



Genesee
WATER & SANITATION DISTRICT

"2009" BUDGET

Approved and Adopted by
Board of Directors
on
December 9, 2008

Genesee Water & Sanitation District
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**GENESSEE WATER AND SANITATION DISTRICT
17301 WEST COLFAX AVENUE, SUITE 220
GOLDEN, COLORADO 80401-4800**

2009 BUDGET MESSAGE

DESCRIPTION OF THE DISTRICT

The District is a Colorado special district, located in Jefferson County, Colorado, about 15 miles west of downtown Denver. The District was created pursuant to Title 32 of the Colorado Revised Statutes, known as the Special District Act (the "Act"), for the purpose of providing water and sanitation services, including a water supply, treatment, storage, transmission and distribution system and a sanitary sewer collection and treatment system, for the inhabitants of the District. The Order and Decree of the District Court in and for Jefferson County, Colorado, creating the District, was entered on July 5, 1973, following approval of the creation of the District by the electors of the proposed District at an election held within the proposed District. The Decree incorporated a Resolution of Approval (the "Resolution of Approval") of the Jefferson County Commissioners.

The Resolution of Approval by the Jefferson County Commissioners approved the District's service plan (the "Service Plan") which, among other things, shows the proposed services to be provided and financed, and describes the facilities to be acquired. Any material changes to the Service Plan of a basic or essential nature, including additions to the types of service provided by the District, will require modification of the Service Plan; and modification of the Service Plan will require the approval of the Board of County Commissioners. To date, the Service Plan of the District has not been amended.

The District's service area stretches slightly north of Interstate Highway 70 to Bear Creek on the south, approximately 8 miles southwest of Golden, Colorado and 15 miles west of downtown Denver. The District contains approximately 2,870 acres.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

BUDGETARY BASIS OF ACCOUNTING

The District follows Governmental Accounting Standards Board pronouncements and records are maintained on the accrual basis of accounting. The "2009" Budget for the Genesee Water & Sanitation District has been prepared under these standards and guidelines.

ENTERPRISE

On November 2, 1992, the people of the State of Colorado adopted a constitutional provision, Article X, Section 20, commonly known as the Taxpayers Bill of Rights (TABOR). Pursuant to TABOR and legislation passed by the Colorado General Assembly, Article 45.1 of Title 37, Colorado Revised statutes; local Governments are authorized to designate government-owned businesses as enterprises. The Genesee Water and Sanitation District has established an enterprise to administer its capital replacement program and to operate its water and wastewater system.

SERVICES OF THE DISTRICT

The Genesee Water and Sanitation District furnishes water and sanitary sewer service to its general customers within the boundaries of the District. The District is serving 1585 equivalent residential units (EQR's) on October 31, 2008.

CAPITAL LEASES

The Genesee Water and Sanitation District has not entered into any Capital Lease Agreements.

CASH ON HAND

The Board of Directors of the District has instructed its Manager to invest cash reserves in accordance with the provisions of the Public Deposit Protection Act (P. D. P. A.), Section 11-10.5-101 et seq., C.R.S.

PURCHASING OF INVESTMENTS

On March 26, 1996 the Board of Directors adopted a formal Cash Deposit and Investment Policy. The District President or the Secretary/Treasurer has the authority to implement cash management policies and authorize investments. In the absence of both the President and Secretary/Treasurer, any other two directors are authorized to make investment decisions.

LONG TERM DEBT

The principal balance of the July 1, 2004 outstanding bonds as of December 31, 2008 is \$6,740,000. Expenditures of proceeds reached 100% in July 2007. Total principal and interest payments for the outstanding bonds for 2009 are \$906,153.

The principal balance of the 1994 Colorado Water Resources and Power Development Authority (CWR&PDA) loan as of December 31, 2008 is \$565,139. Expenditures of proceeds reached 100% in February 1996. Total principal and interest payments for the associated debt for 2009 are \$102,450.

REVENUE TO THE GOVERNMENT FUND

Income received from property taxes, specific ownership taxes, bond proceeds and related investment earnings will be used to pay for long term debt service, which includes interest and principal on bonds and loans, Jefferson County Treasurer property tax collection fees, loan administration fees and bank servicing fees associated with bonds. In May 2008 voters approved an additional 3.0 mills property tax to fund capital replacements beginning in 2009 and ending in 2018. Money received will be restricted funds and administered through the capital replacement program. For more information see the Capital Replacement Fund.

A transfer from the government fund to the enterprise fund is made for associated administrative services provided by the enterprise in behalf of the government.

REVENUE TO THE ENTERPRISE FUND

Revenues, primarily from water and sewer service charges (excluding property taxes, specific ownership taxes) are used to pay for operations and administrative expenses of the District.

Water service fees were last increased on December 26, 2006.

Sewer service fees were last increased on December 26, 2006.

Water and Sewer service fees along with associated revenues and operating expenses are reviewed annually.

DROUGHT MANAGEMENT PLAN

The District adopted its annual Drought Management Plan on June 24, 2008. The Drought Management Plan is based on the following criteria: by the level of the District's new 101 acre feet reservoir and the physical stream flow at the Genesee diversion point as measured by the Colorado Division of Water Resources at its Bear Creek, Morrison Stream Gage. No restrictions were implemented in 2008.

