

**THREE LAKES WATER AND SANITATION DISTRICT  
1111 COUNTY ROAD 48  
GRAND LAKE, COLORADO 80447**

**YEAR 2019  
BUDGET MESSAGE**

The District is a Colorado special district, located in the northeastern portion of Grand County, Colorado, immediately west of the Front Range of the Rocky Mountains. The area is within a two and one-half hour drive from Denver.

The “three lakes” (Grand, Shadow Mountain and Granby) situated in the mountain-bordered basin of the north fork of the Colorado River are the major attractions of the area. Grand Lake is a natural lake formed by glaciations while the other two lakes were created by the Colorado Big Thompson water diversion project built by the U.S. Bureau of Reclamation in the late 1940's. The northeast border of the Three Lakes region is formed by Rocky Mountain National Park. The area immediately surrounding the Three Lakes is designated the Shadow Mountain National Recreational Area, which is managed for recreational purposes by the National Park Service. The actual boundaries of the District contain 59.25 square miles more or less, including water surface areas.

Recognizing the tremendous value of this area to the State of Colorado and the nation, and further recognizing the appeal of the area to vacationers, recreationists, developers of tourist facilities and builders of seasonal homes, the General Assembly of the State of Colorado, in 1971, passed Senate Bill No. 317, the "Three Lakes Water and Sanitation District Act". In May 1977 Article 10 was amended to subject the District to the provisions of the "Special District Act", Article 1, in order to simplify the governance of the District.

The District's Master Plan was approved by the Grand County Board of County Commissioners on March 5, 1973 to design, build, operate and maintain a regional system consisting of sewage collection, transmission and treatment.

In 1982 the District completed construction of a 1.3 MGD lagoon treatment system through a grant obtained from the United States Environmental Protection Agency, as well as its own funds. Added to this system were the sanitation systems acquired from Grand Lake Water and Sanitation District and Columbine Lake Water and Sanitation District, which would continue to service those areas respectively.

Facing more stringent discharge limits and the lagoon treatment system approaching its design capacity, in May 2000 voters within the District approved a debt increase of \$6.5 million for the purpose of building a new wastewater treatment plant. On January 2, 2001 the Grand County Board of County Commissioners approved an Amended 1041 Permit, for a 2.0 MGD sequencing batch reactor (SBR) activated sludge wastewater treatment plant. The new plant began operation in March 2003.

Many sewer main extensions have taken place since original construction and the District presently has approximately 115 lift stations it maintains, including three major “regional” lift stations.

In 2007-2008 one of three of the original Regional Lift Stations, the Grand Lake Lift Station, was replaced at just over a million dollars in cost. All of this cost was paid with District monies.

In 2014 the Colorado Water Resources and Power Development Authority authorized a \$2,000,000 loan and, together with a grant of \$1,000,000 from the Energy and Mineral Impact Assistance Program, the District was able to renovate the two remaining Regional Lift Stations, Shadow Mountain Lift Station and Stillwater Lift Station - a major benefit to the overall health and safety of the employees and residents as well as visitors of the District.

In 2018 the District completed the replacement of two development Lift Stations at a cost of over \$1,450,000.00.

### **IMPORTANT FEATURES OF THE BUDGET**

Rehabilitation work on sewer mains and lift stations will continue to be a focus far into the future, as the aging of District infrastructure demands it.

In 2014 the Colorado Department of Health and Environment notified the District of lower undissolved copper limits going into effect in 2019, the compliance date was changed to 2020 at the District's request. In 2018 the District began design of a new tertiary treatment process to reach the required lower limits. Construction will begin in spring 2019 at the wastewater treatment plant.

### **BUDGETARY BASIS OF ACCOUNTING**

Enterprise fund accounting is utilized in accordance with generally accepted accounting principles for water and sanitation districts. The enterprise funds account for operations that are financed and operated in a manner in which the intent of the District is that the cost of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. Accordingly, the accrual basis of accounting is utilized.

### **SERVICES OF THE DISTRICT**

The Three Lakes Water and Sanitation District furnishes a sanitary sewer service to its customers within the boundaries of the District. The District is presently servicing approximately 3,100 residential and 142 commercial properties.

