

AGENDA
Bar Harbor Town Council Special Meeting
January 6, 2026

The public can monitor by watching Spectrum channel 7 or 1303 or by live streaming on the town's website, www.barharbormaine.gov.

- I. CALL TO ORDER – 6:30 p.m.**
 - A. Excused Absence(s)
- II. READING OF THE MEETING GROUND RULES**
- III. APPROVAL OF MINUTES—None.**
- IV. ADOPTION OF AGENDA**
- V. REPORTS AND UPDATES**
 - A. Water Rate Case Study
- VI. RESOLVES AND ORDERS**
 - A. Order 1, schedule public hearing for water user rate increase.
- VII. COUNCIL COMMENTS**
- VIII. ADJOURNMENT**

<p>Anyone with a disability wishing to attend this meeting and who may have questions about how to do so should contact the Town Clerk's office at clerk@barharbormaine.gov or 288-4098.</p>
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NUMBER: 2026-01-01

TITLE: ORDER, SCHEDULE PUBLIC HEARING FOR WATER USER RATE
INCREASE

Filed December 29, 2025

WHEREAS, the Town's water rates have not been increased since January 1, 2016; and

WHEREAS, the Town has engaged Olver Associates, who has been consulting with the Public Works Director, Water Interim Superintendent, Finance Director and Water Business Analyst to perform a rate case study to present to the Town Council; and

WHEREAS, in accordance with the 2025-2026 Town Council goal to adjust fee structures to be more consumption-based, the Town is proposing an increase on minimum rates, including residential, commercial, governmental, industrial, and seasonal customers, and an increase on minimum overages effective on April 1, 2026 billing; and

WHEREAS, the State of Maine statutory process includes a public hearing, notification to Maine Public Utilities Commission, notice to all water customers, then a final filing with the Maine PUC for approval;

NOW THEREFORE, BE IT ORDERED, that the Bar Harbor Town Council will hold a public hearing on February 17, 2026, for the Water rate increase.



Town Council Meeting

Bar Harbor Water System - User Rate Review

Date Presented: January 6, 2026

Presented by:

Annaleis Hafford, P.E., Vice-President, Olver Associates Inc.

Sarah Gilbert, Finance Director

Bethany Leavitt, Public Works Director

Bar Harbor Water System - User Rate Review

Why are we here today?

- Our primary purpose with this rate increase is to fund the FY26 Budget adopted August 19, 2025
- The last water system rate increase was 10 years ago (effective January 1, 2016)
- Following the Public Utilities Commission process
- Also, we are targeting a more equitable distribution of user rates.

Current Revenue

- The Town's Water System needs a rate increase.
- The 2026 approved budget is \$3,275,700
- The current rates result in a total revenue of around \$2.2 M
- An additional \$1M plus of revenue is needed to maintain current levels of service

Current Rate Structure

- Water Use Rates are based on
 - Meter Size
 - Set Minimum Consumption per quarter
 - Whether the account is a Year Round or Seasonal Customer
- Example, 5/8 - inch meter (most common size, also the smallest meter size), the minimum consumption is 1,200 cubic feet (CF) of water for year-round customers and 1,600 CF of water for seasonal customers
- For each larger size meter, there is a higher minimum rate and accompanying higher minimum usage.
- There is also multiple tiers of water usage which provides a reduction in cost as additional water is consumed.

Current Rate Structure - Year-Round and Seasonal Customers



	Year Round Customers			Seasonal Customers		
Meter Size	Minimum Quarterly Consumption, CF	Minimum Bill, \$ per QTR (3 mo.)	\$ Cost/CF of Water	Minimum Quarterly Consumption, CF	Minimum Bill, \$ per QTR (3 mo.)	\$ Cost/CF of Water
5/8 - inch	1,200	\$76.17	\$0.0635	1,600	\$201.63	\$0.126
3/4 - inch	1,800	\$102.69	\$0.0571	2,400	\$272.66	\$0.114
1 - inch	3,000	\$155.73	\$0.0519	4,000	\$414.73	\$0.104
1 ½ - inch	6,000	\$288.33	\$0.0481	8,000	\$769.92	\$0.096
2 - inch	9,600	\$447.45	\$0.0466	12,800	\$1,158.19	\$0.090
3 - inch	18,000	\$677.72	\$0.0377	24,000	\$1,621.47	\$0.068
4 - inch	30,000	\$926.13	\$0.0309	40,000	\$2,283.28	\$0.057
6 - inch	60,000	\$1,547.13	\$0.0258	80,000	\$3,937.81	\$0.049

