

## **RESOLUTION 2017-11-1**

### **A RESOLUTION TO ADOPT A BUDGET FOR VALLEY SANITATION DISTRICT, ARAPAHOE AND DENVER COUNTIES, COLORADO FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2018 AND ENDING DECEMBER 31, 2018.**

**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, 2018, and ending December 31, 2018, was presented to the Board of Directors on or before October 15, 2017, for its consideration, and;

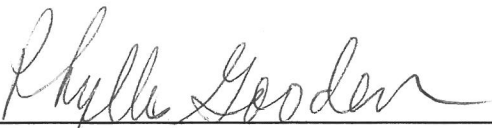
**WHEREAS**, notice of submittal of the proposed budget to the Board of Directors and notice of the date and time of a public hearing to consider adoption of the proposed budget has been published in newspapers of general circulation within Valley Sanitation District; and further, the proposed budget 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 2018 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, 2018, and ending December 31, 2018.

**ADOPTED BY THE BOARD OF DIRECTORS OF VALLEY SANITATION DISTRICT  
THIS 8th DAY OF NOVEMBER, 2017.**

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

**ATTEST:**

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

## RESOLUTION 2017-11-2

**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 2018 BUDGET YEAR**

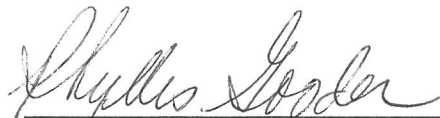
**WHEREAS**, the Board of Directors of Valley Sanitation District has approved and adopted the annual budget for said District for the budget year 2018 and;

**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 TWO MILLION ONE HUNDRED FIFTEEN THOUSAND FIVE HUNDRED EIGHTY TWO AND NO/100 DOLLARS (\$2,115,582) is hereby appropriated for expenditure during calendar year 2018:

**ADOPTED BY THE BOARD OF DIRECTORS OF VALLEY SANITATION DISTRICT  
THIS 8<sup>TH</sup> DAY OF NOVEMBER, 2017.**

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

**ATTEST:**

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

## RESOLUTION 2017-11-3

### A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR TAX YEAR 2017 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE VALLEY SANITATION DISTRICT FOR THE 2018 BUDGET YEAR

**WHEREAS**, the Board of Directors of Valley Sanitation District has approved and adopted the annual budget for 2018 in accordance with the Colorado Local Government Budget Law, and;

**WHEREAS**, the approved budget for 2018 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;

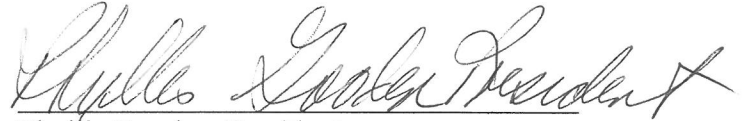
**WHEREAS**, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is ONE HUNDRED FIFTY SEVEN THOUSAND ONE HUNDRED FOUR AND NO/100 DOLLARS (\$157,074), and;

**WHEREAS**, the tax year 2017 valuation for assessment for the Valley Sanitation District as certified by the County Assessors of Arapahoe and Denver Counties is \$76,472,284,

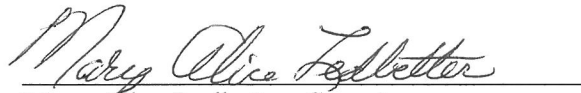
**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF VALLEY SANITATION DISTRICT, ARAPAHOE AND DENVER COUNTIES, COLORADO** that for the purpose of meeting all general operating expenses of the Valley Sanitation District during the 2018 budget year there is hereby levied a tax of 2.054 mills upon each dollar of total valuation for assessment for tax year 2017, said 2.054 mill levy being certified for assessment as follows:

General Operating Expenses	2.493 mills
Temporary Mill Levy Reduction	0.439 mills
Total Mill Levy Certified for Assessment Upon All Taxable Property Within Valley Sanitation District	<b>2.054 mills</b>

**ADOPTED BY THE BOARD OF DIRECTORS OF VALLEY SANITATION DISTRICT  
THIS 8th DAY OF NOVEMBER, 2017.**

  
Phyllis Gooden, President

**ATTEST:**

  
Mary Alice Ledbetter, Secretary

# VALLEY SANITATION DISTRICT

## 2018 BUDGET REPORT

### SUMMARY

The 2018 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 2018 is projected to be \$2,941,907, \$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, \$241,907, is divided into general revenue in the amount of \$176,628 and enterprise revenue in the amount of \$65,279. Total expenditures including capital items, contingencies and emergency reserves are budgeted at \$2,115,582. Operating expenditures are budgeted at \$206,368, \$29,774 more than 2017 budgeted expenses. The 2018 budget for capital expenses is \$1,862,436.

