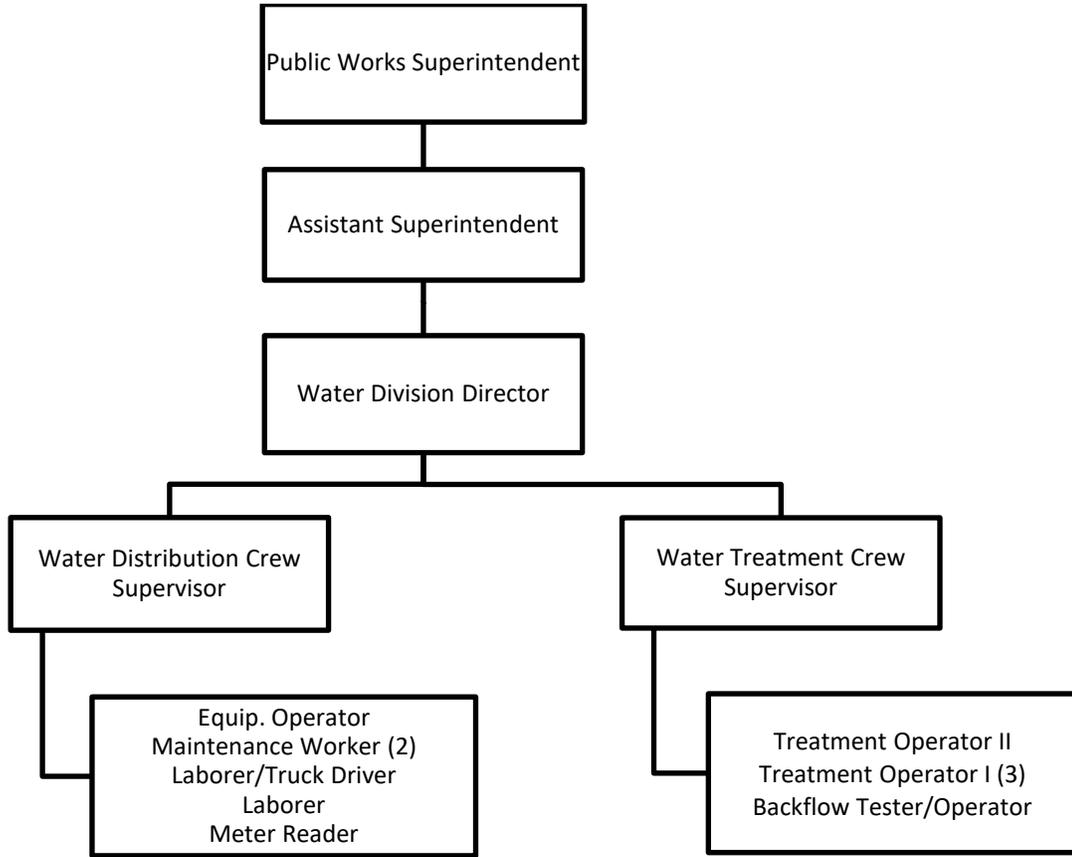


**WATER  
FUND**

## WATER FUND

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



## WATER FUND SUMMARY

	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Budget	FY 20 Proposed	Change FY 19 - 20	Percent Change
Operating Revenues	\$ 4,241,473	4,477,215	4,365,794	4,452,188	4,452,576	388	0.0%
Interest and Late Fees	\$ 31,566	50,888	73,470	20,000	40,000	20,000	100.0%
State Grants	\$ 0	0	0	0	0	0	0.0%
<b>SUBTOTAL REVENUES</b>	<b>\$ 4,273,040</b>	<b>4,528,103</b>	<b>4,439,264</b>	<b>4,472,188</b>	<b>4,492,576</b>	<b>20,388</b>	<b>0.5%</b>
Borrowing							
Authorizations	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 170,500	58,000	0	0	0	0	0.0%
<b>TOTAL RESOURCES</b>	<b>\$ 4,443,540</b>	<b>4,586,103</b>	<b>4,439,264</b>	<b>4,472,188</b>	<b>4,492,576</b>	<b>20,388</b>	<b>0.5%</b>
Operating Budget	\$ 2,952,625	2,848,265	2,980,652	3,328,478	3,362,351	33,873	1.0%
Debt Service	\$ 362,100	355,100	348,100	453,100	442,900	(10,200)	-2.3%
Capital Program	\$ 315,500	320,666	302,666	215,000	190,000	(25,000)	-11.6%
<b>TOTAL APPROPRIATION</b>	<b>\$ 3,630,225</b>	<b>3,524,031</b>	<b>3,631,418</b>	<b>3,996,578</b>	<b>3,995,251</b>	<b>(1,327)</b>	<b>0.0%</b>
Indirect Costs Appropriated in General Fund	\$ 463,319	451,297	465,180	475,610	497,325	21,715	4.6%
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,093,544</b>	<b>3,975,328</b>	<b>4,096,598</b>	<b>4,472,188</b>	<b>4,492,576</b>	<b>20,388</b>	<b>0.5%</b>

