

Efficiency Initiatives Since 2012

- Total savings over \$3 million through 2015
 - PWWR consolidation
 - Smart meter project
 - Transfer station elimination
 - Improved refuse truck maintenance
 - Leaf collection and street sweeping changes
 - Better coordination of water main & street rehab
 - Pension & OPEB¹ changes
 - DVIT health and life insurance

¹Other Post-Employment Benefits

Backup to support 11/3/14 Financial Workshop presentation slide #8

	ONE-TIME	2012	2013	2014	2015	Totals
PWWR ¹	-	-	400,000	406,000	418,000	1,224,000
Smart Meter O&M ²				12,000	12,360	24,360
Transfer Station ³	285,000				2,000	287,000
2015 OPEB Savings ⁴	800,000					800,000
Leaf Collection ⁵			20,000	20,400	21,012	61,412
Mgmt Pension/OPEB ⁶		20,000	130,000	164,000	168,920	482,920
Health Insurance - DVIT ⁷					136,000	136,000
TOTAL	1,085,000	20,000	550,000	602,400	758,292	3,015,692

¹The PWWR Reorganization saved roughly \$400,000 in 2013, which grows every year with labor cost increases

²Conservative estimate of O&M savings; labor savings alone were \$12,000 more than total anticipated O&M savings in 2014.

³Conservative estimate of savings; \$285,000 savings represents avoidance of required rehabilitation of packer and scales; ongoing savings reflects avoided permitting requirements

⁴Savings is characterized as "one-time" savings because future opportunities for savings depend on outcome of 2015 actuarial review.

⁵Savings attributable to overtime avoided by modifying process.

⁶Savings attributable to restructured management pension and other post-employment benefits beginning January 1, 2012

⁷DVIT savings estimated at \$136,000 vs Highmark of Delaware's final proposal. Actual savings depends on 2015 enrollment.