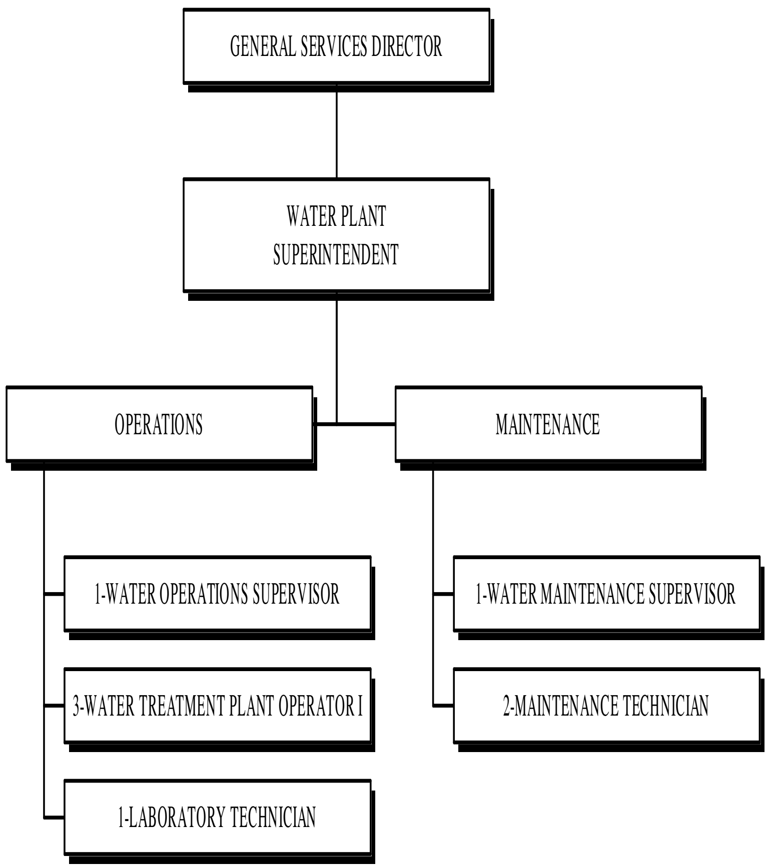
WATER UTILITY FUND

GENERAL SERVICES DEPARTMENT
WATER UTILITY STAFF



WATER UTILITY FUND BUDGET DETAIL

POSITION TITLE	2010	2011	2012	2013
Water Plant Superintendent	1.0	1.0	1.0	1.0
Utilities Mechanic	1.0	*0.0	0.0	0.0
Water Maintenance Supervisor	0.0	*1.0	1.0	0.0
Laboratory Technician	1.0	1.0	1.0	1.0
Water Plant Operator I	3.0	3.0	3.0	3.0
Water Operation Supervisor	1.0	1.0	1.0	1.0
Maintenance Technician	1.0	*2.0	2.0	2.0
Senior Maintenance Aide	1.0	*0.0	0.0	0.0
Maintenance Aide (Water)	2.0	*0.0	0.0	0.0
Total	11.0	9.0	9.0	9.0

* One Utilities Mechanic reclassified to Water Maintenance Supervisor; two Maintenance Aide positions eliminated; one Senior Maintenance Aide eliminated; and one Maintenance Technician position added in FY 2011.

PROGRAM HIGHLIGHTS WATER UTILITY FUND

SERVICE INDICATOR	2010	2011	2012	2013
1. Water Production (MGD)	4.50	4.31	4.50	4.50

2013 GOALS

1. Do not exceed the MCL limit level(s) of the Safe Drinking Water Act requirements.
2. Complete the capital project to repair the concrete in the sedimentation basin and equipment, as recommended in the Water Master Plan - Phase II.
3. Continue to reduce electrical consumption and chemical addition at the Water Treatment Plant.
4. Continue the upgrades to the Water Treatment Plant SCADA system for enhanced control and operation of the water pump stations and water plant.
5. Continue to pursue funding opportunities from the State and Federal governments to provide enhanced security features at the plant and remote facilities.
6. Continue to expand the computerized maintenance management system for the Water Treatment Plant and pumping stations.
7. Obtain engineering services for the design and construction administration of the chemical process improvements CIP at the Water Treatment Plant, as recommended by the Master Plan – Phase II.
8. Complete the capital improvement at the Water Treatment Plant and Pump Station #2, as recommended by the Master Plan – Phase II.

