

**CERTIFICATION OF BUDGET**

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for Upper Thompson Sanitation District, for the budget year ending December 31, 2016, as adopted on December 15, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Upper Thompson Sanitation District, Larimer County, Colorado, this 21st day of December, 2015.

  
\_\_\_\_\_  
Suzanne Jurgens, Budget Officer



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[www.utsd.org](http://www.utsd.org)

**RESOLUTION NO. 2015-12-01**

**UPPER THOMPSON SANITATION DISTRICT**

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**RESOLUTION TO ADOPT BUDGET**

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**WHEREAS**, the Board of Directors (“Board”) of Upper Thompson Sanitation District (“District”) has appointed a budget committee to prepare and submit a proposed 2016 budget to the Board at the proper time; and

**WHEREAS**, such budget committee has submitted the proposed budget to the Board for its consideration on or before October 15, 2015; and

**WHEREAS**, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 17, 2015, and interested electors were given the opportunity to file or register any objections to the budget; and

**WHEREAS**, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“TABOR”) and other laws or obligations which are applicable to or binding upon the District; and

**WHEREAS**, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Upper Thompson Sanitation District:

1. That estimated expenditures for each fund are as follows:

|               |                |
|---------------|----------------|
| General Fund: | \$4,405,493.30 |
|---------------|----------------|

2. That estimated revenues are as follows:

General Fund:

|  |                       |
|--|-----------------------|
| From unappropriated surpluses                | \$4,592,914.39        |
| From sources other than general property tax | <u>\$3,305,362.75</u> |
| Total  | \$7,898,277.14        |

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of Upper Thompson Sanitation District for the 2016 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

**TO APPROPRIATE SUMS OF MONEY**

**WHEREAS**, the Board of Directors of the District has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

**WHEREAS**, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of District.

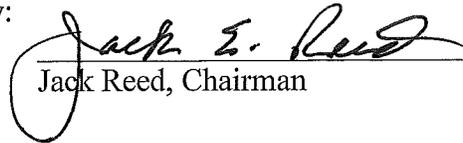
**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Upper Thompson Sanitation District that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

|               |                |
|---------------|----------------|
| General Fund: | \$4,405,493.30 |
|---------------|----------------|

**ADOPTED** this 15<sup>th</sup> day of December, 2015 by the Board of Directors of the Upper Thompson Sanitation District, Colorado.

UPPER THOMPSON SANITATION DISTRICT

By:

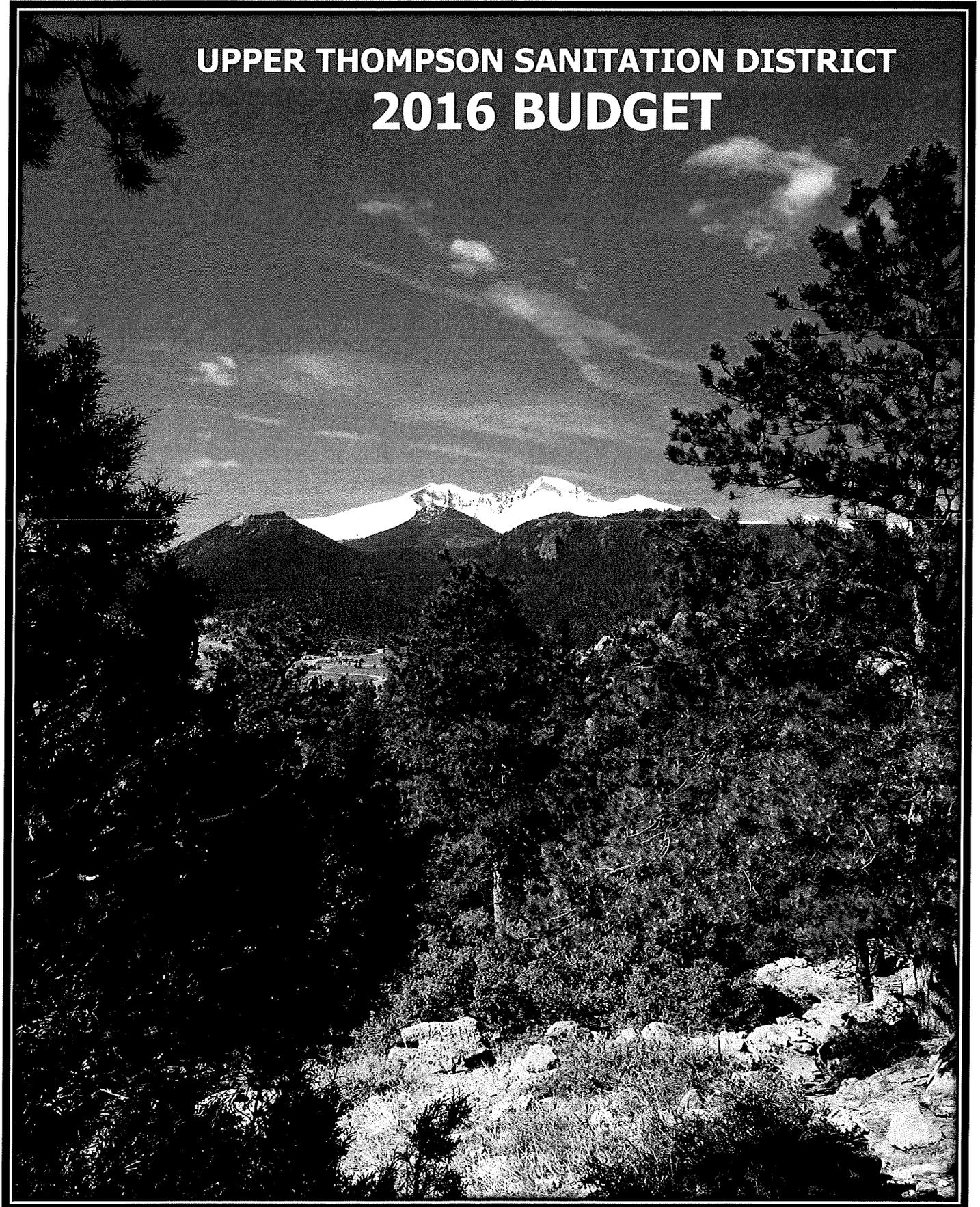
  
\_\_\_\_\_  
Jack Reed, Chairman

ATTEST:

By:

  
\_\_\_\_\_  
Kent Bosch, Secretary

# UPPER THOMPSON SANITATION DISTRICT 2016 BUDGET



Prepared By: Suzanne Jurgens, Budget Officer  
Adopted December 15, 2015

# UPPER THOMPSON SANITATION DISTRICT

## 2016 BUDGET MESSAGE



### **Board of Directors**

Mr. Jack Reed – Chairman  
Mr. Kent Bosch – Secretary  
Mr. Chris Eshelman – Treasurer  
Mr. Ron Duell – Director  
Mr. Mike Kearney – Director

### **Department Heads**

Mr. Chris Bieker – Administration  
Mr. Todd Krula – Collection System  
Mr. Joe Creaghe – Treatment Plant

### **Budget Team**

Mr. Chris Bieker – District Manager  
Ms. Suzanne Jurgens – Financial Officer/Budget Officer

## **BUDGET MESSAGE**

By: Chris Bieker, District Manager

Date: October 5, 2015 (Revised December 15, 2015)

### **INTRODUCTION**

On behalf of the management and staff of the Upper Thompson Sanitation District, I am pleased to submit the 2016 budget for consideration by the Board of Directors. This budget represents our best effort to predict business activity for the year 2016.

It is important to note that while the adoption of this budget focuses on identifying and estimating the expenditure of financial resources, it is also a policy setting document. It offers directives on Upper Thompson Sanitation District's use of staff time and facilities, and affects management decisions for 2016.

The organization and presentation of the Upper Thompson Sanitation District's budget is meant to satisfy the needs of citizens, ratepayers, public officials and District employees. It is organized and structured to meet internal and external managerial needs. As a comprehensive management and balanced financial plan, this document describes the programs, services and resources being provided by Upper Thompson Sanitation District as well as policies and long-term financial plans.

Last year I concluded the 2015 Budget Message with a summary of the financial impact to the District resulting from the September 2013 flood. I am happy to report that the close of 2015 brings substantial completion to the permanent repairs of the collection system in the Fish Creek corridor. The Phase I Fish Creek Corridor Public Infrastructure Project was a major and arduous undertaking for the District and the other partners of the Intergovernmental Agreement (IGA) - Larimer County, Town of Estes Park, and Estes Valley Recreation and Park District. Permanent sanitation lines were completely installed in the Fish Creek Corridor on September 18, 2015. I want to express appreciation to Collection System Superintendent, Mr. Todd Krula, and Collection System Foreman, Mr. Matt Allen, who worked tirelessly in the Fish Creek corridor for more than 10 months providing outstanding project oversight on behalf of the District. I must also acknowledge Mr. Kyle Arend, P.E., of Larimer County. Kyle is the lead project manager on the Phase I Fish Creek Corridor Public Infrastructure Project and has successfully managed a very difficult project. His leadership has been invaluable to the IGA partners. As of this date, the District's major flood recovery work is complete. The reimbursement process continues with the State of Colorado for FEMA, State, and Community Development Block Grant funding, as well as the administration of project closeout for all flood recovery projects.

Upper Thompson Sanitation District Wastewater Treatment Plant earned two awards in 2015: The Rocky Mountain Water Environment Association Award for Outstanding Efforts in Operations, Maintenance and Public Relations; and, the Rocky Mountain Water Environment Association Safety Award for 2 years without a loss time accident. The awards applaud and highlight our employees' unwavering commitment to their work as environmental stewards of the Estes Valley and surrounding communities. Plant Superintendent, Mr. Joe Creaghe continues to lead his competent staff in taking care of the 45 year old wastewater treatment facility. Together with engineer, Mr. Steve Ravel of Hatch Mott MacDonald, plant staff continually strives to maintain compliance with permits and stay well-informed of forthcoming regulations mandated by the State of Colorado and the Environmental Protection Agency.

I want to publically thank Mr. Ravel for his resolute commitment to Upper Thompson Sanitation District. His professionalism and expert knowledge of wastewater treatment and management are truly an asset to the District.

And finally, I wish to commend our Financial Officer, Ms. Suzanne Jurgens, for her tenacious efforts in managing all aspects of District financial operations including preparation of this budget and the complex flood recovery and grant tracking reporting.

Included in this document are the operating and capital revenue projections; overhead, operational and capital expenses; and ending fund balances. This budget incorporates several planned capital improvement projects outlined in the revised Capital Improvement Plan which was presented at the July 21, 2015 public meeting.

During the budget development process, I rely heavily on the knowledge and experience of the department supervisors to forecast expected revenue and expenditures. This budget is prepared following input by our plant, lines, and administration departments; and, after analyzing, evaluating, and justifying both financial and non-financial objectives and goals of the District for the current year and future years. The District's budget is a comprehensive document which enables the Board and staff to evaluate preceding activity and future direction of the District.

The following is a schedule of important dates in the 2016 budget review process:

- October 5 – Presentation of proposed budget to the board.
- October 6 – 31 – Board and staff review the budget and develop questions and comments for the District Manager.
- November 1 – 11 – District Manager responds to questions and comments of the board and staff.
- November 17 – Budget Hearing during regular board meeting.
- December 15 – Approval and adoption of 2016 budget at regular board meeting.

