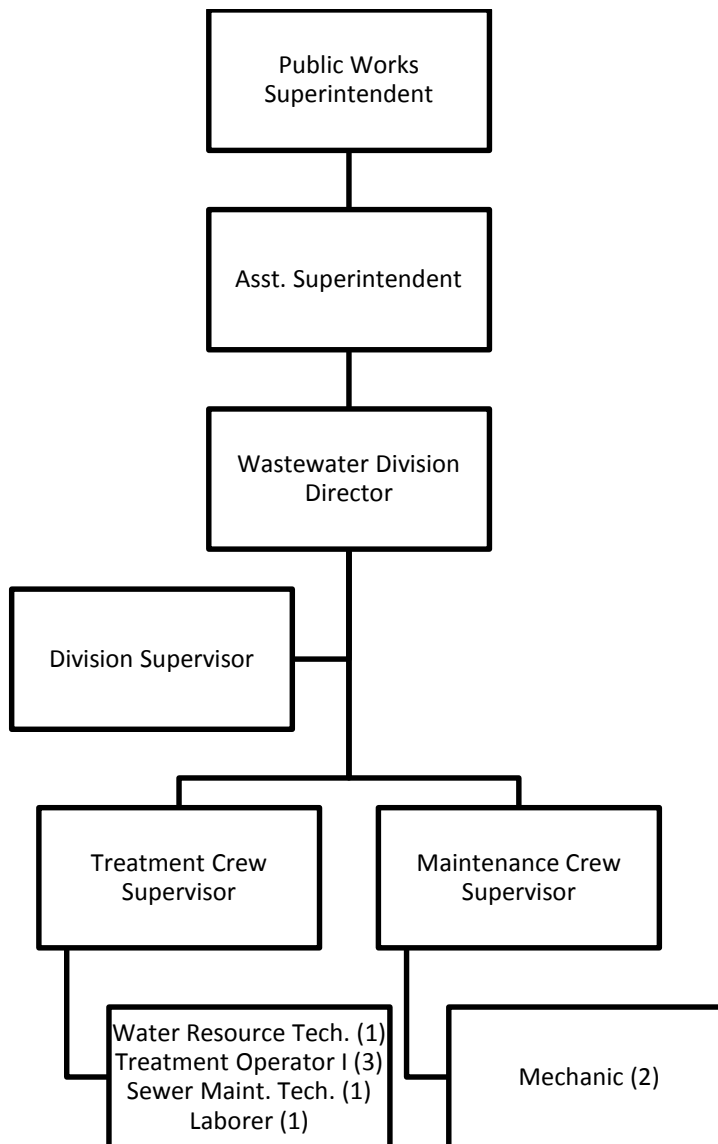


**SEWER
FUND**

SEWER FUND

MISSION STATEMENT: To provide an environmentally safe system for collection, treatment, and disposal of sewage and to do so through a user fee based revenue system.



SEWER FUND SUMMARY

	FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Budget	FY 15 Department	Change FY 14 - 15	Percent Change
Operating Revenues	\$ 3,751,953	3,724,663	3,855,848	3,967,000	4,132,489	165,489	4.2%
Interest and Late Fees	\$ 20,559	20,744	26,919	20,000	20,000	0	0.0%
Grants	\$ 0	0	120,569	0	0	0	0.0%
SUBTOTAL REVENUES	\$ 3,772,512	3,745,407	4,003,336	3,987,000	4,152,489	165,489	4.2%
Borrowing							
Authorizations	\$ 0	0	0	0	0	0	0.0%
Available Funds	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 248,917	248,917	242,668	114,353	0	(114,353)	-100.0%
TOTAL RESOURCES	\$ 4,021,429	3,994,324	4,246,004	4,101,353	4,152,489	51,136	1.2%
Operating Budget	\$ 2,540,695	2,711,541	2,912,414	3,081,477	3,159,265	77,788	2.5%
Debt Service	\$ 318,533	309,013	318,066	430,927	404,304	(26,623)	-6.2%
Capital Program	\$ 295,000	336,000	486,000	255,000	240,000	(15,000)	-5.9%
Interfund Transactions	\$ 0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$ 3,154,227	3,356,554	3,716,481	3,767,404	3,803,569	36,165	1.0%
Indirect Costs Appropriated in General Fund	324,691	323,032	336,333	333,949	348,920	14,971	4.5%
TOTAL EXPENDITURES	\$ 3,478,918	3,679,586	4,052,814	4,101,353	4,152,489	51,136	1.2%

