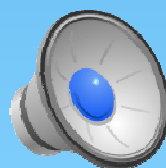




WPCA

WATER POLLUTION CONTROL AUTHORITY



DEEP RIVER WPCA FY 2012/2013 BUDGET



BUDGET SUMMARY 2012/13

REVENUES	BUDGETED 2011-2012	PROPOSED BUDGET 2012-2013
Sewer Use Tax	\$ 313,200	\$ 344,035
Sewer Assessment	\$ 10,700	\$ 10,700
Sewer Use & Assessment & Liens	\$ 5,000	\$ 5,000
Permits & Fees	\$ -	\$ -
Septic Hauler Fees	\$ 510,000	\$ 510,000
Interest	\$ 100	\$ 100
Ins. Reimb/Claims/Misc Reimb	\$ -	\$ 68,000
Chester Flow	\$ 55,000	\$ 57,100
Chester O&M	\$ 13,440	\$ 13,440
	✓ \$ 907,440	\$ 1,008,375
EXPENSES		
Salaries/Administration	\$ 380,914	\$ 396,170
Contracted Services	\$ 24,600	\$ 24,450
Utilities	\$ 104,270	\$ 102,125
Operations	\$ 164,100	\$ 247,100
Safety	\$ 2,500	\$ 2,500
Laboratory	\$ 9,000	\$ 9,000
Replacement	\$ 19,079	\$ 24,153
Clean Water Fund	\$ 202,977	\$ 202,877
TOTAL EXPENSES	✓ \$ 907,440	\$ 1,008,375

BUDGET COMPARATIVE 2004/05 THRU 2012/13

	Actual 2004/2005	Actual 2005/2006	Actual 2006/2007	Actual 2007/2008	Actual 2008/2009	Actual 2009/2010	Actual 2010/2011	Estimated 2011/2012	Proposed 2012/2013	Variance from 2005	Percent Variance from 2005
Total Wages	\$ 218,204	\$ 208,167	\$ 195,482	\$ 209,525	\$ 216,439	\$ 231,984	\$ 243,616	\$ 250,079	\$ 254,669	\$ 36,464	16.7%
Total Employment Expences	\$ 87,454	\$ 72,556	\$ 65,802	\$ 70,272	\$ 87,456	\$ 81,427	\$ 118,863	\$ 129,394	\$ 134,888	\$ 47,434	54.2%
Total contracted Services	\$ 48,853	\$ 18,554	\$ 33,387	\$ 32,057	\$ 26,217	\$ 16,435	\$ 26,414	\$ 21,634	\$ 25,600	\$ (23,253)	-47.6%
Total Vehicle Fuel	\$ 6,546	\$ 9,020	\$ 8,200	\$ 11,366	\$ 9,670	\$ 8,190	\$ 8,527	\$ 8,000	\$ 8,000	\$ 1,454	22.2%
Total Utilities	\$ 63,534	\$ 78,945	\$ 98,466	\$ 100,879	\$ 120,240	\$ 111,602	\$ 104,437	\$ 96,875	\$ 101,825	\$ 38,291	60.3%
Total Operations	\$ 141,474	\$ 157,716	\$ 244,241	\$ 194,601	\$ 251,671	\$ 284,731	\$ 245,536	\$ 264,166	\$ 247,100	\$ 105,626	74.7%
Total Safety	\$ 355	\$ -	\$ 872	\$ 3,033	\$ 2,619	\$ 1,977	\$ 1,222	\$ 2,500	\$ 2,500	\$ 2,145	604.0%
Total WPCA Administration	\$ 24,128	\$ 30,394	\$ 30,504	\$ 28,198	\$ 23,014	\$ 23,609	\$ 27,398	\$ 22,662	\$ 6,614	\$ (17,515)	-72.6%
Laboratory	\$ 11,622	\$ 6,269	\$ 7,369	\$ 8,416	\$ 6,094	\$ 7,430	\$ 9,095	\$ 9,000	\$ 9,000	\$ (2,622)	-22.6%
Replacement Fund	\$ 14,498	\$ -	\$ -	\$ 24,439	\$ 39,880	\$ 21,621	\$ 11,203	\$ 3,079	\$ 19,131	\$ 4,633	32.0%
Total Clean Water Fund	\$ 18,806	\$ 57,335	\$ 66,824	\$ 202,978	\$ 202,977	\$ 202,977	\$ 202,977	\$ 202,977	\$ 202,877	\$ 184,071	

