

# VEAZIE SEWER DISTRICT

34 HOBSON AVENUE

VEAZIE, MAINE 04401

207-942-1536

Dear Citizens of Veazie,

May 1, 2014

The Veazie Sewer District Trustees would like to provide an update of the activities that are occurring at your Waste Water Treatment Facility.

Annual operating expenses have been reduced from over \$541,000 in FY 2013 to a budgeted amount of \$484,430 for the upcoming year that was approved at the April 28 meeting for a reduction of \$56,570. Without special budget items, the district budget would have been \$387,930, representing a reduction in actual spending of \$153,070/yr (~28% decrease). The 2015 budget is projected to be reduced by another \$36,500 further next year and an additional \$60,000 per year in following years once reserves have been replenished. These large reductions in spending are occurring even as the District is re-establishing its debt reserve fund as needed to cover its loan obligations with the Maine Bond Bank and the capital replacement reserve accounts required in order to assure the district can meet its future needs and obligations.

The District's goal is to now define for the taxpayers of Veazie, what the assessment will be used for as was done for many years, and to work toward reducing the assessment or eliminating it entirely. The use of the assessment has been clearly defined in this year's assessment letter to the Town. This assessment has a direct impact on your property tax bill. The annual assessment to the Town, as provided for by the Sewer District Charter has been reduced from:

|           |  |
|-----------|--|
| 2011-2012 | \$150,000  |
| 2012-2013 | \$110,000  |
| 2014-2015 | \$ 97,500  |
| 2015 on   | \$ 60,000 (projected, may be less if cost projections hold true) |

With Legislative changes made to our charter, now every citizen who votes in Veazie can vote in District elections during town wide elections. Prior to the changes, some citizens were disallowed from voting and voting was required to be done at a straw poll vote at the District's annual meeting.

The District manpower is now at 2 full time employees plus some occasional part time help, down from the prior employee number of 4 employees. This has helped to control our operating costs.

Annual financial audits for the District are done by the District's auditor. Last year's audit is posted on the Sewer District web site as are the monthly meeting minutes and treasurer's reports.

The District now utilizes a warrant process, similar to that used by towns, where all expenditures are approved by the Trustees prior to being made to assure all expenditures are consistent with District policy.

One cost that was impacting the District cash flow was the number of outstanding bills that had not been paid and for many of which liens were being placed. That number has been reduced significantly during the past year and payments have been made. Our new policies are helping reduce delinquent accounts and cash flow has improved which works toward reducing our operating costs further.

All this has been accomplished while still meeting our primary objective, which is to treat the Town of Veazie's wastewater to acceptable discharge levels as required by the license we operate under issued by the Maine Department of Environmental Protection.

Respectfully,

Rob Tomilson, Trustee, Chair;

Jim Parker, Trustee, Treasurer;

Norman Webb, Trustee