

SEWER DEPARTMENT BUDGET WORKSHOP



FY2017/18 RECOMMENDED BUDGET
March 16, 2017



SEWER DEPARTMENT

FY2017/18 Recommended Budget

Plant Effluent Comparison Performance Before and After the Comprehensive WWTP Upgrade

	Flow (MGD)	TSS (mg/l)	BOD5 (mg/l)	T-Nitrogen (lbs/day)	T-Phosphorus (lbs/day)	Purchase\ Sell Nitrogen Credits
2010 Monthly Average	6.1	5	2.8	860	86	\$160,000.00
2015 Monthly Average	5.3	2.8	2.5	293	51	\$9,900.00
2016 Monthly Average	4.9	1.25	1.5	176	2.9	\$67,209.00
Permit Limit	16	30	30	312	13.21	



SEWER DEPARTMENT

FY2017/18 Recommended Budget

Sewer Fund Summary

- **Total Recommended Expenditures - \$9,700,608**

The net increase in recommended expenditures total \$248,929 (2.6%) above FY2016/17 Budget

Operating expenditures increased by \$365,000, or 8.2%, largely due to chemicals, electrical and upkeep of new equipment

Non-operating expenses decreased by \$116,071 or -2.3% which is almost entirely due to a decrease in debt service associated with final infrastructure improvements coming in lower than expected



SEWER DEPARTMENT FY2017/18 Recommended Budget Expenditure Summary

❖ Major Expense Overview

- Personal Services and Employee Benefits increased \$142,661 (5.1%)
- Purchased Services and Supplies increased \$222,339 (13.4%) most of which is an increase in chemical costs (\$99,800), PM and equipment at the plant (\$54,440), electrical (\$31,440) and other miscellaneous (\$36,659)
- Inter-fund Transfers increased \$142,973 (14.3%)
- Debt Service decreased - \$259,044 (-6.8%)





**SEWER DEPARTMENT
FY2017/18 Recommended Budget
Transfer to Reserve Summary**

Recommended transfer to Sewer Reserve \$204,400

<u>Capital List</u>	<u>Cost</u>
<input type="checkbox"/> Meters – Annual purchase	\$ 50,000
Annual purchase for replacement meters and MXU's (sewer portion)	
<input type="checkbox"/> Composite Sampler Replacement	\$ 35,000
Replacement of three composite sampler which were not replaced as part of the upgrade and parts are obsolete	
<input type="checkbox"/> Ultra-violet Light System Hardware Replacement	\$ 59,400
Replacement of the programmable logic controller for the UV system which has technology that is 25 years old and parts are no longer available	
<input type="checkbox"/> cMOM	\$60,000
Capacity management operations and maintenance program	



SEWER DEPARTMENT

FY2017/18 Recommended Budget

Note-Funded Capital Projects

<u>Sanitary Sewer Improvement Program (SSIP)</u>	<u>Total Cost</u>
Infrastructure Improvements	\$600,000

- **For sewer pipe rehabilitation and/or replacement**
- **In general, replacement projects target areas that contribute large amounts of Inflow and Infiltration (I/I) to the sanitary collection system or areas where problems have been known to exist**
- **Work accomplished through previous SSIP appropriations have resulted in significant improvements to the sanitary collection system**





SEWER DEPARTMENT
FY2017/18 Recommended Budget
Note-Funded Capital Projects

Infrastructure Improvements

Total Cost

Infrastructure Improvements

\$600,000

- **For sewer pipe rehabilitation and/or replacement in conjunction with Public Works Projects**
- **In general, replacement projects targets areas not necessarily a priority based on the SSES however old enough to warrant the improvements**
- **These improvement projects continue our efforts to coordinate with Public Works in order to provide a comprehensive approach to roadway reconstruction**



SEWER DEPARTMENT

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Revenue Summary

- **Total Recommended Revenue - \$9,082,274**

Comprised of:

- **Revenue from regular sewer service charges are estimated to be \$6,999,506**
 - **This reflects a 2% rate adjustment**
- **Revenues derived from Eighth Utilities District based on a formula in the agreement and estimated to be \$1,572,752 ≈ \$4.04/HCF**
- **Revenues derived from Bolton Lakes Regional Sewer are estimated to be \$53,158**
- **Water Department use fee \$281,358**
- **Nitrogen Credits of \$36,500**
- **Miscellaneous revenue \$139,000**

