

ARTICLE 6: WATER DEPARTMENT MAINTENANCE BUDGET

Proposed by: Water Department

Estimated Cost: \$1,705,214

To determine whether the Town will vote to appropriate a sum of money to be expended by the Board of Water Commissioners for the operation and expenses of the Water Department; and to determine whether such appropriation shall be provided by taxation, by transfer from unappropriated funds, by transfer of funds already appropriated for another purpose, by grants received from the Commonwealth or Federal Government, by borrowing or otherwise.

WATER DEPARTMENT BUDGET FY 2004

	EXPENDED FY 2002	APPROPRIATED FY 2003	REQUESTED FY 2004
Salaries			
Commissioners	\$225	\$225	\$225
Superintendent	\$63,138	\$67,315	\$71,000
Labor	\$334,316	\$322,576	\$368,001
Clerical	\$35,683	\$50,671	\$39,562
Total Salaries	\$433,362	\$440,787	\$478,788
Operating Expense	\$481,059	\$477,000	\$530,500
Professional Services	\$0	\$0	\$0
Equipment	\$209	\$0	\$0
Police Details	\$5,515	\$0	\$0
Borrowing Costs	\$349,143	\$395,501	\$370,026
Water Capital			
Water Conservation Project		Water Surplus	\$25,000
→ Filtration Plant		Borrow	\$75,000 ←
Storage Tanks		Borrow	\$120,000
Vehicles		Borrow	\$40,000
Software and Equipment		Borrow	\$65,900
Total Water Department	\$1,269,288	\$1,313,288	\$1,705,214

FINANCE COMMITTEE COMMENTS: This is an annual article that provides for the Water Department operating and capital budget. The budget is essentially identical to the FY'03 budget approved by the Town, adjusted for negotiated salary increases and for new water conservation projects that are required to comply with a consent order from the Department of Environmental Protection (DEP). Those projects include Water Conservation Education, and a \$25,000 retrofit Water Conservation Project to help Town departments and offices conserve water. The Water Conservation Project does not directly improve Water Department plant or equipment, but permits the Water Department to better comply with a DEP consent order; failure to comply with that order will lead to fines against the Water Department. These new water projects aside, the budget is within Finance Committee FY'04 guidelines.

ARGUMENTS OPPOSED: Although classrooms at the school are overscheduled, the present costs of operating the Town are so high that it is unwise to impose the additional burden of capital and operating costs of this magnitude. It would be more prudent to persist with the science laboratory conditions as they now are pending a change in the Town's financial condition or the construction of a new facility.

RECOMMENDATION: The Finance Committee recommends approval. Vote: Unanimous.

QUANTUM OF VOTE: Majority – see Massachusetts General Laws Chapter 40, Section 5, and Chapter 44, Section 33B. For borrowing, two-thirds – see Massachusetts General laws Chapter 44, Section 7.

ARTICLE 12: BALDWIN POND WATER TREATMENT PLANT – DESIGN AND PERMITTING

Proposed by: Water Commissioners

Estimated Cost: \$300,000

To determine whether the Town will vote to appropriate a sum of money to be expended by the Board of Water Commissioners for the design of a water treatment plant at the Baldwin Pond Wellfield; and to determine whether such appropriation shall be provided by taxation, by transfer from unappropriated funds, by transfer of funds already appropriated for another purpose, by grants received from the Commonwealth or Federal Government, or otherwise.

From water retain tanks

FINANCE COMMITTEE COMMENTS: This article appropriates \$300,000 to be expended by the Water Commissioners for the design and permitting a water treatment plant at the Baldwin Pond wellfield. The requirement for the water treatment plant is a preemptive action by the Water Commissioners to improve water quality and to purify the water due to recent incidents of "dirty water" and higher evidence of manganese and iron, although still within acceptable levels. Also, it is expected that the state and federal government will issue mandates that water be pumped through treatment facilities.

In 2003, town meeting approved the expenditure of \$75,000 for the study of treatment facility alternatives. This study has resulted in a solution that the Water Commissions believe will provide the best level of filtration while complying with expected state and federal regulations. Construction of a treatment facility would cost approximately \$5 million and construction would begin in approximately one year, subject to a future town meeting approval. One treatment plant would only cover part of the town and a second facility at the Happy Hollow wells would be required in the future, with an estimated cost of \$2.3 million.

ARGUMENTS IN FAVOR: The higher incidence of "dirty water" and higher contents of iron and manganese require that water be treated through a filtration system. If the water is not treated and the water quality deteriorates, the Baldwin Pond wells and pumping station might have to be closed. In this event (although unforeseen), all water for the town would have to be pumped from the Happy Hollow wells, which would be sufficient to provide water to the residents, however, it would require strict conservation and a ban on outside watering. Construction of this facility would alleviate the problem. Other benefits of a filtration system will be: extending the life of piping; will meet strict governmental drinking water regulations; and, there should be an improvement in the taste of the water. The design and permitting as requested by this article is the first step in the construction process.

