



Water Rate Increase Public Hearing

March 11, 2019

Carrie Lewis
General Manager

Our Mission

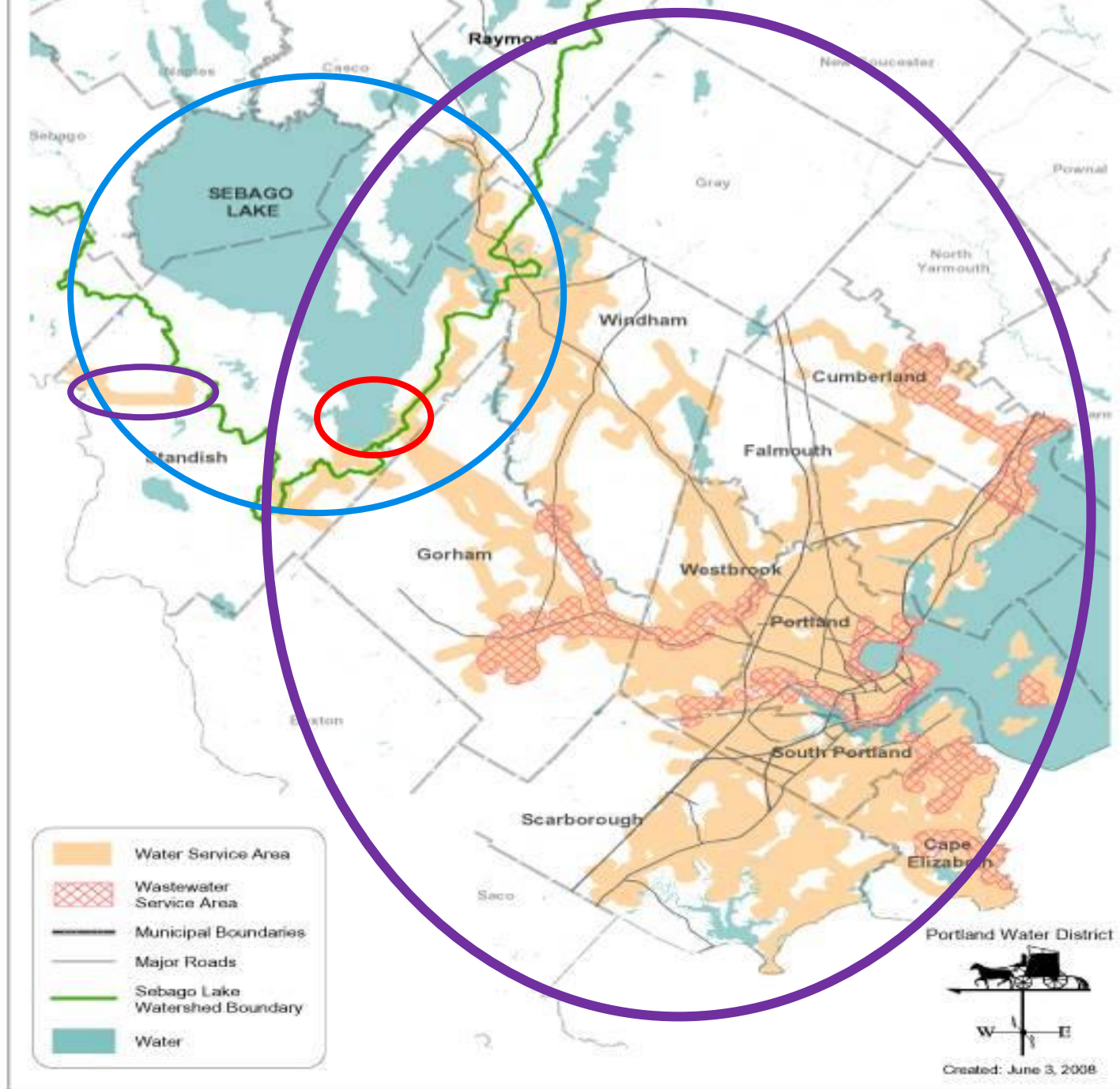
- To protect public health, safety, and the environment by providing our customers first-class water, wastewater, and related services

Portland Water District



- Quasi-municipal, independent, non-profit
- Serve water to 11 communities, 200,000 people
- Serve wastewater to 6 communities
- 182 employees
- \$45.5 million annual budget
- \$331 million in assets

SERVICE AREA



Protect Sebago Lake

- Water quality monitoring
- Security
- Inspections
- Education
- Land acquisition and preservation
- Conservation



Treat Water



Ozone generator

- Ozone and UV primary disinfection
- pH adjustment
- Corrosion control
- Fluoridation
- Chloramine secondary disinfection



