

2025-2026 Water and Sewer Budget Highlights

General (all budgets)

- Overall, the combined water and sewer rate change for the average single family EDU Penn Yan customer residence is an increase of 4.7%, or approximately \$70.00 annually.
- Wholesale Water and Sewer customer budgets are each increasing 3%
- The budget does not incorporate a wage increase for Mayor/Trustees/MUB.
- The budget for salaries reflects a 3.5% increase for members of the CSEA, as per their collective bargaining agreement.
- Non-union and permanent part time personnel shall receive the same wage increase as members of the CSEA, unless otherwise negotiated.
- An increase in healthcare costs effective 1/1/2026 is budgeted at 15% increase for premiums and 6% increase for maximum deductible, consistent with three-year average of historical increases.
- The HRA utilization rate is assumed to be 50% for the upcoming fiscal year. The initial estimates from healthcare brokers were 60% utilization based on industry standards. After the initial year transition to the High-Deductible plan coupled with the HRA in 2024, we are comfortable reducing the utilization rate to 50% for the upcoming fiscal year. Contingency will be incorporated into the Fund Balance to mitigate future risk of over-utilization.
- An increase in dental costs effective 1/1/2026 is budgeted at 3%, consistent with three-year average of historical increases.
- Costs for general property and liability insurance are projected to increase 8% over last years' actual costs.
- New York State Retirement rates are up an average 1.5% from prior year ranging from 12.7%-19.5% of wages.
- Expenditures for Information Technology, Equipment, and Cybersecurity needs have increased approximately \$8k this year.
 - To continue our Cybersecurity efforts, AuthPoint Multi-Factor Authentication will be purchased through our newly installed Watchguard Routers and configured by SCT Computers to accommodate Multi-Factor Authentication on all desktops and emails as part of our Cybersecurity capital plan. Managed Services will also be updated to Malware Bytes Endpoint Detection and Response at the recommendation of SCT Computers which is an increase from \$10/month per device to \$15/month per device. These measures are needed at the recommendation of our IT/IS Professionals for increased security in the digital environment that we are operating more in on a daily basis and is beginning to be required for several cloud-based software platforms that we are not utilizing more

frequently. The total estimated cost of these upgrades is \$20k split amongst all the funds.

- In addition to continued cybersecurity improvements, additional Adobe Pro and Teams subscriptions are budgeted for staff to utilize adobe and collaborate more efficiently as we are continuing to move towards a more electronic environment with less paper.

Water and Water Treatment Plant

- Budgeted costs for the Water fund are an increase of \$130k or 7%, with the following key drivers:
 - Special items costs are up \$98K due to:
 - higher depreciation costs of \$80k, which have been aligned with years actual depreciation charge
 - Contingency incorporated \$50k, \$20k more than prior year
 - Administration costs (8310) are up \$17K driven by:
 - Pay increases of \$4k for individuals who dedicate a portion of their time supporting the water fund
 - Contractual services increasing \$4k driven by additional costs budgeted for Water grant applications
 - \$2k of higher rents paid to the General fund
 - Insurance costs up \$6k
 - Pumping and purification costs (8320) are down \$43k.
 - Personal services costs are down \$29k, with the key driver being split weekday shifts reducing overtime costs, offset by negotiated wage increases
 - Contractual Services are increasing \$8k due to additional grant applications and fiscal advisor services being budgeted for upcoming capital projects requiring debt service and continuing to pursue grant funding
 - Reduction of \$12k in maintenance for West Lake Road Reservoir with additional improvement work performed last year
 - Maintenance on Plant is down \$37k as a result of unscheduled maintenance not being realized as budgeted in the prior year. Unscheduled maintenance was reduced by \$15k and additional funds were added to reserves to mitigate the risk of future unanticipated capital replacements.
 - Maintenance Contracts are increasing by \$14k due to inflationary increases in contract amounts and adding additional contracts for Slate Asset Tags software to track and manage plant assets \$1k, additional equipment added to Hach Contract \$6k, Air Compressor maintenance

