

GRANBY SANITATION DISTRICT

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December 10, 2015

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203
Filed through DLG Electronic Filing Portal

RE: Granby Sanitation District, LGID # 25007, 2016 BUDGET

To whom it may concern:

Attached is the 2016 budget for Granby Sanitation District in Grand County, Colorado submitted pursuant to Sec. 29-1-113, C.R.S. This budget was adopted on December 9, 2015. If there are any questions regarding the budget please contact Tammy Granger at 970-887-2052, P.O. Box 560, Granby, Colorado 80446. The mill levy certified to the Grand County Commissioners is 0.000 mills.

I, Tammara K. Granger, District Administrator, hereby certify that the enclosed are true and accurate copies of the Adopted Budget and Certification of Tax Levies to the Board of County Commissioners.

Sincerely,

Tammara K. Granger
Budget Officer

enclosures

GRANBY SANITATION DISTRICT 2015 General Budget Information

Granby Sanitation District's Board of Directors follows the Local Government Budget Law, Colorado Revised Statute (C.R.S.) 29-1-101 through 29-1-115 in establishing the budgetary data reflected in the 2015 Budget and in the financial statements:

1. Prior to October 15, the budget officer submits to the District's Board a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain the taxpayer's comment.
3. Prior to December 15, the budget is legally adopted through passage of a resolution, making appropriation for the budget year.
4. Formal budgetary integration with current financial statements is employed as a management control device during the year at the Board of Director's monthly meetings.
5. The budget for the General Fund is adopted on a modified accrual basis except for debt service payments which are shown using the cash basis.
6. Appropriations lapse at the end of each calendar year.
7. The District's Board may authorize supplemental appropriations during the year.

Granby Sanitation District provides wastewater treatment services in an area including the Town of Granby, areas adjacent to the Town and the SilverCreek Water and Sanitation District. The 2015 service fee revenues are based on an anticipated 2,892 single-family equivalent units multiplied by a \$32.00/month/SFE sewer service fee. Approximately 1,179 of which are to be served within the boundaries of Granby Sanitation District, 543 to be served by SilverCreek Water and Sanitation District and 1,170 served by the Town of Granby (outside of Granby Sanitation District boundaries). Sewer service fees increased from \$25.00 to \$26.50 on January 1, 2012. As of January 1, 2014, sewer service fees increased from \$26.50/sfe/month to \$32.00/sfe/month. In 1998 the District established an unrestricted operating contingency fund to be used to maintain and repair the District's aging plant equipment and collection system. In addition to sewer service fees, other revenues are generated from emergency sewer main cleaning for other public entities, the sale of District generated soil amendment and rent for the Grand County Animal Shelter facilities. In 2004 the District entered into an Agreement to Treat Sewage with the Town of Granby related to wastewater treatment for properties referred to as "exclusion lands." In 2006 The District entered into a second agreement with the Town of Granby related to wastewater treatment for properties referred to as "expansion lands." As a result, the District expects to receive \$10,000 in 2015 to reimburse the District for additional administrative and operational costs that are expected to be incurred. The Town of Granby needed these Agreements as part of their efforts to exclude properties previously served by SilverCreek Water and Sanitation District. These other revenues, in

addition to any surplus of sewer service fees minus operating expenses, will be added to the unrestricted operating contingency fund, which is included in the Ending Fund Balance. Likewise, there may be maintenance and repair items that will need to be funded from this unrestricted operating contingency fund and again, the change in this fund will be reflected in the Ending Fund Balance. The unrestricted operating contingency fund will accumulate any surplus or reflect spending from year to year. Plant investment fees and interest earned on the District's investments are added to the District's capital outlay fund.

