

**EAST DILLON WATER DISTRICT  
2007 Bond Fund Budget**

	<u>2005 Actual</u>	<u>2006 Budget</u>	<u>2006 9 mo YTD</u>	<u>2006 3 mo Estimate</u>	<u>2006 Projected</u>	<u>2007 Budget</u>
<b>BEGINNING FUND BALANCE</b>	57,135	82,052			82,052	122,354
<b>OPERATING REVENUES</b>						
Property Taxes	174,258	189,342	187,247	2,095	189,342	192,156
Specific Ownership Taxes	11,358	11,500	9,602	2,800	12,402	12,000
<b>TOTAL REVENUES</b>	<b>185,616</b>	<b>200,842</b>	<b>196,849</b>	<b>4,895</b>	<b>201,744</b>	<b>204,156</b>
<b>BOND EXPENDITURES</b>						
Bond / CWCB interest	104,590	102,576	0	102,576	102,576	100,477
Bond / CWCB principal	47,385	49,399	0	49,399	49,399	51,499
Treasurer fees	8,724	9,467	9,376	91	9,467	9,608
Transfer to capital fund	0	0	0	0	0	0
<b>SUBTOTAL</b>	<b>160,699</b>	<b>161,442</b>	<b>9,376</b>	<b>152,066</b>	<b>161,442</b>	<b>161,584</b>
<b>INCREASE (DECREASE) RESERVES</b>	<b>24,917</b>	<b>39,400</b>			<b>40,302</b>	<b>42,572</b>
<b>INCREASE (DECREASE) EMERGENCY</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
<b>TOTAL EXPENSES</b>	<b>185,616</b>	<b>200,842</b>	<b>9,376</b>	<b>152,066</b>	<b>201,744</b>	<b>204,156</b>
<b>REFUND REQUIRED</b>						<b>0</b>
<b>ACCUMULATED RESERVES</b>	<b>63,412</b>	<b>102,812</b>			<b>103,714</b>	<b>146,286</b>
<b>ACCUMULATED EMERGENCY</b>	<b>18,640</b>	<b>0</b>			<b>18,640</b>	<b>18,640</b>
<b>ENDING FUND BALANCE</b>	<b>82,052</b>	<b>121,452</b>			<b>122,354</b>	<b>164,926</b>

This document is a true and accurate copy of the budget for the East Dillon Water District adopted for 2007 by the Board of Directors on December 4, 2006.

EAST DILLON WATER DISTRICT

SEAL

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Bruce Farrell, Presiden

**EAST DILLON WATER DISTRICT  
2007 Water Activity Fund Budget**

	<u>2005 Actual</u>	<u>2006 Budget</u>	<u>2006 9 mo YTD</u>	<u>2006 3 mo Estimate</u>	<u>2006 Projected</u>	<u>2007 Budget</u>
<b>BEGINNING FUND BALANCE</b>	<b>380,509</b>	<b>528,722</b>	<b>528,722</b>		<b>528,722</b>	<b>564,613</b>
<b>OPERATING REVENUES</b>						
Water sales	412,089	385,000	325,306	77,000	402,306	385,000
Interest income	16,132	15,000	23,651	9,750	33,401	24,000
Miscellaneous	1,929	750	1,580	185	1,765	1,500
Tap fees	146,500	75,000	120,000	30,000	150,000	75,000
Transfer from bond fund	0	0	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>576,650</b>	<b>475,750</b>	<b>470,537</b>	<b>116,935</b>	<b>587,472</b>	<b>485,500</b>
<b>OPERATING EXPENSES</b>						
Water purchases	0	15,000	0	0	0	15,000
Repairs & maintenance	51,314	37,500	29,905	9,500	39,405	37,500
Utilities - water pumping	19,209	22,500	16,889	5,250	22,139	22,500
Operating supplies & testing	7,327	7,500	5,620	1,000	6,620	7,500
<b>OPERATING EXPENSES</b>	<b>77,850</b>	<b>82,500</b>	<b>52,414</b>	<b>15,750</b>	<b>68,164</b>	<b>82,500</b>
<b>REVENUE NOTE PAYABLE</b>						
Principal	90,724	95,549	47,156	48,394	95,550	100,632
Interest	41,362	36,536	18,887	17,649	36,536	31,454
Fees	0	0	0	0	0	0
<b>REVENUE NOTE EXPENSES</b>	<b>132,086</b>	<b>132,085</b>	<b>66,043</b>	<b>66,043</b>	<b>132,086</b>	<b>132,086</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Accounting & auditing	5,050	4,100	0	4,100	4,100	5,000
Billing & administration	49,200	50,100	37,575	12,525	50,100	52,200
Meter reading	1,200	1,200	900	300	1,200	1,200
Director's fee	1,425	1,875	825	375	1,200	1,875
Engineering	4,139	5,000	2,973	3,500	6,473	5,000
Insurance and bonds	16,810	18,000	16,262	0	16,262	18,000
Legal fees	7,558	10,000	5,441	2,500	7,941	10,000
Operations manager	114,000	115,800	86,850	28,950	115,800	122,400
Miscellaneous	110	1,000	340	250	590	1,000
Office supplies	4,881	6,000	3,602	1,400	5,002	6,000
Telephone	2,552	3,200	2,218	790	3,008	3,200
Dues	1,472	1,600	1,339	0	1,339	1,600
<b>ADMINISTRATIVE EXPENSES</b>	<b>208,397</b>	<b>217,875</b>	<b>158,325</b>	<b>54,690</b>	<b>213,015</b>	<b>227,475</b>
<b>CAPITAL IMPROVEMENTS</b>						
Computer / equipment	0	17,500	0	0	0	25,000
Medians	3,860	245,000	190	125,000	125,190	100,000
Meters	6,519	50,000	6,912	0	6,912	50,000
Equipment	0	0	0	0	0	17,000
Well field / pumps	0	0	0	0	0	0
Water lines	0	0	0	0	0	0
Water rights	0	10,000	3,789	2,500	6,289	10,000
<b>CAPITAL EXPENSES</b>	<b>10,379</b>	<b>322,500</b>	<b>10,891</b>	<b>127,500</b>	<b>138,391</b>	<b>202,000</b>
<b>TOTAL EXPENSES</b>	<b>428,712</b>	<b>754,960</b>	<b>287,673</b>	<b>263,983</b>	<b>551,656</b>	<b>644,061</b>
<b>NET CASH CHANGE</b>	<b>147,938</b>	<b>(279,210)</b>	<b>182,864</b>	<b>(147,048)</b>	<b>35,816</b>	<b>(158,561)</b>
Median contributions	275	75,000	75	0	75	50,000
<b>ENDING FUND BALANCE</b>	<b>528,722</b>	<b>324,512</b>	<b>711,661</b>		<b>564,613</b>	<b>456,052</b>

