



Woodridge Lake Sewer District

113 Brush Hill Road

PO Box 258

Goshen, CT 06756

May 5, 2026

Dear Taxpayer,

Overview:

Our wastewater plant is now 55 years old and well beyond its normal useful life, and unexpected repairs are virtually certain at any time. We have spent the last five years waiting for the Litchfield WPCA to begin developing its long-term plan, which the Department of Energy & Environmental Protection (DEEP) wants us to be a part of. During that period, the District has stopped all planning and design work for the pipeline to connect to Litchfield's wastewater treatment facility. Until DEEP approves such a pipeline project or an on-site solution, we will continue to make every effort to minimize tax increases by funding preventative maintenance and cost-effective solutions to critical operational issues that may arise during FY 2026/2027.

For the second year, we have had several discussions with DEEP regarding the extended timeline and risk of disapproval by Litchfield voters of a WLSD pipeline to their WPCA. The Board has continued to spend limited funds and time developing our argument for an on-site solution. We have been unable to achieve DEEP agreement regarding our position. If the Litchfield pipeline project or an on-site solution moves forward, the District will submit financial plans for a taxpayer to vote to authorize funding before the project is initiated. The Board remains frustrated by the lack of progress.

Over the last thirteen months, the Board has replaced all the existing staff. To replace these staff members, we have hired better-trained and more professional employees. We have already seen improvements in reduced costs and the effectiveness of all aspects of the business.

Recommendation:

The Board is recommending a mill rate of 5.1 for the upcoming fiscal year beginning July 1, 2026. The proposed mill rate is identical to the rate charged during the prior year. As a result of the funds we had available, we were able to fund the unanticipated breakdown of the sludge process tanks and dewatering equipment at the plant for over two years without a special assessment or a loan. The total replacement costs were \$1,567,774. The proposed operating budget is focused on maintaining the collection system, repairing the plant's infrastructure, and improving operating efficiency.

The tax revenue at a 5.1 mil rate will raise \$1,827,925, based on the assessed value of the grand list of \$358,416,570. Again this year, we will be providing a tax exemption to three qualified veterans. The Board recommends a balanced budget of \$1,929,225, consisting of operating expenses of \$1,001,612 and the transfer to capital reserves of \$927,612.

FY 2026/2027 Revenue and Expense Overview:

Our FY 2025/2026 budget assumed that our assessment and other revenues were sufficient to cover operating expenditures of \$1,089,575, including debt service of \$17,001 and a transfer to our capital reserves of \$807,010 for future capital needs. Based on our current projections for this fiscal year, our income will be \$1,904,023, which is above budget by \$7,437. Our projected operating expenses of \$913,887 will be \$175,688 under the budget of \$1,089,575, a savings of 8%. The primary reasons were lower Personnel expenses by \$103,927; lower Power by \$24,417; lower Collection and Plant repairs by \$13,721; lower Insurance by \$11,099; and lower Legal & Accounting by \$13,766, with an offset of an increase in Other by \$14,124. The net impact increased our projected transfer to capital reserves by \$183,125. Our projected capital expenses of \$940,123 will be \$89,306 over our budget. The major cause is the replacement of two 25,000-gallon sludge tanks at \$421,565 and the upgrade of two pumps at \$81,107. All these increases were offset by \$270,000 by delaying the planned annual Infiltration & Inflow reduction program, and with lower engineering costs for the ultimate solution of \$155,000.

The Board is projecting an ending Fund Balance of about \$860,740 on June 30, 2026, which is \$384,215 over plan. For more detailed financial information for FY 2025/2026, please review the enclosed material, which presents the budget and expenditure forecasts for the year ending June 30, 2026.

FY 2025/2026 Activities and Budget:

In the coming year, operating expenses are budgeted at \$1,001,612, with a transfer to capital reserves of \$927,612. The Board has also continued the high transfer amount to the Fund Balance to recover from the sludge process failure at the plant. This failure disrupted our plans to establish a balance for an anticipated engineering planning cycle to revise the Litchfield pipeline planning or to pursue an on-site solution. Now, there are no planned upgrades to the plant as we await a re-engagement with the Litchfield WPCA or a decision from DEEP regarding an on-site solution.

In the following year, we are focusing on using our capital to upgrade critical components of our plant infrastructure and several pump stations.

