

MT CRESTED BUTTE WATER & SANITATION DISTRICT
2020 BUDGET-Final Pending Approval

APPENDIX A

Pending Approval 12/10/2019

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REVENUE	ACTUAL 2018			BUDGET 2019			PROJECTED	BUDGET 2020			BUDGET 2020 (3-Fund Structure)			
	Water	Wastewater	2018 Total	Water	Wastewater	Total 2019	Total 2019	Water	Wastewater	Total 2020	General	Water	Wastewater	Total 2020
PROPERTY TAXES	443,918	649,764	1,093,682	458,109	632,627	1,090,736	1,090,736	576,842	576,842	1,153,684	1,080,856	36,414	36,414	1,153,684
TAP FEES	104,899	239,989	344,888	100,000	150,000	250,000	250,000	140,000	210,000	350,000	0	140,000	210,000	350,000
USER FEES	1,084,722	1,112,795	2,197,517	1,328,052	1,167,135	2,495,187	2,500,000	1,580,382	1,213,820	2,794,202	0	1,580,382	1,213,820	2,794,202
AVAIL SERVICE FEES	79,684	90,413	170,097	79,626	90,400	170,026	170,000	82,811	94,016	176,827	0	82,811	94,016	176,827
INTEREST INCOME	27,709	27,688	55,396	15,000	15,000	30,000	50,000	30,000	30,000	60,000	60,000	0	0	60,000
MISC INCOME	6,266	2,930	9,196	5,000	5,000	10,000	2,500	5,000	5,000	10,000	0	5,000	5,000	10,000
MLP SURCHARGE	77,255	0	77,255	77,000	0	77,000	75,000	77,000	0	77,000	0	77,000	0	77,000
TOTAL INCOMING REVENUES	1,824,452	2,123,578	3,948,031	2,062,787	2,060,162	4,122,949	4,425,236	2,492,035	2,129,678	4,621,713	1,140,856	1,921,607	1,559,250	4,621,713
DRAW ON CWPRD LOAN								7,800,000	0	7,800,000	0	7,800,000	0	7,800,000
TOTAL PROJECTED RESOURCES	1,824,452	2,123,578	3,948,031	2,062,787	2,060,162	4,122,949	4,425,236	10,292,035	2,129,678	12,421,713	1,140,856	9,721,607	1,559,250	12,421,713
EXPENDITURES														
Operations, Water/Wastewater	1,163,903	1,223,287	2,387,190	1,473,500	1,466,500	2,940,000	2,481,934	1,407,000	1,376,000	2,783,000	0	1,156,650	1,127,650	2,284,300
Administrative Expenses	141,700	140,937	282,636	115,000	118,000	233,000	206,969	115,000	115,000	230,000	728,700	0	0	728,700
Bond Principal & Interest/Fees	0	221,061	221,061	0	396,745	396,745	376,098	0	377,656	377,656	377,656	0	0	377,656
County Treasurer Fees	15,847	15,847	31,693	16,502	16,502	33,004	32,272	17,500	17,000	34,500	34,500	0	0	34,500
TOTAL OPERATIONS EXPENDITURES	1,321,450	1,601,131	2,922,581	1,605,002	1,997,747	3,783,803	3,097,273	1,539,500	1,885,656	3,425,156	1,140,856	1,156,650	1,127,650	3,425,156
Engineering	86,553	271,915	358,468	835,000	137,900	972,900	1,052,830	Moved to Ops Above						
Capital Improvements	157,872	1,007,292	1,165,164	38,000	2,596,256	2,634,256	2,687,853	8,244,000	734,000	8,978,000	0	8,244,000	734,000	8,978,000
TOTAL CAPITAL EXPENDITURES	244,425	1,279,207	1,523,632	873,000	2,734,156	3,607,156	3,740,683	8,244,000	734,000	8,978,000	0	8,244,000	734,000	8,978,000
TOTAL ALL EXPENDITURES	1,565,875	2,880,338	4,446,213	2,478,002	4,731,903	7,390,959	6,837,956	9,783,500	2,619,656	12,403,156	1,140,856	9,400,650	1,861,650	12,403,156
Sources less Uses	258,577	(756,760)	(498,182)	(415,215)	(2,671,741)	(3,268,009)	(2,412,720)	508,535	(489,978)	\$ 18,557	0	320,957	(302,400)	\$ 18,557
Cash Reserves at Beg. of Year							\$ 5,814,000			Cash Reserves at Beg. of Year				\$ 3,401,280
Net Cash Flows			\$ (498,182)				\$ (2,412,720)			Net Cash Flows				\$ 18,557
Cash Reserves at End of Year							\$ 3,401,280			Cash Reserves at End of Year				\$ 3,419,837