## 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 a long range plan to ensure an adequate supply of high quality water is available to meet the needs of Amherst residents, businesses, and institutions.

### STATUS UPDATE OF FY 19 OBJECTIVES:

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

### FY 20 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 14 <u>Actual</u>	FY 15 <u>Actual</u>	FY 16 <u>Actual</u>	FY 17 <u>Actual</u>	FY 18 <u>Actual</u>
Funding Composition (%)					
Operating Revenues	88	99	95	98	99
Interest	1	1	1	1	1
Surplus Funds	11	0	4	1	0

## WATER FUND

## RESOURCES

	FY 16	FY 17	FY 18	FY 19	FY 20	Change	Percent
	Actual	Actual	Actual	Budget	Proposed	FY 19 - 20	Change
Water Rates	\$ 4,064,313	4,270,977	4,109,813	4,282,188	4,282,576	388	0.0%
Water Liens	\$ 83,044	80,360	106,227	75,000	75,000	0	0.0%
Water Connection Fees	\$ 34,900	33,000	58,500	35,000	35,000	0	0.0%
Other Water Revenues	\$ 59,217	92,879	91,254	60,000	60,000	0	0.0%
Water Interest and Late Fees	\$ 31,566	50,888	73,470	20,000	40,000	20,000	100.0%
	\$ 4,273,040	4,528,103	4,439,264	4,472,188	4,492,576	20,388	0.5%

**SIGNIFICANT BUDGET CHANGES:**

The FY 20 proposed Water Fund revenue budget of \$4,492,576 is an increase of 0.5% from the FY 19 budget of \$4,472,188 (see Water Fund Summary). The current water rate is \$3.80 per 100 cf, the proposed rate is \$3.90, an increase of 2.6% for FY 20. The July 1, 2018 Water Fund Free Cash balance was \$1,774,408 (41% 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

- Replaced culverts along Well #4 access road.
- Installed new backup generator for Baby Carriage Treatment Facility.
- Continued routine maintenance and upgrades at Atkins Water Treatment Plant to include new clarifier beads in filter #1, new magnetic flow meters and upgrades to the chlorine system.

#### 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.

### 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 upgrade and restore the Centennial Water Treatment Plant to operational capabilities after recent lightning strikes and equipment malfunctions.
- To continue to execute the system improvement plans to repair/replace old water mains, valves, and hydrants.

### STATUS UPDATE OF FY 19 OBJECTIVES:

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

### FY 20 OBJECTIVES:

- To replace water lines on Canton Avenue and Harvard Street.
- 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 install a generator at Well #4.

### SERVICE LEVELS:

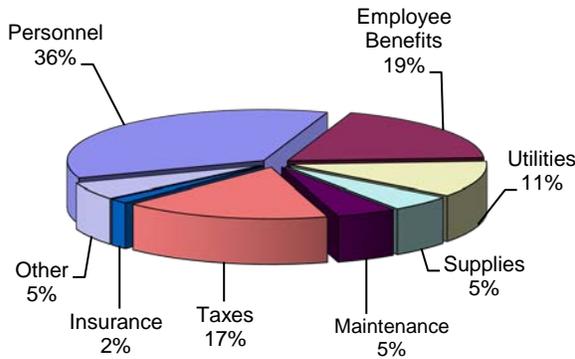
	FY 14	FY 15	FY 16	FY 17	FY 18
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
New Water Services Installed	15	32	16	14	15
Water Service Relays	23	15	20	7	15
Water Services	6,285	6,317	6,327	6,341	6,400
Water Metered					
& Produced (billion gals)	0.98	1.1	1.0	0.97	1.0
Positive Coliform Bacteria Samples	0	0	1	0	4
Meters Installed	457	305	127	176	775
Hydrants in Service	1,126	1,132	1,132	1,135	1,138
Frozen Water Services	6	26	0	0	2
Hydrants Repaired	30	16	20	37	42
Water Mains Flushed (mi)	114	114	114	114	114
Water Main Breaks Repaired	11	9	8	2	9
Meters Read by Radio	25%	34%	39%	50%	53%

