

# VALLEY SANITATION DISTRICT

---

## 2019 BUDGET REPORT

### SUMMARY

The 2019 Budget for Valley Sanitation District has been prepared in accordance with the modified accrual basis of budgetary accounting.

Services to be provided in accordance with the 2018 budget include operation, maintenance and repair of Valley's 26.8 miles of sanitary sewer mains.

Total revenue from all sources in 2019 is projected to be \$3,008,766, \$2,700,000 of which is the proceeds from a loan to be issued by the Colorado Water Resources and Power Development Authority. The remaining revenue, \$308,766 is divided into general revenue of \$227,824, debt service revenue of \$10,010 and enterprise revenue of \$70,932. Total expenditures including capital items, contingencies and emergency reserves are budgeted at \$3,065,735. Operating expenditures are budgeted at \$207,210, \$842 more than 2018 budgeted expenses. The 2019 budget for capital expenses is \$2,816,215.

Beginning funds available in 2019 are estimated to be \$424,379. The reserve fund balance is projected to decrease \$56,969 to \$367,410 at year end 2019.

On November 17, 2017 a majority of the District's electors authorized the District to incur debt up to \$2,700,000 for the purpose of financing the cost of relocating and improving the District's interceptor sewer line. Preliminary project costs have been expended and the construction on the project is anticipated to begin during 2019. A thirty-year loan from the Colorado Water Resources and Power Development Authority will be executed in early 2019 with the repayment of debt financed through the assessment of property taxes. An annual debt service mill levy will be assessed, beginning in 2019, to satisfy the annual loan payments.

### REVENUE

- Total Revenue in 2019 is projected to be \$3,008,766, including \$2,700,000 in loan proceeds to be received from the Colorado Water Resources and Power Development Authority.
- With the exception of loan proceeds the largest single source of revenue is proposed to be general property tax revenue amounting to \$165,186, 72.5 percent of total District general revenue. Assessed values of taxable property within Valley Sanitation District increased \$2,639,090 (3.5 percent) from \$76,473,082 in tax year 2017 to \$79,112,172 in tax year 2018. Assessment of the District's 2018 mill levy (2.493 mills) will result in property tax revenue in excess of TABOR and the state 5.5 percent revenue limitations.

Thus, a mill levy reduction of .405 mills will be certified to bring tax revenue into alignment with said revenue limitations. Certification of a mill levy of 2.088 mills will result in property taxes amounting to \$165,186, \$8,112 more than 2018 budgeted property tax revenue. A breakdown of assessed valuations and property tax revenue for each county is shown on page two of the budget.

- The loan proceeds for the interceptor project are budgeted to be received in 2019. The voters approved the assessment of ad valorem taxes to pay the related principal and interest of the debt. The property tax assessment for the year 2019, needed to pay the annual loan payment is \$10,010. The mill levy rate for this assessment is 0.127.
- Specific Ownership Tax income amounting to \$13,140 is budgeted for 2019. Specific ownership taxes represent the District's share of automobile registration fees and are remitted to the District by the county treasurers in accordance with a formula based on each local government's mill levy certification
- Investment income is projected to decrease \$343 from estimated 2018 revenue of \$8,883 to \$8,490 budgeted ed for 2019. The average yield on District investments in 2019 is projected to be 2.0 percent.
- Valley's Sanitary Sewer System Rehabilitation Enterprise will impose a service fee for 2019 that will be assessed on all City of Englewood sewer bills to Valley customers. Service fee revenue is 10 percent of each customers' City of Englewood sewer bill. The revenue will be collected by Englewood and remitted to Valley. Projected service fee revenue for 2019 is estimated to be \$70,932, \$5,653 more than budgeted in 2018. This increase is consistent with the projected 7% increase in sewer rates in 2019 by the City of Englewood.
- No tap fee revenue is expected in 2018.
- The District has Intergovernmental Agreements with Columbine Water and Sanitation District and Bow Mar Water and Sanitation District that provide for cost sharing provisions for capital and maintenance costs related to the outfall interceptor owned by the District. Revenue of \$34,900 has been budgeted in 2019 for the reimbursement of costs by these entities related to the District's outfall sewer replacement project

## **EXPENSES**

- Total expenses for 2019 are budgeted at \$3,065,735, \$207,210 for operations, \$2,816,215 for capital expenditures and \$42,290 for contingencies and emergency reserves.
- Sanitary sewer maintenance expenses for 2019 are budgeted at \$77,925, \$10,058 less than \$87,983 budgeted in 2018. Projected maintenance expenses are based on the District's preventive maintenance program and represent 40 percent of total operating expenses.

