

## MEMORANDUM

To: BOARD OF DIRECTORS - SOUTHGATE WATER DISTRICT  
GOVERNING BODY - SOUTHGATE WATER ENTERPRISE

From: DUANE TINSLEY

Date: DECEMBER 1, 2011

RE: 2012 BUDGET

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In accordance with the Colorado State Constitution and State Statutes, staff herewith transmits the final revised budget for 2012. This budget has been prepared on the basis of the accrual method of accounting and reflects the results of the October study session. A public hearing was conducted in November. The only change since the November hearing was an adjustment in interest earnings between the District and the Enterprise as a result of the final assessed valuations and final calculation of the Tabor limits.

Through these materials you will observe the following:

- "Reserve Available - Beginning" is a function of the 2011 beginning reserves, plus 2011 projected revenues, less 2011 projected expenditures. The Water District "Reserve Available - Beginning" provides for emergency reserve, cash flow reserve, and reserve for future capital equipment replacement. The Water Enterprise "Reserve Available - Beginning" provides for capital improvements and capital replacements together with associated administrative costs.
- the District will fund its operations through interest earnings, a service charge collected through the Denver Water Department, and miscellaneous income. The District will then be responsible for its proportionate share of water system administration and operations and possibly certain capital construction and capital rehabilitation.
- the Enterprise will fund its operations through system charges and interest income. The Enterprise will then be responsible for its proportionate share of water system administration and will be primarily responsible for new capital construction and for system rehabilitation.

In the aggregate these budgets provide for all functions, at a comparable level of service, historically provided by the Southgate Water District and Water Enterprise.

Revenues reflect a 3.5% increase in the system charge, a \$0.50 increase in the monthly service charge as per the fiscal model, a very conservative projection in the rate of single family equivalent additions to the system, portfolio earnings at 1.25%, and year 2011 experience for the remainder. (Amended as discussed at the October 28, 2011 work session.)

Expenditures, (amended as discussed at the October 28, 2011 work session), reflect even more conservative budgeting based upon 2010 and 2011 experience with:

Budget - Southgate Water  
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- No new positions. Modest allowance for compensation adjustment for the existing positions.
- Continued program emphasis on water quality monitoring, inspection of developer installed facilities and maintenance operations.
- Maintenance/Operations per 2011 experience with continued provision for contractor support in main line repairs.
- Special Project allowance for newsletter publication, election expenses, upgrade of engineering and accounting software, website maintenance, allowance for consultant support in Geographic Information System operation, office landscape/painting/parking improvements, Drainage Authority fees and Colorado Health Department fees.
- Expensed Equipment reflects an allowance for replacement of computers, replacement of several small printers and one laminator, and purchase of survey equipment.
- Capital Equipment reflects an allowance for upgrade of the file servers and replacement of one copier.
- Funding for Capital improvements, including:
  - New - a small reserve for emergency construction and global positioning/survey in support of the asset management program.
  - Rehabilitation/replacement - Allowance for reservoir repairs.
- Contingency funds (3%) as required by Tabor with an extra amount for: 1) \$650,000 reserve for Willow Creek Crossing, and 2) \$200,000 reserve for South Syracuse water line. Funds will be expended from contingency only upon the express approval of the Board of Directors.

These budget proposals have been reviewed for, and found to be in, conformance with the Tabor and Statutory Tax limitations.

