

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 FY14 sewer rate of \$10.14 per unit represents a 5% increase over the FY13 rate of \$ 9.66 per unit.
- The proposed FY14 capital improvement plan is \$1,412,000 which includes \$600,000 to be used for purchase of W. R. Grace land.
- Wastewater treatment capacity limitations imposed by Federal and State permits continue to present a significant challenge in meeting the growing needs of the community, The FY14 budget includes the development of an integrated water resource management framework.
- The proposed FY14 operating budget is \$3,058,496, a decrease of 3.6% from FY13.

Expenditure Summary				
	FY11 Actual	FY12 Actual	FY13 Budget	FY14 Proposed
Operating Income	\$ (951,488)	\$(1,025,614)	\$ (753,024)	\$ (533,496)
Net Income	\$ (844,620)	\$(1,151,648)	\$ 113,500	\$ (54,857)
Undesignated Fund Balance	\$ 3,606,695	\$ 2,908,022	\$ 3,669,001	\$ 3,714,002

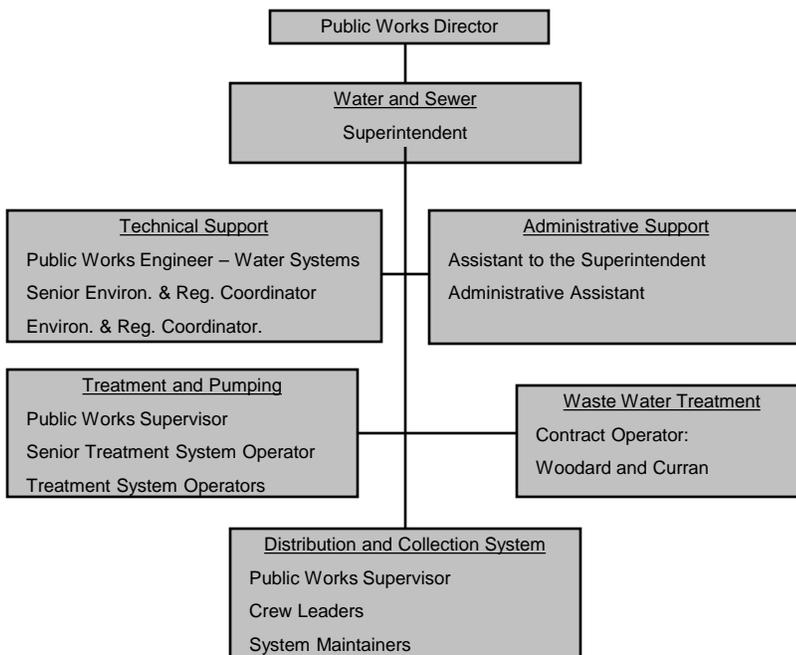
Description:

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 2012 the total value of collection system and treatment plant infrastructure assets was approximately 23.4 million dollars.

The municipal sewer system serves 1,838 residential and commercial customers representing approximately 33% 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.

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



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.

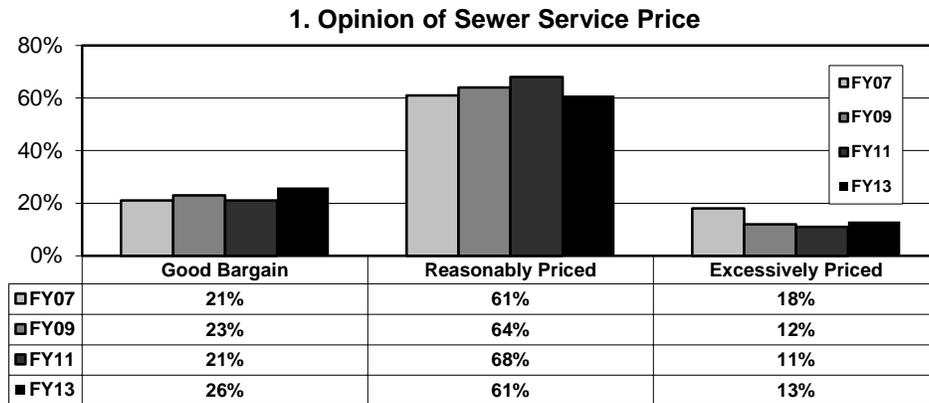
Since the sewer enterprise fund was formally established in 1976, there have been no property tax contributions to subsidize pre-existing operations or infrastructure improvements. Taxpayer support has been sought through Town Meeting for projects which have been designed to expand the sewer collection 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 FY14 is: **\$2,423,000**. This represents 96% of total Sewer Fund revenues.

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

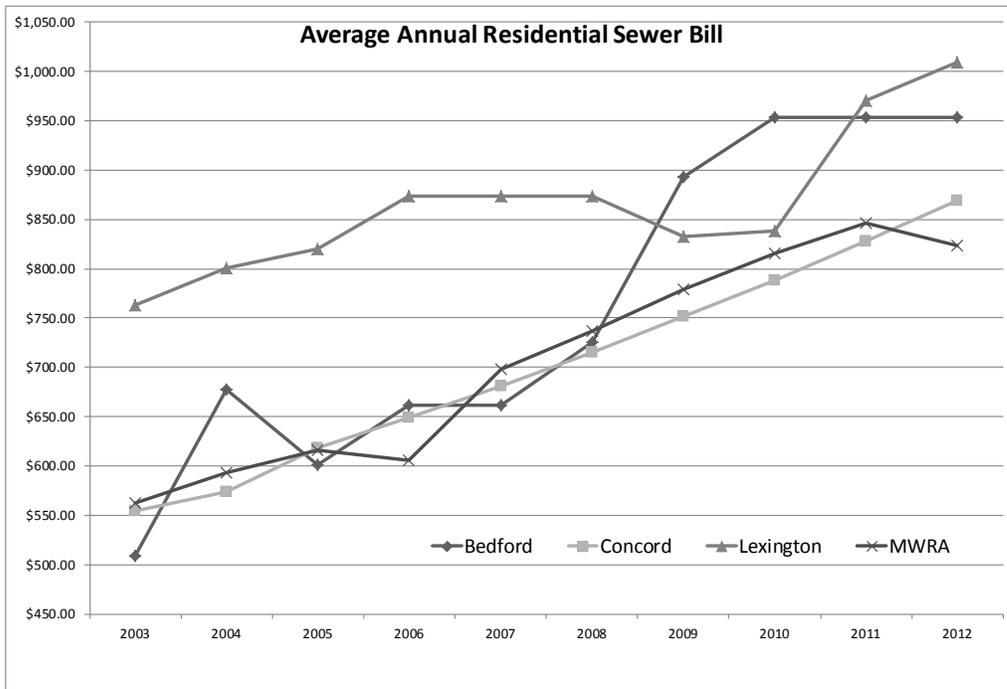
The proposed FY14 sewer rate is \$10.14 per unit (1 unit = 748 gallons).