SEWER FUND

RESOURCES

GOAL STATEMENT: To provide an adequate amount and proper balance of revenue sources to ensure that the Sewer Fund is completely self-supporting.

LONG RANGE OBJECTIVES:

- To maintain projection models to facilitate rate setting.
- To plan rate increases to meet long term Fund objectives.

FY 15 OBJECTIVES:

- To continue to adequately fund operating and capital needs.
- To develop a more defined policy regarding an appropriate reserve level for Sewer Fund Surplus.

SERVICE LEVELS:

	<u>FY 19</u> <u>Actual</u>	<u>FY 10</u> <u>Actual</u>	<u>FY 11</u> <u>Actual</u>	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Actual</u>
Funding Composition (%)					
Operating Revenues	98	93	93	93	91
Interest	2	1	1	1	1
Grants	0	0	0	0	3
Surplus Funds	0	6	6	6	5
Borrowing	0	0	0	0	0

SEWER FUND

RESOURCES

	FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Budget	FY 15 Department	Change FY 14 - 15	Percent Change
Sewer Rates	\$ 3,578,934	3,536,481	3,647,409	3,834,000	3,996,750	162,750	4.2%
Sewer Liens	\$ 67,260	69,593	81,644	50,000	50,000	0	0.0%
Sewer Entrances	\$ 40,975	62,275	64,260	30,000	32,739	2,739	9.1%
Septic Disposal	\$ 35,265	30,930	37,185	33,000	33,000	0	0.0%
Sewer Miscellaneous	\$ 29,519	25,384	25,350	20,000	20,000	0	0.0%
Sewer Interest and Late Fees	\$ 20,559	20,744	26,919	20,000	20,000	0	0.0%
Sewer Grants	\$ 0	0	120,569	0	0	0	0.0%
	\$ 3,772,512	3,745,407	4,003,336	3,987,000	4,152,489	165,489	4.2%

SIGNIFICANT BUDGET CHANGES:

The overall sewer budget of \$4,152,489 increases by 1.2%, and sewer rates will increase by 2.8% per household. Sewer revenue will increase by 4.2%, because sewer extension projects have added more customers. The current sewer rate is \$3.55 per 100 CF and is recommended to increase by \$0.10 to \$3.65 per 100 cubic feet, which would result in a \$12 annual increase (+2.8%) to the sewer bill of the average four-person household in Amherst. No funds will be appropriated from Sewer Fund Surplus to support this budget. The July 1, 2013 Sewer Fund Free Cash balance was \$1,866,502. The Town's water/sewer rates remain below state and regional averages.

SEWER FUND**4441: SEWER MAINTENANCE**

GOAL STATEMENT: To maintain sanitary sewers throughout the Town and provide a 24 hour a day response capability for emergency situations.

RECENT ACCOMPLISHMENTS & CURRENT CHALLENGES:

- Installed sewer main on Lincoln Avenue.
- Purchased a new sewer flushing and cleaning truck that has more capability than the 17-year old truck that was traded in.
- The construction for the sewer extension and improvement project on Pine Street is 90% complete and will be finished June 2014.
- The Harkness Road and Amherst Woods phase I sewer extension projects contracts have been awarded and construction is set to begin April 2014.
- Fewer root control complaints (see Service Levels).

LONG RANGE OBJECTIVES:

- To accelerate the repair and replacement of defective and undersized sewer lines throughout the collection system.
- To continue to improve sewer system mapping using the Town's geographic information system (GIS).
- To continue the review and updating of Town's sewer bylaws to update and bring them into agreement with new technology and regulations.
- Update Southeast #4 pump station.
- Replace the Mill Valley pump station generator.
- To reduce the amount of leakage (infiltration) into the sewer collection system.

FY 15 OBJECTIVES:

- To complete the installation of the sewer line on Harkness Road and Amherst Woods phase I.
- To upgrade the air relief valves in the West Street pump station force main. This force main carries all the waste water from South Amherst to the waste water treatment facility. Failure of these valves could cause the force main to go down.

SERVICE LEVELS:

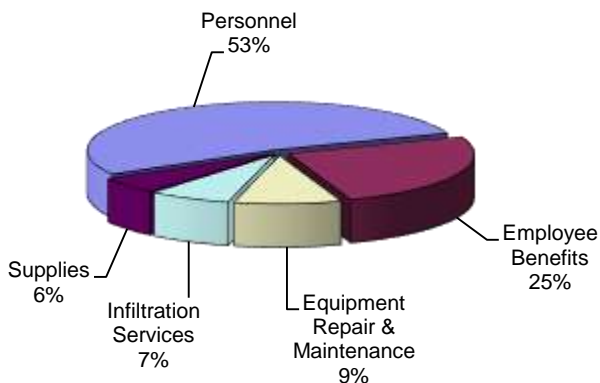
	FY 19 Actual	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Actual
Sanitary sewer complaints	70	72	79	47	46
Sewer main stoppages	9	21	12	8	4
Sewer main flushing (miles)	34	32	22	25	18
Sewer mains treated for roots (in linear feet)	8,077	6,636	5,041	5,597	5,421
Sewer maintained (miles)	92	92	121	121	121
T.V.'d sections of problem sewers (in linear feet)	11,035	25,235	33,927	15,125	12,896
Feet of sewer rehabilitated	0	0	20	12	1,691
Feet of sewer replaced	500	4,570	550	0	1,805
Feet of sewer extended	0	0	1,120	0	5,500

SEWER FUND

4441: SEWER MAINTENANCE

	FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Budget	FY 15 Department	Change FY 14 - 15	Percent Change
Personnel Services	\$ 75,696	58,502	76,623	88,307	96,138	7,831	8.9%
Operating Expenses	\$ 84,418	74,274	87,610	80,224	86,646	6,422	8.0%
Capital Outlay	\$ 0	0	0			0	0.0%
TOTAL APPROPRIATION	\$ 160,115	132,776	164,233	168,531	182,784	14,253	8.5%
SOURCES OF FUNDS							
Sewer Revenues	\$ 160,115	132,776	164,233	168,531	182,784	14,253	8.5%
POSITIONS							
Full Time	2.00	2.00	2.00	2.00	2.00	0.00	
Part Time with Benefits	0.00	0.00	0.00	0.00	0.00	0.00	
Full Time Equivalents	2.00	2.00	2.00	2.00	2.00	0.00	

MAJOR COMPONENTS:



Personnel Services include funds for one maintenance worker and two laborer/truck drivers shared with the Highway budget in the General Fund.

\$46,346 is budgeted for health, retirement, life insurance, and other employee benefits.

Equipment Repair and Maintenance includes funds for renting equipment to pump sewers.

Infiltration Services provide funds for root control and video inspections.

Departmental Supplies provide miscellaneous sewer materials such as pipes, elbows, caps, etc.

SIGNIFICANT BUDGET CHANGES:

Personnel services are in accordance with the current collective bargaining agreement. The increase is due to assignment of different individuals to the division this year.

Operating expenses increase by 8% because of an increase in health benefit costs due to changes in coverage employees chose and an increase in the retirement assessment from the Hampshire County Retirement Board.

SEWER FUND**4440: WASTEWATER TREATMENT PLANT**

GOAL STATEMENT: To treat all wastewater discharges to the Connecticut River within Environmental Protection Agency Standards.

RECENT ACCOMPLISHMENTS & CURRENT CHALLENGES:

- Continued replacing the plant controls and instrumentation with fiber optics and programmable logic computer technology. This allows for remote monitoring and minor operations of the facility, reducing response time to plant alarms.
- Completed the 2014 facility study which will serve as the guide to upgrading the waste water treatment facility.
- Completed preliminary reuse water study as part of the facility study (may provide opportunity for UMass, Amherst College, and potentially other users).
- Received new nitrogen limits on our discharge permit. This may require substantial plant upgrades.
- May, 2013 Waste Water Treatment Facility was upgraded to Grade 7 facility due to the requirement to remove nitrogen from the effluent.
- Installed side-wall baffles on final clarifiers.
- Installed new tank drain pump and plant water pumps at the wastewater treatment plant.
- Installed new pumps at Orchard Valley and Blackberry Lane Pump Stations.
- The DPW continues to look at the possible additions of reuse water technology, de-nitrification requirements and required support for a regional anaerobic digester.

LONG RANGE OBJECTIVES:

- To continue the capital improvement projects at the main treatment plant and 20 pumping stations. Specifically:
 1. Final clarifier upgrades.
 2. WWTP generator upgrades.
 3. Mechanical aerator upgrades.
 4. AC unit upgrades.

FY 15 OBJECTIVES:

- To investigate and promote water reuse when it is environmentally compatible such as the reuse of treated effluent at the new central heating plant and athletic fields at UMass.
- Complete upgrades to the WWTP's electrical system to install emergency power to the plant aerators.
- Upgrade the WWTP's main heating boiler.

SERVICE LEVELS:

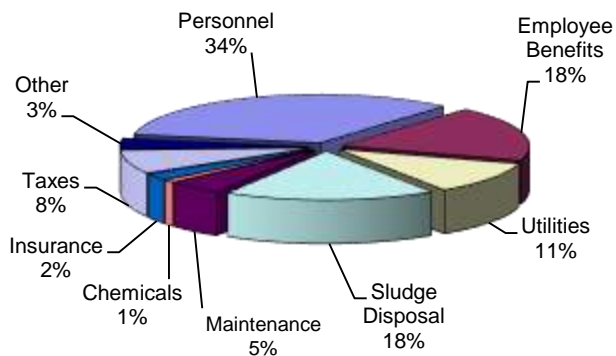
	FY 19	FY 10	FY 11	FY 12	FY 13
	Actual	Actual	Actual	Actual	Actual
Flow totals (billion gals)	1.56	1.43	1.45	1.66	1.49
Chlorine (lbs)	12,496	9,465	11,100	9,775	10,570
Polymer (lbs)	3,079	3,176	3,130	3,448	3,068
Mass WPC Reports & Federal Reports	12	12	12	12	12
% of tests achieving EPA standards:					
Main Plant	100%	100%	99.9%	99.9%	99.9%
Pumping stations operated	20	20	20	20	20
Grit & screenings deposited at sanitary landfill (cu.yd)	69	65	69	52	55
Septic waste delivered to plant (loads)	279	299	247	308	263
Gallons of liquid sludge disposed	3,970,600	3,889,900	3,856,100	4,086,000	4,974,300
Tons of dry sludge produced	1,130	1,054	1,074	1,106	1,034

SEWER FUND

4440: WASTEWATER TREATMENT PLANT

	FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Budget	FY 15 Department	Change FY 14 - 15	Percent Change
Personnel Services	\$ 899,040	869,709	900,907	957,735	1,001,956	44,221	4.6%
Operating Expenses	\$ 1,467,480	1,640,583	1,839,477	1,941,211	1,960,525	19,314	1.0%
Capital Outlay	\$ 14,060	68,473	7,798	14,000	14,000	0	0.0%
TOTAL APPROPRIATION	\$ 2,380,580	2,578,765	2,748,181	2,912,946	2,976,481	63,535	2.2%
SOURCES OF FUNDS							
Sewer Revenues	\$ 2,380,580	2,578,765	2,748,181	2,912,946	2,976,481	63,535	2.2%
Surplus Funds	\$ 0	0	0	0	0	0	0.0%
POSITIONS							
Full Time	15.83	15.83	15.83	16.33	16.33	0.00	
Part Time with Benefits	0.00	0.00	0.00	0.00	0.00	0.00	
Full Time Equivalents	15.83	15.83	15.83	16.33	16.33	0.00	