- Remedial and emergency repairs for 2019 are budgeted at \$10,000. Remedial maintenance does not include any specific maintenance activities but reserves funds for repairs determined to be necessary throughout the year as a result of sewer video inspections. Emergency repairs include costs associated with sewer backup response and remediation. Again, funds are not allocated to specific activities, but are available if needed.
- The 2019 budget includes \$10,000 for general engineering services, the same amount budgeted in 2018.
- As part of the outfall sewer replacement project a new lift station will be constructed and placed in service during 2019. Routine maintenance will be required and is projected to amount to \$2,220 in 2019.
- Administrative expenses are budgeted at \$50,000 in 2019; the same amount budgeted in 2018. This line item includes administration, financial, and management functions conducted by Platte Canyon Water and Sanitation District staff under the Intergovernmental Agreement between Valley and Platte Canyon. It is anticipated that there will be a significant amount of staff time devoted to managing the outfall sewer relocation project.
- Advertising and publication expenses include publication of special district compliance notices and advertisement for construction project bids. The budget for 2019 for this line item is \$125, the same amount budgeted in 2018.
- The budget for legal services which are authorized on an as needed basis is \$10,000; \$2,000 less than the amount budgeted in 2018. Legal costs are anticipated to be incurred as part of the outfall sewer replacement project.
- The 2019 budget amount to conduct the annual audit is \$5,000, the same amount budgeted in 2018.
- Meeting hall rent represents the expenditure for rental of meeting space for monthly Board of Directors meetings. The amount budgeted for 2019 is \$300, the same amount budgeted in 2018.
- Insurance for general liability, officers and directors' liability, worker's compensation, and commercial crime coverages are obtained from the Colorado Special District's Property and Liability Pool. The amount budgeted for all coverages in 2019 is \$4,500; \$200 more than the amount budgeted in 2018.
- The District is required by state statute to be a member of Colorado 811. As a tier one member of Colorado 811, Valley is required to pay for each utility location request transmitted to the District. The amount budgeted for utility location charges in 2019 is \$3,500, \$1,200 more than budgeted in 2018.

- Supplies includes routine office, stationary and filing materials. The budget for this line item is \$500, the same amount budgeted in 2018.
- Director's fees are budgeted at \$6,000 and assume 100 percent attendance of all directors at all regularly scheduled Board meetings.
- Salaries and payroll taxes represent personnel costs for the District manager. The budget for 2019 is \$8,500, the same amount budgeted in 2018.
- County treasurers are allowed to retain 1.5% of all property tax revenue collected as a processing fee. Treasurer's fees charged by Denver and Arapahoe Counties are budgeted at \$2,480.
- The 2019 budget includes \$5,000 for public relations related expenses such as newsletters, informational brochures, and website expenses. This is equal to the amount budgeted in 2018.
- There is no election proposed for 2019, so no funds have been allocated to election expense.
- The 2019 budget reserves \$29,580 for unbudgeted contingencies that may arise during the year. This amount is \$1,380 less than budgeted in 2018. In addition, \$12,730 is budgeted as an emergency reserve as required by the TABOR Amendment.

## **PROPERTY TAXES**

- The general operations mill levy for Valley Sanitation District in 2019 (tax year 2018) is proposed to remain the same as the levy certified in tax years 2006 through 2018, 2.493 mills. However, due to the growth in assessed values of all taxable property within the Valley Sanitation District, a mill levy reduction of .405 mills will be imposed in 2018. The mill levy to be certified to Denver and Arapahoe Counties will be 2.088 mills, 0.034 mills higher than the mill levy certified in 2018.
- The first debt service payment on the \$2,700,000 loan to be received from the Colorado Water Resources and Power Development Authority is anticipated to be due on November 1, 2019. Repayment of the debt is financed through the assessment of property taxes generated by an annual mill levy until paid. Each year's debt service mill levy will be sufficient to pay the principal and interest due that year. A mill levy of 0.127 will be certified to Denver and Arapahoe Counties in anticipation of the debt service payment due in the amount of \$10,010.
- Assessed values increased this year to \$79,112,173 from \$76,473,082 assessed in 2018. Eighty-three percent of the District assessed value is located in Arapahoe County and 17 percent in Denver County.

