

**TOWN OF SUFFIELD
WATER POLLUTION CONTROL AUTHORITY
2018/2019 BUDGET**

FUNDS

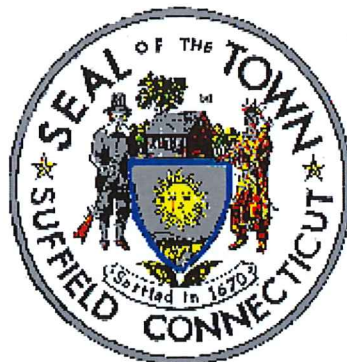
**ADMINISTRATION
ASSESSMENT
RESERVE CAPACITY MAINTENANCE**

WPCA Public Hearing - May 8, 2018

WPCA Meeting – May 8, 2018

Questions May Be Directed To:

**Shane McCannon, Superintendent OR Julie Nigro, Business Administrator
Town of Suffield WPCA
860-668-3856**



WATER POLLUTION CONTROL AUTHORITY
BUDGET SUMMARY

	<u>2017-2018</u>	<u>2018-2019</u>
ADMINISTRATION:	\$3,173,058	\$3,234,720
ASSESSMENT:	\$160,357	\$270,700
 RESERVE CAPACITY MAINTENANCE:	 <u>\$1,380,000</u>	 <u>\$1,240,000</u>
	\$4,713,415	\$4,745,420
 2018-2019 Town of Suffield Sewer Use Fee:		\$320 per unit
2018-2019 Kent Farm Sewer Use Fee:		\$320 per unit
2018-2019 Dollar Per 1,000 Gallons:		\$7.62

Water Pollution Control Authority Commission Members

Bruce Remington, Chairman
Kris Barthelmess, Vice Chairman
Wallace Rodger, Secretary/Treasurer
Janet Davis
Roger Ives
John Murphy
Daniel Holmes

TOWN OF SUFFIELD WATER POLLUTION CONTROL AUTHORITY
2018/2019 Expense Budget - \$3,234,720

General

A copy of the WPCA Administration Expense Budget is attached. The major points are as follows:

- The 2018-2019 Expense Budget increased \$61,662 or 1.94%, while the Overall budget (ALL 3 BUDGETS: ADMIN, RCM, ASSESSMENT) has increased by 0.68%.
- The Equivalent Dwelling unit (EDU) charge for FY 2018-2019 has increased to \$320, representing an approximate 3% increase.
- The most recent rate change was for the last fiscal year; we have capital projects planned out for future years and must plan for revenue increases accordingly.

Capital projects this year include:

- The balance of the Facilities Plan (which began at the end of 17/18)
- The completion of Roof replacements; three (3) roofs
- Completion of Plant SCADA (automation and control) improvements
- Clarifier weir brushes to assist staff in safely maintaining the tanks and increase efficiency of staff's time use,
- Several other projects listed under the "Reserve Capacity Maintenance" Budget. We plan to use \$504,500 of Fund balance money.

Payroll, Social Security & Pension:

- Costs for WPCA employees total \$997,521, or 30.84% of operation and maintenance expenses.
- The aggregate increase in Payroll of 6.67% is comprised of: (1) a budgeted increase in pay for all administrative staff of 2.6% (from the Bureau of Labor Statistics dated December, 2017) with actual increases determined by the Commission in June.
- This line item also includes a 2.2% increase for the union staff under the Collective Bargaining Unit contract and
- An increase for a vacancy in an Operator 1 position to be filled internally.
- Additionally, this includes unscheduled overtime and the cost of the WPCA's contribution to deferred compensation accounts.
- Social Security is based on 7.65% of budgeted salaries. The town's Pension Administrator determines WPCA's contribution to the Pension Fund.

Workers' Compensation, Employee Medical Insurance, Property, General Liability, Umbrella, Automobile and Boiler and Machinery Insurance:

- The WPCA is included in the Town contracts.

OPEB Contribution:

This line item represents the WPCA's portion of "Other Postemployment Benefits" as provided by the Valuation Report by Hooker & Holcombe, Inc. dated July 1, 2016.

Operation and Maintenance:

- **Chemicals**

-The cost of purchasing chemicals used to treat wastewater. Chemical costs (Polymer) are down over 20% as we're using a less expensive type of Polymer; polymer is used for sludge dewatering and usage is based on the Hood demand on the system.

