

	2014	2015	2015 9 mo	2015 3 mo	2015	2016
	Actual	Budget	YTD	Estimate	Projected	Budget
District manager	7,395	15,000	9,967	3,750	13,717	15,000
Administration / bookkeeping	24,000	24,000	18,000	6,000	24,000	24,000
Legal	9,631	15,000	3,713	3,750	7,463	15,000
Audit	480	600	560	0	560	600
Office supplies	548	1,000	841	250	1,091	1,200
Postage	546	600	438	150	588	600
Bank fees	160	300	81	75	156	300
Memberships and dues	3,362	3,600	3,381	0	3,381	3,600
Director fees	3,350	3,000	3,900	500	4,400	6,000
Communication line	1,277	1,600	934	400	1,334	1,440
Insurance	2,748	3,000	2,857	0	2,857	3,200
Project planning	0	0	0	0	0	0
Miscellaneous	444	480	374	120	494	480
Interest	4,312	3,400	2,578	755	3,333	2,700
ADMINISTRATION EXPENSES	58,254	71,580	47,622	15,750	63,372	74,120
NET INCOME (LOSS)	88,028	57,253	68,334	15,379	83,713	71,818
CAPITAL FUND						
Loans / Grants / JSA	16,800	0	0	0	0	0
Debt reduction	27,872	28,800	21,560	7,300	28,860	29,500
Water tank	0	0	0	0	0	0
Sewer system - I&I	57,592	25,000	0	0	0	50,000
Sewer system - taps	0	0	0	0	0	0
JSA investment	0	0	0	0	0	0
Water system improvements	0	125,000	117,777	7,000	124,777	100,000
CAPITAL IMPROVEMENTS	85,464	178,800	139,337	14,300	153,637	179,500
OVERALL INCOME(LOSS)	19,364	(121,547)	(71,003)	1,079	(69,924)	(107,682)
ENDING FUND BALANCE	306,311	184,764			236,387	128,705

MESA CORTINA WATER AND SANITATION DISTRICT

Budget Message for 2016

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 2016 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. For 2016, the base water rate will be increased by 15.8% to obtain adequate revenue to meet operating expenses. The increase includes 10.8% to cover a 40% user fee increase from Buffalo Mountain Metro District (BMMD) that the District purchases water from. The water base rate is \$183 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 \$8.33 per 1,000 gallons. Usage greater than 15,000 gallons, but less than or equal to 25,000 gallons is billed at \$10.63 per 1,000 gallons. Usage in excess of 25,000 gallons is billed at \$20.21 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 Silverthorne Joint Sewer Authority (JSA). The District is one of five partners in the JSA for sewage treatment. 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 2016 quarterly rate is \$173 per EQR per quarter. The 2016 increase was 9.4% that includes 4.4% from the BMMD rate increase.
6. In 2008 the District increased tap fees and provided a credit of prior prepaid tap fees. For 2016, the water tap fees will be \$8,560. The sewer tap fee will be \$8,560 for up to 3 bedrooms and/or 3 bathrooms. Any bedroom and/or bathroom in excess of three is charged a tap fee of \$856. 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 \$49 for water and \$49 for sewer or a total of \$98. 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 within the District boundaries and water purchased from the Buffalo Mountain Metro District (BMMD). Water purchases from the BMMD are based on a minimum usage fee of \$19.67 per month (\$59 per quarter) and include 2,000 gallons per month per unit or a total of 430,000 gallons based on 215 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 in their rates.
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 2015 the loan principal balance was \$86,837. The ending principal balance in 2016 is projected at \$57,033.
14. The District will spent \$125,000 in 2015 to build a water treatment structure over the existing water vault. Of the total cost, \$50,000 is for new water treatment operations controls. The work included a replacement of the water line connection to the Buffalo Mountain Metropolitan District. The budget method of the District provided all for all reserve funds available to be used for capital improvements. For planning purposes, the 2016 budget includes \$100,000 for water line replacement and \$50,000 for sewer line improvements.