



Portland
Water
District

From Sebago Lake to Casco Bay

Water Rate Adjustment Public Hearing

November 13, 2023



Who is Portland Water District?



- Quasi-municipal, independent, non-profit
- Serve water to 11 communities, +210,000 people
- Serve wastewater to 6 communities
- 189 employees
- \$60.1 million annual budget
- \$578 million in assets

What is our Mission?



To protect public health, safety,
and the environment by
providing customers with high-
quality, reliable and affordable
water services

Proposed Rate Adjustment

Increase revenues by average 6.4% = \$ 1,851,280

Impacts to customers:

- Typical residential customer = **\$1.52/month**
- Typical commercial customer = **\$6.37/month**
- Typical industrial customer = **\$162.82/month**

What will we do with the Revenue?

Protect Sebago Lake



Inspections

Education

Land acquisition and
preservation

Protection

Conservation

What will we do with the Revenue?



Treat, pump and distribute
water for drinking and fire
protection

What will we do with the Revenue?



Maintain Water System
Ensure Water Quality

What will we do with the Revenue?



Reinvest in Infrastructure

Wastewater Treatment

(not part of Water Rate Adjustment)



- Protects rivers and Casco Bay
- Unique community partnerships
- 4 treatment facilities
- 120 miles of wastewater pipe
- 77 pumping stations
- Industrial pre-treatment program

How Was the Adjustment Determined?



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PWD took these factors into account.

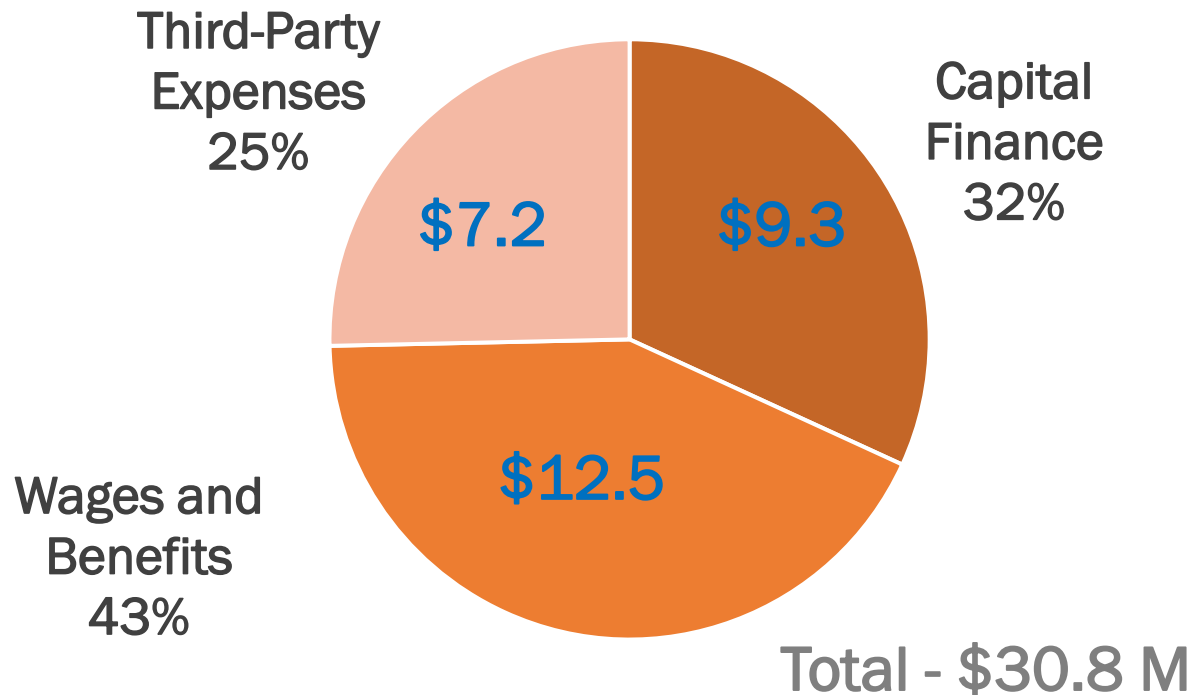
- How much revenue is needed to operate?
- How much water will customers use?

How much revenue do we need to operate?