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EAST DILLON WATER DISTRICT

SEAL

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Bruce Farrell, President

# **EAST DILLON WATER DISTRICT**

## **Budget Message for 2007**

1. The East Dillon Water District is organized as a special district for the sole purpose of providing water service to the Summit Cove area of Summit County, Colorado.
2. The 2007 budget is prepared on a modified accrual accounting basis. In 1994 the District set up a separate water activity fund for water operation. The tax base budget includes property tax revenue only. Expenses include debt principal and interest, emergency reserves per Article X, Section 20, capital funding, and reserves for an early loan payoff. Income from rates, operation charges, operation expenses, capital expenditure and capital reserves are included within the water activity fund budget.
3. The District utilizes a rate structure designed to encourage water conservation. There is a base rate of \$34 per quarter (\$64 per quarter for users above the Summerwood Pump Station). Water usage to 23,000 gallons per quarter is billed at \$1.75 per 1,000 gallons. Over 80% of the users served by the District utilize 23,000 gallons or less per quarter. Water usage from 23,000 gallons through 50,000 gallons in a quarter is billed at \$5.00 per 1,000 gallons. Water usage above 50,000 gallons in a quarter is billed at \$10.00 per 1,000 gallons. Water income will fluctuate based on weather patterns during the summer.
4. The tap fee currently is \$7,500. \$500 of the tap fee is for the promotion of water conservation and used for education and demonstrations of water conservation. An additional tap fee of \$4,000 is payable for construction above the pressure zone in Summerwood served by the booster pump station. The District currently projects 176 units (with a tap fee payable) remaining in the District service area. The District is at 84% build out based on projected units to serve. The build out projection is based on the existing service area and zoning regulations in effect this year. The required meter with transponder and inspection fee is included within the tap fee.
5. Property taxes are calculated to be within the allowable range under Article X, Section 20 guidelines as interpreted by the East Dillon Water District. The mill levy is 4.131 on an assessed valuation of \$46,515,580 for loan and interest payments. Voters in the District approved a new debt of \$2,550,000 at a May 7, 2002 election with repayment over a period not to exceed 30 years from a mill levy not to exceed 4.131 mills. The District received a \$2,550,000 loan from the Colorado Water Conservation Board in November 2002 that was used for the purchase of water rights. The loan is repaid annually over 30 years with interest at a fixed rate of 4.25%. The principal balance as of December 1, 2006 is \$2,364,161.40.
6. The District obtained a 10-year revenue note from Wells Fargo in May 2002 in the amount of \$1,017,500. Payments are semi-annual with interest at 5%. Proceeds from the loan were utilized to complete the Snowberry Water Tank project, well field improvements including two new production wells, and funding for the water rights purchase. Principal and interest payments on the note are from operating revenues of the District including, but not limited to, user fees and tap fees. The principal balance as of November 17, 2006 is \$623,959.68.
7. The District owns 106 acre-feet of water / storage rights. The District reported 37 acre-feet of water usage for the water year ending October 2006. The District did not utilize its interconnection with the Snake River Water District to supplement its water source in 2006.

