

GENERAL COMMENTS ABOUT THE DISTRICT & THE BUDGET

The District is constantly evaluating how to sensibly reduce costs. To that end the District has studied

Electrical costs and rates, chemical costs, insurance costs, and more

Use of its contract professionals, including legal and engineering,

Acts as their own project managers - for example when we built the reservoir our direct involvement in design, construction, etc. resulted in savings of millions of dollars.

There have been other projects that this same process was used which again resulted in cost savings.

Number of employees - the District finally added a third employee in 2017 which has resulted in many benefits. The work that has been neglected is being caught up and other work which results in a more reliable system is being done. Before adding the third employee this work was not being completed. So it added to the overall costs but is resulting in better system reliability and accountability which in the long run will aid in controlling costs. The new employee is also being trained to eventually take over the District so that there is a smooth transition when the current manager retires. This process will take several years.

Etc.

Use of Professionals

The District firmly believes in utilizing contract legal and engineering professionals as appropriate.

It also firmly believes that any work that can be done in house to lay the ground work for these professionals results in reduced costs and a better end product.

Safety

Any changes to the District's treatment procedures are evaluated for the safety of its personnel and the community. A good example of this is the use of Chlorine Gas vs Liquid Chlorine. Chlorine gas can be very hazardous to both the employees and the community. In 2006 Chlorine Gas was discontinued and replaced with Liquid Chlorine.

Automation

The District utilizes some automation such as at its filter plant so that personnel do not have to be at the filter plant 24 hours a day. It also uses some automatic controls to control the water levels in some of the tanks. The District believes that there is nothing that fully replaces the live person who checks all of these systems daily not only to insure they are working properly but also to look for the problems that automation does not necessarily detect; e.g. minor pipe leaks, motors that are not quite running right, oil leaks that are developing, and other issues that an automated system might not detect in a timely manner.

Research

The District conducts its own research of issues, be it of new equipment or methods of water treatment so that they know the pro's and con's beforehand instead of after the fact.

Water Rates

The District's billing software allows it to conduct its own studies of rates and the probable results of any adjustments to the water rates.

The District's goal is to provide a level of service and reliability that preserves your home values. Pine Brook is one of the leaders in steady mountain home values. A reliable water system that delivers water that meets or is better than the Safe Drinking water act requires, and also has fire hydrants to protect your home in the case of fire (along with an excellent fire dept.). All of this comes at a price, part of which is higher water rates than what are charged in town. This is all part of mountain living.

The District is at about 95% of full build out. There is no commercial/retail/ or large residential base to spread the costs over, just the homes. This means that as the District's costs increase those costs obviously have to be passed on in the form of water rate adjustments.

Operating Costs

Most of the District's operating costs are fixed costs which do not change due to variations of how much water is produced.

PROPOSED BUDGET FOR 2019
 PINE BROOK WATER DISTRICT
 1903 LINDEN DRIVE, BOULDER, CO 80304
 303-443-5394, FAX 303-415-0621, EMAIL bob@pinebrookwater.com

THE PINE BROOK WATER DISTRICT IS A GOVERNMENTAL ENTITY WHICH HAS A COMMERCIAL INSURANCE POLICY TO PROTECT AGAINST LOSSES AND RISKS
THE PINE BROOK WATER DISTRICT IS CONSIDERED AN ENTERPRISE SINCE IT DOES NOT COLLECT ANY TAXES FOR OPERATIONS AS THE OPERATIONS ARE FUNDED SOLELY BY WATER RENTS

NOTE: THE BEGINNING AND ENDING BALANCE FOR THE FIRST "ACTUAL" COLUMN ARE ACCURATE AS THAT YEARS AUDIT HAS BEEN COMPLETED. ALL OTHER BALANCES ARE BASED ON BEST INFORMATION AVAILABLE AT THAT TIME.

beginning and ending balances for the 2018 budget were not known when 2018 budget was adopted
 ACT 2017 ADOPTED 2018 ACT 11/30/2018 EST. 12/31/18 PROP. 2019