**SOUTHGATE WATER COMBINED**

2012 REVISED 12/1/11

<b>RESERVE AVAIL. BEG:</b>	<b>\$30,743,754</b>	<b>\$30,533,043</b>	<b>\$30,786,382</b>	<b>\$30,771,017</b>
	<b>2010 ACTUAL</b>	<b>2011 BUDGET</b>	<b>2011 PROJECTED</b>	<b>2012 BUDGET</b>
<b>OPERATIONAL</b>				
<b>Revenues</b>				
Rates/Service Charges	0	95,180	114,113	283,680
Interest	788,788	610,661	600,909	400,000
Project Participation - Oper	0	0	0	0
Plan Review/Inspection	24,908	10,000	43,542	44,000
Misc. Income	34,594	12,500	13,875	14,000
Interest Allocation to Capital	0	0	0	0
<b>Total Revenues - Operations</b>	<b>\$848,290</b>	<b>\$728,341</b>	<b>\$772,439</b>	<b>\$741,680</b>
<b>Expenses</b>				
Administrative & Operations Expenses				
Accounting/Audit/Finance	23,705	29,000	29,000	30,450
Portfolio Mgt.	23,597	21,000	20,864	5,000
Conferences/Seminars	29,461	47,825	32,274	39,000
Director Fees	7,700	8,000	7,800	7,800
Denver Water Collection Fee	0	20,987	19,769	13,374
Employee Compensation	544,393	622,992	546,938	599,951
Engineering	21,020	40,000	24,123	40,000
Insurance	34,769	45,000	45,000	48,000
Legal	28,090	24,000	5,505	20,000
Maintenance	375,450	418,500	390,360	354,500
Office/Misc.	68,140	89,250	77,250	77,250
Special Projects Expensed	64,907	117,150	55,403	100,000
Equipment (Expensed)	4,033	27,400	22,848	13,400
Utilities	47,103	50,000	53,532	55,000
Subtotal Admin & Ops	\$1,272,368	\$1,561,104	\$1,330,666	\$1,403,725
Contingency	\$0	\$78,399	\$0	\$23,978
<b>Total Expenses - Operations</b>	<b>\$1,272,368</b>	<b>\$1,639,503</b>	<b>\$1,330,666</b>	<b>\$1,427,703</b>
<b>Excess/Deficit - Operations (Excl Contingency)</b>	<b>-\$424,078</b>	<b>-\$832,763</b>	<b>-\$558,227</b>	<b>-\$662,045</b>
<b>CAPITAL</b>				
<b>Revenue</b>				
System Charges	820,766	513,440	1,264,092	531,440
Project Participation - Capital	0	0	0	0
Interest Allocation from Operations	0	0	0	0
<b>Total Revenue - Capital</b>	<b>\$820,766</b>	<b>\$513,440</b>	<b>\$1,264,092</b>	<b>\$531,440</b>
<b>Expenses</b>				
Capital Outlay				
Equipment (Capitalized)	9,152	40,250	22,425	13,750
Capital Projects (New/Rehab)	341,031	1,046,000	697,305	200,000
Water Resources	3,877	5,000	1,500	2,500
Contingency	\$0	\$81,530	\$0	\$856,075
<b>Total Expenses - Capital</b>	<b>\$354,060</b>	<b>\$1,172,780</b>	<b>\$721,230</b>	<b>\$1,072,325</b>
<b>Excess/Deficit - Capital (Excl Contingency)</b>	<b>\$466,706</b>	<b>-\$577,810</b>	<b>\$542,862</b>	<b>\$315,190</b>
<b>RESERVE AVAIL. END</b>	<b>\$30,786,382</b>	<b>\$28,962,541</b>	<b>\$30,771,017</b>	<b>\$29,544,109</b>

**SOUTHGATE WATER COMBINED**  
**-2012 DETAIL-**  
(12/1/11)

**RESERVES - BEGINNING**

30,786,382	2011 Beginning
2,036,531	Plus 2011 Projected Revenues
-2,051,896	Less 2011 Projected Expenses
<b>\$30,771,017</b>	<b>Total Beginning Reserves</b>

**OPERATIONAL**

Revenue		District	Enterprise	
283,680	RATES & SERVICE CHARGES	100%		Via Denver Water - increase to \$1.50/SFE/Mo.
400,000	INTEREST INCOME	Per Tabor	Per Tabor	Beginning Reserves x 1.25%
0	PROJECT PARTICIPATION - OPER.	100%		None
44,000	PLAN REVIEW/INSPECTION	100%		Per trend evaluation
14,000	MISC. INCOME	100%		Per trend evaluation
0	INTEREST ALLOCATION TO CAPITAL	100%		Per trend evaluation
<b>\$741,680</b>	<b>Total Revenue - Operations</b>			
Expenses		District	Enterprise	
30,450	ACCOUNTING & AUDIT	33%	67%	30,450 Audit
5,000	PORTFOLIO MANAGEMENT	33%	67%	5,000 Portfolio Management
39,000	CONFERENCES/SEMINARS	100%		1,500 AWWA Memberships (Mgr/Eng/5 Dirs)
				200 Professional Engineer Fees
				300 APWA Membership
				250 GITA Membership
				20,000 National Conf. 5 @ \$4,000
				8,750 State Conf. 5 @ \$1,500
				4,000 Local Seminars 8 @ \$500
				4,000 Operator Train/Cert 8 @ \$500
7,800	DIRECTORS' FEES	100%		5 @ \$100/subject to \$1,600 max each
13,374	DENVER WATER COLLECTION FEE	100%		Per Denver Water implementation plan
599,951	EMPLOYEE COMPENSATION	33%	67%	461,026 Salary/Wages (No new positions)
				41,244 Taxes
				88,181 Benefits
				1,000 Schooling
				2,000 Recruitment
				6,000 Certification Compensation
				500 Reward Program
40,000	ENGINEERING	33%	67%	15,000 Technical Consultation
				25,000 Backup as Req. Plan Review/Insp
48,000	INSURANCE	33%	67%	48,000 Property/liability/officials
20,000	LEGAL	33%	67%	2,000 Routine Representation
				2,000 Rules & Regulations
				15,000 Contracts
				1,000 Devel. Easements/Inclusions
354,500	MAINT/OPERATIONS	100%		6,500 Tools
				80,000 Main line repairs
				30,000 Hydrants
				125,000 Valves
				28,000 Building maintenance
				25,000 Vehicle operation/maintenance
				5,000 Booster station
				20,000 Reservoir cleaning
				7,000 Uniforms
				7,500 Pressure Reducing Valves
				5,000 Communications
				6,500 Safety
				1,500 Water Quality Testing
77,250	OFFICE/MISC.	33%	67%	7,500 Misc. Materials & Supplies
				23,000 Supplies, expenses, transport, etc.
				1,500 Accounting Software Support
				4,500 Bank Charges
				1,250 Payroll Services