## **REVIEW OF 2015**

The Estes Valley has experienced strong residential and commercial development in 2015. Estes Park Housing Authority began construction of Falcon Ridge Apartments, a new 48 unit apartment complex, which is a noteworthy addition to Upper Thompson Sanitation District's customer base. The District will have a historically high number of PIF's sold in 2015 as new plant investment fees sold through November 30, 2015 total 60, which far exceeds the 2015 estimate of 15. The remaining reporting month should continue the trend and we expect strong final numbers for growth.

Aside from flood recovery work in the Fish Creek corridor, the other major focus for 2015 has been headworks enhancements and ongoing nutrient and metals planning for the wastewater treatment plant. As impending regulations evolve, District staff continues to work with Hatch Mott MacDonald engineers to develop methodologies and applications to address potential permit values the District will be required to meet in the future. Staff is also working to identify and mitigate the challenges of inflow and infiltration entering the collection system through cracked pipes and porous manholes. Monthly updates at board meetings have kept the Board abreast of the major issues, developments, and decision points related to plant and lines operations.

## **OTHER MAJOR HIGHLIGHTS**

- Upper Thompson Sanitation District treated 295,650 million gallons of wastewater through October 2015. The cost of treatment was \$0.004 per gallon, a \$0.002 decrease from 2014, a true testament to our operational efficiency.
- The staff continues mitigation, management, and administration of flood related issues through FEMA, State of Colorado, and Community Development Block Grant – Disaster Recovery (CDBG-DR) programs. Flood recovery cost reimbursement is an ongoing effort.
- The District has maintained strong relationships with partners of the Intergovernmental Agreement for the Phase I Fish Creek Corridor Public Infrastructure Project - Larimer County, Town of Estes Park, and Estes Valley Recreation and Park District.
- A comprehensive and successful audit of our financial accounts was completed. An A-133 single audit will be required in the future if the District receives federal funding in excess of \$750,000. Mr. Alan Holmberg and his staff, of accounting firm Anderson & Whitney, provided professional bookkeeping and fiscal advice to improve the District's financial integrity.
- Educational outreach was implemented including open house tours of the facilities, press releases, newspaper articles, new website and Facebook page launch, and newsletters in an effort to engage customers and the community in our operations and strategic planning. We received positive feedback from those who participated in the tours.

- Customer Accounts began accepting credit card and on-line payments the last quarter of the year to enhance customer service and increase efficiency and effectiveness of our revenues.
- Board Chairman, Larry Pettyjohn, resigned from the Board of Directors effective October 1, 2015. He faithfully served the Upper Thompson Sanitation District as a Director and Board Chairman from 2008 to 2015. His leadership will be missed.
- The Board of Directors appointment of Mr. Mike Kearney to fill the vacancy on the Board of Directors was made on October 5, 2015.
- The District relied on legal counsel from Ms. Linda Glesne, Mr. Christopher Price, and Ms. Peggy Rupp of Collins, Cockrel & Cole throughout the year for guidance on several challenging matters. We appreciate the expert legal counsel they give to the District.
- District staff continued to consider anticipated growth and accurately evaluate future expansion opportunities.
- Securing debt financing through the Colorado Water Resources State Revolving Fund continues to be a consideration as an additional tool to support financing capital improvement projects.
- A concerted effort is being made to acquire additional grant funding for projects related to flood damage not eligible for public assistance grants associated with initial disaster funding.
- An 8.5% multi-year rate increase for access fees, metered, and non-metered customers was adopted by board resolution in September 2015. Rate increases will be levied each year in 2016, 2017, and 2018. Key drivers of rate increases are the District's forecasted CIP expenditures and associated CIP financing strategy.
- All staff members were acknowledged for their efforts through pay increases in 2015, furthering our commitment and appreciation of our great team.
- We continue to monitor benefit costs and work to minimize those cost impacts while providing our staff with high quality coverages. In January 2016 the District will change health care providers through Colorado Employers Benefit Trust with anticipation of premium cost savings while not sacrificing benefits to employees.
- Plant staff performs ongoing stream monitoring studies and testing that will continue in 2016. We work very hard to be environmental shepherds of the Estes Valley and care about how we treat and return water to the Big Thompson River.
- All staff is encouraged to increase their knowledge through training and classes. This year staff has attended courses, seminars, and conferences for continuing education on a myriad of topics including customer relations and communication, software and equipment, standards and regulations, infrastructure, treatment processes, etc. We understand the value of individuals bettering themselves by enhancing their education. Investing in our staff is a high priority of the District.

- The Board of Directors and administrative staff attended the 2015 Special District Association Conference. The conference presents updates on local government issues, offers valuable insight and current trends, and provides opportunity to network with peers.

This is not an all-inclusive list of highlights of the year. There are many more which our small staff of 14 full time employees has managed to accomplish. 2015 has been an eventful and productive year.

### **BUDGET PREPARATION**

In August of each year the plant, lines, and administration departments begin work on budget requests for the upcoming year. Staff identifies needs and ongoing budgetary issues that should be considered and submits proposed budget items to me. I then consider and compile the information and discuss it with department heads, District engineer, and the budget officer. After further discussion and examination, revised budget requests are further refined and integrated into the operation, overhead, and capital budget line items. A proposed annual budget is prepared for review and revision by the Board and staff prior to the budget hearing normally held in November or December. After the budget hearing the board will adopt the final annual budget for the next year.

It is important to note that details and explanations of budget items are provided at the end of the budget in the General Fund Budget Summary Notes.

### **BUDGET GOALS**

The primary budgetary objective is to provide the highest possible level of service to Upper Thompson Sanitation District's customers without impairing the District's sound financial condition. Continual efforts are made to improve productivity, lower costs, and enhance service. The District will endeavor to keep current expenditures less than current revenue. Current expenditures are defined as operating expenses and capital improvement expenditures. The District maintains a budgetary control system to ensure adherence to the budget and prepare monthly reports comparing actual revenues and expenditures to budgeted amounts. Upper Thompson Sanitation District will not establish a goal or policy without also providing the necessary funding to accomplish those goals and policies.

The adopted budget may only be changed by board action. Staff may make budget change requests to the board at regularly scheduled board meetings. The board will then consider the requests based on staff recommendations and approve or deny the requests by a majority vote.

### **BUDGET OVERVIEW**

In order to prepare the annual budget and to understand challenges and opportunities encompassing the next several years, staff must understand how national, state, and local trends affect Upper Thompson Sanitation District. In order to accomplish this, a rolling ten year

Capital Improvement Plan (CIP) is prepared which forecasts capital improvement expenditures year by year.

Upper Thompson Sanitation District's capital improvement plan reflects impending permitted effluent regulations, specifically discharge requirements for metals, temperature, nitrogen, and phosphorus. The District is also aware of future regulatory standards and, therefore, contracts with a consulting firm to provide guidance in developing long term budget and compliance schedules. Staff continuously monitors other factors which could impact the future goals and operation of the District.

The District does not collect a mill levy tax and currently operates as an enterprise where fees are collected in exchange for providing wastewater service. Operation, maintenance, and required capital improvement projects are funded through revenues received from service charges and plant investment fees. The revenues and expenses comprise the enterprise fund.

The enterprise fund is our day to day operating fund for the District. It is the fund where all service fees from our customers are placed as well as funds for capital improvements and revenues from plant investment fees (PIF). It is the fund from which the expenses are paid. Capital costs are allocated through this fund and will include continued work on the collection system and plant upgrades indicated in the capital improvement plan. The 2016 enterprise fund is based on revenues of \$3,305,363 and expenditures of \$4,405,493. The budget calls for an anticipated fund balance at the end of 2015 of \$4,592,914 and a balance at the end of 2016 of \$3,492,784. Revenues (excluding grant income) will decrease approximately 8.5% and overall expenses (excluding flood recovery expenses) will increase 71% from 2015's anticipated year end totals.

In the 2016 budget I am proposing a \$50,000 operation and maintenance contingency and a \$100,000 capital contingency allowing the Board and myself to make recommendations as we see fit through the year for unforeseen needed expenditures.

The capacity of the District's treatment plant and collection system is approximately 70% utilized. The major expenditures of the District are infrastructure based repair and replacement, employee salary and benefits, supplies, and utilities.

### **FLOOD RECOVERY**

I am pleased to report infrastructure damaged in the 2013 flood will be essentially repaired at the conclusion of 2015. Installation of permanent collection system lines in the Fish Creek corridor was the emphasis of flood recovery work in 2015. Upper Thompson Sanitation District's cost for the construction of the Phase I Fish Creek Corridor Public Infrastructure Project will exceed \$7.2 million. The Fish Creek Project presented challenging conditions due to a high water table resulting in poor soil conditions (excavation and compaction), extra rock excavation, and weather delays which increased costs over the initial contract obligation. Overall the District is satisfied with the final result of this very complex project.

The District's financial obligation for all flood recovery costs is an unknown total. A portion of the costs will be reimbursed by FEMA (up to a maximum of 75% of costs), and the State of Colorado (up to a maximum of 12.5%). Additionally, the District has been awarded grant funding from the Community Development Block Grant – Disaster Recovery (CDBG-DR) program which may reimburse up to 12.5% of the costs of 7 of the District's 8 FEMA projects. It is anticipated the majority of reimbursements will be received by the District by the end of 2015; however, pinpointing the final compensation figure is difficult. The 2015 estimated grant income is yet to be determined, also making the outstanding 2016 grant income indeterminate. Processing flood recovery costs for grant reimbursement continues and project closeout with the State of Colorado is forthcoming.

#### CONCLUSION

Again, I am pleased to provide the 2016 budget for your consideration. I remind the board and staff that Upper Thompson Sanitation District belongs to its customers. The Board of Directors and staff are privileged with the task of managing its assets. We take our jobs very seriously and work to provide high quality wastewater service and protect the environment while being fiscally responsible with District funds. The Upper Thompson Sanitation District and Estes Valley have demonstrated impressive resiliency after the 2013 floods and we are proud of our daily operations and flood recovery progress. We are fortunate to enjoy a recovering economy of which the effective result is a strong tourism climate and growth in Estes Park. That growth translates into new residents and businesses coming into our community and new customers to the District. Therefore, capital improvement planning and projects will always be on the forefront of our horizon. We endeavor to be the premier provider of wastewater utility service in Estes Park and have the fortitude and the personnel to meet the continued challenges of growth in the Estes Valley.

Sincerely,

  
Chris Bieker, District Manager

# UPPER THOMPSON SANITATION DISTRICT

## MISSION STATEMENT

*The Upper Thompson Sanitation District is fully committed to managing the natural resources with which the District is entrusted; to provide reliable, high quality, cost effective wastewater collection and treatment services; to promote a quality of life that all citizens in the Estes valley may benefit from. Our staff strives to deliver prompt and friendly customer service, while ensuring the preservation, protection, and enhancement of our environment for future generations.*



**OVERVIEW OF DISTRICT OPERATIONS**

The District was formed in 1971 to provide wastewater treatment service to the areas surrounding the Town of Estes Park and to improve the water quality of the Big Thompson River. The District's wastewater treatment facility provides primary, secondary and tertiary wastewater treatment. The wastewater treatment facility has the capacity to treat up to 2.0 million gallons per day under peak load conditions and is currently operating at approximately 262.5 million gallons per year under average load conditions. The District also operates three lift stations and maintains approximately 90 miles of wastewater collection and conveyance system pipelines.

