

**Upper Blue Sanitation District**  
**Board of Directors Meeting**  
**Thursday September 11, 2014 @ 5:30 PM**

**I. ROLL CALL:**

Mr. Michael Turek called the meeting of the Upper Blue Sanitation District Board of Directors to order at 5:30 PM. Mr. Ken Trausch, Mr. Allyn Mosher, Mr. Michael Turek, Mrs. Patricia Theobald and Mr. Barrie Stimson answered "present" at roll call.

Mr. Andrew Carlberg and Mrs. Marjorie Borsina attended as well.

**II. MINUTES:**

August 14, 2014 minutes: Mrs. Theobald made a motion to approve the August 14, 2014 Board of Directors meeting minutes as amended. Mr. Turek seconded the motion. The motion was passed unanimously by the Board.

**III. PUBLIC HEARINGS:**

**A. Breckenridge Heights Line Extension Interest Cap:**

Mr. Carlberg recapped the Board's discussions at the August Board meeting regarding the Breckenridge Heights line extension interest cap. Mr. Carlberg said that letters were sent to all the affected property owners in Breckenridge Heights and that a notice was published in the Summit Journal. There has been significant response from the letters sent to the property owners. The majority of the respondents were neutral because they have already paid the line extension fee. However there were a few comments that indicated the interest cap sounded fair. One respondent, who does owe the full amount, is in favor of the cap.

Mr. Turek opened the Public Hearing.

Mr. Turek closed the Public Hearing since there was not any public present at the meeting.

Mr. Carlberg had prepared two Resolution options for the Board to review. One Resolution stated that the interest would be capped if the property owner started making payments at a rate of 5.25% over an eight year period. The other Resolution set a cap on the interest at approximately 10 years with full payment due upon the sale of the property or upon connection to the sewer.

The Board discussed the two resolutions. The Board decided to choose the following language in Resolution 5, Series 2014:

"The Deferred Repayment Cost for any of the Deferred Properties shall be capped at \$15,670.68 which represents the originally calculated per share cost plus interest at the rate of 12% per year for 11 years if, and only if, the owner of such Deferred Property executes and delivers to the District on or before January 31, 2015, a promissory note evidencing said owner's agreement to pay the District the full amount of Deferred Repayment Cost allocated to that Deferred Property in eight (8) equal annual installments (commencing one (1) year after the date of the promissory note) of principal and interest at the rate of 5% per year on the unpaid balance of the promissory note, said promissory note to be secured by a first deed of trust against the Deferred Property in favor of the District."

Mr. Trausch made a motion to approve Resolution 5, Series 2014. Mrs. Theobald seconded the motion. Mr. Turek asked the Board for a roll call and the motion was passed unanimously by the Board.

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**IV. PUBLIC COMMENT:** None

**V. BILLS:**

The bills were reviewed and discussed by the Board of Directors. Mr. Trausch made a motion to approve the bills as submitted. Mr. Mosher seconded the motion. Mr. Turek asked the Board for a roll call and the motion was passed unanimously by the Board.

**VI. FINANCIAL REPORT:**

The Financial report was discussed by the Board of Directors.

**VII. MONTHLY REPORTS:**

**B. Plant and Collection:**

The Plant and Collection reports were discussed by the Board of Directors. The plant report stated that Glacier Construction is still working on some warranty items. The warranty items were discussed by the Board.

**C. Manager Report:**

The Manager's report was discussed by the Board of Directors.

**-Sewer Service to Blue Rock Springs:**

Mr. Carlberg reported that Stan Miller, Inc. has been moving along on the Blue Rock Springs sewer line extension. The District has not received any complaints about the project.

**-Town of Breckenridge Water Rights:**

Mr. Carlberg reported that there is not any additional information.

**-2015 Draft Budget:**

Mr. Carlberg said that the Board has the first draft of the 2015 budget in their Board book. Mr. Carlberg highlighted on the proposed increase in service fees by \$1.00 per month/per sfe and the proposed increase in PIF's by an estimated 5%. Mr. Carlberg said that health insurance should increase by approximately 5%-7% and there is money in the budget for an additional employee due to work load.

In addition, Mr. Carlberg said that the District has been planning on placing the Iowa Hill plant back on line sometime in 2015. Although there are still several repairs that need to be made and the start-up of the Iowa Hill plant could be delayed until 2016, which would reduce the Iowa Hill expenses for 2015. The Board discussed the need for the Iowa Hill plant and agreed that the start-up could be delayed until 2016. Mr. Carlberg said that he would make the necessary adjustments to the 2015 budget for Iowa Hill.

**-PIF and Rate Study:**

Mr. Carlberg explained to the Board that the District had a rate study conducted by Red Oak Consulting back in 2008. Mr. Carlberg recommended that another rate study be conducted since the District is considering making a rate adjustment in 2015. Mr. Carlberg recommended that the District retain Mr. Rick Giardina of Raftelis Financial Consultants, Inc., formerly Red Oak Consulting.

The Board discussed having a rate study conducted by Raftelis Financial Consultants, Inc.

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Mrs. Theobald made a motion to execute the contract with Raftelis Financial Consultants, Inc. to conduct a rate study for the District. Mr. Stimson seconded the motion. The motion was passed unanimously by the Board.

**VIII. OLD BUSINESS:**

**IX. NEW BUSINESS:**

**D. Aslan Construction, Inc. Change Order #1**

Mr. Carlberg said that Aslan Construction, Inc. has submitted a change order for additional work on the renovation of concrete and the clarifier at Iowa Hill. Mr. Carlberg recommended that the Board approve the Aslan Construction, Inc. change order #1 in the amount of \$7,691.67.

Mr. Trausch made a motion to approve the Aslan Construction, Inc. change order #1 in the amount of \$7,691.67. Mr. Turek seconded the motion. The motion was passed unanimously by the Board.

**E. 2015 Draft Budget**

Mr. Carlberg reiterated what was stated in the Manager's Report regarding the proposed increase in service fees by \$1.00 per month/per sfe and the proposed increase in PIF's by an estimated 5%. That health insurance should increase by approximately 5%-7% and there is money allocated in the budget for an additional employee due to work load.

In addition, during the Manager's Report the Board discussed the need for the Iowa Hill plant and agreed that the start-up could be delayed until 2016, which would reduce the Iowa Hill expenses for 2015. Mr. Carlberg said that he would make the necessary adjustments to the 2015 budget for Iowa Hill.

**F. Bear Excavating Final Payment**

Mr. Carlberg reported that Bear Excavating, Inc. has submitted their final pay application for portions of Breckenridge Park Estates, Ten Mile Vista and Blue River. Mr. Carlberg said that notice has been published in the Summit Journal and the District has not received any comments. Mr. Carlberg said that the project is complete and that he recommended payment to Bear Excavating, Inc. in the amount of \$12,221.05.

Mr. Stimson made a motion to approve the pay application for Bear Excavating, Inc. in the amount of \$12,221.05. Mrs. Theobald seconded the motion. The motion was passed unanimously by the Board.

**G. Stan Miller, Inc. Pay Application #2**

Mr. Carlberg reported that Stan Miller, Inc. has submitted pay application #2 in the amount of \$226,092.77 for the Blue Rock Springs sewer line extension project. Mr. Carlberg said that the project is moving ahead smoothly. Although, rain has continued to slow down the project. The Stan Miller, Inc. pay application has been reviewed by staff and the Engineer. The Engineer and staff both recommend payment to Stan Miller, Inc. in the amount of \$226,092.77.

Mr. Stimson made a motion to approve payment of Stan Miller, Inc. pay application #2 in the amount of \$226,092.77. Mrs. Theobald seconded the motion. The motion was passed unanimously by the Board.

**H. Aslan Construction Pay Request #1**

Mr. Carlberg reported that Aslan Construction, Inc. has submitted pay request #1 in the amount of \$58,661.52 for the Iowa Hill rehabilitation. Mr. Carlberg said that the project is moving along smoothly. The Aslan Construction, Inc. pay request has been reviewed by staff and the Engineer. The Engineer and staff both recommend payment to Aslan Construction, Inc. in the amount of \$58,661.52.

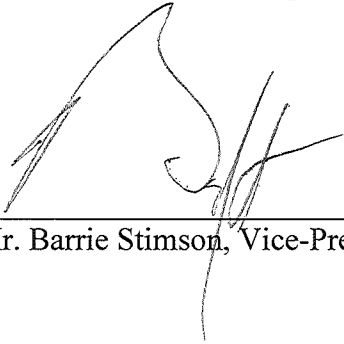
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Mr. Stimson made a motion to approve payment of the Aslan Construction, Inc. pay request #1 in the amount of \$58,661.52. Mr. Mosher seconded the motion. The motion was passed unanimously by the Board.

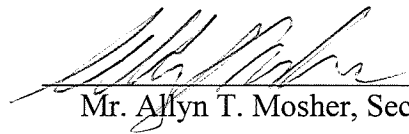
**X. CORRESPONDENCE:**

**XI. ADJOURN:**

Mr. Trausch made a motion to adjourn the meeting at 6:14 PM. Mrs. Theobald seconded the motion. The motion was passed unanimously by the Board.



Mr. Barrie Stimson, Vice-President



Mr. Allyn T. Mosher, Secretary

# Memorandum

**To:** Andy Carlberg

**From:** Marjorie Borsina

**Date:** September 8, 2014

**Re:** Financial Update

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-The District's Financial Records are in good order.

-We have not received all of the August 2014 bills. Therefore, the August 2014 Financial Statements are a preliminary draft for your review.

-I confirmed with Vision Graphics, who prints the District's bills and newsletters that the paper they are currently using is a 10% recycled paper. I hope to have samples of various degrees of recycled paper along with pricing at the Board meeting this Thursday.

*Marjorie*

Upper Blue Sanitation District  
Comparative Balance Sheet-UNAUDITED DRAFT  
August 31, 2014 and August 31, 2013

	<u>2014</u>	<u>2013</u>	<u>Increase</u> <u>(Decrease)</u>
<b><u>Current Assets:</u></b>			
Petty Cash	\$200	\$200	-
Checking-Wells Fargo Bank	13,703,405	10,695,655	3,007,750
Cash-Centennial Bank Money Market	251,049	250,217	832
ColoTrust Prime	3,640,134	3,639,846	288
Total Cash and Equivalents	17,594,788	14,585,918	3,008,870
Investments			
FK Construction Retainage Escrow	-	-	-
Cert. of Deposit & Treasuries	2,000,171	2,000,682	(511)
Total Investments	2,000,171	2,000,682	(511)
Other Current Assets			
Receivables-Utility + Spec. Assessments	40,581	66,130	(25,549)
Developer/Contractor Escrow	170,236	128,736	41,500
Interest Receivable & Market Adjustments	-	-	-
Notes Receivable	160,799	180,488	(19,689)
Prepaid Expenses	51,629	45,924	5,705
Loan Issuance Costs (Net)	-	-	-
Total Other Assets	423,245	421,278	1,967
<b>Total Current Assets:</b>	<b>20,018,204</b>	<b>17,007,878</b>	<b>3,010,326</b>
Property Plant and Equipment:			
Land	721,070	721,070	-
Easements	96,160	69,583	26,577
Sewer Lines	13,858,598	13,368,225	490,373
Treatment Plants	76,792,362	75,663,825	1,128,537
Office Equipment	210,830	210,830	-
Other Machines & Equipment	459,772	459,772	-
Autos & Trucks	877,370	821,984	55,386
IH Administration Building	138,162	-	138,162
Upper Blue System Costs	4,321,429	3,587,750	733,679
Telemetry	316,466	102,075	214,391
Employee Housing	1,038,191	1,038,191	-
Total Property Plant and Equipment :	98,830,410	96,043,305	2,787,105
<b>Less Accumulated Depreciation</b>	<b>(29,823,891)</b>	<b>(26,155,166)</b>	<b>(3,668,725)</b>
Net Property Plant and Equipment :	69,006,519	69,888,139	(881,620)
<b>Total Assets:</b>	<b>89,024,723</b>	<b>86,896,017</b>	<b>2,128,706</b>

## Liabilities

	<u>2014</u>	<u>2013</u>	<u>Increase</u> <u>(Decrease)</u>
<b>Current Liabilities:</b>			
Accounts Payable	442,228	280,227	162,001
Construction/Developer Escrow	170,236	128,736	41,500
Earned Employee Benefits	120,992	121,784	(792)
Unearned User Fees	440,806	436,745	4,061
Interest Payable	143,799	155,577	(11,778)
Loan Payable (Current Portion)	941,170	913,365	27,805
Retainage Payable-Construction in Progress	11,610	-	11,610
Retainage Payable-Blue River	47,863	47,863	-
Employee Housing Deposit Payable	1,750	1,250	500
Total Current Liabilities:	2,320,454	2,085,547	234,907
<b>Long Term Liabilities:</b>			
Loan Payable	8,349,304	10,203,839	(1,854,535)
Total Long Term Liabilities:	8,349,304	9,290,474	(941,170)
Total Liabilities	10,669,758	11,376,021	(706,263)
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	59,593,250	59,548,366	44,884
Unrestricted Net Assets	14,761,715	13,971,630	790,085
Unrestricted Net Assets - Nutrient Reserve	4,000,000	2,000,000	2,000,000
Total Contributed Capital	78,354,965	75,519,996	2,834,969
Total Liabilities and Equity	89,024,723	86,896,017	2,128,706

Upper Blue Sanitation District  
Monthly Financial Statement-UNAUDITED DRAFT  
August 31, 2014

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	2014	2014	2014	2014	2014
	<u>August</u>	<u>Year To Date</u>	<u>Approved Budget</u>	<u>Uncollected</u>	<u>% Uncol/Col</u>
<b>Operating Revenue</b>					
Sewer User Fees	441,637	3,518,333	5,240,000	1,721,667	33
Tap Inspection Fees	800	4,900	7,000	2,100	30
Miscellaneous Revenue	0	3,230	1,000	(2,230)	(223)
Camper Dump Fees	0	1,966	3,000	1,034	34
Late Fees	455	5,637	25,000	19,363	77
Line Extension Fees	12,429	24,201	25,000	799	3
Rental Income	3,750	29,000	45,000	16,000	36
<b>Total Operating Revenue</b>	<u>459,071</u>	<u>3,587,267</u>	<u>5,346,000</u>	<u>1,758,733</u>	<u>33</u>
<b>Miscellaneous Revenue</b>					
Interest on Loan Payments	427	7,124	9,000	1,876	21
Plant Investment Fees	203,878	2,613,780	700,000	(1,913,780)	(273)
Inclusion Fees	7,700	16,200	30,000	13,800	46
Interest on Investments	476	9,327	18,000	8,673	48
Transfer from Reserve	0	0	0	0	0
<b>Total Miscellaneous Revenue</b>	<u>212,481</u>	<u>2,646,431</u>	<u>757,000</u>	<u>(1,891,307)</u>	<u>(250)</u>
<b>Total Revenue</b>	<u>671,552</u>	<u>6,233,698</u>	<u>6,103,000</u>	<u>(130,698)</u>	<u>(2)</u>

Administration Expense	2014 <u>August</u>	2014 <u>Year to Date</u>	2014 <u>Approved Budget</u>	2014 <u>Available</u>	2014 <u>% Available</u>
<b>Payroll &amp; Employee Benefits</b>					
Salaries	90,218	696,019	1,177,000	480,981	41
Overtime	2,719	15,096	45,000	29,904	66
FICA-Admn	4,882	42,821	74,000	31,179	42
Medicare-Admin	1,339	10,246	19,000	8,754	46
401K Contributions	6,500	48,435	80,000	31,565	39
Worker's Compensation Insurance	1,676	14,581	19,000	4,419	23
Health Insurance	18,274	140,766	237,000	96,234	41
<b>Total</b>	<b>125,608</b>	<b>967,964</b>	<b>1,651,000</b>	<b>683,036</b>	<b>41</b>
Office Supplies	0	3,009	4,500	1,491	33
Telephone	811	11,637	17,000	5,363	32
Business Expenses	646	20,454	45,000	24,546	55
Bank Service Fees - Admin	0	272	5,000	4,728	95
Legal Counsel	3,093	60,438	50,000	(10,438)	(21)
Education	0	6,023	25,000	18,977	76
Audit & Accounting	0	8,300	9,000	700	8
Legal Publications	255	6,866	12,000	5,134	43
Board Members	500	4,000	6,000	2,000	33
Elections	0	0	15,000	15,000	100
Computer Expenses	662	15,624	25,000	9,376	38
Copy Machine & Supply	0	0	1,000	1,000	100
Postage & Meter Rent	0	10,992	13,000	2,008	15
Insurance - General	11,359	89,066	128,000	38,934	30
Insurance - Deductible	0	0	1,000	1,000	100
Engineering	0	9,870	60,000	50,130	84
Tools	0	2,394	3,500	1,106	32
Radios	0	0	0	0	0
Vehicle Expense	0	0	1,000	1,000	100
Dues & Memberships	0	3,016	7,000	3,984	57
Safety	368	5,283	5,000	(283)	(6)
Summit Water Quality	0	14,021	15,000	979	7
Building Maintenance	1,309	9,909	30,000	20,091	67
Employee Housing Maintenance	60	4,508	20,000	15,492	77
Employee Housing Utilities	86	3,392	5,000	1,608	32
<b>Total Administration</b>	<b>144,757</b>	<b>1,257,038</b>	<b>2,154,000</b>	<b>896,962</b>	<b>42</b>
<b>Iowa Hill Plant Expenses</b>					
Utilities					
Gas	135	8,499	15,000	6,501	43
Electric	6,034	23,101	60,000	36,899	61
Freight	0	79	2,000	1,921	96
Equipment Repairs	0	9,274	60,000	50,726	85
Chemicals	0	0	10,000	10,000	100
Contracted Repairs	1,403	11,315	20,000	8,685	43
Laboratory Supplies	231	9,852	15,000	5,148	34
Biomonitoring	0	0	0	0	0
Discharge Permit	0	0	7,000	7,000	100
Supplies	0	390	3,000	2,610	87
<b>Total Iowa Hill</b>	<b>7,803</b>	<b>62,510</b>	<b>192,000</b>	<b>129,490</b>	<b>67</b>

	2014 <u>August</u>	2014 <u>Year to Date</u>	2014 <u>Approved Budget</u>	2014 <u>Available</u>	2014 <u>% Available</u>
<b>Farmers Korner Expenses</b>					
Utilities					
Gas	113	52,881	75,000	22,119	29
Electric	36,113	288,528	500,000	211,472	42
Freight	2,136	22,076	35,000	12,924	37
Equipment Repairs	31,788	60,513	60,000	(513)	(1)
Chemicals	21,725	254,725	375,000	120,275	32
Supplies	1,154	6,561	10,000	3,439	34
Contracted Repairs	220	34,832	15,000	(19,832)	(132)
Dumpster Charges	995	7,960	14,000	6,040	43
Biomonitoring	0	2,876	7,000	4,124	59
Discharge Permit	0	1,424	25,000	23,576	94
Composting	5,134	52,592	105,000	52,408	50
Site Monitoring	3,314	20,114	30,000	9,886	33
Sludge Hauling Costs	3,375	44,591	55,000	10,409	19
State Health Fees	0	0	2,500	2,500	100
<b>Total Farmers Korner</b>	<b>106,067</b>	<b>849,673</b>	<b>1,308,500</b>	<b>458,827</b>	<b>35</b>
<b>Collection Expenses</b>					
Utilities	1,779	16,748	25,000	8,252	33
Vehicle Expense	2,393	23,816	35,000	11,184	32
Line Cleaner Expenses	0	43	5,000	4,957	99
Manhole Repairs/Line Repairs	1,338	54,516	120,000	65,484	55
Equipment Repairs	0	8,013	9,000	987	11
CCTV Expense	0	5,403	3,500	(1,903)	(54)
<b>Total Collection</b>	<b>5,510</b>	<b>108,539</b>	<b>197,500</b>	<b>88,961</b>	<b>45</b>
<b>Total Operating Expenditures</b>	<b>264,137</b>	<b>2,277,760</b>	<b>3,852,000</b>	<b>1,574,240</b>	<b>189</b>
<b>Net Cash from Operations</b>	<b>194,934</b>	<b>1,309,507</b>	<b>1,494,000</b>	<b>184,493</b>	
<b>Replacement Capital</b>					
Administration	0	0	65,000	65,000	100
Plant:					
IH	58,661	128,068	445,000	316,932	71
FK	0	9,973	210,000	200,027	95
Upper Blue	0	0	25,000	25,000	100
Collection			550,000	550,000	100
Misc	0	47,941	0	(47,941)	0
Vehicle	2,522	128,863	425,000	296,137	70
<b>Total Replacement Capital</b>	<b>61,183</b>	<b>314,845</b>	<b>1,720,000</b>	<b>1,405,155</b>	<b>82</b>
<b>Non Operating Expenses</b>					
Bond Principal	0	941,170	941,170	(0)	(0)
Bond Interest	0	344,671	344,671	0	0
<b>Total Non Operating</b>	<b>0</b>	<b>1,285,841</b>	<b>1,285,841</b>	<b>(0)</b>	<b>(0)</b>

## August Financial Statement Cont.

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	<u>2014</u> <u>August</u>	<u>2014</u> <u>Year to Date</u>	<u>2014</u> <u>Approved Budget</u>	<u>2014</u> <u>Available</u>	<u>2014</u> <u>% Available</u>
<b>Capital Outlay</b>					
Plant:					
IH	0	9,925	85,000	75,075	88
FK	1,057	27,259	55,000	27,741	50
Upper Blue	0	0	40,000	40,000	100
Collection	233,892	434,519	1,500,000	1,065,481	71
Administration	0	0	10,000	10,000	100
<b>Total Capital Outlay</b>	<u>234,949</u>	<u>471,703</u>	<u>1,690,000</u>	<u>1,218,297</u>	<u>72</u>
<b>Total Expenses</b>	<u>560,269</u>	<u>4,350,149</u>	<u>8,547,841</u>	<u>4,197,692</u>	<u>49</u>
<b>Total Revenue - Total Expenses</b>	<u>111,283</u>	<u>1,883,549</u>	<u>(2,444,841)</u>		