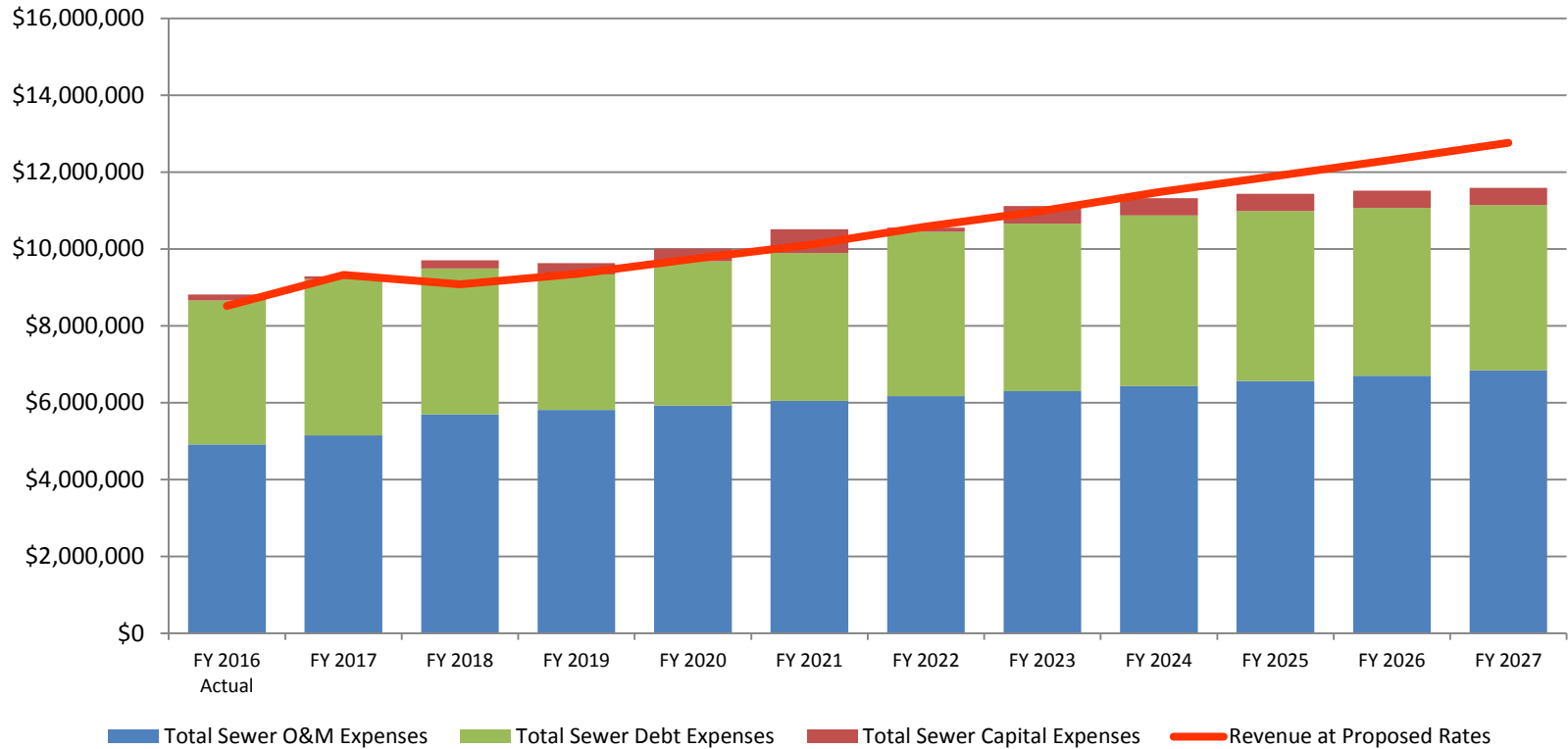
The use of Retained Earning in the amount of \$618,344 is necessary to meet our Recommended Expenditures

The FY18 Budget maintains a level of working capital equal to 180 days of operating expense
The rate increase of 2.0% is less than what was expected during last year's budget preparation projections



