

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2023

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

Attached are the 2023 budget and budget message for BEAR CREEK WATER AND SANITATION DISTRICT in Jefferson County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 14, 2022. If there are any questions on the budget, please contact:

Bear Creek Water and Sanitation District
c/o Jan Walker
2517 South Flower Street
Lakewood, CO 90338
Tel.: (303) 986-3422

I, Jan C. Walker as District Manager and Board Secretary of the Bear Creek Water and Sanitation District, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: *Jan C. Walker*
District Manager and Board Secretary



BEAR CREEK WATER AND SANITATION DISTRICT
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BEAR CREEK WATER AND SANITATION DISTRICT
2023 BUDGET MESSAGE

JANUARY 1, 2023, THROUGH DECEMBER 31, 2023

ADOPTED BY THE BOARD OF DIRECTORS
AT THEIR REGULAR MEETING HELD ON
NOVEMBER 14, 2022

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 BUDGET MESSAGE FOR FISCAL YEAR 2023

The Board of Directors of Bear Creek Water and Sanitation District [Bear Creek or District], at their regular meeting held November 14, 2022, adopted the 2023 Annual Budget. The Adopted Budget and related Resolutions are attached hereto in the Appendices and made a part of this document. This 2023 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.

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. You may contact the District Office by telephone (303) 986-3442, fax (303) 986-8213 or E-mail at 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 32,509. An estimated population of over 38,086 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 a Geographical Information System (GIS) and a Geophysical Positioning System (GPS) program 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 Water and Sanitation District is a water distributor of Denver Water under Read and Bill Water Service Agreement No. C200. 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. At present, Bear Creek serves approximately 4,157 single family residential equivalent (SFRE) water taps. A total of 5,152 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 Water Recovery (METRO) for treatment. This sewage treatment is provided under a Connectors Agreement between METRO and Bear Creek. At present, Bear Creek serves approximately 8,600 single family residential equivalent (SFRE) sanitary sewer taps. Bear Creek bills sewer use fees to the District's customers to recover the District's expenses for sewage treatment charges paid to METRO, the cost of billing, operations and maintenance and planned capital improvement projects.

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

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 \$2,400 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 list of the regularly scheduled monthly Board Meetings is posted on the District website at www.bearcreekwater.org, the entry of the District office located at 2517 South Flower Street, Lakewood, CO 80227 and at the Office of County Clerk and Recorder of Jefferson County.

2022 Board of Directors

Dale L. Miller	Chairman/President	Nov. 2007 to May 2023
Neil A. Johnson	Vice Chairman/Vice-President	Aug. 2018 to May 2025
Samuel E. Hundley	Board Treasurer	May 2020 to May 2023
Linda M. Larsson	Director	Aug. 2018 to May 2025
J. Barry Ebert	Director	Oct. 2022 to May 2023

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 35 years.

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, they 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.

In February 2017, the Bear Creek Water and Sanitation District (District) engaged Raftelis Financial Consultants, Inc. (RFC) to complete a Water and Sewer Rate Study (Study) that analyzed the financial status of the District and identified the revenue adjustments needed to support the District's continuing financial viability. The District engaged RFC to provide an update to the 2017 Rate Study in 2019. A copy of the Final Bear Creek Water and Sanitation District Rates Study Reports dated July 10, 2017 and August 6, 2019, respectively, are available to the public. Please contact the District Manager to receive copies by mail or e-mail.

In 2019, the District engaged an external consultant, Christina Griggs of GEMSBOK Consulting to develop a fiscal planning tool in 2020 to assist the District in long-term planning, budgeting and to determine an appropriate minimum reserve amount to be held towards the future capital needs of the District

Inasmuch as the District should be able to cash fund its capital improvement and replacement program, the issuance of bonds, applications for grants or other methods of financing capital improvements may be considered at any time. Long-range financial projections are 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.

