

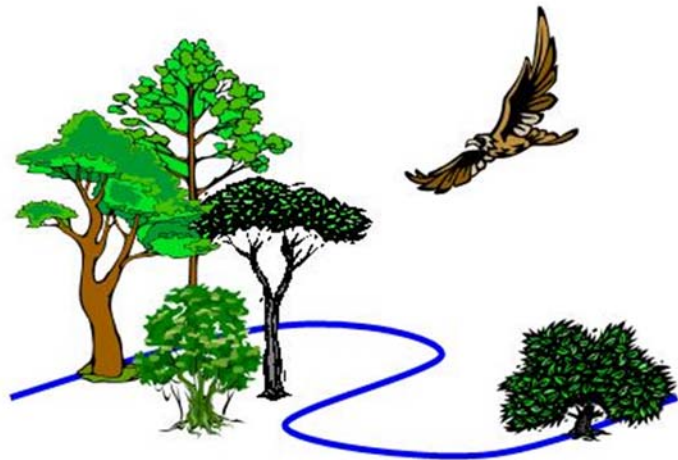
2015 Budget



Platte County Regional
Sewer District

414 State Route 273
Tracy, MO 64079

(816) 858-2052



Approved 12/10/2014

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Mission Statement

It is the Mission of PCRSD to protect the soil, water and the general environment of Platte County through continued efforts to eliminate improper disposal of wastewater, thus protecting and reclaiming property values.

District Board of Trustees

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Norm Beeman, Vice-Chairman

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Chris Barman, Trustee

Staff

Dan Koch, Executive Director

Shawn Burns, Assistant Director

Pam Todd, Billing Clerk

Kevin Schank, Treatment Facility Superintendent

Scott Jones, Treatment Facility Laborer

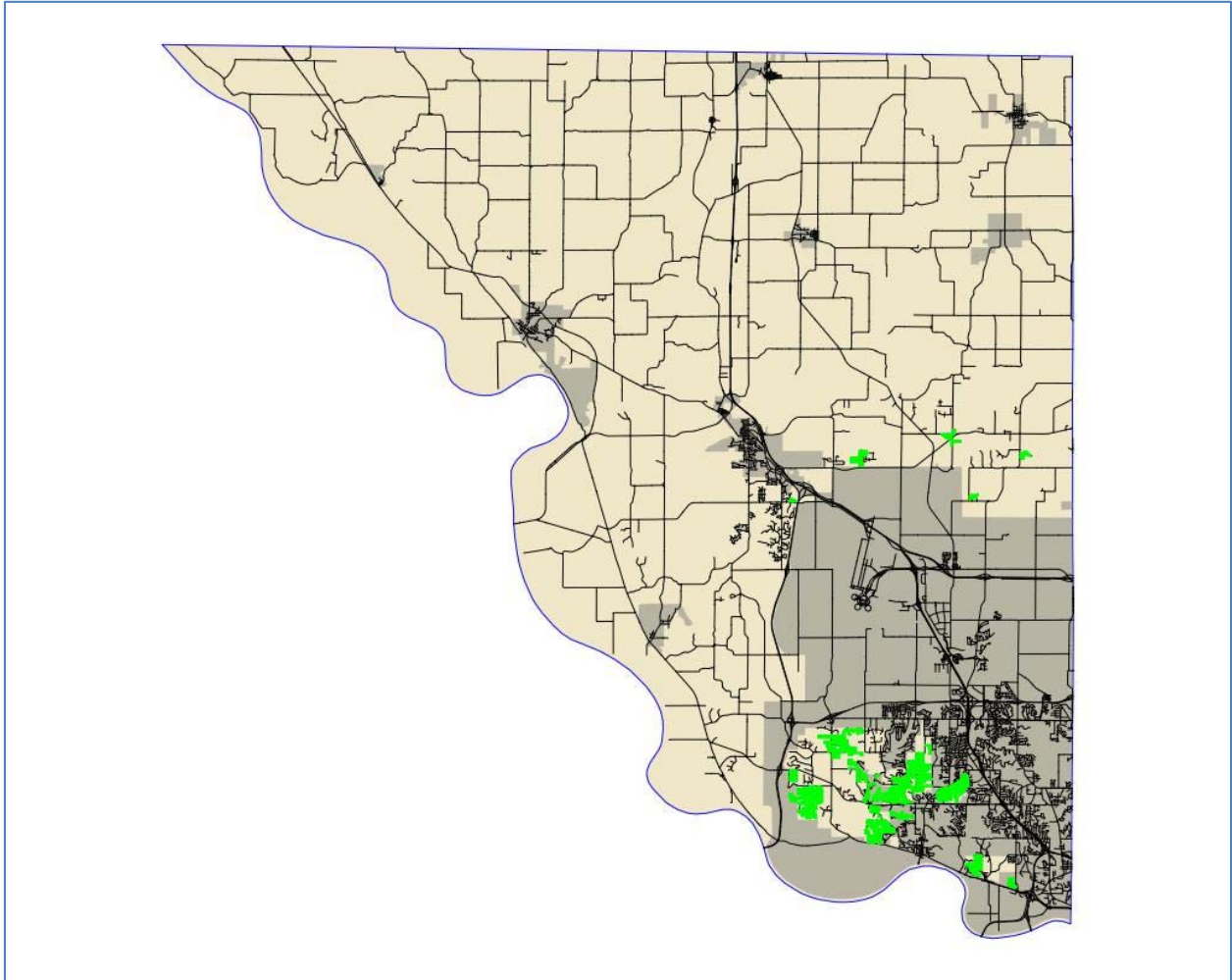
Mark Terry, Collection System Superintendent

