

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

**KEY ASSUMPTIONS:**

- 2 Hookups per year
- Expense allocation: Blended 53.0% Sanitary
- Expense growth: 2% growing to 4%
- Rates adjusted to retain approximately 1/24th Op Ex on hand
- Contingency set at 15% of Operating Expenses : 2019-20 forward
- No loans for capital projects
- Inclusion of \$55K watershed expense : 2018-19  
& \$10K per year through 2023-24 thereafter
- Transfer from Gen Fund to Capital Fund:
  - \$15K : 2025-26
- User rates adjusted for Op Ex needs and Capital Expenses
  - Rate increased to \$152 : 2018-19
  - Rate increased to \$162 : 2019-20
  - Rate increased to \$172 : 2020-21
  - Rate increased to \$174 : 2023-24

**EXPECTED FUTURE CAPITAL FUND EXPENDITURE:**

- \$70K Membrane Replacement : 2025-26
- \$20K Storage Planning : Preliminary Design : 2025-26
- \$80K Second Water Source : 2027-28
- \$280K South Reservoir Construction : 2029-30  
(Includes \$40K Grant)
- \$80K Membrane Replacement : 2034-35

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<b>WATER DISTRICT - GENERAL FUND</b>												
<b>ASSUMPTIONS</b>	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
SD IGA % : PERSONNEL + ALLOC		55.5%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%
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 2019-20; and assume 15% of that amount is spent per year.										
HOOKUPS	286	290	292	294	296	298	300	302	304	306	308	310
Change in Hookups	2	2	2	2	2	2	2	2	2	2	2	2
System Development Charge	5,081	5,329	5,467	5,467	5,467	5,467	5,467	5,467	5,467	5,467	5,467	5,467
Excess usage Charge % of User Fees*	18.9%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%
<b>WD Quarterly User Rates</b>	<b>140</b>	<b>140</b>	<b>152</b>	<b>162</b>	<b>172</b>	<b>172</b>	<b>172</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>
<i>Usage charges</i>	121	121	133	143	153	153	153	155	155	155	155	155
<i>Debt service surcharges</i>	19	19	19	19	19	19	19	19	19	19	19	19
Annual increase - Total			8.6%	6.6%	6.2%			1.2%				
Annual increase - Usage chg. Only			9.9%	7.5%	7.0%			1.3%				
	Act	EOY PROJ	PROJECTED									
<b>RESOURCES</b>	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<b>BEGINNING BALANCE</b>	113,080	92,771	108,084	64,888	80,137	106,358	122,396	134,398	145,004	161,476	156,364	159,340
<b>REVENUE</b>												
USER FEES	133,288	135,366	152,737	166,486	179,340	180,552	181,764	185,368	186,595	187,823	189,050	190,278
EXCESS USAGE CHARGES	25,219	34,610	26,000	29,135	31,385	31,597	31,809	32,439	32,654	32,869	33,084	33,299
FEE SURCHARGE FOR DEBT	20,862	21,223	21,820	22,344	22,496	22,648	22,800	22,952	23,104	23,256	23,408	23,560
SD IGA REVENUE	122,641	126,458	124,722	127,959	131,158	134,437	138,470	142,624	146,903	152,779	158,890	165,245
DEBT PROCEEDS												
SALE OF TRUCK		2,500										
OTHER	7,757	4,656	2,900	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
<b>TOTAL REVENUE</b>	<b>309,766</b>	<b>324,813</b>	<b>328,178</b>	<b>348,324</b>	<b>366,779</b>	<b>371,634</b>	<b>377,242</b>	<b>385,783</b>	<b>391,656</b>	<b>399,126</b>	<b>406,832</b>	<b>414,782</b>
<b>TOTAL RESOURCES</b>	<b>422,846</b>	<b>417,584</b>	<b>436,263</b>	<b>413,212</b>	<b>446,915</b>	<b>477,991</b>	<b>499,639</b>	<b>520,180</b>	<b>536,660</b>	<b>560,602</b>	<b>563,196</b>	<b>574,122</b>