Ultraviolet reactor

Pump Water



for
drinking
and
fire protection



Store Water



for
drinking and fire protection

Distribute Water



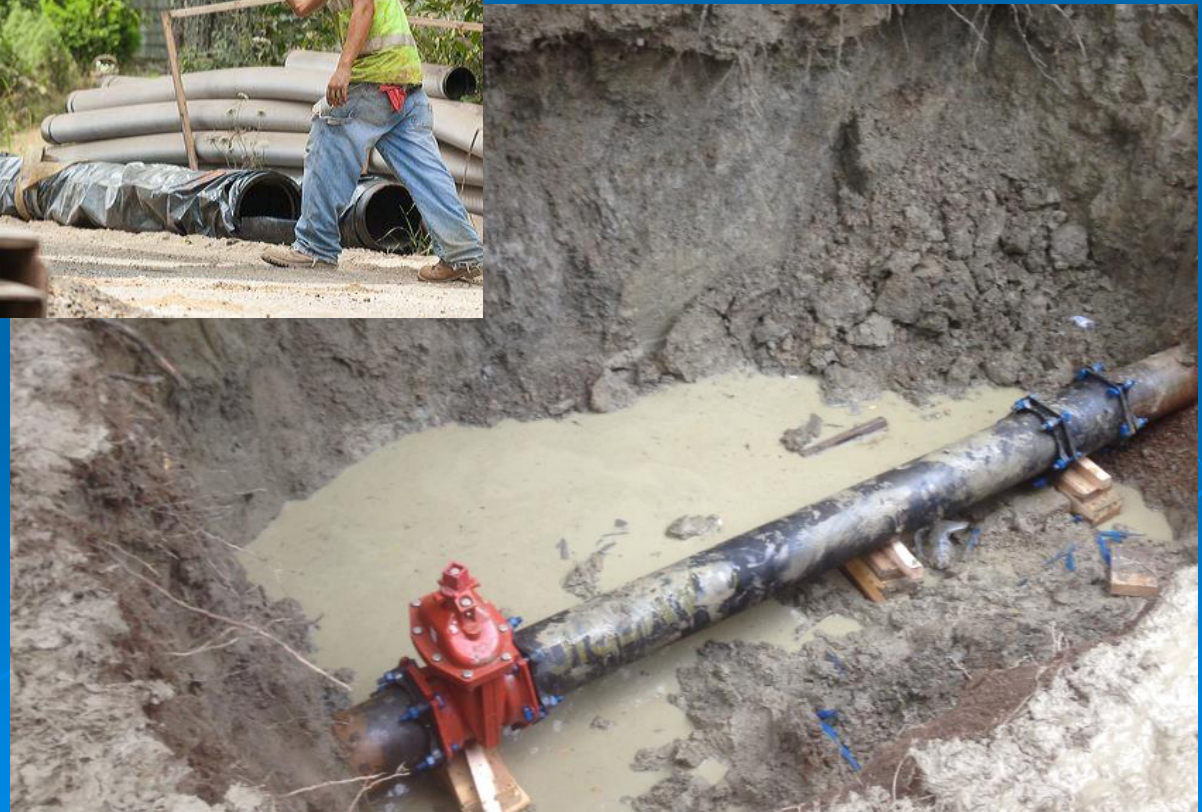
for drinking
and
fire protection



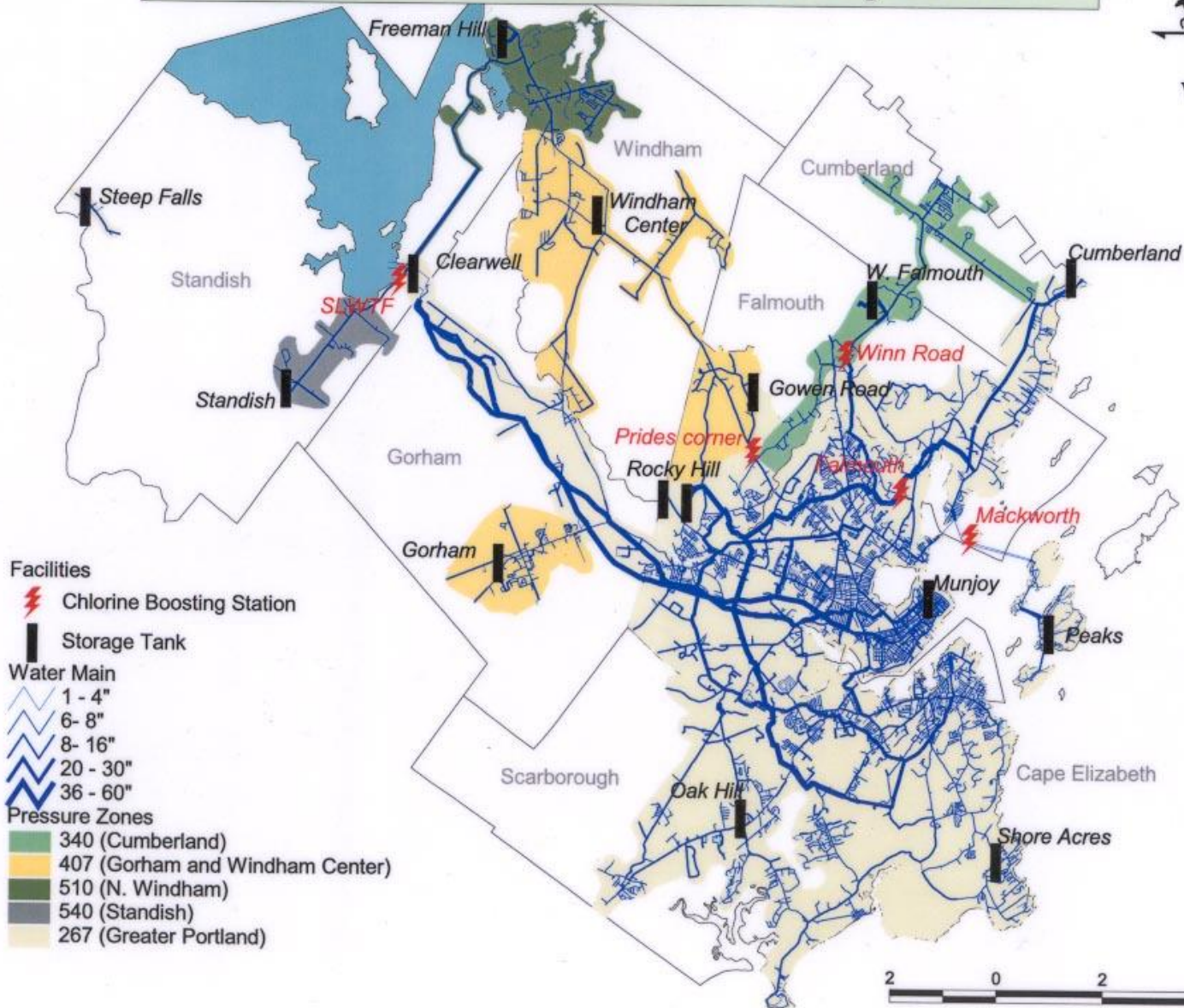
Distribute Water



for
Drinking
and
Fire Protection



PWD Water Distribution System



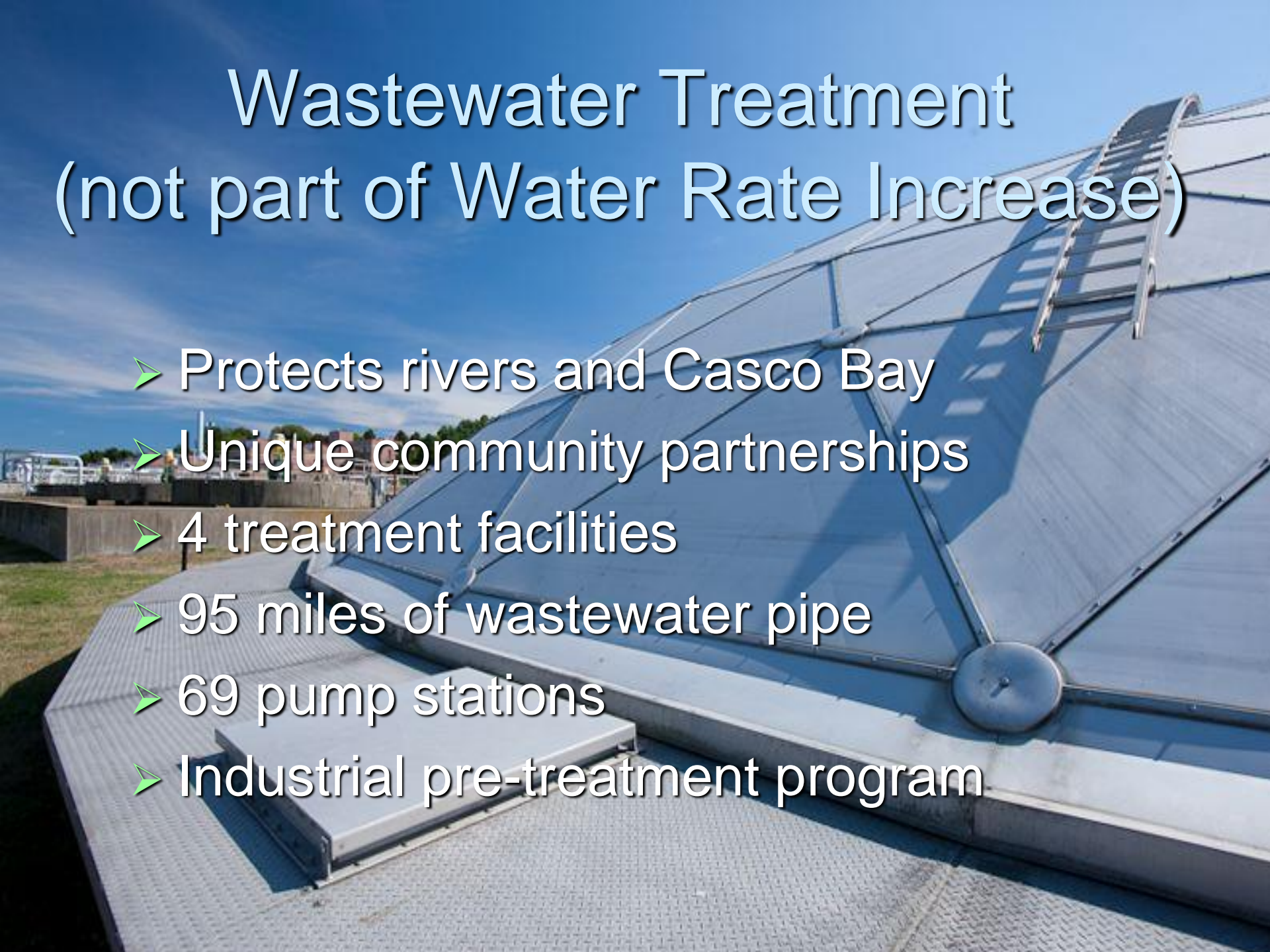
Confirm Water Quality