- Total property tax revenue for operations proposed for 2019 is \$165,186; \$8,112 more than the budgeted amount of \$157,074 in 2018.

### **LEASE - PURCHASE AGREEMENTS**

- As required by *C.R.S. 29-1-103(3)(d)*, the 2016 budget includes a schedule for lease purchase agreements. Valley does not have any lease-purchase agreements requiring expenditure of funds in 2017.

### **TEN YEAR FINANCIAL PLAN**

- The Ten Year Financial Plan projects a reserve fund balance of \$424,379 at year end 2018. The fund balance is projected to decrease (including contingency and TABOR emergency reserve expenditures) to \$367,410 in 2019.
- The Financial Plan projects that the District will receive a loan in the amount of \$2,700,000 in 2019 to pay for capital projects. Debt service payments on the loan begin in 2019 and extend to 2049 at which time the debt is retired. The Board reviews the fund balance every year to determine the adequacy of the reserves to fund District administrative, operations, maintenance, and capital project expenditures.
- The average yield on District investments is assumed to be 2.0 percent in 2019 and increases 0.25 percent every 2 years until it reaches 3.0 percent.
- Service fees are projected to remain stable at 10 percent of each customer's sewer billing for City of Englewood sewer treatment services. The City is projecting a 7% increase in rates for 2019 which will result in a corresponding increase in revenue for the District. The rate is assumed to increase 1.5% every year beginning in 2020. Revenue from the Enterprise is expected to produce \$759,169, approximately 16.8 percent of all District revenue over the ten year planning period.
- Operating expenses are projected to increase 2.5% in 2020 and increase by one-half a percent per year to a maximum of 3.5% per year thereafter.
- A single capital project, the relocation of the outfall sewer main currently located in the abandoned landfill south and west of Oxford Ave. and the South Platte River is scheduled to be designed and constructed over a three year period beginning in 2017. The estimated cost of the project is \$3,240,774.

## **RESOLUTION 2018-11-1**

### **A RESOLUTION TO ADOPT A BUDGET FOR VALLEY SANITATION DISTRICT, ARAPAHOE AND DENVER COUNTIES, COLORADO FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2019 AND ENDING DECEMBER 31, 2019.**

**WHEREAS**, the Board of Directors of Valley Sanitation District has appointed Patrick Fitzgerald to prepare and submit a proposed budget to said governing body at the proper time, and;

**WHEREAS**, a proposed budget reflecting anticipated revenue and expenses for Valley Sanitation District, Arapahoe and Denver Counties, Colorado, for the calendar year beginning January 1, 2019, and ending December 31, 2019, was presented to the Board of Directors on or before October 15, 2018, for its consideration, and;

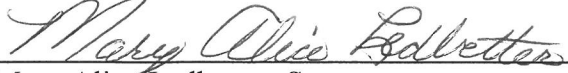
**WHEREAS**, notice of submittal of the proposed budget to the Board of Directors and notice of the date and time of a public hearing to consider adoption of the proposed budget has been published in newspapers of general circulation within Valley Sanitation District; and further, the proposed budget has been available for inspection at the at 8739 W. Coal Mine Avenue, Littleton, Colorado, and interested electors of the District have been given the opportunity to file or register objections to the proposed budget, and;

**WHEREAS**, a copy of the proposed budget for Valley Sanitation District for calendar year 2019 is attached hereto and made a part hereof, and;

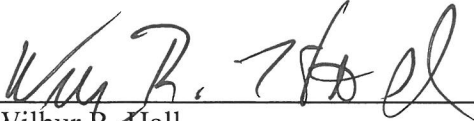
**WHEREAS**, said budget lists all proposed expenditures for administration, operations, maintenance, and capital projects and expenditures, all anticipated revenues, estimated or actual beginning and ending fund balances, and a budget message describing the important features of the proposed budget;

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF VALLEY SANITATION DISTRICT** that the budget as submitted, amended, and affixed hereto is hereby approved and adopted as the official budget of the Valley Sanitation District for the calendar year beginning January 1, 2019, and ending December 31, 2019.

ADOPTED BY THE BOARD OF DIRECTORS OF VALLEY SANITATION DISTRICT  
THIS 14th DAY OF NOVEMBER, 2018.

