



## Woodridge Lake Sewer District

113 Brush Hill Road  
PO Box 258  
Goshen, CT 06756

April 14, 2020

Subject: Proposed Woodridge Lake Sewer District Budget 2020/2021

To All Woodridge Lake Sewer District Taxpayers:

### **Recommendation:**

\*The Board recommends maintaining the mil rate at 4.7 for the upcoming year beginning July 1, 2020. Although the District's operating budget is expected to be within normal levels, interest payments may increase significantly if the design of a new pipeline for connection to the Litchfield wastewater treatment facility is initiated. Any such project would be put to a vote of the District's taxpayers to authorize funding before the project is initiated.

\*The tax revenue at 4.7 mil rate will raise \$1,234,718 based on the assessed value of the grand list of \$262,706,020.

\*The Board recommends a balanced budget of \$1,295,918 consisting of Operating expenses of \$792,180, Total Debt Service of \$38,845, and Transfer to Capital Reserves of \$475,089.

If the pipeline project is initiated this budget provides for \$2,080,560 of funding, which will ultimately be capitalized, to complete the design phase of the project during the fiscal year. This is based upon engineering estimates submitted to the USDA, our funder.

The Board is mindful that our treatment plant is 50 years old and well beyond its normal useful life, and that unexpected repairs are possible at any time. It remains the Board's judgment that until we have completed the project we should make every effort to minimize tax increases by the judicious use of preventative maintenance and cost-effective solutions to issues that arise during 2020/2021.

**2019/2020 Revenue and Expense Overview:** Our 2019/2020 budget provided that our assessment and other revenues were sufficient to pay for operating expenditures of \$798,280, debt service of \$133,341, and for a transfer to our capital reserves of \$364,752 for future capital projects. Based on our current projections for this fiscal year, our income will be \$1,292,777, which is above budget by about \$6,599. Our projected operating expenses of \$796,387 will be lower than budget primarily because of the reduced expenses in insurance, office expenses, and contingency. Because the pipeline construction was not initiated, the construction loan was not

drawn upon resulting in a reduction in interest payments of \$118,738 and an increase in investment income of \$3,667. The net impact is an increase in our projected transfer to capital reserves of about \$127,230 to \$491,982.

The capital project budget ending June 30<sup>th</sup>, 2020 is projected to be under plan by more than \$6,600,000 because the pipeline construction project was not initiated. Within this underspend, there was a total of over \$105,000 spent on creating a new Preliminary Engineering Report (PER), including supporting capacity and flow analyses, to develop alternatives to the Torrington pipeline project.

We are projecting an ending Fund Balance of about \$459,971 on June 30, 2020. We had planned a \$100,000 Fund Balance, which would have included a \$6,200,000 draw down of the construction loan.

For more detailed financial information for 2019/2020, please review the enclosed material, which reflects the budget and forecasts for expenditures for the year ending June 30, 2020.

**2020/2021 Activities and Budget:** In the coming year, operating expenses are budgeted to be \$792,180, Total Debt Service of \$38,845, and Transfer to Capital Reserves of \$475,089. The reduction in operating expenses is primarily the result of pooling our employees' health insurance with those of surrounding municipalities. There is minimal change to our employees' benefits, but there is a more than 10% reduction in monthly access fees. No major upgrades to the existing plant are anticipated. We will, of course, be performing necessary maintenance and continuing our annual inspection and repair program to maintain the integrity of our collection system piping and related infrastructure.

The recommended budget anticipates that we will be able to put in place the funding and gain the necessary approvals to complete the design phase of a pipeline to the Litchfield wastewater treatment facility. The Board will need to call a Special Taxpayer Meeting to gain approval to proceed with a pipeline project when appropriate.

For more detailed financial information for 2020/2021, please review the enclosed material, which reflects the plan for expenditures for the year ending June 30, 2021.

