices Maintained:

Device Type	2012	2013	2014	2015
Servers	30	30	43	38
Virtual Servers	6	9	19	25
Laptops	60	54	54	55
CPU	52	40	30	25
Thin Clients	95	112	120	130
Firewall	3	3	3	3
Switches	32	24	26	28
Routers	5	5	5	5
Phone Switches	11	11	11	11
Desk Phones	162	164	164	168
Smart Phones	16	19	18	18
Printers/Scanner	40	47	47	47
Copiers	8	8	8	8
Tablets	3	16	20	20
Total	523	542	564	581

Major Software:

AutoCAD
 CallRex Call Recording
 Citrix Presentation Server and XenServer
 Crystal Reports
 ESRI Geographic Information Systems
 Hach WIMS
 Hansen Asset Management/Customer Relation
 Informix (1), Oracle (3) and SQL (1) databases
 Microsoft Office 2010
 Pentamation Financial
 SharePoint Enterprise 2010
 ShoreTel IP Phone System
 Windows Server 2008

Past Accomplishments and 2015 Projects and Initiatives (continued)

Financial Services

Past Accomplishments

- 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 timecard and eliminating potential data input errors.
- Put in place a process for the electronic request and approval of fixed capital project request forms.

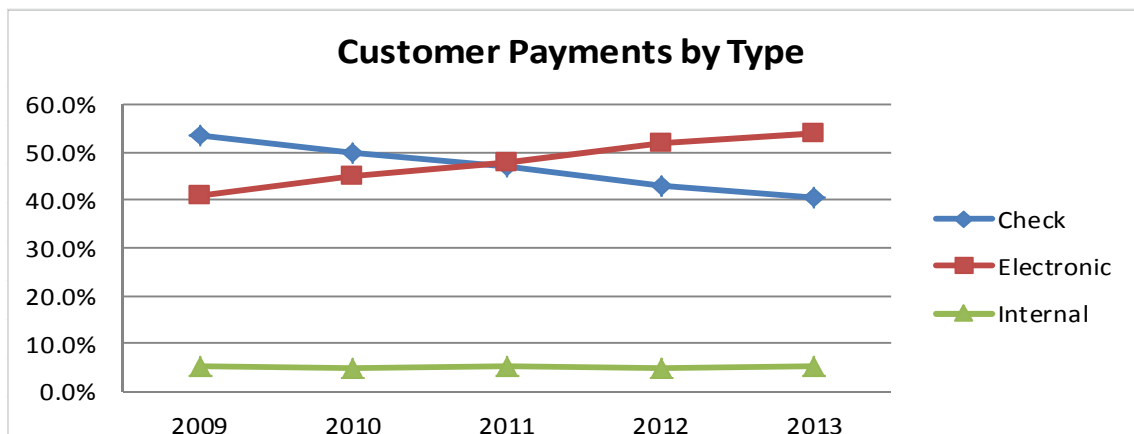
2015 Projects and Initiatives

- Develop and put in place a process for electronic review and approval of employee timecards.
- Link all fixed asset additions between the Pentamation financial system and the Hansen asset system via Hansen's asset valuation module.
- Develop and put in place a process a new database for managers to input and create their annual labor budget requests that will give them immediate feedback on changes they are making and that will eliminate manual input to the Finance system.

Key statistics

Significant financial transaction processing:

- Payroll (weekly, 9,600 checks/year)
- Vendor payment (weekly, 6,150 check/year)
- Customer Bill payments (daily, 600,000/year)
- Fixed Capital (FC) project requests processed (daily, 550/year)
- Requisitions/Purchases orders processed/created (daily, 1,600/year)



Past Accomplishments and 2015 Projects and Initiatives (continued)

Employee Services

Past Accomplishments

- Based on the 3 year Labor Contract negotiated in 2012-3, the following agreed to changes were implemented in 2014:
 - Employee-only medical cost sharing increased another 1% this year
 - the traditional monthly pension increased by another \$0.25 (defined benefit plan)
 - “reasonable suspicion drug testing” was put in place
- Received Board approval to modify the Defined Benefit to ensure same gender couples who are legally married are recognized in Maine, and are legally eligible for spousal benefits regardless of their ultimate State of residency.
- Several policies were updated, communicated and distributed.
- Conducted bi-annual salary survey for Union and non-Union positions.
- Captured all employee required license and certification requirements in electronic format. Obtained cross-functional alignment.
- Clarified required safety training by job function, and improved tracking and reporting mechanisms.

2015 Projects and Initiatives

- Preparation for labor negotiations as the current labor contract expires in November 2015.
- Employee satisfaction survey will be conducted, evaluated, and related action items initiated.
- Collaborate with Finance to implement Affordable Care Act employer reporting requirements to the IRS.
- Union and non-Union defined benefit plans will be re-stated.
- Continue to review and potentially modify the medical plan design to diminish/avoid the 2018 “Cadillac Tax” (40% excise tax).
- Implement re-modeled accident/incident reporting form and process.

Financial Overview

The Administrative Services budget request is \$5,249,828, which is \$178,714 or 3.5% higher than last year. The number of employees remains the same at 40 with one employee, the Customer Service Program Manager, increasing his hours to 40 hours per week from 24 hours.

Customer Service (F1) Group (\$1,521,075 request; \$66,079 or 4.5% higher)

- Salaries/Wages and Benefits: Same number of position however Customer Service Program Manager added and Control Center Operator position eliminated. Additionally, a summer-time temporary was added.
- Contracted Services : Decrease costs due to the cost savings related to higher number of customer opting to receive their bills electronically rather than through the mail. Also, the bill printing service was put out to bid resulting in lower costs.
- Materials & Supplies: Meter reading equipment that was in last year's operating budget was not purchased. The plan is to purchase in 2015 but costs will be included in the capital budget.
- Other Expenses: Postage rate increase of 1 cent incorporated into the budget.

Information Service (G1) Group (\$926,077 request; \$7,610 or 0.8% lower)

- Salaries/Wages and Benefits: Same number of positions however Network Administrator I added and part-time Strategic Project Manager eliminated.
- Contracted Services: Reduced the amount needed for third-party consulting and maintenance costs
- Other Expenses: Reduced the amount of planned training.

Financial Services (H1) Group (\$958,329 request; \$5,586 or 0.6% higher)

- Salaries/Wages and Benefits: Same level of staffing. Decrease attributed to lower salary of new employee compared with the longer tenured employee who left the District.
- Contracted Services: Increase in fees related to higher number on-line payments.
- Other Expenses: Reduced the amount of planned training

Employee Service (I1) Group (\$415,724 request; \$25,073 or 6.4% higher)

- Salaries/Wages and Benefits: No staffing changes planned.
- Contracted Services: Additional legal expenses planned due to 2015 being a year the union contract needs to be renegotiated.
- Other Expenses: Increased the amount of planned training.

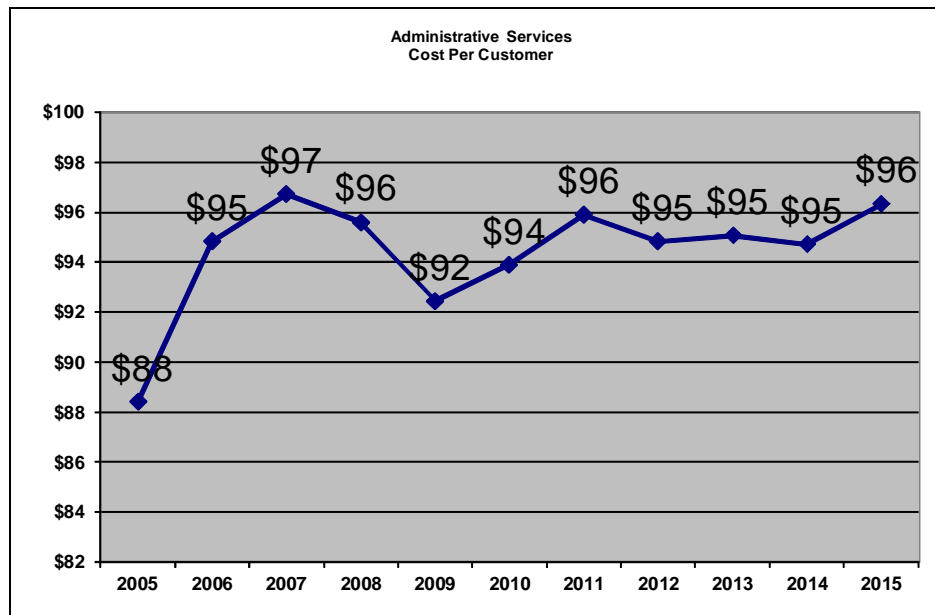
Executive (J1) Group (\$1,428,623 request; \$89,586 or 6.7% higher)

- Salaries/Wages and Benefits: No staffing changes planned.
- Contracted Services: The periodic customer satisfaction survey is planned for 2015
- Other Expenses: Additional amount is included to cover expenses related to water deregulation effort and search for a new general manager.

Administrative Services: Total

Financial Summary:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Sub-Groups:						
F1 - Customer Service	\$1,382,662	\$696,923	\$1,454,996	\$1,521,075	\$66,079	4.5%
G1 - Information Services	871,354	432,047	933,687	926,077	-7,610	-0.8%
H1 - Financial Services	971,154	518,789	952,743	958,329	5,586	0.6%
I1 - Employee Services	411,781	174,053	390,651	415,724	25,073	6.4%
J1 - BOT & Senior Management	1,222,511	612,009	1,339,037	1,428,623	89,586	6.7%
Grand Total	4,859,462	2,433,821	5,071,114	5,249,828	178,714	3.5%
Expense Types:						
Salaries & Wages	2,322,859	1,139,786	2,397,165	2,469,891	72,726	3.0%
Employee Benefits	1,151,400	592,551	1,234,908	1,307,111	72,203	5.8%
Contracted Services	757,653	414,324	762,105	747,824	-14,281	-1.9%
Deferred Cost W/O	21,954	5,043	10,086	10,086	0	0.0%
Insurance	81,947	35,076	71,213	78,057	6,844	9.6%
Materials & Supplies	57,731	26,522	57,053	49,388	-7,665	-13.4%
Other Expense	402,148	196,936	490,466	536,660	46,194	9.4%
Tele/Other Utilities	26,969	12,072	24,800	28,022	3,222	13.0%
Transportation	36,801	11,511	23,318	22,789	-529	-2.3%
Grand Total	4,859,462	2,433,821	5,071,114	5,249,828	178,714	3.5%
Staffing Trend:						
Full-Time	39	38	38	39	1	2.6%
Part- Time	<u>1</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>-1</u>	<u>-50.0%</u>
Total	40	40	40	40	0	0.0%



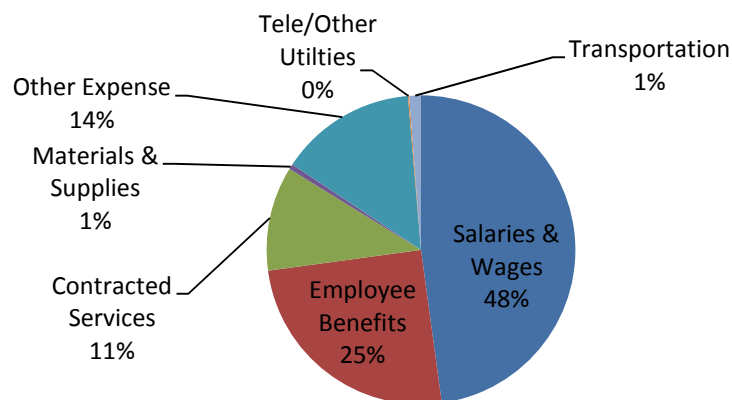
	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Salaries & Wages						
660111 - SALARIES/WAGES NON-UNION	\$1,665,863	\$823,622	\$1,723,458	\$1,816,356	\$92,898	5.4%
660121 - WAGES/REGULAR UNION	579,242	288,977	619,944	591,157	(28,787)	-4.6%
660122 - WAGES/OVERTIME UNION	25,102	9,540	20,925	21,420	495	2.4%
660131 - WAGES - REGULAR - TEMPS	2,172	-	3,838	3,838	-	0.0%
660136 - CONTRACTED - TEMPS	-	-	-	10,120	10,120	n/a
66014 - VACATION ACCRUAL	(5,759)	-	-	-	-	n/a
660141 - TRUSTEES COMPENSATION	23,150	11,950	27,000	27,000	-	0.0%
66015 - SICKTIME ACCRUAL	25,769	-	-	-	-	n/a
66351 - CONTRACTED TEMPORARIES	7,320	5,697	2,000	-	(2,000)	-100.0%
Salaries & Wages Total	2,322,859	1,139,786	2,397,165	2,469,891	72,726	3.0%
Employee Benefits						
660401 - FICA - EMPLOYERS' SHARE	169,685	85,051	183,230	188,172	4,942	2.7%
660405 - SAFETY/WHY PROGRAM ITEMS	5,252	918	6,965	6,575	(390)	-5.6%
6604065 - PENSION LEGAL EXPENSE	190	-	-	-	-	n/a
660407 - EDUCATION SUBSIDY	-	602	-	-	-	n/a
660411 - MEALS ALLOWANCE	21	20	80	80	-	0.0%
660413 - PWD TRAINING PROGRAM	627	710	-	-	-	n/a
660418 - STIPENDS	300	300	300	200	(100)	-33.3%
660419 - EMPLOYEE BENEFITS-MISC OTH	6,931	1,711	1,050	5,350	4,300	409.5%
660420 - WORKFORCE PLANNING	200	-	-	-	-	n/a
660491 - FRINGE BENEFITS-REG/SAL	968,194	503,239	1,043,283	1,106,734	63,451	6.1%
Employee Benefits Total	1,151,400	592,551	1,234,908	1,307,111	72,203	5.8%
Contracted Services						
662062 - PRINTER REPAIR	2,000	4,000	3,500	3,500	-	0.0%
662063 - COPIER MAINTENANCE/TONER	10,610	3,733	9,500	9,500	-	0.0%
6632 - ACCOUNTING SERVICES	31,838	31,250	31,250	32,500	1,250	4.0%
66331 - LEGAL - LABOR RELATIONS	96,115	8,698	45,000	55,000	10,000	22.2%
66333 - BOND COUNSEL	-	-	7,500	7,500	-	0.0%
66339 - LEGAL - OTHER	56,802	42,747	36,400	36,400	-	0.0%
66354 - MAINTENANCE SERVICES	1,938	-	-	-	-	n/a
663545 - RADIO SERVICING AND EQUIP	1,583	3,124	5,000	5,000	-	0.0%
663561 - COMPUTER LICENSES	8,794	221	6,000	5,000	(1,000)	-16.7%
663562 - COMPUTER MAINTAINENCE	176,022	114,863	223,627	202,909	(20,718)	-9.3%
663563 - COMPUTER CONSULTING/OTHER	30,447	12,969	39,500	32,500	(7,000)	-17.7%
6635801 - EMPLOYEE HEALTH SERVICES	7,198	3,688	7,950	8,745	795	10.0%
663581 - UTILITY BILLING PRINTING	82,604	52,382	85,597	74,579	(11,018)	-12.9%
663582 - PAYMENT PROCESSING	128,520	65,211	127,650	131,850	4,200	3.3%
663583 - RECEIVABLE COLLECTIONS	12,164	3,906	10,000	10,000	-	0.0%
663584 - BANK SERVICE CHARGES	11,951	6,031	12,000	12,000	-	0.0%
663587 - COURIER SERVICES	3,473	2,294	2,316	4,370	2,054	88.7%
663588 - EQUIPMENT MAINTENANCE	10	-	1,500	1,500	-	0.0%
663592 - RECRUITING SERVICES	3,631	1,963	7,250	7,250	-	0.0%
663594 - DIGSAFE	71,217	40,652	76,080	74,736	(1,344)	-1.8%
663595 - OUTPLACEMENT SERVICES	-	-	2,000	2,000	-	0.0%
663598 - HR CONSULTANT SERVICES	675	-	2,000	2,000	-	0.0%
6635984 - LANGUAGE INTERPRETATION	-	-	300	300	-	0.0%
663599 - MISC OTHER SERVICES	20,061	16,592	20,185	28,685	8,500	42.1%
Contracted Services Total	757,653	414,324	762,105	747,824	(14,281)	-1.9%
Deferred Cost W/O						
66754 - DEFERRED COSTS WRITE OFF	21,954	5,043	10,086	10,086	-	0.0%
Deferred Cost W/O Total	21,954	5,043	10,086	10,086	-	0.0%
Insurance						
6657 - GEN LIABILITY INSURANCE	52,201	23,045	46,088	49,314	3,226	7.0%
66592 - DAMAGES & CLAIMS-GOODWILL	7,247	-	2,000	4,000	2,000	100.0%
66593 - UMBRELLA INSURANCE COVER	4,221	1,903	3,806	4,072	266	7.0%
66594 - PROFESSION/CRIME BONDING	18,278	10,128	19,319	20,671	1,352	7.0%
Insurance Total	81,947	35,076	71,213	78,057	6,844	9.6%

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Diff \$	Diff %
Materials & Supplies						
6619 - ASSET PURCHASES	\$5,965	\$3,308	\$2,000	\$3,000	\$1,000	50.0%
66202 - TOOLS	81	-	-	-	-	n/a
66203 - VENDOR PURCHASED SUPPLIES	1,491	354	3,750	3,100	(650)	-17.3%
662042 - SUPPLIES INVENTORY	2,805	1,493	2,550	2,600	50	2.0%
662043 - TOOL INVENTORY	2,790	411	175	225	50	28.6%
66204301 - INVENTORY - TONER	6,109	5,856	10,000	10,150	150	1.5%
66204302 - INVENTORY - PAPER	2,403	1,483	5,000	5,000	-	0.0%
66204303 - INVENTORY - COMPUTER EQUIP	2,126	2,928	3,100	4,188	1,088	35.1%
662047 - GARAGE INVENTORY	49	37	-	-	-	n/a
66205 - CONSUMABLE SUPPLIES	4,758	572	2,750	2,550	(200)	-7.3%
66206 - COMPUTER EQUIPMENT	-	-	-	4,575	4,575	n/a
663564 - COMPUTER-RELATED EQUIP	29,154	10,080	27,728	14,000	(13,728)	-49.5%
Materials & Supplies Total	57,731	26,522	57,053	49,388	(7,665)	-13.4%
Other Expense						
6642 - EQUIPMENT RENT	2,755	1,458	2,950	2,950	-	0.0%
66601 - PUBLIC RELATIONS	1,420	811	-	1,600	1,600	n/a
66609 - OTHER ADVERTISING	6,388	5,831	41,476	42,976	1,500	3.6%
6675111 - INSTATE TRAINING	17,032	9,351	26,000	18,000	(8,000)	-30.8%
6675112 - OUT OF STATE TRAINING	12,697	19	1,000	1,000	-	0.0%
6675121 - IN STATE CONFERENCES	1,853	886	2,750	4,250	1,500	54.5%
6675122 - OUT-OF-STATE CONFERENCES	27,057	10,938	28,500	26,500	(2,000)	-7.0%
667513 - DUES	34,185	10,203	36,365	43,255	6,890	18.9%
667514 - PROFESSIONAL LICENSES	752	222	822	900	78	9.5%
667515 - PERIODICAL SUBSCRIPTIONS	4,339	2,607	4,621	5,389	768	16.6%
667517 - PLANT OPER LICENSE FEES	63	-	-	-	-	n/a
667521 - POSTAGE - THIRD PARTY	199,088	112,590	205,624	214,520	8,896	4.3%
667522 - POSTAGE - INTERNAL	15,586	6,492	18,163	17,990	(173)	-0.9%
667523 - POSTAGE - EXPRESS DELIVER	44	129	350	350	-	0.0%
667531 - PRINTING COSTS	28,586	16,413	27,680	27,825	145	0.5%
667532 - PHOTOCOPYING COSTS	(77)	-	-	-	-	n/a
667533 - FORMS STOCK	704	626	600	650	50	8.3%
667552 - SAFETY TRAINING	3,424	1,604	3,400	4,100	700	20.6%
667553 - DOT SUBSTANCE ABUSE	1,320	609	2,000	2,000	-	0.0%
667555 - SAFETY EXPENSES	2,185	2,689	5,800	6,790	990	17.1%
667591 - UNIFORMS	-	8	-	-	-	n/a
667592 - FOOD SUPPLIES	1,513	700	4,300	3,500	(800)	-18.6%
667598 - GEN MANAGER CONTINGENCY	-	-	35,000	70,000	35,000	100.0%
6675981 - GEN MNG - TRUSTEES	7,676	5,796	11,700	11,000	(700)	-6.0%
6675982 - GEN MNG - COMMUNITY	25,339	4,720	25,365	25,115	(250)	-1.0%
667599 - OTHER MISCELLANEOUS	8,219	2,234	6,000	6,000	-	0.0%
Other Expense Total	402,148	196,936	490,466	536,660	46,194	9.4%
Tele/Other Utilities						
66112 - DATA LINES	15,304	3,319	14,818	17,302	2,484	16.8%
66113 - CELLULAR PHONES	11,665	8,753	9,982	10,720	738	7.4%
Tele/Other Utilities Total	26,969	12,072	24,800	28,022	3,222	13.0%
Transportation						
66501 - TRANSPORTATION - INTERNAL	31,771	6,942	14,133	12,900	(1,233)	-8.7%
665019 - TRANS INTERNAL INACTIVE	-	1,910	4,000	4,289	289	7.2%
66502 - TRANSPORTATION - EXTERNAL	811	390	871	850	(21)	-2.4%
66503 - MILEAGE REIMBURSEMENT	4,219	2,269	4,314	4,750	436	10.1%
Transportation Total	36,801	11,511	23,318	22,789	(529)	-2.3%
Grand Total	4,859,462	2,433,821	5,071,114	5,249,828	178,714	3.5%

Administrative Services: Customer Services (F1)

Financial Summary:

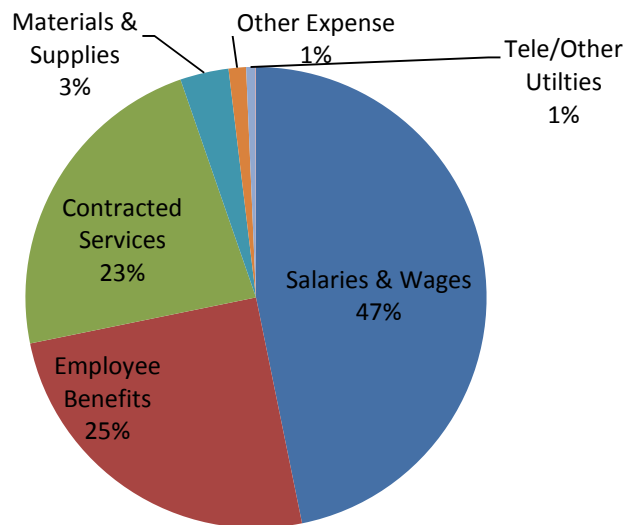
	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$641,757	\$320,383	\$674,249	\$727,781	\$53,532	7.9%
Employee Benefits	318,430	162,792	347,614	380,385	32,771	9.4%
Contracted Services	174,801	96,940	184,704	166,424	-18,280	-9.9%
Materials & Supplies	9,371	4,134	15,338	8,138	-7,200	-46.9%
Other Expense	204,435	102,721	212,552	218,011	5,459	2.6%
Tele/Other Utilities	1,602	956	2,148	2,148	0	0.0%
Transportation	32,266	8,997	18,391	18,188	-203	-1.1%
Grand Total	1,382,662	696,923	1,454,996	1,521,075	66,079	4.5%
Programs:						
74 - Control Center	233,141	95,943	200,313	160,263	-40,050	-20.0%
76 - Collection	71,799	29,624	61,324	60,163	-1,161	-1.9%
77 - Billing	281,801	158,760	329,547	324,743	-4,804	-1.5%
80 - Meter Reading	88,318	34,373	86,708	70,891	-15,817	-18.2%
98 - Training	114,173	23,023	46,537	48,836	2,299	4.9%
99 - Administration	593,430	355,200	730,567	856,179	125,612	17.2%
Grand Total	1,382,662	696,923	1,454,996	1,521,075	66,079	4.5%
Funds:						
10 - General	1,307,512	662,825	1,373,234	1,439,521	66,287	4.8%
20 - Water General	46,784	19,802	43,176	42,433	-743	-1.7%
30 - Water Standish	1,723	851	428	1,898	1,470	343.5%
51 - WW Cape Elizabeth	1,661	1,645	3,144	3,334	190	6.0%
53 - WW Cumberland	1,914	251	3,385	3,414	29	0.9%
54 - WW Falmouth	911	307	569	457	-112	-19.7%
55 - WW Windham LF	0	0	37	75	38	102.7%
57 - WW Portland	10,457	6,061	15,414	14,258	-1,156	-7.5%
59 - WW South Portland	5,755	2,533	6,094	5,982	-112	-1.8%
61 - WW Gorham	2,016	684	3,255	3,259	4	0.1%
62 - WW Westbrook	3,929	1,964	6,260	6,444	184	2.9%
Grand Total	1,382,662	696,923	1,454,996	1,521,075	66,079	4.5%
Staffing Trend:						
Full-Time	14	14	14	14	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	14	14	14	14	0	0.0%



Administrative Services: Information Services (G1)

Financial Summary:

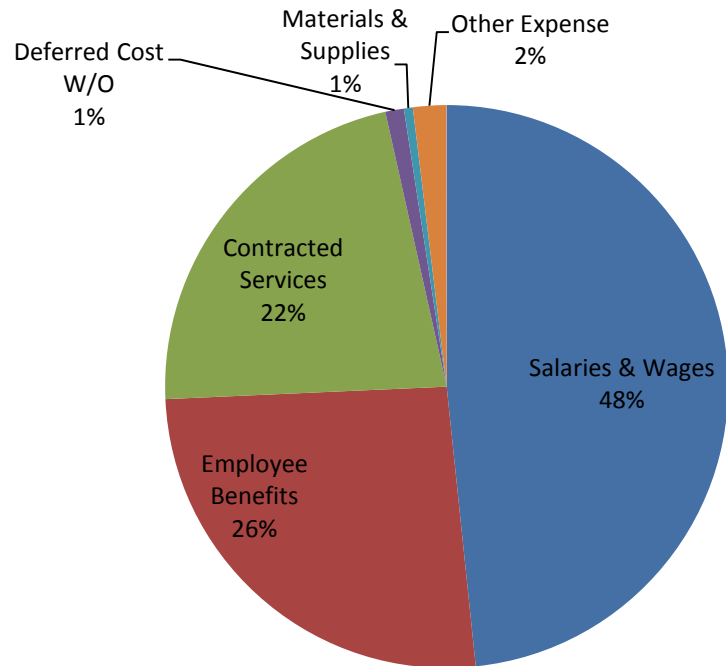
	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$417,234	\$195,553	\$420,800	\$433,391	\$12,591	3.0%
Employee Benefits	211,844	104,301	218,823	231,620	12,797	5.8%
Contracted Services	184,004	107,820	235,900	211,900	-24,000	-10.2%
Deferred Cost W/O	11,868	0	0	0	0	n/a
Materials & Supplies	29,880	17,544	31,500	31,500	0	0.0%
Other Expense	10,240	3,352	20,274	11,276	-8,998	-44.4%
Tele/Other Utilities	5,592	3,201	5,890	5,890	0	0.0%
Transportation	692	276	500	500	0	0.0%
Grand Total	871,354	432,047	933,687	926,077	-7,610	-0.8%
Programs:						
88 - Safety	66,076	30,876	0	0	0	n/a
94 - Technology Teams	11,620	6,628	0	0	0	n/a
98 - Training	55,053	25,169	42,678	34,619	-8,059	-18.9%
99 - Administration	738,605	369,374	891,009	891,458	449	0.1%
Grand Total	871,354	432,047	933,687	926,077	-7,610	-0.8%
Funds:						
10 - General	871,214	432,047	933,687	926,077	-7,610	-0.8%
20 - Water General	140	0	0	0	0	n/a
Grand Total	871,354	432,047	933,687	926,077	-7,610	-0.8%
Staffing Trend:						
Full-Time	6	6	6	7	1	16.7%
Part-Time	1	1	1	0	-1	-100.0%
Total	7	7	7	7	0	0.0%



Administrative Services: Financial Services (H1)

Financial Summary:

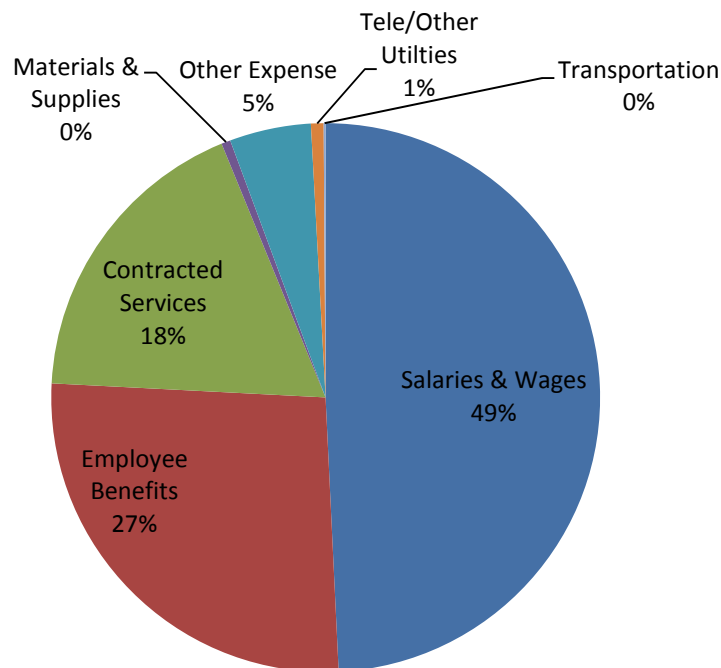
	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$491,679	\$236,108	\$468,865	\$463,318	-\$5,547	-1.2%
Employee Benefits	248,716	126,130	244,356	248,625	4,269	1.7%
Contracted Services	204,597	140,554	203,181	212,885	9,704	4.8%
Deferred Cost W/O	10,086	5,043	10,086	10,086	0	0.0%
Materials & Supplies	5,229	4,365	6,315	4,925	-1,390	-22.0%
Other Expense	10,691	6,555	19,540	18,090	-1,450	-7.4%
Tele/Other Utilities	88	0	0	0	0	n/a
Transportation	68	34	400	400	0	0.0%
Grand Total	971,154	518,789	952,743	958,329	5,586	0.6%
Programs:						
77 - Billing	153,604	77,982	153,758	164,141	10,383	6.8%
98 - Training	13,847	7,442	37,127	35,119	-2,008	-5.4%
99 - Administration	803,703	433,365	761,858	759,069	-2,789	-0.4%
Grand Total	971,154	518,789	952,743	958,329	5,586	0.6%
Funds:						
10 - General	869,746	460,448	854,073	879,878	25,805	3.0%
20 - Water General	101,408	58,341	98,670	78,451	-20,219	-20.5%
Grand Total	971,154	518,789	952,743	958,329	5,586	0.6%
Staffing Trend:						
Full-Time	8	9	9	9	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	8	9	9	9	0	0.0%



Administrative Services: Employee Services (I1)

Financial Summary:

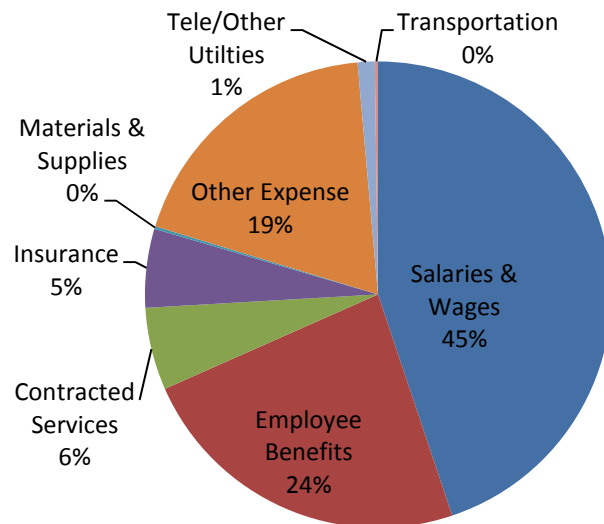
	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$192,490	\$98,619	\$199,488	\$204,716	\$5,228	2.6%
Employee Benefits	96,625	52,770	104,801	110,483	5,682	5.4%
Contracted Services	106,198	14,348	63,950	74,745	10,795	16.9%
Materials & Supplies	604	432	2,250	2,300	50	2.2%
Other Expense	14,411	7,212	15,900	19,880	3,980	25.0%
Tele/Other Utilities	1,054	575	3,100	3,100	0	0.0%
Transportation	399	97	1,162	500	-662	-57.0%
Grand Total	411,781	174,053	390,651	415,724	25,073	6.4%
Programs:						
88 - Safety	24,258	31	0	0	0	n/a
98 - Training	15,771	4,270	11,628	15,049	3,421	29.4%
99 - Administration	371,752	169,752	379,023	400,675	21,652	5.7%
Grand Total	411,781	174,053	390,651	415,724	25,073	6.4%
Funds:						
10 - General	411,781	174,053	390,651	415,724	25,073	6.4%
Grand Total	411,781	174,053	390,651	415,724	25,073	6.4%
Staffing Trend:						
Full-Time	3	3	3	3	0	0.0%
Part-Time	0	0	0	0	0	n/a
Total	3	3	3	3	0	0.0%



Administrative Services: Executive (I1)

Financial Summary:

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$579,699	\$289,124	\$633,764	\$640,684	\$6,920	1.1%
Employee Benefits	275,784	146,559	319,314	335,998	16,684	5.2%
Contracted Services	88,053	54,662	74,370	81,870	7,500	10.1%
Insurance	81,947	35,076	71,213	78,057	6,844	9.6%
Materials & Supplies	12,648	48	1,650	2,525	875	53.0%
Other Expense	162,369	77,093	222,200	269,405	47,205	21.2%
Tele/Other Utilities	18,634	7,341	13,662	16,884	3,222	23.6%
Transportation	3,377	2,106	2,864	3,200	336	11.7%
Grand Total	1,222,511	612,009	1,339,037	1,428,623	89,586	6.7%
Programs:						
5 - Public Relations	145,127	75,830	167,203	179,301	12,098	7.2%
98 - Training	49,472	26,027	61,450	62,215	765	1.2%
99 - Administration	1,027,912	510,152	1,110,384	1,187,107	76,723	6.9%
Grand Total	1,222,511	612,009	1,339,037	1,428,623	89,586	6.7%
Funds:						
10 - General	1,194,043	586,813	1,293,037	1,328,623	35,586	2.8%
20 - Water General	20,237	25,181	46,000	100,000	54,000	117.4%
50 - Wastewater General	8,231	15	0	0	0	n/a
Grand Total	1,222,511	612,009	1,339,037	1,428,623	89,586	6.7%
Staffing Trend:						
Full-Time	8	6	6	6	0	0.0%
Part-Time	0	1	1	1	0	0.0%
Total	8	7	7	7	0	0.0%

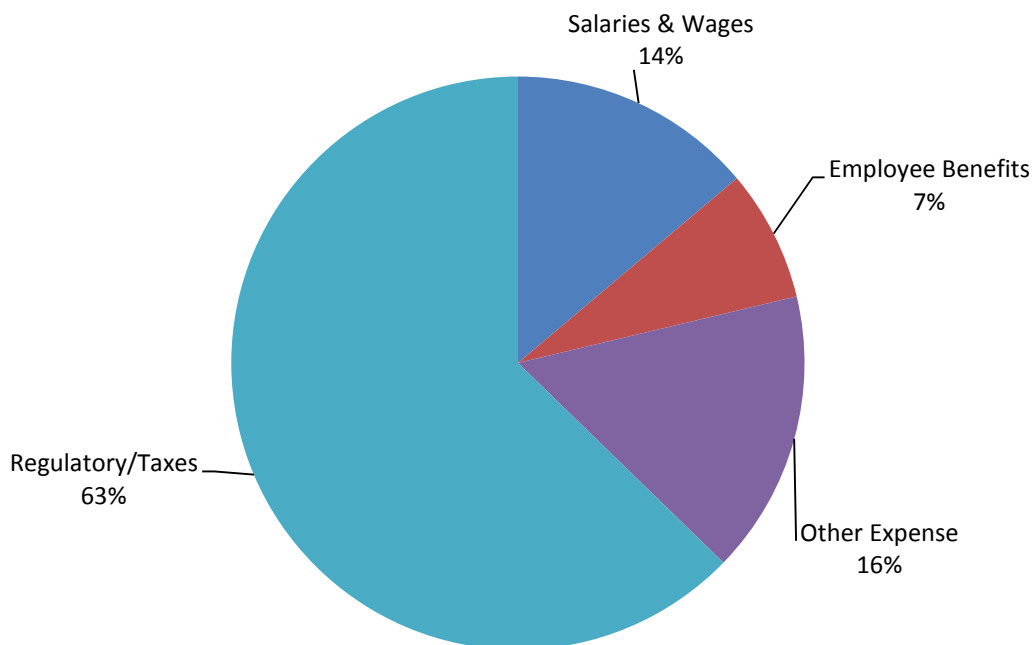


Non-Departmental

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.

	2013 Actual	2014 Jan-Jun	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Expense Type:						
Salaries & Wages	\$0	\$0	\$58,404	\$50,002	-\$8,402	-14.4%
Employee Benefits	0	0	30,469	26,811	-3,658	-12.0%
Contracted Services	109,903	0	0	0	0	n/a
Other Expense	152,181	64,500	57,800	57,800	0	0.0%
Regulatory/Taxes	221,701	115,978	221,016	226,585	5,569	2.5%
Grand Total	483,785	180,478	367,689	361,198	-6,491	-1.8%

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.



Introduction

Total salaries, wages and benefits budget for 2015 is \$15,744,911 which is \$427,904 or 2.8% higher than the 2014 budget.

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

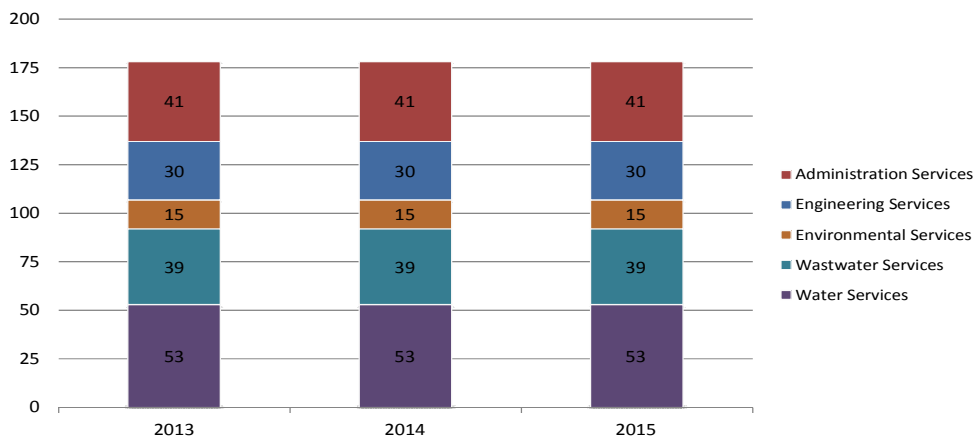
	2013 Actual	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Salaries & Wages	\$9,920,213	\$10,346,692	\$10,533,870	\$187,178	1.8%
Employee Benefits	4,655,635	4,970,315	5,211,041	240,726	4.8%
	14,575,848	15,317,007	15,744,911	427,904	2.8%

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 \$510,829 in labor/benefits to capital projects in 2015; which is \$16,321 (3.3%) higher than the 2014 budget.

	2013 Actual	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Operations & Maintenance	\$14,153,857	\$14,822,498	\$15,234,078	\$411,580	2.8%
Capital	421,991	494,509	510,833	16,324	3.3%
	14,575,848	15,317,007	15,744,911	427,904	2.8%

Total Employee Headcount:

Authorized headcount remains at 178; this is the same as in the previous three budgets (2013, 2014 & 2015). In addition, there were no shifts of headcount between District departments.



Salary Costs

The Budget assumes total labor costs will increase by 1.8% (\$187,178). Because of a shift away to capital work (from 2.7% to 3.3% of total labor), operating fund labor costs will increase by 1.7% while capital labor increases 3.8%.

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

	2013 Actual	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Regular (Hourly & Salaried)	\$9,040,959	\$9,403,177	\$9,597,748	\$194,571	2.1%
Overtime	458,750	461,031	464,459	3,428	0.7%
Doubletime	49,661	56,474	50,043	-6,431	-11.4%
Standby	<u>130,238</u>	<u>118,617</u>	<u>121,235</u>	<u>2,618</u>	<u>2.2%</u>
Premium Time/Standby	638,649	636,122	635,737	-385	-0.1%
Trustee Compensation	23,150	27,000	27,000	0	0.0%
District Employed Temps	152,803	182,347	183,393	1,046	0.6%
Agency Temps	<u>64,652</u>	<u>98,046</u>	<u>89,992</u>	<u>-8,054</u>	<u>-8.2%</u>
Temporary Employees	217,455	280,393	273,385	-7,008	-2.5%
Total Labor Cost	9,920,213	10,346,692	10,533,870	187,178	1.8%

Total Labor broken out by O&M and Capital:

	2012 Actual	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Operating Expense	\$9,626,483	\$10,003,870	\$10,178,035	\$174,165	1.7%
Capital Expenditures	<u>293,730</u>	<u>342,822</u>	<u>355,834</u>	<u>13,012</u>	<u>3.8%</u>
	9,920,213	10,346,692	10,533,869	187,177	1.8%
Operating Expense	97.0%	96.7%	96.6%	-0.1%	
Capital Expenditures	<u>3.0%</u>	<u>3.3%</u>	<u>3.4%</u>	<u>0.1%</u>	
	100.0%	100.0%	100.0%	0.0%	

Labor Hours/Average Pay Rates

Budgeted hours for the 2015 Budget were essentially flat (an increase of 71 hours). Regular time increased 832 hours as one employee went from 24 hours/week to full time. This increase was mostly offset by reductions in overtime (204 hours), doubletime (171) and temporary employees (402).

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

	2013 Actual	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Regular (Hourly & Salaried)	359,699	368,316	369,148	832	0.2%
Overtime	14,340	13,773	13,569	(204)	-1.5%
Doubletime	1,127	1,245	1,074	(171)	-13.7%
Standby	5,639	5,340	5,356	16	0.3%
Premium Time/Standby	21,106	20,358	19,999	(359)	-1.8%
District Employed Temps	12,200	14,524	14,526	3	0.0%
Agency Temps	3,233	5,095	4,690	(405)	-7.9%
Temporary Employees	15,433	19,619	19,216	(402)	-2.1%
	396,238	408,293	408,363	71	0.0%

Labor Rates by Type:

On average pay rates were increased 2.0%. The increase in average rate for regular pay was slightly lower (1.8%) due to turnover in Non-Union employees where the new hires came in at a lower rate than their predecessors. Changes to overtime, double-time and standby varied due to shifts in personnel budgeted to cover those hours. Temp rates were kept relatively flat. Please note that the rates for Agency Temps are higher because the agencies must cover costs such as FICA and workers comp.

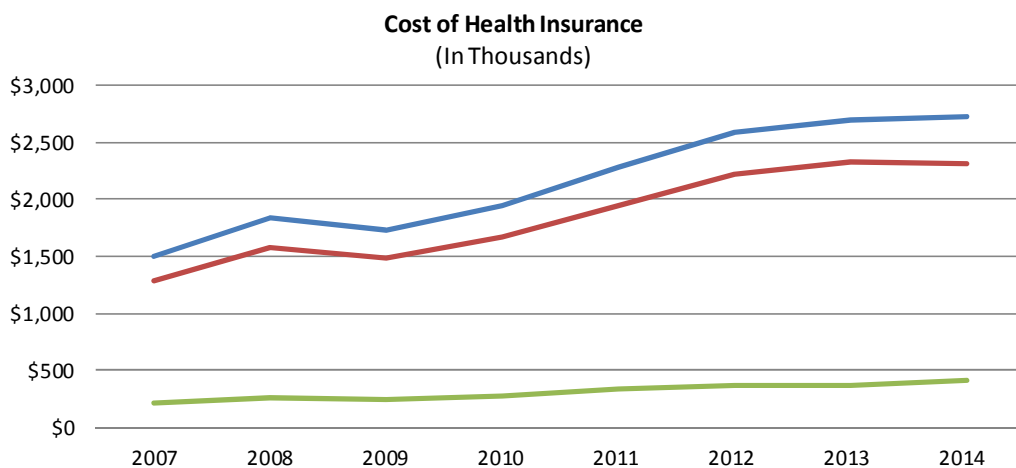
	2012 Actual	2013 Budget	2014 Budget	Budget Diff \$	Budget Diff %
Regular (Hourly & Salaried)	25.13	25.53	26.00	0.47	1.8%
Overtime	31.99	33.47	34.23	0.76	2.3%
Doubletime	44.06	45.36	46.59	1.23	2.7%
Standby	23.10	22.21	22.64	0.43	1.9%
Premium Time/Standby	30.26	31.25	31.79	0.54	1.7%
District Employed Temps	12.52	12.56	12.62	0.07	0.6%
Agency Temps	n/a	19.24	19.19	(0.06)	-0.3%
Temporary Employees	9.90	14.29	14.23	(0.07)	-0.5%
	24.98	25.28	25.73	0.45	1.8%

Employee Benefits

In order to qualify for benefits employees must work more than 20/24 hours/week (non-union/union). Seasonal or temporary employees do not qualify for benefits. Benefits are charged to departments as a percentage of the regular non-premium pay. In 2015, the benefits percentage increased from 44.52% to 45.97%. Pension costs rose 7.2% while health insurance expense increased 2.9%.

Health Insurance

The largest benefit expense is the District's portion of employee health insurance costs (\$2,364,628 in the 2015 Budget). The 2014 Budget assumed a rate decrease of 1.2%; the actual decrease was 0.4%. The 2015 Budget saw an increase in cost from \$2,306,115 in 2014 to \$2,373,572, a 2.9% increase.



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 96% and the employee 4% of the cost for regular employees who work 40 hours per week. As of January 1, 2015 PWD's premium cost share for all employees will increase to 5%.

The District makes health insurance coverage available to regular employees who work over 20/24 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 2014 we had 9 opt-outs.

Year	Insured	Non-Insured	Total
2014	164	9	173
<u>2015</u>	<u>164</u>	<u>9</u>	<u>173</u>
Change	0	0	0

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.

Employee Benefits (continued)

Pension

Pension related expenses are \$1,380,508 in the 2015 Budget. The District offers employees a defined benefit and a defined contribution pension plans.

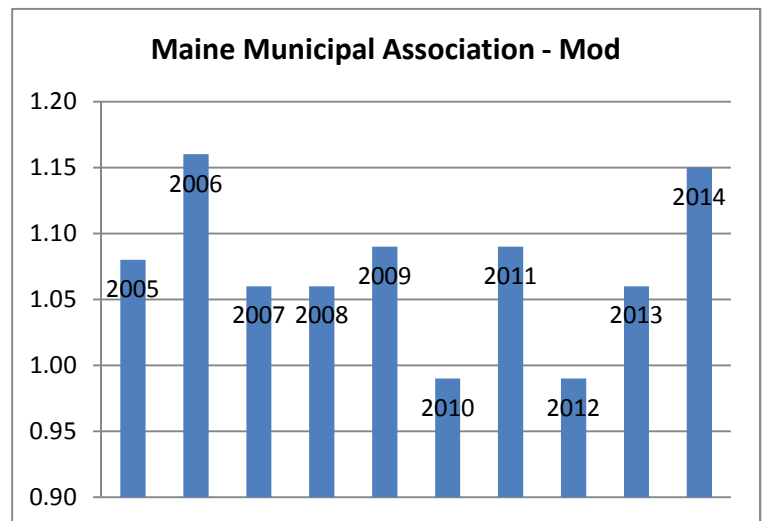
The defined benefit plan contributions in the 2015 Budget increased \$74,000 (8.0%) to \$1,000,000. The contribution is consistent with Board adopted long-term funding policy and estimated by the District's actuary. The actual actuarially determined contribution will be calculated early 2015. The plan is solely funded by the District without any employee contribution.

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 \$137,875.

New Union employees hired starting in 2011 (and Non-Union in 2012) were not enrolled in the defined benefit plan but in a new defined compensation plan. The plan requires employees to contribute 3.0% of pay which the District matches at a rate of 150%. The expense for the match is budgeted at \$101,633 in 2015.

Workers Compensation

The District participates in the Maine Municipal Association's workers compensation program. The cost in the 2015 Budget is \$256,683. The premium assessed is based on amount of wages and a claim experience factor. In 2015, the "Mod" factor is 1.16 which indicates the District injury experience is slightly higher than average (a factor of 1.0 is average). Our 10 year average is 1.08.



Other Benefits

Other benefits which include dental, uniforms, unemployment, long-term disability and life insurance totaled \$401,322.

Employee Benefits (continued)

	2013 Actual	2014 Budget	2015 Budget	Budget Diff \$	Budget Diff %
Health Insurance:					
6604041 - Health Insurance-Employee	\$2,282,898	\$2,298,835	\$2,364,628	\$65,793	2.9%
6604043 - Medical Insurance Payout	6,844	7,280	8,944	1,664	22.9%
	2,289,742	2,306,115	2,373,572	67,457	2.9%
Pension Expenses:					
6604061 - Pension Expenses	109,641	123,000	126,000	3,000	2.4%
6604062 - Pension Contribution	860,888	926,000	1,000,000	74,000	8.0%
6604063 - Def Comp Mandatory	47,347	79,700	101,633	21,933	27.5%
6604064 - Def Comp Elective	158,322	148,900	137,875	(11,025)	-7.4%
6604065 - Pension Legal Expense	8,855	10,000	15,000	5,000	50.0%
	1,185,053	1,287,600	1,380,508	92,908	7.2%
Workers Compensation:					
660409 - Workers' Compensation	202,058	259,543	247,683	(11,860)	-4.6%
6604091 - Workes Comp Deductable	3,549	9,000	9,000	-	0.0%
	205,607	268,543	256,683	(11,860)	-4.4%
Other Benefits:					
66025 - Benefits Contingency	-	37,780	45,000	7,220	19.1%
660402 - Long-Term Disability	25,701	25,500	25,500	-	0.0%
660403 - Life Insurance	21,272	23,500	23,500	-	0.0%
660407 - Education Subsidy	1,774	15,000	20,000	5,000	33.3%
660408 - Programs Administration	7,057	6,600	7,100	500	7.6%
660410 - Unemployment Compensation	25,378	38,500	38,500	-	0.0%
660413 - PWD Training Program	8,454	22,000	17,800	(4,200)	-19.1%
6604151 - Field Uniforms	36,686	43,250	47,793	4,543	10.5%
6604152 - Office Clothing	7,036	6,600	7,200	600	9.1%
660416 - Dental Coverage	44,647	51,600	51,600	-	0.0%
660417 - Wellness Program	-	2,500	2,500	-	0.0%
660419 - Employee Benefits-Misc Oth	39,128	33,000	34,000	1,000	3.0%
660420 - Workforce Planning	-	1,000	1,000	-	0.0%
660421 - Post Retirement Benefits	22,551	16,000	29,700	13,700	85.6%
660422 - Actuary Non-Pension	-	-	8,000	8,000	n/a
663592 - Recruiting Services	-	-	40,000	40,000	n/a
66595 - Identity Fraud Insurance	1,082	1,067	1,100	33	3.1%
667599 - Other Miscellaneous	2,499	139	1,029	890	640.3%
	243,265	324,036	401,322	77,286	23.9%
Total Employee Benefits	3,923,667	4,186,294	4,412,085	225,791	5.4%
660401 - FICA - Employers' Share	731,968	784,021	798,956	14,935	1.9%
Total Costs	4,655,635	4,970,315	5,211,041	240,726	4.8%
Total Regular Labor (Benefits Basis)	9,048,716	9,403,177	9,597,748	194,571	2.1%
Benefit Rate	43.36%	44.52%	45.97%	1.45%	3.3%

Note: The total employee benefits expense above (\$5,211,041) does not include \$62,380 in employee benefits charged directly to departments. With these costs the District's benefits cost is \$5,273,421.

Employee Benefits (continued)

Authorized Headcount

The overall headcount is unchanged at 178 between 2014 and 2015, however, several changes are between and within sub-departments as outline below:

	<u>Added</u>	<u>Eliminated</u>	<u>Reason for change</u>
A2	-	Equipment Operator	Decreased number of excavation done.
A6	Utility Specialist	-	Additional resources for Main Renewal Inspection
L9	WW Operator	WW System Operator	Cross-functional position for cross training and work force management purposes
F1	Customer Service Program Manager	Customer Service Coordinator—Control Center	Billing system/process efficiency projects
G1	Network Administrator I	Strategic Project Manager	Expanding computer system support
E2	Asset Analyst	Utility Asset Coordinator	Additional Asset management practice implementation

	2013	2014	2015	13 to 15	14 to 15
<u>Water Services</u>					
A1 - Water Administration	5.00	5.00	5.00	0.00	0.00
A2 - Transmission/Distribution	24.00	23.00	22.00	-2.00	-1.00
A3 - Water Treatment	11.00	11.00	11.00	0.00	0.00
A6 - Utility Services	<u>13.00</u>	<u>14.00</u>	<u>15.00</u>	<u>2.00</u>	<u>1.00</u>
	53.00	53.00	53.00	0.00	0.00
<u>Wastewater Services</u>					
B1 - Wastewater Administration	2.00	1.00	1.00	-1.00	0.00
B3 - Portland (East End) WWTF	17.67	19.00	19.00	1.33	0.00
B4 - Westbrook/Cape/Peaks WWTF's	6.67	6.00	6.00	-0.67	0.00
L9 - Water / WW Systems	<u>12.66</u>	<u>13.00</u>	<u>13.00</u>	<u>0.34</u>	<u>0.00</u>
	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	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>0.00</u>	<u>0.00</u>
	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	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>0.00</u>	<u>0.00</u>
	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	9.00	9.00	1.00	0.00
I1 - Employee Services	3.00	3.00	3.00	0.00	0.00
J1 - Executive Office	8.00	7.00	7.00	-1.00	0.00
Non-Departmental	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>
	41.00	41.00	41.00	0.00	0.00
Total	178.00	178.00	178.00	0.00	0.00

Non-Union Positions

The overall Non-Union headcount increased from 55 to 56. In addition, the number of part-time positions was reduced from two to one.

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

<u>Range 1 (\$30,197 to \$45,355)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>	<u>Range 4 (\$61,597 to \$92,395)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>
Executive Admin Asst	1	1	0	Director Of Customer Ser	1	1	0
General Accounting Asst	<u>1</u>	<u>1</u>	<u>0</u>	Director Of Finance Serv	1	1	0
	2	2	0	Dist Sys Manager - Water	1	1	0
				Eng/Asset Mgmt Srv Mngr	1	1	0
<u>Range 2 (\$44,032 to \$66,048)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>	Environmental Srv Manager	1	1	0
Asset Analyst	0	1	1	Information Srvs Manager	1	1	0
BSA - Gis	1	1	0	Senior Project Engineer	<u>3</u>	<u>3</u>	<u>0</u>
Business Systems Analyst	1	1	0		9	9	0
Chief Of Security Oper	1	1	0				
Cust Serv Supervisor	1	1	0	<u>Range 5 (\$69,056 to \$103,674)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>
Cust Srv Program Manager	0	1	1	Director Of Opr Srvs	2	2	0
Design Engineer	1	1	0	Exec Director Of EE Srvs	<u>1</u>	<u>1</u>	<u>0</u>
Environmental Educ Coord	1	1	0		3	3	0
ES Conslt Safety/Training	1	1	0				
ES Consultant Employment	1	1	0	<u>Range 6 (\$77,718 to \$116,455)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>
Financial Analyst	3	3	0	Corporate Counsel	1	1	0
Netw ork Admin I	0	1	1	Exec Director Of Admin	1	1	0
Netw ork Admin II	1	1	0	Exec Director Of AMAP	<u>1</u>	<u>1</u>	<u>0</u>
Purchasing Agent/Buyer	1	1	0		3	3	0
Right Of Way Agent	1	1	0				
Scheduler/Coord AMAP	1	1	0	<u>Range 7 (\$93,598 to \$140,277)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>
Scheduler/Coordinator Ops	1	1	0	General Manager	1	1	0
Source Protection Coord	<u>1</u>	<u>1</u>	<u>0</u>				
	17	20	3	Workforce Management	<u>2014</u>	<u>2015</u>	<u>Change</u>
<u>Range 3 (\$51,370 to \$77,116)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>	Position	2	2	0
Admin Facility Chief Oper	1	1	0	Full Time Positions	53	55	2
Database Administrator	1	1	0	Part Time Positions	<u>2</u>	<u>1</u>	<u>-1</u>
Netw ork Admin III	1	1	0	Total Non-Union Positions:	55	56	1
Project Engineer	3	3	0				
Public Relations Manager (PT)	1	1	0				
Regulatory Security Advsr	1	1	0				
Strategic Project Manager (PT)	1	0	-1				
Transm Dist Supervisor	1	1	0				
Utility Asset Coord AMAP	2	1	-1				
Utility Asset Coord Water	1	1	0				
Utility Specialist Suprv	1	1	0				
Wtr Svs Plnt/Sys Chief Op	1	1	0				
WW Chief Oper Plant/Sys	<u>3</u>	<u>3</u>	<u>0</u>				
	18	16	-2				

Union Positions

For the 2015 Budget, the Union headcount was down one to 122. The number of part-time positions was unchanged at one. The current Union Contract was ratified in March 2013, retro to November 2012; the rates shown (probationary and regular) will be paid through October 2015.

<u>Paygrade - D (\$16.75/\$17.62)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>	<u>Paygrade - I (\$22.40/\$23.55)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>
AMR Specialist	<u>1</u>	<u>1</u>	<u>0</u>	Instrumentation Maint Per	2	2	0
	1	1	0	Senior WW Operator	5	5	0
				Utility Specialist	12	13	1
<u>Paygrade - E (\$17.72/\$18.65)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>	Wtr Treat Plant Sys Oper	7	7	0
Admin Dept Asst Finance	3	3	0	WW System Maint/Operator	<u>2</u>	<u>2</u>	<u>0</u>
Administrative Asst Ops	1	1	0		28	29	1
Administrative Asst WW	<u>1</u>	<u>1</u>	<u>0</u>				
	5	5	0	<u>Paygrade - J (\$23.75/\$25.00)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>
				Environmental Scientist	5	5	0
<u>Paygrade - F (\$18.80/\$19.77)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>	Facility Maint Foreperson	1	1	0
Construction Technician	2	2	0	Tech Maint Pers Mech/Elec	5	5	0
Cust Serv Coord Ctrl Ctr	4	3	-1	Tech Maint Person SLWTF	1	1	0
Equip Operator II WW	2	2	0	Water Resource Specialist	<u>4</u>	<u>4</u>	<u>0</u>
Facility Maint Technician	3	3	0	(1 of 4 is part-time)	16	16	0
Facility Supp Generalist	1	1	0				
Technical Admin Asst	1	1	0	<u>Paygrade - K (\$25.16/\$26.45)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>
Wastewater Operator	3	4	1	Dist System Foreperson	6	6	0
Water System Operator	<u>9</u>	<u>9</u>	<u>0</u>	Garage Foreperson	1	1	0
	25	25	0	Lead Env Scien-Foreperson	1	1	0
				Operations Foreman, Sys	1	1	0
<u>Paygrade - G (\$19.93/\$20.96)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>	Operations Foreperson	3	3	0
Collections Coordinator	1	1	0	Ops Foreman, WW System	<u>1</u>	<u>1</u>	<u>0</u>
Cust Serv Coordinator	3	3	0		13	13	0
Engineering Tech II	1	1	0				
Equip Operator I	5	4	-1	<u>Paygrade - L (\$26.70/\$28.08)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>
Garage Mechanic I	1	1	0	Inst Maint Foreperson	1	1	0
Millwright I	1	1	0	Tech Maint Foreperson	<u>2</u>	<u>2</u>	<u>0</u>
WW Plant Maint/Operator	7	7	0		3	3	0
WW Systems Operator	<u>4</u>	<u>3</u>	<u>-1</u>				
	23	21	-2	Full Time Positions	123	122	-1
				Part Time Positions	<u>1</u>	<u>1</u>	<u>0</u>
<u>Paygrade - H (\$21.15/\$22.23)</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>	Total Union Positions	123	122	-1
Asset Mgmt Technician	3	3	0				
Cust Serv Coordinator	3	3	0				
Collection Sys Maint Oper	1	1	0				
Engineering Technician	1	1	0				
Inv Control Leadperson	<u>1</u>	<u>1</u>	<u>0</u>				
	9	9	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 (usually a college “intern”) 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	2013	2014	2015	Change '14 to 15
A1 - Water Administration	0.0	0.0	0.0	0.0
A2 - Transmission/Distribution	2.5	2.5	2.3	-0.2
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>	<u>0.0</u>
	3.8	3.8	3.6	-0.2
Wastewater Operations				
B1 - Wastewater Administration	0.0	0.0	0.0	0.0
B3 - Portland/Cape/Peaks WWTPs	0.2	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>
	0.3	0.3	0.3	0.0
Environmental Services				
A5 - Environmental Services	3.1	3.1	3.0	-0.2
L6 - Water / WW Laboratory	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.0</u>
	3.6	3.6	3.5	-0.2
Engineering Services				
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
Administration Department				
F1 - Customer Service	0.0	0.0	0.2	0.2
G1 - Information Services	0.2	0.2	0.2	-0.1
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>	<u>0.0</u>
	0.2	0.2	0.4	0.2
	9.4	9.4	9.2	-0.2

Temporary & Non-Benefit Employees (continued)

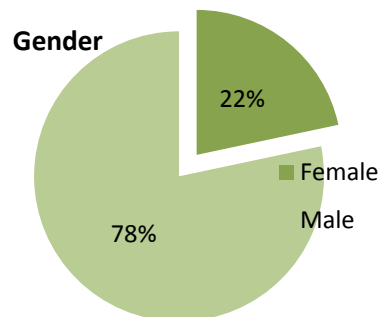
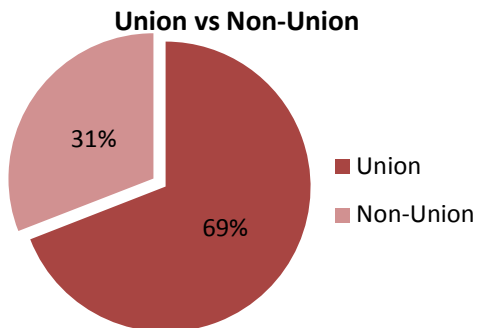
Temporary Positions Detail:

District Paid (Account 660131):

Org	Job Class	#EE	Hrs/Wk	# Wks	Hours	FTE's
A2	Engineering Tech - Temp	1	40	15	600	0.29
A5	Envir Educator-School Yr	2	40	40	3,200	1.54
	Temp Boat Launch Insp	5	14	20	1,400	0.67
	Temp Boat Launch Insp	1	12	25	300	0.14
	Temp Boat Launch Insp	1	16	40	640	0.31
	Temp Watershed Prot Spec	1	40	15	600	0.29
		10			6,140	2.95
A6	Constr Laborer - Temp	2	40	34	2,720	1.31
B3	Engineering Tech - Temp	1	40	10	400	0.19
C1	Facility Maint Tech -Temp	1	40	26	1,040	0.50
E2	Engineering Tech - Temp	4	40	13	2,080	1.00
G1	Temp IT Temp	1	40	8	320	0.15
L6	Lab Assistant II	1	20	52	1,040	0.50
L9	Engineering Tech - Temp	1	40	5	200	0.10
		22			14,540	6.99

Agency Paid (Account 660136)

Org	Job Class	#EE	Hrs/Wk	# Wks	Hours	FTE's
A2	Temp Laborer	4	40	26	4,160	2.00
F1	Temp Clerical	1	40	12	480	0.23
I1	Temp Clerical	1	50	1	50	0.02
		6			4,690	2.25
Total District & Agency		28			19,230	9.25



Work Force Management

In 2015, 10 employees will reach age 65, the normal retirement age.

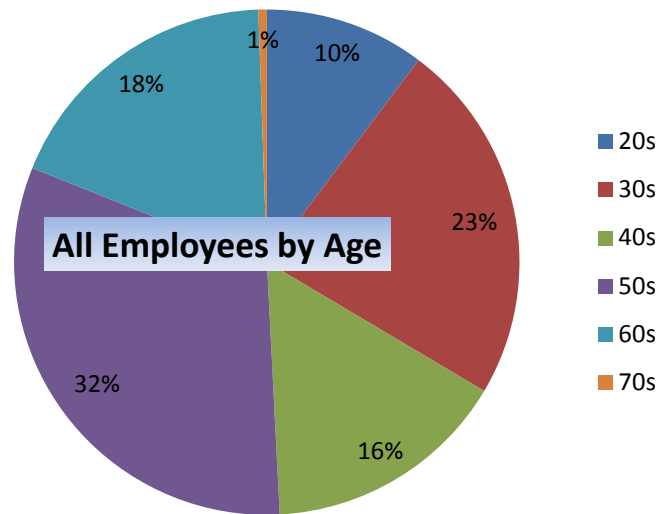
Management has been proactively managing the challenges of baby boomer retirements and the development of promoted personnel and unseasoned new hires.

