

# Department of Public Utilities Resource Summary

## Appropriation Summary

	FY 2003-04 Actual	FY 2004-05 Amended	FY 2005-06 Proposed	FY 2005-06 Adopted	% Change
<b>Expenditures</b>	19,158,901	28,040,589	30,437,725	30,448,104	8.59
<b>FTE</b>	143	143	143	143	0.00

## Department Mission

The Department of Public Utilities functions as the responsible steward of Portsmouth's water and wastewater assets. The Department plans, manages and operates a customer focused, efficient, safe and reliable water supply and wastewater collection system.

## Department Budget in Brief

The Departments' Strategic Financial Plan and Asset Replacement Valuation Study determine the major components and direction of the budget. This years Operating Budget as presented, represents an 8.3% increase over fiscal year 2005. The major impacts on the Fiscal Year 2006 budget include projected increases in debt service (with the sale of Utility Bonds scheduled for the 2<sup>nd</sup> Quarter of FY 2006); increases in water treatment plant chemical costs; increases in personnel costs and increases in equity funded capital improvements, principally to address a growing number of sanitary sewer failures. Additionally funding is included in this year's budget to begin (1) monthly testing for Cryptosporidium as required by the Long-Term 2, Enhanced Surface Water Treatment Rule; (2) for the initiation and completion of an Initial Distribution System Evaluation (IDSE) as required by the proposed Stage 2 Disinfection By-Products Rule and (3) a major long-term forecast and update of the Utilities Strategic Financial Plan including benchmarking the Department's practices to nationally recognized standards.

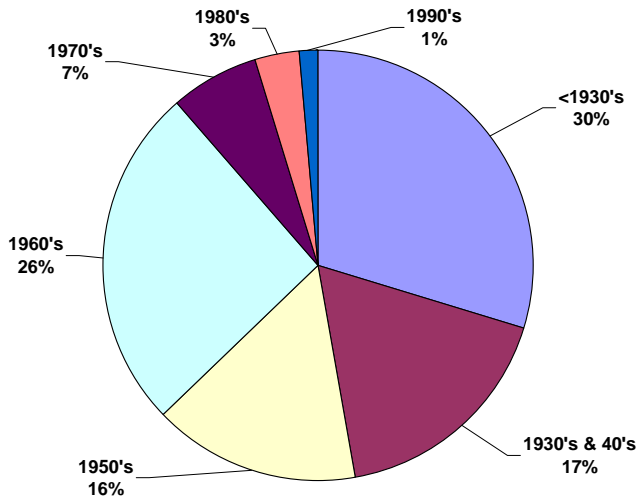
## Department Operational Summary

- Administration
- Engineering- Capital Projects planning and implementation; engineering support to all other divisions of the Department.
- Fiscal Administration: Customer service; accounts payable and receivable; billing and collection, meter reading and repair.
- Field Operations: Operation and maintenance of water distribution and wastewater collection systems.
- Water Production: Water impoundment and treatment; water plant, wells and related facility maintenance, water quality control and watershed management.

This City’s Utility System is one of its greatest assets. As demonstrated over many years, the Utility System is a viable and self-supporting business entity. With a long history of strong financial performance and with a long term strategic planning defining a renewal and replacement program for the Utility System’s infrastructure needs, it is poised to discontinue reliance on general obligation bond funding and convert to utility revenue bond funding. In conjunction with its engineering consultant and financial advisor, the City is developing a 10-year rate model to explore opportunities in changing the Utility System’s long term financing methods. The above table summarizes the rate results indicated in the initial development of the model. The rate model was used to develop the FY2004–05 budget.

**Departmental Trends**

The primary service trends impacting Public Utilities are emerging water and wastewater regulations (both State and Federal) and the age and condition Portsmouth’s water and sewer infrastructure. Depicted below is a chart showing Portsmouth’s water infrastructure age distribution (sewer is similar). This age distribution is significant, because it illustrates Portsmouth’s water and sewer infrastructures useful life. According to recognized industry



standards, 63% of Portsmouth’s water and sewer infrastructure is beyond its useful life and is in need of replacement. The need to aggressively address the replacement needs of the system will drive operational and capital budget needs for decades to come.