- The FY14 rate of \$10.14 represents a 5% increase over the FY13 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 \$0.08 per gallon which represents a 2.6% increase from FY13.

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, 58% of communities have adopted a flat rate structure, 31% 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.

The table below demonstrates how rate adjustments (and cost of service) over time have impacted Concord and three neighboring systems.



Wastewater Program

In addition to routine operations, maintenance and improvement initiatives planned and performed to ensure reliable and quality service to all municipal customers, the programs and initiatives detailed below are constantly being revisited and revised to 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.



Potential Groundwater Discharge Site

Wastewater Planning Update:

For the first time ever, the wastewater flow leaving the Town's treatment facility exceeded the permitted allowance provided within our National Pollution Discharge Elimination System (NPDES) permit. While flows have lessened, the Wastewater Planning Task Force (WWPTF) continued to evaluate solutions for ongoing wastewater capacity constraints identified within Concord. They have supported ongoing investigations of wastewater treatment and capacity management alternatives (including water conservation measures) which could accommodate wastewater flows above and beyond those flows necessary to meet existing system requirements. "No action" is unacceptable as it would prohibit planned collection system expansion, as detailed in the 2003 Comprehensive Wastewater Management Plan (CWMP), and would stifle economic development interests as detailed in subsequent land-use master planning efforts.

NPDES Surface Water Discharge Permit. A draft wastewater facility NPDES permit was issued to the Town. The draft permit calls for increasingly stringent quality limits but provides no allowance for increased flow. The Town has requested consideration for increased flow in exchange for the development of an integrated water resources management plan. While such an approach has been championed by senior environmental policy administrators within EPA, the Town has been informed that regional administrators are not yet prepared to entertain this approach. As there is general agreement that such an approach may be accepted in the not-too-distant future, the Town will continue to track related developments.

Following a more conventional permitting track, the Town has submitted to Mass DEP a hydrogeological evaluation detailing the potential feasibility of constructing a large-scale groundwater discharge site near the existing wastewater treatment plant. If accepted, the Town will consider options and timing required to proceed with full-scale permitting and constructing this 155,000 gallon per day groundwater discharge site. This new wastewater treatment capacity represents approximately 50% of the capacity needs approved by Article 41 at the 2009 Town Meeting.

Wastewater Task Force Recommendations: With the understanding that existing wastewater capacity expansion alternatives noted above are limited, the WWPTF has identified a need to re-assess timing and prioritization of planned sewer extension "phasing" as detailed in the 2003 CWMP. Such consideration will balance more recent system infill pressures with planned sewer extension needs. The task force has called for public outreach and involvement to determine interest and receptiveness to planned extensions based on updated cost estimates.

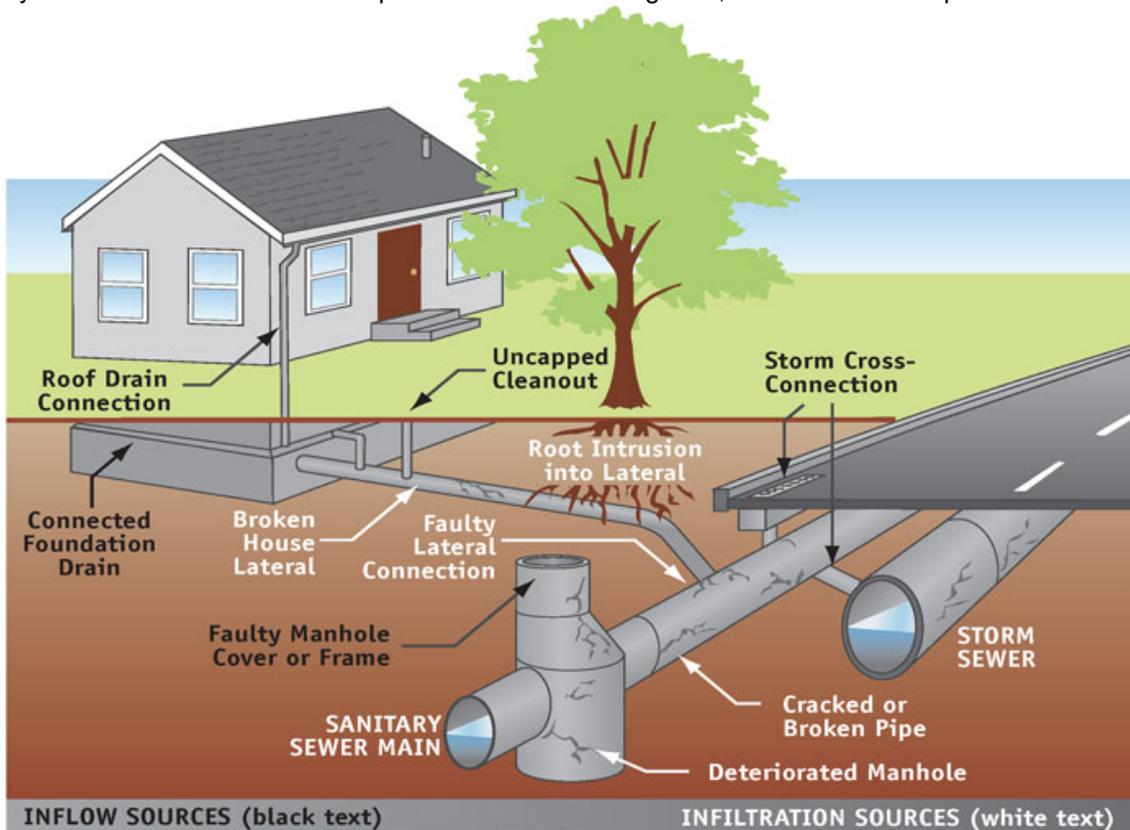
The WWPTF has also recommended that the Public Works Commission re-evaluate its capacity allowance approval model, following DEP concurrence with the findings of the aforementioned hydrogeological report. This will include a re-assessment of the Sewer Improvement Fee (SIF) to ensure it reflects costs associated with the design, permitting and construction of viable wastewater capacity expansion alternatives.