In 2006 the District applied for and received a loan in the amount of \$4,810,728 through the Colorado Water Pollution Control Revolving Funds. This loan is administered by the Colorado Water Resources and Power Development Authority and is funded by the issue of revenue bonds. Voter approval for revenue bonds is not required since the District qualifies as an "enterprise" as defined by the TABOR Amendment. The District will make semi-annual debt service payments, which began on August 1, 2006 and will end August 1, 2027 and are included in the budget. The balance of the loan proceeds were spent in 2009 to fund the 1.0 mgd wastewater treatment plant expansion/upgrade project, which was completed in the fall of 2008.

Beginning April 4, 2012 plant investment fees increased from \$6,500.00 to \$8,500.00 for each single family equivalent after the Board of Directors' consideration of the estimated cost of plant expansion and the District's need to comply with current and future discharge permit requirements. Plant Investment Fees are used for capital improvements to the wastewater treatment plant or collection system. The sale of 5 plant investment fees is budgeted for 2016.

In 1992 the Board of Directors resolved to restrict a portion of the District's retained earnings to provide for potential unemployment claims. The District has always been self-insured for unemployment purposes and the Board of Directors decided it would be prudent to set aside funds for any potential claims. The Board increased the unemployment restricted funds from \$12,000 to \$66,000 in 2012, resulting in \$66,000 in the Ending Fund Balance.

The expenses for the District as listed in the budget are fairly self-explanatory. Budgeted legal fees are for both necessary and potential legal expenses anticipated by the District. It should be noted that legal fees may increase should unexpected litigation occur. There are funds available in the unrestricted operating contingency fund should additional expenses be incurred. The District's in-vessel composting facility to process the District's biosolids into a reusable "class A" biosolids product was put into operation in 2006. It is expected that the District will generate revenue from the sale of this compost product. Increases in fuel, electricity, plant heat, insurance premiums and operation and maintenance expenses have been experienced and are expected to continue in 2016 and are also incorporated into the 2016 budget. In 2013 an additional operating expenditure line was included to cover the cost of compliance laboratory testing that is anticipated as a requirement of the District's discharge permit renewal, and cannot be conducted in the District's on-site laboratory.

Salaries and Fringe Benefit expenses are related to the District's employees consisting of three full-time plant operators, one part-time seasonal laborer, the Operations Superintendent and District Administrator. Wage increases are budgeted throughout the year for the wastewater treatment plant operators in the event that advanced certifications are obtained. Merit increases may be considered

and awarded based upon performance evaluation results, budget status and economic conditions.

Even though the District is operating as an Enterprise Fund, as defined under the Tabor Amendment, the Board of Directors will set continue to fund an emergency reserve provision as provided for under the amendment. The 2016 emergency reserve fund balance is \$23,477.00, which is 3% of the estimated 2016 operating expenditures of \$782,563.00. This emergency reserve makes up the remainder of the Ending Fund Balance.

Capital outlay expenditures are for anticipated and contingent system improvements. These funds are budgeted for additions and upgrades to or expansion of the treatment plant, upgrades to the collection system or for potential expenditures necessary to upgrade the system due to increased Federal and State regulation. In 2008 the District's construction project to expand wastewater treatment capacity to 2.0 mgd, add some nutrient removal treatment and remodel administrative space was completed. Minimal capital expenditures are anticipated for 2016 and will be dependent upon the cost of expenditures and the revenue to support them. Budgeted capital expenditures for 2016 include: completion of the upgrade of the electrical controls to the influent pumps and approximately 500 linear feet of sewer main in Jasper Ct.

The budgetary basis of accounting used by the District for the 2016 budget is the modified accrual basis.

RESOLUTION TO ADOPT BUDGET
(Pursuant to 29-1-108, C.R.S.)

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, AND ADOPTING A BUDGET FOR THE GRANBY SANITATION DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE 1ST DAY OF JANUARY, 2016, AND ENDING THE LAST DAY OF DECEMBER, 2016.

WHEREAS, the Board of Directors for the Granby Sanitation District has appointed Tammara K. Granger, District Administrator, to prepare and submit a proposed budget to said governing body at the proper time and;

WHEREAS, Tammara K. Granger, District Administrator, has submitted a proposed budget to this governing body on October 14, 2015, for its consideration.