		District	Enterprise	
100,000	SPECIAL PROJ. EXPENSED	100%		600 Field Inspection Supplies 500 CADD Supplies 500 PC Maintenance 1,000 CADD Reproduction 36,400 Network Admin/Maint 1,500 GIS Admin/Maint 1,500 Database Management 5,000 Other (e.g. Server Warranties/SW Support) 15,000 Newsletter 15,000 Election 20,000 Eng Software & Support 2,500 Accounting Software & Support 250 Website Hosting & Maintenance 17,850 GIS Support & Data Entry 2,500 Office Landscape 22,500 Office Painting/Flooring/Parking 400 Drainage Authority Fees 1,500 Operations (Software/Support/Reference) 2,500 Colo Health Department Fees 4,000 General Computer Replace (50%) 4,600 Upgrade Eng. Computers (50%) 2,500 Upgrade Ops. Computers (50%) 600 Ice Maker (50%) 950 Admin Printer & Laminator Replace (50%) 750 Eng Survey Equipment (50%) 55,000 Gas, electric and telephone
13,400	EQUIPMENT - EXPENSED	100%		
55,000	UTILITIES	100%		
\$23,978	CONTINGENCY/TABOR EMERG.	Per Tabor	Per Tabor	3.0% per Tabor
<b>\$1,427,703</b>	<b>Total Expenses - Operations</b>			
<b>-\$662,045</b>	<b>Excess/Deficit - Operations (Excl Contingency)</b>			

### CAPITAL

Revenue		District	Enterprise	
531,440	SYSTEM CHARGES		100%	\$6,643 per SFE (3.5% increase) x 80 SFE
0	PROJECT PARTICIPATION - CAPITAL		100%	None
0	INTEREST ALLOCATION FROM OPS		100%	Per trend evaluation
<b>\$531,440</b>	<b>Total Revenue - Capital</b>			
Expenses		District	Enterprise	
13,750	CAPITAL EQUIPMENT	100%		5,000 Upgrade File Servers (50%) 8,750 Replace Photo Copier (50%)
200,000	CAPITAL PROJECTS		100%	NEW: 50,000 Reserve for Emergency Construction 20,000 Global Positioning/Survey 70,000 New Capital Subtotal
2,500	GROUND WATER PROTECTION		100%	REHAB: 130,000 Reservoir Repairs 130,000 Rehab Capital Subtotal Ground Water Protection
856,075	CONTINGENCY/TABOR EMERG.	Per Tabor	Per Tabor	3.0% per Tabor, plus: \$650,000 reserve for Willow Creek Crossing \$200,000 reserve for S. Syracuse
<b>\$1,072,325</b>	<b>Total Expenses - Capital</b>			
<b>\$315,190</b>	<b>Excess/Deficit - Capital (Excl Contingency)</b>			

### RESERVES - ENDING

30,771,017	2012 Beginning,
1,273,120	Plus 2012 Projected Revenues
-2,500,028	Less 2012 Projected Expenses
<b>\$29,544,109</b>	<b>Total Ending Reserves</b>

