

**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 2026 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 25, 2025, for its consideration, and;

WHEREAS, the Final Certification of 2025 Assessed and Actual Valuation for the East Dillon Water District as certified by the County Assessor is **\$127,070,600** 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, 2025, 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 2026.

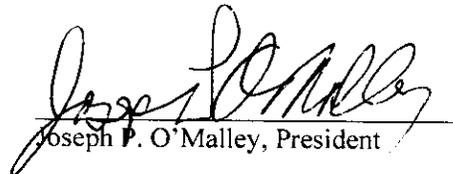
Section 2. That the budget approved and adopted shall be signed by the President of the District and made a part of the public records of the District.

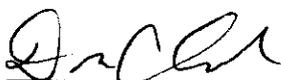
Section 3. That for the purpose of funding capital improvements and paying outstanding debt, there is levied a tax of **1.556** mills upon each dollar of the total valuation for assessment of all taxable property within the District.

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, 2025.

  
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Joseph P. O'Malley, President

  
\_\_\_\_\_  
Attest:

## EXHIBIT A

### EAST DILLON WATER DISTRICT Budget Message for 2026

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 2026 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 2026, the base rate is \$80.36 per quarter (\$177.88 per quarter for users above the Summerwood Pump Station). Water usage to 23,000 gallons per quarter is billed at \$2.72 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 \$7.61 per 1,000 gallons. Water usage above 50,001 gallons in a quarter is billed at \$15.22 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 1.556 mills, on an assessed valuation of \$127,070,600, 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 2026 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 1 single-family unit taps were sold in 2025.
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 2026 capital improvements include a new computer server, replacement of an old fire hydrant, and an updated chlorination system.
14. The budget does not anticipate any excess 2026 income over spending limitations dictated by Article X, Section 20. Any reduction of expenditures in 2026 resulting in additional cash on hand at year-end will be transferred into the accumulated reserves.

**EAST DILLON WATER DISTRICT  
2026 APPROVED BUDGET**

**EXHIBIT A**

	2024 Actual	2025 Budget	2025 Jan-Oct	2025 Nov-Dec Estimate	2025 Projected	2025 Projected to Budget Variance Favorable (Unfavorable)	2026 Budget	Budget Comments
<b>WATER ACTIVITY FUND</b>								
<b>OPERATING REVENUES</b>								
Water Sales	204,145	241,647	219,090	35,000	254,090	12,443	248,896	
Base Rate Fee	506,618	519,582	390,235	129,895	520,130	548	535,169	Assumes 3% increase for 2026
Specific Ownership Tax	8,345	9,000	6,898	2,100	8,998	(2)	8,000	Assumes 3% increase for 2026
Miscellaneous Income	1,286	0	0	0	0	0	0	
Finance Charges	9,189	0	11,169	3,000	14,169	14,169	0	
ESRI IGA	1,833	0	0	1,000	1,000	1,000	0	
Aclara IGA	6,945	8,000	0	8,000	8,000	0	8,000	
Tap Fees	19,000	0	10,000	0	10,000	10,000	0	
Conservation Fund	1,000	0	0	0	0	0	0	
Interest Income	41,750	20,000	20,201	3,000	23,201	3,201	25,000	reserves are increasing compared to 2025
<b>TOTAL OPERATING REVENUES</b>	<b>800,111</b>	<b>798,229</b>	<b>657,593</b>	<b>181,995</b>	<b>839,588</b>	<b>41,359</b>	<b>825,065</b>	
<b>OPERATING EXPENDITURES</b>								
Administration	120,856	122,548	102,123	20,425	122,548	0	126,224	3% increase
Audit	8,300	8,500	8,700	0	8,700	(200)	9,000	
Director Fees	2,500	2,500	1,200	500	1,700	800	2,500	
Dues	1,899	2,000	1,608	0	1,608	392	2,000	
Engineering	0	10,000	605	3,000	3,605	6,395	10,000	increased from \$5K in prelim budget
Aclara IGA	23,280	20,000	20,383	0	20,383	(383)	21,402	5%increase
ESRI IGA	3,210	3,500	1,860	0	1,860	1,640	3,500	
Insurance Expense	22,455	24,000	23,416	0	23,416	584	24,000	
Legal	3,950	7,000	3,569	2,000	5,569	1,431	7,000	
Miscellaneous Expense	2,400	1,000	0	0	0	1,000	1,000	
Office Supplies/Expenses	7,411	11,000	7,676	2,000	9,676	1,324	11,000	
Operations Manager	221,308	232,373	193,644	38,729	232,373	0	239,344	3% increase
Operating Supplies/Expenses	23,397	40,000	23,320	5,000	28,320	11,680	40,000	
Repairs and Maintenance	173,905	150,000	99,044	10,000	109,044	40,956	150,000	\$125K for "normal" repairs/maintenance + \$25K For meter repairs
Telephone/Internet Expense	5,153	6,500	5,514	1,100	6,614	(114)	6,500	
Utilities	38,097	45,000	35,681	7,000	42,681	2,319	45,000	
<b>TOTAL OPERATING EXPENDITURES</b>	<b>658,120</b>	<b>685,921</b>	<b>528,342</b>	<b>89,754</b>	<b>618,096</b>	<b>67,825</b>	<b>698,470</b>	
<b>NET OPERATING INCOME</b>	<b>141,991</b>	<b>112,308</b>	<b>129,251</b>	<b>92,241</b>	<b>221,492</b>	<b>109,184</b>	<b>126,595</b>	
<b>TOTAL EXPENDITURES</b>	<b>658,120</b>	<b>685,921</b>	<b>528,342</b>	<b>89,754</b>	<b>618,096</b>	<b>67,825</b>	<b>698,470</b>	
<b>OTHER SOURCES AND USES</b>								
Transfer to Bond/Capital Fund	400,000	70,000	0	0	70,000	0	0	
<b>CHANGE IN FUND BALANCE</b>	<b>(258,009)</b>	<b>42,308</b>	<b>129,251</b>	<b>92,241</b>	<b>151,492</b>	<b>109,184</b>	<b>126,595</b>	
<b>BEGINNING FUND BALANCE</b>	<b>602,586</b>	<b>344,577</b>	<b>344,577</b>	<b>473,828</b>	<b>344,577</b>	<b>0</b>	<b>496,069</b>	
<b>WATER ACTIVITY FUND</b>								