DEEP RIVER SEWER RATE HISTORY

- * FY 1988/89 \$350.00
- * FY 2012/13 \$415.00 (PROPOSED)

- ✧ DURING THE PAST 25 YEARS THE SEWER RATE HAS INCREASED 18.6% OR LESS THEN 0.75% PER YEAR.
- ✧ FOR A COMPARISON, WPCF UTILITIES (HEATING OIL, WATER, TELEPHONE AND ELECTRIC) HAVE INCREASED 60.3% IN JUST THE PAST 8 YEARS OR 7.5% PER YEAR.

LINK TO TIGHE & BOND 2011 RATE SURVEY

To find a complete list of Towns and their sewer costs
please click on the link. <http://rates.tighebond.com>

CONNECTICUT RATE SURVEY

TOWNS OF 2,500 OR LESS

TIGHE&BOND

System	Annual Homeowner's Cost	Sewer Rate	Billing Cycle	Funding	Business Rate	Seasonal Rate	Population Served	Last Rate Change
East Granby, Town of	370.00	\$185/ half	Biannually	NR	Y	N	NR	2011/2012
New Hartford, Town of	1,363.68	\$18.94 /10	Quarterly	Enterprise	N	N	NR	7/1/11
Morris, Town of	300.00	\$300/year	Annually	NR	N	N	NR	2011/2012
Hebron, Town of	350.00	\$350/year	Annually	NA	Y	N	800 customers	7/1/11
Redding, Town of / Georgetown Sewer District	1,469.00	\$17.90/100	Quarterly	NA	N	N	77 customers	6/5/05
Tolland, Town of	714.96	\$9.93/100	Quarterly	NR	N	N	70 customers	12/2010
Granby, Town of	193.00	\$0.004/gal.	Annually	NR	Y	N	632 customers	2011
Somers, Town of	250.00	\$250/year	Annually	O&M budget	N	N	600+/-	10/1/11
Salisbury, Town of	250.00	\$250/year	Annually	NR	Y	N	600 customers	2008-2009
Brooklyn, Town of	220.00	\$220/year	Biannually	NR	Y	N	550 customers	2010/2011
Thompson, Town of (WPCA)	320.00	\$320/year	Biannually	NR	Y	N	539 customers	9/2011
Sprague, Town of	420.00	\$105/quart	Quarterly	Enterprise	N	N	518 customers	6/2008
Norfolk Sewer District	957.86	\$8.33/100	Biannually	NR	N	N	378 customers	2011
Berlin, Town of	313.92	\$3.27/HCF	Biannually	Enterprise	N	N	2,500	10/1/10
Mansfield, Town of	409.00	\$0.04256/	Biannually	Enterprise	N	N	2,400	2009
Newtown, Town of	461.00	\$7.12/100	Quarterly	NA	Y	N	1,200 customers	12/1/2009
Litchfield, Town of	372.00	\$372/year	Annually	NR	N	N	1,186	7/1/11
Coventry, Town of	272.00	\$272/year	Annually	NR	N	N	1,100	Effective 9/08
Deep River, Town of	400.00	\$400/year	Annually	Enterprise	Y	N	1,000 customers	2011
Jewett City	524.00	5.46/hcf	Annually	nr			1100	
Berlin, Town of	314.00	3.27/hcf	Annually				2500	
Ledyard	691.00	.096/100g	Quarterly				2383	
Putnam	319.00	79.87 Qua	Quarterly					

