



## Woodridge Lake Sewer District

113 Brush Hill Road

PO Box 258

Goshen, CT 06756

May 8, 2017

Subject: Proposed Woodridge Lake Sewer District Budget 2017/2018

To All Woodridge Lake Sewer District Taxpayers:

**Recommendation:** The Board recommends no change in the mil rate for the upcoming year beginning July 1, 2017, as the District operating and project budgets are expected to be within reasonable levels as per the attachment. The tax revenue at 4.30 mil rate will raise \$1,051,921 ad valorem based on the assessed value of the grand list of \$244,632,750. The Board recommends a balanced budget of \$1,099,921 consisting of Operating expenses of \$897,997 and Transfer to Capital Reserves of \$201,924.

This recommendation also provides for the re-appropriation of previously approved capital funding not spent of \$4,148,490 less additional funds of \$560,345, a total of \$3,588,145 to begin the construction of improvements to and extensions of the District's wastewater treatment system to connect with the Torrington wastewater treatment facility.

Our project has been delayed for the last year by the objection to the planned route lodged by the Torrington Water Company with the Connecticut Department of Health (DPH).

It remains the Board's judgment that until we have completed the project we should make every effort to minimize any tax increase for 2017/2018. The Board is mindful that our treatment plant is 47 years old and well beyond its normal useful life, and that unexpected repairs are possible at any time.

**2016/2017 Revenue and Expense Overview:** Our 2016/2017 budget provided that our assessment and other revenues were sufficient to pay for operating expenditures of \$844,000 and for a transfer to our capital reserves of \$255,000 for future capital projects. Based on our current projections for this fiscal year, our operating expenses will be higher than budget primarily because of the unanticipated legal expenses of \$214,000 needed to defend our proposed sewer pipeline right of way over the objections of the Torrington Water Company. While these extraordinary expenses were partially offset by savings of \$100,000 in practically every other area of budgeted expenditure, the net impact will still reduce our projected transfer to capital reserves by \$114,000.

The project budget ending June 30<sup>th</sup> is estimated to be under plan by \$3,966,000 due to the delay in beginning the Torrington pipeline project but offset by emergency capital repairs to pump station #5 and #6 of \$101,000 as well as additional professional engineering expenses of \$166,000 as a result of the objections of the Torrington Water Company.

We are projecting an ending Fund Balance of \$622,000 on June 30, 2017. We had planned a \$400,000 Fund Balance with a \$3,376,000 CO Bank construction loan.

For more detailed financial information for 2016/2017, please review the enclosed material, which reflects the budget and forecasts for expenditures for the year ending June 30, 2017.

**2017/2018 Activities and Budget:** In the coming year operating expenses are effectively unchanged from the prior year with the exception of legal expenses which are projected to be lower. No major upgrades to the existing plant are anticipated. We will, of course, be performing necessary maintenance while in this "status quo" mode. We are also initiating an 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 receive the necessary support from the DPH to begin construction for the Torrington wastewater transmission facility. If the DPH rules against our plan or the Torrington Water Company continues to object with the regulators, the Board will need to determine an appropriate path forward.

For more detailed financial information for 2017/2018, please review the enclosed material, which reflects the plan for expenditures for the year ending June 30, 2018.

**Budget Meeting and Approval:** The budget vote is scheduled for Saturday, May 27, 2017 at 9:30 AM 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

**WLSB Budget Summary**

Description	2016/2017 Plan	2016/2017 Forecast	2017/2018 Proposed
<b>Operating Budget</b>			
Assessed Value Grand List	\$243,727,360		\$244,632,750
Mil Rate	4.3		4.3
Revenues			
Assessment	\$1,048,027.65	\$1,048,452.08	\$1,051,920.83
Other Income	\$50,300.00	\$53,946.27	\$48,000.00
Total Revenue	\$1,098,327.65	\$1,102,398.35	\$1,099,920.83
Expenditures			
Personnel	\$431,622.10	\$418,831.18	\$463,218.00
Collection System & Plant Operations	\$45,000.00	\$25,223.40	\$45,000.00
Power	\$75,000.00	\$75,115.31	\$75,000.00
Insurance	\$81,172.34	\$67,410.88	\$74,113.88
Legal, Accounting and Computer	\$69,200.00	\$276,400.20	\$73,758.00
Interest	\$32,400.00	\$4,592.91	\$57,306.68
Other	\$84,200.00	\$94,032.19	\$83,600.00
Contingency	\$25,000.00	\$0.00	\$25,000.00
Total Expenditures	\$843,594.44	\$961,606.07	\$896,996.56
Transfer to Capital Reserves	\$254,733.21	\$140,792.28	\$202,924.27
Net Surplus / (Deficit)	\$0.00	\$0.00	\$0.00
<b>Projects</b>			
	2016/2017 Plan	2016/2017 Forecast	2016/2017 Proposed
USDA Bond Payment - Principal	\$29,087.00	\$9,364.50	\$9,904.66
Upgrade Engineering Design (Contract price \$519,579.15)	\$873,271.00	\$103,715.79	\$100,000.00
Engineering Design Addendum #1 TWC	\$0.00	\$77,364.00	\$0.00
Engineering Design Addendum #2 TWC	\$0.00	\$58,601.00	\$0.00
Engineering Design Addendum #3 TWC	\$0.00	\$19,421.46	\$0.00
Engineering Design Addendum #4 TWC	\$0.00	\$7,707.17	\$0.00
SCADA Computer	\$0.00	\$3,227.00	\$0.00
Torrington Pipeline Construction	\$3,050,000.00	\$0.00	\$3,050,000.00
Construction Engineering	\$246,000.00	\$0.00	\$246,000.00
Collection System Flow Monitoring	\$40,000.00	\$11,117.03	\$40,000.00
Clean & TV 4 Miles of Collection System	\$42,240.00	\$42,000.00	\$42,240.00
Repair 4 Miles of Collection System	\$100,000.00	\$0.00	\$100,000.00
Wet Well Clean & Inspect	\$30,000.00	\$11,860.42	
Pump Station #5 Refurbishment	\$28,000.00	\$87,436.73	
Pump Station #6 Emergency Repairs	\$0.00	\$14,092.50	
Inspection of Forced Main	\$30,000.00	\$30,000.00	
Standby Generator 150 KVA	\$50,000.00	\$77,000.00	
Previously Approved but not spent	\$4,146,103.53		
Total Budgeted Capital Expenditure	\$4,518,598.00	\$552,907.60	\$3,588,144.66
Construction Loan Drawdown	\$3,375,547.00	\$0.00	\$3,163,090.71
<b>Beginning Fund Balance as of July 1st</b>			
	2016/2017 Plan	2016/2017 Forecast	2017/2018 Proposed
Revenue	\$1,098,327.65	\$1,102,398.35	\$1,099,920.83
Operating Expenses	-\$843,594.44	-\$961,606.07	-\$896,996.56
Project Expenses	-\$4,518,598.00	-\$552,907.60	-\$3,588,144.66
Loan Drawdown	\$3,375,547.00	\$0.00	\$3,163,090.71
<b>Ending Fund Balance as of June 30th</b>	<b>\$400,000.00</b>	<b>\$622,129.68</b>	<b>\$400,000.00</b>

