

## **Meeting Agenda**

4:30 – 6:00 PM, Wednesday, Oct 5th, 2016

Lyons Town Hall

### I. Roll Call, Agenda, Minutes

- Amendments to Agenda
- Approve Minutes from 21st
- Upcoming Meetings - Lyons Boards and Commissions Training - Saturday, October 22, 2016 9 AM or 1 PM  
Northern Water Fall Water Users Meeting - Longmont, Best Western 1850 Industrial Cir. Nov 9. 8 AM

### II. Audience Business

### III. Liaison Updates

- Board of Trustees Update
- Staff, Engineering Update

### IV. Continued Business

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### V. New Business

- 2017 Utility Budgets
- Water and Wastewater CIP and Rate Study Presentation by RG and Associates 5 PM

### VI. Parking Lot

- Wastewater Pretreatment Policy
- Reserve/Rate Stabilization Funds
- LRAP INF 2.2.1
- Municipal Code Corrections
- Town Utility Account Tracking
- Pipe Water Rates



## UEB Meeting Minutes, 21 Sep 2016

**Meeting Time and Location:** Began at 4:35 at Lyons Old Depot Bldg.

**Attendance:**, Aaron Caplan, Steve Wratten, Coco Gordon, John Cowdry, Chuck Keim,

**Staff:** Jim Blankenship, Lagenia Reimer, Amy Lynn, David Fennity **Liaisons:** Jim Kerr **Guests:** Jay Stott

**Previous Minutes:** . Reviewed and approved Sep 7th minutes.

**BOT Update:** Jim will be attending a MEAN committee meeting on their distributed generation policy in Oct.

**Staff Update:** Wastewater - The town has put together and started giving wastewater surveys to businesses, beginning with those in industries known to have concerns that might require pretreatment. New businesses will also be asked to complete a survey to obtain their business license. Code Enforcement has also been checking on the grease traps of food service businesses. 4 of them don't have any grease trap system in place. Many of them are not being cleaned regularly. That does add to the BOD and TSS loads in the system and getting them cleaned should help reduce those.

Ramey Environmental Compliance, the town's water and wastewater maintenance contractor, has been taking samples at different locations in the wastewater system. Phosphorous, BOD and TSS levels are higher than they should be. We looked at some of the data from the samples at different locations and it was asked if the town might not have designed the new wastewater treatment plant (WWTP) to handle high enough levels of some of these. The WWTP was designed to a 90% capacity with the expectation that the town would be implementing and enforcing pretreatment requirements.

Lyons is looking to start implementing the surcharge for high levels of BOD or TSS in a customers wastewater. Staff have been talking to a number of the businesses that might be a concern. The 2 auto mechanic shops, Gateway Auto Services and Lyons Automotive, do NOT have any drains, have waste hauled away and have records of this. The CDOT location has some concerns. St. Vrain Industries, a marijuana growing business, showed more of a concern regarding the chemicals they use and not for their BOD or TSS amounts in the wastewater. Lyons Elementary School needed some work on their Grease Traps. Oskar Blues brewery who is one of two main concerns for BOD because of the amount produced in the brewing and distilling process, was asked if they could haul their waste to their Longmont facility where they already have a system in place to deal with their wastewater. The other concern, Spirit Hound Distillers is still being worked with to determine their wastewater pretreatment needs.

Other staff news was that the town's new GIS contractor has begun mapping data starting with the wastewater system.

**Q2 Utility Fund Financial Review:** We went over the numbers and highlights presented for the first half of 2015 for the utility funds. One concern was the unbelievable amount of water used in June. We were advised a meter at one of the parks had been put in backwards and was going in reverse and that was the

cause of this incorrect water usage amount. The WWTP also had very large usage. Staff is working with the contractor to determine why the plant shows usage of about 80,000 gallons of water a month.

Otherwise there were no major concerns on the financial situation of the utility funds. Town Finance is now allocating some of the transfer of money that happens between all of the town funds mid year so we don't have to wait until the end of the year to see these amounts as we have in the past. Knowing what 6 months of transfers are should help in working on the next year's budget.

There was some talk of how different funds true up with each other. We know the wastewater fund does transfer money to the electric fund for the amount of electricity it consumes. Does the parks fund have money transferred to the water fund for the amount of water it uses. **Aaron will try and look at the Parks and Rec Budget to see if they allocate money for water consumption.**

**Accessory Dwelling Unit's:** It was pointed out that the Lyons Municipal Code requires two off street parking places for each dwelling unit, LMC Section 16 Article 8. There was also concern about what the International Building Code says about multiple dwelling units being on one tap.

**Meeting ended:** 6:00 pm. **Minutes Submitted by:** Aaron Caplan

Town of Lyons  
2017 Budget  
Water Fund

WATER FUND

|                                       | 2015 YTD      |               | 2016 YTD        |                 | 2016 Year-End  |                 | 2017 Budget     |                 |
|---------------------------------------|---------------|---------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|
|                                       | 2014 ACTUAL   | ACTUAL        | 2015 BUDGET     | 2016 BUDGET     | Actual         | Projection      | 2016 Year-End   | 2017 Budget     |
| FUND REVENUES                         | \$ 967,243.60 | \$ 938,644.51 | \$ 1,010,500.00 | \$ 1,028,000.00 | \$ 618,521.71  | \$ 1,041,592.41 | \$ 1,028,000.00 | \$ 1,028,000.00 |
| FUND EXPENDITURES                     | \$ 889,385.33 | \$ 820,614.47 | \$ 988,541.78   | \$ 1,013,882.78 | \$ 655,656.93  | \$ 981,858.90   | \$ 1,013,882.78 | \$ 1,013,882.78 |
| NET OPERATING POSITION                | \$ 77,858.27  | \$ 118,030.04 | \$ 21,958.22    | \$ 14,117.22    | \$ (37,135.22) | \$ 59,733.51    | \$ 14,117.22    | \$ 14,117.22    |
| Fund Balance Needed to Balance Budget | \$ -          | \$ -          | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -            |

as of 09/22/2016

| WATER REVENUES                           | 2014 ACTUAL   | 2015 YTD      | 2015 BUDGET     | 2016 BUDGET     | 2016 YTD      | 2016 Year-End   | 2017 Budget     |
|--|---------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|
| 03-16-3400 OTHER INCOME                  | \$ 23.40      | \$ 4,472.60   | \$ 500          | \$ 500          | \$ 80.00      | \$ 500.00       | \$ 500          |
| 03-16-3401 INTEREST INCOME               | \$ 2,166.31   | \$ 4,459.06   | \$ 1,500        | \$ 1,500        | \$ 9,440.16   | \$ 9,440.16     | \$ 1,500        |
| 03-16-3407 CWC8 GRANT                    | \$ 2,700.00   | \$ -          | \$ -            | \$ -            | \$ -          | \$ -            | \$ -            |
| 03-16-3410 TAP CONNECTION FEES           | \$ 73,075.00  | \$ 105,190.00 | \$ 105,000      | \$ 122,500      | \$ 43,845.00  | \$ 122,500.00   | \$ 122,500      |
| 03-16-3411 Donated Assets                | \$ 25,764.33  | \$ -          | \$ -            | \$ -            | \$ -          | \$ -            | \$ -            |
| 03-16-3480 METERED WATER SALES           | \$ 833,641.50 | \$ 791,415.75 | \$ 880,000      | \$ 880,000      | \$ 538,607.34 | \$ 880,000.00   | \$ 880,000      |
| 03-16-3481 UNMETERED WATER SALES         | \$ 530.40     | \$ -          | \$ 1,000        | \$ 1,000        | \$ -          | \$ -            | \$ 1,000        |
| 03-16-3482 PIPE WATER SALES RENTAL       | \$ 10,410.65  | \$ 12,076.35  | \$ 15,000       | \$ 15,000       | \$ 12,035.10  | \$ 15,000.00    | \$ 15,000       |
| 03-16-3483 WATER METER SALES             | \$ 18,932.01  | \$ 16,404.61  | \$ 7,500        | \$ 7,500        | \$ 10,704.54  | \$ 10,704.54    | \$ 7,500        |
| 03-16-3490 NCWCD ANNUAL LEASING PROCEEDS | \$ -          | \$ 3,197.61   | \$ -            | \$ -            | \$ 3,447.71   | \$ 3,447.71     | \$ -            |
| TOTAL WATER REVENUES                     | \$ 967,243.60 | \$ 937,215.98 | \$ 1,010,500.00 | \$ 1,028,000.00 | \$ 618,159.85 | \$ 1,041,592.41 | \$ 1,028,000.00 |
| OTHER REVENUE                            |               |               |                 |                 |               |                 |                 |
| 03-25-3875 CIRSA Revenue                 | \$ -          | \$ 1,428.53   | \$ -            | \$ -            | \$ -          | \$ -            | \$ -            |
| Reimbursables:                           |               |               |                 |                 |               |                 |                 |
| 03-39-3999 Reimbursables                 | \$ 967,243.60 | \$ 938,644.51 | \$ 1,010,500.00 | \$ 1,028,000.00 | \$ 618,521.71 | \$ 1,041,592.41 | \$ 1,028,000.00 |
| TOTAL FUND REVENUE                       | \$ 967,243.60 | \$ 938,644.51 | \$ 1,010,500.00 | \$ 1,028,000.00 | \$ 618,521.71 | \$ 1,041,592.41 | \$ 1,028,000.00 |

| ALLOCATED EXPENSES/ORIG                 | 2014 ACTUAL | 2015 YTD    | 2014 BUDGET | 2016 BUDGET | 2016 YTD    | 2016 Year-End | 2017 Budget |
|---|-------------|-------------|-------------|-------------|-------------|---------------|-------------|
| 03-44-4006 OUTSIDE PROFESSIONAL Service | \$ -        | \$ 83.44    | \$ -        | \$ -        | \$ -        | \$ -          | \$ -        |
| 03-44-4008 OFFICE OPERATIONS            | \$ 382.62   | \$ 305.30   | \$ -        | \$ -        | \$ 164.75   | \$ 164.75     | \$ -        |
| 03-44-4010 POSTAGE                      | \$ 2,133.70 | \$ 1,784.35 | \$ -        | \$ -        | \$ 1,234.34 | \$ 1,234.34   | \$ -        |
| 03-44-4011 EQUIPMENT MAINTENANCE        | \$ -        | \$ 789.40   | \$ -        | \$ -        | \$ 119.42   | \$ 119.42     | \$ -        |
| 03-44-4014 DUES & SUBSCRIPTIONS         | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -          | \$ -        |
| 03-44-4015 SEMINARS/MEETINGS            | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -          | \$ -        |
| 03-44-4016 TRAVEL EXPENSES              | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -          | \$ -        |
| 03-44-4018 STAFF SERVICES               | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -          | \$ -        |
| 03-44-4022 UNEMPLOYMENT INSURANCE EXP   | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -          | \$ -        |
| 03-44-4023 WORK COMP EXP                | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -          | \$ -        |

Town of Lyons  
2017 Budget  
Water Fund

|                       | 2014 ACTUAL                                |                | 2015 YTD ACTUAL |                | 2015 BUDGET    |               | 2016 BUDGET  |               | 2016 YTD Actual |               | 2016 Year-End Projection |               | 2017 Budget   |               |
|-----------------------|--|----------------|-----------------|----------------|----------------|---------------|--------------|---------------|-----------------|---------------|--------------------------|---------------|---------------|---------------|
|                       |  |                |                 |                |                |               |              |               |                 |               |                          |               |               |               |
| 03-44-4032            | ATTORNEYS FEES                             | \$ -           | \$ -            | \$ -           | \$ -           | \$ -          | \$ -         | \$ -          | \$ 92.50        | \$ -          | \$ 92.50                 | \$ -          | \$ -          | \$ -          |
| 03-44-4033            | ENGINEERING FEES                           | \$ -           | \$ -            | \$ -           | \$ -           | \$ -          | \$ -         | \$ -          | \$ 945.00       | \$ -          | \$ 945.00                | \$ -          | \$ -          | \$ -          |
| 03-44-4038            | EQUIPMENT & SMALL TOOLS                    | \$ -           | \$ -            | \$ 7.33        | \$ -           | \$ -          | \$ -         | \$ -          | \$ 77.33        | \$ -          | \$ 4.00                  | \$ -          | \$ -          | \$ -          |
| 03-44-4041            | PC, SOFTWARE & PRINTERS                    | \$ -           | \$ -            | \$ -           | \$ -           | \$ -          | \$ -         | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          | \$ -          |
| 03-44-4055            | PC TECHNICIAN FEES                         | \$ -           | \$ -            | \$ -           | \$ -           | \$ -          | \$ -         | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          | \$ -          |
| 03-44-4057            | TELEPHONE EXP                              | \$ -           | \$ -            | \$ -           | \$ -           | \$ -          | \$ -         | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          | \$ -          |
| 03-44-4102            | AUDITING FEES                              | \$ -           | \$ -            | \$ -           | \$ -           | \$ -          | \$ -         | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          | \$ -          |
| 03-44-4800            | GENERAL INSURANCE                          | \$ -           | \$ -            | \$ -           | \$ -           | \$ -          | \$ -         | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          | \$ -          |
| 03-44-4820            | LMC CODIFICATION EXP                       | \$ -           | \$ -            | \$ -           | \$ -           | \$ -          | \$ -         | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          | \$ -          |
| 03-44-5009            | COPIER LEASE EXP                           | \$ -           | \$ -            | \$ -           | \$ -           | \$ -          | \$ -         | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          | \$ -          |
| new                   | Transfer to General Fund for Allocated Exp | \$ -           | \$ -            | \$ -           | \$ -           | \$ 59,592     | \$ -         | \$ 63,360     | \$ 31,680.00    | \$ -          | \$ 63,360.00             | \$ -          | \$ -          | \$ 63,360     |
|                       | Inflation                                  | \$ -           | \$ -            | \$ -           | \$ -           | \$ -          | \$ 1,192     | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          | \$ 1,192      |
|                       | TOTAL ALLOCATED EXPENSES(ORIG              | \$ 57,585.32   | \$ 62,561.82    | \$ 59,592.00   | \$ 59,592.00   | \$ 64,552.00  | \$ 34,313.34 | \$ 65,920.01  | \$ 64,552.00    | \$ 64,552.00  | \$ 64,552.00             | \$ 64,552.00  | \$ 64,552.00  | \$ 64,552.00  |
| <b>ADMINISTRATION</b> |  |                |                 |                |                |               |              |               |                 |               |                          |               |               |               |
| 03-50-4000            | FULLTIME SALARIES (ADMIN)                  | \$ 68,312.42   | \$ 52,948.86    | \$ 52,000.00   | \$ 52,000.00   | \$ 78,267     | \$ 42,453.78 | \$ 78,267.00  | \$ 42,453.78    | \$ 78,267.00  | \$ 5,600.00              | \$ 5,600.00   | \$ 78,267     | \$ 78,267     |
| 03-50-4001            | PARTTIME SALARIES                          | \$ 22,748.19   | \$ 11,961.44    | \$ 24,500.00   | \$ 24,500.00   | \$ 14,100     | \$ 7,050.52  | \$ 14,100.00  | \$ 7,050.52     | \$ 14,100.00  | \$ 2,363.00              | \$ 2,363.00   | \$ 14,100     | \$ 14,100     |
| 03-50-4006            | OUTSIDE PROF SERVICE FEES                  | \$ 150.00      | \$ 369.98       | \$ 8,000.00    | \$ 8,000.00    | \$ 8,000      | \$ 44.00     | \$ 8,000.00   | \$ 44.00        | \$ 8,000.00   | \$ 2,000.00              | \$ 2,000.00   | \$ 8,000      | \$ 8,000      |
| 03-50-4008            | OFFICE OPERATIONS                          | \$ 314.61      | \$ 151.63       | \$ 250.00      | \$ 250.00      | \$ 250        | \$ 68.75     | \$ 250.00     | \$ 68.75        | \$ 250.00     | \$ 250.00                | \$ 250.00     | \$ 250        | \$ 250        |
| 03-50-4010            | POSTAGE                                    | \$ 6.39        | \$ -            | \$ -           | \$ -           | \$ -          | \$ -         | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          | \$ -          |
| 03-50-4011            | EQUIPMENT & SMALL TOOLS                    | \$ 625.58      | \$ 2,515.72     | \$ 5,600.00    | \$ 5,600.00    | \$ 5,600      | \$ 1,006.88  | \$ 5,600.00   | \$ 1,006.88     | \$ 5,600.00   | \$ 5,600.00              | \$ 5,600.00   | \$ 5,600      | \$ 5,600      |
| 03-50-4014            | DUES & SUBSCRIPTIONS                       | \$ 401.00      | \$ 653.00       | \$ 350.00      | \$ 350.00      | \$ 350        | \$ 2,363.00  | \$ 2,363.00   | \$ 2,363.00     | \$ 2,363.00   | \$ 2,363.00              | \$ 2,363.00   | \$ 350        | \$ 350        |
| 03-50-4015            | SEMINARS/MEETINGS                          | \$ 379.02      | \$ 197.59       | \$ 2,000.00    | \$ 2,000.00    | \$ 2,000      | \$ 124.75    | \$ 2,000.00   | \$ 124.75       | \$ 2,000.00   | \$ 2,000.00              | \$ 2,000.00   | \$ 2,000      | \$ 2,000      |
| 03-50-4024            | PAYROLL TAXES - ER                         | \$ 6,545.40    | \$ 4,930.35     | \$ 7,200.00    | \$ 7,200.00    | \$ 5,525      | \$ 3,750.60  | \$ 5,525.00   | \$ 3,750.60     | \$ 5,525.00   | \$ 5,525.00              | \$ 5,525.00   | \$ 5,525      | \$ 5,525      |
| 03-50-4025            | EMPLOYEE INS - ER                          | \$ 13,933.45   | \$ 10,318.33    | \$ 9,500.00    | \$ 9,500.00    | \$ 9,500      | \$ 8,587.12  | \$ 9,500.00   | \$ 8,587.12     | \$ 9,500.00   | \$ 9,500.00              | \$ 9,500.00   | \$ 9,500      | \$ 9,500      |
| 03-50-4026            | RETIREMENT CONTRIBUTION - ER               | \$ 1,627.82    | \$ 1,602.11     | \$ 1,800.00    | \$ 1,800.00    | \$ 2,150      | \$ 1,127.92  | \$ 2,150.00   | \$ 1,127.92     | \$ 2,150.00   | \$ 2,150.00              | \$ 2,150.00   | \$ 2,150      | \$ 2,150      |
| 03-50-4032            | ATTORNEYS FEES                             | \$ 518.34      | \$ 693.00       | \$ 3,000.00    | \$ 3,000.00    | \$ 3,000      | \$ 277.50    | \$ 3,000.00   | \$ 277.50       | \$ 3,000.00   | \$ 3,000.00              | \$ 3,000.00   | \$ 3,000      | \$ 3,000      |
| 03-50-4033            | ENGINEERING FEES                           | \$ 614.61      | \$ -            | \$ 6,000.00    | \$ 6,000.00    | \$ 6,000      | \$ -         | \$ 6,000.00   | \$ -            | \$ 6,000.00   | \$ 6,000.00              | \$ 6,000.00   | \$ 6,000      | \$ 6,000      |
| 03-50-4041            | PC, Software & Printers                    | \$ 56.67       | \$ 2,517.19     | \$ -           | \$ -           | \$ -          | \$ -         | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          | \$ -          |
| 03-50-4050            | MISCELLANEOUS EXPENSE                      | \$ 92.90       | \$ 1,198.67     | \$ 500.00      | \$ 500.00      | \$ 500        | \$ 81.25     | \$ 500.00     | \$ 81.25        | \$ 500.00     | \$ 500.00                | \$ 500.00     | \$ 500        | \$ 500        |
| 03-50-4055            | PC TECHNICIAN FEES                         | \$ 56.67       | \$ -            | \$ 250.00      | \$ 250.00      | \$ 250        | \$ -         | \$ 250.00     | \$ -            | \$ 250.00     | \$ 250.00                | \$ 250.00     | \$ 250        | \$ 250        |
| 03-50-4060            | LONGMONT TAP FEE EXPENDITURE               | \$ -           | \$ -            | \$ 4,328.00    | \$ 4,328.00    | \$ 4,328      | \$ -         | \$ 4,328.00   | \$ -            | \$ 4,328.00   | \$ 4,328.00              | \$ 4,328.00   | \$ 4,328      | \$ 4,328      |
| 03-50-4500            | Transfer Out to GF LESAP                   | \$ 5,000.00    | \$ -            | \$ -           | \$ -           | \$ -          | \$ -         | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          | \$ -          |
| 03-50-4999            | TRANSFER TO FLOOD FUND                     | \$ (40,971.37) | \$ (12,238.99)  | \$ (25,000.00) | \$ (25,000.00) | \$ -          | \$ -         | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          | \$ -          |
|                       | Inflation                                  | \$ -           | \$ -            | \$ -           | \$ -           | \$ 2,006      | \$ -         | \$ 2,006      | \$ -            | \$ 2,006.00   | \$ 2,006.00              | \$ 2,006.00   | \$ 2,006      | \$ 2,006      |
|                       | TOTAL ADMINISTRATION                       | \$ 80,411.70   | \$ 77,818.88    | \$ 100,278.00  | \$ 100,278.00  | \$ 141,826.00 | \$ 66,936.07 | \$ 131,255.00 | \$ 141,826.00   | \$ 141,826.00 | \$ 141,826.00            | \$ 141,826.00 | \$ 141,826.00 | \$ 141,826.00 |
| <b>TREATMENT</b>      |  |                |                 |                |                |               |              |               |                 |               |                          |               |               |               |
| 03-62-4006            | OUTSIDE PROF SERVICE FEES                  | \$ 9,332.63    | \$ 40.01        | \$ 10,000.00   | \$ 10,000.00   | \$ 10,000     | \$ -         | \$ 10,000.00  | \$ -            | \$ 10,000.00  | \$ 10,000.00             | \$ 10,000.00  | \$ 10,000     | \$ 10,000     |
| 03-62-4017            | ELECTRIC SERVICES                          | \$ 663.80      | \$ 644.39       | \$ 750.00      | \$ 750.00      | \$ 750        | \$ 423.00    | \$ 750.00     | \$ 423.00       | \$ 750.00     | \$ 750.00                | \$ 750.00     | \$ 750        | \$ 750        |
| 03-62-4021            | TELEPHONE SERVICE                          | \$ 146.73      | \$ 80.02        | \$ 150.00      | \$ 150.00      | \$ 150        | \$ -         | \$ 150.00     | \$ -            | \$ 150.00     | \$ 150.00                | \$ 150.00     | \$ 150        | \$ 150        |

Town of Lyons  
2017 Budget  
Water Fund

|                       | 2014ACTUAL   | 2015 ACTUAL   | 2015 BUDGET    | 2016 BUDGET   | 2016 YTD Actual | 2016 Year-End Projection | 2017 Budget   |               |
|-----------------------|--|---------------|----------------|---------------|-----------------|--------------------------|---------------|---------------|
| 03-62-4024            | PAYROLL TAXES - ER   | \$ -          | \$ -           | \$ -          | \$ -            | \$ -                     | \$ -          |               |
| 03-62-4025            | EMPLOYEE INS - ER  | \$ -          | \$ -           | \$ -          | \$ -            | \$ -                     | \$ -          |               |
| 03-62-4027            | MAINTENANCE & SUPPLIES                                     | \$ 568.98     | \$ 720.22      | \$ 500.00     | \$ 500          | \$ -                     | \$ 500        |               |
| 03-62-4029            | VEHICLE MAINT EXP  | \$ -          | \$ 180.29      | \$ -          | \$ -            | \$ 66.86                 | \$ -          |               |
| 03-62-4030            | GASOLINE, OIL, ETC   | \$ -          | \$ -           | \$ -          | \$ -            | \$ -                     | \$ -          |               |
| 03-62-4031            | CHEMICALS, LAB & LAB SUPPLIES                              | \$ 357.50     | \$ -           | \$ 500.00     | \$ 500          | \$ 518.70                | \$ 518.70     |               |
| 03-62-4050            | MISCELLANEOUS EXPENSE                                      | \$ 34.00      | \$ 1,534.41    | \$ 500.00     | \$ 500          | \$ 1,174.53              | \$ 1,174.53   |               |
| 03-62-5106            | LONGMONT WATER SERVICES                                    | \$ 137,492.10 | \$ 123,995.93  | \$ 144,000.00 | \$ 146,880      | \$ 103,185.86            | \$ 146,880.00 |               |
| 03-62-5111            | BACTERIA AND GIARDIA (WTR) TESTS                           | \$ 180.00     | \$ -           | \$ 250.00     | \$ 250          | \$ -                     | \$ -          |               |
|                       | Inflation  |               |                |               | \$ 253          | \$ -                     | \$ 253        |               |
|                       | TOTAL TREATMENT  | \$ 148,775.74 | \$ 127,195.27  | \$ 156,650.00 | \$ 159,783.00   | \$ 105,368.95            | \$ 149,390.09 | \$ 159,783.00 |
| <b>DISTRIBUTION</b>   |  |               |                |               |                 |                          |               |               |
| 03-63-4003            | DISTRIBUTION SALARIES                                      | \$ 97,327.60  | \$ 89,491.04   | \$ 103,000.00 | \$ 98,000       | \$ 53,123.70             | \$ 98,000.00  | \$ 98,000     |
| 03-63-4006            | OUTSIDE PROF SERVICE FEES                                  | \$ 5,151.49   | \$ 8,758.98    | \$ 5,000.00   | \$ 5,000        | \$ 6,683.45              | \$ 6,656.28   | \$ 5,000      |
| 03-63-4012            | BUILDING MAINTENANCE                                       | \$ -          | \$ -           | \$ -          | \$ 1,000        | \$ 1,366.15              | \$ 1,366.15   | \$ 1,000      |
| 03-63-4020            | NATURAL GAS SERVICE  | \$ 1,627.81   | \$ 1,390.23    | \$ 1,200.00   | \$ 1,200        | \$ 619.98                | \$ 1,200.00   | \$ 1,200      |
| 03-63-4024            | PAYROLL TAXES - ER   | \$ 7,185.18   | \$ 6,459.48    | \$ 12,000.00  | \$ 7,500        | \$ 4,036.07              | \$ 7,500.00   | \$ 7,500      |
| 03-63-4025            | EMPLOYEE INS - ER  | \$ 19,566.31  | \$ 23,076.51   | \$ 13,000.00  | \$ 13,000       | \$ 7,793.23              | \$ 13,000.00  | \$ 13,000     |
| 03-63-4026            | RETIREMENT CONTRIBUTION - ER                               | \$ 800.26     | \$ 1,171.46    | \$ 800.00     | \$ 2,950        | \$ 957.81                | \$ 2,950.00   | \$ 2,950      |
| 03-63-4027            | MAINTENANCE & SUPPLIES                                     | \$ 16,550.04  | \$ 12,032.29   | \$ 81,000.00  | \$ 75,000       | \$ 4,200.16              | \$ 75,000.00  | \$ 75,000     |
| 03-63-4029            | VEHICLE MAINT EXP  | \$ 1,049.71   | \$ 3,146.36    | \$ 1,000.00   | \$ 1,000        | \$ 1,833.30              | \$ 1,833.30   | \$ 1,000      |
| 03-63-4030            | GASOLINE, OIL, ETC.  | \$ 2,967.66   | \$ 1,484.91    | \$ 3,000.00   | \$ 3,000        | \$ 494.48                | \$ 3,000.00   | \$ 3,000      |
| 03-63-4031            | CHEMICALS, LAB & LAB SUPPLIES                              | \$ -          | \$ -           | \$ -          | \$ 3,000        | \$ 805.00                | \$ 3,000.00   | \$ 3,000      |
| 03-63-4035            | UNIFORMS EXPENSE   | \$ 433.09     | \$ 422.59      | \$ 400.00     | \$ 400          | \$ 262.37                | \$ 400.00     | \$ 400        |
| 03-63-4041            | PC, SOFTWARE & PRINTERS                                    | \$ -          | \$ -           | \$ 1,200.00   | \$ 1,200        | \$ -                     | \$ -          | \$ 1,200      |
| 03-63-4302            | ROAD BASE, SQUEEGEE, ASPHALT REPAIR                        | \$ -          | \$ -           | \$ -          | \$ 2,000        | \$ 3,375.00              | \$ 3,375.00   | \$ 2,000      |
| 03-63-5009            | COPIER LEASE EXP   | \$ 300.00     | \$ -           | \$ -          | \$ -            | \$ -                     | \$ -          | \$ -          |
| 03-63-5100            | LINE & VALVE REPAIRS                                       | \$ 15,747.09  | \$ (3,136.47)  | \$ 15,000.00  | \$ 15,000       | \$ 4,089.96              | \$ 15,000.00  | \$ 15,000     |
| 03-63-5101            | HIGH SERV PUMP STATION MAINT                               | \$ 866.16     | \$ 937.43      | \$ 200.00     | \$ 200          | \$ 3,170.63              | \$ 3,170.63   | \$ 200        |
| 03-63-5102            | PIPE & PIPE BEDDING  | \$ 14,370.66  | \$ (55,105.00) | \$ 10,000.00  | \$ 10,000       | \$ -                     | \$ -          | \$ 10,000     |
| 03-63-5103            | HIGHSERV PUMP STATION ELECTRIC                             | \$ 8,801.81   | \$ 22,751.11   | \$ 40,000.00  | \$ 40,000       | \$ 20,616.43             | \$ 40,000.00  | \$ 40,000     |
| 03-63-5104            | HYDRANT REPAIRS  | \$ 1,310.31   | \$ -           | \$ 7,000.00   | \$ 7,000        | \$ -                     | \$ -          | \$ 7,000      |
| 03-63-5107            | WATER ASSESSMENTS & STORAGE                                | \$ 26,457.38  | \$ 19,413.30   | \$ 20,000.00  | \$ 20,000       | \$ 25,286.08             | \$ 25,286.08  | \$ 20,000     |
| 03-63-5110            | WATER METERS & METER PARTS                                 | \$ 5,006.07   | \$ 8,974.60    | \$ 22,000.00  | \$ 22,000       | \$ 2,843.41              | \$ 22,000.00  | \$ 22,000     |
|                       | Inflation  |               |                |               | \$ 6,716        | \$ -                     | \$ 6,716      | \$ 6,716      |
|                       | TOTAL DISTRIBUTION   | \$ 225,518.63 | \$ 141,268.82  | \$ 335,800.00 | \$ 335,166.00   | \$ 141,557.21            | \$ 322,737.44 | \$ 335,166.00 |
| <b>CAPITAL OUTLAY</b> |  |               |                |               |                 |                          |               |               |
| 03-66-4038            | CAPITAL PURCHASES(M/ole, Civic Plus Web, and Radio System) | \$ 1,485.74   | \$ 2,100.00    | \$ 26,440.00  | \$ 7,175.00     | \$ 2,100.00              | \$ 7,175.00   | \$ 7,175.00   |
|                       | TOTAL CAPITAL OUTLAY                                       | \$ 1,485.74   | \$ 2,100.00    | \$ 26,440.00  | \$ 7,175.00     | \$ 2,100.00              | \$ 7,175.00   | \$ 7,175.00   |
|                       | Inflation  |               |                |               | \$ -            | \$ -                     | \$ -          | \$ -          |

