

# DILLON VALLEY DISTRICT

## Budget Message for 2023

1. The Dillon Valley District was organized in 1967 as a special district for the sole purpose of providing water and sanitation services to the Dillon Valley area of Summit County, Colorado.
2. The 2023 budget is prepared on a modified accrual accounting basis. The District set up an Enterprise Fund for operations and debt retirement. The District does not levy a property tax against assessed valuation.
3. The District utilizes a water rate structure designed to encourage water conservation. For 2023 the quarterly rates per unit are:

Base rate (per unit)	\$ 115.81
0 to 15,000 gallons	5.84 per 1,000 gallons
15,001 to 25,000 gallons	7.29 per 1,000 gallons
25,001 to 50,000 gallons	8.77 per 1,000 gallons
50,001 to 75,000 gallons	11.66 per 1,000 gallons
Over 75,000 gallons	14.60 per 1,000 gallons

The base rate is intended to cover water operations costs for infrastructure maintenance and replacement, and operating costs for the ability to provide water service on demand. All water used is charged a usage rate per 1,000 gallons of water used in a quarter.

The District is projecting increases of the base and usage rates in future years to adequately fund operating costs and the replacement of water infrastructure as necessary.

4. All improved properties are required to have an electronic water meter acquired from the District. The cost of a 5/8" by 3/4" meter is \$400 and a 1" meter \$600. Larger meters would be a higher cost. The meter cost includes the meter and the reading transmission device.
5. Improved properties are required to have an operational meter provided by the District. Properties that do not have an operational meter are subject to a \$200 quarterly fee, plus water usage based on a minimum of 25,000 gallons for the 1<sup>st</sup> and 4<sup>th</sup> quarters, and 50,000 gallons for the 2<sup>nd</sup> and 3<sup>rd</sup> quarters.
6. The 2023 sewer rate is \$149.46 per EQR per quarter. The EQR factor for any property is per the schedule of the Joint Sewer Authority (JSA). Sewer fees are to cover the maintenance cost of the sanitation system, treatment fees from the JSA, and funding of sewer line replacements. The Dillon Valley District is one of five members of the JSA.
7. The 2023 water tap fee is \$8,800 per EQR. The 2023 sewer tap fee is \$ 8,800 per EQR. An EQR for single family properties include up to three bedrooms and/or three bathrooms. For single family properties, each additional bedroom or bathroom added during original construction or a remodel, an EQR of 0.1 (\$880 each for water and sewer) is required. All bedroom/bathroom counts are per the determination of the Summit County Building

Department and Assessors office. A Summit County designated accessory unit is subject to 0.65 to 0.80 tap fee based on the number of bedrooms. Multi-unit properties EQR's are determined by the JSA schedule.

8. The District owns water rights in the Straight Creek drainage. Surface water is used. The District has an emergency connection to the Town of Dillon and the Town of Silverthorne.
9. Capital reserves for the District are deposited in interest bearing accounts with a high level of investment security per Colorado Statutes. All of the major components of the water delivery infrastructure and the sanitary collection system 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.
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, debt repayment, and infrastructure replacement for the District are fully funded by user fees. The District conservatively budgets operations income and expenses.
12. The District completed the issue of the Enterprise Revenue Refunding Loan, Series 2021 with J.P. Morgan Chase, N.A. for a principal amount of \$2,480,000 which was used to pay principal and accrued interest on the 2012 Bond to fully redeem the 2012 Bond and paid closing costs associated with the new loan.
13. The 2023 capital fund budget includes \$500,000 for sewer infrastructure upgrades to address I&I issues.

