

**EAST DILLON WATER DISTRICT  
2014 Bond Fund Budget**

	<u>2012 Actual</u>	<u>2013 Budget</u>	<u>2013 9 mo YTD</u>	<u>2013 3 mo Estimate</u>	<u>2013 Projected</u>	<u>2014 Budget</u>
<b>BEGINNING FUND BALANCE</b>	<b>0</b>	<b>42,444</b>			<b>42,444</b>	<b>87,118</b>
<b>OPERATING REVENUES</b>						
Property Taxes	196,143	197,799	196,842	957	197,799	197,799
Specific Ownership Taxes	8,088	6,600	7,090	1,650	8,740	7,200
<b>TOTAL REVENUES</b>	<b>204,231</b>	<b>204,399</b>	<b>203,932</b>	<b>2,607</b>	<b>206,539</b>	<b>204,999</b>
<b>BOND EXPENDITURES</b>						
Bond / CWCB interest	88,563	85,868	0	85,868	85,868	83,058
Bond / CWCB principal	63,413	66,108	0	66,108	66,108	68,917
Treasurer fees	9,811	9,890	9,849	41	9,890	9,890
Transfer to capital fund	0	0	0	0	0	0
<b>SUBTOTAL</b>	<b>161,787</b>	<b>161,865</b>	<b>9,849</b>	<b>152,016</b>	<b>161,865</b>	<b>161,865</b>
<b>INCREASE (DECREASE) RESERVES</b>	<b>42,444</b>	<b>42,534</b>			<b>44,674</b>	<b>43,134</b>
<b>INCREASE (DECREASE) EMERGENCY</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
<b>TOTAL EXPENSES</b>	<b>204,231</b>	<b>204,399</b>	<b>9,849</b>	<b>152,016</b>	<b>206,539</b>	<b>204,999</b>
<b>REFUND REQUIRED</b>						<b>0</b>
<b>ACCUMULATED RESERVES</b>	<b>23,804</b>	<b>66,338</b>			<b>68,478</b>	<b>111,611</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>42,444</b>	<b>84,978</b>			<b>87,118</b>	<b>130,251</b>

This document is a true and accurate copy of the budget for the East Dillon Water District adopted for 2014 by the Board of Directors on December 2, 2013.

EAST DILLON WATER DISTRICT

SEAL

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Donald Wayne Clark, President