- Real time monitoring of treatment processes
- Regular testing throughout service area
- 15,000 tests a year
- Over 100 chemicals are routinely monitored



Wastewater Treatment (not part of Water Rate Increase)

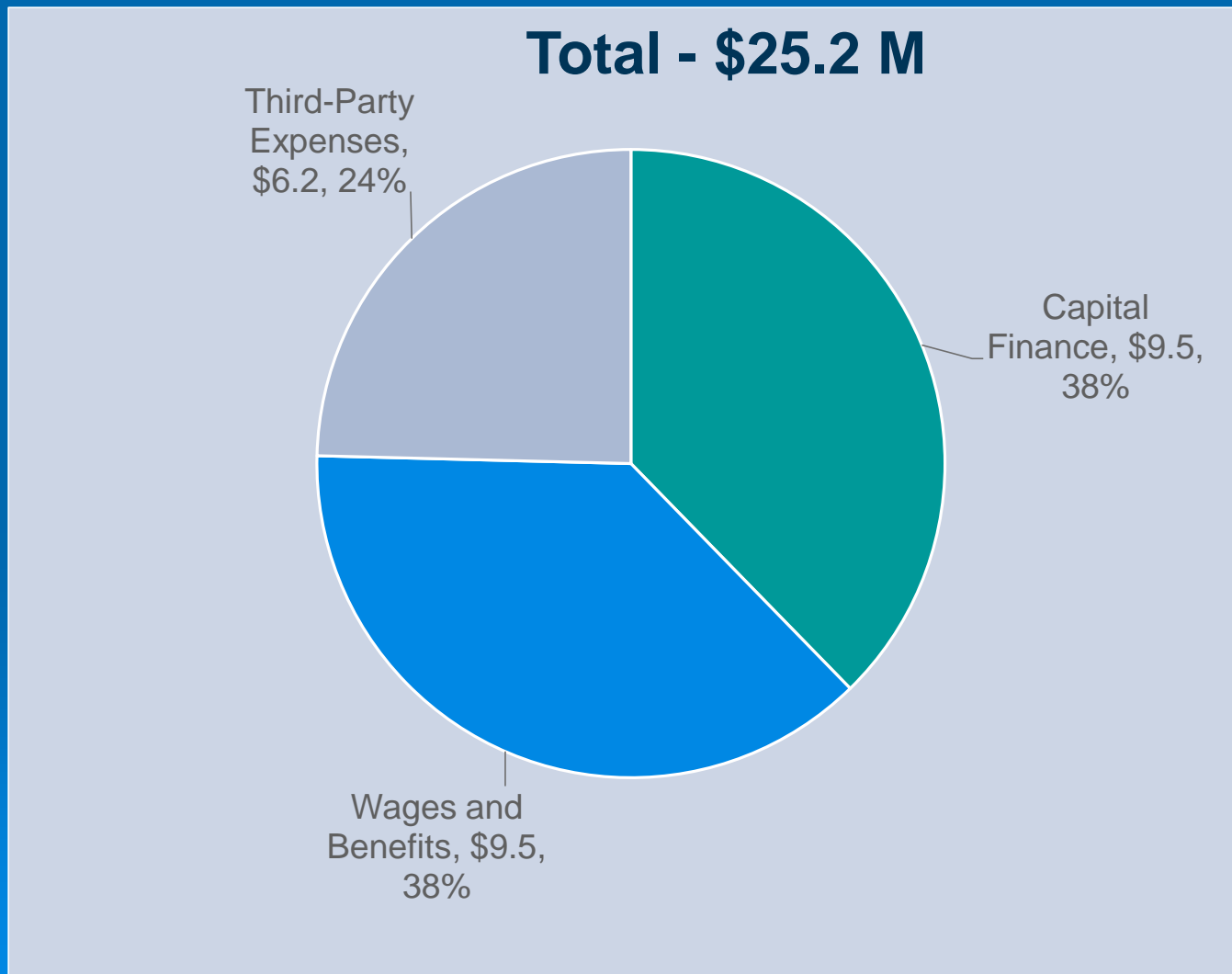
- Protects rivers and Casco Bay
- Unique community partnerships
- 4 treatment facilities
- 95 miles of wastewater pipe
- 69 pump stations
- Industrial pre-treatment program