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2024 Water Capital Projects



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Distribution system

\$11,250,000

- Water mains \$9,400,000
- Valves \$200,000
- Services \$600,000
- Hydrants \$200,000
- Windham Pump \$850,000

Sebago Lake Water Treatment Facility

\$910,000

- Roof \$660,000
- Intake Screen \$250,000

SCADA and Instrumentation, Facilities and Other

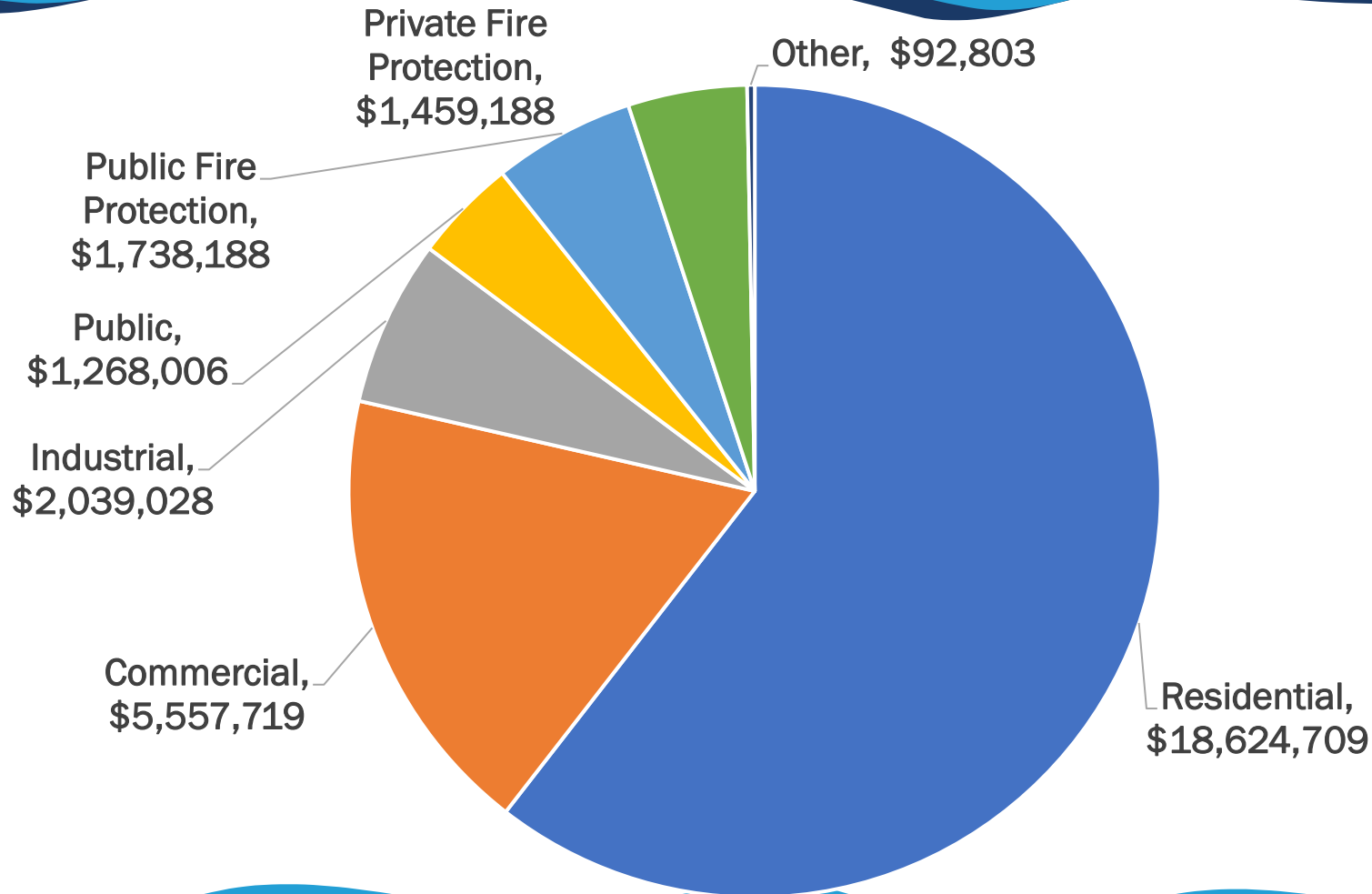
\$1,200,000

What are the sources of revenue?



