

INFRASTRUCTURE COMMITTEE MEETING

6:00 P.M.

Wednesday, January 13, 2016

HAMPDEN TOWN OFFICE

A G E N D A

1. MINUTES – 12/28/2015 Meeting
2. OLD BUSINESS
 - a. Proposed changes to sewer rates to cover operational and prior incurred costs – Town Manager Angus Jennings
3. NEW BUSINESS
 - a. Set date for next meeting of Infrastructure Committee
4. PUBLIC COMMENTS
5. COMMITTEE MEMBER COMMENTS

INFRASTRUCTURE COMMITTEE MEETING

Monday, December 28, 2015

MEETING MINUTES - DRAFT

Attending:

*Councilor Dennis Marble, Chair
Mayor David Ryder
Councilor Terry McAvoy
Councilor William Shakespeare*

*Councilor Stephen Wilde
DPW Director Sean Currier
Public Safety Chief Joe Rogers
Councilor-Elect Ivan McPike*

Chairman Marble called the meeting to order at 6 PM.

1. **MINUTES – 11/23/2015 Meeting** – *There was a motion and a second to approve the November 23, 2015 minutes. Unanimous (5-0) vote in favor.*
2. **OLD BUSINESS**
 - a. **Protocols for Use of Public Safety Training Room – Chief Joe Rogers** – *Chief Rogers presented the draft policy that was included in the meeting packet, including a redlined version to show changes from the current policy. He recommended adding another bullet point to the list of allowable uses of the Training Room to allow for use at the discretion of the Town Manager. Councilor McAvoy made a motion, seconded by Councilor Shakespeare, to recommend the revised language to the Council for approval. Motion was approved by unanimous vote.*
 - b. **Municipal Building HVAC System and Software – proposal from Penobscot Temperature Controls – potential funding through Municipal Building Reserve** – *Three bids to improve the HVAC systems for the municipal offices were received and reviewed: one to change out thermostat to redlink (remote controlled); one to repair the Freon circuit leak from rooftop HVAC unit; and one to add a diffuser to the rear office to improve air balance in office area. A proposal for an update of the HVAC control system (PC boards, etc) was not received, but is expected in the future. The Committee reviewed the three bids received and voted unanimously to recommend them to the Finance Committee.*
 - c. **Library bid process and timeline – review of draft Request for Bid** – *The Committee was provided an update regarding the pending procurement process for electrical and lighting upgrades to the Library, to be funded by a grant received from the Tabitha and Stephen King Foundation.*
3. **NEW BUSINESS**
 - a. **Update, illicit sewer connection, 44 Sunrise Lane** – *Director Currier reviewed the bad hookup on Sunrise, the fact that it had been rectified, and the importance of sewer inspections and the permitting process.*

- b. Proposed changes to sewer rates to cover operational and prior incurred costs** – *There was significant discussion concerning the fact that sewer revenues have not covered sewer operating and capital costs for several years, and the issue of how things had reached the current situation. The Committee was in agreement that the Town needs to face the problem and act, knowing that this won't be an easy vote or one that will be easy on the residents. With the understanding that the connection fees are an ordinance and will require time for due process, emphasis to tackle the necessary rate changes took priority. Director Currier explained that Manager Jennings has a spreadsheet tool that can be used to examine this at a detailed level, including cost info for actual users. The Committee agreed on the need to dig into this more deeply and that there was more work to do before referring the matter to the Finance Committee, so there was a unanimous vote to schedule a special meeting of the Infrastructure Committee to be held at 6:00 pm on Wednesday, January 13th.*
- c. Status of signal controller updates at 202 and Western Avenue – DPW Director Sean Currier** – *The Committee reviewed where things appeared to stand with the signal controller and the DOT. Some history was reviewed, with speculation that WBRC had designed the intersection of Route 202 and the access to the Academy to have appropriate signal controlling to safely handle school bus traffic. It was mentioned that current RSU 22 discussions about McGraw Weatherbee seem to indicate little interest in utilizing the 202 access road but using 1A instead. There was speculation that the 202 capacity may have been downgraded by a shifting of funds to support the performing arts center. The Committee is in support of the town sending a strongly worded letter to Maine's DOT regarding the importance of installing a new signal controller and adjusting the signal timing in order to provide for vehicles, including school buses, to enter and exit the property, with timing adjusted to match peak school traffic hours.*
- d. Discussion, snow plowing routes for sidewalks** – *Director Currier reviewed his plans for plowing roads and sidewalks. Mayor Ryder expressed some frustration with the need to expend resources on plowing sidewalks that aren't really used, and with the possibility that the Transfer Station could have to be temporarily closed due to the need to direct employees to plowing duties. The Committee agree to support current plans and review things as may be needed.*
- e. Discussion, rain garden at Municipal Building** – *After discussion, the general conclusion was that this had been a well-intended structure for which there had not been available resources with which to maintain it. The Committee felt that it might be best to remove the stones and mow the area, and this will be revisited late spring.*
- f. Discussion, proposed PERC agreement for Municipal Solid Waste after March 2018** – *Councilor McAvoy had requested that this be placed*

