

Office of

AUBURN SEWERAGE DISTRICT

Office Telephone # 784-6469

The regular monthly meeting of the Trustees of the Auburn Sewerage District will be held at the office of the Auburn Sewerage District, 268 Court Street, on Tuesday, May 20, 2014, at 4:00 P.M.

AGENDA

1. Approve Minutes of Regular Meeting of April 15, 2014.
2. Executive Session per 1 M.R.S.A. § 405 (6) (E) to confer with legal counsel regarding Vactor Truck.
3. Financial Report Update - *Greg Leighton*.
4. Ratify Payment of Bills
5. Open Session
6. Activity Report - *Sid Hazelton*.
7. Election of Officers
 - President, Treasurer, Clerk, Auditor, & Superintendent.
8. New Business
 - Review of Draft 2013 Annual Audit.
 - Approval of Proposed Lawn Mowing Bids.
 - LAWPCA Financial Update - FYI only.
 - LAWPCA Apportionment - FYI only.
9. Old Business
 - Project Updates
 - 5th Street Sewer Replacement
 - Sewer Liners
 - CSO work
10. Adjourn Regular Meeting.

April 15, 2014

The regular monthly meeting of the Trustees of the Auburn Sewerage District was held at the Office of the Auburn Sewerage District, 268 Court St. on Tuesday, April 15, 2014 at 4:00PM.

Members present: President, Beverley Heath and Treasurer, Robert Cavanagh. Trustees: Heidi McCarthy, Joseph DeFilipp, Stephen Ness and Jeffrey Preble. Also present: Tizz Crowley, Mayor's Representative, John Storer, Superintendent, Sid Hazelton, District Engineer and Greg Leighton of Maine Water Company.

Superintendent Storer introduced Tanya Johnson to the Board of Trustees. She is the District's new hire as Office Manager.

On motion of Tizz Crowley, seconded by Robert Cavanagh, it was unanimously voted: **To approve the minutes of the Regular Meeting of March 18, 2014.**

FINANCIAL REPORT – The District's finances are looking good to date.

RATIFY PAYMENT OF BILLS

On motion of Joseph DeFilipp, seconded by Robert Cavanagh, it was unanimously voted: **To ratify the payment of bills in the amount of \$ 429,989.26 as shown on the printout dated March 15, 2014-April 11, 2014.**

OPEN SESSION – K.C. Geiger, Water District Trustee, was in attendance.

ACTIVITY REPORT - The March Activity Report was presented by Sid Hazelton. The Chapman House has issues with grease. Their traps are not cleaned as often as they should be. The District is upgrading W-3 due to chronic problems.

POTENTIAL ELECTION OF OFFICERS - It is hoped that the City Council will make the appointments at its next meeting. It was suggested that it is mentioned in the minutes that the District has looked at alternatives for Auditor.

NEW BUSINESS

APPROVAL OF TRENCH BIDS – This is a joint bid with Lewiston Water & Sewer and Auburn Public Works. There were three bidders: Callahan Construction of Augusta, Spencer Group of Turner and L.P. Poirier of Lewiston. No recommendation was made at the meeting as two of the bidders are new. Norm Beauparlant of Lewiston will get a statement of qualifications from Callahan Construction. Sid Hazelton received a qualifications package from Spencer Group. The Trustees gave authorization to award the bid based upon findings.

On motion of Heidi McCarthy, seconded by Stephen Ness, it was unanimously voted: **To award the Trench Bid to Spencer Group contingent upon references.**

PROPOSED LAWN MOWING - The District would like to quantify not hiring summer help and contract with an outside firm to mow the District's lawns. There are about 20 sites. Proposals were sent to several pre-qualified companies.

April 15, 2014

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LAWPCA FINANCIAL UPDATE – FYI only.

LAWPCA APPORTIONMENT – FYI only.

LAWPCA BUDGET SHEETS – FYI only

OLD BUSINESS

PROJECT UPDATES -

FIFTH STREET SEWER REPLACEMENT –(BROAD-PULSIFER) This is an old deteriorated sewer line. There are no records on how the services tie into the main. A video inspection will be needed. Pulsifer is also in terrible shape. The District is waiting for the video. Pulsifer will be added to the Fifth Street project.

SEWER LINERS – Insituform is scheduled to start in mid July and will be lining about 3500' of sewer pipe. It will take them about a week.

CSO FLOW MONITORS - The District will be tracking neighborhoods looking at flows upstream and downstream.

ADJOURN REGULAR MEETING

On motion of Stephen Ness, seconded by Tizz Crowley, it was unanimously voted:
To adjourn the meeting.

**AUBURN SEWERAGE DISTRICT
OPERATING STATEMENT - TRUSTEES' REPORT
FOUR MONTHS ENDED APRIL 30, 2014**

	April	2014	Y-T-D THRU APRIL 2014		
	YTD - 2013	BUDGET	ACTUAL	BUDGET	VARIANCE
<u>REVENUES:</u>					
Metered Income	\$1,028,613	\$3,241,614	1,047,625	\$1,080,538	(\$32,913)
Industrial Surcharge	163,635	538,774	178,948	179,591	(644)
Public Basins	20,696	53,892	0	17,964	(17,964)
Jobbing & Mdse.	13,021	20,000	11,385	6,667	4,718
Sewer Assessments	9,103	26,031	4,041	8,677	(4,636)
Finance Charges	5,069	14,913	6,787	4,971	1,816
Interest Income	656	2,119	598	706	(108)
Industrial Treatment Sampling	46,200	46,200	46,200	15,400	30,800
Capacity Fees (SDS)	5,000	12,125	4,125	4,042	83
TOTAL REVENUES	1,291,993	3,955,668	1,299,709	1,318,556	(18,847)
			32.86%	33.33%	< Standard
<u>EXPENSES:</u>					
Payroll	112,555	370,559	115,426	123,520	(8,094)
Employee Benefits	56,912	191,868	60,269	63,956	(3,687)
Maint. of Sewers	12,078	61,110	9,135	20,370	(11,235)
Lift Stations	30,262	92,814	37,151	30,938	6,213
Maint. of Buildings	15,099	34,649	16,566	11,550	5,017
Maint. of Trucks	5,437	16,556	6,222	5,519	704
Office Expense	13,579	27,754	13,357	9,251	4,105
Collection Expense	(2,036)	(5,182)	(20,311)	(1,727)	(18,584)
General Expense	11,709	14,326	1,960	4,775	(2,815)
Insurance	13,452	54,276	22,245	18,092	4,153
Legal & Accounting Fees	8,036	32,462	13,359	10,821	2,538
Billing Expense	29,031	62,996	30,223	20,999	9,225
L.A.W.P.C.A.	592,577	2,129,957	485,510	709,986	(224,476)
SUB-TOTAL	898,691	3,084,145	791,113	1,028,048	(236,936)
Interest	34,554	90,412	38,414	30,137	8,277
TOTAL EXPENSES	933,245	3,174,557	829,527	1,058,186	(228,659)
			26.13%	33.33%	< Standard
Bonds - Principal Payments	28,056	467,743	88,339	155,914	(67,575)
SURPLUS FROM OPERATIONS	330,692	313,368	381,843	104,456	277,387

**Auburn Sewerage District
Accounts Payable Alpha Check Register
April 12, 2014 to May 16, 2014**

5/16/2014

<u>Check #</u>	<u>Date</u>	<u>Per</u>	<u>Vendor</u>	<u>Invoice Date</u>	<u>Inv #</u>	<u>Description</u>	<u>Amount</u>
3385	5/2/2014	4	American Concrete Industries	4/14/2014	201220	Park Ave manholes	966.
3385	5/2/2014	4	American Concrete Industries	4/14/2014	201221	Western View manholes	464.
3385	5/2/2014	4	American Concrete Industries	4/14/2014	201222	Harvard St manholes	474.
3385	5/2/2014	4	American Concrete Industries	4/14/2014	201223	Harvard St manholes	504.
3385	5/2/2014	4	American Concrete Industries	4/14/2014	201224	James St manholes	476.
3385	5/2/2014	4	American Concrete Industries	4/14/2014	201225	Third St manholes	785.
Vendor Total:							3,672.
3376	4/25/2014	4	Andros. Registry Of Deeds	4/24/2014	1713	release liens	66.0
Vendor Total:							66.0
3386	5/2/2014	5	Andros. Registry Of Deeds	5/1/2014	1717	release liens	66.0
Vendor Total:							66.0
3393	5/9/2014	5	Andros. Registry Of Deeds	5/7/2014	1724	release/place liens	68.0
Vendor Total:							68.0
3406	5/16/2014	5	Andros. Registry Of Deeds	5/15/2014	1726	release liens	22.0
Vendor Total:							22.0
3394	5/9/2014	4	Auburn Sewerage District	5/8/2014	1725	April petty cash	16.2
Vendor Total:							16.2
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	235.7
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	38.6
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	396.1
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	198.0
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	24.0
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	3,653.3
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	433.0
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	654.1
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	2,365.0
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	336.1
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	203.9
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	30.0
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	1,006.2
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	858.3
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	678.1
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	742.8
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	1,004.9
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	225.1
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	114.6
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	17.9
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	193.5
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	24.0
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	25.2
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	10.1
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	59.7
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	75.1
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	3,886.3
3377	4/25/2014	3	Auburn Water District	4/10/2014	Bk26Pg44	March	3,281.34
Vendor Total:							20,772.06
3370	4/18/2014	3	Constellation NewEnergy, Inc.	3/26/2014	14197827	Bradman St	136.53
Vendor Total:							136.53

