

**Trustees**

Stephen C. Rendall Jr, President  
Russell A. Peterson, Treasurer  
Richard Leigh, Clerk  
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**Administration**

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Zachariah Mein, Resource Protection Mgr.

York Water District  
2026 Operations & Capital Improvement Budget  
**APPROVED December 17, 2025**

## BUDGET SUMMARY

On behalf of the entire Management Team, I am pleased to submit for your consideration the York Water District's 2026 Operating and Capital Improvement Budget. The document is designed to present the comprehensive financial framework for all District activities for the budget year.

The proposed budget for 2026 includes \$5.0 million in water revenue. The District will also receive roughly \$400,000 in other operating revenue generated largely from the communications tower on Mount Agamenticus, operational grants, and timber harvest proceeds. Of that revenue, approximately \$4.3 million will be spent on operations and maintenance costs. Approximately \$856,000 will be spent on capital improvements in the distribution system and treatment plant. Another \$333,000 will be spent servicing the District's debt incurred from past capital improvements and land purchases. \$139,000 will be added to the District's tank maintenance (painting) reserve.

Pages 3-5	Operating Revenue	\$	5,412,000
Page 5	Net Non-Operating & Jobbing Revenue		149,000
Page 5	System Development Charges		75,000
	Total Income		5,636,000
Pages 6-14,17-19	Operating Expense		(4,261,000)
Page 15	Debt Principal & Interest		(333,000)
Pages 20-22	Capital Spending		(856,000)
	Total Spending		(5,450,000)
Page 15-16	Contribution to Tank Maintenance Reserve		(139,000)
	2026 Surplus/Deficit	\$	47,000

### Items of note in the 2026 Budget include:

- The ongoing joint improvement project with the York Department of Public Works on Nubble Road will replace 935 feet of six-inch cast iron pipe with a ten-inch ductile iron water main to enhance fire flow and water quality. New drainage will be installed prior to road reconstruction and sidewalk installation.
- A 4,000-square-foot steel storage building will be constructed at the Simpson Hill Tank site for District-wide cold storage. The project will be financed through the Maine Municipal Bond Bank over ten years, with principal payments beginning in 2027. This will minimize the impact on the 2026 budget.
- The District will hire consultants for the early phases of a groundwater exploration study. Phase I will include mapping and surveying the watershed to assess potential groundwater availability. Phase II will identify specific locations for drilling exploratory test wells, geophysical surveying, and electrical resistivity surveying.

## WATER REVENUE

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs. Projection</u>
46101 - Residential Metered Sales	2,851,000	2,732,000	2,907,000	119,000	(56,000)
46102 - Commercial Metered Sales	548,000	538,000	549,000	10,000	(1,000)
46104 - Governmental Metered Sales	96,000	99,000	99,000	(3,000)	(3,000)
46201 - Private Sprinkler Systems	227,000	206,000	219,000	21,000	8,000
46202 - Private Fire Hydrants	70,000	55,000	66,000	15,000	4,000
46203 - Public Fire Protection Service	1,217,000	1,199,000	1,199,000	18,000	18,000
46600 - Sales For Resale	-	3,000	3,000	(3,000)	(3,000)
Total Water Revenue	5,009,000	4,832,000	5,042,000	177,000	(33,000)

Water revenue comes from metered sales, public fire protection, and private fire protection. Metered sales include annual and seasonal customers. Annual customers are billed quarterly according to their route: York Village (February, May, August, November), York Beach (March, June, September, December), and York Harbor (January, April, July, October). They pay a base fee for set water usage by meter size and additional charges per cubic foot for extra use. Seasonal customers are billed in spring for a base usage fee, and in fall for any usage above their set amount. Some have summer lines with a set meter installation and removal date each year, while others use underground lines with meters installed and removed by appointment.

The District groups metered customers as residential, commercial, or public authorities, but all pay rates are based solely on meter size and water use. The MPUC has approved a rate increase of 1.5% effective January 1, 2026.

### **46101 - Residential Metered Sales**

Residential metered sales account for roughly 82% of metered revenue and 53% of total operating revenue. Most customers use 5/8" or 3/4" meters, with some ranging up to 2".

### **46102 - Commercial Metered Sales**

Commercial metered sales account for 16% of metered revenue and 10% of total operating revenue. Major commercial customers are Stonewall Kitchen, York Golf & Tennis, Caincrest, and Sentry Hill.

### **46104 - Governmental Metered Sales**

Public metered sales account for roughly 3% of metered revenue, or approximately 2% of all operating revenue. The District's primary public customers are York Hospital, the York School Department, and York Senior Housing.

### **46201-46202 - Private Fire - Protection Service**

Private fire protection revenue comes from sprinkler systems and private fire hydrants. Sprinkler service charges depend on size, with annual services billed quarterly and seasonal services billed at the start of the season. Private fire hydrants are billed \$201.80 per quarter.

## **46203 - Public Fire - Protection Service**

The Town of York pays a fixed monthly fee for public fire protection, covering hydrant infrastructure and water availability for firefighting. This amount, set by Maine Public Utility Commission guidelines, ensures enough fire flow beyond normal customer usage. In 2026, the monthly cost is \$101,392.