The District is staffed with fourteen permanent employees including four administrative employees, four employees responsible for collection system maintenance, and six employees responsible for wastewater treatment plant operations. The District's operations are overseen by a Board of Directors elected by the voters within the District.

**2016 District Organizational Chart**

**Board of Directors**

**District Manager**

| <b><u>ADMINISTRATION</u></b>         | <b><u>TREATMENT<br/>PLANT</u></b> | <b><u>COLLECTION<br/>SYSTEM</u></b> | <b><u>LABORATORY</u></b>     |
|--------------------------------------|-----------------------------------|-------------------------------------|------------------------------|
| Suzanne Jurgens<br>Financial Officer | Joe Creaghe<br>Superintendent     | Todd Krula<br>Superintendent        | Debbie Taylor<br>Lab Analyst |
| Melissa Mason<br>Customer Accounts   | Sandra Mourning<br>Operator       | Matt Allen<br>Lines Foreman         |                              |
| Noel Pointer<br>Secretary            | Jerry Schrag<br>Operator          | Patrick Montoya<br>Operator         |                              |
|                                      | Clinton Dunkelberger<br>Operator  | Nathanael Romig<br>Operator         |                              |
|                                      | Henry Newhouse III<br>Operator    |                                     |                              |

## REVENUE

The revenues for the enterprise fund are primarily received through service fees to our customers. The following table summarizes the District's wastewater customer accounts and their billing methodology:

| <b>Profile of Upper Thompson Sanitation District Active Wastewater Customer Accounts</b> |                 |  |
|--|-----------------|--|
| <b>Customer Class</b>  | <b>Accounts</b> | <b>Billing Methodology</b>   |
| Non-Metered – Customers  | 2,662           | Billed on a quarterly fixed charge rate and based on the single family equivalency value assigned to each customer.  |
| Non-Metered – Accounts   | 4,213           |  |
| Metered – Customers  | 80              | Billed on a quarterly basis and based on water usage data provided by the Town of Estes Park and customer meters.  |
| Metered – Accounts   | 100             |  |
| Special Metered - Customers  | 8               | Billed on a quarterly basis and based on metered wastewater discharges recorded by the District, or water usage data provided by the Town of Estes Park.     |
| Special Metered - Accounts   | 18              |  |
| <u>Active Taps Not Connected</u>   |                 | Paid taps not connected to the system. Tap equivalent is 24 fixture unit values (FUV) or one single family equivalent (SFE). See UTSD Rules and Regulations. |
| Non-Metered  | 298             |  |
| Metered  | 18              |  |
| Total Active Accounts  | 4,331           |  |

Additional revenue is from plant investment fee receipts. The District requires new customers to pay a plant investment fee to connect to the wastewater utility system. This fee reflects the cost of the collection system and treatment plant assets the District must construct to serve new customers. The District currently charges a plant investment fee of \$8,700 per SFE (single family equivalent) for new customers connecting to the wastewater utility system. Although continued growth is anticipated in the Estes Valley, we are utilizing the 2014 Wastewater Cost of Service Study Report in this financial plan. The study forecasts 11 new connections in 2016 and this number is increased to 15 for projected plant investment fee revenue of the 2016 budget.

In September 2015 the Board of Directors adopted Resolution No. 2015-9-2: A Resolution Increasing Certain Wastewater Collection and Treatment Service Rates, Fees, and Charges. The resolution increases access fees, metered, and non-metered fees 8.5% each year in 2016, 2017, 2018. As previously noted, key drivers of the adopted rate increases are the District's forecasted CIP expenditures and associated CIP financing strategy.

The following rate schedule was used to budget access fee, metered and non-metered fee revenue in 2016:

**Upper Thompson Sanitation District  
2016 - 2018**

**Wastewater Rate Schedule for Non-Metered and Metered Customers**

**Non-Metered Customers**

**Single Family Equivalent (SFE)** - Represents the average hydraulic and chemical characteristics of the discharge of a single-family home in the District's service area. The details of these characteristics may be changed from time to time as additional data is obtained to define the "Single Family Equivalent." Some of the more important characteristics of the Single Family Equivalent Unit are as follows:

1. One SFE = 24 Fixture Unit Values (FUV)
2. Average Occupancy per SFE = 2.2 persons
3. Average Daily Wastewater Flow per Person = 70 gallons per day
4. Average Daily Wastewater Flow per SFE = 154 gallons per day
5. Peak Month Wastewater Flow per SFE = 200 gallons per day

Non-single family uses shall be converted to the equivalent number of SFE units. This conversion shall be determined by the District on the basis of the characteristics that are common to both single-family and non-single-family uses, e.g., offices, etc. Where more than one characteristic is common to both uses, a weighting factor may be used to establish the relative importance of these characteristics on the wastewater collection system.

**Fixture Unit Value (FUV)** - Represents the total wastewater load of a plumbing fixture on the wastewater collection and treatment system. Fixture unit values vary depending upon the type of fixture. Each customer's rates will differ based on the number of FUV's utilized. The minimum service charge is based on 24 fixture unit values.

| FUV's | SFE's | 2015 Rates | 2016 Rates (Rates reflect an 8.5% increase) | 2017 Rates (Rates reflect an 8.5% increase) | 2018 Rates (Rates reflect an 8.5% increase) |
|-------|-------|------------|---|---|---|
| 24    | 1.00  | \$449      | \$487                                       | \$529                                       | \$574                                       |
| 25    | 1.04  | \$467      | \$507                                       | \$550                                       | \$596                                       |
| 26    | 1.08  | \$485      | \$526                                       | \$571                                       | \$619                                       |
| 27    | 1.13  | \$507      | \$550                                       | \$597                                       | \$648                                       |
| 28    | 1.17  | \$525      | \$570                                       | \$618                                       | \$671                                       |
| 29    | 1.21  | \$543      | \$589                                       | \$640                                       | \$694                                       |
| 30    | 1.25  | \$561      | \$609                                       | \$661                                       | \$717                                       |
| 31    | 1.29  | \$579      | \$628                                       | \$682                                       | \$740                                       |
| 32    | 1.33  | \$597      | \$648                                       | \$703                                       | \$763                                       |
| 33    | 1.38  | \$620      | \$672                                       | \$729                                       | \$791                                       |
| 34    | 1.42  | \$638      | \$692                                       | \$751                                       | \$814                                       |
| 35    | 1.46  | \$656      | \$711                                       | \$772                                       | \$837                                       |
| 36    | 1.50  | \$674      | \$731                                       | \$793                                       | \$860                                       |
| 37    | 1.54  | \$691      | \$750                                       | \$814                                       | \$883                                       |
| 38    | 1.58  | \$709      | \$770                                       | \$835                                       | \$906                                       |
| 39    | 1.63  | \$732      | \$794                                       | \$862                                       | \$935                                       |
| 40    | 1.67  | \$750      | \$814                                       | \$883                                       | \$958                                       |
| 41    | 1.71  | \$768      | \$833                                       | \$904                                       | \$981                                       |
| 42    | 1.75  | \$786      | \$853                                       | \$925                                       | \$1,004                                     |
| 43    | 1.79  | \$804      | \$872                                       | \$946                                       | \$1,027                                     |
| 44    | 1.83  | \$822      | \$892                                       | \$967                                       | \$1,050                                     |
| 45    | 1.88  | \$844      | \$916                                       | \$994                                       | \$1,078                                     |
| 46    | 1.92  | \$862      | \$935                                       | \$1,015                                     | \$1,101                                     |
| 47    | 1.96  | \$880      | \$955                                       | \$1,036                                     | \$1,124                                     |
| 48    | 2.00  | \$898      | \$974                                       | \$1,057                                     | \$1,147                                     |

**Metered Customers**

All metered customers are currently billed at the 2015 rate of \$7.99 per 1,000 gallons plus an Access Fee of \$5.70 per tap.

| 2015 Rate              | 2016 Rate   | 2017 Rate   | 2018 Rate   |
|------------------------|---|---|---|
| \$7.99 / 1,000 Gallons | \$8.66 / 1,000 Gallons  | \$9.40 / 1,000 Gallons  | \$10.20 / 1,000 Gallons   |
|                        | This rate reflects an increase of \$0.67 / 1,000 gallons to the 2015 rate | This rate reflects an increase of \$0.74 / 1,000 gallons to the 2016 rate | This rate reflects an increase of \$0.80 / 1,000 gallons to the 2017 rate |

### **OTHER REVENUE SOURCES**

Investment earnings are based on projected cash, investment of funds, and economic market conditions. Sale of asset revenue comprises income derived through the sale of District assets for the replacement of equipment. Miscellaneous revenue sources are captured under this category such as waste hauling income, late fees, document fees, video and jetting services, and interest income.

## **ADMINISTRATION**

The District Manager is responsible for the overall management of the District and reports to the Board of Directors. The District Manager also acts as department head for the administration department and works closely with the lab analyst and plant and lines superintendents, and is the public face for the District.

All finance and accounting operations are under the administration budget. This includes the position of the Financial Officer, who oversees all financial aspects of the District, including: accounts payable, payroll, benefits, insurance, and grant reimbursements, etc. The Financial Officer also coordinates with the District auditor for the yearly audit.

The Customer Accounts Manager is responsible for customer billing and collection of all fees and management of accounts receivable, assessments of permit and plant investment fees, and determination of additional customer fixture unit values (FUV's), and customer adherence to District rules and regulations. The Customer Accounts Manager attends relevant municipal, governmental, and community meetings, and works closely with the collections staff regarding all aspects of District development opportunities.

The District secretary acts as receptionist and provides administrative support to the Customer Accounts Manager, in addition to supporting the overall management and needs of the office.

