

Public Works Enterprise Funds



**SOLID
WASTE**



**WATER
POLLUTION
CONTROL**



**WATER
SUPPLY**

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 purpose 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.

Transfer Station

Recent Accomplishments

Solid Waste Collection

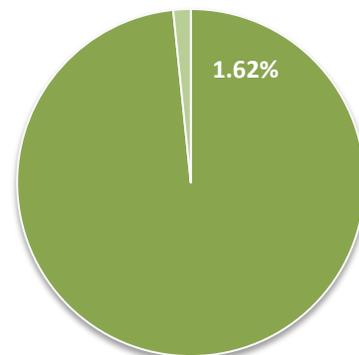
- Processed 8,500 tons of Municipal Solid Waste (MSW)
- Town Packer Service collected 384 tons of waste
- Processed over 2,518 tons of construction & Demolition (C&D) debris

Recycling Centers

Recycling

- Single Stream – 2025 tons
- Corrugated Cardboard – 589 tons
- TV's & Computers – 80tons
- Metal – 820 tons
- Cast Iron – 22 tons
- Aluminum – 12 tons
- Copper & Brass – 1.5 tons
- Tires – 943 pieces
- Refrigerator & AC's – 2081pieces
- Propane Tanks – 1047 pieces
- Mattresses – 1907 pieces
- Fluorescent Bulbs – 24,200 pieces
- Books – 51 tons
- Clothing – 75 tons
- Waste Oil – 8,200 gallons
- Manure – 679 tons

Percentage of FY20 All Appropriated Funds



Solid Waste Fund comprises 1.62% of all appropriated funds.

Additional Recent Accomplishments

Other

- Implemented source separated recycling at the Transfer Station & Recycling Center.
- Processed approximately 3,000 cubic yards of compost and provided it to Sticker Holders free of charge.
- Completed and submitted all MassDEP, Cape Cod Commission, and Town reports and permits.
- Continued with post closure monitoring and maintenance of capped landfill.

Fiscal Year 2020 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. Continue to explore new efficient systems to address rising costs of disposal of recyclable material. **(SP: Public Health and Safety, Finance, and Infrastructure)**

Long-Term:

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



SOLID WASTE FACILITY AERIAL VIEW

Description of Solid Waste Fund Services Provided

The Solid Waste Division manages and coordinates the transfer and disposal of solid waste and recyclables on the Town’s behalf. 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.

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.

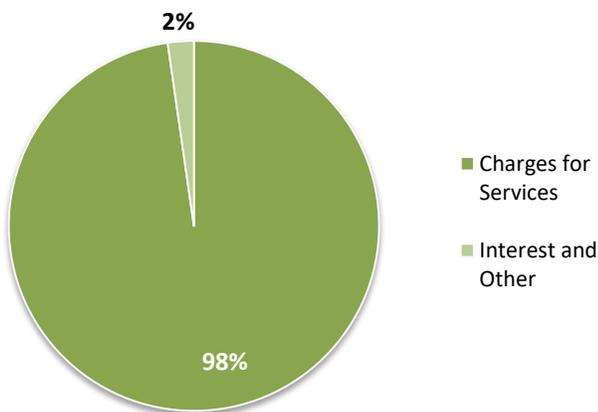
Factors Affecting Revenues

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.

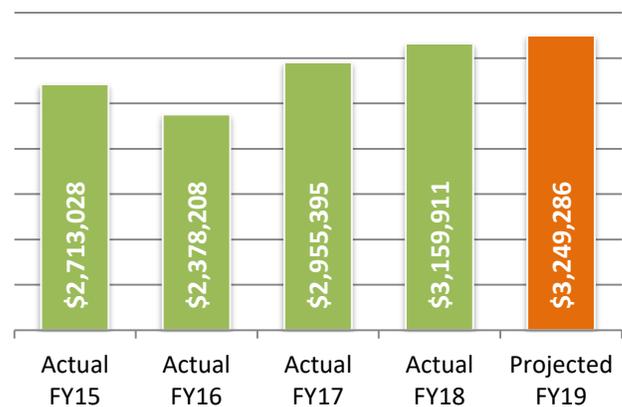
Status on Performance:

The operations at the Solid Waste Division are driven by residents who utilize the facility. Transfer Station Sticker sale numbers were down approximately 60 stickers from FY2018 to FY2019. Recycle Only Sticker numbers have also decreased by approximately 200 stickers from FY2018 to FY2019. For FY2019 the Solid Waste Division is projecting an increase in annual amount of Municipal Solid Waste (MSW) to 8,900 tons in FY2019. In the beginning of FY2019, the Transfer Station & Recycling Center moved from single stream recycling to source separated recycling.