**DILLON VALLEY DISTRICT  
FINAL 2023 BUDGET**

	2021 Annual Actual	2022 (Jan-Oct) Actual	2022 (Nov-Dec) Forecast	2022 Annual Budget	2022 Annual Bud to Act Variance	2023 Annual Budget	NOTES
<b>Ordinary Income/Expense</b>							
<b>Income</b>							
<b>OTHER INCOME</b>							
Interest Income	51.31	36.27	10.00	200.00	-153.73	200.00	Interest rates are rising/may reconsider ColoTrust account
Late Fees	9,873.40	-41.50	0.00	3,500.00	-3,541.50	0.00	
Rental Income	7,200.00	9,600.00	0.00	9,600.00	0.00	9,600.00	revised to match 2022 budget
Status Request Fees	0.00	150.00	0.00	0.00	150.00	0.00	
Other Income	8,388.11	0.00	0.00	0.00	0.00	0.00	added "other income" line to report per 2021 financials
<b>Total Other Income</b>	<b>25,512.82</b>	<b>9,744.77</b>	<b>10.00</b>	<b>13,300.00</b>	<b>-3,545.23</b>	<b>9,800.00</b>	
<b>SEWER INCOME</b>							
Sewer Tap Fees	565,227.04	1,760.00	0.00	0.00	1,760.00	0.00	
Sewer User Fees	0.00	442,603.23	145,376.00	581,504.00	6,475.23	616,394.24	6% increase over 2022 budget
<b>Total Sewer Income</b>	<b>565,227.04</b>	<b>444,363.23</b>	<b>145,376.00</b>	<b>581,504.00</b>	<b>8,235.23</b>	<b>616,394.24</b>	
<b>WATER INCOME</b>							
Water User Fees	870,502.09	680,883.24	210,134.22	945,604.00	-54,586.54	1,002,340.24	6% increase over 2022 budget
<b>Total Water Income</b>	<b>870,502.09</b>	<b>680,883.24</b>	<b>210,134.22</b>	<b>945,604.00</b>	<b>-54,586.54</b>	<b>1,002,340.24</b>	
<b>Total Income</b>	<b>1,461,241.95</b>	<b>1,134,991.24</b>	<b>355,520.22</b>	<b>1,540,408.00</b>	<b>-49,896.54</b>	<b>1,628,534.48</b>	
<b>Expense</b>							
<b>ADMINISTRATION EXPENSE</b>							
Accounting and Audit	0.00	7,000.00	0.00	7,800.00	-800.00	8,000.00	
Administration	56,400.00	65,293.15	15,000.00	81,400.00	-1,106.85	74,743.80	7.7% increase per Sep/Sep Denver/Boulder CPI
Bank Fees and CC Charges	6,596.23	904.71	682.82	6,400.00	-4,812.47	1,000.00	not using CC, only bank charges anticipated
Communication Expense	0.00	3,035.15	0.00	3,200.00	-164.85	3,200.00	telephone?
Director Fees	5,100.00	4,023.50	1,000.00	6,000.00	-976.50	6,000.00	
Insurance	23,592.47	20,255.00	0.00	24,000.00	-3,745.00	24,000.00	
Legal Fees	17,516.58	22,659.60	5,000.00	15,000.00	12,659.60	15,000.00	
Locate Costs	355.08	533.60	100.00	450.00	183.60	450.00	
Memberships and Dues	1,381.49	1,016.89	0.00	2,000.00	-983.11	2,000.00	
Miscellaneous	6,414.57	5,497.38	0.00	4,000.00	1,497.38	4,000.00	2021 Actual includes telephone expense
Office Supplies	3,650.62	4,408.28	1,000.00	3,000.00	2,408.28	5,000.00	
<b>Total Administration</b>	<b>121,007.04</b>	<b>134,627.26</b>	<b>22,782.82</b>	<b>153,250.00</b>	<b>4,160.08</b>	<b>143,393.80</b>	
<b>INDIRECT EXPENSE</b>							
Bond Interest	48,266.19	38,220.00	0.00	42,000.00	-3,780.00	34,356.00	per debt service schedule
<b>Total Indirect Expense</b>	<b>48,266.19</b>	<b>38,220.00</b>	<b>0.00</b>	<b>42,000.00</b>	<b>-3,780.00</b>	<b>34,356.00</b>	
<b>SEWER EXPENSE</b>							
Sewer JSA Expense	314,738.71	326,523.62	0.00	325,000.00	1,523.62	344,500.00	preliminary 6% increase to be confirmed by JSA
Sewer I&I Repairs/Expense	0.00	0.00	0.00	27,000.00	-27,000.00	30,000.00	
Sewer Operations Contract	19,701.60	16,910.00	3,382.00	20,292.00	0.00	20,900.00	3% per WSI contract
Sewer Repair and Maintenance	0.00	30,099.38	0.00	15,000.00	15,099.38	15,000.00	
<b>Total Sewer Expense</b>	<b>334,440.31</b>	<b>373,533.00</b>	<b>3,382.00</b>	<b>387,292.00</b>	<b>-10,377.00</b>	<b>410,400.00</b>	
<b>WATER EXPENSE</b>							
Water Engineering	0.00	0.00	5,000.00	10,000.00	-5,000.00	10,000.00	forecast expense related to statement of opposition
Water Hydrant Replacement	0.00	0.00	0.00	50,000.00	-50,000.00	0.00	
Water Licenses & Permits	1,036.24	465.00	0.00	1,250.00	-785.00	1,250.00	
Water Line Repair/Valves	8,240.00	124,209.04	80,000.00	80,000.00	124,209.04	200,000.00	increased from \$120K in Prelim Budget
Water Operations Contract	177,314.40	152,234.51	30,398.49	182,633.00	0.00	188,112.00	3% per WSI contract
Water Purchases	0.00	10,836.51	0.00	0.00	10,836.51	20,000.00	difficult to anticipate
Water Repairs and Maintenance	186,112.59	36,886.12	0.00	75,000.00	-38,113.88	75,000.00	water plant repairs
Water Testing and Chemicals	37,949.12	45,732.40	31,334.41	52,000.00	25,066.81	54,600.00	5% increase
Water Utilities and Trash	37,112.48	29,490.30	22,308.70	42,000.00	9,799.00	44,100.00	5%increase
<b>Total Water Expense</b>	<b>447,764.83</b>	<b>399,853.88</b>	<b>169,041.60</b>	<b>492,883.00</b>	<b>76,012.48</b>	<b>593,062.00</b>	
<b>Total Expense</b>	<b>951,478.37</b>	<b>946,234.14</b>	<b>195,206.42</b>	<b>1,075,425.00</b>	<b>66,015.56</b>	<b>1,181,211.80</b>	

