

**SOUTH SHERIDAN WATER AND SANITARY SEWER DISTRICT
BUDGET MESSAGE**

2017

In 1993, pursuant to Senate Bill 93-130, South Sheridan Water, Sanitary Sewer and Storm Drainage District adopted a resolution establishing an enterprise for the sewer operations of the District. This enterprise was established to ensure the continued operation of the sewer operations of the District, thereby insuring the health and safety of the residents of the District.

South Sheridan Water, Sanitary Sewer and Storm Drainage District receives revenues from sanitary sewer service, ownership taxes, property taxes, and interest income. The primary revenue source is water and wastewater service charges and the secondary revenue source is property taxes.

The District has borrowed \$3,901,320 at 1% interest from the Colorado Water Resources Power Development Authority to pay for improvements to the District's water and wastewater facilities. The District will be paying Debt Service in 2017 in the amount of \$185,678. In addition to paying for the debt service identified above, the majority of the District's other costs are for the maintenance of the water and sanitary sewer system facilities. Wastewater treatment that is provided to South Sheridan by the Metro Wastewater Reclamation District is the District's largest cost. In 2017 the South Sheridan Water and Sanitary Sewer District will pay \$322,208 in treatment costs which represents 58% of the District's enterprise operating expenses. Coupling that expense with the \$185,678 in loan payments, the South Sheridan Water and Sanitary Sewer District will pay \$507,886 in fixed operating costs which represents 91.45% of the District's water and sanitary sewer enterprise expenses expected in 2017.

The accrual basis of accounting has been used in preparing the 2017 budget for the South Sheridan Water, Sanitary Sewer and Storm Drainage District.

The District imposed a General Fund mill levy of 5.748 mills generating \$114,225 in revenue. The District reduced its mill levy by 2.148 mills in order to refund approximately \$25,000 in taxes that were over collected during calendar year 2016. In addition, the District bills its customers for utility service charges of \$480.00 annually, which is sufficient to cover the District's projected enterprise operating expenses for 2017.