

AMENDMENT TO SEWER USER CHARGE COLLECTION AGREEMENT
BETWEEN THE TOWN OF CAPE ELIZABETH AND
THE PORTLAND WATER DISTRICT
July 28, 2015

This amendment to Agreement is made this ____ day of _____, (year) by and between the Town of Cape Elizabeth, a body politic and corporate with a place of business at Address, Cape Elizabeth, Maine (hereinafter the "Town"), and the Portland Water District, a quasi-municipal corporation organized and existing under the laws of the State of Maine, with a place of business at 225 Douglass Street, Portland, Maine (hereinafter the "District").

Whereas, the Town and District entered into a Sewer User Charge Collection Agreement dated December 29, 1978, (hereinafter "Agreement") related to the billing and collection of sewer user fees in conformity with the Town's Ordinance and the District's Charter; and

Whereas, the parties seek to further define and clarify their respective responsibilities related to the collection of said sewer user fees; and

Now therefore, in mutual consideration of the covenants contained herein, the parties agree to amend the Agreement as follows:

1. The parties agree that the Standard Operating Procedures for Billing Related Activities dated (date) (hereinafter "Procedures") and attached hereto as Exhibit A and incorporated herein by reference shall govern the process of billing sewer user charges under the Agreement.
2. Any changes to the Procedures must be approved in writing. General Manager on behalf of the District, and Town Manager on behalf of the Town shall have the authority to approve changes to the Procedures. Changes that have not been authorized in writing shall not be considered effective.
3. Any and all provisions of the Agreement not amended herein remain in full force and effect.

In Witness Whereof, the parties have caused this Amendment to Agreement to be signed the date above written.

Town of Cape Elizabeth

Witness

Michael McGovern
Town Manager

PORTLAND WATER DISTRICT

Witness

Ronald Miller
General Manager

**Portland Water District/Town of Cape Elizabeth
Water District Standard Operating Procedures for Billing-Related Activities Index**

July 28, 2015

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Adjustments	Original, July 28, 2015
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Topic:	Adjustments
Date:	July 28, 2015
Desc:	Adjustments to debit or credit sewer balances may be required in the following circumstances: meter equipment failure, failure to read a meter, billing errors, abatements requested by the municipality, plumbing leaks, sewer turnovers, bankruptcies, misapplied payments and payments returned for insufficient funds or bad banking information. The municipality receives a monthly financial report from PWD reflecting debit and credit adjustments.

Meter Equipment Failure, Failure to Read Meter, and Billing Errors (does not apply to submeters or sewer meters)

Adjustments due to meter equipment failure or billing errors for water fall under MPUC Chapter 660 rules. Sewer charges will also be adjusted according to MPUC Chapter 660 rules.

Under-billed Service: If an account has been under-billed, a make-up bill can be issued for service provided in the 12 months prior to the date the make-up bill is issued. The customer must be offered a payment arrangement on the balance. If the account was under-billed due to fraud or diversion, a make-up bill can be issued for service that occurred up to 6 years before the issuance of the make-up bill.

Over-billed Service: If an account has been over-billed, a refund shall be issued for the excess amount billed within the previous 6 years from the date the error was discovered by the utility.

PWD Contact for Questions: Customer Service Supervisor or Director of Customer Service

Municipality Contact for Questions:

Primary: Title

Alternate: Title

Policy approvals do not require PWD/municipal contact or municipal approval for each adjustment

Plumbing Leak Adjustments

The Town of Cape Elizabeth's policy for providing sewer credit adjustments related to plumbing leaks is to credit all of the billing in excess of the customer's normal sewer usage. In no event will the credit apply to leakage that occurred more than one year prior to the date the customer notifies PWD of the leak. Only one leak adjustment is allowed, per account, during a five year period.

PWD Contact for Questions: Customer Service Supervisor and Director of Customer Service

Municipality Contact for Questions:

Primary: Title

Alternate: Title

Policy approvals do not require PWD/municipal contact or municipal approval for each adjustment.

