

Office of

**AUBURN WATER DISTRICT**

Office Telephone # 784-6469

The regular monthly meeting of the Trustees of the Auburn Water District will be held at the office of the Auburn Water District, 268 Court Street, on Wednesday, February 19, 2014 at 4:00 P.M.

**AGENDA**

1. Approve Minutes of Regular Meeting of January 22, 2014.
2. Monthly Financial Report Update - *Greg Leighton*.
3. Ratify Payment of Bills.
4. Open session.
5. Activity Report - *Sid Hazelton*
6. New Business
  - Update on City Council Workshop of 2/18/14 in regards to Bond Approval.
  - Approve Formal Bond Authorization - *as prepared by Bond Counsel*.
  - Discussion of Potential MPUC Deregulation.
  - Lake Auburn Update.
  - Future Agenda Items?
7. Old Business
  - Status of Customer Service Manager Position.
  - Poland Spring Inn.
  - Town of New Gloucester.
  - Update on groundwater exploration.
8. Adjourn Regular Meeting.

January 22, 2014

The regular monthly meeting of the Trustees of the Auburn Water District was held on Wednesday, January 22, 2014 at the office of the Auburn Water District, 268 Court Street at 4:00PM.

Members present: President, K.C. Geiger and Treasurer, Preston Chapman. Trustees: Lee Upton, Rick Whiting, James Wilkins and Robert Cavanagh. Also present: Tizz Crowley, Mayor's Representative, John Storer, Superintendent, Sid Hazelton, District Engineer and Greg Leighton of Maine Water Company.

On motion of Robert Cavanagh, seconded by Tizz Crowley, it was unanimously voted: **To approve the minutes of the Regular Meeting of December 18, 2013.**

On motion of Tizz Crowley, seconded by Robert Cavanagh, it was unanimously voted: **To approve the minutes of the Budget Public Hearing of December 18, 2013.**

**FINANCIAL REPORT UPDATE** – The District had a very busy year with \$600,000 spent on Capital Projects. The new rates became effective January 1, 2014. The auditors will be coming in February. The District is looking at a year end surplus of \$142,000.

#### **RATIFY PAYMENT OF BILLS**

On motion of Robert Cavanagh, seconded by Tizz Crowley, it was unanimously voted: **To ratify the payment of bills in the amount of \$ 229,732.77 as shown on the printout dated December 14, 2013- January 16, 2014.**

**OPEN SESSION** : Mike Broadbent, UV Plant Manager and Bethel Shields were in attendance.

**ACTIVITY REPORT** : The December Activity Report was presented by Sid Hazelton.

**NEW BUSINESS** -

**FOLLOW-UP FROM LAST MONTH – VLMP SERVICES** - FYI only.

**UV PLANT OPERATIONS** - Mike Broadbent was present to discuss the operations of the UV plant. Lewiston has a longer contact time than Auburn and did not experience the taste and odor issues. The District is jar testing with hydrogen peroxide as an oxidizer. The UV peroxide system is in use in Pennsylvania and Ontario. The District has 90% of the equipment needed and could run a Pilot Test at a marginal cost of about \$3500-\$5000. It would have no affect on the District's current water treatment.

**POLAND SPRING INN –DRAFT OPERATIONS UPDATE** – Tizz Crowley recommended that “Town of Poland – Poland Spring Resort” be removed as part of the contract title. The formal contract will be reviewed by legal counsel and hopefully be ready for Trustee approval at the next meeting.

**NEW GLOUCESTER UPDATE** - The ball is in their court. They have not drafted an Agreement as of yet. They will hopefully have an Agreement ready for approval at the February meeting.

**2014 BONDING PROCESS** – The Bond application is due February 5<sup>th</sup> to be approved in March and will need City Council approval.

On motion of Tizz Crowley, seconded Rick Whiting. It was unanimously voted: **To authorize the District to submit an application to the Maine Municipal Bond Bank for a Bond Issue in the amount of \$1,000,000 to be used for Lake treatment or water distribution system improvements.**

On motion of Tizz Crowley, seconded by Rick Whiting, it was unanimously voted: **To hire Bond Counsel.**

**STATUS OF CUSTOMER SERVICE MANAGER POSITION** - The District has received 51 applications for the position. Superintendent Storer said that there are 10 to 15 excellent candidates.

#### **OLD BUSINESS**

**LAKE AUBURN UPDATE** - The Lake is good. There are high levels of phosphorous at the bottom of the Lake.

**DISCUSSION OF GROUNDWATER EXPLORATION** - The District will seek Requests for Proposals in February or March not to exceed \$200,000 to be shared with Lewiston. There may be something around the Intake or potential well sights in the treatment plant area. The District must consider the need for a back-up intake in the lake. Superintendent Storer is looking for support from the Trustees. This will be discussed in more detail in February.

#### **ADJOURN THE MEETING**

On motion of Tizz Crowley seconded by Preston Chapman, it was unanimously voted: **To adjourn the meeting.**

**AUBURN WATER DISTRICT  
OPERATING STATEMENT - TRUSTEES' REPORT  
ONE MONTH ENDED JANUARY 31, 2014**

	January	2014	Y-T-D JANUARY 2014		
	YTD - 2013	BUDGET	ACTUAL	BUDGET	VARIANCE
<b><u>REVENUES:</u></b>					
Water Sales	\$179,640	\$2,296,409	\$179,832	\$191,367	(\$11,536)
Rent income	4,527	54,466	4,689	4,539	150
Interest Income	1,125	13,000	2,036	1,083	953
Mdse. & Jobbing	2,599	42,500	8,686	3,542	5,145
Hydrant Rental	45,077	611,494	55,121	50,958	4,163
Private Fire Prot.	22,276	302,066	22,792	25,172	(2,380)
Misc. Op. Revenue	0	51,000	1,321	4,250	(2,929)
<b>TOTAL REVENUES</b>	<b>255,244</b>	<b>3,370,935</b>	<b>274,477</b>	<b>280,911</b>	<b>(6,435)</b>
			<b>8.14%</b>	<b>8.33%</b>	< Standard
<b><u>EXPENSES:</u></b>					
Payroll	68,508	713,082	63,737	59,424	4,313
Treatment:					
UV Treatment Plant	34,135	258,841	36,769	21,570	15,199
Chloramine Facility	0	8,075	63	673	(610)
Laboratory	614	36,000	4,272	3,000	1,272
Trans & Dist Maint:					
Maint of Mains	3,865	67,496	3,890	5,625	(1,735)
Dist System	5,997	80,269	14,932	6,689	8,243
Other	0	12,120	229	1,010	(781)
Administration	44,651	516,775	48,099	43,065	5,034
Vehicles	5,394	88,925	9,302	7,410	1,892
Gull Management	7,700	84,377	7,050	7,031	19
Lake Auburn Watershed	18,761	212,500	16,850	17,708	(859)
<b>SUB-TOTAL</b>	<b>189,625</b>	<b>2,078,460</b>	<b>205,193</b>	<b>173,205</b>	<b>31,988</b>
			<b>9.87%</b>	<b>8.33%</b>	< Standard
Interest	15,066	204,734	14,087	17,061	(2,974)
<b>TOTAL EXPENSES</b>	<b>204,691</b>	<b>2,283,194</b>	<b>219,280</b>	<b>190,266</b>	<b>29,014</b>
Bonds - Principal Payments	0	831,494	0	69,291	(69,291)
<b>SURPLUS FROM OPERATIONS</b>	<b>50,553</b>	<b>256,247</b>	<b>55,197</b>	<b>21,354</b>	<b>33,843</b>

**AUBURN WATER DISTRICT  
BALANCE SHEET  
PERIOD ENDING - JANUARY 31, 2014**

	<u>1/31/2014</u>	<u>12/31/2013</u>	<u>1/31/2014</u>	<u>12/31/2013</u>
<b>Property, Plant and Equipment:</b>				
Plant in Service	34,223,558.11	34,223,558.11	133,191.15	133,191.15
Less: Accumulated Depreciation	<u>(8,430,958.59)</u>	<u>(8,378,944.59)</u>	8,974,251.94	8,974,251.94
Construction Work in Progress	<u>37,508.36</u>	<u>30,997.94</u>	930,717.90	590,628.68
<b>Net Utility Plant</b>	25,830,107.88	25,875,611.46	<u>10,137,373.06</u>	<u>10,037,167.16</u>
			<u>9,497,560.79</u>	<u>9,497,560.79</u>
			<u>19,634,933.85</u>	<u>19,534,727.95</u>
<b>Current Assets:</b>				
Cash & Working Funds	484,724.31	264,523.86		
Temporary Cash Investments	121,091.90	128,672.04	212,113.76	234,869.61
Accounts Receivable - Net	431,841.43	499,079.45	9,395.28	9,340.00
Prepayments	27,232.35	32,081.35	44,581.84	30,494.99
Other Current Assets	0.00	0.00	71,310.58	71,609.83
<b>Total Current Assets</b>	<u>1,064,889.99</u>	<u>924,356.70</u>	<u>337,401.46</u>	<u>346,314.43</u>
<b>Deferred Debits:</b>				
Unamortized Debt Issuance	84,826.13	85,698.52	0.00	0.00
Other Deferred Debits	72,000.95	74,865.34	85,900.56	85,900.56
<b>Total Deferred Debits</b>	<u>156,827.08</u>	<u>160,563.86</u>	6,993,589.08	6,993,589.08
<b>Total Assets</b>	<u>27,051,824.95</u>	<u>26,960,532.02</u>	<u>27,051,824.95</u>	<u>26,960,532.02</u>
<b>Capitalization:</b>				
Other Paid In Capital			133,191.15	133,191.15
Appropriated Retained Earnings			8,974,251.94	8,974,251.94
Unappropriated Retained Earnings			930,717.90	590,628.68
Current Year Earnings			<u>99,212.07</u>	<u>339,095.39</u>
			<u>10,137,373.06</u>	<u>10,037,167.16</u>
<b>Bonds</b>			<u>9,497,560.79</u>	<u>9,497,560.79</u>
<b>Total Capitalization</b>			<u>19,634,933.85</u>	<u>19,534,727.95</u>
<b>Current Liabilities:</b>				
Accounts Payable			212,113.76	234,869.61
Customer Deposits			9,395.28	9,340.00
Accrued Interest			44,581.84	30,494.99
Miscellaneous Liabilities			71,310.58	71,609.83
<b>Total Current Liabilities</b>			<u>337,401.46</u>	<u>346,314.43</u>
<b>Other Deferred Credits</b>			0.00	0.00
<b>Operating Reserves</b>			85,900.56	85,900.56
<b>Contributions in Aid</b>			6,993,589.08	6,993,589.08
<b>Total Equity Capital and Liabilities</b>			<u>27,051,824.95</u>	<u>26,960,532.02</u>

**Auburn Water District  
Accounts Payable Numeric Check Register  
January 17, 2014 thru February 14, 2014**

<u>Check #</u>	<u>Date</u>	<u>Per</u>	<u>Vendor</u>	<u>Inv Date</u>	<u>Inv #</u>	<u>Description</u>	<u>Amount</u>
6001	1/21/2014	1	Southworth-Milton	8/22/2013	1568907	void ck#6001-have credit	-970.04
							<b>-970.04</b>
6500	1/17/2014	1	Tim Barclay	1/16/2014	3382	customer refund	445.54
							<b>445.54</b>
6501	1/17/2014	1	Damon Scales	1/16/2014	3383	customer refund	52.36
							<b>52.36</b>
6502	1/17/2014	1	Mary Wilson	1/16/2014	3384	customer refund	55.53
							<b>55.53</b>
6503	1/17/2014	1	Action Screen Printing	1/10/2014	12363	polo shirts-Lynne	74.00
							<b>74.00</b>
6504	1/17/2014	1	Al's Auto & Truck Garag	1/7/2014	3470	tk#28 fuel pump. tow	670.86
6504	1/17/2014	1	Al's Auto & Truck Garag	1/6/2014	3362	tk#16-rocker panel,heater repa	1,373.34
							<b>2,044.20</b>
6505	1/17/2014	1	Androscoggin Registry O	1/15/2014	3379	release lien	22.00
							<b>22.00</b>
6506	1/17/2014	1	Bel-Tone Answering Serv	1/8/2014	1607B69	answering - Jan	35.25
6506	1/17/2014	1	Bel-Tone Answering Serv	1/8/2014	1607B69	answering - Jan	35.25
6506	1/17/2014	1	Bel-Tone Answering Serv	1/8/2014	1613A13	panic buttons-Jan	4.98
6506	1/17/2014	1	Bel-Tone Answering Serv	1/8/2014	1613A13	panic buttons-Jan	4.97
							<b>80.45</b>
6507	1/17/2014	1	Sullivan Associates	1/2/2014	29489	fill solution-UV	30.12
6507	1/17/2014	1	Sullivan Associates	1/2/2014	29489	fill solution-UV	30.11
							<b>60.23</b>
6508	1/17/2014	12	Budget Document Techno	10/31/2013	IN17610	toner maintenance	100.00
6508	1/17/2014	12	Budget Document Techno	10/31/2013	IN17610	toner maintenance	100.00
6508	1/17/2014	12	Budget Document Techno	10/31/2013	IN17610	credit old copier	-17.77
6508	1/17/2014	12	Budget Document Techno	10/31/2013	IN17610	credit old copier	-17.77
							<b>164.46</b>
6509	1/17/2014	12	Constellation NewEnergy	12/27/2013	1284787	UV Dec electric	9,273.41
							<b>9,273.41</b>
6510	1/17/2014	12	Curry Printing #4317	12/27/2013	62587	MJ-business cards& blue cards	31.18
6510	1/17/2014	12	Curry Printing #4317	12/27/2013	62587	MJ-business cards& blue cards	31.17
6510	1/17/2014	12	Curry Printing #4317	12/27/2013	62587	MJ-business cards& blue cards	88.04
6510	1/17/2014	12	Curry Printing #4317	12/27/2013	62587	MJ-business cards& blue cards	88.04
							<b>238.43</b>
6511	1/17/2014	1	Dead River Company	1/9/2014	531243	UV propane tnk#5	747.80
6511	1/17/2014	1	Dead River Company	1/9/2014	531243	UV propane tnk#5	747.80
6511	1/17/2014	1	Dead River Company	1/10/2014	68355/55	UV-propane tnk#3&4	245.75
6511	1/17/2014	1	Dead River Company	1/10/2014	68355/55	UV-propane tnk#3&4	245.75
							<b>1,987.10</b>
6512	1/17/2014	1	Dube's Flowers & Gifts	1/7/2014	062333-	Sue Bates	28.50
6512	1/17/2014	1	Dube's Flowers & Gifts	1/7/2014	062333-	Sue Bates	28.50
							<b>57.00</b>

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6513	1/17/2014	1	Eaton Corporation	3/4/2013	3707354	replace static switches	2,520.00
							<b>2,520.00</b>
6514	1/17/2014	12	FedEx	1/6/2014	52067	shipping for December	23.30
6514	1/17/2014	12	FedEx	1/6/2014	52067	shipping for December	23.29
							<b>46.59</b>
6515	1/17/2014	12	Harcros Chemicals, Inc.	12/27/2013	3001190	hypo Lake & Court St	2,750.01
6515	1/17/2014	12	Harcros Chemicals, Inc.	12/27/2013	3001190	hypo Lake & Court St	442.75
							<b>3,192.76</b>
6516	1/17/2014	1	JCI Jones Chemicals, Inc.	11/22/2013	602390	caustic-Lake	3,567.52
							<b>3,567.52</b>
6517	1/17/2014	1	Kennebec Equip. Rental	1/7/2014	216047-	Court St-sewer snake	12.50
6517	1/17/2014	1	Kennebec Equip. Rental	1/7/2014	216047-	Court St-sewer snake	12.50
							<b>25.00</b>
6518	1/17/2014	12	K. L. Jack & Co., Inc.	12/31/2013	5389508	shop straps	44.07
6518	1/17/2014	12	K. L. Jack & Co., Inc.	12/31/2013	5389508	shop straps	44.07
							<b>88.14</b>
6519	1/17/2014	12	Bisson Enterprises, Inc. E	12/31/2013	13710	UV-Dec	206.00
6519	1/17/2014	12	Bisson Enterprises, Inc. E	12/31/2013	13710	UV-Dec	206.00
6519	1/17/2014	12	Bisson Enterprises, Inc. E	12/31/2013	13709	Dec-Court St cleaning	282.50
6519	1/17/2014	12	Bisson Enterprises, Inc. E	12/31/2013	13709	Dec-Court St cleaning	282.50
							<b>977.00</b>
6520	1/17/2014	1	City of Lewiston	11/27/2013	600-408	UV-rain gauge	236.50
6520	1/17/2014	1	City of Lewiston	11/27/2013	600-408	2 flouride meters-UV	4,785.46
6520	1/17/2014	1	City of Lewiston	11/27/2013	600-408	Chloramine & NaOH	3,239.56
							<b>8,261.52</b>
6521	1/17/2014	1	Maine Central RR, Treas	1/1/2014	19383	Little Andy	1,030.43
							<b>1,030.43</b>
6522	1/17/2014	1	Hetl Water Program	1/6/2014	106141-	water testing	47.50
6522	1/17/2014	1	Hetl Water Program	1/6/2014	106141-	water testing	47.50
6522	1/17/2014	1	Hetl Water Program	1/7/2014	107141-	water test	20.00
6522	1/17/2014	1	Hetl Water Program	1/2/2014	102141-	water test	487.50
6522	1/17/2014	1	Hetl Water Program	1/2/2014	102141-	water test	487.50
6522	1/17/2014	1	Hetl Water Program	1/8/2014	108141-	water test	1,000.00
							<b>2,090.00</b>
6523	1/17/2014	1	Maine Municipal Assoc.	1/2/2014	76521	MMA associate membership 2014	575.00
							<b>575.00</b>
6524	1/17/2014	12	Maine Municipal Associa	1/1/2014	15436	property	19,885.50
							<b>19,885.50</b>
6525	1/17/2014	1	Treasurer, State of Maine	1/7/2014	3378	court St-pressure vessel fee	65.00
6525	1/17/2014	1	Treasurer, State of Maine	1/7/2014	3378	court St-pressure vessel fee	65.00
							<b>130.00</b>
6526	1/17/2014	12	Maine Water Utilities As	10/18/2013	1866082	2014 membership dues	2,580.00
							<b>2,580.00</b>

