

GRANBY SANITATION DISTRICT

P.O. Box 560
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Granby, CO 80446-0560
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December 15, 2016

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

RE: Granby Sanitation District, LGID # 25007, 2017 BUDGET

To whom it may concern:

Attached is the 2017 budget for Granby Sanitation District in Grand County, Colorado submitted pursuant to Sec. 29-1-113, C.R.S. This budget was adopted on November 9, 2016. An Amended Resolution To Set Mill Levies was adopted December 14, 2016 upon receipt of the Final Certification of Values from the County Assessor. 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 2017 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 2017 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 an area including the Town of Granby, areas adjacent to the Town and the SilverCreek Water and Sanitation District. The 2017 service fee revenues are based on an anticipated 2,923 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, 546 to be served by SilverCreek Water and Sanitation District and 1,198 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 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 2017 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. In 2016 a refinancing of the bond issue was completed by the Colorado Water Resources and Power Development Authority resulting in refunding credits which reduce loan interest. This savings began with the August, 2016 debt service payment.

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 2017.

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 2017 and are also incorporated into the 2017 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 full-time 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 2017 emergency reserve fund balance is \$25,687.00, which is 3% of the estimated 2017 operating expenditures of \$856,221.00. 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. Capital expenditures of \$100,000.00 are included in the District's 2017 budget for possible roof and/or collection system projects.

The budgetary basis of accounting used by the District for the 2017 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, 2017, AND ENDING THE LAST DAY OF DECEMBER, 2017.

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 12, 2016, 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 November 9, 2016, 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	\$4,644,979
Restricted Funds	<u>91,687</u>
	<u>\$4,736,666</u>

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

General Fund:	
From unappropriated surpluses	\$ 3,537,870
From sources other than general property tax	<u>1,198,796</u>
	<u>\$ 4,736,666</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 November, A.D., 2016.



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 2017 BUDGET YEAR.

WHEREAS, The Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 9, 2016, 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:

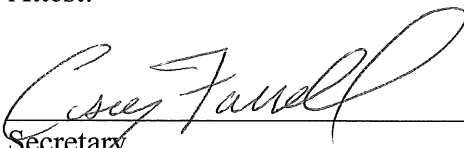
General Fund	
Current Operation Expenses	\$ 856,221
Debt Service Payment	308,043
Capital Outlay	100,000
Unrestricted Operating Contingency	3,378,505
Emergency Reserve adjustment	2,210
Restricted Funds	<u>91,687</u>
Total General Fund	<u>\$4,736,666</u>

ADOPTED, this 9th day of November, A.D., 2016.



President

Attest:



Secretary

RESOLUTION TO SET MILL LEVIES

A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2016, TO HELP DEFRAY THE COSTS OF GOVERNMENT OF THE GRANBY SANITATION DISTRICT, COLORADO FOR THE 2017 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 9, 2016, and;

WHEREAS, the local 2016 valuation for assessment for Granby Sanitation District, as certified by the County Assessor is \$17,683,080.

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 2017 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 2017.

Section 2. That for the purpose of meeting all general operating expenses of Granby Sanitation District during the 2017 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 2017.

Section 3. That for the purpose of meeting all capital expenditures of Granby Sanitation District during the 2017 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 2017.

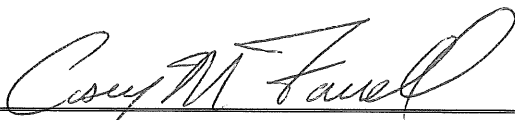
Section 4. That the President is hereby authorized and directed to immediately certify to the County Commissioners of Grand County, Colorado, the mill levies for the Granby Sanitation District as hereinabove determined and set.

ADOPTED, this 9th day of November, A.D., 2016.



President

Attest:



Secretary

**RESOLUTION TO SET MILL LEVIES
AMENDED**

A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2016, TO HELP DEFRAY THE COSTS OF GOVERNMENT OF THE GRANBY SANITATION DISTRICT, COLORADO FOR THE 2017 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 9, 2016, and;

WHEREAS, the local 2016 valuation for assessment for Granby Sanitation District, as certified by the County Assessor is \$17,671,520.

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 2017 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 2017.

Section 2. That for the purpose of meeting all general operating expenses of Granby Sanitation District during the 2017 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 2017.

Section 3. That for the purpose of meeting all capital expenditures of Granby Sanitation District during the 2017 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 2017.


