

2019 BUDGET
UPPER MONUMENT CREEK REGIONAL WASTE
WATER TREATMENT FACILITY

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BY

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Summary of the Upper Monument Regional Waste Water Treatment Facility Proposed 2019 Budget

The proposed budget for the UMCRRTF has been developed based upon past trends, current needs and future projects. The Expenditures for 2019 will be based upon each owner's current flows into the facility. At this time those percentages are:

Donala W&S	54.6%
Triview Metro	41.6%
Forest Lakes Metro	3.69%

These flows will vary as 2019 progresses. New homes in all three districts, with Forest Lakes and Triview anticipating the larger gains, will result in adjustments as the budget year continues. Donala will be treating the Academy W &S District's waste water flows and will be calculated as part of Donala's flow share.

With the removal of the arsenic project from the budget, the operating costs will be substantially reduced from the preliminary budget submitted.

Repair and Maintenance: This item has been increased over what was submitted for the preliminary budget numbers. In speaking with the Lead Operator, she believes that we need to continue to purchase specific, redundant, pieces of equipment to have on hand in case of failure. These are motors and such which are necessary for the continued operation of the facility.

Utilities: In the 2018 budget the year to date numbers are below estimates. I had based this number on a colder winter than actually occurred in 2018, resulting in a lower than anticipated use of propane for heat. I have increased this line item by \$1,000 as my research is trending toward a cold and wet winter. Based upon estimates from the US Energy Information Administration, propane prices are anticipated to increase by 18%. Black Hills Energy did not provide any price increase, however, these usually come unannounced in the 1st quarter of the year. I am anticipating an 8% increase. If any adjustments are necessary, based upon conditions through the end of December, we can make them, prior to the adoption of the budget in December.

Contract Services: I have reduced this line by 16% after a close review of our 2018 costs.

Biosolids: I have increased this line item by 17% to reflect an increase in the amount of sludge and the frequency of removal.

Insurance: We did not see as much of an increase in our insurance costs as I had projected for 2018. Accordingly, I have not increased this line item, as health insurance will increase by 7% and property and casualty insurance is bound to increase as a result of this year's hail storms but that amount is not known at this time. Keeping the line item, the same in 2019, will allow for a healthy increase in property and casualty insurance.

Office Expense: This line item has been reduced by 63%. Last years cost included a major server upgrade and those costs are absent this year.

Telephone: An increase of 7% is proposed as new phones are requested for the staff of the facility.

District Engineer: I have reduced this line item by 60%. Engineering costs for capital projects should be included in the capital project. This will impact the 2018 budget as well, reducing the actual amounts spent in this line item, but being included in the Capital Projects for 2018.

Salaries: This line item has been reduced by 13% as the result of over estimating salaries in the 2018 budget.

Payroll and 457: both have been reduced by 13% and 11% respectively, for the same explanation as Salaries.

Fees: An increase of 13% to account for the annual, but unknown increases by the CDPHE. As this State agency is a fee-based budget entity, we have seen annual increases from them in the past. They do not provide any advance notice.

Total Expenditures: This has been reduced by 8.5%. Based upon the explanations and rational provided, I believe that this is a realistic proposal for 2019.

~~CAPITAL PROJECTS: There is only one capital project proposed in 2019 and that is the arsenic treatment. While attempts are being made to determine if better management of those highest producing wells containing arsenic can be accomplished, we are still budgeting for a physical improvement to the plant in the amount of \$2,200,000. This is the increase noted for Total Expenses. A determination on an arsenic management plan is anticipated before adoption of this budget and any necessary adjustments will be made prior to adoption in December.~~

The Capital Projects for 2019 have been amended to reflect the determination to treat arsenic concentrations at the well heads, rather than at the treatment facility. The total estimate cost was \$2,200,000 to be split paid by the partners based upon percentage of ownership. The capital projects for 2019 will be the completion of the catwalk around the Disinfection Equalization Basins (Lake DEB) and the installation of the screen unit in the solid's removal building. Both projects started in late 2018 and will be completed in 2019.