**EAST DILLON WATER DISTRICT  
2014 Water Activity Fund Budget**

	2012	2013	2013	2013	2013	2014
	<u>Actual</u>	<u>Budget</u>	9 mo <u>YTD</u>	3 mo <u>Estimate</u>	<u>Projected</u>	<u>Budget</u>
<b>BEGINNING FUND BALANCE</b>	327,857	226,193	226,193		226,193	242,617
<b>OPERATING REVENUES</b>						
Water sales	413,554	415,000	322,563	84,000	406,563	415,000
Interest income	181	300	202	75	277	300
Miscellaneous	452	1,500	1,975	375	2,350	1,500
Tap fees	20,500	17,000	42,500	0	42,500	18,000
Meter lease	0	0	0	0	0	0
Transfer from Fund	0	0	0	0	0	0
<b>TOTAL OPERATING REVENUES</b>	<b>434,687</b>	<b>433,800</b>	<b>367,240</b>	<b>84,450</b>	<b>451,690</b>	<b>434,800</b>
<b>OPERATING EXPENSES</b>						
Water purchases	0	0	0	0	0	0
Repairs & maintenance	33,948	50,000	33,835	6,000	39,835	50,000
Utilities - water pumping	23,811	25,000	19,501	6,500	26,001	27,000
Operating supplies & testing	5,177	5,000	4,566	600	5,166	6,000
<b>OPERATING EXPENSES</b>	<b>62,935</b>	<b>80,000</b>	<b>57,902</b>	<b>13,100</b>	<b>71,002</b>	<b>83,000</b>
<b>REVENUE NOTE PAYABLE</b>						
Principal	63,648	0	0	0	0	0
Interest	2,394	0	0	0	0	0
Meter replacement lease	107,289	53,645	53,645	1	53,645	0
<b>REVENUE NOTE EXPENSES</b>	<b>173,332</b>	<b>53,645</b>	<b>53,645</b>	<b>1</b>	<b>53,645</b>	<b>0</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Audit	6,500	7,000	7,000	0	7,000	7,500
Billing & administration	73,200	75,600	56,700	18,900	75,600	78,000
Meter reading	0	0	0	0	0	0
Director's fee	2,000	2,500	1,200	500	1,700	2,500
Engineering	3,802	6,000	0	2,300	2,300	6,000
Insurance and bonds	14,547	16,000	15,689	0	15,689	17,000
Legal fees	13,517	16,200	9,229	3,150	12,379	16,200
Operations manager	141,600	145,200	108,324	36,108	144,432	148,476
Miscellaneous	1,250	1,000	351	250	601	1,500
Office supplies	5,209	6,600	3,786	1,650	5,436	6,600
Telephone	4,511	5,400	3,326	1,350	4,676	5,400
Dues	1,813	2,000	1,806	0	1,806	2,000
<b>ADMINISTRATIVE EXPENSES</b>	<b>267,950</b>	<b>283,500</b>	<b>207,411</b>	<b>64,208</b>	<b>271,619</b>	<b>291,176</b>
<b>CAPITAL IMPROVEMENTS</b>						
Computer / equipment / mapping	32,134	25,000	0	0	0	30,000
Medians	0	0	0	0	0	0
Meters	0	1,000	9,468	2,000	11,468	5,000
Equipment	0	0	0	0	0	0
Well field / pumps / tanks	0	0	0	0	0	0
Water lines	0	30,000	27,532	0	27,532	30,000
Water rights	0	0	0	0	0	0
<b>CAPITAL EXPENSES</b>	<b>32,134</b>	<b>56,000</b>	<b>36,999</b>	<b>2,000</b>	<b>38,999</b>	<b>65,000</b>
<b>TOTAL EXPENSES</b>	<b>536,350</b>	<b>473,145</b>	<b>355,957</b>	<b>79,309</b>	<b>435,266</b>	<b>439,176</b>
<b>NET CASH CHANGE</b>	<b>(101,664)</b>	<b>(39,345)</b>	<b>11,283</b>	<b>5,141</b>	<b>16,424</b>	<b>(4,376)</b>
<b>ENDING FUND BALANCE</b>	<b>226,193</b>	<b>186,849</b>	<b>237,476</b>		<b>242,617</b>	<b>238,241</b>

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EAST DILLON WATER DISTRICT

SEAL

Donald Wayne Clark, President

# **EAST DILLON WATER DISTRICT**

## **Budget Message for 2014**

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 2014 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.
3. The District utilizes a rate structure designed to encourage water conservation. For 2014 there is a base rate of \$38 per quarter (\$68 per quarter for users above the Summerwood Pump Station). Water usage to 23,000 gallons per quarter is billed at \$1.90 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 \$5.30 per 1,000 gallons. Water usage above 50,001 gallons in a quarter is billed at \$10.60 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 rates for water usage are 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 \$9,000. \$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 3.699 on an assessed valuation of \$53,477,590 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 owns 106 acre-feet of water / storage rights. The District reported 34.29 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 2013.
7. 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.

8. 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 2014. A total of 5 single-family unit taps were sold in 2013. All tap fee income is allocated to capital reserves.
9. 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.
10. 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 budgeted expenses have allowed the District to contribute income above operation expenses to the capital fund.
11. The District entered into a five year lease purchase in June 2008 to replace the electronic meter reading system. The lease was paid off in May 2013. The District has entered into an agreement with other area special districts to share the maintenance cost of the meter system and the 2013 upgrade.
12. The 2014 capital fund includes upgrading of the SCADA water operations computer system server and water line infrastructure improvements.
13. The budget does not anticipate any excess 2013 income over spending limitations dictated by Article X, Section 20. Any reduction of expenditures in 2013 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 2014 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 2, 2013, for its consideration, and;

WHEREAS, the 2013 valuation for assessment for the East Dillon Water District as certified by the County Assessor is \$53,477,590, 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 2, 2013, 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 2014.

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 2014 budget year, there is levied a tax of 3.699 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 2, 2013.

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Donald Wayne Clark, 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 \$53,477,590 for the year 2013, as determined and fixed by the Board of Directors on December 2, 2013 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	3.699 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 2nd day of December 2013.

EAST DILLON WATER DISTRICT

SEAL

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Donald Wayne Clark, President