

**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 \$160 : 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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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	160	162	172	172	172	174	174	174	174	174
<i>Usage charges</i>	121	121	141	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			14.3%	1.3%	6.2%			1.2%				
Annual increase - Usage chg. Only			16.5%	1.4%	7.0%			1.3%				
	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	74,815	90,420	117,007	133,438	145,844	156,866	173,767	169,101	172,541
REVENUE												
USER FEES	133,288	135,366	161,924	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	127,557	130,746	134,014	138,035	142,176	146,441	152,299	158,391	164,726
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	337,366	347,922	366,367	371,211	376,807	385,335	391,194	398,646	406,333	414,263
TOTAL RESOURCES	422,846	417,584	445,450	422,737	456,787	488,218	510,245	531,178	548,061	572,413	575,433	586,804

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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	148,645	152,361	156,170	160,074	164,877	169,823	174,918	181,914	189,191	196,759
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	189,945	194,694	199,561	204,550	210,686	217,007	223,517	232,458	241,756	251,427
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			38,000	23,366	47,851	48,999	50,410	51,864	51,861	53,918	56,057	58,281
CONTINGENCY (amt. spent @ 15%/yr)						7,350	7,562	7,780	7,779	8,088	8,409	8,742
CAPITAL OUTLAY		16,436										
TOTAL OPERATING EXPENDITURES	240,249	288,727	349,863	311,545	319,008	334,008	343,630	353,540	353,522	367,540	382,120	397,283
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			38,000	23,366	47,851	48,999	50,410	51,864	51,861	53,918	56,057	58,281
DESIGNATED RESERVES	20,000	12,104	19,291	51,924	53,168	54,443	56,011	57,627	57,624	59,909	62,285	64,757
UNDESIGNATED	114,115	95,980	17,524	15,130	15,988	29,996	39,422	47,376	64,281	55,274	54,199	45,711
CONT. + RESERVES + UNDESIGNATED	134,115	108,084	74,815	90,420	117,007	133,438	145,844	156,866	173,767	169,101	172,541	168,749
ENDING BALANCE	134,115	108,084	74,815	90,420	117,007	133,438	145,844	156,866	173,767	169,101	172,541	168,749
TOTAL REQUIREMENTS	571,176	417,584	445,450	422,737	456,787	488,218	510,245	531,178	548,061	572,413	575,433	586,804
END BAL OVER/(UNDER) BEG BAL	21,035	15,313	(33,269)	15,606	26,587	16,431	12,406	11,023	16,900	(4,666)	3,440	(3,793)
RESOURCES OVER/(UNDER) REQ.												
LIQUIDITY REQ'MENT: 1/6 OP EXP	40,042	45,382	31,488	51,924	53,168	54,443	56,011	57,627	57,624	59,909	62,285	64,757
ENDING BALANCE MINUS LIQUIDITY R	94,074	62,702	43,327	38,496	63,839	78,995	89,832	99,240	116,143	109,192	110,256	103,992
CAPITAL FUND 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