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 9, 2015, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget, and;

WHEREAS, whatever increases have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GRANBY SANITATION DISTRICT, COLORADO:

Section 1. That estimated expenditures for each fund are as follows:

General Fund	\$4,598,673
Restricted Funds	<u>89,477</u>
	<u>\$4,688,150</u>

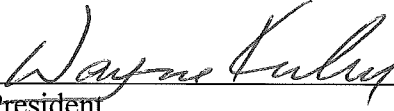
Section 2. That estimated revenues for each fund are as follows:

General Fund:	
From unappropriated surpluses	\$ 3,508,240
From sources other than general property tax	<u>1,179,910</u>
	<u>\$ 4,688,150</u>

Section 3. That the budget as submitted, amended, and summarized by fund, is approved and adopted as the budget of the Granby Sanitation District for the year stated above.


Section 4. That the budget hereby approved and adopted shall be signed by the President and Secretary, and made a part of the public records of the District.

ADOPTED, this 9th day of December, A.D., 2015.



President

Attest:



Secretary

**RESOLUTION TO APPROPRIATE SUMS OF MONEY
(Pursuant to Section 29-1-108, C.R.S.)**

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSES AS SET FORTH BELOW, FOR THE GRANBY SANITATION DISTRICT, COLORADO, FOR THE 2016 BUDGET YEAR.

WHEREAS, The Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on December 9, 2015, and;

WHEREAS, the Board of Directors has made provisions therein for revenue in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;


WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the Granby Sanitation District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GRANBY SANITATION DISTRICT, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated:


General Fund	
Current Operation Expenses	\$ 782,563
Debt Service Payment	338,926
Capital Outlay	191,406
Unrestricted Operating Contingency	3,286,484
Emergency Reserve adjustment	-706
Restricted Funds	<u>89,477</u>
Total General Fund	<u>\$4,688,150</u>

ADOPTED, this 9th day of December, A.D., 2015.



President

Attest:



Secretary

RESOLUTION TO SET MILL LEVIES

A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2015, TO HELP DEFRAID THE COSTS OF GOVERNMENT OF THE GRANBY SANITATION DISTRICT, COLORADO FOR THE 2016 BUDGET YEAR.

WHEREAS, the Board of Directors of the Granby Sanitation District has adopted the annual budget in accordance with the Local Government Budget Law, on November 11, 2015, and;

WHEREAS, the local 2015 valuation for assessment for Granby Sanitation District, as certified by the County Assessor is \$17,984,640.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GRANBY SANITATION DISTRICT, COLORADO:

Section 1. That for the purpose of meeting all debt service obligation of Granby Sanitation District during the 2016 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2016.

Section 2. That for the purpose of meeting all general operating expenses of Granby Sanitation District during the 2016 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2016.

Section 3. That for the purpose of meeting all capital expenditures of Granby Sanitation District during the 2016 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2016.

Section 4. That the President is hereby authorized and directed to immediately certify to the County Commissioners of Grand County, Colorado, the mill levies for the Granby Sanitation District as hereinabove determined and set.

ADOPTED, this 9th day of December, A.D., 2015.



President

Attest:



Secretary

GENERAL FUND BUDGET
GRANBY SANITATION DISTRICT
JANUARY 1, - DECEMBER 31, 2016

1d(hw&jasper)