The District does not provide a water service, although it has entered into an intergovernmental agreement with the following entities for operation, maintenance, and administration of their water facilities: Columbine Lake Water District, North Shore Water District, and Grand Lake Metropolitan Recreation District.

**THREE LAKES WATER AND SANITATION DISTRICT  
APPROVED 2019 BUDGET - GOVERNMENT GENERAL FUND**

ACTUALS 2017	ESTIMATED 2018	APPROVED Budget 2019
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**BEGINNING FUND BALANCE**

<b>\$263,453</b>	<b>\$271,255</b>	<b>\$301,050</b>
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**Revenue**

4110 · AD-VALOREM TAX - ADMINISTRATION  
Other Taxes & Interest Earned

\$226,406	\$233,178	\$234,633
\$47,336	\$57,229	\$31,100
<b>\$273,742</b>	<b>\$290,407</b>	<b>\$265,733</b>

**TOTAL REVENUE**

**Operating Expenses**

5030b · CNTY TREASURER FEES - MILL LEVY  
PAYROLL EXPENSES - ADMIN  
5018 · CAR ALLOWANCE / MILEAGE - ADMIN  
5024 · CONTRACT WAGES  
5055 · MISCELLANEOUS EXPENSE  
5057 · OFFICE SUPPLIES  
CONSULTANT - PR

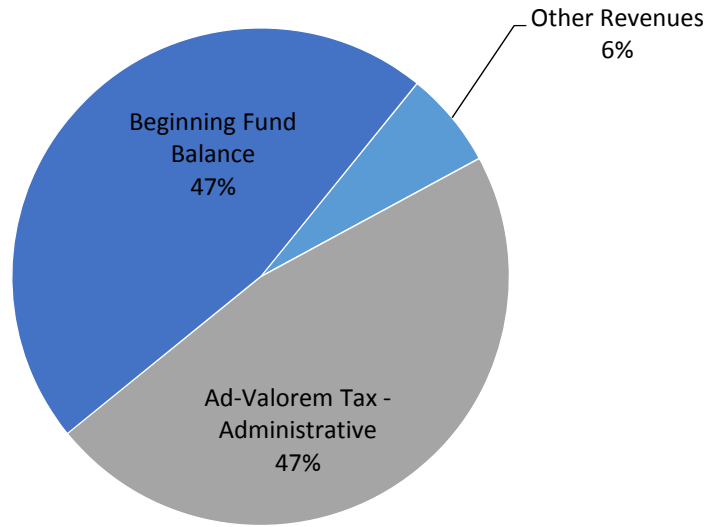
\$11,347	\$11,669	\$11,732
\$248,197	\$230,345	\$248,358
\$3,419	\$1,396	\$2,000
\$0	\$6,000	\$0
\$1,160	\$3,609	\$2,500
\$1,818	\$7,594	\$6,500
\$0	\$0	\$0
<b>\$265,940</b>	<b>\$260,612</b>	<b>\$271,090</b>

**TOTAL OPERATING EXPENSES**

**ENDING FUND BALANCE**

<b>\$271,255</b>	<b>\$301,050</b>	<b>\$295,694</b>
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# Government General Fund Revenue Budgeted



## **GOVERNMENT GENERAL FUND – REVIEW OF LINE ITEMS**

### **REVENUES:**

**Ad-Valorem Tax** – Administration: Tax monies used for administration of the District

**Other Taxes and Interest Earned:** Specific Ownership Tax, Delinquent Tax, and Delinquent Interest Monies collected by the Grand County Treasurer and disbursed to taxing entities

### **OPERATING EXPENSES:**

**County Treasurer Fees:** Fees charged by the County Treasurer to each taxing entity for services provided to collect and disburse tax monies – the fee is 5% of that collected.

**Payroll:** Based on normal 40-hour workweek for Receptionist, Bookkeeper and salaried District Manager, plus minimal overtime for hourly wages. Includes taxes, disability insurance, ICMA 401 Money Purchase Retirement Plan, Social Security replacement ICMA 401 Money Purchase Plan, health insurance and dental insurance.