<u>Check #</u>	<u>Date</u>	<u>Per</u>	<u>Vendor</u>	<u>Invoice Date</u>	<u>Inv #</u>	<u>Description</u>	<u>Amou</u>
3380	4/25/2014	4	Constellation NewEnergy, Inc.	4/4/2014	14349045	Worthley Brook-March	<u>326.</u>
						Vendor Total:	326.
3387	5/2/2014	4	Constellation NewEnergy, Inc.	4/10/2014	14450489	Lewiston Jct Rd	<u>217.</u>
3387	5/2/2014	4	Constellation NewEnergy, Inc.	4/11/2014	14477081	Morrow Rd	<u>14.</u>
3387	5/2/2014	4	Constellation NewEnergy, Inc.	4/11/2014	14477084	River Station	<u>490.</u>
3387	5/2/2014	4	Constellation NewEnergy, Inc.	4/11/2014	14476971	Moose Brook	<u>238.</u>
						Vendor Total:	961.
3395	5/9/2014	4	Constellation NewEnergy, Inc.	4/18/2014	14590337	Washington St	<u>163.</u>
						Vendor Total:	163.
3408	5/16/2014	4	Constellation NewEnergy, Inc.	4/25/2014	14692900	Bradman	<u>210.</u>
						Vendor Total:	210.
3409	5/16/2014	5	Dube Gravel Co, Inc.	5/10/2014	11284	Fifth	<u>8,286.</u>
						Vendor Total:	8,286.
3372	4/18/2014	3	E.J. Prescott, Inc.	3/26/2014	4778231	vas usage	<u>26.</u>
						Vendor Total:	26.
3400	5/9/2014	4	E.J. Prescott, Inc.	4/17/2014	4783147	5th St	<u>6,221.</u>
						Vendor Total:	6,221.
3417	5/16/2014	4	E.J. Prescott, Inc.	4/24/2014	4786227	Fifth St	<u>1,431.</u>
3417	5/16/2014	4	E.J. Prescott, Inc.	4/29/2014	4790433	Fifth	<u>483.</u>
3417	5/16/2014	4	E.J. Prescott, Inc.	4/29/2014	4789994	Fifth St	<u>266.</u>
						Vendor Total:	2,181.
3418	5/16/2014	5	EiC, Inc. (Prompto)	5/1/2014	634742	#27 oil change	<u>26.</u>
						Vendor Total:	26.
3410	5/16/2014	5	Gagne & Sons	5/7/2014	522	return pallet	<u>-12.</u>
3410	5/16/2014	5	Gagne & Sons	5/6/2014	5810	blocks, mix	<u>265.</u>
						Vendor Total:	253.
3388	5/2/2014	5	Group Dynamic, Inc.	4/14/2014	1718	May	<u>33.</u>
						Vendor Total:	33.
3412	5/16/2014	5	Maine Municipal Bond Bank	4/28/2014	6/1/14-14	Dist -2007FR	<u>12,021.</u>
3412	5/16/2014	5	Maine Municipal Bond Bank	4/28/2014	6/1/14-14	Dist -2007FR	<u>65,889.</u>
3412	5/16/2014	5	Maine Municipal Bond Bank	4/28/2014	6/1/14-10	Dist - 2009ARRA	<u>2,069.</u>
3412	5/16/2014	5	Maine Municipal Bond Bank	4/28/2014	6/1/14-10	Dist - 2009ARRA	<u>41,392.</u>
						Vendor Total:	121,373.
3390	5/2/2014	5	Maine Municipal Emp.Hlth.	4/10/2014	1716	May	<u>7,262.</u>
3390	5/2/2014	5	Maine Municipal Emp.Hlth.	4/10/2014	1716	May	<u>85.</u>
3390	5/2/2014	5	Maine Municipal Emp.Hlth.	4/10/2014	1716	May	<u>243.</u>
3390	5/2/2014	5	Maine Municipal Emp.Hlth.	4/10/2014	1716	May	<u>557.</u>
3390	5/2/2014	5	Maine Municipal Emp.Hlth.	4/10/2014	1716	May	<u>1,281.</u>
						Vendor Total:	9,430.
3391	5/2/2014	4	McMaster-Carr Supply Co.	4/18/2014	81874616	MooseBrook light bulbs	<u>38.</u>
						Vendor Total:	38.
3413	5/16/2014	5	Mid-Maine Waste Action Corp.	5/1/2014	1729	tk#27 permit sticker	<u>15.</u>
						Vendor Total:	15.
3414	5/16/2014	5	Morin Brick Company	5/9/2014	304382	manholes	<u>867.</u>
						Vendor Total:	867.
3382	4/25/2014	4	Oldham	4/15/2014	68834	River Pump& Cascades	<u>480.</u>
3382	4/25/2014	4	Oldham	4/15/2014	68834	River Pump& Cascades	<u>480.</u>
						Vendor Total:	961.
3415	5/16/2014	5	Portland Plastic Pipe	5/2/2014	160774	UV-sewer repair	<u>347.</u>
						Vendor Total:	347.

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3416	5/16/2014	4	Power Products, Inc.	4/24/2014	931632	Portable A generator	<u>365.</u>
3416	5/16/2014	4	Power Products, Inc.	4/24/2014	931633	Washington	<u>395.</u>
3416	5/16/2014	4	Power Products, Inc.	4/24/2014	931634	Lewiston Jet	<u>365.</u>
3416	5/16/2014	4	Power Products, Inc.	4/24/2014	931635	Green Turtle	<u>365.</u>
3416	5/16/2014	4	Power Products, Inc.	4/24/2014	931636	Moose Brook	<u>365.</u>
3416	5/16/2014	4	Power Products, Inc.	4/24/2014	931637	Portable C generator	<u>365.</u>
3416	5/16/2014	4	Power Products, Inc.	4/24/2014	931638	Worthley Brook	<u>365.</u>
3416	5/16/2014	4	Power Products, Inc.	4/24/2014	931641	River St	<u>160.</u>
Vendor Total:							2,745.
3392	5/2/2014	4	R & B Services	4/28/2014	714	Fifth St-w/e 4/26	<u>1,028.</u>
Vendor Total:							1,028.
3419	5/16/2014	5	R & B Services	5/12/2014	914	Fifth-w/e 5/10	<u>518.</u>
Vendor Total:							518.
3383	4/25/2014	4	Redlon & Johnson	4/15/2014	288584	Green Turtle-sump pump	<u>158.</u>
Vendor Total:							158.
3401	5/9/2014	4	Skelton, Taintor & Abbott	4/22/2014	508950	March	<u>61.0</u>
3401	5/9/2014	4	Skelton, Taintor & Abbott	4/22/2014	508951	March	<u>284.</u>
3401	5/9/2014	4	Skelton, Taintor & Abbott	3/17/2014	508254	Feb	<u>122.0</u>
Vendor Total:							467.0
3421	5/16/2014	4	Skelton, Taintor & Abbott	5/13/2014	509169	April legal srves	<u>3,057.5</u>
Vendor Total:							3,057.5
3373	4/18/2014	4	St Lawrence & Atlantic RR Co	3/27/2014	99733	S-8030-A Underground line	<u>110.0</u>
3373	4/18/2014	4	St Lawrence & Atlantic RR Co	3/27/2014	99734	S-7801-A Underground line	<u>50.0</u>
3373	4/18/2014	4	St Lawrence & Atlantic RR Co	3/27/2014	99732	S-4038-A Underground line	<u>100.0</u>
Vendor Total:							260.0
3420	5/16/2014	4	St Lawrence & Atlantic RR Co	4/29/2014	100295	S-12508A	<u>50.0</u>
Vendor Total:							50.0
3375	4/18/2014	4	St Mary's Health System	4/1/2014	164702	hep shot	<u>87.0</u>
Vendor Total:							87.0
3404	5/9/2014	4	St Mary's Health System	5/1/2014	166117	Hep shots	<u>105.0</u>
Vendor Total:							105.0
3407	5/16/2014	4	Sullivan Associates	4/28/2014	29897	River Pump Station	<u>844.2</u>
Vendor Total:							844.2
3384	4/25/2014	4	Ted Berry Co., Inc.	4/1/2014	11858	So Main & Park	<u>3,705.0</u>
3384	4/25/2014	4	Ted Berry Co., Inc.	4/11/2014	11891	Fifth & Pulsifer	<u>1,615.0</u>
Vendor Total:							5,320.0
3405	5/16/2014	4	The Bank of New York Mellon	4/2/2014	1709	99 Ser A	<u>60,000.0</u>
3405	5/16/2014	4	The Bank of New York Mellon	4/2/2014	1709	99 Ser A	<u>11,287.5</u>
Vendor Total:							71,287.5
3403	5/9/2014	4	THG Corporation	4/25/2014	E44726-001	jetter-gauge	<u>70.5</u>
Vendor Total:							70.5
3371	4/18/2014	4	Treasurer, State of Maine	4/15/2014	1712	Desjardins w/e 4/13	<u>82.0</u>
Vendor Total:							82.0
3381	4/25/2014	4	Treasurer, State of Maine	4/22/2014	1714	Desjardins w/e 4/20	<u>82.0</u>
Vendor Total:							82.0
3389	5/2/2014	4	Treasurer, State of Maine	4/28/2014	1715	Desjardins w/e 4/27	<u>82.0</u>
Vendor Total:							82.0
3399	5/9/2014	5	Treasurer, State of Maine	5/6/2014	1723	Desjardins w/e 5/4	<u>82.0</u>
Vendor Total:							82.0

<u>Check #</u>	<u>Date</u>	<u>Per</u>	<u>Vendor</u>	<u>Invoice Date</u>	<u>Inv #</u>	<u>Description</u>	<u>Amo</u>
3411	5/16/2014	5	Treasurer, State of Maine	5/12/2014	1730	Desjardins w/e 5/11	<u>82</u>
						Vendor Total:	82
3374	4/18/2014	3	UNITIL ME	3/28/2014	1701	Green Turtle-March	<u>59</u>
						Vendor Total:	59
3422	5/16/2014	4	UNITIL ME	4/28/2014	1722	Green Turtle	<u>59</u>
						Vendor Total:	59
3397	5/9/2014	4	Vantagepoint Transfer Agent-10	4/30/2014	1719	Icma-Apr	<u>1,909</u>
						Vendor Total:	1,909
3396	5/9/2014	4	Vantagepoint Transfer Agent-30	4/30/2014	1721	Icma-Apr	<u>918</u>
						Vendor Total:	918
3398	5/9/2014	4	Vantagepoint Transfer Agent-70	4/30/2014	1720	Icma-Apr	<u>60</u>
						Vendor Total:	60
3402	5/9/2014	5	Water Environment Federation	4/11/2014	250205	membership renew	<u>139</u>
						Vendor Total:	139
<u>Grand Total:</u>							<u>266,099.</u>