	ACT 2017	ADOPTED 2018	ACT 11/30/2018	EST. 12/31/18	PROP. 2019
BEGINNING RESERVE BALANCES					
PROPERTY TAX RESERVES FOR G.O. BONDS	\$50,569	\$49,273		\$49,273	\$52,150
RESERVES - ALL OTHER USES	\$404,223	\$353,284		\$353,284	\$280,654
TOTAL RESERVES BEGINNING OF YEAR	\$454,792	\$402,557		\$402,557	\$332,804
GENERAL GOVERNMENT REVENUES					
PROP. TAX FOR BOND PAYMENT ONLY (NO GENERAL PROPERTY TAX)	\$332,487	\$332,094	\$329,392	\$330,000	\$331,144
ENTERPRISE REVENUES					
WATER SALES FOR ENTERPRISE EXPENSES	\$580,508	\$622,000	\$592,171	\$635,000	\$722,000
<u>TOTAL WATER SALES REVENUES</u>	<u>\$580,508</u>	<u>\$622,000</u>	<u>\$592,171</u>	<u>\$635,000</u>	<u>\$722,000</u>
WATER SALES TARGETED TO BE TRANSFERRED TO CAPITAL FUND	\$49,273	\$49,000	\$43,602	\$47,722	
MISC. INCOME/RAW WATER SALES FOR ENTERPRISE EXP./INTEREST	\$13,166	\$7,200	\$9,646	\$14,668	\$7,450
S.O.TAX FOR CAPITAL EXPENSES	\$17,901	\$19,000	\$14,331	\$16,000	\$17,000
TAP FEE'S FOR CAPITAL EXPENSES	\$0	\$80,000	\$80,000	\$80,000	\$40,000
DONATIONS/SALE ASSETS/MISC USED FOR CAPITAL OR ENTERPRISE EXP.	\$0	\$0	\$10,000	\$15,382	\$0
<u>TOTAL OTHER REVENUES, CAN ALSO BE USED FOR OPERATIONS</u>	<u>\$80,340</u>	<u>\$155,200</u>	<u>\$157,579</u>	<u>\$173,772</u>	<u>\$64,450</u>
TOTAL MONIES AVAILABLE BEFORE GRANTS ETC	\$1,448,127	\$1,511,851	\$1,079,142	\$1,541,329	\$1,450,398
INCOME FROM GRANTS, FEMA, STATE FOR FLOOD REPAIRS	\$3,848	\$346,000	\$114,053	\$114,053	\$199,255
TOTAL REVENUES W/O BEGINNING BALANCES	\$997,183	\$1,455,294	\$1,193,195	\$1,252,825	\$1,316,849
TOTAL AVAILABLE REVENUES INCLUDING RESERVES/BEGINNING BALANCES	\$1,451,975	\$1,857,851	\$1,193,195	\$1,655,382	\$1,649,653
EXPENSES					
LONG TERM DEBT - G.O. BONDS	\$324,654	\$332,094	\$329,326	\$329,544	\$331,144
LONG TERM DEBT - ENTERPRISE (REVENUE NOTE)	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000
OPERATING EXPENSES - ENTERPRISE & GRANT EXPENDITURES	\$642,994	\$577,100	\$546,440	\$611,115	\$583,200
<u>TOTAL OPERATING/ENTERPRISE EXPENSES</u>	<u>\$694,994</u>	<u>\$629,100</u>	<u>\$598,440</u>	<u>\$663,115</u>	<u>\$663,200</u>
CAPITAL EXPENSES & GRANT EXPENDITURES	\$29,770	\$546,000	\$323,532	\$329,182	\$385,582
RESERVES/CONTINGENCY FOR G.O. BONDS (ENDING RESERVE BALANCE)	\$49,273	\$50,000	\$52,096	\$52,150	\$52,150
RESERVES/CONTINGENCY - ALL OTHER USES (ENDING RESERVE BALANCE)	\$353,284	\$300,657	\$291,567	\$280,564	\$245,577
TOTAL EXPENSES INCLUDING RESERVE BALANCES	\$1,451,975	\$1,857,851	\$1,594,961	\$1,654,555	\$1,649,653
CHANGE IN BALANCE SHEET ACCRUALS	\$0	\$0			\$0

