RAFTELIS

MEMO

To: Buck McNichols, Board President
Blue Valley Metropolitan District, Colorado
From: Andrew Rheem, Senior Manager
Raftelis
Date: December 13, 2021
Re: District Financial Plan and Water Rate and Fee Study Findings and Recommendations

---

The Blue Valley Metropolitan District (District) retained Raftelis to develop a multi-year financial plan and evaluate District water rates and fees for changes starting in 2022 (2021 Financial Plan, Rate and Fee Study). Raftelis evaluated a 10-year financial planning period spanning 2021 through 2030 (Study Period) as summarized within this report. The financial plan and rate review scope of service includes the following:

- Develop District financial plan for the 10-year Study Period
- Evaluate water rate revenue adjustments for the Study Period necessary to fund annual revenue requirements, maintain adequate cash reserves, and provide appropriate debt service coverage.
- Provide 2022 water rates and fees resulting from the Study for consideration by the District.
    - Subsequent annual results may be implemented by the District as part of the annual budgeting and rate and fee evaluations completed by the District.
    - 2022 rate adjustments are anticipated to be effective April 1, 2022 and subsequent annual rate revenue adjustments are anticipated to be effective January 1st of the respective year.
- Evaluate the District's water system tap fee (also referred to as the plant investment fee) for potential changes to that the fee recovers the value of system facilities

The 2021 Financial Plan, Rate and Fee Study followed a Water System Master Plan completed for the District by JVA, Inc. As part of the Water System Master Plan, JVA worked with District staff and representatives to identify and prioritize water system capital improvements. District representatives provided Raftelis with an updated schedule of capital improvements which were adjusted for improvements completed since the completion of the Water System Master Plan, updated total cost and timing of improvements reflecting an adjusted priority and baseline capital funding assumptions incorporated by Raftelis into the financial plan and water rate and fee review.

Table 1 summarizes the proposed water rate recommendations for 2022. The rates, if adopted and implemented, would become effective April 1, 2022 and in place for 3 of the 4 quarterly billings in 2022.

Table 1: Proposed 2022 Water Minimum and Volume Rate Compared

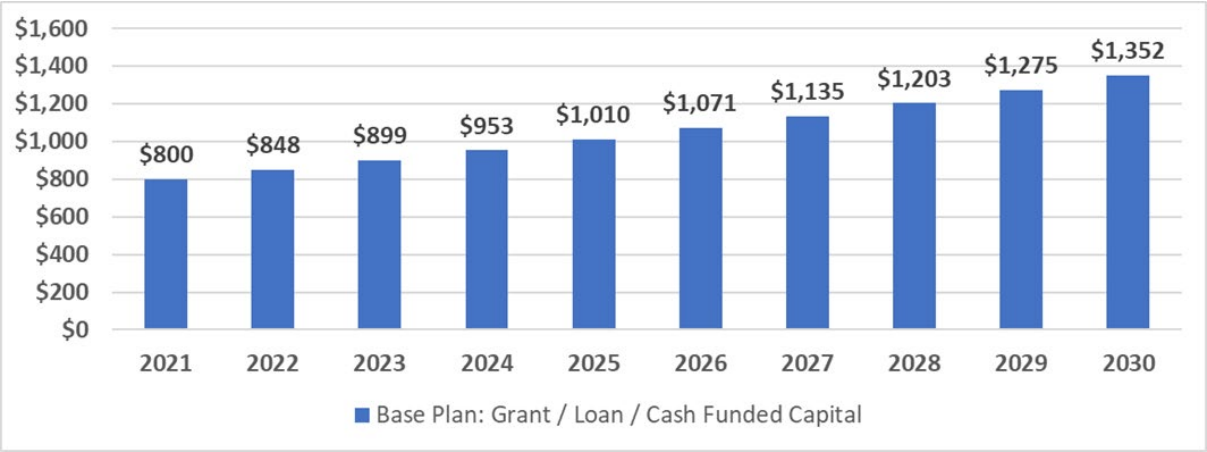
Description	Assessment	Quarterly Water Allocation (Gallons)	Current	2022
Minimum	Per Customer	0 - 30,000	$200.00	$212.00
Volume	Per 1,000 gallons	Use Over 30,000	$15.00	$15.90

The financial plan evaluates the adequacy of system revenues adjusted for customer and demand-related growth to fund annual O&M expenses, debt service, and capital expenditures and maintain proposed financial performance thresholds. The proposed thresholds include:

- Exceeding DSC ratio of at least 1.50 times annual debt service,
- Exceeding end-of-year cash reserve targets of:
  - 25% (90 days) of annual operating expenses PLUS
  - $1,162 fixed amount PLUS
  - 3% of annual expenditures as an Emergency Reserve

Raftelis proposes 6% annual increases in quarterly minimum charges and volume rates to fund annual expenses and exceed proposed DSC ratio and cash reserve targets. If adopted and implemented as projected annually, the minimum quarterly charge will increase as projected in Figure 1-1 below.

