

**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 06 Actual	FY 07 Budget	FY 07 Actual	FY 08 Budget	FY 09 Manager	Change FY 08 - 09	Percent Change
Operating Revenues	\$ 2,730,139	3,208,000	3,041,324	3,740,000	3,914,006	174,006	4.7%
Interest	\$ 103,547	47,900	100,914	60,000	60,000	0	0.0%
State Grants	\$ 273,877	273,877	273,877	0	0	0	0.0%
<b>SUBTOTAL REVENUES</b>	<b>\$ 3,107,563</b>	<b>3,529,777</b>	<b>3,416,115</b>	<b>3,800,000</b>	<b>3,974,006</b>	<b>174,006</b>	<b>4.6%</b>
<b>Borrowing</b>							
Authorizations	\$ 0	0	0	0	1,000,000	1,000,000	0.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 234,621	412,815	412,815	107,453	0	(107,453)	-100.0%
<b>TOTAL RESOURCES</b>	<b>\$ 3,342,184</b>	<b>3,942,592</b>	<b>3,828,930</b>	<b>3,907,453</b>	<b>4,974,006</b>	<b>1,066,553</b>	<b>27.3%</b>
<b>Operating Budget</b>	<b>\$ 1,994,750</b>	<b>2,278,839</b>	<b>2,165,177</b>	<b>2,371,720</b>	<b>2,473,336</b>	<b>101,616</b>	<b>4.3%</b>
Gen. Fund Services	\$ 318,641	386,766	386,766	385,742	385,111	(631)	-0.2%
Debt Service	\$ 498,793	592,987	592,987	724,991	920,559	195,568	27.0%
Capital Program	\$ 530,000	684,000	684,000	425,000	1,195,000	770,000	181.2%
<b>TOTAL APPROPRIATION</b>	<b>\$ 3,342,184</b>	<b>3,942,592</b>	<b>3,828,930</b>	<b>3,907,453</b>	<b>4,974,006</b>	<b>1,066,553</b>	<b>27.3%</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.

**CONTINUING OBJECTIVES:**

To maintain water rates that provide for the operation of the Water System without subsidies from the Town's tax levy.

**LONG RANGE OBJECTIVES:****FY 09 OBJECTIVES:**

To increase water rates to adequately fund operating and capital needs and to eliminate drawdown of Water Fund Surplus.

**SERVICE LEVELS:**

	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</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>
Funding Composition (%)					
Operating Revenues	81	91	87	82	79
Interest	4	1	2	3	3
Surplus Funds	6	0	3	7	11
Grants	9	8	8	8	7
Other Available Funds	0	0	0	0	0

**WATER FUND****RESOURCES**

	FY 06 Actual	FY 07 Budget	FY 07 Actual	FY 08 Budget	FY 09 Manager	Change FY 08 - 09	Percent Change
Water Rates	\$ 2,559,972	3,108,000	2,857,501	3,640,000	3,904,000	264,000	7.3%
Water Liens	55,565	40,000	65,040	40,000	40,000	0	0.0%
Water Connection Fees	51,000	40,000	54,200	40,000	40,000	0	0.0%
Other Water Revenues	67,610	20,000	80,751	20,000	20,000	0	0.0%
Interest	103,547	47,900	100,914	60,000	60,000	0	0.0%
State Grants	273,877	273,877	273,877	0	0	0	0.0%

**SIGNIFICANT BUDGET CHANGES:**

A \$273,877 annual state grant to fund a portion of Atkins Treatment Plant construction debt expired in FY 07. Debt service for this project continues until FY 12. The current water rate is \$3.00 per 100 CF. An estimated rate adjustment of +\$0.20 will be necessary effective July 1, 2008.

**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.

**CONTINUING OBJECTIVES:**

To maintain an up to date preventative maintenance program on all equipment.  
 To continue monitoring water quality through an aggressive water sampling program.  
 To flush all water mains annually to improve water quality.  
 To maintain equipment and facilities in top operating condition.  
 To work with major water consumers to encourage water conservation.  
 To optimize the treatment processes to reduce formation of disinfection byproducts and improve filtration of disease causing organisms.

**LONG RANGE OBJECTIVES:**

To investigate new sources of drinking water.  
 To repair/replace old water mains, valves and hydrants.  
 To replace water meters to achieve a 20 year maximum age.

**FY 09 OBJECTIVES:**

To improve our GIS mapping of the water system.  
 To encourage water reuse at the University of Massachusetts for irrigation and process water.  
 To improve our hydraulic model of the distribution system.  
 To improve security at water supply sources.

