



October 8, 2024

To: Board of Directors
From: Katie Nicholls, District Manager
RE: 2025 Proposed Budget

Attached is the proposed 2025 budget, it is also available on the website. We will hold our first public hearing to REVIEW the budget on November 13TH, and the public hearing to ADOPT the budget on December 9th. A copy of the notice proof is attached. I have outlined some of the areas of note on the budget below:

ENTERPRISE FUND

REVENUE

- The \$6 increase to user fees per the 10-year rate study has been applied. The new rate will be \$135.00 per single family equivalent.
- The Intergovernmental Agreements with Columbine Lake Water District, North Shore Water District, and Grand Lake Metro Recreation District by 1.9% CPI.
- 20 Tap purchases are budgeted.
- Property Transfer Fees and Plan Review Fees are new as of 2024 and are estimated at 75 transfers and 22 plan reviews. Better estimates will be made in 2026.
- Interest has been well above 5% this year, interest is calculated at 5.0%.
- CDS Grant (earmark) has been moved to 2025.

ADMINISTRATIVE EXPENSES

- Directors Fees includes SDA conference for 3 people (none attended in 2024), regional conference, and another strategic planning session.
- IT includes installation and conversion to new billing system. Replacement of one computer. 3 computers will go off line due to conversion, reduced IT will begin July 1st. New IT agreement negotiated at a lower rate than expected increase.
- Fax service was cancelled this month reducing Telephone/Internet fees.
- Postage rates continue to rise and extra costs included for Septic to Sewer Conversion project notifications.
- Printing and Publications is increased for Septic to Sewer Conversion project notifications.
- Office drainage solution is budgeted at \$35,000.
- Legal fees are increased due to ongoing water rights issue.
- Public Relations & Consulting has been added per agreement before Board at October meeting.
- Business insurance is increased by 10%. Increase expected to be between 2-10%. We have retained our discount by meeting training requirements. Will update if lower rating (anticipated) is known prior to budget approval.

OPERATION EXPENSES

- Several operators intend to pursue further certifications in 2025.
- Health insurance increased by 13.5%.
- IT includes replacement of 2 operations computers with systems being sunset.
- Chemicals and utilities costs are calculated at 2024 actuals plus increase in cost and quantity.
- SCADA system to be installed this month and new contract will finally start with reduced rate.
- Engineering for the heat trace retrofit solution for the Town of Grand Lake wastewater project.
- Sludge hauling is expected to increase in both costs and potential volume. Extra added in case digester needs to be drained.
- 2 new trucks are budgeted.

CAPTIAL OUTLAY/CONTINGENCY/RESERVES

- Main line interceptor inspection has been added.
- Septic to Sewer Conversion Project has been moved to 2025.
- \$250,000 in contingency.
- \$800,000 is the maximum amount this budget will allow to be transferred to reserve to maintain 4+ months of operating expenses in the Enterprise Fund.

GOVERNMENT GENERAL FUND

REVENUE

- Mill levy remains the same as last year, as both TABOR and 5.5% are higher in calculation. Dollar amount still increasing due to new construction.
- We will likely have to start supplementing the revenue from the Enterprise Fund as ratcheting down mill levy is not covering expenses.

EXPENSES

- Health insurance increased by 13.5%.
- 2025 is an election year. Matthew Reed and Stephanie Connors seats are up for election. Matthew Reed is term limited.

