

EAST DILLON WATER DISTRICT

2010 Bond Fund Budget

	<u>2008 Actual</u>	<u>2009 Budget</u>	<u>2009 9 mo YTD</u>	<u>2009 3 mo Estimate</u>	<u>2009 Projected</u>	<u>2010 Budget</u>
BEGINNING FUND BALANCE	208,067	288,274			288,274	372,498
OPERATING REVENUES						
Property Taxes	231,029	236,543	232,322	4,221	236,543	197,825
Specific Ownership Taxes	12,688	12,000	8,484	3,000	11,484	12,000
TOTAL REVENUES	243,717	248,543	240,806	7,221	248,027	209,825
BOND EXPENDITURES						
Bond / CWCB interest	98,288	96,006	0	96,006	96,006	93,628
Bond / CWCB principal	53,687	55,969	0	55,969	55,969	58,348
Treasurer fees	11,534	11,827	11,593	234	11,827	9,891
Transfer to capital fund	0	0	0	0	0	200,000
SUBTOTAL	163,510	163,803	11,593	152,210	163,803	361,867
INCREASE (DECREASE) RESERVES	80,207	84,740			84,224	(152,042)
INCREASE (DECREASE) EMERGENC'	0	0			0	0
TOTAL EXPENSES	243,717	248,543	11,593	152,210	248,027	209,825
REFUND REQUIRED						0
ACCUMULATED RESERVES	269,634	354,374			353,858	201,817
ACCUMULATED EMERGENCY	18,640	0			18,640	18,640
ENDING FUND BALANCE	288,274	373,014			372,498	220,457

This document is a true and accurate copy of the budget for the East Dillon Water District adopted for 2010 by the Board of Directors on December 7, 2009.

EAST DILLON WATER DISTRICT

SEAL

Bruce Farrell, President

EAST DILLON WATER DISTRICT 2010 Water Activity Fund Budget

	2008	2009	2009	2009	2009	2010
	<u>Actual</u>	<u>Budget</u>	9 mo	3 mo	2009	2010
			<u>YTD</u>	<u>Estimate</u>	<u>Projected</u>	<u>Budget</u>
BEGINNING FUND BALANCE	624,687	703,233	703,233		703,233	322,874
OPERATING REVENUES						
Water sales	431,105	385,000	324,323	85,000	409,323	405,000
Interest income	22,092	18,000	2,294	400	2,694	5,000
Miscellaneous	2,349	1,500	2,575	375	2,950	1,500
Tap fees	45,500	37,500	22,750	0	22,750	22,500
Meter lease	484,399	0	0	0	0	0
Transfer from Fund	0	0	0	0	0	200,000
TOTAL OPERATING REVENUES	985,445	442,000	351,942	85,775	437,717	634,000
OPERATING EXPENSES						
Water purchases	0	15,000	0	0	0	0
Repairs & maintenance	44,579	42,000	51,954	6,000	57,954	42,000
Utilities - water pumping	22,982	26,000	15,417	5,000	20,417	22,000
Operating supplies & testing	2,680	7,500	6,892	2,500	9,392	5,000
OPERATING EXPENSES	70,241	90,500	74,263	13,500	87,763	69,000
REVENUE NOTE PAYABLE						
Principal	105,984	111,621	55,088	56,533	111,621	117,558
Interest	26,102	20,465	10,955	9,510	20,465	14,527
Meter replacement lease	53,645	107,289	53,645	53,645	107,290	107,289
REVENUE NOTE EXPENSES	185,730	239,375	119,688	119,688	239,375	239,375
ADMINISTRATIVE EXPENSES						
Audit	0	6,000	11,550	0	11,550	7,000
Billing & administration	54,780	57,600	43,200	14,400	57,600	69,600
Meter reading	1,200	600	600	0	600	0
Director's fee	1,425	1,875	1,050	375	1,425	1,875
Engineering	22,666	20,000	4,524	2,000	6,524	9,000
Insurance and bonds	15,404	16,000	16,009	0	16,009	17,000
Legal fees	10,368	12,000	8,815	6,000	14,815	20,000
Operations manager	126,000	132,000	99,000	33,000	132,000	135,000
Miscellaneous	702	1,000	106	250	356	1,000
Office supplies	12,267	9,000	6,676	1,200	7,876	6,000
Telephone	3,373	4,800	3,549	1,200	4,749	5,100
Dues	2,191	2,400	1,851	0	1,851	1,800
ADMINISTRATIVE EXPENSES	250,377	263,275	196,930	58,425	255,355	273,375
CAPITAL IMPROVEMENTS						
Computer / equipment / mapping	27,923	5,000	0	0	0	5,000
Medians	0	0	0	0	0	0
Meters	383,637	75,000	110,692	0	110,692	5,000
Equipment	0	0	0	0	0	0
Well field / pumps / tanks	0	0	0	0	0	0
Water lines	0	300,000	32,165	90,000	122,165	150,000
Water rights	0	5,000	0	5,000	5,000	0
CAPITAL EXPENSES	411,560	385,000	142,857	95,000	237,857	160,000
TOTAL EXPENSES	917,907	978,150	533,738	286,613	820,351	741,750
NET CASH CHANGE	67,537	(536,150)	(181,796)	(200,838)	(382,633)	(107,750)
Median contributions	11,009	5,000	2,275	0	2,275	0
ENDING FUND BALANCE	703,233	172,083	523,712		322,874	215,124