on the agenda. There was discussion about this matter both in terms of PERC and the MRC. The general conclusion was that it would not be a good use of time to review this item until the proposed MRC agreements had been received and reviewed (that process is ongoing). Councilor McAvoy expressed concerns with the language ("MSW" vs. construction debris) as well as with the current lack of a clear proposal from MRC, but the general consensus was that it was not yet time to wade into the matter as that information would be forthcoming.

4. PUBLIC COMMENTS – *None.*

5. COMMITTEE MEMBER COMMENTS – *None.*

There being no further business, the meeting was adjourned at 7:40 PM.

Respectfully submitted –

Dennis Marble, Chair and Angus Jennings, Town Manager

Town of Hampden
106 Western Avenue
Hampden, Maine 04444



Phone: (207) 862-3034
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Email:
townmanager@hampdenmaine.gov

TO: Infrastructure Committee
FROM: Angus Jennings, Town Manager
DATE: January 12, 2016
RE: Sewer Rates

Prior reports have documented the Sewer Fund's financial trends over the past several years (see esp. "Initial updates from preliminary FY15 audit" memo to Finance Committee dated 12/7/15). This memo does not repeat that information, but is intended to provide information to the Committee to inform consideration of changes to the Sewer rate structure (established in the Fees Ordinance) in order to get the Sewer Enterprise Account back onto solid financial footing.

Sewer Fund Financial Structure

At prior meetings it has been presented that, for a number of years, the combination of sewer operating costs and capital costs has exceeded annual sewer revenues by approximately \$200,000/year or more.

The (final review draft) FY15 Audit shows Sewer Fund operating revenues of \$528,165 against expenses of \$786,509 for a Net Operating Loss of \$258,344 (see Audit Exhibit F, attached). In order to meet some of its FY15 financial obligations, the Sewer Fund borrowed \$240,000 from the General Fund through an Interfund Transfer. At FY15 year-end, the total amount due from the Sewer Fund for Interfund Transfers was \$541,666.

In evaluating potential rate changes, I recommend consideration of the following policy objectives:

- 1) Ensure that revenues cover operating and capital costs on an ongoing basis;
- 2) Generate enough revenues over and above Item 1 to enable the Sewer Fund to repay the Interfund Transfers over an established period of time; and
- 3) Re-establish reserve funding to support future system investments, including capital improvements, periodic maintenance, and emergency investments (such as the burst pipe on Route 1A last spring, costing ~\$21,000).

Sewer Fund Rates and Capital Charges

Sewer bills combine two charges: usage charges and capital charges. The usage portion of the bill is based on the customer's water usage (as provided to us, in advance of our quarterly billing, by the Hampden Water District and, for a small number of customers, by the Bangor Water District). Usage is measured in Cubic Feet (CF).

Customers are also billed a tiered capital charge of \$18.12 per 3,000 CF (per the formula in the Fees Ordinance). Customers showing no sewer usage during a particular quarter are still invoiced for the minimum capital charge (\$18.12).

While the information above summarizes the cost structure for most sewer customers, a small number of sewer customers are charged based on a flat rate pursuant to Sec. 2.9.1 of the Fees Ordinance. Specifically:

- Customers of sewer that have private wells, and do not have accounts with Hampden Water District. Because sewer bills are based on records of water usage, sewer customers without water accounts (and therefore without water meter readings) are charged a flat rate of \$105.44. This flat rate was set years ago by the Council in order to reflect the then-average residential sewer bill. Five customers fall into this category.
- Customers of sewer that do have accounts with Hampden Water District, but that don't have water meters, are charged a flat rate of \$64.24.¹

In order to bring sewer costs and revenues back into balance, the Council could revise the usage charge, the capital charge, or both. I recommend that the Council consider whether its policy objective is for the usage charges to cover operating costs and the capital charges to cover capital costs (i.e. debt service). The new rate structure would vary significantly depending on whether this is the policy objective. At Wednesday's meeting we can review these effects in more detail.