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. Prepaid participation charges, plus an amount in lieu of interest income, are collected along with sales of the District's water tap permits. The total amount collected per SFRE tracks Denver Water's current charge for conduit participation. [The difference between Denver's charge and Bear Creek's charge represents the District's return on investment]

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 2019 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 service, the District engaged the firm of Crady, Puca and Associates to conduct the audit of the basic financial statements for the year ending December 31, 2014. This engagement was renewed for the audit years ending 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022. At the Treasurer's discretion, this agreement may be renewed for the 2023 audit as well, after which requests for proposals may 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. Bear Creek does not anticipate bonded indebtedness in the foreseeable future. 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.

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 2022.

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 2022 general property tax levy for collection in 2022, statutory 5.5% limit was the most restrictive.

The actual Boulder-Denver-Greeley CPI is released early in the year [2023] for the prior year [2022] at 7.862%. 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.

The Certification of Tax Levies to be collected in 2023 was approved by the Board on November 14, 2022 and is shown in an appendix to this message.

3% TABOR Emergency Reserves

In compliance with the TABOR Amendment, an emergency reserve has been established in the required amount of not less than three percent (3%) of the anticipated General Government revenue, or **\$34,565**. This reserve amount is reflected on the balance sheet of the District's financial statements and is adjusted annually to maintain the current total.

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.

The Annual Budget spreadsheets for 2023 and related Resolutions are attached in the Appendices to this Budget Message. The budget spreadsheets reflect budget figures over three years:

- 2023 Total Adopted Budget
- December 30, 2022 Actual End-of-Year
- December 31, 2021 Audited Actual Income and Expenses

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

Operating Revenue and Expenses

Funds collected for the general operation of District activities are shown on Page 1 of the budget spreadsheets. Also, on Page 1 are the operating expenses incurred for general administration of the District. Significant revenue and operating expenses are discussed further in this Budget Message

Non-Operating Revenue and Expenses

Tap permit fees and interest earned on investments comprise most of the District's non-operating revenue and are retained as reserve funds for capital improvements. Other non-operating revenue includes pass-through tap fees collected for and paid quarterly to Metro Water Recovery (METRO) and Lakehurst Water and Sanitation District under intergovernmental agreements. This revenue is counter-balanced by related non-operating expenses. 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—Summary

Fund Balances. At the bottom of the budget spreadsheets, a summary of the budget shows estimated Beginning and Ending Fund Balances for the years 2021, 2022 and 2023. The audited fund balance of **\$17,331,386** at the bottom of the Audited December 31, 2021 column is the beginning balance for the 2022 Projected End of Year column. Applying the 2022 projections results in a projected End of Year fund balance of **\$18,068,566** for 2022, which in turn is reflected as the estimated Beginning Fund Balance for 2023. Given the budgeted revenue and expenses and **\$297,078** to be spent from reserves, the projected Ending Fund Balance for 2023 is **\$17,771,487**.

Appropriated Funds. Appropriated funds for 2023 are shown as \$2,303,681 for Operating Expenses and \$1,693,200 for Capital Improvement Expenses, for a total appropriation of \$3,996,881.

SIGNIFICANT SOURCES OF REVENUE

Property Taxes

An ad valorem property tax is levied on the assessed valuation of real and personal property within the District. Upon the 2022 assessed valuation of \$222,321,833, a total net mill levy rate of 4.102 mills was certified in 2022 to Jefferson County for collection of \$911,964 in 2023. This levy includes general property taxes, a temporary revenue reduction and an additional amount for refunds and abatements as shown in the table below. Property tax revenue is classified under General Government for the purposes of TABOR compliance.

2022 Certification of Property Taxes	Mills	Revenue
2022 General Property Taxes for Collection in 2023 Based on 5.5% Statutory Limit	4.416	\$981,773
Minus Temporary Revenue Reduction for 2022	(.325)	(72,255)
Sub-Total	4.091	\$909,518
Plus Refunds and Abatements	0.011	2,446
Total Certified to Jefferson County to be Collected in 2023	4.102	\$911,964

General Property Taxes. General Property Tax revenue is a major source of operating income to the District. A levy of 4.416 mills for General Property Tax was certified to collect \$981,773 in 2023, based on the TABOR Mill Levy Rate calculation.

