

2020 BUDGET BRIEF

December 2019



Westbrook
Gorham Regional
Wastewater
Treatment Facility

The 2020 capital budget includes \$11.3 million for an upgrade to the aeration and secondary clarifiers.

Budget Summary
Expenses Summary
By Department
Action Plan

Portland Water District
225 Douglass Street
PO Box 3553
Portland, ME 04104

The Portland Water District Board of Trustees approved a 2020 operating budget of \$47.5 million (an increase of \$1.9 million or 4.3% over 2019) and a \$28.1 million capital improvement plan.

The proposed budget assumes a 3.5% rate adjustment effective May 1, 2020. The increase is consistent

with the Board's intent to adopt small water rate adjustments annually. For a typical customer, the impact is \$8.64 a year or \$0.72 a month. Of the 3.5% water rate adjustment, 2.5% will be used for general operation and 1% will be dedicated to fund the capital reserve account that will support a \$2 million debt service to pay for main renewal replacements.

Assessments to wastewater communities meet or are lower than municipal expectations, except in Cumberland in part due to additional requested services.

On behalf of the Board, I express a sincere thanks to all our staff who have helped create the fiscally sound, customer respected organization that we are. ■

C. Lewis

MUNICIPALITY	ASSESSMENT INCREASE	
Cumberland	6.6%	\$59,928
Cape Elizabeth	8.4%	\$132,468
Gorham	2.4%	\$27,240
Portland	2.0%	\$247,260
Westbrook	11.1%	\$280,968
Windham	6.1%	\$22,236
Falmouth	0%	\$0

More budget detail can be found on the following pages and in the full 2020 Comprehensive Budget Report which is located on SharePoint and our web site. In general, the budget delivers on five broad principles established by the Board:

- Operating fund expenses increase less than 4.4%,
- Wastewater assessments meet municipal expectations, except for Cumberland,
- Water rates are affordable and sufficient to meet needs,
- Full-time positions are optimized to meet workload, and
- Investment in our infrastructure continues as planned.

NEW INITIATIVES

- Investment of \$7 million in water main renewal; including \$2.0 million through the capital reserve fund.
- Implementing a new Asset Management, Billing and Customer Relations computer system with scheduled Go Live date of October 2020.
- Upgrades to Portland's East End and Westbrook Regional Wastewater Treatment Plants (\$13.8 million).

CHALLENGES AND ISSUES

- Aging infrastructure that requires asset replacement.
- Recruiting and retaining new employees and training existing ones to continue to acquire needed workforce skills.
- Nutrient optimization approach to manage nitrogen at wastewater facilities and working with our communities to manage wet weather flows.
- Decreasing residential water use trends.

HIGHLIGHTS

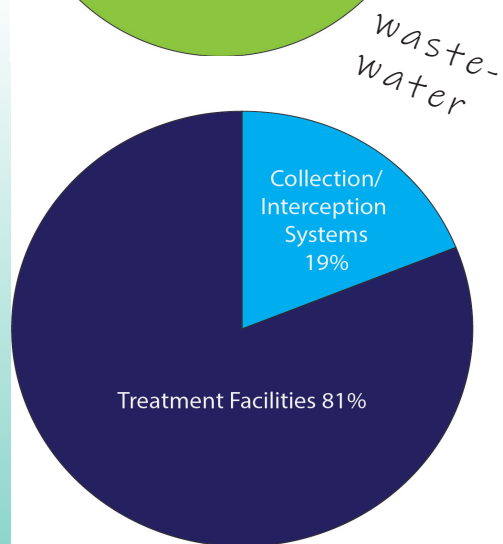
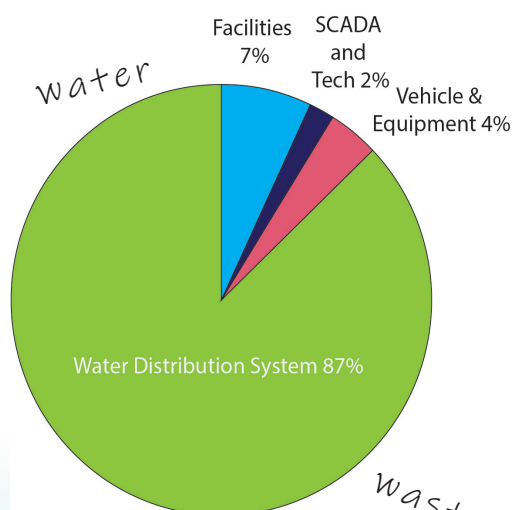
- \$47.5 million operating budget, an increase of \$1.69 million or 4.3%.
- \$28.1 million capital budget provides \$9.5 million for water systems - \$7.0 million of that targeted to replace aging water mains - \$17.2 million in wastewater system upgrades, \$11.3 million of that for an upgrade of the Westbrook treatment plant.
- 186 full time positions.

