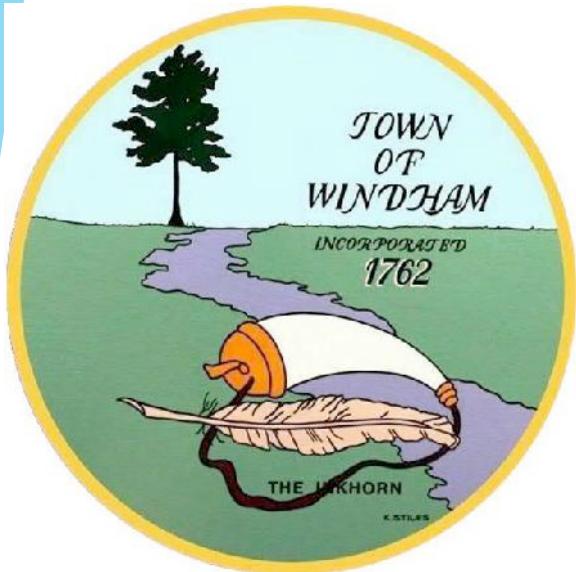


North Windham Sewer Project

Town Council
Board of Trustees - PWD



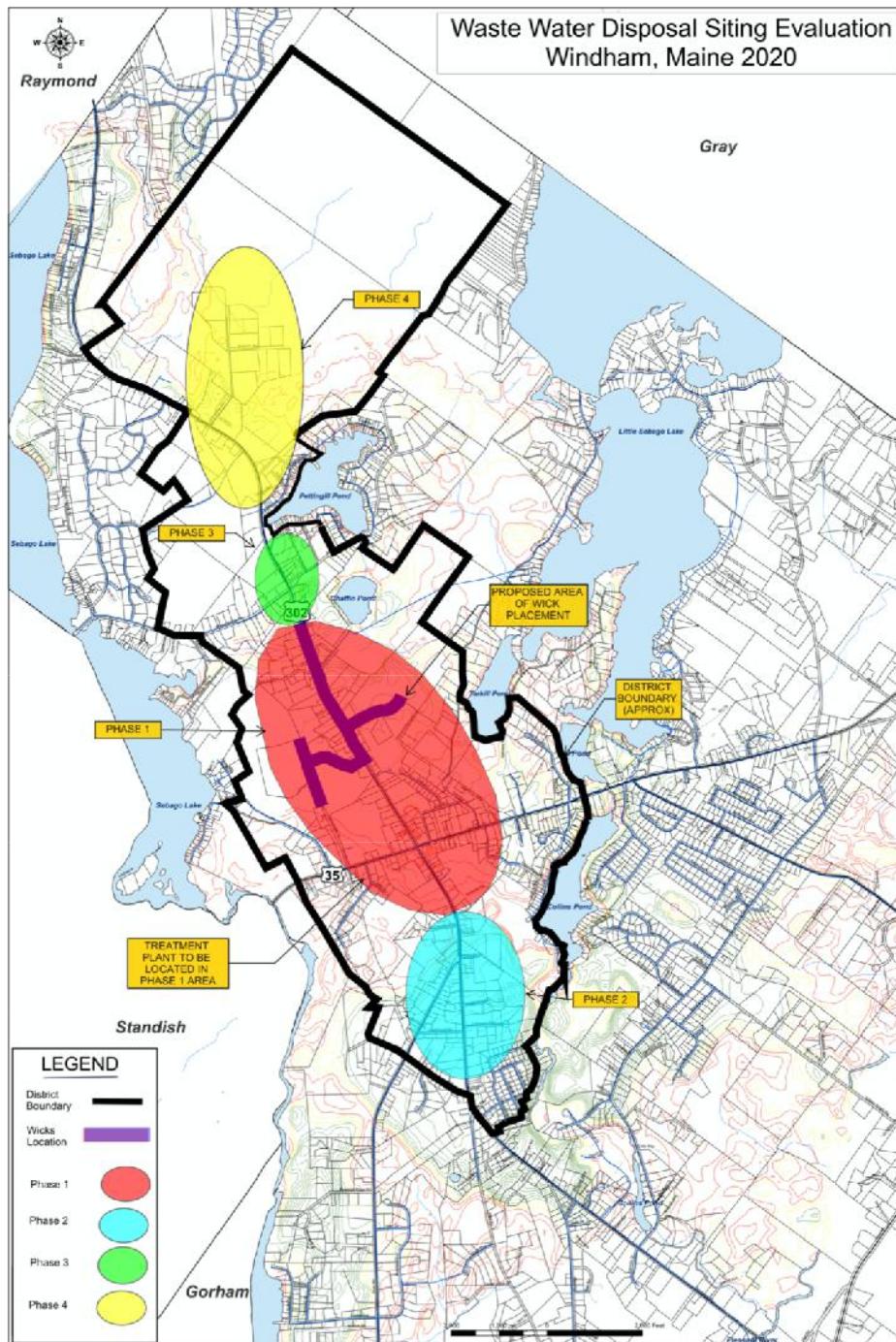
Protecting Public Health and the Environment
and promoting sustainable economic growth