FY20 Source of Funding



Solid Waste Enterprise Fund Source of Funding History

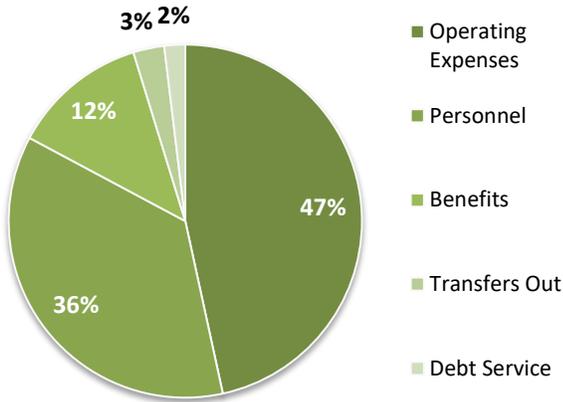


Charges for services account for 98% of total revenue sources. This includes the annual residential transfer station sticker. The drop-off in revenue in FY16 was the result in a change in the timing of renewals for residential transfer station stickers.

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.

Solid Waste Enterprise Fund
FY20 Budget By Major Category



Solid Waste Enterprise Fund
Budget History



Personnel and benefits comprise 48% of this fund’s expenses. Operating expenses comprise the second largest category 47%. The Solid Waste Enterprise Fund budget has remained relatively level over this 5-year period as operating cost increases have been offset by expiring debt service.



FISCAL YEAR 2020

SOLID WASTE

ENTERPRISE FUNDS

Solid Waste Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2018	FY 2019	FY 2019	FY 2020	FY19 - 20	Change
Charges for Services	\$ 3,086,883	\$ 2,998,500	\$ 3,170,979	\$ 3,058,500	\$ 60,000	2.00%
Interest and Other	73,028	71,000	78,307	71,000	-	0.00%
Total Operating Source of Funding	\$ 3,159,911	\$ 3,069,500	\$ 3,249,286	\$ 3,129,500	\$ 60,000	1.95%
Intergovernmental Aid	\$ 14,300	\$ -	\$ -	\$ -	\$ -	0.00%
Total Capital Source of Funding	\$ 14,300	\$ -	\$ -	\$ -	\$ -	0.00%
Total Sources of Funding	\$ 3,174,211	\$ 3,069,500	\$ 3,249,286	\$ 3,129,500	\$ 60,000	1.95%
Expense Category						
Personnel	\$ 1,121,051	\$ 1,212,034	\$ 1,090,279	\$ 1,238,700	\$ 26,666	2.20%
Benefits	332,780	363,630	334,529	425,585	61,955	17.04%
Operating Expenses	1,321,314	1,541,871	1,538,990	1,593,254	51,383	3.33%
Capital Outlay	-	-	-	-	-	0.00%
Debt Service	394,039	407,362	407,362	65,305	(342,057)	-83.97%
Transfers Out	101,542	94,192	94,192	97,039	2,847	3.02%
Subtotal Operating Budget	\$ 3,270,726	\$ 3,619,089	\$ 3,465,351	\$ 3,419,883	\$ (199,206)	-5.50%
Capital Improvements Program	\$ 76,780	\$ -	\$ -	\$ 240,000	\$ 240,000	0.00%
Total Capital Expenses	\$ 76,780	\$ -	\$ -	\$ 240,000	\$ 240,000	0.00%
Total Expenses	\$ 3,347,506	\$ 3,619,089	\$ 3,465,351	\$ 3,659,883	\$ 40,794	1.13%
Excess (Deficiency) Cash Basis	\$ (173,295)	\$ (549,589)	\$ (216,065)	\$ (530,383)	\$ 19,206	
Adjustment to accrual basis	93,663	-	-	-		
Beginning Net Assets per CAFR	(1,310,755)	(1,390,387)	(1,390,387)	(1,606,452)		
Ending Net Assets per CAFR	(1,390,387)	<u>\$ (1,939,976)</u>	<u>\$ (1,606,452)</u>	<u>\$ (2,136,835)</u>		
Invested in capital assets, net of related debt (1)	(1,702,399)					
Intergovernmental receivable (1)	(117,998)					
Reserved for encumbrances (2)	(279,314)					
Reserved for continuing appropriations (3)	(527,218)					
Reserved for subsequent year's budget (4)	(549,589)					
Other post employment benefits obligation (5)	3,133,305					
Compensated absences (5)	60,735					
Net pension liability (5)	3,219,023					
Deferred outflow of resources (6)	35,785					
Net assets available for appropriation (free cash) (7)	\$ 1,881,943					

(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 a reservation of funds to cover obligations arising from purchase orders or contracts that is chargeable to, but not yet paid

(3) 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

(4) This amount represents the net assets appropriated for the subsequent fiscal year's operating budget.

