

Public Works Enterprise Funds



Purpose Statement

The purpose of the Public Works Department Enterprise Funds is to provide the citizens of the town with an environmentally sound, efficient and cost effective means of obtaining drinking water and disposal of solid waste and wastewater.

Solid Waste Enterprise Fund

Purpose Statement

The objective of the Solid Waste Division is to provide the citizens of Barnstable with an environmentally sound, cost-effective means of disposing or recycling of municipal solid waste at reasonable market rates that support all solid waste disposals and recycling costs.

Transfer Station

Recent Accomplishments

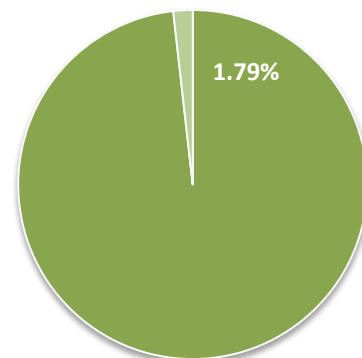
- Processed approximately 4,500 yards of compost and provided it to Sticker Holders free of charge
- Continuing Food Waste Composting Program with grants from Mass DEP
- Continued Mattress Recycling Recovery Program with grants from Mass DEP
- Continued with post closure monitoring and maintenance of capped landfill
- Attended seminars on ways to expand recycling efforts in all areas

Recycling Centers

Solid Waste Collection

- MSW (Household Trash) – 8,300 tons
- Town Packer Service – 405 tons
- Construction & Demolition (C&D) – 2,549 tons
- Recycling
- Single Stream – 2,027 tons
- Corrugated Cardboard – 521 tons
- TV's & Computers – 9,309 tons
- Metal – 708 tons
- Cast Iron – 40 tons
- Aluminum – 27 tons
- Refrigerator & AC's – 2,460 pieces

Percentage of FY19 All Appropriated Funds



Solid Waste Fund comprises 1.79% of all appropriated funds.

Fiscal Year 2019 Goals and Objectives

(All Goals relate to the nine areas of the Town Council's Quality of Life Strategic Plan- See Introduction Section)

Short-Term:

1. Complete the evaluation and design of the Solid Waste Facility. **(SP: Public Health and Safety, and Infrastructure)**
2. Devise efficient systems to address rising costs of disposal of recyclable material. **(SP: Finance, Public Health and Safety, and Regulatory Process and Performance)**

Long-Term:

1. Construct the improvements to the Solid Waste Facility. **(SP: Public Health and Safety, and Infrastructure)**
2. Pursue all available grants to improve costs of operations. **(SP: Finance)**



SOLID WASTE FACILITY ARIAL VIEW

Description of Solid Waste Fund Services Provided

The program provides for the operation, maintenance and remedial upgrading of the Town’s Solid Waste Transfer Facility to meet State regulations and operation of a residential transfer station and a recycling center including composting of grass clippings and leaves. The transfer station involves a compactor type system that allows residents to dispose of their bagged waste. A residential sticker is sold annually which entitles purchasers to utilize the Residential Transfer Station. The Solid Waste Division manages and coordinates the transfer and disposal of solid waste and recyclables on the Town’s behalf.

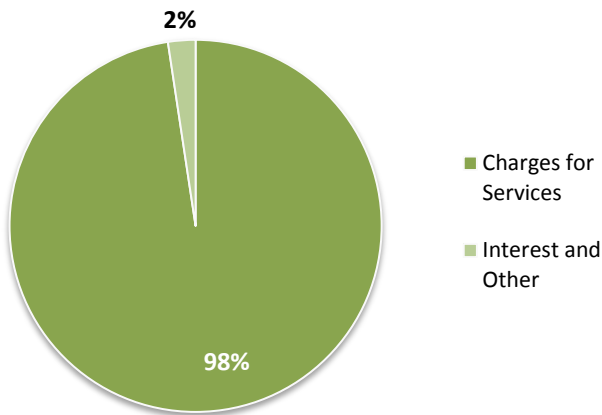
Solid Waste Fund Financial Summary

The Solid Waste Fund is used to account for all revenues and expenses associated with operating the Town of Barnstable’s facility located on Flint Street in Marstons Mills. The facility operates a transfer station, recycling facility, and bulky item disposal service.

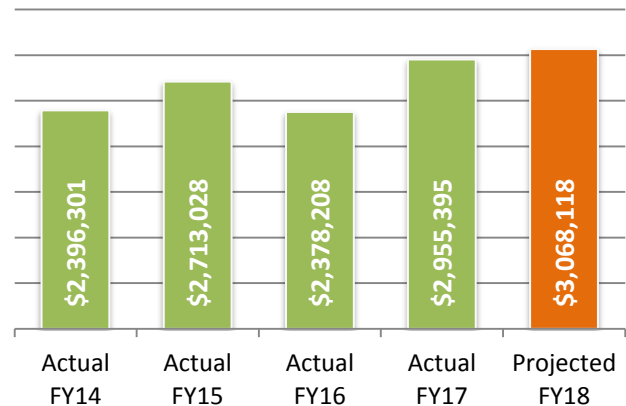
Factors Affecting Revenues

The Solid Waste Fund revenues are affected by rates set at the residential transfer station and recycling facility. Rates are set annually for services provided by this facility. The two major sources of revenue for the fund are the residential sticker and the tonnage fees charged for disposal of construction and demolition materials by homeowners and local small businesses. The Department of Public Works is evaluating a pay-as-you-throw program option that could increase recycling and reduce disposal costs. This will be presented to the Town Council for their consideration in the near future.

