

Mission Statement

The mission of the Sewer Division is to enhance Concord's quality of life, and through sound management, innovation, teamwork and vision, provide dependable, high quality, responsive sewer utility services, consistent with values and at reasonable costs to Concord's citizens, businesses, institutions and visitors.

Sewer Fund Budget Contents

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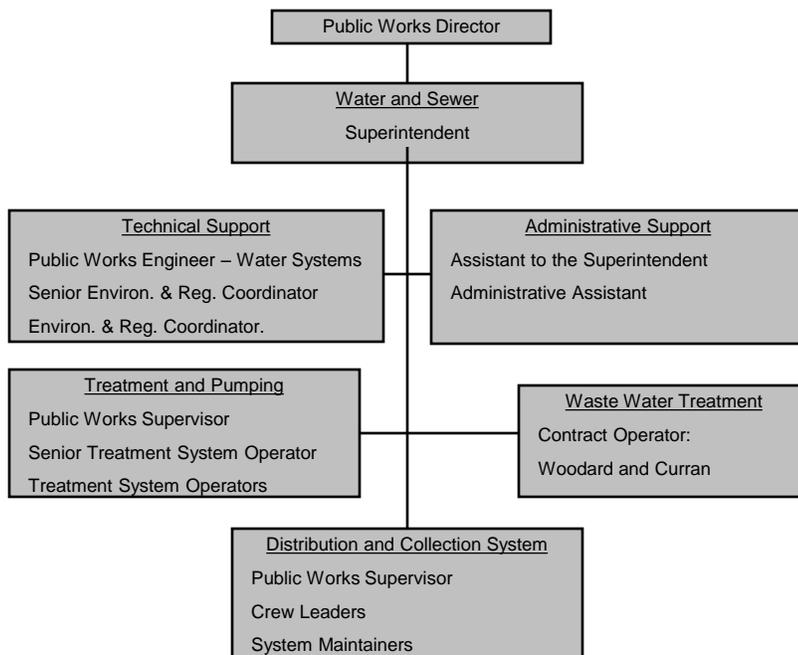
Sewer Fund Highlights

- The proposed FY15 sewer rate of \$10.55 per unit represents a 4% increase over the FY14 rate of \$10.14 per unit. Since FY 1999 sewer rates have increased by an average of 3.6% per year.
- The proposed FY15 capital improvement plan is \$2,820,950 which includes \$600,000 to be used for purchase of W. R. Grace land.
- Additional Costs are required in FY 2015 for compliance with NPDES permit: Aluminum limits--\$52,000 and pH from 6.0 to 6.5--\$10,000.
- The proposed FY15 operating budget is \$3,198,605, an increase of 5% from FY14.

Expenditure Summary

	FY12 Actual	FY13 Actual	FY14 Budget	FY15 Proposed
Operating Income	\$(1,012,489)	\$ (815,360)	\$ (584,419)	\$ (605,605)
Net Income	\$(1,138,523)	\$ 132,957	\$ 2,527,088	\$ (136,073)
Undesignated Fund Balance	\$ 2,908,022	\$ 4,099,618	\$ 6,552,495	\$ 5,145,122

See page V-9 for greater detail on income and fund balance results.



Description:

In 1894, Concord received legislative authority to create a municipal sewer system. Today, the system consists of 33 miles of collection main, two pumping stations, six neighborhood lift stations, and an advanced wastewater treatment plant.

The 1976 Annual Town Meeting established a Sewer Fund to ensure that the operation, maintenance, and capital improvement of the sewer system would be a financially viable enterprise. Expenses for this system are covered entirely by user fees. As of 2013 the total value of collection system and treatment plant infrastructure assets was approximately 21.9 million dollars.

The municipal sewer system serves 1,834 residential and commercial customers representing approximately 34% of the community. The wastewater treatment facility continues to process over 1.0 million gallons per year of septage pumped from residential and commercial establishments served by private septic systems within the Town of Concord.

Long-Term Financial Stability

Along with its core mission to operate and maintain the Town’s municipal sewer system in a reliable and efficient manner, the sewer enterprise must also be financially self-supporting. This means that the Sewer Division is expected to cover all costs associated with operations, capital maintenance and repairs by generating sufficient revenue through user fees and special service fees. The Sewer Division maintains a detailed 10-year financial proforma to facilitate long range planning for all revenues and anticipated investments.

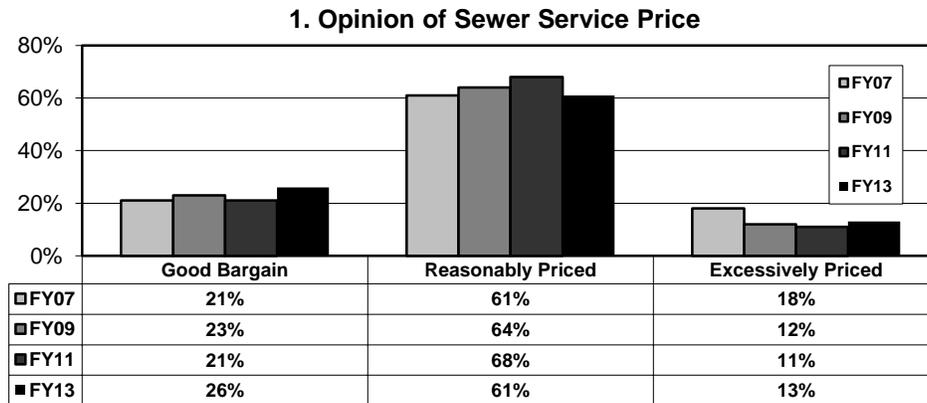
Since the sewer enterprise fund was formally established in 1976, there have been no property tax contributions to subsidize pre-existing operations or infrastructure improvements. Taxpayer support has been sought through Town Meeting for projects which have been designed to expand the sewer collection system and to support major upgrades to the Wastewater Treatment plant, as it also accepts septage from properties which are not directly connected to the sewer system.

Citizen Survey

In the fall of 2006, 2008, 2010, and 2012, the Town conducted a telephone survey of 300 randomly selected Concord residents. For the Sewer Division, the following question was asked:

1. What is your opinion of the price of Town Sewer Services?

The vast majority of Concord households that are on Town sewer lines feel that the service is at least “reasonably priced,” while 26% of survey respondents even describe it as “a good bargain.”



Sewer Rates:

The total revenue projected to be raised through sewer rates in FY15 is **\$2,593,000**.

Rates are set each year by the Public Works Commission following a public hearing with the following goals:

1. To ensure that the Division has the resources to operate, maintain and improve the system;
2. To minimize rate “shock” so that sewer costs can be a relatively predictable expense; and
3. To accurately reflect sewer use (which may be different than seasonally skewed water use).