(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

The Solid Waste Enterprise Fund's FY20 proposed budget is decreasing by \$199,206 or 5.50% from the FY19 budget. Personnel costs and benefits are increasing \$88,621 due to contractual obligations and an increase of \$11,000 for overtime. Operating costs are increasing by \$51,383, which includes \$40,000 for credit card fees and for \$8,000 the repair and maintenance for vehicles. The cost increases are offset by a reduction in debt service of \$342,057.

Additional Funding Recommended

1. Credit Card Fees

\$50,000 Requested
\$40,000 Recommended

The operation began accepting credit and debit cards as a payment option in FY19. The operation will incur processing fees for offering this payment option and a new line item in the operating budget is requested to cover this new expense.

2. Repairs & Maintenance Vehicles

\$8,000 Requested
\$8,000 Recommended

Request to increase funding for vehicle maintenance to continue to cover costs of maintaining the fleet of vehicles at Solid Waste Division.

3. Overtime Increase

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

The Transfer Station & Recycling Center is a 7-day a week operation. Contractually, Sundays are always an overtime shift. Coverages for vacations and sick time are also done with employees on overtime. These coverages are essential to the operation of the division.

Full-time Equivalent Employees

Job Title	FY 2018	FY 2019	FY 2020	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

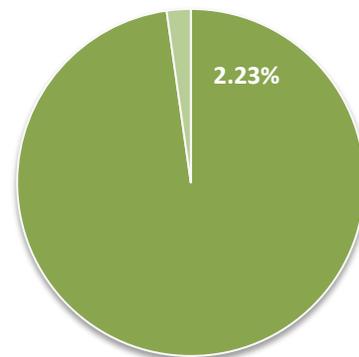
The purpose of the Water Pollution Control Division is to provide the citizens of the Town with an environmentally safe, efficient, and effective means of disposing of sanitary waste.

Recent Accomplishments

- Treated 595,687,800 gallons of wastewater.
- Treated 8,922,100 gallons of septage.
- Treated 799,100 gallons of grease.
- Processed 1,041 dry tons of sludge.
- Performed jet-rod cleaning of 3.9 miles of sewer line.
- Performed television inspection of 2.3 miles of sewer line.
- Completed the rollout of a new asset management and work order system.
- Developed a computerized wastewater treatment plant simulation model for the Hyannis WPCF.
- Carried out smoke testing within the Marstons Mills WWTP collection system.
- Replaced four 20-inch primary clarifier distribution valves.
- Rebuilt electrical panels at the Independence Park and Gosnold pump stations.
- Completed emergency rehabilitation of the flood damaged Rendezvous Lane pump station.
- Completed the inspection phase of the pump station evaluation project.



Percentage of FY20 All Appropriated Funds



Water Pollution Control Enterprise Fund comprises 2.23% of all appropriated funds.

Fiscal Year 2020 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 design of improvements to the solids handling facility at the Hyannis WPCF. **(SP: Education, Finance, and Communication)**
2. Complete the design and begin construction of improvements to the Rendezvous Lane pump station in order to address coastal resiliency. **(SP: Infrastructure, Education, and Public Health and Safety)**
3. Continue to construct and replace emergency backup generators across all sewage pumping stations. **(SP: Infrastructure)**
4. Complete an evaluation and design of an effluent flow meter at the Hyannis WPCF and submit to Mass DEP for review. **(SP: Education, and Communication)**
5. Complete the rehabilitation of the pretreatment grit removal system at the Hyannis WPCF. **(SP: Infrastructure)**



Long-Term:

1. Complete the construction of improvements to the solids facility building at the Hyannis WPCF. **(SP: Infrastructure)**
2. Complete the design and construction of improvements to South Street sewers. **(SP: Education, and Infrastructure)**
3. Complete targeted sewer system evaluation surveys and begin construction of improvements to the Town's sewer collection system in order to remove excessive amounts of infiltration and inflow. **(SP: Infrastructure)**
4. Furthermore, refine existing groundwater models in order to determine the exact disposal capacity of the Hyannis WPCF. **(SP: Public Health and Safety, Education, Communication, Environment and Natural Resources)**
5. Complete the design and construction of gravity sewer on Bears's Way and decommission vacuum sewer in this area. **(SP: Education, and Infrastructure)**
6. Complete the design and construction of improvements to the Town's network of sewage pumping stations. **(SP: Education, and Infrastructure)**