Adjustments, continued

Abatements

For a variety of reasons a municipality may ask PWD to credit a specified sewer amount on a customer's account. The municipality's request to PWD must be made in writing and include an authorized, approval signature. The written request must include the reason for the abatement, the amount of the abatement, the customer's name and the account number. PWD will apply the adjustment within 30 days of receipt of the approved, written notification.

PWD Contact: Customer Service Supervisor and Director of Customer Service

PWD Preferred Method of Contact: Email with written documentation and approval attached

Municipality Contact for Questions:

Primary: Title

Alternate: Title

Municipality: Authorized Approval:

Primary: Title

Alternate: Title

Requires an authorized municipal approval in writing for each abatement

Sewer Turnover

On the first Thursday of June and December, any sewer balances at least 60 days old on inactive, final accounts, and any balances at least 60 days old on active, sewer only accounts, will be turned over to the municipality for collection. PWD will send written notice to customers informing them of the sewer turnover 1 business day after the turnover, and will email a sewer turnover report to the municipality within 2 business days of the sewer turnover. The municipality will provide PWD with a list of email addresses for all municipality staff members who should receive a copy of the sewer turnover report. If there are any changes to the municipality staff email list, the municipality must notify the PWD Director of Customer Service and the Customer Service Supervisor, via email, before the first Thursday in June and the first Thursday in December. Occasionally, the municipality may request a sewer turnover for an individual customer.

PWD Contact for Questions: Customer Service Supervisor or Director of Customer Service

Municipality Contact for Questions:

Primary: Title

Alternate: Title

Policy approvals do not require PWD/municipal contact or municipal approval for annual sewer turnovers.

Adjustments, continued

Bankruptcy

When PWD is notified of a bankruptcy, the customer's account is finalized, as of the bankruptcy date, and the sewer balance is written-off. If the customer is still residing at the premise, a new account is activated in the customer's name. The bankruptcy amount from the customer's finalized account cannot be transferred to their new account. PWD provides a bankruptcy listing, as part of the monthly financial report provided to the municipality, of any new bankrupt account and the amount written off, since the previous monthly financial report was issued. Upon notification of the bankruptcy, PWD files a Proof of Claim to the court, on behalf of the municipality and a copy of the Proof of Claim is mailed to the municipality.

PWD Contact for Questions: Customer Service Supervisor or Director of Customer Service

PWD Contact for Bankruptcy Report/Proof of Claim Questions: Director of Financial Services or Financial Analyst

Municipality Contact for Proof of Claim Notification:

Primary: Title

Alternate: Title

Municipality Contact for Questions:

Primary: Title

Alternate: Title

Policy approvals do not require PWD/municipal contact or municipal approval for each bankruptcy.

Insufficient Funds/Bad Banking Information

Adjustments are performed to reverse payments returned by the bank for insufficient funds, closed accounts or for other reasons related to bad banking information.

PWD Contact: Customer Service Supervisor or Director of Customer Service

Municipality Contact for Questions:

Primary: N/A

Alternate: N/A

Policy approvals do not require PWD/municipal contact or municipal approval for each adjustment.

Misapplied Payments

Payments that have been misapplied require adjustments to reverse the incorrect payment and apply the correct payment. Examples of misapplied payments are: payments applied to the wrong account number, designated payments to sewer that were applied to water, and payments on sewer turnover balances that were received by PWD.

PWD Contact: Customer Service Supervisor or Director of Customer Service

Municipality Contact for Questions:

Primary: N/A

Alternate: N/A

Policy approvals do not require PWD/municipal contact or municipal approval for each adjustment.

Topic:	Billing				
Date:	July 28, 2015				
Desc:	<p><u>Year-round customers receive monthly bills.</u> Cape Elizabeth accounts are generally billed the third Friday of the month. Monthly sewer bills, based on actual metered or estimated usage, are comprised of a minimum that includes 1 HCF and an amount for additional usage beyond the usage included in the minimum. Year-round customers have the option of receiving a paper or paperless bill.</p> <p><u>Seasonal customers</u> regularly take service for a portion of the year from either a deep or surface water main. They receive two bills per season, an initial bill (for 12 sewer minimums which includes 12 HCF) when the account is established, and a final bill when the account is closed. Upon closing the seasonal account, if usage for the season exceeds the 12 HCF allowed in the initial bill, the additional usage is billed on the final bill.</p> <p><u>Sewer Minimum:</u> When a year-round customer opens or closes an account, the sewer minimum is prorated on the number of days from the service start date or the service stop date. Otherwise the full sewer minimum is billed monthly. When a seasonal customer opens an account, the full sewer minimum (based on 12 minimums) is billed on the initial bill. Final seasonal bills do not include a minimum because the minimums were billed up front on the initial bill.</p> <p><u>Sewer Treated by Another Municipality:</u> There are Cape Elizabeth customers whose sewer is being treated by another municipality. Refer to the table below for general information about each situation. A report called <u>Sewer Treated By Another Municipality</u> is being developed that will provide specifics by account, including information about contracts/agreements.</p> <table border="1"> <thead> <tr> <th>Area</th><th>Situation</th></tr> </thead> <tbody> <tr> <td>Cape Elizabeth: Linwood St</td><td>Sewer for Cape Elizabeth customers for 5 and 9 Linwood St is treated in So Portland. Customers pay So Portland rates and the sewer revenue goes to the City of So Portland.</td></tr> </tbody> </table> <p><u>Submeter and Sewer Meter (aka Reverse Mode Meter) Charges:</u> Sewer charges are based on actual metered or estimated water usage, unless the customer has a deductive submeter, in which case, the sewer usage is billed on the difference between the water usage minus the submeter usage. If the customer has a sewer meter the sewer is billed on the usage measured by the sewer meter. All submeters, including sewer meters, and their meter reading devices (ERTS), are owned, installed and maintained by the customer. PWD will attempt to read these meters on a monthly basis, but is not responsible for: monitoring usage, the accuracy of the meters, testing these meters, or for meters/ERTS that have an equipment or installation problem. However, in certain circumstances explained in the Troubleshooting Submeters and Sewer Meters Section below, PWD will provide assistance.</p> <p><u>Troubleshooting Submeters and Sewer Meters (aka Reverse Mode Meter):</u> To determine if their submeter or sewer meter is faulty, customers need to do their own troubleshooting by: 1. reading the meter and documenting the reading; 2. running water for 5 minutes through the device that is plumbed to the meter; and 3. Reading the meter again and documenting the reading.</p> <p>If the <i>meter reading hasn't advanced</i>, the meter is probably faulty. If the submeter is 1" or less, and is not a sewer meter, the customer can contact PWD to make an appointment to replace the meter and/or ERT at no cost to the customer, provided the submeter/ERT is in a safe, easy to access location. For faulty submeters greater than 1 inch, submeters that do not meet PWD specifications, sewer meters, or submeters of any size that are not in a safe, easily accessible location, the customer must purchase a new submeter or sewer meter from the municipality as outlined in the Purchasing Submeters and Sewer Meters section, and have it installed.</p> <p>If the <i>meter reading has advanced</i>, the meter is probably working and the problem could be with the ERT (reading device). If the ERT is attached to the submeter or sewer meter with a wire (not mounted directly onto the meter), and is in a safe, easy to access location, the customer can contact PWD to request an appointment for a technician to check the ERT and replace it if faulty (PWD will do this for any size meter). However, if the ERT is mounted directly onto the submeter, and the submeter is one inch or less in size, the combined submeter and ERT will be changed by the PWD technician at no cost to the customer. If the ERT is mounted directly onto the submeter, and the submeter is greater than one inch, the customer must purchase a new submeter/ERT from the municipality as outlined in the Purchasing Submeters and Sewer Meters section, and have it installed.</p>	Area	Situation	Cape Elizabeth: Linwood St	Sewer for Cape Elizabeth customers for 5 and 9 Linwood St is treated in So Portland. Customers pay So Portland rates and the sewer revenue goes to the City of So Portland.
Area	Situation				
Cape Elizabeth: Linwood St	Sewer for Cape Elizabeth customers for 5 and 9 Linwood St is treated in So Portland. Customers pay So Portland rates and the sewer revenue goes to the City of So Portland.				

