



GROTON UTILITIES

WATER DIVISION

OPERATING AND CAPITAL
BUDGET

2018/2019

Proposed 4/17/2018

UC Approved 4/24/2018

City Council Approved 6/18/2018

Groton Utilities – Water Division
DRAFT

2018 - 2019 Budget

Proposed April 26, 2018

The Fiscal Year 2018 Budget for Groton Utilities – Water Division is presented with actual Fiscal Year 2016 and Fiscal Year 2017, projected June 30, 2018 and the approved 2018 Budget for comparison purposes.

Revenue Development

Revenue and volume estimates in the Fiscal Year 2019 Water budget are based on the 12 months ended February 2018 and includes the approved 4.0% rate increase to be effective January 1, 2018 and July 1, 2018. Adjustments are made if information has been received indicating a reduction or increase in volume. While these assumptions are believed to be reasonable, other factors may cause changes to occur, creating variances from budgeted amounts. Cubic Feet sales budgeted for FY 2019 are almost 9% lower than sales budgeted for FY 2018. As a result revenues proposed for FY 2019 are 2% below FY 2018 budget and 5% above FY 2018 projected.

Water use is expected to remain consistent with the past year overall. Economic conditions, weather, and conservation efforts will continue to affect customer's usage during the next year.

Antenna revenues remain consistent with the previous budget. Revenue from gravels sales is no longer received by the Water Division as it is credited to the City, inasmuch as the Water PM Group manages the gravel contractor.

Non-Bonded Capital Projects

Non –Bonded Water Operations Capital Projects totaling \$849k some of which are carried over from the previous Fiscal Year include:

- Water main and Appurtenant Equipment \$500k
- Sudol's Pond detention basin \$50k
- Emergency Pipeline Smith Lake to Poheganut \$25k
- Replace Operations Roof funded 50/50 Electric/Water \$50k
- IT Capital projects totaling \$460k, of which \$138k is allocated to the Water Division
- Replacement of one vehicles estimated at \$40k.
- Customer Care Capital projects totaling \$156 of which \$46k is allocated to the Water Division

- DPH Consent Agreement for interconnections and consolidation projects \$1 million which are funded by the first reimbursement WTP expenditures from the DWSRF Loan and will be expensed.

Bonded Capital Projects

Bonded Capital Water Operations Projects aside from the Water Treatment Plant (WTP) Rebuild total approximately \$4.2 million some of which are carried over from the previous Fiscal Year include:

- Long Hill Pump Station Rebuild funded by 2012 Bond Fund \$600k
- Walker Hill Standpipe funded by the 2016 bond fund \$2.5 million
- Meter Replacements funded by the 2016 bond fund \$520k
- All WTP Rebuild Project expenditures for FY 2019 will be funded the State DWSRF and Grant proceeds. Debt service will not begin until one year after the project is completed.

Electric/Water Division Allocation

The ratio for dividing non-direct expenses between the Electric and Water and Sewer Divisions are 60/30/10% (Electric/Water/Sewer). However, cost associated with Promotions and Demonstrating & Selling expenses allocation will remain at 50/50% (Electric/Water) because the costs incurred in this area generally promote the utility as a whole and not necessarily based on customer segments. Expenses related specifically to an individual department will be allocated accordingly.

Operating Expenses

Expenses were developed using historical information and adjusted for known changes. Total Operating & Maintenance expenses increased 3% net overall from last year's budget and 13% net overall from projected FY 2018.

Water Operations 3000-3800:

Water Operations payroll increased 7% net overall compared to last year's budget. Normal increases and step increases required by union contract in addition to one new Distribution position are offset by the appropriate allocation of labor to capital also the electric and water division will 50/50 cost share the stock room personnel. In addition the Environmental Engineer Position, the General Manager Position and two Watershed Patrol and Surveillance positions remain open.

Non-payroll related Operations expense increased 6% net over last year's budget. Main drivers are: Maintenance of low lift screens \$110k and sludge lagoon equipment \$20k. Maintenance is focusing on parts of the facility that are not being upgraded by the WTP rebuild project at additional cost of \$40k and distribution expenses increases \$20k as aging infrastructure is replaced.

Customer Care 4000-4900: Customer Care Payroll allocated to the Water Division is 6% less than the 2018 Budget. Aside from normal increases required by union contract, there

is one new position – Billing/Analytic Specialist. Reallocation of costs to the Sewer Division helped reduce the effect of increases.

Non-labor Customer Care expenses decreased 4% from last year's. Reallocation of costs to the Sewer Division helped reduce the effect of increases.

Info. & Tech. 5000: IT payroll expense is 20% less overall compared to last year's budget primarily due to the elimination of the Information Security compliance Administrator position that was not filled. Reallocation of costs to the Sewer Division also helped reduce the effect of increases.