_____, DOES CERTIFY THAT THIS IS A TRUE AND ACCURATE COPY
 OF THE ADOPTED 2019 BUDGET OF THE PINE BROOK WATER DISTRICT.
 SIGNED THIS 13TH DAY OF DECEMBER 2018

 Attest R. Loveman, Secretary of the Board

	BEG. PROP. TAX BALANCE	\$46,522	\$50,569	\$52,096	\$52,096	\$52,150					
	BEG. OTHER RESERVES MONIES					\$280,654					
	WORKSHEETS										
			11/30/18								
		ACT 2016	ACT 2017	YTD 2018	EST 2018	BUD 2018	PRO 2019	EST 2020	EST 2021	EST 2022	EST 2023
	INCOME FOR PAYROLL, OPS, ADMIN, & REVENUE NOTE										
	WATER SALES	\$490,976	\$580,508	\$592,171	\$635,000	\$622,000	\$722,000				
	CAPITAL FEE COLLECTIONS	\$41,430	\$49,273	\$43,602	\$47,722	\$49,000	\$ -				
	INT. SAVINGS	\$183	\$403	\$478	\$500		\$250				
	TAP FEES ETC.	\$41,075	\$0	\$80,000	\$80,000	\$80,000	\$40,000	\$0	\$0	\$0	\$0
	SPECIFIC OWN. TAXES	\$16,915	\$17,901	\$14,331	\$16,000	\$19,000	\$17,000				
	DONATIONS/SALE OF ASSETS/MISC.	\$117,500	\$0	\$10,000	\$15,382		\$0				
	WATER RIGHTS SALES		\$8,534								
4 MILE FIRE & BLDR LODGE	MISC./RAW WATER LEASES-SALES	\$4,841	\$4,632	\$9,168	\$14,168	\$7,200	\$7,200				
	TOTAL FUNDS TO BE COLLECTED	\$712,920	\$661,251	\$749,750	\$808,772	\$777,200	\$786,450				
	SALARIES	\$179,850	\$227,715	\$204,934	\$230,735	\$223,200	\$235,000				
	EMP.BENEFITS	\$54,579	\$57,349	\$57,153	\$62,636	\$60,000	\$68,000				
	PAYROLL TAX EXP	\$17,796	\$23,292	\$22,735	\$24,709	\$24,500	\$26,000				
	TOTAL PAYROLL	\$252,225	\$308,356	\$284,822	\$318,080	\$307,700	\$329,000				
	ENGINEERING	\$0	\$7,055	\$0	\$0	\$0	\$0				
	ROUTINE REPAIRS	\$24,905	\$33,845	\$4,811	\$5,146	\$20,000	\$10,000				
	TOOLS & INSTRUMENTATION						\$10,000				
	WATER TESTS	\$7,537	\$11,557	\$15,055	\$15,238	\$8,000	\$15,000				
	SPH REPAIRS	\$0	\$147	\$58	\$100	\$0	\$1,000				
	FOUR MILE REPAIRS	\$763	\$0	\$0	\$0	\$0	\$1,000				
	CHEMICALS PLANT	\$25,102	\$22,332	\$16,940	\$21,199	\$22,000	\$22,000				
	RESERVOIR MAINT.	\$487	\$4,709	\$1,551	\$1,551	\$5,000	\$1,000				
	FILTER PLANT R/M	\$15,761	\$17,637	\$5,980	\$6,500	\$16,000	\$10,000				
	SLUDGE DISP COSTS		\$60,359	\$28,447	\$31,932	\$45,000	\$5,000				
	WATER MAIN REPAIRS	\$36,125	\$34,988	\$44,203	\$59,000	\$28,000	\$48,000				
	INS. EXPENDITURES										
	REPAIR & MAINT. OTHER	\$4,506	\$27								
	ROUTINE UTILITIES	\$8,333	\$11,410	\$8,978	\$9,404	\$12,000	\$10,000				
	RAW WATER UTILITIES	\$18,399	\$15,772	\$8,985	\$9,219	\$17,000	\$16,000				
	FILTER PLT UTILITIES	\$18,815	\$17,875	\$14,615	\$15,828	\$20,000	\$17,000				
	WATER RIGHT FEES	\$4,485	\$4,071	\$4,181	\$4,681	\$4,700	\$5,000				
	TRUCK OP & MAIN	\$17,877	\$18,586	\$9,064	\$10,800	\$15,000	\$13,000				
	FIRE HYDRANTS			\$11,245	\$11,245	\$0	\$0				
	COMMUNITY CENTER BLDG		\$895	\$495	\$495	\$1,000	\$2,500				
	NEW SERVICE COSTS		\$16,854	\$23,054	\$23,054	\$10,000	\$1,000				
	CONTINGENCY FUND						\$10,000				
	STATE GRANT		\$4,815								
	TOTAL OPERATING EXPENSES	\$183,095	\$282,934	\$197,662	\$225,392	\$223,700	\$197,500				
	MISC.	\$1,844	\$3,087	\$2,465	\$3,100	\$2,500	\$3,000				
	TRAINING & DUES	\$1,376	\$3,985	\$3,263	\$3,263	\$5,000	\$5,000				
	ACCT., BANK CHARG	\$3,258	\$1,150	\$899	\$980	\$1,100	\$1,200				
	AUDIT	\$5,200	\$3,940	\$4,100	\$4,100	\$4,100	\$4,500				
	INS.-LIABILITY	\$19,547	\$15,244	\$19,750	\$19,750	\$20,000	\$20,000				
	LEGAL	\$3,304	\$1,888	\$12,333	\$13,000	\$5,000	\$5,000				