**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.

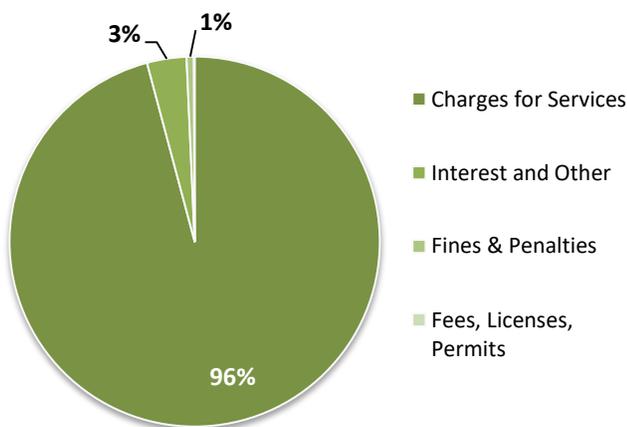
Water Pollution Control Enterprise Fund Financial Summary

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 near the pond.

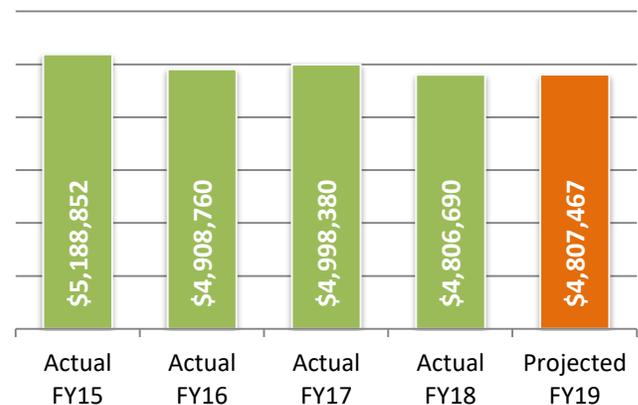
Factors Affecting Revenues

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 1 to 5 percent have been implemented over the past several years.

FY20 Source of Funding



Water Pollution Control Enterprise Fund Source of Funding History

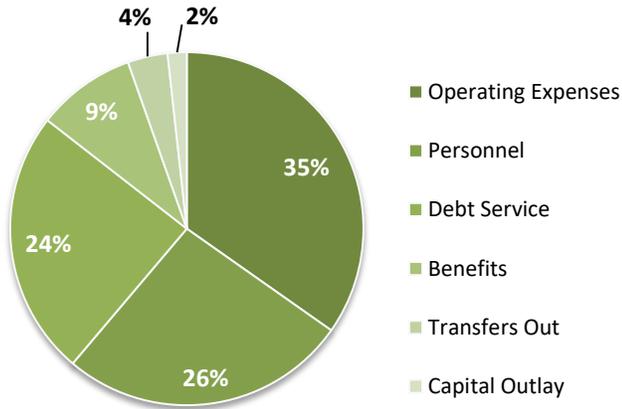


Charges for services accounts for 96% of total sources of revenue. Revenue from commercial sewer is approximately \$2.5 million annually.

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.

Water Pollution Control Enterprise Fund
FY20 Budget By Major Category



Water Pollution Control Enterprise Fund
Budget History



By category, operating expenses is the largest component at 35% followed by personnel and benefits 26% 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 and debt service have contributed to this.