Non-labor IT expenses decreased 12% primarily due to a reduction in planned projects that would normally be expensed. Reallocation of costs to the Sewer Division also helped reduce the effect of increases.

Administration 9000: Administration payroll expense increased 2% net overall compared to last year's budget and includes \$25k split between the Electric, Water and Sewer Divisions to provide for discretionary merit increases. In addition reallocation of costs to the Sewer Division helped reduce the effect of increases. There is one new position proposed (Financial Manager 1) needed to more equitably distribute the work flow in the understaffed Utility Financial Section as well as overlap funding for the FY 2019 replacement of a key utility financial personnel retirement. The General Manager – Utility Finance will officially retire February 1, 2019.

Non-labor Administration expenses decreased 22% compared to last year's budget. Primarily due to the allocation to the Water Division of allocation of GM Financial services charged to BL&P combined with the reallocation of costs to the Sewer Division. The budget continues to fund a \$50k discretionary fund line item in cost center 9000 as previously authorized by Resolution-06-6-63 which is allocated between the Water and Electric Division.

Administrative and General Expenses 9900: Administrative and General Expenses budget increased 3% over last year. Many of the expenses in this cost center are specific to the department however, savings resulting from the reallocation of costs to the Sewer Division helped reduce the effect of increases in General Insurances estimated to increase 19%, and Medical Insurance estimated to increase 1%. Pension expense estimated to increase 16.5% are partially offset by the OPEB adjustment for FY 2019 estimated to decline 6% from FY 2018. Rent expense increased 167% for the Water Division share (\$75,000 x 30%) of the proposed relocation of the GU Administration, GU Finance, Key Accounts and IT departments out of the Municipal Building which does not provide the space requirement of the departments. Furniture requirement for the new location will be funded by current cash availability estimated at \$75k.

Net Earnings and Net Cash Flow

Net Earnings resulting from the proposed budget are (\$722k) or 171% below FY 2018 Budget and 161% below the Projected FY 2018 results. This is the result of declining volume sales, increased debt service requirements, increased insurance costs, increases in

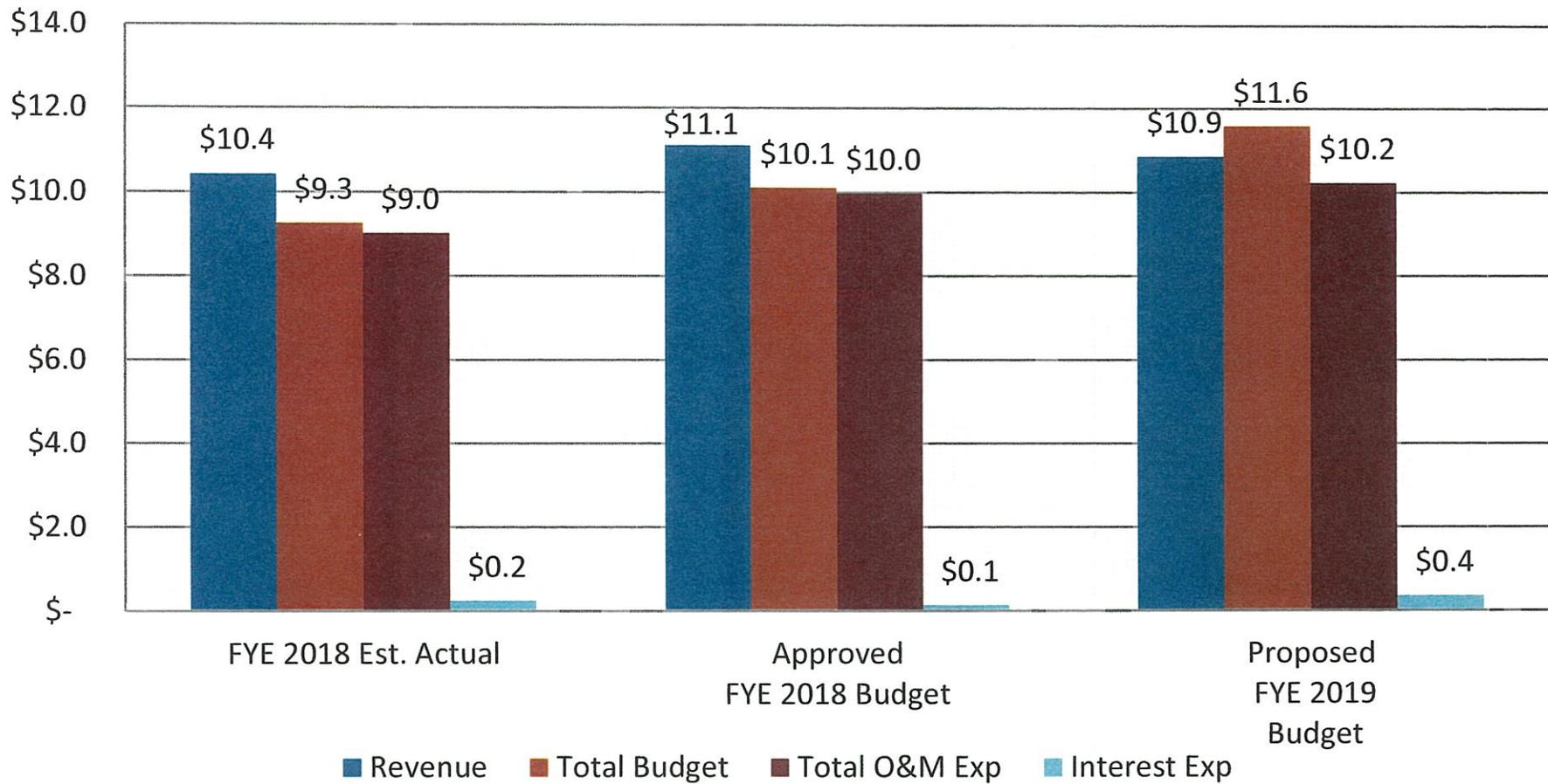
the Water Operations Budget and compliance with the DPH Consent Agreement of approximately \$1 million. This contributes to the projected cash flow from FY2019 operations deficit of \$2.3 million and will reduce projected FYE 2018 unrestricted cash balance of approximately \$9.2 million to approximately \$6 million. Despite the \$2.3 million deficit in the FY 2019 Proposed Budget, the Total 2019 FYE Cash Balance of \$10 million is 10% greater than the Cumulative Cash total of \$9 million projected in the 20 Year Forecast prepared for the WTP Rebuild project.

