

**TOWN OF SUFFIELD
WATER POLLUTION CONTROL AUTHORITY
2019/2020 BUDGET**

FUNDS

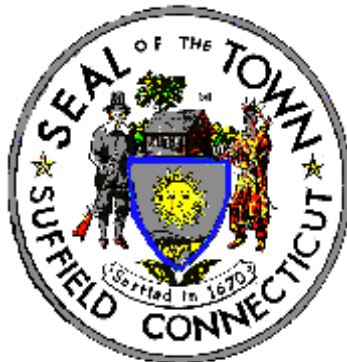
**ADMINISTRATION
ASSESSMENT
RESERVE CAPACITY MAINTENANCE**

WPCA Public Hearing - June 11, 2019

WPCA Meeting – June 11, 2019

Questions May Be Directed To:

**Julie Nigro, Business Administrator OR Jamie Kreller, Acting Chief Operator
Town of Suffield WPCA
860-668-3856**



WATER POLLUTION CONTROL AUTHORITY BUDGET SUMMARY

	2018-2019	2019-2020
ADMINISTRATION:	\$3,234,720	\$3,116,716
ASSESSMENT:	\$270,700	\$120,800
RESERVE CAPACITY MAINTENANCE:	\$1,240,000	\$728,135
	\$4,745,420	\$3,965,651

	2018-2019		2019-2020	
2019-2020 Town of Suffield Sewer Use Fee:	\$320	per unit	\$340	per unit
2019-2020 Kent Farm Sewer Use Fee:	\$320	per unit	\$340	per unit
2019-2020 Dollar Per 1,000 Gallons:	\$7.62		\$8.13	

Water Pollution Control Authority Commission Members:

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

TOWN OF SUFFIELD WATER POLLUTION CONTROL AUTHORITY
2019/2020 Expense Budget - \$3,116,716

General

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

- The 2019-2020 Expense Budget decreased \$118,004 or 3.65% and the Overall budget (ALL 3 BUDGETS: ADMIN, RCM, ASSESSMENT) has decreased by 16.43%.
- The Equivalent Dwelling unit (EDU) charge for FY 2019-2020 has increased to \$340 , representing an approximate 6.25% 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)
- Paving inside the Plant gate
- Pipe lining/point repairs
- Additional CCTV work (camera lines), including cleaning sewer lines – not included in the Facilities Plan
- We plan to use \$238,949 of the Fund balance money.

Payroll, Social Security & Pension:

- Costs for WPCA employees total \$1,063,208 , or approximately 34% of operation and maintenance expenses.
- The aggregate increase in Payroll of 7.03% is comprised of: (1) a budgeted increase in pay for all administrative staff of 2.60% (from the Bureau of Labor Statistics dated December, 2018) with actual increases determined by the Commission in June.
- This line item also includes a 2.20% increase for the union staff under the Collective Bargaining Unit contract.
- Also included in this line item, is the inclusion of Chief Operator as well as Superintendent positions. Last fiscal year did not include the Chief Operator position; however, the Shift Operator stepped into the role of Chief Operator to fulfill the majority of the Superintendent's duties.

- 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. Employees hired after 6/30/2014 participate in the Town's 457 Deferred Compensation plan with matching up to 7% in lieu of a pension.

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, 2018.

Operation and Maintenance:

- **Chemicals**
 - The cost of purchasing chemicals used to treat wastewater. Chemical costs (Polymer) are estimated to be unchanged from last year. 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 \$250/ton to \$260/ton and we've been trending 11% higher in tons delivered to MDC over last year.
- **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 remained the same.
- **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 training for Operators to pursue advanced licenses, safety courses, exam fees, safety supplies, and equipment. In addition, any administrative classes (Business writing, advanced spreadsheet prep., etc.) are included in this line item.

- 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 is guided by our JobPlus program and helps identify actual maintenance needs on a predictive and ideally, preventative basis.

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:

- Four (4) and soon to be 5 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 significantly higher than last year, in order to purchase/lease a tractor for snow removal, easement mowing, and drainage repairs. This will also negate the need to replace our aging skid steer.
- Additionally, this line item includes the purchase of a new sander. The current used sander will not reach the pump stations.

- **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 and pump station generators. The WPCA will be entering a new electricity contract for supply generation with a rate estimated in the vicinity of \$0.0819 - \$0.0863 (depending on the term chosen). We continue to implement energy cost savings.

- **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 decreased this year due to fewer anticipated costs for repairs - due to the purchase of the new Vactor in 18/19 (71% of the actual R&M Vehicle expenses were for the 1989 Vac Con).

-Auto gas has increased based on actual usage over the last 2 years and the estimated increase in the price of gas and diesel. The mileage reimbursement rate has increased from \$0.545 to \$0.58 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

- Engineering review and advice
- 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 new truck to replace the 2011 Ford 350 truck with hoist – which currently has 150k miles.