2020 Budget Summary

The budget has two major components:

- Operating budget - costs to operate the District, paid by ratepayers via water rates and via municipal wastewater assessments.
- Capital budget - costs to pay for investments in assets, paid by issuing bonds, water depreciation and wastewater renewal and replacement contributions.

The operating budget consists of three major expense categories – salaries/benefits (37%), debt and renewal/replacement costs (34%) and all other materials and services (29%). Salaries/benefits reflects an annual wage adjustment of 3.0% and four new positions. ■



OPERATING BUDGET

\$47,489,733

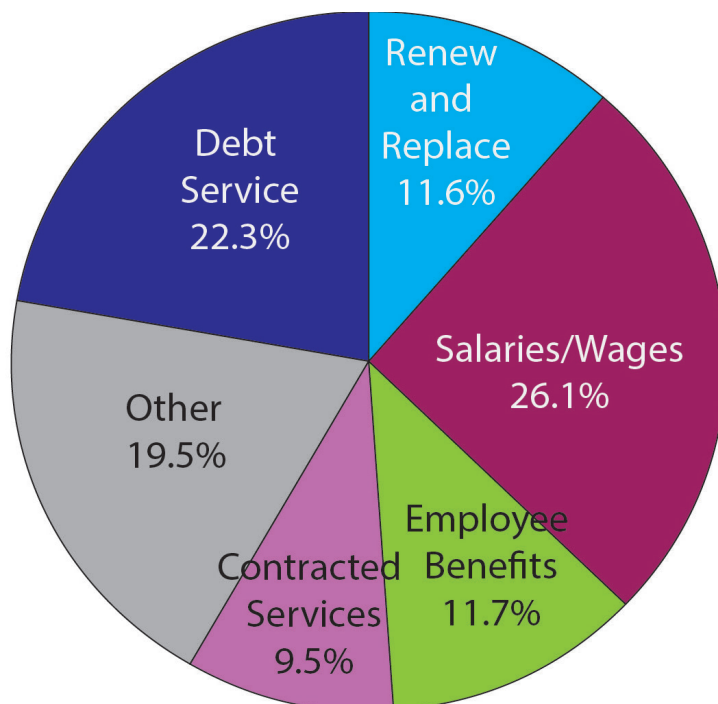
Water	Wastewater	Contract Billing
\$25,686,370	\$20,218,572	\$212,460

C. Elizabeth	Cumberland	Falmouth	Gorham	Portland	Westbrook	Windham
\$1,705,380	\$965,292	\$314,112	\$1,160,676	\$12,863,340	\$2,820,768	\$389,004