Beginning funds available in 2018 are estimated to be \$527,253. The reserve fund balance is projected to increase \$826,325 to \$1,353,577 at year end 2018. The reserve fund balance at year end 2018 (\$1,353,577) includes loan proceeds in the amount of \$604,093 that are restricted for payment of the District's outfall sewer replacement project.

### REVENUE

- Total Revenue in 2018 is projected to be \$2,941,907 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 property tax revenue amounting to \$157,074, 65 percent of total District general revenue. Assessed values of taxable property within Valley Sanitation District increased \$9,359,636 (14.0 percent) from \$67,112,648 in tax year 2016 to \$76,472,284 in tax year 2017. 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 .431 mills will be certified to bring tax revenue into alignment with said revenue limitations. Certification of a mill levy of 2.062 mills will result in property taxes amounting to \$157,074, \$5,831 more than 2017 budgeted property tax revenue. A breakdown of assessed valuations and property tax revenue for each county is shown on page two of the budget.

- Specific Ownership Tax income amounting to \$11,781 is budgeted for 2018. 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 \$1,227 from estimated 2017 revenue of \$6,500 to \$5,273 projected for 2018. The average yield on District investments in 2018 is projected to be 1.0 percent.
- Valley's Sanitary Sewer System Rehabilitation Enterprise will impose a service fee for 2018 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 2018 is estimated to be \$65,279, \$1,776 more than budgeted in 2017.
- No tap fee revenue is expected in 2018.

## **EXPENSES**

- Total expenses for 2018 are budgeted at \$2,115,582, \$206,368 for operations, \$1,862,436 for capital expenditures and \$46,778 for contingencies and emergency reserves.
- Sanitary sewer maintenance expenses for 2018 are budgeted at \$87,983, \$22,983 more than \$65,000 budgeted in 2017. Projected maintenance expenses are based on the District's preventive maintenance program and represent 43 percent of total operating expenses.
- Remedial and emergency repairs for 2018 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 2018 budget includes \$10,000 for general engineering services, a reduction of \$11,700 budgeted for general and GIS engineering services in 2017.
- Administrative expenses are budgeted at \$50,000 in 2018; \$15,000 more than budgeted in 2017. 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 completing and processing the loan for the outfall sewer relocation project from the Colorado Water Resource and Power Development Authority, and for 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 2018 for this line item is \$125, the same amount budgeted in 2017.
- The budget for legal services which are authorized on an as needed basis is \$12,000; \$7,000 more than the amount budgeted in 2017. It is anticipated that the District will pursue annexation of several properties that are receiving sewer service but are not within District boundaries and, therefore, not assessed the District's mill levy. Additional legal costs will also be incurred in processing the loan for the outfall sewer relocation project.
- The 2018 budget amount to conduct the annual audit is \$5,000, the same amount budgeted in 2017.
- Meeting hall rent represents the expenditure for rental of meeting space for monthly Board of Directors meetings. The amount budgeted for 2018 is \$300, the same amount budgeted in 2017.
- 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 2018 is \$4,300; \$100 more than the amount budgeted in 2017.
- The District is required by state statute to be a member of the Utility Notification Center of Colorado. As a tier one member of UNCC, Valley is required to pay for each utility location request transmitted to the District. The amount budgeted for utility location charges in 2018 is \$2,300, \$300 more than budgeted in 2017.
- Supplies includes routine office, stationary and filing materials. The budget for this line item is \$500, the same amount budgeted in 2017.
- 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 2018 is \$8,500, the same amount budgeted in 2017.
- 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 \$2,360.
- The 2018 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 2017.
- Regular special district board member elections are scheduled to occur in 2018. Therefore, the 2018 budget includes \$1,000 for election expenses.



- The 2018 budget reserves \$30,960 for unbudgeted contingencies that may arise during the year. This amount is \$960 more than budgeted in 2017. In addition, \$15,818 is budgeted as an emergency reserve as required by the TABOR Amendment.