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6527	1/17/2014	12	W. B. Mason Co., Inc.	12/31/2013	1155985	calculator-meter dept-ink MJ	5.85
6527	1/17/2014	12	W. B. Mason Co., Inc.	12/31/2013	1155985	calculator-meter dept-ink MJ	38.81
6527	1/17/2014	12	W. B. Mason Co., Inc.	12/31/2013	1155985	calculator-meter dept-ink MJ	38.80
							<b>83.46</b>
6528	1/17/2014	1	Pine Tree Waste	1/1/2014	1318242	January bulk waste	56.08
6528	1/17/2014	1	Pine Tree Waste	1/1/2014	1318242	January bulk waste	56.08
							<b>112.16</b>
6529	1/17/2014	1	Pitney Bowes, Inc.	1/3/2014	409278	2/1 to 4/30 postage machine	52.50
6529	1/17/2014	1	Pitney Bowes, Inc.	1/3/2014	409278	2/1 to 4/30 postage machine	52.50
							<b>105.00</b>
6530	1/17/2014	1	EIC., Inc. (prompto)	1/14/2014	626894	tk#33 wipers, oil change	51.75
							<b>51.75</b>
6531	1/17/2014	1	Skelton, Taintor & Abbot	1/10/2014	507457	professional services	885.50
6531	1/17/2014	1	Skelton, Taintor & Abbot	1/10/2014	507457	professional services	885.50
							<b>1,771.00</b>
6532	1/17/2014	12	UNITIL ME	12/31/2013	3370	Dec-Court St gas	1,086.89
6532	1/17/2014	12	UNITIL ME	12/31/2013	3370	Dec-Court St gas	1,086.89
							<b>2,173.78</b>
6533	1/17/2014	12	University of Maine	1/8/2014	802761	samples-UV	895.13
6533	1/17/2014	12	University of Maine	1/8/2014	802761	samples-UV	895.12
							<b>1,790.25</b>
6534	1/17/2014	12	V W R Scientific	12/30/2013	8056282	lab supplies	23.18
6534	1/17/2014	12	V W R Scientific	12/30/2013	8056282	lab supplies	23.17
6534	1/17/2014	12	V W R Scientific	12/31/2013	8056287	lab supplies	41.45
6534	1/17/2014	12	V W R Scientific	12/31/2013	8056287	lab supplies	41.44
							<b>129.24</b>
6535	1/24/2014	1	Aroostook Fence Co.	1/17/2014	10032	Goff Hill Reservoir	91.90
							<b>91.90</b>
6536	1/24/2014	1	Auburn Water District	1/22/2014	3387	Dec petty-office, shop, leaks	92.04
6536	1/24/2014	1	Auburn Water District	1/22/2014	3387	Dec petty-office, shop, leaks	69.66
6536	1/24/2014	1	Auburn Water District	1/22/2014	3387	Dec petty-office, shop, leaks	22.00
6536	1/24/2014	1	Auburn Water District	1/22/2014	3387	Dec petty-office, shop, leaks	7.38
6536	1/24/2014	1	Auburn Water District	1/22/2014	3387	Dec petty-office, shop, leaks	54.14
							<b>245.22</b>
6537	1/24/2014	1	Budget Document Techn	1/22/2014	In18171	maint 1/22 to 4/21,over for Oc	100.00
6537	1/24/2014	1	Budget Document Techn	1/22/2014	In18171	maint 1/22 to 4/21,over for Oc	15.58
6537	1/24/2014	1	Budget Document Techn	1/22/2014	In18171	maint 1/22 to 4/21,over for Oc	115.58
							<b>231.16</b>
6538	1/24/2014	1	Constellation NewEnergy	1/7/2014	1296638	Court St power	738.05
							<b>738.05</b>
6539	1/24/2014	1	Crystal Spring Water Co.	1/16/2014	216	distilled water	19.60
6539	1/24/2014	1	Crystal Spring Water Co.	1/16/2014	216	distilled water	19.60
							<b>39.20</b>

**Auburn Water District**  
**Accounts Payable Numeric Check Register**  
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6540	1/24/2014	1	Dead River Company	1/15/2014	96855	UV-tank #5 propane	425.48
6540	1/24/2014	1	Dead River Company	1/15/2014	96855	UV-tank #5 propane	425.48
							<b>850.96</b>
6541	1/24/2014	1	Fluid Engineering	1/10/2014	19915	o rings-UV	155.00
6541	1/24/2014	1	Fluid Engineering	1/10/2014	19915	o rings-UV	155.00
							<b>310.00</b>
6542	1/24/2014	1	Fortier's Security Center	1/14/2014	195448	lube hardware-Court St	18.99
6542	1/24/2014	1	Fortier's Security Center	1/14/2014	195448	lube hardware-Court St	18.98
							<b>37.97</b>
6543	1/24/2014	1	Gilman Electrical Dist.	1/21/2014	793296	UV-exit light bulbs	46.00
6543	1/24/2014	1	Gilman Electrical Dist.	1/21/2014	793296	UV-exit light bulbs	46.00
6543	1/24/2014	1	Gilman Electrical Dist.	1/8/2014	010814	UV credit for #793380	-14.11
6543	1/24/2014	1	Gilman Electrical Dist.	1/8/2014	010814	UV credit for #793380	-14.10
							<b>63.79</b>
6544	1/24/2014	1	Grainger	1/9/2014	S933555	safety equipment-UV	474.57
6544	1/24/2014	1	Grainger	1/9/2014	S933555	safety equipment-UV	474.56
							<b>949.13</b>
6545	1/24/2014	2	Group Dynamic Inc	1/15/2014	3388	Feb	88.00
							<b>88.00</b>
6546	1/24/2014	1	Hach Company	1/7/2014	8638681	turbidity meter back up parts	738.00
6546	1/24/2014	1	Hach Company	1/7/2014	8638681	turbidity meter back up parts	738.00
6546	1/24/2014	1	Hach Company	1/6/2014	8636679	turbidity meter back up parts	165.73
6546	1/24/2014	1	Hach Company	1/6/2014	8636679	turbidity meter back up parts	165.72
							<b>1,807.45</b>
6547	1/24/2014	1	Horizon Solutions, LLC	1/3/2014	4159175	uv generator parts	26.99
6547	1/24/2014	1	Horizon Solutions, LLC	1/3/2014	4159175	uv generator parts	26.99
6547	1/24/2014	1	Horizon Solutions, LLC	1/6/2014	4157705	antenna cable-shop	800.00
6547	1/24/2014	1	Horizon Solutions, LLC	1/6/2014	4157705	antenna cable-shop	800.00
							<b>1,653.98</b>
6548	1/24/2014	1	Kennebec Equip. Rental	1/14/2014	216119	-rock drill repair parts	379.39
6548	1/24/2014	1	Kennebec Equip. Rental	1/14/2014	216119	-rock drill repair parts	379.38
							<b>758.77</b>
6549	1/24/2014	12	City of Lewiston	1/6/2014	600-409	Rodrigue-Dec	2,042.69
6549	1/24/2014	12	City of Lewiston	1/6/2014	600-409	Rodrigue-Dec	630.88
6549	1/24/2014	12	City of Lewiston	1/6/2014	600-409	Rodrigue-Dec	45.76
6549	1/24/2014	12	City of Lewiston	1/6/2014	600-409	Rodrigue-Dec	2,719.31
							<b>5,438.64</b>
6550	1/24/2014	1	Idexx Distribution, Inc.	1/7/2014	2743565	pt samplers-UV-Jan to July	37.35
6550	1/24/2014	1	Idexx Distribution, Inc.	1/7/2014	2743565	pt samplers-UV-Jan to July	37.34
6550	1/24/2014	1	Idexx Distribution, Inc.	12/6/2013	2746078	lab supplies	350.50
6550	1/24/2014	1	Idexx Distribution, Inc.	12/6/2013	2746078	lab supplies	350.50
							<b>775.69</b>
6551	1/24/2014	12	Maine Water Company	12/31/2013	16942	Leighton-Dec	1,815.00

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6551	1/24/2014	12	Maine Water Company	12/31/2013	16942	Leighton-Dec	1,815.00
							<b>3,630.00</b>
6552	1/24/2014	12	W. B. Mason Co., Inc.	12/30/2013	1155701	binders, month tabs-Greg	38.97
6552	1/24/2014	12	W. B. Mason Co., Inc.	12/30/2013	1155701	binders, month tabs-Greg	38.97
6552	1/24/2014	1	W. B. Mason Co., Inc.	1/3/2014	1156384	clips, files, green bar	83.48
6552	1/24/2014	1	W. B. Mason Co., Inc.	1/3/2014	1156384	clips, files, green bar	83.47
							<b>244.89</b>
6553	1/24/2014	1	McMaster-Carr Supply C	1/13/2014	7064912	Court St -gauges	137.06
6553	1/24/2014	1	McMaster-Carr Supply C	1/13/2014	7064912	Court St -gauges	137.06
							<b>274.12</b>
6554	1/24/2014	1	N.E. Water Works Assoc	1/14/2014	28282	MJ's dues	100.00
							<b>100.00</b>
6555	1/24/2014	12	Northern Data Systems, I	12/31/2013	3787	Dec billing	729.28
6555	1/24/2014	12	Northern Data Systems, I	12/31/2013	3787	Dec billing	729.28
							<b>1,458.56</b>
6556	1/24/2014	1	Oxford Networks	1/7/2014	3385	December phones	130.82
6556	1/24/2014	1	Oxford Networks	1/7/2014	3385	December phones	62.50
6556	1/24/2014	1	Oxford Networks	1/7/2014	3385	December phones	62.50
6556	1/24/2014	1	Oxford Networks	1/7/2014	3385	December phones	137.52
6556	1/24/2014	1	Oxford Networks	1/7/2014	3385	December phones	12.52
6556	1/24/2014	1	Oxford Networks	1/7/2014	3385	December phones	130.82
							<b>536.68</b>
6557	1/24/2014	1	Petro's	1/17/2014	78287	sand & gravel-shop	18.00
6557	1/24/2014	1	Petro's	1/17/2014	78287	sand & gravel-shop	17.99
							<b>35.99</b>
6558	1/24/2014	1	Redlon & Johnson	1/13/2014	239785	Court St-boiler parts	8.87
6558	1/24/2014	1	Redlon & Johnson	1/13/2014	239785	Court St-boiler parts	8.87
							<b>17.74</b>
6559	1/24/2014	1	Spiller's	1/16/2014	1292189	notebook-Travis, gloves	23.85
6559	1/24/2014	1	Spiller's	1/16/2014	1292189	notebook-Travis, gloves	15.53
							<b>39.38</b>
6560	1/24/2014	1	Traction - Genuine Parts	1/17/2014	7541688	tk#32-spot lights	133.64
							<b>133.64</b>
6561	1/24/2014	1	USA Blue Book	1/2/2014	233222	UV-safety equip	7.25
6561	1/24/2014	1	USA Blue Book	1/2/2014	233222	UV-safety equip	7.24
6561	1/24/2014	1	USA Blue Book	1/2/2014	233670	UV-safety equip	72.45
6561	1/24/2014	1	USA Blue Book	1/2/2014	233670	UV-safety equip	72.45
6561	1/24/2014	1	USA Blue Book	1/2/2014	233672	UV-safety equip	112.15
6561	1/24/2014	1	USA Blue Book	1/2/2014	233672	UV-safety equip	112.14
6561	1/24/2014	1	USA Blue Book	1/2/2014	233671	UV-safety equip	99.45
6561	1/24/2014	1	USA Blue Book	1/2/2014	233671	UV-safety equip	99.44
							<b>582.57</b>
6562	1/24/2014	1	YSI Incorporated	1/2/2014	548667	meter field cable& coupler	324.51

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6562	1/24/2014	1	YSI Incorporated	1/2/2014	548667	meter field cable& coupler	324.51
							<b>649.02</b>
6563	1/31/2014	1	Gregory French	1/28/2014	3395	customer refund	3.17
							<b>3.17</b>
6564	1/31/2014	1	Ernest Lamontagne	1/29/2014	3401	customer refund	4.08
							<b>4.08</b>
6565	1/31/2014	1	AMCO	1/17/2014	1721	UV-equipment parts	475.00
6565	1/31/2014	1	AMCO	1/17/2014	1721	UV-equipment parts	475.00
							<b>950.00</b>
6566	1/31/2014	1	Ben Alpren Machine	1/23/2014	48283	small tool-18 volt jig saw	180.81
6566	1/31/2014	1	Ben Alpren Machine	1/23/2014	48283	small tool-18 volt jig saw	180.81
							<b>361.62</b>
6567	1/31/2014	1	Al's Auto & Truck Garage	1/15/2014	3495	tk#24 try for inspection	12.50
							<b>12.50</b>
6568	1/31/2014	1	Androscoggin Registry O	1/30/2014	3400	place lien	22.00
							<b>22.00</b>
6569	1/31/2014	1	Atlantic Pump & Engr., Inc	1/16/2014	50318	UV-spare parts kit	332.55
							<b>332.55</b>
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	81.88
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	38.91
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	241.90
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	95.32
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	403.92
6570	1/31/2014	12	City of Auburn	1/13/2014	3381	December gas bill	81.36
6570	1/31/2014	12	City of Auburn	1/13/2014	3381	December gas bill	30.18
6570	1/31/2014	12	City of Auburn	1/13/2014	3381	December gas bill	613.58
6570	1/31/2014	12	City of Auburn	1/13/2014	3381	December gas bill	198.21
6570	1/31/2014	12	City of Auburn	1/13/2014	3381	December gas bill	128.40
6570	1/31/2014	12	City of Auburn	1/13/2014	3381	December gas bill	449.08
6570	1/31/2014	12	City of Auburn	1/13/2014	3381	December gas bill	173.07
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	31.35
6570	1/31/2014	12	City of Auburn	1/13/2014	3381	December gas bill	147.33
6570	1/31/2014	12	City of Auburn	1/13/2014	3381	December gas bill	265.96
6570	1/31/2014	12	City of Auburn	1/13/2014	3381	December gas bill	349.08
6570	1/31/2014	12	City of Auburn	1/13/2014	3381	December gas bill	589.01
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	280.67
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	145.48
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	63.66
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	124.16
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	315.13
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	292.03
6570	1/31/2014	12	City of Auburn	1/13/2014	3380	November gas bill	169.49
							<b>5,309.16</b>
6572	1/31/2014	12	City of Auburn	1/8/2014	110004	street permits - 2013	490.00

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6572	1/31/2014	12	City of Auburn	1/8/2014	110004	street permits - 2013	80.00
6572	1/31/2014	12	City of Auburn	1/8/2014	110004	street permits - 2013	20.00
6572	1/31/2014	12	City of Auburn	1/8/2014	110004	street permits - 2013	1,000.00
6572	1/31/2014	12	City of Auburn	1/8/2014	110004	street permits - 2013	500.00
6572	1/31/2014	12	City of Auburn	1/8/2014	110004	street permits - 2013	500.00
							<b>2,590.00</b>
6573	1/31/2014	1	Bell/Simons Companies	1/14/2014	S936446	Hardscrabble & Worthley Bk	436.77
6573	1/31/2014	1	Bell/Simons Companies	1/14/2014	S936446	Hardscrabble & Worthley Bk	266.78
							<b>703.55</b>
6574	1/31/2014	1	BLM Technologies, Inc	1/15/2014	340914	check reader part	28.51
6574	1/31/2014	1	BLM Technologies, Inc	1/15/2014	340914	check reader part	28.50
							<b>57.01</b>
6575	1/31/2014	1	Coastal T-Shirts	1/22/2014	12124	Bell shirt lettering	13.75
							<b>13.75</b>
6576	1/31/2014	1	Dead River Company	1/21/2014	27146	UV-tank#5	408.43
6576	1/31/2014	1	Dead River Company	1/21/2014	27146	UV-tank#5	408.43
							<b>816.86</b>
6577	1/31/2014	1	High Tech Fire Protectior	1/13/2014	4274SQ	UV-annual fee-qrtly inspect	197.50
6577	1/31/2014	1	High Tech Fire Protectior	1/13/2014	4274SQ	UV-annual fee-qrtly inspect	197.50
							<b>395.00</b>
6578	1/31/2014	1	Horizon Solutions, LLC	1/13/2014	4162418	Court St-Hvac controls	151.32
6578	1/31/2014	1	Horizon Solutions, LLC	1/13/2014	4162418	Court St-Hvac controls	151.31
							<b>302.63</b>
6579	1/31/2014	1	International Door Corp.	1/13/2014	42726	cable & clamps-Court St	21.48
6579	1/31/2014	1	International Door Corp.	1/13/2014	42726	cable & clamps-Court St	21.47
							<b>42.95</b>
6580	1/31/2014	1	Lowe's Business Account	1/17/2014	3394	meter dept-dual ck valves	230.99
							<b>230.99</b>
6581	1/31/2014	1	Treasurer, State of Maine	1/29/2014	3399	permit -Hotel Road	72.00
							<b>72.00</b>
6582	1/31/2014	1	W. B. Mason Co., Inc.	1/8/2014	1157284	thumb drives-UV, ink Court st	14.39
6582	1/31/2014	1	W. B. Mason Co., Inc.	1/8/2014	1157284	thumb drives-UV, ink Court st	14.38
6582	1/31/2014	1	W. B. Mason Co., Inc.	1/8/2014	1157284	thumb drives-UV, ink Court st	26.98
6582	1/31/2014	1	W. B. Mason Co., Inc.	1/8/2014	1157284	thumb drives-UV, ink Court st	26.98
							<b>82.73</b>
6583	1/31/2014	1	New Hampshire Hydraul	1/20/2014	IVC167	lfor frost buster	162.52
6583	1/31/2014	1	New Hampshire Hydraul	1/20/2014	IVC167	lfor frost buster	162.52
							<b>325.04</b>
6584	1/31/2014	1	Portland Plastic Pipe	1/24/2014	159017	UV-fittings	28.19
6584	1/31/2014	1	Portland Plastic Pipe	1/24/2014	159017	UV-fittings	28.18
							<b>56.37</b>
6585	1/31/2014	1	E.J. Prescott, Inc.	1/10/2014	4761963	hydrant markers	439.15
6585	1/31/2014	1	E.J. Prescott, Inc.	1/14/2014	4763904	vas usage	903.98

