

FY 2015-2016 Budget Presentation



STAMFORDWPCA

SWPCA

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March 30, 2015 – Board of Representatives

SWPCA Facts & Accomplishments

- Did you know?
 - SWPCA provides sewer service for 20,000 customers in Stamford
 - Town of Darien discharges its sewage into SWPCA's sewer system
 - SWPCA treats an average of 16 million gallons per day (mgd) and has capacity to treat an average of 24 mgd
 - The SWPCA provides advanced wastewater treatment and removes over 97% of pollutants and 91% of nitrogen in its treated effluent

SWPCA Facts & Accomplishments (cont'd)

- Completed the lining of 3,000 feet of 36" and 42" diameter sewer interceptor in Soundview Avenue in fall of 2014 without incident or major impact on residences connected to interceptor.
- Made changes to the UV disinfection system to improve system performance and reliability
- Continues to make improvements to odor control resulting in far fewer odor complaints
- Enhanced the Standard Operating Procedures for preparation and operation of the Plant during extreme rainfall and high flow events.
- SWPCA maintained treatment without a permit exceedance during a major rain storm on December 9th that resulted in plant flows of 60 mgd (almost 4 times average flow)

SWPCA Facts & Accomplishments (cont'd)

- Financial Statement for FY ending June 30, 2014 shows major improvement in SWPCA's financial position with increases in net position, cash reserves, and pay down of debt to City (from operations) of \$1.6 million.
- Auditors of the Financial Statement found no material weaknesses or significant deficiencies and found no issues to report on internal control

How does WPCA's sewer use charge compare?

- Average residential customer in COS pays \$464 per year (Oct '14 and April '15) for sewer use charges
- Average sewer user charge across US was \$435 in 2013
- Average sewer user charge in New England states was \$700 in 2013 (median was \$459)
- Average sewer user charge in New York State and New Jersey was \$460 in 2013

Source: National Association of Clean Water Agencies' 2013 Cost of Clean Water Index

WPCA's Goals for 2015-16

- Meet Discharge Permit 24/7, 365 days/year
- No Bypasses
- Minimize odors = no odor complaints
- Implement Capital Improvement Plan
- Provide online payment of sewer use charge

Summary of Operating Budget Request

| | |
|---|--|
| Total Funding Request FY 15-16 (All Activities) | \$26,614,226 |
| Change from FY 14-15 Adopted | \$526,503 (2.0%) |
| | |
| Human Capital/Personnel FY 15-16 (All Activities) | Total full-time staff of 44 |
| Change from FY 15-16 Adopted | None |
| Significant changes to note | Removed Perm Part-time Utility Worker position (salary plus benefits totaled \$44,985) Removed Seasonal Laborers and Office Workers \$46,911.70 |

Operating Budget Summary by Activity

| Activity Name | FY 14-15 Adopted | FY 15-16 Mayor's Request | \$ Change | % Change |
|-----------------------------|---------------------|--------------------------------|-----------|----------|
| Administration | \$4,480,783 | \$4,885,664 | \$404,881 | 9.0% |
| Process Control | \$3,090,240 | \$3,100,644 | \$10,404 | 0.3% |
| Laboratory | \$417,344 | \$429,051 | \$11,707 | 2.8% |
| Sludge Processing | \$2,344,170 | \$2,446,994 | \$102,824 | 4.4% |
| Regulatory Compliance | \$101,775 | \$116,633 | \$14,858 | 14.6% |
| Building Maintenance | \$265,500 | \$277,500 | \$12,000 | 4.5% |
| Equipment Maintenance | \$1,058,399 | \$1,068,863 | \$10,464 | 1.0% |
| Pump Station Maintenance | \$763,911 | \$763,382 | \$(529) | -0.1% |

Operating Budget Summary by Activity cont'd

| Activity Name | FY 14-15 Adopted | FY 15-16 Mayor's Request | \$ Change | % Change |
|-------------------------------|------------------|--------------------------|-------------|----------|
| Sanitary Sewer Maintenance | \$414,940 | \$439,155 | \$24,215 | 5.8% |
| Hurricane Barrier Maintenance | \$260,000 | \$260,000 | \$0 | 0.0% |
| Billing Services | \$472,955 | \$472,939 | (16) | 0.0% |
| | | | | |
| Bonds - Principal | \$6,289,581 | \$6,051,692 | (\$237,889) | -3.8% |
| Interest Expense | \$3,478,125 | \$3,651,709 | \$173,584 | 5.0% |