MAJOR COMPONENTS:



Personnel Services include salaries for the Assistant Superintendent (shared with the Water Fund and the General Fund), a division director, a division supervisor, a supervisor/mechanic, a senior crew supervisor, a Water Resources technician, three treatment operators, two mechanics, a laborer and a maintenance worker. The Town Engineer, the Assistant Town Engineer, and an engineer technician are shared with the General Fund and the Water Fund. A utility technician, an environmental scientist, a GIS Administrator, a secretary, a division director and an electrician are shared with the Water Fund. Also included is \$36,000 for overtime.

Operating expenses include \$546,782 for health, retirement, life insurance, OPEB and other employee benefits.

Utilities include \$280,000 for electricity, \$35,000 for fuel, and \$5,200 for water.

Maintenance includes funds for repair of facilities, vehicles, and equipment.

Insurance includes building, vehicle, and liability coverage.

SIGNIFICANT BUDGET CHANGES:

Personnel services increase in accordance with the current collective bargaining agreement.

Operating expenses increase by 1% because of an increase in health benefit costs and an increase in the retirement assessment from the Hampshire County Retirement Board.

SEWER FUND**GENERAL FUND SERVICES**

GOAL STATEMENT: To compensate the General Fund for services provided by various departments.

LONG RANGE OBJECTIVES:**FY 15 OBJECTIVES:**

- To ensure that all costs related to sewer services are identified and appropriately charged through evaluation and modification of the indirect cost model used to assess charges for General Fund administrative support.
- To charge the General Fund for services provided.

SERVICE LEVELS:

	<u>FY 19 Actual</u>	<u>FY 10 Actual</u>	<u>FY 11 Actual</u>	<u>FY 12 Actual</u>	<u>FY 13 Actual</u>
Number of departments reimbursed	6	6	6	6	6
Percentage of total Fund expenses paid to the General Fund	9	9	9	9	8

SEWER FUND

GENERAL FUND SERVICES

	FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Budget	FY 15 Department	Change FY 14 - 15	Percent Change
General Fund Services	\$ 324,691	323,032	336,333	333,949	348,920	14,971	4.5%
Transfers to Other Funds	\$ 0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$ 324,691	323,032	336,333	333,949	348,920	14,971	4.5%
SOURCES OF FUNDS							
Sewer Revenues	\$ 324,691	323,032	336,333	333,949	348,920	14,971	4.5%

MAJOR COMPONENTS:

General Fund Services: The General Fund provides services which are used by the Sewer Fund. Transfers are made from the Sewer Fund to the General Fund to compensate for the cost of these services. Additionally, the General Fund uses resources of the Sewer Fund and pays for that use. These payments are netted against amounts owed to the General Fund. Charges for FY 15 are as follows:

Select Board/Town Manager	7% of budget	\$ 23,827
Finance Department	9% of budget	121,200
Human Resources/ Human Rights	7% of budget	13,803
Information Technology	6% of budget	48,605
Public Works Administration	31% of budget	129,172
Equipment Maintenance	10% of budget	32,594
Town Hall Debt		10,719
Rental of Ruxton Space		(6,000)
Rental of Garage at Wastewater Treatment Facility		(15,000)
Rental of Equipment for Catch Basin Cleaning		<u>(10,000)</u>
TOTAL		<u>\$ 348,920</u>

SIGNIFICANT BUDGET CHANGES:

None.

SEWER FUND**DEBT SERVICE**

GOAL STATEMENT: To provide funds for principal and interest payments for temporary and long-term debt.