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6585	1/31/2014	1	E.J. Prescott, Inc.	1/14/2014	4763904	vas usage	362.72
6585	1/31/2014	1	E.J. Prescott, Inc.	1/14/2014	4763904	vas usage	89.56
6585	1/31/2014	1	E.J. Prescott, Inc.	1/20/2014	4765622	Ice Arena credit	-1,445.68
6585	1/31/2014	1	E.J. Prescott, Inc.	1/20/2014	4765413	vas usage	64.08
6585	1/31/2014	1	E.J. Prescott, Inc.	1/20/2014	4765413	vas usage	198.95
							<b>612.76</b>
6586	1/31/2014	1	Reggie's Sales & Service	1/23/2014	184604	gas can for ice auger	13.45
6586	1/31/2014	1	Reggie's Sales & Service	1/23/2014	184604	gas can for ice auger	13.45
							<b>26.90</b>
6587	1/31/2014	1	Rockingham Electric Sup	1/6/2014	S201628	circuit breaker - pump	67.20
6587	1/31/2014	1	Rockingham Electric Sup	1/6/2014	S201628	circuit breaker - pump	67.19
							<b>134.39</b>
6588	1/31/2014	1	Unifirst Corp	12/20/2013	2088861	UV-rugs	84.23
6588	1/31/2014	1	Unifirst Corp	12/20/2013	2088861	UV-rugs	84.23
							<b>168.46</b>
6589	1/31/2014	1	U.S. Cellular	1/21/2014	3397	January cell phones	30.00
6589	1/31/2014	1	U.S. Cellular	1/21/2014	3397	January cell	202.61
6589	1/31/2014	1	U.S. Cellular	1/21/2014	3397	January cell	202.61
6589	1/31/2014	1	U.S. Cellular	1/21/2014	3397	January cell	30.00
6589	1/31/2014	1	U.S. Cellular	1/21/2014	3398	small cell bill for January	26.75
6589	1/31/2014	1	U.S. Cellular	1/21/2014	3398	small cell bill for January	26.75
							<b>518.72</b>
6590	1/31/2014	1	United Way Of Andr.Cou	1/28/2014	3396	United Way-January	232.00
6590	1/31/2014	1	United Way Of Andr.Cou	1/28/2014	3396	United Way-January	24.00
							<b>256.00</b>
6591	2/7/2014	2	Rodney H. Bates	1/23/2014	3389	Feb cell phone	30.00
							<b>30.00</b>
6592	2/7/2014	1	Bates College	1/28/2013	1933Dec	Lake Algae Study	2,381.20
6592	2/7/2014	1	Bates College	1/28/2013	1933Dec	Lake Algae Study	2,381.20
							<b>4,762.40</b>
6593	2/7/2014	2	Michael Broadbent	1/23/2014	3390	Feb cell phone	30.00
							<b>30.00</b>
6594	2/7/2014	1	Dead River Company	1/23/2014	38696/99	UV-tnk 4&5	218.54
6594	2/7/2014	1	Dead River Company	1/23/2014	38696/99	UV-tnk 4&5	218.53
6594	2/7/2014	1	Dead River Company	1/30/2014	74724	UV tank #5	700.51
6594	2/7/2014	1	Dead River Company	1/30/2014	74724	UV tank #5	700.51
							<b>1,838.09</b>
6595	2/7/2014	1	DirigoNet	2/2/2014	3410	email spam&UV issues	25.00
6595	2/7/2014	1	DirigoNet	2/2/2014	3410	email spam&UV issues	25.00
6595	2/7/2014	1	DirigoNet	2/2/2014	3410	email spam&UV issues	85.00
6595	2/7/2014	1	DirigoNet	2/2/2014	3410	email spam&UV issues	85.00
							<b>220.00</b>
6596	2/7/2014	1	Dube's Flowers & Gifts	1/15/2014	062450/	town official flowers	24.75

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6596	2/7/2014	1	Dube's Flowers & Gifts	1/15/2014	062450/	town official flowers	24.75
							<b>49.50</b>
6597	2/7/2014	2	John B. Storer	1/23/2014	3393	Feb mileage	175.00
6597	2/7/2014	2	John B. Storer	1/23/2014	3393	Feb mileage	175.00
							<b>350.00</b>
6598	2/7/2014	1	Gilman Electrical Dist.	1/29/2014	797570	UV generator parts	85.66
6598	2/7/2014	1	Gilman Electrical Dist.	1/29/2014	797570	UV generator parts	85.65
6598	2/7/2014	1	Gilman Electrical Dist.	1/30/2014	798144	UV-generator power controls	125.77
6598	2/7/2014	1	Gilman Electrical Dist.	1/30/2014	798144	UV-generator power controls	125.77
							<b>422.85</b>
6599	2/7/2014	1	Grainger	1/23/2014	9347338	Court St-panel labels	29.53
6599	2/7/2014	1	Grainger	1/23/2014	9347338	Court St-panel labels	29.52
							<b>59.05</b>
6600	2/7/2014	1	Hach Company	1/23/2014	8664171	lab supplies	151.81
6600	2/7/2014	1	Hach Company	1/23/2014	8664171	lab supplies	151.81
6600	2/7/2014	1	Hach Company	1/24/2014	8666021	lab supplies	711.50
6600	2/7/2014	1	Hach Company	1/24/2014	8666021	lab supplies	711.50
							<b>1,726.62</b>
6601	2/7/2014	1	Harcros Chemicals, Inc.	1/16/2014	3001197	hypo-Lake	1,974.31
							<b>1,974.31</b>
6602	2/7/2014	1	Vantagepoint Transfer Ag	1/31/2014	3408	Jan-ICMA	1,998.75
							<b>1,998.75</b>
6603	2/7/2014	1	Vantagepoint Transfer Ag	1/31/2014	3407	Jan-ICMA	1,241.39
							<b>1,241.39</b>
6604	2/7/2014	1	Vantagepoint Transfer Ag	1/31/2014	3406	Jan-ICMA	243.52
							<b>243.52</b>
6605	2/7/2014	1	JCI Jones Chemicals, Inc.	12/20/2013	604881	Caustic	3,553.44
6605	2/7/2014	1	JCI Jones Chemicals, Inc.	1/21/2014	607417	Caustic	3,665.20
							<b>7,218.64</b>
6606	2/7/2014	1	K & K Excavation, Inc.	1/17/2014	13500	main break gravel	72.11
							<b>72.11</b>
6607	2/7/2014	2	Lake Auburn Watershed C	1/23/2014	3391	Feb	17,708.34
							<b>17,708.34</b>
6608	2/7/2014	2	Maine Municipal Assoc.	1/21/2014	69868	Workers Comp	2,072.00
							<b>2,072.00</b>
6609	2/7/2014	2	Maine Municipal Emp.HI	1/14/2014	3411	Feb	652.78
6609	2/7/2014	2	Maine Municipal Emp.HI	1/14/2014	3411	Feb	3,023.13
6609	2/7/2014	2	Maine Municipal Emp.HI	1/14/2014	3411	Feb	16,304.02
6609	2/7/2014	2	Maine Municipal Emp.HI	1/14/2014	3411	Feb	13.50
6609	2/7/2014	2	Maine Municipal Emp.HI	1/14/2014	3411	Feb	607.18
							<b>20,600.61</b>
6610	2/7/2014	2	Treasurer, State of Maine	2/5/2014	3412	Jalbert water license	75.00
							<b>75.00</b>

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January 17, 2014 thru February 14, 2014**

<u>Check #</u>	<u>Date</u>	<u>Per</u>	<u>Vendor</u>	<u>Inv Date</u>	<u>Inv #</u>	<u>Description</u>	<u>Amount</u>
6611	2/7/2014	1	Napa Auto Parts	1/31/2014	3405	Jan-16,28,23,27, UV	11.72
6611	2/7/2014	1	Napa Auto Parts	1/31/2014	3405	Jan-16,28,23,27, UV	17.64
6611	2/7/2014	1	Napa Auto Parts	1/31/2014	3405	Jan-16,28,23,27, UV	15.89
6611	2/7/2014	1	Napa Auto Parts	1/31/2014	3405	Jan-16,28,23,27, UV	15.88
6611	2/7/2014	1	Napa Auto Parts	1/31/2014	3405	Jan-16,28,23,27, UV	61.03
6611	2/7/2014	1	Napa Auto Parts	1/31/2014	3405	Jan-16,28,23,27, UV	61.04
6611	2/7/2014	1	Napa Auto Parts	1/31/2014	3405	Jan-16,28,23,27, UV	13.71
6611	2/7/2014	1	Napa Auto Parts	1/31/2014	3405	Jan-16,28,23,27, UV	10.77
6611	2/7/2014	1	Napa Auto Parts	1/31/2014	3405	Jan-16,28,23,27, UV	10.77
6611	2/7/2014	1	Napa Auto Parts	1/31/2014	3405	Jan-16,28,23,27, UV	7.84
6611	2/7/2014	1	Napa Auto Parts	1/31/2014	3405	Jan-16,28,23,27, UV	7.83
6611	2/7/2014	1	Napa Auto Parts	1/31/2014	3405	Jan-16,28,23,27, UV	89.54
							<b>323.66</b>
6612	2/7/2014	1	NEIW PCC	1/30/2014	4727	G Jalbert class	110.00
							<b>110.00</b>
6613	2/7/2014	1	Ness Oil Co.	1/31/2014	3402	Jan- diesel	771.22
6613	2/7/2014	1	Ness Oil Co.	1/31/2014	3402	Jan- diesel	307.28
6613	2/7/2014	1	Ness Oil Co.	1/31/2014	3402	Jan- diesel	52.98
							<b>1,131.48</b>
6614	2/7/2014	1	Omni Services, Inc.	1/28/2014	2000914	UV-bolt clamps	18.45
6614	2/7/2014	1	Omni Services, Inc.	1/28/2014	2000914	UV-bolt clamps	18.45
							<b>36.90</b>
6615	2/7/2014	1	E.J. Prescott, Inc.	1/9/2014	4763311	cycle count variance	4,731.75
6615	2/7/2014	1	E.J. Prescott, Inc.	1/9/2014	4763311	cycle count variance	1,223.32
							<b>5,955.07</b>
6616	2/7/2014	1	C.H. Stevenson, Inc.	1/28/2014	60706	cold patch - stock	1,205.77
6616	2/7/2014	1	C.H. Stevenson, Inc.	1/28/2014	60706	cold patch - stock	1,205.77
							<b>2,411.54</b>
6617	2/7/2014	2	Donald R. Stevens	1/23/2014	3392	Feb phone	30.00
							<b>30.00</b>
6618	2/7/2014	1	Summit Environmental	1/24/2014	2014024	Watershed-Townsend Brook	2,927.99
							<b>2,927.99</b>
6619	2/7/2014	1	TigerDirect	1/22/2014	P475132	Laptop-Marc, Don, Mike	4,129.22
							<b>4,129.22</b>
6620	2/14/2014	2	Estate of Frances R. Mcki	2/10/2014	3415	customer refund	32.29
							<b>32.29</b>
6621	2/14/2014	2	Lucienne T Hamel	2/11/2014	3414	customer refund	746.75
							<b>746.75</b>
6622	2/14/2014	1	Analytical Services, Inc.	1/30/2014	21955	water testing-January	197.00
6622	2/14/2014	1	Analytical Services, Inc.	1/30/2014	21955	water testing-January	197.00
							<b>394.00</b>
6623	2/14/2014	1	Auburn Water District	2/10/2014	3413	Jan petty cash-water show, sup	221.37
6623	2/14/2014	1	Auburn Water District	2/10/2014	3413	Jan petty cash-water show, sup	43.00

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6623	2/14/2014	1	Auburn Water District	2/10/2014	3413	Jan petty cash-water show, sup	22.11
							<b>286.48</b>
6624	2/14/2014	2	Bel-Tone Answering Serv	2/5/2014	1613A14	panic buttons-Feb	4.98
6624	2/14/2014	2	Bel-Tone Answering Serv	2/5/2014	1613A14	panic buttons-Feb	4.97
6624	2/14/2014	2	Bel-Tone Answering Serv	2/5/2014	1607B70	Feb	31.00
6624	2/14/2014	2	Bel-Tone Answering Serv	2/5/2014	1607B70	Feb	31.00
							<b>71.95</b>
6625	2/14/2014	2	Buckfield Rescue	2/10/2014	3416	Millette's grandfather	50.00
6625	2/14/2014	2	Buckfield Rescue	2/10/2014	3416	Millette's grandfather	50.00
							<b>100.00</b>
6626	2/14/2014	1	Constellation NewEnergy	1/28/2014	1326132	UV-Jan	10,438.08
							<b>10,438.08</b>
6627	2/14/2014	2	Dead River Company	2/6/2014	13449/45	UV propane #4&#5	562.68
6627	2/14/2014	2	Dead River Company	2/6/2014	13449/45	UV propane #4&#5	562.68
							<b>1,125.36</b>
6628	2/14/2014	2	Dig Safe System, Inc.	2/4/2014	49730	February	311.51
6628	2/14/2014	2	Dig Safe System, Inc.	2/4/2014	49730	February	311.51
							<b>623.02</b>
6629	2/14/2014	1	Fastenal Company	1/24/2014	124325	UV drivers & nuts	8.90
6629	2/14/2014	1	Fastenal Company	1/24/2014	124325	UV drivers & nuts	8.89
							<b>17.79</b>
6630	2/14/2014	2	Firesafe Equipment, Inc.	2/11/2014	112161	UV-fire extinguishers& inspect	122.55
6630	2/14/2014	2	Firesafe Equipment, Inc.	2/11/2014	112161	UV-fire extinguishers& inspect	122.55
6630	2/14/2014	2	Firesafe Equipment, Inc.	2/11/2014	112159	Court St-fire exting. inspect	31.00
6630	2/14/2014	2	Firesafe Equipment, Inc.	2/11/2014	112159	Court St-fire exting. inspect	31.00
							<b>307.10</b>
6631	2/14/2014	1	FedEx	2/3/2014	84012	Mj- ship, ship flowers	21.88
6631	2/14/2014	1	FedEx	2/3/2014	84012	Mj- ship, ship flowers	21.88
6631	2/14/2014	1	FedEx	2/3/2014	84012	Mj- ship, ship flowers	18.83
6631	2/14/2014	1	FedEx	2/3/2014	84012	Mj- ship, ship flowers	18.83
							<b>81.42</b>
6632	2/14/2014	2	Daniel A. Fortin	2/11/2014	3417	Fortin-sampling& parking-show	10.50
6632	2/14/2014	2	Daniel A. Fortin	2/11/2014	3417	Fortin-sampling& parking-show	7.00
							<b>17.50</b>
6633	2/14/2014	2	Gilman Electrical Dist.	2/4/2014	798386	UV-kab exhaust fan	88.18
6633	2/14/2014	2	Gilman Electrical Dist.	2/4/2014	798386	UV-kab exhaust fan	88.18
							<b>176.36</b>
6634	2/14/2014	2	Great American Financial	1/29/2014	1484156	copier Feb	107.61
6634	2/14/2014	2	Great American Financial	1/29/2014	1484156	copier Feb	107.61
							<b>215.22</b>
6635	2/14/2014	2	Group Dynamic Inc	2/4/2014	3418	January	88.00
							<b>88.00</b>
6636	2/14/2014	1	Hach Company	1/29/2014	8672056	lab supplies	129.88

