

WATER DEPARTMENT BUDGET WORKSHOP



FY2020/21 RECOMMENDED BUDGET
March 12, 2020

Water Department
FY2020/21 Recommended
Budget
Expenditure Summary

• **Total Recommended Expenditures of \$8,737,814**

**This is a net increase in recommended expenditures of
\$693,702 above FY20**

**Personal Services and Employee
Benefits increased \$107,669 (+3.1%)
Purchased Services and
Supplies increased \$232,385 (+9.7%)**

Sewer Use Fee (\$210,874)

Utilities increase (\$50,240)

Chemicals increase (\$36,872)

Inter-fund Transfers \$234,231 (+13.9%)

Capital Budget of \$897,500 which is an increase of \$192,500

Water Department
FY2020/21 Recommended Budget
Transfer to Reserve Summary

Recommended Transfer to Water Reserve \$897,500

<u>Capital List</u>	<u>Cost</u>
• Water Meters	\$ 50,000
• Well Redevelopment	\$ 50,000
• Filter Media	\$ 45,000
• Tank Painting	\$ 75,000
• GHWTP SCADA Upgrade	\$ 90,000
• GHWTP Effluent MCC Replacement	\$ 32,500
• Broken Valve Replacement	\$150,000
• Laboratory Ventilation Hood Replacement	\$ 30,000
• Backhoe plate compactor Replacement	\$ 15,000
• Heavy Equipment Replacement	\$185,000
• Organic Compound Reduction	\$175,000

Well #5, 10 and 11

Justification for the expenditures listed above appear on the next 2 pages

Water Department FY2020/21 Recommended Budget Transfer to Reserve

Water Meters - \$50,000

- Annual allocation for replacement meter and MXU's (Water portion)

Well Redevelopment - \$50,000

- Redevelop well and replace pump

Filter Media Replacement - \$45,000

- Annual allocation to fund filter media replacement in 3 to 5 years

Tank Painting - \$75,000

- Annual appropriation to the account for funding a 15-year cycle of tank painting and 5-year inspection cycle; a DPH requirement

GHWTP SCADA Upgrade - \$90,000

- Replace the existing Human Machine Interface software with one compatible with our present operating system and provide redundant servers

Water Department FY2019/20 Recommended Budget Transfer to Reserve - Continued

GHWTP Effluent MCC Replacement - \$32,500

- Replace the existing MCC for the existing pumps at GHWTP which is over 30 years old. The present equipment has intermittent problems

Broken Valve Replacements - \$150,000

- Replace broken butterfly valves at various location on the system

Laboratory Ventilation Hood Replacement \$ 30,000

- The current laboratory hoods have reached their useful life and no longer meets current safety standards

Backhoe Plate Compactor Replacement \$ 15,000

- Replace the backhoe plate compactor use to compact road excavations

Heavy Equipment Replacement - \$185,000

- Replace vehicle #341 a 2004 backhoe/loader

Organic Compound Reduction \$175,000

- Well 5, 10 and 11 are impacted by organic substances, the compounds do not exceed standards and this is a proactive step to meet possible regulatory changes. This is the study phase.

Water Department FY2020/21 Recommended Budget Note-Funded Capital Projects

Water Quality Improvement Program

Total Cost

Infrastructure Improvements

\$600,000

- For pipe rehabilitation and/or replacement
- Projects are based on the results of the Water Distribution System Evaluation
- In general, it targets water mains that are unlined, 4 inches or smaller, greater than 60 years old and that require upgrading for hydraulic purposes
- Work accomplished through previous WQIP appropriations have resulted in significant improvements to the water distribution system

Infrastructure Improvements

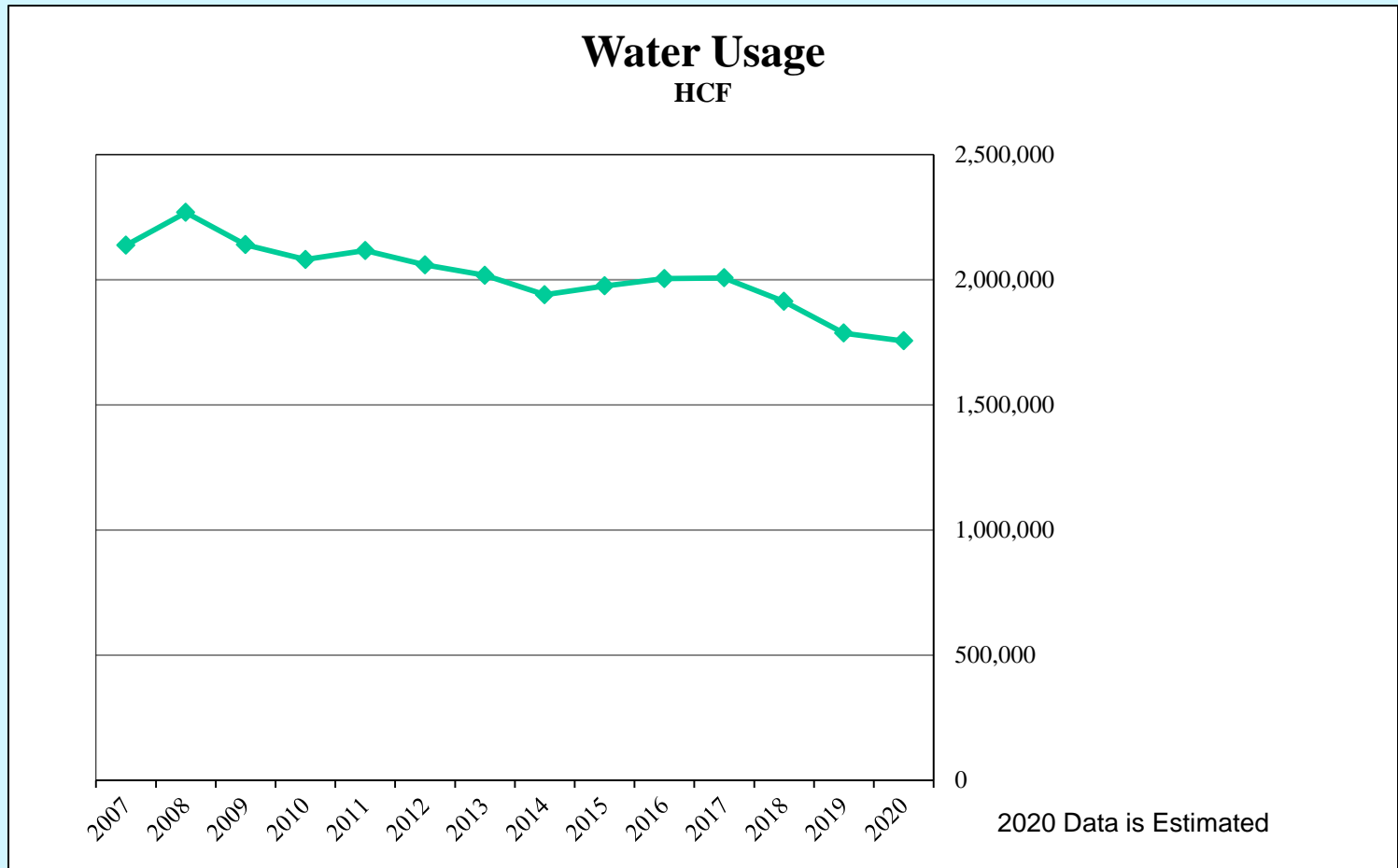
Total Cost

Infrastructure Improvements

\$600,000

- For pipe rehabilitation and/or replacement in area not necessarily a priority based on the WQIP however old enough to warrant the improvements. This initiative started in FY17
- These improvement projects continues efforts to coordinate with Public Works in order to provide a comprehensive approach to roadway reconstruction

