



RESOLUTION 2021-09
RATES, FEES, CHARGES FOR
WATER/SEWER/ROADS/TRASH SERVICE

Re: FLMD 12/19/83 MINUTES, RESOLUTIONS 1990-09, 1990-10, 1992-02, 1996-10, 2001-03, 2001-04, 2002-06, 2007-12, 2007-13, 2008-03, 2008-04, 2009-09 AND 2013-06

A RESOLUTION REVISING RATES, FEES AND CHARGES FOR FOREST LAKES METROPOLITAN DISTRICT, COLORADO

WHEREAS, The Forest Lakes Metropolitan District (“the District) Board of Directors has the authority to adopt resolutions necessary for the governing and management of the District, for the execution of the powers vested in the District and for carrying into effect the provisions of Article I of Title 32, CRS, as amended to promote the health, safety, prosperity, security, and general welfare of the inhabitants of the Forest Lakes Metropolitan District and of the people of the State of Colorado, and

WHEREAS, in accordance with CRS 32-1-1001(1), the Board of Directors has the power to fix, and from time to time increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District; and

WHEREAS, Forest Lakes Metropolitan District underwent the last nominal rate increase in 2013 (8 years ago). Since then, costs to maintain equipment and infrastructure has risen and continues to rise annually; and

WHEREAS, FLMD’s heavy equipment fleet that is used to maintain our infrastructure, roads and for snow removal are old and dilapidated and need to be replaced since we are reaching points where it is impractical and not cost effective to maintain them. FLMD completed an Equipment Replacement Masterplan that identified the pieces that need to be replaced in an orderly and cost-effective manner over the next several years; and

WHEREAS, FLMD’s current water and wastewater infrastructure and FLMD buildings are in many cases 40 to 50 years old and in need of replacement, upgrade, or repair. Also, many of the District’s gravel roads were constructed in the 1970s and since they require a higher level of yearly maintenance, additional funds need to be generated to handle this long-term requirement; and

WHEREAS, FLMD contracted with an independent, local engineer (San Juan Engineering) to complete a Capital Improvements Plan (CIP) or Masterplan due to their in-depth knowledge of our infrastructure and its condition. San Juan Engineering completed the Masterplan, which identified almost \$26M in infrastructure upgrades and repairs (water, sewer, and roads) that must be completed over the next 30 years within Units 1, 2, 4 and 5 (1,600 parcels); and

WHEREAS, FLMD advertised and conducted two (2) public Special Meetings/Study Sessions on the CIP with the Board of Directors with the final meeting occurring on April 7th. At this meeting, San Juan Engineering briefed the specifics about the CIP...both the draft and final CIP were posted on the District’s website for the public to review; and

WHEREAS, The Final CIP was subsequently posted on FLMD’s website since April 13th, 2021, and copies of the CIP can be obtained from the District Office. The meetings were announced on FLMD’s website and District Calendar; and

WHEREAS, An in-depth and comprehensive Masterplan (Road Map) of this nature has not ever been completed for the District; and

WHEREAS, the emergency egress road (1.5 miles long) needs to be improved to ensure it can accommodate the amount of traffic that could potentially use it in the future. This is a life, health, and safety item; and

WHEREAS, FLMD will need to conduct another mining and crushing operation to provide the required amount of gravel for our 26 miles of roads and for the emergency access road; and

WHEREAS, Additionally, annual funding from the Highway User Tax Fund (HUTF) is not adequate to help subsidize the annual required costs to maintain the District’s roads; and

WHEREAS, Currently, the Sewer Fund is indebted to the Water Fund over \$200K because the Sewer Fund is not generating enough in revenues to be self-sufficient; and

WHEREAS, When the Trash Disposal Operation was developed, the rate that was established was for that operation alone. The Brush/Slash facility was later brought online and now the Trash Disposal Operation is subsidizing the Brush/Slash Facility. Operating and maintaining the Brush and Slash operation is almost a ¾-time body in manpower during the summer; and

WHEREAS, The current cash reserves and funding generated from property taxes is not adequate to build cash reserves that will be required in the form of grants, loans, bonds, etc., to replace FLMD capital assets or to complete the required CIP projects in the upcoming years; and

WHEREAS, The Forest Lakes Metropolitan District Board of Directors wants to encourage water conservation within the District and has reduced the Tier breaks from 5,000 gallons to 3,000 gallons to strategically accomplish that; and

WHEREAS, FLMD has undergone a Rate Study by an independent expert (Rural Community Assistance Corporation, RCAC) through the United States Department of Agriculture (USDA) to determine whether our current and future revenues will be adequate to handle current and future expenditures pertaining to replacing capital assets (equipment, vehicles, infrastructure, etc.). The results of the Rate Study are shown at **Attachments A1 and A2**, and this data and research into the rates charged by other similarly sized special districts were instrumental in determining the rate adjustments that needed to be completed; and

WHEREAS, RCAC has expert staff dedicated to completing Rate Studies for Municipalities...the major goals of this Rate Study were sustainability, fairness, and justifiability; and

WHEREAS, FLMD conducted three (3) public Rate Study Special Meetings /Study Sessions with the Board of Directors with the final meeting occurring on June 21st, 2021. The meetings were announced on FLMD's website and District Calendar; and

WHEREAS, Through deployment of their model and understanding of the Forest Lakes Metropolitan District and its customers and required services, RCAC helped the Board of Directors identify the existing inadequacies and the needed rate increases initially and for the next 5 years to balance the budget by addressing the required funding and current funding inadequacies; and

WHEREAS, Forest Lakes Metropolitan District Board of Directors approves RCAC's recommendations of an automatic 10% rate increase to the sewer and water metered rates for each year from Year 2 through Year 5; and

WHEREAS, RCAC's Rate Study expert has recommended that FLMD complete another Rate Study in 5 years to determine progress towards funding goals; and

WHEREAS, All information about the Rate Increases is posted on FLMD's website and it has been Noticed to the public according to the State Statutes, CRS 32-1-1001(2)(a). Also, the topic has been discussed at several Board of Director's meetings over the last 3-1/2 years; and

WHEREAS, the current cash reserves and funding generated from property taxes is not adequate to build cash reserves that will be required in the form of grants, loans, etc., to replace FLMD capital assets or to complete the required CIP projects in the upcoming years; and

WHEREAS, The Forest Lakes Metropolitan Board of Directors agrees that such revised rates, fees, and charges are needed, are fair and equitable and are in the best interests of the property owners of the Forest Lakes Metropolitan District, Colorado.

WHEREAS, The new established rates will become effective and applied to the September 2021 usage period.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FOREST LAKES METROPOLITAN DISTRICT, COLORADO, THAT THE FOLLOWING RATES, FEES AND CHARGES ARE HEREBY ESTABLISHED AND SHALL BECOME EFFECTIVE AUGUST 10, 2021, UNLESS OTHERWISE STATED AND SHALL SUPERSEDE AND REPLACE PREVIOUS RATES, FEES AND CHARGES AS SPECIFIED IN THEIR ENTIRETY:

I. RATES - WATER

A. RESIDENTIAL (SINGLE FAMILY) TIERED METERED RATES (5/8” METER – IN-DISTRICT), ((Full Time [FT] – occupied more than six months/year; Part Time [PT]; users monthly charges shall be as follows:

Full Time (Occupied more than 6 months/year)	
Category of User	Rate
Base Rate for 0 - 3,000 gallons	\$37.90
Rate per 1,000 gallons from 3,001 to 6,000	\$3.50
Rate per 1,000 gallons from 6,001 to 12,000	\$4.00
Rate per 1,000 gallons from 12,001 to 20,000	\$4.50
Rate per 1,000 gallons from 20,001 to 30,000	\$5.00
Rate per 1,000 gallons from 30,001 to 45,000	\$6.00
Rate per 1,000 gallons from 45,001 to 60,000	\$6.50
Rate per 1,000 gallons from 60,001 and over	\$7.00

Part Time (Occupied less than 6 months/year)	
Category of User	Rate
Base Rate for 0 – 1,500 gallons	\$30.00
Rate per 1,000 gallons from 1,501 to 6,000	\$4.50
Rate per 1,000 gallons from 6,001 to 12,000	\$4.75
Rate per 1,000 gallons from 12,001 to 20,000	\$5.00
Rate per 1,000 gallons from 20,001 to 30,000	\$5.25
Rate per 1,000 gallons from 30,001 to 45,000	\$5.50
Rate per 1,000 gallons from 45,001 to 60,000	\$5.75
Rate per 1,000 gallons from 60,001 and over	\$6.00

*** Note - Occasional (No habitable structure, used less than three months per year) – Category deleted and residents will now fall within the PT category. ***

B. RESIDENTIAL (SINGLE FAMILY) TIERED METERED RATES (5/8” METER – OUT-OF-DISTRICT), users monthly charges shall be as follows:

Full Time (Occupied more than 6 months/year) - Out of District	
Category of User	Rate
Base Rate (2.0) rate for 0 - 3,000 gallons	\$75.80
Rate per 1,000 gallons from 3,001 to 6,000	\$7.00
Rate per 1,000 gallons from 6,001 to 12,000	\$8.00
Rate per 1,000 gallons from 12,001 to 20,000	\$9.00
Rate per 1,000 gallons from 20,001 to 30,000	\$10.00
Rate per 1,000 gallons from 30,001 to 45,000	\$12.00
Rate per 1,000 gallons from 45,001 to 60,000	\$13.00
Rate per 1,000 gallons from 60,001 and over	\$14.00

Part Time (Occupied less than 6 months/year) - Out of District	
Category of User	Rate
Base Rate (2.0) for 0 – 1,500 gallons	\$60.00
Rate per 1,000 gallons from 1,501 to 6,000	\$9.00
Rate per 1,000 gallons from 6,001 to 12,000	\$9.50
Rate per 1,000 gallons from 12,001 to 20,000	\$10.00
Rate per 1,000 gallons from 20,001 to 30,000	\$10.50
Rate per 1,000 gallons from 30,001 to 45,000	\$11.00
Rate per 1,000 gallons from 45,001 to 60,000	\$11.50
Rate per 1,000 gallons from 60,001 and over	\$12.00

**** Per Resolution 1996-06, Out-of-District Water and Sewer fees are set at two time (2X) the water and sewer fees charges within the boundaries of the Forest lakes Metropolitan District. ****

**** Note - Occasional (No habitable structure, used less than three months per year) – Category deleted and residents will now fall within the PT category. ****

C. COMMERCIAL METER RATES (IN-DISTRICT AND OUT-OF-DISTRICT), user’s monthly water charges shall be based upon meter size as follows: (Full Time [FT] – occupied more than six months/year; Part Time [PT]).