**THREE LAKES WATER AND SANITATION DISTRICT
2025 PROPOSED BUDGET**

ENTERPRISE GENERAL FUND	ACTUALS	ACTUALS	ESTIMATED	ESTIMATED YEAR END		BUDGET	PROPOSED
	2023	THRU SEPT	OCT - DEC 24	2024	Budget Balance	2024	2025
BEGINNING FUND BALANCE	5,391,615			6,389,447		6,223,890	7,594,085
Operating Revenue							
IGA-INTERGOVERNMENTAL AGREEMENTS	113,516	89,757	29,919	119,676	6,168	125,844	129,256
4005 · SEWER USER FEES & PENALTIES	2,217,242	1,770,776	591,100	2,361,876	4,500	2,366,376	2,462,840
4030 · LAB REVENUE	34,485	12,615	1,500	14,115	10,385	24,500	23,000
MISCELLANEOUS REVENUE	82,703	711	100	811	7,189	8,000	10,500
Total Operating Revenue	2,447,946	1,873,859	622,619	2,496,478	28,242	2,524,720	2,625,596
Non-Operating Revenue							
4010 · CONNECTION / INSPECTION PERMITS	725	600	0	600	(225)	375	750
Property Transfer & Plan Review Fees	0	3,555	1,000	4,555	(4,555)	0	7,625
4200 · SEWER TAP FEES	226,525	372,491	0	372,491	(214,991)	157,500	210,000
4201 · Valves	5,682	2,065	0	2,065	935	3,000	3,375
4300 · INTEREST EARNED	314,256	288,494	102,600	391,094	(116,594)	274,500	384,300
Total Non-Operating Revenue	547,188	667,205	103,600	770,805	(335,430)	435,375	606,050
Grants							
TBD · Congressionally Directed Spending	0	0	0	0	1,000,000	1,000,000	1,000,000
Total Revenue	2,995,134	2,541,064	726,219	3,267,283	692,812	3,960,095	4,231,646
ADMINISTRATIVE EXPENSES							
BOARD OF DIRECTOR FEES/EXPENSES	10,973	7,802	1,593	9,395	7,127	16,522	16,730
OFFICE EXPENSES	74,541	137,415	11,062	148,477	(35,790)	112,686	135,320
5047 · INSURANCE EXPENSE	67,626	66,812	0	66,812	2,690	69,502	75,093
5065 · AUDIT & CONSULTING	12,500	13,125	0	13,125	0	13,125	13,781
5023 · ACCOUNTANT SERVICES	7,300	7,700	0	7,700	0	7,700	8,000
5067 · LEGAL SERVICE & CONSULTING	34,805	60,380	10,000	70,380	(20,380)	50,000	60,000
PUBLIC RELATIONS & CONSULTING	0	0	0	0	0	0	107,945
5202 · WATER RIGHTS	2,000	2,000	0	2,000	0	2,000	2,000
Total ADMINISTRATIVE EXPENSES	209,745	295,233	22,655	317,888	(46,353)	271,536	418,869
OPERATIONS EXPENSES							
PAYROLL EXPENSES - OPERATIONS	544,044	477,556	183,054	660,610	46,890	707,500	735,254
TREATMENT PLANT EXPENSES	300,401	227,271	122,630	349,901	77,199	427,100	435,500
OFFICE/SHOP EXPENSES	26,579	28,191	6,405	34,596	8,034	42,630	45,461
5138 · ENGINEERING - GENERAL	1,102	30,952	10,317	41,269	(21,269)	20,000	20,000
ENGINEERING - TOWN OF GL WW PROJECT	0	0	0	0	0	0	316,489
FIELD EXPENSES	115,934	75,979	32,240	108,219	17,983	126,203	140,000
5152 · MISCELLANEOUS EXPENSE	60,000	0	0	0	1,000	1,000	1,000
5162 · SCADA SOFTWARE/EQUIPMENT LEASE	41,015	24,832	8,277	33,109	(11,109)	22,000	25,000
5190 · SYSTEM REPAIR & MAINTENANCE	89,816	70,028	23,340	93,368	26,632	120,000	120,000
5200 · VALVES	5,725	642	0	642	6,358	7,000	6,000
Total OPERATIONS EXPENSES	1,184,616	935,450	386,263	1,321,714	151,719	1,473,433	1,528,215
OPERATING EXPENSES							
5148 · LAB - DRINKING WATER	12,802	10,249	3,414	13,663	(3,663)	10,000	14,000
5149 · PLANT - LAB	32,765	22,257	7,419	29,676	10,324	40,000	40,000
5185 · PLANT - SLUDGE HAULING	39,160	41,103	13,701	54,804	5,903	60,707	65,000
Total Operating Expenses	84,727	73,610	24,534	98,144	12,563	110,707	119,000
Total Expenses	1,479,088	1,304,294	433,452	1,737,746	117,930	1,855,676	2,066,084
NET (Revenue - Admin & Operations Expenses)	1,516,046			1,529,537		2,104,419	2,165,562
Capital Outlay							
6420 · Vehicle Purchase	73,785	0	0	0	0	0	150,000
6400 · System Improvements	176,389	56,859	0	56,859	193,141	250,000	250,000
Main Line Interceptor Inspection	0	0	0	0	0	0	145,000
Septic-to-Sewer Conversion Project	0	0	0	0	1,000,000	1,000,000	1,000,000
Total Capital Outlay	250,174	56,859	0	56,859	1,193,141	1,250,000	1,545,000
TOTAL EXPENDITURES	1,729,262	1,361,153	433,452	1,794,605	1,311,071	3,105,676	3,611,084
CWRPDA Loan Payment	123,942	61,971	61,971	123,942	0	123,942	123,942
CWR&PDA Copper Loan Payment	144,098	72,049	72,049	144,098	0	144,098	144,098
Contingency	0	0	0	0	250,000	250,000	250,000
NET (Revenue - Total Expenditures)	997,832			1,204,638		336,379	102,522
<i>Designated Reserves</i>	2,000,000	0	800,000	800,000	0	800,000	800,000
ENDING FUND BALANCE	6,389,447			7,594,085		6,560,270	7,696,607
<i>Dedicated Reserve Funds</i>	5,144,843			5,944,843		5,944,843	6,744,843

