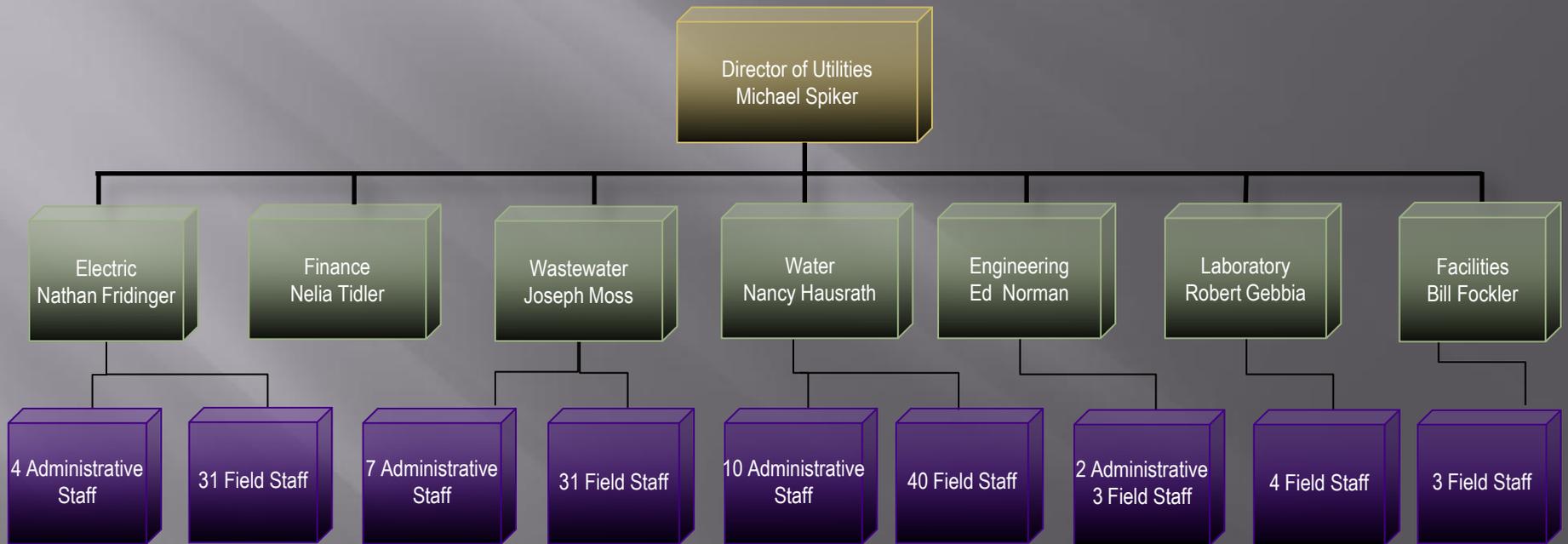




# City of Hagerstown Utilities Department



# Utilities Department

## **Mission**

- To enhance the quality of life in our community by providing reliable, competitively priced utility services through skilled, safety-oriented and customer focused employees.

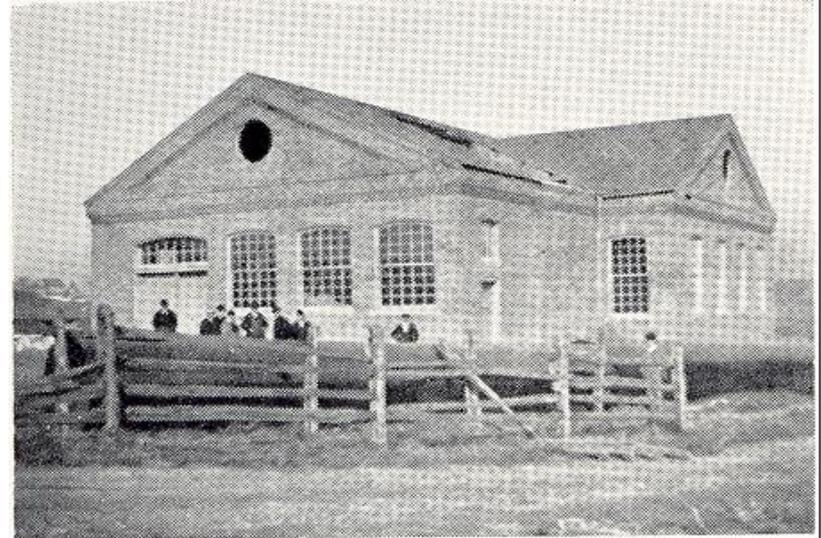
## **Values**

- The success of our organization depends on teamwork, professionalism and overall excellence achieved through our commitment to the following values:
- Cooperation between our customers and our employees in attaining our goals.
- Innovation in meeting the needs of our customers.
- Communication with each other and our customers.
- Equal Opportunity for growth and excellence for every employee.
- Integrity in each process that we perform.
- Responsibility as a team for the efficient and reliable delivery of services to our community.
- Pride in our work, in our dedication to public service and in striving to be our best.