Upper Thompson Sanitation District

2016 General Fund Budget Summary

Division Summary 200 - ADMINISTRATION

|  | Budget 2016            | Estimated 2015         | Budget 2015            |
|--|------------------------|------------------------|------------------------|
| <b>Operating Revenue</b>                       |                        |                        |                        |
| 4200 Interest Income                           |                        |                        |                        |
| 4210 ColoTrust Interest                        | 2,100.00               | 2,297.23               | 1,700.00               |
| 4215 Bank Account Interest                     | 228.00                 | 229.00                 | 130.00                 |
| 4225 CD Interest                               |                        | -                      | -                      |
| <b>Total Interest Income</b>                   | <b>\$ 2,328.00</b>     | <b>\$ 2,526.23</b>     | <b>\$ 1,830.00</b>     |
| 4300 Service Charges                           |                        |                        |                        |
| 4345 Access Fee Income                         | 12,000.00              | 9,984.60               | 11,000.00              |
| 4350 Metered Usage                             | 695,366.00             | 685,932.28             | 647,809.55             |
| 4360 Non-Metered Usage                         | 2,417,034.75           | 2,250,000.00           | 2,227,681.80           |
| 4390 Sewer Penalty                             | -                      | -                      | -                      |
| <b>Total Service Charges</b>                   | <b>\$ 3,124,400.75</b> | <b>\$ 2,945,916.88</b> | <b>\$ 2,886,491.35</b> |
| 4600 Eagle Rock Reimbursements                 | \$ 13,000.00           | \$ 18,383.09           | \$ 13,000.00           |
| 4650 Waste Hauling Income                      | \$ 26,634.00           | \$ 35,000.00           | \$ 29,593.85           |
| 4660 Scrap Metal Income                        |                        |                        |                        |
| 4700 Grant Income                              | \$ -                   | \$ 6,100,000.00        | \$ 6,100,000.00        |
| 4750 Unrealized Gain (Loss)                    |                        | \$ 54.90               | \$ 600.00              |
| 4850 Sale of Asset                             |                        | \$ -                   | \$ -                   |
| 4900 Miscellaneous Income                      | \$ 4,000.00            | \$ 5,965.86            | \$ 7,442.68            |
| 4950 FEMA Grant Income                         |                        |                        | \$ -                   |
| 4955 State Grant Income                        |                        |                        | \$ -                   |
| <b>TOTAL OPERATING REVENUES</b>                | <b>3,170,362.75</b>    | <b>9,107,846.96</b>    | <b>9,038,957.88</b>    |
| <b>Overhead Expenditures</b>                   |                        |                        |                        |
| 5100 Station Overhead                          |                        |                        |                        |
| 5105 Dues & Subscription Expense               | \$ 9,225.92            | \$ 6,360.28            | \$ 6,695.00            |
| 5110 Internet Expense                          | 2,880.00               | 1,799.00               | 1,250.00               |
| 5115 Janitorial Expense                        | 5,624.46               | 5,600.17               | 5,471.74               |
| 5120 Office Supplies                           | 9,870.00               | 6,074.04               | 6,000.00               |
| 5125 Postage & Delivery                        | 7,400.00               | 5,224.36               | 7,400.00               |
| 5130 Printing & Copying                        | 1,000.00               | 1,000.00               | 1,000.00               |
| 5135 Security Expense                          | 1,173.22               | 501.14                 | 1,141.27               |
| 5140 Permits-CDPHE                             | 8,229.00               | 7,879.00               | 8,229.00               |
| 5145 Meals/Food Expense                        | 2,900.00               | 2,675.00               | 1,500.00               |
| 5150 Building Maintenance Repair               | 7,000.00               | 3,000.00               | 12,000.00              |
| 5155 Telephone Expense                         | 6,093.46               | 5,087.68               | 5,927.49               |
| 5165 Utilities                                 | 7,453.11               | 6,450.00               | 7,250.11               |
| 5170 Public Outreach                           | 3,000.00               | 784.00                 | -                      |
| 5175 Cell Phone Expense                        | 2,056.00               | 2,196.38               | 2,000.00               |
| 5180 District Functions/Events                 | 6,750.00               | 5,700.00               | 5,700.00               |
| 5185 Website Expense                           | 1,250.00               | 700.00                 | 2,500.00               |
| 5190 Publication Expense                       | 2,500.00               | 2,000.00               | 2,500.00               |
| 5195 Legal Filings                             | 110.00                 | 110.00                 | 110.00                 |
| <b>Total General Overhead</b>                  | <b>\$ 84,515.17</b>    | <b>\$ 63,141.05</b>    | <b>\$ 76,674.61</b>    |
| 5200 Office Equipment/Computer Exp             |                        |                        |                        |
| 5210 Equipment Lease Exp.                      | \$ -                   | \$ -                   | \$ -                   |
| 5215 Equipment/Repair/Maintenance              | 6,275.00               | 3,000.00               | 3,000.00               |
| 5220 Computer Repair/Maintenance               | 2,150.00               | 2,150.00               | 2,150.00               |
| 5225 Software Maintenance                      | 10,870.00              | 3,600.00               | 10,750.00              |
| <b>Total Office Equipment/Computer Expense</b> | <b>\$ 19,295.00</b>    | <b>\$ 8,750.00</b>     | <b>\$ 15,900.00</b>    |
| 5250 Insurance                                 |                        |                        |                        |
| 5251 Worker's Comp                             | \$ 12,217.97           | \$ 14,733.01           | \$ 14,331.26           |
| 5252 Property & Liability Ins. Expense         | 35,499.90              | 28,626.25              | 31,863.53              |
| <b>Total Insurance Expense</b>                 | <b>\$ 47,717.87</b>    | <b>\$ 43,359.26</b>    | <b>\$ 46,194.79</b>    |
| 5260 Election Expense                          | \$ 3,000.00            | \$ -                   | \$ -                   |
| <b>Total Election Expense</b>                  | <b>\$ 3,000.00</b>     | <b>\$ -</b>            | <b>\$ -</b>            |
| 5300 Board of Director's Expense               |                        |                        |                        |
| 5310 Directors/Trustee Fees                    | \$ -                   | \$ -                   | \$ 8,500.00            |
| 5320 Travel Expense                            | 550.00                 | 200.00                 | 550.00                 |
| 5330 Meeting Expense                           | 1,400.00               | 1,640.00               | 1,200.00               |
| 5340 Conference Expense                        | 5,500.00               | 2,889.38               | 5,200.00               |
| 5345 Misc. Board Expense                       | 500.00                 | 300.00                 | 750.00                 |
| 5300 Board of Directors Expense - Other        |                        |                        |                        |
| <b>Total Board of Directors Expenses</b>       | <b>\$ 7,950.00</b>     | <b>\$ 5,029.38</b>     | <b>\$ 16,200.00</b>    |

# Upper Thompson Sanitation District

## 2016 General Fund Budget Summary

Division Summary **200 - ADMINISTRATION**

|   | Budget 2016            | Estimated 2015         | Budget 2015            |
|---|------------------------|------------------------|------------------------|
| <b>5400 Payroll &amp; Benefits Expense</b>  |                        |                        |                        |
| 5410 Salaries and Wages                     | \$ 282,912.00          | \$ 228,500.00          | \$ 238,801.22          |
| 5415 Bonus Expense                          | 10,500.00              | 4,047.63               | 10,385.74              |
| 5420 Employer Payroll Taxes                 | 22,633.00              | 19,063.00              | 18,949.12              |
| 5430 Employee Benefits Expense              | 63,915.12              | 61,561.37              | 74,404.46              |
| 5400 Payroll & Benefits Expense - Other     | 2,942.28               | 6,538.17               | 3,850.88               |
| 5440 Payroll Processing W-2                 | 700.00                 | 130.00                 | 130.00                 |
| 5455 Deferred Compensation Contributions    | -                      | -                      | -                      |
| 5460 CO PERA 401 Employer Contribution      | 215,000.00             | 210,000.00             | 95,692.40              |
| <b>Total Payroll &amp; Benefits Expense</b> | <b>\$ 698,602.40</b>   | <b>\$ 529,840.17</b>   | <b>\$ 442,213.82</b>   |
| <b>5500 Staff Development</b>               |                        |                        |                        |
| 5505 Training/Seminar Expense               | \$ 3,000.00            | \$ 500.00              | \$ 3,000.00            |
| 5510 Conferences                            | 5,000.00               | 1,176.67               | 3,000.00               |
| <b>Total Staff Development</b>              | <b>\$ 8,000.00</b>     | <b>\$ 1,676.67</b>     | <b>\$ 6,000.00</b>     |
| <b>5515 Miscellaneous Expense</b>           | <b>\$ 400.00</b>       | <b>\$ 500.00</b>       | <b>\$ 400.00</b>       |
| <b>5540 Depreciation Expense</b>            |                        |                        |                        |
| 5543 Depreciation Admin                     | -                      | -                      | -                      |
| <b>Total Depreciation Expense</b>           | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            |
| <b>5700 Professional Services Expense</b>   |                        |                        |                        |
| 5710 Legal Fees                             | \$ 45,000.00           | \$ 35,000.00           | \$ 25,000.00           |
| 5720 Accounting Expense                     | 1,000.00               | 1,000.00               | 1,000.00               |
| 5730 Auditing Expense                       | 21,000.00              | 21,261.07              | 21,000.00              |
| 5740 Tech Support Expense                   | 20,000.00              | 21,000.00              | 22,200.00              |
| 5750 New Employee Hiring Expense            | 600.00                 | 90.00                  | 600.00                 |
| 5755 Employee Alcohol and Drug Testing      | 500.00                 | 500.00                 | 500.00                 |
| 5760 Engineering Services                   | 185,000.00             | 100,000.00             | 135,000.00             |
| 5775 Professional Services Expense - Other  | 20,000.00              | -                      | -                      |
| 5780 Environmental Services                 | 750.00                 | 750.00                 | 750.00                 |
| <b>Total Professional Services Expense</b>  | <b>\$ 293,850.00</b>   | <b>\$ 179,601.07</b>   | <b>\$ 206,050.00</b>   |
| <b>5800 Travel Expenses</b>                 |                        |                        |                        |
| 5805 Transportation Expense                 | 1,200.00               | -                      | 1,200.00               |
| 5810 Mileage Reimbursement Expense          | 600.00                 | 200.00                 | 600.00                 |
| 5815 Travel Dining Expense                  | 800.00                 | 120.00                 | 800.00                 |
| 5820 Lodging Expense                        | 1,900.00               | 643.96                 | 1,900.00               |
| <b>Total Travel Expenses</b>                | <b>\$ 4,500.00</b>     | <b>\$ 963.96</b>       | <b>\$ 4,500.00</b>     |
| <b>5900 Banking Fees</b>                    |                        |                        |                        |
| 5910 Monthly Service Fees                   | \$ 300.00              | \$ 100.00              | \$ 300.00              |
| 5920 NSF, Wire Fees, Other Fees             | 100.00                 | 175.00                 | 100.00                 |
| <b>Total Banking Fees</b>                   | <b>\$ 400.00</b>       | <b>\$ 275.00</b>       | <b>\$ 400.00</b>       |
| <b>5950 Credit Card Fees</b>                |                        |                        |                        |
| 5951 Annual Fees/Finance Charges            | \$ 210.00              | \$ -                   | \$ -                   |
| <b>Total Credit Card Fees</b>               | <b>\$ 210.00</b>       | <b>\$ -</b>            | <b>\$ -</b>            |
| <b>TOTAL OVERHEAD EXPENSES</b>              | <b>\$ 1,068,440.44</b> | <b>833,136.56</b>      | <b>814,533.22</b>      |
| <b>Operations Expenditures</b>              |                        |                        |                        |
| <b>6300 Vehicle/Truck Expense</b>           |                        |                        |                        |
| 6310 Fuel/Gas/Diesel                        | \$ 1,500.00            | \$ 1,200.00            | \$ 2,000.00            |
| 6320 Vehicle Maintenance/Repair             | 500.00                 | 600.00                 | 2,500.00               |
| 6355 Licenses/Permits/Titles                | 500.00                 | 500.00                 | 500.00                 |
| <b>Total Vehicle/Truck Expense</b>          | <b>\$ 2,500.00</b>     | <b>\$ 2,300.00</b>     | <b>\$ 5,000.00</b>     |
| 6400 O&M Contingency                        | 50,000.00              | 35,000.00              | 35,000.00              |
| 6800 Safety Expense                         | \$ 1,000.00            | \$ 1,000.00            | \$ 1,000.00            |
| 6900 Permits and Licenses                   | \$ 1,000.00            | \$ 1,000.00            | \$ 1,000.00            |
| <b>TOTAL OPERATING EXPENSES</b>             | <b>54,500.00</b>       | <b>39,300.00</b>       | <b>42,000.00</b>       |
| <b>TOTAL BUDGET</b>                         | <b>1,122,940.44</b>    | <b>872,436.56</b>      | <b>856,533.22</b>      |
| <b>NET OPERATING SURPLUS/LOSS</b>           | <b>\$ 2,047,422.31</b> | <b>\$ 8,235,410.40</b> | <b>\$ 8,182,424.66</b> |

## **COLLECTION SYSTEM**

The collections department is responsible for the operation and maintenance of over 90 miles of lines throughout the Estes Valley. The collections staff manages expansion of new infrastructure with developers, main line extensions, inspection, maintenance and repair of pipes, manholes, and easements for the conveyance of wastewater to our treatment facility. Other responsibilities include working with developers, home builders, and commercial developers to ensure District rules and regulations are followed. The collections staff plan and execute capital improvement projects of collection lines and manholes, in addition to maintaining geographical information of District infrastructure.