2012 GOALS STATUS

1. Do not exceed the Maximum Contaminant Limit level(s) of the Safe Drinking Water Act requirements.
   9-Month Status: The Water Treatment Plant continues to comply with all the Safe Drinking Water Acts, with no Maximum Contaminant limit levels exceeded.

2. Complete Phase III of the Water Master Plan, which is an assessment of the water distribution and storage systems.
   9-Month Status: Phase III of the Master Plan is near completion, with an anticipated delivery date of May 2012, including the water model and training.

3. Complete the capital project to repair the concrete in the sedimentation basin and equipment as recommended in the Water Master Plan, Phase II.
   9-Month Status: Substantially complete.

4. Accomplish the conditions of the Federal ARRA funding requirements to replace the water filter wash water pumps as recommended in the Water Master Plan, Phase II. Funding to provide 50% principal forgiveness of the City's debt.
   9-Month Status: Complete.

5. Continue the upgrades to the Water Treatment Plant SCADA system for better control and operation of the water pump station and water plant.
   9-Month Status: Complete.

6. Continue to pursue funding opportunities from the State and Federal governments to provide enhanced security features at the plant and remote facilities.
   9-Month Status: Continuing to pursue.

7. Continue to expand the computerized maintenance management system for the water treatment plant and pump stations.
   9-Month Status: Ongoing. Of particular note, the Water Treatment Plant maintenance staff has completed over 20,000 preventative maintenance work orders since the program began in 2001.

8. Continue to utilize the Merrimack County Correctional volunteer work force at the Water Treatment Plant.
   9-Month Status: Presently re-evaluating.

ADDITIONAL 2012 ACCOMPLISHMENTS:

1. Water Treatment Plant staff has reduced both electricity and chemicals consumption.
2. Eliminated second shift. All personnel are now working a single, eight-hour per day shift.
3. Reduced the holiday schedule from eight hour work shifts to four hour shifts to save on overtime.
4. Renovated the Water Treatment Plant's front entry stairway.

BUDGET SUMMARY WATER UTILITY FUND

WATER UTILITY	2012 BUDGETED (CURRENT)	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
REVENUE	$5,670,750	$5,467,490	$5,538,360
EXPENDITURES	$5,842,502	$5,676,644	$5,853,870
NET INCOME (LOSS)		($209,154)	($315,510)
BEGINNING WORKING CAPITAL		$3,203,629	$2,994,475
ENDING WORKING CAPITAL		$2,994,475	$2,678,965

Note: Reserve

This fund has goals of attaining and maintaining the following reserves for operations, capital, and rate stabilization:

- Operations: 25% operating expense less debt service and pay-as-you-go capital.
- Capital: 25% of debt service but not less than $500,000.
- Rate Stabilization: 10% of operating revenue or no less than $500,000.

A 1.5% rate increase is proposed for FY 2013.

C-5/15/12

WATER UTILITY FUND BUDGET DETAIL

WATER UTILITY

REVENUE	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
COMMERCIAL SALES	$3,567,582	$3,548,198	$3,960,387	$4,094,780	$4,000,000	$4,040,200
WATER AVAILABILITY CHG	$1,127,867	$1,150,205	$1,156,076	$1,154,000	$1,160,480	$1,160,000
PRIVATE FIRE SERVICE	$97,550	$101,927	$106,123	$102,000	$107,000	$107,000
INTEREST, COSTS AND PENALTIES	$22,754	$24,505	$22,394	$24,200	$24,000	$24,200
GAIN/SALE OF ASSETS	$0	$16,808	$0	$0	$0	$0
INTEREST ON INVESTMENTS	$68,568	$15,225	$6,024	$5,000	$18,000	$4,450
SUNDRY WATER SALES	$16,864	$12,971	$20,373	$12,000	$10,800	$11,000
LABOR REC-SERVICE SALES	$15,824	$20,777	$11,039	$4,000	$11,500	$13,500
CROSS CONNECT INSP FEES	$35,999	$61,785	$77,796	$66,000	$28,500	$66,000
WATER TESTING SERVICES	$3,149	$1,430	$3,191	$2,000	$1,000	$2,000
MISCELLANOUS REVENUE	$1,151	$1,326	$7,036	$0	$1,900	$0
WATER INVESTMENT FEE	$0	$0	$0	$0	$0	$50,000
CONTRIBUTIONS-IN-AID	$5,116	$0	$0	$0	$0	$0
USE OF FUND BALANCE	$0	$0	$0	$100,000	$0	$0
UTILITY DEMAND COMPENSATION	$5,635	$9,584	$4,868	$6,000	$2,200	$6,000
Total	**$4,968,060**	**$4,964,741**	**$5,375,306**	**$5,569,980**	**$5,365,380**	**$5,484,350**