**Budget Meeting and Approval:** The budget vote had been scheduled for Saturday, May 25, 2020 at 10:30AM in the Woodridge Lake Property Owners' Association Clubhouse, 260 East Hyerdale Drive, Goshen, Connecticut, however as a result of the Governor's COVID-19 Executive Order 7I Sections 12 & 13 (<https://portal.ct.gov/-/media/Office-of-the-Governor/Executive-Orders/Lamont-Executive-Orders/Executive-Order-No-7I.pdf>) this will not be possible. In accordance with the Executive Order, this letter, which will also be posted on our website, notifies you of the budget proposed to be approved by the Board. Please send any public comments on this budget proposal to: [board@wlsd-goshen.org](mailto:board@wlsd-goshen.org) or use the "Contact Us" section of our website (<http://www.wlsd-goshen.org/Topics/Topic.cfm?TopicName=Contact%20Us>). If there are further changes by the government we will notify you accordingly.

WLSD Board

**WLSD 2020/2021 Proposed Budget Summary**  
As of March 31, 2020

|   | 2019/2020            | 2019/2020          | 2020/2021            | Budget to Budget                        |
|---|----------------------|--------------------|----------------------|---|
|   |                      | Projected          | Proposed             | Variance                                |
| Description   | Budget               | Forecast           | Budget               | 2020/2021 -<br>2019/2020<br>Fav (UnFav) |
| <b>Operating Budget</b>   |                      |                    |                      |   |
| <b>Revenues</b>   |                      |                    |                      |   |
| Sewer assessment taxation   | \$1,236,198          | \$1,241,116        | \$1,241,418          | \$5,221                                 |
| Investment Income   | \$1,080              | \$4,747            | \$3,000              | \$1,920                                 |
| Other Income  | \$45,400             | \$45,679           | \$48,000             | \$2,600                                 |
| Sewer permit fees & connection Charge                             | \$3,500              | \$1,235            | \$3,500              | \$0                                     |
| <b>Total revenue</b>  | <b>\$1,286,178</b>   | <b>\$1,292,777</b> | <b>\$1,295,918</b>   | <b>\$9,741</b>                          |
| <b>Expenditures</b>   |                      |                    |                      |   |
| Personnel   | (\$417,500)          | (\$422,395)        | (\$421,000)          | (\$3,500)                               |
| Power & heat  | (\$90,500)           | (\$89,652)         | (\$93,700)           | (\$3,200)                               |
| Plant & collection system maintenance                             | (\$95,000)           | (\$108,373)        | (\$98,900)           | (\$3,900)                               |
| Other expense   | (\$45,680)           | (\$46,484)         | (\$45,480)           | \$200                                   |
| Office lease and other expense                                    | (\$20,900)           | (\$16,641)         | (\$18,400)           | \$2,500                                 |
| Insurance   | (\$76,000)           | (\$57,788)         | (\$65,100)           | \$10,900                                |
| Prof-Legal & Acctg & Computer                                     | (\$52,700)           | (\$55,055)         | (\$49,600)           | \$3,100                                 |
| <b>Total expenditures</b>   | <b>(\$798,280)</b>   | <b>(\$796,387)</b> | <b>(\$792,180)</b>   | <b>\$6,100</b>                          |
| <b>Debt Service</b>   |                      |                    |                      |   |
| Principal   | (\$10,196)           | (\$10,196)         | (\$10,196)           | \$0                                     |
| Interest  | (\$123,146)          | (\$4,408)          | (\$28,649)           | \$94,497                                |
| <b>Total Debt Service</b>   | <b>(\$133,341)</b>   | <b>(\$14,604)</b>  | <b>(\$38,845)</b>    | <b>\$94,497</b>                         |
| Available to Transfer to Capital Fund                             | \$364,752            | \$491,982          | \$475,089            | \$110,337                               |
| <b>Capital Outlay</b>   |                      |                    |                      |   |
| <b>Expenditures</b>   |                      |                    |                      |   |