May 9, 2023



Windham -- Then and Now





Proposed Area for New Wastewater District

LEGEND

District Boundaries



Phase 1



Phase 2



Phase 3



Phase 4

- Groundwater & nearby surface water quality is threatened by nitrates and phosphorus from current septic systems.
 - 22,000 lbs of Nitrogen per year is currently being added to the aquifer
 - 3,000 lbs of Phosphorous per year is currently being added to the aquifer
 - Current testing wells indicate ground water issues
- Lack of Public Sewerage is Limiting Development
- Windham is an MS4 Stormwater Community
- >50 percent of wastewater flow in the 2,300-acre planning area from most densely developed 270 acres in 3 Subareas

Portland Water District and Town of Windham MOU

- a. Develop a Request for Proposal from Engineering Consultants for the engineering and design of the North Windham System (the "Project").
- b. Provide the Town with estimated engineering costs at the preliminary design phase and at the 90% design phase.
- c. Advertise and bid for all work for the Project and provide the Town a project budget before entering any contracts for construction of the Project.
- d. Develop a budget to operate and maintain the Wastewater System as part of the District annual assessment to the Town.
- e. Finance the Project and investigate funding opportunities such as the State Revolving Loan Fund and or any Stimulus funds that may be available for the construction of the Project.

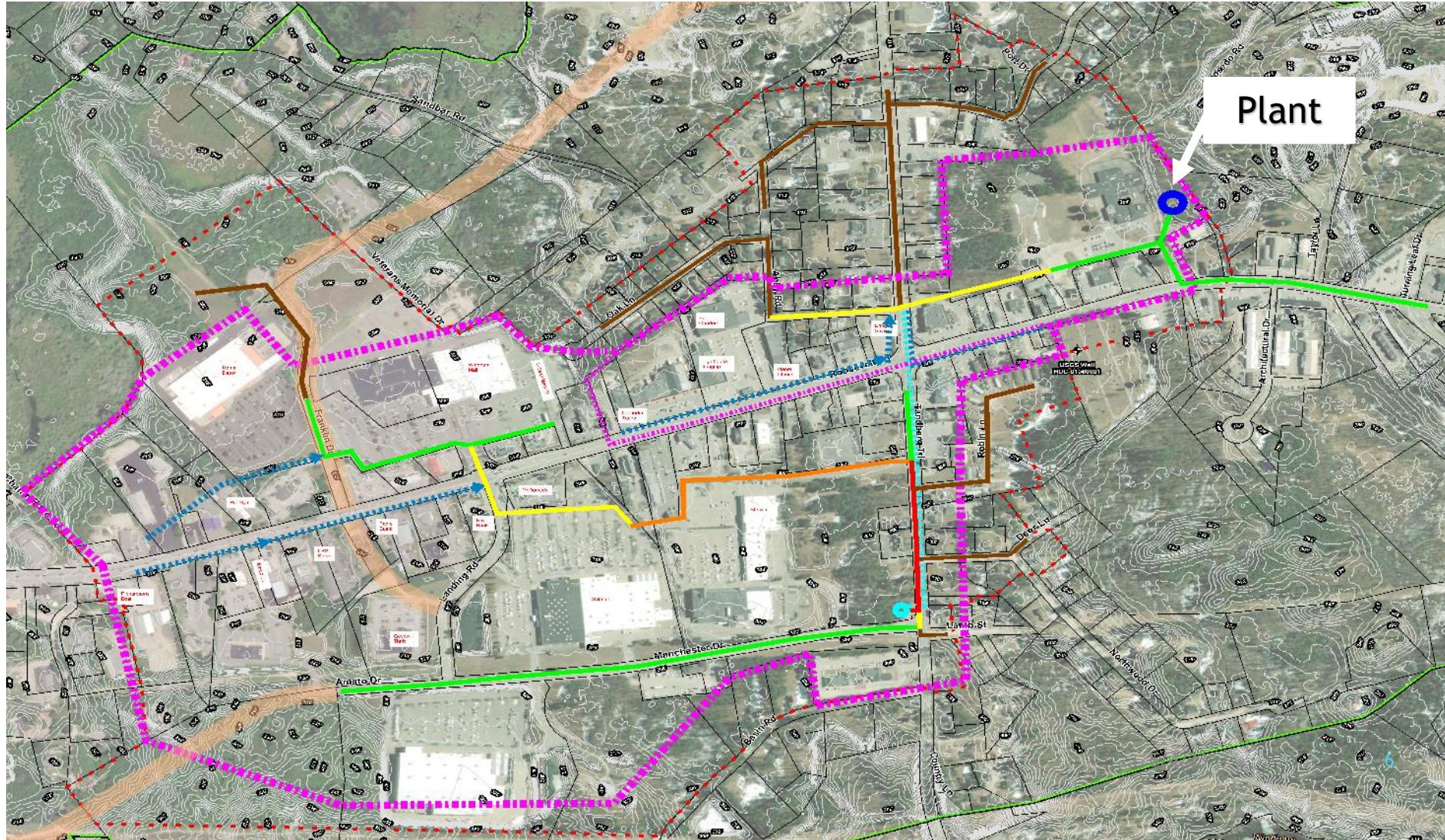
- ✓ RFP for Engineering & Design
- ✓ Preliminary Design at 90%
 - Bid work with Project Budget
 - Develop Budget to Operate the Plant
 - Finance with State Revolving loan, Grants, TIF and other available funds

Approval at the Annual Town Meeting

- ▶ Article 2: Shall the Town Council be authorized to:
 - ▶ (1) Enter an agreement with the Portland Water District to finance the design, engineering, construction, and analyses of operations and assessments for a new sewer system serving North Windham, with the principal terms as outlined below and such other terms as may be agreed upon by the Town Council acting in its discretion. •
 - Duration of Project: Four years, with projected start date on July 1, 2022.
 - Financing for project: Portland Water District to obtain construction funding through bond(s), Clean Water State Revolving Loan (CW~RLF) up to \$38.9 million with \$2.250 million in debt forgiveness with a 30-year term at 1.5%. The Portland Water District shall operate and maintain the system. User fees established by the Council will be used towards the costs of operation; and
 - ▶ (2) To apply Tax Increment Financing revenues to fund the capital infrastructure improvements and accept any grant awards (applied for \$9.75 million) to be allocated to Portland Water District construction:

- ▶ Yes: No:
- ▶ 1,499
- ▶ 590

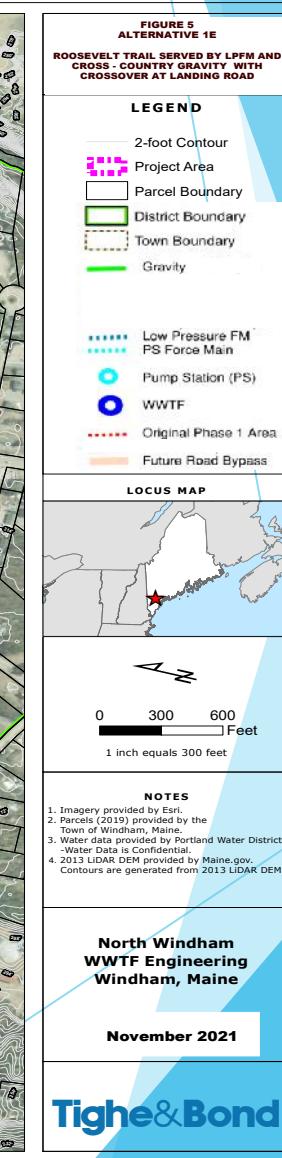
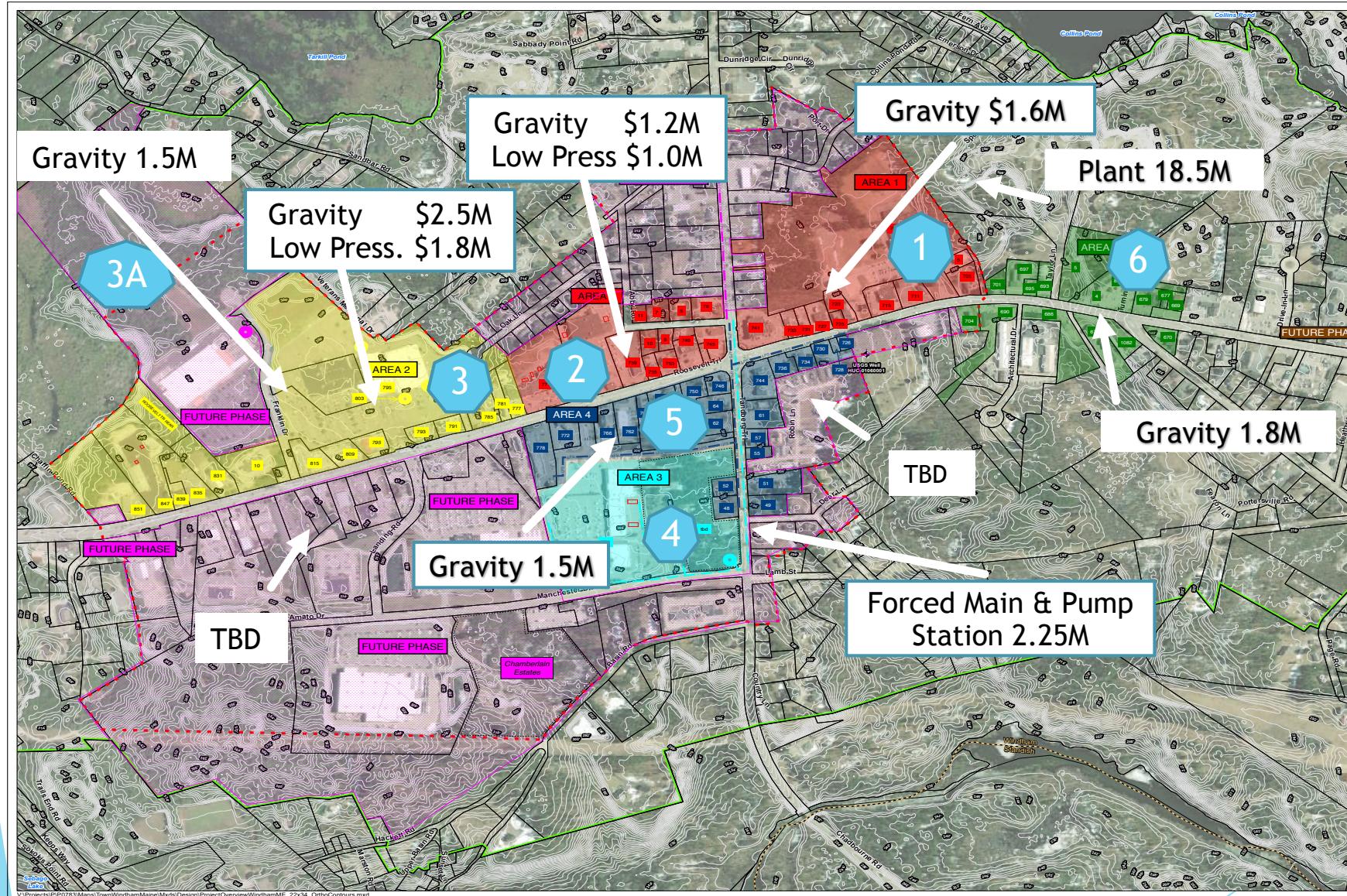
Project Area - Phase 1 North Windham, Waste Water Treatment Facility (WWTF)