### **PROPERTY TAXES**

- The general operations mill levy for Valley Sanitation District in 2018 (tax year 2017) is proposed to remain the same as the levy certified in tax years 2006 through 2017, 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 .439 mills will be imposed in 2018. The mill levy to be certified to Denver and Arapahoe Counties will be 2.054 mills, 0.211 mills lower than the mill levy certified in 2017.
- Assessed values increased this year to \$76,472,284 from \$67,112,648 assessed in 2017. Eighty-three percent of the District assessed value is located in Arapahoe County and 17 percent in Denver County.
- Total property tax revenue proposed for 2018 is \$157,074; \$5,831 more than the budgeted amount of \$152,010 in 2017.

### **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 \$527,253 at year end 2017. The fund balance is projected to increase (including contingency and tabor emergency reserve expenditures) to \$1,353,611 in 2018.
- The Financial Plan projects that the District will receive a loan in the amount of \$2,700,000 in 2018 to pay for capital projects. Debt service payments on the loan begin in 2019 and extend to 2039 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 1.0 percent in 2018 and increases 0.25 percent each year until it reaches 2.0 percent.
- Service fees are projected to remain stable at 10 percent of each customer's sewer billing

for City of Englewood sewer treatment services. Revenue from the Enterprise is expected to produce \$698,663, approximately 22.8 percent of all District revenue over the ten year planning period.

- Operating expenses are projected to increase 2.5% in 2019 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 \$2,750,375.

# VALLEY SANITATION DISTRICT

## 2018 BUDGET

	ACTUAL 2015	ACTUAL 2016	BUDGET 2017	ESTIMATED 2017	PROPOSED BUDGET 2018	DIFFERENCE FROM 2017 BUDGET
<b>Beginning Balance January 1</b>	<b>\$512,760</b>	<b>\$615,165</b>	<b>\$725,263</b>	<b>\$709,625</b>	<b>\$527,253</b>	
<b>REVENUE</b>						
Property Taxes	\$132,382	\$141,251	\$151,243	\$152,010	\$157,074	\$5,831
Specific Ownership Taxes	\$10,356	\$10,392	\$9,831	\$11,200	\$11,781	\$1,950
Interest Earned	\$1,904	\$3,726	\$3,626	\$6,500	\$5,273	\$1,647
Service Fee (Enterprise)	\$69,523	\$66,069	\$63,503	\$64,829	\$65,279	\$1,776
System Development Fee (Tap Fees)	\$17,000	\$45,000	\$9,000	\$18,000	\$0	(\$9,000)
Loan Proceeds					\$2,700,000	\$2,700,000
Other	\$7,378	\$2,467	\$2,500	\$2,210	\$2,500	\$0
<b>Total Revenue</b>	<b>\$238,543</b>	<b>\$268,905</b>	<b>\$239,703</b>	<b>\$254,749</b>	<b>\$2,941,907</b>	<b>\$2,702,204</b>
<b>OPERATING EXPENDITURES</b>						
<u>MAINTENANCE</u>						
Maintenance & Repairs	\$79,704	\$70,639	\$65,000	\$68,877	\$87,983	\$22,983
Repairs Remedial/Emergency	\$0	\$1,885	\$10,000	\$5,833	\$10,000	\$0
Engineering - GIS	\$0	\$0	\$11,700	\$13,113	\$0	(\$11,700)
Engineering	\$0	\$23,287	\$10,000	\$7,000	\$10,000	\$0
<u>ADMINISTRATION</u>						
Administrative Expenses	\$24,305	\$42,096	\$35,000	\$57,632	\$50,000	\$15,000
Advertising & Publication	\$13	\$52	\$125	\$157	\$125	\$0
Legal	\$0	\$5,172	\$5,000	\$5,000	\$12,000	\$7,000
Audit	\$4,437	\$4,600	\$5,000	\$4,640	\$5,000	\$0
Meeting Hall Rent	\$300	\$300	\$300	\$300	\$300	\$0
Insurance	\$2,607	\$4,006	\$4,200	\$4,253	\$4,300	\$100
UNCC	\$1,661	\$1,722	\$2,000	\$2,260	\$2,300	\$300
Supplies	\$353	\$326	\$500	\$150	\$500	\$0
Director's Fees & Expenses	\$5,700	\$5,900	\$6,000	\$5,800	\$6,000	\$0
Salaries & Payroll Taxes	\$7,646	\$7,751	\$8,500	\$7,800	\$8,500	\$0
Treasurers Tax Collection Fee	\$1,874	\$1,997	\$2,269	\$2,275	\$2,360	\$91
Public Relations	\$1,341	\$2,699	\$5,000	\$7,820	\$5,000	\$0
Election Expense	\$0	\$1,531	\$5,000	\$10,000	\$1,000	(\$4,000)
Other	\$368	\$482	\$1,000	\$740	\$1,000	\$0
<b>Sub-Total Operating Expenses</b>	<b>\$130,309</b>	<b>\$174,445</b>	<b>\$176,594</b>	<b>\$203,650</b>	<b>\$206,368</b>	<b>\$29,774</b>
<b>CAPITAL EXPENDITURES</b>						
Capital Outlay	\$5,829	\$0	\$0	\$233,471	\$1,862,436	\$1,862,436
<b>Sub-Total Capital Expenditures</b>	<b>\$5,829</b>	<b>\$0</b>	<b>\$0</b>	<b>\$233,471</b>	<b>\$1,862,436</b>	<b>\$1,862,436</b>
<b>Contingency</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$30,960</b>	<b>\$960</b>
<b>TABOR Emergencies Reserve</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,758</b>	<b>\$0</b>	<b>\$15,818</b>	<b>(\$5,940)</b>
<b>Total Expenditures</b>	<b>\$136,138</b>	<b>\$174,445</b>	<b>\$228,352</b>	<b>\$437,121</b>	<b>\$2,115,582</b>	<b>\$1,887,230</b>
<b>Ending Balance December 31</b>	<b>\$615,165</b>	<b>\$709,625</b>	<b>\$736,614</b>	<b>\$527,253</b>	<b>\$1,353,577</b>	