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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
<b>EXPENDITURES</b>												
<b>PERSONNEL</b>												
SALARY/WAGE	122,442	141,406	149,385	153,120	156,948	160,871	165,697	170,668	175,788	182,820	190,133	197,738
BENEFITS	32,981	39,080	41,300	42,333	43,391	44,476	45,810	47,184	48,600	50,544	52,565	54,668
<b>TOTAL PERSONNEL</b>	<b>155,423</b>	<b>180,486</b>	<b>190,685</b>	<b>195,452</b>	<b>200,338</b>	<b>205,347</b>	<b>211,507</b>	<b>217,853</b>	<b>224,388</b>	<b>233,364</b>	<b>242,698</b>	<b>252,406</b>
<b>MATERIALS &amp; SERVICES</b>												
ALLOCABLE EXPENSES	34,950	39,592	44,858	45,979	47,129	48,307	49,756	51,249	52,787	54,898	57,094	59,378
SD FACILITIES USE	3,225	2,925	3,600	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,001	3,002
WATERSHED		3,000	55,000	10,000	10,000	10,000	10,000	10,000				
MAINTENANCE & CHEMICALS	23,840	23,731	26,000	26,650	27,316	27,999	28,839	29,704	30,595	31,819	33,092	34,416
UTILITIES	9,100	9,010	10,000	10,250	10,506	10,769	11,092	11,425	11,767	12,238	12,728	13,237
GEN'L & ADMINISTRATIVE	13,711	13,547	20,460	20,972	21,496	22,033	22,694	23,375	24,076	25,039	26,041	27,083
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>84,826</b>	<b>91,805</b>	<b>159,918</b>	<b>116,851</b>	<b>119,447</b>	<b>122,108</b>	<b>125,382</b>	<b>128,753</b>	<b>122,226</b>	<b>126,995</b>	<b>131,956</b>	<b>137,115</b>
CONTINGENCY			45,000	23,423	47,968	49,118	50,533	51,991	51,992	54,054	56,198	58,428
CONTINGENCY (amt. spent @ 15%/yr)						7,368	7,580	7,799	7,799	8,108	8,430	8,764
CAPITAL OUTLAY		16,436										
<b>TOTAL OPERATING EXPENDITURES</b>	<b>240,249</b>	<b>288,727</b>	<b>350,603</b>	<b>312,303</b>	<b>319,786</b>	<b>334,823</b>	<b>344,469</b>	<b>354,404</b>	<b>354,413</b>	<b>368,466</b>	<b>383,083</b>	<b>398,285</b>
<b>TRANSFER TO CAPITAL FUND</b>										<b>15,000</b>		
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
<b>CONTINGENCY &amp; ENDING BALANCE</b>												
CONTINGENCY			45,000	23,423	47,968	49,118	50,533	51,991	51,992	54,054	56,198	58,428
DESIGNATED RESERVES	20,000	12,104	19,291	52,051	53,298	54,576	56,148	57,768	57,769	60,060	62,442	64,920
UNDESIGNATED	114,115	95,980	597	4,663	5,092	18,702	27,716	35,246	51,714	42,250	40,700	31,717
<b>CONT. + RESERVES + UNDESIGNATED</b>	<b>134,115</b>	<b>108,084</b>	<b>64,888</b>	<b>80,137</b>	<b>106,358</b>	<b>122,396</b>	<b>134,398</b>	<b>145,004</b>	<b>161,476</b>	<b>156,364</b>	<b>159,340</b>	<b>155,065</b>
<b>ENDING BALANCE</b>	<b>134,115</b>	<b>108,084</b>	<b>64,888</b>	<b>80,137</b>	<b>106,358</b>	<b>122,396</b>	<b>134,398</b>	<b>145,004</b>	<b>161,476</b>	<b>156,364</b>	<b>159,340</b>	<b>155,065</b>
<b>TOTAL REQUIREMENTS</b>	<b>571,176</b>	<b>417,584</b>	<b>436,263</b>	<b>413,212</b>	<b>446,915</b>	<b>477,991</b>	<b>499,639</b>	<b>520,180</b>	<b>536,660</b>	<b>560,602</b>	<b>563,196</b>	<b>574,122</b>
<b>REVENUE OVER/(UNDER) EXPENSE</b>	<b>69,517</b>	<b>36,085</b>	<b>(22,425)</b>	<b>36,021</b>	<b>46,993</b>	<b>36,810</b>	<b>32,773</b>	<b>31,379</b>	<b>37,243</b>	<b>30,660</b>	<b>23,749</b>	<b>16,497</b>
<b>RESOURCES OVER/(UNDER) REQ.</b>												
<b>LIQUIDITY REQ'MENT: 1/6 OP EXP</b>	<b>40,042</b>	<b>45,382</b>	<b>14,024</b>	<b>52,051</b>	<b>53,298</b>	<b>54,576</b>	<b>56,148</b>	<b>57,768</b>	<b>57,769</b>	<b>60,060</b>	<b>62,442</b>	<b>64,920</b>
ENDING BALANCE MINUS LIQUIDITY R	94,074	62,702	50,863	28,086	53,060	67,820	78,250	87,237	103,707	96,304	96,898	90,145
<b>ENDING BALANCE</b>	<b>45,211</b>	<b>66,979</b>	<b>77,913</b>	<b>88,847</b>	<b>99,781</b>	<b>110,715</b>	<b>121,649</b>	<b>132,583</b>	<b>143,517</b>	<b>79,451</b>	<b>90,385</b>	<b>21,319</b>