# Utilities Department Overview

- Seven Divisions
  - 1. Electric
  - 2. Engineering
  - 3. Finance
  - 4. Laboratory
  - 5. Wastewater
  - 6. Water
    - a. Utility Billing
    - b. General Storeroom
  - 7. Facilities
- Community Impact
  - 1. 39,000 served
  - 2. Infrastructure Design
  - 3. Internal Controls
  - 4. Regulatory Compliance
  - 5. 58,000 served
  - 6. 88,000 served
  - 7. Property Management

# UTILITIES DEPARTMENT ELECTRIC DIVISION



*First Plant - 1901*

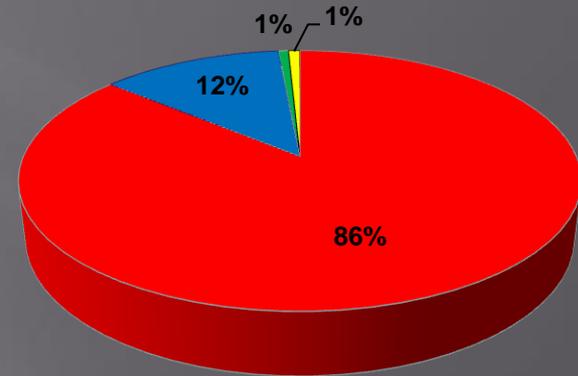
**LIGHT DEPARTMENT ESTABLISHED 1918**

# HLD CUSTOMERS

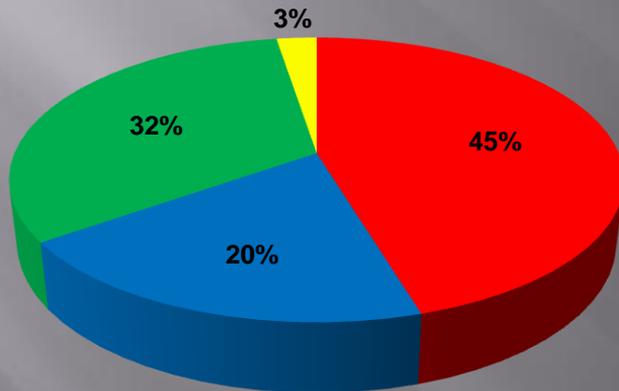
348,476,126 kWh Sold

17,556 Customers

### Customers By Class



### Revenue By Class



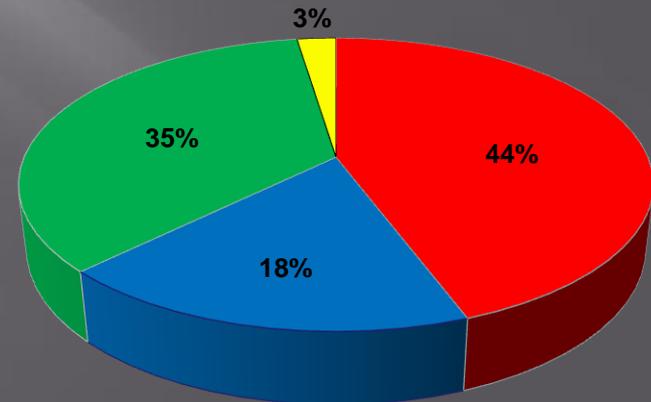
■ Residential

■ Commercial

■ Industrial

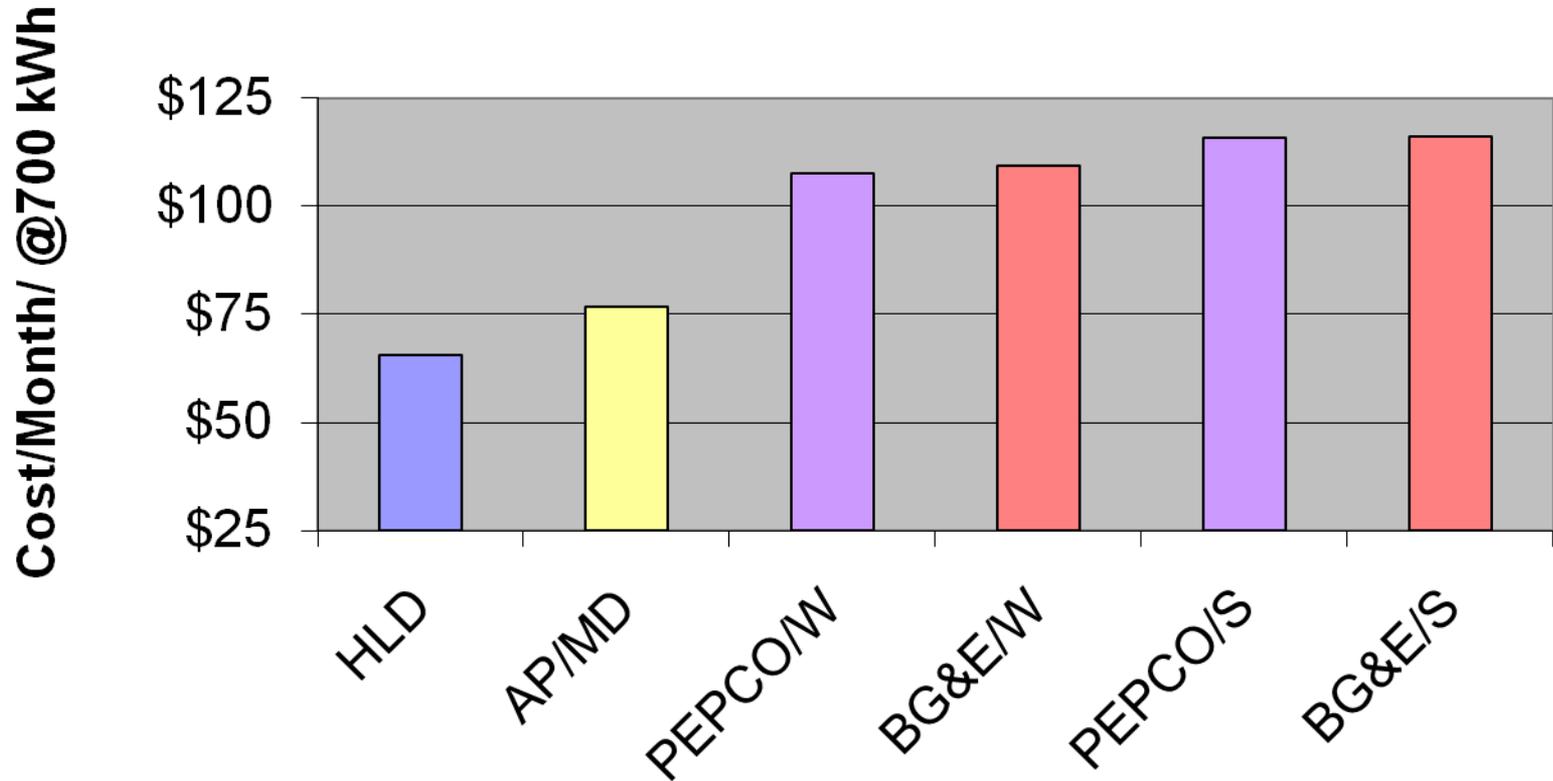
■ Other

### kWh Usage By Class



# HLD RATE COMPARISON

## Rate Comparison of Electric Costs



A current average monthly residential electric bill of 700 kWh for a HLD customer is currently 17% lower than Allegheny Power's rate, 64% below PEPCO's winter rate, and 67% below BG&E's winter rate.

# CAPITAL IMPROVEMENTS

Over \$10.2 Million has been expended during the past 20 years in major upgrades to the electrical sub-transmission and distribution system. In order to meet HLD customer's current needs and to prepare for future growth. Ongoing improvements such as our substation and distribution maintenance programs are vital, ensuring that the Hagerstown Light Department will be able to continue to properly serve all of our electric customers needs. The HLD has received three grants in 2010 and 2011 which assisted our residential customers in reducing their electric costs thru lighting and thermostat programs. The thermostat program saves our residential customers approximately \$18,000 per year.





