

2015 BUDGET MESSAGE

The Cortez Sanitation District is a special district organized in 1953 under the Colorado Statutes. The District provides wastewater collection and treatment services to the residents of Cortez, Colorado and areas immediately surrounding the city. The District has operated as a governmental enterprise as defined by Section 20, Article X of the Colorado Constitution. All of the District's operating revenue is derived from service fees and plant investment fees charged to the users of District services. In 2000, voters in the District approved a property tax to be used for wastewater system improvements. In 2001 the District created two separate funds so that wastewater system improvement costs could be accommodated. The District created a Governmental Fund in addition to the Enterprise Fund. The Governmental Fund will be used for wastewater system improvements while the Enterprise Fund will continue to be used for operations.

The budget is based on and accounted for using the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available as net current assets. Expenditures are recognized when the related fund liability is incurred.

2015 BUDGET - MAJOR FEATURES

ENTERPRISE FUND

OPERATING BUDGET

REVENUE

Total Operating Revenue is projected to be \$ 2,021,588. Some Operating Revenue has been invested in prior years and the interest on those investments is included here.

EXPENDITURES

Total Operating Expenditures are proposed at \$ 1,567,560. Staff salaries project an average of a 2.5 percent cost of living increase with some possible merit/certification raises. Overall the proposed 2015 expenditures are slightly higher due to costs incurred for the District's operation of the treatment facility, aging infrastructure, inflation and increasing maintenance requirements for the collection system.

REPAIR & REPLACEMENT BUDGET**REVENUE**

Total Repair & Replacement Revenue is projected to be \$1,184,790 which includes Grant funds received through DOLA's Energy and Mineral Impact fund equaling \$1,097,496. Sewer Development Charge projections are based on the sale of taps. Interest rates are estimated on current yield rates.

EXPENDITURES

Total Repair & Replacement Expenditures are proposed at \$ 2,153,246. The largest expenditure is for sewer line replacement projects. Expenditures in excess of revenues will be supplemented by unrestricted surplus funds.

The District obtained a Revenue Loan from Colorado Water and Power Authority in 2007. The Loan payment is approximately \$140,000 per year terminating in May of 2027.

GOVERNMENTAL FUND**DEBT SERVICE FUND BUDGET****REVENUE**

Total Debt Service Fund Revenue is projected to be \$910,346. The voters approved \$871,846 in annual property tax. The mill levy is expected to change from 9.820 this year to 9.959 in 2015. Additional revenue comes from Specific Ownership Tax for Administration of the Debt Service Fund.

EXPENDITURES

Total Debt Service Fund Expenditures are proposed at \$969,354 this includes Treasurers fees and State Revolving Loan Fund payments. Expenditures in excess of revenue will be supplemented from funds retained in the Debt Service fund.

O & M REVENUE - 2015**SERVICE FEES - BY TYPE**

	NUMBER	RATE/mo	ANNUAL
RESIDENTIAL	2,700	30.00	972,000
MULTI-FAMILY	1,105	30.00	397,800
COMMERCIAL	527	100.00	575,772
MUNICIPAL	25	175.00	40,539
CHURCHES	25	30.00	9,000
SCHOOLS	10	178.98	21,478
OTHER FEES			5,000
TOTAL			2,021,588

INTEREST INCOME

ACCOUNT	AMOUNT	RATE	INTEREST
Current Colo. Trust +C Safe Balance	1,999,273		
Est. Colo. Trust and C Safe Bal. at year end	2,000,000	0.12%	2,400
Interest from Debt Service	2,259,130	0.12%	2,711
Estimated Tax interest from County			1,000
TOTAL			6,111