Sewer Customer Base

To understand the customer base, we evaluated all sewer customer's usage and billing records, including service and capital charges, for one year (2014, the most recent complete year records).

There are 1,492 customers in our database. The median customer, by usage, was billed for 4,900 CF in 2014. Usage of the 25th percentile customer was 3,000 CF; usage by the 75th percentile customer was 7,300 CF. Average usage – 6,500 CF – is not viewed

¹ There are two customers that fall into this category in our billing system. We are currently researching to ensure that these customers are appropriately classified.

as a good basis for analysis in understanding the customer base because it is skewed by large users. (The largest customer, by usage, was billed for 272,900 CF in 2014).

The following tables summarize the usage and annual costs (usage and total) for the system's 25th percentile, median and 75th percentile customers:

25th percentile usage customer analysis, 2014			
		Bill/Yr (test)	
Usage/Yr (100 CF)	Bill/Yr (current)	Usage	Total
30	\$ 200.88	\$ 128.40	\$ 200.88

Median usage customer analysis, 2014			
		Bill/Yr (test)	
Usage/Yr (100 CF)	Bill/Yr (current)	Usage	Total
49	\$ 282.20	\$ 209.72	\$ 282.20

75th percentile usage customer analysis, 2014			
		Bill/Yr (test)	
Usage/Yr (100 CF)	Bill/Yr (current)	Usage	Total
73	\$ 384.92	\$ 312.44	\$ 384.92

My office has prepared a dynamic sensitivity analysis that will allow the Committee to see the effect of potential changes to the usage and/or capital charges in total, and as it would affect each of the illustrative "customers" profiled above. This calculates how new customer costs would compare with current (2014) costs.

This analytical tool will be available at Wednesday's meeting in order to support the Council's evaluation of potential rate changes, including how any such changes would affect both the bottom line revenues, as well as typical sewer customers.

Cost Trends and Projections

A summary of obligated debt service payments is attached. Aside from debt service, the most significant costs to the sewer fund result from the sewage treatment charges and the maintenance charges paid to the City of Bangor pursuant to the "Interlocal Agreement Between Bangor and Hampden Regarding the Use of Bangor's Wastewater Treatment Plant Complex by Hampden" (2/13/96) and the "Pump Station Maintenance Contract between Bangor and Hampden" (4/6/99). Both of these costs have increased over the years, and the Public Works Director is working closely with the Bangor WWTP

personnel to review charges to ensure they're accurate and appropriate, and to assist us in estimating future costs for budgeting purposes.

In addition, we are working to assign numbers to the following expected contributors to future cost increases:

Bangor Sewer Rate Increases

We have been advised that the City of Bangor is expected to increase its sewer rates by 3-5% for FY17. Hampden's FY15 sewer treatment costs were \$250,000. An increase of 5% to this cost would be an annual increase of approx. \$12,500.

Maintenance Costs

Bangor is responsible for maintenance of Hampden's pump stations through the Pump Station Maintenance Contract. We expect that these costs, which have not been increased in some time, will increase, and one (or maybe two) pump stations would be added for the Fiberight facility. Budgeting should take into account anticipated cost increases.

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Bangor Capital Costs

The Bangor Wastewater Treatment Plant is overdue for replacement of the plant's biofiltration system (see 1/6/16 Bangor Daily News article, attached). Based on the terms of Hampden's interlocal agreement with Bangor, the Town expects to be responsible for 8.333% of the cost of capital improvements.² If this is correct, Hampden's share of this \$4.8M project would be \$392,000. Because these costs aren't yet certain, we recommend carrying a budget estimate of \$400,000 for this one-time expense (which, alternatively, may be bonded).

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On the revenue side of the ledger, it is worth considering that, if the Fiberight facility moves forward, and if it discharges 150,000 gallons per day into the sewer system, it would generate substantial revenue. We have estimated revenues at between \$226,000 and \$316,000 per year, depending on whether the facility operates 5 days/week or 7 days/week. However, because we are essentially a pass-through, these revenues will be largely absorbed by additional treatment costs due to the City of Bangor

Revenue Needs and Policy Options

The sewer rates were last increased by vote of the Town Council on August 3, 2009, when the usage fee was increased from \$3.28 to \$4.28. No change was made to the

² The interlocal agreement provides for the Town to pay for capital improvements in proportion to its share of purchased plant treatment capacity. Hampden's purchased capacity of 1.5 million gallons/day divided by the plant monthly average flow of 18 MGD equals 8.333%. (Interlocal Agreement, Feb. 13, 1996. Sec. C(12), pg. 13).