- **Waste:**

- The cost of disposing of sludge at the Metropolitan District Commission sludge handling facility, and other wastes produced during the treatment process. MDC's rate is due to increase \$240/ton to \$250/ton.

- **Uniforms:**

- The cost of supplying uniforms, foul weather gear and safety footwear to all of its operational employees as required under the collective bargaining agreement has decreased slightly and is based on all of the Union employees opting out of the uniform contract and using a "uniform allowance" instead of a Uniform company.

- **Laboratory Testing:**

- The cost of performing and reporting laboratory analysis using an outside vendor for the WPCA main facility and the Kent Farms Sewer District (due to the complex nature of the tests and advanced level of the technical equipment that is required, these tests are performed by outside vendors).

- **Training, Safety Supplies, and medical expenses:**

- The cost for employees to participate in appropriate training opportunities including appropriate training for Operators to pursue advanced licenses, safety courses, exam fees, safety supplies, and equipment.

-There was a large increase in the technical Training line item. This is based on advanced troubleshooting classes and additional Safety courses this year in the areas of: Collection system, confined space, Hazwoper, and fire extinguisher training.

- The Safety supplies line item is for the purchase of safety supplies including: OSHA compliance items, first aid supplies, gloves, and hard hats.

- Required medical tests and treatments for new hires, and DOT mandated testing.

- **Plant/ Process Equipment R&M and Collection System Maintenance: :**

General Plant Maintenance- Plant maintenance has increased significantly because we developed a new asset management system which helps to identify actual maintenance needs - predictive or preventive in nature.

Buildings and Grounds – These are expenses that are associated with the repair and maintenance of the treatment facility,

-Utilities related equipment

-Buildings HVAC,

-Windows and Doors,

-Structural repairs

-Computers and related equipment

-Process Equipment R&M- The cost of major process equipment maintenance including:

-Instrumentation

-repairs and maintenance for major mechanical components of the biological treatment process.

Collection system maintenance of public sewer system

There is a significant increased focus on maintenance of the aging sewer system dating back to the 1960's, with an advanced focus on system requirements based on EPA recommended practices. This includes repair and maintenance of:

- Three (3) and (soon to be 4) low pressure sewer systems. Plant Staff are only responsible for the pipes and related specialized low pressure sewer equipment in the public right of way, only up to and including the curb box shut off structures (generally at the private property line).

- Predictive, Preventive, and Corrective Maintenance (parts and materials) for underground assets such as pipes, manholes, force mains, CCTV, subcontracted repair work

- **Tools & Equipment:**

- This line item includes all miscellaneous tools and equipment (gauges, shovels, lab equipment, mower parts and accessories, etc.).

- This line item is 53% lower than last year, due to the budgeted confined space gear purchased last year.

- **Utilities: Telephone, Electricity, Fuel oil-generators, and Water:**

-These line items fund the cost of telephone, Cable internet, electrical service (including electric heat), generator, and potable water service to the treatment facility.

-The WPCA participates in the Town wide fuel oil contract for the small usage of heating oil for the Headworks building. The WPCA just entered a 20 month electricity supplier contract with a rate of .05007/kwh (down from .081600/kwh) and we are continuing to implement energy cost savings plans.

- **Vehicles: Gas-automotive, Mileage, R&M Vehicles:**

These line items fund the cost of providing gasoline and diesel fuel to:

-WPCA vehicles through the Town's Diesalgard and Keegard service; the cost of reimbursing WPCA employees for use of a personal vehicle for work related travel; vehicle repair and maintenance costs.

-The repair and maintenance budget has increased this year due to an aging Vac Con. We plan to replace the Vac Con with a new 7-year lease sometime within 1819 (build could take several months).

-Auto gas has decreased based on actual usage over last 3 years even with an estimated increase in the price of gas and diesel. The mileage reimbursement rate has increased slightly from \$0.535 to \$0.545 per mile.

Administration Costs: Office Supplies, Postage, Advertising, Legal/Advice, Engineering Services, Service Contracts, Dues & Subscriptions:

These line items fund costs associated with office operations:

- routine correspondence,
- Invoices and notices
- Certified mailings
- Legal advertising
- Outside consultants
- Legal advice
- Copy machine, a wide format printer, and
- Various professional organizations and journals.

