

**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 \$172 : 2018-19
 - Rate decreased to \$158 : 2019-20
 - Rate increased to \$164 : 2021-22
 - 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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WATER 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
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%
WD Quarterly User Rates	140	140	172	158	158	164	164	174	174	174	174	174
<i>Usage charges</i>	121	121	153	139	139	145	145	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			22.9%	-8.1%		3.8%		6.1%				
Annual increase - Usage chg. Only			26.4%	-9.2%		4.3%		6.9%				
	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	113,080	92,771	108,084	87,855	97,632	104,572	109,517	110,352	120,958	137,429	132,317	135,294
REVENUE												
USER FEES	133,288	135,366	175,705	161,829	162,930	171,112	172,260	185,368	186,595	187,823	189,050	190,278
EXCESS USAGE CHARGES	25,219	34,610	26,000	28,320	28,513	29,945	30,146	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
TOTAL REVENUE	309,766	324,813	351,146	342,852	347,497	360,541	366,075	385,783	391,656	399,126	406,832	414,782
TOTAL RESOURCES	422,846	417,584	459,230	430,708	445,129	465,112	475,593	496,134	512,614	536,556	539,149	550,076

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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												
PERSONNEL												
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
TOTAL PERSONNEL	155,423	180,486	190,685	195,452	200,338	205,347	211,507	217,853	224,388	233,364	242,698	252,406
MATERIALS & SERVICES												
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
TOTAL MATERIALS & SERVICES	84,826	91,805	159,918	116,851	119,447	122,108	125,382	128,753	122,226	126,995	131,956	137,115
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										
TOTAL OPERATING EXPENDITURES	240,249	288,727	350,603	312,303	319,786	334,823	344,469	354,404	354,413	368,466	383,083	398,285
TRANSFER TO CAPITAL FUND										15,000		
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 & ENDING BALANCE												
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	23,564	22,159	3,306	5,823	3,670	11,200	27,668	18,204	16,654	7,671
CONT. + RESERVES + UNDESIGNATED	134,115	108,084	87,855	97,632	104,572	109,517	110,352	120,958	137,429	132,317	135,294	131,019
ENDING BALANCE	134,115	108,084	87,855	97,632	104,572	109,517	110,352	120,958	137,429	132,317	135,294	131,019
TOTAL REQUIREMENTS	571,176	417,584	459,230	430,708	445,129	465,112	475,593	496,134	512,614	536,556	539,149	550,076
REVENUE OVER/(UNDER) EXPENSE	69,517	36,085	543	30,549	27,711	25,718	21,606	31,379	37,243	30,660	23,749	16,497
RESOURCES OVER/(UNDER) REQ.												
LIQUIDITY REQ'MENT: 1/6 OP EXP	40,042	45,382	14,024	52,051	53,298	54,576	56,148	57,768	57,769	60,060	62,442	64,920
ENDING BALANCE MINUS LIQUIDITY R	94,074	62,702	73,831	45,582	51,274	54,941	54,203	63,190	79,660	72,258	72,852	66,099
ENDING BALANCE	45,211	66,979	77,913	88,847	99,781	110,715	121,649	132,583	143,517	79,451	90,385	21,319

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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
BEGINNING BALANCE	33,649	48,892	66,979	77,913	88,847	99,781	110,715	121,649	132,583	143,517	79,451	90,385
REVENUE												
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
TOTAL 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
TRANSFER FROM GENERAL FUND	0	0	0	0	0	0	0	0	0	15,000	0	0
TOTAL RESOURCES	45,211	66,979	77,913	88,847	99,781	110,715	121,649	132,583	143,517	169,451	90,385	101,319
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												
WATER SOURCE ASSESSMENT												
MEMBRANE REPLACEMENT										70,000		
SECOND WATER SOURCE												80,000
STORAGE PLNG : PRELIM DESIGN										20,000		
TRUCK												
SOUTH RESERVOIR												
OTHER												
TOTAL EXPENDITURES	0	0	0	0	0	0	0	0	0	90,000	0	80,000
ENDING BALANCE	45,211	66,979	77,913	88,847	99,781	110,715	121,649	132,583	143,517	79,451	90,385	21,319
TOTAL REQUIREMENTS	45,211	66,979	77,913	88,847	99,781	110,715	121,649	132,583	143,517	169,451	90,385	101,319