**DILLON VALLEY DISTRICT  
FINAL 2023 BUDGET**

	2021 Annual Actual	2022 (Jan-Oct) Actual	2022 (Nov-Dec) Forecast	2022 Annual Budget	2022 Annual Bud to Act Variance	2023 Annual Budget
<b>Net Ordinary Income</b>	509,763.58	188,757.10	160,313.80	464,983.00	-115,912.10	447,322.68
<b>Other Income/Expense</b>						
Other Expense						
CAPITAL EXPENSE						
Debt Reduction	0.00	235,000.00	0.00	180,000.00	55,000.00	240,000.00 per debt service schedule
Sewer System I&I	0.00	0.00	0.00	50,000.00	-50,000.00	500,000.00 Approx 1 mile up straight creek drive from Canyon View to top of straight c
Water Plant Improvements	6,978.00	78,065.06	432,684.94	600,000.00	-89,250.00	50,000.00 2021 actuals includes "water plant equip" expense from 2021 financials and
Water Rights	4,534.50	263.00	4,737.00	5,000.00	0.00	10,000.00 move water rights legal to this expense? Due diligence on wells required in
Total Capital Expense	11,512.50	313,328.06	437,421.94	835,000.00	-84,250.00	800,000.00
<b>Total Other Expense</b>	<u>11,512.50</u>	<u>313,328.06</u>	<u>437,421.94</u>	<u>835,000.00</u>	<u>-84,250.00</u>	<u>800,000.00</u>
<b>Net Other Income</b>	-11,512.50	-313,328.06	-437,421.94	-835,000.00	84,250.00	-800,000.00
<b>NET INCOME</b>	<b>498,251.08</b>	<b>-124,570.96</b>	<b>-277,108.14</b>	<b>-370,017.00</b>	<b>-31,662.10</b>	<b>-352,677.32</b>
<b>Beginning Fund Balance</b>		<b>1,523,394.00</b>	<b>1,398,823.04</b>	<b>1,523,394.00</b>		<b>1,121,714.90</b>
<b>Ending Fund Balance</b>	<b>1,523,394.00</b>	<b>1,398,823.04</b>	<b>1,121,714.90</b>	<b>1,153,377.00</b>	<b>31,662.10</b>	<b>769,037.58</b> Ending Fund Balance includes cash reserves plus Accounts Receivable