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. Notable improvements within the past fiscal year include the completion of an Arc Flash assessment (to ensure electrical components are equipped with appropriate operator safety controls) and the design and development of bid specifications for the rehabilitation of mechanical systems for both primary clarithickeners (unit #1 and #2) as well as major concrete repairs required for each overflow channel.

CoMag Incentive Payment: The Wastewater Treatment Plant rehabilitation and upgrade efforts completed in 2009 incorporated a state-of-the art tertiary treatment process called "CoMag". Following years of evaluation, including an on-site commercial scale demonstration pilot, the Town acquired this innovative technology with an agreement which included a creative performance "incentive" clause. The agreement provided the Town with a means by which it could recover its initial investment if the technology proved to be viable and became accepted within the industry. We are pleased to report that the technology has not only proven to be reliable but commercially "competitive". As a result, the Sewer Fund has already received \$1,164,008 in incentive payments, with more to come.

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.



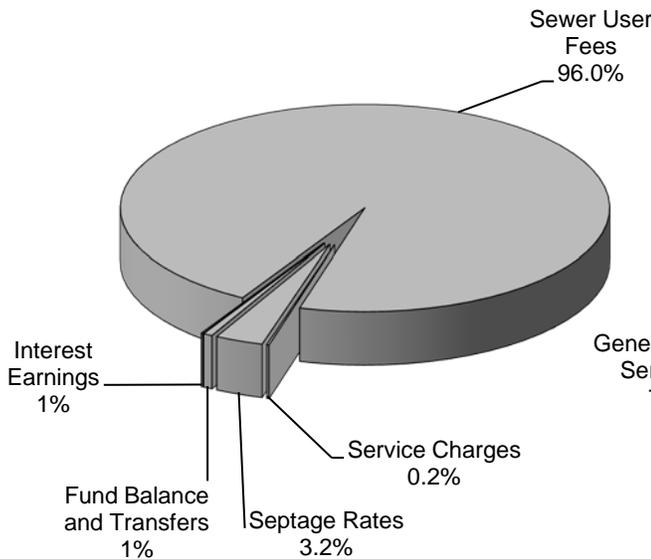
Graphic Credit: King County, Washington, Department of Natural Resources and Parks

Program Implementation:

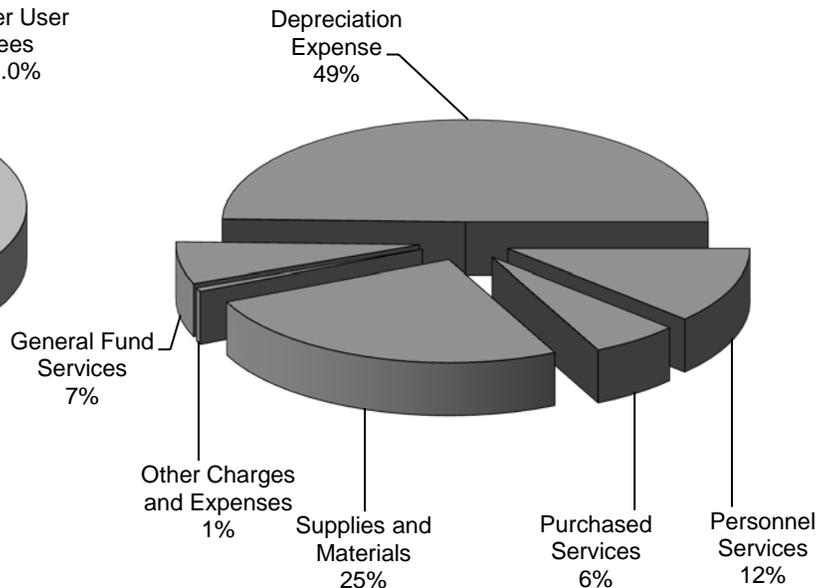
The proposed FY14 operating budget is \$3,058,496. This represents a 3.6% decrease as compared to the Sewer Fund’s revised FY13 operating budget. Depreciation expense reflects the cost of the annual use, or wear-and-tear, of the Sewer Division’s approximately \$23.3 million worth of infrastructure (recorded as of the end of FY12). The FY14 budgeted depreciation expense of \$1,515,246 is roughly 6.5% of these capital assets. Personnel Services are budgeted at \$367,224 in FY14, a 1.3% increase from the revised FY13 total of \$362,504.

The FY14 budget proposes a 4.0% increase in wastewater collection costs and a 0.2% decrease 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. While the Sewer Division has met with regulatory personnel, it is too early to predict what changes will be made to this permit. More restrictive water quality limits will result in increased costs for chemicals, electricity and sludge management.

Operating Revenues
Totaling \$2,525,000



Operating Expenses
Totaling \$3,058,496



Operating Income:

This FY14 Budget calls for Operating Expenditures that are \$533,496 above Operating Revenues. This results in an operating loss for the year. However, by FY20, 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

	FY11 Actual	FY12 Actual	Rev. FY13 Budget	FY14 Budget
Sewer User Fees	\$ 2,027,829	\$ 2,053,012	\$ 2,302,000	\$ 2,423,000
Service Charges	2,450	2,000	5,000	4,000
Septage Rates	105,612	101,392	94,000	80,000
Liens & Tax Titles	15,215	13,124	15,000	15,000
Other Revenue	2,969	3,468	3,000	3,000
Total Operating Revenues	\$ 2,154,075	\$ 2,172,996	\$ 2,419,000	\$ 2,525,000

OPERATING EXPENSES

<u>Sewer Divisions</u>	FY11 Actual	FY12 Actual	Rev. FY13 Budget	FY14 Budget
<u>Collection</u>				
Personnel Services	\$ 254,862	\$ 305,607	\$ 313,211	\$ 317,523
Purchased Services	116,566	135,003	134,530	143,873
Supplies & Materials	38,432	51,282	46,149	51,258
Other Charges & Expenses	13,516	18,105	17,821	17,982
General Fund Services	88,252	91,900	95,785	100,881
Audit Adjustments	32,479	25,615	-	-
Subtotal	\$ 544,107	\$ 627,512	\$ 607,496	\$ 631,516
<u>Treatment</u>				
Personnel Expenses	\$ 82,439	\$ 55,112	\$ 49,293	\$ 49,701
Purchased Services	4,066	11,004	30,000	35,000
Management Contract	668,987	667,943	738,551	726,153
Supplies & Materials	-	-	-	-
Other Charges & Expenses	-	-	-	-
General Fund Services	88,253	91,900	95,785	100,880
Subtotal	\$ 843,745	\$ 825,959	\$ 913,629	\$ 911,734
<u>Other</u>				
Depreciation Expense	1,717,711	1,745,139	1,650,899	1,515,246
Capital Reserve	-	-	-	-
Subtotal	\$ 1,717,711	\$ 1,745,139	\$ 1,650,899	\$ 1,515,246
Total Operating Expense	\$ 3,105,563	\$ 3,198,610	\$ 3,172,024	\$ 3,058,496