This slide illustrates the Water Use Rate (\$ Cost/CF of Water) is based on meter size, a set minimum consumption and a cost for that minimum consumption. The structure also varies by account type: year round versus seasonal customer.

Current Rate Structure – Multiple Rate Tiers

Year Round Customers with 5/8 – inch meter:

Consumption Tiers	Quarterly Water Consumption, CF	\$ Cost / CF
Minimum	Up to 1,200 CF	\$0.0635 / CF
Tier 1	1,201 CF to 12,000 CF	\$0.0442 / CF
Tier 2	12,001 CF to 90,000 CF	\$0.00207 / CF
Tier 3	90,001 CF	\$0.00135 / CF

Seasonal Customers with 5/8 – inch meter:

Consumption Tiers	Quarterly Water Consumption, CF	\$ Cost / CF
Minimum	Up to 1,600 CF	\$0.1260 / CF
Tier 1	1,601 CF to 12,000 CF	\$0.0887 / CF
Tier 2	12,001 CF to 90,000 CF	\$0.0413 / CF
Tier 3	90,001 to 390,000 CF	\$0.0207 / CF
Tier 4	390,001 CF and above	\$0.0158 / CF

Current Rates - Municipal and Private Fire Protection

Municipal Fire Protection

Hydrant Rate - \$585,602 Annually
\$146,401 Quarterly

Private Fire Protection

Annual Charge per inch of service pipe diam. - \$170
Annual Charge for each private hydrant - \$1,362

Proposed Rate Adjustments

In order to meet funding needs and remain in compliance with PUC requirements, we recommend the following rate adjustments:

- Increase all rates by 35% (all meter sizes)
 - Average Residential User will see an increase of \$26.66/quarter if using the minimum (1200 CF)
- Increase Tier 1 overage by 35%
- Combine all overage tiers (Two – Four) into one Tier
- Provide 30% reduction for tiers (Two – Four) for overages

Proposed Rate Structure - Year-Round and Seasonal Customers

	Year Round Customers			Seasonal Customers		
Meter Size	Min. Quarterly Consumption, CF	Minimum Bill, \$ per QTR (3 mo.)	Quarterly Increase	Min. Quarterly Consumption, CF	Minimum Bill, \$ per QTR (3 mo.)	Quarterly Increase
5/8 - inch	1,200	\$76.17 \$102.83	\$26.64	1,600	\$201.63 \$272.20	\$70.57
3/4 -inch	1,800	\$102.69 \$138.63	\$35.94	2,400	\$272.66 \$368.09	\$95.43
1 - inch	3,000	\$155.73 \$210.24	\$54.51	4,000	\$414.73 \$559.89	\$145.16
1 ½ - inch	6,000	\$288.33 \$389.25	\$100.92	8,000	\$769.92 \$1,039.39	\$269.47
2 - inch	9,600	\$447.45 \$604.06	\$156.61	12,800	\$1,158.19 \$1,563.56	\$405.37
3 - inch	18,000	\$677.72 \$914.92	\$237.20	24,000	\$1,621.47 \$2,188.98	\$567.51
4 - inch	30,000	\$926.13 \$1,250.28	\$324.15	40,000	\$2,283.28 \$3,082.43	\$799.15
6 - inch	60,000	\$1,547.13 \$2,088.63	\$541.50	80,000	\$3,937.81 \$5,316.04	\$1,378.23

Proposed Rate Structure – Multiple Rate Tiers

Year-Round Customers with 5/8 – inch meter:

		CURRENT	Proposed Adjustment	Proposed Unit Rate Increase
Consumption Tiers	Quarterly Water Consumption, CF	\$ Cost / CF		\$ Cost / CF
Minimum	Up to 1,200 CF	\$0.0635 / CF	2.22 cents	\$0.0857 / CF
Tier 1	1,201 CF to 12,000 CF	\$0.0442 / CF	1.55 cents	\$0.0597 / CF
Tier 2	12,001 CF to 90,000 CF	\$0.00207 / CF	3.973 cents	\$0.0418 / CF
Tier 3	90,001 CF	\$0.00135 / CF	4.045 cents	\$0.0418 / CF

Seasonal Customers with 5/8 – inch meter:

		CURRENT	Proposed Adjustment	Proposed Unit Rate Increase
Consumption Tiers	Quarterly Water Consumption, CF	\$ Cost / CF		\$ Cost / CF
Minimum	Up to 1,600 CF	\$0.1260 / CF	4.41 cents	\$0.1701 / CF
Tier 1	1,601 CF to 12,000 CF	\$0.0887 / CF	3.10 cents	\$0.1197 / CF
Tier 2	12,001 CF to 90,000 CF	\$0.0413 / CF	4.25 cents	\$0.0838 / CF
Tier 3	90,001 to 390,000 CF	\$0.0207 / CF	6.31 cents	\$0.0838 / CF
Tier 4	390,001 CF and above	\$0.0158 / CF	6.8 cents	\$0.0838 / CF

Proposed Revenue

- The proposed rates result in a total revenue of around \$3.42 M

❖ This is made up of the following categories of revenue:

❖ Base Annual Revenue	\$855,162
❖ Season Base Revenue	\$142,752
❖ Annual Consumption Year-Round Customers	\$856,040
❖ Annual Consumption Seasonal Customers	\$437,314
❖ Private Fire (Sprinklers)	\$208,008
❖ Public Fire (Town Hydrant Fee)	\$855,275
❖ Other (Interest, Fees, etc.)	\$66,548

Proposed Rates - Municipal and Private Fire Protection

Municipal Fire Protection

Hydrant Rate - \$855,275 Annually
\$213,818.75 Quarterly

Private Fire Protection

Annual Charge per inch of service pipe diam. - \$229.50
Annual Charge for each private hydrant - \$1,838.70

Timeline and Process for New Water Rates Take Effect

- PUC requires certain dates be met:
 - File Final Rates with PUC – By 1/18/2026
 - Provide Notice to all Customers – By 2/3/2026
 - Public Hearing date – 2/17/2026
 - Final PUC Filing Between – 2/27/2026 to 3/19/2026
 - Effective Date (1 month from final filing) – Est. 3/29/2026

Rate Comparisons

	Comparative Water Rates (not for use in calculating customer bills)						1/1/2022
	(Fees and Quantities Are Quarterly Except Where Noted: *)						
					Quarterly Rates		
Utility Name	Effective Date	Minimum Fee (\$)	Quantity in Minimum Charge (Cubic Feet)	First Step Rate / 100 Cubic Feet	1,200 Cubic Feet	2,000 Cubic Feet	Total # of meters
Bar Harbor Water Division - Current	1/1/2016	\$76.17	1200	\$4.42	\$76.17	\$115.53	1,812
Bar Harbor Water Division - Proposed	4/1/2026	\$102.83	1200	\$5.9	\$102.83	\$171.38	
Similar Number of Meters							
Anson-Madison Water District	7/1/2021	\$88.75	1200	\$2.66	\$88.75	\$110.03	1,699
Belfast Water District	1/1/2015	\$67.28	1200	\$2.15	\$67.28	\$84.48	1,856
City of Ellsworth Water Department	1/1/2020	\$60.50	900	\$4.50	\$74.00	\$110.00	1,556
Hampden Water District	7/1/2018	\$99.90	900	\$6.42	\$119.16	\$170.52	1,853
Maine Water Company-Millinocket	1/1/2012	\$74.76	300	\$0.50	\$85.09	\$109.12	1,923
Local							
Southwest Harbor Water & Sewer District	1/1/2010	\$68.90	900	\$5.02	\$83.96	\$124.12	1,100