



STRAIGHT FROM THE TAP

Quarterly Newsletter For Maine Water Systems

October 2026



Maine DWP Funding Cliff

Maine's Drinking Water State Revolving Fund (DWSRF) is anticipating a significant funding cliff beginning in Fiscal Year 2027 as the supplemental federal funding provided through the Infrastructure Investment and Jobs Act (IIJA) comes to an end.

From 2022 through 2026, IIJA supplemental appropriations substantially increased the amount of funding available for drinking water infrastructure. It allowed the program to support approximately \$33–\$54 million in projects annually. At the same time, (beginning in 2022), Congressional Directed Spending (CDS) also began reducing Maine's annual DWSRF Base Capitalization Grant (DWPs normal federal funding of the DWSRF); however, the impact was largely masked by the continued availability of temporary IIJA funds.

In 2027, these two trends converge: IIJA funding expires while CDS continues to reduce the Base Capitalization Grant. Maine's anticipated 2027 Base Capitalization Grant is approximately \$4 million, compared with roughly \$12 million that would otherwise be available if CDS was not taking funds from the allotment. (Continued on page 2)

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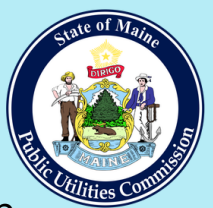
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Created in partnership by:

Maine Public Utilities
Commission

&

Maine Department
of Health and Human
Services,
Drinking Water
Program



Maine DWP Funding Cliff Cont.

As shown in the figure below, total project funding anticipated for 2027 remains comparable to pre-IIJA levels (before 2022), but this hides the magnitude of the federal funding decline. The approximately \$18 million expected to be available for projects in 2027 will come primarily from revolved funds (repayments from the expanded portfolio of projects financed during the IIJA years), rather than new federal capitalization funding coming in. These repayments provide an important and growing source of sustainable financing, but they cannot replace the loss of federal grant funding or the associated principal forgiveness. As a result, Maine will have substantially less capacity in 2027 to provide subsidized financing for communities even though the overall amount available for loans appears similar to pre-IIJA levels.

What does the reduction in Base Capitalization Grant mean?

1

Project funding decreases.

2

Principal forgiveness decreases- due to it being based on a percentage of the Base Capitalization grant amount.

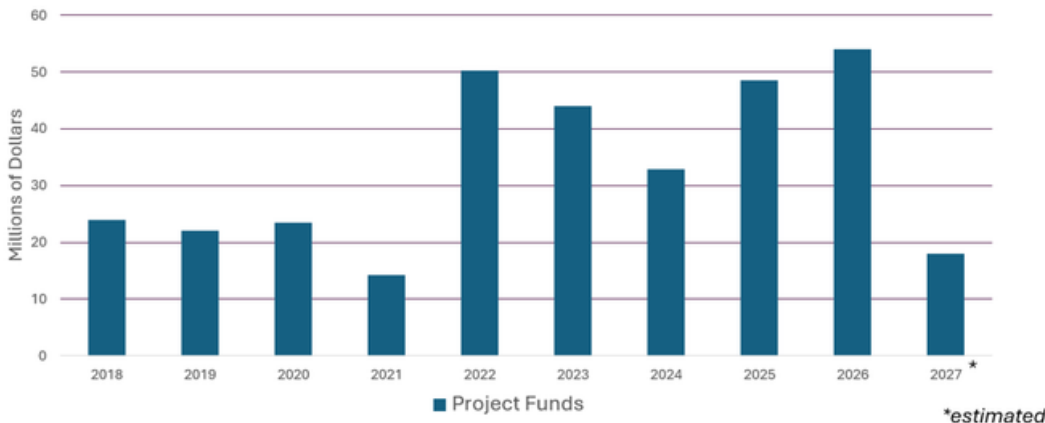
3

State match going into the program is substantially reduced (this is set at 20% of the grant).

4

The SRF set-asides, which support administration, technical assistance and program activities all get reduced.

DWSRF funds Available For Projects



Disclaimer: These 2027 funding levels remain estimates based on currently available information. Future federal appropriations or policy changes could alter the anticipated funding outlook and potentially mitigate some of the reductions described above.

What does this mean for communities applying for SRF funding?