We have not proposed capital spending on the pipeline project pending a decision from Litchfield or the DEEP regarding the on-site solution, as we have yet to receive DEEP's support to move forward. While we continue to believe interconnection with the Litchfield Water Pollution Control Facility offers the best solution to address our aging plant and provide the best environmental and operational outcomes for all stakeholders, there is no certainty as to when, or if, Litchfield will elect to move forward with an interconnection. To move forward, the Board will need to call a Special Taxpayer Meeting to obtain approval to fund any capital project. For more detailed financial information for FY 2026/2027, please review the enclosed material, reflecting the plan for expenditures for the year ending June 30, 2027.

Budget Meeting and Approval:

The budget vote has been scheduled for Saturday, May 23, 2026, directly following the Woodridge Lake Property Owners' Association Board meeting at the Woodridge Lake Club House

WLSD Board

WLSO Budget Summary

Descriptions:	2025/2026 Approved Budget	2025/2026 Full Year Forecast	2026/2027 Proposed Budget
<u>Operating Budget</u>			
Assessed Value Grand List	\$354,114,810		\$358,416,570
Mil Rate	5.1		5.1
Revenues:			
Assessment	\$1,805,986	\$1,808,433	\$1,827,925
Other Income	\$90,600	\$83,586	\$101,300
Total Revenue	\$1,896,586	\$1,904,023	\$1,929,225
Expenditures:			
Personnel	\$485,509	\$381,582	\$474,456
Plant Equip & Coll System Repair & Maint	\$190,000	\$176,279	\$121,400
Power	\$100,000	\$75,584	\$110,000
Insurance	\$90,827	\$79,728	\$85,380
Legal, Accounting and Computer	\$66,000	\$52,234	\$38,600
Other	\$114,900	\$131,480	\$130,480
Debt Service	\$17,339	\$17,339	\$16,654
Contingency	\$25,000	\$0	\$25,000
Total Expenditures	\$1,089,575	\$913,887	\$1,001,612
Transfer to Capital Reserves	\$807,010	\$990,135	\$927,612
<u>Capital Budget</u>			
Revenues and Funding			
Transfer to Capital from Operating	\$807,010	\$990,135	\$927,612
Loans Principle Payment	-\$12,078	-\$11,748	\$12,433
Capital Projects	2023/2024 Approved Budget	2023/2024 Full Year Forecast	20224/2025 Proposed
Clean and TV 4 miles of collections system	\$70,000	\$0	
Repair 4 miles of collection system	\$200,000	\$0	
Environmental Testing	\$60,000	\$47,412	
Sludge Tank Replacement	\$0	\$421,565	
Soamt Dewatering	\$330,817	\$365,039	
Plant Wide Review Consultant	\$10,000	\$0	
Ultimte Solutions (Litchfield & On-Site)	\$180,000	\$25,000	
Station 6 Flow Meter Replacement	\$0	\$74,244	
Bed Distribution Valving Sub-System	\$0	\$6,863	
Pump Station Pump Spare Parts			\$24,000
Pump Rebuilds			\$24,000
Pump Replacements			\$40,250
Pump Station Control Units Spare Parts			\$9,600
Manhole Lid Watertight Rings			\$6,000
Break Room and Shower Upgrades			\$12,000
RAS Pit Transducer & Controls			\$6,000
WAS Flow Meter			\$6,000
Yard Valve Replacements (Seven Valves)			\$30,000
Reaeration & Contact Tank Lining (total of Four)			\$200,000
Rebuild Both Clarifiers			\$240,000
SCADA Integration			\$24,000
Defuser Replacement			\$15,000
Sludge Tank Permeant Heaters			\$5,400
Rebuild of PS 6 Wet Well, Flow Checks, Bols & Piping			\$96,000
Rebuild PS 1 Pump			\$24,000
Capital Expenditures	\$850,817	\$940,123	\$762,250
<u>Fund Balances</u>			
	2024/2025 Approved Budget	2024/2025 Full Year Forecast	2025/2026 Proposed
Beginning Fund Balance as of June 30th	\$531,752	\$822,148	\$860,740
Revenue	\$1,896,586	\$1,904,023	\$1,929,225
Operating Expenses	-\$1,089,575	-\$913,887	-\$1,001,612
Capital Expenses	-\$850,817	-\$940,123	-\$762,250
Loan Drawdown	-\$11,420	-\$11,420	-\$12,078
Ending Fund Balance as of June 30th	\$476,525	\$860,740	\$1,014,025