
FY18 Sewer Fund Budget

As Introduced
By The
Finance Director &
Public Works Director

July 18, 2017

TABLE OF CONTENTS

Introduction

Table of Contents	2
Budget Message	3

Line Items

Operating Fund

Fund Balance	9
Revenues	10
Operating Expenditures	
Personnel Services & Benefits	11
Contractual Services	11
Materials & Supplies	12
Utilities & Commodities	12
Repairs & Maintenance	12
Small Equipment Purchases	13
Other Expenses, Travel, Etc.	13

Capital Fund

Capital Expenditures	
Capital Fund Expenditures Plan (Years One through Five)	14
Equipment Replacement Schedule	15-16

Charts

Charts-Table of Contents	17
A. Capital Improvement Program Narrative	18-22
B. Personnel Services & Benefits	23-24
C. Contractual Services	25-26
D. Materials & Supplies	27
E. Utilities and Repairs	28
F. Small Equipment Purchases	29
G. Debt Service	30-32
H. Sewer Rate Schedule & Calculation	33
Qtrly Rate Comparisons-Family	34
I. Net Income Statement	35
Residential Summer Discount App	36
Outside Water Deduct Meters-Non-Resid	37-38
Sewer Budget Ordinance, as proposed	39



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July 18, 2017

Budget Message

You will find attached the proposed Sewer Budget for FY18. Under the requested budget, the estimated annual sewer bill for a typical four-member residential household **will not change**. The combination of revenue and expense estimates have allowed the rates to stay flat for the last two years. This is also the second year where the Town has combined the operations rate (based on current usage) with the capital charge (that was based on the prior year's summer usage) into one rate utilizing the current quarterly measured usage. That charge will remain at \$7.80 per 100 cubic feet.

A Quick Budget Recap:

The FY2018 budget, as submitted:

- Contains a 5.3% operations expense budget increase; but a 2.3% decrease from FY17
- Reflects a 1% decrease in budgeted revenue
- Projects that overall billable volume will remain stable @ 1.1% increase
- Maintains the one rate calculated to be \$7.80 per 100 cubic feet
- Reduced level of funding for capital/debt appropriations in the next 5 years
- No bonded borrowing in the next 5 years

Fund Balance

(Retained Earnings that is Reserved)

Fund Balance – Operating Fund

Using our formula for arriving at necessary working capital on hand, we arrive at \$438,263. This *designation for working capital* provides us with the cash necessary to run the Division until the first quarterly bill payments come in later in October.

Cash Reserve-Designated for Working Capital @ 6/30/17	\$438,263
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Fund Balance – Capital Fund

Certain unfinished CIP projects and equipment reserves are funded each year in the capital rate and designated for these specific line items shown in the CIP section.

Cash Reserve-CIP Projects & Reserves @ 6/30/17	\$1,643,435
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Operating Expenditures

The recommended budget for cash operating expenses will increase \$69,016 in the coming year over the FY17, or 5.3% but is a reduction of 2.3% from the FY2017 actual. Wages are budgeted to increase by 1.7%, the Union COLA amount, but will not be adjusted until negotiations are completed. The contract expires June 30, 2017. Benefits will increase by 6.5%, due primarily to a 12% increase on health insurance premium costs. There was also an error in the FY17 budget that highlights a larger increase in health insurance than actual.

Superintendent Jeff Van Trump, being Superintendent of both Water and Sewer Divisions will have once again 50% of his wages/benefits charged to each division. This has the Wastewater Division staffed with 8 full timers and 1 Superintendent, but with 50% of the latter's wages & benefits charged to the water division.

Other than payroll and benefits, other significant increases in the FY18 budget are:

Contr.Services-#5311 – Special waste Cleaning - \$2000 (tanks)

Contr.Services-#5314 – Copier, mail machine, tm clck - \$1290

Contr.Services-#5368 - Software support licenses -\$4329 – asset mgt. software

Contr.Services-#5384 – Lab Testing - \$1000 - increased regulatory testing

W Treat Supplies-#5424 – Sodium Hypochlorite - \$2500 - increased prices and usage

Oper. Supplies-#5438 – General Operating supplies - \$2500 - higher usage

MagSupplies-#5441 – Magnesium Hydroxide - \$4500 - higher prices and usage

Electricity-#5504 – Plant Electricity - \$12500 – primarily usage; (blowers)

Utilities-#5508 – Heating Oil - \$6202 - Higher contract price

Utilities-#5530 – Water - \$1300 – Last increase not fully budgeted

Repairs-#5628 – Mains & Services - \$6000 – More breaks & raising manhole covers

Equipment-#5704 – Plant Equipment – see list on Chart F

Last Year's Operational Results

Fiscal 2017 projected results will end \$102,995 (or 7.8%) above the budget, primarily due to cleaning the tanks, operating supplies and water treatment supplies, electricity (higher use of blowers), as well as the repairs for mains & service this year with the extensive manhole adjustments for the DOT Rt#233 overlay project. Additionally, health insurance was under-budgeted, causing an unfavorable variance. In the materials area, Sodium Hypochlorite, Magnesium Hydroxide, Polymer & general Operating supplies will all exceed budget for various pricing & volume reasons; primarily due to optimizing the treatment process. Heating Oil was over due both to usage & a prior year price penalty paid for unused contracted gallons from the prior year. Repairs to Mains & Services will more than double its budget as well as repairs to the vehicles.

Capital Expenditures

A “Year by Year Overview” of our Capital Improvement Program is on page 13 of the budget, with a narrative description in Chart A. With very few exceptions, the Five Year capital plan proposed in this year's budget looks similar to the Consolidated Work Plan provided

to the Council in the Fall of 2014; just with the construction deferred. Unlike the Water Division's rates, which is governed by the PUC, *depreciation* is not used in calculating sewer rates...an *equipment reserve* system is utilized instead, similar to the General Fund's CIP funding mechanism. At year end FY17, we anticipate \$1,643,435 of monies raised in prior years to remain unspent that are assigned to specific projects and equipment. The Division is estimating a CIP funding level from \$766-\$790,000 over the next 5 years, a reduction from the CIP requests in past years.

Combined Sewer Overflow (CSO) Elimination Project

During the coming year, we will work on our COS elimination efforts to avoid this federally mandated \$8 million project with the EPA's goal to eventually achieve 100% removal for all coastal communities. However, as part of current license, we do not have the budgetary need to plan for the swirl concentrator unit which is the bulk of the aforementioned \$8 million. As previously directed by Council we continue towards moving this project beyond the five year planning cycle. Over the past 20 years we have consistently treated 98% of our total flow. This success was useful in negotiating the CSO Master Plan implementation out of our present five year licensing cycle. In fact, in 2016, we reported only one CSO event of 277,000 gallons to MDEP. To place some perspective on this, over the recent July 4th weekend we treated over 2 million gallons a day. In 2016 we treated the closest to 100% of our flow as documented in the past 20 years.

Route #3 DOT Construction Impact

In the current year (FY17), we will have spent over \$220,000 for sewer related manhole costs and other changes due to the ongoing DOT Route #3 construction. These are capital monies related to sewer work, as previously highlighted by the DPW Director before the Council and may be adjusted depending upon conflicts with other utilities.

Construction & Main Repair Projects

Throughout the five years of the CIP, we plan to continue repairing sewer mains, basins and services in order to reduce infiltration and inflow (I&I) and help us comply with the State and Federal mandates to reduce our CSOs. The work on Ash Place is a project deferred from the current FY16 year. Specific projects are detailed in Chart A, the narrative description of the CIP, and are timed to coincide with the other road, sidewalk and storm drain projects of Public Works Director Chip Reeves' Consolidated Capital Work Plan that was presented in the Fall of 2014. Because of the Council's decision to defer any new borrowing in the General Fund 2017 and 2018 budgets (from taxation), some related construction has been deferred in this budget. With CSO related work deferred, the Town will continue to rehabilitate its failing brick manholes and certain mains that are highlighted in a breakdown in the charts.

Plant Equipment

The plant on Ledgelawn Avenue was completely rebuilt in 1997. Some smaller equipment, especially certain electrical components are beginning to fail and have been replaced. Some other large mechanical equipment, such as the drive units for our two large clarifiers are nearing the end of their useful life. These units are now scheduled to be replaced after 20 years following the payoff of the related bond issue related to the plant re-construction. These units are estimated to cost \$325,000 and are scheduled in year 3 when monies are more easily raised from the normal sewer fees that would be freed up in FY19. An engineer report with a

comprehensive review & staff will guide the priority of plant equipment upgrades and renovations. This will be a focus to ensure the plant has the *capacity* first before the Division spends extensive monies on refurbishing its expensive plant equipment.

Pump Stations

The Division has started some of its pump station reconstruction program with work finishing up on the PLC unit at the Main St. pump station in FY16/FY17, and in FY16 with Albert Meadow. To date, three new pump stations were added/replaced within the last 4 years. However, prior to spending additional monies on 11 pump station renovations staff will be fully evaluating the priorities based on known CSO demands, condition of the units and other factors previously not taken into account. Any Anticipated engineering work and related spending should not start until years 3 and 4.

Equipment Replacement's

We remain under DEP pressure to add more standby power, so we have completed a generator install at the Hulls Cove Treatment Plant in FY15 and replaced the Hulls Cove Pump Station generator in FY17.

Several pieces of aging equipment are scheduled for replacement over the coming five years. Our two units of sewer cleaning equipment will be replaced with one combined unit in year three: a 15 year old sewer jet and the 60 year old bucket machine. This combination replacement in year 3 will initially have transferred monies from those two equipment lines raised for that purpose in FY18. The rodding machine, originally on the replacement schedule, will not be replaced.

Three of the four pickup vehicles are scheduled for replacement over the next five years. The largest equipment replacement will occur in Year Two when we replace the Programmable Logic Controller (PLC) at the Ledgelawn plant which monitor and control our sewage collection system and treatment process controls at the treatment plants. The Town will require the engineers to provide a new global look at our operations, which may dictate other priorities.

Revenues

Income, other than user fees is an important part of the budget, since it helps to keep down sewer rates. **Connection Fees**- per Council directive two years ago, will still be re-evaluated at some point. It is expected that staff may return with a higher but reasonable connection fee recommendation that is based on more comparable connection fee rates from similar communities.

Billing Volume

Forecasting revenue continues to be difficult due to limited growth and some fluctuations in our billing volume; that is, our customers' water consumption from which the bills are calculated. We are projecting FY18 volume that will be 3% below last year's actual and level with the past year's budgeted volume. The Commercial, Jackson Lab and Residential sectors have increased slightly in the last year. Because of the Lab's gradual move of certain mouse production to Ellsworth, we are cautious to avoid an optimistic increases in volume totals.

