



Woodridge Lake Sewer District

113 Brush Hill Road

PO Box 258

Goshen, CT 06756

May 3, 2019

Subject: Proposed Woodridge Lake Sewer District Budget 2019/2020

To All Woodridge Lake Sewer District Taxpayers:

Recommendation:

*The Board recommends raising the mil rate from 4.3 to 4.7 for the upcoming year beginning July 1, 2019. Although the District's operating budget is expected to be within normal levels, interest payments are expected to increase significantly as construction begins on the connection to the Torrington wastewater treatment facility, requiring additional revenue.

*The tax revenue at 4.7 mil rate will raise \$1,229,498 based on the assessed value of the grand list of \$261,595,260.

*The Board recommends a balanced budget of \$1,286,178 consisting of Operating expenses of \$798,280, Total Debt Service of \$133,341, and Transfer to Capital Reserves of \$364,752.

This recommendation also provides for \$6,602,591 of capital funding to begin the construction of improvements to and extensions of the District's wastewater treatment system to connect with the Torrington wastewater treatment facility. It should be noted that this is based upon engineering estimates. Actual bid solicitation responses are due during June of 2019.

The Board is mindful that our treatment plant is 49 years old and well beyond its normal useful life, and that unexpected repairs are possible at any time. It remains the Board's judgment that until we have completed the project we should make every effort to minimize tax increases by the judicious use of preventative maintenance and cost-effective solutions to issues that arise during 2019/2020.

2018/2019 Revenue and Expense Overview: Our 2018/2019 budget provided that our assessment and other revenues were sufficient to pay for operating expenditures of \$828,347, debt service of \$34,479, and for a transfer to our capital reserves of \$323,562 for future capital projects. Based on our current projections for this fiscal year, our income will be \$1,180,939, which is above budget by about \$4,500. Our operating expenses of \$795,133 will be lower than

budget primarily because of the reduced expenses in personnel, legal services, and contingency. Because the pipeline construction was not initiated, the construction loan was not drawn upon resulting in a reduction in interest payments of \$5,392 and an increase in investment income of \$3,212. The net impact is an increase in our projected transfer to capital reserves of about \$43,000 to \$366,630.

The capital project budget ending June 30th, 2019 is projected to be under plan by nearly \$1,000,000 because the pipeline construction project was not initiated. Within this underspend, there was a total of \$323,270 (\$263,270 above budget) spent on redesigns of the pipeline system in support of our Torrington WPCA application and bid package preparation. There was also unbudgeted capital spending of \$51,803 for emergency repairs.

We are projecting an ending Fund Balance of about \$117,649 on June 30, 2019. We had planned a \$400,000 Fund Balance, but that included a \$1,236,600 draw down of the construction loan.

For more detailed financial information for 2018/2019, please review the enclosed material, which reflects the budget and forecasts for expenditures for the year ending June 30, 2019.

2019/2020 Activities and Budget: In the coming year, operating expenses are budgeted to be \$798,280, Total Debt Service of \$133,341, and Transfer to Capital Reserves of \$364,752. No major upgrades to the existing plant are anticipated. We will, of course, be performing necessary maintenance while construction gets underway. We are continuing our annual inspection and repair program to maintain the integrity of our collection system piping and related infrastructure.

This plan anticipates that we will be able to put in place the necessary inter municipal agreement with the City of Torrington to begin construction of the pipeline to Torrington's wastewater facility in the summer of 2019. See the attached schedule. If the bids received in June are in excess of the approved appropriation level the Board will need to call a Special Taxpayer Meeting to deal with that issue.

For more detailed financial information for 2019/2020, please review the enclosed material, which reflects the plan for expenditures for the year ending June 30, 2020.

Budget Meeting and Approval: The budget vote is scheduled for Saturday, May 25, 2019 at 10:30AM or immediately following the Woodridge Lake Property Owners' Association Board meeting at Clubhouse, 260 East Hyerdale Drive, Goshen, Connecticut.

Please plan to attend.