Water Rate Adjustment Analysis

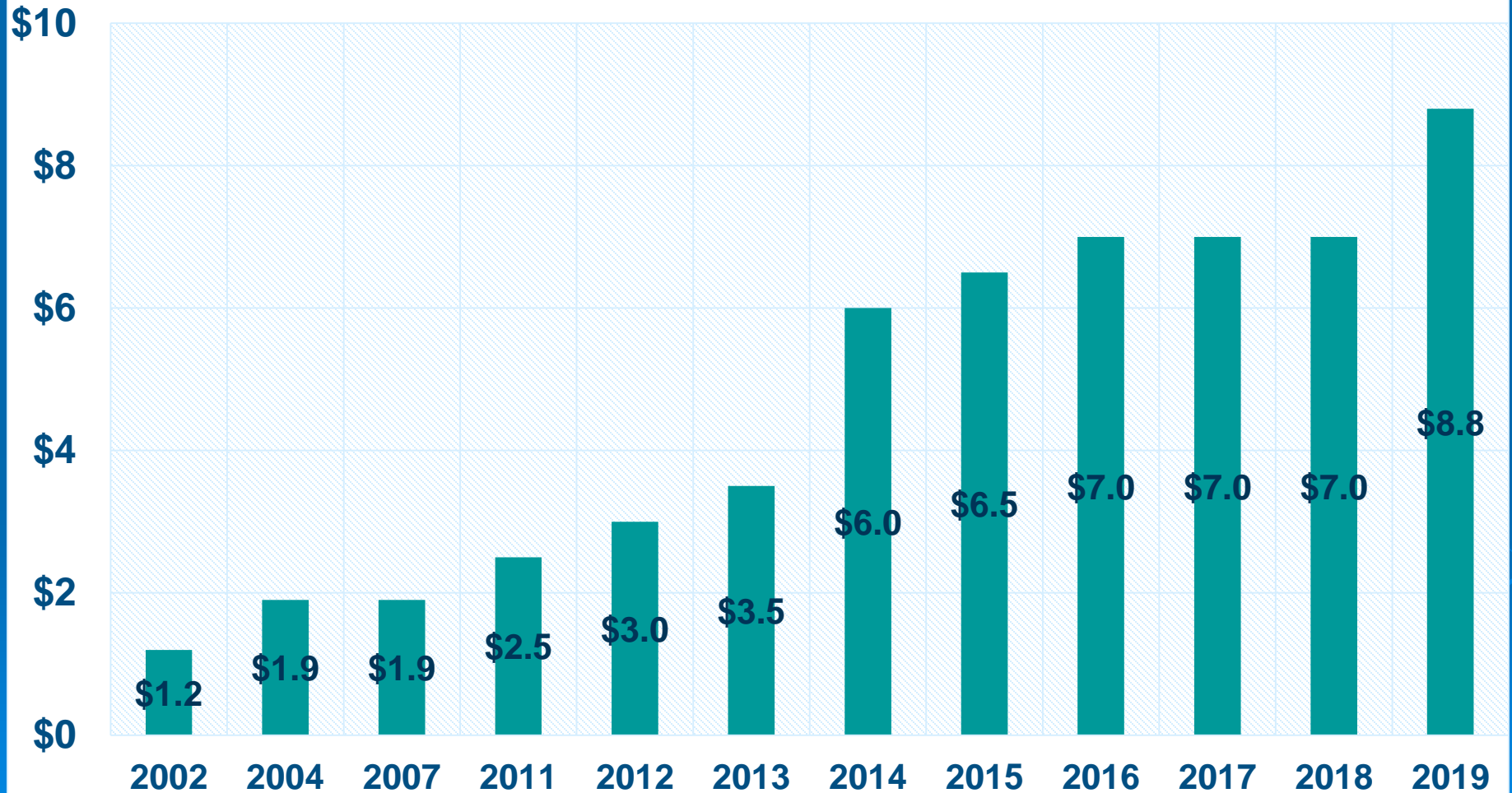
- How much revenue do we need to operate?
- How much do we want in reserves?
- How much water do we expect customers will use?
- How is the rate increase allocated?
- What is the impact to customers?

How much revenue do we need to operate?