Net Payroll + taxes

34,665.6
³ 300,765.17

**ASD BILLS PAID
4/30/2014**

VENDOR	REF	AWD G/L #	ASD G/L #	Amount
Auburn Water District	shared employees benefit allocation - April	1604-000	2604-000	\$ 1,411.81
Auburn Water District	shared employees wage allocation - April	1685-000	2601-600	\$ 3,137.35
Auburn Water District	petty cash-April- shop supplies	1142-300	2620-500	\$ 11.06
Amazon.com	Submersible Centrifugal Pump for maintenance	1142-300	2620-200	\$ 323.93
City of Auburn	gas for month of March	1142-300	2650-120	\$ 220.39
City of Auburn	gas for month of March	1142-300	2650-121	\$ 218.35
City of Auburn	gas for month of March	1142-300	2620-500	\$ 128.87
Beltone Answering Service	answering service - April	1142-300	2675-800	\$ 27.50
Beltone Answering Service	answering service - panic buttons-April	1142-300	2675-800	\$ 4.98
Bisson Enterprises, Inc.	office cleaning - April	1142-300	2675-500	\$ 282.50
Budget Technology	contract 4/22 to 7/21	1142-300	2675-800	\$ 118.13
Budget Technology	toner for laser printer	1142-300	2620-800	\$ 39.98
Budget Technology	set up Tanya for scan	1142-300	2620-800	\$ 82.50
Central Maine Power	power @ 268 Court Street - April	1142-300	2615-500	\$ 156.98
Central Maine Power	power @ 268 Court Street - April	1142-300	2615-800	\$ 78.49
Computer Help	computer memory upgrade	1142-300	2675-800	\$ 337.50
Computer Help	computer memory upgrade	1142-300	2675-800	\$ 187.50
Computer Help	updates, defrag	1142-300	2675-800	\$ 93.75
Constellation NewEnergy	energy charge @ 268 Court Street - April	1142-300	2615-500	\$ 229.86
Constellation NewEnergy	energy charge @ 268 Court Street - April	1142-300	2615-800	\$ 114.93
Curry Printing	business cards for Tanya & retirement notices	1142-300	2675-800	\$ 64.32
Dig Safe System, Inc.	estimated cost - April	1142-300	2675-600	\$ 311.51
Gilman Electric	end of pipe-sensor, ring, box	1142-300	2620-600	\$ 33.83
Gilman Electric	credit for LWD, reversed in May	1142-300	2620-500	\$ (36.00)
Great American Financial	Konica Digital Copier - lease - April	1142-300	2675-800	\$ 107.61
Home Depot	April- shop & sewer dept supplies	1142-300	2620-500	\$ 272.58
HR Distributors	connectors for scada	1142-300	2620-500	\$ 12.48
City of Lewiston	wages and benes - Dan Rodrigue - April	1142-300	2601-600	\$ 1,622.79
City of Lewiston	wages and benes - Dan Rodrigue - April	1142-300	2604-000	\$ 594.03
City of Lewiston	wages and benes - Dan Rodrigue - April	1142-300	2658-000	\$ 36.35
City of Lewiston	wages and benes - Dan Rodrigue - March	1142-300	2601-600	\$ 1,359.45
City of Lewiston	wages and benes - Dan Rodrigue - March	1142-300	2604-000	\$ 555.39
City of Lewiston	wages and benes - Dan Rodrigue - March	1142-300	2658-000	\$ 30.46
MRWA	Travis, Bates, Whitlock class for pipe location	1142-300	2675-500	\$ 105.00
Maine Oxy	acetylene	1142-300	2620-500	\$ 25.93
Maine State Retirement System	retirement contribution - April	1142-300	2604-000	\$ 1,493.98
Maine State Retirement System	retirement contribution - April	1142-300	2241-030	\$ 177.99
Maine Water Company	accounting services - Greg Leighton - April	1142-300	2632-800	\$ 1,595.00
Maine State Retirement System	retirement contribution - Dave Hamann - April	1241-070	2241-070	\$ 37.56
Maine State Retirement System	retirement contribution - Dave Hamann - April	1241-065	2241-065	\$ 29.88
WB Mason	report binders, green bar paper	1142-300	2620-800	\$ 54.17
WB Mason	window envelopes	1142-300	2620-800	\$ 124.50
WB Mason	banker file boxes	1142-300	2620-800	\$ 25.00
WB Mason	tissue, trash bags	1142-300	2620-500	\$ 83.82
WB Mason	post its, elastics, pens	1142-300	2620-800	\$ 31.48
Ness Oil	April diesel- 5th St Project	1142-300	2105-873	\$ 751.74
Ness Oil	April diesei- 5th St Project	1142-300	2105-873	\$ 467.53
Ness Oil	April-vac truck diesel	1142-300	2650-123	\$ 288.08
Northern Data Systems	customer billing - April	1142-300	2675-700	\$ 1,012.40
Northern Data Systems	edifice 5/14 to 5/15	1142-300	2675-800	\$ 325.00
Oxford Networks	telephone service - April	1142-300	2676-800	\$ 122.17
Pine Tree Waste	bulk waste - April	1142-300	2675-500	\$ 56.99
Pitney Bowes	postage	1142-300	2675-800	\$ 400.00
Pitney Bowes	postage	1142-300	2675-700	\$ 600.00
Pitney Bowes	rental 5/1 to 7/31	1142-300	2675-800	\$ 52.50
Power Products	Court St generator	1142-300	2677-000	\$ 80.00
R&B Services	flaggers Fifth St w/e 5/3	1142-300	2105-873	\$ 977.50
Skleton, Taintor, & abbott	February Legal Services	1142-300	2633-800	\$ 72.00
Spiller's	marking paint	1142-300	2620-600	\$ 82.68
Staples	april-power cords, rolodex, picture frame	1142-300	2620-800	\$ 47.78
John Storer	business mileage - April	1142-300	2675-500	\$ 175.00
Super Shoes	Millett & Hamann	1142-300	2604-000	\$ 207.44
Tiger Direct	Lenovo ThinkPad Laptop for Vacuum Truck	1142-300	2650-123	\$ 746.88
U.S. Cellular	cell phones - April	1142-300	2676-500	\$ 204.83
U.S. Cellular	cell phone - April	1142-300	2676-500	\$ 26.75
United Way	employee contribution - April	1142-300	2241-000	\$ 30.00
Unitil	268 Court Street - April	1142-300	2620-500	\$ 840.40
USA Bluebook	Millett -hip boots	1142-300	2604-000	\$ 149.50
Zep	soap dispenser	1142-300	2620-500	\$ 18.18
Zep	soap & lotions	1142-300	2620-500	\$ 139.58
Zep	return soap dispenser	1142-300	2620-500	\$ (28.00)

\$23,802.40

AUBURN SEWERAGE DISTRICT

MONTHLY ACTIVITY REPORT

April 2014

MAINS

Location	Ck'd	Comments	OK	Plug	Maint.	Misc.	New
South Main St	1	Clean main with Ted Berry			1		
Park Av	1	Assist Ted Berry video 10" clay			1		
Fifth St @ Pulsifer St	1	Clean sewer lines - gravel			1		
Park Av	1	Video line with Ted Berry			1		
Markalyn St	1	Plugged main - private	1				
Turner St - TD Bank	1	Check mains & manholes			1		
Andrea Ln	1	Check mains & manholes			1		
Manley Rd	1	Check mains & manholes			1		
Fifth St @ Pulsifer St	1	New 374ft 12" PVC					1
Parkway	1	Jet line			1		
Park Av	1	Jet & vac main			1		
36 Huston St	1	Jet & vac main			1		
Fifth St	1	Main replacemnt					1
Church St	1	Jet & vac main			1		
299 Garfield Rd	1	Back up on ASD - jet main		1			
Monthly Totals	15		1	1	11	0	2
2013 Monthly Totals	9		1	1	6	1	0
YTD Totals	23		2	4	13	2	2

MANHOLES

Location	Ck'd	Comments	OK	Cover	Misc.	Frame & Cover	New
South Main St	1	Cold patch over manhole			1		
South Main St @ Loring Av	1	Replace cover and ring				1	
Manley Rd	1	Locate manholes to be raised			1		
Monthly Totals	3		0	0	2	1	0
2013 Monthly Totals	7		0	0	4	3	0
YTD Totals	12		1	0	7	4	0

SERVICES

Location	Ck'd	Comments	New	OK	Misc.	Cut
156 Summer St	1	On owner		1		
502 Turner St	1	On owner		1		
15 Cushman Pl	1	Assist Act Now w/ cleaning private line			1	
5 Eagleview Dr	1	New sewer service connection	1			
187 Davis Av	1	On owner		1		
138 Everett Rd	1	New sewer service connection	1			
75 Park Av	1	Video sewer service			1	
588 Minot Av	1	Sewer problem on owner		1		
721 Garfield Rd	1	Plugged service - jet main			1	
2053 Hotel Rd	1	Back up - possible damaged service			1	
64 Grandview Dr	1	Plugged on owner		1		
Monthly Totals	11		2	5	4	0
2013 Monthly Totals	6		2	2	1	1
YTD Totals	30		2	13	14	1

LIFT STATIONS

Location	No.	Comments
Evergreen	1	Power failure - hook up generator
Bradman	1	Pump air bound, plugged with grease
W-3	1	Pumps not alternating
Bradman	1	Repair pump #2 seal
Bradman	1	Remove large pieces of SDR35 in impellar
W-4, W-5	1	Shut off pumps to let W-2 & W3 catch up
Green Turtle	1	Sump pump - repair drywell flooding alarm circuit
E-3	1	Communication failure
River Station	1	Replaced level transducer
River Station	1	Vacuum out debris in wet well
Green Turtle	1	Check & adjust sump pump
Monthly Totals	11	
2013 Monthly Totals	21	
YTD Totals	39	

OVERFLOWS

Item	Comments
Monthly Totals	
YTD Totals	

WEATHER*

Month	Precipitation					Temperature			
	Snowfall (in.)	Total (in)	Heating Degree Days	Normal Precip	Days of Precip.	Max. (°F)	Min. (°F)	Avg. (°F)	Dep. from Norm
January	8.0	3.53	1336	3.26	9	50	-18	19	-0.5
February	30.2	4.86	1261	2.55	14	48	-7	20	-2.9
March	17.0	3.47	1265	3.64	13	48	-7	24	-8.5
April	0.0	2.99	683	3.78	11	71	19	42	-1.7
May									
June									
July									
August									
September									
October									
November									
December									
YTD Totals	55.20	14.85							

* From www.wunderground.com

DIG SAFE

Month	Total	Contractors	MDOT	AHD	School Dept.	Lewiston Water	Fairpoint	AWD	CMP	ASD	GAS	MTA
January	60	21	1	15	0	0	0	12	10	0	1	0
February	38	13	1	2	0	0	0	9	12	0	1	0
March	49	25	1	18	0	0	0	1	2	0	2	0
April	166	72	2	37	0	0	0	6	9	2	34	4
May												
June												
July												
August												
September												
October												
November												
December												
YTD Totals	313	131	5	72	0	0	0	28	33	2	38	4
2013 Totals	333	147	12	87	0	4	8	21	32	0	22	0

DUTY FOREMAN CALLS

(Overtime)

Districts	Total	High/Low Pressure	Water Quality	Alarms	Sewer Service	Leak	Misc.	Locates	Hydrants	Meter	Fire Calls
Sewerage District	4			0	2	0	0	2	0	0	0
Water District	12	0	6	3		0	0	2	0	0	1
Monthly Totals	16	0	6	3	2	0	0	4	0	0	1
2013 Monthly Totals	12	2	1	3	2	0	1	1	2	0	0
YTD Totals	58	1	9	11	9	6	16	4	0	0	2

OTHER ACTIVITIES

1. Install shim piece for flow shark sensor behind Lee Nissan
2. Fire training at Washington St pump station
- 3.
- 4.
- 5.
- 6.