**SOUTHGATE WATER DISTRICT**  
2012 REVISED 12/1/11

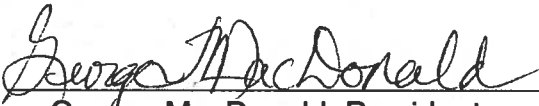
<b>RESERVE AVAIL. BEG.</b>	<b>\$9,286,984</b>	<b>\$9,337,784</b>	<b>\$9,382,254</b>	<b>\$9,443,573</b>
	<b>2010 ACTUAL</b>	<b>2011 BUDGET</b>	<b>2011 PROJECTED</b>	<b>2012 BUDGET</b>
<b>OPERATIONAL</b>				
<b>Revenues</b>				
Rates/Service Charges	0	95,180	114,113	283,680
Interest	819,000	795,115	741,264	613,692
Project Participation - Oper	0	0	0	0
Plan Review/Inspection	24,908	10,000	43,542	44,000
Misc. Income	34,594	12,500	13,875	14,000
Interest Allocation to Capital	0	0	0	0
<b>Total Revenues - Operations</b>	<b>\$878,502</b>	<b>\$912,795</b>	<b>\$912,794</b>	<b>\$955,372</b>
<b>Expenses</b>				
<b>Administrative &amp; Operations Expenses</b>				
Accounting/Audit/Finance	7,823	9,570	9,570	10,049
Portfolio Mgt.	7,787	6,930	6,885	1,650
Conferences/Seminars	29,461	47,825	32,274	39,000
Director Fees	7,700	8,000	7,800	7,800
Denver Water Collection Fee	0	20,987	19,769	13,374
Employee Compensation	179,650	205,587	180,490	197,984
Engineering	6,937	13,200	7,961	13,200
Insurance	11,474	14,850	14,850	15,840
Legal	9,270	7,920	1,817	6,600
Maintenance	375,450	418,500	390,360	354,500
Office/Misc.	22,486	29,453	25,493	25,493
Special Projects Expensed	64,907	117,150	55,403	100,000
Equipment (Expensed)	4,033	27,400	22,848	13,400
Utilities	47,103	50,000	53,532	55,000
Subtotal Admin & Ops	\$774,080	\$977,372	\$829,051	\$853,889
Contingency	\$0	78,399	\$0	23,978
<b>Total Expenses - Operations</b>	<b>\$774,080</b>	<b>\$1,055,771</b>	<b>\$829,051</b>	<b>\$877,867</b>
<b>Excess/Deficit - Operations (Excl Contingency)</b>	<b>\$104,422</b>	<b>-\$64,577</b>	<b>\$83,744</b>	<b>\$101,483</b>
<b>CAPITAL</b>				
<b>Revenue</b>				
System Charges	0	0	0	0
Project Participation - Capital	0	0	0	0
Interest Allocation from Operations	0	0	0	0
<b>Total Revenue - Capital</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenses</b>				
<b>Capital Outlay</b>				
Equipment (Capitalized)	9,152	40,250	22,425	13,750
Capital Projects (New/Rehab)	0	0	0	0
Water Resources	0	0	0	0
Contingency	\$0	\$0	\$0	\$0
<b>Total Expenses - Capital</b>	<b>\$9,152</b>	<b>\$40,250</b>	<b>\$22,425</b>	<b>\$13,750</b>
<b>Excess/Deficit - Capital (Excl Contingency)</b>	<b>-\$9,152</b>	<b>-\$40,250</b>	<b>-\$22,425</b>	<b>-\$13,750</b>
<b>RESERVE AVAIL. END</b>	<b>\$9,382,254</b>	<b>\$9,154,558</b>	<b>\$9,443,573</b>	<b>\$9,507,328</b>

