



Town of Hinesburg
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MEMORANDUM

TO: Selectboard , Rocky Martin & Joe Colangelo
FROM: Renae Marshall
DATE: May 1, 2013
RE: Water/Wastewater Budget Narrative - Expenses

Selectboard member Phil Pouech, Rocky Martin, Joe Colangelo and Renae Marshall have worked collectively to put this budget together. The objective of the following narrative is to explain the line item budget and it is intended to be used as a companion to the budget figures.

As of May 6th, this is considered a DRAFT budget & narrative to allow the Selectboard and public to get an idea of where we are at. This budget will be finalized prior to the end of the fiscal year upon dialogue between staff, Selectboard and the public.

Water/Wastewater – FY14

The General Fund budget is approved by voters each year but the Water/Wastewater is reviewed and approved at a regular Selectboard meeting. However, any bond for Water/Wastewater improvements is decided by a town-wide vote, not just by users. If defaulted, the Town is on the hook for repayment of the bond.

Water Department Expenses

Operating Supplies – Includes costs for chemicals and incidental supplies

R & M (Repair & Maintenance) Supplies – Includes the cost for any water line repairs and regular maintenance for the system. Includes costs related to redoing connections for the existing Police Station building and Wastewater Pump Station. Both are connected to a 2” line in poor condition adjacent to the 8” line installed in the 99 upgrade. The 2-inch line will be capped and buildings connected to the 8” line. This will take place prior to construction of the new building. In order to retain the existing Police Station, approximately \$800 of materials plus labor would need to be used, as well as the repair of the sidewalk. Also need to install a level transducer at the Piette Rd storage tank.

Note: Part of the \$21,467 for Actual 12 was for expenses related to Well 3 rehab (still hoping for reimbursement from the State).

Small Tools/Equipment – Need to replace chemical feed pumps at well house.

Postage – Postage is no longer included in individual department budgets but rather drawn from Town Hall Technology in the General Fund.

Dues, Meetings and Subscriptions – This line item increased due to the trainings/classes that may be necessary for a new operator. This also includes the cost of credit hours for continuing education classes as required for employees.

Insurance (Regular Property) – The Town Administrator is working with VLCT to clarify budget amounts for this line item.

Insurance (Workers Comp) – The Town Administrator is working with VLCT to clarify budget amounts for this line item.

Testing – This line item includes the cost to send out test samples of the water monthly, quarterly, etc., as required. Our test samples go to state approved labs. Endyne submits their findings directly to the state.

R & M (Repair & Maintenance) Labor – This line item was increased for the replacement of connections for Police Station and Wastewater Pump Station, storage tank cleaning at Piette Rd & Lyman Meadows. This line item also includes contingency for any water main breaks under roads, etc.

Water Permit Fees – Fees to State based on water usage; the rates have increased

Utilities – Covers costs for electricity and heat well house, cemetery pump station, Piette Rd pump station, CVU vault, Lyman Meadows well house. Hoping this will be lower, less electrical consumption/run time wells and booster pumps.

Miscellaneous – Miscellaneous expenses

Principal 96 Bond – Upgrade/Expansion of Town system, this bond will be paid off in 2026.

Interest – 96 Bond – Upgrade/Expansion of Town system, this bond will be paid off in 2026.

Capital Transfers – This line item has increased from \$8,744 in FY13 to \$27,000 in FY14

Shared Expenses

Salary – This line item has increased to better reflect each employee's time spent working in this department. Currently there are 2 full-time positions in the Water/Wastewater Department at 100%. Other Town staff that have a % of their salary paid from the Water/Wastewater Department are as follows: Town Clerk 15%, Assistant Town Clerk 15%, Buildings & Facilities Director 15%, Town Administrator 5% - This line item was budgeted for \$144,190 in FY13 and is proposed to increase to \$151,508 in FY14. The proposed configuration currently is as follows: 2 full-time employees at 100%, Buildings & Facilities Director 40%, Assistant Town Clerk 15%, Town Clerk 10%, Town Administrator 10%, Town Administrator Assistant 10%. These same percentages will be used in budgeting for health, dental, vision, FICA, and retirement. This reallocation of percentage from general fund to water/wastewater fund needs to be discussed in more detail so that staff and the Selectboard feel as though compensation for employees is being paid for from the appropriate source.

Also important to note is that FY2014 budget reflects a change to the organizational structure of the water/wastewater department. Recently, the water/wastewater has been managed on a day-to-day basis by the Water/Wastewater Superintendent with support of the Operator. The Buildings & Facilities Director has provided general oversight but not day-to-day management. Proposed here for the Selectboard to approve is a budget that would give day-to-day management of the water/wastewater department to the Buildings & Facilities Director, eliminate the need for the position of Water/Wastewater Superintendent, and create a new operator position.

Accounting Assistant – This line item reflects the portion of time the Town Clerk’s Accounting Assistant is working on Water/Wastewater.

FICA – Same percentage of premiums as indicated in salary line.

Health Insurance – Same percentage of premiums as indicated in salary line.

Dental Insurance – Same percentage of premiums as indicated in salary line.

Vision – Same percentage of premiums as indicated in salary line.

Retirement – Same percentage of premiums as indicated in salary line.

Insurance Opt-out – Same percentage of premiums as indicated in salary line.

H.S.A. Contribution – Same percentage of premiums as indicated in salary line.

Office Supplies – Covers folders, paper, ink cartridges, general office supplies

Vehicle R & M – Contingency, replacing one of two vehicles

Postage – Postage for water/sewer is tracked separately, and not included with other departments.

