

## Section I

### 2017 General Service Information

The Water Department provides water treatment and distribution of water for drinking and fire suppression through the distribution network of water pipes, storage towers and hydrants. The Department operates two drinking water treatment plants and produces on average 1 million gallons per day. The Water Department also provides water meter maintenance, meter reading and billing. The Water Team has fifteen (15) full-time (FT) employees, 1 part-time (PT) employee and one (1) seasonal temporary laborer/intern; with the exception of treatment operations, these positions are split 50/50 between water and sewer for a total of 10.275 full time equivalents (FTEs) in water. There are additional allocations of general fund staff time from within Public Works and other Town departments; these staff counts are not included in the summary above.

The Water Department budget is composed of six (6) functional areas: administration, billing, distribution, treatment, debt service and capital outlay.

Administration \$424,006 (13% of water budget) conducts the planning, project management and administration of the Water Department. Wages and benefits are reflected for Water/Sewer Managing Engineer (50%) and Water/Sewer Engineering Technician (50%), Public Works Director (20%), Town Engineer (20%), Assistant Engineer (20%), Engineering Technician (20%), Public Works Office Manager (20%), Office Clerk (20%), Town Manager (12.5%), Administrative Assistant (12.5%), IT Director (12.5%) and Human Resource Director (10%).

Billing \$155,494 (5% of water budget) accounts for costs associated with determining, preparing and issuing water bills for water customers on a quarterly basis. Water meters are broken out into 3 districts, so the water billing process is a monthly operation for the department. Utility bill collections are conducted under the Tax/Water/Sewer Collections section at Town Office. Within the Water Department, wages and benefits for one FT and one PT (16 hour/week) utilities billing clerks, split 50/50 between water and sewer billing, are included. Additional wage and benefit allocations include the Collections Office (25%), Finance Director (12.5%), Accountant (12.5%), and Accounting Clerk (12.5%). Expenses in billing include certified mail shutoff notices, audit fees, software fees for Town's accounting software Munismart.

Distribution \$867,011 (26% of water budget) is charged with the operation and maintenance of the water distribution system including water mains, storage tanks, pumping facilities, hydrants and valves. Staff assigned to this group include the Utilities Foreman, the Foreman, 2 Maintenance Technicians, the Distribution/Collection Technician, and 3 Heavy Equipment/System Operators. All positions are split 50/50 with sewer, which equates to 4 FTEs in water distribution and 4 FTEs in sewer collection. Expenses within distribution include electricity and heat for 7 water pumping stations; contracted elevated storage tank maintenance (internal and external coatings inspections and repairs for Fuller Lane and Epping Road towers); non-coatings related costs for towers and pumping stations, including pump maintenance, check valves, I/O cards, and security; distribution system maintenance for hydrants, gate valves and boxes, curb stops, water main repairs, service saddles; repair, replacement and testing of water meters and backflow prevention devices; maintenance costs and fuel for 10 vehicles and 3 trailers (split 50/50).

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Treatment \$752,615 (22% of water budget) covers all costs associated with the treatment of the public water supplies and operations of the surface water treatment plant at Portsmouth Avenue and the groundwater treatment plant at Lary Lane. Salaries, wages and benefits for the Water Treatment Plant Operations Supervisor and 3 Water Treatment Plant Operators are included. Other major cost components are water treatment chemicals, electricity for pumping, laboratory testing in accordance with the Safe Drinking Water Act, and natural gas for heating buildings and fuel for generators.

Debt Service \$1,102,718 (32% of water budget) includes principle and interest payments for previously approved and completed projects, such as the Epping Road Tank and the Lary Lane Groundwater Treatment Plant.

Capital Outlay \$76,386 (2% of water budget) for capital improvements to the surface Water Treatment Plant (WTP) and vehicle replacement.

Recent budget trends over the last 3 years reflect an annual increase of 6% per year in the Water Department. These increases are due to major capital improvements, including the bond financing for the design and construction of Lincoln and Winter Street water mains and State Revolving Fund (SRF) loan for water meter upgrades. Also, repayment of the SRF loan for the \$6.35 million design and construction of the Lary Lane Groundwater Treatment Plant and Gilman and Stadium Wells commences January 2017. Continued expenditures for the replacement and rehabilitation of aged water mains is anticipated, as documented in the Public Water Asset Management Plan, Exeter, NH, May 2015 by Tata and Howard. Additional expenditures for compliance with Total Trihalomethanes (TTHM's) will also be required.