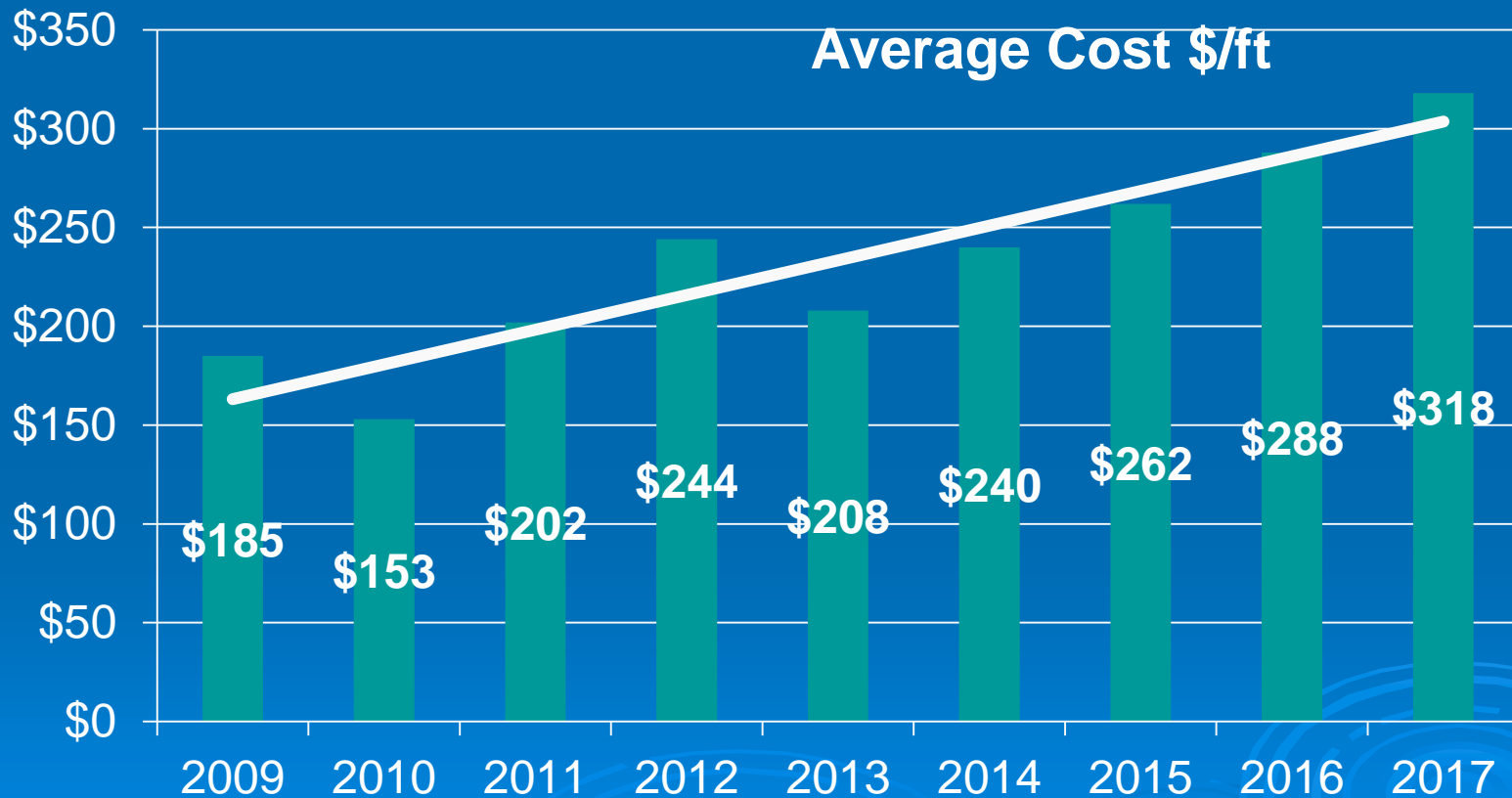


Budgets for Water Main Replacements

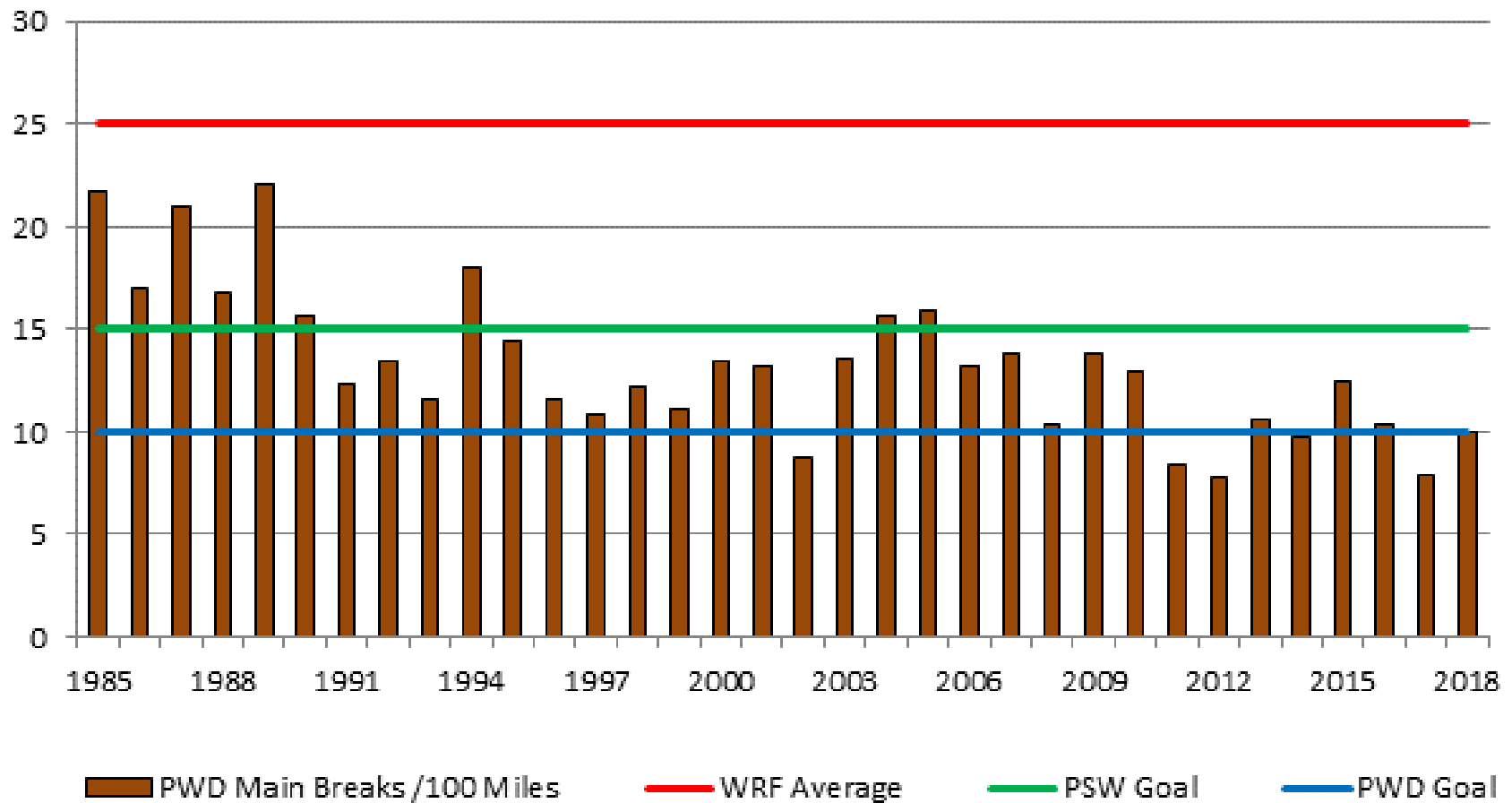
(millions of dollars)