  
\_\_\_\_\_  
Mary Alice Ledbetter, Secretary

ATTEST:

  
\_\_\_\_\_  
Wilbur R. Hall

**RESOLUTION 2018-11-2**

**A RESOLUTION TO APPROPRIATE SUMS OF MONEY  
IN THE AMOUNTS AND FOR THE PURPOSES  
AS SET FORTH BELOW FOR THE  
VALLEY SANITATION DISTRICT  
FOR THE 2019 BUDGET YEAR**


**WHEREAS**, the Board of Directors of Valley Sanitation District has approved and adopted the annual budget for said District for the budget year 2019 and;

**WHEREAS**, the Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, 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 for the operations and expenditures of the Valley Sanitation District,

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF VALLEY SANITATION DISTRICT, ARAPAHOE AND DENVER COUNTIES, COLORADO** that the sum of THREE MILLION SIXTY-FIVE THOUSAND SEVEN HUNDRED THIRTY-FIVE AND NO/100 DOLLARS (\$3,065,735) is hereby appropriated for expenditure during calendar year 2019:

**ADOPTED BY THE BOARD OF DIRECTORS OF VALLEY SANITATION DISTRICT THIS 14<sup>TH</sup> DAY OF NOVEMBER, 2018.**

  
\_\_\_\_\_  
Mary Alice Ledbetter, Secretary

**ATTEST:**

  
\_\_\_\_\_  
Wilbur R. Hall



## **RESOLUTION 2018-11-3**

### **A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR TAX YEAR 2018 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE VALLEY SANITATION DISTRICT FOR THE 2019 BUDGET YEAR**

**WHEREAS**, the Board of Directors of Valley Sanitation District has approved and adopted the annual budget for 2019 in accordance with the Colorado Local Government Budget Law, and;

**WHEREAS**, the approved budget for 2019 contemplates funding a portion of anticipated expenses with certification of a property tax mill levy to be assessed upon all taxable property within Valley Sanitation District, and;

**WHEREAS**, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is ONE HUNDRED SIXTY-FIVE THOUSAND FIVE HUNDRED FOURTEEN AND NO/100 DOLLARS (\$165,514), and;

**WHEREAS**, voter approved general obligation debt is anticipated to be issued during 2019 in the amount of \$2,700,000, with an annual payment of \$10,010 in 2019, and:

**WHEREAS**, the amount of money necessary to balance the budget for voter-approved general obligation debt is TEN THOUSAND TEN AND NO/100 DOLLARS (\$10,010.00), and;

**WHEREAS**, the tax year 2018 valuation for assessment for the Valley Sanitation District as certified by the County Assessors of Arapahoe and Denver Counties is \$82,378,662,


**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF VALLEY SANITATION DISTRICT, ARAPAHOE AND DENVER COUNTIES, COLORADO** that for the purpose of meeting all expenses of the Valley Sanitation District during the 2019 budget year there is hereby levied a tax of 2.131 mills upon each dollar of total valuation for assessment for tax year 2018, said 2.131 mill levy being certified for assessment as follows:

General Operating Expenses	2.493 mills
Temporary Mill Levy Reduction	0.496 mills
Recovery of Refunds and Abatements	0.012 mills
General Obligation Debt Expenses	0.122 mills
Total Mill Levy Certified for Assessment Upon All Taxable Property Within Valley Sanitation District	<b>2.131 mills</b>