Historical Volume: (cubic feet)

FY2018 Budget	26,950,000
FY2017 Estimate	27,453,000
FY2016 Actual	27,549,000
FY2015 Actual	25,455,000
FY2014 Actual	26,680,000
FY2013 Actual	26,500,000
FY2012 Actual	25,970,000
FY2011 Actual	25,590,000

Rates

Town Council voted at its budget approval hearing in September 2015 to replace the split operation rate and capital rate charges with combined one rate in FY2016, based on the current usage for each quarter. Now, with almost 2 years experience behind us, this has turned out to be a successful decision, as there is a clearer understanding to the Town's customers of the billings. The lowest minimum bill for a residential customer can be as low as \$187 per year for usage up to 600 cubic feet per quarter. No changes in the \$7.80 per 100 cubic foot are proposed in FY2018.

Historical Rate Increases:

FY2018 Budget	0.0%
FY2017 Actual	0.0%
FY2016 Actual	0.0%
FY2015 Actual	4.7%
FY2014 Actual	0.5%
FY2013 Actual	0.6%
FY2012 Actual	1.3%
FY2011 Actual	5.1%

Average annual increase over the last 8 years – 1.6%

Discounts Available to Sewer users:

Summer Residential User Discount: Available to year round residential users that may be entitled to a credit off their usage for the summer quarterly bill reflecting water that does not enter the Town's sewer system; e.g., sprinkling lawn and gardens, washing vehicles and other similar uses. There is no fee and the customer must sign up on an annual basis. In the last year approximately 130 residential customers took advantage of this discount. Out of 1430 total customers, there are 760 listed residential properties. The specifics of this discount are in the Sewer Ordinance, Chapter 165, Article III, Section #165-7B (2)[2]. A Copy of the form is located at the end of this budget package.

Outside Deduct Meters: Available generally to commercial, non-residential properties that purchase a meter to measure outside summer water usage that does not enter the wastewater system. There is a \$100 initial fee (for installation inspection) and then a \$25 administrative fee annually. Meters are read by Town staff in June and September and are shown on the water bill as a deduction off their water usage in the calculation of the quarterly sewer bill. For example, if there is no separate summer water service line for outside watering to a hotel

property, then this metering deduction system to measure that garden/lawn usage is an option available for the customer to reduce their sewer charges. Approximately 40 customers have 60 meters in place every summer to take advantage of this program. The specifics are highlighted in the Sewer Ordinance, Chapter 165, Article III. Copies of the 2 page application are located at the end of this budget package.

Future Growth

Bar Harbor's 2007 Comprehensive Plan's Chapter III.B Future Land Use Plan identifies growth areas within the Town. Growth areas are suitable areas toward which new development is to be directed. Most of these areas are either infill development where sewer and water are already present at the curb; areas where the utilities are nearby but would require service extensions to reach the new development location, or where public sewer and water will not be available for the foreseeable future. The Town should be prepared to allow utility infills and extensions. These extensions must be sized to accommodate both current and future needs. The Town should also consider being prepared to bear costs not directly covered by a developer such as for upgrades and for augmented capacity. There is no line item in the CIP designated yet for this "future growth" purpose.

Data from January to June, 2017, show that 21 sewer connection permits were issued,; 8 on Town Sewer and 13 on private septic.

Requested Action by Council

The next step is for the Town Council pass a motion to tentatively adopt the Sewer Budget Ordinance as proposed [*or amended*] and schedule a public hearing on August 15, 2017.

Respectfully submitted,

Stanley Harmon,
Finance Director

Chip Reeves
Public Works Director

	Actual Yr. Before Last: FY15	Actual Last Year FY16	Budgeted This Year FY17	Actual This Year FY17	Requested Next Year FY18
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Fund Balance

FUND BALANCE -

Starting Fund Balance/Retained Earnings	1,925,870	1,857,381	2,024,388	2,040,767	1,976,455
Revenues & Other Sources - <i>cash in</i>	2,099,860	2,275,622	2,131,500	2,133,300	2,105,600
Operating Expenditures - <i>cash out</i>	1,301,622	1,314,271	1,328,069	1,431,064	1,398,024
Capital/Debt Expenditures - <i>cash out</i>	866,727	777,965	910,993	766,548	1,056,721
Ending Fund Balance/Retained Earnings	1,857,381	2,040,767	1,916,826	1,976,455	1,627,310
Designated Fund Balance/Retained Earnings					
Working Capital (See Note A)	440,624	439,082	439,082	438,263	438,263
Unfinished CIP Projects (Note B)	1,415,906	1,561,239	1,524,131	1,643,435	1,346,488
Total Reserved Retained Earnings	1,856,530	2,000,321	1,963,213	2,081,698	1,784,750

Cash on Hand	1,727,463	1,966,482	1,827,265
(short) or above	(129,067)	(33,839)	(254,433)

Notes:

A. Designation for Working Capital

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

Operating Expenditures Budget This Year	1,328,069
Four Month's Expenses	33%
Recommended Designation for Working Capital	\$438,263

B. Designation for Unfinished CIP Projects & Equipment Reserve

These are either active ongoing projects or equipment reserves funded for future replacements/upgrades
The detail list of carryover projects are on page 16 - CIP

	Actual Yr.Before Last: FY15	Actual Last Year FY16	Budgeted This Year FY17	Actual This Year FY17	Requested Next Year FY18	Request's Change From This Year's: Budget	Estimate
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Operating Fund Revenues

3597 OPERATIONS RATE CHARGES

<i>Sub Total: Charges from Operations Rate</i>	1,999,232	2,080,225	2,015,000	2,090,000	2,060,000	45,000	-30,000
		<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%	-3%	0%	-1.4%	2.2%	-1.4%

OTHER CUSTOMER CHARGES

4932 Sludge Dewatering	61,286	35,632	66,000	6,000	6,000	-90.9%	0.0%
4934 Septic Tank Dumping	15,555	6,625	23,100	10,000	10,000	-56.7%	0.0%
4936 Connection Fees	5,800	5,000	6,000	8,000	8,000		
<i>Sub Total: Other Charges</i>	82,641	47,257	95,100	24,000	24,000	-71,100	0
		-43%	101%	-49%	0%	-74.8%	0.0%

OTHER INCOME

4600 Bond refinancing Proceeds	0	30,077	0	0	0		
4700 Interest on Investments	5,556	7,010	6,000	6,000	6,000	0.0%	0.0%
4704 Penalties for Late Payments	4,278	11,734	4,300	4,300	5,000	16.3%	16.3%
4928 Sale of Fixed Assets	0	5,288	0	0	0		
4938 Miscellaneous	1,650	7,088	3,500	1,500	3,000	-14.3%	100.0%
4940 Lien Cost Reimbursements	6,503	7,167	7,600	7,500	7,600	0.0%	1.3%
4944 Special Assessments-Woodb	0	79,776	0	0	0		
<i>Sub Total: Other Income</i>	17,987	148,140	21,400	19,300	21,600	200	2,300
		724%	-86%	-87%	12%	0.9%	11.9%

Total Operating Fund Revenues	2,099,860	2,275,622	2,131,500	2,133,300	2,105,600	-1.2%	-1.3%
				(27,700)	-25,900	-27,700	
				<i>RNY:ETY</i>	<i>RNY:BTY</i>	<i>RNY:ETY</i>	
				-1%	-1.2%	-1.3%	

	Actual Yr. Before Last: FY15	Actual Last Year FY16	Budgeted This Year FY17	Actual This Year FY17	Requested Next Year FY18	Request's Change From This Year's: Budget	Actual
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Operating Fund Expenditures

51 PERSONNEL SERVICES (* = See Chart B)								
5100	Wages-Salaries *	30,977	40,685	41,902	41,902	42,614	1.7%	1.7%
5105	Wages-Hourly Full Time *	326,823	351,340	360,603	360,603	367,202	5.7%	1.8%
5110	Wages-Overtime *	38,371	36,895	39,142	40,000	40,496	5.1%	1.2%
5130	Wages-Summer/Seasonal *	9,045	1,810	0	0	0	n/a	n/a
5170	Old Account	0	0	0	0	0		
5175	Wages - Vacation Accruals	0	0	2,100	2,100	2,100	0.0%	0.0%
Total Personnel Services		405,216	430,730	443,747	444,605	452,412	2.0%	1.8%
					(858)		8,665	7,807
52 EMPLOYEE BENEFITS (* = See Chart B)								
5160	ICMA Retirement *	1,761	2,655	2,725	2,698	2,771	1.7%	2.7%
5200	FICA & Medicare *	29,395	31,279	33,786	33,750	34,449	2.0%	2.1%
5210	MSRS Retirement *	26,015	33,331	37,976	39,000	39,139	3.1%	0.4%
5215	Workers' Compensation *	7,695	8,492	8,575	10,390	10,924	27.4%	5.1%
5220	Unemployment Compensation *	2,920	2,701	2,244	2,335	2,244	0.0%	-3.9%
5225	Health Insurance * - (4.5)	83,510	79,311	72,628	76,100	83,074	14.4%	9.2%
5230	Health Insurance Opt Out - (4)	15,171	24,492	33,000	29,046	30,815	-6.6%	6.1%
5245	Retirement Health Savings Acct. *	918	486	950	0	950	0.0%	n/a
5255	Innoculations & Physical Exams	245	165	500	500	500	0.0%	0.0%
Total Employee Benefits		167,630	182,912	192,384	193,819	204,865	6.5%	5.7%
					(1,435)		12,481	11,046
53 CONTRACTUAL SERVICES (* = See Chart C)								
5300	Alarms & Paging *	821	901	837	837	837	0.0%	0.0%
5304	Audit & Accounting	1,900	1,950	1,950	1,950	2,000	2.6%	2.6%
5306	Town Management Fees *	101,837	86,945	83,506	83,506	83,862	0.4%	0.4%
5308	Billing Processing	550	600	600	600	650	8.3%	8.3%
5310	Office and Lab Cleaning	6,210	6,900	6,775	6,676	6,800	0.4%	1.9%
5311	Special Waste Cleaning *	6,970	5,406	6,000	16,052	8,000	33.3%	-50.2%
5312	Pump Station Pumping	2,900	375	1,200	1,300	1,300	8.3%	0.0%
5314	Copier, Post M, TmClck	492	492	460	1,742	1,750	280.4%	0.5%
5326	Engineering *	7,398	3,118	3,000	2,000	1,750	-41.7%	-12.5%
5330	Wet Well Prep & Painting	12,847	0	0	0	0	n/a	n/a
5332	Generator Service *	384	7,540	7,300	9,303	8,000	9.6%	-14.0%
5334	General Professional Fees	2,425	0	300	2,300	1,300	333.3%	-43.5%
5336	General Equipment Maintenance*	8,818	7,286	10,284	10,505	10,465	1.8%	-0.4%
5340	Legal Services	0	585	602	600	600	-0.3%	0.0%
5348	Mowing	3,423	3,528	3,360	3,670	3,500	4.2%	-4.6%
5364	Rental of Equipment	0	609	0	600	600	n/a	0.0%
5366	Sludge Disposal *	51,917	44,899	54,701	49,000	52,200	-4.6%	6.5%
5368	Technology Licenses & Support *	5,916	4,204	5,500	5,500	9,829	78.7%	78.7%
5378	Testing - Equipment	463	2,665	900	2,312	1,500	66.7%	-35.1%
5380	Testing - Drug & Alcohol	362	285	700	684	700	0.0%	2.3%
5384	Laboratory Testing	3,945	5,100	11,000	11,500	12,000	9.1%	4.3%
5388	Uniform Cleaning & Rental	9,332	11,226	9,550	9,300	9,600	0.5%	3.2%
Total Contractual Services		228,910	194,614	208,525	219,937	217,243	4.2%	-1.2%