Upper Blue Sanitation District  
Comparative Financial Statement-UNAUDITED DRAFT  
August 31, 2014 vs. August 31, 2013

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	2014 <u>August</u>	2013 <u>August</u>	2014 <u>Year To Date</u>	2013 <u>Year to Date</u>	Increase <u>(Decrease)</u>
<b>Operating Revenue</b>					
Sewer User Fees	441,637	436,794	3,518,333	3,496,283	22,050
Tap Inspection Fees	800	900	4,900	5,100	(200)
Miscellaneous Revenue	0	0	3,230	7,804	(4,574)
Camper Dump Fees	0	1,445	1,966	5,404	(3,438)
Late Fees	455	882	5,637	23,423	(17,786)
Line Extension Fees	12,429	0	24,201	20,842	3,359
Rental Income	3,750	3,750	29,000	30,000	(1,000)
<b>Total Operating Revenue</b>	<b>459,071</b>	<b>443,771</b>	<b>3,587,267</b>	<b>3,588,856</b>	<b>(1,589)</b>
<b>Miscellaneous Revenue</b>					
Interest on Loan Payments	427	503	7,124	6,534	590
Plant Investment Fees	203,878	199,708	2,613,780	1,201,956	1,411,824
Inclusion Fees	7,700	8,109	16,200	33,226	(17,026)
Interest on Investments	476	1,785	9,327	15,108	(5,781)
Transfer from Reserve	0	0	0	0	0
<b>Total Miscellaneous Reven</b>	<b>212,481</b>	<b>210,105</b>	<b>2,646,431</b>	<b>1,256,824</b>	<b>1,389,017</b>
<b>Total Revenue</b>	<b>671,552</b>	<b>653,876</b>	<b>6,233,698</b>	<b>4,845,680</b>	<b>1,388,018</b>

Administration Expense	2014 <u>August</u>	2013 <u>August</u>	2014 <u>Year to Date</u>	2013 <u>Year to Date</u>	Increase <u>(Decrease)</u>
<b>Payroll &amp; Employee Benefits</b>					
Salaries	90,218	83,546	696,019	667,769	28,250
Overtime	2,719	6,067	15,096	19,676	(4,580)
FICA-Admin	4,882	5,472	42,821	41,946	875
Medicare-Admin	1,339	1,280	10,246	9,810	436
401K Contributions	6,500	6,144	48,435	48,742	(307)
Worker's Compensation Inst.	1,676	1,373	14,581	11,385	3,196
Health Insurance	18,274	18,448	140,766	157,415	(16,649)
<b>Total</b>	<b>125,608</b>	<b>122,330</b>	<b>967,964</b>	<b>956,743</b>	<b>11,221</b>
Office Supplies	0	187	3,009	1,542	1,467
Telephone	811	1,307	11,637	10,345	1,292
Business Expenses	646	3,534	20,454	29,838	(9,384)
Bank Service Fees - Admin	0	0	272	0	272
Legal Counsel	3,093	6,239	60,438	17,821	42,617
Education	0	0	6,023	13,115	(7,092)
Audit & Accounting	0	0	8,300	8,100	200
Legal Publications	255	0	6,866	4,070	2,796
Board Members	500	500	4,000	4,000	0
Elections	0	0	0	0	0
Computer Expenses	662	2,746	15,624	20,075	(4,451)
Copy Machine & Supply	0	0	0	0	0
Postage & Meter Rent	0	131	10,992	6,634	4,358
Insurance - General	11,359	10,108	89,066	81,224	7,842
Insurance - Deductible	0	0	0	109	(109)
Engineering	0	5,059	9,870	53,430	(43,560)
Tools	0	0	2,394	1,906	488
Radios	0	0	0	0	0
Vehicle Expense	0	0	0	0	0
Dues & Memberships	0	0	3,016	3,260	(244)
Safety	368	(726)	5,283	3,574	1,709
Summit Water Quality	0	0	14,021	14,021	0
Building Maintenance	1,309	1,649	9,909	9,130	779
Employee Housing Maintena	60	9,225	4,508	15,935	(11,427)
Employee Housing Utilities	86	50	3,392	2,982	410
<b>Total Administration</b>	<b>144,757</b>	<b>162,339</b>	<b>1,257,038</b>	<b>1,257,854</b>	<b>(816)</b>
<b>Iowa Hill Plant Expenses</b>					
Utilities					
Gas	135	93	8,499	8,225	274
Electric	6,034	2,168	23,101	20,022	3,079
Freight	0	0	79	288	(209)
Equipment Repairs	0	0	9,274	362	8,912
Chemicals	0	0	0	0	0
Contracted Repairs	1,403	1,346	11,315	12,786	(1,471)
Laboratory Supplies	231	0	9,852	8,132	1,720
Biomonitoring	0	0	0	0	0
Discharge Permit	0	0	0	0	0
Supplies	0	0	390	357	33
<b>Total Iowa Hill</b>	<b>7,803</b>	<b>3,607</b>	<b>62,510</b>	<b>50,172</b>	<b>12,305</b>

## August Comparative Statement Cont.

Pg. 3

	<u>2014</u> <u>August</u>	<u>2013</u> <u>August</u>	<u>2014</u> <u>Year to Date</u>	<u>2013</u> <u>Year to Date</u>	<u>Increase</u> <u>(Decrease)</u>
<b>Farmers Korner</b>					
Utilities					
Gas	113	26	52,881	43,743	9,138
Electric	36,113	34,801	288,528	268,243	20,285
Freight	2,136	2,440	22,076	25,157	(3,081)
Equipment Repairs	31,788	13,195	60,513	50,440	10,073
Chemicals	21,725	34,897	254,725	289,955	(35,230)
Supplies	1,154	603	6,561	3,898	2,663
Contracted Repairs	220	220	34,832	4,288	30,544
Dumpster Charges	995	995	7,960	7,960	0
Biomonitoring	0	0	2,876	2,837	39
Discharge Permit	0	0	1,424	1,657	(233)
Composting	5,134	0	52,592	52,806	(214)
Site Monitoring	3,314	7,938	20,114	20,197	(83)
Sludge Hauling Costs	3,375	8,547	44,591	40,722	3,869
State Health Fees	0	0	0	0	0
<b>Total Farmers Korner</b>	<b>106,067</b>	<b>103,662</b>	<b>849,673</b>	<b>811,903</b>	<b>37,770</b>
<b>Collection Expenses</b>					
Utilities	1,779	2,101	16,748	15,400	1,348
Vehicle Expense	2,393	2,097	23,816	22,868	948
Line Cleaner Expenses	0	232	43	1,061	(1,018)
Manhole Repairs/Line Repair	1,338	16,853	54,516	73,299	(18,783)
Equipment Repairs	0	1,926	8,013	3,456	4,557
CCTV Expense	0	0	5,403	0	5,403
<b>Total Collection</b>	<b>5,510</b>	<b>23,209</b>	<b>108,539</b>	<b>116,084</b>	<b>(7,545)</b>
<b>Total Operating Expenditures</b>	<b>264,137</b>	<b>292,817</b>	<b>2,277,760</b>	<b>2,236,013</b>	<b>41,714</b>
<b>Net Cash from Operations</b>	<b>194,934</b>	<b>150,954</b>	<b>1,309,507</b>	<b>1,352,843</b>	<b>(43,336)</b>
<b>Replacement Capital</b>					
Administration	0	29,622	0	124,246	(124,246)
Plant					
IH	58,661	810	128,068	66,660	61,408
FK	0	137,809	9,973	176,745	(166,772)
Upper Blue	0	0	0	13,678	(13,678)
Collection					
Misc	0	21,351	47,941	28,351	19,590
Vehicle	2,522	0	128,863	0	128,863
<b>Total Replacement Capital</b>	<b>61,183</b>	<b>189,592</b>	<b>314,845</b>	<b>453,941</b>	<b>(139,096)</b>
<b>Non Operating Expenses</b>					
CWRPDA Loan Principal	0	0	941,170	913,365	27,805
Loan Interest	0	0	344,671	372,948	(28,277)
<b>Total Non Operating</b>	<b>0</b>	<b>0</b>	<b>1,285,841</b>	<b>1,286,313</b>	<b>(472)</b>

## August Comparative Statement Cont.

Pg. 4

	<u>2014</u> <u>August</u>	<u>2013</u> <u>August</u>	<u>2014</u> <u>Year to Date</u>	<u>2013</u> <u>Year to Date</u>	<u>Pg. 4</u> <u>Increase</u> <u>(Decrease)</u>
<b>Capital Outlay</b>					
Plant-IH-CO	0	0	9,925	0	9,925
Plant-FK-CO	1,057	1,354	27,259	9,241	18,018
Plant-South Blue-CO	0	1,224	0	10,460	(10,460)
Collection	233,892	0	434,519	40,443	394,076
Administration	0	0	0	0	0
<b>Total Capital Outlay</b>	<u>234,949</u>	<u>2,578</u>	<u>471,703</u>	<u>60,144</u>	<u>411,559</u>
<b>Total Expenses</b>	<u>560,269</u>	<u>484,987</u>	<u>4,350,149</u>	<u>4,036,411</u>	<u>313,705</u>
<b>Revenue Less Expenses</b>	<u>111,283</u>	<u>168,889</u>	<u>1,883,549</u>	<u>809,269</u>	<u>1,074,280</u>

Upper Blue Sanitation District  
Monthly Financial Statement-UNAUDITED DRAFT  
August 31, 2014

Revenue Over/Anticipated Over Budget

Expenses Over/Anticipated Over Budget

	2014	2014	2014	2014	2014
	<u>August</u>	<u>Year To Date</u>	<u>Approved Budget</u>	<u>Uncollected</u>	<u>% Uncol/Col</u>
<b>Operating Revenue</b>					
Sewer User Fees	441,637	3,518,333	5,240,000	1,721,667	33
Tap Inspection Fees	800	4,900	7,000	2,100	30
Miscellaneous Revenue	0	3,230	1,000	(2,230)	(223)
Camper Dump Fees	0	1,966	3,000	1,034	34
Late Fees	455	5,637	25,000	19,363	77
Line Extension Fees	12,429	24,201	25,000	799	3
Rental Income	3,750	29,000	45,000	16,000	36
<b>Total Operating Revenue</b>	<b>459,071</b>	<b>3,587,267</b>	<b>5,346,000</b>	<b>1,758,733</b>	<b>33</b>
<b>Miscellaneous Revenue</b>					
Interest on Loan Payments	427	7,124	9,000	1,876	21
Plant Investment Fees	203,878	2,613,780	700,000	(1,913,780)	(273)
Inclusion Fees	7,700	16,200	30,000	13,800	46
Interest on Investments	476	9,327	18,000	8,673	48
Transfer from Reserve	0	0	0	0	0
<b>Total Miscellaneous Revenue</b>	<b>212,481</b>	<b>2,646,431</b>	<b>757,000</b>	<b>(1,891,307)</b>	<b>(250)</b>
<b>Total Revenue</b>	<b>671,552</b>	<b>6,233,698</b>	<b>6,103,000</b>	<b>(130,698)</b>	<b>(2)</b>