Figure 1: Projected Annual Minimum Charge per Customer 2021 through 2030



Projected financial results incorporating the multi-year financial plan and proposed rate revenue adjustments include end-of-year cash balances and annual DSC ratio excluding property tax-based revenues.

Figure 2 summarizes end-of-year cash balances against the proposed cash reserve target each of the of 10-year study period.

Figure 2: Projected District End-of-Year Cash Balances and Cash Reserve Target

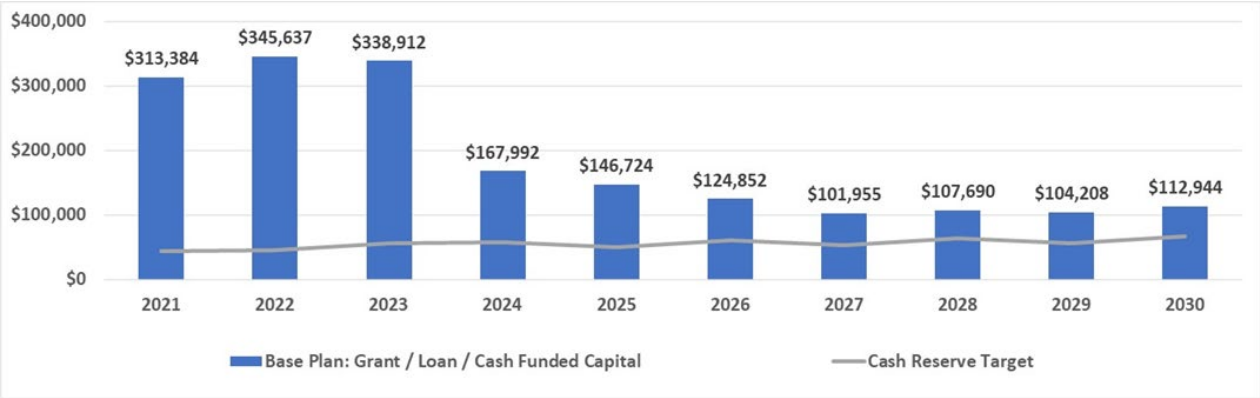
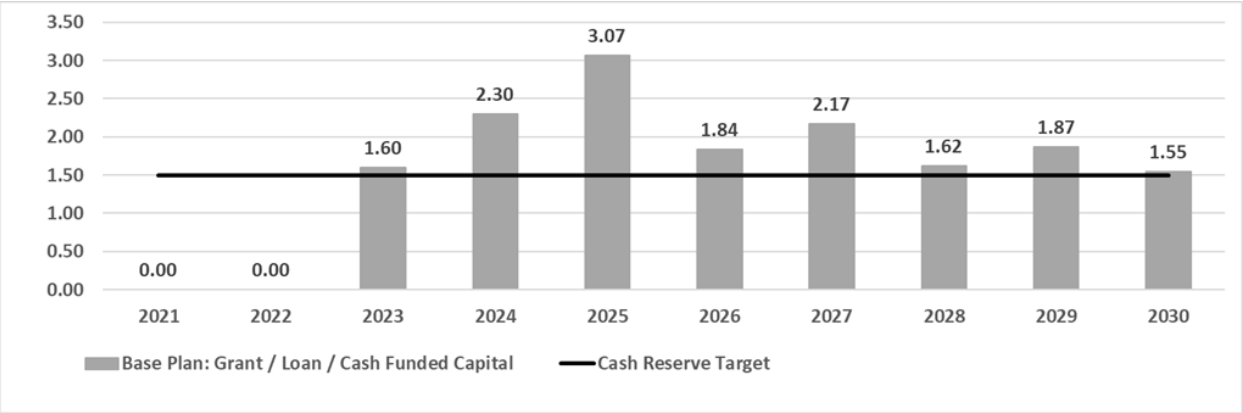


Figure 3 summarizes annual DSC ratio results anticipating that future debt issuances are secured solely from water minimum and volume rate revenues excluding property taxes and specific ownership tax revenues.

Figure 3: Projected Annual DSC Ratio and Target for Rate Setting



A significant driver to the recommended results is the anticipated capital improvements prioritized by the District. Figure 4 summarizes the inflation adjusted annual amounts incorporating 3% annual project inflation applied starting in 2022.