Less principal forgiveness will be available for disadvantaged communities than in the pre-IIJA period, resulting in higher repayment obligations for funded projects. SRF set-asides will also be substantially reduced, requiring the suspension of funding for the Operator Training Reimbursement Fund, emergency response and technical assistance trainings provided through partner agencies, and the Drinking Water Program's grant offerings.

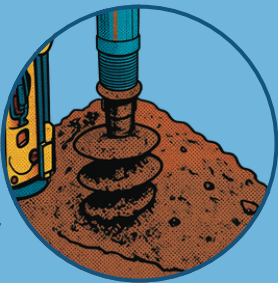
4 Ways Planning Saves Money



- 1) Labor costs. No rush contractor fees or overtime.
- 2) Procurement. You can order in bulk or at a time when things are cheaper.
- 3) Prevents a cascade of other issues/failures.
- 4) Maintenance done on a consistent schedule can save the cost by extending the life of an asset.

A friendly reminder from the Maine Water Well Commission

All public water supplies must* be drilled by a Maine



Licensed Master Well Driller. To see the list of all the licensed drilling and pump installing professionals click [here](#).

*10-144, Chapter 232 and 10-144, Chapter 231

When Disaster Strikes, Don't get caught unprepared:



Join MEWARN today!

FREE

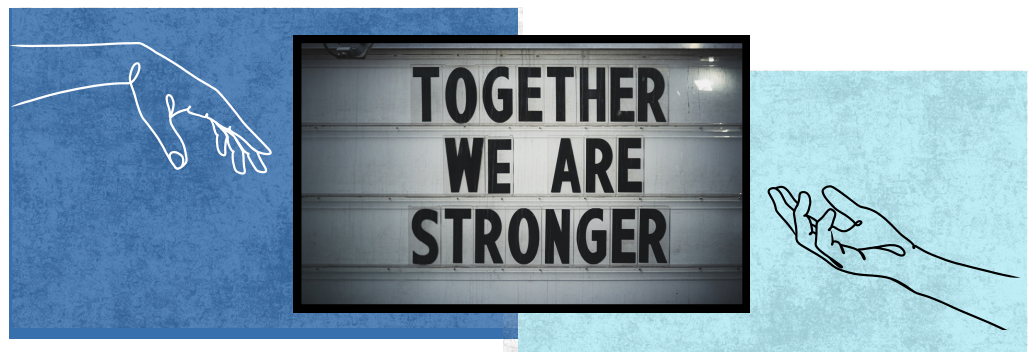
Weather events (both very wet and very dry) are becoming more commonplace. Budgets have to stretch further than ever before. There are gaps in funding, with high demand. All of these can make asset redundancy feel like a pipe dream. But a strong network of mutual agreements across the State of Maine already exists!

The Maine Water/Wastewater Agency Response Network (MEWARN) Agreement allows water and wastewater utilities in Maine to receive rapid mutual aid and assistance from other water and wastewater utilities across the state to restore services damaged by natural or man-made incidents.

When utilities sign the MEWARN Agreement it allows them to share personnel and equipment with any other water or wastewater utility in Maine that has also signed the MEWARN Agreement.

There is no fee to join, and assistance is provided on a voluntary basis only - there is no requirement to respond or provide resources. Visit <https://tinyurl.com/ME-WARN> for more information or to download the MEWARN Agreement.

Now more than ever is the time for us to lean into supporting our neighboring water systems to help build a more resilient way to provide safe water for everyone.



Quick Cash Flow Analysis:

Cash flow focuses on the availability of actual money at a utility, showing whether it can pay its bills and operate efficiently.



It is a short-term measure of the financial health of a utility. Utilities can use this tool as a quick check to determine if they are bringing in enough money to stay out of the red or if a rate case is needed. To determine your cash flow:

- Add your depreciation to your net income, we will call this your **income**.
- Add your debt principal payments to your current payments for capital projects, we will call this your **expenditure**.
- Subtract your expenditure from your income. If the number is negative, your utility needs to increase it's revenue.



Try this cash flow calculator:
<https://mwua.org/water-calculators/>



Where to begin with rate case numbers?