Dennis Hudson, Collection System Laborer

About the District

The Platte County Regional Sewer District was formed in 1992 to collect and treat sewage in the county. The District serves over 4,100 customers in neighborhoods highlighted in green in Figure 1 below. Service is provided through the operation and maintenance of four wastewater treatment facilities, 20 pump stations, and 63 miles of sewer lines. The District also provides wastewater treatment for the Blair Heights neighborhood and parts of Kansas City, Missouri.

Figure 1: PCRSD Service Areas



Treatment Facilities

The District operates and maintains four wastewater treatment facilities (WWTF): Brush Creek WWTF, Red Rock WWTF, South Gale WWTF, and Alan Acres WWTF. The Brush Creek WWTF is the largest facility and treats all customers south of Highway 152. Originally built in 1996, it was expanded in 2006 to increase capacity and comply with the latest Missouri Department of Natural Resources regulations. The facility can treat up to 2,000,000 gallons of wastewater a day. It is an activated sludge facility that uses organisms to break down the sewage.

The remaining plants are smaller and serve individual neighborhoods. Alan Acres is an activated sludge plant, just like Brush Creek, and serves 17 residences. The Red Rock and South Gale facilities use a combination of septic tanks and a re-circulating sand filter to treat the wastewater. The residential septic tanks initially treat the sewage and then send it to the plant for additional treatment. Each facility currently serves between 25 and 50 customers. In 2013, the Red Rock and South Gale facilities underwent capital improvements to comply with the operating permits. The sand filter media at Red Rock was replaced with a synthetic media that uses less space and will last for the next 30 years. At the South Gale WWTF, an ultra-violet (UV) disinfection system was installed and the outfall extended to a nearby pond.



Figure 2: Replacement media installed at Red Rock WWTF in 2013

Collection System

The District operates and maintains over 63 miles of sewer lines and 20 pump stations. For most of the District’s service areas, the sewer lines use gravity to move the sewage to the nearest pump station or treatment facility. The remaining lines are force mains that use pressurized air to push the sewage. Property owners connected to pressure lines have grinder pumps installed to facilitate this process. From the lines, the sewage travels to the pump station, where it is pumped into another line and taken to the nearest treatment facility.

All of the District’s pump stations and treatment facilities have remote telemetry units (RTUs) equipped. These units provide real-time monitoring of pump station activity and warning alarms. Staff can check the status of any station from a computer or smart phone and are notified immediately of any alarm, such as a power outage or pump failure, via an email or telephone call. These units also record and maintain data that is useful in examining long-term trends.