# VALLEY SANITATION DISTRICT 2018 BUDGET

## PROPERTY TAXES ASSESSED

	Tax Year 2014	Tax Year 2015	Tax Year 2016	Tax Year 2017
Assessed Valuation				
Arapahoe County	\$44,000,813	\$54,855,722	\$55,341,708	\$62,887,874
Denver County	\$9,814,650	\$11,716,860	\$11,770,940	\$13,584,410
<b>Total Valuation</b>	<b>\$53,815,463</b>	<b>\$66,572,582</b>	<b>\$67,112,648</b>	<b>\$76,472,284</b>
Mill Levy	2.493	2.493	2.493	2.493
Temporary Mill levy Reduction		(0.367)	(0.228)	(0.439)
		<u>2.126</u>	<u>2.265</u>	<u>2.054</u>
<b>Property Tax Revenue</b>	<b>\$134,162</b>	<b>\$141,533</b>	<b>\$152,010</b>	<b>\$157,074</b>
Total revenue loss due to required levy reduction			<u>\$15,302</u>	<u>\$33,571</u>
Total potential revenue without reduction			<b>\$167,312</b>	<b>\$190,645</b>
Arapahoe County			<b>\$125,349</b>	<b>\$129,172</b>
Denver County			<u>\$26,661</u>	<u>\$27,902</u>
			\$152,010	\$157,074
Arapahoe County			<b>\$137,967</b>	<b>\$156,779</b>
Denver County			<u>\$29,345</u>	<u>\$33,866</u>
			\$167,312	\$190,645