When a utility files a rate case, it must provide the PUC with information detailing not only its current operating costs, but projected future financial demands as well. To accomplish this, utilities use a pro forma, which is a forecast of financial information based on estimates or projections by taking the financial details of a test year (either the last calendar year or past 12-months) and adjusting the amounts for known and measurable future changes (the projected yearly expenses). The resulting total expense predicted is the revenue requirement – the amount needed for the utility to operate effectively. This revenue requirement is used to determine the appropriate rate increases. Note- 6104-B or 6104-A rate cases do not require calculating a pro forma or revenue requirement.



Income

Operating Revenues:	2024 Actual	2025 Budget	Pro forma
Metered sales	\$202,700	\$201,000	\$205,700
Public Fire	\$60,810	\$60,300	\$61,700



Expenses

Operating Expenses:	2024 Actual	2025 Budget	Pro forma
Salaries & wages	\$5,025	\$5,502	\$5,700
Contractual services	\$140,301	\$144,206	\$147,019
Electricity	\$37,060	\$34,980	\$35,980
Insurance	\$7,620	\$7,456	\$7,600

For help with this process, reach out to the PUC:
christina.l.bilodeau@maine.gov



Money for training

Ready to invest in your workforce? Maine employers can get up to \$1,200 per worker per year toward training costs through the Maine Workforce Development Compact. Led by the Harold Alfond Center for the Advancement of Maine's Workforce, the Compact covers up to 50% of eligible training expenses, whether through a Maine community college,



in-house training, or a third-party vendor. Becoming a Compact Member is free and simple: submit an application and acknowledge the grant terms, then a Workforce Development Coordinator will help you get started on submitting funding requests.

DATE

PAY TO THE ORDER OF

Your utility

\$ 1,200

DOLLARS

One thousand two hundred dollars 00/100

MEMO

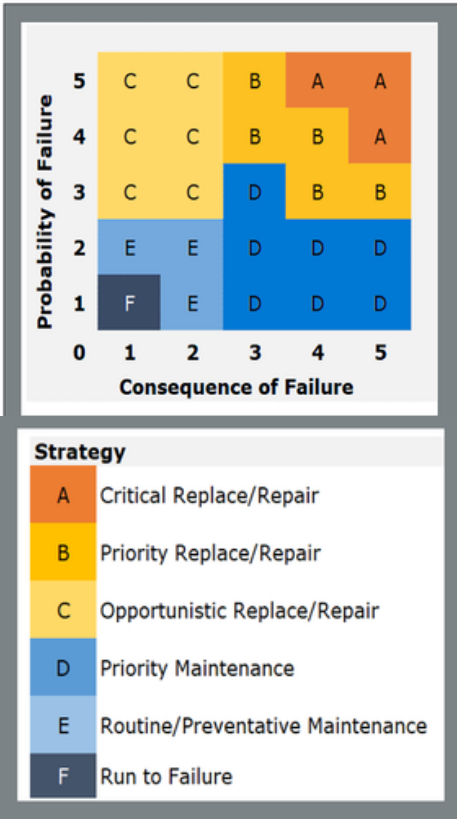
Training

Become a Compact Member here:
<https://upskillmaine.powerappsportals.com/>

When does replace become better than repair?

There comes a time that replacing something becomes a better financial or logistical option than to constantly repair it.

Utilities should have a capital improvement plan to help prioritize needs. These plans do not need to be fancy, they can be something made in-house. The plans should take into account things such as DOT paving plans, the consequence of failure and the cost to repair several times compared to replacing the item.



Using something like a probability matrix can help set priorities. By ranking the probability of failure (0 = no chance; 5 = almost certain failure) against how bad it would be if the failure occurred (0 = minor, if any; 5 = catastrophic), you can rank your priorities more easily.

EXAMPLE

In need of a new vehicle

The consequence of failure: low (1)

The probability of failure: high (4)

Resulting in: C, repair or replace when you can



DEP stormwater and non-point source pollution funding

The Maine Department of Environmental Protection (DEP) administers the Clean Water State Revolving Fund (CWSRF) to fund wastewater infrastructure projects. A portion of the funds are set aside to fund stormwater and non-point source (NPS) pollution.

A list of eligible projects can be found on the DEP guidance document: [Stormwater & NPS Plans Requirements and Guidance](#) (subject to change with each annual release of funds).