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Departmental Performance Measures

		FY 2003-04 Actual	FY 2004-05 Adopted	FY 2005-06 Approved
Maintain compliance with state and federal Drinking Water Standards	% of days	99.97%	100%	100%
Ensure fiscally prudent and affordable water and wastewater rates	Rates as a % of median family income compared to USEPA's 4% threshold	1.42%	1.46%	1.51%
Read approx. 31,300 bi-monthly and 1,100 monthly meters on a timely basis	100 % read within accepted timeframe	98.2%	98%	98%
Increase the pace of aging water and wastewater mains replaced or rehabilitated	# of linear feet	14,482	19,000	25,000
Increase the pace of aging water and wastewater services replaced or rehabilitated	Combined # of service lines	256	575	600
Render approx. 210,000 annual billings in an accurate and timely manner.	100% accurately rendered	98.6%	98%	98%

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<b>Revenues</b>	<b>FY 2003-04 Actual</b>	<b>FY 2004-05 Amended</b>	<b>FY 2005-06 Proposed</b>	<b>FY 2005-06 Adopted</b>
<i>Federal Direct</i>	144,660	-	-	-
<i>Charges For Services</i>	21,855,656	27,599,289	29,990,425	29,990,425
<i>Interest</i>	100,887	168,000	175,000	175,000
<i>Recovered Costs</i>	1,495,696	149,500	145,500	145,500
<i>Licenses And Permits - General Govt</i>	8,510	9,000	9,000	9,000
<i>Use Of Property</i>	67,523	54,800	57,800	57,800
<i>Miscellaneous Other Revenues</i>	307,754	60,000	60,000	70,379
<i>Operating Transfers In</i>	2,000,000	-	-	-
<b>Total Revenues</b>	<b>25,980,686</b>	<b>28,040,589</b>	<b>30,437,725</b>	<b>30,448,104</b>

*Expenditures*

<b>Public Utilities - General Expenses</b>	<b>FY 2003-04 Actual</b>	<b>FY 2004-05 Amended</b>	<b>FY 2005-06 Proposed</b>	<b>FY 2005-06 Adopted</b>
<i>Salaries</i>	324,395	357,882	379,677	390,056
<i>Benefits</i>	50,491	89,667	96,285	96,285
<i>Contractual Services</i>	728,422	135,900	309,009	309,009
<i>Materials and Supplies</i>	16,679	6,500	6,762	6,762
<i>Other Operating Expenses</i>	27,609	11,470	11,932	11,932
<b>Total Expenditures</b>	<b>1,147,596</b>	<b>601,419</b>	<b>803,665</b>	<b>814,044</b>

<b>Public Utilities – Non- operating</b>	<b>FY 2003-04 Actual</b>	<b>FY 2004-05 Amended</b>	<b>FY 2005-06 Proposed</b>	<b>FY 2005-06 Adopted</b>
<i>Contractual Services</i>	68,695	209,009	257,251	257,251
<i>Other Operating Expenses</i>	4,516,636	1,197,444	1,632,144	1,632,144
<i>Internal Service Charges and Expenses</i>	153,333	253,328	288,244	288,244
<i>Debt Service</i>	1,480,052	5,279,382	6,976,019	6,976,019
<i>Transfers</i>	3,513,997	8,961,087	8,202,776	8,301,601
<b>Total Expenditures</b>	<b>9,732,713</b>	<b>15,900,250</b>	<b>17,356,434</b>	<b>17,455,259</b>

<b>Public Utilities – Garage</b>	<b>FY 2003-04 Actual</b>	<b>FY 2004-05 Amended</b>	<b>FY 2005-06 Proposed</b>	<b>FY 2005-06 Adopted</b>
<i>Internal Service Charges and Expenses</i>	317,066	329,733	265,600	265,600
<b>Total Expenditures</b>	<b>317,066</b>	<b>329,733</b>	<b>265,600</b>	<b>265,600</b>

<b>Public Utilities – Purification Operations</b>	<b>FY 2003-04 Actual</b>	<b>FY 2004-05 Amended</b>	<b>FY 2005-06 Proposed</b>	<b>FY 2005-06 Adopted</b>
<i>Salaries</i>	947,024	1,026,527	1,037,033	1,037,033
<i>Benefits</i>	238,402	318,549	341,332	341,332
<i>Contractual Services</i>	247,949	325,319	345,888	345,888
<i>Materials and Supplies</i>	1,164,986	1,204,063	1,652,660	1,652,660
<i>Other Operating Expenses</i>	457,664	600,700	603,172	603,172
<b>Total Expenditures</b>	<b>3,056,025</b>	<b>3,475,158</b>	<b>3,980,085</b>	<b>3,980,085</b>

