

Resolution No. 2021-10-03

**RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**

(2022)

The Board of Directors of Idledale Water & Sanitation District (the “**Board**”), Town of Idledale, County of Jefferson, Colorado (the “**District**”) held a special meeting held at Idledale Community Church, 21429 CO-74, Idledale, CO, 80453, on October 26, 2021, at the hour of 6:00 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2022 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board has authorized its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 26, 2021, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2022. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of 54.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2022 budget year, there is hereby levied a tax of

23.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Arapahoe County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED THIS 26TH DAY OF OCTOBER, 2021.

IDLEDALE WATER & SANITATION DISTRICT



Officer of the District

ATTEST:



STATE OF COLORADO
COUNTY OF JEFFERSON
IDLEDALE WATER & SANITATION DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held on Tuesday, October 26, 2021, Idledale Community Church, 21429 CO-74, Idledale, CO, 80453, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 26th day of October, 2021.

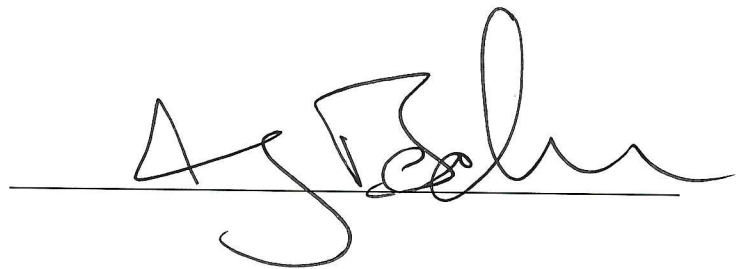


EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

IDLEDALE WATER AND SANITATION DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**IDLEDALE WATER AND SANITATION DISTRICT
SUMMARY
2022 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/22

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 167,831 | \$ 68,947 | \$ 91,973 |
| REVENUE | | | |
| Property taxes | 288,107 | 328,000 | 322,976 |
| Specific ownership tax | 21,600 | 25,200 | 16,460 |
| Water service fees | 2,682 | 8,255 | 4,387 |
| Grant revenue | 11,315 | 15,000 | 25,000 |
| Bank loan | - | - | 265,000 |
| Net investment income | 1,720 | 320 | 80 |
| Total revenue | 325,424 | 376,775 | 633,903 |
| TRANSFERS IN | - | - | 26,000 |
| Total funds available | 493,255 | 445,722 | 751,876 |
| EXPENDITURES | | | |
| General and administrative | 89,600 | 85,137 | 108,960 |
| Operations and maintenance | 152,984 | 97,500 | 111,825 |
| Debt Service | 88,552 | 88,549 | 113,566 |
| Capital Projects | 93,172 | 80,000 | 315,000 |
| Contingency | - | 2,563 | 5,649 |
| Total expenditures | 424,308 | 353,749 | 654,999 |
| TRANSFERS OUT | - | - | 26,000 |
| Total expenditures and transfers out requiring appropriation | 424,308 | 353,749 | 680,999 |
| ENDING FUND BALANCES | \$ 68,947 | \$ 91,973 | \$ 70,876 |

No assurance provided. See summary of significant assumptions.

**IDLEDALE WATER AND SANITATION DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/22

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|-----------------------------------|---------------------|---------------------|---------------------|
| ASSESSED VALUATION | | | |
| Jefferson County | | | |
| Residential | \$ 3,564,073 | \$ 3,569,627 | \$ 3,468,267 |
| Commercial | 90,412 | 90,412 | 93,453 |
| State assessed | 150,104 | 161,312 | 199,119 |
| Vacant land | 48,759 | 48,759 | 31,308 |
| | <u>3,853,348</u> | <u>3,870,110</u> | <u>3,792,147</u> |
| Adjustments | - | - | - |
| Certified Assessed Value | <u>\$ 3,853,348</u> | <u>\$ 3,870,110</u> | <u>\$ 3,792,147</u> |
| MILL LEVY | | | |
| General | 52.000 | 62.000 | 62.000 |
| Debt Service | 23.000 | 23.000 | 23.000 |
| Total mill levy | <u>75.000</u> | <u>85.000</u> | <u>85.000</u> |
| PROPERTY TAXES | | | |
| General | \$ 200,374 | \$ 239,947 | \$ 235,113 |
| Debt Service - 2006 | 88,627 | 89,013 | 87,219 |
| Levied property taxes | <u>289,001</u> | <u>328,959</u> | <u>322,332</u> |
| Adjustments to actual/rounding | (894) | (959) | - |
| Budgeted property taxes | <u>\$ 288,107</u> | <u>\$ 328,000</u> | <u>\$ 322,332</u> |
| ASSESSED VALUATION - EX 20 | | | |
| Jefferson County | | | |
| Residential | \$ - | \$ - | \$ 27,958 |
| | - | - | 27,958 |
| Adjustments | - | - | - |
| Certified Assessed Value | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 27,958</u> |
| MILL LEVY | | | |
| Debt Service | 0.000 | 0.000 | 23.000 |
| Total mill levy | <u>0.000</u> | <u>0.000</u> | <u>23.000</u> |
| PROPERTY TAXES | | | |
| Debt Service - 2006 | - | - | \$ 643 |
| Levied property taxes | - | - | 643 |
| Adjustments to actual/rounding | - | - | - |
| Budgeted property taxes | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 643</u> |
| BUDGETED PROPERTY TAXES | | | |
| General | \$ 199,754 | \$ 239,000 | \$ 235,113 |
| Debt Service | 88,353 | 89,000 | 87,862 |
| | <u>\$ 288,107</u> | <u>\$ 328,000</u> | <u>\$ 322,976</u> |

No assurance provided. See summary of significant assumptions.

**IDLEDALE WATER AND SANITATION DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/22

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|------------------|-------------------|------------------|
| BEGINNING FUND BALANCE | \$ 167,831 | \$ 68,934 | \$ 91,439 |
| REVENUE | | | |
| Property taxes | 199,754 | 239,000 | 235,113 |
| Specific ownership tax | 21,600 | 25,200 | 16,460 |
| Water service fees | 2,682 | 8,255 | 4,387 |
| Grant revenue | 11,315 | 15,000 | 25,000 |
| Bank loan | - | - | 263,000 |
| Net investment income | 1,508 | 250 | 80 |
| Total revenue | <u>236,859</u> | <u>287,705</u> | <u>544,040</u> |
| Total funds available | <u>404,690</u> | <u>356,639</u> | <u>635,479</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | 30,704 | 28,000 | 30,000 |
| Audit | 8,000 | 4,000 | 4,000 |
| Cost of issuance | - | - | 5,000 |
| County Treasurer's fees | 2,999 | 3,590 | 3,530 |
| Director fees | 3,700 | 1,800 | 3,000 |
| District management | 22,818 | 20,000 | 20,000 |
| Dues and licenses | 485 | 600 | 600 |
| Election | - | - | 15,000 |
| Insurance | 8,463 | 10,009 | 11,000 |
| Legal | 10,890 | 15,000 | 15,000 |
| Miscellaneous | 286 | 700 | 500 |
| Office supplies/postage | 992 | 1,200 | 1,000 |
| Payroll taxes | 207 | 138 | 230 |
| Publications | 56 | 100 | 100 |
| Operations and maintenance | | | |
| Equipment rental | 2,832 | - | 2,000 |
| Payroll taxes - plant operator salary | 3,460 | 12,300 | 3,825 |
| Plant operator salary | 53,443 | 45,000 | 50,000 |
| Repairs and maintenance | 36,061 | 20,000 | 25,000 |
| Supplies | 140 | - | 500 |
| Training | - | 200 | 500 |
| Treatment and testing | 11,222 | 10,000 | 10,000 |
| Utilities | 5,867 | 10,000 | 15,000 |
| Water purchases/Augmentation/Hauling | 39,959 | - | 5,000 |
| Capital | | | |
| Engineering | 45,241 | 35,000 | 255,000 |
| Management | 1,781 | 5,000 | 10,000 |
| Furniture and equipment | 7,807 | - | - |
| Water distribution system | 38,343 | 40,000 | 50,000 |
| Contingency | - | 2,563 | 4,215 |
| Total expenditures | <u>335,756</u> | <u>265,200</u> | <u>540,000</u> |
| TRANSFERS OUT | | | |
| Debt Service Fund | - | - | 26,000 |
| Total transfers out | <u>-</u> | <u>-</u> | <u>26,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>335,756</u> | <u>265,200</u> | <u>566,000</u> |
| ENDING FUND BALANCE | <u>\$ 68,934</u> | <u>\$ 91,439</u> | <u>\$ 69,480</u> |
| EMERGENCY RESERVE | <u>\$ 7,200</u> | <u>\$ 8,600</u> | <u>\$ 8,400</u> |

No assurance provided. See summary of significant assumptions.

**IDLEDALE WATER AND SANITATION DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/6/22

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|----------------|-------------------|-----------------|
| BEGINNING FUND BALANCE | \$ - | \$ 13 | \$ 534 |
| REVENUE | | | |
| Property taxes | 88,353 | 89,000 | 87,862 |
| Other revenue | - | - | 2,000 |
| Net investment income | 212 | 70 | - |
| Total revenue | <u>88,565</u> | <u>89,070</u> | <u>89,862</u> |
| TRANSFERS IN | | | |
| General Fund | - | - | 26,000 |
| Total transfers in | <u>-</u> | <u>-</u> | <u>26,000</u> |
| Total funds available | <u>88,565</u> | <u>89,083</u> | <u>116,396</u> |
| EXPENDITURES | | | |
| County Treasurer's fees | 1,327 | 1,335 | 1,318 |
| Loan interest | 28,425 | 26,614 | 24,748 |
| Loan principal | 58,800 | 60,600 | 62,500 |
| Debt service on new loan | - | - | 25,000 |
| Contingency | - | - | 1,434 |
| Total expenditures | <u>88,552</u> | <u>88,549</u> | <u>115,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>88,552</u> | <u>88,549</u> | <u>115,000</u> |
| ENDING FUND BALANCE | <u>\$ 13</u> | <u>\$ 534</u> | <u>\$ 1,396</u> |

No assurance provided. See summary of significant assumptions.

**IDLEDALE WATER AND SANITATION DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Idledale Water and Sanitation District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for Jefferson County, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the Town of Idledale, Jefferson County, Colorado. The District was established in 1947 provide for the orderly and uniform administration of water and sewer operation within the jurisdictional boundaries of the District. The district currently serves approximately 133 connected water taps. The District does not currently provide any sewer services. The District's primary revenues are property taxes and water service fees. The District is governed by an elected Board of Directors.

The District currently has two employees. All other administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the mill levy adopted by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**IDLEDALE WATER AND SANITATION DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Interest Income

Interest to be earned on the District's debt service funds has been estimated based on an average interest rate of approximately 0.10%.

Service Fees

The District charges customers residing outside the District for water, sewer and storm water services.

Grant Revenue

The District has budgeted receiving grant funds from the Department of Local Affairs or other applicable agencies.

Bank Loan

It is anticipated that the District will secure a bank loan for the additional authorized but unissued debt to fund engineering and capital improvements for the District's water system.

Expenditures

General, Administrative and Operating Expenditures

General, administrative and operating expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the estimated costs of operating water and sewer facilities, maintaining streets and retaining walls, and the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting, and other administrative expenditures.

Debt Service

Principal and interest payments in 2022 are provided based on the debt amortization schedule from the Series 2017 Refunding and Improvement Loan (discussed under Debt and Leases).

Capital Expenditures

The District has budgeted expenditures for the repairs and improvements to the District's water system in accordance with a water system engineering study done in 2021.

**IDLEDALE WATER AND SANITATION DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

General Obligation Refunding and Improvement Loan – Series 2017

On December 21, 2017, the District obtained from NBH Bank a \$1,037,000 General Obligation Refunding and Improvement Loan, Series 2017 (Series 2017 Loan) for the purpose of advance refunding the District's Series 2009 Water Activity Enterprise Revenue Bond (Series 2009 Bond), funding a Loan Project Fund, and paying the cost of issuance of the Series 2017 Loan. Interest on the Series 2017 Loan is 3.08% per annum, payable semiannually on each June 1 and December 1, commencing on June 1, 2018. Principal payments are due annually on December 1, commencing on December 1, 2018. The Series 2017 Loan matures on December 1, 2032.

With the issuance of the Series 2017 Loan, sufficient funds were placed in escrow to advance refund the principal and interest on the Series 2009 Bond, which will mature on April 1, 2019. The Series 2009 Bond is considered to be defeased and is not considered to be a liability of the District. The reacquisition price of the Series 2009 Bond exceeded the net carrying amount by \$30,955. This amount was recorded as a deferred outflow and is being amortized over the original remaining life of the Series 2009 Bond. The refunding resulted in an economic gain of \$110,214 and a cash flow savings of \$3,609 due to the average interest rate of the Series 2007 Loan being lower than the Series 2009 Bond.

The District has no outstanding operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2022 as defined under TABOR.

This information is an integral part of the accompanying budget.

IDLEDALE WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$1,037,000 General Obligation
Refunding and Improvement Loan
Series 2017
Dated December 21, 2017
Interest Rate of 3.08%
Payable June 1 and December 1
Principal due December 1

| | Principal | Interest | Total |
|------|------------|------------|------------|
| 2022 | \$ 62,500 | \$ 24,748 | \$ 87,248 |
| 2023 | 64,400 | 22,823 | 87,223 |
| 2024 | 66,400 | 20,839 | 87,239 |
| 2025 | 68,400 | 18,794 | 87,194 |
| 2026 | 70,500 | 16,688 | 87,188 |
| 2027 | 72,700 | 14,516 | 87,216 |
| 2028 | 75,000 | 12,277 | 87,277 |
| 2029 | 77,300 | 9,967 | 87,267 |
| 2030 | 79,600 | 7,586 | 87,186 |
| 2031 | 82,100 | 5,134 | 87,234 |
| 2032 | 84,600 | 2,606 | 87,206 |
| | \$ 803,500 | \$ 155,978 | \$ 959,478 |

No assurance provided. See summary of significant assumptions.