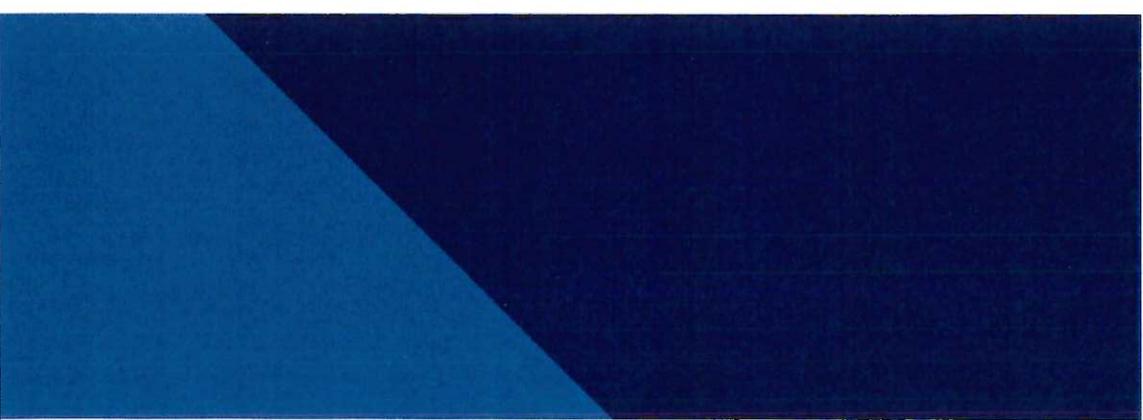


Bangor City Council Working Session

Water Capital Improvement Plan & Financial Projection

February 17, 2026

 **ABONMARCHE**



Introductions

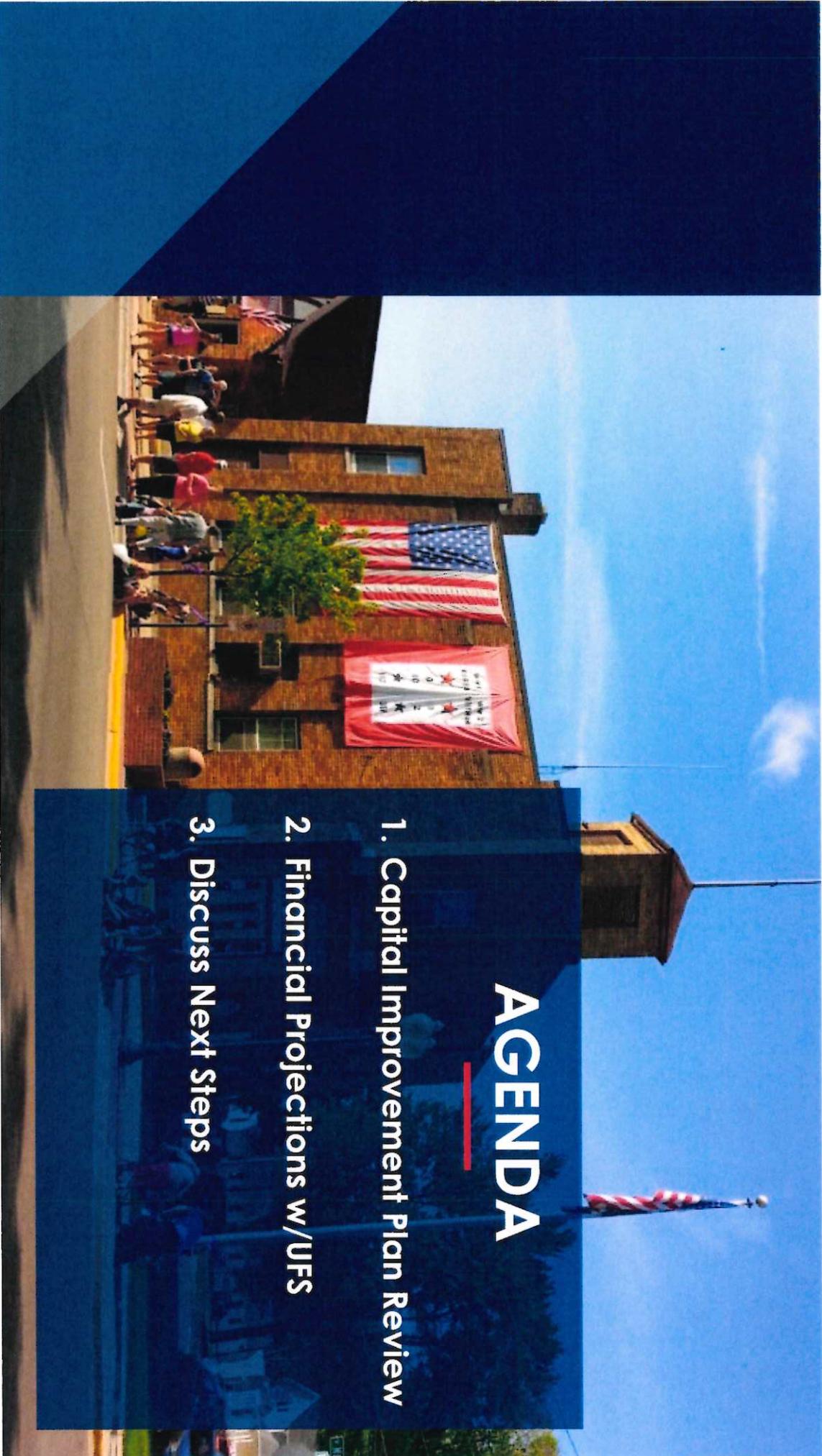
Abonmarche Team

- Nick Shelton
 - Business Development & Government Strategy Director
- Jeff Heald
 - Project Manager
- Madelyn Landry
 - Staff Engineer

Utility Financial Solutions Team

- Dawn Lund
 - Vice President





AGENDA

1. Capital Improvement Plan Review
2. Financial Projections w/UFS
3. Discuss Next Steps

Capital Plan/ACA Status

Status of Bangor's ACA with EGLE

- Water Distribution Asset Management Plan and Capital Improvement Plan has been completed and approved by EGLE
- Technical, Managerial, and Financial Capacity study is underway
 - Abonmarche working with Delta Institute and Utility Financial Consultants
- 5- and 20- year Rate Study incorporating Capital Improvement Projects in progress by Utility Financial Consultants
 - Approval and rate implementation of these rate studies to be completed by City Council



Water Capital Improvement Plan Breakdown

CIP Item	Estimated Project Cost
Water Supply & Treatment Upgrades (ACA)	\$271,000
Lead Service Line Removal (EPA/EGLE)	\$1,443,750
Storage Tank Coatings and Improvements (ACA)	\$558,500
2" Water Main Removal Project	\$100,000
Alexander Street – Arlington to Washington (2300 ft)	\$2,283,908
Bangor Street – 3 rd to Center (1950 ft)	\$1,904,908
Arlington Street – Maple to Chase (700 ft)	\$764,292
Total 5 Year Water Project Costs	\$7,326,358
Long-term Water Distribution CIP Estimate	\$34,123,444
Total Water Project Costs	\$41,449,802



5-Year CIP Timeline

Fiscal Year	Project Description	Estimated Cost
2027	All 5-Year Water Supply Improvements All 5-Year Water Storage Improvements 2" Water Main Removal Project Alexander Street Water Main Replacement 5-Year Lead Service Line Replacements	\$4,657,158
2028	-	\$0
2029	-	\$0
2030	Bangor Street Water Main Replacement	\$1,904,908
2031	Arlington Street Water Main Replacement	\$764,292
5 Year Water CIP Project Total		\$7,326,358



