

WWMDC Users' Hearing for 8 June 2011

Time	Item
7:30	Loan for new Waste Water Treatment Facility (WWTF) Status of WWMD funds Factors affecting next year's budget FY2012 budget Users' fees and surcharge for FY2012
7:45	Public comment
8:20	Look ahead to FY2013-FY2015 Future
8:30	Continue hearing at a later date to be determined

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Loan for new Waste Water Treatment Facility

- 20-year bond was issued in January 2011 to pay for new WWTF
- Takes advantage of good interest rate
- First payment will be needed in FY2012 (July 2011-June 2012)

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Status of WWMDC Funds

- WWMDC has large retained earnings but only a portion is certified to be spent in next fiscal year
 - Current balance as of May 2011 of \$250k
 - ~\$600k to be certified on 1 July 2011
- Retained earnings will be used to offset betterments for new Waste Water Treatment Facility (WWTF) over the next few years

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Factors Affecting FY2012 WWMDC Budget

- Operating costs continue to be less with new contractor (Whitewater)
 - Savings of 10% over last year
- Original betterments continue
- Borrowing for new Waste Water Treatment Facility completed
 - Finance Director deemed the borrowing climate best
 - WWMDC agrees to borrow for 20 years
 - New betterments cannot be charged until WWTF completed
 - Certified retained earnings applied as budget offset
 - Surcharge for FY2012 required
- Bottom line
 - Operating cost will be greater for FY2012
 - Effectively, payments for the new WWTF start in FY2012
- Mitigation
 - For next couple years, more retained earnings will be used to offset betterment cost
- Town Meeting passed budget for FY2012 (see next slide)

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Wayland Wastewater Management District FY2012

WAYLAND WASTEWATER MANAGEMENT DISTRICT COMMISSION			
FY2012 BUDGET			
INCOME CATEGORY	Account	Approved FY2011	Requested FY2012
Receipts	42105	232,170.00	203,210.00
Old betterment			
Principal	47501	24,180.00	24,180.00
Interest	47502	12,090.00	10,881.00
New betterment			
Principal	47501		
Interest	47502		
Bank interest	48210	8,400.00	2,400.00
Retained Earnings			
Surcharge			
Penalties	41750	1,500.00	120,504.00
Total		278,340.00	561,175.00
Expenses			
Prof. Services	52101	70,000.00	70,000.00
Operating expenses	52151	60,000.00	60,000.00
Maint./repair	52115	10,000.00	10,000.00
Capital expenses	58504	0.00	0.00
Old debt			
Principal	59100	25,990.00	23,514.00
Interest	59150	4,350.00	6,657.00
New debt			
Principal	59100		175,000.00
Interest	59105	100,000.00	208,000.00
Other			
Total		278,340.00	561,175.00
William R. Prindergast February 10, 2011			

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User Fees and Surcharge for FY2012

- Operating expenses will be 10% less than this year (FY2011)
- However, a surcharge is needed, so total fees for FY2012 will be more than FY2011.
 - ~60% increase
- Think of this as the beginning of payments for the new WWTF
- You are starting to pay for a long-term upgrade of the Waste Water Management District (WWMD)
- The DEP is about to issue a permit for Twenty Wayland, the Town Center development.
- Our proposal is to continue this hearing and set rates after DEP issues the permit.
- We expect this to occur in about 2-3 weeks.

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Look ahead to FY2013-FY2015

- New betterments will start in FY2013
- Betterments can be paid over 5, 10, or 20 years
- In first few years, retained earnings will be used to offset betterments
 - Actual amounts will be determined next year
 - The WWMDC will solicit input

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Future

- New Waste Water Treatment Facility will serve users for long time, certainly 30-40 years.
- The new WWTF is costly but an investment that was necessary.
- The WWMDC will continue to work to minimize the impact on users.

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Back-up

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Wayland Wastewater Management District Costs

Treatment plant costs		2008	2009	2010	Notes for 2010
1 costs due to capacity					
Professional services		\$89,849	\$99,115	\$41,283	from WW proposal
Debt service		\$29,167	\$28,919	\$29,000	Constant
Light/heat Electricity	50%	\$10,317	\$24,858	\$11,374	assume 5%/yr inflation from 2008
Capital		\$12,770	\$15,000	\$20,000	assume increased amount for parts
Minor Maintenance		\$4,426	\$7,171	\$1,625	from WW proposal
Outside services		\$3,347		\$3,988	from WW proposal
Phone, fax, alarm		\$2,560	\$2,600	\$2,822	assume 5%/yr inflation from 2008
Office supplies		\$820	\$1,000	\$904	assume 5%/yr inflation from 2008
Interest on borrowing		\$0	\$0	\$50,000	\$1M borrowed by Mike DiPietro
TOTAL		\$153,296	\$178,663	\$168,877	
2 costs variable with flow					
Pumping electricity	50%	\$10,317	\$24,858	\$11,374	
Lab supplies and service		\$13,845	\$14,000	\$1,000	from WW proposal
Sludge removal		\$6,375	\$7,013	\$7,714	assume 10%/yr inflation from 2008
Chemicals		\$4,875	\$5,119	\$5,375	assume 5%/yr inflation from 2008
TOTAL		\$35,412	\$50,989	\$28,463	
Grand total		\$188,668	\$229,651	\$196,340	
1. as % of grand total		81%	78%	86%	
Electricity total	split	\$20,634	\$49,715	\$22,749	

- Use of charging 80% of operating cost based on capacity (fixed costs) is substantiated based on treatment plant costs detailed here.

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