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6636	2/14/2014	1	Hach Company	1/29/2014	8672056	lab supplies	129.87
6636	2/14/2014	1	Hach Company	1/28/2014	8670220	lab supplies	164.85
6636	2/14/2014	1	Hach Company	1/28/2014	8670220	lab supplies	164.85
							<b>589.45</b>
6637	2/14/2014	1	Home Depot Credit Servi	1/26/2014	3404	UV-cleaning, shop, tk16&33	48.94
6637	2/14/2014	1	Home Depot Credit Servi	1/26/2014	3404	UV-cleaning, shop, tk16&33	48.93
6637	2/14/2014	1	Home Depot Credit Servi	1/26/2014	3404	UV-cleaning, shop, tk16&33	13.97
6637	2/14/2014	1	Home Depot Credit Servi	1/26/2014	3404	UV-cleaning, shop, tk16&33	13.97
6637	2/14/2014	1	Home Depot Credit Servi	1/26/2014	3404	UV-cleaning, shop, tk16&33	38.18
6637	2/14/2014	1	Home Depot Credit Servi	1/26/2014	3404	UV-cleaning, shop, tk16&33	38.17
							<b>202.16</b>
6638	2/14/2014	1	Bisson Enterprises, Inc. E	1/31/2014	13827	UV-Jan	206.00
6638	2/14/2014	1	Bisson Enterprises, Inc. E	1/31/2014	13827	UV-Jan	206.00
6638	2/14/2014	1	Bisson Enterprises, Inc. E	1/31/2014	13826	Court St-Jan	282.50
6638	2/14/2014	1	Bisson Enterprises, Inc. E	1/31/2014	13826	Court	282.50
							<b>977.00</b>
6639	2/14/2014	2	Landry & Sons Acoustics	2/5/2014	4368	Court St-ceiling parts	17.50
6639	2/14/2014	2	Landry & Sons Acoustics	2/5/2014	4368	Court St-ceiling parts	17.50
							<b>35.00</b>
6640	2/14/2014	2	Hetl Water Program	2/7/2014	207141	-water test	67.50
6640	2/14/2014	2	Hetl Water Program	2/7/2014	207141	-water test	47.50
							<b>115.00</b>
6641	2/14/2014	2	Maine Water Utilities Ass	1/23/2014	1866426	Mike, Sid, Randy-water show	195.00
6641	2/14/2014	2	Maine Water Utilities Ass	1/28/2014	1866498	John, Forrest-water show	310.00
6641	2/14/2014	2	Maine Water Utilities Ass	1/25/2014	1866467	Steve, Dave, Rod H-	380.00
6641	2/14/2014	2	Maine Water Utilities Ass	1/13/2014	1866312	Dan Fortin water show	95.00
6641	2/14/2014	2	Maine Water Utilities Ass	1/2/2014	1866252	Mary Jane-water show	190.00
							<b>1,170.00</b>
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/23/2014	I160485	D Tribou	55.94
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/23/2014	I160421	(banker box, paper, bags, towel	86.17
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/23/2014	I160421	(banker box, paper, bags, towel	86.16
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/23/2014	I160421	(banker box, paper, bags, towel	71.64
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/23/2014	I160421	(banker box, paper, bags, towel	71.63
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/24/2014	CR1315	(credit for billed item not rec	-10.50
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/24/2014	CR1315	(credit for billed item not rec	-10.49
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/27/2014	I161031	paper towels	10.50
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/27/2014	I161031	paper towels	10.49
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/24/2014	I160729	electric pencil sharpener, lab	18.50
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/24/2014	I160729	electric pencil sharpener, lab	18.49
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/24/2014	I160729	electric pencil sharpener, lab	13.65
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/24/2014	I160729	electric pencil sharpener, lab	13.64
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/24/2014	I160840	folders	10.94
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/24/2014	I160840	folders	10.93
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/30/2014	I161976	Tribou, green bar, toner, bind	87.16

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6642	2/14/2014	1	W. B. Mason Co., Inc.	1/30/2014	I161976	Tribou, green bar, toner, bind	87.16
6642	2/14/2014	1	W. B. Mason Co., Inc.	2/6/2014	Cr13345	Tribou-return ink	-34.99
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/30/2014	I161988	Tribou	13.49
6642	2/14/2014	1	W. B. Mason Co., Inc.	2/6/2014	Cr13345	Tribou return	-13.49
6642	2/14/2014	1	W. B. Mason Co., Inc.	1/30/2014	I161976	Tribou, green bar, toner, bind	34.99
							<b>632.01</b>
6644	2/14/2014	1	Morrison & Sylvester, Inc	1/31/2014	C69593	plow tk#32	5,227.00
							<b>5,227.00</b>
6645	2/14/2014	1	New England Communic	11/20/2013	78155	UV-2 IP phones & license	919.22
6645	2/14/2014	1	New England Communic	11/20/2013	78155	UV-2 IP phones & license	919.22
							<b>1,838.44</b>
6646	2/14/2014	1	New England Truck Tire	2/5/2014	056566	compressor repair	10.00
6646	2/14/2014	1	New England Truck Tire	2/5/2014	056566	compressor repair	10.00
							<b>20.00</b>
6647	2/14/2014	2	Pine Tree Waste	2/1/2014	1331157	Feb - bulk waste	56.21
6647	2/14/2014	2	Pine Tree Waste	2/1/2014	1331157	Feb - bulk waste	56.21
							<b>112.42</b>
6648	2/14/2014	1	E.J. Prescott, Inc.	1/24/2014	4766673	vas usage	323.35
6648	2/14/2014	1	E.J. Prescott, Inc.	1/24/2014	4766673	vas usage	579.65
6648	2/14/2014	1	E.J. Prescott, Inc.	1/24/2014	4766673	vas usage	191.29
6648	2/14/2014	1	E.J. Prescott, Inc.	1/24/2014	4766673	vas usage	82.24
6648	2/14/2014	1	E.J. Prescott, Inc.	1/24/2014	4766673	vas usage	198.95
							<b>1,375.48</b>
6649	2/14/2014	1	Staples Credit Plan	1/28/2014	3403	laptop chargers, ups, paper	74.99
6649	2/14/2014	1	Staples Credit Plan	1/28/2014	3403	laptop chargers, ups, paper	74.99
6649	2/14/2014	1	Staples Credit Plan	1/28/2014	3403	laptop chargers, ups, paper	77.98
6649	2/14/2014	1	Staples Credit Plan	1/28/2014	3403	laptop chargers, ups, paper	77.98
6649	2/14/2014	1	Staples Credit Plan	1/28/2014	3403	laptop chargers, ups, paper	56.49
6649	2/14/2014	1	Staples Credit Plan	1/28/2014	3403	laptop chargers, ups, paper	56.49
							<b>418.92</b>
6650	2/14/2014	1	Super Shoe Stores, Inc.	1/29/2014	59425	Fortin, Stevens	269.32
							<b>269.32</b>
6651	2/14/2014	1	UNITIL ME	1/29/2014	3409	Court St-Jan gas	1,405.45
6651	2/14/2014	1	UNITIL ME	1/29/2014	3409	Court St-Jan gas	1,405.44
							<b>2,810.89</b>
<b><u>Grand Total</u></b>							<b>211,217.91</b>

*Net Payroll + taxes*

*66,539.27*

*277,757.18*





## SERVICES

Location	No.	Comments	Leak Check					
			OK	Leak	On Owner	Frozen	Box	Misc.
395 Hardscrabble Rd	1	Leak - on owner			1			
18 Fairmount Av	1	Shut off service - broken pipes						1
26 Vivian St	1	Water in cellar - ground water	1					
51 Chicoine Av	1	Repair service box					1	
167 Bradman St	1	Repair service box					1	
49 Hampshire St	1	Repair service box					1	
Mt Auburn Cemetery	1	Thaw frozen service inside house				1		
<b>Monthly Totals</b>	7		1	0	1	1	3	1
<b>2013 Monthly Totals</b>	12		1	0	5	0	6	0
<b>YTD Totals</b>	7		1	0	1	1	3	1

## METERS

Activity	Comments	Test/Repair	Changed	Misc.	Read Hours	Special Reads	Delinquent	
							Notify	Turn off
Test meters	5/8"							
Test meters	3/4"							
Test meters	1"							
Test meters	1 1/2"							
Test meters	2"							
Repair T.T.R.'s.								
Meters In/out	16							
Dead			0					
Frozen			0					
Terminate Service			12					
Activate Service			1					
Summer In			0					
Winter Out			0					
Temporary Meter				0				
Turn off & on for repairs				5				
Reading Meters					23.0			
Final Reads	Ownership Transfer					7		
Recheck Readings	High or low reading.					0		
Red Tags	Notify for non-payment.						113	
Turn off for non-payment								0
<b>Monthly Totals</b>		0	13	5	23	7	113	0
<b>2013 Monthly Totals</b>		0	32	4	30.5	16	96	3
<b>YTD Totals</b>		0	13	5	23	7	113	0



## LABORATORY

Month	Dist. Sys. Tests	Temp (°C)		Avg. NaOH gal/MG	Avg. Cl mg/l	Avg. FI mg/l	Avg. Turb. (ntu)	SWTR Tests
		Air	Water					
January	56	7.1	19.5	20.46	2.41	0.70	0.44	31
February								
March								
April								
May								
June								
July								
August								
September								
October								
November								
December								
<b>YTD Avg</b>				20.46	2.41	0.70	0.44	
<b>2013 Avg</b>				8.86	2.38	0.73	0.79	
<b>YTD Totals</b>	56							31

## LAKE AUBURN

Month	No. Patrols	Withdrawals *			Elevations **					
		AWD	LWD	Total	1st	High	Yr.	Low	Yr.	2012
January	weekly	2.52	3.99	6.51	260.52	261.4	1974	257.20	1979	260.08
February										
March										
April										
May										
June										
July										
August										
September										
October										
November										
December										
<b>Avg. Daily</b>	daily	2.52	3.99	6.51						
<b>YTD Totals</b>	0	2.52	3.99	6.51						

\* Average Daily Withdrawals MGD    \*\* Elevation Above Sea Level

## 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									
March									
April									
May									
June									
July									
August									
September									
October									
November									
December									
<b>YTD Totals</b>	8.00	3.53							

\* 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												
March												
April												
May												
June												
July												
August												
September												
October												
November												
December												
<b>YTD Totals</b>	60	21	1	15	0	0	0	12	10	0	1	0
<b>2013 Totals</b>	45	19	2	6	0	2	1	6	9	0	0	0

## DUTY FOREMAN CALLS

(Overtime)

Districts	Total	High/Low Pressure	Water Quality	Alarms	Sewer Service	Leak	Misc.	Locates	Hydrants	Meter	Fire Calls
Sewerage District	5			2	3	0	0	0	0	0	0
Water District	17	0	3	6		4	4	0	0	0	0
<b>Monthly Totals</b>	22	0	3	8	3	4	4	0	0	0	0
<b>2013 Monthly Totals</b>	15	2	0	2	4	4	3	0	0	0	0
<b>YTD Totals</b>	22	0	3	8	3	4	4	0	0	0	0

## OTHER ACTIVITIES

1. Shovel and check hydrants
2. UV training - Massachusetts (Don Stevens)
3. Turn on Group II bleeders
4. Office renovations
5. Remove deer off lake
- 6.
- 7.



# City Council Workshop Information Sheet

## City of Auburn

**Council Workshop Date:** February 18, 2014

**Item**

**Author:** Jim Saffian, of Pierce Atwood

Item(s) checked below represent the subject matter related to this workshop item.

<input type="checkbox"/> Comprehensive Plan	<input type="checkbox"/> Work Plan	<input type="checkbox"/> Budget	<input type="checkbox"/> Ordinance/Charter	<input checked="" type="checkbox"/> Other Business*	<input type="checkbox"/> Council Goals**
**If Council Goals please specify type: <input type="checkbox"/> Safety <input type="checkbox"/> Economic Development <input type="checkbox"/> Citizen Engagement					

**Subject:** Auburn Water District – Auburn City Council permission to issue \$1,000,000 of Water District Bonds

### Information:

Auburn Water District plans to finance an in-lake aluminum sulfate (alum) or other chemical treatment to Lake Auburn to mitigate algae growth related to excess phosphorus in the water, and to the extent funds remain therefore, to finance upgrades to the Water District’s water distribution system, including water main replacement, with other improvements ancillary and related thereto.

Section 13 of the Auburn Water District Charter provides that the Auburn City Council must give its permission before the Auburn Water District issues its bonds.

**Financial:** The bonds are an obligation of the Auburn Water District, not the City of Auburn. The District has established rates (approved by the Public Utilities Commission) to cover the proposed bond issuance. There will not be any additional rate adjustments related to the bonds.

### Action Requested at this Meeting:

### Previous Meetings and History:

**Attachments:** Draft Resolve

*\*Agenda items are not limited to these categories.*

## **AUBURN WATER DISTRICT**

### **BOARD OF TRUSTEES RESOLUTION AUTHORIZING A BORROWING IN AN AMOUNT NOT TO EXCEED \$1,000,000**

**WHEREAS**, the Auburn Water District (the “District”) intends to finance an in-lake aluminum sulfate (alum) or other chemical treatment to Lake Auburn to mitigate algae growth related to excess phosphorus in the water, and to the extent funds remain therefore, to finance upgrades to its water distribution system, including water main replacement, with other improvements ancillary and related thereto (the “Project”); and

**WHEREAS**, the District desires to finance the Costs (as defined herein) of such Project by issuing its bonds in the maximum aggregate amount of \$1,000,000 and to borrow such money through the General Resolution Program of the Maine Municipal Bond Bank (the “Bond Bank”) (or such other fund or program administered by the Bond Bank and for which the Project is eligible);

**NOW THEREFORE**, on motion duly made and seconded, be it **RESOLVED** by the Board of Trustees of the Auburn Water District Assembled:

**THAT:** Pursuant to the District’s Charter, Chapter 60 of the Private and Special Laws of Maine of 1923 and all amendments thereof and acts additional thereto, and all other authority thereto enabling, the Treasurer of the District and the President of the District Board of Trustees be and hereby are authorized to borrow an aggregate principal amount not to exceed 1,000,000, the proceeds of which shall be used to finance the Costs of the Project; and

**THAT:** In order to accomplish the borrowing authorized above and to evidence the loan, there is hereby authorized issuance of the District’s bonds in an amount not to exceed \$1,000,000 (the “Bonds”), which Bonds are subject to approval of both the Public Utilities Commission (the “PUC”) and City Council of the City of Auburn pursuant to Section 13 of the District Charter; and

**THAT:** The Treasurer of the District be and hereby is authorized, in the name and on behalf of the District, to execute and file with the PUC an application to authorize the issuance and sale of the Bonds, and that any such action previously taken be and hereby is ratified; and

**THAT:** The Bonds shall mature at such time, be dated as of such date, to bear interest at such rate or rates, to mature in such amounts and on such dates (but not to exceed 30 years from the date of issuance), and to be in such form and contain such terms and provisions as the Treasurer may approve, such approval to be conclusively evidenced by his execution thereof; and

**THAT:** The Treasurer and the President be and hereby are authorized to borrow money in anticipation of said Bonds by the issuance and sale of notes or renewal notes in anticipation thereof and to determine the date, form, interest rate, maturities (not to exceed 1 year from the date of issuance) and all other details of such notes, including the form and manner of their sale and award, subject to the provisions of the law, Section 13 of the District Charter and these Resolutions (the “Notes”); and

**THAT:** The Bonds and Notes shall be executed in the name and on behalf of the District by the President of the District Board of Trustees and countersigned by its Treasurer and shall bear the corporate seal of the District thereon, attested by its Clerk; and

**THAT:** The Treasurer be and hereby is authorized to provide that any of the Bonds and notes hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity; and

**THAT:** The Bonds shall contain such other terms and provisions, not contrary to the general tenor hereof, as the Treasurer may approve, his approval to be conclusively evidenced by the execution thereof; and

**THAT:** The Treasurer and President of the Board of Trustees be and hereby are authorized, on behalf of the District, to enter into a loan agreement with the Bond Bank in conjunction with the issuance of the Bonds or Notes, in the aggregate principal amount not to exceed \$1,000,000 with a term not to exceed the term of the Bonds or Notes, as applicable, said loan agreement to be in the usual and ordinary form utilized by the Bond Bank in connection with either the General Resolution Program or the State Revolving Loan Fund, which is hereby approved, and to contain such other terms and provisions, not contrary to the general tenor hereof, as the Treasurer and President of the Board of Trustees may approve, their approval to be conclusively evidenced by the execution thereof.

**THAT:** The Treasurer be and hereby is authorized to select the registrar, paying agent and transfer agent (the “Transfer Agent”) for the Bonds and Notes and to execute and deliver such contracts and agreements as may be necessary or appropriate to secure their services; and

**THAT:** The Bonds and Notes shall be transferable only on registration books of the District kept by the transfer agent, and said principal amount of the Bonds of the same maturity (but not of other maturity) in the denomination approved by the Treasurer upon surrender thereof at the principal office of the transfer agent, with a written instrument of transfer satisfactory to the transfer agent duly executed by the registered owner or his attorney duly authorized in writing. Upon each exchange or transfer of a Bond or Note, the District and the transfer agent shall make a charge sufficient to cover any tax, fee or any other governmental charge required to be payable with respect to such exchange or transfer, and with respect to such exchange or transfer, and subsequent to the first exchange or transfer, the cost of preparing new Bonds or Notes upon exchanges or transfer thereof to be paid by the person requesting the same.

**THAT:** The Treasurer be and hereby are authorized to undertake all acts necessary to provide for the issuance and transfer of such Bonds or Notes in book-entry form pursuant to the

Depository Trust Company Book-Entry Only System, as an alternative to the provisions of the foregoing Resolve above regarding physical transfer of Bonds, and the Treasurer be and hereby is authorized and empowered to enter into a Letter of Representation or any other contract, agreement or understanding necessary or, in his opinion, appropriate in order to qualify the Bonds for and participate in the Depository Trust Company Book-Entry Only System; and

**THAT:** The Treasurer and President of the Board of Trustees from time to time shall execute such Bonds and Notes as may be required to provide for exchanges or transfers of Bonds or Notes as heretofore authorized.

**THAT:** If the Bonds and Notes hereinbefore authorized are issued on a tax exempt basis, the Treasurer be and hereby is authorized to covenant and certify on behalf of the District that no part of the proceeds of the issue and sale of the Bonds and Notes hereinbefore authorized shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause such Bonds or Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

**THAT:** If the Bonds and Notes hereinbefore authorized are issued on a tax exempt basis, the officers executing such Bonds and Notes be and hereby are individually authorized to covenant and agree, on behalf of the District, for the benefit of the holders of the Bonds or Notes, that the District will file any required reports and take any other action that may be necessary to ensure that interest on the Bonds or Notes will remain exempt from federal income taxation, and that the District will refrain from any action that would cause interest on the Bonds or Notes to be subject to federal income taxation.

