



Woodridge Lake Sewer District

113 Brush Hill Road
PO Box 258

May 2, 2023

Dear Taxpayer,

Status:

Our wastewater plant is now 52 years old and well beyond its normal useful life, and unexpected repairs are virtually certain at any time. We have spent the last two years waiting for the Litchfield WPCA to begin developing its 20-year Facilities Plan which DEEP wants us to be a part of. During that period the District stopped all planning on designing the pipeline to connect to Litchfield's wastewater treatment facility. Until DEEP approves such a pipeline project, we will make every effort to minimize tax increases by the judicious use of preventative maintenance and cost-effective solutions to critical operational issues that may arise during 2023/2024.

During the last year we have been working with the Bantam Lake Protective Association, the equivalent of our Lake & Dam Committee, to support their efforts to reduce the sources of high nutrient contamination. The DEEP water quality report indicates that our plant is a significant contributor to the high nutrient level in Bantam Lake and, if we go to Litchfield, 60% of that problem will be eliminated. It is now clear that this environmental issue has not stimulated the Litchfield WPCA to quicken the pace of their planning cycle. If the Litchfield pipeline project moves forward, the District will submit a financial plan for taxpayers to vote to authorize funding before the project is initiated. The Board is very frustrated at this point.

Recommendation:

The Board is recommending a mill rate of 4.6 for the upcoming fiscal year beginning July 1, 2023. This mill rate reflects the higher property assessments as a result of the recent revaluation. The proposed mill rate level does increase the total tax levy by 16% over the prior year and is necessary in order to cover increased expenses. The proposed operating budget is focused on maintaining the collection system, repairing the plant's infrastructure, and improving operating efficiency.

The tax revenue at 4.6 mil rate will raise \$1,601,016, based on the assessed value of the grand list of \$348,047,000. The Board recommends a balanced budget of \$1,681,616 consisting of Operating expenses of \$1,166,367 and a transfer to Capital of \$515,249.

Revenue and Expense Overview:

Our 2022/2023 budget assumed that our assessment and other revenues were sufficient to pay for operating expenditures of \$1,181,723, which included debt service of \$17,986 and for a transfer to our capital reserves of \$292,305 for future capital needs. Based on our current projections for this fiscal year, our income will be \$1,474,028, which is above budget by \$32,144. Our projected operating expenses of \$1,181,723 will be more than the budget of \$1,048,229 primarily because of \$378,039 in repairs and

maintenance of the plant and collection system which was over plan by \$158,039. The net impact decreased our projected transfer to capital reserves by \$101,350.

The Board is projecting an ending Fund Balance of about \$382,084 on June 30, 2023 which is \$90,704 under plan. For more detailed financial information for 2022/2023, please review the enclosed material, which reflects the budget and forecasts for expenditures for the year ending June 30, 2023.

2023/2024 Activities and Budget:

In the coming year, operating expenses are budgeted to be \$1,166,367, and a transfer to Capital of \$515,249. The increase in operating expenses primarily results from increased personnel expenses and a 50% increase in power expenses. The Board increased the transfer amount to the Fund Balance to make up for last years depletion. There are no planned upgrades to the plant as we await a re-engagement with the Litchfield WPCA.

In the following year , we are continuing our maintenance and repairs of the collection system via CCTV of 4-miles of the pipeline to identify needed repairs to prevent infiltration at a cost of \$270,000.

Additionally, we included \$95,000 for a new truck that we deferred from last year, and \$48,421 for critical parts inventory. We have not proposed capital spending on the pipeline project pending a decision from Litchfield although we are spending \$40,000 to develop a concept plan. The Board will need to call a Special Taxpayer Meeting to gain approval to fund any capital project when appropriate. For more detailed financial information for 2023/2024, please review the enclosed material, reflecting the plan for expenditures for the year ending June 30, 2024.

The Connecticut legislature passed within Bill No. 6690 LOC No. 10579 a grant of \$3,000,000 to help the District resolve the long standing issues with DEEP. The Board has been in touch with State Representative Maria Horn and State Senator Stephen Harding to assist in working to have these funds released. We recently hosted a meeting at our plant with the Representative and the Senator. They pledged their support in helping to resolve our long standing Consent Order with the DEEP as well as funding grant in support of our efforts. These funds will be important to not only reduce the impact on you the taxpayers in a future capital project but also to show support to the USDA, which is our target funder as we move forward.

Budget Meeting and Approval:

The budget vote has been scheduled for Saturday, May 27, 2023 commencing following the Woodridge Lake Property Owners' Association Board meeting at the Woodridge Lake Club House

WLSB Board