The Proposed budgets for FY 2018 will afford the Water Division to:

1. Meet debt service requirements and fund growing infrastructure and technology needs.
2. Allow for the efficient operation and maintenance of the water distribution system. While concentrating maintenance on non-project related equipment.
3. Support compensation plans sufficient to attract and retain skilled, high-tech workers.
4. Continue to provide highly reliable, safe product and responsive service that the customers expect and at rates that are fair, competitive and viewed as providing value to the customer.

Management recommends the proposed operations and capital budgets for FY 2019 and cash flow plan be approved as proposed.

Groton Utilities Water Division Budget Comparison (in millions)



GROTON UTILITIES
WATER DEPARTMENT
2018-2019 BUDGET

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GROTON UTILITIES
Water Division Budget

			Includes Rate Increase of 4% 1/1/18	Includes Rate Increase of 4.2% 10/1/17	Includes Rate Increase of 4% 7/1/2018						
	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	Approved FYE 2018 Budget	Proposed FYE 2019 Budget		Variance 2018 Budget vs. 2019 Budget		Variance 2017 Actual vs. 2019 Budget		
OPERATING REVENUES											
Residential	\$ 2,701,840	\$ 2,885,929	\$ 2,902,723	\$ 2,970,290	\$ 3,072,434	\$	102,144	3%	\$ 186,505	6%	
Commercial	1,681,224	1,721,969	1,722,849	1,809,520	1,794,239	\$	(15,281)	-1%	72,270	4%	
Free City Water Service	9,247	8,841	9,326	9,500	10,000	\$	500	5%	1,159	13%	
Industrial	3,092,012	3,167,145	2,934,114	3,376,627	3,099,103	\$	(277,524)	-9.0%	(68,042)	-2%	
Hydrant & Sprinkler Revenue	388,928	390,368	393,124	387,439	393,441	\$	6,002	2%	3,073	1%	
Sales for Resale	1,896,066	1,997,020	1,994,342	2,112,067	2,083,895	\$	(28,172)	-1%	86,875	4%	
						\$	-		-		
Total Sales of Water	\$ 9,769,316	\$ 10,171,271	\$ 9,956,478	\$ 10,665,443	\$ 10,453,112	\$	(212,331)	-2%	\$ 281,841	3%	
OTHER OPERATING REVENUES											
Customer Service Charges	\$ -		\$ -	\$ 500	\$ -	\$	(500)	100%	-		
Late Payment Charges	10,519	10,259	7,708	12,000	8,000	\$	(4,000)	-50%	(2,259)	-22%	
Misc. Service Revenues	820	1,675	1,260	500	1,200	\$	700	58%	(475)	-28%	
Other Water Revenues - Lab	48,733	55,250	51,650	50,000	50,000	\$	-	0%	(5,250)	-10%	
Other Water Revenues - Pool Water	10,405	18,023	24,010	15,000	18,000	\$	3,000	17%	(23)	0%	
Total Other Operating Revenue	\$ 70,477	\$ 85,206	\$ 84,628	\$ 78,000	\$ 77,200	\$	(800)	-1%	\$ (8,006)	-9%	
Total Revenues	\$ 9,839,793	\$ 10,256,477	\$ 10,041,106	\$ 10,743,443	\$ 10,530,312	\$	(213,131)	-2%	\$ 273,835	3%	