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.

Temporary Revenue Reduction. The most restrictive TABOR limit on property taxes was the statutory 5.5% 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 (\$72,255) has been certified for 2023, temporarily reducing the general mill levy rate to **4.102** including a mil levy addition of **.011** mills for refunds and abatements.

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. The District will collect **\$2,446** in 2023 for refunded or abated taxes.

Specific Ownership Tax

Specific Ownership Tax consists of a share of taxes paid to Jefferson County when motor vehicles are registered. An amount of **\$60,000** is budgeted for 2023 Specific Ownership Tax income. Specific Ownership taxes are classified as General Government Income for TABOR purposes.

Water Surcharge Revenue to be Collected Through Denver Water Billing

Bear Creek Water and Sanitation District is a water distributor of Denver Water under a Read and Bill Service Agreement. In the past, the District had received no income from water sales to contribute towards the Operations and Maintenance of the water lines owned by the District. As a result of the Rates Study that was performed in 2017 the Raftelis Financial Consultants recommended that the District add a water surcharge to the Denver Water billing in order to pay for capital improvement projects and the operations and maintenance of the water system which is owned by the District.

- On November 14, 2022, the Bear Creek Water and Sanitation District Board of Directors voted unanimously to increase the \$6.00 water surcharge to \$7.00 per single family residential equivalent (SFRE) water surcharge to the Denver Water monthly billing beginning on January 1, 2023 to contribute towards the Operations and Maintenance (O&M) of the water distribution lines owned by the District. This was the first increase to the water surcharge since 2018 due to the rising costs of the operations and maintenance of the water system.
- An Intergovernmental Agreement (IGA) was signed with Denver Water to collect the surcharge on behalf of Bear Creek Water and Sanitation District. This IGA was approved on December 13, 2017 by the Denver Board of Water Commissioners.
- This water surcharge income is budgeted to collect **\$344,666** in 2023.

Sewer Use Fee Billing Revenue

Classification of Billing Revenue. Sewer use fees are classified under the Water and Wastewater Activity Enterprise. An amount of **\$2,058,272** is targeted as income in the 2023 Annual Budget to offset sewage treatment charges expense to Metro Water Recovery (METRO) plus the costs for billing and Operations and Maintenance of the sanitary sewer system within the District.

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 (non-irrigation) water consumption by each customer. Beginning in 2017, the annual bill was divided into equal four payments and the District's customer bills were sent quarterly.

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 Water Recovery (METRO), the District's administrative billing, operations and maintenance costs, and to build funds to replace aging infrastructure. 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.

2023 Annual Sewer Billing Fees. Following notification of the METRO annual charges for 2023, the Board of Directors decided NOT to increase the sanitary sewer rate for sewer utility fees over the 2022 sanitary sewer rate at the November 14, 2022 Board of Directors meeting. It was determined that the sewer billing rate was sufficient to recover 2023 Metro Water Recovery (METRO) sewage treatment charges, costs associated with billing, operations and maintenance expenses and planned capital improvement projects.

- The 2023 Annual Sanitary Sewer Rate will be \$16.60 per thousand gallons of water used from November 2022 through February 2023.
- The 2023 Residential Annual Minimum will be \$229.00 and billed at \$57.25 per quarter.
- The 2023 Commercial Annual Minimum will be \$397.00 and billed at \$99.25 per quarter.