Administration Expense	2014 <u>August</u>	2014 <u>Year to Date</u>	2014 <u>Approved Budget</u>	2014 <u>Available</u>	2014 <u>% Available</u>
<b>Payroll &amp; Employee Benefits</b>					
Salaries	90,218	696,019	1,177,000	480,981	41
Overtime	2,719	15,096	45,000	29,904	66
FICA-Admn	4,882	42,821	74,000	31,179	42
Medicare-Admin	1,339	10,246	19,000	8,754	46
401K Contributions	6,500	48,435	80,000	31,565	39
Worker's Compensation Insurance	1,676	14,581	19,000	4,419	23
Health Insurance	18,274	140,766	237,000	96,234	41
<b>Total</b>	<b>125,608</b>	<b>967,964</b>	<b>1,651,000</b>	<b>683,036</b>	<b>41</b>
Office Supplies	0	3,009	4,500	1,491	33
Telephone	811	11,637	17,000	5,363	32
Business Expenses	646	20,454	45,000	24,546	55
Bank Service Fees - Admin	0	272	5,000	4,728	95
Legal Counsel	3,093	60,438	50,000	(10,438)	(21)
Education	0	6,023	25,000	18,977	76
Audit & Accounting	0	8,300	9,000	700	8
Legal Publications	255	6,866	12,000	5,134	43
Board Members	500	4,000	6,000	2,000	33
Elections	0	0	15,000	15,000	100
Computer Expenses	662	15,624	25,000	9,376	38
Copy Machine & Supply	0	0	1,000	1,000	100
Postage & Meter Rent	0	10,992	13,000	2,008	15
Insurance - General	11,359	89,066	128,000	38,934	30
Insurance - Deductible	0	0	1,000	1,000	100
Engineering	0	9,870	60,000	50,130	84
Tools	0	2,394	3,500	1,106	32
Radios	0	0	0	0	0
Vehicle Expense	0	0	1,000	1,000	100
Dues & Memberships	0	3,016	7,000	3,984	57
Safety	368	5,283	5,000	(283)	(6)
Summit Water Quality	0	14,021	15,000	979	7
Building Maintenance	1,309	9,909	30,000	20,091	67
Employee Housing Maintenance	60	4,508	20,000	15,492	77
Employee Housing Utilities	86	3,392	5,000	1,608	32
<b>Total Administration</b>	<b>144,757</b>	<b>1,257,038</b>	<b>2,154,000</b>	<b>896,962</b>	<b>42</b>
<b>Iowa Hill Plant Expenses</b>					
Utilities					
Gas	135	8,499	15,000	6,501	43
Electric	6,034	23,101	60,000	36,899	61
Freight	0	79	2,000	1,921	96
Equipment Repairs	0	9,274	60,000	50,726	85
Chemicals	0	0	10,000	10,000	100
Contracted Repairs	1,403	11,315	20,000	8,685	43
Laboratory Supplies	231	9,852	15,000	5,148	34
Biomonitoring	0	0	0	0	0
Discharge Permit	0	0	7,000	7,000	100
Supplies	0	390	3,000	2,610	87
<b>Total Iowa Hill</b>	<b>7,803</b>	<b>62,510</b>	<b>192,000</b>	<b>129,490</b>	<b>67</b>

## August Financial Statement Cont.

Pg. 3

	2014 <u>August</u>	2014 <u>Year to Date</u>	2014 <u>Approved Budget</u>	2014 <u>Available</u>	2014 <u>% Available</u>
<b>Farmers Korner Expenses</b>					
Utilities					
Gas	113	52,881	75,000	22,119	29
Electric	36,113	288,528	500,000	211,472	42
Freight	2,136	22,076	35,000	12,924	37
Equipment Repairs	31,788	60,513	60,000	(513)	(1)
Chemicals	21,725	254,725	375,000	120,275	32
Supplies	1,154	6,561	10,000	3,439	34
Contracted Repairs	220	34,832	15,000	(19,832)	(132)
Dumpster Charges	995	7,960	14,000	6,040	43
Biomonitoring	0	2,876	7,000	4,124	59
Discharge Permit	0	1,424	25,000	23,576	94
Composting	5,134	52,592	105,000	52,408	50
Site Monitoring	3,314	20,114	30,000	9,886	33
Sludge Hauling Costs	3,375	44,591	55,000	10,409	19
State Health Fees	0	0	2,500	2,500	100
<b>Total Farmers Korner</b>	<b>106,067</b>	<b>849,673</b>	<b>1,308,500</b>	<b>458,827</b>	<b>35</b>
<b>Collection Expenses</b>					
Utilities	1,779	16,748	25,000	8,252	33
Vehicle Expense	2,393	23,816	35,000	11,184	32
Line Cleaner Expenses	0	43	5,000	4,957	99
Manhole Repairs/Line Repairs	1,338	54,516	120,000	65,484	55
Equipment Repairs	0	8,013	9,000	987	11
CCTV Expense	0	5,403	3,500	(1,903)	(54)
<b>Total Collection</b>	<b>5,510</b>	<b>108,539</b>	<b>197,500</b>	<b>88,961</b>	<b>45</b>
<b>Total Operating Expenditures</b>	<b>264,137</b>	<b>2,277,760</b>	<b>3,852,000</b>	<b>1,574,240</b>	<b>189</b>
<b>Net Cash from Operations</b>	<b>194,934</b>	<b>1,309,507</b>	<b>1,494,000</b>	<b>184,493</b>	
<b>Replacement Capital</b>					
Administration	0	0	65,000	65,000	100
Plant:					
IH	58,661	128,068	445,000	316,932	71
FK	0	9,973	210,000	200,027	95
Upper Blue	0	0	25,000	25,000	100
Collection			550,000	550,000	100
Misc	0	47,941	0	(47,941)	0
Vehicle	2,522	128,863	425,000	296,137	70
<b>Total Replacement Capital</b>	<b>61,183</b>	<b>314,845</b>	<b>1,720,000</b>	<b>1,405,155</b>	<b>82</b>
<b>Non Operating Expenses</b>					
Bond Principal	0	941,170	941,170	(0)	(0)
Bond Interest	0	344,671	344,671	0	0
<b>Total Non Operating</b>	<b>0</b>	<b>1,285,841</b>	<b>1,285,841</b>	<b>(0)</b>	<b>(0)</b>

August Financial Statement Cont.

Pg. 4

	<u>2014</u> <u>August</u>	<u>2014</u> <u>Year to Date</u>	<u>2014</u> <u>Approved Budget</u>	<u>2014</u> <u>Available</u>	<u>2014</u> <u>% Available</u>
<b>Capital Outlay</b>					
Plant:					
IH	0	9,925	85,000	75,075	88
FK	1,057	27,259	55,000	27,741	50
Upper Blue	0	0	40,000	40,000	100
Collection	233,892	434,519	1,500,000	1,065,481	71
Administration	0	0	10,000	10,000	100
<b>Total Capital Outlay</b>	<u>234,949</u>	<u>471,703</u>	<u>1,690,000</u>	<u>1,218,297</u>	<u>72</u>
<b>Total Expenses</b>	<u>560,269</u>	<u>4,350,149</u>	<u>8,547,841</u>	<u>4,197,692</u>	<u>49</u>
<b>Total Revenue - Total Expenses</b>	<u>111,283</u>	<u>1,883,549</u>	<u>(2,444,841)</u>		

Upper Blue Sanitation District  
2014 Plant Investment Fees

Month	Date	Name	Residential PIF's	Multi PIF's	Comm. PIF's	Amount
<b>January</b>						
	1/7/14	Land Title (Rabin)	0.40			4,633.60
	1/7/14	Welk Resorts (Shores Development)			3.060	35,447.04
	1/7/14	Welk Resorts (Shores Development)		6.792		78,678.53
	1/22/14	Christie Matthews-Leidal/Mark Leidal	2.00			23,168.00
		<b>January Total</b>	2.40			141,927.17
		<b>Year to Date Totals</b>	2.40			141,927.17
<b>February</b>						
	2/13/14	French Property Investments	2.60			30,118.40
	2/14/14	Shock Hill Tract C, LLC		3.400		39,385.60
	2/14/14	Shock Hill Tract C, LLC		3.400		39,385.60
	2/24/14	Traditional Neighborhood Builders	1.00			11,584.00
	2/24/14	Waterhouse Main Street			52.900	612,793.60
	2/24/14	Peak 8 Construction, LLC			58.340	675,810.56
	2/24/14	Suzanne & Steven Parks	(2.20)			(25,484.80)
	2/25/14	JoAnn Cramer	1.00			11,584.00
	2/25/14	Phillip A. Dudiak (Maine Desert)	0.80			9,267.20
	2/1/14	Thomas A. Beckett	0.20			2,316.80
		<b>February Total</b>	3.60			1,406,760.96
		<b>Year to Date Totals</b>	6.00	0.000	0.000	1,548,688.13

**March**

	3/4/14	L & D Properties, LLC (David Hartman)	4.40			50,969.60
	3/6/14	Kevin Good	1.40			16,217.60
	3/7/14	Synergy Ventures, Inc.	1.80			20,851.20
	3/10/14	G.E. Johnson			0.430	4,981.12
	3/10/14	Iron Forest Building Co. (Carleton)	0.20			2,316.80
	3/10/14	Breck Laundry LLC	0.20			2,316.80
	3/10/14	Land Title (Snowloft HOA/Phillips)	0.90			10,425.60
	3/10/14	Land Title (Snowloft HOA/Phillips)	0.90			10,425.60
	3/11/14	Pinnacle Mountain Homes (May Residence)	2.80			32,435.20
	3/11/14	Lisa & William Webster	0.70			8,108.80

Upper Blue Sanitation District  
2014 Plant Investment Fees

Month	Date	Name	Residential PIF's	Multi PIF's	Comm. PIF's	Amount
	3/12/14	Iron Forest Building Co. (Wolters Res.)	0.60			6,950.40
	3/24/14	Bryan Whitcomb	0.20			2,316.80
	3/24/14	Stephen & Marjorie Hatton	0.20			2,316.80
	3/24/14	Thebeau Enterprises	(0.80)			(9,267.20)
	3/28/14	Pinnacle Mtn. Homes/Hamilton Res.	1.40			16,217.60
	3/31/14	John & Connie Stafford	2.20			25,484.80
	3/31/14	Karen & Douglas Adams	(0.20)			(2,142.00)
	<b>March Total</b>		16.90	0.000	0.430	200,925.52
<hr/>						
	<b>Year to Date Totals</b>		22.90	0.000	0.430	1,749,613.65

