



FY12 Sewer Fund Budget

As Proposed
By The
Town Manager

Updated Through
September 26, 2011

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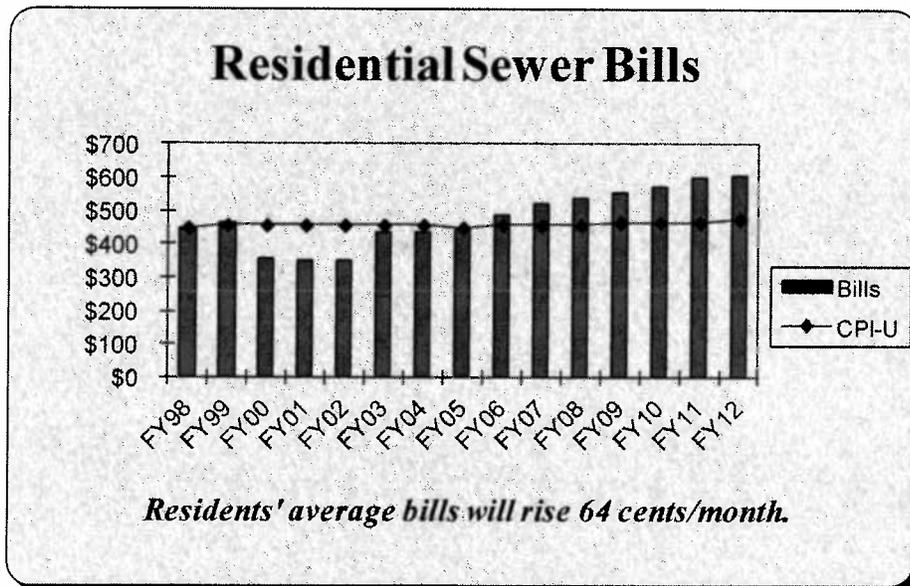
Dana J. Reed, Town Manager

manager@barharbormaine.gov

September 26, 2011

Budget Message

You will find attached the proposed Sewer Budget for FY12. I am pleased to report that, under the requested budget, the estimated annual sewer bill for a typical four-member residential household will rise just 1.3% next year to \$608, that's only \$1.91 per quarter. Seasonal businesses should see increases just slightly lower or higher, depending on the nature of their business.



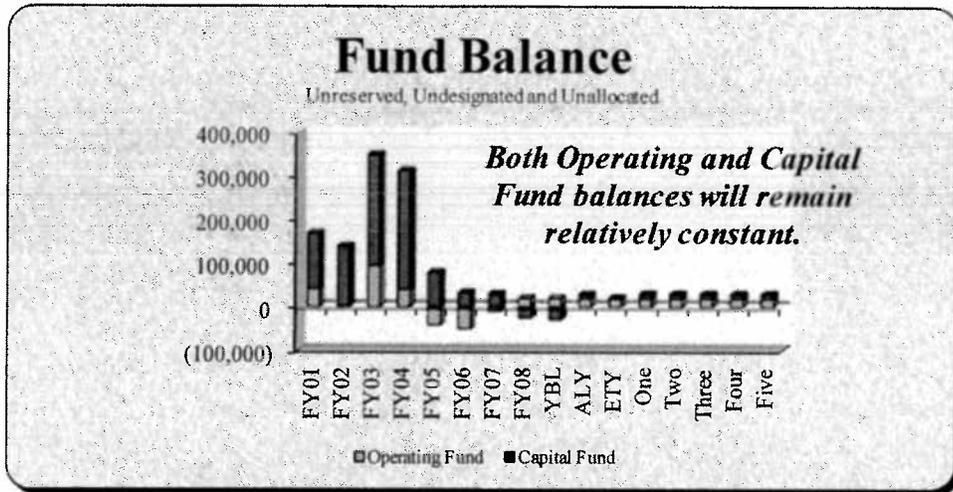
Billing Volume (page 51)

Forecasting revenue continues to be difficult due to fluctuations in our billing volume, that is, our customers' water consumption upon which their bills are calculated. For five years billing volumes dropped. An up-tick in early 2009 raised our hopes, but final FY09 volume fell 5.6%, and we lost over \$100,000. Once again, volume rose in FY11, this time by 3.7%. So what do we do about next year?

For FY12, we are recommending that we assume no change in billing volume. While volume has been trending down (averaging, maybe, 3% per year over the last six years), tourism sectors did well this summer, so our volume should rise. Given recent trends, staff feels that a flat volume estimate should be a conservative projection and recommends it to Council.

Fund Balance (page 55)

The proposed budget is balanced, with our combined fund balance (operating and capital) netting out to just an \$8,700 increase, the bulk of that in the Capital Fund where we need to re-build our minimal Unallocated Fund Balance. The fund balances of both the Operating Fund and Capital Fund are projected to remain relatively constant over the next five years.



Fund Balance – Capital Fund (page 13)

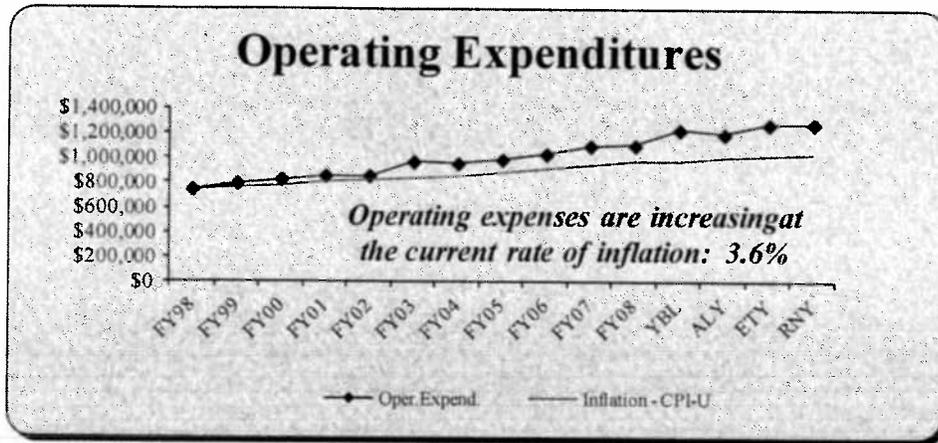
Over the next five years, we expect only relatively minor fluctuations in the Unallocated Fund Balance of the Capital Fund. As explained below, we'll need to spend considerable funds over the next five years on the sewer portion of the DPW Road Improvement Program, much of which was financed by a \$1.3 million bond issue last month. Similarly, bond anticipation notes will need to be sold in Year Four to finance the engineering and construction work needed to implement our federally mandated Combined Sewer Overflow Plan. However, financing these large projects will enable us to keep our fund balance reasonably stable. For the coming year (FY12) we anticipate a small gain of only \$8,171.

Fund Balance – Operating Fund (page 8)

Due to the volume shortfall cited above, we ended with losses totaling \$53,000 in FY09 and FY10. Fortunately, FY11 was some better, as we were able to recover that loss and add another \$70,000 or so to the operating fund balance. Please keep in mind that this is only our unreserved and undesignated fund balance. You have designated \$389,230 of unexpended funds for working capital. In other words, this is cash which is held in reserve to finance expenses between July 1 and October, when the first sewer bill revenue arrives.

Operating Expenditures (page 10)

Overall operating expenses will rise only 0.4% in the coming year, just \$5,326 more than the previous year. Major increases occurred in employee benefits, the Town's management services fees and petroleum products. Fortunately, these were offset by drops in the budget for lab testing, chemicals and, most importantly, "Old Debt" service payments totaling \$20,000.



Capital Expenditures (page 16)

A “Year by Year Overview” of our Capital Improvement Program is on page 16 of the budget, with more details in Chart A, starting on page 20, so I will touch only on the highlights here. The Five Year capital plan proposed in this year’s budget looks quite similar to that approved last year, with a few major exceptions.

Combined Sewer Overflow Elimination Project (page 20)

We’ve known the CSO mandate was coming for quite a few years, but it keeps sneaking up on us one year at a time. Last year, we added \$1.3 million to Year Five for CSO engineering. This year, we’ve added the next \$6.1 million for the construction phase. Both will be financed using a bond issue, which we plan to postpone until after our Bond Issue E is paid off in FY18. That bond retirement will free-up close to a half million dollars per year in payments for our 1996 Main Plant Upgrade. We will still need about a 27% rate increase in Year Four, but nothing close to the huge increase we would have been facing had not the Maine DEP postponed our CSO construction schedule last year.

Construction & Repair Projects (page 21)

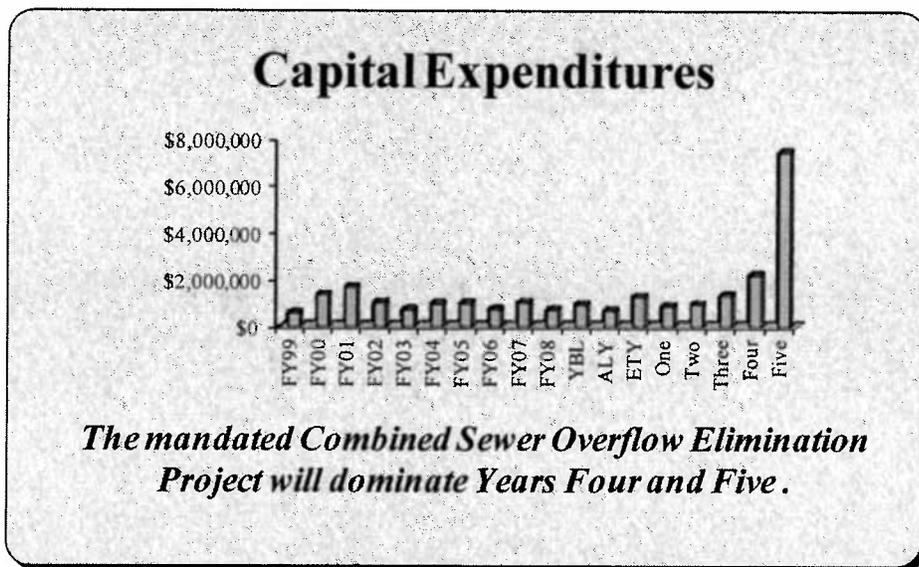
Throughout the five years of the CIP, we plan to continue relining sewer mains and basins and replacing services in order to reduce infiltration and inflow (I&I) and help us comply with the State/Federal mandates to reduce CSOs. All of these projects are detailed in Chart A, the narrative description of the CIP and are timed to coincide with the other road, sidewalk and stormdrain projects of Public Works Director Chip Reeves’s Consolidated Capital Work Plan. The five year total is \$1.3 million, a number which includes about \$300,000 in Year Five for work on Shannon, Holland and Glen Mary roads for gravity sewer replacements as part of the CSO project.

In Year One, we anticipate replacing \$88,000 worth of mains and services under town road projects, and building a new \$80,000 pump station at Ocean Avenue in Hulls Cove to eliminate the unsightly and high maintenance sewer interceptor across Breakneck Cove. As you heard at the last Council meeting, the Woodbury Park project is moving along and also should be built during the coming construction season.

Equipment Replacements (page 22)

With the cost of vehicle replacements climbing, I have recommended lengthening the replacement cycles for a number of our vehicles so as not to increase funding for our annual reserves. No vehicles are scheduled for replacement this year, but we will need to replace a Line Crew truck in Year Two and an Inspector’s truck in Year Four.

We’re still on track to start our Pump Station Reconstruction program in Year Two, with about \$60,000 needed in each of the next four years until they are all rebuilt. I’ve recommended postponing funding for our generator replacement reserves for a few years, since we are coming under increasing pressure to add more generators. We propose to add a generator for the Hancock Street Pump Station in Year Three and the Hulls Cove Treatment Plant in Year Five, so appropriate reserves have been funded. All of our laptop computers will be replaced in Year One, as well as our five year old utility billing software.



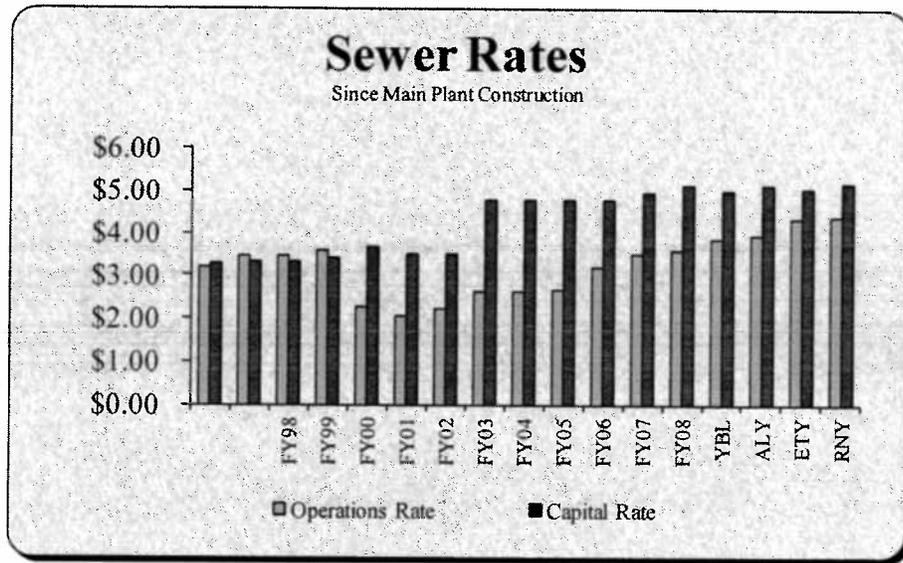
Revenues (page 47)

Since it helps to keep down sewer rates, income other than rates is an important part of the budget. The real wild card in the revenue deck is our estimate for connection fees. Any time a customer substantially increases their sewage flow (like constructing a new building), a sewer connection fee is charged. A history of these fee collections is on page 48. Due to the historically unstable real estate market at this time, we estimated this revenue very conservatively: at the same level as the lowest receipts of the last nine years, \$37,000, rather than our nine year average receipts of \$82,000, even though the higher figure would have lowered rates by 2%. Because they are so unstable, there is real danger in overestimating these revenues.

Rates (page 50)

Staff is suggesting that rates be increased only enough to break even at this time: an increase to the Operations Rate of only 0.2%, with a 3% increase to the Capital Rate, for a net increase of only 1.3%. If approved as proposed, the estimated annual sewer bill for a typical four-member residential household will rise 1.3% next year to \$608, as compared to a \$600 bill this year. I think it is important to point out that that we lowered the Capital Rate last year by

2.3% to keep down the overall rate increase, so this year's rate adjustment is needed to keep our Capital Improvement Program on track.