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GOVERNMENT GENERAL FUND	ACTUALS	ACTUALS	ESTIMATED	ESTIMATED YEAR END		BUDGET	PROPOSED
	2023	THRU SEPT	OCT - DEC 24	2024	Budget Balance	2024	2025
BEGINNING FUND BALANCE	524,282			471,073		510,600	524,671
Revenue							
4110 · AD-VALOREM TAX - ADMINISTRATION	257,283	372,981	0	372,981	(98,576)	274,405	278,328
Other Taxes & Interest Earned	17,039	10,483	3,130	13,613	2,287	15,900	17,900
4120 · SPECIFIC OWNERSHIP TAX	16,504	10,038	3,000	13,038	962	14,000	16,000
4130 · DELINQUENT TAX	0	65	10	75	1,325	1,400	1,400
4310 · INTEREST EARNED - COUNTY	535	380	120	500	0	500	500
Total Revenue	274,322	383,464	3,130	386,594	(96,289)	290,305	296,228
ADMINISTRATIVE OPERATING EXPENSES							
5030b·CNTY TREASURER FEES-MILL LEVY-ADMIN	12,881	17,464	0	17,464	(4,464)	13,000	14,000
PAYROLL EXPENSES - ADMIN	309,935	230,253	81,593	311,846	(17,327)	294,519	312,630
5018 · CAR ALLOWANCE / MILEAGE - ADMIN	1,054	457	180	637	363	1,000	1,000
5042 · ELECTION EXPENSE	24	0	0	0	0	0	3,000
5055 · MISCELLANEOUS EXPENSE	1,247	0	2,500	2,500	0	2,500	3,000
5057 · OFFICE SUPPLIES	2,390	550	0	550	2,450	3,000	3,000
Total Administrative Operating Expenses	327,531	248,723	84,273	332,996	(18,977)	314,019	336,630
NET (Revenue - Expenditures)	(53,209)			53,598		(23,714)	(40,402)
<i>Designated Reserves</i>	0	0	0	0	0	0	0
ENDING FUND BALANCE	471,073			524,671		486,886	484,269
<i>Restricted Reserve Funds</i>	10,000			10,000		10,000	10,000

INTERIM AD DRAFT

This is the proof of your ad scheduled to run in **Sky-Hi News and Middle Park Times** on the dates indicated below. If changes are needed, please contact us prior to deadline at **(970) 887-3334**.

Notice ID: 15yqQfTWyoIAshRHABDJ | **Proof Updated: Oct. 08, 2024 at 03:19pm MDT**
 Notice Name: 2025 Proposed Budget_TLWSD

This is not an invoice. Below is an estimated price, and it is subject to change. You will receive an invoice with the final price upon invoice creation by the publisher.

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10/16/2024: Other	20.80
Affidavit Fee	10.00

Subtotal	\$30.80
Tax	\$0.00
Processing Fee	\$3.08
Total	\$33.88

**Three Lakes Water and Sanitation District
 Notice of Budget**
 (Pursuant to 29-1-106, C.R.S.)

NOTICE is hereby given that a proposed budget has been submitted to the Three Lakes Water and Sanitation District for the ensuing year of 2025; a copy of such proposed budget has been filed in the office of the Special District, where the same is available for public inspection online. Such proposed budget will be reviewed at a regular meeting of the Board of Directors on November 12, commencing at 6:30 pm. The proposed budget will be adopted at a regular meeting of the Board of Directors on December 10, commencing at 6:30 pm.

Any interested elector of the Three Lakes Water and Sanitation District may inspect the proposed budget and file or register any objections thereto at any time prior to the final adoption of the budget.

Katie Nicholls
 Budget Officer
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