C-5/15/12

BUDGET DETAIL WATER UTILITY FUND

ADMINISTRATION

REVENUE	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
RETIREE HEALTH INS-NHRS SHARE	$0	$0	$0	$75,790	$78,630	$39,340
RETIREE HEALTH INS-RETIREE SHR	$0	$0	$0	$24,980	$21,870	$14,670
Total	**$0**	**$0**	**$0**	**$100,770**	**$100,500**	**$54,010**

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
COMPENSATION	$23,465	$23,872	$24,355	$24,880	$25,100	$24,200
OUTSIDE SERVICES	$11,492	$10,735	$10,451	$16,200	$16,200	$16,150
INSURANCES	$755	$696	$790	$920	$870	$910
RETIREE HEALTH BENEFITS	$12,137	$18,019	$53,565	$170,540	$175,800	$90,230
OVERHEAD\FRINGE BENEFITS	$16,046	$17,421	$18,064	$19,260	$18,440	$18,950
UTILITY ADMIN CHARGES	$408,586	$304,847	$384,160	$581,000	$439,550	$0
ADMIN OH PAYMENT TO GENERAL	$381,400	$381,400	$381,400	$397,000	$397,000	$428,500
ADMIN SHARE TO GEN SERV	$127,150	$127,150	$119,460	$127,980	$127,980	$132,390
CD ADMIN & ENGINEERING CHARGES	$147,772	$117,590	$116,660	$117,000	$117,000	$0
Total	**$1,128,802**	**$1,001,729**	**$1,108,905**	**$1,454,780**	**$1,317,940**	**$711,330**

WATER UTILITY FUND BUDGET DETAIL

METERING, BILLING & ENG SVCS

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
COMPENSATION	$298,124	$256,893	$288,791	$349,320	$297,290	$167,430
OUTSIDE SERVICES	$43,398	$39,418	$44,619	$59,880	$58,080	$27,490
SUPPLIES	$92,070	$84,183	$95,478	$92,387	$91,910	$42,370
EQUIPMENT	$45,234	$30,261	$27,108	$28,430	$28,430	$22,750
INSURANCES	$5,644	$4,178	$5,320	$7,410	$6,010	$3,530
OVERHEAD\FRINGE BENEFITS	$197,035	$161,941	$167,839	$261,590	$243,490	$126,120
CD ADMIN & ENGINEERING CHARGES	$0	$0	$0	$0	$0	$144,700
Total	**$681,505**	**$576,874**	**$629,154**	**$799,017**	**$725,210**	**$534,390**

VEHICLE COSTS

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
GASOLINE, DIESEL, OIL	$75,387	$58,598	$58,168	$76,000	$74,000	$75,100
REPAIR PARTS	$36,358	$30,671	$22,496	$38,000	$38,000	$40,000
VEHICLE REPAIR, OUTSIDE	$3,176	$9,794	$6,682	$7,100	$7,600	$8,000
VEH REPAIR SHOP CHARGE	$52,479	$45,279	$33,293	$45,000	$45,000	$45,000
VEHICLE CHARGES ALLOC	($197,474)	($150,807)	($168,388)	($175,970)	($174,470)	($177,970)
AUTO LIAB/COMPREHENSIVE	$6,952	$6,466	$8,857	$9,870	$9,870	$9,870
Total	**($23,124)**	**$1**	**($38,893)**	**$0**	**$0**	**$0**

ALLOCATED TO UTILITY FUND

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
UTILITY ADMIN CHG ALLOCATED	($817,172)	($609,694)	($768,320)	($1,019,320)	($879,090)	$0
Total	**($817,172)**	**($609,694)**	**($768,320)**	**($1,019,320)**	**($879,090)**	**$0**

