

EAST DILLON WATER DISTRICT

2013 Bond Fund Budget

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>9 mo</u> <u>YTD</u>	<u>2012</u> <u>3 mo</u> <u>Estimate</u>	<u>2012</u> <u>Projected</u>	<u>2013</u> <u>Budget</u>
BEGINNING FUND BALANCE	100,000	142,876			142,876	86,616
OPERATING REVENUES						
Property Taxes	197,813	197,825	197,028	797	197,825	197,799
Specific Ownership Taxes	6,945	6,000	6,281	1,500	7,781	6,600
TOTAL REVENUES	204,758	203,825	203,309	2,297	205,606	204,399
BOND EXPENDITURES						
Bond / CWCB interest	91,148	88,563	0	88,563	88,563	85,868
Bond / CWCB principal	60,828	63,413	0	63,413	63,413	66,108
Treasurer fees	9,906	9,891	9,856	35	9,891	9,890
Transfer to capital fund	0	100,000	100,000	0	100,000	0
SUBTOTAL	161,881	261,867	109,856	152,010	261,867	161,865
INCREASE (DECREASE) RESERVES	42,876	(58,042)			(56,261)	42,534
INCREASE (DECREASE) EMERGENCY	0	0			0	0
TOTAL EXPENSES	204,758	203,825	109,856	152,010	205,606	204,399
REFUND REQUIRED						0
ACCUMULATED RESERVES	124,236	66,195			67,976	110,509
ACCUMULATED EMERGENCY	18,640	0			18,640	18,640
ENDING FUND BALANCE	142,876	84,835			86,616	129,149

This document is a true and accurate copy of the budget for the East Dillon Water District adopted for 2013 by the Board of Directors on December 3, 2012.

EAST DILLON WATER DISTRICT

SEAL

Donald Wayne Clark, President

EAST DILLON WATER DISTRICT

2013 Water Activity Fund Budget

	2011	2012	2012	2012	2012	2013
	<u>Actual</u>	<u>Budget</u>	9 mo <u>YTD</u>	3 mo <u>Estimate</u>	<u>Projected</u>	<u>Budget</u>
BEGINNING FUND BALANCE	331,711	184,945	184,945		184,945	174,675
OPERATING REVENUES						
Water sales	388,023	410,000	330,052	83,000	413,052	415,000
Interest income	515	500	169	125	294	300
Miscellaneous	(1,835)	1,500	494	375	869	1,500
Tap fees	22,500	16,000	20,500	0	20,500	17,000
Meter lease	0	0	0	0	0	0
Transfer from Fund	0	100,000	100,000	0	100,000	0
TOTAL OPERATING REVENUES	409,203	528,000	451,214	83,500	534,714	433,800
OPERATING EXPENSES						
Water purchases	0	0	0	0	0	0
Repairs & maintenance	36,002	50,000	27,983	9,000	36,983	50,000
Utilities - water pumping	23,429	25,000	18,563	6,000	24,563	25,000
Operating supplies & testing	3,127	5,000	4,663	1,200	5,863	5,000
OPERATING EXPENSES	62,557	80,000	51,208	16,200	67,408	80,000
REVENUE NOTE PAYABLE						
Principal	123,811	64,354	63,648	0	63,648	0
Interest	8,275	1,689	2,394	0	2,394	0
Meter replacement lease	107,289	107,289	53,645	53,645	107,289	53,645
REVENUE NOTE EXPENSES	239,375	173,332	119,687	53,645	173,332	53,645
ADMINISTRATIVE EXPENSES						
Audit	6,500	7,000	6,500	0	6,500	7,000
Billing & administration	70,800	73,200	54,900	18,300	73,200	75,600
Meter reading	0	0	0	0	0	0
Director's fee	1,800	2,500	1,500	1,000	2,500	2,500
Engineering	3,755	6,000	1,434	1,500	2,934	6,000
Insurance and bonds	14,540	16,000	14,547	0	14,547	16,000
Legal fees	13,820	25,000	10,403	4,500	14,903	16,200
Operations manager	137,400	141,600	106,200	35,400	141,600	145,200
Miscellaneous	895	1,000	1,149	250	1,399	1,000
Office supplies	5,379	6,600	4,186	1,650	5,836	6,600
Telephone	5,343	6,000	3,512	1,500	5,012	5,400
Dues	1,819	2,000	1,813	0	1,813	2,000
ADMINISTRATIVE EXPENSES	262,052	286,900	206,144	64,100	270,244	283,500
CAPITAL IMPROVEMENTS						
Computer / equipment / mapping	0	25,000	0	33,000	33,000	25,000
Medians	0	0	0	0	0	0
Meters	(8,015)	1,000	0	1,000	1,000	1,000
Equipment	0	0	0	0	0	0
Well field / pumps / tanks	0	0	0	0	0	0
Water lines	0	0	0	0	0	30,000
Water rights	0	50,000	0	0	0	0
CAPITAL EXPENSES	(8,015)	76,000	0	34,000	34,000	56,000
TOTAL EXPENSES	555,969	616,232	377,039	167,945	544,984	473,145
NET CASH CHANGE	(146,766)	(88,232)	74,175	(84,445)	(10,270)	(39,345)
ENDING FUND BALANCE	184,945	96,713	259,120		174,675	135,330