- **Contingency:**

– This line item represents at least 3% of the Operating budget (less the “Contingency” line item itself and the “Transfer to RCM” line item) and is designated for unforeseen items not planned for in the RCM Budget for emergencies.

- **Capital Costs:**

-Include the following Capital line items:

The “**Capital Replacement – Vehicles**”

-This line item funds the cost of replacing WPCA vehicles. This year’s line item represents the estimated first lease payment of a potential 7-year lease-to-own Vac Con or Vactor.

The “**Interest Expense**” line item represents the interest portion of this estimated lease.

The **Reserve Cap Projects** – line item is designated to accrue for Capital Projects using Sewer Use fees revenue.

KENT FARMS COMMUNITY SEPTIC SYSTEM
2018/2019 Expense Budget - \$320

The Kent Farms Community Septic System is operated by the WPCA as a separate sewer district.

- The system was designed to a maximum of 44 homes, and currently serves 44 homes.
- Based on the schedule of expenses for “Pump Station #8 – Plantation Drive”, the WPCA levies a separate user fee against property owners using that system.
- The WPCA is responsible for maintaining on-site septic systems in the Kent Farms Sewer District.
- The 2018/2019 Kent Farms Sewer Use Fee will increase from \$235 to \$320, representing an approximate 36% increase.
- The fee covers pump station maintenance, electricity, time and labor for station monitoring, as well as pump-outs of the separate septic tanks for 1/3 of Kent Farms each year (homes are pumped out every three years), and the cost to treat this at the Plant.
- The significant increase is to accrue for capital expenditures on the aging Kent Farms sewer system.

2018/2019 WPCA Assessment Fund Budget - \$270,700

The WPCA Assessment Fund is the account into which all WPCA Sewer Benefit Assessment payments or Sewer Connection Charges are deposited.

- A Sewer Benefit Assessment is levied against any property owner whose property is “specially benefited” by the installation of a public sewer line, as enabled by Chapter 103, Section 7-249 through 7-254 of the Connecticut General Statutes.
- The Sewer Connection Charges are assigned to a property whenever construction results in the creation of additional units connected to the existing sanitary sewer system per CGS§7-255.
- The cash in this fund is used to pay down any debt from the financing of the acquisition or construction of the sewerage system OR for the acquisition or construction of the sewerage system.
- There is currently no debt, therefore all Assessment and Sewer Connection revenues are transferred into the RCM fund for Capital Improvement Projects allowable by State statute.

2018/2019 WPCA Reserve Capacity Maintenance Fund Budget – \$1,240,000

This fund is used to help finance WPCA Collection System & Plant construction projects. Included in this year’s RCM budget besides Sewer Development are the following Plant Upgrade projects:

Grant Portion	Capital - Plant	\$\$\$
	Roof Repairs	220,000
	finish in plant SCADA improvements	50,000
	Clarifier weir Brushes	50,000
	Replace plant generator/switchgear	20,000
	HVAC capital improvement	20,000
	Fire Alarm system	10,000
	Total Capital Plant	370,000

Grant Portion	Capital - Pump Stations/Collections System	\$\$\$
195,250	Completion of Facility Plan	355,000
	Pipe lining/point repairs	275,000
	Sewer extension Dakota to 6 abutting homes	240,000
	Total Capital - Pump Stations & Collection system	870,000