3/4” Meter Size (User Class - FT)	
Base Rate (1.5) rate for 0 – 5,000 gallons	\$56.85
Rate per 1,000 gallons from 5,001 to 12,000	\$5.25
Rate per 1,000 gallons from 12,001 to 20,000	\$6.00
Rate per 1,000 gallons from 20,001 to 40,000	\$6.75
Rate per 1,000 gallons from 40,001 to 50,000	\$7.50
Rate per 1,000 gallons from 50,001 to 60,000	\$9.00
Rate per 1,000 gallons from 60,001 and over	\$9.75

3/4” Meter Size (User Class - PT)	
Base Rate (1.5) rate for 0 – 3,000 gallons	\$45.00
Rate per 1,000 gallons from 3,001 to 6,000	\$6.75
Rate per 1,000 gallons from 6,001 to 16,000	\$7.15
Rate per 1,000 gallons from 16,001 to 25,000	\$7.50
Rate per 1,000 gallons from 25,001 to 35,000	\$7.90
Rate per 1,000 gallons from 35,001 to 45,000	\$8.25
Rate per 1,000 gallons from 45,001 to 60,000	\$8.65
Rate per 1,000 gallons from 60,001 and over	\$9.00

**** Note - Occasional (No habitable structure, used less than three months per year) – Category deleted and residents will now fall within the PT category. ****

3/4” Meter Size (User Class - FT) - Out of District	
Base Rate (2.0) rate for 0 – 5,000 gallons	\$113.70
Rate per 1,000 gallons from 5,001 to 12,000	\$10.50
Rate per 1,000 gallons from 12,001 to 20,000	\$12.00
Rate per 1,000 gallons from 20,001 to 40,000	\$13.50
Rate per 1,000 gallons from 40,001 to 50,000	\$15.00
Rate per 1,000 gallons from 50,001 to 60,000	\$18.00
Rate per 1,000 gallons from 60,001 and over	\$19.50

3/4” Meter Size (User Class - PT) - Out of District	
Base Rate (2.0) rate for 0 – 3,000 gallons	\$90.00
Rate per 1,000 gallons from 3,001 to 6,000	\$13.50
Rate per 1,000 gallons from 6,001 to 16,000	\$14.29
Rate per 1,000 gallons from 16,001 to 25,000	\$15.00
Rate per 1,000 gallons from 25,001 to 35,000	\$15.79
Rate per 1,000 gallons from 35,001 to 45,000	\$16.50
Rate per 1,000 gallons from 45,001 to 60,000	\$17.29
Rate per 1,000 gallons from 60,001 and over	\$18.00

1" Meter Size (User Class - FT)	
Base Rate (2.5) rate for 0 – 9,000 gallons	\$94.75
Rate per 1,000 gallons from 9,001 to 20,000	\$8.75
Rate per 1,000 gallons from 20,001 to 30,000	\$10.00
Rate per 1,000 gallons from 30,001 to 40,000	\$11.25
Rate per 1,000 gallons from 40,001 to 50,000	\$12.50
Rate per 1,000 gallons from 50,001 to 60,000	\$15.00
Rate per 1,000 gallons from 60,001 and over	\$16.25

1" Meter Size (User Class - PT)	
Base Rate (2.5) rate for 0 – 4,000 gallons	\$75.00
Rate per 1,000 gallons from 4,001 to 10,000	\$11.25
Rate per 1,000 gallons from 10,001 to 20,000	\$11.90
Rate per 1,000 gallons from 20,001 to 30,000	\$12.50
Rate per 1,000 gallons from 30,001 to 40,000	\$13.15
Rate per 1,000 gallons from 40,001 to 50,000	\$13.75
Rate per 1,000 gallons from 50,001 to 60,000	\$14.40
Rate per 1,000 gallons from 60,001 and over	\$15.00

*** Note - Occasional (No habitable structure, used less than three months per year) – Category deleted and residents will now fall within the PT category. ***

1" Meter Size (User Class - FT) - Out of District	
Base Rate (2.0) rate for 0 – 9,000 gallons	\$189.50
Rate per 1,000 gallons from 9,001 to 20,000	\$17.50
Rate per 1,000 gallons from 20,001 to 30,000	\$20.00
Rate per 1,000 gallons from 30,001 to 40,000	\$22.50
Rate per 1,000 gallons from 40,001 to 50,000	\$25.00
Rate per 1,000 gallons from 50,001 to 60,000	\$30.00
Rate per 1,000 gallons from 60,001 and over	\$32.50

1" Meter Size (User Class - PT) - Out of District	
Base Rate (2.5) rate for 0 – 4,000 gallons	\$150.00
Rate per 1,000 gallons from 4,001 to 10,000	\$22.50
Rate per 1,000 gallons from 10,001 to 20,000	\$23.80
Rate per 1,000 gallons from 20,001 to 30,000	\$25.00
Rate per 1,000 gallons from 30,001 to 40,000	\$26.30
Rate per 1,000 gallons from 40,001 to 50,000	\$27.50
Rate per 1,000 gallons from 50,001 to 60,000	\$28.80
Rate per 1,000 gallons from 60,001 and over	\$30.00

*** Note - Occasional (No habitable structure, used less than three months per year) – Category deleted and residents will now fall within the PT category. ***

1.5" Meter Size (User Class - FT)	
Base Rate (5.0) rate for 0 – 19,000 gallons	\$189.50
Rate per 1,000 gallons from 19,001 to 38,000	\$17.50
Rate per 1,000 gallons from 38,001 to 50,000	\$20.00
Rate per 1,000 gallons from 50,001 to 60,000	\$22.50
Rate per 1,000 gallons from 60,001 and over	\$25.00

1.5" Meter Size (User Class - PT)	
Base Rate (5.0) rate for 0 – 10,000 gallons	\$150.00
Rate per 1,000 gallons from 10,001 to 18,000	\$22.50
Rate per 1,000 gallons from 18,001 to 24,000	\$23.75
Rate per 1,000 gallons from 24,001 to 40,000	\$25.00
Rate per 1,000 gallons from 40,001 to 50,000	\$26.25
Rate per 1,000 gallons from 50,001 to 60,000	\$27.50
Rate per 1,000 gallons from 60,001 and over	\$28.75

**** Note - Occasional (No habitable structure, used less than three months per year) – Category deleted and residents will now fall within the PT category. ****

1.5" Meter Size (User Class - FT) - Out of District	
Base Rate (2.0) rate for 0 – 19,000 gallons	\$379.00
Rate per 1,000 gallons from 19,001 to 38,000	\$35.00
Rate per 1,000 gallons from 38,001 to 50,000	\$40.00
Rate per 1,000 gallons from 50,001 to 60,000	\$45.00
Rate per 1,000 gallons from 60,001 and over	\$50.00

1.5" Meter Size (User Class - PT) - Out of District	
Base Rate (2.0) rate for 0 – 10,000 gallons	\$300.00
Rate per 1,000 gallons from 10,001 to 18,000	\$45.00
Rate per 1,000 gallons from 18,001 to 24,000	\$47.50
Rate per 1,000 gallons from 24,001 to 40,000	\$50.00
Rate per 1,000 gallons from 40,001 to 50,000	\$52.50
Rate per 1,000 gallons from 50,001 to 60,000	\$55.00
Rate per 1,000 gallons from 60,001 and over	\$57.50

**** Note - Occasional (No habitable structure, used less than three months per year) – Category deleted and residents will now fall within the PT category. ****

- D. **Water Service Availability Fee** – A residential lot or residential lot equivalent which has water service lines within 100 feet of the property line and where such service is ready for connection. This excludes Out-of-District lots. The monthly fee charged for this will be **\$12.00**. “Water Minimum Bill (W/PI-TAP)” and “Minimum Bill” categories are being deleted and replaced with Water Service Availability Fee.
- E. Rates shown above are subject to an automatic 10% annual escalation each year (after the 1st year) through the fifth year. At that point, it is expected that another Rate Study will be conducted.

II. RATES - SEWER

- A. RESIDENTIAL (SINGLE FAMILY) AND COMMERCIAL FLAT RATES, monthly sewer charges shall be as follows:

SEWER SERVICE	5/8"
FULL TIME (Occupied > six months/year)	\$38.25
PART TIME (Occupied < six months/year)	\$30.50

**** Note - Occasional (No habitable structure, used less than three months per year) – Category deleted and residents will now fall within the PT category. ****

B. COMMERCIAL

SEWER SERVICE	3/4"	1"	1-1/2"
FULL TIME (Occupied > six months/year)	\$57.38	\$95.63	\$191.25
PART TIME (Occupied < six months/year)	\$45.75	\$76.25	\$152.50

**** Note - Occasional (No habitable structure, used less than three months per year) – Category deleted and residents will now fall within the PT category. ****

C. ALL OTHER RATES, monthly charges shall be as follows:

SEWER SERVICE – OUT-OF-DISTRICT	5/8"	3/4"	1"	1-1/2"
FULL TIME (Occupied > six months/year)	\$76.50	\$114.75	\$191.25	\$382.50
PART TIME (Occupied < six months/year)	\$61.00	\$91.50	\$152.50	\$305.00

****Per Resolution 1996-06, Out-of-District Water and Sewer fees are set at two time (2X) the water and sewer fees charges within the boundaries of the Forest Lakes Metropolitan District.**

**** Note - Occasional (No habitable structure, used less than three months per year) – Category deleted and residents will now fall within the PT category. ****

B. **Sewer Service Availability Fee** – A residential lot or residential lot equivalent which has water service lines within 100 feet of the property line and where such service is ready for connection. The monthly fee charged for this will be **\$19.50**.

C. Rates shown above are subject to an automatic 10% annual escalation each year (after the 1st year) through the fifth year. At that point, it is expected that another Rate Study will be conducted.