Town of Lyons  
2017 Budget  
Water Fund

|                                 | 2015 YTD                       |               | 2015 BUDGET   | 2016 BUDGET   | 2016 YTD Actual | 2016 Year-End Projection | 2017 Budget     |
|---------------------------------|--------------------------------|---------------|---------------|---------------|-----------------|--------------------------|-----------------|
|                                 | 2014ACTUAL                     | ACTUAL        |               |               |                 |                          |                 |
| <b>DEBT SERVICE</b>             |                                |               |               |               |                 |                          |                 |
| 03-67-4919                      | CWRPDA 03 LOAN PRINCIPAL       | \$ -          | \$ -          | \$ 229,282.78 | \$ 229,283      | 229,282.78               | \$ 229,283      |
| 03-67-4920                      | CWRPDA 03 LOAN INTEREST        | \$ 78,688.30  | \$ 82,867.80  | \$ 80,499.00  | \$ 76,098       | 76,098.58                | \$ 76,098       |
|                                 | TOTAL DEBT SERVICE             | \$ 78,688.30  | \$ 82,867.80  | \$ 309,781.78 | \$ 305,381      | \$ 305,381.36            | \$ 305,381      |
| <b>CAPITAL IMPROVEMENT</b>      |                                |               |               |               |                 |                          |                 |
| 03-69-4038                      | CIP                            | \$ -          | \$ -          | \$ -          | \$ -            | \$ -                     | \$ -            |
|                                 | TOTAL cip                      | \$ -          | \$ -          | \$ -          | \$ -            | \$ -                     | \$ -            |
|                                 | TOTAL FUND EXPENDITURES        | \$ 305,692.67 | \$ 493,812.59 | \$ 988,541.78 | \$ 1,013,883    | \$ 655,656.93            | \$ 981,858.90   |
| <b>FIXED CHARGES</b>            |                                |               |               |               |                 |                          |                 |
| 03-68-4802                      | Depreciation Expense           | \$ 296,919.90 | \$ 326,801.88 |               |                 |                          |                 |
| 03-68-4803                      | Amortization Expense           | \$ -          | \$ -          |               |                 |                          |                 |
| 03-68-4804                      | Gain/Loss on FA Disposal       | \$ -          | \$ -          |               |                 |                          |                 |
|                                 | TOTAL FIXED CHARGES            | \$ 296,919.90 | \$ 326,801.88 |               |                 |                          |                 |
| <b>JOINT REVENUE BOND EXP (</b> |                                |               |               |               |                 |                          |                 |
| 03-69-4038                      | CAPITAL IMPROVEMENT            | \$ -          | \$ -          | \$ -          | \$ -            | \$ -                     | \$ -            |
|                                 | TOTAL JOINT REVENUE BOND EXP ( | \$ -          | \$ -          | \$ -          | \$ -            | \$ -                     | \$ -            |
| <b>CONTINGENCY</b>              |                                |               |               |               |                 |                          |                 |
| 03-80-8000                      | CONTINGENCY RESERVE            | \$ -          | \$ -          | \$ -          | \$ -            | \$ -                     | \$ -            |
|                                 | TOTAL CONTINGENCY              | \$ -          | \$ -          | \$ -          | \$ -            | \$ -                     | \$ -            |
|                                 | TOTAL FUND EXPENDITURES        | \$ 889,385.33 | \$ 820,614.47 | \$ 988,541.78 | \$ 1,013,882.78 | \$ 655,656.93            | \$ 981,858.90   |
|                                 |                                |               |               |               |                 |                          | \$ 1,013,882.78 |

Town of Lyons  
2017 Budget  
Sanitation Fund

Sanitation Fund

|                                       | 2015 YTD    |                | 2016 Year-End |              | 2017 BUDGET     |                 |
|---------------------------------------|-------------|----------------|---------------|--------------|-----------------|-----------------|
|                                       | 2014 ACTUAL | 2015 ACTUAL    | 2015 BUDGET   | 2016 BUDGET  | 2016 YTD ACTUAL | 2016 Projection |
| FUND REVENUES                         | \$ 493,572  | \$ 857,808     | \$ 484,508    | \$ 553,492   | \$ 782,648      | \$ 984,719      |
| FUND EXPENDITURES                     | \$ 577,685  | \$ 4,156,044   | \$ 477,690    | \$ 691,399   | \$ 802,260      | \$ 1,011,818    |
| NET OPERATING POSITION                | \$ (84,113) | \$ (3,298,236) | \$ 6,818      | \$ (137,907) | \$ (19,612)     | \$ (27,099)     |
| Fund Balance Needed to Balance Budget | \$ -        | \$ 5,298,236   | \$ -          | \$ 138,207   | \$ -            | \$ 27,099       |
| OTHER REVENUE                         |             |                |               |              |                 |                 |
| 04-16-3411 Donated Assets             | \$ -        | \$ 32,363.04   | \$ -          | \$ -         | \$ -            | \$ -            |
| TOTAL OTHER REVENUE                   | \$ -        | \$ 32,363.04   | \$ -          | \$ -         | \$ -            | \$ -            |

|  | 2015 YTD      |               | 2016 Year-End |               | 2017 BUDGET     |                 |
|--|---------------|---------------|---------------|---------------|-----------------|-----------------|
|  | 2014 ACTUAL   | 2015 ACTUAL   | 2015 BUDGET   | 2016 BUDGET   | 2016 YTD ACTUAL | 2016 Projection |
| ANITATION REVENUE                            |               |               |               |               |                 |                 |
| 04-17-3401 INTEREST INCOME                   | \$ 571.23     | \$ 1,175.80   | \$ 500.00     | \$ 500.00     | \$ 2,489.24     | \$ 2,489.24     |
| 04-17-3400 OTHER INCOME (GRANT TO BELIE'D)   | \$ 7,300.00   | \$ 15.00      | \$ -          | \$ -          | \$ -            | \$ -            |
| 04-17-3402 Construction Loan Draws New Plant | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -            |
| 04-17-3410 TAP CONNECTION FEES               | \$ 42,500.00  | \$ 59,500.00  | \$ 51,000.00  | \$ 59,500.00  | \$ 25,500.00    | \$ 59,500.00    |
| 04-17-3490 SANITATION USERS' FEE             | \$ 410,837.43 | \$ 420,105.23 | \$ 433,008.00 | \$ 493,492.00 | \$ 324,921.03   | \$ 493,492.00   |
| TOTAL SANITATION REVENUE                     | \$ 461,208.66 | \$ 480,796.03 | \$ 484,508.00 | \$ 553,492.00 | \$ 352,910.27   | \$ 553,481.24   |
| GRANT PROCEEDS                               |               |               |               |               |                 |                 |
| 04-23-3400 Inflation                         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -            |
| 04-23-3500 WWTP SRF LOAN PROCEEDS            | \$ -          | \$ 375,583.48 | \$ -          | \$ -          | \$ 53,654.00    | \$ 53,654.00    |
| WWTP DOLA GRANT PROCEEDS                     | \$ -          | \$ 375,583.48 | \$ -          | \$ -          | \$ 375,583.48   | \$ 375,583.48   |
| TOTAL GRANT PROCEEDS                         | \$ -          | \$ 751,166.96 | \$ -          | \$ -          | \$ 429,237.48   | \$ 429,237.48   |

|                          | 2015 YTD      |               | 2016 Year-End |               | 2017 BUDGET     |                 |
|--------------------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                          | 2014 ACTUAL   | 2015 ACTUAL   | 2015 BUDGET   | 2016 BUDGET   | 2016 YTD ACTUAL | 2016 Projection |
| CIRSA REVENUE            |               |               |               |               |                 |                 |
| 04-25-3875 CIRSA REVENUE | \$ -          | \$ 1,428.53   | \$ -          | \$ -          | \$ -            | \$ -            |
| TOTAL CIRSA REVENUE      | \$ -          | \$ 1,428.53   | \$ -          | \$ -          | \$ -            | \$ -            |
| Reimbursables            |               |               |               |               |                 |                 |
| 04-39-3999 Reimbursables | \$ -          | \$ -          | \$ -          | \$ -          | \$ 500.00       | \$ 500.00       |
| TOTAL FUND REVENUE       | \$ 493,571.70 | \$ 857,808.04 | \$ 484,508.00 | \$ 553,492.00 | \$ 782,647.75   | \$ 984,718.72   |

|   | 2015 YTD    |             | 2016 Year-End |             | 2017 BUDGET     |                 |
|---|-------------|-------------|---------------|-------------|-----------------|-----------------|
|   | 2014 ACTUAL | 2015 ACTUAL | 2015 BUDGET   | 2016 BUDGET | 2016 YTD ACTUAL | 2016 Projection |
| ALLOCATED EXPENSES                        |             |             |               |             |                 |                 |
| 04-44-4006 OUTSIDE PROF. SERVICE FEES     | \$ -        | \$ 83.43    | \$ -          | \$ -        | \$ -            | \$ 0            |
| 04-44-4008 OFFICE OPERATIONS              | \$ 382.63   | \$ 306.64   | \$ -          | \$ -        | \$ 210.74       | \$ 210.74       |
| 04-44-4010 POSTAGE                        | \$ 2,134.72 | \$ 1,785.32 | \$ -          | \$ -        | \$ 1,236.33     | \$ 1,236.33     |
| 04-44-4011 EQUIPMENT MAINTENANCE          | \$ -        | \$ 789.40   | \$ -          | \$ -        | \$ 284.43       | \$ 284.43       |
| 04-44-4014 DUES & SUBSCRIPTIONS           | \$ -        | \$ -        | \$ -          | \$ -        | \$ 2,315.00     | \$ 2,315.00     |
| 04-44-4015 SEMINARS/MEETINGS              | \$ -        | \$ -        | \$ -          | \$ -        | \$ -            | \$ -            |
| 04-44-4016 TRAVEL EXPENSES                | \$ -        | \$ -        | \$ -          | \$ -        | \$ -            | \$ -            |
| 04-44-4018 STAFF SERVICES                 | \$ -        | \$ -        | \$ -          | \$ -        | \$ -            | \$ -            |
| 04-44-4022 UNEMPLOYMENT INSURANCE EXPENSE | \$ -        | \$ -        | \$ -          | \$ -        | \$ -            | \$ -            |
| 04-44-4023 WORK COMP EXP                  | \$ -        | \$ -        | \$ -          | \$ -        | \$ -            | \$ -            |
| 04-44-4032 ATTORNEYS FEES                 | \$ -        | \$ -        | \$ -          | \$ -        | \$ -            | \$ -            |
| 04-44-4033 ENGINEERING FEES               | \$ -        | \$ -        | \$ -          | \$ -        | \$ -            | \$ -            |

Town of Lyons  
2017 Budget  
Sanitation Fund

| TREATMENT      | 2014 ACTUAL   |                | 2015 YTD ACTUAL |                | 2015 BUDGET   |               | 2016 BUDGET  |               | 2016 YTD ACTUAL |              | 2016 Year-End Projection |               | 2017 BUDGET   |               |
|----------------|---|----------------|-----------------|----------------|---------------|---------------|--------------|---------------|-----------------|--------------|--------------------------|---------------|---------------|---------------|
|                |   |                |                 |                |               |               |              |               |                 |              |                          |               |               |               |
| 04-44-4038     | EQUIPMENT & SMALL TOOLS                                 | \$ -           | \$ -            | 7.33           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-44-4041     | PC SOFTWARE & PRINTERS                                  | \$ -           | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-44-4055     | PC TECHNICIAN FEES                                      | \$ -           | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-44-4057     | TELEPHONE EXP   | \$ -           | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-44-4102     | AUDITING FEES   | \$ -           | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-44-4800     | GENERAL INSURANCE                                       | \$ -           | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-44-4820     | LINC CODIFICATION EXP                                   | \$ -           | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-44-5009     | COPIER LEASE EXP  | \$ -           | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-44-8004     | Transfer to General Fund for Allocated Exp<br>Inflation | \$ 28,845.00   | \$ 31,215.00    | \$ -           | \$ 31,215.00  | \$ -          | \$ 32,960.00 | \$ -          | \$ 16,480.00    | \$ -         | \$ 31,215.00             | \$ -          | \$ 32,960.00  | \$ -          |
|                | TOTAL ALLOCATED EXPENSES                                | \$ 31,362.35   | \$ 34,187.12    | \$ -           | \$ 31,215.00  | \$ -          | \$ 33,584.00 | \$ -          | \$ 20,526.50    | \$ -         | \$ 35,261.50             | \$ -          | \$ 33,584.00  | \$ -          |
|                |   |                |                 |                |               |               |              |               |                 |              |                          |               |               |               |
| ADMINISTRATION |   |                |                 |                |               |               |              |               |                 |              |                          |               |               |               |
| 04-50-4000     | FULLTIME SALARIES (ADMIN)                               | \$ 65,969.10   | \$ 52,756.29    | \$ 51,000.00   | \$ 72,448.00  | \$ 41,089.34  | \$ 72,448.00 | \$ 72,448.00  | \$ 41,089.34    | \$ 72,448.00 | \$ 72,448.00             | \$ 72,448.00  | \$ 72,448.00  | \$ 72,448.00  |
| 04-50-4001     | PARTTIME SALARIES                                       | \$ 10,974.57   | \$ 4,864.99     | \$ 12,000.00   | \$ 5,000.00   | \$ 2,601.02   | \$ 5,000.00  | \$ 5,000.00   | \$ 2,601.02     | \$ 5,000.00  | \$ 5,000.00              | \$ 5,000.00   | \$ 5,000.00   | \$ 5,000.00   |
| 04-50-4006     | OUTSIDE PROF SERVICE FEES                               | \$ 567.07      | \$ 5,690.98     | \$ 5,000.00    | \$ 5,000.00   | \$ -          | \$ 5,000.00  | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ 5,000.00   | \$ -          |
| 04-50-4007     | PERFORMANCE CONTRACT (new 2016)                         | \$ -           | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-50-4008     | OFFICE OPERATIONS                                       | \$ 268.40      | \$ 151.63       | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ 126.75       | \$ -         | \$ 126.75                | \$ -          | \$ -          | \$ -          |
| 04-50-4010     | POSTAGE   | \$ 6.39        | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-50-4011     | EQUIPMENT & SMALL TOOLS                                 | \$ 625.59      | \$ 2,581.78     | \$ 4,600.00    | \$ 4,600.00   | \$ -          | \$ 4,600.00  | \$ -          | \$ 1,006.89     | \$ -         | \$ 4,600.00              | \$ -          | \$ 4,600.00   | \$ -          |
| 04-50-4015     | SEMINARS  | \$ -           | \$ 131.60       | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ 442.62       | \$ -         | \$ 442.62                | \$ -          | \$ -          | \$ -          |
| 04-50-4024     | PAYROLL TAXES - ER                                      | \$ 5,614.16    | \$ 4,356.68     | \$ 5,500.00    | \$ 4,800.00   | \$ 3,314.60   | \$ 4,800.00  | \$ 4,800.00   | \$ 3,314.60     | \$ 4,800.00  | \$ 4,800.00              | \$ 4,800.00   | \$ 4,800.00   | \$ 4,800.00   |
| 04-50-4025     | EMPLOYEE INS - ER                                       | \$ 11,931.36   | \$ 9,670.42     | \$ 8,250.00    | \$ 8,250.00   | \$ 7,219.92   | \$ 8,250.00  | \$ 8,250.00   | \$ 7,219.92     | \$ 8,250.00  | \$ 8,250.00              | \$ 8,250.00   | \$ 8,250.00   | \$ 8,250.00   |
| 04-50-4026     | RETIREMENT CONTRIBUTION - ER                            | \$ 1,608.57    | \$ 1,583.17     | \$ 1,400.00    | \$ 1,875.00   | \$ 1,114.96   | \$ 1,875.00  | \$ 1,875.00   | \$ 1,114.96     | \$ 1,875.00  | \$ 1,875.00              | \$ 1,875.00   | \$ 1,875.00   | \$ 1,875.00   |
| 04-50-4032     | ATTORNEYS FEES  | \$ 10,382.83   | \$ 1,649.00     | \$ 6,000.00    | \$ 6,000.00   | \$ -          | \$ 6,000.00  | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ 6,000.00   | \$ -          |
| 04-50-4033     | ENGINEERING FEES  | \$ 1,966.61    | \$ 1,575.00     | \$ 30,000.00   | \$ 30,000.00  | \$ -          | \$ 30,000.00 | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ 30,000.00  | \$ -          |
| 04-50-4041     | PC, SOFTWARE & PRINTERS                                 | \$ 56.67       | \$ 2,517.20     | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ 670.25       | \$ -         | \$ 1,500.00              | \$ -          | \$ -          | \$ -          |
| 04-50-4050     | MISCELLANEOUS EXPENSE                                   | \$ 96.32       | \$ 542.50       | \$ 1,500.00    | \$ 1,500.00   | \$ -          | \$ 1,500.00  | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ 1,500.00   | \$ -          |
| 04-50-4055     | PC TECHNICIAN FEES                                      | \$ 56.67       | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-50-4500     | Transfer Out to GF LESAP                                | \$ 3,000.00    | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-50-4999     | Transfer to Flood Fund (reimbursable salaries)          | \$ (22,843.86) | \$ (3,425.11)   | \$ (15,000.00) | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
|                | Inflation   |                |                 |                |               |               |              |               |                 |              |                          |               |               |               |
|                | TOTAL ADMINISTRATION                                    | \$ 90,280.45   | \$ 84,646.13    | \$ 110,250.00  | \$ 141,678.00 | \$ 57,586.35  | \$ 99,042.37 | \$ 141,678.00 | \$ 57,586.35    | \$ 99,042.37 | \$ 141,678.00            | \$ 141,678.00 | \$ 141,678.00 | \$ 141,678.00 |
| TREATMENT      |   |                |                 |                |               |               |              |               |                 |              |                          |               |               |               |
| 04-62-4006     | OUTSIDE PROF SERVICE FEES                               | \$ 88,053.62   | \$ 113,346.32   | \$ 80,000.00   | \$ 57,000.00  | \$ 106,287.25 | \$ 57,000.00 | \$ 57,000.00  | \$ 106,287.25   | \$ 57,000.00 | \$ 57,000.00             | \$ 57,000.00  | \$ 57,000.00  | \$ 57,000.00  |
| 04-62-4012     | BUILDING MAINTENANCE                                    | \$ -           | \$ -            | \$ -           | \$ 2,000.00   | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ 2,000.00   | \$ -          |
| 04-62-4015     | SEMINARS/MEETINGS                                       | \$ 112.50      | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-62-4017     | ELECTRIC SERVICES                                       | \$ 41,402.93   | \$ 43,686.11    | \$ 40,660.00   | \$ 22,000.00  | \$ 24,010.00  | \$ 24,010.00 | \$ 24,010.00  | \$ 24,010.00    | \$ 24,010.00 | \$ 24,010.00             | \$ 24,010.00  | \$ 22,000.00  | \$ 22,000.00  |
| 04-62-4020     | NATURAL GAS SERVICE                                     | \$ 1,719.53    | \$ 2,672.17     | \$ 1,500.00    | \$ 1,500.00   | \$ 2,478.66   | \$ 2,478.66  | \$ 2,478.66   | \$ 2,478.66     | \$ 2,478.66  | \$ 2,478.66              | \$ 2,478.66   | \$ 1,500.00   | \$ 1,500.00   |
| 04-62-4021     | TELEPHONE SERVICE                                       | \$ 909.63      | \$ 645.50       | \$ 1,500.00    | \$ 1,500.00   | \$ 1,553.86   | \$ 1,553.66  | \$ 1,553.66   | \$ 1,553.86     | \$ 1,553.66  | \$ 1,553.66              | \$ 1,553.66   | \$ 1,500.00   | \$ 1,500.00   |
| 04-62-4024     | PAYROLL TAXES - ER                                      | \$ 95.24       | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-62-4025     | EMPLOYEE INS - ER                                       | \$ -           | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-62-4026     | RETIREMENT CONTRIBUTION - ER                            | \$ -           | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         | \$ -          | \$ -            | \$ -         | \$ -                     | \$ -          | \$ -          | \$ -          |
| 04-62-4027     | MAINTENANCE & SUPPLIES                                  | \$ 21,929.68   | \$ 13,246.61    | \$ 20,000.00   | \$ 15,000.00  | \$ 6,807.56   | \$ 15,000.00 | \$ 15,000.00  | \$ 6,807.56     | \$ 15,000.00 | \$ 15,000.00             | \$ 15,000.00  | \$ 15,000.00  | \$ 15,000.00  |

Town of Lyons  
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|                                      | 2014 ACTUAL                                     |                | 2015 YTD        |               | 2015 BUDGET   |               | 2016 BUDGET   |               | 2016 YTD ACTUAL |               | 2016 Year-End Projection |               | 2017 BUDGET   |  |
|--------------------------------------|---|----------------|-----------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|--------------------------|---------------|---------------|--|
|                                      |   |                |                 |               |               |               |               |               |                 |               |                          |               |               |  |
| 04-62-4029                           | VEHICLE MAINT EXP                               | \$ 990.43      | \$ 2,854.71     | \$ 500.00     | \$ 500.00     | \$ 500.00     | \$ 502.78     | \$ 502.78     | \$ 500.00       | \$ 500.00     | \$ 500.00                | \$ 500.00     | \$ 500.00     |  |
| 04-62-4030                           | GASOLINE, OIL, ETC.                             | \$ 48.80       | \$ -            | \$ 50.00      | \$ 50.00      | \$ 50.00      | \$ -          | \$ -          | \$ -            | \$ -          | \$ -                     | \$ 50.00      | \$ -          |  |
| 04-62-4031                           | CHEMICALS, LAB & LAB SUPPLIES                   | \$ 8,682.68    | \$ 13,766.69    | \$ 18,000.00  | \$ 10,660.00  | \$ 10,472.97  | \$ 10,660.00  | \$ 10,660.00  | \$ 10,660.00    | \$ 10,660.00  | \$ 10,660.00             | \$ 10,660.00  | \$ 10,660.00  |  |
| 04-62-4041                           | PC SOFTWARE & PRINTERS                          | \$ 41.99       | \$ -            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          |  |
| 04-62-4050                           | MISCELLANEOUS EXPENSE                           | \$ -           | \$ 5,594.17     | \$ -          | \$ -          | \$ 55.29      | \$ 55.29      | \$ 55.29      | \$ 55.29        | \$ 55.29      | \$ 55.29                 | \$ 55.29      | \$ 55.29      |  |
| 04-62-5202                           | SLUDGE DISPOSAL                                 | \$ 70,933.81   | \$ 122,480.90   | \$ 85,000.00  | \$ 22,000.00  | \$ 21,683.61  | \$ 22,000.00  | \$ 22,000.00  | \$ 22,000.00    | \$ 22,000.00  | \$ 22,000.00             | \$ 22,000.00  | \$ 22,000.00  |  |
|                                      | TOTAL TREATMENT                                 | \$ 234,920.84  | \$ 318,293.18   | \$ 247,210.00 | \$ 132,210.00 | \$ 173,851.98 | \$ 133,260.39 | \$ 132,210.00 | \$ 132,210.00   | \$ 132,210.00 | \$ 132,210.00            | \$ 132,210.00 | \$ 132,210.00 |  |
| <b>COLLECTION &amp; TRANSMISSION</b> |   |                |                 |               |               |               |               |               |                 |               |                          |               |               |  |
| 04-64-4005                           | COLLECT/TRANSMIT SALARIES                       | \$ 31,191.14   | \$ 29,102.83    | \$ 31,500.00  | \$ 31,000.00  | \$ 19,987.61  | \$ 31,000.00  | \$ 31,000.00  | \$ 31,000.00    | \$ 31,000.00  | \$ 31,000.00             | \$ 31,000.00  | \$ 31,000.00  |  |
| 04-64-4006                           | OUTSIDE PROF SERVICE FEES                       | \$ 631.96      | \$ 2,431.07     | \$ -          | \$ 1,000.00   | \$ 7,112.59   | \$ 7,112.59   | \$ 7,112.59   | \$ 7,112.59     | \$ 7,112.59   | \$ 7,112.59              | \$ 7,112.59   | \$ 7,112.59   |  |
| 04-64-4011                           | EQUIPMENT MAINTENANCE                           | \$ -           | \$ -            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          |  |
| 04-64-4024                           | PAYROLL TAXES - ER                              | \$ 2,314.24    | \$ 2,106.78     | \$ 2,950.00   | \$ 2,400.00   | \$ 1,518.31   | \$ 2,400.00   | \$ 2,400.00   | \$ 2,400.00     | \$ 2,400.00   | \$ 2,400.00              | \$ 2,400.00   | \$ 2,400.00   |  |
| 04-64-4025                           | EMPLOYEE INS - ER                               | \$ 5,284.33    | \$ 6,487.89     | \$ 6,000.00   | \$ 6,000.00   | \$ 3,226.32   | \$ 6,000.00   | \$ 6,000.00   | \$ 6,000.00     | \$ 6,000.00   | \$ 6,000.00              | \$ 6,000.00   | \$ 6,000.00   |  |
| 04-64-4026                           | RETIREMENT CONTRIBUTION - ER                    | \$ 300.35      | \$ 450.01       | \$ 1,200.00   | \$ 950.00     | \$ 369.49     | \$ 950.00     | \$ 950.00     | \$ 950.00       | \$ 950.00     | \$ 950.00                | \$ 950.00     | \$ 950.00     |  |
| 04-64-4027                           | MAINTENANCE & SUPPLIES                          | \$ 6,249.88    | \$ 7,070.14     | \$ 6,500.00   | \$ 6,500.00   | \$ 4,998.51   | \$ 6,500.00   | \$ 6,500.00   | \$ 6,500.00     | \$ 6,500.00   | \$ 6,500.00              | \$ 6,500.00   | \$ 6,500.00   |  |
| 04-64-4029                           | VEHICLE MAINT EXP                               | \$ 359.81      | \$ 471.95       | \$ 600.00     | \$ 300.00     | \$ 1,383.31   | \$ 1,383.31   | \$ 1,383.31   | \$ 1,383.31     | \$ 1,383.31   | \$ 1,383.31              | \$ 1,383.31   | \$ 1,383.31   |  |
| 04-64-4030                           | GASOLINE, OIL, ETC.                             | \$ 2,918.86    | \$ 1,559.94     | \$ 2,500.00   | \$ 2,500.00   | \$ 538.81     | \$ 2,500.00   | \$ 2,500.00   | \$ 2,500.00     | \$ 2,500.00   | \$ 2,500.00              | \$ 2,500.00   | \$ 2,500.00   |  |
| 04-64-4035                           | UNIFORMS EXPENSE                                | \$ 337.83      | \$ 422.59       | \$ 350.00     | \$ 350.00     | \$ 261.35     | \$ 350.00     | \$ 350.00     | \$ 350.00       | \$ 350.00     | \$ 350.00                | \$ 350.00     | \$ 350.00     |  |
| 04-64-4038                           | EQUIPMENT & SMALL TOOLS                         | \$ -           | \$ -            | \$ -          | \$ 1,000.00   | \$ 77.33      | \$ 1,000.00   | \$ 1,000.00   | \$ 1,000.00     | \$ 1,000.00   | \$ 1,000.00              | \$ 1,000.00   | \$ 1,000.00   |  |
| 04-64-4050                           | MISCELLANEOUS EXPENSE                           | \$ -           | \$ 776.10       | \$ -          | \$ -          | \$ 396.82     | \$ -          | \$ 396.82     | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          |  |
| 04-64-4302                           | ROAD BASE, SQUEEGEE, ASPHALT REPAIR             | \$ -           | \$ -            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          |  |
| 04-64-4309                           | STORM & SEWER DRAINAGE                          | \$ 2,160.00    | \$ (485.02)     | \$ 5,000.00   | \$ 3,000.00   | \$ 3,389.82   | \$ 3,389.82   | \$ 3,389.82   | \$ 3,389.82     | \$ 3,389.82   | \$ 3,389.82              | \$ 3,389.82   | \$ 3,389.82   |  |
| 04-64-5105                           | DISCHARGE PERMIT                                | \$ 1,075.00    | \$ 2,393.94     | \$ 2,500.00   | \$ 2,500.00   | \$ 560.00     | \$ 2,500.00   | \$ 2,500.00   | \$ 2,500.00     | \$ 2,500.00   | \$ 2,500.00              | \$ 2,500.00   | \$ 2,500.00   |  |
|                                      | Inflation                                       | \$ -           | \$ -            | \$ -          | \$ 1,582.00   | \$ -          | \$ 1,582.00   | \$ 1,582.00   | \$ 1,582.00     | \$ 1,582.00   | \$ 1,582.00              | \$ 1,582.00   | \$ 1,582.00   |  |
| 04-64-5200                           | LINE REPAIRS & CLEANING                         | \$ 25,755.37   | \$ 4,179.00     | \$ 20,000.00  | \$ 20,000.00  | \$ 1,695.66   | \$ 20,000.00  | \$ 20,000.00  | \$ 20,000.00    | \$ 20,000.00  | \$ 20,000.00             | \$ 20,000.00  | \$ 20,000.00  |  |
|                                      | TOTAL COLLECTION & TRANSMISSION                 | \$ 78,578.77   | \$ 56,967.22    | \$ 79,100.00  | \$ 79,082.00  | \$ 45,015.93  | \$ 85,482.34  | \$ 85,482.34  | \$ 85,482.34    | \$ 85,482.34  | \$ 85,482.34             | \$ 85,482.34  | \$ 85,482.34  |  |
| <b>CAPITAL OUTLAY</b>                |   |                |                 |               |               |               |               |               |                 |               |                          |               |               |  |
| 04-66-4038                           | CAPITAL PURCHASES (Civic Plus and Radio System) | \$ 100,724.24  | \$ 1,190.00     | \$ 9,915.00   | \$ 4,400.00   | \$ 1,100.00   | \$ 4,400.00   | \$ 4,400.00   | \$ 4,400.00     | \$ 4,400.00   | \$ 4,400.00              | \$ 4,400.00   | \$ 4,400.00   |  |
| 04-68-4049                           | WPCRF TRT PLANT IMPROVEMENTS                    | \$ -           | \$ 0            | \$ -          | \$ -          | \$ 843.19     | \$ 843.19     | \$ 843.19     | \$ 843.19       | \$ 843.19     | \$ 843.19                | \$ 843.19     | \$ 843.19     |  |
|                                      | TOTAL CAPITAL OUTLAY                            | \$ 100,724.24  | \$ 1,190.00     | \$ 9,915.00   | \$ 4,400.00   | \$ 1,943.19   | \$ 5,243.19   | \$ 5,243.19   | \$ 5,243.19     | \$ 5,243.19   | \$ 5,243.19              | \$ 5,243.19   | \$ 5,243.19   |  |
| <b>FIXED CHARGES</b>                 |   |                |                 |               |               |               |               |               |                 |               |                          |               |               |  |
| 04-68-4802                           | Depreciation Expense                            | \$ 141,435.99  | \$ 130,349.26   | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          |  |
| 04-68-4804                           | Gain/Loss on FA                                 | \$ -           | \$ -            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          |  |
|                                      | TOTAL FIXED CHARGES                             | \$ 141,435.99  | \$ 130,349.26   | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          |  |
| <b>JOINT REVENUE BOND EXPENSE</b>    |   |                |                 |               |               |               |               |               |                 |               |                          |               |               |  |
| 04-69-4038                           | CAPITAL IMPROVEMENT                             | \$ (99,618.18) | \$ -            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          |  |
|                                      | TOTAL JOINT REVENUE BOND EXPENSE                | \$ (99,618.18) | \$ -            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -                     | \$ -          | \$ -          |  |
| <b>DEPARTMENT 70</b>                 |   |                |                 |               |               |               |               |               |                 |               |                          |               |               |  |
| 04-70-4006                           | WWTP DOLA PMTS TO HOMEYEWELL                    | \$ 0.20        | \$ 3,482,655.97 | \$ -          | \$ -          | \$ 353,113.49 | \$ 353,113.49 | \$ 353,113.49 | \$ 353,113.49   | \$ 353,113.49 | \$ 353,113.49            | \$ 353,113.49 | \$ 353,113.49 |  |
| 04-70-4914                           | WWTP SRF LOAN PRINCIPAL                         | \$ -           | \$ -            | \$ -          | \$ 238,687.37 | \$ 119,004.01 | \$ 238,687.37 | \$ 238,687.37 | \$ 238,687.37   | \$ 238,687.37 | \$ 238,687.37            | \$ 238,687.37 | \$ 238,687.37 |  |
| 04-70-4915                           | WWTP SRF LOAN INTEREST                          | \$ 47,745.49   | \$ -            | \$ -          | \$ 61,757.19  | \$ 31,218.27  | \$ 61,757.19  | \$ 61,757.19  | \$ 61,757.19    | \$ 61,757.19  | \$ 61,757.19             | \$ 61,757.19  | \$ 61,757.19  |  |

