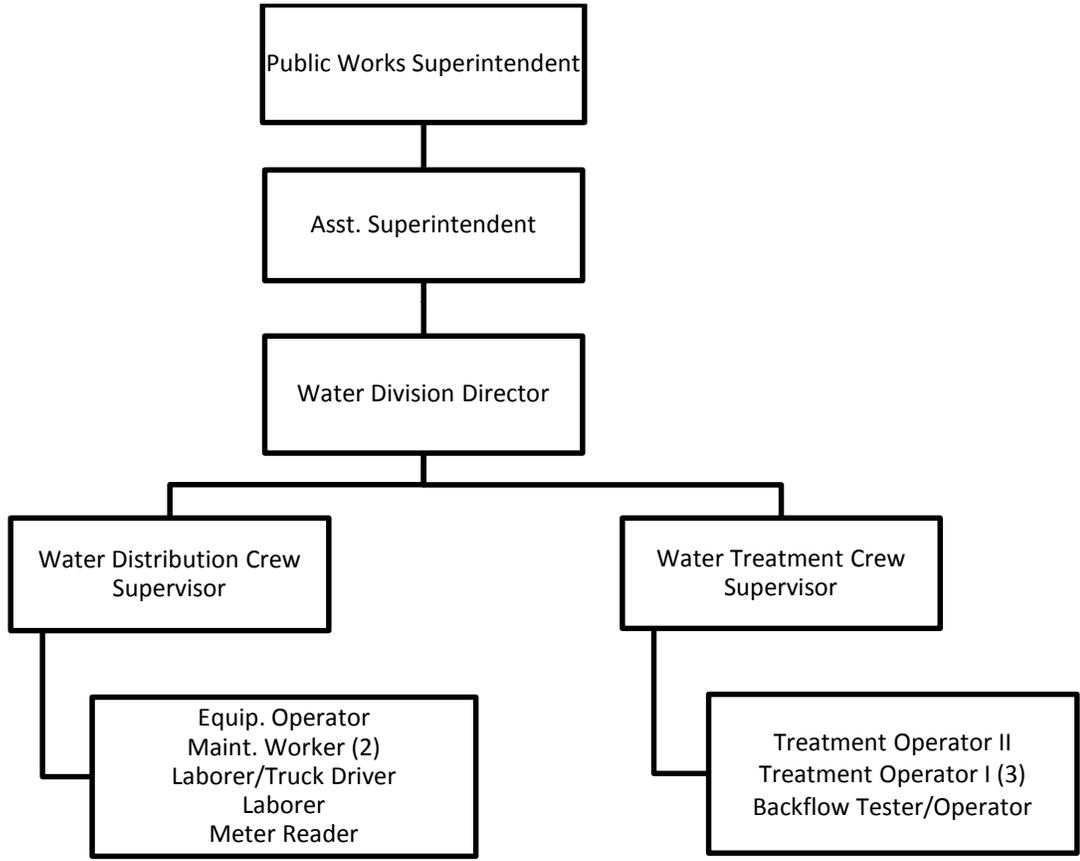


**WATER
FUND**

WATER FUND

MISSION STATEMENT: To develop, treat and distribute high quality water to meet the needs of Amherst residents and to do so through a user fee based revenue system.