(11,412)

8,718

-2,694

	Actual Yr. Before Last: FY15	Actual Last Year FY16	Budgeted This Year FY17	Actual This Year FY17	Requested Next Year FY18	Request's Change From This Year's: Budget	Estimate
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OPERATING FUND EXPENDITURES

Page 2

54 MATERIALS & SUPPLIES (* = See Chart D)

5410	Clothing Purchases*	4,359	4,224	4,300	4,300	4,300	0.0%	0.0%
5412	Copier & Printer Supplies	644	1,028	782	782	800	2.3%	2.3%
5418	Forms, Checks, Etc.	600	202	703	400	700	-0.4%	75.0%
5424	Sodium Hypochlorite *	13,939	11,687	12,500	18,300	15,000	20.0%	-18.0%
5428	Lab Supplies	6,577	8,708	9,979	11,300	10,000	0.2%	-11.5%
5432	Mains & Services	1,156	158	5,916	5,916	6,000	1.4%	1.4%
5436	Office Supplies	1,462	1,047	820	1,543	1,400	70.7%	-9.3%
5438	Operating Supplies	13,426	15,344	12,000	19,600	14,500	20.8%	-26.0%
5441	Magnesium Hydroxide & Other *	28,370	35,616	31,500	44,500	36,000	14.3%	-19.1%
5442	Polymer Supplies *	15,273	10,209	12,500	13,000	13,000	4.0%	0.0%
5444	Safety Supplies	3,689	1,190	2,800	2,600	2,800	0.0%	7.7%
5452	Sodium Bisulphite *	4,356	4,536	5,000	5,000	5,000	0.0%	0.0%
5458	Vehicle Supplies*	8,769	5,386	6,500	5,300	6,500	0.0%	22.6%
Total Materials & Supplies		102,620	99,335	105,300	132,541	116,000	10.2%	-12.5%
					(27,241)		10,700	-16,541

55 UTILITIES & COMMODITIES (* = See Chart E)

5504	Electricity - Plants	94,988	104,981	93,500	111,000	106,000	13.4%	-4.5%
5506	Electricity - Pumping	56,027	50,520	58,000	57,500	58,500	0.9%	1.7%
5508	#2 Heating Oil & Kerosene*	23,062	12,944	6,927	13,661	13,129	89.5%	-3.9%
5514	Motor Fuel - Diesel	12,243	6,453	10,500	9,000	10,000	-4.8%	11.1%
5516	Motor Fuel - Unleaded Gasoline	12,840	7,692	16,500	14,000	16,000	-3.0%	14.3%
5518	Motor Oils & Grease	933	1,431	1,850	1,600	1,850	0.0%	15.6%
5520	Propane	2,438	1,556	3,100	2,700	3,100	0.0%	14.8%
5528	Telephone & Cellular	3,472	4,000	3,400	5,500	4,800	41.2%	-12.7%
5530	Water	3,524	3,725	4,200	5,800	5,500	31.0%	-5.2%
Total Utilities & Commodities		209,527	193,302	197,977	220,761	218,879	10.6%	-0.9%
					(22,784)		20,902	-1,882

56 REPAIRS & MAINTENANCE (*=See Chart E)

5602	Buildings	9,818	9,915	9,300	10,000	10,000	7.5%	0.0%
5612	Comptr & Tele Exp	0	831	0	0	0	n/a	n/a
5616	Line Equipment/Flo Totes *	19,714	21,378	26,000	26,000	26,500	1.9%	1.9%
5628	Mains & Services	35,708	32,840	21,000	53,000	27,000	28.6%	-49.1%
5634	Plant Equipment	25,156	40,501	32,000	33,000	33,000	3.1%	0.0%
5640	Pump Station Equipment	26,917	32,965	21,000	20,000	22,000	4.8%	10.0%
5658	Vehicles - Repair by Others	3,138	782	3,000	8,000	4,000	33.3%	-50.0%
Total Repairs & Maintenance		120,451	139,212	112,300	150,000	122,500	9.1%	-18.3%
					(37,700)		10,200	-27,500

	Actual	Actual	Budgeted	Actual	Requested	Request's Change	
	Yr.Before	Last Year	This Year	This Year	Next Year	From This Year's:	
	Last: FY15	FY16	FY17	FY17	FY18	Budget	Estimate

OPERATING FUND EXPENDITURES

Page 3

57 EQUIPMENT PURCHASES (* = Chart F)

5700	Technology Equipment *	5,172	7,707	11,000	12,692	7,900	-28.2%	-37.8%
5702	Office Equipment *	274	7,881	1,500	852	0	n/a	n/a
5704	Operating Equipment *	14,945	8,985	7,700	9,626	10,400	35.1%	8.0%
Total Equipment Purchases		20,391	24,573	20,200	23,170	18,300	-9.4%	-21.0%
					(2,970)		-1,900	-4,870

58 OTHER EXPENSES, TRAVEL, ETC.

5800	Advertising	2,649	857	500	539	500	0.0%	-7.2%
5802	Uncollectable Customer Accts.	1,000	1,000	1,500	1,829	1,500	-18.0%	0.0%
5808	Dues & Licenses	635	1,946	1,200	1,200	1,200	0.0%	0.0%
5822	Insurance: Liability & Crime	6,508	6,258	6,508	5,965	6,508	0.0%	9.1%
5824	Insurance: Property & Casualty	13,556	15,022	15,600	13,892	15,600	0.0%	12.3%
5826	Insurance: Automobiles	4,718	4,426	4,718	5,096	4,718	0.0%	-7.4%
5832	Facility Permits & Fees	4,053	3,319	3,800	3,800	3,900	2.6%	2.6%
5836	Postage & Shipping	2,548	4,343	3,210	3,300	3,300	2.8%	0.0%
5838	Registry & Lien Costs	3,536	4,766	4,400	4,200	4,400	0.0%	4.8%
5844	Training, Workshops, Etc.	3,231	4,003	3,100	3,100	3,100	0.0%	0.0%
5846	Travel: Rooms, Miles & Meals	4,443	3,653	3,100	3,310	3,100	0.0%	-6.3%
Total Other Expenses, Travel, Etc.		46,877	49,593	47,636	46,231	47,826	0.4%	3.5%
					1,405		190	1,595

88 OPERATING TRANSFERS OUT

5980		0	0	0	0	0	n/a	
Total Operating Transfers Out		0	0	0	0	0		
					0		0	0

Total Operating

Fund Expenditures

1,301,622	1,314,271	1,328,069	1,431,064	1,398,024	5.3%	-2.3%
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Increase (Decrease)

-7.8%

69,955

-33,040

(102,995)

(Over Budget)

Capital Fund Expenditures Plan

Capital Improvement Program

Year By Year Overview

Yr. End Bal. This Year FY17	Account Description	Year One FY18			Year Two FY19			Year Three FY20			Year Four FY21			Year Five FY22		
		Appropriation	Spending	Balance	Funding	Spending	Balance	Funding	Spending	Balance	Funding	Spending	Balance	Funding	Spending	Balance
	Bond Issue Payments (See Chart I)															
0	Bond Issue E: Main Plant 1996	468,965	468,965	0	0	0	0	0	0	0	0	0	0	0	0	0
0	Bond Issue N: Hulls Cove 2005	52,175	52,175	0	50,950	50,950	0	54,650	54,650	0	53,450	53,450	0	52,250	52,250	0
0	Bond Issue Q: Sewer Rehab 2011	88,075	88,075	0	86,900	86,900	0	92,955	92,955	0	93,742	93,742	0	91,862	91,862	0
0	BAN for CSO Elimination Project	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Projects & Facilities (See Chart A)															
0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
76,300	Pump Stations Equipmt & Replacement	0	0	76,300	50,000	0	126,300	120,000	25,000	221,300	160,000	214,000	167,300	160,000	200,000	127,300
12,376	CSO Elimination Project	0	8,000	4,376	25,000	25,000	4,376	50,000	50,000	4,376	60,000	50,000	14,376	50,000	50,000	14,376
78,557	DeGregoire Plant - Equipment	0	0	78,557	10,000	0	88,557	10,000	0	98,557	10,000	0	108,557	10,000	0	118,557
35,599	Hulls Cove Plant - Equipment	0	0	35,599	25,000	0	60,599	10,000	0	70,599	30,000	0	100,599	30,000	0	130,599
109,422	Main Treatment Plant - Equipment	40,000	62,000	87,422	125,000	0	212,422	115,000	325,000	2,422	90,000	0	92,422	90,000	0	182,422
675,067	Sewer Mains & Services	0	283,506	391,561	210,000	161,535	440,026	145,000	300,143	284,883	160,000	123,338	321,545	160,000	200,000	281,545
	Equipment & Vehicles (See Chart A)															
11,830	Air Compressor, mobile	1,100	0	12,930	1,100	0	14,030	1,100	0	15,130	1,100	16,000	230	1,100	0	1,330
92,832	Bucket Machine -Do not replace	(92,832)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48,145	Generators, Backup - (10)	16,067	0	64,212	16,067	0	80,279	16,067	0	96,346	16,067	0	112,413	16,067	0	128,480
46,890	GIS System, incl. support eqpmt	3,111	0	50,001	3,111	20,000	33,112	3,111	10,000	26,223	3,111	0	29,334	3,111	0	32,446
0	Old account															
33,043	Sewer Cameras	11,283	13,000	31,326	11,283	0	42,610	11,283	0	53,893	11,283	0	65,176	11,283	0	76,460
105,338	Communication Systems	33,000	11,000	127,338	33,000	160,000	338	33,000	0	33,338	33,000	0	66,338	33,000	0	99,338
9,400	Asset Mgt. Software systems	5,000	12,000	2,400	5,000	7,400	7,400	5,000	0	12,400	5,000	0	17,400	5,000	0	22,400
5,425	Rain Gauge & USB Logger	750	0	6,175	750	6,000	925	750	0	1,675	750	0	2,425	750	0	3,175
0	Spectrophotometer/Lab Eqpmnt	813	0	813	813	0	1,626	813	0	2,439	813	0	3,252	813	0	4,065
0	Old account															
89,619	Sewer Jet / Vacuum Truck	92,832	0	182,451	70,000	0	252,451	70,000	300,000	22,451	20,000	0	42,451	20,000	0	62,451
1,450	Issco Samplers (5)	3,250	0	4,700	3,250	6,000	1,950	3,250	0	5,200	3,250	0	8,450	3,250	0	11,700
3,500	Inspector's Truck -#43	4,500	0	8,000	4,500	0	12,500	4,500	0	17,000	4,500	0	21,500	4,500	0	26,000
30,272	Line Crew Truck -#44	7,429	0	37,701	7,429	0	45,129	7,429	0	52,558	7,429	52,000	7,986	7,429	0	15,415
37,980	Plant Crew Truck -#45	7,100	0	45,080	7,100	52,000	180	7,100	0	7,280	7,100	0	14,380	7,100	0	21,480
87,100	Sludge Truck w/Containers	9,600	20,000	76,700	9,600	0	86,300	9,600	0	95,900	9,600	0	105,500	9,600	0	115,100
19,138	Sludge Truck Liquid Tank	3,333	0	22,471	3,333	0	25,805	3,333	0	29,138	3,333	0	32,471	3,333	0	35,805
34,152	Line P/up #2 Truck -#47	4,222	38,000	374	4,222	0	4,596	4,222	0	8,819	4,222	0	13,041	4,222	0	17,263
0	Undesignated	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1,643,435	Total	759,774	1,056,721	1,346,488	763,409	568,385	1,541,511	778,164	1,157,748	1,161,927	787,751	602,530	1,347,147	774,671	594,112	1,527,706
	<i>Total without bonds</i>	759,774	1,056,721	1,346,488	763,409	568,385	1,541,511	778,164	1,157,748	1,161,927	787,751	602,530	1,332,771	774,671	594,112	1,513,330