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 14th day of December, A.D., 2016.



President

Attest:



Secretary

GENERAL FUND BUDGET
GRANBY SANITATION DISTRICT
JANUARY 1, - DECEMBER 31, 2017

ESTIMATED REVENUES	ACTUAL PRIOR YEAR 2015	ESTIMATED CURRENT YEAR 2016	\$32/mo/sfe FINAL BUDGET 2017
BEGINNING FUND BALANCES - JANUARY 1ST	3,413,771	3,529,539	3,537,870
OPERATING REVENUES			
Sewer Service Fees	1,121,251	1,120,035	1,121,312
Town of Granby Agreement	10,000	10,000	10,000
Compost Sales	3,547	2,090	1,500
Other - Miscellaneous	4,262	4,835	0
Sales Tax Service Fee	0	0	0
Other - Animal Shelter Rent	8,000	9,664	9,664
Other - Sale of Equipment	0	0	0
Total Operating Revenues	1,147,060	1,146,624	1,142,476
NON-OPERATING REVENUES			
Facility/Inclusion Fees	0	0	0
Sewer Tap Fees	59,500	137,955	42,500
Interest Earned	5,058	13,819	13,820
CWRPDA Revenue Bond Proceeds	0	0	0
Total Non-Operating Revenues	64,558	151,774	56,320
TOTAL AVAILABLE FUNDS	4,625,389	4,827,937	4,736,666
ESTIMATED EXPENDITURES			
OPERATING EXPENSES			
ADMINISTRATION			
Director's Fees	5,500	8,000	8,000
Insurance	33,485	31,250	31,885
Permit Fees	6,475	6,477	6,556
Office	13,724	9,882	10,800
Legal	13,388	22,000	25,000
Audit	6,495	6,600	6,930
Dues	5,775	5,337	6,000
Administrative Salary	59,179	63,460	67,734
Election	0	37	0
	144,021	153,043	162,905
UTILITIES			
Telephone	4,398	4,524	4,910
Plant Heat	7,107	9,420	9,900
Electricity	82,033	88,794	99,840
Trash Removal	1,958	2,103	2,240
	95,496	104,841	116,890
PLANT OPERATIONS			
Plant Maintenance	49,805	45,029	42,161
Collection System	10,107	19,359	7,955
Engineering	2,150	2,500	10,000
Operation Salaries	222,076	236,626	269,200
Fringe Benefits	121,198	122,317	163,960
Payroll Taxes	4,814	5,515	5,540
Unemployment pmts in lieu of tax	0	0	0
Training and Travel	3,894	4,162	7,000
Auto and Truck	4,792	8,788	11,700
Operating Supplies	36,097	43,995	48,800
Compliance Lab Testing	7,260	8,126	10,110
	462,193	496,417	576,426
	701,710	754,301	856,221
TOTAL OPERATING EXPENSES			
NON-OPERATING EXPENSES			
Debt Service Pmts - CWRPDA revenue bond	336,178	327,808	308,043
Capital Outlay	57,962	206,380	100,000
Emergency Reserve Adjustment	0	1,578	2,210
TOTAL NON-OPERATING EXPENSES	394,140	535,766	410,253
UNRESTRICTED/RESTRICTED FUNDS			
Unrestricted	3,442,488	3,449,241	3,378,505
Restricted CWRPDA Revenue Bond Proceeds	0	0	0
Restricted Unemployment Reserve	66,000	66,000	66,000
Restricted Emergency Reserve	21,051	22,629	25,687
TOTAL UNRESTRICTED/RESTRICTED FUNDS	3,529,539	3,537,870	3,470,192
TOTAL EXPENDITURES	4,625,389	4,827,937	4,736,666
ENDING FUND BALANCE - DECEMBER 31st	0	0	0