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***AUBURN SEWERAGE DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
WITH INDEPENDENT AUDITORS' REPORT
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS***

**AUBURN SEWERAGE DISTRICT
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DECEMBER 31, 2013 AND 2012**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Auburn Sewerage District
Auburn, Maine

We have audited the accompanying statements of net position, statements of revenues, expenses and changes in fund net position and statements of cash flows of the Auburn Sewerage District as of and for the years ended December 31, 2013 and 2012, which collectively comprise the District's basic financial statements and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

DRAFT

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Auburn Sewerage District as of December 31, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Auburn Sewerage District's financial statements as a whole. The accompanying supplemental information presented as Schedule 1 is presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying supplemental information presented as Schedule 1 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Horton, McFarland & Veysey, LLC
Ellsworth, Maine
April 9, 2014

**Auburn Sewerage District
Management's Discussion and Analysis
December 31, 2013 and 2012**

Introduction of the Financial Statements

The Auburn Sewerage District's basic financial statements include the:

Statement of Net Position
Statement of Revenues, Expenses and Changes in Fund Net Position
Statement of Cash Flows
Notes to the Financial Statements

The statement of net position presents the financial position of the District by providing information about the nature and amount of resources and obligations at year-end. The statement of revenues, expenses and changes in fund net position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. The statement of cash flows presents the amount of cash and cash equivalents generated and used during the fiscal year. The notes to the financial statements present required disclosures and other information that are essential to a full understanding of the material provided in the statements.

Significant Transactions and Changes

There were no significant transactions or changes in 2013 other than the capital asset activity discussed in the next section.

Capital Assets and Long-Term Debt

In 2013 the District acquired a vacuum truck using a \$332,140 capital lease. Other capital asset additions in 2013 included pump station improvements totaling \$82,466, new sewers totaling \$178,576 and other equipment totaling \$83,405.

The District's long-term debt consists of a capital lease and bonds payable. Long-term debt outstanding, including current portion, at December 31, 2013 is \$5,705,948. This total is offset by a \$641,500 construction assessment receivable due from the City of Auburn for the one-half of the unpaid principal on 2009 bond from the Maine Municipal Bond Bank. Debt retired in 2013 totaled \$491,393. A capital lease was issued in 2013 totaling \$332,140. There are no unfinished commitments for capital expenditures as of December 31, 2013 or any debt limitations that may affect future financing. There were no changes in credit ratings in 2013.

Comparison of Financial Statements for Current and Prior Years

Statements of Net Position

	2013	2012
Current Assets	1,555,592	1,536,910
Other Asset	628,610	656,281
Capital Assets, Net	<u>18,668,425</u>	<u>18,557,074</u>
Total Assets	<u>20,852,627</u>	<u>20,750,265</u>
Deferred Outflows of Resources	<u>102,421</u>	<u>121,454</u>
Total Assets and Deferred Outflows of Resources	<u>20,955,048</u>	<u>20,871,719</u>
Current Liabilities	779,808	551,586
Non-Current Liabilities	<u>5,178,779</u>	<u>5,447,481</u>
Total Liabilities	<u>5,958,587</u>	<u>5,999,067</u>
Net Position:		
Net Investment in Capital Assets	12,962,477	12,650,480
Unrestricted	<u>2,033,984</u>	<u>2,222,172</u>
Total Net Position	<u>14,996,461</u>	<u>14,872,652</u>
Total Liabilities and Net Position	<u>20,955,048</u>	<u>20,871,719</u>

Statements of Revenues, Expenses and Changes in Fund Net Position

	2013	2012
Operating Revenues	3,762,922	3,713,885
Non-Operating Revenues	<u>27,337</u>	<u>72,345</u>
Total Revenues	<u>3,790,259</u>	<u>3,786,230</u>
Operating Expenses	3,573,416	3,523,921
Non-Operating Expenses	<u>101,738</u>	<u>111,290</u>
Total Expenses	<u>3,675,154</u>	<u>3,635,211</u>
Change in Net Position Before Extraordinary Items	115,105	151,019
Extraordinary Income	-0-	157,372
Contributions in Aid of Construction	<u>8,704</u>	<u>737,796</u>
Change in Net Position After Extraordinary Items	123,809	1,046,187
Net Position – Beginning of Year	<u>14,872,652</u>	<u>13,826,465</u>
Net Position – End of Year	<u>14,996,461</u>	<u>14,872,652</u>

Overall Financial Position and Results of Operations

To analyze the change in the District's overall financial position and results of operations in the past year, have focused on two elements: revenue stability and financial ratios.

Revenue Stability:

Sewer rates are set to maintain operations and pay debt service. The District's primary sources of operating revenues are user usage fees and industrial surcharges. Overall, operating revenues increased \$49,037 or 1.32% in 2013.

Financial Ratios:

Two of the key financial ratios for analyzing the District's financial position are the current ratio and the coverage ratio. The current ratio measures an entity's ability to meet short-term obligations. The coverage ratio shows an entity's ability to meet debt service payments. During 2013, the current ratio decreased from 2.79 to 1.99. During 2012, the coverage ratio decreased from 1.53 to 1.32.

Current Ratio

	2013	2012
Current Assets	1,555,592	1,536,910
Current Liabilities	779,808	551,586
Current Ratio	1.99	2.79

Coverage Ratio

	2013	2012
Operating Revenues	3,762,922	3,713,885
Non-Operating Revenues	27,337	72,345
Total Revenues	<u>3,790,259</u>	<u>3,786,230</u>
Operating Expenses	3,573,416	3,523,921
Depreciation Expenses	<u>(565,237)</u>	<u>(542,008)</u>
	<u>3,008,179</u>	<u>2,981,913</u>
Net Available for Debt Service	<u>782,080</u>	<u>804,317</u>
Principal Payments	491,393	416,681
Interest Payments	<u>100,322</u>	<u>109,149</u>
Total Debt Service Payments	<u>591,715</u>	<u>525,830</u>
Coverage Ratio	<u>1.32</u>	<u>1.53</u>

Budgetary Highlights

The District is not legally required to adopt budgetary accounting and reporting; however, an annual budget is prepared by management and approved by the Board of Trustees. There were no significant variations between original and final budget amounts. Overall the District operated within 3% of its total budget revenues and expenses.

Next Year's Operations

The District plans to continue addressing items identified in a 2012 I/I Study in 2014. Main replacement and/or lining projects to replace and repair close to 4000' of sewer main are expected in 2014. A new CS plan is being developed and a possible rate increase will occur in 2014.

Request For Information

Questions about the District's finances may be directed to John Storer, Superintendent, Auburn Sewerage District, 268 Court Street, Auburn, ME 04212.

**AUBURN SEWERAGE DISTRICT
 STATEMENTS OF NET POSITION - PROPRIETARY FUNDS
 DECEMBER 31,**

DRAFT

<i>Assets and Deferred Outflows of Resources</i>	<i>2013</i>	<i>2012</i>
Current Assets:		
Cash	1,040,154	1,004,366
Accounts Receivable	451,125	481,277
Current Portion of Construction Assessments	41,393	41,393
Prepaid Insurance	22,920	9,874
Total Current Assets	<u>1,555,592</u>	<u>1,536,910</u>
Non-Current Assets:		
Plant, Property and Equipment:		
Utility Plant	31,312,066	30,654,729
Less: Accumulated Depreciation	<u>12,643,641</u>	<u>12,097,655</u>
Total Plant, Property and Equipment	18,668,425	18,557,074
Construction Assessments	<u>628,610</u>	<u>656,281</u>
Total Non-Current Assets	<u>19,297,035</u>	<u>19,213,355</u>
Total Assets	<u>20,852,627</u>	<u>20,750,265</u>
Deferred Outflows of Resources	<u>102,421</u>	<u>121,454</u>
Total Assets and Deferred Outflows of Resources	<u><u>20,955,048</u></u>	<u><u>20,871,719</u></u>

See independent auditors' report and accompanying notes to the financial statements.

**AUBURN SEWERAGE DISTRICT
 STATEMENTS OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)
 DECEMBER 31,**

DRAFT

<i>Liabilities and Net Position</i>	2013	2012
Current Liabilities:		
Accounts Payable	211,638	45,549
Accrued Interest	15,882	17,231
Accrued Vacation	14,542	15,019
Other Liabilities	6,990	10,935
Current Portion of Capital Lease Obligation	63,012	-
Current Portion of Bonds Payable	467,744	462,852
Total Current Liabilities	<u>779,808</u>	<u>551,586</u>
Non-Current Liabilities		
Compensated Absences	3,587	3,739
Long-Term Debt:		
Capital Lease Obligation	199,194	-
Bonds Payable	4,975,998	5,443,742
Total Long-Term Debt	<u>5,175,192</u>	<u>5,443,742</u>
Total Non-Current Liabilities	<u>5,178,779</u>	<u>5,447,481</u>
Total Liabilities	<u>5,958,587</u>	<u>5,999,067</u>
Net Position:		
Net Investment in Capital Assets	12,962,477	12,650,480
Unrestricted	2,033,984	2,222,172
Total Net Position	<u>14,996,461</u>	<u>14,872,652</u>
Total Liabilities and Net Position	<u>20,955,048</u>	<u>20,871,719</u>

See independent auditors' report and accompanying notes to the financial statements.