Equipment Replacement Schedule

Capital Improvement Program

		2017			Actual Cost Equipped	Proposed Years Until Replaced	Current Replacement Cost	Straight Line Funding Year One
Unit No.	Description of Present Equipment	FY in Service	Proposed					
			Replacement Fiscal Year	Replacement Age				
Wastewater Division								
Vehicles								
43-6830	Pickup Truck, 2016, GMC 2500, Insp.#43	2016	2024	8	34,330	7	36,000	4,500
46-6836	Sludge Truck, Volvo D-13, swap loader body	2008	2023	15	138,124	6	144,000	9,600
44-6832	Pickup Truck, Ram3500 w/Al Body, Line#1-#44	2014	2021	7	43,561	4	52,000	7,429
47-6838	Pickup Truck, 2009 Ford, F250XL,line#2-#47	2009	2018	9	27,479	1	38,000	4,222
45-6834	Pickup Truck, F350, Mech. Maint/Plant -#45	2010	2019	9	45,933	2	52,000	5,778
<i>Total Vehicles</i>					289,427			31,529
Equipment								
6806	Compressor, Air, Ingersoll/Rand XP185-KL222	2001	2021	20	12,027	4	16,000	800
6821	Utility Billing & Mgt. Software Systems	2015	2025	10	13,000	8	13,000	1,300
6808	Bucket Machine, Flexible Sewer Tool Corp.	1957	2020	63	88,000	3	93,000	1,476
6814	GIS/ESRI Software, Laptops, GPS Unit, ESRI	2010	2019	9	26,000	2	28,000	3,111
6827	Issco Sampler - 5500 - (5 units)	varies	varies	8	25,000		26,000	3,250
6827	Spectrophotometer/Lab Equipment	new	2018	8	6,000	1	6,500	813
6826	Sewer Jet, SECOA, Series II, model 747-FR2000	2004	2020	16	62,384	3	98,000	6,125
6837	Liquid Tank for Sludge Truck, 2500 Gallons	2011	2023	12	38,809	6	40,000	3,333
6823	Rain Gauge & Logger, Sigma "Rain Logger"	2011	2019	8	5,000	2	6,000	750
<i>Total Equipment</i>					276,220			20,958
Sewer Cameras								
6818	Camera, Sewer: Aries, Saturn III w/ pan & tilt	2014	2024	10	97,580	7	102,000	10,200
6818	Camera, Sewer: Aries- retired; to be sold	2004	do not replace		23,854		0	0
6818	Camera, Service: RaTech, Inspector PC	2006	2018	12	11,198	1	13,000	1,083
<i>Total Sewer Cameras</i>					132,632			11,283
Communication Systems								
6825	Phone System - Main Plant	2013	2023	10	8,500	6	10,000	1,000
6825	WAN Network Equipment	2013	2025	12	9,850	8	11,000	917
6825	Pump Stations (10) PLC Radio System	2012	2028	16	270,000	11	270,000	16,875
6825	Main St. Pmp Sta PLC Radio System	various	2017	15	25,000	0	36,000	2,400
6825	Plants (3) PLC Radio Systems	various	2019	15			160,000	10,667
<i>Total Communication Systems</i>					313,350			31,858

2017								
Unit No.	Description of Present Equipment	FY in Service	Proposed		Actual Cost Equipped	Proposed Years Until Replaced	Current Replacement Cost	Straight Line Funding Year One
			Replacement Fiscal Year	Replacement Age				
Mains								
6828	Sewer Mains, Manholes & Services	Varies	n/a	75	7,239,332	n/a	7500000	100,000
Plants								
6819	Main Treatment Plant & Eq	1998	2028	30	8,348,671	11	n/a	21,000
6815	Hulls Cove Treatment Plant & Eq	2001	2031	30	1,386,014	14	n/a	3,000
6809	DeGregoire Park Treatment Plant & Eq	1974	2020	46	162,779	3	n/a	10,000
<i>Total Plants</i>					9,897,464			34,000
Pump Stations (11)								
6802	Main St. Pump Station & WWell	1974/1998	2022	50	368,937	5	3,000,000	20,000
6802	Hulls Cove Pump Station & WWell	1974/2001	2022	50	216,557	6	400,000	5,000
6802	Albert Meadow Pump Station & WWell	2015	2045	30	86,867	29	87,000	2,900
6802	Ferry Terminal Pump Station & WWell	2006	2041	35	58,900	25	60,000	1,714
6802	Hancock Street Pump Station	1974	2021	47	56,500	4	70,000	1,489
6802	Rodick Street Pump Station & WWell	1974	2021	47	56,500	4	58,437	1,243
6802	Wilcomb Lane Pump Station - no Gen.	2000	2035	35	31,000	18	33,000	943
6802	West Street Pump Station & WWell	1974	2021	47	70,000	4	72,000	1,532
6802	Town Pier Pump Station-no Gen.	2013	2048	35	27,508	31	35,000	1,000
6802	Degregoire Pump Station	1974	2024	50	22,000	7	50,000	1,000
6802	Ocean Avenue Pump Station & WWell	2013	2048	35	126,378	31	150,000	4,286
<i>Total Pump Stations</i>					1,121,147			41,107
Generators (10)								
6812	Generator, Hulls Cove P/S, Onan, 85 KW	1974	2017	30	44,000	0	46,000	1,533
6812	Generator, Hulls Cove Plant, Onan, 85 KW	2015	2045	30	66,000	28	70,000	2,333
6812	Generator, Main Plant, Onan, 300 KW	1997	2027	30	41,000	10	66,000	2,200
6812	Generator, Main Street P/S, Onan, 230 KW	1997	2027	30	33,500	10	60,000	2,000
6812	Generator, West St. P/S, Onan 35 KW, Quiet Site	2003	2033	30	26,990	16	39,000	1,300
6812	Generator, Rodick St. P/S, Onan 40 KW, Quiet Site	2007	2037	30	34,525	20	44,000	1,467
6812	Generator, Albert Meadow, Onan 35KW, Quiet Site	2005	2035	30	25,000	18	38,000	1,267
6812	Generator, Ferry Term., Onan, 50 KW, Quiet Site	2005	2035	30	28,050	18	48,000	1,600
6812	Generator, DeGregoire Pk., Onan, 35 KW, Quiet Site	2008	2038	30	31,048	21	38,000	1,267
6812	Generator, Hancock St.; No generator							
6812	Generator, Ocean Ave. Onan, 35 KW, Quiet Site	2013	2043	30	31,150	27	33,000	1,100
<i>Total Generators</i>					361,263			16,067
Total Wastewater Division					12,391,503			286,803

Table of Contents - Charts

Detail Charts

<i>Chart</i>	<i>Page</i>	<i>Title</i>
A.	18-22	Capital Improvement Program Narrative
B.	23-24	Personnel Services & Benefits
C.	25-26	Contractual Services
D.	27	Materials & Supplies
E.	28	Utilities & Repairs/Maint
F.	29	Small Equipment Purchases
G.	30-32	Debt Service
H.	33	Rate Schedule & Rate Calculation
	34	Community Sewer Rate Comparisons
I.	35	Net Income Statement
	36	Residential Sewer Discount Application
	37-38	Outside Deduct water Meters
	39	Sewer Budget Ordinance

C.I.P. Details

Chart A

Capital Improvement Program Narrative

1 of 5

Purpose of the C.I.P.

In order to better understand our Capital Improvement Program, it may be helpful to explain its purpose and function. As required by Section C-30.A of the Town Charter, the CIP is "a program consisting of projects any one of which costs more than \$5,000 and meets one or more of the following requirements:

- construction time extends to two or more fiscal years;
- includes planning for, construction of or major renovation of a Town building, wharf, public way, sewer, drain or appurtenant equipment; or
- replacement or acquisition of equipment with life expectancy of five years or longer."

While not fully articulated in the Charter, contemporary thinking further suggests that the CIP should help the Town to avoid surprises by forcing us to look ahead for the next five years or even longer. Typically, this helps stabilize the CIP capital rate, so that it does not exhibit wild swings from year to year despite changes in expenditures.

Bond Issue Payments

See Chart G for detailed information on bond payments.

The bond for the Ledgelawn Plant 1998 renovation and upgrade is fully paid off in FY18. Sewer fees raised for that debt service will be re-allocated to CIP to be utilized for direct capital equipment costs for the Plant & Pump Station to avoid any future bonding.

Projects

CSO (Combined Sewer Overflow) Elimination Project #6804

The wastewater Division submitted to MDEP our Combined Sewer Overflow (CSO) Master Plan in December 2006. A first revision was submitted to the MDEP in February of 2009 and subsequently a second revision in January of 2010, when the plan was ultimately approved. Since then, the Town has met the required reporting schedule and implemented inflow and infiltration (I&I) reduction projects included in the Master Plan. As we approached the 2015 renewal of the plants waste discharge licenses, Town Council directed staff to negotiate the implementation of the CSO Master Plan beyond the five year licensing period. The Wastewater Division was successful in pushing implementation beyond 2020. We still do have targeted I & I projects that will need to be completed within this licensing period. These projects are detailed in the five year capital improvement plan of the 2018 budget.