48% of Interest to O&M and 52% to R&R**TOTAL REVENUE = 2,027,699**

OPERATIONS & MAINTENANCE BUDGET - 2015

EXPENSES	ACCT	2014	2014	AMOUNT	%	10/10/14	2015	
	NUMBER	BUDGET	YTD	REMAINING	SPENT	Estimated	BUDGET	CHANGE
						2014		
BOARD OF DIRECTORS								
SALARIES	51002	8,000	6,400	1,600	80.00	8,000	8,000	-
FICA & MEDICARE	51202	612	474	138	77.50	612	612	-
TRAVEL & TRAINING	52202	2,000	1,088	912	54.40	1,500	2,000	-
DUES & SUBSCRIPTIONS	53402	800	1,119	(319)	139.84	700	1,200	400
PROFESSIONAL SERVICES	53502	5,000	5,548	(548)	110.96	3,000	5,000	-
OFFICE SUPPLIES	53702	100	45	55	45.00	100	100	-
OPERATING SUPPLIES	53802	100	0	100	0.00	100	100	-
ELECTION COSTS	54502	8,000	8,524	(524)	106.55	2,000	2,000	(6,000)
SPECIAL EVENTS	54602	300	0	300	0.00	250	300	-
INSURANCE & BONDS	56402	3,500	1,520	1,980	43.42	1,300	3,500	-
MISCELLANEOUS	61002	2,000	0	2,000	0.00	2,000	8,000	6,000
<u>TOTAL BOARD OF DIRECTORS</u>		30,412	24,718	5,694	81.28	19,562	30,812	400
ADMINISTRATION								
SALARIES	51001	166,362	123,129	43,233	74.01	165,000	165,672	(690)
PART-TIME	51901	1,500	0	1,500	0.00	1,200	2,000	500
OVERTIME	51101	1,500	1,607	(107)	107.12	2,000	3,500	2,000
FICA & MEDICARE	51201	12,956	8,492	4,464	65.54	12,867	13,095	139
UNEMPLOYMENT TAX	51401	508	333	175	65.56	505	514	6
RETIREMENT	51501	8,318	6,101	2,217	73.35	8,250	8,284	(34)
HEALTH, DENTAL & LIFE INSURANCE	52001	58,609	40,000	18,609	68.25	55,000	54,616	(3,993)
TRAVEL & TRAINING	52201	2,000	430	1,570	21.50	500	2,200	200
CLOTHING ALLOWANCE	52301	450	300	150	66.67	450	450	-
WORKMANS COMPENSATION	52501	16,500	10,950	5,550	66.36	10,950	16,500	-
ADVERTISING	53001	1,000	592	408	59.16	700	1,000	-
COLLECTION EXPENSES	53201	700	0	700	0.00	500	700	-
RECORDING FEES	53301	150	0	150	0.00	55	150	-
DUES & SUBSCRIPTIONS	53401	1,000	919	81	91.87	920	1,000	-
PROFESSIONAL SERVICES	53501	52,122	21,841	30,281	41.90	25,000	50,654	(1,468)
AUDIT FEES	53601	12,500	9,000	3,500	72.00	9,000	12,500	-
OFFICE SUPPLIES	53701	3,500	752	2,748	21.50	1,500	3,500	-
OPERATING SUPPLIES	53801	700	115	585	16.43	500	700	-
PRINTING & POSTAGE	53901	25,000	19,483	5,517	77.93	22,000	25,000	-
PRO REPAIR & MAINTENANCE	54001	8,000	3,840	4,160	48.00	5,000	5,000	(3,000)
VEHICLE FUEL & OIL	55001	1,500	849	651	56.59	1,000	1,200	(300)
VEHICLE PARTS & REPAIR	55101	500	0	500	0.00	500	500	-
INSURANCE & BONDS	56401	25,000	20,845	4,155	83.38	23,000	25,000	-
MISCELLANEOUS	61001	7,000	17,400	(10,400)	248.58	7,000	7,000	-
<u>TOTAL ADMINISTRATION</u>		407,375	286,977	120,398	70.45	353,397	400,733	(6,642)

