

ARCH CAPE WATER & SANITARY DISTRICTS BUDGET COMMITTEE - FISCAL 2017 – 2018 DRAFT MINUTES

21 April 2017

The following members were present on behalf of their respective districts.

Water District: Virginia Birkby, Director – President
Debra Birkby, Director - Treasurer
Ron Schiffman, Director
Dan Seifer, Director
Cathy D’Onofrio, Arch Cape Community
Richard D’Onofrio, Arch Cape Community
Diane Matson, Arch Cape Community
Mike Wood, Arch Cape Community

Sanitary District: Darr Tindall, Director - President
Virginia Birkby, Director - Vice-President
Debra Birkby, Director - Treasurer
Ron Schiffman, Director
Casey Short, Director
Cathy D’Onofrio, Arch Cape Community
Richard D’Onofrio, Arch Cape Community
Diane Matson, Arch Cape Community
Mike Wood, Arch Cape Community

Staff: Phil Chick, District Manager
Steve Hill, Secretary

Ms. Virginia opened the meeting at 4:04pm.

Election of Budget Committee Chairman: Mr. Ron Schiffman nominated Mr. Casey Short as Budget Committee Chairman which was seconded by Ms. Debra Birkby. All in favor (AIF).

Appointment of Budget Officer: Ms. Debra Birkby moved the appointment of Mr. Phil Chick as Budget Officer which was seconded by Ms. Darr Tindall. AIF.

Publishing of Budget Message: Mr. Phil Chick reviewed his 2017-18 Fiscal Budget Message (attached) with the committee.

Consideration of Proposed 2017-18 Fiscal Budgets: Mr. Hill explained that version 1 of the staff proposed budget would be reviewed at this meeting and the results reflected in the version 2 column which would be forwarded to the committee for their continued consideration and modification at the next meeting taking place on May 5th. The expectation is for a budget committee recommendation for a 2017-18 Fiscal Budget adoption including

final adoption of any recommended resolution revising rates at the May 19, 2017 regular meetings.

Water District: The Long Range Financial Plan (LRFP) for the district was reviewed first for general plan assumptions, progressive rate adjustments and expected capital expenditures. Version 1 of the proposed budget from staff was then reviewed with the following actions taken.

- Addition of an expense line item entitled 'Watershed'.
- Addition of a note explaining the makeup of the miscellaneous revenue source of \$1,400 in the general fund comprised of two planned \$700 meter connection fees for new customer hookups.
- Establish a 15% of Total Operating Expense Contingency amount of \$43,000.
- Mr. Hill to report back to the committee regarding a capitalization threshold.
- Move \$20K reserve for a replacement truck to expense for 2017-18.

Sanitary District: The LRFP for the district was reviewed first for general plan assumptions, progressive rate adjustments and expected capital expenditures. Version 1 of the proposed budget from staff was then reviewed with the following actions taken.

- Establish a 15% of Total Operating Expense Contingency amount of \$37,000.
- Move \$20K reserve for a replacement truck to expense for 2017-18.
- Provide written alternatives to the increase of I & I expense to \$10K

Interest was expressed in providing emergency toilets at the fire hall in the event of community need. Mr. Seifer moved that the budget committee recommend to the water district board that rates be increased such that an additional \$100 was raised per customer per year which was seconded by Mr. Schiffman. All voted no. The motion failed.

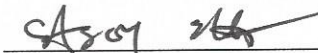
Sanitary District 2017-18 Budget Public Hearing: Mr. Short opened the public hearing at 5:50pm to take comments or questions from the public and hearing none closed the hearing at 5:51pm.

The meeting was recessed by Mr. Casey Short at 5:55pm to be reconvened at 4:00pm May 5, 2017 with an expression of thanks to the participants.

Respectfully submitted,



Steve Hill

Attest 
Mr. Casey Short, Committee Chairman

Budget Message 2017-18



Arch Cape Domestic Water Supply District
32065 East Shingle Mill Lane
Arch Cape, OR 97102
503-436-2790

April 17, 2017

I am pleased to present the Fiscal Year 2017-18 budget to the Arch Cape Domestic Water Supply District Budget Committee, Board of Commissioners, and Public. The budget message is a brief synopsis of the District's financial plan for the coming year, as well as its relationship to the past and future financial needs of the District.