As we move through this licensing period it is staff's recommendation to continue discussions with the MDEP on the implementation schedule of the CSO Master Plan as we learn more from other communities as to the results of their implementation projects. The previous Wastewater Divison's plan contained technology called a swirl concentrator which provides primary treatment of storm flows. There have been successful and some not so successful projects in other municipalities utilizing this technology which MDEP continues to monitor. Additionally, EPA may require different effluent (treated water) standards utilizing this technology which may affect our total effluent from the plant. Evaluating regulatory requirements and existing applications of this technology is prudent prior to committing an investment of approximately \$8 million dollars into our system, paid by the rate payers. There is no debating the fact our license requires us to eliminate overflows. The CSO Master Plan focuses on the last 2% of overflows. Conversely, we currently treat approximately 98% of our totally flow. In simple terms, we do very well managing CSO's.

The impact on rate payers of an \$8 million 20 year bond at 4% would be somewhere between a 25% to 29% increase.

Ongoing engineering assistance	FY2018	\$	8,000
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C.I.P. Details**CHART A****Capital Improvement Program**

2 of 5

Sewer Mains & Services		#6828			
Funds from this account will be used to repair services, mains and manholes during road reconstruction projects as well as upgrading/replacing mains due to identified CSO reasons.					
FY18	Year One	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>
	Livingston Road	0	6	0	11,880
	Rodick Street	0	0	0	19,448
	Devon Road				126,962
	Cottage Street - Secondary Main	385	8	2	20,216
	Crooked Road - Reline	1,400			105,000
Sewer Mains & Services				Year One Total	\$283,506
FY19	Year Two	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>
	Stephens Lane	469	2	4	30,910
	Derby Lane	440	5	0	30,536
	Atlantic Ave	720	13	4	65,329
	Des Ilse Avenue	0	0	0	34,760
Sewer Mains & Services				Year Two Total	\$161,535
FY20	Year Three	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>
	Hancock Street; MH 25-5C, 5D	683	17	2	64,543
	Pleasant Street	0	21	0	17,600
	Lower Main Street Streetscape Project (MtD to Parl	1,692	31	8	218,000
Sewer Mains & Services				Year Three Total	\$300,143
FY21	Year Four	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>
Gravity Sewers Required for the CSO Project:					
	Shannon Road (entire length)	473	12	7	32,945
	Holland Avenue (entire length)	986	21	4	61,380
	Glen Mary Road (entire length)	0	18	0	29,013
Sewer Mains & Services				Year Four Total	\$123,338
FY22	Year Five	<i>Ft. of Mains</i>	<i>No. Of Services</i>	<i>No. Manholes</i>	<i>Cost</i>
Projects/Main Replacements not yet identified					150,000
Sewer Mains & Services				Year Five Total	\$150,000

Total Sewer Mains & Services Work - All Five Years**\$1,018,522**

C.I.P. Details

CHART A

Capital Improvement Program

3 of 5

Projects & Facilities

Main Treatment Plant - Equipment #6819

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.

FY18	Replace Online Dissolved Oxygen /ORP Meter (with 2 new)		\$12,000
FY18	Replace cracked boiler		\$50,000
FY20	Replace 2 1997 Clarifier drive units	\$325,000	

Hulls Cove Plant - Equipment #6815

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

DeGregoire Plant - Equipment #6809

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

Pump Station Replacement #6802

The Town has three pumping stations which are integral to our three treatment plants, plus an additional eight standalone pump stations. Of those eight, five were built in 1974, making them 40 years old. Since the replacement cycle should be somewhere around 35 years, we have started a replacement program. Our present plan is to upgrade the West Street station as part of the CSO Elimination Project, whenever, or if, that occurs. Staff will re-evaluate its pump station replacement program and structure its future CIP budgets based on that need, or how critical the replacement or upgrade may be and how it will positively impact the CSO program goals.

FY18			\$0
FY20	Engineering & Design work	\$25,000	
FY21	Rodick Street	\$59,000	
FY21	West Street (Could be Part of CSO Elimination Project)	\$85,000	
FY21	Hancock Street	\$70,000	\$214,000

Equipment & Vehicles

Air Compressor, Mobile #6806

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 - Do not replace #6808

This 1957 model sewer cleaning machine uses buckets to remove sand and gravel from the lines. A reserve account was funded for this 60 year old machine in FY18, but the current plan is to not replace this unit but also replace the Sewer Jet with a vacuum truck in FY20. \$0

Generators #6812

The DEP is encouraging us to install standby power for all of our facilities. The expected construction schedule follows.

C.I.P. Details

CHART A

Capital Improvement Program

4 of 5

GIS System, including support equipment/software

#6814

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.

We have funded a replacement reserve using a three year cycle for all laptops in the regular operating budget, which will be replaced in FY18 and FY20. In FY17 we had planned to replace our 6 year old, heavy-duty handheld GPS Trimble unit as well as the ESRI software which allow us to locate points in the field, so that they can be mapped and entered into the GIS system layer, but this project has been deferred.

FY18 \$ -

Sewer Cameras

#6818

We have two sewer cameras: a small one for inspection of the building service lines and a large one for the sewer mains. The smaller camera is scheduled for replacement on a 12 year cycle, due in FY18. The larger camera was replaced in FY14 and a reserve account funded.

FY18 \$ 13,000

Communication Systems

#6820

This account is used for our telephone system, the Wide Area Network (WAN), the SCADA system server and the electrical controller PLC radio systems at all locations. 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 WAN is the backbone computer system/switches which allows us to communicate electronically with our widespread equipment and facilities. SCADA stands for "supervisory control and data acquisition", the computer based system which communicates with our PLC's (programmable logic controllers) at the 11 pump stations and 3 treatment plants. These electrical controller PLC systems are the basis of all remote and on site communication to the pump stations and plants relating to their ongoing status of operations. 10 of the pump stations received this major upgrade in 2011-12 at a cost of over \$260,000. Main St. pump station and the 3 plants have not had a PLC upgrade for a number of years. The Main plant will receive major PLC communication improvements in FY19. These PLC systems provide communication of the operations of all the plants and pump stations on a real time basis, also with remote accessibility, so that staff analysis and response capability to handle abnormal events are efficient--all essential components to further reducing our reportable CSO events to its goal of zero.

FY18 Wireless analyzer communication system @ the Main Plant only \$11,000
 FY19 Selected upgrade to the Main Plant PLC controller \$160,000

Utility Billing & Mgt. Software Systems

#6821

We have purchased Asset Management software in FY17 that is appropriate to allow access to track all maintenance work on all equipment in both Sewer and Water systems.....these costs are shared. Other add on modules will be purchased in FY18

\$12,000

Rain Gauge & USB Logger

#6823

Equipment necessary to track rain events for CSO documentation

Spectrophotometer / Lab Equipment

Various lab Equipment necessary to test influent & effluent

Sewer Jet / Future Vacuum Truck

#6826

We purchased a new sewer jet in FY04 for cleaning sewer mains. A higher reserve is now being funded to replace the sewer jet & the bucket machine with a vacuum truck in FY20

\$0

ISSCO Samplers

#6827

Equipment necessary for sampling both treated and untreated water in the wastewater treatment process. These are current ISSCO Samplers that are located at each plant location.

\$0

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

5 of 5

Inspector's Truck #43

#6830

This ten year old pickup truck (#43) was replaced in FY16.

Line Crew Truck #1 - #44

#6832

A reserve account has been funded so we can pay cash when we replace this 7 year old stake-body truck (#44) in FY21. A shorter replacement cycle has been used, since this truck is used for plowing snow.

Plant Crew Truck - #45

#6834

A reserve account has been funded so we can pay cash when we replace this 9 year old truck (#45) in FY19. A shorter replacement cycle has been used, since this truck is used for plowing snow.

\$52,000

Sludge Truck w/Containers

#6836

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 an 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. A container will be replaced and one relined in FY18.

\$20,000**Sludge Truck Liquid Tank**

#6837

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 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 12 year old tank in FY23.

Line Truck #2 -#47

#6838

A reserve account has been funded so we can pay cash when we replace this 9 year old pickup truck (#47) in FY18. A shorter replacement cycle will be used (8), since this truck is used for plowing snow.

\$38,000

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

Personnel Services & Benefits

Chart B

51 PERSONNEL SERVICES

HOURLY RATE CALCULATIONS

Fiscal Year Starting: July 1, 2017

Classification	FY17	Union	One Time	FY18		
	Base Rate This Yr.	Wage Incr 1.7%	Adjust- ment	Base Rate This July		
Superintendent	40.29	0.68	0.00	40.97	COLA 1.7%	Salary Non Union
Operations Manager	25.27	0.43	0.00	25.70	COLA 1.7%	Union
Process Control Mgr	23.20	0.39	0.00	23.59		Union
Regulatory Compliance	22.35	0.38	0.00	22.73		Union
Maintenance Tech II	21.08	0.36	0.00	21.44		Union
Maintenance Tech I	20.51	0.35	0.00	20.86		Union
Maintenance Worker II	19.60	0.33	0.00	19.93		Union
Maintenance Worker I	19.20	0.33	0.00	19.53		Union

Hourly Rate	LONGEVITY PAY					Total Hourly Rate Next Yr.	Name
	Authorized Base Rate Next Yr.	Seniority Date	Years of Service				
			10 \$0.25	15 \$0.15	20 \$0.10		
Classification							
Superintendent	\$40.97	6/27/06	\$0.00	\$0.00	\$0.00	\$40.97	J VT
Operations Manager	\$25.70	3/7/77	\$0.25	\$0.15	\$0.10	\$26.20	BK
Process Control Mgr	\$23.59	8/19/85	\$0.25	\$0.15	\$0.10	\$24.09	EM
Regulatory Compliance	\$22.73	9/7/04	\$0.25	\$0.00	\$0.00	\$22.98	TJ
Maintenance Tech II	\$21.44	2/25/08	\$0.00	\$0.00	\$0.00	\$21.44	TG
Maintenance Tech I	\$20.86	7/27/09	\$0.00	\$0.00	\$0.00	\$20.86	DR
Maintenance Tech I	\$20.86	6/21/99	\$0.25	\$0.15	\$0.00	\$21.26	SY
Maintenance Worker II	\$19.93	3/19/07	\$0.25	\$0.00	\$0.00	\$20.18	PL
Maintenance Worker I	\$19.53	10/12/15	\$0.00	\$0.00	\$0.00	\$19.53	AJ

