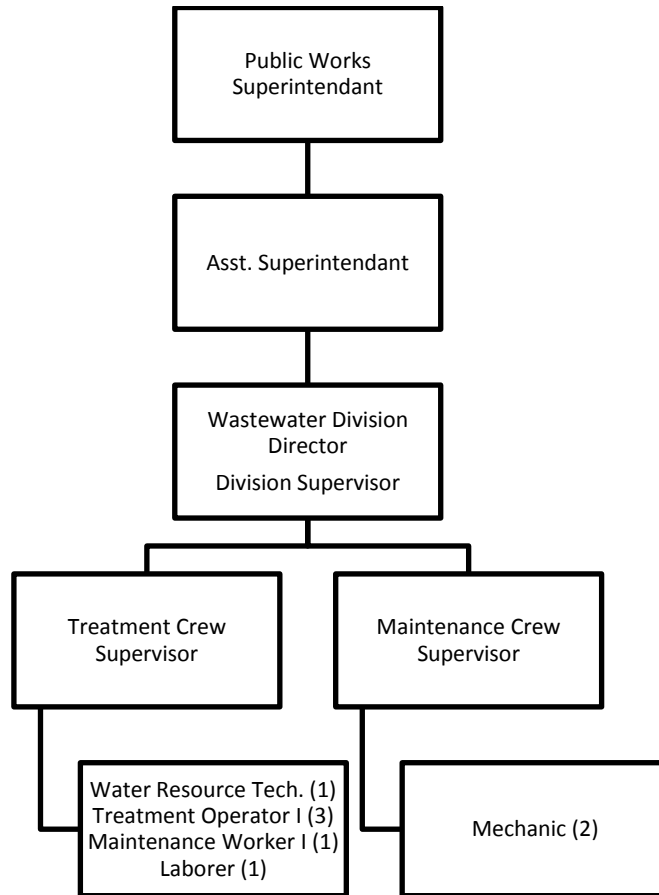


**SEWER
FUND**

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 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Budget	FY 14 Department	Change FY 13 - 14	Percent Change
Operating Revenues	\$ 3,592,414	3,751,953	3,724,663	3,726,520	3,967,000	240,480	6.5%
Interest and Late Fees	\$ 22,150	20,559	20,744	20,000	20,000	0	0.0%
Grants	\$ 0	0	0	0	0	0	0.0%
SUBTOTAL REVENUES	\$ 3,614,564	3,772,512	3,745,407	3,746,520	3,987,000	240,480	6.4%
Borrowing							
Authorizations	\$ 0	0	0	0	0	0	0.0%
Available Funds	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 232,658	248,917	248,917	242,668	116,416	(126,252)	-52.0%
TOTAL RESOURCES	\$ 3,847,222	4,021,429	3,994,324	3,989,188	4,103,416	114,228	2.9%
Operating Budget	\$ 2,466,101	2,540,695	2,711,541	2,846,789	3,081,477	234,688	8.2%
Gen. Fund Services	\$ --	--	--	--	--		
Debt Service	\$ 327,803	318,533	309,013	320,066	432,990	112,924	35.3%
Capital Program	\$ 373,600	295,000	336,000	486,000	255,000	(231,000)	-47.5%
Interfund Transactions	\$ 0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$ 3,167,503	3,154,227	3,356,554	3,652,855	3,769,467	116,612	3.2%
Indirect Costs Appropriated in General Fund	306,144	324,691	323,032	336,333	333,949	(2,384)	-0.7%
TOTAL EXPENDITURES	\$ 3,473,647	3,478,918	3,679,586	3,989,188	4,103,416	114,228	2.9%

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 14 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 08</u> <u>Actual</u>	<u>FY 09</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>
Funding Composition (%)					
Operating Revenues	98	98	93	93	93
Interest	2	2	1	1	1
Grants	0	0	0	0	0
Surplus Funds	0	0	6	6	6
Borrowing	0	0	0	0	0