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WATER DISTRICT - CAPITAL FUND												
	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
<b>BEGINNING BALANCE</b>	<b>33,649</b>	<b>48,892</b>	<b>66,979</b>	<b>77,913</b>	<b>88,847</b>	<b>99,781</b>	<b>110,715</b>	<b>121,649</b>	<b>132,583</b>	<b>143,517</b>	<b>79,451</b>	<b>90,385</b>
<b>REVENUE</b>												
SDC REVENUE	11,562	18,087	10,934	10,934	10,934	10,934	10,934	10,934	10,934	10,934	10,934	10,934
<b>TOTAL REVENUE</b>	<b>11,562</b>	<b>18,087</b>	<b>10,934</b>	<b>10,934</b>	<b>10,934</b>	<b>10,934</b>	<b>10,934</b>	<b>10,934</b>	<b>10,934</b>	<b>10,934</b>	<b>10,934</b>	<b>10,934</b>
<b>TRANSFER FROM GENERAL FUND</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>45,211</b>	<b>66,979</b>	<b>77,913</b>	<b>88,847</b>	<b>99,781</b>	<b>110,715</b>	<b>121,649</b>	<b>132,583</b>	<b>143,517</b>	<b>169,451</b>	<b>90,385</b>	<b>101,319</b>
<b>REQUIREMENTS</b>	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<b>EXPENDITURES</b>												
WATER SOURCE ASSESSMENT												
MEMBRANE REPLACEMENT										70,000		
SECOND WATER SOURCE												80,000
STORAGE PLNG : PRELIM DESIGN										20,000		
TRUCK												
SOUTH RESERVOIR												
OTHER												
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>90,000</b>	<b>0</b>	<b>80,000</b>
<b>ENDING BALANCE</b>	<b>45,211</b>	<b>66,979</b>	<b>77,913</b>	<b>88,847</b>	<b>99,781</b>	<b>110,715</b>	<b>121,649</b>	<b>132,583</b>	<b>143,517</b>	<b>79,451</b>	<b>90,385</b>	<b>21,319</b>
<b>TOTAL REQUIREMENTS</b>	<b>45,211</b>	<b>66,979</b>	<b>77,913</b>	<b>88,847</b>	<b>99,781</b>	<b>110,715</b>	<b>121,649</b>	<b>132,583</b>	<b>143,517</b>	<b>169,451</b>	<b>90,385</b>	<b>101,319</b>