Requested Action

In summary, the budget I have recommended:

- **Projects that overall billable volume will not change.**
- **Increases the Operations Rate by 0.2%.**
- **Increases the Capital Rate by 3%.**
- **Increases the average homeowner's sewer bill by 1.3%.**

While it's never a good time for a rate increase, I feel that adoption of this budget is the best option we have available. Accordingly, I respectfully suggest that the Town Council pass a motion to introduce the Sewer Budget Ordinance as proposed [or amended] and schedule a public hearing for November 1

Respectfully submitted,

Dana J. Reed
Town Manager

	Actual	Actual	Budgeted	Estimated	Requested
	Yr.Before	Last Year	This Year	This Year	Next Year
	Last: FY09	FY10	FY11	FY11	FY12

Operating Fund Balance

FUND BALANCE - Operating Fund

Starting Fund Balance	339,381	288,619	280,387	286,133	406,744
Revenues & Other Sources	1,176,941	1,191,170	1,233,745	1,393,989	1,279,207
Expenditures & Other Uses	1,227,703	1,193,656	1,234,622	1,273,378	1,278,704
Ending Fund Balance	288,619	286,133	279,510	406,744	407,247
Designated Fund Balance					
Working Capital (See Note A)	268,619	268,619	268,619	389,230	389,230
Total Designated Fund Balance	268,619	268,619	268,619	389,230	389,230
Unreserved and Undesignated Fund Balance	20,000	17,514	10,891	17,514	18,017
Change in Unreserved & Undesignated Fund Balance	(50,762)	(2,486)	(877)	0	503

RNY/BTY

Notes:

- A. Since our first billing of the new fiscal year doesn't go out until October, and cash doesn't start coming in until November, we need to reserve at least four months' operating expenses at the end of each fiscal year to get us started the next fiscal year. This should be calculated at four month's expenditures. i.e.- 33% of the total current year (BTY) expenditures for the operating fund. For next fiscal year, this should equal \$421,972

	Actual Yr. Before Last: FY09	Actual Last Year FY10	Budgeted This Year FY11	Actual This Year FY11	Requested Next Year FY12	Request's Change From This Year's: Budget Estimate	
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Operating Fund Revenues

3597 OPERATIONS RATE CHARGES (See Chart J)

<i>Sub Total: Charges from Operations Rate</i>	1,024,590	982,578	1,082,080	1,125,044	1,127,630	45,550	2,586
		<i>ALY:YBL</i>	<i>BTY:ALY</i>	<i>ETY:BTY</i>	<i>RNY:ETY</i>	<i>RNY:BTY</i>	<i>RNY:ETY</i>
		-4%	10%	14%	0.2%	4.2%	0.2%

OTHER CUSTOMER CHARGES (* = See Chart J)

4932 Sludge Dewatering *	58,637	72,209	61,508	75,439	68,920	12.1%	-8.6%
4934 Septic Tank Dumping *	21,940	25,517	26,448	29,334	25,656	-3.0%	-12.5%
4936 Connection Fees *	37,008	85,922	37,008	139,247	37,008	0.0%	-73.4%
<i>Sub Total: Other Charges</i>	117,585	183,648	124,964	244,020	131,584	6,620	-112,436
		56%	-32%	33%	-46%	5.3%	-46.1%

OTHER INCOME (* = See Chart J)

4700 Interest on Investments *	17,677	7,612	9,000	5,120	6,000	-33.3%	17.2%
4702 Gain (Loss) on Investments	(2,507)	0	0	0	0		
4704 Penalties for Late Payments *	8,785	6,199	8,071	5,299	5,299	-34.3%	0.0%
4938 Miscellaneous	2,470	2,351	2,576	8,163	2,351	-8.7%	-71.2%
4940 Lien Cost Reimbursements *	8,341	8,782	7,054	6,343	6,343	-10.1%	0.0%
<i>Sub Total: Other Income</i>	34,766	24,944	26,701	24,925	19,993	-6,708	-4,932
		-28%	7%	0%	-20%	-25.1%	-19.8%

Total Operating Fund Revenues

1,176,941	1,191,170	1,233,745	1,393,989	1,279,207	3.7%	-8.2%
	14,229	42,575	202,819	(114,782)	45,462	-114,782
	<i>ALY:YBL</i>	<i>BTY:ALY</i>	<i>ETY:BTY</i>	<i>RNY:ETY</i>	<i>RNY:BTY</i>	<i>RNY:ETY</i>
		4%	17%	-8%	3.7%	-8.2%

Note:

Charges for Services are shown as the amount billed, which will vary from the amount actually collected.

	Actual Yr. Before Last: FY09	Actual Last Year FY10	Budgeted This Year FY11	Actual This Year FY11	Requested Next Year FY12	Request's Change From This Year's Budget	Estimate
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Operating Fund Expenditures

51 PERSONNEL SERVICES (See Chart B)							
5105 Wages-Hourly Full Time *	319,183	329,936	341,532	344,993	344,911	1.0%	0.0%
5110 Wages-Overtime *	44,494	40,075	37,567	44,551	37,934	1.0%	-14.9%
5130 Wages-Summer/Seasonal *	14,623	13,841	13,593	15,350	13,593	0.0%	-11.4%
5175 Wages - Vacation Accruals	0	318	321	0	167	-48.0%	n/a
Total Personnel Services	378,300	384,170	393,013	404,894	396,605	0.9%	-2.0%
				(11,881)		3,592	-8,289
				(Over Budget)			
52 EMPLOYEE BENEFITS (See Chart B)							
5160 ICMA Retirement *	0	0	1	0	1	0.0%	n/a
5200 FICA & Medicare *	28,594	28,523	30,041	29,683	30,327	1.0%	2.2%
5210 MSRS Retirement *	12,061	12,328	15,906	14,744	17,593	10.6%	19.3%
5215 Workers' Compensation *	10,025	9,717	10,210	8,879	8,722	-14.6%	-1.8%
5220 Unemployment Compensation *	1,838	2,215	2,268	2,219	2,268	0.0%	2.2%
5225 Health Insurance *	66,730	59,167	71,029	76,358	85,048	19.7%	11.4%
5230 Health Insurance Opt Out	15,659	13,810	13,588	12,292	14,087	3.7%	14.6%
5245 Retirement Health Savings Acct. *	766	479	629	1,106	793	26.1%	-28.3%
5255 Innoculations & Physical Exams	160	165	283	0	109	-61.3%	n/a
Total Employee Benefits	135,833	126,403	143,955	145,281	158,949	10.4%	9.4%
				(1,326)		14,994	13,668
				(Over Budget)			
53 CONTRACTUAL SERVICES (See Chart C)							
5300 Alarms & Paging *	1,683	1,822	1,296	1,188	498	-61.6%	-58.1%
5304 Audit & Accounting	1,830	1,508	1,561	1,600	1,666	6.7%	4.1%
5306 Town Management Fees *	79,712	82,093	82,217	82,217	113,477	38.0%	38.0%
5308 Billing Fees *	1,090	1,016	1,100	1,153	1,099	-0.1%	-4.7%
5310 Office and Lab Cleaning	5,486	5,330	5,446	5,400	5,470	0.4%	1.3%
5311 Special Waste Cleaning *	925	33	1,900	2,100	2,200	15.8%	4.8%
5312 Pump Station Pumping *	1,350	600	985	1,895	1,297	31.7%	-31.6%
5314 Copier & Time Clock	319	335	402	352	339	-15.6%	-3.6%
5326 Engineering	0	3,282	359	1,381	1,573	338.2%	13.9%
5332 Generator Service *	3,475	615	4,404	4,368	4,712	7.0%	7.9%
5334 General Professional Fees	717	308	425	308	450	5.8%	46.0%
5336 General Equipment Maintenance*	2,051	3,331	2,625	2,757	2,790	6.3%	1.2%
5340 Legal Services	465	0	359	825	435	21.2%	-47.3%
5348 Mowing *	3,360	3,382	3,510	3,873	3,581	2.0%	-7.5%
5358 Heating System Cleaning *	0	0	1,300	1,240	1,240	-4.6%	0.0%
5366 Sludge Disposal *	47,167	46,300	48,510	55,918	51,276	5.7%	-8.3%
5368 Technology Licenses & Support *	2,314	2,077	2,475	2,187	2,475	0.0%	13.2%
5380 Testing - Drug & Alcohol	238	387	393	360	332	-15.5%	-7.7%
5384 Laboratory Testing *	5,240	8,545	10,003	4,447	3,120	-68.8%	-29.8%
5388 Uniform Cleaning & Rental *	8,021	8,490	7,000	7,355	7,466	6.7%	1.5%
Total Contractual Services	165,443	169,454	176,270	180,924	205,496	16.6%	13.6%
				(4,654)		29,226	24,573
				(Over Budget)			

	Actual Yr. Before Last: FY09	Actual Last Year FY10	Budgeted This Year FY11	Actual This Year FY11	Requested Next Year FY12	Request's Change From This Year's: Budget Estimate	
OPERATING FUND EXPENDITURES							
<i>Page 2</i>							

54 MATERIALS & SUPPLIES (See Chart D)

5410	Clothing Purchases *	3,331	3,622	4,000	3,375	3,484	-12.9%	3.2%
5412	Copier & Printer Supplies	1,545	1,529	1,528	958	1,360	-11.0%	42.0%
5418	Forms, Checks, Etc.	546	708	719	0	423	-41.2%	n/a
5424	Sodium Hypochlorite *	9,406	8,599	9,300	11,691	10,017	7.7%	-14.3%
5428	Lab Supplies	7,000	8,939	7,798	6,800	7,671	-1.6%	12.8%
5432	Mains & Services	8,317	6,579	7,645	7,681	7,616	-0.4%	-0.8%
5436	Office Supplies	1,025	1,190	1,183	1,726	1,329	12.4%	-23.0%
5438	Operating Supplies	11,180	9,731	10,167	9,227	10,167	0.0%	10.2%
5441	Magnesium Hydroxide & Other *	25,402	31,128	34,000	28,494	28,681	-15.6%	0.7%
5442	Polymer Supplies *	7,126	14,401	14,500	12,740	11,559	-20.3%	-9.3%
5444	Safety Supplies *	527	5,524	1,282	2,318	1,533	19.6%	-33.9%
5452	Sodium Bisulphite *	1,972	3,029	3,129	4,623	3,246	3.8%	-29.8%
5458	Vehicle Supplies - D.I.Y. *	5,053	3,598	3,300	3,465	2,429	-26.4%	-29.9%
Total Materials & Supplies		82,430	98,577	98,551	93,098	89,516	-9.2%	-3.8%
					5,453		-9,035	-3,582
					Under Budget			

55 UTILITIES & COMMODITIES (Chart E)

5504	Electricity - Plants *	102,153	98,238	102,678	102,846	102,292	-0.4%	-0.5%
5506	Electricity - Pumping *	62,492	56,244	58,643	56,952	59,265	1.1%	4.1%
5508	#2 Heating Oil & Kerosene *	24,814	14,341	18,035	16,570	22,013	22.1%	32.8%
5514	Motor Fuel - Diesel	8,565	6,905	8,314	10,089	9,789	17.7%	-3.0%
5516	Motor Fuel - Unleaded Gasoline	13,149	13,220	15,917	17,411	16,768	5.3%	-3.7%
5518	Motor Oils & Grease	762	1,573	1,357	1,010	1,281	-5.6%	26.8%
5520	Propane	1,818	2,192	2,490	2,817	2,615	5.0%	-7.2%
5528	Telephone & Cellular *	4,876	3,437	5,256	3,640	3,581	-31.9%	-1.6%
5530	Water *	2,074	3,904	2,620	4,093	3,635	38.8%	-11.2%
Total Utilities & Commodities		220,703	200,053	215,310	215,428	221,239	2.8%	2.7%
					(118)		5,929	5,811
					(Over Budget)			

56 REPAIRS & MAINTENANCE (Chart F)

5602	Buildings	3,949	2,849	3,141	2,339	3,082	-1.9%	31.8%
5612	Technology		0	1	375	1	0.0%	-99.7%
5616	Line Equipment	7,666	9,651	8,745	8,930	8,854	1.2%	-0.9%
5628	Mains & Services *	35,872	24,509	23,967	29,716	30,393	26.8%	2.3%
5634	Plant Equipment *	21,125	15,918	17,176	28,568	22,133	28.9%	-22.5%
5640	Pump Station Equipment *	24,845	14,780	16,675	28,788	25,258	51.5%	-12.3%
5644	Radios	395	1,053	491	2,004	1,164	137.2%	-41.9%
5658	Vehicles - Repair by Others *	2,648	986	1,096	2,533	4,367	298.5%	72.4%
Total Repairs & Maintenance		96,500	69,746	71,292	103,253	95,253	33.6%	-7.7%
					(31,961)		23,961	-8,000
					(Over Budget)			

	Actual Yr. Before Last: FY09	Actual Last Year FY10	Budgeted This Year FY11	Actual This Year FY11	Requested Next Year FY12	Request's Change From This Year's: Budget	Estimate
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OPERATING FUND EXPENDITURES

57 EQUIPMENT PURCHASES (Chart G)								
5700	Technology Equipment *	927	3,473	4,865	1,008	928	-80.9%	-7.9%
5702	Office Equipment *	320	0	1,000	1,309	1,500	50.0%	14.6%
5704	Operating Equipment *	3,964	6,218	9,025	9,239	6,925	-23.3%	-25.0%
Total Equipment Purchases		5,211	9,691	14,890	11,556	9,353	-37.2%	-19.1%
					3,334		-5,537	-2,203
					<i>Under Budget</i>			

58 OTHER EXPENSES, TRAVEL, ETC. (Chart H)								
5800	Advertising	576	443	480	166	400	-16.7%	140.8%
5808	Dues & Licenses *	0	520	76	325	633	732.2%	94.6%
5822	Insurance: Liability & Crime	7,571	7,412	7,732	6,374	7,204	-6.8%	13.0%
5824	Insurance: Property & Casualty	13,289	13,614	13,731	13,545	13,644	-0.6%	0.7%
5826	Insurance: Automobiles	2,616	3,176	2,866	2,766	2,887	0.7%	4.4%
5832	Facility Permits & Fees *	1,436	3,819	2,746	3,154	2,878	4.8%	-8.7%
5836	Postage & Shipping	4,023	4,202	4,304	3,598	3,988	-7.3%	10.8%
5838	Registry & Lien Costs *	3,237	3,666	2,735	3,107	3,377	23.5%	8.7%
5844	Training, Workshops, Etc.*	3,327	1,447	2,444	1,520	2,448	0.2%	61.1%
5846	Travel: Rooms, Miles & Meals *	1,291	525	600	762	763	27.2%	0.2%
Total Other Expenses, Travel, Etc.		37,366	38,824	37,714	35,317	38,223	1.3%	8.2%
					2,397		509	2,906
					<i>Under Budget</i>			

080 "OLD" DEBT SERVICE (See Chart I)								
Total Old Debt Service *		105,917	96,738	83,627	83,627	64,070	-23.4%	-23.4%
					0		-19,557	-19,557
					<i>Under Budget</i>			

Total Operating Fund Expenditures		1,227,703	1,193,656	1,234,622	1,273,378	1,278,704	3.6%	0.4%
Increase (Decrease)			-3%	3.4%		0.4%	44,082	5,326
			-34,047	40,966	(38,756)	5,326		
					<i>(Over Budget)</i>			

Capital Fund Balance

	Actual Yr. Before Last: FY09	Actual Last Year FY10	Budgeted This Year FY11	Estimated This Year FY11	<i>Five Year Plan</i>				
					Year One FY12	Year Two FY13	Year Three FY14	Year Four FY15	Year Five FY16
FUND BALANCE - Capital Fund									
Starting Fund Balance	581,859	627,548	602,029	600,975	253,874	1,482,297	1,268,237	699,140	6,976,237
Revenues & Other Sources (Cash In)	761,020	940,350	2,116,540	717,398	2,134,058	770,432	783,245	8,513,283	1,018,909
Expenditures & Other Uses (Cash Out)	715,331	966,923	1,301,999	1,064,499	905,636	984,492	1,352,342	2,236,186	7,476,681
Ending Fund Balance	627,548	600,975	1,416,570	253,874	1,482,297	1,268,237	699,140	6,976,237	518,465
Designated Fund Balance at Year End									
Unfinished CIP Projects (Note A)	436,120	534,745	1,348,407	1,591,589	1,416,066	1,202,006	632,908	6,910,004	452,079
October Bond Payment (Note B)	221,662	54,642	54,642	54,642	54,642	54,642	54,642	54,642	54,642
Due To (From) Bonds	0	0	0	(1,316,000)	0	0	0	0	0
Due To (From) Assessments - Woodbury Park				(79,775)					
Total Designated Fund Balance	657,782	589,387	1,403,049	250,456	1,470,708	1,256,648	687,550	6,964,646	506,721
Unallocated Fund Balance	(30,234)	11,588	13,521	3,418	11,589	11,590	11,590	11,591	11,744
Change in Unallocated Fund Balance	(4,923)	41,822	879	(8,170)	8,171	1	1	0	153

Notes:

A. Unfinished CIP Projects

Some of these are projects that have been funded in the current or prior years, but are not yet finished, so we have not yet paid for them. Another example would be equipment replacement reserves, where we plan to purchase a replacement vehicle in a future year.