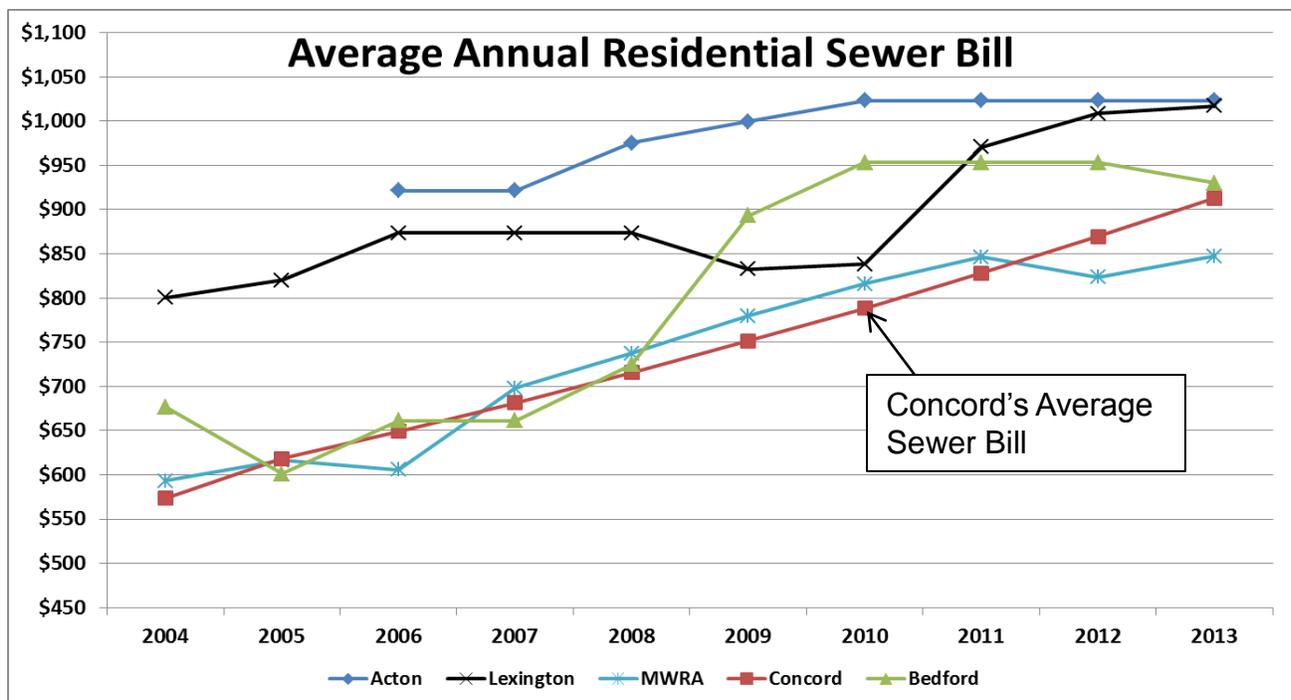
Sewer Rate Highlights

The proposed FY15 sewer rate is \$10.55 per unit (1 unit = 748 gallons).

- The FY15 rate of \$10.55 represents a 4% increase over the FY14 rate.
- Summer/fall residential sewer usage is billed at the level of winter/spring water consumption to eliminate the effect of seasonal outdoor water use.
- Non-residential sewer billing is based on water use year-round.
- The proposed septage rate is \$0.081 per gallon which represents a 1.25% increase from FY14.

Benchmarking Sewer Rates

The comparison of sewer rates between individual systems and communities can be particularly difficult, given the wide variation in management and financial structures and customer demographics. Some level of public sewerage service is provided by 57% of Massachusetts communities. Some systems, like Concord, adhere to strict enterprise principles (i.e., full cost accounting with consideration of long range investments and depreciation of fixed assets) while other systems are subsidized through a municipality's general fund. Statewide, 56% of communities have adopted a flat rate structure, 32% use an ascending rate structure and 11% assess a flat fee. More sophisticated and flexible rate designs, such as the winter/spring demand basis employed by Concord for residential customers, have been adopted by only 3% of systems across the state (from Tighe and Bond rate survey 2012). The table below demonstrates how rate adjustments (and cost of service) over time have impacted Concord and four neighboring systems.



Wastewater Program

In addition to routine operations, maintenance and improvements to ensure reliable and quality service to all municipal customers, the programs and initiatives detailed below strike the delicate balance between essential needs and broader community and regulatory interests, particularly in the area of increasingly complex and sophisticated water resource management goals.

Wastewater treatment capacity limitations continue to pose the single most immediate and formidable wastewater challenge facing the community. The following summarizes some of the more important developments and recommendations made to date.



Sewer Collection Maintenance with Vactor Truck

NPDES Surface Water Discharge Permit:

On August, 2, 2013, Concord's National Pollution Discharge Elimination System permit (NPDES) was re-issued. This permit, co-issued by both the Environmental Protection Agency (EPA) and Massachusetts Department of Environmental Protection (MassDEP), is renewed every five years and includes flow limits as well as operational and performance standards outlined within the Clean Water Act. This permit included several provisions that had been contested by the Town when it was first offered as a draft permit. Most notably, the Town was very concerned with an addition of a new aluminum discharge standard, more stringent pH limits, and flow limits that continue to restrict Concord's ability to meet wastewater needs that have been clearly defined and supported by Town meeting action. In accordance with recently revised permit appeal procedures, the Town submitted formal petitions for relief of contested provisions to both EPA and MassDEP. Bowditch and Dewey, LLP, has been retained to provide legal counsel through this formal appeal process.

Wastewater Planning Update:

Wastewater treatment capacity constraints continue to compromise the Town of Concord's ability to serve existing and anticipated sewer needs. This has specifically affected the Town's ability to expand service to neighborhoods which were deemed to be "in need" of municipal wastewater service as well as its ability to serve broader community planning goals established by the Town. The Wastewater Planning Task Force (WWPTF) continues to meet as needed and has directed staff to pursue several different opportunities which have the potential to address these constraints. In addition to the NPDES permit appeal activities noted above, MassDEP has accepted a scientific evaluation and report which was completed in support of a groundwater discharge site which could be located at the existing wastewater treatment plant. Now that this field work has been affirmed, the Town is in a position to determine if and when it would be advantageous to proceed with final permitting, design and construction of this 155,000 gallon per day supplement to wastewater capacity. While this step is significant, it is important to note that this solution represents less than 50% of the total capacity needs identified within the scope of Article 41, approved at the 2009 Town Meeting.