## **OTHER OPERATING REVENUE**

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs. Projection</u>
47002 - Restoration/Reconnect Fee	5,000	4,000	4,000	1,000	1,000
47003 - Establishment of Service Fee	9,000	9,000	9,000	-	-
47201 - Rents from Water Properties	282,000	251,000	269,000	31,000	13,000
47401 - Timber Harvest Income	30,000	30,000	33,000	-	(3,000)
47402 - Meter Reading Sales (Sewer)	26,000	23,000	24,000	3,000	2,000
47403 - Scrap	5,000	3,000	8,000	2,000	(3,000)
47404 - Grants for Operations	46,000	63,000	59,000	(17,000)	(13,000)
Total Other Operating Revenue	403,000	383,000	406,000	20,000	(3,000)

## **47000-47002 - Misc. Operating Revenue**

Miscellaneous water revenue comes from fees charged based on the District's Terms & Conditions. The rates are designed to cover the District's expenses for each activity that requires a fee. For details on specific fees, please consult our Terms & Conditions.

## **47201 – Rents from Water Properties**

Currently, nine entities generate income by paying a monthly fee for the use of space for cellular installations on the tower atop Mt. Agamenticus. Each entity's rate increases annually by 2.5% to 3.0%. It is projected that, beginning in July 2026, the District will commence collecting monthly fees for an installation on Heights Tank.

## **47401 – Timber Harvest Income**

This account records revenue from timber harvests. The District manages 1,800 acres of watershed land divided into 36 compartments. Typically, one or two compartments (roughly 100 acres) are harvested each year, managing for a healthy ecosystem and water quality.

## **47402 - Meter Reading Sales (Sewer District)**

The District charges the York Sewer District a small fee for each customer meter reading it provides them for billing purposes.

## **47403 - Scrap**

The District makes a small amount of revenue from selling scrap metal that has been removed from the ground.

#### **47404 – Grants for Operations**

This account is used for grant money that is received for projects and purchases that are not capitalized. The District receives grant money from the State, in the form of capacity development grants, source water protection grants, and security grants. The District also receives grant money from Maine Municipal Association.

#### **NET NON-OPERATING & JOBBING INCOME**

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs. Projection</u>
41400 - Gain/Loss Disposal of Assets	5,000	26,000	26,000	(21,000)	(21,000)
41500 - Jobbing Revenue	54,000	34,000	31,000	20,000	23,000
41600 - Jobbing Expense	(30,000)	(29,000)	(24,000)	(1,000)	(6,000)
41900 - Interest Income	120,000	120,000	122,000	-	(2,000)
Net Non-Operating & Jobbing Income	149,000	151,000	155,000	(2,000)	(6,000)

#### **41400 - Gain/Loss on Disposal of Assets**

This account records gains and losses from selling, exchanging, or transferring utility property.

#### **41500 – Jobbing Revenue**

This account records income generated from inventory sales, repair or installation services, bulk water transactions, and other miscellaneous billings. It also accounts for inventory mark-up, job burden, and equipment charges.

#### **41600 – Jobbing Expense**

This account includes inventory and labor costs, as well as additional expenses associated with jobbing revenue.

#### **41900 - Interest Income**

The District maintains its operating funds at Bangor Savings Bank, where these funds accrue interest via an overnight sweep account. Additionally, the District holds assets in a trading account with Fidelity Investments, which are utilized for the purchase of U.S. Treasury securities.

#### **SYSTEM DEVELOPMENT CHARGES**

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs. Projection</u>
System Development Charges	75,000	75,000	68,000	-	7,000

#### **26500 – System Development Charges**

System development charges fund water system expansions needed to meet growing demand. They apply to all new water connections (except fire service) and to existing customers who significantly increase their meter size.

## SALARIES & WAGES

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs. Projection</u>
601XX - Regular Time	1,869,000	1,732,000	1,822,000	137,000	47,000
60108 - Overtime	67,000	65,000	51,000	2,000	16,000
60109 - Standby	48,000	44,000	47,000	4,000	1,000
60110 - Part-Time	4,000	4,000	2,000	-	2,000
601XX - Extra Time	48,000	55,000	55,000	(7,000)	(7,000)
60122 - Other Payouts		12,000	12,000	(12,000)	(12,000)
60300 - Trustee Salaries	8,000	8,000	8,000	-	-
Salaries & Wages	2,044,000	1,920,000	1,997,000	124,000	47,000

### 601XX - Regular Time

Full-time employees receive 40 hours of regular time per week which includes time worked, holiday, sick and earned paid leave time. A portion of regular time worked will be applied to District paid and customer paid capital projects and not be reflected in operating expenses. The District has a step-based pay system. Employees typically see a cost-of-living increase at the start of the year. Then, all employees in good standing will see a step increase on their anniversary date.

### 60108 - Overtime

Employees paid by the hour receive overtime pay for hours worked over 40 each week. A portion of overtime worked may also be applied to District paid and customer paid capital projects and not be reflected in operating expenses.

### 60109 - Standby

Each week, one qualified employee is on standby for Treatment, and one for Distribution. Standby staff is paid nine hours of overtime. Staff is paid additional overtime for callouts.

### 60110 - Part-Time

The District hires one part-time employee (less than 100 hours per year) to help maintain the District's website and assist in other areas as needed.

### 601XX – Extra-Time

Extra-Time includes unused earned paid leave (EPL) and sick time that is paid out to employees in accordance with District policy. An employee may "cash in" hours of EPL time to be paid out once a year. Employees may carry over a maximum of 120 hours of accrued EPL. Accrued but unused EPL time shall be paid to an employee upon termination of employment.