April

4/4/14	Gerald P. Long (Cabin Coffee)				3.730	43,208.32
4/16/14	Infinite Scope Inc.	2.40				27,801.60
4/22/14	Ronald & Kathleen Schuman	0.20				2,316.80
4/22/14	Traditional Neighborhood Builders	1.00				11,584.00
4/23/14	Math-Beat Breck, LLC	1.40				16,217.60
4/28/14	John Daisy	2.10				24,326.40
4/30/14	B & D Ltd. Partnership (Columbia Lode)	1.40				16,217.60
	<b>April Total</b>	8.50	0.000	3.730		141,672.32
<hr/>						
	<b>Year to DateTotal</b>	31.40	0.000	4.160		1,891,285.97

May

5/1/14	Traditional Neighborhood Builders	0.70				8,108.80
5/6/14	Mark Miller	1.60				18,534.40
5/9/14	Keith Crowley	2.20				25,484.80
5/12/14	Traditional Neighborhood Builders	1.00				11,584.00
5/20/14	Chad Christy	1.00				11,584.00
5/27/14	Timothy Zander	1.20				13,900.80
	<b>May Total</b>	7.70	0.000			89,196.80
<hr/>						
	<b>Year to Date Total</b>	39.10	0.000	4.160		1,980,482.77

June

6/4/14	Bruin Homes, LLC	2.00				23,168.00
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Upper Blue Sanitation District  
2014 Plant Investment Fees

Month	Date	Name	Residential PIF's	Multi PIF's	Comm. PIF's	Amount
	6/6/14	Lubos Hlahulek & Silvie Locklear	0.40			4,633.60
	6/6/14	Olin & Asa Armstrong	0.20			2,316.80
	6/16/14	Mark & Suzan Petty	0.60			6,950.40
	6/18/14	KB Construction Management, LLC	2.20			25,484.80
	6/24/14	Sanssouci Holdings Inc.	0.80			9,267.20
	6/25/14	Thebeau Enterprises LLC	1.00			11,584.00
	6/26/14	New Dillon LLC	1.26			14,595.84
		<b>June Total</b>	8.46	0.000	0.000	98,000.64
		<b>Year to Date Total</b>	47.56	0.000	4.160	2,078,483.41

July

7/3/14	PFP Meriwether-Breckenridge Holdings	2.20			25,484.80
7/3/14	PFP Meriwether-Breckenridge Holdings	3.00			34,752.00
7/9/14	M.K. Development Corp./Thaemert Res.	2.40			27,801.60
7/10/14	TLC Construction/Johnson Res.	0.40			4,633.60
7/14/14	Crystal Creek Building & Development, LLC	2.00			23,168.00
7/14/14	Ski First, LLC	2.00			23,168.00
7/16/14	Double Diamond Property	2.00			23,168.00
7/18/14	Town of Breckenridge			0.610	7,066.24
7/18/14	Shock Hill Development, LLC	2.60			30,118.40
7/24/14	Maggie Placer, LLC		4.200		48,652.80
7/25/14	Campbell Construction, LLC (Pro Properties)	2.00			23,168.00
7/29/14	B & D Limited Partnership		2.600		30,118.40
7/29/14	B & D Limited Partnership		2.600		30,118.40
	<b>July Total</b>	18.60		0.610	331,418.24
	<b>Year To Date Total</b>	66.16	0.000	4.770	2,409,901.65

August

8/1/14	Breckenridge Geodesics, Inc./Edelman		0.400		4,633.60
8/12/14	Crystal Creek Building & Development, LLC	2.60			30,118.40
8/13/14	Pinnacle Mountain Homes/Wyatt Res.	2.00			23,168.00
8/14/14	Peter M. & Stacy Kinde Joyce	2.20			25,484.80
8/20/14	James S. Brookds Rev. Trust	1.00			11,584.00
8/20/14	Jon & Leona S. Brownson	1.80			20,851.20

Upper Blue Sanitation District  
2014 Plant Investment Fees

Month	Date	Name	Residential PIF's	Multi PIF's	Comm. PIF's	Amount
	8/21/14	B & D Limited Partnership	2.00			23,168.00
	8/25/14	Rockridge Building Co./Browns Res.	2.80			32,435.20
	8/28/14	Pinnacle Mountain Homes/Irwin Res.	2.80			32,435.20
			12.60			203,878.40
			78.76			2,613,780.05

Year To Date Total

September

0.00	0.000	0.00
78.76	0.000	0.000
		2,613,780.05

Year To Date Total

October

Upper Blue Sanitation District  
2014 Plant Investment Fees

Month	Date	Name	Residential PIF's	Multi PIF's	Comm. PIF's	Amount
November						
			0.00			0.00
Year To Date Total						
			78.76	0.000	0.000	2,613,780.05
December						
			0.00			0.00
Year to Date Total						
			78.76			2,613,780.05
December Total						
			0.00	0.000	0.000	0.00
Year to Date Total						
			78.76	0.000	0.000	2,613,780.05

**UPPER BLUE SANITATION DISTRICT  
CERTIFICATES OF DEPOSIT**

**2014**

	<u>Centennial</u>	<u>TOTAL</u>
Bal. Forward 1/1/2014	\$1,001,068.87	\$1,001,068.87
Purchase		
January Interest	\$263.25	\$263.25
Redemption		
Bal. 1/31/2014	\$1,001,332.12	\$1,001,332.12
Purchase	\$1,000,000.00	\$1,000,000.00
February Interest	\$281.36	\$281.36
Redemption		
February 28, 2014	\$2,001,613.48	\$2,001,613.48
March Interest	\$451.57	\$451.57
Redemption		
March 31, 2014	\$2,002,065.05	\$2,002,065.05
April Interest	\$444.45	\$444.45
Redemption		
April 30, 2014	\$2,002,509.50	\$2,002,509.50
May Interest	\$444.36	\$444.36
Redemption		
May 31, 2014	\$2,002,953.86	\$2,002,953.86
June Interest	\$459.27	\$459.27
Purchase		
Redemption		
June 30, 2014	\$2,003,413.13	\$2,003,413.13
July Interest	\$444.77	\$444.77
Purchase		
Redemption		
July 31, 2014	\$2,003,857.90	\$2,003,857.90
August Interest	\$459.49	\$459.49
Purchase		
Interest Paid		
Redemption	(\$4,146.75)	(\$4,146.75)
August 31, 2014	\$2,000,170.64	\$2,000,170.64
September Interest		
Purchase		
Redemption		
September 30, 2014		
October Interest		
Purchase		
Redemption		
October 31, 2014		
November Interest		
Redemption		
Purchase		
November 30, 2014		
December Interest		
Redemption		
Purchase		
December 31, 2014		

**CAPITAL 2014**

	Current Month	Year To Date	Budget
--	---------------	--------------	--------

**FARMERS KORNER - REPLACEMENT****10-85-8524**

RAS/WAS Influent Pump	\$0.00	\$0.00	\$60,000.00
Aeration Blower VFD East Plant	\$0.00	\$0.00	\$15,000.00
Lab Countertop	\$0.00	\$0.00	\$5,000.00
Composite Samplers	\$0.00	\$0.00	\$20,000.00
Hydronumatic Tank Bladder	\$0.00	\$0.00	\$10,000.00
Filter Valves and Actuators	\$0.00	\$0.00	\$45,000.00
Lighting Rehabilitation	\$0.00	\$0.00	\$10,000.00
Centrifuge Rehabilitation	\$0.00	\$9,973.36	\$20,000.00
Miscellaneous Equipment Replace/Repair	\$0.00	\$0.00	\$25,000.00
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$9,973.36</b>	<b>\$210,000.00</b>

**FARMERS KORNER - NEW****10-95-9540**

Actuating Lift	\$0.00	\$13,387.00	\$15,000.00
Spare VFD Influent Pump	\$0.00	\$12,815.00	\$15,000.00
Landscaping	\$1,057.29	\$1,057.29	
Miscellaneous Equipment Replace/Repair	\$0.00	\$0.00	\$25,000.00
<b>TOTAL</b>	<b>\$1,057.29</b>	<b>\$27,259.29</b>	<b>\$55,000.00</b>

**IOWA HILL - REPLACEMENT****10-85-8522**

Odor Control Repair	\$0.00	\$18,416.00	\$25,000.00
Rehabilitation-BAF, Densadeg, Filters	\$58,661.52	\$102,216.11	\$270,000.00
Replace Pneumatic Flow Control Valves	\$0.00	\$0.00	\$25,000.00
Clairifier Rehabilitation	\$0.00	\$0.00	\$75,000.00
Miscellaneous Equipment Replace/Repair	\$0.00	\$0.00	\$50,000.00
Laboratory Dishwasher	\$0.00	\$7,435.56	
<b>TOTAL</b>	<b>\$58,661.52</b>	<b>\$128,067.67</b>	<b>\$445,000.00</b>

**IOWA HILL - NEW****10-95-9510**

Composite Sampler RAS	\$0.00	\$0.00	\$10,000.00
House Service Water Modifications	\$0.00	\$0.00	\$15,000.00
Nitrogen Removal Study	\$0.00	\$9,925.00	
Miscellaneous Equipment Replace/Repair	\$0.00	\$0.00	\$60,000.00
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$9,925.00</b>	<b>\$85,000.00</b>

**SOUTH BLUE - REPLACEMENT****10-85-8526**

Miscellaneous Equipment Replace/Repair	\$0.00	\$0.00	\$25,000.00
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$25,000.00</b>

**SOUTH BLUE - NEW****10-95-9590**

SCADA	\$0.00	\$0.00	\$15,000.00
Miscellaneous Equipment Replace/Repair	\$0.00	\$0.00	\$25,000.00
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$40,000.00</b>

**COLLECTION - REPLACEMENT****10-85-8530**

Warriors Mark Repairs			\$250,000.00
Line Repairs	\$0.00	\$47,940.90	\$250,000.00
Miscellaneous Line Extensions/Redline	\$0.00	\$0.00	\$50,000.00
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$47,940.90</b>	<b>\$550,000.00</b>

**COLLECTION - NEW****10-95-9520**

Blue Rock Springs	\$233,891.52	\$434,518.54	\$1,400,000.00
Miscellaneous	\$0.00	\$0.00	\$100,000.00
<b>TOTAL</b>	<b>\$233,891.52</b>	<b>\$434,518.54</b>	<b>\$1,500,000.00</b>

**VEHICLE - RC****10-85-8550**

Vehicle Replacement	\$2,521.55	\$128,863.08	\$425,000.00
<b>TOTAL</b>	<b>\$2,521.55</b>	<b>\$128,863.08</b>	<b>\$425,000.00</b>

**CAPITAL 2013 (Page 2)**

	Current Month	Year To Date	Budget
<b>ADMINISTRATION - REPLACEMENT</b>			
10-85-8510			
Vehicle Replacement	\$0.00	\$0.00	\$40,000.00
Scanning Upgrade	\$0.00	\$0.00	\$15,000.00
Miscellaneous	\$0.00	\$0.00	\$10,000.00
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$65,000.00</b>
<b>ADMINISTRATION - NEW</b>			
10-95-9580			
Miscellaneous	\$0.00	\$0.00	\$10,000.00
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$10,000.00</b>
<b>GRAND TOTALS</b>	<b>\$296,131.88</b>	<b>\$786,547.84</b>	<b>\$3,410,000.00</b>

DATE: September 2, 2014

TO: Andrew Carlberg, District Manager

FROM: Earl Picard, Chief Plant Operator

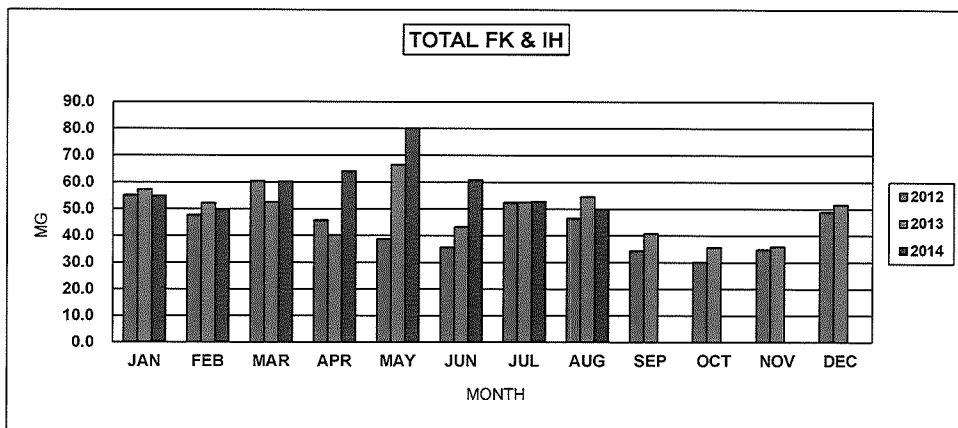
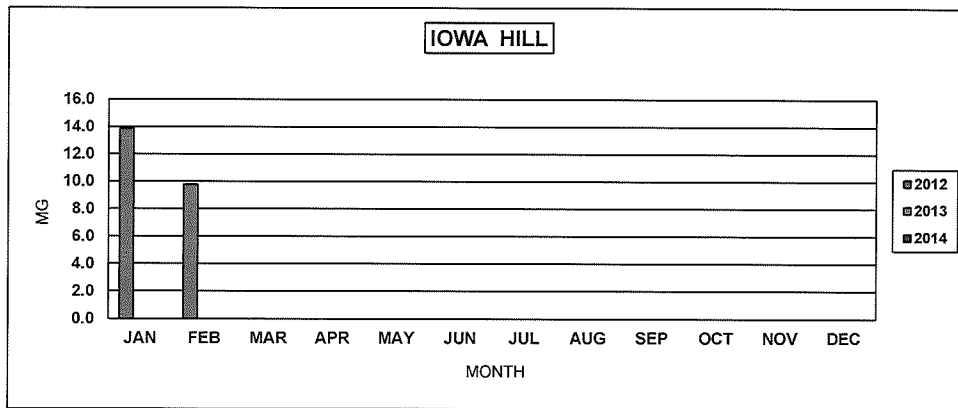
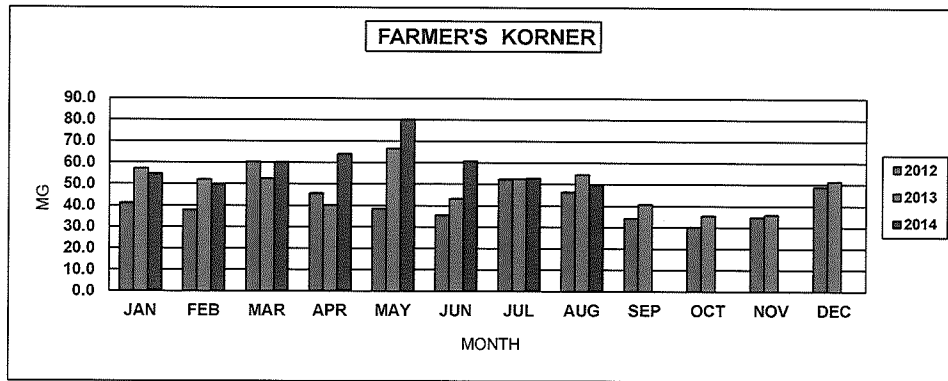
SUBJECT: Treatment plant operations for August, 2014.

1. Total influent flow for the Upper Blue Treatment Facilities was 50.0 million gallons for the month of August. The flow for the previous August was 54.7 million gallons. This is a 4.7 million gallon decrease (8.6%).
2. Solids loading at Farmer's Korner was up for August from 71,829# to 93034#. (29.5% increase).
3. Outstanding Farmers Korner warranty issues are being addressed by Glacier Construction. These items are; interior paint of the Desedeg, misc. painting items, and building exterior.
4. We are discharging good water that meets all discharge permit requirements. The phosphorus discharge concentration for August is at 0.015 mg/l (ppm).
5. The Iowa Hill construction rehabilitation is underway.

Earl

cc: file

# FACILITY FLOW



### PLANT STATISTICS - FARMERS KORNER

MONTH	FLOW (MG)			PHOS (LBS)			INF SS (LBS)			SLUDGE (TONS)		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
JAN	41.4	57.4	54.9	1.8	13.2	3.2	201554	104118	74790	43.2	75.4	59.9
FEB	38.1	52.3	50.0	2.9	10.7	6.7	123132	73437	79210	35.0	54.2	61.0
MAR	60.6	52.6	60.4	14.5	9.5	10.6	172780	60641	86743	66.1	64.6	69.0
APR	45.9	40.3	64.2	11.0	6.8	6.4	149764	54588	82592	21.5	47.7	21.1
MAY	38.9	66.6	80.3	4.8	8.0	5.0	86021	42603	94940	31.1	26.4	52.7
JUN	35.7	43.4	61.0	5.8	4.7	3.4	72201	60953	75395	39.0	38.4	58.0
JUL	52.5	52.6	52.9	10.6	7.8	7.8	131823	67996	54666	54.9	53.0	57.7
AUG	46.6	54.7	50.0	8.0	7.1	5.8	155732	71829	93034	62.5	31.2	38.3
SEP	34.4	40.9		8.4	4.0		59961	53147		24.5	31.1	
OCT	30.3	35.6		5.2	4.9		58517	78505		36.0	26.9	
NOV	34.9	36.0		8.4	3.4		96343	52500		15.8	44.0	
DEC	49.1	51.7		10.8	4.3		67806	110099		20.4	58.5	
TOTAL	508.4	584.1	473.7	92.2	84.4	49.0	1375634	830416	641370	450.0	551.4	417.7

### PLANT STATISTICS - IOWA HILL

MONTH	EFF FLOW (MG)			EFF PHOS (LBS)			INF SS (LBS)		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
JAN	13.9	0.0	0.0	4.2	0.0	0.0	36828	0	0
FEB	9.8	0.0	0.0	2.4	0.0	0.0	29021	0	0
MAR	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
APR	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
MAY	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
JUN	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
JUL	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
AUG	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
SEP	0.0	0.0		0.0	0.0		0	0	
OCT	0.0	0.0		0.0	0.0		0	0	
NOV	0.0	0.0		0.0	0.0		0	0	
DEC	0.0	0.0		0.0	0.0		0	0	
TOTAL	23.7	0.0	0.0	6.6	0.0	0.0	65849	0	0

### PLANT STATISTICS - TOTAL

MONTH	EFF FLOW (MG)			EFF PHOS (LBS)			INF SS (LBS)			SLUDGE (TONS)		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
JAN	55.3	57.4	54.9	6.0	13.2	3.2	238382	104118	74790	43.2	75.4	59.9
FEB	47.9	52.3	50.0	5.3	10.7	6.7	152153	73437	79210	35.0	54.2	61.0
MAR	60.6	52.6	60.4	14.5	9.5	10.6	172780	60641	86743	66.1	64.6	69.0
APR	45.9	40.3	64.2	11.0	6.8	6.4	149764	54588	82592	21.5	47.7	21.1
MAY	38.9	66.6	80.3	4.8	8.0	5.0	86021	42603	94940	31.1	26.4	52.7
JUN	35.7	43.4	61.0	5.8	4.7	3.4	72201	60953	75395	39.0	38.4	58.0
JUL	52.5	52.6	52.9	10.6	7.8	7.8	131823	67996	54666	54.9	53.0	57.7
AUG	46.6	54.7	50.0	8.0	7.1	5.8	155732	71829	93034	62.5	31.2	38.3
SEP	34.4	40.9	0.0	8.4	4.0	0.0	59961	53147	0	24.5	31.1	0.0
OCT	30.3	35.6	0.0	5.2	4.9	0.0	58517	78505	0	36.0	26.9	0.0
NOV	34.9	36.0	0.0	8.4	3.4	0.0	96343	52500	0	15.8	44.0	0.0
DEC	49.1	51.7	0.0	10.8	4.3	0.0	67806	110099	0	20.4	58.5	0.0
TOTAL	532.1	584.1	473.7	98.8	84.4	49.0	1441483	830416	641370	450.0	551.4	417.7

**Memo: Collection System Report for August, 2014**

**To: Andy Carlberg – District Manager**

**From: Wally Esquibel – Collection Systems Foreman**

**Date: September 4, 2014**

1. No backups reported for the month of August
2. Maggie Point sewer main vacuum testing is complete and meets District specifications
3. Blue Rock Springs sewer project is moving along at a good pace. To date, for the month of August, 1,183 feet of 8-inch PVC combined with 3-inch force main, 5 manholes and one lift station have been installed. This project is under inspection daily.
4. Field maintenance is as follows:
  - a. Line cleaning to date: 14.98 miles
  - b. CCTVing to date: 1,500 feet
5. 258 locates were completed. Service line inspections are up-to-date.
6. Working on budget

## MANAGER REPORT

September 2014

- 1) **Service to Blue Rock Springs.** We are moving along with little conflict. The neighbors have been great to work with.
- 2) **TOB water rights.** There is no additional information.
- 3) **2015 Draft Budget.** We will have the first draft budget to the at the meeting.
- 4) The District conducted an update to our PIF back in 2008 and now we are considering making adjustments in 2015. I would recommend we retain Rick Giardina to review our current status and make recommendations if any. I will have a proposal for your review at the meeting, or before. Attached is the previous study

**Breckenridge Sanitation District**

524 Wellington Road • Breckenridge • Breckenridge, CO 80424

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# Plant Investment Fee Update

December 2008

Report Prepared By:



100 Fillmore Street  
Suite 200  
Denver, CO 80206  
303-316-6500

5211004

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Appendices

- A. PIF Calculations

# 1. Executive Summary

---

## 1.1. Introduction

The Breckenridge Sanitation District (District) assesses plant investment fees (PIF) to new development within the District. PIFs are designed to recover new development's proportionate share of capacity.

The District is a quasi-municipal entity organized under Title 32 of the Colorado Revised Statutes. The District's service area extends from Dillon Reservoir to Hoosier Pass in Summit County. The District currently operates three separate facilities: Farmer's Korner, Iowa Hill and South Blue River Wastewater Treatment Plant.

