

# **DILLON VALLEY DISTRICT**

## **Budget Message for 2025**

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 2025 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 2025 the quarterly rates per unit are:

Base rate (per unit)	\$127.68
0 to 15,000 gallons	\$6.44 per 1,000 gallons
15,001 to 25,000 gallons	\$8.03 per 1,000 gallons
25,001 to 50,000 gallons	\$9.67 per 1,000 gallons
50,001 to 75,000 gallons	\$12.85 per 1,000 gallons
Over 75,000 gallons	\$16.10 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 2025 sewer rate is \$164.78 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 2025 water tap fee is \$9,870 per EQR. The 2025 sewer tap fee is \$ 9,870 per EQR. An EQR for single family properties includes 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 (\$987 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 entered into a \$3.85 million 20-year repayment bond with Wells Fargo in 2012. Until July 2014, the bond was interest only with draws of the funds available for capital projects. The bond funded the new water treatment plant completed in 2014 and the installation of water meters in the District.
13. 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.
14. The 2025 capital fund budget includes \$500,000 for sewer infrastructure upgrades to address I&I issues and \$320,000 for water plant upgrades.

**DILLON VALLEY DISTRICT  
2025 BUDGET**

	2023	2024	2024	2024	2024	2025
	Annual	(Jan-Sept)	(Oct-Dec)	Annual	Annual	Amended
	Actual	Actual	Forecast	Budget	Bud to Act Variance	Budget
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
OTHER INCOME						
Interest Income	20,479.97	18,787.08	6,150.00	200.00	24,737.08	15,000.00
Late Fees	10,675.68	9,300.18	0.00	0.00	9,300.18	0.00
Rental Income	9,600.00	7,200.00	2,400.00	9,600.00	0.00	20,000.00
Status Request Fees	0.00	950.00	50.00	0.00	1,000.00	0.00
Other Income	0.00	0.10	0.00	0.00	0.10	0.00
2025 Enterprise Loan						1,040,000.00
Total Other Income	40,755.65	36,237.36	8,600.00	9,800.00	35,037.36	1,075,000.00
SEWER INCOME						
Sewer Tap Fees	21,332.00	0.00	6,110.00	0.00	6,110.00	0.00
Sewer User Fees	626,921.26	493,514.33	164,664.30	647,213.95	10,964.68	679,574.65
Total Sewer Income	648,253.26	493,514.33	170,774.30	647,213.95	17,074.68	679,574.65
WATER INCOME						
Water Tap Fees			6,110.00			0.00
Water User Fees	956,939.56	771,413.13	233,322.10	966,000.00	38,735.23	1,014,300.00
Water Income -Unmetered Prop.	400.00	600.00	200.00			800.00
Total Water Income	957,339.56	772,013.13	233,322.10	966,000.00	38,735.23	1,014,300.00
<b>Total Income</b>	<b>1,646,348.47</b>	<b>1,301,764.82</b>	<b>412,696.40</b>	<b>1,623,013.95</b>	<b>90,847.27</b>	<b>2,768,874.65</b>
<b>Expense</b>						
ADMINISTRATION EXPENSE						
Accounting and Audit	9,500.00	8,500.00	0.00	8,000.00	500.00	8,500.00
Administration	74,840.05	51,323.96	20,000.00	78,780.00	-7,456.04	77,700.00
Bank Fees and CC Charges	5.69	603.88	0.00	100.00	503.88	100.00
Communication Expense	4,356.01	3,126.16	1,049.52	3,200.00	975.68	1,600.00
Director Fees	4,900.00	3,100.00	1,500.00	6,000.00	-1,400.00	6,000.00
Insurance	24,785.00	26,571.00	2,217.00	25,000.00	3,788.00	34,500.00
Legal Fees	18,795.56	28,165.16	5,700.00	15,000.00	18,865.16	20,000.00
Loan Closing Costs						40,000.00
Locate Costs	295.41	930.09	50.00	450.00	530.09	450.00
Memberships and Dues	1,713.43	1,462.51	0.00	2,000.00	-537.49	1,620.00
Miscellaneous	8,329.10		5,025.00	4,000.00	1,025.00	4,000.00
Office Supplies	2,821.85	4,754.46	1,880.00	5,000.00	1,634.46	5,000.00
Total Administration	150,342.10	128,537.22	37,421.52	147,530.00	18,428.74	199,470.00
INDIRECT EXPENSE						
Bond Interest	34,268.26	15,083.60	15,162.00	30,324.00	-78.40	26,208.00
Total Indirect Expense	34,268.26	15,083.60	15,162.00	30,324.00	-78.40	26,208.00
SEWER EXPENSE						
Sewer JSA Expense	359,355.48	281,956.29	111,437.00	360,000.00	33,393.29	378,000.00