Revenues are based on the actual 12 months ended 2/28/2018

GROTON UTILITIES
Water Division Budget Summary
OPERATING EARNINGS

		FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	Approved FYE 2018 Budget	Proposed FYE 2019 Budget	Variance 2018 Budget vs. 2019 Budget		Variance 2017 Actual vs. Budget	2019
REVENUE:										
TOTAL REVENUE		\$ 9,839,793	\$ 10,256,477	\$ 10,041,106	\$ 10,743,443	\$ 10,530,312	\$ (213,131)	-2%	\$ 273,835	3%
OPERATION & MAINTENANCE EXPENSE										
Water Operations 3000-3800	Payroll	\$ 2,484,742	\$ 2,452,576	2,491,999	\$ 2,714,652	\$ 2,910,025	\$ 195,373	7%	\$ 457,449	19%
Customer Care 4000 - 4900	Payroll	401,019	412,261	442,871	451,900	424,150	(27,750)	-6%	11,890	3%
Info & Tech 5000	Payroll	167,984	213,022	262,539	315,700	251,700	(64,000)	-20%	38,678	18%
Administration 9000	Payroll	260,369	252,460	285,657	291,845	296,500	4,655	2%	44,040	17%
Administrative & General 9900	Payroll	-	-	\$ -	-	-				
	Subtotal	\$ 3,314,114	\$ 3,330,319	\$ 3,483,066	\$ 3,774,097	\$ 3,882,375	\$ 108,278	2.9%	\$ 552,056	17%
Water 3000 - 3800	Other	1,837,647	2,002,426	2,214,348	2,402,043	2,549,807	147,764	6%	547,381	27%
Customer Care 4000 - 4900	Other	215,803	205,874	193,833	303,325	292,040	(11,285)	-4%	86,166	42%
Info & Tech 5000 - 5600	Other	195,624	271,016	238,649	305,670	269,800	(35,870)	-12%	(1,216)	0%
Administration 9000	Other	45,227	69,795	67,675	135,100	104,910	(30,190)	-22%	35,115	50%
Administrative & General 9900	Other	1,548,524	1,632,182	1,609,134	1,706,524	1,754,274	47,750	3%	122,093	7%
	Subtotal	\$ 3,842,825	\$ 4,181,293	\$ 4,323,639	\$ 4,852,662	\$ 4,970,831	\$ 118,169	2%	\$ 789,539	19%
Total Operating & Maintenance Expense		\$ 7,156,938	\$ 7,511,612	\$ 7,806,705	\$ 8,626,759	\$ 8,853,206	\$ 226,448	3%	\$ 1,341,595	18%
DEPRECIATION		\$ 807,405	\$ 901,712	\$ 866,808	\$ 969,100	\$ 990,808	\$ 21,708	2%	\$ 89,097	10%
Taxes Payroll										
Water 3000 - 3800	Payroll Tax	204,578	215,048	220,390	242,600	264,100	21,500	9%	49,052	23%
Customer Care 4000 - 4900	Payroll Tax	28,332	28,025	32,556	34,600	32,400	(2,200)	-6%	4,375	16%
Info & Tech 5000	Payroll Tax	12,624	15,673	19,501	24,150	19,300	(4,850)	-20%	3,627	23%
Administration 9000	Payroll Tax	18,473	16,836	19,527	21,657	22,100	443	2%	5,264	31%
Administrative & General 9900	Payroll Tax									
		\$ 264,008	\$ 275,583	\$ 291,975	\$ 323,006.7	\$ 337,900	\$ 14,893	5%	\$ 62,317	23%
Taxes Property		47,491	48,521	50,000	50,000	50,000	-	0%	1,479	3%
Total Taxes		\$ 311,498	\$ 324,104	\$ 341,975	\$ 373,007	\$ 387,900	\$ 14,893	4%	\$ 63,796	20%
TOTAL OPERATING EXPENSE		\$ 8,275,841	\$ 8,737,427	\$ 9,015,488	\$ 9,968,865	\$ 10,231,915	\$ 263,049	3%	\$ 1,494,488	17%
OPERATING EARNINGS		\$ 1,563,952	\$ 1,519,051	\$ 1,025,618	\$ 774,578	\$ 298,397	\$ (476,180)	-61%	\$ (1,220,654)	-80%