The 2017-18 proposed budget was developed using historical operational figures, previous years revenue collected through the Intergovernmental Agreement (I.G.A.) with the Sanitary District, and long-range financial planning estimates developed by staff and the Board. The District prepares its budget using the modified cash basis of accounting. There are no changes in the method by which the District carries out its fiscal duties. The District's financial condition remains secure due to steady account revenues, a solid reserve fund, and the collaborative planning and management efforts of Board and Staff. The proposed budget identifies no rate increases for the coming year.

Fiscal Year 2017-18

The budget is presented in a fund by fund format, itemizing Resources and Requirements for the General and Capital Funds. The budget figures are based on the best estimate of what the District will receive and what it will spend from July 1, 2017 to June 30, 2018.

RESOURCES

The General Fund's main revenue resources come from user fees, excess usage charges, revenue received from the Sanitary District through the intergovernmental agreement (I.G.A.), and debt service surcharges. The Water District entered into an I.G.A. with the Sanitary District in 2014, taking over administrative and staff support functions for the operation and management of the Sanitary District's facilities and operations. Revenue for 2017-18 is predicted to see a slight increase from the previous year.

The District's capital reserves accumulate through the collection of systems development charges which are assessed to new homes connecting to the Water District. Staff has followed a model of 2 new connections per year in developing the current budget and related planning documents. This assumption is crucial to developing long-range planning for the District, and is influential in determining the timing of future rate increases and spending needs. There is indication that 2017-18 may bring in the 2 predicted hookups to the District.

REQUIREMENTS

Total Personnel Services:

The District employs two full time staff members and contracts the services of a part-time administrative assistant. Total Personnel Services will increase 6% in 2017-18. This increase is primarily due to increases in medical

insurance costs. The District changed its employee medical insurance provider in 2015, and is still benefitting from an approximate savings of \$15,000 per year since making this change.

Total Materials and Services

This section outlays the costs for actual operations of the district including maintenance, utilities, professional services, and administrative support. Staff is recommending a 12% increase in Total Materials and services for FY 2017-18. This increase is mainly due to increases in the Temporary Help and Maintenance line items. Summer time is the busiest time of the year for the District. Temporary Help has been increased to \$8,000 (back in line with previous years) in order to support staff with maintenance needs, as well as enabling staff to focus on deferred projects. The Maintenance line item also has a significant increase, increasing from \$11,000 in 2016-17 to \$20,000 in 2017-18. This is due to several projects and maintenance needs planned for the coming year including interior inspection/cleaning of the water reservoir and the purchase of a portable emergency water purification unit for the District.

\$20,000 has also been designated in the budget for the purchase of a new work truck. The green Dodge Ram has dutifully served the District since 1999, but has been undependable as a utility truck for a couple of years. It is hoped that a new truck will be in the fleet this summer.

Debt Profile

Since initiating the early payment of the debt on the water reservoir in 2015-16 the District currently services debt on only one loan. The District entered into a loan agreement with IFA Business Oregon in 2011 for \$536,000 repayable over 30 years to upgrade the water filtration plant.

Capital Projects and Future Plans

Two future projects have been identified in the District's Capital Plan, with respect to future water demand. These are the development of a second water source independent of the Shark/Asbury Creek System, and a storage reservoir on the south end of town. The District is currently conducting a feasibility study to determine the most suitable source of water supply for a secondary source. The study is funded by a grant received in 2016. The development of the secondary water source is scheduled to occur in 2018-19. The South Storage Reservoir is tentatively scheduled for 2027-28. Membrane replacement at the treatment plant is planned for 2025-26. However, a clearer picture of a membrane replacement schedule will develop in the next few years, and this time frame may be extended.

Although not directly identified in the current budget, the District is currently considering the idea of partnering with like-minded organizations to foster the protection of Arch Cape's drinking watershed.

The property comprising the watershed was purchased by a private company in November 2016. I am encouraged for the potential of enhanced watershed management and protection measures that may develop in the future.

Summary:

I believe that this is a responsible budget. It allows the District to maintain or improve current levels of service while considering long term needs and challenges and their financial impacts. The attached documents provide a breakdown of the proposed budget, as well as examine future projects and the financial assumptions necessary for their completion.

I look forward to the budget process and working with you all, as the District plans for FY 2017-18 and beyond.

Sincerely,



Phil Chick
District Manager

Budget Message 2017-18



Arch Cape Sanitary District
32065 East Shingle Mill Lane
Arch Cape, OR 97102
503-368-5193

April 17, 2017

I am pleased to present the Fiscal Year 2017-18 budget to the Arch Cape Sanitary District Budget Committee, Board of Directors, and Public. The budget message is a brief synopsis of the District's financial plan for the coming year, as well as its relationship to the past and future financial needs of the District.