**THAT:** If the Bonds and Notes hereinbefore authorized are issued on a tax exempt basis, the Treasurer be and hereby is authorized to designate the Bonds and Notes issued hereunder as qualified tax exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, to the extent permitted thereby.

**THAT:** The Treasurer be and hereby is authorized to covenant, certify and agree, on behalf of the District, for the benefit of the holders of such Bonds, that the District will file any required reports, make any annual financial or material event disclosure, and take any other action that may be necessary to insure that the disclosure requirements imposed by Rule 15c2-12 of the Securities and Exchange Commission, if applicable, are met.

**THAT:** The term "Cost" or "Costs" as used herein and applied to the Project, or any portion thereof, includes, but is not limited to (1) the purchase price or acquisition cost of all or any portion of the Project; (2) the cost of construction, building, alteration, enlargement, reconstruction, renovation, improvement, and equipping of the Project; (3) the cost of all appurtenances and other facilities either on, above, or under the ground which are used or usable in connection with the Project; (4) the cost of landscaping, site preparation and remodeling of any improvements or facilities used or usable in connection with the Project; (5) the cost of all labor, materials, building systems, machinery and equipment incurred with respect to the Project; (6) the cost of land, structures, real property interests, rights, easements, and franchises acquired in connection with the Project; (7) the cost of

all utility extensions and site improvements and development relating to the Project; (8) the cost of planning, developing, preparation of specifications, surveys, engineering, feasibility studies, legal and other professional services associated with the Project; (9) the cost of environmental studies and assessments relating to the Project; (10) the cost of financing charges and issuance costs, including premiums for insurance, interest prior to and during construction, interest following completion of construction but not beyond 3 years from the issue date, underwriters' fees and costs, legal and accounting fees and costs, application fees, use of proceeds to fund a reserve fund and all other fees and expenses relating to the financing transaction; and (11) the cost of all other financing authorized hereunder, whether related or unrelated to the foregoing.

**THAT:** The Treasurer, President of the Board of Trustees and Clerk and other proper officials of the District be, and hereby are individually authorized and empowered in its name and on its behalf to do or cause to be done all such acts and things, and to execute, deliver, file, approve, and record all such documents, contracts, agreements, indentures, supplemental indentures, series indentures, deeds, assignments, certificates, memoranda, abstracts, and other documents as may be necessary or advisable, to carry out the provisions of the resolutions heretofore adopted in connection with the Project, including but not limited to the issuance, execution, sale, and delivery by the District of the Bonds and Notes and the entering into of a loan agreement or an interim loan agreement with the Bond Bank.

**THAT:** If any of the officers or officials of the District who have signed or sealed the Bonds and Notes hereinbefore authorized shall cease to be such officers or officials before the Bonds or Notes so signed and sealed shall have been actually authenticated or delivered by the District, such Bonds or Notes nevertheless may be authenticated, issued, and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds or Notes had not ceased to be such officer or official; and also any such Bonds or Notes may be signed and sealed on behalf of the District by those persons who, at the actual date of the execution of such Bonds or Notes, shall be the proper officers and officials of the District, although at the nominal date of such Bonds or Notes any such person shall not have been such officer or official.

**THAT:** If the Treasurer, President of the Board of Trustees or Clerk are for any reason unavailable to approve and execute the Bonds and Notes hereinbefore authorized, or any of the bond documents to be delivered with respect thereto, the person or persons then acting in any such capacity, whether as an assistant, a deputy, on an interim basis or otherwise, is authorized to act for such official with the same force and effect as if such person had herself performed such act.

**THAT:** The District covenants to establish, maintain, apportion, revise and collect assessments, rates and/or charges for water services furnished by the District to pay when due current expenses of operating and maintaining the water system, and to pay or provide for the payment of all indebtedness created or assumed by the District.

**THAT:** During the term any of the Bonds are outstanding, the Treasurer be and hereby is authorized to issue and deliver refunding bonds to refund some or all of the Bonds then outstanding, and to determine the date, form, interest rate, maturities (not to exceed 30

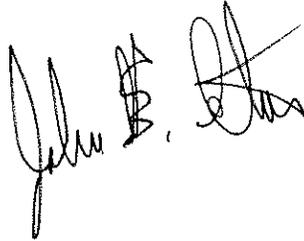
years from the date of issuance of the original Bonds) and all other details of such refunding bonds, including the form and manner of their sale and award. The Treasurer be and hereby is further authorized to provide that any of such refunding bonds hereinbefore authorized be made callable, with or without premium, prior to their stated date(s) of maturity, and each refunding bond issued hereunder shall be signed by the President of the District Board of Trustees and countersigned by its Treasurer, and shall be sealed with the seal of the District, attested to by its Clerk.

**THAT:** The investment earnings on the proceeds of the Bonds and notes hereinbefore authorized, if any, and the excess proceeds of such Bonds and notes, if any, be and hereby are appropriated for the following purposes, such proceeds to be held and applied in the following order of priority:

1. To any Costs of the Project in excess of the principal amount of the Bonds or notes;
2. If issued on a tax exempt basis, in accordance with the applicable terms and provisions of the Arbitrage and the Use of Proceeds Certificate delivered in connection with the sale of the Bonds or notes.

# Memo

**To:** Water & Sewer District Trustees  
**From:** John Storer  
**CC:** Files  
**Date:** February 13, 2014  
**Re:** Agenda Item – MPUC Deregulation



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On this month's Agenda there is a discussion item about potential Maine Public Utilities Commission deregulation of Consumer-Owned Water Utilities. I would like to have Trustee approval to offer support testimony as the effort goes to the State Legislature.

I apologize for the amount of attachments in the Agenda Packets – so will try to explain some of the information.

The State of Maine is perhaps one of only 2 States in the country that regulate Consumer-Owned Water Utilities. The Auburn Water District is heavily regulated by the Maine PUC, while the Auburn Sewerage District has no oversight from the PUC. Water utilities across the State have pushed for an update of the PUC water regulations, but in turn the PUC Commissioners questioned whether oversight of locally-controlled utilities was even required.

In the Spring of 2013, LD 441 went to the Legislature's Joint Standing Committee on Energy, Utilities and Technology. Two pages are attached that include the proposed LD 441. Also attached was a one-page bullet list of support testimony prepared on behalf of the collective water utilities across the State. LD 441 required the PUC to "*develop a plan to reform water regulation in the State.....*"

LD 441 required the PUC to issue a Study by December 23<sup>rd</sup>, 2013 (*which was later pushed back to January 31, 2014*) on the potential deregulation of Consumer-Owned Water Utilities. A copy of the PUC's Docket #2013-00444 is attached, which explained what the Study would cover.

Another attachment is the PUC's actual Final Report that was issued on January 30, 2014. Water utilities generally do not agree with the recommendations and have collectively been working on a counter-proposal. The expectation is that the Energy, Utilities, and Technology Committee will issue a proposed bill and LD# based on the PUC Study. BUT – and this is the key point – it is expected that the final bill language will be heavily dependent on feedback from utilities.

What I would like to support, on behalf of the Auburn Water District, is a concept of voluntary deregulation from certain aspects of the PUC. Many of the PUC's current requirements are duplicative of what we have through locally controlled citizen boards.

Again – hopefully I can explain the concepts and objectives during the meeting. The attachments are simply provided to give a wider background on the history of the effort and also to outline where things might go as the effort moves forward.

TIMING - APRIL 2013

PLEASE NOTE: Legislative Information *cannot* perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## Resolve, Directing the Public Utilities Commission To Develop a Plan To Reform Water Regulation

**Sec. 1 Regulatory reform plan. Resolved:** That the Public Utilities Commission, referred to in this resolve as "the commission," shall develop a plan to reform water regulation in the State in accordance with the following.

1. The plan must be consistent with the following:

A. Regulatory burdens must be the minimum necessary to protect the public welfare;

B. Regulatory reform may not relieve any provider from complying with environmental obligations under either state or federal law, including but not limited to those relating to the safety of drinking water;

C. Regulatory reform may make distinctions between water utilities based on the utilities' available resources and expertise, as well as on the form of local governance; and

D. Regulatory reform must ensure the continued adequacy of consumer protection regulation, including the maintenance of appropriate limitations on disconnection and collection practices, and must ensure that consumers have adequate mechanisms available to them to resolve complaints fairly and promptly.

2. In developing the plan, the commission:

A. Shall seek input from interested parties but is not required to conduct an adjudicatory proceeding; and

B. Shall examine the current regulatory structure in accordance with the requirements in subsection 1 and may not presume existing laws and rules are appropriately designed for the current competitive environment.

3. The commission shall submit its plan to the Joint Standing Committee on Energy, Utilities and Technology no later than December 31, 2013. The plan must describe necessary changes to law, rules or procedures and any other necessary actions to implement the plan. To the maximum extent practicable, the commission shall establish target dates for implementation of the elements of the plan no later than 90 days after the adjournment of the Second Regular Session of the 126th Legislature. The commission shall include with the plan a draft of any legislation necessary to implement the plan and, consistent with the requirements of the Maine Revised Statutes, Title 5, chapter 375, changes to rules necessary to implement the plan.

The Joint Standing Committee on Energy, Utilities and Technology may report out a bill to reform water regulation to the Second Regular Session of the 126th Legislature; and be it further

**Sec. 2 Action on filings. Resolved:** That, consistent with the purposes of this resolve and the requirements in section 1, the Public Utilities Commission shall seek to process any filings submitted by water utilities for exemptions under the Maine Revised Statutes, Title 35-A with as much deliberate speed as possible, within the constraints of existing resources.

## **SUMMARY**

This resolve directs the Public Utilities Commission to develop a plan to reform water regulation and report to the Joint Standing Committee on Energy, Utilities and Technology no later than December 31, 2013. The Joint Standing Committee on Energy, Utilities and Technology may report out a bill to reform water regulation to the Second Regular Session of the 126th Legislature. It also directs the commission to seek to process any filings submitted by water utilities for exemptions under the laws governing utilities with as much deliberate speed as possible, within the constraints of existing resources.

# Support LD 441: Maine needs a modern approach to water utility regulation

## The Situation

- Current PUC regulation is a one size fits all approach
  - “Water districts have never fit comfortably into the mold of a monopoly utility, in great degree because of the democratic manner in which they are governed” Maine PUC 2/15/2013 Report to the Maine Legislature
- Lack of local control can cost money and negatively impact customer service
  - Locally elected trustees are sometimes unnecessarily constrained when dealing with local issues
  - [at water districts] “...decisions are made and implemented by elected or appointed trustees who are directly responsible to the customers served by the water utility and best suited to understand and respond to the issues they face.” Maine PUC 2/15/2013 Report to the Maine Legislature
- Current financial reporting and filing requirements provide limited benefit to rate payers or water districts
  - Over the years the Legislature has decreased PUC oversight of Water Districts
  - “What remains is a circular pattern of assistance and compliance reporting that occurs in a regulatory vacuum with little benefit to rate payers or water districts” Maine PUC 7/31/2012 NOI
- Any change to financial regulation must be a comprehensive and inclusive process
  - LD 441 Directs the PUC to seek input from interested parties; develop a comprehensive plan to reform water regulation in Maine, and then report back to the Legislature by the end of this year.

## A Step Towards a Solution – LD 441

### What It Does:

- Directs the PUC to proceed with the implementation of its recommendations to the Legislature by developing a plan to reform water utility regulation that:
  - protects the public welfare and environmental compliance, including the safety of drinking water
  - may distinguish between water utilities based on their resources, expertise, and local governance
  - ensures the continued adequacy of consumer protection regulation,
- Directs the PUC to involve interested parties
- Directs the PUC to submit its plan and any recommendations for implementing legislation to the Legislature

### What It Doesn't Do:

- LD 441 doesn't prescribe a specific outcome or single type of regulation
- LD 441 doesn't address or compromise environmental or health protections
- LD 441 doesn't compromise consumer protections for rates, billing, or other issues

## Why Now?

*The total direct and indirect costs of economic regulation are significant...[w]e support a comprehensive investigation of deregulation.* Maine Water Utilities Association, 9/27/2012

*[We] support investigating the concept of deregulation and local governance of the business affairs of publicly owned water utilities...now is the time for such an investigation to proceed.* Southern Maine Regional Water Council, 9/28/2012

*Local democratic decision-making is the best option for public water services...[m]ost states do not have economic regulation of local government water utilities...Food & Water Watch, 9/24/2012*

*[We] would like to see deregulation and local control given some real thought.* Winthrop Utilities District, 9/21/2012

*If our utility were to enter a deregulated state....adopt the MPUC policy regulations initially and to modify them as necessary based on our local decisions...[c]ustomers would see no discernible difference in our operations.* Kennebec Water District, 1/18/2013

*[T]he Commission recommends addressing the fundamental question of whether economic regulation is the proper environment in which to resolve the current and pending issues confronting consumer-owned utilities in Maine.* Maine Public Utilities Commission, 2/15/2013

September 24, 2013

MAINE PUBLIC UTILITIES COMMISSION  
Inquiry Into Regulatory Reform Plan for  
Consumer-Owned Water Utilities

NOTICE OF INQUIRY

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WELCH, Chairman; LITTELL and VANNOY, Commissioners

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Pursuant to Resolves 2013, ch. 47 (the Resolve), and Part 12 of Chapter 110 of the Commission's Rules, we open this Inquiry for the purpose developing a plan for reforming regulation of consumer-owned water utilities. As instructed by the Resolve, the following principles must guide our inquiry:

- A. Regulatory burdens must be the minimum necessary to protect the public welfare;
- B. Regulatory reform may not relieve any provider from complying with environmental obligations under either state or federal law, including but not limited to those relating to the safety of drinking water;
- C. Regulatory reform may make distinctions between consumer-owned water utilities based on the utilities' available resources and expertise, as well as on the form of local governance;; and
- D. Regulatory reform must ensure the continued adequacy of consumer protection regulation, including the maintenance of appropriate limitations on disconnection and collection practices, and must ensure that consumers have adequate mechanisms available to them to resolve complaints fairly and promptly; and
- E. Regulatory reform must provide a mechanism that ensures that the rates charged by each consumer-owned water utility are just and reasonable, pursuant to the standards of the Maine Revised Statutes, Title 35-A, section 301.
- F. Regulatory reform must ensure that the interests of consumer owned water utilities and their ratepayers are protected with regard to the provision of, and charges for:
  - 1) Municipal fire protection;
  - 2) Water main extensions; and
  - 3) Consumer-owned water utilities' readiness to serve charges.

Further, as required by the Resolve, our Inquiry may not presume that existing laws and rules are appropriately designed for the current environment and the needs of consumer-owned water utilities and their ratepayers.

We are required to submit a plan to the Joint Standing Committee on Energy, Utilities

and Technology by January 31, 2014. The plan must describe necessary changes to law, rules or procedures and any other necessary actions to implement the plan. To the maximum extent practicable, the Commission must establish target dates for implementation of the elements of the plan that are no later than 90 days after the adjournment of the Second Regular Session of the 126th Legislature. The Commission must also include with the plan a draft of any legislation necessary to implement the plan and, consistent with the requirements of the Maine Administrative Procedure Act (5 M.R.S. §§ 8001-1108), changes to rules necessary to implement the plan.

The Resolve states explicitly that we are to provide an opportunity for input in the development of the plan, but that we are not required to conduct an adjudicatory proceeding for that purpose, and we decline to do so. In order to fully capitalize on the information-gathering flexibility thus afforded by the Legislature, the Commission will seek input from interested parties in the several ways described below.

First, we will accept written submissions from interested persons addressing the issues identified in the Resolve. We also encourage the submission of proposed amendments to pertinent sections of Title 35-A and the Commission's administrative rules, preferably in redlined, legislative format. To ensure our ability to thoroughly review all of the information provided to us, and to incorporate that information into our development of the plan, we encourage interested persons to file written submissions on or before October 18, 2013. Due to the non-adjudicatory nature of these proceedings, and the compressed timeframe for the completion of the mandated tasks, "responsive filings" in the nature of replies or rebuttals to the filings of other participants may be of limited value to the Commission. For these reason, the October 18, 2013 submissions should be as detailed and comprehensive as possible.

Finally, we expect to afford interested parties an opportunity to comment on a draft plan to be released on or about December 1, 2013. The comment period will be approximately two weeks. Comments received by the Commission will be appended to the Commission's final report to the Joint Standing Committee on Energy, Utilities and Technology.

This Notice will be sent to all water utilities in the State and all persons and organizations that participated in the Commission's *Inquiry Into Decreasing Revenues of Water Utilities*, Docket No. 2012-00315.

Dated at Hallowell, Maine, this 24<sup>th</sup> day of September, 2013.

BY ORDER OF THE COMMISSION

*/s/Harry Lanphear*

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Harry A. Lanphear  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
   Littell  
   Vannoy

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 11(D) of the Commission's Rules of Practice and Procedure (65-407 C.M.R. 110) within **20** days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought. Any petition not granted within **20** days from the date of filing is denied.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21** days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.



STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

THOMAS L. WELCH  
CHAIRMAN

DAVID P. LITTELL  
MARK VANNOY  
COMMISSIONERS

HARRY LANPHEAR  
ADMINISTRATIVE DIRECTOR

January 30, 2014

Honorable John J. Cleveland, Senate Chair  
Honorable Barry J. Hobbins, House Chair  
Energy, Utilities and Technology Committee  
100 State House Station  
Augusta, Maine 04333

**Re: Report Related to Resolves 2013, ch. 47, Resolve, Directing the Public Utilities Commission to Develop a Plan to Reform Regulation of Consumer-owned Water Utilities**

Dear Senator Cleveland and Representative Hobbins:

During its 2013 session, the Legislature enacted LD 441, Resolve, Directing the Public Utilities Commission to Develop a Plan to Reform Regulation of Consumer-owned Water Utilities. The Resolve directed the Commission to submit a report including the plan to the Committee by January 31, 2014. The report must describe necessary changes to law, rules or procedures and any other necessary actions to implement the plan. The Commission is to include a draft of any legislation and changes to rules necessary to implement the plan and the Committee may report out a bill. Attached is the Commission's report and plan for the Committee's consideration.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Thomas L. Welch, Chairman

On behalf of the Chairman and

David P. Littell, Commissioner  
Mark A. Vannoy, Commissioner  
Maine Public Utilities Commission

**Attachment**

cc: Energy, Utilities and Technology Committee Members  
Jean Guzzetti, Legislative Analyst

**MAINE PUBLIC UTILITIES  
COMMISSION**

**Report to the Legislature Pursuant to  
Resolves 2013, Chapter 47, Directing the  
Public Utilities Commission to Develop a  
Plan To Reform Regulation of  
Consumer-owned Water Utilities**

**January 31, 2014**

## I. Summary

This report provides a description of the Commission's stakeholder process initiated at the direction of the Legislature in Resolves 2013, ch. 47 (Resolve, Directing the Public Utilities Commission to Develop a Plan to Reform Regulation of Consumer-owned Water Utilities); summarizes the comments of stakeholders who participated in that process; and describes the Commission's recommendation to provide individualized reform of regulatory oversight for consumer-owned water utilities. Participants in the Commission's stakeholder process provided disparate perspectives on regulatory reform. While participants were in general agreement that components of the current regulatory framework were no longer necessary, or were burdensome beyond their value, no consensus was reached regarding a method for regulatory reform. The only areas of universal agreement were that removal of regulatory oversight should not be mandatory and that regulatory reform should not be conducted in a "one size fits all" manner.

The Commission's proposal for regulatory reform acknowledges the general concern that sweeping and precipitous removal of regulatory oversight could have unforeseen detrimental consequences while still creating a means for consumer-owned water utilities to identify, and seek to remove, regulatory requirements that are no longer necessary or productive in the assurance of statutory protections to consumers. Specifically, the Commission recommends the enactment of statutory amendments authorizing the Commission to grant waivers of the regulatory requirements of the majority of Title 35-A. The form of such waivers could be specific to a single requirement or a collection of requirements wherein the consumer-owned water utility has sufficient resources and expertise to ensure the core obligations to customers contained in Title 35-A will be maintained in the absence of Commission oversight. This recommendation was submitted for comment to stakeholders in the form of a Draft Report issued on December 4, 2013. Comments on the Draft Report submitted by stakeholders are discussed below and attached in their entirety in an appendix to this report.

## II. Procedural Background

On June 11, 2013, the Legislature enacted a Resolve, Directing the Public Utilities Commission to Develop a Plan to Reform Regulation of Consumer-owned Water Utilities. Resolves 2013, ch. 47 (the Resolve).<sup>1</sup> The Resolve directed the Public Utilities Commission (Commission) to create a plan consistent with the following principles:

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<sup>1</sup> Consumer-owned water utilities include both water districts and town owned water departments. These terms may be used interchangeably in this document.

- A. Regulatory burdens must be the minimum necessary to protect the public welfare;
- B. Regulatory reform may not relieve any provider from complying with environmental obligations under either state or federal law, including but not limited to those relating to the safety of drinking water;
- C. Regulatory reform may make distinctions between consumer-owned water utilities based on the utilities' available resources and expertise, as well as on the form of local governance;
- D. Regulatory reform must ensure the continued adequacy of consumer protection regulation, including the maintenance of appropriate limitations on disconnection and collection practices, and must ensure that consumers have adequate mechanisms available to them to resolve complaints fairly and promptly;
- E. Regulatory reform must provide a mechanism that ensures that the rates charged by each consumer-owned water utility are just and reasonable, pursuant to the standards of the Maine Revised Statutes, Title 35-A, section 301; and
- F. Regulatory reform must ensure that the interests of consumer-owned water utilities and their ratepayers are protected with regard to the provision of, and charges for:
  - 1) Municipal fire protection;
  - 2) Water main extensions; and
  - 3) Consumer-owned water utilities' readiness to serve charges.

The Legislature further directed the Commission not to presume that existing laws and rules are appropriately designed for the current environment and the needs of consumer-owned water utilities and their ratepayers and to submit a plan to the Joint Standing Committee on Energy, Utilities and Technology by January 31, 2014, describing necessary changes to law, rules or procedures and any other necessary actions to implement the plan. The Resolve explicitly directed the Commission to provide an opportunity for input in the development of the plan, but did not require an adjudicatory proceeding for that purpose. Accordingly, the Commission initiated an Inquiry by Notice issued on September 24, 2013 soliciting initial comments from stakeholders. This notice was distributed to all water utilities within the State and all persons and organizations that participated in the Commission's Inquiry Into Decreasing Revenues of Water Utilities, Docket No. 2012-00315. In addition, the Commission solicited comments to a Draft Report issued on December 4, 2013.

Submitted by the Maine Public Utilities Commission

In response to these solicitations for comments, the Commission received written submissions from 7 of 137 individual water utilities. The Southern Maine Regional Water Council (SMRWC), the Five Rivers Regional Water Council, Maine Water Utilities Association (MWUA), and the Maine Rural Water Association (MRWA) also submitted comments on behalf of their members generally. The individual utilities submitting comments were the Bar Harbor Water Department, Bath Water District, Belfast Water District, Caribou Utilities District, Portland Water District (PWD), Sanford Water District, and the Winthrop Utilities District. Comments were also submitted by the Maine Department of Health and Human Services Drinking Water Program (Maine Drinking Water Program or MDWP), the Conservation Law Foundation (CLF), the Office of the Public Advocate (OPA), Sandra Bolotsky, Sydney Pew, Bruce Taylor, Bill Harriman, and Anita Hafford (collectively, Stakeholders). These comments, which are summarized and discussed in the body of this report, can be obtained and read in their entirety through the Commission's electronic Case Management System.<sup>2</sup> In addition, the comments that were submitted in response to the December 4, 2013 Draft Report are attached as an appendix to this report.

Comments received from the Stakeholders generally supported minimizing regulatory burdens, but were unified in rejecting the mandatory removal of regulatory requirements. The picture that emerges from the comments is of a wide spectrum of utilities that have vastly different levels of expertise and resources. Based upon these comments, submitted by a relatively small sample of individual utilities and customers but representing a variety of points along that spectrum, it appears that no single regulatory change, and in particular no comprehensive removal of small water utilities from oversight by the Commission, will resolve the challenges faced by these smaller utilities. Indeed, many comments articulated a concern that a sweeping removal of regulatory oversight would impair the ability of certain water utilities to perform their public service obligations.

As noted by the OPA, the statutory requirements governing utility activities "have been developed over many years to ensure that those utilities' customers receive safe and reliable service at rates that are just, reasonable, and not unduly discriminatory." (OPA Comments at 3.) As with any major change in the degree of regulatory oversight, there is a risk of unforeseen (and perhaps unforeseeable) consequences for both water districts and their customers should the overall framework be subject to a wholesale revision and/or repeal. Consequently, the Commission suggests that the Legislature consider an amendment to Title 35-A that would authorize the Commission to grant exemptions to particular statutory requirements imposed on consumer-owned water districts, thereby enabling the Commission to adopt an incremental, case-by-case approach to easing the regulatory burdens faced by consumer-owned water utilities. Our recommended approach recognizes the diverse nature of consumer-owned water

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<sup>2</sup> The Commission's CMS can be accessed at:  
<http://www.maine.gov/mpuc/online/index.shtml>

utilities and would allow for a considered, and gradual, relaxation of the regulatory framework. As with respect to telecommunications regulation, however, the Commission acknowledges that if elements of regulation by the Commission no longer serve a useful purpose, or are duplicative of effective regulation by other government bodies, removal of those elements is likely to be appropriate.

Specifically, the Commission suggests that the Legislature may wish to consider statutory changes to Title 35-A that would authorize the Commission to consider requests made by individual consumer-owned water utilities for exemptions from particular existing statutorily imposed regulations upon a finding, by the Commission, that the requesting utility has sufficient legal mechanisms and resources to enable it to perform its public service in a manner consistent with the overall requirements of Title 35-A and that granting the requested exemption would not be adverse to the interests of the utility's customers. Such a method of regulatory relaxation would allow for a process that will ensure that customers are not harmed by the transition to a less regulated environment, while, at the same time, permit each consumer-owned water utility to determine the type and pace of lessened regulation that each would like to pursue. Such a mechanism would maintain the statutory foundations of public utility service, specifically, that consumer-owned water utilities are created and organized by grant from the Legislature to serve specifically defined areas, that rates for public utility service be just and reasonable, that utility customers be provided with safe and adequate service, and that such service is provided without discrimination.

The sections below describe the Commission's regulatory framework and the various statutes and rules that govern the Commission's oversight of consumer-owned water utilities. Comments of stakeholders are addressed in each section. There is also a detailed discussion of the waiver process suggested above, along with draft statutory language that would provide the Commission with authority to begin implementing the regulatory reform plan.

### **III. Overview of Commission Regulation**

Consumer-owned water utilities are governed by the general requirements applicable to all utilities in Maine as well as requirements that are specific to consumer-owned water utilities. These requirements are based in statute and implemented through Commission rules. In general, these requirements fall into three categories: 1) requirements that provide protections to consumers concerning applications for service, billing, and dispute resolution; 2) financial and ratemaking requirements; and 3) requirements for operations and activities.

#### **A. Consumer Protections**

Regulation of public utilities is justified in part by the belief that customers who must purchase a service necessary for their health and welfare from a single provider should have the protection from a government body to ensure that prices are

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reasonable, service is safe and adequate, and disputes concerning billing and other interactions between the utility and the customer are resolved fairly. In the context of water utilities, the Commission has created Chapter 660 of the Commission's rules to delineate the rights and responsibilities of both utilities and consumers of water service and to set requirements for applications for service; the information provided to customers on bills; the means by which customers may pay bills, the creation and enforcement of payment arrangements for past due charges; notice and timing requirements for disconnection of service due to non-payment of charges; provision of service to non-paying customers with medical emergencies; and methods for utility resolution of customer disputes. Additionally, Chapter 660 sets forth the process by which the Commission's Consumer Assistance Division (CAD) investigates and resolves customer disputes.

Title 35-A also provides a means for customers to bring before the Commission disputes that may arise between customers and a utility. Specifically, 35-A M.R.S. § 1302(1) provides that any 10 persons may seek to have the Commission investigate whether the rates, tolls, charges, schedules or joint rate or rates of a public utility are in any respect unreasonable or unjustly discriminatory. Such complaints need not be limited to issues regarding the rates charged by a utility; customers may seek redress for any practices or acts on the part of a public utility relating to utility service or behavior that are claimed to be unreasonable, insufficient or unjustly discriminatory, or that otherwise impede a customer's ability to obtain safe and adequate service. Upon receiving such a complaint the Commission is obligated first to determine whether it should be dismissed as "without merit" and, if not, to investigate and resolve the matters giving rise to the complaint.

Aside from the so-called "10-person complaint," customers of a utility may participate as parties in Commission proceedings affecting the utility. Chapter 110 § 8(B)(1) of the Commission's rules requires the Commission to allow any person who is or may be substantially and directly affected by a Commission proceeding to intervene and participate in that proceeding as a party. In instances where a person does not clearly fit this criteria, Chapter 110 §8(B)(2) nonetheless affords the Commission discretion to allow a person to intervene in the proceeding to the degree that such intervention will ensure that the full breadth of perspectives are represented. Thus, both the "10-person" complaint and the mechanisms for customer intervention afford customers a way to raise concerns and challenge the actions of water utilities in Commission proceedings. These "10-person" complaints have led to Commission investigations into the seasonal charges of the Kennebunk, Kennebunkport, and Wells Water District (Docket No. 2007-00066), the sale of water resource land by the Andover Water District (Docket No. 2010-00115), and the responsibility for maintenance and repair of water infrastructure connected to the York Water District (Docket No. 2012-

00344). Nine other complaints filed against consumer-owned water utilities during the past five years were dismissed as lacking merit.<sup>3</sup>

## **B. Financial Regulation**

Pursuant to 35-A M.R.S. § 101, one of the Commission's primary responsibilities is to ensure that the rates charged for utility services are just and reasonable. Title 35-A requires all public utilities to file with the Commission the schedule of rates to be charged for water service and also the terms and conditions upon which the utility provides water service. Pursuant to 35-A M.R.S. § 309, utilities are prohibited from charging rates for service other than those currently approved by the Commission. Changes to rates for service must be filed with the Commission prior to implementation and water utilities must provide notice to their customers in advance of any change in rates.

Title 35-A provides several statutory methods by which a consumer-owned water utility may increase its rates. First, proposed rate changes may be filed with the Commission in the form of a general rate increase, pursuant to 35-A M.R.S. § 307. Such proposed rate changes are subject to investigation by the Commission and suspension (for no more than 9 months) during the period of investigation.

Second, and in recognition of the uniquely democratic fashion in which consumer-owned water utilities (as opposed to investor owned enterprises, where customers do not have as direct a voice in corporate decisions) are governed, Maine statute affords to consumer-owned water utilities an expedited mechanism for changing rates that avoids the need for the sort of in-depth Commission investigation involved in a general rate case. Specifically, pursuant to 35-A M.R.S. § 6104, a consumer-owned water utility seeking a rate increase in any amount may file a revised tariff with the Commission that may go into effect without investigation (or suspension) provided that the utility notifies its customers of the proposed rate change and conducts a local hearing regarding the change at which the OPA and customers may testify and question the utilities' managing body regarding the need for the rate increase. In such instances,

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<sup>3</sup> For example, in Docket 2011-00176, the Commission dismissed a complaint brought by customers of the Lisbon Water Department who claimed that the Department was taking insufficient steps to protect its well from contamination. The District's response to that complaint demonstrated that the Department was monitoring the water quality of its well but that it lacked authority to control the use of privately owned adjacent properties. In Docket No. 2011-00178, a complaint was filed alleging that the Auburn Water District had improperly worked with local municipal governments and regional organizations to limit the permissible use of land in the watershed surrounding the District's water source. The Commission dismissed the complaint because the District demonstrated in its response that the land use limitations were least-cost method of ensuring that its water source complied with federally mandated water quality standards.

the Commission's investigatory authority is not invoked unless a petition is filed with the Commission objecting to the rate increase accompanied by the signatures of the lesser of 1,000 customers or 15% of the utility's total customers. Rate increases filed pursuant to Section 6104 have become the most common mechanism used by consumer-owned water utilities to change rates, with 17 cases filed so far this year. While not a common occurrence, customers have successfully sought Commission review of rate changes filed pursuant to Section 6104 through petitions as recently as 2009. See Docket No. 2009-00337 (Brownville Water Department rate increase pursuant to Section 6104) and Docket No 2009-00135 (Baileyville Utilities District rate increase pursuant to Section 6104).

An even more streamlined process for changing rates is afforded to consumer-owned water utilities under 35-A M.R.S. § 6104-A. This provision permits a consumer-owned water utility to avoid any possibility that the Commission will commence an investigation upon a petition brought by its customers. This mechanism, however, may be invoked only when the utility is seeking to raise its rates by a relatively modest amount.<sup>4</sup> Again, in recognition of the democratic nature by which consumer-owned water utilities are governed, invocation of the expedited mechanism of ratemaking afforded pursuant to Section 6104-A must be accompanied by notice to the utility's customers and a locally convened public hearing.

Although consumer-owned water utilities are subject to the general prohibition (applicable to all public utilities) against collecting revenue for purposes other than those specified by statute, this restriction is relaxed in the case of consumer-owned water utilities. For instance, pursuant to 35-A M.R.S. § 6105(4) a consumer-owned utility is permitted to collection revenues to:

1. pay current expenses for operating and maintaining the water system and to provide for normal renewals and replacements; to provide for the payment of the interest on the indebtedness created or assumed by the utility;
2. provide each year a sum equal to not less than 2% nor more than 10% of the term indebtedness represented by the issuance of bonds created or assumed by the utility, to create a sinking fund devoted to the retirement of the term obligations of the utility;
3. provide for annual principal payments on serial indebtedness created or assumed by the utility; to provide for a contingency allowance;

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<sup>4</sup> The maximum rate increase allowed under Section 6104-A is 3% of current rates for large consumer-owned water utility; 5% of current rates for medium consumer-owned water utility; and 7.5% of current rates for a small consumer-owned water utility. The cumulative total of rate increases may not exceed 10%, 15%, and 20%, respectively, over 5 years.

4. provide for rate adjustments to reflect the cost of anticipated construction of plants or facilities required by the 1986 amendments to the United States Safe Drinking Water Act; and
5. provide for recovery of the amounts necessary to fund the replacement of water system infrastructure.

Notwithstanding the relatively relaxed mechanisms for ratemaking applicable by statute to consumer-owned water utilities, the comments received from individual utilities and the trade associations of which they are members generally supported even less regulation in all facets of ratemaking. The argument advanced by stakeholders in this regard posits that the ability of customers to participate in and determine the governance of consumer-owned water utilities constitutes a sufficient bulwark against unjust or unreasonable rates, and that to the degree that the Commission maintains an oversight role in the ratemaking process, that oversight imposes costs and burdens on consumer-owned water utilities which must be recovered through the utilities' rates.