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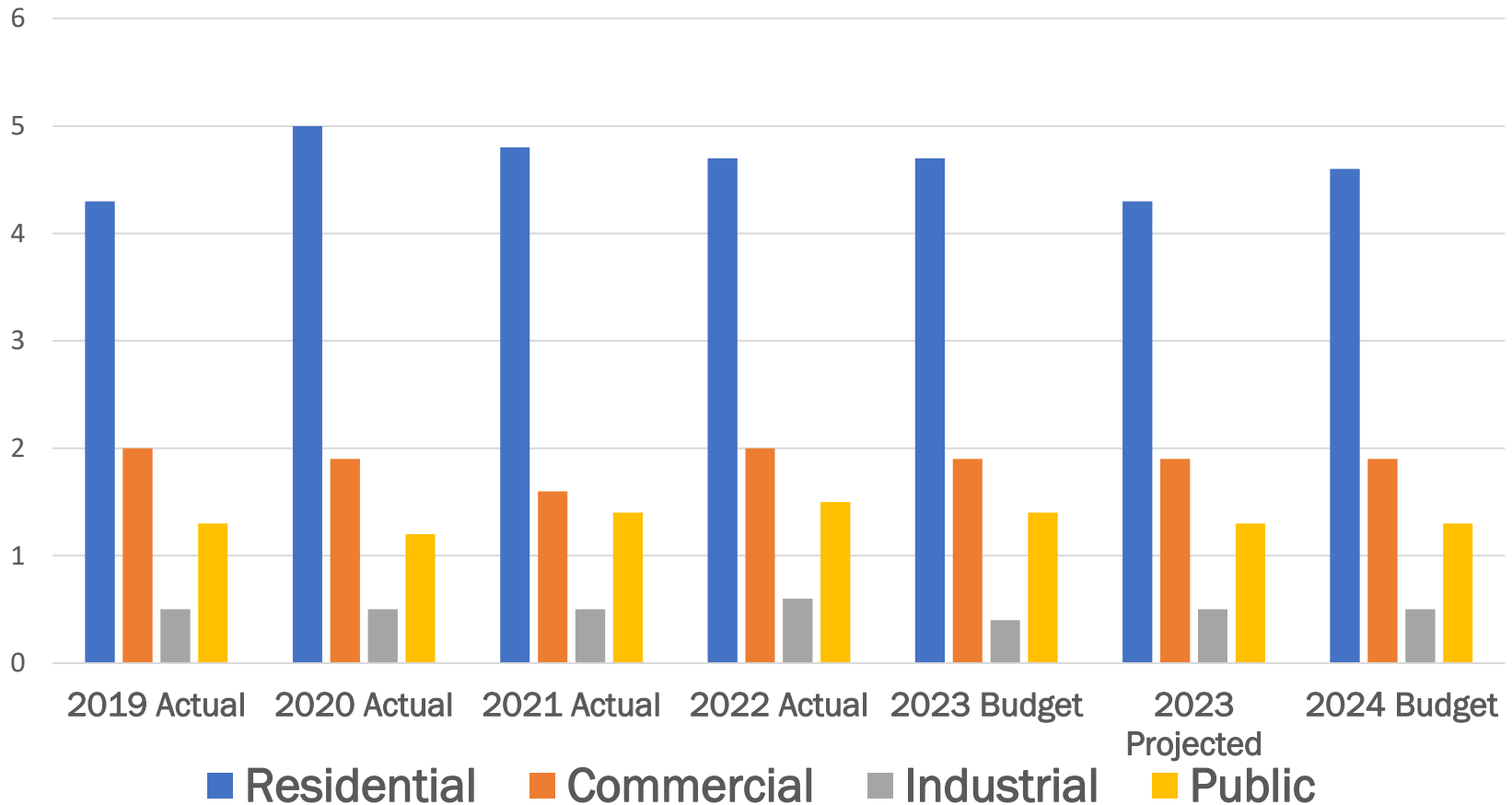
Water Usage

(in millions of hundred cubic feet, HCF)



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How are rates designed?

For individual customers, in general:

- **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?

For communities, in general:

Fire protection charge **based on hydrants and mains**



What rate increase is requested?