ARGUMENTS OPPOSED: The overall cost of this facility plus a second one required to serve the entire town would be in excess of \$7 million (\$5 million for the Baldwin facility expected to begin in 2006 and a facility at Happy Hollow to be constructed at a later date estimated to cost \$2.3 million). The total cost for both treatment plants could add approximately \$100 annually to the average homeowner's water bill, which may be considered too expensive. In addition, the treatment plant would have to be manned by water department personnel. This may add additional operating cost to the annual budget. Also, state and federal regulations have not been finalized and it is possible that the solution selected by the Water Commissioners may not comply with these regulations once finalized.

RECOMMENDATION: Finance Committee recommends approval. Vote: Unanimous.

QUANTUM OF VOTE: Majority – see Massachusetts General Laws Chapter 40, Section 5, and Chapter 44, Section 33B. For borrowing, two-thirds – see Massachusetts General laws Chapter 44, Sections 7 and 8.

ARTICLE 13: TOWN WIDE FULL LIST AND MEASURE OF PROPERTIES FOR FY 2006

Proposed by: Board of Assessors

Estimated Cost: \$250,000 ^{190K}

To determine whether the Town will vote to appropriate a sum of money to be expended by the Board of Assessors for the purpose of analytical update and revaluation services for all real, exempt and personal properties in Wayland, and the implementation of upgraded software, according to the requirements of the Commonwealth of Massachusetts Department of Revenue; and to determine whether such appropriation shall be provided by taxation, by transfer from unappropriated funds, by transfer of funds already appropriated for another purpose, by funds received as grants from the Commonwealth or the Federal Government, by borrowing or otherwise.

FINANCE COMMITTEE COMMENTS: The Board of Assessors (the BoA) has requested approximately \$250,000 to be used for a Town-wide Full Measure and List; this includes inspection and review of all residential, commercial, exempt and personal properties in Wayland, to be done subsequent to the purchase of a new software system. In FY 2005 the BoA received \$40,000 in funding to purchase the new software system.

The BoA conducts full revaluations requiring State certification on a three year cycle to comply with State law; FY 2006 is such a triennial certification year for Wayland. The State of MA now requires yearly interim revaluations in addition to the normal three year full revaluation; FY 2005 was the first interim revaluation conducted in Wayland. The triennial certification does not include the more complete inspections used for a Full Measure and List – the triennial contains its own set of “drive-by” data verification “inspections.” The Full Measure and List is a separate effort, usually spread over 9 or 10 years as the cyclical inspection program. Years ago the Town used to inspect 1/3 of the parcels every three years; however, for the past four years it has been using the 9/10 year cyclical inspection program, as approved by the State.

When the BoA purchases and implements a new valuation software system, the State of MA requires “...a full field review of all data and the new valuations of all parcels...” This means at least a drive-by inspection of all properties in Wayland, to verify that the new software system reflects appropriate data. Wayland has never before performed a town-wide Full Measure and List in one year, according to the collective memory of the present staff dating back to 1988.

ARTICLE 6: WATER DEPARTMENT MAINTENANCE BUDGET

Proposed by: Board of Water Commissioners

Estimated Cost: \$1,857,782

To determine whether the Town will vote to appropriate a sum of money to be expended by the Board of Water Commissioners for the operation and expenses of the Water Department; and to determine whether such appropriation shall be provided by taxation, by transfer from unappropriated funds, by transfer of funds already appropriated for another purpose, by grants received from the Commonwealth or Federal Government, by borrowing or otherwise.

WATER DEPARTMENT BUDGET FY 2007

	EXPENDED FY 2005	APPROPRIATED FY 2006	REQUESTED FY 2007
Operating Budget:			
Salaries	\$598,050	\$644,213	\$697,682
Total Personnel Services	\$598,050	\$644,213	\$697,682
Purchase of Services	\$213,500	\$257,000	\$331,000
Utilities	\$151,300	\$179,400	\$192,000
Supplies	\$199,900	\$272,000	\$274,600
Debt Service	\$401,983	\$520,851	\$362,500
Total Expenses	\$966,683	\$1,229,251	\$1,160,100
Total Water Department	\$1,564,733	\$1,873,464	\$1,857,782

CAPITAL REQUEST

VEHICLE	BORROW	\$35,000
BALDWIN TREATMENT PLANT CONSTRUCTION	BORROW	\$7,500,000

One more \$ - ?