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EAST DILLON WATER DISTRICT

SEAL

Bruce Farrell, President

EAST DILLON WATER DISTRICT

Budget Message for 2010

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 2010 budget is prepared on a modified accrual accounting basis. In 1994 the District set up a separate water activity fund for water operations, which is an enterprise under TABOR, Article X, Section 20 of the Colorado Constitution. Income from rates, operation charges, operation expenses, capital reserves and expenditures are included in the water activity fund budget. The District has also created a bond fund budget to pay the voter approved debt to purchase water rights and wells referenced below in note 5. The bond fund includes all property tax revenues levied by the District. This year the bond fund is reimbursing the water activity fund in the amount of \$200,000 for purchase costs of water rights and wells, which expense were approved by the voters.
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 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 151 units (with a tap fee payable) remaining in the District service area. The District is at 86.4% 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 2.835 on an assessed valuation of \$69,784,090 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%.
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.
7. The District owns 106 acre-feet of water / storage rights. The District reported 35.26 acre-feet of water usage for the water year ending October 2009. The District did not utilize its interconnection with the Snake River Water District to supplement its water source in 2009.

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 3 single-family units in the District in 2010. A total of 3.5 single-family unit taps were sold in 2009. 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 District entered into a five year lease purchase in June 2008 to replace the electronic meter reading system. The lease allowed the retention of capital reserves for projects in the next few years. The amount of the lease was \$484,399 with semi-annual payments beginning in December 2008 of \$53,645 each.
13. The 2010 capital fund includes completion of a replacement electronic meter reading system; completion of the District mapping system; and completion of the replacement of 2,300 feet of main line on Royal Coachman.
14. The budget does not anticipate any excess 2009 income over spending limitations dictated by Article X, Section 20. Any reduction of expenditures in 2009 resulting in additional cash on hand at year-end will be transferred into the accumulated reserves for future capital projects.

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 \$69,784,090 for the year 2009, as determined and fixed by the Board of Directors on December 7, 2009 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	2.835 mills	\$ 197,825
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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 7th day of December 2009.

EAST DILLON WATER DISTRICT

SEAL

Bruce Farrell, President

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 2010 CALENDAR YEAR.

WHEREAS, the Board of Directors of the East Dillon Water District has appointed Bob 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 7, 2009, for its consideration, and;

WHEREAS, the 2009 valuation for assessment for the East Dillon Water District as certified by the County Assessor is \$69,784,090, 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 7, 2009, 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 2010.

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 2010 budget year, there is levied a tax of 2.835 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 7, 2009.

Bruce Farrell, President

Attest: