

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 2025 CALENDAR YEAR.

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

WHEREAS, Mr. Oberheide has submitted a proposed budget to this Board on August 26, 2024, for its consideration, and;

WHEREAS, the 2024 preliminary valuation for assessment for the East Dillon Water District as certified by the County Assessor is **\$115,653,740 (final valuation of \$115,643,083 provided on November 22, 2024)** 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, 2024, 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 2025.

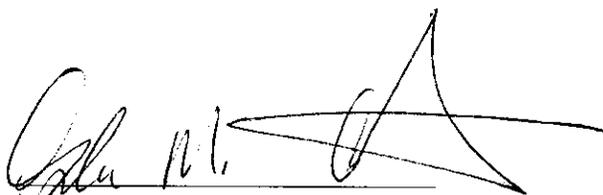
Section 2. That the budget approved and adopted shall be signed by the President of the District and made a part of the public records of the District.

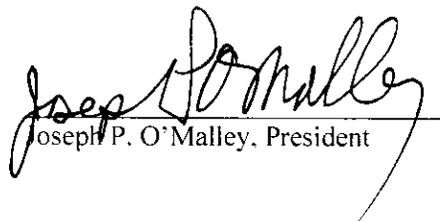
Section 3. That for the purpose of funding capital improvements and paying outstanding debt, there is levied a tax of **1.710 (adjusted to 1.710 mills per final valuation)** mills upon each dollar of the total valuation for assessment of all taxable property within the District.

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, 2024.


Attest:


Joseph P. O'Malley, President

**EAST DILLON WATER DISTRICT
Budget Message for 2025**

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 2025 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/capital fund budget to pay the voter approved debt to purchase water rights and wells and capital improvements referenced below in note 6. The bond/capital fund includes all property tax revenues levied by the District.
3. The District utilizes a rate structure designed to encourage water conservation. For 2025, the base rate is \$78.28 per quarter (\$172.70 per quarter for users above the Summerwood Pump Station). Water usage to 23,000 gallons per quarter is billed at \$2.64 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 \$7.39 per 1,000 gallons. Water usage above 50,001 gallons in a quarter is billed at \$14.78 per 1,000 gallons. Water income will fluctuate based on weather patterns during the summer.
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 in the upper pressure zone in Summerwood served by the booster pump station. The District currently projects 125 units (with a tap fee payable) remaining in the District service area. The District is 90% of build-out based on projected units to serve. 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 1.710 mills, on an assessed valuation of \$115,643,083, not to exceed \$197,825 per year. Voters in the District approved a ballot measure at a November 6, 2018 election which extends the use of property taxes to be used to pay all outstanding debts and to fund capital reserves.
6. 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. 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. In 2018, the District refinanced this debt, decreasing the fixed interest rate from 4.25% to 3.45%. The loan is repaid annually over 30 years and will be paid off in 2032.
7. The District entered into a Lease-Purchase Agreement with Alpine Bank in 2018 to fund the Ground Water Under the Direct Influence (GWUDI) Compliance Project. The Colorado Department of Health and Environment required the project after re-classifying the District's wells as surface water. The loan amount is \$900,000 to be paid back over 20 years at a fixed interest rate of 3.6%.
8. The District owns 106 acre-feet of water / storage rights.

9. 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 2025 for capital projects and retirement of debt.
10. Tap fee income is dependent on the general economy and housing needs in Summit County. A total of 2 single-family unit taps were sold in 2024.
11. 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.
12. 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 capital reserves.
13. The 2025 capital improvements include a new computer server, replacement of an old fire hydrant, feasibility and cost studies for additional filtration and chlorination options at the Grey Fox Pump Station, and well improvements.
14. The budget does not anticipate any excess 2025 income over spending limitations dictated by Article X, Section 20. Any reduction of expenditures in 2025 resulting in additional cash on hand at year-end will be transferred into the accumulated reserves.

**EAST DILLON WATER DISTRICT
2025 FINAL BUDGET**

EXHIBIT A

	2023 Actual	2024 Budget	2024 Jan-Oct	2024 Nov-Dec Estimate	2024 Projected	2024 Projected to Budget Variance Favorable (Unfavorable)	2025 Budget	Budget Comments
WATER ACTIVITY FUND								
OPERATING REVENUES								
Water Sales	206,921	200,000	170,232	30,000	200,232	232	241,647	Per 2025 rates approved at 12/2/2024 board meeting
Base Rate Fee	427,335	495,000	376,568	125,320	501,888	6,888	519,582	Per 2025 rates approved at 12/2/2024 board meeting
Specific Ownership Tax	10,438	10,000	6,970	2,500	9,470	(530)	9,000	
Miscellaneous Income	0	0	(182)	0	(182)	(182)	0	
Finance Charges	16,745	0	9,874	6,000	15,874	15,874	0	
ESRI IGA	2,100	2,100	0	1,000	1,000	(1,100)	0	
Aclara IGA	6,647	7,000	0	7,000	7,000	0	8,000	
Tap Fees	28,500	0	19,000	0	19,000	19,000	0	
Conservation Fund	1,500	0	1,000	0	1,000	1,000	0	
Interest Income	46,787	40,000	37,437	11,000	48,437	8,437	20,000	reserves is decreasing compared to 2024
TOTAL OPERATING REVENUES	746,974	754,100	620,899	182,820	803,719	49,619	798,229	
OPERATING EXPENDITURES								
Administration	114,665	120,856	100,713	20,143	120,856	(0)	122,548	September/September CPI is 1.4%
Audit	7,900	8,000	8,300	0	8,300	(300)	8,500	
Director Fees	1,700	2,500	2,000	500	2,500	0	2,500	
Dues	1,415	3,000	1,899	0	1,899	1,101	2,000	
Engineering	0	10,000	0	0	0	10,000	10,000	
Aclara IGA	17,263	18,000	18,127	0	18,127	(127)	20,000	
ESRI IGA	3,190	3,200	3,210	0	3,210	(10)	3,500	
Insurance Expense	19,583	20,000	22,900	0	22,900	(2,900)	24,000	
Legal	5,229	10,000	3,413	2,500	5,913	4,088	7,000	
Miscellaneous Expense	0	1,000	6,600	0	6,600	(5,600)	1,000	
Office Supplies/Expenses	7,173	12,000	6,706	5,000	11,706	294	11,000	
Operations Manager	209,970	221,308	184,423	36,885	221,308	0	232,373	5% increase per discussion with Ron
Operating Supplies/Expenses	38,600	40,000	22,414	17,000	39,414	586	40,000	
Repairs and Maintenance	233,972	150,000	118,239	70,000	188,239	(38,239)	150,000	\$100K for "normal" repairs/maintenance + \$50K For meter repairs
Telephone/Internet Expense	4,987	6,500	4,792	850	5,642	858	6,500	
Utilities	38,646	45,000	32,662	10,000	42,662	2,338	45,000	
TOTAL OPERATING EXPENDITURES	704,292	671,364	536,399	162,878	699,277	(27,913)	685,921	
NET OPERATING INCOME	42,682	82,736	84,501	19,942	104,443	21,707	112,308	
TOTAL EXPENDITURES	704,292	671,364	536,399	162,878	699,277	(27,913)	685,921	
OTHER SOURCES AND USES								
Transfer to Bond/Capital Fund	0	400,000	0	0	450,000	0	70,000	
CHANGE IN FUND BALANCE	42,682	(317,264)	84,501	19,942	(345,557)	(28,293)	42,308	
BEGINNING FUND BALANCE	602,586	656,465	656,465	740,966	656,465	0	310,908	
WATER ACTIVITY FUND								
(Continued)								

**EAST DILLON WATER DISTRICT
2025 FINAL BUDGET**

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ENDING FUND BALANCE	656,465	339,201	740,966	760,908	310,908	(28,293)	353,216	
BOND/CAPITAL FUND								
REVENUES								
Property Taxes	197,745	197,825	197,302	1,294	198,596	771	197,750	
TOTAL REVENUES	197,745	197,825	197,302	1,294	198,596	771	197,750	
EXPENDITURES								
BOND								
Bond / Alpine Bank principal	92,056	95,231	0	95,231	95,231	0	98,517	
Bond / Alpine Bank interest	36,906	33,996	0	33,996	33,996	0	30,710	
Treasurer fees	9,886	9,891	9,545	0	9,545	346	9,891	
TOTAL BOND	138,848	139,118	9,545	129,227	138,772	346	139,118	
LEASE PURCHASE								
Principal	36,851	38,492	31,990	6,502	38,492	(0)	39,901	
Interest	26,341	24,700	20,670	4,030	24,700	0	23,291	
TOTAL LEASE PURCHASE	63,192	63,192	52,660	10,532	63,192	0	63,192	
TOTAL DEBT SERVICE	202,040	202,310	62,205	139,759	201,964	(346)	202,310	
CAPITAL								
Computer/Electronics/Mapping	1,875	13,000	0	3,000	3,000	10,000	13,000	
Water Lines	43,807	25,000	14,844	0	14,844	10,156	25,000	ron says 1 hydrant in 2025
Pump Stations	21,092	590,000	444,276	60,000	504,276	85,725	30,000	\$30 K for feasibility study for adding filters and Cl2 options to gas
Wells	0	25,000	0	0	0	25,000	25,000	Per Ron, keep \$25 K for 2025
TOTAL CAPITAL	66,773	653,000	459,119	63,000	522,119	130,881	93,000	
TOTAL EXPENDITURES	268,813	855,310	521,324	202,759	724,083	131,227	295,310	
OTHER SOURCES AND USES								
Transfer) from Water Activity Fund	0	400,000	0	0	450,000	0	70,000	
CHANGE IN FUND BALANCE	(71,068)	(257,485)	(324,022)	(201,465)	(75,487)	181,998	(27,560)	
BEGINNING FUND BALANCE	343,397	272,329	109,993	(214,029)	272,329	0	196,841	
ENDING FUND BALANCE	272,329	14,844	(214,029)	(415,494)	196,841	181,998	169,281	