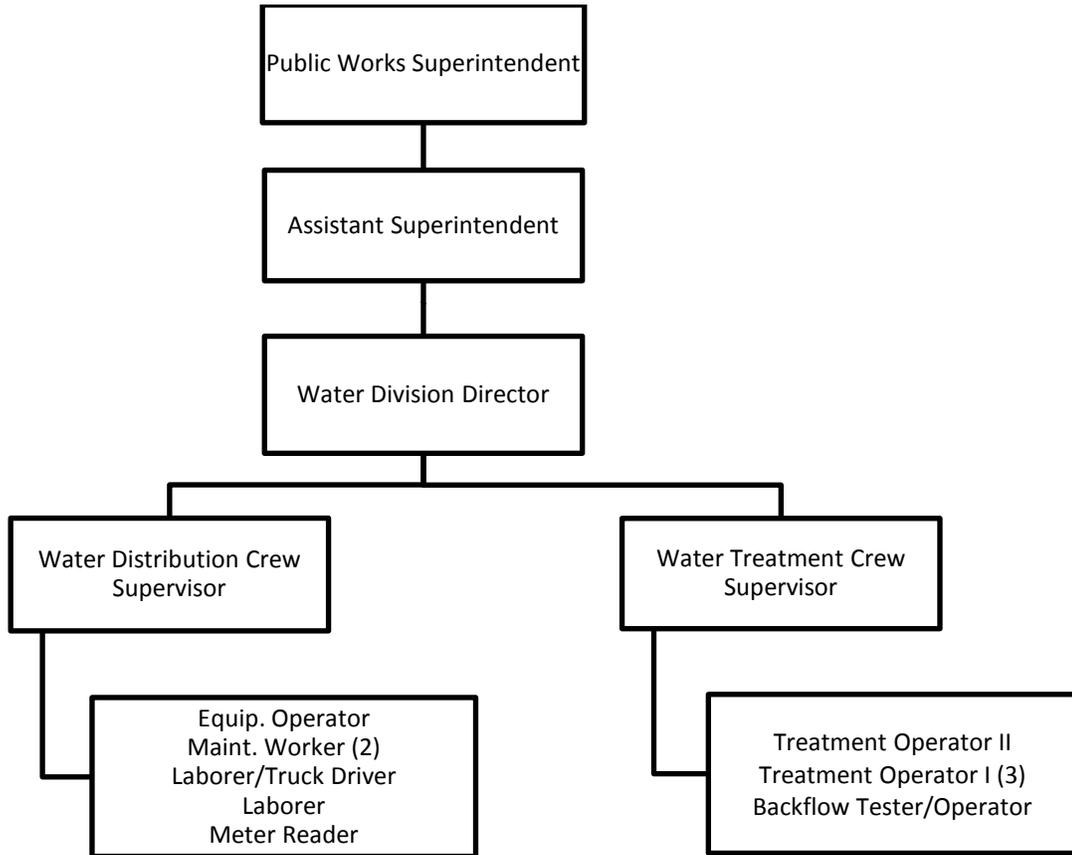


**WATER
FUND**

WATER FUND

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



WATER FUND SUMMARY

	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Budget	FY 19 Manager	Change FY 18 - 19	Percent Change
Operating Revenues	\$ 4,103,147	4,241,473	4,477,215	4,352,146	4,452,188	100,042	2.3%
Interest and Late Fees	\$ 24,349	31,566	50,888	20,000	20,000	0	0.0%
State Grants	\$ 0	0	0	0	0	0	0.0%
SUBTOTAL REVENUES	\$ 4,127,497	4,273,040	4,528,103	4,372,146	4,472,188	100,042	2.3%
Borrowing							
Authorizations	\$ 0	0	0	0	0	0	0.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 0	170,500	58,000	0	0	0	0.0%
TOTAL RESOURCES	\$ 4,127,497	4,443,540	4,586,103	4,372,146	4,472,188	100,042	2.3%
Operating Budget	\$ 3,135,582	2,952,625	2,848,265	3,256,200	3,328,478	72,278	2.2%
Debt Service	\$ 365,850	362,100	355,100	348,100	453,100	105,000	30.2%
Capital Program	\$ 720,000	315,500	320,666	302,666	215,000	(87,666)	-29.0%
TOTAL APPROPRIATION	\$ 4,221,432	3,630,225	3,524,031	3,906,966	3,996,578	89,612	2.3%
Indirect Costs Appropriated in General Fund	\$ 454,779	463,319	451,297	465,180	475,610	10,430	2.2%
TOTAL EXPENDITURES	\$ 4,676,211	4,093,544	3,975,328	4,372,146	4,472,188	100,042	2.3%

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:

- To develop, treat and distribute high quality water to meet the needs of Amherst residents, businesses, and institutions.