**SOUTHGATE WATER ENTERPRISE**  
2012 REVISED 12/1/11

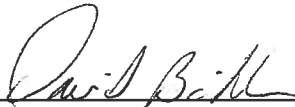
<b>RESERVE AVAIL. BEG.</b>	<b>\$21,456,770</b>	<b>\$21,195,259</b>	<b>\$21,404,128</b>	<b>\$21,327,443</b>
	<b>2010 ACTUAL</b>	<b>2011 BUDGET</b>	<b>2011 PROJECTED</b>	<b>2012 BUDGET</b>
<b>OPERATIONAL</b>				
<b>Revenues</b>				
Rates/Service Charges	0	0	0	0
Interest	-30,212	-184,454	-140,355	-213,693
Project Participation - Oper	0	0	0	0
Plan Review/Inspection	0	0	0	0
Misc. Income	0	0	0	0
Interest Allocation to Capital	0	0	0	0
<b>Total Revenues - Operations</b>	<b>-\$30,212</b>	<b>-\$184,454</b>	<b>-\$140,355</b>	<b>-\$213,693</b>
<b>Expenses</b>				
<b>Administrative &amp; Operations Expenses</b>				
Accounting/Audit/Finance	15,882	19,430	19,430	20,402
Portfolio Mgt.	15,810	14,070	13,979	3,350
Conferences/Seminars	0	0	0	0
Director Fees	0	0	0	0
Denver Water Collection Fee	0	0	0	0
Employee Compensation	364,743	417,405	366,449	401,967
Engineering	14,083	26,800	16,162	26,800
Insurance	23,295	30,150	30,150	32,160
Legal	18,820	16,080	3,688	13,400
Maintenance	0	0	0	0
Office/Misc.	45,654	59,798	51,758	51,758
Special Projects Expensed	0	0	0	0
Equipment (Expensed)	0	0	0	0
Utilities	0	0	0	0
Subtotal Admin & Ops	\$498,288	\$583,732	\$501,617	\$549,836
Contingency	\$0	\$0	\$0	\$0
<b>Total Expenses - Operations</b>	<b>\$498,288</b>	<b>\$583,732</b>	<b>\$501,617</b>	<b>\$549,836</b>
<b>Excess/Deficit - Operations (Excl Contingency)</b>	<b>-\$528,500</b>	<b>-\$768,186</b>	<b>-\$641,972</b>	<b>-\$763,529</b>
<b>CAPITAL</b>				
<b>Revenue</b>				
System Charges	820,766	513,440	1,264,092	531,440
Project Participation - Capital	0	0	0	0
Interest Allocation from Operations	0	0	0	0
<b>Total Revenue - Capital</b>	<b>\$820,766</b>	<b>\$513,440</b>	<b>\$1,264,092</b>	<b>\$531,440</b>
<b>Expenses</b>				
<b>Capital Outlay</b>				
Equipment (Capitalized)	0	0	0	0
Capital Projects (New/Rehab)	341,031	1,046,000	697,305	200,000
Water Resources	3,877	5,000	1,500	2,500
Contingency	0	81,530	0	856,075
<b>Total Expenses - Capital</b>	<b>\$344,908</b>	<b>\$1,132,530</b>	<b>\$698,805</b>	<b>\$1,058,575</b>
<b>Excess/Deficit - Capital (Excl Contingency)</b>	<b>\$475,858</b>	<b>-\$537,560</b>	<b>\$565,287</b>	<b>\$328,940</b>
<b>RESERVE AVAIL. END</b>	<b>\$21,404,128</b>	<b>\$19,807,982</b>	<b>\$21,327,443</b>	<b>\$20,036,779</b>

**ADOPTED AND APPROVED** this 13th day of December, 2011.

**SOUTHGATE WATER DISTRICT**

By:   
George MacDonald, President

**ATTEST:**

By:   
David Bickham, Secretary

## CERTIFICATION

I, David Bickham, Secretary of Southgate Water District, Arapahoe and Douglas Counties, Colorado, do hereby certify that the above and foregoing is a true and accurate copy of the year 2012 Budget duly adopted and approved by the Board of Directors of said District at a regular meeting of the Board of Directors held at 3722 East Orchard Road, Centennial, Colorado 80121, on the 13th day of December, 2011.

By: *David Bickham*  
David Bickham, Secretary



**SOUTHGATE WATER DISTRICT**  
**Arapahoe and Douglas Counties, Colorado**

**Resolution No. 11-02**

**A RESOLUTION INCREASING RESERVES FOR ADMINISTRATIVE EXPENSES, OPERATIONS AND CAPITAL OUTLAY.**

**WHEREAS**, the Board of Directors believes that for the purposes of promoting sound fiscal management of the District it should increase existing reserves for administrative expenses, operations and capital outlay.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of Southgate Water District, Arapahoe and Douglas Counties, Colorado, as follows:

**Section 1.** Existing District reserves for administrative expenses, operations and capital outlay shall be increased, effective as of December 31, 2011, in the amount of all unexpended, unreserved and unrestricted overall District revenues as of the close of business on that date, calculated using the same methods and assumptions used to calculate reserve increases within the meaning of Section 20, Article X, Colorado Constitution.

**Section 2.** Funds in any reserve may be transferred or expended, in whole or in part, in any future fiscal year by order of the Board of Directors, and any funds so transferred or expended shall not be included within the District's fiscal year spending for that year, within the meaning of Section 20, Article X, Colorado Constitution.