The 2017-18 proposed budget was developed using historical operational figures, projections derived from the previous year's Intergovernmental Agreement (I.G.A.) with the Water District, and long-range financial planning estimates developed by staff and the Board. The District prepares its budget using the modified cash basis of accounting. There are no changes in the method by which the District carries out its fiscal duties. The District's financial condition relies upon steady account revenues, a solid reserve fund, and the collaborative planning and management efforts of Board and Staff.

The major challenge of the District will be in providing for the replacement of essential treatment plant equipment when it comes to the end of its useful life. A rate increase was made in the previous year's budget to begin reserving funds for replacement of the membranes at the treatment plant. The proposed budget for FY 2017-18 identifies no rate increases for the coming year.

Fiscal Year 2017-18

The budget is presented in a fund by fund format, itemizing Resources and Requirements for the General and Capital Funds. The budget figures are based on the best estimate of what the District will receive and what it will spend from July 1, 2017 to June 30, 2018.

RESOURCES

The General Fund's main revenue resources come from user fees, property taxes, debt service surcharges, and excess usage fees. The District is estimating \$134,680 in property tax receipts for 2017-18. Revenue for 2017-18 is predicted to see a slight decrease from the previous year.

The District's capital reserves accumulate through the collection of systems development charges which are assessed to new homes connecting to the Sanitary District. Staff has followed a model of 2 new connections per year in developing the current budget and related planning documents. This assumption is crucial to developing long-range planning for the District, and is influential in determining the timing of future rate increases and spending needs. There is indication that 2017-18 may bring in the 2 predicted hookups to the District.

REQUIREMENTS

Total Personnel Services:

Total Personnel Services costs fall under the budget of the Water District, as a function of the intergovernmental agreement (I.G.A.) between the Water and Sanitary Districts.

Total Materials and Services:

Total Materials and Services outlays the costs for actual operations of the district including maintenance, utilities, professional services, and Water District I.G.A. charges. Staff is recommending an 8% increase in Total Materials and services for FY 2017-18. This increase is mainly due to increases in the Water District I.G.A. Charges and Infiltration and Inflow line items.

The Sanitary District entered into an I.G.A. with the Water District in 2014. The Sanitary District contracts the services of the Water District for administrative and staff support functions for the operation and management of the Sanitary District's facilities and operations. It is anticipated that the Sanitary District will require more support from the Water District in the coming year, increasing the I.G.A. fees that the Water District charges to the Sanitary District. The 2017-18 Budget also proposes increasing the Infiltration and Inflow (I & I) line item from \$1,000 to \$10,000 (back in line with previous years). Although the District made much progress in eliminating I & I in 2014, heavy rains still bring excessive flows into the treatment plant. The past two winters have been especially wet. It is hoped that the longevity of the life of the membranes at the treatment plant can be extended if I & I can be reduced. Plans to reduce I & I for the coming year include conducting smoke testing to identify sources of inflow from roof drains and other illegal connections to the collection system.

\$20,000 has also been designated in the budget for the purchase of a new work truck. The green Dodge Ram has dutifully served the District since 1999, but has been undependable as a utility truck for a couple of years. It is hoped that a new truck will be in the fleet this summer.

Debt Profile:

The Sanitary District currently services debt on four loans: Irrigation Site, Facility Engineering, Wastewater Treatment Plant Upgrade, and I & I improvements. These loans are scheduled to be retired in 2022, 2026, 2040, and 2038. The practice of funding future Capital projects through user rates has been modeled in the Long Range Financial Plan for the District, which has been included in the budget materials distributed to the Budget Committee and available to the Public.

Capital Projects and Future Plans:

Future Capital projects have been identified in the documents included with the Budget Message. One of the major expenses of the Sanitary District in the coming years will be to replace 75% of the membranes at the wastewater treatment plant. The original membranes have exhausted over half of their useful life. Membrane replacement is identified in year 2019-20 of the Capital Plan. Upgrading the treatment plant's SCADA operating system is also scheduled during this time frame. The Main Lift Station upgrade and generator replacement has been extended to 2022-23.

Summary:

I believe that this is a responsible budget. It allows the District to maintain or improve current levels of service while considering the type of long term needs and challenges that are posed to every wastewater utility. The attached documents provide a breakdown of the proposed budget, as well as examine the future projects and the financial assumptions necessary for their completion.