**Car Allowance:** Mileage reimbursement for use of personal vehicle at the IRS rate.

**Consultant – PR:** The District may hire a consultant to help with public relations matters.

**Miscellaneous:** Any expenses not expected, not budgeted

**Office Supplies:** General office items.

**THREE LAKES WATER AND SANITATION DISTRICT  
APPROVED 2019 BUDGET - GOVERNMENT RESERVE FUND**

	<b>ACTUALS 2017</b>	<b>ESTIMATED 2018</b>	<b>APPROVED Budget 2019</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>
<i>Revenue</i>			
Transfer from Government General Fund	\$0	\$0	\$0
<i>Expenditures</i>			
Transfer to Enterprise General Fund	\$0	\$0	\$0
<b>ENDING FUND BALANCE</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$10,000</b>

**THREE LAKES WATER AND SANITATION DISTRICT  
APPROVED 2019 BUDGET - ENTERPRISE FUND**

ACTUALS 2017	ESTIMATED 2018	APPROVED Budget 2019
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<b>\$1,714,463</b>	<b>\$913,438</b>	<b>\$593,455</b>
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**BEGINNING FUND BALANCE**

**REVENUE AND OTHER FUNDING SOURCES**

**Operating Revenue**

- IGA-INTERGOVERNMENTAL AGREEMENTS
- 4005 · SEWER USER FEES & PENALTIES
- 4030 · LAB REVENUE
- 4900 · MISCELLANEOUS REVENUE

\$77,758	\$82,729	\$103,800
\$1,619,613	\$1,644,162	\$1,758,438
\$20,380	\$22,560	\$16,800
\$88,954	\$510,264	\$10,000

**Non-Operating Revenue**

- 4010 · CONNECTION / INSPECTION PERMITS
- 4200 · SEWER TAP FEES
- 4201 · Valves
- 4210 · LINE EXTENSION REIMB OF COST
- 4300 · INTEREST EARNED
- 4500 · RENT REVENUE - MODULAR/CONDO

\$825	\$1,125	\$250
\$144,450	\$387,192	\$451,200
\$0	\$5,148	\$2,000
\$0	\$0	\$0
\$18,445	\$53,639	\$20,000
\$14,400	\$1,955	\$0

**Loans and Grants**

- CWR&PDA LOAN

\$0	\$0	\$3,000,000
<b>\$1,984,825</b>	<b>\$2,708,774</b>	<b>\$5,362,488</b>

**TOTAL REVENUE**

**TOTAL BEGINNING FUNDS AND REVENUE**

<b>\$3,699,289</b>	<b>\$3,622,212</b>	<b>\$5,955,943</b>
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**OVERHEAD EXPENSES**

**Administrative Expenses**

- BOARD OF DIRECTOR FEES/EXPENSES
- OFFICE EXPENSES
- 5042 · ELECTION EXPENSE
- 5047 · INSURANCE EXPENSE
- 5064 · RATE STUDY CONSULTING FEE
- 5065 · AUDIT & CONSULTING
- 5023 · ACCOUNTANT SERVICES
- 5067 · LEGAL SERVICE & CONSULTING
- 5156 · MODULAR UTILITIES
- 5157 · MODULAR MAINTENANCE
- 5158 · CONDO UTILITIES & MAINTENANCE
- 5202 · WATER RIGHTS

\$12,463	\$8,802	\$15,755
\$58,701	\$51,628	\$82,462
\$39	\$56	\$0
\$62,091	\$63,711	\$75,586
\$0	\$30,000	\$0
\$10,250	\$17,400	\$18,000
\$0	\$6,225	\$13,200
\$65,376	\$49,899	\$50,000
\$681	\$3,141	\$0
\$96	\$474	\$0
\$1,299	\$3,746	\$0
\$2,000	\$2,000	\$2,000
<b>\$212,996</b>	<b>\$237,082</b>	<b>\$257,003</b>