Upper Thompson Sanitation District  
 2016 General Fund Budget Summary  
 Division Summary 300 - LINES

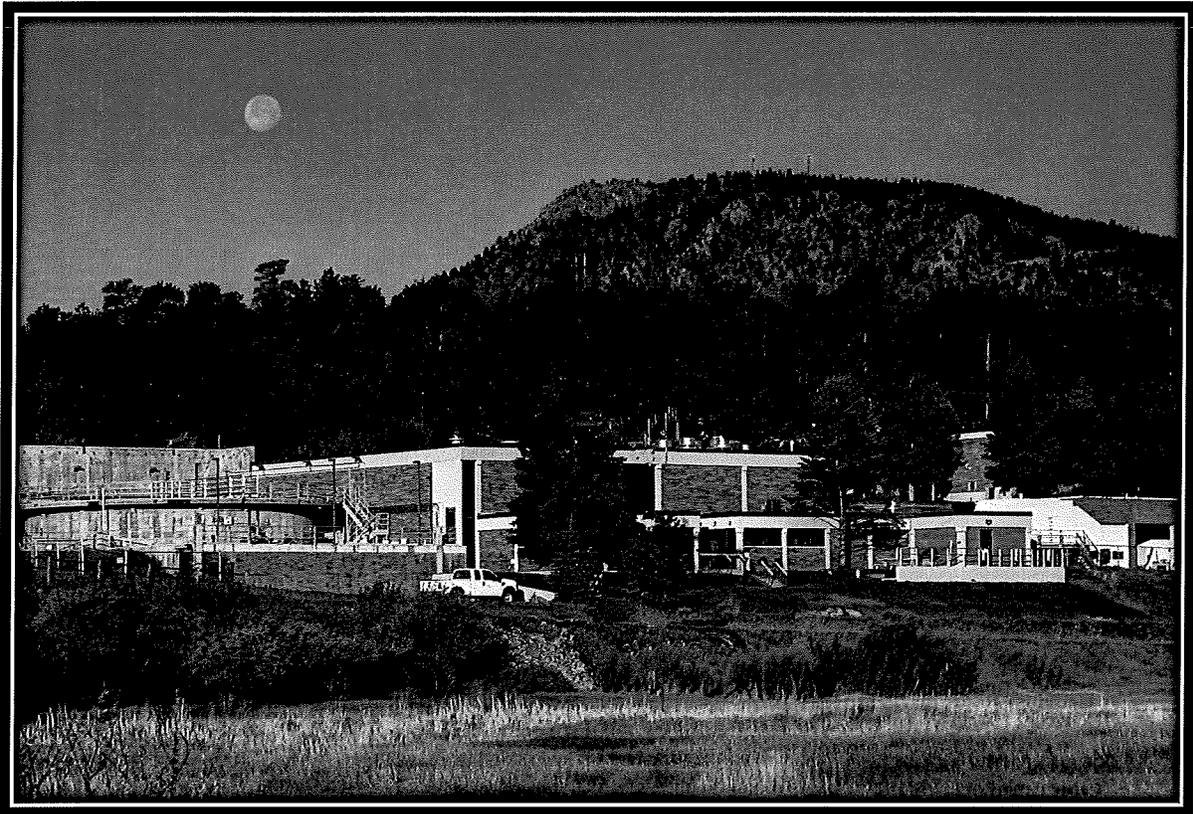
|  | Budget 2016            | Estimated 2015           | Budget 2015              |
|--|------------------------|--------------------------|--------------------------|
| <b>Projected Revenue</b>                       |                        |                          |                          |
| <b>TOTAL REVENUES</b>                          |                        |                          |                          |
| <b>Overhead Expenditures</b>                   |                        |                          |                          |
| 5100 Station Overhead                          |                        |                          |                          |
| 5115 Janitorial Expense                        | 582.39                 | 800.00                   | 566.53                   |
| 5120 Office Supplies                           | 1,285.00               | 1,250.00                 | 1,250.00                 |
| 5125 Postage and Delivery                      | -                      | -                        | -                        |
| 5145 Meals/Food Expense                        | 200.00                 | -                        | 200.00                   |
| 5148 Building Lease Expense                    | -                      | -                        | -                        |
| 5150 Building Maintenance/Repair               | 16,000.00              | 3,000.00                 | 5,000.00                 |
| 5155 Telephone Expense                         | 654.02                 | 750.00                   | 636.21                   |
| 5165 Utilities                                 | 3,602.55               | 3,250.00                 | 3,504.43                 |
| 5175 Cell Phone Expense                        | 2,672.80               | 2,450.00                 | 2,600.00                 |
| <b>Total General Overhead</b>                  | <b>\$ 24,996.76</b>    | <b>\$ 11,500.00</b>      | <b>\$ 13,757.17</b>      |
| 5200 Office Equipment/Computer Exp             |                        |                          |                          |
| 5225 Software Maintenance                      | 2,100.00               | 4,100.00                 | 4,300.00                 |
| <b>Total Office Equipment/Computer Expense</b> | <b>\$ 2,100.00</b>     | <b>\$ 4,100.00</b>       | <b>\$ 4,300.00</b>       |
| 5400 Payroll & Benefits Expense                |                        |                          |                          |
| 5410 Salaries and Wages                        | \$ 207,997.96          | \$ 215,000.00            | \$ 180,998.97            |
| 5420 Employer Payroll Taxes                    | 16,440.00              | 17,956.00                | 14,362.45                |
| 5430 Employee Benefits Expense                 | 44,543.88              | 42,272.18                | 49,229.15                |
| 5400 Payroll & Benefit Expense - Other         | 4,781.80               | 2,576.56                 | 2,677.16                 |
| <b>Total Payroll &amp; Benefits Expense</b>    | <b>\$ 273,763.64</b>   | <b>\$ 277,804.74</b>     | <b>\$ 247,267.73</b>     |
| 5500 Staff Development                         |                        |                          |                          |
| 5505 Training/Seminar Expense                  | \$ 2,500.00            | \$ 360.00                | \$ 2,500.00              |
| 5510 Conferences                               | 800.00                 | 245.00                   | 800.00                   |
| <b>Total Staff Development</b>                 | <b>\$ 3,300.00</b>     | <b>\$ 605.00</b>         | <b>\$ 3,300.00</b>       |
| 5540 Depreciation Expense                      |                        |                          |                          |
| 5541 Depreciation Lines                        | \$ -                   | \$ -                     | \$ -                     |
| <b>Total Depreciation Expense</b>              | <b>\$ -</b>            | <b>\$ -</b>              | <b>\$ -</b>              |
| <b>TOTAL OVERHEAD EXPENSES</b>                 | <b>304,160.40</b>      | <b>294,009.74</b>        | <b>268,624.90</b>        |
| <b>Operations Expenditures</b>                 |                        |                          |                          |
| 5050 FEMA Category B Temporary Repairs         |                        | (43.20)                  |                          |
| 5055 FEMA Category F Permanent Repairs         | 238,000.00             | 7,000,000.00             | 7,277,069.00             |
| <b>Total Flood Recovery Expenses</b>           | <b>\$ 238,000.00</b>   | <b>\$ 6,999,956.80</b>   | <b>7,277,069.00</b>      |
| 6200 Lines Operation Expenses                  |                        |                          |                          |
| 6205 Locate Services                           | \$ 3,200.00            | \$ 3,000.00              | \$ 3,000.00              |
| 6210 Mapping                                   | 5,000.00               | 5,000.00                 | 5,000.00                 |
| 6215 Lines Repair and Maintenance              | 15,000.00              | 10,000.00                | 15,000.00                |
| 6220 Lines Operating Supplies                  | 8,000.00               | 8,000.00                 | 8,000.00                 |
| 6235 Lines Tools                               | 7,000.00               | 2,000.00                 | 2,000.00                 |
| 6225 Clothing & Uniform Expense                | 1,500.00               | 2,700.00                 | 2,300.00                 |
| 6230 Physicals                                 | 645.00                 | 293.20                   | 215.00                   |
| <b>Total Lines Operation Expenses</b>          | <b>\$ 40,345.00</b>    | <b>\$ 30,993.20</b>      | <b>\$ 35,515.00</b>      |
| 6300 Vehicle/Truck Expense                     |                        |                          |                          |
| 6310 Fuel/Gas/Diesel                           | \$ 7,500.00            | \$ 4,600.00              | \$ 10,000.00             |
| 6320 Vehicle Maintenance/Repair                | 8,200.00               | 6,000.00                 | 7,000.00                 |
| 6355 DOT Vehicle Inspections                   | 100.00                 | 100.00                   | 100.00                   |
| <b>Total Vehicle/Truck Expense</b>             | <b>\$ 15,800.00</b>    | <b>\$ 10,700.00</b>      | <b>\$ 17,100.00</b>      |
| 6800 Safety Expense                            | \$ 3,500.00            | \$ 3,500.00              | \$ 3,500.00              |
| <b>TOTAL OPERATING EXPENSES</b>                | <b>297,645.00</b>      | <b>7,045,150.00</b>      | <b>7,333,184.00</b>      |
| <b>TOTAL BUDGET</b>                            | <b>601,805.40</b>      | <b>7,339,159.74</b>      | <b>7,601,808.90</b>      |
| <b>NET OPERATING SURPLUS/LOSS</b>              | <b>\$ (601,805.40)</b> | <b>\$ (7,339,159.74)</b> | <b>\$ (7,601,808.90)</b> |

## TREATMENT PLANT

The goal of the treatment plant is to consistently maintain cost effective wastewater treatment and protect the receiving waters of the Big Thompson River. This goal is achieved through knowledgeable operations and maintenance practices. The facility is hydraulically rated at 2.0 million gallons per day (MGD).

Our plant staff continues to maintain the aging treatment plant and meet all requirements of the District's Colorado Department of Public Health and Environment (CDPHE) Discharge Permit with a focus on maximizing efficiencies in operations and maintenance. In 2015 plant operations incorporated the philosophy of "doing more with less", realizing reductions in utility costs, staffing, and equipment repair, to name a few.

Plant staff works closely with District engineers to stay abreast of current internal treatment challenges and future policies and regulations and how they relate to our vision for the future.