**ADOPTED BY THE BOARD OF DIRECTORS OF VALLEY SANITATION DISTRICT  
THIS 14th DAY OF NOVEMBER, 2018.**

  
\_\_\_\_\_  
Phyllis Gooden, President

**ATTEST:**

  
\_\_\_\_\_  
Wilbur R. Hall

# VALLEY SANITATION DISTRICT

## 2019 BUDGET

	ACTUAL 2016	ACTUAL 2017	BUDGET 2018	ESTIMATED 2018	PROPOSED BUDGET 2019	DIFFERENCE FROM 2018 BUDGET
<b>Beginning Balance January 1</b>	<b>\$615,165</b>	<b>\$709,625</b>	<b>\$527,253</b>	<b>\$665,000</b>	<b>\$424,379</b>	
<b>REVENUE</b>						
Property Taxes - Operations	\$141,251	\$151,981	\$157,074	\$157,076	\$165,186	\$8,112
Property Taxes - Debt Service	\$0	\$0	\$0	\$0	\$10,010	\$10,010
Specific Ownership Taxes	\$10,392	\$12,449	\$11,781	\$11,770	\$13,140	\$1,359
Interest Earned	\$3,726	\$7,389	\$5,273	\$8,833	\$8,490	\$3,217
Service Fee (Enterprise)	\$66,069	\$66,282	\$65,279	\$66,292	\$70,932	\$5,653
System Development Fee (Tap Fees)	\$45,000	\$19,000	\$0	\$0	\$0	\$0
Loan Proceeds			\$2,700,000	\$0	\$2,700,000	\$0
IGA Cost Sharing					\$34,900	\$34,900
Other	\$2,467	\$6,616	\$2,500	\$3,608	\$6,108	\$3,608
<b>Total Revenue</b>	<b>\$268,905</b>	<b>\$263,717</b>	<b>\$2,941,907</b>	<b>\$247,579</b>	<b>\$3,008,766</b>	<b>\$66,859</b>
<b>OPERATING EXPENDITURES</b>						
<u>MAINTENANCE</u>						
Maintenance & Repairs	\$70,639	\$67,669	\$87,983	\$79,542	\$77,925	(\$10,058)
Repairs Remedial/Emergency	\$1,885	\$3,400	\$10,000	\$93	\$10,000	\$0
Engineering - GIS	\$0	\$8,820	\$0	\$5,485	\$0	\$0
Engineering	\$23,287	\$0	\$10,000	\$0	\$10,000	\$0
Lift Station Operation and Maintenance	\$0	\$0	\$0	\$0	\$2,220	\$2,220
<u>ADMINISTRATION</u>						
Administrative Expenses	\$42,096	\$59,216	\$50,000	\$51,090	\$50,000	\$0
Advertising & Publication	\$52	\$122	\$125	\$125	\$125	\$0
Legal	\$5,172	\$6,531	\$12,000	\$10,000	\$10,000	(\$2,000)
Audit	\$4,600	\$4,640	\$5,000	\$4,700	\$5,000	\$0
Meeting Hall Rent	\$300	\$300	\$300	\$300	\$300	\$0
Insurance	\$4,006	\$4,253	\$4,300	\$4,288	\$4,500	\$200
UNCC	\$1,722	\$2,053	\$2,300	\$3,554	\$3,500	\$1,200
Supplies	\$326	\$453	\$500	\$208	\$500	\$0
Director's Fees & Expenses	\$5,900	\$5,800	\$6,000	\$8,700	\$6,000	\$0
Salaries & Payroll Taxes	\$7,751	\$7,725	\$8,500	\$7,750	\$8,500	\$0
Treasurers Tax Collection Fee	\$1,997	\$2,150	\$2,360	\$2,275	\$2,630	\$270
Public Relations	\$2,699	\$8,114	\$5,000	\$70	\$5,000	\$0
Election Expense	\$1,531	\$11,628	\$1,000	\$39	\$0	(\$1,000)
Other	\$482	\$428	\$1,000	\$462	\$1,000	\$0
Debt - Principal	\$0	\$0	\$0	\$0	\$5,510	\$5,510
Debt - Interest	\$0	\$0	\$0	\$0	\$4,500	\$4,500
<b>Sub-Total Operating Expenses</b>	<b>\$174,445</b>	<b>\$193,302</b>	<b>\$206,368</b>	<b>\$178,681</b>	<b>\$207,210</b>	<b>\$842</b>
<b>CAPITAL EXPENDITURES</b>						
Capital Outlay	\$0	\$115,040	\$1,862,436	\$309,519	\$2,816,215	\$953,779
<b>Sub-Total Capital Expenditures</b>	<b>\$0</b>	<b>\$115,040</b>	<b>\$1,862,436</b>	<b>\$309,519</b>	<b>\$2,816,215</b>	<b>\$953,779</b>
<b>Contingency</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,960</b>	<b>\$0</b>	<b>\$29,580</b>	<b>(\$1,380)</b>
<b>TABOR Emergencies Reserve</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,818</b>	<b>\$0</b>	<b>\$12,730</b>	<b>(\$3,088)</b>
<b>Total Expenditures</b>	<b>\$174,445</b>	<b>\$308,342</b>	<b>\$2,115,582</b>	<b>\$488,200</b>	<b>\$3,065,735</b>	<b>\$950,153</b>
<b>Ending Balance December 31</b>	<b>\$709,625</b>	<b>\$665,000</b>	<b>\$1,353,578</b>	<b>\$424,379</b>	<b>\$367,410</b>	