Town of Lyons  
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|                         | 2014 ACTUAL   | 2015 YTD        | 2015 BUDGET   | 2016 BUDGET   | 2016 YTD ACTUAL | 2016 Year-End Projection | 2017 BUDGET   |
|-------------------------|---------------|-----------------|---------------|---------------|-----------------|--------------------------|---------------|
| TOTAL DEPARTMENT 70     | \$ 0.20       | \$ 3,530,411.46 | \$ -          | \$ 300,444.56 | \$ 503,335.77   | \$ 653,528.05            | \$ 300,444.56 |
| TOTAL FUND EXPENDITURES | \$ 577,684.66 | \$ 4,156,044.37 | \$ 477,690.00 | \$ 691,398.56 | \$ 802,259.72   | \$ 1,011,817.84          | \$ 691,698.56 |

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**ELECTRIC FUND**

|                                       | 2014 ACTUAL     | 2015 YTD Actual | 2015 BUDGET     | 2016 Budget     | 2016 YTD Actual | 2016 Year-End Projection | 2017 Budget     |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------|-----------------|
| FUND REVENUES                         | \$ 1,560,448.66 | \$ 1,427,435.50 | \$ 1,414,200.00 | \$ 1,655,355.00 | \$ 1,034,898.41 | \$ 1,652,640.64          | \$ 1,655,355.00 |
| FUND EXPENDITURES                     | \$ 1,308,996.06 | \$ 1,422,812.68 | \$ 1,401,760.00 | \$ 1,620,807.50 | \$ 812,502.00   | \$ 1,533,763.58          | \$ 1,620,807.50 |
| NET OPERATING POSITION                | \$ 251,452.60   | \$ 4,622.82     | \$ 12,440.00    | \$ 34,547.50    | \$ 222,396.41   | \$ 118,877.06            | \$ 34,547.50    |
| Fund Balance Needed to Balance Budget | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -                     | \$ -            |

as of 09/22/2016

|                                       | 2014 ACTUAL     | 2015 YTD Actual | 2015 BUDGET     | 2016 Budget     | 2016 YTD Actual | 2016 Year-End Projection | 2016 Budget     |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------|-----------------|
| <b>ELECTRIC REVENUES</b>              |                 |                 |                 |                 |                 |                          |                 |
| 02-15-3400 OTHER INCOME               | \$ 1,821.28     | \$ 4,914.00     | \$ 3,000.00     | \$ 3,000.00     | \$ -            | \$ 0.00                  | \$ 3,000.00     |
| 02-15-3401 INTEREST INCOME            | \$ 558.21       | \$ 572.64       | \$ 500.00       | \$ 500.00       | \$ 1,212.34     | \$ 1,212.34              | \$ 500.00       |
| 02-15-3409 INVESTMENT FEE             | \$ 40,500.00    | \$ 31,500.00    | \$ 27,000.00    | \$ 31,500.00    | \$ 13,658.76    | \$ 31,500.00             | \$ 31,500.00    |
| 02-15-3414 RECONNECTION CHARGES       | \$ -            | \$ 1,870.00     | \$ 2,700.00     | \$ 2,700.00     | \$ 525.00       | \$ 2,700.00              | \$ 2,700.00     |
| 02-15-3470 TAXABLE ELECTRIC SALES     | \$ 759,404.91   | \$ 938,867.73   | \$ 967,000.00   | \$ 1,203,655.00 | \$ 704,012.33   | \$ 1,203,655.00          | \$ 1,203,655.00 |
| 02-15-3471 NON-TAXABLE ELECTRIC SALES | \$ 100,412.16   | \$ 127,011.17   | \$ 137,000.00   | \$ 137,000.00   | \$ 84,271.04    | \$ 137,000.00            | \$ 137,000.00   |
| 02-15-3472 COMMERCIAL ELECTRIC SALES  | \$ 239,499.10   | \$ 311,201.04   | \$ 277,000.00   | \$ 277,000.00   | \$ 231,635.64   | \$ 277,000.00            | \$ 277,000.00   |
| Inflation                             |                 |                 |                 |                 |                 |                          |                 |
| 02-15-3473 ELECTRIC SURCHARGE         | \$ -            | \$ 544.00       | \$ -            | \$ -            | \$ 448.26       | \$ 438.26                | \$ -            |
| TOTAL ELECTRIC REVENUES               | \$ 1,142,195.66 | \$ 1,416,480.58 | \$ 1,414,200.00 | \$ 1,655,355.00 | \$ 1,035,763.37 | \$ 1,653,505.60          | \$ 1,655,355.00 |

|                           |                 |                 |                 |                 |                 |                 |                 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Other Revenues            |                 |                 |                 |                 |                 |                 |                 |
| 02-16-3411 Donated Assets | \$ 24,775.00    | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            |
| 02-25-3875 CIRS Revenue   | \$ 393,478.00   | \$ 1,428.53     | \$ -            | \$ -            | \$ -            | \$ -            | \$ 0            |
| Other Revenue             | \$ 418,253.00   | \$ 1,428.53     | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            |
| 02-39-3999 REIMBURSABLES  | \$ -            | \$ 9,526.39     | \$ -            | \$ -            | \$ (864.96)     | \$ (864.96)     | \$ (864.96)     |
| TOTAL FUND REVENUE        | \$ 1,560,448.66 | \$ 1,427,435.50 | \$ 1,414,200.00 | \$ 1,655,355.00 | \$ 1,034,898.41 | \$ 1,652,640.64 | \$ 1,655,355.00 |

|                                    | 2014 ACTUAL | 2015 YTD Actual | 2015 BUDGET | 2016 Budget | 2016 YTD Actual | 2016 Year-End Projection | 2016 Budget |
|------------------------------------|-------------|-----------------|-------------|-------------|-----------------|--------------------------|-------------|
| <b>ALLOCATED EXPENSES</b>          |             |                 |             |             |                 |                          |             |
| 02-44-4008 OFFICE OPERATIONS       | \$ 3,907.83 | \$ 305.30       | \$ -        | \$ -        | \$ 164.75       | \$ 164.75                | \$ -        |
| 02-44-4010 POSTAGE                 | \$ 2,678.66 | \$ 1,780.33     | \$ -        | \$ -        | \$ 1,229.33     | \$ 1,229.33              | \$ -        |
| 02-44-4011 EQUIPMENT MAINTENANCE   | \$ 4,725.21 | \$ 1,664.88     | \$ -        | \$ -        | \$ -            | \$ 0.00                  | \$ -        |
| 02-44-4014 DUES & SUBSCRIPTIONS    | \$ 1,251.87 | \$ -            | \$ -        | \$ -        | \$ -            | \$ 0.00                  | \$ -        |
| 02-44-4015 SEMINARS/MEETINGS       | \$ 687.12   | \$ -            | \$ -        | \$ -        | \$ -            | \$ 0.00                  | \$ -        |
| 02-44-4016 TRAVEL EXPENSES         | \$ 332.71   | \$ -            | \$ -        | \$ -        | \$ -            | \$ 0.00                  | \$ -        |
| 02-44-4018 STAFF SERVICES          | \$ 259.95   | \$ -            | \$ -        | \$ -        | \$ -            | \$ 0.00                  | \$ -        |
| 02-44-4022 UNEMPLOYMETN INS EXP    | \$ 176.07   | \$ -            | \$ -        | \$ -        | \$ -            | \$ 0.00                  | \$ -        |
| 02-44-4023 WORK COMP EXP           | \$ 4,654.24 | \$ -            | \$ -        | \$ -        | \$ -            | \$ 0.00                  | \$ -        |
| 02-44-4032 ATTORNEYS FEES          | \$ 9,893.35 | \$ -            | \$ -        | \$ -        | \$ -            | \$ 1,110.00              | \$ -        |
| 02-44-4033 ENGINEERING FEES        | \$ 2,700.23 | \$ -            | \$ -        | \$ -        | \$ -            | \$ 0.00                  | \$ -        |
| 02-44-4041 PC, SOFTWARE & PRINTERS | \$ 2,118.56 | \$ -            | \$ -        | \$ -        | \$ -            | \$ 0.00                  | \$ -        |
| 02-44-4055 PC TECHNICIAN FEES      | \$ 2,844.07 | \$ -            | \$ -        | \$ -        | \$ -            | \$ 0.00                  | \$ -        |
| 02-44-4057 TELEPHONE EXP           | \$ 143.18   | \$ -            | \$ -        | \$ -        | \$ -            | \$ 0.00                  | \$ -        |

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|                       | 2014 ACTUAL   | 2015 YTD Actual | 2015 BUDGET   | 2016 Budget    | 2016 YTD Actual | 2016 Year-End Projection | 2017 Budget   |
|-----------------------|---|-----------------|---------------|----------------|-----------------|--------------------------|---------------|
| 02-44-4102            | AUDITING FEES   | \$ 1,981.05     | \$ -          | \$ -           | \$ -            | \$ 0.00                  | \$ -          |
| 02-44-4800            | GENERAL INSURANCE   | \$ 15,412.37    | \$ -          | \$ -           | \$ -            | \$ 0.00                  | \$ -          |
| 02-44-4820            | LMC CODIFICATION EXP  | \$ -            | \$ -          | \$ -           | \$ -            | \$ 0.00                  | \$ -          |
| 02-44-5009            | COPIER LEASE EXP  | \$ 968.21       | \$ -          | \$ -           | \$ -            | \$ 0.00                  | \$ -          |
| 02-44-8002            | EP's Share Allocated Exp's from GF<br>Inflation             | \$ -            | \$ 68,105.00  | \$ 68,105.00   | \$ 72,320.00    | \$ 72,320.00             | \$ 72,320.00  |
|                       | TOTAL ALLOCATED EXPENSES                                    | \$ 54,734.68    | \$ 71,855.51  | \$ 68,105.00   | \$ 73,682.00    | \$ 74,824.08             | \$ 73,682.00  |
| <b>ADMINISTRATION</b> |   |                 |               |                |                 |                          |               |
| 02-50-4000            | FULLTIME SALARIES (ADMIN)                                   | \$ 55,508.66    | \$ 53,356.61  | \$ 52,000.00   | \$ 68,812.00    | \$ 39,629.83             | \$ 68,812.00  |
| 02-50-4001            | PARTTIME SALARIES   | \$ 14,098.09    | \$ 7,197.04   | \$ 14,500.00   | \$ 7,400.00     | \$ 3,851.73              | \$ 7,400.00   |
| 02-50-4006            | OUTSIDE PROF SERVICE FEES                                   | \$ 174.00       | \$ 369.98     | \$ -           | \$ -            | \$ -                     | \$ -          |
| 02-50-4008            | OFFICE OPERATIONS   | \$ 106.68       | \$ 114.96     | \$ 1,000.00    | \$ 1,000.00     | \$ 68.75                 | \$ 1,000.00   |
| 02-50-4010            | POSTAGE   | \$ 3.25         | \$ -          | \$ -           | \$ -            | \$ -                     | \$ 0.00       |
| 02-50-4011            | EQUIPMENT & SMALL TOOLS                                     | \$ 13,000.00    | \$ 1,573.96   | \$ 2,700.00    | \$ 2,700.00     | \$ 271.14                | \$ 2,700.00   |
| 02-50-4014            | DUES & SUBSCRIPTIONS  | \$ 1,510.09     | \$ 1,728.61   | \$ 1,000.00    | \$ 1,000.00     | \$ 1,754.23              | \$ 1,000.00   |
| 02-50-4015            | SEMINARS/MEETINGS   | \$ -            | \$ 1,562.10   | \$ 1,000.00    | \$ 1,000.00     | \$ 2,813.36              | \$ 1,000.00   |
| 02-50-4016            | TRAVEL EXPENSES   | \$ -            | \$ 802.08     | \$ -           | \$ -            | \$ -                     | \$ 0.00       |
| 02-50-4024            | PAYROLL TAXES - ER  | \$ 5,295.03     | \$ 4,576.01   | \$ 6,000.00    | \$ 5,025.00     | \$ 3,299.14              | \$ 5,025.00   |
| 02-50-4025            | EMPLOYEE INS - ER   | \$ 8,555.48     | \$ 9,978.04   | \$ 9,500.00    | \$ 9,500.00     | \$ 7,251.57              | \$ 9,500.00   |
| 02-50-4026            | RETIREMENT CONTRIBUTION - ER                                | \$ 1,215.82     | \$ 1,602.11   | \$ 2,500.00    | \$ 2,000.00     | \$ 1,127.92              | \$ 2,000.00   |
| 02-50-4032            | ATTORNEY'S FEES   | \$ 791.82       | \$ 807.50     | \$ 500.00      | \$ 500.00       | \$ 499.50                | \$ 500.00     |
| 02-50-4033            | ENGINEERING SERVICES  | \$ -            | \$ 180.00     | \$ -           | \$ -            | \$ -                     | \$ 0.00       |
| 02-50-4041            | PC< Software & Printers                                     | \$ -            | \$ 2,444.65   | \$ 500.00      | \$ 500.00       | \$ 81.25                 | \$ 500.00     |
| 02-50-4050            | MISCELLANEOUS EXPENSE                                       | \$ 299.48       | \$ 763.51     | \$ 500.00      | \$ 500.00       | \$ -                     | \$ 500.00     |
| 02-50-4055            | PC TECHNICIAN FEES  | \$ 113.32       | \$ -          | \$ 250.00      | \$ 250.00       | \$ -                     | \$ 250.00     |
| 02-50-4500            | Transfer to GF LESAP  | \$ -            | \$ -          | \$ -           | \$ -            | \$ -                     | \$ -          |
| 02-50-4999            | Transfer to Flood Fund (reimbursable salaries)<br>Inflation | \$ (28,330.81)  | \$ (3,672.05) | \$ (15,000.00) | \$ -            | \$ -                     | \$ -          |
|                       | TOTAL ADMINISTRATION  | \$ 72,340.91    | \$ 83,385.11  | \$ 76,450.00   | \$ 101,216.00   | \$ 60,648.42             | \$ 102,004.59 |
|                       |   |                 |               |                | \$ 1,529.00     |                          | \$ 1,529.00   |
| <b>MAINTENANCE</b>    |   |                 |               |                |                 |                          |               |
| 02-65-4002            | MAINTENANCE SALARIES  | \$ 38,338.31    | \$ 38,374.29  | \$ 36,500.00   | \$ 36,500.00    | \$ 29,467.07             | \$ 36,500.00  |
| 02-65-4006            | OUTSIDE PROF SERVICE FEES                                   | \$ 69,510.85    | \$ 76,296.70  | \$ 88,000.00   | \$ 88,000.00    | \$ 39,875.11             | \$ 88,000.00  |
| 02-65-4011            | EQUIPMENT MAINTENANCE                                       | \$ -            | \$ -          | \$ -           | \$ 2,000.00     | \$ 656.13                | \$ 2,000.00   |
| 02-65-4020            | Natural Gas Service   | \$ -            | \$ 705.51     | \$ -           | \$ -            | \$ 226.52                | \$ -          |
| 02-65-4021            | TELEPHONE SERVICE   | \$ 349.71       | \$ -          | \$ 1,000.00    | \$ 1,000.00     | \$ -                     | \$ 0.00       |
| 02-65-4024            | PAYROLL TAXES - ER  | \$ 2,850.75     | \$ 2,787.26   | \$ 3,800.00    | \$ 2,800.00     | \$ 2,246.60              | \$ 2,800.00   |
| 02-65-4025            | EMPLOYEE INS - ER   | \$ 4,548.87     | \$ 7,732.18   | \$ 3,600.00    | \$ 3,600.00     | \$ 4,414.22              | \$ 3,600.00   |
| 02-65-4026            | RETIREMENT CONTRIBUTION - ER                                | \$ 479.28       | \$ 637.79     | \$ 750.00      | \$ 1,100.00     | \$ 504.93                | \$ 1,100.00   |
| 02-65-4027            | MAINTENANCE & SUPPLIES                                      | \$ 16,370.54    | \$ 18,191.81  | \$ 15,000.00   | \$ 13,000.00    | \$ 5,609.09              | \$ 13,000.00  |
| 02-65-4029            | VEHICLE MAINT EXP   | \$ 4,156.84     | \$ 3,257.85   | \$ 750.00      | \$ 750.00       | \$ 1,928.56              | \$ 1,928.56   |
| 02-65-4030            | GASOLINE, OIL, ETC.   | \$ 2,183.75     | \$ 2,969.88   | \$ 4,000.00    | \$ 4,000.00     | \$ 988.98                | \$ 4,000.00   |
| 02-65-4035            | UNIFORMS EXPENSE  | \$ 165.31       | \$ 365.59     | \$ 500.00      | \$ 500.00       | \$ 260.32                | \$ 500.00     |

Town of Lyons  
2017 Budget  
Electric Fund

|   | 2014 ACTUAL     | 2015 YTD Actual | 2015 BUDGET     | 2016 Budget     | 2016 YTD Actual | 2016 Year-End<br>Projection | 2017 Budget     |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------|-----------------|
| 02-65-4038 EQUIPMENT & SMALL TOOLS                                      | \$ -            | \$ -            | \$ -            | \$ 1,500.00     | \$ 4.00         | \$ 1,500.00                 | \$ 1,500.00     |
| 02-65-4041 PC, SOFTWARE & PRINTERS                                      | \$ 42.01        | \$ -            | \$ 500.00       | \$ 500.00       | \$ -            | \$ 0.00                     | \$ 500.00       |
| 02-65-4050 MISCELLANEOUS EXPENSE  | \$ 1,822.08     | \$ 6,924.00     | \$ 250.00       | \$ 250.00       | \$ (6,147.89)   | \$ -6,147.89                | \$ 250.00       |
| 02-65-4302 ROAD BASE, SQUEEGEE, ASPHALT REPAIR                          | \$ -            | \$ -            | \$ -            | \$ 2,000.00     | \$ -            | \$ 0.00                     | \$ 2,000.00     |
| 02-65-4306 TREE TRIMMING  | \$ 1,704.98     | \$ 5,105.50     | \$ 18,000.00    | \$ 14,500.00    | \$ 16,404.00    | \$ 16,404.00                | \$ 14,500.00    |
| 02-65-5001 Transformers   | \$ -            | \$ 3,310.00     | \$ -            | \$ -            | \$ -            | \$ 0.00                     | \$ -            |
| 02-65-5002 METERS:REPLACMNTS, SOCKETS, TEST                             | \$ 850.76       | \$ 2,971.73     | \$ 8,000.00     | \$ 8,000.00     | \$ 2,764.23     | \$ 8,000.00                 | \$ 8,000.00     |
| 02-65-5005 WIRE, XARMS, CONNECTORS, POLES                               | \$ 5,144.86     | \$ -            | \$ 15,000.00    | \$ 15,000.00    | \$ 1,194.85     | \$ 15,000.00                | \$ 15,000.00    |
| 02-65-5012 ELECTRIC POWER-MEAN & WAPA                                   | \$ 776,311.89   | \$ 940,334.33   | \$ 875,000.00   | \$ 988,007.00   | \$ 557,109.63   | \$ 988,007.00               | \$ 988,007.00   |
| 02-65-5014 SUBSTATION MAINT & SUPPLIES                                  | \$ 765.25       | \$ 730.00       | \$ 3,200.00     | \$ 3,200.00     | \$ -            | \$ 0.00                     | \$ 3,200.00     |
| Inflation   |                 |                 |                 |                 |                 |                             |                 |
| TOTAL MAINTENANCE   | \$ 925,596.04   | \$ 1,110,694.42 | \$ 1,073,850.00 | \$ 1,186,207.00 | \$ 657,506.35   | \$ 1,177,232.41             | \$ 1,186,207.00 |
| <b>CAPITAL OUTLAY</b>   |                 |                 |                 |                 |                 |                             |                 |
| 02-66-4038 CAPITAL PURCHASES(Mole,Civic Plus Web, Radio System, Meters) | \$ -            | \$ -            | \$ 34,240.00    | \$ 107,475.00   | \$ 2,398.99     | \$ 107,475.00               | \$ 107,475.00   |
| TOTAL CAPITAL OUTLAY  | \$ -            | \$ -            | \$ 34,240.00    | \$ 107,475.00   | \$ 2,398.99     | \$ 107,475.00               | \$ 107,475.00   |
| <b>DEBT SERVICE</b>   |                 |                 |                 |                 |                 |                             |                 |
| 02-67-4902 BOND SERVICE FEES  | \$ 150.00       | \$ -            | \$ 150.00       | \$ 150.00       | \$ 150.00       | \$ 150.00                   | \$ 150.00       |
| 02-67-4903 2003 BOND PRINCIPAL  | \$ (53,626.72)  | \$ -            | \$ 70,000.00    | \$ 80,000.00    | \$ -            | \$ 0.00                     | \$ 80,000.00    |
| 02-67-4904 2003 BOND INTEREST   | \$ 47,502.08    | \$ 41,211.02    | \$ 44,775.00    | \$ 37,887.50    | \$ 18,943.75    | \$ 37,887.50                | \$ 37,887.50    |
| 02-67-4921 2006 BOND PRINCIPAL  | \$ 53,626.72    | \$ -            | \$ 17,257.00    | \$ 19,171.57    | \$ 19,171.57    | \$ 19,171.57                | \$ 19,171.57    |
| 02-67-4922 2006 BOND INTEREST   | \$ 17,448.48    | \$ 15,535.08    | \$ 16,933.00    | \$ 15,018.43    | \$ 15,018.84    | \$ 15,018.43                | \$ 15,018.43    |
| TOTAL DEBT SERVICE  | \$ 65,100.56    | \$ 56,746.10    | \$ 149,115.00   | \$ 152,227.50   | \$ 53,284.16    | \$ 72,227.50                | \$ 152,227.50   |
| <b>FIXED CHARGES</b>  |                 |                 |                 |                 |                 |                             |                 |
| 02-68-4802 Depreciation Expense   | \$ 99,804.75    | \$ 100,131.54   |                 |                 |                 |                             |                 |
| 02-68-4804 Gain/Loss on FA disposal                                     | \$ 81,474.00    | \$ -            |                 |                 |                 |                             |                 |
| 02-68-4999 2013 Suspense Acct   | \$ 9,945.12     | \$ -            |                 |                 |                 |                             |                 |
| TOTAL FIXED CHARGES   | \$ 191,223.87   | \$ 100,131.54   |                 |                 |                 |                             |                 |
| TOTAL FUND EXPENDITURES   | \$ 1,308,996.06 | \$ 1,422,812.68 | \$ 1,401,760.00 | \$ 1,620,807.50 | \$ 812,502.00   | \$ 1,533,763.58             | \$ 1,620,808    |

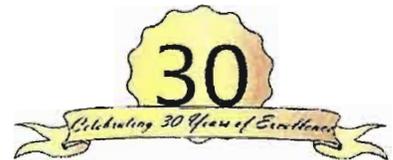


**CAPITAL IMPROVEMENTS PLAN**

**TOWN OF LYONS, COLORADO**

SEPTEMBER 2016

RGA JOB NO.: 1088.0001



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**APPENDICES**

*Appendix A: Town of Lyons 2016 Cross-Connection Control Program*

*Appendix B: Town of Lyons 2010 Comprehensive Plan Map*

*Appendix C: Blue Line Ordinance*

*Appendix D: Longmont IGA*

*Appendix E: Lyons WWTF CDPHE Permit No. CO-0020877*

*Appendix F: Engineer's list of priority capital improvement projects*

*Appendix G: Water and Wastewater Project Area Maps*

*Appendix H: CDPHE Disinfection Treatment Technique Requirements*

*Appendix I: CDPHE Storage Tank Rule*

**DEFINITIONS, ACRONYMS, AND ABBREVIATIONS (NOT ALL MAY BE FOUND IN THIS REPORT)**

|                  |  |
|------------------|--|
| BOD <sub>5</sub> | 5-Day Biochemical Oxygen Demand                      |
| CDPHE            | Colorado Department of Public Health and Environment |
| CDPS             | Colorado Discharge Permit System                     |
| cm/sec           | Centimeters per second                               |
| CY               | Cubic Yards  |
| DOLA             | Department of Local Affairs                          |
| EA               | Each   |
| EDU              | Equivalent Dwelling Unit                             |
| ECHO             | Enforcement and Compliance History Online            |
| EPA              | Environmental Protection Agency                      |
| ft               | Feet   |
| gal              | gallons  |
| gpcd             | Gallons per capita-day                               |
| gpd              | Gallons per day                                      |
| gpm              | Gallons per minute                                   |
| hp               | Horsepower   |
| HVAC             | Heating, Ventilating and Air Conditioning            |
| I&I              | Inflow and Infiltration                              |
| kW               | Kilowatts  |
| lb/ac-day        | Pounds per acre-day                                  |
| lb/day           | Pounds per day                                       |
| LF               | Linear Feet  |
| LS               | Lump Sum   |
| mg/L             | Milligrams per Liter                                 |
| MGD              | Million Gallons per Day                              |
| N/A              | Not available or applicable                          |
| O&M              | Operations and Maintenance                           |
| OMB              | Office of Management and Budget                      |
| PEL              | Preliminary Effluent Limitations                     |
| PVC              | Polyvinyl Chloride                                   |
| PW               | Present Worth  |
| RAS              | Return Activated Sludge                              |
| ref.             | Reference  |
| RGA              | RG and Associates, LLC                               |
| RUS              | Rural Utilities Services                             |
| SCADA            | Supervisory Control and Data Acquisition             |
| SFE              | Single Family Equivalent                             |
| SF               | Square Feet  |
| SOG              | Slab on Grade  |
| TSS              | Total Suspended Solids                               |
| USDA             | United States Department of Agriculture              |
| VFD              | Variable Frequency Drives                            |
| WAS              | Waste Activated Sludge                               |
| WWTP             | Wastewater Treatment Plant                           |
| YR               | Year   |

**1 EXECUTIVE SUMMARY**

The purpose of the 2016 Town of Lyons Capital Improvements Plan is to provide an update to the town's 2011 Capital Improvements Plan. This plan evaluates the town's current water distribution system and wastewater collection system and identifies the improvements needed to both systems. This plan includes a water model that can be used by the Town to analyze current and future water pressure and flow throughout the system. The plan also includes a Cross-Connection Control Program (also known as a backflow prevention plan), attached as Appendix A.

The proposed wastewater collection system improvements consist of four pipeline replacement projects and four pipeline repair projects, along with a lift station replacement project and SCADA upgrades for the system. A summary of these capital improvement projects and their cost estimates are listed in Table 1.

**Table 1 - Summary of Wastewater Capital Improvement Projects**

| Wastewater Capital Improvement Project           | Cost Estimate         |
|--|-----------------------|
| North Old Town Alleys - 4th Avenue to 5th Avenue | \$520,013             |
| Meily Street - Ewald Avenue to 5th Avenue        | \$168,396             |
| Longs Peak Drive                                 | \$266,599             |
| Broadway from Park to 2nd                        | \$46,200              |
| Broadway from 3rd to 5th                         | \$63,600              |
| Park Drive from 4th to 5th                       | \$104,850             |
| 4th from Evans to Main Street                    | \$48,000              |
| High Street- 4th Avenue to 5th Avenue            | \$32,400              |
| Eagle Canyon Lift Station                        | \$192,522             |
| <b>TOTAL</b>                                     | <b>\$1,442,580.40</b> |

The proposed water distribution system improvements consist of five pipe replacement projects, along with a storage tank mixing system and SCADA upgrades for the system. A summary of these capital improvement projects and their cost estimates are listed in Table 2.

**Table 2 - Summary of Water Distribution Capital Improvement Projects**

| Water Capital Improvement Project                  | Cost Estimate         |
|--|-----------------------|
| 3rd Avenue - Evans to Railroad                     | \$93,704              |
| High Street - 4th Avenue to 5th Avenue             | \$186,302             |
| North 5th Avenue - Seward to Steamboat Valley Road | \$281,813             |
| Vasquez Court / Horizon Drive Loop                 | \$318,994             |
| Longs Peak Drive Loop                              | \$237,986             |
| Upsize Four-inch Water Mains                       | \$1,068,292           |
| <b>TOTAL</b>                                       | <b>\$2,187,091.55</b> |

This plan is intended to be a working document and should be updated regularly as part of the Town's routine maintenance programs.

## **2 BACKGROUND & OVERVIEW**

### **2.1 PROJECT PURPOSE AND GOALS**

RG and Associates, LLC (RGA) was retained to update the October 2011 Capital Improvements Plan. Updates, changes, and additions are located throughout the entirety of the capital improvements plan. RGA completed this update with the assistance of the Town of Lyons and the Town Engineer, JLB Engineering. The planning horizon for this capital improvement plan update is 20 years.

The 2016 Town of Lyons Capital Improvements Plan evaluates the town's current water distribution system and wastewater collection system and identifies the improvements needed to both systems. Specifically, this capital improvement plan evaluates the capacity of the town's distribution system through the use of a water model and the condition of the town's sewer system through the assessment of sewer system videos. This plan will also utilize the budgets established for the identified improvements to evaluate the town's water and sewer rates and determine if the current rate structure is sufficient to cover anticipated capital improvement costs or if changes to the rate structure are required. Additionally, this plan will provide updated cost estimates for capital improvement projects identified in the 2011 Capital Improvements Plan that have not been completed.

### **2.2 SERVICE AREA**

The water service area generally consists of the Lyons Planning Area as established by the Comprehensive Plan. The 2010 Lyons Planning Area Map is attached as Appendix B. Additionally, the Town Municipal Code sets a maximum elevation serviceable by the town as 5,450 feet above sea level and is defined as the "blue line". The Blue Line Ordinance (Ordinance No. 647) is attached as Appendix C. The sewer service area generally consists of the current town limits.

The Town of Lyon is approaching service area build out with approximately 80 undeveloped residential lots and 500 acres of undeveloped commercial/industrial development available within the primary planning area. Full buildout will occur when all existing developable land within the primary planning area has developed.

Full buildout of residential taps is expected to occur within the next 20 years. However, development of the 500 acres of commercial/industrial land will occur at an unknown pace. There are currently no large developments taking place on this land, and for the purposes of this plan no large developments are assumed in the next 20 years. By not assuming full buildout of this developable area, this plan avoids vastly overestimating future water and wastewater needs and exaggerating the town's capital improvement needs. The town's water and wastewater systems should be evaluated prior to major development in the 500 acres of commercial/industrial developable area.

### **2.3 WATER RIGHTS**

The Town of Lyons purchases treated water from the City of Longmont. A copy of the current intergovernmental agreement (IGA) between the Town of Lyons and the City of Longmont is attached as Appendix D. The IGA specifies the cost of service and the agreement is perpetual, although it can be terminated by the town with 2-year notice. The IGA states that Longmont shall not be required to provide Treated Water Service to more than 1,310 Service Connections, or exceed an average daily demand of 572,000 GPD, or a maximum daily demand of 2,000,000 GPD. These limits are well above

existing service connections and water demands, and are expected to be sufficient for future growth over the next 20 years.

To calculate future demand, water consumption records were examined to determine the month of maximum water use, which was found to be August. Each tap drew an average of 339 gallons per day during the month of August. This demand was assigned to each additional tap, to ensure that even in the maximum demand month, the Town of Lyons would still require less than the Longmont IGA limit. It was assumed that full buildout of 80 additional residential taps will occur within the horizon of this plan. Table 3 shows the average day and maximum day demands for the maximum month for existing conditions as well as full buildout of the 80 additional residential taps. All demands are well within the limits of the Longmont IGA.

**Table 3 – Demands for Existing and Residential Buildout Conditions**

|                      | Number of Taps | Max Month Avg Day Demand per Tap (GPD) | Total Max Month Avg Day Demand (GPD) | Total Max Month Max Day Demand (GPD) |
|----------------------|----------------|--|--------------------------------------|--------------------------------------|
| Present              | 716            | 339                                    | 242,516                              | 497,158                              |
| Residential Buildout | 796            | 339                                    | 269,613                              | 552,706                              |

#### 2.4 TOWN OF LYONS WATER DISTRIBUTION SYSTEM OVERVIEW

A booster pump station located off Highway 66 and North 53<sup>rd</sup> street delivers water from Longmont to the town. The pump station, master meter, and system appurtenances are owned and maintained by the town. The town also maintains the distribution system and water storage tank.

Currently the town has four (4) pressure reducing valve (PRV) stations which serve to decrease pressures from the town’s main transmission line and storage tank. The locations and set points of the PRV stations are included in the water capital improvements exhibits, Figure 1 through Figure 4. The normal operating pressures within the town are 50 psi and higher, although pressures in Vasquez Court are lower due to it being a dead end and at high elevation (over 5,500’). Due to the distribution system’s high pressures in the majority of the town, most homes have internal PRVs.

The residents of Apple Valley Road experience low pressures when the tank is filling and drawing. Section 13-1-120 of the Town Municipal Code sets a maximum elevation serviceable by the town as 5,450 feet above sea level and is defined as the “blue line”. The Blue Line Ordinance (Ordinance No. 647) is attached as Appendix C. There are approximately 30 homes on Apple Valley Road, of which 12 are above the blue line. The town provides water service to these homes due to their proximity to the town’s major water main; however, these homes operate with a blue line variance (see section 13-1-120 of the Town Municipal Code). These homes do not receive adequate pressures from the water storage tank or the booster pump station.

The town operates a one (1) million gallon (MG) storage tank. The tank is 30 feet high with a 75 foot diameter. The tank operates with a common inlet and outlet at the bottom center of the tank. The tank floats on the distribution system pressure, meaning when there is excess demand, the tank is drawn down to feed the town, and when demand is low, the tank refills. There is a shutoff valve for the tank located on Apple Valley Road, within five feet of the tank outlet, and a valve vault located 20 feet away from the tank.

## 2.5 TOWN OF LYONS SEWER COLLECTION SYSTEM OVERVIEW

The town's collection system primarily consists of 8-inch vitrified clay pipe (VCP) in Old Town Lyons and 8-inch SDR35 polyvinyl chloride (PVC) pipe in the newer subdivisions. The town does not experience significant infiltration and inflow (I&I) from the newer parts of the system. Video-inspection of the town's collection system was done as part of this report and showed some areas of deteriorated pipe in need of repair and/or replacement. The locations and conditions of these areas are detailed in Section 4.

The collection system includes four (4) lift stations to deliver wastewater to the newly constructed wastewater treatment facility. The town owns and operates three of the lift stations and the fourth is privately owned. The town owned lift stations are all Gorman Rupp package lift stations. The install date and capacity of each are shown in Table 4.

**Table 4 -- Town-Owned Lift Stations**

| Lift Station      | Installation Date | Capacity          |
|-------------------|-------------------|-------------------|
| Stone Canyon      | 2006              | 2 pumps @ 80 gpm  |
| Eagle Canyon      | 1996 <sup>1</sup> | 2 pumps @ 20 gpm  |
| Lyons Valley Park | 2007              | 2 pumps @ 230 gpm |

<sup>1</sup> Install date approximate

The collection system flows into the Town of Lyons wastewater treatment facility (WWTF). The WWTF currently operates under CDPHE permit number CO-0020877, attached as Appendix E. This permit sets a hydraulic capacity of 0.381 MGD (30-day average) and an organic loading limit of 705 lbs BOD<sub>5</sub> per day (30-day average).

To ensure compliance with hydraulic loading limits, increased hydraulic loadings were calculated for full buildout of residential taps. In the last two years, the highest 30-day average flow through the treatment plant was 0.238 MGD (during November of 2014). To conservatively estimate future flow, this number was set as the existing hydraulic loading. The increase in potable water demand for full buildout was then added to the existing hydraulic loading (it was conservatively assumed that 100% of water demand would be collected in the wastewater facility). This yielded a hydraulic loading of 0.265 MGD at full residential buildout, significantly under the permitted limit. Table 5 shows the hydraulic loading for the WWTF for existing and full residential buildout conditions.

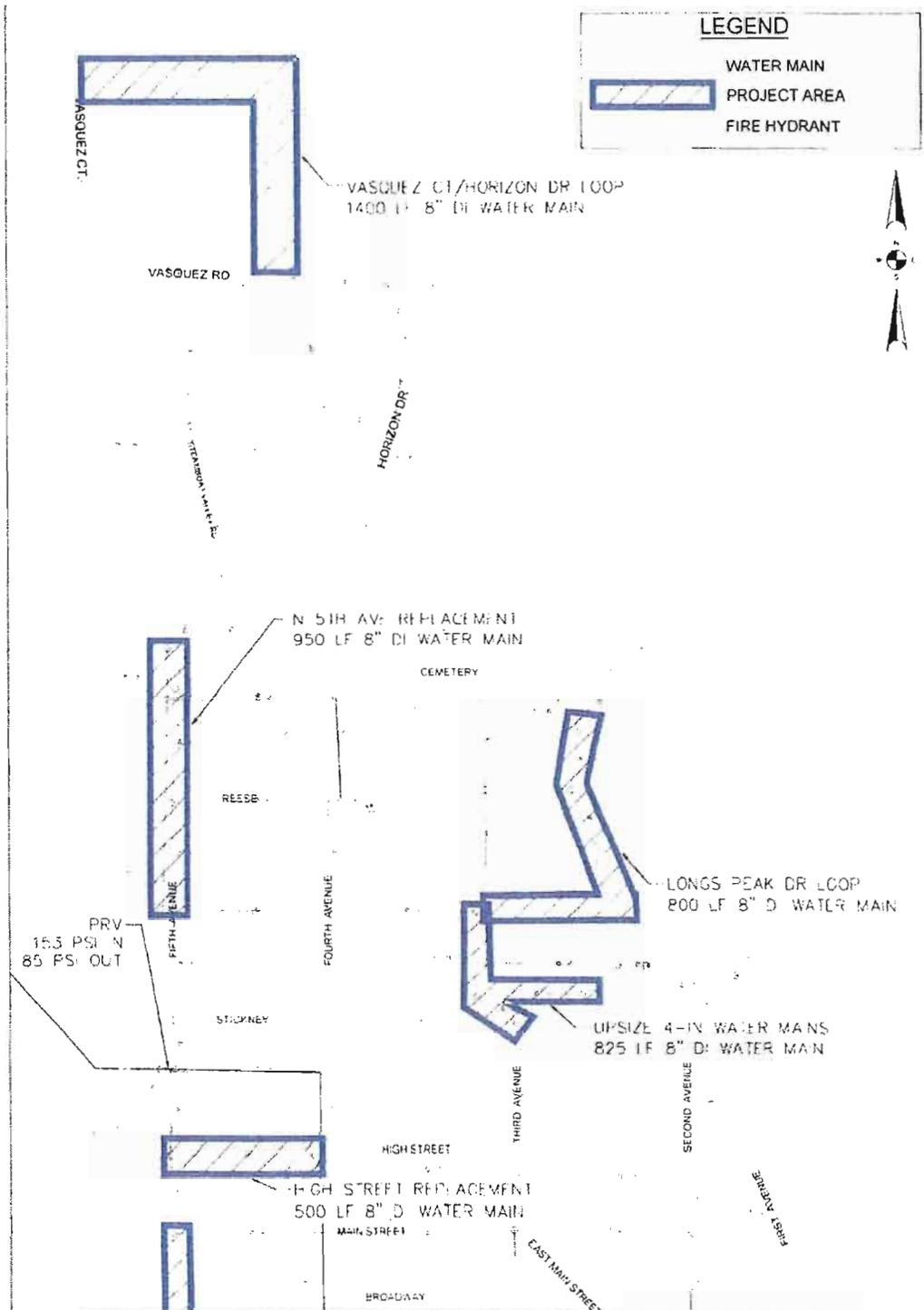
**Table 5 - Existing and Residential Buildout Hydraulic Loading for Town of Lyons WWTF**

|                      | Number of Taps | Hydraulic Loading (MGD) |
|----------------------|----------------|-------------------------|
| Existing             | 716            | 0.238                   |
| Residential Buildout | 796            | 0.265                   |

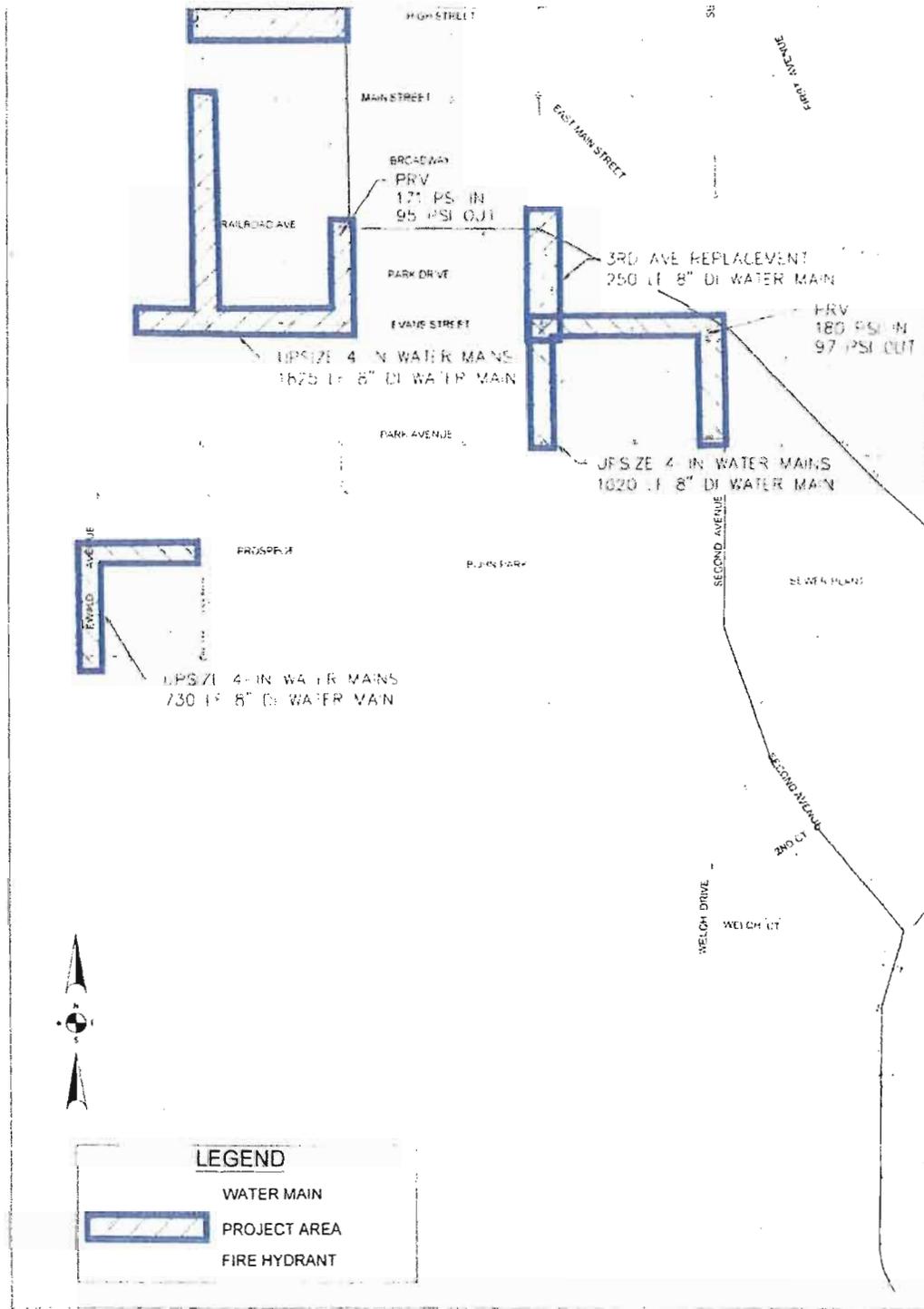
For the last two years, the reported values for organic loading have been extremely variable with instances of exceeding the facility's permitted capacity. It is impossible to accurately calculate total future BOD<sub>5</sub> without a reliable baseline, but it is possible to calculate the additional loading from 80 new residences. Using the typical design values of 2.5 capita per residence and 0.2 lbs BOD<sub>5</sub> per day per capita, it was found that 40 lbs BOD<sub>5</sub> per day will be added to the facility's hydraulic loading at full residential buildout. It is recommended that the WWTF be analyzed to ensure there is sufficient organic loading capacity for an additional 40 lbs BOD<sub>5</sub> per day before this development occurs.

### 3 WATER DISTRIBUTION SYSTEM CAPITAL IMPROVEMENTS

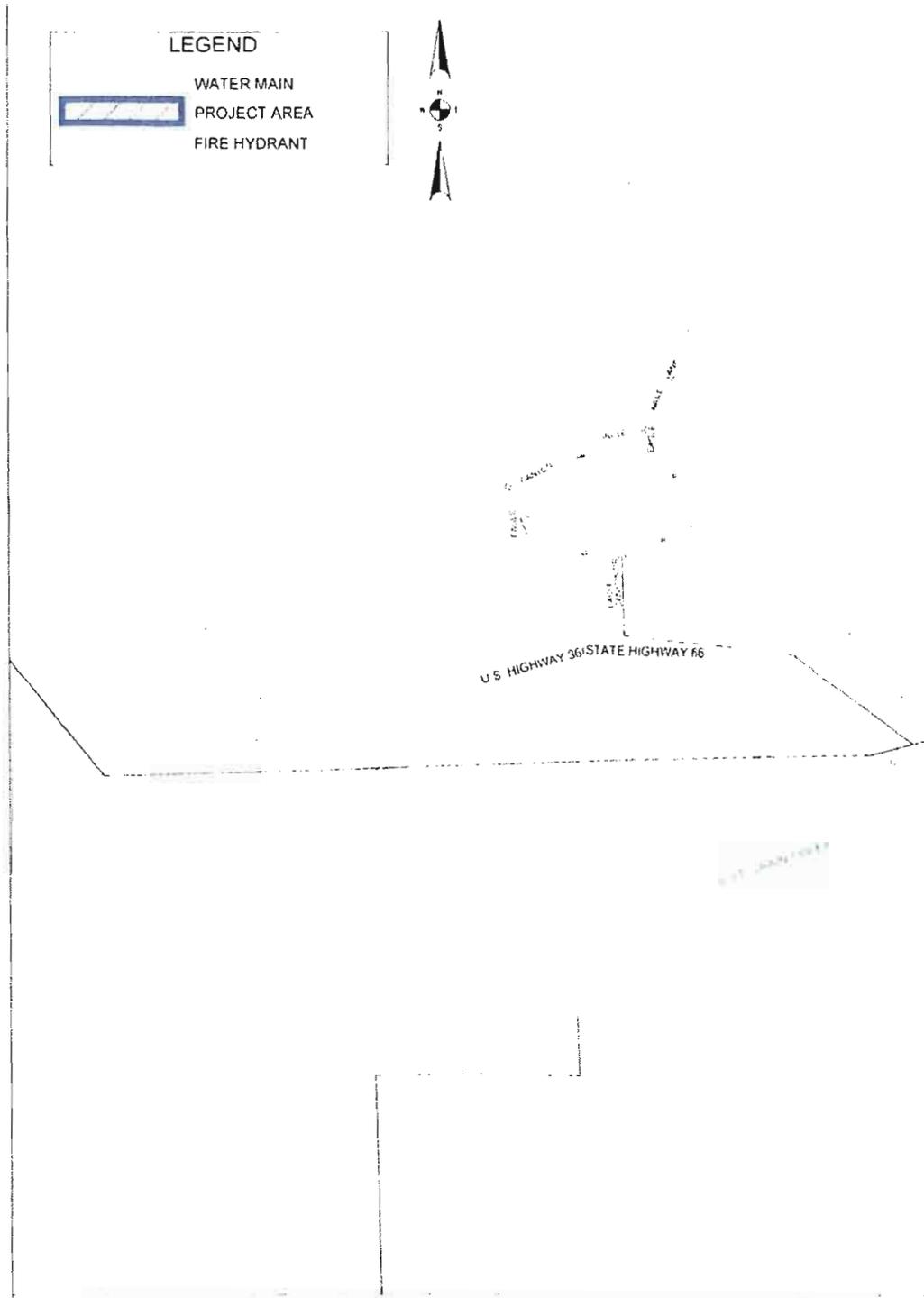
The Town Engineer has prepared a priority list of water main replacements that should occur in the next five years. This list is attached as Appendix F. RGA has added projects in areas where aging and undersized water mains should be replaced. Water maps of the North Old Town, South Old Town, Apple Valley area, and Stone Canyon are shown in Figure 1 through Figure 4. The locations and extents of the capital improvement projects are shown in each figure, and a description and cost estimate for each project follows. The water and wastewater project maps are also attached as Appendix G.



**Figure 1 - Water Capital Improvement Projects in North Old Town Area**



**Figure 2 - Water Capital Improvement Projects in South Old Town Area**



**Figure 3 - Apple Valley Area: No Water Capital Improvement Projects Planned**

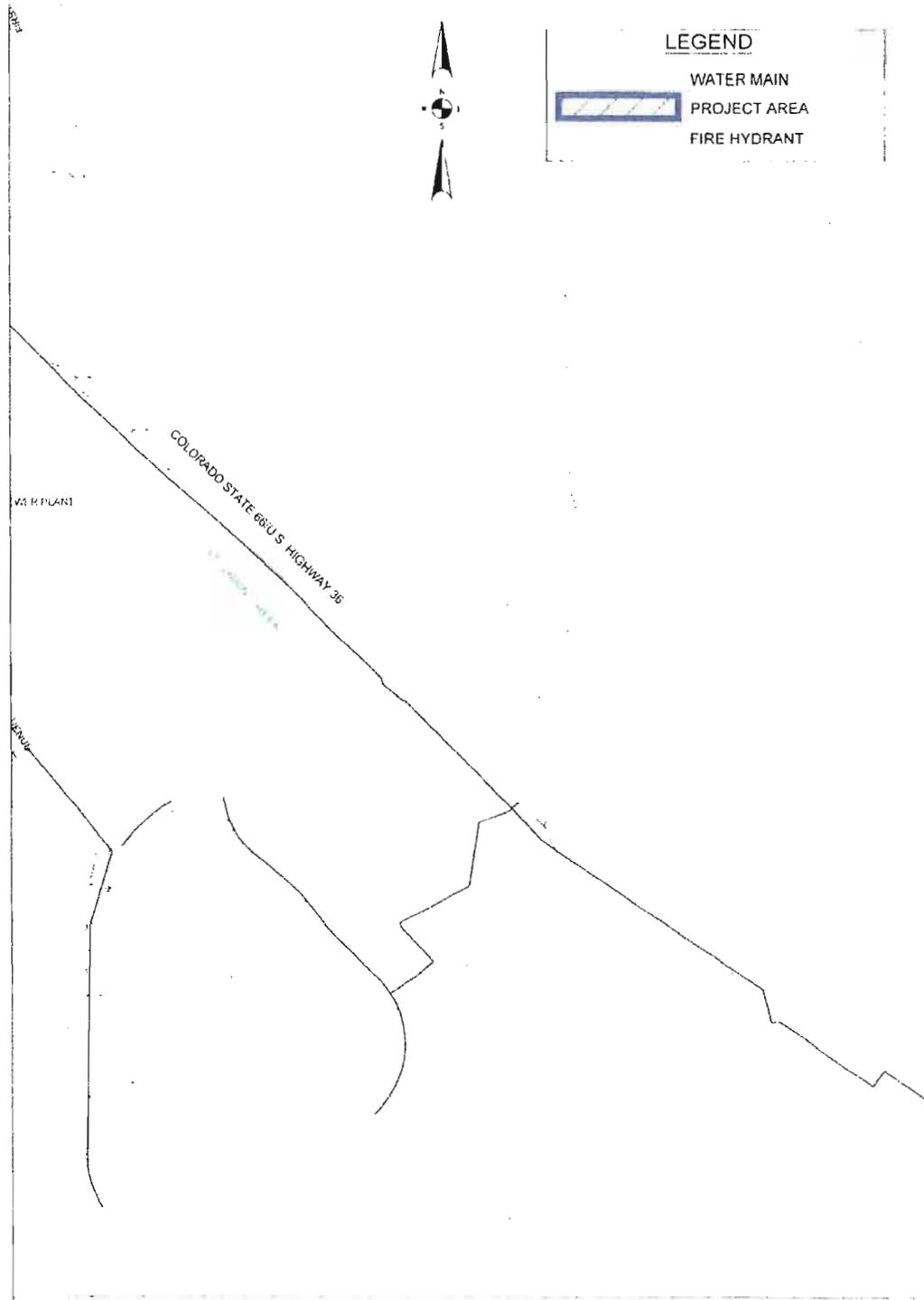


Figure 4 – Stone Canyon Area: No Water Capital Improvement Projects Planned

**3.1 WATER MAIN REPLACEMENTS**
**3<sup>rd</sup> Avenue: Evans Street to Railroad Avenue**

According to town staff, the 3<sup>rd</sup> Avenue water line is 4-inch diameter pipe and is subject to frequent breaks. The water main should be replaced with 8-inch water main.

**Table 6 – Cost Estimate for 3<sup>rd</sup> Avenue: Evans to Railroad**

| Item  | Description                               | Qty   | Unit | Unit Price | Subtotal        |
|---|---|-------|------|------------|-----------------|
| 1   | 8" Ductile Iron Pipe w/ all Appurtenances | 250   | LF   | \$80       | \$20,000        |
| 2   | Asphalt Patch                             | 2,000 | SF   | \$4        | \$8,000         |
| 3   | Remove and Replace Unsuitable Subgrade    | 180   | CY   | \$40       | \$7,200         |
| 4   | Fire Hydrant Assembly                     | 2     | EA   | \$6,000    | \$12,000        |
| 5   | Service Reconnection                      | 3     | EA   | \$3,500    | \$10,500        |
| <b>Subtotal</b>   |   |       |      |            | <b>\$57,700</b> |
| Mobilization, Demobilization, Bonds & Insurance         |   |       |      |            | \$5,770         |
| Site Restoration  |   |       |      |            | \$1,154         |
| Traffic & Erosion Control                               |   |       |      |            | \$1,154         |
| Construction Survey                                     |   |       |      |            | \$2,500         |
| Engineering, Survey, Geotechnical Analysis & Permitting |   |       |      |            | \$6,924         |
| Construction Management                                 |   |       |      |            | \$2,885         |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>            |   |       |      |            | <b>\$20,387</b> |
| <b>TOTAL PROJECT COST</b>                               |   |       |      |            | <b>\$78,087</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>          |   |       |      |            | <b>\$15,617</b> |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>                 |   |       |      |            | <b>\$93,704</b> |

**High Street: 4<sup>th</sup> Avenue to 5<sup>th</sup> Avenue**

Currently, there is only a 12-inch transmission main in High Street. Installing an 8-inch water main in High Street between 4<sup>th</sup> Avenue and 5<sup>th</sup> Avenue will provide looping in the commercial area of town and allow for better fire protection with new hydrants. The services should be removed from the transmission line and reconnected to the new 8-inch water main. Stainless steel Dresser couplings will be required on the 12" transmission main to repair each removed tap location. This project includes the installation of 500 linear feet of new 8-in water line, a new hydrant, and services.