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	ACCT NUMBER	2014 BUDGET	2014 YTD	AMOUNT REMAINING	% SPENT	10/10/14 Estimated 2014	2015 BUDGET	CHANGE	
PLANT OPERATIONS									
	SALARIES	51003	337,222	222,257	114,965	65.91	338,000	283,361 (53,861)	
	OVERTIME/ON CALL	51103	20,170	13,481	6,689	66.84	17,000	17,628 (2,543)	
	FICA & MEDICARE	51203	27,340	17,384	9,956	63.58	25,000	23,026 (4,314)	
	UNEMPLOYMENT TAX	51403	1,072	682	390	63.59	1,075	903 (169)	
	RETIREMENT	51503	16,861	9,719	7,142	57.64	17,000	14,168 (2,693)	
	HEALTH, DENTAL & LIFE INSURANCE	52003	92,419	48,443	43,976	52.42	65,000	81,299 (11,120)	
	TRAVEL & TRAINING	52203	2,000	2,469	(469)	123.43	2,800	2,000 -	
	CLOTHING ALLOWANCE	52303	1,750	913	837	52.19	1,750	1,600 (150)	
	PROFESSIONAL SERVICES	53503	0	2,659	(2,659)	#DIV/0!	834	3,000 3,000	
	OPERATING SUPPLIES	53803	5,000	2,934	2,066	58.69	5,000	5,000 -	
	PRO. REPAIR & MAINTENANCE	54003	12,500	674	11,826	5.39	12,000	0 (12,500)	
	GENERAL REPAIR & MAINTENANCE	54103	30,000	23,367	6,633	77.89	30,000	40,000 10,000	
	CHEMICAL SUPPLIES	54303	7,750	1,980	5,770	25.55	4,000	7,750 -	
	LABORATORY SUPPLIES	54403	5,000	2,574	2,426	51.47	3,000	4,000 (1,000)	
	VEHICLE FUEL & OIL	55003	7,500	4,476	3,024	59.68	7,400	8,000 500	
	VEHICLE PARTS & REPAIR	55103	5,000	2,769	2,231	55.38	2,200	5,000 -	
	VEHICLE TIRES	55203	2,500	175	2,325	7.00	250	2,500 -	
	UTILITY-ELECTRIC	57003	150,000	104,165	45,835	69.44	179,000	185,000 35,000	
	UTILITY-GAS	57103	5,000	3,377	1,623	67.54	5,800	6,000 1,000	
	UTILITY-WATER	57203	2,500	1,547	953	61.86	2,100	2,500 -	
	TELEPHONE	57303	7,500	6,040	1,460	80.53	9,300	9,300 1,800	
	BIOSOLIDS DISPOSAL FEES	58003	38,000	17,021	20,979	44.79	21,000	30,000 (8,000)	
	BIOSOLIDS TESTING	58103	2,000	0	2,000	0.00	2,000	2,000 -	
	DISCHARGE PERMIT FEES	58203	8,500	6,171	2,329	72.60	6,500	8,500 -	
	MISCELLANEOUS	61003	20,000	12,896	7,104	64.48	20,000	20,000 -	
	<u>PLANT OPERATIONS TOTAL</u>		807,584	508,170	299,414	62.92	778,009	762,534	(45,050)

	ACCT NUMBER	2014 BUDGET	2014 YTD	AMOUNT REMAINING	% SPENT	Estimated 2014	2015 BUDGET	CHANGE	
SEWER LINE MAINTENANCE									
	SALARIES	51004	146,996	88,971	58,025	60.53	120,000	154,958 7,962	
	OVERTIME/ON CALL	51104	8,290	4,543	3,747	54.80	7,500	8,290 -	
	FICA & MEDICARE	51204	11,879	6,320	5,559	53.20	6,300	12,488 609	
	UNEMPLOYMENT TAX	51404	466	247	219	53.05	450	490 24	
	RETIREMENT	51504	7,350	4,041	3,309	54.97	6,000	7,748 398	
	HEALTH, DENTAL & LIFE INSURANCE	52004	37,881	33,517	4,364	88.48	44,000	48,756 10,875	
	TRAVEL AND TRAINING	52204	1,500	786	714	52.40	700	1,500 -	
	CLOTHING ALLOWANCE	52304	750	526	224	70.20	400	750 -	
	PROFESSIONAL SERVICES	53504	15,000	5,043	9,957	33.62	5,000	15,000 -	
	PRO REPAIR & MAINTENANCE	54004	30,000	17,174	12,826	57.25	1,000	0 (30,000)	
	GENERAL REPAIR & MAINTENANCE	54104	25,000	33,400	(8,400)	133.60	35,000	70,000 45,000	
	VEHICLE FUEL & OIL	55004	25,000	15,235	9,765	60.94	20,000	25,000 -	
	VEHICLE PARTS & REPAIR	55104	12,000	13,039	(1,039)	108.65	15,000	15,000 3,000	
	VEHICLE TIRES	55204	3,000	0	3,000	0.00	1,500	3,500 500	
	MISCELLANEOUS	61004	10,000	2,813	7,187	28.13	3,000	10,000 -	
	<u>TOTAL SEWER LINE MAINTENANCE</u>		335,112	225,654	109,458	67.34	265,850	373,480	38,368