WASTE WATER TREATMENT PLANT – AERIAL VIEW

Water Pollution Control Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2018	FY 2019	FY 2019	FY 2020	FY19 - 20	Change
Intergovernmental Aid	\$ 4,668	\$ -	\$ 8,988	\$ -	\$ -	0.00%
Fines & Penalties	53,647	60,000	54,686	30,000	(30,000)	-50.00%
Fees, Licenses, Permits	13,047	10,000	10,915	3,000	(7,000)	-70.00%
Charges for Services	4,482,464	4,479,584	4,481,288	4,621,380	141,796	3.17%
Interest and Other	252,864	195,000	251,590	162,000	(33,000)	-16.92%
Total Operating Source of Funding	\$ 4,806,690	\$ 4,744,584	\$ 4,807,467	\$ 4,816,380	\$ 71,796	1.51%
Borrowing Authorizations	\$ -	\$ 701,000	\$ -	\$ 6,684,000	\$ 5,983,000	853.50%
Total Capital Source of Funding	\$ -	\$ 701,000	\$ -	\$ 6,684,000	\$ 5,983,000	853.50%
Total Sources of Funding	\$ 4,806,690	\$ 5,445,584	\$ 4,807,467	\$ 11,500,380	\$ 6,054,796	111.19%
Expense Category						
Personnel	\$ 1,193,320	\$ 1,241,473	\$ 1,164,616	\$ 1,242,102	\$ 629	0.05%
Benefits	393,198	433,896	392,820	426,490	(7,406)	-1.71%
Operating Expenses	1,437,878	1,618,586	1,509,250	1,635,176	16,590	1.02%
Capital Outlay	106,183	122,000	119,295	195,000	73,000	59.84%
Debt Service	1,135,729	1,159,163	1,159,163	1,145,487	(13,676)	-1.18%
Transfers Out	554,303	169,466	169,466	172,125	2,659	1.57%
Subtotal Operating Budget	\$ 4,820,611	\$ 4,744,584	\$ 4,514,610	\$ 4,816,380	\$ 71,796	1.51%
Capital Improvements Program	\$ 1,694,438	\$ 1,046,000	\$ -	\$ 7,284,000	\$ 6,238,000	596.37%
Total Capital Expenses	\$ 1,694,438	\$ 1,046,000	\$ -	\$ 7,284,000	\$ 6,238,000	596.37%
Total Expenses	\$ 6,515,049	\$ 5,790,584	\$ 4,514,610	\$ 12,100,380	\$ 6,309,796	108.97%
Excess (Deficiency) Cash Basis	\$ (1,708,359)	\$ (345,000)	\$ 292,857	\$ (600,000)	\$ (255,000)	
Adjustment to accrual basis	827,562	-	-	-		
Beginning Net Assets per CAFR	29,319,276	28,438,479	28,438,479	28,731,336		
Ending Net Assets per CAFR	28,438,479	<u>28,093,479</u>	<u>28,731,336</u>	<u>28,131,336</u>		
Invested in capital assets, net of related debt (1)	(22,030,721)					
User Charges Receivable (1)	(1,751,162)					
Special Assessments Receivable (1)	(177,373)					
Intergovernmental receivable (1)	(89,120)					
Reserved for subsequent year's budget (2)	(345,000)					
Reserved for encumbrances (3)	(215,102)					
Reserved for continuing appropriations (4)	(1,382,011)					
Other post employment benefits obligation (5)	3,419,888					
Compensated absences (5)	54,780					
Net pension liability (5)	3,264,327					
Deferred outflow of resources (6)	43,493					
Net assets available for appropriation (free cash) (7)	\$ 9,230,478					

(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, 2018.

(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

The Water Pollution Control's FY20 proposed budget is increasing by \$71,796 or 1.51% over the FY19 budget. Personnel and benefit costs will decrease by \$6,777 due to a turnover in some staff. Operating costs are increasing \$16,590, which includes \$8,000 for the repair and maintenance on renewable energy equipment, \$25,000 for computer software offset by a reduction in property insurance through the indirect cost calculation from the General Fund. Capital Outlay includes \$90,000 for the replacement of critical components at the treatment plant, \$55,000 for a new van, and \$50,000 for grinder pump purchases.

Additional Funding Recommended

1. Repair and Maintenance Renewable Energy Equipment

\$8,000 Requested
\$8,000 Recommended

This increase covers the rise in costs for renewable energy maintenance contracts as well as routine repairs to these pieces of equipment. The renewable energy equipment at the Water Pollution Control Facility generates \$200,000 worth of electricity per year. The Town currently has service contracts for the wind turbines, the solar array, a monitoring system, and the switchgear that feeds electricity back into the grid. These contracts total \$27,000 per year.

2. Computer Software

\$25,000 Requested
\$25,000 Recommended

The purpose of this request is to create a new recurring budget line to cover the annual cost of computer software. WPCD rolled out an asset management program, which is used to issue work orders and track the maintenance of equipment. The WPCD also recently completed a computerized simulation model of the wastewater treatment facility, which is currently run through a consultant. The software used to run this model is not owned by the Town. By purchasing this software, WPCD staff will be able to use the simulator to make informed process adjustments and run the treatment process more effectively.

3. Operating Capital Renewal

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

Operating Capital renewal is a recurring budget request that funds the replacement of large pieces of equipment and other critical components of the wastewater treatment plant and collection system. This budget line allows the WPCD to make expensive repairs promptly without having to request emergency funding. It allows the WPCD to upgrade aging pieces of equipment prior to failure, increasing the efficiency of the wastewater treatment plant operation.

4. Stewart's Creek Grinder Pump Purchases

\$50,000 Requested
\$50,000 Recommended

The purpose of this request is to fund grinder pump purchases for properties connecting to Town sewer as part of the Stewart's Creek sewer expansion project.