Full-time employees shall accumulate up to 720 hours of sick time. After 720 hours are accumulated, the employee will be paid for 50% of unused sick days in excess of the 720 hours not to exceed 48 hours in any one year. One half of accrued sick leave time shall be paid to an employee upon termination of employment, not to exceed 360 hours.

## 60300 - Trustee Salaries

The District has five members on the Board of Trustees. Trustees are paid \$125 per month except for the Treasurer who is paid \$145.84. Trustees are paid regardless of the number of meetings they attend.

## EMPLOYEE BENEFITS

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs. Projection</u>
60400 - Miscellaneous Benefits	6,000	5,000	9,000	1,000	(3,000)
60401 - Maine State Retirement	204,000	193,000	195,000	11,000	9,000
60403 - FICA Social Security	129,000	124,000	131,000	5,000	(2,000)
60404 - Employee Health Insurance	504,000	402,000	450,000	102,000	54,000
60405 - Employee Dental Insurance	12,000	11,000	11,000	1,000	1,000
60408 - Paid Family Medical Leave	7,000	10,000	6,000	(3,000)	1,000
60409 - Retiree Health Insurance	53,000	37,000	42,000	16,000	11,000
60411 - Health Reimbursement Acct.	28,000	27,000	29,000	1,000	(1,000)
60414 - Insurance Reimbursement	18,000	24,000	17,000	(6,000)	1,000
60415 - Medicare	31,000	30,000	30,000	1,000	1,000
60418 - Defined Contribution Plan	14,000	14,000	15,000	-	(1,000)
60420 - Benefits on Capital Labor	(64,000)	(72,000)	(41,000)	8,000	(23,000)
60421 - Flex Spending	9,000	9,000	9,000	-	-
Employee Benefits	951,000	814,000	903,000	137,000	48,000

## 60400 - Other Benefits

This item reflects miscellaneous benefits received by District employees including employee cell phone stipends and milestone anniversary awards.

## 60401 - Maine State Retirement

The District is a participant in the Maine Public Employees Retirement System (MainePERS). The District contributes a portion of eligibles gross wages for enrolled employees to the plan. The contribution percentage is set by MainePERS and changes slightly from year-to-year.

## 60403 - FICA Social Security

The District pays 6.2% of employee taxable gross wages into the Social Security System. Taxable gross wages exclude employee paid portions of medical and dental insurance and employee contributions to the District's Flex Spending Plan and Defined Contribution Plan.

## 60404 - Employee Health Insurance

The District receives health insurance through Maine Municipal Employers Health Trust (MMEHT). The District participates in the Moosehead Plan. Rates vary depending on the composition of plans that employees are enrolled in. The District pays the full cost of the plan and MMEHT typically increases rates on the first of each year.

## 60405 - Employee Dental Insurance

The District receives dental insurance through MMEHT. The District contributes the single payer amount for each employee while the employee pays the difference in premiums for family members through

weekly payroll deductions. MMEHT typically increases rates on the first of each year for dental insurance.

#### **60408 - Paid Family Medical Leave**

Beginning in May 2026, the District will be required to provide its employees with Paid Family Medical Leave. The District will pay 0.5% of gross wages for this benefit. The District will use The Standard Insurance Company as the provider. Employees will also contribute the same percentage of wages to the plan.

#### **60409 - Retiree Health Insurance**

Eligible employees who retire with the District can remain on the District's health insurance plan for a set number of years based on years of service. This benefit was phased out several years ago and replaced with the Defined Contribution Plan, but a few grandfathered employees are still eligible.

#### **60411 - Health Reimbursement Account & Co-Insurance**

The District uses an HRA to cover the costs employees incur for deductibles and coinsurance. Depending on the health insurance plan the District is participating in, the maximum cost that the District could incur will vary. Historically, less than 30% of this benefit has been utilized by employees. There are also administrative fees for the plan.

#### **60414 - Insurance Reimbursement**

Employees who opt out of receiving health insurance from the District because they are currently receiving health insurance elsewhere receive a monthly stipend to compensate them for the savings to the District.

#### **60415 - Medicare**

The District pays 1.45% of employee taxable gross wages into the Medicare System.

#### **60418 - Defined Contribution Plan**

The District provides a Defined Contribution Plan as a benefit to eligible employees. Employees not included in the Defined Contribution Plan are included in the Retiree Health Insurance Plan.

#### **60420 - Benefits on Capital Labor**

The District makes an estimate to apply the proportional cost of employee benefits on capital and jobbing projects based on the cost of those benefits as a percentage of gross wages. This percentage rate is then applied to the cost of labor for a particular job, and a credit is applied to operational costs. The job burden rate is roughly 55% of gross wages.

#### **60421 - Flex Spending**

The District contributes \$500 to each employee's Flex Spending Account to help cover the cost of co-pays, doctor visits, and approved medical expenses. Any funds remaining at year end will be returned to the District.



## PURCHASED POWER & WATER

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs.Projection</u>
61000 - Purchased Water	-	-	-	-	-
61510 - Power - T&D	60,000	51,000	63,000	9,000	(3,000)
61520 - Power - Energy Production	54,000	55,000	52,000	(1,000)	2,000
61530 - Net Energy Credits	(9,000)	-	(5,000)	(9,000)	(4,000)
Purchased Power & Water	105,000	106,000	110,000	(1,000)	(5,000)

### 61000 - Purchased Water

The District purchases treated water from Kennebunk, Kennebunkport, Wells Water District or Kittery Water District, for emergencies, though occasional exchanges occur to prevent water stagnation.