Although, under existing law, there are a variety of means by which a consumer-owned water utility can raise its rates without triggering a Commission investigation of the sort that typically arises in a general rate case, there are instances in which the financial affairs of such a utility are subject to pre-approval by the Commission. For instance, a consumer-owned water utility must obtain authorization from the Commission prior to issuing bonds or other indebtedness pursuant to 35-A M.R.S. § 902.<sup>5</sup> Pursuant to Section 902, the Commission will authorize such borrowing upon a showing that the proceeds to be obtained are required in good faith for purposes allowed under the statute.

The majority of the comments filed by individual utilities and utility trade associations suggest that Commission authorization of debt issuances under Section 902 is not necessary because after the trustees of a consumer-owned water utility vote to issue debt, the need for the debt issuance (and the ability of the utility to repay the debit) is scrutinized by the utility's lender. As the commenters observed, the Maine Drinking Water Program and United States Department of Agriculture Rural Development (USDARD) are the primary lenders to consumer-owned water utilities and those entities review the infrastructure projects to be funded as part of their approval of the indebtedness. In fact, in most cases, these lenders provide interim financing for the completion of an infrastructure project, and because such interim financing is generally for a period of less than 12 months (for which no Commission approval is required), the Commission's approval of replacement, long-term financing occurs after an

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<sup>5</sup> Pursuant to 35-A M.R.S. § 901 a public utility may issue bonds or other indebtedness for the certain specific purposes of acquiring property used to provide service, construct facilities, improve service, or refinance other indebtedness.

infrastructure project has already been completed with short-term financing. Given this modern method of financing infrastructure projects, it is the view of the commenters that the Commission's approval of long term indebtedness is both duplicative of the review performed by lenders of short-term funds and has limited, if any, practical role in preventing unnecessary or potentially harmful borrowing.

In some instances, consumer-owned water utilities have elected to seek financing from private institutions that do not perform a level of financial evaluation similar to those described above. Without the structure of Section 902, consumer-owned water utilities would not be subject to any third party evaluation of borrowing or bonding. Ensuring proper safeguards and review of borrowings should be carefully considered in any potential waiver of this statutory requirement.

Statute and Commission regulations also mandate the form in which a consumer-owned water utility maintains its financial records. These requirements, which are found in 35-A M.R.S. §501 and Chapter 610 of the Commission's rules, are intended to ensure that the managers and governing body of a consumer-owned water utility have the financial and analytical tools that are necessary in order to evaluate whether the existing level of revenues are sufficient to satisfy the utility's revenue requirement and to what extent a rate increase may be necessary. The financial recording requirements imposed upon all utilities differ from those that apply to government entities pursuant to Governmental Accounting Standards Board (GASB) guidelines because the GASB guidelines are not intended to provide the tools necessary for the evaluation of rates. Consequently, it is the financial reports required pursuant to §501 and Chapter 610 that are scrutinized by the Commission when it conducts an investigation into a proposed rate increase. Similarly, 35-A M.R.S. §§ 502 and 504 establish standards that are intended to ensure that accounting data is provided to the Commission and to the public in a format that can be readily analyzed. Section 505 requires that outside audits be conducted according to schedules intended to ensure that a utility's financial statements reasonably reflect the results of its operations and, therefore, may be relied upon in setting rates.

Several commenters suggested that the requirement that a utility maintain its books and records under both the GASB guidelines and the utility-specific requirements delineated in Title 35-A and the Commission's rules creates undue burden and cost. On the other hand, OPA observed that financial records maintained according to traditional ratemaking principles and guidelines are a necessary tool for evaluating whether the rates charged for service are just and reasonable both from the perspective of a utility's need to ensure safe and reliable service and from the interest of customers in ensuring that rates are based on the costs of providing service.

There are, however, opportunities to reduce the costs faced by utilities that are required to maintain associated with maintaining financial records under both the GASB and the Title 35-A standards. For instance, the 12 month accounting period currently required by the Commission does not necessarily coincide with the "financial

year" for which financial statements are prepared under the GASB guidelines. This incongruence may give rise to additional expense for small utilities and thus presents a reasonable opportunity for the Commission to employ the exemption process suggested in this report to make timing adjustments to the regulatory reporting requirements that would reduce costs while still providing a sound basis for assessing the justness and reasonableness of a utility's rates.

Finally with respect to financial matters, 35-A M.R.S. §116 requires the Commission to assess a portion of its operating costs to all public utilities. In this manner, the costs of Commission oversight are funded by the utilities that are subject to the Commission's regulatory authority. Among the concerns voiced by several small consumer-owned water utilities is that the deregulation of a portion of all consumer-owned water utilities might lead to a proportional increase in the share of the Commission's operating budget borne by those consumer-owned water utilities that remain (by choice, or otherwise) subject to Commission regulation and the annual assessment.

### **C. Performance and Operations**

A consumer-owned water utility is required, pursuant to 35-A M.R.S. § 6102, to submit plans and specifications prior to commencing the construction of a new water system or a major addition to, or alteration of, an existing water system. The purpose of these submissions, as stated in Section 6102, is to allow consumer-owned water utilities the opportunity to obtain the advice of the Commission regarding the cost, method of financing and adherence to proper engineering standards. Additionally, if the costs of the construction are likely to result in rates totaling more than 50% of the consumer-owned water utility's annual operating revenue and if the construction results from the requirements of the Federal Safe Drinking Water Act, 42 United States Code, Sections 300f to 300j-11, the utility must publish in a newspaper notice to customers that information regarding the construction, addition, or alteration is available for public review at a location and in a manner that is convenient to the water utility's ratepayers. In addition to such publication, the utility must provide direct written notice of the availability of that information to each of its customers. The implementation of the standards is set forth in Chapter 630 of the Commission's rules. Neither Section 6102 nor Chapter 630 requires Commission approval of plans submitted by consumer-owned water utilities.

In their comments, the SMRWC, MRWA, Belfast Water District, Town of Bar Harbor and MWUA argue that these filing requirements should be discontinued because they unnecessarily increase the time and cost of a construction project and, in any event, duplicate filings required and reviewed by the Maine Drinking Water Program. Generally, the continued role of the Commission as merely a repository of construction plans is an issue that the Legislature may wish to revisit or, alternatively, authorize the Commission to address through the adoption of an exemption pursuant to the authority suggested in this report.

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The Commission, through Chapter 130 of its rules, requires all utilities to report serious accidents occurring upon their premises or directly or indirectly arising from or connected with the maintenance or operation of their physical facilities or equipment if the accident results in the loss of human life, personal injury requiring in-patient hospital admission, more than seven days lost work time of a utility employee or independent contractor employed by a utility, or property damage of \$50,000 or more. MRWA and the Belfast Water District advocated for excluding water utilities from this requirement.

The Commission, through Chapter 140 of its rules, requires consumer-owned water utilities to submit maps showing the location and details of system infrastructure to the Commission. Comments urged the removal of this requirement because, in the view of the commenters, locating and mapping facilities is both time consuming and costly with little benefit derived from the exercise.

Finally, Section 6109 imposes notice and process requirements when a consumer-owned water utility wishes to sell or otherwise transfer ownership in "water resource land." As defined by statute and longstanding Commission precedent, the characterization of "water resource land" covers a broad array of real property used for the purpose of providing and protecting the sources of water supply and storage of water, and includes reservoirs, lakes, ponds, rivers and streams, land surrounding or adjoining reservoirs, lakes, ponds, rivers or streams, wetlands and watershed areas. Section 6109 was enacted in response to passage of the federal Safe Drinking Water Act (SDWA) which set new standards governing the permissible levels of contaminants in the sources of drinking water. As a result of the enactment of the SDWA, many water utilities elected to discontinue their use of surface water sources in favor of the establishment of wells as a source of water. This shift away from surface water sources created the possibility that land previously held by water utilities to protect the viability of their water sources would be sold to private entities with a resulting diminution in the recreational and conservation benefits that public ownership of that land incidentally provided. Consequently, Section 6109 was enacted to allow municipalities notice and an opportunity to purchase such lands to conserve or preserve them for recreational or other use consistent with municipal purposes.

Section 6109 requires a consumer-owned water utility to give specific notice to the Commission, municipalities, and customers of pending land sales. It also affords towns where land is located the right of first refusal. Chapter 691, the Commission's rule implementing Section 6109, requires a public hearing regarding any potential sale of water resource land and further notice to customers. Neither Section 6109 nor Chapter 691 requires Commission approval of sale of water resource property.

In *Brian Mills, et al, Request for Commission Investigation into Andover Water District Practices*, Docket No. 2010-00115, the Commission investigated a transfer of water resource land. The Commission found that the consumer-owned

water utility failed to provide notice to customers of the proposed sale or provide specific right of first refusal to the municipality wherein the property was located. Because there was evidence the water utility was advised of the notice and municipal first refusal requirement and moved forward to sell water resource land under a private contract without following these requirements, the Commission imposed a nominal penalty of \$100 to discourage noncompliance in the future.

The Conservation Law Foundation filed comments advocating for the retention of these statutory and regulatory requirements imposed upon the disposition by a consumer-owned water utility of "water resource lands." As CLF notes, the Resolve giving rise to the Commission's report expressly requires that any regulatory reform proposed by the Commission not have the effect of diminishing the effectiveness of existing environmental regulations.

**D. General Comments Concerning Decreasing Regulatory Requirements**

The notion that there should be a general relaxation of the regulatory requirements applicable to consumer-owned water utilities, and of the Commission's oversight role, is not universally shared by the non-utility stakeholders. For instance, Sidney Pew and Brain Mills advocate for a revision of the "water resource land" provisions of 35-A M.R.S. § 6109 to require affirmative Commission approval be granted as a prerequisite to the sale or transfer of "water resource land" and that the monetary penalties for violations of § 6109 be increased. The OPA forcefully opposes any plan that could lead to the wholesale abandonment of the current regulatory framework. The OPA notes the disparity in size and resources between the largest consumer-owned water utilities in the State versus the smaller more rural areas, and observes that the Portland Water District provides service to almost 25% of the public water customers in Maine and that 59% percent of public water customers are served by the 11 largest consumer-owned water utilities. These 11 consumer-owned water utilities, asserts the OPA, have sufficient resources and expertise to comply with current regulatory requirements and there is no indication "of any evidence showing harm from the current method of regulation or that changing the method of regulation would improve service to the public." (OPA Comments at 1.) In the absence of a showing of such harm, the OPA argues, the benefit of ensuring safe and adequate service by maintaining the current level of regulatory oversight outweighs any burden perceived by these large consumer-owned water utilities.

The OPA also cautions that legislation which would authorize the Commission to grant waivers to consumer-owned utilities of the ratemaking and financial reporting requirements of Title 35-A would contravene the language of the Resolve that regulatory reforms not diminish requirements that have historically been employed to ensure that the rates charged to customers are just and reasonable, that the rights of consumers are protected, and that state and federal environmental, and other obligations, on the part of utilities are fulfilled. In the OPA's view, it is the

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Commission, and not a body that is locally elected or appointed to govern the operations of a consumer-owned water utility, that is best endowed with the perspective and expertise to ensure that rates are just and reasonable. The OPA cautions that the exercise by the Commission of an authority to grant waivers of statutory requirements in favor of local control, such as is recommended in this report, presents too great a risk that over time, and with waivers in hand, utilities could set rates that are not objectively just and reasonable.

The OPA also observes that smaller consumer-owned water utilities are likely to be injured by decreased regulatory oversight because the regulatory standards and guidelines set forth in statute and the Commission's rules provide a template for utility management that would be otherwise unavailable to the trustees of smaller consumer-owned water utilities. In essence, the OPA suggests that Maine's regulatory scheme as applied to consumer-owned water utilities has been developed and shaped over the course of many years and, by all measures, is effective. To grant the Commission general waiver authority might, according to the OPA, result in the gradual, and perhaps disastrous, dismantling of a beneficial regulatory scheme that would be difficult to reestablish at a later time.

At the other end of the spectrum, the Portland Water District observes, as has the Commission in the past, that the need for oversight by an economic regulator such as the Commission of the activities of a utility is diminished when the local officials charged with managing a consumer-owned utility are selected through the operation of a local political process. In fact, PWD asserts that in formulating a proposal which does not contemplate a total and instantaneous removal of all Commission oversight of utilities that would like to be so relieved of the requirements imposed by Title 35-A, the Commission has failed to adopt an approach that proceeds "from the premise that continued regulation is justifiable and appropriate except where it is shown not to be." The PWD identifies the regulatory assessment (approximately \$100,000) that it pays in furtherance of the funding requirement of both the Commission and the OPA, and unquantified costs associated with filing for approval of debt issuances as costs that would be saved by completely removing Commission oversight. In our view, however, the better approach is to permit any utility to request of the Commission waivers of those statutory requirements that it believes are not necessary to ensure that the rates that it charges to its customers for adequate service are just and reasonable. Based upon the Commission's experience, a case-by-case evaluation of whether a particular regulatory requirement is necessary to achieve its purpose with respect to a particular utility will result in decisions that are thoughtful and tailored to the factual circumstances presented by a waiver petition. We do not rely on any presumption concerning the status quo in reaching this conclusion; our recommendation is based on our view concerning how to best carry out our obligations under Title 35-A.

In any case, PWD proposes statutory changes (attached to this report) that would entitle any consumer-owned utility to seek from the Commission what

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amounts to a wholesale exemption from all Commission oversight of the affairs of that utility. As envisioned by PWD, a water utility seeking such a comprehensive exemption would file a request with the Commission, which must be granted if the utility is able to demonstrate that it is 1) self-governing; 2) has the technical, financial, and managerial capability to operate without regulation in the areas sought for exemption; and 3) had developed reasonable alternative mechanisms for consumer protection. The proposal submitted by the PWD would also authorize an alternative mechanism whereby a utility could seek less than a wholesale exemption from the requirements of Title 35-A, which would be evaluated under somewhat similar standards, although the "interests of rate payers" would be a criteria for consideration only in connection with requests for discrete, as opposed to wholesale, exemptions. PWD proposes a mechanism whereby the lesser of 1,000 customers or 15% of a utility's customers may petition the Commission for the rescission of any exemption that had previously been granted.

#### **IV. Commission Proposal for Regulatory Reform**

Consumer-owned water utilities in Maine are quasi-municipal entities, created by the Legislature and governed, with the exception of water departments, by trustees elected by customers served by the districts or appointed by elected town officials. This characteristic of locally elected government distinguishes water districts from the classic model of government regulated monopolies. From an economic perspective, the regulation of a monopoly enterprise is necessary to ensure that the owners of the enterprise cannot exert their position to extract rates that exceed the rates that would prevail were there a competitive market for the particular service at issue. Thus, the regulation of private monopoly public utilities by government is based on the long standing policy that customers who have no viable alternative source for a necessary public service should be protected through government regulatory action and oversight from unreasonably high prices, inadequate service, and unjust business practices, imposed by a profit seeking entity with whom a customer has little, if any, ability to negotiate. In this model, government regulatory oversight serves as a substitute for the price-constraining effects that competition imposes in markets where monopoly power does not prevail.

Elected officials charged with overseeing the management of a quasi-municipal utility, on the other hand, are presumably not motivated by any profit motive and, because they are ultimately accountable to the public through a democratic political process, will generally not seek to exercise economic monopoly power in the pursuit of revenues. As described above, consumer-owned water utilities are accountable to their customers because it is their customers who either elect trustees or the municipal officials who, in turn, appoint trustees. A customer, or group of customers, when dissatisfied with the nature or terms of water utility management or service, has recourse through the ballot box. Because trustees are generally customers of the water utilities they govern, they are inherently more directly connected to the concerns and affairs of other customers.

The Commission's proposal for regulatory reform attempts to harmonize the unique characteristic of the local political control of consumer-owned water utilities with a view that a long-standing system of regulation that has not been shown to have created aberrational results should not be abandoned precipitously. In this regard, we note that the quasi-municipal water "industry" has not in recent years undergone major structural changes regarding how they are organized and governed. While there have been changes and costs associated with stricter federal drinking water standards and many smaller utilities are finding it increasingly difficult to finance necessary improvements to aging infrastructure with a declining customer base, these operational and financial challenges do not compel the selection of one scheme of economic regulation over another.

The fundamental goal of title 35-A -- that customers pay just and reasonable rates for safe, adequate, and reliable utility service -- is the hallmark of proper utility management and none of the comments suggest that this standard should be abandoned. Indeed, many of the comments received by the Commission reflect a desire to continue the activities that assure consistent utility operation while removing the requirement that consumer-owned water utilities must report these same actions to the Commission.

We acknowledge the view expressed by the OPA that regulatory requirements were generated over many years and that there are legitimate and generally coherent historical underpinnings for each rule and statutory requirement. Similarly, we recognize the validity of the concerns expressed by the OPA and smaller water utilities that the structure of Commission regulatory oversight assists them in the delivery of water service. On the other hand, historical practice might profitably be allowed to give way to greater local governance of those consumer-owned water utilities that possess both the desire and the wherewithal to assume greater responsibility for ensuring that they provide safe and adequate service at just and reasonable rates.

Given this context, we conclude that an overall repeal of the requirements of Title 35-A as those requirements relate to consumer-owned water utilities in the aggregate could lead to significant hardship and uncertainty, particularly for smaller water utilities. The comments submitted in this and prior Commission stakeholder proceedings have indicated a strong preference among consumer-owned water utilities for regulatory reform that would not subject all water utilities to simultaneous and uniform deregulation. Indeed, comments from consumer-owned water utilities have consistently indicated aversion to a "one size fits all approach." Recognizing the diverse positions of consumer-owned water utilities, the Legislature may wish to approach regulatory reform in a manner that allows for a variety of levels of regulatory relaxation, specifically, regulatory reform that is driven by consumer-owned water utilities and focused on issues identified by trustees. Accordingly, the Legislature may wish to consider a legislative amendment, similar to the amendment proposed by PWD, that would grant the Commission the authority to exempt consumer-owned water utilities, individually, or as a class, from certain requirements of Title 35-A. While this

method of reform would allow individual consumer-owned water utilities to seek exemptions from specifically identified provisions, such an amendment would also allow for immediate relaxation of regulatory burdens that are generally considered by consumer-owned water utilities to be unnecessary, such as filing requirements for infrastructure maps, and approval of issuances of indebtedness. Such an amendment might also exclude certain provisions of Title 35-A from exemption or waiver where the purpose of the statute is fundamental to the provision of utility service or not properly included within the scope of regulatory reform.

