

COLUMBINE WATER AND SANITATION DISTRICT

2025 BUDGET REPORT

GENERAL

The 2025 Columbine Water and Sanitation District (Columbine) budget includes an explanatory budget report, the 2025 budget, property tax assessment report, and a schedule of lease – purchase agreements. The financial portion includes 2022 and 2023 actual results, an estimate of 2024 results and the 2025 budget.

Columbine is a quasi-municipal corporation, governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado and serves the following subdivisions: Columbine Country Club, Columbine Lakes, The Villas, Coventry, portions of the Hamlet, Country Club Villas, Brookhaven, Willowcroft Manor, and Wilder Lane.

Services to be provided in accordance with the 2025 budget include operation, maintenance, and repair of Columbine's 12.9 miles of sewer mains and 1,102 sewer taps. Included in the total number of sewer taps are 43 single family equivalent taps serving the Columbine Country Club and 86 single family equivalent taps serving Wilder Elementary School. The remaining taps service residential customers.

The District depends upon the municipalities of Englewood and Littleton for sewage treatment. The cities assess sewer service fees directly to District's users and retain 100 percent of the revenue collected. Columbine maintains and repairs the district's sewer collection mains and one lift station.

Denver Water supplies water to all users in the district and charges users directly for this service. Denver Water maintains and repairs all water lines. Accordingly, the District does not receive any revenue for water treatment or delivery services.

Total revenue from all sources in 2025 is projected to be \$260,200. Total expenditures including contingencies and emergency reserves are budgeted at \$284,527, \$126,234 less than budgeted in 2024. Operating expenditures are budgeted at \$221,576, \$124,694 less than 2024 budgeted expenses of \$346,270. Capital expenditures are budgeted at \$7,700 and consist of the installation of equipment at the lift station for improved SCADA communication and reporting. The annual capital construction payment to Valley Sanitation of \$14,900 is budgeted under Debt Service.

Beginning funds available in 2025 are estimated to be \$678,358. The reserve fund balance is projected to decrease \$24,327 to \$654,031 at year end 2025. Excluding expenditures from the TABOR emergency reserve and contingency budget items, the reserve fund balance at year end 2025 will be \$694,382, \$16,024 more than the reserve funds projected to be available at year end 2024.

BUDGET AND TABOR

The District prepares its budget on a non-GAAP budgetary basis of accounting to recognize the fiscal impact of sale of assets, capital outlay, and payment of outstanding debt, in addition to its operations and non-operating revenues and contributions. Capital contributions of facilities and depreciation are not reflected on the budget as they do not affect “funds available”. This budgetary accounting is required by State statutes.

The Tabor Amendment to the Colorado Constitution limited the amount of property taxes and other revenues the District is permitted to collect. In November 2002, Columbine electors passed a ballot measure allowing the District to collect and spend revenues from all sources irrespective of the Tabor Amendment revenue limitations.

In November 2015, Columbine electors approved a ballot measure to increase the general operations mill levy by 1.035 mills. The ballot measure allowed the District to convert an expiring debt service mill levy to an operations levy with no increase in taxes paid by District property owners.

REVENUE

Property Taxes Operating - \$199,764

Property taxes to be collected in 2025 for general operations are \$199,764. Property taxes collected in 2024 are estimated to be \$205,685. The operating mill levy to be certified in 2025 (tax year 2024) is 2.564 mills.

Assessed values within Columbine increased from \$77,465,405 in tax year 2023 to \$77,911,010 in tax year 2024. Additional detail of assessed values and property taxes is shown on page two of the budget.

Property Taxes Contract - \$14,881

Columbine obtained voter approval in November of 2019 to increase taxes from an additional ad valorem mill levy up to 0.300 mills. Contract property taxes to be collected in 2025 are \$14,881 based on a mill levy of .191 for the annual capital construction payment to Valley Sanitation District in accordance with an Intergovernmental Agreement.

Specific Ownership Tax - \$15,025

Specific Ownership taxes are collected by the Arapahoe County Department of Motor Vehicles for vehicles registered within the District. The amount allocated to the District by the County is based upon its proportionate share of all county imposed property taxes. The amount budgeted is 7.0 percent of the total property taxes collected.

Investment Income - \$30,530

Cash Reserves are invested with Colotrust Plus+, a Colorado approved local government investment pool (LGIP). Many Government agencies in Colorado pool their invested funds with Colotrust. This offers Colorado local governments a safe way to maximize interest earnings. Investment revenue for 2025 is budgeted at \$30,530 and assumes an interest rate of 4.5 percent.

Tap Fees - \$0

Tap fees are proposed to remain at \$3,500 for a 3/4 –inch water tap and \$2,500 for a single-family sewer tap. No tap fee revenue is expected in 2025.

EXPENDITURES

Maintenance

Maintenance & Repairs - \$87,475

Maintenance and repairs are the largest District expenditure comprising 39.5 percent of total operating expenditures. The majority of maintenance and repairs represents sanitary sewer video inspections, root removal and treatment, and cleaning conducted by Platte Canyon Water and Sanitation District staff in accordance with the Intergovernmental Agreement between Columbine and Platte Canyon Water and Sanitation District. The 2025 budget amount represents a \$31,865 (26.7 percent) decrease from the 2024 budget due to fewer scheduled maintenance activities to be conducted in 2025.

Remedial Repairs - \$20,000

The 2025 budget allocates \$20,000 for non-specific maintenance activities and repairs determined to be necessary throughout the year as a result of sewer video inspections. The 2025 budget for remedial repairs is the same amount budgeted in 2024. If deficiencies are discovered during closed-circuit inspections the additional funds will provide for timely point repairs using the cured-in-place process.

Lift Station Utilities, Telemetry and Maintenance - \$18,276

Brookhaven Lift Station general maintenance includes routine repairs and maintenance to the lift station pumps, motors, control systems and related equipment. No specific additional repairs are projected. Lift station maintenance expenses for 2025 are budgeted at \$5,610, \$107,790, less than the amount budgeted in 2024. Unanticipated repairs were required during 2024 due to equipment failures in the lift station which resulted in significant damage. The 2024 budget was amended to account for these additional costs.

Lift station utilities include costs for electric, gas, and water services. Lift station utility expenses for 2025 are budgeted at \$11,922, \$747 more than the amount budgeted in 2024.

Telemetry includes costs associated with monitoring the performance of the Brookhaven Lift Station by use of a Supervisory Control and Data Acquisition (SCADA) system and alarm system. Lift station telemetry expenses for 2025 are budgeted at \$744, \$84 more than the amount budgeted in 2024.

Valley Sanitation (Interceptor Cost Reimbursement) - \$19,655

A significant portion of Columbine's wastewater is transmitted by Valley Sanitation District's outfall sewer main to the South Platte Partners wastewater treatment facility. During March of 2020 the District entered into an Amended and Restated Maintenance Cost Allocation Agreement with Valley. This revised agreement requires Columbine to pay a proportionate share of Valley's costs for routine and emergency maintenance of the outfall sewer and new lift station based on Columbine's percentage of sewer taps in each segment of the sewer main.

The 2025 budget includes \$19,655 for Columbine's share in projected routine lift station costs and maintenance costs related to the outfall sewer. Lift station costs include utilities and the cost of maintaining the equipment with routine visits to the lift station as well as projected replacement parts. Columbine's share of lift station costs is projected to be \$18,850. Routine video inspections and cleaning of the sewer outfall is conducted on a four-year cycle while responses to service interruptions are performed on an as needed basis. Columbine's share of this maintenance in 2025 is projected to be \$805. The cost share estimated for 2024 is \$30,880, \$10,830 more than the amount budgeted in 2024. These additional costs relate to the replacement of equipment inside the Lift Station that incurred water damage due to an equipment failure.

Southwest Metropolitan (Three Ponds Agreement) - \$700

The Three Ponds Agreement is an Intergovernmental Agreement between Columbine and Southwest Metropolitan Water and Sanitation District signed on December 4, 1987 and amended on June 23, 1995. The Agreement allows for discharge of up to 35 Columbine sewer taps within a portion of the Three Ponds Subdivision to Southwest Metropolitan's sewer system. The agreement calls for Columbine to pay Southwest Metropolitan \$50 per sewer tap per year. Currently Columbine has 14 sewer taps connected under this Agreement.

Utility Notification - \$1,100

The District is required by state statute to be a member of Colorado 811. Columbine is required to pay for each utility location request transmitted to the District. The amount budgeted for utility location charges in 2025 is \$1,100, which is the same as the amount budgeted in 2024.

Engineering - \$1,000

General engineering services are budgeted at \$1,000 in 2025, the same amount budgeted in 2024.

Administration

Administrative Expenses (PC) – \$17,000

Administrative expenses (PC) includes expenditures for administration and management functions conducted by Platte Canyon Water and Sanitation District staff under the Intergovernmental Agreement between Columbine and Platte Canyon. Administrative expenses for 2025 are budgeted at \$15,500, \$1,500 more than the amount budgeted in 2024.

Accounting – \$6,500

Accounting expenses include accounting functions conducted by Platte Canyon Water and Sanitation District staff under the Intergovernmental Agreement between Columbine and Platte Canyon. These services include but are not limited to accounts payable, accounts receivable, preparation of monthly financial statements, investments and coordination of the annual audit. Accounting expenses for 2025 are budgeted at \$6,500, the same amount budgeted in 2024.

Legal Fees - \$27,500

The 2025 budget for general legal fees is 27,500, \$7,500 more than the amount budgeted in 2024.

Audit - \$5,500

The annual audit is budgeted at \$5,500, equal to the estimated amount in 2024.

Insurance - \$6,350

Insurance for general liability, officers and directors' liability, property, equipment breakdown, worker's compensation, and commercial crime is obtained from the Colorado Special District Property and Liability Pool. Insurance expenses for 2025 are budgeted at \$6,350 which represents an increase of \$1,310 over the amount budgeted in 2024.

County Treasurer Tax Collection Fees - \$3,220

Arapahoe County charges 1.5 percent of all property taxes collected for administration, collection, and remittance of the property taxes.

Dues & Membership - \$800

Dues and memberships include Columbine's membership in the Special District Association (SDA), which provides communication, research, legislative advocacy, administrative support, and educational opportunities for member districts. Membership in SDA is required for participation in the Property and Liability Insurance Pool which provides coverage for all Columbine policies. Columbine is also a member of the Denver Water Rates and Fees Technical Advisory Committee (TAC) that monitors Denver Water rates and other financial matters. The 2025 budget includes \$800 for dues and membership expenditures.

Public Relations - \$2,500

Public relations are expenses related to such items as newsletters, informational brochures, and proposed website expenses. Public relation expenses for 2025 are budgeted at \$2,500, equal to the amount budgeted in 2024.

Election Related Expenses - \$3,500

The 2025 budget includes \$3,500 for legal and administrative costs associated with the regular bi-annual director election

Miscellaneous - \$500

This line item covers minor expenditures such as board meeting costs.

Capital

Capital Outlay - \$7,700

Capital expenditures are budgeted at \$7,700 and consist of equipment to be installed at the lift station for improved SCADA communication and reporting.

Debt Service

Valley Sanitation Annual Reimbursement - \$14,900

Columbine is obligated under the Capital Construction Cost Allocation Intergovernmental Agreement, dated March 13, 2020, to a proportionate share of the cost to rehabilitate the interceptor owned by Valley Sanitation District. Columbine's share of the total project amounted to \$447,000. Columbine obtained voter approval in November of 2019 to increase taxes from an additional ad valorem mill levy of up to 0.300 mills, in order to fund the annual capital construction payments. The annual capital construction payment amounts to \$14,900. The annual capital construction payment in the amount of \$14,900 has been appropriately budgeted for in 2025.

Contingency and Tabor Reserve

Contingencies are budgeted at \$20,000, the same amount budgeted in 2022. The contingency line item represents a reserve available to pay for unanticipated or emergency expenses. In addition, \$22,591 is budgeted as an emergency reserve as mandated by the TABOR Amendment.

Property Taxes

Assessed values within Columbine have increased for tax year 2024 (budget year 2025) to \$77,911,010 from assessed values of \$77,465,405 in tax year 2023. The mill levy to be certified on all taxable property in the District will be 2.755 mills, .001 mills less than the mill levy certified in budget year 2024. The mill levy is comprised of two components including a general mill levy of 2.564 for operations and a contractual debt mill levy of 0.191 to fund the annual construction payment to Valley. Total property tax revenue projected to be received in 2025 is \$214,645.

Assessed value, mill levy, and property tax revenue information is shown on page two of the budget.

Lease - Purchase Agreements

As required by *C.R.S. 29-1-103(3)(d)*, the 2025 budget includes a schedule for lease purchase agreements. Columbine does not have any lease-purchase agreements requiring expenditure of funds in 2025.

Ten Year Financial Plan

The Ten-Year Financial Plan identifies a reserve fund balance amounting to \$678,358 at year end 2024. The fund balance is projected to decrease \$24,327 to \$654,031 at year end 2025. Over the ten-year planning period the reserve fund balance is projected to increase \$127,730 to \$781,761 at year end 2034.

General property tax revenue is projected to be the largest source of revenue providing approximately 75.4% of the total revenue over the ten-year planning period.

The annual contract property tax revenue of \$14,900 corresponds to the annual capital construction payment to be made to Valley in accordance with the payment schedule included in the intergovernmental agreement.

The average interest rate for District invested funds is projected to be 4.5% in 2025 and 4.0% from 2026 to 2034. Interest is projected to be the second largest source of District revenue providing approximately 10.3% of total revenue over the ten-year period.

Generally, operating expenses are projected to increase 3.26% in 2025 and 3.5% each year through 2034.

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