I look forward to the budget process and working with you all, as the District plans for FY 2017-18 and beyond.

Sincerely,



Phil Chick
District Manager

GO Bond Analysis

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Cum Total
Tax Imposed	154,682	154,682	156,833	156,324	155,987	144,818	134,600	134,600	134,600	134,600	134,600	1,192,526
Prop Tax Received	140,812	146,447	150,824	152,940	154,801	142,975	132,404	132,404	132,404	132,404	132,404	1,153,607
Diff From Tax Imp Above(Below)	13,869.64	8,235.01	6,009.31	3,383.86	1,186.26	1,843.19	2,196.00	2,196.00	2,196.00	2,196.00	2,196.00	38,919.27
Bond Payment	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	1,156,800
Bond Receipts	140,800	146,440	150,806	152,925	154,784	142,955	132,378	132,378	132,378	132,378	132,378	1,153,466
Bond Interest	12	7	18	15	17	20	26	26	26	26	26	141
Diff From Pymt Above(Below)	(3,787.64)	1,846.99	6,223.69	8,940.14	10,200.74	(1,625.19)	(12,196.00)	(12,196.00)	(12,196.00)	(12,196.00)	(12,196.00)	(3,193.27)

General Obligation Bond Stats

Clatsop City % Tax Collection History	92.5%	91.9%	92.2%	92.5%	92.7%	93.4%	93.8%	94.0%				
Available Tax to be Imposed	156,324	157,345	156,833	156,324	155,987	154,818	154,158	153,830				
Actual Tax Imposed	154,682	154,682	156,833	156,324	155,987	144,818	134,600	134,600				
Arch Cape % Tax Collection History	91.0%	94.7%	96.2%	97.8%	99.2%	98.7%	98.4%					
Better/(Worse) than Clatsop Cty	-1.5%	2.8%	4.0%	5.3%	6.5%	5.3%	4.6%					

**ARCH CAPE WATER DISTRICT
FY 2017-18 FINAL BUDGET
GENERAL FUND**

2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2016-17 EOY PROJ	WATER RESOURCES	2017-18 PROP (ver1)	2017-18 RECOM (ver2)	2017-18 FINAL (ver3)
BEGINNING BALANCE							
145,158	189,591	81,816	90,854	Undesignated Balance	134,115	134,115	134,115
				Capital Reserve			
				Operating Reserve			
145,158	189,591	81,816	90,854	TOTAL BEGINNING BALANCE	134,115	134,115	134,115
REVENUE							
137,268	139,576	136,081	135,986	User Fees	137,040		
28,535	31,920	30,000	24,742	Excess Usage Charges	24,000		
50,807	48,675	21,368	21,319	Debt Service Surcharges	21,519		
108,690	105,498	119,326	123,140	IGA PS & Materials Srvc Chgs	128,211	0	0
345	334	250	482	Interest	600		
1,396	1,550	1,400	4,286	Miscellaneous	1,400		
486	810	648	648	Cannon View Park	680		
327,527	328,364	309,074	310,602	TOTAL REVENUE	313,450	0	0
472,685	517,955	390,889	401,456	TOTAL RESOURCES	447,565	134,115	134,115

Received 99%

Water District Accounts 286 Base Rate \$121.00
 Debt Srvc Rate 286 \$19.00
 Total Rate \$140.00

