

**TOWN OF EAST HAMPTON
AGENDA REPORT**

Town Manager Approval: _____

Item to be presented by: SC

DATE: May 12, 2020

SUBJECT: 2020/21 Public Water System Operating Budget & Water Rate Recommendation
 First Reading

DEPARTMENT: WPCA

RECOMMENDED ACTION –to approve the 2020/21 Operating Budget for the two Community Water Systems owned by the Town and operated by the WPCA.

BACKGROUND – Management has reviewed the operations of the two (2) public water systems as well as the projected operations costs of the new Hampton Woods system and has developed the following 2020/21 Public Water System Operating Budget. Based upon current operating conditions and known operational changes necessary to operate the systems as efficiently as possible the recommended budget for all systems totals \$238,228.00 and represents an increase of 0.35% or \$828.00 over last year. This is due to additional testing that is required.

Village Center Water System

The VCWS continues to perform within parameters. The treatment plant, built in 2009, has begun to experience an increase in call-outs as a result of mechanical failures. To date these issues have been minor, within budget and has not affected water quality. The media in the greensand filters is nearing the end of its useful life and we will be doing change outs starting this fiscal year. We will continue to monitor water quality to determine the optimum time to schedule a change-out. This is an expensive process and has been budgeted for in FY 20-21.

We did not experienced any violations under the Safe Water Drinking Act for FY 19-20. VCWS revenues are tracking behind projections mostly due to the Schools being closed for the pandemic, future revenues are discussed separately.

Royal Oaks Water System

Installation of the piping and valves and two carbon filters at Memorial School was a total cost of \$21,000.00. While the slip lining improved the water quality, the wells still have 7 – 10 mg/l of iron, which will require additional filters to improve water quality.

We continue to increase the iron and manganese filter capacity at the plant with every change-out of the media. Currently our treatment capacity is 12.0 cubic feet. The pursuit of additional greensand filter change outs needs to be the focus for FY 20-21. We will need to replace both pumps for well #3 & #4 again this year, which are continuing fail due to high iron content.

We experienced no violations for water quality parameters in FY 20/21.

ROWS revenues are tracking behind also because of the schools being closed for the pandemic; management expects revenues will not support the operation of the system for this fiscal year and some of the fund balance may have to be used to balance the budget.

Hampton Woods Water System

The HWWS is new to the East Hampton WPCA; Phase I A of the development has 34 individual homes of which 6 are connected to the water system that is still being constructed. This facility will be expandable to serve 255 homes. The Town will not be responsible for a financial deficit associated with the operation prior to the full build out of the development, as per Developers agreement.

WATER RATE RECOMMENDATION: WATER RATE RECOMMENDATION:

The 2020/21 budget of \$238,228.00 will not require a change in rates for FY 20-21. The Monthly commodity cost will remain at \$11.50/1000 gallons.

Avg. Monthly Cost	VCWS Residential	ROWS Residential	Center School	Memorial School
New Rates	\$72.43	\$91.96	\$910.50	\$1,421.00
WPCA Board recommendation	No Increase /1000 gals	No Increase /1000 gals	No Increase /1000 gals	No Increase /1000 gals

ALTERNATIVE ACTIONS – at the discretion of the Town Council

FISCAL IMPACT – variable depending upon the ultimate action of the Town Council.

