



LISBON WATER DEPARTMENT

639 Lisbon Road

Lisbon Falls, Maine 04252

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Marie Hale, Chairman, James Lemieux & Roger Bickford Commissioners

Tuesday, October 1, 2019

Communication and Notification from the New Superintendent, Board of Water Commissioners, and Business Manager.

Dear Rate Payers,

Since our last communication letter in November of 2017 we have continued to address the frustrating challenges that our staff and customers have been dealing with. We have been fortunate to be able to add 3 new licensed staff members and together we have completed the Mill Street main replacement, begun the design for the Route 125 main replacement, completed the change out of all the filter media at the Moody plant, and are in the process to submit the corrosion control design and plan to the Maine Drinking Water Program for approval to proceed.


Investment in infrastructure is critical. When a main breaks, public health and safety is impacted not to mention the environmental and property damage that occurs. This last winter, spring and summer really showed us the vulnerable state our system is becoming with all the failures we have experienced such as Main St, Ferry Rd, Pinewoods Rd along with several service taps and main valve failures on Memorial, Park, Spring, and Franklin St. Main St also gave us a run for our money with a main break that took over 36 hours to repair and still had several main valves and hydrant valves fail to shut down or turn back on for Main St and South St. Whether it was a main break, service taps disconnecting from the main, or customer service line pulls and/or failures due to normal construction processes it is time to make significant investments into the infrastructure.

It is our goal to coordinate the infrastructure replacements with the State's and Town's paving projects, however some locations may need attention outside of their schedule. Our current plan is to postpone borrowing the money for the Route 125 project until the project actually begins. Since 2017 the MDOT has postponed the Main St. project several times and the proposed start is now in the spring of 2022. We will utilize the remainder over the next several years so that the rates will not be impacted all at once but in stages as the bond debt is incurred. We presented the referendum documents to the Town Council for the public hearing along with a list of proposed projects and rate increase scenarios that the Commissioners will be deciding on.

With financial advice and strategic planning this investment schedule will become a future plan that will continue to repair, upgrade and improve our system while maintaining an excellent staff and most importantly have a static rate for several years to come.

We encourage you to reach out to us. We can't do this alone and we will need patience and communication from our customers to continue the work to improve your water system!

Sincerely,


Shellie Reynolds, Business Mgr.
Bill Alexander Jr, Superintendent
And the Board of Water Commissioners


Marie Hale
James Lemieux

Rate Increase Scenarios for other Improvements

Option 1 \$1.5 Million every 3 years

Year	Bond	Years	Annual Pmt	Rate Change
2020	1.5 million	20	120,000	8%
		15	140,000	9%
		10	185,000	12%
2023	1.5 million	20	120,000	8%
		15	140,000	9%
		10	185,000	12%

Option 2 \$1 Million every other year

Year	Bond	Years	Annual Pmt	Rate Change
2020	1 million	20	80,000	5%
		10	120,000	8%
2022	1 million	20	80,000	5%
		10	120,000	8%
2024	1 million	20	80,000	5%
		10	120,000	8%

Route 125 Complete Main Replacement Rate Increase Scenarios

Year	Bond	Years	Annual Pmt	Rate Change
2022	1.5 Million	20	120,000	8%
		10	185,000	12%
2023	1.5 Million	20	120,000	8%
		10	185,000	12%

** A 30 year term is over \$1,000,000 in interest per bond

** A 20 year term is just under \$500,000 in interest per bond

** A 10 year term is under \$200,000 in interest per bond

Once the final bonds are issued with a 10 year term bond and the rates set our budget would support \$700,000/year with no additional rate increases after 2023/2024

Potential Improvement Items

Year	Location	Improvements	Quantity	Cost Estimate \$200/ft
2020	All	Upgrade to Automatic Meter Reading System	2600	350,000.00
	Frederick	Main, services, valves, etc	600'	120,000.00
	Merrill	Main, services, valves, etc	300'	60,000.00
	Ferry	Main, services, valves, etc	1000'	200,000.00
	Bonafide	Main, services, valves, etc	250'	50,000.00
	Fillion	Main, services, valves, etc	800'	160,000.00
	Reid	Main, services, valves, etc	600'	120,000.00
	Zamore	Main, services, valves, etc	600'	120,000.00
	Beatley	Main, services, valves, etc	600'	120,000.00
	Patterson	Main, services, valves, etc	600'	120,000.00
	McClellan	Main, services, valves, etc	800'	160,000.00
	Mill	Main, services, valves, etc	900'	180,000.00
	Ferry	Main, services, valves, etc	2100'	420,000.00
	Gross Dev	Redundant supply main	1500'	300,000.00
	Edgecombe	Main, services, valves, etc	1100'	220,000.00
	Summer	Main, services, valves, etc-complete the line to Main	4000'	800,000.00