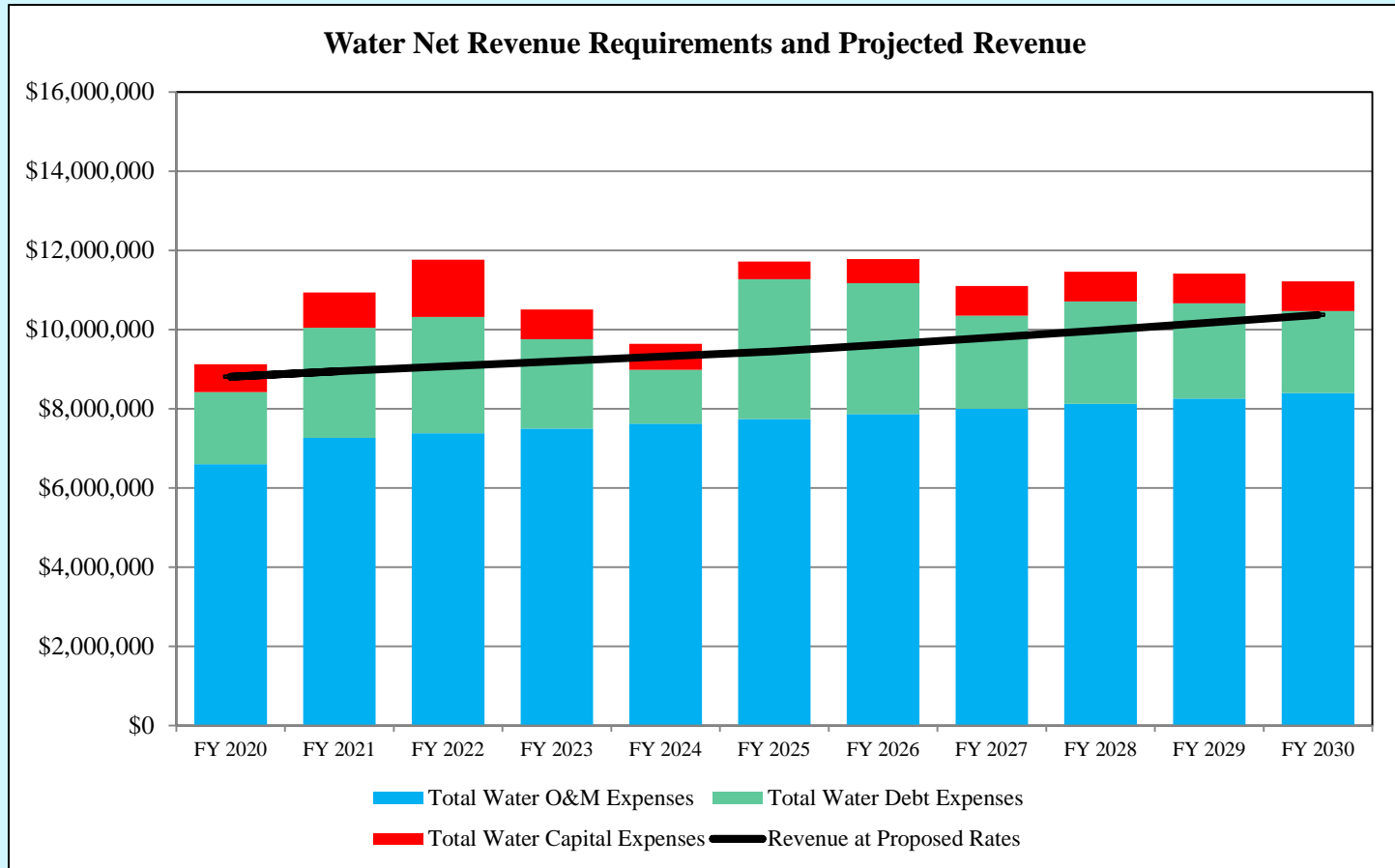
Water Department FY2020/21 Recommended Budget



Water Department FY2020/21 Recommended Budget Revenue Summary

- **Total Recommended Revenue \$8,945,415**
- **Comprised of:**
 - **Revenue from the sale of water is estimated to be \$6,934,626**
 - This reflects a 2% rate increase (in line with last years projection)
 - **Revenues from fire service charges total \$1,417,653**
 - **Miscellaneous revenue totals \$293,500**
 - **Rents \$299,636 (Cell sites on tanks)**
 - **No Use of Net Assets**
 - **The FY2020/21 Budget maintains a level of working capital equal to 180 days of operating expense**