Total Annual Pay	Positions Next Yr.	Regular Hours	Scheduled O.T.Hours	Emerg/unsch O.T.Hours	Ave. OT Rate	Base Pay Next Year
Superintendent	1	1,040				42,614
Operations Manager	1	2,080	0	0	0	54,495
Process Control Mgr	1	2,080	0	0	0	50,116
Regulatory Compliance	1	2,080	0	0	0	47,798
Maintenance Tech II	1	2,080	0	0	0	44,592
Maintenance Tech I	1	2,080	0	0	0	43,386
Maintenance Tech I	1	2,080	0	0	0	44,218
Maintenance Worker II	1	2,080	0	0	0	41,981
Maintenance Worker I	1	2,080	0	0	0	40,615
Regular Hrly wages	8.5	16,640				367,202
Overtime - (5)			948	220	\$ 34.67	40,496
Next Year's Total	8.5	16,640	948	220		\$450,312

~~ Personnel Services Continued on Next Page ~~

PERSONNEL SERVICES & BENEFITS

CHART B

Page 2

BREAKOUT OF WAGES	Account Number		Gross Pay
Wages - Salaries	5100	Supt. - 50% shared w/Water Div.	42,614
Wages-Hourly Full Time	5105		367,202
Wages=Overtime	5110		40,496
			0
Hourly Wage Totals			<u>\$ 450,312</u>

Historical Overtime:

FY2018 Bud	1,168
FY2017 Bud	1,148
CY 2016	1,255
CY 2015	1,159
CY 2014	1,131
	<u>3,545</u>
3 Year Avg.	1,182

52 EMPLOYEE BENEFITS

	Gross Wages Next Year	ICMA Retirement	FICA & Medicare	MSRS Retirement	Workers Comp.	Unemployment	Health Insurance
FY2018 Bud	\$450,312	\$2,770	\$34,449	\$39,139	\$10,924	\$2,244	\$83,074
	Rates ->	Up To 6.50% of Gross	7.65% of Gross Wages	9.60% of Gross	2.50% of Gross	2.20% Of Regular Wages (8.5 FTE up to \$12,000)	Net eff. 7/1/17 Family Adult&Child \$1,782.68 \$1,296.73 Single \$903.11 Next CY Est 8.00%
Employee health insurance contribution increase from 17.5% to 20.0%, effective 7/1/16							

5230 Health Insurance Opt Out

This is a reimbursement program to reimburse employees for the costs of out of pocket costs for health insurance premiums paid for by the spouse's employer as well as costs for deductibles, etc., up to a maximum annual amount that is voted on annually in December by the Town Council.

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 Retirement Health Savings account.

Contractual Services

Chart C

5300 ALARMS & PAGING

	<i>Number</i>	<i>Cost Each</i>	<i>Requested</i>
	<i>Next Year</i>	<i>Next Year</i>	<i>Next Year</i>
Paging - Contract for paging call people	3	104	312
Fire Alarm Monitoring	4		525
Includes monthly maintenance and service contract.			
Total Alarms & Paging			\$837

5306 TOWN MANAGEMENT FEES

Administrative Services is the cost to the General Fund of providing accounting and management services to the Sewer Fund, Water Fund and Cruise Ship Fund; shown as expenses to these three funds and revenue to the General Fund. The calculations for those amounts are shown in the General Fund Town Budget

	<i>Requested</i>
	<i>Next Year</i>
5311 SPECIAL WASTE CLEANING	
We have to clean the grit out of the septic receiving, pump stations every year and from the digester and aeration tanks, as needed. The contract includes trucking. Disposal is charged to the sludge Disposal account. This account will fluctuate between years due to the services being required "as needed".	
	6,000
Total Septic Receiving Station Cleaning	\$6,000

5326 ENGINEERING

	<i>Requested</i>
	<i>Next Year</i>
Items Funded Every Year	
Routine Maintenance	1,750
Specific large projects requiring engineering are budgeted within the CIP accounts	
Total Engineering	\$1,750

5332 GENERATOR SERVICE

	<i>Number</i>	<i>Cost Each</i>	<i>Requested</i>
	<i>Next Year</i>	<i>Next Year</i>	<i>Next Year</i>
Generator Maintenance Agreements	10	750	7,500
Electric Power			
Special calls			300
Total Generator Service			\$7,800

~~ Contractual Services Continued On Next Page ~~

Contractual Services - (continued)**CHART C**

	<i>Estimated This Year</i>	<i>Requested Next Year</i>
5336 GENERAL EQUIPMENT MAINTENANCE		
<i>Process Servicing Corp - Annual Chlorine Equipment Maintenance</i>	1,200	1,250
<i>QC Services - Annual Lab Equipment Maintenance & Calibration</i>	1,332	1,335
<i>Overhead Door Maintenance Contract</i>	497	504
<i>Mechanical Services - Building HVAC System</i>	1,240	1,140
<i>Horizon Solutions - Variable Frequency Drive (VFD) Maint.</i>	6,036	6,036
<i>ME OXY Cylinder - Lease/Maint. on gas cylinder</i>	200	200
Total General Equipment Maintenance	\$10,505	\$10,465

5366 SLUDGE DISPOSAL

	<i>Tons Next Yr.</i>	<i>Cost/Ton Next Yr.</i>	
Estimated Use			
Treatment and Disposal	900	\$58.00	52,200
<i>Soil Preparation, Inc.</i>			
Total Sludge Disposal			\$52,200

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>Requested Next Year</i>
<i>ArcView - ESRI - GIS mapping software license - Single Use, Secondary Maint.</i>		600
<i>ArcPad - ESRI - Application Builder - Primary, Maintenance</i>		500
<i>General Code - Laserfiche</i>		242
<i>GE Suite - Kepware, Inc. - Allows SCADA to talk to PLC's</i>		187
<i>Infrastructure Technology - IT pipes (camera system to GIS software)</i>		1,500
<i>SEMS - Asset Mgt. System (new -est) - Track age, location, maint. costs, etc. of all equipment</i>	new	4,200
<i>MSDS Source - SDS Mgt. access thru the internet</i>	new	800
<i>Inductive Automation - SCADA (System Control And Data Acquisition) license and support</i>		1,800
This is the software that runs the plant.		
Total Technology Licenses and Support		\$9,829

Materials & Supplies

Chart D**5410 CLOTHING PURCHASES**

Safety Boots, Hip Boots, Foul Weather Gear, Coveralls, Jackets, etc.

5424 SODIUM HYPOCHLORITE

We seasonally add and disinfect our effluent with sodium hypochlorite, the equivalent of super strong bleach. Additionally, we add chlorine to our treatment process, as needed.

5441 MAGNESIUM HYDROXIDE & OTHER SUPPLIES

We use magnesium hydroxide to adjust the pH of our influent.
Miscellaneous - Other treatment chemicals are also charged to this account.

5442 POLYMER SUPPLIES

We use polymer chemicals in the sludge dewatering process.

5452 SODIUM BISULFITE

We use this chemical to remove sodium hypochlorite from our effluent prior to discharge to the ocean.

5458 VEHICLE SUPPLIES -

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

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

~~ End of Materials & Supplies Details ~~

*Utilities & Commodities**Chart E*

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 either a 3 year average or a flat budget. Supply rates were locked in on the 2 plants from 12/1/15 to 12/1/17 @ .0743 which avoided any temporary supply cost spikes; thus helping to stabilize the overall costs. No rate has been locked in for FY18.

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 3 year average or a flat budget. Supply rate is locked in on the Main St. pump station from 12/1/15 to 12/1/17 @ .07431 which avoided temporary supply cost spikes; thus helping to stabilize the overall cost.

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 three year average of consumption. All plants and pump stations are heated with oil, except for the DeGreiro Plant, which is partially heated with kerosene.

<u>Historical Use</u>	<i>Fiscal Year</i>	<i>Gals. Bought</i>		
	FY14	6,663		
	FY15	8,029		
	FY16	5,200		
	<i>Averages</i>	<i>6,631</i>		
<u>Estimated Use</u>	<i>Fiscal Year</i>	<i>Gals.</i>	<i>Cost</i>	<i>Requested Next Year</i>
This Year	FY17	7,800	\$0.9800	
Next Year	FY18	6,631	\$1.9800	13,129
Total Utilities - Heating Oil & Kerosene				\$13,129

*Repairs & Maintenance**Chart E*

5616 LINE EQUIPMENT / FLOT TOTES

This budget includes enough monies to buy 3 new Flo-Totes @ \$7000 each and include monies for normal repairs of other line equipment such as the sewer camera. Flot Totes are necessary for compliance with the Town's CSO mandated monitoring program. Staff usually has 5 fully operational flo-totes with backups on hand. \$ 26,500

5634 & 5640 PLANT & PUMP STATION EQUIPMENT REPAIRS

The equipment is approaching 20 years old and large overhaul costs are budgeted in the CIP, for the years FY19-FY21, following detail engineering evaluations. However, periodic failures are now occurring and driving up the repair costs.

Equipment Purchases

Chart F

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

	<i>Requested</i>
	<i>Next Year</i>
5700 TECHNOLOGY EQUIPMENT - PURCHASE	
Touch Screen Computer @ Main St. Pump Station	4,000
Monitor for Mapping computer	300
Replace Process Control Manager computer	900
Replace Regulatory Compliance Manager Computer	900
Replace Camera Trailer Computer	1,800
	0
	0
Total Technology Equipment Purchases	\$7,900
5702 OFFICE EQUIPMENT - PURCHASE	
	<i>Requested</i>
	<i>Next Year</i>
Various Office Furniture replacements	0
	0
	0
Total Office Equipment Purchases	\$0
5704 OPERATING EQUIPMENT - PURCHASE	
	<i>Requested</i>
	<i>Next Year</i>
Replacement sludge press belts	3,000
COD Laboratory testing equipment	2,000
Lighting @ Degregoire Park Plant	1,500
Replace hot air furnace @ Hulls Cove Plant	3,900
Total Operating Equipment Purchases	\$10,400