GROTON UTILITIES

Water Division 006 Budget Interest & Other Charges

	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	Approved FYE 2018 Budget	Approved FYE 2019 Budget		Variance 2018 Budget vs. 2019 Budget	Variance 2017 Actual vs. 2019 Budget
OPERATING EARNINGS	\$ 1,563,952	\$ 1,519,051	\$ 1,025,618	\$ 774,578	\$ 298,397		\$ (476,180) -61%	\$ (1,220,654) -80%
INTEREST & OTHER CHARGES:								
Merchandising & Jobing Contract Work Expense	316,259	349,779	375,097	365,000	269,000		(96,000) -26%	(80,779) -23.1%
DPH Consent Agreement					1,000,000			
Bond Interest Expense GU	183,300	166,254	265,787	164,238	353,092		188,854 115%	186,838 112.4%
Amort.Of Premium On Debt (Cr)	(20,917)	(20,917)	(33,299)	(26,700)	(2,657)		24,043 -90%	18,260 -87.3%
Interest Expense Other	7,913	24,331	9,047	350	-		(350) -100%	(24,331) -100.0%
Subtotal Other Expense	\$ 486,555	\$ 519,447	\$ 616,632	\$ 502,888	\$ 1,619,435		\$ 1,116,547 222%	\$ 1,099,988 211.8%
Merchandising & Jobing Contract Income	442,229	442,043	434,282	404,000	269,000		\$ (135,000) -33%	(173,043) -39.1%
Antenna Rental	290,415	333,134	330,452	335,000	330,000		(5,000) -1%	(3,134) -0.9%
Interest Income	1,116	-	-	-	-		-	-
Misc. Income (Gravel Sales)	-	-	-	-	-		-	-
Gain/(loss) on Disposition of Property	(1,576)	12,458	-	-	-		-	(12,458) -100.0%
Miscellaneous Income DEP/FEMA/DWSRF	1,666	2,126	-	-	-		-	(2,126) -100.0%
Subtotal Other Income	\$ 733,850	\$ 789,761	\$ 764,734	\$ 739,000	\$ 599,000		\$ (140,000) -19%	\$ (190,761) -24.2%
TOTAL INTEREST AND OTHER CHARGES	\$ 247,295	\$ 270,314	\$ 148,102	\$ 236,112	\$ (1,020,435)		\$ (1,256,547) -532%	\$ (1,290,749) -477.5%
NET EARNINGS	\$ 1,811,247	\$ 1,789,365	\$ 1,173,720	\$ 1,010,690	\$ (722,038)		\$ (1,732,727) -171%	\$ (2,511,403) -140.4%

GROTON UTILITIES
Water Division Budget Cash Flow

	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	Approved FYE 2018 Budget	Proposed FYE 2019 Budget
NET EARNINGS	\$ 1,811,247	\$ 1,789,365	\$ 1,173,720	\$ 1,010,690	\$ (722,038)
PLUS:					
Depreciation	807,405	901,712	866,808	969,100	990,808
Receipts from Bond Funds Excluding WTP Project	1,881,056	1,146,807	344,286	3,620,000	4,185,000
Receipts from Bond Issuance			4,500,000		
RECEIPT from DWSRF from Previous Project Expenditures			1,425,726	1,500,000	
Contribution to Maintenance Reserve	168,320	168,320			
TOTAL FUNDS GENERATED	\$ 4,668,028	\$ 4,006,203	\$ 8,310,540	\$ 7,099,790	\$ 4,453,771
LESS:					
Non-Bonded Capital:					
Water Operations Projects	893,066	406,092	425,520	1,510,000	625,000
IT Projects Water Division Allocation		56,026	29,790	180,600	138,000
Vehicles and Mobile Communications	40,533	66,763	341,872	152,000	40,000
CC Capital Projects Approved			-		46,800
Bond Fund Project Expenditures	1,881,056	1,146,807	344,286	3,620,000	4,185,000
Water Vehicle Replacement Reserve Contributions		60,000		60,000	60,000
Est. Contribution to WTP Rebuild Restricted Cash Reserve Fund	358,700	758,775	800,000	900,000	750,000
Maint.Of Fencing	8,980	8,980	8,980	8,980	8,980
Maint.Of Dams (reseeding)	8,980	8,980	8,980	8,980	8,980
Maint Water Treatment Plant Equipment	58,340	58,340	58,340	58,340	58,340
Maint of Storage Tanks	26,920	26,920	26,920	26,920	26,920
Water Main Emergency Reserve	56,100	56,100	56,100	56,100	56,100
Maint.-Operations Bldg.	9,000	9,000	9,000	9,000	9,000
DUE to / Due From Electric					
Bond Principal Requirements	730,000	420,000	440,000	440,000	717,000
Working Capital	(629,286)	(367,882)	774,968	50,000	50,000
TOTAL FUNDS REQUIRED	\$ 3,442,389	\$ 2,714,900	\$ 3,384,756	\$ 7,080,920	\$ 6,780,120
NET INCREASE (DECREASE) IN CASH FROM OPERATIONS	\$ 1,225,639	\$ 1,291,303	\$ 4,925,784	\$ 18,870	\$ (2,326,349)
Plus Total Beginning Cash Balance	4,780,153	6,005,792	7,297,095	7,297,095	12,222,879
Total Ending Cash Balance	6,005,792	7,297,095	12,222,879	7,315,965	9,896,530
Less WTP Restricted Fund	(358,700)	(1,117,475)	(1,917,475)	(2,017,475)	(2,667,475)
Less Water Restricted Funds	(649,725)	(857,379)	(1,085,699)	(1,085,699)	(1,274,019)
NET UNRESTRICTED CASH	4,997,367	5,322,241	9,219,705	4,212,791	5,955,036

