

# **COLUMBINE WATER AND SANITATION DISTRICT**

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## **2016 BUDGET REPORT**

### **GENERAL**

The 2016 Columbine Water and Sanitation District (Columbine) budget includes an explanatory budget report, the 2016 budget, property tax assessment report, and a schedule of lease – purchase agreements. The financial portion includes 2013 and 2014 actual results, an estimate of 2015 results and the 2016 budget.

Columbine is a quasi-municipal corporation, governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado and serves the following subdivisions: Columbine Country Club, Columbine Lakes, The Villas, Coventry, portions of the Hamlet, Country Club Villas, Brookhaven, and Willowcroft Manor.

Services to be provided in accordance with the 2016 budget include operation, maintenance, and repair of Columbine's 12.9 miles of sewer mains and 951 sewer taps. Included in the total number of sewer taps are 21 single family equivalent taps serving the Columbine Country Club and 53 single family equivalent taps serving Wilder Elementary School. The remaining taps service residential customers.

The District depends upon the municipalities of Englewood and Littleton for sewage treatment. The cities assess sewer service fees directly to District's users and retain 100% of the revenue collected. Columbine maintains and repairs the district's sewer mains and one lift station.

Denver Water supplies water to all users in the district and charges users directly for this service. Denver Water maintains and repairs all water lines. Accordingly, the District does not receive any revenue from water treatment or delivery services.

Total revenue from all sources in 2016 is projected to be \$237,208. Total expenditures including contingencies and emergency reserves are budgeted at \$145,693, \$67,928 less than budgeted in 2015. Operating expenditures, are budgeted at \$115,100, \$62,076 less than 2015 budgeted expenses of \$177,176. There are no capital expenses budgeted for 2016.

Beginning funds available in 2016 are estimated to be \$619,768. The reserve fund balance is projected to increase \$91,515 to \$711,283 at year end 2016. Excluding expenditures from the TABOR emergency reserve and contingency budget items, the reserve fund balance at year end 2016 will be \$741,876, \$122,108 more than the reserve funds available at year end 2015.

The District incurred debt of \$424,230 for slip lining repairs of its outfall sewer main in 2001. Repayment of the debt is financed through the assessment of property taxes generated by an annual mill levy (general obligation). Final payment of the debt is scheduled to be made in November, 2015.

In November 2015, Columbine electors approved a ballot measure to increase the general operations mill levy by 1.035 mills, the same levy that had been certified for debt payment. The ballot measure allows the District to convert the debt service mill levy to an operations levy with no increase in taxes paid by District property owners.

## **BUDGET AND TABOR**

The District prepares its budget on a non-GAAP budgetary basis of accounting to recognize the fiscal impact of sale of assets, capital outlay, and payment of outstanding debt, in addition to its operations and non-operating revenues and contributions. Capital contributions of facilities and depreciation are not reflected on the budget as they do not affect “funds available”. This budgetary accounting is required by State statutes.

The Tabor Amendment to the Colorado Constitution limited the amount of property taxes and other revenues the District is permitted to collect. In November 2002, Columbine electors passed a ballot measure allowing the District to collect and spend revenues from all sources irrespective of the Tabor Amendment revenue limitations.

## **REVENUE**

### **Property Taxes - \$114,990**

Total property taxes to be collected in 2016 are \$114,990, 100% for general operations. Property taxes collected in 2015 are estimated to be \$99,044, \$59,053 for general operations and \$39,991 for debt service. The debt service mill levy will be eliminated in 2016, however, the previous debt service mill levy will be assessed as an operations mill levy as approved by Columbine electors in November, 2015. The total mill levy to be certified in 2016 (tax year 2015) is 2.564 mills.

Assessed values within Columbine increased from \$38,647,418 in tax year 2014 to \$44,847,864 in tax year 2015 due to the state mandated biannual reassessment of all real property. The reassessment will result in an increase in property taxes received by the District in the amount of \$15,898. Additional detail of assessed values and property taxes is shown on page two of the budget.

### **Specific Ownership Tax - \$7,474**

Specific Ownership tax is collected by the Arapahoe County Department of Motor Vehicles for vehicles registered within the District. The amount allocated to the District by the County is based upon its proportionate share of all county imposed property taxes. The amount budgeted is 6.5% of the total property taxes collected.

### **Investment Income - \$744**

Cash Reserves are invested with Colotrust Plus+, a Colorado approved local government investment pool (LGIP). Many Government agencies in Colorado pool their invested funds with Colotrust. This offers Colorado local governments a safe way to maximize interest earnings. Investment revenue for 2016 is budgeted at \$744 and assumes an interest rate of 0.12%.