**Table 7 - Cost Estimate for High Street: 4<sup>th</sup> Ave to 5<sup>th</sup> Ave**

| Item  | Description                            | Qty   | Unit | Unit Price | Subtotal         |
|---|--|-------|------|------------|------------------|
| 1   | 8" Ductile Iron Pipe                   | 500   | LF   | \$80       | \$40,000         |
| 2   | Asphalt Patch                          | 4,000 | SF   | \$4        | \$16,000         |
| 3   | Remove and Replace Unsuitable Subgrade | 220   | CY   | \$40       | \$8,800          |
| 4   | Fire Hydrant Assembly                  | 1     | EA   | \$6,000    | \$6,000          |
| 5   | Water Main Lowering                    | 1     | EA   | \$2,500    | \$2,500          |
| 6   | Service Reconnection                   | 13    | EA   | \$3,500    | \$45,500         |
| <b>Subtotal</b>   |  |       |      |            | <b>\$118,800</b> |
| Mobilization, Demobilization, Bonds & Insurance         |  |       |      |            | \$5,940          |
| Site Restoration  |  |       |      |            | \$2,376          |
| Traffic & Erosion Control                               |  |       |      |            | \$5,940          |
| Construction Survey                                     |  |       |      |            | \$2,000          |
| Engineering, Survey, Geotechnical Analysis & Permitting |  |       |      |            | \$14,256         |
| Construction Management                                 |  |       |      |            | \$5,940          |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>            |  |       |      |            | <b>\$36,452</b>  |
| <b>TOTAL PROJECT COST</b>                               |  |       |      |            | <b>\$155,252</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>          |  |       |      |            | <b>\$31,050</b>  |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>                 |  |       |      |            | <b>\$186,302</b> |

**North 5<sup>th</sup> Avenue: Seward Street to Steamboat Valley Road**

The North 5<sup>th</sup> Avenue project would replace the 4-inch water main in 5<sup>th</sup> Avenue from Seward Street to Steamboat Valley road with 8-inch water main in order to achieve the required fire flow demands.

**Table 8 - Cost Estimate for North 5<sup>th</sup> Ave: Seward to Steamboat Valley Road**

| Item  | Description                            | Qty   | Unit | Unit Price | Subtotal         |
|---|--|-------|------|------------|------------------|
| 1   | 8" Ductile Iron Pipe                   | 950   | LF   | \$80       | \$76,000         |
| 2   | Asphalt Patch                          | 7,600 | SF   | \$4        | \$30,400         |
| 3   | Remove and Replace Unsuitable Subgrade | 400   | CY   | \$40       | \$16,000         |
| 4   | Fire Hydrant Assembly                  | 2     | EA   | \$6,000    | \$12,000         |
| 5   | Short Service Connections (50 LF)      | 14    | EA   | \$1,500    | \$21,000         |
| 6   | Long Service Connections (100 LF)      | 2     | EA   | \$2,500    | \$5,000          |
| 7   | Reconnections                          | 16    | EA   | \$1,500    | \$24,000         |
| <b>Subtotal</b>   |  |       |      |            | <b>\$184,400</b> |
| Mobilization, Demobilization, Bonds & Insurance         |  |       |      |            | \$9,220          |
| Site Restoration  |  |       |      |            | \$3,688          |
| Traffic & Erosion Control                               |  |       |      |            | \$3,688          |
| Construction Survey                                     |  |       |      |            | \$2,500          |
| Engineering, Survey, Geotechnical Analysis & Permitting |  |       |      |            | \$22,128         |
| Construction Management                                 |  |       |      |            | \$9,220          |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>            |  |       |      |            | <b>\$50,444</b>  |
| <b>TOTAL PROJECT COST</b>                               |  |       |      |            | <b>\$234,844</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>          |  |       |      |            | <b>\$46,969</b>  |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>                 |  |       |      |            | <b>\$281,813</b> |

**Vasquez Court / Horizon Drive Loop**

Existing water lines in Vasquez Court and Horizon Drive are not currently looped. This section of the distribution system experiences low pressure in some areas and does not have sufficient fire flows, less than 750 gpm). To provide adequate fire flows and increase pressure, 1,300 linear feet of 8-inch water line will be installed to provide a second feed for the area. The installation of the water line will require

easement acquisition and boring under an old railroad embankment.

**Table 9 - Cost Estimate for Vasquez Court/ Horizon Drive Loop**

| Item  | Description          | Qty    | Unit | Unit Price | Subtotal         |
|---|----------------------|--------|------|------------|------------------|
| 1   | Easement Acquisition | 28,000 | SF   | \$2        | \$42,000         |
| 2   | Asphalt Patch        | 200    | SF   | \$4        | \$800            |
| 3   | 8" Ductile Iron Pipe | 1,400  | LF   | \$80       | \$112,000        |
| 4   | Horizontal Boring    | 80     | LF   | \$550      | \$44,000         |
| 5   | Reconnections        | 3      | EA   | \$3,000    | \$9,000          |
| <b>Subtotal</b>   |                      |        |      |            | <b>\$207,800</b> |
| Mobilization, Demobilization, Bonds & Insurance         |                      |        |      |            | \$10,390         |
| Site Restoration  |                      |        |      |            | \$4,156          |
| Traffic & Erosion Control                               |                      |        |      |            | \$4,156          |
| Construction Survey                                     |                      |        |      |            | \$4,000          |
| Engineering, Survey, Geotechnical Analysis & Permitting |                      |        |      |            | \$24,936         |
| Construction Management                                 |                      |        |      |            | \$10,390         |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>            |                      |        |      |            | <b>\$58,028</b>  |
| <b>TOTAL PROJECT COST</b>                               |                      |        |      |            | <b>\$265,828</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>          |                      |        |      |            | <b>\$53,166</b>  |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>                 |                      |        |      |            | <b>\$318,994</b> |

### Longs Peak Drive Loop

Water lines running south along Longs Peak Drive dead end and could create water quality problems for nearby residents. Dead end lines can cause water stagnation and the increased water age can cause chlorine demand to exceed the available chlorine residual. The proposed loop would extend the 6-inch water main in Longs Peak Drive south and then west to connect to the 8-inch water main in Seward Street at 3<sup>rd</sup> Avenue. This project also includes replacing the existing 4-inch water main with 6-inch water main for improved fire flow in this area.

**Table 10 - Cost Estimate for Longs Peak Drive Loop**

| Item  | Description                    | Qty   | Unit | Unit Price | Subtotal         |
|---|--------------------------------|-------|------|------------|------------------|
| 1   | 6" Ductile Iron Pipe           | 1,200 | LF   | \$70       | \$84,000         |
| 2   | Longs Peak Road Reconstruction | 1     | LS   | \$63,261   | \$63,261         |
| 3   | Seward Asphalt Patch           | 1,840 | SF   | \$4        | \$7,360          |
| <b>Subtotal</b>   |                                |       |      |            | <b>\$154,621</b> |
| Mobilization, Demobilization, Bonds & Insurance         |                                |       |      |            | \$7,731          |
| Site Restoration  |                                |       |      |            | \$3,092          |
| Traffic & Erosion Control                               |                                |       |      |            | \$3,092          |
| Construction Survey                                     |                                |       |      |            | \$3,500          |
| Engineering, Survey, Geotechnical Analysis & Permitting |                                |       |      |            | \$18,554         |
| Construction Management                                 |                                |       |      |            | \$7,731          |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>            |                                |       |      |            | <b>\$43,701</b>  |
| <b>TOTAL PROJECT COST</b>                               |                                |       |      |            | <b>\$198,322</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>          |                                |       |      |            | <b>\$39,664</b>  |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>                 |                                |       |      |            | <b>\$237,986</b> |

### Upsize Four-inch Water Mains

Several areas in the town's distribution system contain four-inch water mains. Through analysis using the water model described in Section 6, it was found that these small diameter pipe experience massive head loss under fire flow conditions, posing a major safety risk in the event of a fire. This aging

ductile iron pipe is also likely constricted by scaling, creating an even smaller pipeline for water flow. Because the actual roughness and constricted diameter of the pipe is unknown, there may be even greater head loss and lower pressures caused by these water mains.

It is recommended that all four-inch pipe in the system be replaced with eight-inch pipe, to maintain pressure in fire flow conditions and prevent excessive head loss in the system. This project will consist of replacing approximately 4,500 linear feet of four-inch pipe with eight-inch ductile iron pipe. Due to the amount of pipe replacement recommended, this project could be phased into several sub-projects.

**Table 11 – Cost Estimate for Upsize Four-inch Water Mains**

| Item  | Description                               | Qty    | Unit | Unit Price | Subtotal           |
|---|---|--------|------|------------|--------------------|
| 1   | 8" Ductile Iron Pipe w/ all Appurtenances | 4,500  | LF   | \$80       | \$360,000          |
| 2   | Asphalt Patch                             | 36,000 | SF   | \$4        | \$144,000          |
| 3   | Remove and Replace Unsuitable Subgrade    | 667    | CY   | \$40       | \$26,667           |
| 4   | Fire Hydrant Assembly                     | 12     | EA   | \$6,000    | \$72,000           |
| 5   | Service Reconnection                      | 50     | EA   | \$1,500    | \$75,000           |
| <b>Subtotal</b>   |   |        |      |            | <b>\$677,667</b>   |
| Mobilization, Demobilization, Bonds & Insurance         |   |        |      |            | \$67,767           |
| Site Restoration  |   |        |      |            | \$13,553           |
| Traffic & Erosion Control                               |   |        |      |            | \$13,553           |
| Construction Survey                                     |   |        |      |            | \$2,500            |
| Engineering, Survey, Geotechnical Analysis & Permitting |   |        |      |            | \$81,320           |
| Construction Management                                 |   |        |      |            | \$33,883           |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>            |   |        |      |            | <b>\$212,577</b>   |
| <b>TOTAL PROJECT COST</b>                               |   |        |      |            | <b>\$890,243</b>   |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>          |   |        |      |            | <b>\$178,049</b>   |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>                 |   |        |      |            | <b>\$1,068,292</b> |

### 3.2 SUMMARY OF WATER CAPITAL IMPROVEMENTS

The estimated costs for these improvements are presented on an individual project basis. If implemented on an individual basis, the total cost for all water system repairs and replacements is \$2,187,091.55, as shown in Table 12. If the projects are grouped together, costs will likely be reduced due to increased efficiency of mobilization, demobilization, bidding, and construction administration on a per-project basis. It is recommended to combine projects based on location, project scope, and cost. A review of the Roads CIP shows that some projects should also be coordinated between roads, water, and sewer. This will prevent multiple cuts in the same road for different projects, instead allowing the construction of multiple projects with a single road excavation and reconstruction.

**Table 12 – Summary of Water CIP Cost Estimates**

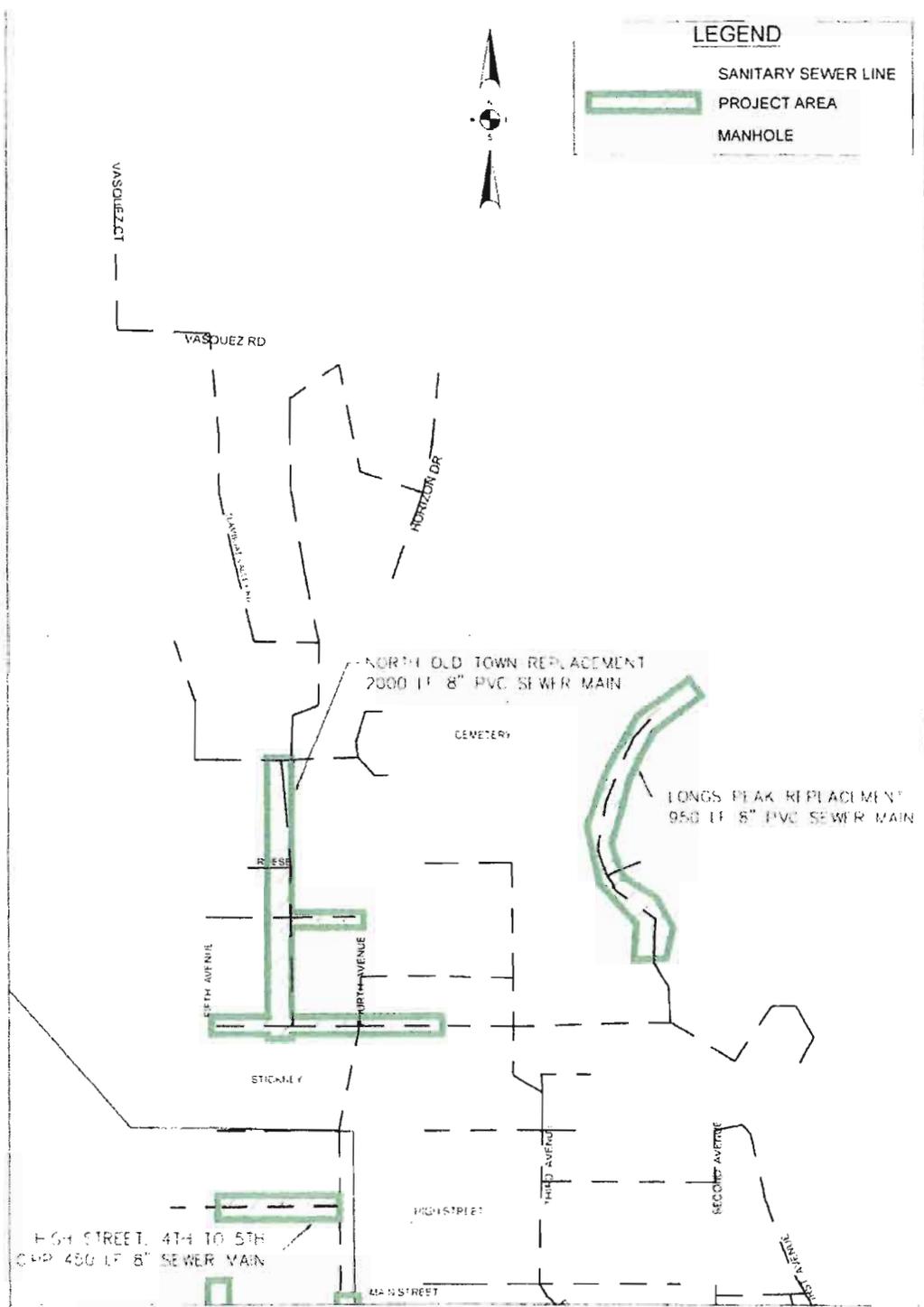
| Water Capital Improvement Project                  | Cost Estimate         |
|--|-----------------------|
| 3rd Avenue - Evans to Railroad                     | \$93,704              |
| High Street - 4th Avenue to 5th Avenue             | \$186,302             |
| North 5th Avenue - Seward to Steamboat Valley Road | \$281,813             |
| Vasquez Court / Horizon Drive Loop                 | \$318,994             |
| Longs Peak Drive Loop                              | \$237,986             |
| Upsize Four-inch Water Mains                       | \$1,068,292           |
| <b>TOTAL</b>                                       | <b>\$2,187,091.55</b> |

#### **4 WASTEWATER COLLECTION SYSTEM CAPITAL IMPROVEMENTS**

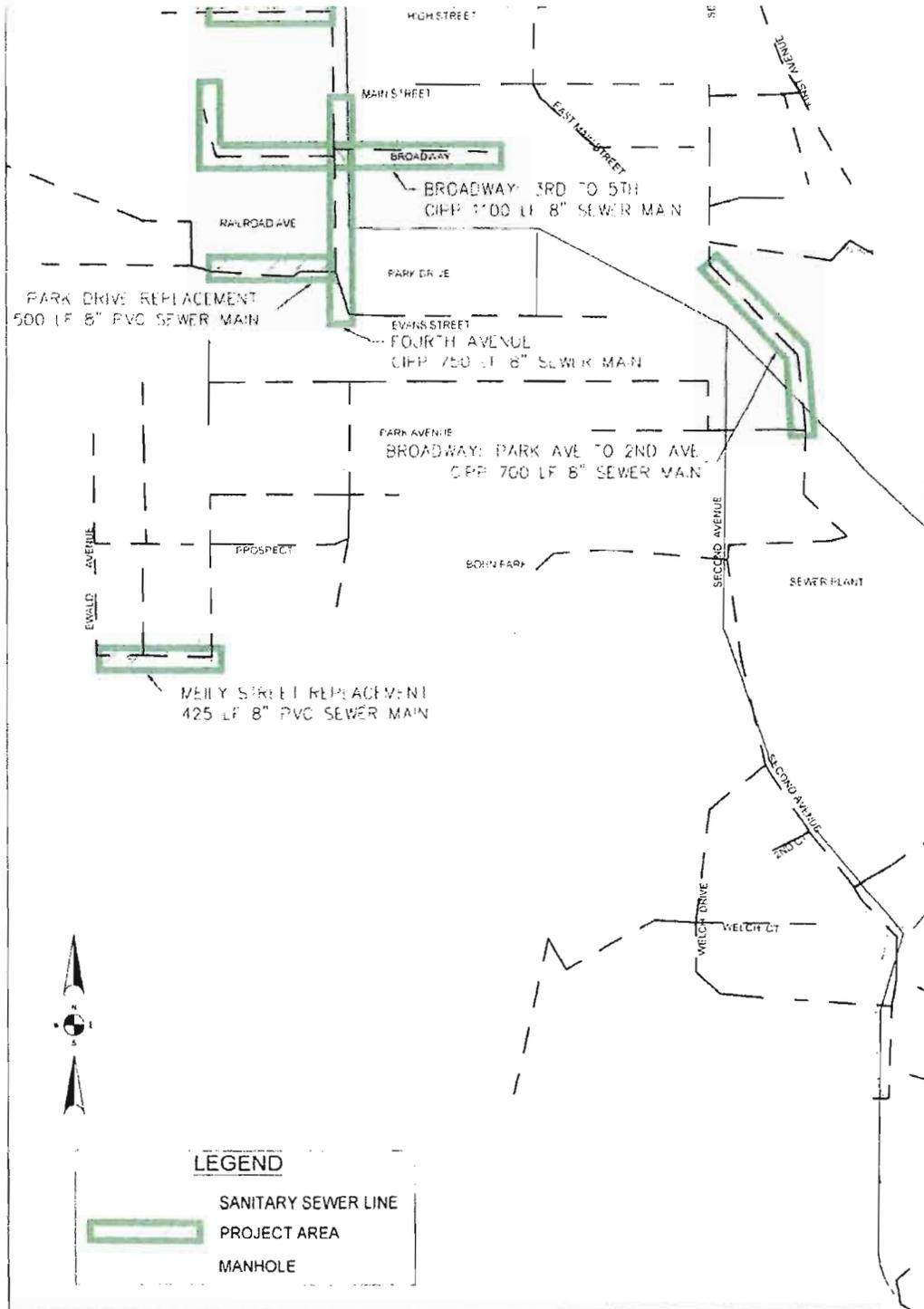
Town staff has been video-inspecting the sanitary sewer lines for the last 15 years. The newer PVC lines are generally in good condition, but some of the older VCP lines show root intrusion, cracked pipe, and general deterioration. The following capital improvement projects target locations in the system in need of rehabilitation, as determined by the sewer inspection videos.

Where possible, it is recommended to rehabilitate the lines with cure in place polymer (CIPP), which is a cost effective approach to repairing deteriorated pipe. CIPP does not require trenching, resulting in minimal site disturbance and lower cost than complete replacement of the line. However, if the pipe is experiencing significant root intrusions, cracks, or breaks, CIPP is not effective and it is recommended to replace the pipe.

Sewer maps of the Eagle Canyon area, North Old Town, South Old Town, and Stone Canyon are shown in Figure 5 through Figure 8. The extent of the pipe rehabilitation projects are shown in each figure. A description and cost estimate of each project follows.



**Figure 5 - Wastewater Capital Improvement Projects in North Old Town Area**



**Figure 6 - Wastewater Capital Improvement Projects in South Old Town Area**

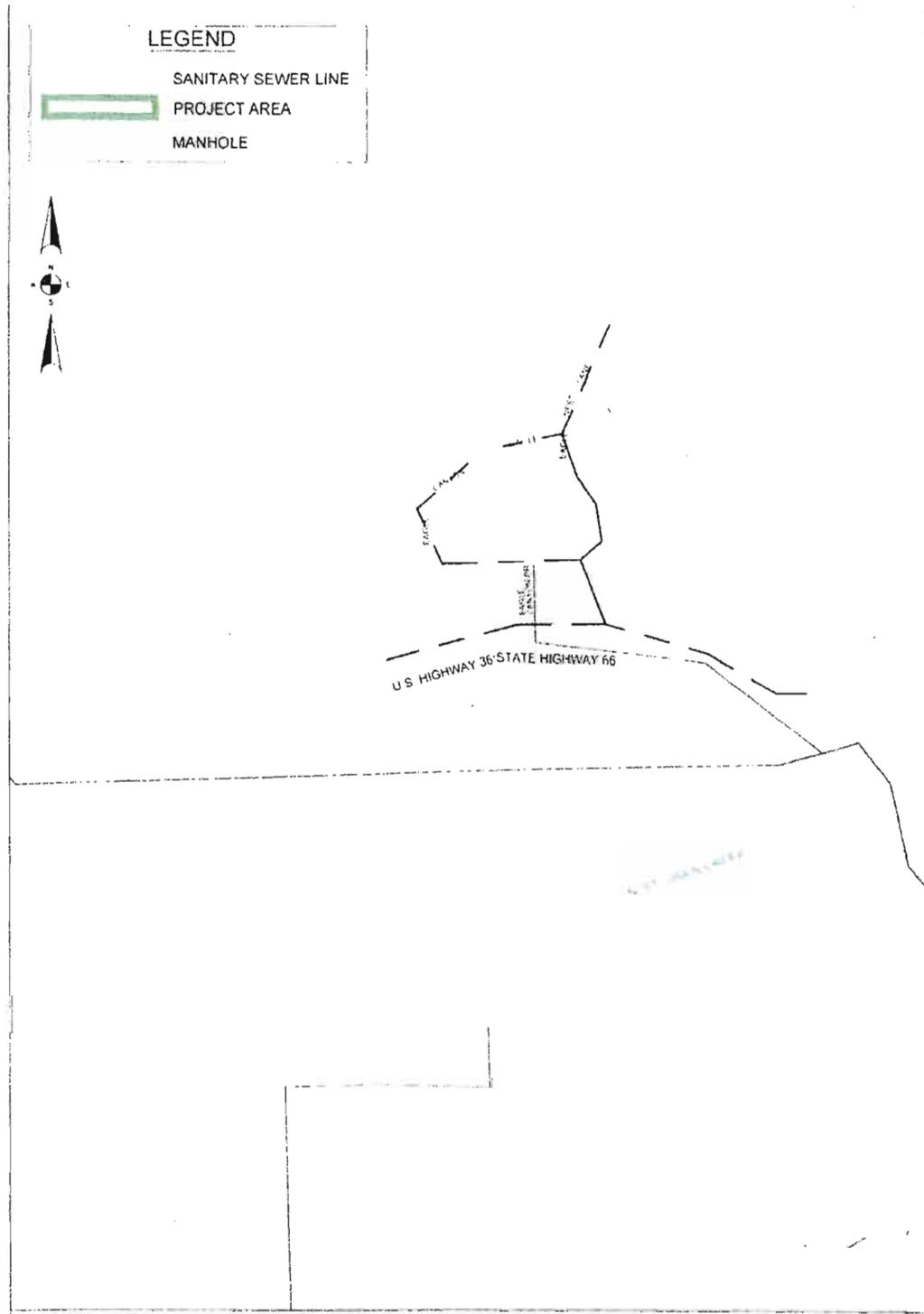


Figure 7 - Apple Valley Area: No Wastewater Capital Improvement Projects Planned



**Figure 8 - Stone Canyon Area: No Wastewater Capital Improvement Projects Planned**

**4.1 SEWER MAIN REHABILITATION**
**North Old Town Alleys: 4<sup>th</sup> Avenue to 5<sup>th</sup> Avenue**

The video-inspection of the sewer mains located in the alley between 4<sup>th</sup> and 5 Avenues and McCall Alley and south of Seward Street revealed that the VCP sewer lines are deteriorated and cracked due to heavy root intrusions. These sewer mains will need to be replaced.

**Table 13 - Cost Estimate for North Old Town Alleys: 4<sup>th</sup> Avenue to 5<sup>th</sup> Avenue**

| Item  | Description                            | Qty    | Unit | Unit Price | Subtotal         |
|---|--|--------|------|------------|------------------|
| 1   | 8" SDR 35 PVC Sanitary Sewer Main      | 2,000  | LF   | \$95       | \$190,000        |
| 2   | Remove and Replace Unsuitable Subgrade | 296    | CY   | \$30       | \$8,889          |
| 3   | Asphalt Patch                          | 16,000 | SF   | \$4        | \$64,000         |
| 4   | 4-ft Diameter Manholes                 | 12     | EA   | \$5,500    | \$66,000         |
| <b>Subtotal</b>   |  |        |      |            | <b>\$328,889</b> |
| Mobilization, Demobilization, Bonds & Insurance         |  |        |      |            | \$32,889         |
| Site Restoration  |  |        |      |            | \$6,578          |
| Traffic & Erosion Control                               |  |        |      |            | \$6,578          |
| Construction Survey                                     |  |        |      |            | \$2,500          |
| Engineering, Survey, Geotechnical Analysis & Permitting |  |        |      |            | \$39,467         |
| Construction Management                                 |  |        |      |            | \$16,444         |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>            |  |        |      |            | <b>\$104,456</b> |
| <b>TOTAL PROJECT COST</b>                               |  |        |      |            | <b>\$433,344</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>          |  |        |      |            | <b>\$86,669</b>  |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>                 |  |        |      |            | <b>\$520,013</b> |

**Meily Street: Ewald Avenue to 5<sup>th</sup> Avenue**

According to Public Works staff, the sewer main in Meily Street has deteriorated and is in need of replacement. There is also water main replacement in this area and the two projects should be coordinated.

**Table 14 - Cost Estimate for Meily Street: Ewald Avenue to 5<sup>th</sup> Avenue**

| Item  | Description                            | Qty   | Unit | Unit Price | Subtotal         |
|---|--|-------|------|------------|------------------|
| 1   | 8" SDR 35 PVC Sanitary Sewer Main      | 425   | LF   | \$95       | \$40,375         |
| 2   | Remove and Replace Unsuitable Subgrade | 63    | CY   | \$30       | \$1,889          |
| 3   | Meily Road Base (1/2 ROW)              | 6,400 | CY   | \$3        | \$19,200         |
| 4   | Meily Asphalt Patch (1/2 ROW)          | 3,200 | CY   | \$4        | \$12,800         |
| 5   | Seeding and Landscaping                | 1     | LS   | \$1,500    | \$1,500          |
| 6   | 4-ft Diameter Manholes                 | 3     | EA   | \$5,500    | \$16,500         |
| <b>Subtotal</b>   |  |       |      |            | <b>\$92,264</b>  |
| Mobilization, Demobilization, Bonds & Insurance         |  |       |      |            | \$4,613          |
| Erosion Control   |  |       |      |            | \$10,000         |
| Construction Survey                                     |  |       |      |            | \$15,000         |
| Engineering, Survey, Geotechnical Analysis & Permitting |  |       |      |            | \$9,226          |
| Construction Management                                 |  |       |      |            | \$9,226          |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>            |  |       |      |            | <b>\$48,066</b>  |
| <b>TOTAL PROJECT COST</b>                               |  |       |      |            | <b>\$140,330</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>          |  |       |      |            | <b>\$28,066</b>  |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>                 |  |       |      |            | <b>\$168,396</b> |

### Longs Peak Drive

The northern end of the sewer main in Longs Peak Drive does not have a manhole. A new manhole should be installed in order to facilitate cleaning and root-cutting in case of a blockage. The majority of the sewer main in Longs Peak Drive is in poor condition and has considerable root intrusion and should be replaced.

**Table 15 - Cost Estimate for Longs Peak Drive**

| Item  | Description  | Qty | Unit | Unit Price | Subtotal         |
|---|--|-----|------|------------|------------------|
| 1   | 8" SDR 35 PVC Sanitary Sewer Main, Open Cut LP-1 to LP-4 | 950 | LF   | \$95       | \$90,250         |
| 2   | Remove and Replace Unsuitable Subgrade                   | 141 | CY   | \$30       | \$4,222          |
| 3   | Longs Peak Drive Reconstruction                          | 1   | LS   | \$63,261   | \$63,261         |
| 4   | 4-ft Diameter Manholes                                   | 10  | EA   | \$5,500    | \$55,000         |
| <b>Subtotal</b>   |  |     |      |            | <b>\$157,733</b> |
| Mobilization, Demobilization, Bonds & Insurance         |  |     |      |            | \$7,887          |
| Erosion Control   |  |     |      |            | \$10,000         |
| Construction Survey                                     |  |     |      |            | \$15,000         |
| Engineering, Survey, Geotechnical Analysis & Permitting |  |     |      |            | \$15,773         |
| Construction Management                                 |  |     |      |            | \$15,773         |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>            |  |     |      |            | <b>\$64,433</b>  |
| <b>TOTAL PROJECT COST</b>                               |  |     |      |            | <b>\$222,166</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>          |  |     |      |            | <b>\$44,433</b>  |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>                 |  |     |      |            | <b>\$266,599</b> |

### Broadway: Park Street to 2<sup>nd</sup> Avenue

The video-inspection of the sewer mains located in Broadway between Park Street and 2<sup>nd</sup> Avenue revealed that the VCP sewer mains will need to be repaired with CIPP. This will require installing approximately 700 linear feet of CIPP.