Capital Budget

\$28.1 million

Operating Expenses

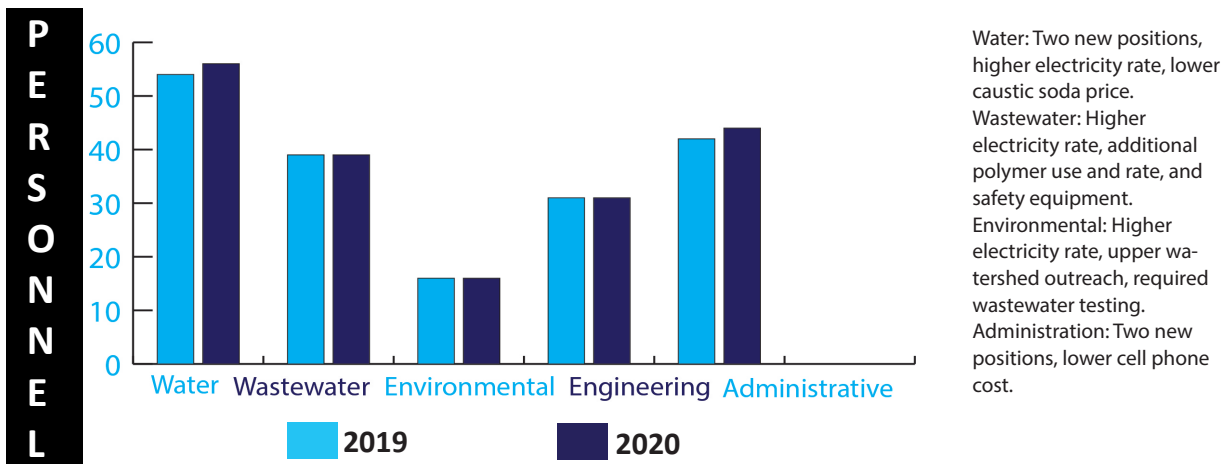


Expense Summary

Gross Expense By Department, 2020

Percent increase/decrease is compared to the 2019 budget.

	Water	Wastewater	Environmental	Engineering	Administrative
Personnel	5.7%	2.3%	1.3%	1.5%	6.8%
Fuel, Electricity Transportation	7.8%	9.2%	5.9%	2.3%	2.4%
Chemicals	-3.1%	14.8%	6.1%		
Biosolids		2.8%			
Materials, Supplies, Services	2.7%	10.0%	7.1%	-13%	-2.5%
TOTAL	4.7%	6.1%	2.7%	-2.2%	4.2%



Customer Satisfaction

2020 Major Initiatives and Key Statistics

Goal 1 Public Health Provide products and services that meet all federal, state and local quality standards.	Goal 2 Public Safety Design and maintain the water system to meet modern fire fighting needs.	Goal 3 Environment Promote the sustainability of natural resources within Casco Bay watershed.	Goal 4 Reliability Trusted to provide products and services that meet all reasonable customer expectations.	Goal 5 Affordability Balance the delivery of products and services with customers' ability to pay water and wastewater rates and charges.	Goal 6 Employees and Work Environment Maintain well trained and satisfied employees who will work in a safe work environment conducive to productive work.
<p>Continue to support Partnership for Safe Water.</p> <p>Continue progress towards double the amount of land protected in the watershed.</p> <p>Explore options to improve water quality in storage tanks.</p>	<p>Complete design of Windham tank.</p> <p>Develop plan to utilize portable backup pumper.</p> <p>Test to confirm ISO flows.</p> <p>Certify completion of risk and resiliency assessment.</p>	<p>Work with Windham to design new wastewater system and provide infrastructure to serve Depot Street development.</p> <p>Continue supporting Cape, Portland, and Westbrook CSO initiatives.</p> <p>Meet at least 20-40% reduction in effluent nitrogen from EEWWT. Monitor/optimize other plants.</p> <p>Implement UV disinfection at CWWTF.</p>	<p>Successfully implement ABC Project by Oct 2020.</p> <p>Continue to work towards updated water and wastewater master plan in 2021.</p> <p>Expand WiFi at facilities to support CMMS mobile platform.</p>	<p>Continue efforts to manage biosolids in a responsible and cost effective manner.</p> <p>Expand large meter testing program.</p> <p>Implement program to use CWSRF money to fund water main projects related to CSOs.</p> <p>Install emission control equipment on the standby generator at the ozone plant to manage electricity costs.</p>	<p>Invest on average 80 hours of training per employee.</p> <p>Continue to review and update policies.</p> <p>Further strengthen employee recruitment and retention initiatives.</p> <p>Continue to enhance safety program.</p>
<p>Key Statistics:</p> <ul style="list-style-type: none"> - Verified Water Quality Complaints - % Days in Compliance - DHHS Audit Result 	<p>Key Statistics:</p> <ul style="list-style-type: none"> - Hydrants Out of Service Index 	<p>Key Statistics:</p> <ul style="list-style-type: none"> - License Violations - Dry weather overflows - Effluent nutrient levels 	<p>Key Statistics:</p> <ul style="list-style-type: none"> - Customer Satisfaction Survey Results - Water Outage Index - Pump Stations deliver design flow 	<p>Key Statistics:</p> <ul style="list-style-type: none"> - PWD Average Rate vs National Average Rate 	<p>Key Statistics:</p> <ul style="list-style-type: none"> - Training Hours - Retention/Turnover - Safety Audits; training and attendance; accident investigations; total disability management - Survey Action Steps

Mission Statement

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

Above is a summary of the budget goals and initiatives for 2020. For a more in-depth look at the goals and the entire budget, visit the PWD intranet or www.pwd.org/publications.