### 61510 - Power - T&D

This account records electric transmission and distribution charges imposed by Central Maine Power (CMP). The District currently has 18 power accounts. Of those accounts, 17 are classified as small and 1 as medium by CMP. All accounts are charged a monthly fixed charge and usage charge. A medium account is also assessed a demand charge as well.

### 61520 - Power - Energy Production

This account records electricity supplier charges from Constellation Energy. The District uses Maine Power Options to secure pricing for its supplier contracts and typically extends those contracts for 3-5 years.

### 61530 – Net Energy Credits

The District receives net energy credits as a participant in a solar program for an installation owned by MSD Galbraith LLC in Skowhegan, ME.

## CHEMICALS

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs.Projection</u>
61802 - Alum	19,000	14,000	19,000	5,000	-
61804 - Ammonia	14,000	14,000	13,000	-	1,000
61805 - Caustic Soda	6,000	6,000	9,000	-	(3,000)
61807 - Sodium Hypochlorite	20,000	15,000	15,000	5,000	5,000
61809 - Polymer	19,000	19,000	9,000	-	10,000
61810 - Sodium Carbonate	22,000	22,000	19,000	-	3,000
61812 - Blended Phosphate	32,000	32,000	21,000	-	11,000
Chemicals	132,000	122,000	105,000	10,000	27,000

### 61802 – Alum

Aluminum Sulfate, commonly known as Alum, is used in the pre-treatment process. It causes tiny particles and impurities in water to be grouped together into larger particles that are easier to filter out.

### 61804 – Ammonia

Ammonium Sulfate is used in the post-treatment process. It is combined with chlorine when leaving the plant to form Monochloramines. These are longer lasting than free chlorine to provide better protection in the far ends of the distribution system.

### **61805 – Caustic Soda**

Sodium Hydroxide, commonly known as Caustic, is used in the pre-treatment process. It increases the pH of the raw water to the desired range where Alum works best.

### **61807 – Sodium Hypochlorite**

Sodium Hypochlorite, commonly known as Hypo, is injected into the water after the filtration process. It provides proper disinfection of the water in the plant as well as lasting protection of the water throughout the distribution system.

### **61809 – Polymer**

Polymers are used in the pre-treatment process to assist Alum in the grouping of impurities, particularly in cold water when Alum is not as efficient.

### **61810 – Sodium Carbonate**

Sodium Carbonate, also known as Soda Ash, is used in the post-treatment process. It is used to increase the pH of the water to our desired level when leaving the plant. This also adds more alkalinity to water compared to Caustic.

### **61812 – Blended Phosphate**

The Blended Phosphate we use is comprised of 70% Orthophosphate and 30% Polyphosphate and is injected after the filtration process. Orthophosphate provides a lining on the pipes to prevent leaching of pipe contaminants, such as lead and copper. Polyphosphate provides sequestering of soluble metals from the pond that have not been oxidized.

## **MATERIALS & SUPPLIES**

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs. Projection</u>
62011 - Aggregates	15,000	21,000	19,000	(6,000)	(4,000)
62012 - Heating Fuels	17,000	21,000	21,000	(4,000)	(4,000)
62014 - Lab Supplies	7,000	14,000	10,000	(7,000)	(3,000)
62015 - Office Supplies	31,000	25,000	36,000	6,000	(5,000)
62019 - Employee Uniforms & Clothing	14,000	10,000	12,000	4,000	2,000
62018 - Equipment	61,000	73,000	55,000	(12,000)	6,000
62020 - Other Materials & Supplies	105,000	87,000	91,000	18,000	14,000
Materials & Supplies	250,000	251,000	244,000	(1,000)	6,000

### **62011 - Aggregates**

Fill materials include purchases of crushed stone, gravel, sand, loam, and cold patch not used for capital projects. Fill materials are most often used in the watershed for management road maintenance and upgrade projects that do not meet the District's capital threshold. Fill materials are also used in the distribution system for repairs to services after town paving projects and after main breaks.

### **62012 -Heating Fuels**

This account represents the purchase of heating oil and propane. The District goes out to bid for heating oil and propane through Maine Power Options. Contracts typically run from June to July the following year.

### **62014 - Lab Supplies**

Lab supplies include laboratory consumables, chemkeys, solutions, reagents, ferrover, dichlorination tablets and other miscellaneous laboratory tools of a low-cost nature.

### **62015 - Office Supplies**

Office supplies include computer hardware and software, customer billing forms, envelopes, paper, kitchen supplies, printer ink, office furniture, and simple office tools.

### **62019 - Employee Uniforms & Clothing**

The District provides a \$400 annual uniform stipend to the Distribution Crew, Treatment Plant Crew, and Resource Protection staff. Eligible employees also receive an annual boot allowance. The boot allowance is paid to full-time employees at the Treatment Plant, Distribution Crew, and Resource Protection Office. The maximum allowance is \$225.

### **62018 - Equipment**

Many equipment purchases are planned during the budget process, but items not budgeted are occasionally purchased throughout the year when needed.

### **62020 - Other Materials & Supplies**

This account covers general operations and maintenance purchases that do not fit into other "Materials & Supplies" categories. These items are bought on an as-needed basis and usually fall below the threshold requiring a signed purchase order. The budget for these purchases is based on a historic average.