SEWER DEPARTMENT FY2017/18 Recommended Budget

Sewer Net Revenue Requirements and Projected Revenue



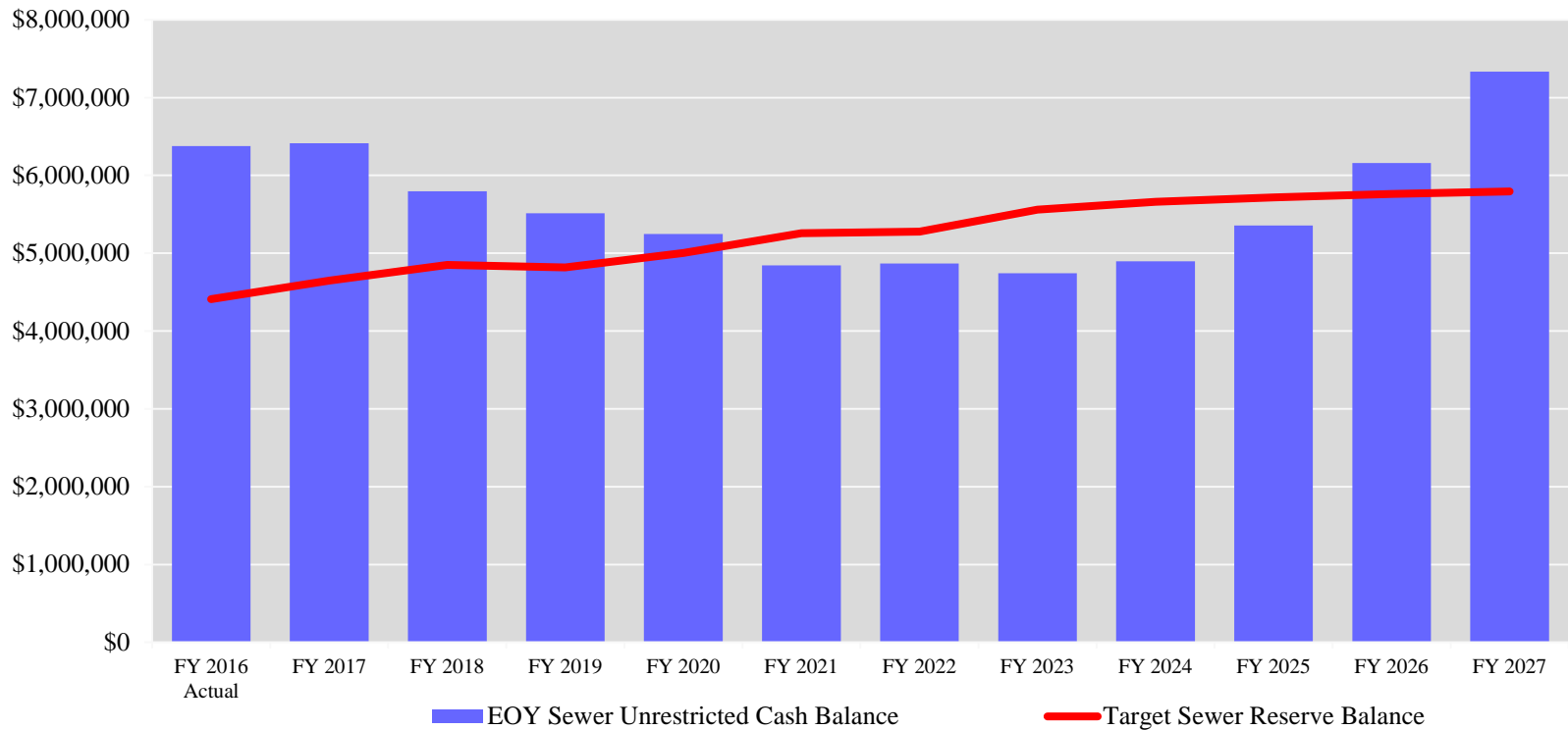
Assume a no more than a 4% rate increase in FY2019 thru FY2027



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FY2017/18 Recommended Budget

End of Year Sewer Fund Cash Balance



Assumes a no more than a 4% rate increase in FY2019 thru FY2027



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FY2017/18 Recommended Budget Value Comparison

- Sewer use cost is based on average use of 2,200 cubic feet/per quarter
 - Current usage rate is \$4.89/HCF (Hundred Cubic Feet)
 - Manchester's average sewer use bill is currently \$35.86 per month (\$107.58 per quarter) or \$430.00 per year
- Proposed sewer usage rate is \$4.99/HCF
 - A 2% rate adjustment would increase the average sewer bill by \$0.73 per month (\$2.20/quarter) or \$9.00 per year
 - That equals $\approx 0.6\text{¢}$ for every gallon of wastewater a customer uses (equivalent to about 0.96¢ per flush)