Billing, continued

To be clear about sewer meters, PWD will not change a sewer meter of any size, but will replace the ERT as long as the ERT is attached to the sewer meter with a wire.

Whenever a PWD technician has an appointment to replace an ERT on a submeter or sewer meter, or replace a submeter/ERT combination, PWD will be reimbursed by assessing the municipality for the technician's time, vehicle cost and the cost of the metering equipment.

Purchasing Submeters and Sewer Meters (aka Reverse Mode Meters): Customers must go to the municipality to complete an application and pay a permit fee to the municipality. The municipality will notify PWD to mail the submeter (if 2 inch or less) to the customer. Larger submeters (>2 inches) will be picked up by the customer at PWD. Once a submeter is installed, the customer will notify the municipality to inspect the installation. If the submeter installation is approved, the municipality will notify PWD to set up billing and meter reading services. If PWD cannot read the newly installed submeter the first month after installation, PWD will notify the customer. This is the only time PWD notifies customers when a submeter/sewer meter cannot be read.

Sewer late fees for year-round customers are assessed for unpaid balances greater than 30 days old at the time the account is billed. PWD assumes, and bills, the maximum sewer penalty rate as established by the State of Maine.

Temporary Lines Due to Water Main Construction: Customers may be fed from temporary service lines, where water is not flowing through the meter, and therefore, water usage is not being measured. Customers on *Temporary Lines for a Full Month*: customers whose water usage history is less than or equal to 15 hcf per month, will receive a minimum water and sewer bill each full month the temporary lines are in place. Conversely, customers whose water usage history is greater than 15 hcf per month, will be billed their historical water usage minus 15 hcf, for water and sewer, each full month the temporary lines are in place. *Customers on temporary lines for a partial month*: if their historical usage is less than or equal to 15 hcf per month, they will be billed the actual usage on the meter. If their historical usage is >15 hcf per month, they will be billed on their historical usage. Usage allowances are made because temporary service may not be as reliable, there could be limited water flow, and there could be some issues with warm or cloudy water. When water and sewer usage is derived from the same meter, the billing system requires the billable usage for water and sewer to match.

PWD Contact: Customer Service Supervisor or Director of Customer Service

Municipality Contact for Submeter Sale/Inspection Questions:

Primary: Title

Alternate: Title

Municipality Contact for PWD Submeter Billing to City Questions:

Primary: Title

Alternate: Title

Policy approvals do not require municipal approval for each billing or temporary service line. Each submeter/reverse mode submeter installation will require municipal inspection.

Topic:	Credit and Collection of Delinquent Accounts
Date:	July 28, 2015
Description:	<p>PWD chooses to assist the municipality with collection of their delinquent sewer charges in a timely, efficient manner, by disconnecting water service if all other options to collect payment are unsuccessful.</p> <p>Credit and collection practices for residential and non-residential accounts fall under <u>MPUC Chapter 660 rules</u>. Chapter 660 requires PWD to offer delinquent customers a reasonable payment arrangement, sources of possible financial assistance, the right to dispute, and the right to declare a physician certified medical emergency for anyone in the household who is seriously ill. While the account is on dispute or classified as a medical emergency, disconnection notices cannot be issued and service cannot be disconnected. Accounts on dispute cannot be billed late fees, except for medical emergency accounts.</p> <p>Disconnection notices for delinquent sewer will be issued based on MPUC Chapter 660 guidelines and PWD's Terms and Conditions.</p> <p><u>Single Meter Multi-unit Properties:</u> For single meter, multi-unit properties, where the landlord/customer is delinquent, in addition to the customer notice above, PWD must post a tenant notice at the property ten calendar days prior to disconnection, informing tenants how they may stop disconnection. In addition, PWD will inform the municipality, by email with report attachment, when the customer is delinquent and the property is in danger of being disconnected. Upon this email notification to the municipality, PWD will wait 2 business days before pursuing disconnection. If service to a single meter, multi-unit property, is disconnected for more than 24 hours, PWD will inform the municipality by email. The municipality, in its discretion, will either go to court immediately to restore service, in which case the municipality will have to pay the water service component of any outstanding bills and accept a transfer from PWD of any lien interest in the property, or post the building against occupancy and assist the tenants with relocation.</p> <p>Refer to the Adjustments section for bankruptcy and sewer turnover information.</p>

