

MESA CORTINA WATER AND SANITATION DISTRICT

2015 Budget

	2013 Actual	2014 Budget	2014 9 mo YTD	2014 3 mo Estimate	2014 Projected	2015 Budget
BEGINNING FUND BALANCE	188,282	286,948	286,948		286,948	314,955
WATER INCOME						
User fees	155,225	159,000	116,816	36,750	153,566	162,000
Standby fees	6,336	6,480	4,815	1,620	6,435	6,580
Tap fees	0	0	4,264	4,264	8,528	0
Other water income	0	0	0	0	0	0
WATER INCOME	161,561	165,480	125,895	42,634	168,529	168,580
Operations	8,796	9,900	6,597	2,199	8,796	9,900
Operations maintenance	749	6,000	247	1,500	1,747	6,000
Repair and maintenance	19,698	25,000	18,194	6,250	24,444	25,000
Testing and sampling	864	2,500	1,548	625	2,173	2,500
Water purchases	35,978	38,000	27,215	9,500	36,715	38,000
Miscellaneous	0	2,500	0	625	625	2,500
Utilities	3,417	4,000	2,764	1,000	3,764	4,200
Meter reading	0	0	0	0	0	0
Engineering	1,895	2,500	1,386	625	2,011	2,500
WATER EXPENSES	71,397	90,400	57,950	22,324	80,274	90,600
WATER NET	90,163	75,080	67,945	20,310	88,255	77,980
SEWER INCOME						
User fees	136,904	140,580	105,422	35,145	140,567	148,141
Standby fees	6,336	6,480	4,815	1,620	6,435	6,580
Tap fees	4,536	0	8,144	5,040	13,184	0
Other sewer income	1,332	1,440	1,116	360	1,476	1,440
SEWER INCOME	149,108	148,500	119,497	42,165	161,662	156,161
Operations	4,404	4,800	3,303	1,200	4,503	4,800
Operations maintenance	0	2,500	0	625	625	2,500
Repair and maintenance	3,704	20,000	14,319	1,500	15,819	20,000
JSA expense	59,115	61,000	45,140	15,250	60,390	62,000
Sewer line rental	15,408	15,408	11,556	3,852	15,408	15,408
Miscellaneous	0	0	0	0	0	0
Utilities	414	850	221	213	434	900
Engineering	1,188	0	0	0	0	0
SEWER EXPENSE	84,233	104,558	74,539	22,640	97,179	105,608
SEWER NET	64,875	43,942	44,958	19,525	64,483	50,553
INSPECTIONS						
Inspection fees	0	200	0	50	50	200
Meter sales	0	200	0	50	50	200
TOTAL	0	400	0	100	100	400
Inspection cost	0	100	0	30	30	100
Other	104	300	57	75	132	300
TOTAL COST	104	400	57	105	162	400
NET INSPECTIONS	(104)	0	(57)	(5)	(62)	0
OTHER						
Other income	2	0	1,050	0	1,050	0
Interest income	184	200	154	50	204	180
Finance charges	655	50	389	13	402	120
OTHER INCOME	840	250	1,593	63	1,656	300
NET OPERATIONS	155,774	119,272	114,440	39,893	154,333	128,833

	2013	2014	2014 9 mo	2014 3 mo	2014	2015
	Actual	Budget	YTD	Estimate	Projected	Budget
District manager	6,945	15,000	4,860	2,250	7,110	15,000
Administration / bookkeeping	24,000	24,000	18,000	6,000	24,000	24,000
Legal	8,839	15,000	5,929	3,750	9,679	15,000
Audit	440	500	480	0	480	600
Office supplies	651	1,000	523	250	773	1,000
Postage	509	540	412	135	547	600
Bank fees	163	300	63	75	138	300
Memberships and dues	3,339	3,200	3,362	0	3,362	3,600
Director fees	3,475	4,000	2,350	500	2,850	3,000
Communication line	1,602	1,600	957	400	1,357	1,600
Insurance	2,847	3,000	2,748	0	2,748	3,000
Project planning	0	10,000	0	0	0	0
Miscellaneous	347	480	181	120	301	480
Interest	5,147	4,300	3,323	950	4,273	3,400
ADMINISTRATION EXPENSES	58,303	82,920	43,188	14,430	57,618	71,580
NET INCOME (LOSS)	97,471	36,352	71,252	25,463	96,715	57,253
CAPITAL FUND						
Loans / Grants / JSA	75,852	0	16,800	0	16,800	0
Debt reduction	27,037	27,900	20,815	7,100	27,915	28,800
Water tank	0	0	0	0	0	0
Sewer system - I&I	0	50,000	57,592	0	57,592	25,000
Sewer system - taps	31,500	0	0	0	0	0
JSA investment	0	0	0	0	0	0
Water system improvements	16,120	50,000	0	0	0	125,000
CAPITAL IMPROVEMENTS	74,657	127,900	78,408	7,100	85,508	178,800
OVERALL INCOME(LOSS)	98,666	(91,548)	9,644	18,363	28,007	(121,547)
ENDING FUND BALANCE	286,948	195,400			314,955	193,407

