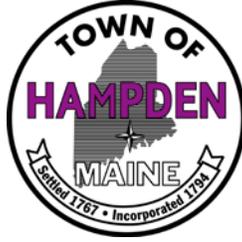


Town of Hampden
106 Western Avenue
Hampden, Maine 04444



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

TO: Hampden Sewer Customers
FROM: Angus Jennings, Town Manager
DATE: January 27, 2016
RE: Anticipated Increase in Sewer Rates

This sewer bill insert is intended to notify you of the following scheduled public hearing:

TAKE NOTICE: The Town of Hampden hereby gives notice pursuant to section 2.9 of the Town of Hampden Fees Ordinance, that the Town Council will conduct a public hearing at 7:00 pm on Tuesday, February 16, 2016 at the Hampden Municipal Building, 106 Western Avenue, for the purpose of receiving information and comments concerning Town of Hampden sewer rates. Sewer rates will be established by the Town Council based on information and comments received at the public hearing.

Denise Hodsdon
Town Clerk

My office has been working closely with the Town Council's Infrastructure Committee and with the Director of Public Works to evaluate the current sewer rate structure. The current rate structure, adopted in August 2009, does not provide adequate revenues to cover the sewer's operating and capital costs. In order to meet its financial obligations, the Sewer Fund has borrowed money from the General Fund, over the course of years, through Interfund Transfers.

At the public hearing, the Town Council will consider an increase in the sewer usage rates and capital charges. My recommendation to the Town Council will be to adopt a rate structure that:

- 1) Ensures that revenues cover operating and capital costs on an ongoing basis;
- 2) Generates enough revenue over and above Item 1 to enable the Sewer Fund to repay the Interfund Transfers from the General Fund over an established period of time; and
- 3) Re-establishes reserve accounts to support future system investments, including capital improvements, periodic maintenance, and emergency repairs.

If approved, new rates would take effect on April 1, 2016, and would first appear on your 2016 2nd quarter invoice to be mailed in July.

No one is happy about the need to increase sewer rates, and we understand the impact that an increase would have on sewer customers. We are working hard to ensure that all costs continue to be kept to the minimum necessary to operate and maintain this public utility.

More information on the sewer utility and the ongoing review of sewer rates can be found at:

www.hampdenmaine.gov/sewer