

HILLCREST WATER AND SANITATION DISTRICT

2023 Budget Message

Introduction

The Hillcrest Water and Sanitation District (“the District”) provide water and sanitary sewer services and facilities to the residences of the District. The Denver Board of Water Commissioners (“Denver”) provides potable water and fire protection water under a total service agreement between Denver and the District.

The District provides the collection of sewage for its residences. The District has a contract with Metro Wastewater Reclamation District (Metro) for treatment and disposal of sewage. Such sewage is delivered to Metro in the vicinity of South University Boulevard and Flora Street, approximately two miles outside the District's boundaries. The District operates and maintains within its boundaries the sewage collection system; and in concert with two adjacent Districts maintains a two-mile long outfall line.

Basis of Accounting

The basis of accounting utilized in the preparation of the 2023 budget is the modified accrual method.

Budget Features

The District has a single Enterprise Fund into which all revenues are received and expenditures made.

Operating revenues are funded solely by service charges. Although the District has the statutory power to levy ad valorem taxes, it has chosen instead to assess service fees to property owners. The District's annual sewer service charge is \$620/year per residential home or single-family equivalent.

In 1994, the District entered into an agreement with two adjacent Districts using the 1.8-mile outfall line to participate in outfall operation, maintenance and replacements, thus reducing Hillcrest's future obligations for line repair. This agreement was amended in 2009.

The District does not impose a mill levy and does not collect property taxes.

BUDGET RESOLUTION

(2023)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE COUNTY)

At the special meeting of the Board of Directors of the Hillcrest Water and Sanitation District, County of Arapahoe, Colorado, held at 7:30 a.m., on December 29, 2022, there were present:

Steve Dymond
Neil Pepper
Kenneth Guckenberger

Also present were:

Sue Blair and Marcos Pacheco, Community Resource Services of Colorado

The District Manager reported that, prior to the meeting, each of the directors of the date, time and place of this meeting and the purpose for which it was called. The District Manager further reported that this is a special meeting of the Board of Directors of the District and that a notice of the meeting was posted in accordance with statute.

Thereupon, Director Dymond introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HILLCREST WATER AND SANITATION DISTRICT, ARAPAHOE 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 (the “Board”) of the Hillcrest Water and Sanitation District, (the “District”) has authorized its consultants, treasurer, and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2022; and

WHEREAS, the proposed 2023 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on December 29, 2022 in The Villager, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 7:30 a.m. on December 29, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; 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 HILLCREST WATER AND SANITATION DISTRICT, ARAPAHOE COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023.

Section 3. 2023 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$0, and that the 2022 valuation for assessment, as certified by the Arapahoe County Assessor, is \$26,253,671 That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 0 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2023.

Section 4. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the Arapahoe County Board of County Commissioners, no later than December 15, 2022, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

Section 5. 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.

Section 6. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Pepper.

RESOLUTION APPROVED AND ADOPTED ON DECEMBER 29, 2022.

HILLCREST WATER AND SANITATION DISTRICT

DocuSigned by:
By: Steve Dymond
D07E0067DB36494...
President

ATTEST:

DocuSigned by:
[Signature]
C8D7EC5340A7423...
Secretary

STATE OF COLORADO
COUNTY OF ARAPAHOE
HILLCREST WATER AND SANITATION DISTRICT

I, Ken Guckenberger, hereby certify that I am a director and the duly elected and qualified Secretary of Hillcrest Water and Sanitation District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 7:30 a.m., on December 29, 2022, via video conference, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2022; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

Subscribed and sworn to this 29th day of December 2022.


