



## **Woodridge Lake Sewer District**

113 Brush Hill Road

PO Box 258

Goshen, CT 06756

May 5, 2025

Dear Taxpayer,

### **Status:**

Our wastewater plant is now 54 years old and well beyond its normal useful life, and unexpected repairs are virtually certain at any time. We have spent the last four years waiting for the Litchfield WPCA to begin developing its 20-year Facilities Plan which the Department of Energy & Environmental Protection (DEEP) wants us to be a part of. During that period the District has stopped all planning on designing the pipeline to connect to Litchfield's wastewater treatment facility. Until DEEP approves such a pipeline project or an on-site solution, we will continue to make every effort to minimize tax increases by funding preventative maintenance and cost-effective solutions to critical operational issues that may arise during FY 2025/2026.

During the last year we have had several discussions with DEEP regarding the extended timeline and risk of disapproval by Litchfield voters of a WLSD pipeline to their WPCA. The Board has spent limited funds and time developing our argument for an on-site solution. We have been unable to achieve DEEP agreement regarding our position. If the Litchfield pipeline project or an on-site solution moves forward, the District will submit financial plans for a taxpayer to vote to authorize funding before the project is initiated. The Board continues to be frustrated at the lack of movement.

### **Recommendation:**

The Board is recommending a mill rate of 5.1 for the upcoming fiscal year beginning July 1, 2025. The proposed mill rate increases the total tax levy by an average of \$280 per taxpayer or 11% over the prior year due to an unanticipated breakdown of the sludge process tanks and equipment at the plant. The replacement costs are projected to be \$1,111,987. The proposed operating budget is focused on maintaining the collection system, repairing the plant's infrastructure, improving operating efficiency, and developing a forward-looking plan to present to the DEEP.

The tax revenue at a 5.1 mil rate will raise \$1,805,986, based on the assessed value of the grand list of \$354,114,810. The Board recommends a balanced budget of \$1,896,586 consisting of operating expenses of \$1,089,575 and the transfer to capital reserves of \$807,010.

### **FY 2024/2025 Revenue and Expense Overview:**

Our FY 2024/2025 budget assumed that our assessment and other revenues were sufficient to pay for operating expenditures of \$1,153,192, which included debt service of \$17,339 and a transfer to our capital reserves of \$579,025 for future capital needs. Based on our current projections for this fiscal year, our income will be \$1,748,254, which is above budget by \$16,037. Our projected operating expenses of \$1,016,891 will be less than the budget of \$1,153,192 primarily because of \$78,448 less in repairs and maintenance for the plant and collection system and the balance from other cost saving measures. The net impact increased our projected transfer to capital reserves by \$152,338. Our projected capital expenses of \$958,077 will be \$628,077 over our budget. The major cause is the replacement of two 25,000-gallon sludge tanks for \$615,761, the down payment of one third of the cost of a new replacement Somat dewatering machine for \$165,409. All of these increases were offset by \$270,000 by delaying the planned annual Infiltration & Inflow reduction program.

The Board is projecting an ending Fund Balance of about \$531,752 on June 30, 2025 which is \$349,521 under plan. For more detailed financial information for FY 2024/2025, please review the enclosed material, which reflects the budget and forecasts for expenditures for the year ending June 30, 2025.

### **FY 2025/2026 Activities and Budget:**

In the coming year, operating expenses are budgeted to be \$1,089,575, and a transfer to capital reserves of \$807,010. The Board has been able to reduce operating expenses by \$63,616 or 5.5% by more effective deployment of staff. The Board has also continued the high transfer amount to the Fund Balance to recover from the sludge process failure at the plant. This failure disrupted our plans to build a balance for an anticipated engineering planning cycle to revise the Litchfield pipeline planning or an on-site solution. Now, there are no planned upgrades to the plant as we await a re-engagement with the Litchfield WPCA or a decision from DEEP regarding an on-site solution.

In the following year, we will restart our planned annual maintenance and repairs of the collection system via CCTV (closed-circuit television) of 4-miles of the pipeline to identify needed repairs to prevent infiltration at a cost of \$270,000.

We have not proposed capital spending on the pipeline project pending a decision from Litchfield or the DEEP regarding the on-site solution although we are spending \$60,000 to further refine the concept plan for an on-site solution. We are anticipating spending \$180,000 on developing preliminary engineering plans for updating the Litchfield connection and/or the on-site option. While we continue to believe inter-connection with the Litchfield Water Pollution Control Facility offers the best solution to address our aging plant and provide the best environmental and operational outcomes for all stakeholders, there is no certainty as to when or if Litchfield will elect to move forward with an inter-connection. In order to move further the Board will need to call a Special Taxpayer Meeting to gain approval to fund any capital project. For more detailed financial information for FY 2025/2026, please review the enclosed material, reflecting the plan for expenditures for the year ending June 30, 2026.

As mentioned, last year 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 continues to be in touch with State Representative Maria Horn and State Senator Stephen Harding to assist in working to have these funds released. Both have recently pledged their support and are planning to submit an additional funding grant in support of our efforts once we have a DEEP approved plan. These funds will be important to not only reduce the impact on you, the taxpayers, on a future capital project but also to show support to the ultimate funder as we move forward.

**Budget Meeting and Approval:**

The budget vote has been scheduled for Saturday, May 24, 2025 directly following the Woodridge Lake Property Owners' Association Board meeting at the Woodridge Lake Club House

WLSD Board