SEWER FUND

RESOURCES

	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Budget	FY 14 Department	Change FY 13 - 14	Percent Change
Sewer Rates	3,421,315	3,578,934	3,536,481	3,593,520	3,834,000	240,480	6.7%
Sewer Liens	72,174	67,260	69,593	50,000	50,000	0	0.0%
Sewer Entrances	34,800	40,975	62,275	30,000	30,000	0	0.0%
Septic Disposal	36,210	35,265	30,930	33,000	33,000	0	0.0%
Sewer Miscellaneous	27,915	29,519	25,384	20,000	20,000	0	0.0%
Sewer Interest and Late Fees	22,150	20,559	20,744	20,000	20,000	0	0.0%
	<u>3,614,564</u>	<u>3,772,512</u>	<u>3,745,407</u>	<u>3,746,520</u>	<u>3,987,000</u>	<u>240,480</u>	<u>6.4%</u>

SIGNIFICANT BUDGET CHANGES:

The overall sewer budget of \$4,103,416 increases by 2.9%, and sewer rates will increase by 2.9%. The current sewer rate is \$3.45 per 100 CF and is recommended to increase by \$0.10 to \$3.55 per 100 cubic feet, which would result in a \$12 annual increase (+2.9%) to the sewer bill of the average four-person household in Amherst. \$116,416 from Sewer Fund Surplus will be appropriated to support this budget; this use of surplus is approximately half as much surplus as was used in the FY 13 budget. The July 1, 2012 Sewer Fund Free Cash balance was \$1,709,742. 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 Ave.
Purchased new sewer truck.

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 GIS.
To minimize the number of sewer blockages by performing preventative maintenance to the collection system.
To review and update the Town's sewer bylaws to bring them into agreement with new technology and regulations.

FY 14 OBJECTIVES:

To video inspect approximately five miles of sewer lines to determine source of problems and repair or replace as necessary.
To continue the sewer flushing, root control, and grease removal programs in the sewer system.
To install sewer line on Harkness Road and Amherst Woods.

SERVICE LEVELS:

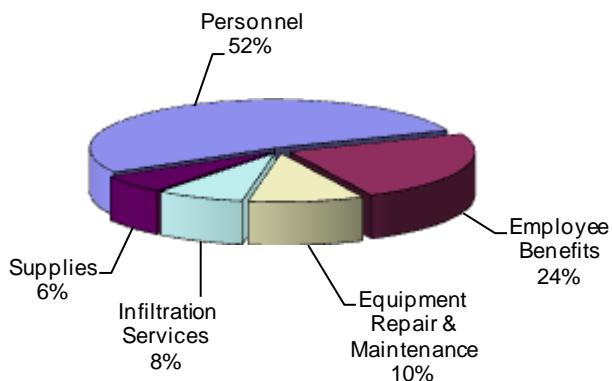
	FY 08	FY 09	FY 10	FY 11	FY 12
	Actual	Actual	Actual	Actual	Actual
Sanitary sewer complaints	106	70	72	79	47
Sewer main stoppages	30	9	21	12	8
Sewer main flushing (miles)	30	34	32	22	25
Sewer mains treated for roots (in linear feet)	6,240	8,077	6,636	5,041	5,597
Sewer maintained (miles)	92	92	92	121	121
T.V.'d sections of problem sewers (in linear feet)	26,342	11,035	25,235	33,927	15,125
Feet of sewer rehabilitated	0	0	0	20	12
Feet of sewer replaced	150	500	4,570	550	0
Feet of sewer extended	0	0	0	1,120	0

SEWER FUND

4441: SEWER MAINTENANCE

	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Budget	FY 14 Department	Change FY 13 - 14	Percent Change
Personnel Services	\$ 68,853	75,696	58,502	92,569	88,307	(4,262)	-4.6%
Operating Expenses	\$ 85,853	84,418	74,274	90,144	80,224	(9,920)	-11.0%
Capital Outlay	\$ 0	0	0	0		0	0.0%
TOTAL APPROPRIATION	\$ 154,706	160,115	132,776	182,713	168,531	(14,182)	-7.8%
SOURCES OF FUNDS							
Sewer Revenues	\$ 154,706	160,115	132,776	182,713	168,531	(14,182)	-7.8%

MAJOR COMPONENTS:



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

\$39,924 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:

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

Operating expenses decrease by 11% because of a decrease in health benefit costs due to changes in coverage employees chose. This is somewhat offset by 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 optic and programmable logic computer technology.
- Completed preliminary Reuse water study.
- Received new nitrogen limits on our discharge permit. This may require substantial plant upgrades.