Average cost <2500 units

489.32

MASSACHUSETTS RATE SURVEY

TOWNS OF 2,500 OR LESS

TIGHE&BOND

Community	Typical Annual Homeowner's Cost Sewer Rate		Billing Cycle	Funding	Business Rate	Seas. Rate	Elderly Discounts	Low inc. Disc	Early Pay Disc.	Pop. Served	Last Rate Change
Bourne, Town of	\$734	\$734/year	Biannually	Enterprise	No	No	No	No	No	999	6/10
Acushnet, Town of	\$788	\$6.57/HCF	Biannually	Enterprise	Yes	No	No	No	No	900 homes	2009
Groveland, Town of	\$632	\$5.52/HCF	Biannually	Enterprise	No	No	No	No	No	900	3/2010
Oxford, Town of	\$783	\$8.70/1000 gals.	Quarterly	Enterprise	No	No	No	No	No	820	1/1/10
Falmouth, Town of	\$482	\$6.10/HCF	Biannually	NR	No	Yes	No	No	No	800	10/2009
Dighton, Town of	\$371	\$2.30/HCF	Biannually	Enterprise	Yes	No	No	No	No	550	8/09
Upton, Town of	\$430	\$4.00/1000 gals.	Biannually	General	No	No	No	No	No	550	4/7/07
Charlemont Sewer District	\$584	\$584/year	Biannually	NR	No	No	No	No	No	450	9/08
Shelburne, Town of	\$516	\$0.043/CF	Annually	Enterprise	No	No	No	No	No	303 customers	2007
Warren, Town of	\$300	\$300/year	Annually	Enterprise	No	No	No	No	No	2,500	7/1/07
Buckland, Town of (via Shelburne)	\$462	\$0.0385/CF	Annually	Enterprise	No	No	No	No	No	2,200	2009
Dalton, Town of	\$220	\$220/year	Biannually	General	Yes	No	No	No	No	2,191	2009
Groton, Town of	\$1,455	Ascending	Quarterly	NR	No	No	No	No	No	2,000	7/1/10
Merrimac, Town of	\$1,050	\$12.75/1000 gals.	Quarterly	Rate Payers	No	No	No	No	No	2,000	7/1/08
Hardwick Villages of Gilbertville and Wheelwright	\$475	\$475/year	Annually	Enterprise	No	No	No	No	No	1450	2010
Russell, Town of	\$480	\$480/year	Monthly	Enterprise	Yes	No	No	No	No	1135	2/2009
Dudley, Town of	\$639	\$3.20/HCF	Quarterly	Enterprise	No	No	No	No	No	1,823	7/1/06
Williamsburg, Town of	\$420	\$3.50/HCF	Biannually	Enterprise	No	No	No	No	No	1,800	1/14/10
Sunderland, Town of	\$225	\$225/year	Annually	Special Revenue	No	No	No	No	No	1,750	7/1/10
Mattapoisett, Town of	\$600	\$5.00/HCF	Biannually	Enterprise	No	No	No	No	No	1,702 customers	3/1/08
Marion, Town of	\$1,128	Ascending	Biannually	NR	No	No	No	No	No	1,590	NR
Tyngsborough, Town of	\$496	\$496/year	Biannually	NR	Yes	No	No	No	No	1,500	2009
Northfield, Town of	\$802	\$6.68/HCF	Biannually	General	No	No	No	No	No	1,400	8/30/10
Ashburnham, Town of	\$1,140	\$9.50/HCF	Quarterly	Enterprise	No	No	No	No	No	1,282	2010
Northborough, Town of	\$632	Ascending	Quarterly	Enterprise	No	No	No	No	No	1,200	7/10
Templeton, Town of	\$639	Ascending	Quarterly	Enterprise	No	No	No	No	Yes	1,200	8/2/10
Millis, Town of	\$576	Ascending	Quarterly	Rates	No	No	No	No	No	1,184 accounts	7/10
Cohasset, Town of	\$1,032	\$8.60/HCF	Quarterly	Enterprise	No	No	No	No	No	1,090	5/15/07
Huntington, Town of	\$900	\$12.50/1000 gals	Quarterly	General	No	No	No	No	No	1,050	2010
Leicester - Cherry Valley Sewer District	\$820	\$0.045/CF	Quarterly	NR	NA	NA	NA	NA	NA	1,050	1/1/05
Leicester - Hillcrest Sewer District	\$460	\$460/year	Quarterly	Special Revenue	No	No	No	No	No	1,000	2004

\$

653.90 AVG.

WHAT FACTORS HAVE STABILIZED THE SEWER RATE???

- ✧ Over the years, the facility has accepted septic wastes from not only Deep River but from surrounding towns as well. The revenue received from treatment of this waste stream aids in offsetting the lack of economy of scale.
- ✧ The addition of units connected to the system also is a factor. Unfortunately over the years, the trend in many towns is that the commercial users have been diminishing, leading to a reduction of units. The cost of extending line to areas that require sanitary sewer is a significant investment that requires years to recoup, and in most towns the funding of these projects is a source of debate.

WHY DOES THE SEWER CHARGE VARY FROM TOWN TO TOWN?

- ✧ Economies of scale of larger facilities in some cases appears to reduce the cost. With that being said, some larger systems, i.e. Norwich \$580. (Per year / 7,431 users) are considerably higher than Deep River.
- ✧ Some towns apparently subsidize the sewer user fee. For example the sewer charge for Granby is \$193, Granby does not have a treatment facility, and by contract discharges it's wastewater to the Simsbury treatment plant, the sewer charge for Simsbury users is \$325 per year.
- ✧ The Deep River system has (including Chester) approximately 950 units. This Fifteen dollar (\$15.) increase will yield \$14,250 in additional revenue.

CONDITION OF INFRASTRUCTURE

The lifespan of a treatment plant is generally projected to be 25 years. The effects of the environment at wastewater treatment facilities are extremely conducive to the degradation and decomposition of the materials used in construction. The Deep River facility has had excellent preventative maintenance and for the most part is in better than new condition. Recent testing, both destructive and nondestructive of the concrete structures show them to be in excellent condition. Continual upgrading of various treatment components has helped the facility produce an excellent effluent. The Deep River facility is considered to be in very good condition by the Department of Energy and Environmental Protection.

SEWER RATE RELATED ARTICLES

1. NORWICH
2. MIDDLEFIELD
3. MARLBOROUGH

NORWICH UTILITY PROPOSED 11.5% INCREASE

NEW LONDON DAY 4/19/2012

Norwich - The combination of major proposed water system upgrades and the need for improved cash flow to qualify for low-interest loans for the nearly \$8 million in projects has led Norwich Public Utilities officials to propose a 36.7 percent water-rate increase starting in July. **NPU also is proposing an 11.5 percent sewer-rate increase to cover increased operational costs and technology upgrades and maintenance.** The Board of Public Utilities Commissioners will hold public hearings Tuesday on both proposed rate increases, included in the proposed \$7.5 million sewer and \$9 million water budgets. The hearing will be at 7 p.m. at Norwich Public Utilities headquarters, 16 S. Golden St. Officials said the steep increases are necessary to upgrade systems that ultimately will cut costs and improve safety and efficiency. Steve Sinko, division manager of business services, said the municipal water system is in need of mechanical upgrades, expected to cost an estimated \$7.9 million over the next two years. Three massive pumps at the Deep River Reservoir that pump water to much of the city are more than 40 years old and must be replaced, Sinko said. The replacement project calls for installing smaller, more efficient pumps and building two 1-million-gallon water tanks at the Deep River Reservoir - located at the Colchester-Lebanon border - for improved water delivery. The pump replacement and water tank project will cost about \$2.5 million and would be done in the 2013-14 fiscal year if approved by the utilities board, Sinko said. The huge water main that leads from the reservoir is nearly 100 years old, Sinko said. The upgrade calls for relining the pipe without the need to dig up the main. A second aspect of the water transmission line project would be a money-making venture for NPU. A transmission station at the Norwich-Bozrah border pumps high-pressure water through the transmission line. A mini electric turbine generator, to be installed inside the line, would generate electricity from the water pressure, Sinko said. The cost to reline the pipe and install the turbine is a combined \$1.5 million. NPU also hopes to upgrade the system for reusing water removed during the filtration process at both the Deep River Reservoir and Stony Brook Reservoir in Montville, lowering disposal costs and returning much of the water to the reservoirs for use. Those upgrades would cost \$2 million at each reservoir. To pay for \$7.9 million of the upgrades, NPU is in the running for low-interest loans through the Drinking Water State Revolving Fund from the state Department of Energy and Environmental Protection. The 20-year, 2 percent loan, however, would come with conditions that the water division improve its cash balance - another reason for the rate increase, Sinko said. The water division in the past routinely borrowed money from the more profitable electric division. The state loan would require paying off the remaining \$400,000 on that loan and also erasing the current \$261,000 operating deficit. Both would be accomplished with the rate increase.

WHAT DOES THIS MEAN FOR THE RESIDENTS OF NORWICH?

NEW LONDON DAY 4/19/2012

Average water rate increase, by monthly bill Residential: from \$31.96 to \$43.08. Commercial: from \$163.56 to \$222.28. Small industrial: from \$546.23 to \$745.08. Large industrial: from \$13,610 to \$18,732. Average sewer increase, by monthly bill: Residential: from \$48.29 to \$54.09. Commercial: from \$277.32 to \$307.64. Industrial: from \$1,640 to \$1,817.

