

**EAST DILLON WATER DISTRICT
Budget Message for 2024**

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 2024 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 2024 there is a base rate of \$76 per quarter (\$157 per quarter for users above the Summerwood Pump Station). Water usage to 23,000 gallons per quarter is billed at \$2.20 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 \$6.16 per 1,000 gallons. Water usage above 50,001 gallons in a quarter is billed at \$12.32 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**, on an assessed valuation of \$115,648,370, 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 2023 for capital projects and retirement of debt.
10. 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 zero single-family units in the District in 20243. A total of 3 single-family unit taps were sold in 2023. All tap fee income is allocated to capital reserves.
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 2023 capital improvements include high capacity pump replacement/repairs in Summerwood, replacing old fire hydrants and distribution valves, and purchasing a new computer server/software.
14. The budget does not anticipate any excess 2023 income over spending limitations dictated by Article X, Section 20. Any reduction of expenditures in 2023 resulting in additional cash on hand at year-end will be transferred into the accumulated reserves for future capital projects.

**EAST DILLON WATER DISTRICT
2024 BUDGET**

EXHIBIT A

	2022 Actual	2023 Budget	2023 Jan-Oct	2023 Nov-Dec Estimate	2023 Projected	2023 Projected to Budget Variance Favorable (Unfavorable)	2024 Budget	Budget Comments
WATER ACTIVITY FUND								
OPERATING REVENUES								
Water Sales	184,781	227,000	176,457	27,800	204,257	(22,743)	200,000	decreased to estimate revenue conservatively
Base Rate Fee	296,356	400,000	302,015	97,985	400,000	0	495,000	base rate increase of \$15/qtr
Specific Ownership Tax	9,431	10,000	8,831	1,169	10,000	0	10,000	
Miscellaneous Income	4,531	0	0	0	0	0	0	
Finance Charges	10,624	0	9,502	2,300	11,802	11,802	0	
ESRI IGA	2,000	2,000	2,100	0	2,100	100	2,100	
Aclara IGA	6,394	6,000	0	6,647	6,647	647	7,000	
Tap Fees	63,000	0	28,500	0	28,500	28,500	0	
Conservation Fund	3,000	0	1,500	0	1,500	1,500	0	
Interest Income	14,450	5,000	39,214	8,000	47,214	42,214	40,000	
TOTAL OPERATING REVENUES	594,567	650,000	568,120	143,901	712,021	62,021	754,100	
OPERATING EXPENDITURES								
Administration	106,467	114,665	95,554	19,111	114,665	(0)	120,856	5.4% increase per Denver/Boulder CPI over Sep-Sep, updated 11/27/2023
Audit	7,300	8,000	7,900	0	7,900	100	8,000	
Director Fees	1,800	2,500	1,300	500	1,800	700	2,500	
Dues	2,295	2,750	1,415	0	1,415	1,335	3,000	
Engineering	4,399	10,000	0	0	0	10,000	10,000	
Aclara IGA	16,441	17,000	17,263	0	17,263	(263)	18,000	revise per programming
ESRI IGA	2,900	2,500	3,190	0	3,190	(690)	3,200	
Insurance Expense	16,519	17,000	19,583	0	19,583	(2,583)	20,000	
Legal	1,906	5,000	3,558	1,000	4,558	442	10,000	
Miscellaneous Expense	0	1,000	0	0	0	1,000	1,000	
Office Supplies/Expenses	7,769	12,000	6,978	1,800	8,778	3,222	12,000	
Operations Manager	194,958	209,970	174,975	34,995	209,970	(0)	221,308	5.4% increase per Denver/Boulder CPI over September-September, updated 11/27/
Operating Supplies/Expenses	30,322	30,000	33,932	4,500	38,432	(8,432)	40,000	
Repairs and Maintenance	131,914	250,000	172,901	25,000	197,901	52,099	150,000	\$100K for general repairs/maintenance, \$50K for meter repairs/supplies
Telephone/Internet Expense	4,655	6,500	4,635	700	5,335	1,165	6,500	
Utilities	37,077	45,000	32,922	10,000	42,922	2,078	45,000	
TOTAL OPERATING EXPENDITURES	566,723	733,885	576,105	97,606	673,711	60,174	671,364	
NET OPERATING INCOME	27,844	(83,885)	(7,985)	46,295	38,310	122,195	82,736	
TOTAL EXPENDITURES	566,723	733,885	576,105	97,606	673,711	60,174	671,364	
OTHER SOURCES AND USES								
Transfer to Bond/Capital Fund	196,485	650,000	196,485	0	0	0	400,000	
CHANGE IN FUND BALANCE	(168,641)	(733,885)	(204,470)	46,295	38,310	772,195	(317,264)	
BEGINNING FUND BALANCE	1,050,181	881,540	881,540	677,070	881,540	0	919,850	
WATER ACTIVITY FUND								
(Continued)								

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ENDING FUND BALANCE	881,540	147,655	677,070	723,365	919,850	772,195	602,586	
BOND/CAPITAL FUND								
REVENUES								
Property Taxes	197,823	197,825	195,578	2,247	197,825	(0)	197,825	
TOTAL REVENUES	197,823	197,825	195,578	2,247	197,825	(0)	197,825	
EXPENDITURES								
BOND								
Bond / Alpine Bank principal	88,985	37,172	0	37,172	37,172	(0)	95,231	
Bond / Alpine Bank interest	39,985	92,055	0	92,055	92,055	0	33,996	
Treasurer fees	9,877	9,891		9,891	9,891	0	9,891	
TOTAL BOND	138,847	139,118	0	139,118	139,118	(0)	139,118	
LEASE PURCHASE								
Principal	35,831	37,133	30,567	15,619	37,133	0	38,492	
Interest	27,361	26,059	22,093	10,711	26,059	(0)	24,700	
TOTAL LEASE PURCHASE	63,192	63,192	52,660	26,330	63,192	(0)	63,192	
TOTAL DEBT SERVICE	202,039	202,310	52,660	165,448	202,310	0	202,310	
CAPITAL								
Computer/Electronics/Mapping	31,714	13,000	1,875	0	1,875	(11,125)	13,000	new EDWD server for billing and record keeping
Water Lines	39,133	25,000	31,552	0	31,552	(6,552)	25,000	
Pump Stations	18,467	650,000	8,075	20,000	28,075	621,925	590,000	\$550K Summerwood pump station, \$15K for addit'l filterers, \$15 K for chlorine optim
Wells	0	25,000	0	0	0	25,000	25,000	Well rehab pending investigation
TOTAL CAPITAL	89,314	713,000	41,502	20,000	61,502	629,248	653,000	
TOTAL EXPENDITURES	291,353	915,310	94,162	185,448	263,812	651,498	855,310	
OTHER SOURCES AND USES								
Transfer (to) from Water Activity Fund	196,485	196,485	196,485	0	196,485	0	400,000	
CHANGE IN FUND BALANCE	102,955	(521,000)	297,901	(183,201)	130,498	651,498	(257,485)	
BEGINNING FUND BALANCE	127,447	170,923	109,993	407,894	230,402	59,479	360,900	
ENDING FUND BALANCE	230,402	(350,077)	407,894	224,693	360,900	710,977	103,415	