| TORR PIPELINE- ADMIN & LEGAL                                      | \$0                  | \$0                | \$0                  | \$0                                     |
| TORR PIPELINE- ENGINEER DESIGN                                    | \$95,230             | (\$17,486)         | \$0                  | (\$95,230)                              |
| TORR PIPELINE- ARCH/ENG FEES                                      | (\$612,820)          | \$0                | \$0                  | \$612,820                               |
| TORR PIPELINE-CONSTRUCTION  | (\$5,900,000)        | \$0                | \$0                  | \$5,900,000                             |
| COLLECTION SYS FLOW MONITORING                                    | \$0                  | \$0                | \$0                  | \$0                                     |
| CLEAN & TV 4 MILES OF COLL SYS                                    | (\$40,000)           | (\$68,866)         | (\$40,000)           | \$0                                     |
| REPAIR 4 MILES OF COLL SYS  | (\$100,000)          | (\$115,620)        | (\$100,000)          | \$0                                     |
| SONAR TESTING PS FORCED MAIN                                      | \$0                  | \$0                | \$0                  | \$0                                     |
| SNOW PLOW & SANDING EQUIPMENT                                     | \$0                  | \$0                | \$0                  | \$0                                     |
| WET WELL REPAIRS  | (\$40,000)           | (\$23,930)         | \$0                  | \$40,000                                |
| PUMP STATION REROOF   | \$0                  | \$0                | \$0                  | \$0                                     |
| FLOW METER-PUMP STATION   | \$0                  | \$0                | \$0                  | \$0                                     |
| COMPUTERS (2 DESKTOPS)  | (\$5,000)            | (\$3,685)          | \$0                  | \$5,000                                 |
| PER/EA/ER   | \$0                  | (\$48,843)         | \$0                  | \$0                                     |
| LITCHFIELD INTERCEPTOR MONITOR                                    | \$0                  | (\$56,162)         | \$0                  | \$0                                     |
| Litch Pipeline - Design Phase                                     | \$0                  | \$0                | (\$2,080,560)        | (\$2,080,560)                           |
| Vehicle Replacement   | \$0                  | \$0                | \$0                  | \$0                                     |
| MISC CAPITAL  | \$0                  | \$0                | (\$25,000)           | (\$25,000)                              |
| <b>Total Expenditures</b>   | <b>(\$6,602,591)</b> | <b>(\$334,591)</b> | <b>(\$2,220,560)</b> | <b>\$4,382,031</b>                      |
| Excess (Deficiency) of revenues over expenditures                 | (\$6,248,034)        | \$147,195          | (\$1,755,666)        | \$4,492,368                             |
| <b>Cash Flow</b>  |                      |                    |                      |   |
| Starting Cash Balance   | \$117,649            | \$299,331          | \$459,971            | \$342,321                               |
| Taxes Collected   | \$1,221,189          | \$1,218,677        | \$1,238,189          | \$16,999                                |
| Expenses  | (\$798,280)          | (\$796,387)        | (\$792,180)          | \$6,100                                 |
| Debt Service  | (\$114,450)          | (\$14,604)         | (\$38,845)           | \$75,605                                |
| Capital Expense   | (\$6,602,591)        | (\$334,591)        | (\$2,245,560)        | \$4,357,031                             |
| Capital Income (Loan Drawdown, etc.)                              | \$6,219,802          | \$0                | \$1,417,225          | (\$4,802,577)                           |
| Other Income  | \$56,680             | \$59,002           | \$61,200             | \$4,520                                 |
| Cash Adjustments (CWF grant less prepaid environmental insurance) | \$0                  | \$28,544           | \$0                  | \$0                                     |
| <b>Ending Fund Balance</b>  | <b>\$100,000</b>     | <b>\$459,971</b>   | <b>\$100,000</b>     | <b>(\$0)</b>                            |

Note: Negative numbers are cash flow out