<u>TOTAL EXPENSES</u>		1,580,483	1,045,519	534,964	66.15	1,416,818	1,567,560	(12,923)
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	ACCT NUMBER	2014 BUDGET	2014 YTD	AMOUNT RECEIVED	% RECEIVED	Estimated 2014	2015 BUDGET	CHANGE	
SERVICE AND OTHER FEES									
	SERVICE AND OTHER FEES	3199	2,103,620	1,583,739	519,881	75.29	2,002,000	2,021,588 (82,032)	
	INVESTMENT INCOME	3440	2,646	5,284	(2,638)	199.68	7,925	2,567 (79)	
	<u>TOTAL REVENUE</u>		2,106,266	1,589,022	517,244	75.44	2,009,925	2,024,155	(82,111)

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REPAIR & REPLACEMENT BUDGET - 2015

EXPENSES

	2014 BUDGET	2014 YTD	% SPENT	2015 BUDGET
BOARD OF DIRECTORS	0	0	#DIV/0!	0
ADMINISTRATION	8000	2,098	26.23	8,500
PLANT OPERATIONS	58,000	52,475	90.47	48,000
SEWER LINE MAINTENANCE	50,000	34,529	69.06	40,000
CONTINGENCY	0	0	#DIV/0!	0
SEWER LINE CONSTRUCTION	347,000	9,815	2.83	2,006,746
POINT REPAIRS TO SEWER LINES	30,000	29,957	99.86	50,000
LEGAL/ENGINEERING	7,000	37,605	537.21	0
TOTAL EXPENDITURES	500,000.00	166,480	33.30	2,153,246

REVENUE

	2014 BUDGET	2014 YTD	% RECEIVED	2015 BUDGET
SEWER DEVELOPMENT CHARGES \$	30,000.00	102,379	341.26	40,000
Designated for future plant expansion \$	30,000.00	102,379	341.26	40,000
INVESTMENT INCOME \$	3,363.00	3,065	91.12	3,544
ELECTRIC CAPITAL CREDITS \$	1,750.00	5,236	299.23	1,750
SALE OF EQUIPMENT & LAND \$	2,000.00	3,543	177.13	2,000
GRANT FUNDS \$	-	0	0.00	1,097,496
TOTAL REVENUE \$	67,113.00	216,602	322.74	1,184,790

All Capital Improvements for 2015

	COST	
ADMINISTRATION		
Phone System \$	5,000.00	
Computer Upgrades \$	3,500.00	
ADMINISTRATION TOTAL \$	8,500.00	
PLANT		
SCADA system w/2 computers \$	38,000.00	
VFD's for Lift Station pumps \$	10,000.00	may reduce odors and short circuiting
PLANT TOTAL \$	48,000.00	
S L MAINTENANCE		
VFD's for Lift Station pumps \$	20,000.00	reduce Hzs, hammer and elec consumption
Rodder Trailer \$	20,000.00	
SL MAINTENANCE TOTAL \$	40,000.00	
SEWER LINE CONSTRUCTION \$	2,006,746.00	
POINT REPAIRS TO SEWER LINES \$	50,000.00	
TOTAL \$	2,056,746.00	Capital Improvements Total \$ 2,153,246.00