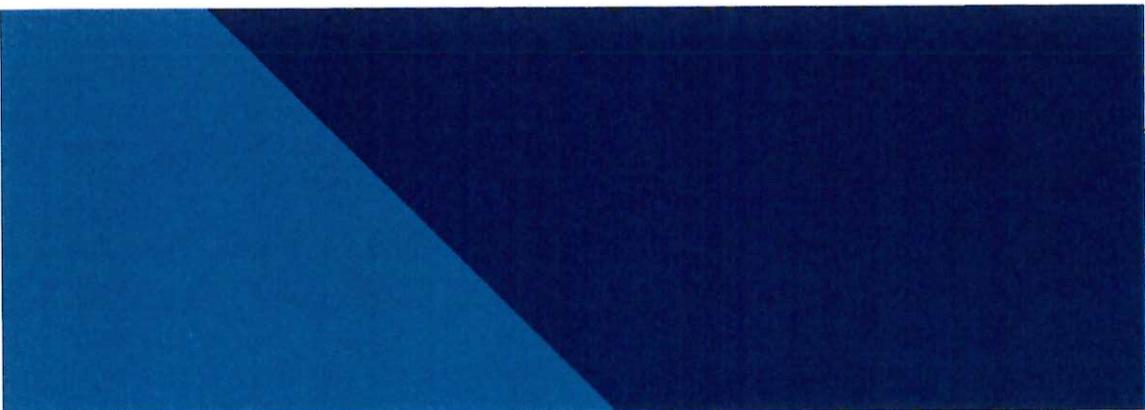
Financial Projection And Rate Design Study

- UFS Completed a financial projection looking at key targets
- Capital from Abonnement was incorporated
- Borrowing needs analyzed with corresponding rate adjustments
- Rate impacts were projected over five years
- Capital is projected outside of the five-year period, that report to follow



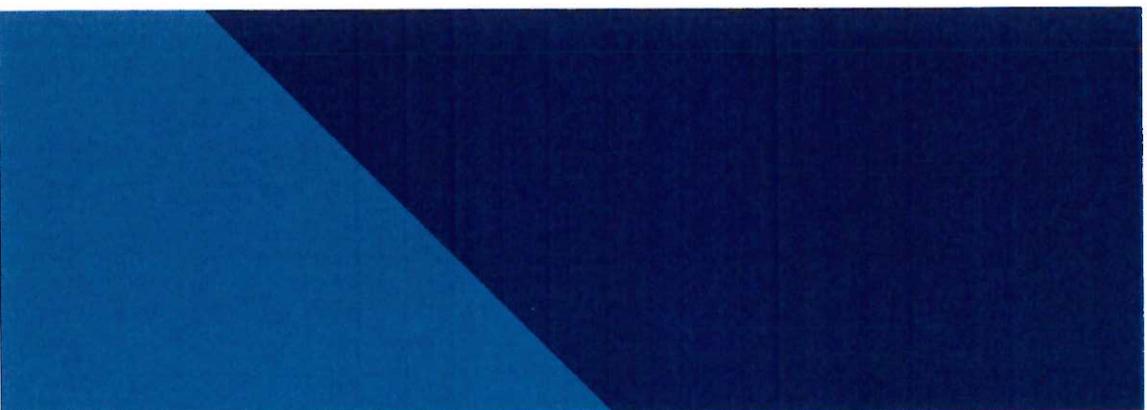
Financial Projection And Rate Design Study

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Capital Improvements	Bond Issues	Debt Coverage Ratio
2027	0.0%	\$ 551,238	\$ 547,494	\$ 21,655	\$ 669,596	\$ 4,657,158	\$ 4,657,158	1.45
2028	0.0%	551,238	607,359	(38,209)	519,174	-	-	0.35
2029	0.0%	551,238	621,037	(51,887)	355,073	-	-	0.29
2030	0.0%	551,238	654,161	(85,012)	737,614	1,904,908	2,500,000	0.20
2031	0.0%	551,238	695,337	(126,187)	(342,799)	764,292	-	0.11
Targeted Minimum in 2027				\$ 75,554				
Targeted Minimum in 2031				\$ 209,482				
MINIMUM/CRITICAL Reserves 2027					\$ 450,945			1.0/1.5
MINIMUM/CRITICAL Reserves 2031					\$ 542,561			1.0/1.5



