

**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 07	FY 08	FY 08	FY 09	FY10	Change	Percent
	Actual	Budget	Actual	Budget	Manager	FY 09 - 10	Change
Operating Revenues	\$ 3,041,324	3,740,000	3,684,671	3,914,006	3,862,000	(52,006)	-1.3%
Interest	\$ 100,914	60,000	60,000	60,000	60,000	0	0.0%
State Grants	\$ 273,877	0	0	0	0	0	0.0%
<b>SUBTOTAL REVENUES</b>	<b>\$ 3,416,115</b>	<b>3,800,000</b>	<b>3,744,671</b>	<b>3,974,006</b>	<b>3,922,000</b>	<b>(52,006)</b>	<b>-1.3%</b>
<b>Borrowing</b>							
Authorizations	\$ 0	0	0	0	0	0	0.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 412,815	107,453	107,453	250,000	215,684	(34,316)	-13.7%
<b>TOTAL RESOURCES</b>	<b>\$ 3,828,930</b>	<b>3,907,453</b>	<b>3,852,124</b>	<b>4,224,006</b>	<b>4,137,684</b>	<b>(86,322)</b>	<b>-2.0%</b>
Operating Budget	\$ 2,165,177	2,371,720	2,316,391	2,473,336	2,564,680	91,344	3.7%
Gen. Fund Services	\$ 386,766	385,742	385,742	385,111	394,416	9,305	2.4%
Debt Service	\$ 592,987	724,991	724,991	920,559	811,988	(108,571)	-11.8%
Capital Program	\$ 684,000	425,000	425,000	445,000	366,600	(78,400)	-17.6%
<b>TOTAL APPROPRIATION</b>	<b>\$ 3,828,930</b>	<b>3,907,453</b>	<b>3,852,124</b>	<b>4,224,006</b>	<b>4,137,684</b>	<b>(86,322)</b>	<b>-2.0%</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:****FY 10 OBJECTIVES:**

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

**SERVICE LEVELS:**

	<b>FY 04</b> <b><u>Actual</u></b>	<b>FY 05</b> <b><u>Actual</u></b>	<b>FY 06</b> <b><u>Actual</u></b>	<b>FY 07</b> <b><u>Actual</u></b>	<b>FY 08</b> <b><u>Actual</u></b>
Funding Composition (%)					
Operating Revenues	91	87	82	79	96
Interest	1	2	3	3	2
Surplus Funds	0	3	7	11	3
Grants	8	8	8	7	0
Other Available Funds	0	0	0	0	0

## WATER FUND

## RESOURCES

	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY 10 Proposed	Change FY 09 - 10	Percent Change
Water Rates	\$ 2,857,501	3,640,000	3,617,223	3,904,000	3,762,000	(142,000)	-3.6%
Water Liens	65,040	40,000	62,587	40,000	40,000	0	0.0%
Water Connection Fees	54,200	40,000	54,200	40,000	40,000	0	0.0%
Other Water Revenues	80,751	20,000	60,984	20,000	20,000	0	0.0%
Interest	100,914	60,000	80,739	60,000	60,000	0	0.0%
State Grants	273,877	0	0	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 \$3.20 per 100 CF. An estimated rate adjustment of +\$0.10 will be necessary effective July 1, 2009. \$215,684 from Water Fund Surplus will be appropriated to support this budget. The July 1, 2008 Water Fund Free Cash is \$1,150,207.

**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:**

- Well 2 was replaced at a cost of \$168,300.
- The backwash diffuser gaskets, filtration media, and interior painting was done on all three treatment units at Atkins Water Treatment Plant at a cost of \$257,800.
- The greensand media in all 4 pressure filters at Baby Carriage was cleaned in place by Floran Technologies.

**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.  
 To calibrate all master meters on an annual schedule.

**FY 10 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.  
 To complete our computer based water monitoring, control and emergency notification system.