Figure 4: Projected Annual Capital Improvements and Funding Sources for 2021 through 2030 (Inflation Adjusted)

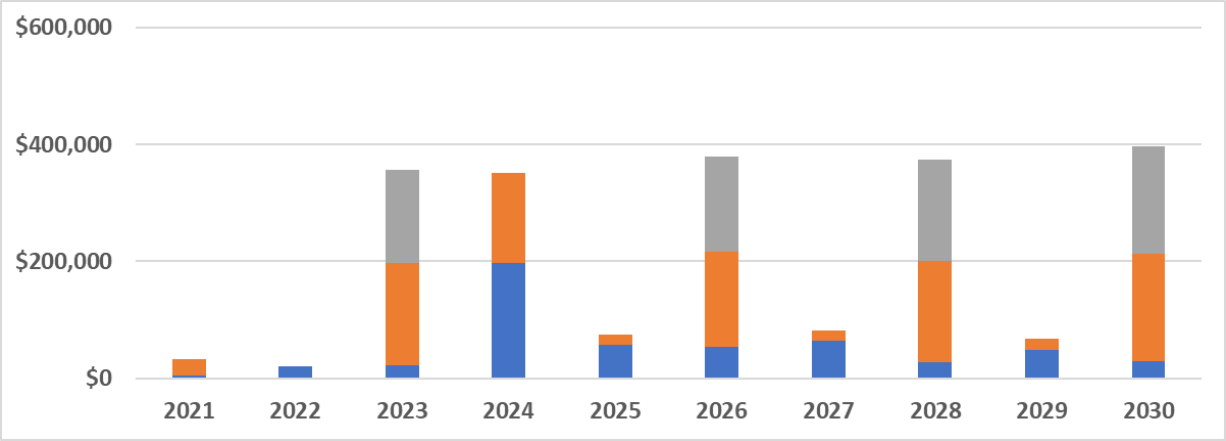


Table 2 summarizes the 2021 amount funded over the 10-year Study Period for each project summarizing the funding source, total amount and anticipated timing as included within the 10-year financial plan.

Table 2: Line-Item Capital Improvement Project Funding, Amount, and Prioritized Timing

Description	Funding	Total	Timing
Replace Non-Operational Infiltration Gallery Pump and Pitless Adapter	**Cash**	$19,000	2022
Conduct Service Plan Evaluation and Rate Study	**Cash**	18,000	2021
Produce Water Model	**Cash**	24,000	2026
Replace Outdated Water Service Meters	**Cash**	144,000	2024 -2033
Establish Water Enterprise Fund	**Cash**	12,000	2025
Acquire pH probe for WTF	**Cash**	400	2025
Conduct Infiltration Gallery Yield Test	**Cash**	15,000	2021
Conduct Infiltration Gallery Improvements Determined from Yield Test	**Loan**	150,000	2023
Conduct Infiltration Gallery Improvements Determined from Yield Test	**Grant**	150,000	2023
Install Raw Water Supply Pump Controls	**Cash**	15,000	2027
Consolidate Existing Maps to master GIS Map	**Cash**	18,000	2024
Develop Water System Maintenance Plans	**Cash**	37,400	2023 – 2030
Annual Waterline Replacement	**Loan**	421,875	2026 – 2030
Annual Waterline Replacement	**Grant**	625,000	2023 – 2030
Annual Waterline Replacement	**Cash**	203,125	2023 – 2030
Annual GIS Map Update	**Cash**	24,000	2023 - 2030

External debt through the Colorado State Revolving Fund loans are anticipated with debt issuances projected for capital improvements as follows:

- 2023 debt of approximately $160,000 for capital

- 2026 debt of approximately $165,000 for capital
- 2028 debt of approximately $175,000 for capital
- 2030 debt of approximately $185,000 for capital

Annual debt service is projected with debt issued over a 20-year repayment term, issuance expenses of 1.5% the amount issued for capital projects, no debt service reserve required, and equal annual payments required using simply amortized debt. Interest rates by year incorporated in annual debt service is as follows:

- 2022: 2.5% interest rate
- 2023: 3.0% interest rate
- 2024: 3.5% interest rate
- 2025 through 2030: 4.0% interest rate

Additional projections assumptions incorporated within the financial plan are as follows:

- Operating expenses increasing approximately 3.0% annually
    - 2023 increases 0.9% as there are one-time items included in the 2022 budget
- Capital project expenses increasing at 3.0% annually starting in 2022
    - Capital project costs were stated in 2021 amounts
- Customers:
    - 126 in-District and 5 out-of-District customers in 2021
        - 5 additional in-District connections in 2022 assessed tap fees
        - 3 additional in-District customers annually in 2023 through 2026 with pre-paid tap fees
        - 1 additional in-District customer annually in 2027 through 2030
- 3% increase in annual property tax and specific ownership tax revenues in 2023 through 2030
- 0% increase to miscellaneous non-rate revenues
- 0.5% interest earnings rate applied to start of year cash reserves in 2022 through 2024, increasing to 1.0% in 2025 through 2030.