# UTILITIES DEPARTMENT WASTEWATER DIVISION



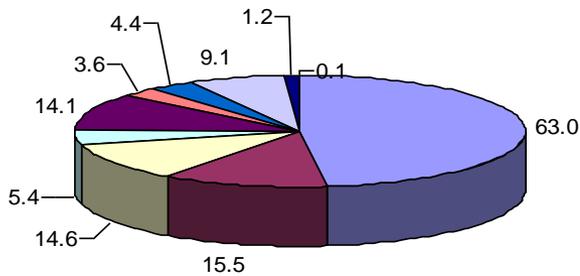
# Wastewater System

- Treatment
  - 10.5 MGD plant (capacity upgrade completed in December 2010)
  - Headworks Project 100 % completed (Bar Screen and Flow Channel redundancy)
  - ENR Upgrade 100% complete (De-nitrification Sand Filters installed and operating as designed)
  - UV Disinfection is 100% complete (UV replaced the Ozone Disinfection process)
  - 52 months of operation without a permit violation
- Collections
  - 27 Lift Stations
  - 153 miles of Piping, including gravity and force mains
  - Inflow and Infiltration (I&I) Projects are number one priority
  - I&I Capital Improvement Project budgeted at \$2M over next two years

# Wastewater Customers

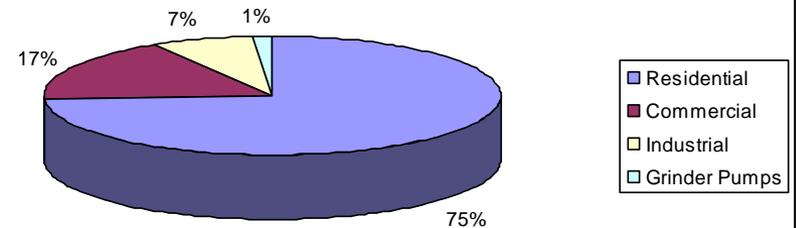
Rate Class	Billed Usage (MG/Month)	Customers (Accounts)
•City (Residential)	63.0	12,418
•County (Residential)	15.5	2,843
•Joint Service Area (Residential)	14.6	3,351
•Public Authority (Residential)	5.4	78
•Commercial (City)	14.1	904
•Commercial (County)	3.6	109
•Commercial (JSA)	4.4	159
•Industrial (City)	9.1	49
•Industrial (County)	1.2	5
•Industrial (JSA)	0.1	7
<b>TOTAL</b>	<b>131</b>	<b>19923</b>

**Usage by Customer Class**



- City (Residential)
- County (Residential)
- Joint Service Area (Residential)
- Public Authority (Residential-City-County-JSA)
- Commercial (City)
- Commercial (County)
- Commercial (JSA)
- Industrial (City)
- Industrial (County)
- Industrial (JSA)

**Revenue by Class**



# Wastewater CIP

- Salem Avenue Rehabilitation – (Winter Street – Burhans Avenue) Reduce Inflow and Infiltration Cost \$850,000
- Citywide Rehabilitation Project – Reduce Inflow and Infiltration throughout the City System – nearly 350 sites have been identified, estimated at nearly \$8,000,000 - Phase 1 is budgeted at \$3,200,000 with 1,422,560 ARRA Grant funding, \$800,000 from a BRF Grant and \$827,440 funded through a 0% interest loan from MDE.
- Headworks, ENR, and Disinfection upgrades were completed in December 2010.
- Citywide rehabilitation of the Wastewater system will continue to be prioritized as funding becomes available.
- New sludge processing equipment project is scheduled for 2013/14 design and upgrade in order to replace 1980 vintage equipment.



# UTILITIES DEPARTMENT WATER DIVISION



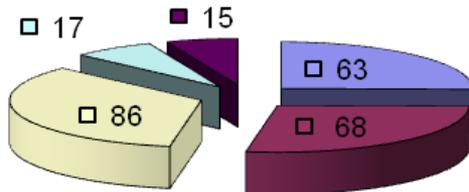
# Water System

- The Hagerstown Water Distribution system is comprised of over 400 miles of water mains ranging in size from 2" up to 36".
- Hagerstown has 8-water storage tanks, with the most recent completion occurring in the footprint of the old West End Reservoir. There are 4 pumping stations that help convey water throughout the system.
- There are approximately 2200 fire hydrants used for system maintenance and fire suppression.
- Virtually all potable water delivered to our customer base is derived from the R. C. Willson WTP on the Potomac River. We are currently averaging in excess of 11 MGD with a peak of 15 MGD.
- The W. M. Breichner Plant in Smithsburg is permitted at 700k GPD and is operated in available status and is utilized as needed.