WATER FUND SUMMARY

	FY 13	FY 14	FY 15	FY 16	FY 17	Change	Percent
	Actual	Actual	Actual	Budget	Manager	FY 16 - 17	Change
Operating Revenues	\$ 4,049,760	4,079,174	4,103,147	4,175,007	4,265,678	90,671	2.2%
Interest and Late Fees	\$ 27,650	27,243	24,349	20,000	20,000	0	0.0%
State Grants	\$ 0	0	0	0	0	0	0.0%
SUBTOTAL REVENUES	\$ 4,077,410	4,106,417	4,127,497	4,195,007	4,285,678	90,671	2.2%
Borrowing							
Authorizations	\$ 0	0	0	0	0	0	0.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 0	360,750	0	0	0	0	0.0%
TOTAL RESOURCES	\$ 4,077,410	4,467,167	4,127,497	4,195,007	4,285,678	90,671	2.2%
Operating Budget	\$ 3,015,169	3,061,615	3,135,582	3,224,588	3,216,615	(7,973)	-0.2%
Debt Service	\$ 298,850	294,850	365,850	362,100	355,100	(7,000)	-1.9%
Capital Program	\$ 325,000	728,750	720,000	145,000	262,666	117,666	81.1%
TOTAL APPROPRIATION	\$ 3,639,019	4,085,215	4,221,432	3,731,688	3,834,381	102,693	2.8%
Indirect Costs Appropriated in General Fund	\$ 427,641	449,409	454,779	463,319	451,297	(12,022)	-2.6%
TOTAL EXPENDITURES	\$ 4,066,660	4,534,624	4,676,211	4,195,007	4,285,678	90,671	2.2%

WATER FUND**RESOURCES**

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

LONG RANGE OBJECTIVES:**FY 17 OBJECTIVES:**

- To continue to adequately fund operating and capital needs with a minimum water rate increase.
- To develop a more defined policy regarding an appropriate reserve level for Water Fund Surplus.

SERVICE LEVELS:

	FY 11 <u>Actual</u>	FY 12 <u>Actual</u>	FY 13 <u>Actual</u>	FY 14 <u>Actual</u>	FY 15 <u>Actual</u>
Funding Composition (%)					
Operating Revenues	96	89	99	88	99
Interest	1	1	1	1	1
Surplus Funds	3	10	0	11	0
Grants	0	0	0	0	0
Other Available Funds	0	0	0	0	0

WATER FUND

RESOURCES

	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Budget	FY 17 Manager	Change FY 16 - 17	Percent Change
Water Rates	\$ 3,834,871	3,832,052	3,924,910	4,005,007	4,095,678	90,671	2.3%
Water Liens	\$ 95,278	103,259	64,152	75,000	75,000	0	0.0%
Water Connection Fees	\$ 50,800	43,400	44,500	35,000	35,000	0	0.0%
Other Water Revenues	\$ 68,812	100,463	69,585	60,000	60,000	0	0.0%
Water Interest and Late Fees	\$ 27,650	27,243	24,349	20,000	20,000	0	0.0%
	\$ 4,077,410	4,106,417	4,127,497	4,195,007	4,285,678	90,671	2.2%

SIGNIFICANT BUDGET CHANGES:

The FY 17 proposed Water Fund budget of \$4,285,678 is an increase of 2.2% from the FY 16 budget of \$4,195,007 (see Water Fund Summary). The current water rate is \$3.55 per 100 CF. A rate increase to \$3.65 per 100 CF (2.8%) is recommended for FY 17. This small rate increase will help maintain an adequate fund balance in future years. The July 1, 2015 Water Fund Free Cash balance was \$1,000,333 (20% of operating revenues). The Town's water/sewer rates remain below state and regional averages.

WATER FUND**4450: WATER SUPPLY AND DISTRIBUTION**

GOAL STATEMENT: To supply adequate volumes of high quality water to the citizens of Amherst and to maintain compliance with all Environmental Protection Agency Drinking Water Regulations.

RECENT ACCOMPLISHMENTS & CURRENT CHALLENGES:**Accomplishments**

- Longtime employee Tom Luippold retired this year from the position of Division Director.
- Replaced the caustic tank at Well 3 to include new paint in the containment area, replacement of the roof and ventilation system.
- Atkins Water Treatment Plant (WTP):
 - Upgraded and repaired turbidity meters on filters 1, 2 and 3
 - Replaced 2 effluent and influent valves
 - Installed new videographic recorder to capture more accurate readings and to store data longer
 - Replaced the booster pump
 - Rebuilt one of two raw water pumps
 - Upgraded the chlorine and ammonia controls and feed pumps.
- Baby Carriage Brook WTP
 - Developed and implemented new processes for treatment of Iron and Manganese with the help of Tata and Howard Consulting Engineers.
 - Rebuilt the effluent and influent valves.
- Centennial WTP
 - Drained and cleaned clear well and contact chamber
 - Replaced tube settlers in filter 2 as a treatment pilot
 - Installed new flocculator motor on filter 2.
- Installed phone and modem surge suppressors on all facilities to reduce damage from power surges in the phone and power lines.
- Power washed Bay Road and Village Park tanks as part of the tank maintenance program that extends the life of the tank paint coating.
- Performed system wide leak detection survey and found 11 leaks of various sizes.
- Repaired 30 existing hydrants
- Continued to install radio reading devices at water meters. Currently 40% of meters have radio read devices.