Cost per foot of water main replaced

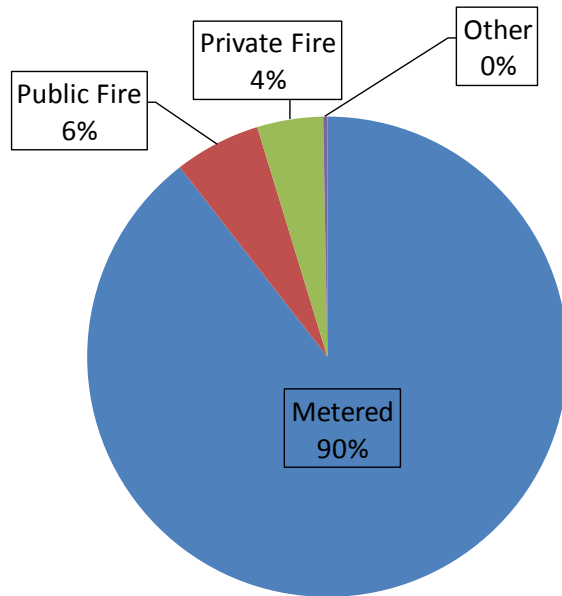


PWD Main Breaks per 100 Miles

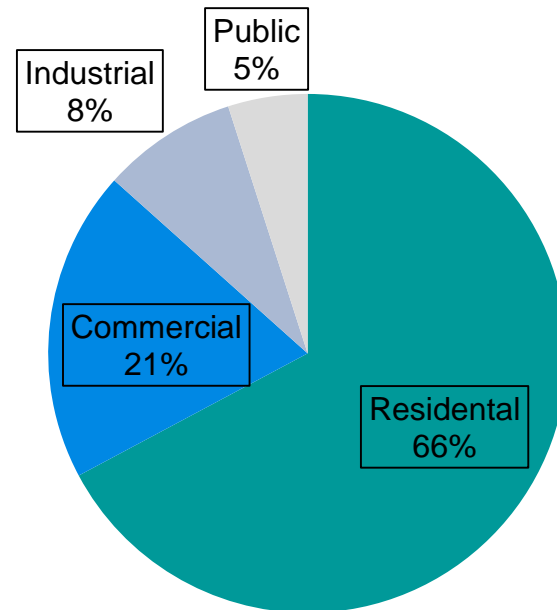


What is the source of revenue?

