

LETTER OF BUDGET TRANSMITTAL

Blue Mountain Water District
DLG #: 30010

Date: December 14, 2022

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached is the 2023 budget and budget message for the **Blue Mountain Water District** in Jefferson County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted Thursday, November 17th, 2022. If there are any questions on the budget, please contact Ken Hoyer, Treasurer, at telephone number: (303) 642-3876 and mailing address:

Blue Mountain Water District
P.O. Box 16789
Golden, CO 80402

The mill levy certified to the county commissioners is 18.792 mills for all general operating purposes (not G.O. Bonds and interest or contractual obligations approved at elections or levies for capital expenditures). This is based on an assessed valuation of \$ 7,130,577.

Pursuant to the results of the District's election the District is not subject to any statutory limitation placed on property tax revenue as imposed by Article X, Section 20 (TABOR), nor Section 29-1-301 (5.5% Limit) or any other law.


In the November 4, 2008 election, electors in the Districts approved a mill levy increase of 20 mills to a total of 31.405 mills. That approved mill levy is reduced for 2023 by a temporary (one year) mill levy reduction. Our minutes from the November 2022 meeting reflect a resolution stating that, since we expected a temporary mill levy reduction, the exact mill levy reduction was adjusted after the adoption of the budget to incorporate the finalized valuation shown above.

Enclosed please find a copy of the certification of mill levies sent to the county commissioners.

AN INCREASE LEVY BEYOND THE PROPERTY TAX REVENUE LIMIT IS NOT BEING REQUESTED.

I hereby certify that the enclosed are true and accurate copies of the adopted 2023 budget of the Blue Mountain Water District and certification of tax levies to the Board of County Commissioners.

Signature of Officer:
Title:


Treasurer

Blue Mountain Water District 2023 BUDGET MESSAGE

District Services: Blue Mountain Water District provides filtered and treated water to the Blue Mountain Subdivision in Jefferson County, with a population of approximately 320 residents in 116 single family dwellings. The water is pumped from deep wells developed and maintained by the District, which is not directly connected to any other source, including any other municipal or commercial water purveyor. The District is managed by an unpaid elected Board, has no employees, and contracts with outside companies to operate the District.

Basis of Accounting: The basis of accounting used in the preparation of the 2023 Budget is the Cash method. The District's 2023 Budget includes projected revenues, which are derived mainly from water sales and property taxes. The 2023 Budget also includes expenditures for operating and maintaining the system, capital improvements required by new regulations, and buildings and treatment facilities for filtration, contaminant removal and chlorination.

Main Features of the Budget

Operating Fund: The General Operating Fund includes a temporary (one year) reduction in mill levy rate to 18.792 mills from our voter authorized limit of 31.405 mills. This reduction is based on total assessed valuation, the statutory "5.5% Limit" and our desire to capture \$134,000 in revenue.

By election in November 1995, the District is authorized to retain and expend for District purposes such operating revenues, without limit, whether or not they exceed the revenues or expenditures of the previous year. The total assessed valuation decreased from \$7,432,620 to \$7,130,577, (-4.2%). All Operating Funds and reserves are appropriated and transferred as needed to support the planned capital projects.

In the November 3rd, 2020 election the public approved allowing the District to increase our debt from \$0 to \$800,000 for capital improvements. Those funds were spent, as planned, on an additional 100,000 gallons of water storage in the District. Construction has been completed on that project, and the storage is in service. Our 2023 Budget includes debt service for those funds.

Capital Projects Fund: An expected future expense is a major improvement to our treatment plant to stop using our effluent pond, as required by recent regulatory changes. A set of proposed changes have been submitted to the state, but the state has not responded with comments to the engineering plans that were submitted. While we expect this to require more capital than we currently have in our operating fund, we do not expect to proceed with construction until plans are approved. For this reason, no funds were budgeted for this purpose for 2023. In anticipation of this eventual expenditure, however, we have been allowing our cash and reserves to grow appropriately.

As noted above, our project to increase the total water storage in the district has been successfully completed. This gives us better resilience to drought and high water usage periods, and will supply extra water for firefighting. This approximately doubled the storage capacity for the district. It also provide a way to drain individual tanks for maintenance and legally required inspection without endangering the district with a lack of water for firefighting.

Another significant project is to upgrade our residential meters to improve our metering accuracy and efficiency. Water loss due to leaks have increased in number due to the age of our equipment. We suspect that many meters are under-reporting the actual water use due to mechanical wear. Our water resource is limited to the recharge that our wells receive, and is crucial to our homeowners. Water loss and undetected consumption are also critical so managing these events is important. We have replaced a few meters in 2022, but supply chain issues are preventing us from proceeding until the meters become available next year.

An additional project that is in the early stages is to try to determine a more accurate estimate of the total water available in our aquifer. Our District is entirely dependent on the water in our aquifer, and this knowledge will be used to better understand our supply and plan for the future. It will likely require us to drill a new, deeper well than we now use for our water supply. This is expected to be expensive, and \$150,000 has been budgeted for this project in 2023.

The ending cash including reserves for 2023 are estimated at approximately \$865,277, which is sufficient for District operating purposes, but will not likely cover the cost of future plant improvements.

Emergency Reserve Fund: This fund is mandated by TABOR at 3% of current year non-debt expenditures.

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
BLUE MOUNTAIN WATER DISTRICT
JEFFERSON COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2023

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE BLUE MOUNTAIN WATER DISTRICT, JEFFERSON 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 of the Blue Mountain Water District has authorized its Budget Committee to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held November 17th, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; 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 BLUE MOUNTAIN WATER DISTRICT OF JEFFERSON COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Designation of Ending Fund Balances as Reserves. That pursuant to Const. Colo. Article X, Section 20, the December 31, 2022, ending fund balance of the General Fund, the exact amount to be determined as part of the audit of the December 31, 2022 financial statements, is designated as a general reserve for future contingencies.

Section 4. Adoption of Budget for 2023. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Blue Mountain Water District for calendar year 2023.

Section 5. 2023 Levy of General Property Taxes. That the budget indicates that the amount of money necessary to balance the budget for the General Fund for operating expenses is \$ 134,000 and the amount necessary to balance the budget for the Debt Service Fund for retirement of debt, bonds and interest thereon and payment of any contractual obligation approved by a majority of the qualified electors of the District is \$ - 0 -, for a total of \$ 134,000. That the expected 2022 valuation for assessment, to be certified by the Jefferson County Assessor, is \$ 7,130,577.

A. Levy for General Fund. That for the purpose of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 18.792 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023. This will be accomplished by a temporary reduction for one year in the mill levy from the maximum 31.405 mills approved by the voters of the district.

B. Levy for Debt Service Fund. That for the purpose of meeting all debt retirement expenses of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of - 0 - mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

Section 6. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 7. Certification. That Director Hoyer, as Treasurer of the District, is hereby authorized and directed to immediately certify to the County Commissioners of Jefferson County, Colorado, the mill levies for the District hereinabove determined and set. That said certification shall be in substantially the following form:

CERTIFICATION OF TAX LEVIES

TO: COUNTY COMMISSIONERS OF JEFFERSON COUNTY, COLORADO:

For the budget year 2023, the **Blue Mountain Water District** of Jefferson County, Colorado, hereby certifies a total levy of **18.792** mills to be extended by you upon the total assessed valuation of **\$ 7,130,577** to produce a total of **\$ 134,000** in revenue. The levies and revenue are for the following purposes:

	<u>Levy</u>	<u>Amount</u>
1. General Operating Expenses	<u>31.405</u> mills	\$ <u>223,934</u>
2. <u>Temporary Mill Levy Reduction/</u> Temporary Property Tax Credit:	(<u>12.613</u> mills)	(\$ <u>89,934</u>)
SUBTOTAL	<u>18.792</u> mills	<u>\$ 134,000</u>
3. General Obligation Bonds and Interest:	<u>- 0 -</u> mills	\$ <u>- 0 -</u>
4. Contractual Obligations Approved at Election:	<u>- 0 -</u> mills	\$ <u>- 0 -</u>
5. Capital Expenditures:	<u>- 0 -</u> mills	\$ <u>- 0 -</u>
6. Refunds/Abatements:	<u>- 0 -</u> mills	\$ <u>- 0 -</u>
7. Other <u> N/A </u>	<u>- 0 -</u> mills	\$ <u>- 0 -</u>
TOTAL	<u>18.792</u> mills	<u>\$ 134,000</u>

Subst. **FORM DLG 70**

Section 8. 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.

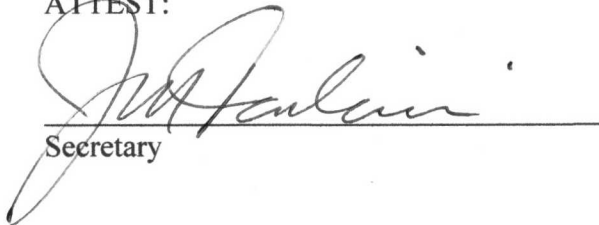
The foregoing Resolution was seconded by Director Rech.

ADOPTED AND APPROVED this Thursday, November 17th, 2022.



President

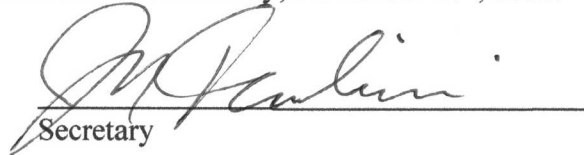
ATTEST:



Secretary

BLUE MOUNTAIN WATER DISTRICT		2023 Budget						
Revision 1	Actual 2021	Actual Jan - Aug 22	Estimated Sep - Dec 22	Estimated Total 2022	Budget 2022	Budget 2023	Budget 2023 Notes	
BEGINNING CASH & RESERVES	1,157,199	1,196,995	1,177,971	1,196,995	1,238,339	1,085,055	Yellow shows input that overrides proration.	
		8						
REVENUES:		Months to date						
OPERATING REVENUE								
WATER SALES	107,994	70,509	43,942	114,451	110,000	110,000	est, Oct bills+past due-bill adjustme	
STANDBY CHARGES	0	0	0	0	0	0	included in Water Sales	
TAP FEES	27,000	56,000	0	56,000	28,000	28,000		
DEPOSITS PAID	0	0	0	0	0	0		
DEPOSIT REFUNDS (-)	0	0	0	0	0	0		
TOTAL OPERATING REVENUE	134,994	126,509	43,942	170,451	138,000	138,000		
NON-OPERATING REVENUE								
EARNED INTEREST	342	709	1,460	2,169	480	4,380	est Aug interest through 2023	
PROPERTY TAXES	133,872	132,142	0	132,142	134,000	134,000		
S.O. TAXES	10,402	5,887	2,944	8,831	12,000	12,000		
OTHER INCOME / (REFUND)	535,963	266,218	0	266,218	282,000	0	Loan funds for storage project	
TOTAL NON-OPERATING REVENUE	680,579	404,956	4,404	409,360	428,480	150,380		
TOTAL REVENUE	815,573	531,465	48,346	579,811	566,480	288,380		
TOTAL AVAILABLE FUNDS	1,972,772	1,728,460	1,226,317	1,776,806	1,804,819	1,373,435		
EXPENDITURES:								
OPERATING EXPENSE								
RECURRING OPERATIONS	29,200	20,215	10,108	30,323	29,280	32,880		
MAINT SOURCE LABOR	2,310	2,590	1,295	3,885	14,400	3,600		
MAINT SOURCE MTLs	0	0	0	0	4,000	1,000		
MAINT TREATMENT LABOR	2,830	8,190	4,095	12,285	6,000	12,000		
MAINT TREATMENT MTLs	1,545	2,014	1,007	3,021	1,800	3,000		
MAINT DISTRIBUTION LABOR	36,504	29,311	14,656	43,967	48,000	48,000		
MAINT DISTRIBUTION MTLs	986	2,833	1,417	4,250	4,500	4,500		
MAINT BUILDING LABOR	9,625	5,140	2,570	7,710	15,600	15,600		
MAINT BUILDING MTLs	143	0	0	0	2,000	2,000		
QUALITY TESTING	3,951	2,339	1,170	3,509	4,000	4,000		
UTILITIES	12,842	9,343	4,672	14,015	16,600	16,600		
TOTAL OPERATING EXPENSE	99,936	81,975	40,988	122,963	146,180	143,180		
CAPITAL EXPENSE								
WATER RIGHTS	0	0	0	0	106	0		
CAPITAL SOURCE	0	0	0	0	0	150,000	early est of deep well cost	
CAPITAL TREATMENT	2,196	0	0	0	4,500	4,500		
CAPITAL DISTRIBUTION	644,387	452,696	49,000	501,696	522,000	125,000	2022-pumps, 2023-meters	
CAPITAL BUILDING	0	0	0	0	0	0		
TOTAL CAPITAL EXPENSE	646,583	452,696	49,000	501,696	526,606	279,500		
DEBT SERVICE	0	4,158	25,370	29,528	29,522	50,740	25370 x 2 per year	
GEN. & ADMIN. EXPENSE								
LEGAL, AUDITS, FEES	8,399	193	17,000	17,193	12,000	12,000	7000 audit/5000 legal	
ACCOUNTING SERVICES	11,095	6,881	3,441	10,322	12,000	12,000		
OFFICE EXPENSE	2,844	1,927	964	2,891	3,300	3,300		
INSURANCE	4,910	677	4,500	5,177	4,500	5,500		
CNTY TREASURER'S FEES	2,010	1,982	0	1,982	1,938	1,938		
TOTAL G & A EXPENSE	29,258	11,660	25,904	37,564	33,738	34,738		
TOTAL EXPENSE	775,777	550,489	141,262	691,751	736,046	508,158		
ACCUM. EXPENSE	775,777	550,489	141,262	691,751	736,046	508,158		
EMERGENCY FUND @ 3%	23,273	16,515	4,238	20,753	22,081	15,245		
INCOME LESS EXPENSES	39,796	(19,024)	(92,916)	(111,940)	(169,566)	(219,778)		
ENDING CASH & RESERVES	1,196,995	1,177,971	1,085,055	1,085,055	1,068,773	865,277		
CASH LESS RESERVES	1,173,722	1,161,456	1,080,817	1,064,302	1,046,691	850,032		

I, Joe Tamburini, hereby certify that I am a Director and the duly elected and qualified Secretary of the Blue Mountain Water District, and that the foregoing is a true and correct copy of the budget and budget message for the fiscal year 2023, duly adopted at a meeting of the Board of Directors of the Blue Mountain Water District held on Thursday, November 17th, 2022.



Secretary