Drip dispersal installed when ball fields constructed - currently under design



Proposed Phased in Sewer areas for service



- 1 Gravity 1.8M
- 2 Plant 18.5M
- 3 Gravity 1.2M
- 3 Gravity 2.5M
- 3a Gravity 1.5M
- 4 Gravity 2.25M
- 5 Gravity 1.5M
- 6 Gravity 1.6M
- 7 Professional Fess 5.3M

Summary of GMP 1, 2, and 3

Description	Capital Costs	Area of Impact	Description
GMP 1	\$7,287,000	1	Disposal Field, Sposedo Rd, Utilities, MBR equipment, Oakson Equip., Collection to BB
RSU and Town Playing fields	1,350,000		Playing Fields-By Separate Bond from Recreation Impact Fees
GMP 2	\$25,000,000	2, 3, 3A, 4	Plant at 160K/D, Collection areas 2,3,3A,4, Monitoring wells, Treatment Building
GMP 3	\$8,600,000	5, 6	Plant to 160K/D, Collection areas 5,6
Total	\$40,900,000	7	Design, Eng., Construction Inspection
Original Prelim	\$1,300,000		In Professional fees - Tighe Bond



Fund Availability and Expenses

Funding			Expenses	
SRLF Available	38.9M	Can be at any level	GMP 1	7.3M
Debt Forgiveness		24M=1.2M 30M=1.4M 33M=1.7M 38.9M=2.25M	GMP 2 Includes 2,3,3a,4,Plant	25.0M
Grants	5.2M	ARPA=1.7M Sen. Collins=1.0M Sen. King=1.0M Cumb.County=1.5M	GMP 3 Includes 5,6,7	8.6M
Total Availability			Total	40.9M*
Based on 38.9M	46.3M		Completes all initial phases *	
Based on 30M	39.6M		*Subjected to final numbers	
Based on 24M	30.4M			

TIF Districts 23-24, Tax Rates

TIF Districts	Captured Value 23	Captured Value 24	Tax Rate 11.61 2023	Tax Rate 12.70 Estimated 24
Pipeline	\$9,981,100	\$9,981,100	\$115,880	\$126,959
Roosevelt	\$27,196,700	\$27,196,70	\$315,750	\$345,942
Gateway A	\$17,189,100	\$17,189,100	\$199,560	\$218,645
Gateway B	\$12,699,508	\$12,699,508	\$147,441	\$161,537
Boody's A	\$10,883,700	\$10,883,700	\$126,359	\$138,440
Boody's B	\$3,338,500	\$3,338,500	\$5,288	\$5,793
TOTAL.	\$81,288,608	\$81,288,608	\$910,278	\$997,320
Other Area 1 2026	“Guessestimated”	15,000,000	\$150K	
Other Area 2 2027	“Guessestimated”	30,000,000	\$350K	
ED A	\$3,692,742	\$3,692,742	\$42,872	\$46,971
SWFS/Depot St.		\$455,500	\$38,759	\$42,465
SW Indust. Zone		\$912,900	\$10,598	\$11,612