# VALLEY SANITATION DISTRICT 2019 BUDGET

## PROPERTY TAXES ASSESSED

	Tax Year 2015	Tax Year 2016	Tax Year 2017	Tax Year 2018
Assessed Valuation				
Arapahoe County	\$54,855,722	\$55,341,708	\$62,888,672	\$65,906,452
Denver County	\$11,716,860	\$11,770,940	\$13,584,410	\$13,205,720
<b>Total Valuation</b>	<b>\$66,572,582</b>	<b>\$67,112,648</b>	<b>\$76,473,082</b>	<b>\$79,112,172</b>
Mill Levy - Operations	2.493	2.493	2.493	2.493
Temporary Mill levy Reduction	(0.367)	(0.228)	(0.439)	(0.405)
Net Mill Levy - Operations	<u>2.126</u>	<u>2.265</u>	<u>2.054</u>	<u>2.088</u>
Mill Levy - Debt Service	0.000	0.000	0.000	0.127
<b>Property Tax Revenue - General</b>	<b>\$141,533</b>	<b>\$152,010</b>	<b>\$157,076</b>	<b>\$165,186</b>
<b>Property Tax Revenue - Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,010</b>
<b>Property Tax Revenue</b>	<b>\$141,533</b>	<b>\$152,010</b>	<b>\$157,076</b>	<b>\$175,196</b>
Arapahoe County - General			<b>\$129,173</b>	<b>\$137,613</b>
Arapahoe County - Debt service			<b>\$0</b>	<b>\$8,339</b>
Denver County - General			<b>\$27,902</b>	<b>\$27,574</b>
Denver County - Debt Service			<u><b>\$0</b></u>	<u><b>\$1,671</b></u>
			<b>\$157,076</b>	<b>\$175,196</b>
Effect of Operating Mill levy Reduction:				
Total revenue loss due to required levy reduction		<u>\$15,302</u>	<u>\$33,572</u>	<u>\$32,040</u>
Total potential operating revenue without reduction		\$167,312	\$190,648	\$197,226

**VALLEY SANITATION DISTRICT  
2019 BUDGET**

**SCHEDULE I  
LEASE - PURCHASE SUPPLEMENTAL SCHEDULE  
(29-1-103(3)(d), C.R.S)**

I. Real Property Lease - Purchase Agreements:

Total Amount to be expended for all Real Property Lease - Purchase Agreements in 2015	\$0.00
--	--------

II. All Lease - Purchase Agreements Not Involving Real Property:

Total Amount to be expended for all Non-Real Property Lease - Purchase Agreements in 2015	\$0.00
--	--------