III. PLANT INVESTMENT FEES (TAP FEES)

A. Water and Sewer Plant Investment Fees (Tap Fees) shall be as follows:

1. In-District

TAP SIZE	FEE
5/8" or Vacant	\$8,500.00
3/4"	\$12,750.00
1"	\$21,250.00
1-1/2"	\$42,500.00

2. Out-of-District

TAP SIZE	FEE
5/8" or Vacant	\$15,000.00
3/4"	\$22,500.00
1"	\$37,500.00
1-1/2"	\$60,000.00

****Per Resolution 1996-06, Out-of-District Water and Sewer fees are set at two time (2X) the water and sewer fees charges within the boundaries of the Forest Lakes Metropolitan District. However, with the In-District fee increase of 42%, the out-of-District fee increase will be just 25% over existing fees of \$12,000 (5/8"), \$18,000 (3/4"), \$30,000 (1") and \$48,000 (1-1/2").**

IV. WATER AND WASTEWATER SERVICE CONNECTION CHARGES

A. Water service connection charges (includes meter pit, meter, yoke, and piping materials from tap to stub) shall be as follows:

1. In-District

Service Size	Fee
5/8"	\$1,550.00
3/4"	\$2,330.00
1"	\$3,880.00
1-1/2"	\$7,750.00

2. Out-of-District

Service Size	Fee
5/8"	\$2,750.00
3/4"	\$4,125.00
1"	\$6,875.00
1-1/2"	\$13,750.00

***Per Resolution 1996-06, Out-of-District Water and Sewer fees are set at two time (2X) the water and sewer fees charges within the boundaries of the Forest Lakes Metropolitan District. However, with the In-District fee increase of 41%, the out-of-District fee increase will be just 25% over existing fees of \$2,200.*

B. Wastewater Service Connection (Flat Fee) charge shall be as follows:

CATEGORY	FEE
In-District	\$400.00
Out-of-District	\$500.00

***Per Resolution 1996-06, Out-of-District Water and Sewer fees are set at two time (2X) the water and sewer fees charges within the boundaries of the Forest Lakes Metropolitan District. However, this is a new rate established for both In-District and Out-of-District and Out-of-District will just be 25% higher than the In-District rate.*

V. RATES - ROAD MAINTENANCE AND IMPROVEMENT FEES

A. Monthly Service Charges. A monthly Road Maintenance and Improvement Fee shall be assessed upon each lot in Units 1, 2, 4, and 5 as follows:

SERVICE SIZE	FEE
5/8" or Vacant	\$13.50
3/4"	\$20.25
1"	\$33.75
1-1/2"	\$67.50

VI. RATES - TRASH AND BRUSH/SLASH DISPOSAL FEES

A. Monthly Service Charges. A monthly trash and brush/slash disposal fee shall be assessed upon each property based upon the below categories in Units 1, 2, 4 and 5, in accordance with the following schedule:

CATEGORY	FEE
FULL TIME (Occupied more than six months/year)	\$14.50
PART TIME (Vacant or Occupied less than six months/year)	\$6.25
OCCASIONAL (No Bldg.)	Category Deleted

*** Note - Occasional (No habitable structure, used less than three months per year) – Category deleted and residents will now fall within the PT category. ***

- B. For those in Unit 3 that would like the option of utilizing the Trash and Brush/Slash facility, they will be charged in accordance with the above schedule. Unit 3 residents will also complete a Key Fob Agreement and will be charged the Key Fob Replacement fee for the issuance of the first Key Fob.

VII. RATES – SERVICES IMPACT FEE

Based upon floor area measured from the exterior of the walls for all new and additional construction, a one-time fee of **\$2.40** per square foot will be charged. This rate applies only to Units 1, 2, 4 and 5.

VIII. RATES – TRANSFER OF OWNERSHIP FEES

For Units, 1, 2, 3, 4 and 5, a rate of **\$55.00** per change in ownership of property within or serviced by Forest Lakes Metropolitan District.

IX. TURNING WATER ON AND OFF

A service charge for turning water on and off shall be \$45.00 per request.

X. MAILSTOP MAINTENANCE AND IMPROVEMENT FEE

A monthly mail stop box maintenance and improvement fee per lot, per month shall be assessed upon each tapped lot in Units 1, 2, 4 and 5 in the amount of **\$2.50** per month.

XI. LATE (DELINQUENCY) PAYMENTS, LIEN AND FORECLOSURE FEES

Section 4.6.10 – Penalty for Late Payments of the Forest Lakes Metropolitan District Rules and Regulations is hereby revised as follows:

At any time, the customer is twenty (20) days delinquent in payment of any charges due the District, the District shall have the right to assess an interest charge at a rate of three (3%) percent per month on the unpaid balance. The District shall further have the right, in its sole discretion, to terminate service to any customer who becomes thirty (30) days or more delinquent in payments to the District. When a bank returns a check to the District based upon Non-Sufficient Funds (NSF), the District will charge a fee of **\$25.00** to the resident.

The District has the right to assess to any customer who is tardy in payment of their account all legal, court, disconnection, and other costs necessary to or incidental to the collection of said account.

- a. Liens for Unpaid Charges and Fees: All charges and fees shall be charged against the owner or customer of the property served and shall be a perpetual lien upon the property to which said service is provided or requested from the time when due. For each account that is at least sixty (60) days delinquent in payment, and which has a lien filed, the District shall assess a lien collection fee of **\$35.00**.

XII. KEY FOB REPLACEMENT FEE

- A. The first Key Fob issued to the resident is free.
- B. Residents will be charged a fee of **\$30.00** (non-refundable) for replacement Key Fobs.

XIII. EXCAVATION PERMIT (INCLUDES DRIVEWAY PERMITS) FEE

Excavation Permits (Includes Driveway Permits) will cost **\$55.00** per permit.

XIV. CHARGE TO REINSTATE WATER AFTER DELINQUENT DISCONNECT

\$50.00 charge will be assessed to a delinquent account each time water has been disconnected.

XV. UNLAWFUL USE OF (OR TAMPERING) WITH DISTRICT'S WATER AND/OR SEWER INFRASTRUCTURE

Unlawful use of water or sewer, tampering or damaging of water meters or sewer system or unauthorized turn on will result in a service charge of **\$250.00** being assessed in addition to the repair cost.

INTRODUCED AND ADOPTED THIS 10TH DAY OF AUGUST 2021.

(SEAL)
ATTEST:

Tonny Schrier, President
FLMD Board of Directors

Jamie Echeverri, Secretary to the Board



Forest Lake Water & Sanitation District

Drinking Water Rate Scenarios

July 6, 2021

Based on inputs and figures provided from by the Forest Lake Metro District (FLMD) staff a DW model was built and the several scenarios were conducted. After exploring the multiple scenarios the board came to a decision presented here. First the parameters, budget and CIP will be shown for clarity.

Scenario 1: RCAC Recommended

Parameters	Enterprise	Water							This rate mod
	System Name:	Forest Lakes Water System							Column H is ah
	System Number	CO0134360							Enter data in y
	First year of rate increases	2022							Field descriptio
									Do not add col
Legend	Enter Data		Unlocked						
	Calculated		Locked						
	Conditional Enter Data		Unlocked						
Financial Constants									
	Return on Invested Funds	0.50	%						
	Past Inflation	2.10	%						
	Future Inflation	2.90	%						
	Future Loan Interest Rate	3.00	%						
	Future Loan fees, legal, costs	0.00	%						
Existing Debt									
									Optional Payme
Description	Annual Payment	Maturity	Reserve Required	Reserve Allocated	Make Up Period				Principal
No Debt									
Total	\$ -		\$ -	\$ -					
		Total District Reserves	1100000	Debt 5%	Operating 35%	Emergency 35%	Capitol 25%		
Existing Reserves	Amount	Water Fund	374000	18700	130900	130900	93500		
Debt Reserve	\$0	As per lending agreement(s)							
Operating Reserve	\$130,900	Often in Checking Account							
Emergency Reserve	\$130,900	Often in Savings Account							
Capital Reserve	-\$8,505	Mostly in CDs or other investments							
Total	\$253,295								
					Excess funds to be transfer to				
Reserve Targets	Amount	Make Up Period	First Year Reserve Addition	Excess funds to be transfer to CIP	Goal				
Debt Reserve	\$0	See F20:F25	\$0	\$0	As per lending agreement(s)				
Operating Reserve	\$32,880		\$0	\$32,880	1.5 times the expenses during a billing cyc				
Emergency Reserve	\$130,900	3	\$0	\$0	Critical equipment replacement cost				
Available for Capital Reserve	\$24,375	This is the total amount currently available for CIP. Transferred to CIP sheet.							
		It is the sum of what you already have in CIP and any excess funds in the other reserv							
Median Household Income	\$ 61,045		MHI Source	https://www.colorado-demographics.com/bayfield-demc					

To: Chris Brandewie 12:15

Hi Chris,

At this point given that the Board has not determined what the cash reserves should be used for, the most straightforward answer would be to align it with how our budgets re. With that, let's divide the \$1.1M this way: 41% General Fund, 34% Water Fund and 25% Sewer Fund. From there, we can further divide it this way: 5% Debt, 35% Operating, 35% Emergency and 25% Capita

Respectfully,

Keith Rountree – District Manager

Parameters Continued: Customer Growth, Default Funding [MHI Source](#)



Forest Lake Water & Sanitation District

Drinking Water Rate Scenarios

July 6, 2021

Growth of Consumption over Base year		Year 1	Year 2	Year 3	Year 4	Year 5
Conservation Factor		0.0%	0.0%	0.0%	0.0%	0.0%
Community Growth Factor		2.0%	4.0%	6.0%	8.0%	10.0%
Total Consumption Adjustment		2.0%	4.0%	6.0%	8.0%	10.0%
Receivable write off (% of Billing)		0.00%	0.00%	0.00%	0.00%	0.00%
Unit of Service	1000 Gallons	The average growth rate for La Plata County is conservatively projected to be 2%, much less than the FLMD historic average of 5%. The 2% growth rate seems to represent the best conservative number and is used to project future growth rates for this project. The real rates will vacillate, but the intent is that they will trend to an average of 2% going forward. Table 2.4 provides a projection of growth to full build out at 2%, which is estimated to occur in 2052.				
Billing Cycles	Currently	Proposed				
Billing Cycle	M	M				
Billings per year	12	12				
Default Funding of Asset Replacements						
Replacement Value From To		Cash	Grant	Loan		
\$0	\$70,000	100.0%	0%	0%		
\$70,001	\$230,000	25.0%	0%	75%		
\$230,001	\$500,000	10.0%	10%	80%		
\$500,001	\$1,000,000	1.0%	15%	84%		
\$1,000,001	\$9,999,999	1.0%	15%	84%		
Capitalization Threshold	\$ 2,500	Any asset purchased below this value is not included in the CIP. It assumed that this p				

Based on the default contribution to DW reserves table above the annually and the required % of cash to save in the table above, the cost of replacing existing assets is \$193,581 and the cost to start saving 1% or 10% for future capital costs "Water System Projects" is \$51,761. This makes a suggested total of \$245,343 added to the budget as an annual expense. Remember there are almost \$14M in future infrastructure needs.