B. October Bond Payment

Each year, we must make a \$400,000 bond payment before the first quarter (summer) billings are mailed. In other words, we need to have enough cash at the end of each fiscal year in June to make the \$400,000 payment in October. Unfortunately, since we refunded \$600,000 to ratepayers in FY01, we no longer have sufficient money available to fund this designation, so I have shown this designation increasing as budget surpluses occur.

Capital Fund Revenues

	Actual Yr. Before Last: FY09	Actual Last Year FY10	Budgeted This Year FY11	Actual This Year FY11	Year One's Change		Five Year Plan				
					From This Year's Budget	Estimate	Yr. One FY12	Yr. Two FY13	Yr. Three FY14	Yr. Four FY15	Yr. Five FY16
CUSTOMER CHARGES											
4942 Capital Rate Charges	761,020	737,642	720,421	716,780	2.5%	3.0%	738,283	760,432	783,245	806,742	830,944
Rate Increase for CSO Project		0	0	0			0	0	0	187,964	187,964
	761,020	737,642	720,421	716,780	2.5%	3.0%	738,283	760,432	783,245	994,707	1,018,909
		-3%	-2%	-3%	17,862	21,503	3%	3%	3%	27%	2%
OTHER SOURCES											
Bonds & BAN's	0	197,408	1,316,344	0	0.0%		1,316,000	0	0	7,518,577	0
4232 Other Federal Grants	0	0		618			0	0	0	0	0
4930 DEP / USDA. Grants	0	0		0			0	0	0	0	0
4944 Special Assessment to Neighborhood at	50%		79,775	0	0.0%		79,775	0	0	0	0
4928 Sale of Fixed Assets:		5,300		0			0	0	0	0	0
Inspector's Truck				0			0	0	0	0	0
Line Crew Truck				0			0	10,000	0	0	0
Plant Crew Truck				0			0	0	0	0	0
Sludge Truck				0			0	0	0	0	0
Superintendent's Truck				0			0	0	0	0	0
Total Other Sources	0	202,708	1,396,119	618	(0)	0	1,395,775	10,000	0	7,518,577	0
		#DIV/0!	589%	-100%	-344	1,395,157	225754%	-99%	-100%	#DIV/0!	-100%
Total Capital Fund Revenues	761,020	940,350	2,116,540	717,398	0.8%	197.5%	2,134,058	770,432	783,245	8,513,283	1,018,909
		24%	125%	-24%	17,518	1,416,660	197%	-64%	2%	987%	-88%

Capital Fund Status

Capital Improvement Program

Status This Year

68 Acct. No.	Wastewater Division Account Description	Actual Exp. Yr. Before Last: FY09	Actual Exp. Last Year FY10	Yr. End Bal. Last Year FY10	Approp. This Yr. FY11	Approp. Mid-Year FY11	Approp. YTD This Year FY11	Est. Expense This Year FY11	Yr. End Bal. This Year FY11
Bond Issue Payments (See Chart I)									
n/a	Bond Issue E: Main Plant 1996	471,400	471,181	0	470,950		470,950	470,950	0
n/a	Bond Issue H: Hulls Cove 2000 SRF	30,087	29,529	0	28,972		28,972	28,972	0
n/a	Bond Issue N: Hulls Cove 2000	54,373	53,592	0	52,748		52,748	52,748	0
n/a	Bond Issue R: Sewer Rehab 2011	0	0	0	0		0	0	0
n/a	BAN for CSO Elimination Project	0	0	0	0		0	0	0
Projects (See Chart A)									
6804	CSO Elimination Project	2,145	1,255	6,600	5,000		11,600	1,338	10,262
6801	Woodbury Park Reconstruction			119,662	39,888		159,550	5,843	153,707
6803	Rodick Street Outfall	374	44,482	0	0		0	0	0
6828	Sewer Mains & Services	90,015	305,818	66,010	1,044,944		1,110,954	192,476	918,478
Equipment & Facilities (See Chart A)									
6819	Main Treatment Plant - Equipment	21,069		20,000	5,000		25,000	0	25,000
6815	Hulls Cove Plant - Equipment			8,046	3,000		11,046	0	11,046
6809	DeGregoire Plant - Equipment			4,000	1,000		5,000	0	5,000
6802	Pump Station Replacement			67,452	12,332		79,784	0	79,784
6806	Air Compressor, mobile			5,925	801		6,726	0	6,726
6808	Bucket Machine			14,978	10,000		24,978	0	24,978
6810	Flow Monitoring Equipment	10,174	9,600	424	10,500	3,873	14,797	14,797	0
6812	Generator Replacement			37,922	1,573		39,495	0	39,495
6814	GIS System, incl. Laptop Computers	0	8,533	7,299	4,274		11,573	1,641	9,932
6816	Microscope, Olympus			2,404	1,195		3,599	0	3,599
6818	Sewer Cameras			22,876	4,833		27,709	0	27,709
6820	Communication Systems			15,559	9,987		25,546	0	25,546
6824	Rodding Machine			18,915	4,544		23,459	0	23,459
6826	Sewer Jet			32,430	5,868		38,298	0	38,298
6830	Inspector's Truck			13,071	1,712		14,783	0	14,783
6832	Line Crew Truck	8,215		26,650	4,659		31,309	0	31,309
6834	Plant Crew Truck		42,933	0	6,004		6,004	0	6,004
6836	Sludge Truck			18,666	9,333		27,999	0	27,999
6837	Sludge Truck Liquid Tank			20,927	16,073	1,809	38,809	38,809	0
6838	Superintendent's Truck	27,479		4,929	4,071		9,000	0	9,000
6825	SCADA System Replacement	0		0	271,400		271,400	253,700	17,700
6805	Ocean Ave. Pump Station Construction			0	80,000		80,000	1,800	78,200
6823	Rain Gauge & USB Logger	0		0	5,000		5,000	1,425	3,575
New	Generator Purchase	0	0	0	0		0	0	0
6899	Undesignated	0		0	0		0	0	0
Total		715,331	966,923	534,745	2,115,661	5,682	2,656,088	1,064,499	1,591,589

Note: Amounts shown inside a box are contingent on offsetting revenue such as a trade-in, grant or donation.

Capital Fund Expenditures Plan

Capital Improvement Program

Year By Year Overview

Yr. End Bal. This Year FY11	Account Description	Year One FY12			Year Two FY13			Year Three FY14			Year Four FY15			Year Five FY16		
		Appropriation	Spending	Balance	Funding	Spending	Balance	Funding	Spending	Balance	Funding	Spending	Balance	Funding	Spending	Balance
	Bond Issue Payments (See Chart D)															
0	Bond Issue E: Main Plant 1996	470,707	470,707	0	470,452	470,452	0	470,185	470,185	0	469,902	469,902	0	469,606	469,606	0
0	Bond Issue H: Hulls Cove 2000 SRF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	Bond Issue N: Hulls Cove 2000	56,748	56,748	0	55,603	55,603	0	54,423	54,423	0	53,223	53,223	0	56,923	56,923	0
0	Bond Issue R: Sewer Rehab 2011	25,259	25,259	0	89,659	89,659	0	88,031	88,031	0	89,228	89,228	0	88,099	88,099	0
0	BAN for CSO Elimination Project	0	0	0	0	0	0	0	0	0	187,964	187,964	0	187,964	187,964	0
	Projects (See Chart A)															
10,262	CSO Elimination Project	5,000	5,000	10,262	5,000	5,000	10,262	5,000	5,000	10,262	7,228,640	1,146,902	6,092,000	0	6,092,000	0
153,707	Woodbury Park Reconstruction	0	153,707	0	0	0	0	0	0	0	0	0	0	0	0	0
0	Rodick Street Outfall	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
918,478	Sewer Mains & Services	0	88,325	830,154	0	242,836	587,318	0	479,133	108,185	370,800	199,309	279,676	0	279,675	1
	Equipment & Facilities (See Chart A)															
25,000	Main Treatment Plant - Equipment	5,000	0	30,000	100	0	30,100	100	0	30,200	5,182	0	35,382	5,244	0	40,627
11,046	Hulls Cove Plant - Equipment	3,000	0	14,046	3,036	0	17,082	3,072	0	20,154	3,109	0	23,264	3,147	0	26,410
5,000	DeGregoire Plant - Equipment	1,000	0	6,000	1,800	7,800	0	0	0	0	1,036	0	1,036	1,049	0	2,085
79,784	Pump Station Replacement	32,026	0	111,810	32,026	59,607	84,230	32,026	58,559	57,698	12,172	61,778	8,092	51,881	59,972	1
6,726	Air Compressor, mobile	807	0	7,533	817	0	8,350	827	0	9,177	837	0	10,013	1,022	0	11,035
24,978	Bucket Machine	10,000	0	34,978	10,120	0	45,098	10,241	0	55,339	10,364	0	65,704	9,606	0	75,310
0	Flow Monitoring Equipment	0	0	0	0	0	0	0	0	0	0	0	0	12,829	0	12,829
39,495	Generator Replacement	0	0	39,495	3,040	0	42,535	3,040	45,574	1	0	0	1	0	0	1
9,932	GIS System, incl. Laptop Computers	9,489	19,190	231	7,824	0	8,055	7,918	6,836	9,138	8,013	0	17,151	8,110	0	25,261
3,599	Microscope, Olympus	0	0	3,599	0	0	3,599	(1,089)	2,509	1	173	0	174	167	0	341
27,709	Sewer Cameras	32,373	0	60,082	1,158	0	61,240	3,761	65,000	1	7,850	0	7,851	7,944	0	15,795
25,546	Communication Systems	0	8,500	17,046	13,184	8,602	21,628	13,342	0	34,970	4,796	3,628	36,139	13,028	0	49,166
23,459	Rodding Machine	4,544	0	28,003	4,544	0	32,548	4,544	37,091	1	1,922	0	1,923	1,851	0	3,774
38,298	Sewer Jet	5,867	0	44,165	0	0	44,165	4,809	0	48,974	6,081	0	55,055	15,350	70,405	0
14,783	Inspector's Truck	0	0	14,783	2,826	0	17,609	3,053	0	20,662	3,591	24,253	1	3,634	0	3,635
31,309	Line Crew Truck	8,298	0	39,607	5,326	44,933	1	5,405	0	5,406	6,653	0	12,059	6,575	0	18,633
6,004	Plant Crew Truck	6,133	0	12,137	6,207	0	18,344	6,281	0	24,626	6,357	0	30,982	3,922	0	34,905
27,999	Sludge Truck	9,933	0	37,932	10,053	0	47,985	10,173	0	58,158	10,295	0	68,453	12,680	0	81,133
0	Sludge Truck Liquid Tank	2,917	0	2,917	2,952	0	5,868	2,987	0	8,855	3,023	0	11,878	3,059	0	14,938
9,000	Superintendent's Truck	4,714	0	13,714	4,771	0	18,485	4,828	0	23,313	4,886	0	28,199	3,414	0	31,614
17,700	SCADA System Replacement	23,270	0	40,970	23,549	0	64,519	23,832	0	88,351	16,843	0	105,194	16,843	122,036	0
78,200	Ocean Ave. Pump Station Construction	0	78,200	0	0	0	0	0	0	0	0	0	0	0	0	0
3,575	Rain Gauge & USB Logger	0	0	3,575	333	0	3,908	337	0	4,246	341	0	4,587	0	0	4,587
0	Generator Purchase	13,026	0	13,026	16,050	0	29,076	26,115	40,000	15,191	0	0	15,191	34,809	50,000	0
0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1,591,589	Total	730,113	905,636	1,416,066	770,431	984,492	1,202,006	783,244	1,352,342	632,908	8,513,283	2,236,186	6,910,004	1,018,756	7,476,681	452,079

Notes:

- A. The amount shown in the "Year One Appropriation" column is established as a continuing appropriation. Figures shown for Year Two through Year Five are the amounts that we expect to request in those future fiscal years.
- B. Amounts shown inside a box are contingent on offsetting revenue such as a trade-in, grant or donation.

Equipment Replacement Schedule

Capital Improvement Program

Fiscal Year 2012

Unit No.	Description of Present Equipment	FY in Service	Recommended		Proposed		Current Cost Equipped (No Trade-In)	Proposed Years Until Replaced	Replacement Cost in Chosen Year	Straight Line Funding Year One	Notes
			Replacement Age	Replacement Fiscal Year	Replacement Fiscal Year	Replacement Age					
Wastewater Division											
Vehicles											
43	Pickup Truck, 2006, Ford F150XL, 4x4	2007	7	2014	2015	8	23,400	4	24,253	3,465	Inspector's Truck - with Plow
46	Sludge Truck, Volvo D-13, swap loader body	2008	15	2023	2023	15	149,000	12	169,892	9,933	Sludge Truck without liquid tank
44	Pickup Truck, F350XL, Dump Body, 4x4	2004	7	2011	2013	9	44,400	2	44,933	6,419	Line Crew Truck - New body FY09
47	Pickup Truck, 2009 Ford, F250XL, 4x4	2009	7	2016	2017	8	33,000	6	35,028	4,714	Superintendent's Truck - with Plow
45	Pickup Truck, F350, Maintenance Body	2010	7	2017	2019	9	42,933	8	46,672	6,133	Plant Crew Truck - w/ Plow & Bins
<i>Total Vehicles</i>										30,665	
Equipment											
	Compressor, Air, Ingersoll/Rand XP185	2001	20	2021	2021	20	14,500	10	16,143	807	Trailer Mounted
	Bucket Machine, Flexible Sewer Tool Corp.	1957	60	2017	2017	60	80,000	6	84,917	1,415	Age Estimated
	Flow Monitoring Equipment (Flo-Totes)	Varies	8	n/a	varies	n/a	97,850	n/a	97,850	12,231	Flo-Tote equipment & software
	GIS Software & Laptop Computers	2009	3	2012	2012	3	19,190	1	19,190	6,397	Line Crew GIS - Life Extended 2 Years FY09
	GPS Handheld Unit, & ESRI Software	2009	5	2014	2014	5	6,675	3	6,836	1,335	a/k/a Trimble (handheld) Unit
	Microscope, Olympus	1997	15	2012	2014	17	2,450	3	2,509	167	
	Rodding Machine, Serco, 18 Hp.	1991	20	2011	2014	23	36,217	3	37,091	1,855	
	Sewer Jet, SECOA*, Series II, model 747-FR2000	2004	12	2016	2016	12	67,125	5	70,405	5,867	Includes trailer, heads and tools.
	Liquid Tank for Sludge Truck	2003	8	2011	See Note	n/a	n/a	n/a	n/a	n/a	REPLACED FY11
	Liquid Tank for Sludge Truck, 2500 Gallons	2011	12	2023	2023	12	35,000	12	39,907	2,917	
	SCADA System, GE, iFix	2011	5	2016	2016	5	116,350	5	122,036	23,270	SCADA is independent of alarm system.
	Rain Gauge & Logger, Sigma "Rain Logger"	2011	10	2021	2021	10	5,000	10	5,567	500	
<i>Total Equipment</i>										56,761	
Sewer Cameras											
	Camera, Sewer: Aries, Saturn III w/ pan & tilt	2004	10	2014	2014	10	63,468	3	65,000	6,500	Incl. attachments. For 6" to 30" pipe.
	Camera, Service: RaTech, Inspector PC	2006	12	2018	2018	12	12,000	7	12,890	1,074	Used for smaller lines.
<i>Total Sewer Cameras</i>										7,574	
Communication Systems											
	Phone System - Main Plant	1998	7	2005	2013	15	8,500	2	8,602	1,229	
	WAN Network Equipment	2005	10	2015	2015	10	3,500	4	3,628	363	
	Utility Billing System, Munis	2007	5	2012	2012	5	8,500	1	8,500	1,700	
	Pump Station Alarm System	1974	30	2004	See Note	n/a	n/a	n/a	n/a	n/a	REPLACED FY11
	Pump Station Alarm System, PIC/SCADA	2011	25	2036	2036	25	243,400	25	324,080	9,736	
<i>Total Communication Systems</i>										13,028	