Revenue Estimates

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WATER REVENUES

		YTD Total 12/31/2019	2019 BUDGET 12/31/2019	% of Budget	YTD VARIANCE \$ REMAINING	Dollar\$ Increase	Percent of Prior Year	2020 Final Budget	Increase over 2019
1-0-4810	Property Tax - Water	463,042	(426,598)	108.5%	36,444			576,842	150,244
		463,042	(426,598)		36,444			576,842	150,244
1-0-4870	Interest Income - Water	33,441	(15,000)	222.9%	18,441	Half of 2% on \$3MM		30,000	15,000
1-0-4050	Tap-On Fees - Water	174,365	(100,000)	174.4%	74,365			140,000	40,000
1-0-4010	Services - Water	1,211,707	(1,328,052)	91.2%	(116,345)		119%	1,580,382	252,330
1-0-4020	Avail. Of Service - Water	61,735	(79,626)	77.5%	(17,891)		104%	82,811	3,185
1-0-4160	Other Income - Water	2,977	(5,000)	59.5%	(2,023)		100%	5,000	-
1-0-4161	MISC INCOME - WATER	-	0		-			-	-
1-0-4420	MLP Surcharge Water	66,338	(65,450)	101.4%	888		100%	77,000	11,550
		2,013,605	(2,019,726)	99.7%	(6,121)			2,492,035	472,309
	CWPRD Draws to Match WTP CapEx							7,800,000	
								10,292,035	

WASTEWATER REVENUES

		YTD Total 12/31/2019	2019 BUDGET 12/31/2019	% of Budget	YTD VARIANCE \$ REMAINING	Dollar\$ Increase	Percent of Prior Year	2020 Final Budget	Increase over 2019
2-0-4810	Property Tax - Sewer	659,678	(624,138)		35,540			576,842	(47,296)
2-0-4870	Interest Income - Sewer	33,441	(15,000)	222.9%	18,441	Half of 2% on \$3MM		30,000	15,000
2-0-4050	Tap-On Fees - Sewer	301,393	(150,000)	200.9%	151,393			210,000	60,000
2-0-4010	Services - Sewer	1,065,728	(1,167,135)	91.3%	(101,407)		104%	1,213,820	46,685
2-0-4020	Avail. Of Service - Sewer	70,206	(90,400)	77.7%	(20,194)		104%	94,016	3,616
2-0-4160	Other Income - Sewer	912	(5,000)	18.2%	(4,088)		100%	5,000	-
		2,131,358	(2,051,673)		79,685			2,129,678	78,005

Total Revenue \$ 12,421,713

Tap Fee History

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<u>Year</u>	<u>Tap Fee (PIF) Revenue</u>	<u>Tap Fee per SFD</u>	<u>Increase from 2014 Base Year</u>
2014	\$ 253,000	\$ 16,240	0%
2015	106,000	16,728	3%
2016	503,000	17,397	7%
2017	450,000	18,093	11%
2018	345,000	18,672	15%
Projected 2019	537,000	19,045	17%
Budget 2020	350,000	19,807	22%
Mean increased by SFD base growth			
Yearly Mean(thru 2019)	\$ 365,667		\$ 445,978
2014 increased by SFD base growth			
Yearly Median(thru 2019)	\$ 397,500		\$ 308,567
Budgeted 2020	<u>\$ 350,000</u> *		