- The “**Interest Expense**” line item represents the interest portion of this estimated lease along with the new tractor financing.

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

KENT FARMS COMMUNITY SEPTIC SYSTEM
2019/2020 Expense Budget - \$340

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 2019/2020 Kent Farms Sewer Use Fee will increase from \$320 to \$340 , representing an approximate 6% 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.

2019/2020 WPCA Assessment Fund Budget - \$120,800

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 to the Town from the WPCA, therefore all Assessment and Sewer Connection revenues are transferred into the RCM fund for Capital Improvement Projects allowable by State statute.

2019/2020 WPCA Reserve Capacity Maintenance Fund Budget – \$728,135

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:

<u>Grant Portion</u>	<u>Capital - Plant</u>	<u>\$\$\$</u>
\$0	Paving - inside Plant gate	\$90,000
	Total Capital - Plant	<u><u>\$90,000</u></u>

<u>Grant Portion</u>	<u>Capital - Pump Stations/Collections System</u>	<u>\$\$\$</u>
\$90,750	CCTV - Facilities Plan (Grant reimbursable)	\$165,000
\$0	CCTV - Facilities Plan (Non-grant reimbursable)	\$135,000
\$0	Pipe lining/point repairs	\$275,000
\$0	Vactor Lease	\$63,135
	Total Capital - Pump Stations & Collection system	<u><u>\$638,135</u></u>

Total Capital Projects **\$728,135**

Suffield WPCA 2019/2020 O&M Revenue Budget

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	2018/2019	2019/2020	variance	Description
Proposed 2019/2020 Use Fee	\$ 320	\$340.00	6.25%	6.25% increase in EDU cost from 2018 (*See Definition of EDU below)
Proposed Dollar Per Gallon (Com)	\$7.62	\$8.13	6.69%	Commercial excess gallons charge in excess of 1 EDU
Use Charges - Commercial	\$ 258,966	\$ 285,795	10.36%	collection rate of 97.52%
Use Charges - Residential billed	\$ 1,023,717	\$ 1,089,806	6.46%	collection rate of 96.14%
Use Charges - Kent Farms	\$ 13,435	\$ 13,940	3.76%	collection rate of 93.18%
Use Charges - Prison	\$ 815,367	\$ 849,168	4.15%	Increase based on trending flows - and increased rate of \$8.13
Use Charges - Hood	\$ 502,460	\$ 545,606	8.59%	Increase based 1st & 2nd qtr of 1819 & estimates on 3rd/4th qtr's with recent Hood flows and strength of flow.
Use Charges - Delinquent	\$ 49,256	\$ 21,584	-56.18%	based on past delinquent collection rate of 22.95% on projected delinquent
Interest & Fees	\$ 39,243	\$ 35,868	-8.60%	based on average rate of 38% of total delinquent
Permits & Septic	\$ 23,777	\$ 28,000	17.76%	based on 3 yr average
Investment Income	\$ 4,000	\$ 8,000	100.00%	based on 3 yr average and use of fund balance
Transfer from Fund Balance	\$ 504,500	\$ 238,949	-52.64%	Use of Fund Balance - to be transferred to RCM Budget for Cap Projects

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	\$ 3,234,720	\$ 3,116,716		* EDU - Equivalent Dwelling Unit =
	\$ (0)	\$ (118,004)	-3.65%	46,000 gpy per single family dwelling or 126 gpd
Kent Farms rate	\$ 320	\$ 340		

Expenses	\$ 3,116,716
Revenue	\$ 3,116,716
Difference from Revenue	\$ (0)

