

**BUDGET RESOLUTION**

**(2022)**

**CERTIFIED COPY OF RESOLUTION**

STATE OF COLORADO ) ss.  
COUNTY OF ARAPAHOE COUNTY )

At the regular 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 21, 2021, there were present:

- Steve Dymond
- Neil Pepper
- Kenneth Guckenberger
- David Wilkins
- John Haywood

Also present were:

Sue Blair; Community Resource Services of Colorado

In light of the COVID-19 epidemic and related Executive Order D-2020-123 Amending and Extending Executive Order D-2020-091 (Safer at Home and in the Vast, Great Outdoors) issued by Governor Polis on June 30, 2020, this meeting was held by video conference and members of the public could join and participate in the Board meeting via telephone and/or video conference.

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 regular 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 DEFRAID 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, 2022 AND ENDING ON THE LAST DAY OF DECEMBER, 2022.**

**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, 2021; and**

**WHEREAS, the proposed 2022 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 9, 2021 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 21, 2021, 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 2022 Revenues and 2022 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2022, 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 2022.**

Section 3. 2021 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 2021 valuation for assessment, as certified by the Arapahoe County Assessor, is \$23,957,710. That for the purposes of meeting all general operating expenses of the District during the 2022 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 2022.

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, 2021, 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 Quakenberg.

RESOLUTION APPROVED AND ADOPTED ON DECEMBER 21, 2021.

HILLCREST WATER AND SANITATION DISTRICT

DocuSigned by:  
Steve Diamond  
DC7E0010032494  
President

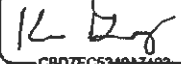
ATTEST:

DocuSigned by:  
[Signature]  
CBD7E0010032494  
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 21, 2021, 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 21st day of December, 2021.

DocuSigned by:  
  
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Secretary

**EXHIBIT A**  
**2022 BUDGET DOCUMENT & BUDGET MESSAGE FOR**  
**HILLCREST WATER AND SANITATION DISTRICT**

**HILLCREST WATER AND SANITATION DISTRICT  
 PROPRIETARY FUND  
 2022 ADOPTED BUDGET  
 WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS  
 FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2020 Actual	2021 Estimated	2022 Adopted
<b>REVENUES (In-District)</b>			
Sewer service fees	\$ 178,663	\$ 170,500	\$ 170,500
Interest	5,014	300	300
Tap fees	-	-	-
Subtotal	<u>183,677</u>	<u>170,800</u>	<u>170,800</u>
Intergovernmental treatment fees			
- Mansfield (22.1%)	29,453	18,352	38,392
- Devonshire Heights (7.1%)	9,462	5,896	12,334
- Cherry Hills North (19.5%)	25,968	16,193	33,875
- Cherry Hills Village (14.0%)	18,658	11,626	24,321
Total intergovernmental treatment fees	<u>83,561</u>	<u>52,067</u>	<u>108,922</u>
Total revenues (In-District)	<u>267,238</u>	<u>222,867</u>	<u>279,722</u>
<b>EXPENDITURES (In-District)</b>			
Audit	2,343	2,414	11,000
Directors' fees	1,700	2,000	2,000
District management - accounting and utility billing	28,333	28,000	28,000
District management - special services	5,873	5,200	5,000
Election	2,932	-	6,000
Insurance and dues	6,558	6,500	6,500
Legal	702	2,000	2,000
Office supplies and postage	827	600	650
Payroll taxes	130	260	260
Miscellaneous	-	1,500	1,500
Capital improvements	-	-	52,000
Capital improvements - engineering	-	-	3,600
Engineering (general)	6,683	3,000	3,000
Engineering (Basin 1)	-	3,500	-
Engineering (Basin 2)	1,923	-	-
Engineering (Basin 3)	1,769	-	8,700
Locates	6,970	6,000	8,000
Video, repairs and maintenance (Basin 1)	6,200	1,000	-
Video, repairs and maintenance (Basin 3)	-	-	15,400
Inspections for illegal sump pumps	-	-	200
Metro treatment fees	133,270	83,040	173,718
Emergency reserves (Tabor)	-	-	8,400
Loan payment (principal and interest)	19,151	86,792	86,846
Total expenditures (In-District)	<u>225,384</u>	<u>231,806</u>	<u>422,774</u>
<b>REVENUES (Outfall) - Charges to Districts</b>			
- Mansfield (22.1%) O&M	4,623	2,321	884
- Mansfield (22.1%) SRF payment	3,193	2,799	2,406
- Devonshire Heights (5.2%) O&M	1,088	546	208
- Devonshire Heights (5.2%) SRF payment	751	659	566
- Cherry Hills North (19.5%) O&M	4,079	2,048	780
- Cherry Hills North (19.5%) SRF payment	2,817	2,471	2,123
- Cherry Hills Village (14.0%) O&M	2,929	1,470	560
- Cherry Hills Village (14.0%) SRF payment	2,023	1,773	1,524
Total revenues (Outfall)	<u>21,503</u>	<u>14,087</u>	<u>9,051</u>
<b>EXPENDITURES (Outfall)</b>			
Administration/Legal	289	3,000	3,000
Engineering - general	6,225	500	1,000
Engineering - Outfall video inspection	14,404	1,000	-
Video inspection and maintenance	-	6,000	-
SRF loan payment (principal and interest)	14,447	12,668	12,709
Total expenditures (Outfall)	<u>35,365</u>	<u>23,168</u>	<u>16,709</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	28,012	(18,020)	(150,710)
<b>FUND BALANCE - BEGINNING</b>			
	655,688	683,700	665,680
<b>FUND BALANCE - ENDING</b>			
	<u>\$ 683,700</u>	<u>\$ 665,680</u>	<u>\$ 514,970</u>

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup> of ARAPAHOE COUNTY, Colorado.

On behalf of the HILLCREST WATER AND SANITATION DISTRICT,  
(taxing entity)<sup>A</sup>

the BOARD OF DIRECTORS  
(governing body)<sup>B</sup>

of the HILLCREST WATER AND SANITATION DISTRICT  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 23,957,710 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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<sup>G</sup> 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:** 12/11/2021 for budget/fiscal year 2022.  
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

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

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.*

<sup>1</sup> 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.  
<sup>2</sup> 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).

# **HILLCREST WATER AND SANITATION DISTRICT**

## **2022 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 2022 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.