* 2020 Revenue Budget is justified by both history and SFD base rate increases. Base rate growth applied to 2014 is only slightly under the 2020 Budgeted. Given knowledge of pending projects finance staff recommends 2020 Tap Fee Revenue be budgeted at \$ 350,000

Water Expenditures Detail

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		2017 Actual	2018 Actual	2019 Projected	2019 BUDGET	Change to 2019	2020 BUDGET
				Based on Actual plus estimated			
WATER OPERATIONS							
1-2-5050	Chemicals - Water Treatment	22,839	22,598	62,777	35,000	15,000	50,000
1-2-5160	Laboratory - Water Treatment	27,124	32,608	35,595	50,000	-	50,000
1-2-5170	Operating Supplies - Wtr Treat	67,602	44,873	62,139	40,000	10,000	50,000
1-2-5171	Safety Equipment - Water Treat	1,817	4,408	8,237	5,000	-	5,000
1-2-5172	Uniforms - Water Treat	2,932	2,132	6,861	5,000	-	5,000
1-2-5180	Outside Services - Wtr Treat	44,888	4,461	6,310	28,000	(13,000)	15,000
1-2-5220	Repairs & Maint - Wtr Treat	146,442	132,425	194,248	300,000	(150,000)	150,000
1-2-5290	Utilities - Water Treatment	105,456	95,435	129,252	115,000	5,000	120,000
		419,101	338,939	505,419	578,000	(133,000)	445,000
WATER MLP							
	MLP Operations	104,382	81,404	55,452	57,000	(12,000)	45,000
WATER ADMIN							
1-0-5130	Legal - Water	23,734	25,467	31,804	25,000	-	25,000
1-0-5030	Consultants - Water	73,238	93,044	99,447	91,500	(11,500)	80,000
1-0-5411	Grants - Water-District	2,000	2,000	2,000	2,000	-	2,000
1-0-5040	County Treasurer Fee - Water	15,060	15,847	16,267	16,502	998	17,500
	Office Admin	104,953	141,700	120,177	115,000	-	115,000
	Salaries & Benefits	520,291	596,160	845,945	695,000	65,000	760,000
	Vehicles & Fuel	19,235	26,889	22,247	25,000	-	25,000
		758,512	901,107	1,137,887	970,002	54,498	1,024,500
1-0-5100	Engineering - Water	81,007	86,553	1,211,256	835,000	(810,000)	25,000
1-0-8183	Water Capital Improv	2,100	157,872	88,651	38,000	8,206,000	8,244,000
		83,107	244,425	1,299,907	873,000	7,396,000	8,269,000
	TOTALS	1,365,102	1,565,875	2,998,665	2,478,002	7,305,498	9,783,500

Water Capital Projects Financial Summary

<u>Project Name</u>	<u>Division</u>	<u>Start Date</u>	<u>Estimated Completion Date</u>			
WTP Expansion	Water	5/1/2020	6/1/2022			
	Initial Estimated Project Cost	2019 Project Budget	Amended 2019 Budget	2020 Project Budget	2021+ Project Budget	Approved Project Budget Total
Project Management	750,000			350,000	400,000	750,000
Engineering	1,200,000	750,000	900,000	300,000		1,200,000
Consulting						-
R&M						-
Construction	17,150,000			7,150,000	10,000,000	17,150,000
Other						-
Total Project:	19,100,000	750,000	900,000	7,800,000	10,400,000	18,350,000

<u>Project Name</u>	<u>Division</u>	<u>Start Date</u>	<u>Estimated Completion Date</u>			
Daisy Circle	Water	1/1/2019	10/15/2020			
	Initial Estimated Project Cost	2019 Project Budget	Amended 2019 Budget	2020 Project Budget	2021+ Project Budget	Approved Project Budget Total
Project Management	5,000			5,000		5,000
Engineering	24,000	100,000	-	24,000		24,000
Consulting						-
R&M						-
Construction	120,000			120,000		120,000
Other						-
Total Project:	149,000	100,000	-	149,000	-	144,000

<u>Project Name</u>	<u>Division</u>	<u>Start Date</u>	<u>Estimated Completion Date</u>			
1MG Tank Foundation-Timberland	Water	6/1/2020	8/30/2020			
	Initial Estimated Project Cost	2019 Project Budget	Amended 2019 Budget	2020 Project Budget	2021+ Project Budget	Approved Project Budget Total
Project Management	15,000			15,000		15,000
Engineering	35,000	35,000	35,000			35,000
Consulting						-
R&M						-
Construction	150,000			150,000		150,000
Other						-
Total Project:	200,000	35,000	35,000	165,000	-	185,000

Note: Construction includes \$10,000 for Small Tank Drainage Issue

<u>Project Name</u>	<u>Division</u>	<u>Start Date</u>	<u>Estimated Completion Date</u>			
Backhoe	Water	10/1/2019	1/10/2020			
	Initial Estimated Project Cost	2019 Project Budget	Amended 2019 Budget	2020 Project Budget	2021+ Project Budget	Approved Project Budget Total
Project Management						-
Engineering						-
Consulting						-
R&M						-
Construction						-
Other			37,500	130,000		167,500
Total Project:	-	-	37,500	130,000	-	167,500

Note: 2020 Budget would be offset by sale of existing backhoe for approx \$100,000

\$ 8,244,000 TOTAL Water CAPEX

WasteWater Expenditures Detail

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		2017 Actual	2018 Actual	2019 Projected	2019 Budget	Change to 2019	2020 BUDGET
WASTEWATER OPERATIONS				Based on Actual plus estimated			
2-2-5050	Chemicals - Sewer Treatment	2,790	5,946	8,089	6,000	2,000	8,000
2-2-5160	Laboratory - Sewer Treatment	35,754	95,551	117,165	90,000	10,000	100,000
2-2-5170	Operating Supplies - Swr Treat	34,966	52,281	37,175	45,000	(15,000)	30,000
2-2-5171	Safety Equipment - Swr Treat	2,744	3,629	5,864	5,000	-	5,000
2-2-5172	Uniforms - Swr Treat	3,766	2,996	5,404	5,000	-	5,000
2-2-5180	Outside Services - Swr Treat	19,374	5,856	4,543	33,000	(33,000)	
2-2-5220	Repairs & Maint - Swr Treat	382,650	228,359	204,493	300,000	(180,000)	120,000
2-0-5290	Utilities - Sewer Admin	393	411	540	-	-	
2-2-5290	Utilities - Sewer Treatment	116,411	133,398	152,251	141,000	(1,000)	140,000
2-3-5180	Outside Services - ATAD Sludge	52,934	38,671	106,621	68,000	10,000	78,000
		651,783	567,098	642,144	693,000	(207,000)	486,000
WASTEWATER MLP							
	MLP Operations	16,029	6,010	2,350	5,000	-	5,000
WASTEWATER ADMIN							
2-0-5130	Legal - Sewer	13,489	14,433	29,462	20,000	5,000	25,000
2-0-5030	Consultants- Sewer	52,847	59,193	58,040	93,500	21,500	115,000
	Office Admin	100,951	140,937	112,820	118,000	(3,000)	115,000
	Salaries & Benefits	490,804	555,871	613,384	630,000	65,000	695,000
	Vehicles & Fuel	20,611	20,682	23,156	25,000	-	25,000
		678,702	791,115	836,862	886,500	88,500	975,000
2-0-5100	Engineering - Sewer	65,654	271,915	157,346	137,900	(112,900)	25,000
2-0-8183	SEWER Capital Improvements	791	1,007,292	3,627,907	2,596,256	(1,862,256)	734,000
		66,444	1,279,207	3,785,253	2,734,156	(1,975,156)	759,000
2-0-5040	County Treasurer Fee - Sewer	15,060	15,847	16,267	16,502	498	17,000
2-0-9900	Principal Sewer WPCR2001	-	153,715	318,217	318,217	21,574	339,791
2-0-9400	Interest Expense - Sewer Fund	76,858	46,700	37,236	37,236	(30,340)	6,896
2-0-5340	Bond Agent Fees - Sewer	-	20,646	20,646	41,293	(10,324)	30,969
		328,826	236,908	392,366	413,247		394,656
	TOTALS	1,741,784	2,880,338	5,658,975	4,731,903	(2,112,247)	2,619,656