LONG RANGE OBJECTIVES:

To investigate and promote water reuse when it is environmentally compatible.

To reduce the amount of leakage into the sewer collection system.

To continue the capital improvement projects at the main treatment plant and 20 pumping stations.

To promote the reuse of treated effluent at the new central heating plant and athletic fields at UMass.

FY 14 OBJECTIVES:

To meet new permit levels.

To complete new facility study.

SERVICE LEVELS:

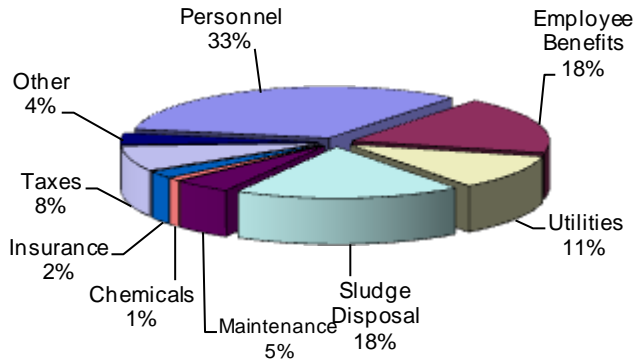
	FY 08	FY 09	FY 10	FY 11	FY 12
	Actual	Actual	Actual	Actual	Actual
Flow totals (billion gals)	1.48	1.56	1.43	1.45	1.66
Chlorine (lbs)	9,800	12,496	9,465	11,100	9,775
Polymer (lbs)	2,993	3,079	3,176	3,130	3,448
Mass WPC Reports & Federal Reports	12	12	12	12	12
% of tests achieving EPA standards:					
Main Plant	100%	100%	100%	99.9%	99.9%
Pumping stations operated	20	20	20	20	20
Grit & screenings deposited at sanitary landfill (cu.yd)	78	69	65	69	52
Septic waste delivered to plant (loads)	292	279	299	247	308
Gallons of liquid sludge disposed	4,126,500	3,970,600	3,889,900	3,856,100	4,086,000
Tons of dry sludge produced	1,104	1,130	1,054	1,074	1,106

SEWER FUND

4440: WASTEWATER TREATMENT PLANT

	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Budget	FY 14 Department	Change FY 13 - 14	Percent Change
Personnel Services	\$ 848,486	899,040	869,709	921,172	957,735	36,563	4.0%
Operating Expenses	\$ 1,452,437	1,467,480	1,640,583	1,728,904	1,941,211	212,307	12.3%
Capital Outlay	\$ 10,471	14,060	68,473	14,000	14,000	0	0.0%
TOTAL APPROPRIATION	\$ 2,311,394	2,380,580	2,578,765	2,664,076	2,912,946	248,870	9.3%
SOURCES OF FUNDS							
Sewer Revenues	\$ 2,311,394	2,380,580	2,578,765	2,664,076	2,912,946	248,870	9.3%
Surplus Funds	\$ 0	0	0	0	0	0	0.0%
POSITIONS							
Full Time	15.50	15.83	15.83	15.83	16.33	0.50	
Part Time with Benefits	0.00	0.00	0.00	0.00	0.00	0.00	
Full Time Equivalents	15.50	15.83	15.83	15.83	16.33	0.50	

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 equipment 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, and two electricians are shared with the Water Fund. Also included is \$36,000 for overtime.

Operating expenses include \$527,468 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:

Professional services increase in accordance with the current collective bargaining agreement, plus a reserve for future bargaining.

Operating expenses increase by 12% because of an increase in health benefit costs due to more employees electing coverage, an increase in the retirement assessment from the Hampshire County Retirement Board, and a payment of \$150,000 to the OPEB Trust Fund.