5. Vehicle Replacement, Laboratory Van

\$55,000 Requested
\$55,000 Recommended

The WPCD laboratory van was purchased in 2007 and is showing signs of deterioration. This vehicle is used for routine sample collection at the Hyannis and Marstons Mills wastewater treatment facilities, groundwater sampling and other operational needs.

Full-time Equivalent Employees

Job Title	FY 2018	FY 2019	FY 2020	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	-
Laboratory 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

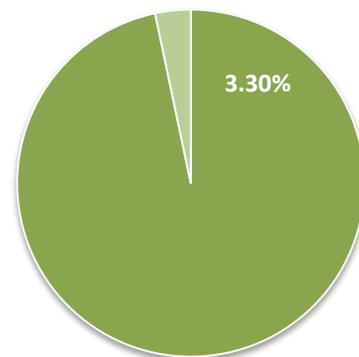
The purpose of the Water Supply Division is to provide commercial and residential properties in Hyannis, Hyannisport and West Hyannisport with a safe, efficient and effective means of obtaining drinking water and fire-readiness services.



Recent Accomplishments

- Pumped, treated, and distributed 815,243,000 Gallons of Water in FY18.
- Increased water quality by continuing the unidirectional flushing system for the Hyannis Water System.
- The completion of the cleaning and lining pipe rehabilitation project on West Main Street from the West-end rotary to Lafrance Avenue.
- The start of the water main replacement and upgrade project at the Route 28 / Bearse’s Way Intersection in conjunction with a Mass DOT project.
- Completed the rehabilitation and painting of the interior and exterior of the Mary Dunn 2 water storage tank.
- Completed the roof replacement and site work at the Mary Dunn 1 water storage tank.
- Commenced the new source alternatives study for additional water supply options for the Hyannis Water System.
- Completed the pilot study and preliminary design for the Maher wells and commenced the full design for the Maher Filtration Facility.

Percentage of FY20 All Appropriated Funds



Water Supply Enterprise Fund comprises 3.30% of all appropriated funds.

Fiscal Year 2020 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, bidding, and start the construction of the water filtration building at the Maher facility, balancing investment and maximizing results. **(SP: Infrastructure, Finance, Education, Regulatory Process and Performance, and Communication)**
4. Continue to develop and integrate the Water Supply Division's technical and administrative requirements within the Town's regulatory, planning, and legal system. **(SP: Regulatory Process and Performance)**



MARY DUNN 3 CARBON FILTER SYSTEM

Long-Term:

1. Proceed with the implementation of 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, Regulatory Process and Performance, and Education)**
2. Implement the well building and treatment plant rehabilitation program by prioritizing and replacing building components, process control equipment, security, and electrical systems. **(SP: Infrastructure, Environment and Natural Resources, Communication, Regulatory Process and Performance)**
3. Insure reliable and redundant fire-flows to assist the Hyannis Fire Department and support demands on the system. **(SP: Infrastructure)**
4. Continue to strive for excellence in customer service, asset-management, and cost-control within the Division. **(SP: Finance, Environment and Natural Resources, Education, Communication, Regulatory Process and Performance)**

**FIRE HYDRANT INSTALLATION**

Description of Water Supply Enterprise Fund Services Provided

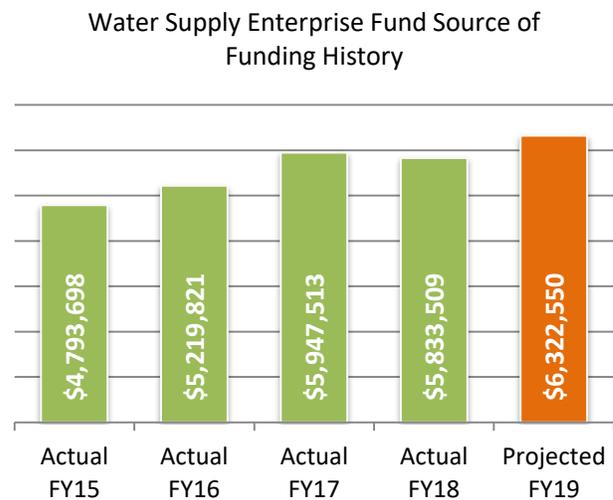
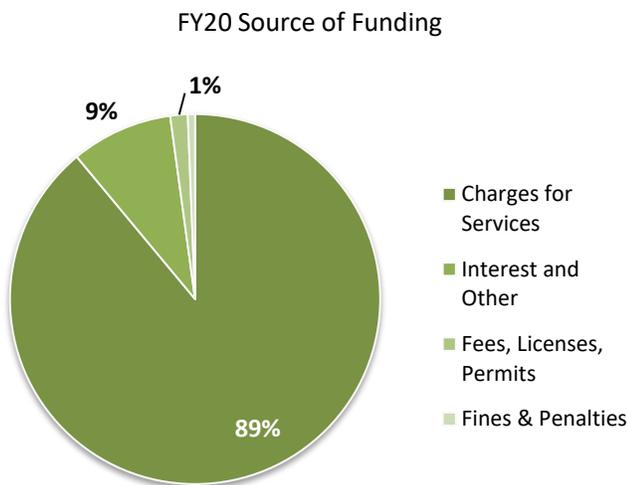
The Water Supply program, an enterprise account-funded program under the Department of Public Works, oversees the contract management and operation of a water supply system that provides potable water to the residents and businesses (approximately 7,300 accounts) located in Hyannis, Hyannisport, West 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. An outside contractor provides for the daily management of the water service.

