

Conifer Metropolitan District
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**CONIFER METROPOLITAN DISTRICT
BUDGET MESSAGE
2025 BUDGET
January 23, 2025**

SUMMARY OF SIGNIFICANT ASSUMPTIONS

The adopted Budget of the Conifer Metropolitan District (“District”) for the year ending December 31, 2025, has been prepared using modified accrual method of accounting.

History & Services Provided

The District was formed in 2004 and began activities in 2005. The District activities in 2005 and 2006 were comprised primarily of infrastructure construction in the Conifer Town Center retail center. Beginning in late 2006 the District began operations of a Water and Wastewater Enterprise Fund. Following the completion of infrastructure, the District’s sole activity has been the provision of potable water to customers located within the District’s boundaries and the operation of a wastewater treatment plant for the properties located within the District and those properties that are a member of the Conifer Sanitation Association (“CSA”), located to the southeast of the District.

In late 2015, the owner of the District’s Series 2005 and Series 2006 General Obligation Bonds (Limited Tax Convertible to Unlimited Tax) (“Bonds”) issued by the District filed a complaint against the District in Jefferson County District Court (Case No. 2015CV32176) related to default of debt covenants and moved to have a receiver appointed to take over the administration of the District in place of the developer-controlled Board of Directors. On January 5, 2016, the Court appointed Edward B. Cordes as Receiver. Due to health reasons, Cordes was replaced by Michael L. Staheli on August 22, 2019. A copy of the order that appointed the Receiver is available to the District’s customers upon request.

Under the direction of the Receiver, the District is currently being managed by staff members of Cordes & Company, Inc. All correspondence related to the district should be directed to the following address: Conifer Metropolitan District c/o Cordes & Company, 7979 E. Tufts Avenue, Suite 820, Denver, CO 80237. Alternatively, feel free to contact Mike Staheli of Cordes & Company for additional information at (303) 796-1130 or at mstaheli@cordesco.com.

The Receiver will continue to operate the water and sewage treatment facilities of the District until such time as a Board of Directors can be constituted. The District’s legal counsel will be

running a nomination and election for Board members in the second quarter of 2025. Through the conclusion of 2024, the Receiver has employed the following historic consultants and contractors to maintain continuity of water and wastewater services to the District’s customers:

Consultant	Description of Services
AquaWorks DBO	Systems engineering, water quality and discharge compliance advisory
Jehn Water Consultants	Water rights compliance, well monitoring and state reporting
Colorado Water Systems	Day to day operation and maintenance of water and wastewater systems
M & M Consultants, LLC	Certified Operator of wastewater collection, treatment and disposal systems and potable water systems (Operator in Responsible Control, “ORC”)

In November 2024, M&M Consultants’ principal owner, Bryan McCarty, submitted his notice of retirement effective December 31, 2024. The District entered into a new contract effective January 1, 2025 with Water Quality Control Professionals, LLC (“WQCP”) for the 2025 operation of the water and wastewater treatment facilities, replacing M&M Consultants and Colorado Water Systems. Four candidates for the replacement ORC role submitted proposals.

Budgeted 2024 Revenue Sources

General Fund: Sources of revenues for the General Fund come from two primary sources – the consent of the Bondholder to use its restricted funds and funds transferred from the Enterprise Fund. In addition, the General Fund also collects the uniform sales tax proceeds on all retail sales within District boundaries, approved by vote in November 2018. Such funds used for, or held in reserve for, transportation related expenses.

Debt Service Fund: Revenues for this fund are derived from real property and ownership taxes and earnings on invested funds. The taxable value of real property in the District in 2024 (received in 2025) has been set at \$7,042,710 by the Jefferson County Assessor’s Office. The assessment is based on 50 mills on assessed value.

Water and Wastewater Fund: Sources of revenue for 2025 will be charges for water and wastewater treatment services and administrative fees. Service fee revenue estimates are based on an assumption that customers within the District require 4.3 million gallons of water and wastewater and that the extraterritorial customer Conifer Sanitation Association (CSA) sends the District 2.5 million gallons of wastewater for treatment. 2025 service fees are being increased three percent (3.0%) over 2024 rate levels to keep pace with the rising costs of

operations. In 2024, the District will continue to collect capital reserve fees from customers for water and wastewater treatment facilities and systems.

Project Fund: none

Budgeted 2024 Expenditures

General Fund: Expenditures in the General Fund consist of \$210,600 of administrative expenses of the District, including the Receiver’s management fees, CMD’s legal counsel and the annual auditing expenses. In addition, we anticipate incurring approximately \$100,000 in transportation related expenses, such as maintenance and repair of improvements contained within the public and private road rights of way. The remainder of the estimated funds collected from the sales tax levy are held in reserve for future transportation related expenses.

Debt Service Fund: Debt service fund expenditures are comprised of fees and expenses of the Bond indenture trustee, debt service payments and transfers of funds to the District’s General Fund with the consent of the Bonds owner. By agreement, the use of all Debt Service Funds is restricted for the payment of District Bond obligations. Nevertheless, in 2024, the owner of the bonds consented for the Receiver’s use of a budgeted \$78,000 of such funds for the purposes of funding fees and expenses of the Receiver, legal expenses and emergency repairs to the District’s systems. The consents were evidenced by executed Consent and Waiver of Owner with Respect to the Conifer Metropolitan District Series 2005 Bonds and Series 2006 Bonds forms. The District actually required \$68,000 of the \$78,000 of approved restricted funds. The 2025 budget reflects the consent of the bond owner to the use of \$70,000 for the same purposes in 2025.

Water and Wastewater Fund: The budgeted expenditures are those required to operate the water and wastewater facility. Operation and maintenance of the treatment plants will be provided by independent contractor WQCP. In addition to general operating expenses of the water and wastewater treatment facilities, the District utilized \$58,133 of the reserves held for water treatment plant capital expenditures and \$58,974 of the reserves held for wastewater facility capital expenditures. The District has a schedule of anticipated capital expenditures of \$95,000 in 2025, assembled by the District Manager, the District operators and AquaWorks DBO.

Project Fund: none

Conifer Metropolitan District
2024 Actuals & 2025 Budget
General Fund

	<u>Actual</u> <u>2022</u>	<u>Actual</u> <u>2023</u>	<u>Actuals</u> <u>12/31/2024</u>	<u>Budget</u> <u>2025</u>
Revenue and Other Financing Sources				
Sales Tax Revenue	\$ 132,601	\$ 146,428	\$ 165,640	\$ 160,000
Reimbursement Revenue				
Transfer from Debt Fund	72,000	75,000	65,000	68,000
Transfer from Project Fund	-			
Transfer from Enterprise Fund	41,000	18,000	25,000	32,000
Interest earned			18,830	15,000
Total	<u>245,601</u>	<u>239,428</u>	<u>274,470</u>	<u>275,000</u>
Expenditures				
Legal fees	36,633	19,999	22,598	
General Legal				24,000
Elections				6,000
Accounting & Audit Fees	7,400	8,200	8,800	9,400
Consulting fees				
Mgmt Fees (incl Receiver)	71,779	62,823	73,442	70,000
Bank fees and miscellaneous	12	3	75	200
Admin supplies/dues & subscriptions	622	823	506	1,000
Insurance				
Debt Service				
Interest				
Transportation Expenses	11,858	35,606	15,541	100,000
Transportation Reserve	120,743	110,821	150,099	60,000
Miscellaneous		900	1,200	3,800
Total	<u>249,047</u>	<u>239,176</u>	<u>272,261</u>	<u>274,400</u>
Revenue Over (Under) Expenses	<u>(3,446)</u>	<u>252</u>	<u>2,209</u>	<u>600</u>

Conifer Metropolitan District
2024 Actuals & 2025 Budget
Debt Service Fund

	<u>Actuals</u> <u>2023</u>	<u>Actuals</u> <u>12/31/2024</u>	<u>Budget</u> <u>2025</u>
Unit Statistics			
Est. Assessed Valuation			7,042,710
Millevy			50
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Revenue			
Real property taxes	\$ 299,131	\$ 321,877	\$ 352,000
Real property taxes Interest			
Specific owners taxes	21,435	20,655	20,000
Interest earned	0	(183)	
Capitalized interest			
Transfer from Project Fund			
Total	<u>320,567</u>	<u>342,349</u>	<u>372,000</u>
Expenditures			
Investment and trustee fees	3,650	3,650	4,000
Bond principal			
Bond interest	229,000	250,000	295,000
Bond Interest Reserve		20,000	
Bond discount			
Bond issuance costs			
Supplemental interest			
Treasurer's fees	4,487	4,825	5,000
Transfer to General Fund	75,000	65,000	68,000
Transfer to Enterprise Fund			
Other			
Total	<u>312,137</u>	<u>343,475</u>	<u>372,000</u>
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Revenue Over (Under) Expenditures	<u>8,430</u>	<u>(1,126)</u>	<u>-</u>

Conifer Metropolitan District
2024 Actuals & 2025 Budget
Enterprise Fund - Water and Wastewater

	Actual 2022	Actuals 2023	Actuals 12/31/2024	2025 Budget
Unit Statistics				
W&S Gal Metered (1,000 gallons)	2,510	3,746	4,296	4,300
CSA Sewer Treated (1,000 gallons)	2,114	2,510	2,459	2,500
Avg Fees/Gal Metered - Water	\$ 15.22			\$ 17.76
Avg Fees/Gal Metered - Sewer	45.64			53.26
Avg Water Service Charge	3.84			4.25
Avg Sewer Service Charge	3.84			4.25
Avg WW Capital Res Assessment	9.47			11.05
Avg WW Capital Res Assessment (in-District)	2.06			2.66
Avg Water Capital Res Assessment	7.51			8.77
Revenue				
Water Usage Charge	\$ 48,053	\$ 61,161	\$ 73,381	\$ 76,400
Wastewater Usage Charge	255,565	328,418	345,403	362,100
Admin Fee - In-District Customers	49,409	59,913	62,966	65,000
Admin Fee - Out-of-District Customers	9,380	11,633	9,987	10,600
Pro rata ELC Monitoring	9,243	8,532	8,532	9,500
Reserve Replacement Fees				
Waste Water Capital Reserve Fees	53,025	68,167	79,830	75,200
In District Waste Water Capital Reserve Fee	6,504	9,072	10,965	11,400
Water Capital Reserve Fee	23,709	30,179	36,212	37,700
Reimburseable Expenses	3,538	1,440	325	5,000
Transfer from Debt Service Fund	-			
Chg / Fees - Finance	624	718	1,303	1,000
Misc. Income	139	-	3,586	3,000
Total Revenues	459,190	579,234	632,490	656,900
Operations & Repairs/Maint				
Water/well monitoring	21,655	22,530	30,000	26,000
Legal fees - Water Rights / Augmentation	7,522	10,271	4,078	3,500
Insurance	32,465	39,927	30,732	50,000
Supplies	3,513	6,488	11,861	13,000
Chemical fees	12,680	23,843	20,748	22,000
Service Operations	75,311	109,103	128,054	145,000
Maintenance and repair parts	33,935	28,369	67,608	85,000
Supplies -Bulk Water				
Sludge Haul	38,903	48,602	46,953	35,000
Trash Services	893	999	859	1,500
Snow Removal	-	-	500	2,000
Lab test	11,240	12,304	13,247	15,000
Consulting Services	16,134	19,438	9,586	10,000
Admin supplies				
Water Right Expense	2,473	2,364	3,879	2,500
Utilities	59,750	63,533	61,385	65,000
Phones	2,874	2,297	2,363	3,600
Fire Alarm Monitoring			888	15,000
Fees/Permits	1,443	1,443	1,288	4,000
Reimbursed Expenses	2,688	555	3,297	3,500

Conifer Metropolitan District
2024 Actuals & 2025 Budget
Enterprise Fund - Water and Wastewater

	<u>Actual 2022</u>	<u>Actuals 2023</u>	<u>Actuals 12/31/2024</u>	<u>2025 Budget</u>
Transfer to General Fund	41,000	-	25,000	25,000
Miscellaneous / Bad Debts		-	-	5,000
Subtotal Operating Expenses	<u>364,479</u>	<u>392,064</u>	<u>462,325</u>	<u>531,600</u>
Capital Improvements				
Water Capital Expense	34,842	-	58,133	60,000
Water Cap Imp Exp Res Acct	(11,133)	30,179	(21,921)	(22,300)
WW Capital Expense (General)	76,779	41,373	48,009	30,000
WW Capital Reserve (General)	(23,754)	26,795	31,820	45,200
WW Capital Expense (In-District)	5,338	-	-	5,000
WW Capital Reserve (In-District)	1,166	9,072	10,965	6,400
Subtotal Capital Improvements	<u>83,238</u>	<u>107,418</u>	<u>127,007</u>	<u>124,300</u>
Total Operating & Capital Expenses	<u>447,717</u>	<u>499,483</u>	<u>589,332</u>	<u>655,900</u>
Excessive (Deficient) Funds	<u>11,473</u>	<u>79,751</u>	<u>43,158</u>	<u>1,000</u>