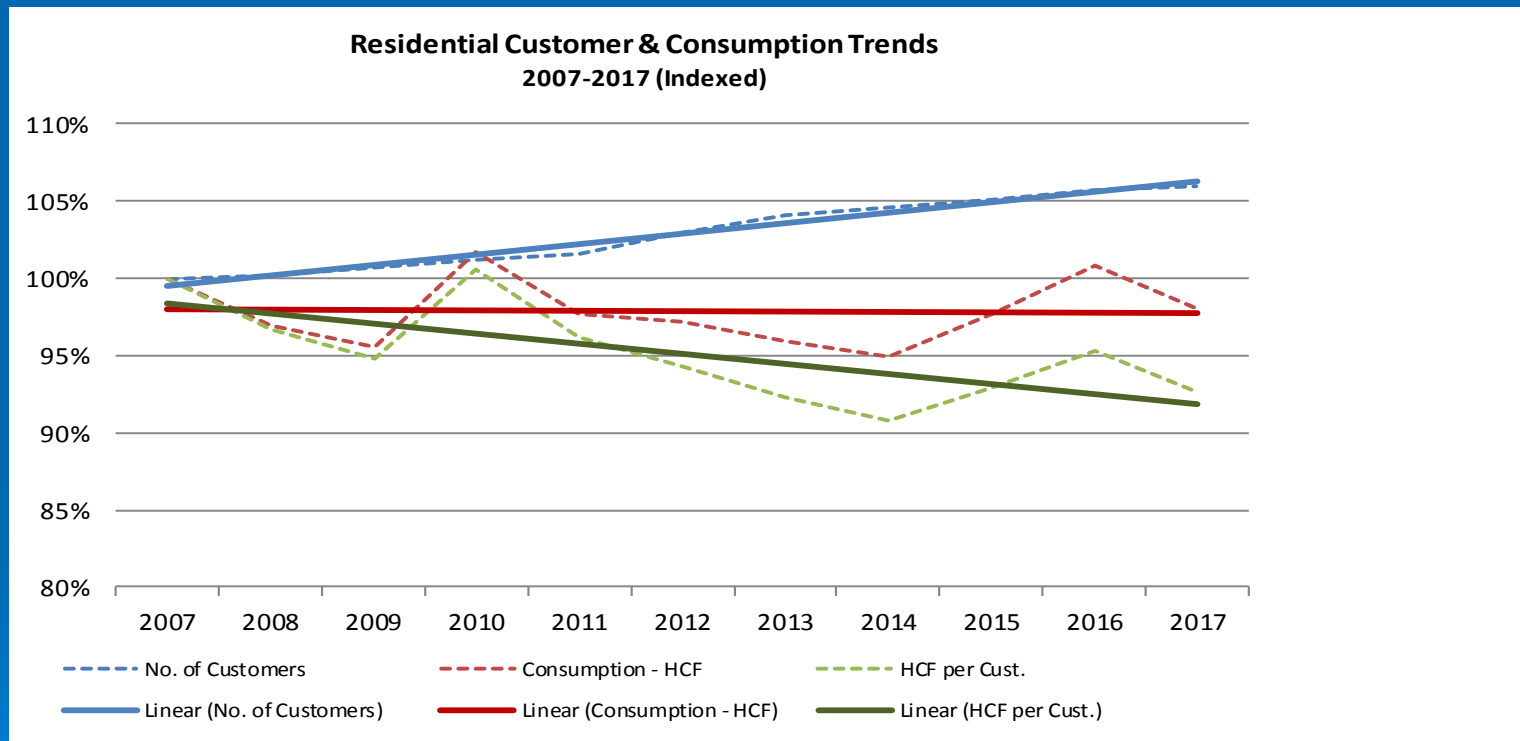
Total Revenue - \$25.2 M



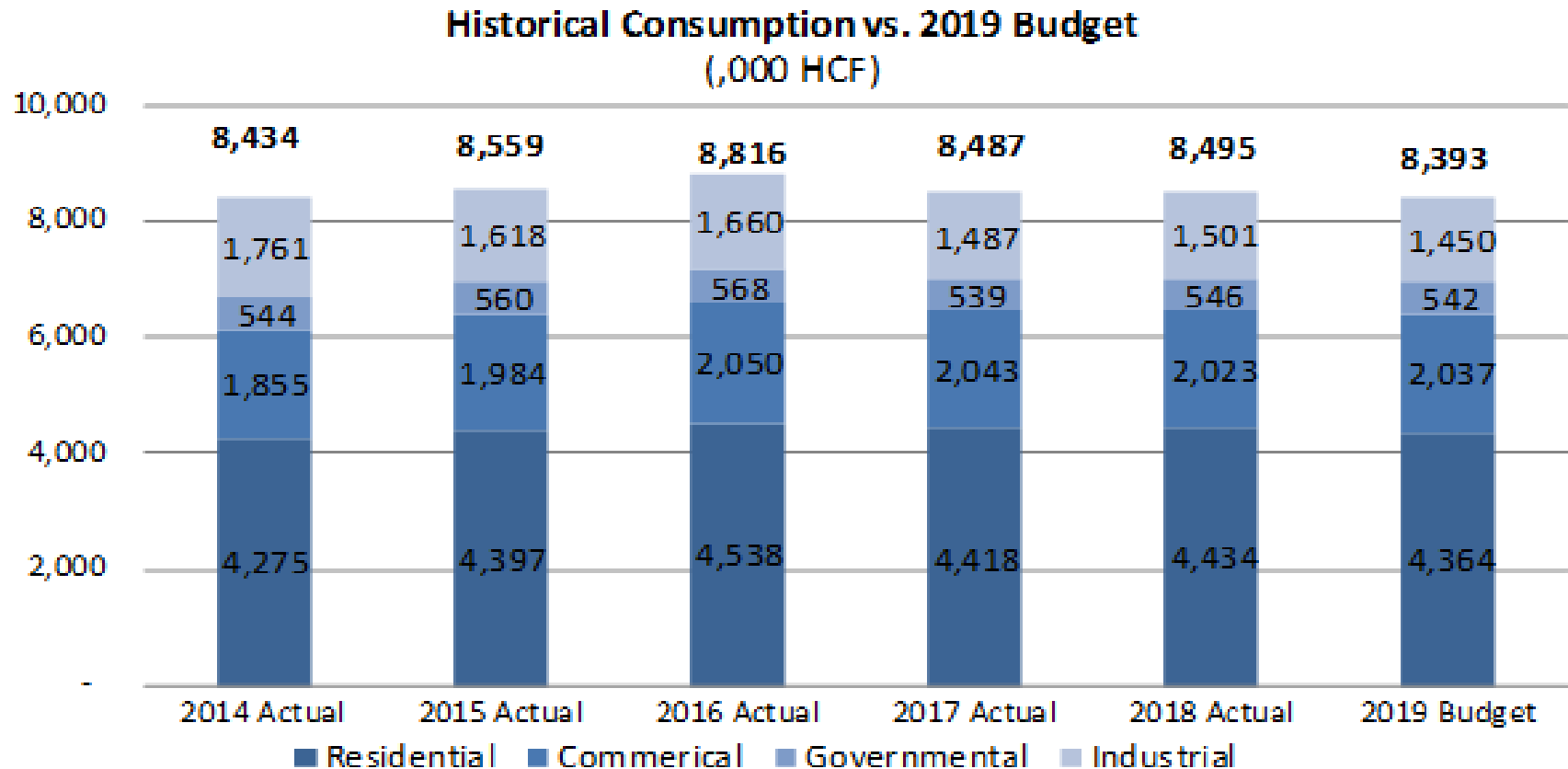
Metered Revenue - \$22.5 M



How much water do we expect *residential* customers will use?



How much water is used in total?



How are rates designed?

- In general, to individual customers:
 - Fixed minimum charge based on meter size, plus variable charge based on amount of water used
 - Private fire protection (sprinklers) based on size of service line



How are rates designed?

- In general, to communities:
 - Fire protection charge based on hydrants and mains



How is the rate increase allocated?

- Commercial/industrial customers generate less revenue than the cost to serve them.
- The gap is being gradually closed by having larger commercial/industrial customers rates increase 150% of the small residential customer's rate increase.
- This applies to both fixed minimum and variable usage charges.

What rate increase is requested?

Residential	4.0 %
Commercial	4.9 %
Industrial	5.9 %
Seasonal	4.4 %
Public fire protection	4.4 %
Private fire protection	4.4 %
Overall	4.4 %

What is the monthly impact to customers?

	Residential 5/8" meter Usage of 7 HCF			Industrial 2" meter Usage of 1,300 HCF	
	Before rate increase	After rate increase		Before rate increase	After rate increase
Minimum charge	\$ 9.40	\$ 9.75		\$ 35.62	\$ 37.60
Usage Charge	\$ 14.10	\$ 14.64		\$1,721.55	\$ 1,819.86
Total	\$ 23.50	\$ 24.39		\$ 1,757.17	\$ 1,857.46
Dollar increase	\$ 0.89			\$ 100.29	

Water Rates

Members Minimum (includes first 1 hundred cubic feet (HCF) of water)

<u>Meter Size</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
5/8	\$ 9.40	\$ 9.75	\$0.35	3.72%
3/4	11.08	11.49	\$0.41	3.70%
1	14.37	14.90	\$0.53	3.69%
1 1/2	24.73	26.10	\$1.37	5.54%
2	35.62	37.60	\$1.98	5.56%
3	64.63	68.22	\$3.59	5.55%
4	97.29	102.69	\$5.40	5.55%
6	187.97	198.40	\$10.43	5.55%
8	296.77	313.24	\$16.47	5.55%
10	429.70	453.55	\$23.85	5.55%
12	568.82	600.39	\$31.57	5.55%

91% of customers have 5/8 meters.

Water Rates

Members Consumption – charge per HCF

<u>Number of HCF</u>	<u>Current</u>		<u>Proposed</u>		<u>Change</u>	
<u>1 - 29</u>	\$	<u>2.35</u>	\$	<u>2.44</u>	\$	<u>0.09</u> <u>3.83%</u>
30 - 100	\$	2.02	\$	2.13	\$	0.11 5.45%
100 - 500	\$	1.78	\$	1.88	\$	0.10 5.62%
Greater Than 500	\$	1.00	\$	1.06	\$	0.06 6.00%

Typical Residential Customer Uses 5,400 gallons (7 hundred cubic feet (HCF))

Water Rates

Impact to Residential Customer – 2019 vs. 2018

	<u>Current</u>	<u>Proposed</u>	<u>Monthly Change</u>
Minimum with 1 HCF	\$ 9.40	\$ 9.75	
1 - 7th HCF	14.10	14.64	
Total	<u>\$ 23.50</u>	<u>\$ 24.39</u>	\$0.89
Per Gallon	0.0045	0.0047	

Since 1999, a customer using 5,400 gallons (7 HCF) per month would pay only \$5.38 higher if the proposed rates are implemented.

Seasonal Water Rates

MEMBER RATES				
<u>Meter Size</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
5/8	\$ 267.36	\$ 279.02	\$11.66	4.4%
3/4	346.58	361.70	\$15.12	4.4%
1	412.03	430.00	\$17.97	4.4%
1 1/2	630.20	657.68	\$27.48	4.4%
2	891.99	930.89	\$38.90	4.4%
3	1,590.13	1,659.46	\$69.33	4.4%
4	2,375.56	2,479.14	\$103.58	4.4%
6	4,557.26	4,755.96	\$198.70	4.4%
8	7,175.32	7,488.17	\$312.85	4.4%
10	14,156.80	14,774.04	\$617.24	4.4%
12	22,053.26	23,014.78	\$961.52	4.4%

88% of seasonal customers have 5/8 meters

Water Rates

Fire Protection

Municipal

Public - Yearly

	<u>Current</u>	<u>Proposed</u>		
Cape Elizabeth	\$ 92,436	\$ 96,468	\$ 4,032	4.4%
Cumberland	\$ 75,624	\$ 78,924	\$ 3,300	4.4%
Falmouth	\$ 122,940	\$ 128,304	\$ 5,364	4.4%
Gorham	\$ 85,224	\$ 88,944	\$ 3,720	4.4%
Portland	\$ 379,284	\$ 395,820	\$ 16,536	4.4%
Raymond	\$ 6,396	\$ 6,672	\$ 276	4.3%
Scarborough	\$ 171,732	\$ 179,220	\$ 7,488	4.4%
South Portland	\$ 171,972	\$ 179,472	\$ 7,500	4.4%
Standish	\$ 50,568	\$ 52,776	\$ 2,208	4.4%
Westbrook	\$ 140,544	\$ 146,676	\$ 6,132	4.4%
Windham	\$ 103,884	\$ 108,408	\$ 4,524	4.4%

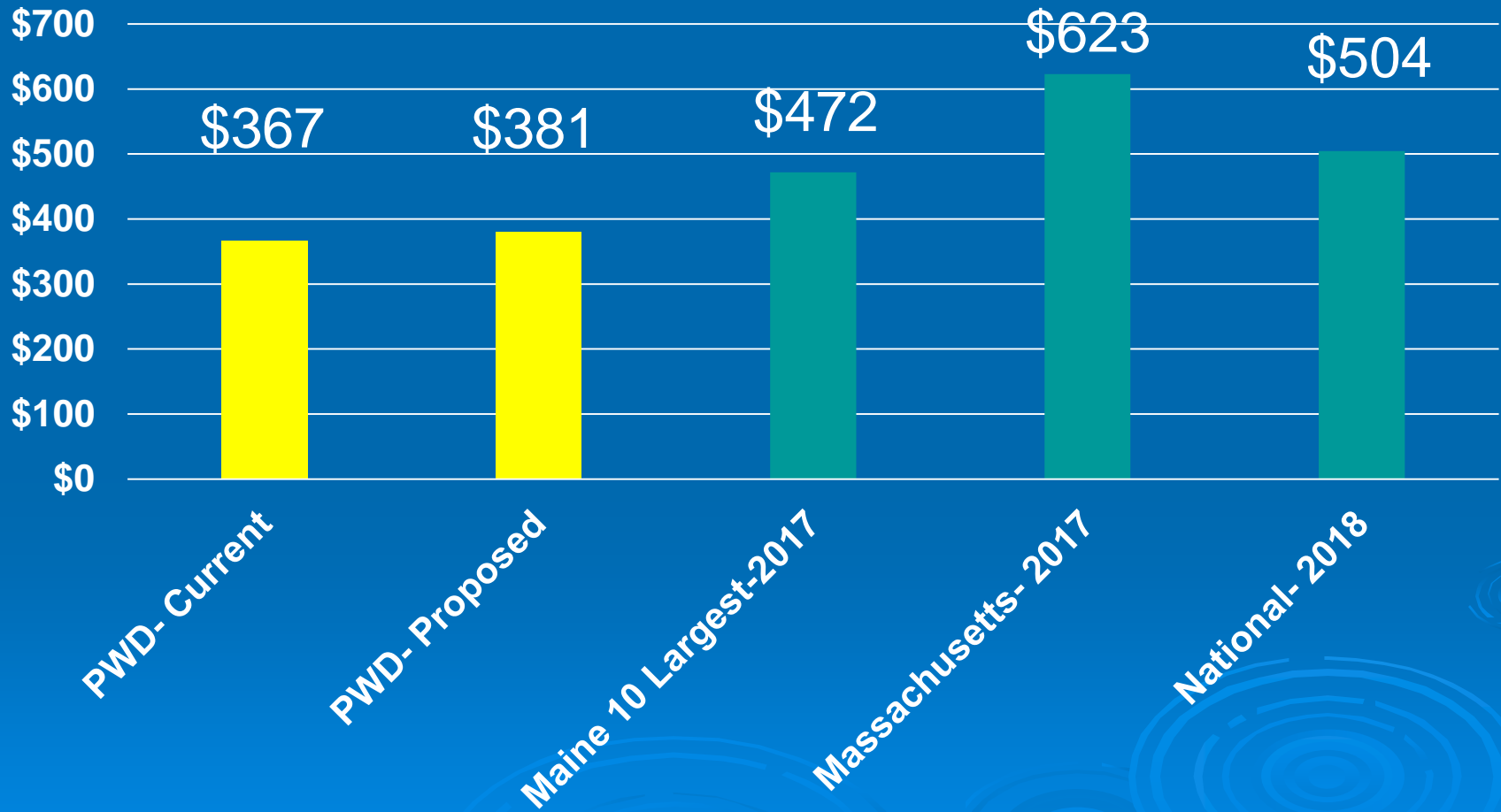
Private (Sprinklers)

Private - Monthly

	<u>Current</u>	<u>Proposed</u>		
2 inch	\$ 3.75	\$ 3.91	\$ 0.16	4.3%
3 inch	\$ 8.37	\$ 8.74	\$ 0.37	4.4%
4 inch	\$ 14.94	\$ 15.59	\$ 0.65	4.4%
<u>6 inch</u>	<u>\$ 35.71</u>	<u>\$ 37.27</u>	<u>\$ 1.56</u>	<u>4.4%</u>
8 inch	\$ 59.79	\$ 62.40	\$ 2.61	4.4%
10 inch	\$ 93.40	\$ 97.47	\$ 4.07	4.4%
12 inch	\$ 134.49	\$ 140.35	\$ 5.86	4.4%
16 inch	\$ 239.09	\$ 249.51	\$ 10.42	4.4%

Most customers have a 6" service line

Annual Bill for Customer Using 10 Hundred Cubic Feet



Notes

- Non-member rates are changing by approximately same percentage.
- Low-income minimum rate proposed change to \$2.44 per month from \$2.35.

Summary

- Typical residential increase is 89 cents per month.
- Water rates are below the national and regional average.
- The additional revenue will largely be directed to water mains renewal projects.
- Without the 4.4% increase, a deficit of \$1 million is projected for 2019. With the increase, expenses will be met and \$127,000 will be allocated to water main capital fund.

Questions and Comments