**Table 16 - Cost Estimate for Broadway: Park Street to 2<sup>nd</sup> Avenue**

| Item  | Description                 | Qty | Unit | Unit Price | Subtotal        |
|---|-----------------------------|-----|------|------------|-----------------|
| 1   | CIPP 8" Sanitary Sewer Main | 700 | LF   | \$30       | \$21,000        |
| <b>Subtotal</b>                                 |                             |     |      |            | <b>\$21,000</b> |
| Mobilization, Demobilization, Bonds & Insurance |                             |     |      |            | \$3,500         |
| Engineering                                     |                             |     |      |            | \$9,500         |
| Construction Management                         |                             |     |      |            | \$4,500         |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>    |                             |     |      |            | <b>\$17,500</b> |
| <b>TOTAL PROJECT COST</b>                       |                             |     |      |            | <b>\$38,500</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>  |                             |     |      |            | <b>\$7,700</b>  |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>         |                             |     |      |            | <b>\$46,200</b> |

### Broadway: 3<sup>rd</sup> Avenue to 5<sup>th</sup> Avenue

The video-inspection of the sewer mains located in Broadway between 3<sup>rd</sup> Avenue and 5<sup>th</sup> Avenue revealed that the VCP sewer lines are deteriorated and will need to be repaired with CIPP. This will require installing approximately 1,100 linear feet of CIPP.

**Table 17 – Cost Estimate for Broadway: 3<sup>rd</sup> Avenue to 5<sup>th</sup> Avenue**

| Item  | Description                 | Qty   | Unit | Unit Price | Subtotal        |
|---|-----------------------------|-------|------|------------|-----------------|
| 1   | CIPP 8" Sanitary Sewer Main | 1,100 | LF   | \$30       | \$33,000        |
| <b>Subtotal</b>                                 |                             |       |      |            | <b>\$33,000</b> |
| Mobilization, Demobilization, Bonds & Insurance |                             |       |      |            | \$3,500         |
| Engineering                                     |                             |       |      |            | \$12,000        |
| Construction Management                         |                             |       |      |            | \$4,500         |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>    |                             |       |      |            | <b>\$20,000</b> |
| <b>TOTAL PROJECT COST</b>                       |                             |       |      |            | <b>\$53,000</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>  |                             |       |      |            | <b>\$10,600</b> |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>         |                             |       |      |            | <b>\$63,600</b> |

**Park Drive: 4<sup>th</sup> Avenue to 5<sup>th</sup> Avenue**

The video-inspection of the sewer mains located in Park Drive between 4<sup>th</sup> Avenue and 5<sup>th</sup> Avenue revealed that the VCP sewer lines are deteriorated and will need to be replaced. This will require installing approximately 500 linear feet of CIPP.

**Table 18 – Cost Estimate for Park Drive: 4<sup>th</sup> Avenue to 5<sup>th</sup> Avenue**

| Item  | Description  | Qty   | Unit | Unit Price | Subtotal         |
|---|--|-------|------|------------|------------------|
| 1   | 8" SDR 35 PVC Sanitary Sewer Main, Open Cut LP-1 to LP-4 | 500   | LF   | \$95       | \$47,500         |
| 2   | Remove and Replace Unsuitable Subgrade                   | 74    | CY   | \$30       | \$2,222          |
| 3   | Asphalt Patch  | 4,000 | SF   | \$4        | \$16,000         |
| 4   | 4-ft Diameter Manholes                                   | 3     | EA   | \$5,500    | \$16,500         |
| <b>Subtotal</b>   |  |       |      |            | <b>\$47,500</b>  |
| Mobilization, Demobilization, Bonds & Insurance         |  |       |      |            | \$2,375          |
| Erosion Control   |  |       |      |            | \$10,000         |
| Construction Survey                                     |  |       |      |            | \$15,000         |
| Engineering, Survey, Geotechnical Analysis & Permitting |  |       |      |            | \$8,000          |
| Construction Management                                 |  |       |      |            | \$4,500          |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>            |  |       |      |            | <b>\$39,875</b>  |
| <b>TOTAL PROJECT COST</b>                               |  |       |      |            | <b>\$87,375</b>  |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>          |  |       |      |            | <b>\$17,475</b>  |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>                 |  |       |      |            | <b>\$104,850</b> |

**4<sup>th</sup> Avenue: Evans to Main Street**

The video-inspection of the sewer mains located in 4<sup>th</sup> Avenue from Evans to Main Street revealed that the VCP sewer lines are deteriorated and will need to be repaired with CIPP. This will require installing approximately 750 linear feet of CIPP.

**Table 19 – Cost Estimate for 4<sup>th</sup> Avenue: Evans to Main Street**

| Item  | Description                 | Qty | Unit | Unit Price | Subtotal        |
|---|-----------------------------|-----|------|------------|-----------------|
| 1   | CIPP 8" Sanitary Sewer Main | 750 | LF   | \$30       | \$22,500        |
| <b>Subtotal</b>                                 |                             |     |      |            | <b>\$22,500</b> |
| Mobilization, Demobilization, Bonds & Insurance |                             |     |      |            | \$3,500         |
| Engineering                                     |                             |     |      |            | \$9,500         |
| Construction Management                         |                             |     |      |            | \$4,500         |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>    |                             |     |      |            | <b>\$17,500</b> |
| <b>TOTAL PROJECT COST</b>                       |                             |     |      |            | <b>\$40,000</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>  |                             |     |      |            | <b>\$8,000</b>  |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>         |                             |     |      |            | <b>\$48,000</b> |

### High Street: 4<sup>th</sup> Avenue to 5<sup>th</sup> Avenue

The video-inspection of the sewer mains located in High Street from 4<sup>th</sup> Avenue to 5<sup>th</sup> Avenue revealed that the VCP sewer lines are deteriorated and will need to be repaired with CIPP. This will require installing approximately 450 linear feet of CIPP.

**Table 20 - High Street: 4<sup>th</sup> Avenue to 5<sup>th</sup> Avenue**

| Item  | Description                 | Qty | Unit | Unit Price | Subtotal        |
|---|-----------------------------|-----|------|------------|-----------------|
| 1   | CIPP 8" Sanitary Sewer Main | 450 | LF   | \$30       | \$13,500        |
| <b>Subtotal</b>   |                             |     |      |            | <b>\$13,500</b> |
| Mobilization, Demobilization, Bonds & Insurance         |                             |     |      |            | \$3,500         |
| Engineering, Survey, Geotechnical Analysis & Permitting |                             |     |      |            | \$5,500         |
| Construction Management                                 |                             |     |      |            | \$4,500         |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>            |                             |     |      |            | <b>\$13,500</b> |
| <b>TOTAL PROJECT COST</b>                               |                             |     |      |            | <b>\$27,000</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>          |                             |     |      |            | <b>\$5,400</b>  |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>                 |                             |     |      |            | <b>\$32,400</b> |

#### 4.2 BOOSTER PUMP STATIONS

##### Eagle Canyon Lift Station

The Eagle Canyon Lift Station was installed around 1996. This lift station is approximately reaching its end of life and should be replaced within the next 5 years.

**Table 21 - Cost Estimate for Eagle Canyon Lift Station**

| Item  | Description  | Qty | Unit | Unit Price | Subtotal         |
|---|--|-----|------|------------|------------------|
| 1   | Pumps, Floats, Rails, Chains, Control Panel, Etc.  | 1   | LS   | \$35,000   | \$35,000         |
| 2   | Precast Concrete Wetwell                           | 1   | LS   | \$6,500    | \$6,500          |
| 3   | Precast Concrete Valve Vault                       | 1   | LS   | \$4,500    | \$4,500          |
| 4   | 4" Swing Check Valve Flg                           | 2   | EA   | \$850      | \$1,700          |
| 5   | 4" Plug Valve Flg                                  | 3   | EA   | \$600      | \$1,800          |
| 6   | Overflow Storage                                   | 1   | LS   | \$12,000   | \$12,000         |
| 7   | Site Electrical                                    | 1   | LS   | \$10,000   | \$10,000         |
| 8   | Misc. Yard Piping (Force Main, Gravity Main, Etc.) | 1   | LS   | \$15,000   | \$15,000         |
|   |  |     |      |            | <b>\$86,500</b>  |
| Mobilization, Demobilization, Bonds & Insurance         |  |     |      |            | \$4,325          |
| Site Restoration  |  |     |      |            | \$1,730          |
| Traffic & Erosion Control                               |  |     |      |            | \$1,730          |
| Construction Survey                                     |  |     |      |            | \$2,500          |
| Engineering, Survey, Geotechnical Analysis & Permitting |  |     |      |            | \$55,000         |
| Construction Management                                 |  |     |      |            | \$8,650          |
| <b>SUBTOTAL NON-EQUIPMENT/MATERIAL COSTS</b>            |  |     |      |            | <b>\$73,935</b>  |
| <b>TOTAL PROJECT COST</b>                               |  |     |      |            | <b>\$160,435</b> |
| <b>CONTINGENCY (20% OF TOTAL PROJECT COST)</b>          |  |     |      |            | <b>\$32,087</b>  |
| <b>TOTAL PROJECT COST + CONTINGENCY</b>                 |  |     |      |            | <b>\$192,522</b> |

##### Lyons Valley Park Lift Station

The LVP Lift Station was installed around 2007. This lift station will reach its end of life in approximately 2022 and should be replaced within the next 15 years.

### Stone Canyon Lift Station

The Stone Canyon Lift Station was installed around 2006. This lift station will reach its end of life in approximately 2026 and should be replaced within the next 20 years.

#### 4.3 SUMMARY OF WASTEWATER CAPITAL IMPROVEMENTS

The estimated costs for these improvements are presented on an individual project basis. If implemented on an individual basis, the total cost for all sewer system repairs and replacements is \$1,083,479.40, as shown in Table 22. If the projects are grouped together, costs will likely be reduced due to increased efficiency of mobilization, demobilization, bidding, and construction administration on a per-project basis. It is recommended to combine projects based on location, project scope, and cost. A review of the Roads CIP shows that some projects should also be coordinated between roads, water, and sewer. This will prevent multiple cuts in the same road for different projects, instead allowing the construction of multiple projects with a single road excavation and reconstruction.

**Table 22 – Summary of Cost Estimates for Wastewater Capital Improvement Projects**

| Wastewater Capital Improvement Project           | Cost Estimate         |
|--|-----------------------|
| North Old Town Alleys - 4th Avenue to 5th Avenue | \$520,013             |
| Meily Street - Ewald Avenue to 5th Avenue        | \$168,396             |
| Longs Peak Drive                                 | \$266,599             |
| Broadway from Park to 2nd                        | \$46,200              |
| Broadway from 3rd to 5th                         | \$63,600              |
| Park Drive from 4th to 5th                       | \$104,850             |
| 4th from Evans to Main Street                    | \$48,000              |
| High Street- 4th Avenue to 5th Avenue            | \$32,400              |
| Eagle Canyon Lift Station                        | \$192,522             |
| <b>TOTAL</b>                                     | <b>\$1,442,580.40</b> |

## **5 ROUTINE MAINTENANCE RECOMMENDATIONS**

### **5.1 WASTEWATER COLLECTION SYSTEM RECOMMENDATIONS**

The Town should develop an annual program to clean and inspect a portion of their collection system each year. By video-inspecting the lines during the cleaning process, the Town can monitor any changes within the system and better inform the development of capital improvement projects. The Town may also select older or problematic areas to monitor more frequently, as the newer areas will not need as much maintenance. The sewer system inspection program should also include manhole inspections, to better monitor and reduce inflow and infiltration.

Annual inspections should also be performed on force mains and wet wells. Wet well piping should be inspected for any corrosion from hydrogen sulfide (H<sub>2</sub>S) gas produced by long wet well retention times, joint leakage, and displacement. Pumps should be inspected for routine wear, unusual noises or vibrations, and proper discharge pressures and pump speeds. Any increase in pump pressure could indicate a grease build-up within the force main.

### **5.2 WATER DISTRIBUTION SYSTEM RECOMMENDATIONS**

At some locations in the Town of Lyons distribution system, long water retention times are causing areas of low chlorine residual. As of April 2016, the Colorado Department of Public Health and Environment (CDPHE) requires that the residual disinfectant concentration must be greater than or equal to 0.2 mg/L at ALL points in the distribution system. See Appendix H for the complete Disinfection Treatment Technique Requirements, as stated in the Colorado Primary Drinking Water Regulations.

The water main looping projects recommended in the Capital Improvements Plan should prevent low chlorine residual in some of the problem areas. However, the Town should implement a regular hydrant flushing program to prevent stagnation, flush sediment from the lines, and improve overall water quality.

The City of Longmont retains responsibility for maintaining the master meter from Longmont, according to Section 2.1 of the 2003 Intergovernmental Agreement.

#### **Storage Tank Recommendations**

Effective April 2016, CDPHE implemented a Storage Tank Rule that requires water suppliers to perform periodic and comprehensive inspections of their water storage tanks, and sets procedures for documenting these inspections. Periodic inspections of each tank must be scheduled quarterly, while comprehensive inspections must be schedule at least every five years. The complete Storage Tank Rule is attached as Appendix I, as found in the Colorado Primary Drinking Water Regulations. The Town should ensure its storage tank maintenance plan complies with this new regulation.

## 6 WATER DISTRIBUTION SYSTEM MODEL

### 6.1 BACKGROUND

RG and Associates, LLC (RGA) created a water distribution system model in order to analyze existing conditions and to provide the town with a model for analysis of future development.

The model was created in EPANET 2.0, a water distribution modeling software published by the Environmental Protection Agency (EPA). This model uses demand inputs along with details of the study area such as pipe length and roughness to model flows, velocity, and head loss through a system. Outputs from the model show flow through all pipe in the study area and helps to analyze current flows and velocities at average day, peak day, and peak hour conditions.

The town provided RGA with a model of their system that was previously created. Data from this model was utilized as the base for the 2016 EPANET model of the system and was updated to include capital improvements made over the past 5 years and current water demands. Other inputs into the model include pipe diameter, pipe roughness coefficients, and base demands.

### 6.2 DEMAND INPUTS

Three model scenarios were analyzed: average day, peak day, and peak hour, along with a separate fire flow analysis. The average daily demands for the Town of Lyons were based on the town's 2015 Meter Consumption Report. Demands were distributed evenly throughout the town across 100 nodes that were identified as "demand nodes". These nodes accounted for approximately half of the nodes throughout the model. The other nodes represent junctions and fire hydrants, which are not assigned any demand except during a fire flow analysis. The average daily demand per node for the town was found to be 0.0020 MGD, as shown in Table 23.

To calculate peak day flow, a peaking factor was calculated based on the ratio of the maximum daily flow to the average daily flow (MD:AD). To calculate this peaking factor, the flow from the month with the maximum flow (August 2015) was divided by the average monthly flow for the year, which is calculated by dividing the yearly flow by 12. The resultant peaking factor is 2.05. Using this peaking factor, the peak day flow can be calculated using the average day flow and results in a peak day demand per node of 0.0041 MGD, as shown in Table 23.

The peak hour flow was calculated by first calculating a peaking factor based on the number of people in the town. The equation to calculate the peak hour peaking factor is

$$\frac{Q_{PH}}{Q_{AD}} = \frac{18 + \sqrt{P}}{4 + \sqrt{P}}$$

where  $Q_{PH}$  is the peak hour flow,  $Q_{AD}$  is the average day flow, and  $P$  is population in thousands. The US Census in 2010 found the population of Lyons to be 2,033 and estimates that the population in 2015 was 2,147. Using the estimated population in 2015 from the US Census and the equation above, the peak hour peaking factor is calculated to be 3.56. Using this peaking factor, the peak hour flow can be

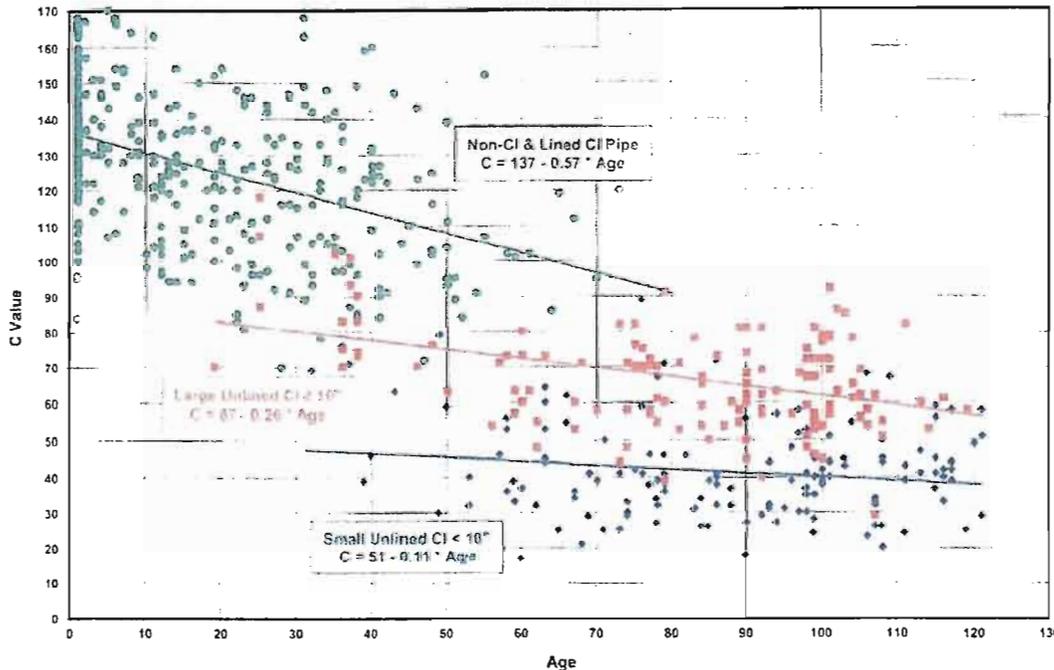
calculated using the average day flow and results in a peak hour demand per node of 0.0072 MGD, as shown in Table 23.

**Table 23: Average Day, Peak Day, and Peak Hour Demands per Demand Node**

|             | Daily Flow (MGD) | Number of Demand Nodes | Demand per Node (MGD) | Demand per Node (GPM) |
|-------------|------------------|------------------------|-----------------------|-----------------------|
| Average Day | 0.20             | 100                    | 0.0020                | 1.39                  |
| Peak Day    | 0.41             | 100                    | 0.0041                | 2.85                  |
| Peak Hour   | 0.71             | 100                    | 0.0071                | 4.94                  |

**6.3 ROUGHNESS COEFFICIENTS**

In areas of the system where pipe age and type are not available, the roughness coefficient (C) values were estimated to be 100. In areas where pipe age and type were known, C values were calculated using equations derived by Denver Water based on measured roughness coefficients for non-cast iron (non-CI) and lined cast iron (CI), large unlined CI Pipes (diameter > 10”), and small unlined CI pipes (diameter < 10”). For example, in areas where new ductile iron pipe was installed about two years ago, the roughness was calculated as 135 (using the equation  $137 - 0.57 * 2$ ). The data points for these pipe types and the derived equations to calculate C values for each pipe type are shown in Figure 9, which was provided by Denver Water. The C values change with respect to age.



**Figure 9 - Measured roughness coefficients vs pipe age and derived C value equations**

#### **6.4 PIPE DIAMETER**

Pipe diameters for the system were obtained from the previously created model provided by the town and were updated based on the towns records or pipe replacement throughout the system. For pipe diameter modeling purposes, it was assumed that the projects completed from the 2011 Capital Improvements Plan were constructed as described in the 2011 Capital Improvements Plan. Figure 10 shows existing pipe diameters throughout the town.

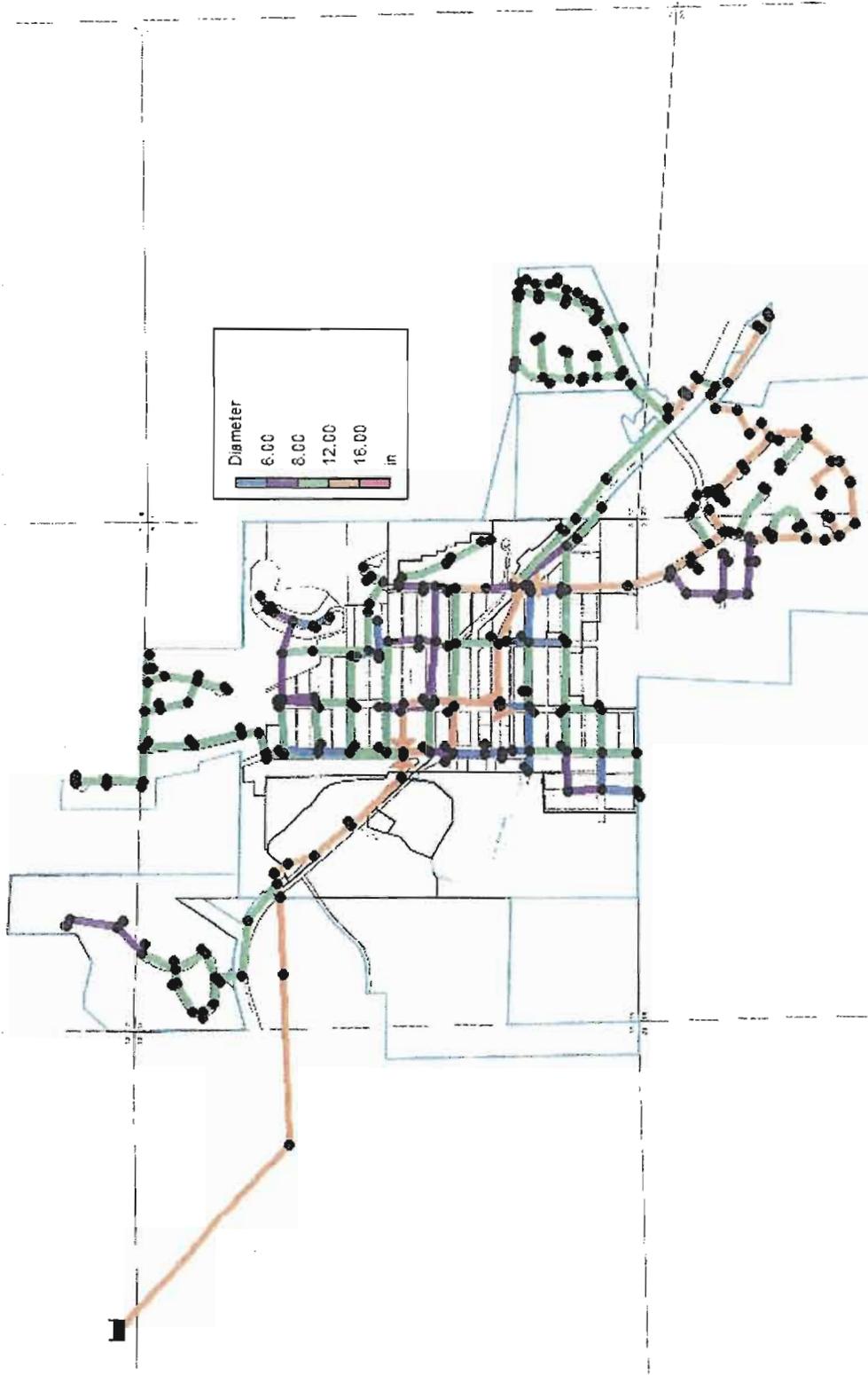


Figure 10 – Pipe Diameters in the Town of Lyons Distribution System

## 6.5 RESULTS

### Average Day, Max Day, and Peak Hour Conditions

The existing distribution system was analyzed under each demand scenario to measure pressures and head loss throughout the system. The pressures throughout the distribution system in each scenario are shown in Figure 11 through Figure 13.

Typical engineering standards dictate that water distribution mains should maintain a minimum pressure of 40 psi during peak hour demand and a maximum of 110psi static pressure. The pressures in the lower elevations of the distribution system were higher than recommended, reaching up to 125 psi. However, most homes have internal PRVs and the town has a rebate program for homeowners to purchase PRVs if the building does not already have one. The high pressures in the system are therefore not of concern at this time.

Typical engineering standards also dictate that the maximum head loss in water distribution mains should be 2 feet per 1000 feet under peak hour conditions. For average day and maximum day scenarios, the head loss remained under this limit. In the peak hour scenario, though, head loss reached up to 3.92 ft per kft.

Table 24 summarizes the existing system pressures and maximum head loss in average day, maximum day, and peak hour conditions.

**Table 24 – Summary of Pressures and Head Loss for Average Day, Maximum Day, and Peak Hour**

| Scenario    | Demand per Node (gpm) | Minimum Pressure (psi) | Maximum Pressure (psi) | Average Pressure (psi) | Maximum Headloss (ft/kft) |
|-------------|-----------------------|------------------------|------------------------|------------------------|---------------------------|
| Average Day | 1.40                  | 32.19                  | 125.85                 | 97.35                  | 0.37                      |
| Max Day     | 2.87                  | 30.14                  | 125.36                 | 96.90                  | 1.40                      |
| Peak Hour   | 4.99                  | 25.17                  | 124.51                 | 95.78                  | 3.92                      |

### Fire Flow

A fire flow analysis was conducted to analyze pressures and head loss throughout the system in the event that a fire hydrant is opened. First, a fire hydrant node was selected within the lowest pressure area of the distribution system, located at the north edge of the service area (near the “blue line” 5,450’ elevation service limit). This selection allowed for analyzing the minimum pressure scenario, with a fire hydrant drawing high flow in an area already experiencing relatively low pressures. Demand at the hydrant node was set at 1500 GPM to model the opening of the fire hydrant, as is typically utilized for modeling purposes. Pressure and flow throughout the distribution system was modeled for the fire flow event at average day, maximum day, and peak hour demand scenarios. In each scenario, demand nodes near the hydrant experienced negative pressures. This is due in part to four-inch diameter pipelines in these locations that create excessive head loss in high flow conditions.

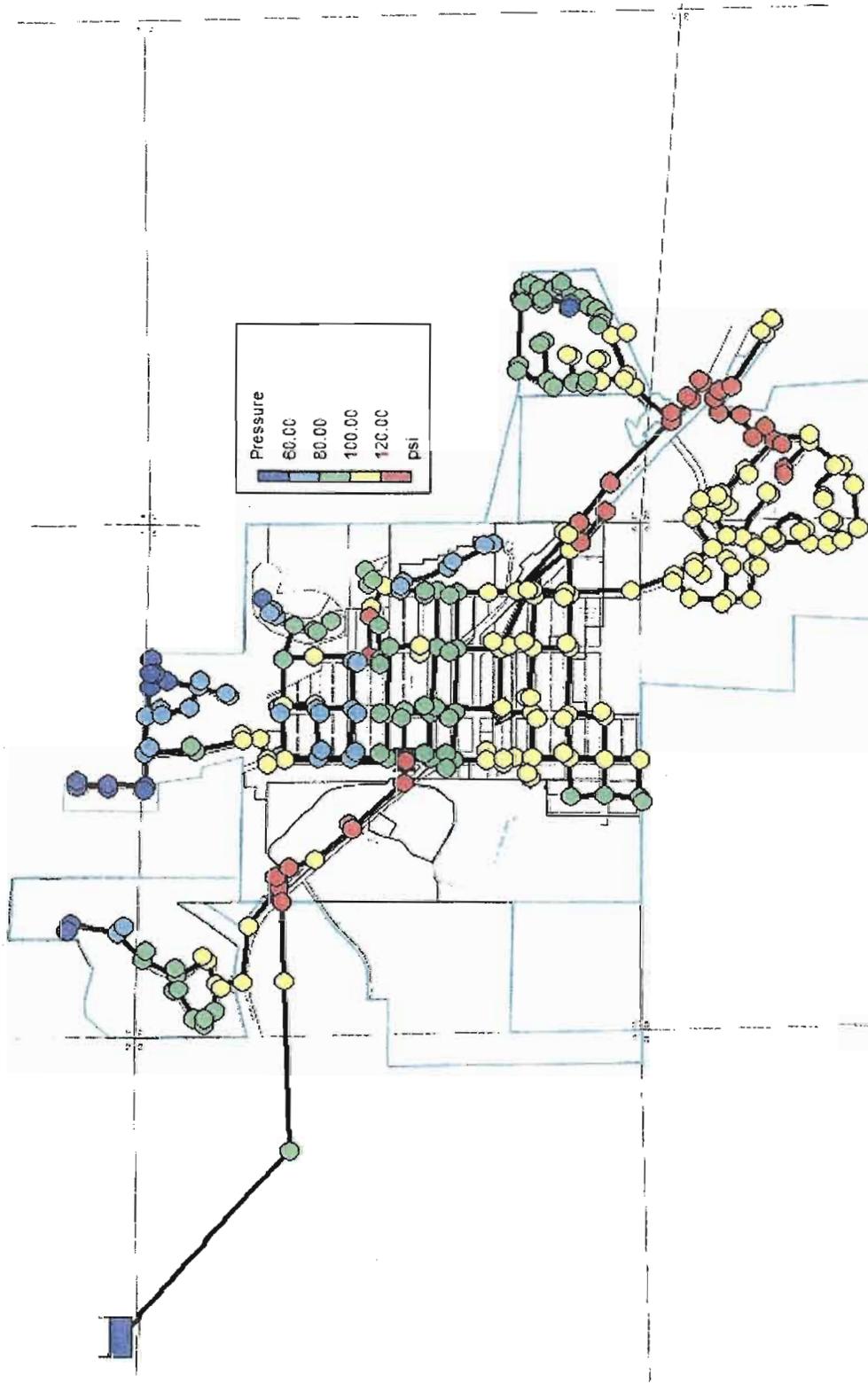
Other fire hydrant nodes were selected throughout the distribution system to test effects of fire flow at various locations. In most locations, pressures and head loss remained acceptable during a fire flow

event. However, in locations where a hydrant is connected to a four-inch water main, excessive head loss in the pipe resulted in negative pressures. These hydrants would not be able to properly function in the event of a fire.