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Policy question 1: Does the Committee agree with the three policy objectives included on the first page of this memo?

Policy question 2: Should Usage and Capital Charges cover Operations and Capital, respectively? Or should revenues from usage fees contribute to capital costs?

Policy question 3: What is the goal for the period of time (number of years) over which the sewer fund should repay the interfund transfers from the General Fund?

Policy question 4: Will the Council budget for the debt service payment for the Business Park from the General Fund, or is the intent to pay this out of the Sewer Fund?

Since FY12, the payments for Bond 2000 D (Road Construction & Line Extensions, Business Park) have been paid out of the Host Community Benefits account. This account is not adequate to extinguish the remaining balance on this bond (bond matures 11/1/20; principal balance \$540,000 as of year-end FY15). Without including this bond payment, the FY17 amount due toward the four sewer bonds currently outstanding will be \$381,455. The debt obligation summary enclosed in the meeting packet projects inclusion of the 2000 D bond payment in the Town budget for FY17.

Policy question 5: When fees are changed, will the Committee also recommend adjusting flat rate sewer customers (see pg. 2 of this memo) to match the projected “average” sewer bill?

Policy question 6: Will the Committee support an increase to the interest rate for late payments, as authorized by the Public Utilities Commission?

Effective January 1, 2016, the allowable interest rate for late payments of utility bills increased to 11.25% (see attached letter from Maine Public Utilities Commission, 11/17/15). Late payments on sewer bills are currently subject to an interest rate of 7.0%. Will the Council support an increase to the interest rate for late payments, as authorized by the Public Utilities Commission?

Other Sewer Policy Matters

The Infrastructure Committee has previously endorsed the recommendation of the Public Works Director to amend the permit process and fee structure for sewer connections to follow the Bangor model (meeting minutes, 10/26/15). These changes would, among other things, adjust the current \$200 sewer connection fee – which applies the same to a single-family home as it does to a laundromat, hotel or industrial facility – to take into account volume of flows in pricing. We anticipate bringing changes forward for consideration within a public hearing concurrent with the rate hearing.

TO: Sean Currier, Public Works Director
FROM: Sue Lessard, Interim Town Manager
DATE: July 23, 2015
RE: Sewer Reserve

The purpose of this memo is to discuss the current status of the Sewer Reserve Fund. At the present time, sewer reserves has only approximately \$10,000 remaining after the use of funds for the pipe burst project on Route 1A that is to be done (\$21,000 for the pipe burst and \$9700 for the manhole replacements and \$13,500 for the pump grinder replacement at the Souadabscook pump station). That is not sufficient to accommodate any additional significant events.

Sewer rates are currently not sufficient to cover the cost of sewer operations and debt service and have eroded the sewer reserve as a result. A rate increase is necessary (the last one was in 2012, the last one prior to that was 1998). The primary problem with the rates is that the capital charge that was designed to cover debt service has not been changed since rates were established, and debt service had increased. In order to avoid additional borrowing from the General Fund to cover costs, this rate increase should happen in the next six months.

BANGOR DAILY NEWS (http://bangordailynews.com/)

Overdue wastewater project in Bangor carries hefty price tag (<https://bangordailynews.com/2016/01/06/news/bangor/overdue-wastewater-project-in-bangor-carries-hefty-price-tag/>)



Gabor Degre (<https://bangordailynews.com/author/gabor-degre/>) | BDN

Andy Rudzinski, superintendent of the Bangor Wastewater Treatment Plant, talks about the function of the biofiltration tower at the plant. The media inside tower that aids the water treatment process needs to be replaced. Most of it was installed in 1992 when the plant started operation. *Buy Photo* (<http://store.bangordailynews.com/Other/Week-of-January-4-2016/I-prSXzGQ>)

By Nick McCrea (<https://bangordailynews.com/author/nmccrea/>), BDN Staff
Posted Jan. 06, 2016, at 6:25 a.m.

BANGOR, Maine — City officials are grappling with how to pay for a major infrastructure project at the wastewater treatment plant, which could run about \$3 million higher than they first expected.

For more than five years, the city has set aside \$1.8 million in its budget as a placeholder, knowing it would eventually have to replace the plant's biofiltration system, according to City Manager Cathy Conlow.