**TOTAL ADMINISTRATIVE EXPENSES**

**THREE LAKES WATER AND SANITATION DISTRICT  
APPROVED 2019 BUDGET - ENTERPRISE FUND**

<b>ACTUALS 2017</b>	<b>ESTIMATED 2018</b>	<b>APPROVED Budget 2019</b>
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**Operations Expenses**

PAYROLL EXPENSES - OPERATIONS  
TREATMENT PLANT EXPENSES  
OFFICE/SHOP EXPENSES  
5137 · ENGINEERING - Copper Compliance  
5138 · ENGINEERING - GENERAL  
5139 · ENGINEERING - Asset Mgt. Plan  
FIELD EXPENSES  
5152 · MISCELLANEOUS EXPENSE  
5162 · SCADA SOFTWARE/EQUIPMENT LEASE  
5175 · RADIO / TELEMETRY EXPENSES  
5190 · SYSTEM REPAIR & MAINTENANCE  
5200 · VALVES

\$408,811	\$440,837	\$474,773
\$182,790	\$201,822	\$274,051
\$34,502	\$44,502	\$48,524
\$0	\$216,230	\$100,000
\$6,391	\$0	\$20,000
\$0	\$43,149	\$0
\$99,608	\$92,773	\$122,670
\$279	\$748	\$1,000
\$1,372	\$702,032	\$35,760
\$207	\$2,288	\$0
\$66,352	\$80,906	\$100,000
\$87	\$5,144	\$2,000
<b>\$800,400</b>	<b>\$1,830,432</b>	<b>\$1,178,780</b>

**Total OPERATIONS EXPENSES**

**Operating Expenses**

5185 · PLANT - SLUDGE HAULING  
5148 · LAB - DRINKING WATER  
5149 · PLANT - LAB

\$15,189	\$28,199	\$30,000
\$7,268	\$10,310	\$11,000
\$20,864	\$30,610	\$35,000
<b>\$43,321</b>	<b>\$69,119</b>	<b>\$76,000</b>

**Total Operating Expenses**

**Capital Outlay**

Lift Station Replacements Beach & CL #1  
Lakeridge Sub. Lift Station Replace  
System Improvements  
Copper Removal

\$912,009	\$520,568	\$0
\$179,411	\$0	\$0
\$196,234	\$247,615	\$250,000
\$0	\$0	\$2,913,000
<b>\$1,287,653</b>	<b>\$768,182</b>	<b>\$3,163,000</b>

**Total Capital Outlay**

**TOTAL EXPENDITURES**

<b>\$2,344,371</b>	<b>\$2,904,815</b>	<b>\$4,674,783</b>
\$123,943	\$123,942	\$123,943
\$0	\$0	\$200,000
\$317,537	\$0	\$363,762

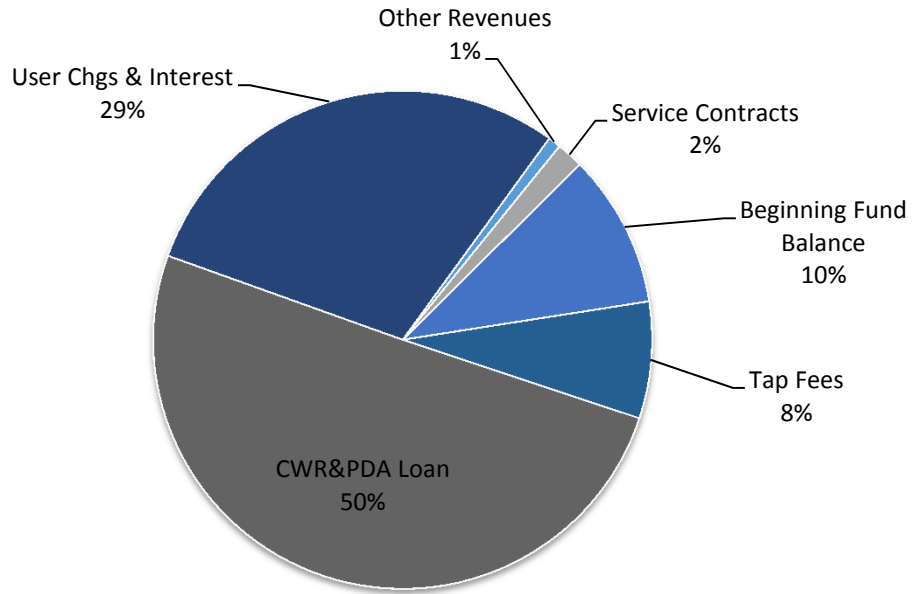
DOLA Loan Payment  
Contingency  
Transfer to Reserve Fund