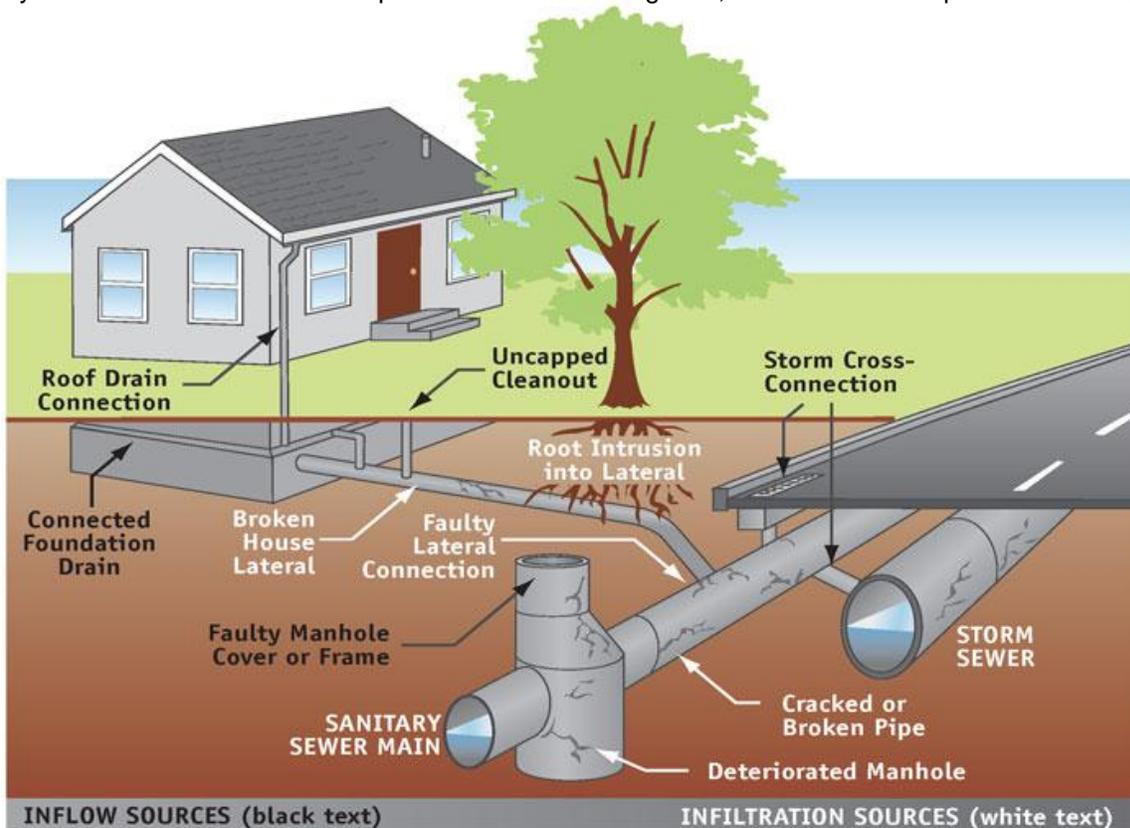
Based on the favorable findings regarding a groundwater discharge alternative, the WWPTF made a recommendation to the Public Works Commission that they re-evaluate their capacity allowance model, which had begun to significantly constrain economic development interests that were otherwise strongly supported by the Town. The Public Works Commission determined that the groundwater discharge option did indeed represent a significant step forward and re-assessed the Sewer Improvement Fee (SIF) to ensure that it reflected all costs associated with the design, permitting and construction of this viable wastewater capacity expansion alternative.

Wastewater Treatment Facility: Woodard & Curran, Inc. continues to operate the Town's Wastewater Treatment Plant (WWTP), located off Bedford Street, under the supervision of the Water and Sewer Division. The plant maintains excellent compliance with its regulatory requirements in accordance with state and federally issued permits.

Emergency Generators: Recent upgrades made to several neighborhood sewer lift stations have drawn attention to the need for improved back-up “emergency” power service. Ideally, each site would be set up with a dedicated stationary emergency generator; however, due to site constraints and cost issues, the Division has determined it would be more prudent to proceed with a phased generator-upgrade program that allows for permanent generators where possible and portable generators with quick connects at other locations. This past year the Division procured two portable generators, one 35 KVA unit and one 45 KVA unit, which can be quickly mobilized to any one of six existing stations. Permanent generator units are being designed for the larger sewer lift-stations located at the intersection of Bedford Street/Old Bedford Road and another to be sited at the sewer station located at the end of Park Lane. The Division has established inspection, service and reporting protocols for all existing emergency generators, in accordance with recently imposed EPA and MassDEP Air Quality Regulations for emergency generators and other stationary reciprocating internal combustion engines (RICE).

Inflow and Infiltration (I/I)

Inflow/Infiltration: Continued investigation and repairs of inflow and infiltration problems are important to the upkeep of a properly functioning sewer system. Over the last several decades, Concord has performed a variety of work with the goal of identifying the locations of I/I problems and correcting the problems deemed most detrimental to the sewer system. This work has included flow monitoring, television inspections of numerous reaches of sewer pipe, smoke testing, dye testing, root control treatment, joint testing and sealing, pipe lining, and occasionally replacement of sewer pipe. In addition, manhole inspections are performed to evaluate the integrity of sewer manholes and their potential for contributing to I/I, with rehabilitation performed as necessary.



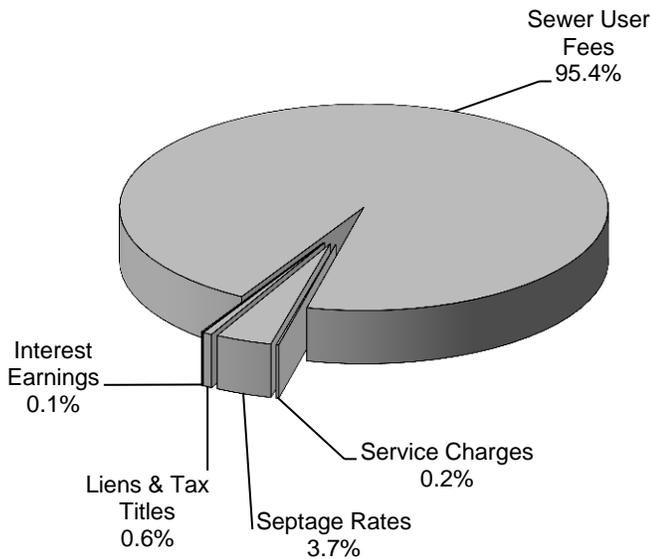
Graphic Credit: King County, Washington, Department of Natural Resources and Parks

Program Implementation:

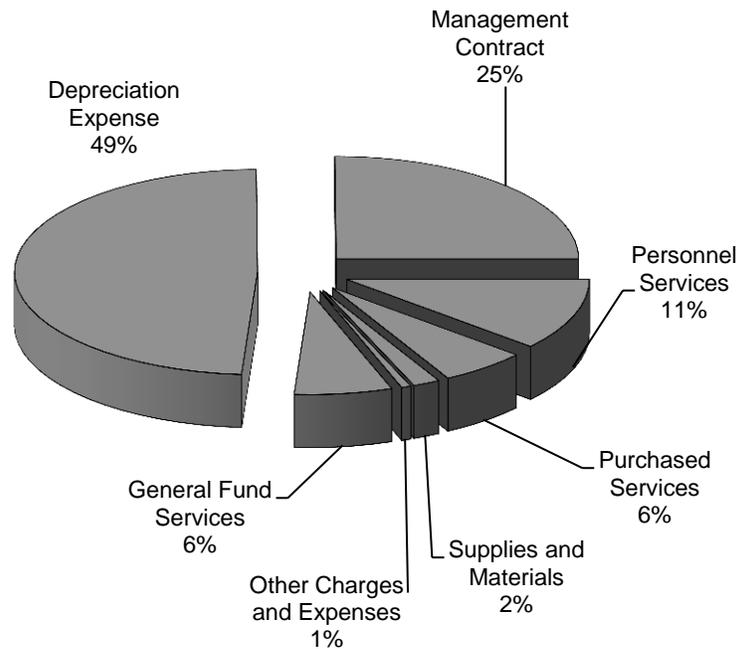
The proposed FY15 operating budget is \$3,198,605. This represents a 5% increase as compared to the Sewer Fund’s revised FY14 operating budget. Depreciation expense reflects the cost of the annual use, or wear-and-tear, of the Sewer Division’s approximately \$21.9 million worth of infrastructure (recorded as of the end of FY13). The FY15 budgeted depreciation expense of \$1,563,207 is roughly 7% of these capital assets. Personnel Services are budgeted at \$362,585 in FY15, a 5% increase from the revised FY14 total of \$346,356.