MIDDLEFIELD WPCA RAISES SEWER RATES

TOWN TIMES PAPER 8/2/2011

Sewer rates are on the rise. Middlefield residents hooked into the Lake Beseck sewer area will now pay over \$40 more per year to benefit from the sewer, while sewer users along Route 66 shall pay an additional \$100 to benefit from the system. Beseck users now owe \$650 per year and those near Route 66 owe \$374. These new rates were approved by the Water Pollution Control Authority (WPCA) during their July 13 meeting. WPCA chairman Ed Bailey stated, "This rate increase is definitely because of the Meriden charge," as the wastewater from Lake Beseck is sent to Meriden to handle. Over the past five years, Meriden's charge for handling wastewater has risen 65 percent. Though Route 66 sends its wastewater to Middletown, that town has also raised its rates. While Bailey attributed the wastewater discharge rates as the main cause of the increases, he also noted that the sewer pumps are no longer under warrantee and now require the town to pay 100 percent of any maintenance costs. Otherwise, Bailey said most of the sewer costs are "flat." However, the WPCA has lowered sewer costs in the past, as it did two years ago with the Route 66 sewer users. To ensure this happens again, the WPCA recommends sewer users to conserve water, as it reduces the amount of wastewater sent to Meriden and Middletown. While this won't affect an individual's charges, a significant enough reduction from all sewer users would result in a lower rate for everyone. To aid in water use reduction, the WPCA will be making a number of conservation kits available at the Lake Beseck picnic this Saturday, July 30. At a cost of \$1 or \$2, sewer users will receive a water-saving showerhead, a faucet aerator and a swivel spray attachment for the kitchen sink. Bailey stated the purpose of the kits is to "try and get people more aware of their water usage."

MARLBOROUGH IS FACING HAVING TO RAISE THEIR SEWER USAGE CHARGE

Jane Boston said Marlborough has comparatively high sewer rates to neighboring towns. According to East Hampton Public Utilities Administrator Vincent Susco, the rates sewer users pay in his town are much lower because 90 percent of the project was covered through the federal government when it was initiated in the 1970's

“It was very different back then,” he said.

East Hampton sewer users pay \$290 per year for usage, and their benefit assessments – of \$700 per lot and \$1275 per building – were paid off in 2008, Susco said.

Hebron residents pay \$320 per year per unit for usage, on top of an average \$498 benefit assessment per year. Portland residents with metered sewers are charged based on consumption at \$4.54 per cubic feet.

The Marlborough WPCA charges \$603 as a benefit assessment and the Operations and Maintenance 2011-2012 budget is projecting about \$580 per equivalent Dwelling unit for usage.

Was taken from a Katy Nally article

PUBLIC HEARING

There will be a Public Hearing on June 4 @ 730pm at the facility to discuss the proposed increase of the current yearly unit (EDU) rate from \$400 to \$415 or 3.75%. Increases in chemicals, labor and utilities, combined with additional regulatory requirements necessitated this increase. The WPCA has posted information regarding the proposed budget on the Town of Deep River WPCA webpage. If you require further details please contact Pete Lewis, Facility Manager @ 860-526-6044 or 860-575-6439 or plewis@deepriverct.us

DEEP'S GUIDELINES FOR SETTING BENEFIT ASSESSMENT

Benefit assessments are meant to retire the capital costs a town incurs in constructing sanitary sewer lines and treatment plants. WPCAs base these costs on the benefits, or anticipated benefits, a property owner receives or will receive from the system. The law (CGS § 7-249) provides WPCAs with several methods of determining the benefits, which WPCAs may apply individually or in combination. These are:

1. unit cost: an equal cost for every connection to the sewer, regardless of volume of use
2. frontage: a per foot charge along the sewer line, (some towns limit the maximum frontage for which a single property can be assessed and adopt rules to ensure that corner lots are not charged twice)
3. lot size: a charge based on acreage (towns using this method usually limit the area considered to be within a chargeable distance from the sewer line to avoid penalizing owners with deep lots)
4. property value: a charge based on the property's assessed value
5. flow proportion: a charge based on an owner's estimated or actual use of the system relative to all other owners.