**ENDING FUND BALANCE**

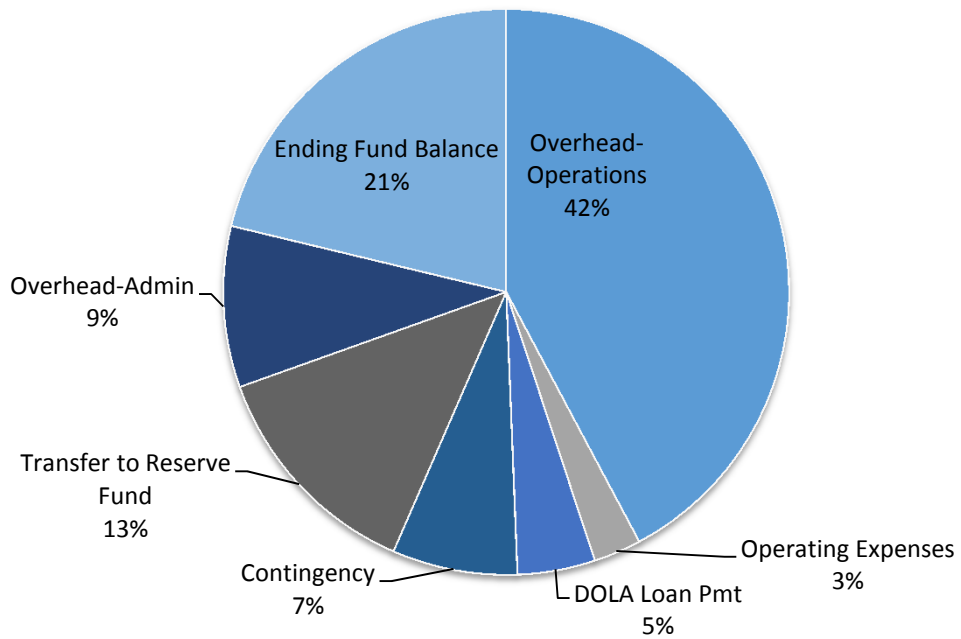
<b>\$913,438</b>	<b>\$593,455</b>	<b>\$593,454</b>
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## Enterprise Sewer Fund Revenue



## Enterprise Sewer Fund Expenditures



## ENTERPRISE GENERAL FUND – REVIEW OF LINE ITEMS

### REVENUES

**Intergovernmental Agreements:** The District provides operation and administration services to Columbine Lake Water District, and North Shore Water District, operation services only to Grand Lake Metropolitan Recreation District. We charge monthly fees for this service. Site monitoring via our telemetry system, is also charged to these entities dependent on the number of sites we monitor.

**User Charges and Interest:** Fees charged to customers for providing service. Fees are charged quarterly. The District presently charges \$99.00 per quarter per single family equivalent (sfe).

**Lab Revenue:** The District is “State certified” in the Lab to perform microbiology analysis for Total Coliforms. We provide this service to the public and charge \$20.00 per test.

**Miscellaneous Revenue:** Any unanticipated revenues – Mountain Parks Electric dividends are included here.

**Connection Permits:** Permits authorize a tap connection to the District’s sewer main, which District personnel inspect. The fee for each Permit is \$25.00.

**Sewer Tap Fees:** Tap fees are \$9,400 per sfe.

**Valves:** All new connections to the system requires installation of a backflow preventer valve. The District sells these at cost to owners.

**Interest Earned:** Interest received on investments.

**CWR&PDA Loan:** The District has applied for a \$3,000,000 loan through the Colorado Water Resources and Power Development Authority to help pay for the Copper Removal Project to reach compliance in 2020 as mandated by the State.