**Suffield WPCA
2019/2020 Budget**

	2018/2019	2019/2020	variance	Description
Payroll	\$ 825,550	\$ 883,596	7.03%	Assumes Employment Cost index increase of 2.6% (Bureau of Labor Statistics December, 2018) for salary staff & 2.2% for Union. (https://www.bls.gov/news.release/eci.nr0.htm) - Includes Superintendent Position
Social security	\$ 63,155	\$ 67,595	7.03%	7.65% of Payroll
Pension	\$ 108,816	\$ 112,016	2.94%	From Finance Director - estimate dated 2/8/19
Workers Comp	\$ 38,000	\$ 19,000	-50.00%	based on CIRMA estimate dated 2/13/19 (pd \$19.4k in fiscal 1819)
Office supplies	\$ 16,000	\$ 16,000	0.00%	no change
Chemicals	\$ 24,000	\$ 24,000	0.00%	no change
Postage	\$ 5,000	\$ 4,500	-10.00%	decr. based on 3 yrs actuals and increase in postage rates
Telephone	\$ 12,000	\$ 15,000	25.00%	incr. based on actuals for additional cells & iPad for Plant Operators and bundled telephone with internet/cameras
Electricity	\$ 142,000	\$ 158,000	11.27%	incr. based on new electric heat for Plant (versus oil heat) and ESTIMATED incr. in electricity rate upon contract expiration in November
Water	\$ 6,000	\$ 6,200	3.34%	incr. based on 2 yrs actuals
Gas - automotive	\$ 11,500	\$ 16,500	43.48%	incr. based on last 2 yrs actuals gallons used & estimated incr in gas for 2019/2020 (\$2.10 to \$2.55) & estimated increase in diesel (\$2.01 to \$3.04) from forecast on eia.gov report dated Jan 19, 2019 (https://www.eia.gov/outlooks/steo/report/prices.php).
Fuel oil - heat	\$ 700	\$ 8,000	1042.89%	incr based on approx 250 gallons of heating fuel & 2000 gal for pump station generators at a price increase of 33% over last year (\$2.218 to \$2.945)
Mileage	\$ 3,000	\$ 3,000	-0.02%	no change
Waste disposal	\$ 115,000	\$ 130,000	13.04%	incr.- based on trending incr In tons and a \$10 rate incr. from \$250/ton to \$260/ton
Insurance	\$ 32,000	\$ 31,882	-0.37%	decr - based on CIRMA estimate dated 2/13/19
Advertising	\$ 3,000	\$ 3,200	6.67%	incr. based on last 2 years actuals - for Public notices for RFP's, etc. for Capital Projects
Legal/advice	\$ 52,000	\$ 52,000	0.00%	no change
Engineering Services	\$ 22,000	\$ 30,000	36.36%	incr. based on additional projects estimated with outcome of Facilities Plan
Service Contracts	\$ 45,000	\$ 38,000	-15.56%	decr- based on 1 YRS actuals /service contracts with: TAB computers, WINN -11, HACH, Huber, and Otis, including HACH sensors & service from TAB
Uniforms	\$ 5,500	\$ 5,500	0.00%	no change
Tests	\$ 24,000	\$ 24,000	0.00%	no change
Dues & Subscriptions	\$ 1,500	\$ 1,500	0.00%	no change
Employee Insur	\$ 323,000	\$ 321,000	-0.62%	The cost of Health insurance for current employees + 1 new hire & 100% of 1 retiree/spouse (was 3 retirees last year), plus cost of: Life, std & ltd insurance, H S A contributions, and retirees medicare supplemental policies - used estimate of 16.6% incr. in cost over last year
Training	\$ 20,000	\$ 20,000	0.00%	no change
Medical Expenses	\$ 2,700	\$ 2,700	0.00%	no change
Plant Maintenance	\$ 72,000	\$ 65,000	-9.72%	decr. based on last 3 years of actuals
Collection System	\$ 56,000	\$ 56,000	0.00%	no change
R & M - Vehicles	\$ 20,000	\$ 16,000	-20.00%	decr. based on lesser repairs with the purchase of a new Vector truck
Cap Replace - Vehicles	\$ 59,290	\$ 17,000	-71.33%	decr. Based on completion of lease payment on Volvo dump truck & initiation of new Truck lease to replace Ford 350 truck with hoist (2011 with 150k miles)
Cap Improve	\$ -	\$ -	0.00%	no change
Tools & Equipment	\$ 7,000	\$ 20,300	190.00%	incr. due to purchase of tools & equipment, including a tractor, & sander
Process Equipment - R&M	\$ 22,000	\$ 62,000	181.82%	incr. based on last 2 years actuals and older equipment
Reserve Cap Projects	\$ 269,550	\$ 277,637	3.00%	accruing for capital projects - added additional for projects
Interest Expense	\$ 1,490	\$ 7,000	369.75%	incr. based on lease interest on new Truck (replace 2011 Ford 350) & lease interest on Tractor lease
OPEB Contribution	\$ 117,908	\$ 140,823	19.43%	incr. based on the Actuarial Valuation Report from hooker & holcombe dated July 1, 2018
Transfer to RCM	\$ 504,500	\$ 238,949	-52.64%	usage of Fund Balance to be transferred to RCM Budget for Capital Projects
Safety Supplies	\$ 17,000	\$ 20,000	17.65%	incr. based on remaining Police traffic duty for Facility Plan activities in the collection system and monthly service/lease of AED
Contingency	\$ 79,560	\$ 83,819	5.3532%	3%+ of budget (less the fund balance transfer) for unforeseen items not planned for in RCM for emergencies
#1 -Thompsonville Rd	\$ 17,000	\$ 16,000	-5.88%	routine exp including Electricity + Mission Communic.
#10 - Mapleton Estates	\$ 4,000	\$ 7,000	75.00%	routine exp including Electricity + Mission Communic.-overhaul building (in-house)
#11 - Mapleton Ave	\$ 5,000	\$ 6,000	20.00%	routine exp including Electricity + Mission Communic.
#12 - Bridge St	\$ 6,000	\$ 8,000	33.33%	routine exp including Electricity + Mission Communic.
#13 - Stony Brook	\$ 4,000	\$ 4,000	0.00%	routine exp including Electricity + Mission Communic.
#2 - Willow Creek	\$ 4,000	\$ 4,000	0.00%	routine exp including Electricity + Mission Communic.
#3 - Mountain Road	\$ 12,000	\$ 10,000	-16.67%	routine exp including Electricity + Mission Communic.
#4 - River Blvd	\$ 7,000	\$ 7,000	0.00%	routine exp including Electricity + Mission Communic.
#5 - Fairhill Lane	\$ 9,000	\$ 8,000	-11.11%	routine exp including Electricity + Mission Communic.
#6 - Suffield Meadows	\$ 7,000	\$ 9,000	28.57%	routine exp including Electricity + Mission Communic.
#7 - Poole Rd.	\$ 5,000	\$ 7,000	40.00%	routine exp including Electricity + Mission Communic.
#8 - Plantation Dr	\$ 8,000	\$ 7,000	-12.50%	routine exp including Electricity + Mission Communic.
#9 - Eagles Watch	\$ 4,000	\$ 8,000	100.00%	routine exp including Electricity + Mission Communic.-overhaul building (in-house)
#16 Prospect Hill Estates	\$ 4,000	\$ 4,000	0.00%	routine exp including Electricity + Mission Communic.
#17 Cedar Crest Drive	\$ 4,000	\$ 4,000	0.00%	routine exp including Electricity + Mission Communic.
#18 Wisteria Lane	\$ 4,000	\$ 6,000	50.00%	routine exp including Electricity + Mission Communic.
#19 Malec Farms	\$ 3,000	\$ 4,000	33.33%	routine exp including Electricity + Mission Communic.
	3,234,720	3,116,716	-3.65%	
		-118,003.78		