~ Equipment Replacement Schedule Continued on Next Page ~

Fiscal Year 2012

Unit No.	Description of Present Equipment	FY in Service	Recommended		Proposed		Current Cost Equipped (No Trade-In)	Proposed Years Until Replaced	Replacement Cost in Chosen Year	Straight Line Funding Year One	Notes
			Replacement Age	Replacement Fiscal Year	Replacement Fiscal Year	Replacement Age					
Mains											
	Sewer Mains	Varies	75	n/a	n/a	n/a	4,580,212	n/a	n/a	30,000	
Plants (including their primary pump stations)											
	Main Treatment Plant	1998	30	2028	2028	30	8,009,673	17	n/a	5,000	Cost includes Main St. pump station.
	Hulls Cove Treatment Plant	2001	30	2031	2031	30	2,256,000	20	n/a	3,000	Cost includes Hulls Cove pump station.
	DeGregoire Park Treatment Plant	1974	30	2004	2020	46	300,000	9	n/a	1,000	Cost includes DeG. Pk. pump station.
							<i>Total Plants</i>			<i>9,000</i>	
Pump Stations											
	Albert Meadow Pump Station	1974	35	2009	2016	42	58,900	5	61,778	1,765	Main Street, Hulls Cove and DeGregoire Park pump stations are included with their respective plants.
	Ferry Terminal Pump Station	2006	35	2041	2041	35	<i>58,900</i>	30	83,243	2,378	
	Hancock Street Pump Station	1974	35	2009	2017	43	56,500	6	59,972	1,713	
	Rodick Street Pump Station	1974	35	2009	2015	41	<i>56,500</i>	4	58,559	1,673	
	Wilcomb Lane Pump Station	2000	35	2035	2035	35	31,000	24	40,786	1,165	
	West Street Pump Station	1974	35	2009	2014	40	70,000	3	71,690	2,048	
	Harbor Place Pump Station	1974	35	2009	2013	39	<i>58,900</i>	2	59,607	1,703	
							<i>Total Pump Stations</i>			<i>12,447</i>	
Generators											
	Generator, Hulls Cove P/S, Onan, 85 KW	1974	30	2004	2014	40	44,500	3	45,574	1,519	Model #85.0 KR-15R 7678 R
	Generator, Main Plant, Onan, 300 KW	1997	30	2027	2027	30	64,350	16	76,958	2,565	Model# 300 DFC B83915M
	Generator, Main Street P/S, Onan, 230 KW	1997	30	2027	2027	30	58,850	16	70,381	2,346	Model# 230 DFAB83914F
	Generator, West St. P/S, Onan 35 KW, Quiet Site	2003	30	2033	2033	30	36,200	22	46,505	1,550	Model# DGGD-5618637
	Generator, Rodick St. P/S, Onan 40 KW, Quiet Site	2007	30	2037	2037	30	41,200	26	55,515	1,850	Model# DGBC 5775831
	Generator, Albert Meadow, Onan 35KW, Quiet Site	2005	30	2035	2035	30	<i>36,200</i>	24	47,628	1,588	Model# 35 DGGD 5709583
	Generator, Ferry Term., Onan, 50 KW, Quiet Site	2005	30	2035	2035	30	46,200	24	60,785	2,026	Model# 50 DGHE 570945
	Generator, DeGregoire Pk., Onan, 35 KW, Quiet Si	2008	30	2038	2038	30	<i>36,200</i>	27	49,363	1,207	Model# DGBB 593002
							<i>Total Generators</i>			<i>14,652</i>	
Total Wastewater Division							17,012,743			174,126	

NOTE: The notation "P/S" stands for "Pump Station".

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C.I.P. Details

Chart A

Capital Improvement Program Narrative

Bond Issue Payments

See Chart I for detailed information on bond payments.

The big change over the next five years will be the bond issue for the construction of the CSO Elimination Project as detailed below.

Projects

CSO (Combined Sewer Overflow) Elimination Project

We are required by the DEP to “eliminate overflows” at our pump stations. The reason why we overflow is due to storm water entering our system from two sources: Inflow and Infiltration. Water entering from cracks in sewer pipes, basins and service entrances is called "Infiltration", while water entering from a storm drain or roof gutter is called "Inflow". Collectively these are called Infiltration/Inflow or I&I. For many years, we have been addressing our Combined Sewer Overflows (CSO's) by aggressively reducing the amount of I&I entering our collection system.

To determine the areas for our I&I work, we gathered flow information and studied flow rates of completed projects. Even though we have determined that our I&I work removed all but 0.9% of our total flow (sewage plus I&I), our estimates indicate that we still will not eliminate all overflows. Consequently, the Maine Department of Environmental Protection (DEP) has required us to create a CSO Master Plan to map the way for CSO elimination.

The focus of the plan approved by the DEP in FY10 was the construction of a new \$7.7 million combined sewer overflow abatement system. The project will include expansion of the West Street Pump Station so that it can accommodate the excess flows and construction of a forcemain from the expanded station to the Main Treatment Plant on Ledge lawn Avenue, where we will build a new swirl concentrator, complete with chlorination and dechlorination equipment.

Project Schedule

- FY12 through FY14 - We will continue to monitor flows, as we work to reduce I&I. An engineer will be used to analyze the data we collect.
- FY15 - Construction Drawings begin and a Bond Anticipation Note negotiated.
- FY16 - Construction of the CSO prevention system begins
- FY17 - Construction complete
- FY18 - Main Treatment Plant paid off
- FY19 - First payment on permanent financing

Estimated Project Cost

Plant Construction: CSO Pump Station, Forcemain and Swirl Concentrator	\$6,092,000
Gravity Sewermains on Shannon, Glen Mary and Holland Avenue (see detail below)	279,675
Engineering in FY15 at 18% of construction cost	18% <u>1,146,902</u>
Principal Amount of Bond Issue Sold in FY19	\$7,518,577

Woodbury Park Reconstruction

Town Council has approved the complete replacement of the services, sewer mains and manholes in the neighborhood bounded by Cleftstone, Bloomfield, Champlain and Highbrook Roads because they are leaking very badly. Residents will pay 50% of this cost, capped at a maximum of \$6,648, with the Sewer Fund paying the balance. In addition, The General Fund will finance the installation of storm drains.

~ CIP Details Continued on Next Page ~

C.I.P. Details**CHART A****Capital Improvement Program**

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Sewer Mains & Services

Funds from this account will be used to repair services, mains and manholes during road reconstruction projects.

Mains & Services Spending

FY11 This Year	Status			Cost
Projects started in FY10, but completed in FY11				81,516
Billings Ave MH 13-4A1,4A2, 4A3	326	5	3	0
White Spruce Rd. MH 24-9G to 24-9H	529	2	3	28,567
Ledgelawn Ave. (Lower) MH 24-9B to 24-9F	1,100	3	5	50,213
Lower Main St. MH 27-12, 13 14 15 15A	0	0	5	Postponed
WEST STREET HOTEL - We rebuilt manholes while the street was torn up: West & Main Streets: MH 13-4, 4D, 4E, 13-3				32,180
Current Year Total				\$192,476
FY12 Year One				Cost
<i>Listed in Priority Order:</i>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	
Lower Main St. MH 27-12, 13 14 15 15A	0	0	5	28,133
Pine St. (Upper) MH 4-12D1	409	0	1	23,892
Cottage St. Secondary Main	385	8	2	36,300
Year One Total				\$88,325
FY13 Year Two				Cost
<i>Listed in Priority Order:</i>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	
Oliver St.	564	14	2	55,946
Center St	529	3	2	35,981
Lower Rodick St.	0	0	1	22,528
Park St.	993	0	2	84,986
Route Three Reconstruction:	0	0	55	43,395
Year Two Total				\$242,836
FY14 Year Three				Cost
<i>Listed in Priority Order:</i>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	
Wayman Ln.	0	16	0	14,520
Lower Main Streetscape Project (Mt. Desert to Park	1,692	31	8	235,455
Norris Ave.	412	4	2	39,424
Holland Ave. MH 8-3, 4, 5 MH 5-5A	986	21	4	115,297
Stephens Ln.	469	2	2	29,766
Derby Ln.	440	5	0	27,071
Pleasant St. (School St. to Main St.)	0	4	0	17,600
Year Three Total				\$479,133
FY15 Year Four				Cost
<i>Listed in Priority Order:</i>	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	
Livingston Rd.	0	6	0	11,880
Des Isle Ave.	352	11	3	40,073
Hancock St. MH 25-5C, 5D	683	17	2	68,057
Atlantic Ave. (All)	720	13	4	79,299
Year Four Total				\$199,309

C.I.P. Details

CHART A

Capital Improvement Program

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FY16	Year Five				Cost
<i>Listed in Priority Order:</i>					
		<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	
Shannon Road (entire length)		473	12	7	126,203
Holland Avenue (entire length)		986	21	4	40,392
Glen Mary Road (entire length)		0	18	0	113,080
Year Five Total					\$279,675

Total Sewer Mains & Services Work - All Five Years

\$1,289,278

Main Treatment Plant - Equipment

We've setup a plant equipment CIP account for things like the dewatering machine, sludge pumps and other major pieces of plant equipment, so that we'll have money to fix or replace them as they fail.

No major equipment replacements are planned with the next five years, but you never know for sure.

Hulls Cove Plant - Equipment

We've setup a plant equipment CIP account for things like the dewatering machine, sludge pumps and other major pieces of plant equipment, so that we'll have money to fix or replace them as they fail.

No major equipment replacements are planned with the next five years, but you never know for sure.

DeGregoire Plant - Equipment

We've setup a plant equipment CIP account for things like the dewatering machine, sludge pumps and other major pieces of plant equipment, so that we'll have money to fix or replace them as they fail. The furnace is scheduled for replacement in FY13.

Pump Station Replacement

The Town has seven pumping stations, in addition to the two pumping stations which are integral to the Main Treatment Plant and the DeGregoire Plant. Of the seven, five were built in 1974, making them 37 years old. Since the replacement cycle should be somewhere around 35 years, we need to start thinking about getting going. Our present plan is to replace the pumps, controls and other equipment at one station per year, on the schedule shown below. We should be able to pay cash for each replacement, due to the reserve account started in FY05. The last pump station is scheduled to be rebuilt in FY16.

FY13 Harbor Place

FY15 Albert Meadow

FY14 Rodick Street

FY16 Hancock Street

Air Compressor, Mobile

A reserve account has been funded to allow us to pay cash when we are scheduled to replace this twenty year old machine in FY21.

Bucket Machine

This 1957 model sewer cleaning machine uses buckets to remove sand and gravel from the lines. A reserve account has been funded so we can pay cash when we replace this 60 year old machine in FY17.

~ CIP Narrative Continued on Next Page ~

C.I.P. Details**CHART A****Capital Improvement Program**

Page 4

Flow Monitoring Equipment

These are the 22 Flo-Totes and related equipment that allow us to measure sewer flows by installing a weir and sensors in the sewer and then hooking them to a laptop computer to download the flow data. We propose funding a replacement reserve each year. Once the CSO program is implemented, we should be able to reduce the number of Flo-Totes required, but we will still need to monitor flows to prove regulatory compliance. As our Flo-Totes age it becomes increasingly expensive to have them calibrated as well as to have repairs or routine maintenance work done.

Generator Replacement

The useful life of most of our generators is estimated at thirty years, so we plan to replace our oldest, the Hulls Cove unit, when it is 40 years old in FY14. Once we get the Main Plant paid off, we should setup a replacement reserve. We also need to fund the purchase of new generators for the Hulls Cove Treatment Plant and the Hancock Street Pump Station, but this is discussed below.

GIS System, including Laptop Computers

Our Line Maintenance crew has heavy-duty laptop computers which they use in the field to edit and store records such as maps, service cards, basin diagrams, etc. When combined with the rest of the Town's computerized maps and digital records, this system is known as a GIS, or Geographic Information System. The portability of the laptops allows us to review sewer information in the field. In addition, our laptops can be used in the office for word processing and data input and even from home, to monitor the plant without taking the time to drive there. We have funded a replacement reserve using a three year cycle for all laptops, which will be replaced next in FY12. In FY14 we propose to replace our five year old, heavy-duty handheld GPS Trimble unit and the ESRI software which allows us to locate points in the field, so that they can be mapped and entered into the GIS system.

Microscope, Olympus

A reserve account has been funded so we can pay cash when we replace this 17 year old machine in FY14.

Sewer Cameras

We purchased a new camera in FY04 for TV'ing sewer mains. A reserve account has been funded to allow us to pay cash in FY14, when we are scheduled to upgrade this ten year old machine. In FY06, we purchased a portable camera with locator, which allows us to inspect small services with odd fittings. This equipment also allows us to locate the service once outside the foundation of the building all the way to the main. The latter camera is scheduled for replacement on a 12 year cycle, next due in FY18.

Communication Systems

This account is used for our utility billing software, the telephone system at the Main Plant, our Wide Area Network (WAN) and the pump station alarm system. A single reserve account has been funded so we can pay cash when each piece of equipment reaches the end of its life expectancy. Our utility billing software is scheduled for replacement when it is five years old during FY12. The telephone system at the Main Treatment Plant is scheduled for replacement when it is fifteen years old in FY13. Our WAN is a computer system which allows us to communicate electronically with our widespread equipment and facilities. We expect to replace this ten year old equipment in FY15.

~ CIP Narrative Continued on Next Page ~

C.I.P. Details**CHART A****Capital Improvement Program**

Page 5

Rodding Machine

As its name implies, this machine pushes a long rod back and forth in the sewer to remove obstructions. A reserve account has been funded so we can pay cash when we replace this twenty-three year old machine in FY14.

Sewer Jet

We purchased a new sewer jet in FY04 for cleaning sewer mains. A reserve account has been funded to allow us to pay cash when we are scheduled to replace this twelve year old machine in FY16.

Inspector's Truck

A reserve account has been funded so we can pay cash when we replace this eight year old pickup truck in FY15.