In December, the city received a report from AECOM (<https://www.google.com/url?q=http://www.aecom.com/&sa=D&usg=AFQjCNEbxmB3opsnEg6-juMtm49DmlnGGw>), the engineering firm it hired to provide cost estimates for the project. That report put the total cost at nearly \$4.8 million.

"We just didn't have a good initial estimate," Conlow said. She informed the city's infrastructure committee of the cost projection during a meeting Monday night.

When the Bangor plant completed a major expansion in 1992, it added a concrete tower filled with eight layers of plastic biofilter media — made up of large blocks that resemble a honeycomb.

Stacked on top of one another, those eight layers are about 16 feet thick. If you were to stretch them out into one, flat layer, the plastic would cover about 104 acres. All that surface area provides room for microorganisms to grow and intermingle with wastewater. After flowing into the plant, the stormwater and sewage has solids, sand, oils and other materials removed before the liquid is sprayed onto the filters. The microorganisms growing in the biofilters feed on the waste and continue the process of cleaning the wastewater until it's clean enough to flow into the Penobscot River.

The projected lifespan of that biofilter is about 12 years. By now, most layers are into their 23rd year, according to Andrew Rudzinski, superintendent of the Bangor Wastewater Treatment Plant. He said only the top layer has been replaced — twice over the past two decades. That top layer suffers the most wear and tear because it's exposed to the sun and elements.

Even that newer top layer is showing signs of wear and cracking, and the 23-year-old layers below are in far worse shape, Rudzinski said.

"We can point out sections of it now that are collapsing," he said Tuesday. If the biofilter were to fail, the plant, which treats 8 million to 9 million gallons of wastewater per day from residents in Bangor and some surrounding communities, could face much more substantial problems.

Rudzinski said the original \$1.8 million "placeholder" estimate likely fell so short because it didn't take into account ancillary costs — such as removal and disposal of the old biofilters, the weeks-long rental of a crane to do the work, and the repair of any structural or equipment problems found in the 23-year-old concrete tower. More modern biofilter media could also be more costly than it did in 1992, he added.

Now, Rudzinski and Conlow are grappling with how to keep the project's costs down, both for the city and its wastewater ratepayers.

Conlow said the project wouldn't affect property taxes, as it's being handled within the wastewater budget. But residents could see changes in their sewer bills. It's early to say what the impact could be, as Bangor is still a few weeks away from diving into its budget process.

"They'll probably see some impact, but we're going to spread it out over some years to keep any increase down," Rudzinski said.

The city is working with AECOM to find ways to reduce costs associated with the replacement. Rudzinski is working to shift priorities, potentially delaying other projects to focus funding on the biofilter replacement, Conlow said.

The wastewater plant also could take out a loan from the State Revolving Loan Fund (https://www.google.com/url?q=http://www.maine.gov/dep/water/grants/srparag.html&sa=D&usg=AFQjCNGlm5Q1OjO-NIDxtAZb_HTHoyVTmw), which currently offers long-term financing for clean water infrastructure projects at 1 percent.

"We want to do it this year because the interest rates are so low," Conlow said. "We're worried that the environment might change. We knew this would be expensive."

Rudzinski said he hopes to start the replacement in late spring or early summer 2016.

Follow Nick McCrea on Twitter at @nmccrea213. (https://www.google.com/url?q=https://twitter.com/nmccrea213&sa=D&usg=AFQjCNFRU2AH_7TQ7PMkstpKGMgVuwoig)

<https://bangordailynews.com/2016/01/06/news/bangor/overdue-wastewater-project-in-bangor-carries-hefty-price-tag/>
(<https://bangordailynews.com/2016/01/06/news/bangor/overdue-wastewater-project-in-bangor-carries-hefty-price-tag/>) printed on January 6, 2016



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Mark A. Vannoy
CHAIRMAN

Carlisle J. T. McLean
R. Bruce Williamson
COMMISSIONERS

Harry Lanphear
ADMINISTRATIVE DIRECTOR

November 17, 2015

Town of Hampden
RECEIVED

NOV 18 2015

Office of the
Town Manager

TO ALL MAINE UTILITIES:
(By e-mail only)

RE: Annual Change of Late Payment Charge Interest Rate and Interest Rate on
Customer Deposits Issued Pursuant to Chapter 870 of the Commission's Rules.

The Prime Interest Rate on the first business day in November (November 2, 2015), was 3.25%. Pursuant to Chapter 870, notice is hereby given to all utilities that the maximum late charge for 2016 will be 11.25% based on the formula "Federal Reserve H.15 Prime Rate on the first business day in November plus 8.00% (rounded to the nearest 0.25% and subject to a maximum of 18.00%)." For utilities choosing to compound, the equivalent monthly maximum late payment charge for 2016 will be 0.892%.