## VALLEY SANITATION DISTRICT Ten Year Financial Plan (2019-2028)

### Summary

	ACTUAL			ESTIMATED			BUDGETED					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
BEGINNING FUNDS AVAILABLE	<b>\$709,625</b>	<b>\$665,000</b>	<b>\$424,379</b>	<b>\$367,410</b>	<b>\$518,263</b>	<b>\$631,957</b>	<b>\$746,906</b>	<b>\$867,019</b>	<b>\$968,689</b>	<b>\$1,075,955</b>	<b>\$1,184,558</b>	<b>\$1,299,645</b>
REVENUES												
Property taxes General Revenue (Exhibit 1)	151,981	157,076	165,186	170,142	175,246	180,503	185,919	191,496	197,241	203,158	209,253	215,531
Property taxes Debt Service (Exhibit 1)	0	0	10,010	121,414	121,414	121,414	121,414	121,414	121,414	121,414	121,414	121,414
Specific ownership taxes	12,449	11,770	13,140	21,867	22,250	22,644	23,050	23,468	23,899	24,343	24,800	25,271
Service Fees (Enterprise)	66,282	66,292	70,932	71,996	73,076	74,172	75,285	76,414	77,561	78,724	79,905	81,103
Investment income (2019@ 2% +.25%/2yr max 3%)	7,389	8,833	8,490	8,194	11,661	14,219	18,673	21,675	26,639	29,589	35,537	38,989
Other	6,616	3,608	6,108	6,108	6,108	6,108	6,108	6,108	6,108	6,108	6,108	6,108
System Development Fees	19,000	0	0	0	0	0	0	0	0	0	0	0
IGA Outfall Cost Share		0	34,900	34,900	34,900	34,900	34,900	14,900	14,900	14,900	14,900	14,900
Contingency Addback				42,310								
Bond proceeds	0	0	2,700,000	0	0	0	0	0	0	0	0	0
<b>TOTAL REVENUE</b>	<b>263,717</b>	<b>247,579</b>	<b>3,008,766</b>	<b>476,932</b>	<b>444,655</b>	<b>453,961</b>	<b>465,348</b>	<b>455,476</b>	<b>467,762</b>	<b>478,236</b>	<b>491,917</b>	<b>503,316</b>
EXPENSES												
Operations (2020@2.5%+.5%/yr max 3.5%)												
Sewer Operations	67,669	79,542	77,925	79,873	82,269	85,149	88,129	91,213	94,406	97,710	101,130	104,670
Sewer - Remedial Projects	3,400	93	10,000	10,250	10,558	10,927	11,309	11,705	12,115	12,539	12,978	13,432
Sewer - Engineering/GIS Engineering	8,820	5,485	10,000	10,000	10,300	10,661	11,034	11,420	11,819	12,233	12,661	13,104
Lift Station operation and maintenance	0	0	2,220	2,276	2,344	2,426	2,511	2,599	2,690	2,784	2,881	2,982
Administrative	59,216	51,090	50,000	51,250	52,788	54,635	56,547	58,526	60,575	62,695	64,889	67,160
Legal	6,531	10,000	10,000	12,000	12,360	12,793	13,240	13,704	14,183	14,680	15,194	15,725
Audit	4,640	4,700	5,000	5,125	5,279	5,464	5,655	5,853	6,057	6,269	6,489	6,716
Insurance	4,253	4,288	4,500	4,613	4,751	4,917	5,089	5,267	5,452	5,643	5,840	6,044
UNCC	2,053	3,554	3,500	3,588	3,695	3,824	3,958	4,097	4,240	4,389	4,542	4,701
Supplies	453	208	500	513	528	546	565	585	606	627	649	672
Director Fees	5,800	8,700	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Payroll	7,725	7,750	8,500	8,713	8,930	9,154	9,382	9,617	9,857	10,104	10,356	10,615
County Treasurer Fees	2,150	2,275	2,630	2,880	2,962	3,047	3,135	3,224	3,317	3,413	3,511	3,612
Public Relations	8,114	70	5,000	5,125	5,279	5,464	5,655	5,853	6,057	6,269	6,489	6,716
Election	11,628	39	0	1,000	0	1,035	0	1,071	0	1,109	0	1,148
Other	850	887	1,425	1,461	1,504	1,557	1,612	1,658	1,706	1,755	1,806	1,858
<b>Total Operating Expenses</b>	<b>193,302</b>	<b>178,681</b>	<b>197,200</b>	<b>204,664</b>	<b>209,547</b>	<b>217,598</b>	<b>223,821</b>	<b>232,393</b>	<b>239,081</b>	<b>248,218</b>	<b>255,416</b>	<b>265,156</b>
Long Term Capital Outlay Expenditures (Exhibit 2)												
Sewer	115,040	309,519	2,816,215	0	0	0	0	0	0	0	0	104,757
<b>Total Long Term Capital Expenses</b>	<b>115,040</b>	<b>309,519</b>	<b>2,816,215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>104,757</b>
Debt Service (Exhibit 1)												
Prinical payments	0	0	5,510	67,838	69,202	70,593	72,012	73,459	74,936	76,442	77,978	79,546
Interest payments	0	0	4,500	53,576	52,212	50,822	49,403	47,955	46,479	44,972	43,436	41,869
<b>Total Debt Service Expenses</b>	<b>0</b>	<b>0</b>	<b>10,010</b>	<b>121,414</b>	<b>121,414</b>	<b>121,414</b>	<b>121,414</b>	<b>121,414</b>	<b>121,414</b>	<b>121,414</b>	<b>121,414</b>	<b>121,414</b>
Contingency / Tabor Emergency Reserve	0	0	42,310	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>308,342</b>	<b>488,200</b>	<b>3,065,735</b>	<b>326,079</b>	<b>330,961</b>	<b>339,012</b>	<b>345,236</b>	<b>353,807</b>	<b>360,496</b>	<b>369,633</b>	<b>376,830</b>	<b>491,327</b>
Annual Surplus/(Deficit)	<b>-44,625</b>	<b>-240,621</b>	<b>-56,969</b>	<b>150,853</b>	<b>113,694</b>	<b>114,949</b>	<b>120,113</b>	<b>101,669</b>	<b>107,266</b>	<b>108,603</b>	<b>115,087</b>	<b>11,989</b>
ENDING FUNDS AVAILABLE	<b>665,000</b>	<b>424,379</b>	<b>367,410</b>	<b>518,263</b>	<b>631,957</b>	<b>746,906</b>	<b>867,019</b>	<b>968,689</b>	<b>1,075,955</b>	<b>1,184,558</b>	<b>1,299,645</b>	<b>1,311,634</b>