EAST DILLON WATER DISTRICT  
2026 APPROVED BUDGET

EXHIBIT A

	2024 Actual	2025 Budget	2025 Jan-Oct	2025 Nov-Dec Estimate	2025 Projected	2025 Projected to Budget Variance Favorable (Unfavorable)	2026 Budget	Budget Comments
<b>(Continued)</b>								
ENDING FUND BALANCE	344,577	386,885	473,828	566,069	496,069	109,184	622,664	
<b>BOND/CAPITAL FUND</b>								
<b>REVENUES</b>								
Property Taxes	197,673	197,750	196,576	1,294	197,870	120	197,722	
<b>TOTAL REVENUES</b>	<b>197,673</b>	<b>197,750</b>	<b>196,576</b>	<b>1,294</b>	<b>197,870</b>	<b>120</b>	<b>197,722</b>	
<b>EXPENDITURES</b>								
<b>BOND</b>								
Bond / Alpine Bank principal	95,231	98,517	0	98,517	98,517	0	101,915	
Bond / Alpine Bank interest	33,996	30,710	0	30,710	30,710	0	27,312	
Treasurer fees	9,565	9,891	0	9,891	9,891	0	9,891	Waiting for initial Assessor's letter to calculate treasurer fees for 2026
<b>TOTAL BOND</b>	<b>138,791</b>	<b>139,118</b>	<b>0</b>	<b>139,118</b>	<b>139,118</b>	<b>0</b>	<b>139,118</b>	
<b>LEASE PURCHASE</b>								
Principal	38,060	39,901	35,967	3,934	39,901	(0)	41,361	
Interest	25,133	23,291	21,959	1,332	23,291	0	21,831	
<b>TOTAL LEASE PURCHASE</b>	<b>63,192</b>	<b>63,192</b>	<b>57,926</b>	<b>5,266</b>	<b>63,192</b>	<b>0</b>	<b>63,192</b>	
<b>TOTAL DEBT SERVICE</b>	<b>201,983</b>	<b>202,310</b>	<b>57,926</b>	<b>144,384</b>	<b>202,310</b>	<b>0</b>	<b>202,310</b>	
<b>CAPITAL</b>								
Computer/Electronics/Mapping	0	13,000	743	5,000	5,743	7,258	13,000	new EDWD server or Third party billing
Water Lines	14,844	25,000	0	0	0	25,000	25,000	1 new hydrant in 2026
Pump Stations	486,461	30,000	20,866	0	20,866	9,134	100,000	Switch from gaseous chlorine to chlorine solution for disinfection
Wells	0	25,000	14,567	0	14,567	10,433	25,000	\$25 K for well rehabilitation
<b>TOTAL CAPITAL</b>	<b>501,305</b>	<b>93,000</b>	<b>36,175</b>	<b>5,000</b>	<b>41,175</b>	<b>51,825</b>	<b>163,000</b>	
<b>TOTAL EXPENDITURES</b>	<b>703,288</b>	<b>295,310</b>	<b>94,101</b>	<b>149,384</b>	<b>243,485</b>	<b>51,825</b>	<b>365,310</b>	
<b>OTHER SOURCES AND USES</b>								
Transfer) from Water Activity Fund	400,000	70,000	0	0	70,000	0	0	
<b>CHANGE IN FUND BALANCE</b>	<b>(105,616)</b>	<b>(27,560)</b>	<b>102,475</b>	<b>(148,090)</b>	<b>24,385</b>	<b>51,945</b>	<b>(167,588)</b>	
BEGINNING FUND BALANCE	343,397	237,782	109,993	212,468	237,782	0	262,167	
ENDING FUND BALANCE	237,782	210,222	212,468	64,378	262,167	51,945	94,579	