Factors Affecting Revenues

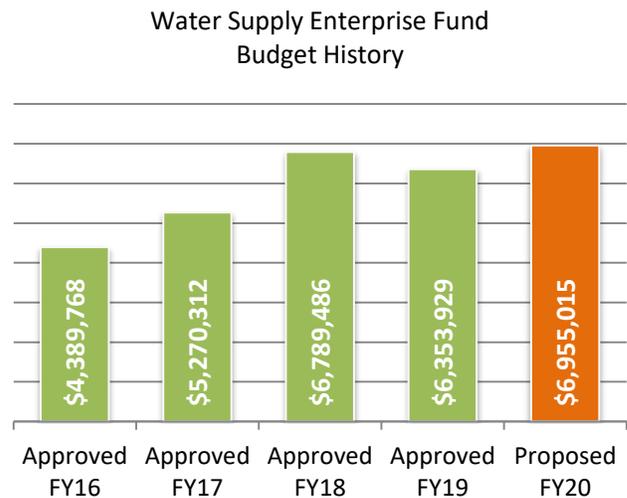
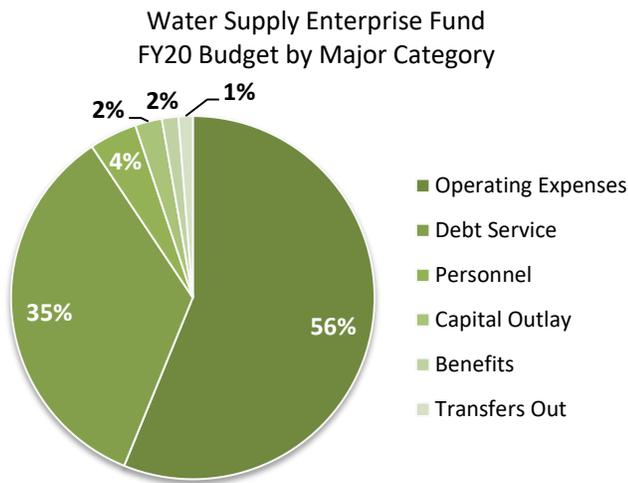
The rates are set in accordance with the necessary revenue required to run the water operations and pay back borrowings issued for water related capital improvements.



Charges for services are 89% 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 is mainly due to rate increases implemented to cover the increase in operating costs.

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 install water treatment facilities at the Mary Dunn and Maher wells.



Operating expenses represent the largest component of the budget comprising 56% followed by debt service at 35%. The Water Supply Enterprise Fund budget has increased from \$4.3 million in FY16 to \$6.9 million proposed for FY20 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 improvement program as well as increases in the management contract for the system’s operations as more treatment facilities are brought on-line..