**SERVICE LEVELS:**

	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 07</b>	<b>FY 08</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	42	38	31	28	15
Water service relays	10	8	17	20	0
Water services	6,301	6,338	6,369	6,428	6,225
Water metered & produced (billion gals)	1.34	1.31	1.27	1.2	1.17
Positive coliform bacteria samples	0	0	0	0	1
Meters installed	285	298	294	238	265
Hydrants in service	940	1,068	1,104	1,100	1,104
Frozen water services	0	6	0	1	0
Hydrants repaired	15	12	9	28	19
Water mains flushed (miles)	10	113	113	113	113
Water main breaks repaired	9	8	4	14	20

**WATER FUND**

**4450: WATER SUPPLY AND DISTRIBUTION**

	FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY10 Manager	Change FY 09 - 10	Percent Change
Personnel Services	\$ 962,062	1,070,948	995,965	1,141,614	1,158,009	16,395	1.4%
Operating Expenses	\$ 1,203,115	1,296,372	1,317,139	1,327,322	1,402,271	74,949	5.6%
Capital Outlay	\$ 0	4,400	3,287	4,400	4,400	0	0.0%
<b>TOTAL APPROPRIATION</b>	<b>\$ 2,165,177</b>	<b>2,371,720</b>	<b>2,316,391</b>	<b>2,473,336</b>	<b>2,564,680</b>	<b>91,344</b>	<b>3.7%</b>
<b>SOURCES OF FUNDS</b>							
Water Revenues	\$ 2,165,177	2,371,720	2,316,391	2,473,336	2,564,680	91,344	3.7%
<b>POSITIONS</b>							
Full Time	14.83	14.83	14.83	15.08	15.08	0.00	
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	15.08	15.08	0.00	

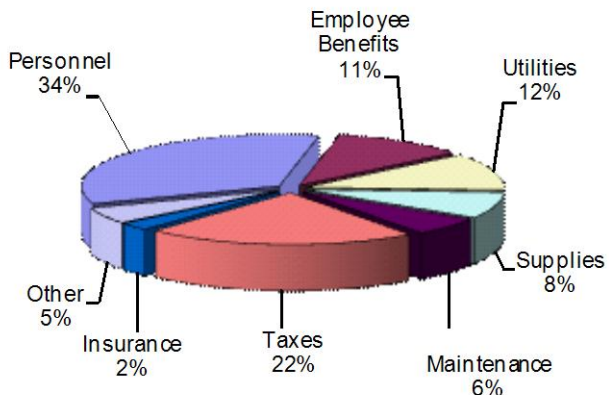
**MAJOR COMPONENTS:**

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, the Asst. Town Engineer, and an engineer tech are shared with the General Fund, Water Fund, and Sewer Fund. A utility technician and a GIS Administrator and two electricians shared with the Sewer Fund. Also included is \$77,000 for overtime and \$280,058 for health, retirement, life insurance and other benefits.

Utilities include \$250,000 for electricity and \$49,000 for fuel.

Maintenance, \$150,200, includes funds to repair dams, bridges, service lines and meters.

Supplies, \$209,600, includes funds for gasoline, office supplies and chemicals.



Taxes, \$565,221, are paid to Amherst, Pelham, and Shutesbury for watershed property.

Insurance, \$64,000, 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 and retirement assessments. Operating budget increases reflect higher fuel costs and a 41.7% increase (\$50,000) in chemicals costs due to higher market prices for fluoride and ammonia.

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

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

**LONG RANGE OBJECTIVES:****FY 10 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 04</b> <b><u>Actual</u></b>	<b>FY 05</b> <b><u>Actual</u></b>	<b>FY 06</b> <b><u>Actual</u></b>	<b>FY 07</b> <b><u>Actual</u></b>	<b>FY 08</b> <b><u>Actual</u></b>
Number of departments reimbursed	10	9	9	9	9



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

		FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY10 Manager	Change FY 09 - 10	Percent Change
General Fund Services	\$	386,766	385,742	385,742	385,111	394,416	9,305	2.4%
Transfer to Trust Funds	\$	0	0	0	0	0	0	0.0%
<b>TOTAL APPROPRIATION</b>	<b>\$</b>	<b>386,766</b>	<b>385,742</b>	<b>385,742</b>	<b>385,111</b>	<b>394,416</b>	<b>9,305</b>	<b>2.4%</b>
<b>SOURCES OF FUNDS</b>								
Water Revenues	\$	386,766	385,742	385,742	385,111	394,416	9,305	2.4%

**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 10 are as follows:

Select Board / Town Manager	6% of budget	\$18,335
Finance Department	9% of budget	102,994
Human Resources/Human Rights	5% of budget	9,583
Information Technology	6% of budget	34,736
Public Works Administration	28% of budget	104,631
Construction & Maintenance	5% of budget	43,919
Equipment Maintenance	15% of budget	46,473
Conservation	5% of budget	16,433
Town Hall Debt	6% of budget	15,312
Health		<u>2,000</u>
<b>TOTAL</b>		<b><u>\$394,416</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.

**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 10 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 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>	<u>FY 08</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 07 Actual	FY 08 Budget	FY 08 Budget	FY 09 Manager	FY 08 Budget	Change FY 08 - 09	Percent Change
Principal	\$	419,040	567,008	567,008	743,376	714,000	(29,376)	-4.0%
Interest	\$	173,947	157,983	157,983	177,183	97,988	(79,195)	-44.7%
<b>TOTAL APPROPRIATION</b>	<b>\$</b>	<b>592,987</b>	<b>724,991</b>	<b>724,991</b>	<b>920,559</b>	<b>811,988</b>	<b>(108,571)</b>	<b>-11.8%</b>
<b>SOURCES OF FUNDS</b>								
Water Revenues	\$	592,987	724,991	724,991	920,559	811,988	(108,571)	-11.8%

<b>MAJOR COMPONENTS:</b>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Atkins Treatment Plant	\$644,167	\$94,706	\$738,873
South East Water Main	<u>69,833</u>	<u>3,282</u>	<u>73,115</u>
	<u>\$714,000</u>	<u>\$97,988</u>	<u>\$811,988</u>

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

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

**FY 10 OBJECTIVES:**

To complete the following:  
 Billing Software Upgrade  
 Water System Improvements  
 GPS Aerial Photography  
 DPW Facility Improvements  
 Water System Leak Study.

**SERVICE LEVELS:**

	<b>FY 04</b> <b><u>Actual</u></b>	<b>FY 05</b> <b><u>Actual</u></b>	<b>FY 06</b> <b><u>Actual</u></b>	<b>FY 07</b> <b><u>Actual</u></b>	<b>FY 08</b> <b><u>Actual</u></b>
Number of Projects:					
Departmental Equipment	1	2	2	1	2
Existing Facilities	3	6	4	3	3
New Facilities	0	0	0	0	0

**WATER FUND**

**CAPITAL PROGRAM SUMMARY**

		FY 07 Actual	FY 08 Budget	FY 08 Actual	FY 09 Budget	FY10 Manager	Change FY 09 - 10	Percent Change
Departmental Equip.	\$	40,000	50,000	50,000	50,000	0	(50,000)	-100.0%
Existing Facilities	\$	644,000	375,000	375,000	395,000	366,600	(28,400)	-7.2%
New Facilities	\$	0	0	0	0	0	0	0.0%
<b>TOTAL APPROPRIATION</b>	<b>\$</b>	<b>684,000</b>	<b>425,000</b>	<b>425,000</b>	<b>445,000</b>	<b>366,600</b>	<b>(78,400)</b>	<b>-17.6%</b>
<b>SOURCES OF FUNDS</b>								
Water Revenues	\$	271,185	317,547	317,547	445,000	259,147	(185,853)	-41.8%
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	\$	412,815	107,453	107,453	0	107,453	107,453	--

<b>MAJOR COMPONENTS:</b>	Equipment	\$ 8,600	Billing Software Upgrade
	Facilities:	300,000	Water System Improvements
		40,000	GPS Aerial Photography
		5,000	DPW Facility Improvements
		13,000	Water System Leak Study