The Wastewater Department has implemented an Apprentice Program to help educate new hires to the breadth of knowledge needed to operate our facilities, as well as to get exposure to other areas of PWD operations. Documentation, such as procedures for operating the rotary press, has further supported knowledge transfer.

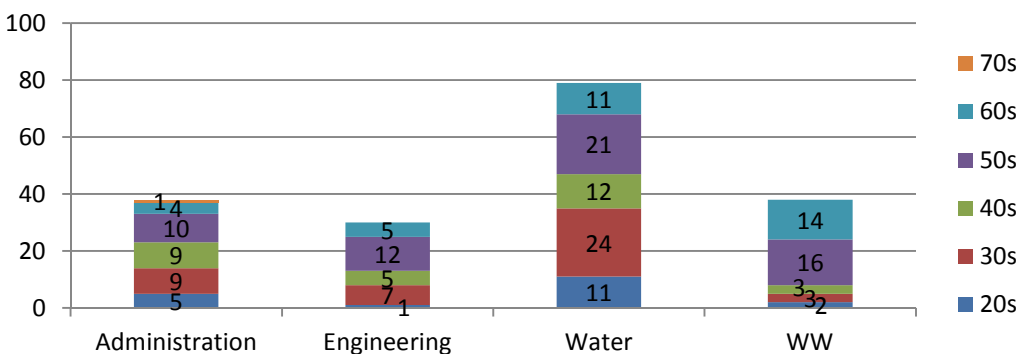
The Water Department's apprentice program has been satisfying its labor needs. It has served to launch capable Water System Operators into the more advanced Utility System and Water Treatment System Operator roles. The next challenge is preparing employees for the highest technical roles, and foreperson or supervisory roles.

Generally speaking, the Administration Department is well positioned with existing personnel.

In 2015 the Board of Trustees will begin its work to find a replacement for the retiring General Manager.



Age by Department



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.

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 2016 with results implemented January 2017.

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	2014 Budget	2015 Budget	Change
Water Services	\$0	\$3,000	\$3,000
Wastewater Services	9,550	8,450	-1,100
Environmental Services	3,800	3,500	-300
Engineering Services	11,000	12,000	1,000
Administration	<u>29,500</u>	<u>27,500</u>	<u>-2,000</u>
	\$53,850	\$54,450	\$600

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	2014 Budget	2015 Budget	Change
Water Services	\$186,483	\$225,403	\$38,920
Wastewater Services	143,444	148,861	5,417
Environmental Services	61,154	35,639	-25,515
Engineering Services	128,444	127,866	-578
Administration	<u>201,420</u>	<u>195,838</u>	<u>-5,582</u>
	\$720,945	\$733,607	\$12,662
Operating Expense Budget	\$26,912,548	\$27,711,949	
Percentage of O&M Budget	2.7%	2.6%	

Work Force Management (continued)

Environment and Tools

Organizational development and improvement is an on-going process. Management continues to evaluate areas that require additional focus as business needs and demands evolve, and as laws or rules governing our practices change. Many of these focus areas require cross-functional involvement including alignment to ensure understanding, practical and consistent application and communication of changes.

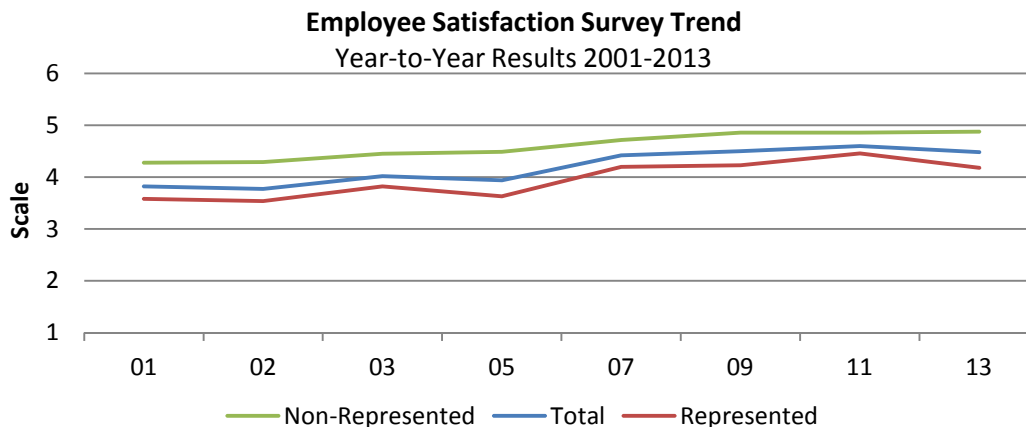
Management continues to utilize department monthly meetings to keep employees up to date re: Board activities and decisions, significant capital improvement projects, business challenges and changes, and updates of organizational practices and policies.

SharePoint will continue to evolve in 2015 as our forum of daily information sharing, and document management across PWD. Developing and implementing a common methodology for cataloging documents to improve knowledge retrieval/sharing, and reducing document redundancy are significant areas of growth this year, ultimately involving every employee.

An organization's total compensation package is a key factor in establishing our competitive posture in the employment market, and employee satisfaction. As with most organizations, the Affordable Care Act will likely impact PWD's medical plan design. 2015 will be a year of evaluating viable change options to bring to senior management, and ultimately to Union negotiations. Negotiations are due to start toward the end of 2015.

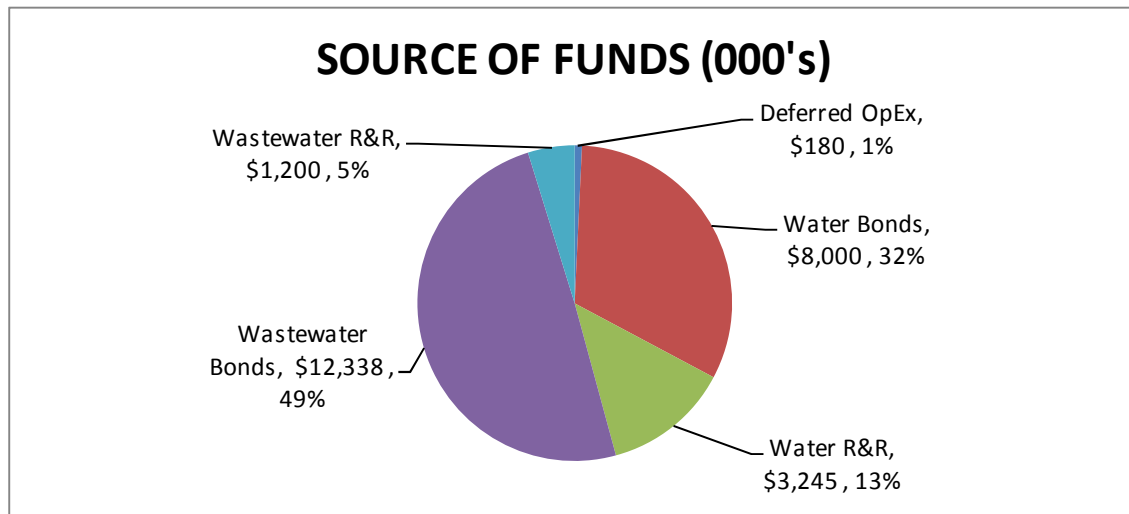
Employee Satisfaction Survey

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 2014-15 work plans. A new survey will be conducted in 2015, evaluated, and updated action items established intended to positively affect employee satisfaction.



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 2015 financing options (source of funds) are noted in the chart below. The funds will be used to fund \$11.3 million water projects and \$13.7 million wastewater projects.



Annual Fund Operating Budget

The annual budget includes the impact of issuing \$11.64 million of debt and \$4.87 million in contributions to the renewal and replacement funds.

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.

	2014 Budget	2015 Budget	\$ Change
Debt Service Principal, Interest & Related Expense	\$6,457,926	\$6,140,039	-\$317,887
Debt Service - Allocated	683,559	670,620	(12,939)
Debt Service - Funds	7,141,485	6,810,659	(330,826)
Annual Debt Service	7,141,485	6,810,659	(330,826)
Renewal & Replacement - Water - General	2,400,000	2,600,000	200,000
Renewal & Replacement - Wastewater	1,332,950	1,396,362	63,412
Renewal & Replacement - Multi-Fund Assets	490,000	490,000	-
Renewal & Replacement - Funds	4,222,950	4,486,362	263,412
Renewal and Replacement - Transportation	380,000	380,000	-
Annual Renewal and Replacement Contributions	4,602,950	4,866,362	263,412
Total Capital / Finance	11,744,435	11,677,021	(67,414)

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 years. 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 2015 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 2015 budget assumes that 1% of the proposed 3.8% 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 a \$2 million bond 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 June 2014. 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 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 rating 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 rating. Both noted the relatively strong regional economy, diverse tax base and above average socioeconomics factors along with the 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	2014	2015	2016	2017	2018	2019
Water	17%	17%	20%	22%	25%	26%
Wastewater						
Cape Elizabeth	14%	14%	19%	26%	25%	25%
Cumberland	2%	2%	2%	2%	2%	2%
Gorham	37%	36%	35%	34%	35%	33%
Portland	20%	18%	19%	23%	25%	24%
Westbrook	16%	16%	18%	15%	16%	16%
Windham	44%	43%	42%	41%	41%	40%

Debt Service Ratio – Target: Greater or Equal to 1.25

Funds	2014	2015	2016	2017	2018	2019
Water	1.87	1.98	1.73	1.57	1.45	1.44
Wastewater						
Cape Elizabeth	1.50	1.49	1.21	0.97	1.20	1.23
Cumberland	0.28	2.81	2.05	3.30	4.58	5.89
Gorham	1.19	1.34	1.32	1.35	1.33	1.41
Portland	1.40	1.43	1.42	1.32	1.27	1.33
Westbrook	2.01	2.01	1.76	2.13	1.90	1.92
Windham	1.23	1.23	1.20	1.19	1.20	1.24

Water & Wastewater Funds Debt Service

Long-Term Debt

The District has \$4,853,279 and \$1,823,770 of principal and interest payments in 2015. Of the total, \$4,424,529 and \$1,581,990 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 \$241,870). 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 2015 principal and interest expense accrued are \$13,240 and \$7,710 respectively.

Debt Issuance Expense

The Water and Wastewater funds incur costs for issuance of the permanent financing. Prior to 2014 governments were allowed to carry the cost of these issuances on their balance sheets and write off the expense over the life of the debt. A change in accounting rules now requires that all issuance costs be recognized in the year of debt issuance. That cost in 2015 is estimated to be \$14,748.

In addition, the accounting rule change required governments expense any past issuance expenses they had on their balance sheets. This amount, \$164,421, was expensed to the various District funds in 2013. There was no impact to the 2015 Budget for this expense recognition.

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	Debt Issuance Expense	MMBB & DEP Admin Fees	Debt Service Total
Direct Charges:						
Water	\$2,101,551	\$1,028,040	\$0	\$10,574	\$30,483	\$3,170,648
Wastewater:						
Cape Elizabeth	134,250	32,575	-	734	7,108	174,667
Cumberland	6,250	1,058	-	-	366	7,674
Gorham	303,069	74,872	-	-	15,502	393,443
Portland	1,502,354	292,324	-	2,000	44,638	1,841,316
Westbrook	276,170	128,117	(13,240)	1,440	7,759	400,246
Windham	100,885	24,914	20,950	-	5,296	152,045
Subtotal - Wastewater	2,322,978	553,860	7,710	4,174	80,669	2,969,391
Total Direct Charges	4,424,529	1,581,900	7,710	14,748	111,152	6,140,039
Meters Allocated:						
Water	267,699	148,486	-	-	-	416,185
Wastewater:						
Cape Elizabeth	10,809	6,058	-	-	-	16,867
Cumberland	4,670	2,622	-	-	-	7,292
Gorham	7,836	4,402	-	-	-	12,238
Portland	81,857	46,084	-	-	-	127,941
Westbrook	20,038	11,274	-	-	-	31,312
Windham	332	187	-	-	-	519
Subtotal - Wastewater	125,542	70,627	-	-	-	196,169
Contracted Services:						
Falmouth	-	-	-	-	-	-
Scarborough	3,937	2,583	-	-	-	6,520
South Portland	31,572	20,174	-	-	-	51,746
Total Meters Allocated	428,750	241,870	-	-	-	670,620
Debt Service - Funds	4,853,279	1,823,770	7,710	14,748	111,152	6,810,659
Debt Service (Total)	4,853,279	1,823,770	7,710	14,748	111,152	6,810,659

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.

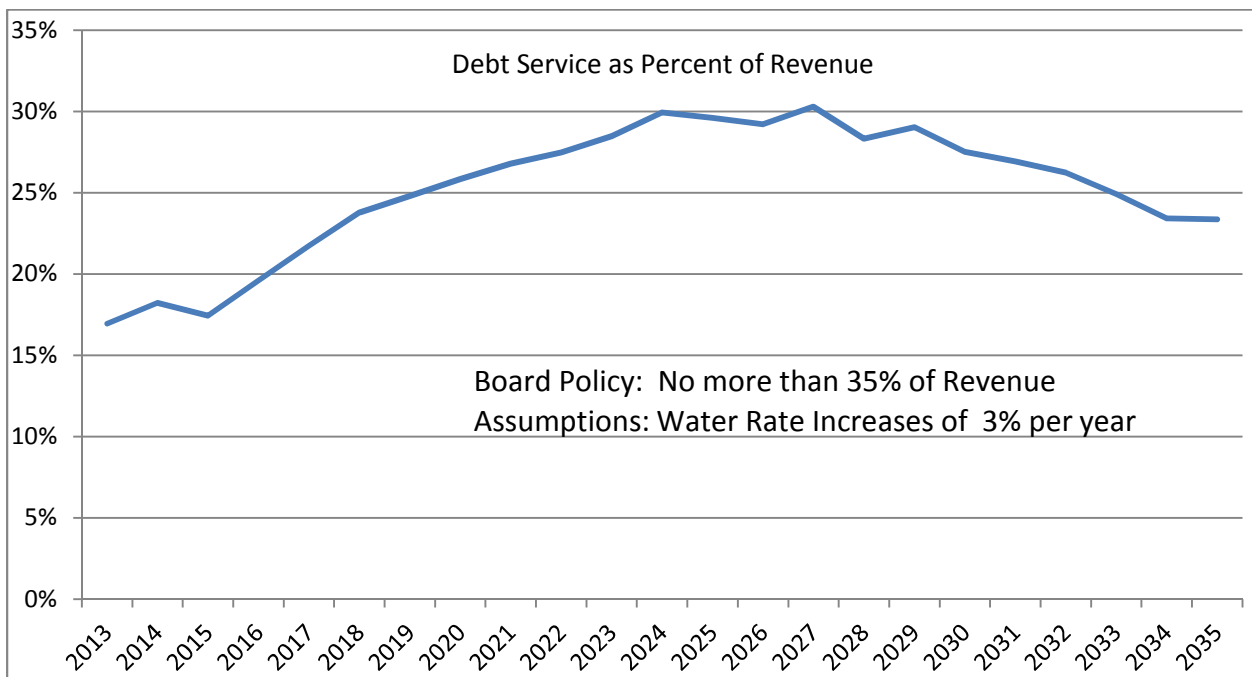
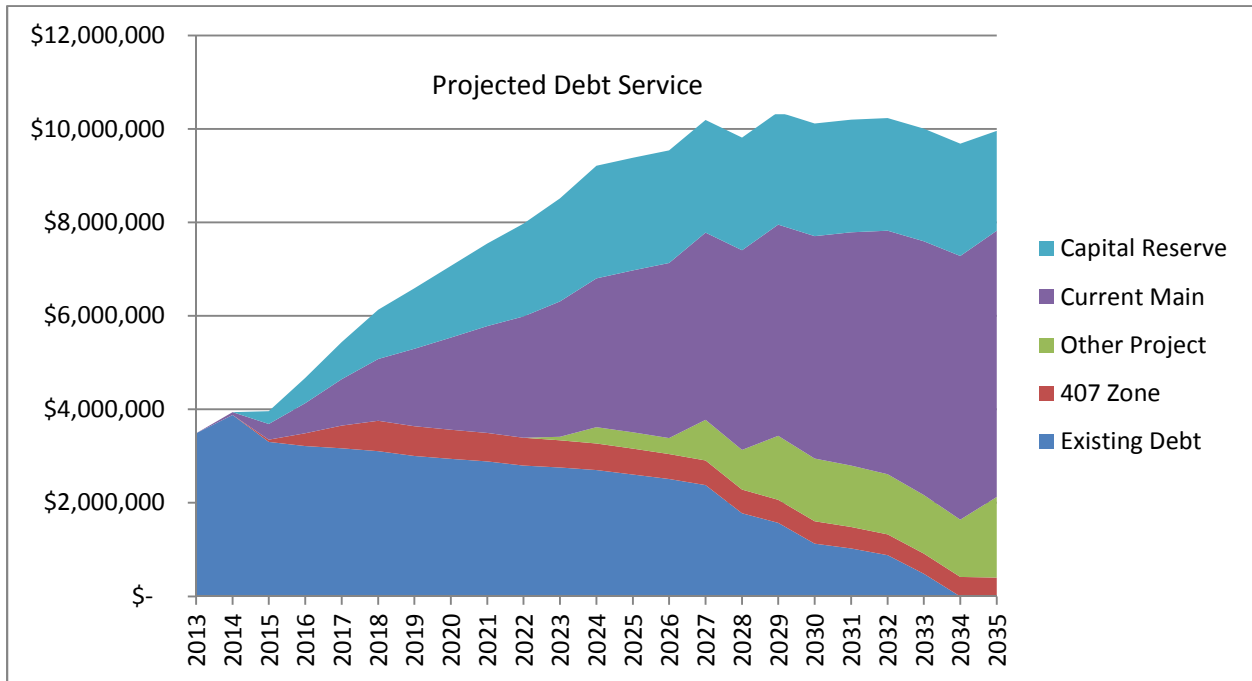
Meter Debt Service – Meters are an asset of the Water fund but are used to calculate both water and wastewater bills. The debt related to meters is allocated to each fund based on number and size of the meters in each municipality.

Together, these two are combined to become each fund's debt service expense.

	Fund	Meter	Total
Water	\$3,170,648	\$416,185	\$3,586,833
Wastewater:			
Cape Elizabeth	174,667	16,867	191,534
Cumberland	7,674	7,292	14,966
Gorham	393,443	12,238	405,681
Portland	1,841,316	127,941	1,969,257
Westbrook	400,246	31,312	431,558
Windham	152,045	519	152,564
Contracted Services:			
Falmouth	-	-	-
Scarborough	-	6,520	6,520
South Portland	-	51,746	51,746
	\$6,140,039	\$670,620	\$6,810,659

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 the current year and will mitigate the debt service of the new bonds scheduled to be issued.

2014 bond issues may appear in the proposed section if the target issue date is after the publication date of 2015 budget.

<u>IssueDate</u>	<u>BondID</u>	<u>Purpose</u>	<u>Maturity</u>	<u>Range of Interest</u>	<u>Original Issue Principal</u>	<u>Yr End 2014 Balance</u>	<u>2015 Principal</u>	<u>Yr End 2015 Balance</u>	<u>2015 Interest Exp</u>	<u>MMBB/DEP Admin Fee</u>	<u>Issue Cost</u>	<u>PUC Docket#</u>
Existing Debt Water General LTD												
10/27/2005	WTR05-02	General Assets	2025	3.0000% - 5.0000%	\$900,000	\$495,000	\$45,000	\$450,000	\$18,940			2005-488
10/26/2006	WTR06-01	General Assets	2026	3.0000% - 6.0000%	\$1,500,000	\$900,000	\$75,000	\$825,000	\$33,426			2006-510
09/01/2007	WTR07-03	General Assets	2027	4.2500% - 4.2500%	\$6,125,000	\$4,161,250	\$321,250	\$3,840,000	\$170,679			2006-732 & 2007-333
10/30/2008	WTR08-01	General Assets	2028	2.0750% - 5.5750%	\$1,500,000	\$1,050,000	\$75,000	\$975,000	\$52,363			2008-360
04/01/2009	WTR09-01	General Assets (407 Zone)	2028	1.0500% - 1.0500%	\$1,598,500	\$1,118,950	\$79,925	\$1,039,025	\$11,609	\$4,584		2008-360 AMENDED
08/28/2009	WTR09-04	General Assets (ARRA)	2029	0.0000% - 0.0000%	\$2,991,066	\$2,243,300	\$149,553	\$2,093,746	\$0	\$7,478		2009-128
08/28/2009	WTR09-05	General Assets (ARRA)	2029	0.0000% - 0.0000%	\$163,953	\$122,965	\$8,198	\$114,767	\$0	\$410		2009-128
05/27/2010	WTR10-02	General Assets (RZEDB)	2030	3.3640% - 5.7460%	\$400,000	\$400,000	\$25,000	\$375,000	\$11,003			2010-62
11/01/2010	WTR10-03	General Assets (DWSRF)	2030	1.0000% - 1.0000%	\$902,500	\$722,000	\$45,125	\$676,875	\$7,145	\$2,617		2010-62
10/27/2011	WTR11-01	General Assets	2031	0.5000% - 5.5000%	\$2,300,000	\$1,955,000	\$115,000	\$1,840,000	\$62,872			2011-266
05/01/2012	WTR12-03	Ozone UV Design & Forest Ave (DWSRF)	2032	1.0000% - 1.0000%	\$1,130,000	\$1,017,000	\$56,500	\$960,500	\$9,793	\$3,319		2011-266
10/25/2012	WTR12-01	General Assets	2032	1.4800% - 3.7060%	\$2,000,000	\$1,800,000	\$100,000	\$1,700,000	\$48,882			2012-357
05/01/2013	WTR13-01	Ozone-UV Construction Phase 1 (DWSRF)	2032	1.0000% - 1.0000%	\$2,850,000	\$2,700,000	\$150,000	\$2,550,000	\$26,750	\$8,850		2011-266
05/23/2013	WTR13-04	General Assets	2033	0.7300% - 3.7000%	\$1,428,000	\$1,356,600	\$71,400	\$1,285,200	\$33,900			2013-00167
11/04/2013	WTR13-06	Ozone-UV Construction Phase 2	2034	2.0000% - 4.2500%	\$8,000,000	\$8,000,000	\$400,000	\$7,600,000	\$275,967			2011-266
11/15/2013	WTR13-05	General Assets (DWSRF)	2033	1.0700% - 1.0700%	\$1,072,000	\$1,018,400	\$53,600	\$964,800	\$10,801	\$3,225		2013-00167
06/30/2014	WTR14-01	General Assets	2034	3.0000% - 3.5000%	\$2,541,000	\$2,541,000	\$131,000	\$2,410,000	\$69,290			2014-00093
06/30/2014	WTR14-02	General Assets - Capital Reserve	2024	3.0000% - 3.0000%	\$2,000,000	\$2,000,000	\$200,000	\$1,800,000	\$48,992			2014-00093
Total Existing Debt Water General LTD						\$33,601,464	\$2,101,551	\$31,499,913	\$892,412	\$30,483		
Proposed Water General LTD												
09/01/2015	WT_407 PS Constr_2	407 Zone Pump Station Construction	2035	5.0000% - 5.0000%	\$2,000,000	\$0	\$0	\$2,000,000	\$33,333		\$2,500	
09/01/2015	WT_GA2015 CR_2	Water General Assets - Capital Reserve	2025	5.0000% - 5.0000%	\$2,000,000	\$0	\$0	\$2,000,000	\$33,333		\$2,500	
09/01/2015	WT_GA2015_6	Water Gen Asset/Ozone UV Construction	2035	5.0000% - 5.0000%	\$4,000,000	\$0	\$0	\$4,000,000	\$66,667		\$5,000	
11/01/2015	WT_GA2015_4	General Assets (DWSRF)	2035	3.0000% - 3.0000%	\$459,000	\$0	\$0	\$459,000	\$2,295		\$574	
Total Proposed Debt Water General LTD						\$0	\$0	\$8,459,000	\$135,628	\$0	\$10,574	
Total Existing and Proposed Debt Water General LTD						\$33,601,464	\$2,101,551	\$39,958,913	\$1,028,040	\$30,483	\$10,574	
Existing Debt Meters Allocated												
09/01/2007	WTR07-01	Meters	2027	4.2500% - 4.2500%	\$3,500,000	\$2,275,000	\$175,000	\$2,100,000	\$93,316			2006-403
09/01/2007	WTR07-02	Sub-meters	2027	4.2500% - 4.2500%	\$375,000	\$243,750	\$18,750	\$225,000	\$9,999			2006-403
05/28/2009	WTR09-02	Meters	2029	2.0800% - 5.5800%	\$4,519,800	\$3,389,850	\$225,990	\$3,163,860	\$133,242			2006-403
05/28/2009	WTR09-03	Sub-Meters	2029	0.0000% - 5.5800%	\$180,200	\$135,150	\$9,010	\$126,140	\$5,312			2006-403
Total Existing Debt Meters Allocated						\$6,043,750	\$428,750	\$5,615,000	\$241,869			
Total Existing and Proposed Water Debt						\$39,645,214	\$2,530,301	\$45,573,913	\$1,269,909	\$30,483	\$10,574	

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.

2014 bond issues may appear in the proposed section if the target issue date is after the publication date of the 2015 budget.

IssueDate	BondID	Purpose	Maturity	Range of Interest	Original Issue	Yr End 2014	2015	Yr End 2015	Accrued 2015 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	Cape - Generators	2028	2.0750% - 5.5750%	\$95,000	\$66,500	\$4,750	\$61,750	\$3,316	\$0	\$3,316		
12/16/2011	WW11-01	CESO Treatment / Spurwink (SRF)	2031	1.0000% - 1.0000%	\$2,430,000	\$2,065,500	\$121,500	\$1,944,000	\$20,453	\$0	\$20,453	\$7,108	
10/25/2012	WW12-03	Cape Ottawa Rd CSO Studies / Treatment	2032	1.4800% - 3.7060%	\$160,000	\$144,000	\$8,000	\$136,000	\$3,911	\$0	\$3,911		
Total Existing Debt Cape Elizabeth						\$2,276,000	\$134,250	\$2,141,750	\$27,679	\$0	\$27,679	\$7,108	
Proposed Cape Elizabeth													
11/01/2015	WW_Cape TP/PS Misc_2	Cape TP/PS Misc. Projects	2035	5.0000% - 5.0000%	\$337,500	\$0	\$0	\$337,500	\$2,813	\$0	\$2,813		\$421
11/01/2015	WW_Garden Ln_7	Garden Lane P.S. Upgrade	2035	5.0000% - 5.0000%	\$250,000	\$0	\$0	\$250,000	\$2,083	\$0	\$2,083		\$313
Total Proposed Debt Cape Elizabeth						\$0	\$0	\$587,500	\$4,896	\$0	\$4,896		\$734
Total Existing and Proposed Debt Cape Elizabeth						\$2,276,000	\$134,250	\$2,729,250	\$32,575	\$0	\$32,575	\$7,108	\$734
Existing Debt Cumberland													
12/22/2006	WW06-01	Cumberland -Tuttle Pump Station (SRF)	2026	1.4200% - 1.4200%	\$125,000	\$75,000	\$6,250	\$68,750	\$1,058	\$0	\$1,058	\$366	
Total Existing Debt Cumberland						\$75,000	\$6,250	\$68,750	\$1,058	\$0	\$1,058	\$366	
Existing Debt Gorham													
04/01/2003	WW03-03	Westbrook Treatment Dewatering (SRF)	2022	0.0000% - 4.2030%	\$78,120	\$30,712	\$3,906	\$26,806	\$383	\$0	\$383	\$65	
11/13/2003	WW03-14	Westbrook Treatment Headworks Upgrade (SRF)	2023	0.0000% - 4.4930%	\$73,185	\$32,780	\$3,659	\$29,120	\$391	\$0	\$391	\$146	
12/01/2005	WW05-02	WB Cottage Place/ E. Bridge PS upgrades (SRF)	2025	1.6300% - 1.6300%	\$252,000	\$138,600	\$12,600	\$126,000	\$2,242	\$0	\$2,242	\$743	
07/02/2007	WW07-01	GR Portion -Treatment Water Plant & Scum (SRF)	2017	1.0000% - 1.0000%	\$146,000	\$43,800	\$14,600	\$29,200	\$365	\$0	\$365	\$752	
05/15/2008	WW08-01	WB Treatment Generator / Electrical Upgrades	2028	2.0000% - 5.5000%	\$50,400	\$35,280	\$2,520	\$32,760	\$1,512	\$0	\$1,512		
10/30/2008	WW08-02	Westbrook Cottage Place/ E. Bridge PS Screens	2029	2.0750% - 5.5750%	\$474,672	\$356,004	\$23,734	\$332,270	\$18,343	\$0	\$18,343		
01/15/2009	WW09-01	Little Falls Conveyance (SRF)	2028	1.4400% - 1.4400%	\$4,258,208	\$3,010,854	\$215,061	\$2,795,793	\$42,582	\$0	\$42,582	\$12,921	
02/27/2009	WW09-02	WB Headworks/Cottage Place/ E Bridge (SRF)	2028	1.0000% - 1.0000%	\$253,475	\$177,433	\$12,674	\$164,759	\$1,743	\$0	\$1,743	\$722	
05/28/2009	WW09-04	Little Falls Conveyance	2029	2.0800% - 5.5800%	\$233,954	\$175,466	\$11,698	\$163,768	\$6,897	\$0	\$6,897		
11/01/2010	WW10-04	Westbrook Treatment Misc Upgrades (SRF)	2030	1.0000% - 1.0000%	\$52,360	\$41,888	\$2,618	\$39,270	\$415	\$0	\$415	\$152	
Total Existing Debt Gorham						\$4,042,816	\$303,069	\$3,739,746	\$74,872	\$0	\$74,872	\$15,502	

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.

2014 bond issues may appear in the proposed section if the target issue date is after the publication date of the 2015 budget.

IssueDate	BondID	Purpose	Maturity	Range of Interest	Original Issue	Yr End 2014	2015	Yr End 2015	Accrued 2015 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	\$90,000	\$45,000	\$45,000	\$3,591	\$0	\$3,591		
10/30/1997	WW97-01	Peaks Torrington Point Upgrades	2017	5.3800% - 5.3800%	\$1,100,000	\$165,000	\$55,000	\$110,000	\$7,215	\$0	\$7,215		
10/26/2001	WW01-01	Peaks Ryefield / Seashore Upgrades (SRF)	2021	2.1000% - 2.1000%	\$2,785,000	\$974,750	\$139,250	\$835,500	\$19,982	\$0	\$19,982	\$2,396	
11/01/2001	WW01-02	EETreatment Clarifiers/Screens/Grit Upgrades (SRF)	2021	2.1000% - 2.1000%	\$1,250,000	\$437,500	\$62,500	\$375,000	\$8,969	\$0	\$8,969	\$1,075	
04/01/2003	WW03-01	Refund Issue EETF Clarifiers/Screens/Grit (SRF)	2020	0.0000% - 4.0590%	\$1,615,500	\$533,761	\$89,750	\$444,011	\$5,436	\$0	\$5,436	\$1,447	
04/01/2003	WW03-02	Portland Treatment Odor Control (SRF)	2022	0.0000% - 4.2030%	\$5,200,000	\$2,044,302	\$260,000	\$1,784,302	\$25,523	\$0	\$25,523	\$4,344	
11/13/2003	WW03-12	EETF Dewatering/Clarifiers/Screens/Grit (SRF)	2023	0.0000% - 4.4930%	\$1,230,000	\$545,350	\$61,500	\$483,850	\$5,338	\$0	\$5,338	\$2,459	
11/13/2003	WW03-13	EE Treatment Primary Sedimentation & Odor (SRF)	2023	0.0000% - 4.4930%	\$2,000,000	\$898,721	\$100,000	\$798,721	\$11,972	\$0	\$11,972	\$3,999	
12/03/2004	WW04-01	EE Treatment Odor Control (SRF)	2024	1.3300% - 1.3300%	\$375,000	\$187,500	\$18,750	\$168,750	\$2,431	\$0	\$2,431	\$744	
12/03/2004	WW04-02	EE Treatment Dewatering (SRF)	2024	1.3300% - 1.3300%	\$1,740,000	\$870,000	\$87,000	\$783,000	\$11,282	\$0	\$11,282	\$3,450	
12/01/2005	WW05-01	EE Treatment Hypochlorite Upgrade (SRF)	2025	1.6300% - 1.6300%	\$1,900,000	\$1,045,000	\$95,000	\$950,000	\$16,904	\$0	\$16,904	\$5,602	
04/01/2009	WW09-03	Portland India Pump Station Upgrade (SRF)	2028	1.4700% - 1.4700%	\$5,700,000	\$3,933,916	\$280,994	\$3,652,922	\$57,140	\$0	\$57,140	\$16,941	
11/01/2010	WW10-03	Portland Northeast & Pump Station Upgrades (SRF)	2030	1.0000% - 1.0000%	\$752,200	\$601,760	\$37,610	\$564,150	\$5,955	\$0	\$5,955	\$2,181	
10/27/2011	WW11-02	Portland Pump Station Upgrades	2031	0.5000% - 5.5000%	\$400,000	\$340,000	\$20,000	\$320,000	\$10,934	\$0	\$10,934		
11/04/2013	WW13-02	Peaks Island Sewer Extension	2033	3.0000% - 4.0000%	\$3,000,000	\$2,850,000	\$150,000	\$2,700,000	\$95,650	\$0	\$95,650		
Total Existing Debt Portland						\$15,517,561	\$1,502,354	\$14,015,207	\$288,324	\$0	\$288,324	\$44,638	
Proposed Portland													
11/01/2015	WW_Fore_River_SRF_3	Fore River P.S. Upgrades (SRF)	2035	3.0000% - 3.0000%	\$1,600,000	\$0	\$0	\$1,600,000	\$0	\$4,000	\$4,000		\$2,000
Total Proposed Debt Portland						\$0	\$0	\$1,600,000	\$0	\$4,000	\$4,000		\$2,000
Total Existing and Proposed Debt Portland						\$15,517,561	\$1,502,354	\$15,615,207	\$288,324	\$4,000	\$292,324	\$44,638	\$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.