GROTON UTILITIES

WATER DIVISION

2018/2019 BUDGET

PROFORMA ANALYSIS

GROTON UTILITIES - WATER DIVISION					
PROFORMA INCOME STATEMENT					
	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected Actuals	Approved FYE 2018 Budget	Proposed FYE 2019 Budget
REVENUE:					
RESIDENTIAL	\$ 2,701,840	\$ 2,885,929	\$ 2,902,723	\$ 2,970,290	\$ 3,072,434
FORT HILL RATE DISTRICT Add To Residential and Commercial					
COMMERCIAL	1,681,224	1,721,969	1,722,849	1,809,520	1,794,239
FREE CITY WATER SERVICE	9,247	8,841	9,326	9,500	10,000
INDUSTRIAL	3,092,012	3,167,145	2,934,114	3,376,627	3,099,103
HYDRANTS - PRIVATE & PUBLIC	388,928	390,368	393,124	387,439	393,441
SALES FOR RESALE	1,896,066	1,997,020	1,994,342	2,112,067	2,083,895
		-	-	-	-
		-	-	-	-
TOTAL WATER REVENUE	\$ 9,769,316	\$ 10,171,271	\$ 9,956,478	\$ 10,665,443	\$ 10,453,112
OTHER WATER REVENUE	70,477	85,206	84,628	78,000	77,200
TOTAL REVENUE	\$ 9,839,793	\$ 10,256,477	\$ 10,041,106	\$ 10,743,443	\$ 10,530,312
EXPENSES:					
OPERATION EXPENSES	7,147,692	7,502,771	7,797,379	8,617,259	8,843,206
Less City Water Service	9,247	8,841	9,326	9,500	10,000
DEPRECIATION (additions related to Capital Projects)	807,405	901,712	866,808	969,100	990,808
TAXES	311,498	324,104	341,975	373,007	387,900
TOTAL OPERATING EXPENSES	\$ 8,275,841	\$ 8,737,427	\$ 9,015,488	\$ 9,968,865	\$ 10,231,915
OPERATING EARNINGS	\$ 1,563,952	\$ 1,519,051	\$ 1,025,618	\$ 774,578	\$ 298,397
INTEREST & OTHER CHARGES					
Plus OTHER INCOME & DEDUCTIONS net	417,591	439,983	389,637	374,000	(670,000)
Less INTEREST ON LONG TERM DEBT	162,383	145,337	232,488	137,538	350,435
Less OTHER INTEREST	7,913	24,331	9,047	350	-
TOTAL INTEREST AND OTHER CHARGES	\$ 247,295	\$ 270,314	\$ 148,102	\$ 236,112	\$ (1,020,435)
NET EARNINGS	\$ 1,811,247	\$ 1,789,365	\$ 1,173,720	\$ 1,010,690	\$ (722,038)
PROFORMA CASH FLOW					
NET EARNINGS	1,811,247	1,789,365	1,173,720	1,010,690	-722,038
PLUS:					
CONTRIBUTIONS TO MAINTENANCE RESERVES	168,320	168,320			
Receipts from Bond Issuance			4,500,000		
Receipts From Bond Fund	1,881,056	1,146,807	344,286	3,620,000	4,185,000
Receipt from DWSRF from Previous Project Expenditures			1,425,726	1,500,000	-
DEPRECIATION (including 5 yr depreciation of software)	807,405	901,712	866,808	969,100	990,808
TOTAL FUNDS GENERATED	\$ 4,668,028	\$ 4,006,203	\$ 8,310,540	\$ 7,099,790	\$ 4,453,771
LESS:					
Contribution to Cash Reserves	168,320	228,320	228,320	228,320	228,320
Est. Contribution to WTP Rebuild Restricted Cash Reserve Fund	358,700	758,775	800,000	900,000	750,000
Total Cash Reserve Requirements	\$ 527,020	\$ 987,095	\$ 1,028,320	\$ 1,128,320	\$ 978,320
BOND PRINCIPAL REQUIREMENTS	730,000	420,000	440,000	440,000	717,000
NONBONDED CAPITAL PROJECTS	893,066	462,117	455,310	1,690,600	809,800
Vehicles and Mobile Communications	40,533	66,763	341,872	152,000	40,000
BONDED CAPITAL PROJECTS	1,881,056	1,146,807	344,286	3,620,000	4,185,000
DPH Consent Agreement Expensed					
WORKING CAPITAL	(629,286)	(367,882)	774,968	50,000	50,000
TOTAL FUNDS REQUIRED	\$ 3,442,389	\$ 2,714,900	\$ 3,384,756	\$ 7,080,920	\$ 6,780,120
NET INCREASE (DECREASE) IN CASH FROM OPERATIONS	\$ 1,225,639	\$ 1,291,303	\$ 4,925,784	\$ 18,870	\$ (2,326,349)
Plus Total Beginning Cash Balance	\$ 4,780,153	\$ 6,005,792	\$ 7,297,095	\$ 7,297,095	\$ 12,222,879
Total Ending Cash Balance	\$ 6,005,792	\$ 7,297,095	\$ 12,222,879	\$ 7,315,965	\$ 9,896,530
Less WTP Restricted Fund	(358,700)	(1,117,475)	(1,917,475)	(2,017,475)	(2,667,475)
Less Water Restricted Funds	(649,725)	(857,379)	(1,085,699)	(1,085,699)	(1,274,019)
NET UNRESTRICTED CASH	\$ 4,997,367	\$ 5,322,241	\$ 9,219,705	\$ 4,212,791	\$ 5,955,036

