

WAITSFIELD WATER COMMISSION 2016 Annual Report

The Water Commission is the official entity responsible for the operation of and policy-setting for the water system. It is a five-member commission chaired by Darryl Forrest, Jack Himmelsbach, vice chair, Peter Reynells, Bill Parker, and Logan Cook. Valerie Capels, Town Administrator, attends all meetings, and Kellee Mazer, Town Treasurer, is responsible for billing and account management. The Water Commission meets monthly on the second Thursday of the month, and meetings are open to the public.

The 2016 fiscal year that ended on June 30, 2016 was a year that required chlorination only one time when the fire hydrants were flushed. The municipal water is so pure that no problems were detected. Customers should be very pleased with the exceptional quality of the water.

The Water Commission participated in an evaluation of the financial structure and rate schedule by Mark Johnson of RCAP Solutions (Resources for Communities And People). As a result of his work, he recommended that two reserves needed to be established and funded to insure the financial stability of the municipal water system.

The first reserve would be to have at least one year of debt service payment. The second reserve would be to beginning reserving for water asset replacement and major repairs. These reserve accounts have been established and currently have \$63,954 and \$13,847 respectfully as of December 31, 2016. The Water Commission budget includes a line for funding the debt service reserve account in the amount of \$10,000. Funding of the asset replacement and major repair account will be by the actual year end surplus.

The current rate structure was deemed to be appropriate considering the age of the system and will be continued at \$150 for debt service and \$50 per ERU for fiscal year 2018, ending in June of 2018. It will be possible to have a rate reduction when the above two reserve accounts are fully funded and/or additional customers are added.

The Waitsfield Water Ordinance is under review as required in the ordinance. Any change to the ordinance or to the rate structure will require notice to customers and a public hearing. This review should be completed by April 30, 2017.

Darryl Forrest, Chair
 Jack Himmelsbach, V. Chair
 Logan Cooke
 William Parker
 Peter Reynells

**Waitsfield Community Water System Annual Operating Budget
 2016 - FY2018**

	Actual July 2015 - June 2016	Approved July 2016 - June 2017	Projected July 2016 - June 2017	Proposed July 2017 - June 2018	Percent Change
No of ERUs Debt Service	228.36	235.21	238.03	259.03	8.8%
No of ERUs Debt Service & O&M	205.55	211.72	231.97	252.97	9.1%

ANNUAL REVENUE					
Connection Fees (See Note 1.)	[5,536]	-	-	-	
Water User Fees - Debt Service	138,166	132,996	136,214	160,000	20.3%
Water User Fees - O&M	41,611	44,065	40,790	48,000	8.9%
Water User Fees - Overage \$6 per 1,000/gallons	13,260	8,755	15,426	18,000	105.6%
Special Charges	100	100	100	100	0.0%
Interest Received	281	5			-100.0%
Miscellaneous Revenue	30,647		0	0	
TOTAL REVENUE	224,065	185,816	192,530	226,100	17.4%

ANNUAL DEBT SERVICE					
USDA Rural Development Loan, due 03/17, 09/17	124,720	124,720	124,720	124,720	0.0%
USDA Rural Development Loan, due 11/21, 05/21	8,276	8,276	8,276	8,276	0.0%
TOTAL DEBT SERVICE	132,996	132,996	132,996	132,996	0.0%

ANNUAL OPERATION & MAINTENANCE					
Accounting	0	1,030	1,000	1,000	-2.9%
Advertising (Public Notices)	164	400	200	200	-50.0%
Repairs, Maintenance and Materials	7,463	7,000	6,500	6,500	-7.1%
Chemicals	115	100	100	100	0.0%
Dues & Fees	141	265	200	300	13.2%
Education/Training	0	1,000	0	500	-50.0%
Engineering Services	0	2,575	500	500	-80.6%
Electricity	2,179	2,400	2,000	2,000	-16.7%
Propane	209	400	500	500	25.0%

Billing - Payment to Treasurer	1,545	1,500	1,500	1,500	0.0%
Office Expense/Misc. Admin/Supplies/Postage	600	1,000	600	600	-40.0%
Water Operator - Contract	18,990	17,675	17,675	19,000	7.5%
Water Operator - Additional Services	625	750	3,000	3,000	300.0%
Permit-Licenses	2,668	2,700	2,700	2,700	0.0%
Telephone/cell service for control system	1,127	1,500	1,200	1,200	-20.0%
Water Tests	1,330	800	1,100	1,200	50.0%
Miscellaneous	5,625	1,500	500	1,500	0.0%
Total Operation and Maintenance Expenses	\$43,340	\$44,095	\$40,247	\$43,313	-1.8%

Water System Debt Service Reserve/O&M Contingency 7.5 - 10%	540	5,000	10,000	10,000	100.0%
TOTAL EXPENSES	\$176,876	\$182,091	\$183,243	\$186,309	2.3%
FUND BALANCE	47,188	3,725	9,287	39,791	968.3%
Allocation to Asset Replacement Res. Account	\$47,188	\$3,725	\$9,287	\$39,791	968.3%

Rate Set by Water Commission

Debt Service	\$600.00	\$600.00	\$600.00	\$600.00	
O&M	\$200.00	\$200.00	\$200.00	\$200.00	
Annual Water Fees/Total ERUs	\$800.00	\$800.00	\$800.00	\$800.00	

Notes: 1. New connection fees will be deposited directly in the Water Reserve Account.