GRANBY SANITATION DISTRICT
PROPOSED BUDGET WORKSHEET
BUDGET YEAR 2017

OPERATIONS	\$32/mo/sfe				
	2015 Actual	2016 To Date	2016 Budget	2016 Estimated	2017 Budget
BEGINNING FUND BALANCE	2,775,065	3,220,415	3,203,370	3,220,415	3,612,738
REVENUES					
Service Fees	1,121,251	839,648	1,112,096	1,120,035	1,121,312
Town of Granby Agreement	10,000	7,500	10,000	10,000	10,000
Compost Sales	3,547	1,506	2,000	2,090	1,500
Other - Miscellaneous	4,262	4,805	0	4,835	0
Sales Tax Service Fee	0	0	0	0	0
Other-Animal Shelter Rent	8,000	7,248	9,664	9,664	9,664
Other-Sale of Equipment	0	0	0	0	0
TOTAL REVENUES	1,147,060	860,707	1,133,760	1,146,624	1,142,476
FUNDS AVAILABLE	3,922,125	4,081,122	4,337,130	4,367,039	4,755,214
EXPENDITURES					
ADMINISTRATION					
Director's Fees	5,500	3,700	8,000	8,000	8,000
Insurance	33,485	24,291	36,500	31,250	31,885
Permit Fees	6,475	6,477	6,700	6,477	6,556
Office	13,724	6,801	11,200	9,882	10,800
Legal	13,388	11,070	25,000	22,000	25,000
Audit	6,495	6,600	7,145	6,600	6,930
Dues	5,775	5,337	6,000	5,337	6,000
Administrative Salary	59,179	42,576	67,561	63,460	67,734
Election	0	37	2,000	37	0
	144,021	106,889	170,106	153,043	162,905
UTILITIES					
Telephone	4,398	2,820	4,780	4,524	4,910
Plant Heat	7,107	4,920	8,052	9,420	9,900
Electricity	82,033	56,294	92,050	88,794	99,840
Trash Removal	1,958	1,521	2,215	2,103	2,240
	95,496	65,555	107,097	104,841	116,890
PLANT & COLLECTION					
Plant Maintenance	49,805	24,417	58,500	45,029	42,161
Collection System	10,107	12,819	13,500	19,359	7,955
Engineering	2,150	0	3,500	2,500	10,000
Operation Salaries	222,076	162,319	241,500	236,626	269,200
Fringe Benefits	121,198	91,678	122,690	122,317	163,960
Payroll Taxes	4,814	3,566	5,470	5,515	5,540
Unemployment In Lieu Of Taxes	0	0	0	0	0
Training & Travel	3,894	3,742	6,500	4,162	7,000
Auto & Truck	4,792	2,658	7,000	8,788	11,700
Operating Supplies	36,097	24,796	37,000	43,995	48,800
Compliance Lab Testing	7,260	4,706	9,700	8,126	10,110
	462,193	330,701	505,360	496,417	576,426
	701,710	503,145	782,563	754,301	856,221
	3,220,415	3,577,977	3,554,567	3,612,738	3,898,993
TOTAL OPERATING EXPENSE					
ENDING FUND BALANCE					
NON-OPERATING					
BEGINNING FUND BALANCE	638,706	309,124	304,870	309,124	-74,868
REVENUES					
Facility/Inclusion Fees	0	0	0	0	0
Plant Investment Fees	59,500	102,000	42,500	137,955	42,500
Interest Earned	5,058	9,301	3,650	13,819	13,820
CWRPDA Revenue Bond Proceeds	0	0	0	0	0
TOTAL REVENUES	64,558	111,301	46,150	151,774	56,320
FUNDS AVAILABLE	703,264	420,425	351,020	460,898	-18,548
EXPENDITURES					
Debt Service-CWRPDA rev bonds	336,178	327,808	338,926	327,808	308,043
Capital - Plant, Equip, Veh, Lines	57,962	206,380	191,406	206,380	100,000
Unrestricted/Restricted/Reserves	0	0	3,375,961	0	3,470,192
% Reserve Adjustment	0	0	-706	1,578	2,210
TOTAL EXPENDITURES	394,140	534,188	3,905,587	535,766	3,880,445
ENDING FUND BALANCE	309,124	-113,763	-3,554,567	-74,868	-3,898,993
FUND BALANCE SUMMARY					
Operating	2,775,065	3,220,415	3,554,567	3,220,415	3,898,993
Non-Operating	222,073	-200,814	-3,554,567	-163,497	-3,898,993
Unrestricted Operating Contingent	445,350	357,562	3,286,484	392,323	3,378,505
Restricted - Unemployment claims	66,000	66,000	66,000	66,000	66,000
% Emergency Reserve	21,051	21,051	23,477	22,629	25,687
TOTAL FUND BALANCE	3,529,539	3,464,214	3,375,961	3,537,870	3,470,192