APPENDIX A:

WATER FUND FINANCIAL PLAN

Blue Valley Metropolitan District, Colorado **12/10/2021**
Water Utility
Cash Flow and Rate Design Summary

	Fiscal Period Ending December 31									
	2021	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Water Cash Flow Fund Summary										
Months Increase is Effective in First Year	12	9	12	12	12	12	12	12	12	12
Annualized Percentage Increase	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Cumulative Increase	*0.0%*	*6.0%*	*12.4%*	*19.1%*	*26.2%*	*33.8%*	*41.9%*	*50.4%*	*59.4%*	*68.9%*
General Fund										
Grant Funded	28,000	0	175,712	153,665	17,586	163,023	18,657	172,951	19,793	183,484
State & Other Loan Proceeds		0	159,135	0	0	163,023	0	172,951	0	183,484
Annual CIP	*33,000*	*19,570*	*357,152*	*351,476*	*74,340*	*379,836*	*81,972*	*373,451*	*67,962*	*396,194*
Annual Tap Fee Revenues	*24,000*	*36,000*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Ending Fund Balance	311,872	345,217	339,701	168,948	149,351	125,771	102,679	108,177	104,465	113,256
Capital Target	*1,162*	*1,162*	*1,162*	*1,162*	*1,162*	*1,162*	*1,162*	*1,162*	*1,162*	*1,162*
Operating Target	*37,900*	*39,100*	*39,400*	*40,600*	*41,700*	*43,000*	*44,200*	*45,500*	*46,900*	*48,200*
3% of General Fund Spending Target	*5,539*	*5,274*	*15,444*	*15,412*	*7,240*	*16,551*	*7,766*	*16,666*	*7,663*	*17,676*
Total Target	***44,601***	***45,536***	***56,006***	***57,174***	***50,102***	***60,713***	***53,128***	***63,328***	***55,725***	***67,038***
Over/(Under) Target Reserve	*267,271*	*299,681*	*283,695*	*111,774*	*99,249*	*65,058*	*49,551*	*44,849*	*48,740*	*46,218*
Annual DSC - Includes Property Tax Revenues	*N/A*	*N/A*	*6.74*	*7.60*	*8.52*	*4.49*	*4.90*	*3.42*	*3.73*	*2.93*
Annual DSC - Excludes Property Tax Revenues	*N/A*	*N/A*	*1.60*	*2.30*	*3.07*	*1.84*	*2.17*	*1.62*	*1.87*	*1.55*

Draft-For Discussion Purposes Only

Blue Valley Metropolitan District, Colorado
Water Utility
Comparison of Existing and Proposed Rates

Line No.	Description	Existing	Projected								
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		$	$	$	$	$	$	$	$	$	$
1	Tap Fee, $ per Tap	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
2	Service Charge, $ per Annual	800.00	848.00	898.88	952.81	1,009.98	1,070.58	1,134.82	1,202.90	1,275.08	1,351.58
3	Service charge, $ per Quarter	200.00	212.00	224.72	238.20	252.50	267.65	283.70	300.73	318.77	337.90
4	Service charge, $ per Month	66.67	70.67	74.91	79.40	84.17	89.22	94.57	100.24	106.26	112.63

Draft-For Discussion Purposes Only

Blue Valley Metropolitan District, Colorado
Water Utility Cash Flow Analysis

12/10/2021

Line No.	Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		$	$	$	$	$	$	$	$	$	$
	Sources of Funds										
1	Total Water Fee Revenue	100,539	118,289	129,882	140,534	151,996	164,327	175,322	187,044	199,542	212,866
2	Grant Income	28,000	0	175,712	153,665	17,586	163,023	18,657	172,951	19,793	183,484
3	Loan Proceeds	0	0	156,748	0	0	160,578	0	170,357	0	180,732
4	Other Revenues (recycling and river access)	0	250	250	250	250	250	250	250	250	250
5	Water Misc. Charges	1,821	800	800	800	800	800	800	800	800	800
6	Water Tap and Backflow Fee	24,000	36,000	0	0	0	0	0	0	0	0
7	Property Taxes / Specific Ownership Taxes (1)	47,942	53,410	55,012	56,662	58,361	60,112	61,915	63,773	65,686	67,656
8	Interest Earnings	1,821	800	800	800	800	800	800	800	800	800
9	**Total Sources**	**204,123**	**209,549**	**519,204**	**352,711**	**229,793**	**549,890**	**257,744**	**595,975**	**286,871**	**646,587**
	Revenue Requirements										
10	Operation and Maintenance Expense	112,571	114,538	114,612	117,779	121,042	124,403	127,864	131,434	135,112	138,903
11	General and administrative	39,076	41,676	43,049	44,469	45,939	47,458	49,032	50,661	52,348	54,092
	Debt Service										
12	Existing	0	0	0	0	0	0	0	0	0	0
13	Proposed - Revenue Bonds	0	0	0	0	0	0	0	0	0	0
14	Proposed - State & Other	0	0	10,696	10,696	10,696	22,692	22,692	35,418	35,418	48,919
15	Total Debt Service	0	0	10,696	10,696	10,696	22,692	22,692	35,418	35,418	48,919
	Capital										
16	Capital Improvement Program	33,000	19,570	357,152	351,476	74,340	379,836	81,972	373,451	67,962	396,194
17	**Total Revenue Requirements**	**184,647**	**175,784**	**525,509**	**524,420**	**252,017**	**574,389**	**281,560**	**590,964**	**290,840**	**638,108**
18	Annual Surplus (Deficiency)	19,476	33,765	(6,305)	(171,709)	(22,224)	(24,499)	(23,816)	5,011	(3,969)	8,479
19	**Beginning Balance**	293,908	311,872	345,217	339,701	168,948	149,351	125,771	102,679	108,177	104,465
20	**Ending Balance**	**313,384**	**345,637**	**338,912**	**167,992**	**146,724**	**124,852**	**101,955**	**107,690**	**104,208**	**112,944**
	Target Reserves										
21	*Target Operating Reserves (90 days O&M)*	*37,900*	*39,100*	*39,400*	*40,600*	*41,700*	*43,000*	*44,200*	*45,500*	*46,900*	*48,200*
22	*Target Emergency Reserve*	*6,701*	*6,436*	*16,606*	*16,574*	*8,402*	*17,713*	*8,928*	*17,828*	*8,825*	*18,838*
23	***Total Target Reserves***	***44,601***	***45,536***	***56,006***	***57,174***	***50,102***	***60,713***	***53,128***	***63,328***	***55,725***	***67,038***
24	*Undesignated Reserves*	*268,783*	*300,101*	*282,905*	*110,818*	*96,622*	*64,139*	*48,827*	*44,361*	*48,484*	*45,906*
25	Annualized Service Revenue Increase	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
26	Cumulative Revenue Increase	0.0%	6.0%	12.4%	19.1%	26.2%	33.8%	41.9%	50.4%	59.4%	68.9%
27	Debt Service Coverage including Property Tax Revenues (1)	N/A	N/A	6.74	7.60	8.52	4.49	4.90	3.42	3.73	2.93
28	Debt Service Coverage Excluding Property Tax Revenues (1)	N/A	N/A	1.60	2.30	3.07	1.84	2.17	1.62	1.87	1.55