	ACTUAL PRIOR YEAR 2014	ESTIMATED CURRENT YEAR 2015	\$32/mo/sfe FINAL BUDGET 2016
ESTIMATED REVENUES			
BEGINNING FUND BALANCES - JANUARY 1ST	3,034,733	3,413,771	3,508,240
OPERATING REVENUES			
Sewer Service Fees	1,111,366	1,120,419	1,112,096
Town of Granby Agreement	10,000	10,000	10,000
Compost Sales	2,571	3,545	2,000
Other - Miscellaneous	4,715	4,260	0
Sales Tax Service Fee	0	1	0
Other - Animal Shelter Rent	8,000	8,000	9,664
Other - Sale of Equipment	0	0	0
Total Operating Revenues	1,136,652	1,146,225	1,133,760
NON-OPERATING REVENUES			
Facility/Inclusion Fees	1,000	0	0
Sewer Tap Fees	370,260	59,500	42,500
Interest Earned	2,911	4,187	3,650
CWRPDA Revenue Bond Proceeds	0	0	0
Total Non-Operating Revenues	374,171	63,687	46,150
TOTAL AVAILABLE FUNDS	4,545,556	4,623,683	4,688,150
ESTIMATED EXPENDITURES			
OPERATING EXPENSES			
ADMINISTRATION			
Director's Fees	5,400	6,500	8,000
Insurance	31,577	34,487	36,500
Permit Fees	9,835	6,475	6,700
Office	9,614	13,600	11,200
Legal	17,656	15,270	25,000
Audit	6,379	6,495	7,145
Dues	5,775	5,775	6,000
Administrative Salary	56,952	60,450	67,561
Election	1,777	0	2,000
	144,965	149,052	170,106
UTILITIES			
Telephone	3,996	4,400	4,780
Plant Heat	4,245	6,670	8,052
Electricity	90,214	81,700	92,050
Trash Removal	1,866	2,033	2,215
	100,321	94,803	107,097
PLANT OPERATIONS			
Plant Maintenance	56,814	51,500	58,500
Collection System	6,586	10,850	13,500
Engineering	2,110	2,350	3,500
Operation Salaries	229,603	229,100	241,500
Fringe Benefits	117,377	121,500	122,690
Payroll Taxes	4,610	5,050	5,470
Unemployment pmts in lieu of tax	0	0	0
Training and Travel	4,594	3,934	6,500
Auto and Truck	6,645	5,500	7,000
Operating Supplies	31,919	36,900	37,000
Compliance Lab Testing	5,875	7,381	9,700
	466,133	474,065	505,360
TOTAL OPERATING EXPENSES	711,419	717,920	782,563
NON-OPERATING EXPENSES			
Debt Service Pmts - CWRPDA revenue bond	336,039	338,074	338,926
Capital Outlay	84,327	59,254	191,406
Emergency Reserve Adjustment	0	195	-706
TOTAL NON-OPERATING EXPENSES	420,366	397,523	529,626
UNRESTRICTED/RESTRICTED FUNDS			
Unrestricted-Operating Contingency	3,326,428	3,420,702	3,286,484
Restricted CWRPDA Revenue Bond Proceeds	0	0	0
Restricted Unemployment Reserve	66,000	66,000	66,000
Restricted Emergency Reserve	21,343	21,538	23,477
TOTAL UNRESTRICTED/RESTRICTED FUNDS	3,413,771	3,508,240	3,375,961
TOTAL EXPENDITURES	4,545,556	4,623,683	4,688,150
ENDING FUND BALANCE - DECEMBER 31st	0	0	0