**AUBURN SEWERAGE DISTRICT
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
 PROPRIETARY FUNDS
 YEARS ENDED DECEMBER 31,**

	2013	2012
Operating Revenues:		
Sewer Billing Revenues	3,125,861	3,097,834
City of Auburn - Catch Basins	12,500	12,500
Storm Sewer Separation	23,750	15,750
Industrial Surcharge	523,699	519,519
Treatment Sampling Fees	46,200	46,200
Other Income	30,912	22,082
Total Operating Revenues	<u>3,762,922</u>	<u>3,713,885</u>
Operating Expenses:		
Operation and Maintenance	2,991,911	2,974,108
Depreciation	565,237	542,008
Amortization	16,268	7,805
Total Operating Expenses	<u>3,573,416</u>	<u>3,523,921</u>
Net Operating Income	<u>189,506</u>	<u>189,964</u>
Non-Operating Revenues (Expenses):		
Jobbing Income - Net	10,667	51,990
Interest Income	16,670	20,355
Interest Expense	(98,973)	(108,525)
Amortization of Bond Issue Costs	(2,765)	(2,765)
Total Non-Operating Revenues (Expenses)	<u>(74,401)</u>	<u>(38,945)</u>
Change in Net Position Before Extraordinary Items	115,105	151,019
Extraordinary Income	-	157,372
Contributions in Aid of Construction	<u>8,704</u>	<u>737,796</u>
Change in Net Position After Extraordinary Items	123,809	1,046,187
Net Position - Beginning of Year	<u>14,872,652</u>	<u>13,826,465</u>
Net Position - End of Year	<u><u>14,996,461</u></u>	<u><u>14,872,652</u></u>

See independent auditors' report and accompanying notes to the financial statements.

**AUBURN SEWERAGE DISTRICT
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
YEARS ENDED DECEMBER 31,**

DRAFT

	2013	2012
Cash Flows from Operating Activities:		
Receipts from Customers and Users	3,793,074	3,677,203
Payments to Suppliers	(2,301,664)	(2,487,521)
Payments to Employees	<u>(541,778)</u>	<u>(513,278)</u>
Net Cash Flows from Operating Activities	<u>949,632</u>	<u>676,404</u>
Cash Flows from Noncapital Financing Activities:		
Other Revenues	<u>10,667</u>	<u>205,990</u>
Net Cash Flows from Noncapital Financing Activities	<u>10,667</u>	<u>205,990</u>
Cash Flows from Capital and Related Financing Activities:		
Deferred Costs	-	(84,629)
Net Construction Assessments Received (Issued)	(13,722)	6,840
Construction Receipts	8,704	92,664
Purchase of Capital Assets	(344,448)	(110,662)
Interest Payments on Long-Term Debt	(100,322)	(109,149)
Principal Payments on Long-Term Debt	<u>(491,393)</u>	<u>(416,681)</u>
Net Cash Flows from Capital and Related Financing Activities	<u>(941,181)</u>	<u>(621,617)</u>
Cash Flows from Investing Activities:		
Investment Income	<u>16,670</u>	<u>20,355</u>
Net Cash Flows from Investing Activities	<u>16,670</u>	<u>20,355</u>
Net Increase (Decrease) in Cash and Cash Equivalents	35,788	281,132
Cash and Cash Equivalents at Beginning of Year	<u>1,004,366</u>	<u>723,234</u>
Cash and Cash Equivalents at End of Year	<u><u>1,040,154</u></u>	<u><u>1,004,366</u></u>

See independent auditors' report and accompanying notes to the financial statements.

**AUBURN SEWERAGE DISTRICT
 STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
 YEARS ENDED DECEMBER 31,**

DRAFT
 2013 2012

Reconciliation of Operating Income to Net Cash Flows from		
Operating Activities:		
Operating Income	189,506	189,964
Adjustments to Reconcile Operating Income to Net Cash		
Flows from Operating Activities:		
Depreciation	565,237	542,008
Amortization	16,268	7,805
Change in Operating Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	30,152	(36,682)
(Increase) Decrease in Prepaid Insurance	(13,046)	653
(Decrease) Increase in Accounts Payable	166,089	(38,256)
(Decrease) Increase in Accrued Vacation	(477)	2,368
(Decrease) Increase in Other Liabilities	(3,945)	4,805
(Decrease) Increase in Compensated Absences	(152)	3,739
Net Cash Flows from Operating Activities	949,632	676,404

Supplemental Disclosures of Cash Flow Information

Noncash Investing and Financing Activities:

Capital Lease Incurred to Purchase Transportation Equipment	332,140	-
Receipt of Capital Assets from the Town of Poland	-	645,132

See independent auditors' report and accompanying notes to the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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Auburn Sewerage District's (the District) financial statements include the operations for which the Board of Trustees exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

Nature of Business

The District furnishes sewerage collection services in the City of Auburn and a portion of the Town of Poland. Its accounting policies conform to generally accepted accounting principles as applicable to quasi-municipal units, which utilize the accrual basis of accounting. The majority of operating revenue is derived from usage fees and industrial surcharges. There are no component units or fiduciary funds included in the District. Revenue is recognized in the period when billed to customers.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Custodial Credit Risk

For purposes of these statements, the District considers all highly liquid debt instruments purchased with a maturity of six months or less to be cash equivalents. All cash is held in interest bearing accounts in local banks. All cash is available for current use at December 31, 2013 and 2012. The District does not have policies for bank balances not covered by depository insurance known as custodial credit risk. At December 31, 2013 and 2012 all cash and cash equivalents are covered by FDIC insurance.

Deposits and Investments

Maine Statutes authorize investments in obligations of the U.S. Treasury and U.S Agencies, repurchase agreements, certain certificates of deposit and certain money market funds. The District has not formally adopted deposit and investment policies that limit the District's allowable deposits or investments and address the specific types of risk to which the District is exposed beyond Maine Statutes.

Accounts Receivable

Accounts receivable are stated at net realizable value. No allowance for doubtful accounts has been recorded in the financial statements. Uncollectible accounts are written off in the year in which they are deemed to be uncollectible.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plant, Property and Equipment

Plant, property and equipment are stated at cost. Depreciation has been provided on a basis considered adequate to amortize the cost of depreciable assets over their estimated useful lives on the straight-line method at rates from 1% to 20%. Annual rates in use are as follows:

Structures and Improvements	2.0% - 10.0%
Plant Assets	2.0% - 10.0%
Sewers	1.0% - 2.0%
Transportation Equipment	6.7% - 20.0%
General Equipment	10.0% - 20.0%
Engineering Plans	2.0%

Land costs are not being depreciated because they have indefinite useful lives.

Capitalization Policy

Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. The amounts charged to utility plant accounts represent all reasonable and necessary costs, including labor, materials, overhead, equipment charges and interest costs incurred. Routine maintenance and repairs are expended as incurred. The District does not have a policy setting a minimum capitalization threshold for amount or lives for reporting capital assets.

Construction Assessments

Assessments to customers for connection to new sewer mains may be financed with the District for up to ten years. The District requires a note and second mortgage on the customers' property as collateral. These assessments are recorded as receivables and offset by revenue. The District also charges new sewer connectors a storm drain separation fee. Included in construction assessments at December 31, 2013 and 2012 is \$682,979 and \$682,979, respectively due from the City of Auburn for one half of the outstanding principal on the May 20, 2009 bond. The amount to be received from the City of Auburn in 2014, shown as a current asset, is \$41,393.

New Accounting Standards

During 2013 the District adopted the following Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) DRAFT

Deferred Outflows of Resources

Deferred outflows of resources are as follows at December 31:

	2013	2012
Unamortized Bond Issue Costs	23,256	26,021
Perryville Sewer Design Costs	-0-	6,305
CSO Master Plan Costs	2,999	4,499
Inflow and Infiltration Study Costs	76,166	84,629
	<u>102,421</u>	<u>121,454</u>

Bond issue costs are being amortized over the lives of the respective bonds on the straight-line method ending in 2028. Design, master plan, and inflow and infiltration costs are being amortized on the straight-line method over ten years ending in 2013, 2015 and 2022, respectively.

Compensated Absences

The District reports compensated absences in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 16 *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The accrued vacation liability, shown as a current liability, at December 31, 2013 and 2012 was \$14,542 and \$15,019, respectively. According to the District's personnel handbook, "employees who retire from the District will be paid one half of their earned unused sick time at their current hourly rate, otherwise, employees are not paid for earned but unused sick leave upon separation from services". The sick leave liability balance only includes employees that are eligible for retirement at year end; the liability for all other employees could not be accurately determined. The sick leave liability, shown as a non-current liability titled compensated absences, was \$3,587 and \$3,739, respectively, at December 31, 2013 and 2012. Activity for compensated absences was as follows at December 31:

2011			2012			2013
Balance	Increases	Decreases	Balance	Increases	Decreases	Balance
-0-	3,739	-0-	3,739	-0-	152	3,587

Restricted Resources

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**AUBURN SEWERAGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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Other Liabilities

Other liabilities are as follows at December 31:

	2013	2012
Customer Deposits	6,990	6,660
Accrued Employee Manual & Survey Costs	-0-	4,275
	<u>6,990</u>	<u>10,935</u>

Measurement Focus, Basis of Accounting and Basis of Presentation

The District follows GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement provides specific guidance as to which FASB and AICPA pronouncement provisions should be applied to state and local governments. The District prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which are similar to those for private business enterprises. Proprietary funds are accounted for on the flow of economic resource measurement. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. Proprietary funds distinguish operating revenues and expenses from non-operating activity. Operating revenues arise from providing goods or services to outside parties for a fee. Revenues and expenses that are not derived directly from operations are reported as non-operating revenues and expenses.

Taxes

As a quasi-municipal entity, the District is not subject to Federal and State income taxes, accordingly it is not necessary to consider the effects of any uncertain tax positions.

The District is subject to Federal and State payroll taxes and is required to file the appropriate tax returns. Management believes that all required returns have been properly filed as of December 31, 2013. No examinations have been conducted by the Federal or State taxing authorities and no correspondence has been received from these authorities.

Budget

The District is not legally required to adopt a budget; therefore, there is no requirement to present budgetary comparison information as required supplementary information.

NOTE 2 - MAJOR CUSTOMER

The District derived approximately 32% of its total operating revenues from its ten largest customers for the years ended December 31, 2013 and 2012.