Line Crew Truck

A reserve account has been funded so we can pay cash when we replace this nine year old stake-body dump truck in FY13.

Plant Crew Truck

A reserve account has been funded so we can pay cash when we replace this nine year old truck in FY19.

Sludge Truck

This truck is used to haul sludge to the compost site. The replacement reserve includes the cost of the sludge containers, but not of the liquid waste tank, since it is a physically separate and expensive piece of equipment, and it wears out at a different rate. A reserve account has been funded so we can pay cash when we replace this 15 year old truck in FY23.

Sludge Truck Liquid Tank

This tank is used to haul liquid (un-dewatered) sludge from our DeGregoire and Hulls Cove plants to the main plant for dewatering. Although it is mounted in the Sludge Truck when used, we expect it to wear out much more quickly than the truck, so a separate replacement account has been established. This reserve account has been funded so we can pay cash when we replace this twelve year old tank in FY23.

Superintendent's Truck

A reserve account has been funded so we can pay cash when we replace this eight year old pickup truck in FY17.

SCADA System Replacement

SCADA stands for "supervisory control and data acquisition", the computer system which monitors and controls our sewage collection system and treatment process controls at the plants. A reserve account has been funded based on a five year expected life cycle, with the first replacement scheduled for FY16.

~ CIP Narrative Continued on Next Page ~

C.I.P. Details

CHART A

Capital Improvement Program

Page 6

Ocean Avenue Pump Station Construction

We are adding a pump station at Ocean Avenue so we can remove the existing ductile iron pipe running across Hulls Cove Beach, a portion of which has been replaced with plastic HDPE pipe. The remainder is underground and subject to corrosion which was experienced on the uncovered sections of pipe, thereby subjecting the Town to Department of Environmental Protection (DEP) enforcement action. This project will also remove this eyesore from the beach in FY12.

Rain Gauge & USB Logger

Used for the purpose of reporting rainfall data to the DEP as a part of our yearly CSO report.

Generator Purchase

In order to assure that we can keep the entire sewer system running in a power outage, we need to add generators at the Hulls Cove Treatment Plant and the Hancock Street Pump Station. We propose to purchase a generator for the Hancock Street Pump Station in FY14 and the Hulls Cove Treatment Plant in FY16

~~ End of C.I.P. ~~

Personnel Services & Benefits

Chart B

HOURLY RATE CALCULATIONS Fiscal Year Starting: July 1, 2011

Classification	Current Base Rate This Yr.	1.0% C.O.L.A. This July	One Time Adjust-ment	New Base Rate This July
Chief Operator	27.34	0.27	0.00	27.62
Operator III	22.78	0.23	0.00	23.00
Operator II	20.88	0.21	0.00	21.09
Maintenance Tech	19.18	0.19	0.00	19.37
Maintenance Worker II	17.82	0.18	0.00	17.99
Maintenance Worker I	17.64	0.18	0.00	17.81
Seasonal Worker	13.07	0.00	0.00	13.07

Hourly Rate (Continued)	Authorized Base Rate Next Yr.	LONGEVITY PAY				Total Hourly Rate Next Yr.	Name
		Seniority Date	Years of Service				
			10	15	20		
Classification			\$0.25	\$0.15	\$0.10		
Chief Operator	\$27.62	9/15/69	\$0.25	\$0.15	\$0.10	\$28.12	Bob Kane
Operator III	\$23.00	3/7/77	\$0.25	\$0.15	\$0.10	\$23.50	Brion Kane
Operator II	\$21.09	8/19/85	\$0.25	\$0.15	\$0.10	\$21.59	Eddy McFarland
Maintenance Tech	\$19.37	2/25/08	\$0.00	\$0.00	\$0.00	\$19.37	Travis Jones
Maintenance Tech	\$19.37	9/7/04	\$0.00	\$0.00	\$0.00	\$19.37	Tony Griffin
Maintenance Worker II	\$17.99	6/21/99	\$0.25	\$0.00	\$0.00	\$18.24	Shawn Young
Maintenance Worker I	\$17.81	7/27/09	\$0.00	\$0.00	\$0.00	\$17.81	Dan Ranzoni
Maintenance Worker I	\$17.81	3/19/07	\$0.00	\$0.00	\$0.00	\$17.81	Michael Ganz
Seasonal Worker	\$13.07	n/a	\$0.00	\$0.00	\$0.00	\$13.07	Dick Trennam

Total Annual Pay	Positions Next Yr.	Regular Hours	Standby O.T.Hours	Sludge O.T.Hours	Surcharge Monitoring	Emergency O.T.Hours	Plant Chek O.T.Hours	Total Pay Next Year
Chief Operator	1	2,080	156	0	0	45	93	66,956
Operator III	1	2,080	156	0	0	45	93	55,974
Operator II	1	2,080	156	0	0	45	93	51,421
Maintenance Tech	1	2,080	156	0	84	45	93	48,569
Maintenance Tech	1	2,080	0	0	0	45	0	41,596
Maintenance Worker II	1	2,080	0	0	0	45	0	39,178
Maintenance Worker I	1	2,080	0	0	84	45	0	40,502
Maintenance Worker I	1	2,080	0	0	0	45	0	38,257
Seasonal Worker	1	1,040	0	0	0	20	0	13,985
Next Year's Total	9	17,680	624	0	168	380	372	\$396,438
Total Overtime Hours Above >					1,544			
					8.7%			

~~ Personnel Services Continued on Next Page ~~

PERSONNEL SERVICES & BENEFITS

CHART B

Page 2

BREAKOUT OF WAGES	Regular Wages	Standby OT Wages	Sludge OT Wages	CSO OT Wages	Emergency OT Wages	Gross Pay	
Chief Operator	58,479	6,579	0	0	1,898	66,956	
Operator III	48,888	5,500	0	0	1,587	55,974	
Operator II	44,911	5,053	0	0	1,457	51,421	
Maintenance Tech	40,288	4,532	0	2,441	1,307	48,569	
Maintenance Tech	40,288	0	0	0	1,307	41,596	
Maintenance Worker II	37,946	0	0	0	1,231	39,178	
Maintenance Worker I	37,055	0	0	2,245	1,202	40,502	
Maintenance Worker I	37,055	0	0	0	1,202	38,257	
Full Time Totals	344,911	21,664	0	4,685	11,193	382,453	
FY08 - Hourly, Full Time wage totals were artificially low because we had two employee vacancies. Accordingly, Seasonal wages were higher because we used our seasonal employee to fill-in for the full timers.							
Seasonal Worker	13,593	0	0	0	392	13,985	
Next Year's Total	\$358,504	\$21,664	\$0	\$4,685	\$11,585	\$396,438	
					Total Overtime Above >	\$37,934	
						10%	

52 EMPLOYEE BENEFITS

	Gross Wages Next Year	ICMA Retirement	FICA & Medicare	MSRS Retirement	Workers Comp.	Unemployment	Health Insurance
Chief Operator	66,956	0	5,122	3,080	1,473	252	11,959
Operator III	55,974	0	4,282	2,575	1,231	252	0
Operator II	51,421	0	3,934	2,365	1,131	252	16,440
Maintenance Tech	48,569	0	3,716	2,234	1,069	252	16,440
Maintenance Tech	41,596	0	3,182	1,913	915	252	16,440
Maintenance Worker II	39,178	0	2,997	1,802	862	252	0
Maintenance Worker I	40,502	0	3,098	1,863	891	252	7,329
Maintenance Worker I	38,257	1	2,927	1,760	842	252	16,440
Seasonal Worker	13,985	N/A	1,070	N/A	308	252	N/A
Next Year's Total	\$396,438	\$1	\$30,327	\$17,593	\$8,722	\$2,268	\$85,048
	Rates ->	Up To	7.65%	4.60%	2.20%	2.10%	Net/Mo.Now
		6.50%	of Gross	of Gross	of Gross	Of Regular	Family
		of Gross	Wages			Wages	\$1,304.78
						< \$12,001	Adult/Child
							\$949.09
							Single
							\$581.67
							Next CY
							10.0%

~~ Personnel Services Continued on Next Page ~~

PERSONNEL SERVICES & BENEFITS

CHART B

Page 3

5245 Retirement Health Savings Acct.

For employees who have accumulated their maximum amount of sick leave, the Town calculates the amount of sick leave the employee would have earned beyond his/her maximum following each calendar year, and the Town contributes 25% of that amount to the employee's RHS account.

~~ End of Personnel Services ~~

Contractual Services

Chart C

5300 ALARMS & PAGING					Estimated	Requested
	Number	Number	Cost Each	Cost Each	This Year	Next Year
	This Year	Next Year	This Year	Next Year		
Paging - Contract for paging call people	3	3	102	103	306	310
Pump Alarm Monitoring	8	0	120	0	960	0
Fire Alarm Monitoring	4	4	123	124	317	498
Includes monthly maintenance and service contract.						
.. Adjustment to Actual					(89)	n/a
FY10 - Fire alarm monitoring added.						
Total Alarms & Paging					\$1,188	\$498

5306 TOWN MANAGEMENT FEES

Administrative Services is the cost to the General Fund of providing accounting and management services to the Sewer and Water Funds. We charge a flat amount each quarter, to cover all administrative services to the Sewer and Water Funds. The following is the calculation of that amount.

Finance Department Expenses

Finance Dept. General Fund Budget for this year		293,442
Finance Dept. "Rent" of Muni.Bldg.	1040 Sq.Ft. X \$13.00 /Sq.Ft.	13,520
Finance Dept. Employee Benefits	Wages = \$242,178 Benefits Rate= 37.2%	90,090
Computer time: Hardware and Software Capital Cost (From C.I.P. Fund)		4,000
Total Finance Department Cost To Town		401,052

Other Funds' Shares of Finance Department Revenues	Estimated This Year	Allocation of Finance Dept. Cost
Municipal Budget Revenues	16,105,629	74.6%
Sewer Fund Revenues	3,350,284	15.5%
Water Fund Revenues	1,388,500	6.4%
Cruise Ship Fund Revenues	746,402	3.5%
Total Town Revenues	21,590,815	100.0%

Requested Next Year 62,232

Sewer Fund's Share of Normal Finance Department Expenses

(see above)

Sewer Fund's Share of Management Expenses	Biweekly Rate	Hourly Rate	Salary/Day	Days/Yr.	Total
Public Works Director	3,064	n/a	\$306.40	46	14,094
Public Works Office Manager	n/a	\$18.88	\$151.04	88	13,292
Technical Systems Administrator	2,671	n/a	\$267.10	20	5,342
Town Manager	3,852	n/a	\$385.20	12	4,622
Total Wages and Salaries					37,350
Benefits					Rate 37.2% 13,894
Sewer Fund's Share of Management Expenses					51,245

Total Sewer Fund Administrative Services Charge \$113,477

Contractual Services

CHART C

Page 2

5308 Billing Fees

FY09 - We purchased software and brought the billing back in house, so expenses dropped.

5311 SPECIAL WASTE CLEANING

Estimated Requested
This Year Next Year

We have to clean the grit out of the septic receiving station every year and from the digester as needed. In the past, this has been done by the contractor AllWaste. The contract includes trucking. Disposal is charged to the sludge disposal account.

Septage Receiving Station cleaning (annual)	2,100	2,200
FY13 - Next Digester cleaning scheduled.	n/a	n/a
Total Septic Receiving Station Cleaning	\$2,100	\$2,200

5312 PUMP STATION PUMPING

Occasionally, we have to hire a septic hauler to pump out one of our pump stations due to a power outage or for service.

5332 GENERATOR SERVICE

Estimated Requested
This Year Next Year

	<i>Number</i>	<i>Number</i>	<i>Cost Each</i>	<i>Cost Each</i>		
	<i>This Year</i>	<i>Next Year</i>	<i>This Year</i>	<i>Next Year</i>		
Generator Maintenance Agreements	8	8	545	588	4,360	4,704
Miscellaneous Repairs by Contractor					8	8

FY10 - Scheduling Problems - Service Delayed to Following Fiscal Year

FY11 - DeGregoire Park Plant added.

FY13 - The new Ocean Avenue pump station will be added.

Total Generator Service					\$4,368	\$4,712
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~~ Contractual Services Continued On Next Page ~~

Contractual Services **CHART C**

Page 3

5336 GENERAL EQUIPMENT MAINTENANCE	<i>Estimated This Year</i>	<i>Requested Next Year</i>
Process Servicing Corp - Annual Chlorine Equipment Maintenance	1,325	1,341
QC Labs - Annual Lab Equipment Maintenance & Calibration	800	810
FY11 - Removed four pieces of equipment from maintenance contract		
Overhead Door Maintenance Contract	500	506
FY11 - Moved overhead door repairs to a maintenance contract to reduce expense.		
Miscellaneous	132	134
Total General Equipment Maintenance	\$2,757	\$2,790

5348 MOWING

FY10 - Contract rebid.

5358 HEATING SYSTEM CLEANING

We propose to enter into a boiler maintenance contract with Mechanical Services, Inc. This contract is intended to solve the issue of our inability to find local service for the main plant's boiler / heating system. Mechanical Services has been called on multiple occasions for emergency service to our system. This contract will provide a yearly cleaning and system diagnosis to reduce or eliminate system failures and end costly emergency service calls.

5366 SLUDGE DISPOSAL			<i>Estimated This Year</i>	<i>Requested Next Year</i>	
Historical Use	<i>Tons Hauled</i>	<i>Annual Change</i>	<i>Annual Change</i>		
	FY06	725			
	FY07	824	99	13.7%	
	FY08	1,014	190	23.1%	
	FY09	956	(58)	-5.7%	
	FY10	894	(62)	-6.5%	
	<i>Average</i>	883	42	6.1%	
Estimated Use	<i>Est. Tons This Yr.</i>	<i>Tons Next Yr.</i>	<i>Cost/Ton This Yr.</i>	<i>Cost/Ton Next Yr.</i>	
Treatment and Disposal	1,071	970	\$52.03	\$52.65	55,718
Hauling by Others (when our truck is down for repairs, etc. About 12 tons per trip.)	2	2	\$100.00	\$101.20	200
Total Sludge Disposal					\$55,918
					\$51,276

Contractual Services

CHART C

Page 4

5368 TECHNOLOGY LICENSES & SUPPORT

These are the annual licensing fees which must be paid in order to continue using the software or hardware and to receive maintenance and support services. These fees also include upgrades, enhancements, modem support, etc.

<i>Product</i>	<i>Estimated This Year</i>	<i>Requested Next Year</i>
ArcView - GIS mapping software license - Single Use, Secondary, Maintenance	300	300
ArcPad - Application Builder - Primary, Maintenance	400	400
SCADA (System Control And Data Acquisition) license and support This is the software that runs the plant and keeps track of equipment maintenance.	1,775	1,775
Adjustment to Actual	(288)	n/a
Total Technology Licenses and Support	\$2,187	\$2,475

~~ Contractual Services Continued On Next Page ~~

Contractual Services

CHART C

Page 5

5384 LABORATORY TESTING

The US EPA and Maine DEP require us to do some very expensive testing, which is beyond our capabilities, so we must hire it out. Testing requirements change from year to year, depending on our license renewal cycle. Licenses must be renewed every five years. Our next renewal is scheduled for FY16.

FY11 - First year under our new discharge license, which has lower testing requirements.