FINANCE COMMITTEE COMMENTS: This article approves the Water Department Operating and Capital Budgets for fiscal 2007. The operating budget reflects a decline of \$15,682, or a reduction of 1% from the 2006 budget. The decrease is primarily from the reduction of debt service of \$158,000, as 1996 and 1997 borrowings have now been paid off. This decline is offset by increases of: 1) salary costs of \$53,000 primarily due to the contracted labor rate increases and the expected increase for a new water superintendent planned to be hired in the future; 2) an increase of \$74,000 for purchase of services consisting of Town administrative fees allocated to support Water operations, which has not been charged to the water budget in the past, and due to an increase in water testing to comply with the DEP's consent order; 3) an increase of \$12,600 for rising utility costs; and 4) a \$2,000 increase in supplies. The total operating budget will be funded through fees billed for water use.

Capital includes \$35,000 for a replacement truck and \$7.5 million for the construction of a water treatment plant at the Baldwin Pond well-field. The requirement for the water treatment plant is required to improve water quality and to purify the water due to incidents of "dirty water" and higher evidence of manganese and iron, although still within acceptable levels. Also, it is expected that the state and federal government will issue mandates that water be pumped through treatment facilities. The \$7.5 million estimate is \$2.5 million higher than expected, which had been described in the 2005 Town Meeting Article that approved \$300,000 for design of the water treatment plant. At that time

the Water Commissioners believed that an ultra filtration system would meet the DEP requirements. Subsequently, it was concluded that chemical pre-treatment combined with ultra-filtration would be required to meet DEP standards. The expanded design and construction is estimated to cost \$7.5 million, which will be borrowed and repaid over 30 years. Once tests are finalized, the DEP is expected to approve the design with construction anticipated to commence during spring / summer 2007.

ARGUMENTS IN FAVOR: This article authorizes the expenditure of funds needed to operate the Water Department. Water usage fees will be sufficient to fund the operating budget.

The higher incidence of "dirty water" and higher contents of iron and manganese require that water be treated through a filtration system. If the water is not treated and the water quality deteriorates, the Baldwin Pond wells and pumping station might have to be closed. In this event (although unforeseen), all water for the town would have to be pumped from the Happy Hollow wells, which would be sufficient to provide water to the residents, but would require strict conservation and a ban on outside watering. Construction of this facility would alleviate the problem. Other benefits of a filtration system will be: extending the life of piping; will meet strict governmental drinking water regulations and, there should be an improvement in the taste of the water.

ARGUMENTS OPPOSED: It could be argued that the Water Department should reduce its expenditure levels to reflect the savings from the reduction in debt payments and not increase expenditures from fiscal 2006 levels.

The overall cost (principal and interest) of the water treatment facility of \$7.5 million will require an increase to water rates and initially would add approximately \$115 annually to the average homeowner's water bill declining to approximately \$55 as the debt is paid down.. In addition, the treatment plant would have to be manned by water department personnel. This may add additional operating cost to the annual budget.

The Baldwin well fields only supply part of the town with the Happy Hollow wells supplying the balance of the town. It is anticipated that a second water treatment facility may be required, or mandated, in the future for the Happy Hollow wells at a cost of approximately \$3 million further increasing the water bills.

RECOMMENDATION: The Finance Committee recommends approval. Vote: 7-0.

QUANTUM OF VOTE: Majority – see Massachusetts General Laws Chapter 40, Section 5, and Chapter 44, Section 33B. For borrowing, two-thirds – see Massachusetts General Laws Chapter 44, Sections 7 and 8.

ARTICLE 7: WAYLAND/SUDBURY SEPTAGE TREATMENT FACILITY BUDGET

Proposed by: Septage Committee

Estimated Cost: \$813,000

To determine whether the Town will vote to appropriate a sum of money to be expended by the Septage Committee for the operation and capital improvement of the Wayland/Sudbury septage treatment facility; and to determine whether such appropriation shall be provided by taxation, by transfer from unappropriated funds, by transfer of funds already appropriated for another purpose, by borrowing, or otherwise.

ARTICLE 7: WATER DEPARTMENT MAINTENANCE BUDGET

Proposed by: Board of Water Commissioners

Estimated Cost: \$2,874,465

To determine whether the Town will vote to appropriate a sum of money to be expended by the Board of Water Commissioners for the operation and expenses of the Water Department; and to determine whether such appropriation shall be provided by taxation, by transfer from unappropriated funds, by transfer of funds already appropriated for another purpose, by grants received from the Commonwealth or Federal Government, by borrowing or otherwise.

