

DEER CREEK WATER DISTRICT

2023 Budget Message

Introduction

Deer Creek Water District, the (“District”) was organized in 2008 to provide for the planning, acquisition, financing, extension, operation and maintenance of the water system serving the District.

The 2023 budget was prepared in accordance with the Local Budget Law of Colorado. The budget reflects the projected spending plan for the 2023 fiscal year based on available revenues. This budget provides for the annual debt service on the District’s General Obligation Debt, the general operation of the District, and a business-like enterprise for the distribution of treated water.

In 2008, the Electors of the District authorized mill levy rate adjustments for revenue stabilization.

The District’s 2022 assessed value decreased to \$12,,413,640 from \$12,738,310 the year before. The District’s mill levy was maintained at 8.881 mills for taxes collected in the 2023 fiscal year, and all revenues from the mill levy are designated to the General Fund.

Budgetary Basis of Accounting

The District uses funds to budget and report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions. The various funds determine the total District budget. The District’s General Fund is considered a governmental fund and is reported using the economic resources focus and the modified accrual basis of accounting. The District’s Water Enterprise Fund is also reported using the economic resources focus and the modified accrual basis of accounting. Revenues are recorded when earned and expenses recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, landscape maintenance, snow removal and other expenses related to statutory operations of a local government. The General Fund’s primary sources of revenue are property taxes and specific ownership taxes.

The **Debt Service Fund** is used to pay the fiscal year’s debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. The District has budgeted to pay \$289,495 in principal, interest and related-costs in fiscal year 2023.

The **Water Enterprise Fund** accounts for the operations that are financed and operated in a manner similar to private business enterprise, where the intent is that costs of providing services to the public on a continuing basis be financed primarily through user charges.

Emergency Reserve

As required by Section 20 of Article X of the Colorado Constitution (“TABOR”), the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenue in the General Fund

BUDGET RESOLUTION

(2023)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF ELBERT)

At the regular meeting of the Board of Directors of the Deer Creek Water District, County of Elbert, Colorado, held at 6:30 PM on October 13, 2020, at 3344 Deer Creek Drive, Parker, CO, there were present:

- Lyle Penner, President
- Kevin Kirkwood, Vice President
- Jean King, Treasurer
- David Lunka, Director
- Lee Jennings, Director

Also present were;

Marcos Pacheco

The District Manager reported that, prior to the meeting, each of the directors were notified of the date, time and place of this meeting and the purpose for which it was called. The District Manager further reported that this is a regular meeting of the Board of Directors of the District and that a notice of the meeting was posted in accordance with statute.

Thereupon, Director Lunka introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DEER CREEK WATER DISTRICT, ELBERT COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors (the "Board") of the Deer Creek Water District (the "District") has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2022; and

WHEREAS, the proposed 2023 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on Thursday, October 6, 2022 in the Elbert County News, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 6:30 PM on Thursday, October 13, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DEER CREEK WATER DISTRICT, ELBERT COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023.

Section 3. 2023 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$110,246, and that the 2023 valuation for assessment, as certified by the Elbert County Assessor, is \$12,413,640. That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 8.881 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the Jefferson County Board of County Commissioners, no later than December 15, 2020, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

Section 5. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 6. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.


The foregoing Resolution was seconded by Director Pepper.

RESOLUTION APPROVED AND ADOPTED ON OCTOBER 13, 2022.

DEER CREEK WATER DISTRICT

By: 
President


ATTEST:


Treasurer

STATE OF COLORADO
COUNTY OF ELBERT
DEER CREEK WATER DISTRICT

I, Kevin Kirkwood, hereby certify that I am a director and the duly elected and qualified Vice President of DEER CREEK WATER DISTRICT (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 6:30 PM on Thursday, October 13, 2022, at 3344 Deer Creek Drive, Parker, CO, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

Subscribed and sworn to this 13 day of October, 2022.



Vice President

EXHIBIT A
2023 BUDGET DOCUMENT & BUDGET MESSAGE FOR
DEER CREEK WATER DISTRICT

DEER CREEK WATER DISTRICT

2023 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

DEER CREEK WATER DISTRICT
2023 ADOPTED BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,

	2021 Actual	2022 Estimated	2023 Adopted
REVENUES			
Property taxes	\$ 106,896	\$ 113,202	\$ 110,246
Specific ownership taxes	19,175	17,799	16,537
Water usage fees	136,012	148,000	170,500
Enterprise fees (283 customers, \$49/mth)	166,609	165,000	166,404
Fixed fees (283 customers, \$39.50/mth)	54,289	54,912	134,142
Late fees & penalties	-	3,000	3,000
Interest	725	1,000	1,000
Miscellaneous	27,951	6,275	-
Total revenues	511,657	509,188	601,829
EXPENDITURES			
<u>General</u>			
Accounting and management	39,683	55,000	40,000
Audit	11,000	8,000	4,000
County treasurer fees	3,153	3,328	3,307
Customer payment processing	12,294	15,000	21,200
Dues	612	1,315	1,400
Election	-	606	3,000
Insurance and bonds	2,164	10,266	12,000
Legal	3,474	6,000	6,000
Bank fees	10	1,000	500
Postage and supplies	1,920	2,000	2,000
Miscellaneous	13,396	-	-
Reserve - required by law	-	3,567	3,830
<u>Debt Service</u>			
BOK leases principal (3/17/23)	25,034	25,723	13,127
BOK leases interest	1,579	889	180
Bond principal (12/15/28)	81,000	84,000	88,000
Bond interest	35,700	31,328	27,590
SRF principal (5/1/40)	99,550	102,054	104,621
SRF interest	70,911	58,544	55,977
<u>Operations and maintenance</u>			
Electricity - Core Electric	25,036	30,000	30,000
Generator maintenance - annual contract	-	-	1,950
Locates - Diversified Underground	4,462	20,000	10,000
Maintenance - Colorado Pump	-	5,000	10,000
Maintenance - Core Industries	-	64,000	64,000
Maintenance - Emergency Pipe Repair	-	20,000	30,000
Maintenance - ORC	-	40,000	40,000
Maintenance - water plant and open space parcels	-	10,000	10,000
Maintenance - other vendor	126,894	5,000	5,000
Other capital improvements	274,314	-	-
Propane for generator - annual contract	-	3,000	3,000
Septic tank pumping - annual contract	-	670	670
Telephone	2,262	1,200	1,200
Total expenditures	834,448	607,490	592,552
NET CHANGE IN FUND BALANCE	(322,791)	(98,302)	9,277
BEGINNING FUND BALANCE	523,029	200,238	101,936
ENDING FUND BALANCE	\$ 200,238	\$ 101,936	\$ 111,213

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of ELBERT COUNTY, Colorado.

On behalf of the DEER CREEK WATER DISTRICT (taxing entity)^A

the BOARD OF DIRECTORS (governing body)^B

of the DEER CREEK WATER DISTRICT (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 12,413,640 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 12,413,640 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATIN OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/14/2022 for budget/fiscal year 2023 (not later than Dec. 15) (dd/mm/yyyy) (yyyy)

Table with 3 columns: PURPOSE (see end notes for definitions and examples), LEVY², and REVENUE². Rows include General Operating Expenses, Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction, and various bond and obligation items. Total: 8.881 mills, \$ 110,246.

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960 Signed: [Signature] Title: District Manager

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution. ² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued
DEER CREEK WATER DISTRICT

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to report all bond and contractual obligations.