EH: Clerks Office

AGENDA ITEM: _____



2020–21 Public Water Systems Operation Budget

63-59-0000-XXXX VCWS

63-59-0590-XXXX ROWS

63-59-0593-XXXX HWWS

Presented to WPCA: April 7, 2020

Recommended by WPCA: May 5, 2020

First Reading Date: May 12, 2020

Public Hearing Date: June 2, 2020

Town Council Adoption: June 9, 2020

Drop in Location:
20 Gildersleeve Drive
East Hampton, CT 06424

Board recommendation

**East Hampton Water Pollution Control Authority
Community Water Systems Fiscal Year Budget - 2020-21**

REVENUES

Residential Consumption Estimated	VCWS	ROWS	HWWS	
daily consumption (gals.)	6,000	12,000	4,080	
Est. daily cons./unit (gals.)	94	145	120	
Mthly. commodity cost (\$/1000gals.)	\$11.50	\$11.50	\$11.50	
Monthly commodity charge (\$)	\$32.43	\$49.88	\$41.40	
Monthly meter cost (1EMU = X.XX)	\$40.00	\$40.00	\$40.00	
<u>Per unit monthly cost (\$)</u>	<u>\$72.43</u>	<u>\$89.88</u>	<u>\$81.40</u>	
EMU's	94	83	34	
Estimated monthly revenue	\$6,808	\$7,460	\$2,768	
 Est. Residential yearly revenue	 <u>\$81,701.04</u>	 <u>\$89,520.00</u>	 <u>\$33,211.20</u>	 <u>\$204,432</u>
	Ctr. Sch.	Mem. Sch.		
Monthly meter cost (15 EMU = \$X.XX)	\$600.00			
daily consumption (gals/day)	900			
Monthly commodity charge (\$)	\$310.50			
Monthly meter cost (20 EMU = \$X.XX)		\$800.00		
daily consumption (gals/day)		1,800		
Monthly commodity charge (\$)		\$621.00		
<u>Estimated monthly revenue</u>	<u>\$910.50</u>	<u>\$1,421.00</u>		
 Est. Institutional yearly revenue	 <u>\$10,926.00</u>	 <u>\$17,052.00</u>		 <u>\$27,978</u>
 Estimated total revenue 19/20	 <u>\$92,627.04</u>	 <u>\$106,572.00</u>	 <u>\$33,211.20</u>	 <u>\$232,410</u>
 Transfer from capital fund balance				 <u>-\$5,818</u>
 Proposed fiscal year Operating Budget				 \$238,228
 Annual Cost based upon 72,000 gals.	 \$1,308.00			
 Water sytem Fund balance 6/30/17	 \$ 108,732.00			
 Water system Fund balance 6/30/18	 \$ 151,967.00			
 Water system Fund balance 6/30/19	 \$ 188,636.00			
 Acct 5980 funded reserve/Capital 6/30/20	 \$ 40,000.00			
 Transfer /Water Ops budget / Capital 6/30/19	 \$ 25,000.00		If need transfer for budget take from here	
 Unaudited Water system fund balance 6/30/20	 \$ 203,636.00			
 PWS capital balance 6/30/19	 \$ 54,725.00			
 Projected PWS capital balance 6/30/20	 \$ 79,725.00			

2020-21 Individual Water System Expense Breakdown

	25%				Total
	VCWS	ROWS	Mem Sch	HWWS	
5110 - Full Time Salaries	700	500	100	100	1,400
5120 - P/T Seasonal PIR	2,623	1,967	328	328	5,245
5220 - Social Security (.062)	163	122	20	20	325
5122 - Medicare (.0145)	38	29	5	5	77
5319 - Meetings/Conf.	500	453	85	85	1,123
Certification Training	125	125	38	38	
Conf./Seminars	375	328	47	47	
5330 - Prof/Tech Services	5,710	3,790	3,025	1,899	14,424
DOHS Water Quality Testing	5,500	3,500	3,000	1,874	
Misc. Engr. Bldg	n/a	n/a	n/a	n/a	
B102 Tank Insp/engr	n/a	n/a	n/a	n/a	
Annual Auditing Reports	210	290	25	25	
5430 - Bldg & Equip. M & Rep.	14,900	18,550	2,350	250	36,050
JF Labor	250	500		250	
well pump replacement	2,000	2,000	2,000	0	
Dist/WTP system maint.	2,500	1,000	150	0	
plumbing parts & repairs	400	800	200	0	
Greensand Valves		500		0	
Greensand media changeout	9,000	9,000		0	
Emrg. Gen. Maint. & An. Insp.	750	750		0	
VFD for R.O. pump	n/a	4,000	n/a	n/a	
Storage tank cleaning	n/a	n/a	n/a	n/a	
Well Driller	0	0		0	
5436 - UTT/Oper. Labor	21,000	21,000		4,506	46,506
5490 - Other Purch. Property Scrvs					600
Locate leaks/R & R meter & radio	150	300		150	
5520 - Prop/Llab Ins (Inc 10%)	1,197	1,931	270	1,931	5,329
5530 - Communications	650	1,100	150	650	2,550
5540 - Newspaper Advertising	100	100		100	300
5580 - Travel	1,500	1,500		1,500	4,500
5590 - Other Purch. Services	3,596	9,528	192	3,846	17,161
Billing Administration (112 cust.)	2,846	7,528	92	3,121	
Shut offs/Final bills	100	600		100	
Flushing water mains 2X/yr	450	1,300		450	
Annual Cross Connection Report	200	100	100	175	
5611 - Office Supplies	100	74	13	13	200
5615 - Uniform Allowance	75	75	75	75	225
5622 - Electricity	9,750	9,750		9,750	29,250
5627 - Motor Fuel (Veh & Gen)	600	600	50	50	1,300
Veh. \$200/200/50 - Gen. \$400/400					
5680 - Chemicals	1,750	7,500	2,250	1,750	13,250
5690 - Other Supp/Materials	550	250	100	550	1,450
5744 - Computer Equip	25	25	25	25	100
5810 - Dues & Fees	1,155	1,144	195	570	3,064
AWWA	45	34	11	45	
CWWA	735	735	184	150	
DEEP Annual Diversion permit	250	250		250	
DEEP Generator Permit	125	125		125	
5923 - Oper. Transfer to S.F.	1,000	1,000	500	1,000	3,500
5980 - Res for Cap & NR	20,000	20,000	0	6,700	46,700
5990 - Contingency	1,200	900	300	1,200	3,600
TOTAL	89,031	102,187	10,032	37,054	238,228
Approved Operating Budget 19-20	96,260	97,416	6,679	37,054	237,409
"+/-	(7,229)	4,771	3,353	(0)	819
"+/-	-7.51%	4.90%	50.21%	0.00%	0.35%

ROWS F/Y 2019-20 Operating Budget - Expenditures only

Adopted:

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	Actual		APPROVED		Spent 03/24/20	Available	PROPOSED		%	+/-
	2018-19 EXPENSES	2019-20 BUDGET	2019-20 BUDGET	2020-21 BUDGET			\$	+		
5110 Full Time P/R	0	500	0	100.00%	0	100.00%	600	100	20.0%	20.0%
5120 P/T P/R (19.5 hrs/wk)	0	1,967	0	100.00%	0	100.00%	2,295	328	16.7%	16.7%
5220 Social Security	0	122	0	100.00%	0	100.00%	142	20	16.3%	16.3%
5221 Medicare	0	29	0	100.00%	0	100.00%	34	5	15.6%	15.6%
5319 Meetings/Conf.	244	453	0	100.00%	0	100.00%	538	85	18.8%	18.8%
5330 Prof/Tech Services	2,800	3,290	7,183	-118.33%	7,183	-118.33%	6,815	3,525	107.1%	107.1%
5430 Bldg. & Equip. M&R	38,240	21,550	16,206	24.80%	16,206	24.80%	20,900	(650)	-3.0%	-3.0%
5436 UT/Oper. Labor	8,153	18,519	6,675	63.96%	6,675	63.96%	21,000	2,481	13.4%	13.4%
5490 oth purchasedproprsv	383	300	583	-94.33%	583	-94.33%	300	0	0.0%	0.0%
5520 Prop/Liab Insurance	0	1,931	0	100.00%	0	100.00%	2,201	270	14.0%	14.0%
5530 Communications	2,378	1,100	624	43.27%	624	43.27%	1,250	150	13.6%	13.6%
5540 Newspaper Adv.	30	100	80	20.00%	80	20.00%	100	0	0.0%	0.0%
5580 Staff Travel	1,501	1,500	620	58.67%	620	58.67%	1,500	0	0.0%	0.0%
5590 Other Purch. Serv.	9,111	9,528	4,748	50.17%	4,748	50.17%	9,719	191	2.0%	2.0%
5611 Supplies/ materials	142	74	4	94.59%	4	94.59%	87	13	17.6%	17.6%
5615 UNIFORMS	0	75	0	100.00%	0	100.00%	150	75	100.0%	100.0%
5622 Electricity	7,284	9,750	3,453	64.58%	3,453	64.58%	9,750	0	0.0%	0.0%
5627 Motor Fuel	0	600	0	100.00%	0	100.00%	650	50	8.3%	8.3%
5680 Chemicals	2,920	7,500	2,660	64.53%	2,660	64.53%	9,750	2,250	30.0%	30.0%
5690 Other Supp./Material	127	250	783	-213.20%	783	-213.20%	350	100	40.0%	40.0%
5741 Machinery & Equipmer	0	0	22,771	0.00%	22,771	0.00%	0	0	0.0%	0.0%
5744 Computer Equip.	0	25	0	100.00%	0	100.00%	50	25	100.0%	100.0%
5810 Dues & Fees	1,130	1,144	766	33.04%	766	33.04%	1,339	195	17.0%	17.0%
5893 Claims & settlements	0	0	0	0.00%	0	0.00%	0	0	0.0%	0.0%
5923op TRANS TO wpca cap	0	1,000	0	100.00%	0	100.00%	1,500	500	50.0%	50.0%
5980 Res. For Cap & NR	0	15,210	0	100.00%	0	100.00%	20,000	4,790	31.5%	31.5%
5990 Contingency	0	900	0	100.00%	0	100.00%	1,200	300	33.3%	33.3%
	\$74,443	\$97,417	\$67,156		\$67,156		\$112,219	\$14,802	15%	15%

APPENDIX G
WPCA
Fiscal Year 2019/20
Capital Budget 2017-2022
Fund 82

<u>Est. Cost</u>	<u>Purchase Year</u>	<u>Projects</u>
\$25,000	2019/20	Carbon Filters (ROWS)
\$30,000	2020/21	9 ft3 greensand addition (ROWS)
\$30,000	2020/21	9 ft3 greensand addition (ROWS)
\$30,000	2021/22	9 ft3 greensand addition (ROWS)
\$30,000	2022/23	9 ft3 greensand addition (ROWS)
\$30,000	2023/24	Drill New well and outfit (ROWS)
\$30,000	2024/25	Carbon Filters (VCWS)
\$205,000		Current Projected Total Capital Budget
	\$ 205,000.00	Current Fiscal Year 100% Funding Level

Basic business practice as defined by Moody's & DEP requires a contingency of 5-10%
of the annual operating budget be kept within the Capital Budget . \$ 19,013

Recommended F/Y 20/21 funding level for Capital Budget
\$ 51,160 see line item 5980 Oper. Transfer to Cap. Budget

	Year 1 18/19	Year 2 19/20	Year 3 20/21	Year 4 21/22	Year 5 22/23	Year 6 23/24
WPCA CAPITAL BUDGET						
Budget Line Item 5980 (Res for Capital)	\$ 30,420	\$ 38,025	\$ 44,489	\$ 46,714	\$ 49,049	\$ 51,502
WATER system fund transfer / Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Reserve for Capital	\$ 133,827	\$ 171,852	\$ 216,341	\$ 263,055	\$ 312,104	\$ 363,606
Anticipated Capital Fund Expenditures	\$ (25,000)	\$ (25,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)
Cumulative Capital Expenditures	\$ 157,000	\$ 132,000	\$ 102,000	\$ 72,000	\$ 42,000	\$ 12,000
Anticipated Capital Fund Balance	\$ 35,000	\$ 48,025	\$ 62,514	\$ 79,228	\$ 98,277	\$ 119,779
Budget Line Item 5980 Percent Increase over previous year	30%	25%	17%	5%	5%	5%
Total Budget Percent Increase over 2016/2017 Budget	30%	33%	28%	10%	10%	10%
Water system Fund balance 6/30/18	\$ 151,967.00					
Water system Fund balance 6/30/19	\$ 188,636.00					
Acct 5980 funded reserve/Capital 6/30/20	\$ 44,000.00					
Transfer /Water Ops budget / Capital 6/30/20	\$ 25,000.00					
Unaudited Water system fund balance 6/30/20	\$ 207,636.00					
PWS capital balance 6/30/19	\$ 54,725.00					
Projected PWS capital balance 6/30/20	\$ 79,725.00					