- contract \$1k, and Vibration Monitoring software subscription which will be utilized to monitor pumps to log and ensure pro-active maintenance is being performed as recommended by Department of Health to extend the life of current assets. These software subscriptions and maintenance contracts will benefit the day-to-day operations and compliance reporting at the Plant, improve asset and equipment monitoring, reporting and maintenance schedules to maximize their useful life.
- Utilities costs are increasing \$4k year over year due to anticipated cost increases.
 - Contracted lab services are increasing \$7k due to additional testing that is being done as required by Department of Health
 - Supplies and Materials are decreasing \$5k primarily due to the decrease in the YTD trend in the current fiscal year.
 - Chemical costs are increase \$5k as a result of increases in chemical costs.
- Water transmission costs (8340) are decreasing \$52k.
 - Personal Services are decreasing \$43k with the major contributor being transitions and retirements in the department, offset by wage increases.
 - Decrease in engineering fees of \$15k due to Lead Service Line Inventory project in the prior year.
 - A decrease in Contractual Services of \$9k is a result of Fiscal Services associated with the Lead Service Line Inventory project noted above being included last year.
 - Maintenance on Mains is being reduced \$5k based on historical actuals.
 - Maintenance on Hydrants is increasing \$5k based on the need to continue replacing 5-6 aging hydrants annually.
 - Professional fees and training is increasing \$4k to budget for sending one employee to CDL Class A school in Missouri \$3k including travel and one employee Distribution Grade D license \$1k
 - Supplies and Materials are increasing \$16k to accommodate additional purchases needed for testing pressure/flows, fusion machine for HDPE with a generator to operate in the field, and Neptune Mobile Data Collector with laptop to read meters with a drive by unit instead of handheld
 - Meter purchases are reducing \$6k as the system is almost fully replaced with the new Neptune meters
 - Employee benefit costs are down \$22k with lower projected personal services in the water fund extrapolating to lower NYS Retirement, FICA, and healthcare costs
- Overall debt costs (principal and interest) are down \$157, with this being the last year on WTP 2005 bonds with an annual payment of approximately \$90k that will help offset the

additional debt service costs of the eventual Automation and CT Improvements project that will be financed in the coming years.

- Reserves are being funded in the budget as follows:
 - \$100,000 Transmission and Distribution reserve to fund future capital projects for watermain replacements
 - \$200,000 Water Treatment Plant Wholesale Customer Capital Fund to maintain wholesale customer rates as there are large capital projects on the horizon and an aging plant
- Capital investments and fixed asset purchases for water transmission are \$26k higher than last year and \$716,846 in total, with planned projects listed below:
 - \$30,000 to complete engineering for North Main Street
 - \$345,745 Switch over services from 6” to 10” main on Liberty Street ahead of NYS DOT paving in 2027
 - \$323,444 Switch over services from 6” to 10” main on North Ave ahead of Village paving in 2025-26
 - \$17,657 Equipment Replacement of Bobcat Skid-Steer
- Capital investments for the Water Treatment Plant are \$114k less than last year and total \$406,680, with planned projects listed below:
 - \$15,000 Equipment Purchases: Vibration Monitoring Sensors
 - \$50,000 Building Improvements: Epoxy Flooring in Chemical Fee Rooms
 - \$282,867 Remaining Engineering and Design for Contact Time Improvements. Grant funding and preferential financing is continuing to be pursued for a total project cost of \$3,466,800
 - \$58,813 Remaining Engineering and Design for Plant Automation. Total project cost is \$1,189,000 and a Yates County Infrastructure Grant application has been submitted to Empire State Development for potential \$500,000 in funding for this project. The remainder would be funded through debt service and/or other potential funding in conjunction with Contact Time Improvements.
- There are significant future capital investments anticipated for the WTP that are a result of the Microcystin study that was done, along with planning for future county-wide growth in water supply production. It is vital to prioritize and plan ahead for these projects so that we can take advantage of grant opportunities.
- The water treatment plant budget is an increase of \$52k, or 3%.
 - Operating costs are lower by \$33k, with the driver being lower costs for personal services costs and maintenance on plant, offset by increased costs for maintenance contracts, chemicals and lab services.
 - Capital Costs are decreasing \$115k due to total planned projects being funded from customer rates and billings being down from last year. To maintain stable rates and begin building reserve funds for future capital improvements, \$200k is being added to Wholesale Capital Reserves