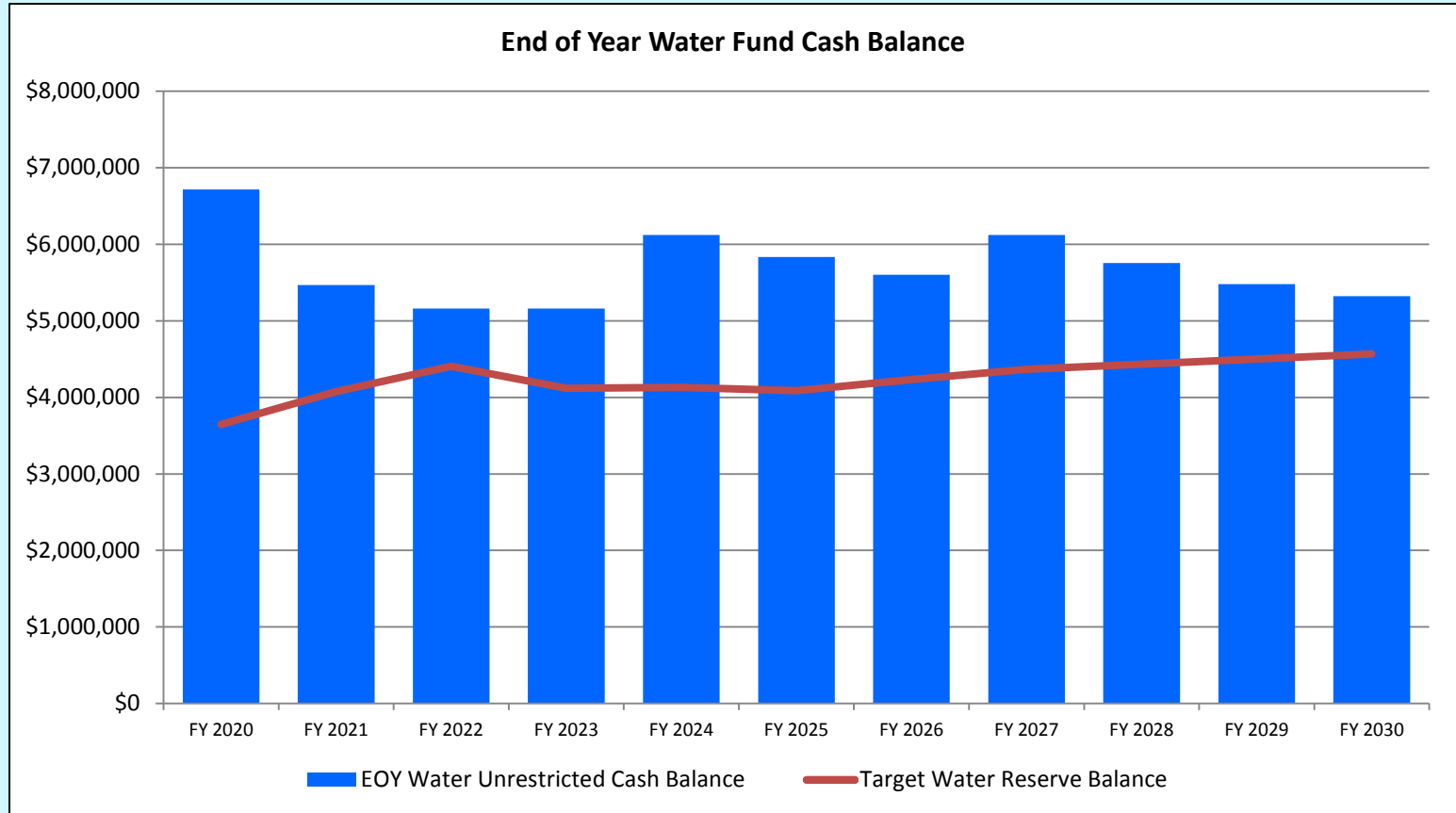
Water Department FY2020/21 Recommended Budget



Water Rate Increase Assumed in Model:

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Water Rate Increase	0.0%	2.0%	2.0%	2.0%	3.0%	4.0%	3.0%	3.0%	3.0%	3.0%

Water Department FY2020/21 Recommended Budget



Water Rate Increase Assumed in Model:

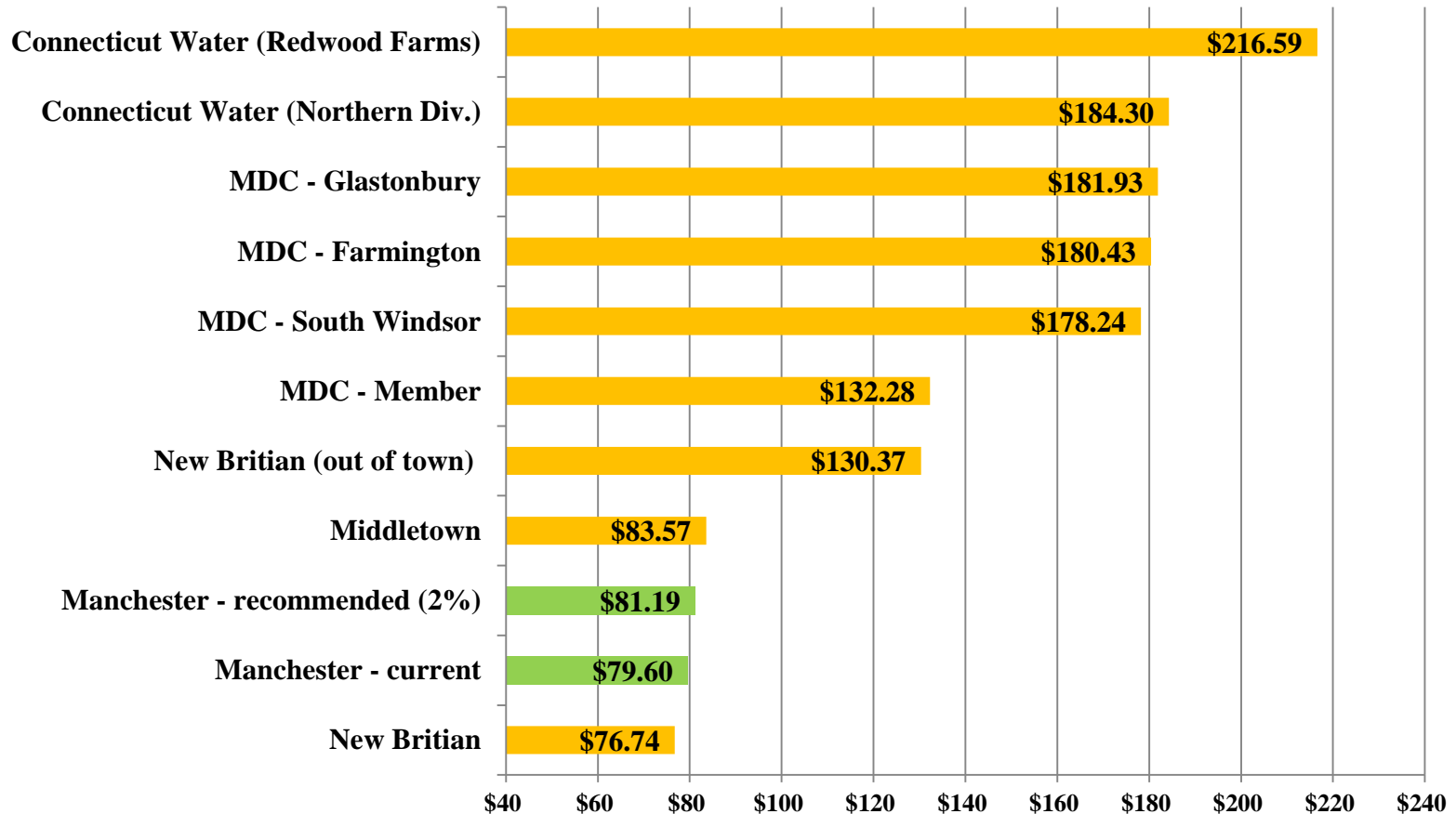
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Water Rate Increase	0.0%	2.0%	2.0%	2.0%	3.0%	4.0%	3.0%	3.0%	3.0%	3.0%

Water Department
FY2020/21 Recommended
Budget
Value Comparison

- **Our current water rate is the second lowest out of 6 suppliers serving the Greater Hartford Area**
- **Our recommended water rate will maintain this ranking**
- **The average water bill will be \$27.10/month**
- **A gallon of water delivered to your home cost \$0.0049**

Water Department FY2020/21 Recommended Budget

Quarterly Water Bill Comparison



Water Department FY2020/21 Recommended Budget Rate Comparison Chart

Location	Equalized rate Based on average use, meter charge and surcharges where applicable	Quarterly cost per household for usage of 2,200 cubic feet/quarter based on equalized rate calculation
Manchester - current	\$3.62/HCF	\$79.60 (FY20)
Manchester - recommended (2%)	\$3.70/HCF	\$81.29 (FY21)
Middletown	\$3.80/HCF	\$83.57 (2019 Rate)
New Britain Out of Town	\$3.49/HCF \$5.93/HCF	\$76.74 (2019 Rate) \$130.37 (2019 Rate)
MDC – Member (eff. Jan 2020)	\$6.01/HCF	\$132.28 (member town)
MDC – South Windsor	\$8.10/HCF	\$178.24 (South Windsor)
MDC – Farmington	\$8.20/HCF	\$180.43 (Farmington)
MDC – Glastonbury	\$8.27/HCF	\$181.93 (Glastonbury)
CWC (e.g.; Bolton, Coventry, Enfield, S. Windsor, Tolland, Vernon, etc.)	\$8.38/HCF	\$184.30 (eff. 2018)
CWC (Redwood Farms)	\$9.85/HCF	\$216.59 (eff. 2018)