UPPER MONUMENT WASTE PLANT TREATMENT FACILITY SUPPLEMENT 2019				
	ACTUAL	BUDGET	ACTUAL	BUDGET
11/27/2018	THRU DEC. 2017	YR END 2018	THRU AUG. 2018	YR END 2019
FUND BALANCE START YR	\$92,286	\$81,342	\$147,635	\$193,301
OPERATING REVENUE				
PD-DONALA	\$687,794	\$1,099,789	\$407,773	\$830,489
PD-TRIVIEW	\$473,225	\$883,899	\$419,671	\$633,891
PD-FOREST LAKES	\$15,125	\$30,208	\$28,561	\$56,106
ACCOUNT INTEREST	\$63	\$0	\$254	\$200
MISC. REVENUE	\$0	\$0	\$0	\$0
ADJUST TO BALANCE	\$0	\$0	\$0	\$0
TOTAL REVENUE	\$1,176,208	\$2,013,896	\$856,260	\$1,520,686
TOTAL FUNDS AVAILABLE	\$1,268,494	\$2,095,238	\$1,003,895	\$1,713,987
EXPENDITURES				
OPERATING EXPENDITURES				
CHEMICAL AND LAB	\$70,007	\$87,000	\$42,658	\$80,000
REPAIR/MAINTENANCE	\$81,209	\$100,050	\$76,865	\$175,000
TRUCK/MOWER EXP.	\$1,612	\$15,000	\$812	\$5,000
UTILITIES	\$226,083	\$320,000	\$172,202	\$321,000
CONTRACT SERVICES	\$20,939	\$25,000	\$18,551	\$21,000
AFCURE	\$54,318	\$50,000	\$29,532	\$50,000
BIOSOLIDS HAULING	\$57,510	\$52,000	\$41,757	\$62,000
TOOLS AND EQUIP.	\$6,797	\$10,000	\$5,267	\$5,000
ADMIN & GENERAL EXPENSE				
INSURANCE	\$87,742	\$90,000	\$79,145	\$90,000
OFFICE EXPENSE	\$4,420	\$27,000	\$21,160	\$10,000
TELEPHONE	\$4,368	\$7,000	\$3,049	\$7,500
DISTRICT ENGINEER	\$19,051	\$50,000	\$9,053	\$20,000
SALARIES	\$329,738	\$410,575	\$229,887	\$360,174
PAYROLL TAXES	\$25,225	\$31,200	\$17,586	\$27,000
457 PLAN	\$21,718	\$28,121	\$15,381	\$25,212
TRAINING	\$9,771	\$4,000	\$2,818	\$4,500
FEES, PERMITS	\$10,427	\$10,000	\$9,916	\$12,000
PUBLICATIONS	\$0	\$500	\$0	\$600
O & M CAP PROJ.	\$89,250	\$617,000	\$41,842	\$240,000
MISCELLANEOUS	\$675	\$1,500	\$568	\$1,500
LEGAL FEES	\$0	\$3,000	\$0	\$3,000
ADJ TO BAL	\$0	\$0	\$0	\$0
CONTINGENCY	\$0	\$50,000	\$0	\$50,000
TOTAL OP & ADMIN. EXP	\$1,120,859	\$1,988,946	\$818,051	\$1,570,486
ENDING FUND & NEXT YR	\$147,635	\$106,292	\$185,844	\$143,501

Balance of 2018 Capital Projects that will be completed in 2019

Screen Unit	\$180,000
Catwalk	<u>\$53,715</u>
Total Capital	\$233,715
Rounded Up to	\$240,000

UMCRWWTF Specific Projects and Capital Purchases

In addition to the annual operating costs outlined in the budget, I have highlighted the additional work and/or activities that have been included in the repair/ maintenance. These are projects and purchases over and above the normal operating costs.

2 UV Banks – lamp, sleeve, seals, etc.	\$26,000
Seamless gutters on 6 Buildings	\$7,000
Grade and seal access road (altern. Years)	\$14,000
Rebuild of 1 motive pump (begin rotation)	\$5,000
Rebuild of 1 influent pump (begin rotation)	\$5,000
TLECC PLC work and SCADA work	\$12,000
Paint Exterior of Digestor	\$7,000
Replacement – Dynasand Compressor	\$2,000
EIM Valve Replacement Parts	\$6,000
Repair of SBR Blower (rotation)	\$13,000
Replacement EQ Mixer soft starters	<u>\$7,500</u>
Total Repair/Maintenance	\$104,700