# Water Customers

Rate Class	Customers (Accounts)	Billed Usage (MG/Month)
· City (Residential)	11,886	63
· County (Residential)	14,465	68
· Commercial (City & County)	922	86
· Industrial (City & County)	686	17
· Wholesale	<u>3</u>	<u>15</u>
· <b>TOTAL</b>	<b>28,091</b>	<b>250 MG/M</b>

Usage by Customer Class



■ City

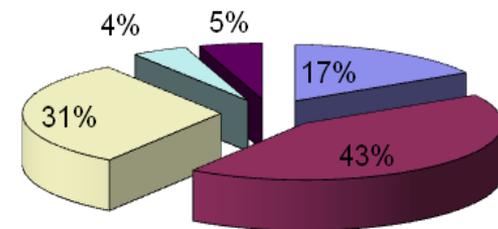
■ County

■ Commercial

■ Industrial

■ Wholesale

Revenue By Class



# Water CIP

- 6.4 MG Hellane Park Water Tank was completed in December 2010 utilizing zero interest MDE and ARRA funding
- R. C. Willson Phase 1A Transmission Main Replacement (475 feet of dual 36 inch mains and the associated valves) was completed in the Spring of 2011 using zero interest MDE Loan and EPA Grant
- R. C. Willson Phase V Electrical Upgrade Project (installation of a 2 megawatt full requirements generator and the associated internal switchgear and transformers) was recently completed utilizing zero interest MDE Loan and EPA Grant
- Distribution Water Meter Replacement Program is on schedule to replace 2000 meters per year (with radio read meters) through 2014
- R. C. Willson Phase 1B Transmission Main Replacement from Bottom Road to Governor Lane Boulevard is scheduled to resume in 2014 dependant upon funding sources

# Finance

## Bad News

- Losing the Hospital and Good Humor will impact Electric and Wastewater Funds
- Sluggish economy – bankruptcies/bad debts/vacancies & uncertain future growth

## Challenges

- Alternative energy sources
- PSC Restrictions on disconnection during winter and summer months, as well as emergency restrictions
- Water/Wastewater rates are fixed until 2014
- Declining revenues in Electric may trigger a rate adjustment case at the PSC

## Good News

- Moving forward to enhance customer services, i.e. (online access by customers to their accounts, begin, transfer and stop services online, enhance online payment, etc.)
- Cost savings - elimination or reduction of overtime and the continuance of 15 unfunded positions for FY13.
- Deferment of CIP – vehicles, computers, equipment, etc.
- Generation/transmission pricing for Electric will be reduced approximately 10% beginning in June 2011 through the end of the contract in 2014.

# Engineering

- Guiding clients/consultants and agencies through infrastructure design via plan review and approval process.
- Consolidated Standards and Specifications and policy enforcement.
- Provision of accurate as-built infrastructure information for internal and external customers.
- Water and wastewater permits approval process and inspection of approved plans for construction.
- Support for water plant , wastewater plant and field capital improvement projects.
- GIS (Geographical Information System) provided for design and verification of our facilities; water and wastewater data continually updated.

# Laboratory

## Most Pressing Regulation

- The USEPA Stage 2 Disinfectant Byproducts Regulation preliminary studies and testing have been completed and indications are that with our present treatment process we will not meet the October 1, 2012 deadline for THM (trihalomethanes) maximum contaminant levels of 80ug/l. The Water Division is looking into other treatment techniques to reduce those levels and is currently at the 60% design phase.

## Other Regulations

- Another round of Lead and Copper testing was completed in 2011. Because of the results we've been getting, our testing requirements have been reduced to three years of testing, three years off. This regulation is unusual in that the samples are collected by our customers at their home taps.
- Also in 2011 the Radionuclides Rule came into effect. Because our sources are surface water, we have not had problems with radionuclides in the past and don't expect problems next year. These contaminants are mainly found in ground water.
- The Total Coliform Rule is worked on daily by laboratory staff. Samples are collected throughout the system and tested.
- The first half of NPDES permit biomonitoring and chemical toxicity testing was completed and the wastewater plant discharge was found not to be toxic to aquatic life. The second half of the testing will be done at the end of the permit in 2012
- New filters installed at the wastewater plant due to tighter discharge regulations will require more process testing to insure their proper function.

# Facilities

- The Department manages all properties and facilities owned by the Electric, Wastewater, and Water Divisions.
- The Utilities Facilities includes two main administrative buildings, three treatment plants, two office/operational buildings, thirty pump stations and four residential rental properties.
- Administratively, the Department tracks maintenance and utilities expenditures, conducts the bidding process for projects, and oversees all aspects of job construction services related facilities maintenance.