(1) 6 of the 11 mils, approximately 55%, are reserved for road related items.
(2) Includes all user charge, miscellaneous fee, and property tax revenues less O&M divided by total annual debt service. Excludes grants and loan proceeds as these are not revenues.

Draft-For Discussion Purposes Only

Blue Valley Metropolitan District, Colorado
Water Utility
Capital Improvement Plan (Inflated)

Table B-4
12/10/2021

Line No.	Title	Included Inflation (Y/N)	Projected 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	10-Year Total
			$	$	$	$	$	$	$	$	$	$	$
1	Replace Non-Operational Inflitration Gallery Pump and Pitless Adapter	N	0	19,570	0	0	0	0	0	0	0	0	19,570
2	Conduct Service Plan Evaluation and Rate Study	N	18,000	0	0	0	0	0	0	0	0	0	18,000
3	Produce Water Model	N	0	0	0	0	0	27,823	0	0	0	0	27,823
4	Conduct Water Service Meter Audit	N	0	0	0	0	0	0	0	0	0	0	0
5	Replace Outdated Water Service Meters	N	0	0	0	15,735	16,207	16,694	17,194	17,710	18,241	18,789	120,571
6	Establish Water Enterprise Fund	N	0	0	0	0	13,506	0	0	0	0	0	13,506
7	Acquire pH probe for WTF	N	0	0	0	0	450	0	0	0	0	0	450
8	Conduct Infiltration Gallery Yield Test	N	15,000	0	0	0	0	0	0	0	0	0	15,000
9	Conduct Infiltration Gallery Improvements Determined from Yield Test - Debt	N	0	0	159,135	0	0	0	0	0	0	0	159,135
10	Conduct Infiltration Gallery Improvements Determined from Yield Test - Grant	N	0	0	159,135	0	0	0	0	0	0	0	159,135
11	Install Raw Water Supply Pump Controls	N	0	0	0	0	0	0	17,911	0	0	0	17,911
12	Consolidate Existing Maps to master GIS Map	N	0	0	0	19,669	0	0	0	0	0	0	19,669
13	Inspect Water Storage Tank & Develop Inspection and Maintenance Plan	N	0	0	0	0	0	0	0	0	0	0	0
14	Install Ladder Guard to Prevetn Unauthorized Access to Water Storage Tank	N	0	0	0	0	0	0	0	0	0	0	0
15	Develop Water System Maintenance Plans	N	0	0	2,546	5,464	5,628	5,796	5,970	6,149	6,334	6,524	44,411
16	Annual Waterline Replacement - Debt	N	0	0	0	0	0	163,023	0	172,951	0	183,484	519,458
17	Annual Waterline Replacement - Grant	N	0	0	16,577	153,665	17,586	163,023	18,657	172,951	19,793	183,484	745,735
18	Annual Waterline Replacement - Cash	N	0	0	16,577	153,665	17,586	0	18,657	0	19,793	0	187,827
19	Annual GIS Map Update	N	0	0	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	9,837
20	Construct a Clearwell	N	0	0	0	0	0	0	0	0	0	0	0
21	**Total CIP - Inflated**		**33,000**	**19,570**	**357,152**	**351,476**	**74,340**	**379,836**	**81,972**	**373,451**	**67,962**	**396,194**	**2,078,039**
	Annual Inflation		*0.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	
	Cumulative Inflation		*0.0%*	*3.0%*	*6.1%*	*9.3%*	*12.6%*	*15.9%*	*19.4%*	*23.0%*	*26.7%*	*30.5%*	