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<b>Public Utilities – Maint. Of Distribution System</b>	<b>FY 2003-04 Actual</b>	<b>FY 2004-05 Amended</b>	<b>FY 2005-06 Proposed</b>	<b>FY 2005-06 Adopted</b>
<i>Salaries</i>	548,267	679,931	762,713	762,713
<i>Benefits</i>	179,567	255,491	274,520	274,519
<i>Contractual Services</i>	247,070	624,450	358,036	259,211
<i>Materials and Supplies</i>	83,735	81,802	85,674	85,674
<i>Other Operating Expenses</i>	205,925	188,394	193,699	193,699
<b>Total Expenditures</b>	<b>1,264,564</b>	<b>1,830,068</b>	<b>1,674,643</b>	<b>1,575,817</b>

<b>Public Utilities – Maintenance of Meters and Boxes</b>	<b>FY 2003-04 Actual</b>	<b>FY 2004-05 Amended</b>	<b>FY 2005-06 Proposed</b>	<b>FY 2005-06 Adopted</b>
<i>Salaries</i>	268,203	352,075	391,446	391,446
<i>Benefits</i>	69,420	146,141	168,147	168,147
<i>Contractual Services</i>	700	1,550	1,613	1,613
<i>Materials and Supplies</i>	1,392	2,900	3,017	3,017
<b>Total Expenditures</b>	<b>339,715</b>	<b>502,666</b>	<b>564,222</b>	<b>564,222</b>

<b>Public Utilities - Capital Additions</b>	<b>FY 2003-04 Actual</b>	<b>FY 2004-05 Amended</b>	<b>FY 2005-06 Proposed</b>	<b>FY 2005-06 Adopted</b>
<i>Salaries</i>	331,344	396,722	420,882	420,882
<i>Benefits</i>	96,361	145,906	156,350	156,350
<i>Contractual Services</i>	11,162	12,054	12,415	12,415
<i>Materials and Supplies</i>	216,689	180,135	181,845	181,845
<i>Other Operating Expenses</i>	122	4,000	4,000	4,000
<i>Capital Outlay</i>	-	1,700,360	1,941,865	1,941,865
<b>Total Expenditures</b>	<b>655,678</b>	<b>2,439,177</b>	<b>2,717,357</b>	<b>2,717,358</b>

<b>Public Utilities - Business Office</b>	<b>FY 2003-04 Actual</b>	<b>FY 2004-05 Amended</b>	<b>FY 2005-06 Proposed</b>	<b>FY 2005-06 Adopted</b>
<i>Salaries</i>	421,948	410,633	435,641	435,641
<i>Benefits</i>	137,593	131,328	136,032	136,032
<i>Contractual Services</i>	25,058	30,400	31,625	31,625
<i>Materials and Supplies</i>	18,860	28,200	28,208	28,208
<i>Other Operating Expenses</i>	154,368	91,680	95,375	95,375
<i>Internal Service Charges and Expenses</i>	232,620	278,278	246,369	246,369
<b>Total Expenditures</b>	<b>990,447</b>	<b>970,519</b>	<b>973,249</b>	<b>973,249</b>

<b>Public Utilities - Sewage Pump Stations</b>	<b>FY 2003-04 Actual</b>	<b>FY 2004-05 Amended</b>	<b>FY 2005-06 Proposed</b>	<b>FY 2005-06 Adopted</b>
<i>Salaries</i>	896,970	1,026,487	1,127,645	1,127,645
<i>Benefits</i>	270,756	380,394	402,137	402,137
<i>Contractual Services</i>	205,965	286,543	260,639	260,639
<i>Materials and Supplies</i>	135,173	149,780	157,674	157,674
<i>Other Operating Expenses</i>	146,232	148,395	154,376	154,376
<b>Total Expenditures</b>	<b>1,655,097</b>	<b>1,991,599</b>	<b>2,102,470</b>	<b>2,102,470</b>