

RESOLUTION NO. 7-94

A RESOLUTION DEFINING SOURCES OF REVENUE AND LEGITIMATE EXPENDITURES FOR THE TOWN OF BERTHOUD WATER ENTERPRISE FUND.

WHEREAS, the Board of Trustees has determined that the identification of the sources of revenue to the water fund as well as the identification of the appropriate expenditures from these funds will result in fiscal predictability and responsibility.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF BERTHOUD, LARIMER COUNTY, COLORADO:

Section 1. To coordinate deposits collected as fees into the appropriate accounts for use to ensure:

1. Adequate water rights necessary to provide raw water to be treated to supply water customers.

2. Treatment capacity at the Town plant or through supplemental sources adequate to satisfy water customer demand.

3. Maintenance and necessary replacement of infrastructure required to treat and deliver treated water to the customer.

Section 2. The water enterprise fund shall be organized into three divisions:

1. **Source of Supply Division:**

A. This division will be funded by raw water contribution fees and will be concerned with the purchase and delivery of raw water to the treatment plant.

B. Legitimate expenditures from this division will include but not be limited to:

- (1) Purchase of raw water and associated costs including debt service for loans obtained to acquire raw water.
- (2) Diversion, carriage, storage and delivery of raw water prior to treatment.
- (3) Costs of agreements with ditch companies, Northern Colorado Water Conservancy District, Bureau of Reclamation and other entities, including but not limited to one-time assessments, delivery charges, pipeline, reservoir, inlet and outlet construction charges, contracting and legal fees.

2. Water Plant Capital Division:

A. This division will be funded by water plant investment fees and will be concerned with the maintenance, expansion and necessary replacement of the water treatment facility.

B. Legitimate expenditures from this division will include but not be limited to expansion and necessary replacement of real estate, reservoir, physical structures, clarifiers, filters, flocculation basins, pumping stations, electrical and telemetric devices, piping, aqueducts, inlets and outlets within the water treatment facility, including debt service for loan obtained to provide for expansion or replacement.

3. Water Treatment and Delivery Division:

A. This division will be funded by water user fees and will be concerned with operation of the water treatment plant and delivery of treated water to the customer.

B. Legitimate expenditures from this division will include but not be limited to:

- (1) Operating and maintenance costs of the water treatment plant.
- (2) Maintenance and necessary replacement of delivery lines.
- (3) Purchase of supplemental treated water.
- (4) Repayment of bonded indebtedness and other loans.
- (5) Annual, monthly or other periodic assessments, charges and fees.
- (6) Transfers to the general fund as to contributions for direct and indirect administrative expenses.
- (7) Transfers to the water capital facility fund described in subsection B. of Section 2. above to fund the applicable facilities' depreciation.

Section 3.

Deposits to and expenditures from these divisions of the water enterprise fund will be restricted to those described in this resolution with the exception that the Board may authorize loans from one division to another by enacting an emergency ordinance authorizing such loan. All divisions of the water enterprise fund will prepare an annual budget which will be submitted to the Board during the regular budget cycle. All divisions will be required to maintain a reserve balance of no less than 10% of the monetary equity of the division.

DATED this 24th day of May, 1994.

ATTEST:

Mary K. Cowdin
Mary K. Cowdin
Town Clerk

TOWN OF BERTHOUD:

Richard D. Strachan
Richard D. Strachan
Mayor