Upper Thompson Sanitation District Wastewater Treatment Plant

Upper Thompson Sanitation District

2016 General Fund Budget Summary

Division Summary 400 - PLANT

|  | Budget 2016            | Estimated 2015         | Budget 2015            |
|--|------------------------|------------------------|------------------------|
| <b>Projected Revenue</b>                       |                        |                        |                        |
| <b>TOTAL REVENUES</b>                          |                        |                        |                        |
| <b>Overhead Expenditures</b>                   |                        |                        |                        |
| 5100 Station Overhead                          |                        |                        |                        |
| 5105 Dues & Subscription                       | 814.04                 | 794.72                 | 680.00                 |
| 5115 Janitorial Expense                        | 2,951.21               | 2,870.83               | 2,870.83               |
| 5120 Office Supplies                           | 2,398.00               | 3,500.00               | 3,500.00               |
| 5125 Postage & Delivery (Lab Samples)          | 3,000.00               | 3,000.00               | 3,000.00               |
| 5135 Security Expense                          | 657.82                 | 498.86                 | 639.90                 |
| 5145 Meals/Food Expense                        | 350.00                 | 325.00                 | 200.00                 |
| 5155 Telephone Expense                         | 1,565.98               | 1,523.33               | 1,523.33               |
| 5165 Utilities                                 | 128,898.27             | 115,538.92             | 125,387.42             |
| 5175 Cell Phone Expense                        | 3,803.60               | 2,753.62               | 3,700.00               |
| <b>Total General Overhead</b>                  | <b>\$ 144,438.92</b>   | <b>\$ 130,805.28</b>   | <b>\$ 141,601.48</b>   |
| 5200 Office Equipment/Computer Exp             |                        |                        |                        |
| 5215 Office Equipment Repair/Maintenance       | -                      |                        |                        |
| 5225 Software Maintenance                      | 2,650.00               | 2,300.00               | 2,300.00               |
| <b>Total Office Equipment/Computer Expense</b> | <b>\$ 2,650.00</b>     | <b>\$ 2,300.00</b>     | <b>\$ 2,300.00</b>     |
| 5400 Payroll & Benefits Expense                |                        |                        |                        |
| 5410 Salaries and Wages                        | \$ 334,104.38          | \$ 286,500.00          | \$ 278,684.50          |
| 5420 Employer Payroll Taxes                    | 26,528.00              | 23,821.91              | 22,113.89              |
| 5430 Employee Benefits Expense                 | 74,658.24              | 74,581.68              | 84,867.22              |
| 5400 Payroll & Benefit Expense - Other         | 3,847.92               | 4,020.76               | 6,344.03               |
| <b>Total Payroll &amp; Benefits Expense</b>    | <b>\$ 439,138.54</b>   | <b>\$ 388,924.35</b>   | <b>\$ 392,009.64</b>   |
| 5500 Staff Development                         |                        |                        |                        |
| 5505 Training/Seminar Expense                  | \$ 3,000.00            | \$ 1,640.00            | \$ 3,000.00            |
| 5510 Conferences                               | 2,700.00               | 1,375.00               | 770.00                 |
| <b>Total Staff Development</b>                 | <b>\$ 5,700.00</b>     | <b>\$ 3,015.00</b>     | <b>\$ 3,770.00</b>     |
| 5540 Depreciation Expense                      |                        |                        |                        |
| 5542 Depreciation Plant                        | -                      | -                      | -                      |
| <b>Total Depreciation Expense</b>              | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            |
| <b>TOTAL OVERHEAD EXPENSES</b>                 | <b>591,927.46</b>      | <b>525,044.63</b>      | <b>539,581.12</b>      |
| <b>Operations Expenditures</b>                 |                        |                        |                        |
| 5051 Plant Temporary                           |                        |                        | -                      |
| 5056 FEMA Category F Permanent Repairs         |                        |                        |                        |
| 6000 Plant Operations Expense                  |                        |                        |                        |
| 6005 Chemical Expense                          | \$ 107,600.00          | \$ 75,000.00           | \$ 82,830.00           |
| 6010 Lab Supplies                              | 17,500.00              | 20,000.00              | 40,000.00              |
| 6015 Sludge Hauling                            | 45,000.00              | 46,000.00              | 43,400.00              |
| 6020 Plant Repairs & Maintenance               | 54,250.00              | 58,050.00              | 58,050.00              |
| 6030 Outside Services                          | 25,000.00              | 22,000.00              | 30,000.00              |
| 6035 Garbage                                   | 6,600.00               | 6,579.50               | 5,278.00               |
| 6040 Clothing & Uniform Exp.                   | 2,250.00               | 2,625.00               | 2,625.00               |
| 6050 Eagle Rock Reimbursements                 | 5,000.00               | 12,000.00              | 1,000.00               |
| 6055 Plant Tools                               | 1,000.00               | 1,200.00               | 1,000.00               |
| <b>Total Plant Operations Expense</b>          | <b>\$ 264,200.00</b>   | <b>\$ 243,454.50</b>   | <b>\$ 264,183.00</b>   |
| 6300 Vehicle/Truck Expense                     |                        |                        |                        |
| 6310 Fuel/Gas/Diesel                           | \$ 3,000.00            | \$ 5,600.00            | \$ 4,000.00            |
| 6320 Vehicle Maintenance/Repair                | 2,000.00               | 3,400.00               | 2,000.00               |
| <b>Total Vehicle/Truck Expense</b>             | <b>\$ 5,000.00</b>     | <b>\$ 9,000.00</b>     | <b>\$ 6,000.00</b>     |
| 6800 Safety Expense                            | \$ 2,000.00            | \$ 2,000.00            | \$ 2,000.00            |
| <b>TOTAL OPERATING EXPENSES</b>                | <b>271,200.00</b>      | <b>254,454.50</b>      | <b>272,183.00</b>      |
| <b>TOTAL BUDGET</b>                            | <b>863,127.46</b>      | <b>779,499.13</b>      | <b>811,764.12</b>      |
| <b>NET OPERATING SURPLUS/LOSS</b>              | <b>\$ (863,127.46)</b> | <b>\$ (779,499.13)</b> | <b>\$ (811,764.12)</b> |

## **CAPITAL IMPROVEMENT PLAN**

The capital improvement plan (CIP) is an important element of budgetary considerations. A summary of forecasted CIP expenditures for the years 2015 through 2024 is included at the end of this message. A capital expenditure is a capital outlay for a physical asset, constructed or purchased, with a minimum cost of \$5,000 and is expected to have a useful life in excess of one year.

Projected CIP expenditures during the period 2015-2024 total to \$26.8 million when expressed in 2015 dollars. The 2016 budget includes the following CIP expenditures planned for the year 2016:

- Three new computers for administration and lines departments;
- An allowance for unforeseen software upgrades to the server;
- Plant Upgrades: concrete resurface to clarifier #1, aeration mixers, mixer controls/panels, and A-basin curtains;
- Replacement of administration vehicle and lines vehicle;
- New lines equipment: locator, and radio with repeater, mobile truck and handheld transmitters;
- Lines Improvements: point repairs, manhole and lines rehabilitation, Fish Creek Lift Station Force Main evaluation and rehabilitation, and downtown development line rehabilitation contingency.

# Upper Thompson Sanitation District

## 2016 General Fund Budget Summary

Division Summary 500 - CAPITAL

|                                       | Budget 2016              | Estimated 2015       | Budget 2015            |
|---------------------------------------|--------------------------|----------------------|------------------------|
| <b>REVENUE</b>                        |                          |                      |                        |
| <b>Projected Revenue</b>              |                          |                      |                        |
| 4400 Service Expansion Income         |                          |                      |                        |
| 4405 Plant Investment Fees            | \$ 130,500.00            | \$ 579,150.00        | \$ 130,500.00          |
| 4410 Permit Fees                      | 4,500.00                 | 24,000.00            | 4,500.00               |
| <b>Total Service Expansion Income</b> | <b>\$ 135,000.00</b>     | <b>\$ 603,150.00</b> | <b>\$ 135,000.00</b>   |
| <b>TOTAL REVENUES</b>                 | <b>135,000.00</b>        | <b>603,150.00</b>    | <b>135,000.00</b>      |
| <b>Capital Expenditures</b>           |                          |                      |                        |
| 7000 Capital Expenditures             |                          |                      |                        |
| 7010 Office Furniture                 | \$ -                     | \$ -                 |                        |
| 7020 Office Equipment                 | 5,000.00                 | 8,286.18             | 16,479.00              |
| 7030 Software/Hardware                | 5,000.00                 | 18,187.48            | 12,651.00              |
| 7055 Plant Equipment                  | 488,500.00               | 334,623.50           | 403,800.00             |
| 7060 Building Improvements            |                          | -                    | 100,000.00             |
| 7062 Capital Contingency              | 100,000.00               |                      |                        |
| 7065 Plant Expansion                  |                          |                      |                        |
| 7080 Vehicle Purchase/Improvements    | 72,000.00                |                      | 5,000.00               |
| 7085 Lines Equipment                  | 22,120.00                | 5,050.00             | 4,940.00               |
| 7090 Lines Improvement                | 1,125,000.00             | 20,000.00            | 275,000.00             |
| 7095 Sewer Lines                      | -                        | -                    | -                      |
| <b>Total Capital Expenditures</b>     | <b>\$ 1,817,620.00</b>   | <b>\$ 386,147.16</b> | <b>\$ 817,870.00</b>   |
| <b>TOTAL CAPITAL EXPENDITURES</b>     | <b>\$ 1,817,620.00</b>   | <b>\$ 386,147.16</b> | <b>\$ 817,870.00</b>   |
| <b>TOTAL BUDGET</b>                   | <b>1,817,620.00</b>      | <b>386,147.16</b>    | <b>817,870.00</b>      |
| <b>NET OPERATING SURPLUS/LOSS</b>     | <b>\$ (1,682,620.00)</b> | <b>\$ 217,002.84</b> | <b>\$ (682,870.00)</b> |