## Section II

### 2017 Budget Highlights/Impacts

The Water Fund is an enterprise fund completely supported by water consumption and service charges, impact fees, other water related fees and revenues.

The total Water preliminary budget request for 2017 is \$3,378,229 which is an increase of \$393,186 (13%) over the 2016 budget of \$2,985,043. These increases are primarily due increases in expenses listed below.

#### Category: Wages/Benefits

1. WAGE AND BENEFIT CHANGES:

In Water Distribution, the new FT W/S heavy equipment/system operator was included in the 2016 budget for 6 months; the additional 6 months is reflected in the 2017 budget, with full benefits, split 50/50 between W/S will add \$25,750. Collective bargaining agreement (CBA) currently under negotiation; wage increases for 13 employees covered by CBA will be in a separate warrant article.

2. OVERTIME:

Water Distribution overtime is requested at 600 hours at \$35/hour (average OT rate) for the year totaling \$21,000, the same since 2013. Overtime is needed for emergency operations, water breaks, hydrant flushing and work beyond 40 hours. Union contract callout requirements are minimum 3 hours, at time and half pay.

Water Treatment overtime is requested at 538 hours for operators for the year totaling \$19,075, the same since 2013. Overtime is needed for shift coverage between 3 operators and work beyond the 40 hour/week. Union contract callout requirements are minimum 3 hours, at time and half pay.

#### Category: Expenses

1. Line Item 02-4332-0622-4372 WD - Contracted Maintenance. This line item has been increased from \$214,981 in 2016 to \$219,171 in 2017 to include contracted maintenance of Epping Road tank, similar to the contracted tank maintenance/asset management of Fuller Lane tower. In addition to annual inspections and maintenance, work includes exterior overcoat and interior touch-up in 2017 and new interior coatings in 2020.
2. Line Item 02-4332-0622-5759 WD - Metering & Backflow. This line item has been increased from \$50,000 in 2016 to \$83,385 in 2017 to include calibrating, rebuilding/replacing aged water meters in accordance with AWWA standards. There are over 3,200 5/8" water meters in the system; 10% of these meters should be tested every year, larger meters more frequently.
3. Line item 02-4335-0623-5200 WT - Consulting. Increased from \$10,000 in 2016 to \$20,000 in 2017 for assistance with compliance with disinfection by-products (DBPs) regulations.
4. Line item 02-4335-0623-5984 WT - Lab Testing. Increased from \$25,500 in 2016 to \$30,000 in 2017 for monthly Cryptosporidium monitoring in untreated surface waters in

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accordance with Long Term 2 Enhanced Surface Water Treatment Rule (LT2ESWTR) in 2016 & 2017, and additional TTHM testing.

**Category: Capital Outlay/Other**

1. Line item 02-4900-0627-7301 CO - Capital Outlay - Leases. Increased \$15,678 for Financial Software and \$1,702 for Light Duty Vehicle.
2. Line item 02-4900-0627-7420 CO - Capital Outlay - Vehicle. Increased from \$0 in 2016 to \$29,005 in 2017 for 50% of the purchase of replacement Truck #2, a 2006 F350 customized utility box truck (50/50 split between water and sewer).

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## Section III

### 2017 – New Budget Requests

Please expand here on any **new budget requests** such as additions to staff (permanent or temporary), new equipment/computer purchases, software, service contracts, consulting, maintenance, etc. You will need to have actual vendor quotes for any new items, calculations for wages, taxes and benefits are needed for new staff, etc. Please contact the Finance department, if you intend to request a new employee(s) or additional hours in 2017.

Finance will calculate wages, taxes, etc. Please justify your need for all new requests below. Are there any grants available? Will revenues increase or decrease, if the purchase/hire are added? For new positions or added hours, an identified and quantifiable need must be described and how increased personnel will resolve the issues. In addition, please describe what alternatives to additional personnel have been researched as an alternative to resolving the problem. Identify areas of the budget (again) where the request is made (wages/benefits, expenses, capital outlay, etc.)

There are no new budget requests for the Water Department in 2017.