<i>Plant</i>	<i>No. Tests</i>	<i>No. Tests</i>	<i>Cost Each</i>	<i>Cost Each</i>	<i>Estimated</i>	<i>Requested</i>
<i>Parameter</i>	<i>This Year</i>	<i>Next Year</i>	<i>This Year</i>	<i>Next Year</i>	<i>This Year</i>	<i>Next Year</i>

Main Plant

Mercury	4	4	100	105	400	420
Arsenic	6	4	30	35	180	140
Copper	0	2	35	35	0	70
Chronic	1	1	1,025	1,100	1,025	1,100
Acute	1	0	650	700	650	0
Analytical	1	0	290	300	290	0
TRO - Chlorine residual in sampling water.	1	1	30	35	30	35
Acute & Chronic Chemicals	0	0	400	400	0	0
Priority Pollutants	0	0	400	400	0	0
Sludge	1	2	375	385	375	770

Hulls Cove Plant

Mercury	2	2	100	105	200	210
Arsenic	3	2	30	35	90	70
Chronic	0	0	1,025	1,100	0	0
Acute	0	0	650	700	0	0
Analytical	1	0	290	300	290	0
TRO - Chlorine residual in sampling water.	0	0	35	35	0	0

DeGregoire Park Plant

Mercury	2	2	100	105	200	210
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Other

Courier Charges	1	1	50	50	50	50
Special Mercury	1	0	47	0	47	0
DMR Discharge Monitoring Report	1	1	40	45	40	45
ATC Chemicals (Acute & Chronic)	2	0	290	0	580	0

Total Laboratory Testing	\$4,447	\$3,120
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5388 UNIFORM CLEANING & RENTAL

<i>Estimated</i>	<i>Requested</i>
<i>This Year</i>	<i>Next Year</i>

	<i>Workers</i>	<i>Cost/Wk.</i>	<i>Cost/Wk.</i>	<i>Weeks/</i>		
	<i>Next Yr.</i>	<i>This Yr.</i>	<i>Next Yr.</i>	<i>Year</i>	<i>This Year</i>	<i>Next Year</i>
Uniform Rentals (Incl.Environmental Charge)						
Year Round Employees	8	\$13.42	\$13.63	52	5,583	5,670
Seasonal Employee	1	\$13.42	\$13.63	26	349	354
Floor Mats at Plants		\$20.54	\$20.81	52	1,068	1,082
Miscellaneous Repair & Replacement (lump sum)					355	359
FY10 - Contract renegotiated to lower cost.						
Total Uniform Cleaning & Rental					\$7,355	\$7,466

~~ End of Contractual Services Details ~~

Materials & Supplies	Chart D
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5410 CLOTHING PURCHASES

Safety Boots, Hip Boots, Foul Weather Gear, Coveralls, Jackets, etc.
 FY10 - One new employee required a new outfit.
 FY11 - We had to replace a bunch of rain gear and boots because the older stuff was rotting out.

5424 SODIUM HYPOCHLORITE

We disinfect our effluent with sodium hypochlorite, the equivalent of super strong bleach.

5441 MAGNESIUM HYDROXIDE & OTHER SUPPLIES

We use magnesium hydroxide to adjust the pH of our effluent.
 Miscellaneous - Other treatment supplies are also charged to this account.
 FY10 - Substantial price increase.

5442 Polymer Supplies

We use polymer chemicals in the sludge dewatering process.
 FY10 - Substantial price increase.

5444 SAFETY SUPPLIES	<i>Estimated</i>	<i>Requested</i>
	<i>This Year</i>	<i>Next Year</i>
Miscellaneous	1,210	533
FY11 - Replaced our manhole blower, which was over 20 years old.	750	n/a
FY12 - Replaced fire extinguishers	358	n/a
FY12 - Barricades and Signs	n/a	1,000
Total Safety Supplies	\$2,318	\$1,533

5452 SODIUM BISULFITE

We use this chemical to remove sodium hypochlorite from our effluent prior to discharge to the ocean.
 FY10 - Substantial price increase.

Materials & Supplies

CHART D

Page 2

5458 VEHICLE SUPPLIES - (Do It Yourself)

This account is used for the purchase of parts and supplies needed by Town employees to maintain and repair Wastewater Division vehicles and equipment. Typical examples of items charged to this account include motor oil, filters, tires, wipers, mufflers, starters, etc.

Account 5658 "Vehicle Repairs" is used for parts and supplies for repair and maintenance jobs sent to an outside repair shop.

	<i>Estimated This Year</i>	<i>Requested Next Year</i>
*** Routine Maintenance ***	2,484	1,348
*** Items Already Purchased This Year ***		
Tires for Superintendent's Truck, #47	981	n/a
Battery for Line Crew Truck, #44 - Postponed. Not needed yet.	0	n/a
*** Items Requested For Next Year ***		
Tires for Inspector's Truck, #43	n/a	981
Battery for Line Crew Truck, #44 - Postponed from FY11	n/a	100
Total Vehicle Supplies - D.I.Y.	\$3,465	\$2,429

~~ End of Materials & Supplies Details ~~

Utilities & Commodities	Chart E
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5504 ELECTRICITY - PLANTS

The largest variable in our electric bills is not the rate, but the consumption. In very wet years, we use a lot more electricity, and our bills are much higher. Therefore, we budget using a three year average of consumption.

5506 ELECTRICITY - PUMPING

The largest variable in our electric bills is not the rate, but the consumption. In very wet years, we use a lot more electricity, and our bills are much higher. Therefore, we budget using a three year average of consumption.

5508 HEATING OIL & KEROSENE

In very cold years, we use a lot more fuel oil, and our bills are correspondingly higher. Therefore, we budget using a four year average of consumption. For further background on prices, please see Chart MM of the general Town budget. All plants, pump stations and other facilities are heated with oil, except for the DeGregoire Plant, which is heated with kerosene. Since our kerosene bills are less than 10% of our heating expense, they are included in this account.

Historical Use	<i>Fiscal Year</i>	<i>Gals. Bought</i>	<i>Price /Gal.</i>	<i>Price Increase</i>		
	FY07	9,000	\$1.7800	42.0%		
	FY08	6,886	\$2.5300	42.1%		
	FY09	7,236	\$3.6500	44.3%		
	FY10	6,930	\$2.0600	-43.6%		
	<i>Averages</i>	<i>7,513</i>	<i>\$2.5050</i>	<i>21.2%</i>		
Estimated Use					<i>Estimated This Year</i>	<i>Requested Next Year</i>
This Year	FY11	7,300	\$2.3400	13.6%	17,082	
Next Year	FY12	7,513	\$2.9300	25.2%		22,013
Adjustment to Actual					(512)	n/a
Total Utilities - Heating Oil & Kerosene					\$16,570	\$22,013

5528 TELEPHONE & CELLULAR

FY08 - Consolidated all DPW cell phones onto one plan, lowering our expenses, while gaining air time.

5530 Water

FY10 - Due to a pump failure, we had to use Town water instead of our "plant water" system to operate our sludge dewatering machine for an extended period of time, causing higher than normal water bills.

~~ End of Utilities & Commodities Details ~~

Repairs & Maintenance	Chart F
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5628 MAINS & SERVICES - REPAIRS & MAINTENANCE

This line item is very unpredictable since it accounts for many unexpected repairs. In addition, whenever a property owner repairs or replaces their sewer service entrance, we do likewise within the right-of-way, in order to reduce I&I and the likelihood that we'll have to open the street again to repair an old service. Of course, these expenses are also impossible to predict, so the amount spent is a matter nearly beyond our control.

FY11 - Next Year's expenses are estimated at the average of the last three years' actual expenses, plus COLA.

5634 PLANT EQUIPMENT - REPAIRS & MAINTENANCE

FY09 - As the plant ages, we are seeing increasing repair bills. This year it was for blowers: 3 new, 1 repaired.

5640 PUMP STATION EQUIPMENT - REPAIRS & MAINTENANCE

We are seeing increasing repair bills at many of our older pump stations.

	<i>Estimated This Year</i>	<i>Requested Next Year</i>
Items Funded Every Year		
Routine Maintenance	27,988	22,808
Items Already Funded This Year		
PUMP STATION BASE	800	n/a
Items Requested For Next Year		
SLIDE COUPLING FOR HARBOR PLACE PUMP STATION:	n/a	600
6" PLUG VALVES FOR HANCOCK ST. PUMP STATION:	n/a	1,850

Description of Items Requested For Next Year

SLIDE COUPLING FOR HARBOR PLACE PUMP STATION:

The current setup for the backup submersible at this pump station does not allow for efficient maintenance. This coupling, like the one installed on the primary pump last year, will give us the ability to more effectively return the station to normal operation when an issue is encountered.

6" PLUG VALVES FOR HANCOCK ST. PUMP STATION:

Both valves in our Hancock St. pump station have worn out after roughly 27 years of service. Without the ability to close these valves we are unable to isolate the pumps for scheduled or emergency service.

Total Pump Station Equipment - Repairs & Maintenance	\$28,788	\$25,258
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~~ Repairs & Maintenance Continued On Next Page ~~

Repairs & Maintenance

CHART F

Page 2

5658 VEHICLES - REPAIR & MAINTENANCE BY OTHERS

This account is used to pay for labor and material bills when we send vehicles or equipment to an outside shop. No bills from the Highway Division garage are charged here.

	<i>Estimated This Year</i>	<i>Requested Next Year</i>
Items Funded Every Year		
Routine Maintenance	1,351	1,367
Items Already Funded This Year		
Front End Alignment for Inspector's Truck (#43)	100	n/a
Repair of tailgate	2,532	n/a
Less Insurance Settlement	(1,450)	
Items Requested For Next Year		
Tires & Alignment for Sludge Truck #46	n/a	3,000
Total Vehicles - Repair & Maintenance by Others	\$2,533	\$4,367

~~ End of Repairs & Maintenance Details ~~

Equipment Purchases	Chart G
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5700 TECHNOLOGY EQUIPMENT - PURCHASE

Estimated Requested
This Year Next Year

This account is used only for non-capital equipment. Anything which costs more than \$5,000 and has a life expectancy of five years or longer is budgeted in the Capital Improvement Program.

Items Already Funded This Year

FAX MACHINE	295	n/a
PRINTER	586	
MAPS ONLINE PROGRAMMING	0	
MAPPING COMPUTER	0	
SCADA Access PC (Software Only)	127	

Items Requested For Next Year

NEW OFFICE PC	n/a	650
CD FLAT PANEL MONITOR FOR OFFICE PC	n/a	150
WINDOWS 7 UPGRADE KEY	n/a	128

Description of Requests

NEW OFFICE PC

Current PC is 4 years old and is in need of replacement. All office licenses will be reused.

CD FLAT PANEL MONITOR FOR OFFICE PC

The current monitor is a CRT type. An LCD will save energy costs as well as create additional desktop space.

WINDOWS 7 UPGRADE KEY

The PC to be replaced is running XP.

Total Technology Equipment Purchases	\$1,008	\$928
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~~ Equipment Purchases Continued On Next Page ~~

Equipment Purchases

CHART G

Page 2

5702 OFFICE EQUIPMENT - PURCHASE	<i>Estimated This Year</i>	<i>Requested Next Year</i>
Items Already Funded This Year		
CHAIRS (2)	702	n/a
Miscellaneous	607	
Items Requested For Next Year		
LAB CHAIR:	n/a	300
MAP FILE:	n/a	1,200
Description of Requests		
LAB CHAIR: The current lab chair was salvaged from the dump because the old one was no longer serviceable. A new chair is requested to take the place of the one that's already been discarded once.		
MAP FILE: This Division currently has about 40 to 50 full size prints consisting of everything from "as built's" of our system to plans for major projects in town. Currently there is very little organization to these documents. The map file would be part of an organizational solution.		
Total Office Equipment Purchases	\$1,309	\$1,500

5704 OPERATING EQUIPMENT - PURCHASE	<i>Estimated This Year</i>	<i>Requested Next Year</i>
Items Already Funded This Year		
REFRIGERATED SAMPLER -	5,500	n/a
METAL LOCATOR -	1,000	n/a
DITCH PUMP -	1,900	n/a
LAWN TRIMMER -	625	n/a
MISCELLANEOUS	214	n/a
Items Requested For Next Year		
SIDE MOUNT TOOL BOXES FOR TRUCK #43:	n/a	800
REFRIGERATED SAMPLER:	n/a	5,500
SAND BLASTER WITH SAFETY HOOD:	n/a	625

Description of Requests

SIDE MOUNT TOOL BOXES FOR TRUCK #43: Our Inspector's truck requires more covered storage space for things such as tools, Flo-tote supplies, paint, and other pieces of equipment. These tool boxes will give us the space to keep this equipment out of the bed of truck, thus reducing its exposure to the raw elements.

~~ Equipment Purchase Details Continued on Next Page ~~

Equipment Purchases

CHART G

Page 3

REFRIGERATED SAMPLER: This is like last year’s purchase of the same unit. Last year’s unit was originally purchased for Hulls Cove, however a more crucial unit at the Main Plant failed, so it was deployed there. This new unit would allow us to replace the one in Hulls Cove as originally intended last year. These units are used to gather samples of water treated here for mandated tests. These samples are required to be kept at very strict temperatures mandated by the DEP. This new unit ensures that we will continue to stay in compliance with these mandates.

SAND BLASTER WITH SAFETY HOOD: We would like to purchase this unit to allow us to reduce the time spent on refurbishing equipment here at the plant. For example, if a pump needs to be rebuilt, in order to remove the build up on the unit (grime, rust, etc.) we currently have to “clean” the entire unit with an electric grinder. This method is very inefficient and does not allow the small “nooks and crannies” to be accessed. The sand blaster would give us the ability to do this job much more quickly and would produce a better result.

Total Operating Equipment Purchases	\$9,239	\$6,925
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~~ End of Equipment Purchases Details ~~

Other Expenses	Chart H
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5808 DUES & LICENSES	<i>Estimated</i>		<i>Requested</i>			
	<i>This Year</i>		<i>Next Year</i>			
No training expenses are charged here.						
	<i>Number</i>	<i>Number</i>	<i>Cost Each</i>	<i>Cost Each</i>		
	<i>This Yr.</i>	<i>Next Yr.</i>	<i>This Yr.</i>	<i>Next Yr.</i>		
Professional Dues	0	0	\$0	\$0	0	0
Wastewater Operator License Renewals	1	4	\$75	\$76	75	304
Wastewater Operator License (New)	2	2	\$125	\$127	250	253
Commercial Driver Licenses	0	1	\$75	\$76	0	76
Total Dues & Licenses					\$325	\$633

5832 FACILITY PERMITS & FEES	<i>Estimated</i>		<i>Requested</i>			
	<i>This Year</i>		<i>Next Year</i>			
This account is used to record permits, licenses and fees relating to facilities, not personnel. FY10 - We were required to pay the DEP \$1100 consent agreement penalty.						
DEP Discharge Permits						
Main Plant					1,242	1,257
Hulls Cove Plant					510	516
DeGregoire Park Plant					387	392
Hazardous Materials						
Registration Fee					100	101
Road Opening Permits					291	294
CSO Discharge Permits						
Main Plant					275	278
Hulls Cove Plant					39	39
Permit by Rule - Hulls Cove					65	n/a
Miscellaneous					245	n/a
Total Facility Permits and Fees					\$3,154	\$2,878

5838 REGISTRY & LIEN COSTS	<i>Estimated</i>		<i>Requested</i>	
	<i>This Year</i>		<i>Next Year</i>	
FY09 - Five quarters of liens, since they were filed slightly late the previous year.				

~~ Other Expenses Continued On Next Page ~~

Other Expenses, Travel, Etc.