The FY15 budget proposes a 5% increase in wastewater collection costs and a 9% increase in wastewater treatment costs. The costs associated with the operation of the Wastewater Treatment facility are directly related to meeting state and federally mandated National Pollutant Discharge Elimination System (NPDES) permit requirements and funding contract operation services presently provided by Woodard & Curran. Concord’s 5-year NPDES permit is presently under review by EPA and DEP and will be re-issued in the near future. More restrictive water quality limits resulting in increased costs for chemicals, electricity and sludge management are anticipated in this budget .

FY15 Operating Revenues
Totaling \$2,593,000



FY15 Operating Expenses
Totaling \$3,198,605



Operating Income:

This FY15 Budget calls for Operating Expenditures that are \$605,605 above Operating Revenues. This results in an operating loss for the year. However, by FY21, Net Operating Income turns positive as its depreciation expense, which accounts for roughly 50% of all operating expenses, begins to decline and revenues increase (see page V-11, Sewer Financial Statements).

OPERATING REVENUES				
	FY12	FY13	Rev. FY14	FY15
	Actual	Actual	Budget	Budget
Sewer User Fees	\$ 2,053,012	\$ 2,176,131	\$ 2,360,000	\$ 2,474,000
Service Charges	2,000	5,675	4,000	4,000
Septage Rates	101,392	88,056	80,000	97,000
Liens & Tax Titles	13,124	11,363	15,000	15,000
Other Revenue	3,468	3,052	3,000	3,000
Total Operating Revenues	\$ 2,172,996	\$ 2,284,277	\$ 2,462,000	\$ 2,593,000
OPERATING EXPENSES				
<u>Sewer Divisions</u>	FY12	FY13	Rev. FY14	FY15
<u>Collection</u>	Actual	Actual	Budget	Budget
Personnel Services	\$ 294,047	\$ 302,411	\$ 295,591	\$ 309,949
Purchased Services	135,003	106,362	143,873	149,993
Supplies & Materials	51,282	53,960	52,408	57,175
Other Charges & Expenses	18,105	18,028	17,982	20,266
General Fund Services	91,900	95,785	100,511	103,983
Audit Adjustments	24,050	(1,149)	-	-
Subtotal	\$ 614,387	\$ 575,397	\$ 610,365	\$ 641,366
<u>Treatment</u>				
Personnel Expenses	\$ 55,112	\$ 47,510	\$ 50,765	\$ 52,636
Purchased Services	11,004	18,787	35,000	35,000
Management Contract	667,943	720,050	726,153	802,414
Supplies & Materials	-	-	-	-
Other Charges & Expenses	-	200	-	-
General Fund Services	91,900	95,785	100,511	103,983
Audit Adjustments	-	-	-	-
Subtotal	\$ 825,959	\$ 882,332	\$ 912,429	\$ 994,033
Depreciation Expense	1,745,139	1,641,908	1,523,625	1,563,207
Total Operating Expense	\$ 3,185,485	\$ 3,099,637	\$ 3,046,419	\$ 3,198,605
RETIREMENT AND OPEB ASSESSMENT				
<i>For Informational Purpose Only</i>				
	FY12	FY13	Rev. FY14	FY15
	Actual	Actual	Budget	Budget
Retirement Assessment	\$ 8,836	\$ 9,039	\$ 12,490	\$ 12,832
OPEB Assessment	18,625	4,544	4,849	5,000
Total Assessment	\$ 27,461	\$ 13,583	\$ 17,339	\$ 17,832

AUTHORIZED POSITIONS

Collection Personnel Costs	Rev. FY14 Budget		FY15 Budget	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
Regular Staff				
Water and Sewer Superintendent	0.20 FTEs	\$ 21,331	0.20 FTEs	\$ 21,331
Assistant to Superintendent	0.20	16,889	0.20	16,889
Senior Env. & Reg. Coordinator	0.20	14,998	0.20	15,021
Env. & Reg. Coordinator	0.20	9,930	0.20	9,930
Administrative Assistant	0.20	11,803	0.20	12,119
Public Works Supervisor	0.40	31,398	0.40	32,166
Crew Leader	0.40	26,292	0.40	26,981
Senior Treatment System Operator	0.00	12,941	0.20	13,265
Treatment System Operator	0.60	22,052	0.40	22,877
System Maintainer	1.00	46,680	1.00	49,068
Standby Pay (5111)	365 hrs	12,870	365 hrs	14,058
Charges to Snow Account	40	(1,082)	40	(1,082)
Charges to Projects	N/A	(7,039)	N/A	(7,039)
Salary Adjustments	N/A	-	N/A	4,889
Subtotal	3.40 FTEs	\$ 219,063	3.40 FTEs	\$ 230,473
Employee Benefits				
Health Insurance	N/A	\$ 15,290	N/A	\$ 13,000
Life Insurance	N/A	100	N/A	-
Dental Insurance	N/A	755	N/A	-
OPEB	N/A	4,849	N/A	5,000
Retirement Contribution	N/A	12,490	N/A	12,832
Subtotal	N/A	\$ 33,484	N/A	\$ 30,832
Payroll Taxes				
Medicare Tax	N/A	\$ 3,500	N/A	\$ 3,000
Social Security Contribution	N/A	-	N/A	-
Subtotal	N/A	\$ 3,500	N/A	\$ 3,000
Other Personnel Costs				
Overtime (5130)	800 hrs.	\$ 33,406	800 hrs.	\$ 38,528
Police Overtime (5131)	100	3,600	100	4,000
IT Salary (5111)	N/A	2,538	N/A	2,538
Salary Adjustments OT (5130)	N/A	-	N/A	578
Subtotal	N/A	\$ 39,544	N/A	\$ 45,643
Total Collections	3.40 FTEs	\$ 295,591	3.40 FTEs	\$ 309,949
Treatment Personnel Costs				
Public Works Engineer	0.80 FTEs	\$ 56,174	0.80 FTEs	\$ 56,174
Charge to Capital Projects	N/A	(9,409)	N/A	(9,409)
Salary Adjustments (2%)	N/A	-	N/A	1,871
Health	N/A	3,000	N/A	3,000
Medicare Tax	N/A	1,000	N/A	1,000
Total Treatment	0.80 FTEs	\$ 50,765	0.80 FTEs	\$ 52,636
Total Sewer Personnel	4.20 FTEs	\$ 346,356	4.20 FTEs	\$ 362,585

NET INCOME

	FY12 Actual	FY13 Actual	Rev. FY14 Budget	FY15 Budget
Statement of Net Income:				
Operating Revenues	\$ 2,172,996	\$ 2,284,277	\$ 2,462,000	\$ 2,593,000
Less Operating Expenses	(3,185,485)	(3,099,637)	(3,046,419)	(3,198,605)
Operating Income	\$ (1,012,489)	\$ (815,360)	\$ (584,419)	\$ (605,605)
Non-operating Revenues (Expenses)				
Add Investment Income	\$ 9,821	\$ 8,584	\$ 25,812	\$ 28,432
Add CoMag Incentive Payments	-	1,006,882	2,943,125	-
Add Sewer Improvement Revenues	65,885	118,936	322,500	612,500
Less Int. Exp and Admin. Fees	(201,742)	(186,087)	(179,930)	(171,399)
Non-operating Income	\$ (126,036)	\$ 948,315	\$ 3,111,507	\$ 469,533
Net Income	\$ (1,138,523)	\$ 132,957	\$ 2,527,088	\$ (136,073)

Note: FY13 Net Income of \$(132,957) plus Sewer Betterment income of \$183,667 (\$176,341 + \$7,325 in deferred revenue) minus expenses of \$37,572 + \$2,758 in Betterment interest and issuance expense plus the transfer in of \$76,185 for the General Fund portion of the WPAT loan equals the change in net assets of \$(352,479) seen in the FY13 Audited Financial Statements.