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EAST DILLON WATER DISTRICT

SEAL

Donald Wayne Clark, President

EAST DILLON WATER DISTRICT

Budget Message for 2013

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 2013 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. In 2012, the bond fund is reimbursing the water activity fund in the amount of \$100,000 for purchase costs of water rights and wells, which the expenses were approved by the voters.
3. The District utilizes a rate structure designed to encourage water conservation. For 2013 there is a base rate of \$37 per quarter (\$67 per quarter for users above the Summerwood Pump Station). Water usage to 23,000 gallons per quarter is billed at \$1.85 per 1,000 gallons. Over 80% of the users served by the District utilize 23,000 gallons or less per quarter. Water usage from 23,001 gallons through 50,000 gallons in a quarter is billed at \$5.15 per 1,000 gallons. Water usage above 50,001 gallons in a quarter is billed at \$10.30 per 1,000 gallons. Water income will fluctuate based on weather patterns during the summer. The quarterly base rate reflects a \$1 increase that is 2.8%. The rate for water usage under 23,000 gallons was increased by \$0.05 per 1,000 gallons. The District is projecting a nominal increase of the base and usage rates in future years to adequately fund the replacement of water infrastructure as necessary.
4. The tap fee is \$8,500. \$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 \$5,000 is payable for construction above the pressure zone in Summerwood served by the booster pump station. The District currently projects 145 units (with a tap fee payable) remaining in the District service area. The District is at 86.9% of 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 3.527 on an assessed valuation of \$56,081,290 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. The loan was paid in full in May 2012.

7. The District owns 106 acre-feet of water / storage rights. The District reported 35.68 acre-feet of water usage for the water year ending October 2012. The District did not utilize its interconnection with the Snake River Water District to supplement its water source in 2012.
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 2 single-family units in the District in 2013. A total of 2 single-family unit taps were sold in 2012. 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. The lease will be paid off in May 2013.
13. The 2013 capital fund includes upgrading of the meter reading computer system server and minor water line infrastructure improvements.
14. The District intends to enter into an intergovernmental agreement with other Special Districts to share the cost and use of the meter reading system. The cost sharing agreement will reduce capital improvement expenditures and maintenance cost of the system.
15. The budget does not anticipate any excess 2012 income over spending limitations dictated by Article X, Section 20. Any reduction of expenditures in 2012 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 2013 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 3, 2012, for its consideration, and;

WHEREAS, the 2012 valuation for assessment for the East Dillon Water District as certified by the County Assessor is \$56,081,290, 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 3, 2012, 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 2013.

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 2013 budget year, there is levied a tax of 3.527 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 3, 2012.

Donald Wayne Clark, President

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 \$56,081,290 for the year 2012, as determined and fixed by the Board of Directors on December 3, 2012 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	3.527 mills	\$ 197,799
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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 3rd day of December 2012.

EAST DILLON WATER DISTRICT

SEAL

Donald Wayne Clark, President