GROTON UTILITIES

WATER DIVISION

2018/2019 BUDGET

CAPITAL PROJECTS

**GROTON UTILITIES
Non Bonded Capital Projects**

FY 2019

		Labor	Other	TOTAL COST
DPH Consent Agreement Expensed			535,000	
Ledyard Connection		125,000	340,000	
Vehicle Replacement (one)			40,000	40,000
Watermain and Appurtenant Equipment		154,000	346,000	500,000
Emergency Pipeline Smith Lake to Poheganut			25,000	25,000
Sudol's Pond Detention Basin		10,000	40,000	50,000
50% Operations roof replacement 20 year guaranty			50,000	50,000
Total Non Bonded Project Cost				\$ 665,000

Bonded Capital Projects

		Labor	Other	TOTAL COST
W12-3-1 - Long Hill Pump Station	W12-3-1		600,000	600,000
				-
W16-2-1 - Walker Hill	W16-2-		2,500,000	2,500,000
- Watermains		65,000	500,000	565,000
- Meter Replacement		20,000	500,000	520,000
Total Bonded Project Cost				\$ 4,185,000

Total Bonded /Non Bonded Capital

4,850,000

CAPITAL BUDGET- FY 2018/2019	
Corrected	
WATER DIVISION	
IT Department	
Proposed Non-Bonded Capital Projects	2018-2019
	Proposed
New for 2018-2019 Budget:	
Network Security Enhancement	\$ 45,000
Renovations to Office Space	65,000
OPS Network Switch	150,000
Carry-over from 2017-2018 Budget:	
Replace HVAC in Ops Data Center	40,000
Document Management System Phase 2	75,000
GCPD Data Center (excess over bond issue)	85,000
TOTAL	\$ 460,000
Electric Allocation	\$ 276,000
Water Allocation	\$ 138,000
Sewer Allocation	46,000
Total	460,000
Customer Care Department	
Northstar Upgrades	
Carry over from 2018-2019 Budget	\$ 107,000.00
Carpeting	\$ 12,000
Asbestos Removal	\$ 15,000
Key Accounts Software (Smart Works)	\$ 22,000.00
Total	\$ 156,000.00
Electric Allocation	\$ 94,400.00
Water Allocation	\$ 46,800.00
Sewer Allocation	\$ 15,600.00