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	Actual	Actual	Forecast	Budget	Bud to Act Variance	Budget
Sewer I&I Repairs/Expense	0.00	0.00	10,000.00	30,000.00	-20,000.00	30,000.00
Sewer Operations Contract	20,899.92	16,145.19	5,381.73	20,900.00	626.92	22,172.73
Sewer Repair and Maintenance	18,426.33	1,570.00	0.00	50,000.00	-48,430.00	50,000.00
Total Sewer Expense	398,681.73	299,671.48	126,818.73	460,900.00	-34,409.79	480,172.73
<b>WATER EXPENSE</b>						
Water Engineering	0.00	0.00	0.00	0.00	0.00	0.00
Water Hydrant Replacement	0.00	0.00	0.00	0.00	0.00	0.00
Water Licenses & Permits	640.18		705.00	1,250.00	-545.00	1,250.00
Water Line Repair/Valves	48,141.72	55,297.39	94,702.61	150,000.00	0.00	150,000.00
Water Operations Contract	188,112.00	129,170.24	64,585.12	193,755.36	0.00	199,568.02
Water Purchases	10,072.08	420.00	0.00	20,000.00	-19,580.00	20,000.00
Water Repairs and Maintenance	55,731.15	37,295.31	57,704.69	95,000.00	0.00	95,000.00
Water Testing and Chemicals	46,989.83	31,697.27	25,632.73	57,330.00	0.00	60,196.50
Water Utilities and Trash	41,070.79	31,301.82	10,200.00	46,305.00	-4,803.18	47,700.00
Total Water Expense	390,757.75	285,182.03	253,530.15	563,640.36	-24,928.18	573,714.52
<b>Total Expense</b>	<b>974,049.84</b>	<b>728,474.33</b>	<b>432,932.40</b>	<b>1,202,394.36</b>	<b>-40,987.63</b>	<b>1,279,565.25</b>
<b>Net Ordinary Income</b>	<b>672,298.63</b>	<b>573,290.49</b>	<b>-20,236.00</b>	<b>420,619.59</b>	<b>131,834.90</b>	<b>1,489,309.40</b>
<b>Other Income/Expense</b>						
Other Expense						
<b>CAPITAL EXPENSE</b>						
Debt Reduction	240,000.00		245,000.00	245,000.00	0.00	315,000.00
Sewer System I&I	27,652.00	48,422.41	0.00	500,000.00	-451,577.59	1,408,051.00
Water Plant Improvements	0.00	10,728.86	0.00	320,000.00	-309,271.14	162,000.00
Water Rights	0.00	0.00	0.00	10,000.00	-10,000.00	0.00
Total Capital Expense	267,652.00	59,151.27	245,000.00	1,075,000.00	-770,848.73	1,885,051.00
<b>Total Other Expense</b>	<b>267,652.00</b>	<b>59,151.27</b>	<b>245,000.00</b>	<b>1,075,000.00</b>	<b>-770,848.73</b>	<b>1,885,051.00</b>
<b>Net Other Income</b>	<b>-267,652.00</b>	<b>-59,151.27</b>	<b>-245,000.00</b>	<b>-1,075,000.00</b>	<b>770,848.73</b>	<b>-1,885,051.00</b>
<b>NET INCOME</b>	<b>404,646.63</b>	<b>514,139.22</b>	<b>-265,236.00</b>	<b>-654,380.41</b>	<b>902,683.63</b>	<b>-395,741.60</b>
<b>Beginning Fund Balance</b>	<b>957,180.96</b>	<b>978,589.86</b>	<b>1,387,868.84</b>	<b>978,589.86</b>		<b>1,122,632.84</b>
<b>Ending Fund Balance</b>	<b>978,589.86</b>	<b>1,387,868.84</b>	<b>1,122,632.84</b>	<b>324,209.45</b>	<b>-798,423.39</b>	<b>726,891.24</b>