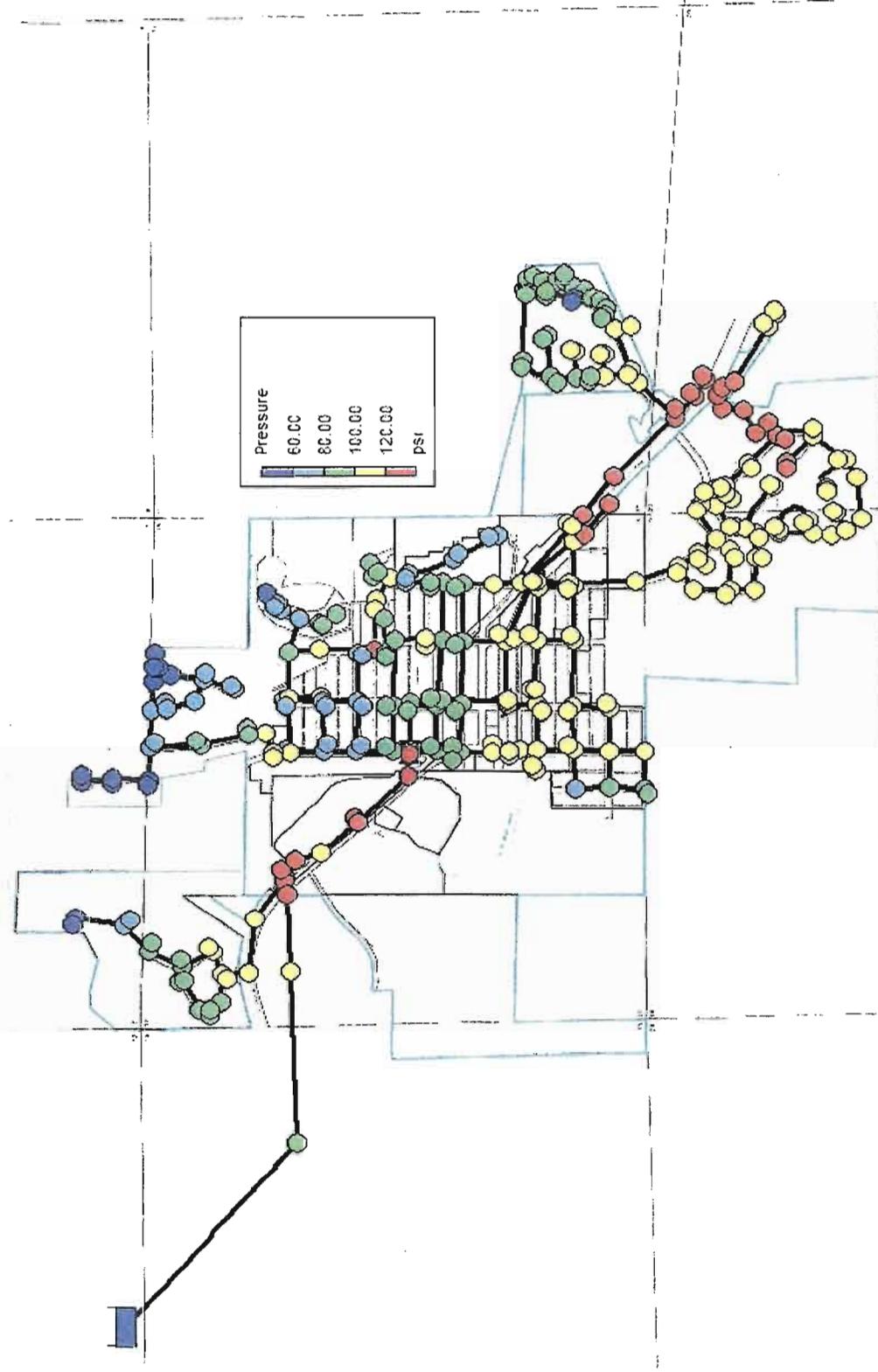
## **6.6 SUMMARY AND RECOMMENDATIONS**

It is recommended that all four-inch pipe in the distribution system be replaced with eight-inch pipe. This will allow adequate pressures to be maintained in the system during a fire flow event, even under peak hour demand. This pipe replacement project, with its associated exhibits and cost estimates, can be found in Section 3 of this plan under "Upsize Four-inch Pipelines".

It is also recommended that the town continue their education and rebate program to ensure all homes in high pressure zones have internal PRVs. The system currently provides pressures that are too high for appropriate distribution pressures without internal PRVs.



**Figure 11 – Water Distribution System Pressures at Average Day Demand**



**Figure 12 – Water Distribution System Pressures at Maximum Day Demand**

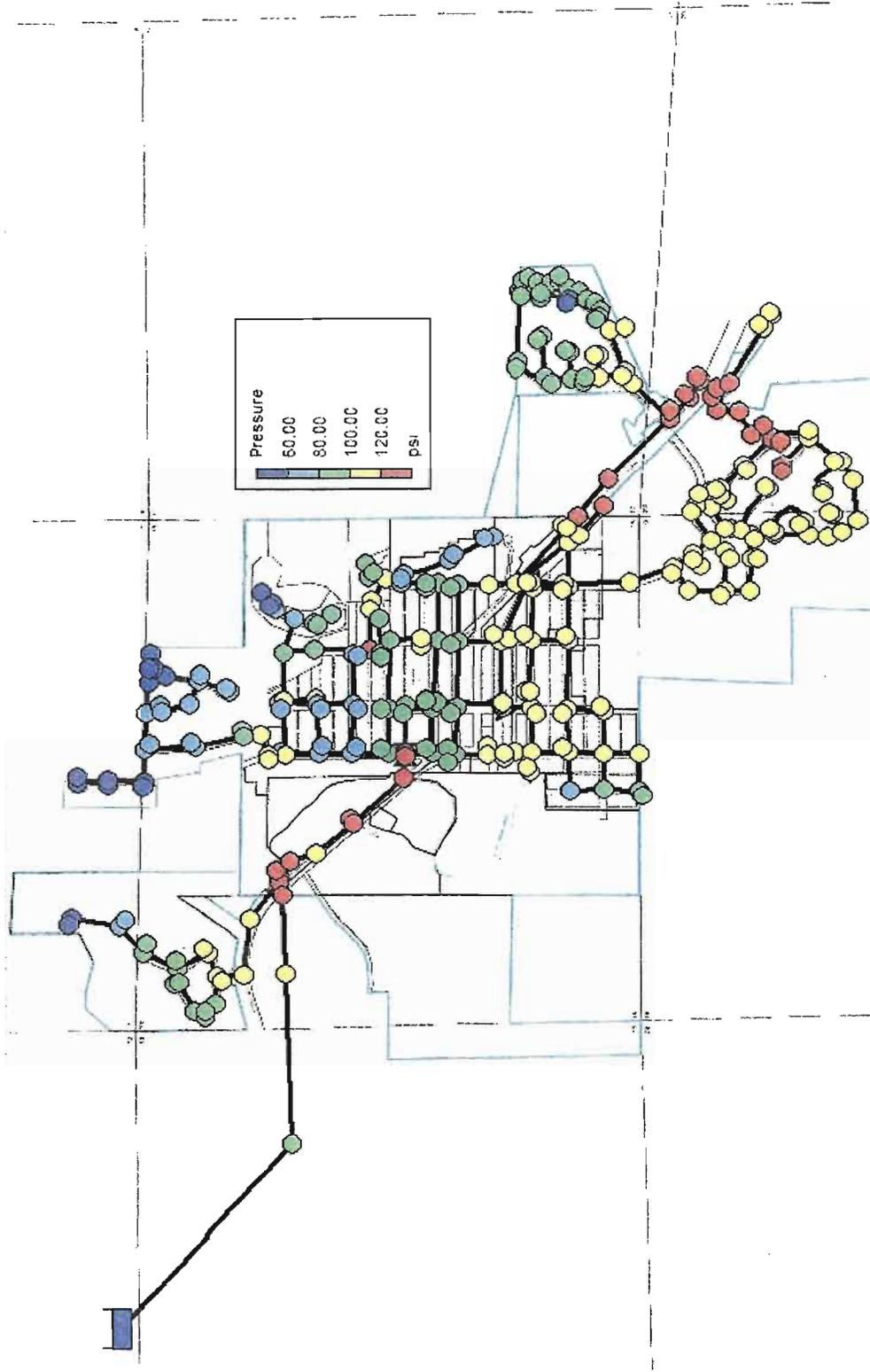


Figure 13 – Water Distribution System Pressures at Peak Hour Demand

- Grant revenues increased \$2,607,640 in 2015 over 2014. This is largely attributed to collection of FEMA eligible expense reimbursement as well as state and local grant reimbursements.
- Contributions and Donations decreased \$444,708, which is mainly attributed to the grant funds.

### Town of Lyons Changes in Net Position

|                                      | Governmental Activities |               | Business-type Activities |               | Total Primary Government |               |
|--------------------------------------|-------------------------|---------------|--------------------------|---------------|--------------------------|---------------|
|                                      | 2015                    | 2014          | 2015                     | 2014          | 2015                     | 2014          |
| <b>Revenues:</b>                     |                         |               |                          |               |                          |               |
| Program Revenues:                    |                         |               |                          |               |                          |               |
| Charges for services                 | \$ 458,547              | \$ 393,225    | \$ 2,645,906             | \$ 2,541,819  | \$ 3,104,453             | \$ 2,935,044  |
| Operating Grants and Contributions   | 1,273,402               | 1,704,135     | -                        | -             | 1,273,402                | 1,704,135     |
| Capital Grants and Contributions     | 6,465,933               | 3,104,755     | 571,773                  | 668,776       | 7,037,706                | 3,773,531     |
| General Revenues:                    |                         |               |                          |               |                          |               |
| Property Taxes                       | 424,089                 | 450,879       | -                        | -             | 424,089                  | 450,879       |
| Other Taxes                          | 1,137,055               | 823,553       | -                        | -             | 1,137,055                | 823,553       |
| Unrestricted investment earnings     | 1,769                   | 1,440         | 6,208                    | 3,015         | 7,977                    | 4,455         |
| Intergovernmental                    | 78,361                  | 75,392        | -                        | -             | 78,361                   | 75,392        |
| Loss on disposal of equipment        | -                       | -             | -                        | -             | -                        | -             |
| Transfers                            | -                       | 1,070,669     | -                        | (1,070,669)   | -                        | -             |
| Extraordinary gain                   | 772,995                 | 223,945       | -                        | -             | 772,995                  | 223,945       |
| Other                                | 583,262                 | 740,009       | -                        | -             | 583,262                  | 740,009       |
| Total Revenues                       | 11,195,413              | 8,588,002     | 3,223,887                | 2,142,941     | 14,419,300               | 10,730,943    |
| <b>Expenses:</b>                     |                         |               |                          |               |                          |               |
| General Government                   | 2,683,677               | 1,136,428     | -                        | -             | 2,683,677                | 1,136,428     |
| Public Safety                        | 534,330                 | 1,395,972     | -                        | -             | 534,330                  | 1,395,972     |
| Public Works & Streets               | 807,109                 | 1,399,796     | -                        | -             | 807,109                  | 1,399,796     |
| Parks, Recreation & Culture          | 588,295                 | 869,699       | -                        | -             | 588,295                  | 869,699       |
| Interest on Long-term Debt           | 7,214                   | 6,411         | -                        | -             | 7,214                    | 6,411         |
| Electric                             | -                       | -             | 1,425,242                | 1,269,945     | 1,425,242                | 1,269,945     |
| Water and Sanitation                 | -                       | -             | 1,513,984                | 1,447,073     | 1,513,984                | 1,447,073     |
| Sewer                                | -                       | -             | -                        | -             | -                        | -             |
| Property                             | -                       | -             | -                        | -             | -                        | -             |
| Total Expenses                       | 4,620,625               | 4,808,306     | 2,939,226                | 2,717,018     | 7,559,851                | 7,525,324     |
| Increase or Decrease in Net Position | 6,574,788               | 3,779,696     | 284,661                  | (574,077)     | 6,859,449                | 3,205,619     |
| Net Position, Beginning              | 24,495,285              | 20,715,589    | 12,653,080               | 13,227,157    | 37,148,365               | 33,942,746    |
| Net Position, Ending                 | \$ 31,070,073           | \$ 24,495,285 | \$ 12,937,741            | \$ 12,653,080 | \$ 44,007,814            | \$ 37,148,365 |

**Proprietary (Business-type) activities** - Business-type activities increased the Town of Lyons net position by \$284,661 in 2015. The flat rate schedule adopted by the Municipal Energy Association of Nebraska (M.E.A.N.) in 2014 reduced the volatility of electric purchases in 2015. This, along with a rate increase, helped the Electric Fund improve their financial position. The town is getting more interest in customer generated electricity and is working on policies and procedures to make this cost effective for both parties.

The Town is near completion on a new Waste Water Treatment Plant (WWTP) at its current location. The new system will be a sequence batch reactor with ultraviolet disinfection. Honeywell and Filanc/Frchetti were contracted to design and build the plant under a performance contract. It was anticipated to be complete in October 2015 with an extended outfall being built in 2016. As of December 31, 2015 it is not yet complete.

## **Financial Analysis of the Town's Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental funds – The focus of the Town of Lyons governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the town's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the town include the General Fund; Grants Fund; Parks, Recreation and Cultural Fund; and a Special Revenue Fund.

As of December 31, 2015 the town's governmental funds reported combined ending fund balances of \$4,797,759 an increase of \$2,298,780 over the previous year. This increase primarily reflects revenues and other financing sources in the grant funds. The deferred inflows of resources – the unavailability of grant resources (mainly flood cost reimbursement but some property taxes) increased \$1,437,270.

The general fund is the chief operating fund of the Town of Lyons. At the end of the fiscal year, unassigned fund balance of the general fund was \$546,894, while total fund balance reached \$911,501. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26% of total general fund expenditures, while total fund balance represents 43% percent of that same amount.

Proprietary funds – the Town of Lyons' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

As of December 31, 2015 the unrestricted net position of the Electric Fund was \$208,135. The Water and Sanitation Fund was \$2,865,893. The total increase in net position for all proprietary funds was \$284,661 due mainly to intergovernmental income in the Water and Sanitation Fund. Other factors concerning the finances of the proprietary funds have already been discussed in the Town of Lyons' business-type activities.

### General Fund Budgetary Highlights

Actual revenue compared to the budget was \$551,538 higher than budgeted (134%). Almost all revenue categories were higher than expected. The revenues that came in over budget include property tax, specific ownership tax, sales tax, use tax, licenses and permits, intergovernmental, rental income, contributions and donations, and other income. Expenditures were under final budget at approximately 99.8% of budget (\$2,107,250 actual to \$2,112,254 final budget).

The year of 2015 was highlighted by flood recovery work, temporary and permanent improvements to infrastructure and navigating the federal and state regulations regarding flood-related documentation and reimbursements. Staffing needs were greatly increased and the State funded 14 positions for a two year period to assist with the recovery. This resulted in the need to add additional space for staff.

The Town leased a building on Main Street and referenced it as Town Hall Annex. In addition, with the Depot Library being totally damaged by the flood, space on Main Street was also leased for a temporary library.

TOWN OF LYONS, COLORADO  
STATEMENT OF NET POSITION  
DECEMBER 31, 2015

|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>         |
|---|------------------------------------|-------------------------------------|----------------------|
| <u>Assets</u>                                   |                                    |                                     |                      |
| Cash and cash equivalents                       | \$ 4,313,440                       | \$ 6,378,465                        | \$ 10,691,905        |
| Restricted cash and cash equivalents            | -                                  | 256,439                             | 256,439              |
| Receivables                                     | 928,441                            | 656,684                             | 1,585,125            |
| Due from other governments                      | 6,119,318                          | -                                   | 6,119,318            |
| Property tax receivable                         | 499,722                            | -                                   | 499,722              |
| Internal balances                               | 2,571,886                          | (2,571,886)                         | -                    |
| Prepaid expenses                                | 570                                | -                                   | 570                  |
| Inventories                                     | -                                  | 94,595                              | 94,595               |
| Revolving loan funds receivable                 | 95,000                             | -                                   | 95,000               |
| Capital assets not being depreciated            |                                    |                                     |                      |
| Land, water rights and construction in progress | 23,185,629                         | 8,239,391                           | 31,425,020           |
| Capital assets, net of accumulated depreciation |                                    |                                     |                      |
| Buildings                                       | 350,128                            | -                                   | 350,128              |
| Improvements                                    | 2,923,531                          | -                                   | 2,923,531            |
| Plant and systems                               | -                                  | 9,238,684                           | 9,238,684            |
| Equipment                                       | 334,577                            | 191,625                             | 526,202              |
|   | <u>41,322,242</u>                  | <u>22,483,997</u>                   | <u>63,806,239</u>    |
| <b>Total Assets</b>                             |                                    |                                     |                      |
| <u>Liabilities</u>                              |                                    |                                     |                      |
| Current liabilities                             |                                    |                                     |                      |
| Accounts payable and other current liabilities  | 2,732,028                          | 1,048,692                           | 3,780,720            |
| Other current liabilities                       | 324,437                            | 58,305                              | 382,742              |
| Deposits  | -                                  | 13,026                              | 13,026               |
| Due within one year                             | 175,067                            | 575,636                             | 750,703              |
| Due in more than one year                       | 6,520,915                          | 7,850,597                           | 14,371,512           |
|   | <u>9,752,447</u>                   | <u>9,546,256</u>                    | <u>19,298,703</u>    |
| <b>Total Liabilities</b>                        |                                    |                                     |                      |
| <u>Deferred Inflows of Resources</u>            |                                    |                                     |                      |
| Unavailable resources property taxes            | 499,722                            | -                                   | 499,722              |
|   | <u>499,722</u>                     | <u>-</u>                            | <u>499,722</u>       |
| <b>Total Deferred Inflows of Resources</b>      |                                    |                                     |                      |
| <u>Net Position</u>                             |                                    |                                     |                      |
| Net investment in capital assets                | 26,629,255                         | 9,372,561                           | 36,001,816           |
| Restricted                                      |                                    |                                     |                      |
| Debt service                                    | -                                  | 387,541                             | 387,541              |
| Capital outlay                                  | -                                  | 103,611                             | 103,611              |
| Parks and open space                            | 197,217                            | -                                   | 197,217              |
| Grant expenditures                              | 3,501,015                          | -                                   | 3,501,015            |
| Unrestricted                                    | 742,586                            | 3,074,028                           | 3,816,614            |
|   | <u>\$ 31,070,073</u>               | <u>\$ 12,937,741</u>                | <u>\$ 44,007,814</u> |
| <b>Total Net Position</b>                       |                                    |                                     |                      |

The accompanying notes are an integral part of these financial statements.

TOWN OF LYONS, COLORADO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

| Function/Programs              | Expenses     | Program Revenues     |   |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                |
|--------------------------------|--------------|----------------------|---|----------------------------------|---|--------------------------|----------------|
|                                |              | Charges for Services | Operating Grants and Contributions                    | Capital Grants and Contributions | Governmental Activities                           | Business-Type Activities | Total          |
| Governmental activities        |              |                      |   |                                  |   |                          |                |
| General government             | \$ 2,683,677 | \$ 127,165           | \$ 1,054,741  | \$ 25,294                        | \$ (1,476,477)                                    | \$ -                     | \$ (1,476,477) |
| Public safety                  | 534,330      | 131,388              | 43,009  | -                                | (359,933)   | -                        | (359,933)      |
| Public works and streets       | 807,109      | -                    | 153,137   | 3,111,750                        | 2,457,778   | -                        | 2,457,778      |
| Parks, recreation and cultural | 588,295      | 199,994              | 22,515  | 3,328,889                        | 2,963,103   | -                        | 2,963,103      |
| Interest                       | 7,214        | -                    | -   | -                                | (7,214)   | -                        | (7,214)        |
| Total governmental activities  | 4,620,625    | 458,547              | 1,273,402   | 6,465,933                        | 3,577,257   | -                        | 3,577,257      |
| Business-type activities       |              |                      |   |                                  |   |                          |                |
| Electric                       | 1,425,242    | 1,395,365            | -   | 31,499                           | -   | 1,622                    | 1,622          |
| Water and Sanitation           | 1,513,984    | 1,250,541            | -   | 540,274                          | -   | 276,831                  | 276,831        |
| Total business-type activities | 2,939,226    | 2,645,906            | -   | 571,773                          | -   | 278,453                  | 278,453        |
| Total primary government       | \$ 7,559,851 | \$ 3,104,453         | \$ 1,273,402  | \$ 7,037,706                     | 3,577,257   | 278,453                  | 3,855,710      |
|                                |              |                      | General revenues                                      |                                  |   |                          |                |
|                                |              |                      | Property taxes  |                                  | 424,089   | -                        | 424,089        |
|                                |              |                      | Sales and use taxes                                   |                                  | 1,058,537   | -                        | 1,058,537      |
|                                |              |                      | Ownership taxes                                       |                                  | 25,520  | -                        | 25,520         |
|                                |              |                      | Other taxes and fees                                  |                                  | 52,998  | -                        | 52,998         |
|                                |              |                      | Unrestricted investment earnings                      |                                  | 1,769   | 6,208                    | 7,977          |
|                                |              |                      | Intergovernmental                                     |                                  | 78,361  | -                        | 78,361         |
|                                |              |                      | Other income  |                                  | 583,262   | -                        | 583,262        |
|                                |              |                      | Total general revenues                                |                                  | 2,224,536   | 6,208                    | 2,230,744      |
|                                |              |                      | Extraordinary gain                                    |                                  | 772,995   | -                        | 772,995        |
|                                |              |                      | Total general revenues, transfers extraordinary gains |                                  | 2,997,531   | 6,208                    | 3,003,739      |
|                                |              |                      | Change in net position                                |                                  | 6,574,788   | 284,661                  | 6,859,449      |
|                                |              |                      | Net position, beginning                               |                                  | 24,495,285  | 12,653,080               | 37,148,365     |
|                                |              |                      | Net position, ending                                  |                                  | \$ 31,070,073                                     | \$ 12,937,741            | \$ 44,007,814  |

The accompanying notes are an integral part of these financial statements.

TOWN OF LYONS, COLORADO  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2015

|   | <u>Electric Fund</u> | <u>Water and<br/>Sanitation Fund</u> | <u>Totals</u>        |
|---|----------------------|--------------------------------------|----------------------|
| <u>Assets</u>                                   |                      |                                      |                      |
| Current assets                                  |                      |                                      |                      |
| Cash and cash equivalents                       | \$ 1,446,358         | \$ 4,932,107                         | \$ 6,378,465         |
| Restricted cash, cash equivalents               | 152,828              | 103,611                              | 256,439              |
| Accounts receivable                             | 137,272              | 519,412                              | 656,684              |
| Inventory, at cost                              | 28,192               | 66,403                               | 94,595               |
| Total current assets                            | <u>1,764,650</u>     | <u>5,621,533</u>                     | <u>7,386,183</u>     |
| Noncurrent assets                               |                      |                                      |                      |
| Capital assets not being depreciated            |                      |                                      |                      |
| Land, construction in progress and water rights | 49,215               | 8,190,176                            | 8,239,391            |
| Capital assets being depreciated                |                      |                                      |                      |
| Plant and systems                               | 3,210,226            | 10,960,994                           | 14,171,220           |
| Equipment                                       | 92,815               | 273,630                              | 366,445              |
| Plant, systems and equipment                    | <u>3,352,256</u>     | <u>19,424,800</u>                    | <u>22,777,056</u>    |
| Less accumulated depreciation                   | <u>(1,029,333)</u>   | <u>(4,078,023)</u>                   | <u>(5,107,356)</u>   |
| Capital assets, net of accumulated depreciation | <u>2,322,923</u>     | <u>15,346,777</u>                    | <u>17,669,700</u>    |
| Total Assets                                    | <u>4,087,573</u>     | <u>20,968,310</u>                    | <u>25,055,883</u>    |
| <u>Liabilities</u>                              |                      |                                      |                      |
| Current liabilities                             |                      |                                      |                      |
| Accounts payable                                | \$ 106,683           | \$ 942,009                           | \$ 1,048,692         |
| Due to other funds                              | 1,265,603            | 1,306,283                            | 2,571,886            |
| Accrued liabilities                             | 13,652               | 44,653                               | 58,305               |
| Customer deposits                               | 10,141               | 2,885                                | 13,026               |
| Compensated absences-current                    | 2,536                | 5,958                                | 8,494                |
| Revenue notes payable - current                 | 19,172               | 467,970                              | 487,142              |
| Revenue bonds payable - current                 | 80,000               | -                                    | 80,000               |
| Total current liabilities                       | <u>1,497,787</u>     | <u>2,769,758</u>                     | <u>4,267,545</u>     |
| Noncurrent liabilities                          |                      |                                      |                      |
| Compensated absences                            | 5,072                | 11,917                               | 16,989               |
| Notes payable                                   | 258,955              | 6,909,653                            | 7,168,608            |
| Bonds payable                                   | 665,000              | -                                    | 665,000              |
| Total noncurrent liabilities                    | <u>929,027</u>       | <u>6,921,570</u>                     | <u>7,850,597</u>     |
| Total Liabilities                               | <u>2,426,814</u>     | <u>9,691,328</u>                     | <u>12,118,142</u>    |
| <u>Net position</u>                             |                      |                                      |                      |
| Net investment in capital assets                | 1,299,796            | 8,072,765                            | 9,372,561            |
| Restricted for capital outlay                   | -                    | 103,611                              | 103,611              |
| Restricted for debt service                     | 152,828              | 234,713                              | 387,541              |
| Unrestricted                                    | <u>208,135</u>       | <u>2,865,893</u>                     | <u>3,074,028</u>     |
| Total Net Position                              | <u>\$ 1,660,759</u>  | <u>\$ 11,276,982</u>                 | <u>\$ 12,937,741</u> |

The accompanying notes are an integral part of these financial statements.

TOWN OF LYONS, COLORADO  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGE IN NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2015

|  | <u>Electric Fund</u> | <u>Water and<br/>Sanitation Fund</u> | <u>Totals</u>        |
|--|----------------------|--------------------------------------|----------------------|
| <u>Operating revenues</u>                                    |                      |                                      |                      |
| Charges for services   | \$ 1,379,494         | \$ 1,223,596                         | \$ 2,603,090         |
| Other  | 15,871               | 26,945                               | 42,816               |
| Total operating revenues                                     | <u>1,395,365</u>     | <u>1,250,541</u>                     | <u>2,645,906</u>     |
| <u>Operating expenses</u>                                    |                      |                                      |                      |
| Operations and maintenance                                   | 1,107,024            | 667,009                              | 1,774,033            |
| Administrative   | 158,913              | 259,210                              | 418,123              |
| Depreciation and amortization                                | 102,559              | 457,152                              | 559,711              |
| Total operating expenses                                     | <u>1,368,496</u>     | <u>1,383,371</u>                     | <u>2,751,867</u>     |
| Operating income (loss)                                      | <u>26,869</u>        | <u>(132,830)</u>                     | <u>(105,961)</u>     |
| <u>Non-operating revenues (expenses)</u>                     |                      |                                      |                      |
| Investment earnings  | 573                  | 5,635                                | 6,208                |
| Intergovernmental income                                     | -                    | 375,583                              | 375,583              |
| Interest on indebtedness                                     | <u>(56,746)</u>      | <u>(130,613)</u>                     | <u>(187,359)</u>     |
| Total Non-Operating Revenues<br>(Expenses)                   | <u>(56,173)</u>      | <u>250,605</u>                       | <u>194,432</u>       |
| Income (loss) before capital contributions,<br>and transfers | (29,304)             | 117,775                              | 88,471               |
| Capital contributions  | <u>31,500</u>        | <u>164,690</u>                       | <u>196,190</u>       |
| Change in net position                                       | 2,196                | 282,465                              | 284,661              |
| Net position, beginning of year                              | <u>1,658,563</u>     | <u>10,994,517</u>                    | <u>12,653,080</u>    |
| Net position, end of year                                    | <u>\$ 1,660,759</u>  | <u>\$ 11,276,982</u>                 | <u>\$ 12,937,741</u> |

The accompanying notes are an integral part of these financial statements.

TOWN OF LYONS, COLORADO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
DECEMBER 31, 2015

|  | Electric            | Water and<br>Sanitation Fund | Total               |
|--|---------------------|------------------------------|---------------------|
| <u>Cash flows from operating activities</u>  |                     |                              |                     |
| Receipts from customers and users  | \$ 1,361,463        | \$ 1,212,012                 | \$ 2,573,475        |
| Other services   | 15,871              | 26,945                       | 42,816              |
| Payments to suppliers and employees  | (1,326,513)         | (962,850)                    | (2,289,363)         |
| Net cash provided by operating activities  | <u>50,821</u>       | <u>276,107</u>               | <u>326,928</u>      |
| <u>Cash Flows from Noncapital Financing Activities</u>                                 |                     |                              |                     |
| Interfund borrowings   | <u>1,520,365</u>    | <u>(23,948)</u>              | <u>1,496,417</u>    |
| Net cash provided by (used for) noncapital financing activities                        | <u>1,520,365</u>    | <u>(23,948)</u>              | <u>1,496,417</u>    |
| <u>Cash flows from capital and related financing activities</u>                        |                     |                              |                     |
| Principal repayments   | (93,189)            | (366,857)                    | (460,046)           |
| Contributions from customers   | 31,499              | 164,689                      | 196,188             |
| Interest paid  | (56,041)            | (117,724)                    | (173,765)           |
| Intergovernmental capital grants   | -                   | 528,000                      | 528,000             |
| Purchase of fixed assets   | (10,845)            | (3,506,632)                  | (3,517,477)         |
| Net cash used for capital and related financing  | <u>(128,576)</u>    | <u>(3,298,524)</u>           | <u>(3,427,100)</u>  |
| <u>Cash flows from investing activities</u>  |                     |                              |                     |
| Change in restricted holdings  | -                   | 3,055,806                    | 3,055,806           |
| Interest earned  | 573                 | 5,635                        | 6,208               |
| Net cash used for investing activities   | <u>573</u>          | <u>3,061,441</u>             | <u>3,062,014</u>    |
| Net change in cash and equivalents   | 1,443,183           | 15,076                       | 1,458,259           |
| Cash and equivalents, beginning of year  | <u>3,175</u>        | <u>4,917,031</u>             | <u>4,920,206</u>    |
| Cash and equivalents, end of year  | <u>\$ 1,446,358</u> | <u>\$ 4,932,107</u>          | <u>\$ 6,378,465</u> |
| Operating income (loss)  | \$ 26,869           | \$ (132,830)                 | \$ (105,961)        |
| Adjustments to reconcile operating income to net cash provided by operating activities |                     |                              |                     |
| Depreciation   | 102,559             | 457,152                      | 559,711             |
| Purchase of inventory  | 1,608               | (53,751)                     | (52,143)            |
| Decrease (increase) in accounts receivable   | (14,429)            | (11,584)                     | (26,013)            |
| Decrease (increase) in accounts payable  | (65,786)            | 17,120                       | (48,666)            |
| Total adjustments  | <u>23,952</u>       | <u>408,937</u>               | <u>432,889</u>      |
| Net cash provided by operating activities  | <u>\$ 50,821</u>    | <u>\$ 276,107</u>            | <u>\$ 326,928</u>   |

The accompanying notes are an integral part of these financial statements.

