

**Woodridge Lake Sewer District  
113 Brush Hill Road, P.O. Box 258  
Goshen, CT 06756**

May 4, 2015

Subject: Proposed Woodridge Lake Sewer District Budget 2015/2016

To All Woodridge Lake Sewer District Taxpayers:

**Recommendation:** The Board recommends no change in the mil rate for the upcoming year beginning July 1, 2015, 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 \$1,042,954 on an ad valorem based on the assessed value of the grand list of \$242,547,530.

This recommendation provides for the re-appropriation of previously approved capital funding for the completion of the planned projects and engineering even though we have not yet agreed with the DEEP on the final long term solution to the disposal of our wastewater.

It remains the Board's judgment that until we have clarity on our options and their costs we should make every effort to minimize any tax increase for 2015/2016. The Board is mindful that our treatment plant is 45 years old and well beyond its normal useful life, and that unexpected repairs are possible at any time.

**2014/2015 Revenue and Expense Overview:** For the fiscal year ending June 30<sup>th</sup> the operating expenses are projected to be under budget by \$41,864. This operating surplus was the result of a modest increase in collected revenues, reduced personnel expenses, unused of the contingency which were offset by higher plant and collection maintenance expenses and environmental insurance costs.

The project budget ending June 30<sup>th</sup> is estimated to be under plan by \$1,899,327 due to the delay in the planned projects, which still need to be completed. These projects included the engineering and construction for the Inflow & Infiltration (I&I) as well as the Pump Station, the Supervisory Control and Data Acquisition (SCADA) system and the new plant or the pipe line to Torrington project.

We are projecting an ending Fund Balance of \$942,984 on June 30, 2015. We had planned a \$249,523 Fund Balance with a \$1,222,055 USDA RD Fund loan on our balance sheet which was not taken down.

For more detailed financial information for 2014/2015, please review the enclosed material, which reflects the budget and forecasts for expenditures for the year ending June 30, 2015.

**2015/2016 Activities and Budget:** In the coming year operating expenses are effectively unchanged from the prior year. No major upgrades to the plant will be started for the coming year until the Board reaches an acceptable agreement with DEEP. We will, of course, be performing necessary maintenance

while in this "status quo" mode. We anticipate the completion of the SCADA System and the I&I projects this fall. Since April 10, 2014 when the DEEP staff wrote to us indicating they could not support our proposed Facilities Plan to build a new treatment plant and recommended that we proceed with a pipeline to Torrington we have been meeting with them to make our case for the environmentally sound and less expensive new treatment plant. Their staff has insisted on additional expenditures to the new treatment plant to guarantee compliance with their guidelines. At this point the revised new plant costs are almost identical to the pipeline to Torrington. As such we will be increasing our engineering investigation of the pipeline to Torrington option to see if the costs of that alternative can be reduced. Prior years approved budgets anticipated the initiation of engineering planning for either the local option or the Torrington option with some funds set aside for the construction to begin but the inability to reach an agreement with the DEEP delayed this very large project into the 2015/2016 and beyond time frame.

For more detailed financial information for 2015/2016, please review the enclosed material, which reflects the plan for expenditures for the year ending June 30, 2016.

**Future Capital Needs:** We hope to reach a final agreement with DEEP within the next several months on the future disposal of our wastewater (either a new plant or a pipeline to Torrington). Ultimately, the Board will hold a public meeting to discuss the DEEP mandated solution and the required capital to implement the solution. The capital funding is expected to come from several sources, namely: grants, low interest long-term loans, and possibly a municipal bond issue. Sewer users will be required to pay the annual principal and interest on these debt obligations via a method yet to be determined, which will be discussed in the public meeting with the taxpayers later this summer.

**Budget Meeting and Approval:** The budget vote is scheduled for Saturday, May 23, 2015 at 9:30 AM or immediately following the Woodridge Lake Property Owners Association Board meeting at the Woodridge Lake Club House.

Please plan to attend.

WLSD Board

## WLSD Budget Summary

Description	2014/2015 Approved Budget	2014/2015 Full Year Forecast	2015/2016 Proposed
<b>Operating Budget</b>			
Assessed Value Grand List	\$240,284,430		\$242,547,530
Mil Rate	4.3		4.3
Revenues			
Assessment	\$1,033,223	\$1,035,524	\$1,042,954
Other Income	\$45,000	\$48,098	\$46,000
Total revenue	\$1,078,223	\$1,083,622	\$1,088,954
Expenditures			
Personnel	\$499,983	\$438,191	\$440,146
Plant Equip & Coll System R&M	\$45,000	\$59,364	\$45,000
Power	\$62,000	\$59,882	\$60,000
Insurance	\$65,778	\$93,688	\$85,215
Prof-Legal & Acctg & Computer	\$118,200	\$113,474	\$118,200
Other	\$74,860	\$74,569	\$79,400
Debt Service	\$600	\$0	\$0
Contingency	\$25,000	\$0	\$25,000
Total expenditures	\$891,421	\$839,168	\$852,961
Transfer to Capital Reserves	\$186,802	\$186,802	\$235,993
Net Surplus / Deficet	\$0	\$57,652	\$0
<b>Projects</b>			
	<b>Approved Spending</b>	<b>2014/2015 Forecast</b>	<b>2015/2016 Proposed</b>
Regulatory Coordination	\$13,913	\$82,226	\$48,000
Pump Station #2 Emergency Refurbishment	\$0	\$22,234	\$0
Pump Station #3 Emergency Refurbishment	\$0	\$34,271	\$0
Pump Station # 8 Refurbishment	\$0	\$0	\$15,000
Plant Pump Refurbishment	\$0	\$0	\$10,000
Deep Cut Sewer Line Refurbishment	\$0	\$369	\$0
I & I Remediation (Engineering) Taxpayer Approved 2012	\$49,775	\$26,667	\$30,730
I & I Remediation (Construction) Taxpayer Approved 2012	\$432,165	\$0	\$432,165
SCADA System (Engineering/Equipment/Programming) Taxpayer Approved 2012	\$286,892	\$70,793	\$235,133
Pump Station Construction Taxpayer Approved 2012	\$100,070	\$0	\$110,000
Tractor / Truck Lease	\$40,000	\$31,428	\$0
New Plant/Pipe Line Engineering Design Taxpayer Approved 2014	\$844,500	\$0	\$575,000
New Plant/Pipe Line Construction Taxpayer Approved 2014	\$400,000	\$0	\$0
Total Project Expenditures	\$2,167,315	\$267,988	\$1,456,028
Loan Drawdown	\$1,222,055	\$0	\$1,252,210
<b>Beginning Fund Balance as of June 30</b>			
	<b>2014/2015 Plan</b>	<b>2014/2015 Forecast</b>	<b>2015/2016 Proposed</b>
Revenue	\$1,078,223	\$1,083,622	\$1,088,954
Operating Expenses	-\$891,421	-\$839,168	-\$852,961
Project Expenses	-\$2,167,315	-\$267,988	-\$1,456,028
Loan Drawdown	\$1,222,055	\$0	\$1,252,210
<b>Ending Fund Balance as of June 30</b>	<b>\$249,523</b>	<b>\$958,772</b>	<b>\$990,948</b>