~~ End of Equipment Purchases Details ~~

DEBT SERVICE **CHART G**

<i>Project Name</i>	<i>Actual Yr. Before Last: FY15</i>	<i>Actual Last Year FY16</i>	<i>Budgeted This Year FY17</i>	<i>Estimated This Year FY17</i>	<i>Requested Next Year FY18</i>	<i>Change: R.N.Y vs. B.T.Y.</i>	<i>Change: R.N.Y vs. E.T.Y.</i>
Bond Issue E							
					Original Principal = \$7,300,000		
Main Wastewater Treatment Plant Upgrade - 1996							
Last Payment in FY18							
Interest & Svc.Fee	50,107	38,514	26,320	26,320	13,995	-46.8%	-46.8%
Paying Agent Fees	0	0	0	0	0		
Principal	419,295	430,592	442,473	442,473	454,970	2.8%	2.8%
Bond Issue Total	469,402	469,106	468,793	468,793	468,965	0.0%	0.0%
Bond Issue N							
					Original Principal = \$800,000		
Hulls Cove Wastewater Treatment Plant Forcemain & Sewer Rehab - 2000							
A.G. Edwards & Sons, Inc.		Average Rate = 4.12%					
Last Payment in FY28							
Was refinanced in August 2015							
Interest	23,225	21,923	18,050	18,050	17,175	-4.8%	-4.8%
Fees	0	0	0	0	0		
Principal	30,000	35,000	35,000	35,000	35,000	0.0%	0.0%
Bond Issue Total	53,225	56,923	53,050	53,050	52,175	-1.6%	-1.6%
Bond Issue Q							
					Original Principal = \$1,316,000		
Sewer Mains-Rehabilitation - 2011							
Morgan Stanley & Co., LLC		Average Rate = 2.7%					
Last Payment in FY32							
Can be refinanced after February 2021							
Interest	32,778	31,650	30,498	30,498	29,322	-3.9%	-3.9%
Principal	56,450	56,450	58,753	58,753	58,753	0.0%	0.0%
Bond Issue Total	89,228	88,100	89,251	89,251	88,075	-1.3%	-1.3%
Total Debt							
Interest	106,110	92,087	74,868	74,868	60,492	-19.2%	-19.2%
Fees	0	0	0	0	0		
Principal	505,745	522,042	536,226	536,226	548,723	2.3%	2.3%
New Debt Total	611,855	614,129	611,094	611,094	609,215	-0.3%	-0.3%

Debt Service

A Responsibility of the Finance Department

Bond Issue A

MAIN WASTEWATER TREATMENT PLANT UPGRADE - 1996

\$7,300,000 Principal

Maine Municipal Bond Bank / US Bank, Trustee

State Revolving Fund / DEP

Date of Issue: 8/14/97 Refinanced: January 2005 and again in December 2009.

Can be refinanced only at the option of the lender.

Payments Dates: Interest Only - April 1 Principal & Interest on October 1

Although these are general obligation bonds, all payments will be made from Sewer Fund revenues.

Date of Maturity	Rate	Principal Payment	Service Fee & Interest Payment	Paying Agent Fee	Total Payment by Sewer Fund
FY18	3.03%	454,970	13,495	500	468,965
Totals		454,970	13,495	500	468,965

Bond Issue D

USDA RURAL DEVELOPMENT REFUNDING ISSUE--HULLS COVE SEWER

Original Principal = \$800,000

Issued: 2/1/05

Interest Rate = 2.0% - 5.0% (Avg. - 3.83%) TIC = 2.69%

Notes: 2005 (Refinanced two 12/15/00 & 9/10/15)

Payment Dates: April 15 (interest only) & October 15 (principal and interest)

Lender: Roosevelt & Cross, Inc.

Paying agent: USBank St. Paul

Agent fee: None

No longer can be refinanced

FY	Date	Interest Rate	Principal Payment	Interest Payment	Payment Total	Fiscal Year Total
18	10/15/17	4.00%	35,000.00	8,850.00	43,850.00	
	4/15/18			8,325.00	8,325.00	52,175.00
19	10/15/18	4.00%	35,000.00	8,325.00	43,325.00	
	4/15/19			7,625.00	7,625.00	50,950.00
20	10/15/19	4.00%	40,000.00	7,625.00	47,625.00	
	4/15/20			7,025.00	7,025.00	54,650.00
21	10/15/20	4.00%	40,000.00	7,025.00	47,025.00	
	4/15/21			6,425.00	6,425.00	53,450.00
22	10/15/21	4.10%	40,000.00	6,425.00	46,425.00	
	4/15/22			5,825.00	5,825.00	52,250.00
23	10/15/22	4.15%	45,000.00	5,825.00	50,825.00	
	4/15/23			4,925.00	4,925.00	55,750.00
24	10/15/23	4.20%	45,000.00	4,925.00	49,925.00	
	4/15/24			4,025.00	4,025.00	53,950.00
25	10/15/24	4.25%	45,000.00	4,025.00	49,025.00	
	4/15/25			3,125.00	3,125.00	52,150.00
26	10/15/25	4.30%	50,000.00	3,125.00	53,125.00	
	4/15/26			1,875.00	1,875.00	55,000.00
27	10/15/26	4.35%	50,000.00	1,875.00	51,875.00	
	4/15/27			625.00	625.00	52,500.00
28	10/15/27	4.38%	50,000.00	625.00	50,625.00	
Totals			475,000.00	108,450.00	583,450.00	583,918.75

~~ Debt Service Continued on Next Page ~~

Debt Service

A Responsibility of the Finance Department

Bond Issue G

SEWER SYSTEM IMPROVEMENTS: 2011

Sewermain and SCADA System Replacement. Repaid by the Sewer Fund.

Original Principal = \$1,316,000

Date of Issue: 9/15/11

Interest Rate = 2.0% - 3.50% (Avg. - 2.70%)

Payment Dates: Dec 1 (prin. and int.) & June 1 (interest)

Lender: Morgan Stanley & Co

Paying agent: Bank of New York/ Mellon Trust

Refinance: After Dec. 2021

FY	Date	Interest Rate	Principal Payment	Interest Payment	Payment Total	Fiscal Year Total
18	12/01/17	2.00%	58,753.00	14,954.94	73,707.94	
	06/01/18			14,367.41	14,367.41	88,075.35
19	12/01/18	2.00%	58,753.00	14,367.41	73,120.41	
	06/01/19			13,779.88	13,779.88	86,900.29
20	12/01/19	2.00%	66,056.00	13,779.88	79,835.88	
	06/01/20			13,119.32	13,119.32	92,955.20
21	12/01/20	2.50%	68,358.00	13,119.32	81,477.32	
	06/01/21			12,264.84	12,264.84	93,742.16
22	12/01/21	3.00%	68,358.00	12,264.84	80,622.84	
	06/01/22			11,239.47	11,239.47	91,862.31
23	12/01/22	3.00%	70,661.00	11,239.47	81,900.47	
	06/01/23			10,179.56	10,179.56	92,080.03
24	12/01/23	3.00%	72,964.00	10,179.56	83,143.56	
	06/01/24			9,085.10	9,085.10	92,228.66
25	12/01/24	3.00%	75,267.00	9,085.10	84,352.10	
	06/01/25			7,956.09	7,956.09	92,308.19
26	12/01/25	3.00%	77,569.00	7,956.09	85,525.09	
	06/01/26			6,792.56	6,792.56	92,317.65
27	12/01/26	3.00%	84,872.00	6,792.56	91,664.56	
	06/01/27			5,519.48	5,519.48	97,184.04
28	12/01/27	3.13%	62,175.00	5,519.48	67,694.48	
	06/01/28			4,547.99	4,547.99	72,242.47
29	12/01/28	3.25%	64,478.00	4,547.99	69,025.99	
	06/01/29			3,500.22	3,500.22	72,526.21
30	12/01/29	3.25%	66,781.00	3,500.22	70,281.22	
	06/01/30			2,415.03	2,415.03	72,696.25
31	12/01/30	3.38%	69,083.00	2,415.03	71,498.03	
	06/01/31			1,249.26	1,249.26	72,747.29
32	12/01/31	3.50%	71,386.00	1,249.26	72,635.26	
	06/01/32					72,635.26
Totals			1,035,514.00	246,987.36	1,282,501.36	1,282,501.36

Sewer Rate Schedule Chart H

Type of Fee	Measure	Old Rate FY17	New Rate FY18	Percent Change
\	Per 100 cubic Feet of Water Used	\$7.80	\$7.80	0.0%
Minimum Bills: (per quarter)				
- Residential Customers	Based on 600 Cu. Ft. of Water Used	\$46.80	\$46.80	0.0%
- Non-Residential Cust.	Based on 1700 Cu. Ft. of Water Used	\$132.60	\$132.60	0.0%
- Unmetered Customers	Based on 1300 Cu. Ft. of Water Used	\$101.40	\$101.40	0.0%
Septic Tank Pumpage (Note B)	Per 100 Gallons	\$11.22	\$11.22	0.0%
Sludge Disposal (Notes A & B)	Per 100 Gallons	\$6.72	\$6.72	0.0%
Connection Fee Rate	Per Gallon of Sewage Per Day	\$11.05	\$11.05	0.0%
	Per Inch of Sewer Service Diameter	\$100	\$100	0.0%
Late Payment Penalty (Note C)	Per Annum	7.0%	7.0%	0.0%

Sewer Rate Calculation

This spreadsheet calculates the minimum rates required in order to "break even" on a cash basis.

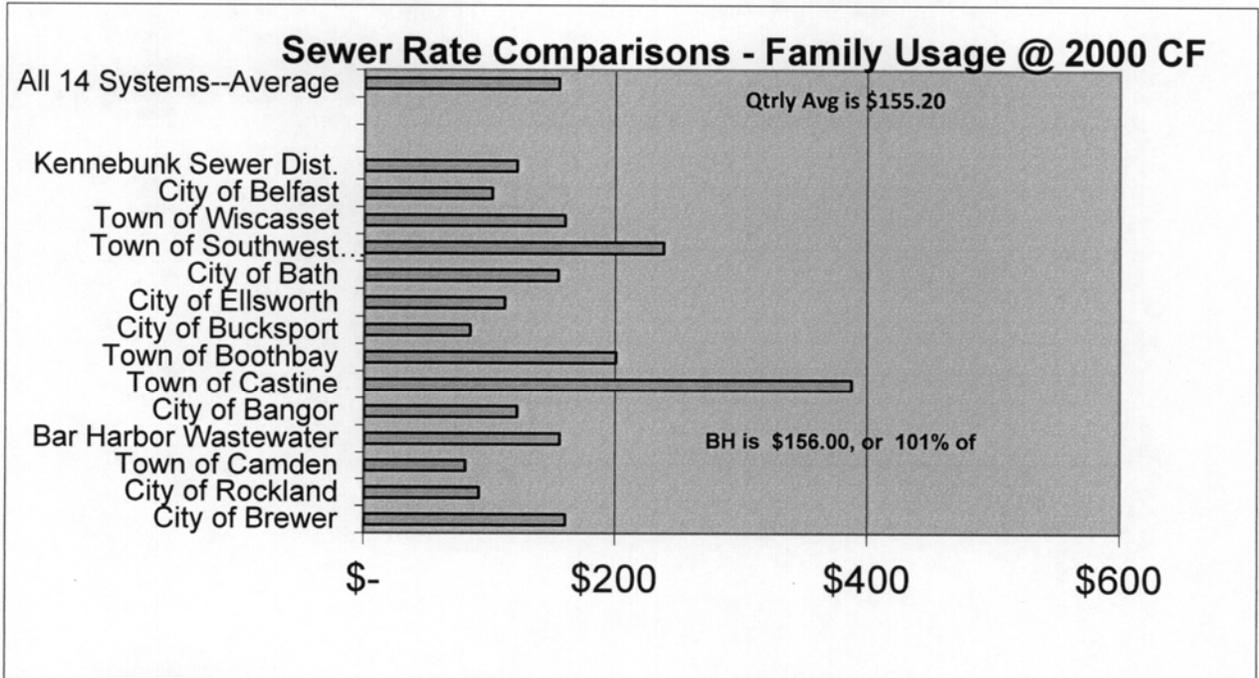
VOLUME ESTIMATE		Actual Yr. Before	Actual Last Year	Budget This Year	Estimated This Year	Requested Next Year	Change: R.N.Y vs.	Change: R.N.Y vs.
Quarter	Ending	FY15	FY16	FY17	FY17	FY18	B.T.Y.	E.T.Y.
Summer	September 30	9,375,000	10,817,000	10,300,000	10,479,000	10,300,000	0.0%	-1.7%
Fall	December 31	5,220,000	4,803,000	5,000,000	5,374,000	5,200,000	4.0%	-3.2%
Winter	March 31	3,270,000	3,599,000	3,400,000	3,650,000	3,500,000	2.9%	-4.1%
Spring	June 30 (Note D)	5,140,000	6,080,000	5,500,000	5,600,000	5,500,000	0.0%	-1.8%
Unmetered Accounts		250,000	250,000	250,000	250,000	250,000	0.0%	0.0%
Minimum Bills (Note E)		2,200,000	2,000,000	2,200,000	2,100,000	2,200,000	0.0%	4.8%
Annual Volume in Cubic Feet (See Note B)		25,455,000	27,549,000	26,650,000	27,453,000	26,950,000	1.1%	-1.8%
Change			2,094,000	(899,000)	(96,000)	(503,000) << (Decrease)	FY17 Volume Assumption	
			8.2%		-0.3%	-1.8%		