RETIREMENT AND OPEB ASSESSMENT

<i>For Informational Purpose Only</i>				
	FY11 Actual	FY12 Actual	Rev. FY13 Budget	FY14 Budget
Retirement Assessment	\$ 6,241	\$ 8,836	\$ 9,039	\$ 12,490
OPEB Assessment	17,025	18,625	20,342	21,382
Total Assessment	\$ 23,266	\$ 27,461	\$ 29,381	\$ 33,872

AUTHORIZED POSITIONS

Collection Personnel Costs	Rev. FY13 Budget		FY14 Budget	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
Regular Staff				
Water and Sewer Superintendent	0.20 FTEs	\$ 20,937	0.20 FTEs	\$ 21,017
Assistant to Superintendent	0.20	16,469	0.20	16,469
Senior Env. & Reg. Coordinator	0.20	14,366	0.20	14,422
Env. & Reg. Coordinator	0.20	9,478	0.20	9,746
Administrative Assistant	0.20	11,304	0.20	11,630
Public Works Supervisor	0.40	30,067	0.40	30,936
Crew Leader	0.40	25,184	0.40	25,928
Senior Treatment System Operator	0.00	12,393	0.20	12,751
Treatment System Operator	0.60	22,187	0.40	21,906
System Maintainer	1.00	43,714	1.00	45,933
Charges to Projects	N/A	(5,177)	N/A	(4,034)
Merit Increases	N/A	-	N/A	2,565
Subtotal	3.40 FTEs	\$ 200,922	3.40 FTEs	\$ 209,269
Other Personnel				
GIS Project Specialist	312 hrs.	4,004	208 hrs.	-
Subtotal	0.15 FTEs	\$ 4,004	0.10 FTEs	\$ -
Employee Benefits				
Health Insurance	N/A	\$ 15,290	N/A	\$ 16,145
Life Insurance	N/A	100	N/A	-
Dental Insurance	N/A	755	N/A	-
OPEB	N/A	20,342	N/A	21,382
Retirement Contribution	N/A	9,039	N/A	12,490
Subtotal	N/A	\$ 45,526	N/A	\$ 50,017
Payroll Taxes				
Medicare Tax	N/A	\$ 3,500	N/A	\$ 3,500
Social Security Contribution	N/A	-	N/A	-
Subtotal	N/A	\$ 3,500	N/A	\$ 3,500
Other Personnel Costs				
Overtime (5130)	800 hrs.	\$ 35,865	800 hrs.	\$ 32,912
Overtime Adjustment	N/A	-	N/A	-
Police Overtime (5131)	90	3,600	100	4,000
Standby Pay (5111)	565	19,156	365	13,510
Charges to Snow Account	40	(1,082)	40	(1,082)
IT Salary (5111)	N/A	1,567	N/A	2,479
Salary Adjustments TCL/AC (1.5%)	N/A	153	N/A	2,424
Salary Adjustments TCL/AC (1.5%)	N/A	-	N/A	494
Subtotal	N/A	\$ 59,259	N/A	\$ 54,736
Total Collections	3.55 FTEs	\$ 313,211	3.50 FTEs	\$ 317,523
Treatment Personnel Costs				
Public Works Engineer	0.80 FTEs	\$ 54,406	0.80 FTEs	\$ 54,406
Other Full-Time	N/A	-	N/A	2,176
Charge to Capital Projects	N/A	(9,113)	N/A	(10,881)
Salary Adjustments (2%)	N/A	-	N/A	-
Health	N/A	3,000	N/A	3,000
Life	N/A	-	N/A	-
Dental	N/A	-	N/A	-
Medicare Tax	N/A	1,000	N/A	1,000
Total Treatment	0.80 FTEs	\$ 49,293	0.80 FTEs	\$ 49,701
Total Sewer Personnel	4.35 FTEs	\$ 362,504	4.30 FTEs	\$ 367,224

NET INCOME

	FY11 Actual	FY12 Actual	Rev. FY13 Budget	FY14 Budget
Statement of Net Income:				
Operating Revenues	\$ 2,154,075	\$ 2,172,996	\$ 2,419,000	\$ 2,525,000
Less Operating Expenses	(3,105,563)	(3,198,610)	(3,172,024)	(3,058,496)
Operating Income	\$ (951,488)	\$ (1,025,614)	\$ (753,024)	\$ (533,496)
Non-operating Revenues (Expenses)				
Add Investment Income	\$ 12,242	\$ 9,821	\$ 10,788	\$ 19,994
Add CoMag Incentive Payments	133,045	-	1,006,882	603,675
Add Sewer Improvement Revenues	148,190	65,885	43,000	43,000
Less Int. Exp and Admin. Fees	(186,609)	(201,742)	(194,146)	(188,030)
Non-operating Income	\$ 106,868	\$ (126,036)	\$ 866,524	\$ 478,639
Net Income	\$ (844,620)	\$ (1,151,648)	\$ 113,500	\$ (54,857)

Note: FY12 Net Income of \$(1,151,648) plus Sewer Betterment income of \$170,435 minus expenses of \$69,061 plus the transfer in of \$101,679 for the General Fund portion of the WPAT loan equals the change in net assets of \$(948,595) seen in the FY12 Audited Financial Statements.

