

RESOLUTION NO. 11-94

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

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

WHEREAS, the Board of Trustees has determined that a fund should be created to offset the depreciation and obsolescence of the wastewater collection and treatment system and that these funds should be generated from a portion of the monthly wastewater user fee.

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

Section 1. It is the purpose of this resolution to coordinate deposits collected as fees into the appropriate accounts for use to ensure adequate:

1. repair and maintenance of the wastewater collection system;
2. treatment capacity at the Town's plant and at pretreatment plants, if acquired, to satisfy wastewater customer demand; and,
3. maintenance and necessary replacement of infrastructure required to treat wastewater at the wastewater plant.

Section 2. The wastewater enterprise fund shall be organized into two primary funds:

**1. Capital Facility Fund: Wastewater Plant and Collection System**

- A. This division will be funded in part, by wastewater plant investment fees and will be concerned with the plant expansion; necessary replacement of the wastewater collection and treatment facilities; and, with maintenance when it is in the nature of a capital expenditure.

B. Legitimate expenditures from this division will include but not be limited to acquisition, expansion and necessary replacement of collection pipelines; acquisition and sale of real estate and reservoirs for storage of treated wastewater; physical structures; purchase of filters, pumping stations, electrical and telemetric devices, piping for aqueducts, inlets and outlets; and, payment for debt service for loans obtained to provide for expansion or replacement of these capital facilities.

2. **Operation and Maintenance Fund: Wastewater Treatment**

A. This division will be funded by wastewater user fees and will be concerned with operation and maintenance of the wastewater treatment plant and collection of wastewater.

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

- (1) Operation and maintenance costs of the wastewater treatment plant.
- (2) Maintenance and necessary replacement of broken or defective wastewater lines  
Replacements shall generally be related to maintenance as opposed to obsolescence.
- (3) Repayment of bonded indebtedness and other loans of a short term nature.
- (4) Annual, monthly or other periodic assessments, charges and fees.
- (5) Transfers to the general fund for contributions to direct and indirect administrative expenses.
- (6) Transfers to the wastewater capital funds described in Part B. of Subsection 1. of Section 2. above to fund the replacement of the applicable facilities' depreciation and obsolescence.

Section 3.

Deposits to and expenditures from these funds of the wastewater enterprise funds 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 and the appropriate amendment to budget. The Wastewater Superintendent and Town Administrator will prepare an annual budget which will be submitted to the Board during the regular budget cycle. Each fund will be required to generate and maintain a reserve balance of no less than 10% of its annual operating budget to be used for unanticipated expenses.

DATED this 13th day of September, 1994.

TOWN OF BERTHOUD:

ATTEST:

Mary K. Cowdin

Mary K. Cowdin  
Town Clerk

Richard D. Strachan

Richard D. Strachan  
Mayor