WasteWater Capital Projects Financial Summary

<u>Project Name</u>	<u>Division</u>	<u>Start Date</u>	<u>Estimated Completion Date</u>			
Clarifier Project	WasteWater	6/1/2019	3/1/2020			
	Initial Estimated Project Cost	2019 Project Budget	Amended 2019 Budget	2020 Project Budget	2021+ Project Budget	Approved Project Budget Total
Project Management						
Engineering	87,900	87,900	67,900	20,000		87,900
Consulting						-
R&M						-
Construction	2,195,600	2,195,600	2,195,600	500,000		2,695,600
Other						-
Total Project:	2,283,500	2,283,500		520,000	-	2,783,500

<u>Project Name</u>	<u>Division</u>	<u>Start Date</u>	<u>Estimated Completion Date</u>			
Inflow & Infiltration (I&I) General-2020&Ongoing to 5-year Rollout	WasteWater	1/1/2020	1/1/2024			
	Initial Estimated Project Cost	2019 Project Budget	Amended 2019 Budget	2020 Project Budget	2021+ Project Budget	Approved Project Budget Total
Project Management						-
Engineering						-
Consulting						-
R&M						-
Construction	???based on Study			59,000		59,000
Study	65,000			65,000		65,000
Total Project:	65,000	-	-	124,000	-	124,000

<u>Project Name</u>	<u>Division</u>	<u>Start Date</u>	<u>Estimated Completion Date</u>			
Utility Bed Crew Cab Short Bed	Wastewater	1/1/2020	1/31/2020			
	Initial Estimated Project Cost	2019 Project Budget	Amended 2019 Budget	2020 Project Budget	2021+ Project Budget	Approved Project Budget Total
Project Management						-
Engineering						-
Consulting						-
R&M						-
Construction						-
Other	40,000			40,000		40,000
Total Project:	40,000	-	-	40,000	-	40,000

<u>Project Name</u>	<u>Division</u>	<u>Start Date</u>	<u>Estimated Completion Date</u>			
ATAD IGA Share	Wastewater	1/1/2020	12/31/2020			
	Initial Estimated Project Cost	2019 Project Budget	Amended 2019 Budget	2020 Project Budget	2021+ Project Budget	Approved Project Budget Total
Project Management						-
Engineering	50,000			50,000		50,000
Consulting						-
R&M						-
Construction						-
Other						-
Total Project:	50,000	-	-	50,000	-	50,000

\$ 734,000 TOTAL WW CAPEX

MT. CRESTED BUTTE WATER & SANITATION DISTRICT
2020 BUDGET - MILL LEVY

	BUDGET 2017	BUDGET 2018	BUDGET 2019	BUDGET 2020
Amount of taxes required to balance budget	1,012,973	1,047,251	1,079,829	1,278,038
Provision for Delinquent taxes 1%	10,232	10,578	10,907	12,780
Gross Property tax req'd	1,023,205	1,057,829	1,090,736	1,290,818
Net Assessed Valuation	90,517,040	92,588,970	92,670,890	112,774,570
Mill Levy allocation, mills				
Bonds Prin & Int	1.800	1.800	1.700	1.780
General Operating	9.504	9.625	10.070	8.450
Abatement / (refund)	-	-	-	-
Net General Operating	9.504	9.625	10.070	8.450
Mill Levy Total	<u>11.304</u>	<u>11.425</u>	<u>11.770</u>	<u>10.230</u>
Property Tax allocation, \$				
GO Bonds Prin & Int	162,931	166,660	157,541	200,739
General Operating	860,274	891,169	933,196	952,945
Abatement / (refund)	-	-	-	-
Net General Operating	860,274	891,169	933,196	952,945
Property Tax Total	<u>1,023,205</u>	<u>1,057,829</u>	<u>1,090,736</u>	<u>\$ 1,153,684</u>

Per DLG 53a 5.5% limit mill levy is 8.771 and the Tabor limit is 8.459
 The more restrictive revenue limit must be respected for General Operating.