Parameters Continued: Existing Rates

Current Customer Classes	Name of Class	Rate Structure		Schedule					
1	Residential FT	Tiered Block		A	Go to row 130; enter the Tiered Block Rates.				
2	Residential PT	Tiered Block		B	Go to row 130; enter the Tiered Block Rates.				
3	Occasional (6 months)	Tiered Block		C	Go to row 130; enter the Tiered Block Rates.				
4	District Government	Tiered Block		D	Go to row 130; enter the Tiered Block Rates.				
5	River Ranch (5/8" - 2X)	Tiered Block		E	Go to row 130; enter the Tiered Block Rates.				
6	Minimum Bill (W/PI-Tap)	Tiered Block		F	Go to row 130; enter the Tiered Block Rates.				
7	Residential 1" (2X)	Tiered Block		G	Go to row 130; enter the Tiered Block Rates.				
8	Residential 1.5"	Tiered Block		H	Go to row 130; enter the Tiered Block Rates.				
Rate Schedules									
Tiered Block	Meter Size	A	B	C	D	E	F	G	H
Base	0.625	\$28.00	\$23.00	\$18.00	\$0.00	\$56.00	\$5.25		
	1.000	\$70.00			\$0.00			\$140.00	
	1.500	\$160.00			\$0.00				\$160.00
	2.000								
Tier Break	1	5,000	2,500	1,250	99,999,999	5,000	99,999,999	12,000	24,000
(All yellow cells in this Tier Break table must contain data.)	2	10,000	10,000	10,000	99,999,999	10,000	99,999,999	20,000	40,000
	3	20,000	20,000	20,000	99,999,999	20,000	99,999,999	30,000	50,000
	4	30,000	30,000	30,000	99,999,999	30,000	99,999,999	40,000	60,000
	5	40,000	40,000	40,000	99,999,999	40,000	99,999,999	50,000	99,999,999
	6	50,000	50,000	50,000	99,999,999	50,000	99,999,999	60,000	99,999,999
	7	60,000	60,000	60,000	99,999,999	60,000	99,999,999	99,999,999	99,999,999
	8	99,999,999	99,999,999	99,999,999	99,999,999	99,999,999	99,999,999	99,999,999	99,999,999
Usage Rate per 1000 Gallons	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	2	\$3.50	\$4.50	\$5.50	\$0.00	\$3.50	\$0.00	\$9.75	\$11.25
	3	\$3.75	\$4.75	\$5.75	\$0.00	\$3.75	\$0.00	\$10.00	\$11.50
	4	\$4.00	\$5.00	\$6.00	\$0.00	\$4.00	\$0.00	\$10.25	\$11.75
	5	\$4.25	\$5.25	\$6.25	\$0.00	\$4.25	\$0.00	\$10.50	\$12.00
	6	\$4.50	\$5.50	\$6.50	\$0.00	\$4.50	\$0.00	\$10.75	\$12.00
	7	\$4.75	\$5.75	\$6.75	\$0.00	\$4.75	\$0.00	\$11.00	\$12.00
	8	\$5.00	\$6.00	\$7.00	\$0.00	\$5.00	\$0.00	\$11.00	\$12.00
Total Revenue under Existing Rates		\$322,248.24 This number should closely approximate the sales numbers on the Income Statement.							



This total 2021 projected revenue presented in the Budget is **\$322,248** is within the range of revenue generated within the previous few years and makes sense since there were 8 new customers added to the system.

On the next page you will see all the Existing Assets and their schedule for replacement.



Forest Lake Water & Sanitation District

Drinking Water Rate Scenarios

July 6, 2021

Capital Replacement Program		AWWA Cash-Needs Approach										Exhibit 1	
Forest Lakes Water System												Date:	6/23/21
												System Number:	CO0134360
												Service Connections:	840
Quantity	Asset	Year Acquired	Unit Cost (Historic, Current or Future)	Cost Type (H, C, E)	% Belonging to Water	Estimated Remaining Life	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required	
Replacement of Existing Capital Assets													
1	L1 Dump Truck (25% W 25% WW)	1993	15,074	C	25%	10	5,016	100%	0%	0%	119	478	
1	GMC D2 Dump Truck (25% W 25% WW)	1991	11,594	C	25%	5	3,344	100%	0%	0%	92	644	
1	International Single Axle Dump Bed (12.5 W 12.5 WW)	1997	4,197	C	13%	7	641	100%	0%	0%	17	Not Cap.	
					100%			0%	0%	100%	0	0	
1	TR6 Etnyre Equip Trailer (W50%WW50%)	2000	5,034	C	50%	10	3,350	100%	0%	0%	80	320	
1	John Deere 624H Loader (30% W 30%WW)	2000	42,225	C	33%	10	18,714	100%	0%	0%	444	1,785	
1	Ford T5 F350 Pickup (33% W 33% WW)	2001	3,274	C	33%	2	1,155	100%	0%	0%	34	Not Cap.	
1	Ford T1 F250 Pickup (33% W 33% WW)	2002	11,787	C	33%	4	4,401	100%	0%	0%	124	1,061	
1	Ford T2 F450 Crane Truck (50% W 50% WW)	2004	9,087	C	50%	5	5,242	100%	0%	0%	144	1,009	
1	Chevrolet T6 3500 Pickup (50% W 50% WW)	2006	18,924	C	50%	1	9,736	100%	0%	0%	299	9,438	
1	Ford T3 F250 Pickup (33% W 33% WW)	2008	12,621	C	33%	3	4,579	100%	0%	0%	133	1,475	
1	Utility TR5 Trailer (50% W 50% WW)	2008	1,131	C	50%	3	616	100%	0%	0%	18	Not Cap.	
1	John Deere Backhoe 710K (50% W 50% WW)	2015	122,236	C	50%	20	108,262	25%	0%	75%	483	1,266	
					100%			0%	0%	100%	0	0	
1	Lgt Truck Ram 1500 Classic (33% W WW)	2019	23,031	C	33%	15	11,776	100%	0%	0%	242	742	
					100%			0%	0%	100%	0	0	
1	Water Tank 140 Gal (Lot 376 Unit 1)	1980	287,055	C	100%	20	508,479	1%	15%	84%	91	238	
1	Pressure Reducing Sta. 400 Hillside Dr ROW (100% W)	2010	70,000	C	100%	10	93,165	25%	0%	75%	553	2,222	
1	Pressure Reducing Sta. 610 Alpine Forest Dr ROW (100% W)	2011	70,000	C	100%	10	93,165	25%	0%	75%	553	2,222	
1	Pressure Reducing Sta. 620 Pine Tree Dr. (100% W)	2012	70,000	C	100%	8	87,988	25%	0%	75%	553	2,633	
1	Pressure Reducing Sta. 125 Berry Dr.(100% W)	2012	70,000	C	100%	8	87,988	25%	0%	75%	553	2,633	
1	Pressure Reducing Sta. 161 E. Pine Tp Dr (100% W)	1976	70,000	C	100%	1	72,030	25%	0%	75%	553	17,455	
1	Pressure Reducing Sta. 232 Forest Lakes Dr	1975	70,000	C	100%	1	72,030	25%	0%	75%	553	17,455	
1	Pressure Reducing Sta. 7500 CR501 River Ranch	1982	70,000	C	100%	1	72,030	25%	0%	75%	553	17,455	
1	Old Water Plant (lot 322 Unit 4) building Storage (33% W V)	1973	49,341	C	100%	10	65,669	100%	0%	0%	1,559	6,265	
1	Old Water Plant (lot 322 Unit 4) contents - (Bench stock, tr	1973	6,660	C	100%	10	8,864	100%	0%	0%	210	846	
1	Maint Shop (Tract D-1 w/ Metal Shop) Building (33% W W)	1985	265,741	C	100%	20	470,724	10%	10%	80%	839	2,202	
1	Maint Shop (Tract D-1 w/ Metal Shop) Contents - Comput	1985	39,295	C	100%	10	52,299	100%	0%	0%	1,241	4,989	
1	Water Well #3 (6893 CR-501 Tract A-2) (100% W)	2002	73,600	C	100%	15	113,008	25%	0%	75%	581	1,780	
1	Pump Sta. (lot 36 Unit 2 255 Pine Ridge Dr.) Building (100%	1998	78,403	C	100%	40	246,007	10%	10%	80%	248	551	
1	Pump Sta. (lot 36 Unit 2255 Pine Ridge Dr.) Contents (Pum	1998	36,463	C	100%	2	38,609	100%	0%	0%	1,152	18,680	
1	Pressure Reducing Sta. (156 Blue Ridge Cr) (100W)	2004	70,000	C	100%	29	160,378	25%	0%	75%	553	1,269	
1	Pressure Reducing Sta. (445 Mesa Dr (1.030)) (100W)	2004	70,000	C	100%	29	160,378	25%	0%	75%	553	1,269	
1	Pump Sta. (Lot 238 Unit 1 LW 170 Timber Dr) Building (100%	1975	152,575	C	100%	15	234,269	10%	10%	80%	482	1,476	
1	Pump Sta. (Lot 238 Unit 1 LW 170 Timber Dr) Contents - (1975	11,743	C	100%	5	13,547	100%	0%	0%	371	2,608	
1	LW Water Tank (Lot 238, Unit 1, 170 Timber Drive (3)) (10	1975	340,020	C	100%	10	452,541	10%	10%	80%	1,074	4,317	
	M Water Tank (Lot 376, Unit 1, 90 Greenridge Dr (4)) (Dec	1977								0%	0	0	
1	LE Water Tank (Lot 209, Unit 2, 161 E. Pine Top Dr. (3A))	1995	146,125	C	100%	25	298,613	10%	10%	80%	462	1,106	
1	U Water Tank (Lot 36, Unit 2, 255 Pine Ridge Dr (5))	1995	165,608	C	100%	25	338,428	10%	10%	80%	523	1,253	
					100%			0%	0%	100%	0	0	
1	Water Well #1 (Tract C, Beebe Parcel)	1982	59,495	C	100%	2	62,996	100%	0%	0%	1,879	30,480	
					100%			0%	0%	100%	0	0	
1	Pressure Reducing Station (2 Lake View Cir)	2009	70,000	C	100%	34	185,021	25%	0%	75%	553	1,235	
1	Water Well #2 (6893 CR-501 (Tract D-1))	1990	168,067	C	100%	10	223,685	25%	0%	75%	1,327	5,335	
1	M Pump Station (Lot 376 Unit 1 90 Greenridge Dr.) Building	1977	170,902	C	100%	7	208,764	25%	0%	75%	1,350	7,152	
1	M Pump Station (Lot 376 Unit 1 90 Greenridge Dr.) Conten	1977	11,743	C	100%	5	13,547	100%	0%	0%	371	2,608	
1	Water Chlorination System (6893 CR-501) Building(100%	2015	152,285	C	100%	45	551,250	1%	15%	84%	48	108	
1	Water Chlorination System (6893 CR-501) (Flow meters, s	2015	194,105	C	100%	5	223,931	25%	0%	75%	1,533	10,779	
1	Water Well #4 (6893 CR-501)	2015	19,764	C	100%	35	53,754	100%	0%	0%	624	1,391	
1	Underground Pressure Reducer Vessel (75 Hilltop Dr.)	2010	41,073	C	100%	35	111,711	25%	0%	75%	324	723	
					100%			0%	0%	100%	0	0	
1	Mobile Communications (17 detail records) (SCADA Telen	2010	8,330	C	50%	1	4,286	100%	0%	0%	132	4,154	
					100%			0%	0%	100%	0	0	
1	Steer Skid Loader, Kubota SVL90-2HFC (12707) Replaced	2020	63,000	C	10%	25	12,874	100%	0%	0%	199	477	
					100%			0%	0%	100%	0	0	
Subtotal Replacement of Existing Capital Assets							5,568,855	20%	7%	73%	24,375	193,581	



Forest Lake Water & Sanitation District

Drinking Water Rate Scenarios

July 6, 2021

							Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserve s	Annual Reserve Required
1	Water System Projects 1-4	2022	696,540	C	100%		716,740	1%	15%	84%	0	7,167
1	Water System Projects 5 & 19	2022	743,820	C	100%		765,391	1%	15%	84%	0	7,654
1	Water System Projects 6 - 11 & 13,14	2023	3,946,980	C	100%		4,179,224	1%	15%	84%	0	20,844
1	Water System Projects 12 & 14	2024	343,200	C	100%		373,933	10%	10%	80%	0	12,402
1	Water System Projects 16	2035	295,320	C	100%		440,665	10%	10%	80%	0	3,047
1	Water System Projects	2050	565,800	C	100%		1,296,310	1%	15%	84%	0	416
1	Water System Projects	2045	295,320	C	100%		586,492	1%	15%	84%	0	231
							8,358,753	2%	15%	84%		51,761
										Enter Existing		
	Total Capital Reserves						13,927,608	9%	11%	79%	24,375	245,343

It can be seen at the bottom that there are \$13,927,608 worth of replacement and upgrade costs identified.



