

**EAST DILLON WATER DISTRICT
2009 Bond Fund Budget**

	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 9 mo YTD</u>	<u>2008 3 mo Estimate</u>	<u>2008 Projected</u>	<u>2009 Budget</u>
BEGINNING FUND BALANCE	121,541	164,804			164,804	245,160
OPERATING REVENUES						
Property Taxes	191,800	231,149	228,320	2,829	231,149	236,543
Specific Ownership Taxes	13,007	12,000	9,740	3,000	12,740	12,000
TOTAL REVENUES	204,807	243,149	238,060	5,829	243,889	248,543
BOND EXPENDITURES						
Bond / CWCB interest	100,477	98,288	0	98,288	98,288	96,006
Bond / CWCB principal	51,499	53,687	0	53,687	53,687	55,969
Treasurer fees	9,568	11,557	11,391	167	11,558	11,827
Transfer to capital fund	0	0	0	0	0	0
SUBTOTAL	161,544	163,533	11,391	152,142	163,533	163,802
INCREASE (DECREASE) RESERVES	43,263	79,616			80,356	84,741
INCREASE (DECREASE) EMERGENCY	0	0			0	0
TOTAL EXPENSES	204,807	243,149	11,391	152,142	243,889	248,543
REFUND REQUIRED						0
ACCUMULATED RESERVES	146,164	225,780			226,520	311,261
ACCUMULATED EMERGENCY	18,640	0			18,640	18,640
ENDING FUND BALANCE	164,804	244,420			245,160	329,901

This document is a true and accurate copy of the budget for the East Dillon Water District adopted for 2009 by the Board of Directors on December 1, 2008.

EAST DILLON WATER DISTRICT

SEAL

Bruce Farrell, Presiden

EAST DILLON WATER DISTRICT 2009 Water Activity Fund Budget

	2007 <u>Actual</u>	2008 <u>Budget</u>	2008 9 mo <u>YTD</u>	2008 3 mo <u>Estimate</u>	2008 <u>Projected</u>	2009 <u>Budget</u>
BEGINNING FUND BALANCE	590,295	673,347	673,347		673,347	710,892
OPERATING REVENUES						
Water sales	440,949	385,000	341,819	75,000	416,819	385,000
Interest income	40,257	30,000	18,758	3,000	21,758	18,000
Miscellaneous	2,561	1,500	1,615	375	1,990	1,500
Tap fees	71,500	52,500	45,500	0	45,500	37,500
Meter lease	0	0	484,399	0	484,399	0
TOTAL OPERATING REVENUES	555,267	469,000	892,091	78,375	970,466	442,000
OPERATING EXPENSES						
Water purchases	0	15,000	0	0	0	15,000
Repairs & maintenance	17,725	37,500	30,482	12,000	42,482	42,000
Utilities - water pumping	19,211	22,500	18,532	5,250	23,782	26,000
Operating supplies & testing	2,823	7,500	2,051	1,750	3,801	7,500
OPERATING EXPENSES	39,759	82,500	51,065	19,000	70,065	90,500
REVENUE NOTE PAYABLE						
Principal	100,632	105,984	52,306	53,679	105,985	111,621
Interest	31,454	26,102	13,737	12,365	26,102	20,465
Meter replacement lease	0	0	0	53,645	53,645	107,290
REVENUE NOTE EXPENSES	132,086	132,086	66,043	119,689	185,732	239,376
ADMINISTRATIVE EXPENSES						
Accounting & auditing	5,000	5,500	0	5,500	5,500	6,000
Billing & administration	52,200	54,780	41,085	13,695	54,780	57,600
Meter reading	1,200	1,200	900	300	1,200	600
Director's fee	1,500	1,875	1,125	375	1,500	1,875
Engineering	1,344	5,000	14,504	2,500	17,004	20,000
Insurance and bonds	15,477	16,000	15,081	0	15,081	16,000
Legal fees	7,226	10,000	7,953	2,500	10,453	12,000
Operations manager	122,400	126,000	94,500	31,500	126,000	132,000
Miscellaneous	0	1,000	512	250	762	1,000
Office supplies	4,640	9,000	7,132	1,700	8,832	9,000
Telephone	3,055	3,200	2,466	800	3,266	4,800
Dues	1,650	1,750	2,191	0	2,191	2,400
ADMINISTRATIVE EXPENSES	215,692	235,305	187,449	59,120	246,569	263,275
CAPITAL IMPROVEMENTS						
Computer / equipment / mapping	11,855	35,000	24,429	5,000	29,429	5,000
Medians	54,973	0	0	0	0	0
Meters	10,593	500,000	362,050	50,000	412,050	75,000
Equipment	16,245	0	0	0	0	0
Well field / pumps / tanks	0	0	0	0	0	25,000
Water lines	0	0	0	0	0	300,000
Water rights	987	10,000	0	0	0	10,000
CAPITAL EXPENSES	94,653	545,000	386,479	55,000	441,479	415,000
TOTAL EXPENSES	482,190	994,891	691,036	252,809	943,845	1,008,151
NET CASH CHANGE	73,077	(525,891)	201,055	(174,434)	26,621	(566,151)
Median contributions	9,975	15,000	8,424	2,500	10,924	5,000
ENDING FUND BALANCE	673,347	162,456	882,826		710,892	149,741

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EAST DILLON WATER DISTRICT

SEAL

Bruce Farrell, President

EAST DILLON WATER DISTRICT

Budget Message for 2009

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 2009 budget is prepared on a modified accrual accounting basis. In 1994 the District set up a separate water activity fund for water operation. The tax base budget includes property tax revenue only. Expenses include debt principal and interest, emergency reserves per Article X, Section 20, capital funding, and reserves for an early loan payoff. Income from rates, operation charges, operation expenses, capital expenditure and capital reserves are included within the water activity fund budget.
3. The District utilizes a rate structure designed to encourage water conservation. There is a base rate of \$34 per quarter (\$64 per quarter for users above the Summerwood Pump Station). Water usage to 23,000 gallons per quarter is billed at \$1.75 per 1,000 gallons. Over 80% of the users served by the District utilize 23,000 gallons or less per quarter. Water usage from 23,000 gallons through 50,000 gallons in a quarter is billed at \$5.00 per 1,000 gallons. Water usage above 50,000 gallons in a quarter is billed at \$10.00 per 1,000 gallons. Water income will fluctuate based on weather patterns during the summer.
4. The tap fee is \$7,500. \$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 \$4,000 is payable for construction above the pressure zone in Summerwood served by the booster pump station. The District currently projects 151 units (with a tap fee payable) remaining in the District service area. The District is at 86.1% 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 4.131 on an assessed valuation of \$57,260,540 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.
7. The District owns 106 acre-feet of water / storage rights. The District reported 36.14 acre-feet of water usage for the water year ending October 2008. The District did not utilize its interconnection with the Snake River Water District to supplement its water source in 2008.

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 5 single-family units in the District in 2009. A total of 5 single-family unit taps were sold in 2008. 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.
13. The 2009 capital fund includes completion of a replacement electronic meter reading system; completion of the District mapping system; replacement of 2,300 feet of main line on Royal Coachman; repairs to the Landfill water tank; and legal research to maximize the value and utilization of water rights of the District.
14. The budget does not anticipate any excess 2008 income over spending limitations dictated by Article X, Section 20. Any reduction of expenditures in 2008 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 2009 CALENDAR YEAR.

WHEREAS, the Board of Directors of the East Dillon Water District has appointed Robert D. 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, 2008, for its consideration, and;

WHEREAS, the 2008 valuation for assessment for the East Dillon Water District as certified by the County Assessor is \$57,260,540, 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, 2008, 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 2009.

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 2009 budget year, there is levied a tax of 4.131 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, 2008.

Bruce Farrell, 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 \$57,260,540 for the year 2008, as determined and fixed by the Board of Directors on December 1, 2008 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	4.131 mills	\$ 236,543
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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 2008.

EAST DILLON WATER DISTRICT

SEAL

Bruce Farrell, President