Operating Fund Appropriations	\$1,398,024
Capital Appropriations	759,774
Less Non Rate Revenues:	
Other Customer Charges:	(24,000)
Other Income	(21,600)
Net Needed from Operations Charges	\$2,112,198
Estimated Minimum Rate / 100 cu.ft.	\$7.84
<i>(within 1% of 7.80 existing rate)</i>	

- Notes
- A. We dewater and dispose of sewage plant sludge for the Towns of Mt Desert and Southwest Harbor.
 - B. This rate was set based on market.
 - C. The maximum amount of this rate is set by State Law as determined by the State Treasurer.
 - D. The volume in the ETY column is actual for the first three quarters, and estimated for the spring quarter.
 - E. 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.

Sewer Rate Comparisons - Quarterly Usage

Utility Name	Qtr Minimum	Qtr - Family 2000 CuFt
		(USDA std)
City of Brewer	\$ 80.30	\$ 160.60
City of Rockland	\$ 41.84	\$ 91.84
Town of Camden	\$ 40.40	\$ 80.80
Bar Harbor Wastewater	\$ 46.80	\$ 156.00
City of Bangor	\$ 73.20	\$ 122.00
Town of Castine	\$ -	\$ 387.60
Town of Boothbay	\$ -	\$ 200.40
City of Bucksport	\$ 76.16	\$ 84.62
City of Ellsworth	\$ 50.49	\$ 112.20
City of Bath	\$ 47.50	\$ 154.60
Town of Southwest Harbor	\$ 111.82	\$ 238.32
Town of Wiscasset	\$ -	\$ 160.00
City of Belfast	\$ 102.00	\$ 102.00
Kennebunk Sewer Dist.	\$ -	\$ 121.82
 Average Billing	 \$ 67.05	 \$ 155.20
BH Rate as a % of Avg. Rate		101%



Net Income Statement

Chart I
(audit format with full depreciaton & accruals)

	Actual Yr.Before Last: FY15	Actual Last Year FY16	Budgeted This Year FY17	Actual This Year FY17	Requested Next Year FY18	Change: E.T.Y.vs. R.N.Y.
OPERATING REVENUES:						
Charges for Services	2,083,523	2,134,570	2,113,600	2,115,500	2,087,000	(28,500)
Interest (on late payments+lien costs)	10,781	18,901	11,900	11,800	12,600	800
Total Operating Revenues	2,094,304	2,153,471	2,125,500	2,127,300	2,099,600	(27,700)
Change in Charges >>				-0.9%	-1.3%	
OPERATING EXPENDITURES:						
Wages & Benefits	572,846	613,642	636,131	638,424	657,277	18,853
Contractual Services	228,910	194,614	208,525	219,937	217,243	(2,694)
Utilities & Commodities	209,527	193,302	197,977	220,761	218,879	(1,882)
Repairs & Maintenance	120,451	139,212	112,300	150,000	122,500	(27,500)
Equipment Purchases	20,391	24,573	20,200	23,170	18,300	(4,870)
Other Expenses, Travel, Etc.	46,877	49,593	47,636	46,231	47,826	1,595
Depreciation & Amortization	521,779	528,532	529,000	529,000	529,000	0
Materials & Supplies	102,620	99,335	105,300	132,541	116,000	(16,541)
Total Operating Expenditures	1,823,401	1,842,803	1,857,069	1,960,064	1,927,024	(33,040)
		1.1%	0.8%	6.4%	-1.7%	
Net Operating Income	<u>270,903</u>	<u>310,668</u>	<u>268,431</u>	<u>167,236</u>	<u>172,576</u>	<u>5,340</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest Revenue (Investment)	5,556	7,010	6,000	6,000	6,000	0
Gain/(Loss) on Disposal of Assets	4,500	0	0	0	0	0
Special Assessments	0	0	79,776	70,000	0	(70,000)
Bond Refinancing Refund	0	0	0	30,077	0	0
Less Interest Expense	(106,110)	(92,087)	(74,868)	(74,868)	(60,492)	14,376
Total Non-Operating Revenue (Expense)	(96,054)	(85,077)	10,908	31,209	(54,492)	(85,701)
				-136.7%	-274.6%	
NET INCOME (LOSS) YTD	174,849	225,591	279,339	198,445	118,084	(80,361)

TOWN OF BAR HARBOR
SEWER DIVISION
ANNUAL SUMMER DISCOUNT APPLICATION

ELIGIBLE TO "RESIDENTIAL" SERVICE CLASS CUSTOMERS ONLY

Date _____

Return by 9/15/2017!

A/C# _____

If you use water outside your home for lawns and gardens, you may be eligible for an adjustment in your sewer user fees for the Third Quarter (July 1 – September 30). This application (or renewal) must be filled out each season by the customer.

Please fill out the attached form and return the lower section to the Finance Department office at the Municipal Building if you do expect to use water outside during the Third Quarter. The Finance Department will then use an average of your first and second quarter usage to calculate your Third Quarter bill. This adjustment should provide a savings to families who wish to water their lawns, gardens, or wash their cars, etc.

NOTE: YOU WILL NOT BE ELIGIBLE FOR THIS ADJUSTMENT IF:

- 1) You run a business on your property;
- 2) The Residence is used for any commercial rental;
- 3) Your service accepts waste from more than one residential unit;
- 4) You are classified as a seasonal water customer

Per Chapter 165, Sewer Ordinance; Article III, Sewer Rates, Sec #165-7.B.(2)[2]

Top – Customer Copy



	Return this section	Town Copy	2017 Usage
---	---------------------	-----------	------------

Date _____

Account# _____

I wish to apply for an adjustment in my sewer residential charges for the Third quarter (summer usage) because I use water for outside purposes (lawn, garden, car washes, etc.) that does not flow into the sewer system.

Customer signature

Print name of Property Owner
as it appears on the tax bill

Location of Property

If not returned to the Bar Harbor Finance Department at the Municipal Building by September 15th, you may be disqualified for an adjustment.



TOWN OF BAR HARBOR
WATER DIVISION
50 Public Works Way
Bar Harbor, ME 04609
Telephone (207) 288-3555 / Fax (207) 288-2273

April, 2017

Dear Sewer User:

Re: Outside Water Deduct Meters For Reducing Sewer Bills

Pursuant to the policy adopted by the Bar Harbor Town Council on July 14, 1992, we are informing you with this notice that a \$25.00 renewal fee (per meter) has been added to your April Water/Sewer bill to take advantage of the Sewer user fee adjustment process for outside water usage this coming summer. This is for measured water where a portion does not enter the wastewater treatment system that the Town will credit towards your total Sewer usage.

We enclose an "outside meter application" that is necessary to be filled out, signed and returned to this office at the time the meter is installed as a renewal. Summer readings of the meter will be read by the Wastewater Department staff at quarterly intervals at the end of June and September.

For the Seasonal User, it would greatly be appreciated if you would call in your reading when the Deduct Meter is removed at the end of the season to insure that you get full credit of the deduction.

If you have any questions please call me at the above number.

Sincerely,

Nancy J. Warner
Town of Bar Harbor Water Division
Office Manager

Sewer Ordinance Amendment

Town of Bar Harbor

An Amendment to Adopt the Fiscal Year 2018 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.

[Added 9-21-2010 by Ord. No. 2010-05; amended 11-1-2011 by Ord. No. 2011-05; 12-18-2012 by Ord. No. 2012-08; 6-18-2013 by Ord. No. 2013-01; 10-20-2014 by Ord. No. 2014-06; 8-4-2015 by Ord. No. 2015-03; 7-19-2016 by Ord. No. 2016-02]

A. Budget ~~adopted~~ introduced. The fiscal year 2017~~8~~ Sewer Budget, dated ~~May 13, 2016~~ July 18, 2017, is hereby ~~adopted~~ introduced as published and summarized below.

(1) Fund balance. Designated fund balances are estimated as follows:

(a) Estimated starting designated fund balances:

[1] Working Capital: \$~~440,624~~ 438,263.

[2] CIP Projects: \$~~1,258,950~~ 1,643,435.

(b) Ending designated fund balance:

[1] Working Capital: \$~~439,082~~ 438,263.

[2] CIP Projects: \$~~1,569,380~~ 1,346,488.

(2) Revenues.

(a) Total revenues and other sources are estimated to be: \$~~2,131,500~~ 2,105,600.

(b) Revenue for the sewer rates shall be calculated from the total operating and capital appropriations minus any non-rate revenues:

[1] Total revenue derived from sewer rate: \$~~2,077,908~~ 2,060,000.

(3) Expenses. Total appropriations shall be:

(a) Operating Fund: \$~~1,328,664~~ 1,398,024.

(b) Capital Fund: \$~~865,744~~ 759,774.

[End of Ordinance]