Upper Thompson Sanitation District  
 Table 1: Capital Improvements Plan (CIP)  
 July 21, 2015



| Proposed Projects   | Planning Year    |                    |                    |                  |                    |                    |                    |                    |                    |                  | Total      |                     |
|---|------------------|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------|---------------------|
|   | 0<br>2015        | 1<br>2016          | 2<br>2017          | 3<br>2018        | 4<br>2019          | 5<br>2020          | 6<br>2021          | 7<br>2022          | 8<br>2023          | 9<br>2024        |            |                     |
| Administration  |                  |                    |                    |                  |                    |                    |                    |                    |                    |                  |            |                     |
| 1. Vehicle Replacement  |                  | \$85,000           |                    |                  |                    | \$240,000          |                    |                    |                    |                  |            | \$370,000           |
| Collection System   |                  |                    |                    |                  |                    |                    |                    |                    |                    |                  |            |                     |
| 2. Raise Manholes   |                  | \$50,000           | \$50,000           | \$50,000         | \$50,000           | \$50,000           | \$50,000           | \$50,000           | \$50,000           | \$50,000         | \$50,000   | \$450,000           |
| 3. Rehabilitate Collection System Lines   |                  | \$200,000          | \$200,000          | \$200,000        | \$200,000          | \$200,000          | \$200,000          | \$200,000          | \$200,000          | \$200,000        | \$200,000  | \$1,800,000         |
| 4. FGLS Force Main Evaluation and Rehabilitation                                    |                  | \$750,000          | \$500,000          | \$500,000        |                    |                    |                    |                    |                    |                  |            | \$1,750,000         |
| 5. Downtown Development Rehabilitation (FLAP)                                       |                  | \$100,000          | \$100,000          |                  |                    |                    |                    |                    |                    |                  |            | \$200,000           |
| 6. River Crossing Evaluation and Repair   |                  | \$10,000           | \$100,000          |                  |                    |                    |                    |                    |                    |                  |            | \$110,000           |
| <b>Sub-Total Collection System CIP Totals</b>                                       | \$0              | \$1,110,000        | \$950,000          | \$250,000        | \$250,000          | \$250,000          | \$250,000          | \$250,000          | \$250,000          | \$250,000        | \$250,000  | \$3,810,000         |
| Wastewater Treatment Facility (WWTF)  |                  |                    |                    |                  |                    |                    |                    |                    |                    |                  |            |                     |
| 7. Metals Treatment Evaluation Alternatives Evaluation                              |                  | \$25,000           |                    |                  |                    |                    |                    |                    |                    |                  |            | \$25,000            |
| 8. Concrete Rehabilitation Clarifiers   |                  | \$70,000           |                    |                  |                    |                    |                    |                    |                    |                  |            | \$140,000           |
| 9. Nutrient Improvement Planning / Design Through Construction                      |                  | \$50,000           | \$50,000           |                  | \$1,387,500        | \$1,387,500        | \$1,070,500        | \$1,070,500        |                    |                  |            | \$5,016,000         |
| 10. Waterline to FGLS   | \$300,000        |                    |                    |                  |                    |                    |                    |                    |                    |                  |            | \$300,000           |
| 11. SCADA Software  | \$35,000         |                    |                    |                  |                    |                    |                    |                    |                    |                  |            | \$35,000            |
| 12. Major Improvements Construction (Nutrients / Maintenance / No Capacity Upgrade) |                  |                    |                    |                  |                    |                    |                    |                    |                    |                  |            |                     |
| <b>Sub-Total Wastewater Treatment Facility (WWTF) CIP Totals</b>                    | \$335,000        | \$145,000          | \$120,000          | \$0              | \$1,387,500        | \$1,387,500        | \$1,070,500        | \$9,883,500        | \$8,563,000        | \$8,563,000      | \$0        | \$22,642,000        |
| <b>CIP Totals</b>   | <b>\$335,000</b> | <b>\$1,320,000</b> | <b>\$1,135,000</b> | <b>\$250,000</b> | <b>\$1,637,500</b> | <b>\$1,877,500</b> | <b>\$1,320,500</b> | <b>\$9,883,500</b> | <b>\$8,813,000</b> | <b>\$250,000</b> | <b>\$0</b> | <b>\$26,822,000</b> |

Notes:

- Anticipated Project Costs are for Planning Purposes Only. Detailed Opinions of Probable Total Cost shall be completed during design. All Costs are in 2015 dollars.
- Current WWTF capacity is 2.0 mgd. 80% Capacity is 1.6 mgd, 95% Capacity is 1.9 mgd.
- Row 9 and 12 Detailed Breakdown:
  - a. Ongoing Nutrient Regulatory Assistance / Preliminary Engineering \$100,000
  - b. Institutional Costs from October 2012 Nutrient Treatment Alternative TM - Alternative No. 2 - Legal and Administration (2.5% of Construction Cost) \$206,000
  - c. Planning, Design and Bidding (12.5% of Construction Cost) \$428,000
  - d. Services During Construction (12.5% of Construction Cost) \$2,141,000
  - e. Total Design / Administration \$5,016,000
- Row 12 - Major Improvements Construction with No Capacity Increase includes the following line items:
  - a. Chlorine Contact Baffle Walls or UV Disinfection Facility Upgrade (Pricing based on UV Disinfection) ~ \$1,236,000
  - b. Grit Removal and Influent Weir Replacement ~ \$1,030,000
  - c. Backwash / Centrate Re-Route ~ \$1,030,000
  - d. Alternative No. 2 from October 2012 Nutrient Treatment Alternative TM (Baffle Walls / Mixers / Blowers / Cover No. 3 Clarifier / Fixed Film Media Addition) - Engineering Not Included ~ \$11,330,000
  - e. Metals Compliance Requirements ~ \$2,500,000

Total Construction \$17,126,000  
 Total Combined Design / Administration / Legal \$22,142,000

**ACCOUNTING AND FINANCIAL REPORTING POLICY**  
**AS IT RELATES TO THE BUDGET**

Upper Thompson Sanitation District provides consistently useful, timely, and accurate financial information for reporting, analysis and decision making. Additionally, the District reports accounting and financial information which is in accordance with Generally Accepted Accounting Principles, and is consistent with regulatory requirements.

Upper Thompson Sanitation District provides an annual independent audit of its financial statements to regulating authorities. The audit provides evidence of the District's financial accountability to the public and other interested parties. Additionally, the District is subject to a single audit, also known as an "A-133 Audit" when it expends \$750,000 or more in federal funds (grants, awards, and/or loans) in a given fiscal year. An A-133 Audit is typically more thorough and detailed than a regular independent audit. There are specific and higher levels of testing that must be done on expenses to ensure the federal funds have been used properly, as well as documented and reported correctly in the District's financial statements.

Upper Thompson Sanitation District conducts all business affairs in accordance with the highest levels of legal and ethical standards. A commitment to ethics is the most valuable asset Upper Thompson Sanitation District can uphold, as it protects the District's credibility and public trust.

A certified copy of the adopted budget, which includes the resolution to adopt the budget, and the budget message, must be filed with the Division of Local Government no later than 30 days following the beginning of the fiscal year of the budget (i.e. no later than January 30). §29-1-113; HB15-1092

The State of Colorado and Generally Accepted Accounting Principles govern the uses of funds and budgeting, accounting and auditing associated with this fund structure, as determined by the Government Accounting Standards Board.

The primary authority for the operation of Upper Thompson Sanitation District is the Board of Directors.

This budget includes all operations over which Upper Thompson Sanitation District is financially accountable. For budgetary reporting purposes, the District uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period. Expenditures are recognized in the accounting period in which the liability is incurred. Non-cash expense items such as depreciation expenses for fixed assets and accrued compensated absences are excluded from the budget. All annual appropriations lapse at the end of the fiscal year.

Upper Thompson Sanitation District operates under one fund for budgetary purposes; however, funds utilized by the District's various departments are segregated.

The costs of vacation and sick leave benefits (compensated absences) are budgeted and expended when payments are made to employees. The liability for all accrued and vested vacation and sick pay benefits, plus sick leave benefits expected to become vested, however, is recorded as a long-term liability.

Colorado statutes and Upper Thompson Sanitation District's financial policies require an annual balanced budget. A balanced budget is one in which the budget has sufficient project revenues to equal anticipated expenditures. Throughout the budget process, projected revenue estimates are updated and compared against proposed expenditures. The District develops a series of revenue and expenditure assumptions based on current and projected economic indicators and historical trends.

The 2016 budget indicates expenses exceeding revenues. Planned capital improvement projects in 2016 are the drivers of the net operating/capital position. Those capital improvement projects are subject to approval by the Board of Directors and the District Manager, Dist. Financing of approved 2016 capital improvement projects not funded by 2016 revenues would be through use of District's net position.

The District is not currently encumbered by debt. However, it may become necessary in the future to incur debt in order to meet mandated, regulatory requirements or replace existing infrastructure. The 2014 Wastewater Cost of Service Study Report indicates customer rate impacts are substantially mitigated when external debt financing is used as the primary source of financing to pay for required CIP expenditures. Therefore, the use of debt financing should be considered to substantially reduce forecast rate increases. If the District chooses to utilize debt financing, and if the District can obtain low cost debt financing, the study indicates the District will have the capacity to pay substantial annual debt service expenditures while maintaining debt service coverage levels above the recommended minimum debt service coverage ratio of 1.25.



**UPPER THOMPSON SANITATION DISTRICT**

**RESOLUTION NO. 2015-9-2**



## UPPER THOMPSON SANITATION DISTRICT

### RESOLUTION NO. 2015-9-2

#### A RESOLUTION INCREASING CERTAIN WASTEWATER COLLECTION AND TREATMENT SERVICE RATES, FEES AND CHARGES

WHEREAS, the Upper Thompson Sanitation District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Colorado Revised Statutes; and

WHEREAS, the District Board of Directors (“Board”) has the authority to fix and from time to time increase or decrease fees, rates and charges pursuant to Section 32-1-1001(1)(j), C.R.S. for services, programs or facilities furnished by the District; and

WHEREAS, the Board hereby finds and determines that it is in the best interest of the public health, welfare and safety of the District residents and visitors that the District collect adequate revenues to pay ongoing operation and maintenance costs and generate sufficient reserves to implement the Capital Improvement Plan; and

WHEREAS, the Board has considered the 2016-2018 Wastewater Rate Schedule for Non-Metered and Metered Customers, Capital Improvement Plan and 2015 Rate Summary and Example 2016-2018 Rate Alternatives and, based upon these analyses, has determined that it is necessary to increase certain of the District’s rates, fees and charges effective January 1, 2016 through December 31, 2018; and

WHEREAS, thirty days advance notice to the District’s customers of the Board’s intent to consider a rate increase on September 15, 2015, was provided in accordance with Section 32-1-1001(2)(a)(IV).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Upper Thompson Sanitation District as follows:

1. **Rate Schedule.** The 2016-2018 Wastewater Rate Schedule for Metered and Non-Metered Customers, attached hereto as Exhibit A and incorporated herein by this reference, is hereby adopted to be effective January 1, 2016.

2. **Rules and Regulations.** This Resolution shall supersede any contrary provision contained in the District’s Rules and Regulations, which shall be modified as soon as reasonably practical to conform to the provisions set forth in this Resolution; provided, however, if there is any charge or fee that is set forth in the Rules and Regulations or elsewhere by Resolution of the Board, which is not changed by this Resolution, said fee shall remain in full force and effect.

3. **Severability.** If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

4. **Effective Date.** This Resolution shall take effect and be enforced immediately upon its approval by the District Board.

ADOPTED this 15th day of September, 2015.

Upper Thompson Sanitation District

By Larry Pettyjohn  
Larry Pettyjohn, Chairman

Attest:

Chris Eshelman  
Chris Eshelman, Secretary

# **EXHIBIT A**

## **2016-2018 WASTEWATER RATE SCHEDULE FOR METERED AND NON-METERED CUSTOMERS**



**2016 - 2018  
Upper Thompson Sanitation District  
Wastewater Rate Schedule for Metered and Non-Metered Customers**

**Non-Metered Customers**

**Single Family Equivalent (SFE)** - Represents the average hydraulic and chemical characteristics of the discharge of a single-family home in the District's service area. The details of these characteristics may be changed from time to time as additional data is obtained to define the "Single Family Equivalent." Some of the more important characteristics of the Single Family Equivalent Unit are as follows:

1. One SFE = 24 Fixture Unit Values (FUV)
2. Average Occupancy per SFE = 2.2 persons
3. Average Daily Wastewater Flow per Person = 70 gallons per day
4. Average Daily Wastewater Flow per SFE = 154 gallons per day
5. Peak Month Wastewater Flow per SFE = 200 gallons per day

Non-single family uses shall be converted to the equivalent number of SFE units. This conversion shall be determined by the District on the basis of the characteristics that are common to both single-family and non-single-family uses, e.g., offices, etc. Where more than one characteristic is common to both uses, a weighting factor may be used to establish the relative importance of these characteristics on the wastewater collection system.