In Docket No. 2014-00065, the Commission revised Chapter 870 to require that the interest rate on all deposits held by a utility shall equal the rate on one-year Treasury Securities reported in the Federal Reserve's H.15 Statistical Release in effect the first business day in November (November 2, 2015) or a floor of 0.20%. The one-year Treasury Securities rate on November 2, 2015 was 0.37%; therefore, notice is hereby given to all utilities that the rate payable on customer deposits for 2016 will be 0.37%.

Please note that Chapter 870 does not differentiate between investor-owned and non-investor owned utilities and therefore non investor-owned utilities are also required to pay the deposit interest rate specified herein.

The effective date for the above-mentioned interest rates for the late charges and on customer deposits is January 1, 2016.

Sincerely,

/s/ Harry Lanphear

Harry Lanphear
Administrative Director

TOWN OF HAMPDEN
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2015

Exhibit E

	<i>Sewer Enterprise</i>
Assets	
Current Assets:	
Cash and Equivalents	187,899
Investments	7,804
User Fees/Liens Receivable	37,975
Capital Assets:	
Construction Work in Progress	884,701
Other Capital Assets, Net of Depreciation	6,678,109
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Total Assets	7,796,488
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Liabilities	
Current Liabilities:	
Accounts Payable	326,143
Accrued Interest Payable	18,622
Retainage Payable	
Due to Other Funds	541,666
Long-term Liabilities:	
Due Within One Year	300,252
Due in More Than One Year	3,168,721
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Total Liabilities	4,355,404
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Net Position	
Net Investment in Capital Assets	3,209,136
Restricted	294,957
Unrestricted	(63,009)
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Total Net Position	3,441,084
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Total Liabilities and Net Position	7,796,488
	<hr/> <hr/>

Amounts reported for business-type activities in the Statement of Net Position are different because:

Total Retained Earnings	3,441,084
Certain long-term assets are not available to pay for current fund liabilities:	
Interfund Payable	541,666
	<hr/>
Net Position of Governmental Activities	3,982,750
	<hr/> <hr/>

The notes to financial statements are an integral part of this statement.

TOWN OF HAMPDEN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PROPRIETARY NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2015

Exhibit F

	<i>Budget</i>	<i>Sewer Enterprise</i>	<i>Variance Favorable (Unfavorable)</i>
Operating Revenues:			
Charges for Services	546,133	528,165	(17,968)
Total Operating Revenues:	<u>546,133</u>	<u>528,165</u>	<u>(17,968)</u>
Operating Expenses:			
Repairs	12,000		12,000
Sewer Flush Repairs	500		500
Utilities/Fuel	42,000	41,414	586
Pump Station Contracts	42,000	73,796	(31,796)
Treatment Service Charges	185,000	318,746	(133,746)
Special Projects	10,000		10,000
Liens/Transfers	4,000		4,000
Wages	60,000	60,000	-
Supplies	18,400	13,146	5,254
Depreciation and Amortization		279,407	(279,407)
Total Operating Expenses	<u>373,900</u>	<u>786,509</u>	<u>(412,609)</u>
Net Operating Income (Loss)	<u>172,233</u>	<u>(258,344)</u>	<u>(430,577)</u>
Non-operating Revenues (Expenses)			
Interest Revenue	12,850	12,855	5
Change in Fair Market Value		(541)	(541)
Miscellaneous Income	20,000		(20,000)
Interest Expense	(344,000)	(91,702)	252,298
Total Non-operating Revenues (Expenses)	<u>(311,150)</u>	<u>(79,388)</u>	<u>231,762</u>
Net Income (Loss) Before Contributions and Transfers	<u>(138,917)</u>	<u>(337,732)</u>	<u>(198,815)</u>
Capital Contributions		<u>67,372</u>	
Change in Net Position		(270,360)	
Total Net Position - Beginning		<u>3,711,444</u>	
Total Net Position - Ending		<u><u>3,441,084</u></u>	
Change in Net Position		(270,360)	
Amounts reported for business-type activities in the statement of activities are different because:			
Transfers from general fund		<u>(240,000)</u>	
Change in net Position of business-type activities		<u><u>(510,360)</u></u>	

The notes to financial statements are an integral part of this statement.