What Drives Program Costs?

| | | |
|------------------------------------|-------------|-------|
| ➤ Debt Service | \$9,703,401 | 36.5% |
| ➤ Salaries | \$3,245,057 | 12.2% |
| ➤ Utilities (Electric, Gas, Water) | \$2,689,500 | 10.2% |
| ➤ Sludge Drying & Disposal | \$1,630,230 | 6.23% |

Explanation of Budget Variances by Cost Centers

| <u>Cost Center</u> | <u>Variance</u> | <u>Explanation</u> |
|-------------------------|-----------------|---|
| • Administration | \$404,881 | Increase due to step increases, filling of vacant positions & 401A Match \$68,019 Increase in payment to insurance fund of \$48,674 Increase in OPEB cost of \$266,298 Increase in Medical & SS cost of \$23,659 |
| • Sludge Processing | \$102,824 | Increase in Sludge Drying (Synagro) Contract \$75,805 Increase in Sludge Haulaway of \$10,000 Increase in due to contractual obligations Increase due to cost of 401A match |
| • Regulatory Compliance | \$14,858 | Increase due to filling vacancy |
| • Sewer Maintenance | \$24,215 | Increase in Mtce parts & supplies and addition of differential cost for night street cleaning |

SWPCA Financial Plans & Goals

- Continue to add to Capital Reserve at \$1.5 million per year
- Continue to pay down debt to City per MOA at \$1.15 million per year
- Increase collection of Sewer Use Fees; above 95% collection rate within FY16
- Increase collection of Sewer Assessments and Sewer Connection Fees
- Manage operational expenses to end the FY under budget

SWPCA Capital Budget Request

| <u>Project Name</u> | <u>FY15/16 Request</u> | <u>Total Request</u> |
|--|------------------------|----------------------|
| • Sanitary Sewer Rehabilitation | \$ 650,000 | \$2,850,000 |
| • WPCA Major Replacement | \$ 950,000 | \$1,850,000 |
| • Perna Lane Area sewers | \$ 0 | \$5,000,000 |
| • Aeration Blowers Upgrade | \$ 0 | \$2,300,000 |
| • SCADA System Upgrade | \$ 320,000 | \$ 320,000 |
| • Upgrade Plant Headworks | \$ 100,000 | \$7,650,000 |
| • Storm Water Pump Stations (City) | \$ 850,000 | \$1,450,000 |
| • Sanitary Pumping Station Upgrade | \$ 750,000 | \$2,000,000 |
| • West View Lane Area Sewers | \$ 0 | \$2,500,000 |
| • Vehicle Replacement & Repair | \$ 100,000 | \$ 350,000 |
| • CMOM-Sewer Capacity Management, Operation & Maintenance | \$ 500,000 | \$2,600,000 |
| • GIS Mapping | \$ 0 | \$ 300,000 |
| TOTAL | \$4,220,000 | \$29,170,000 |

SWPCA Operational Challenges

- Key Department / Operational Challenges
 - Managing use of vacation, sick, personal, bereavement time in addition to the 13 Holidays received in 24 hours 7 days a week operation.
 - Ongoing problem regarding sewer use customers circumventing system paying outstanding balances to WPCA or sending to lockbox to prevent payment of legal fees
 - Implement Standard Operating Procedures (SOPs) for all Plant and Collection System activities and functions

SWPCA Operational Challenges

■ Cost Containment Efforts

- Sufficiently staff operations in an effort to reduce overtime
- Manage vacation, personal and emergency vacation requests but particularly sick leave abuse
- Use staff to perform low to mid-level maintenance work when necessary as opposed to costly outside vendors
- Implement energy cost saving measures in new construction
- Replace aged aeration blowers with new energy efficient units in an effort to reduce energy cost
- Carefully plan, evaluate and manage Capital expenditures