8. Cash reserves for the District are deposited in interest bearing accounts with a high level of investment security per Colorado Statutes. The District allocates all interest income to long-term capital reserves. All of the major components of the water delivery infrastructure of the District necessary to serve build out have been completed. Reserves will be utilized in the future for upgrades and replacement of the infrastructure and retirement of debt.
9. Tap fee income is dependent on the general economy and housing needs in Summit County. Tap fee revenue is based on the start of 10 single-family units in the District in 2007. A total of 20 single-family unit taps were sold in 2006. All tap fee income is allocated to capital reserves.
10. The District has adopted voluntary outside water usage guidelines effective annually from May 1st through October 1st. The escalating rate structure of the District is designed to encourage water conservation and to allow water revenues to cover operating expenses. The policy of the District allows mandatory water restrictions to be imposed in the event of water shortages.
11. Operating expenses for the District are fully funded by user fees. The District conservatively budgets operations income and expenses. Historically, a combination of higher revenues or lower than budget expenses have allowed the District to contribute income above operation expenses to the capital fund.
12. The 2007 capital fund includes appropriations for meter purchases for tap fees; upgrading of meter technology; completion of the Cove Boulevard median project; upgrades to the District computer water control system; electronic mapping of the District; equipment purchases; and legal research to maximize the value and utilization of water rights of the District.
13. The District is coordinating the rebuilding of the Summit Cove entrance medians on Cove Boulevard. The completed medians will provide an example of xeriscape landscaping using a minimum amount of water applied by drip irrigation. The District installed the water lines for the irrigation system in 2004. Construction of the medians was partially completed in 2006 as part of the reconstruction of Cove Boulevard by Summit County Road & Bridge. Completion of the work will be in the summer of 2007. A portion of the median project cost will be reimbursed to the District over a period of time by voluntary contributions from homeowners, homeowner associations, and other sources. The District will also utilize the conservation fund of the tap fee.
14. The budget does not anticipate any excess 2006 income over spending limitations dictated by Article X, Section 20. Any reduction of expenditures in 2006 resulting in additional cash on hand at year-end will be transferred into the accumulated reserves for future capital projects.

**EAST DILLON WATER DISTRICT**  
**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE REVENUES**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE EAST DILLON WATER DISTRICT, COLORADO, SETTING THE MILL LEVY AND APPROPRIATING SUMS OF MONEY FOR THE 2007 CALENDAR YEAR.

WHEREAS, the Board of Directors of the East Dillon Water District has appointed Robert D. Polich, District Administrator, to prepare and submit a proposed budget to the Board of Directors at the proper time; and;

WHEREAS, Mr. Polich has submitted a proposed budget to this Board on December 4, 2006, for its consideration, and;

WHEREAS, the 2006 valuation for assessment for the East Dillon Water District as certified by the County Assessor is \$46,515,580, and;

WHEREAS, upon due and proper notice, published in accordance with the law, the proposed budget was open for inspection by the public at a public place, a public hearing was held on December 5, 2006, and interested taxpayers were given the opportunity to file or register any objections to the proposed budget.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE EAST DILLON WATER DISTRICT, COLORADO:

Section 1. That the budget as submitted, amended, and attached as Exhibit A is approved and adopted as the budget of the East Dillon Water District for 2007.

Section 2. That the budget approved and adopted shall be signed by the President of the District and made a part of the public records of the District.

Section 3. That for the purpose of meeting all bond principal and interest of the East Dillon Water District during the 2007 budget year, there is levied a tax of 4.131 mills upon each dollar of the total valuation for assessment of all taxable property within the District.

Section 4. That the President is hereby authorized and directed to immediately certify to the County Commissioners of Summit County, Colorado, the above mill levies for the East Dillon Water District.

Section 5. That the sums set forth in the budget are appropriated from the revenue of each fund, to each fund, for purposes stated.

Adopted December 4, 2006.

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Bruce Farrell, President

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Attest:

**EAST DILLON WATER DISTRICT**  
**CERTIFICATION OF TAX LEVIES**

To: County Commissioners of Summit County, Colorado

This is to certify that the tax levy to be assessed by you upon all property within the limits of the East Dillon Water District, based on a total assessed valuation of \$46,515,580 for the year 2006, as determined and fixed by the Board of Directors on December 4, 2006 is:

Colorado Water Conservation Board 30-year note November 15, 2002 with interest at 4.25%. The debt of \$2.55 million approved by District voters at the May 7, 2002 election with payment from a mill levy to not exceed 4.131 mills for no longer than 30-years.

Bonds and Interest	4.131 mills	\$ 192,156
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You are hereby authorized and directed to extend this levy upon your tax list.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the East Dillon Water District, this 4th day of December 2006.

EAST DILLON WATER DISTRICT

SEAL

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Bruce Farrell, President