OFFICE SUPPLY	\$11,413	\$13,365	\$12,862	\$13,900	\$14,000	\$13,000					
REIMBURSABLE EXPENSES	\$6,662	\$1,000		\$1,266							
NEW OFFICE EQUIP.											
FOUR MILE COALITION ADMIN COSTS							\$5,000				
ELECTION COSTS			\$8,284	\$8,284	\$5,000						
REVENUE NOTE	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000					
TOTAL ADMIN.	\$104,604	\$95,659	\$115,956	\$119,643	\$108,700	\$108,700	\$0	\$0	\$0	\$0	\$0
TOTAL PAYROLL, OPS, ADMIN, REV NOTE EXP EXCESS OR (DEFICIT)	\$539,924	\$686,949	\$598,440	\$663,115	\$640,100	\$635,200	\$0	\$0	\$0	\$0	\$0
GRANT REVENUES	\$1,144,764	\$3,848	\$114,053	\$114,053	\$346,000	\$199,255	2019 PROJ. TANK R-3, RES. GRATE, VEHICLES				
GRANT EXPENDITURES	\$1,158,433	\$8,045	\$156,015	\$160,428	\$440,000	\$259,200	2019 PROJ. TANK R-3, RES. GRATE, VEHICLES				
FEMA CURRENTLY OWES							\$70,477				
EXCESS OR (DEFICIT)	(\$13,669)	(\$4,197)	(\$41,962)	(\$46,375)	(\$94,000)	(\$59,945)					
PROPOSED CAPITAL EXPENDITURES	ACT 2016	ACT 2017	YTD 2018	EST 2018	BUD 2018	EST 2019	EST 2020	EST 2021	EST 2022	EST 2023	
PLANT REFURB'S	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	
EXP'S. RESERVOIR	\$0	\$0	\$0	\$0							
TANK CLEAN/INSP	\$8,655	\$0	\$0	\$0							
SYSTEM IMPROV.	\$8,792	\$0	\$0	\$0	\$15,000	\$6,382					
SYSTEM NEW CONST.	\$0	\$0	\$0	\$0							
CAPITAL TOOLS & OFFICE EQUIP	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	
VEHICLES	\$17,500	\$15,000	\$82,340	\$0	\$50,000						
RAW WATER CAP EXP'S	\$0										
ENGINEERING	\$0	\$14,770	\$26,246	\$0		\$0					
LEGAL SPECIAL	\$0	\$0	\$0	\$0							
COMM. BUILDING	\$0	\$0	\$0	\$0							
TANK PAINTING/REPAIR	\$0	\$0	\$15,000	\$15,000	\$134,000	\$120,000	\$0	\$0	\$400,000	\$0	
SLUDGE DISP. SYST.			\$43,931	\$153,754	\$30,000	\$0	\$0	\$0	\$0	\$0	
DREDGING	\$0	\$0	\$0	\$0							
TOTAL	\$34,947	\$29,770	\$167,517	\$168,754	\$239,000	\$126,382	\$0	\$0	\$400,000	\$0	
	Note this total includes engineering study, loader, and construction										
	New roof for P-2 tool, insurance paid \$5382.29 Dec. 2018.										
USES OF FUNDS FOR NON-OPERATING EXPENSES	ACT 2016	ACT 2017	YTD 2018	EST 2018	BUD 2018	PRO 2019	EST 2020	EST 2021	EST 2022	EST 2023	
PROP. TAX COLLECTIONS	\$329,900	\$332,487	\$329,392	\$330,000	\$332,094	\$331,144	\$332,094	\$332,094	\$332,094	\$332,094	
BOND PRINC & INT	\$326,078	\$324,654	\$326,044	\$326,044	\$326,044	\$326,044	\$326,044	\$326,044	\$326,044	\$326,044	
BLDR COUNTY TRES'S FEES (FEE'S ARE 1.529% OF TAXES)	\$5,025	\$4,983	\$3,282	\$3,500	\$6,050	\$5,100	\$6,050	\$6,050	\$6,050	\$6,050	
TOTAL	(\$1,203)	\$2,850	\$66	\$456	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MONEY TO (FROM) RESERVES	\$123,177	(\$56,815)	(\$58,103)	(\$69,016)	(\$195,900)	(\$35,077)	\$0	\$0	(\$400,000)	\$0	
(2016 had \$117,500 in donations)											
TOTAL CASH BALANCES	\$374,717	\$353,284	\$291,567	\$280,654	\$353,284	\$245,577					
G.O. BOND CASH BALANCE	\$48,522	\$49,273	\$52,096	\$52,150	\$49,273	\$52,150					