The District began a comprehensive Sanitary Sewer Evaluation Study (SSES) in 2011. Each year, specific neighborhoods and sewer lines were inspected and given a condition rating for repairs. This information was used to identify deficiencies and most effectively utilize District resources. In 2014, the District completed its fourth phase after studying the Rush Creek Interceptor and areas suspected of experiencing hydrogen sulfide corrosion. The annual findings were incorporated into the Capital Improvement Plan (CIP) Fund Budget and Appendix A.



Figure 3: A manhole with severe corrosion discovered during the SSES. It is scheduled to be rehabilitated in 2014.

2014 in Review

Here is an overview of the key changes in 2014:

- **Sanitary Sewer Repairs Phase 2**

The second phase of sewer repairs focused on rehabilitating manholes. These manholes were becoming structurally compromised from hydrogen sulfide corrosion. The rehabilitation process restored the dissolved concrete and installed an epoxy coating that would prevent future corrosion.

- **Pump Station replacements and rehabilitations**

The Hampton Road pump station control panel was replaced to bring the station up to the District's design standards.

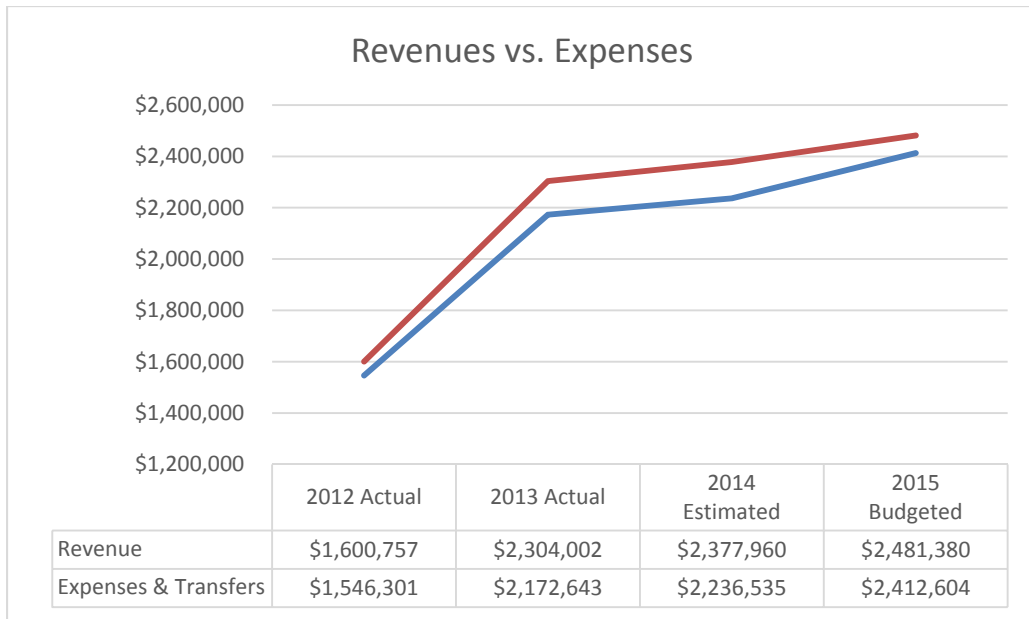
- **Misty Springs WWTF Decommissioned**

The Misty Springs WWTF was officially decommissioned and repurposed into an elevated slab for the property owner.

Operating Fund

Overview

The Operating Fund is comprised of the District’s activities necessary to operate and maintain the collection system. Those activities include wastewater treatment, system maintenance, inspections & line locations, billing & collections, and customer service. Below is a line graph detailing the operating revenue and expenses since 2012:



Revenue

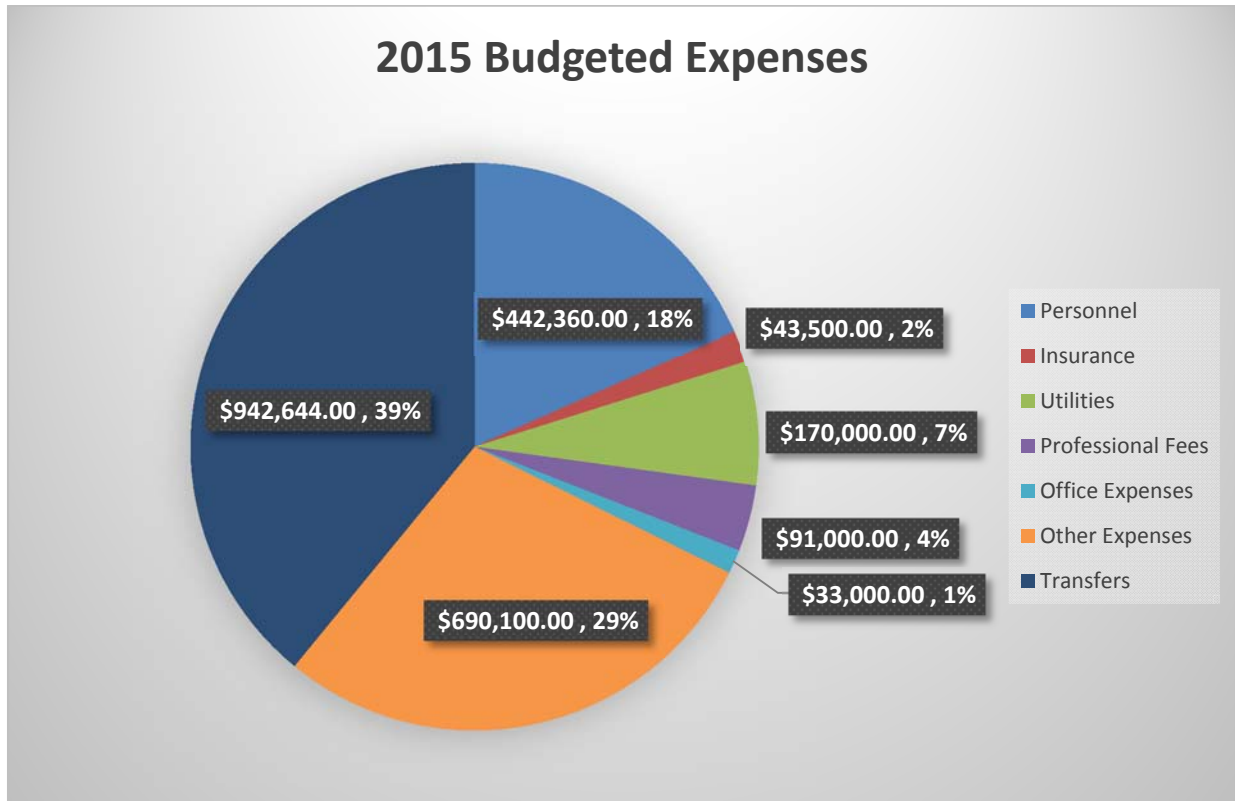
The District anticipates \$2,481,380 in revenue for 2015. Sewer user charges continue to be the single largest source representing almost 97 percent of operating revenue. The remaining 3 percent is comprised of late fees/penalties, reimbursements, and interest income. The total revenue reflects a 3.2 percent increase over the 2014 Budget. The new sewer rate, approved by the Board of Trustees, will go into effect in 2015. The old and new rates are compared in the table below based on an assumed use of 4,000 gallons:

	2014 Rate	2015 Rate	Percent Change
Base	\$ 26.22	\$ 27.00	2.97%
Rate per 1,000 gal	3.75	3.86	2.93%
Total	\$ 41.22	\$ 42.44	2.96%

A customer’s bill is calculated using the “winter average.” The water used during the months of January, February, and March are collected and an average monthly use is obtained. These months are used to avoid charging customers for water used for outdoor purposes that do not generate wastewater. The average is then applied to the rate formula above and establishes the monthly amount billed throughout the year.

Expenses & Transfers

The District budget includes \$1,469,960 for expenses and transfers out at \$942,644. The operating expenses reflect an increase of 4.6 percent from 2014. Most of the increase is the result of Kansas City Water Services treatment charges, which are expected to increase 15 percent during the year. The expenses are divided into six categories and analyzed in the chart below:



A transfer of \$769,000 will be made from the Operating Fund to the Debt Service Fund in 2015. This amount covers the 2015 debt service obligations for system-wide projects and improvements. The District will also transfer \$173,644 from the Operating Fund to the Capital Improvement Plan (CIP) Fund. This transfer helps fund the CIP to correct defects discovered during the SSES and address upgrades required to comply with DNR permits and regulations. By taking this proactive approach, the District may rely less on debt and save money on interest payments and borrowing costs.

