

East Dillon Water District

2018 Budget

	2016 Actual	2017 Budget	2017 Jan- Oct	2017 Nov- Dec Estimate	2017 Projected	2017 Actual to Budget Variance	2018 Budget
Ordinary Income/Expense							
Income							
Operations Revenue							
Water Sales	204,220	165,000	172,895	30,000	202,895	37,895	200,000
Base Rate Fee	255,690	266,000	195,274	65,000	260,274	(5,726)	287,000
Specific Ownership Tax	10,328	9,800	9,773	1,600	11,373	1,573	10,000
Miscellaneous Income	246	0	0	0	0	0	0
Finance Charges	7,263	0	9,067	0	9,067	9,067	0
ESRI IGA	4,000	2,000	0	2,000	2,000	0	2,000
Aclara IGA	3,043	3,100	0	3,100	3,100	0	3,100
SMV	5,324	3,500	0	1,676	1,676	(1,824)	7,000
Tap Fees	62,000	19,000	9,500	19,000	28,500	9,500	9,500
Conservation Fund	3,000	1,000	500	1,000	1,500	500	500
Interest Income	1,757	200	4,764	400	5,164	4,964	2,000
Note Payable - GWUDI	0	0	0	0	0	0	900,000
Total Income	556,872	469,600	401,773	123,776	525,549	55,949	1,421,100
Expense							
Capital Expenditures							
Computer/Electronics/Mapping	0	10,000	0	3,000	3,000	(7,000)	3,000
Meter Expense	0	10,000	3,090	0	3,090	(6,910)	0
Water Line Expense	0	30,000	0	0	0	(30,000)	30,000
GWUDI Compliance Project	0	0	0	0	0	0	900,000
Total Capital Expenditures	0	50,000	3,090	3,000	6,090	(43,910)	933,000
Note Payable/GWUDI (P&I + fees)	0	0	0	0	0	0	150,000
Administration	90,000	90,000	75,000	15,000	90,000	0	92,790
Audit	6,500	7,000	6,750	0	6,750	(250)	6,200
Director Fees	2,300	2,500	1,500	500	2,000	(500)	2,500
Dues	1,426	2,000	1,298	0	1,298	(702)	2,000
Engineering	1,112	6,000	29,707	41,000	70,707	64,707	5,000
Aclara IGA	6,054	7,000	6,207	0	6,207	(793)	7,000
ESRI IGA	2,900	2,500	2,500	0	2,500	0	2,500
SMV	5,324	3,500	55	2,500	2,555	(945)	7,000
Insurance Expense	14,393	16,000	0	14,602	14,602	(1,398)	16,000
Legal	14,880	16,000	16,590	2,000	18,590	2,590	16,000
Miscellaneous Expense	0	1,000	391	0	391	(609)	1,000
Office Supplies/Expenses	4,474	6,500	8,760	800	9,560	3,060	10,000
Operations Manager	159,984	164,800	137,333	27,467	164,800	0	169,909
Operating Supplies/Expenses	14,435	10,000	14,225	1,000	15,225	5,225	10,000
Repairs and Maintenance	25,269	55,000	23,523	2,000	25,523	(29,477)	55,000
SO Treasurer Fees	497	490	0	0	0	(490)	0
Telephone/Internet Expense	4,927	5,000	3,297	650	3,947	(1,053)	5,000
Utilities	25,226	29,000	22,106	4,400	26,506	(2,494)	29,000
Total Expense	379,701	474,290	352,332	114,919	467,251	(7,039)	1,519,899
Net Ordinary Income	177,172	(4,690)	49,441	8,857	58,298	62,988	(98,799)

This document is a true and accurate copy of the budget for the East Dillon Water District adopted for 2018 by the Board of Directors on December 4, 2017.

EAST DILLON WATER DISTRICT

SEAL

Joseph O'Malley, President

**EAST DILLON WATER DISTRICT
2018 Bond Fund Budget**

	<u>2016 Actual</u>	<u>2017 Budget</u>	<u>2017 7 mo YTD</u>	<u>2017 5 mo Estimate</u>	<u>2017 Projected</u>	<u>2018 Budget</u>
BEGINNING FUND BALANCE	136,479	172,437			172,148	208,106
OPERATING REVENUES						
Property Taxes	197,521	197,825	196,336	1,489	197,825	197,825
Specific Ownership Taxes	0	0	0	0	0	0
TOTAL REVENUES	197,521	197,825	196,336	1,489	197,825	197,825
BOND EXPENDITURES						
Bond / CWCB interest	77,076	73,893	0	74,900	74,900	70,574
Bond / CWCB principal	74,900	78,083	0	77,076	77,076	81,402
Treasurer fees	9,876	9,891	9,817	74	9,891	9,891
Transfer to capital fund	0	0	0	0	0	0
SUBTOTAL	161,852	161,867	9,817	152,050	161,867	161,867
INCREASE (DECREASE) RESERVES	35,669	35,958	186,519	(150,561)	35,958	35,958
INCREASE (DECREASE) EMERGENCY	0	0	0	0	0	0
TOTAL EXPENSES	197,521	197,825	196,336	1,489	197,825	197,825
REFUND REQUIRED						0
ACCUMULATED RESERVES	153,508	191,729			189,466	225,424
ACCUMULATED EMERGENCY	18,640	18,640			18,640	18,640
ENDING FUND BALANCE	172,148	208,395			208,106	244,064

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SEAL

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EAST DILLON WATER DISTRICT

Budget Message for 2018

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 2018 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 2018 there is a base rate of \$46 per quarter (\$76 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 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 136 units (with a tap fee payable) remaining in the District service area. The District is at 87.7% 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 3.244 on an assessed valuation of \$60,988,800 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 \$197,825 per year. 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 35.18 acre-feet of water usage for the water year ending October 2017. The District did not utilize its interconnection with the Snake River Water District to supplement its water source in 2017.
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 2018 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 projection is based on the start of 1 single-family unit in the District in 2018. A total of 3 single-family unit taps were sold in 2017. 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 2018 capital fund includes significant water treatment plant upgrades required by the Colorado Department of Public Health and Environment (CDPHE). The preliminary Guaranteed Maximum Price to comply with a Ground Water Under the Direct Influence (GWUDI) rules of CDPHE is \$900,000. Other possible upgrades include computer/equipment/mapping, water line infrastructure improvements connected with the Summit County walkway project, and meter purchases for new construction. The District will consider refinancing the current Colorado Water Conservation Board debt, a bond election and/or lease purchase financing to fund these GWUDI improvements.
12. The budget does not anticipate any excess 2018 income over spending limitations dictated by Article X, Section 20. Any reduction of expenditures in 2018 resulting in additional cash on hand at year-end will be transferred into the accumulated reserves for future capital projects.