2014 Bond issues may appear in the proposed section if the target issue date is after the publication date of the 2015 budget.

IssueDate	BondID	Purpose	Maturity	Range of Interest	Original Issue	Yr End 2014	2015	Yr End 2015	Accrued 2015 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	Westbrook Treatment Dewatering (SRF)	2022	0.0000% - 4.2030%	\$284,208	\$111,732	\$14,210	\$97,522	\$1,395	\$0	\$1,395	\$237	
11/13/2003	WW03-14	Westbrook Treatment Headworks Upgrade (SRF)	2023	0.0000% - 4.4930%	\$266,254	\$119,255	\$13,313	\$105,943	\$1,421	\$0	\$1,421	\$532	
12/01/2005	WW05-02	WB Cottage Place/ E. Bridge PS upgrades (SRF)	2025	1.6300% - 1.6300%	\$1,316,800	\$724,240	\$65,840	\$658,400	\$11,716	\$0	\$11,716	\$3,882	
05/15/2008	WW08-01	WB Treatment Generator / Electrical Upgrades	2028	2.0000% - 5.5000%	\$183,360	\$128,352	\$9,168	\$119,184	\$5,501	\$0	\$5,501		
10/30/2008	WW08-02	Westbrook Cottage Place/ E. Bridge PS Screens	2029	2.0750% - 5.5750%	\$2,384,641	\$1,788,481	\$119,232	\$1,669,249	\$92,152	\$0	\$92,152		
02/27/2009	WW09-02	WB Headworks/Cottage Place/ E Bridge (SRF)	2028	1.0000% - 1.0000%	\$974,925	\$682,448	\$48,746	\$633,701	\$6,703	\$0	\$6,703	\$2,779	
11/01/2010	WW10-04	Westbrook Treatment Misc Upgrades (SRF)	2030	1.0000% - 1.0000%	\$113,220	\$90,576	\$5,661	\$84,915	\$896	\$0	\$896	\$328	
Total Existing Debt Westbrook						\$3,645,084	\$276,170	\$3,368,913	\$119,784	\$0	\$119,784	\$7,759	
Proposed Westbrook													
11/01/2015	WW_CS0 DES_CONST_2	CSO Design & Construction	2035	5.0000% - 5.0000%	\$1,000,000	\$0	\$0	\$1,000,000	\$8,333	\$0	\$8,333		\$1,440
Total Proposed Debt Westbrook						\$0	\$0	\$1,000,000	\$8,333	\$0	\$8,333	\$0.00	\$1,440
Total Existing and Proposed Debt Westbrook						\$3,645,084	\$276,170	\$4,368,913	\$128,117	\$0	\$128,117	\$7,759	\$1,440

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.

2014 Bond issues may appear in the proposed section if the target issue date is after the publication date of the 2015 budget.

IssueDate	BondID	Purpose	Maturity	Range of Interest	Original Issue	Yr End 2014	2015	Yr End 2015	Accrued 2015 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	Westbrook Treatment Dewatering (SRF)	2022	0.0000% - 4.2030%	\$9,672	\$3,802	\$484	\$3,319	\$47	\$0	\$47	\$8	
11/13/2003	WW03-14	Westbrook Treatment Headworks Upgrade (SRF)	2023	0.0000% - 4.4930%	\$9,061	\$4,058	\$453	\$3,605	\$48	\$0	\$48	\$18	
12/01/2005	WW05-02	WB Cottage Place/ E. Bridge PS upgrades (SRF)	2025	1.6300% - 1.6300%	\$31,200	\$17,160	\$1,560	\$15,600	\$278	\$0	\$278	\$92	
05/15/2008	WW08-01	WB Treatment Generator / Electrical Upgrades	2028	2.0000% - 5.5000%	\$6,240	\$4,368	\$312	\$4,056	\$187	\$0	\$187		
10/30/2008	WW08-02	Westbrook Cottage Place/ E. Bridge PS Screens	2029	2.0750% - 5.5750%	\$40,687	\$30,515	\$2,034	\$28,481	\$1,572	\$0	\$1,572		
01/15/2009	WW09-01	Little Falls Conveyance (SRF)	2028	1.4400% - 1.4400%	\$1,681,792	\$1,189,146	\$84,939	\$1,104,207	\$16,818	\$0	\$16,818	\$5,103	
02/27/2009	WW09-02	WB Headworks/Cottage Place/ E Bridge (SRF)	2028	1.0000% - 1.0000%	\$21,600	\$15,120	\$1,080	\$14,040	\$149	\$0	\$149	\$62	
05/28/2009	WW09-04	Little Falls Conveyance	2029	2.0800% - 5.5800%	\$196,046	\$147,034	\$9,802	\$137,232	\$5,779	\$0	\$5,779		
11/01/2010	WW10-04	Westbrook Treatment Misc Upgrades (SRF)	2030	1.0000% - 1.0000%	\$4,420	\$3,536	\$221	\$3,315	\$35	\$0	\$35	\$13	
Total Existing Debt Windham						\$1,414,740	\$100,885	\$1,313,855	\$24,914	\$0	\$24,914	\$5,296	

Capital Reserve – Water

In 2013, a new state law (35-A M.R.S. 6107-A, Funding for infrastructure improvements for water utilities) was enacted. The law allows a water utility to fund future infrastructure improvements through recovery in rates. As required by the law, the Maine Public Utilities Commission adopted a rule (Chapter 675 – Infrastructure Surcharge and Capital Reserve Accounts) that outlines the maximum amount of funds the may be recovered through rates, use of those funds, and reporting requirements.

The maximum dollar amount of funds that may be recovered through rates depends on the size of the utility. Portland Water District is considered a large utility (utilities with revenues greater than \$750,000 are considered large) and therefore the amount of revenue requirement attributed to funding a capital reserve should not exceed either of the following:

1% of Gross Plant	\$ 2,678,400
10% of Revenue Requirement	\$ 2,078,065

The capital reserve can only be used to pay for the costs of construction associated with the projects identified in the utility's System Infrastructure Assessment Report (SIA) and are related to transmission, distribution, and treatment of water. The District submitted a SIA that identified water mains that need to be replaced due to age or type of material.

SIA Program	Main to be replaced (ft)	Cost per foot	Miles of pipe	Program Cost
A (Cast Iron pipe >100 years old)	559,680	\$225	106 miles	\$126 million
B (Cast Iron pipe 75-100 years old)	443,520	\$225	84 miles	\$100 million
C (Galvanized Iron pipe)	59,136	\$200	11 miles	\$12 million
D (2 ½" diameter Cast Iron pipe)	84,480	\$200	16 miles	\$17 million
Totals			217 miles	\$255 million

The District has chosen to increase each year an additional 1% for 10 years with the revenue reserved to pay the debt service costs of issuing a \$2 million bond each year. The bond proceeds will be used to replace water mains identified in the SIA.

The 2015 budget assumes 1% of the proposed 3.8% water rate adjustment be dedicated to the capital reserve. In 2014, 1% of the 2.9% rate adjustment was dedicated to the reserve.

	2014 Budget	2015 Budget
2014 Rate Increase	138,931	207,423
2015 Rate Increase	-	141,733
Revenue	138,931	349,156
2014 Issue Principal	-	200,000
2014 Issue Interest	24,382	48,992
2015 Issue Principal	-	-
2015 Issue Interest	-	33,333
Expense	24,382	282,325
Annual Change	114,549	66,831
Carry Forward	-	114,549
Accumulated Balance	114,549	181,380

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.

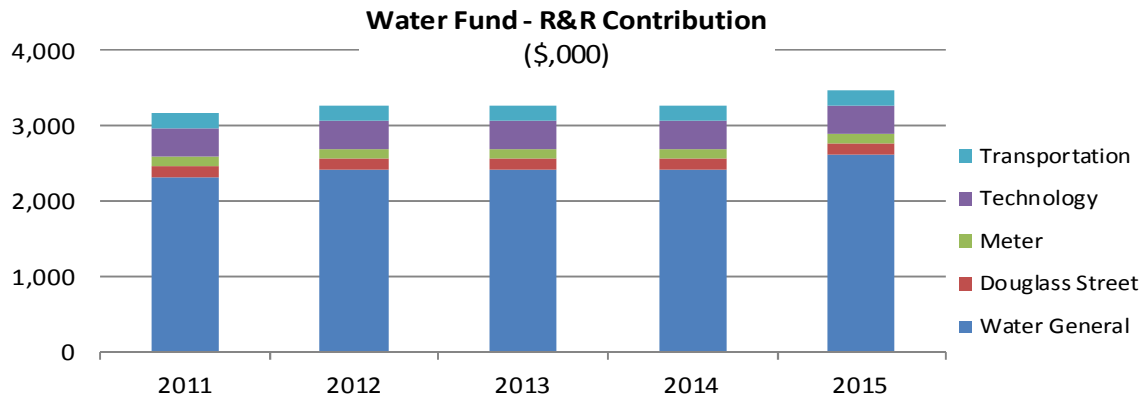
Transportation – These assets are used by all District funds. The charge for the R&R funding is part of the hourly rate of each vehicle (an internal line item).

2015 Contributions:

	Fund	Douglass St	Meters	Technology	Combined*	Total
Water	\$2,600,000	\$94,875	\$91,784	\$109,220	\$295,879	\$2,895,879
Wastewater:						
Cape Elizabeth	80,000	4,860	2,478	7,340	14,678	94,678
Cumberland	19,628	2,280	1,232	4,240	7,752	27,380
Gorham	127,947	3,795	2,044	5,860	11,699	139,646
Portland	728,196	33,855	24,276	58,100	116,231	844,427
Westbrook	407,904	7,920	5,768	13,380	27,068	434,972
Windham	32,687	975	112	1,860	2,947	35,634
Contracted Services:						
Falmouth	-	-	-	-	-	-
Scarborough	-	15	1,610	-	1,625	1,625
South Portland	-	1,425	10,696	-	12,121	12,121
R&R - Funds	3,996,362	150,000	140,000	200,000	490,000	4,486,362
R&R - Transportation						380,000
R&R - Total						4,866,362
*Combined = Douglass St + Meters + Technology						

Water Fund - Renewal & Replacement Fund

A total of \$3,470,000 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 12/31/12	1,579,896	272,288	271,555	133,761	117,283	2,374,783
Contribution - 2013	2,400,000	150,000	140,000	380,000	200,000	3,270,000
Expenditure	(2,109,156)	(147,800)	(117,368)	(318,490)	(69,183)	(2,761,997)
Balance 12/31/13	1,870,740	274,488	294,187	195,271	248,100	2,882,786
Contribution - 2014	2,400,000	150,000	140,000	380,000	200,000	3,270,000
Expenditure (Est'd)	(3,436,500)	(144,500)	(225,000)	(275,000)	(147,000)	(4,228,000)
Balance 12/31/14 (Est'd)	834,240	279,988	209,187	300,271	301,100	1,924,786
Contribution - 2015	2,600,000	150,000	140,000	380,000	200,000	3,470,000
Expenditure (Est'd)	(1,846,000)	(210,000)	(190,000)	(275,000)	(265,000)	(2,786,000)
Balance 12/31/15 (Est'd)	1,588,240	219,988	159,187	405,271	236,100	2,608,786
Target Renewal and Replacement (1% of Gross Fixed Asset Cost)						\$2,687,840

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.

At the end of 2013, operating surpluses in Gorham, Portland, Westbrook and Windham were transferred to each fund's R&R fund. In addition, the proceeds from that sale easement were placed in Portland's R&R fund.

In 2015, R&R contributions stayed the same in Cape Elizabeth, Cumberland and Portland. Gorham had a relatively large increase (from \$67,313 to 127,947) while Westbrook and Windham had small upward increases. Increases were made to provide funding for anticipated future capital projects at the Westbrook Regional Treatment facility. As a group, the Wastewater funds increased their R&R contributions by \$63,412 (4.8%).

Recently, the State Revolving Loan program amended their program to grant principal forgiveness to organization that implemented good asset management practices including allocating at least 2% of the annual budget into a R&R fund. The District received \$270,000 and \$47,800 principal forgiveness on the Cape Elizabeth 2011 \$2,700,000 and Portland 2010 \$800,000 bonds. Both Cape Elizabeth and Portland are contributing more than 2% of the operating budget in 2015 to their respective R&R fund.

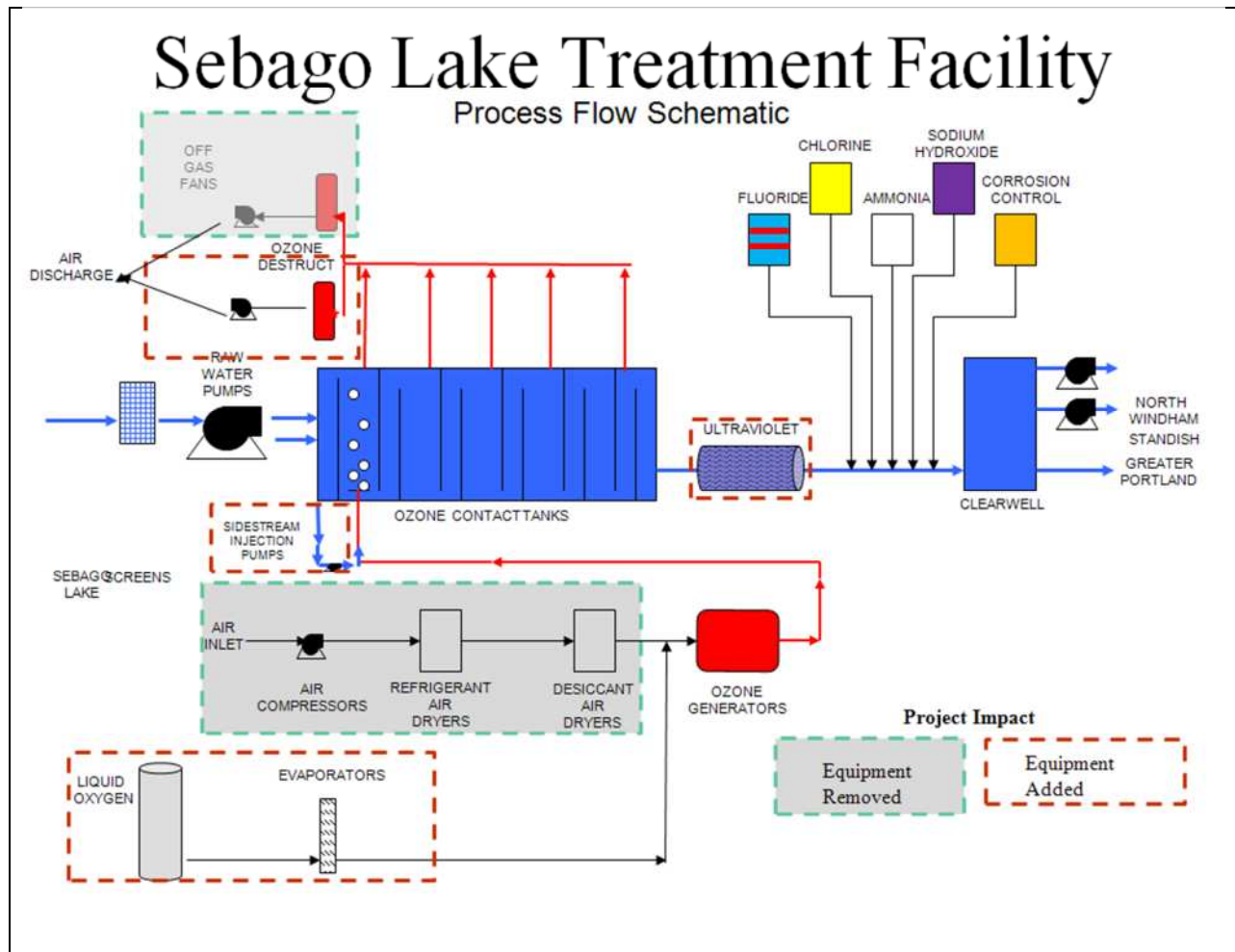
The estimated 2015 expenditures from the R&R fund are based on the 2015 Capital Improvements Budget as outlined in the Capital Expenditure section.

	----- Wastewater Funds -----					
	CAPE ELIZABETH	CUMBERLAND	GORHAM	PORTLAND	WESTBROOK	WINDHAM
Balance 12/31/12	\$128,499	\$264,675	\$456,089	\$2,185,372	\$921,861	\$140,756
Contribution - 2013	80,000	35,000	107,017	728,196	409,910	43,727
Operating Surplus Transfer	-	-	80,874	52,386	133,580	15,671
Expenditure	(64,745)	(15,599)	(125,249)	(415,625)	(145,120)	(11,934)
<u>Sale of Easement</u>	-	-	-	736	-	-
Balance 12/31/13	143,754	284,076	518,731	2,551,065	1,320,231	188,220
Contribution - 2014	80,000	19,628	67,313	728,196	405,798	32,015
Operating Surplus Transfer	-	-	-	-	-	-
<u>Expenditure (Est'd)</u>	(52,987)	(76,500)	(96,491)	(1,402,351)	(244,572)	(13,562)
Balance 12/31/14 Estimated	170,767	227,204	489,553	1,876,910	1,481,457	206,673
Contribution - 2015	80,000	19,628	127,947	728,196	407,904	32,687
Operating Surplus Transfer	-	-	-	-	-	-
<u>Expenditure (Est'd)</u>	(75,176)	(48,740)	(58,249)	(906,477)	(117,366)	(24,089)
Balance 12/31/15 Estimated	\$175,591	\$198,092	\$559,251	\$1,698,629	\$1,771,995	\$215,271
Target Renewal & Replacement (3% of gross fixed asset cost)	\$471,607	\$231,315	\$524,756	\$2,926,039	\$605,745	\$88,828

Bond Issued for Water Treatment Plant Upgrade – Ultraviolet/Ozone System Upgrade

A second water treatment process, ultraviolet (UV), was completed on April 2014. Upon completion, water is now treated by both ozone and UV processes. While installing the UV system, the 20-year old ozone equipment was replaced with more cost-effective equipment.

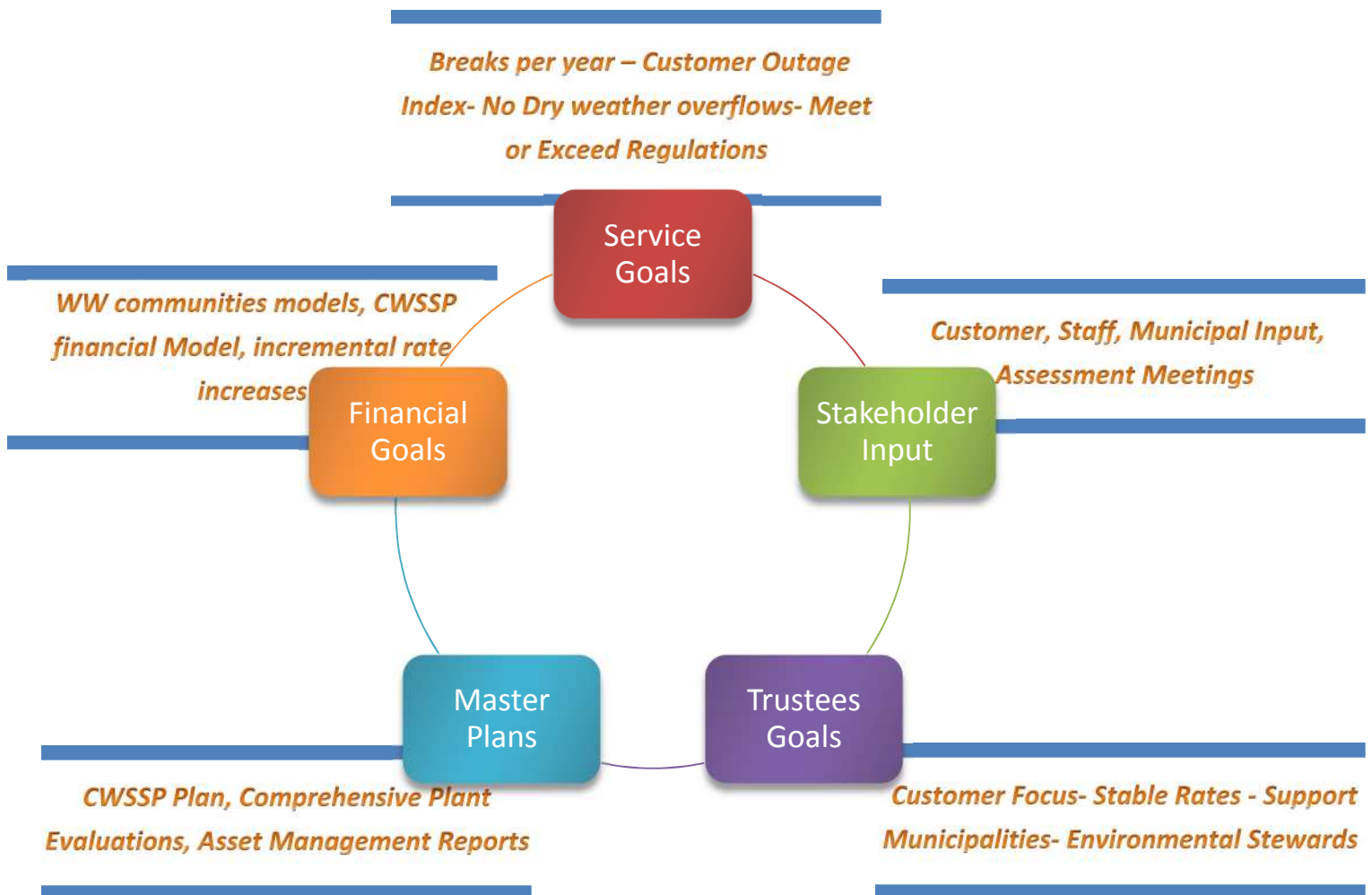
The impact to the 2015 budget includes the debt service costs related to issuing \$12 million bonds to pay for the project and reduced electricity costs due to the new ozone equipment. Debt Service costs in 2015 is \$676,000.



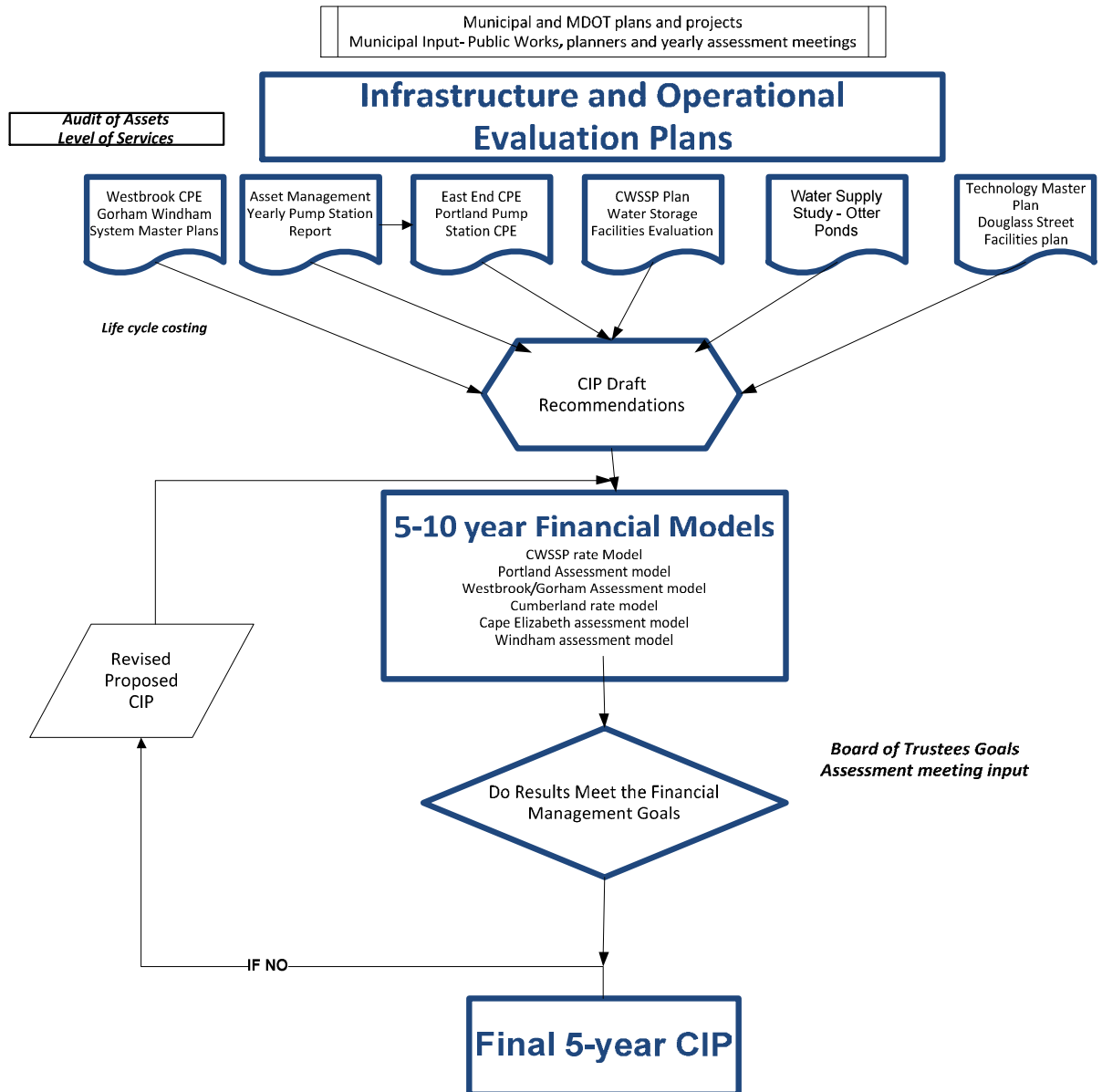
Water is pumped from Sebago Lake to the plant. The water is treated with ozone. Previously, ozone was created from air that was compressed and cooled. The new process uses liquid oxygen. After the ozone treatment process, the new UV process adds a second treatment process. Fluoride (teeth health), chlorine & ammonia (distribution system disinfectant), sodium hydroxide (pH control) and corrosion control chemicals are added to the water before sending the water to 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



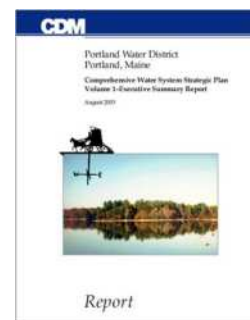
Infrastructure and Operational Evaluation Plans

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 2015 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 newly installed liquid oxygen tanks as part of the UV disinfection and Ozone replacement Project March 2014.



New UV unit on line March of 2014



Wastewater Funds

Cape Elizabeth – Sewer System

To increase the hydraulic capacity of the Cape Elizabeth WWTF, particularly during high wet weather flow events, the plant was upgraded to accept 2.75 mgd and the bypass pump station was eliminated. Since the upgrade, the plant has performed well during several significant wet weather events.

In 2009, the District 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 Northern Cape Elizabeth. 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. The majority of the work in the first years will involve the identification and removal of private I/I sources to the collection systems.

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 is being replaced in 2014 by a submersible station that will not be 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
- RAS and flow split to the secondary clarifiers
- The Plant Control System was upgraded in 2012/2013

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 was completed in 2014 along with improvements and automation of the disinfection system.

The aeration system will be evaluated beginning in late 2014 to establish a budget for upgrades. While the plant is operating well within its design capacity, the equipment will approach the end of its useful life in the not-to-distant future. In the summer of 2014, the Department of Environmental Protection requested that treatment plants across the State of Maine complete ambient and treatment plant effluent sampling for nitrogen and phosphorus. It seems likely that the Westbrook will have at least a phosphorus monitoring requirement in the next permit. The 2014 study will also evaluate options for nutrient management at the treatment plant to develop a scope and probable cost for future compliance with any regulatory mandates. .

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.

The flow from all CSO outfalls is 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. The plan will likely include a revised schedule to accommodate a number of current projects that have not yet been completed.

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.

To ensure that accurate wastewater flow is measured and used for allocating operating costs to the Town of Gorham, a new meter was installed to measure the flow from the Town of Gorham. This meter was installed and is maintained by a third party vendor as part of the District's extensive flow monitoring program.

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 while exercising regular process control to better manage the performance of the treatment system. Design of the upgrade began in 2015 and construction of the project is being proposed 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 to ensure the system will “fit into” future plans.

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. Subprogram 70 and 420 outlines future plans for the remaining pump stations in the City. The full upgrade of the Baxter Boulevard Pump Station was delayed (only pumps, with the ability to be expanded, were replaced) 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 in 2013.

The Fore River Pump Station pumping system and controls upgrade is being designed in 2014 and will be replaced in 2015 (Phase 1). 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 was commissioned in 2013. Design for the next two storage conduits is underway. These storage conduits are part of the City's collection system and are owned, operated, and maintained by the City. The treatment of flow from the storage conduits is coordinated with the City on an ongoing and regular basis.

The Portland City Council approved a \$3.1 million dollar sewer expansion on Peaks Island. The project was managed, constructed, and financed by the District. The project was completed in 2014.

Peaks Island Sewer Extension Project: New Great Pond Pump Station – Went online in January 2014



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 subprogram 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.

The Town of Falmouth is contemplating the replacement of the joint use Mill Creek Pump Station and Force Main. The project is now expected to begin in 2015 or 2016.

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 included similar control system improvements.



The SCADA panel for the newly installed Great Pond Pump Station for the Peaks island Sewer Extension Project

Program Summary and Board of Trustees Approval Order

Program	Program Approval 11/24/14	Special Approval
SCADA & Technology	\$423,697	
Vehicle and Equipment Replacement	\$275,000	
Wastewater Collection Systems and Pumping	\$1,411,400	
Wastewater Treatment Facilities <ul style="list-style-type: none"> • CIP #21, Project 671, Aeration System Upgrade 	\$1,147,500	\$11,000,000
Water Distribution System Upgrades	\$9,815,000	
Water Facilities Program	\$865,000	
Water Supply - Sebago Lake and Steep Falls	\$25,000	
Program Totals	\$13,962,597	\$11,000,000
Combined Program Total		\$24,962,597

Note: Projects that require "Special Approval" will be brought back to the Board of Trustees for specific authorization. In 2015 there is one project included in this category.