- The higher budgeted costs are being spread over higher estimated usage amongst all wholesale customers. Consumption is estimated to be up 6 million gallons or 2% from last year estimates. The allocation between municipalities ranges from a decrease for Pulteney of -13% to increase for Jerusalem and Dresden of 20% and 21%, respectively. Penn Yan consumption decreased -5%, Milo increase 1%, and Benton is flat.
 - The increased consumption for Jerusalem and Dresden spread costs over higher consumption to reduce the total rate and reduced consumption for Penn Yan and Pulteney has the opposite effect increasing the rate, with Milo and Benton increasing slightly.
- Changes in wholesale water customer operating rates are reducing $-\$.18$ per thousand gallons, or -4.8%.
- Wholesale water customer capital charges have changed from $-\$.06$ to $\$.70$ per thousand gallons, or -3.6% to 34.6% based on percentages outlined in customer agreements allocated over estimated usage.
- The combined Operating and Capital Cost Rates are changing between $-\$.24$ to $\$.52$ per thousand gallons, or -4.5% to 9.1%.
- The fixed user rate per equivalent dwelling unit for Penn Yan customers has decreased slightly from last year ($\$5.52$ vs. $\$5.54$).
- The variable user rate for Penn Yan customers is increasing .9% ($\$14.72$ vs. $\$14.57$).
- The overall rate change impact to water customers is an increase of .9% in water costs year over year or approximately $\$8.00$ per year for a single EDU residence.

Sewer and Wastewater Treatment Plant

- The overall expenditure budget is higher than previous year by $\$289k$ or 9%, with the following drivers:
 - Special Items are up 35K from last year, reflecting $\$30k$ higher contingency, total $\$50k$, for unexpected expenditures throughout the year and $\$4k$ higher anticipated depreciation costs.
 - Administration costs (8110) are up $\$9k$.
 - Pay increases of $\$2k$ for individuals who dedicate a portion of their time supporting the sewer fund
 - $\$5k$ increase in contractual services for additional costs to submit grant applications in the sewer fund for future capital projects.
 - Sanitary sewer costs (8120) have decreased $\$7k$ from last year's budget.
 - Personal Services are decreasing $\$23k$ with the major contributor being transitions and retirements in the department, offset by wage increases.
 - Decrease in engineering fees of $\$3k$ due to MUB barns feasibility assessment in prior year