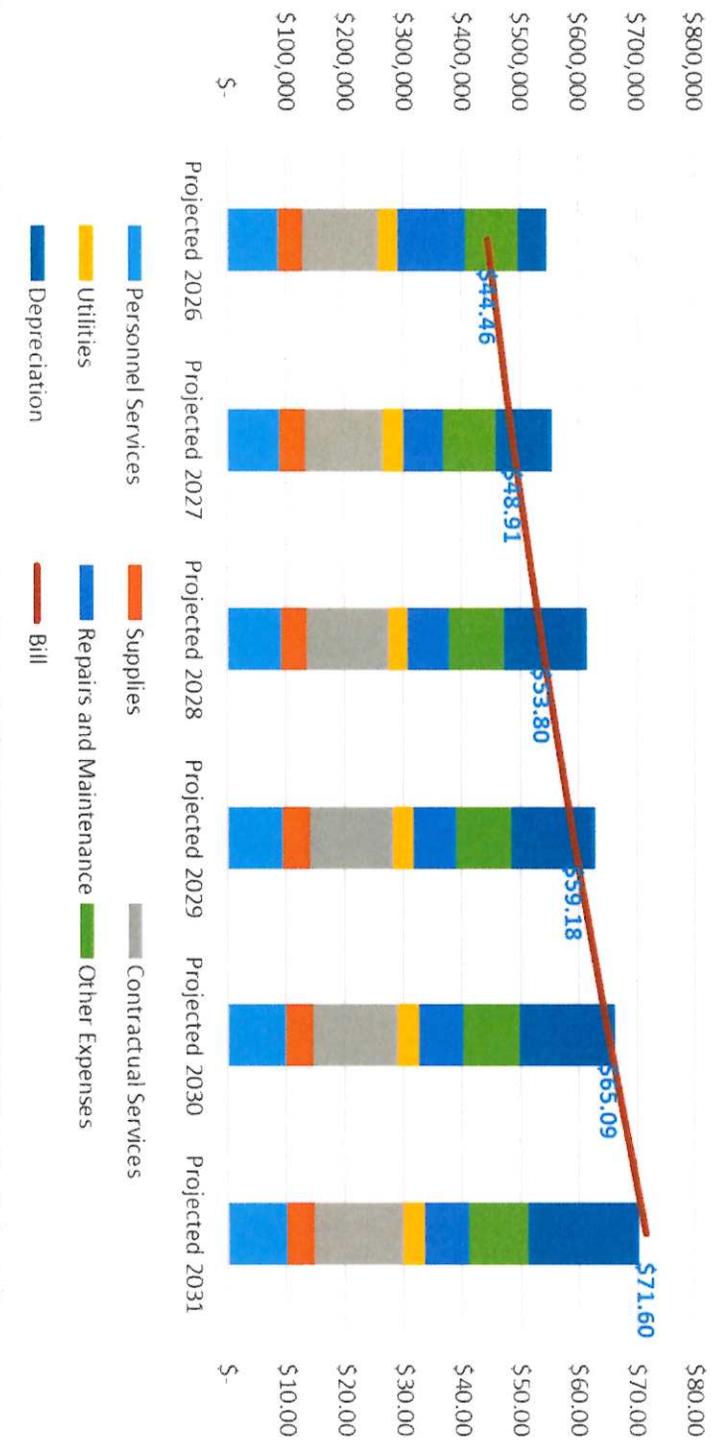
Financial Projection And Rate Design Study

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Capital Improvements	Bond Issues	Debt Coverage Ratio
2027	10.0%	\$ 604,001	\$ 547,494	\$ 74,418	\$ 722,359	\$ 4,657,158	\$ 4,657,158	2.27
2028	10.0%	662,040	607,359	72,592	682,738	-	-	0.83
2029	10.0%	725,882	621,037	122,757	693,281	-	-	1.05
2030	10.0%	796,110	654,161	159,860	1,320,693	1,904,908	2,500,000	1.12
2031	10.0%	873,359	695,337	195,934	562,402	764,292	-	1.02
Targeted Minimum in 2027				\$ 75,554				
Targeted Minimum in 2031				\$ 209,482				
MINIMUM/CRITICAL Reserves 2027					\$ 450,945			1.0/1.5
MINIMUM/CRITICAL Reserves 2031					\$ 542,561			1.0/1.5