FY19 Source of Funding



Solid Waste Enterprise Fund Source of Funding History

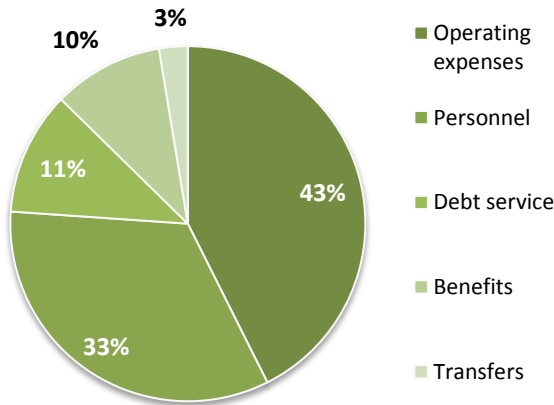


Charges for services account for 98% of total revenue sources. This includes the annual residential transfer station sticker. The drop-off in revenue in FY16 was the result in a change in the timing of renewals for residential transfer station stickers.

Factors Affecting Expenses

Expenses have been forecast to provide staffing levels for a 7-day operation. Projected wage and benefit increases range from 3 to 10 percent. Debt service is included for all solid waste related borrowings. A significant amount of the fund’s surplus is expected to be consumed by funding debt repayment over the next two years on the loan issued for the landfill capping. Surplus used for debt repayment has been planned as surplus was accumulated in prior years for this specific purpose in order to eliminate any need for rate increases to repay the loans.

Solid Waste Enterprise Fund
FY19 Budget By Major Category



Solid Waste Enterprise Fund
Budget History



Personnel and benefits comprise 43% of this fund’s expenses. Operating expenses comprise the second largest category 33%. The Solid Waste Enterprise Fund budget has increased from \$3.2 million in FY15 to \$3.6 million proposed FY19 over the five-year period, or 2.71% annually. The significant spike in FY16 is due to new waste disposal contract that is significantly higher than previous years.



Solid Waste Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2017	FY 2018	FY 2018	FY 2019	FY18 - 19	Change
Charges for Services	\$ 2,887,179	\$ 2,908,500	\$ 3,030,283	\$ 2,998,500	\$ 90,000	3.09%
Interest and Other	68,216	71,000	37,835	71,000	-	0.00%
Total Operating Source of Funding	\$ 2,955,395	\$ 2,979,500	\$ 3,068,118	\$ 3,069,500	\$ 90,000	3.02%
Intergovernmental Aid	\$ 211,000	\$ -	\$ -	\$ -	\$ -	0.00%
Total Capital Source of Funding	\$ 211,000	\$ -	\$ -	\$ -	\$ -	0.00%
Total Sources of Funding	\$ 3,166,395	\$ 2,979,500	\$ 3,068,118	\$ 3,069,500	\$ 90,000	3.02%
Expense Category						
Personnel	\$ 1,124,661	\$ 1,180,498	\$ 1,098,599	\$ 1,212,034	\$ 31,536	2.67%
Benefits	113,634	352,613	331,288	363,630	11,017	3.12%
Operating Expenses	1,174,146	1,399,999	1,424,479	1,541,871	141,872	10.13%
Debt Service	401,208	393,368	393,368	407,362	13,994	3.56%
Transfers Out	499,114	101,542	101,542	94,192	(7,350)	-7.24%
Subtotal Operating Budget	\$ 3,312,763	\$ 3,428,020	\$ 3,349,276	\$ 3,619,089	\$ 191,069	5.57%
Capital Improvements Program	\$ 275,155	\$ -	\$ -	\$ -	\$ -	0.00%
Total Capital Expenses	\$ 275,155	\$ -	\$ -	\$ -	\$ -	0.00%
Total Expenses	\$ 3,587,918	\$ 3,428,020	\$ 3,349,276	\$ 3,619,089	\$ 191,069	5.57%
Excess (Deficiency) Cash Basis	\$ (421,523)	\$ (448,520)	\$ (281,158)	\$ (549,589)	\$ (101,069)	
Adjustment to accrual basis	(26,708)	-	-	-		
Beginning Net Assets per CAFR	1,868,053	1,419,822	1,419,822	1,138,664		
Ending Net Assets per CAFR	1,419,822	\$ 971,302	\$ 1,138,664	\$ 589,075		
Invested in capital assets, net of related debt (1)	(2,050,981)					
Intergovernmental receivable (1)	(235,266)					
Reserved for subsequent year's budget (2)	(448,520)					
Reserved for encumbrances (3)	(91,341)					
Other post employment benefits obligation (4)	563,870					
Compensated absences (4)	65,454					
Net pension liability (4)	3,259,144					
Deferred outflow of resources (5)	(302,674)					
Net assets available for appropriation (free cash) (6)	\$ 2,179,508					

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents the net assets appropriated for the subsequent fiscal year's capital program and operating budget.

(3) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(4) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(5) This amount represents the deferred recognition of an outflow of resources related to future fiscal years.

(6) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

Solid Waste Enterprise Fund FY19 proposed budget is increasing by \$191,069 or 5.57% over FY18 budget. Personnel costs are increasing \$42,552 due to contractual obligations. Operating costs are increasing \$141,872 as a result of increased cost for recycling materials disposal.