Forest Lake Water & Sanitation District

Drinking Water Rate Scenarios

July 6, 2021

Budget

Budget					Date: 07/06/21 Exhibit 2				
Forest Lakes Water System					Inflation Factor (%): 2.90				
					Loan Interest Rate (%): 3.00				
					System Number: CO0134360				
EXPENSES AND SOURCES OF FUNDS	2019	2020	2021	% Belonging to Water	2022	2023	2024	2025	2026
OPERATIONS & MAINTENANCE EXPENSES									
Fuel: 410+430+440.060	5,710	3,364	4,300	100%	4,425	4,553	4,685	4,821	4,961
Pension/Benefits: 410+430+440.160	29,172	14,690	18,040	100%	18,563	19,101	19,655	20,225	20,812
Prid Assessments: 410.161	6,056	6,056	6,500	100%	6,689	6,882	7,082	7,287	7,499
Repair/Maintain: 410+430+440.180	22,481	3,525	31,000	100%	31,899	32,824	33,776	34,755	35,763
Salaries: 410+430+440.190	102,000	107,152	109,436	100%	112,610	115,875	119,236	122,694	126,252
Supplies: 410+430+440.192	11,601	40,152	32,348	100%	33,286	34,251	35,245	36,267	37,319
Testing/Permits: 410.201	4,106	8,560	9,000	100%	9,261	9,530	9,806	10,090	10,383
Utilities: 410+440.210	30,506	43,432	36,000	100%	37,044	38,118	39,224	40,361	41,532
ORC contract (TESTING and Permits 410.201)	4,106	8,560	9,000	100%	9,261	9,530	9,806	10,090	10,383
Total Operation and Maintenance Expenses:	215,738	235,491	255,624		263,037	270,665	278,514	286,591	294,903
GENERAL & ADMINISTRATIVE EXPENSES									
Operating Reserve Funding					0	0	0	0	0
Emergency Reserve Funding					0	0	0	0	0
Debt Reserve Funding					0	0	0	0	0
Replacement of Existing Capital Assets					193,581	129,579	83,963	82,662	81,747
Replacement of Funded Project Assets					0	0	0	0	0
Reserves for Additional Capital Assets					51,761	36,940	16,096	3,694	3,694
Debt Service					0	60,471	212,346	225,288	225,288
Auditing 901.011	3,167	3,766	3,818	100%	3,929	4,043	4,160	4,281	4,405
Bank Fees: 901.015	80	0	100	100%	103	106	109	112	115
Equipment Repair: 901.050	10,624	18,918	12,000	100%	12,348	12,706	13,075	13,454	13,844
Insurance: 901.090	11,238	5,233	13,400	100%	13,789	14,188	14,600	15,023	15,459
Leases - Interest: 901.119	1,325	3,234	4,229	100%	4,352	4,478	4,608	4,741	4,879
Lease - Principal: 901.120	9,254	6,864	9,235	100%	9,503	9,778	10,062	10,354	10,654
Legal: 901.121	5,578	6,672	5,500	100%	5,660	5,824	5,993	6,166	6,345
Meeting Expense: 901.130	446	250	500	100%	515	529	545	561	577
Miscellaneous: 901.131			15,000	100%	15,435	15,883	16,343	16,817	17,305
Pensions/Benefits: 901.160	23,482	10,493	14,996	100%	15,431	15,878	16,339	16,813	17,300
Postage: 901.161	1,765	1,219	900	100%	926	953	981	1,009	1,038
				100%	0	0	0	0	0
Salaries: 901.190	72,465	76,537	76,913	100%	79,143	81,439	83,800	86,231	88,731
Supplies, Office: 901.191	3,549	3,239	3,600	100%	3,704	3,812	3,922	4,036	4,153
Supplies, Operating: 901.192	10,630	13,590	10,000	100%	10,290	10,588	10,895	11,211	11,537
Telephone: 901.200	4,234	292	500	100%	515	529	545	561	577
Travel/Training: 901.202	1,489	1,689	1,500	100%	1,544	1,588	1,634	1,682	1,730
Utilities: 901.210	2,496	977	1,000	100%	1,029	1,059	1,090	1,121	1,154
				100%	0	0	0	0	0
DOLA Loan - Principal (9/1): 901.020				100%	0	0	0	0	0
DOLA Loan - Interest (9/1)				100%	0	0	0	0	0
Water Impact Expense: 901.910	0	20,172	36,850	100%	37,713	38,807	39,932	41,090	42,282
Bad Debt: 901.920	0	0	0	100%	0	0	0	0	0
Capital Outlay				100%	0	0	0	0	0
County Treasury Fees: 901.930	4,051	4,340	4,500	100%	4,631	4,765	4,903	5,045	5,191
Debt Service - Interest: 901.940				100%	0	0	0	0	0
Debt Service - Principal: 901.941				100%	0	0	0	0	0
Engineering Service: 901.950	3,134	17,780	6,000	100%	6,174	6,353	6,537	6,727	6,922
Contingency: 901.960	4,078	1,168	0	100%	0	0	0	0	0
				100%	0	0	0	0	0
Billing Software Caselle Hosting Fee			4,000	100%	4,116	4,235	4,358	4,485	4,615
				100%	0	0	0	0	0
				100%	0	0	0	0	0
				100%	0	0	0	0	0
Water Reserves	29,110	0	20,000		0	0	0	0	0
Transfer Out/Replace:	0	0	0		0	0	0	0	0
Rent: 901.181 (If voters agree on loan, they	6,970	7,078	7,078		7,078	7,078	7,078	7,078	7,078
Miscellaneous: 901.131	874	1,661	17,330						
Capital Outlay	48,234	42,749	231,000						
Pipe Replacement (Discussion with Dist Mgr)			100,000	%	100,000	100,000	100,000	100,000	100,000
Total General and Administrative Expenses:	258,273	243,211	599,749		583,267	571,610	663,913	670,239	676,619
TOTAL EXPENSES	474,011	478,702	855,373		846,305	842,275	942,427	956,831	971,522



Forest Lake Water & Sanitation District

Drinking Water Rate Scenarios

July 6, 2021

SOURCE OF FUNDS / REVENUES RECEIVED									
Sales Revenue (Base + Usage)	310,176	301,927	317,887		502,783	550,435	602,596	659,697	722,216
New connections (Conn Fees + Tap)	4,400	10,233	13,000	100%	13,377	13,765	14,164	14,575	14,998
Investment Income	8,332	27,200	25,000	100%	25,725	26,471	27,239	28,029	28,841
Uncollectable Receivables					0	0	0	0	0
Reconnect/Admin				100%	0	0	0	0	0
Fees Late/NSF	1,442	1,574	1,800	100%	1,852	1,906	1,961	2,018	2,077
				100%	0	0	0	0	0
Property Tax	136,538	145,006	145,138	100%	149,347	153,678	158,135	162,721	167,440
Misc Income	850	2,375	500	100%	515	529	545	561	577
P/I Delinquency Tax	206	235	200	100%	206	212	218	224	231
				100%	0	0	0	0	0
Land Transfer Fee	1,385	9,004	8,700	100%	8,952	9,212	9,479	9,754	10,037
				100%	0	0	0	0	0
Water Impact Fees	7,398	14,064	13,000	100%	13,377	13,765	14,164	14,575	14,998
				100%	0	0	0	0	0
				100%	0	0	0	0	0
Availabilty Fees	0	2,342	3,580	100%	3,684	3,791	3,901	4,014	4,130
				100%	0	0	0	0	0
				100%	0	0	0	0	0
Trans Impact Fees(39100) + Transfer In (82463) + 50K from Sewer to Water	1,436	0	171,563		50,000	50,000	50,000	50,000	50,000
New connections (Tap Fees) + Cap	17,650	54,000	155,005		21,300	21,300	21,300	21,300	21,300
TOTAL REVENUE	489,813	567,960	855,373		791,118	845,064	903,701	967,467	1,036,843
NET LOSS OR GAIN:	15,802	89,258	0		-55,187	2,789	-38,727	10,636	65,321
T CASH FLOW (Contribution to Reserves)	15,802	89,258	0		190,156	169,308	61,332	96,991	150,762
Affordability assuming MHI of \$61045 for residential meters.					1.00%	1.10%	1.21%	1.32%	1.45%
Does the Budget Balance?					No	Yes	No	Yes	Yes
Positive Annual Cash Flow?					Yes	Yes	Yes	Yes	Yes