WATER DEPARTMENT BUDGET FY 2009

	EXPENDED FY 2007	APPROPRIATED FY 2008	REQUESTED FY 2009
OPERATING BUDGET:			
SALARIES	\$619,619	\$708,259	\$770,262
TOTAL PERSONNEL SERVICES	\$619,619	\$708,259	\$770,262
PURCHASE OF SERVICES	\$313,538	\$335,325	\$382,000
UTILITIES	\$265,732	\$240,000	\$269,000
SUPPLIES	\$200,335	\$281,400	\$301,000
DEBT SERVICE	\$351,057	\$546,128	\$1,152,203
TOTAL EXPENSES	\$1,130,662	\$1,402,853	\$2,104,203
1 TOTAL WATER DEPARTMENT	\$1,750,281	\$2,111,112	\$2,874,465

CAPITAL REQUEST		
BALDWIN TREATMENT PLANT	BORROW	\$3,000,000
GENERATOR		\$40,000
VEHICLE		\$60,000

FINANCE COMMITTEE COMMENTS: Operating Budget: This article approves the Water Department Operating and Capital Budgets for fiscal 2009. The operating budget reflects an increase of \$763,353, or an increase of 36% from the 2008 budget. The increase is primarily from additional debt service of \$606,075, due to the borrowings in 2008 for the construction of Baldwin Pond water treatment facility – see discussion below. To date, total borrowings for the treatment facility has reached \$7.5 million and the amount required to fund this debt is included in the 2009 operating budget. If the additional capital request of \$3 million, as included in this article is approved, the additional borrowings will happen in 2009 and will impact 2010 operating budget.

Other major increases include: 1) additional personnel services cost representing the wage increase from negotiated wage settlements and the expected increase in health care cost. 2) The increase in purchase of services of \$46,675 or 14%, primarily due to the increase in professional services fees for the design of drain-off modifications at the High School. 3) Utility cost increases of \$29,000 or 12%. And 4) Supplies expense increase of \$ 19,600 or 7%, primarily due to the cost increases in chemicals.

The total operating budget will be funded through fees billed for water use and it is anticipated that water rates on average will increase by approximately 40% for 2009 -- see discussion below regarding the anticipated rate increase once the Baldwin Pond treatment facility is operating.

Capital: Capital includes \$3 million as additional appropriation for the construction of a water treatment plant at the Baldwin Pond well-field. This is in addition to the \$7.5 million previously

approved by the Town bringing the total anticipated cost of construction to \$10.5 million. The requirement for the water treatment plant is required to improve water quality and to purify the water due to incidents of “dirty water” and higher evidence of manganese and iron, although still within acceptable levels. The Water Commissioners have previously received bids for the construction of the facility. The initial bids were well in excess of the \$7.5 million appropriated because of higher than expected steel and concrete costs and additional costs to deal with conservation issues in the construction design. New bids are expected by March 21, 2008 which are anticipated to be below the proposed \$10.5 million total appropriation. The amount of this article’s appropriation will be reduced if the revised bid comes in lower. The new facility is expected to be on-line by the fall of 2009. The additional borrowing costs and the expected increase of operating costs, estimated to increase by 20% for personnel and utilities, will result in water rates to increase by a similar amount versus projected (2009) rates. >

ARGUMENTS IN FAVOR: This article authorizes the expenditure of funds needed to operate the Water Department. Water usage fees will be increased to fund the operating budget.

The higher incidence of “dirty water” and higher contents of iron and manganese require that water be treated through a filtration system. If the water is not treated and the water quality deteriorates, the Baldwin Pond wells and pumping station might have to be closed. Presently two of the Baldwin wells can’t be used because of the evidence of dirty water. Building of the treatment facility is required to support the Town’s water requirements.

ARGUMENTS OPPOSED: It could be argued that the projected new water rates are too high, and as a result, the operating budget and cost to build and operate the water treatment facility should be reduced to maintain water rates at current levels.

RECOMMENDATION: The Finance Committee recommends approval. Vote: 4-0.

QUANTUM OF VOTE: Majority – see Massachusetts General Laws Chapter 40, Section 5, and Chapter 44, Section 33B. For borrowing, two-thirds – see Massachusetts General Laws Chapter 44, Sections 7 and 8.

For more information about this article, contact Michael DiPietro, Finance Director, at (508) 358-3611, email mdipietro@wayland.ma.us, or Joel Goodmonson, Chair, Water Commissioners, at (508) 358-2252, email jgoodmonson@arcengrs.com.

ARTICLE 8: WAYLAND/SUDBURY SEPTAGE TREATMENT FACILITY BUDGET

Proposed by: Septage Committee

Estimated Cost: \$889,466

To determine whether the Town will vote to appropriate a sum of money to be expended by the Septage Committee for the operation and capital improvement of the Wayland/Sudbury septage treatment facility; and to determine whether such appropriation shall be provided by taxation, by transfer from unappropriated funds, by transfer of funds already appropriated for another purpose, by borrowing, or otherwise.