**AUBURN SEWERAGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

NOTE 3 - LONG-TERM DEBT

Bonds Payable

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Bonds payable as of December 31, 2012:

	Beginning Balance	Increases	Decreases	Ending Balance
Bond payable to Maine Municipal Bond Bank, maturing in 2012. Interest rate of 1.00%.	117,870		117,870	-0-
Bond payable to Bank of New York Mellon, maturing in 2019. Interest rates of 5.50% - 5.70%.	520,000		60,000	460,000
Bond payable to Maine Municipal Bond Bank, maturing in 2019. Interest rate of 1.56%.	435,857		55,657	380,200
Bond payable to Maine Municipal Bond Bank, maturing in 2022. Interest rate of 2.00%.	886,809		71,491	815,318
Bond payable to Maine Municipal Bond Bank, maturing in 2023. Interest rate of 2.25%.	508,807		40,851	467,956
Bond payable to Maine Municipal Bond Bank, maturing in 2027. Interest rate of 1.62%.	1,154,794		63,805	1,090,989
Bond payable to Maine Municipal Bond Bank, maturing in 2029. Interest rate of 1.50%.	867,749		59,080	808,669
Bond payable to Maine Municipal Bond Bank, maturing in 2029. Interest rates of 1.01%.	545,280		27,776	517,504
Bond payable to Maine Municipal Bond Bank, maturing in 2029. Interest rate of 0.00%.	1,448,743		82,785	1,365,958
Total Outstanding Debt	6,485,909		579,315	5,906,594
Less: Current Portion	575,944			462,852
Total Long-Term Debt	<u>5,909,965</u>			<u>5,443,742</u>

**AUBURN SEWERAGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

NOTE 3 - LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

Bonds payable as of December 31, 2013:

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	Beginning Balance	Increases	Decreases	Ending Balance
Bond payable to Bank of New York Mellon, maturing in 2019. Interest rates of 5.50% - 5.70%.	460,000		60,000	400,000
Bond payable to Maine Municipal Bond Bank, maturing in 2019. Interest rate of 1.56%.	380,200		54,482	325,718
Bond payable to Maine Municipal Bond Bank, maturing in 2022. Interest rate of 2.00%.	815,318		73,189	742,129
Bond payable to Maine Municipal Bond Bank, maturing in 2023. Interest rate of 2.25%.	467,956		39,236	428,720
Bond payable to Maine Municipal Bond Bank, maturing in 2027. Interest rate of 1.62%.	1,090,989		64,837	1,026,152
Bond payable to Maine Municipal Bond Bank, maturing in 2029. Interest rate of 1.50%.	808,669		60,267	748,402
Bond payable to Maine Municipal Bond Bank, maturing in 2029. Interest rates of 1.01%.	517,504		28,056	489,448
Bond payable to Maine Municipal Bond Bank, maturing in 2029. Interest rate of 0.00%.	1,365,958		82,785	1,283,173
Total Outstanding Debt	5,906,594		462,852	5,443,742
Less: Current Portion	462,852			467,744
Total Long-Term Debt	<u>5,443,742</u>			<u>4,975,998</u>

One half of the Maine Municipal Bond Bank issue maturing in 2029 with an interest rate of 0.00% is reflected in construction assessments receivable from the City of Auburn to be paid by annual amounts equal to one half of the bond issue's principal and interest due.

**AUBURN SEWERAGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

NOTE 3 - LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

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Required total future debt service payments are as follows:

	Principal	Interest	Credits	Total
2014	467,744	95,751	(1,897)	561,598
2015	472,747	87,360	(1,940)	558,167
2016	487,870	78,585	(1,955)	564,500
2017	493,110	69,406	(1,933)	560,583
2018	498,476	60,083	(2,091)	556,468
2019 – 2023	1,986,923	187,251	(6,234)	2,167,940
2024 – 2029	1,036,872	71,212	-0-	1,108,084
	<u>5,443,742</u>	<u>649,648</u>	<u>(16,050)</u>	<u>6,077,340</u>

The District has received credits from the Maine Municipal Bond Bank that are being recognized over the remaining lives of the respective bond issues. These credits will offset future interest expense.

Capital Leases

The capital lease for a vacuum truck is as follows at December 31, 2013:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital lease payable to Androscoggin Bank, maturing in 2017. Interest rate of 6.57%.	-0-	332,140	69,934	262,206
Less: Current Portion	<u>-0-</u>			<u>63,012</u>
Capital Lease Obligation	<u>-0-</u>			<u>199,194</u>

The capital lease is collateralized by a vacuum truck and includes a bargain purchase option at the end of the lease term. The gross amount of assets recorded under the capital lease is \$332,140 and the accumulated depreciation is \$16,883 at December 31, 2013. Depreciation expense is \$16,883 in 2013. The following is a schedule of the future minimum lease payments and the net present value of the minimum lease payments as of December 31, 2013:

2014	69,934
2015	69,934
2016	69,934
2017	69,934
Total Lease Payments	<u>279,736</u>
Less: Amount Representing Interest	<u>17,530</u>
Present Value of Minimum Lease Payments	<u>262,206</u>

**AUBURN SEWERAGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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NOTE 4 - NET POSITION

Net position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following components: net investment in capital assets and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and adding back unspent bond proceeds. The District's net investment in capital assets was calculated as follows at December 31:

	2013	2012
Total Property, Plant and Equipment	18,668,425	18,557,074
Capital Lease Obligation, Including Current Portion	(262,206)	-0-
Bonds Payable, Including Current Portion	<u>(5,443,742)</u>	<u>(5,906,594)</u>
Net Investment in Capital Assets	<u>12,962,477</u>	<u>12,650,480</u>

unrestricted net position consists of all other net position not included in the above category.

NOTE 5 - UTILITY PLANT

Capital asset costs, additions and disposals are as follows for the year ended December 31, 2012:

	Beginning Balance	Additions	Disposals	Balance
Land	56,315			56,315
Structures and Improvements	465,768			465,768
Other Plant Assets	652,806	387,118		1,039,924
Sewers	27,790,071	645,132		28,435,203
Transportation Equipment	49,558			49,558
Office Equipment	95,813	1,215		97,028
Tools	113,580			113,580
Miscellaneous Equipment	379,228	918		380,146
Engineering Plans	8,254			8,254
Construction Work in Progress	287,542	8,953	287,542	8,953
Gross Utility Plant	<u>29,898,935</u>	<u>1,043,336</u>	<u>287,542</u>	<u>30,654,729</u>
Less: Accumulated Depreciation	<u>11,555,647</u>	<u>542,008</u>	<u>-0-</u>	<u>12,097,655</u>
Net Utility Plant	<u>18,343,288</u>	<u>501,328</u>	<u>287,542</u>	<u>18,557,074</u>

**AUBURN SEWERAGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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NOTE 5 - UTILITY PLANT (CONTINUED)

Capital asset costs, additions and disposals are as follows for the year ended December 31, 2013:

	Beginning Balance	Additions	Disposals	Balance Balance
Land	56,315			56,315
Structures and Improvements	465,768			465,768
Other Plant Assets	1,039,924	82,467	15,000	1,107,391
Sewers	28,435,203	178,576	4,251	28,609,528
Transportation Equipment	49,558	352,660		402,218
Office Equipment	97,028	1,120		98,148
Tools	113,580	14,132		127,712
Miscellaneous Equipment	380,146	50,691		430,837
Engineering Plans	8,254			8,254
Construction Work in Progress	8,953	(3,058)		5,895
Gross Utility Plant	30,654,729	676,588	19,251	31,312,066
Less: Accumulated Depreciation	12,097,655	565,237	19,251	12,643,641
Net Utility Plant	18,557,074	111,351	-0-	18,668,425

NOTE 6 - JOINT VENTURE

The Lewiston-Auburn Water Pollution Control Authority (LAWPCA) is a joint venture of Auburn Sewerage District and the City of Lewiston. The Authority was incorporated during 1967 as a quasi-municipal corporation to provide and maintain a sewer treatment facility adequate for the treatment and disposal of waste water discharged by the two cities.

Management of LAWPCA consists of a seven member Board of Directors as follows:

- 1) The Lewiston Assistant City Administrator
- 2) Lewiston's Director of Public Works
- 3) The General Manager of the Auburn Sewerage District
- 4) The Auburn City Manager
- 5) A Trustee of the Auburn Sewerage District
- 6) Mayor appointed citizen of Lewiston, who is approved by the City Council
- 7) A resident of Lewiston or Auburn, who is elected by the Board to a 3 year term

Proportionate share of long-term debt: At December 31, 2013 and 2012, LAWPCA was liable for unsecured bonds of \$20,069,859 and \$20,935,115, respectively. For the year 2013 and 2012, the District's portion of the bonds payable was set at 45% and 44%, respectively. Historically, the District has included its' share of this debt service as a portion of its' annual budget authorized by the District's Trustees each December for the following year. Separate financial statements are available for LAWPCA.

NOTE 7 - RETIREMENT PLAN

The District participates in the Maine Public Employees Retirement System (MPERS), which is a multi-employer agent Public Employer Retirement System as defined by GASB Statement No. 25. Effective July 1, 1995, the District joined other municipal entities in the Maine State Retirement System's Participating Local District (PLD) Consolidation Plan. Participation in the system is elective. Benefits are defined by State law. Participation in MPERS is available to employees who were enrolled prior to June 1, 1997. Participants generally are fully vested at age 60 with 25 years of credited service. In general, they are entitled to an annual benefit equal to 2% of final compensation multiplied by the number of years of credited service, payable monthly.

Employees' contribution rate is set by statute at 6.5%. Employee contributions to this plan totaled \$1,995 and \$2,009 during 2013 and 2012, respectively. The employer required contribution rate is calculated on an actuarially determined basis. The District's contribution rate and amount contributed was as follows for the current year and preceding two years:

	2013	2012	2011
Contribution Rate	6.5%	5.3%	4.4%
Contribution Amount	17,607	17,391	14,244

As of June 30, 2013, the District had an initial unpooled unfunded actuarial liability totaling \$137,724 that is being amortized over four years from July 1, 2012. The Auburn Water District's share of this liability is 60%.

Pension benefits were computed as part of an actuarial valuation performed as of June 30, 2013. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.25% a year compounded annually, (b) projected salary increases of 3.50% - 9.50% a year compounded annually, attributable to inflation, and (c) post-retirement benefit increases of 2.55% per year.

All PLDs that enter the Consolidated Plan cease to be individual sponsors of a "Single-Employer Defined Benefit Pension Plan" and instead become participants in a "Cost-Sharing Multiple-Employer Defined Benefit Pension Plan". As such, the disclosures made by the individual PLDs should reflect the assets and liabilities of the Consolidated Plan and not those of the PLD itself. The Maine State Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the PLDs.

