

East Dillon Water District

2015 Budget

**EAST DILLON WATER DISTRICT
2015 Bond Fund Budget**

	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>2014 9 mo YTD</u>	<u>2014 3 mo Estimate</u>	<u>2014 Projected</u>	<u>2015 Budget</u>
BEGINNING FUND BALANCE	0	45,538			45,538	91,425
OPERATING REVENUES						
Property Taxes	198,044	197,799	197,145	654	197,799	197,799
Specific Ownership Taxes	9,382	7,200	7,853	2,100	9,953	9,600
TOTAL REVENUES	207,426	204,999	204,998	2,754	207,752	207,399
BOND EXPENDITURES						
Bond / CWCB interest	85,868	83,058	0	83,058	83,058	80,129
Bond / CWCB principal	66,108	68,917	0	68,917	68,917	71,846
Treasurer fees	9,912	9,890	9,864	26	9,890	9,890
Transfer to capital fund	0	0	0	0	0	0
SUBTOTAL	161,888	161,865	9,864	152,001	161,865	161,865
INCREASE (DECREASE) RESERVES	45,538	43,134			45,887	45,534
INCREASE (DECREASE) EMERGENCY	0	0			0	0
TOTAL EXPENSES	207,426	204,999	9,864	152,001	207,752	207,399
REFUND REQUIRED						0
ACCUMULATED RESERVES	26,898	70,032			72,785	118,318
ACCUMULATED EMERGENCY	18,640	0			18,640	18,640
ENDING FUND BALANCE	45,538	88,672			91,425	136,958

This document is a true and accurate copy of the budget for the East Dillon Water District adopted for 2015 by the Board of Directors on December 1, 2014.

EAST DILLON WATER DISTRICT

SEAL

Joseph P. O'Malley, President

**EAST DILLON WATER DISTRICT
2015 Water Activity Fund Budget**

	2013	2014	2014	2014	2014	2015
	<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	268,638	289,853	289,853		289,853	357,099
OPERATING REVENUES						
Water sales	408,724	415,000	347,897	84,000	431,897	420,000
Interest income	274	300	154	75	229	200
Miscellaneous	2,295	1,500	1,916	375	2,291	1,500
Tap fees	42,500	18,000	0	0	0	19,000
Meter lease	0	0	0	0	0	0
Transfer from Fund	0	0	0	0	0	0
TOTAL OPERATING REVENUES	453,793	434,800	349,966	84,450	434,416	440,700
OPERATING EXPENSES						
Water purchases	0	0	0	0	0	0
Repairs & maintenance	37,770	50,000	32,969	9,000	41,969	60,000
Utilities - water pumping	25,168	27,000	19,927	6,600	26,527	28,000
Operating supplies & testing	5,280	6,000	2,235	1,500	3,735	6,000
OPERATING EXPENSES	68,218	83,000	55,132	17,100	72,232	94,000
REVENUE NOTE PAYABLE						
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Meter replacement lease	53,645	0	0	0	0	0
REVENUE NOTE EXPENSES	53,645	0	0	0	0	0
ADMINISTRATIVE EXPENSES						
Audit	7,000	7,500	5,500	0	5,500	6,000
Billing & administration	75,600	78,000	58,500	19,500	78,000	79,200
Meter reading	0	0	0	0	0	0
Director's fee	1,600	2,500	1,200	1,000	2,200	2,500
Engineering	3,376	6,000	169	2,500	2,669	6,000
Insurance and bonds	15,689	17,000	14,713	0	14,713	16,000
Legal fees	12,244	16,200	9,046	4,050	13,096	16,200
Operations manager	144,432	148,476	111,357	37,119	148,476	152,928
Miscellaneous	735	1,500	(23)	375	352	1,500
Office supplies	4,831	6,600	3,829	1,650	5,479	6,600
Telephone	4,404	5,400	3,269	1,350	4,619	5,400
Dues	1,806	2,000	1,842	0	1,842	2,000
ADMINISTRATIVE EXPENSES	271,716	291,176	209,402	67,544	276,946	294,328
CAPITAL IMPROVEMENTS						
Computer / equipment / mapping	0	30,000	17,994	0	17,994	30,000
Medians	0	0	0	0	0	0
Meters	11,468	5,000	0	0	0	5,000
Equipment	0	0	0	0	0	0
Well field / pumps / tanks	0	0	0	0	0	0
Water lines	27,532	30,000	0	0	0	30,000
Water rights	0	0	0	0	0	0
CAPITAL EXPENSES	38,999	65,000	17,994	0	17,994	65,000
TOTAL EXPENSES	432,578	439,176	282,527	84,644	367,171	453,328
NET CASH CHANGE	21,215	(4,376)	67,439	(194)	67,245	(12,628)
ENDING FUND BALANCE	289,853	285,477	357,293		357,099	344,471

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EAST DILLON WATER DISTRICT

SEAL

Joseph P O'Malley, President

EAST DILLON WATER DISTRICT

Budget Message for 2015

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 2015 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 2015 there is a base rate of \$39 per quarter (\$69 per quarter for users above the Summerwood Pump Station). Water usage to 23,000 gallons per quarter is billed at \$1.95 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 \$5.45 per 1,000 gallons. Water usage above 50,001 gallons in a quarter is billed at \$10.90 per 1,000 gallons. Water income will fluctuate based on weather patterns during the summer. The quarterly base rate reflects a \$1 per quarter increase. Overall, the average user would have a quarterly rate increase of 2.6% or \$2.15. The District is projecting nominal increases of the base and usage rates in future years to adequately fund the replacement of water infrastructure as necessary.
4. The tap fee is \$9,500. \$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 3.684 on an assessed valuation of \$53,694,750 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 35.01 acre-feet of water usage for the water year ending October 2014. The District did not utilize its interconnection with the Snake River Water District to supplement its water source in 2014.
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 2015. No single-family unit taps were sold in 2014. 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 2015 capital fund includes possible upgrades in the solar power connections for the District SCADA water operations, water line infrastructure improvements connected with Summit County walkway project, and meter replacement purchases for new construction. The 2014 capital expenditure was for an update in the SCADA water operations computer system server.
12. The budget does not anticipate any excess 2014 income over spending limitations dictated by Article X, Section 20. Any reduction of expenditures in 2014 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 2015 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 1, 2014, for its consideration, and;

WHEREAS, the 2014 valuation for assessment for the East Dillon Water District as certified by the County Assessor is \$53,694,750, 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 1, 2014, 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 2015.

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 2015 budget year, there is levied a tax of 3.684 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 1, 2014.

Joseph P. O'Malley, 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 \$53,694,750 for the year 2014, as determined and fixed by the Board of Directors on December 1, 2014 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	3.684 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 1st day of December 2014.

EAST DILLON WATER DISTRICT

SEAL

Joseph P. O'Malley, President