Draft-For Discussion Purposes Only

Blue Valley Metropolitan District, Colorado
Water Utility
Budget & Projected Operation and Maintenance Expense

Line No.	Fund Description	Category	Description	Inflation Coding	Actual 2019	Estimated 2020	Estimated 2021	2022	2023	2024	2025	Projected 2026	2027	2028	2029	2030
					$	$	$	$	$	$	$	$	$	$	$	$
1	General Fund	General and administrative	Administrative Asst.	1	8,976	9,000	9,000	12,000	12,360	12,731	13,113	13,506	13,911	14,328	14,758	15,201
2	General Fund	General and administrative	Auditor / Election	1	1,675	11,435	8,700	8,700	8,961	9,230	9,507	9,792	10,086	10,389	10,701	11,022
3	General Fund	General and administrative	Bond Fee	1	0	0	0	0	0	0	0	0	0	0	0	0
4	General Fund	General and administrative	Bond Repayment	1	0	0	0	0	0	0	0	0	0	0	0	0
5	General Fund	General and administrative	Cty Treas Fees	1	1,653	2,500	3,800	3,800	3,914	4,031	4,152	4,277	4,405	4,537	4,673	4,813
6	General Fund	General and administrative	Insurance	10	4,916	6,500	6,500	6,500	6,825	7,166	7,524	7,900	8,295	8,710	9,146	9,603
7	General Fund	General and administrative	Legal fees	1	6,067	3,000	8,000	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134
8	General Fund	General and administrative	PO Box Rent	8	76	76	76	76	78	80	82	84	86	88	90	92
9	General Fund	General and administrative	Supplies	4	1,237	1,200	1,200	1,200	1,230	1,261	1,293	1,325	1,358	1,392	1,427	1,463
10	General Fund	General and administrative	Postage & Publishing (Advertising)	4	428	207	200	200	205	210	215	220	226	232	238	244
11	General Fund	General and administrative	Telephone	1	1,732	1,600	1,600	1,200	1,236	1,273	1,311	1,350	1,391	1,433	1,476	1,520
12	General Fund	General and administrative	Cash Flow Reserve	1	0	0	0	0	0	0	0	0	0	0	0	0
13	General Fund	General and administrative	Capitol Reserve	1	0	0	0	0	0	0	0	0	0	0	0	0
14	General Fund	Operations and maintenance	River Access / Signage, etc	8	0	0	250	250	255	260	265	270	275	281	287	293
15	General Fund	Operations and maintenance	Community Improvement	8	0	0	0	0	0	0	0	0	0	0	0	0
16	General Fund	Operations and maintenance	Road Maint. & Repairs	6	31,850	32,086	34,587	37,224	37,968	38,727	39,502	40,292	41,098	41,920	42,758	43,613
17	General Fund	Operations and maintenance	Road Plowing	6	6,150	6,800	7,600	7,600	7,752	7,907	8,065	8,226	8,391	8,559	8,730	8,905
18	General Fund	Operations and maintenance	Road Capitol Outlay	6	0	0	0	0	0	0	0	0	0	0	0	0
19	General Fund	Operations and maintenance	Water Purchased	7	2,814	2,814	2,914	2,914	3,031	3,152	3,278	3,409	3,545	3,687	3,834	3,987
20	General Fund	Operations and maintenance	Water System maint. & repairs	6	4,306	5,000	10,000	10,000	10,200	10,404	10,612	10,824	11,040	11,261	11,486	11,716
21	General Fund	Operations and maintenance	Call outs	2	14,223	1,000	15,000	15,050	15,502	15,967	16,446	16,939	17,447	17,970	18,509	19,064
22	General Fund	Operations and maintenance	Pump	7	0	1,000	0	0	0	0	0	0	0	0	0	0
23	General Fund	Operations and maintenance	Lines	7	0	0	0	0	0	0	0	0	0	0	0	0
24	General Fund	Operations and maintenance	Tank	7	0	0	0	0	0	0	0	0	0	0	0	0
25	General Fund	Operations and maintenance	Tranducers & Flow Control Valves	7	0	0	0	0	0	0	0	0	0	0	0	0
26	General Fund	Operations and maintenance	River Improvements - gallery side flow	7	0	0	0	0	0	0	0	0	0	0	0	0
27	General Fund	Operations and maintenance	Water Rate Study	2	0	0	3,000	3,000	0	0	0	0	0	0	0	0
28	General Fund	Operations and maintenance	Grant (Engineering)	3	3,600	11,498	0	0	0	0	0	0	0	0	0	0
29	General Fund	Operations and maintenance	Fire Hydrant Maintenance	6	1,260	1,400	1,400	1,400	1,428	1,457	1,486	1,516	1,546	1,577	1,609	1,641
30	General Fund	Operations and maintenance	Water Install - New Installations	7	175	500	500	500	520	541	563	586	609	633	658	684
31	General Fund	Operations and maintenance	Meters and Parts	7	3,754	500	500	500	520	541	563	586	609	633	658	684
32	General Fund	Operations and maintenance	Meter Reading	4	3,185	2,500	3,200	3,200	3,280	3,362	3,446	3,532	3,620	3,711	3,804	3,899
33	General Fund	Operations and maintenance	Water Misc. Supplies & Exp.	2	0	0	0	0	0	0	0	0	0	0	0	0
34	General Fund	Operations and maintenance	Regulation, Testing & compliance	1	1,360	1,000	1,000	1,000	1,030	1,061	1,093	1,126	1,160	1,195	1,231	1,268
35	General Fund	Operations and maintenance	Operator base Fee	7	18,900	18,900	18,900	18,900	19,656	20,442	21,260	22,110	22,994	23,914	24,871	25,866
36	General Fund	Operations and maintenance	Water testing & Equipment Testing	7	8,110	9,647	8,000	8,000	8,320	8,653	8,999	9,359	9,733	10,122	10,527	10,948
37	General Fund	Operations and maintenance	Plow Pump & Tank Access	6	0	0	0	0	0	0	0	0	0	0	0	0
38	General Fund	Operations and maintenance	Maint. Repair	6	0	0	0	0	0	0	0	0	0	0	0	0
39	General Fund	Operations and maintenance	Water Utilities - Electrical & telephone	5	5,184	5,300	5,720	5,000	5,150	5,305	5,464	5,628	5,797	5,971	6,150	6,335
40	**Total**	**Total**			131,631	135,463	151,647	156,214	157,661	162,248	166,981	171,861	176,896	182,095	187,460	192,995