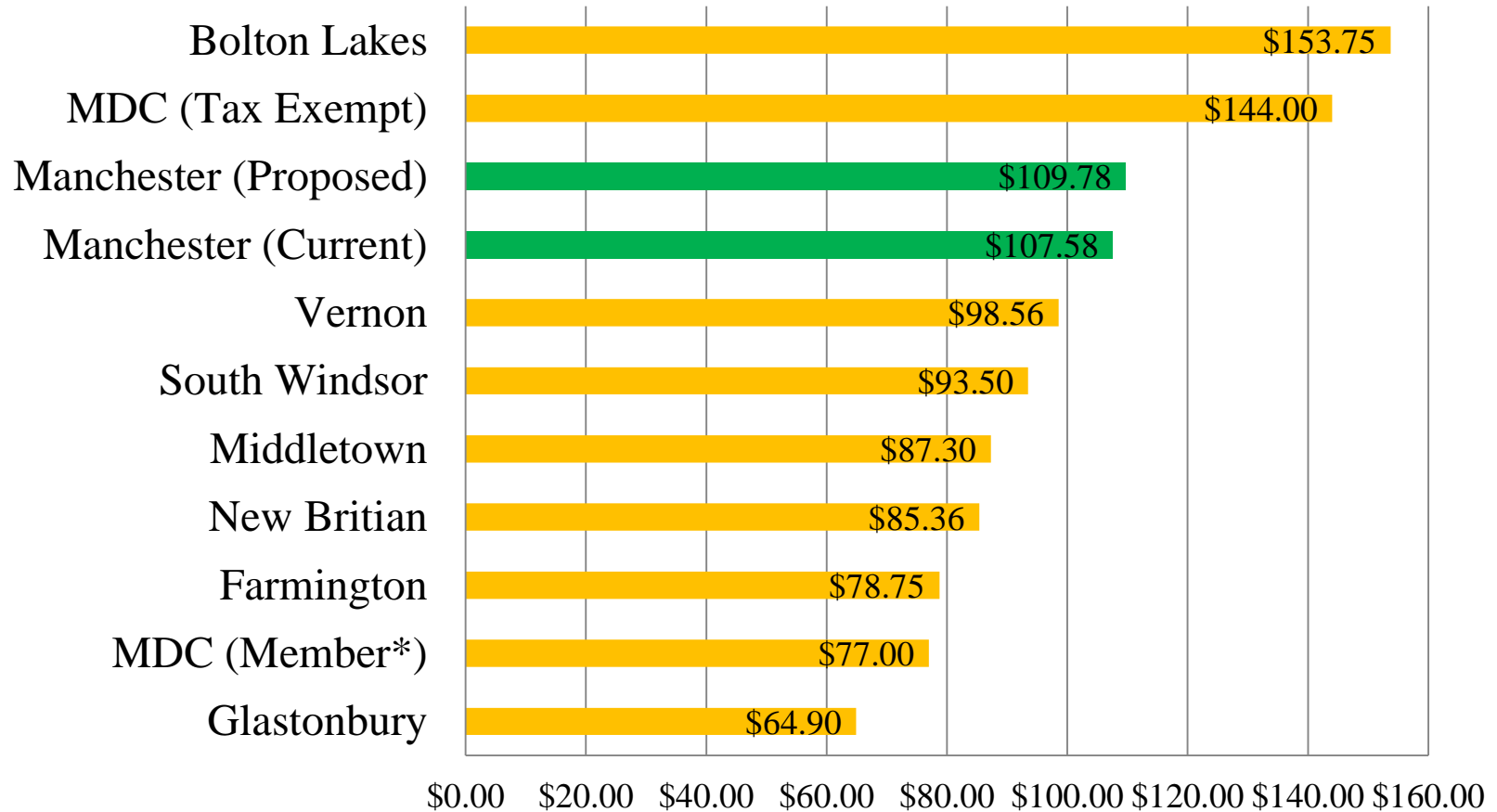




SEWER DEPARTMENT

FY2017/18 Recommended Budget

Quarterly Sewer Bill Comparison



*In addition to the ad valorem tax to the member town

Bolton Lakes' cost does not include their assessment for installation of the sewer system

Vernon's costs do not include capital costs as they are obtained from the general fund



Sewer Department

FY2017/18

Rate Comparison Chart

Location	Equalized rate Based on unit cost, surcharges and other applicable fees	Quarterly cost per household for usage of 2,200 cubic feet/quarter based equalized rate calculation
Manchester - current	\$4.89/HCF	\$107.58/Q (FY17) = \$430/yr
Manchester - recommended (2%)	\$4.99/HCF	\$109.78/Q (Rec'd FY18) = \$439/yr
State average	Based on 2013 survey*	\$406/yr for typical homeowner
Norwich	\$7.014/HCF (+\$8.20/mo. min chg) Plus \$0.826/HCF Upgrade chg	\$197.08/Q (2015 rate) = \$788/yr
Stonington	\$4.99/HCF (variable min chg)	\$109.78/Q (2017 rate) = \$439/yr
Bridgeport	\$5.946/HCF	\$130.81/Q (2013 rate) = \$523/yr
Darien	\$5.38/HCF	\$118.36/Q (2012 rate) = \$473/yr
Portland	\$6.08/HCF (+\$30.00 QTR min chg)	\$163.76/Q (2016 rate) = \$655/yr

*Rate study has not been updated



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Thank You