Total Capital Projects 1,240,000

Suffield WPCA 2018/2019 O&M Revenue Budget

	2017/2018	2018/2019	variance	Description
Proposed 2017/2018 Use Fee	\$ 310	\$ 320	3.23%	3% increase in EDU cost from 2017 (*See Definition of EDU below)
Proposed Dollar Per Gallon (Com)	\$ 7.42	\$7.62	2.70%	Commercial excess gallons charge in excess of 1 EDU
Use Charges - Commercial	\$ 245,292	\$ 258,966	5.57%	collection rate of 99.95%
Use Charges - Residential billed	\$ 986,270	\$ 1,023,717	3.80%	collection rate of 96.16%
Use Charges - Kent Farms	\$ 9,805	\$ 13,435	37.02%	collection rate of 95.42% & rate includes 0.62% of the entire O&M budget line items with the exception of treatment and disposal
Use Charges - Prison	\$ 773,825	\$ 815,367	5.37%	Increase based on trending flows - and increased rate of 7.62
Use Charges - Hood	\$ 480,842	\$ 502,460	4.50%	Increase based 1st & 2nd qtr of 1718 & 3rd/4th on 1617 & recent Hood flows and strength of flow.
Use Charges - Delinquent	\$ 16,725	\$ 49,256	194.51%	based on past delinquent collection rate of 51.13% on projected delinquent
Interest & Fees	\$ 11,157	\$ 39,243	251.73%	based on average rate of 41% of total delinquent
Permits & Septic	\$ 21,587	\$ 23,777	10.14%	based on 3 yr average
Investment Income	\$ 2,913	\$ 4,000	37.32%	based on 3 yr average and use of fund balance
Transfer from Fund Balance	\$ 624,643	\$ 504,500	-19.23%	Use of Fund Balance - to be transferred to RCM Budget for Cap Projects

\$ 3,173,058 \$ 3,234,720

\$ 61,662

* EDU - Equivalent Dwelling Unit =
1.94% 46,000 gpy per single family dwelling or 126 gpd