TOWN OF HAMPDEN
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Exhibit G

	<u>Sewer Enterprise</u>
<i>Cash Flows from Operating Activities;</i>	
Received from Customers	528,165
Payments to Suppliers	(447,102)
Payments to Employees	(60,000)
Other Receipts (Payments)	<u>(197,332)</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(176,269)</u>
<i>Cash Flows from Capital and Related Financing Activities</i>	
Purchases of Capital Assets	(353,620)
Principal Paid on Capital Debt	(251,855)
Interest Paid on Capital Debt	<u>(91,702)</u>
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(697,177)</u>
<i>Cash Flows from Investing Activities</i>	
Net Purchases / Sales of Investments	143,161
Interest and Dividends	<u>12,855</u>
<i>Net Cash Provided by (Used in) Investing Activities</i>	<u>156,016</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(717,430)
<i>Balances - beginning of the year</i>	<u>905,329</u>
<i>Balances - end of the year</i>	<u><u>187,899</u></u>
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</i>	
Operating Income (Loss)	(258,344)
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	279,407
Changes in Assets and Liabilities;	
Receivables, net	7,434
Accounts Payable	57,627
Accrued Interest	(377)
Retainage Payable	(22,016)
Due to Other Funds	<u>(240,000)</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u><u>(176,269)</u></u>

The notes to financial statements is an integral part of this statement.

Town of Hampden Debt Service Analysis, working draft of 1-11-16 **Future Debt Service Obligations**

Purpose Proprietary	Bond Series	Maturity Date	Remaining Balance (Year-End FY14)	FY16 Debt Service Due	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
1996 Sewer SRF	1997 A	10/1/2017	\$ 358,915	\$ 96,348	\$ 96,274	\$ 96,217							
2006 Sewer Construction Bond	2006 C	11/1/2026	\$ 947,371	\$ 103,990	\$ 107,675	\$ 103,669	\$ 99,495	\$ 95,715	\$ 85,889	\$ 87,484	\$ 84,812	\$ 82,598	\$ 81,588
2010 Route 1A Sewer Bond		7/29/2029	\$ 1,512,492	\$ 108,537	\$ 108,533	\$ 108,526	\$ 108,520	\$ 108,514	\$ 108,508	\$ 108,502	\$ 108,495	\$ 108,489	\$ 108,483
2014 Sewer Project	2014 A	11/1/2034	\$ 902,050	\$ 69,217	\$ 68,973	\$ 68,594	\$ 68,066	\$ 67,397	\$ 66,578	\$ 65,622	\$ 64,560	\$ 63,410	\$ 62,187
			<u>\$ 3,720,828</u>	<u>\$ 378,092</u>	<u>\$ 381,455</u>	<u>\$ 377,006</u>	<u>\$ 276,082</u>	<u>\$ 271,626</u>	<u>\$ 260,974</u>	<u>\$ 261,607</u>	<u>\$ 257,867</u>	<u>\$ 254,497</u>	<u>\$ 252,259</u>

General Obligation	Bond Series	Maturity Date	Remaining Balance (Year-End FY14)	FY16 Debt Service Due	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
2000 Road Construction & Line Extensions (Business Park)	2000 D	11/1/2020	\$ 630,000	\$ 117,282	\$ 112,152	\$ 107,021	\$ 101,861	\$ 97,217	\$ 91,492				
2002 Fire Station	2001 D	11/1/2021	\$ 674,400	\$ 111,970	\$ 107,653	\$ 103,343	\$ 99,039	\$ 94,734	\$ 90,369	\$ 86,040			
2006 Gravel Roads	2006 B	11/1/2015	\$ 166,668	\$ 84,167	\$ -								
2011 Mayo Road Bond	2010 F	11/1/2030	\$ 1,551,250	\$ 123,822	\$ 122,558	\$ 121,056	\$ 119,380	\$ 117,581	\$ 115,731	\$ 113,806	\$ 111,806	\$ 109,718	\$ 107,543
			<u>\$ 3,022,318</u>	<u>\$ 437,241</u>	<u>\$ 342,363</u>	<u>\$ 331,419</u>	<u>\$ 320,280</u>	<u>\$ 309,532</u>	<u>\$ 297,593</u>	<u>\$ 199,847</u>	<u>\$ 111,806</u>	<u>\$ 109,718</u>	<u>\$ 107,543</u>

Total Debt Service Obligations:

\$ 815,333	\$ 723,818	\$ 708,425	\$ 596,362	\$ 581,158	\$ 558,567	\$ 461,454	\$ 369,674	\$ 364,216	\$ 359,801
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<i>Change from prior year:</i>	n/a	\$ (91,514)	\$ (15,394)	\$ (112,063)	\$ (15,204)	\$ (22,590)	\$ (97,113)	\$ (91,780)	\$ (5,458)	\$ (4,414)
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Sources:

Town of Hampden Financial Statements with Independent Auditor's Report, FY11, 13 and 14.