The billing cycle for 2023 will continue to be billed quarterly by dividing the annual bill into quarterly installments

Preceding this decision, the Board has identified and engaged in a deliberative process to prepare the 2023 budget and has considered the following factors in the process of setting appropriate water and sanitary sewer rates:

- The District engaged an external consultant to perform the 2019 Rate Study Update which was provided by Raftelis Financial Consultants
- In 2019, the District engaged an external consultant, Christina Griggs of GEMSBOK Consulting to develop a fiscal planning tool in 2020 to assist the District in long-term planning, budgeting and to determine an appropriate minimum reserve amount to be held towards the future capital needs of the District.
- Operations and maintenance needs of the District-owned water and sanitary sewer systems which includes such projects as replacement or relining of sanitary sewer lines and the major repair or replacement of water distribution lines
- The District's Master Plan which was updated in 2018
- Capital Improvement Projects and Long-Term Planning
- Historical considerations

The District will continue to review the sewer rates and the water surcharge amount each year to determine if a rate increase is necessary.

Infiltration and Inflow (I&I) Study. An infiltration and inflow study began in 2016 to determine where unnecessary flow may be entering the public sanitary sewer system. The District Engineer identified an area of Westgate and an area near a beaver pond along Bear Creek as having the most infiltration and inflow into the public sanitary sewer system. Included in the 2023 capital sewer budget is an amount of **\$324,000** and **\$76,000** for engineering to install Cured-In-Place Pipe (CIPP) sanitary sewer lining in areas of high infiltration. It is anticipated that this project will decrease the flows and loadings in the sewer main lines; and thus, reduce the sewage treatment charges billed to the District.

Intergovernmental Agreements for Sanitary Sewer Flow-Through

The estimated income from sewer utility fees of **\$2,055,500** for 2023 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 **\$6,997** is included in the

2023 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. The amount billed to Bancroft-Clover is considered part of the overall billings to the District's customers shown in the budget.

Investment Interest Revenue

Non-operating revenue 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.

With the recovering economy and lower interest rates for the past few years, the District has taken a conservative approach to projecting interest income. An estimated **\$178,500** is included in non-operating income from investment interest for 2023.

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 2023, revenue for 10 single-family-residential-equivalent tap permits is estimated at \$36,500 from water tap permit sales and \$3,000 for inspection fees for a total of **\$39,500**. Corresponding revenue from sanitary sewer tap permits is estimated at \$20,000 plus \$3,000 for inspections for a total of **\$23,000**.

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 2023 budgeted non-operating income and expenses to reflect MWRD sewer tap fees in the amount of **\$51,200** to be collected and paid.

Tap Fees Collected for Lakehurst Water and Sanitation District. An equal amount of **\$7,000** is budgeted for 2023 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 (IGA) 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 \$300 for water and \$3,500 for sanitary sewer. These fees will continue to be collected in the future until the KEMO Country Area is built-out.

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 pay Supplemental Connection Fees and Tap Fees to the District.

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.

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

Sewage Treatment Charges

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

An amount of **\$641,174** is budgeted for sewage treatment fees to be paid to Metro Water Recovery.

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 2023 Field Operations and Maintenance (O&M) Program, budgeted at **\$250,000** (Water \$75,000 and Sewer \$175,000), 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.

Public Water and Sanitary Sewer Systems Capital Improvements

The 2023 capital budget for water and sewer service expansion is **\$1,633,200** and includes the following:

- **\$51,200** for payment of Metro Water Recovery (METRO) Tap fees
- **\$7,000** for payment of Lakehurst Water and Sanitation District Tap Fees
- **\$324,000** for Cured-in-Place Pipe (CIPP) sanitary sewer projects as indicated on the annual sanitary sewer CCTV video inspections to identify the areas within the District as having the most infiltration and inflow into the public sanitary sewer system.
- **\$400,000** for inspections and CIPP sewer Lining of the Green Mountain Outfall line for the District's share of the outfall line shared with Green Mountain Water and Sanitation District.
- **\$436,000** for Capital Engineering
- **\$265,000** for the S. Garland Sewer Extension Project
- **\$150,000** for a Waterline Replacement Study

Director Fees

An amount of **\$8,000** has been included in the 2023 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 \$2,400 per Director per year.

District Office Salaries and Wages

The District currently has two full time permanent employees and three part-time permanent employees. Gross Wages are budgeted in the amount of **\$337,602** which was increased over 2022 wages due to cost-of-living increases for staff. Contract employees are hired as needed, for which **\$3,000** is budgeted for 2023.

Employee Benefits

A total of **\$157,997** was budgeted for employee benefits for 2023, up from \$131,743 budgeted in 2022 due to changes in employee and dependent health insurance coverage.

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 **\$30,435** was budgeted for 2023 payments to match employee contributions to retirement accounts.

Group Health Insurance. The District participates in the Special District Association of Colorado PPO-2 and PPO-3 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 **\$127,562** was budgeted for group insurance premiums in 2023.

Disability Insurance. Separate policies are held through the Special District Association of Colorado group insurance program for short-term and 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 covers the cost of the short-term disability premiums.

Insurance and Bonds

The District is a member of the Colorado Special District Property and Liability Pool. The insurance and bonds expense for 2023 is budgeted at **\$26,616**. The District opted for No-Fault Insurance for sanitary sewer backup and water damage under its liability insurance coverage. This insurance reimburses expenses for damage caused by a problem with the public sanitary sewer or public water systems within limits per incident and per year.

Professional Legal Services

Russell W. Dykstra with the firm of Spencer Fane, LLP, represents the District as Legal Counsel. An amount of **\$27,500** 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 **\$10,000**. No budget was provided for Administration Capital, classified as General Government, for improvements to the District Office grounds in 2023.

Office Furniture and Equipment

The Capital budget amount of **\$50,000** is provided in 2023 budget for replacement of office furniture, equipment, and software. The District would like to purchase new utility billing system software in 2023.

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](mailto: BearCreekWater@BearCreekWater.org)
Website <http://www.BearCreekWater.org/>

Bear Creek Water and Sanitation District



2023 ADOPTED ANNUAL BUDGET

	<i>Historical</i>		
	Audited 2021	YTD 2022	Budgeted 2023
Operating Revenue			
Property Tax Revenue			
Property Tax	811,465	857,864	981,773
Specific Ownership Tax	62,517	56,957	60,000
Tax Abatements	-	-	2,446
Prior Year Tax	109	-	-
TABOR Reduction	-	-	(72,255)
Total Property Tax Revenue	874,091	914,821	971,964
Water Revenue			
Water Surcharge Revenue	298,121	298,389	344,666
Water Tap Inspection Fee	2,400	1,500	3,000
Water Tap SI Inspection Fee	-	-	1,500
Total Water Sales	300,521	299,889	349,166
Sewer Revenue			
Sewer Use Fee Revenue	2,062,083	2,046,692	2,058,272
Sewer Tap Inspection Fee	1,500	1,500	3,000
Sewer SI Inspection Fee	-	-	1,500
Total Other Revenue	2,063,583	2,048,192	2,062,772
Other Fees			
Contractor License Fees	1,550	1,600	1,500
Hydrant Permit Fees	600	500	1,500
Total Other Fees	2,150	2,100	3,000
Total Operating Revenue	\$ 3,240,345	\$ 3,265,001	\$ 3,386,902
Expansion and Capital Reserve Revenue			
Water Expansion Revenue			
Water Tap Permit Revenue	46,250	18,250	36,500
Stub-In Water Tap Permit Revenue	-	-	1,500
Other Water Revenue	1,800	-	-
Conduit Participation Charge Revenue	9,070	7,200	12,300
Total Water Expansion Revenue	57,120	25,450	50,300
Sewer Expansion Revenue			
Sewer Tap Permit Revenue	-	10,000	20,000
Stub-In Sewer Tap Permit Revenue	10,000	-	1,500
Sewer Tap Fees Collected	22,750	23,550	58,200
Total Sewer Expansion Revenue	32,750	33,550	79,700
Other Fees Revenue			
Inclusion Fee Revenue	-	600	200
Developer Contributions	76,000	-	-
Total Other Fees Income	76,000	600	200
Developer Pass Through			
Developer Imprest Reimb. Revenue	326	4,427	-
Developer Imprest Expenses	(326)	2,244	-
Total Developer Pass Through	-	2,183	-
Investment Revenue			
Net Investment Realized Activity	3,333	-	-
Property Tax Interest Revenue	87	358	200
Investment Interest Income	(14,658)	179,968	178,500
Total Investment Revenue	(11,238)	180,327	178,700
Reimb. Billing Revenue	21,376	13,130	4,000
Total Expansion and Capital Reserve Revenue	\$ 176,008	\$ 255,240	\$ 312,900
TOTAL REVENUES	\$ 3,416,353	\$ 3,520,241	\$ 3,699,802
Treasurer Fees	12,298	13,056	14,500
General Overhead			
Dues & Subscription Expense	3,427	3,574	5,400
PR Expense	2,287	5,489	4,000
Office Supplies	3,565	2,142	6,000
Safety Equipment Exp	620	195	500
Building & Grounds Expense	14,145	17,941	19,440
Telephone / Communication Exp.	13,715	14,906	9,500
Utilities	3,823	4,290	5,297
Contract Labor	-	-	3,000
Total General Overhead	41,583	48,536	53,137
Office Equipment/Computer Exp			
Equipment Repair/Maintenance	22,156	23,206	28,922
Total Office Equipment/Computer Expense	22,156	23,206	28,922
Insurance			
Property & Liability Insurance	18,301	21,594	26,616
Total Insurance Expense	18,301	21,594	26,616
Board of Directors Fees			
Director Fees	6,500	6,200	8,000

2023 ADOPTED ANNUAL BUDGET

	<i>Historical</i>		
	Audited 2021	YTD 2022	Budgeted 2023
Legal Publications & Recording Exp.	-	-	250
Total Board of Directors Expense	6,500	6,200	8,250
Payroll & Benefit Expense			
Salaries & Wages	285,953	293,676	337,602
Staff Bonuses			
Employer Payroll Taxes	23,204	24,352	27,285
Employee Insurance	84,627	87,113	127,562
Retirement Contribution	25,687	25,868	30,435
Total Payroll & Benefits Expense	419,471	431,009	522,884
Election Expense			
Election Expenses	-	446	15,100
Total Staff Development Expense	-	446	15,100
Staff Development			
Conferences	5,302	6,704	15,000
Total Staff Development Expense	5,302	6,704	15,000
Professional Services Expense			
Legal Fees	22,312	22,749	27,500
Auditing Expense	9,166	9,172	9,400
Total Professional Services Exp.	31,478	31,921	36,900
Banking Fees	11,357	9,575	12,000
TOTAL OVERHEAD EXPENSE	\$ 568,447	\$ 592,247	\$ 733,310
Operations Expense			
Engineering Expense			
Engineering Services Exp.	45,943	36,733	58,500
Wtr/Swr Service Repairs	11,657	12,018	12,000
Tap Inspections Exp.	1,567	-	6,000
Field O&M Expense	8,429	11,796	19,500
Engineering Studies	39,514	69,528	126,700
Special Services			
Misc. Engineering Expense			
Total Engineering Expense	107,109	130,074	222,700
Operations & Maintenance Expenses			
Sewer O&M Schedule I	85,506	99,710	175,000
Water O&M Schedule I	65,821	65,393	75,000
Locates NON-Emergency	24,710	21,209	-
Repair/Maint Emergency	72,433	-	-
Locates - EMERGENCY	2,250	8,182	-
Colorado 811 Locate Ticket Charge	2,256	2,427	3,000
General O&M Expenses	3,527	6,546	
Other O&M Expenses	348,693	300,181	400,000
Total Operations & Maintenance Expenses	605,195	503,647	653,000
Sewage Operating Expenses			
Sewage Treatment Expenses (MWRD)	789,159	1,435,177	641,174
Sewage Treatment Expenses (Lakehurst)	11,541	7,774	6,997
Permit Expense	865	865	1,000
Sewer Use Fees Billing Exp.	23,354	17,757	23,000
Total Sewer Operating Expenses	824,919	1,461,573	672,171
Water Operating Expenses			
Water Use Fees Billing Expense	8,392	8,392	8,500
Field O&M R/E Expense	925	-	2,000
Engineering and Legal R/E Expense	1,003	-	4,000
Total Water Treatment	10,320	8,392	14,500
General Operating Expenses			
Rate Study	-	4,905	8,000
Total General Operating Expenses	-	4,905	8,000
Tabor Contingency	-	-	-
TOTAL OPERATING EXPENSE	\$ 2,115,991	\$ 2,700,839	\$ 2,303,681
Capital Expenditures			
Office Furniture & Equipment	-	-	50,000
Information Management System			
Building Improvements	-	-	10,000
Land & Land Improvements			
Service Expansion Expense	22,750	54,360	1,368,200
Water System Capital Improvement	-	-	0
Sewer System Capital Improvement	-	27,862	265,000
Capital Special Studies	-	-	-
TOTAL CAPITAL EXPENDITURES	\$ 22,750	\$ 82,222	\$ 1,693,200
TOTAL EXPENDITURES	\$ 2,138,741	\$ 2,783,061	\$ 3,996,881
Net Operating Surplus/(Deficit) <i>(Does not include Capital Expenses or</i>	1,124,355	564,162	1,083,221
Net Revenue Before Spend To/From Reserves	803,882	737,180	(297,079)
Other Financing Sources Used			
To/From Resrves Budget Item	(803,882)	(737,180)	297,079
Net Revenue	0	0	0

2023 ADOPTED ANNUAL BUDGET

	<i>Historical</i>		
	Audited 2021	YTD 2022	Budgeted 2023
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND	803,882	737,180	(297,079)
Beginning Fund Balance - Jan 1	16,369,969	17,331,386	18,068,566
Change in Net Position	803,882	737,180	(297,079)
Depreciation	480,290		
Capital Outlay	(246,755)		
Developers Contribution	(76,000)		
Ending Fund Balance - Dec 31	17,331,386	18,068,566	17,771,487
Reserves Fund Accounts			
Restricted Reserve	-		
General Operating Funds	17,305,454	18,035,663	17,736,922
Emergency Reserve: <i>(Not available for General Use 3% of Expenses)</i>	25,932	32,902	34,565
Total Reserves	17,331,386	18,068,566	17,771,487

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
BEAR CREEK WATER AND SANITATION DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAID 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, JEFFERSON COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors 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, 2022 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 **\$981,773**; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for **(\$72,255)**; 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 \$2,446; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Jefferson County is \$222,321,833; 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 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 2023.

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 2023 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 2023 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 2022.

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 (0.325) mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 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 **0.0** mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of **0.0** mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 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 **0.0** mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

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 **0.011** mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

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, 2022, 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, 2022 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.

General Fund

Operating Expenditures -	\$2,303,681
Capital Expenditures	<u>\$1,693,200</u>
Total General Fund	\$3,996,881

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 14th day of November 2022.

BEAR CREEK WATER AND
SANITATION DISTRICT



Dale L. Miller, President

ATTEST:



Jan C. Walker, Secretary



ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Jefferson County, Colorado.

On behalf of the Bear Creek Water and Sanitation District,

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Bear Creek Water and Sanitation District

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 222,321,833 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ -0- (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/07/2022 for budget/fiscal year 2023 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

Table with columns: PURPOSE (see end notes for definitions and examples), LEVY², REVENUE². Rows include General Operating Expenses, Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction, General Obligation Bonds and Interest, Contractual Obligations, Capital Expenditures, Refunds/Abatements, Other, and a TOTAL row.

Contact person: (print) Jan C. Walker Daytime phone: (303) 986-3442 Signed: [Signature] Title: District Manager and Board Secretary

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

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

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	N/A
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____
2.	Purpose of Issue:	_____
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

CONTRACTS^K:

3.	Purpose of Contract:	N/A
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____
4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* *Gross Assessed Value* found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity's* levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity's* total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.