AVAILABLE RESOURCES

Resources Available from Current Operations for Replacement & Renewal of Facility:				
	FY11 Actual	FY12 Actual	Rev. FY13 Budget	FY14 Budget
Capital Purposes				
Add Depreciation Expense	\$ 1,717,711	\$ 1,745,139	\$ 1,650,899	\$ 1,515,246
Add Net Income	(844,620)	(1,151,648)	113,500	(54,857)
Add Bond Proceeds	-	-	-	600,000
Less Bonds Payable	(574,072)	(583,649)	(593,420)	(603,388)
Net Available for Capital	\$ 299,019	\$ 9,842	\$ 1,170,979	\$ 1,457,001

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

CASH POSITION AND FUND BALANCE FORECAST

	FY13		FY14	
	Operating Fund	Depreciation Fund	Operating Fund	Depreciation Fund
Cash at Year Opening				
Cash on July 1st	\$ 3,192,145		\$ 3,953,124	
Add Receivables	372,588		372,588	
Less Cash held for Liabilities	(656,711)		(656,711)	
Fund Balance on July 1st	\$ 2,908,022		\$ 3,669,001	
Fund Balance Details (projected)				
Fund Balance on July 1st	\$ (1,786,122)	\$ 4,694,144	\$ (2,266,042)	\$ 5,935,043
Net Income	113,500	-	(54,857)	-
Bonds Payable	(593,420)	-	(603,388)	-
Capital Outlay (non-borrowing)	-	(410,000)	-	(812,000)
Add Depreciation Expense	-	1,650,899	-	1,515,246
Balance Projected at June 30th	(2,266,042)	5,935,043	(2,924,287)	6,638,289
Fund Balance on June 30th	\$ 3,669,001		\$ 3,714,002	
Cash at Year End (projected)				
Fund Balance on June 30th	\$ 3,669,001		\$ 3,714,002	
Less Receivables	(372,588)		(372,588)	
Add Cash Held for Liabilities	656,711		656,711	
Projected Cash at June 30th	\$ 3,953,124		\$ 3,998,125	
Sewer Improvement Fund Cash	\$ 1,889,531		\$ 1,719,531	
Unrestricted Cash	\$ 2,063,594		\$ 2,278,595	

SEWER IMPROVEMENT FUND

	FY11		FY12		Rev. FY13		FY14	
	Actual		Actual		Budget		Budget	
Cash on July 1st	\$	2,054,748	\$	2,123,260	\$	1,986,531	\$	1,889,531
Revenues		148,190		65,885		43,000		43,000
Expenditures		(79,677)		(202,614)		(140,000)		(213,000)
Adjustment		-		-		-		-
Cash on June 30th	\$	2,123,260	\$	1,986,531	\$	1,889,531	\$	1,719,531
Net Activity	\$	68,512	\$	(136,730)	\$	(97,000)	\$	(170,000)

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

	FY11		FY12		Rev. FY13		FY14	
	Actual		Actual		Budget		Budget	
Activity								
Cash at July 1st	\$	616,320	\$	682,842	\$	718,136	\$	669,974
Cash Received		225,061		193,661		110,030		109,540
Cash Expended		(158,540)		(158,367)		(158,192)		(158,012)
Cash at June 30th	\$	682,842	\$	718,136	\$	669,974	\$	621,502
Net Activity	\$	66,520	\$	35,293	\$	(48,162)	\$	(48,472)
Net Assets								
Cash	\$	682,842	\$	718,136	\$	669,974	\$	621,502
Unapportioned Receivable		1,316,680		1,179,889		1,095,611		1,011,333
Other Receivables		14,814		7,325		7,325		7,325
Less Remaining Debt Service		(2,355,292)		(2,196,925)		(2,038,733)		(1,880,721)
Net Assets	\$	(340,958)	\$	(291,575)	\$	(265,824)	\$	(240,561)

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

Revenues and Expenditures

Sewer Fund: Plan and Projection	ACTUAL FY 2012	Revised BUDGET FY 2013	PROJECTION										10 years FY14-23
			FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	
Operating Revenue			2,423,000	2,553,000	2,709,000	2,875,000	3,050,000	3,236,000	3,431,000	3,640,000	3,861,000	4,094,000	31,872,000
User Fees	2,053,012	2,302,000	2,423,000	2,553,000	2,709,000	2,875,000	3,050,000	3,236,000	3,431,000	3,640,000	3,861,000	4,094,000	31,872,000
Other	1,19,984	117,000	102,000	103,000	105,000	106,000	108,000	110,000	112,000	113,000	115,000	117,000	1,091,000
Subtotal	2,172,996	2,419,000	2,525,000	2,656,000	2,814,000	2,981,000	3,158,000	3,346,000	3,543,000	3,753,000	3,976,000	4,211,000	32,963,000
Operating Expense			1,543,250	1,590,403	1,639,030	1,689,180	1,740,903	1,794,251	1,849,279	1,906,040	1,964,595	2,025,002	17,741,934
O & M	1,453,470	1,521,125	1,543,250	1,590,403	1,639,030	1,689,180	1,740,903	1,794,251	1,849,279	1,906,040	1,964,595	2,025,002	17,741,934
Depreciation	1,745,139	1,650,899	1,515,246	1,508,307	1,613,067	1,867,281	1,993,047	1,989,770	1,360,374	1,309,099	1,167,337	1,309,099	15,632,626