### OVERHEAD EXPENSES - ADMINISTRATIVE

**Board of Director Fees/Expenses:** includes Board attendance fees, annual Board appreciation dinner, annual SDA conference expenses, and any other Director fees incurred while doing business on behalf of the District.

**Office Expenses:** includes bank service charges, training and seminars, cleaning supplies, equipment/maintenance agreements, postage and box rent, IT and equipment, printing and publications, recording fees, janitorial work, trash removal, building utilities, and building maintenance.

**Insurance:** Property & Liability, Auto and Workmen's Compensation Insurance thru the Special District Association Insurance Pool.

**Auditor Services:** Dan Cudahy of McMahan and Associates will provide Audit services for the year 2018.

**Accountant Services:** The District Day & Associates, PC to assist the Bookkeeper to close out the accounting records for year 2018 to prepare for Audit, as well as provide monthly assistance for higher level accounting needs.

**Legal Services:** Attorney fees for general legal matters.

**Water Rights:** Yearly administration fees - Middle Park Water Conservancy District.

### **OVERHEAD EXPENSES - OPERATING**

**Payroll:** Payroll for licensed operators and labor positions in the Operations Department. Includes taxes, disability insurance, ICMA 401 Money Purchase Retirement Plan, Social Security replacement ICMA 401 Money Purchase Plan, health insurance and dental insurance.

**Treatment Plant:** Includes plant repair and maintenance, chemicals and utilities.

**Office/Shop:** Includes cell phone charges, training and dues, office supplies, IT and equipment, permits & licenses, shop supplies, tools, uniform expenses, and garage utilities.

**Engineering – Copper Compliance:** Kennedy/Jenks Consultants will perform this work for the District. The District is under a mandate to meet a lower copper limit at the sewer plant by 2020.

**Engineering - General:** Engineering that will be required on smaller projects not budgeted individually.

**Field Expenses:** Includes equipment repair and maintenance, fuel, locates, truck repair and maintenance, and lift station utilities.

**Miscellaneous:** Unanticipated expenditures.

**SCADA Software & Equipment Lease:** The District leases special equipment for monitoring its lift stations from Browns Hill Engineering

**System Repair and Maintenance:** The District plans annual improvement projects to replace the aging system.

**Valves:** Purchase of disconnect/reconnect/backflow preventer valves. Revenue from the sale of the valves to the public, shall offset this line item.

## **OPERATING EXPENSES- OTHER**

**Treatment Plant – Sludge Hauling:** The District contracts with Parker Ag for hauling of waste from plant.

**Lab – Drinking Water:** Expenses and supplies associated with lab work at Administrative office. Includes State required certification testing of products we use via kits we purchase; Microbiology Certification Fees; certification tests using special lab bottles purchased; thermometer certification/calibration. We charge fees for lab testing that offsets some of our expenses.

**Treatment Plant - Lab:** Quarterly wet testing; annual Quality Control testing at Lab; supplies and general maintenance. Calibration of equipment.

## **CAPITAL OUTLAY**

**System Improvements:** No specific projects are planned but small lift station replacement projects costing \$5,000 or more will be posted to this line item.

**DOLA Loan Payment:** This payment is principal and interest for a loan obtained through the Colorado Water Resources and Power Development Authority program