Proposed Board Action:

ORDERED: that the 2015-2019 Capital Improvement Plan is hereby adopted and the General Manager is authorized to solicit bids or proposals for the year 2015 projects; except CIP# 21, project 671 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 2015 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 2015

Program	Subprogram #	Budget
<u>SCADA & Technology</u>		
SCADA /Process Control - Water	177	\$158,697
SCADA /Process Control - Wastewater	110	\$80,000
Technology Upgrade and Replacement	50	\$185,000
	Program Total	\$423,697
<u>Vehicle and Equipment Replacement</u>		
Vehicle and Equipment Replacement	326	\$275,000
	Program Total	\$275,000
<u>Wastewater Collection Systems and Pumping</u>		
Cape Eliz. Pump Stations - R&R	52	\$30,000
Cape Eliz. Pump Stations - Capital	407	\$95,000
Cumberland WW Pump Stations - R&R	41	\$40,000
Gorham WW Pump Stations - R&R	60	\$10,000
Portland WW Pump Stations -R&R	70	\$206,400
Westbrook CSO Abatement	29	\$1,000,000
Westbrook WW Systems R&R	411	\$10,000
Windham - Little Falls WW system R&R	180	\$20,000
	Program Total	\$1,411,400
<u>Wastewater Treatment Facilities</u>		
Cape Eliz. WWTF - R&R	424	\$25,000
Cape Eliz. WWTF – Capital	418	\$242,500
East End WWTF - R&R	409	\$455,000
East End WWTF Capital Upgrade	21	\$11,000,000
Peaks Island R&R	423	\$155,000
Wastewater Asset Condition Evaluations	421	\$150,000
Westbrook/Gorham /Windham WWTF Capital	167	\$30,000
Westbrook/Gorham /Windham WWTF R&R	416	\$90,000
	Program Total	\$12,147,500

Program Summary for 2015

Program	Subprogram #	Budget
<u>Water Distribution System Upgrades</u>		
Meter Replacement and Leak Detection	63	\$190,000
Gorham/Windham 407 Zone Improvements	307	\$2,000,000
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	\$5,500,000
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	\$9,815,000
<u>Water Facilities Program</u>		
Facilities Improvements	68	\$210,000
SLWTF – Treatment Process Improvements	315	\$500,000
Water Facilities Renewal and Replacement	122	\$80,000
Water Storage Facility Maintenance & Upgrade	203	\$75,000
	Program Total	\$865,000
<u>Water Supply - Sebago Lake and Steep Falls</u>		
Water System Security	46	\$25,000
	Program Total	\$25,000
	CIP Total	\$24,962,597

Fund Summary for 2015

Subprogram		Subprogram #	Budget	Manager
Division	10 Allocation			
Facilities Improvements		68	\$210,000	Paradis, Roger
Meter Replacement and Leak Detection		63	\$190,000	Wallace, Jim
Technology Upgrade and Replacement		50	\$185,000	Davis, Chad
Vehicle and Equipment Replacement		326	\$275,000	Paradis, Roger
	Division 10	Total	\$860,000	
Division	20 Water - General			
Gorham/Windham 407 Zone Improvements		307	\$2,000,000	Johnson, Gordon
SCADA /Process Control - Water		110	\$80,000	Richard, Emile
SLWTF – Treatment Process Improvements		315	\$500,000	Wallace, Jim
Water Distribution Valve Replacement		53	\$250,000	Wallace, Jim
Water Facilities Renewal and Replacement		122	\$80,000	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	\$5,500,000	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	\$75,000	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	\$10,385,000	
Division	50 Wastewater - General			
Wastewater Asset Condition Evaluation		421	\$150,000	Firmin, Scott
SCADA /Process Control – Wastewater		177	\$94,331	Richard, Emile
	Division 51	Total	\$244,331	
Division	51 Wastewater - Cape Elizabeth			
Cape Eliz. Pump Stations - R&R		52	\$30,000	Poulin, Charlene
Cape Eliz. Pump Stations - Capital		407	\$95,000	Rodriguez, Paul
Cape Eliz. WWTF - Capital		418	\$242,500	Firmin, Scott
Cape Eliz. WWTF - R&R		424	\$25,000	Waterman, Robert
	Division 51	Total	\$392,500	
Division	53 Wastewater - Cumberland			
Cumberland WW Pump Stations - R&R		41	\$40,000	Poulin, Charlene
	Division 53	Total	\$40,000	

Fund Summary for 2015

Subprogram	Subprogram #	Budget	Manager
Division 55 Wastewater - Windham Little Falls			
Windham - Little Falls WW System R&R	180	\$20,000	Poulin, Charlene
	Division 55 Total	\$20,000	
Division 57 Wastewater - Portland			
East End WWTF - R&R	409	\$455,000	Sloan, Steve
East End WWTF Capital Upgrade	21	\$11,000,000	Sloan, Steve
Portland WW Pump Stations - R&R	70	\$206,400	Poulin, Charlene
SCADA /Process Control - Wastewater	177	\$47,366	Richard, Emile
	Division 57 Total	\$11,708,766	
Division 61 Wastewater - Gorham Village			
Gorham WW Pump Stations - R&R	60	\$10,000	Poulin, Charlene
	Division 61 Total	\$10,000	
Division 62 Wastewater - Westbrook			
Westbrook CSO Abatement	29	\$1,000,000	Poulin, Charlene
Westbrook WW Systems R&R	411	\$10,000	Poulin, Charlene
	Division 62 Total	\$1,010,000	
Division 64 Wastewater - Joint Westbrook			
SCADA /Process Control - Wastewater	177	\$17,000	Richard, Emile
Westbrook/Gorham /Windham WWTF Capital	167	\$30,000	Rodriguez, Paul
Westbrook/Gorham /Windham WWTF R&R	416	\$90,000	Waterman, Robert
	Division 64 Total	\$137,000	
Division 66 Wastewater - Peaks			
Peaks Island R&R	423	\$155,000	Waterman, Robert
	Division 66 Total	\$155,000	
Total of All Divisions:		\$24,962,597	

Financing Summary for 2015

In 2015, 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			
	Cape Eliz. Pump Stations – Capital	407	\$95,000
	Cape Eliz. WWTF – Capital	418	\$242,500
	East End WWTF Capital Upgrade	21	\$11,000,000
	Westbrook CSO Abatement	29	\$1,000,000
	Total for: Bonds - WW		\$12,337,500
Bonds - Water			
	Water Main Replacement - Capital	43	\$5,500,000
	Gorham/Windham 407 Zone Improvements	307	\$2,000,000
	SLWTF – Treatment Process Improvements	315	\$500,000
	Total for: Bonds - Water		\$8,000,000
Deferred Operating Expense			
	Wastewater Asset Condition Evaluation	421	\$150,000
	Westbrook Gorham Windham Regional WWTF - Capital	167	\$30,000
	Total for: Deferred OpEx		\$180,000
R&R - Wastewater			
	Cape Eliz. Pump Stations - R&R	52	\$30,000
	Cape Eliz. WWTF - R&R	424	\$25,000
	Cumberland WW Pump Stations - R&R	41	\$40,000
	East End WWTF - R&R	409	\$455,000
	Gorham WW Pump Stations - R&R	60	\$10,000
	Peaks Island R&R	423	\$155,000
	Portland WW Pump Stations - R&R	70	\$206,400
	SCADA /Process Control - Wastewater	177	\$158,697
	Westbrook WW Systems R&R	411	\$10,000
	Westbrook/Gorham /Windham WWTF R&R	416	\$90,000
	Windham - Little Falls WW System R&R	180	\$20,000
	Total for: R&R - Wastewater		\$1,200,097

Financing Summary for 2015

In 2015, capital projects will be funded through bonds, bond anticipation notes and renewal and replacement (R&R) reserve withdrawals as described in the Capital Finance section.

Funding Source	Subprogram	Subprogram #	Budget
R&R - Water			
	Facilities Improvements	68	\$210,000
	Meter Replacement and Leak Detection	63	\$190,000
	Water Storage Facility Maintenance & Upgrade	203	\$75,000
	SCADA /Process Control - Water	110	\$80,000
	Technology Upgrade and Replacement	50	\$185,000
	Vehicle and Equipment Replacement	326	\$275,000
	Water Distribution Valve Replacement	53	\$250,000
	Water Facilities Renewal and Replacement	122	\$80,000
	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 System Redundancy (Looping) and Upsizing dev	408	\$50,000
	Water System Security	46	\$25,000
	Total for: R&R - Water		\$3,245,000
	Grand Total for: 2015		\$24,962,597

Priority Summary Report for 2015

Non-Routine

Priority Reason	Subprogram	Subprogram #	Budget
<u>Regulatory mandate</u>			
These projects are required by law or permits.			
	SLWTF – Treatment Process Improvements	315	\$500,000
	Westbrook CSO Abatement	29	\$1,000,000
	Total for: Regulatory mandate		\$1,500,000
<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.			
	Wastewater Asset Condition Evaluation	421	\$150,000
	Cape Eliz. Pump Stations – Capital	407	\$95,000
	Cape Eliz. WWTF – Capital	418	\$242,500
	East End WWTF Capital Upgrade	21	\$11,000,000
	Gorham/Windham 407 Zone Improvements	307	\$2,000,000
	SCADA /Process Control - Wastewater	177	\$158,697
	SCADA /Process Control - Water	110	\$80,000
	Westbrook Gorham Windham Regional WWTF Capital	167	\$30,000
	Facilities Improvements	68	\$210,000
	Total for: Upgrade Obsolete facility		\$13,966,197

Items in RED are planned to be financed from bond issues in 2015 or Future Years. Other projects are to be financed through the renewal and replacement reserves.

Priority Summary Report for 2015

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	\$30,000
Cape Elizabeth WWTF - R&R		424	\$25,000
Cumberland WW Pump Stations - R&R		41	\$40,000
East End WWTF - R&R		409	\$455,000
Gorham WW Pump Stations - R&R		60	\$10,000
Meter Replacement and Leak Detection		63	\$190,000
Peaks Island R&R		423	\$155,000
Portland WW Pump Stations - R&R		70	\$206,400
Technology Upgrade and Replacement		50	\$185,000
Vehicle and Equipment Replacement		326	\$275,000
Water Distribution Valve Replacement		53	\$250,000
Water Facilities Renewal and Replacement		122	\$80,000
Water Hydrants Replacement		65	\$200,000
Water Main Renewal - Seasonal Mains		56	\$25,000
Water Main Replacement - Capital		43	\$5,500,000
Water Main Replacement - R&R		111	\$1,000,000
Water Services - Renew Domestic & Fire		61	\$600,000
Water Storage Facility Maintenance & Upgrade		203	\$75,000
Water System Redundancy (Looping) and Upsizing Dev.		408	\$50,000
Westbrook WW Systems R&R		411	\$10,000
Westbrook/Gorham/Windham WWTF R&R		416	\$90,000
Windham- Little Falls WW system R&R		180	\$20,000
Total for: Routine replacement			\$9,471,400
Grand Total			\$24,962,597

Items in RED are planned to be financed from bond issues in 2015 or Future Years. Other projects are to be financed through the renewal and replacement reserves.

Operating Fund Impact of Non-Routine Capital Projects

Gorham/ Windham 407 Zone Improvements	The new pump station in Gorham will be designed to replace the 120 year old (1895) pump station in Gorham and the 53 year old (1962) Prides Corner pump. Upon completion of construction sometime in 2016 the station will immediately replace the Gorham station and the Prides Corner Station will be taken off line after planned piping improvements are completed in the 407 north zone. This will not impact the 2015 operating budget but will impact future years estimated to be a reduction of \$10,000 in electrical and maintenance costs. Project will be bond financed so future budget will have debt service expense (\$200,000/year).
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. The design of pipe enlargements took place in 2014 in preparation for construction in 2015. No expected cost from this to 2015 operating budget but the project will be bond financed so future budget will have debt service expense (\$100,000/year).
East End WWTF Capital Upgrade	Aeration System Upgrade. In 2014, alternatives analysis and capacity improvements were studied a design was prepared for bidding. Estimated start of construction is May of 2015 with a completion date of April 2017. Energy efficient system will replace the current system. No impact to the 2015 budget but future budgets will be impacted by an estimated \$100,000 savings in chemical and power use. Project will be bond financed so future budget will have debt service expense (\$1,200,000/year).
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 Security and Safety – Rt 35/237 Redesign	425	\$1,000,000	Johnson, Gordon
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:		\$1,784,000	

Pending Unscheduled Work are projects that may occur in 2015.

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 need to occur. A major capital improvement to the system is planned in 2015 but more than likely will not be functional until 2016.

Subprogram #425 – Pending Maine Department of Transportation estimate of cost to relocate a road near the intake.

If the project is undertaken, the Board of Trustees will be requested to approve and the Capital Improvement Plan amended. The project funding has not been included in the 2015 Budget.

Capital Expenditures

Capital Improvement Program - Five Year Plan

Subprogram	#	2015	2016	2017	2018	2019	Five -Year Total
Division: 10 Allocation							
Facilities Improvements	68	\$210,000	\$400,000	\$150,000	\$300,000	\$200,000	\$1,260,000
Meter Replacement and Leak Detection	63	\$190,000	\$200,000	\$200,000	\$200,000	\$200,000	\$990,000
Technology Upgrade and Replacement	50	\$185,000	\$240,000	\$200,000	\$200,000	\$220,000	\$1,045,000
Vehicle and Equipment Replacement	326	\$275,000	\$400,000	\$400,000	\$400,000	\$400,000	\$1,875,000
Division 10 Total		\$860,000	\$1,240,000	\$950,000	\$1,100,000	\$1,020,000	\$5,170,000
Division: 20 Water - General							
Gorham/Windham 407 Zone Improvements	307	\$2,000,000	\$2,000,000	\$2,500,000		\$1,000,000	\$7,500,000
SCADA /Process Control -Water	110	\$80,000	\$68,000	\$50,000	\$50,000	\$55,000	\$303,000
SLWTF - Treatment Process Improvements	315	\$500,000					\$500,000
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	\$80,000	\$205,000	\$50,000	\$50,000	\$50,000	\$435,000
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	\$5,500,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$29,500,000
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	\$75,000	\$25,000	\$425,000	\$25,000	\$100,000	\$650,000
Water System Redundancy (Looping) and Upsizing dev	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
Division 20 Total		\$10,385,000	\$10,448,000	\$12,275,000	\$8,275,000	\$9,355,000	\$50,738,000
Division: 50 Wastewater - General							
Wastewater Asset Condition Evaluations	421	\$150,000	\$150,000				\$300,000
SCADA /Process Control - Wastewater	177	\$94,331	\$39,561			\$17,000	\$150,892
Division 50 Total		\$244,331	\$189,561			\$17,000	\$450,892

Capital Expenditures

Capital Improvement Program - Five Year Plan

Subprogram	#	2015	2016	2017	2018	2019	Five -Year Total
Division: 51 Wastewater - Cape Elizabeth							
Cape Eliz. Pump Stations -Capital	407	\$95,000	\$970,000		\$125,000		\$1,190,000
Cape Eliz. WWTF - Capital	418	\$242,500	\$1,000,000				\$1,242,500
Cape Eliz. WWTF - R&R	424	\$25,000	\$70,000	\$20,000	\$50,000	\$50,000	\$215,000
Cape Elizathbeth Pump Stations- R&R	52	\$30,000	\$50,000	\$30,000	\$30,000	\$20,000	\$160,000
SCADA /Process Control - Wastewater	177		\$225,400				\$225,400
Division 51 Total		\$392,500	\$2,315,400	\$50,000	\$205,000	\$70,000	\$3,032,900
Division: 53 Wastewater - Cumberland							
Cumberland WW Pump Stations - R&R	41	\$40,000	\$20,000	\$20,000	\$20,000	\$20,000	\$120,000
Division 53 Total		\$40,000	\$20,000	\$20,000	\$20,000	\$20,000	\$120,000
Division: 55 Wastewater - Windham Little Falls							
Windham- Little Falls WW system R&R	180	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Division 55 Total		\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000
Division: 57 Wastewater - Portland							
East End WWTF - R&R	409	\$455,000	\$553,000	\$400,000	\$560,000	\$550,000	\$2,518,000
East End WWTF Capital Upgrade	21	\$11,000,000	\$400,000	\$500,000			\$11,900,000
Portland WW Pump Station Capital Upgrade	420		\$2,500,000				\$2,500,000
Portland WW Pump Stations -R&R	70	\$206,400	\$50,000	\$50,000	\$100,000	\$50,000	\$456,400
SCADA /Process Control - Wastewater	177	\$47,366	\$210,000	\$50,000	\$50,000	\$50,000	\$407,366
Division 57 Total		\$11,708,766	\$3,713,000	\$1,000,000	\$710,000	\$650,000	\$17,781,766
Division: 61 Wastewater - Gorham Village							
Gorham WW Pump Stations - R&R	60	\$10,000	\$29,000	\$10,000	\$15,000	\$10,000	\$74,000
Division 61 Total		\$10,000	\$29,000	\$10,000	\$15,000	\$10,000	\$74,000

Division: 62 Wastewater - Westbrook

Capital Expenditures

Capital Improvement Program - Five Year Plan

Subprogram	#	2015	2016	2017	2018	2019	Five -Year Total
Westbrook CSO Abatement	29	\$1,000,000	\$382,000	\$1,275,000	\$400,000	\$3,200,000	\$6,257,000
Westbrook WW Systems R&R	411	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
Division 62 Total		\$1,010,000	\$392,000	\$1,285,000	\$410,000	\$3,210,000	\$6,307,000
Division: 64 Wastewater - Joint Westbrook							
SCADA /Process Control - Wastewater	177	\$17,000		\$19,000		\$6,000	\$42,000
Westbrook Gorham Windham Regional WWTF - Capital	167	\$30,000		\$1,154,733			\$1,184,733
Westbrook/Gorham /Windham WWTF R&R	416	\$90,000	\$180,000	\$50,000	\$50,000	\$50,000	\$420,000
Division 64 Total		\$137,000	\$180,000	\$1,223,733	\$50,000	\$56,000	\$1,646,733
Division: 66 Wastewater - Peaks							
Peaks Island R&R	423	\$155,000	\$180,000	\$20,000	\$20,000	\$20,000	\$395,000
Division 66 Total		\$155,000	\$180,000	\$20,000	\$20,000	\$20,000	\$395,000
Grand Total		\$24,962,597	\$18,726,961	\$16,853,733	\$10,825,000	\$14,448,000	\$85,816,291

2014 CIP Progress Report

<u>Program</u>	<u>CIP #</u>	<u>Appropriated Funds</u>	<u>Carry over projects to 2015</u>	<u>Unspent Re-appropriate to R&R</u>
<u>SCADA & Technology</u>				
SCADA /Process Control - Water	110	\$47,000	(2282 reprogrammed)	\$47,000
SCADA /Process Control - Wastewater	177	\$74,000	Completed 2014 (1551 not spent)	\$50,000
Technology Upgrades	50	\$200,000	Completed 2014	\$100,000
<u>Vehicle and Equipment Replacement</u>				
Vehicle and Equipment Replacement	326	\$325,000	Completed 2014	\$50,000
<u>Wastewater Collection Systems and Pumping</u>				
Cape Eliz. Pump Stations - R&R	52	\$38,000	Completed 2014	\$25,000
Cumberland WW Pump Stations - R&R	41	\$55,000	1912 PS R&R – did not utilize 2298 Ledge Road Generator- May1. 2015	\$20,000
Gorham Wastewater PS R&R Prog.	60	\$55,000	Routine R&R did not utilize 2320 Briarwood Generator - May 1, 2015	\$10,000
Portland CSO Mitigation	131	\$200,000	Completed 2014	
Portland Pump Station – R&R	70	\$134,000	Completed 2014	
Portland Pump Station – Capital	420	1,600,000	Design Completed end of 2014, Construction – July 2016	
Westbrook CSO Abatement	29	\$152,000	Completed 2014 (1554 canceled)	\$17,000
Westbrook WW Systems R&R	411	\$10,000	Routine RR did not utilize	\$10,000
Windham Little Falls System R&R	180	\$10,000	Completed 2014	
<u>Wastewater Treatment Facilities</u>				
Cape Eliz. WWTF - R&R	424	\$20,000	Completed 2014	
East End WWTF - R&R	409	\$665,000	2308 Wash Press - July 1, 2015 1816 Influent Gates - July 1, 2015 2076 Lower Parking Lot – reprogram Completed 2014 - 2273, 2305, 2306, 2307, 2310, 2370, 2398	\$75,000
East End WWTF – Capital	21	\$1,000,000	Completed 2014	
Peaks Island R&R	423	\$45,000	2072- UV Disinfection – July 1, 2015 2338-	
Westbrook/Gorham /Windham WWTF R&R	416	\$47,000	Completed 2014	

<u>2014 CIP Progress Report-continued</u>				
<u>Program</u>	<u>CIP #</u>	<u>Appropriated Funds</u>	<u>Carry over to 2015</u>	<u>Unspent Re-appropriate to R&R</u>
<u>Water Distribution System Upgrades</u>				
Meter Replacement and Leak Detection	63	\$150,000	Completed 2014	
Water Distribution Valve Replacement	53	\$250,000	Completed 2014	
Water Hydrants Replacement	65	\$200,000	Completed 2014	
Water Main Renewal - Cast Iron Mains	43	\$5,000,000	Washington Ave, West Kidder, Portland expected to be completed June of 2014 – \$530,000	
Water Main Renewal - Galvanized Mains	111	\$1,000,000	Completed 2014	
Water Main Renewal - Seasonal Mains	53	\$25,000	Completed 2014	
Water Services - Renew Domestic & Fire	61	\$600,000	Completed 2014	
Water System Redundancy (Looping) and Upsizing	408	\$50,000	Completed 2014	
<u>Water Facilities Program</u>				
Facilities Improvements	68	\$167,000	#2285 - \$60,000 -Douglass Street roof repairs expected to combine with 2015 project #874 - \$50,000 – July 2015	\$25,000
Water Facilities Renewal and Replacement	122	\$50,000	Completed 2014	
Water Storage Facility Maintenance & Upgrade	203	\$50,000		\$50,000
<u>Water Supply - Sebago Lake and Steep Falls</u>				
Water System Security	46	\$25,000	Completed 2014	

Completed 2014 - This designates the subprogram is either completed or will be completed by first quarter of 2015. Carry over projects are projects that were programmed to be started in 2014 but will not start until sometime in 2015.

In the following Subprogram descriptions, items highlighted in yellow are going to happen in 2015.

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.

Origin of the Subprogram:

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

Manager: McMullin, Tim

Funding: Bonds - Water

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>
2017	675 Replace Mechanical Screens with Intake Screens	\$1,100,000
Total Cost, All Years:		\$1,100,000

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

Manager: Sloan, Steve

Funding: Bonds - Wastewater

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 thirty-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>Budget Year Cost</u>
2015	671 Aeration System Upgrade - Construction	\$11,000,000
2016	2046 EEWWTF - Influent screen replacement	\$400,000
2017	1525 Septage Receiving Improvements	\$500,000
Total Cost, All Years:		\$11,900,000

Previous Years on CIP: 1999 to present

Related Projects: 409 EE WW TF- RR, 422 EEWWTF Treatment Process Imp

Procurement Issues: RFP for engineering services. Construction services will be low bid.

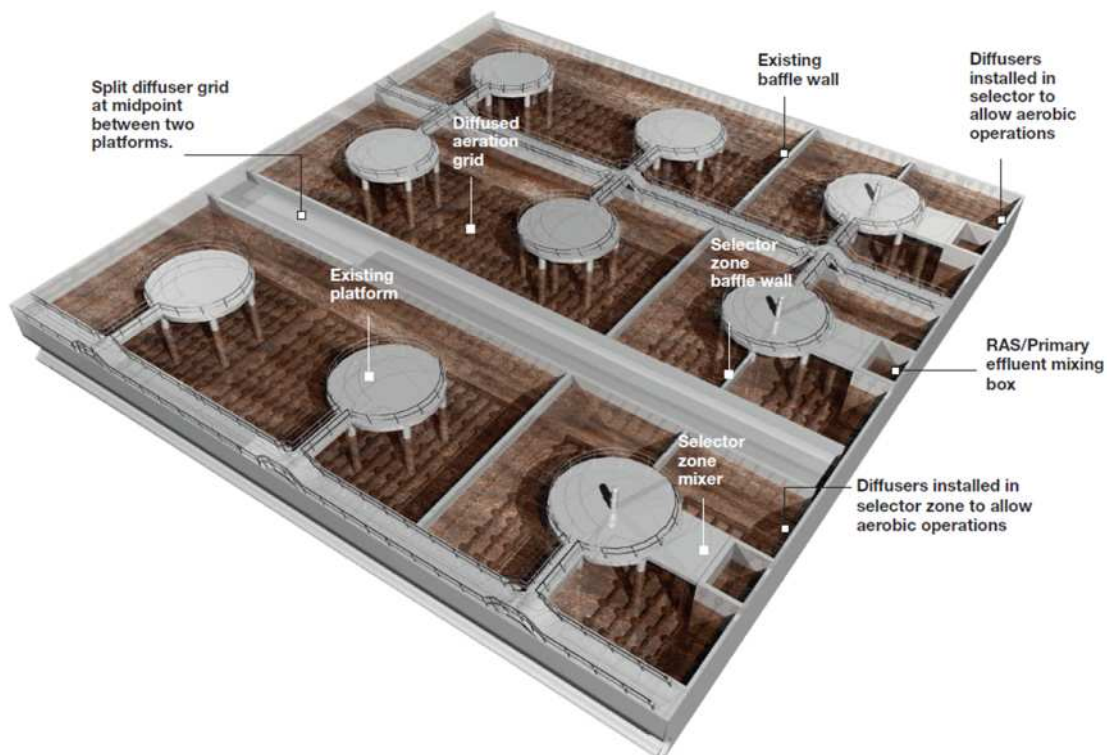
Subprogram # 21 East End WWTF Capital Upgrade

Proposed - Project 671 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).

Design underway - Project 796

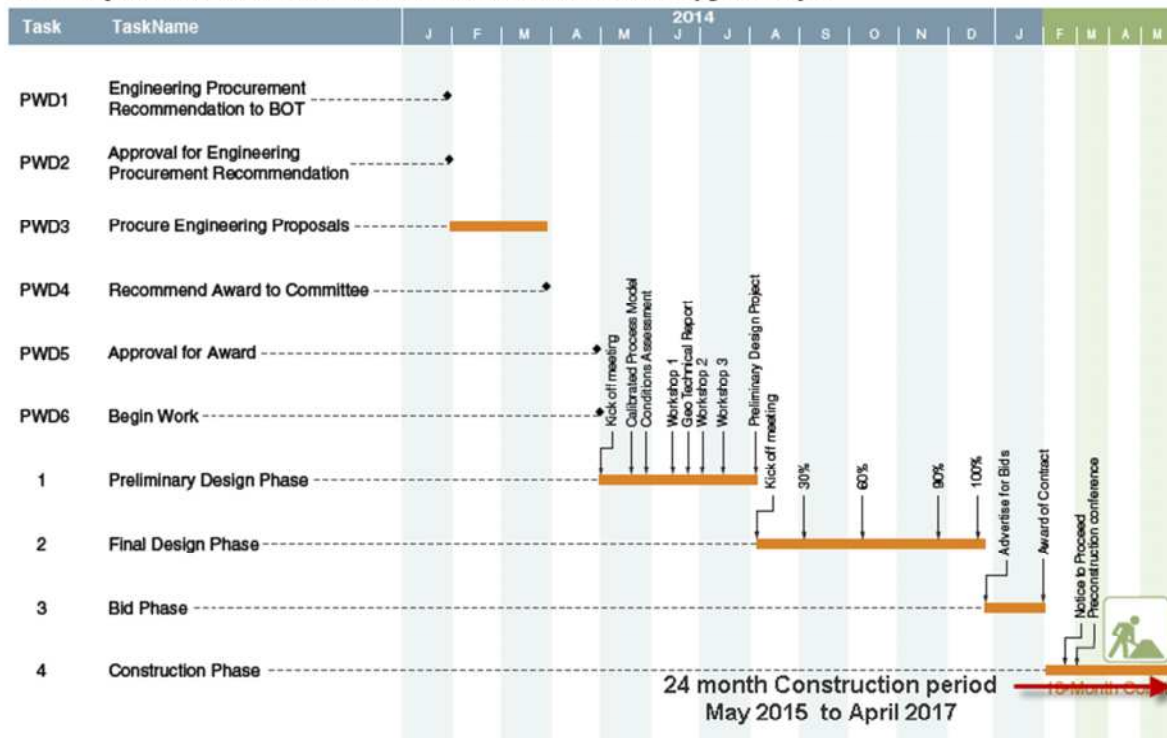
The District selected Hazen and Sawyer Environmental in April of 2014 to Design the improvement to the aeration process.

Conceptual Design of the proposed changes to the aeration basins – Installation of new baffle walls and mixers



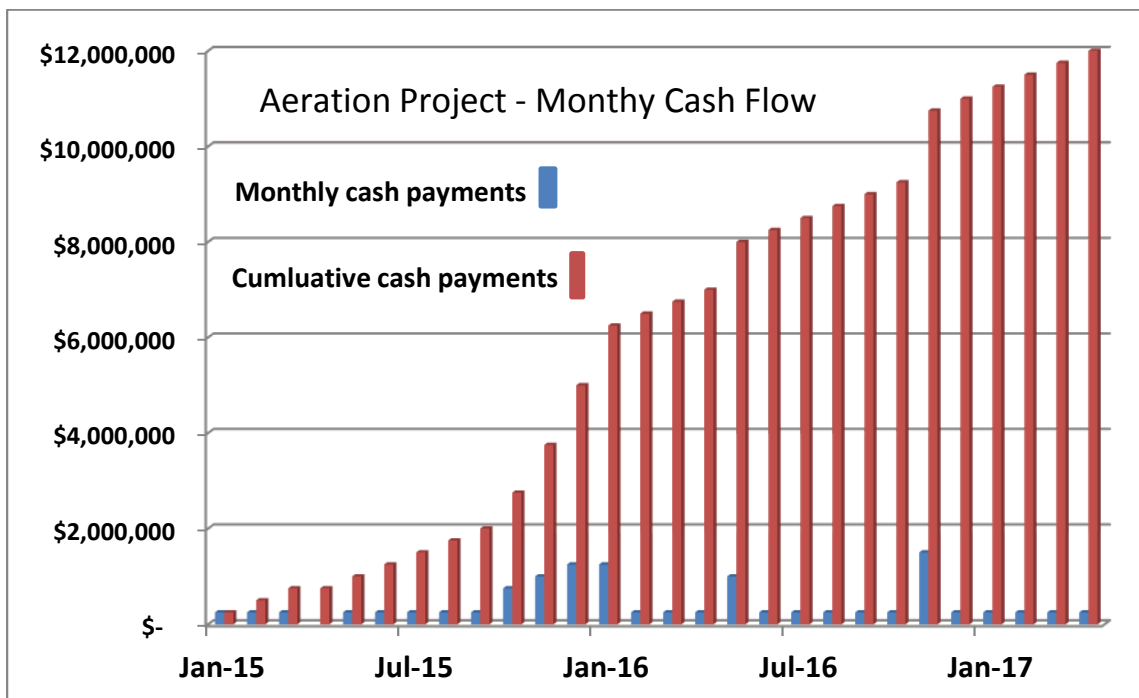
Initial Design Concept for Anerobic PWD's Aeration Upgrade

Preliminary Schedule Portland Water District: East End WWTF Aeration Upgrade Project



Note: A simplified bar chart shown for illustrative purposes. A detailed MS Project schedule with all deliverables will be prepared at the start of project. An 18-month period has been shown for the construction phase in the preliminary schedule.

HAZEN AND SAWYER
Environmental Engineers & Scientists



Subprogram # 29 Westbrook CSO Abatement

Division: Wastewater - Westbrook
Funding: Bonds - Wastewater

Manager: Poulin, Charlene
Priority: Regulatory mandate

Description:

This subprogram 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:

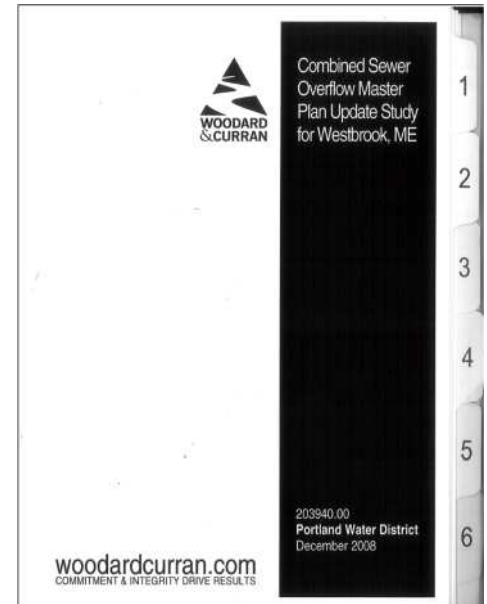
The District, City of Westbrook, and the DEP agreed that an upgrade to the existing CSO Master Plan was favored over work previously scheduled for the sewer between Brown and King Streets. The Westbrook/Gorham WWTF license was renewed in 2006. Written into the new license was a requirement for the District 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 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>
2015	74 Westbrook Sewer Interceptors Upgrade - Construction	\$1,000,000
2016	2189 Westbrook CSO Abatement	\$142,000
2016	2188 Westbrook CSO Abatement	\$75,000
2016	2527 Design of upgrades to Dana Court PS	\$165,000
2017	2525 Evaluate size and options for Storage Facility	\$40,000
2017	2526 Raise Overflow Weirs on Brown, King St. regulators	\$25,000
2017	2528 Upgrades to Dana Court PS and small storage facility	\$1,200,000
2017	2523 Design Screens for Warren Ave, Dunn Street CSOs	\$10,000
2018	2521 Design New Storage Facility at Siphon Inlet	\$300,000
2018	2524 Construction of Screens	\$100,000
2019	2522 Construction of New Storage Facility	\$3,200,000
Total Cost, All Years:		\$6,257,000

Previous Years on CIP: 2000 to present

Related Projects:

Procurement Issues: RFP for engineering services. Construction services will be low bid.