Revenues vs Sewer Borrowing Expenses 2023-2029

Borrowing
38.9 Million

Description	2023	2024	2025 +3%	2026 +3%	2027 +3%	2028 +3%	2029 +3%
TIF Revenues Total	\$910,278	\$997,320	\$1,030,000	\$1,060,000	\$1,090,000	\$1,122,000	\$1,160,000
TIF Fixed Expenses Lights, TB, WEDC/25	\$187,153	\$187,153	\$147,153	\$147,153	\$147,153	\$147,153	\$147,153 NWM -125K
Net Availability	\$723,125	\$810,167	\$882,147	\$912,847	\$942,847	\$974,847	\$887,847
Full System	\$80,000			\$1,815,000	\$1,815,000	\$1,815,000	\$1,815,000
1-6		\$310,000					
			\$610,000				
Net Difference	\$643,125	\$500,167	\$272,147	\$902,153	\$872,153	\$840,153	\$927,153
Area 1 15M				\$150,000	\$162,000	\$170,000	\$177,000
Area 2 30M					\$350,000	\$360,000	\$380,000
Ending Balance	\$643,125	\$500,167	\$272,147	\$752,153	\$360,153	\$310,153	\$370,153
Estimated Carryforward	\$650,000						\$-373,173 +\$650,000

Revenues vs Sewer Borrowing Expenses 2023-2029

Borrowing
33 Million

Description	2023	2024	2025 +3%	2026 +3%	2027 +3%	2028 +3%	2029 +3%
TIF Revenues Total	\$910,278	\$997,320	\$1,030,000	\$1,060,000	\$1,090,000	\$1,122,000	\$1,160,000
TIF Fixed Expenses Lights, TB, WEDC/25	\$187,153	\$187,153	\$147,153	\$147,153	\$147,153	\$147,153	\$147,153 NWM -125K
Net Availability	\$723,125	\$810,167	\$882,147	\$912,847	\$942,847	\$974,847	\$887,847
Full System	\$80,000			\$1,540,000	\$1,540,000	\$1,540,000	\$1,540,000
1-6		\$450,000					
			\$660,000				
Net Difference	\$643,125	\$360,167	\$222,147	(\$627,153)	(\$597,153)	(\$565,153)	(\$652,153)
Area 1 15M				\$150,000	\$162,000	\$170,000	\$177,000
Area 2 30M					\$350,000	\$360,000	\$380,000
Ending Balance	\$643,125	\$360,167	\$222,147	(\$477,153)	(\$85,153)	(\$35,153)	(\$95,153)
Estimated Carryforward	\$650,000						\$532,167 +650,000

Revenues vs Sewer Borrowing Expenses 2023-2029

Borrowing
30 Million

Description	2023	2024	2025 +3%	2026 +3%	2027 +3%	2028 +3%	2029 +3%
TIF Revenues Total	\$910,278	\$997,320	\$1,030,000	\$1,060,000	\$1,090,000	\$1,122,000	\$1,160,000
TIF Fixed Expenses Lights, TB, WEDC/25	\$187,153	\$187,153	\$147,153	\$147,153	\$147,153	\$147,153	\$147,153 NWM -125K
Net Availability	\$723,125	\$810,167	\$882,147	\$912,847	\$942,847	\$974,847	\$887,847
Full System	\$80,000			\$1,396,000	\$1,396,000	\$1,396,000	\$1,396,000
1-6		\$450,000					
			\$460,000				
Net Difference	\$643,125	\$360,167	\$422,147	(\$483,153)	(\$453,153)	(\$421,153)	(\$508,153)
Area 1 15M				\$150,000	\$162,000	\$170,000	\$177,000
Area 2 30M					\$350,000	\$360,000	\$380,000
Ending Balance	\$643,125	\$360,167	\$422,147	(\$333,153)	\$58,847	\$108,847	\$48,847
Estimated Carryforward	\$650,000						\$1,308,827 +650,000

Revenues vs Sewer Borrowing Expenses 2023-2029

Borrowing
24 Million

Description	2023	2024	2025 +3%	2026 +3%	2027 +3%	2028 +3%	2029 +3%
TIF Revenues Total	\$910,278	\$997,320	\$1,030,000	\$1,060,000	\$1,090,000	\$1,122,000	\$1,160,000
TIF Fixed Expenses Lights, TB, WEDC/25	\$187,153	\$187,153	\$147,153	\$147,153	\$147,153	\$147,153	\$147,153 NWM -125K
Net Availability	\$723,125	\$810,167	\$882,147	\$912,847	\$942,847	\$974,847	\$887,847
Full System	\$80,000			\$1,165,000	\$1,165,000	\$1,165,000	\$1,165,000
1-6		\$240,000					
			\$400,000				
Net Difference	\$643,125	\$570,167	\$482,147	(\$252,153)	(\$222,153)	(\$190,153)	(\$277,153)
Area 1 15M				\$150,000	\$162,000	\$170,000	\$177,000
Area 2 30M					\$350,000	\$360,000	\$380,000
Ending Balance	\$643,125	\$570,167	\$482,147	(\$102,153)	\$289,847	\$339,847	\$279,847
Estimated Carryforward	\$650,000						\$2,502,917 +650,000

Recommendation for NW Sewer Financing

► Based on Revenues

- 38.9M. Leaves a large negative yearly deficit (\$375,000)
- 33.M Leaves a Moderate negative yearly deficit (\$100,000)
- 30.M Leaves a balanced Positive Fund \$50,000
- 24.M Leaves a Large Carryforward \$280,000. (does not meet objectives of service, leaves 2 sections)

► Moving Forward

- Award GMP 1 at 8.6M
- Review final numbers on GMP in Sept.

Good neighbors - design goals

- Contain and treat odors
- Little to no traffic
- Architecture and Landscaping (fit in and be functional) aesthetically pleasing structures



What will happen when North Windham sewer is built?

- ✓ Remove - 100 septic systems from the aquifer
- ✓ Remove - 22,000 lbs of nitrogen and 3000 lbs. of phosphorous annually from the aquifer
- ✓ Provides for economic growth- waiting for sewer - restaurants, new hotel, brew pub, workforce and affordable senior housing, retail, office, and small-scale manufacturing space construction