For example, while a consumer-owned water utility may seek to be exempted from Commission oversight of rates, the Legislature might wish to consider maintaining the requirement in statute that consumer-owned water utilities provide safe, adequate and reliable service and that the rates for such service be just and reasonable. Similarly, the Legislature might also consider excluding Section 6109, governing the sale of water resource land from any waiver authority. Section 6109 is codified in Title 35-A based on its application to water utilities. However, Section 6109 is not clearly an economic regulation consistent with much of the other contents of Title 35-A. As noted by CLF, the purpose of Section 6109 is the conservation and preservation of land previously held by consumer-owned water utilities for public benefit. In order to preserve this purpose, the Legislature might consider removing Section 6109 from the scope of any proposed waiver or exemption authority of the Commission.

We believe that an incremental approach to reform of the regulatory requirements imposed upon consumer-owned water utilities may best serve customer and utility interests.<sup>6</sup> Should the Legislature seek to enact regulatory reform in this manner, it may wish to consider an amendment to Title 35-A, Chapter 61 such as the following:

The Commission may adopt by rule standards and procedures for granting exemptions from all or specified portions of Title 35-A to individual consumer-owned water utilities, or a class of such water utilities, as defined in 35-A M.R.S. § 6101(1-A). Any exemption granted pursuant to rule must be accompanied by specific findings that the exemption is in the public interest and will not result in unjust or unreasonable rates or have a negative impact on the provision of safe, adequate, and reliable service. In waiving any

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<sup>6</sup> The MWUA expressed in its comments to the Draft Report disappointment with the Commission's conclusion that a thoughtful path towards regulatory reform is one that relies on the incremental, case-by-case evaluation of waiver requests sought by individual utilities. MWUA suggests, instead, "that a wholesale assessment – and revision - of the regulatory requirements of, and the value provided by, the Commission, the Maine CDC Drinking Water Program and the Office of Public Advocate just might be the appropriate course of action that would result in broader acceptance of regulatory reform."

requirement, the Commission shall make specific findings that the consumer-owned water utility has adequate technical, financial and administrative capacity to perform such waived function(s) or requirement(s). The commission may limit an exemption to specific geographic areas. An entity granted an exemption pursuant to a rule adopted under this section remains subject to 35-A M.R.S. §§ 301(1), 301(2), 301(3), and 6109.

For good cause, as defined by the commission by rule, the commission may revoke any exemption granted pursuant to this subsection. A revocation may be in whole or in part and may be specific to individual entities or services.

The outstanding issue unresolved by this proposal is the effect of different levels of regulation upon the Commission's assessment of consumer-owned water utilities pursuant to 35-A M.R.S. §116. Section 116 states that:

the portion of the total assessment applicable to each category of public utility or qualified telecommunications provider is based on an accounting by the commission of the portion of the commission's resources devoted to matters related to each category... Assessments on each public utility or qualified telecommunications provider within each category must be based on the utility's or qualified telecommunications provider's gross intrastate operating revenues.

35-A M.R.S. §116.

It is conceivable, although not certain, that as regulatory oversight decreases, the portion of the Commission's resources dedicated to the regulation of consumer-owned water utilities will decrease. This would result in an overall decrease in the assessment amount attributable to water utilities and, therefore, a decrease to the assessment of any particular water utility. However, the Commission's use of resources for water utilities has, of late, primarily involved the resolution of sometimes contentious litigation involving smaller water utilities. If smaller water utilities generally elect to remain within the Commission's oversight, it is possible that the overall amount of the assessment will remain essentially unchanged. This would result in an increased assessment amount for utilities that elect to remain within the regulatory framework as it currently exists. More immediately, if substantial Commission resources are necessary to process requests for waivers from consumer-owned water utilities, it is possible that the level of the Commission's budget attributable to the water industry will, in fact, increase during the initial period of regulatory reform.

If larger water utilities with more technical, financial and administrative capability are granted waivers from Commission assessments, the financial burden of maintaining Commission capacity will fall increasingly and perhaps significantly on smaller water

Submitted by the Maine Public Utilities Commission

districts. If the eleven largest consumer-owned water utilities seek and are granted waivers from the Commission assessment, the Commission's assessment on the remaining water districts could double, assuming the Commission's workload related to water utilities remains constant. This possibility is, not surprisingly, the source of significant concern among many individual utilities and, as the MWUA reports in its comments, raises an issue that has "increasingly split our association."<sup>7</sup> In any event, the cost associated with maintaining the Commission as a regulatory backstop, even in the event of substantial regulatory reform, may not diminish rapidly or in proportion to the number of customers that are served by utilities within Commission oversight.

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<sup>7</sup> The SMRWC advises in its comments that its members (Biddeford & Saco Water; Kennebunk, Kennebunkport & Wells Water District; Kittery Water District; York Water District; South Berwick Water District; Portland Water District; and Sanford Water District) are of the uniform view that "utilities who are granted an exemption from oversight should not continue to pay the same level of assessment."

The following items are regulatory requirements that have been identified by stakeholders as either burdensome, unnecessary, or both. These changes could be made without action by the Legislature.

- Amendments to Chapter 63 to consider adjustments to the threshold above which a water utility must file infrastructure improvement plans pursuant to 35-A § 6102.
- Amendments to Chapter 610 to allow for harmonization between Commission accounting report deadlines and fiscal dates used by water utilities.
- Amendments to Chapter 140 to exclude consumer-owned water utilities from its requirements. Alternatively, the Commission may waive the requirements of the rule as regards consumer-owned water utilities.

## SUMMARY OF PROPOSED WATER UTILITY REGULATION REFORM LEGISLATION

Legislation providing water utility regulatory reform has been proposed in the form of adding one new section to the existing Title 35-A. The proposed new section (§6114) has the effect of accomplishing a broad range of voluntary exemptions from the regulatory statutes, at whatever level desired by the requesting utility that is consumer owned, in a relatively simple format, without requiring statutory changes to numerous sections of Title 35-A.

The legislation provides a process for utilities to voluntarily petition the PUC for either a limited exemption or a comprehensive exemption from Title 35-A. A comprehensive exemption is defined as exemption from most sections of the regulatory requirements of 35-A. A few statutory provisions would still remain applicable to water utilities however, including provisions that a municipality can assess taxes to pay off indebtedness of a water utility in the event of a default on bonds, apportionment of costs for water main extensions or service lines, and provisions allowing a water utility to obtain injunctive relief for violations of municipal shoreland zoning. The proposed legislation defines limited exemption as exemptions from any but not all the provisions provided for in a comprehensive exemption. This would allow a water utility to pick and choose what sections of the regulatory statute it wanted to be exempt from, and while still complying with the remainder of the statute.

The process for requesting an exemption would be made to the PUC, which would have 60 to rule on the request – the period could be extended for a further period of no more than 90 days. In the case of a request for a comprehensive exemption, the PUC would be required to grant the request if the following conditions were met:

1. The utility was governed by a popularly elected Board.
2. The utility had the financial, managerial and technical ability to govern itself, and
3. The utility had a method of independently reviewing customer complaints.

Requests for a limited exemption would be granted if the first two conditions noted above were met, and if the PUC found that the limited exemption was in the public interest.

The proposed legislation also establishes a method by which exemptions – either comprehensive or limited – could be rescinded by the PUC. Petitions signed by the lesser of 1,000 customers or 15% of the customers of a utility could begin the process. It would entail notice to the utility and a hearing if the customers' complaints could not be resolved.

This is a working draft being discussed by the Maine Water Utilities Association. Some "tweaks" are being made.  
2/12/14 version

← will address appointed boards for limited exemption

ARTICLE I

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 35-A MRSA §6114 is enacted to read:

§6114. Exemption of certain water utilities

1. **Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Comprehensive exemption" means exemption from the provisions of

i. The following sections of chapter 1:

a. Section 112 relating to the commission's authority to obtain information;

b. Section 113 relating to the commission's authority to conduct a management audit; and

~~c. Section 116 relating to utility assessments;~~

ii. Chapter 3 relating to the rates of public utilities;

iii. Chapter 5 relating to accounting of public utilities;

iv. Chapter 7 relating to regulation and control of public utilities;

v. Chapter 9 relating to approval of stocks, bonds and notes of public utilities;

vi. Chapter 11 relating to sale, lease and mortgages of property;

vii. The following sections of chapter 13:

a. Section 1302 relating to complaints; and

b. Section 1303 relating to investigations;

viii. The following sections of chapter 15:

a. Section 1511 relating to revocation and suspension of authority to provide service; and

ix. The following sections of chapter 61:

a. Section 6102 relating to the filing of plans for construction or improvement with the commission;

b. Section 6104 relating to ratemaking procedures;

c. Section 6104-A relating to streamlined ratemaking procedures;

d. Section 6105 relating to rates for municipal and quasi-municipal water utilities;

e. Section 6107 relating to implementation of system development charges;

f. Section 6107-A relating to funding for infrastructure improvements for water utilities;

g. Section 6109 relating to sale of land by consumer-owned water utilities;

h. Section 6109-B relating to contracts for large scale extraction and transportation of water;

i. Section 6111-C relating to disconnection of water service for nonpayment of sewer services; and

j. Section 6112 relating to contingency allowances for consumer-owned water utilities

B. "Limited exemption" means an exemption from some but not all of the provisions identified in subsection A.

- C. “Self governing” means that the governing body of the utility is elected directly by its customers in an election in which not less than 90% of its residential customers are entitled to vote.

**2. Requests for exemption.**

- A. Consumer-owned water utilities may request a comprehensive exemption or a limited exemption in accordance with this section. The commission shall rule upon all requests for a comprehensive exemption or a limited exemption within 60 days of the filing of the request. If it determines that the necessary investigation cannot be concluded within 60 days, the commission may extend the period for a further period of no more than 90 days.
- B. The commission shall grant a request for a comprehensive exemption if it finds that:
  - i. The requesting utility is self governing;
  - ii. The requesting utility has the technical, financial and managerial capability to operate without regulation by the provisions from which it will be exempted; and
  - iii. The requesting utility has developed a reasonable alternative plan that provides independent review of consumer complaints, including but not limited to disputed billing, disconnection and deposit decisions of the utility, by a party with authority to make determinations binding on the utility, pursuant to contract or otherwise, that will be in place on or before the effective date of the requested exemption.
- C. The commission shall grant a request for a limited exemption if it finds that:
  - i. The requesting utility is self governing;
  - ii. The requesting utility has the technical, financial and managerial capability to operate without regulation by the provisions from which it will be exempted; and
  - iii. The requested limited exemption is consistent with the interests of the utility's ratepayers.

**3. Procedure for rescission of a comprehensive or limited exemption**

- A. Upon the filing of a petition signed by the lesser of 1,000 customers or 15% of the customers of a utility that has previously been granted a comprehensive exemption or a limited exemption requesting that all or a portion of the exemptions previously granted to such utility be rescinded, the commission shall, with or without notice, investigate the request.
- B. The commission, immediately upon the filing of a petition under subsection A, shall notify in writing the public utility complained of that a petition has been made and of the nature of the petition. The utility shall file its response to the complaint within 20 days of the date the notice of petition is issued. After receipt of the response, the commission shall promptly set a date for a public hearing. The commission may allow for all parties to attempt to resolve the matter to their mutual satisfaction. If a mutually satisfactory resolution does not appear to be forthcoming, the hearing shall be held pursuant to section 1304. The commission may not enter an order rescinding all or any portion of a comprehensive

exemption or a limited exemption without an opportunity for public hearing. In the absence of an informal disposition pursuant to Title 5, section 9053, the commission shall render a decision upon the matter no later than 9 months after the filing of the petition.

- C. Notwithstanding the provisions of any comprehensive exemption or limited exemption previously granted, upon the initiation of a proceeding under this subsection, the commission shall have the full authority to obtain information from the exempted utility otherwise provided in Section 112, and the exempted utility will be subject to provisions of Section 112 for purposes of the investigation.



## Southern Maine Regional Water Council

February 11, 2014

Honorable John J. Cleveland, Senate Chair  
Honorable Barry J. Hobbins, House Chair  
Joint Standing Committee on Utilities, Energy and Technology  
100 State House Station  
Augusta, ME 04333-100

RE: LD 441 Resolve, Directing the PUC to Develop a Plan to Reform Water Regulation

Dear Senator Cleveland and Representative Hobbins:

The Southern Maine Regional Water Council (SMRWC) would like to thank the committee for passing LD 441 directing the Public Utilities Commission (PUC) to develop a plan to reform regulation of consumer-owned water utilities. SMRWC was formed by an act of the Maine Legislature in 2005. It consists of 7 water utilities in York and Cumberland County serving a total of approximately 300,000 people in 23 communities, or 25% of the population of the State of Maine. Our members are the Kittery Water District, York Water District, Kennebunk Kennebunkport Wells Water District, South Berwick Water District, Sanford Water District, Maine Water Company Biddeford-Saco Division, and the Portland Water District. Of the 7 members, six are consumer owned and one is investor owned. The respective governing bodies of the six consumer owned member utilities each passed resolutions in support of the investigation into the financial deregulation of consumer owned water utilities by the Maine Public Utilities Commission, and endorse the following position of SMRWC.

In its report to the Legislature, the PUC suggests that “the Legislature may wish to consider a legislative amendment, similar to the amendment proposed by PWD”. The report then goes on to suggest legislation which the SMRWC feels is significantly different and much broader than the Portland Water District (PWD) proposal, causing us concern due to the uncertainty of outcome. This concern is shared by many other water utilities across the State and was highlighted in comments made by the Maine Water Utilities Association. The PWD proposal was developed based on several meetings held by SMRWC over the course of 6 months, one of which included Trustees of several of our member utilities. Two key components of the PWD proposal are:

- *Exemptions from regulation must be optional and initiated by the water utility*
- *Regulation remains in place for those who do not choose to “opt-out”*

The PUC proposal, on the other hand, would allow for a much broader authority whereby consumer owned water utilities as a whole could be granted blanket exemptions in unspecified areas without asking to be exempted. Although we agree this may work for a handful of regulations, we feel this authority is too broad and creates a significant uncertainty of outcome. Broad changes to regulations, in our opinion, should be initiated through specific statutory changes or rulemaking rather than blanket exemptions. The more comprehensive optional exemptions are also undefined, neither providing specific areas of exemption nor a defined process by which an exemption would be granted or rescinded. We urge the committee to enact the PWD proposal rather than the PUC suggestion. We feel it will better serve both our member utilities and the water utility profession in Maine overall. The PWD proposal represents the direction our local governing boards have endorsed, the PUC proposal does not.

One of the concerns highlighted in the report is a contention that regulatory assessments may increase for the remaining regulated water utilities if several of the larger utilities receive exemptions and no longer pay assessments. Although both the PWD and the PUC proposed legislation would allow for an exemption from Title 35-A §116, SMRWC envisions a multiple year phase out or reduction of assessments for exempted consumer owned water utilities as opposed to an immediate curtailment of assessments. We would, in fact, be in favor of simply leaving assessments in place at this point and revisiting the issue in the future when the impacts on Commission workload are better understood. Reduction of assessments is not and never has been the primary objective of this effort. Therefore, the Southern Maine Regional Water Council believes that legislation can be implemented such that there is no impact to the assessments of water utilities that choose to remain regulated by the PUC.

SMRWC would like to thank the committee for the opportunity to comment. We urge you to pass legislation as suggested by the Portland Water District in conjunction with the Southern Maine Regional Water Council.

Sincerely,

S/David Parent

David Parent  
President



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Regulatory Reform Plan Discussion  
Kennebec Water District Treatment Plant  
462 Main St (Route 32) Vassalboro, Maine  
February 12, 2014  
9:00 AM – 11:30 AM  
AGENDA

- History of process & MWUA involvement along the way
- PUC NOI 2013-00444 Inquiry Into Regulatory Reform Plan for Consumer-Owned Water Utilities
  - PUC Approach
  - PUC perception vs. water utility perception
  - PUC proposed legislation
- SMRWC process and approach
  - Recap of group's discussions
  - Position, views, desired outcome
- Five Rivers Regional Water Council
  - Recap of group's discussions
  - Position, views, desired outcome
- Bangor Regional Water Utilities Managers Group
  - Recap of group's discussions
  - Position, views, desired outcome
- Other positions, views, desired outcome
- Final edits to MWUA position & testimony
  - Desired outcome specific to local regulation
  - Support/opposition/silence re: specific legislative proposals
    - PUC proposal
    - SMRWC proposal
- Potential future action or legislation (streamlining, etc.)

*Auburn Water  
attended + presented  
viewpoint + suggestions*

-----  
*Registration for Regulatory Reform Plan Discussion  
February 12, 2014*

Name(s):

\_\_\_\_\_ Email: \_\_\_\_\_

Affiliation \_\_\_\_\_

**There is no charge to attend this discussion.**

**E-mail [jmcnelly@mwua.org](mailto:jmcnelly@mwua.org) by COB 2/10/14 if you want to participate via conference call**

[Click here](#) to register online OR mail/fax registration to:  
Maine Water Utilities Association, 150 Capitol Street, Suite 5, Augusta, ME 04330  
Tel: (207) 623-9511; Fax: (207) 623-9522