Subprogram # 29 Westbrook CSO Abatement

The Scope of Project # 74 Westbrook Sewer Interceptors Upgrade is to replace 1100 feet of the existing interceptors on Brown, North River and Reserve Streets with larger diameter pipe. This will allow more combined flow to be pumped to the Westbrook/Gorham/Windham Regional Wastewater Treatment Facility and ultimately reduce the Combine Sewer Overflow frequency and volumes entering the Presumpscot River. The District will also be replacing the old 1889 vintage water mains along the route. The water main replacements will be funded out of CIP subprogram #43 – Water Main Replacement.

Project location map for Westbrook Sewer Interceptors Upgrade

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:

<u>Budget year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2015	2316 Brookside Pump Station Cumberland	\$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
2019	2515 Cumberland WW Pump Stations - R&R	\$20,000
Total Cost, All Years:		\$120,000

Previous Years on CIP:

2001 to present

Related Projects:

415- Cumberland Pump Stations Capital Upgrades

Procurement Issues:

Internal Engineering and Construction Services

Subprogram # 43 Water Main Replacement - Capital

Division: Water - General

Manager: Pierce, Ned

Funding: Bonds - Water

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

<u>Budget year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2015	2018 Water Main Replacement - Capital	\$5,500,000
2016	1540 Water Main Replacement – Capital	\$6,000,000
2017	1754 Water Main Replacement – Capital	\$6,000,000
2018	1693 Water Main Replacement - Capital	\$6,000,000
2019	2507 Water Main Replacement - Capital	\$6,000,000
Total Cost, All Years:		\$29,500,000

Previous Years on CIP:

All

Related Projects:

111 Galvanized Main Renewal Program

Procurement Issues:

Projects are contracted out by the District or through a Municipality or MDOT . It is the District's intent to seek cost effective ways of partnering with the municipalities and state on various projects.

October 7, 2014



Pleasant Hill Road Scarborough Water Main Replacement - 2014

Final connection made with poly wrap 8" Ductile iron on Pleasant Hill - Phase 1 in Scarborough. This was in conjunction with the town of Scarborough and the District replaced 3800 feet of main.

Anticipated Main Replacement Projects - 2015	Districts	Pipe Footage	Partnering Agency
		Installed	
Huston Road (407 zone connector)	GO	1800	MDOT
Deering Street (State to High), Mellen Street	PO	2200	Portland CSO
Somerset Street (Elm to Hanover) - Phase I	PO	500	Portland
Allen Avenue (Yale to Pennell), Ray Street, Brookside Drive	PO	3250	
Somerset Street (Hanover to Forest) - Phase II	PO	1200	Portland
Gray Road, Winn Road ps discharge to 12" 8"-1941	FA	1200	
High Street (Commercial to York)	PO	260	Portland CSO
Anderson Street Phase I	PO	140	Portland
Anderson Street Phase II	PO	1800	Portland
Maple Street Pleasant to Danforth 6" -1935	PO	270	
York St. High to Center 6" - 1884	PO	1340	
Danforth St, High to York 8"-1887	PO	1100	
High St. Danforth to York 6"- 1904	PO	500	
Pleasant Hill Avenue - Phase 2 - Main St. to RR	SC	4000	Scarborough
Postal Service Way, Broadway, Mussey Rd	SP/SC	2700	
Thornton Heights - Phase 2	SP	2560	South Portland CSO
Broadway (Anthoine Street to Elm Street)	SP	2500	South Portland
Bridge Street Bridge	WE	1100	MDOT
Conant Street (Town Line to William Clark Drive) - Phase I	WE	3100	Westbrook CSO
Reserve, River, Brown, North Street	WE	2200	PWD CSO
Cloudman St, Cloudman Ct, Dunn Street	WE	1130	Westbrook CSO
Speirs and Stevens Street	WE	640	Westbrook CSO
Estimated 2015 Totals		36,530	

Priority Projects to be funded in 2015

Remaining projects will be constructed if funding is available in 2015 or will be reprogrammed for 2016.

Pleasant Hill Road Scarborough Water Main Replacement - 2014

Temporary water system set up to the Pleasant Hill Water Main replacement. This system continued to provide fire protection and domestic water for the customers along the route of the project.



Subprogram # 46 Water System Security

Division: Water - General

Manager: Wallace, Jim

Funding: R & R - Water

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:

<u>Budget year</u>	<u>Project</u>	<u>Budget Year Cost</u>
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
2019	2511 Water System Security Improvements	\$25,000
Total Cost, All Years:		\$125,000

Previous Years on CIP: 2004 to present

Related Projects:

Procurement Issues: Standard purchasing procedures will apply.

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 therefore 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. Project 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 impacts 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 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. 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>
2015	2498 Network Printers Replacements	\$25,000
2015	2499 AIM Technology	\$50,000
2015	2497 SharePoint Implementation	\$70,000
2015	2450 Annual Server Replacement	\$40,000
2016	2161 Technology Upgrades	\$200,000
2016	2354 AIM Spatial Upgrade	\$20,000
2016	2359 GIS - SCADA integration	\$20,000
2017	2248 Technology Upgrades	\$200,000
2018	2414 Technology Upgrades	\$200,000
2019	2025 Technology Upgrades	\$200,000
2019	2449 Replace 4 servers	\$20,000
Total Cost, All Years:		\$1,045,000

Previous Years on CIP: All since 1996

Procurement Issues: Standard procurement procedures are used for major hardware, software and consulting purchases.

Subprogram # 52 Cape Elizabeth Pump Stations - R&R

Division: Wastewater - Cape Elizabeth

Manager: Poulin, Charlene

Funding: R & R - Wastewater

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:

<u>Budget year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2015	1122	Cape Elizabeth Pump Stations –R&R	\$30,000
2016	2313	Broad Cove South Pump Station Upgrades	\$40,000
2016	2183	Cape Elizabeth Pump Stations - R&R	\$10,000
2017	2260	Cape Elizabeth Pump Stations- R&R	\$30,000
2018	2312	Cape Elizabeth Pump Stations- R&R	\$30,000
2019	2513	Cape Elizabeth Pump Stations - R&R	\$20,000
Total Cost, All Years:			\$160,000

Previous Years on CIP:

various similar projects in previous years

Related Projects:

Procurement Issues:

Subprogram # 53 Water Distribution Valve Replacement

Division: Water - General
Funding: R & R - Water

Manager: Wallace, Jim
Priority: Routine replacement

Description:

Replacement of deteriorated valves in the distribution system.

Justification / Impact:

Replacement is determined and prioritized through data and workorders 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:

<u>Budget year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2015	1836 Replace Distribution Valves	\$250,000
2016	2176 Replace Distribution Valves	\$250,000
2017	2251 Replace Distribution Valves	\$250,000
2018	2416 Replace Distribution Valves	\$250,000
2019	2504 Replace Distribution Valves	\$250,000
Total Cost, All Years:		\$1,250,000

Previous Years on CIP: All

Related Projects: 43,111,

Procurement Issues: Work is to be performed using District Staff, equipment, and materials



New 12 inch valves are preassemble to be installed on County Road in Westbrook

Subprogram # 56**Water Main Renewal- Seasonal Mains****Division:** Water - General**Manager:** Wallace, Jim**Funding:** R & R - Water**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
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
2019	2506 Water Main Renewal - Seasonal Mains	\$25,000
Total Cost, All Years:		\$125,000

Previous Years on CIP:

All

Related Projects:

57

Procurement Issues:

This work is accomplished by District Staff, equipment and material.



Subprogram # 60**Gorham WW Pump Stations - R&R****Division:** Wastewater - Gorham Village**Manager:** Poulin, Charlene**Funding:** R & R - Wastewater**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 assit operations in moving toward a goal of performing more predictive and preventive maintenance instead of emergency maintenance.

Origin of the Subprogram:**Budget Summary:**

<u>Budget year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2015	2022 Gorham WW Pump Stations – R&R	\$10,000
2016	2185 Gorham WW Pump Stations - R&R	\$10,000
2016	2500 Manhole Raising on Main Street Gorham	\$19,000
2017	2264 Gorham WW Pump Stations - R&R	\$10,000
2018	2319 Gorham WW Pump Stations - R&R	\$15,000
2019	2517 Gorham WW Pump Stations - R&R	\$10,000
Total Cost, All Years:		\$74,000

Previous Years on CIP:

2000- present

Related Projects:

71

Procurement Issues:

Primarily staff labor for installation using standard parts procured competitively.



**Old Dynamite Way Pump Station – On line 2013
servicing new subdivision**

Subprogram # 61 Water Services - Renew Domestic & Fire

Division: Water - General

Manager: Wallace, Jim

Funding: R & R - Water

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. Our Project is to replace at least 300 services per year.

Budget Summary:

<u>Budget year</u>	<u>Project</u>	<u>Budget Year Cost</u>
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
2019	2509 Water services replacement	\$600,000
Total Cost, All Years:		\$3,000,000

Previous Years on CIP:

All

Related Projects:

Procurement Issues:

Project to be performed using District Staff, equipment, and materials and contracted through our main replacement projects.

Thornton Heights Water Main Replacement Project, South Portland - Contractor pulling new service across Main Street.



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 include 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. Also, the program includes the replacement of meter reading related equipment.

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>
2015	2020 Water metering and leak detection	\$190,000
2016	1676 Water metering and leak detection	\$200,000
2017	2249 water metering and leak detection	\$200,000
2018	2411 Meter Replacement and Leak Detection	\$200,000
2019	2502 Meter Replacement and Leak Detection	\$200,000
Total Cost, All Years:		\$990,000

Previous Years on CIP:

all

Related Projects:

none

Procurement Issues:

Standard meter procurement procedures, rebuilding of old meters by staff and staff installation.



Leak Detection Equipment

Subprogram # 65**Water Hydrants Replacement****Division:** Water - General**Manager:** Wallace, Jim**Funding:** R & R - Water**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 60s. 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 a 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:

Budget year	Project	Budget Year Cost
2015	2027 Hydrant Replacement	\$200,000
2016	2177 Hydrant Replacement	\$200,000
2017	2254 Hydrant Replacement	\$200,000
2018	2417 Hydrant Replacement	\$200,000
2019	2505 Water Hydrants Replacement	\$200,000
Total Cost, All Years:		\$1,000,000

Previous Years on CIP: All**Related Projects:****Procurement Issues:** Project is performed using District staff, equipment, and materials

Foreperson flushing hydrant on 765 Warren Ave, Portland after installing new valve (September 2013)



District Crews repairing leak on Pearl Street in Portland.



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 years 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:**

Budget year	Project	Budget Year Cost
2015	874 Facilities Upgrades R&R	\$50,000
2015	2396 Ecology Center Renovation	\$50,000
2015	2484 Douglass St Gas/Diesel Tank Piping Sump Replacemen	\$25,000
2015	2486 Douglass St Main Security Gate Replacement	\$50,000
2015	2487 Nixon Room	\$35,000
2016	2493 Douglass St 3rd Floor Exterior Wall Replacement	\$250,000
2016	2246 Facilities Upgrades R&R	\$150,000
2017	2247 Facilities Upgrades RR	\$150,000
2018	1070 Lunchroom Addition	\$100,000
2018	2407 Facilities Upgrade RR	\$200,000
2019	2501 Facilities Upgrade RR	\$200,000
Total Cost, All Years:		\$1,280,000

Previous Years on CIP: 2000
Related Projects: None
Procurement Issues:

Subprogram # 70**Portland WW Pump Stations - R&R****Division:** Wastewater - Portland**Manager:** Poulin, Charlene**Funding:** R & R - Wastewater**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:**

Budget year	Project	Budget Year Cost
2015	2425 Fore River Pump Station upgrades- Roof replacement	\$80,000
2015	2495 Northeast Pump 3 Shaft Replacement	\$39,400
2015	2496 Northeast Pump Station Crane Replacement	\$12,000
2015	2031 Routine R and R for Pump Stations	\$75,000
2016	2191 Portland WW Pump Stations - R&R	\$50,000
2017	1914 Portland WW Pump Station Routine R&R	\$50,000
2018	2427 Portland WW Pump Stations -R&R	\$100,000
2019	1875 Systems Generator Installation - Portland	\$50,000
Total Cost, All Years:		\$456,400

Previous Years on CIP:

2003

Related Projects:

420 - Portland WW Pump Station Capital Upgrade Program

Fore River Pump Station – Roof replacement is proposed for 2015 – Project #2425

Bing Maps

Subprogram # 110**SCADA /Process Control - Water****Division:** Water - General**Manager:** Richard, Emile**Funding:** R & R - Water**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 year	Project	Budget Year Cost
2015	2455 SLWTF SCADA - Replacement of Servers	\$30,000
2015	2460 SLWTF SCADA PC Hardware Renewal Program	\$15,000
2015	2488 Mackworth Island Controls Upgrade	\$35,000
2016	2174 Miscellaneous Control Projects Upgrade	\$50,000
2016	2461 SLWTF SCADA Server Renewal Program	\$18,000
2017	2250 Miscellaneous Control Project Upgrades	\$50,000
2018	2412 Miscellaneous Control Project Upgrades	\$50,000
2019	1807 Miscellaneous Control Projects Upgrades	\$50,000
2019	2464 Douglass St SCADA PC Renewal Program	\$5,000
Total Cost, All Years:		\$303,000

Subprogram # 110

SCADA /Process Control - Water

Mackworth Island Disinfection Facility

Proposed project CIP# 110, project 2488 Mackworth Island Control Project



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 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:

Budget year		Project	Budget Year Cost
2015	2014	Water Main Replacement- R&R	\$1,000,000
2016	2172	Water Main Replacement- R&R	\$1,000,000
2017	1900	Water Main Replacement- R&R	\$1,000,000
2018	1675	Water Main Replacement- R&R	\$1,000,000
2019	2508	Water Main Replacement- R&R	\$1,000,000
Total Cost, All Years:			\$5,000,000

Previous Years on CIP:

All

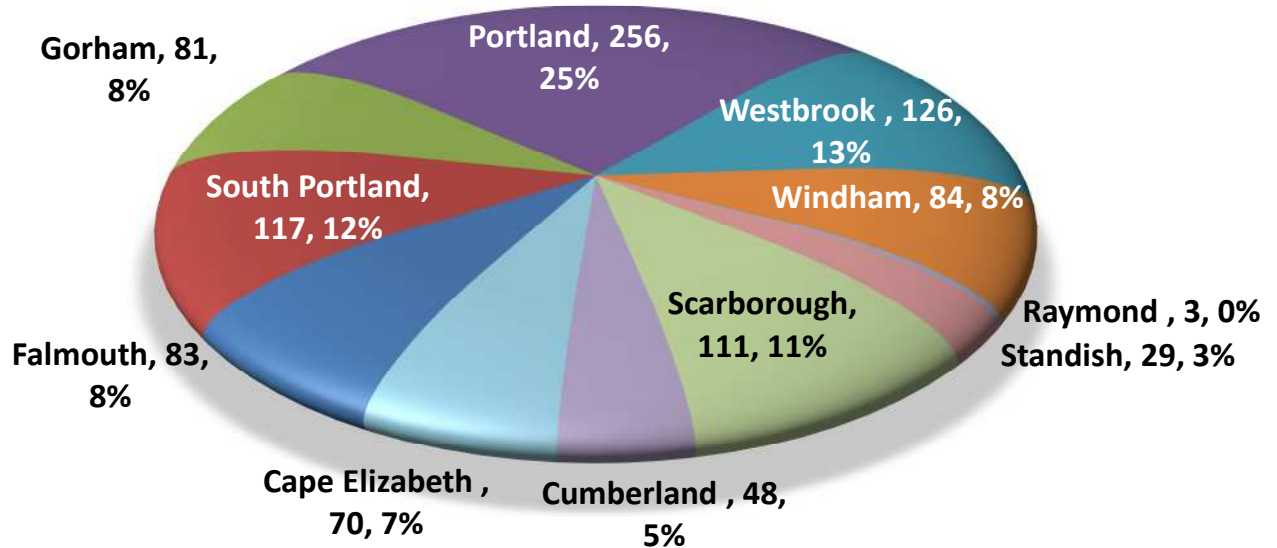
Related Projects:

43 Cast Iron Main Renewal

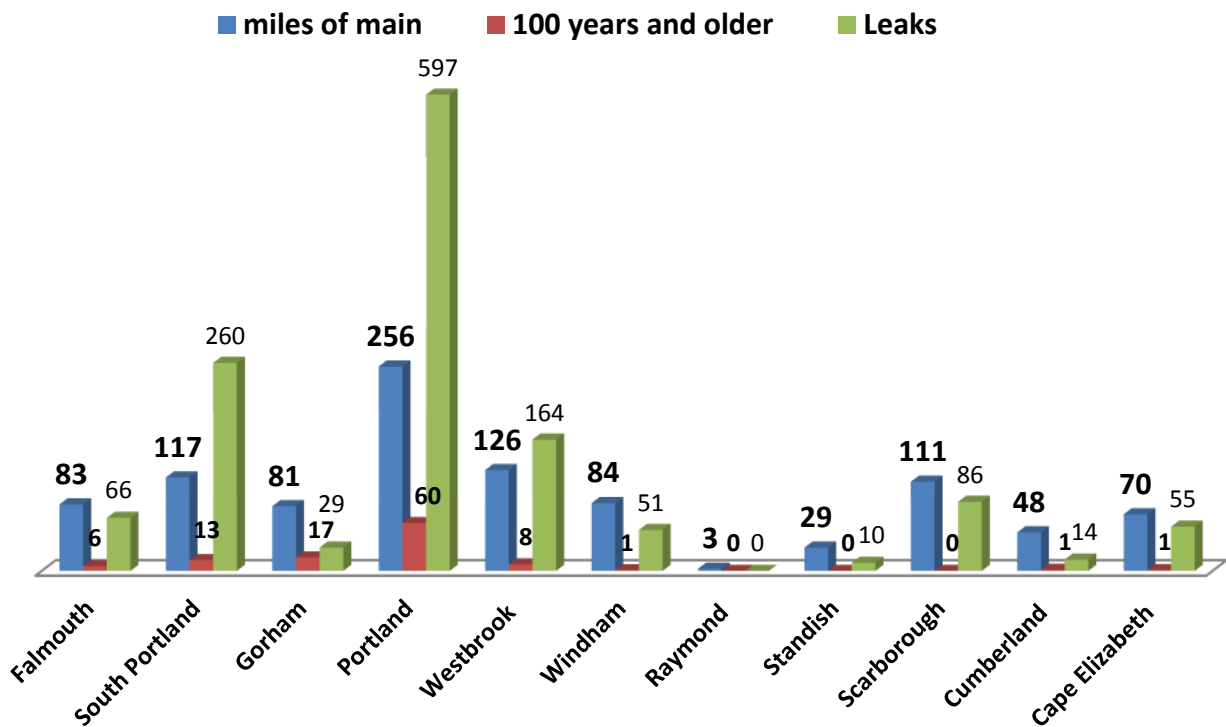
Procurement Issues:

Project will be placed out to bid

991 - Miles of Water Mains in Town and Cities



Miles of Main in Municipality vs. 100 years and older pipe vs Leaks



Subprogram # 122**Water Facilities Renewal and Replacement****Division:** Water - General**Manager:** Wallace, Jim**Funding:** R & R - Water**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:

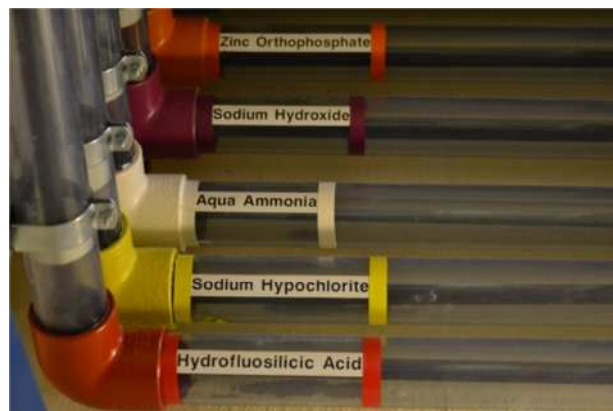
Components of the older pump stations have reach their useful life and obsolete equipment should be replaced. Replacing this equipment before it fails completely will reduce the amount spent on operating and maintaining the equipment

History:

This planned renewal and replacement will assist operations in moving toward a goal of performing more predictive and preventive maintenance instead of emergency.

Budget Summary:

<u>Budget year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2015	2482 SLWTF - Replacement of the Chemical Storage Level	\$25,000
2015	2030 Water Facilities R&R	\$20,000
2015	2458 SLWTF Throttling Valve convert to electric operator	\$35,000
2016	2454 SLWTF Ammonia Storage Tank Replacement	\$75,000
2016	2457 SLWTF Lobby Skylight Rehabilitation	\$30,000
2016	2456 SLWTF HVAC Control System	\$50,000
2016	2378 SLWTF HVAC Controls Replacement	\$50,000
2017	2252 Water Facilities RR	\$50,000
2018	2415 Water Facilities RR	\$50,000
2019	2175 Water Facilities R&R	\$50,000
Total Cost, All Years:		\$435,000

Previous Years on CIP: 2007 to Present**Newly replaced chemical feed piping 2014**

Subprogram # 167 Westbrook Gorham Windham Regional WWTF

Division: Wastewater - Joint Westbrook
Funding: Deferred Operating Expense/Bonds

Manager: Rodriguez, Paul
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 36 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.

Budget Summary:

<u>Budget year</u>		<u>Project</u>	<u>Budget Year Cost</u>	
2015	2343	Westbrook WWTF Secondary Clarifier Evaluation	\$30,000	OpEx
2017	992	Secondary Clarifier Improvements	\$750,000	Bond
2017	1000	Thickened Sludge Storage Tank Upgrade	\$404,733	Bond
Total Cost, All Years:			\$1,184,733	

Previous Years on CIP: 2001

Procurement Issues: Engineering Services will be procured using RFP process. Board of Trustees shall approve method (phased) and contract for engineering



Westbrook Gorham Windham Wastewater Treatment Facility - Built in 1978

Subprogram # 177**SCADA /Process Control - Wastewater****Division:** Wastewater**Manager:** Richard, Emile**Funding:** R & R – Wastewater/Bond**Priority:** Upgrade obsolete facility**Description:**

The program supports all 80 wastewater 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 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 is proposing to replace one of the remaining older PLCs in the system at the Westbrook Gorham Regional Wastewater Treatment Facility. Along with changing the hardware a complete reprogramming of the software will be completed. This PLC change-out will provide increase inputs for expansion of automation of the WGRWTP consistent with the District's other 3 treatment facilities. Also proposed is the demolition of the East End PLC 5 equipment to complete the change-out of the new PLC installed in 2011.

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.

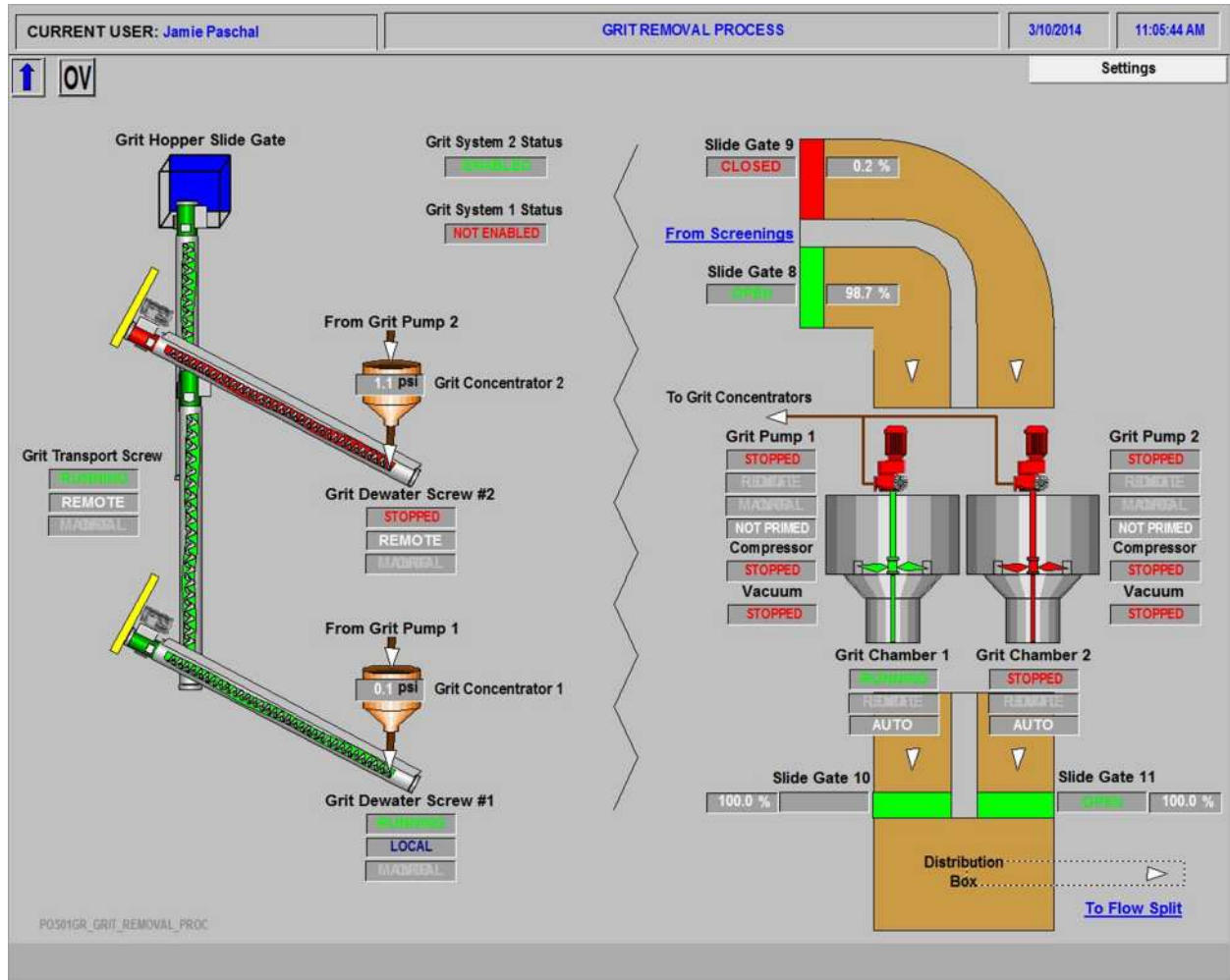
History:

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.

Budget year	Project	Budget Year Cost
2015	2462 EEWWTP SCADA Server Renewal Program	\$17,000
2015	2465 SCADA System Domain & PI Server Renewal Program	\$50,000
2015	2473 Westbrook WWTF - Global OIT (PanelView)	\$17,000
2015	2474 PI System - Add 1000 new PI Points	\$11,631
2015	2483 SCADA Radio Replacement - Wastewater Network #3	\$15,700
2015	2485 SCADA System PLC Program Management System	\$47,366
2016	1683 Process Control and SCADA upgrades	\$50,000
2016	2369 High Flow Control Programing	\$25,000
2016	2452 East End WWTF - PLC5 Demolition	\$135,000
2016	2492 Replace Shore Acres Telemetry Repeater	\$225,400 Bond
2016	2512 SCADA System PLC Program Management Sys. – Phase2	\$39,561
2017	2267 Process Control and SCADA upgrades	\$50,000
2017	2467 Westbrook SCADA Server Renwal Program	\$19,000
2018	2428 Process Control and SCADA upgrades	\$50,000
2019	2463 EEWWTP SCADA PC Renewal Program	\$17,000
2019	2466 Westbrook SCADA PC Renewal Program	\$6,000
2019	2028 Process Control and SCADA upgrades	\$50,000
Total Cost, All Years:		\$825,658

Previous Years on CIP: 2003 to present**Related Projects:** 110**Procurement Issues:**

SCADA Screen for Grit Removal process – East End Waste Water Treatment Facility



Subprogram # 180**Windham- Little Falls WW System R&R****Division:** Wastewater - Windham Little Falls**Manager:** Poulin, Charlene**Funding:** R & R - Wastewater**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.

<u>Budget year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2015	2317 Androscoggin Pump Station Upgrades	\$20,000
2016	2423 Windham R&R	\$20,000
2017	2422 Windham R&R	\$20,000
2018	2318 Windham R&R	\$20,000
2019	2516 Windham - Little Falls WW System R&R	\$20,000
Total Cost, All Years:		\$100,000

Previous Years on CIP:

2000 to present

Procurement Issues:

Engineering and contracting will be via standard competitive retention procedures.



Androscoggin Pump Station, Windham installed in 1987

Subprogram # 203 Water Storage Facility Maintenance & Upgrade

Division: Water - General

Manager: Johnson, Gordon

Funding: R & R – Water/Bond

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:

<u>Budget year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2015	2453	Fall Protection for Steel Water Storage Tanks	\$75,000
2016	368	Water Tank Maintenance	\$25,000
2017	1840	Water Storage Tank Maintenance: Gorham Tank	\$400,000 Bond
2017	2256	Water Tank Maintenance	\$25,000 Bond
2018	2420	Water Tank Maintenance	\$25,000
2019	370	Water Tank Maintenance	\$50,000
2019	1839	Improve Water Quality in Gowen Road Tank	\$50,000
Total Cost, All Years:			\$650,000

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.

Subprogram # 203 Water Storage Facility Maintenance & Upgrade

In 2017 the Gorham Tank (below) is schedule to be rehabilitated Project 1840. This will included painting the inside and outside of the Tank.

Gorham Tank



In 2015 Standish Tank, Steep Falls Tank and Gowen Road Tank are schedule to have upgrades to the fall protection equipment. Proposed Project # **2453 Fall Protection for Steel Water Storage Tanks-\$75,000**

Standish Tank - climbing cage



Subprogram # 307 Gorham/Windham 407 Zone Improvements

Division: Water - General

Manager: Johnson, Gordon

Funding: Bonds - Water

Priority: Upgrade obsolete facility

Description:

Phased design and construction of transmission mains, pumps & 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 to begin late 2015 early 2016

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>Budget Year Cost</u>
2015	1382 Construction of the New 407 zone Pump Station	\$2,000,000
2016	497 New 407 Zone Tank Design/Construction	\$2,000,000
2017	507 407 Zone ISO Improvements	\$2,500,000
2019	498 407 Zone N - Piping Improvements	\$1,000,000
Total Cost, All Years:		\$7,500,000

Previous Years on CIP:

2000 to present

Related Projects:

Procurement Issues:

Engineering Services will be procured through Design through RFP process. BOT shall approve method (phased approach) and contract for engineering. Engineering bidding and construction services will be approved at the time of construction of Pump Station.

Subprogram # 315 SLWTF - Treatment Process Improvements

Division: Water - General

Manager: Wallace, Jim

Funding: Bonds - Water

Priority: Regulatory mandate

Description:

This program is for improvements to the Treatment process to continue to meet and prepare for future regulations. The Water Treatment and Supply Master Plan looked at existing performance of the plant along with its ability to meet future regulations that are being proposed. The Long Term 2 Enhance Surface Water Treatment Rule was promulgated in January 2006 and the District was required to implement a monitoring program for Cryptosporidium in the raw water in July of 2006. It is expected that the District will be required to provide for a secondary disinfection, possibly UV, to supplement Chloramines. A rebuilt of the 13 year old Raw water pump is also being proposed

Justification / Impact:

The Water Supply and Treatment Master Plan was proposed by CWSSP. The CWSSP Plan did not review the Treatment or our Source of Supply as part of the study. This plan would also look at blending of the Otter Ponds supply and possible interconnection to the main system. This would potentially provide the District with an emergency backup supply

History:

The District converted from chlorine gas to sodium hypochlorite in 2006 at the SLWTF. The District also completed the installation of a static mixer for the 60" feed line to the clear well

Origin of the Subprogram:

It was recommended by Comprehensive Water System Strategic Plan to undertake a Master Plan for Treatment and Supply once regulations were promulgated

Budget Summary:

<u>Budget year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2015	2491 SLWTF - Redesign and Construction of the ODS	\$500,000
Total Cost, All Years:		\$500,000

Previous Years on CIP: 2003

Related Projects:

Procurement Issues: RFP for engineering services and standard procurement procedures for equipment upgrades

Subprogram # 315 SLWTF - Treatment Process Improvements

Joel Anderson, Chief Operator inspecting the newly on-line UV system (March 2014)



Subprogram # 326**Vehicle and Equipment Replacement**

Division: Allocation
Funding: R & R - Water

Manager: Paradis, Roger
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 Departmentt 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
2015	1894 Annual vehicle and equipment replacement	\$275,000
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	\$230,000
2018	1834 Vacuum / Valve Turner for A2 Vehicle	\$60,000
2018	1835 Vacuum / Valve Turner for A6 Vehicle	\$60,000
2018	1844 Replacement of the Water Stand-by Pumper	\$50,000
2019	2503 Vehicle and Equipment Replacement	\$400,000
Total Cost, All Years:		\$1,875,000

Previous Years on CIP: All

Related Projects:

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.