Additional Funding Recommended

1. Single Stream Recycling Disposal

**\$135,000 Requested
\$135,000 Recommended**

We began paying for the disposal of our single stream recycling in the Fall 2017 a new cost that we have incurred to dispose of our single stream recycling.

2. Increase Recycling Materials Disposal - Mattress

**\$11,000 Requested
\$11,000 Recommended**

The increase is to cover our cost of disposal of mattresses after they are dropped off by residents.

Full-time Equivalent Employees

Job Title	FY 2017	FY 2018	FY 2019	Change
Admin Assistant to DPW Director	0.15	0.15	0.15	-
Administrative Assistant	1.00	1.00	1.00	-
Assistant DPW Director	0.15	0.15	0.15	-
Director of Public Works	0.15	0.15	0.15	-
Equipment Operator	2.00	2.00	2.00	-
Financial Coordinator	0.15	0.15	0.15	-
Lab/Craftperson/Gate Attendant	5.00	5.00	5.00	-
Mechanic/Working Foreman	2.00	2.00	2.00	-
Principal Dept/Div Assistant	1.00	1.00	1.00	-
Recycling Laborer	4.00	4.00	4.00	-
Safety Officer	0.20	0.20	0.20	-
Solid Waste Supervisor	1.00	1.00	1.00	-
Town Engineer	0.15	0.15	0.15	-
Full-time Equivalent Employees	16.95	16.95	16.95	-

Water Pollution Control

Purpose Statement

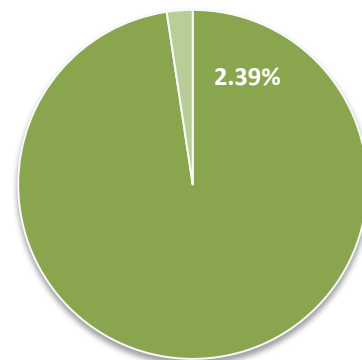
The purpose of the Water Pollution Control Division is to provide the citizens of the Town with an environmentally safe, efficient and effective means of disposing of sanitary waste.



Recent Accomplishments

- Treated 564,433,700 gallons of wastewater
- Treated 9,906,800 gallons of septage
- Treated 697,900 gallons of grease and processed 1,015 dry tons of sludge
- Performed jet-rod cleaning of 4.5 miles of sewer line
- Performed television inspection of 2.1 miles of sewer line
- Completed construction of improvements to all five clarifiers at the Hyannis WPCF
- Completed construction of a new 750kw emergency backup generator and electrical distribution panels at the Hyannis WPCF
- Completed an infiltration and inflow analysis for the Town's sewer system
- Replaced the influent channel grinder at the Hyannis WPCF
- Completed an updated groundwater modeling run examining the effects of WPCF effluent discharge on the local groundwater table

Percentage of FY19 All Appropriated Funds



Water Pollution Control Enterprise Fund comprises 2.39% of all appropriated.

Fiscal Year 2019 Goals and Objectives

(All Goals relate to the nine areas of the Town Council's Quality of Life Strategic Plan- See Introduction Section)

Short-Term:

1. Develop a computerized wastewater treatment plant simulation model for the Hyannis WPCF. **(SP: Education, and Communication)**
2. Complete an evaluation of the solids handling processes, equipment, and disposal practices at the Hyannis WPCF. **(SP: Infrastructure, Education, and Public Health and Safety)**
3. Construct a portable generator storage building. **(SP: Infrastructure)**
4. Install new backup generators at Marks Path and Route 6A pump stations. **(SP: Infrastructure)**
5. Complete a comprehensive evaluation of the Town's network of sewage pumping stations. **(SP: Infrastructure)**
6. Further, refine existing groundwater models in order to determine the exact disposal capacity of the Hyannis WPCF. **(SP: Education, Infrastructure, and Communication)**



Fiscal Year 2019 Goals and Objectives (Continued)

(All Goals relate to the nine areas of the Town Council's Quality of Life Strategic Plan- See Introduction Section)

Long-Term:

1. Complete design and begin construction of improvements to the solids handling building at the Hyannis WPCF. **(SP: Infrastructure)**
2. Complete design and begin construction of improvements to the Town's network of sewage pumping stations. **(SP: Infrastructure)**
3. Design and construct improvements to sewers determined to have excessive amounts of infiltration and inflow. **(SP: Infrastructure)**
4. Begin implementation of the Town's wastewater management plan. **(SP: Infrastructure, Education, Communication, Environment and Natural Resources)**