**VALLEY SANITATION DISTRICT  
2018 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 (2018-2027)**

**Summary**

	ACTUAL	ESTIMATED	BUDGETED									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
BEGINNING FUNDS AVAILABLE	<b>\$615,165</b>	<b>\$709,625</b>	<b>\$527,253</b>	<b>\$1,353,611</b>	<b>\$793,884</b>	<b>\$824,427</b>	<b>\$856,874</b>	<b>\$889,234</b>	<b>\$921,463</b>	<b>\$951,294</b>	<b>\$980,755</b>	<b>\$1,007,489</b>
REVENUES												
Property taxes General Revenue (Exhibit 1)	141,251	152,010	157,104	161,189	166,604	171,602	176,750	182,053	187,515	193,140	198,934	204,902
Property taxes Debt Service (Exhibit 1)	0	0	0	120,120	120,120	120,120	120,120	120,120	120,120	120,120	120,120	120,120
Specific ownership taxes	10,392	11,200	11,783	21,098	21,504	21,879	22,265	22,663	23,073	23,495	23,929	24,377
Service Fees (Enterprise)	66,069	64,829	65,279	66,258	67,252	68,261	69,285	70,324	71,379	72,450	73,536	74,639
Investment income (2018@.1% +.25%/yr max 2)	3,726	6,500	5,273	7,035	11,908	14,427	17,137	17,785	18,429	19,026	19,615	20,150
Other	2,467	2,210	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
System Development Fees	45,000	18,000	0	0	0	0	0	0	0	0	0	0
Contingency Addback				46,778								
Bond proceeds	0	0	2,700,000	0	0	0	0	0	0	0	0	0
<b>TOTAL REVENUE</b>	<b>268,905</b>	<b>254,749</b>	<b>2,941,939</b>	<b>424,979</b>	<b>389,889</b>	<b>398,790</b>	<b>408,058</b>	<b>415,445</b>	<b>423,015</b>	<b>430,730</b>	<b>438,635</b>	<b>446,688</b>
EXPENSES												
Operations (2019@2.5%+.5%/yr max 3.5%)												
Sewer Operations	70,639	68,877	87,983	90,183	92,888	96,139	99,504	102,987	106,591	110,322	114,183	118,180
Sewer - Remedial Projects	1,885	5,833	10,000	10,250	10,558	10,927	11,309	11,705	12,115	12,539	12,978	13,432
Sewer - Engineering/GIS Engineering	23,287	20,113	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	0	0	22,000	22,770	23,567	24,392	25,246	26,129	27,044	27,990
Administrative	42,096	57,632	50,000	51,250	52,788	54,635	56,547	58,526	60,575	62,695	64,889	67,160
Legal	5,172	5,000	12,000	12,000	12,360	12,793	13,240	13,704	14,183	14,680	15,194	15,725
Audit	4,600	4,640	5,000	5,125	5,279	5,464	5,655	5,853	6,057	6,269	6,489	6,716
Insurance	4,006	4,253	4,300	4,408	4,540	4,699	4,863	5,033	5,209	5,392	5,580	5,776
UNCC	1,722	2,260	2,300	2,358	2,428	2,513	2,602	2,692	2,786	2,884	2,985	3,089
Supplies	326	150	500	513	528	546	565	585	606	627	649	672
Director Fees	5,900	5,800	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Payroll	7,751	7,800	8,500	8,713	8,930	9,154	9,382	9,617	9,857	10,104	10,356	10,615
County Treasurer Fees	1,997	2,275	2,360	2,734	2,822	2,902	2,985	3,071	3,159	3,250	3,343	3,439
Public Relations	2,699	7,820	5,000	5,125	5,279	5,464	5,655	5,853	6,057	6,269	6,489	6,716
Election	1,531	10,000	1,000	1,023	1,023	0	1,059	0	1,096	0	1,134	0
Other	834	1,197	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>174,445</b>	<b>203,650</b>	<b>206,368</b>	<b>210,118</b>	<b>239,226</b>	<b>246,222</b>	<b>255,579</b>	<b>263,096</b>	<b>273,064</b>	<b>281,148</b>	<b>291,781</b>	<b>300,474</b>
Long Term Capital Outlay Expenditures (Exhibit 2)												
Sewer	0	233,471	1,862,436	654,468	0	0	0	0	0	0	0	0
<b>Total Long Term Capital Expenses</b>	<b>0</b>	<b>233,471</b>	<b>1,862,436</b>	<b>654,468</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>
Debt Service (Exhibit 1)												
Prinical payments	0	0	0	66,451	67,786	69,149	70,539	71,957	73,403	74,878	76,383	77,919
Interest payments	0	0	0	53,669	52,334	50,971	49,581	48,164	46,717	45,242	43,737	42,201
<b>Total Debt Service Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120,120</b>	<b>120,120</b>	<b>120,120</b>	<b>120,120</b>	<b>120,120</b>	<b>120,120</b>	<b>120,120</b>	<b>120,120</b>	<b>120,120</b>
Contingency / Tabor Emergency Reserve	0	0	46,778	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>174,445</b>	<b>437,121</b>	<b>2,115,582</b>	<b>984,706</b>	<b>359,346</b>	<b>366,342</b>	<b>375,699</b>	<b>383,216</b>	<b>393,184</b>	<b>401,268</b>	<b>411,901</b>	<b>420,594</b>
Annual Surplus/(Deficit)	<b>94,460</b>	<b>-182,372</b>	<b>826,358</b>	<b>-559,727</b>	<b>30,543</b>	<b>32,448</b>	<b>32,359</b>	<b>32,229</b>	<b>29,831</b>	<b>29,462</b>	<b>26,734</b>	<b>26,094</b>
ENDING FUNDS AVAILABLE	<b>709,625</b>	<b>527,253</b>	<b>1,353,611</b>	<b>793,884</b>	<b>824,427</b>	<b>856,874</b>	<b>889,234</b>	<b>921,463</b>	<b>951,294</b>	<b>980,755</b>	<b>1,007,489</b>	<b>1,033,584</b>