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Customer Class	Percent Change	Monthly Change
Residential	5.9 %	\$ 1.52
Commercial	7.3 %	\$ 6.37
Industrial	9.0 %	\$ 162.82
Government	8.4%	\$18.62
Private fire protection	5.7%	\$ 2.38
Public fire protection	5.7%	
Overall	6.4 %	

What is the monthly impact to customers?



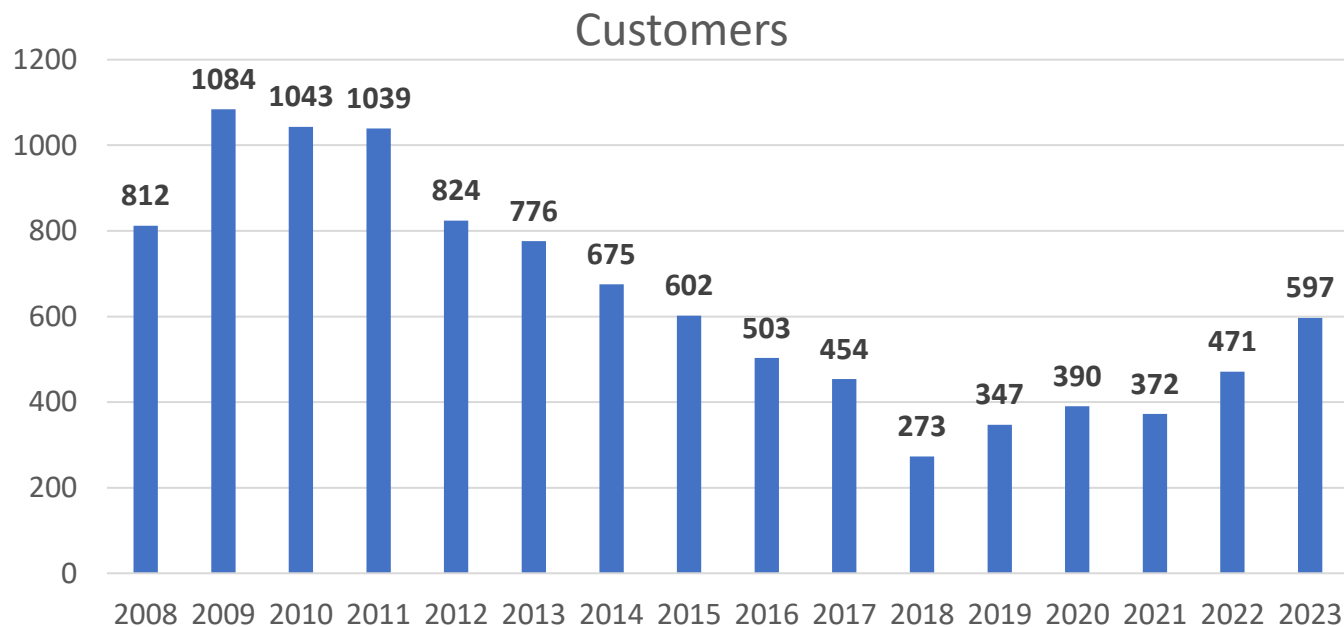
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	Residential 5/8" meter Usage of 7 HCF			Industrial 2" meter Usage of 1,300 HCF	
	Before rate increase	After rate increase		Before rate increase	After rate increase
Minimum charge	\$ 10.87	\$ 11.49		\$ 44.23	\$ 52.90
Usage Charge	\$ 16.32	\$ 17.22		\$2,130.58	\$2,284.73
Total	\$ 27.19	\$ 28.71		\$ 2,174.81	\$ 2,337.63
Dollar increase	\$ 1.52			\$ 162.82	

Low-Income Rates

- Board established Low-Income Rate in 2008
- Monthly subsidy for eligible customer increased to \$8.62 from \$8.15 (assumes customer has typical 5/8 inch meter).
- Contact Opportunity Alliance – 207-553-5900, energyassistance@opportunityalliance.org



Summary

- Typical residential increase is \$1.52 per month.
- The additional revenue will largely be directed to water main renewal projects.
- Without the 6.4% increase, a deficit of \$1,851,000 is projected for 2024.
- With the increase, expenses will be met and an additional \$543,000 will be allocated to the water main capital fund.

For more information

- <https://www.pwd.org/water-rate-adjustment>
- Call Customer Service 207-761-8310
- Email
customerservice@pwd.org



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Questions and Comments

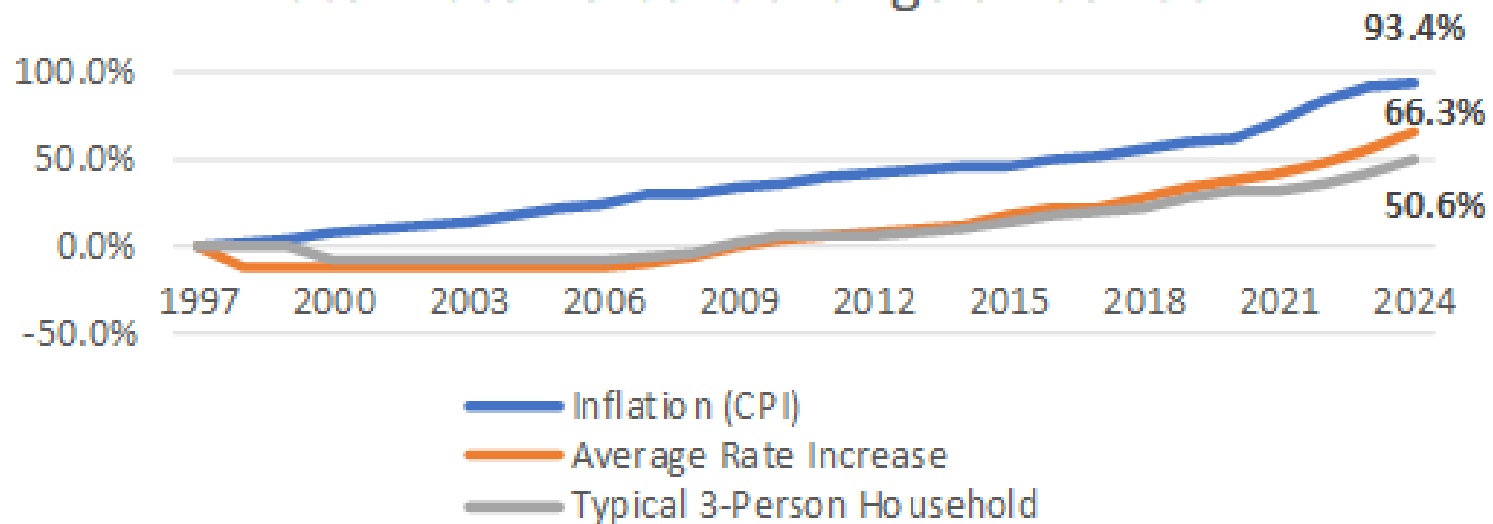
Operating Budget Expense Increase Not to Exceed Long Term Rate of Inflation



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Water Rate Percent Change Since 1997