BUDGET DETAIL WATER UTILITY FUND

PLANT & FACILITIES OPERATIONS

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
COMPENSATION	$281,482	$238,981	$243,749	$263,290	$246,710	$278,500
OUTSIDE SERVICES	$57,130	$26,362	$24,597	$34,638	$33,120	$34,250
CHEMICALS	$230,041	$217,066	$175,308	$209,450	$209,450	$264,540
SUPPLIES	$55,366	$43,109	$89,964	$58,250	$48,230	$57,620
EQUIPMENT	$4,407	$1,544	$551	$5,531	$5,540	$5,540
UTILITIES	$272,687	$273,105	$298,933	$264,903	$215,030	$273,530
INSURANCES	$16,570	$20,487	$24,017	$24,810	$24,770	$24,760
OVERHEAD\FRINGE BENEFITS	$179,205	$155,836	$165,392	$179,460	$169,090	$194,010
REAL ESTATE TAXES	$7,594	$4,480	$5,758	$8,110	$8,110	$8,110
Total	**$1,104,484**	**$980,970**	**$1,028,269**	**$1,048,443**	**$960,050**	**$1,140,860**

PLANT & FACILITIES MAINTENANCE

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
COMPENSATION	$125,097	$111,846	$124,565	$123,760	$137,190	$131,410
OUTSIDE SERVICES	$6,811	$10,528	$14,352	$16,170	$16,170	$10,910
SUPPLIES	$23,927	$28,457	$20,775	$26,140	$26,400	$25,640
EQUIPMENT	$8,933	$3,737	$2,362	$5,444	$5,450	$5,450
INSURANCES	$2,774	$2,403	$2,930	$3,020	$4,100	$3,330
OVERHEAD\FRINGE BENEFITS	$77,349	$74,718	$85,234	$88,160	$97,910	$94,420
Total	**$244,890**	**$231,690**	**$250,218**	**$262,694**	**$287,220**	**$271,160**

WATER UTILITY FUND BUDGET DETAIL

OPERATIONS DISTRIBUTION

REVENUE	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
MISCELLANOUS REVENUE	$0	$0	$1,765	$0	$1,610	$0
Total	**$0**	**$0**	**$1,765**	**$0**	**$1,610**	**$0**

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
COMPENSATION	$183,927	$175,837	$186,044	$197,560	$197,120	$202,330
OUTSIDE SERVICES	$1,539	$1,682	$1,785	$1,400	$1,500	$1,500
RIGHT-OF-WAY MAINTENANCE	$124,000	$55,000	$120,000	$120,000	$120,000	$120,000
SUPPLIES	$10,848	$9,130	$6,875	$13,031	$12,761	$13,330
EQUIPMENT	$60,266	$45,087	$50,873	$45,560	$45,560	$45,560
INSURANCES	$5,218	$4,759	$5,642	$7,160	$6,390	$7,300
OVERHEAD\FRINGE BENEFITS	$116,700	$119,526	$131,113	$146,830	$140,060	$151,850
Total	**$502,497**	**$411,021**	**$502,333**	**$531,541**	**$523,391**	**$541,870**

BUDGET DETAIL WATER UTILITY FUND

REPAIRS TO MAINS

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
COMPENSATION	$33,013	$32,588	$38,083	$24,500	$31,410	$30,500
OUTSIDE SERVICES	$15,249	$11,751	$23,639	$10,000	$13,000	$10,000
SUPPLIES	$10,607	$17,761	$17,821	$10,059	$24,000	$12,500
EQUIPMENT	$9,369	$6,164	$10,715	$2,530	$2,530	$2,530
INSURANCES	$936	$862	$1,140	$840	$1,270	$990
OVERHEAD\FRINGE BENEFITS	$16,993	$15,022	$19,067	$16,930	$17,240	$17,710
Total	**$86,166**	**$84,148**	**$110,465**	**$64,859**	**$89,450**	**$74,230**

REPAIRS TO SERVICES

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
COMPENSATION	$19,511	$21,484	$12,511	$16,500	$15,020	$20,000
OUTSIDE SERVICES	$1,609	$0	$140	$3,000	$500	$3,000
SUPPLIES	$7,544	$8,584	$13,120	$5,000	$5,000	$5,200
EQUIPMENT	$5,857	$5,318	$4,159	$2,370	$2,370	$2,370
INSURANCES	$556	$574	$375	$590	$520	$720
OVERHEAD\FRINGE BENEFITS	$12,669	$14,859	$8,684	$11,900	$11,100	$14,760
Total	**$47,746**	**$50,819**	**$38,988**	**$39,360**	**$34,510**	**$46,050**