## **CONTRACTED SERVICE**

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs. Projection</u>
63100 - Engineering	3,000	3,000	-	-	3,000
63200 - Accounting	25,000	25,000	20,000	-	5,000
63300 - Legal	15,000	16,000	12,000	(1,000)	3,000
63600 - Testing Services	10,000	15,000	15,000	(5,000)	(5,000)
63510 - Technology Services	153,000	134,000	132,000	19,000	21,000
63512 - Fabrication, Construction & Installat	43,000	12,000	6,000	31,000	37,000
63513 - Maintenance, Repair & Inspection	42,000	27,000	26,000	15,000	16,000
63515 - Consulting Services	128,000	107,000	102,000	21,000	26,000
63516 - Training Services	8,000	7,000	6,000	1,000	2,000
63517 - Banking Services	8,000	8,000	8,000	-	-
63519 - Shipping Services	22,000	17,000	22,000	5,000	-
63520 - Other Contracted Services	117,000	78,000	78,000	39,000	39,000
64200 - Equipment Rental	27,000	12,000	8,000	15,000	19,000
Contracted Services	601,000	461,000	435,000	140,000	166,000

### **63100 - Engineering**

Engineering services are primarily used for capital projects, though hydraulic modeling and related services may sometimes be required for O&M projects.

**63200 - Accounting**

The District has engaged Runyon Kersteen Ouellette to conduct its annual financial audits over multiple years. Additionally, the Maine Municipal Association carries out the mandated actuarial evaluation of post-retirement benefit liabilities.

**63300 - Legal**

The District relies on Verrill Law for most legal services, for staff related matters, policy reviews, land transactions, and contracts. With no ongoing special consulting needs, annual budgets are set using historical averages.

**63600 - Testing Services**

Sampling and testing requirements fluctuate annually according to state regulations; however, the District conducts sampling of Chase's Pond and its tributaries, performs monthly bacteria testing at multiple locations within the distribution system, and tests for disinfection byproducts as part of its routine monitoring activities.

**63510 - Technology Services**

The largest expense in this category is the Tyler Technologies contract for billing, customer service, general ledger, payroll, and document management software and support. Other major costs are broadband at several sites, IT services from Advanced Communications, phone lines, data backup, annual SCADA maintenance, and meter software licensing and support.

**63512 – Fabrication, Construction & Installation Services**

This account includes costs for fabrication, construction, and installation of District structures, improvements, and equipment that do not meet the cost threshold for capitalization.

**63513 – Maintenance, Repair & Inspection Services**

This account includes (but is not limited to) costs related to maintenance and repairs of HVAC systems, generators, pumping and electrical systems, pavement repairs, as well as inspections for fire extinguishers, fire alarms, and chain hoists.

**63515 - Consulting Services**

The District engages consultants to support a range of projects and initiatives. As consulting assignments can differ significantly in duration and complexity, associated costs may fluctuate from one year to the next.

**63516 - Training Services**

This category includes employee training expenses, both in-person and online, including safety courses recommended by the safety committee.

**63517 - Banking Services**

The District holds bank accounts at Bangor Savings Bank. The District pays small transaction fees and fixed monthly charges for services the bank provides such as Positive Pay, Remote Capture, ACH Alerts, and Treasury Online.

**63519 - Shipping Services**

This account covers postage and shipping costs for customer bills, correspondence such as the Consumer Confidence Report, rate change notifications, and other minor shipping charges.

### **63520 - Other Contracted Services**

This account group encompasses all services that do not fall within other designated categories. Major recurring expenses include mowing of District facilities, watershed patrols, facility cleaning, and dumpster services.

### **64200 - Equipment Rental**

Routine rental charges encompass office equipment leased by the District, including printers, copiers, the folding machine, and postage machine.

## **TRANSPORTATION EXPENSE**

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs. Projection</u>
65008 - Vehicle Stipend	6,000	7,000	6,000	(1,000)	-
65009 - YWD Equipment Charge	(9,000)	(10,000)	(7,000)	1,000	(2,000)
65010 - Gasoline	13,000	16,000	12,000	(3,000)	1,000
65011 - Diesel	8,000	9,000	10,000	(1,000)	(2,000)
65020 - Other Transportation Costs - Parts	20,000	20,000	20,000	-	-
65020 - Other Transportation Costs - Service	5,000	5,000	8,000	-	(3,000)
Transportation Expenses	43,000	47,000	49,000	(4,000)	(6,000)

### **65008 - Vehicle Stipend**

The Superintendent receives a monthly vehicle stipend to compensate for the use of his personal vehicle on District business.

### **65009 - YWD Equipment Charge**

The District charges customers standard rates for equipment used on private jobs, based on local rental prices, to recover wear and tear costs.

### **65010 - Gasoline**

The District participates in the WEX Gas Card Program. The District receives a small discount for participating in this program. Gasoline usage for budget estimates is based on a historical average.

### **65011 - Diesel**

The District uses Maine Power Options to secure diesel bids. Contracts are effective from July through June of the next year. Budget estimates for diesel use are determined by looking at historical averages.

### **65020 - Other Transportation Costs - Parts**

This account covers parts used for maintaining and repairing District vehicles, whether work is done in-house or by vendors.

### **65030 - Other Transportation Costs - Service**

These costs cover vendor maintenance, repair services, and vehicle inspection fees for District vehicles.

## INSURANCE

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs.Projection</u>
65600 - Vehicle Insurance	15,000	14,000	14,000	1,000	1,000
65700 - General Liability Insurance	25,000	23,000	23,000	2,000	2,000
65800 - Workers Comp Insurance	17,000	17,000	22,000	-	(5,000)
65900 - Other Insurance	7,000	8,000	7,000	(1,000)	-
Insurance	64,000	62,000	66,000	2,000	(2,000)

### 65600–65900 - Insurance

The District obtains insurance through the Maine Municipal Association, renewing each July for a year. Coverage includes vehicles, general liability, workers' compensation, public officials, contractor's equipment, electronic data processing, crime, and business income.

## OTHER MISCELLANEOUS OPERATING EXPENSES

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs.Projection</u>
66000 - Advertising	6,000	6,000	6,000	-	-
66700 - Regulatory Commission Fees	34,000	32,000	28,000	2,000	6,000
67510 - Association Dues	17,000	17,000	17,000	-	-
67513 - Travel Expenses	2,000	2,000	2,000	-	-
67515 - Food	5,000	4,000	5,000	1,000	-
67520 - Other Misc. Expenses	7,000	10,000	9,000	(3,000)	(2,000)
Other Miscellaneous Expenses	71,000	71,000	67,000	-	4,000

### 66000 - Advertising

Advertising expenses cover various community events such as the "Day Without Water," the "Festival of Fostering Trees," and the "Festival of Lights Parade." Additional costs fall under public relations activities, job postings, printed materials, acquiring truck logos, and business cards.

### 66700 - Regulatory Commission Expense

This category encompasses expenditures made to the District's three regulatory commissions: the Maine Public Utility Commission, the State of Maine Drinking Water Program, and the Maine Public Advocate.

### 67510 - Association Dues

This category covers dues and donations to associations affiliated with the District, such as the Mount Agamenticus Conservation Program, Maine Water Utilities Association, Maine Rural Water Association, Southern Maine Regional Water Council, Maine Municipal Association, American Water Works Association, Small Woodland Owners Association of Maine, and Maine Tree Foundation.

### 67513 - Travel Expenses

This account covers travel, tolls, and mileage reimbursements.

### 67515 – Food

This budget encompasses food expenditures related to offsite employee meetings, staff lunches for District events, and annual gatherings with trustees and local entities.

### 67520 - Other Misc. Expenses

This account covers costs not assigned to any other expense categories.

## DEBT SERVICE

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs. Projection</u>
42700 - Interest Expense	97,000	97,000	97,000	-	-

### 42700 - Interest Expense

The District is currently repaying four bonds that were used to finance previous capital projects and land acquisitions. Interest expense on these bonds is recorded monthly on the income statement as they accrue. Each bond's interest is paid twice a year.

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs. Projection</u>
Debt Principal Payments	236,000	230,000	230,000	6,000	6,000

### Debt Principal Payment Schedule

Year	2014	2019	2023	2024
Maturity	2034	2029	2043	2034
Original	\$4,000,000	\$75,000	\$524,000	\$20,000
Outstanding	\$2,068,000	\$31,000	\$472,000	\$16,000

### 2014 Bond

The Maine Municipal Bond Bank issued this \$4,000,000 bond to fund capital projects over a 20-year period. Throughout the loan's duration, the interest rate gradually rises from 0.43% to 3.79%.

### 2019 Land Acquisition Loan

A \$125,000 loan (with \$50,000 principal forgiveness) from the Drinking Water State Revolving Fund financed the Dicken's Property purchase. The 10-year loan has a 1.0% interest rate.

### 2023 Bond

The Maine Municipal Bond Bank issued this bond for \$524,000 to fund capital projects over 20 years. During the loan term, the interest rate ranges from 2.99% to 4.63%.

### 2024 Land Acquisition Loan

The Drinking Water State Revolving Fund provided this loan with a total amount of \$40,000, including \$20,000 in principal forgiveness. The 10-year loan was used to acquire the Richard Property and carries an interest rate of 1.0%.

## TANK PAINTING RESERVE

	<u>2026 Budget</u>	<u>2025 Budget</u>	<u>2025 Projection</u>	<u>Vs. Prior Budget</u>	<u>Vs. Projection</u>
63502 - Backwash Tank	25,000	25,000	25,000	-	-
63501 - Heights Tank	54,000	54,000	54,000	-	-
63503 - Simpson Hill Tank	60,000	60,000	60,000	-	-
Allowance for Tank Painting	139,000	139,000	139,000	-	-

The District has two distribution storage tanks—York Heights and Simpson Hill—and a third tank at the treatment plant for filter backwashing. Funds are set aside annually to cover future maintenance, such as costly painting, ensuring the project is fully funded as needed.

**63502 - Backwash Tank**

The tank was originally constructed in 1979 and received updated interior and exterior coatings in 2012. The next maintenance is recommended for 2037, with an estimated cost of \$560,000.

**63501 - York Heights Tank**

The tank was originally built in 1969 and underwent a full renovation in 2015, including updated interior and exterior coatings. The next maintenance is recommended for 2040, with an estimated cost of \$1,310,000.

**63503 - Simpson Hill Tank**

Constructed in 1982, this tank underwent its most recent rehabilitation in 2008. The next maintenance is recommended for 2033, with an estimated cost of \$1,075,000.

Accumulated Reserves

	<u>Anticipated</u>	<u>Funded</u>	<u>Unfunded</u>	<u>Years Until</u>
	<u>Cost</u>	<u>12/31/2025</u>	<u>12/31/2025</u>	<u>Maintenance</u>
Backwash Tank	560,000	259,000	301,000	12
Heights Tank	1,310,000	504,000	806,000	15
Simpson Hill Tank	1,075,000	594,000	481,000	8
	<u>\$2,945,000</u>	<u>\$1,357,000</u>	<u>\$1,588,000</u>	



## INFREQUENT PURCHASES AND ONE-TIME PROJECTS INCLUDED IN O&M EXPENSE

<b>26020 - Cabin Removal</b>	47404 - Grants for Operations	(10,000)
	601-1 - Regular Time Wages	10,000
	63512 - Fabrication, Construction & Installation Services	3,000
	63520 - Other Contracted Services	23,000
	64200 - Equipment Rental	15,000
Total		41,000

The District will remove a dilapidated cabin on recently purchased property. The budget covers contractor costs for demolition, debris removal using a 30-yard roll-off dumpster, and disposal. Staff time is also included.

<b>26040 - Mower Deck</b>	62018 - Equipment	5,000
	62020 - Other Materials & Supplies	1,000
Total		6,000

The District will purchase a 70-inch flail mower with replacement blades and belts for watershed maintenance.

<b>26050 - Boat Motor</b>	62018 - Equipment	2,000
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The District will purchase a Newport NT 300 boat motor, battery, and charger.

<b>26060 - 2026 Watershed Road Maintenance</b>	62020 - Other Materials & Supplies	6,000
	63513 - Maintenance, Repair and Inspection Services	11,000
	63520 - Other Contracted Services	4,000
Total		21,000

Work includes repairing washouts and ruts, grading, and touch-ups for small areas along trails.

<b>26070 - Screenhouse pH Analyzer</b>	601-1 - Regular Time Wages	1,000
	62018 - Equipment	2,000
	62020 - Other Materials & Supplies	1,000
	63512 - Fabrication, Construction & Installation Services	4,000
Total		8,000

A pH analyzer will be installed at the screenhouse to monitor proper pH at a new caustic injection point.

<b>26080 - Water Storage Tank Inspections</b>	601-1 - Regular Time Wages	1,000
	63513 - Maintenance, Repair and Inspection Services	15,000
Total		16,000

The District will hire a contractor for a comprehensive dive inspection of all three water storage tanks. The last inspection was in 2019.

<b>26090 - Chemical Feed Pump Replacement</b>	601-1 - Regular Time Wages	-
	62018 - Equipment	3,000
Total		3,000

The District will replace a failing chemical feed pump at the treatment plant. Costs include the pump and minimal staff time for installation.

<b>26100 - Groundwater Exploration Study</b>	47404 - Grants for Operations	(30,000)
	63515 - Consulting Services	87,000
Total		57,000

The District will hire consultants for the early phases of a groundwater exploration study. Phase I will include mapping and surveying the watershed to assess potential groundwater availability. Phase II will identify specific locations for drilling exploratory test wells, geophysical surveying, and electrical resistivity surveying.

<b>26110 - KWD Interconnection Study Update</b>	63515 - Consulting Services	32,000
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In partnership with Kittery Water District, the District will update the joint interconnection study. The budget reflects our share of the cost.

<b>26120 - Clarifier pH Probes</b>	601-1 - Regular Time Wages	1,000
	62018 - Equipment	4,000
	62020 - Other Materials & Supplies	2,000
	63512 - Fabrication, Construction & Installation Services	2,000
Total		9,000

The District will install pH meters on each clarifier for continuous readings, improving efficiency over current grab sampling

<b>26140 - Plant Fuel Room Platform</b>	47404 - Grants for Operations	(3,000)
	62018 - Equipment	5,000
Total		2,000

The District will purchase a custom fall protection platform for the plant fuel room ladder. Costs for this project include construction and installation of the platform.

<b>26160 - Kittery Water District Construction Costs</b>	63512 - Fabrication, Construction & Installation Services	25,000
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Around 2017, the District and Kittery Water District agreed to jointly build a second interconnection. Currently, the pump station is 75% complete. Kittery has funded most of the construction cost. The District is proposing to make annual payments until we reach 50%.

<b>26170 - Hydrant Relocations</b>	41500 - Jobbing Revenue	(20,000)
	601-1 - Regular Time Wages	15,000
	601-2 - Overtime Wages	3,000
	62011 - Aggregates	4,000
	62020 - Other Materials & Supplies	13,000
	64200 - Equipment Rental	5,000
<hr/> Total		20,000

The District will remove and relocate three fire hydrants as part of the York Village Revitalization Project. The Town will be billed for half the cost. The budgeted amount is the District's portion.

<b>26190 - Safety Budget</b>	47404 - Grants for Operations	(3,000)
	62018 - Equipment	2,000
	63516 - Training	3,000
<hr/> Total		2,000

The District Safety Committee has identified two items for the safety budget. They include Confined Space Rescue training for required staff and the purchase of a pipe trailer rack.

<b>26200 - Flushing Equipment</b>	62018 - Equipment	8,000
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Additional electronic flushing equipment will be purchased to allow 3–4 crews to complete flushing more efficiently in spring while the pond is still full.

<b>26210 - Shop Equipment</b>	62018 - Equipment	7,000
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Purchases include various tools for vehicle and equipment maintenance and retrofitting a high-bay garage door.