CHART H

Page 2

5844 TRAINING, WORKSHOPS, ETC.

*Estimated Requested
This Year Next Year*

FY09 - We hired several new employees, who needed to be trained, and some of our mid-level employees trained for and achieved higher licenses.

FY10 - JETCC Training: This year-long training program of the Maine Joint Environmental Training Council included management courses, technical courses (such as engineering basics, process control, etc.) as well as skilltraining in the areas of media relations, dealing with regulatory agencies, budget preparation, etc. In total more than 60 training contact hours were provided over the year-long period.

Classification	Current Employee	Days		Cost/Day		This Yr.	Next Yr.
		This Yr.	Next Yr.	This Yr.	Next Yr.		
Chief Operator	Bob Kane	2	2	175	177	350	354
Operator III	Brion Kane	1	2	175	177	175	354
Operator II	Eddy McFarland	1	2	175	177	175	354
Maintenance Tech	Travis Jones	2	2	175	177	350	354
Maintenance Worker II	Tony Griffin	0	2	0	250	0	500
Maintenance Worker I	Dan Ranzoni	1	3	175	177	175	531
One time welding course	Dan Ranzoni	3	0	98	0	295	0
Miscellaneous						0	0
Total Training, Workshops, Etc.						\$1,520	\$2,448

5846 TRAVEL - ROOMS, MILES & MEALS

FY09 - We hired several new employees, who need to be trained, and some of our mid-level employees trained for and achieved higher licenses.

~~ End of Other Expenses, Travel, Etc. ~~

Debt Service

Chart I

"Old" Debt

Old Debt is that debt incurred prior to the 1996 upgrades of the Bar Harbor Plant and Hulls Cove Plant. For rate setting purposes, "Old" debt is included in the Operating Rate.

Previously Issued Bonds

Bond Issue ID Project Name	Actual Yr. Before Last: FY09	Actual Last Year FY10	Budgeted This Year FY11	Estimated This Year FY11	Requested Next Year FY12	Change: R.N.Y vs. B.T.Y.	Change: R.N.Y vs. E.T.Y.
Bond Issue A							
Treatment Plant & Sewer Rehabilitation							
Last Payment in FY11							
Interest	2,896	1,761	591	591	0		
Fees	0	0	0	0	0		
Principal	14,449	14,736	15,066	15,066	0		
Bond Issue Total	17,345	16,497	15,657	15,657	0		
Bond Issue C							
Septic Receiving & Browning Point Outfall							
Last Payment in FY10							
Interest	1,592	796	0	0	0		
Fees	185	185	0	0	0		
Principal	11,055	7,920	0	0	0		
Bond Issue Total	12,832	8,901	0	0	0		
Bond Issue D							
Sewer Rehabilitation and SSES: Phase One							
Last Payment in FY12							
Interest	15,570	11,170	7,800	7,800	3,900	-50.0%	-50.0%
Fees	170	170	170	170	170	0.0%	0.0%
Principal	60,000	60,000	60,000	60,000	60,000	0.0%	0.0%
Bond Issue Total	75,740	71,340	67,970	67,970	64,070	-5.7%	-5.7%
Total "Old Debt"							
Interest	20,058	13,727	8,391	8,391	3,900	-53.5%	-53.5%
Fees	355	355	170	170	170	0.0%	0.0%
Principal	85,504	82,656	75,066	75,066	60,000	-20.1%	-20.1%
Old Debt Total	105,917	96,738	83,627	83,627	64,070	-23.4%	-23.4%

~~ Debt Service Continued on Next Page ~~

DEBT SERVICE

CHART I

Page 2

"New" Debt

New Debt is that incurred for the 1996 upgrades of the Bar Harbor and Hulls Cove Plants and subsequent debt issues. For rate setting purposes, "New" debt is included in the Capital Rate.

<i>Project Name</i>	<i>Actual Yr. Before Last: FY09</i>	<i>Actual Last Year FY10</i>	<i>Budgeted This Year FY11</i>	<i>Estimated This Year FY11</i>	<i>Requested Next Year FY12</i>	<i>Change: R.N.Y vs. B.T.Y.</i>	<i>Change: R.N.Y vs. E.T.Y.</i>
Bond Issue E							
Main Wastewater Treatment Plant Upgrade - 1996							
Last Payment in FY18							
Interest & Svc.Fee	108,624	100,059	91,050	91,050	81,576	-10.4%	-10.4%
Paying Agent Fees	500	500	500	500	500	0.0%	0.0%
Principal	362,276	370,622	379,400	379,400	388,631	2.4%	2.4%
Bond Issue Total	471,400	471,181	470,950	470,950	470,707	-0.1%	-0.1%
Bond Issue H							
Hulls Cove Wastewater Treatment Plant Forcemain & Compost Site Upgrade - 2000							
State Revolving Fund			2.400%		\$275,000		
Last Payment in FY11							
Interest	2,087	1,529	972	972	0		
Fees	500	500	500	500	0		
Principal	27,500	27,500	27,500	27,500	0		
Bond Issue Total	30,087	29,529	28,972	28,972	0		
Bond Issue N							
Hulls Cove Wastewater Treatment Plant Forcemain & Sewer Rehab - 2000							
A.G. Edwards & Sons, Inc.		Average Rate = 4.12%			Original Principal = \$800,000		
Last Payment in FY28		Can be refinanced after February 2016					
Interest	29,373	28,592	27,748	27,748	26,748	-3.6%	-3.6%
Fees	0	0	0	0	0		
Principal	25,000	25,000	25,000	25,000	30,000	20.0%	20.0%
Bond Issue Total	54,373	53,592	52,748	52,748	56,748	7.6%	7.6%
Bond Issue R							
Sewer Rehabilitation - 2011							
Morgan Stanley & Co., LLC		Average Rate = 2.7%			Original Principal = \$1,316,000		
Last Payment in FY32		Can be refinanced after February 2016					
Interest	0	0	0	0	25,259		
Fees	0	0	0	0	0		
Principal	0	0	0	0	0		
Bond Issue Total	0	0	0	0	25,259		

~~ Debt Service Continued on Next Page ~~

DEBT SERVICE

CHART I

Page 3

Bonds Not Yet Issued

Bond Anticipation Note

Combined Sewer Overflow Elimination Project		First Payment: FY15	Last Payment: FY19
<p>We will be making our last payments on the Ledgelawn Avenue Main Treatment Plant in FY18. We propose to structure the debt for the new CSO Elimination Project by using a Bond Anticipation Note. A BAN is similar to a home construction loan, in that you pay interest only on the amount of principal you have drawn down. While this means that we will have to pay a slightly higher interest rate, we will not be paying interest on the principal until the project is complete. In this case, we expect to finish construction in FY17. Depending on the construction schedule, interest rates and the bond market, we are thinking that we would like to structure the new bond issue so that our first principal payment doesn't come due until FY19, the first year after our last payment on the Main Plant, thus helping prevent a huge rate increase. For budgeting and rate setting purposes, we have used the average amount of principal, that is, one half of the total principal. However, this assumption may have to be adjusted for the third and fourth years of BAN financing, since we will then be paying interest on the full amount of principal.</p>			
Loan Terms:	Interest Rate: 5.0%	Years: 4	Principal: \$3,759,288
Payments:			Annual Payment: \$187,964

Bond Issue T

Combined Sewer Overflow Elimination Project		First Payment: FY19	
Interest Rate:	5.0%	Term:	20 Years
Principal:			\$7,518,577
Payments:			Annual Payment: \$603,310

	<i>Actual Yr. Before Last: FY09</i>	<i>Actual Last Year FY10</i>	<i>Budgeted This Year FY11</i>	<i>Estimated This Year FY11</i>	<i>Requested Next Year FY12</i>	<i>Change: R.N.Y vs. B.T.Y.</i>	<i>Change: R.N.Y vs. E.T.Y.</i>
Total "New Debt"							
Interest	140,084	130,180	119,770	119,770	108,324	-9.6%	-9.6%
Fees	1,000	1,000	1,000	1,000	500	-50.0%	-50.0%
Principal	414,776	423,122	431,900	431,900	418,631	-3.1%	-3.1%
New Debt Total	555,860	554,302	552,670	552,670	527,455	-4.6%	-4.6%

Total "New" and "Old" Debt							
Interest	160,142	143,907	128,161	128,161	112,224	-12.4%	-12.4%
Fees	1,355	1,355	1,170	1,170	670	-42.7%	-42.7%
Principal	500,280	505,778	506,966	506,966	478,631	-5.6%	-5.6%
Total Payments	661,777	651,040	636,297	636,297	591,525	-7.0%	-7.0%
Increase or (Decrease)		(10,737)	(14,743)	(14,743)	(44,772)		
		-1.6%	-2.3%	-2.3%	-7.0%		

FOR FULL DETAILS OF DEBT, SEE CHART J OF THE GENERAL TOWN BUDGET.

~~ End of Debt Service ~~

Operating Revenue

Chart J

OPERATIONS RATE CHARGES 3597

Estimated This Year

Since our budget preparation is running later than usual, the Estimated This Year is the actual Year To Date billings through the end of June.

Requested Next Year

We took the Requested Next Year operating expenses, deducted non-rate revenues and divided the remainder by the estimated volume.

Volume estimates and their predicted changes are detailed in Chart M.

FY12 - For next year, we estimated that volume would increase 0.0%

SLUDGE DEWATERING 4932

This is the fee we charge other communities for dewatering and processing their sludge.

FY12 - We used the average for the last three years and increased it by the operating rate increase.

SEPTIC TANK DUMPING 4934

This is the fee we charge septic tank pumpers to dump their septage at our plant for dewatering and processing.

FY12 - We used the average for the last three years and increased it by the operating rate increase.

~~ Revenues Continued on Next Page ~~

Operating Revenue

CHART J

Page 2

CONNECTION FEES 4936

These are fees charged to persons first connecting to the sewer or expanding their home or business. Since the fees can be very large, a single large construction project can really skew our budget projections. For this reason, you will find a longer-term history below:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Number of Connections</i>
FY02	87,959	29
FY03	n/a	Since FY03 fees of \$265,380 were unusually high, they are not used in revenue projections.
FY04	90,514	33
FY05	39,744	32
FY06	75,800	37
FY07	104,213	21
FY08	79,954	27
FY09	37,008	12
FY10	85,922	15
FY11	139,247	25 <Estimated This Year
Average >	82,262	26 < Average >
FY12	37,008	12 < Requested Next Year

FY12 - Due to the historically unstable real estate market at this time, the Manager recommends estimating Next Year's Connection Fees at the same level as the lowest receipts of the last nine years.

INTEREST ON INVESTMENTS 4700

FY09 - The yield on our investments dropped substantially due to market conditions.

FY12 - We have less money to invest and interest rates remain low.

PENALTIES FOR LATE PAYMENTS 4704

FY11 - Despite the sorry state of the economy, late fees have been trending lower.

FY12- Estimated at the lowest of the last three years.

LIEN COST REIMBURSEMENTS 4940

FY09 - Probably due to the unstable economy, we had to place more liens, more than doubling this source of revenue.

FY10 - Lien reimbursements increased only slightly, about 5%.

FY11 - Lien reimbursements dropped 15%.

FY12- Estimated at the lowest of the last three years.

~~ End of Revenues ~~

Net Income Statement

Chart K

	Actual Yr. Before Last: FY09	Actual Last Year FY10	Budgeted This Year FY11	Estimated This Year FY11	Requested Next Year FY12	Change: E.T.Y. vs. R.N.Y.
OPERATING REVENUES:						
Charges for Services	1,144,645	1,168,577	1,209,620	1,377,227	1,261,565	(115,662)
Capital Charge	761,020	737,642	720,421	716,780	738,283	21,503
Interest (on late payments+lien costs)	17,126	14,981	15,125	11,642	11,642	0
Total Operating Revenues	1,922,791	1,921,200	1,945,166	2,105,649	2,011,490	(94,159)
Change in Charges >>		2.1%	3.5%	17.9%	-8.4%	
OPERATING EXPENDITURES:						
Wages & Benefits	514,133	510,573	536,968	550,175	555,554	5,379
Contractual Services	165,443	169,454	176,270	180,924	205,496	24,573
Utilities & Commodities	220,703	200,053	215,310	215,428	221,239	5,811
Repairs & Maintenance	96,500	69,746	71,292	103,253	95,253	(8,000)
Equipment Purchases	5,211	9,691	14,890	11,556	9,353	(2,203)
Other Expenses, Travel, Etc.	37,366	38,824	37,714	35,317	38,223	2,906
Depreciation & Amortization	491,930	501,032	491,309	501,032	0	(501,032)
Materials & Supplies	82,430	98,577	98,551	93,098	89,516	(3,582)
Total Operating Expenditures	1,613,716	1,597,950	1,642,304	1,690,783	1,214,634	(476,149)
		-1.0%	2.8%	5.8%	-28.2%	
Net Operating Income	<u>309,075</u>	<u>323,250</u>	<u>302,862</u>	<u>414,866</u>	<u>796,856</u>	<u>381,990</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest Revenue (Investment)	34,766	24,944	26,701	24,925	19,993	(4,932)
Gain or (Loss) on Sale of Fixed Assets	(1,435)	0	0	0	0	0
Sale of Fixed Assets	0	5,300	0	0	0	0
Federal & State Grants	0	0	0	618	0	(618)
Bond Refinancing Refund	0	197,408	1,316,344	0	0	0
Less Interest Expense	(157,107)	(141,168)	(129,331)	(123,588)	(112,894)	10,694
Total Non-Operating Revenue (Expense)	(123,776)	86,484	1,213,714	(98,045)	(92,901)	5,144
		-169.9%	1303.4%	-213.4%	-5.2%	
NET INCOME (LOSS) YTD	185,299	409,734	1,516,576	316,821	703,955	387,134
Change from Previous Year		224,435	1,106,842	(92,913)	387,134	

Sewer Rate Schedule

Chart L

<i>Type of Rate</i>	<i>Measure</i>	<i>Old Rate FY11</i>	<i>New Rate FY12</i>	<i>Percent Change</i>
Operations Rate (See Chart M)	Per 100 Cubic Feet of Water Used	\$4.35	\$4.36	0.2%
Capital Rate (See Chart M)	Per 100 C.F. of Seasonal Water Used	\$5.02	\$5.17	3.0%
Minimum Operations Bills: (per quarter)				
- Residential Customers	Based on 1000 Cu. Ft. of Water Used	\$43.50	\$43.60	0.2%
- Non-Residential Cust.	Based on 2800 Cu. Ft. of Water Used	\$121.80	\$122.08	0.2%
- Unmetered Customers	Based on 2150 Cu. Ft. of Water Used	\$93.53	\$93.74	0.2%
Septic Tank Pumpage (Note B)	Per 100 Gallons	\$10.92	\$10.95	0.2%
Sludge Disposal (Notes A & B)	Per 100 Gallons	\$6.54	\$6.56	0.2%
Connection Fee Rate	Per Gallon of Sewage Per Day	\$9.81	\$9.83	0.2%
Late Payment Penalty(Note C)	Per Annum	7.0%	7.0%	0.0%

Typical Bills (See Chart N For Details)	<i>Old Rate FY11</i>	<i>New Rate FY12</i>	<i>Dollar Change/Year</i>	<i>Dollar Change/Qtr.</i>	<i>Percent Change</i>
Residential - Average Four Person Household	\$600	\$608	\$7.64	\$1.91	1.3%
Restaurant - Year Round	\$2,053	\$2,078	\$25.44	\$6.36	1.2%
Restaurant - Seasonal	\$2,432	\$2,464	\$32.73	\$8.18	1.3%
Lodging - Year Round	\$5,338	\$5,418	\$80.13	\$20.03	1.5%
Lodging - Seasonal	\$14,925	\$15,150	\$225.00	\$56.25	1.5%
				Average	1.4%

Notes:

- A. We dewater and dispose of sewage plant sludge for the towns of Mount Desert and Southwest Harbor.
- B. This rate was set based on market. Annually, it is increased by the same percentage as the Operations Rate.
- C. The maximum amount of this rate is set by State Law as determined by the State Treasurer.

~~ End of Sewer Rate Schedule ~~

Sewer Rate Calculations

Chart M

These are the minimum rates required in order to "break even" on a cash basis.

VOLUME ESTIMATE

Quarter	Ending	Actual Yr. Before Last: FY09	Actual Last Year FY010	Budget This Year FY11	Actual This Year FY11	Requested Next Year FY12	Change: R.N.Y vs. B.T.Y.	Change: R.N.Y vs. E.T.Y.
Summer	September 30	10,250,000	8,450,000	8,450,000	9,560,000	9,560,000	13.1%	0.0%
Fall	December 31	5,300,000	5,080,000	5,080,000	5,250,000	5,250,000	3.3%	0.0%
Winter	March 31	3,100,000	3,090,000	3,090,000	2,950,000	2,950,000	-4.5%	0.0%
Spring	June 30 (See Note A)	4,740,000	4,990,000	4,990,000	4,970,000	4,970,000	-0.4%	0.0%
Unmetered Accounts		260,000	266,000	266,000	260,000	260,000	-2.3%	0.0%
Minimum Bills (See Note F)		2,500,000	2,800,000	2,800,000	2,600,000	2,600,000	-7.1%	0.0%
Annual Volume in Cubic Feet (See Note B)		26,150,000	24,676,000	24,676,000	25,590,000	25,590,000	3.7%	0.0%
Change			(1,474,000)	0	914,000	0 << Increase		
			-5.6%		3.7%	Volume 0.0% Assumption		RNY vs. ETY

OPERATIONS RATE

Quarter	Ending	Actual Yr. Before Last: FY09	Actual Last Year FY010	Budget This Year FY11	Estimated This Year FY11	Requested Next Year FY12	Change: R.N.Y vs. B.T.Y.	Change: R.N.Y vs. E.T.Y.
Operating Fund Expenditures (Including "Old" Debt - Interest, Fees & Principal)		1,227,703	1,193,656	1,234,622	1,273,378	1,278,704	3.4%	0.4%
Less Non Rate Revenues:								
Other Customer Charges		117,585	183,648	124,964	244,020	131,584	5.0%	-85.4%
Other Income		34,766	24,944	26,701	24,925	19,993	-33.6%	-24.7%
Net Needed from Operations Charges		\$1,075,352	\$985,064	\$1,082,957	\$1,004,433	\$1,127,127	12.2%	
Estimated Minimum Operations Rate / 100 cu.ft.				\$4.39	\$3.93	\$4.40	0.4%	12.2%

CAPITAL RATE

Quarter	Ending	Actual Yr. Before Last: FY09	Actual Last Year FY010	Budget This Year FY11	Estimated This Year FY11	Requested Next Year FY12	Change: R.N.Y vs. B.T.Y.	Change: R.N.Y vs. E.T.Y.
Capital Appropriations		754,362	1,117,391	2,115,661	2,115,661	730,113	-65.5%	-65.5%
Less:								
Capital Fund Other Source Revenue		0	202,708	1,396,119	1,396,119	1,395,775	0.0%	0.0%
Fund Balance		4,923	(41,822)	(879)	8,170	0	-100.0%	-100.0%
Net Needed from Capital Charges		\$749,439	\$956,505	\$720,421	\$711,372	(\$665,662)	-193.6%	-193.6%
Peak Season Volume (D)		15,550,000	13,530,000	13,530,000	14,810,000	14,810,000	0.0%	0.0%
Estimated Minimum Capital Rate / 100 Cu.Ft. (See Note E)				\$5.32		(\$4.49)	-184.4%	

NOTES

- A. The volume estimate for this year is usually actual for the first three quarters, and estimated for the spring quarter. However, due to late budget preparation this year, we were able to use actual spring quarter numbers.
- B. Annual volume of water consumed, stated in cubic feet. One cubic foot is equal to 7.48 gallons.
- D. Peak Season Volume is used for the Capital Rate because the plant must be built large enough to accommodate peak season volumes.
- E. The Capital Rate is determined by dividing the "Net Needed from Capital Charges" by the "Peak Season Volume" (C/D=E).
- F. In order to calculate the needed rate, we must use the estimated volume. This volume must include an allowance for the cubic feet that are not used by the customer, but which we bill as part of the minimum bill.

~~ End of Sewer Rate Calculations ~~

Typical Bills

Chart N

Residential - Four Person Household		Current Rates			Proposed Rates			
Quarter	Water Consumed (Cubic Ft.)	Operations Charge	Capital Charge	Total Sewer Bill	Operations Charge	Capital Charge	Total Sewer Bill	
		\$4.35	\$5.02		\$4.36	\$5.17		
		Per 100 C.F.	Per 100 C.F.		Per 100 C.F.	Per 100 C.F.		
Summer	2,100	\$91.35	\$56.48	\$147.83	\$91.56	\$58.17	\$149.73	
Fall	2,400	\$104.40	\$56.48	\$160.88	\$104.64	\$58.17	\$162.81	
Winter	2,100	\$91.35	\$56.48	\$147.83	\$91.56	\$58.17	\$149.73	
Spring	2,000	\$87.00	\$56.48	\$143.48	\$87.20	\$58.17	\$145.37	
Total Year	8,600			\$600.00			\$607.64	
							Change in Bill	1.3%

Restaurant - Open Year Round		Current Rates			Proposed Rates			
Quarter	Water Consumed (Cubic Ft.)	Operations Charge	Capital Charge	Total Sewer Bill	Operations Charge	Capital Charge	Total Sewer Bill	
		\$4.35	\$5.02		\$4.36	\$5.17		
		Per 100 C.F.	Per 100 C.F.		Per 100 C.F.	Per 100 C.F.		
Summer	7,300	\$317.55	\$187.00	\$504.55	\$318.28	\$192.60	\$510.88	
Fall	7,600	\$330.60	\$187.00	\$517.60	\$331.36	\$192.60	\$523.96	
Winter	8,000	\$348.00	\$187.00	\$535.00	\$348.80	\$192.60	\$541.40	
Spring	7,100	\$308.85	\$187.00	\$495.85	\$309.56	\$192.60	\$502.16	
Total Year	30,000			\$2,052.98			\$2,078.42	
							Change in Bill	1.2%

Restaurant - Seasonal		Current Rates			Proposed Rates			
Quarter	Water Consumed (Cubic Ft.)	Operations Charge	Capital Charge	Total Sewer Bill	Operations Charge	Capital Charge	Total Sewer Bill	
		\$4.35	\$5.02		\$4.36	\$5.17		
		Per 100 C.F.	Per 100 C.F.		Per 100 C.F.	Per 100 C.F.		
Summer	16,100	\$700.35	\$244.98	\$945.33	\$701.96	\$252.33	\$954.29	
Fall	3,420	\$148.77	\$244.98	\$393.75	\$149.11	\$252.33	\$401.44	
Winter	0	\$121.80	\$244.98	\$366.78	\$122.08	\$252.33	\$374.41	
Spring	11,053	\$480.81	\$244.98	\$725.78	\$481.91	\$252.33	\$734.24	
Total Year	30,573			\$2,431.63			\$2,464.36	
							Change in Bill	1.3%

~~ Typical Bills Continued on Next Page ~~

TYPICAL BILLS (continued)

CHART N

Page 2

Lodging - Year Round		Current Rates			Proposed Rates			
Quarter	Water Consumed (Cubic Ft.)	Operations Charge	Capital Charge	Total Sewer Bill	Operations Charge	Capital Charge	Total Sewer Bill	
		Per 100 C.F.	Per 100 C.F.		Per 100 C.F.	Per 100 C.F.		
Summer	31,100	\$1,352.85	\$612.44	\$1,965.29	\$1,355.96	\$630.81	\$1,986.77	
Fall	17,700	\$769.95	\$612.44	\$1,382.39	\$771.72	\$630.81	\$1,402.53	
Winter	5,800	\$252.30	\$612.44	\$864.74	\$252.88	\$630.81	\$883.69	
Spring	11,800	\$513.30	\$612.44	\$1,125.74	\$514.48	\$630.81	\$1,145.29	
Total Year	66,400			\$5,338.16			\$5,418.29	
							Change in Bill	1.5%

Lodging - Seasonal		Current Rates			Proposed Rates			
Quarter	Water Consumed (Cubic Ft.)	Operations Charge	Capital Charge	Total Sewer Bill	Operations Charge	Capital Charge	Total Sewer Bill	
		Per 100 C.F.	Per 100 C.F.		Per 100 C.F.	Per 100 C.F.		
Summer	112,500	\$4,893.75	\$1,720.93	\$6,614.68	\$4,905.00	\$1,772.56	\$6,677.56	
Fall	24,626	\$1,071.23	\$1,720.93	\$2,792.16	\$1,073.69	\$1,772.56	\$2,846.25	
Winter	0	\$121.80	\$1,720.93	\$1,842.73	\$122.08	\$1,772.56	\$1,894.64	
Spring	44,921	\$1,954.06	\$1,720.93	\$3,674.99	\$1,958.56	\$1,772.56	\$3,731.11	
Total Year	182,047			\$14,924.57			\$15,149.57	
							Change in Bill	1.5%

~~ End of Typical Bills ~~

Budgeting Standards**Chart O**

Description	Inflation Factors	
	This Year	Next Year
Fuel Oil (Heating)	13.6%	14.9%
Motor Fuels (Diesel)	17.6%	15.4%
Electricity	0.0%	1.2%
Water	9.0%	8.3%
Wages (Part-time & Seasonal)	0.0%	0.0%
Wages (Union)	4.0%	1.0%
Postage	4.5%	2.2%
Other	1.2%	1.2%
Social Security COLA (January)	0.0%	0.0%

Combined Fund Balance

Chart P

Operating and Capital Budgets

	Actual Yr.Before Last: FY09	Actual Last Year FY10	Budgeted This Year FY11	Estimated This Year FY11	Requested Next Year FY12
Starting Fund Balance	921,240	916,167	882,416	887,108	660,618
Revenues & Other Sources	1,937,961	2,131,520	3,350,285	2,111,387	3,413,265
Expenditures & Other Uses	1,943,034	2,160,579	2,536,621	2,337,877	2,184,339
Ending Fund Balance	916,167	887,108	1,696,080	660,618	1,889,544
Total Reserved & Designated Fund Balance	926,401	858,006	1,671,668	639,686	1,859,938
Unreserved and Undesignated Fund Balance	-10,234	29,102	24,412	20,932	29,606
Change in Unreserved & Unallocated Fund Balance		39,336	2	-8,170	8,674

~~ End of Combined Fund Balance ~~

Non-Cash Expenses	Chart Q
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	Actual Yr. Before Last: FY09	Actual Last Year FY10	Budgeted This Year FY11	Estimated This Year FY11	Requested Next Year FY12	Change: R.N.Y vs. B.T.Y.	Change: R.N.Y vs. E.T.Y.
49 CONTRIBUTED CAPITAL AMORTIZATION							
6016 Loss (Gain) on Retired Fixed Assets	1,435	0	0	0	0		
Total Contributed Capital Amortization	1,435	0	0	0	0	0	0
60 DEPRECIATION & AMORTIZATION							
6004 Contributed Capital Amortization	(123,518)	(123,518)	(123,518)	(123,518)			
6006 Ammortization of Bond Issue Costs	6,309	6,309	6,309	6,309			
6012 Depreciation	485,621	494,723	485,000	494,723			
Total Asset Depreciation	368,412	377,514	367,791	377,514	0	-367,791	-377,514
80 ACCRUED INTEREST							
082 Total interest payment (incl. fees)	157,107	141,168	129,331	129,331	112,894	-12.7%	-12.7%
010 Accrued interest	0	0	0	(5,743)	0		
Total Interest Expense	157,107	141,168	129,331	123,588	112,894	-12.7%	-8.7%
						-16,437	-10,694

~~ End of Non-Cash Expenses ~~

Sewer Budget Ordinance

Town of Bar Harbor

An Ordinance to Adopt the Fiscal Year 2012 Sewer Budget, Rates, Fees and Charges.

The Town of Bar Harbor hereby ordains that Chapter 165, Sewers, of the Town Code is amended as follows:

[Please Note: Old language is ~~stricken~~. New language is underlined.]

Chapter 165, SEWERS

ARTICLE III, Sewer Budget and Rates

• • • •

§ 165 -7.1. Sewer Budget, Fees and Charges.

A. **Budget Adopted.** The fiscal year ~~2011-2012~~ 2012 Sewer Budget dated ~~August 12, 2010~~ September 26, 2011 is hereby adopted as published and summarized below.

(1) **Fund Balance.** Unreserved & Undesignated Fund Balances are estimated as follows:

(a) Starting Unreserved and Undesignated Fund Balance:

[1] Operating Fund: ~~-\$11,768~~ \$17,514

[2] Capital Fund: ~~-\$12,642~~ \$3,418

(b) Ending Unreserved and Undesignated Fund Balance:

[1] Operating Fund: ~~-\$10,892~~ \$18,017

[2] Capital Fund: ~~-\$13,521~~ \$11,589

(2) **Revenues.**

(a) Total Revenues & Other Sources are estimated to be:

[1] Operating Fund: ~~-\$1,233,743~~ \$1,279,207

[2] Capital Fund: ~~-\$2,116,540~~ \$2,134,058

(b) Revenue from sewer rates shall be calculated as follows:

[1] Operations Rate Charges: ~~-\$1,082,080~~ \$1,127,630

[2] Capital Rate Charges: ~~-\$720,421~~ \$738,283

(3) **Expenses.** Total Appropriations shall be:

(a) Operating Fund: ~~-\$1,234,619~~ \$1,278,704

(b) Capital Fund: ~~-\$2,115,661~~ \$730,113

(4) Rates.

- (a) Operations Rate: ~~\$4.35~~ \$4.36 per 100 cubic feet of water used
- (b) Capital Rate: ~~\$5.02~~ \$5.17 per 100 Cubic Feet of seasonal water used
- (c) Minimum Operations Bills:
 - [1] Residential Customers: ~~\$43.50~~ \$43.60 for up to 1000 cubic feet of water used per quarter
 - [2] Non-Residential Customers: ~~\$121.80~~ \$122.08 for up to 2800 cubic feet of water used per quarter
 - [3] Unmetered Customers: ~~\$93.53~~ \$93.74 per quarter (based on 2150 cubic feet of water used)
- (d) Septic Tank Pumpage: ~~\$10.92~~ \$10.95 per 100 gallons
- (e) Sludge Disposal: ~~\$6.54~~ \$6.56 per 100 gallons
- (f) Connection Fee Rate: ~~\$9.81~~ \$9.83 per gallon of sewage per day
- (g) Late Payment Penalty: 7.0% per annum

[end of ordinance]

LEGISLATIVE HISTORY:

_____ Introduced
_____ Public Hearing
_____ Council Adopted
_____ Sent for Codification