ACTIVATED SLUDGE PROCESSING

Description of Water Pollution Control Enterprise Fund Services Provided

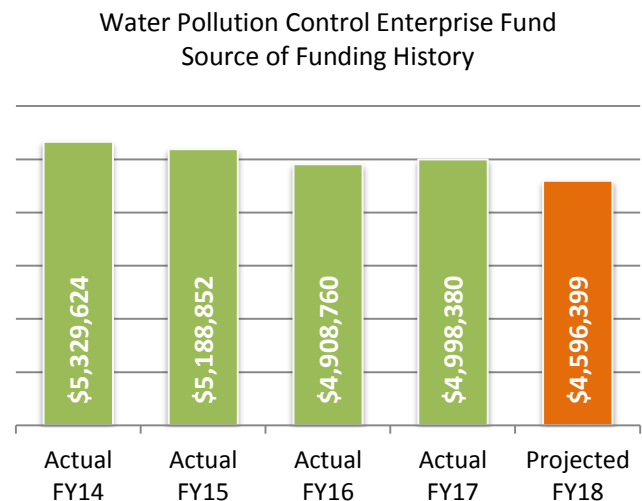
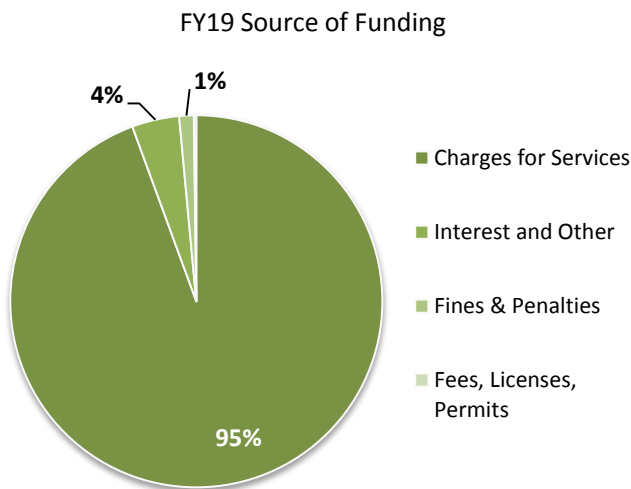
The Water Pollution Control Program, an enterprise account-funded program under the Department of Public Works, manages a wastewater collection, treatment and disposal system, including the operation and maintenance of a secondary wastewater treatment plant, 30 sewage pump stations and 55 miles of sewer lines. The Program also includes the operation of a pretreatment program, and a laboratory for testing the quality of sewage and septic to prevent the introduction of toxic wastes into the system and to ensure compliance with Federal and State regulations. In addition, the Program manages an accounts receivable and billing system for users of the sewer system. The Program provides owners of properties with on-site septic systems with a means of disposing of septic pumped routinely from their systems to prevent premature failure of the system and contamination of the groundwater.

Water Pollution Control Enterprise Fund Financial Summary

The Water Pollution Control Fund is used to account for revenues and expenses associated with the Wastewater Facility on Bearses Way in Hyannis, the treatment plant located in Marstons Mills on school property along Osterville-West Barnstable Road, and a treatment system near Red Lily Pond. The main facility in Hyannis acts as a repository for residential and commercial sewage and septic. The facility in Marstons Mills services the two school buildings and a residential housing development located adjacent to the school property. The Red Lilly Pond system services residential properties located in the vicinity of the pond.

Factors Affecting Revenues

Sewer rates charged to users of the system account for a majority of the revenue in this fund. The number of customers tied into the facility can have a significant impact on revenue. The rates are set in accordance with the necessary revenue required to run the sewer operations and pay back the borrowings issued for the sewer plant improvements. Rate increases of approximately 4 to 5 percent have been implemented over the past several years.

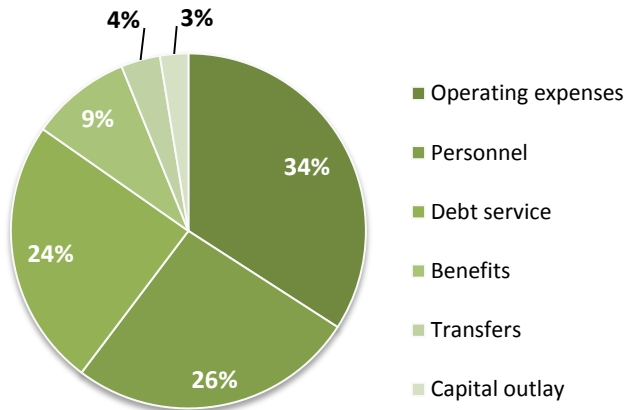


Charges for services accounts for 95% of total sources of revenue. 50% of this category comes from commercial sewer.

Factors Affecting Expenses

Expenses have been forecast to maintain current staffing levels, at a projected wage and benefit increase of 3 and 10 percent respectively. Operating expenses are projected to increase 3 percent per year. Debt service is included for all sewer related borrowings. Projections have been made for all outstanding loan authorizations that have yet to be issued by the Town that will be the responsibility of ratepayers.

Water Pollution Control Enterprise Fund
FY19 Budget By Major Category



Water Pollution Control Enterprise Fund
Budget History



By category, operating expenses is the largest component at 34% followed by personnel and benefits 35% and debt service 24%. The Water Pollution Control Enterprise Fund budget has remained level over the past five years with no significant changes. The reduction in utility costs as a result of implementing renewable energy projects has been a major contributor to this.