FISCAL YEAR 2020

WATER SUPPLY

ENTERPRISE FUNDS

Water Supply Enterprise Fund	Actual	Approved	Projected	Proposed	Change	Percent
Source of Funding	FY 2018	FY 2019	FY 2019	FY 2020	FY19 - 20	Change
Fines & Penalties	\$ 40,704	\$ 44,000	\$ 40,343	\$ 41,522	\$ (2,478)	-5.63%
Fees, Licenses, Permits	191,721	29,500	238,139	99,832	70,332	238.41%
Charges for Services	5,160,159	5,466,000	5,453,056	5,840,540	374,540	6.85%
Interest and Other	440,925	202,500	591,012	583,121	380,621	187.96%
Total Operating Source of Funding	\$ 5,833,509	\$ 5,742,000	\$ 6,322,550	\$ 6,565,015	\$ 823,015	14.33%
Borrowing Authorizations	1,924,000	1,605,000	-	1,050,000	(555,000)	-34.58%
Total Capital Source of Funding	\$ 1,924,000	\$ 1,605,000	\$ -	\$ 1,050,000	\$ (555,000)	-34.58%
Total Sources of Funding	\$ 7,757,509	\$ 7,347,000	\$ 6,322,550	\$ 7,615,015	\$ 268,015	3.65%
Expense Category						
Personnel	\$ 278,853	\$ 291,837	\$ 281,296	\$ 295,428	\$ 3,591	1.23%
Benefits	87,219	94,779	103,128	102,152	7,373	7.78%
Operating Expenses	3,855,254	3,728,844	3,924,905	3,906,381	177,537	4.76%
Capital Outlay	155,526	166,000	166,000	166,000	-	0.00%
Debt Service	1,662,207	1,983,873	1,983,873	2,396,974	413,101	20.82%
Transfers Out	313,057	88,596	88,596	88,080	(516)	-0.58%
Total Operating Budget	\$ 6,352,116	\$ 6,353,929	\$ 6,547,798	\$ 6,955,015	\$ 601,086	9.46%
Capital Improvements Program	\$ 3,298,585	\$ 1,970,000	\$ -	\$ 1,545,000	\$ (425,000)	-21.57%
Total Capital Expenses	\$ 3,298,585	\$ 1,970,000	\$ -	\$ 1,545,000	\$ (425,000)	-21.57%
Total Expenses	\$ 9,650,701	\$ 8,323,929	\$ 6,547,798	\$ 8,500,015	\$ 176,086	2.12%
Excess (Deficiency) Cash Basis	\$ (1,893,192)	\$ (976,929)	\$ (225,248)	\$ (885,000)	\$ 91,929	
Adjustment to accrual basis	2,095,611	-	-	-		
Beginning Net Assets per CAFR	16,955,442	17,157,861	17,157,861	16,932,613		
Ending Net Assets per CAFR	17,157,861	\$ 16,180,932	\$ 16,932,613	\$ 16,047,613		
Invested in capital assets, net of related debt (1)	(12,730,876)					
User Charges Receivable (1)	(1,128,629)					
Intergovernmental receivable (1)	(1,360,144)					
Reserved for subsequent year's budget (2)	(976,929)					
Reserved for encumbrances (3)	(719,653)					
Reserved for continuing appropriations (4)	203,553					
Accrued Interest (5)	201,165					
Other post employment benefits obligation (5)	993,487					
Compensated absences (5)	20,052					
Net pension liability (5)	791,077					
Deferred outflow of resources (6)	(293,935)					
Net assets available for appropriation (free cash) (7)	\$ 2,157,029					

(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, 2018.

(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

The Water Supply Enterprise Fund’s FY20 proposed budget is increasing \$601,086 or 9.46% over the FY19 budget. Personnel and benefit costs are increasing by \$10,964 due to contractual obligations. Operating costs are increasing \$177,537, which includes \$166,000 for the operations contract with Suez and \$5,000 for water testing. Indirect costs are increasing \$10,978. Capital Outlay cost of \$166,000 includes police detail of \$16,000 and \$150,000 emergency repairs and improvements.

Additional Funding Recommended

1. Operations Contract and Ground Water Contamination Cleanup Verification

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

Request is the latest estimate provided by Suez according the contractual escalation formula based on various indexes. The actual amount will be established in early 2019 when the final indexes come available. Other request includes professional services for a qualified individual or firm retained by the DPW Water Supply Division to verify that the groundwater contamination cleanup efforts by responsible third parties are done completely, and that the Hyannis Water System’s interests are protected.

2. Water Testing

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

This request addresses the need for funding of water well testing outside the operation contract with Suez, to assist with blending calculations and future treatment decisions.



PIPE REPLACEMENT

Additional Funding Recommended

3. Internet Connection Fee Increase

**\$850 Requested
\$850 Recommended**

Request deals with the need to fund the increased cost for the internet connection of multiple I-pads used by field personnel and managers for water system maps, tie-sheets, data transfer and work orders.

4. Operating Capital

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

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.

Full-time Equivalent Employees

Job Title	FY 2018	FY 2019	FY 2020	Change
Admin Assistant	0.75	0.75	0.75	-
Admin Assistant to DPW Director	0.15	0.15	0.15	-
Assistant DPW Director	0.15	0.15	0.15	-
Director of Public Works	0.15	0.15	0.15	-
Financial Coordinator	0.15	0.15	0.15	-
Safety Officer	0.05	0.05	0.05	-
Senior Project Manager	0.40	0.40	0.40	-
Town Engineer	0.15	0.15	0.15	-
Water Supervisor	1.00	1.00	1.00	-
Full-time Equivalent Employees	2.95	2.95	2.95	-



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