Subprogram # 407**Cape Elizabeth Pump Stations - Capital****Division:** Wastewater - Cape Elizabeth**Manager:** Rodriguez, Paul**Funding:** Bonds - Wastewater**Priority:** Upgrade obsolete facility**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. To do so might require increased line capacity to Family Field pump station as well as an upgrade to the Family Field pump station. Another combined sewer overflow exists at the Spurwink Avenue pump station. Some modifications to that station are likely to handle the excess flow generated during periods of very wet weather.

Justification / Impact:

The need to eliminate the CSOs at Ottawa Road and Spurwink is regulatory driven. As the operator of these facilities, the Department of Environmental Protection has put the District on a schedule to address the illegal overflows. 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:

Past upgrades to pump stations throughout the Cape system have been limited to pump replacements, SCADA upgrades and hardware replacements. This will continue to be the manner in which these stations get upgraded. The Combined Sewer Overflow issue at Ottawa Road pump station has been on the back burner for a number of years, while the Spurwink overflow problems became an issue during the wet years of 2005 and 2006. The Department wrote into the last license renewal for the South Cape WWTF, a schedule for the elimination of the Spurwink overflows. The District hired Wright Pierce to study the problem and come up with a plan to eliminate the overflows. The license states that the report will be completed by 12/31/07, submitted to the DEP for review and will contain "a scope of work and schedule to eliminate the discharge of untreated wastewater from the influent pump station."

Origin of the Subprogram:

Department of Environmental Protection incorporated the project in the 2006 license.

Budget Summary:

<u>Budget year</u>		<u>Project</u>	<u>Budget Year Cost</u>
2015	2314	Wildwood Pump Station Upgrade	\$95,000
2016	52	Maiden Cove Upgrade to Submersible PS	\$350,000
2016	1360	Family Field Pump Station Upgrade	\$620,000
2018	1867	Peabbles Cove Force Main	\$125,000
PEND	867	Ottawa Rd. WWPS Capacity Upgrade	\$150,000
PEND	2086	Ottawa Road CSO Master Plan- Year 1 Implementation	\$50,000
Total Cost, All Years:			\$1,390,000

Previous Years on CIP:**Related Projects:****Procurement Issues:**

Subprogram # 408 Water System Redundancy (Looping) and Upsizing Development

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

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 Partnering 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>
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
2019	2510 Water System Redundancy (Looping) and Upsizing dev	\$50,000
Total Cost, All Years:		\$250,000

Previous Years on CIP: none

Related Projects: 43, 111

Procurement Issues: District labor & equipment or low bid contract installation

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.

History:**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
2015	1818 EEWWTF - Plant Water System	\$50,000
2015	2153 EEWWTF Effluent Flow Meter Replacement	\$50,000
2015	2397 Dewatering Odor control upgrade	\$200,000
2015	2471 EEWWTF Polymer System for Secondary Settling	\$80,000
2015	2494 EEWWTF - RR	\$75,000
2016	1612 EEWWTF- HVAC Project - Phase 4	\$178,000
2016	1823 EEWWTF - Primary Basins	\$75,000
2016	1830 EEWWTF - Roadway & Parking Lot Paving	\$150,000
2016	2045 EEWWTF - Process gate Automation	\$150,000
2017	2198 East End Process Clarifier Feed Gate Replacement	\$50,000
2017	1764 EEWWTF- HVAC Project - Misc.	\$350,000
2018	1913 EEWWTF - Plant upgrades	\$350,000
2018	2274 EEWWTF Effluent Thermal Heating System	\$150,000
2018	2311 East End Gate Replacements	\$60,000
2019	1614 HVAC Project - Misc.	\$350,000
2019	1613 EEWWTF - HVAC Project - Phase 5	\$200,000
PEND	2150 EEWWTF - Aeration System blade replacement	\$150,000
Total Cost, All Years:		\$2,668,000

Previous Years on CIP: 2004-present**Related Projects:****Procurement Issues:**

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>
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 Pump Station R&R	\$10,000
2019	2518 Westbrook WW Systems	\$10,000
Total Cost, All Years:		\$50,000

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
2015	2034 Routine Renewal and Replacement	\$50,000
2015	2268 Security Upgrades	\$30,000
2015	2477 WGWWTF Sludge Dewatering Pilot Testing	\$10,000
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
2019	2519 Westbrook/Gorham/Windham WWTF R&R	\$50,000
Total Cost, All Years:		\$420,000

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:** Upgrade obsolete facility**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>
2015	2304 Security Improvements - Cape Elizabeth WWTF	\$25,000
2015	2394 Cape Elizabeth Effluent Sampling	\$165,000
2015	2451 Cape Elizabeth WWTF - Headworks Gas Alarming	\$17,500
2015	2476 Cape Elizabeth WWTF Alkalinity Feeding System	\$35,000
2016	1911 Cape Elizabeth Treatment Plant - Ph 2 improvements	\$1,000,000
Total Cost, All Years:		\$1,242,500

Previous Years on CIP:**Related Projects:****Procurement Issues:**

Subprogram # 420 Portland WW Pump Station Capital Upgrade

Division: Wastewater - Portland

Manager: Rodriguez, Paul

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:

This upgrade 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>
2016 2424	Fore River Pump Station upgrades - phases 2,3,4	\$2,500,000
Total Cost, All Years:		\$2,500,000

Previous Years on CIP:

None

Related Projects:

\$1.6 million of phase 1 will be bond financed in 2015.

Procurement Issues:

Subprogram # 421**Wastewater Asset Condition Evaluations****Division:** 50**Manager:** Firmin, Scott**Funding:** Deferred Operating Expense**Priority:** Upgrade obsolete facility**Description:**

This subprogram will provide needed engineering evaluation and programming of similar asset classes across all wastewater treatment plants and critical influent pump stations. Many of the processes have been upgraded over the years but systems such as electrical and HVAC were not prioritized to be replaced but are critical to the overall operations. Performing engineering evaluations on these critical systems would be first step and developing a long term plan to replace or upgrade these systems to meet current codes. This project will include a review of update code requirements and provide a planned and prioritized series of recommended upgrades.

Justification / Impact:

Current systems are original to the existing treatment plants. This project will review the performance of existing systems, current code requirements, and will provide a recommended schedule and budget to upgrade or replace these critical systems. The goals are to upgrade these systems to meeting code and allow for additional capacity to meet the future needs and install energy efficient systems.

Budget Summary:

<u>Budget year</u>	<u>Project</u>	<u>Budget Year Cost</u>
2015	2470 WWTF Electrical System Evaluation	\$150,000
2016	2472 Evaluation of WWTF HVAC Systems	\$150,000
Total Cost, All Years:		\$300,000

Previous Years on CIP: None**Related Projects:****Procurement Issues:** RFP for engineering procurement

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 Plant and pump stationst.

Justification / Impact:

Physical assests 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:**

Budget year	Project	Budget Year Cost
2015	2478 Peaks WWTF Headworks Ventilation System Upgrades	\$45,000
2015	2479 Peaks WWTF Alkalinity Feeding System	\$35,000
2015	2480 Peaks WWTF Influent Valve A	\$35,000
2015	2481 Peaks Island Security Upgrades	\$20,000
2015	2035 Routine Renewal and Replacement	\$20,000
2016	2348 Peaks WWTF Decant Pump Replacement	\$125,000
2016	2344 Peaks WWTF Compressed Air System Replacement	\$35,000
2016	2190 Peaks Island RR	\$20,000
2017	2323 Peaks Island R&R	\$20,000
2018	2324 Peaks Island R&R	\$20,000
2019	2520 Peaks Island R&R	\$20,000
Total Cost, All Years:		\$395,000

Previous Years on CIP: 2007 -present**Related Projects:****Peaks Island Waste Water Treatment Facility**

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. During that time, the facility has not under gone any improvement projects. The polymer system has reached the end of its usefulness and will need upgrading.

Justification / Impact:

Physical assests require scheduled maintenance and eventual replacement. This project provides funding for the efficient and timely replacement of equipment using routine and replacement 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.

Origin of the Subprogram:**Budget Summary:**

Budget year	Project	Budget Year Cost
2015	2489 Spurwink Groundwater Infiltration Mitigation	\$15,000
2015	2032 Routine R&R	\$10,000
2016	2184 Cape Elizabeth WWTF - R&R	\$20,000
2016	2389 Replacement of Heating Boiler at the S.Cape WWTF	\$50,000
2017	2262 Cape Elizabeth WWTF - R&R	\$20,000
2018	2055 WAS/RAS Piping Replacement at CEWWTF	\$50,000
2019	2514 Cape Elizabeth WWTF - R&R	\$50,000
Total Cost, All Years:		\$215,000

Previous Years on CIP: 2006 to present**Related Projects:** 418**Spurwink Station, Cape Elizabeth**

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.

2014-2015 Policy Highlights

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 and 2015 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 future pension plan funding contribution. 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 2015 by \$74,000.

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.

Basis of Budgeting (Management)

The budget is consistent with GAAP, including the utilization of accrual accounting, 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 3.8% 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. An additional 1% be added for the each of the ten years beginning in 2014.

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 were approved with an effective date of May 1, 2014.

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	Target	Maximum
	<u>Weight</u>	<u>Weight</u>	<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 22.0% by the end of 2015. The Wastewater funds meet the operating fund balance target, except for Cape Elizabeth – the fund is projected to be at 22.8%, \$30,910 under the target balance, at the end of 2015.

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 95% 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 8.3%.

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 effective for 2015.** 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 helps to keep 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 2015 Budget and the dollars allocated, are of the following pages.

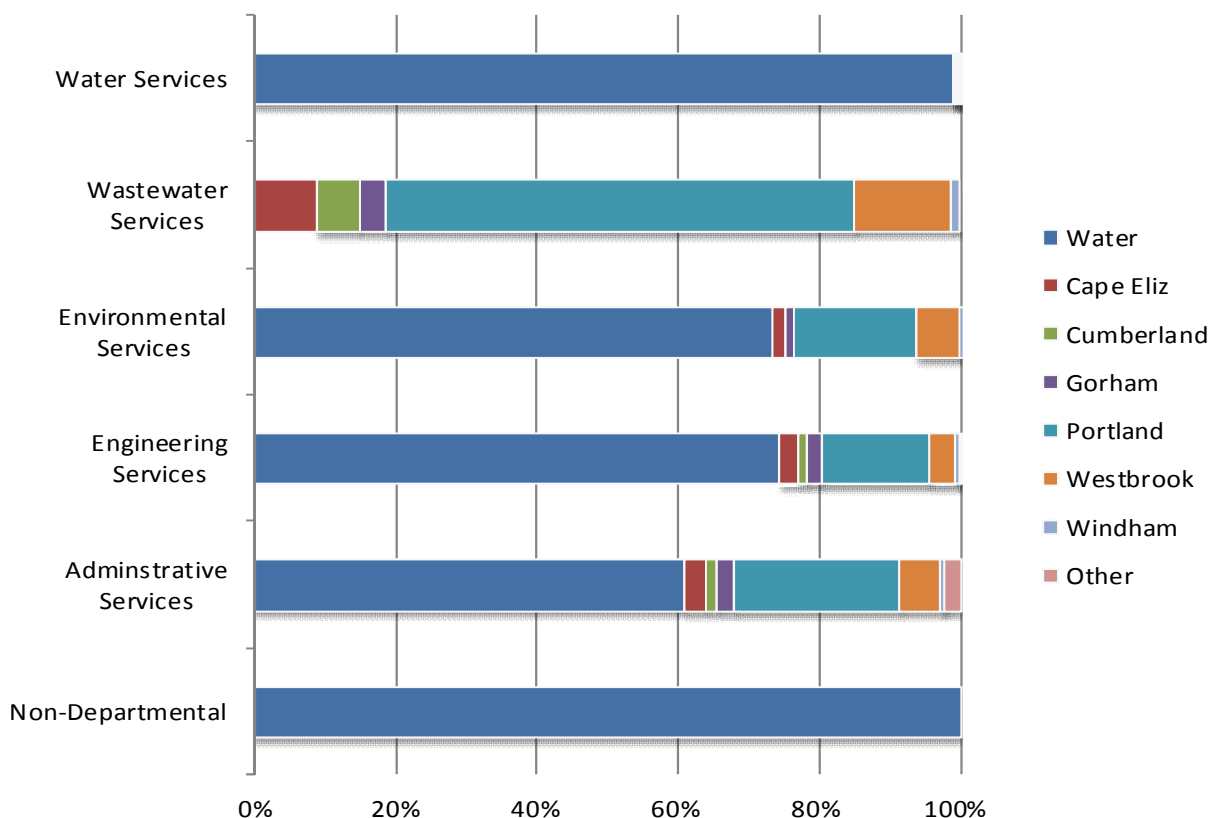
Each financial transaction is assigned a cost center number when the transaction is recorded in the financial system. The fund number indicates whether it is a 'direct' charge to the fund or an 'indirect' charge that will be allocated. Each department's costs are broken down into the fund category in Operating Expense section (see pages 136-215). 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 98.9% of the costs of the Water Services department are assigned to the Water Fund and 100.0% of the Wastewater Services department costs go the Wastewater funds. The expenditures of the remaining departments assign between 60.9% and 74.5% 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 Services	8,008,811	98.9%	0.1%	0.1%	0.1%	0.4%	0.1%	0.1%	0.2%
Wastewater Services	9,091,655	0.0%	9.0%	6.0%	3.8%	66.2%	13.8%	1.2%	0.0%
Environmental Services	1,899,441	73.4%	1.9%	0.0%	1.1%	17.4%	6.1%	0.1%	0.0%
Engineering Services	4,011,001	74.5%	2.6%	1.2%	2.1%	15.2%	3.8%	0.4%	0.2%
Administrative Services	5,249,828	60.9%	3.1%	1.7%	2.4%	23.4%	5.6%	0.6%	2.3%
<u>Non-Departmental</u>	<u>361,198</u>	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Departmental Expense	28,621,934								
<u>(less) Trans Expense</u>	<u>(898,062)</u>								
Operating Expense	27,723,872								



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.

Sub-Groups Using Method:

F1 – Customer Service

H1 – Financial Services (payment processing)

2015 Alloc. %:

	General F1	Billing F1	Mtr Read F1	Pymts H1
Water	67.29%	67.43%	68.79%	65.79%
Cape Eliz	2.15%	2.05%	2.05%	2.15%
Cumberland	1.00%	1.00%	1.00%	1.05%
Falmouth	0.37%	1.72%	0.00%	1.81%
Gorham	1.54%	1.50%	1.50%	1.57%
Portland	16.04%	15.25%	15.25%	16.03%
Scarborough	0.00%	0.00%	0.36%	0.00%
So Portland	7.36%	7.01%	7.01%	7.36%
Westbrook	4.20%	3.99%	3.99%	4.19%
Windham	0.05%	0.05%	0.05%	0.05%
	100.00%	100.00%	100.00%	100.00%

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%

Dollars Alloc. :

	General F1	Billing F1	Mtr Read F1	Pymts H1
Water	\$662,372	\$204,550	\$48,766	\$107,988
Cape Eliz	21,164	6,219	1,453	3,529
Cumberland	9,844	3,034	709	1,723
Falmouth	3,642	5,218	0	2,971
Gorham	15,159	4,550	1,063	2,577
Portland	157,891	46,261	10,811	26,312
Scarborough	0	0	255	0
So Portland	72,449	21,265	4,969	12,081
Westbrook	41,343	12,104	2,829	6,878
Windham	491	152	35	82
	\$984,355	\$303,352	\$70,891	\$164,141

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

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

2015 Allocation %:	B1	B3	B4	C1	E7	L6	L9
Water	0.00%	0.00%	0.00%	78.28%	0.00%	37.85%	0.00%
Cape Elizabeth	10.74%	3.11%	17.33%	2.73%	10.74%	4.65%	10.74%
Cumberland	3.13%	0.00%	0.00%	0.42%	3.13%	0.00%	3.13%
Gorham	4.58%	0.62%	8.12%	1.10%	4.58%	2.54%	4.58%
Portland	65.74%	92.11%	20.17%	14.23%	65.74%	40.21%	65.74%
Westbrook	14.25%	4.05%	52.94%	3.17%	14.25%	14.47%	14.25%
Windham	1.56%	0.11%	1.44%	0.07%	1.56%	0.28%	1.56%
	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	\$132,566	\$0	\$109,197	\$0
Cape Elizabeth	18,539	8,329	17,726	4,623	6,249	13,415	53,975
Cumberland	5,403	0	0	711	1,821	0	15,730
Gorham	7,906	1,660	8,306	1,863	2,665	7,328	23,017
Portland	113,479	246,679	20,631	24,098	38,248	116,006	330,384
Westbrook	24,598	10,846	54,151	5,368	8,291	41,746	71,615
Windham	2,692	274	1,326	30	1,170	745	6,269
	\$172,617	\$267,809	\$102,287	\$169,349	\$58,181	\$288,500	\$502,561
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	327	1,569	116	1,031	649	8,319
	\$161,186	\$272,564	\$112,103	\$128,128	\$57,919	\$240,758	\$467,335

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

G1 – Information Service

H1 – Financial Services

I1 – Employee Services

J1 – General Manager's

Office

2014 Allocation %:	E7	G1	H1	I1	J1
Water	54.61%	54.61%	54.61%	54.61%	54.61%
Cape Elizabeth	3.67%	3.67%	3.67%	3.67%	3.67%
Cumberland	2.12%	2.12%	2.12%	2.12%	2.12%
Gorham	2.93%	2.93%	2.93%	2.93%	2.93%
Portland	29.05%	29.05%	29.05%	29.05%	29.05%
Westbrook	6.69%	6.69%	6.69%	6.69%	6.69%
Windham	0.93%	0.93%	0.93%	0.93%	0.93%
	100.00%	100.00%	100.00%	100.00%	100.00%
Dollars Allocated:	E7	G1	H1	I1	J1
Water	\$83,866	\$533,771	\$428,469	\$244,322	\$786,796
Cape Elizabeth	5,636	35,871	28,795	16,419	52,876
Cumberland	3,256	20,721	16,633	9,485	30,544
Gorham	4,500	28,638	22,989	13,109	42,214
Portland	44,613	283,941	227,926	129,968	418,539
Westbrook	10,274	65,390	52,490	29,931	96,386
Windham	1,428	9,091	7,296	4,161	13,399
	\$153,573	\$977,423	\$784,598	\$447,395	\$1,440,754
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

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

	All	WW
Water	63.08%	0.00%
Cape Elizabeth	3.56%	9.65%
Cumberland	1.75%	4.75%
Falmouth	0.00%	0.00%
Gorham	3.95%	10.71%
Portland	22.42%	60.71%
Westbrook	4.57%	12.37%
Windham	0.67%	1.81%
	100.00%	100.00%

	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%

Dollars Allocated:

	All	WW
Water	\$523,256	\$0
Cape Elizabeth	29,531	21,531
Cumberland	14,516	10,598
Falmouth	0	0
Gorham	32,766	23,896
Portland	185,976	135,457
Westbrook	37,909	27,600
Windham	5,557	4,040
	\$829,511	\$223,122

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

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)

2015 Allocation %:

	A6
Water	65.54%
Cape Elizabeth	1.77%
Cumberland	0.88%
Gorham	1.48%
Portland	17.34%
Scarborough	1.14%
South Portland	7.65%
Westbrook	4.12%
Windham	0.08%
	100.00%

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%

Dollars Allocated:

	A6
Water	\$92,586
Cape Elizabeth	2,500
Cumberland	1,243
Gorham	2,091
Portland	24,496
Scarborough	1,610
South Portland	10,807
Westbrook	5,820
Windham	113
	\$141,266

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

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)

2015 Allocation %:

	F1	L6
Water	95.00%	0.00%
Cape Elizabeth	1.79%	9.30%
Cumberland	0.94%	0.00%
Gorham	0.81%	3.30%
Portland	1.02%	66.93%
Westbrook	0.18%	19.90%
Windham	0.26%	0.57%
	100.00%	100.00%

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	\$168,813	\$0
Cape Elizabeth	3,181	20,878
Cumberland	1,670	0
Gorham	1,439	7,408
Portland	1,813	150,254
Westbrook	320	44,674
Windham	462	1,280
	\$177,698	\$224,494

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

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 costs decreasing \$26,183 (3.2%)

2015 Allocation %:

Water Operations	
A1 - Water Administration	2.67%
A2 - Transmission/Distribution	4.56%
A6 - Utility Services	<u>1.41%</u>
	8.64%
Environmental Services	
A5 - Water Resources	<u>0.83%</u>
	0.83%
Wastewater Operations	
B1 - WW Administration	0.83%
L9 - Water/WW Systems	<u>4.59%</u>
	5.42%
Engineering Services	
C1 - Facility Services	23.54%
E2 - Planning & Design	15.09%
E7 - Instrumentation	<u>1.37%</u>
	40.00%
Administration	
F1 - Customer Service	12.10%
G1 - Information Services	6.42%
H1 - Financial Services	8.61%
I1 - Employee Services	3.96%
J1 - BOT & Senior Management	<u>14.02%</u>
	45.11%
	100.00%

Dollars Allocated:

	\$
Water Operations	\$69,102
Environmental Services	6,638
Wastewater Operations	43,348
Engineering Services	319,916
Administration	<u>360,785</u>
	\$799,789

2014 Allocation %:

Water Operations	
A1 - Water Administration	2.68%
A2 - Transmission/Distribution	4.56%
A6 - Utility Services	<u>1.41%</u>
	8.65%
Environmental Services	
A5 - Water Resources	<u>0.83%</u>
	0.83%
Wastewater Operations	
B1 - WW Administration	0.83%
L9 - Water/WW Systems	<u>4.60%</u>
	5.43%
Engineering Services	
C1 - Facility Services	23.57%
E2 - Planning & Design	15.89%
E7 - Instrumentation	<u>1.37%</u>
	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	<u>14.03%</u>
	44.26%
	100.00%

Dollars Allocated:

	\$
Water Operations	\$66,917
Environmental Services	6,421
Wastewater Operations	42,007
Engineering Services	315,863
Administration	<u>342,398</u>
	\$773,606

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 0.4% with most budget items remaining stable including fuel.

Vehicle Type	Rate	Active Hours	Stand-by Hours	Total Hours
Backhoe/Loader <19,501 GVW	\$40.43	3,016	-	3,016
Backhoe/Loader >=19,500 GVW	\$46.55	128	-	128
Car	\$3.84	350	-	350
Compressor	\$24.50	2,448	-	2,448
Dump Truck < 15,000 GVW	\$10.33	470	1,610	2,080
Dump Truck >= 40,000 GVW	\$17.72	3,207	3,033	6,240
Dump Truck 15,001- 40,000 GVW	\$13.28	1,912	6,408	8,320
Generator/Load Bank	\$41.66	304	-	304
Misc. Const. Equipment - Forklift, etc.	\$28.18	520	-	520
Misc. Trailed Equipment	\$18.38	226	-	226
Pick-up Truck/SUV - Heavy - 7,501-10,000 GVW	\$5.02	7,622	9,243	16,865
Pick-up Truck/SUV - Light - < 6,000 GVW	\$3.84	2,791	3,449	6,240
Pick-up Truck/SUV - Medium - 6,001-7,500 GVW	\$4.13	12,224	19,526	31,750
Special Purpose - C - Crane, Sludge, etc.	\$55.13	75	-	75
Special Purpose - D - Jetvac, etc.	\$73.51	1,220	-	1,220
Utility Truck 10,001 - 14,000 GVW	\$5.91	4,228	2,012	6,240
Utility Truck 14,001 - 16,000 GVW	\$6.49	4,377	3,943	8,320
Utility Truck 16,001 - 19,500 GVW	\$7.08	6,570	4,240	10,810
Utility Truck 6,001 - 10,000 GVW	\$4.13	7,100	7,460	14,560
Van < 6,000 GVW	\$3.84	3,565	2,675	6,240
Van 6,001-7,500 GVW	\$4.13	1,360	720	2,080
Van 7,501-10,000 GVW	\$5.02	32,480	9,120	41,600
Total Hours		96,193	73,439	169,632

Sub-Group	2014 Budget	2015 Budget	\$ - Difference	% - Difference
A1 - Water Administration	\$599	\$496	(\$103)	-17.2%
A2 - Transmission/Distribution	553,336	571,827	18,491	3.3%
A3 - Water Treatment	38,002	37,280	(722)	-1.9%
A5 - Water Resources	40,856	39,948	(908)	-2.2%
A6 - Utility Services	166,372	164,569	(1,803)	-1.1%
B1 - WW Administration	0	0	0	#DIV/0!
B3 - Portland (East End) WWTF	86,015	36,222	(49,793)	-57.9%
B4 - Westbrook/Cape/Peaks WWTP's	29,833	29,472	(361)	-1.2%
C1 - Facility Services	49,813	72,650	22,837	45.8%
E2 - Planning & Design	30,447	31,745	1,298	4.3%
E7 - Instrumentation	26,056	25,175	(881)	-3.4%
F1 - Customer Service	17,371	17,189	(182)	-1.0%
I1 - Employee Services	762	0	(762)	-100.0%
J1 - BOT & Senior Management	0	0	0	#DIV/0!
L6 - Water/WW Laboratory	772	1,199	427	55.4%
L9 - Water/WW Systems	233,473	250,695	17,222	7.4%
	\$1,273,706	\$1,278,467	\$4,761	0.4%

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 2015 is \$1,134,864 (up 2.2%).

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 \$53,729 in 2015, up 14.2% (\$6,666) due to a new expenditure of \$7,000 for CCTV inspection of sewer lines.

----- Westbrook Regional -----				----- Little Falls -----	
	Gorham	Westbrook	Windham	Gorham	Windham
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%
2015	13.0%	84.7%	2.3%	20.0%	80.0%

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 \$158,026 in 2015 (an increase of \$1,754).

Falmouth – All of the wastewater from Cumberland is treated at the Falmouth Treatment Facility through a contractual agreement. This cost is budgeted to be \$355,531 in 2015.

----- South Portland -----			----- Falmouth -----		
	Cape Eliz	So Portland	Cumberland	Falmouth	Millcreek PS
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%
2015	6.7%	93.3%	24.0%	76.0%	40.8%

Note: Starting in 2013 Millcreek Pump Station (PS) costs were be allocated to Cumberland at the specific rate above 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%
Woodlawn 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.

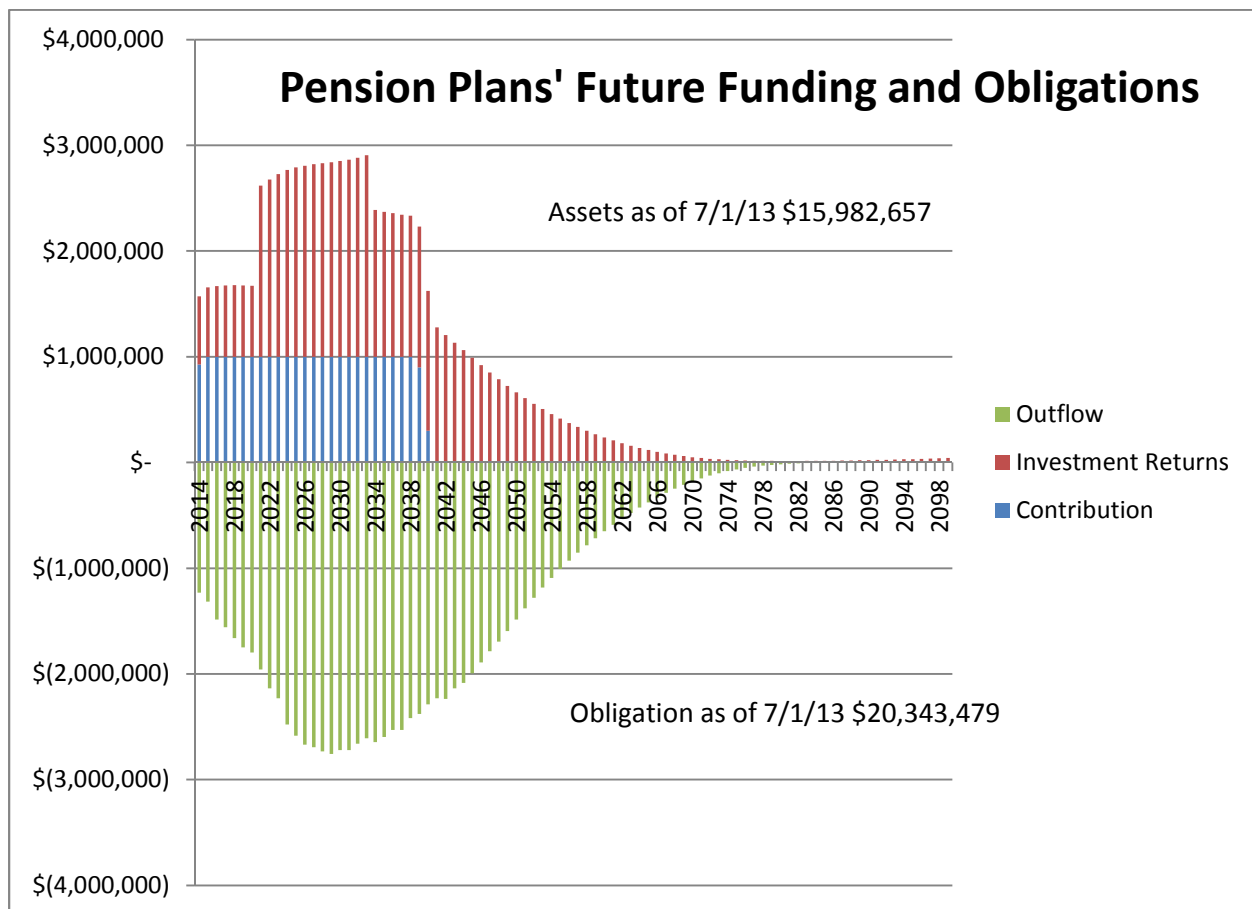
Falmouth – All of the wastewater from Cumberland is treated at the Falmouth Treatment Facility through a contractual agreement.

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	55.5%	44.5%
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:

- Employee Recognition
- Community Connections
- Portland Economic Scorecard – Selected Detail charts
- Water Benchmark Data
- Customer Satisfaction Survey
- Board of Trustees' Orders and Resolutions
- Glossary

Employee Recognition



General Manager's Award

The 2013 General Manager's Award went to Wastewater Operations Foreperson, Scot Lausier. Each year, the general manager selects one employee from the previous year's inspire award recipients to recognize with the General Manager Award.

2013 Inspire Awards

Kathryn Cole
Technical Administrative Assistant

Jason Weatherby
Network Administrator

Jay Arnold
Utility Asset Coordinator

Shana Lowe
Business Systems Analyst-GIS

Scot Lausier
Operations Foreperson, Wastewater

Mindi Pelletier
Consultant, Employee Services

Bethany Rafuse
Administration-Customer Service

Scott Smith
Asset Management and Planning

Bill Savage
Wastewater Services

Glissen Havu
Asset Management & Planning

Christian Rodriguez
Water Services

Ryan Staples
Administration-Customer Service

Mary Taylor
Wastewater Services

Roger Paradis
Administrative Facility Chief Operator

Community Connections

The Portland Water District is proud to serve the public. As an integral part of the community, we strive to support various causes aligned with our company values and vision.

Lifeline Water Rates and Water Conservation Grants

PWD offers qualified residential customers discounted lifeline water rates and funds a low-income plumbing assistance program. Since the inception of the program, PWD has helped nearly 600 applicants reduce water usage.

\$1,500 DiPietro Memorial Scholarship

2014 marked over a decade of awarding DiPietro Scholarship's to local students. The 2014 scholarship was awarded to Corey Bryant of Portland. Bryant is pursuing a degree in environmental science at the University of Southern Maine.



Environmental Education

Through our environmental education program, we connect with thousands of students-- teaching about our water resources and encourage stewardship.



Annual Charity Golf Classic

Thanks to all the generous sponsors, participants, and volunteers, the Portland Water District's 13th Annual Charity Golf Classic raised nearly \$9,500 for worthy causes supported by United Way and MaineShare.



Water Bottle Filling Fountain Grants

Last year, PWD created a grant program that assists entities install water bottle filling fountains. The Board of Trustees awarded four grants in 2013: Saint Joseph's College, YMCA of Greater Portland, Casco Bay Island Transit Authority, and Greely High School.