**ADOPTED AND APPROVED** this 13th day of December, 2011.

**SOUTHGATE WATER DISTRICT**

By: George J. MacDonald  
George J. MacDonald, President

ATTEST:

By: David Bickham  
David Bickham, Secretary

**SOUTHGATE WATER DISTRICT  
Arapahoe and Douglas Counties, Colorado**

**Resolution No. 11-03**

**A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES AND ADOPTING A BUDGET FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2012 AND ENDING ON THE LAST DAY OF DECEMBER, 2012; AND APPROPRIATING SUMS OF MONEY FOR THE SAID YEAR.**

**WHEREAS**, the District Manager submitted a proposed budget to the Board of Directors as required by law; and

**WHEREAS**, upon due and proper notice, published in accordance with applicable law, said proposed budget was open for inspection by the public at a designated public office within the District, a public hearing was held on November 8, 2011, and interested electors were given the opportunity to file any objections to said proposed budget; and

**WHEREAS**, no electors filed objections to the proposed budget; and

**WHEREAS**, the Board of Directors has made provision for revenues, together with reserves, in an amount equal to or greater than the total proposed expenditures, all as set forth in said budget; and

**WHEREAS**, it is necessary to appropriate the amounts provided in the budget to and for the purposes set forth below.

**NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Southgate Water District, Arapahoe and Douglas Counties, Colorado, as follows:**

**Section 1.** Estimated expenditures for the District, exclusive of the estimated expenditures for the Southgate Water Enterprise (the "Enterprise), for the calendar year beginning on the first day of January 2012 and ending on the last day of December 2012 are \$891,617; estimated expenditures for the Enterprise for said year are \$1,608,411.

**Section 2.** Estimated revenues for the District, exclusive of estimated revenues for the Enterprise, for the said calendar year are as follows:

From unappropriated surplus	\$9,443,573
From non-general tax sources	955,372
From general taxes	<u>0</u>
Total	\$10,398,945

Estimated revenues for the Enterprise for the said calendar year are as follows:

From unappropriated surplus	\$21,327,443
From non-general tax sources	317,747
From general taxes	<u>0</u>
Total	\$21,645,190

**Section 3.** The budget as submitted, amended, and herein above summarized, is hereby approved and adopted in the form attached to this Resolution and incorporated herein by reference as the adopted Budget of the District for the said calendar year.

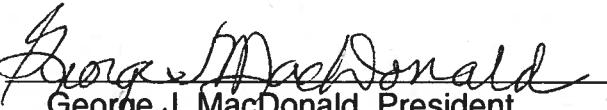
**Section 4.** The adopted Budget shall be signed by the President and Chairman of the Board of Directors and made a part of the public records of the District.

**Section 5.** The Secretary is hereby directed to file a certified copy of the adopted Budget in the office of the Division of Local Government in the Department of Local Affairs, as provided by the laws of the State of Colorado.

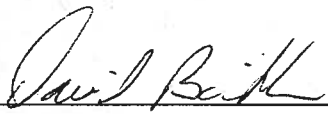
**Section 6.** The sum of \$10,398,945 is hereby appropriated from the revenues and reserves of the District for Administration, Operations and Capital Outlay, (including reserves), for the said calendar year; the sum of \$21,645,190 is hereby appropriated from the revenues and reserves of the Enterprise for Administration and Capital Outlay, (including reserves), for the said calendar year. The sum of \$32,044,135 is appropriated for said purposes as the consolidated total appropriation for the District overall.

**ADOPTED AND APPROVED**, this 13th day of December, 2011.

**SOUTHGATE WATER DISTRICT**

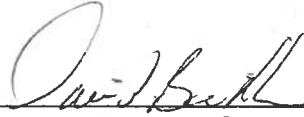
By:   
George J. MacDonald, President

ATTEST:

By:   
David Bickham, Secretary

CERTIFICATION

I, David Bickham, do hereby certify that I am Secretary of the Southgate Water District, Arapahoe and Douglas Counties, Colorado, and that the foregoing Resolution was adopted and approved at a regular meeting of the Board of Directors of the District held December 13, 2011.



