

# East Dillon Water District

2016 Budget

**EAST DILLON WATER DISTRICT  
2016 Water Activity Fund Budget**

	2014	2015	2015	2015	2015	2016
	<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>	<b>335,391</b>	<b>458,122</b>			<b>458,122</b>	<b>519,870</b>
<b>OPERATING REVENUES</b>						
Water sales	435,655	420,000	345,414	74,586	420,000	425,000
Interest income	2,845	200	1,332	0	1,332	200
Aclara	0	0	0	0	0	3,500
ESRI	0	0	0	0	0	2,000
Miscellaneous	0	1,500	1,315	185	1,500	1,500
Tap fees	0	19,000	19,000	9,500	28,500	20,000
Meter Lease	0	0	0	0	0	0
Transfer from Fund	17,994	0	0	0	0	0
Specific Ownership Taxes	0	0	0	0	0	9,800
<b>TOTAL OPERATING REVENUES</b>	<b>456,494</b>	<b>440,700</b>	<b>367,061</b>	<b>84,271</b>	<b>451,332</b>	<b>462,000</b>
<b>OPERATING EXPENSES</b>						
Water purchases	0	0	0	0	0	0
Repairs & maintenance	39,049	60,000	31,078	0	31,078	55,500
Utilities - water pumping	26,404	28,000	21,894	6,106	28,000	29,000
Operating supplies & testing	2,675	6,000	10,981	0	10,981	6,000
Treasurer fees	0	0	0	0	0	490
<b>OPERATING EXPENSES</b>	<b>68,128</b>	<b>94,000</b>	<b>63,953</b>	<b>6,106</b>	<b>70,059</b>	<b>90,500</b>
<b>ADMINISTRATIVE EXPENSES</b>						
Audit	5,500	6,000	6,500	0	6,500	7,000
Billing & administration	78,000	79,200	68,065	19,800	87,865	80,000
Meter reading	0	0	0	0	0	0
Director's fee	1,600	2,500	1,600	500	2,100	2,500
Engineering	4,270	6,000	778	0	778	6,000
Insurance and bonds	14,714	16,000	0	14,266	14,266	16,000
Legal fees	12,170	16,200	16,283	500	16,783	16,200
Operations manager	148,476	152,928	114,696	38,232	152,928	160,000
Miscellaneous	8	1,500	0	0	0	1,000
Office supplies & expenses	4,989	6,600	16,035	200	16,235	6,500
Aclara	0	0	0	0	0	7,000
ESRI	0	0	0	0	0	2,900
Telephone	4,374	5,400	2,620	1,350	3,970	5,000
Dues	1,842	2,000	1,414	0	1,414	2,000
<b>ADMINISTRATIVE EXPENSES</b>	<b>275,943</b>	<b>294,328</b>	<b>227,991</b>	<b>74,848</b>	<b>302,839</b>	<b>312,100</b>
<b>CAPITAL IMPROVEMENTS</b>						
Computer / equipment	17,994	30,000	16,686	0	16,686	20,000
Medians	0	0	0	0	0	0
Meters	0	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	0	30,000	0	0	0	30,000
Water rights	0	0	0	0	0	0
<b>CAPITAL EXPENSES</b>	<b>17,994</b>	<b>65,000</b>	<b>16,686</b>	<b>0</b>	<b>16,686</b>	<b>55,000</b>
<b>TOTAL EXPENSES</b>	<b>362,065</b>	<b>453,328</b>	<b>308,630</b>	<b>80,954</b>	<b>389,583</b>	<b>457,600</b>
<b>NET CASH CHANGE</b>	<b>94,429</b>	<b>(12,628)</b>	<b>58,431</b>	<b>3,317</b>	<b>61,748</b>	<b>4,400</b>
<b>ENDING FUND BALANCE</b>	<b>429,820</b>	<b>445,494</b>			<b>519,870</b>	<b>524,270</b>

This document is a true and accurate copy of the budget for the East Dillon Water District adopted for 2016 by the Board of Directors on December 7, 2015