Kent Farms rate \$ 235 \$ 320

Expenses	\$ 3,234,720
Revenue	\$ 3,234,720
Difference from Revenue	\$ 0

**Suffield WPCA
2018/2019 Budget**

	2017/2018	2018/2019	variance	Description
Payroll	\$ 773,918	\$ 825,550	6.67%	Assumes Employment Cost index increase of 2.6% (Bureau of Labor Statistics December, 2017) for salary staff & 2.2% for Union. (https://www.bls.gov/news.release/eci.nr0.htm)
Social security	\$ 59,205	\$ 63,155	6.67%	7.65% of Payroll
Pension	\$ 86,379	\$ 108,816	25.98%	from Finance on 3/9/18
Workers Comp	\$ 36,900	\$ 38,000	2.98%	estimated 3% over 1718 actuals
Office supplies	\$ 9,450	\$ 16,000	69.31%	incr. based on 2 yrs actuals
Chemicals	\$ 30,600	\$ 24,000	-21.57%	based on different polymer and same amount of totes as last year
Postage	\$ 2,700	\$ 5,000	85.19%	Additional mailings with new delinquent policy and increase in postage rates
Telephone	\$ 10,200	\$ 12,000	17.65%	incr. based on additional cells & iPad for Plant Operators and bundled telephone with internet/cameras
Electricity	\$ 164,800	\$ 142,000	-13.84%	decr. based on new electric heat for Plant (versus oil heat) and decrease in rate from rate of .0816 to .05007
Water	\$ 5,000	\$ 6,000	20.00%	incr based on last 3 years of actuals
Gas - automotive	\$ 14,080	\$ 11,500	-18.32%	decr. based on last 3 yrs actuals while considering price incr 6.2%/gallon for gas and 11.32% for diesel (based on forecast from https://www.eia.gov/outlooks/steo/report/prices.php)
Fuel oil - heat	\$ 625	\$ 700	12.00%	incr based on approx 200 gallons of heating fuel at price increase of 11.81% over last year
Mileage	\$ 3,000	\$ 3,000	0.00%	no change
Waste disposal	\$ 112,000	\$ 115,000	2.68%	incr.- based on projected decr. In tons but a rate incr. from \$240/ton to \$250/ton
Insurance	\$ 33,100	\$ 32,000	-3.32%	decr. based on last years actuals with a 10% projected increase
Advertising	\$ 5,000	\$ 3,000	-40.00%	decr. based on last 2 years actuals - for Public notices for RFP's, etc. for Capital Projects
Legal/advice	\$ 10,200	\$ 52,000	409.80%	incr based on actual legal costs in previous year less Union negotiation costs and electricity advice from legal expert.
Engineering Services	\$ 30,000	\$ 22,000	-26.67%	decr based on previous years actuals and large scope projects are under "Capital Projects" within the RCM budget.
Service Contracts	\$ 35,000	\$ 45,000	28.57%	incr- based on service contracts with: TAB computers, Mission, WINN -11, HACH, Huber, and Otis, including additional HACH sensors & additional service from TAB
Uniforms	\$ 5,800	\$ 5,500	-5.17%	decr- based on actual uniform allowance under the Union contract & some winter gear
Tests	\$ 15,000	\$ 24,000	60.00%	incr. - based on last 2 years actuals
Dues & Subscriptions	\$ 950	\$ 1,500	57.89%	incr. based on actuals for waste water organization memberships & subscriptions, etc.
Employee Insur	\$ 296,000	\$ 323,000	9.12%	The cost of Health insurance (based on new carrier rates) for current employees & 100% of 3 retirees, plus cost of: Life, std & ltd insurance, H S A contributions, and retirees medicare supplemental policies
Training	\$ 8,000	\$ 20,000	150.00%	incr. based on additional training Services by Bob Bradley for: Collection System, Confined space, Hazwoper, and fire extinguisher training
Medical Expenses	\$ 2,700	\$ 2,700	0.00%	no change
Plant Maintenance	\$ 50,000	\$ 72,000	44.00%	incr. based on last 3 years of actuals
Collection System	\$ 50,000	\$ 56,000	12.00%	incr. based on last 3 years of actuals
R & M - Vehicles	\$ 8,000	\$ 20,000	150.00%	incr. based on additional expenses on older Vac Con
Cap Replace - Vehicles	\$ 52,778	\$ 59,290	12.34%	incr. Based on completion of lease payment last yr. on 2016 Volvo Dump truck
Cap Improve	\$ -	\$ -	0.00%	no change
Tools & Equipment	\$ 15,000	\$ 7,000	-53.33%	decr. Due to last yr purchase of a New Tripd/Harness confined space gear and no plan for large equipment expenses this year
Process Equipment - R&M	\$ 22,000	\$ 22,000	0.00%	no change
Reserve Cap Projects	\$ 210,000	\$ 269,550	28.36%	accruing for capital projects - added additional for projects
Interest Expense	\$ 2,301	\$ 1,490	-35.24%	decr. Based on completion of lease payment on 2016 Volvo Dump truck
OPEB Contribution	\$ 165,407	\$ 117,908	-28.72%	Based on hooker & holcombe 7/1/2016 Valuation Report
Transfer to RCM	\$ 624,643	\$ 504,500	-19.23%	usage of Fund Balance to be transferred to RCM Budget for Capital Projects
Safety Supplies	\$ 7,000	\$ 17,000	142.86%	incr. based on an additional \$10k for police traffic duty for Facility Plan activities in the collection system
Contingency	\$ 85,000	\$ 79,560	-6%	decr = 3%+ of budget (less the fund balance transfer) for unforeseen items not planned for in RCM for emergencies
#1 -Thompsonville Rd	\$ 19,000	\$ 17,000	-10.53%	routine exp including Electricity + Mission Commun.
#10 - Mapleton Estates	\$ 4,000	\$ 4,000	0.00%	routine exp including Electricity + Mission Commun.
#11 - Mapleton Ave	\$ 5,000	\$ 5,000	0.00%	routine exp including Electricity + Mission Commun.
#12 - Bridge St	\$ 14,000	\$ 6,000	-57.14%	routine exp including Electricity + Mission Commun. (last yr. included new fence)
#13 - Stony Brook	\$ 4,000	\$ 4,000	0.00%	routine exp including Electricity + Mission Commun.
#2 - Willow Creek	\$ 12,000	\$ 4,000	-66.67%	routine exp including Electricity + Mission Commun. (last yr. included new fence & paving)
#3 - Mountain Road	\$ 12,000	\$ 12,000	0.00%	routine exp including Electricity + Mission Commun.
#4 - River Blvd	\$ 12,000	\$ 7,000	-41.67%	routine exp including Electricity + Mission Commun. (last yr. included paving)
#5 - Fairhill Lane	\$ 10,000	\$ 9,000	-10.00%	routine exp including Electricity + Mission Commun.
#6 - Suffield Meadows	\$ 7,000	\$ 7,000	0.00%	routine exp including Electricity + Mission Commun.
#7 - Poole Rd.	\$ 5,000	\$ 5,000	0.00%	routine exp including Electricity + Mission Commun.
#8 - Plantation Dr	\$ 10,321	\$ 8,000	-22.49%	routine exp including Electricity + Mission Commun. (last yr. included new shed)
#9 - Eagles Watch	\$ 4,000	\$ 4,000	0.00%	routine exp including Electricity + Mission Commun.
#16 Prospect Hill Estates	\$ 3,000	\$ 4,000	33.33%	routine exp including Electricity + Mission Commun.
#17 Cedar Crest Drive	\$ 4,000	\$ 4,000	0.00%	routine exp including Electricity + Mission Commun.
#18 Wisteria Lane	\$ 3,000	\$ 4,000	33.31%	routine exp including Electricity + Mission Commun.
#19 Malec Farms	\$ 2,000	\$ 3,000	49.96%	routine exp including Electricity + Mission Commun.
	\$ 3,173,058	\$ 3,234,720		
		\$ 61,662.02	1.94%	