NOTES: UNUSUAL OPERATIONAL EXPENSES ARE A UNDERWATER DRONE, CL17 FOR TRACKING PERMANGANTE DOSING, AND A TURBIDIMETER

PIPE REPLACEMENT PROGRAM PLANNED TO START AROUND 2030 AND WILL PROBABLY REQUIRE A NEW BOND ISSUE, CURRENT BOND ISSUE (2004 BONDS) WILL HAVE BEEN PAID OFF IN 2029

CAPITAL FOR 2019 IS REPAIR COSTS TO TANK R-3

R-2 LAST PAINTED AROUND 1972 & WAS REPAINTED IN 2018

R-3 LAST PAINTED BEFORE 1987 & IS TO BE REPAINTED IN 2019
WHC TANK LAST PAINTED AROUND 1990
R-4 TANK LAST PAINTED AROUND 1990
R-7 TANK INSTALLED 1982 HASN'T BEEN PAINTED SINCE
R-1 TANK UNKNOWN WHEN LAST PAINTED, NOT CURRENTLY IN SERVICE AND MAY BE ABANDONED

TO DETERMINE MILL LEVY DIVIDE MONIES NEEDED BY EVALUATION AND THEN MULTIPLY BY 1000

2008 EVALUATION IS \$27,277,270	2014 EVALUATION IS \$27,716,154
2008 ACTUAL MILL LEVY IS 13.09	2014 MILL LEVY IS 11.982
2009 EVALUATION IS \$27,032,620	2015 EVALUATION IS \$31,516,403
2009 ACTUAL MILL LEVY IS 13.24	2015 MILL LEVY IS 10.57
2010 EVALUATION IS \$28,436,460	2016 EVALUATION IS \$31,283,486
2010 MILL LEVY IS 12.61	2016 MILL LEVY IS 10.614
2011 EVALUATION IS \$28,574,640	2017 EVALUAT IS \$32,152,619
2011 ACTUAL MILL LEVY IS 12.55	2017 MILL IS 10.329
2012 EVALUATION IS \$26,604,483	2018 EVALUATION IS \$31,720,251
2012 MILL LEVY IS 13.688	2018 MILL LEVY IS 10.439
2013 EVALUATION IS \$27,970,628	
2013 MILL LEVY IS 11.835	