AVAILABLE RESOURCES

Resources Available from Current Operations for Replacement & Renewal of Facility:				
	FY12 Actual	FY13 Actual	Rev. FY14 Budget	FY15 Budget
Capital Purposes				
Add Depreciation Expense	\$ 1,745,139	\$ 1,641,908	\$ 1,523,625	\$ 1,563,207
Add Net Income	(1,138,523)	132,957	2,527,088	(136,073)
Add Bond Proceeds	-	-	-	600,000
Less Bonds Payable	(583,649)	(593,420)	(603,388)	(613,557)
Net Available for Capital	\$ 22,967	\$ 1,181,445	\$ 3,447,325	\$ 1,413,577

Note: Net Available for Capital does not include funds available in the Sewer Improvement Fund

CASH POSITION AND FUND BALANCE FORECAST

	FY14		FY15	
	Operating Fund	Depreciation Fund	Operating Fund	Depreciation Fund
Cash at Year Opening				
Cash on July 1st	\$	3,945,812	\$	6,398,689
Add Receivables		413,967		413,967
Less Cash held for Liabilities		(260,161)		(260,161)
Fund Balance on July 1st	\$	4,099,618	\$	6,552,495
Fund Balance Details (projected)				
Fund Balance on July 1st	\$ (2,058,822)	\$ 6,158,440	\$ (135,122)	\$ 6,687,617
Net Income	2,527,088	-	(136,073)	-
Bonds Payable	(603,388)	-	(613,557)	-
Borrowing Proceeds	-	-	-	600,000
Capital Borrowing	-	-	-	(600,000)
Capital Outlay (non-borrowing)	-	(994,448)	-	(2,220,950)
Add Depreciation Expense	-	1,523,625	-	1,563,207
Balance Projected at June 30th	(135,122)	6,687,617	(884,752)	6,029,874
Fund Balance on June 30th	\$	6,552,495	\$	5,145,122
Cash at Year End (projected)				
Fund Balance on June 30th	\$	6,552,495	\$	5,145,122
Less Receivables		(413,967)		(413,967)
Add Cash Held for Liabilities		260,161		260,161
Projected Cash at June 30th	\$	6,398,689	\$	4,991,316
Sewer Improvement Fund Cash	\$	2,020,819	\$	2,283,319
Unrestricted Cash	\$	4,377,870	\$	2,707,997

SEWER IMPROVEMENT FUND

	FY12 Actual	FY13 Actual	Rev. FY14 Budget	FY15 Budget
Cash on July 1st	\$ 2,123,260	\$ 1,986,531	\$ 2,073,319	\$ 2,020,819
Revenues	65,885	118,936	322,500	612,500
Expenditures	(202,614)	(32,148)	(375,000)	(350,000)
Adjustment	-	-	-	-
Cash on June 30th	\$ 1,986,531	\$ 2,073,319	\$ 2,020,819	\$ 2,283,319
Net Activity	\$ (136,730)	\$ 86,788	\$ (52,500)	\$ 262,500

Note: The Sewer Improvement Fund is included in the cash and fund analysis found on the preceding page (the Sewer Betterment Account, shown below, is not).

SEWER BETTERMENT CASH FLOW ANALYSIS

	FY12 Actual	FY13 Actual	Rev. FY14 Budget	FY15 Budget
Activity				
Cash at July 1st	\$ 697,656	\$ 718,136	\$ 733,061	\$ 677,577
Cash Received	178,846	173,117	102,528	102,375
Cash Expended	(158,367)	(158,192)	(158,012)	(157,829)
Cash at June 30th	\$ 718,136	\$ 733,061	\$ 677,577	\$ 622,123
Net Activity	\$ 20,478	\$ 14,924	\$ (55,484)	\$ (55,454)
Net Assets				
Cash	\$ 718,136	\$ 733,061	\$ 677,577	\$ 622,123
Unapportioned Receivable	1,179,889	1,020,009	941,546	863,084
Less Remaining Debt Service	(2,196,924)	(2,038,732)	(1,880,720)	(1,722,892)
Net Assets	\$ (298,900)	\$ (285,663)	\$ (261,597)	\$ (237,684)

Note: The negative number shown as Net Assets will be offset by future collections from interest earned on the account's cash holdings, as well as by interest charged to property owners with outstanding balances (both of which accounting practices do not allow to be shown as an asset).

The **Sewer Improvement Fund** was established under a policy formulated by the Public Works Commission and authorized by Article 25 at Town Meeting in 1989 whereby new connections and uses outside the scope of the 1984 Sewer Facilities Plan pay a fee which is used to create new capacity in the sewer system for the additional flows, either through expansion of the existing sewer infrastructure or reduction in infiltration and inflow.

The **Sewer Betterment Fund** segregates costs and receipts related to expansion of the sewer system. When sewer service is extended into new neighborhoods by vote of Town Meeting, a portion of the cost for the sewer mains in the street and the pumping stations in the neighborhood is assessed as a betterment to the properties on those streets that directly benefit by having sewer available; the remainder of the cost is paid by the Sewer Fund and the Town property tax. The amount of the betterment is set by the Public Works Commission after the sewer extension project is finished and all costs have been paid. Betterments must be paid by property owners when sewer service becomes available whether they immediately tie into the sewer or not. Payments may be made at once or spread over a number of years.