- \$3k increase for I&I Correction to continue Inflow and Infiltration efforts with no slip lining being completed in the current year
 - Additional \$5k in Maintenance on Meters for curb box replacements during Lead Service Line Inventory project
 - Increase of \$9k in Supplies and Materials for Neptune Mobile Data Collector with laptop to read meters with a drive by unit instead of handheld
 - Meter purchases are reducing \$6k as the system is almost fully replaced with the new Neptune meters
 - Maintenance at Hicks and Monnell St Pump Stations increasing \$3k for service contracts
 - Overall costs for the wastewater treatment plant (8130) have increased by \$25k.
 - Personal services costs for the WWTP have increased \$8k, due to pay increases negotiated in the collective bargaining agreement and continuing to fund a part-time employee for seasonal help to assist in mowing and labor type maintenance duties around the Plant.
 - Sludge and Landfill Fees are decreasing \$39k. Sludge quantities that are going to the landfill continue to remain consistent. An alternative landfill has been secured in Bath that is a significant cost savings from Casella. The projection includes hauling sludge 50% to each landfill which is resulting in a significant cost savings.
 - Maintenance on Plant is decreasing \$9k, scheduled maintenance is more than offsetting the \$10k increase in unscheduled breakdown maintenance repairs.
 - Utilities costs are increasing \$41k year over year primarily due to a significant increase in water and sewer consumption through operational processes, along with anticipated increases in water and sewer rates for the upcoming year.
 - Until the Septage Acceptance Plant project is completed, an increase of \$10k is anticipated for repairs and maintenance which is allocated only to Penn Yan
 - Cost of chemicals are up \$15k due to increased quantities to meet DEC permit levels and inflationary price increases for the upcoming year.
 - Employee benefit costs are up \$6k in total, with higher projected healthcare costs and NYS retirement costs.
- Overall debt costs (principal and interest) are up \$21k, due to principal payments starting on the Disinfection project totaling \$30k. This is the last year on Sewer Infrastructure and WWTP 2005 bonds with annual payments of approximately \$21k and \$27k, respectively, that will help offset the additional debt service costs of the eventual projects that will be financed and funded in the coming years.

- Wastewater Treatment Plant reserves are being funded in the amount of \$100,000, with the current year capital plan less than last year, to start saving for the numerous planned and unplanned capital projects that are imminent at the WWTP.
- Capital and Fixed Asset investments for Sanitary Sewer is \$678,139, an increase of \$288,588, with the following projects and purchases slated.
 - \$605,000 Septage Acceptance Plant Improvements
 - \$73,139 F450 Utility Truck Replacement, net of \$40,000 anticipated sale price included in Revenues
 - An analysis of the available Fund Balance for the sewer fund indicates that the sanitary sewer capital and fixed asset investment can be offset with \$300,000 of available fund balance, which is 70% of the total capital plan.
- The capital investment, as detailed in the capital plan for the wastewater treatment plant, is \$422,308, a decrease of \$68,027, with the following projects scheduled for next year:
 - \$26,272 to replace Milton CAT Skid-Steer
 - \$11,037 to replace Kubota Mower
 - \$15,000 Building Improvements: Epoxy flooring
 - \$250,000 RBC Room HVAC Ventilation Improvements
 - \$50,000 Concrete Access Area for Disinfection and Filter Buildings
 - \$70,000 M26 and M27 Thickener Pumps and Valves
 - \$1,027,167 Outlet Trail Trunk Sewer Replacement to Cherry Street Pump Station. This project will be updated on the Environmental Facilities Corporation (EFC) Intended Use Plan for hardship financing and potential grant funding.
 - \$4,930,000 Headworks Project: A CDBG grant was awarded in the amount of \$1,250,000 for this project and the remainder will be financed through a 0% interest loan through the Environmental Facilities Corporation (EFC) Clean Water State Revolving Fund (CWSRF). The Second Force Main project with an estimated total of \$2,685,000 was also awarded 0% interest loan with the Headworks project. Extensions of wholesale sewer contracts and additional funding opportunities, including applications for Water Infrastructure Improvement (WIIA) grant and Water Quality Improvement (WQIP) grant, are being pursued to the impact of annual debt payments.
- Future capital investments for the WWTP included in the capital plan are significant. It remains crucial to prioritize and strategize for these projects to seek grant funding.
- The overall wastewater treatment plant budget is an increase from last year of \$64k or 3% due to increases in operating expenses and reserve funding, offset by reduced current year capital costs at the WWTP across several cost categories noted above.
- Costs to be billed to Towns of Milo and Jerusalem are up \$6K and \$16K respectively
- The fixed user rate per equivalent dwelling unit has increased slightly from last year (\$5.71 vs. \$5.36).

- The variable user rate is an increase of 10% vs. the prior year (\$11.98 vs. \$10.89), due to overall increased operational costs, capital costs, and reserve funding.
- The estimated overall rate change impact to sewer customers is an increase 9.7% or approximately \$62 annually for a single EDU residence.