Challenges

- Increased Department of Environmental Protection (DEP) regulations concerning per capita water consumption and the environmental impacts of ground water withdrawals will require the DPW to examine its current billing and water usage tracking systems. This review will require additional resources to compare individual customer usages with regulatory goals.
- Develop a plan to fully understand the financial and water use impacts of the new DEP regulations under the Sustainable Water Management Innovative. The Town will have to meet these requirements to renew the current water withdrawal permits in 2017.
- DEP is instituting new requirements for the disinfection byproducts, Trihalomethanes (THM) and Haloacetic Acids (HAA) in finished water that has the potential to alter our treatment methodology.

LONG RANGE OBJECTIVES:

- To continue investigating new sources of drinking water.
- To continue to execute the system improvement plans to repair/replace old water mains, valves, and hydrants.
- To continue to keep all water meters up to date, with no meters greater than 20 years old.
- To continue the program to calibrate all master meters on an annual schedule and replace them as needed.
- To do leak detection surveys every two years to minimize water loss in the pipes.

FY 17 OBJECTIVES:

- To replace the water main on Harris Street, Fisher Street, Shumway Street, and possibly Pomeroy Lane.
- To finalize the engineering study and develop the plans to upgrade well 4 to a variable frequency drive to save on energy costs.
- To design and install a new generator at wells 1 & 2.
- Inspect and replace as needed all water gates at river crossings.
- To eliminate last 10 household meter pits.

WATER FUND**4450: WATER SUPPLY AND DISTRIBUTION**

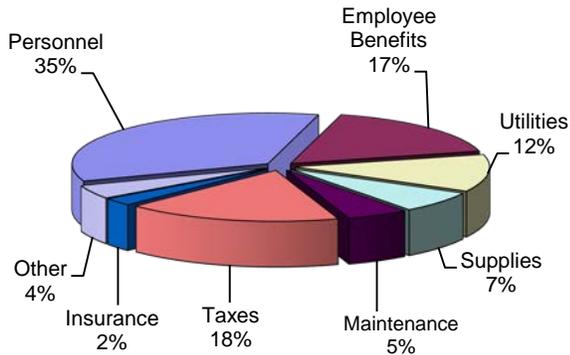
SERVICE LEVELS:	FY 11 <u>Actual</u>	FY 12 <u>Actual</u>	FY 13 <u>Actual</u>	FY 14 <u>Actual</u>	FY 15 <u>Actual</u>
New water services installed	12	11	17	15	32
Water service relays	12	12	20	23	15
Water services	6,262	6,263	6,271	6,285	6,317
Water metered & produced (billion gals)	1.3	.98	.96	.98	1.1
Positive coliform bacteria samples	2	0	0	0	0
Meters installed	322	850	433	457	305
Hydrants in service	1,112	1,118	1,116	1,126	1,132
Frozen water services	0	0	1	6	26
Hydrants repaired	31	27	18	30	16
Water mains flushed (miles)	113	114	114	114	114
Water main breaks repaired	14	6	9	11	9
Percent of meters read by radio		10%	18%	25%	34%