ARCH CAPE TOWN WATER DISTRICT
 FY 2017-18 FINAL BUDGET
 GENERAL FUND

2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2016-17 EOY PROJ	WATER REQUIREMENTS	2017-18 PROP (ver1)	2017-18 RECOM (ver2)	2017-18 FINAL (ver3)
PERSONNEL SERVICES							
61,833	66,390	67,364	68,681	Manager	71,324		
40,837	38,449	49,000	47,794	Operator	50,960		
7,854	8,020	8,902	8,903	FICA	9,731		
9,384	9,582	10,636	10,637	PERS	11,626		
32,017	29,414	31,202	26,682	Medical Insurance	34,378		
3,859	3,567	3,725	3,094	Worker's Comp	3,156		
155,765	155,423	170,828	165,691	TOTAL Personnel Services	181,175	0	0
MATERIALS & SERVICES							
26,784	26,784	27,186	26,784	Admin Services	27,588		
537	1,321	2,000	1,296	Temporary Help	8,000		
280	764	650	432	Cloth Allow	650		
405	765	2,000	2,580	Education	2,000		
412	0	2,000	1,427	Travel	2,000		
1,120	1,029	1,000	920	Office Supplies	1,200		
1,198	1,126	1,320	1,148	Postage	1,320		
5,229	3,161	6,000	3,907	Vehicle	6,000		
3,000	3,225	3,467	3,300	SD Facilities Use Charges	3,467		
480	500	500	500	Payroll Service	525		
4,289	5,434	5,543	5,583	Lab. Insurance	5,882		
220	399	1,000	837	Licenses	1,000		
13,702	17,517	11,000	13,891	Maintenance	20,000		
3,820	6,324	5,000	4,944	Chemicals	5,000		
892	697	875	776	Dues / Taxes	875		
3,891	2,971	5,000	1,848	Prof. Services	5,000		
2,230	2,180	2,800	2,180	Auditing	2,650		
1,732	310	2,500	450	Legal Services	2,500		
12	1,220	700	786	Notices	700		
11,881	9,101	13,000	7,290	Utilities	10,000		
82,114	84,826	93,540	80,879	TOTAL M&S	106,347	0	0
237,879	240,249	264,369	246,569	TOTAL OPERATING EXPENSES	287,522	0	0
DEBT SERVICE							
29,531	24,722			Flex-lease Loan - Reservoir			
	151,319			Water Tank Loan Pre-Payment			
	20,772	20,772	20,772	IFA Water Plant Upgrade	20,772		
50,303	196,812	20,772	20,772	TOTAL DEBT SVC.	20,772	0	0
288,182	437,062	285,141	267,341	TOTAL GEN FUND EXPENDITURES	308,294	0	0
CONTINGENCY & ENDING BALANCE							
CONTINGENCY							
		35,000		CONTINGENCY	29,000		
		20,000		Replacement Truck	20,000		
				Other reserve			
				Other reserve			
184,502	80,893	50,749	134,115	Undesignated	90,271	134,115	134,115
184,502	80,893	70,749	134,115	TOTAL UNAPPROPRIATED BALANCE	110,271	134,115	134,115
184,502	80,893	105,749	134,115	TOTAL CONTING. & UNAPP BAL.	139,271	134,115	134,115
		320,141		TOTAL APPROPRIATED BAL.	337,294	0	0
472,685	517,955	390,889	401,456	TOTAL REQUIREMENTS	447,565	134,115	134,115
0	0	0	0	RESOURCES UNDER(OVER) REQUIREMENTS	0	0	0

10% of Operating Expenses

**ARCH CAPE WATER DISTRICT
FY 2017-18 FINAL BUDGET
GENERAL FUND**

2016-17 ADOPTED	2016-17 EOY PROJ	WATER REQ. CHARGE TO SD	2017-18 PROP (ver1)	2017-18 RECOM (ver2)	2017-18 FINAL (ver3)
PERSONNEL SERVICES					
67,364	68,581	Manager	71,324	0	0
49,000	47,794	Operator	50,960	0	0
8,902	8,902	FICA	9,731	0	0
10,636	10,637	PERS	11,626	0	0
31,202	26,682	Medical Insurance	34,378	0	0
3,725	3,094	Worker's Comp	3,156	0	0
170,828	165,691	TOTAL Personnel Services	181,175	0	0
MATERIALS & SERVICES					
27,186	26,784	Admin Services	27,588	0	0
2,000	1,296	Temporary Help	8,000	0	0
650	432	Cloth Allow	650	0	0
2,000	2,560	Education	2,000	0	0
1,427	1,427	Travel	2,000	0	0
1,000	920	Office Supplies	1,200	0	0
1,148	1,148	Postage	1,320	0	0
6,000	3,907	Vehicle	6,000	0	0
3,487	3,300	SD Facilities Use Charges	3,467	0	0
500	500	Payroll Service	525	0	0
5,543	5,583	Liab. Insurance	5,862	0	0
1,000	837	Licenses	1,000	0	0
11,000	13,891	Maintenance	20,000	0	0
5,000	4,944	Chemicals	5,000	0	0
875	776	Dues / Taxes	875	0	0
5,000	1,848	Prof. Services	5,000	0	0
2,800	2,180	Auditing	2,660	0	0
2,500	450	Legal Services	2,500	0	0
700	786	Notices	700	0	0
13,000	7,290	Utilities	10,000	0	0
93,540	80,879	TOTAL M&S	106,347	0	0
264,369	246,569	TOTAL OPERATING EXPENSES	287,522	0	0
DEBT SERVICE					
0	0	Flex-lease Loan : Reservoir	0	0	0
0	0	Water Tank Loan Pre-Payment	0	0	0
20,772	20,772	IFA Water Plant Upgrade	20,772	0	0
20,772	20,772	TOTAL DEBT SVC.	20,772	0	0
285,141	267,341	TOTAL GEN FUND EXPENDITURES	308,294	0	0
CONTINGENCY & ENDING BALANCE					
35,000	0	CONTINGENCY	29,000	0	0
UNAPPROPRIATED BALANCE					
20,000	0	Replacement Truck	20,000	0	0
0	0	Other reserve	0	0	0
0	0	Other reserve	0	0	0
0	0	Other reserve	0	0	0
50,749	134,115	Undesignated	90,271	134,115	134,115
70,749	134,115	TOTAL UNAPPROPRIATED BALANCE	110,271	134,115	134,115
105,749	134,115	TOTAL CONTING. & UNAPP BAL.	139,271	134,115	134,115
320,141	0	TOTAL APPROPRIATED BAL.	337,294	0	0
390,889	401,456	TOTAL REQUIREMENTS	447,565	134,115	134,115
0	0	RESOURCES UNDER(OVER) REQUIREMENTS	0	0	0