**Town of Suffield Water Pollution Control Authority
2019/2020 Reserve Capacity Maintenance (RCM) Revenue Budget**

	2018/2019	2019/2020	Variance	
Transfer from Assessment Fund	\$ 270,700	\$ 120,800	\$ (149,900)	
Transfer from O&M Line Item	\$ 269,550	\$ 277,637	\$ 8,087	revenue generated by sewer use fee & earmarked for cap projects
Grant Income	\$ 195,250	\$ 90,750	\$ (104,500)	55% reimbursement from DEEP for Facilities Plan
Transfer from Fund Balance	\$ 504,500	\$ 238,949	\$ (265,551)	Fund Balance History 1617 Balance \$1,694,773 1718 Balance \$1,717,389 1819 est. Balance \$1,212,889 1920 est. Balance \$973,940
TOTAL REVENUE	\$ 1,240,000	\$ 728,135		
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	\$ 355,000	\$ 165,000	\$ (190,000)	Facilities Plan - Grant Reimbursable
- Non Facility Plan Portion	\$ 885,000	\$ 563,135	\$ (321,865)	Paving - inside Plant gate Pipe lining/point repairs Facilities Plan - NON-Grant Reimbursable CCTV change order for cleaning & tv sewer lines Vactor Lease
TOTAL EXPENSES	\$ 1,240,000	\$ 728,135		

**Town of Suffield Water Pollution Control Authority
2019/2020 Assessment/Connection Revenue Budget**

	2018/2019	2019/2020	Variance	Description
2019-2020 New Assessments/Sewer Connections	\$ 3,483	\$ 3,500	\$ 17	3 new accounts
Developer's Agreements	\$ 143,000	\$ 80,000	\$ (63,000)	Based on current Developments & estimated over 6 yrs
Current Assessments	\$ 22,448	\$ 27,600	\$ 5,152	based on 2019 annual billing at 86% collection rate
Assessments - Prior Years	\$ 430	\$ 2,190	\$ 1,760	25% of total projected delinquent
Penalty Interest & Fees	\$ 258	\$ 395	\$ 137	18% of delinquent amount collected
Advance Collection	\$ 1,016	\$ 7,110	\$ 6,093	5% of principal not billed
Investment Interest	\$ 65	\$ 5	\$ (60)	very little interest earned on avg bal < \$400
Total:	<u>\$ 170,700</u>	<u>\$ 120,800</u>		
Transfer from Assessment Fund Balance	\$ 100,000	\$ -	\$ (100,000)	Estimated year end cash balance year end 1819
TOTAL REVENUE	<u>\$ 270,700</u>	<u>\$ 120,800</u>		
Transfer to Town General Fund	\$ -	\$ -	\$ -	
Transfer to RCM	\$ 270,700	\$ 120,800	\$ (149,900)	
TOTAL EXPENSES	<u>\$ 270,700</u>	<u>\$ 120,800</u>		