



Woodridge Lake Sewer District

113 Brush Hill Road
PO Box 258
Goshen, CT 06756

April 30, 2022

Dear Taxpayer,

Status:

Our waste water plant is 51 years old and well beyond its normal useful life and unexpected repairs are virtually certain at any time. This year we want to purchase and stock an inventory of items that have a high failure rate so our staff can effect repairs with a minimum of delay.

At this time, the District is not planning further work on designing the pipeline connecting to Litchfield's wastewater treatment facility. Until DEEP approves 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 2022/2023.

Recently, we have been working with the Bantam Lake Protective Association, the equivalent of our Lake & Dam Committee, to understand the results of the EPA/DEEP water quality study of Bantam Lake which identifies the sources of high nutrient contamination. Our plant appears to be a significant contributor to the high nutrient level and, if we go to Litchfield, 60% of the problem will be eliminated. If this project moves forward, the District will submit a financial plan for taxpayers to vote authorizing funding before the project is initiated.

Recommendation:

The Board is recommending an increase in the mill rate from 4.7 to 5.2 for the upcoming fiscal year beginning July 1, 2022. This is the first increase in the mill rate in three years. The proposed operating budget is focused on maintaining the collection system, repairing the plant's infrastructure, and improving operating efficiency.

The tax revenue at 5.2 mil rate will raise \$1,378,784, based on the assessed value of the grand list of \$265,150,780. The Board recommends a balanced budget of \$1,441,884 consisting of Operating expenses of \$1,048,229 and a transfer to Capital of \$393,655.

Revenue and Expense Overview:

Our 2021/2022 budget provided that our assessment and other revenues were sufficient to pay for operating expenditures of \$939,077, which included debt service of \$18,297 and for a transfer to our capital reserves of \$388,609 for future capital needs. Based on our current projections for this fiscal year, our income will be \$1,327,686, which is above budget by \$28,186. Our projected operating expenses of \$939,077 will be more than the budget of \$856,885 primarily because of the increased \$61,699 in repairs and maintenance of the plant and collection system, an increase in personnel expenses of \$50,275, and

legal fees in defense of a lawsuit brought by a group of lakefront taxpayers. The net impact decreases our projected transfer to capital reserves of \$54,006 to \$388,609.

The Board is projecting an ending Fund Balance of about \$450,970 on June 30, 2022. For more detailed financial information for 2021/2022, please review the enclosed material, which reflects the budget and forecasts for expenditures for the year ending June 30, 2022.

2022/2023 Activities and Budget:

In the coming year, operating expenses are budgeted to be \$1,048,229, and a transfer to Capital Reserves of \$393,655. The increase in operating expenses primarily results from increased repairs to the collection system and plant equipment and increased personnel expenses. There are no planned upgrades to the plant as we await a re-engagement with the Litchfield WPCA.

After inspection, 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. The project was restarted last year after being suspended due to COVID. In the prior year, the approved unspent budget was \$200,000, and this coming year, a budget of \$270,000 for launching the project.

Additionally, we included \$45,000 for a new truck that we deferred from last year, \$14,000 for a John Deere Gator replacement, and \$156,751 for a critical parts inventory. We have not proposed capital spending on the pipeline project pending a decision from Litchfield. The Board will need to call a Special Taxpayer Meeting to gain approval to fund the pipeline project when appropriate. For more detailed financial information for 2022/2023, please review the enclosed material, reflecting the plan for expenditures for the year ending June 30, 2023.

Litigation: Ad Valorem Update:

Since 2017, the District's Board has been in discussions with a group of 26 lakefront owners regarding the Ad Valorem method of funding the Sewer District and the Sewer Authority's operations. Their position was that the District has violated statutes, practices, and guidelines in utilizing the Ad Valorem method. On July 15, 2019, this group of homeowners sued the Woodridge Lake Sewer District to have the ad-valorem method of taxing properties for sewer services declared improper. Additionally, this group wanted the court to set rates that they believed would be more favorable for properties with higher assessments. This would have increased sewer taxes on approximately eighty percent of properties within the District. On December 29, 2021 the Superior Court in Torrington ruled in favor of the District, and the ad-valorem assessment method will continue. While this ruling is a victory for most WLSD taxpayers who will not see a dramatic increase in their sewer taxes, it comes at a cost of \$78,475 in attorney fees required to defend the legal action brought by our neighbors.

Budget Meeting and Approval:

The budget vote had been scheduled for Saturday, May 28, 2022 commencing following the Woodridge Lake Property Owners' Association Board meeting at the Woodridge Lake Club House

WLSD Board

Board Approved as of 4/12/22

WLSD Budget Summary

Descriptions:	2021/2022 Approved Budget	2021/2022 Full Year Forecast	2022/2023 Proposed
Operating Budget			
Assessed Value Grand List	\$263,942,640		\$265,150,780
Mil Rate	4.70		5.20
Revenues:			
Assessment	\$1,241,000	\$1,241,169	\$1,378,784
Other Income	\$58,500	\$86,518	\$63,100
Total Revenue	\$1,299,500	\$1,327,686	\$1,441,884
Expenditures:			
Personnel	\$393,093	\$443,368	\$523,229
Plant Equip & Coll System Repair & Maint	\$140,000	\$201,669	\$220,000
Power	\$89,000	\$81,179	\$75,000
Insurance	\$73,500	\$71,507	\$75,500
Legal, Accounting and Computer	\$49,600	\$42,225	\$41,000
Debt Service	\$18,891	\$18,297	\$18,000
Other	\$112,801	\$119,441	\$110,500
Contingency	\$25,000	\$0	\$25,000
Total Expenditures	\$856,885	\$939,077	\$1,048,229
Transfer to Capital Reserves	\$442,615	\$388,609	\$393,655
Capital Projects			
	Approved Spending	Forecast	2022/2023 Proposed
Clean & TV 4 miles of collection system	\$0	\$0	\$70,000
Repair 4 miles of collection system	\$200,000	\$185,523	\$200,000
Vehicle Replacement	\$45,000	\$0	\$45,000
John Deere Gator Replacement	\$0	\$0	\$14,000
Sludge Press Replacement	\$0	\$0	\$0
SCADA Software Upgrade	\$0	\$0	\$39,300
Spare Parts Inventory Stocking	\$0	\$14,600	\$117,451
Spare Pump for Station 6	\$0	\$52,885	\$0
Driveway	\$0	\$59,540	\$0
Emergency Pipe Repair	\$0	\$26,000	\$0
I&I Repair prior year	\$0	\$65,400	\$0
Litchfield Project prior year	\$0	\$2,978	\$0
Emergency replacement - Muffin Monster	\$0	\$46,387	\$0
Emergency replacement - Plant Manhole	\$0	\$60,000	\$0
Total Capital Expenses	\$245,000	\$513,313	\$485,751
Beginning Fund Balance as of June 30th			
	2021/2022 Plan	2021/2022 Forecast	2022/2023 Proposed
Revenue	\$1,299,500	\$1,327,686	\$1,441,884
Operating Expenses	-\$856,885	-\$939,077	-\$1,048,229
Capital Expenses	-\$245,000	-\$513,313	-\$485,751
Estimated Ending Fund Balance as of June 30th	\$773,289	\$450,970	\$358,875