MESA CORTINA WATER AND SANITATION DISTRICT

Budget Message for 2015

1. The Mesa Cortina Water and Sanitation District is a Title 32 special district that was organized by Organizational Decree entered by the Summit County District Court on October 15, 2002, pursuant to Part 3 of the Special District Act, 32-1-101, C.R.S., et. seq. The District was organized for the express purpose of acquiring the Mesa Cortina Water System and the Mesa Cortina Sewer System from Summit County. Said water and sewer systems were previously financed, operated and maintained by Summit County as an enterprise operation pursuant to the Mesa Cortina Water and Sewer Enterprise Fund.
2. The 2015 budget is prepared on a modified accrual accounting basis. Revenues for the District are from user fees. Revenues are allocated to the period incurred and expenses are recorded when the liability is incurred. The District operates as a water activity enterprise and does not assess a property tax mill levy.
3. The District has been an independent entity since its inception in June 2003. The District was operated by Summit County Government until it was transferred to the homeowners. Operation is controlled by a five person Board of Directors. Services including District management, administration, financial reporting and operations are contracted. There are no employees of the District.
4. The District utilizes a rate structure designed to encourage water conservation. The base water rate was increased by 5% in 2015 to obtain adequate revenue to meet operating expenses. For 2015 the water base rate is \$158 per quarter including 6,000 gallons of usage. Usage in excess of 6,000 gallons, but less than or equal to 15,000 gallons is billed at \$7.93 per 1,000 gallons. Usage greater than 15,000 gallons, but less than or equal to 25,000 gallons is billed at \$10.12 per 1,000 gallons. Usage in excess of 25,000 gallons is billed at \$19.25 per 1,000 gallons. The budget anticipates water usage of residents to be similar to prior years.
5. The sewer rate is based on the EQR as established by the Joint Sewer Authority (JSA). The base EQR of 1 is for residential units of up to three bedrooms and up to three bathrooms. Any bedroom and/or bathroom in excess of three is billed an additional EQR of 0.1. The 2015 quarterly rate is \$158 per EQR per quarter.
6. In 2008 the District increased tap fees and provided a credit of prior prepaid tap fees. For 2015, the water tap fees will be \$8,152. The sewer tap fee will be \$8,152 for up to 3 bedrooms and/or 3 bathrooms. Any bedroom and/or bathroom in excess of three is charged a tap fee of \$815. This fee is applicable to new construction and remodels of existing properties. For new properties, a prepaid water tap fee of \$3,500 and sewer tap fee of \$3,500 is credited against the tap fees due.
7. All properties in the District that do not have improvements are subject to a Standby fee of \$47 for water and \$47 for sewer or a total of \$94. The standby fee is charged to assist in the maintenance of the existing infrastructure and to cover JSA fees applied to unused EQR's.

8. The District water supply is from two active wells on site and water purchased from the Buffalo Mountain Metro District (BMMD). Water purchases from the BMMD are based on a minimum usage fee of \$14 per month (\$42 per quarter) and include 2,000 gallons per month per EQR or a total of 428,000 gallons based on 214 connected users. Water usage in excess of the gallons included is charged at \$3 per 1,000 gallons. The rate charged from BMMD is subject to change based on their current rates and Board decisions.
9. For sanitation processing delivery, the collection system of the District is connected to the BMMD sewer line that transports it to the Joint Sewer Authority (JSA) for processing. The District pays a quarterly fee to BMMD in advance for the rental of the sewer line. The District receives a quarterly fee from BMMD for 20 connections in Cortina Ridge using the Mesa Cortina sewer line. The District pays in advance an operation processing fee to the JSA based on the EQR's for improved properties and capital fees for all available EQR's.
10. The District has absolute water rights to withdraw a total of 76.9 gallons per minute. The rights are associated to Wells 1 through 6. Currently wells 4 and 6 are in use by the District. There is an additional 68.1 gallons per minute of conditional rights.
11. The District is continuing to analyze the development of an additional water source and construction of a new sewer line to eliminate costs paid to outside sources.
12. 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 general revenues.
13. A portion of the 2012 water line replacement cost was funded by a six year loan from Alpine Bank in the original amount of \$175,000 with interest at 3.25%. At the end of 2014 the loan principal balance was \$115,628.11. The ending principal balance in 2015 is projected at \$86,774.38.
14. The District spent \$57,592.40 in 2014 on Insituform lining of 1,400 feet of clay line in good condition with limited tap connections. The application of lining rather than replacement of this section of sewer line for I&I reduction was felt a better value of use of available funds. The Cortina Ridge Association contributed 30% or \$16,800 of the cost. 2015 budgeted capital expenditures include available funding for minor sewer line improvements and the construction of a new water treatment building over the existing treatment vault. Included in the project would be new water control equipment and a replacement water line connection to the Buffalo Mountain Metropolitan District.