Single Meter, Multi-unit Delinquent Properties

PWD Contact: Customer Service Supervisor or Director of Customer Service

Municipality Notification, with Attached Report, Before Service to Tenant Property is Disconnected:

Primary: Title

Alternate: Title

Municipality Email Contact if Service is Disconnected:

Primary: Title

Alternate: Title

Policy approvals do not require municipal approval for each single meter, multi-unit situation.

Topic:	Payments
Date:	July 28, 2015
Description:	<p>Sewer payments can be paid by mail, in person at PWD's office at 225 Douglass Street, in person to a PWD field collector to avoid disconnection, online at www.pwd.org, or through other electronic payment providers. Acceptable forms of payment are: cash, check, money order, ACH (Automated Clearing House) electronic transfer, or credit card at our website (customers are charged a fee for paying by credit card).</p> <p>Customers have the option of designating payments to sewer. Payments that are not designated to sewer are applied to the oldest outstanding balance, whether water or sewer.</p> <p>Once a week PWD issues a check to the municipality for all posted payments received the previous week, net any adjustments. Refer to the Adjustments section for more information.</p>

PWD Contact: Director of Financial Services or Financial Analyst

Municipality Contact for Receipt of Weekly Check and Questions:

Primary: Title

Alternate: Title

Policy approvals do not require PWD/municipal contact or approval for each payment.

Topic:	Rates
Date:	July 28, 2015
Desc:	<p><u>Rate Change Process:</u> when sewer rates must be increased or decreased, the municipality must notify PWD, in writing, of the new rates and the effective date of the rate change. All rate changes must have written approval from an authorized municipal agent, and the municipality must allow PWD up to 30 days from the written notification date to change the rates in the billing system.</p> <p><u>Non-seasonal Accounts,</u> the sewer minimums and usage will prorate on the old and new rate, depending on the effective date of the rate change and how that relates to the last billed read date and pending read date. For example: if the last billed read date was 4/15/12, the effective date of the rate change was 4/20/12, and the pending, unbilled read date was 5/14/12, the minimum and usage would be billed 4 days at the old rate and 25 days at the new rate.</p> <p><u>Seasonal Accounts,</u> the sewer minimum does not prorate, it will be billed 100% at the old rate or 100% at the new rate, depending on the effective date of the rate change, compared to the service start date on the initial bill. Additional usage on the final bill, greater than the 12 hcf included in the minimum on the initial bill, will prorate on the old and new rate, if the rate changed between the seasonal service start date and the seasonal service close date.</p> <p><u>Communication:</u> PWD encourages the municipality to notify customers, by press release or other method, of the rate change and explain the reason for the change. To eliminate confusion about the municipality/PWD role, the notification should explain PWD is the town's billing agent and does not set the sewer rate. The Portland Water District allows municipal partners to insert relevant informational materials (e.g. sewer rate changes) into our bills. However, we do not allow political materials or propaganda meant to influence others.</p> <p><u>Any Unique Meter Configuration,</u> or other type of configuration, that is not currently supported by an existing "sewer rate set-up" in the PWD billing system, will require a document of understanding from the municipality explaining how the new configuration needs to be billed, the requested effective date, and the new rate, if applicable. A configuration that requires a new or special rate set-up must have written approval from an authorized municipal agent. PWD will attempt to establish the new rate set-up in the billing system and will notify the municipality of the results within 30 days from the date the DOU is received.</p>

Type of Sewer Rates	Metered or Unmetered
Monthly	Metered
Seasonal	Metered

PWD Contact: Treasurer and Director of Customer Service

PWD Review of Sewer Rate Change Communication Letter/Insert: Public Relations Manager

Notification to PWD of Rate Changes:

Primary: Title

Alternate: Title

Municipality Authorized Approval for Sewer Rate Changes:

Primary: Title

Alternate: Title

Topic:	Reports
Date:	July 28, 2015

Report Name	Description	Sent To	Issued	Placed on *Municipal Website
Cape Elizabeth Sewer Turnover (Adobe and Excel Formats)	Sewer Turnover Accounts	ceclerk@maine.rr.com	June and December	N
Cape Elizabeth Active Accounts >\$200 (Adobe and Excel Formats)	Active accounts with balances >\$200. This report is emailed with the sewer turnover report.	ceclerk@maine.rr.com	June and December	N
Cape Elizabeth Sewer Activity	Monthly sewer billing, payments and consumption. Bankruptcies are listed in the accompanying email.	cetm@maine.rr.com	Monthly	Y
Cape Elizabeth Metered Usage	Lists all Cape Elizabeth accounts and usage for up to a year. Also displays accounts that are billed for "water only" service.	N/A	Monthly	Y
Municipal Notification of Tenant Properties with Potential for Disconnection	The report lists multi-unit tenant properties that are due to be disconnected within a couple of days. Refer to page 6 for details.	Debra.lane@capeelizabeth.org	As Needed	N
Cape Elizabeth Sewer Recon	Reconciliation of payments collected and checks received.	N/A	Monthly	Y
Sewer Treated By Another Municipality. This report is being developed	Lists accounts where service location municipality and sewer treatment municipality are different.	TBD	TBD	TBD

*Municipal Website: Portland Water District will transition from traditionally emailing data regarding water consumption and sewer billing, to posting the data on our secure Municipal Website. Municipalities will be able to access the site to view and download the above information, as well as a customer account profile, sewer rates and how rates are applied, and a customer list. Additionally, pertinent agreements between the Municipality and Portland Water District will be published on the site, including this Memorandum of Understanding. To access the site, users must register and be approved.

Topic	Sewer Services
Date:	July 28, 2015
Description:	<p><u>Brand New Water Service Account, or Brand New Water and Sewer Service Account Requested through MEANS (PWD's new service group):</u> When a brand new account is requested through the PWD MEANS group, the application form will require the applicant to declare whether the new account should also be billed sewer. If the account should be billed sewer, the MEANS group will create the sewer billing service on the PWD account. As of xx/xx/xx, if the application states the account should not be billed sewer, MEANS will notify the municipality using the Town of Cape Elizabeth's Wastewater Contacts_email address (<u>needs to be created by PWD</u>), of the "water only" request for service. In turn, the municipality will allow or deny the "water only" service and respond to means@pwd.org within 3 business days. If the "water only" service is approved by the municipality, the email must also include an approval letter signed by the authorized municipal employee. For brand new "water only" service/accounts that were already approved by MEANS prior to xx/xx/xx, or "water only" accounts already set up in the billing system, the municipality will rely on the monthly <u>Cape Elizabeth Metered Usage Report</u>, issued by PWD, to determine if metered sewer service is being properly billed. The monthly report displays all metered municipality accounts, including accounts billed for "water only."</p> <p><u>Pre-existing Water Service Account:</u> Whenever the municipality determines a sewer billing service must be added or removed from a pre-existing PWD account, PWD must have written notice and authorized approval from the municipality. The approved notice will state whether sewer charges should be debited, credited, or whether no adjustment is required. If a debit or credit adjustment is required, the approval must indicate the adjustment timeframe, keeping in mind PWD follows Chapter 660 rules for under-billed and over-billed service (Refer to Adjustments section). In these situations the municipality will contact the customer to explain the reason for the sewer service change.</p>

PWD MEANS Email Contact for City Approval or Denial of Brand New Water Only Service: means@pwd.org

PWD MEANS Contact for Questions: New Business Development Engineer and TBD

PWD Contact for Adding or Removing a Sewer Service from Pre-existing PWD Water Account:

Customer Service Supvr and Director of Customer Service

Municipality Contact for Questions:

Primary: Title

Alternate: Title

Municipality: Authorized Approval:

Primary: Title

Alternate: Title