WASTE WATER TREATMENT PLANT – ARIAL VIEW

Water Pollution Control Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2017	FY 2018	FY 2018	FY 2019	FY18 - 19	Change
Intergovernmental Aid	\$ 7,266	\$ -	\$ 5,000	\$ -	-	0.00%
Fines & Penalties	96,193	60,000	65,157	60,000	\$ -	0.00%
Fees, Licenses, Permits	9,375	10,000	8,287	10,000	-	0.00%
Charges for Services	4,539,351	4,396,261	4,245,116	4,479,584	83,323	1.90%
Interest and Other	346,195	135,000	272,839	195,000	60,000	44.44%
Total Operating Source of Funding	\$ 4,998,380	\$ 4,601,261	\$ 4,596,399	\$ 4,744,584	\$ 143,323	3.11%
Borrowing Authorizations	\$ 2,104,000	\$ -	\$ -	\$ 701,000	\$ 701,000	0.00%
Total Capital Source of Funding	\$ 2,104,000	\$ -	\$ -	\$ 701,000	\$ 701,000	0.00%
Total Sources of Funding	\$ 7,102,380	\$ 4,601,261	\$ 4,596,399	\$ 5,445,584	\$ 844,323	18.35%
Expense Category						
Personnel	\$ 1,138,218	\$ 1,191,470	\$ 1,181,909	\$ 1,241,473	\$ 50,003	4.20%
Benefits	132,245	401,915	392,777	433,896	31,981	7.96%
Operating Expenses	1,367,898	1,571,178	1,454,419	1,618,586	47,408	3.02%
Capital Outlay	19,351	90,000	49,173	122,000	32,000	35.56%
Debt Service	1,161,588	1,174,395	1,134,107	1,159,163	(15,232)	-1.30%
Transfers Out	444,872	172,303	554,303	169,466	(2,837)	-1.65%
Subtotal Operating Budget	\$ 4,264,172	\$ 4,601,261	\$ 4,766,688	\$ 4,744,584	\$ 143,323	3.11%
Capital Improvements Program	\$ 1,655,260	\$ 382,000	\$ -	\$ 1,046,000	\$ 664,000	173.82%
Total Capital Expenses	\$ 1,655,260	\$ 382,000	\$ -	\$ 1,046,000	\$ 664,000	173.82%
Total Expenses	\$ 5,919,432	\$ 4,983,261	\$ 4,766,688	\$ 5,790,584	\$ 807,323	16.20%
Excess (Deficiency) Cash Basis	\$ 1,182,948	\$ (382,000)	\$ (170,289)	\$ (345,000)	\$ 37,000	
Adjustment to accrual basis	(1,676,644)	-	-	-		
Beginning Net Assets per CAFR	33,028,803	32,535,107	32,535,107	32,364,818		
Ending Net Assets per CAFR	32,535,107	\$ 32,153,107	\$ 32,364,818	\$ 32,019,818		
Invested in capital assets, net of related debt (1)	(23,285,552)					
User Charges Receivable (1)	(1,834,414)					
Special Assessments Receivable (1)	(945,378)					
Intergovernmental receivable (1)	(462,176)					
Reserved for subsequent year's budget (2)	(382,000)					
Reserved for encumbrances (3)	(261,920)					
Reserved for continuing appropriations (4)	-					
Other post employment benefits obligation (5)	371,309					
Compensated absences (5)	64,896					
Net pension liability (5)	3,305,013					
Deferred outflow of resources (6)	(306,934)					
Net assets available for appropriation (free cash) (7)	\$ 8,797,951					

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents the net assets appropriated for the subsequent fiscal year's capital program budget.

(3) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(4) This represents the portion of the enterprise fund's cash in the town's treasury that has been appropriated for a specific capital expenditure which still remains unexpended as of June 30, 2016.

(5) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(6) This amount represents the deferred recognition of an outflow of resources related to future fiscal years.

(7) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

Water Pollution Control FY19 proposed budget is increasing by \$143,323 or 3.11% over FY18 budget. Personnel and benefit costs will increase by \$81,984 because of contractual obligations. Operating costs will increase by \$47,408, which includes costs for \$40,000 computer software, \$5,000 pump station upgrades, and \$5,000 laboratory supplies. Capital outlay costs of \$122,000 includes the annual \$90,000 for equipment replacements and \$32,000 for generator replacement.

Additional Funding Recommended

1. Operating Capital Renewal

\$90,000 Requested
\$90,000 Recommended

To fund the replacement of large pieces of equipment and other critical components of the wastewater treatment process.

2. Marks Path Pump Station Generator Replacement

\$32,000 Requested
\$32,000 Recommended

The purpose of this request is to replace the existing generator at the Marks Path Pump Station with a new 80kW natural gas powered generator. Also included in this request are a new automatic transfer switch, a new generator pad, and the relocation of the existing gas service.

3. Supervisory Control and Data Acquisition (SCADA) computer software

\$40,000 Requested
\$40,000 Recommended

Supervisory Control and Data Acquisition (SCADA) computer software is used to provide automation to WPCF equipment and to report plant conditions to plant operators. The software collects data and issues commands to process equipment in order to meet desired conditions. Currently, the WPCF is operating outdated versions of SCADA software, and has only one computer backing up the system. The purpose of this project is to upgrade the SCADA software at the WPCF and provide a second backup computer in order to provide redundancy in case the primary computer fails. This project also includes vital security upgrades in order to enhance plant cyber security.

4. Pumping Stations Budget Increase

\$5,000 Requested
\$5,000 Recommended

Increase the Pumping Station budget to cover the addition of a new Pumping Station. In the fall of 2018, the WPCD will be taking over a new pumping station that is currently being constructed at the new Cape Cod 5 headquarters on Attucks Lane. The overall maintenance cost for a pumping station is approximately \$5,000/year.

5. Laboratory Supplies Budget Increase

\$5,000 Requested
\$5,000 Recommended

The WPCD Laboratory is responsible for sampling and testing of incoming waste streams and treatment plant effluent in order to stay in compliance with Massachusetts DEP permit requirements. The WPCD Laboratory is planning on applying for State certification, which requires additional QA/QC testing in order to be compliant with State regulations. In addition to this, the WPCD is currently preparing to build a computer model of the treatment plant, and additional testing will be required in order to calibrate and verify the model moving forward. This request also takes into account the rising cost of chemicals required to carry out routine testing.