2015 Operating Budget

	2012 Actual	2013 Actual	2014 Estimated	2013 Budgeted	2014 Budgeted	2015 Budgeted	% Change
Estimated Beginning Balance						141,425	
Revenue							
User Charges	1,561,237	2,237,055	2,329,860	2,177,400	2,329,200	2,401,000	3.0%
Penalties & Late Fees	16,250	24,964	28,000	17,000	21,000	21,000	0.0%
Inspection Fees	-			-	3,780	3,780	0.0%
Collection Fees	8,686	11,528	11,000	7,500	12,000	18,000	33.3%
Reimbursements	6,346	22,764	1,500	15,000	30,000	30,000	0.0%
Interest Income	8,238	7,691	7,600	7,200	7,000	7,600	7.9%
Total Revenue	1,600,757	2,304,002	2,377,960	2,224,100	2,402,980	2,481,380	3.2%
Expenses							
Personnel							
Salaries & OT	349,707	354,714	331,000	360,000	350,000	338,000	-3.6%
Payroll Taxes	28,129	29,974	30,000	27,540	31,000	30,000	-3.3%
Employee Benefits	44,344	40,540	46,000	51,500	48,000	51,760	7.3%
Board Expenses	4,842	4,755	6,000	7,000	6,000	6,000	0.0%
Uniforms	1,658	1,182	2,500	3,000	3,000	3,000	0.0%
Professional Development	1,657	5,118	7,000	10,000	10,000	10,000	0.0%
Mileage Reimbursement	2,597	3,238	3,500	3,600	3,600	3,600	0.0%
Total Personnel	432,934	439,521	426,000	462,640	451,600	442,360	-2.1%
Insurance							
Hazard, Liability, & Vehicle	36,479	34,373	32,466	35,000	38,000	36,000	-5.6%
Unemployment	-						
Workers Compensation	5,705	6,296	6,894	6,000	6,900	7,500	8.0%
Total Insurance	42,184	40,669	39,360	41,000	44,900	43,500	-3.2%
Utilities							
Electricity	124,311	137,882	144,000	132,000	135,000	148,000	8.8%
Water/Sewer	2,234	2,487	2,500	2,800	3,000	3,000	0.0%
Telephone	17,980	23,740	19,000	21,000	19,000	19,000	0.0%
Total Utilities	144,525	164,109	165,500	155,800	157,000	170,000	7.6%
Professional Fees							
Attorney	10,427	27,935	5,000	25,000	45,000	45,000	0.0%
Engineer	20,153	10,528	20,000	20,000	20,000	24,000	16.7%
Accounting/Payroll	4,501	(262)	1,500	5,000	2,000	2,000	0.0%
Auditor	26,780	27,500	19,000	28,000	28,000	20,000	-40.0%
Total Professional Fees	61,861	65,701	45,500	78,000	95,000	91,000	-4.4%

	2012 Actual	2013 Actual	2014 Estimated	2013 Budgeted	2014 Budgeted	2015 Budgeted	% Change
Office Expenses							
Office Supplies	1,842	1,448	4,500	5,000	4,000	5,000	20.0%
Information Technology	13,782	6,394	14,000	11,000	20,000	10,500	-90.5%
Postage	13,551	10,997	13,000	14,000	14,000	14,000	0.0%
Printing/Public Notices	3,946	3,019	3,200	4,000	3,500	3,500	0.0%
Total Office Expenses	33,121	21,858	34,700	34,000	41,500	33,000	-25.8%
Other Expenses							
Missouri One Call	3,250	3,803	4,000	3,750	3,600	4,000	10.0%
DNR Fees	2,060	3,312	2,600	3,630	3,600	3,600	0.0%
Laboratory	8,345	7,466	8,500	9,000	7,000	7,500	6.7%
Outside Treatment	309,680	344,522	391,000	341,000	392,000	448,000	12.5%
Maintenance	277,182	201,093	180,000	165,000	175,000	190,000	7.9%
Service Vehicles	40,117	16,903	18,000	19,500	18,500	19,000	2.6%
Administration Building	31,542			-			
Collections	9,500	14,186	16,000	7,500	12,000	18,000	33.3%
Total Other Expenses	681,676	591,285	620,100	549,380	611,700	690,100	11.4%
Total Expenses	1,396,301	1,323,143	1,331,160	1,320,820	1,401,700	1,469,960	4.6%
Other Financing Sources (Uses)							
Transfer to Debt	-	(692,000)	(740,000)	(692,000)	(740,000)	(769,000)	3.8%
Transfer to CIP	(150,000)	(157,500)	(165,375)	(157,500)	(165,375)	(173,644)	4.8%
Total Financing Sources (Uses)	(150,000)	(849,500)	(905,375)	(849,500)	(905,375)	(942,644)	4.0%
Surplus (Deficit)			141,425	53,780	95,905	56,776	
Estimated Ending Balance			141,425	53,780	95,905	198,201	