Formula for A/S

	Princ	Int only	
Bond P&I =	339,791	37,865	377,656 a)
Budgeted prop tax mill levy allocation for bond P&I (P4,L10) =			(200,739) b)
Bond P&I - Mill Levy =			176,917 c)
Budgeted Maximum A/S (P1,L5) = \$176,827 (d)			

A/S rates cannot exceed 50% of user fees

Bond P&I minus mill levy assigned to bonds (c) must be equal to or greater than what is budgeted for AS (d)
 or A/S must be less than or equal to P&I minus budgeted property tax amount c)

CRS 32-1-1006

(C) Availability of service or facilities charges shall be assessed solely for the purpose of paying principal of and interest on any outstanding indebtedness or bonds of such district and shall not be used to pay any operation or maintenance expenses of, nor capital improvements within or for, such district.

**Operations Summary based upon 2020 Operating Budget
For CWRPDA Analysis Purposes**

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REVENUE	BUDGET 2020 (3-Fund Structure)				Total WF and WWF	
	General	Water	Wastewater	Total 2020	Loan Covenant based on combined operations	
PROPERT TAXES	\$ 1,080,856	\$ 36,414	\$ 36,414	\$ 1,153,684	\$ 72,828	2%
TAP FEES	-	140,000	210,000	350,000	350,000	
USER FEES		1,580,382	1,213,820	2,794,202	2,794,202	
AVAIL SERVICE FEES		82,811	94,016	176,827	176,827	
INTEREST INCOME	60,000	-	-	60,000	-	
MISC INCOME	-	5,000	5,000	10,000	10,000	
MLP SURCHARGE	-	77,000	-	77,000	77,000	
TOTAL INCOMING REVENUES	1,140,856	1,921,607	1,559,250	4,621,713	3,480,857	100%
EXPENDITURES						
Operations, Water/Wastewater	-	1,156,650	1,127,650	2,284,300	2,284,300	
Administrative Expenses	728,700	-	-	728,700	-	
Bond Principal & Interest/Fees	377,656	-	-	377,656	-	
County Treasurer Fees	34,500	-	-	34,500	-	
TOTAL OPERATIONS EXPENDITURES	1,140,856	1,156,650	1,127,650	3,425,156	2,284,300	
Operating Income	\$ -	\$ 764,957	\$ 431,600	\$ 1,196,557	\$ 1,196,557	
Debt Service Levy Set to Balance Admin Costs					\$ 1,087,779	
					Maximum Debt Service Supported for target Interest Coverage of 1.1	

User Fee Increase/Property Tax Decrease Comparison

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	<i>Monthly</i>	<i>Annual</i>	
2019 Base Utility Bill	\$ 89.56	\$ 1,074.72	
2020 Base Utility Bill	99.79	1,197.48	
Base User Rate <i>Increase</i>	\$ 10.23	\$ 122.76	\$ Annual Increase in Base Bill
2019 Mill Levy	11.770	\$ 1,177.00	\$ per \$100,000 of Value
2020 Mill Levy	10.230	1,023.00	
Mill Levy <i>Decrease</i>	1.540	\$ 154.00	\$ Decrease per \$100,000 of Value

Example:

Customer A owns a single family home with an assessed value of \$500,000.
 Customer A's Utility Costs will **INCREASE** \$122.76 assuming they use less than 4,000 gallons/month.
 Customer A's Property Tax Costs will **DECREASE** \$770.00 for the 2020 tax year, resulting in
 a net **SAVINGS** to the homeowner of **\$647.24**.