Sewer Fund: Plan and Projection	PROJECTION										10 years		
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY15-24
Operating Revenue													
User Fees	2,176,131	2,360,000	2,474,000	2,622,000	2,757,000	2,911,000	3,074,000	3,246,000	3,426,000	3,615,000	3,814,000	4,023,000	31,962,000
Other	108,146	102,000	119,000	121,000	123,000	125,000	127,000	130,000	132,000	134,000	136,000	138,000	1,285,000
Subtotal	2,284,277	2,462,000	2,593,000	2,743,000	2,880,000	3,036,000	3,201,000	3,376,000	3,558,000	3,749,000	3,950,000	4,161,000	33,247,000
Operating Expense													
O & M	1,457,727	1,522,794	1,635,398	1,684,660	1,735,414	1,787,705	1,841,581	1,897,091	1,954,284	2,013,213	2,073,930	2,136,492	18,759,769
Depreciation	1,641,908	1,523,625	1,563,207	1,595,155	1,762,318	2,059,962	2,194,577	1,550,693	1,537,922	1,390,924	1,537,922	1,047,619	16,240,298
Subtotal	3,099,635	3,046,419	3,198,605	3,279,815	3,497,732	3,847,667	4,036,158	3,447,784	3,492,206	3,404,137	3,611,852	3,184,111	35,000,066
Operating Income	-815,358	-584,419	-605,605	-536,815	-617,732	-811,667	-835,158	-71,784	65,794	344,863	338,148	976,889	-1,753,066
ADD: Interest Income	8,584	25,812	28,432	49,562	50,925	36,114	32,237	49,374	73,161	103,278	129,038	158,754	710,875
Co-Mag Incentive Payments	1,006,882	2,943,125	-	-	-	-	-	-	-	-	-	-	-
Sewer Improvement Fees	118,936	322,500	612,500	201,000	201,000	201,000	201,000	201,000	201,000	201,000	201,000	201,000	2,421,500
LESS: Interest Expense	186,087	179,930	165,399	150,621	134,242	122,634	110,792	98,710	86,384	73,808	60,979	48,502	1,052,071
Existing Debt	0	0	0	21,000	19,950	18,900	17,850	21,800	20,250	18,700	17,150	15,600	171,200
New Debt	0	0	0	0	0	0	0	1,375	0	0	0	0	1,375
Bond Anticipation Notes (BANs)	0	0	0	0	0	0	100	1,000	0	0	0	0	7,100
Issuance expense	0	0	6,000	0	0	0	0	0	0	0	0	0	0
Net Income	132,957	2,527,088	-136,073	-457,874	-519,999	-716,087	-730,663	55,706	233,321	556,633	590,057	1,272,542	147,563
Available Resources from:													
Net income	132,957	2,527,088	-136,073	-457,874	-519,999	-716,087	-730,663	55,706	233,321	556,633	590,057	1,272,542	147,563
Depreciation expense	1,641,908	1,523,625	1,563,207	1,595,155	1,762,318	2,059,962	2,194,577	1,550,693	1,537,922	1,390,924	1,537,922	1,047,619	16,240,298
subtotal	1,774,865	4,050,713	4,227,134	4,137,281	4,242,319	4,343,874	4,463,914	4,606,398	4,771,242	4,947,558	5,127,979	5,320,161	66,387,860
Funds Provided by Improvement Fees	32,148	375,000	350,000	336,000	1,207,000	1,211,000	115,000	119,000	123,000	127,000	131,000	135,000	700,000
Bond proceeds	0	0	600,000	0	0	0	100,000	100,000	0	0	0	0	100,000
Loan proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS: Principal repayments	593,420	603,388	613,557	623,932	534,516	545,314	556,331	567,570	579,036	590,734	602,668	614,843	5,828,501
Existing Debt	0	0	0	30,000	30,000	30,000	30,000	40,000	40,000	40,000	40,000	40,000	320,000
New Debt	0	0	0	0	0	0	0	0	0	0	0	0	0
BAN Repayment	0	0	0	0	0	0	100,000	100,000	0	0	0	0	100,000
Net Available for Capital Purposes	1,213,593	3,822,325	1,763,577	819,349	1,884,803	1,979,560	992,583	1,217,828	1,275,206	1,443,824	1,616,311	1,800,318	10,939,359
Capital Plan	177,612	994,448	2,820,950	540,460	2,387,990	2,392,550	384,090	336,670	343,270	356,880	369,510	383,160	10,315,510
Cash Position													
Beginning balance	3,192,145	3,945,812	6,398,689	4,991,316	4,934,205	3,224,018	1,600,048	2,093,541	2,855,700	3,664,636	4,624,580	5,740,381	
ADD: Net available	1,213,593	3,822,325	1,763,577	819,349	1,884,803	1,979,560	992,583	1,217,828	1,275,206	1,443,824	1,616,311	1,800,318	
LESS: Planned Capital	177,612	994,448	2,820,950	540,460	2,387,990	2,392,550	384,090	336,670	343,270	356,880	369,510	383,160	
Sewer Improvement Fee Support	32,148	375,000	350,000	336,000	1,207,000	1,211,000	115,000	119,000	123,000	127,000	131,000	135,000	
Changes in assets & liabilities	250,166												
Ending balance	3,945,812	6,398,689	4,991,316	4,934,205	3,224,018	1,600,048	2,093,541	2,855,700	3,664,636	4,624,580	5,740,381	7,022,538	
(does not include Betterment balance)													
Sewer Improvement Fund Balance	2,073,319	2,020,819	2,283,319	2,148,319	1,142,319	132,319	218,319	300,319	378,319	452,319	522,319	588,319	
(Included in Ending Balance)													
Ending balance w/o Sewer Improvement	1,872,493	4,377,870	2,707,997	2,785,886	2,081,699	1,467,730	1,875,222	2,555,381	3,286,317	4,172,261	5,218,062	6,434,219	

DEBT SERVICE				
	FY12 Actual	FY13 Actual	Rev. FY14 Budget	FY15 Budget
Long Term Debt Repayment:				
Principal	\$ 583,649	\$ 593,420	\$ 603,388	\$ 613,557
Interest	195,219	181,698	168,230	154,461
BAN Interest Expense	-	-	-	-
Administration Fee (WPAT)	13,181	12,448	11,700	10,938
Totals	\$ 792,049	\$ 787,566	\$ 783,318	\$ 778,956

Note: The Debt Schedule above and on the facing page does not account for Accrual periods across fiscal years, and so differs from the Town's Audited Financial Statements.