Debt Service Fund

Overview

The District has six State Revolving Fund (SRF) loans that were used to finance various improvements to the system. Some of these projects benefitted only a specific neighborhood and are repaid through special debt assessments against the benefitting customers. The system-wide projects completed with these funds are repaid through the fund transfer from the Operating Fund. The District has a total debt service obligation of \$1,062,705 in 2015. A detailed breakdown of the total is in the table below:

	Principal	Interest	Total
Series 1996E	\$ 500,000	\$ 29,192	529,192
Series 1997D	85,000	6,083	91,083
Series 1998A	65,000	4,531	69,531
Series 2000B	165,000	19,958	184,958
Series 2002B	25,000	3,299	28,299
Series 2006A		159,642	159,642
Total 2015 Payments	\$ 840,000	\$ 222,705	\$ 1,062,705

The district's total debt payments through 2023 are listed below. These numbers reflect the estimated interest due after the SRF interest subsidy.

Year	Principal	Estimated Interest	Total
FY 2016	945,000	251,235	1,196,235
FY 2017	1,060,000	233,427	1,293,427
FY 2018	1,445,000	213,683	1,658,683
FY 2019	1,375,000	194,183	1,569,183
FY 2020	1,355,000	170,266	1,525,266
FY 2021	1,385,000	147,215	1,532,215
FY 2022	1,220,000	123,664	1,343,664
FY 2023	1,215,000	85,637	1,300,637

2015 Debt Service Budget

	2012 Actual	2013 Actual	2014 Estimated	2014 Budgeted	2015 Budgeted	% Change
Estimated Beginning Fund Balance			1,211,310	1,211,310	1,206,661	
Revenue						
Debt Service Assessments	468,800	457,642	444,741	445,266	444,229	-0.2%
Bond Retirement	621,000	-	-	-	-	
Penalties & Late Fees	5,449	5,562	5,642	5,000	5,000	0.0%
Interest Income	5,000	1,968	2,110	2,000	2,000	0.0%
Total Revenue	1,100,249	465,172	452,493	452,266	451,229	-0.2%
Expenses						
SRF Principal	775,000	880,000	890,000	890,000	840,000	-5.6%
SRF Interest	315,596	234,931	215,335	235,881	222,705	-5.6%
SRF Fees	-	92,886	91,807	95,000	92,000	-3.2%
Total Expenses	1,090,596	1,207,817	1,197,142	1,220,881	1,154,705	-5.4%
Other Financing Sources (Uses)						
Transfer from Operating	(100,000)	692,000	740,000	740,000	769,000	3.9%
Total Financing Sources (Uses)	(100,000)	692,000	740,000	740,000	769,000	3.9%

Capital Improvement Plan Fund

Overview

The Capital Improvement Plan (CIP) is a proactive program that will help PCRSD discover and correct defects in sewer lines and equipment before they fail and cause significant problems. It is funded through connection fees, transfers from the Operating Fund, and existing bond proceeds. It is the goal of the CIP to minimize repair costs and reduce the District's dependency on debt.