Subtotal	3,198,610	3,172,024	3,058,496	3,098,709	3,252,097	3,556,461	3,733,950	3,784,021	3,209,652	3,215,139	3,131,932	3,334,101	33,374,560
Operating Income	-1,025,614	-753,024	-533,496	-442,709	-438,097	-575,461	-575,950	-438,021	333,348	537,861	844,068	876,899	-411,560
ADD: Interest Income	9,821	10,788	19,994	29,021	40,971	46,173	46,932	63,449	85,001	113,134	149,698	178,406	772,780
Co-Mag Incentive Payments	0	1,006,882	603,675	263,000	258,000	253,000	248,000	243,000	238,000	233,000	229,000	224,000	603,675
Sewer Improvement Fees	65,885	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	2,232,000
LESS: Interest Expense	188,561	194,146	179,930	165,399	150,621	134,242	122,634	110,792	98,710	86,384	73,808	60,979	1,183,499
Existing Debt	0	0	0	18,000	16,200	14,400	125,100	117,675	115,250	107,325	99,400	91,475	704,825
New Debt	0	0	1,500	0	0	18,750	0	1,250	0	0	0	0	21,500
Bond Anticipation Notes (BANs)	0	0	0	0	0	25,000	100	1,000	0	0	0	0	35,200
Issuance expense	13,181	0	6,600	0	2,500	25,000	100	1,000	0	0	0	0	35,200
Net Income	-1,151,648	113,500	-54,857	-334,087	-308,447	-468,680	-528,852	-362,289	442,389	690,286	1,049,557	1,126,851	1,251,871
Available Resources from:			-54,857	-334,087	-308,447	-468,680	-528,852	-362,289	442,389	690,286	1,049,557	1,126,851	1,251,871
Depreciation expense	1,745,139	1,650,899	1,515,246	1,508,307	1,613,067	1,867,281	1,993,047	1,989,770	1,360,374	1,309,099	1,167,337	1,309,099	15,632,626
subtotal	593,491	1,764,399	1,460,389	1,174,220	1,304,620	1,398,601	1,464,195	1,627,481	1,802,763	1,999,384	2,216,894	2,435,949	16,884,496
Funds Provided by Improvement Fees	202,614	140,000	213,000	501,000	703,000	705,000	57,000	59,000	61,000	63,000	65,000	67,000	3,200,000
Bond proceeds	0	0	600,000	600,000	600,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	3,200,000
Loan proceeds	0	0	600,000	600,000	600,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	3,200,000
LESS: P principal repayments	583,649	593,420	603,388	613,557	623,932	534,516	545,314	556,331	567,570	579,036	590,734	602,668	5,817,046
Existing Debt	0	0	0	60,000	60,000	60,000	185,000	185,000	195,000	195,000	195,000	195,000	1,330,000
New Debt	0	0	600,000	600,000	600,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	3,200,000
BAN Repayment	212,456	1,310,979	1,670,001	1,001,663	3,823,688	1,509,085	890,881	945,150	1,101,193	1,288,348	1,496,160	1,705,281	12,937,450
Net Available for Capital Purposes	855,415	410,000	1,412,000	804,000	2,361,000	2,368,000	396,000	324,000	344,000	351,000	365,000	379,000	9,104,000
Capital Plan			1,412,000	804,000	2,361,000	2,368,000	396,000	324,000	344,000	351,000	365,000	379,000	9,104,000
Cash Position			3,953,124	3,998,125	3,694,788	4,454,476	2,890,561	3,328,442	4,586,784	5,461,133	6,527,293	7,786,574	
Beginning balance	3,421,709	3,192,145	3,953,124	3,998,125	3,694,788	4,454,476	2,890,561	3,328,442	4,586,784	5,461,133	6,527,293	7,786,574	
ADD: Net available	212,456	1,310,979	1,670,001	1,001,663	3,823,688	1,509,085	890,881	945,150	1,101,193	1,288,348	1,496,160	1,705,281	
LESS: Planned Capital	855,415	410,000	1,412,000	804,000	2,361,000	2,368,000	396,000	324,000	344,000	351,000	365,000	379,000	
Sewer Improvement Fee Support	202,614	140,000	213,000	501,000	703,000	705,000	57,000	59,000	61,000	63,000	65,000	67,000	
Changes in assets & liabilities	-616,009												
Ending balance	3,192,145	3,953,124	3,998,125	3,694,788	4,454,476	2,890,561	3,328,442	3,890,592	4,586,784	5,461,133	6,527,293	7,786,574	
(does not include Betterment balance)													
Sewer Improvement Fund Balance	1,986,531	1,889,531	1,719,531	1,481,531	1,036,531	584,531	775,531	959,531	1,136,531	1,306,531	1,470,531	1,627,531	
(included in Ending Balance)													
Ending balance w/o Sewer Improvement	1,205,614	2,063,593	2,278,594	2,213,257	3,417,945	2,306,030	2,552,911	2,931,061	3,450,253	4,154,602	5,056,762	6,159,043	