Forest Lake Water & Sanitation District

Drinking Water Rate Scenarios

July 6, 2021

Proposed Customer CI	Name of Class	Rate Structure	Schedule						
1	Residential FT	Tiered Block	A	Go to row 69 and enter the Tiered Block Rates.					
2	Residential PT	Tiered Block	B	Go to row 69 and enter the Tiered Block Rates.					
3	Occasional (6 months)	Tiered Block	C	Go to row 69 and enter the Tiered Block Rates.					
4	District Government	Tiered Block	D	Go to row 69 and enter the Tiered Block Rates.					
5	River Ranch (2X)	Tiered Block	E	Go to row 69 and enter the Tiered Block Rates.					
6	Minimum Bill (W/PI-Tap)	Tiered Block	F	Go to row 123 and enter the Tiered Block Rates.					
7	Residential 1" (2X)	Tiered Block	G	Go to row 123 and enter the Tiered Block Rates.					
8	Residential 1.5"	Tiered Block	H	Go to row 123 and enter the Tiered Block Rates.					
Proposed Rate Schedules									
Tiered Block	Meter Size	A	B	C	D	E	F	G	H
Base	0.625	\$43.25	\$35.53	\$27.81	\$0.00	\$86.50	\$5.25		
	0.750								
	1.000	\$108.13						\$140.00	
	1.500	\$216.25							\$160.00
		0.82*28		0.64*28		2*28			
Tier Break	1	3,000	1,500	750	99,999,999	3,000	99,999,999	12,000	24,000
(All yellow cells in this	2	6,000	6,000	6,000	99,999,999	6,000	99,999,999	20,000	40,000
Tier Break table must	3	12,000	12,000	12,000	99,999,999	12,000	99,999,999	30,000	50,000
contain data.)	4	20,000	20,000	20,000	99,999,999	20,000	99,999,999	40,000	60,000
	5	30,000	30,000	30,000	99,999,999	30,000	99,999,999	50,000	99,999,999
	6	45,000	45,000	45,000	99,999,999	45,000	99,999,999	60,000	99,999,999
	7	60,000	60,000	60,000	99,999,999	60,000	99,999,999	99,999,999	99,999,999
	8	99,999,999	99,999,999	99,999,999	99,999,999	99,999,999	99,999,999	99,999,999	99,999,999
Rate per 1000 Gallons	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	2	\$3.50	\$4.50	\$5.50	\$0.00	\$3.50	\$0.00	\$9.75	\$11.25
	3	\$4.00	\$4.75	\$5.75	\$0.00	\$4.00	\$0.00	\$10.00	\$11.50
	4	\$4.50	\$5.00	\$6.00	\$0.00	\$4.50	\$0.00	\$10.25	\$11.75
	5	\$5.00	\$5.25	\$6.25	\$0.00	\$5.00	\$0.00	\$10.50	\$12.00
	6	\$6.00	\$5.50	\$6.50	\$0.00	\$6.00	\$0.00	\$10.75	\$12.00
	7	\$6.50	\$5.75	\$6.75	\$0.00	\$6.50	\$0.00	\$11.00	\$12.00
	8	\$7.00	\$6.00	\$7.00	\$0.00	\$7.00	\$0.00	\$11.00	\$12.00
Growth Factor of Rates		Year 2	Year 3	Year 4	Year 5				
Base		10.00%	10.00%	10.00%	10.00%				
Usage		3.00%	3.00%	3.00%	3.00%				
Results of the new rates		2022	2023	2024	2025	2026	5 Years		
TOTAL EXPENSES		\$846,305	\$842,275	\$942,427	\$956,831	\$971,522	\$4,559,359		
TOTAL REVENUE		\$794,912	\$849,240	\$908,297	\$972,523	\$1,042,405	\$4,567,377		
SS OR GAIN: (Short/Over to Reserves)		-\$51,393	\$6,965	-\$34,131	\$15,693	\$70,883	\$8,018		
CASH FLOW (Contribution to Reserves)		\$193,950	\$173,484	\$65,928	\$102,048	\$156,324	\$691,734		
Affordability assuming MHI of \$61045 for residential meters.		1.00%	1.10%	1.21%	1.32%	1.45%			
you putting enough money in reserves?	No	Yes	No	Yes	Yes				
Positive Annual Cash Flow?	Yes	Yes	Yes	Yes	Yes				

With the lower initial rise in the base rate, it must grow annually at 10% for the 2nd through 5th year in order to balance the budget. The base rate is shown below as it increases through the years. After 5 years a new or updates rate study is recommended.

Year 1	Year 2	Year 3	Year 4	Year 5
43.25	47.58	52.33	57.57	63.32



Scenarios 2: Board's CIP target of \$100,000

Since the board met and reviewed the scenarios where the system puts approximately \$100,000 into the CIP reserves annually. There have been a few error found in the budget, so this case of saving \$100,000 is revisited.

To bring down the reserve contributions to near \$100,000 the default funding table had to be adjusted.

Replacement Value From	To	Cash	Grant	Loan
\$0	\$20,000	100.0%	0%	0%
\$20,001	\$80,000	20.0%	0%	80%
\$80,001	\$200,000	5.0%	10%	85%
\$200,001	\$1,000,000	0.5%	15%	85%
\$1,000,001	\$9,999,999	0.5%	15%	85%
Capitalization Threshold	\$ 2,500	Any asset purchased below this value is not		

This results in \$91,154 to replace existing infrastructure and \$25,881 for infrastructure improvements. This lands the total CIP reserve contributions to \$117,034 per year.



Forest Lake Water & Sanitation District

Drinking Water Rate Scenarios

July 6, 2021

Proposed Customer CI	Name of Class	Rate Structure	Schedule						
1	Residential FT	Tiered Block	A	Go to row 69 and enter the Tiered Block Rates.					
2	Residential PT	Tiered Block	B	Go to row 69 and enter the Tiered Block Rates.					
3	Occasional (6 months)	Tiered Block	C	Go to row 69 and enter the Tiered Block Rates.					
4	District Government	Tiered Block	D	Go to row 69 and enter the Tiered Block Rates.					
5	River Ranch (2X)	Tiered Block	E	Go to row 69 and enter the Tiered Block Rates.					
6	Minimum Bill (W/PI-Tap)	Tiered Block	F	Go to row 123 and enter the Tiered Block Rates.					
7	Residential 1" (2X)	Tiered Block	G	Go to row 123 and enter the Tiered Block Rates.					
8	Residential 1.5"	Tiered Block	H	Go to row 123 and enter the Tiered Block Rates.					
Proposed Rate Schedules									
Tiered Block	Meter Size	A	B	C	D	E	F	G	H
Base	0.625	\$36.55	\$30.02	\$23.50	\$0.00	\$73.10	\$5.25		
	0.750								
	1.000	\$91.38						\$182.75	
	1.500	\$208.86							\$208.86
		0.82*28		0.64*28		2*28			
Tier Break	1	3,000	1,500	750	99,999,999	3,000	99,999,999	12,000	24,000
(All yellow cells in this	2	6,000	6,000	6,000	99,999,999	6,000	99,999,999	20,000	40,000
Tier Break table must	3	12,000	12,000	12,000	99,999,999	12,000	99,999,999	30,000	50,000
contain data.)	4	20,000	20,000	20,000	99,999,999	20,000	99,999,999	40,000	60,000
	5	30,000	30,000	30,000	99,999,999	30,000	99,999,999	50,000	99,999,999
	6	45,000	45,000	45,000	99,999,999	45,000	99,999,999	60,000	99,999,999
	7	60,000	60,000	60,000	99,999,999	60,000	99,999,999	99,999,999	99,999,999
	8	99,999,999	99,999,999	99,999,999	99,999,999	99,999,999	99,999,999	99,999,999	99,999,999
Rate per 1000 Gallons	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	2	\$3.50	\$4.50	\$5.50	\$0.00	\$3.50	\$0.00	\$9.75	\$11.25
	3	\$4.00	\$4.75	\$5.75	\$0.00	\$4.00	\$0.00	\$10.00	\$11.50
	4	\$4.50	\$5.00	\$6.00	\$0.00	\$4.50	\$0.00	\$10.25	\$11.75
	5	\$5.00	\$5.25	\$6.25	\$0.00	\$5.00	\$0.00	\$10.50	\$12.00
	6	\$6.00	\$5.50	\$6.50	\$0.00	\$6.00	\$0.00	\$10.75	\$12.00
	7	\$6.50	\$5.75	\$6.75	\$0.00	\$6.50	\$0.00	\$11.00	\$12.00
	8	\$7.00	\$6.00	\$7.00	\$0.00	\$7.00	\$0.00	\$11.00	\$12.00
Growth Factor of Rates		Year 2	Year 3	Year 4	Year 5				
Base		10.00%	10.00%	10.00%	10.00%				
Usage		3.00%	3.00%	3.00%	3.00%				
Results of the new rates		2022	2023	2024	2025	2026	5 Years		
TOTAL EXPENSES		\$717,996	\$735,160	\$887,900	\$909,383	\$924,123	\$4,174,563		
TOTAL REVENUE		\$730,613	\$778,512	\$830,496	\$886,942	\$948,266	\$4,174,829		
SS OR GAIN: (Short/Over to Reserves)		\$12,617	\$43,352	-\$57,404	-\$22,441	\$24,142	\$267		
CASH FLOW (Contribution to Reserves)		\$129,651	\$101,995	-\$17,794	\$9,736	\$55,455	\$279,043		
Affordability assuming MHI of \$61045 for residential meters.		0.87%	0.96%	1.05%	1.14%	1.25%			
you putting enough money in reserves?	Yes	Yes	No	No	Yes				
Positive Annual Cash Flow?	Yes	Yes	No	Yes	Yes				

With 10% annual increases the rates over the years are as follows:

Year 1	Year 2	Year 3	Year 4	Year 5
36.55	40.21	44.23	48.65	53.51

Although the board may feel that saving over \$100,000 per year is excessive it must be considered that those savings are continually being drawn upon as assets continue to age, and if the revenue does not meet the targets, reserve contributions will suffer.

The comparison between Scenario 1 and 2 is a difference of \$412,691 over the 5 year forecast.



Forest Lake Water & Sanitation District

Sewer Rate Scenarios

July 6, 2021

Based on inputs and figures provided by the Forest Lake Metro District (FLMD) staff, and future infrastructure costs in the Mater Plan by San Juan Engineering a WW model was built, and various scenarios were conducted. After exploring those scenarios, the board have come to a consensus on the direction of the rates.

First the parameters, budget and CIP will be shown for clarity.

Scenario 1: RCAC Recommended

Parameters	Enterprise	Sewer							
	System Name:	Forest Lakes Sewer System							
	System Number	CO0048160							
	First year of rate increases	2022							
Legend	Enter Data		Unlocked						
	Calculated		Locked						
	Conditional Enter Data		Unlocked						
Financial Constants									
	Return on Invested Funds	0.50	%						
	Past Inflation	2.10	%						
	Future Inflation	2.90	%						
	Future Loan Interest Rate	3.00	%						
	Future Loan fees, legal, costs	0.00	%						
Existing Debt									
Description	Annual Payment	Maturity	Reserve Required	Reserve Allocated	Make Up Period				
Sewer Owes Water	\$ 50,000	2026	\$ -	\$ -					
Total	\$ 50,000		\$ -	\$ -					
Existing Reserves	Amount								
Debt Reserve	\$0	As Total District Reserves	1100000	Debt 5%	Operating 35%	Emergency 35%	Capitol 25%		
Operating Reserve	\$96,250	Of Water Fund	374000	18700	130900	130900	93500		
Emergency Reserve	\$96,250	Often in Savings Account							
Capital Reserve	\$68,750	Mostly in CDs or other investments							
Total	\$261,250								
Reserve Targets	Amount	Make Up Period	First Year Reserve Addition	Excess funds to be transfer to CIP	Goal				
Debt Reserve	\$0	See F20:F25	\$0	\$0	As per lending agreement(
Operating Reserve	\$29,820		\$0	\$29,820	1.5 times the expenses dur				
Emergency Reserve	\$100,000	3	\$1,250	\$0	Critical equipment replacen				
Available for Capital Reserve	\$98,570	This is the total amount currently available for CIP. Transferred to CIP. It is the sum of what you already have in CIP and any excess funds in tl							
Median Household Income	\$ 61,045	MHI Source	https://www.colorado-demographics.com						

Hi Chris,

at this point given that the Board has not determined what the cash reserves should be used for, the most straightforward answer would be to align it with how our budgets are. With that, let's divide the \$1.1M this way: 41% General Fund, 34% Water Fund and 25% Sewer Fund. From there, we can further divide it this way: 5% Debt, 35% Operating, 35% Emergency and 25% Capit