### **Tap Fees - \$114,000**

Tap fee revenue is budgeted at \$114,000 in 2016. The projection assumes the issuance of one new tap per month for properties in the Willowcroft and Wilder Lane (water service only) subdivisions. Tap fees are proposed to remain \$3,500 for a 3/4 –inch water tap and \$2,500 for a single family sewer tap.

## **EXPENDITURES**

### **Maintenance**

#### **Maintenance & Repairs - \$41,200**

Maintenance and repairs are the largest District expenditure comprising 35.8% of total operating expenditures. The majority of maintenance and repairs represents sanitary sewer video inspections, root removal and treatment, and cleaning conducted by Platte Canyon Water and Sanitation District staff in accordance with the Intergovernmental Agreement between Columbine and Platte Canyon. The 2016 budget amount represents a \$9,650 (30%) increase over the 2015 budget due to additional scheduled maintenance activities that will be conducted in 2016.

#### **Remedial Repairs- \$10,000**

The 2016 budget allocates \$10,000 for non-specific maintenance activities and repairs determined to be necessary throughout the year as a result of sewer video inspections. The 2016 budget for remedial repairs is \$39,150 below the \$49,150 budgeted in 2015. The 2015 budget anticipated one-time reimbursements for participation in sewer repairs conducted by Southwest Metropolitan Water and Sanitation District and Valley Sanitation District. The Southwest Metropolitan project was completed and the reimbursement paid by Columbine in 2015, and the Valley project has been delayed pending investigation of alternatives to the proposed project.

#### **Lift Station Utilities, Telemetry and Maintenance - \$14,700**

Brookhaven Lift Station general maintenance includes repairs and maintenance to the lift station pumps, motors, control systems and related equipment. Lift station maintenance expenses for 2016 are budgeted at \$5,000 which is a \$3,000 increase from the \$2,000 budgeted in 2015. Rehabilitation or replacement of air valves is the reason for the increase.

Lift station utilities include costs for electric, gas, and water services. Lift station utility expenses for 2016 are budgeted at \$8,500, equal to the amount budgeted in 2015.

Telemetry includes costs associated with monitoring the Brookhaven Lift Station by use of a Supervisory Control and Data Acquisition (SCADA) system and alarm system. Lift station telemetry expenses for 2016 are budgeted at \$1,200, the same amount budgeted in 2015.

### **Southwest Metropolitan (Three Ponds Agreement) - \$700**

The Three Ponds Agreement is an Intergovernmental Agreement between Columbine and Southwest Metropolitan Water and Sanitation District signed on December 4, 1987 and amended on June 23, 1995. The Agreement allows for connection of up to 35 Columbine sewer taps within a portion of the Three Ponds Subdivision to discharge into Southwest Metropolitan's sewer system. The agreement calls for Columbine to pay Southwest Metropolitan \$50 per sewer tap per year. Currently Columbine has 14 sewer taps connected under this Agreement.

### **Engineering - \$0**

No specific engineering services are proposed 2016.

## **Administration**

### **Administrative Expenses (PC) – \$15,000**

Administrative expenses (PC) includes expenditures for administration and management functions conducted by Platte Canyon Water and Sanitation District staff under the Intergovernmental Agreement between Columbine and Platte Canyon. Administrative expenses for 2016 are budgeted at \$15,000, an increase of \$3,000 over the amount budgeted in 2015.

### **Accounting – \$4,250**

Accounting expenses include accounting functions conducted by Platte Canyon Water and Sanitation District staff under the Intergovernmental Agreement between Columbine and Platte Canyon. These services include but not limited to, accounts payable, accounts receivable, preparation of monthly financial statements, investments and coordination of the annual audit. Accounting expenses for 2016 are budgeted at \$4,250, an increase of \$500 over \$3,750 budgeted in 2015.

### **Bank Fee - \$0**

Bank fees consisted of wire transfer fees that have now been eliminated by the use of ACH transactions. Thus, no funds have been budgeted in 2016 for bank charges.

### **Legal Fees - \$11,000**

The 2016 budget for general legal fees is 11,000, \$1,000 more than budgeted in 2015. In addition to general legal fees, the budget for election expenses includes additional legal costs associated with conducting the biannual special district board election.

### **Audit - \$4,000**

The annual audit is budgeted at \$4,000 which represents no increase in the amount budgeted in 2015.

### **Insurance - \$3,500**

Insurance for general liability, officers and directors' liability, property, equipment breakdown, worker's compensation, and commercial crime is obtained from the Colorado Special District Property and Liability Pool. Insurance expenses for 2016 are budgeted at \$3,500, equal to the amount budgeted in 2015.