Draft-For Discussion Purposes Only

Blue Valley Metropolitan District, Colorado
Water Utility
Historical & Projected Wastewater Operation and Maintenance Expense

Line No.	Fund Description	Category	Description	Inflation Coding	Actual 2019	Estimated 2020	Estimated 2021	Budget 2022	2023	2024	2025	Estimated 2026	2027	2028	2029	2030
					$	$	$	$	%	%	%	%	%	%	%	%
1	General Fund	General and administrative	Administrative Asst.	1	8,976	9,000	9,000	12,000	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
2	General Fund	General and administrative	Auditor / Election	1	1,675	11,435	8,700	8,700	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
3	General Fund	General and administrative	Bond Fee	1	0	0	0	0	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
4	General Fund	General and administrative	Bond Repayment	1	0	0	0	0	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
5	General Fund	General and administrative	Cty Treas Fees	1	1,653	2,500	3,800	3,800	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
6	General Fund	General and administrative	Insurance	10	4,916	6,500	6,500	6,500	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
7	General Fund	General and administrative	Legal fees	1	6,067	3,000	8,000	8,000	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
8	General Fund	General and administrative	PO Box Rent	8	76	76	76	76	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
9	General Fund	General and administrative	Supplies	4	1,237	1,200	1,200	1,200	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
10	General Fund	General and administrative	Postage & Publishing (Advertising)	4	428	207	200	200	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
11	General Fund	General and administrative	Telephone	1	1,732	1,600	1,600	1,200	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
12	General Fund	General and administrative	Cash Flow Reserve	1	0	0	0	0	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
13	General Fund	General and administrative	Capitol Reserve	1	0	0	0	0	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
14	General Fund	Operations and maintenance	River Access / Signage, etc	8	0	0	250	250	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
15	General Fund	Operations and maintenance	Community Improvement	8	0	0	0	0	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
16	General Fund	Operations and maintenance	Road Maint. & Repairs	6	31,850	32,086	34,587	37,224	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
17	General Fund	Operations and maintenance	Road Plowing	6	6,150	6,800	7,600	7,600	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
18	General Fund	Operations and maintenance	Road Capitol Outlay	6	0	0	0	0	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
19	General Fund	Operations and maintenance	Water Purchased	7	2,814	2,814	2,914	2,914	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
20	General Fund	Operations and maintenance	Water System maint. & repairs	6	4,306	5,000	10,000	10,000	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
21	General Fund	Operations and maintenance	Call outs	2	14,223	1,000	15,000	15,050	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
22	General Fund	Operations and maintenance	Pump	7	0	1,000	0	0	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
23	General Fund	Operations and maintenance	Lines	7	0	0	0	0	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
24	General Fund	Operations and maintenance	tank	7	0	0	0	0	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
25	General Fund	Operations and maintenance	Tranducers & Flow Control Valves	7	0	0	0	0	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
26	General Fund	Operations and maintenance	River Improvements - gallery side flow	7	0	0	0	0	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
27	General Fund	Operations and maintenance	Water Rate Study	2	0	0	3,000	3,000	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
28	General Fund	Operations and maintenance	Grant (Engineering)	3	3,600	11,498	0	0	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
29	General Fund	Operations and maintenance	Fire Hydrant Maintenance	6	1,260	1,400	1,400	1,400	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
30	General Fund	Operations and maintenance	Water Install - New Installations	7	175	500	500	500	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
31	General Fund	Operations and maintenance	Meters and Parts	7	3,754	500	500	500	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
32	General Fund	Operations and maintenance	Meter Reading	4	3,185	2,500	3,200	3,200	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
33	General Fund	Operations and maintenance	Water Misc. Supplies & Exp.	2	0	0	0	0	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
34	General Fund	Operations and maintenance	Regulation, Testing & compliance	1	1,360	1,000	1,000	1,000	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
35	General Fund	Operations and maintenance	Operator base Fee	7	18,900	18,900	18,900	18,900	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
36	General Fund	Operations and maintenance	Water testing & Equipment Testing	7	8,110	9,647	8,000	8,000	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
37	General Fund	Operations and maintenance	Plow Pump & Tank Access	6	0	0	0	0	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
38	General Fund	Operations and maintenance	Maint. Repair	6	0	0	0	0	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
39	General Fund	Operations and maintenance	Water Utilities - Electrical & telephone	5	5,184	5,300	5,720	5,000	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
40	**Total**	**Total**			131,633	135,463	151,647	156,214								