EAST DILLON WATER DISTRICT

SEAL

Joseph P. O'Malley, President

# EAST DILLON WATER DISTRICT

## 2016 Bond Fund Budget

	<u>2014</u> <u>Actual</u>	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>9 mo</u> <u>YTD</u>	<u>2015</u> <u>3 mo</u> <u>Estimate</u>	<u>2015</u> <u>Projected</u>	<u>2016</u> <u>Budget</u>
<b>BEGINNING FUND BALANCE</b>	<b>91,834</b>	<b>91,425</b>			<b>91,425</b>	<b>136,479</b>
<b>OPERATING REVENUES</b>						
Property Taxes	197,729	197,799	197,110	689	197,799	197,825
Specific Ownership Taxes	10,437	9,600	6,988	2,612	9,600	0
<b>TOTAL REVENUES</b>	<b>208,166</b>	<b>207,399</b>	<b>204,098</b>	<b>3,301</b>	<b>207,399</b>	<b>197,825</b>
<b>BOND EXPENDITURES</b>						
Bond / CWCB interest	83,058	80,129	0	80,129	80,129	74,900
Bond / CWCB principal	68,917	71,846	0	71,846	71,846	77,076
Treasurer fees	9,895	9,890	0	10,370	10,370	9,891
Transfer to capital fund	17,994	0	0	0	0	0
<b>SUBTOTAL</b>	<b>179,864</b>	<b>161,865</b>	<b>0</b>	<b>162,345</b>	<b>162,345</b>	<b>161,867</b>
<b>INCREASE (DECREASE) RESERVES</b>	<b>28,302</b>	<b>45,534</b>	<b>204,098</b>	<b>(159,044)</b>	<b>45,054</b>	<b>35,958</b>
<b>INCREASE (DECREASE) EMERGENCY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENSES</b>	<b>208,166</b>	<b>207,399</b>	<b>204,098</b>	<b>3,301</b>	<b>207,399</b>	<b>197,825</b>
<b>REFUND REQUIRED</b>						<b>0</b>
<b>ACCUMULATED RESERVES</b>	<b>101,496</b>	<b>147,030</b>			<b>146,550</b>	<b>182,508</b>
<b>ACCUMULATED EMERGENCY</b>	<b>18,640</b>	<b>18,640</b>			<b>18,640</b>	<b>18,640</b>
<b>ENDING FUND BALANCE</b>	<b>120,136</b>	<b>136,959</b>			<b>136,479</b>	<b>172,437</b>

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EAST DILLON WATER DISTRICT

SEAL

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Joseph O'Malley, President

# **EAST DILLON WATER DISTRICT**

## **Budget Message for 2016**

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 2016 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 2016 there is a base rate of \$40 per quarter (\$70 per quarter for users above the Summerwood Pump Station). Water usage to 23,000 gallons per quarter is billed at \$2.00 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 \$5.60 per 1,000 gallons. Water usage above 50,001 gallons in a quarter is billed at \$11.20 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 \$10,000. \$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 142 units (with a tap fee payable) remaining in the District service area. The District is at 87.2% 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 transmitter unit 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 3.380 on an assessed valuation of \$58,525,340 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 36.70 acre-feet of water usage for the water year ending October 2015. The District did not utilize its interconnection with the Snake River Water District to supplement its water source in 2015.
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 2016. A total of 3 single-family unit taps were sold in 2015. 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 2016 capital fund includes possible upgrades in computer/equipment/mapping, water line infrastructure improvements connected with Summit County walkway project, and meter replacement purchases for new construction.
12. The budget does not anticipate any excess 2015 income over spending limitations dictated by Article X, Section 20. Any reduction of expenditures in 2015 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 2016 CALENDAR YEAR.

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

WHEREAS, Mr. Morris has submitted a proposed budget to this Board on December 7, 2015, for its consideration, and;

WHEREAS, the 2015 valuation for assessment for the East Dillon Water District as certified by the County Assessor is \$58,525,340, 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, 2015, 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 2016.

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 2016 budget year, there is levied a tax of 3.380 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, 2015.

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Joseph P. O'Malley, 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 \$58,525,340 for the year 2015, as determined and fixed by the Board of Directors on December 7, 2015 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	3.380 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 7<sup>th</sup> day of December 2015.

EAST DILLON WATER DISTRICT

SEAL

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Joseph P. O'Malley, President