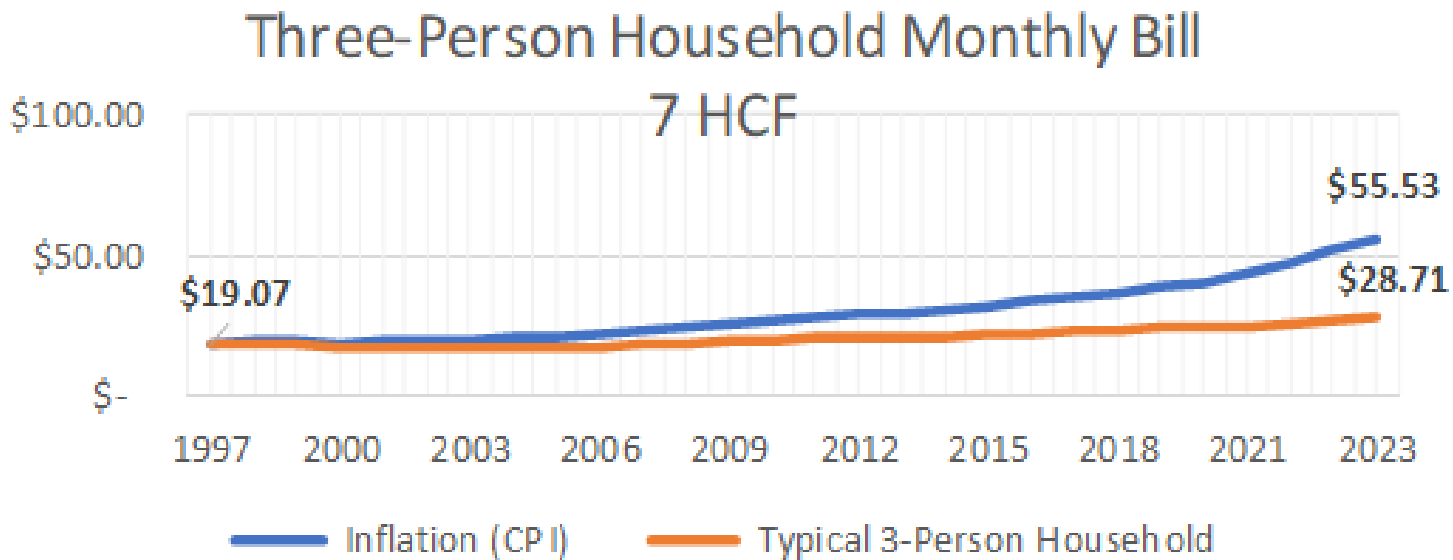


Operating Budget Expense Increase Not to Exceed Long Term Rate of Inflation



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Water Rates Affordability



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Water											
Household Income	Value	Annual Bill as Percentage of Household Income by Household Size									
		HCF	2	5	7	10	12	14	17	19	22
		Household Size	1	2	3	4	5	6	7	8	9
20th Percentile	\$ 17,100		0.91%	1.45%	1.82%	2.36%	2.73%	3.09%	3.64%	4.00%	4.54%
40th Percentile	\$ 37,200		0.42%	0.67%	0.84%	1.09%	1.25%	1.42%	1.67%	1.84%	2.09%
Median	\$ 48,300		0.32%	0.52%	0.64%	0.84%	0.97%	1.09%	1.29%	1.42%	1.61%
60th Percentile	\$ 61,000		0.25%	0.41%	0.51%	0.66%	0.76%	0.87%	1.02%	1.12%	1.27%
80th Percentile	\$ 99,400		0.16%	0.25%	0.31%	0.41%	0.47%	0.53%	0.63%	0.69%	0.78%



Water Rates Adjustment - Typical Customer Impact

		Current Monthly	Proposed Monthly	\$	%
Residential	.62" meter, 7 HCF	\$27.19	\$28.88	\$1.69	6.22%
Commercial	.62" meter, 40 HCF	\$114.85	\$122.05	\$7.20	6.27%
Small Industrial	2" meter, 1,300 HCF	\$2,174.81	\$2,352.57	\$177.76	8.17%
Large Industrial	8" meter, 56,000 HCF	\$70,327.11	\$77,139.45	\$6,812.34	9.69%
Sprinkler (per year)	6" meter	\$507.84	\$543.39	\$ 35.55	7.0%
Public Fire (per year)		\$1,660,428	\$1,776,658	\$116,230	7.0%
Seasonal (per year)	.62" meter	\$316.76	\$338.93	\$22.17	7.0%

Water Rates – Proposed Change



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Illustration of Annual Adjustment Change Assuming a general rate increase of 6%:

Variable Component:

Number of HCF	Current	Traditional	Proposed
1 - 29	\$ 2.72	\$ 6% 2.88	\$ 2.88
30 - 100	\$ 2.51	\$ 2.74	\$ 6% 2.66
100 - 500	\$ 2.21	\$ 9% 2.41	\$ 2.34
Greater Than 500	\$ 1.24	\$ 1.35	\$ 9% 1.35

Fixed Component:

Meter Size	Current	Traditional	Proposed
5/8	\$ 10.87	\$ 11.52	\$ 11.52
3/4	12.81	6% 13.58	6% 13.58
1	16.63	17.63	17.63
1 1/2	29.54	31.31	31.31
2	44.23	48.21	54.07
3	80.26	87.48	98.13
4	120.81	131.68	147.69
6	233.42	9% 254.43	12% 285.36
8	368.53	401.70	450.53
10	533.61	581.63	652.34
12	706.37	769.94	863.54