WATER FUND

4450: WATER SUPPLY AND DISTRIBUTION

	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Budget	FY 17 Manager	Change FY 16 - 17	Percent Change
Personnel Services	\$ 1,006,438	1,077,949	1,107,194	1,153,040	1,116,759	(36,281)	-3.1%
Operating Expenses	\$ 2,007,448	1,983,666	2,025,988	2,067,148	2,095,456	28,308	1.4%
Capital Outlay	\$ 1,283	0	2,400	4,400	4,400	0	0.0%
TOTAL APPROPRIATION	\$ 3,015,169	3,061,615	3,135,582	3,224,588	3,216,615	(7,973)	-0.2%
SOURCES OF FUNDS							
Water Revenues	\$ 3,015,169	3,061,615	3,135,582	3,224,588	3,216,615	(7,973)	-0.2%
Surplus Funds	\$ 0	0	0	0	0	0	0.0%
POSITIONS							
Full Time	16.58	17.58	17.58	18.73	17.58	(1.15)	
Part Time with Benefits	2.00	2.00	2.00	1.00	2.00	1.00	
Full Time Equivalents	16.98	17.98	17.98	18.99	17.98	(1.01)	

MAJOR COMPONENTS:



Personnel Services include salaries for the Assistant Superintendent/Water Resources Director (shared with the Sewer Fund and the General Fund), one division director, two division supervisors, four water treatment operators, two skilled laborers, two maintenance workers, one meter reader, one backflow tester and an equipment operator. The Town Engineer, the Assistant Town Engineer, a secretary, an administrative analyst, and an engineer technician are shared with the General Fund and Sewer Fund. A utility technician, an environmental scientist, a GIS Administrator, a division director and one electrician are shared with the Sewer Fund. A watershed land manager and a part time land manager is shared with the General Fund. Also included is \$77,000 for overtime.

\$543,618 is budgeted for health, retirement, life insurance, and other benefits, including a payment of \$79,000 into the OPEB Trust Fund.

Utilities include \$306,254 for electricity and \$71,187 for fuel.

Maintenance, \$165,300, includes funds to repair dams, bridges, service lines, and meters.

Supplies, \$219,081, include funds for gasoline, office supplies, and chemicals.

Taxes, \$570,721, are paid to Amherst, Pelham, and Shutesbury for watershed property.

Insurance, \$79,800, provides building, vehicle, and liability coverage.

SIGNIFICANT BUDGET CHANGES:

Personnel Services decrease is due to retirement of senior staff and replacement by more junior staffers
 Operating expenses increase by 1.4% due to increases in retirement costs and liability insurance.

WATER FUND**GENERAL FUND SERVICES**

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

LONG RANGE OBJECTIVES:**FY 17 OBJECTIVES:**

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

SERVICE LEVELS:

	<u>FY 11</u> <u>Actual</u>	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Actual</u>	<u>FY 14</u> <u>Actual</u>	<u>FY 15</u> <u>Actual</u>
Number of departments reimbursed	7	7	7	7	7

WATER FUND**GENERAL FUND SERVICES**

	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Budget	FY 17 Manager	Change FY 16 - 17	Percent Change
General Fund Services	\$ 427,641	449,409	454,779	463,319	451,297	(12,022)	-2.6%
Transfer to Trust Funds	\$ 0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$ 427,641	449,409	454,779	463,319	451,297	(12,022)	-2.6%
SOURCES OF FUNDS							
Water Revenues	\$ 427,641	449,409	454,779	463,319	451,297	(12,022)	-2.6%

MAJOR COMPONENTS:

General Fund Services: The General Fund provides services which are used by the Water Fund. Transfers are made from the Water Fund to the General Fund to compensate for the costs of these services. Charges for FY 16 are as follows:

Select Board / Town Manager	7% of budget	\$ 30,799
Finance Department	9% of budget	124,893
Human Resources/Human Rights	6% of budget	16,838
Information Technology	6% of budget	43,070
Public Works Administration	31% of budget	111,602
Construction & Maintenance	5% of budget	50,416
Equipment Maintenance	15% of budget	51,413
Conservation	5% of budget	20,266
Inspection Services		<u>2,000</u>
TOTAL		<u>\$451,297</u>

SIGNIFICANT BUDGET CHANGES:

The administrative overhead paid to the General Fund decreases in FY 17, because the Water Fund no longer pays part of the debt service on repairs to Town Hall. That bond has been paid off.

WATER FUND**DEBT SERVICE**

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

RECENT ACCOMPLISHMENTS & CURRENT CHALLENGES:

LONG RANGE OBJECTIVES:

FY 17 OBJECTIVES:

- To make payments on debt incurred to renovate the Centennial Water Treatment Plant and associated sewer line extension.
- To make payments on debt incurred to repair water lines on Pine Street.
- To issue debt for water meter replacement.
- To repurpose Centennial debt.

SERVICE LEVELS:

	<u>FY 11 Actual</u>	<u>FY 12 Actual</u>	<u>FY 13 Actual</u>	<u>FY 14 Actual</u>	<u>FY 15 Actual</u>
Number of issues outstanding	1	1	1	1	1
Number of new issues	0	0	0	0	1

WATER FUND

DEBT SERVICE

		FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Budget	FY 17 Manager	Change FY 16 - 17	Percent Change
Principal	\$	200,000	200,000	250,000	250,000	250,000	0	0.0%
Interest	\$	98,850	94,850	115,850	112,100	105,100	(7,000)	-6.2%
TOTAL APPROPRIATION	\$	298,850	294,850	365,850	362,100	355,100	(7,000)	-1.9%
SOURCES OF FUNDS								
Water Revenues	\$	298,850	294,850	365,850	362,100	355,100	(7,000)	-1.9%

MAJOR COMPONENTS:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Centennial Treatment Plant	\$200,000	\$78,850	\$278,850
Pine Street	<u>50,000</u>	<u>26,250</u>	<u>76,250</u>
	<u>\$250,000</u>	<u>\$105,100</u>	<u>\$355,100</u>

SIGNIFICANT BUDGET CHANGES:
There is no new debt in the Water Fund.

WATER FUND

CAPITAL PROGRAM SUMMARY

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

LONG RANGE OBJECTIVES:

- To sample our surface water supplies for compliance with two new Environmental Protection Agency regulations; "Long Term 2 Enhanced Surface Water Treatment Rule" and the "Stage 2 Disinfection Byproducts Rule" (reduction in the formation of harmful chemicals by the chlorination process). Compliance with these regulations might result in significant capital improvements to the Atkins water treatment plant.

FY 17 OBJECTIVES:

- To complete the following:
 - Water System Leak Study
 - Water System Improvements
 - Replace a Pickup Truck
 - DPW Facility Improvements
 - Mower.

SERVICE LEVELS:

	<u>FY 11</u> <u>Actual</u>	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Actual</u>	<u>FY 14</u> <u>Actual</u>	<u>FY 15</u> <u>Actual</u>
Number of Projects:					
Departmental Equipment	0	2	2	2	3
Existing Facilities	2	2	2	3	2
New Facilities	0	1	0	1	0

WATER FUND

CAPITAL PROGRAM SUMMARY

		FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Budget	FY 17 Manager	Change FY 16 - 17	Percent Change
Departmental Equip.	\$	220,000	63,000	40,000	40,000	47,666	7,666	0.0%
Existing Facilities	\$	105,000	305,000	180,000	105,000	215,000	110,000	104.8%
New Facilities	\$	0	360,750	500,000	0	0	0	0.0%
TOTAL APPROPRIATION	\$	325,000	728,750	720,000	145,000	262,666	117,666	81.1%
SOURCES OF FUNDS								
Water Revenues	\$	325,000	368,000	720,000	145,000	262,666	117,666	81.1%
State Grants	\$	0	0	0	0	0	0	0.0%
Borrowing Auth.	\$	0	0	0	0	0	0	0.0%
Available Funds	\$	0	0	0	0	0	0	0.0%
Surplus Funds	\$	0	360,750	0	0	0	0	0.0%

MAJOR COMPONENTS:	Facilities:	\$200,000	Water System Improvements
		10,000	Water System Leak Study
		5,000	DPW Facility Improvements
	Equipment	40,000	Replacement Truck
		7,666	Mower