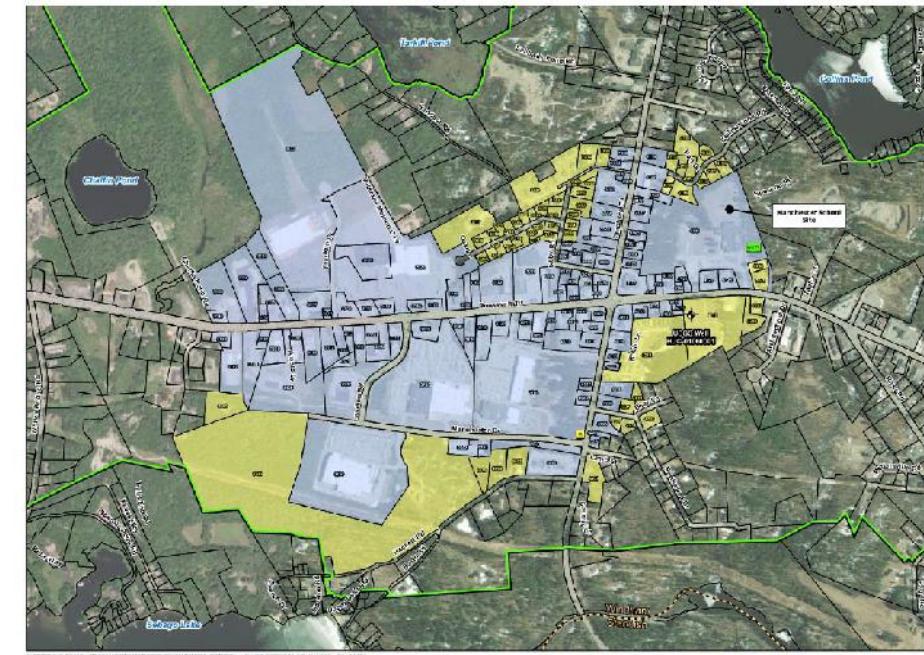


Figure 2-1
Phase 1 and Phase 2 Service Area

Project Schedule

- ▶ DEP Permit for disposal at Manchester Fields anticipated award June 2023
- ▶ Council Approval
 - ▶ GMP 1. May 23, 2023
 - ▶ GMP 2. Sept. 2023
- ▶ Design Build (CMAR) team selected and started - Fall 2022
- ▶ Under construction summer 2023
- ▶ Completion winter 2025 - First Flush January 1, 2026

Siting of
TP/effluent
disposal
Site Testing

Preliminary
Design & Pre-
permitting
Project Budget
established

June 14th
Referendum
Vote

Design Build
selection/
start Fall
2023

Construction
2023, 2024, 2025

Thank you

BAM/BOND costs @ 2%

BAN / Year	Amount	3-year w/Prin. Reduction	Payments	Balance forward for BAN	Original @ 30M
2023	\$8,000,000	\$80,000	\$80,000		\$27,000
2024	\$16,000,000	\$240,000	\$240,000		\$308,000
2025	\$24,000,000	\$400,000	\$400,000		\$526,000
Bond / Year		\$810,000	\$1,118,000	\$308,000	\$704,000
2026		\$810,000	\$1,118,000	\$308,000	\$836,000
2027		\$810,000	\$1,118,000	\$308,000	\$1,219,940
2029		\$1,165,000	\$1,118,000	(\$47,000)	
2029-56			\$1,269,000		
Total		\$33,700,000	\$35,000,000		

Next Steps - Design Build (CMAR)

- ▶ Schedule to meet Town's goals (end of 2025)
- ▶ Town Council Approves Acceptance of CWSRF award at \$38.9 million
- ▶ Guaranteed pricing and schedule in managed increments instead of waiting until the end of detailed design
- ▶ Greater flexibility with respect to phasing of the work and support of incremental scope changes as funding comes into focus
- ▶ Better leverages creativity and cost containment for large and complex projects such as this
- ▶ Town approvals: June 14, 2022
- ▶ CMAR engineering services procurement begins: July - August 2022
- ▶ Recommendation for engineering services contract: September - October 2022
- ▶ Construction begins in Spring of 2023

** CMAR - Construction Manager at Risk—price not to exceed is developed from design

Project Cost Estimate - Potential Funding

- ▶ Preliminary Design Report - Engineer's Estimate \$40.6M
- ▶ Town Tax Increment Funding (TIF) funding initially at \$15M
- ▶ Business Expansion funding at \$11.95M
- ▶ Clean Water SRF funding financed over 30-years at 1.5% rate Also will provide \$2M in principal forgiveness, 250K in grants. SRF - (State Revolving Loan Fund) award of \$38.9 million
- ▶ Town to utilized ARPA funds for drip dispersal system- \$1.7M
- ▶ Applied for Cumberland County ARPA funds for Engineering cost to date \$1.2M
- ▶ Applied to Maine's Congressional Delegation through their CDS program for grant funding for \$6M
 - ▶ CDS--"Earmark" or (Congressional Direct Spending)
- ▶ Town goal - set rates to cover O&M costs, working towards managing TIF District to cover Debt payments
- ▶ **Anticipated project impact to Residents is minimal**

Town received \$38.9 million award by DEP for correcting this pollution issue thru the Clean Water State Revolving Fund (CWSRF) with debt forgiveness. Town was 2nd most important issue to be fixed in the State.