Portland Economic Scorecard

The Portland Community Chamber issued 'Portland's Economic Scorecard 2014' to help understand how Portland is performing economically. A summary table is in the Introduction. Some of the details are listed below.

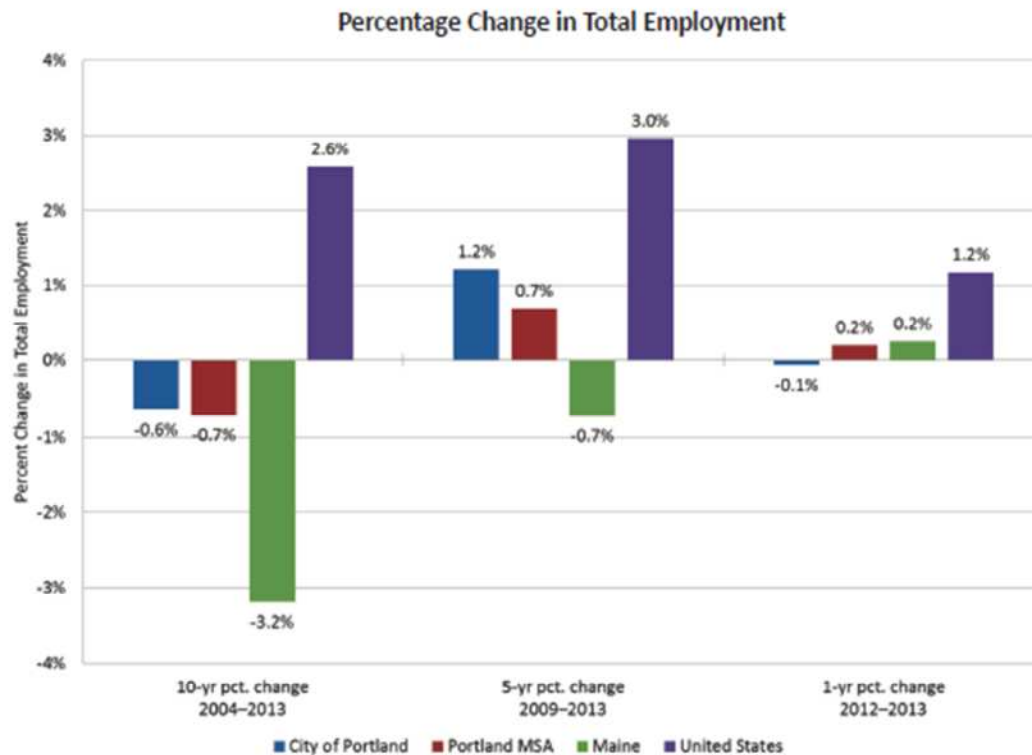
Total Employment Growth

LAGGING TARGET 

TARGET: Annual employment growth will exceed the national average.

Between 2012 and 2013, employment in the City of Portland decreased by 0.1%, compared to a 1.2% increase nationally.

Over the five year period from 2009 to 2013, Portland experienced a 1.2% increase in total employment. At the regional level (Portland MSA) the increase was 0.7%, while Maine overall lost 0.7% of its jobs. National employment growth outpaced all the comparison geographies, with 3.0% employment growth. Between 2004 and 2013, employment in the City decreased by 0.6%, compared to a 0.7% decrease regionally and a 3.2% decrease in Maine. At the national level, employment grew by 2.6% during the ten-year period.



Why is this significance to Portland Water District?

Limited employment growth will limit growth in new customers result in any cost interest borne by existing customers.

Portland Economic Scorecard (continued)

Unemployment Rate

EXCEEDING TARGET
(meaning a lower unemployment rate)

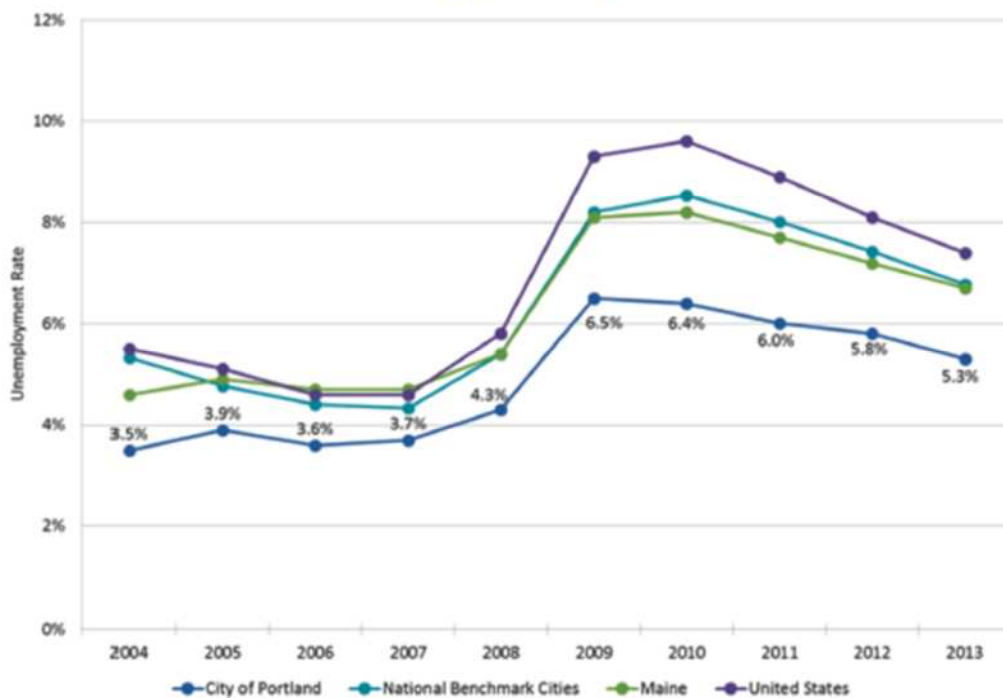


TARGET: The annual city unemployment rate will be below the national benchmarks.

From 2004–2013, the annual unemployment rate for the City of Portland has remained lower than that of the national benchmark cities.

During this period, the unemployment rate for the City of Portland experienced a low of 3.5% in 2004, rose to reach a high of 6.5% in 2009, and has since dropped to 5.3% in 2013. Portland's 2013 level of 5.3% compares to 6.8% for the national benchmark cities, 6.7% for Maine and 7.4% for the U.S.

Unemployment Rate, 2004-2013



Why is this significance to Portland Water District?

Because relatively more customer retained their jobs, the impact on the District's ability to collect water revenue was less than others. The District did see a reduced level of efforts in dealing with delinquent accounts in the past year.

Portland Economic Scorecard (continued)

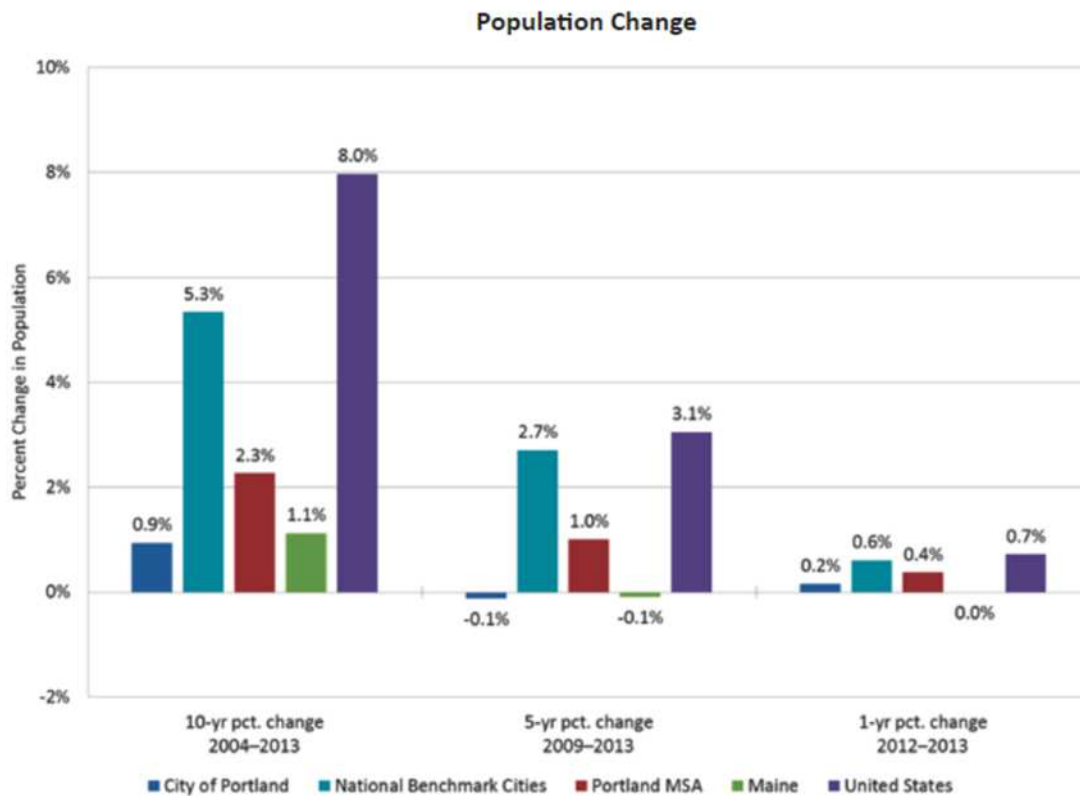
Population Growth

LAGGING TARGET

TARGET: Annual city population growth will equal the national benchmarks.

Between 2012 and 2013 the City of Portland experienced lower population growth (0.2%) than the national benchmark cities (0.6%).

In the five-year period from 2009–2013, the population of the City of Portland declined by 0.1%, while the national benchmark cities increased by 2.7%. In the ten-year period from 2004–2013, the population of the City of Portland increased by 0.9%, while the national benchmark cities increased by 5.3%.



Why is this significance to Portland Water District?

Limited population growth in new customers result in any cost interest borne by existing customers. Like other areas, the population is also aging. This will most likely cause household size, and thus average household water consumption, to decline.

Portland Economic Scorecard (continued)

Median City Household Income

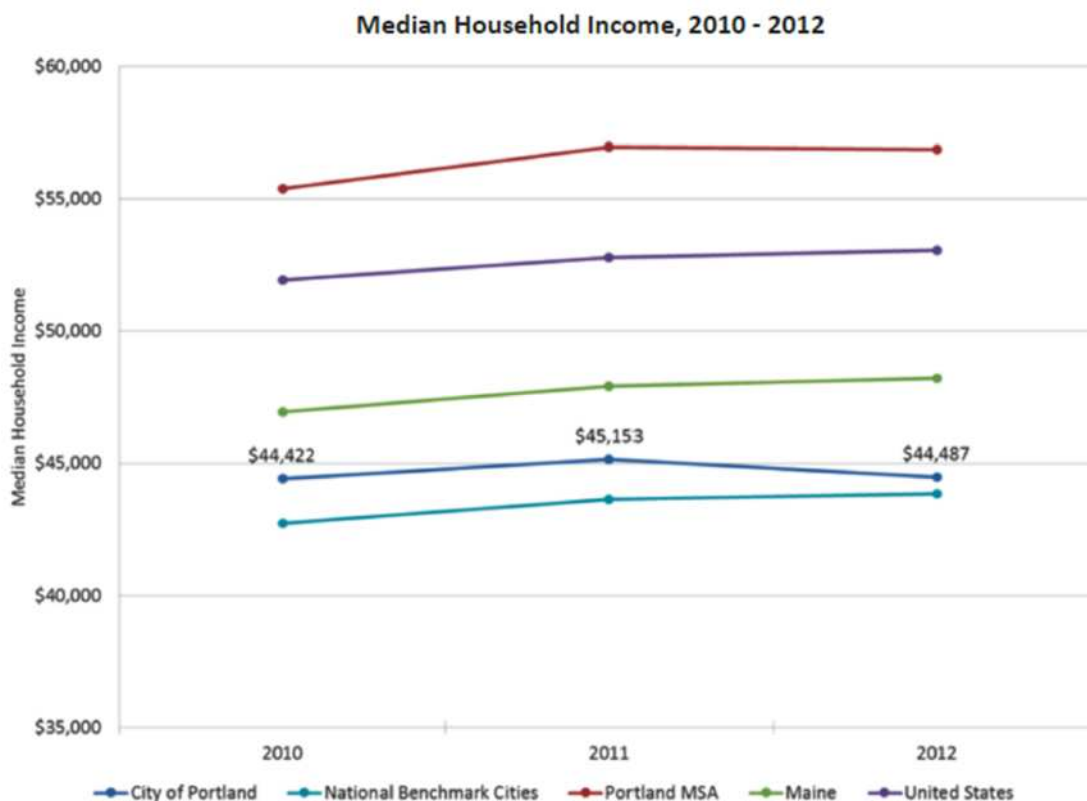
KEEPING UP WITH TARGET



TARGET: Annual city median household income will exceed the national benchmarks.

On average in 2012 households in the City of Portland have slightly higher incomes than the national benchmark cities, but the gap has been closing since 2010.

In 2012, the median household income in the City of Portland was \$44,487. This was higher than the national benchmark cities (\$43,863) and lower than the median for the Portland MSA (\$56,868), Maine (\$48,219) and the national average (\$53,046). Between 2011 and 2012 the City of Portland's median household income decreased slightly while the average median household income of the national benchmark cities continued to increase.



Why is this significance to Portland Water District?

Currently the average household spends 0.5% of their income on water. National affordability standards is no more than 2%. With the expected rate increase in the coming years to pay for aging infrastructure and relatively small increase in median income, the percent spent on water will increase but should not meet the 2% threshold in the foreseeable future.

Portland Economic Scorecard (continued)

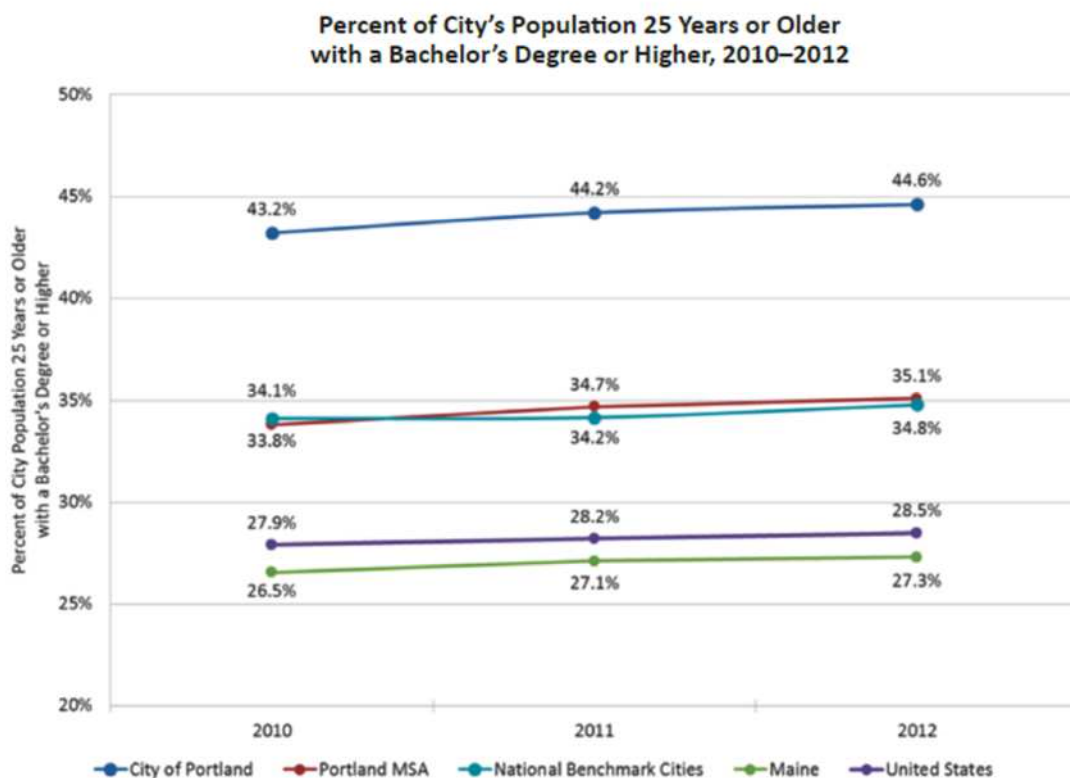
Educational Attainment

EXCEEDING TARGET LAGGING KEEPING UP EXCEEDING

TARGET: Annual percent of city population 25 years or older with a bachelor's degree or higher will exceed the national benchmark cities

In 2012, 44.6% of Portland's population had obtained a bachelor's degree or higher, which was considerably higher than the national benchmark cities (34.8%).

Portland's educational attainment was higher than the averages experienced for the Portland MSA (35.1%) and the national benchmark cities (34.8%), the state of Maine (27.3%) and the U.S. overall (28.5%).



Why is this significance to Portland Water District?

High education attainment may allow Portland to continue to perform better economically than other areas in the State.

Portland Economic Scorecard (continued)

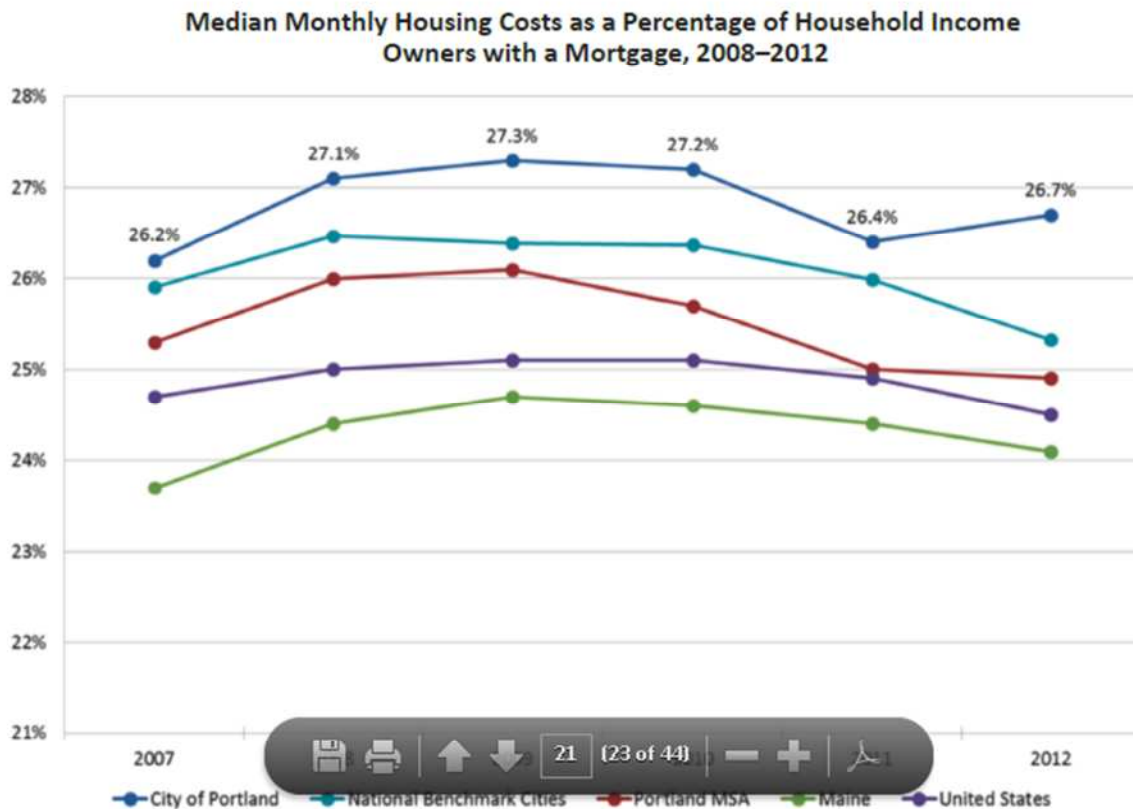
Housing Affordability

LAGGING TARGET

TARGET: Portland's median monthly housing costs as a percent of household income will be equal to or below the national benchmarks.

In terms of home ownership affordability in 2014 (as measured by average monthly home ownership costs as a percent of income), the City of Portland is less affordable than the national benchmark cities.

The City of Portland's median monthly home ownership costs as a percent of household income was consistently above that of the national benchmark cities, the Portland MSA, Maine and the U.S. between 2008 and 2012. In 2014, these costs accounted for 26.7% of household income in the City of Portland, compared to 25.3% in the national benchmark cities. While the percentage has trended downward in the comparison geographies between 2010 and 2012, in the City of Portland, it climbed slightly between 2011 and 2012.



Why is this significant to Portland Water District?

Heating, real estate tax, sewer fees and other housing costs will make customers less able or willing to afford future water rate increases.

Water Benchmark Data

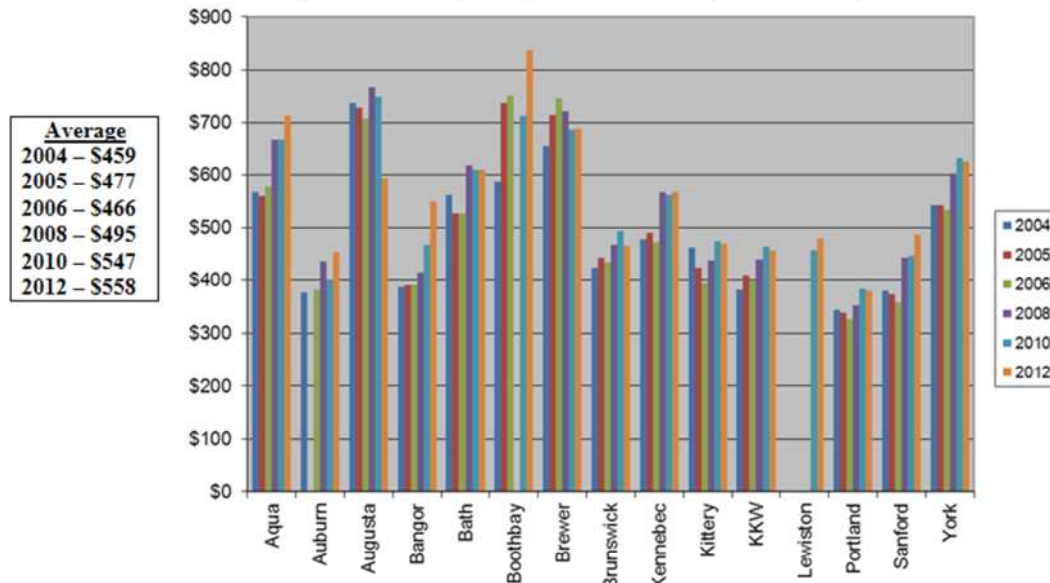
Maine Water Utilities Survey Results

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*

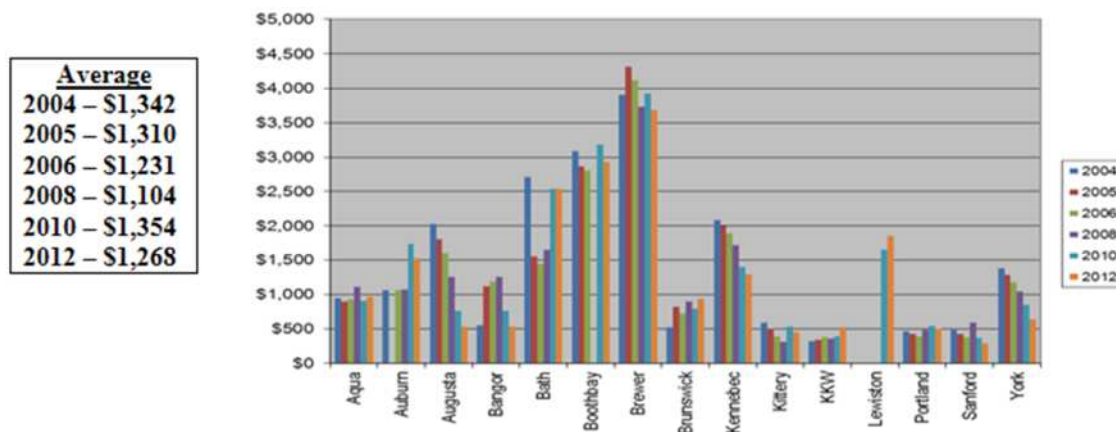


District's average revenue collected per customer is lower than other utilities indicating the relative efficiency of the District's operation.

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.

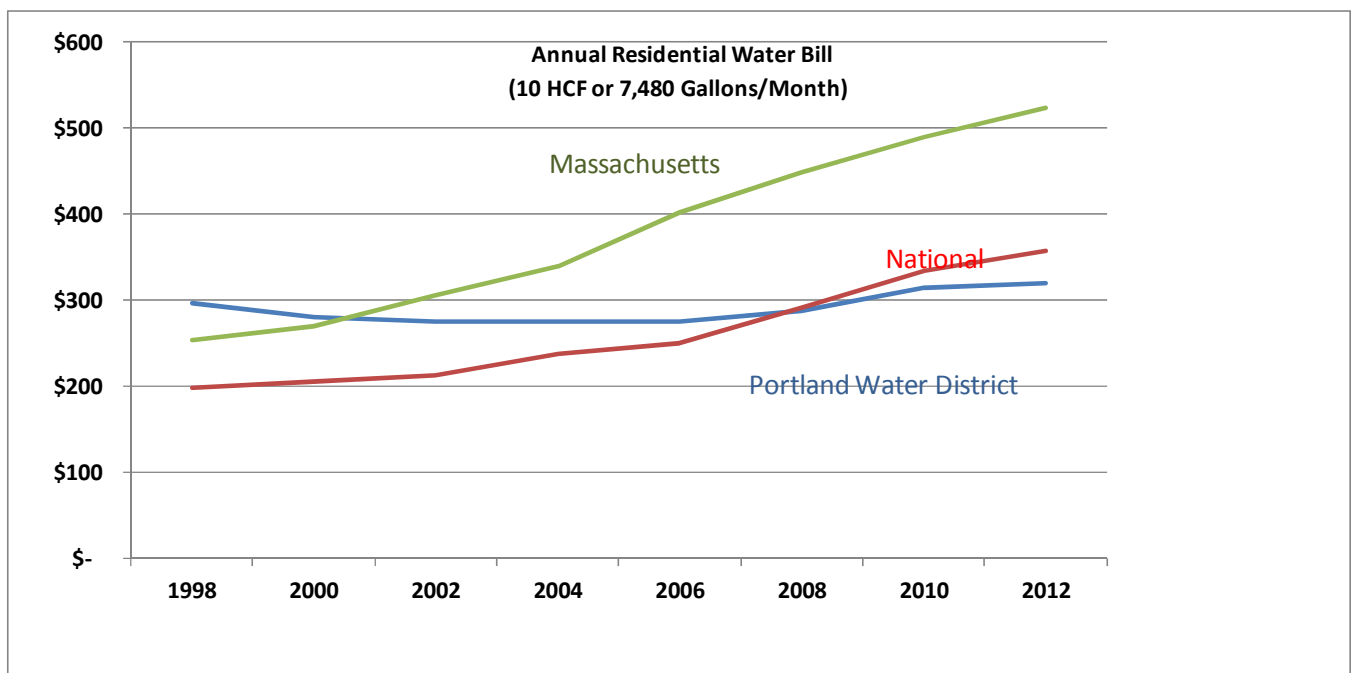
Water Benchmark Data (continued)

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.

	Maine Median Income (MSHA) 2004-2012					Water Revenue as % of Annual Median Household Income				
	2004	2006	2008	2010	2012	2004	2006	2008	2010	2012
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%

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 3.8% to \$341. Even after the increase, rates will have only increased 15.6% since 1998, which is an average increase of 0.9% annually.

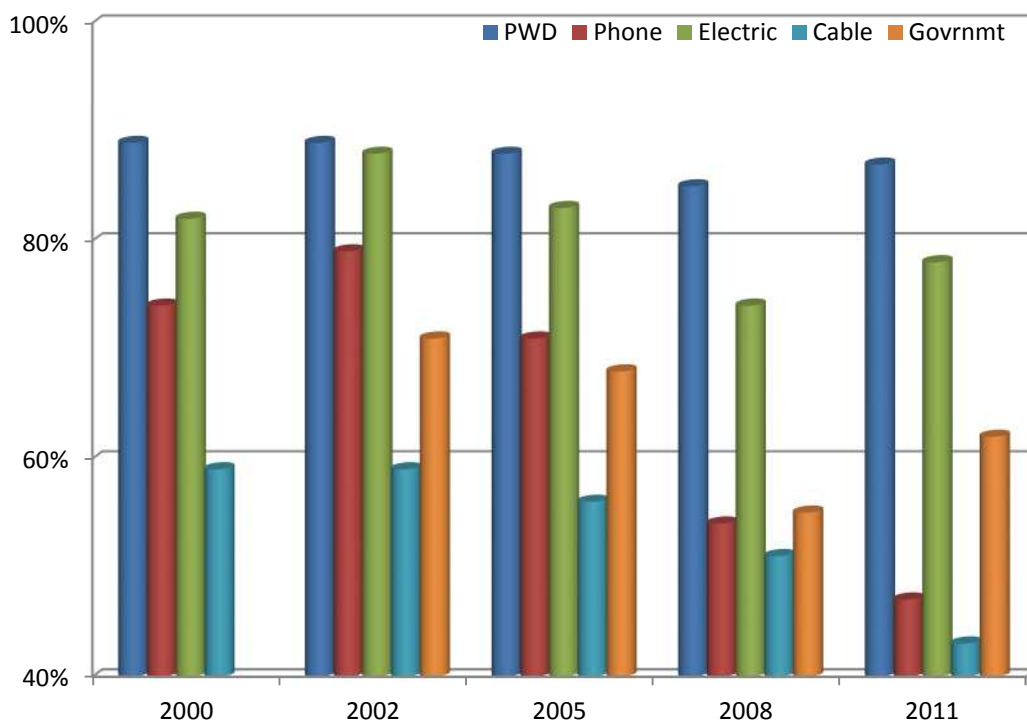


Customer Satisfaction Survey

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. The 2015 budget includes \$10,000 to conduct an updated survey,

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 24, 2014

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 2015 budget and authorizes billing the municipalities for wastewater and billing services.

Order 14-042

ORDERED that the 2015 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 2015 the participating municipalities for wastewater related costs as follows:

Town of Cape Elizabeth	\$ 1,412,112
Town of Cumberland	731,784
Town of Gorham	1,106,148
City of Portland	10,981,308
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 14-043

ORDERED that the 2015 – 2019 Capital Improvement Plan is hereby adopted and the General Manager is authorized to solicit bids or proposals for the year 2015 projects, excepting CIP# 21, project 671; 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 2015 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 14-044

ORDERED that all water charges for the Fiscal Year 2015 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 14-045

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 3.8% for further Board consideration and submittal to the Maine Public Utilities Commission in 2015.

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 14-012 to 14-016 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 14-012

RESOLVED the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for water fund projects identified in the 2015 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 14-013

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 2015 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 14-014

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 2015 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 14-015

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 2015 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 14-016

RESOLVED the Board hereby declares its intent to issue debt to reimburse costs incurred by the District for the Westbrook wastewater funds' projects identified in the 2015 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 14-012
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 \$10,385,000.
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 various water facilities;
 - Acquisition and installation of various computer-related equipment; and
 - Building improvements at the Douglass Street facilities.
 - Construction of new 407 zone pump station and related infrastructure.
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 14-013
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 \$392,500.
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 located in the Town of Cape Elizabeth with respect to which reimbursements will be made:
 - Replacement of obsolete assets or installation of new equipment at various pump stations, including Wildwood, and treatment plant, including security system, effluent sampling, headworks, gas alarm and alkalinity feeding equipment.
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 14-014
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 \$40,000.
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 located in the Town of Cumberland 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 Brookside 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 14-015
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 \$11,864,000.
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 located in the City of Portland 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 plant water system, effluent flow meter, dewatering odor control and polymer systems; and
 - Renovation and repair of equipment and facilities at the Peaks Island Treatment Plant, including projects related to the headwork ventilation system , alkalinity feeding system, influent valve and security system; and
 - Replacement of equipment and roof at various pump stations, including Fore River and Northeast Pump Stations; 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 14-016
DECLARATION OF OFFICIAL INTENT PURSUANT TO
TREASURY REGULATION §1.150-2
(Westbrook Sewer Fund)

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 \$ 1,010,000.

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 located in the City of Westbrook with respect to which reimbursements will be made:

- Replace sewer interceptors on several streets including Brown, North River and Reserve Streets.

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, consisting of Engineering and Environmental Departments
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

Glossary/Acronyms

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.
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

Glossary/Acronyms

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.
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.

Glossary/Acronyms

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
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.

Glossary/Acronyms

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.
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

Glossary/Acronyms

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.
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