



Pagosa Area Water and Sanitation District

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Water and Wastewater Financial Plan and Rates

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Contents

1. Executive Summary	1
1.1. Introduction	1
1.2. Study Assumptions.....	1
1.3. Water Rates.....	2
1.4. Wastewater Rates.....	3
1.5. Capital Investment and Raw Water Acquisition Fee Review.....	4
2. Water Rates	1
2.1. Introduction	1
2.2. Financial Plan	1
2.2.1. Operating Fund	1
2.2.1.1. Revenue	1
2.2.1.2. Revenue Requirements.....	2
2.2.1.3. Projected Water Sales Revenue Adjustment.....	3
2.2.2. Capital Funds.....	4
2.2.2.1. Capital Improvement Program	4
2.2.2.2. Capital Investment Fund.....	4
2.2.2.3. Raw Water Acquisition Fund	4
2.2.2.4. Renewal and Replacement Fund.....	5
2.3. Rate Design	5
2.3.1. Revenue Requirements.....	5
2.3.2. Customer Service Characteristics.....	5
2.3.3. Existing Rates	6
2.3.4. Proposed Rates	6
2.3.4.1. Service Charge	7
2.3.4.2. Volume Charges	7
3. Wastewater Rates	1
3.1. Introduction	1
3.2. Financial Plan	1
3.2.1. Operating Fund	1
3.2.1.1. Reserves.....	1
3.2.1.2. Revenues.....	1
3.2.1.3. Revenue Requirements.....	2
3.2.1.4. Projected Wastewater Sales Revenue Adjustments.....	3
3.3. Capital Funds.....	3
3.3.1. Capital Investment Fund.....	4
3.3.2. Renewal & Replacement.....	4
3.4. Wastewater Rates.....	4
3.4.1. Revenue Requirements.....	4
3.4.2. Proposed Rates	5
4. Capital Investment and Raw Water Acquisition Fee	6

List of Figures

Figure 2-1: Water Cumulative Usage and Bill Distribution 6

Appendices

- A. Water Financial Plan and Rates
- B. Wastewater Financial Plan

1. Executive Summary

1.1. Introduction

The Pagosa Area Water and Sanitation District (District) provides water and wastewater service to approximately 5,400 water and 3,000 wastewater customer accounts. The District’s water and wastewater utilities are funded primarily from water and wastewater rates.

The District retained Red Oak Consulting the management consulting practice within Malcolm Pirnie, the Water Division of ARCADIS (Red Oak) to review the water and wastewater utilities financial status and to recommend rate adjustments, as necessary, to assure their continuing financial viability. This study includes:

- Development of water and wastewater financial plans for the 10-year study period, 2011 through 2020;
- Water Rate Design for 2011 through 2015; and
- Review of water and wastewater Capital Investment Fee and Raw Water Acquisition Fee.

1.2. Study Assumptions

This rate study is based on numerous assumptions, and changes in these assumptions could have a material effect on study findings. Red Oak incorporated the following key assumptions into the study:

- Based on recommendation from the District’s water supply work group, the number of equivalent residential units are forecasted to increase by the following numbers:

<u>Fiscal Year</u>	Projected ERU Growth	<u>Fiscal Year</u>	Projected ERU Growth
2011	23	2016	217
2012	0	2017	260
2013	102	2018	270
2014	139	2019	279
2015	176	2020	289

- Costs will increase at the following annual inflation rates:

- Operation and maintenance expense (O&M) at 3%
- Capital improvement project cost (CIP) at 3%.
- Utilities will strive to maintain the following cash reserve levels: ninety days for each of water and wastewater O&M as working capital reserve.
- Utilities will strive to maintain a debt service coverage (DSC) of 1.25 times net revenues for the combined Water and Wastewater Fund.

1.3. Water Rates

Principal findings of the water rate study are as follows:

- Staff developed a \$24.8 million water capital improvement program for the 10-year study period comprised of \$24.4 million of renewal and replacement (R&R) related projects and \$401 thousand of raw water acquisition and capital investment related projects. The raw water acquisition and capital investment related portion of the CIP will be funded from Raw Water Acquisition Fees and Capital Investment Fees respectively, and the R&R related portion will be funded from water sales revenue.
- Water sales revenue under existing rates is inadequate to meet projected O&M and capital costs during the study period. The financial plan indicates that rate adjustments are needed during the study period to increase annual water sales revenue as follows:

<u>Fiscal Year</u>	<u>Water Sales Revenue Increase</u>	<u>Fiscal Year</u>	<u>Water Sales Revenue Increase</u>
2011	0%	2016	0%
2012	0%	2017	0%
2013	0%	2018	0%
2014	8.5%	2019	0%
2015	8.5%	2020	0%

- Red Oak recommends the water utility’s ten-year financial plan be updated annually to reflect current estimates of revenue, operating expenses, capital improvement needs, and capital financing requirements.
- Red Oak developed water rates for the 2011-2015 test years and determined the cost of providing water service to customers.
- Existing water rates have been in effect since January 2011 and include a monthly Service charge and a volume rate component. Existing water rates have the following structure:
 - Service charge that varies by ERU and does not include a volume allowance.
 - Volume rates comprised of a 3-block increasing rate structure.

While an additional revenue increase is not projected for 2011, Red Oak did review the existing water rate structure and developed a refinement to the existing service charge

and volume rate components. The refined rate structure is discussed in more detail in Section 2 of this report.

Table 1-1 compares existing and proposed 2011-2015 Service charges. The proposed rates for 2011 were designed to be revenue neutral. In other words the rates proposed for 2011 under the refined rate structure will produce the same revenues as the District's existing rate structure. The increase in revenue generated from the higher monthly service charge is offset by the decrease in the volume rates.

**Table 1-1:
Comparison of Existing and Proposed 2011-2015 Monthly Water Service Charges**

Item	Existing	2011	2012	2013	2014	2015
Monthly Service Charge per ERU	\$13.50	\$14.50	\$14.50	\$14.50	\$15.73	\$17.00
Percentage Increase		7.4%	0.0%	0.0%	8.5%	8.0%

- Table 1-2 compares existing and proposed 2011-2015 water volume rates.

**Table 1-2:
Comparison of Existing and Proposed 2011-2015 Water Volume Rates**

Item	Block Differential	Block Thresholds per ERU (gallons)	Existing	2011	2012	2013	2014	2015
Block 1	1.00	8,000	\$4.70	\$4.50	\$4.50	\$4.50	\$5.00	\$5.60
Block 2	2.00	20,000	9.50	9.00	9.00	9.00	10.00	11.20
Block 3	2.50	>20,000	11.30	11.30	11.30	11.30	12.50	14.00
Percentage Increase/(Decrease)				-7.4%	0%	0%	11.0%	12.0%

1.4. Wastewater Rates

Principal findings of the wastewater rate study are as follows:

- Staff developed a \$9.7 million wastewater capital improvement program for the 10-year study period comprised of \$8.6 million of R&R related projects and \$1.1 million of capital investment related projects. The capital investment related portion of the CIP will be funded from Capital Investment Fees, and the R&R related portion will be funded from wastewater sales revenue.
- Wastewater service charge revenue under existing rates is inadequate to meet projected revenue requirements during the study period. The financial plan indicates that rate adjustments are needed during the study period to increase annual wastewater service charge revenue as follows:

<u>Fiscal Year</u>	<u>Wastewater Service Charge Revenue Increase</u>	<u>Fiscal Year</u>	<u>Wastewater Service Charge Revenue Increase</u>
2011	17.4%	2016	0%
2012	11.9%	2017	0%
2013	6.7%	2018	0%
2014	0%	2019	0%
2015	0%	2020	0%

- Red Oak recommends the wastewater utility’s ten-year financial plan be updated annually to reflect current estimates of revenue, operating expenses, capital improvement needs, and capital financing requirements.
- Existing wastewater rates have been in effect since June, 2008 and include a fixed monthly service charge by ERU.
- Red Oak developed the proposed 2011-2020 rates using the existing fixed service charge rate structure. The proposed rates are as follow:

<u>Fiscal Year</u>	<u>Wastewater Proposed Service Charge per ERU</u>	<u>Fiscal Year</u>	<u>Wastewater Proposed Service Charge per ERU</u>
2011	\$27.00	2016	\$32.00
2012	\$30.00	2017	\$32.00
2013	\$32.00	2018	\$32.00
2014	\$32.00	2019	\$32.00
2015	\$32.00	2020	\$32.00

1.5. Capital Investment and Raw Water Acquisition Fee Review

The District asked Red Oak to review and comment on the current levels of their water and wastewater Capital Investment Fees (CIF) and Raw Water Acquisition Fee (RWF). Capital Improvement Fees are designed to recover the capital costs of growth from those causing the growth to occur, rather than from the utility’s existing customer base. Raw Water Acquisition Fees are similar with the distinction that are designed to recover the capital cost related to procure new water sources for new customers including the cost of water rights, reservoirs and other raw water resources.

The District’s CIFs and RWF were designed to recover only the improvement component for planned future investment. Red Oak recommends reviewing the existing capacity available for growth and review the buy-in component. If the District has enough available capacity paid by existing customers new customers will experience subsidization from existing customers.

Based on the District existing CIF policy Red Oak's review found that the CIF and RWAFF levels are adequate to fund the expected investment in CIF and RWAFF designated projects for the study period 2011-2020.

Red Oak recommends that the CIFs and RWAFF be updated frequently to reflect the latest updates in the capital improvement plan and projected changes in growth.

2. Water Rates

2.1. Introduction

The Pagosa Area Water and Sanitation District provides water service to approximately 5,400 customer accounts. The District's water operations and capital improvements are funded primarily from rates, Capital Investment Fees (CIF) and Raw Water Acquisition Fees (RWAF). The District retained Red Oak Consulting to analyze the water utility's financial status and to recommend rate and fee adjustments, as necessary, to ensure the utility's continuing financial viability. The study includes:

- Development of financial plan for the ten-year study period, fiscal years 2011 through 2020;
- Analysis of customers' consumption characteristics; and
- Design of water rates for 2011 through 2015.

2.2. Financial Plan

Red Oak subdivided the Water Enterprise Fund into the following subfunds and developed separate financial forecasts for each of these Funds for the study period:

- Operating subfund;
- Debt Service subfund
- Capital Investment subfund
- Raw Water Acquisition subfund
- Renewal and Replacement subfund.

Appendix A illustrates the development of the water utility financial plan.

2.2.1. Operating Fund

Operating cash reserves available at the beginning of the study period total an estimated \$1.2 million. Red Oak recommends the utility maintain an annual minimum operating reserve of at least 90 days of operation and maintenance expense (O&M) or approximately \$530 thousand.

2.2.1.1. Revenue

Operating fund revenue includes water sales (from water rates), bad debt recoveries, inclusion fees, late charges, investment income, General Fund contribution, irrigation water sales and other miscellaneous sources.

Projected revenue from miscellaneous sources reflects 2011 budgeted revenue and anticipated system growth. Projected interest income, derived from investment of operating fund reserves, reflects an assumed annual interest rate of 0.1%.

The assumed system growth and increase in equivalent residential units for the study period is presented on Table 2-1. System growth was based on recommendations from the District’s water supply work group.

**Table 2-1:
Projected Number of Water Equivalent Residential Units**

Fiscal Year	Projected Number of ERUs	New ERUs	Growth Rate
2011	7,199	23	0.3%
2012	7,222	0	0.0%
2013	7,222	102	1.4%
2014	7,324	139	1.9%
2015	7,463	176	2.4%
2016	7,639	217	2.8%
2017	7,856	260	3.3%
2018	8,116	270	3.3%
2019	8,386	279	3.3%
2020	8,665	289	3.3%

2.2.1.2. Revenue Requirements

Operating fund revenue requirements include O&M, transfers to debt service fund, and transfers to R&R fund.

Water O&M includes the cost of personnel, materials, supplies, and services to acquire, treat and distribute water and represents approximately 63% of projected revenue requirements during the study period. Projected O&M includes an annual inflation rate of 3%.

Transfers are made to the R&R subfund to cash finance non-expansion capital improvements. These transfers represent approximately 26% of projected revenue requirements during the study period.

Debt service during the study period consists of annual payments on outstanding and proposed debt obligations and represents approximately 40% of projected revenue

requirements during the study period. Outstanding debt obligations include revenue bonds and a loan from the Colorado Water Resources and Power Development Authority (CWRPDA), and a loan from Colorado Water Conservation Board (CWCB). Some of these debt obligations were issued for both water and wastewater capital needs. The District provided the information to identify the portion associated with financing water system improvements and growth and non-growth responsibility for these projects. Proposed debt obligations consist of revenue bonds to finance the proposed replacement of the Snowball Water Treatment Plant in 2020. Proposed debt service assumes equal annual payments of principal and interest, 20-year term, and 3.75% annual interest rate.

The Water and Wastewater Bonds Resolutions contains covenants requiring the District to:

- Maintain revenues adequate to pay current system expenses;
- Produce an aggregate amount of net revenues each year (combined water and wastewater), at least equal to 1.25 times the annual debt service;

These requirements support the need for targeting a debt coverage ratio of at least 1.25.

Red Oak’s financial plan assumes the early retirement (in 2011) of a 1998 water revenue bond issue set to expire in 2013. The early retirement assumes a special payment at the end of 2011 of \$665,000 for outstanding principal. The early payment of this debt will ease the increase of rates to maintain debt service coverage in 2012.

2.2.1.3. Projected Water Sales Revenue Adjustment

Revenue should be sufficient to meet revenue requirements, provide required debt service coverage and maintain adequate reserves. Water sales revenue from existing rates is inadequate to meet these requirements throughout the study period. The financial plan indicates that revenue adjustments are needed during the study period to increase annual water sales revenue as follows:

<u>Fiscal Year</u>	<u>Water Sales Revenue Increase</u>	<u>Fiscal Year</u>	<u>Water Sales Revenue Increase</u>
2011	0%	2016	0%
2012	0%	2017	0%
2013	0%	2018	0%
2014	8.5%	2019	0%
2015	8.5%	2020	0%

Red Oak recommends the water utility’s ten-year financial plan be updated annually to reflect current estimates of revenue, operating expenses, capital improvement needs, and capital financing requirements.

2.2.2. Capital Funds

2.2.2.1. Capital Improvement Program

Staff developed a \$24.8 million capital improvement program (CIP) for the study period. The 10-year program includes 52 different projects including the replacement of the Snowball Water Treatment Plant (\$10.6 million), Appendix A shows the full list of projects. The District’s proposed program is separated into renewal and replacement, capital investment and water resource projects for assignment to respective funding sources. The CIP includes an annual inflation rate of 3%. Table 2-2 summarizes the water capital improvement program.

**Table 2-2:
Water Capital Improvement Program**

Fiscal Year	Renewal and Replacement	Capital Investment	Raw Water Acquisition	Total CIP
2011	\$3,946,642	\$1,667	\$1,667	\$3,949,975
2012	1,273,920	27,167	1,667	1,302,754
2013	850,026	18,667	1,667	870,360
2014	745,397	36,737	1,717	783,850
2015	754,938	1,768	1,768	758,474
2016	714,834	1,821	1,821	718,476
2017	638,170	1,876	1,876	641,922
2018	906,319	289,316	1,932	1,197,567
2019	838,050	1,990	1,990	842,031
2020	<u>13,730,157</u>	<u>2,050</u>	<u>2,050</u>	<u>13,734,256</u>
Total	\$24,398,453	\$383,058	\$18,154	\$24,799,665

2.2.2.2. Capital Investment Fund

The capital investment fund tracks financial activities associated with funding growth-related capital projects. Growth-related capital improvements total \$383,058 during the study period. Red Oak’s financial plan forecasts 100% funding from capital investment fee revenues.

Capital investment fund capital cash reserves available at the beginning of the study period total an estimated \$1.0 million.

2.2.2.3. Raw Water Acquisition Fund

The Raw Water Acquisition subfund tracks financial activities associated with funding water resources related capital projects including water rights acquisitions. Raw Water Acquisition capital improvements total \$18,154 during the study period. Red Oak’s financial plan forecasts 100% funding from water resources fee revenues.

Raw Water Acquisition fund cash reserves available at the beginning of the study period total an estimated \$1.0 million.

2.2.2.4. Renewal and Replacement Fund

The R&R Capital subfund tracks financial activities associated with funding major non-growth capital improvements. Renewal and replacement capital improvements total \$24.4 million during the study period. Red Oak's financial plan forecasts 41% of these costs will be met from revenue bond proceeds and 59% will be met from cash reserves and operating fund transfers. Red Oak projected a \$9.9 million bond issue in 2020 to fund the replacement of the Snowball Water Treatment Plant.

Renewal and Replacement capital cash reserves available at the beginning of the study period total an estimated \$4.1 million.

2.3. Rate Design

In the development of schedules of rates for service, a basic consideration is to establish equitable charges to customers commensurate with the cost of providing service. The cost of service studies are the result of engineering estimates based to some extent upon judgment and experience, and detailed results should not be used as exact answers but as guides to the necessity for rate adjustments. Practical considerations may enter into the final choice of charges, recognizing such factors as previous rate levels, existing rate structures, the degree of adjustments indicated and policies concerning the application of rates. Appendix A shows the development of the proposed 2011-2015 water rates.

2.3.1. Revenue Requirements

The total revenue requirements for the study period 2011-2020 is \$52,507,238 and consist of \$24,753,054 of operating expenses, \$26,083,100 of capital costs and \$1,671,084 of building reserves. These costs are projected to be met from \$39,581,260 of annualized water sales revenue and \$12,925,979, of other revenue sources.

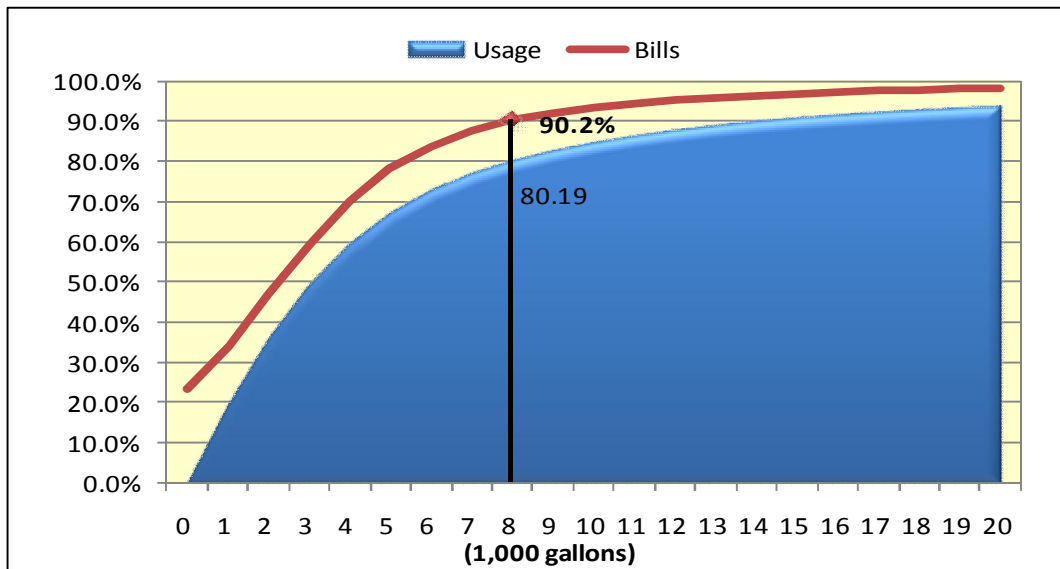
The 2011 Revenue requirements equal \$4,402,829 and consist of \$2,159,221 of operating expenses, \$1,896,139 of capital costs and \$347,469 of building reserves. These costs are projected to be met from \$3,238,259 of water sales revenue and \$1,164,570 of other revenue sources.