Respectfully,

Keith Rountree – District Manager



Forest Lake Water & Sanitation District

Sewer Rate Scenarios

July 6, 2021

Growth of Consumption over Base year		Year 1	Year 2	Year 3	Year 4	Year 5			
Conservation Factor		0.0%	0.0%	0.0%	0.0%	0.0%			
Community Growth Factor		2.0%	4.0%	6.0%	8.0%	10.0%			
Total Consumption Adjustment		2.0%	4.0%	6.0%	8.0%	10.0%			
Receivable write off (% of Billing)		0.00%	0.00%	0.00%	0.00%	0.00%			
Unit of Service	1000 Gallons	The average growth rate for La Plata County is conservatively projected to be 2%, much less than the FLMD historic average of 5%. The 2% growth rate seems to represent the best conservative number and is used to project future growth rates for this project. The real rates will vacillate, but the intent is that they will trend to an average of 2% going forward. Table 2.4 provides a projection of growth to full build out at 2%, which is estimated to occur in 2052.							
Billing Cycles	Currently	Proposed							
Billing Cycle	M	M							
Billings per year	12	12							
Default Funding of Asset Replacements		Cash	Grant	Loan					
Replacement Value From To									
\$0	\$70,000	100%	0%	0%					
\$70,001	\$230,000	25%	0%	75%					
\$230,001	\$500,000	15.0%	10%	75%					
\$500,001	\$9,999,999	2.0%	10%	88%					
\$10,000,000	\$9,999,999	2.0%	10%	88%					
Capitalization Threshold	\$ 2,500	Any asset purchased below this value is not included in the CIP. It assumed that this purchase was							
Current Customer Classes	Name of Class	Rate Structure	Schedule						
1	Residential FT	Flat	A						
2	Residential PT	Flat	B						
3	Occasional (6 months)	Flat	C						
4	District Government								
5	River Ranch (2X)								
6	Minimum Bill (W/PI-Tap)	Flat	F						
7	Residential 1" (2X)								
8	Residential 1.5"								
Rate Structures		Rate Schedules							
Flat	Meter Size	A	B	C	D	E	F	G	
	Base	0.625	\$29.50	\$23.90	\$21.10	\$0.00	\$59.00	\$14.90	\$73.75
Total Revenue under Existing Rates		\$155,340.10	This number should closely approximate the sales numbers on the Income Statement						

This total 2021 projected revenue presented in the Budget is \$160,000 and is within the range of revenue generated within the previous few years. The model calculates \$155,340.



Forest Lake Water & Sanitation District

Sewer Rate Scenarios

July 6, 2021

Capital Replacement Program:

The table below reflects a reasonable schedule for a sanitation district to put into reserves. For this case with FLMDs sewer and known likely costs the schedule produces a suggested \$125K per year in reserves.

Replacement Value From	To	Cash	Grant	Loan
\$0	\$70,000	100%	0%	0%
\$70,001	\$230,000	25%	0%	75%
\$230,001	\$500,000	15.0%	10%	75%
\$500,001	\$9,999,999	2.0%	10%	88%
\$10,000,000	\$9,999,999	2.0%	10%	88%

Capital Replacement Program		AWWA Cash-Needs Approach											Exhibit 1	
Forest Lakes Sewer System													Date:	6/23/21
													System Number:	CO0048160
													Service Connections:	447
Quantity	Asset	Year Acquired	Unit Cost (Historic, Current or Future)	Cost Type (H, C)	% Belonging to Sewer	Estimated Historic Cost (Sewer only)	Estimated Remaining Life	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required	
Replacement of Existing Capital Assets														
1	L1 Dump Truck (25% W 25% WW)	1993	15,074	C	25%	\$2,080	10	5,016	100%	0%	0%	2,426	248	
1	GMC D2 Dump Truck (25% W 25% WW)	1991	11,594	C	25%	\$1,533	5	3,344	100%	0%	0%	1,866	289	
1	International Single Axle Dump Bed (12.5 W 12.5 WW)	1997	4,197	C	13%	\$315	7	641	100%	0%	0%	338	Not Cap.	
					100%				0%	0%	100%	0	0	
1	TR6 Etnyre Equip Trailer (W50%WW50%)	2000	5,034	C	50%	\$1,612	10	3,350	100%	0%	0%	1,621	165	
1	John Deere 624H Loader (30% W 30%WW)	2000	42,225	C	33%	\$9,013	10	18,733	100%	0%	0%	9,062	925	
1	Ford T5 F350 Pickup (33% W 33% WW)	2001	9,833	C	33%	\$2,144	2	3,471	100%	0%	0%	2,110	676	
1	Ford T1 F250 Pickup (33% W 33% WW)	2002	11,787	C	33%	\$2,625	4	4,405	100%	0%	0%	2,530	461	
1	Ford T2 F450 Crane Truck (50% W 50% WW)	2004	9,087	C	50%	\$3,167	5	5,242	100%	0%	0%	2,925	453	
1	Chevrolet T6 3500 Pickup (50% W 50% WW)	2006	18,924	C	50%	\$6,882	1	9,736	100%	0%	0%	6,092	3,644	
1	Ford T3 F250 Pickup (33% W 33% WW)	2008	12,621	C	33%	\$3,161	3	4,538	100%	0%	0%	2,682	611	
1	Utility TR5 Trailer (50% W 50% WW)	2008	1,131	C	50%	\$429	3	616	100%	0%	0%	364	Not Cap.	
1	John Deere Backhoe 710K (50% W 50% WW)	2015	122,236	C	50%	\$53,810	20	108,262	25%	0%	75%	9,838	798	
					100%				0%	0%	100%	0	0	
1	Lgt Truck Ram 1500 Classic (33% W WW)	2019	23,031	C	33%	\$7,284	15	11,670	100%	0%	0%	4,893	425	
					100%				0%	0%	100%	0	0	
1	Sewer Lift Station #1 (6893 CR-501 (Tract D-1)) Building	1990	668,113	C	100%	\$353,452	15	1,025,842	2%	10%	88%	8,603	747	
1	Sewer Lift Station #1 (6893 CR-501 (Tract D-1)) Contents	1990	17,874	C	100%	\$9,456	0	17,874	100%	0%	0%	11,508	0	
1	Sewer Lift Station #2 (River Ranch Sub-Division)	1986	55,202	C	100%	\$26,827	11	75,600	25%	0%	75%	8,885	868	
1	Treatment Ponds (5 Aerators & Liners) (6893 County)	1991	194,370	C	100%	\$105,033	6	230,739	15%	10%	75%	18,771	2,568	
					100%				0%	0%	100%	0	0	
1	Old Water Plant (lot 322 Unit 4) building Storage (33%)	1973	148,171	C	33%	\$49,385	10	65,728	100%	0%	0%	0	6,426	
1	Old Water Plant (lot 322 Unit 4) contents - (Bench st)	1973	20,000	C	33%	\$6,666	10	8,872	100%	0%	0%	0	867	
1	Maint Shop (Tract D-1 w/ Metal Shop) Building (33%)	1985	798,021	C	33%	\$266,004	20	471,190	15%	10%	75%	0	3,369	
					100%				0%	0%	100%	0	0	
1	Steer Skid Loader, Kubota SVL90-2HFC (12707) Re	2020	6,300	C	100%	\$6,168	25	12,874	100%	0%	0%	4,056	322	
					100%				0%	0%	100%	0	0	
Subtotal Replacement of Existing Capital Assets						\$917,048		2,087,743	17%	8%	75%	98,570	23,864	



Forest Lake Water & Sanitation District

Sewer Rate Scenarios

July 6, 2021

Quantity	Asset	Year to be Purchased	Unit Cost (Current or Future)	st Type (C, S)	Belonging to Sewer	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required
Reserves for Additional Capital Assets											
1	Collection System Mapping Project	2022	40,000	C	100%	41,160	100%	0%	0%	0	41,160
1	Inflow and Infiltration Investigation	2022	40,000	C	100%	41,160	100%	0%	0%	0	41,160
1	Inflow and Infiltration Investigation	2023	20,000	C	100%	21,177	100%	0%	0%	0	10,562
1	Inflow and Infiltration Repairs	2023	200,000	C	100%	211,768	25%	0%	75%	0	26,405
1	Inflow and Infiltration Repairs	2024	200,000	C	100%	217,909	25%	0%	75%	0	18,069
1	Inflow and Infiltration Repairs	2025	200,000	C	100%	224,229	25%	0%	75%	0	13,910
1	Inflow and Infiltration Repairs	2026	200,000	C	100%	230,731	15%	10%	75%	0	6,853
1	Inflow and Infiltration Repairs	2027	200,000	C	100%	237,423	15%	10%	75%	0	5,862
1	New Wastewater Treatment Plant	2028	200,000	C	100%	244,308	15%	10%	75%	0	5,157
1	New Wastewater Treatment Plant	2029	400,000	C	100%	502,786	2%	10%	88%	0	1,235
1	New Wastewater Treatment Plant	2030	5,000,000	C	100%	6,467,082	2%	10%	88%	0	14,086
1	New Wastewater Treatment Plant	2031	4,600,000	C	100%	6,122,257	2%	10%	88%	0	11,972
1	New Wastewater Treatment Plant	2032	200,000	C	100%	273,904	15%	10%	75%	0	3,643
Subtotal Reserves for Additional Capital Assets						14,835,895	5%	9%	86%	0	200,073
						Enter Existing Reserves for Additional Capital Assets					
Total Capital Reserves						16,923,638	6%	9%	85%	98,570	223,937



Forest Lake Water & Sanitation District

Sewer Rate Scenarios

July 6, 2021

There is a significant need of \$223K a year to maintain \$16.9 Million in assets.

Budget					Date: 07/07/21 Exhibit 2				
Forest Lakes Sewer System					Inflation Factor (%): 2.90				
					Loan Interest Rate (%): 3.00				
					System Number: C00048160				
EXPENSES AND SOURCES OF FUNDS	2019	2020	2021	% Belonging to Sewer	2022	2023	2024	2025	2026
OPERATIONS & MAINTENANCE EXPENSES									
Fuel: 510+530+540.060	3,172	3,749	3,400	100%	3,499	3,600	3,704	3,812	3,922
Pension/Benefits: 510+530.160	25,048	34,598	35,584	100%	36,616	37,678	38,770	39,895	41,052
Prd Assessments: 510.161	0	0	0	100%	0	0	0	0	0
Repair/Maintain: 510+530.180	30,086	20,639	28,040	100%	28,853	29,690	30,551	31,437	32,349
Salaries: 510+530.190	90,760	96,814	96,814	100%	99,622	102,511	105,483	108,542	111,690
Supplies: 510+430.192	13,908	5,731	11,700	100%	12,039	12,388	12,748	13,117	13,498
Testing/Permits: 530.201	7,714	18,136	14,000	100%	14,406	14,824	15,254	15,696	16,151
Utilities: 510+530.210	38,527	41,740	42,000	100%	43,218	44,471	45,761	47,088	48,454
Outside Service: 530.150 (ORC)	2,400	600	300	100%	309	318	327	336	346
Total Operation and Maintenance Expenses:	211,615	222,007	231,838		238,561	245,480	252,598	259,924	267,462
GENERAL & ADMINISTRATIVE EXPENSES									
Operating Reserve Funding					0	0	0	0	0
Emergency Reserve Funding					1,250	1,250	1,250	0	0
Debt Reserve Funding					0	0	0	0	0
Replacement of Existing Capital Assets					15,735	12,416	11,855	11,416	11,102
Replacement of Funded Project Assets					0	0	0	0	0
Reserves for Additional Capital Assets					187,819	105,499	68,532	50,463	36,553
Debt Service					50,000	50,000	55,739	61,644	67,721
Auditing 902.011	2,983	3,769	3,813	100%	3,924	4,037	4,154	4,275	4,399
Bank Fees: 902.015	0	50	50	100%	51	53	54	56	58
Equipment Repair: 902.050	5,147	14,904	14,000	100%	14,406	14,824	15,254	15,696	16,151
Insurance: 902.090	11,014	237	5,760	100%	5,927	6,099	6,276	6,458	6,645
Leases - Interest: 902.119 (Grader)	568	1,386	1,813	100%	1,866	1,920	1,975	2,033	2,092
Lease - Principal: 902.120 (Grader)	6,231	2,942	3,958	100%	4,073	4,191	4,312	4,437	4,566
Legal: 902.121	5,741	6,672	9,000	100%	9,261	9,530	9,806	10,090	10,383
Meeting Expense: 902.130	169	250	500	100%	515	529	545	561	577
Miscellaneous: 902.131	509	1,803	15,000	100%	15,435	15,883	16,343	16,817	17,305
Pensions/Benefits: 902.160	15,654	6,995	19,883	100%	20,460	21,053	21,663	22,292	22,938
Postage: 902.161	1,577	1,099	1,800	100%	1,852	1,906	1,961	2,018	2,077
Rent: 902.181 Move to Mortgage				100%	0	0	0	0	0
Salaries: 902.190	56,725	51,025	66,186	100%	68,105	70,080	72,113	74,204	76,356
Supplies, Office: 902.191	3,549	3,034	5,000	100%	5,145	5,294	5,448	5,606	5,768
Supplies, Operating: 902.192	4,948	4,960	8,000	100%	8,232	8,471	8,716	8,969	9,229
Telephone: 902.200	3,113	215	3,000	100%	3,087	3,177	3,269	3,363	3,461
Travel/Training: 902.202	1,182	300	1,200	100%	1,235	1,271	1,307	1,345	1,384
Utilities: 902.210	2,080	719	2,000	100%	2,058	2,118	2,179	2,242	2,307
Engineering Service: 902.950	220	17,780	12,000	100%	12,348	12,706	13,075	13,454	13,844
DOLA Loan - Principal (9/1): 902.020				100%	0	0	0	0	0
DOLA Loan - Interest (9/1): 902.021				100%	0	0	0	0	0
Sewer Impact Expense: 902.910 (customers are paying)	7,068	5,567	0	100%	0	0	0	0	0
Bad Debt: 902.920		1,000	0	100%	0	0	0	0	0
Capital Outlay: 902.930	8,081	38,689	39,000	100%	40,131	41,295	42,492	43,725	44,993
County Treasury Fees: 902.931	5,318	5,721	6,796	100%	6,993	7,196	7,405	7,619	7,840
Contingency: 901.960	6,297	15,000	10,263	100%	10,561	10,867	11,182	11,506	11,840
Billing software Casel Hosting Fee			4,000	100%	4,116	4,235	4,358	4,485	4,615
Reserves 312.200		46,700	20,000						
New Office Space (Administrative Const Cost)			17,330						
Rent: 902.181 Move to Mortgage	2,987	2,738	3,034		3,034	3,034	3,034	3,034	3,034
Lease?									
Insurance?									
Debt Service - Interest: 902.940 (internal loan)		0	0						
Debt Service - Principal: 902.941 (paid back from sewer to water)		50,000							
Total General and Administrative Expenses:	151,161	283,555	273,386		497,618	418,932	394,299	387,809	387,238
TOTAL EXPENSES	362,776	505,562	505,224		736,179	664,411	646,897	647,732	654,700



Forest Lake Water & Sanitation District

Sewer Rate Scenarios

July 6, 2021

SOURCE OF FUNDS / REVENUES RECEIVED									
Sales Revenue (Base + Usage)	157,472	144,364	160,000		204,355	224,790	247,269	271,996	299,196
New connections (Tap Fees)	7,068	56,000	50,000	100%	51,450	52,942	54,477	56,057	57,683
Interest income 312.090	8,211	27,162	20,000	100%	20,580	21,177	21,791	22,423	23,073
Uncollectable Receivables					0	0	0	0	0
Reconnect/Admin				100%	0	0	0	0	0
Fees Late/NSF 312.120	862	1,122	1,200	100%	1,235	1,271	1,307	1,345	1,384
				100%	0	0	0	0	0
Property Tax 312.070	179,665	192,768	189,524	100%	195,020	200,676	206,495	212,484	218,646
Misc Income 312.130	300	100	750	100%	772	794	817	841	865
P/I Delinquency Tax 312.160	267	310	300	100%	309	318	327	336	346
Sewer Availability 312.191	25,048	16,000	19,000	100%	19,551	20,118	20,701	21,302	21,919
Land Transfer Fee 312.100	2,583	8,764	10,757	100%	11,069	11,390	11,720	12,060	12,410
Sewer Impact Fees 312.210 (Zero 2020?)	7,068	0	5,567	100%	5,728	5,895	6,066	6,241	6,422
Transfer from Impact Fees:		14,785	0	100%	0	0	0	0	0
Sewer Treatment Out of District 312.235		5,797	6,000	100%	6,174	6,353	6,537	6,727	6,922
Transfers from outside this enterprise 312.201	11,691	1,535	124,960		50,000	50,000	50,000	50,000	50,000
New connections (Tap Fees)	7,068	56,000	50,000		40,000	40,000	40,000	40,000	40,000
TOTAL REVENUE	407,303	524,707	638,058		606,242	635,723	667,509	701,813	738,867
NET LOSS OR GAIN:	44,527	19,145	132,834		-129,937	-28,688	20,612	54,080	84,167
NET CASH FLOW (Contribution to Reserves)	44,527	19,145	132,834		74,868	90,476	102,249	115,959	131,823
Affordability assuming MHI of \$61045 for residential meters.					0.76%	0.84%	0.92%	1.01%	1.12%
Does the Budget Balance?					No	No	Yes	Yes	Yes
Positive Annual Cash Flow?					Yes	Yes	Yes	Yes	Yes

Here it is important to realize the rates at an MHI of \$61K has the affordability below 1% where USDA can serve loans at the discounted rates. USDA guidelines have a minimum of 2% affordability before a grant is eligible.

Calculation of the new rates							
New Rate Structure							
Proposed Customer Class	Name of Class	Rate Structure	Schedule				
1	Residential FT	Flat	A	Go to row 42 and enter the flat rate			
2	Residential PT	Flat	B	Go to row 42 and enter the flat rate			
3	Occasional (6 months)	Flat	C	Go to row 42 and enter the flat rate			
6	Minimum Bill (W/PI-Tap)	Flat	F	Go to row 96 and enter the flat rate			
Rate Structures		Proposed Rate Schedules					
Flat	Meter Size	A	B	C	D	E	
	Base 0.625	\$38.75	\$33.07	\$24.90		\$19.57	
Growth Factor of Rates		Year 2	Year 3	Year 4	Year 5		
	Base	10.00%	10.00%	10.00%	10.00%		
Results of the new rates		2022	2023	2024	2025	2026	5 Years
TOTAL EXPENSES		\$736,179	\$664,411	\$646,897	\$647,732	\$654,700	\$3,349,919
TOTAL REVENUE		\$606,242	\$635,723	\$667,509	\$701,813	\$738,867	\$3,350,153
LOSS OR GAIN: (Short/Over to Reserves)		-\$129,937	-\$28,688	\$20,612	\$54,080	\$84,167	\$234
CASH FLOW (Contribution to Reserves)		\$74,868	\$90,476	\$102,249	\$115,959	\$131,823	\$515,374
Affordability assuming MHI of \$61045 for residential meters.		0.76%	0.84%	0.92%	1.01%	1.12%	
Are you putting enough money in reserves?		No	No	Yes	Yes	Yes	
Positive Annual Cash Flow?		Yes	Yes	Yes	Yes	Yes	



Rates as they grow with the years

Year 1	Year 2	Year 3	Year 4	Year 5
38.75	42.63	46.89	51.58	56.73

Here it can be seen that a \$515,374 are added to the reserves under this scenario over the five year forecast.

Scenario 2: Reserve Target at \$100,000

To achieve this reserve target the default funding table was adjusted to:

Default Funding of Asset Replacements		
Replacement Value From	To	Cash
\$0	\$40,000	100%
\$40,001	\$100,000	20%
\$100,001	\$300,000	10.0%
\$300,001	\$9,999,999	2.0%
\$10,000,000	\$9,999,999	2.0%

Which is \$11,835 to replace existing assets, and \$92,015 for improvements and infrastructure upgrades for a total of \$103,851.

Calculation of the new rates							
New Rate Structure							
Proposed Customer Class	Name of Class	Rate Structure		Schedule			
1	Residential FT	Flat		A		Go to row 42 and enter the flat rate	
2	Residential PT	Flat		B		Go to row 42 and enter the flat rate	
3	Occasional (6 months)	Flat		C		Go to row 42 and enter the flat rate	
6	Minimum Bill (W/PI-Tap)	Flat		F		Go to row 96 and enter the flat rate	
Rate Structures		Proposed Rate Schedules					
Flat	Meter Size	A	B	C	D	E	F
	Base 0.625	\$33.00	\$28.17	\$21.21			\$16.67
Growth Factor of Rates		Year 2		Year 3	Year 4	Year 5	
	Base	10.00%		10.00%	10.00%	10.00%	
Results of the new rates		2022	2023	2024	2025	2026	5 Years
TOTAL EXPENSES		\$625,850	\$625,368	\$624,253	\$636,470	\$652,293	\$3,164,234
TOTAL REVENUE		\$575,919	\$602,367	\$630,817	\$661,452	\$694,470	\$3,165,025
LOSS OR GAIN: (Short/Over to Reserves)		-\$49,931	-\$23,001	\$6,564	\$24,982	\$42,177	\$791
CASH FLOW (Contribution to Reserves)		\$44,544	\$52,693	\$60,748	\$70,396	\$81,818	\$310,199
Billing MHI of \$61045 for residential meters.		0.65%	0.71%	0.78%	0.86%	0.95%	
Are you putting enough money in reserves?		No	No	Yes	Yes	Yes	
Positive Annual Cash Flow?		Yes	Yes	Yes	Yes	Yes	

This second scenario contributes \$205K less over the five year forecast.



Rates as they grow with the years

Year 1	Year 2	Year 3	Year 4	Year 5
38.75	42.63	46.89	51.58	56.73

Here it can be seen that a \$515,374 are added to the reserves under this scenario over the five year forecast.