DEBT SERVICE				
Cash Basis	<u>FY11 Actual</u>	<u>FY12 Actual</u>	<u>Rev. FY13 Budget</u>	<u>FY14 Budget</u>
Long Term Debt Repayment:				
Principal	\$ 574,072	\$ 583,649	\$ 593,420	\$ 603,388
Interest	208,546	195,219	181,698	168,230
BAN Interest Expense	-	-	-	1,500
Administration Fee (WPAT)	13,899	13,181	12,448	11,700
Totals	\$ 796,517	\$ 792,049	\$ 787,566	\$ 784,818

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.

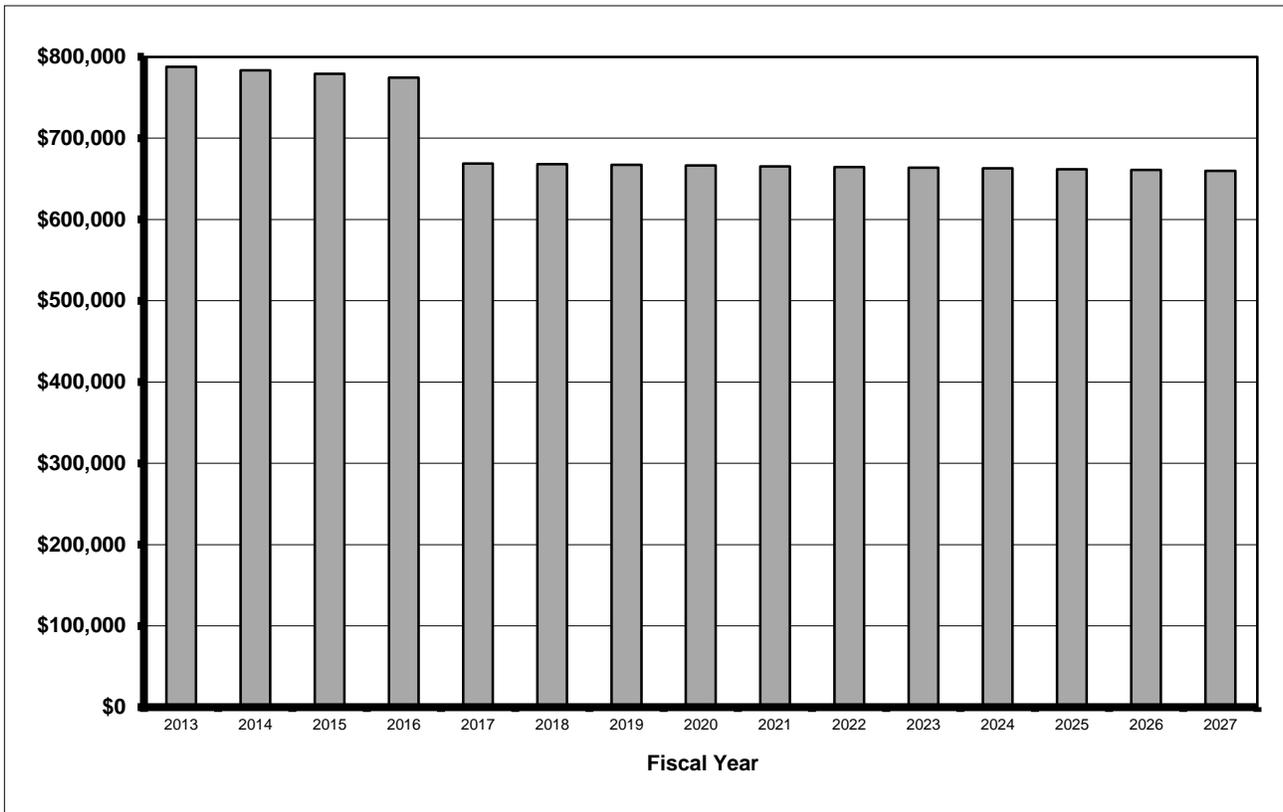
PAYMENTS TO THE GENERAL FUND

	<u>FY11 Actual</u>	<u>FY12 Actual</u>	<u>Rev. FY13 Budget</u>	<u>FY14 Budget</u>
Management & Engineering:				
Public Works Administration	\$ 29,678	\$ 31,067	\$ 33,032	\$ 32,871
Public Works Engineering	15,690	16,978	17,436	20,947
Highway Maintenance	4,024	4,159	4,324	4,374
133/135 Keyes Road	11,997	10,994	11,900	11,603
Subtotals	\$ 61,389	\$ 63,198	\$ 66,692	\$ 69,795
Financial & Administrative:				
Town Manager	\$ 26,401	\$ 27,527	\$ 28,809	\$ 28,847
Human Resources	4,316	4,688	5,152	5,125
Finance Administration	15,601	16,659	16,876	17,039
Treasurer-Collector	11,521	11,869	12,327	12,399
Town Accountant:				
General Services	10,806	11,299	11,819	11,970
Audit Services	6,000	6,000	6,000	6,000
Town House Facilities	3,495	3,579	3,447	3,275
Subtotals	\$ 78,140	\$ 81,621	\$ 84,430	\$ 84,655
Natural Resource:				
Planning	\$ 5,653	\$ 5,955	\$ 6,125	\$ 6,223
Natural Resources	5,269	5,682	5,868	5,845
Health	26,054	27,344	28,455	28,630
Subtotals	\$ 36,976	\$ 38,981	\$ 40,448	\$ 40,698
Salary Reserve	\$ -	\$ -	\$ -	\$ 6,613
Totals	\$ 176,505	\$ 183,800	\$ 191,570	\$ 201,761

SEWER DEBT SERVICE

Exclusive of betterment financing

Fiscal Year	Principal	Interest	Admin. Fees	Total
2013	593,420	181,698	12,448	\$787,566
2014	603,388	168,230	11,700	\$783,318
2015	613,557	154,461	10,938	\$778,956
2016	623,932	140,461	10,160	\$774,553
2017	534,516	124,876	9,366	\$668,758
2018	545,314	114,078	8,556	\$667,948
2019	556,331	103,062	7,730	\$667,123
2020	567,570	91,823	6,887	\$666,280
2021	579,036	80,357	6,027	\$665,420
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	32,129	2,410	\$661,804
2026	639,936	19,457	1,459	\$660,852
2027	652,865	6,529	490	\$659,884
2028	0	0	0	\$0
Totals	\$8,945,375	\$1,387,095	\$100,915	\$10,433,385



FY14 Capital Plan:**COLLECTION SYSTEM****Station Structures: \$10,000**

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

Station Equipment: \$275,000

Annual capital outlay for improvements and replacement of equipment housed within six neighborhood lift stations and two main pump stations. Equipment required to control, monitor, pump, store, and treat wastewater enroute to WWTP including motors, pumps, motor control panels, and air compressors. Planned improvements include the addition of a new standby generator at the Bedford Street pump station, replacement of existing emergency generators at the Lowell Road and Main Street pump stations, replacement of 75-HP pump assembly at the Lowell Road pump station, and installation of new grinder/shredder unit at the Lowell Road pump station.

Mains (Sewer Collectors): \$15,000

Annual capital outlay for improvements to and extension of distribution system. Program intended to insure that aging 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: \$26,000

Sewer fund portion of costs associated with our system-wide meter maintenance and replacement efforts. Effort and investment to be expanded to allow for the first phase of a multi-year meter system upgrade initiative which will allow for improved meter-reading and demand management capabilities.

WASTE WATER TREATMENT PLANT**Structures: \$150,000**

Annual capital outlay for improvements and replacement of WWTP structures. Planned improvements include the cleaning of structures and rehabilitation of mechanical systems associated with primary clarithickener #1 and secondary trickling filter #2; corrosion abatement of primary clarithickeners #1 and #2 as well as the grit flume; and replacement of several yard hydrants.

Equipment: \$75,000

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

GENERAL PLANT**Keyes Road Facility: \$28,000**

Capital outlay for improvements to Water/Sewer administrative office and garage facilities. Planned work includes construction of electrical room rehab/upgrades to accommodate SCADA/Records Room needs and evaluation of new covered storage area for rolling fleet and large equipment

Vehicles: \$20,000

Water/Sewer Fleet consists of 17 service vehicles and miscellaneous equipment such as compressor, vacuum, skid steer, and forklifts which are replaced in accordance with CPW criteria based on industry-accepted useful-life measures. Budget allowance includes the replacement of two service trucks and one 1-ton dump truck and body.

GENERAL PLANT**Wastewater Capacity: \$113,000**

Update of the Comprehensive Wastewater Management Plan, integrating related land-use planning studies completed over the past decade. This work will inform and allow for the development of a new "integrated water resource management" framework. If regulatory drivers require, permitting of a 150,000 gallon per day groundwater discharge site at the Wastewater Treatment Plant located off Bedford Road will proceed.