The District offers employees who do not participate in MPERS the option to participate in an employee money purchase plan through ICMA-RC Retirement Corporation whereby the District contributes 6.0% of employees' gross wages on their behalf as approved by the Board of Trustees. The Board of Trustees have authority over plan provisions, requirements and amendments. Total expense for this plan at December 31, 2013 and 2012 was \$16,493 and \$14,685, respectively. Employees cannot contribute to this plan.

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NOTE 7 - RETIREMENT PLAN (CONTINUED)

The District also maintains a 457 deferred compensation plan through ICMA-RC Retirement Corporation for employees who wish to make additional retirement contributions. The District does not contribute to this plan. This plan is administered with the Auburn Water District. Total employee contributions to this plan in 2013 and 2012 were \$39,355 and \$34,779, respectively.

NOTE 8 - COMMITMENTS

The District entered into contracts with Constellation Energy to supply electricity to the District's facilities at \$0.0533 per kilowatt hour. Contracts are effective through May 31, 2015. The amount paid to Constellation Energy in 2013 and 2012 was \$20,482 and \$26,468, respectively.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases commercial insurance for the risks of losses to which it is exposed. There have been no significant reductions in the commercial coverage from the prior year. The District is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2013 and 2012.

NOTE 10 - RELATED PARTY TRANSACTIONS

During 2013 and 2012, the District expended \$5,529 and \$1,044, respectively, to an oil company owned by a Trustee of the District. During 2013 and 2012, the District expended \$3,429 and \$5,882, respectively to an engineering firm that employs a Trustee of the District. There are no amounts due from, or to, related parties at December 31, 2013 and 2012.

NOTE 11 - EXTRAORDINARY INCOME

Extraordinary income consists of the following at December 31, 2012:

Maine Municipal Bond Bank Principal Credits	3,372
Town of Poland Payment for Future Pump Station Maintenance Costs	<u>154,000</u>
	<u>157,372</u>

NOTE 12 - SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through April 9, 2014, the date of the financial statements were available to be issued.

**AUBURN SEWERAGE DISTRICT
OPERATION AND MAINTENANCE EXPENSES
YEARS ENDED DECEMBER 31,**

SCHEDULE 1

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	2013	2012
Salaries and Wages:		
Lift Stations and Building	15,777	10,609
Maintenance of Mains	210,872	205,540
Maintenance of Vehicles	5,875	2,363
Administration	82,035	77,564
Officers and Trustees	46,788	44,874
Total Salaries and Wages	<u>361,347</u>	<u>340,950</u>
Pension and Benefits	179,802	178,435
Purchased Power	56,853	67,332
Materials and Supplies:		
Maintenance of Mains	58,601	53,705
Maintenance of Lift Stations	1,598	2,666
Maintenance of Buildings	16,914	13,542
Office	3,373	3,357
Total Materials and Supplies	<u>80,486</u>	<u>73,270</u>
Contractual Services	32,139	27,719
Transportation	14,407	10,149
Insurance	40,788	28,484
Miscellaneous:		
Building	11,559	11,089
Lift Station	48,448	37,821
Maintenance of Mains	11,160	21,568
Customer Accounting	63,763	61,116
Bad Debts	(1,912)	(7,321)
Administration	19,250	17,910
Total Miscellaneous	<u>152,268</u>	<u>142,183</u>
Telephone	4,401	3,992
Equipment Maintenance	3,591	1,586
Water Pollution Control Authority	<u>2,065,829</u>	<u>2,100,008</u>
Total Operation and Maintenance Expenses	<u><u>2,991,911</u></u>	<u><u>2,974,108</u></u>

See accompanying independent auditors' report.

Auburn Water and Sewerage Districts

Mowing Services 2014-2017

Bid Date: 5/6/2014

Bid Tabulation

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total</u>
1 G & G Landscaping 35 Cedar Lane Wales Maine, 04280	\$ 12,070.00	\$ 12,070.00	\$ 12,365.00	\$ 12,365.00	<u>\$ 48,870.00</u>
2 Goodscapes Lawn Care and Landscaping 901 Main St. Lewiston, Me. 04240	\$ 12,790.00	\$ 13,045.00	\$ 13,305.00	\$ 13,571.00	<u>\$ 52,711.00</u>
3 Labonte's Landscaping 465 College Street Lewiston, Me. 04240	\$ 13,120.00	\$ 13,120.00	\$ 14,070.00	\$ 14,070.00	<u>\$ 54,380.00</u>
4 Custom Landscape 4 Coyote Run Sabattus, Me. 04280	\$ 19,000.00	\$ 19,000.00	\$ 19,000.00	\$ 19,000.00	<u>\$ 76,000.00</u>
5 Carriers Landscaping Design and Lawncare 344 Old Greene Rd. Lewiston, Me. 04240	\$ 18,300.00	\$ 19,050.00	\$ 19,800.00	\$ 20,525.00	<u>\$ 77,675.00</u>

**Lew-Auburn Water Pollution Control
Profit & Loss
January through April 2014**

	Jan - Apr 14
Ordinary Income/Expense	
Income	
401 Revenue-Auburn Sewer Dis	485,510.03
402 Revenue-Lewiston	618,215.30
403 Septic Waste	18,350.10
404 Miscellaneous Revenue	27,929.21
405 Industrial Licenses	295.00
406 Septic Fees and Licenses	125.00
408 Discounts	9.87
409 Compost Revenue	20,222.53
410 Constellation New Energy	1,372.10
Total Income	1,172,029.14
Gross Profit	1,172,029.14
Expense	
602 Chemicals & Amendment	
60211 Chemical & Amendment	54,752.31
60212 Chemical & Amendment	101,998.40
Total 602 Chemicals & Amendment	156,750.71
603 Equip Maint & Repair	
60311 Treatment Plant	29,636.04
60312 Compost Facility	18,435.69
Total 603 Equip Maint & Repair	48,071.73
604 Buildings & Grounds	
60411 Buildings & Grounds	29,652.27
60412 Buildings & Grounds CF	18,974.99
Total 604 Buildings & Grounds	48,627.26
605 Vehicle Expenses	
60511 Vehicle Expense TP	15,241.38
60512 Vehicle Expense CF	7,281.74
Total 605 Vehicle Expenses	22,523.12
606 Residuals Disposal	
60611 Residuals Disposal TP	26,969.75
Total 606 Residuals Disposal	26,969.75
607 Laboratory Expense	
60711 Laboratory & Analytical	14,670.43
60712 Laboratory & Analytical	7,899.16
Total 607 Laboratory Expense	22,569.59
608 Pretreatment	
60811 Pretreatment TP	3,000.87
Total 608 Pretreatment	3,000.87
609 Safety	
60911 Safety TP	3,878.84
60912 Safety CF	726.18
Total 609 Safety	4,605.02
611 Electrical Power	
61111 Electrical Power TP	84,825.70
61112 Electrical Power CF	6,109.81
Total 611 Electrical Power	90,935.51
612 Fuel	
61211 Fuel	35,446.96
61212 Fuel CF	60,324.31
Total 612 Fuel	95,771.27

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 05/05/14
 Accrual Basis

**Lew-Auburn Water Pollution Control
 Profit & Loss
 January through April 2014**

	Jan - Apr 14
613 Water	
61311 Water	9,347.55
61312 Water CF	147.00
Total 613 Water	9,494.55
615 Landfill Maint./Monitori	
61511 Landfill Maint/Monitor	10,024.80
Total 615 Landfill Maint./Monitori	10,024.80
701 Office Supplies	
70111 Office Supplies TP	3,241.62
70112 Office Supplies CF	139.29
Total 701 Office Supplies	3,380.91
702 Telephone & Communicatio	
70211 Telephone & Communicatio	2,309.05
70212 Telephone & Communicatio	367.04
Total 702 Telephone & Communicatio	2,676.09
703 Insurance Expense	
70311 Insurance Expense TP	23,199.00
Total 703 Insurance Expense	23,199.00
704 Legal & Audit	
70411 Legal & Audit	3,879.40
Total 704 Legal & Audit	3,879.40
705 Advertising	
70512 Advertising CF	270.75
Total 705 Advertising	270.75
706 Salaries & Wages	
70611 Salaries & wages TP	334,284.94
70612 Salaries & Wages CF	47,696.33
Total 706 Salaries & Wages	381,981.27
707 Employee Benefits	
70711 Employee Benefits TP	102,909.18
70712 Employee Benefits CF	19,270.35
707 Employee Benefits - Other	27,281.89
Total 707 Employee Benefits	149,461.42
708 Professional Development	
70811 Professional Development	8,873.34
70812 Professional Development	45.00
Total 708 Professional Development	8,918.34
709 Licensing Fees	
70911 Licensing Fess TP	1,195.22
70912 Licensing Fees CF	338.00
Total 709 Licensing Fees	1,533.22
710 ICMA Employer portion	0.00
801 Interest Expense	112,331.00
802 Debt Expense	5,061.01
Total Expense	1,232,036.59
Net Ordinary Income	-60,007.45

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05/05/14
Accrual Basis

Lew-Auburn Water Pollution Control
Profit & Loss
January through April 2014

	<u>Jan - Apr 14</u>
Other Income/Expense	
Other Income	
407 Interest Income	148.94
Total Other Income	<u>148.94</u>
Net Other Income	<u>148.94</u>
Net Income	<u><u>-59,858.51</u></u>

Low-Auburn Water Pollution Control
Balance Sheet
As of April 30, 2014

	Apr 30, 14
ASSETS	
Current Assets	
Checking/Savings	
101 Mechanics SB Checking	366,749.80
103 Petty Cash (TP)	100.00
104 Petty Cash (CF)	50.00
105 Mechanics Money Market	3,000.63
110 Investments-ASLA	240,547.22
114 Undrawn Bond Funds	837,864.09
Total Checking/Savings	1,448,311.74
Accounts Receivable	
120 Accounts Receivable	978.21
121 Accounts Receivable-LA	-250.00
122 Accounts Rec. Septic	6,668.50
123 Accounts Rec. Compost	6,464.59
Total Accounts Receivable	13,861.30
Other Current Assets	
140 Current Asset Acct	10,944.00
Prepaid Insurance	20,414.88
Total Other Current Assets	31,358.88
Total Current Assets	1,493,531.92
Fixed Assets	
160 Land	184,609.81
165 Composting Facility	8,258,484.23
170 Office Equipment	83,366.12
171 Plant & Equipment	38,165,871.06
180 Transportation Equipme	539,894.01
803 Accumulated Depreciation	-22,600,115.00
Total Fixed Assets	24,632,110.23
TOTAL ASSETS	26,125,642.15
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
202 Accounts Payable	92,587.68
Total Accounts Payable	92,587.68
Other Current Liabilities	
202-10 Additional Acct. Payabl	20,816.00
208 Accrued Payroll	29,123.56
209 Accrued Benefits	93,854.89
211 FICA	2,970.54
212 Federal Withholding	2,080.00
213 State Withholding	836.76
215 MSRS-ICMA	3,775.57
216 Life Insurance	327.40
217 Aflac	138.92
218 Union Dues	722.95
219 Group Dynamic	-4.00
220 Miscellaneous Deductions	-1,865.83
221 Dental Insurance	-157.84
222 Vision-pretx	-109.41
223 Reserve For Replacement	204,688.01
226 Sales Tax Payable	207.69
228 Accrued Interest	58,695.99
244 Unallocated Fund Balance	110,000.00

