

Table 1.
Pine Strawberry Water Improvement District
Task 3- Operation and Maintenance (O&M) Budget

Description	Annual O&M Budget	Comments
Salaries, Wages and Benefits	\$270,000	3 operators @\$30,000, 1 foreman @40,000, 1 GM @\$75,000 plus overhead @30%
Purchased Water	\$25,000	Purchases will be zero after CIP Immediate Improvements
Purchased Power	\$150,000	130 HP booster pumps @8 hours + 60 HP well pumps total power costs @\$.16/Kwhr
Chemicals	\$7,000	chlorine cost at \$2/lb; 1mg/L dose at all systems chlorine stations
Repairs and Maintenance	\$100,000	Typical historical figure
Office Supplies and Billing Expenses	\$60,000	office supplies and billing costs for 3,200 customers
Outside Services	\$50,000	this will include any services that can't be completed by operations staff.
Water Testing	\$30,000	annual testing budget maybe higher first 2 years to demonstrate compliance.
Rents	\$20,000	equipment rentals for maintenance
Transportation Expenses	\$50,000	Operator truck maintenance and vehicle maintenance including fuel
Insurance-General Liability	\$10,000	General liability policy
Miscellaneous Expense, Training, Travel	\$50,000	Miscellaneous could be anything not covered by other categories, including spare parts
Legal Services	\$30,000	
Engineering Services	\$30,000	
Subtotal O&M Costs	\$882,000	
Debt Service (\$4.207 M@4.25% APR)	\$316,000	
Total Annual O&M Budget	\$1,198,000	

**TABLE 1 - CAPITAL IMPROVEMENTS BUDGET
PSWID-PINE AND STRAWBERRY WATER COMPANIES**

CIP ITEM	Immediate Needs	5 Year CIP (2010-2015)	10 Year CIP (2016-2020)	Comments
WATER SUPPLIES				
Acquisition of Water Companies	\$2,173,000			CVL estimate RCNLD. (included only for cash flow purposes)
Milk Ranch Well Acquisition	\$365,000			Well acquisition automatic Desand filter (\$15,000) and land cost.
Immediate Distribution Improvements	\$257,000			
Maintenance Yard/Office Building	\$250,000			Yard /office Bldg = 2500 sq.ft
Drill New 1000 ft Deep Well in Pine		\$400,000		
New Maintenance Equipment	\$155,000			Two crew trucks, pick up, backhoe, misc. equipment
Drill new 1400 feet well in Strawberry			\$500,000	
New Pine Deep Well Connection		\$250,000		Need to define well site and connection costs
RESERVOIRS				
Additional Strawberry Storage (Two Reservoirs at 100,000 gals each)		\$180,000	\$180,000	Quote from Brown Tank and MMI. Increase Storage to 450K for max day + fire flow by addition of 2 tanks.
Refurbish and Paint 10-Existing Pine Storage Reservoirs	\$63,000	\$63,000		Cost to clean and paint all storage reservoirs
Repair Existing Reservoirs	\$30,000			
New Pressure Tank Compressors	\$10,000			
DISINFECTION				
Install new Well Head Pellet Chlorination Systems	\$10,000			Quote from B&B Chlorinator Co.
Install new Pellet Chlorination Systems at Pump Stations	\$10,000			
Permanent Chlorination at 18 Existing Booster Pump Stations		\$90,000		
PIPE REPLACEMENT/REPAIRS				
Replace 2",3" and 4"ABS Pipe (31,700 LF in Strawberry) with 6"PVC		\$602,000	\$602,000	cost of 6" PVC installed at \$38/lf
Replace 2",3",4" ABS Pipe (42,300 LF in Pine)with 6" PVC		\$804,000	\$804,000	cost of 6" PVC installed at \$38/lf
New Pipe Loops		\$100,000	\$100,000	
WELL REHABILITATION				
Closure of 12 Existing Non producing water wells		\$60,000		Application Fee ADEQ+ demolition and report at \$5,000 each.
Brush and Refurbish Existing Production Wells	\$100,000			Lift pump, Brush well and screen, refurbish pump equipment at \$10,000
Replace Well Pumps	\$63,000			
Install Well Fence& Security Access Gates	\$100,000			
MISCELLANEOUS				
As-built System Drawing	\$100,000			
Operating Capital	\$240,000			
Legal Fees	\$150,000			estimate of legal fees for buying water companies
Underwriting Fees	\$51,000			equal to 1.2% of loan amount at \$4.21 million;typical rate used by lenders
Equipment/Spare parts	\$80,000	\$80,000	\$80,000	Annual equipment and spare parts cost
Computer Control System			\$150,000	Budget number
TOTALS	\$4,207,000	\$2,629,000	\$2,416,000	