DocuSigned by:

CBD7EC534067423
Secretary

EXHIBIT A
2023 BUDGET DOCUMENT & BUDGET MESSAGE FOR
HILLCREST WATER AND SANITATION DISTRICT

**HILLCREST WATER AND SANITATION DISTRICT
 PROPRIETARY FUND
 2023 ADOPTED BUDGET
 WITH 2021 ACTUAL AND 2022 ESTIMATED AMOUNTS
 FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2021 Actual	2022 Estimated	2023 Adopted
REVENUES (In-District)			
Sewer service fees	\$ 174,661	\$ 170,500	\$ 170,500
Interest	330	8,572	5,000
Subtotal	<u>174,991</u>	<u>179,072</u>	<u>175,500</u>
Intergovernmental treatment fees			
- Mansfield (22.1%)	18,352	38,392	8,556
- Devonshire Heights (7.1%)	5,896	12,334	2,749
- Cherry Hills North (19.5%)	16,193	33,875	7,549
- Cherry Hills Village (14.0%)	11,626	24,321	5,420
Total intergovernmental treatment fees	<u>52,067</u>	<u>108,922</u>	<u>24,274</u>
Total revenues (in-District)	<u>227,058</u>	<u>287,994</u>	<u>199,774</u>
EXPENDITURES (In-District)			
Audit	2,414	2,500	2,500
Directors' fees	1,900	2,000	2,000
District management - accounting and utility billing	41,077	33,000	33,000
District management - special services	1,950	2,000	5,000
Election	-	1,747	6,000
Insurance and dues	6,012	5,626	6,500
Legal	1,433	1,000	2,000
Office supplies and postage	491	500	650
Payroll taxes	145	260	260
Miscellaneous	-	100	1,500
Engineering (general)	3,624	8,000	5,000
Engineering (Basin 1)	961	-	-
Engineering (Basin 2)	-	-	6,000
Engineering (Basin 3)	-	9,000	9,000
Locates	5,139	12,500	9,500
Video, repairs and maintenance (Basin 1)	9,141	-	7,000
Video, repairs and maintenance (Basin 2)	-	-	6,000
Video, repairs and maintenance (Basin 3)	-	8,500	-
Inspections for illegal sump pumps	-	-	200
Metro treatment fees	83,040	173,718	38,713
Emergency reserves (Tabor)	-	-	6,000
Loan payment (principal and interest)	73,990	83,993	49,196
Total expenditures (In-District)	<u>231,317</u>	<u>344,444</u>	<u>196,019</u>
REVENUES (Outfall) - Charges to Districts			
- Mansfield (22.1%) O&M	2,349	2,413	884
- Mansfield (22.1%) SRF payment	2,800	2,333	1,998
- Devonshire Heights (5.2%) O&M	555	568	208
- Devonshire Heights (5.2%) SRF payment	659	549	470
- Cherry Hills North (19.5%) O&M	2,074	2,129	780
- Cherry Hills North (19.5%) SRF payment	2,470	2,058	1,763
- Cherry Hills Village (14.0%) O&M	1,489	1,529	560
- Cherry Hills Village (14.0%) SRF payment	1,773	1,478	1,266
Total revenues (Outfall)	<u>14,169</u>	<u>13,057</u>	<u>7,929</u>
EXPENDITURES (Outfall)			
Administration/Legal	3,100	3,000	3,000
Engineering - general	976	1,000	1,000
Video inspection and maintenance	5,912	6,920	-
SRF loan payment (principal and interest)	25,470	10,556	9,040
Total expenditures (Outfall)	<u>35,458</u>	<u>21,476</u>	<u>13,040</u>
EXCESS OF EXPENDITURES OVER REVENUES	(25,548)	(64,869)	(1,356)
FUND BALANCE - BEGINNING	<u>683,700</u>	<u>658,152</u>	<u>593,283</u>
FUND BALANCE - ENDING	<u>\$ 658,152</u>	<u>\$ 593,283</u>	<u>\$ 591,927</u>

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of ARAPAHOE COUNTY, Colorado.

On behalf of the HILLCREST WATER AND SANITATION DISTRICT,
(taxing entity)^A

the BOARD OF DIRECTORS,
(governing body)^B

of the HILLCREST WATER AND SANITATION DISTRICT,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 26,253,671 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATIN OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/11/2022 for budget/fiscal year 2023.
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	0.000 mills	\$ 0

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4977
Signed:  Title: District Manager

Send one completed copy of this form to the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203 when the local government's adopted budget is submitted to DLG. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).