**VALLEY SANITATION DISTRICT  
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**EXHIBIT 1 PROPERTY TAX REVENUE**

	ACTUAL ESTIMATED											
	<u>2016</u>	<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>
<b>Assessed Valuation</b>												
Taps Sold	1	0	0	0	0	0	0	0	0	0	0	0
Total 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
Assessed Value per Tap (3% - 2018, then 3% every even year)	29,588	29,815	33,847	34,863	34,863	35,909	35,909	36,986	36,986	38,095	38,095	39,238
New Assessed Value	29,588	0	0	0	0	0	0	0	0	0	0	0
Assessed Value	66,572,582	67,112,648	76,190,175	78,475,880	78,475,880	80,830,157	80,830,157	83,255,061	83,255,061	85,752,713	85,752,713	88,325,295
<b>General Operations</b>												
Assessed Valuation	66,572,582	67,112,648	76,190,175	78,475,880	78,475,880	80,830,157	80,830,157	83,255,061	83,255,061	85,752,713	85,752,713	88,325,295
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)	-0.367	-0.228	-0.431									
TABOR mill levy reduction (3% of PY revenue)				-0.439	-0.370	-0.370	-0.306	-0.306	-0.241	-0.241	-0.173	-0.173
TABOR Restriction Refund (Rev increase limited to 3% of PY)				-33,823	-29,615	-29,907	-24,759	-25,502	-20,040	-20,641	-14,847	-15,293
General Operating Property Tax	165,965	152,010	157,104	161,189	166,604	171,602	176,750	182,053	187,515	193,140	198,934	204,902
<b>Debt Service</b>												
Assessed Value	66,572,582	67,112,648	76,190,175	78,475,880	78,475,880	80,830,157	80,830,157	83,255,061	83,255,061	85,752,713	85,752,713	88,325,295
Mill Levy	0.000	0.000	0.000	1.531	1.531	1.486	1.486	1.443	1.443	1.401	1.401	1.360
Property tax	0	0	0	120,120	120,120	120,120	120,120	120,120	120,120	120,120	120,120	120,120
<b>Total Property Tax Revenue</b>	165,965	152,010	157,104	281,309	286,724	291,722	296,871	302,173	307,635	313,260	319,054	325,022
<b>Total Mill Levy</b>	2.126	2.265	2.493	4.024	4.024	3.979	3.979	3.936	3.936	3.894	3.894	3.853
<b>Service Charge per Year (10% of COE bill)</b>	0	29	29	29	30	30	31	31	32	32	33	33
- Increase service charge 1.5%/2yr 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>	66,069	64,829	65,279	66,258	67,252	68,261	69,285	70,324	71,379	72,450	73,536	74,639

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

	<u>ACTUAL</u>		<u>ESTIMATED</u>									
	<u>2016</u>	<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>
<b>SEWER</b>												
Sewer Rehabilitation (CIPP)	0	233,471	1,862,436	654,468								
Additional Capital Sewer Projects												
<b>TOTAL SEWER</b>	<b>0</b>	<b>233,471</b>	<b>1,862,436</b>	<b>654,468</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>CONTINGENCY/EMERGENCY</b>	<b>0</b>	<b>0</b>	<b>46,778</b>									
<b>TOTAL CAPITAL</b>	<b>0</b>	<b>233,471</b>	<b>1,909,214</b>	<b>654,468</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>