**WATER FUND**

**4450: WATER SUPPLY AND DISTRIBUTION**

		FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Budget	FY 20 Proposed	Change FY 19 - 20	Percent Change
Personnel Services	\$	1,042,826	993,830	1,052,636	1,150,197	1,203,553	53,356	4.6%
Operating Expenses	\$	1,902,133	1,854,435	1,928,016	2,173,881	2,154,398	(19,483)	-0.9%
Capital Outlay	\$	7,666	0	0	4,400	4,400	0	0.0%
<b>TOTAL APPROPRIATION</b>	<b>\$</b>	<b>2,952,625</b>	<b>2,848,265</b>	<b>2,980,652</b>	<b>3,328,478</b>	<b>3,362,351</b>	<b>33,873</b>	<b>1.0%</b>
<b>SOURCES OF FUNDS</b>								
Water Revenues	\$	2,952,625	2,848,265	2,980,652	3,328,478	3,362,351	33,873	1.0%
Surplus Funds	\$	0	0	0	0	0	0	0.0%
<b>POSITIONS</b>								
Full Time		18.73	18.56	18.58	18.58	18.60	0.02	
Part Time with Benefits		1.00	1.00	1.00	1.00	1.00	0.00	
Full Time Equivalents		18.99	18.82	18.83	18.83	18.85	0.02	

**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, three Water Treatment Operators, one Skilled Laborer, one Laborer, one Maintenance Worker, one Meter Reader, one Backflow Tester, one Backflow/Meter Specialist, 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 are 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.

\$629,860 is budgeted for health, retirement, life insurance, and other benefits, including a payment of \$79,000 into the OPEB Trust Fund.

Utilities include \$326,254 for electricity and \$54,932 for fuel.

Maintenance, \$166,600, includes funds to repair dams, bridges, service lines, and meters.

Supplies, \$172,600, includes funds for gasoline, office supplies, and chemicals.

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

Insurance, \$52,500, provides building, vehicle, and liability coverage.

Other, \$185,331, includes funds for uniforms, training, communications, engineering, DEP annual assessment, and lab analysis.

<p><b>SIGNIFICANT BUDGET CHANGES:</b></p> <p>Personnel Services changes are for step increases and COLA's.</p> <p>Operating expenses decreased by 0.9% mainly due to changes in health, property, and casualty insurance.</p>
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**WATER FUND****GENERAL FUND SERVICES**

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

**LONG RANGE OBJECTIVES:****STATUS UPDATE OF 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. **ANNUAL GOAL MET**

**FY 20 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:**

	<b>FY 14</b>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>
Departments Reimbursed	9	9	9	9	9
Percentage of Total Fund Expenses Paid to the General Fund	10	10	11	11	11

**WATER FUND**

**GENERAL FUND SERVICES**

		FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Budget	FY 20 Proposed	Change FY 19 - 20	Percent Change
General Fund Services	\$	463,319	451,297	465,180	475,610	497,325	21,715	4.6%
Transfer to Trust Funds	\$	0	0	0	0	0	0	0.0%
<b>TOTAL APPROPRIATION</b>	<b>\$</b>	<b>463,319</b>	<b>451,297</b>	<b>465,180</b>	<b>475,610</b>	<b>497,325</b>	<b>21,715</b>	<b>4.6%</b>
<b>SOURCES OF FUNDS</b>								
Water Revenues	\$	463,319	451,297	465,180	475,610	497,325	21,715	4.6%

**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 20 are as follows:

Town Council	7% of budget	\$ 6,901
Town Manager	7% of budget	35,404
Finance Department	9% of budget	141,037
Human Resources/Human Rights	6% of budget	25,525
Information Technology	8% of budget	46,023
Public Works Administration	31% of budget	98,752
Construction & Maintenance	5% of budget	61,899
Equipment Maintenance	15% of budget	56,180
Conservation	5% of budget	23,604
Inspection Services	0.4% of budget	<u>2,000</u>
<b>TOTAL</b>		<b><u>\$497,325</u></b>

**SIGNIFICANT BUDGET CHANGES:**

The Town Council has been added for compensation to the General Fund in FY 20.