Sanitary Sewer Evaluation Study

The District hired North Hills Engineering and Ace Pipe Cleaning to evaluate the conditions of the sewer lines and manholes for the fourth phase of the SSES. The firms inspected, smoke tested, and televised the Rush Creek Interceptor and areas suspected of experiencing hydrogen sulfide corrosion. The findings were incorporated into the CIP budget. The list of projects planned for 2015 is below. These projects were considered urgent due to regulatory requirements, structural deficiencies, or safety concerns. Additional information regarding projects planned for 2015 and beyond can be found in Appendix A.

Planned Projects for 2015

- **Pump Station Electrical & Safety Improvements** **\$41,000**
Five pump stations will undergo projects to replace parts and bring them into compliance with the District's design standards. This work includes replacing terminal boxes, drain valves, hoists, and fencing.
- **Sewer Extension for the City of Parkville** **\$125,000**
The City of Parkville has a sewer line close to a District interceptor. This project would redirect the flow from the City's system to the District, saving Parkville from Kansas City treatment charges and significant construction costs. It was originally planned to be undertaken in 2014, but was delayed until 2015.
- **Brush Creek WWTF Repairs** **\$60,000**
The flow meter and composite samplers are failing and need to be replaced to remain in compliance with the operating permit. The RAS pump station frequently backs up, which corrodes the parts. A backflow prevention device and sump pump will be installed to reduce corrosion and improve access for future maintenance.

2015 Capital Improvements Plan Budget

	2012 Actual	2013 Actual	2014 Estimated	2014 Budgeted	2015 Budgeted
Estimated Beginning Fund Balance	850,000	989,800	912,900	912,900	886,436
Estimated SRF Balance	2,200,000	1,754,300	-		
Revenue					
Connection Fees	58,260	58,260	233,104	66,561	65,680
Interest	-	-		-	-
Total Revenue	58,260	58,260	233,104	66,561	65,680
Expenses					
Capital Equipment	40,000	11,397	11,314	28,500	34,000
Collection System	468,571	7,997	214,073	285,000	5,000
Pump Stations	132,046	139,163	57,638	30,000	41,000
Treatment Facilities	153,316	245,966	65,928	425,000	181,000
Sanitary Sewer Evaluation Study	90,635	74,586	62,358	66,000	14,000
CIP Management	14,000	8,288	13,632	14,000	15,547
Total Expenses	898,568	487,397	424,943	848,500	290,547
Other Financing Sources (Uses)					
Sale of Equipment	10,000	10,000	-	-	-
Transfer from Operations	150,000	150,000	165,375	165,375	173,644
Total Financing Sources (Uses)	150,000	150,000	165,375	165,375	173,644
Surplus/(Deficit)	(690,308)	(279,137)	(26,464)	(616,564)	(51,223)
Estimated Ending Fund Balance	989,800	912,900	886,436	296,336	835,213
Estimated SRF Balance	1,754,300	1,460,000	-	-	-

	2016 Budgeted	2017 Budgeted	2018 Budgeted	2019 Budgeted
Estimated Beginning Fund Balance	835,213	457,573	609,590	418,675
Estimated SRF Balance				
Revenue				
Connection Fees	65,680	65,680	65,680	65,680
Interest	-	-	-	-
Total Revenue	65,680	65,680	65,680	65,680
Expenses				
Capital Equipment	22,000	-	24,000	-
Collection System	200,000	-	292,000	-
Pump Stations	-	-	-	-
Treatment Facilities	320,000	55,000	90,000	25,000
Sanitary Sewer Evaluation Study	67,633	33,612	34,621	140,579
CIP Management	16,013	16,493	16,988	17,498
Total Expenses	625,646	105,105	457,609	183,077
Other Financing Sources (Uses)				
Sale of Equipment	-	-	-	-
Transfer from Operations	182,326	191,442	201,014	211,065
Total Financing Sources (Uses)	182,326	191,442	201,014	211,065
Surplus/(Deficit)	(377,640)	152,017	(190,915)	93,668
Estimated Ending Fund Balance	457,573	609,590	418,675	512,343
Estimated SRF Balance	-	-	-	-

NOTE: The budget figures for 2016 through 2019 are for planning purposes only. They will be evaluated on an annual basis and are subject to change based on SSES recommendations, regulatory changes, and/or emergencies.

Appendix

Appendix A Capital Improvement Plan