**SERVICE LEVELS:**

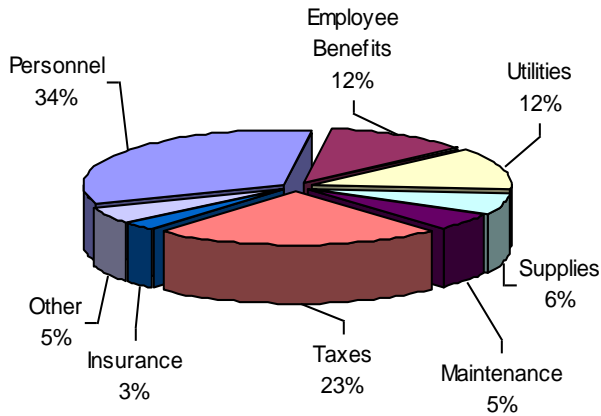
	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>
New water services installed	52	42	38	31	28
Water service relays	6	10	8	17	20
Water services	6,243	6,301	6,338	6,369	6,428
Water metered & produced (billion gals)	1.34	1.34	1.31	1.27	1.2
Positive coliform bacteria samples	0	0	0	0	0
Meters installed	164	285	298	294	238
Hydrants in service	931	940	1,068	1,104	1,100
Frozen water services	0	0	6	0	1
Hydrants repaired	17	15	12	9	28
Water mains flushed (miles)	113	10	113	113	113
Water main breaks repaired	7	9	8	4	14

**WATER FUND**

**4450: WATER SUPPLY AND DISTRIBUTION**

	FY 06 Actual	FY 07 Budget	FY 07 Actual	FY 08 Budget	FY 09 Manager	Change FY 08 - 09	Percent Change
Personnel Services	\$ 860,944	1,019,743	962,062	1,070,948	1,141,614	70,666	6.6%
Operating Expenses	\$ 1,129,677	1,254,696	1,203,115	1,296,372	1,327,322	30,950	2.4%
Capital Outlay	\$ 4,129	4,400	0	4,400	4,400	0	0.0%
<b>TOTAL APPROPRIATION</b>	<b>\$ 1,994,750</b>	<b>2,278,839</b>	<b>2,165,177</b>	<b>2,371,720</b>	<b>2,473,336</b>	<b>101,616</b>	<b>4.3%</b>
<b>SOURCES OF FUNDS</b>							
Water Revenues	\$ 1,994,750	2,278,839	2,165,177	2,371,720	2,473,336	101,616	4.3%
<b>POSITIONS</b>							
Full Time	14.83	14.83	14.83	14.83	15.08	0.25	
Part Time with Benefits	0.00	0.00	0.00	0.00	0.00	0.00	
Full Time Equivalents	14.83	14.83	14.83	14.83	15.08	0.25	

**MAJOR COMPONENTS:**



Personnel Services include salaries for the Water Resources Director (shared with the Sewer Fund), one division director, one division supervisor, four water treatment operators, one skilled laborer, two maintenance workers, one meter reader, a mechanic and a quarter of a watershed land manager. The Town Engineer, a junior engineer, and an assistant to the Superintendent of Public Works are shared with the General Fund and the Sewer Fund. A utility technician and a GIS administrator and two electricians are shared with the Sewer Fund. Also included is \$71,400 for overtime and \$280,933 for health, retirement, life insurance and other benefits.

Utilities include \$250,000 for electricity and \$40,000 for fuel.

Maintenance, \$128,500, includes funds to repair dams, bridges, service lines and meters.

Supplies, \$149,450, includes funds for gasoline, office supplies and chemicals.

Taxes, \$550,721, are paid to Amherst, Pelham, and Shutesbury for watershed property.

Insurance, \$68,276, provides building, vehicle and liability coverage.

**SIGNIFICANT BUDGET CHANGES:**  
 Personnel services increases include increases to employee steps/pay adjustments and the Water Fund's share of health insurance costs (\$21,106), and retirement assessments (\$5,778). A 0.25 FTE Electrician (also funded 0.25 FTE in Sewer and 0.50 FTE in General Fund) is added at a cost of \$10,424. Chemicals increase by \$5,000 (4.3%) and taxes paid for watershed land increase by \$11,000.

**WATER FUND****GENERAL FUND SERVICES**

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

**CONTINUING 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.

**LONG RANGE OBJECTIVES:****FY 09 OBJECTIVES:****SERVICE LEVELS:**

	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Actual</u>
Number of departments reimbursed	10	10	9	9	9



**WATER FUND****GENERAL FUND SERVICES**

	FY 06 Actual	FY 07 Budget	FY 07 Actual	FY 08 Budget	FY 09 Manager	Change FY 08 - 09	Percent Change
General Fund Services	\$ 318,641	386,766	386,766	385,742	385,111	(631)	-0.2%
Transfer to Trust Funds	\$ 0	0	0	0	0	0	0.0%
<b>TOTAL APPROPRIATION</b>	<b>\$ 318,641</b>	<b>386,766</b>	<b>386,766</b>	<b>385,742</b>	<b>385,111</b>	<b>(631)</b>	<b>-0.2%</b>
<b>SOURCES OF FUNDS</b>							
Water Revenues	\$ 318,641	386,766	386,766	385,742	385,111	(631)	-0.2%

**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 09 are as follows:

Select Board / Town Manager	6% of budget	\$18,612
Finance Department	9% of budget	97,719
Human Resources/Human Rights	5% of budget	13,295
Information Technology	6% of budget	31,392
Public Works Administration	30% of budget	106,850
Construction & Maintenance	5% of budget	40,183
Equipment Maintenance	15% of budget	44,720
Conservation	5% of budget	15,028
Town Hall Debt	6% of budget	15,312
Health		<u>2,000</u>
<b>TOTAL</b>		<b><u>\$385,111</u></b>

**SIGNIFICANT BUDGET CHANGES:**

None.