71,324
50,960
9,731
11,626
34,378
3,156
181,175

56%
56%
56%
56%
56%
56%
56%
56%

14,898
4,480
364
1,120
2,000
1,120
672
739
3,360

27,588
8,000
650
2,000
2,000
1,200
1,320
6,000
3,467
525
5,862
1,000
20,000
5,000
875
5,000
2,660
2,500
700
10,000
106,347

48,758
26,753
128,211

Blended % Charged **0.5487**

Admin Services Split

WD Accounts - Est 284
SD Accounts - Est 334
618

% of Tot Accts
0.46
0.54

10% of Operating Expenses

**ARCH CAPE WATER DISTRICT
FY 2017-18 FINAL BUDGET
CAPITAL FUND**

2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2016-17 EOY PROJ	WATER RESOURCES	2017-18 PROP (ver1)	2017-18 RECOM (ver2)	2017-18 FINAL (ver3)
21,486	21,486	33,649	33,649	Undesignated Balance	45,211	45,211	45,211
				Project Reserve			
				Debt Service Reserve			
21,486	21,486	33,649	33,649	TOTAL BEGINNING BALANCE	45,211	45,211	45,211
REVENUE							
	16,033	10,162	11,562	Loan Proceeds	10,162	10,162	10,162
				SDC Revenue			
				Other			
				Interest on Investments			
				Miscellaneous			
0	16,033	10,162	11,562	TOTAL REVENUE	10,162	10,162	10,162
21,486	37,519	43,811	45,211	TOTAL RESOURCES	55,373	55,373	55,373

**ARCH CAPE WATER DISTRICT
FY 2017-18 FINAL BUDGET
CAPITAL FUND**

2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2016-17 EOY PROJ	WATER REQUIREMENTS	2017-18 PROP (ver1)	2017-18 RECOM (ver2)	2017-18 FINAL (ver3)
CAPITAL OUTLAY							
	3,870	15,380		Water Source Assessment			
				New Service			
				Other			
0	3,870	15,380	0	TOTAL CAPITAL	0	0	0
CONTINGENCY & ENDING BALANCE							
CONTINGENCY							
21,486		28,431	45,211	CONTINGENCY	55,373	55,373	55,373
UNAPPROPRIATED BALANCE							
				Project Reserve			
	33,649			Undesignated			
0	33,649	0	0	TOTAL UNAPPROPRIATED BALANCE	0	0	0
21,486	33,649	28,431	45,211	TOTAL CONTING. & UNAPP. BALANCE	55,373	55,373	55,373
TOTAL APPROPRIATED BALANCE							
				TOTAL APPROPRIATED BALANCE	55,373	55,373	55,373
21,486	37,519	43,811	45,211	TOTAL REQUIREMENTS	55,373	55,373	55,373
0	0	0	0	RESOURCES UNDER/(OVER) REQUIREMENTS	0	0	0

ARCH CAPE WATER DISTRICT LONG RANGE FINANCIAL PLAN

KEY ASSUMPTIONS:

- 2 Hookups per year
- Expense allocation: Blended 55.5% Sanitary
- Expense growth: 2% growing to 4%
- Rates adjusted to retain approximately 1/6th Op Ex on hand
- No loans for capital projects
- User rates adjusted for Op Ex needs and Capital Expenses
 - Rate increased to \$148 : 2018-19
 - Rate increased to \$152 : 2021-22
 - Rate increased to \$171 : 2024-25

CAPITAL EXPENDITURE:

- \$20K Truck : 2017-18
- \$80K Second Water Source : 2018-19
- \$20K Storage Planning / Preliminary Design : 2025-26
- \$70K Membrane Replacement : 2025-26
- \$280K South Reservoir Construction : 2027-28
(Includes \$40K Grant)
- \$80K Membrane Replacement : 2034-35

**ARCH CAPE WATER DISTRICT
LONG RANGE FINANCIAL PLAN**

WATER DISTRICT - GENERAL FUND												
ASSUMPTIONS	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
SD IGA % : PERSONNEL + ALLOC			55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%
GENERAL INFLATION			2.0%	2.5%	2.5%	2.5%	2.5%	3.0%	3.0%	3.0%	4.0%	4.0%
CONTINGENCY			Assume 15% of operating expenditures is budgeted after 2016-17; assume 20% of that amount is spent per year.									
HOOKUPS	282	286	288	290	292	294	296	298	300	302	304	306
Change in Hookups		2	2	2	2	2	2	2	2	2	2	2
System Development Charge		5,081	5,081	5,081	5,081	5,081	5,081	5,081	5,081	5,081	5,081	5,081
Excess usage Charge % of User Fees*		18.2%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%
WD Quarterly User Rates		140	140	148	148	148	152	152	152	171	171	171
Usage charges		121	121	129	129	129	133	133	133	152	152	152
Debt service surcharges		19	19	19	19	19	19	19	19	19	19	19
Annual increase - Total		0.0%	0.0%	5.7%	0.0%	0.0%	2.7%	0.0%	0.0%	12.5%	0.0%	0.0%
Annual increase - Usage chg. Only		0.0%	0.0%	6.6%	0.0%	0.0%	3.1%	0.0%	0.0%	14.3%	0.0%	0.0%
	Act	EOY PROJ	PROJECTED									
RESOURCES	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
BEGINNING BALANCE	189,591	90,854	134,115	114,119	97,117	115,060	130,861	147,904	161,933	172,815	207,113	236,561
REVENUE												
USER FEES	139,576	135,986	137,998	148,144	149,165	150,187	155,897	156,951	158,004	181,780	182,984	184,188
EXCESS USAGE CHARGES	31,920	24,742	24,150	25,925	26,104	26,283	27,282	27,466	27,651	31,811	32,022	32,233
FEE SURCHARGE FOR DEBT	48,675	21,319	21,888	22,040	22,192	22,344	22,496	22,648	22,800	22,952	23,104	23,256
SD IGA REVENUE	105,498	123,140	127,613	126,363	129,522	132,760	136,079	140,162	144,367	148,697	154,645	160,831
DEBT PROCEEDS		5,416	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
OTHER	2,695											
TOTAL REVENUE	328,364	310,603	314,049	324,872	329,383	333,974	344,155	349,627	355,221	387,641	395,155	402,908
TOTAL RESOURCES	517,955	401,457	448,164	438,991	426,501	449,034	475,016	497,531	517,154	560,455	602,268	639,469

**ARCH CAPE WATER DISTRICT
LONG RANGE FINANCIAL PLAN**

REQUIREMENTS	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
EXPENDITURES												
PERSONNEL												
SALARY/WAGE	122,442	135,915	143,641	147,232	150,913	154,686	158,553	163,309	168,209	173,255	180,185	187,393
BENEFITS	32,981	29,776	37,534	38,472	39,434	40,420	41,431	42,673	43,954	45,272	47,083	48,966
TOTAL PERSONNEL	155,423	165,691	181,175	185,704	190,347	195,106	199,983	205,983	212,162	218,527	227,268	236,359
MATERIALS & SVCS												
ALLOCABLE EXPENSES	34,950	38,494	48,758	41,977	43,026	44,102	45,205	46,561	47,958	49,396	51,372	53,427
SD FACILITIES USE	3,225	3,300	3,467	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,001
MAINTENANCE & CHEMICALS	23,840	18,835	25,000	18,000	18,000	18,000	20,000	20,000	20,000	20,000	20,000	20,000
UTILITIES	9,101	7,290	10,000	10,250	10,506	10,769	11,038	11,369	11,710	12,062	12,544	13,046
GEN'L & ADMINISTRATIVE	13,711	12,960	19,122	19,600	20,090	20,592	21,107	21,740	22,393	23,064	23,987	24,946
TOTAL M&S	84,827	80,879	106,347	92,827	94,623	96,463	100,350	102,670	105,060	107,522	110,903	114,420
DEBT SERVICE	196,812	20,772	20,772	20,772	20,772	20,772	20,772	20,772	20,772	20,772	20,772	20,772
CONTINGENCY			28,752	27,853	28,497	29,157	30,033	30,865	31,722	32,605	33,817	35,078
CONTINGENCY (amt. spent @ 20%/yr)			5,750	5,571	5,699	5,831	6,007	6,173	6,344	6,521	6,763	7,016
TOTAL OPERATING EXPENDITURES	437,062	267,341	314,044	304,874	311,441	318,172	327,112	335,598	344,339	353,342	365,707	378,567
TRANSFER TO CAPITAL FUND	0	0	20,000	37,000	0	0	0	0	0	0	0	0
CONTINGENCY & ENDING BALANCE												
CONTINGENCY		0	28,752	27,853	28,497	29,157	30,033	30,865	31,722	32,605	33,817	35,078
DESIGNATED RESERVES		20,000										
UNDESIGNATED		114,115	85,367	69,264	86,563	101,704	117,871	131,067	141,092	174,508	202,744	225,824
CONTING. + ENDING BALANCE	80,894	134,115	114,119	97,117	115,060	130,861	147,904	161,933	172,815	207,113	236,561	260,902
ENDING BALANCE	80,894	134,115	114,119	97,117	115,060	130,861	147,904	161,933	172,815	207,113	236,561	260,902
TOTAL REQUIREMENTS	517,955	401,457	448,164	438,991	426,501	449,034	475,016	497,531	517,154	560,455	602,268	639,469
REVENUE OVER/(UNDER) EXPENDS	(108,698)	43,261	(19,996)	(17,002)	17,942	15,802	17,043	14,028	10,882	34,298	29,448	24,341
LIQUIDITY REQ'MENT: 1/6 OP EXP		21,224	52,341	50,812	51,907	53,029	54,519	55,933	57,390	58,890	60,951	63,094
ENDING BALANCE MINUS LIQUIDITY REQ.		112,892	61,779	46,305	63,153	77,833	93,385	106,000	115,425	148,223	175,610	197,808
ENDING BALANCE (Capital)	33,649	56,773	66,935	34,097	44,259	54,421	64,583	74,745	84,907	95,069	15,231	25,393

**ARCH CAPE WATER DISTRICT
LONG RANGE FINANCIAL PLAN**

WATER DISTRICT - CAPITAL FUND												
	EOY PROJ											
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
RESOURCES												
BEGINNING BALANCE*	21,486	45,211	56,773	66,935	34,097	44,259	54,421	64,583	74,745	84,907	95,069	15,231
REVENUE												
SDC REVENUE	16,033	11,562	10,162	10,162	10,162	10,162	10,162	10,162	10,162	10,162	10,162	10,162
TOTAL REVENUE	16,033	11,562	10,162	10,162	10,162	10,162	10,162	10,162	10,162	10,162	10,162	10,162
TRANSFER FROM GENERAL FUND	0	0	20,000	37,000	0	0	0	0	0	0	0	0
TOTAL RESOURCES	37,519	56,773	86,935	114,097	44,259	54,421	64,583	74,745	84,907	95,069	105,231	25,393
REQUIREMENTS												
2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	
EXPENDITURES												
WATER SOURCE ASSESSMENT	3,870											
MEMBRANE REPLACEMENT												
SECOND WATER SOURCE			20,000	80,000								
STORAGE PLING : PRELIM DESIGN												
TRUCK												
SOUTH RESERVOIR												
OTHER												
TOTAL EXPENDITURES	3,870	0	20,000	80,000	0	0	0	0	0	0	90,000	0
ENDING BALANCE*	33,649	56,773	66,935	34,097	44,259	54,421	64,583	74,745	84,907	95,069	15,231	25,393
TOTAL REQUIREMENTS	37,519	56,773	86,935	114,097	44,259	54,421	64,583	74,745	84,907	95,069	105,231	25,393