Financial Projection And Rate Design Study

Option 1 - Gap Closure
Rate Increases and Borrowing



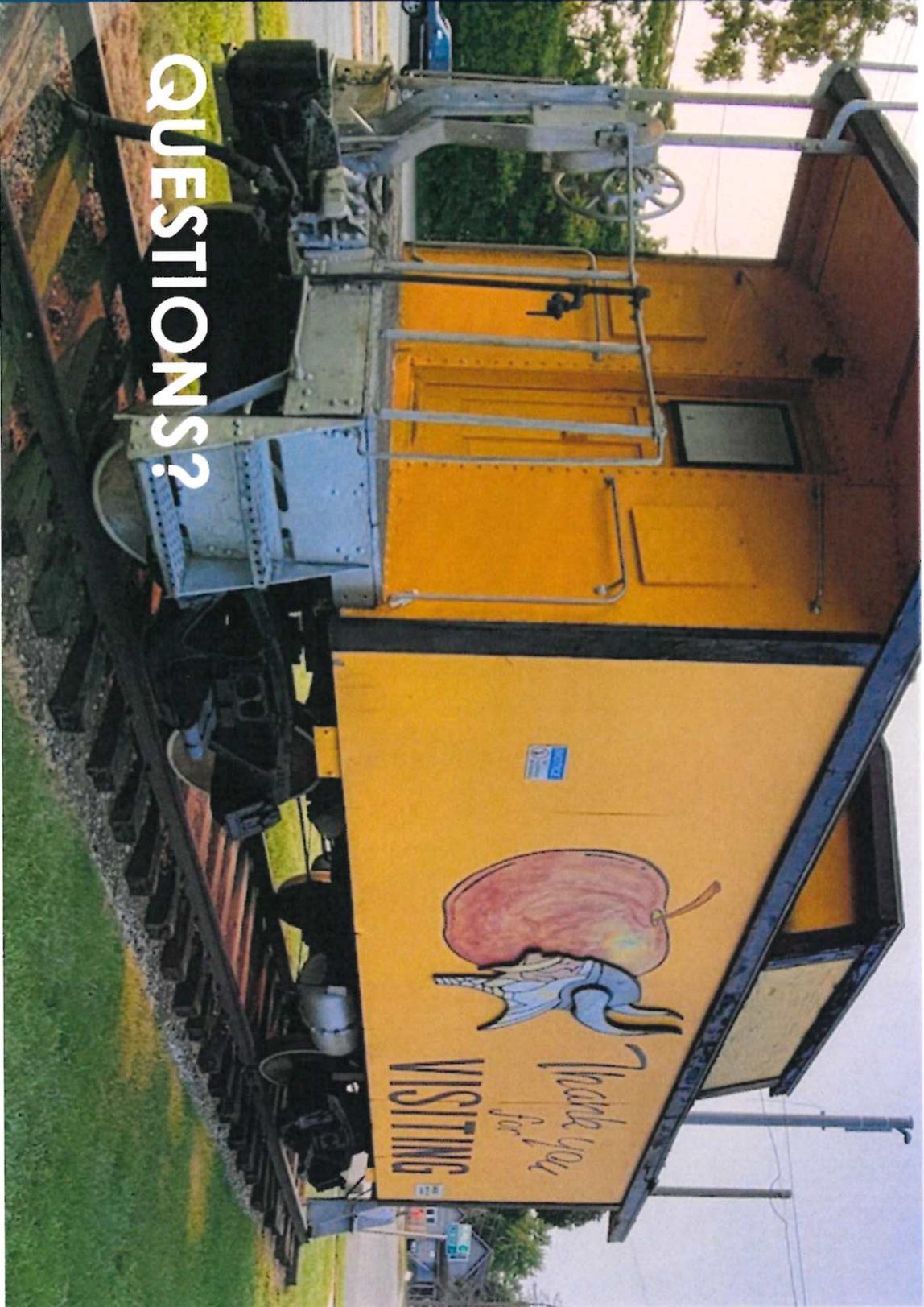
AVG customer using 6,000 gallons per month
No debt to a debt payment of \$353,452



Next Steps

- City Council to approve UFS Rate Study or alternative funding plan
 - Required by the ACA
- City Council to approve Project Plan for DWSRF Application
 - DWSRF Application for FY 2027 due May 31, 2026





QUESTIONS?