LONG RANGE OBJECTIVES:**FY 15 OBJECTIVES:**

- To make payments on debt incurred to reconstruct Middle Street sewer mains.
- To make payments on debt incurred for the Chapel Road/Mechanic Street sewer extension.
- To make payments on debt incurred for the 2012 Harkness Road and Amherst Woods sewer extension projects.

SERVICE LEVELS:

	<u>FY 19 Actual</u>	<u>FY 10 Actual</u>	<u>FY 11 Actual</u>	<u>FY 12 Actual</u>	<u>FY 13 Actual</u>
Number of issues outstanding	2	2	2	2	2

SEWER FUND

DEBT SERVICE

		FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Budget	FY 15 Department	Change FY 14 - 15	Percent Change
Principal	\$	290,000	290,000	308,000	322,400	282,090	(40,310)	-12.5%
Interest	\$	28,533	19,013	10,066	108,527	122,214	13,687	12.6%
TOTAL APPROPRIATION	\$	318,533	309,013	318,066	430,927	404,304	(26,623)	-6.2%
SOURCES OF FUNDS								
Sewer Revenues	\$	318,533	309,013	318,066	430,927	404,304	(26,623)	-6.2%

MAJOR COMPONENTS:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Sewer Extension	\$215,400	\$95,014	\$310,414
Pine Street Extension	56,690	25,000	81,690
Sewer Extension, Harkness Design	<u>10,000</u>	<u>2,200</u>	<u>12,200</u>
	<u>\$282,090</u>	<u>\$122,214</u>	<u>\$404,304</u>

SIGNIFICANT BUDGET CHANGES:
FY 14 will be the first year of payments for the Harkness Road and Wildflower Drive sewer extension project and will be the last year of payments for the Chapel/Mechanic Street Sewer project.

SEWER FUND

CAPITAL PROGRAM SUMMARY

GOAL STATEMENT: To provide for the maintenance and improvement of the Town's sewer system.

LONG RANGE OBJECTIVES:

- To implement a long range Sewer Extension Master Plan consistent with economic development goals of the Town.

FY 15 OBJECTIVES:

- To complete the following:
 - Replacement Vehicle.
 - Collection System Improvements.
To upgrade several of the waste water pump stations.
 - DPW Facility Improvements.
 - Treatment System Improvements
To upgrade the WWTP Boiler to a new more efficient system.
To investigate new generators at several pump stations that use portable generators.
To upgrade electrical system at the WWTP.

SERVICE LEVELS:	FY 19 <u>Actual</u>	FY 10 <u>Actual</u>	FY 11 <u>Actual</u>	FY 12 <u>Actual</u>	FY 13 <u>Actual</u>
Number of Projects:					
Departmental Equipment	0	1	0	1	2
Existing Facilities	4	4	3	3	3
New Facilities	0	0	0	0	0

SEWER FUND

CAPITAL PROGRAM SUMMARY

	FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Budget	FY 15 Department	Change FY 14 - 15	Percent Change
Departmental Equip.	\$ 0	31,000	411,000	0	35,000	35,000	0.0%
Existing Facilities	\$ 295,000	305,000	75,000	255,000	205,000	(50,000)	-19.6%
New Facilities	\$ 0		0			0	0.0%
TOTAL APPROPRIATION	\$ 295,000	336,000	486,000	255,000	240,000	(15,000)	-5.9%
SOURCES OF FUNDS							
Sewer Revenues	\$ 46,083	87,083	243,332	140,647	240,000	99,353	70.6%
Other Available Funds	\$ 0	0	0	0		0	0.0%
Surplus Funds	\$ 248,917	248,917	242,668	114,353	0	(114,353)	0.0%
Borrowing	\$ 0	0	0	0		0	0.0%
Grants	\$ 0	0	0	0		0	0.0%

MAJOR COMPONENTS:

Facilities	\$200,000	Electrical Upgrade WWTP
	\$5,000	DPW Facility Improvements
Equipment	\$35,000	Pickup Replacement

SIGNIFICANT BUDGET CHANGES:

None.