2.3.2. Customer Service Characteristics

The District serves 5,374 customer accounts that represent 7,191 equivalent residential units. Of those customers accounts 87% are residential, 8% are commercial, 4% are multifamily and 1% are irrigation customers. In terms of equivalent residential units 65% are residential, 15% are commercial, 19% percent are multifamily and 1% irrigation.

The district billed 372 million gallons in 2009 and 376 million gallons in 2010. How that billed usage is distributed is presented on Figure 2-1. 80% of the total billed usage is allocated at or below 8,000 gallons which represents the District block 1 threshold. Meanwhile, about 90% of the total bills present consumption of 8,000 gallons or less. It's interesting to note that about 23% of the District total bills have zero usage. This is consistent with the fact that the district has a large number of seasonal customers (snowbirds) during the summer.

Figure 2-1: Water Cumulative Usage and Bill Distribution



2.3.3. Existing Rates

Existing rates have been in effect since January 2011 and include a monthly Service charge and volume rate component. Existing water rates have the following structure:

- Service charge that varies by equivalent residential unit and does not include a volume allowance.
- Volume rates for all customers comprised of a 3-block increasing rate structure.

2.3.4. Proposed Rates

While a revenue increase is not projected for 2011, Red Oak did review the existing water rate structure and developed a refinement to the existing service charge and volume rate components.

The proposed rates for 2011 were designed to be revenue neutral. In other words the rates proposed for 2011 under the refined rate structure will produce the same revenues as the District's existing rate structure. The increase in revenue generated from the higher monthly service charge is offset by the decrease in the volume rates.

In addition to the refinement in the rate structure for 2011, future year revenue adjustments will be applied to rates. The proposed rates will increase annual water sales revenue by 8.5% in 2014 and another 8.5% in 2015.

2.3.4.1. Service Charge

Cost of service fixed service charges recover utility billing costs; meter reading, administrative costs; and a portion of the utility fixed cost. Table 2-3 illustrates the development of the monthly service charges for the period 2011-2020. The existing service charges represent 36.0% of the total water sale revenues. Considering that the majority of utility’s costs are fixed and the characteristics of the District’s customers (23% are part-time residents), Red Oak recommends the percentage of total revenues recovered through the fixed service charge increase to 38.6% of total water rate revenue.

**Table 2-3:
Comparison of Existing and Proposed 2011-15 Monthly Water Service Charges**

Item	Existing	2011	2012	2013	2014	2015
Monthly Service Charge per ERU	\$13.50	\$14.5	\$14.50	\$14.50	\$15.73	\$17.00
Percentage Increase		7.4%	0.0%	0.0%	8.5%	8.0%

2.3.4.2. Volume Charges

Proposed residential volume rates consist of a 3-block increasing rate structure. The rate for the second block is 100% greater than the first block rate. The third block rate is 250% greater than the first block rate. Table 2-4 compares existing and proposed residential water volume charges.

**Table 2-4:
Comparison of Existing and Proposed 2011-15 Water Volume Charges**

Item	Block Differential	Block Thresholds per ERU (gallons)	Existing	2011	2012	2013	2014	2015
Block 1	1.00	8,000	\$4.70	\$4.50	\$4.50	\$4.50	\$5.00	\$5.60
Block 2	2.00	20,000	9.50	9.00	9.00	9.00	10.00	11.20
Block 3	2.50	>20,000	11.45	11.30	11.30	11.30	12.50	14.00
Percentage Increase/(Decrease)				-7.4%	0%	0%	11.0%	12.0%

3. Wastewater Rates

3.1. Introduction

The District provides wastewater service to over 3,000 customer accounts. The District's wastewater operations and capital improvements are funded primarily from rates and Capital Investment Fees. The District retained Red Oak Consulting to analyze the wastewater utility's financial status and to recommend rate adjustments, as necessary, to ensure the utility's continuing financial viability. The study included:

- Development of financial plan for the ten-year study period, 2011 through 2020; and
- Design of wastewater rates for 2011-2020.

3.2. Financial Plan

Red Oak subdivided the Wastewater Fund into the following subfunds and developed separate financial forecasts for each of these Funds for the study period:

- Operating subfund;
- Capital Investment subfund; and
- Renewal and Replacement subfund.

Appendix B illustrates the development of the wastewater utility financial plan.

3.2.1. Operating Fund

3.2.1.1. Reserves

Operating cash reserves available at the beginning of the study period total an estimated \$2.1 million. Red Oak recommends the utility maintain a annual minimum operating reserve of at least 90 days of operation and maintenance expense (O&M) or approximately \$247,880.

3.2.1.2. Revenues

Operating subfund revenue includes wastewater sales (from wastewater rates), late charges, water hauler revenues, investment income, contributions from the General Fund and other miscellaneous sources.

Projected wastewater sales revenue is based on the existing number of customers and total equivalent residential units and projected growth in the number of ERU. Table 3-1 summarizes the historical and projected number of wastewater ERU.

**Table 3-1:
Projected Number of Wastewater Equivalent Residential Units**

Fiscal Year	Projected Number of ERUs	New ERUs	Growth Rate
2011	4,238	23	0.5%
2012	4,261	0	0.0%
2013	4,261	102	2.4%
2014	4,363	139	3.2%
2015	4,502	176	3.9%
2016	4,678	217	4.6%
2017	4,895	260	5.3%
2018	5,155	270	5.2%
2019	5,425	279	5.1%
2020	5,704	289	5.1%

Projected revenue from miscellaneous sources reflects fiscal year 2011 budgeted revenue and anticipated system growth. Projected interest income, derived from investment of operating fund reserves, reflects an assumed annual interest rate of 0.1%.

3.2.1.3. Revenue Requirements

Operating subfund revenue requirements include O&M, transfers to renewal and replacement fund, and debt service.

Wastewater O&M includes the cost of personnel, materials, supplies, and services to collect, treat and discharge wastewater and represents approximately 67% of projected revenue requirements during the study period. Projected O&M includes an annual inflation rate of 3%.

Transfers are made to the renewal and replacement capital fund to cash finance a portion of non-growth capital improvements. These transfers represent approximately 44% of projected revenue requirements during the study period.

Debt service during the study period consists of annual payments on outstanding and proposed debt obligations and represents approximately 30% of projected revenue requirements during the study period. Outstanding debt obligations include revenue bonds. These debt obligations were issued for both water and wastewater capital needs. The District provided the information to identify the portion associated with financing wastewater system improvements for these projects. No debt obligations are projected during the study period to pay for capital improvements.

The Water and Wastewater Bonds Resolution contains covenants requiring the District to:

- Maintain revenues adequate to pay current system expenses;
- Produce an aggregate amount of net revenues (combined water and wastewater) each year, at least equal to 1.25 times the annual debt service;

These requirements support the need for targeting a debt coverage ratio of at least 1.25.

The existing bond ordinance allows the debt service coverage to be calculated with the combined revenues and expenses of the water and wastewater enterprises. Red Oak’s wastewater financial plan was designed to use the combined debt service coverage requirements in fiscal year 2011. After 2011 the wastewater enterprise will be able to maintain the target debt service coverage without the help of the combined system (using water and wastewater revenues).

3.2.1.4. Projected Wastewater Sales Revenue Adjustments

Revenue should be sufficient to meet revenue requirements, provide required debt service coverage and maintain adequate reserves. Wastewater service charge revenue from existing rates is inadequate to meet these requirements throughout the study period. The financial plan indicates that rate adjustments are needed during the study period to increase annual wastewater service charge revenue as follows:

<u>Fiscal Year</u>	<u>Wastewater Service Charge Revenue Increase</u>	<u>Fiscal Year</u>	<u>Wastewater Service Charge Revenue Increase</u>
2011	17.4%	2016	0%
2012	11.9%	2017	0%
2013	6.7%	2018	0%
2014	0%	2019	0%
2015	0%	2020	0%

Red Oak recommends the wastewater utility’s ten-year financial plan be updated annually to reflect current estimates of revenue, operating expenses, capital improvement needs, and capital financing requirements.

3.3. Capital Funds

Staff developed a \$9.6 million capital improvement program (CIP) for the study period. The 10-year program includes 40 different projects including collection system replacement (\$3.6 million), Appendix B illustrates the full list of projects. The District’s proposed program is separated into renewal and replacement and capital investment for

assignment to respective funding sources. The CIP includes an annual inflation rate of 3%. Table 3-2 summarizes the wastewater capital improvement program.

**Table 3-2:
Wastewater Capital Improvement Program**

Fiscal Year	Renewal and Replacement	Capital Investment	Total CIP
2011	\$541,408	\$84,364	\$625,772
2012	747,774	95,957	843,732
2013	615,634	95,957	711,591
2014	883,244	98,836	982,080
2015	1,139,550	167,260	1,306,810
2016	802,465	104,855	907,320
2017	735,335	108,001	843,336
2018	700,586	111,241	811,827
2019	1,200,450	114,578	1,315,028
2020	<u>1,186,752</u>	<u>161,620</u>	<u>1,348,371</u>
Total	\$8,553,199	\$1,142,667	\$9,695,866

3.3.1. Capital Investment Fund

The capital investment subfund tracks financial activities associated with funding major growth-related capital projects. Growth-related capital improvements total \$1.1 million during the study period. Red Oak’s financial plan forecasts 100% funding of these costs will be met from capital improvement fee revenues.

Growth-related capital cash reserves available at the beginning of the study period total an estimated \$2.1 million.

3.3.2. Renewal & Replacement

The renewal and replacement capital subfund tracks financial activities associated with funding major non-growth capital improvements. Non-growth capital improvements total \$8.5 million during the study period. Red Oak’s financial plan forecasts 100% funding of these costs will be met from cash reserves and operating fund transfers.

3.4. Wastewater Rates

3.4.1. Revenue Requirements

The total revenue requirements for the study period 2011-2020 equal \$25,563,552 and consist of \$11,750,605 of operating expenses and \$13,812,947 of capital costs. These costs are projected to be met from \$18,461,334 of annualized water sales revenue, \$5,799,821, of other revenue sources and \$1,302,397 of operating reserves.

The 2011 Revenue requirements equal \$2,253,106 and consist of \$1,005,290 of operating expenses and \$1,247,816 of capital costs. These costs are projected to be met from \$1,292,814 of water sales revenue, \$656,417 of other revenue sources and \$303,875 of operating reserves.

3.4.2. Proposed Rates

Existing rates have been in effect since June, 2008 and consist of a monthly service charge of \$23.00. Red Oak developed the proposed 2011-2015 rates using the existing structure. The proposed rates will increase by \$4 in 2011, \$3 in 2012 and \$2 in 2013. The proposed rates are as follow:

<u>Fiscal Year</u>	Wastewater Proposed Service Charge per ERU	<u>Fiscal Year</u>	Wastewater Proposed Service Charge per ERU
2011	\$27.00	2016	\$32.00
2012	\$30.00	2017	\$32.00
2013	\$32.00	2018	\$32.00
2014	\$32.00	2019	\$32.00
2015	\$32.00	2020	\$32.00

4. Capital Investment and Raw Water Acquisition Fee

The District asked Red Oak to review and comment on the current levels of their water and wastewater Capital Investment Fees (CIF) and Raw Water Acquisition Fee (RWF). CIDs are designed to recover the capital costs of facilities needed to serve new development, rather than from the utility's existing customer base. RWF are similar with the distinction that they are designed to recover the capital cost related to procure new water sources for new customers this include the cost of water rights, reservoirs and other water resources.

When properly designed, a CIF or RWF should be a one-time charge to new connections to the system that recovers the utility's investments to provide capacity to new growth. In charging new customers for new investments in capacity, the CIF and RWF, like other such fees, promotes a concept in utility rate making called intergenerational equity. The term intergenerational equity means that existing customers do not subsidize new customers, and vice versa. In many communities, this is often referred to as "growth pays for growth." CIFs and RWFs are designed to minimize the subsidization of new growth

There are a number of ways to calculate CIFs. The American Water Works Association (AWWA) describes two methodologies for calculation of such fees, called the equity buy-in approach and the incremental cost approach. The AWWA also acknowledges that a hybrid of both approaches may be most appropriate which is referred to as the combined method in this report.

The buy-in component is intended for past investments in system capacity that remains available to serve the new connections. The improvement or incremental component for planned future investments to make additional capacity available to serve new users. The hybrid approach acknowledges that new customers tend to use capacity available in the existing facilities (buy-in) as well as new capacity that the utility must build in order to accommodate the additional units of service (incremental cost).

The District's CIFs and RWF were designed to recover only the improvement component for planned future investment. Red Oak recommends reviewing the existing capacity available for growth and review the buy-in component. If the District has enough available capacity paid by existing customers new customers will experience subsidization from existing customers.

Based on the District existing CIF policy Red Oak's review found that the CIF and RWF levels are adequate to fund the expected investment in CIF and RWF designated projects for the study period 2011-2020.

Red Oak recommends that the CIFs and RWAf be updated frequently to reflect the latest revisions in the capital improvement plan and projected changes in growth.

Pagosa Area Water and Sanitation District (PAWSD)
2011 Water and Wastewater Financial Plan and Rates

APPENDIX

A

Water Financial Plan and Rates

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 1
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Projected Water Usage and Peak-Use Characteristics by Customer Class
 FY2011

Customer Class	Total Water Demands (Kgals)	Average-Day Demands (gallons)	Peaking Factors			Peak Demand		Extra Capacity	
			Max-Day	Max-Hour	Unused	Max-Day	Max-Hour	Maximum-Day	Maximum-Hour
Water System	359,020	983,616	2.50	4.50	0.00	2,459,041	4,426,274	1,475,425	3,442,658
Total	359,020.0	983,616.4				2,459,041	4,426,274	1,475,425	3,442,658

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 2
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Projected Water Usage and Peak-Use Characteristics by Customer Class
 FY2012

Customer Class	Growth Rate	Water Demands	Average-Day Demands	Peaking Factors		Peak Demand		Extra Capacity	
				Max-Day	Max-Hour	Max-Day	Max-Hour	Maximum-Day	Maximum-Hour
Water System	0.00%	359,020.0	983,616	2.50	4.50	2,459,041	4,426,274	1,475,425	3,442,658
Total		359,020.0				2,459,041	4,426,274	1,475,425	3,442,658

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 3
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Projected Water Usage and Peak-Use Characteristics by Customer Class
 FY2013

Customer Class	Growth Rate	Water Demands	Average-Day Demands	Peaking Factors		Peak Demand		Extra Capacity	
				Max-Day	Max-Hour	Max-Day	Max-Hour	Maximum-Day	Maximum-Hour
Water System	1.41%	364,090.6	997,509	2.50	4.50	2,493,771	4,488,789	1,496,263	3,491,280
Total		364,090.6				2,493,771	4,488,789	1,496,263	3,491,280

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 4
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Projected Water Usage and Peak-Use Characteristics by Customer Class
 FY2014

Customer Class	Growth Rate	Water Demands	Average-Day Demands	Peaking Factors		Peak Demand		Extra Capacity	
				Max-Day	Max-Hour	Max-Day	Max-Hour	Maximum-Day	Maximum-Hour
Water System	1.90%	371,000.6	1,016,440	2.50	4.50	2,541,100	4,573,980	1,524,660	3,557,540
Total		371,000.6				2,541,100	4,573,980	1,524,660	3,557,540

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 5
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Projected Water Usage and Peak-Use Characteristics by Customer Class
 FY2015

Customer Class	Growth Rate	Water Demands	Average-Day Demands	Peaking Factors		Peak Demand		Extra Capacity	
				Max-Day	Max-Hour	Max-Day	Max-Hour	Maximum-Day	Maximum-Hour
Water System	2.36%	379,749.9	1,040,411	2.50	4.50	2,601,027	4,681,848	1,560,616	3,641,437
Total		379,749.9				2,601,027	4,681,848	1,560,616	3,641,437

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 6
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Summary Customer Service Characteristics
 FY2011

Customer Class	Base	Maximum- Day	Maximum- Hour
Water System	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 7
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Summary Customer Service Characteristics
 FY2012

Customer Class	Base	Maximum- Day	Maximum- Hour
Water System	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 8
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Summary Customer Service Characteristics
 FY2013

Customer Class	Base	Maximum- Day	Maximum- Hour
Water System	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 9
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Summary Customer Service Characteristics
 FY2014

Customer Class	Base	Maximum- Day	Maximum- Hour
Water System	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 10
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Summary Customer Service Characteristics
 FY2015

Customer Class	Base	Maximum- Day	Maximum- Hour
Water System	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 11
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Number of Accounts by Customer Class

Customer Class	Number of Accounts	Number of ERU's	Total Accounts	Percent of Total ERU's
Water System	5,374	7,191	100.00%	100.00%
Total	5,374	7,191	100.00%	100.00%

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 12
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Number of Accounts by Customer Class
 FY2011

Customer Class	Number of Accounts	Number of ERU's	Percent of Total Accounts	Percent of Total ERU's
Water System	5,374	7,191	100.00%	100.00%
Total	5,374	7,191	100.00%	100.00%

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 13
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Number of Accounts by Customer Class
 FY2012

Customer Class	Number of Accounts	Number of Bills	Percent of Total Accounts	Percent of Total ERU's
Water System	5,374	7,191	100.00%	100.00%
Total	5,374	7,191	100.00%	100.00%

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 14
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Number of Accounts by Customer Class
 FY2013

Customer Class	Number of Accounts	Number of Bills	Percent of Total Accounts	Percent of Total ERU's
Water System	5,450	7,293	100.00%	100.00%
Total	5,450	7,293	100.00%	100.00%

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 15
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Number of Accounts by Customer Class
 FY2014

Customer Class	Number of Accounts	Number of Bills per Year	Percent of Total Accounts	Percent of Total ERU's
Water System	5,553	7,431	100.00%	100.00%
Total	5,553	7,431	100.00%	100.00%

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 17
Pagosa Area Water and Sanitation District
Water Rate Study
Projected Capital Improvement Plan

