BEAR CREEK WATER AND SANITATION DISTRICT
2517 SOUTH FLOWER STREET
LAKEWOOD, CO 80227-2912
(303) 986-3442 OFFICE
(303) 986-8213 FAX
BearCreekWater@BearCreekWater.org
http://www.BearCreekWater.org/

BEAR CREEK WATER AND SANITATION DISTRICT
2017 BUDGET MESSAGE

JANUARY 1, 2017, THROUGH DECEMBER 31, 2017

ADOPTED BY THE BOARD OF DIRECTORS
AT THEIR REGULAR MEETING HELD ON
DECEMBER 12, 2016

MISSION STATEMENT

OUR MISSION IS TO PROVIDE PUBLIC WATER AND SANITARY SEWER SERVICES TO THE TAXPAYERS AND RATEPAYERS OF BEAR CREEK WATER AND SANITATION DISTRICT IN A SAFE, EFFICIENT, COST-EFFECTIVE AND SUSTAINABLE MANNER, WHILE MEETING ALL STATUTORY AND REGULATORY REQUIREMENTS.

BEAR CREEK WATER AND SANITATION DISTRICT

TABLE OF CONTENTS

BEAR CREEK WATER AND SANITATION DISTRICT 2017 BUDGET MESSAGE 1
MISSION STATEMENT 1
TABLE OF CONTENTS 2
BUDGET MESSAGE: JANUARY 1, 2017 THROUGH DECEMBER 31, 2017 4
THE DISTRICT 4
Local Government 4
Location 4
Service Area 4
Public Water and Sanitary Sewer Systems 5
BOARD OF DIRECTORS AND DISTRICT OFFICE STAFF 6
Board of Directors 6
Table 1. 2017 Bear Creek Water and Sanitation District Board of Directors: 6
District Office Staff 7
Table 2. 2017 Bear Creek Water and Sanitation District Staff: 7
FINANCIAL ATTRIBUTES 7
Financial Structure 7
Water and Wastewater Activities Reserve Funds 8
Financial Policy 8
Prepayment of Conduit Participation Charges 9
Development Policy 9
Annual External Audit 9
Bond Interest, Bond Principal 9
Non-Financial Goals and Objectives 9
LIMITATIONS ON GENERAL PROPERTY TAXES AND SPENDING 10
Statutory 5.5 percent Limit on General Property Taxes 10
Constitutional Amendment Limitation on General Property Taxes and Spending 10
Application of Limits to Annual Budget 10
Table 3. 2017 Certification of Property Taxes 11
THE ANNUAL BUDGET BY ACTIVITIES 11
Operating Income and Expenses 12
Non-Operating Income and Expenses 12
Budget Reconciliation—Tally Sheet 12
SIGNIFICANT SOURCES OF INCOME 13
Property Taxes 13
Specific Ownership Tax 14
Sewer Use Fee Billing Income 14
Table 4. Historic Annual Sewage Treatment Charges 15

Table 5. Sewer utility rates billed to customers and amounts of payments to MWRD 16
Table 6. Advances/Repayments to Reserves under Mitigation Plan 17
Intergovernmental Agreements for Sanitary Sewer Flow-Through 17
Investment Interest Income 18
Tap Permit Fees 18
Prepaid Conduit Participation Charges 18
Sanitary Sewer Tap Connection Fees Collected on Behalf of Others 19
KEMO Country Area Water and Sanitary Sewer Supplemental Fees 19
KEMO Country Area Water and Sanitary Sewer Capital Improvement Projects 19
Developer Imprest Accounts 19
SIGNIFICANT EXPENSES 20
3% TABOR Emergency Reserves 20
Sewage Treatment Charges 20
Operations and Maintenance Water and Sanitary Sewer Systems 21
Payment for Services Rendered by Water and Wastewater Activities Enterprise 21
Public Water and Sanitary Sewer Systems Capital Improvements 21
KEMO Country Area Water and Sanitary Sewer Capital Improvement Projects 22
Director Fees 22
District Office Salaries and Wages 22
Employee Benefits 22
Property & Liability Insurance and Bonds 23
Elections 23
Professional Legal Services 23
Building and Grounds Improvement 23
Office Furniture and Equipment 23
INQUIRIES 24
Inquiries regarding the Annual Budget 24
APPENDICES 25
ORGANIZATION CHART 26
MITIGATION PLAN FOR SEWAGE TREATMENT CHARGES AND SEWER UTILITY FEES 28
COMBINED 2017 ANNUAL BUDGET SPREADSHEETS: 30
DISTRICT ENGINEER'S 2017 BUDGET MEMORANDUM 34
RESOLUTION NO. R-16-076: 39
A Resolution to Adopt the 2017 Annual Budget, Appropriate Sums of Money and Authorize the Certification of the Tax Levy 39
2017 Certification of Mill Levies for 2017 45

BEAR CREEK WATER AND SANITATION DISTRICT

BUDGET MESSAGE: JANUARY 1, 2017 THROUGH DECEMBER 31, 2017

The Board of Directors of Bear Creek Water and Sanitation District [Bear Creek or District], at their regular meeting held December 12, 2016, adopted the 2017 Annual Budget. The Adopted Budget and related Resolutions are attached hereto in the Appendices and made a part of this document. This 2017 Annual Budget has been prepared pursuant to Colorado Revised Statutes, Titles 29 and 32.

The budget is one of the most important documents produced each year by the District. It is a policy document, financial plan, operations guide, and communications tool. It shows where the funding comes from, how it is used for services provided and the cost of services.

THE DISTRICT

Local Government

Bear Creek Water and Sanitation District is a quasi-municipal corporation and political subdivision of the State of Colorado, established in August 1962 under the laws of the State of Colorado Special District Act [Colorado Revised Statutes, Title 32]. Bear Creek was organized for the purpose of serving public water and sanitary sewer utilities to the properties and people of the District.

Location

The District Office is located in a residential area within the District boundaries at 2517 South Flower Street, Lakewood, Colorado 80227-2912. Official business hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday, except for holidays. A list of holidays is posted at the entryway of the District Office and on the website **http://www.BearCreekWater.org/**. The public is welcome to drop by the District Office or visit the District's website for more information. You may contact the District Office by telephone (303) 986-3442, fax (303) 986-8213 or E-mail **BearCreekWater@BearCreekWater.org**.

Service Area

Most of Bear Creek's service area is situated within the City of Lakewood, Colorado. Portions of the District are located in unincorporated Jefferson County. The District encompasses approximately four square miles and serves a population of approximately 31,200. An estimated population of over 37,350 is projected at ultimate development of the District.

Public Water and Sanitary Sewer Systems

The District owns and maintains the public water distribution system and the public sanitary sewer collection system. Bear Creek has a comprehensive Operations and Maintenance (O&M) Program in place. A systematic, proactive method of managing and improving the performance and quality of the public systems is pursued by implementing best practices of the industry.

The O&M program includes scheduled inspections, repairs and maintenance, predictions of problematic areas, taking preventative measures, and planning upgrades or replacement of the infrastructure in advance of potential problems. Upon discovery or notification of any problem in the public systems, Bear Creek's O&M contractor, C&L Water Solutions, Inc., responds quickly to restore the public water or sanitary sewer systems to fully operable conditions.

All elements of the public water and sanitary sewer systems are tracked on Geographical Information System (GIS) and Geophysical Positioning System (GPS) programs and are integrated with the District's databases of the public, private and adjacent water and sanitary sewer systems. Databases also include locations, improvements, repairs, maintenance, inspections, emergencies, critical incidents, tap records, historic O&M activities and other related records and information for tracking, controlling and reporting activities of the public systems and appurtenances thereto.

Public Water Services. Bear Creek is a water distributor of Denver Water under Read and Bill Water Service Agreement No. C-200. Denver Water provides the water supply and controls the sale, setting and reading of water meters. Denver Water bills the District's customers based on Read-and-Bill water rates established by the Denver Board of Water Commissioners. The District collects tap permit fees for connections, but receives no income from the sale of water. At present, Bear Creek serves approximately 4,095 single family residential equivalent (SFRE) water taps and 8,498 equivalent residential units (ERU) sanitary sewer taps. A total of 5,341 SFRE water taps is anticipated at build-out of the District.

Sanitary Sewer Services. Wastewater flows by gravity from the connectors in the District through the District's public sanitary sewer collection lines to the Robert W. Hite Treatment Facility of the Metro Wastewater Reclamation District (MWRD) for treatment. This sewage treatment is provided under a Connectors Agreement between MWRD and Bear Creek. Bear Creek bills sewer use fees to the District's customers to defray the District's expenses for sewage treatment charges paid to MWRD and the cost of billing.

The sewage treatment charges billed by MWRD have increased extraordinarily since 2013, more than doubling the average annual charges over the 15 years from 1999 through 2013. The Board of Directors and management of the District disagree with the MWRD annual charges and met with them to appeal the incredible increases when the District has had no growth, but to no avail. Increased sewage treatment charges paid to MWRD and hence increased sewer utility fees billed to customers will be discussed later in this message. Surcharges may be added to these bills in the future to cover a portion of operation and maintenance costs.

Water and Wastewater Activities Enterprise. The District, as a General Government, owns and operates a Water and Wastewater Activities Enterprise pursuant to Article 1, Title 32 of the 1973 Colorado Revised Statutes, as amended, Article X, Section 20 of the Colorado State Constitution—Taxpayers' Bill of Rights (TABOR), and Colorado Revised Statutes Title 37 Article 45.1 (Senate Bill 93-130). Although the Enterprise is exempt from most TABOR limitations, there are certain limits on the use of General Government funds.

BOARD OF DIRECTORS AND DISTRICT OFFICE STAFF

Board of Directors

A five-member Board of Directors is the governing body of the District. The Directors of Bear Creek adopt Resolutions to set rules, regulations and policies and other official actions for governance of water and sanitary sewer services for its customers and to operate, maintain, repair, extend and replace the public water and sanitary sewer infrastructure.

Each Director is generally elected to a four-year term. The electorate of the District eliminated term limits for the Board of Directors at an election held on May 4, 2004.

The compensation for special district directors is set by Colorado Revised Statutes 32-1-902(3)(a)(II) at no more than $100 for each meeting attended and not to exceed $1,600 per year.

Regular meetings of the Board of Directors are held on the second Monday of each month at 7:00 p.m. at the District Office, 2517 South Flower Street, Lakewood, CO 80227-2912. A public notice of the regularly scheduled monthly Board Meetings is posted at the Office of County Clerk and Recorder of Jefferson County and in three locations within the District boundaries. Also, notices of public meetings, other events and general information are posted at the main entryway on the southeast side of the District Office building.

Table 1. 2017 Bear Creek Water and Sanitation District Board of Directors:

David W. "Dave" Lighthart
President/Chairman and ORC
January 2000—May 2018

Dale L. Miller
Vice-President/Vice-Chairman
November 2007—May 2020

Charles M. "Charlie" Dwyer
Treasurer and Chairman of Budget,
Audit and Insurance Committees
May 2002—May 2020

Barbara J. Coria
Director
October 2011—May 2018

Jean M. "Jeanne" Greenfield
Director
November 2013—May 2018

District Office Staff

The District presently has five permanent employees. Temporary employees are hired as needed. A full organizational chart is included in the Appendices.

District Manager Sandra Boster will be retiring on January 31, 2017. Assistant District Manager Jan Walker will assume the position of District Manager effective January 1, 2017.

BEAR CREEK WATER AND SANITATION DISTRICT MANAGER AND STAFF		
STAFF MEMBER	**TITLE**	**STATUS/EMPLOYED SINCE**
Jan C. Walker	District Manager; Board Secretary; Budget Officer; Designated Election Official	Full-Time, Permanent September 25, 2008
Carmen L. Barker	District Accountant	Part Time, Permanent March 24, 2016
Donna K. Helget	Systems, Facilities and Safety Administrator	Part-Time, Permanent February 3, 2005
Lucille Ann "LuAnn" Eatherton	Administrative, Accounting and Codification Specialist	Part-Time, Permanent March 4, 2013
Susan K. "Sue" Hull	Administrative Assistant	Part-Time, Permanent March 17, 2016

Table 2. 2017 Bear Creek Water and Sanitation District Staff:

FINANCIAL ATTRIBUTES

Financial Structure

The District's financial fiscal year begins on January 1st and ends on December 31st of each year. The District uses the modified accrual basis of accounting. The accounts of the District are organized and presented to conform to generally accepted accounting principles (GAAP) applied to a governmental unit operated as a single enterprise fund in accordance with Colorado Revised Statutes. Enterprise accounting—also known as single-fund accounting—is used to record the operations of governmental units which are financed and operated in a manner similar to private business enterprises. [Note: The term ***enterprise*** is applied differently in conjunction with the TABOR Amendment to identify exempt operations under the District's Water and Wastewater Activity Enterprise.] The Annual Budget is prepared on cash basis. The cash-basis budget is tallied on the last page of budget spreadsheets to show TABOR compliance.

The costs of administration of the District are covered by general property taxes and other general fees and charges. Capital improvements are funded by investment income and permit fees for water and sanitary sewer tap connections, as well as reserve funds that have been accumulated over the past 30 years. An exception to this rule began in 2014 allowing advancement of reserve funds to cover operating expenses for increased wastewater treatment charges. [See **Annual Budget—Sewer Use Fee Billing Income** below.]

Water and Wastewater Activities Reserve Funds

A Water and Wastewater Activities Enterprise was established in 1993 for the purpose of exempting the public water and sanitary sewer activities and the District's reserve funds from TABOR Amendment restrictions. The District has accumulated reserve funds to systematically upgrade or replace the public water and sanitary sewer systems and to preserve the future viability and sustainability of the District. Reserve funds are derived from interest earnings on investments and tap permit sales. These reserve funds are not restricted for specific purposes, but are used generally for replacement or rehabilitation of public systems and other budgeted capital projects when annual income does not cover those capital expenses. Budgeted capital projects include needed improvements identified in the Operations and Maintenance Program, replacement of public lines scheduled in the Master Plan and other capital projects to address current and long-term needs.

Financial Policy

In place are banking, investment, cash management, long-term financial projections and various other financial policies and procedures. The District is in the process of developing a comprehensive financial policy to replace the numerous separate policies.

An estimated 50-year effective life expectancy of public water and sanitary sewer lines is used for purposes of recording capital assets and depreciation. Given new trenchless technologies and the District's planned, proactive, predictive and preventative maintenance, operation and replacement program, the life span for pipes can reasonably be extended.

A spreadsheet, "Reserve Analysis and Projection of Replacement of Public Water and Sanitary Sewer Lines," is available upon request. This spreadsheet shows an analysis of the District's reserve funds and projections for replacement of the public water and sanitary sewer lines based on the capital inventory, replacement schedules and replacement costs. Annual consideration of replacing infrastructure that has reached its estimated life of 50 years began in 2013. Barring any catastrophic events and based on conservative assumptions, projected reserve funds should provide cash funding for replacement or refurbishment of the public water and sanitary sewer lines and system appurtenances to the year 2020.

Long range assumptions applied in the current financial projections include a return on investments of three (3%) interest, a four percent (4%) construction inflation rate projection, a two percent (2%) average annual increase in the Denver-Boulder-Greeley Consumer Price Index and growth of the District, sales and rates of tap permits and a 65% infrastructure replacement rate.

Inasmuch as the District should be able to cash fund its capital improvement and replacement program to approximately 2020, the issuance of bonds, applications for grants or other methods of financing capital improvements may be considered at any time. Long-range financial projections, is a dynamic worksheet. It is revisited periodically for adjustment to the set of assumptions, to consider new technology or industry standards, to reset projected life spans of repaired or rehabilitated lines and to adjust for other occurrences that may affect the projections.

Increases in rates, fees and charges have been considered for several years. In 2017, a rate study is planned to determine appropriate rates, fees and charges for the District.

Prepayment of Conduit Participation Charges

In December 2001, the District invested $418,600 of Water and Wastewater Activities Reserve funds by prepaying conduit participation charges, as provided by the October 1985 Agreement with Denver Water. For water source and supply, Bear Creek shares the operation and maintenance as well as capacity in Denver Water's Kendrick conduit, pump station, reservoir and distribution system with Green Mountain and Bancroft-Clover Water and Sanitation Districts. By prepaying these participation charges, the District secured an interest in 700 single-family-residential-equivalent (SFRE) water taps. There is a conditional guarantee of water supply to build-out in the District's Water Service Agreement with Denver Water. The prepayment of participation charges secures capacity without the District's having to participate in future construction of water source facilities. Recovery of prepaid conduit participation charges and interest that may have been earned from investing the funds is through collection with the sale of each tap connection permit at Denver Water's going rate for conduit participation charges per SFRE.

Development Policy

The District requires all developers or individual property owners to cover the cost of construction to extend the public water and sanitary sewer systems, including expenses incurred on behalf of the developments for legal and engineering services, and the costs of filing and recording associated documents. Developments must be consistent with the District's Master Development Plan, Rules and Regulations and other local, county, state and federal standards that may be applicable.

Annual External Audit

The District's basic financial statements for 2015 were audited by the firm of Crady Puca & Associates. Upon review by the Office of the Colorado State Auditor and in the opinion of the external auditors, no exceptions have been taken to the District's financial statements.

Following a Request for Proposals for audit services, Treasurer Dwyer, as Chairman of the Audit Committee, engaged the firm of Crady, Puca and Associates to conduct the audit of the basic financial statements for the years ending December 31, 2014. This engagement was renewed for the audit year ending 2016. At the Treasurer's discretion, this agreement may be renewed for the 2017 and 2018 audit as well, after which requests for proposals would be produced again.

Bond Interest, Bond Principal

Outstanding General Obligation Water Refunding Bonds, Series 92, were redeemed in December 1999, leaving the District with no outstanding debt. Presently, capital projects are cash-funded from the District's Water and Wastewater Activities Reserve Fund. However, the issuance of bonds may be considered at any time for financing capital improvements.

Non-Financial Goals and Objectives

Policies, procedures and master plans are in place to cover non-financial functions, including but not limited to District Office activities, human resources, field operations, safety, vulnerability, sustainability, public relations, and master plans for development of the District and expansion of the public water and sanitary sewer systems. However, it is understood that all policies affect the District's finances and these effects are considered in the budget preparation and financial reporting processes.

LIMITATIONS ON GENERAL PROPERTY TAXES AND SPENDING

Statutory 5.5 percent Limit on General Property Taxes

A Statutory limit on general property tax revenue, also known as the "Annual Levy Law" (Colorado Revised Statutes §29-1-301) restricts the District's levy of general property tax revenue to an amount no greater than was levied in the preceding year plus five and one-half percent (5.5%).

Constitutional Amendment Limitation on General Property Taxes and Spending

The electors of Colorado passed the Taxpayer's Bill of Rights (TABOR) Amendment to Article X, Section 20 of the State Constitution at Election in 1992. TABOR defines an enterprise as a government-owned business authorized to issue its own revenue bonds and which receives no more than ten percent (10%) of its annual revenue in grants from all state and local governments combined. Subsequently, Senate Bill 93-130, was adopted into law during the 1993 session of the Colorado State Legislature (Colorado Revised Statutes §37-45.1), to clarify TABOR language and provide for exemptions for water and sanitation districts.

In 1993, the Board of Directors declared enterprise status for its public water and wastewater activities pursuant to Senate Bill 93-130 and the TABOR Constitutional Amendment. Operating and capital budgets for the public water and sanitary sewer systems are classified under this Water and Wastewater Activity Enterprise.

The reserves of the District, which are generally derived from tap fees and interest income, are controlled under the purview of the Water and Wastewater Activity Enterprise. Administration and administrative capital expenses have been designated as General Government and are subject to TABOR Amendment limitations on general property tax levies and annual spending.

There are two TABOR limits on general property tax:

Revenue Limit. The revenue limit is reached by adjusting the previous year's certified general property tax revenue by growth and the estimated Boulder-Denver-Greeley CPI for 2016.

Mill Levy Rate Limit. The Rate limit is a factor of the assessed valuation multiplied by the previous year's rate.

Also, there is a TABOR limit on spending, which is actually a revenue-driven annual limit.

General Government Spending Limit. TABOR provisions allow an increase of no more than growth plus CPI over the previous year's revenue.

Application of Limits to Annual Budget

Upon applying the limitations described above and calculating the 2016 general property tax levy for collection in 2017, the TABOR revenue limit was most restrictive with growth at 0.00% plus the estimated Boulder-Denver-Greeley CPI for 2016 at 2.60%.

The actual Boulder-Denver-Greeley CPI is released early in the year [2017] for the prior year [2016]. At that time, TABOR limits are recalculated. If the certified property tax mill levy is found to exceed the revised limit, a temporary general property tax credit would be included in the following year's certification of property taxes. If the certified property tax mill levy is found to be less than the revised limit, no adjustments would be made.

In order to protect the District's general property tax levy rate of 4.416 mills, a temporary revenue reduction in the amount of $95,978 has been included in the Certification of Tax Levies which is filed with Jefferson County for collection. The mill levy rate under the TABOR Revenue Limit would have been 3.745 and the previous year's Mill Levy Rate was 4.416. The difference between the two limits is 0.675 mills, or $ $95,978.

General Property Tax levies certified in 2015 for collection in 2016 were based on the mill levy rate of 4.416 mills with a temporary revenue reduction of $94,550. The recalculation of the prior year's general property taxes, based on the actual 2015 CPI of 1.176%, rather than the estimated 2.750%, resulted in a lower general property tax amount; therefore, $9,071 is included in the 2017 temporary revenue reduction for 2016, bringing the total temporary revenue reduction to $105,049 on the 2016 certification of mill levies for collection by Jefferson County in 2017, as shown in the table below.

2017 Certification of Property Taxes	Mills	Revenue
2016 General Property Taxes for Collection in 2017 Based on Levy Rate	4.416	$ 687,251.00
Plus, Recovery of Refunds and Abatements	0.004	622.00
Sub-Total	4.420	687,873.00
Temporary Revenue Reduction for 2016 and 2017	(0.675)	(105,049.00)
2017 Total Property Tax for 2016 Collection	3.745	$582,824.00

Table 3. 2017 Certification of Property Taxes

The General Government spending limit for 2016 was recalculated as well, based on the actual 2015 CPI of 1.176%, rather than the estimated 2.750% and spending during the budget year 2016 was reduced accordingly. Inasmuch as the budgeted General Government expenses were found to exceed the revised limit, Administration and Administrative Capital spending for 2016 was reduced by $5,331 accordingly. No adjustments may be made to increase property taxes or General Government spending when the revised limits are greater than the estimates. Although there is no temporary tax credit for 2016 on the property tax certification for 2017, there is a temporary revenue reduction in the amount of $9,071 to protect the District's general property tax levy rate of 4.416 mills [see above].

THE ANNUAL BUDGET BY ACTIVITIES

The activities of the District are segregated in the accounting and budget records so that the revenues and expenses for each activity can be tracked by operating and non-operating income and expenses, as well as by activities subject to or exempt from TABOR limitations. While accounting procedures follow the modified accrual method, the annual budget is cash-based. TABOR compliance is depicted on a tally page following the annual budget spreadsheets.

The Annual Budget spreadsheets for 2017 and related Resolutions are attached in the Appendices to this Budget Message. The budget spreadsheets reflect budget figures in four time periods over three years:

- 2017 Total Adopted Budget
- 2016 Total Adopted Budget
- December 31, 2016 Total Projected End-of-Year
- September 30, 2016 Actual Income and Expenses
- December 31, 2015 Audited Actual Income and Expenses

Each of these categories is detailed by types of budgetary activity, as explained below:

- Operating Income and Expenses
- Non-Operating Income and Expenses
- Tally Sheet, reconciling intra-fund transfers and reflecting TABOR compliance

Operating Income and Expenses

Funds collected for the general operation of District activities are shown on Page 1 of the budget spreadsheets shown in the Appendices. Also on Page 1 are the operating expenses incurred for general administration of the District and for public water and sanitary sewer operations. Significant income and operating expenses are discussed further in this Budget Message.

Non-Operating Income and Expenses

Tap permit fees and interest earned on investments comprise most of the District's non-operating income and are retained as reserve funds for capital improvements.

Other non-operating income includes pass-through tap fees collected for and paid quarterly to Metro Wastewater Reclamation District and Lakehurst Water and Sanitation District under intergovernmental agreements. This income is counter-balanced by related non-operating expenses.

Reimbursements from developers for costs incurred by the District on behalf of their developments are also included in non-operating income. This income offsets related non-operating expenses; however, the amounts may not be equal, depending upon billing and payment activity.

Funds expended for capital improvements to the public water and sanitary sewer systems and related engineering services are budgeted as non-operating expenses. Capital improvements are projected in the District's Master Development Plan, identified by operations and maintenance program tracking, and scheduled in the annual field operations and maintenance program.

Significant non-operating income and expenses are discussed further in this Budget Message.

Budget Reconciliation—Tally Sheet

Fund Balances. On Page 3 of the attached budget spreadsheets, a tally of the budget figures shows estimated Beginning and Ending Fund Balances for the years 2015, 2016, and 2017. The audited fund balance of $14,524,852 at the bottom of the Audited December 31, 2015 column is the beginning balance for the 2016 Projected End of Year column. Applying the 2016 projections results in a projected End of Year fund balance of $14,845,522 for 2016, which in turn is reflected as the estimated Beginning Fund Balance for 2017. Given the budgeted net estimated revenue and expenses alike of $3,156,955 the projected Ending Fund Balance for 2017 would be $11,688,567. Given that there are projects budgeted in the event they are viable that may not be accomplished in 2017 and the following year's budget figures will be adjusted to 2016 audited accounts, a different amount may result from the predicted fund balance at the end of 2017 may result.

Other TABOR Limitations. The tally page includes legal limitations and budgeted amounts to show that each year's actual, projected or budgeted totals comply with the limitations imposed by Article X, Section 20 of the Colorado State Constitution—Taxpayers' Bill of Rights (TABOR). The TABOR General Government spending limit is shown in compliance with limitations.

In 2016, insufficient income was received to meet that year's spending limit; therefore, the limit was reduced by the shortage of $31,704 to arrive at the base from which the 2017 spending limit is calculated.

Payment for Services Rendered. In prior years, an amount has been shown in the budget for payments by the General Government to the Water and Wastewater Enterprise for services rendered in the operation and maintenance of the public water and sanitary sewer systems. The Board of Directors are considering a plan to collect surcharges to cover operations and maintenance of the systems, which would be suitable and adequate for an enterprise.

Appropriated Funds. Appropriated funds for 2017 are shown as $2,863,878 for Operating Expenses and $4,009,825 for Capital Improvement Expenses, for a total appropriation of $6,873,703.

SIGNIFICANT SOURCES OF INCOME

Property Taxes

An ad valorem property tax is levied on the assessed valuation of real and personal property within the District. Upon the 2016 assessed valuation of $155,627,599, a total net mill levy rate of 3.742 mills was certified in 2016 to Jefferson County for collection of $582,824 in 2017. This levy includes general property taxes, a temporary revenue reduction and an additional amount for refunds and abatements. Property tax revenue is classified under General Government for the purposes of TABOR compliance.

The December 12, 2016 Certification of Tax Levies to be collected in 2017 are shown in an appendix to this message.

General Property Taxes. General Property Tax revenue is the major source of operating income to the District. A levy of 4.416 mills for General Property Tax was certified to collect $687,251 in 2017, based on the TABOR Mill Levy Rate calculation.

The mill levy rate can only be taken to three digits and the property tax revenue from that mill levy must be rounded down to even dollars. Tax credits must be rounded up to the nearest 3-digit mill levy rate and up to whole dollars. Therefore, the certified amount to be collected is usually a bit less than the straight calculation of rate times assessed valuation.

Temporary General Property Tax Credit. General Property Tax mill levies must be certified to the County on or before December 15th. The actual CPI is not known for any given year until the following year; therefore, estimates are used in the preparation of budget and certification of property taxes. In the event the certified general property tax revenues exceed the recalculations of limits based on the growth and actual CPI, temporary tax credits are certified in the succeeding year. Conversely, if the recalculated limits are less than the certified amounts, no adjustment may be made to recover the difference.

Since the certified amounts were less than the recalculated limit in 2016, no temporary tax credits were applied to the general property taxes certified in 2016 for collection in 2017; however, there will be an additional temporary revenue reduction of $9,071 due to the recalculation of the 2016 temporary revenue reduction.

Temporary Revenue Reduction. The most restrictive TABOR limit on property taxes was the revenue limit which changes the rate and revenue based on a growth and consumer price index

from the previous year. In order to protect this 4.416 mill levy rate, a revenue reduction in the amount of $95,978 has been certified for 2016, temporarily reducing the general mill levy rate.

The recalculation of the prior year's general property taxes, based on the actual 2015 CPI of 1.176%, rather than the estimated 2.750%, resulted in a more restrictive general property tax amount; therefore, $9,071 is included in the 2017 temporary revenue reduction for 2016. Therefore, the total temporary revenue reduction will be $105,049 on the 2016 certification of mill levies for collection by Jefferson County in 2017.

Refunds and Abatements. Current rulings by the Colorado Supreme Court allow the District to impose a mill levy increase that is directed at recovering amounts of taxes which the District did not receive in the previous year due to abatements and refunds granted by Jefferson County upon appeal by taxpayers. This additional levy does not result in an actual tax increase and does not require voter approval under the TABOR Amendment since it merely recovers those amounts still due to the District, which had been withheld for refunds and abatements. An additional 0.004 levy was included in the 2016 certification to Jefferson County to collect $622 in 2017 for refunded or abated taxes.

See chart under **APPLICATION OF LIMITS TO ANNUAL BUDGET** and for more information on the 2017 Property Tax Certification, see **LIMITATIONS ON GENERAL PROPERTY TAXES AND SPENDING** earlier in this message.

Specific Ownership Tax

Specific Ownership Tax consists of a share of taxes paid to Jefferson County when motor vehicles are registered. An amount of $40,000 is budgeted for 2017 Specific Ownership Tax income. Specific Ownership taxes are classified as General Government Income for TABOR purposes.

Sewer Use Fee Billing Income

Classification of Billing Income. Sewer use fees are classified under the Water and Wastewater Activity Enterprise. An amount of $1,973,095 is targeted as income in the 2017 Annual Budget to offset sewage treatment charges expense to Metro Wastewater Reclamation District plus the costs for billing our Bear Creek Water and Sanitation District customers.

Sewer Utility Fees Based on Water Consumption. Annual sanitary sewer utility bills are based on the number of gallons of water consumed during non-irrigation months of the previous winter. Consumption data for each water customer of the District are reported by Denver Water from water meter readings and water utility bills. Individual sewer utility bills are generated by applying a rate per 1,000 gallons to four month's winter water consumption by each customer. Beginning in 2017, the District's customers will be billed quarterly.

Payment Methods. In addition to mailing payments to the District's secure mailbox address, P.O. Box 910926, Denver, CO 80291-0926, or dropping off payments at the District Office, secure online credit card or e-check payments are available through the Colorado State PayPort at https://www.colorado.gov/payment/bearcreek.

Single Rate for all Customers. The intent of the Board has been to bill all customers at one single rate per 1,000 gallons of winter water consumption to collect sufficient funds to cover the expense of sewage treatment charges billed by Metro Wastewater Reclamation District and the District's administrative costs for billing.

An exception to this single rate methodology is that sewer fees billed to carwash accounts were based on one-third of the annual average of water consumption, in lieu of four months of winter water consumption. This billing formula is specific to carwashes because they tend to use more water during the winter months.

In 2012 and 2013, adjustments were made by MWRD to Bear Creek's sewage treatment charges, which included some significant credits. The District took advantage of those years of lower sewage treatment charges to adjust various rates for commercial, multi-family and single family residential classifications to a single rate for all customers.

Change in MWRD's Methodology. Until a few years ago, Metro Wastewater Reclamation District (MWRD) used a trending method to calculate annual sewage treatment charges based on estimate flows and loadings in the sewage discharged into their transmission lines. Although use of the trending method resulted in unpredictable, fluctuating annual charges, the changes from year to year were more reasonable and the corresponding sewer utility fees charged to the District customers could be smoothed over time to keep the customer bills consistent.

The trending method is no longer used by MWRD and Bear Creek's sewage treatment charges were increased substantially, even with no growth in the District for the past few years. The annual charges are now locked into a triennial methodology that will hold the base for calculating future charges at all-time highs.

Historic annual sewage treatment charges billed by MWRD averaged $584,459 from 1999 through 2013. The unexpected increase in 2014 to $1,271,089 was approximately 117.48 percent over this 15-year average.

The following table illustrates how annual sewage treatment charges billed by MWRD increased in 2014 and remained higher than historic charges. As can be seen in the chart, the MWRD annual charges for 2014 of $1,271,089 represented an approximate 129.6 percent increase over 2013.

BEAR CREEK WATER AND SANITATION DISTRICT

Metro Wastewater Reclamation District
Annual Sewage Treatment Charges

Year	Historic Annual Charges	% Change from Previous Year
2013	553,582	~
2014	1,271,089	129.60 %
2015	1,083,048	(14.79) %
2016	962,840	(11.10) %
2017	1,576,128	63.70 %

Table 4. Historic Annual Sewage Treatment Charges

District's Mitigation Plan for Higher Annual Sewage Treatment Charges. Upon notification in 2013 of the extraordinarily high increase in the amount to be paid to MWRD in 2014 for sewage treatment charges, the Board of Directors and management of the District disagreed with the MWRD annual charges and met with them to appeal the incredible increases when the District has had no growth, but to no avail.

The Board adopted a mitigation plan in October 2013 to handle the anticipated continuation of higher sewage treatment charges and to manage fluctuating future charges, rather than suddenly passing on an extraordinary increase or decrease to customers.

An Assigned Reserves Fund was established with a balance of $2,000,000 to track advances towards paying the sewage treatment charges that have not yet been recovered from sewer utility fees billed to the District's sanitary sewer customers. [see chart below: Advances/Repayments to Reserves under Mitigation Plan]

Under the Mitigation Plan, the rate per 1,000 gallons of winter water consumed had been increased by 20 percent per year and the minimum amount billed was increased by 15 percent per year. which was followed in processing the sewer utility fees for 2014, 2015 and 2016. The Mitigation Plan has been revised for processing sewer utility fees for 2017.

Sewer utility fees will be billed quarterly beginning in 2017 to ease the impact on District customers' paying the higher bills. The Revised Mitigation Plan will be further explained below. In anticipation of a reduction in MWRD sewage treatment charges, the Mitigation Plan compounded fees in 2014, 2015 and 2016. The annual sewage treatment charges did decrease slightly in 2015 and 2016 from that extraordinary amount charged in 2014, but they were not reduced enough to result in any significant repayment of subsidy amounts advanced from the Assigned Reserves Fund. The intent of the original plan was to repay the Assigned Reserves Fund and then to build a contingency fund to cover the volatile and unpredictable sewage treatment charges in the future.

The MWRD sewage treatment charges for 2017 increased 63.70 percent over 2016 and more than 23 percent over the 2014 charges of $1,271,089—and have reached a new all-time high of $1,576,128 for 2017. The following table shows the sewer utility rates billed to customers and amounts of payments to Metro Wastewater Reclamation District (MWRD) for annual sewage treatment charges. Notice the 2016 annual rates and minimum fees have been doubled for 2017 and then divided for quarterly billings.

Year	Sewer Utility Rate $/kg Winter Water +15% 2014-2016; Double Rate and Bill Quarterly 2017	Minimum $ +15% 2014-2016; Double $ and Bill Quarterly 2017		Annual Sewage Treatment Charges
		Residential	Commercial	Paid to MWRD
2012	3.53	60.00	120.00	$ 524,291
2013	4.44	70.00	120.00	553,582
2014	5.33	80.00	140.00	1,271,089
2015	6.40	92.00	160.00	1,083,048
2016	7.70	106.00	184.00	962,840
2017 Quarterly Billing	3.85	53.00	92.00	1,576,128

Table 5. Sewer utility rates billed to customers and amounts of payments to MWRD

Revised Mitigation Plan for Higher Annual Sewage Treatment Charges. Following notification of the increased MWRD annual charges for 2017, the Board of Directors revisited the mitigation plan at the November 14, 2016 Board of Directors meeting and directed that the 2016 rate per thousand gallons of winter water consumed be doubled for the 2017 billings. In effect, this change would double the dollar amount billed in 2016 sewer utility fees as well. This increase should be sufficient to collect the amount necessary to pay the 2017 MWRD annual charges of $1,576,128 and begin to return monies borrowed from reserves in 2014 and 2015.

BEAR CREEK WATER AND SANITATION DISTRICT Advances/Repayments to Reserves under Mitigation Plan			
01/01/14	ADVANCE FUND ESTABLISHED		$ 2,000,000
Year	Advances	Repayments	Balance Due to Reserve Funds
Audited 2014	(568,146)		1,431,854
Audited 2015	(253,990)		1,177,864
Unaudited 2016	0	18,493	1,196,357
Proposed 2017	0	360,087	1,556,444

Table 6. Advances/Repayments to Reserves under Mitigation Plan

Rate Study to determine rates, fees and charges. The Board of Directors has ordered that a rate study be done in 2017 to determine equitable sanitary sewer utility rates, tap permit fees, and other fees and charges.

Infiltration and Inflow (I&I) Study. An infiltration and inflow study was conducted in 2016 to determine where unnecessary flow may be entering the public sanitary sewer system. The District Engineer identified the area of Westgate as having the most infiltration and inflow into the public sanitary sewer system. Included in the 2017 capital sewer budget are funds for cured-in-place linings in sanitary sewer lines in the Westgate neighborhood. It is anticipated that this project will decrease the flows and loadings in the sewer main lines; and thus, reduce the annual MWRD sewage treatment charges billed to the District.

Intergovernmental Agreements for Sanitary Sewer Flow-Through

The estimated income from sewer utility fees of $1,973,095 for 2017 includes two sets of customers that are billed separately pursuant to intergovernmental flow-through agreements.

Flow-Through to Lakehurst Water and Sanitation District. Bear Creek pays quarterly sewage treatment charges to Lakehurst Water and Sanitation District for flows contributed to their public sanitary sewer system from properties inside District boundaries. The properties are situated in the vicinity of West Hampden Avenue and South Wadsworth Boulevard. These sewer utility customers are billed a share of total flow-through charges paid to Lakehurst plus billing expenses. Shares are based on single family residential equivalents. An amount of $9,900 is included in the

2017 Annual Budget for charges paid to Lakehurst. The amount paid to Lakehurst is offset by billings to the flow-through customers.

Flow-Through from Bancroft-Clover Water and Sanitation District. Under an intergovernmental agreement, Bear Creek allows connection to the District's public sanitary sewer system by properties located just north of Bear Creek's district boundaries which are situated within the boundaries of Bancroft-Clover Water and Sanitation District. Bear Creek bills Bancroft-Clover for a proportionate share of the total sewage treatment charges paid by Bear Creek to Metro Wastewater Reclamation District based on the number of single family residential equivalents served. The amount billed to Bancroft-Clover is considered part of the overall billings to the District's customers shown in the budget.

Investment Interest Income

Non-operating income received from interest earnings on investments is used for capital improvements and other suitable expenses. Unused interest earnings remain in the fund balance as reserve funds, which is classified under the Water and Wastewater Activity Enterprise for TABOR compliance purposes.

With the declining economy and lower interest rates for the past few years, the District has taken a conservative approach to projecting interest income. An estimated $211,000 is included in non-operating income from Investment Interest Income in 2017.

Tap Permit Fees

Tap permit fees, classified in the Water and Wastewater Enterprise, are collected to fund future capital improvements to the public water and sanitary sewer systems. Based on a combination of single family, multi-family, commercial, and fire line taps anticipated in 2016, revenue for 10 single-family-residential-equivalent tap permits is estimated at $36,500 from water tap permit sales and $2,000 for inspection fees. Corresponding revenue from sanitary sewer tap permits is estimated at $8,400 plus $1,500 for inspections. These estimates are based on a downward trend in new construction and annual tap permit sales. The District sold only one (1) SFRE water tap permit and one (1) sanitary sewer tap permit in 2016. This minuscule income is due to lack of growth in the District, mentioned above in **Application of Limits to Annual Budget**.

Prepaid Conduit Participation Charges

On December 27, 2001, the District prepaid conduit participation charges for 700 Single-Family Residential Equivalent (SFRE) taps at $598 per SFRE, for a total of $418,600. Prepaid participation charges, plus an amount in lieu of interest income, are collected along with sales of the District's water tap permits. The amount collected from connectors in lieu of interest income earnings tracks the increases in like fees imposed by Denver Water.

Bear Creek, Bancroft-Clover, and Green Mountain Water and Sanitation Districts share Denver Water's Kendrick Pump Station, Green Mountain Reservoir and the distribution system through Conduit 102. By participating in the operation and maintenance of these facilities, the District secures the ability to serve its customers and avoids participation in future capital projects with Denver Water. Any of the participating Districts may prepay participation charges to reserve capacity in the named Denver Water facilities. Whereas prepayment of participation charges reserves capacity in these facilities, prepayment does not guarantee water. However, the District is guaranteed water to build-out of Bear Creek Water and Sanitation District under the current Water Service Agreement with Denver Water. The District's Master Development Plan estimates a total of 5,341 single-family-residential-equivalent (SFRE) water taps at build-out of the District.

Sanitary Sewer Tap Connection Fees Collected on Behalf of Others

Tap fees collected on behalf of other entities are classified under the Water and Wastewater Enterprise.

Tap Fees Collected for Metro Wastewater Reclamation District (MWRD). Sanitary sewer tap connection fees are collected on behalf of MWRD pursuant to the District's Connector Agreement. These fees are remitted to MWRD on a quarterly basis. An equal amount is indicated in the 2017 budgeted non-operating income and expenses to reflect MWRD sewer tap fees in the amount of $39,600 to be collected and paid.

Tap Fees Collected for Lakehurst Water and Sanitation District. An equal amount of $7,000 is budgeted for 2017 non-operating income and expenses for sewer tap fees collected on behalf of Lakehurst for connection of properties to Bear Creek Water and Sanitation District's public sanitary sewer lines that flow into Lakehurst lines under an intergovernmental agreement between the two districts.

KEMO Country Area Water and Sanitary Sewer Supplemental Fees

A neighborhood that was not included in the original District boundaries, KEMO Country Area, is located basically east of South Kipling Street between Morrison Road and West Wesley Court.

Reserve funds advanced by the District in the past for approved KEMO participation projects are recovered through supplemental fees which are collected in addition to tap permit fees and other related fees and charges when the properties connect to the public systems. The current KEMO supplemental fees per single-family residential equivalent tap are $7,000 for water and $6,000 for sanitary sewer. At this writing, adjusting these supplemental fees is being discussed by the Board of Directors. These fees will continue to be collected in the future until the KEMO Country Area is built-out. Two water and two sanitary sewer connections are included in the 2017 Annual Budget for a total of $26,000 in capital water and sanitary sewer budgets under non-operating income for KEMO Water and Sewer Supplementary Fees.

KEMO Country Area Water and Sanitary Sewer Capital Improvement Projects

Parts of KEMO Country Area, described previously, have been retrofitted with public water and sanitary sewer mains for service. To initiate public water or sewer extension projects in the KEMO Country Area, property owners are first required to include their property in the District, grant any necessary easements, deposit the estimated total construction project costs and enter into a Supplemental Inclusion Agreement with the District.

An amount of $332,800 was budgeted as non-operating income for potential KEMO capital water projects and $100,000 for related engineering; $203,000 was budgeted for potential KEMO capital sewer projects and $35,000 for related engineering. Like amounts are budgeted in KEMO Capital Improvements Income. KEMO capital projects are financed by pass-through funding, since the total project costs are covered by the initial deposit for all costs incurred on behalf of each project. In the event the deposit does not cover the actual construction project costs, the participant(s) would be billed for the balance before connections are allowed. Conversely, if the deposit exceeds the actual construction project costs, the balance would be refunded to the participant(s).

Developer Imprest Accounts

To comply with the District's Rules and Regulations, developers are required to deposit funds with the District sufficient to cover engineering and legal costs incurred on behalf of developments.

These imprest deposits are collected to assure that improvements and enlargement of the public water and sanitary sewer systems meet District standards. Upon passing initial inspection by the District Engineer, all improvements to the public water and sanitary sewer systems are owned by the District. Imprest accounts are billed for replenishment of funds on a periodic basis during the course of development. Following final inspection at the end of a one-year warranty period, the balance on deposit is returned to the respective developers. Equal amounts of $12,000 have been budgeted for non-operating income and expenses for water and sanitary sewer Imprest charges and other reimbursable expenses, based upon potential development in the District during 2017.

Developer Imprest accounts are classified as non-operating income and expense under the Water and Wastewater Activity Enterprise. Income and expenses for this activity are considered pass-through funding, since the District is reimbursed by the developer for all costs incurred on behalf of the development.

SIGNIFICANT EXPENSES

3% TABOR Emergency Reserves

In compliance with the TABOR Amendment, an emergency reserve has been established in the 2017 budget, in the required amount of not less than three percent (3%) of the anticipated General Government revenue, or $24,881. This reserve amount is reflected on the balance sheet of the District's financial statements and is adjusted annually to maintain the current total.

Sewage Treatment Charges

Sewage Treatment Charges are classified under the Water and Wastewater Activity Enterprise as Operating Expenses. The District contracts with Metro Wastewater Reclamation District (MWRD) for sewage treatment for which MWRD imposes annual charges based on flows and loadings in the sewage.

Until a few years ago, Metro Wastewater Reclamation District (MWRD) used a trending method to estimate flows and loadings and calculate annual sewage treatment charges which helped to keep Bear Creek's annual charges more level from year to year. In 2012 and 2013, adjustments were made to Bear Creek's sewage treatment charges, which included some significant credits. The trending method is no longer used by MWRD and Bear Creek has returned to fluctuating charges and credits that result from the subtractive method of estimating flows and loadings used to determine annual charges.

Upon notification of an extraordinarily high increase in the amount to be paid to MWRD in 2014 for sewage treatment charges, the Board of Directors adopted a mitigation plan to handle the anticipated continuation of higher payments and manage future charges rather than passing on full increases to customers during each annual billing period. The MWRD annual charges for 2014 of $1,271,089 represented an approximate 129.6 percent increase over 2013. Although these charges reduced by approximately 15 percent for 2015 and then 11.1 percent for 2016, the $1,576,128 due in 2017 is still more than a 63.7 percent increase over the 2016 sewage treatment charges paid to MWRD.

The MWRD annual charges have continued to rise at a much higher rate than the amount the Mitigation Plan had anticipated. The monies borrowed from reserves cannot be replenished without raising the sewer billing rate significantly.

At the November 14, 2016 Board of Directors meeting, the Board of Directors approved a rate increase which would be sufficient to collect the amount necessary to pay the 2017 MWRD annual charges of $1,576,128 and begin to return monies borrowed from reserves in 2014 and 2015.

An amount of $1,576,128 is budgeted from sewer use fees. More detailed information and charts can be referenced in **SIGNIFICANT SOURCES OF INCOME-Sewer Use Fee Billing Income** above.

Operations and Maintenance Water and Sanitary Sewer Systems

C&L Water Solutions, Inc. has served as the District's contractor for operation, preventative maintenance, and repair of public water and sanitary sewer systems since 1985. The District's 2017 Field Operations and Maintenance (O&M) Program, budgeted at $400,000, provides for inspection of all appurtenances to the public water system every two years and the public sanitary sewer system every three years. Annual inspections are conducted on some sanitary sewer mains in problematic areas and on dead-end water mains to assure water quality.

Denver Water and its suburban water distributors, including Bear Creek, have agreed to follow standard operating procedures in the integrated water distribution system to assure compliance with the Environmental Protection Agency's Safe Drinking Water Act.

Payment for Services Rendered by Water and Wastewater Activities Enterprise

The General Government of the District pays the Water and Wastewater Enterprise for services rendered in the performance of operations and maintenance of the public water and sanitary sewer systems. The District does not consider payments for services rendered as grants; therefore, such payments, made by intra-fund transfers between classes within a single fund, are not held to TABOR limitations.

Although payment for services rendered is not anticipated in 2017, it may become necessary depending on revenues and work performed. The Board may need to collect additional fees and charges to help cover field operations and maintenance charges in the near future.

Public Water and Sanitary Sewer Systems Capital Improvements

Capital water projects in Schedule III of the Annual Field Operations and Maintenance Program are budgeted at $221,330 for replacement of blowoff valves, replacement fire hydrants, replacing an 8-inch valve and potholing water lines. Schedule III sanitary sewer capital projects are budgeted at $202,380 for pipe and manhole replacement and tap repairs.

The general water capital project budget is $216,000 for 2017, which includes a fire loop water line at Forest Glen.

An infiltration and inflow (I&I) study was conducted in 2016. The District Engineer identified the area of Westgate as having the most I&I into the public sanitary sewer system. A budget of $2,175,650 has been provided for general sanitary sewer capital projects including a Westgate sewer lining project, an extension of the South Garland Court sewer main to a Metro Wastewater Reclamation District outfall line and improvements to an outfall sewer line shared with Green Mountain Water and Sanitation District under an intergovernmental agreement.

The District Engineer's Proposed Budget Memorandum offers a detailed look at capital improvements with color coding which correlates to the color-coded line items in the 2017 Annual Budget spreadsheets. A copy is included in the Appendices to this Budget Message.

KEMO Country Area Water and Sanitary Sewer Capital Improvement Projects

Parts of KEMO Country Area, described previously, have been retrofitted with public water and sanitary sewer mains for service. To initiate public water or sewer extension projects in the KEMO Country Area, property owners are first required to include their property in the District, grant any necessary easements, deposit the estimated total construction project costs and enter into a Supplemental Inclusion Agreement with the District.

Offsetting amounts in non-operating income and expenses are included in the 2017 Annual Budget for $232,800 and $168,000 for potential KEMO water and sanitary sewer capital projects, respectively. Expenses for KEMO projects are covered by deposits by the property owner(s) to the District of the total estimated project costs to be incurred on behalf of each project.

The District would then complete the project from design through construction. Should funds in excess of the project be required, the property owner(s) would be billed. Conversely, if funds remain after the completion of the project, the property owner(s) would receive a refund of the balance.

A Task Force of the Board of Directors is researching alternative financing for improvements in the KEMO Country Area. The Task Force is looking forward to meeting with the homeowners of KEMO to determine whether public water and sanitary sewer services are desired by the homeowners and if they are willing to grant needed easements and participate in the financing of construction costs for the projects to become viable.

Director Fees

An amount of $8,000 has been included in the 2017 Annual Budget for director fees. As mentioned above, the maximum compensation for special district directors is set by Colorado Revised Statutes at no more than $100 for each meeting attended and not to exceed $1,600 per Director per year. [See **BOARD OF DIRECTORS AND DISTRICT OFFICE STAFF** for more information on Directors.]

District Office Salaries and Wages

Gross Wages are budgeted in the amount of $257,000 which is a decrease of 11.1% from 2016 budgeted wages. The District Office will have five employees in 2017: one full-time permanent and four part-time permanent staff members. Payroll taxes of $22,000 were included in the 2017 budget. Contract employees are hired as needed, for which $3,000 is budgeted for 2017. District Manager Sandra Boster will be retiring on January 31, 2017. Assistant District Manager Jan Walker will assume the position of District Manager effective January 1, 2017. The District Manager transition will have taken place in 2016 and January 2017. The Board of Directors is pleased that the position could be filled from qualified in-house staff. [See **BOARD OF DIRECTORS AND DISTRICT OFFICE STAFF** for more information on Staff.]

Employee Benefits

A total of $99,000 was budgeted for employee benefits for 2017, up from $81,650 in 2016.

Defined Contribution Retirement Plan. In 1995, the Board of Directors established membership in the Colorado County Officials and Employees Retirement Association (CCOERA). This defined contribution plan allows participant-directed investments.

The District matches mandatory employee contributions to CCOERA of six percent (6%) of gross wages to a 401A retirement plan and matches up to three percent ($\leq$ 3%) of voluntary contributions by employees to a 457 Deferred Compensation Plan.

Presently, all employees contribute to the voluntary 457 Plan. A total of $24,000 was budgeted for 2017 payments to match employee contributions to retirement accounts.

Group Health Insurance. The District participates in the Special District Association of Colorado PPO-2 group insurance program for health, vision, dental, hearing, and life insurance benefits. The District pays 100 percent of premiums for individual employee coverage and 75% of premiums for family coverage. A total of $75,000 was budgeted for group insurance premiums in 2017.

Disability Insurance. A separate policy is held through the Special District Association of Colorado group insurance program for long term disability. Employees pay 100 percent of the long-term disability insurance premium to ensure full, non-taxable coverage in the event long-term benefits are used. The District self-insures short-term disability in accordance with its Personnel Policy Manual.

Property & Liability Insurance and Bonds

The District is a member of the Colorado Special District Property and Liability Pool. The insurance and bonds expense for 2017 is budgeted at $15,000. The District opted for No-Fault Insurance for sanitary sewer backup and water damage under its liability insurance coverage. This coverage reimburses property owners for damage caused by problems with the public sanitary sewer or water systems per incident, per year. Premiums for property and liability insurance are discounted for certification of operations and maintenance, early payment and training credits.

Elections

Seats on the Board of Directors presently held by Chairman David W. Lighthart, Director Barbara J. Coria and Director Jean M. Greenfield will be up for election in 2018. The next Director Election will be scheduled for Tuesday, May 1, 2018, for which self-nominations will be accepted for three 4-year director positions. The electorate eliminated term limits at the 2004 Election. No funds are provided for elections in the 2017 Annual Budget.

Professional Legal Services

Russell W. Dykstra with the firm of Spencer Fane Britt & Browne, LLP, represents the District as Legal Counsel. An amount of $15,050 is budgeted for general professional legal services, legal publications, recording of documents and court filing costs.

Building and Grounds Improvement

General improvements to the District Office Building are budgeted at $5,000. The main purpose for this funding is to remodel the front office for improved security and safety. It is anticipated that some of the front office remodel expenses will be reimbursed by the Safety & Loss Prevention Grant Program offered by the Colorado Special Districts Property and Liability Pool. Other items may be determined necessary based on need throughout the year. No budget was provided for Administration Capital, classified as General Government, for improvements to the District Office grounds in 2017.

Office Furniture and Equipment

No capital budget amounts are provided in 2017 for replacement of office furniture, equipment, and software. Most of the furniture and equipment, including software programs and updates, do not meet the capital threshold of $5,000 value or 5-year life expectancy.

INQUIRIES

Inquiries regarding the Annual Budget

Any of the friendly staff at the District Office can assist you or direct you to the right party for the subject of your inquiry. Please direct all official correspondence or other inquiries in writing to:

Jan C. Walker, District Manager,
Budget Officer and Board Secretary
Bear Creek Water and Sanitation District
2517 South Flower Street
Lakewood, Colorado 80227-2912

Telephone	**(303) 986-3442**
Fax	**(303) 986-8213**
E-mail	**JanWalker@BearCreekWater.org**
Copy E-mail	**BearCreekWater@BearCreekWater.org**
Website	**http://www.BearCreekWater.org/**

We're in the neighborhood … drop by for a visit!

BEAR CREEK WATER AND SANITATION DISTRICT
2517 SOUTH FLOWER STREET
LAKEWOOD, CO 80227-2912
(303) 986-3442 OFFICE
(303) 986-8213 FAX
BearCreekWater@BearCreekWater.org
http://www.BearCreekWater.org/

APPENDICES

FOLLOW
EACH WITH A COVER PAGE

BEAR CREEK WATER AND SANITATION DISTRICT
2517 SOUTH FLOWER STREET
LAKEWOOD, CO 80227-2912
(303) 986-3442 OFFICE
(303) 986-8213 FAX
BearCreekWater@BearCreekWater.org
http://www.BearCreekWater.org/

ORGANIZATION CHART

01/01/2017

Bear Creek Water and Sanitation District

2517 South Flower Street
Lakewood, Colorado 80227-2912

2017 Organization Chart

Updated
12/12/16

Taxpayers, Ratepayers and Public

Board of Directors

Director	V.P./Vice-Chairman	President/Chairman	Treasurer	Director
Barbara J. Coria	Dale L. Miller	David W. *"Dave"* Lighthart	Charles M. *"Charlie"* Dwyer	Jean M. *"Jeanne"* Greenfield

District Manager / Board Secretary / Budget & Election Official
Jan C. Walker

District Engineer
Merrick & Company
Barney J. Fix, PE, PMP

Emergency Liaison Officer
David W. *"Dave"* Lighthart

Budget Committee

Audit Committee

Insurance Committee

Legal Counsel
Russell W. *"Russ"* Dykstra, Esq.

ParaLegal
Megan Holmberg

Legal Assistant

Systems, Facilities & Safety Administrator
Donna K. Helget

Field Inspector
Merrick & Company
Wade B. Wheatlake, PE

Operator in Responsible Charge
David W. *"Dave"* Lighthart

District Accountant
Carmen L. Barker

Field Operations & Maintenance Contractor
C&L Water Solutions, Inc.
Chrystalla & Larry Larson

Administrative & Accounting Specialist
LuAnn Eatherton

Administrative Assistant
Susan "Sue" K. Hull

1st Alternate - Operator in Responsible Charge
Barney J. Fix, PE, PMP
Merrick & Company

2nd Alternate - Operator in Responsible Charge
Larry R. Larson
C&L Water Solutions, Inc.

Mission Statement

OUR MISSION IS TO PROVIDE PUBLIC WATER AND SANITARY SEWER SERVICES TO THE TAXPAYERS AND RATEPAYERS OF BEAR CREEK WATER AND SANITATION DISTRICT IN A SAFE, EFFICIENT, COST-EFFECTIVE AND SUSTAINABLE MANNER, WHILE MEETING ALL STATUTORY AND REGULATORY REQUIREMENTS.

Phone: (303) 986-3442 ◊ **Email:** BearCreekWater@BearCreekWater.org ◊ **Website:** http://BearCreekWater.org ◊ **Fax:** (303) 986-8213

BEAR CREEK WATER AND SANITATION DISTRICT
2517 SOUTH FLOWER STREET
LAKEWOOD, CO 80227-2912
(303) 986-3442 OFFICE
(303) 986-8213 FAX
BearCreekWater@BearCreekWater.org
http://www.BearCreekWater.org/

MITIGATION PLAN FOR SEWAGE TREATMENT CHARGES AND SEWER UTILITY FEES

Effective:
November 2016
for 2017 Sewer Utility Fees
Amended November 14, 2016

EXCERPT FROM THE
P R O C E E D I N G S

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF BEAR CREEK WATER AND SANITATION DISTRICT, CONVENING ON NOVEMBER 14, 2016, AT 7:00 PM. AT THE DISTRICT OFFICE, 2517 SOUTH FLOWER STREET, LAKEWOOD, CO, 80227-2912.

CALL TO ORDER

Presiding: Vice-Chairman Miller

ROLL CALL

Present:	David W. "Dave" Lighthart	President and Chairman/ORC
	Dale L. Miller	Vice President and Vice Chairman
	Charles M. "Charlie" Dwyer	Treasurer
	Jean M. "Jeanne" Greenfield	Director
	Barbara J. Coria	Director
Also Present:	Sandra M. "Sam" Boster	District Manager/Assistant Board Secretary
	Jan C. Walker	Assistant District Manager/Board Secretary
	Carmen L. Barker	District Accountant
	Barney J. Fix, PE, PMP, VP	District Engineer, Merrick & Company
	Russell W. Dykstra, Esq.	Legal Counsel

Increase of Fees and Charges for 2017 Sewer Billing

R-16-068 **RESOLVED** upon motion by Vice-Chairman Miller, seconded by Treasurer Dwyer and unanimously carried to double the 2016 dollar amount billed for sewer utility fees, which would be approximately $2 million to recover 2017 Metro Wastewater Reclamation District (MWRD) sewage treatment charges and billing expenses, and to begin paying back funds that had been advanced from reserves in 2014 and 2015. To mitigate the significant increases in customer bills, the billing cycle will be changed from annual to quarterly beginning in 2017. The first quarter of 2017 may be based on 2016 winter water consumption. **FURTHER RESOLVED,** that a bulletin shall be sent to the District's customers giving notice of rate increases as early as possible prior to the effective date.

Preceding this action, Assistant District Manager Walker reported that District staff had been looking at the sewer rate needed to recover the sewage treatment charges from MWRD, as well as the costs of billing and Operations and Maintenance through sewer utility billing. The Budget Committee had asked Management and Staff to look at changing the sewer billing to a flat rate for sewer with the intent of setting a rate sufficient to recover these costs. Assistant District Manager Walker reported that the results of this analysis presented inequities for many customers. To recover the amount needed for MWRD charges and billing costs and to begin repaying reserve funds, the 2016 rate based on consumption would need to double in 2017 to collect $2 million.

BEAR CREEK WATER AND SANITATION DISTRICT
2517 SOUTH FLOWER STREET
LAKEWOOD, CO 80227-2912
(303) 986-3442 OFFICE
(303) 986-8213 FAX
BearCreekWater@BearCreekWater.org
http://www.BearCreekWater.org/

COMBINED 2017 ANNUAL BUDGET SPREADSHEETS:

Line-item detail of Income, Expenses and Limitations for the 2017 Adopted Budget, 2016 Adopted Budget, Projections to December 31, 2016, Actual to September 20, 2016 and Audited figures for 2015

Adopted December 12, 2016
by the Board of Directors of
Bear Creek Water and Sanitation District
for the Budget Year 2017

Bear Creek Water and Sanitation District
2017 ADOPTED ANNUAL BUDGET
Combined General Government and Enterprise
Adopted December 12, 2016

	2017 TOTAL ADOPTED BUDGET	2017 Gen Gov Adopted Budget	2017 Enterprise Adopted Budget	2016 TOTAL ADOPTED BUDGET	2016 Gen Gov Adopted Budget	2016 Enterprise Adopted Budget	12/31/16 TOTAL PROJECTED END OF YEAR	12/31/16 Gen Gov Projected End of Year	12/31/16 Enterprise Projected End of Year	09/30/16 TOTAL ACTUAL TO-DATE	09/30/16 Gen Gov Actual To-Date	09/30/16 Enterprise Actual To-Date	12/31/15 TOTAL AUDITED ACTUAL	12/31/15 Gen Gov Audited Actual	12/31/15 Enterprise Audited Actual
NON-OPERATING INCOME															
5190 · Intra-Fund Xfer	35,253	35,253	0	(11,428)	(11,428)	0	0	0	0	0	0	0	0	0	0
5110 · Inclusion Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5200 · Water Tap Permit Fees	36,500	0	36,500	36,500	0	36,500	0	0	0	0	0	0	4,150	0	4,150
5220 · Fire Line Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5260 · Ppd Part Chgs Collected	5,980	0	5,980	5,980	0	5,980	1,133	0	1,133	1,133	0	1,133	598	0	598
5290 · System Enlargement Fee Water	500	0	500	500	0	500	0	0	0	0	0	0	0	0	0
5300 · Sewer Tap Permit Fees	8,400	0	8,400	8,400	0	8,400	0	0	0	0	0	0	840	0	840
5350 · MWRD Sewer Tap Fees Collected	39,600	0	39,600	39,600	0	39,600	4,220	0	4,220	4,220	0	4,220	3,960	0	3,960
5360 · Lakehurst SewerTapFeesToCollect	7,000	0	7,000	7,000	0	7,000	0	0	0	0	0	0	0	0	0
5390 · System Enlargement Fee Sewer	500	0	500	500	0	500	0	0	0	0	0	0	0	0	0
5600 · Imprest Accounts Income	20,000	0	20,000	20,000	0	20,000	0	0	0	0	0	0	9,860	0	9,860
5610 · Reimb Expense Billing Income	4,000	0	4,000	4,000	0	4,000	0	0	0	0	0	0	7,850	0	7,850
5680 . Forest Glen Water Line/Fire Loop	216,000	0	216,000	216,000	0	216,000	0	0	0	0	0	0	0	0	0
5701 . Safety Grant Reimbursements	0	0	0	0	0	0	0	0	0	0	0	0	1,507	1,507	0
5730 . Interest Income - UBS, Rebills & Imprest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5740 · Interest Income - Sewer Billing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5760 · InvIncReturn PpdPartChgs	4,510	0	4,510	4,510	0	4,510	0	0	0	0	0	0	514	0	514
5860 · KEMO Wtr Const Fees	332,800	0	332,800	332,800	0	332,800	0	0	0	0	0	0	0	0	0
5865 . KEMO Water Supplementary Fees	14,000	0	14,000	14,000	0	14,000	0	0	0	0	0	0	0	0	0
5875 . KEMO Sewer Supplementary Fees	12,000	0	12,000	12,000	0	12,000	0	0	0	0	0	0	0	0	0
5870 · KEMO Swr Const Fees	203,000	0	203,000	203,000	0	203,000	0	0	0	0	0	0	0	0	0
5901 · Inv Inc Dist from Enterprise	211,000	205,727	5,273	216,000	210,515	5,485	173,410	173,410	0	146,021	0	146,021	176,885	176,885 √	373 √
5945 . SID Interest Income from JeffCo Collections	0	0	0	0	0	0	0	0	0	0	0	0	540	0	540
5950 · JeffCo - PTax Interest Income	0	0	0	0	0	0	269	269	0	202	202	0	273	273	0
TOTAL NON-OPERATING INCOME	1,151,043	240,980	910,063	1,109,362	199,087	910,275	183,522	173,679	9,843	156,066	202	155,864	207,350	178,665 √	28,685 √
OTHER NON-OPERATING EXPENSE															
6900 · Imprest Accounts - Charges	20,000	0	20,000	20,000	0	20,000	0	0	0	0	0	0	9,860	0	9,860
6910 · Engineering - R/E Expenses	4,000	0	4,000	4,000	0	4,000	0	0	0	0	0	0	4,255	0	4,255
6920 . Maint/Operations R/E Expenses	0	0	0	0	0	0	0	0	0	0	0	0	3,595	0	3,595
6930 · Legal Fees - R/E Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6950 · Sewer Tap Fees Pd to MWRD	39,600	0	39,600	39,600	0	39,600	4,220	0	4,220	4,220	0	4,220	3,960	0	3,960
6960 · Sewer Tap Fees Pd to Lakehurst	7,000	0	7,000	7,000	0	7,000	0	0	0	0	0	0	0	0	0
6993 · KEMO Refunds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7000 · Office Furn, Equip & Software	0	0	0	0	0	0	0	0	0	0	0	0	3,515	3,515	0
7020 · Office Building & Improvements	5,000	5,000	0	5,000	5,000	0	0	0	0	0	0	0	0	0	0
7024 · Office Grounds Improvement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7100 . General Wat/Sew Capital Improvement Other		0	0	0	0	0	0	0	0	0	0	0	13,702	0	13,702
7117 . Forest Glen Water Line Fire Loop	216,000	0	216,000	216,000	0	216,000	0	0	0	0	0	0	0	0	0
7102 . South Garland Street Extension	252,000	0	252,000	252,000	0	252,000	0	0	0	0	0	0	0	0	0
new 7109 Westgate Lining	1,743,650	0	1,743,650	0	0	0	0	0	0	0	0	0	0	0	0
7100 . Genl Wat/Sew Capital Improve-OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7103 GMWSD Bear Creek South Outfall Line	180,000	0	180,000	180,000	0	180,000	0	0	0	0	0	0	0	0	0
7100 . General Wat/Sew Capital Improve.	2,391,650	0	2,391,650	648,000	0	648,000	0	0	0	0	0	0		0	13,702
7120 · Water Sched III-A Capital	221,330	0	221,330	311,328	0	311,328	130,017	0	130,017	130,017	0	130,017	144,288	0	144,288
7130 · Sewer Sched III-B Cap Improve.	202,380	0	202,380	202,380	0	202,380	0	0	0	0	0	0	94,506	0	94,506
7150 · Capital Special Studies GIS/Mapping	60,000	0	60,000	45,000	0	0	42,341	0	42,341	39,722	0	39,722	74,769	0	74,769
7180. Cap Engr - W/S Capital (General)	277,315	0	277,315	218,000	0	218,000	0			9,155		9,155	0	0	0
7187 - Engr - GMWSD BC S Outfall Line	60,000	0	60,000	60,000	0	60,000	0	0	0	0	0	0	901	0	901
new 7189 - Eng Westgate Lining	256,350	0	256,350	0	0	0	0	0	0	0	0	0	0	0	0
7180 · Cap Engr - W/S Cap	593,665	0	593,665	278,000	0	278,000	12,207	0	12,207	9,155	0	9,155	0	0	0
7200 · KEMO Water Engineering	100,000	0	100,000	100,000	0	100,000	0	0	0	0	0	0	0	0	0
7250 · KEMO Water Cap Construction	232,800	0	232,800	232,800	0	232,800	0	0	0	0	0	0	0	0	0
7300 · KEMO Sewer Engineering	35,000	0	35,000	35,000	0	35,000	0	0	0	0	0	0	0	0	0
7350 . KEMO Sewer Capital Construction	168,000	0	168,000	168,000	0	168,000	0	0	0	0	0	0	0	0	0
Total Non-Operating Expenses Before +/- Reserves	4,080,425	5,000	4,075,425	2,126,108	10,000	2,116,108	188,785	0	188,785	183,114	0	183,114	3,515	3,515 √	349,836
7999 · Spend Into (From) Reserves	(3,156,955)	235,980	(3,392,935)	(1,555,886)	189,087	(1,744,973)	(320,670)	211,033	(531,703)	117,855	166,758	(48,903)	(656,219)	146,576	(802,795)
TOTAL NON-OPERATING EXPENSE	923,470	240,980	682,490	570,222	199,087	371,135	(131,885)	211,033	(342,918)	300,969	166,758	134,211	(652,704)	150,091 Δ	(452,959) √
Net Other Income	227,573	(0)	227,573	539,140	0	539,140	315,407	(37,354)	352,761	(144,903)	(166,556)	21,653	510,219	28,575	481,644
NET INCOME	0	0	(0)	0	0	0	0	0	0	0	0	0	0	(0)	0

Bear Creek Water and Sanitation District
2017 ADOPTED ANNUAL BUDGET
Combined General Government and Enterprise
Adopted December 12, 2016

	2017 TOTAL ADOPTED BUDGET	2017 Gen Gov Adopted Budget	2017 Enterprise Adopted Budget	2016 TOTAL ADOPTED BUDGET	2016 Gen Gov Adopted Budget	2016 Enterprise Adopted Budget	12/31/16 TOTAL PROJECTED END OF YEAR	12/31/16 Gen Gov Projected End of Year	12/31/16 Enterprise Projected End of Year	09/30/16 TOTAL ACTUAL TO-DATE	09/30/16 Gen Gov Actual To-Date	09/30/16 Enterprise Actual To-Date	12/31/15 TOTAL AUDITED ACTUAL	12/31/15 Gen Gov Audited Actual	12/31/15 Enterprise Audited Actual
NON-OPERATING INCOME															
5190 · Intra-Fund Xfer	35,253	35,253	0	(11,428)	(11,428)	0	0	0	0	0	0	0	0	0	0
5110 · Inclusion Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5200 · Water Tap Permit Fees	36,500	0	36,500	36,500	0	36,500	0	0	0	0	0	0	4,150	0	4,150
5220 · Fire Line Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5260 · Ppd Part Chgs Collected	5,980	0	5,980	5,980	0	5,980	1,133	0	1,133	1,133	0	1,133	598	0	598
5290 · System Enlargement Fee Water	500	0	500	500	0	500	0	0	0	0	0	0	0	0	0
5300 · Sewer Tap Permit Fees	8,400	0	8,400	8,400	0	8,400	0	0	0	0	0	0	840	0	840
5350 · MWRD Sewer Tap Fees Collected	39,600	0	39,600	39,600	0	39,600	4,220	0	4,220	4,220	0	4,220	3,960	0	3,960
5360 · Lakehurst SewerTapFeesToCollect	7,000	0	7,000	7,000	0	7,000	0	0	0	0	0	0	0	0	0
5390 · System Enlargement Fee Sewer	500	0	500	500	0	500	0	0	0	0	0	0	0	0	0
5600 · Imprest Accounts Income	20,000	0	20,000	20,000	0	20,000	0	0	0	0	0	0	9,860	0	9,860
5610 · Reimb Expense Billing Income	4,000	0	4,000	4,000	0	4,000	0	0	0	0	0	0	7,850	0	7,850
5680 . Forest Glen Water Line/Fire Loop	216,000	0	216,000	216,000	0	216,000	0	0	0	0	0	0	0	0	0
5701 . Safety Grant Reimbursements	0	0	0	0	0	0	0	0	0	0	0	0	1,507	1,507	0
5730 . Interest Income - UBS, Rebills & Imprest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5740 · Interest Income - Sewer Billing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5760 · InvIncReturn PpdPartChgs	4,510	0	4,510	4,510	0	4,510	0	0	0	0	0	0	514	0	514
5860 · KEMO Wtr Const Fees	332,800	0	332,800	332,800	0	332,800	0	0	0	0	0	0	0	0	0
5865 . KEMO Water Supplementary Fees	14,000	0	14,000	14,000	0	14,000	0	0	0	0	0	0	0	0	0
5875 . KEMO Sewer Supplementary Fees	12,000	0	12,000	12,000	0	12,000	0	0	0	0	0	0	0	0	0
5870 · KEMO Swr Const Fees	203,000	0	203,000	203,000	0	203,000	0	0	0	0	0	0	0	0	0
5901 · Inv Inc Dist from Enterprise	211,000	205,727	5,273	216,000	210,515	5,485	173,410	173,410	0	146,021	0	146,021	176,885	176,885 √	373 √
5945 . SID Interest Income from JeffCo Collections	0	0	0	0	0	0	0	0	0	0	0	0	540	0	540
5950 · JeffCo - PTax Interest Income	0	0	0	0	0	0	269	269	0	202	202	0	273	273	0
TOTAL NON-OPERATING INCOME	1,151,043	240,980	910,063	1,109,362	199,087	910,275	183,522	173,679	9,843	156,066	202	155,864	207,350	178,665 √	28,685 √
OTHER NON-OPERATING EXPENSE															
6900 · Imprest Accounts - Charges	20,000	0	20,000	20,000	0	20,000	0	0	0	0	0	0	9,860	0	9,860
6910 · Engineering - R/E Expenses	4,000	0	4,000	4,000	0	4,000	0	0	0	0	0	0	4,255	0	4,255
6920 . Maint/Operations R/E Expenses	0	0	0	0	0	0	0	0	0	0	0	0	3,595	0	3,595
6930 · Legal Fees - R/E Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6950 · Sewer Tap Fees Pd to MWRD	39,600	0	39,600	39,600	0	39,600	4,220	0	4,220	4,220	0	4,220	3,960	0	3,960
6960 · Sewer Tap Fees Pd to Lakehurst	7,000	0	7,000	7,000	0	7,000	0	0	0	0	0	0	0	0	0
6993 · KEMO Refunds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7000 · Office Furn, Equip & Software	0	0	0	0	0	0	0	0	0	0	0	0	3,515	3,515	0
7020 · Office Building & Improvements	5,000	5,000	0	5,000	5,000	0	0	0	0	0	0	0	0	0	0
7024 · Office Grounds Improvement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7100 . General Wat/Sew Capital Improvement Other		0	0	0	0	0	0	0	0	0	0	0	13,702	0	13,702
7117 . Forest Glen Water Line Fire Loop	216,000	0	216,000	216,000	0	216,000	0	0	0	0	0	0	0	0	0
7102 . South Garland Street Extension	252,000	0	252,000	252,000	0	252,000	0	0	0	0	0	0	0	0	0
new 7109 Westgate Lining	1,743,650	0	1,743,650	0	0	0	0	0	0	0	0	0	0	0	0
7100 . Genl Wat/Sew Capital Improve-OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7103 GMWSD Bear Creek South Outfall Line	180,000	0	180,000	180,000	0	180,000	0	0	0	0	0	0	0	0	0
7100 . General Wat/Sew Capital Improve.	2,391,650	0	2,391,650	648,000	0	648,000	0	0	0	0	0	0		0	13,702
7120 · Water Sched III-A Capital	221,330	0	221,330	311,328	0	311,328	130,017	0	130,017	130,017	0	130,017	144,288	0	144,288
7130 · Sewer Sched III-B Cap Improve.	202,380	0	202,380	202,380	0	202,380	0	0	0	0	0	0	94,506	0	94,506
7150 · Capital Special Studies GIS/Mapping	60,000	0	60,000	45,000	0	0	42,341	0	42,341	39,722	0	39,722	74,769	0	74,769
7180. Cap Engr - W/S Capital (General)	277,315	0	277,315	218,000	0	218,000	0			9,155		9,155	0	0	0
7187 - Engr - GMWSD BC S Outfall Line	60,000	0	60,000	60,000	0	60,000	0	0	0	0	0	0	901	0	901
new 7189 - Eng Westgate Lining	256,350	0	256,350	0	0	0	0	0	0	0	0	0	0	0	0
7180 · Cap Engr - W/S Cap	593,665	0	593,665	278,000	0	278,000	12,207	0	12,207	9,155	0	9,155	0	0	0
7200 · KEMO Water Engineering	100,000	0	100,000	100,000	0	100,000	0	0	0	0	0	0	0	0	0
7250 · KEMO Water Cap Construction	232,800	0	232,800	232,800	0	232,800	0	0	0	0	0	0	0	0	0
7300 · KEMO Sewer Engineering	35,000	0	35,000	35,000	0	35,000	0	0	0	0	0	0	0	0	0
7350 . KEMO Sewer Capital Construction	168,000	0	168,000	168,000	0	168,000	0	0	0	0	0	0	0	0	0
Total Non-Operating Expenses Before +/- Reserves	4,080,425	5,000	4,075,425	2,126,108	10,000	2,116,108	188,785	0	188,785	183,114	0	183,114	3,515	3,515 √	349,836
7999 · Spend Into (From) Reserves	(3,156,955)	235,980	(3,392,935)	(1,555,886)	189,087	(1,744,973)	(320,670)	211,033	(531,703)	117,855	166,758	(48,903)	(656,219)	146,576	(802,795)
TOTAL NON-OPERATING EXPENSE	923,470	240,980	682,490	570,222	199,087	371,135	(131,885)	211,033	(342,918)	300,969	166,758	134,211	(652,704)	150,091 Δ	(452,959) √
Net Other Income	227,573	(0)	227,573	539,140	0	539,140	315,407	(37,354)	352,761	(144,903)	(166,556)	21,653	510,219	28,575	481,644
NET INCOME	0	0	(0)	0	0	0	0	0	0	0	0	0	0	(0)	0

Bear Creek Water and Sanitation District
2017 ADOPTED ANNUAL BUDGET TALLY
Combined General Government and Enterprise
December 12, 2016

Page 3

	2017 TOTAL ADOPTED BUDGET	2017 Gen Gov Adopted Budget	2017 Enterprise Adopted Budget	2016 TOTAL ADOPTED BUDGET	2016 Gen Gov Adopted Budget	2016 Enterprise Adopted Budget	12/31/16 TOTAL PROJECTED END OF YEAR	12/31/16 Gen Gov Projected End of Year	12/31/16 Enterprise Projected End of Year	09/30/16 TOTAL ACTUAL TO-DATE	09/30/16 Gen Gov Actual To-Date	09/30/16 Enterprise Actual To-Date	12/31/15 TOTAL AUDITED ACTUAL	12/31/15 Gen Gov Audited Actual	12/31/15 Enterprise Audited Actual
BEGINNING FUND BALANCE	14,845,522			15,834,778			14,524,852			N/A			15,768,303		
REVENUE	3,716,748	829,350	2,887,398	2,745,325	845,370	1,899,955	1,810,350	808,334	1,002,016	1,771,374	623,337	1,148,037	1,795,935	803,478	992,457
Net Spent Into/From Reserves at End-of-Year	3,156,955	(235,980)	3,392,935	1,555,886	(189,087)	1,744,973	320,670	(211,033)	531,703	(117,855)	(166,758)	48,903	656,219	(146,576)	802,795
Total Revenue	6,873,703	593,370	6,280,333	4,301,211	656,283	3,644,928	2,131,020	597,301	1,533,719	1,653,519	456,579	1,196,940	2,452,154	656,902	1,795,252
* Reverse Transfer from Gen Gov to Enterprise for Services Rendered	0	0	0	0	0	0	0	0	0	0	0	0	(122,441)	0	(122,441)
NET REVENUE	6,873,703	593,370	6,280,333	4,301,211	656,283	3,644,928	2,131,020	597,301	1,533,719	1,653,519	456,579	1,196,940	2,329,713	656,902	1,672,811
EXPENSES	3,716,748	829,350	2,887,398	2,745,325	845,370	1,899,955	1,810,350	808,334	1,002,016	1,771,374	623,337	1,148,037	1,795,936	803,479	992,457
Net Spent Into/From Reserves at End-of-Year	3,156,955	(235,980)	3,392,935	1,555,886	(189,087)	1,744,973	320,670	(211,033)	531,703	(117,855)	(166,758)	48,903	656,219	(146,576)	802,795
Total Expenses	6,873,703	593,370	6,280,333	4,301,211	656,283	3,644,928	2,131,020	597,301	1,533,719	1,653,519	456,579	1,196,940	2,452,155	656,903	1,795,252
* Reverse Transfer from Gen Gov to Enterprise for Services Rendered	0	0	0	0	0	0	0	0	0	0	0	0	(122,442)	(122,442)	0
NET EXPENSES	6,873,703	593,370	6,280,333	4,301,211	656,283	3,644,928	2,131,020	597,301	1,533,719	1,653,519	456,579	1,196,940	2,329,713	534,461	1,795,252
NET INCOME	(0)	0	(0)	(0)	(0)	0	0	0	(0)	(0)	(0)	0	0	122,441	(122,441)
ENDING FUND BALANCE	11,688,567	√	√	14,278,892	√	√	14,845,522	√	√	N/A	N/A	N/A	14,524,852	√	√

TABOR Limits:	2017 TABOR Calculations	2016 TABOR Calculations		2015 Revised TABOR Calculations	
TABOR General Government Spending Limit	$ 829,350	$ 840,038	Insufficient Income to meet 2016 Spending Limt, resulting in lower 2017 BASE.	$ 831,834	Insufficient Income to meet 2015 Spending Limt, resulting in lower 2016 BASE.
Total General Government Expenses	829,350	808,334		803,480	
(over) under	$ (0)	$ 31,704		$ 28,355	
Water/Wastewater Activity Enterprise Revenue	$ 2,887,398	$ 1,002,016		$ 803,478	
Limit Grants to 10% of Total Enterprise Revenue	288,740	100,202		80,348	
Enterprise paid only for services rendered or grants	0	N/A		N/A	

Breakdown for 2017 Appropriation Resolution:	2017 Appropriation	2016 Appropriation	2015 Appropriation
Operating Expenses	$ 2,863,878	$ 2,745,325	2,327,008
$ 3,156,955 Expenses from Reserves included in Capital Improvement Expenses	4,009,825	1,555,886	2,413,925
Total Appropriation of Funds	$ 6,873,703	$ 4,301,211	4,740,933

% Change	Δ $	Budget Year	Assessed Value
0.0747 %	116,117	2017	$ 155,627,599
19.1580 %	25,002,896	2016	$ 155,511,482
(0.5049) %	(662,234)	2015	$ 130,508,586
2.2965 %	2,944,672	2014	$ 131,170,820
0.93260 %	1,184,786	2013	$ 128,226,148
(5.56392) %	(7,484,938)	2012	$ 127,041,362
(0.39019) %	(526,970)	2011	$ 134,526,300
~	~	2010	$ 135,053,270

Property Tax Certification	2017 Revenue	2016 Revenue	2015 Revenue
General Property Tax	$ 687,251	$ 686,738	$ 579,250
Plus Refunds and Abatements	622	1,866	524
Minus Temporary Revenue Reduction	(105,049)	(94,550)	0
Total Property Tax Certification	$ 582,824	$ 594,054	$ 579,774
	2017 Mills	2016 Mills	2015 Mills
	4.416	4.416	4.416
	0.004	0.012	0.004
	(0.675)	(0.608)	0.000
	3.745	3.820	4.420

BEAR CREEK WATER AND SANITATION DISTRICT
2517 SOUTH FLOWER STREET
LAKEWOOD, CO 80227-2912
(303) 986-3442 OFFICE
(303) 986-8213 FAX
BearCreekWater@BearCreekWater.org
http://www.BearCreekWater.org/

DISTRICT ENGINEER'S 2017 BUDGET MEMORANDUM

Integral to the Annual Budget
Adopted December 12, 2016
by the Board of Directors of
Bear Creek Water and Sanitation District
for the Budget Year 2017

Merrick & Company
5970 Greenwood Plaza Blvd.
Greenwood Village, CO 80111
Tel: 303-751-0741
Fax: 303-751-2581
www.merrick.com

MEMORANDUM

DATE: December 12, 2016

TO: Ms. Sandra Boster, District Manager/Budget Officer
Ms. Jan Walker, Assistant District Manager
Bear Creek Water and Sanitation District

FROM: Barney J. Fix, P.E.

SUBJECT: 2017 Proposed Budget

---

1. General O&M and Field O&M: The amount for 2014 was $5,064 per month; the amount for 2015 was $4,850 per month; the amount projected to be spent for 2016 is $3,500; **therefore use $6,000 (the same as last year, 2016) for 2017 ($72,000 per year), (Budget Lines 6380 and 6385).** The inspections, since they are the most difficult to estimate, are removed from this account. The tap inspection services are estimated at 10 water taps and 10 sewer taps per year at $200.00 per tap **($4,000.00 per year), (Budget Line 6381)**. Other inspections, locates and fire hydrant inspections are covered in Item 3 below.

2. Field O&M Contract: The 2014 budget was $175,000; the 2015 budget was $175,000 and the 2016 budget was $185,000. This year, as was the last three years, we are following the Denver Water SOP's. Also, we are T.V.ing the sewer line between the manholes inspected. Therefore, using the 2016 prices from C&L, plus 10%, gives a **budget of $200,000** for the 2017 O&M. The budget is split, $55,000.00 for water and $145,000.00 for sewer, **(Budget Line 6680)**.

   Also, other maintenance costs are for follow-up services; such as, repairing or raising valve boxes, repairing hydrants and blowoffs, etc. These services are estimated at **$200,000**. The budget is split $90,000 for water and $110,000 for sewer, **(Budget Line 6680)**.

3. Special Services are sometimes needed for the District or extra items not anticipated. We do see a need for some items, services or studies in 2017; which would include inspections over the normal tap inspections, METRO flow projections, and reviews for Lakewood or CDOT, infiltration studies, etc. Also, other items included are sewer tap repair inspections, locates, fire hydrant inspections, water breaks, inclusions, etc. Other items such as reviewing the sanitary sewer tapes will also need to be included. In 2013 we spent about $3,915 per month, of which $1,080 per month was repairs, in 2014 we spent $2,720 per month, of which $920 per month was repairs, in 2015 we spend about $3,400 of which $865 per month was repairs (30 repairs) and in 2016, we are projecting it to be approximately $2,125, of which $400 per month is repair observation (a total of 15). The cost and amount of sewer repairs seem to be going up each year; therefore, I would suggest utilizing an amount that should cover up the forty (40) repairs over the year; **therefore, the budget will be set the same as last year at $5,725.00 per month, $68,700 per year in 2017 for this work, (Budget Line 6390).** We also perform some other Administration and Special Services; therefore, we recommend **$5,000** be budgeted for this item, **(Budget Line 6390)**.

4. Preparation of new fees and charges (for the rules and regulations) **$5,000, (Budget Line 6390)**. Moved to operating split between water $2,500 and sewer $2,500)

Engineering | Architecture | Design-Build | Surveying | GeoSpatial Solutions
Employee Owned

5. Since we do have the GIS system running, there will be other items needed or done to the system that the District would like, such as "marrying" up the new data base and utilizing the new ARC GIS program. So, I would recommend keeping this item at the **$20,000** level, **(Budget Line 7150)**.

6. Updating mapping, showing meter location received from Denver on CAD and GIS maps; however, we do need to add the easement inventory to the GIS system. Therefore, keep the amount at the **$20,000** level, **(Budget Line 7150).**

7. Green Mountain Outfall – In the master plan report we had shown our 20% of the sewer line at the creek crossing sewer line would be over capacity and would need to be replaced or install a parallel pipe. We should monitor the line and when a problem is detected, we would need to replace or install the line at that time. With the coming of the Solterra project and with METRO reducing the EQR flow from 225 gpd/unit to 148 gpd/unit we will need to pay our share of the creek crossing for the increased capacity. The master plan has shown a cost of approximately $180,000 ($150,000 plus 20%) for construction and approximately $60,000 for engineering and inspection in today's dollars, **(Budget Line 7100)**.

8. There may be a KEMO Public Sewer Construction Project to extend the public sanitary sewer main from South Kipling Street along West Wesley Court, east to South Jellison Street. This project is estimated at **$203,000**: $168,000 ($140,000 plus 20%) for construction and $35,000 for capital engineering, **(Budget Line 7350)**.

   There may be a KEMO Public Water Construction Project to extend the public water main from the intersection of South Kipling Street and West Wesley Avenue, north along South Kipling Street to West Wesley Court and east along West Wesley Court to South Jellison Street. This project is estimated at **$332,800**: $232,800 ($194,000 plus 20%) for construction and $100,000 for capital engineering, **(Budget Line 7250)**.

   The cost of engineering, design and construction for these and any other KEMO projects would be covered completely by the developer(s).

9. Sanitary Sewer Lining – From last years', 2016, Infiltration Study, we determined that a lot of the infiltration was coming from the Westgate area between Wadsworth Boulevard on the east side, East Balsam Street on the west, Yale Avenue on the south and Morrison Road on the north. Therefore, utilizing constructing all in 2017 would include approximately 12,450 L.F. of CIPP, 63 manholes and 303 services. **$2,000,000** ($1,453,042, plus 20% contingency = $1,743,650, **Budget Line 7109** and $256,350 for engineering **Budget Line 7189**).

10. Facilities over 50 years old are starting to occur within the District; therefore, we are recommending that we pothole some of the lines to analyze their condition. We have assumed ten (10) potholes at $6,000 per hole plus a 20% contingency or **$72,000, (Budget Line 7120)**.

11. Infiltration Study (Continuation) – With the rainfall that occurred two years ago (2015), it was decided to review the infiltration that is occurring in the District and come up with an amount of infiltration and alternatives that could alleviate the issue. **$20,000, (Budget Line 7156)**.

12. Rate Study – With the METRO charges increasing and knowing that our piping (sewer and water) are coming to their design life; the District needs to ensure we have and will have enough funding to cover the charges. **$35,000, (Budget Line 6390)**. Moved to operating split between water $17,500 and sewer $17,500)

2017 Annual Budget - Engineer's Budget Request- Capital Improvements Total Costs

13. Capital Improvements Budget - Detail

Capital Sewer		Misc. 20%	General Capital - Bid	O&M Contr Schedule III	KEMO	Tally	Budget Line Number
South Garland Court Sewer Line	**210,000**	42,000	252,000				7100
Sewer Pipe Replacement (4 of them)	**40,800**	8,160		48,960			7130
Replace Manhole	**12,650**	2,530		15,180			7130
Sewer Tap Repairs (60 each)	**115,200**	23,040		138,240			7130
Green Mountain Line	**150,000**	30,000	180,000				7100
KEMO Sewer Main Extension Project	**140,000**	28,000			168,000		7350
Westgate Lining	**1,453,042**	290,608	1,743,650				7109
Miscellaneous (~ 20%)	**424,338**	**424,338**					
Total Sewer Capital	**2,546,030**		**2,175,650**	**202,380**	**168,000**	**2,546,030**	

Capital Water		Misc. 20%	General Capital - Bid	O&M Contr Schedule III	KEMO	Tally	
Blowoff Replacement (6)	**46,080**	9,220		55,300			7120
Fire Hydrant Replacement (8)	**56,640**	11,330		67,970			7120
8" Valve Replacement	**9,720**	1,940		11,660			7120
Forest Glen Water Line (fire loop) (developer)	**180,000**	36,000	216,000				7100
KEMO Water Line	**194,000**	38,800			232,800		7250
Potholing Water Lines	**72,000**	14,400		86,400			7120
Miscellaneous (~ 20%)	**111,690**	**111,690**					
Total Water Capital	**670,130**		**216,000**	**221,330**	**232,800**	**670,130**	

3,216,160

Capital Engineering						Tally	
Engineering - Sewer Capital	**126,900**						7180
Engineering - Water Capital	**80,415**						7180
Green Mountain Outfall	**60,000**						7180
Engineering - KEMO Sewer Capital	**35,000**						7300
Engineering - KEMO Water Capital	**100,000**						7200
Westgate Lining	**256,350**						7189
Total Capital Engineering ~ 26% of project totals	**658,665**					**658,665**	
Total Capital Improvements Budget	**3,874,825**					**3,874,825**	

3,874,825

2017 Annual Budget - Engineer's Budget Request - Grand Total Costs

14. Summary of O&M, Engineering, Capital Improvements and Capital Engineering - Detail by Class

SUMMARY		General			Field O&M		Budget Line
		Admin.	Water	Sewer	Water	Sewer	
General Engineering	72,000	18,000	18,000	18,000	9,000	9,000	6380 & 6385
Tap Inspections (10-W & 10-S per year)	4,000						6381
Special Services	68,700						6390
Administration/Special Services	5,000						6390
General O&M (maintenance)	200,000				55,000	145,000	6680
Follow-up Maintenance	200,000				90,000	110,000	6680
Fees & Changes	5,000						2/3-6390 *
GIS Phase II	20,000						7150
Mapping and Meter Locations	20,000						7150
Infiltration Study	20,000						7150
Rate Study	35,000						2/3-6390 *
Capital Improvements	3,216,160						
Capital Engineering	658,665						
Grand Total: O&M, Engineering, Capital Improvements and Capital Engineering	**4,524,525**	**18,000**	**18,000**	**18,000**	**154,000**	**264,000**	

SUMMARY	Special Services			Capital Improvements		Capital Engineering		Tally
	Admin.	Water	Sewer	Water	Sewer	Water	Sewer	
General Engineering								72,000
Tap Inspections (10-W & 10-S per year)		2,000	2,000					4,000
Special Services		51,850	51,850					103,700
Administration/Special Services	5,000	2,500	2,500					10,000
General O&M (maintenance)								200,000
Follow-up Maintenance								200,000
Fees & Changes (Cap SS)	0							0
GIS Phase II (Cap SS)		10,000	10,000					20,000
Mapping, Meter Locations & Easements (Cap SS)		10,000	10,000					20,000
Infiltration Study			20,000					20,000
Rate Study		0	0					0
Capital Improvements				670,130	2,546,030			3,216,160
Capital Engineering--W/S Capital and KEMO Capital						180,415	478,250	658,665
Grand Total: O&M, Engineering, Capital Improvements and Capital Engineering	**5,000**	**76,350**	**96,350**	**670,130**	**2,546,030**	**180,415**	**478,250**	**4,524,525**
								0

3,874,825

BEAR CREEK WATER AND SANITATION DISTRICT
2517 SOUTH FLOWER STREET
LAKEWOOD, CO 80227-2912
(303) 986-3442 OFFICE
(303) 986-8213 FAX
BearCreekWater@BearCreekWater.org
http://www.BearCreekWater.org/

RESOLUTION NO. R-16-076:

A Resolution to Adopt the 2017 Annual Budget, Appropriate Sums of Money and Authorize the Certification of the Tax Levy

Adopted December 12, 2016
By the Board of Directors of
Bear Creek Water and Sanitation District
for the Budget Year 2017

BEAR CREEK WATER AND SANITATION DISTRICT
2517 SOUTH FLOWER STREET, LAKEWOOD, CO 80227-2912

LETTER OF BUDGET TRANSMITTAL

Date: January 5, 2017

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2017 budget and budget message for BEAR CREEK WATER AND SANITATION DISTRICT in the City of Lakewood, Jefferson County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 12, 2016. If there are any questions on the budget, please contact:

Bear Creek Water and Sanitation District
c/o Jan C. Walker
2517 South Flower Street
Lakewood, CO 80227
Tel.: (303) 986-3422

I, Russell W. Dykstra as General Counsel of the Bear Creek Water and Sanitation District, hereby certify that the attached is a true and correct copy of the 2017 budget.

By: _____

PHONE: (303) 986-3442 **EMAIL:** BearCreekWater@BearCreekWater.org **WEBSITE:** htttp://BearCreekWater.org **FAX: (303) 986-8213**

BEAR CREEK WATER AND SANITATION DISTRICT

RESOLUTION NO. R – 16 – 076

TO ADOPT 2017 BUDGET, APPROPRIATE SUMS OF MONEY, AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2017 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE BEAR CREEK WATER AND SANITATION DISTRICT, CITY OF LAKEWOOD, JEFFERSON COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2017, AND ENDING ON THE LAST DAY OF DECEMBER, 2017,

WHEREAS, the Board of Directors of the Bear Creek Water and Sanitation District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 14, 2016, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is $687,251; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for $105,049; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is -$0-; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is -$0- and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is $-0-; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is $622; and

WHEREAS, the 2016 valuation for assessment for the District as certified by the County Assessor of Jefferson County is $155,627,599; and

WHEREAS, at an election held on N/A, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BEAR CREEK WATER AND SANITATION DISTRICT OF THE CITY OF LAKEWOOD, JEFFERSON COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Bear Creek Water and Sanitation District for calendar year 2017.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2017 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2017 budget year, there is hereby levied a tax of 4.416 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2016.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.675 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2016.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2017 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2016.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2017 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2016.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2017 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., 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 boundaries of the District for the year 2016.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.004 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2016.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2016, to the Board of County Commissioners of Jefferson County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Jefferson County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2016, in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. 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 noting that $3,156,955 of the $4,009,825 in the Capital Improvements Expenses will be paid from the Reserves.

ADOPTED this 12th day of December, 2016.

BEAR CREEK WATER AND
SANITATION DISTRICT

President
David W. Lighthart

ATTEST:

Secretary
Jan C. Walker

BEAR CREEK WATER AND SANITATION DISTRICT
2517 SOUTH FLOWER STREET
LAKEWOOD, CO 80227-2912
(303) 986-3442 OFFICE
(303) 986-8213 FAX
BearCreekWater@BearCreekWater.org
http://www.BearCreekWater.org/

2017 Certification of Mill Levies for 2017

Certification of 2016 Property Taxes to be collected in 2017 by Jefferson County, Colorado

Authorized December 12, 2016
by the Board of Directors of
Bear Creek Water and Sanitation District
for the Budget Year 2017

County Tax Entity Code - 4080 DOLA LGID/SID - 30005

CERTIFICATION OF TAX LEVIES
FOR NON-SCHOOL GOVERNMENTS

TO: COUNTY COMMISSIONERS OF JEFFERSON COUNTY, COLORADO

On behalf of the BEAR CREEK WATER AND SANITATION DISTRICT

the Board of Directors

of the **BEAR CREEK WATER AND SANITATION DISTRICT**

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $155,627,599
(GROSS assessed valuation, Line 2 of the Certification of Valuation Form DLG 57)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: $-0-
(NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: December 13, 2016 for budget/fiscal year **2017**.

	PURPOSE	LEVY		REVENUE
1.	General Operating Expenses	4.416	mills	$ 687,251
2.	**<Minus>** Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction	< 0.675 >	mills	< $ 105,049 >
	SUBTOTAL FOR GENERAL OPERATING:	0.000	mills	$ -0-
3.	General Obligation Bonds and Interest	0.000	mills	$ -0-
4.	Contractual Obligations	0.000	mills	$ -0-
5.	Capital Expenditures	0.000	mills	$ -0-
6.	Refunds/Abatements	0.004	mills	$ 622
7.	Other	0.000	mills	$ -0-
	TOTAL	**3.745**	**mills**	**$ 582,824**

DN 922842

Contact Person: Megan A. Holmberg, Paralegal
Spencer Fane LLP

Daytime Telephone: (303) 839-3800

Signed: Jan C. Walker

Title: Secretary Jan C. Walker
Bear Creek Water and Sanitation District
2517 South Flower Street
Lakewood, CO 80227-2912
Daytime Telephone: (303) 986-3442

DN 922842

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.).
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:

1.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	mills
	Revenue:	$

CONTRACTS:

1.	Purpose of Contract:	
	Title:	
	Date:	
	Principal Amount:	
	Maturity Date:	
	Levy:	mills
	Revenue:	$