TOWN OF LYONS, COLORADO  
NOTES TO FINANCIAL STATEMENTS

**NOTE 3 - CASH - RESTRICTED**

The Electric Fund revenue bond agreement contains a covenant provision requiring the Town to deposit restricted cash in the amount of \$118,638 as a bond reserve account. In addition, \$34,190 was contained in a bond sub-account restricted for debt service as of December 31, 2015.

The Water fund obtained an additional loan from the Colorado Water Resources and Power Development Authority of which they are currently holding \$103,611 to be used to fund future improvements.

**NOTE 4 - INTERNAL BALANCES**

During the year ended December 31, 2015 the following amounts were transferred to the grant fund to cover the Town's share of flood related costs by each fund.

|                           | <u>Transfer From<br/>Other Funds</u> | <u>Transfer To<br/>Other Funds</u> |
|---------------------------|--------------------------------------|------------------------------------|
| General Fund              | \$ -                                 | \$ 25,542                          |
| Grants Fund               | 32,914                               | -                                  |
| Water and Sanitation Fund | -                                    | 7,372                              |
|                           | \$ 32,914                            | \$ 32,914                          |
| Totals                    | \$ 32,914                            | \$ 32,914                          |

The following are the balances owed between funds as of December 31, 2015. All balances are expected to be repaid within one year.

|                                      | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|--------------------------------------|---------------------------------|-------------------------------|
| Major funds                          |                                 |                               |
| General Fund                         | \$ -                            | \$ 202,151                    |
| Grants Fund                          | 2,869,821                       | -                             |
| Parks, Recreation, and Cultural Fund | -                               | 82,741                        |
| Electric Fund                        | -                               | 1,268,229                     |
| Water and Sanitation Fund            | -                               | 1,318,914                     |
| Non-Major Funds                      |                                 |                               |
| Conservation Trust Fund              | 2,214                           | -                             |
|                                      | \$ 2,872,035                    | \$ 2,872,035                  |
| Totals                               | \$ 2,872,035                    | \$ 2,872,035                  |

TOWN OF LYONS, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG TERM DEBT (CONTINUED)

|                                 | Balance<br>1/1/15   | Advances         | Payments          | Balance<br>12/31/15 | Due Within<br>One Year |
|---------------------------------|---------------------|------------------|-------------------|---------------------|------------------------|
| <u>Business-type activities</u> |                     |                  |                   |                     |                        |
| 2003 Elec. Rev. Bonds           | \$ 820,000          | \$ -             | \$ 75,000         | \$ 745,000          | \$ 80,000              |
| 2006 Elec. Rev. Note            | 296,317             | -                | 18,189            | 278,127             | 19,172                 |
| 2003 CWRPDA Loan                | 2,544,479           | -                | 229,283           | 2,315,197           | 229,283                |
| 2013 CWRPDA Loan                | 5,200,000           | -                | 137,574           | 5,062,426           | 238,687                |
| Compensated absences            | 27,834              | 41,525           | 43,876            | 25,483              | 8,494                  |
|                                 | <u>\$ 8,888,630</u> | <u>\$ 41,525</u> | <u>\$ 503,922</u> | <u>\$ 8,426,233</u> | <u>\$ 575,636</u>      |

The Town has leases classified as capital leases on equipment with an original cost of \$257,132 and a book value of \$195,910. Future minimum obligations and the net present value of these minimum lease payments are as follows:

|   |                   |
|---|-------------------|
| <u>Year Ending December 31:</u>         |                   |
| 2016                                    | \$ 166,188        |
| Less amount representing interest       | <u>(1,578)</u>    |
| Present value of minimum lease payments | <u>\$ 164,610</u> |

- **Electric Fund – Revenue Bonds Payable**  
Revenue bonds in the amount of \$1,480,000 were issued October 15, 2003 for the purpose of constructing an electrical substation. The average coupon rate is 4.76% over twenty years with final payment on December 1, 2023. These bonds are payable from the revenues of the Electric Fund and do not represent a general obligation of the town. The balance on this bond at fiscal year-end is \$745,000.

In 2006, a revenue note was issued in the amount of \$412,000 in support of the same project. The rate on this note is 5.4% with a twenty-year term. The balance as of December 31, 2015 is \$278,127.

- **Water fund - loans payable**  
A loan agreement was approved June 1, 2003 with the Colorado Water Resources and Power Development Authority through the Drinking Water Revolving Fund in the principal amount of \$4,915,599 at 3.03% interest. Payments were due on February 1 and August 1 of each year, payable from the revenues of the Water and Sanitation Fund. Final payment was originally due on August 1, 2024.

This note was refinanced by the Colorado Water Resources and Power Authority in February 2013. The refinancing provided a present value savings of approximately 4.1% as a percentage of current outstanding loan principal. These anticipated refunding credits will be reduced against the Town's principal at the time the credit is issued. The balance remaining on December 31, 2015 is \$2,315,197.

TOWN OF LYONS, COLORADO  
NOTES TO FINANCIAL STATEMENTS

**NOTE 6 - LONG TERM DEBT (CONTINUED)**

The Town entered into a loan agreement with the Colorado Water Resources and Power Development Authority through the Drinking Water Revolving Fund, dated April 18, 2014, in the principal amount of \$5,200,000. \$3,200,000 of the loan balance bears interest at 2.00% interest while the balance or “green” portion is at 0%. Payments were due on May 1 and November 1 of each year, payable from the revenues of the Water and Sanitation Fund. Final payment is due on November 1, 2034. The balance remaining on December 31, 2015 is \$5,062,426.

The Water fund loan agreements with the Colorado Water Resources and Power Development Authority require three months operations and maintenance expenses be restricted for debt service. There is not a requirement under the agreement to hold these funds in separate cash accounts and amounts can be unrestricted equity. For purposes of the bond issue, the Water and Sanitation funds are combined. The required amount of restricted equity totals \$234,713 as of December 31, 2015.

Principal and interest payments on long term debt are due as follows:

| <u>Year</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|-------------|---------------------|---------------------|---------------------|
| 2016        | \$ 567,142          | \$ 150,960          | \$ 718,102          |
| 2017        | 576,514             | 136,504             | 713,018             |
| 2018        | 590,997             | 126,562             | 717,559             |
| 2019        | 605,596             | 115,767             | 721,363             |
| 2020        | 620,314             | 150,960             | 771,274             |
| 2021-2025   | 2,862,565           | 323,179             | 3,185,744           |
| 2026-2030   | 1,410,381           | 126,032             | 1,536,413           |
| 2031-2035   | 1,167,241           | 34,538              | 1,201,779           |
|             | <u>\$ 8,400,750</u> | <u>\$ 1,164,502</u> | <u>\$ 9,565,252</u> |

Interest expense for the year ended December 31, 2015 totaled \$187,359.

**NOTE 7 - EQUITY**

Net Position

As described in Note 1, net position in the Government-Wide Statement of Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments. At December 31, 2015 restrictions on the governmental activities net position totaled \$3,698,232. Restrictions on the net position of the business type activities totaled \$491,152.

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies, as well as matching obligations from the Town. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants.

TOWN OF LYONS, COLORADO  
ENTERPRISE FUNDS - SCHEDULE OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
DECEMBER 31, 2015

|   | Electric Fund      |                    |                  | Variance             |
|---|--------------------|--------------------|------------------|----------------------|
|   | Original<br>Budget | Final<br>Budget    | Actual           | With Final<br>Budget |
| <u>Revenues</u>                                 |                    |                    |                  |                      |
| Sales   | \$ 1,383,700       | \$ 1,383,700       | \$ 1,379,494     | \$ (4,206)           |
| Investment / tap fees                           | 27,000             | 27,000             | 31,500           | 4,500                |
| Investment earnings                             | 500                | 500                | 573              | 73                   |
| Other income                                    | 3,000              | 3,000              | 14,442           | 11,442               |
| Insurance proceeds                              | -                  | -                  | 1,429            | 1,429                |
| Total revenues                                  | <u>1,414,200</u>   | <u>1,414,200</u>   | <u>1,427,438</u> | <u>13,238</u>        |
| <u>Operating expenses</u>                       |                    |                    |                  |                      |
| Electric wholesale purchases                    | 875,000            | 925,000            | 940,334          | (15,334)             |
| Administrative                                  | 76,450             | 76,450             | 87,058           | (10,608)             |
| Personnel                                       | 44,650             | 44,650             | 45,859           | (1,209)              |
| Distribution and maintenance                    | 154,200            | 154,200            | 120,831          | 33,369               |
| Debt service                                    |                    |                    |                  |                      |
| Bond principal                                  | 87,257             | 87,257             | 93,189           | (5,932)              |
| Bond interest                                   | 61,858             | 61,858             | 56,746           | 5,112                |
| Allocated expenses                              | 68,105             | 68,105             | 71,855           | (3,750)              |
| Capital outlay                                  | 34,240             | 34,240             | 10,845           | 23,395               |
| Total expenses                                  | <u>1,401,760</u>   | <u>1,451,760</u>   | <u>1,426,717</u> | <u>25,043</u>        |
| Net income (loss)                               | <u>\$ 12,440</u>   | <u>\$ (37,560)</u> | 721              | <u>\$ 38,281</u>     |
| <u>Reconciliation to change in net position</u> |                    |                    |                  |                      |
| Add bond principal paid                         |                    |                    | 93,189           |                      |
| Add Capital outlay                              |                    |                    | 10,845           |                      |
| Less depreciation expense                       |                    |                    | (102,559)        |                      |
| Change in net position                          |                    |                    | <u>\$ 2,196</u>  |                      |

The accompanying notes are an integral part of these financial statements.

TOWN OF LYONS, COLORADO  
ENTERPRISE FUNDS - SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
DECEMBER 31, 2015

|   | Water and Sanitation Fund |                       |                   | Variance             |
|---|---------------------------|-----------------------|-------------------|----------------------|
|   | Original<br>Budget        | Final<br>Budget       | Actual            | With Final<br>Budget |
| <u>Revenues</u>                                 |                           |                       |                   |                      |
| Water sales                                     | \$ 1,314,008              | \$ 1,314,008          | \$ 1,211,520      | \$ (102,488)         |
| Water tap fees                                  | 156,000                   | 156,000               | 164,690           | 8,690                |
| Pipe water sales                                | 15,000                    | 15,000                | 12,076            | (2,924)              |
| Investment earnings                             | 2,000                     | 2,000                 | 5,635             | 3,635                |
| Intergovernmental                               | -                         | -                     | 375,583           | 375,583              |
| Miscellaneous                                   | 8,000                     | 8,000                 | 24,087            | 16,087               |
| Insurance proceeds                              | -                         | -                     | 2,858             | 2,858                |
| Total revenues                                  | <u>1,495,008</u>          | <u>1,495,008</u>      | <u>1,796,449</u>  | <u>301,441</u>       |
| <u>Expenses</u>                                 |                           |                       |                   |                      |
| Administration                                  | 210,527                   | 210,527               | 162,464           | 48,063               |
| Treatment services                              | 236,650                   | 236,650               | 240,540           | (3,890)              |
| Distribution salaries                           | 170,450                   | 170,450               | 158,346           | 12,104               |
| Distribution maintenance                        | 411,660                   | 411,660               | 268,123           | 143,537              |
| Capital outlay                                  | 36,355                    | 4,036,355             | 4,126,448         | (90,093)             |
| Debt service                                    |                           |                       |                   |                      |
| Principal                                       | 229,283                   | 229,283               | 366,857           | (137,574)            |
| Interest  | 80,499                    | 80,499                | 130,613           | (50,114)             |
| Allocated expenses                              | 90,807                    | 90,807                | 96,746            | (5,939)              |
| Total expenses                                  | <u>1,466,231</u>          | <u>5,466,231</u>      | <u>5,550,137</u>  | <u>(83,906)</u>      |
| Net income (loss)                               | <u>\$ 28,777</u>          | <u>\$ (3,971,223)</u> | (3,753,688)       | <u>\$ 217,535</u>    |
| <u>Reconciliation to change in net position</u> |                           |                       |                   |                      |
| Add bond principal paid                         |                           |                       | 366,857           |                      |
| Add Capital outlay                              |                           |                       | 4,126,448         |                      |
| Less depreciation expense                       |                           |                       | (457,152)         |                      |
| Change in net position                          |                           |                       | <u>\$ 282,465</u> |                      |

The accompanying notes are an integral part of these financial statements.

#### **(4) Pledged Property**

"Pledged Property" means the Net Revenues (as defined in this paragraph (4) of Exhibit A of this Loan Agreement) and all moneys on deposit from time to time in the Joint Water and Sanitation Fund; subject to the application of the Gross Revenue as provided in section II of the Governmental Agency's Ordinance No. 665.

"Net Revenues" for any period shall mean the Gross Revenue (as defined in this paragraph (4) of Exhibit A of this Loan Agreement) during such period minus Operation and Maintenance Expenses (as defined in this paragraph (4) of Exhibit A of this Loan Agreement) during such period.

"Gross Revenue" means all fees (including but not limited to user fees and plant investment fees), charges and revenues directly or indirectly derived by the Governmental Agency for the services furnished by, or use of, the System, or any part thereof, including all income attributable to any future dispositions of property or rights or related contracts, settlements, or judgments held or obtained in connection with the System or its operations; provided however, that there shall be excluded from Gross Revenue (a) moneys borrowed and used for providing Capital Improvements, (b) any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account pledged to the payment of any bonds or other obligations for the purpose of defeasing the same, and (c) any moneys received as grants or appropriations from the United States, the State of Colorado, or other sources, the use of which is limited or restricted by the grantor or donor to the provision of Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom.

"Operation and Maintenance Expenses" shall mean, for any particular period, all reasonable and necessary current expenses of the Governmental Agency, paid or accrued, for operating, maintaining, and repairing the System, provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance or transfers for depreciation, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations issued to provide Capital Improvements, and charges for the accumulation of reserves.

"Capital Improvements" means the acquisition of land, water or water rights, easements, facilities, and equipment (other than

ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions, for use by or in connection with the System which, under Generally Accepted Accounting Principles for governmental units as prescribed by the Governmental Accounting Standards Board, are properly chargeable as capital items.

"Joint Water and Sewer Enterprise Fund" means, collectively, the Governmental Agency's Water Enterprise Fund and Sewer Enterprise Fund which are used to account for the financial operations of the Water and Sewer Enterprise, and any additional funds established hereafter for such purpose.

"Generally Accepted Accounting Principles" shall mean accounting principles, methods and terminology followed and construed for utilities and enterprises of governmental units, as established by the Governmental Accounting Standards Board, as amended from time to time.

(5) Rate Covenant

The Governmental Agency shall establish and collect rates and charges for the use or the sale of the products and services of the System, which together with other moneys available therefor (exclusive of any unappropriated fund balances), are expected to produce Gross Revenue (as defined in paragraph (4) of this Exhibit A to this Loan Agreement) for each calendar year which will be at least sufficient for such calendar year to pay the sum of:

(a) all amounts estimated to be required to pay Operation and Maintenance Expenses (as defined in paragraph (4) of this Exhibit A of this Loan Agreement) during such calendar year;

(b) a sum equal to 110% of the debt service due on the Governmental Agency Bond for such calendar year and debt service coming due during such calendar year on any Parity Lien Obligations, in each case computed as of the beginning of such calendar year;

(c) the amount, if any, to be paid during such calendar year into any debt service reserve account established in connection with any Parity Lien Obligations;

(d) a sum equal to the debt service on any subordinated debt for such calendar year computed as of the beginning of such calendar year; and

(e) amounts necessary to pay and discharge all charges and liens currently payable out of the Revenues during such calendar year.

(6) Special Provision Regarding Net Revenues

No provision of this Exhibit A or the Loan Agreement shall be construed to prohibit the Governmental Agency from spending amounts described in paragraph "Fourth" of Section 11(a) of the Governmental Agency's Ordinance 665 for capital improvements or any other expense of the System as set forth in, and subject to the limitations of such paragraph.

## EXHIBIT A

### (1) **Description of the Project**

The project consists of upgrades to the existing wastewater treatment plant to a full sequencing batch reactor system.

### (2) **Description of the System**

"System" shall mean, (i) any facility, plant, works, system, building, structure, improvement, machinery, equipment, fixture or other real or personal property, relating to the collection, treatment, storage and distribution of water or the collection, treatment, transmission and disposal of wastewater that is owned, operated or controlled by the Governmental Agency, including, without limitation, the Project (ii) any renewal, replacement, addition, modification or improvement to (i) above, and (iii) all real or personal property and rights therein and appurtenances thereto necessary or useful or convenient for the effectiveness of the purposes of the Governmental Agency in the transmission, treatment, storage and distribution of water or the collection, treatment, transmission and disposal of wastewater.

### (3) **Pledged Property**

The Pledged Property shall consist of Net Revenue, as defined below:

"Net Revenue" means the Gross Revenue after deducting the Operation and Maintenance Expenses.

"Gross Revenue" means all income and revenues directly or indirectly derived by the Governmental Agency from the operation and use of the System, or any part thereof, including without limitation, any rates, fees (including without limitation plant investment fees and availability fees), and charges for the services furnished by, or the use of, the System, and all income attributable to any past or future dispositions of property or rights, or related contracts, settlements, or judgments held or obtained in connection with the System or its operations, and including investment income accruing from such moneys; provided however, that there shall be excluded from Gross Revenue: ad valorem property taxes; any moneys borrowed and used for providing Capital Improvements; any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account, pledged to the payment of any bonds or other obligations; and any moneys received as grants or appropriations from the United States, the State of Colorado or other sources, the use of which is limited or restricted by the grantor or donor to the provision of Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom. Notwithstanding anything contained above, amounts deposited in a rate stabilization account shall not be deemed Gross Revenue in the calendar year deposited

and amounts withdrawn from the rate stabilization account shall be deemed Gross Revenue in the year withdrawn.

“*Capital Improvements*” means the acquisition of land, easements, facilities and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions, for use by, or in connection with, the System.

“*Operation and Maintenance Expenses*” means all reasonable and necessary current expenses of the Governmental Agency, paid or accrued, for operating, maintaining and repairing the System, including without limitation legal and overhead expenses of the Governmental Agency directly related to the administration of the System, insurance premiums, audits, professional services, salaries and administrative expenses, labor and the cost of materials and supplies for current operation; provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance for depreciation, payments in lieu of taxes or franchise fees, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations, and expenses that are otherwise paid from ad valorem property taxes.

## EXHIBIT F

### ADDITIONAL COVENANTS AND REQUIREMENTS

#### (1) Rate Covenant

The Governmental Agency shall establish and collect such rates, fees, and charges for the use or the sale of the products and services of the System as, together with other moneys available therefor, are expected to produce Gross Revenue (as defined in Paragraph (3) of Exhibit A to this Loan Agreement) for each calendar year that will be at least sufficient for such calendar year to pay the sum of:

- (a) all amounts estimated to be required to pay Operation and Maintenance Expenses (as defined in Paragraph (3) of Exhibit A of this Loan Agreement) during such calendar year;
- (b) a sum equal to 110% of the debt service due on the Governmental Agency Bond for such calendar year and debt service coming due during such calendar year on any obligations secured by a lien on the Pledged Property which lien is on a parity with the lien of this Loan Agreement on the Pledged Property, in each case computed as of the beginning of such calendar year;
- (c) the amount, if any, to be paid during such calendar year into any debt service reserve account in connection with any obligations secured by a lien on the Pledged Property which lien is on a parity with the lien of this Loan Agreement on the Pledged Property;
- (d) a sum equal to the debt service on any obligations secured by a lien on the Pledged Property which lien is subordinate to the lien of this Loan Agreement on the Pledged Property for such calendar year computed as of the beginning of such calendar year; and
- (e) amounts necessary to pay and discharge all charges and liens or other indebtedness not described above payable out of the Gross Revenue during such calendar year.

Notwithstanding anything contained above, amounts deposited in a rate stabilization account shall not be deemed Gross Revenue (as defined in Paragraph (3) of this Exhibit A to this Loan Agreement) in the calendar year deposited and amounts withdrawn from the rate stabilization account shall be deemed Gross Revenue (as defined in Paragraph (3) of this Exhibit A to this Loan Agreement) in the year withdrawn.

#### (2) Rate Study.

In the event that Gross Revenue collected during a fiscal year is not sufficient to meet the requirements set forth in the Rate Covenant contained in Paragraph (1) of this Exhibit F to the Loan Agreement, the Governmental Agency shall, within 90 days of the end of such fiscal year, cause an independent firm of accountants or consulting engineers, to prepare a rate study for the purpose of recommending a schedule of rates, fees, and charges for the use of the System that, in the opinion of the firm conducting the study will be sufficient to provide Gross Revenue to be collected in the next succeeding fiscal year that will provide compliance with the Rate Covenant described in Paragraph (1) of this Exhibit F to this Loan Agreement. Such a study shall be delivered to the Authority. The Governmental Agency shall within six months of receipt of such study, adopt rates, fees, and charges for the use of the System, based upon the recommendations contained in such study, that

provide compliance with said Rate Covenant. Notwithstanding the foregoing, the Authority may, from time to time, in its sole and absolute discretion and pursuant to such terms and restrictions it may specify, waive in writing the requirement that a rate study be performed by the Governmental Agency.

### **(3) Additional Bonds.**

**(A) Senior Lien Bonds.** The Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge, on the Pledged Property that is superior to the lien or charge of this Loan Agreement on the Pledged Property.

**(B) Parity Lien Bonds.** The Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge, on the Pledged Property that is on a parity with the lien or charge of this Loan Agreement on the Pledged Property, unless the Governmental Agency certifies to the Authority that Net Revenue (as defined in Paragraph (3) of Exhibit A to this Loan Agreement) for any 12 consecutive months out of the 18 months preceding the month in which such obligations are to be issued was at least equal to the sum of (a) 120% of the maximum annual debt service due in any one year on (i) this Loan Agreement and (ii) all other outstanding obligations of the Governmental Agency payable out of, or secured by a lien or charge on, the Pledged Property that is on a parity with the lien or charge of this Loan Agreement on the Pledged Property, and (iii) such proposed obligations to be issued, and (b) the maximum annual debt service due in any one year on all obligations payable out of, or secured by a lien or charge on the Pledged Property that is subordinate to the lien or charge of this Loan Agreement on the Pledged Property.

**(C) Subordinate Lien Bonds.** The Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge on, the Pledged Property that is subordinate to the lien or charge of this Loan Agreement on the Pledged Property, unless the Governmental Agency certifies to the Authority that for any 12 consecutive months out of the 18 months preceding the month in which such obligations are to be issued Net Revenue (as defined in Paragraph (3) of Exhibit A to this Loan Agreement) was at least 100% of the maximum annual debt service due in any one year on (a) all obligations outstanding during such period that are payable out of, or secured by a lien or charge on, the Pledged Property and (b) such proposed obligations to be issued.

**(D) Net Revenue Adjustment.** In calculating revenue coverage for purposes of the issuance of additional parity or subordinate lien bonds, the Governmental Agency may adjust Net Revenue to reflect any rate increases adopted in connection with the issuance of additional obligations by adding to the actual Net Revenue for the period examined an estimated sum equal to 100% of the estimated increase in Net Revenue that would have been realized during such period had the adopted rate increase been in effect during all of such period.

**(E) Refunding Bonds.** Notwithstanding the foregoing, the Governmental Agency may issue refunding obligations payable out of, or secured by a lien or charge on, the Pledged Property, without compliance with the requirements stated above, provided that the debt service payments on such refunding obligations do not exceed the debt service payments on the refunded obligations during any calendar year.

(5) A service charge may be charged by the Registrar to the Registered Owner for any exchange, transfer or registration of the Note (except upon the redemption of the Note) and the Registrar may require payment from the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto, other than exchanges expressly provided in this Ordinance to be made without expense or without charge to the Registered Owner.

#### SECTION 4. SALE OF NOTE.

A. Purchase and Sale. The Note shall be sold to NOSEC & CO., as nominee for Wells Fargo Brokerage Services, LLC, in the principal amount of \$412,000, plus accrued interest, if any, to the date of original issuance and sale of the Note.

#### SECTION 5. SECURITY FOR NOTE.

A. Security For Note. The validity of the Note shall neither be dependent on nor be affected by the validity or regularity of any proceedings relating to the Project or any part thereof. The Registered Owner of the Note, any associate thereof, and any subsequent Registered Owner of the Note shall in no manner be responsible for the application or disposal by the Issuer or by any of its officers, directors, agents and employees of the moneys derived from the sale of the Note or of any other moneys designated in this Section 5.

The Issuer assigns and pledges irrevocably the Net Revenues and all moneys and securities on deposit in the Electric Fund to the payment of the Debt Service Requirements for the Note as provided in this Ordinance. The proceeds of the Note are authorized herein to be used solely for the Project. This pledge assignment shall be valid and binding from and after the date of the first delivery of the Note. The lien on the Net Revenues granted hereby shall be on parity with the lien on Net Revenues in favor of the Bonds.

B. Electric Fund. The Electric Fund established in the 2003 Ordinance is hereby reaffirmed. There is hereby created and established within the Electric Fund, the following accounts:

- (i) the Parity Lien Bond Account; and
- (ii) the Parity Reserve Account.

The Parity Lien Bond Account is established to pay debt service on this Note, and should be funded from Net Revenues in the same manner as debt service on all other Parity Lien Bonds, in accordance with the flow of funds set up in the 2003 Ordinance.

C. Disposition of Proceeds. The proceeds of the Note, except the sums paid as accrued interest, if any, on the Note pursuant to Section 4A which are to be deposited in the Electric Fund pursuant to Section 5B and the proceeds of the Note to be deposited in the Parity Reserve Account pursuant to Section 5D, and after payment of the costs of issuing the Note, shall be used by the Issuer for the Project, and shall be transferred directly to Mountain National

Bank as payment in full for the Project. The Board hereby determines that the maturity of the Note does not exceed the estimated life of the Project.

D. Parity Reserve Account. Proceeds of the Note equal to \$34,190.00 shall be deposited in the Parity Reserve Account established under the Ordinance which authorized the Bonds (the "Bond Ordinance"). Such amount shall be equal to the Parity Reserve Amount required by the Bond Ordinance.

#### SECTION 6. GENERAL ADMINISTRATION OF FUNDS.

A. Places and Times of Deposits. Each of the special funds referred to in Section 5 hereof shall be maintained in a Commercial Bank as a book account and accounted for separate and apart from all other accounts or funds of the Issuer as trust accounts solely for the purposes herein designated therefor. For purposes of investment of moneys, nothing herein prevents the commingling of moneys accounted for in any two or more such book accounts pertaining to the Net Revenues or to such fund and any other funds of the Issuer to be established under this Ordinance. Such book accounts shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes of such funds or accounts. Each periodic payment shall be credited to the proper book account not later than the date therefor designated, except that when any such date shall be Saturday, a Sunday or a legal holiday of the State, then such payment shall be made on or before the next preceding business day.

B. Investment of Funds. Any moneys in any fund or account established by this Ordinance may be deposited, invested, or reinvested in any guaranteed investment contract, guaranteed interest contract, annuity contract, forward delivery contract, or funding agreement issued by the Issuer.

Securities or obligations purchased as an investment of moneys in any such fund shall be deemed at all times to be a part of the applicable fund; provided that the interest accruing on such investments and any profit realized therefrom and any loss resulting from such investments shall be credited or charged to the particular fund in question. The Issuer shall present for redemption or sale on the prevailing market any securities or obligations so purchased as an investment of moneys in a given fund whenever it shall be necessary to do so in order to provide moneys to meet any required payment or transfer from such fund. The Issuer shall have no obligation to make any investment or reinvestment hereunder, unless any moneys on hand and accounted for in any one account exceeds \$5,000 and at least \$5,000 therein will not be needed for a period of not less than sixty (60) days. In such event the Issuer shall invest or reinvest not less than substantially all of the amount which will not be needed during such sixty (60) day period, except for any moneys on deposit in an interest bearing account in a Commercial Bank, without regard to whether such moneys are evidenced by a certificate of deposit or otherwise, pursuant to this Section 6B and Section 6D; but the Issuer is not required to invest, or so to invest in such a manner, any moneys accounted for hereunder if any such investment would contravene the covenant concerning arbitrage in Section 8R hereof.