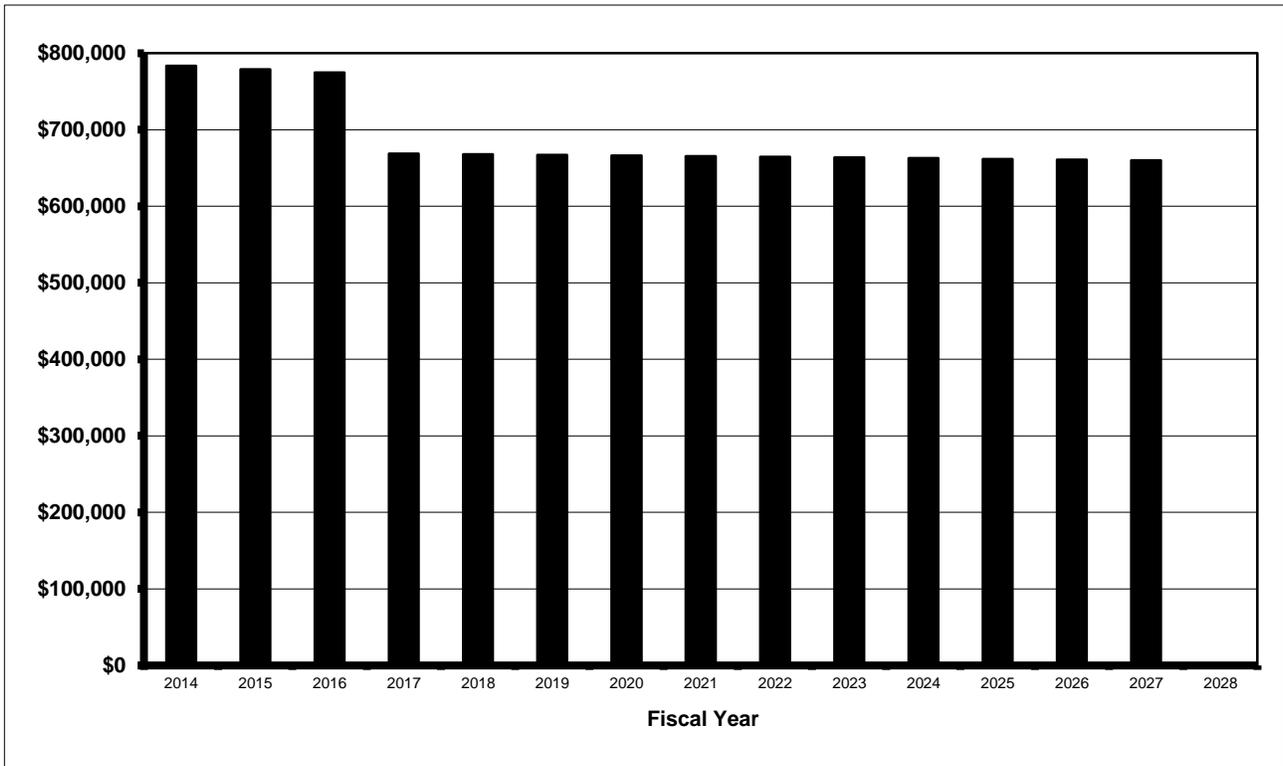
PAYMENTS TO THE GENERAL FUND

	FY12 Actual	FY13 Actual	Rev. FY14 Budget	FY15 Budget
Management & Engineering:				
Public Works Administration	\$ 31,067	\$ 33,032	\$ 34,084	\$ 33,922
Public Works Engineering	16,978	17,436	21,461	21,458
Highway Maintenance	4,159	4,324	4,496	4,539
133/135 Keyes Road	10,994	11,900	11,635	11,769
Subtotals	\$ 63,198	\$ 66,692	\$ 71,676	\$ 71,688
Financial & Administrative:				
Town Manager	\$ 27,527	\$ 28,809	\$ 29,304	\$ 29,132
Human Resources	4,688	5,152	5,286	5,235
Finance Administration	16,659	16,876	17,732	17,648
Treasurer-Collector	11,869	12,327	12,634	12,770
Town Accountant:				
General Services	11,299	11,819	12,285	12,021
Audit Services	6,000	6,000	6,000	6,000
Town House Facilities	3,579	3,447	3,364	3,326
Subtotals	\$ 81,621	\$ 84,430	\$ 86,605	\$ 86,132
Natural Resource:				
Planning	\$ 5,955	\$ 6,125	\$ 6,531	\$ 6,962
Natural Resources	5,682	5,868	6,035	6,038
Health	27,344	28,455	30,175	30,385
Subtotals	\$ 38,981	\$ 40,448	\$ 42,741	\$ 43,385
Salary Reserve	\$ -	\$ -	\$ -	\$ 6,760
Totals	\$ 183,800	\$ 191,570	\$ 201,022	\$ 207,965

SEWER DEBT SERVICE

Exclusive of betterment financing

Fiscal Year	Principal	Interest	Admin. Fees	Total
2014	603,388	168,231	11,700	\$783,319
2015	613,557	154,460	10,938	\$778,955
2016	623,932	140,460	10,160	\$774,552
2017	534,516	124,876	9,366	\$668,758
2018	545,314	114,078	8,556	\$667,948
2019	556,331	103,061	7,730	\$667,122
2020	567,570	91,822	6,887	\$666,279
2021	579,036	80,356	6,027	\$665,419
2022	590,734	68,659	5,149	\$664,542
2023	602,668	56,725	4,254	\$663,647
2024	614,843	44,550	3,341	\$662,734
2025	627,265	32,128	2,410	\$661,803
2026	639,936	19,457	1,459	\$660,852
2027	652,865	6,528	490	\$659,883
2028	0	0	0	\$0
2029	0	0	0	\$0
Totals	\$8,351,955	\$1,205,391	\$88,467	\$9,645,813



FY15 Capital Plan:**COLLECTION SYSTEM****Station Structures: \$11,000**

Annual capital outlay for improvements and replacement of structures including six neighborhood lift stations and two main pump stations.

Station Equipment: \$1,525,000

Annual capital outlay for improvements and replacement of equipment housed within six neighborhood lift stations and two main pump stations. Equipment is required to control, monitor, pump, store, and treat wastewater enroute to WWTP including motors, pumps, motor control panels, and air compressors. Planned improvements include complete upgrades to Lowell Road and Assabet Avenue pump stations including replacement of major mechanical, electrical, and instrumentation systems as well as upgrades for odor control and solids handling.

Mains (Sewer Collectors): \$15,000

Annual capital outlay for improvements to and extension of distribution system. Program is intended to insure that aging and deteriorating main is replaced in a methodical and prudent manner. The Water & Sewer Division will continue to coordinate system upgrades with other Town departments to insure division needs are considered in light of other public work improvement efforts (such as Roads Program and CMLP initiatives). Planned work includes routine casting replacements and adjustments.

Inflow/Infiltration: \$100,000

The wastewater treatment plant currently receives about one million gallons of sewer flow per day. In accordance with our WWTP NPDES permit, annual inflow and infiltration (I/I) activities are required to reduce groundwater and storm water which enters the collection system through deteriorating pipes, leaking manholes or illicit storm water connections. Planned work includes targeted TV inspections, metering and spot repair of sewer mains.

Meter Replacement Program: \$19,000

Sewer fund portion of costs associated with our system-wide meter maintenance and replacement efforts. Effort and investment to include meter system upgrade initiative which will allow for improved meter reading and demand-management capabilities.

WASTE WATER TREATMENT PLANT**Structures: \$130,000**

Annual capital outlay for improvements and replacement of WWTP structures. Planned improvements include the cleaning of structures and rehabilitation of mechanical systems associated with the secondary clarifier #2 and trickling filter #2.

Equipment: \$115,000

Annual cost to replace equipment presently used beyond recommended service life, including motors, pumps, motor control panels, chemical feed systems, and process instrumentation. Planned work includes replacement of intermediate motor/pumps, 50% of the existing UV lamps, and replacement of sump pump.

GENERAL PLANT**Keys Road Facility: \$25,000**

Capital outlay for improvements to Water/Sewer administrative office and garage facilities.

Vehicles: \$14,000

Water/Sewer fleet consists of 17 service vehicles and miscellaneous equipment such as compressor, vacuum, skid steer, forklifts, etc., which are replaced in accordance with CPW criteria based on industry-accepted useful-life measures. Planned improvements include the replacement of a cab and chassis for an existing compressor truck and the replacement of one station service vehicle.

GENERAL PLANT**Wastewater Capacity: \$850,000**

Includes ongoing wastewater capacity assessment activities including long-term NPDES surface water compliance efforts, treatment and disposal alternative analysis, and the Sewer Fund's contribution for procurement of the W. R. Grace property.

