

BUDGET RESOLUTION

(2024)

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 19, 2023, there were present:

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

Also present was:

Sue Blair, 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, 2024 AND ENDING ON THE LAST DAY OF DECEMBER, 2024.

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, 2023; and

WHEREAS, the proposed 2024 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 September 14, 2023 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 19, 2023, 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 2024 Revenues and 2024 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2024, 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 2024.

Section 3. 2024 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 2023 valuation for assessment, as certified by the Arapahoe County Assessor, is \$33,385,824. That for the purposes of meeting all general operating expenses of the District during the 2024 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 2024.

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, 2023, 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 19, 2023.

HILLCREST WATER AND SANITATION DISTRICT

DocuSigned by:
By: Steve Dymond
DC7E0067D936494
President

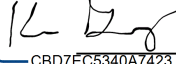
ATTEST:

DocuSigned by:
[Signature]
CB07EC5340A7423...
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 19, 2023, 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 2024; 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 19th day of December 2023.

DocuSigned by:

CBD7EC5340A7423

Secretary

**HILLCREST WATER AND SANITATION DISTRICT
 PROPRIETARY FUND
 2024 ADOPTED BUDGET
 WITH 2022 ACTUAL AND 2023 ESTIMATED AMOUNTS
 FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

| | 2022 Actual | 2023 Estimated | 2024 Adopted |
|--|------------------------|---------------------------|-------------------------|
| REVENUES (In-District) | | | |
| Sewer service fees | \$ 174,362 | \$ 173,500 | \$ 173,500 |
| Tap fees | - | 10,000 | - |
| Interest | 10,705 | 25,000 | 20,000 |
| Miscellaneous | - | 3,600 | - |
| Subtotal | <u>185,067</u> | <u>212,100</u> | <u>193,500</u> |
| Intergovernmental treatment fees | | | |
| - Mansfield (22.1%) | 38,392 | 8,556 | 21,470 |
| - Devonshire Heights (7.1%) | 12,334 | 2,749 | 6,898 |
| - Cherry Hills North (19.5%) | 33,875 | 7,549 | 18,944 |
| - Cherry Hills Village (14.0%) | 24,320 | 5,420 | 13,601 |
| Total intergovernmental treatment fees | <u>108,921</u> | <u>24,274</u> | <u>60,913</u> |
| Total revenues (in-District) | <u>293,988</u> | <u>236,374</u> | <u>254,413</u> |
| EXPENDITURES (In-District) | | | |
| Audit | - | 8,500 | 2,500 |
| Directors' fees | 1,900 | 2,000 | 2,000 |
| District management - accounting and utility billing | 36,666 | 33,000 | 33,000 |
| District management - special services | 1,847 | 5,000 | 5,000 |
| Election | 1,847 | 6,000 | - |
| Insurance and dues | 5,625 | 6,500 | 6,500 |
| Legal | 842 | 2,000 | 2,000 |
| Office supplies and postage | 711 | 650 | 650 |
| Payroll taxes | 145 | 260 | 260 |
| Miscellaneous | 1,544 | 1,500 | 1,500 |
| Engineering (general) | 13,216 | - | 5,000 |
| Engineering (Basin 1) | - | - | 9,000 |
| Engineering (Basin 2) | - | - | - |
| Engineering (Basin 3) | - | - | - |
| Locates | 8,332 | 9,500 | 9,500 |
| Video, repairs and maintenance (Basin 1) | - | - | 7,000 |
| Video, repairs and maintenance (Basin 2) | - | - | - |
| Video, repairs and maintenance (Basin 3) | 17,765 | 52,000 | - |
| Inspections for illegal sump pumps | - | 200 | 200 |
| Metro treatment fees | 173,718 | 38,713 | 97,150 |
| Emergency reserves (Tabor) | - | - | 7,600 |
| Loan payment (principal and interest) | 83,993 | 49,196 | - |
| Total expenditures (In-District) | <u>348,151</u> | <u>215,019</u> | <u>188,860</u> |
| REVENUES (Outfall) - Charges to Districts | | | |
| - Mansfield (22.1%) O&M | 203 | 884 | 884 |
| - Mansfield (22.1%) SRF payment | 2,333 | 1,821 | 3,317 |
| - Devonshire Heights (5.2%) O&M | 48 | 208 | 208 |
| - Devonshire Heights (5.2%) SRF payment | 549 | 430 | 781 |
| - Cherry Hills North (19.5%) O&M | 179 | 780 | 780 |
| - Cherry Hills North (19.5%) SRF payment | 2,058 | 1,607 | 2,927 |
| - Cherry Hills Village (14.0%) O&M | 128 | 560 | 560 |
| - Cherry Hills Village (14.0%) SRF payment | 1,478 | 1,154 | 2,101 |
| Total revenues (Outfall) | <u>6,976</u> | <u>7,444</u> | <u>11,558</u> |
| EXPENDITURES (Outfall) | | | |
| Administration/Legal | 751 | 500 | 3,000 |
| Engineering - general | 166 | 1,000 | 1,000 |
| SRF loan payment (principal and interest) | 10,556 | 8,241 | 15,010 |
| Total expenditures (Outfall) | <u>11,473</u> | <u>9,741</u> | <u>19,010</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | | | |
| | (58,660) | 19,058 | 58,101 |
| FUND BALANCE - BEGINNING | | | |
| | <u>658,152</u> | <u>599,492</u> | <u>618,550</u> |
| FUND BALANCE - ENDING | | | |
| | <u>\$ 599,492</u> | <u>\$ 618,550</u> | <u>\$ 676,651</u> |

HILLCREST WATER AND SANITATION DISTRICT

2024 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 2024 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.

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 \$ 33,385,824 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: 12/28/2023 for budget/fiscal year 2024
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

| <u>PURPOSE</u> (see end notes for definitions and examples) | <u>LEVY</u> ² | <u>REVENUE</u> ² |
|--|-----------------------------|-----------------------------|
| 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 | < <u> </u> > mills | \$ < <u> </u> > |
| 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).

CERTIFICATION OF TAX LEVIES, continued
HILLCREST WATER AND SANITATION DISTRICT

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

- 2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

- 4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to report all bond and contractual obligations.