### **County Treasurer Tax Collection Fees - \$1,726**

Arapahoe County charges 1.5% of all property taxes collected for administration, collection, and remittance of the property taxes.

### **Dues & Membership - \$1,025**

Dues and memberships include Columbine's membership in the Special District Association (SDA), which provides communication, research, legislative advocacy, administrative support, and educational opportunities for member districts. Membership in SDA is required for participation in the Property and Liability Insurance Pool which provides coverage for all Columbine policies. The Columbine is also a member of the Denver Water Rates and Fees Technical Advisory Committee (TAC) that monitors Denver Water rates and other financial matters. The 2016 budget includes \$1,025 for dues and membership expenditures.

### **Public Relations - \$2,500**

Public relations are expenses related to such items as newsletters, informational brochures, and proposed website expenses. Public relation expenses for 2016 are budgeted at \$2,500, the same amount budgeted in 2015.

### **Election Related Expenses - \$5,000**

The 2016 budget includes \$5,000 for legal and administrative costs associated with the regular bi-annual director election.

### **Miscellaneous - \$500**

This line item covers minor expenditures such as board meeting costs.

## **Capital**

### **Capital Outlay - \$0**

There are no capital expenditures proposed in the 2016 budget.

## **Contingency and Tabor Reserve**

Contingencies are budgeted at \$12,000, \$6,000 less than the amount budgeted in 2015. The contingency line item represents a reserve available to pay for unanticipated or emergency expenses. In addition, \$18,593 is budgeted as an emergency reserve as mandated by the TABOR Amendment.

## **Property Taxes**

Assessed values within Columbine have increased for tax year 2015 (budget year 2016) to \$44,847,864 due to the state required biannual reassessment of all real property. This amounts to an increase of \$6,220,496 (16.1%) over tax year 2014 assessed values of \$38,647,418. The District obtained voter approval to assess an increase in the general operations mill levy equal to the debt service mill levy that expired in 2015 – 1.035 mills. The mill levy to be certified on all taxable property in the District will remain 2.564 mills, equal to the mill levy certified in budget year 2015. Tax revenue will increase however due to the increase in assessed values. Property tax revenue projected to be received in 2016 is \$114,990 compared to 2015 revenue of \$99,044, \$59,053 for general operations and \$39,991 for debt service.

Assessed value, mill levy, and property tax revenue information is shown on page two of the budget.

## **Lease - Purchase Agreements**

As required by *C.R.S. 29-1-103(3)(d)*, the 2016 budget includes a schedule for lease purchase agreements. Valley does not have any lease-purchase agreements requiring expenditure of funds in 2016.