The District retained Red Oak Consulting to review and update their PIFs for the ten-year study period, 2009 through 2019. This study included:

- Review of growth-related capital improvements
- Calculation of plant investment fees under the incremental and hybrid methodologies
- Development of a capital cash flow analysis for the study period to assure the adequacy of PIFs to fund growth-related projects

The District projects an additional 2,561 single family equivalent (SFE) connections to be added over the study period.

Appendix A contains detailed calculations for this study.

## 1.2. Legal Framework

PIF options were developed in accordance with Colorado Revised Statutes for Impact Fees (§ 29-20-104.5). This statute outlines several components required for the development of fees. The fees must:

- Be generally applicable to a broad class of property
- Be intended to defray the projected impacts on capital facilities caused by proposed development
- Be directly related to a service that a local government is authorized to provide
- Have an estimated useful life of five years or longer
- Be required by the charter or general policy of a local government pursuant to a resolution or ordinance.

### 1.3. Proposed 2009 PIFs

PIFs developed utilizing the hybrid methodology, for the purpose of this study, are the most supportable. Hybrid methodology considers both the District's investment in the existing system and expansion-related Capital Improvement Program (CIP) needed to provide service to new connectors in the near future.

The hybrid methodology consists of the following procedure:

- Value fixed assets and future expansion capital
- Calculate carrying costs of debt used to finance capital projects
- Estimate system capacity, existing and proposed
- Calculate unit cost
- Calculate PIF using assessment schedule parameters

Valuation of existing assets, the 10-year expansion CIP, and debt service carrying costs total to \$223.1 million. The existing capacity and future capacity expansion totals 6.5 million gallons per day. Based on a peak day flow of 300 gallons per day for a SFE, the proposed 2009 PIF is \$10,298.

### 1.4. Cash Flow Analysis

Red Oak developed a cash flow analysis for the 12-year study period for the capital subfund to determine the adequacy of the PIF revenue to fund growth-related capital improvements and fund growth-related debt service. Table 1-1 shows summarized cash flow for the 12-year study period. The positive ending balance shows the ability of PIFs to meet growth-related funding requirements. Appendix A shows the detailed operating and capital subfund cash flow analysis.

Table 1-1.  
Summarized Capital Subfund Cash Flow Analysis

Description	Units
2008 Beginning Balance	\$30,376,476
PIF Revenue	36,040,474
Inclusion Fees	\$875,003
Proposed Bond Proceeds	0
<b>Total Sources of Funds</b>	<b>\$67,291,953</b>
Growth-Related CIP	(42,533,781)
Debt Service Costs	(12,915,475)
<b>Total Uses of Funds</b>	<b>(\$55,449,256)</b>
<b>2019 Ending Balance</b>	<b>\$11,842,698</b>

## 1.5. Reliance of District-Provided Data

The District provided Red Oak with financial reports and projected expenditures for the utility throughout the course of the study. Red Oak has reviewed the data for reasonableness and general representation of cost and related activities. Red Oak did not independently assess or verify the accuracy of such data – historic or projected. We have relied on this data in the formulation of our findings and subsequent recommendations, as well as in the preparation of this report. As is often the case, there will be differences between actual and projected data, and these differences may be significant.

## 2. Development of Plant Investment Fees

### 2.1. Introduction

A variety of methods are available to calculate PIFs. Variations in the approach can have a significant and material effect on the result. There are three general methodologies for assessing the value of systems assets or estimating the value of future growth-related projects.

- Buy-in
- Incremental
- Hybrid

PIFs developed for this study follow the hybrid methodology. The hybrid methodology incorporates components from the buy-in and incremental methodology. This section describes the rationale for selecting the hybrid methodology and tasks necessary to complete the calculations.

### 2.2. PIF Calculation Process

Estimating a PIF includes a multi-step process, which begins with selecting the capital facilities valuation. A utility may wish to incorporate existing assets, future growth-related CIP, or a combination of the two. Development of a PIF generally follows a 4-step process, illustrated for each methodology in Table 2-1.

Table 2-1.  
Comparison of PIF Methodologies

Step	Buy-in	Incremental	Hybrid
1	Estimate value of existing assets	Estimate value of future growth-related projects	Estimate value of existing assets and future growth-related projects
2	Determine existing capacity	Estimate future incremental capacity	Determine existing capacity and future incremental capacity
3	Calculate unit cost	Calculate unit cost	Calculate unit cost
4	Apply assessment schedule	Apply assessment schedule	Apply assessment schedule

### 2.3. PIF Methodology Characteristics

Table 2-2 summarizes basic parameters of PIF methodology decision criteria. Breckenridge Sanitation District falls under a utility with existing capacity available, yet future capacity expansion will be required. Under this scenario, Red Oak may have utilized either the incremental or hybrid methodologies for PIF determination.

**Table 2-2.  
PIF Decision Criteria**

Description	Buy-in	Incremental	Hybrid
Modest-to-low growth	X		
Available existing capacity	X		
No existing capacity with significant future capacity requirements		X	
Existing capacity available with future capacity requirements		X	X

### 2.4. Buy-In Method

This method is based on the concept that existing customers, through rates and other assessments, have developed a valuable wastewater system. A new customer must “buy-in” to this system, making a contribution equal to the amount of equity that an existing like customer has invested in the system.

#### 2.4.1. Asset Valuation

There are four methods by which the value of existing assets can be measured. Valuation methods chosen are generally dependent on the utility’s goals in cost recovery. Carrying cost of capital, the opportunity cost associated with making investments in capital rather than saving, includes recognition of interest expense and depreciation expense.

1. Book Value (BV)
2. Original Cost (OC)
3. Replacement Cost New Less Depreciation (RCLD)
4. Replacement Cost New (RCN)

Valuation methods are listed in the order of the magnitude of PIF they can be expected generate. Book value will generally result in the smallest PIF, while replacement cost new (RCN) will result in the highest PIF. Each method is briefly discussed below.

##### 2.4.1.1. Book Value

Book value is the original cost of the utility’s assets less total accumulated depreciation. It is the most conservative approach to establishing a PIF. By using book value, the utility is covering its carrying cost of capital from existing customers’ past contributions.

Therefore, new customers are not paying for accumulated depreciation or interest. This approach might be appropriate for utilities that prematurely invested in infrastructure and have to finance excess capacity before it is required or can be financed by current system users.

#### **2.4.1.2. Original Cost**

Original cost is the actual cost to place an asset in service. The original cost PIF implicitly charges new customers for the depreciation portion of the carrying cost of capital. New customers are not compensating the current customers for their past interest expenses. The original cost method results in a higher PIF than the book value method because new customers are charged depreciation expense. The original cost method results in a lower PIF than RCLD or RC methods because new customers are not charged interest expense under Original Cost.

#### **2.4.1.3. Replacement Cost New Less Depreciation**

Replacement cost new less depreciation (RCLD) estimates the fair market value of assets in service. The RCLD value of a utility's fixed assets is estimated generally by using cost indices, such as the *Engineering News Record* Cost Construction Index (CCI), to estimate the cost of constructing previously built facilities today. This cost index adjustments to the asset base accounts for inflation.

Under the RCLD method, a utility receives a rate of return on investment (i.e., interest rate) equal to the rate of inflation. This return partially compensates existing customers for their past investments. The RCLD method also subtracts accumulated depreciation from asset values.

#### **2.4.1.4. Replacement Cost New**

Like RCLD, replacement cost new (RC) method provides a return on investment on growth-related facilities equal to the rate of inflation. The RC method also includes depreciation expense portion of the carrying cost in the reimbursement portion of the PIF. Therefore, this method of valuing fixed assets will result in a reimbursement fee that is higher than RCLD.

#### **2.4.1.5. Principal Credit**

To determine net equity in the system, asset value of the existing system is reduced by the outstanding debt on related facilities. Once a new customer connects to the wastewater system, the customer begins paying charges for service like all existing customers. These charges typically include payment for the retirement of outstanding debt. For this reason, it is necessary to deduct outstanding debt from system value before developing these fees. *The District does not have any outstanding debt funded by monthly service rates.*

## **2.5. Incremental Methodology**

The incremental cost method to determining PIFs is a forward-looking approach, which ignores past investment in the system. The incremental cost is defined as the cost of the next increment of capacity to serve new growth. Growth-related costs of capital improvement projects were estimated based on applying the proportionate share of new capacity to total capacity to the capital project cost. Since expansion facilities are often sized to meet long-term capacity requirements, PIF revenues may be insufficient to meet the expansion costs. Loans are typically issued to assist in funding these projects. The interest paid on these debt instruments are an additional cost to the utility and are often included in the PIF calculation.

## **2.6. Hybrid Methodology**

The hybrid method combines the buy-in and incremental methodologies. This method is most appropriate for a growing community that has existing infrastructure combined with measurable expansion planned over a specified time period. The hybrid methodology totals the valuation of existing assets using one of the valuations described above and includes the future expansion related costs. Similar to the incremental method, debt carrying costs on the issuance of loans are included in the PIF.

## **2.7. Capacity Valuations**

The second step in determining PIFs is estimating the existing and/or proposed capacity. The buy-in approach considers the capacity of the existing system. The incremental cost approach bases the PIF on the unit cost for the next increment of capacity. For example, if the next increment of capacity will provide treatment and transport for 10 million gallons per day (mgd), the appropriate capacity to use for unit cost calculation is 10 mgd. The hybrid method considers both existing and future capacity. This captures available capacity of the existing system as well as incremental expansion capacity of future capital projects.

## **2.8. Unit Fee Calculation**

Capacity units used to develop PIFs for individual customers are determined by dividing the value of existing assets, expansion-related capital, or both, by the capacity valuation that represents the existing, future, or total system. Capacity units are then applied to an assessment schedule or schedules to determine the PIF for each new connection.

## **2.9. Assessment Schedules**

The final task required for PIF development is determining an assessment schedule. An assessment schedule is a schedule of charges or SFEs that are used to determine the PIF due from customers. The task of developing an assessment schedule can vary substantially depending on the basis for assessing the charge. The purpose of an assessment schedule is to determine the total capacity required to serve a new connector.

## **2.10. Cash Flow Analysis**

Properly designed PIFs should generate revenues sufficient to fund the planned growth-related capital improvements and any associated borrowing costs over the intended study period. However, the collection of PIFs will be largely dependent on the timing of development. Major capital facilities or infrastructure often require several years to design, develop and construct. For this reason, capital costs tend to be concentrated around various points in time rather than distributed evenly over an entire planning period. If capital facilities or infrastructure are delayed until sufficient PIF revenues have accumulated to fund those facilities, service levels to all customers will deteriorate since needed capacity is delayed.

To accommodate cash flow shortfalls, municipalities may need to borrow funds, such as sales tax revenue or bonds, and repay the debt using PIF revenue. Properly designed PIFs over the long run should generate revenues equal to the identified, growth-related capital improvements. Yet there will naturally be time periods when other revenues or financing mechanisms will be necessary to meet cash flow requirements.

## 3. Plant Investment Fee Calculation

### 3.1. Introduction

Red Oak developed the proposed 2009 PIF for the District using the hybrid methodology based on the following:

- Available capacity in the existing system to serve growth in the short term
- Expansion of existing facilities to accommodate approximately 2,561 new SFEs 2009 through 2019.