Full-time Equivalent Employees

Job Title	FY 2017	FY 2018	FY 2019	Change
Admin Assistant Sewer Billing	1.00	1.00	1.00	-
Admin Assistant to DPW Director	0.15	0.15	0.15	-
Assistant DPW Director	0.15	0.15	0.15	-
Assistant Mechanic	1.00	1.00	1.00	-
Chief Maintenance Mechanic	1.00	1.00	1.00	-
Chief Plant Operator	1.00	1.00	1.00	-
Construction Project Inspector	1.00	1.00	1.00	-
Director of Public Works	0.15	0.15	0.15	-
Financial Coordinator	0.15	0.15	0.15	-
Labratory Tech/Chemist	2.00	2.00	2.00	-
Plant Operator/Maintenance Laborer	5.00	5.00	5.00	-
Principal Clerk	1.00	1.00	1.00	-
Safety Officer	0.20	0.20	0.20	-
Senior Project Manager	0.40	0.40	0.40	-
Town Engineer	0.15	0.15	0.15	-
Water Pollution Control Division Supervisor	1.00	1.00	1.00	-
Full-time Equivalent Employees	15.35	15.35	15.35	-

Water Supply Enterprise Fund

Purpose Statement

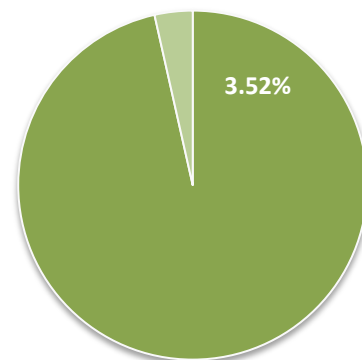
The purpose of the Water Supply Division is to provide commercial and residential properties in Hyannis, Hyannisport and West Hyannisport with a safe, efficient and effective means of obtaining drinking water and fire-readiness services.



Recent Accomplishments

- Pumped, treated, and distributed 826,379,000 Gallons of Water in FY17.
- Increased water quality by continuing the unidirectional flushing system for the Hyannis Water System.
- The start of the cleaning and lining pipe rehabilitation project on West Main Street from the West-end rotary to Lafrance Avenue.
- Constructed a permanent water supply connection with Yarmouth to resolve a contamination and supply issue at the Maher Treatment Plant based on UCMR3 data, and subsequent water quality testing.
- Constructed three buildings around the Mary Dunn filter units to allow for year-round operation of these units.

Percentage of FY19 All Appropriated Funds



Water Supply Enterprise Fund comprises 3.52% of all appropriated funds.

Fiscal Year 2019 Goals and Objectives

(All Goals relate to the nine areas of the Town Council's Quality of Life Strategic Plan- See Introduction Section)

Short-Term:

1. Maintain close contractual oversight of the administration, finances, and operation of the Water Supply Division. **(SP: Finance, Education, and Communication)**
2. Continue to implement the capital funded pipe replacement program by focusing on water quality improvements and deficient water pipe while maximizing results and minimizing customer impact. **(SP: Infrastructure, Environment and Natural Resources, and Public Health and Safety)**
3. Finalize the design, permitting, and bidding of the water filtration building at the Maher facility. **(SP: Infrastructure, Finance, Education, Regulatory Process and Performance, and Communication)**
4. Finalize the new source alternatives evaluation report to provide the Hyannis Water System with drinking water production sources that yield high quality drinking water. **(SP: Infrastructure, Environment and Natural Resources, and Public Health and Safety)**



MARY DUNN 3 CARBON FILTER SYSTEM

Fiscal Year 2019 Goals and Objectives (Continued)

(All Goals relate to the nine areas of the Town Council's Quality of Life Strategic Plan- See Introduction Section)

Long-Term:

1. Implement the new source alternatives evaluation report and develop/install new drinking water wells for the Hyannis Water System. (SP: Infrastructure, Environment and Natural Resources, Regulatory Process and Performance)
2. Construct the water filtration building at the Maher facility. (SP: Infrastructure, Environment and Natural Resources, Communication, Regulatory Process and Performance)



FIRE HYDRANT INSTALLATION

Description of Water Supply Enterprise Fund Services Provided

The Water Supply program, an enterprise account-funded program under the Department of Public Works, oversees the contract management and operation of a water supply system that provides potable water to the residents and businesses (approximately 7,300 accounts) located in Hyannis, Hyannisport, West Hyannisport and fire-readiness services. The management of the system involves substantial investment in water supply sources, pumping, treatment, storage and distribution infrastructure, customer service and regulatory compliance.

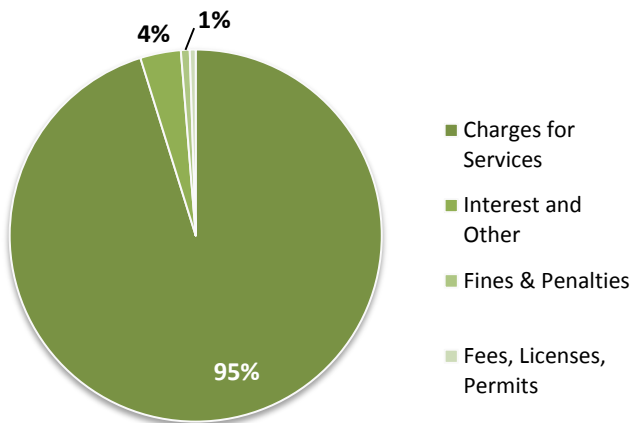
Water Supply Enterprise Fund Financial Summary

The Water Supply Fund was created through the acquisition of the Hyannis Water Company. This operation provides service to residential and commercial properties within the village of Hyannis. The daily management of the water service is provided for by an outside contractor.