INTEREST ON INVESTMENTS	ACCOUNT	AMOUNT	RATE	BUDGET AMOUNT
Current CSAFE and COLO TRUST Balance \$		1,999,273.29		
Anticipated Csafe Balance at year end 2014 \$		2,000,000.00	0.12%	2,400
Debt Service Balance \$		2,259,129.62	0.12%	2,711

CORTEZ SANITATION DISTRICT				
SUMMARY BUDGET STATEMENT, ENTERPRISE FUND - 2015				
	ACTUAL	BUDGET	10/10/14	BUDGET
	2013	2014	ESTIMATED	2015
			2014	
Beginning Working Capital	2,813,654	2,861,577	3,160,698	3,865,190
REVENUE				
Operating Revenue:				
Sewer Service Fees	2,020,870	2,103,620	2,032,536	2,016,588
Other Fees & Charges	46,808	0	35,000	5,000
Interest on Investments	5,153	2,436	2,436	2,567
Total Operating Revenue	2,072,831	2,106,056	2,069,972	2,024,155
Repair & Replacement Revenue:				
Sewer Development Charges	37,415	30,000	105,000	40,000
Interest on Investments	7,117	3,363	4,597	3,544
Sewer Development Charges designated	37,415	30,000	105,000	40,000
Specific Ownership Tax	33,425	27,000	30,000	31,500
Reimbursement from Governmental	146,322	153,225	130,536	151,041
Grants	0	0	0	1,097,496
Transfers in from Debt Service for Principal Payment	530,000	550,000	550,000	575,000
Line Contributions from Developers	0	0	0	0
Sale of Equipment / Electric Capital Credits	24,147	3,750	8,779	25,000
Total Repair & Replacement Revenue	815,840	797,338	933,911	1,963,581
TOTAL REVENUE	2,888,672	2,903,394	3,003,883	3,987,736
EXPENSES				
Operating Expense:				
Sanitation Board	10,920	30,412	19,562	30,812
Administration	264,489	407,375	353,397	400,733
Plant Operations	764,059	807,585	778,009	762,534
Sewer Line Maintenance	256,228	335,111	265,850	373,480
Total Operating Expense	1,295,696	1,580,483	1,416,818	1,567,560
Repair & Replacement Expense:				
Revenue Bond Payment Principal	85,348	88,362	88,362	91,482
Revenue Bond Payment Interest	54,581	51,568	51,568	48,448
Capital Outlay	101,603	116,000	92,000	96,500
Sewerline Projects	314,156	377,000	63,038	2,056,746
Plant Construction	0	0	0	0
Legal/Engineering fees	3,059	7,000	37,605	0
Debt Service Principal Payment	530,000	550,000	550,000	575,000
Total Repair & Replacement	1,088,748	1,189,930	882,573	2,868,176
TOTAL EXPENSES	2,384,444	2,770,413	2,299,391	4,435,736
Revenue minus Expense	504,228	132,981	704,493	(448,000)
Ending Working Capital	3,317,881	2,994,558	3,865,190	3,417,190
Emergency Reserve/Future Plant Expansion	463,924	526,043	494,204	531,820

CORTEZ SANITATION DISTRICT SUMMARY BUDGET STATEMENT, GOVERNMENTAL FUND - 2015

	10/10/14			
	ACTUAL 2013	BUDGET 2014	ESTIMATED 2014	BUDGET 2015
DEBT SERVICE FUND				
Beginning Fund Balance	2,476,678	2,358,352	2,438,596	2,355,477
Revenue				
Property Taxes	866,149	871,846	871,846	871,846
Specific ownership Tax	40,852	33,000	25,000	38,500
Total	907,001	904,846	896,846	910,346
EXPENSES				
Water & Power Authority Loan Payment	251,787	246,325	246,325	224,313
Transfer out to Enterprise Fund for Principal Payment	530,000	550,000	550,000	575,000
Treasurer's Fees	16,974	21,000	20,000	19,000
Fund Administration Fees	146,322	153,189	163,640	151,041
Total	945,083	970,514	979,965	969,354
FUND BALANCE	-38,082	-65,668	-83,119	-59,008
ENDING FUND BALANCE	2,438,596	2,292,684	2,355,477	2,296,469