

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

KEY ASSUMPTIONS:

- 2 Hookups per year
- Expense allocation: Blended 53.0% Sanitary
- Expense growth: 2% growing to 4%
- Contingency set at 15% of Operating Expenses
- Payoff of Irrigation loan : 2023-24 & reduction of debt service from \$41 to \$32 per quarter in the billing rate
- Elimination of 15% contingency spent in 2019-20 & 2020-21
- Transfer from Gen Fund to Capital Fund:
 - \$225K : 2020-21
 - \$85K : 2024-25
- Imposition of Tax : 2018-19 : \$142K : retention of \$9K balance
- User rates adjusted for Op Ex needs and Capital Expenses
 - Rate increased to \$220 : 2021-22
 - Rate increased to \$225 : 2022-23
 - Rate increased to \$240 : 2023-24

EXPECTED FUTURE CAPITAL FUND EXPENDITURES:

- \$16K SCADA Upgrade : 2019-20
- \$365K Membrane Replacement : 2020-21
- \$150K Web Lift Station Upgrade : 2024-25
- \$400K Membrane Replacement : 2030-31

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SANITARY DISTRICT - GENERAL FUND												
ASSUMPTIONS	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
GENERAL INFLATION		2.0%	2.5%	2.5%	2.5%	2.5%	3.0%	3.0%	3.0%	4.0%	4.0%	4.0%
CONTINGENCY		Assume 15% of operating expenditures is budgeted after 2017-18; and 15% of that amount is spent per year.										
HOOKUPS	336	341	343	345	347	349	351	353	355	357	359	361
Change in Hookups	2	2	2	2	2	2	2	2	2	2	2	2
System Development Charge	7,596	7,968	8,175	8,175	8,175	8,175	8,175	8,175	8,175	8,175	8,175	8,175
Excess usage Charge % of User Fees	8.5%	6.4%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	6.0%
SD Quarterly User Rates	215	215	215	215	215	220	225	240	240	240	248	248
<i>Usage charges</i>	174	174	174	174	174	179	193	208	208	208	216	216
<i>Debt service surcharges</i>	41	41	41	41	41	41	32	32	32	32	32	32
Annual increase - Total						2%	2%	7%			3%	
Annual increase - Usage chg. Only						3%	8%	8%			4%	
	Act	EOY PROJ	PROJECTED									
RESOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
BEGINNING BALANCE	292,350	305,219	342,567	353,548	383,507	167,836	173,970	194,967	232,357	178,150	199,212	222,489
REVENUE												
USER FEES	221,486	226,229	234,963	240,120	241,512	249,884	270,972	293,696	295,360	297,024	310,176	311,904
EXCESS USAGE CHARGES	18,925	34,356	18,000	19,210	19,321	19,991	21,678	23,496	23,629	23,762	24,814	18,714
FEE SURCHARGE FOR DEBT	52,365	53,259	55,365	54,587	54,587	54,587	38,703	38,703	38,703	38,703	19,383	19,383
PROPERTY TAX RECEIPTS	132,164	154,243	141,436	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600
OTHER	7,048	9,148	6,100	6,253	6,409	6,569	6,766	6,969	7,178	7,465	7,764	8,074
TOTAL REVENUE	431,988	477,236	455,863	464,769	466,429	475,631	482,719	507,464	509,470	511,554	506,737	502,676
ADDITIONAL DEBT/GRANTS												
SCADA Upgrade				16,000								
TOTAL ADDITIONAL DEBT				16,000								
TOTAL RESOURCES	724,338	782,455	798,430	834,317	849,936	643,466	656,689	702,431	741,827	689,704	705,949	725,165

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REQUIREMENTS	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
EXPENDITURES												
MATERIALS & SVCS												
WD IGA CHARGES	122,641	126,458	124,722	127,557	130,746	134,014	138,035	142,176	146,441	152,299	158,391	164,726
MAINTENANCE & CHEMICALS	33,324	38,152	40,500	41,513	42,550	43,614	44,922	46,270	47,658	49,565	51,547	53,609
UTILITIES	46,875	43,934	46,000	47,150	48,329	49,537	51,023	52,554	54,130	56,296	58,547	60,889
GEN'L & ADMINISTRATIVE	22,733	32,157	34,540	35,404	36,289	37,196	38,312	39,461	40,645	42,271	43,961	45,720
TOTAL M&S	225,573	240,701	245,762	251,623	257,913	264,361	272,292	280,461	288,875	300,430	312,447	324,945
DEBT SERVICE	54,650	54,587	54,521	54,587	54,587	54,587	38,703	38,703	38,703	38,703	19,383	19,383
USDA PLANT UPGRADE - GO BONDS	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600
CONTINGENCY		37,000	39,000	37,743	38,687	39,654	40,844	42,069	43,331	45,064	46,867	48,742
CONTINGENCY (amt. spent @ 15%/yr)						5,948	6,127	6,310	6,500	6,760	7,030	7,311
TOTAL OPERATING EXPENDITURES	424,823	439,888	444,883	450,810	457,100	469,496	461,722	470,074	478,677	490,492	483,460	496,239
TRANSFER TO CAPITAL FUND					225,000				85,000			
CONTINGENCY		37,000	39,000	37,743	38,687	39,654	40,844	42,069	43,331	45,064	46,867	48,742
DESIGNATED RESERVES		70,756	70,256	20,256	20,256	20,256	20,256	5,000	5,000	5,000	5,000	
UNDESIGNATED	299,515	234,811	244,292	325,508	108,893	114,060	133,868	185,288	129,819	149,147	170,622	180,184
CONTING. + ENDING BALANCE	299,515	342,567	353,548	383,507	167,836	173,970	194,967	232,357	178,150	199,212	222,489	228,926
TOTAL REQUIREMENTS	724,338	782,455	798,430	834,317	849,936	643,466	656,689	702,431	741,827	689,704	705,949	725,165
END BAL OVER/(UNDER) BEG BAL	7,165	37,348	10,981	29,959	(215,672)	6,134	20,997	37,390	(54,207)	21,062	23,277	6,437
RESOURCES OVER/(UNDER) REQ.												
LIQUIDITY REQ'MENT: 1/6 OP EXP	70,804	73,315	74,147	75,135	76,183	78,249	76,954	78,346	79,780	81,749	80,577	82,706
ENDING BALANCE MINUS LIQUIDITY REQ.	228,711	269,252	279,401	308,372	91,652	95,721	118,014	154,011	98,370	117,463	141,912	146,219
CAPITAL ENDING BALANCE	76,280	107,780	124,130	124,480	830	17,180	33,530	49,880	1,230	17,580	33,930	50,280

LRFP Blended Rates :

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Water Qtrly Rate	140	140	160	162	172	172	172	174	174	174	174	174
Sanitary Qtrly Rate	215	215	215	215	215	220	225	240	240	240	248	248
Water Rate % Chg			14%	1%	6%			1%				
Sanitary Rate % Chg						2%	2%	7%			3%	
Water Qtrly Rate : Annual \$	\$ 560	\$ 560	\$ 640	\$ 648	\$ 688	\$ 688	\$ 688	\$ 696	\$ 696	\$ 696	\$ 696	\$ 696
Sanitary Qtrly Rate : Annual \$	\$ 860	\$ 860	\$ 860	\$ 860	\$ 860	\$ 880	\$ 900	\$ 960	\$ 960	\$ 960	\$ 992	\$ 992
Total Yearly Utility Cost	\$ 1,420	\$ 1,420	\$ 1,500	\$ 1,508	\$ 1,548	\$ 1,568	\$ 1,588	\$ 1,656	\$ 1,656	\$ 1,656	\$ 1,688	\$ 1,688
Total Annual % Chg			6%	1%	3%	1%	1%	4%			2%	

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SANITARY DISTRICT - CAPITAL FUND													
	Act	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	2027-28
BEGINNING BALANCE	38,630	61,088	76,280	107,780	124,130	124,480	830	17,180	33,530	49,880	1,230	17,580	33,930
REVENUE													
SDC REVENUE	22,458	15,192	31,500	16,350	16,350	16,350	16,350	16,350	16,350	16,350	16,350	16,350	16,350
TOTAL REVENUE	22,458	15,192	31,500	16,350	16,350	16,350	16,350	16,350	16,350	16,350	16,350	16,350	16,350
TRANSFER FROM GENERAL FUND						225,000				85,000			
TOTAL RESOURCES	61,088	76,280	107,780	124,130	140,480	365,830	17,180	33,530	49,880	151,230	17,580	33,930	50,280
REQUIREMENTS													
EXPENDITURES													
Membrane Replacement						365,000							
Screening Upgrade													
SCADA Upgrade					16,000								
Webb Station Upgrade										150,000			
TOTAL EXPENDITURES					16,000	365,000				150,000			
ENDING BALANCE	61,088	76,280	107,780	124,130	124,480	830	17,180	33,530	49,880	1,230	17,580	33,930	50,280
TOTAL REQUIREMENTS	61,088	76,280	107,780	124,130	140,480	365,830	17,180	33,530	49,880	151,230	17,580	33,930	50,280
REVENUE OVER/(UNDER) EXPENDS	22,458	15,192	31,500	16,350	350	(348,650)	16,350	16,350	16,350	(133,650)	16,350	16,350	16,350

SANITARY DISTRICT - G.O. DEBT SVC													
	Act	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	2027-28
BEGINNING BALANCE	22,824	21,199	9,284	11,884	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
TAX IMPOSED	144,818	134,600	147,551	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000	142,000
REVENUE													
PROPERTY TAX RECEIPTS	142,975	132,685	147,200	141,716	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600
TOTAL REVENUE	142,975	132,685	147,200	141,716	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600
TOTAL RESOURCES	165,799	153,884	156,484	153,600	153,600	153,600	153,600	153,600	153,600	153,600	153,600	153,600	153,600
REQUIREMENTS													
EXPENDITURES	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600	144,600
ENDING BALANCE	21,199	9,284	11,884	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
TOTAL REQUIREMENTS	165,799	153,884	156,484	153,600	153,600	153,600	153,600	153,600	153,600	153,600	153,600	153,600	153,600