Earmarked Expenditures:	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Total	Sub-Funds			Funding		
												CIF	WRF	R&R	Reserves	Grants, Transfers and Other Proceeds	Debt
Inspection Service	58,278	60,027	61,828	63,682	65,593	67,561	69,587	71,675	73,825	76,040	668,096	0%	0%	100%	100%	0%	0%
Master Plan Update	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000	33%	33%	33%	100%	0%	0%
Water Accountability (Meter Replacement / Reprograming)	103,750	100,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	653,750	0%	0%	100%	100%	0%	0%
CIP Implementation, (Water 68%)		51,000	34,000	68,000							153,000	50%	0%	50%	100%	0%	0%
Upgrade Disinfection to Ultraviolet at San Juan WTP	345,000										345,000	0%	0%	100%	100%	0%	0%
SIWTP Internal Improvements to Treat Lake Water	2,450,000										2,450,000	0%	0%	100%	100%	0%	0%
3MGD Lake Forest Pump	300,000										300,000	0%	0%	100%	100%	0%	0%
Eagle Peak Booster SCADA		15,000									15,000	0%	0%	100%	100%	0%	0%
Security Camera / Power Washer / Fluke Meter/ 2011 Boat	9,025										9,025	0%	0%	100%	100%	0%	0%
Appropriate # of Solar Bee's in Lakes (25-years)	330,000	350,000									680,000	0%	0%	100%	100%	0%	0%
Replace 10" with 14" from Snowball Road to Hwy 160/Hwy 84 Intersection								495,800			495,800	50%	0%	50%	100%	0%	0%
New PRV Installation (7 locations)	100,000		75,000								175,000	0%	0%	100%	100%	0%	0%
PRV Inspection/Repair/Replacement				12,000		12,000		12,000		12,000	48,000	0%	0%	100%	100%	0%	0%
16" Altitude Valve at Aspenglow Blvd		150,000									150,000	0%	0%	100%	100%	0%	0%
12" Altitude Valve on Snowball Road			150,000								150,000	0%	0%	100%	100%	0%	0%
Replace 3,200 ft of Class 160 on NPB											0	100%	0%	0%	100%	0%	0%
Meadows Tank Inspection/Repair (20-year)					150,000						150,000	0%	0%	100%	100%	0%	0%
Hatcher Tank Inspection/Repair (20-year)											0	0%	0%	100%	100%	0%	0%
Stevens Tank Inspection/Repair(20-year)											0	0%	0%	100%	100%	0%	0%
Eagle Peak Tank Increase From 30,000 to 80,000 / Repair (20-year)						150,000					150,000	0%	0%	100%	100%	0%	0%
Elk Park Tank Inspection/Repair (20-year)									31,000		31,000	0%	0%	100%	100%	0%	0%
Snowball Tank Inspection/Repair (20-year)											0	0%	0%	100%	100%	0%	0%
Cemetery Tank Inspection/Repair (20-year)		150,000									150,000	0%	0%	100%	100%	0%	0%
Reservoir Hill Tank Inspection/Repair (20-year)											0	0%	0%	100%	100%	0%	0%
Putt Hill Tank Inspection/Repair (20-year)											0	0%	0%	100%	100%	0%	0%
Loma Linda Tank Inspection/Repair (20-year)											0	0%	0%	100%	100%	0%	0%
Elk Run Tank Inspection/Repair (20-year)					14,200						14,200	0%	0%	100%	100%	0%	0%
Reserve at Pagosa Tank Inspection/Repair (20-year)											0	0%	0%	100%	100%	0%	0%
Elk Run Pump Station Replacement (20-year)											0	0%	0%	100%	100%	0%	0%
Jenkins Pump Station Replacement (20-year)									32,000		32,000	0%	0%	100%	100%	0%	0%
Reserve Pump Station Replacement (20-year)											0	0%	0%	100%	100%	0%	0%
Eagle Peak Pump Station Replacement (20-year)											0	0%	0%	100%	100%	0%	0%
Mission Booster Pump Station Replacement with duplex (20-year)				65,000							65,000	0%	0%	100%	100%	0%	0%
Elk Park Pump Station Replacement (20-year)									62,000		62,000	0%	0%	100%	100%	0%	0%
Put Hill 1 & 2 Pump Station Replacement (20-year)				150,000							150,000	0%	0%	100%	100%	0%	0%
Terry Robinson Pump Station Replacement (20-year)					30,000						30,000	0%	0%	100%	100%	0%	0%
Loma Linda Booster Pump Station Replacement (20-year)											0	0%	0%	100%	100%	0%	0%
San Juan River Pump Station Replacement (20-year)											0	0%	0%	100%	100%	0%	0%
Trujillo Road Pump Station Replacement (20-year)											0	0%	0%	100%	100%	0%	0%
Potable Water Storage Expansion (1 MG)											0	100%	0%	0%	100%	0%	0%
Raw Water Storage Expansion (425 - 2000 acre feet)											0	0%	100%	0%	100%	0%	0%
Raw Water Storage Expansion, Hatcher (700 acre feet)											0	0%	100%	0%	100%	0%	0%
Snowball Raw Water Conveyance Replace & Enlarge											0	15%	15%	70%	100%	0%	0%
San Juan Raw Water Conveyance Addition											0	0%	100%	0%	100%	0%	0%
Replace Snowball Water Treatment Plant Replacement (1.5 MGD)										10,600,000	10,600,000	0%	0%	100%	40%	0%	60%
Water Treatment Expansion (2 MG)											0	100%	0%	0%	100%	0%	0%
H WTP BW Pond Cleaning	20,000		20,000		20,000		20,000		20,000		100,000	0%	0%	100%	100%	0%	0%
San Juan WTP BW Pond Cleaning			20,000				20,000				40,000	0%	0%	100%	100%	0%	0%
SB WTP BW Pond Cleaning	20,000		20,000		20,000		20,000		20,000		100,000	0%	0%	100%	100%	0%	0%
San Juan WTP Media Replacement/Improvements			50,000								50,000	0%	0%	100%	100%	0%	0%
SB WTP Media Replacement											0	0%	0%	100%	100%	0%	0%
Distribution System Replacement	219,162	231,967	244,772	257,577	270,382	283,187	295,992	308,797	321,602	334,407	2,767,845	0%	0%	100%	100%	0%	0%
Equipment / Vehicle Replacement (Water 68%)	74,800	74,800	74,800	74,800	74,800	74,800	74,800	74,800	74,800	74,800	748,000	0%	0%	100%	100%	0%	0%
Significant Site Maintenance (Water 68%)	14,960	14,960	14,960	14,960	14,960	14,960	14,960	14,960	14,960	14,960	149,600	0%	0%	100%	100%	0%	0%
											0	100%	0%	0%	100%	0%	0%
Total CIP	\$3,949,975	\$1,302,754	\$870,360	\$761,019	\$714,935	\$657,508	\$570,339	\$1,033,032	\$705,187	\$11,167,207	\$21,732,316						
Expected Inflation Rate	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%						
Inflation Factor	1.000	1.000	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267						
CIF Sub-Fund	\$1,667	\$27,167	\$18,667	\$36,737	\$1,768	\$1,821	\$1,876	\$289,316	\$1,990	\$2,050	\$383,058						
WRF Sub-Fund	1,667	1,667	1,667	1,717	1,768	1,821	1,876	1,932	1,990	2,050	18,154						
R&R CIP	3,946,642	1,273,920	850,026	745,397	754,938	714,834	638,170	906,319	838,050	13,730,157	24,398,453						
Total Cash Financing CIP	3,949,975	1,302,754	870,360	783,850	758,474	718,476	641,922	1,197,567	842,031	5,912,258	19,473,190						
Debt Funded CIP	0	0	0	0	0	0	0	0	0	7,821,998	8,056,658						
Other Funds	0	0	0	0	0	0	0	0	0	0	0						
Total	\$3,949,975	\$1,302,754	\$870,360	\$783,850	\$758,474	\$718,476	\$641,922	\$1,197,567	\$842,031	\$13,734,256	\$24,799,665						

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 19
Pagosa Area Water and Sanitation District
Water Rate Study
Projected Annual Operation and Maintenance Costs
Continued

Item	Escalation Rate	Forecast Expenses for O&M										
		2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Billing and Personnel												
Bad Debts	3.00%	\$733	500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652
Health Insurance	3.00%	42,215	35,926	37,004	38,114	39,258	40,435	41,648	42,898	44,185	45,510	46,876
Retirement	3.00%	5,939	5,540	5,707	5,878	6,054	6,236	6,423	6,616	6,814	7,018	7,229
Insurance - General	3.00%	1,021	140	144	149	153	158	162	167	172	177	183
Collection of Past Due Accts	3.00%	241	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
Data Processing	3.00%	29,490	37,102	38,215	39,362	40,542	41,759	43,011	44,302	45,631	47,000	48,410
Data Processing Salaries	3.00%	107,720	95,925	98,802	101,766	104,819	107,964	111,203	114,539	117,975	121,514	125,160
Payroll Exp - FICA/Unemployment	3.00%	7,870	7,511	7,736	7,968	8,207	8,454	8,707	8,968	9,237	9,515	9,800
Training	3.00%	206	1,000	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344
Unused	3.00%	0	0	0	0	0	0	0	0	0	0	0
Unused	3.00%	0	0	0	0	0	0	0	0	0	0	0
Unused	3.00%	0	0	0	0	0	0	0	0	0	0	0
Billing and Personnel Total		\$213,930	\$201,644	\$207,694	\$213,924	\$220,342	\$226,952	\$233,761	\$240,774	\$247,997	\$255,437	\$263,100
Water Treatment												
Health Insurance	3.00%	\$30,252	\$25,627	\$26,396	\$27,187	\$28,003	\$28,843	\$29,708	\$30,600	\$31,518	\$32,463	\$33,437
Retirement	3.00%	35,341	6,341	6,532	6,728	6,929	7,137	7,351	7,572	7,799	8,033	8,274
Insurance - General	3.00%	4,695	2,717	2,799	2,882	2,969	3,058	3,150	3,244	3,342	3,442	3,545
Operator Salaries	3.00%	118,855	120,093	123,696	127,406	131,229	135,166	139,221	143,397	147,699	152,130	156,694
Training	3.00%	3,791	3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567
Maintenance General WTP Bldgs	3.00%	1,317	0	0	0	0	0	0	0	0	0	0
Operating Supplies Water Trmt	3.00%	0	0	0	0	0	0	0	0	0	0	0
Vehicle Maintenance	3.00%	3,810	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Fuel & Power Hatcher WTP	3.00%	101,369	120,000	123,600	127,300	131,127	135,061	139,113	143,286	147,585	152,012	156,573
Chemicals - Hatcher Wtr Plant	3.00%	176,592	170,750	175,873	181,149	186,583	192,181	197,946	203,884	210,001	216,301	222,790
Payroll Exp - FICA/Unemployment	3.00%	26,673	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619
Utilities Hatcher Storage	3.00%	2,923	4,300	4,429	4,562	4,699	4,840	4,985	5,134	5,288	5,447	5,611
Payroll Exp - FICA/Unemployment	3.00%	9,078	10,239	10,546	10,862	11,188	11,524	11,869	12,226	12,592	12,970	13,359
Fuel & Power Stevens WTP	3.00%	342	375	386	398	410	422	435	448	461	475	489
Fuel & Power Snowball WTP	3.00%	20,763	23,000	23,690	24,401	25,133	25,887	26,663	27,463	28,287	29,139	30,010
Chemicals - Snowball WTP	3.00%	37,729	55,000	56,650	58,350	60,100	61,903	63,760	65,673	67,643	69,672	71,763
Maintenance Snowball WTP	3.00%	3,775	15,500	15,650	15,814	15,989	16,166	16,346	16,529	16,714	16,902	17,092
Fuel & Power San Juan WTP	3.00%	122,668	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619
Chemicals - San Juan WTP	3.00%	19,923	35,000	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667
Maintenance San Juan WTP	3.00%	5,470	6,500	6,695	6,896	7,103	7,316	7,535	7,761	7,994	8,234	8,481
Water Treatment Total		\$585,967	\$650,442	\$669,955	\$690,054	\$710,755	\$732,078	\$754,040	\$776,661	\$799,961	\$823,960	\$848,679
Water Distribution												
Health Insurance	3.00%	\$99,839	\$95,536	\$98,402	\$101,354	\$104,395	\$107,527	\$110,752	\$114,075	\$117,497	\$121,022	\$124,653
Uniforms	3.00%	5,259	4,800	4,944	5,092	5,245	5,402	5,565	5,731	5,903	6,080	6,263
Retirement	3.00%	17,417	19,672	20,262	20,870	21,496	22,141	22,805	23,490	24,194	24,920	25,668
Fuel & Power Mission Booster	3.00%	576	700	721	743	765	788	811	836	861	887	913
Fuel & Power Pump Stations	3.00%	22,695	27,000	27,810	28,644	29,504	30,389	31,300	32,239	33,207	34,203	35,229
Town Fill Station - Fuel & P	3.00%	858	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
Town Fill Station - Maint	3.00%	26	500	515	530	546	563	580	597	615	633	652
Insurance - General	3.00%	12,302	8,431	8,654	8,884	9,121	9,365	9,616	9,873	10,136	10,404	10,678
Interest Expense on Leases	3.00%	1,754	1,243	1,280	1,319	1,358	1,399	1,441	1,484	1,529	1,575	1,622
Trails Fill Station - Fuel & P	3.00%	931	1,150	1,185	1,220	1,257	1,294	1,333	1,373	1,414	1,457	1,500
Trails Fill Station - Maint	3.00%	1,086	500	515	530	546	563	580	597	615	633	652
Water Tank Maintenance	3.00%	1,897	8,852	9,118	9,391	9,673	9,963	10,262	10,570	10,887	11,213	11,550
Water Line Maintenance	3.00%	61,243	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
Fire Hydrant Maintenance	3.00%	22,271	55,000	56,650	58,350	60,100	61,903	63,760	65,673	67,643	69,672	71,763
Distribution Salaries	3.00%	340,711	363,409	374,311	385,541	397,107	409,020	421,291	433,930	446,947	460,356	474,167
Temporary Help	3.00%	805	0	0	0	0	0	0	0	0	0	0
Payroll Exp - FICA/Unemployment	3.00%	26,320	30,569	31,486	32,430	33,403	34,405	35,437	36,500	37,595	38,723	39,885
Vehicle Maintenance	3.00%	8,345	6,000	6,095	6,196	6,302	6,414	6,531	6,654	6,782	6,915	7,054
Training	3.00%	4,186	4,100	4,223	4,350	4,480	4,615	4,753	4,896	5,042	5,194	5,350
Water Distribution Total		\$628,520	\$678,961	\$699,330	\$720,310	\$741,920	\$764,177	\$787,102	\$810,715	\$835,037	\$860,088	\$885,891
Laboratory Service												
Health Insurance	3.00%	\$3,501	\$3,006	\$3,096	\$3,189	\$3,285	\$3,383	\$3,485	\$3,589	\$3,697	\$3,808	\$3,922
Retirement	3.00%	729	760	783	806	830	855	881	907	934	963	991
Insurance - General	3.00%	517	325	335	345	355	366	377	388	400	412	424
Lab Supplies	3.00%	21,727	35,000	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667
Vehicle Maintenance	3.00%	476	200	206	212	219	225	232	239	246	253	261
Lab Salaries	3.00%	14,548	15,022	15,472	15,937	16,415	16,907	17,414	17,937	18,475	19,029	19,600
Payroll Exp - FICA/Unemployment	3.00%	1,152	1,287	1,326	1,366	1,407	1,449	1,492	1,537	1,583	1,631	1,680
Laboratory Service Total		\$42,650	\$55,600	\$57,268	\$58,986	\$60,755	\$62,578	\$64,455	\$66,389	\$68,381	\$70,432	\$72,545
Maintenance												
Health Insurance	3.00%	\$9,554	8,176	\$8,421	\$8,674	\$8,934	\$9,200	\$9,478	\$9,766	\$10,055	\$10,357	\$10,662
Retirement	3.00%	2,148	2,148	2,212	2,279	2,347	2,417	2,490	2,565	2,642	2,721	2,802
Insurance - General	3.00%	1,347	920	948	977	1,006	1,036	1,067	1,099	1,132	1,166	1,201
Operating Supplies	3.00%	14,646	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Building Maintenance	3.00%	43,020	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438
Maintenance Salaries	3.00%	35,797	35,797	36,871	37,977	39,116	40,290	41,498	42,743	44,026	45,346	46,707
Payroll Exp - FICA/Unemployment	3.00%	2,791	3,054	3,145	3,240	3,337	3,437	3,540	3,646	3,755	3,868	3,984
Equipment - Maintenance Bldg	3.00%	1,394	1,700	1,751	1,804	1,858	1,913	1,971	2,030	2,091	2,154	2,218
Vehicle Maintenance	3.00%	1,211	6,000	6,145	6,295	6,450	6,610	6,775	6,945	7,120	7,299	7,482
Equipment Maintenance	3.00%	5,720	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
Service Equipment	3.00%	0	0	0	0	0	0	0	0	0	0	0
Gasoline & Oil	3.00%	45,208	47,500	48,925	50,393	51,905	53,462	55,066	56,717	58,419	60,172	61,977
Training	3.00%	0	0	0	0	0	0	0	0	0	0	0
Tools and Small Equipment	3.00%	1,723	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Maintenance Total		\$164,560	\$133,795	\$137,809	\$141,943	\$146,201	\$150,587	\$155,105	\$159,758	\$164,551	\$169,487	\$174,572
Source of Supply												
Ditches	3.00%	\$6,215	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956	\$7,164	\$7,379	\$7,601	\$7,829
Reservoirs	3.00%	4,370	35,454	36,518	37,613	38,742	39,904	41,101	42,334	43,604	44,912	46,259
Raw Water Line - Jackson Mt	3.00%	3,580	5,000	5,150	5,305	5,						

Table 20
Pagosa Area Water and Sanitation District
Water Rate Study
Operation and Maintenance Cost Manual Override
Continued

Item	Escalation Rate	Forecast Expenses for O&M								
		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Billing and Personnel										
Bad Debts										
Health Insurance										
Retirement										
Insurance - General										
Collection of Past Due Accts										
Data Processing										
Data Processing Salaries										
Payroll Exp - FICA/Unemployment										
Training										
Postage										
Unused										
Unused										
Unused										
Billing and Personnel Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Treatment										
Health Insurance										
Retirement										
Insurance - General										
Operator Salaries										
Training										
Maintenance General WTP Bldgs										
Operating Supplies Water Trmt										
Vehicle Maintenance										
Fuel & Power Hatcher WTP										
Chemicals - Hatcher Wtr Plant										
Maintenance Hatcher WTP										
Utilities Hatcher Storage										
Payroll Exp - FICA/Unemployment										
Fuel & Power Stevens WTP										
Fuel & Power Snowball WTP										
Chemicals - Snowball WTP										
Maintenance Snowball WTP										
Fuel & Power San Juan WTP										
Chemicals - San Juan WTP										
Maintenance San Juan WTP										
Water Treatment Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Distribution										
Health Insurance										
Uniforms										
Retirement										
Fuel & Power Mission Booster										
Fuel & Power Pump Stations										
Town Fill Station - Fuel & P										
Town Fill Station - Maint										
Insurance - General										
Interest Expense on Leases										
Trails Fill Station - Fuel & P										
Trails Fill Station - Maint										
Water Tank Maintenance										
Water Line Maintenance										
Fire Hydrant Maintenance										
Distribution Salaries										
Temporary Help										
Payroll Exp - FICA/Unemployment										
Vehicle Maintenance										
Training										
Water Distribution Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory Service										
Health Insurance										
Retirement										
Insurance - General										
Lab Supplies										
Vehicle Maintenance										
Lab Salaries										
Payroll Exp - FICA/Unemployment										
Laboratory Service Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance										
Health Insurance										
Retirement										
Insurance - General										
Operating Supplies										
Building Maintenance										
Maintenance Salaries										
Payroll Exp - FICA/Unemployment										
Utilities - Maintenance Bldg										
Vehicle Maintenance										
Equipment Maintenance										
Service Equipment										
Gasoline & Oil										
Training										
Tools and Small Equipment										
Maintenance Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Source of Supply										
Ditches										
Reservoirs										
Raw Water Line - Jackson Mt										
Raw Water Line - San Juan										
Power Trujillo Booster										
Power SJ River Booster										
Power Dutton Ditch										
Source of Supply Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administration										
Compilation and Audit										
Employee Miscellaneous										
Health Insurance										
Retirement										
Insurance - General										
Legal Services										
Office Supplies										
Outside Services										
Publications										
Maintenance of Office Building										
Landscaping										
Administrative Salaries										
Payroll Tax /vac/Sick Leave										
Telephone										
Utilities										
Trash Removal										
Vehicle Maintenance										
Dues and Permits										
Training										
Contributions										
Inclusion Expense										
Administration Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 21
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Existing Debt Service

Item	Subject to Coverage	Debt Service Coverage	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2009 CWCB Water Revenue Bond	1	1.00	\$0	\$571,400	\$167,308	\$556,909	\$556,909	\$556,909	\$556,909	\$556,909	\$556,909	\$556,909	\$556,909	\$556,909
2008 Water Revenue CWRDPA	1	1.10	247,825	249,994	266,432	273,866	264,297	280,151	508,435	551,352	562,508	561,251	562,781	562,781
2006 Water Portion Of Revenue Bond	1	1.25	264,036	252,636	261,636	265,236	258,636	552,236	559,036	565,911	556,851	557,601	552,489	552,489
1998 Water Revenue Bonds	1	1.25	466,103	659,233	465,988	0	0	0	0	0	0	0	0	0
Total			\$977,964	\$1,733,263	\$1,161,364	\$1,096,011	\$1,079,842	\$1,389,296	\$1,624,380	\$1,674,172	\$1,676,268	\$1,675,761	\$1,672,179	\$1,672,179

Table 22
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Outstanding Debt Balance

Item	Subject to Coverage	Debt Service Coverage	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2009 CWCB Water Revenue Bond	1	1.00	\$9,311,557	\$9,311,557	\$9,311,557	\$9,131,180	\$8,944,490	\$8,751,266	\$8,551,279	\$8,344,292	\$8,130,061	\$7,908,332	\$7,678,842	\$7,449,352
2008 Water Revenue CWRDPA	1	1.10	6,971,362	6,915,390	6,845,424	6,781,056	6,725,084	6,652,320	6,350,069	6,000,241	5,633,622	5,261,406	4,880,794	4,500,182
2006 Water Portion Of Revenue Bond	1	1.25	5,680,000	5,655,000	5,620,000	5,580,000	5,545,000	5,215,000	4,865,000	4,495,000	4,120,000	3,730,000	3,330,000	2,930,000
1998 Water Revenue Bonds	1	1.25	1,655,000	1,070,000	0	0	0	0	0	0	0	0	0	0
Total			\$23,617,919	\$22,951,947	\$21,776,981	\$21,492,236	\$21,214,574	\$20,618,586	\$19,766,348	\$18,839,533	\$17,883,683	\$16,899,738	\$15,889,636	\$14,879,534

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 23
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Anticipated Debt Service Subject to Coverage

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Issue Sizing										
Bond Proceeds Required	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,900,000
Issuance Costs	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Reserve Requirement	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Issue Size	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,702,703
Debt Service Requirements										
Term (Years)	20	20	20	20	20	20	20	20	20	20
Interest Rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Debt Service Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Input 1 if Half Payment on First Year	1	1	1	1	1	1	1	1	1	1
New Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$770,189
New Debt Service During Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$385,094
Total New Annual Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$385,094

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 24
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Anticipated Debt Service Not Subject to Coverage

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Issue Sizing										
Bond Proceeds Required	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuance Costs	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Reserve Requirement	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Issue Size	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Requirements										
Term (Years)	20	20	20	20	20	20	20	20	20	20
Interest Rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Debt Service Coverage	1	1	1	1	1	1	1	1	1	1
Input 1 if Half Payment on First Year	1	1	1	1	1	1	1	1	1	1
New Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Debt Service During Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total New Annual Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 25
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Actual Annual Debt Service

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Current Debt Service	\$1,161,364	\$1,096,011	\$1,079,842	\$1,389,296	\$1,624,380	\$1,674,172	\$1,676,268	\$1,675,761	\$1,672,179	\$1,672,179
Anticipated Debt Service Subject to Coverage										
Series 2011	0	0	0	0	0	0	0	0	0	0
Series 2012		0	0	0	0	0	0	0	0	0
Series 2013			0	0	0	0	0	0	0	0
Series 2014				0	0	0	0	0	0	0
Series 2015					0	0	0	0	0	0
Series 2016						0	0	0	0	0
Series 2017							0	0	0	0
Series 2018								0	0	0
Series 2019									0	0
Series 2020										192,547
Total New Debt Service Subject to Coverage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$192,547
Anticipated Debt Service Not Subject to Coverage										
Series 2011	0	0	0	0	0	0	0	0	0	0
Series 2012		0	0	0	0	0	0	0	0	0
Series 2013			0	0	0	0	0	0	0	0
Series 2014				0	0	0	0	0	0	0
Series 2015					0	0	0	0	0	0
Series 2016						0	0	0	0	0
Series 2017							0	0	0	0
Series 2018								0	0	0
Series 2019									0	0
Series 2020										0
Total New Debt Service not Subject to Coverage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Refinanced Debt	\$665,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$1,826,364	\$1,096,011	\$1,079,842	\$1,389,296	\$1,624,380	\$1,674,172	\$1,676,268	\$1,675,761	\$1,672,179	\$1,864,726

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 26
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Calculation of Debt Service Coverage (No SDF)

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Estimated Gross Revenues										
User Charge Revenues	\$3,238,259	\$3,238,259	\$3,283,995	\$3,630,758	\$4,032,274	\$4,146,819	\$4,284,061	\$4,426,581	\$4,573,852	\$4,726,402
Other Revenues	722,576	732,076	727,148	720,690	712,935	703,994	694,132	684,858	676,216	668,175
Interest Earning	0	1,458	1,470	1,745	2,629	3,132	3,764	4,388	4,984	4,096
Total Gross Revenues	\$3,960,835	\$3,971,793	\$4,012,613	\$4,353,193	\$4,747,839	\$4,853,945	\$4,981,957	\$5,115,827	\$5,255,052	\$5,398,673
Less: O&M	\$2,159,221	\$2,223,998	\$2,290,718	\$2,359,440	\$2,430,223	\$2,503,129	\$2,578,223	\$2,655,570	\$2,735,237	\$2,817,294
Net Revenues	\$1,801,614	\$1,747,795	\$1,721,895	\$1,993,753	\$2,317,616	\$2,350,816	\$2,403,734	\$2,460,257	\$2,519,815	\$2,581,379
Annual Debt Service	\$1,161,364	\$1,096,011	\$1,079,842	\$1,389,296	\$1,624,380	\$1,674,172	\$1,676,268	\$1,675,761	\$1,672,179	\$1,864,726
Coverage	1.55	1.59	1.59	1.44	1.43	1.40	1.43	1.47	1.51	1.38
Coverage Goals										
Required Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Target Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Revenue Deficit										
Required Coverage	0	0	0	0	0	0	0	0	0	0
Target Coverage	0	0	0	0	0	0	0	0	0	0

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 27
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Calculation of Debt Service Coverage (W/ CIF & WRF)

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Estimated Gross Revenues										
User Charge Revenues	\$3,238,259	\$3,238,259	\$3,283,995	\$3,630,758	\$4,032,274	\$4,146,819	\$4,284,061	\$4,426,581	\$4,573,852	\$4,726,402
Other Revenues	722,576	732,076	727,148	720,690	712,935	703,994	694,132	684,858	676,216	668,175
CIF and WRF Revenues	106,214	0	471,035	641,901	812,766	1,002,104	1,200,677	1,246,857	1,288,419	1,334,599
Interest Earning	0	1,458	1,470	1,745	2,629	3,132	3,764	4,388	4,984	4,096
Total Gross Revenues	\$4,067,049	\$3,971,793	\$4,483,648	\$4,995,094	\$5,560,605	\$5,856,049	\$6,182,634	\$6,362,684	\$6,543,471	\$6,733,272
Less: O&M	\$2,159,221	\$2,223,998	\$2,290,718	\$2,359,440	\$2,430,223	\$2,503,129	\$2,578,223	\$2,655,570	\$2,735,237	\$2,817,294
Net Revenues	\$1,907,827	\$1,747,795	\$2,192,930	\$2,635,654	\$3,130,382	\$3,352,920	\$3,604,411	\$3,707,114	\$3,808,234	\$3,915,978
Annual Debt Service	\$1,161,364	\$1,096,011	\$1,079,842	\$1,389,296	\$1,624,380	\$1,674,172	\$1,676,268	\$1,675,761	\$1,672,179	\$1,864,726
Coverage	1.64	1.59	2.03	1.90	1.93	2.00	2.15	2.21	2.28	2.10
Coverage All Debt	1.64	1.59	2.03	1.90	1.93	2.00	2.15	2.21	2.28	2.10
Coverage Goals										
Required Coverage	1.21	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Target Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Revenue Deficit										
Required Coverage	0	0	0	0	0	0	0	0	0	0
Target Coverage	0	0	0	0	0	0	0	0	0	0

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 28
Pagosa Area Water and Sanitation District
Water Rate Study
Estimated Revenues

Description	Include in Cvg Test?	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Assumptions											
Rate Revenue Increases			0.00%	0.00%	0.00%	8.50%	8.50%	0.00%	0.00%	0.00%	0.00%
Month of Rate Increase			1	1	1	1	1	1	1	1	1
Prorated Percent Impact of Increase			100%	100%	100%	100%	100%	100%	100%	100%	100%
System Growth				0.00%	1.41%	1.90%	2.36%	2.84%	3.31%	3.33%	3.33%
Number of Equivalent Units			7,199	7,222	7,222	7,324	7,463	7,639	7,856	8,116	8,386
Growth in the Number of Equivalent Units			23	-	102	139	176	217	260	270	279
Revenues			\$3,238,259								
<i>Retail Rate Revenues:</i>			\$3,104,000								
Retail Rates Before Increases		\$2,863,655	\$3,238,259	\$3,238,259	\$3,283,995	\$3,346,321	\$3,716,382	\$4,146,819	\$4,284,061	\$4,426,581	\$4,573,852
Revenues from Current Year Increase (Prorated)		0	0	0	0	284,437	315,892	0	0	0	0
Prorated Revenues from Previous Increase		0	0	0	0	0	0	0	0	0	0
Rate Revenue		\$2,863,655	\$3,238,259	\$3,238,259	\$3,283,995	\$3,630,758	\$4,032,274	\$4,146,819	\$4,284,061	\$4,426,581	\$4,573,852
O&M-Related Nonrate Revenue											
Availability Charges	1	\$479,253	\$478,896	\$478,896	\$472,132	\$463,172	\$452,249	\$439,402	\$424,860	\$410,726	\$397,061
Other Water Sales	1	50,365	50,000	50,000	50,706	51,669	52,887	54,389	56,189	58,059	59,990
Irrigation Water Sales	1	35,548	15,000	15,000	15,212	15,501	15,866	16,317	16,857	17,418	17,997
Inclusion Fee	1	4,454	0	0	0	0	0	0	0	0	0
Other Interest Income	1	11,456	6,500	0	0	0	0	0	0	0	0
Interest From Cert. Treas	1	44,787	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Interest on Delinquent Taxes	1	2,826	500	500	500	500	500	500	500	500	500
Penalty & Interest Delin. Accounts	1	73,551	65,000	65,000	65,918	67,169	68,753	70,706	73,046	75,476	77,987
Current TAX Interest	1	11,814	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Other Revenues	1	64,877	50,842	50,842	50,842	50,842	50,842	50,842	50,842	50,842	50,842
Gain/Loss on Investment	1	0	14,000	0	0	0	0	0	0	0	0
Bond Proceeds Interest	0	99,419	48,284	0	0	0	0	0	0	0	0
Wastewater Utility Water Usage	1	0	30,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Transfer from General Fund	0	301,000	303,000	303,000	303,000	303,000	303,000	303,000	303,000	303,000	303,000
Transfer from DS - Bond INT	1	14,486	3,838	3,838	3,838	3,838	3,838	3,838	3,838	3,838	3,838
Total Other O&M Revenues		\$1,193,834	\$1,073,860	\$1,035,076	\$1,030,148	\$1,023,690	\$1,015,935	\$1,006,994	\$997,132	\$987,858	\$979,216
Total Operating Revenues Revenue		\$4,057,488	\$4,312,119	\$4,273,335	\$4,314,143	\$4,654,448	\$5,048,210	\$5,153,813	\$5,281,193	\$5,414,439	\$5,553,068
Capital-Related Nonrate Revenue											
Customer Hookups		\$32,120	\$0	0	0	0	0	0	0	0	0
Capital Investment Fees		59,892	0	0	0	0	0	0	0	0	0
Tap Fee- Main Line Extention		26,142	40,000	0	0	0	0	0	0	0	0
Interest Income WRF		5,751	1,500	0	0	0	0	0	0	0	0
Water resource Fee		(116,220)	0	0	0	0	0	0	0	0	0
Interest Income CIF		19,065	20,000	0	0	0	0	0	0	0	0
Connection Fee			29,210	0	129,540	176,530	223,520	275,590	330,200	342,900	354,330
Total Other Capital Nonrate Revenues		\$26,750	\$90,710	\$0	\$129,540	\$176,530	\$223,520	\$275,590	\$330,200	\$342,900	\$354,330
Total Revenues		\$4,084,239	\$4,402,829	\$4,273,335	\$4,443,683	\$4,830,978	\$5,271,730	\$5,429,403	\$5,611,393	\$5,757,339	\$5,907,398

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 29
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Calculation of Revenue Proration by Month (FY)

Month	Month	Average Revenue	Percent of Fiscal Year	Cumulative Percent Earnings	Historical Revenues Earned:			
					FY2007	FY2008	FY2009	FY2010
July	1	\$1	8%	100%	\$1	\$1	\$1	\$1
August	2	1	8%	92%	1	1	1	1
September	3	1	8%	83%	1	1	1	1
October	4	1	8%	75%	1	1	1	1
November	5	1	8%	67%	1	1	1	1
December	6	1	8%	58%	1	1	1	1
January	7	1	8%	50%	1	1	1	1
February	8	1	8%	42%	1	1	1	1
March	9	1	8%	33%	1	1	1	1
April	10	1	8%	25%	1	1	1	1
May	11	1	8%	17%	1	1	1	1
June	12	1	8%	8%	1	1	1	1
Total		----- \$12			----- \$12	----- \$12	----- \$12	----- \$12

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 30
Pagosa Area Water and Sanitation District
Water Rate Study
CIF Revenues

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Number of New EUs, total	23	-	102	139	176	217	260	270	279	289
Action Parameters										
Capital Investment Fee	\$2,659	\$2,659	\$2,659	\$2,659	\$2,659	\$2,659	\$2,659	\$2,659	\$2,659	\$2,659
Water Resource Fee	\$1,959	\$1,959	\$1,959	\$1,959	\$1,959	\$1,959	\$1,959	\$1,959	\$1,959	\$1,959
Connection Fee	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270
Capital Investment Fee Revenues	\$61,149	\$0	\$271,182	\$369,552	\$467,922	\$576,927	\$691,249	\$717,836	\$741,763	\$768,350
Water Resource Fee Revenues	45,065	0	199,853	272,348	344,844	425,177	509,428	529,022	546,656	566,249
Connection Fee Revenues	29,210	0	129,540	176,530	223,520	275,590	330,200	342,900	354,330	367,030
Total CIF & WRF Rev	\$106,214	\$0	\$471,035	\$641,901	\$812,766	\$1,002,104	\$1,200,677	\$1,246,857	\$1,288,419	\$1,334,599

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 31
Pagosa Area Water and Sanitation District
Water Rate Study
Computation of User Charge Revenue Requirement

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Expenditures										
Operation and Maintenance	\$2,159,221	\$2,223,998	\$2,290,718	\$2,359,440	\$2,430,223	\$2,503,129	\$2,578,223	\$2,655,570	\$2,735,237	\$2,817,294
Capital-Related										
Transfers:										
Transfer to CIF Fund	0	0	0	0	0	0	0	0	0	0
Transfer to WRF Fund	0	0	0	0	0	0	0	0	0	0
Transfer to Water R&R Fund	0	1,126,885	850,026	745,397	754,938	714,834	638,170	906,319	838,050	3,830,157
Additional Transfer from Operating Fund	0	0	0	0	0	0	0	0	0	0
Lease Payments	14,775	14,775	14,775	0	0	0	0	0	0	0
Contingency	55,000	0	0	0	0	0	0	0	0	0
Debt Service Fund	1,826,364	1,096,011	1,079,842	1,389,296	1,624,380	1,674,172	1,676,268	1,675,761	1,672,179	1,864,726
Increase (Decrease) in Fund Balance	347,469	(185,948)	210,720	820,935	465,264	540,846	722,942	524,524	667,362	(2,443,028)
Prorated Rate Increase	0	0	0	0	0	0	0	0	0	0
Total Expenditures	\$4,402,829	\$4,275,721	\$4,446,081	\$5,315,067	\$5,274,805	\$5,432,982	\$5,615,603	\$5,762,174	\$5,912,828	\$6,069,149
O&M Non-Rate Revenues										
Interest Earned - Operating Fund	\$0	\$1,458	\$1,470	\$1,745	\$2,629	\$3,132	\$3,764	\$4,388	\$4,984	\$4,096
Availability Charges	478,896	478,896	472,132	463,172	452,249	439,402	424,860	410,726	397,061	383,818
Other Water Sales	50,000	50,000	50,706	51,669	52,887	54,389	56,189	58,059	59,990	61,991
Irrigation Water Sales	15,000	15,000	15,212	15,501	15,866	16,317	16,857	17,418	17,997	18,597
Inclusion Fee	0	0	0	0	0	0	0	0	0	0
Other Interest Income	6,500	0	0	0	0	0	0	0	0	0
Interest From Cert. Treas	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Interest on Delinquent Taxes	500	500	500	500	500	500	500	500	500	500
Penalty & Interest Delin. Accounts	65,000	65,000	65,918	67,169	68,753	70,706	73,046	75,476	77,987	80,588
Current TAX Interest	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Other Revenues	50,842	50,842	50,842	50,842	50,842	50,842	50,842	50,842	50,842	50,842
Gain/Loss on Investment	14,000	0	0	0	0	0	0	0	0	0
Bond Proceeds Interest	48,284	0	0	0	0	0	0	0	0	0
Wastewater Utility Water Usage	30,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Transfer from General Fund	303,000	303,000	303,000	303,000	303,000	303,000	303,000	303,000	303,000	303,000
Transfer from DS - Bond INT	3,838	3,838	3,838	3,838	3,838	3,838	3,838	3,838	3,838	3,838
Capital Non-Rate Revenues										
Customer Hookups	0	0	0	0	0	0	0	0	0	0
Capital Investment Fees	0	0	0	0	0	0	0	0	0	0
Tap Fee- Main Line Extention	40,000	0	0	0	0	0	0	0	0	0
Interest Income WRF	1,500	0	0	0	0	0	0	0	0	0
Water resource Fee	0	0	0	0	0	0	0	0	0	0
Interest Income CIF	20,000	0	0	0	0	0	0	0	0	0
Connection Fee	29,210	0	129,540	176,530	223,520	275,590	330,200	342,900	354,330	367,030
Transfer from CIF Fund	0	0	0	0	0	0	0	0	0	0
Transfer from Debt Service Fund	0	928	928	482,344	446	446	446	446	446	446
Transfer from WRF Fund	0	0	0	0	0	0	0	0	0	0
Total Non-Rate Revenues	\$1,164,570	\$1,037,462	\$1,162,086	\$1,684,309	\$1,242,531	\$1,286,163	\$1,331,543	\$1,335,592	\$1,338,976	\$1,342,747
Revenue Required from Rates	\$3,238,259	\$3,238,259	\$3,283,995	\$3,630,758	\$4,032,274	\$4,146,819	\$4,284,061	\$4,426,581	\$4,573,852	\$4,726,402

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 32
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Annualized User Charge Revenue Requirements

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Total Revenue Requirements:										
Operation & Maintenance	\$2,159,221	\$2,223,998	\$2,290,718	\$2,359,440	\$2,430,223	\$2,503,129	\$2,578,223	\$2,655,570	\$2,735,237	\$2,817,294
Capital	1,896,139	2,237,671	1,944,643	2,134,693	2,379,318	2,389,006	2,314,438	2,582,080	2,510,229	5,694,883
Total	\$4,055,360	\$4,461,669	\$4,235,361	\$4,494,132	\$4,809,541	\$4,892,135	\$4,892,662	\$5,237,650	\$5,245,467	\$8,512,177
User Charge Revenue Requirements:										
Operation & Maintenance	\$1,085,361	\$1,187,464	\$1,259,100	\$1,334,004	\$1,411,659	\$1,493,003	\$1,577,327	\$1,663,324	\$1,751,038	\$1,842,024
Capital	2,152,898	2,050,795	2,024,895	2,296,753	2,620,616	2,653,816	2,706,734	2,763,257	2,822,815	2,884,379
Total	\$3,238,259	\$3,238,259	\$3,283,995	\$3,630,758	\$4,032,274	\$4,146,819	\$4,284,061	\$4,426,581	\$4,573,852	\$4,726,402

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 33
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Calculation of Minimum Operating Fund Balance

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Assumptions										
Days of O&M Expenses	90	90	90	90	90	90	90	90	90	90
Percent of Year	24.66%	24.66%	24.66%	24.66%	24.66%	24.66%	24.66%	24.66%	24.66%	24.66%
Minimum Balance	\$532,411	\$548,383	\$564,835	\$581,780	\$599,233	\$617,210	\$635,726	\$654,798	\$674,442	\$694,675
Override Calculation										

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 34
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Defined Minimum Fund Balances

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Operating Fund	\$532,411	\$548,383	\$564,835	\$581,780	\$599,233	\$617,210	\$635,726	\$654,798	\$674,442	\$694,675
Debt Service Fund	\$927,566	\$927,566	\$927,566	\$446,150	\$446,150	\$446,150	\$446,150	\$446,150	\$446,150	\$446,150
CIF Fund	0	0	0	0	0	0	0	0	0	0
WRF Fund	0	0	0	0	0	0	0	0	0	0
Water R&R Fund	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Total Combined Fund Balance Minimum	1,459,977	1,475,949	1,492,401	1,027,930	1,045,383	1,063,360	1,081,876	1,100,948	1,120,592	1,140,825

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 35
Pagosa Area Water and Sanitation District
Water Rate Study
Sources and Uses of Funds -- Operating Fund

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Interest Rate on Operating Fund	0.00%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Sources of Funds										
Beginning Fund Balance	\$1,203,614	\$1,551,083	\$1,365,134	\$1,575,854	\$2,396,789	\$2,862,053	\$3,402,899	\$4,125,841	\$4,650,364	\$5,317,726
Total Revenues	4,402,829	4,273,335	4,443,683	4,830,978	5,271,730	5,429,403	5,611,393	5,757,339	5,907,398	6,064,607
Transfer from CIF Fund	0	0	0	0	0	0	0	0	0	0
Transfer from Debt Service Fund	0	928	928	482,344	446	446	446	446	446	446
Transfer from WRF Fund										
Transfer from R&R Fund										
Interest Earnings	0	1,458	1,470	1,745	2,629	3,132	3,764	4,388	4,984	4,096
Total Sources of Funds	\$5,606,443	\$5,826,803	\$5,811,215	\$6,890,921	\$7,671,594	\$8,295,035	\$9,018,502	\$9,888,014	\$10,563,192	\$11,386,875
Uses of Funds										
O&M Costs	\$2,159,221	\$2,223,998	\$2,290,718	\$2,359,440	\$2,430,223	\$2,503,129	\$2,578,223	\$2,655,570	\$2,735,237	\$2,817,294
Transfers to:										
Refinanced Bonds	0	0	0	0	0	0	0	0	0	0
Transfer to CIF Fund	0	0	0	0	0	0	0	0	0	0
Transfer to WRF Fund	0	0	0	0	0	0	0	0	0	0
Transfer to Water R&R Fund	0	1,126,885	850,026	745,397	754,938	714,834	638,170	906,319	838,050	3,830,157
Additional Transfer from Operating Fund	0	0	0	0	0	0	0	0	0	0
Lease Payments	14,775	14,775	14,775	0	0	0	0	0	0	0
Contingency	55,000									
Debt Service Fund	1,826,364	1,096,011	1,079,842	1,389,296	1,624,380	1,674,172	1,676,268	1,675,761	1,672,179	1,864,726
Ending Fund Balance	\$1,551,083	\$1,365,134	\$1,575,854	\$2,396,789	\$2,862,053	\$3,402,899	\$4,125,841	\$4,650,364	\$5,317,726	\$2,874,698
Total Uses of Funds	\$5,606,443	\$5,826,803	\$5,811,215	\$6,890,921	\$7,671,594	\$8,295,035	\$9,018,502	\$9,888,014	\$10,563,192	\$11,386,875

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 36
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Sources and Uses of Funds -- Debt Service Fund

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Interest Rate on Debt Service Fund	0.00%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Sources of Funds										
Beginning Fund Balance	\$927,566	\$927,566	\$927,566	\$927,566	\$446,150	\$446,150	\$446,150	\$446,150	\$446,150	\$446,150
Transfers from Operating Fund	1,826,364	1,096,011	1,079,842	1,389,296	1,624,380	1,674,172	1,676,268	1,675,761	1,672,179	1,864,726
Additional Transfer from Operating Fund	0	0	0	0	0	0	0	0	0	0
Other Funding										
Interest Earnings	0	928	928	928	446	446	446	446	446	446
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Sources of Funds	\$2,753,930	\$2,024,505	\$2,008,336	\$2,317,790	\$2,070,976	\$2,120,768	\$2,122,864	\$2,122,357	\$2,118,775	\$2,311,323
Uses of Funds										
Debt Service Payments	\$1,826,364	\$1,096,011	\$1,079,842	\$1,389,296	\$1,624,380	\$1,674,172	\$1,676,268	\$1,675,761	\$1,672,179	\$1,864,726
Transfer to Operating Fund	0	928	928	482,344	446	446	446	446	446	446
Ending Fund Balance	927,566	927,566	927,566	446,150	446,150	446,150	446,150	446,150	446,150	446,150
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Uses of Funds	\$2,753,930	\$2,024,505	\$2,008,336	\$2,317,790	\$2,070,976	\$2,120,768	\$2,122,864	\$2,122,357	\$2,118,775	\$2,311,323

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 37
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Sources and Uses of Funds -- CIF Fund

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Interest Rate on CIF Fund	0.00%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Sources of Funds										
Beginning Fund Balance	\$1,003,326	\$1,062,808	\$1,036,691	\$1,290,371	\$1,624,644	\$2,092,657	\$2,670,144	\$3,362,533	\$3,794,631	\$4,538,571
Transfer from Operating Fund - Calibrating	0	0	0	0	0	0	0	0	0	0
Other Sources	<u>more</u>									
CIF Grants, and Other Proceeds	0	0	0	0	0	0	0	0	0	0
Bond Proceeds	0	0	0	0	0	0	0	0	0	0
CIF Revenues	61,149	0	271,182	369,552	467,922	576,927	691,249	717,836	741,763	768,350
Interest Earnings	0	1,050	1,164	1,458	1,859	2,381	3,016	3,579	4,167	4,924
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Total Sources of Funds	\$1,064,475	\$1,063,858	\$1,309,037	\$1,661,380	\$2,094,425	\$2,671,965	\$3,364,409	\$4,083,947	\$4,540,561	\$5,311,845
Uses of Funds										
CIP	\$1,667	\$27,167	\$18,667	\$36,737	\$1,768	\$1,821	\$1,876	\$289,316	\$1,990	\$2,050
Bond Issuance Costs	0	0	0	0	0	0	0	0	0	0
Transfer To Operating Fund	0	0	0	0	0	0	0	0	0	0
Transfer To WRF Fund	0	0	0	0	0	0	0	0	0	0
Transfers To R&R Fund	0	0	0	0	0	0	0	0	0	0
Ending Fund Balance	1,062,808	1,036,691	1,290,371	1,624,644	2,092,657	2,670,144	3,362,533	3,794,631	4,538,571	5,309,795
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Total Uses of Funds	\$1,064,475	\$1,063,858	\$1,309,037	\$1,661,380	\$2,094,425	\$2,671,965	\$3,364,409	\$4,083,947	\$4,540,561	\$5,311,845

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 39
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Sources and Uses of Funds -- R&R Fund

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Interest Rate on Water R&R Fund	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Sources of Funds										
Beginning Fund Balance	\$4,092,946	\$146,304	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Operating Fund	0	1,126,885	850,026	745,397	754,938	714,834	638,170	906,319	838,050	3,830,157
Transfers from CIF Fund	0	0	0	0	0	0	0	0	0	0
Bond Proceeds	0	0	0	0	0	0	0	0	0	10,702,703
Other Funding										
Interest Earnings	0	732	0	0	0	0	0	(0)	0	0
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Sources of Funds	\$4,092,946	\$1,273,920	\$850,026	\$745,397	\$754,938	\$714,834	\$638,170	\$906,319	\$838,050	\$14,532,859
Uses of Funds										
R&R CIP	3,946,642	1,273,920	850,026	745,397	754,938	714,834	638,170	906,319	838,050	13,730,157
Bond Issuance Costs	0	0	0	0	0	0	0	0	0	802,703
Ending Fund Balance	146,304	0	0	0	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Uses of Funds	\$4,092,946	\$1,273,920	\$850,026	\$745,397	\$754,938	\$714,834	\$638,170	\$906,319	\$838,050	\$14,532,859

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 40
Pagosa Area Water and Sanitation District
Water Rate Study
Calibration Table

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Informational Items										
Debt Service Coverage (w/o CIF & WRF)	1.55	1.59	1.59	1.44	1.43	1.40	1.43	1.47	1.51	1.38
Debt Service Coverage (w CIF & WRF)	1.64	1.59	2.03	1.90	1.93	2.00	2.15	2.21	2.28	2.10
Target Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Additional Funds Needed	0	0	0	0	0	0	0	0	0	0
Minimum Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Additional Funds Needed	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage All Debt	1.64	1.59	2.03	1.90	1.93	2.00	2.15	2.21	2.28	2.10
Cash-Needs Revenue Requirement-- Water	3,238,259	3,238,259	3,283,995	3,630,758	4,032,274	4,146,819	4,284,061	4,426,581	4,573,852	4,726,402
Percent Increase/Decrease from Previous		0%	1%	11%	11%	3%	3%	3%	3%	3%
Ending Fund Balances										
<i>Operating Fund</i>	1,551,083	1,365,134	1,575,854	2,396,789	2,862,053	3,402,899	4,125,841	4,650,364	5,317,726	2,874,698
Target Operating Fund Balance	532,411	548,383	564,835	581,780	599,233	617,210	635,726	654,798	674,442	694,675
Difference from Target Fund Balance	1,018,672	816,751	1,011,019	1,815,009	2,262,820	2,785,689	3,490,114	3,995,566	4,643,284	2,180,023
<i>Debt Service Fund</i>	927,566	927,566	927,566	446,150	446,150	446,150	446,150	446,150	446,150	446,150
Target Debt Service Fund Balance	927,566	927,566	927,566	446,150	446,150	446,150	446,150	446,150	446,150	446,150
Difference from Target Fund Balance	0	0	0	0	0	0	0	0	0	0
<i>CIF Fund</i>	1,062,808	1,036,691	1,290,371	1,624,644	2,092,657	2,670,144	3,362,533	3,794,631	4,538,571	5,309,795
Target CIF Fund Balance	0	0	0	0	0	0	0	0	0	0
Difference from Target Fund Balance	1,062,808	1,036,691	1,290,371	1,624,644	2,092,657	2,670,144	3,362,533	3,794,631	4,538,571	5,309,795
<i>WRF Fund</i>	1,075,946	1,075,355	1,274,716	1,546,759	1,891,553	2,317,013	2,827,138	3,357,320	3,905,617	4,474,006
Target WRF Fund Balance	0	0	0	0	0	0	0	0	0	0
Difference from Target Fund Balance	1,075,946	1,075,355	1,274,716	1,546,759	1,891,553	2,317,013	2,827,138	3,357,320	3,905,617	4,474,006
<i>Water R&R Fund</i>	146,304	0	0	0	0	0	0	0	0	0
Target Water R & D Fund Balance	0	0	0	0	0	0	0	0	0	0
Difference from Target Fund Balance - FY1 Only	146,304	0	0	0	0	0	0	0	0	0
<i>Combined Available Fund Balance</i>	4,763,707	3,329,392	3,793,790	4,467,582	5,400,860	6,519,193	7,934,524	8,891,145	10,302,447	8,630,643
Target Minimum Combined Balance	1,459,977	1,475,949	1,492,401	1,027,930	1,045,383	1,063,360	1,081,876	1,100,948	1,120,592	1,140,825
Fund Surplus/(Shortfall) - excludes Rate Stabilization	3,303,730	2,928,798	3,576,106	4,986,411	6,247,030	7,772,846	9,679,786	11,147,517	13,087,472	11,963,824
Action Items										
New Debt issued - Subject to Bond Ordinance	0	0	0	0	0	0	0	0	0	9,900,000
New Debt issued - Not Subject to Bond Ordinance	0	0	0	0	0	0	0	0	0	0
New Debt issued - Subject to Bond Ordinance For Refinance	0	0	0	0	0	0	0	0	0	0
New Debt Issed Percentage by Fund										
CIF Fund	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WRF Fund	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
R&R Fund	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Transfers:										
Operating Fund to CIF Fund	0	0	0	0	0	0	0	0	0	0
Operating Fund to WRF Fund	0	0	0	0	0	0	0	0	0	0
Operating Fund to R&R Fund	0	1,126,885	850,026	745,397	754,938	714,834	638,170	906,319	838,050	3,830,157
Additional transfer to Debt Service Fund	0	0	0	0	0	0	0	0	0	0
CIF Fund to Operating Fund	0	0	0	0	0	0	0	0	0	0
CIF Fund to R&R Fund	0	0	0	0	0	0	0	0	0	0
CIF Fund to WRF Fund	0	0	0	0	0	0	0	0	0	0
Debt Service to Operating Fund	0	928	928	482,344	446	446	446	446	446	446
CIF Grants, and Other Proceeds	0	0	0	0	0	0	0	0	0	0
WRF Grants and Other Proceeds	0	0	0	0	0	0	0	0	0	0
Debt Issue Early Payoff	665,000	0	0	0	0	0	0	0	0	0
Unused 6										
CIP Costs										
Total Cash Financing CIP	3,949,975	1,302,754	870,360	783,850	758,474	718,476	641,922	1,197,567	842,031	5,912,258
Debt Funded CIP	0	0	0	0	0	0	0	0	0	7,821,998
Other Funds	0	0	0	0	0	0	0	0	0	0
Rate Revenue Increase	0.0%	0.0%	0.0%	8.5%	8.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Target Rate Increase		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Performance Factors & Goals										
Difference in Target Fund Balances	3,303,730	2,928,798	3,576,106	4,986,411	6,247,030	7,772,846	9,679,786	11,147,517	13,087,472	11,963,824
Difference in Rate Target	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Average Rate per Unit	\$37.49	\$37.37	\$37.89	\$41.31	\$45.03	\$45.24	\$45.44	\$45.45	\$45.45	\$45.45
Total Cumulative Revenue Increase	0.00%	0.00%	0.00%	8.50%	17.72%	17.72%	17.72%	17.72%	17.72%	17.72%
Debt Issues Early Payoff	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020
2009 CWCB Water Revenue Bond	0	0	0	0	0	0	0	0	0	0
2008 Water Revenue CWRDPA	0	0	0	0	0	0	0	0	0	0
2006 Water Portion Of Revenue Bond	0	0	0	0	0	0	0	0	0	0
1998 Water Revenue Bonds	1	0	0	0	0	0	0	0	0	0

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 41
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Proposed Volume-Based Water Rates
 (\$ per 1,000 Gallons)

Item	Block Thresholds	Block Differential	Block Percentage	FY2011	FY2012	FY2013	FY2014	FY2015
User Charge Revenue Requirement				\$3,238,259	\$3,238,259	\$3,283,995	\$3,630,758	\$4,032,274
% of User Charge Allocated to Service Charge			35.97%	38.64%	38.64%	38.64%	38.64%	38.64%
Service Charge Revenue Requirement				\$1,251,224	\$1,251,224	\$1,268,896	\$1,402,881	\$1,558,022
Monthly Service Charge per ERU			\$13.50	\$14.50	\$14.50	\$14.50	\$15.73	\$17.00
Percentage Increase				7.41%	0.00%	0.00%	8.48%	8.07%
Volumetric Rate								
Block 1	8,000	1.00	80.19%	\$4.50	\$4.50	\$4.60	\$5.00	\$5.60
Block 2	20,000	2.00	13.46%	9.00	9.00	9.20	10.00	11.20
Block 3	>20000	2.50	6.35%	11.30	11.30	11.50	12.50	14.00
Average Rate				\$5.53	\$5.53	\$5.53	\$6.01	\$6.52

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 42
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Revenues Volume-Based Water Rates
 (\$ per 1,000 Gallons)

Item	FY2011	FY2012	FY2013	FY2014	FY2015
Total Usage	359,020	359,020	364,091	371,001	379,750
Service Charge	\$1,251,234	\$1,251,234	\$1,268,906	\$1,402,669	\$1,551,667
Block 1	1,295,494	1,295,494	1,342,986	1,487,472	1,705,257
Block 2	434,962	434,962	450,908	499,419	572,540
Block 3	257,677	257,677	265,942	294,553	337,680
	-----	-----	-----	-----	-----
Total Revenues	\$3,239,368	\$3,239,368	\$3,328,742	\$3,684,113	\$4,167,144
Revenue Requirements	\$3,238,259	\$3,238,259	\$3,283,995	\$3,630,758	\$4,032,274
Difference	\$1,109	\$1,109	\$44,747	\$53,356	\$134,870
Percentage of Revenues by Component					
Service Charge	38.63%	38.63%	38.12%	38.07%	37.24%
Block 1	39.99%	39.99%	40.35%	40.38%	40.92%
Block 2	13.43%	13.43%	13.55%	13.56%	13.74%
Block 3	7.95%	7.95%	7.99%	8.00%	8.10%
	-----	-----	-----	-----	-----
	100.00%	100.00%	100.00%	100.00%	100.00%

Appendix A - Pagosa Area Water and Sanitation District Water Financial Plan and Rates

Table 42
 Pagosa Area Water and Sanitation District
 Water Rate Study
 Bill frequency Percentages

Usage per Equivalent Unit	Cummulative % of Usage per Block	Cummulative % of Usage Bills Block
0	0.0%	23.2%
1,000	19.5%	34.0%
2,000	36.1%	46.8%
3,000	49.4%	59.6%
4,000	59.7%	70.4%
5,000	67.3%	78.3%
6,000	72.9%	83.8%
7,000	77.0%	87.6%
8,000	80.2%	90.2%
9,000	82.7%	92.1%
10,000	84.6%	93.4%
11,000	86.3%	94.5%
12,000	87.7%	95.3%
13,000	88.9%	95.9%
14,000	89.9%	96.4%
15,000	90.8%	96.9%
16,000	91.5%	97.3%
17,000	92.1%	97.6%
18,000	92.7%	97.8%
19,000	93.2%	98.0%
20,000	93.6%	98.2%
21,000	94.0%	98.4%
22,000	94.4%	98.6%
23,000	94.7%	98.7%
24,000	95.0%	98.8%
25,000	95.3%	98.9%
26,000	95.5%	99.0%
27,000	95.8%	99.1%
28,000	96.0%	99.1%
29,000	96.2%	99.2%
30,000	96.4%	99.2%
31,000	96.6%	99.2%
32,000	96.7%	99.3%
33,000	96.9%	99.3%
34,000	97.0%	99.4%
35,000	97.1%	99.4%
36,000	97.3%	99.5%
37,000	97.4%	99.5%
38,000	97.5%	99.5%
39,000	97.6%	99.5%
40,000	97.7%	99.6%
41,000	97.7%	99.6%
42,000	97.8%	99.6%
43,000	97.9%	99.6%
44,000	98.0%	99.7%
45,000	98.0%	99.7%
46,000	98.1%	99.7%
260,000	100.0%	100.0%

Pagosa Area Water and Sanitation District (PAWSD)
2011 Water and Wastewater Financial Plan and Rates

APPENDIX

B

Wastewater Financial Plan

B. Wastewater Financial Plan

Appendix B- Pagosa Area Water and Sanitation District (PAWSD) Financial Plan 2011

Table 1
Pagosa Area Water and Sanitation District
Wastewater Rate Study
Projected Capital Improvement Plan

Earmarked Expenditures:	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Total	Sub-Funds		Funding Grants, Transfers and Other		
												CIF	R&R	Reserves	Proceeds	Debt
Inspection Services	27,805	28,639	29,499	30,383	31,295	32,234	33,201	34,197	35,223	36,279	318,755	0%	100%	100%	0%	0%
Master Plan Update	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000	25%	75%	100%	0%	0%
Hydraulic Modeling	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,000	50%	50%	100%	0%	0%
Flow Monitoring	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	125,000	0%	100%	100%	0%	0%
Infiltration/Inflow Evaluation	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	25,000	0%	100%	100%	0%	0%
CDPS Permit Review and Negotiations	0	25,000	0	0	0	0	25,000	0	0	0	50,000	0%	100%	100%	0%	0%
GIS Implementation	0	24,000	16,000	32,000	0	0	0	0	0	0	72,000	0%	100%	100%	0%	0%
Vista System											0	0%	100%	100%	0%	0%
6-inch Diameter Gravity Pipe	0	0	0	0	0	0	0	0	0	0	0	50%	50%	100%	0%	0%
8-inch Gravity Pipe	318,306	364,943	364,943	364,943	364,943	364,943	364,943	364,943	364,943	364,943	3,602,790	25%	75%	100%	0%	0%
10-inch Gravity Pipe	6,181	16,190	16,190	16,190	16,190	16,190	16,190	16,190	16,190	16,190	151,895	0%	100%	100%	0%	0%
12-inch Gravity Pipe	3,724	3,724	3,724	3,724	3,724	3,724	3,724	3,724	3,724	3,724	37,238	25%	75%	100%	0%	0%
15-inch Gravity Pipe	2,508	2,508	2,508	2,508	2,508	2,508	2,508	2,508	2,508	2,508	25,077	0%	100%	100%	0%	0%
18-inch Gravity Pipe	0	0	0	0	0	0	0	0	0	0	0	50%	50%	100%	0%	0%
24-inch Gravity Pipe	1,440	599	599	599	599	599	599	599	599	599	6,827	50%	50%	100%	0%	0%
4-inch Force Main	4,492	3,699	3,699	3,699	3,699	3,699	3,699	3,699	3,699	3,699	37,783	0%	100%	100%	0%	0%
6-inch Force Main	21,250	21,463	21,463	21,463	21,463	21,463	21,463	21,463	21,463	21,463	214,417	0%	100%	100%	0%	0%
8-inch Force Main	1,544	2,965	2,965	2,965	2,965	2,965	2,965	2,965	2,965	2,965	28,230	25%	75%	100%	0%	0%
10-inch Force Main	0	0	0	0	0	0	0	0	0	0	0	0%	100%	100%	0%	0%
4-foot Diameter Manholes	87,920	106,400	106,400	106,400	106,400	106,400	106,400	106,400	106,400	106,400	1,045,520	0%	100%	100%	0%	0%
5-foot Diameter Manholes	0	0	0	0	0	0	0	0	0	0	0	0%	100%	100%	0%	0%
Lift Station Improvements Summary	0	100,000	0	225,000	200,000	125,000	25,000	0	400,000	0	1,075,000	0%	100%	100%	0%	0%
Infiltration and Inflow Repair	8,547	8,547	8,547	8,547	8,547	8,547	8,547	8,547	8,547	8,547	85,469	0%	100%	100%	0%	0%
Highlands System											0	0%	100%	100%	0%	0%
6-inch Diameter Gravity Pipe	0	0	0	0	0	0	0	0	0	0	0	0%	100%	100%	0%	0%
8-inch Gravity Pipe	0	0	0	0	246,807	0	0	0	0	141,818	388,625	25%	75%	100%	0%	0%
10-inch Gravity Pipe	0	0	0	0	0	0	0	0	0	5,160	5,160	0%	100%	100%	0%	0%
12-inch Gravity Pipe	0	0	0	0	0	0	0	0	0	0	0	0%	100%	100%	0%	0%
4-inch Force Main	0	0	0	0	0	0	0	0	0	0	0	0%	100%	100%	0%	0%
6-inch Force Main	0	0	0	0	0	0	0	0	0	55,000	55,000	0%	100%	100%	0%	0%
4-foot Diameter Manholes	0	0	0	0	87,600	0	0	0	0	42,000	129,600	0%	100%	100%	0%	0%
5-foot Diameter Manholes	0	0	0	0	0	0	0	0	0	0	0	0%	100%	100%	0%	0%
Lift Station No. 10	0	0	0	0	0	0	0	0	0	150,000	150,000	0%	100%	100%	0%	0%
Infiltration and Inflow Repair	1,855	1,855	1,855	1,855	1,855	1,855	1,855	1,855	1,855	1,855	18,553	0%	100%	100%	0%	0%
Highlands Vista Connector											0	0%	100%	100%	0%	0%
18-inch Gravity Pipe	0	0	0	0	0	0	0	0	0	0	0	100%	0%	100%	0%	0%
8-inch Force Main	0	0	0	0	0	0	0	0	0	0	0	100%	0%	100%	0%	0%
5-foot Diameter Manholes	0	0	0	0	0	0	0	0	0	0	0	100%	0%	100%	0%	0%
Vista WWTP											0	0%	100%	100%	0%	0%
Engineering	0	0	0	0	0	0	0	0	0	0	0	50%	50%	100%	0%	0%
Equipment Upgrade Allowance	0	0	0	0	0	0	0	0	0	0	0	75%	25%	100%	0%	0%
Equipment Replacement Allowance	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	750,000	0%	100%	100%	0%	0%
SCADA System Improvements/Replacement	7,000	0	0	0	0	7,000	0	0	0	0	14,000	0%	100%	100%	0%	0%
Biosolids Reuse/Disposal	0	0	0	0	0	0	0	0	0	0	0	75%	25%	100%	0%	0%
Equipment / Vehicle Replacement (32%)	35,200	35,200	35,200	35,200	35,200	35,200	35,200	35,200	35,200	35,200	352,000	0%	100%	100%	0%	0%
Total CIP	\$625,772	\$843,732	\$711,591	\$953,476	\$1,231,794	\$830,326	\$749,293	\$700,289	\$1,101,315	\$1,096,349	\$8,843,936					
Expected Inflation Rate	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%					
Inflation Factor	1.0000	1.0000	1.0000	1.0300	1.0610	1.0930	1.1260	1.1590	1.1940	1.2300	1.2670					
CIF CIP	\$84,364	\$95,957	\$95,957	\$98,836	\$167,260	\$104,855	\$108,001	\$111,241	\$114,578	\$161,620	\$1,142,667					
R&R CIP	541,408	747,774	615,634	883,244	1,139,550	802,465	735,335	700,586	1,200,450	1,186,752	8,553,199					
Total Cash Financing CIP	\$625,772	\$843,732	\$711,591	\$982,080	\$1,306,810	\$907,320	\$843,336	\$811,827	\$1,315,028	\$1,348,371	\$9,695,866					
Debt Funded CIP	0	0	0	0	0	0	0	0	0	0	0					
Other Funds	0	0	0	0	0	0	0	0	0	0	0					
Total	\$625,772	\$843,732	\$711,591	\$982,080	\$1,306,810	\$907,320	\$843,336	\$811,827	\$1,315,028	\$1,348,371	\$9,695,866					

Table 3
Pagosa Area Water and Sanitation District
Wastewater Rate Study
Projected Annual Operation and Maintenance Costs
Continued

Item	Escalation Rate	Forecast Expenses for O&M										
		FY 2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Wastewater Collection												
Health Insurance	3.00%	\$34,848	\$35,407	\$36,469	\$37,563	\$38,690	\$39,851	\$41,046	\$42,277	\$43,546	\$44,852	\$46,198
Uniforms	3.00%	2,504	2,200	2,266	2,334	2,404	2,476	2,550	2,627	2,706	2,787	2,871
Retirement	3.00%	5,486	7,133	7,346	7,567	7,794	8,028	8,269	8,517	8,772	9,035	9,306
Fuel & Power Lift Stations	3.00%	36,028	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191
Insurance - General	3.00%	3,301	2,183	2,248	2,316	2,385	2,457	2,531	2,607	2,685	2,765	2,848
Interest Expense on Leases	3.00%	3,405	2,412	2,484	2,559	2,636	2,715	2,796	2,880	2,966	3,055	3,147
Wastewater Line Maint / Repair	3.00%	28,980	90,000	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009	117,430
Gen. & Pumps Lift Stations	3.00%	9,672	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
Collection Salaries	3.00%	111,546	128,149	131,994	135,954	140,032	144,233	148,560	153,017	157,607	162,336	167,206
Temporary Help	3.00%	379	0	0	0	0	0	0	0	0	0	0
Payroll Exp - FICA/Unemployment	3.00%	8,524	10,637	10,957	11,285	11,624	11,972	12,332	12,702	13,083	13,475	13,879
Vehicle Maintenance	3.00%	5,673	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Training	3.00%	1,974	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
Wastewater Collection Total		\$252,320	\$332,621	\$342,599	\$352,877	\$363,464	\$374,368	\$385,599	\$397,167	\$409,082	\$421,354	\$433,995
Wastewater Treatment												
Health Insurance	3.00%	\$11,241	\$12,024	\$12,384	\$12,756	\$13,139	\$13,533	\$13,939	\$14,357	\$14,788	\$15,231	\$15,688
Retirement	3.00%	\$446	1,980	2,039	2,101	2,164	2,229	2,295	2,364	2,435	2,508	2,583
Insurance - General	3.00%	850	606	624	643	662	682	703	724	745	768	791
Fuel & Power Vista WWTP	3.00%	110,476	123,000	126,690	130,491	134,405	138,438	142,591	146,865	151,274	155,813	160,487
Maintenance Vista WWTP	3.00%	24,387	24,534	25,270	26,028	26,809	27,613	28,442	29,295	30,174	31,079	32,011
Sludge Removal/Processing	3.00%	52,511	46,000	47,880	48,801	50,265	51,773	53,327	54,926	56,574	58,271	60,020
Operator Salaries	3.00%	31,729	39,728	40,320	42,147	43,412	44,714	46,056	47,437	48,860	50,326	51,836
Payroll Exp - FICA/Unemployment	3.00%	2,431	3,348	3,448	3,551	3,658	3,768	3,881	3,997	4,117	4,241	4,368
Building Maintenance Vista	3.00%	419	500	515	530	546	563	580	597	615	633	652
Fuel & Power Highlands Lagoon	3.00%	15,469	16,500	16,995	17,505	18,030	18,571	19,128	19,702	20,293	20,902	21,529
Vehicle Maintenance	3.00%	321	200	206	212	219	225	232	239	246	253	261
Highlands Lagoon Maintenance	3.00%	0	0	0	0	0	0	0	0	0	0	0
Training	3.00%	1,263	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
Wastewater Treatment Total		\$251,541	\$269,919	\$278,017	\$286,357	\$294,948	\$303,796	\$312,910	\$322,298	\$331,967	\$341,926	\$352,183
Maintenance Department												
Health Insurance	3.00%	\$4,574	\$3,848	\$3,963	\$4,082	\$4,204	\$4,330	\$4,460	\$4,594	\$4,732	\$4,874	\$5,020
Retirement	3.00%	1,011	1,011	1,041	1,072	1,104	1,138	1,172	1,207	1,243	1,280	1,319
Insurance - General	3.00%	455	309	318	328	338	348	358	369	380	391	403
Operating Supplies	3.00%	6,989	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133
Building Maintenance	3.00%	20,280	6,000	6,180	6,365	6,556	6,754	6,956	7,164	7,379	7,601	7,829
Maintenance Salaries	3.00%	16,846	16,846	17,351	17,871	18,408	18,960	19,529	20,115	20,718	21,339	21,980
Payroll Exp - FICA/Unemployment	3.00%	1,314	1,436	1,479	1,523	1,569	1,616	1,665	1,715	1,766	1,819	1,874
Utilities - Maintenance Bldg	3.00%	927	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
Vehicle Maintenance	3.00%	538	300	309	318	328	338	348	358	369	380	391
Equipment Maintenance	3.00%	2,690	2,800	2,884	2,971	3,060	3,151	3,246	3,343	3,444	3,547	3,653
Service Equipment	3.00%	0	0	0	0	0	0	0	0	0	0	0
Gasoline & Oil	3.00%	20,685	21,500	22,145	22,809	23,494	24,198	24,924	25,672	26,444	27,236	28,053
Training	3.00%	0	0	0	0	0	0	0	0	0	0	0
Tools and Small Equipment	3.00%	679	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
	3.00%	0	0	0	0	0	0	0	0	0	0	0
Maintenance Department Total		\$76,985	\$64,249	\$66,176	\$68,162	\$70,206	\$72,313	\$74,482	\$76,717	\$79,018	\$81,389	\$83,830
Laboratory Service												
Health Insurance	3.00%	\$10,248	\$9,018	\$9,288	\$9,567	\$9,854	\$10,150	\$10,454	\$10,768	\$11,091	\$11,423	\$11,766
Retirement	3.00%	2,186	2,279	2,348	2,418	2,491	2,566	2,643	2,722	2,803	2,888	2,974
Insurance - General	3.00%	1,115	797	718	739	762	784	808	832	857	883	909
Lab Supplies	3.00%	11,454	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
Lab Salaries	3.00%	43,644	45,065	46,417	47,810	49,244	50,721	52,243	53,810	55,424	57,087	58,800
Payroll Exp - FICA/Unemployment	3.00%	3,455	4,081	4,204	4,330	4,460	4,594	4,731	4,873	5,020	5,170	5,325
Vehicle Maintenance	3.00%	286	100	103	106	109	113	116	119	123	127	130
Laboratory Service Total		\$72,388	\$71,241	\$73,378	\$75,579	\$77,847	\$80,182	\$82,588	\$85,065	\$87,617	\$90,246	\$92,953
Billing												
Bad Debts	3.00%	\$439	200	\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261
Health Insurance	3.00%	19,890	16,907	17,414	17,936	18,474	19,028	19,599	20,187	20,793	21,417	22,059
Retirement	3.00%	2,795	2,602	2,680	2,761	2,844	2,929	3,017	3,107	3,200	3,296	3,395
Insurance - General	3.00%	480	65	67	69	71	73	75	78	80	82	85
Collection of Past Due Accts	3.00%	150	600	618	637	656	675	696	716	738	760	783
Data Processing	3.00%	13,679	13,750	14,163	14,587	15,025	15,476	15,940	16,418	16,911	17,418	17,941
Data Processing Salaries	3.00%	50,692	45,141	46,495	47,890	49,327	50,807	52,331	53,901	55,518	57,183	58,899
Payroll Exp - FICA/Unemployment	3.00%	3,704	3,535	3,641	3,750	3,862	3,978	4,098	4,220	4,347	4,477	4,612
Training	3.00%	97	550	567	583	601	619	638	657	676	697	718
Postage	3.00%	10,461	10,500	10,815	11,139	11,474	11,818	12,172	12,538	12,914	13,301	13,700
Billing Total		102,387	93,849	96,665	99,565	102,552	105,628	108,797	112,061	115,423	118,886	122,452
Wastewater Utility Water Usage												
Wastewater Utility Water Usage	0.00%	\$0	\$30,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Unused	3.00%	0	0	0	0	0	0	0	0	0	0	0
Unused	3.00%	0	0	0	0	0	0	0	0	0	0	0
Unused	3.00%	0	0	0	0	0	0	0	0	0	0	0
Unused	3.00%	0	0	0	0	0	0	0	0	0	0	0
Unused	3.00%	0	0	0	0	0	0	0	0	0	0	0
Wastewater Utility Water Usage Total		\$0	\$30,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Administration												
Audit	3.00%	\$3,100	\$3,200	\$3,296	\$3,395	\$3,497	\$3,602	\$3,710	\$3,821	\$3,936	\$4,054	\$4,175
Employee Miscellaneous	3.00%	1,548	1,312	1,351	1,392	1,434	1,477	1,521	1,567	1,614	1,662	1,712
Health Insurance	3.00%	14,129	12,845	13,230	13,627	14,036	14,457	14,891	15,338	15,798	16,272	16,760
Retirement	3.00%	3,427	3,905	4,022	4,142	4,267	4,395	4,527	4,662	4,802	4,946	5,095
Insurance - General	3.00%	19,589	17,758	18,291	18,839	19,405	19,987	20,586	21,204	21,840	22,495	23,170
Legal Services	3.00%	7,263	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	4,175
Office Supplies	3.00%	4,951	4,500	4,635	4,774	4,917	5,065	5,217	5,373	5,534	5,700	5,871
Outside Services	3.00%	6,051	6,400	6,592	6,790	6,993	7,203	7,419	7,642	7,871	8,107	8,351
Publications	3.00%	428	500	515	530	546	563	580	597	615	633	652
Maintenance of Office Building	3.00%	1,783	2,496	2,571	2,648	2,727	2,809	2,894	2,980	3,070	3,162	3,257
Landscaping	3.00%	1,233	960	989	1,018	1,049	1,080	1,113	1,146	1,181	1,216	1,253
Administrative Salaries	3											

Table 4
Pagosa Area Water and Sanitation District
Wastewater Rate Study
Operation and Maintenance Cost Manual Override
Continued

Item	Forecast Expenses for O&M									
	Escalation Rate	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Wastewater Collection										
Health Insurance										
Uniforms										
Retirement										
Fuel & Power Lift Stations										
Insurance - General										
Interest Expense on Leases										
Wastewater Line Maint / Repair										
Gen. & Pumps Lift Stations										
Collection Salaries										
Temporary Help										
Payroll Exp - FICA/Unemploymnt										
Vehicle Maintenance										
Training										
Wastewater Collection Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wastewater Treatment										
Health Insurance										
Retirement										
Insurance - General										
Fuel & Power Vista WWTP										
Maintenance Vista WWTP										
Sludge Removal/Processing										
Operator Salaries										
Payroll Exp - FICA/Unemploymnt										
Building Maintenance Vista										
Fuel & Power Highlands Lagoon										
Vehicle Maintenance										
Highlands Lagoon Maintenance										
Training										
Wastewater Treatment Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance Department										
Health Insurance										
Retirement										
Insurance - General										
Operating Supplies										
Building Maintenance										
Maintenance Salaries										
Payroll Exp - FICA/Unemploymnt										
Utilities - Maintenance Bldg										
Vehicle Maintenance										
Equipment Maintenance										
Service Equipment										
Gasoline & Oil										
Training										
Tools and Small Equipment										
0										
Maintenance Department Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory Service										
Health Insurance										
Retirement										
Insurance - General										
Lab Supplies										
Lab Salaries										
Payroll Exp - FICA/Unemploymnt										
Vehicle Maintenance										
Laboratory Service Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Billing										
Bad Debts										
Health Insurance										
Retirement										
Insurance - General										
Collection of Past Due Accts										
Data Processing										
Data Processing Salaries										
Payroll Exp - FICA/Unemploymnt										
Training										
Postage										
Billing Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wastewater Utility Water Usage										
Wastewater Utility Water Usage	0%	\$60,000								
Unused										
Unused										
Unused										
Unused										
Wastewater Utility Water Usage Total		\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administration										
Audit										
Employee Miscellaneous										
Health Insurance										
Retirement										
Insurance - General										
Legal Services										
Office Supplies										
Outside Services										
Publications										
Maintenance of Office Building										
Landscaping										
Administrative Salaries										
Payroll Tax/Vac/Sick Leave										
Telephone										
Utilities										
Trash Removal										
Vehicle Maintenance										
Dues and Permits										
Training										
Contributions										
Inclusion Expense										
Administration Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 5
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Existing Debt Service

Item	Subject to Coverage	Debt Service Coverage	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2006 Refunding Bonds	1	1.25	\$274,675	\$276,075	\$277,075	\$277,675	\$277,875	\$282,675	\$51,875	\$0	\$0	\$0	\$0	\$0
2009 Wastewater Revenue CWRDPA (ARRA)	1	1.10	0	0	351,827	351,827	351,827	351,827	351,827	351,827	351,827	351,827	351,828	351,827
2009 ARRA Base Loan	1	1.10	0	0	48,827	48,827	48,827	48,827	48,827	48,827	48,827	48,827	48,827	48,827
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
Total			\$274,675	\$276,075	\$677,729	\$678,329	\$678,529	\$683,329	\$452,529	\$400,654	\$400,654	\$400,654	\$400,655	\$400,654

Table 6
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Outstanding Debt Service

Item	Subject to Coverage	Debt Service Coverage	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2006 Refunding Bonds	1	1.25	\$1,280,000	\$1,055,000	\$820,000	\$575,000	\$320,000	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0
2009 Wastewater Revenue CWRDPA (ARRA)	1	1.10	7,036,541	7,036,541	6,684,714	6,332,887	5,981,060	5,629,233	5,277,406	4,925,579	4,573,752	4,221,925	3,870,097	3,518,270
2009 ARRA Base Loan	1	1.10	976,530	976,530	927,704	878,877	830,051	781,224	732,398	683,571	634,745	585,918	537,092	488,265
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
0	1	1.25	0	0	0	0	0	0	0	0	0	0	0	0
Total			\$9,293,071	\$9,068,071	\$8,432,418	\$7,786,764	\$7,131,111	\$6,460,457	\$6,009,804	\$5,609,150	\$5,208,497	\$4,807,843	\$4,407,189	\$4,006,535

Table 7
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Anticipated Debt Service Subject to Coverage

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Issue Sizing										
Bond Proceeds Required	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuance Costs	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Reserve Requirement	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Issue Size	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Requirements										
Term (Years)	20	20	20	20	20	20	20	20	20	20
Interest Rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Debt Service Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Input 1 if Half Payment on First Year	1	1	1	1	1	1	1	1	1	1
New Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Debt Service During Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total New Annual Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 8
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Anticipated Debt Service Not Subject to Coverage

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Issue Sizing										
Bond Proceeds Required	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuance Costs	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Reserve Requirement	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Issue Size	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Requirements										
Term (Years)	20	20	20	20	20	20	20	20	20	20
Interest Rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Debt Service Coverage	1	1	1	1	1	1	1	1	1	1
Input 1 if Half Payment on First Year	1	1	1	1	1	1	1	1	1	1
New Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Debt Service During Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total New Annual Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Appendix B- Pagosa Area Water and Sanitation District (PAWSD) Financial Plan 2011

Table 9
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Actual Annual Debt Service

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Current Debt Service	\$677,729	\$678,329	\$678,529	\$683,329	\$452,529	\$400,654	\$400,654	\$400,654	\$400,655	\$400,654
Anticipated Debt Service Subject to Coverage										
Series 2011	0	0	0	0	0	0	0	0	0	0
Series 2012		0	0	0	0	0	0	0	0	0
Series 2013			0	0	0	0	0	0	0	0
Series 2014				0	0	0	0	0	0	0
Series 2015					0	0	0	0	0	0
Series 2016						0	0	0	0	0
Series 2017							0	0	0	0
Series 2018								0	0	0
Series 2019									0	0
Series 2020										0
Total New Debt Service Subject to Coverage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Anticipated Debt Service Not Subject to Coverage										
Series 2011	0	0	0	0	0	0	0	0	0	0
Series 2012		0	0	0	0	0	0	0	0	0
Series 2013			0	0	0	0	0	0	0	0
Series 2014				0	0	0	0	0	0	0
Series 2015					0	0	0	0	0	0
Series 2016						0	0	0	0	0
Series 2017							0	0	0	0
Series 2018								0	0	0
Series 2019									0	0
Series 2020										0
Total New Debt Service not Subject to Coverage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Refinanced Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$677,729	\$678,329	\$678,529	\$683,329	\$452,529	\$400,654	\$400,654	\$400,654	\$400,655	\$400,654

Appendix B- Pagosa Area Water and Sanitation District (PAWSD) Financial Plan 2011

Table 10
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Calculation of Debt Service Coverage (No CIF)

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Estimated Gross Revenues										
User Charge Revenues	\$1,292,814	\$1,533,960	\$1,675,392	\$1,728,768	\$1,796,352	\$1,879,680	\$1,979,520	\$2,083,200	\$2,190,336	\$2,301,312
Other Revenues	422,807	396,000	388,460	378,664	367,027	353,759	339,272	325,744	313,157	301,395
Interest Earning	0	3,580	3,213	2,929	2,537	2,400	2,616	2,965	3,146	3,132
Total Gross Revenues	\$1,715,621	\$1,933,540	\$2,067,064	\$2,110,361	\$2,165,916	\$2,235,839	\$2,321,407	\$2,411,909	\$2,506,640	\$2,605,839
Less: O&M	\$1,005,290	\$1,064,549	\$1,094,685	\$1,125,726	\$1,157,697	\$1,190,628	\$1,224,547	\$1,259,484	\$1,295,468	\$1,332,532
Net Revenues	\$710,331	\$868,992	\$972,379	\$984,635	\$1,008,219	\$1,045,211	\$1,096,860	\$1,152,425	\$1,211,172	\$1,273,307
Annual Debt Service	\$677,729	\$678,329	\$678,529	\$683,329	\$452,529	\$400,654	\$400,654	\$400,654	\$400,655	\$400,654
Coverage	1.05	1.28	1.43	1.44	2.23	2.61	2.74	2.88	3.02	3.18
Coverage Goals										
Required Coverage	0.50	0.50	0.50	1.16	1.12	1.10	1.10	1.10	1.10	1.10
Target Coverage	0.50	0.50	0.50	1.16	1.25	1.25	1.25	1.25	1.25	1.25
Revenue Deficit										
Required Coverage	0	0	0	0	0	0	0	0	0	0
Target Coverage	0	0	0	0	0	0	0	0	0	0

Appendix B- Pagosa Area Water and Sanitation District (PAWSD) Financial Plan 2011

Table 11
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Calculation of Debt Service Coverage (W/ CIF)

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Estimated Gross Revenues										
User Charge Revenues	\$1,292,814	\$1,533,960	\$1,675,392	\$1,728,768	\$1,796,352	\$1,879,680	\$1,979,520	\$2,083,200	\$2,190,336	\$2,301,312
Other Revenues	422,807	396,000	388,460	378,664	367,027	353,759	339,272	325,744	313,157	301,395
CIF	27,416	0	121,584	165,688	209,792	258,664	309,920	321,840	332,568	344,488
Interest Earning	0	3,580	3,213	2,929	2,537	2,400	2,616	2,965	3,146	3,132
Total Gross Revenues	\$1,743,037	\$1,933,540	\$2,188,648	\$2,276,049	\$2,375,708	\$2,494,503	\$2,631,327	\$2,733,749	\$2,839,208	\$2,950,327
Less: O&M	\$1,005,290	\$1,064,549	\$1,094,685	\$1,125,726	\$1,157,697	\$1,190,628	\$1,224,547	\$1,259,484	\$1,295,468	\$1,332,532
Net Revenues	\$737,747	\$868,992	\$1,093,963	\$1,150,323	\$1,218,011	\$1,303,875	\$1,406,780	\$1,474,265	\$1,543,740	\$1,617,795
Annual Debt Service	\$677,729	\$678,329	\$678,529	\$683,329	\$452,529	\$400,654	\$400,654	\$400,654	\$400,655	\$400,654
Coverage	1.09	1.28	1.61	1.68	2.69	3.25	3.51	3.68	3.85	4.04
Coverage All Debt	1.09	1.28	1.61	1.68	2.69	3.25	3.51	3.68	3.85	4.04
Coverage Goals										
Required Coverage	0.50	0.50	0.50	1.16	1.12	1.10	1.10	1.10	1.10	1.10
Target Coverage	0.50	0.50	0.50	1.16	1.25	1.25	1.25	1.25	1.25	1.25
Revenue Deficit										
Required Coverage	0	0	0	0	0	0	0	0	0	0
Target Coverage	0	0	0	0	0	0	0	0	0	0

Table 12
Pagosa Area Water and Sanitation District
Wastewater Rate Study
Estimated Revenues

Description	Include in Cvg Test?	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Assumptions												
Rate Revenue Increases			18.00%	11.87%	6.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Month of Rate Increase			6	1	1	1	1	1	1	1	1	1
Prorated Percent Impact of Increase			58%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Growth				0.00%	2.39%	3.19%	3.91%	4.64%	5.31%	5.24%	5.14%	5.07%
Number of Equivalent Customers		4,238	4,238	4,261	4,261	4,363	4,502	4,678	4,895	5,155	5,425	5,704
Growth in the Number of Equivalent Customers			23	-	102	139	176	217	260	270	279	289
Revenues												
<i>Retail Rate Revenues:</i>												
Retail Rates Before Increases		\$1,169,435	\$1,169,964	\$1,292,814	\$1,570,680	\$1,728,768	\$1,796,352	\$1,879,680	\$1,979,520	\$2,083,200	\$2,190,336	\$2,301,312
Revenues from Current Year Increase (Prorated)		0	122,850	153,396	104,712	0	0	0	0	0	0	0
Prorated Revenues from Previous Increase		0	0	87,750	0	0	0	0	0	0	0	0
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Rate Revenue		\$1,169,435	\$1,292,814	\$1,533,960	\$1,675,392	\$1,728,768	\$1,796,352	\$1,879,680	\$1,979,520	\$2,083,200	\$2,190,336	\$2,301,312
			22.88	25.28	30.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
O&M-Related Nonrate Revenue												
Availability Charges	1	\$320,190	\$315,000	\$315,000	\$307,460	\$297,664	\$286,027	\$272,759	\$258,272	\$244,744	\$232,157	\$220,395
Wastewater Mitigation Fee	1	6,000	0	0	0	0	0	0	0	0	0	0
Waste Hauler Revenue	1	9,408	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800
Inclusion Fee	1	3,085	0	0	0	0	0	0	0	0	0	0
Interest	1	25,436	25,000	0	0	0	0	0	0	0	0	0
Interest on Delinquent Taxes	1	1,320	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Penalty & Interest Delin. Accounts	1	72,787	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Current TAX Interest	1	3,676	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Other Revenues	1	8,105	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Bond Proceeds Interest	0	4,440	3,000	0	0	0	0	0	0	0	0	0
Transfer from General Fund	0	138,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000
Transfer from DS - Bond INT	1	6,817	1,807	0	0	0	0	0	0	0	0	0
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Other O&M Revenues		\$599,264	\$557,807	\$528,000	\$520,460	\$510,664	\$499,027	\$485,759	\$471,272	\$457,744	\$445,157	\$433,395
Total Operating Revenues Revenue		\$1,768,699	\$1,850,621	\$2,061,960	\$2,195,852	\$2,239,432	\$2,295,379	\$2,365,439	\$2,450,792	\$2,540,944	\$2,635,493	\$2,734,707
Capital-Related Nonrate Revenue												
Customer Hookups		\$5,140	\$3,720	\$3,720	\$3,809	\$3,930	\$4,084	\$4,274	\$4,500	\$4,736	\$4,980	\$5,232
Capital Investment Fees		26,941	0	0	0	0	0	0	0	0	0	0
Tap Fee		44,642	35,000	0	0	0	0	0	0	0	0	0
Interest from Bond Issue		0	0	0	0	0	0	0	0	0	0	0
Interest		54,046	50,000	0	0	0	0	0	0	0	0	0
Connection Fee		0	9,890	0	43,860	59,770	75,680	93,310	111,800	116,100	119,970	124,270
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Other Capital Nonrate Revenues		\$130,769	\$98,610	\$3,720	\$47,669	\$63,700	\$79,764	\$97,584	\$116,300	\$120,836	\$124,950	\$129,502
Total Revenues		\$1,899,468	\$1,949,231	\$2,065,680	\$2,243,521	\$2,303,133	\$2,375,143	\$2,463,023	\$2,567,092	\$2,661,781	\$2,760,443	\$2,864,209

Appendix B- Pagosa Area Water and Sanitation District (PAWSD) Financial Plan 2011

Table 13
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Calculation of Revenue Proration by Month (FY)

Month	Month	Average Revenue	Percent of Fiscal Year	Cumulative Percent Earnings	Historical Revenues Earned:			
					FY2007	FY2008	FY2009	FY2010
July	1	\$1	8%	100%	\$1	\$1	\$1	\$1
August	2	1	8%	92%	1	1	1	1
September	3	1	8%	83%	1	1	1	1
October	4	1	8%	75%	1	1	1	1
November	5	1	8%	67%	1	1	1	1
December	6	1	8%	58%	1	1	1	1
January	7	1	8%	50%	1	1	1	1
February	8	1	8%	42%	1	1	1	1
March	9	1	8%	33%	1	1	1	1
April	10	1	8%	25%	1	1	1	1
May	11	1	8%	17%	1	1	1	1
June	12	1	8%	8%	1	1	1	1
Total		----- \$12			----- \$12	----- \$12	----- \$12	----- \$12

Table 14
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 CIF Revenues

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Number of SFREs, total	23	-	102	139	176	217	260	270	279	289
Action Parameters										
Capital Investment Fee (CIF)	762	762	762	762	762	762	762	762	762	762
Connection Fee	430	430	430	430	430	430	430	430	430	430
Capital Investment Fee Revenues	\$17,526	\$0	\$77,724	\$105,918	\$134,112	\$165,354	\$198,120	\$205,740	\$212,598	\$220,218
Connection Fee Revenues	9,890	0	43,860	59,770	75,680	93,310	111,800	116,100	119,970	124,270
Total CIF Rev	\$27,416	\$0	\$121,584	\$165,688	\$209,792	\$258,664	\$309,920	\$321,840	\$332,568	\$344,488

Appendix B- Pagosa Area Water and Sanitation District (PAWSD) Financial Plan 2011

Table 15
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Computation of User Charge Revenue Requirement

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Expenditures										
Operation and Maintenance	\$1,005,290	\$1,064,549	\$1,094,685	\$1,125,726	\$1,157,697	\$1,190,628	\$1,224,547	\$1,259,484	\$1,295,468	\$1,332,532
Capital-Related										
Transfers:										
Transfer to CIF Fund	0	0	0	0	0	0	0	0	0	0
Lease Purchase Payments	28,679	28,679	28,679	0	0	0	0	0	0	0
Unused	0	0	0	0	0	0	0	0	0	0
Transfer to Wastewater R&R Fund	541,408	747,774	615,634	883,244	1,139,550	802,465	735,335	700,586	1,200,450	1,186,752
Unused Transfer 6	0	0	0	0	0	0	0	0	0	0
Debt Service Fund	677,729	678,329	678,529	683,329	452,529	400,654	400,654	400,654	400,655	400,654
Increase (Decrease) in Fund Balance	(303,875)	(452,093)	(172,760)	(388,201)	(374,049)	69,708	207,126	301,882	(135,221)	(54,915)
Prorated Rate Increase	87,750	0	0	0	0	0	0	0	0	0
Total Expenditures	\$2,036,981	\$2,067,238	\$2,244,766	\$2,304,098	\$2,375,727	\$2,463,455	\$2,567,662	\$2,662,605	\$2,761,351	\$2,865,022
O&M Non-Rate Revenues										
Interest Earned - Operating Fund	\$0	\$1,558	\$1,245	\$965	\$584	\$432	\$570	\$825	\$908	\$813
Availability Charges	315,000	315,000	307,460	297,664	286,027	272,759	258,272	244,744	232,157	220,395
Wastewater Mitigation Fee	0	0	0	0	0	0	0	0	0	0
Waste Hauler Revenue	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800
Inclusion Fee	0	0	0	0	0	0	0	0	0	0
Interest	25,000	0	0	0	0	0	0	0	0	0
Interest on Delinquent Taxes	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Penalty & Interest Delin. Accounts	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Current TAX Interest	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Other Revenues	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Bond Proceeds Interest	3,000	0	0	0	0	0	0	0	0	0
Transfer from General Fund	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000
Transfer from DS - Bond INT	1,807	0	0	0	0	0	0	0	0	0
Capital Non-Rate Revenues										
Customer Hookups	3,720	3,720	3,809	3,930	4,084	4,274	4,500	4,736	4,980	5,232
Capital Investment Fees	0	0	0	0	0	0	0	0	0	0
Tap Fee	35,000	0	0	0	0	0	0	0	0	0
Interest from Bond Issue	0	0	0	0	0	0	0	0	0	0
Interest	50,000	0	0	0	0	0	0	0	0	0
Connection Fee	9,890	0	43,860	59,770	75,680	93,310	111,800	116,100	119,970	124,270
Unused 7	0	0	0	0	0	0	0	0	0	0
Transfer from CIF Fund	0	0	0	0	0	0	0	0	0	0
Transfer from Debt Service Fund	0	0	0	0	0	0	0	0	0	0
Unused Source 3	0	0	0	0	0	0	0	0	0	0
Total Non-Rate Revenues	\$656,417	\$533,278	\$569,374	\$575,330	\$579,375	\$583,775	\$588,142	\$579,405	\$571,015	\$563,710
Revenue Required from Rates	\$1,380,564	\$1,533,960	\$1,675,392	\$1,728,768	\$1,796,352	\$1,879,680	\$1,979,520	\$2,083,200	\$2,190,336	\$2,301,312

Table 16
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Annualized User Charge Revenue Requirements

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Total Revenue Requirements:										
Operation & Maintenance	\$1,005,290	\$1,064,549	\$1,094,685	\$1,125,726	\$1,157,697	\$1,190,628	\$1,224,547	\$1,259,484	\$1,295,468	\$1,332,532
Capital	1,247,816	1,454,782	1,322,841	1,566,573	1,592,079	1,203,118	1,135,989	1,101,240	1,601,104	1,587,405
Total	\$2,253,106	\$2,519,331	\$2,417,526	\$2,692,298	\$2,749,776	\$2,393,747	\$2,360,536	\$2,360,723	\$2,896,572	\$2,919,937
User Charge Revenue Requirements:										
Operation & Maintenance	\$447,483	\$534,991	\$572,980	\$614,096	\$658,086	\$704,437	\$752,705	\$800,915	\$849,403	\$898,324
Capital	933,081	998,969	1,102,412	1,114,672	1,138,266	1,175,243	1,226,815	1,282,285	1,340,933	1,402,988
Total	\$1,380,564	\$1,533,960	\$1,675,392	\$1,728,768	\$1,796,352	\$1,879,680	\$1,979,520	\$2,083,200	\$2,190,336	\$2,301,312

Appendix B- Pagosa Area Water and Sanitation District (PAWSD) Financial Plan 2011

Table 17
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Combined Debt Service Coverage Calculation

Item	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Estimated Gross Revenues										
User Charge Revenues	\$4,396,814	\$4,637,960	\$5,090,798	\$5,505,806	\$5,664,155	\$5,859,946	\$6,095,258	\$6,340,390	\$6,593,873	\$6,856,605
Other Revenues	1,145,383	1,128,076	1,115,608	1,099,263	1,079,728	1,057,321	1,032,718	1,009,656	988,207	968,223
Interest Earning	0	3,580	3,213	2,929	2,537	2,400	2,616	2,965	3,146	3,132
Total Gross Revenues	\$5,542,197	\$5,769,616	\$6,209,618	\$6,607,998	\$6,746,419	\$6,919,667	\$7,130,592	\$7,353,011	\$7,585,226	\$7,827,960
Less: O&M	\$3,164,511	\$3,288,547	\$3,385,403	\$3,485,165	\$3,587,920	\$3,693,758	\$3,802,770	\$3,915,054	\$4,030,705	\$4,149,826
Net Revenues	\$2,377,686	\$2,481,070	\$2,824,215	\$3,122,833	\$3,158,499	\$3,225,909	\$3,327,821	\$3,437,957	\$3,554,521	\$3,678,134
Annual Debt Service	\$1,839,093	\$1,774,340	\$1,758,371	\$2,072,625	\$2,076,909	\$2,074,826	\$2,076,922	\$2,076,415	\$2,072,834	\$2,265,380
Coverage	1.29	1.40	1.61	1.51	1.52	1.55	1.60	1.66	1.71	1.62
Coverage Goals										
Required Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Target Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Revenue Deficit										
Required Coverage	0	0	0	0	0	0	0	0	0	0
Target Coverage	0	0	0	0	0	0	0	0	0	0

Table 18
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Calculation of Minimum Operating Fund Balance

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Assumptions										
Days of O&M Expenses	90	90	90	90	90	90	90	90	90	90
Percent of Year	24.66%	24.66%	24.66%	24.66%	24.66%	24.66%	24.66%	24.66%	24.66%	24.66%
Minimum Balance	\$247,880	\$262,491	\$269,922	\$277,576	\$285,460	\$293,580	\$301,943	\$310,558	\$319,430	\$328,570
Override Calculation										

Appendix B- Pagosa Area Water and Sanitation District (PAWSD) Financial Plan 2011

Table 19
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Defined Minimum Fund Balances

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Operating Fund	\$247,880	\$262,491	\$269,922	\$277,576	\$285,460	\$293,580	\$301,943	\$310,558	\$319,430	\$328,570
Debt Service Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CIF Fund	0	0	0	0	0	0	0	0	0	0
R&R Fund	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Combined Fund Balance Minimum	247,880	262,491	269,922	277,576	285,460	293,580	301,943	310,558	319,430	328,570

Appendix B- Pagosa Area Water and Sanitation District (PAWSD) Financial Plan 2011

Table 20
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Sources and Uses of Funds -- Operating Fund

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Interest Rate on Operating Fund	0.00%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Sources of Funds										
Beginning Fund Balance	\$2,087,837	\$1,783,962	\$1,331,870	\$1,159,110	\$770,909	\$396,860	\$466,568	\$673,695	\$975,576	\$840,355
Total Revenues	1,949,231	2,065,680	2,243,521	2,303,133	2,375,143	2,463,023	2,567,092	2,661,781	2,760,443	2,864,209
Transfer from CIF Fund	0	0	0	0	0	0	0	0	0	0
Transfer from Debt Service Fund	0	0	0	0	0	0	0	0	0	0
Unused Source 3										
Interest Earnings	0	1,558	1,245	965	584	432	570	825	908	813
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Sources of Funds	\$4,037,068	\$3,851,200	\$3,576,636	\$3,463,207	\$3,146,636	\$2,860,315	\$3,034,231	\$3,336,300	\$3,736,928	\$3,705,377
Uses of Funds										
O&M Costs	\$1,005,290	\$1,064,549	\$1,094,685	\$1,125,726	\$1,157,697	\$1,190,628	\$1,224,547	\$1,259,484	\$1,295,468	\$1,332,532
Transfers to:										
Transfer to CIF Fund	0	0	0	0	0	0	0	0	0	0
Lease Purchase Payments	28,679	28,679	28,679	0	0	0	0	0	0	0
Unused	0	0	0	0	0	0	0	0	0	0
Transfer to Wastewater R&R Fund	541,408	747,774	615,634	883,244	1,139,550	802,465	735,335	700,586	1,200,450	1,186,752
Unused Transfer 6										
Debt Service Fund	677,729	678,329	678,529	683,329	452,529	400,654	400,654	400,654	400,655	400,654
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Ending Fund Balance	\$1,783,962	\$1,331,870	\$1,159,110	\$770,909	\$396,860	\$466,568	\$673,695	\$975,576	\$840,355	\$785,440
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Total Uses of Funds	\$4,037,068	\$3,851,200	\$3,576,636	\$3,463,207	\$3,146,636	\$2,860,315	\$3,034,231	\$3,336,300	\$3,736,928	\$3,705,377

Appendix B- Pagosa Area Water and Sanitation District (PAWSD) Financial Plan 2011

Table 21
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Sources and Uses of Funds -- Debt Service Fund

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Interest Rate on Debt Service Fund	0.00%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Sources of Funds										
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers from Operating Fund	677,729	678,329	678,529	683,329	452,529	400,654	400,654	400,654	400,655	400,654
Other Funding										
Interest Earnings	0	0	0	0	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Sources of Funds	\$677,729	\$678,329	\$678,529	\$683,329	\$452,529	\$400,654	\$400,654	\$400,654	\$400,655	\$400,654
Uses of Funds										
Debt Service Payments	\$677,729	\$678,329	\$678,529	\$683,329	\$452,529	\$400,654	\$400,654	\$400,654	\$400,655	\$400,654
Transfer to Operating Fund	0	0	0	0	0	0	0	0	0	0
Ending Fund Balance	0	0	0	0	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Uses of Funds	\$677,729	\$678,329	\$678,529	\$683,329	\$452,529	\$400,654	\$400,654	\$400,654	\$400,655	\$400,654

Appendix B- Pagosa Area Water and Sanitation District (PAWSD) Financial Plan 2011

Table 22
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Sources and Uses of Funds -- CIF Fund

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Interest Rate on CIF Fund	0.00%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Sources of Funds										
Beginning Fund Balance	\$2,136,266	\$2,069,428	\$1,975,494	\$1,959,228	\$1,968,274	\$1,937,078	\$1,999,546	\$2,091,711	\$2,188,350	\$2,288,609
Transfer from Operating Fund - Calibrating	0	0	0	0	0	0	0	0	0	0
Other Sources <u>more</u>										
Grants, General Fund Transfers and Other Proceeds	0	0	0	0	0	0	0	0	0	0
Bond Proceeds	0	0	0	0	0	0	0	0	0	0
CIF Revenues	17,526	0	77,724	105,918	134,112	165,354	198,120	205,740	212,598	220,218
Interest Earnings	0	2,022	1,967	1,964	1,953	1,968	2,046	2,140	2,238	2,319
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Total Sources of Funds	\$2,153,792	\$2,071,451	\$2,055,185	\$2,067,110	\$2,104,339	\$2,104,401	\$2,199,711	\$2,299,591	\$2,403,187	\$2,511,146
Uses of Funds										
CIP	\$84,364	\$95,957	\$95,957	\$98,836	\$167,260	\$104,855	\$108,001	\$111,241	\$114,578	\$161,620
Bond Issuance Costs	0	0	0	0	0	0	0	0	0	0
Transfer To Operating Fund	0	0	0	0	0	0	0	0	0	0
Transfers To R&D Fund	0	0	0	0	0	0	0	0	0	0
Ending Fund Balance	2,069,428	1,975,494	1,959,228	1,968,274	1,937,078	1,999,546	2,091,711	2,188,350	2,288,609	2,349,527
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Total Uses of Funds	\$2,153,792	\$2,071,451	\$2,055,185	\$2,067,110	\$2,104,339	\$2,104,401	\$2,199,711	\$2,299,591	\$2,403,187	\$2,511,146

Appendix B- Pagosa Area Water and Sanitation District (PAWSD) Financial Plan 2011

Table 23
 Pagosa Area Water and Sanitation District
 Wastewater Rate Study
 Sources and Uses of Funds -- Wastewater R&R Fund

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Interest Rate on R&R Fund	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Sources of Funds										
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Operating Fund	541,408	747,774	615,634	883,244	1,139,550	802,465	735,335	700,586	1,200,450	1,186,752
Transfers from Capital	0	0	0	0	0	0	0	0	0	0
2011 Bond Proceeds	0									
Bond Proceeds	0	0	0	0	0	0	0	0	0	0
Unused Source 7										
Other Funding										
Interest Earnings	0	0	0	0	0	0	0	0	0	0
Total Sources of Funds	\$541,408	\$747,774	\$615,634	\$883,244	\$1,139,550	\$802,465	\$735,335	\$700,586	\$1,200,450	\$1,186,752
Uses of Funds										
Wastewater R&R CIP	541,408	747,774	615,634	883,244	1,139,550	802,465	735,335	700,586	1,200,450	1,186,752
Bond Issuance Costs	0	0	0	0	0	0	0	0	0	0
Ending Fund Balance	0	0	0	0	0	0	0	0	0	0
Total Uses of Funds	\$541,408	\$747,774	\$615,634	\$883,244	\$1,139,550	\$802,465	\$735,335	\$700,586	\$1,200,450	\$1,186,752

Table 24
Pagosa Area Water and Sanitation District
Wastewater Rate Study
Calibration Table

Description	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Informational Items										
Debt Service Coverage (w/o CIF)	1.05	1.28	1.43	1.44	2.23	2.61	2.74	2.88	3.02	3.18
Debt Service Coverage (w CIF)	1.09	1.28	1.61	1.68	2.69	3.25	3.51	3.68	3.85	4.04
Target Coverage	0.50	0.50	0.50	1.16	1.25	1.25	1.25	1.25	1.25	1.25
Additional Funds Needed	0	0	0	0	0	0	0	0	0	0
Minimum Coverage	0.50	0.50	0.50	1.16	1.12	1.10	1.10	1.10	1.10	1.10
Additional Funds Needed	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage All Debt	1.09	1.28	1.61	1.68	2.69	3.25	3.51	3.68	3.85	4.04
Cash-Needs Revenue Requirement-- Wastewater	1,292,814	1,533,960	1,675,392	1,728,768	1,796,352	1,879,680	1,979,520	2,083,200	2,190,336	2,301,312
Percent Increase/Decrease from Previous		19%	9%	3%	4%	5%	5%	5%	5%	5%
Ending Fund Balances										
<i>Operating Fund</i>	1,783,962	1,331,870	1,159,110	770,909	396,860	466,568	673,695	975,576	840,355	785,440
Target Operating Fund Balance	247,880	262,491	269,922	277,576	285,460	293,580	301,943	310,558	319,430	328,570
Difference from Target Fund Balance	1,536,083	1,069,378	889,187	493,333	111,401	172,989	371,752	665,019	520,925	456,870
<i>Debt Service Fund</i>	0	0	0	0	0	0	0	0	0	0
Target Debt Service Fund Balance	0	0	0	0	0	0	0	0	0	0
Difference from Target Fund Balance	0	0	0	0	0	0	0	0	0	0
<i>CIF Fund</i>	2,069,428	1,975,494	1,959,228	1,968,274	1,937,078	1,999,546	2,091,711	2,188,350	2,288,609	2,349,527
Target Construction Fund Balance	0	0	0	0	0	0	0	0	0	0
Difference from Target Fund Balance	2,069,428	1,975,494	1,959,228	1,968,274	1,937,078	1,999,546	2,091,711	2,188,350	2,288,609	2,349,527
<i>R&R Fund</i>	0	0	0	0	0	0	0	0	0	0
Target Wastewater R&R Fund Balance	0	0	0	0	0	0	0	0	0	0
Difference from Target Fund Balance - FYI Only	0	0	0	0	0	0	0	0	0	0
<i>Combined Available Fund Balance</i>	3,853,391	3,307,364	3,118,338	2,739,183	2,333,939	2,466,114	2,765,406	3,163,927	3,128,964	3,134,966
Target Minimum Combined Balance	247,880	262,491	269,922	277,576	285,460	293,580	301,943	310,558	319,430	328,570
Fund Surplus/(Shortfall) - excludes Rate Stabilization	3,605,511	3,044,872	2,848,415	2,461,607	2,048,479	2,172,535	2,463,462	2,853,369	2,809,534	2,806,397
Action Items										
New Debt issued - Subject to Bond Ordinance	0	0	0	0	0	0	0	0	0	0
New Debt issued - Not Subject to Bond Ordinance	0	0	0	0	0	0	0	0	0	0
New Debt Issued Percentage by Fund										
CIF Fund	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
R&R Fund	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Transfers:										
Operating Fund to CIF Fund	0	0	0	0	0	0	0	0	0	0
Operating Fund to Wastewater R&D Fund	541,408	747,774	615,634	883,244	1,139,550	802,465	735,335	700,586	1,200,450	1,186,752
CIF Fund to Operating Fund	0	0	0	0	0	0	0	0	0	0
CIF Fund to Wastewater R&D Fund	0	0	0	0	0	0	0	0	0	0
Debt Service to Operating Fund	0	0	0	0	0	0	0	0	0	0
Grants, General Fund Transfers and Other Proceeds	0	0	0	0	0	0	0	0	0	0
Debt Issue Early Payoff	0	0	0	0	0	0	0	0	0	0
CIP Costs										
Total Cash Financing CIP	625,772	843,732	711,591	982,080	1,306,810	907,320	843,336	811,827	1,315,028	1,348,371
Debt Funded CIP	0	0	0	0	0	0	0	0	0	0
Other Funds	0	0	0	0	0	0	0	0	0	0
Rate Revenue Increase	18.0%	11.9%	6.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Target Rate Increase		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Combined Debt Service Coverage										
Combined Target Coverage (w/o CIF)	1.29	1.40	1.61	1.51	1.52	1.55	1.60	1.66	1.71	1.62
Target Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Additional Funds Needed	0	0	0	0	0	0	0	0	0	0
Monthly Wastewater Rate per Unit	\$23.00	\$27.00	\$30.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
Performance Factors & Goals										
Difference in Target Fund Balances	3,605,511	3,044,872	2,848,415	2,461,607	2,048,479	2,172,535	2,463,462	2,853,369	2,809,534	2,806,397
Difference in Rate Target	18%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Annualized Rate per Unit	\$23.00	\$25.28	\$30.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
Total Cumulative Revenue Increase	18.00%	32.00%	40.80%	40.80%	40.80%	40.80%	40.80%	40.80%	40.80%	40.80%
Debt Issues Early Payoff	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020
2006 Refunding Bonds	0	0	0	0	0	0	0	0	0	0
2009 Wastewater Revenue CWRDPA (ARRA)	0	0	0	0	0	0	0	0	0	0
2009 ARRA Base Loan	0	0	0	0	0	0	0	0	0	0