Town of Hampden General Fund and Sewer Fund FY15 and FY16 budgets.

Town of Hampden Debt Service An

Purpose Proprietary	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
1996 Sewer SRF										
2006 Sewer Construction Bond	\$ 79,074									
2010 Route 1A Sewer Bond	\$ 108,475	\$ 108,470	\$ 108,462	\$ 108,456	\$ 108,450					
2014 Sewer Project	\$ 60,879	\$ 59,468	\$ 57,963	\$ 56,389	\$ 54,768	\$ 53,088	\$ 51,356	\$ 49,597	\$ 47,813	\$ 46,009
	\$ 248,428	\$ 167,938	\$ 166,426	\$ 164,845	\$ 163,218	\$ 53,088	\$ 51,356	\$ 49,597	\$ 47,813	\$ 46,009

General Obligation	FY26	FY27	FY28	FY29	FY30	FY31				
2000 Road Construction & Line Extensions (Business Park)										
2002 Fire Station										
2006 Gravel Roads										
2011 Mayo Road Bond	\$ 105,367	\$ 102,976	\$ 100,370	\$ 97,765	\$ 95,159	\$ 92,553				
	\$ 105,367	\$ 102,976	\$ 100,370	\$ 97,765	\$ 95,159	\$ 92,553				
	\$ 353,795	\$ 270,914	\$ 266,796	\$ 262,610	\$ 258,376	\$ 145,641	\$ 51,356	\$ 49,597	\$ 47,813	\$ 46,009
	\$ (6,006)	\$ (82,881)	\$ (4,118)	\$ (4,186)	\$ (4,234)	\$ (112,735)	\$ (94,285)	\$ (1,759)	\$ (1,784)	\$ (1,804)

Sources:

Town of Hampden Financial State
 Town of Hampden General Fund c

LEGEND

- PRE 1980 MANHOLE
- POST 1980 MANHOLE
- ⊕ AIR RELIEF MANHOLE
- PS PUMP STATION 4
- GRAVITY SEWER
- FORCE MAIN SEWER

COLLECTOR CONTRACT COLOR SCHEME

- CONTRACT 1
- CONTRACT 2
- CONTRACT 3
- CONTRACT 4
- CONTRACT 5
- CONTRACT 6
- TOWN OF HAMPDEN BUSINESS PARK
- CONTRACT 7 (2004)
- CONTRACT 8 (2005)
- CONTRACT 9 (2006)

INTERCEPTOR CONTRACT COLOR SCHEME

- CONTRACT 1
- CONTRACT 2
- CONTRACT 3
- CONTRACT 4
- CONTRACT 5



**Priority Areas 1 through 7
Town of Hampden
June 3, 2008**

Description	Construction	Technical Services	Contingency	Total
Priority Area 1	\$502,000.00	\$57,500.00	\$84,000.00	\$643,500.00
Priority Area 2	\$483,750.00	\$56,000.00	\$80,000.00	\$619,750.00
Priority Area 3	\$463,750.00	\$54,000.00	\$78,000.00	\$595,750.00
Priority Area 4	\$597,000.00	\$67,500.00	\$100,000.00	\$764,500.00
Priority Area 5	\$437,000.00	\$51,000.00	\$73,500.00	\$561,500.00
Priority Area 6	\$358,625.00	\$43,500.00	\$60,500.00	\$462,625.00
Priority Area 7	\$366,500.00	\$44,000.00	\$61,500.00	\$472,000.00
TOTALS	\$3,208,625.00	\$373,500.00	\$537,500.00	\$4,119,625.00

SEWER PRIORITY AREA MAP



SOURCE:
PLAN ENTITLED, "TOWN OF HAMPDEN, TOWN OF HAMPDEN SEWER LOCATIONS".
DATED 03-21-2006, PREPARED BY JAMES W. SEWELL COMPANY

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REV	DESCRIPTION	DATE
DESIGNED BY:	CHECKED BY:	DATE
DRAWN BY:	2007-06-09	Hampden Sewer

SEWER PRIORITY AREA MAP

TOWN OF HAMPDEN, MAINE

SEWER COST ESTIMATE

JOB NO.:	213302
DATE:	JUNE 2008
SCALE:	1"=1000'
SHEET:	OF