**WATER FUND****DEBT SERVICE**

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

**CONTINUING OBJECTIVES:**

To evaluate and recommend appropriate debt service levels for this Fund.

**LONG RANGE OBJECTIVES:**

To minimize rate impacts by timing issuance of any significant new debt service after retirement of Atkins Treatment Plant debt in FY 12.

**FY 09 OBJECTIVES:**

To make payments on debt incurred to build the Atkins Treatment Plant.  
 To make payments on debt incurred to reconstruct South East Street water mains.  
 To make payments on debt incurred on Atkins Repairs and Radio Read Meters

**SERVICE LEVELS:**

	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Actual</u>
Number of issues outstanding	2	2	2	2	2
Number of new issues	0	0	0	0	0

**WATER FUND****DEBT SERVICE**

		FY 06 Actual	FY 07 Budget	FY 07 Actual	FY 08 Budget	FY 09 Manager	Change FY 08 - 09	Percent Change
Principal	\$	313,598	419,040	419,040	567,008	743,376	176,368	31.1%
Interest	\$	185,195	173,947	173,947	157,983	177,183	19,200	12.2%
<b>TOTAL APPROPRIATION</b>	<b>\$</b>	<b>498,793</b>	<b>592,987</b>	<b>592,987</b>	<b>724,991</b>	<b>920,559</b>	<b>195,568</b>	<b>27.0%</b>
<b>SOURCES OF FUNDS</b>								
Water Revenues	\$	498,793	592,987	592,987	724,991	920,559	195,568	27.0%

<b>MAJOR COMPONENTS:</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Atkins Treatment Plant	\$676,266	\$125,814	\$802,080
South East Water Main	67,110	6,369	73,479
Atkins Repairs and Radio Meters	_____	<u>45,000</u>	<u>45,000</u>
	<u>\$743,376</u>	<u>\$177,183</u>	<u>\$920,559</u>

**SIGNIFICANT BUDGET CHANGES:**

Debt service increases by a total of \$195,568 per the existing 20-year debt schedules developed for the Atkins Treatment Plant and South East Street Water Main projects and for the proposed new bond issue for Atkins Water Treatment Plant repairs and radio water meter readers equipment.

**WATER FUND****CAPITAL PROGRAM SUMMARY**

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

**CONTINUING OBJECTIVES:**

To maintain a capital plan that ensures the safe, adequate supply of water to the Town.

**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 formed by the chlorination process). Compliance with these regulations might result in significant capital improvements to the Atkins and Centennial water treatment plants.

**FY 09 OBJECTIVES:**

To continue capital improvements to the water distribution system infrastructure.  
 To repaint the interior of 3 treatment units at the Centennial water treatment plant.  
 To fund radio telemetry emergency notification improvements at the remote water facilities.  
 To replace a 4x4 Truck with Plow  
 To fund minor DPW facility improvements.  
 To overhaul the 3 treatment units at the Atkins Water Treatment Plant.

**SERVICE LEVELS:**

	<b>FY 02</b>	<b>FY 03</b>	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Number of Projects:					
Departmental Equipment	1	1	2	2	1
Existing Facilities	2	3	6	4	3
New Facilities	0	0	0	0	0

## WATER FUND

## CAPITAL PROGRAM SUMMARY

		FY 06 Actual	FY 07 Budget	FY 07 Actual	FY 08 Budget	FY 09 Manager	Change FY 08 - 09	Percent Change
Departmental Equip.	\$	40,000	40,000	40,000	50,000	800,000	750,000	1500.0%
Existing Facilities	\$	490,000	644,000	644,000	375,000	395,000	20,000	5.3%
New Facilities	\$	0	0	0	0	0	0	0.0%
<b>TOTAL APPROPRIATION</b>	<b>\$</b>	<b>530,000</b>	<b>684,000</b>	<b>684,000</b>	<b>425,000</b>	<b>1,195,000</b>	<b>770,000</b>	<b>181.2%</b>
<b>SOURCES OF FUNDS</b>								
Water Revenues	\$	295,379	271,185	271,185	317,547	195,000	(122,547)	-38.6%
State Grants	\$	0	0	0	0	0	0	0.0%
Borrowing Auth.	\$	0	0	0	0	1,000,000	1,000,000	0.0%
Available Funds	\$	0	0	0	0	0	0	0.0%
Surplus Funds	\$	234,621	412,815	412,815	107,453	0	(107,453)	-100.0%

<b>MAJOR COMPONENTS:</b>	Equipment	50,000	Pick up with Plow
		750,000	Radio Water Meter Readers
	Facilities:	100,000	Water System Improvements
		40,000	GPS Aerial Photography
		5,000	DPW Facility Improvements
		250,000	Atkins Treatment Plant Repairs