GRANBY SANITATION DISTRICT
PROPOSED BUDGET WORKSHEET
BUDGET YEAR 2016

	2014 Actual	2015 To Date	2015 Budget	2015 Estimated	2016 Budget
OPERATIONS					
BEGINNING FUND BALANCE	2,349,832	2,775,065	2,739,059	2,775,065	3,203,370
REVENUES					
Service Fees	1,111,366	840,086	1,107,785	1,120,419	1,112,096
Town of Granby Agreement	10,000	7,500	10,000	10,000	10,000
Compost Sales	2,571	1,102	1,000	3,545	2,000
Other - Miscellaneous	4,715	3,891	0	4,260	0
Sales Tax Service Fee	0	0	0	1	0
Other-Animal Shelter Rent	8,000	6,000	8,000	8,000	9,664
Other-Sale of Equipment	0	0	0	0	0
TOTAL REVENUES	1,136,652	858,579	1,126,785	1,146,225	1,133,760
FUNDS AVAILABLE	3,486,484	3,633,644	3,865,844	3,921,290	4,337,130
EXPENDITURES					
ADMINISTRATION					
Director's Fees	5,400	4,000	8,000	6,500	8,000
Insurance	31,577	26,010	34,700	34,487	36,500
Permit Fees	9,835	6,475	7,205	6,475	6,700
Office	9,614	8,845	13,400	13,600	11,200
Legal	17,656	6,908	25,000	15,270	25,000
Audit	6,379	6,495	7,015	6,495	7,145
Dues	5,775	5,350	6,000	5,775	6,000
Administrative Salary	56,952	39,754	62,456	60,450	67,561
Election	1,777	0	0	0	2,000
	144,965	103,837	163,776	149,052	170,106
UTILITIES					
Telephone	3,996	2,559	4,682	4,400	4,780
Plant Heat	4,245	3,762	7,406	6,670	8,052
Electricity	90,214	52,200	109,200	81,700	92,050
Trash Removal	1,866	1,473	2,157	2,033	2,215
	100,321	59,994	123,445	94,803	107,097
PLANT & COLLECTION					
Plant Maintenance	56,814	36,501	52,500	51,500	58,500
Collection System	6,586	4,871	13,000	10,850	13,500
Engineering	2,110	650	5,000	2,350	3,500
Operation Salaries	229,603	153,952	235,800	229,100	241,500
Fringe Benefits	117,377	96,476	136,735	121,500	122,690
Payroll Taxes	4,610	3,406	5,495	5,050	5,470
Unemployment In Lieu Of Taxes	0	0	0	0	0
Training & Travel	4,594	3,734	8,500	3,934	6,500
Auto & Truck	6,645	3,277	7,000	5,500	7,000
Operating Supplies	31,919	20,535	45,050	36,900	37,000
Compliance Lab Testing	5,875	3,986	9,800	7,381	9,700
	466,133	327,388	518,880	474,065	505,360
	711,419	491,219	806,101	717,920	782,563
TOTAL OPERATING EXPENSE	2,775,065	3,142,425	3,059,743	3,203,370	3,554,567
ENDING FUND BALANCE	684,901	638,706	633,613	638,706	304,870
NON-OPERATING					
BEGINNING FUND BALANCE					
REVENUES					
Facility/Inclusion Fees	1,000	0	0	0	0
Plant Investment Fees	370,260	59,500	42,500	59,500	42,500
Interest Earned	2,911	2,845	2,700	4,187	3,650
CWRPDA Revenue Bond Proceeds	0	0	0	0	0
TOTAL REVENUES	374,171	62,345	45,200	63,687	46,150
FUNDS AVAILABLE	1,059,072	701,051	678,813	702,393	351,020
EXPENDITURES					
Debt Service-CWRPDA rev bonds	336,039	338,074	338,074	338,074	338,926
Capital - Plant, Equip, Veh, Lines	84,327	19,010	78,000	59,254	191,406
Unrestricted/Restricted/Reserves	0	0	3,322,881	0	3,375,961
% Reserve Adjustment	0	0	-399	195	-706
TOTAL EXPENDITURES	420,366	357,084	3,738,556	397,523	3,905,587
ENDING FUND BALANCE	638,706	343,967	-3,059,743	304,870	-3,554,567
FUND BALANCE SUMMARY					
Operating	2,349,832	2,775,065	3,059,743	2,775,065	3,554,567
Non-Operating	551,363	256,624	-3,059,743	217,332	-3,554,567
Unrestricted Operating Contingent	425,233	367,360	3,186,093	428,305	3,286,484
Restricted - Unemployment claims	66,000	66,000	66,000	66,000	66,000
% Emergency Reserve	21,343	21,343	24,183	21,538	23,477
TOTAL FUND BALANCE	3,413,771	3,486,392	3,276,276	3,508,240	3,375,961