### 3.2. Assumptions

The proposed 2009 PIF calculation considered the following assumptions:

- Replacement cost of equipment, vehicles and machinery were developed using the ENR CCI index.
- Land and housing costs were estimated using 2008 Summit County tax assessor records.
- Collection system replacement costs were based on engineering estimates provided by the District for recently completed and in-progress projects.
- Debt service interest costs (carrying costs) are recovered through PIFs.

### 3.3. Proposed PIF Calculation

Table 3-1 summarizes the PIF calculation under the hybrid methodology. Detailed calculations are presented in the Appendix of this report.

**Table 3-1.**  
**Calculation of Proposed 2009 PIF**

Line No.	Description	Units
1	Asset Valuation (Replacement Cost New)	\$178,757,052
2	Growth-Related Capital Additions	39,758,934
3	Debt Carrying Costs <sup>(a)</sup>	<u>\$4,605,098</u>
4	<b>Total System Valuation</b>	<b>\$223,121,084</b>
5	Total Capacity (Existing & Proposed), gpd	6,500,000
6	<b>Unit Cost, \$ per gpd (Line 4 ÷ 5)</b>	<b>\$34.33</b>
7	SFE Capacity, gpd	300
8	<b>PIF, \$ per SFE (Line 6 x 7)</b>	<b>\$10,298</b>
<i>(a) Based on remaining interest payments on 1998 and 2005 Bonds</i>		

### 3.4. Cash Flow Analysis

Red Oak developed a 12-year cash flow to determine the adequacy of the proposed PIFs to fully fund future growth-related capital and annual growth-related debt service. A summarized 12-year cash flow analysis is presented below in Table 3-2.

**Table 3-2.  
Summarized Capital Subfund Cash Flow Analysis**

Description	Units
<b>2008 Beginning Balance</b>	<b>\$30,376,476</b>
PIF Revenue	36,040,474
Inclusion Fees	875,003
Proposed Bond Proceeds	0
<b>Total Sources of Funds</b>	<b>\$67,291,953</b>
Growth-Related CIP	(42,533,781)
Debt Service Costs	(12,915,475)
<b>Total Uses of Funds</b>	<b><u>(\$55,449,256)</u></b>
<b>2019 Ending Balance</b>	<b>\$11,842,698</b>

**Breckenridge Sanitation District  
Wastewater Plant Investment Fee Study  
Calculation of PIF Under Hybrid Methodology**

**Table 1**

<b>Line No.</b>	<b>Description</b>	<b>PIF Calculation</b>
	<b>Existing Assets</b>	
1	Land (1)	\$4,487,104
2	Easements (1)	625,866
3	Lines (2)	90,288,000
4	Plant (3)	76,500,000
5	Equipment	190,237
6	Machine	682,614
7	Vehicles	1,037,998
8	Blue	2,820,495
9	Telemetry	92,567
10	Housing (1)	2,032,171
11	<b>Total Existing Asset Valuation (4)</b>	<b>\$178,757,052</b>
	<b>10-Year Growth-Related Capital Additions, 2008 Values</b>	
12	Farmers Korner	\$36,466,944
13	Iowa Hill	1,929,388
	Other Plant	0
14	Collection	1,145,475
15	Administration	0
16	Equipment	50,000
17	South Blue	167,127
18	<b>Total 10-Year Growth-Related Capital Additions</b>	<b>\$39,758,934</b>
19	<b>Total Existing Assets and 10-Year Capital</b>	<b>\$218,515,986</b>
	<b>Debt Service Interest Costs</b>	
	Existing	
20	1998 CWRPDA Loan	1,580,419
21	2005 CWRPDA Loan	3,024,679
	Proposed	
22	2014 Proposed Loans	0
23	<b>Total Interest Costs</b>	<b>\$4,605,098</b>
24	<b>Total Assets, Capital, and Interest Costs</b>	<b>\$223,121,084</b>
	<b>Treatment Capacity, gallons per day</b>	
25	Existing (Farmers Korner & Iowa Hill)	4,500,000
26	Proposed Capacity Additions	2,000,000
27	<b>Total Treatment Capacity (gpd)</b>	<b>6,500,000</b>
28	<b>Plant Investment Fee, \$ per gpd</b>	<b>\$34.33</b>
29	SFE Capacity, gpd	300
30	<b>Total SFE PIF - \$</b>	<b>\$10,298</b>
31	SFEs Added (2009 - 2019)	2,561
32	<b>Total PIF Revenue (2009 - 2019)</b>	<b>\$26,372,912</b>

(1) Based on 2008 Summit County Assessor Land/Housing Unit Value.

(2) Based on actual BSD line replacement costs at \$171 per linear foot and 528,000 feet of pipe.

(3) Based on \$17 per gpd of capacity; 4.5 mgd existing capacity

(4) All other assets valued at Replacement Cost using ENR 20-Cities Construction Index.

**Breckenridge Sanitation District  
Wastewater Plant Investment Fee Study  
12 Year Financial Forecast Summary  
Jan. 1, 2008 - Dec. 31, 2019**

Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Total Operating Revenues</b>	\$5,166,703	\$5,106,720	\$									
Sale of Bonds (2014)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenditures</b>	2,651,627	3,721,809										
<b>Debt Service Payments</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash from Operations</b>	\$2,515,076	\$1,384,911	\$									
Capital Replacement Res. B.O.Y. (1)	5,711,455	7,060,098										
Replacement Capital Expenditure (2)	(856,134)	(1,224,716)										
<b>Capital Replacement Res. E.O.Y. (3)</b>	<b>\$7,659,398</b>	<b>\$7,233,293</b>	<b>\$</b>									
<b>Plant Investment Fees (4)</b>	<b>\$4,211,338</b>	<b>\$2,059,579</b>	<b>\$</b>									
Sale of Bonds (2014)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Debt Service (1998)</b>	<b>(625,893)</b>	<b>(629,161)</b>										
<b>Debt Service (2005)</b>	<b>(545,807)</b>	<b>(552,490)</b>										
<b>Debt Service (2014, 5%, 20 Year Term)</b>	<b>-</b>	<b>-</b>										
<b>Transfer/Inland Loan from Op</b>	<b>-</b>	<b>-</b>										
<b>Inclusion Fees</b>	<b>50,000</b>	<b>75,000</b>										
<b>Total Capital Income</b>	<b>\$3,039,638</b>	<b>\$922,928</b>	<b>\$1</b>									
Capital Outlay Res. B.O.Y. (1)	30,376,476	30,797,180	13									
<b>Capital Outlay (2)</b>	<b>(2,654,934)</b>	<b>(17,869,275)</b>	<b>(16)</b>									
<b>Capital Outlay Res. E.O.Y.</b>	<b>\$30,797,180</b>	<b>\$13,100,833</b>	<b>\$1</b>									
<b>Total Cash and Investments</b>	<b>\$37,867,278</b>	<b>\$21,104,126</b>	<b>\$5</b>									

(1) Beginning of Year  
(2) Includes annual inflation allowance of 3.5%  
(3) End of Year  
(4) Includes annual automatic increase of 3.5% per year

**Breckenridge Sanitation District  
Wastewater Plant Investment Fee Study  
12 Year Financial Forecast Summary  
Jan. 1, 2008 - Dec. 31, 2019**

Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Monthly Rate Increase</b>	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
<b>Annual Increase</b>	0.0%	4.5%	4.3%	4.2%	4.0%	3.8%	3.7%	3.6%	3.4%	3.3%	3.2%	3.1%
<b>Cumulative Increase</b>	0.0%	4.5%	9.1%	13.6%	18.2%	22.7%	27.3%	31.8%	36.4%	40.9%	45.5%	50.0%
<b>User Fee Income Calculation</b>												
Single Family Equivalents	15,300	15,520	15,750	15,987	16,231	16,482	16,741	16,941	17,141	17,341	17,541	17,741
Beginning of year	220	230	237	244	251	259	267	274	281	289	296	304
SFEs placed in service	15,520	15,750	15,987	16,231	16,482	16,741	16,941	17,141	17,341	17,541	17,741	17,941
SFEs end of year (1)												
Monthly Rate per SFE	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00	\$27.00	\$28.00	\$29.00	\$30.00	\$31.00	\$32.00	\$33.00
<b>Sever User Fees</b>	<b>\$4,057,280</b>	<b>\$4,347,000</b>	<b>\$4,604,227</b>	<b>\$4,859,272</b>	<b>\$5,142,457</b>	<b>\$5,424,117</b>	<b>\$5,692,210</b>	<b>\$5,955,103</b>	<b>\$6,242,756</b>	<b>\$6,526,290</b>	<b>\$6,812,653</b>	<b>\$7,104,678</b>
<b>Interest Income Calculation</b>												
Prior Year Ending Cash (4)	\$26,600,448	\$25,663,998	\$21,104,126	\$5,576,147	\$5,013,830	\$4,840,100	\$3,503,931	\$3,796,748	\$4,750,175	\$5,186,132	\$5,395,454	\$8,817,481
Interest Rate	3.7%	2.8%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
<b>Interest Income</b>	<b>\$992,923</b>	<b>\$710,020</b>	<b>\$844,165</b>	<b>\$223,046</b>	<b>\$200,653</b>	<b>\$193,604</b>	<b>\$140,157</b>	<b>\$151,870</b>	<b>\$180,247</b>	<b>\$207,446</b>	<b>\$216,818</b>	<b>\$352,638</b>
<b>Other Operating Revenue</b>												
Inspection Fees (@ \$30 per hook-up)	\$5,000	\$5,200	\$5,400	\$5,600	\$5,800	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200
Other (Est.)	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
<b>Other Operating Revenue</b>	<b>\$65,000</b>	<b>\$67,000</b>	<b>\$69,000</b>	<b>\$71,000</b>	<b>\$73,000</b>	<b>\$75,000</b>	<b>\$77,000</b>	<b>\$79,000</b>	<b>\$81,000</b>	<b>\$83,000</b>	<b>\$85,000</b>	<b>\$87,000</b>
<b>Plant Investment Fee Calculation</b>												
Cost per SFE (2)	\$8,465	\$10,288	\$10,558	\$11,031	\$11,417	\$11,817	\$12,231	\$12,659	\$13,102	\$13,560	\$14,035	\$14,528
Cost per SFE (3)	486	200	206	212	218	225	232	239	246	253	261	269
<b>Plant Investment Fee Revenue</b>	<b>\$4,211,338</b>	<b>\$2,059,579</b>	<b>\$2,105,614</b>	<b>\$2,338,649</b>	<b>\$2,489,007</b>	<b>\$2,658,841</b>	<b>\$2,837,616</b>	<b>\$3,026,440</b>	<b>\$3,223,043</b>	<b>\$3,430,772</b>	<b>\$3,651,139</b>	<b>\$3,887,648</b>

(1) Growth rate averages 1.7% per year  
(2) Includes annual escalation of 3.5%  
(3) SFEs sold increase at 3.0% per year  
(4) Yes 2008 and 2009 \$MM bond revenue subtracted out of interest calculation

Table 3