**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 replacement project from Massachusetts Avenue to Eastman Lane.
- To prepare for engineering at the Centennial Water Treatment Plant.

**STATUS UPDATE OF FY 19 OBJECTIVES:**

- To make payments on debt incurred to renovate the Centennial Water Treatment Plant and associated sewer line extension. **ANNUAL GOAL MET**
- To make payments on debt incurred to repair water lines on Pine Street. **ANNUAL GOAL MET**
- To make payments on debt incurred for the water meter radio upgrades. **ANNUAL GOAL MET**

**FY 20 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.

<b>SERVICE LEVELS:</b>	<b>FY 14</b>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Issues Outstanding	1	1	2	2	2
New Issues	0	1	0	0	1

## WATER FUND

## DEBT SERVICE

		FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Budget	FY 20 Proposed	Change FY 19 - 20	Percent Change
Principal	\$	250,000	250,000	250,000	330,000	330,000	0	0.0%
Interest	\$	112,100	105,100	98,100	123,100	112,900	(10,200)	-8.3%
<b>TOTAL APPROPRIATION</b>	<b>\$</b>	<b>362,100</b>	<b>355,100</b>	<b>348,100</b>	<b>453,100</b>	<b>442,900</b>	<b>(10,200)</b>	<b>-2.3%</b>
<b>SOURCES OF FUNDS</b>								
Water Revenues	\$	362,100	355,100	348,100	453,100	442,900	(10,200)	-2.3%

<b>MAJOR COMPONENTS:</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Centennial Treatment Plant	\$200,000	\$60,850	\$260,850
Pine Street	50,000	23,250	73,250
Water Meter Radios	80,000	28,800	108,800
	<u>\$330,000</u>	<u>\$112,900</u>	<u>\$442,900</u>

<b>SIGNIFICANT BUDGET CHANGES:</b>
None.

**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.

**STATUS UPDATE OF FY 19 OBJECTIVES:**

- To complete the following:  
 Water Treatment Improvements. **RESCHEDULED**  
 Replace a Pickup Truck. **ACCOMPLISHED**  
 Water System Improvements. **ANNUAL GOAL MET**  
 DPW Facility Improvements. **ANNUAL GOAL MET**

**FY 20 OBJECTIVES:**

- To complete the following:  
 Begin design of Centennial Water Treatment Plant upgrade.  
 Replace one vehicle.  
 Water System Improvements. Water line on Canton Avenue and Harvard Street.

<b>SERVICE LEVELS:</b>	<b>FY 14</b>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Number of Projects:					
Departmental Equipment	2	1	1	1	2
Existing Facilities	3	5	3	4	2
New Facilities	1	2	1	1	1

## WATER FUND

## CAPITAL PROGRAM SUMMARY

		FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Budget	FY 20 Proposed	Change FY 19 - 20	Percent Change
Departmental Equip.	\$	40,000	47,666	47,666	50,000	40,000	(10,000)	-20.0%
Existing Facilities	\$	105,000	215,000	55,000	165,000	150,000	(15,000)	-9.1%
New Facilities	\$	170,500	58,000	200,000	0	0	0	0.0%
<b>TOTAL APPROPRIATION</b>	<b>\$</b>	<b>315,500</b>	<b>320,666</b>	<b>302,666</b>	<b>215,000</b>	<b>190,000</b>	<b>(25,000)</b>	<b>-11.6%</b>
<b>SOURCES OF FUNDS</b>								
Water Revenues	\$	145,000	320,666	302,666	215,000	190,000	(25,000)	-11.6%
Borrowing Auth.	\$	0	0	0	0	0	0	0.0%
Surplus Funds	\$	170,500	58,000	0	0	0	0	0.0%

**MAJOR COMPONENTS:**

Facilities	\$ 100,000	Water System Improvements
	50,000	Water Treatment System Improvements
Equipment	40,000	Replacement Vehicle

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