CAPITAL SPENDING PLAN									
	FY12 Actual	FY13 Actual	FY14	FY15	FY16	FY17	FY18	FY19	Total FY15-19
<u>Collection System</u>									
<u>Pumping Plant</u>									
Station Structures	0	0	10,000	11,000	12,000	13,000	14,000	15,000	65,000
Station Equipment	267,487	65,257	275,000	1,525,000	25,000	26,000	27,000	28,000	1,631,000
Subtotal	267,487	65,257	285,000	1,536,000	37,000	39,000	41,000	43,000	1,696,000
<u>Collection Plant</u>									
Sewer Mains/Laterals	17,053	0	15,000	15,000	16,000	17,000	18,000	19,000	85,000
Inflow/Infiltration (Note 1)	115,892	0	145,000	100,000	103,000	107,000	111,000	115,000	536,000
Meter Replacements	0	11,741	30,000	19,000	21,000	25,000	23,000	25,000	113,000
Subtotal	132,945	11,741	190,000	134,000	140,000	149,000	152,000	159,000	734,000
<u>Wastewater Treatment Plant</u>									
Structures	89,480	22,960	150,000	130,000	50,000	200,000	200,000	30,000	610,000
Plant Equipment	12,777	14,994	75,000	115,000	25,000	26,000	27,000	28,000	221,000
Capacity/Treatment Optimization	0	0	0	0	0	800,000	800,000	0	1,600,000
Depreciable Personal Services	14,845	13,743	16,448	16,950	17,460	17,990	18,530	19,090	90,020
Subtotal	117,102	51,697	241,448	261,950	92,460	1,043,990	1,045,530	77,090	2,521,020
<u>General Plant</u>									
Keyes Road CPW Facility	0	5,405	28,000	25,000	26,000	27,000	28,000	100,000	206,000
Vehicle Replacements	253,613	11,364	20,000	14,000	12,000	29,000	26,000	5,000	86,000
Subtotal	253,613	16,769	48,000	39,000	38,000	56,000	54,000	105,000	292,000
<u>Wastewater Management Project</u>									
Wastewater Planning (Note 1)	84,268	32,148	230,000	250,000	233,000	1,100,000	1,100,000	0	2,683,000
W.R. Grace land acquisition (funded through borrowing)				600,000					600,000
Subtotal	84,268	32,148	230,000	850,000	233,000	1,100,000	1,100,000	0	3,283,000
Total Capital Uses	855,415	177,612	994,448	2,820,950	540,460	2,387,990	2,392,530	384,090	8,526,020
<u>Funding the Capital Plan</u>									
Total - User Fees	655,255	145,464	619,448	1,870,950	204,460	1,180,990	1,181,530	169,090	4,607,020
Total - Sewer Improvement Fees	200,160	32,148	375,000	350,000	336,000	1,207,000	1,211,000	115,000	3,219,000
Total - Borrowing				600,000				100,000	700,000
Total Capital Sources	855,415	177,612	994,448	2,820,950	540,460	2,387,990	2,392,530	384,090	8,526,020

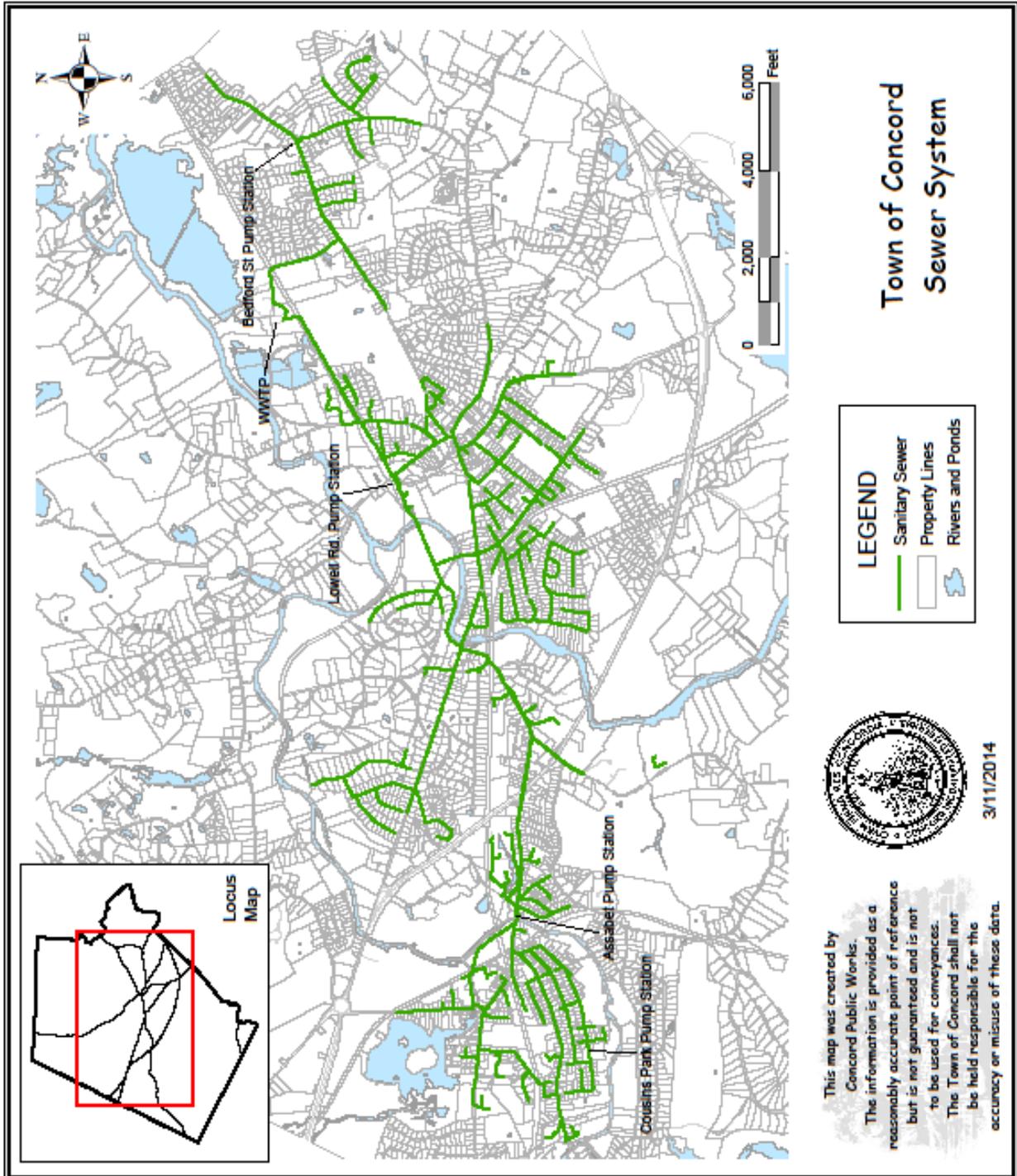
Note 1: Charged to Sewer Improvement Fund

SEWER RATES

(Per 100 Cubic Feet)

Class of Customer	Current FY14	Effective 6/1/15	%Chg.
S-14	(1 unit = 100 cubic feet = 748 gallons)		
1 Residential Service Rate billed year around but uses wintertime average consumption for non-wintertime months.	\$ 10.14	\$ 10.55	4%
2 Non-Residential Service Rate billed year around using actual readings for each billing period.	\$ 10.14	\$ 10.55	4%
3 Chiller/Cooling System Discharge Sewer Service For large non-residential sewer customers with dedicated cooling-system water supply	\$ 2.03	\$ 2.11	4%

Sample Impacts	Current Annual	New Annual	Annual Change	Monthly Change	% Chg.
1 Average Residential Customer (10 units bimonthly wintertime use)	\$ 608	\$ 633	\$ 24.60	\$ 2.05	4%
2 Typical Non-Residential Customer (18 units bimonthly)	\$ 1,095	\$ 1,139	\$ 44.28	\$ 3.69	4%



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