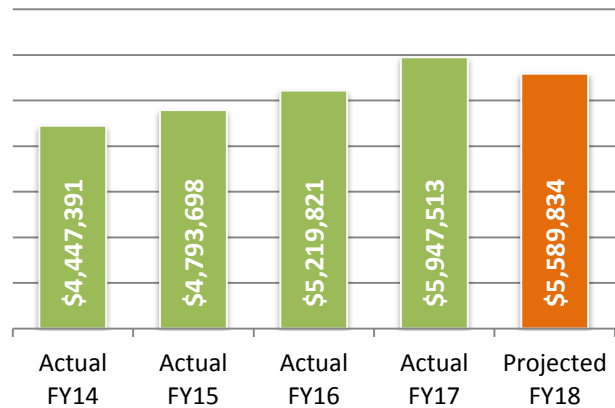
Factors Affecting Revenues

The rates are set in accordance with the necessary revenue required to run the water operations and pay back borrowings issued for water related capital improvements. Current rates are projected to increase 9 percent in FY18 and FY19 to cover the cost of recent major capital improvements.

FY19 Source of Funding



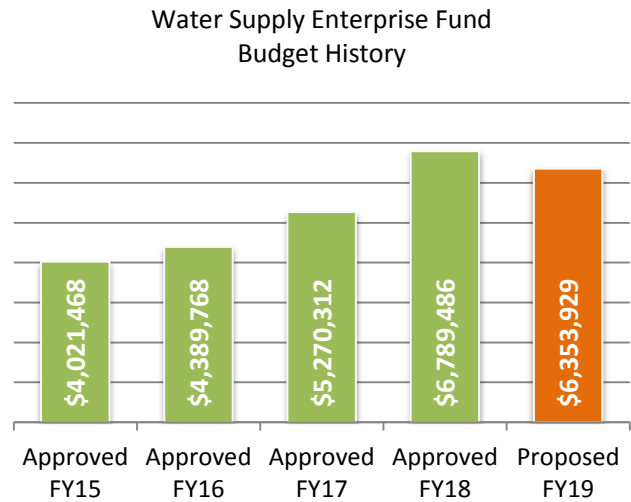
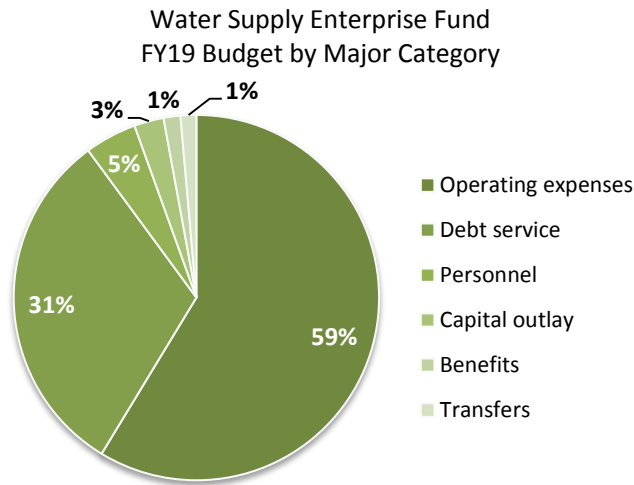
Water Supply Enterprise Fund Source of Funding History



Charges for services are 95% of total sources of revenues, which metered sales accounts for 77% of this category followed by public hydrants fees 14%. Revenue growth for this operation has been a result of rate increases and an increase in consumption.

Factors Affecting Expenses

Management of this service is provided for by an outside contractor and it is expected to continue operating in this manner. The capital improvement portion of this service has a significant impact on expenses. The system has incurred expenses in excess of \$10 million recently to address the water contamination at the Mary Dunn and Maher wells. The projection does not include any legal settlement with the County for the pollution of the Mary Dunn wells and is based on a worst-case scenario.



By activity, operating expenses represent the largest component at 59% followed by debt service at 31%. The Water Supply Enterprise Fund budget has increased from \$4 million in FY15 to \$6.353 million proposed for FY19 over the five-year period, or 11.6% annually. The significant increase is mainly due to an increase in debt service from an aggressive capital improvements program as well as increases in the management contract for the system’s operations.

