

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

May 9, 2016

Subject: Proposed Woodridge Lake Sewer District Budget 2016/2017

To All Woodridge Lake Sewer District Taxpayers:

Recommendation: The Board recommends no change in the mil rate for the upcoming year beginning July 1, 2016, 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 \$1,048,028 on an ad valorem based on the assessed value of the grand list of \$243,727,360. The Board recommends a balanced budget of \$1,098,328 for Operating expenses of \$843,594 and Transfer to Capital Reserves of \$254,734.

This recommendation also provides for the re-appropriation of previously approved capital funding but not spent of \$820,624 plus additional funds of \$3,697,974, a total of \$4,518,598 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 remains the Board's judgment that until we have completed the project we should make every effort to minimize any tax increase for 2016/2017. The Board is mindful that our treatment plant is 46 years old and well beyond its normal useful life, and that unexpected repairs are possible at any time.

2015/2016 Revenue and Expense Overview: For the fiscal year ending June 30th the operating budget is projected to be under budget by \$132,718. This operating surplus was the result of a modest increase in collected revenues, reduced personnel expenses, lower operations expenses, lower professional fees and no contingency expenses.

The project budget ending June 30th is estimated to be under plan by \$326,166 due to completing the I&I and SCADA construction projects under plan and a delay in the completion of the engineering design for the transmission facility but

offset by emergency capital projects to refurbishments of pump station #6, #8 and the plant pump.

We are projecting an ending Fund Balance of \$1,288,317 on June 30, 2016. We had planned a \$990,772 Fund Balance with a \$691,210 USDA RD bond on our balance sheet.

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

2016/2017 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. As we will have completed our engineering planning for the Torrington wastewater transmission this year we will begin construction. We are also initiating an annual inspection and repair program to maintain the integrity of our collection system piping and related infrastructure.

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

Future Capital Needs: The Board has held a public meeting to discuss the DEEP mandated solution and the required capital to implement the solution. Approval of the required appropriation will take place by a vote of the taxpayers at the upcoming Special District Meeting. Taxpayers will be required to pay the annual principal and interest on these debt obligations in the same manner we fund our annual budget.

Budget Meeting and Approval: The budget vote is scheduled for Saturday, May 28, 2016 at 9:30 AM or immediately following the Woodridge Lake Property Owners Association Board meeting at Camp Coch, 291 Beach Street, Goshen, Connecticut.

Please plan to attend.

WLSB Board

WLSD Budget Summary

Description	2015/2016 Approved Budget	2015/2016 Full Year Forecast	2016/2017 Proposed
Operating Budget			
Assessed Value Grand List	\$242,547,530		\$243,727,360
Mil Rate	4.30		4.30
Revenues			
Assessment	\$1,042,954	\$1,043,805	\$1,048,028
Other Income	\$46,000	\$52,303	\$50,300
Total Revenue	\$1,088,954	\$1,098,328	\$1,098,328
Expenditures			
Personnel	\$440,146	\$422,482	\$431,622
Collection System & Plant Operations	\$108,300	\$67,550	\$113,100
Power	\$60,000	\$73,873	\$75,000
Insurance	\$85,215	\$77,077	\$81,172
Legal, Accounting and Computer	\$118,200	\$72,553	\$69,200
Interest	\$0	\$0	\$32,400
Other	\$16,100	\$13,861	\$16,100
Contingency	\$25,000	\$0	\$25,000
Total Expenditures	\$852,961	\$727,396	\$843,594
Transfer to Capital Reserves	\$235,993	\$368,712	\$254,734
Net Surplus / (Deficit)	\$0	\$132,718	\$0
	Approved Spending	Forecast	2015/2016 Proposed
Projects			
Regulatory Coordination Future Amendment #7 Not DEEP Approved	\$48,000	\$93,742	\$0
Pump Station #8 Emergency Refurbishment	\$15,000	\$27,512	\$0
Pump Station #6 Emergency Refurbishment	\$0	\$40,959	\$0
Plant Pump Emergency Refurbishment	\$10,000	\$131,750	\$0
Treatment Plant Emergency Repair	\$0	\$12,584	\$0
I & I Remediation (Engineering)	\$30,730	\$20,794	\$0
I & I Remediation (Construction)	\$432,165	\$259,534	\$0
SCADA System (Engineering/Equipment/Programming)	\$235,133	\$182,678	\$0
Pump Station Construction	\$110,000	\$111,130	\$0
USDA Bond Payment (Principal & Interest)	\$0	\$0	\$29,087
Upgrade Engineering Design (Contract Price \$509,579.15)	\$575,000	\$473,876	\$873,271
Torrington Pipeline Construction	\$0	\$0	\$3,050,000
Construction Engineering	\$0	\$0	\$246,000
Collection Flow Monitoring	\$0	\$20,000	\$40,000
Clean & TV 4 Miles of Collection System	\$0	\$0	\$42,240
Repair 4 miles of Collection System	\$0	\$0	\$100,000
Dry Well Clean & Inspect	\$0	\$0	\$30,000
Pump Station #5 Refurbishment	\$0	\$0	\$28,000
Inspection of Forced Main	\$0	\$0	\$30,000
Standby Generator 50 KVA	\$0	\$0	\$50,000
Total Budgeted Capital Expenditure	\$1,048,392	\$1,374,558	\$4,518,598
Construction Loan Drawdown	\$1,252,210	\$1,247,000	\$3,375,547
	2015/2016 Plan	2015/2016 Forecast	2016/2017 Proposed
Beginning Fund Balance as of July 1st	\$958,772	\$792,047	\$1,288,317
Revenue	\$1,088,954	\$1,096,108	\$1,098,328
Operating Expenses	-\$852,961	-\$727,396	-\$843,594
Project Expenses	-\$1,456,028	-\$1,119,442	-\$4,518,598
Loan Drawdown	\$1,252,210	\$1,247,000	\$3,375,547
Ending Fund Balance as of June 30th	\$990,947	\$1,288,317	\$400,000