

**MESA CORTINA WATER AND SANITATION DISTRICT
SUMMIT COUNTY, COLORADO**

ADOPTED 2012 BUDGET

November 2011

MESA CORTINA WATER AND SANITATION DISTRICT

2012 BUDGET MESSAGE

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 2012 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 for. 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 2012 to obtain adequate revenue to meet operating expenses. For 2012 the water base rate is \$139 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 per 1,000 gallons. Usage greater than 15,000 gallons, but less than or equal to 25,000 gallons is billed at \$9 per 1,000 gallons. Usage in excess of 25,000 gallons is billed at \$17 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 2012 quarterly rate is \$139 per EQR per quarter.

6. In 2008 the District increased tap fees and provided a credit of prior prepaid tap fees. For 2012, the water tap fees will be \$7,200. The sewer tap fee will be \$7,200 for up to 3 bedrooms and/or 3 bathrooms. Any bedroom and/or bathroom in excess of three is charged a tap fee of \$720. 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 \$42 for water and \$42 for sewer or a total of \$84. 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 changes 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 16 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 gallon 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. The capital fund budget of the District for 2012 includes \$20,000 for sewer Inflow & Infiltration (I&I) work and \$25,000 for water source planning. During 2011 the District had capital expenditures for water tank roof repairs, completion of the 2010 clay sewer line replacement project, and 2011 clay sewer line replacement on Salomons Lane and Royal Red Bird Drive.

Mesa Cortina Water & Sanitation District
2012 Budget - General Fund

	Actual 2010	Estimated 2011	Budget 2012
BEGINNING FUND BALANCE	\$ 263,737	\$ 168,861	\$ 164,665
REVENUES			
Water Revenue			
User fees	\$ 132,282	\$ 136,271	\$ 145,800
Standby fees	\$ 5,472	\$ 5,760	\$ 6,048
Tap fees	\$ 0	\$ 0	\$ 0
Other water income	\$ 0	\$ 0	\$ 0
Total Water Revenue	\$ 137,754	\$ 142,031	\$ 151,848
Sewer Revenue			
User fees	\$ 115,517	\$ 121,031	\$ 127,491
Standby fees	\$ 5,472	\$ 5,760	\$ 6,048
Tap fees	\$ 3,300	\$ 690	\$ 720
Other sewer income	\$ 5,502	\$ 1,782	\$ 1,296
Total Sewer Revenue	\$ 129,791	\$ 129,263	\$ 135,555
Inspections			
Inspection Fees	\$ 0	\$ 380	\$ 100
Meter Sales	\$ 0	\$ 700	\$ 400
Total Inspections Revenue	\$ 0	\$ 1,080	\$ 500
Other Revenue			
Loan/Grant/JSA	\$ 0	\$ 100,000	\$ 0
Interest Income	\$ 4,188	\$ 1,511	\$ 1,200
Finance Charges	\$ 108	\$ 167	\$ 50
Total Other Revenue	\$ 4,296	\$ 101,678	\$ 1,250
TOTAL REVENUE	\$ 271,841	\$ 374,052	\$ 289,153
TOTAL FUNDS AVAILABLE	\$ 535,578	\$ 542,913	\$ 453,818
EXPENDITURES			
Water Expenses			
Operations	\$ 8,796	\$ 8,796	\$ 9,300
Operations maintenance	\$ 7,289	\$ 2,370	\$ 6,000
Repair and maintenance	\$ 35,993	\$ 25,705	\$ 25,000
Testing and sampling	\$ 1,241	\$ 2,820	\$ 2,500
Water purchases	\$ 38,120	\$ 37,756	\$ 39,000
Miscellaneous	\$ 630	\$ 625	\$ 2,500
Utilities	\$ 4,872	\$ 4,614	\$ 6,000
Meter reading	\$ 0	\$ 0	\$ 0
Engineering	\$ 1,349	\$ 770	\$ 2,500
Total Water Expense	\$ 98,290	\$ 83,456	\$ 92,800
Sewer Expenses			
Operations	\$ 4,404	\$ 4,404	\$ 4,404
Operations maintenance	\$ 2,045	\$ 650	\$ 2,500

Repair and maintenance	\$	10,064	\$	9,700	\$	15,000
JSA expense	\$	58,044	\$	58,461	\$	60,000
Sewer line rental	\$	15,426	\$	15,408	\$	15,408
Miscellaneous	\$	0	\$	0	\$	0
Utilities	\$	772	\$	902	\$	1,000
Engineering	\$	0	\$	0	\$	0
Total Sewer Expense	\$	90,755	\$	89,525	\$	98,312
Inspection Expense						
Inspection Cost	\$	0	\$	30	\$	100
Other	\$	122	\$	194	\$	100
Total Inspection Expense	\$	122	\$	224	\$	200
Administration Expense						
District manager	\$	13,230	\$	12,000	\$	15,000
Administration / bookkeeping	\$	24,000	\$	24,000	\$	24,000
Legal	\$	11,945	\$	16,895	\$	18,000
Audit	\$	375	\$	400	\$	500
Office supplies	\$	523	\$	822	\$	1,000
Postage	\$	496	\$	504	\$	540
Bank fees	\$	292	\$	278	\$	300
Memberships and dues	\$	2,977	\$	2,949	\$	3,000
Director fees	\$	4,300	\$	2,600	\$	4,000
Communication line	\$	941	\$	1,530	\$	1,500
Insurance	\$	1,469	\$	1,547	\$	3,000
Master Plan	\$	0	\$	0	\$	0
Miscellaneous	\$	932	\$	322	\$	480
Total Administration Expense	\$	61,480	\$	63,847	\$	71,320
Capital Expense						
Water Tank	\$	5,873	\$	14,260	\$	0
Sewer system - I&I	\$	103,405	\$	126,936	\$	20,000
Sewer system - taps	\$	0	\$	0	\$	0
Water Source	\$	6,792	\$	0	\$	25,000
Total Capital Expense	\$	116,070	\$	141,196	\$	45,000
TOTAL EXPENDITURES	\$	366,717	\$	378,248	\$	307,632
ENDING FUND BALANCE	\$	168,861	\$	164,665	\$	146,186