**COST ESTIMATE SUMMARY
BUDGET - FISCAL YEAR 2017/2018**

NON-BONDED CAPITAL PROJECTS						
Project #	PROJECT	GL Act #	LABOR COSTS	MATERIAL COSTS	TOTAL COSTS	NOTES
	Mass Assets - Poles, Anchors, Cross arms	364	\$ -	\$ -	\$ -	Install poles, anchors and cross arms for new services, pole extensions and pole replacements
	Mass Assets - Various OH Distribution Projects	365	\$ 196,532	\$ 49,536	246,068	Install OH distribution conductors for new services and pole line extensions.
	Mass Assets - Various UG Distribution Projects	366	\$ 18,657	\$ 5,344	24,000	Install underground conductors for new services and UG distribution extensions.
	Mass Assets - Various OH Services	369	\$ 26,231	\$ 3,738	29,969	Install OH service conductors to new buildings.
	Mass Assets - Various UG Services	369	\$ 19,568	\$ 6,478	26,046	Install UG service conductors to new buildings.
	Mass Assets - OH Streetlights	373	\$ 18,389	\$ 4,851	23,241	Install new OH streetlight fixtures as needed.
	Mass Assets - UG Streetlights	373	\$ 18,509	\$ 10,751	29,260	Install new UG development streetlight fixtures as needed.
	Mass Assets - Transformers	368	\$ 62,092	\$ 76,525	138,617	Install transformers for new services.
	Mass Asset Total		\$ 359,977	\$ 157,223	517,200	
	50% Operation Center Roof Replacement			\$ 50,000	50,000	Replacement of Operations Roof 50/50 share with Water Division
	New AMI Meter Purchases	370	\$ 25,000	\$ 87,992	112,992	AMI meter replacements and new customer installations
	Recloser Installations	365	\$ 26,302	\$ 154,680	180,982	Install reclosers at various locations to improve reliability
	SCADA Network Hardware Replacement	353		\$ 75,000	\$ 75,000	To allow direct communications to CONVEX with OP 18 data, status and telemetry and eliminate the virtual remote
	SCADA - Prism Software/Hardware	353		\$ 150,000	\$ 150,000	Purchase test equipment to detect loose connections prior to failure, test and report power quality issues and test relays that contractors currently perform
	Meter Field Commercial Three Phase Tester			\$ 35,000	\$ 35,000	Portable Commercial Three Phase Meter Tester
	Insulation Tester, Megger		\$ -	\$ 65,000	\$ 65,000	Purchase test equipment to detect power quality issues
	Trimble AVL Project			\$ 62,000	\$ 62,000	Automation of Outage Management System in Vehicles
	Substation Replacement Equipment		\$ 14,500	\$ 24,500	\$ 39,000	Replace various aging protection relays at electric
	Capacitor Controllers/Switches		\$ 31,562	\$ 35,112	\$ 66,674	Power factor correction and voltage control
	Total Non-Bonded Projects		\$ 457,341	\$ 896,507	\$ 1,353,848	

BOND FUNDED CAPITAL PROJECTS							
	PROJECT	GL Act #	LABOR COSTS	MATERIAL COSTS	TOTAL COSTS	NOTES	Bond Fund
1	Transmission Line Pole Replacements	354, 355	\$ -	\$ 478,500	\$ 478,500	Replace aging infrastructure; poles, cross arms and insulators	2016
2	Buddington S/S - Upgrade Relaying	362	\$ 97,557	\$ 262,789	\$ 360,346	Design and install new protection scheme	2016
3	Buddington S/S - (3) Breakers 33kV bus #1	362	\$ 67,500	\$ 53,801	\$ 121,301	Replace three aging breakers on bus #1 at Buddington S/S	2016
4	Pleasant Valley S/S - Replace Electro Mechanical Relays	362	\$ 28,423	\$ 42,636	\$ 71,059	Upgrade existing electro mechanical relays	2016
5	Distribution Pole Replacement	364, 365	\$ 175,890	\$ 195,236	\$ 371,126	Replace aging infrastructure; poles, cross arms and insulators	2016
6	Military Highway - Reconductor - Phase 1		\$ 129,979	\$ 74,216	\$ 204,195	Reconductor with tree wire	2016
7	Military Highway - Reconductor - Phase 2		\$ 151,923	\$ 47,864	\$ 199,787	Reconductor with tree wire	2016
8	Star Hill Rd. and Lestertown Rd. Reconductor		\$ 336,686	\$ 115,889	\$ 452,575	Reconductor with tree wire	2016
9	Rt. #12 - 13.8 kV tie line - Trails to Pleasant Valley S/S	367	\$ 181,907	\$ 495,098	\$ 677,005	Install underground conduit and cable connecting two substations	2016
10	SCADA Replace field devices	365	\$ 14,500	\$ 50,000	\$ 64,500	Upgrade capacitor and install air-brake switch controllers	2016
11	Buddington S/S - SCADA - Replace IEDs	362	\$ 17,550	\$ 40,000	\$ 57,550	Replace existing Intelligent Electronic Devices	2016
12	Buddington S/S - Replace 400-16L-2 breaker	353	\$ 8,400	\$ 55,520	\$ 63,920	Replace aging infrastructure - 400 breaker	2016
12	Traffic Light - Smith and Thames St. - Upgrade	373	\$ 63,283	\$ 72,397	\$ 135,680	Replace aging infrastructure- traffic and controller	2016
13	Traffic Light - School and Thames St. - Upgrade	373	\$ 54,560	\$ 75,166	\$ 129,726	Replace aging infrastructure- traffic and controller	2016
14	Traffic Light - Broad St. and Thames St. - Upgrade	373	\$ 49,426	\$ 72,588	\$ 122,014	Replace aging infrastructure- traffic and controller	2016
15	Network Infrastructure Upgrade (GCPD DC)	IT		\$ 174,000	\$ 174,000		2016
Total Bond Funded Projects			\$ 1,377,584	\$ 2,305,700	\$ 3,683,284		
Total Bonded/Non-Bonded			1,834,925	3,202,207	5,037,132		