**VALLEY SANITATION DISTRICT  
Ten Year Financial Plan (2019-2028)**

**EXHIBIT 1 PROPERTY TAX REVENUE**

	<b>ACTUAL</b>		<b>ESTIMATED</b>									
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Assessed Valuation</b>												
Taps Sold	0	0	0	0	0	0	0	0	0	0	0	0
Total Taps	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251
Assessed Value per Tap (3% - 2020, then 3% every even year)	29,815	33,973	35,145	36,200	36,200	37,286	37,286	38,404	38,404	39,556	39,556	40,743
New Assessed Value	0	0	0	0	0	0	0	0	0	0	0	0
Assessed Value	67,112,648	76,473,082	79,112,172	81,485,537	81,485,537	83,930,103	83,930,103	86,448,006	86,448,006	89,041,447	89,041,447	91,712,690
<b>General Operations</b>												
Assessed Valuation	67,112,648	76,473,082	79,112,172	81,485,537	81,485,537	83,930,103	83,930,103	86,448,006	86,448,006	89,041,447	89,041,447	91,712,690
General Operating Mill Levy+Abatements	2.493	2.493	2.493	2.493	2.493	2.493	2.493	2.493	2.493	2.493	2.493	2.493
Temporary mill levy reduction (5.5% limitation)	-0.228	-0.431	-0.405									
TABOR mill levy reduction (3% of PY revenue)				-0.405	-0.342	-0.342	-0.278	-0.278	-0.211	-0.211	-0.143	-0.143
TABOR Restriction Refund (Rev increase limited to 3% of PY)				-33,002	-27,897	-28,734	-23,319	-24,019	-18,274	-18,822	-12,727	-13,109
General Operating Property Tax	167,312	157,687	165,186	170,142	175,246	180,503	185,919	191,496	197,241	203,158	209,253	215,531
<b>Debt Service</b>												
Assessed Value	67,112,648	76,473,082	79,112,172	81,485,537	81,485,537	83,930,103	83,930,103	86,448,006	86,448,006	89,041,447	89,041,447	91,712,690
Mill Levy	0.000	0.000	0.127	1.490	1.490	1.447	1.447	1.404	1.404	1.364	1.364	1.324
Property tax	0	0	10,010	121,414	121,414	121,414	121,414	121,414	121,414	121,414	121,414	121,414
<b>Total Property Tax Revenue</b>	167,312	157,687	175,196	291,556	296,660	301,918	307,333	312,910	318,655	324,572	330,667	336,945
<b>Total Mill Levy</b>	2.265	2.062	2.620	3.983	3.983	3.940	3.940	3.897	3.897	3.857	3.857	3.817
<b>Service Charge per Year (10% of COE bill)</b>	29	29	32	32	32	33	33	34	34	35	35	36
- Increase service charge 7% in 2019 and 1.5%/yr beginning in 2020												
Taps	2,250	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251
<b>Total Annual Service Fee</b>	66,282	66,292	70,932	71,996	73,076	74,172	75,285	76,414	77,561	78,724	79,905	81,103

**VALLEY SANITATION DISTRICT  
Ten Year Financial Plan (2019-2028)**

**EXHIBIT 2 CAPITAL EXPENDITURES - DISTRICT CAPITAL IMPROVEMENTS**

	<b>ACTUAL ESTIMATED</b>											
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
<b>SEWER</b>												
Sewer Rehabilitation (CIPP)	115,040	309,519	2,816,215									104,757
Additional Capital Sewer Projects												
<b>TOTAL SEWER</b>	<b>115,040</b>	<b>309,519</b>	<b>2,816,215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>104,757</b>
<b>CONTINGENCY/EMERGENCY</b>	<b>0</b>	<b>0</b>	<b>42,310</b>									
<b>TOTAL CAPITAL</b>	<b>115,040</b>	<b>309,519</b>	<b>2,858,525</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>104,757</b>