Draft-For Discussion Purposes Only

Table B-4
Blue Valley Metropolitan District, Colorado
Water Utility

Line No.	Title	Estimated 2019	Estimated 2020	Estimated 2021	Budget 2022	Projected 2023	2024	2025	2026	2027	2028	2029	2030
		$	$	$	$	$	$	$	$	$	$	$	$
	Other Miscellaneous Revenue												
1	Banking Interest Earned	3,942	1,229	246	350	1,559	1,726	3,397	1,689	1,494	1,258	1,027	1,082
2	Misc. Admin Fees Income	20	42	0	0	0	0	0	0	0	0	0	0
3	Prop Tax - Bond Debt Service Levy	0	0	0	0	0	0	0	0	0	0	0	0
4	Property Tax	32,998	44,634	45,076	49,910	51,407	52,949	54,537	56,173	57,858	59,594	61,382	63,223
5	Tax - Special Ownership	2,875	3,040	2,866	3,500	3,605	3,713	3,824	3,939	4,057	4,179	4,304	4,433
6	Tax Interest - County Treasurer	68	105	63	30	30	30	30	30	30	30	30	30
7	Bond SO Tax	0	0	0	0	0	0	0	0	0	0	0	0
8	**Total Miscellaneous Revenue**	39,903	49,050	48,251	53,790	56,601	58,418	61,788	61,831	63,439	65,061	66,743	68,768

Draft-For Discussion Purposes Only

Blue Valley Metropolitan District, Colorado
Wastewater Utility
Projected Connected Taps

Line No	Customer Class	Actual 2020	2021	2022	2023	2024	Projected Taps 2025	2026	2027	2028	2029	2030
1	Residential - In District	119	126	126	129	132	135	138	139	140	141	142
2	Residential - Out of District	5	5	5	5	5	5	5	5	5	5	5
3	Residential - In District (Tap Fees)	0	0	5	5	5	5	5	5	5	5	5
4	Residential - Out of District (Tap Fees)	0	0	0	0	0	0	0	0	0	0	0
5	**Total**	**124**	**131**	**136**	**139**	**142**	**145**	**148**	**149**	**150**	**151**	**152**

Blue Valley Metropolitan District, Colorado
Water Utility
Financial Metric Targets

Budget Year	2020
Test Year	2021

Description	Target Measure	Units	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Target Fund Balances												
Operating Fund (Days of O&M)	90	Days O&M (excludes depreciation)	37,900	39,100	39,400	40,600	41,700	43,000	44,200	45,500	46,900	48,200
Emergency Reserve - Fixed	1,162	Emergency Reserve	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162	1,162
Emergency Reserve Fund (1)	3%	Of General Fund's Fiscal Year Spending	5,539	5,274	15,444	15,412	7,240	16,551	7,766	16,666	7,663	17,676
Target DSC	1.50	Total										

(1) Note 5 Tax, Spending and Debt Limitation FS 1 BVMD Audited Financials 2019.pdf (emergency reserve). District's settled claims can not exceed its insurance coverage

Blue Valley Metropolitan District, Colorado
Water Utility
Annual Escalation Assumptions

Char	Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Operating Expenses											
1	General and administrative		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
2	Miscellaneous		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
3	Engineering		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
4	Billing Expense		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
5	Utilities		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
6	Repairs/Maintenance		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
7	Water Treatment		4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
8	Other Charges / Services		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
9	Contingency/ Reserves		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Insurance		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Capital Expenses											
	Annual CIP Inflation Factor		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Revenues											
IR	Interest Rate		0.5%	0.5%	0.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
MR	Miscellaneous Revenue		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WF	Wastewater Fees		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
PT	Property Taxes		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
ST	Specific Ownership Taxes		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
RR	Rate Revenue	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%