FISCAL YEAR 2019

WATER SUPPLY

ENTERPRISE FUNDS

Water Supply Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2017	FY 2018	FY 2018	FY 2019	FY18 - 19	Change
Fines & Penalties	\$ 43,266	\$ 44,000	\$ 43,138	\$ 44,000	\$ -	0.00%
Fees, Licenses, Permits	127,131	29,500	178,924	29,500	-	0.00%
Charges for Services	4,969,152	5,297,000	5,137,788	5,466,000	169,000	3.19%
Interest and Other	373,359	207,500	229,984	202,500	(5,000)	-2.41%
Transfers In	434,605	-	-	-	-	0.00%
Total Operating Source of Funding	\$ 5,947,513	\$ 5,578,000	\$ 5,589,834	\$ 5,742,000	\$ 164,000	2.94%
Borrowing Authorizations	\$ 900,000	\$ 1,924,000	\$ -	\$ 1,605,000	\$ (319,000)	-16.58%
Total Capital Source of Funding	\$ 900,000	\$ 1,924,000	\$ -	\$ 1,605,000	\$ (319,000)	-16.58%
Total Sources of Funding	\$ 6,847,513	\$ 7,502,000	\$ 5,589,834	\$ 7,347,000	\$ (155,000)	-2.07%
Expense Category						
Personnel	\$ 274,937	\$ 283,716	\$ 274,365	\$ 291,837	\$ 8,121	2.86%
Benefits	16,692	86,661	87,438	94,779	8,118	9.37%
Operating Expenses	4,097,199	4,062,028	3,989,585	3,728,844	(333,184)	-8.20%
Capital Outlay	179,891	160,000	214,417	166,000	6,000	3.75%
Debt Service	1,547,248	2,129,024	2,003,531	1,983,873	(145,151)	-6.82%
Transfers Out	124,632	68,057	313,057	88,596	20,539	30.18%
Total Operating Budget	\$ 6,240,599	\$ 6,789,486	\$ 6,882,393	\$ 6,353,929	\$ (435,557)	-6.42%
Capital Improvements Program	\$ 3,805,232	\$ 2,169,000	\$ -	\$ 1,970,000	\$ (199,000)	-9.17%
Total Capital Expenses	\$ 3,805,232	\$ 2,169,000	\$ -	\$ 1,970,000	\$ (199,000)	-9.17%
Total Expenses	\$ 10,045,831	\$ 8,958,486	\$ 6,882,393	\$ 8,323,929	\$ (634,557)	-7.08%
Excess (Deficiency) Cash Basis	\$ (3,198,318)	\$ (1,456,486)	\$ (1,292,559)	\$ (976,929)	\$ 479,557	
Adjustment to accrual basis	6,134,949	-	-	-		
Beginning Net Assets per CAFR	15,011,592	17,948,223	17,948,223	16,655,664		
Ending Net Assets per CAFR	17,948,223	\$ 16,491,737	\$ 16,655,664	\$ 15,678,735		
Invested in capital assets, net of related debt (1)	(7,498,744)					
User Charges Receivable (1)	(1,139,820)					
Intergovernmental receivable (1)	(6,589,012)					
Reserved for subsequent year's budget (2)	(1,456,486)					
Reserved for encumbrances (3)	(619,305)					
Reserved for continuing appropriations (4)	-					
Accrued Interest (5)	185,065					
Other post employment benefits obligation (5)	48,555					
Compensated absences (5)	18,432					
Net pension liability (5)	800,937					
Deferred outflow of resources (6)	(448,391)					
Net assets available for appropriation (free cash) (7)	\$ 1,249,454	-				

(1) These are non-cash assets which cannot be appropriated for expenditure. They would need to be converted to cash through sale or collection (accounts receivable) in order to become cash available for appropriation.

(2) This amount represents the net assets appropriated for the subsequent fiscal year's capital program budget.

(3) This amount represents a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid from, a specific appropriation account.

(4) This represents the portion of the enterprise fund's cash in the town's treasury that has been appropriated for a specific capital expenditure which still remains unexpended as of June 30, 2016.

(5) These amounts represent liabilities that will be provided from future resources and not the net assets at the close of the fiscal year.

(6) This amount represents the deferred recognition of an outflow of resources related to future fiscal years.

(7) Amount certified by the Division of Local Services.

Summary of Significant Budget Changes

Water Supply Enterprise Fund FY19 proposed budget is decreasing by \$435,557 or 6.42% over FY18 budget. Personnel and benefit costs are increasing by \$16,239 due to contractual obligations. Operating costs are decreasing by \$333,184 largely due to cost reductions of \$405,000 to purchase water outside the Town. However, these costs do include Suez contractual cost increase of \$81,118. Capital outlay costs \$166,000 includes police detail of \$16,000 and \$150,000 emergency repairs and improvements.

Additional Funding Recommended

1. Operations Contract, Year 10 increase

\$81,118 Requested
\$81,118 Recommended

This decision package request is based on the final, approved proposal provided by Suez according the contractual escalation formula based on various indexes. The efficiency and effectiveness of the water supply operations will be improved by continuing to contract with Suez.

2. Operating Capital Police Details Cost Increase

\$166,000 Requested
\$166,000 Recommended

This decision package request funds the operating capital expenses for the DPW Water Supply Division, operating budget in the amount of \$166,000. This recurring funding request for operating capital expenses is an integral part of the operations since the Town purchased the water system. It funds up to \$16,000 for police details and \$150,000 toward emergency repairs and improvements as detailed in the operations contract. There is a \$6,000 increase in cost of the required use of police details for water main break repairs, fire hydrant flushing, water shutoff gate repair and other water utility related activities.



PIPE REPLACEMENT

Full-time Equivalent Employees

Job Title	FY 2017	FY 2018
Admin Assistant	0.75	0.75
Admin Assistant to DPW Director	0.15	0.15
Assistant DPW Director	0.15	0.15
Director of Public Works	0.15	0.15
Financial Coordinator	0.15	0.15
Safety Officer	0.05	0.05
Senior Project Manager	0.40	0.40
Town Engineer	0.15	0.15
Water Supervisor	1.00	1.00
Full-time Equivalent Employees	2.95	2.95

FY 2019	Change
0.75	-
0.15	-
0.15	-
0.15	-
0.15	-
0.05	-
0.40	-
0.15	-
1.00	-
2.95	-



CARBON FILTER SYSTEM

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