8:33 AM

05/05/14

Accrual Basis

Low-Auburn Water Pollution Control
Balance Sheet
As of April 30, 2014

	<u>Apr 30, 14</u>
Direct Deposit Liabilities	-212.87
Payroll Liabilities	-125.00
Total Other Current Liabilities	<u>525,763.33</u>
Total Current Liabilities	618,351.01
Long Term Liabilities	
236 Bonds Payable-1998/2003	946,541.71
237 Bonds Payable -2001	966,492.85
238 Bonds Payable -2005	1,275,695.00
239 Bonds Payable -2008	903,551.20
240 Bonds Payable- 2010	2,432,578.29
241 Bonds Payable-2011	13,545,000.00
251 Grants	5,689,707.71
Total Long Term Liabilities	<u>25,759,566.76</u>
Total Liabilities	26,377,917.77
Equity	
255 Appropriated Re-Fixed	-23,414,385.00
260 Retained Earnings Unapp	3,194,143.19
261 Retained Earnings Appro	20,027,824.70
Net Income	-59,858.51
Total Equity	<u>-252,275.62</u>
TOTAL LIABILITIES & EQUITY	<u><u>26,125,642.15</u></u>

Lewiston - Auburn Water Pollution Control Authority

Cost Apportionment Summary - First Half of 2014

Lewiston Sewer Division		Auburn Sewerage District		Difference \$	
Month	Initial %	Initial \$	Op Data %	Op Data \$	Difference \$
January	56.00%	\$138,086.66	56.90%	\$140,305.91	(\$2,219.25)
February	56.00%	\$138,086.66	55.09%	\$135,842.76	\$2,243.91
March	56.00%	\$138,086.66	58.83%	\$145,064.97	(\$6,978.31)
April	55.00%	\$135,620.83	54.79%	\$135,103.01	\$517.82
May	55.00%	\$135,620.83	56.96%	\$140,453.86	(\$4,833.03)
June	55.00%	\$135,620.83	55.22%	\$136,163.31	(\$542.48)
Six Month Adjustment			56.30%		(\$11,811.34)

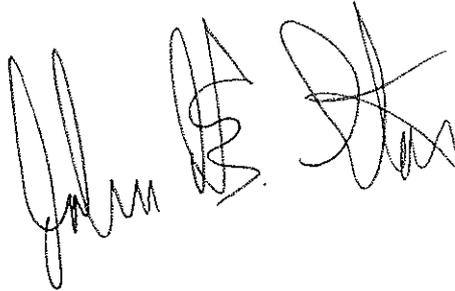
Cost Apportionment Summary - Second Half of 2013

Lewiston Sewer Division		Auburn Sewerage District		Difference \$	
Month	Initial %	Initial \$	Op Data %	Op Data \$	Difference \$
July	57.00%	\$140,552.50	53.76%	\$132,563.20	\$7,989.30
August	57.00%	\$140,552.50	55.32%	\$136,409.90	\$4,142.60
September	57.00%	\$140,552.50	55.44%	\$136,705.80	\$3,846.70
October	57.00%	\$140,552.50	53.62%	\$132,217.98	\$8,334.52
November	57.00%	\$140,552.50	52.88%	\$130,393.26	\$10,159.23
December	57.00%	\$140,552.50	56.30%	\$138,826.41	\$1,726.08
Six Month Total Adj			54.55%		\$36,198.43
Average to date			56.40%		
Adjustments to date					(\$6,435.82)
Average / Adjustments year end			55.43%		\$24,387.09

All data in large font are 2014 data, Data shown in smaller, italicized font are 2013 data used for estimation/illustration purposes only.

Memo

To: Sewerage District Trustees
From: John Storer
CC: Files
Date: May 16, 2014
Re: Vactor Truck – Pending Litigation



The second item on your monthly agenda is scheduled as an Executive Session to confer with our legal counsel in regards to pending Vactor Truck litigation. Jamie Belleau from Skelton, Taintor & Abbot will be present to provide a brief update on our legal options.

I will plan to update the Board in more detail. But following up on an earlier email notification, we've experienced some lingering issues with our Vactor Truck, related to either the fuel pump or electrical system. Over the past year, we estimate that we had around 7 or 8 different visits to the local service shop. A couple of times the Vactor Truck died on the side of the road. The truck broke down again twice this spring as we began to initiate our sewer cleaning work. In late April we spoke to our attorney to discuss potential options. We were very concerned that repairs were not remediating the issue.

We officially received the truck on May 6 of last year, so our attorney encouraged us to formally file a lawsuit prior to the 1-year acceptance date – which we subsequently did. We were a bit hesitant to pursue this effort, especially without conferring with the entire Board, but ultimately felt it was a critical and necessary step to protect our financial interests. Please keep in mind the purchase price of the Vactor Truck was \$332,140. In discussion with both Auburn and Lewiston's departments of public works, we expected to have at least a 15-year life out of the truck.

A copy of the letter that we sent to the Vactor Truck supplier is attached for your review.

The Vactor Truck is our only tool for regular cleaning of our sanitary sewer system. If it is unavailable for use, we can rely on outside contractors, such as the Ted Berry Company for assistance with either regular or emergency cleanings.

Again – I can provide additional information during our meeting. Our attorney will meet in Executive Session to discuss all of our options.

AUBURN SEWERAGE DISTRICT

268 COURT ST. - P.O. BOX 414

AUBURN, MAINE 04212-0414

April 29, 2014

David Fera, Environmental Production Manager
Paula Bernard, President
CN Wood Co., Inc.
200 Merrimack Street
Woburn, Massachusetts 01801

**RE: 2013 International 7500 Chassis and Vactor Truck
VIN# 1HTWKAZRXDH195952 (the "Vactor Truck")
Purchased under Purchase Order 6758 dated January 16, 2013
Operated by Auburn Sewerage District in Auburn, Maine**

To Whom It May Concern:

I am writing you regarding the numerous issues that Auburn Sewerage District ("Auburn Sewer") has been having with the Vactor Truck supplied by C.N. Wood Co., Inc. ("CN Wood"). Approximately one month after delivery of the Vactor Truck, there was a mechanical issue experienced by Auburn Sewer. Auburn Sewer took the Vactor Truck back for repairs, but the issue has not been resolved.

Auburn Sewer received the Vactor Truck on May 6, 2013. Since the date of delivery, the Vactor Truck has been serviced seven times. Specifically, on or about June 10, 2013, the engine had low power. The Vactor Truck was taken for repairs on June 10, 2013 and the fuel pump was replaced. On July 15, 2013, the engine had low power and the fuel pump was replaced. The fuel pump was replaced twice within a month. Additional routine maintenance was completed on that service date where the fuel filter was also replaced. Shortly thereafter, the engine was running poorly and quit. On July 22, 2013, the fuel pressure regulator and power supply for the fuel pump were replaced. Within approximately another month, the fuel gauges went beyond full. On or about August 28, 2013, a defective sender was replaced. During that service visit, the fuel filter, oil filter, oil and grease were maintained as well. A few months later the engine had low power once again. On April 11, 2014, the fuel pump was replaced for a third time and additional electrical work was completed. On the last service visit, the mechanic indicated that the fuel pumps on the chassis for this machine are not reliable and that he had to replace forty (40) fuel pumps within the last year on similar machines.

The Vactor Truck broke down again this morning, and is currently sitting stranded, inoperable at a commercial lot away from our facility. Our personnel were once again left stranded, and urgent sewer cleaning work is on indefinite hold.

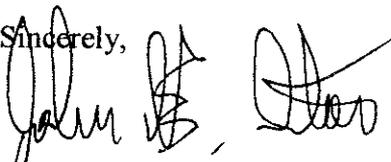
The fuel pump on the Vactor Truck is deficient. As I am sure you are aware, the Vactor Truck is a critical piece of equipment in terms of the daily operations of Auburn Sewer. Every moment it is out of operation affects the operation and production of Auburn Sewer, costing real dollars in damages.

Mr. David Fera
April 29, 2014
2 of 2

At this point, Auburn Sewer has no choice but to reject the Vactor Truck, and/or to the extent it is determined that Auburn Sewer accepted the Vactor Truck, Auburn Sewer revokes its acceptance of the Vactor Truck. In the alternative, Auburn Water demands compensation for damages under its expressed and implied warranty rights, including the warranty of merchantability and fitness for a particular purpose. Specifically, Auburn Sewer demands that CN Wood immediately reclaim the Vactor Truck and reimburse Auburn Sewer the Three Hundred Thirty-Two Thousand One Hundred Forty Dollars (\$332,140.00) purchase price received by CN Wood for the Vactor Truck, or in the alternative, that CN Wood immediately reclaim the Vactor Truck and replace it with a new identical Vactor Truck, including all warranties. In addition, Auburn Sewer demands that CN Wood reimburse it for any expenses incurred by Auburn Sewer in its effort to mitigate its damages.

This is a matter that must be resolved immediately. We hope that this matter can be resolved without litigation but if litigation is necessary, Auburn Sewer will seek recovery of all of its damages, including but not limited to consequential damages for loss of productivity, cost to mitigate damages, and any and all damages incurred by Auburn Sewer.

Please have your attorney contact our attorney, James E. Belleau, Esq., of Skelton, Taintor & Abbott, at 207-784-3200 by Monday, May 5, 2014 to discuss how CN Wood is going to resolve this matter. We intend to protect our interests which means filing a claim on or before May 6, 2014, which is one year after the date of delivery.

Sincerely,


John B. Storer, P.E.
Superintendent, Auburn Sewerage District