**Town of Suffield Water Pollution Control Authority
2018/2019 Reserve Capacity Maintenance (RCM) Revenue Budget**

	2017/2018	2018/2019	Variance	
Transfer from Assessment Fund	\$ 160,357	\$ 270,700	\$ 110,343	All Assessment Income
Transfer from O&M Line Item	\$ 210,000	\$ 269,550	\$ 59,550	revenue generated by sewer use fee & earmarked for cap projects
Grant Income	\$ 385,000	\$ 195,250	\$ (189,750)	55% reimbursement from DEEP for Facilities Plan
Transfer from Fund Balance	\$ 624,643	\$ 504,500	\$ (120,143)	Transfer from fund balance 1617 Balance \$1,694,773 (per audit) 1718 est. Balance \$1,070,130 (budgeted usage) 1819 est. Balance \$532,810 (budgeted usage)
TOTAL REVENUE	\$ 1,380,000	\$ 1,240,000		
Sewer Development	\$ -		\$ -	no change. None planned
Emergency Repairs	\$ -		\$ -	no change. See Contingency line item in O&M Budget
Plant Upgrades (Capital Improvements)				
- Facility Plan portion	\$ 700,000	\$ 355,000	\$ (345,000)	Facility Plan Balance of work
- Non Facility Plan Portion	\$ 680,000	\$ 885,000	\$ 205,000	PLANT: Fire alarm system (\$10k), Finish SCADA improvements (\$50k), Replace Plant generator/switchgear (\$20k), HVAC cap improve (\$20k), Clarifier weir brushes (\$50k), Roof replace (\$220k), Pipe lining/point repairs (\$275k), Sewer extension East St. South (6 homes connected near Plant (\$240k)
TOTAL EXPENSES	\$ 1,380,000	\$ 1,240,000		

NOTE: THE NET CAPITAL PROJECTS WILL BE \$ 1,044,750
(Plant Upgrades less Grant Income = Net Cap Projects)

**Town of Suffield Water Pollution Control Authority
2018/2019 Assessment/Connection Revenue Budget**

	2017/2018	2018/2019	Variance	Description
2018-2019 New Assessments/Sewer Connections	\$ 3,483	\$ 3,483	\$ -	3 new accounts
Developer's Agreements	\$ 80,000	\$ 143,000	\$ 63,000	Based on current Developments & estimated over 8 yrs
Current Assessments	\$ 22,209	\$ 22,448	\$ 239	based on 2018 annual billing at 91% collection rate
Assessments - Prior Years	\$ 2,143	\$ 430	\$ (1,712)	25% of total projected delinquent
Penalty Interest & Fees	\$ 1,286	\$ 258	\$ (1,027)	60% of delinquent amount collected
Advance Collection	\$ 1,187	\$ 1,016	\$ (171)	1% of principal not billed
Investment Interest	\$ 50	\$ 65	\$ 15	very little interest earned on fluctuating balance
Total:	<u>\$ 110,356</u>	<u>\$ 170,700</u>		
Transfer from Assessment Fund Balance	\$ 50,000	\$ 100,000	\$ 50,000	Estimated year end cash balance year end 1718
TOTAL REVENUE	<u>\$ 160,356</u>	<u>\$ 270,700</u>		
Transfer to Town General Fund	\$ -	\$ -	\$ -	
Transfer to RCM	\$ 160,357	\$ 270,700	\$ 110,343	
TOTAL EXPENSES	<u>\$ 160,357</u>	<u>\$ 270,700</u>		