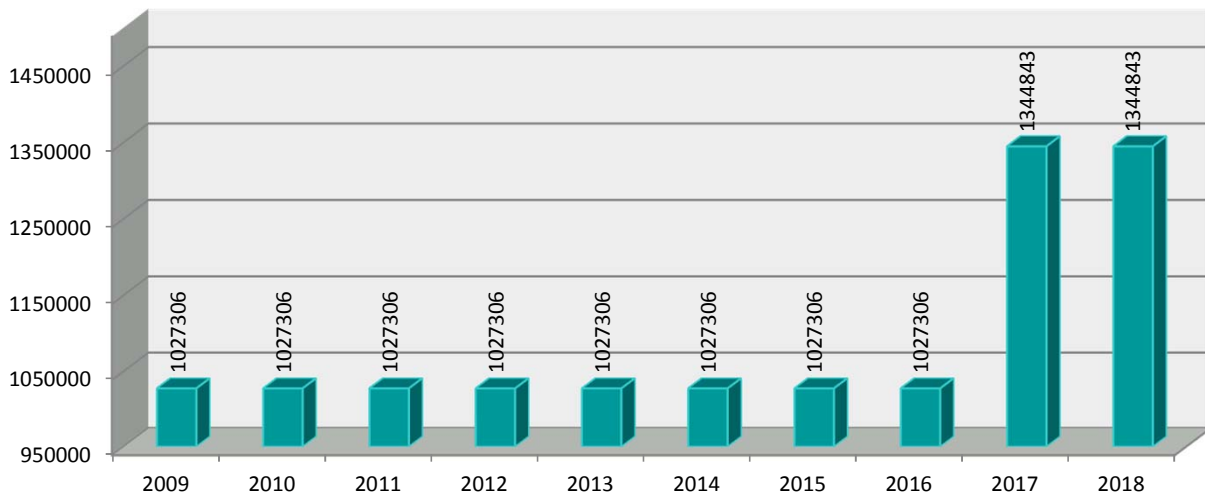
**Contingency:** Unexpected expenditures.

**Transfer to Enterprise Reserve Fund:** this number is based on zero net, revenue minus expenditures.

**THREE LAKES WATER AND SANITATION DISTRICT  
 APPROVED 2019 BUDGET - ENTERPRISE RESERVE FUND**

	<b>ACTUALS 2017</b>	<b>ESTIMATED 2018</b>	<b>APPROVED Budget 2019</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$1,027,306</b>	<b>\$1,344,843</b>	<b>\$1,344,843</b>
<b>REVENUE</b>			
Transfer from Enterprise Fund	\$317,537	\$0	\$363,762
<b>ENDING FUND BALANCE</b>	<b>\$1,344,843</b>	<b>\$1,344,843</b>	<b>\$1,708,605</b>

## Enterprise Reserve Fund



**THREE LAKES WATER AND SANITATION DISTRICT  
APPROVED 2019 BUDGET - DEBT SERVICE FUND**

	<b>ACTUALS 2017</b>	<b>ESTIMATED 2018</b>	<b>APPROVED Budget 2019</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$229,475</b>	<b>\$224,082</b>	<b>\$162,879</b>
<b><i>Revenue</i></b>			
4100 · AD-VALOREM TAX - BOND	\$521,380	\$500,253	\$502,980
<b><i>Expenses</i></b>			
CWRPDA LOAN	\$501,605	\$536,424	\$502,980
5030a · CNTY TREASURER FEES - MILL LEVY	\$25,168	\$25,031	\$25,149
<b>ENDING FUND BALANCE</b>	<b>\$224,082</b>	<b>\$162,879</b>	<b>\$137,730</b>

**FINANCIAL OBLIGATIONS/GOVERNMENT BOND**

	<b>Principal Balance</b>	<b>Payments Due</b>	<b>Payments Due</b>	<b>Payments Due</b>	<b>Principal Balance</b>
	<b>12/31/2018</b>	<b>in 2019</b>	<b>in 2020</b>	<b>in 2021</b>	<b>12/31/2021</b>
Colorado Water Resources & Power Development Authority	<b>\$492,156</b>	<b>\$502,980</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Payments include interest - Final Payment: 08/01/2019					

**FINANCIAL OBLIGATIONS/REVENUE BOND**

	<b>Principal Balance</b>	<b>Payments Due</b>	<b>Payments Due</b>	<b>Payments Due</b>	<b>Principal Balance</b>
	<b>12/31/2018</b>	<b>in 2019</b>	<b>in 2020</b>	<b>in 2021</b>	<b>12/31/2021</b>
Colorado Water Resources & Power Development Authority	<b>\$1,734,555</b>	<b>\$123,943</b>	<b>\$123,943</b>	<b>\$123,943</b>	<b>\$1,460,017</b>
Payments include interest - Final Payment: 05/1/2035					