FY 19 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 13 <u>Actual</u>	FY 14 <u>Actual</u>	FY 15 <u>Actual</u>	FY 16 <u>Actual</u>	FY 17 <u>Actual</u>
Funding Composition (%)					
Operating Revenues	99	88	99	95	98
Interest	1	1	1	1	1
Surplus Funds	0	11	0	4	1

WATER FUND

RESOURCES

		FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Budget	FY 19 Manager	Change FY 18 - 19	Percent Change
Water Rates	\$	3,924,910	4,064,313	4,270,977	4,182,146	4,282,188	100,042	2.4%
Water Liens	\$	64,152	83,044	80,360	75,000	75,000	0	0.0%
Water Connection Fees	\$	44,500	34,900	33,000	35,000	35,000	0	0.0%
Other Water Revenues	\$	69,585	59,217	92,879	60,000	60,000	0	0.0%
Water Interest and Late Fees	\$	24,349	31,566	50,888	20,000	20,000	0	0.0%
	\$	<u>4,127,497</u>	<u>4,273,040</u>	<u>4,528,103</u>	<u>4,372,146</u>	<u>4,472,188</u>	<u>100,042</u>	<u>2.3%</u>

SIGNIFICANT BUDGET CHANGES:

The FY 19 proposed Water Fund revenue budget of \$4,472,188 is an increase of 2.3% from the FY 18 budget of \$4,372,146 (see Water Fund Summary). The current water rate is \$3.80 per 100 CF, there is proposed to be NO increase in water rates for FY 19. The July 1, 2017 Water Fund Free Cash balance was \$1,636,330 (36% of operating revenues). The Town's water/sewer rates remain below comparable state and regional averages.

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

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

RECENT ACCOMPLISHMENTS & CURRENT CHALLENGES:**Accomplishments**

- Completed study of water system resiliency.
- Completed water tank study that found excess capacity in system storage.
- Moved system controls to Village Park Tank.
- Provided support for Town of Pelham zoning changes.
- Atkins Water Treatment Facility: replaced clarifier media, updated level transducers on filters, updated piping and flow meters for chlorination system.
- Centennial Water Treatment Facility: installed new settling tubes in filter train, installed new fiber connection between plant and pump station.
- Baby Carriage Water Treatment Facility: installed new generator, continued work to automate plant, replaced roofs.
- Well #3: repaired unexpected pump failure and cleaned well casing and screens.
- Installed new water lines on Pray Street and at Mill River Recreation area.
- Continued water meter upgrade to radio reads, 2000 replaced.
- Continued watershed property maintenance.

Challenges

- Implement new Water Management Act permit.
- To continue to explore new sources of drinking water in accordance with recent system analysis.
- To continue to execute the system improvement plans to repair/replace old water mains, valves, and hydrants.

WATER FUND**4450: WATER SUPPLY AND DISTRIBUTION****LONG RANGE OBJECTIVES:**

- To prepare for Northampton Road reconstruction project, including a water line upgrade.
- To continue to explore 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, residential and commercial, up-to-date, with no meter in service more than 30 years or out of compliance in accordance with American Water Works Association standards.
- To continue the program to calibrate all master meters on an annual schedule and replace them as needed.
- To conduct leak detection surveys every two years to minimize water loss in the pipes.

FY 19 OBJECTIVES:

- To replace water lines on Canton and Harvard Streets.
- To continue the planning process of getting Internet fiber connections to the facilities that don't currently have service.
- To repair /replace roof at Atkins Water Treatment Plant.
- To design equalization tank and hook-up to existing sewer at Centennial Water Treatment Plant.

SERVICE LEVELS:

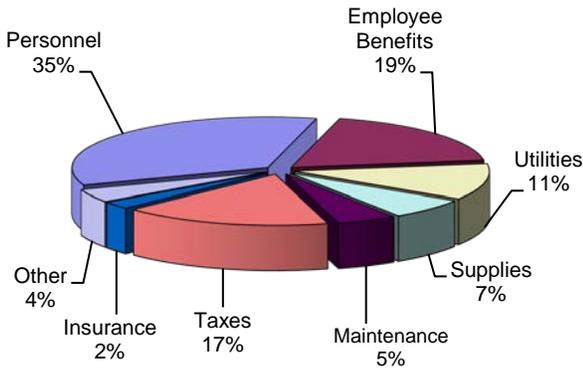
	FY 13	FY 14	FY 15	FY 16	FY 17
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
New water services installed	17	15	32	16	14
Water service relays	20	23	15	20	7
Water services	6,271	6,285	6,317	6,327	6,341
Water metered & produced (billion gals)	.96	.98	1.1	1.0	0.97
Positive coliform bacteria samples	0	0	0	1	0
Meters installed	433	457	305	127	176
Hydrants in service	1,116	1,126	1,132	1,132	1,135
Frozen water services	1	6	26	0	0
Hydrants repaired	18	30	16	20	37
Water mains flushed (miles)	114	114	114	114	114
Water main breaks repaired	9	11	9	8	2
Percent of meters read by radio	18%	25%	34%	39%	50%

WATER FUND

4450: WATER SUPPLY AND DISTRIBUTION

	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Budget	FY 19 Manager	Change FY 18 - 19	Percent Change
Personnel Services	\$ 1,107,194	1,042,826	993,830	1,138,651	1,150,197	11,546	1.0%
Operating Expenses	\$ 2,025,988	1,902,133	1,854,435	2,113,149	2,173,881	60,732	2.9%
Capital Outlay	\$ 2,400	7,666	0	4,400	4,400	0	0.0%
TOTAL APPROPRIATION	\$ 3,135,582	2,952,625	2,848,265	3,256,200	3,328,478	72,278	2.2%
SOURCES OF FUNDS							
Water Revenues	\$ 3,135,582	2,952,625	2,848,265	3,256,200	3,328,478	72,278	2.2%
Surplus Funds	\$ 0	0	0	0	0	0	0.0%
POSITIONS							
Full Time	17.58	18.73	18.56	18.58	18.58	0.00	
Part Time with Benefits	2.00	1.00	1.00	1.00	1.00	0.00	
Full Time Equivalents	17.98	18.99	18.82	18.84	18.84	0.00	

MAJOR COMPONENTS:



Personnel Services include salaries for the Assistant Superintendent (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 Civil Engineer, a division supervisor, a clerk, an administrative analyst, an applications manager, and an engineer technician are shared with the General Fund and Sewer Fund. A utility technician, an environmental scientist, and an electrician are shared with the Sewer Fund. A watershed land manager and a part-time maintenance assistant is shared with the General Fund. The Procurement Officer is shared with the General Fund, Sewer Fund and Transportation Fund. Also included is \$77,000 for overtime.

\$622,043 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 changes are for steps and contracts.

Operating expenses increase by 2.9% mainly due to increases in health insurance (\$48,930) and retirement costs (\$12,816).

WATER FUND**GENERAL FUND SERVICES**

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

LONG RANGE OBJECTIVES:**FY 19 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 13 Actual</u>	<u>FY 14 Actual</u>	<u>FY 15 Actual</u>	<u>FY 16 Actual</u>	<u>FY 17 Actual</u>
Number of departments reimbursed	9	9	9	9	9
Percentage of total fund expenses paid to the General Fund	11	10	10	11	11

WATER FUND

GENERAL FUND SERVICES

		FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Budget	FY 19 Manager	Change FY 18 - 19	Percent Change
General Fund Services	\$	454,779	463,319	451,297	465,180	475,610	10,430	2.2%
Transfer to Trust Funds	\$	0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$	454,779	463,319	451,297	465,180	475,610	10,430	2.2%
SOURCES OF FUNDS								
Water Revenues	\$	454,779	463,319	451,297	465,180	475,610	10,430	2.2%

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 18 are as follows:

Select Board / Town Manager	7% of budget	\$ 37,582
Finance Department	9% of budget	130,934
Human Resources/Human Rights	6% of budget	18,270
Information Technology	8% of budget	45,001
Public Works Administration	31% of budget	110,081
Construction & Maintenance	5% of budget	56,417
Equipment Maintenance	15% of budget	51,276
Conservation	5% of budget	24,049
Inspection Services	0.4% of budget	<u>2,000</u>
TOTAL		<u>\$475,610</u>

SIGNIFICANT BUDGET CHANGES:

None.

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:

- To prepare for the replacement of the Northampton Road water line.
- To prepare for the North Pleasant Street water line from Massachusetts Avenue to Eastman Lane.

FY 19 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 make payments on debt incurred for the water meter radio upgrades.

SERVICE LEVELS:

	<u>FY 13</u> <u>Actual</u>	<u>FY 14</u> <u>Actual</u>	<u>FY 15</u> <u>Actual</u>	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Actual</u>
Number of issues outstanding	1	1	1	2	2
Number of new issues	0	0	1	0	0

WATER FUND

DEBT SERVICE

		FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Budget	FY 19 Manager	Change FY 18 - 19	Percent Change
Principal	\$	250,000	250,000	250,000	250,000	330,000	80,000	32.0%
Interest	\$	115,850	112,100	105,100	98,100	123,100	25,000	25.5%
TOTAL APPROPRIATION	\$	365,850	362,100	355,100	348,100	453,100	105,000	30.2%
SOURCES OF FUNDS								
Water Revenues	\$	365,850	362,100	355,100	348,100	453,100	105,000	30.2%

MAJOR COMPONENTS:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Centennial Treatment Plant	\$200,000	\$66,850	\$266,850
Pine Street	50,000	24,250	74,250
Water Meter Radios	80,000	32,000	112,000
	<u>\$330,000</u>	<u>\$123,100</u>	<u>\$453,100</u>

SIGNIFICANT BUDGET CHANGES:

FY 19 will be the first year of debt service on radio readable water meter equipment, a capital investment approved for borrowing at Annual Town Meeting 2017. This equipment will be purchased and installed by Water Department staff and result in ongoing labor cost savings.

WATER FUND

CAPITAL PROGRAM SUMMARY

GOAL STATEMENT: To provide for the maintenance and improvement of the Town's water system and to secure additional water resources.

LONG RANGE OBJECTIVES:

- To sample the 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 will likely require significant capital improvements to the Atkins Water Treatment Plant.

FY 19 OBJECTIVES:

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

SERVICE LEVELS:	FY 13 <u>Actual</u>	FY 14 <u>Actual</u>	FY 15 <u>Actual</u>	FY 16 <u>Actual</u>	FY 17 <u>Actual</u>
Number of Projects:					
Departmental Equipment	2	2	1	1	1
Existing Facilities	2	3	5	3	4
New Facilities	0	1	2	1	1

WATER FUND

CAPITAL PROGRAM SUMMARY

		FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Budget	FY 19 Manager	Change FY 18 - 19	Percent Change
Departmental Equip.	\$	40,000	40,000	47,666	47,666	50,000	2,334	0.0%
Existing Facilities	\$	180,000	105,000	215,000	55,000	165,000	110,000	200.0%
New Facilities	\$	500,000	170,500	58,000	200,000	0	(200,000)	0.0%
TOTAL APPROPRIATION	\$	720,000	315,500	320,666	302,666	215,000	(87,666)	-29.0%
SOURCES OF FUNDS								
Water Revenues	\$	720,000	145,000	320,666	302,666	215,000	(87,666)	-29.0%
Surplus Funds	\$	0	170,500	58,000	0	0	0	0.0%

MAJOR COMPONENTS:			
	Facilities	\$ 50,000	Water System improvements
		100,000	Water Treatment System Improvements
		10,000	Leak Detection Study
		5,000	DPW Facility Improvements
	Equipment	50,000	Replacement Truck