<b>26220 - GIS/IT Budget</b>	62015 - Office Supplies	10,000
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Budget includes computer/laptop replacements, sign shop software, Adobe Acrobat upgrades, external hard drives, Arrow Gold GPS accessories, security camera NVR upgrade, and Wi-Fi camera replacement.

<b>26240 - RPO Patrolling Equipment</b>	62018 - Equipment	3,000
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The District is putting \$3,000 towards a new ATV for the York Police Department Regional Patrol Program. One of the old ATV's is high mileage and will be traded in, with the remainder of the cost being split between YPD and the two water districts to help fund the new purchase.

## CAPITAL PROJECTS

<b>2601X - Nubble Road Phase VI</b>	10500 - CMP Labor & Overhead	26,000
	10524 - CMP Fabrication, Construction & Installation	333,000
	10526 - CMP Misc. Services	25,000
	10533 - CMP Misc. Materials	80,000
	Contingency	37,000
Total		501,000

The ongoing joint improvement project with the York Department of Public Works on Nubble Road will replace 935 feet of six-inch cast iron pipe with a ten-inch ductile iron water main to enhance fire flow and water quality. New drainage will be installed prior to road reconstruction and sidewalk installation.

<b>26030 - Simpson Hill Tank Gate Operator</b>	10500 - CMP Labor & Overhead	1,000
	10526 - CMP Misc. Services	2,000
	10532 - CMP Equipment	12,000
	10533 - CMP Misc. Materials	-
	27190 - CIAC Grants	(10,000)
Total		5,000

An electronic operator will be added to the Simpson Hill Tank gate. Project costs include the operator purchase, contractor boring, and limited staff time for installation.

<b>26130 - Filter 1 Effluent Actuator Replacement</b>	10500 - CMP Labor & Overhead	-
	10532 - CMP Equipment	10,000
Total		10,000

The District will replace a malfunctioning actuator to resolve process issues. Costs include the actuator purchase and minimal installation labor.

<b>26150 - Route 1 South PS Flow Meters</b>	10500 - CMP Labor & Overhead	1,000
	10526 - CMP Misc. Services	4,000
	10532 - CMP Equipment	13,000
	10533 - CMP Misc. Materials	4,000
Total		22,000

Hi-flow meters at the Route One South Pump Station will be replaced due to reliability concerns. These meters are essential for accurate chemical flow pacing during water transfers from Kittery Water District.

<b>26180 - Treatment Plant Plow Truck</b>	10500 - CMP Labor & Overhead	2,000
	10526 - CMP Misc. Services	1,000
	10532 - CMP Equipment	72,000
	10533 - CMP Misc. Materials	2,000
	41400 - Gain/Loss on Disposal of Fixed Asset	(5,000)
<hr/> Total		72,000

The District will purchase a new F-350 crew pickup truck with a snowplow to replace our existing 2016 F-350 with matching equipment for the treatment plant.

<b>26235 - Engineering - Long Sands Road</b>	10525 - CMP Engineering/Consulting	50,000
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The Town of York is planning to rebuild Long Sands Road from Woodbridge Road to Long Beach Avenue. This project was identified in our master plan. Replacement of this ten-inch cast iron main will improve water quality and fire flows. Soon after we complete this phase the Town of York will rebuild and repave the road.

<b>2625X - Bell Bouy Slip Lining</b>	10500 - CMP Labor & Overhead	15,000
	10533 - CMP Misc. Materials	7,000
	Contingency	2,000
	<hr/>	
Total		24,000

This project will consist of slip lining approximately 240 feet of six-inch cast iron water main with three-inch HDPE pipe, beginning at the end of the existing eight-inch ductile iron water main on Bell Bouy Lane that was replaced during the York Street water main replacement project in the late 90's. There are two (two-inch) residential services and one (one-inch) residential service fed from this section of main. Above ground temporary lines will be installed to serve these homes during the project. This main has experienced discolored water regularly.

<b>2626X - Broadway Ave Ext. Slip Lining</b>	10500 - CMP Labor & Overhead	49,000
	10526 - CMP Misc. Services	10,000
	10533 - CMP Misc. Materials	28,000
	Contingency	9,000
<hr/> Total		96,000

This project will consist of slip lining roughly 530 feet of six-inch cast iron water main with three-inch HDPE pipe beginning at the existing water main on Ocean Avenue and continuing to the end of the existing six-inch main. There are 14 residential services fed from this section of main. Above ground temporary lines will be installed to serve these homes during the project. This will be a joint project with York Sewer District and York Department of Public Work.

<b>MTR - Meter Replacements (not part of main jobs)</b>	33400 - Capital	50,000
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These funds will be used to replace customer meters that are not done as part of a main replacement project. The District is in the process of replacing all existing meters with Kamstrup branded meters for their improved accuracy and real-time usage data.

<b>SRV - Service Replacements (not part of main jobs)</b>	33300 - Capital	22,000
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These funds will be used to replace services in the distribution system that are not done as part of a main replacement project. Service replacements are identified while working on town paving projects and during valve exercising.

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Total Capital Projects	852,000
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<b>Simpson Hill Storage Facility</b>	500,000
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A 4,000-square-foot steel storage building will be constructed at the Simpson Hill Tank site for District-wide cold storage. The project will be financed through the Maine Municipal Bond Bank over ten years, with principal payments beginning in 2027. This will minimize the impact on the 2026 budget.