Projects include two types of Stormwater Plans and six types of NPS Plans. In the past few years there has been around \$200,000 available, funding up to \$50,000 per project.



These are loans with 100% principal forgiveness. Eligible applicants are municipalities, soil & water conservation districts, utility districts, and quasi-municipal entities.



Interested parties can partner with these eligible applicants. There is a 50% match requirement and comes in the form of in-kind or cash match. Project areas can be town-wide, watershed or smaller depending on the project type.

What is "In-Kind"?

Good or services used instead of cash. For example payment to the utility staff for work performed on a project.



Check out the DEP's CWSRF website for more information, deadlines, upcoming funding opportunities, and updates here: <https://www.maine.gov/dep/water/grants/SRF/cwsrf/index.html>

"I heard there's no money for grants this year..."

The DWP **does have grant money** this year. The 2026 grants opened on 7/1/26, and all have been funded through the SRF set asides. Due to the expected funding cliff in the next fiscal year, there may not be funding for set aside grants next year (see article on page 1-2). However, if there are some funds left over at the end of the grant year the DWP may be able to roll it over to provide minimal funding for 2027 grants.

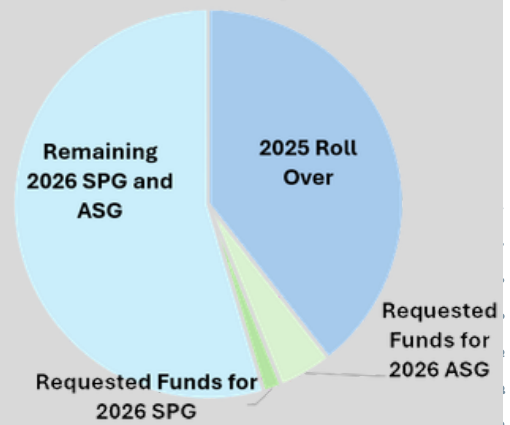
What does this mean for your system?

The DWP recommends submitting applications sooner rather than later. The following amounts are what's remaining for each grant (as of the end of August):

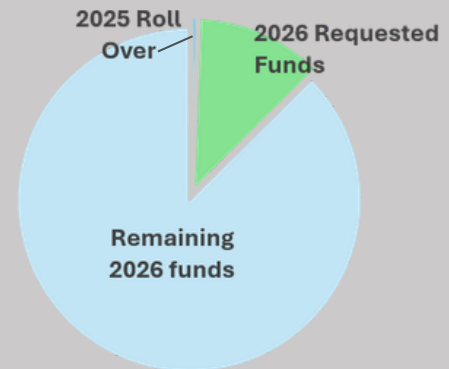
- ~\$502,000 for the Capacity Development Grant
- ~\$621,000 to be split between Source Protection Grant (SPG) and the Asset Security Grant (ASG)

APPLY NOW

SPG and ASG Funding for 2026



Capacity Development Funding for 2026



Free Building Resiliency Training

MWUA, in partnership with Tom's Water Solutions and the Maine Drinking Water Program, will be hosting a 3-part workshop series focused on emergency preparedness and manual operations for water systems. This training will help utilities prepare for disruptions such as cyber incidents, power outages, and other operational challenges.

- **Session 1: September 30, 2026, 8:30am -12pm (Virtual)**
- **Between Day 1 and Day 2, Manual Exercise at your Utility**
- **Session 2: November 10, 2026, 830am- 12pm (Virtual)**

This newsletter has information for a variety of water systems and not all of them are regulated by the Public Utilities Commission (PUC). Additionally, information provided doesn't necessarily apply to all water system types. It intended for informational purposes only. This information is not legal advice and does not set any legal standard. Regulated public utilities must comply with Maine law and regulations and should consult with legal counsel for interpretation of laws and regulations.



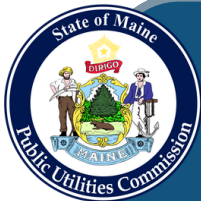
Click here to see the flyer



Click here to register



**Lets prepare!
Lets have a plan!**



Maine Public Utilities Commission

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Maine CDC Drinking Water Program

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or call Mackenzie Bardelli
at 207-441-9244