Vehicle Insurance – This line item includes the cost of insurance for two trucks for the Water/Wastewater department as well as a portion of the Building & Facilities Director’s truck.

Trash Removal – Covers the cost of a dumpster for trash and recycling for both water and wastewater.

Uniforms – Per union contract, Water/Wastewater employees have the option of participating in the Town’s uniform contract like the highway department or they can opt out and receive an allowance of \$700 for clothing and \$200 for boots, per employee.

Telephone – Telephone and internet service as well as a portion of Water/Wastewater employee’s cell phone bill in accordance with union contract.

Vehicle Fuel – Also covers fuel for lawn mowing/brush hogging and if any smaller transfer pumps have to be run for longer periods of time (pumping down sludge holding lagoon)

Capital Transfers – \$5,500 for trucks; \$1,200 for meters - see Shared Capital

Wastewater Department Expenses

Currently don't have major projects for wastewater as our most significant projects are for the water department.

Operating Supplies – Costs of chemicals and incidental supplies

R & M Supplies– This includes the cost of supplies to insulate a chemical feed line to chlorine contact chamber; add gravel to the driveway which provides access. This is also used as a contingency for general repair/maintenance items.

Small Tool & Equipment – Contingency in case something breaks and needs to be replaced

Advertising – We don't anticipate using this line item in FY14

Dues, Meetings, Subscriptions - This line item increased due to the trainings/classes that may be necessary for a new operator. This also includes the cost of credit hours for continuing education classes as required for employees as well as licensing fee.

Insurance – P & C - The Town Administrator is working with VLCT to clarify budget amounts for this line item.

Insurance – WC - The Town Administrator is working with VLCT to clarify budget amounts for this line item

Testing – This line item includes the cost to send out test samples of the wastewater monthly, quarterly, etc., as required. Our test samples go directly to state approved labs.

R & M Labor– This includes the cost of labor to insulate a chemical feed line to chlorine contact chamber; add gravel to the driveway which provides access. This is also used as a contingency for general repair/maintenance items.

Permits & Licenses – Annual operating fee to state.

Miscellaneous – Miscellaneous expenses

Utilities – Electricity and heat for pump station and treatment plant buildings.

Phosphorous Removal – Currently using 25-50 gallons of alum per day for phosphorus removal. Will explore the possibility of decreasing alum usage in gradual increments to experiment with what amounts are able to achieve the desired results without excess sludge buildup.

Note: Rocky stated Actual 12 amount should be closer to \$17,000 as roughly \$4,000 was charged incorrectly.

2012-2032 Bond – Accurate amount should be \$49,328 for principal and interest for the upgrade

Capital Transfers – FY2014 total of \$44,626 – see Wastewater Capital

Water Capital

Capital Improvement Reserve – Essentially, this is a savings account for future capital upgrades. Currently there is \$250,000 in this reserve fund.

New Water Source - Over the next two years, money is budgeted for the Water Feasibility Study. This money will be used for the repayment of the 0% interest loan over 5 years for the anticipated \$30,000 to complete this study. Beginning in FY2016, the capital plan shows monies needed for the repayment of a 20 year bond for the anticipated capital upgrade.

Shared Capital

Meters – We are setting aside \$1200/year for meters (currently install an average of 4 meters/year).

Rocky's truck – A portion of the lease payment for the Buildings & Facilities Director's truck is being paid through the Water/Wastewater Department.

2003 Utility truck /2005 Ford Ranger - The Water/Wastewater Department currently has a 2003 utility truck and a 2005 Ford Ranger. The plan is to replace the 2005 Ford Ranger as the 2003 utility truck appears to be functioning well. We did have both vehicles evaluated by a mechanic and this was the recommendation. Currently we are still determining what it (2005 Ford Ranger) will best be replaced with. This vehicle will be purchased with a lease payment.

Wastewater Capital

Sludge Removal –Sludge normally needs to be removed every 6-8 years. The plan is to set aside \$20,000/year for this purpose.

Capital Reserve – The plan is to set aside \$22,626/year. Basically, this amount is any residual between revenues & expenses. The Town needs to build up this reserve due to the fact that up until this current year; there was no money set aside in Water/Wastewater capital.

Building Improvements – Currently requesting some improvements to the wastewater pump station next to the new public safety campus. The plan is to set aside \$2000/year for the following building improvements:

- Replace existing asphalt roof (installed in 1992 with 15-yr asphalt shingles) with standing seam roof
- Increase insulation at time of roof replacement
- Landscaping

Utility Special Projects - (for reference only)

Lease Solar Trackers – The solar trackers are on a 5 year lease with All Earth Renewables (AER) and credits from GMP go to water/wastewater accounts. The lease is up in FY2015. Rocky recommends evaluating at the end of year 4 to see how the four years have worked to decide if we want to purchase. We pay lease to AER based on \$0.20/kWh, and receive credits from GMP at the rate of \$0.19831/kWh produced-almost break even. Last year the trackers produced 248,000 kWh, at that rate it cost water/wastewater dept approx. \$420.00. Rocky feels it has been a worthwhile project.

Water/Wastewater Revenue (for reference only)

Water/Wastewater Connection (hook-up) Fees - \$1000 water hook-up fee, \$1000 wastewater connection fee

Rates- Water basic rate = \$72/unit/quarter; \$0.035/cu ft. usage over 500 cu ft. Wastewater basic rate=\$64/unit/quarter; \$0.027/ cu ft. usage

Wastewater Allocation Charge- \$11.91 per gallon requested (No allocation charge for water but maybe we should implement one)

Rates change on a yearly basis now, effective July 1st of each year.