Capital Spending Plan

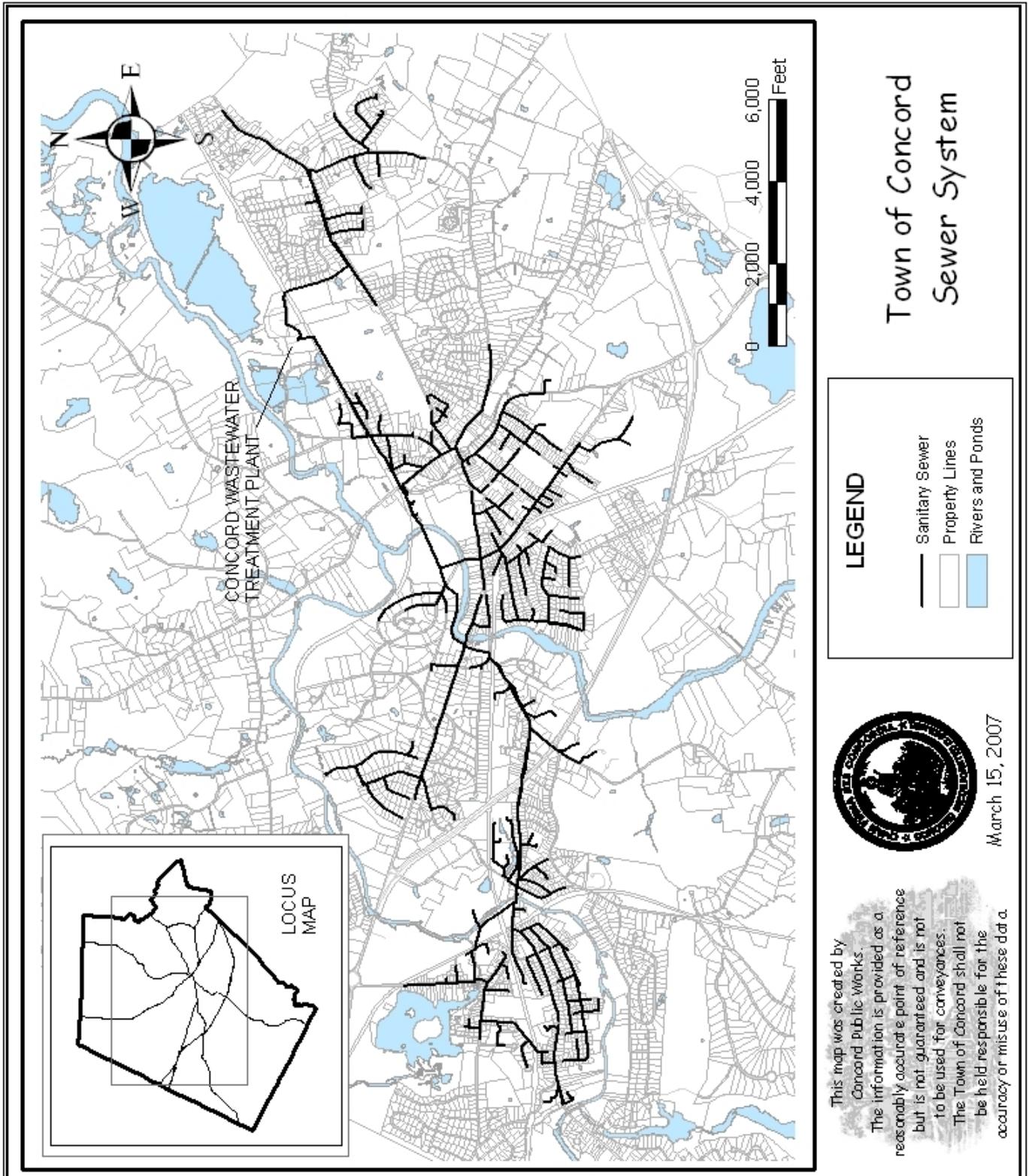
<u>Capital Activities</u>	FY11 Actual	FY12 Actual	FY13 Budget	FY14 Budget
<u>Collection System</u>				
<u>Pumping Plant</u>				
Station Structures	20,351	-	10,000	10,000
Station Equipment	9,537	267,487	111,000	275,000
Other	3,700	-	-	-
Subtotal	33,588	267,487	121,000	285,000
<u>Collection Plant</u>				
Sewer Mains/Laterals	-	17,053	15,000	15,000
Inflow & Infiltration	4,989	115,892	100,000	100,000
Meter Replacement	38	-	14,000	26,000
Sewer Service Connections	2,000	-	-	-
Subtotal	7,027	132,945	129,000	141,000
<u>Wastewater Treatment Plant</u>				
Structures	15,887	89,480	30,000	150,000
Plant Equipment	8,450	12,777	60,000	75,000
Other	-	-	-	-
Facilities Plan Improvements	-	-	-	-
Capacity/Treatment Optimization	-	-	-	-
Personnel Services	7,646	14,845	-	-
Subtotal	31,983	117,102	90,000	225,000
<u>General Plant</u>				
Keyes Road CPW Facility	\$ 5,105	\$ -	\$ 20,000	\$ 28,000
Harris System/GIS	-	-	-	-
Vehicle Replacement	13,998	253,613	10,000	20,000
Miscellaneous Equipment	1,165	-	-	-
Personnel Services	5,904	-	-	-
Subtotal	26,172	253,613	30,000	48,000
<u>Wastewater Management Project</u>				
Wastewater Planning	74,688	84,268	40,000	113,000
W.R. Grace Land Acquisition (funded through borrowing)	-	-	-	600,000
Subtotal	74,688	84,268	40,000	713,000
<u>Audit Adjustments</u>				
Audit Adjustment (Personnel)	-	-	-	-
Audit Adjustment (Other)	(25,447)	-	-	-
Subtotal	(25,447)	-	-	-
Total	\$ 148,011	\$ 855,415	\$ 410,000	\$ 1,412,000
Funding the Capital Plan				
Total - User Fees	\$ 148,011	\$ 655,255	\$ 270,000	\$ 599,000
Total - Sewer Improvement Fees	\$ -	\$ 200,160	\$ 140,000	\$ 213,000
Total - Borrowing	\$ -	\$ -	\$ -	\$ 600,000
Total	\$ 148,011	\$ 855,415	\$ 410,000	\$ 1,412,000

SEWER RATES

(Per 100 Cubic Feet)

Class of Customer	Current FY13	Effective 6/1/13	%Chg.
S-13	(1 unit = 100 cubic feet = 748 gallons)		
1 Residential Service Rate billed year around but uses wintertime average consumption for non-wintertime months.	\$ 9.66	\$ 10.14	5%
2 Non-Residential Service Rate billed year around using actual readings for each billing period.	\$ 9.66	\$ 10.14	5%
3 Chiller/Cooling System Discharge Sewer Service For large non-residential sewer customers with dedicated cooling-system water supply	\$ 1.93	\$ 2.03	new

Sample Impacts	Current Annual	New Annual	Annual Change	Monthly Change	% Chg.
1 Average Residential Customer (10 units bimonthly wintertime use)	\$ 580	\$ 608	\$ 28.80	\$ 2.40	5%
2 Typical Non-Residential Customer (18 cubic feet bimonthly)	\$ 1,043	\$ 1,095	\$ 51.84	\$ 4.32	5%



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