\_\_\_\_\_  
David Bickham, Secretary



(SEAL)

**SOUTHGATE WATER DISTRICT  
Arapahoe and Douglas Counties, Colorado**

**Resolution No. 11-04**

**A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2011, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE SOUTHGATE WATER DISTRICT FOR THE 2012 BUDGET YEAR.**

**WHEREAS**, the Board of Directors of the Southgate Water District held a Public Hearing on the proposed 2012 Budget on November 8, 2011 and;

**WHEREAS**, the amount of money necessary to balance the Budget for general operating expenses is \$0; and

**WHEREAS**, the amount of money necessary to recover prior year abatements is \$0; and

**WHEREAS**, the 2011 valuation for assessment for the Southgate Water District as certified by the Assessors of the Counties of Arapahoe and Douglas for general operations and abatements is \$1,370,078,690; and

**NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Southgate Water District, Arapahoe and Douglas Counties, Colorado, as follows:**

**Section 1.** For the purpose of meeting all general operating expenses of the Southgate Water District during the 2012 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2011.

**Section 2.** For the purpose of recovering prior year abatements, as authorized by law, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2011.

**Section 3.** The Secretary is hereby authorized and directed to certify to the County Commissioners of Arapahoe, Denver and Douglas Counties, Colorado, the mill levies for the Southgate Water District as determined and set above.

**Section 4.** The District hereby certifies that the mill levies established herein are in compliance with all statutory and constitutional requirements and limitations.

**ADOPTED AND APPROVED** this 13th day of December, 2011.

**SOUTHGATE WATER DISTRICT**

By:   
George J. MacDonald, President

**ATTEST:**

By:   
David Bickham, Secretary

CERTIFICATION

I, David Bickham, hereby certify that I am the Secretary of the Southgate Water District, Arapahoe and Douglas Counties, Colorado and that the foregoing Resolution was adopted at a regular meeting of the Board of Directors of the District held December 13, 2011.



\_\_\_\_\_  
David Bickham, Secretary



**SOUTHGATE WATER DISTRICT  
ARAPAHOE AND DOUGLAS COUNTIES, COLORADO  
RESOLUTION NO. 11-05**

**A RESOLUTION AMENDING THE RULES AND REGULATIONS OF THE  
SOUTHGATE WATER DISTRICT AND ESTABLISHING RATES, FEES AND  
CHARGES**

**WHEREAS** the District maintains, and may from time to time amend, Rules and Regulations; and

**WHEREAS** Section 32-1-1001(1)(j), CRS, authorizes the Board of Directors of the Southgate Water District "to fix, and from time to time, increase or decrease fees, rates, tolls, penalties, and charges for services, programs or facilities furnished" by the District; and

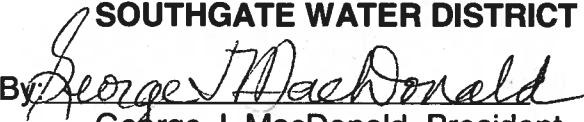
**WHEREAS** the Board of Directors of the Southgate Water District has revised its Rules and Regulations which now authorize the Board to periodically establish by resolution its various rates, fees and charges as may be authorized by law or by the duly adopted Rules and Regulations; and

**WHEREAS** the public interest, health, safety and welfare are served by the establishment of such fees, rates, tolls, penalties and charges which adequately provide for the costs and expenses incurred by the District as well as to provide for sufficient reserves and cash flows to ensure the efficiency of operation of the District;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE  
SOUTHGATE WATER DISTRICT THAT:**

1. The attached schedule of fees, rates, tolls, penalties and charges is hereby adopted effective January 1, 2012 and shall be utilized by the District's staff and administration in the daily operations of the District.
2. This Resolution shall remain in full force and effect until amended by further resolution of the Board of Directors.
3. In the event that any one or more particular fee, rate, toll, penalty or charge is held to be invalid for any reason by any court of competent jurisdiction, all such remaining fees, rates, tolls, penalties or charges shall remain in full force and effect.

Dated: December 13, 2011

**SOUTHGATE WATER DISTRICT**  
By:   
George J. MacDonald, President

**ATTEST:**  
(seal)

  
\_\_\_\_\_  
David Bickham, Secretary



**CERTIFICATION OF TAX LEVIES**

District Id: 4640

SOUTHGATE WATER DISTRICT

TO: County Commissioners of Arapahoe County, Colorado

For the year 2011, the Board of Directors of the  
(governing body)

Southgate Water District hereby certifies a total levy of 0.00 mills  
(unit of government)

to be extended by you upon the total assessed valuation of \$ 849,212,440

to produce \$ 0<sup>00</sup> in revenue.

The levies and revenues are for the following purposes:

	LEVY			REVENUE
1. General Operating Expense	<u>0.00</u>	mills	\$	<u>0<sup>00</sup></u>
2. Refund / Abatements	<u>0.00</u>	mills	\$	<u>0<sup>00</sup></u>
3. Temporary Tax Credit or Rate Reduction (minus)	<u>&lt; —</u>	>mills	\$<	<u>—</u>
SUBTOTAL	<u>0.00</u>	mills	\$	<u>0<sup>00</sup></u>
4. General Obligation Bonds and Interest				
a. See attached description	<u>—</u>	mills	\$	<u>—</u>
b. See attached description	<u>—</u>	mills	\$	<u>—</u>
SUBTOTAL	<u>—</u>	mills	\$	<u>—</u>
5. Contractual Obligations Approved at election				
a. See attached description	<u>—</u>	mills	\$	<u>—</u>
b. See attached description	<u>—</u>	mills	\$	<u>—</u>
SUBTOTAL	<u>—</u>	mills	\$	<u>—</u>
6. Capital Expenditures levied pursuant to 29-1-301(1.2) or 29-1-302(1.5) C.R.S.	<u>—</u>	mills	\$	<u>—</u>
7. Other (specify)	<u>—</u>	mills	\$	<u>—</u>
<i>Total</i>	<u>0.00</u>	mills	\$	<u>0<sup>00</sup></u>

Contact Person: Duane Tinsley, Manager

Daytime Telephone Number 303-713-7742

Signed George J. MacDonald  
George J. MacDonald

Title President & Chairman

NOTE: Certification must be to three decimal places only.  
Send copy to the Division of Local Government

**IF YOU ARE LOCATED IN MORE THAN ONE COUNTY, PLEASE LIST ALL COUNTIES HERE:**

Arapahoe & Douglas

**CERTIFICATION OF TAX LEVIES**

District Id: 4640

SOUTHGATE WATER DISTRICT

**Please submit the following information for each general obligation bond:**

Purpose of Issue \_\_\_\_\_ *N/A* \_\_\_\_\_ Series \_\_\_\_\_  
Date of Issue \_\_\_\_\_ *~~~~~* \_\_\_\_\_ Coupon Rate \_\_\_\_\_  
Maturity Date \_\_\_\_\_ *~~~~~* \_\_\_\_\_  
Levy: \_\_\_\_\_ Revenue: \_\_\_\_\_

(Show here and on line 4 of Page 1)

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**Please submit the following information for each contractual obligation:**

Title \_\_\_\_\_ *N/A* \_\_\_\_\_  
Date of Approval \_\_\_\_\_ *~~~~~* \_\_\_\_\_ Principal Amount \_\_\_\_\_  
Maturity Date \_\_\_\_\_ *~~~~~* \_\_\_\_\_  
Levy: \_\_\_\_\_ Revenue: \_\_\_\_\_

(Show here and on line 5 of Page 1)

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The above information is required by 32-1-1603 C.R.S.

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

TO: County Commissioners<sup>1</sup> of Douglas County, Colorado.  
 On behalf of the Southgate Water District,  
(taxing entity)<sup>A</sup>  
 the Board of Directors,  
(governing body)<sup>B</sup>  
 of the Southgate Water District,  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 520,866,250 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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: \$ N/A (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/11 for budget/fiscal year 2012  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>0.00</u> mills	\$ <u>0<sup>00</sup></u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< <u>-</u> > mills	\$ < <u>-</u> >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>0.00</u> mills</b>	<b>\$ <u>0<sup>00</sup></u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>-</u> mills	\$ <u>-</u>
4. Contractual Obligations <sup>K</sup>	<u>-</u> mills	\$ <u>-</u>
5. Capital Expenditures <sup>L</sup>	<u>-</u> mills	\$ <u>-</u>
6. Refunds/Abatements <sup>M</sup>	<u>0.00</u> mills	\$ <u>0<sup>00</sup></u>
7. Other <sup>N</sup> (specify): _____	<u>-</u> mills	\$ <u>-</u>
	<u>-</u> mills	\$ <u>-</u>
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><u>0.00</u> mills</b>	<b>\$ <u>0<sup>00</sup></u></b>

Contact person: (print) Dwane Tinsley, Manager Daytime phone: (303) 713-7742  
 Signed: George MacDonald (George MacDonald) Title: President & Chairman

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) 866-2156.

Arapahoe & Douglas  
<sup>1</sup> 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.  
<sup>2</sup> 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<sup>J</sup>:**

- 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<sup>K</sup>:**

- 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.