# COLUMBINE WATER & SANITATION DISTRICT

## 2016 BUDGET

	ACTUAL 2013	ACTUAL 2014	BUDGET 2015	ESTIMATED 2015	PROPOSED BUDGET 2016	DIFFERENCE FROM 2015 BUDGET
<b>Beginning Balance January 1</b>	<b>\$576,738</b>	<b>\$556,791</b>	<b>\$614,838</b>	<b>\$567,934</b>	<b>\$619,768</b>	
<b>REVENUE</b>						
Property Taxes - Operating	\$58,356	\$57,969	\$58,990	\$59,053	\$68,558	\$9,568
Property Taxes - Debt Service	\$39,987	\$39,986	\$39,991	\$39,991	\$0	(\$39,991)
Specific Ownership Taxes	\$6,759	\$7,052	\$6,434	\$7,600	\$4,456	(\$1,978)
Interest Earned	\$905	\$817	\$738	\$660	\$744	\$6
System Development Fee (Tap Fees)	\$0	\$46,125	\$120,000	\$112,500	\$114,000	(\$6,000)
Inclusion Fees	\$14,445	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$675	\$0	\$0
<b>Total Revenue</b>	<b>\$120,452</b>	<b>\$151,949</b>	<b>\$226,153</b>	<b>\$220,479</b>	<b>\$187,758</b>	<b>(\$38,395)</b>
<b>OPERATING EXPENDITURES</b>						
<u>MAINTENANCE</u>						
Maintenance & Repairs - PC	\$36,540	\$34,190	\$31,550	\$26,945	\$41,200	\$9,650
Repairs Remedial	\$20,131	\$16,375	\$49,150	\$13,520	\$10,000	(\$39,150)
Lift Station Utilities	\$6,203	\$6,923	\$8,500	\$6,890	\$8,500	\$0
Lift Station Telemetry	\$1,096	\$1,101	\$1,200	\$1,150	\$1,200	\$0
Lift Station Maintenance	\$1,911	\$3,990	\$2,000	\$8,700	\$5,000	\$3,000
Southwest Metro (Three Ponds Agreement)	\$700	\$700	\$700	\$700	\$700	\$0
Engineering	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub-Total Maintenance</b>	<b>\$66,581</b>	<b>\$63,279</b>	<b>\$93,100</b>	<b>\$57,905</b>	<b>\$66,600</b>	<b>(\$26,500)</b>
<u>ADMINISTRATION</u>						
Administrative Expenses - PC	\$9,838	\$14,179	\$12,000	\$22,810	\$15,000	\$3,000
Accounting	\$4,883	\$3,604	\$3,750	\$4,200	\$4,250	\$500
Bank Fee	\$288	\$315	\$325	\$0	\$0	(\$325)
Legal	\$9,985	\$11,076	\$10,000	\$14,200	\$11,000	\$1,000
Audit	\$4,000	\$3,000	\$4,000	\$4,000	\$4,000	\$0
Insurance	\$2,331	\$3,001	\$3,500	\$3,116	\$3,500	\$0
Treasurers Tax Collection Fee	\$1,477	\$1,471	\$1,485	\$1,486	\$1,028	(\$457)
Dues & Membership	\$1,024	\$994	\$1,025	\$1,000	\$1,025	\$0
Public relations	\$0	\$0	\$2,500	\$1,041	\$2,500	\$0
Election Expense	\$0	\$0	\$5,000	\$18,297	\$5,000	\$0
Other	\$267	\$174	\$500	\$420	\$500	\$0
Debt - Principal	\$35,387	\$36,997	\$38,681	\$38,861	\$0	(\$38,681)
Debt - Interest	\$4,338	\$2,716	\$1,310	\$1,310	\$0	(\$1,310)
<b>Sub-Total Operating Expenses</b>	<b>\$73,818</b>	<b>\$77,527</b>	<b>\$84,076</b>	<b>\$110,741</b>	<b>\$47,803</b>	<b>(\$36,273)</b>
<b>Total Operating Expenses</b>	<b>\$140,399</b>	<b>\$140,806</b>	<b>\$177,176</b>	<b>\$168,646</b>	<b>\$114,403</b>	<b>(\$62,773)</b>
<b>CAPITAL EXPENDITURES</b>						
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub-Total Capital Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Contingency</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,000</b>	<b>\$0</b>	<b>\$11,000</b>	<b>(\$7,000)</b>
<b>TABOR Emergencies Reserve</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,445</b>	<b>\$0</b>	<b>\$18,593</b>	<b>\$148</b>
<b>Total Expenditures</b>	<b>\$140,399</b>	<b>\$140,806</b>	<b>\$213,621</b>	<b>\$168,646</b>	<b>\$143,996</b>	<b>(\$69,625)</b>
<b>Ending Balance December 31</b>	<b>\$556,791</b>	<b>\$567,934</b>	<b>\$627,370</b>	<b>\$619,768</b>	<b>\$663,529</b>	

# COLUMBINE WATER & SANITATION DISTRICT 2016 BUDGET

## PROPERTY TAXES ASSESSED

	Tax Year 2012	Tax Year 2013	Tax Year 2014	Tax Year 2015
Assessed Valuation				
Arapahoe County	\$38,193,390	\$37,938,680	\$38,647,418	\$44,867,914
<b>Total Valuation</b>	<b>\$38,193,390</b>	<b>\$37,938,680</b>	<b>\$38,647,418</b>	<b>\$44,867,914</b>
Mill Levy - Operations	1.528	1.528	1.528	1.528
Mill Levy - Debt Service	1.047	1.047	1.035	0.000
<b>Property Tax Revenue - General</b>	<b>\$58,359</b>	<b>\$57,970</b>	<b>\$59,053</b>	<b>\$68,558</b>
<b>Property Tax Revenue - Debt Service</b>	<b>\$39,988</b>	<b>\$39,725</b>	<b>\$39,991</b>	<b>\$0</b>
<b>Property Tax Revenue</b>	<b>\$98,348</b>	<b>\$97,695</b>	<b>\$99,044</b>	<b>\$68,558</b>

**COLUMBINE WATER & SANITATION DISTRICT  
2016 BUDGET**

**SCHEDULE I  
LEASE - PURCHASE SUPPLEMENTAL SCHEDULE  
(29-1-103(3)(d), C.R.S)**

I. Real Property Lease - Purchase Agreements:

Total Amount to be expended for all Real Property Lease - Purchase Agreements in 2015	\$0.00
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II. All Lease - Purchase Agreements Not Involving Real Property:

Total Amount to be expended for all Non-Real Property Lease - Purchase Agreements in 2015	\$0.00
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