**Fixture Unit Value (FUV)** - Represents the total wastewater load of a plumbing fixture on the wastewater collection and treatment system. Fixture unit values vary depending upon the type of fixture. Each customer's rates will differ based on the number of FUV's utilized. The minimum service charge is based on 24 fixture unit values.

| FUV's | SFE's | 2015 Rates | 2016 Rates (Rates reflect an 8.5% increase) | 2017 Rates (Rates reflect an 8.5% increase) | 2018 Rates (Rates reflect an 8.5% increase) |
|-------|-------|------------|---|---|---|
| 24    | 1.00  | \$449      | \$487                                       | \$529                                       | \$574                                       |
| 25    | 1.04  | \$467      | \$507                                       | \$550                                       | \$596                                       |
| 26    | 1.08  | \$485      | \$526                                       | \$571                                       | \$619                                       |
| 27    | 1.13  | \$507      | \$550                                       | \$597                                       | \$648                                       |
| 28    | 1.17  | \$525      | \$570                                       | \$618                                       | \$671                                       |
| 29    | 1.21  | \$543      | \$589                                       | \$640                                       | \$694                                       |
| 30    | 1.25  | \$561      | \$609                                       | \$661                                       | \$717                                       |
| 31    | 1.29  | \$579      | \$628                                       | \$682                                       | \$740                                       |
| 32    | 1.33  | \$597      | \$648                                       | \$703                                       | \$763                                       |
| 33    | 1.38  | \$620      | \$672                                       | \$729                                       | \$791                                       |
| 34    | 1.42  | \$638      | \$692                                       | \$751                                       | \$814                                       |
| 35    | 1.46  | \$656      | \$711                                       | \$772                                       | \$837                                       |
| 36    | 1.50  | \$674      | \$731                                       | \$793                                       | \$860                                       |
| 37    | 1.54  | \$691      | \$750                                       | \$814                                       | \$883                                       |
| 38    | 1.58  | \$709      | \$770                                       | \$835                                       | \$906                                       |
| 39    | 1.63  | \$732      | \$794                                       | \$862                                       | \$935                                       |
| 40    | 1.67  | \$750      | \$814                                       | \$883                                       | \$958                                       |
| 41    | 1.71  | \$768      | \$833                                       | \$904                                       | \$981                                       |
| 42    | 1.75  | \$786      | \$853                                       | \$925                                       | \$1,004                                     |
| 43    | 1.79  | \$804      | \$872                                       | \$946                                       | \$1,027                                     |
| 44    | 1.83  | \$822      | \$892                                       | \$967                                       | \$1,050                                     |
| 45    | 1.88  | \$844      | \$916                                       | \$994                                       | \$1,078                                     |
| 46    | 1.92  | \$862      | \$935                                       | \$1,015                                     | \$1,101                                     |
| 47    | 1.96  | \$880      | \$955                                       | \$1,036                                     | \$1,124                                     |
| 48    | 2.00  | \$898      | \$974                                       | \$1,057                                     | \$1,147                                     |

**Metered Customers**

All metered customers are currently billed at the 2015 rate of \$7.99 per 1,000 gallons plus an Access Fee of \$5.70 per tap.

| 2015 Rate              | 2016 Rate   | 2017 Rate   | 2018 Rate   |
|------------------------|---|---|---|
| \$7.99 / 1,000 Gallons | \$8.66 / 1,000 Gallons  | \$9.40 / 1,000 Gallons  | \$10.20 / 1,000 Gallons   |
|                        | This rate reflects an increase of \$0.67 / 1,000 gallons to the 2015 rate | This rate reflects an increase of \$0.74 / 1,000 gallons to the 2016 rate | This rate reflects an increase of \$0.80 / 1,000 gallons to the 2017 rate |

**Upper Thompson Sanitation District**  
**2016 General Fund Budget Summary**  
**REVISED 12/15/2015**

|   | Budget 2016              | Audited 2014           | Estimated 2015         | Budget 2015             |
|---|--------------------------|------------------------|------------------------|-------------------------|
| <b>Operating Revenues</b>   |                          |                        |                        |                         |
| Interest Income   | 2,328.00                 | 2,066.00               | 2,526.23               | 1,830.00                |
| Other Income  | 43,634.00                | 50,093.00              | 59,403.85              | 50,636.53               |
| Service Charges Income  | 3,124,400.75             | 2,793,203.00           | 2,945,916.88           | 2,886,491.35            |
| Anticipated FEMA/State Grant Income   | -                        | 560,219.00             | 6,100,000.00           | 6,100,000.00            |
| Insurance/Claim Income  |                          | -                      | -                      |                         |
| <b>TOTAL Operating Revenues</b>   | <b>\$ 3,170,362.75</b>   | <b>\$ 3,405,581.00</b> | <b>\$ 9,107,846.96</b> | <b>\$ 9,038,957.88</b>  |
| <b>Capital Revenues</b>   |                          |                        |                        |                         |
| Service Expansion Income  | 135,000.00               | 217,796.00             | 603,150.00             | 135,000.00              |
| <b>TOTAL Capital Revenues</b>   | <b>\$ 135,000.00</b>     | <b>\$ 217,796.00</b>   | <b>\$ 603,150.00</b>   | <b>\$ 135,000.00</b>    |
| <b>TOTAL Revenues</b>   | <b>\$ 3,305,362.75</b>   | <b>\$ 3,623,377.00</b> | <b>\$ 9,710,996.96</b> | <b>\$ 9,173,957.88</b>  |
| <b>Overhead Expenditures</b>  |                          |                        |                        |                         |
| Admin   | \$ 1,068,440.44          | \$ 689,872.00          | \$ 833,136.56          | \$ 814,533.22           |
| Lines   | \$ 304,160.40            | \$ 273,536.00          | \$ 294,009.74          | \$ 268,624.90           |
| Plant   | \$ 591,927.46            | \$ 614,363.00          | \$ 525,044.63          | \$ 539,581.12           |
| <b>Total Overhead Expenditures</b>  | <b>\$ 1,964,528.30</b>   | <b>\$ 1,577,771.00</b> | <b>\$ 1,652,190.93</b> | <b>\$ 1,622,739.24</b>  |
| <b>Operations Expenditures</b>  |                          |                        |                        |                         |
| Admin   | \$ 54,500.00             | \$ 45,426.76           | \$ 39,300.00           | \$ 42,000.00            |
| Lines   | \$ 297,645.00            | \$ 41,257.00           | \$ 7,045,150.00        | \$ 7,333,184.00         |
| Plant   | \$ 271,200.00            | \$ 290,890.00          | \$ 254,454.50          | \$ 272,183.00           |
| <b>Total Operations Expenditures</b>  | <b>\$ 623,345.00</b>     | <b>\$ 376,665.00</b>   | <b>\$ 7,338,904.50</b> | <b>\$ 7,647,367.00</b>  |
| <b>Net Operations Surplus/(Deficit)</b>   | <b>\$ 582,489.45</b>     | <b>\$ 1,451,145.00</b> | <b>\$ 116,751.53</b>   | <b>\$ (231,148.36)</b>  |
| <b>Capital</b>  | <b>\$ 1,817,620.00</b>   | <b>\$ 1,309,244.00</b> | <b>\$ 386,147.16</b>   | <b>\$ 817,870.00</b>    |
| <b>Total Capital Expenditures</b>   | <b>\$ 1,817,620.00</b>   | <b>\$ 1,309,244.00</b> | <b>\$ 386,147.16</b>   | <b>\$ 817,870.00</b>    |
| <b>Total Expenditures</b>   | <b>\$ 4,405,493.30</b>   | <b>\$ 3,263,680.00</b> | <b>\$ 9,377,242.59</b> | <b>\$ 10,087,976.24</b> |
| <b>Net Operating/Capital Income/(Loss)</b>  | <b>\$ (1,100,130.55)</b> | <b>\$ 359,697.00</b>   | <b>\$ 333,754.37</b>   | <b>\$ (914,018.36)</b>  |
| <b>Other Financing Sources Used</b>   |                          |                        |                        |                         |
| Budgeted Contingency Reserves   |                          |                        |                        |                         |
| <b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b> | <b>(1,100,130.55)</b>    | <b>359,697.00</b>      | <b>333,754.37</b>      | <b>(914,018.36)</b>     |
| <b>Beginning Fund Balance</b>   | <b>4,592,914.39</b>      | <b>4,618,857.02</b>    | <b>4,259,160.02</b>    | <b>2,765,561.22</b>     |
| <b>Ending Fund Balance</b>  | <b>3,492,783.84</b>      | <b>4,259,160.02</b>    | <b>4,592,914.39</b>    | <b>1,851,542.86</b>     |
| <b>Reserve Fund Accounts</b>  |                          |                        |                        |                         |
| Emergency Funds   | 100,000.00               |                        |                        |                         |
| General Operating Reserves  | 2,910,294.39             |                        |                        |                         |
| Capital Improvements Reserves   | 482,489.45               |                        |                        |                         |
| <b>Total Reserve Funds</b>  | <b>3,492,783.84</b>      |                        |                        |                         |

### CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of Larimer County, Colorado.

On behalf of the Upper Thompson Sanitation District,  
(taxing entity)<sup>A</sup>

the Board of Directors,  
(governing body)<sup>B</sup>

of the Upper Thompson Sanitation District,  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 184,151,175 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 184,151,175 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**Submitted:** December 14, 2015 for budget/fiscal year 2016  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

| PURPOSE (see end notes for definitions and examples)   | LEVY <sup>2</sup>   | REVENUE <sup>2</sup>   |
|--|---|--|
| 1. General Operating Expenses <sup>H</sup>   | _____ mills   | \$ _____   |
| 2. <Minus> Temporary General Property Tax Credit/<br>Temporary Mill Levy Rate Reduction <sup>I</sup> | < _____ > mills   | \$ < _____ >   |
| <b>SUBTOTAL FOR GENERAL OPERATING:</b>   | <span style="border: 1px solid black; padding: 2px;">0</span> mills | <span style="border: 1px solid black; padding: 2px;">\$ 0</span> |
| 3. General Obligation Bonds and Interest <sup>J</sup>  | _____ mills   | \$ _____   |
| 4. Contractual Obligations <sup>K</sup>  | _____ mills   | \$ _____   |
| 5. Capital Expenditures <sup>L</sup>   | _____ mills   | \$ _____   |
| 6. Refunds/Abatements <sup>M</sup>   | _____ mills   | \$ _____   |
| 7. Other <sup>N</sup> (specify): _____   | _____ mills   | \$ _____   |
|  | _____ mills   | \$ _____   |
| <b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]                                 | <span style="border: 1px solid black; padding: 2px;">0</span> mills | <span style="border: 1px solid black; padding: 2px;">\$ 0</span> |

Contact person: (print) Chris Bieker Daytime phone: ( 970 ) 586-4544  
Signed:  Title: District Manager

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.*

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

2. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

**CONTRACTS<sup>K</sup>:**

3. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

4. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.