WLSD Board

WLSD 2019/2020 Proposed Budget Summary
As of March 31, 2019

Description	2018/2019 Budget	2018/2019 Projected Forecast	2019/2020 Proposed Budget	Budget to Budget Variance 2019/2020 - 2018/2019 Fav (UnFav)
Operating Budget				
Revenues				
Sewer assessment taxation	\$1,124,577	\$1,129,548	\$1,236,198	\$111,621
Investment Income	\$2,100	\$5,312	\$1,080	(\$1,020)
Other Income	\$45,400	\$45,819	\$45,400	\$0
Sewer permit fees & connection Charge	\$4,400	\$260	\$3,500	(\$900)
Total revenue	\$1,176,477	\$1,180,939	\$1,286,178	\$109,701
Expenditures				
Personnel	(\$416,947)	(\$406,735)	(\$417,500)	(\$553)
Power & heat	(\$88,500)	(\$87,185)	(\$90,500)	(\$2,000)
Plant & collection system maintenance	(\$80,000)	(\$92,097)	(\$95,000)	(\$15,000)
Other expense	(\$45,600)	(\$19,326)	(\$45,680)	(\$80)
Office lease and other expense	(\$17,200)	(\$18,192)	(\$20,900)	(\$3,700)
Insurance	(\$76,800)	(\$77,699)	(\$76,000)	\$800
Prof-Legal & Acctg & Computer	(\$103,300)	(\$93,899)	(\$52,700)	\$50,600
Total expenditures	(\$828,347)	(\$795,133)	(\$798,280)	\$30,067
Debt Service				
Principal	(\$9,911)	(\$9,911)	(\$10,196)	(\$285)
Interest	(\$24,568)	(\$19,176)	(\$123,146)	(\$98,578)
Total Debt Service	(\$34,479)	(\$29,087)	(\$133,341)	(\$98,862)
Available to Transfer to Capital Fund	\$323,562	\$366,630	\$364,752	\$41,191
Capital Outlay				
Expenditures				
TORR PIPELINE- ADMIN & LEGAL	\$0	\$0	\$0	\$0
TORR PIPELINE- ENGINEER DESIGN	(\$60,000)	(\$323,270)	\$95,230	\$155,230
TORR PIPELINE- ARCH/ENG FEES	(\$93,000)	\$0	(\$612,820)	(\$519,820)
TORR PIPELINE- CONSTRUCTION	(\$1,050,000)	\$0	(\$5,900,000)	(\$4,850,000)
COLLECTION SYS FLOW MONITORING	(\$40,000)	\$0	\$0	\$40,000
CLEAN & TV 4 MILES OF COLL SYS	(\$40,000)	(\$39,937)	(\$40,000)	\$0
REPAIR 4 MILES OF COLL SYS	(\$100,000)	(\$100,000)	(\$100,000)	\$0
SONAR TESTING PS FORCED MAIN	(\$50,000)	\$0	\$0	\$50,000
SNOW PLOW & SANDING EQUIPMENT	(\$9,900)	(\$10,552)	\$0	\$9,900
WET WELL REPAIRS	(\$40,000)	(\$23,160)	(\$40,000)	\$0
PUMP STATION REROOF	(\$7,500)	(\$3,500)	\$0	\$7,500
FLOW METER-PUMP STATION	(\$20,000)	\$0	\$0	\$20,000
COMPUTERS (2 DESKTOPS)	\$0	\$0	(\$5,000)	(\$5,000)
MISC CAPITAL	\$0	(\$51,803)	\$0	\$0
Total Expenditures	(\$1,510,400)	(\$552,222)	(\$6,602,591)	(\$5,092,191)
Excess (Deficiency) of revenues over expenditures	(\$1,196,749)	(\$195,503)	(\$6,248,034)	(\$5,051,285)
Cash Flow				
Starting Cash Balance	\$333,280	\$380,878	\$117,649	(\$215,630)
Taxes Collected	\$1,119,223	\$1,110,196	\$1,221,189	\$101,966
Expenses	(\$822,000)	(\$851,879)	(\$798,280)	\$23,720
Debt Service	(\$15,302)	(\$29,087)	(\$114,450)	(\$99,147)
Capital Expense	(\$1,510,400)	(\$552,222)	(\$6,602,591)	(\$5,092,191)
Capital Income (Loan Drawdown, etc.)	\$1,236,600	\$0	\$6,219,802	\$4,983,202
Other Income	\$58,600	\$59,762	\$56,680	(\$1,920)
Ending Fund Balance	\$400,000	\$117,649	\$100,000	(\$300,000)

Note: Negative numbers are cash flow out

Project Milestone	Anticipated Milestone Dates		
	Route 4 Contract #1	Goshen Contract #2	Pump Station Contract #3
Design Closeout	05/03/19	05/03/19	05/03/19
Advertise Projects	05/06/19	05/06/19	05/06/19
Pre-Bid Meeting	05/14/19	05/14/19	05/14/19
Bid Opening	06/14/19	06/14/19	06/14/19
Review Bids & References	06/19/19	06/19/19	06/19/19
Recommendation to Award	06/21/19	06/21/19	06/21/19
WLSB Board Authorization	06/24/19	06/24/19	06/24/19
Notice of Conditional Acceptance of Bid	06/25/19	06/25/19	06/25/19
Approval of Bonds & Insurance Certificates	07/05/19	07/05/19	07/05/19
Contract Execution	07/10/19	07/10/19	07/10/19
Shop Drawings Approval	07/24/19	07/24/19	09/04/19
Materials/Equipment On-Site	08/14/19	08/14/19	11/27/19
Mobilization	08/14/19	08/14/19	11/27/19
Fall 2019 Stop Digging	10/31/19	11/15/19	11/15/19
Spring 2020 Start Digging	04/20/20	04/01/20	04/01/20
Pipe Work/Pump Station Complete	10/31/20	10/31/20	10/31/20
Activate Pump System	11/14/20	11/14/20	11/14/20
Substantial Completion	11/14/20	11/14/20	11/14/20
Start Final Paving Work	04/15/21	04/15/21	04/15/21
Finish Final Paving Work	06/30/21	06/30/21	06/30/21
First Flow Date	06/30/21	06/30/21	06/30/21
Final Completion	07/30/21	07/30/21	07/30/21
Calendar Days for Pipe Work	272	306	201
Weekdays for Pipe Work	194	219	144
Total Footage of Pipe	15,035	18,340	N/A
Estimated Daily Production (lf/day)	77	84	N/A