WATER UTILITY FUND BUDGET DETAIL

REPAIRS TO HYDRANTS

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
COMPENSATION	$10,841	$7,660	$6,122	$12,500	$5,070	$7,500
SUPPLIES	$4,948	$7,112	$1,628	$3,500	$6,500	$3,650
EQUIPMENT	$4,570	$1,920	$1,501	$2,740	$2,740	$2,740
INSURANCES	$301	$208	$189	$470	$170	$280
OVERHEAD\FRINGE BENEFITS	$7,284	$5,393	$4,209	$9,690	$8,040	$5,870
Total	**$27,944**	**$22,293**	**$13,649**	**$28,900**	**$22,520**	**$20,040**

DEBT SERVICE

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
PRINCIPAL	$1,487,949	$1,715,466	$1,569,548	$1,530,590	$1,530,590	$1,576,000
INTEREST & COSTS ON DEBT	$328,957	$468,171	$395,951	$423,710	$418,020	$434,390
Total	**$1,816,906**	**$2,183,637**	**$1,965,499**	**$1,954,300**	**$1,948,610**	**$2,010,390**

RECOLLECTIBLE WORK

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
COMPENSATION	$6,453	$6,195	$6,837	$8,400	$4,820	$5,000
OUTSIDE SERVICES	$0	$4,439	$960	$1,000	$500	$1,050
SUPPLIES	$13	$4,363	$787	$1,500	$500	$1,550
EQUIPMENT	$1,956	$703	$609	$920	$0	$0
INSURANCES	$179	$167	$201	$320	$350	$180
OVERHEAD\FRINGE BENEFITS	$2,835	$3,478	$3,011	$6,500	$5,600	$3,910
Total	**$11,437**	**$19,344**	**$12,406**	**$18,640**	**$11,770**	**$11,690**

BUDGET DETAIL WATER UTILITY FUND

CROSS-CONNECTION CONTROL

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
COMPENSATION	$6,631	$12,301	$18,758	$15,000	$13,910	$15,000
OUTSIDE SERVICES	$955	$0	$710	$1,000	$1,000	$1,000
SUPPLIES	$481	$0	$332	$400	$0	$0
EQUIPMENT	$3,088	$3,679	$5,316	$2,300	$2,300	$2,300
INSURANCES	$151	$250	$440	$360	$320	$320
OVERHEAD\FRINGE BENEFITS	$4,449	$8,106	$12,510	$11,580	$10,750	$11,710
Total	**$15,755**	**$24,336**	**$38,066**	**$30,640**	**$28,280**	**$30,330**

WATER LAB OPERATIONS

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
COMPENSATION	$273	$47,153	$50,852	$61,880	$53,130	$49,840
OUTSIDE SERVICES	$0	$21,255	$12,665	$25,000	$30,000	$30,000
SUPPLIES	$0	$22,426	$19,746	$20,905	$23,010	$23,010
INSURANCES	$5	$971	$1,152	$1,610	$1,250	$1,240
OVERHEAD\FRINGE BENEFITS	$149	$33,841	$37,796	$47,800	$44,230	$38,940
Total	**$427**	**$125,647**	**$122,211**	**$157,195**	**$151,620**	**$143,030**

CAPITAL OUTLAY AND TRANSFER

APPROPRIATIONS	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 BUDGETED	2012 ESTIMATED	2013 FISCAL YEAR BUDGET
PRIOR YEAR CAPITAL OUTLAY	$1,941	$0	$0	$5,000	$0	$5,000
254 ALL EMER CAPITAL REPL	$21,363	$0	$0	$50,000	$24,000	$50,000
448 HYDRANTS	$62,481	$42,624	$50,766	$51,000	$65,710	$52,500
TRANSFERS TO CAP PROJECT FUND	$592,646	$108,000	$132,243	$265,453	$265,453	$161,000
TRANSFERS TO TRUST	$0	$0	$0	$100,000	$100,000	$50,000
Total	**$678,432**	**$150,624**	**$183,009**	**$471,453**	**$455,163**	**$318,500**

WATER UTILITY FUND FUNDING IMPACT

Fiscal Year 2012

FY 2012 total expenditures are estimated to be $5,676,644; within the budget of $5,842,502. The savings were principally realized through savings in plant operations and maintenance expenses.

FY 2012 total revenues are estimated to be $5,467,490, approximately $200,000 below FY 2012 budget levels.

Fiscal Year 2013

FY 2013 total expenditures are very similar to FY 2012 budget levels.

The FY 2013 budget for process chemicals is approximately $264,000 for disinfection, coagulation and fluoridation. The right-of-way rental fee is funded at $120,000.

FY 2013 total revenues are anticipated to decrease about 3% from the FY 2012 budget.

The fund requests a 1.5% increase in rates in FY 2013.