FTE increase of 0.5 is due to transferring a half the time of a secretary from the General Fund.

SEWER FUND**GENERAL FUND SERVICES**

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

LONG RANGE OBJECTIVES:**FY 14 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:

	FY 08 <u>Actual</u>	FY 09 <u>Actual</u>	FY 10 <u>Actual</u>	FY 11 <u>Actual</u>	FY 12 <u>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	9

SEWER FUND

GENERAL FUND SERVICES

	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Budget	FY 14 Department	Change FY 13 - 14	Percent Change
General Fund Services	\$ 306,144	324,691	323,032	336,333	333,949	(2,384)	-0.7%
Transfers to Other Funds	\$ 0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$ 306,144	324,691	323,032	336,333	333,949	(2,384)	-0.7%
SOURCES OF FUNDS							
Sewer Revenues	\$ 306,144	324,691	323,032	336,333	333,949	(2,384)	-0.7%

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 14 are as follows:

Select Board/Town Manager	7% of budget	\$ 22,822
Finance Department	9% of budget	112,540
Human Resources/ Human Rights	7% of budget	13,670
Information Technology	6% of budget	43,649
Public Works Administration	31% of budget	119,872
Equipment Maintenance	10% of budget	30,959
Town Hall Debt		21,437
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		\$ 333,949

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 14 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 sewer extension project.

SERVICE LEVELS:

	<u>FY 08 Actual</u>	<u>FY 09 Actual</u>	<u>FY 10 Actual</u>	<u>FY 11 Actual</u>	<u>FY 12 Actual</u>
Number of issues outstanding	2	2	2	2	2

SEWER FUND

DEBT SERVICE

		FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Budget	FY 14 Department	Change FY 13 - 14	Percent Change
Principal	\$	290,000	290,000	290,000	308,000	342,000	34,000	11.0%
Interest	\$	37,803	28,533	19,013	12,066	90,990	78,924	654.1%
TOTAL APPROPRIATION	\$	327,803	318,533	309,013	320,066	432,990	112,924	35.3%
SOURCES OF FUNDS								
Sewer Revenues	\$	327,803	318,533	309,013	320,066	432,990	112,924	35.3%

MAJOR COMPONENTS:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Chapel/Mechanic Sewer	\$100,000	\$ 2,000	\$102,000
Sewer Extension	227,000	86,490	313,490
Sewer Extension, Harkness Design	<u>15,000</u>	<u>2,500</u>	<u>17,500</u>
	<u>\$342,000</u>	<u>\$90,990</u>	<u>\$432,990</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 14 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 08 <u>Actual</u>	FY 09 <u>Actual</u>	FY 10 <u>Actual</u>	FY 11 <u>Actual</u>	FY 12 <u>Actual</u>
Number of Projects:					
Departmental Equipment	3	0	1	0	1
Existing Facilities	3	4	4	3	3
New Facilities	0	0	0	0	0

SEWER FUND

CAPITAL PROGRAM SUMMARY

	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Budget	FY 14 Department	Change FY 13 - 14	Percent Change
Departmental Equip.	\$ 0	0	31,000	411,000	0	(411,000)	0.0%
Existing Facilities	\$ 373,600	295,000	305,000	75,000	255,000	180,000	240.0%
New Facilities	\$ 0	0		0		0	0.0%
TOTAL APPROPRIATION	\$ 373,600	295,000	336,000	486,000	255,000	(231,000)	-47.5%
SOURCES OF FUNDS							
Sewer Revenues	\$ 140,942	46,083	87,083	243,332	138,584	(104,748)	-43.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 232,658	248,917	248,917	242,668	116,416	(126,252)	0.0%
Borrowing	\$ 0	0	0	0	0	0	0.0%
Grants	\$ 0	0	0	0	0	0	0.0%

MAJOR COMPONENTS:

Facilities

\$100,000

Collection System Improvements

150,000

Treatment System Improvements

5,000

DPW Facility Improvements

SIGNIFICANT BUDGET CHANGES: