

**SOUTHEAST METRO STORMWATER AUTHORITY
BOARD OF DIRECTORS
AGENDA ITEM SUMMARY**

NAME OF ITEM:

Update and discussion regarding stormwater fees billed and collected.

FROM:

Dave Agee

DATE:

July 25, 2007

EXECUTIVE SUMMARY:

The primary purpose of this Agenda Item is to provide the Board with information regarding stormwater fees billed and collected from Arapahoe County as well as Douglas County customers. As noted in the attached materials, 90% of the fees billed to Arapahoe County customers had been collected as of June 26, while 45% of fees billed to Douglas County customers had been collected as of July 18. Although the results for Arapahoe County customers at first was disappointing, further research and analysis has revealed that a significant portion of the delinquent amount has been collected or will be collected.

As of June 26, \$762,104.73 of fees were unpaid. However, \$294,199.46 of these fees are due from the Arapahoe County Airport Authority. Even though the amount of these fees may be reduced if the consolidation of various parcels is approved, the Airport is not contesting their responsibility to pay the fees and collection is expected. In addition, \$107,367.54 of the delinquent fees are due from the Cherry Creek School District. Subsequent to the County Treasurer's final due date of June 15, these fees were collected. After deducting the amounts from the Airport and the School District, the amount of unpaid fees is reduced to \$360,537.73, and the percentage of fees collected, or expected to be collected, is 95%.

As previously thought, governmental entities, non-profit organizations, and homeowners associations appear to comprise a significant portion of unpaid fees. Of the \$360,537.73 amount discussed above, \$126,559.19, or about one-third is from governments, non-profits, and HOAs. Schedules are attached showing the detail of these entities.

Budgetary Impact

According to the budget, we are expecting gross fees of \$7,660,820 in 2007, delinquencies of \$153,216, reductions due to adjustments, etc. of \$76,608, and net fees of \$7,430,996. One item of note is that collections of Douglas County fees were not included in the budget; therefore, every dollar collected from these customers enhances the bottom line.

As of July 18, net fees collected from all customers is \$7,006,710. If the fees from the Airport and the Cherry Creek School District are added, the amount is \$7,408,277—within \$22,719 of the budgeted amount.

ITEMS FOR DISCUSSION

Staff would like to discuss various approaches to collecting delinquent fees with the Board, including the charging of interest on past-due amounts. The simplest and most logical approach is to utilize the County Treasurer's process for collected unpaid taxes and assessments. This should work well for business entities and individuals that also owe property taxes. However, governments, non-profits, and HOAs present a challenge. We think many of these entities saw the bill, thought it was a property tax bill, and ignored it. Even though the fees are being billed by the Treasurer as delinquent, many entities may continue to ignore the demands for payment.

Customer contact and education are likely to result in some success in collecting past-due amounts. Liens and other legal action may also prove fruitful. While the billing of interest on past-due amounts is justified from a legal and business viewpoint, the calculation and tracking of such interest may not be worth it, especially for smaller amounts.

We are interested in hearing Board member's views on delinquencies, interest on past-due amounts, and methods of collecting them. Staff, with the assistance of legal counsel, plans to develop policies and procedures regarding these matters for Board consideration in the near future.

SEMSWA			
Summary of Unpaid Fees			
June 26, 2007			
Owner Group	Unpaid	Share	
ARAPAHOE COUNTY AIRPORT AUTHORITY	\$ 294,199.46	39%	(1)
CHERRY CREEK SCHOOL DIST #5	\$ 107,367.54	14%	(2)
ALTON PARK HOA	\$ 17,857.24	2%	
6762 S POTOMAC LLC	\$ 14,842.54	2%	
DEPARTMENT OF HUMAN SERVICES	\$ 12,986.88	2%	
8350 WILSHIRE ASSOCIATES, LLC	\$ 10,664.18	1%	
CHERRY CREEK COUNTRY CLUB HOA	\$ 9,852.44	1%	
LOS VERDES III LLC	\$ 8,120.22	1%	
PUBLIC SERVICE CO OF COLORADO	\$ 6,604.38	1%	
SKY RANCH LLC	\$ 6,320.64	1%	
Total of Top Ten	\$ 488,815.52	64%	
Remaining Parcels	\$273,289.21	36%	
Total Unpaid	\$762,104.73		
Notes:			
(1) The Airport Authority is expected to pay. The amount will be reduced if the consolidation of various parcels is approved.			
(2) The Cherry Creek School District has paid the amount due.			

SEMSWA			
Statistics Regarding Unpaid Fees			
June 26, 2007			
	Number		
	of		
Range of Unpaid Fees	Parcels	Amount	Percentage
> \$5,000	25	\$ 298,610.90	39%
\$1,000 - \$4,999	118	\$ 261,685.89	34%
\$500 - \$999	73	\$ 54,446.58	7%
\$100 - \$499	346	\$ 59,862.13	8%
< \$100	1872	\$ 87,499.23	12%
Totals	2434	\$ 762,104.73	100%
Statistics Regarding Paid Fees			
June 26, 2007			
	Number		
	of		
Range of Paid Fees	Parcels	Amount	Percentage
> \$5,000	160	\$ 1,401,593.40	20%
\$1,000 - \$4,999	515	\$ 1,208,422.38	18%
\$500 - \$999	289	\$ 209,968.48	3%
\$100 - \$499	9721	\$ 1,206,224.44	18%
< \$100	44721	\$ 2,812,762.92	41%
Totals	55406	\$ 6,838,971.62	100%
Statistics Regarding Percentage Collected			
June 26, 2007			
Range of Fees			Percentage
> \$5,000			82%
\$1,000 - \$4,999			82%
\$500 - \$999			79%
\$100 - \$499			95%
< \$100			97%
Total Fees			90%

SEMSWA	If Airport and Cherry Creek Schools are Reflected As Paid		
Statistics Regarding Unpaid Fees			
June 26, 2007			
	Number		
	of		
Range of Unpaid Fees	Parcels	Amount	Percentage
> \$5,000	10	\$ 69,155.36	19%
\$1,000 - \$4,999	53	\$ 109,077.71	30%
\$500 - \$999	50	\$ 39,357.54	11%
\$100 - \$499	332	\$ 57,508.47	16%
< \$100	1855	\$ 85,438.65	24%
Totals	2300	\$ 360,537.73	100%
Statistics Regarding Paid Fees	If Airport and Cherry Creek Schools are Reflected As Paid		
June 26, 2007			
	Number		
	of		
Range of Paid Fees	Parcels	Amount	Percentage
> \$5,000	175	\$ 1,631,048.94	23%
\$1,000 - \$4,999	580	\$ 1,361,030.56	19%
\$500 - \$999	312	\$ 225,057.52	3%
\$100 - \$499	9735	\$ 1,208,578.10	17%
< \$100	44738	\$ 2,814,823.50	38%
Totals	55540	\$ 7,240,538.62	100%
Statistics Regarding Percentage Collected	If Airport and Cherry Creek Schools are Reflected As Paid		
June 26, 2007			
Range of Fees			Percentage
> \$5,000			96%
\$1,000 - \$4,999			93%
\$500 - \$999			85%
\$100 - \$499			95%
< \$100			97%
Total Fees			95%

SEMSWA	
Delinquent Government / Nonprofit / HOA Customers	
Alphabetical List	
	Unpaid
Name of Organization	Amount
ALTON PARK HOA	\$17,857.24
AMAZING GRACE CHURCH	\$1,130.48
ARAPAHOE COUNTY AIRPORT AUTHORITY	\$294,199.46
ARAPAHOE ESTATES HOMEOWNERS	\$207.36
ARAPAHOE LAKE HOA	\$744.96
ARAPAHOE LIBRARY DISTRICT	\$6,288.24
ARAPAHOE PARK AND RECREATION	\$5,253.12
CDOT	\$1,640.90
CENTENNIAL RESIDENTIAL HOA	\$69.12
CHERRY CREEK COUNTRY CLUB HOA	\$9,852.44
CHERRY CREEK FARM HOA	\$1,147.08
CHERRY CREEK SCHOOL DIST #5	\$107,367.54
CHERRY CREEK VISTA METRO REC & PARK	\$1,206.96
CHRISTIAN LIVING CAMPUS	\$4,289.95
CHRISTIAN LIVING COMMUNITIES	\$159.56
CITY & COUNTY OF DENVER	\$368.64
CITY OF AURORA	\$1,589.76
CITY OF CENTENNIAL	\$253.44
COLORADO MUSLIM SOCIETY 1	\$53.76
COLORADO MUSLIM SOCIETY 2	\$4,179.96
COLORADO-NEBRASKA DISTRICT OF	\$1,036.80
COLUMBINE VALLEY, TOWN OF	\$23.04
CONGREGATION BETH SHALOM	\$650.10
CONGREGATION ROEH ISRAEL 1	\$1,244.42
CONGREGATION ROEH ISRAEL 2	\$494.58
CROSS OF GLORY LUTHERAN CHURCH	\$360.96
DEPARTMENT OF HUMAN SERVICES	\$12,986.88
DEPARTMENT OF NATURAL	\$76.80
FAITH BAPTIST CHURCH OF	\$483.84
FARM AT ARAPAHOE COUNTY HOA	\$629.76
FOUR LAKES HOMEOWNERS ASSN INC	\$30.72
FOUR LAKES HOMEOWNERS ASSOC	\$775.68
GEORGETOWN VILLAGE HOA	\$197.34
GOODMAN METROPOLITAN DISTRICT	\$2,641.92
GRACE COMMUNITY CHURCH OF	\$3,014.10
HAMPDEN VILLAS PROPERTY ASSOC	\$169.02
HERITAGE PLACE HOA	\$476.16
HERITAGE VILLAGE ASSN	\$1,135.14
HIGHLAND POINTE HOA	\$23.04
HIGHLAND VIEW HOA	\$329.76
HIGHLINE GLEN HOMEOWNERS	\$38.40
HIGHLINE HOMEOWNER'S ASSC	\$829.62
HILLCREST AT HOMESTEAD HOA	\$122.88
HILLS AT CHERRY CREEK WEST COMM ASSN	\$483.84
HOMESTEAD AT THE FARM HOA	\$484.44
HOMESTEAD AT WILLOWS END HOA	\$2,006.08
HOMESTEAD FARM HOA	\$722.52
HOMESTEAD IN THE WILLOWS HOA	\$2,015.76
HUNTERS HILL RECREATION	\$199.68
INVERNESS WATER & SAN DIST	\$768.30
JEWISH FAMILY SERVICE OF COLO	\$61.44
KOSHIN PRESBYTERIAN CHURCH	\$845.56

SEMSWA	
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Name of Organization	Amount
LEGACY PARK COMMUNITY ASSOC	\$15.36
LITTLETON FIRE PROTECTION DIST	\$437.76
MACHEBUF HOME ASSOCIATION INC	\$105.00
MAINTENANCE ASSOC FOR PINEY	\$53.76
MIRAVISTA HOMEOWNERS ASSN	\$92.16
MOUNTAINVIEW MEADOWS	\$638.28
NEW COMMUNITY CHURCH	\$127.64
ORCHARD MEADOWS HOA	\$2,422.10
ORCHARD VALLEY AT CHERRY CREEK PARK HOA	\$330.96
PARKVIEW HEIGHTS HOA	\$15.36
PINEY CREEK EAST RECREATION	\$1,808.46
PINEY CREEK HOA	\$736.28
PINEY CREEK MAINT ASSN INC	\$138.24
PINEY CREEK RECREATIONAL ASSOC	\$3,147.00
POLO RUN RECREATION ASSN INC	\$224.58
SADDLE ROCK RIDGE HOA % PROKOPIAK MANAGEMENT CO	\$46.08
SANCTUARY COMMUNITY ASSOC INC	\$3,082.66
SECRETARY OF HOUSING & URBAN DEV	\$94.56
SMOKEY HILL VILLAGE	\$1,891.20
SMOKY HILL BAPTIST CHURCH	\$591.36
SMOKY HILL CHURCH OF CHRIST	\$1,749.36
SMOKY HILL UNITED METHODIST	\$1,274.88
SMOKY HILL VILLAGE FILING NO 3	\$30.72
SOUTH SUBURBAN METRO REC & PARK DIST	\$1,658.88
SOUTHGATE WATER DIST	\$30.72
THE PLATTE CANYON ESTATES	\$430.76
TUSCANY SOUTH MAINTENANCE ASSOC	\$360.96
UNITED STATES OF AMERICA	\$215.04
UNITED STATES POSTAL SERVICE 1	\$4,834.06
UNITED STATES POSTAL SERVICE 2	\$2,440.96
UNIVERSITY COURT ASSN	\$861.52
UNIVERSITY PLACE HOA	\$509.38
VALLEY COUNTRY CLUB ESTATES	\$79.78
VIEW BUSINESS OWNERS	\$510.54
VINTAGE EAST HOA	\$212.10
VINTAGE HOMEOWNERS ASSOCIATION	\$1,356.10
WILLOW CREEK HOA	\$2,181.12
WILLOW TRACE METROPOLITAN DISTRICT	\$53.76
WOODRIDGE TERRACE HOMEOWNERS	\$59.10
WOODRIDGE TOWNHOME HOMEOWNERS	\$59.10
Total	\$528,126.19
Less Airport Authority	-\$294,199.46
Less Cherry Creek School District	-\$107,367.54
	\$126,559.19

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HILLS AT CHERRY CREEK WEST COMM ASSN	\$483.84
HERITAGE PLACE HOA	\$476.16

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Total	\$528,126.19
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Less Cherry Creek School District	-\$107,367.54
	\$126,559.19

SEMSWA			
Statistics Regarding Douglas County Fees			
July 18, 2007			
Total Fees Billed			\$ 170,626.73
Total Fees Collected			\$ 77,460.88
Percentage Collected			45%
Statistics Regarding Unpaid Fees			
July 18, 2007			
	Number of		
	Parcels	Amount	Percentage
Range of Unpaid Fees			
> \$5,000	8	\$ 67,881.07	73%
\$1,000 - \$4,999	7	\$ 23,590.97	25%
\$500 - \$999	1	\$ 576.00	1%
\$100 - \$499	4	\$ 1,016.76	1%
< \$100	4	\$ 101.04	1%
Totals	24	\$ 93,165.84	
Statistics Regarding Paid Fees			
July 18, 2007			
	Number of		
	Parcels	Amount	Percentage
Range of Paid Fees			
> \$5,000	5	\$ 54,100.01	70%
\$1,000 - \$4,999	7	\$ 22,277.99	29%
\$500 - \$999	1	\$ 983.04	1%
\$100 - \$499	0	\$ -	0%
< \$100	2	\$ 99.84	0%
Totals	15	\$ 77,460.88	
Statistics Regarding Percentage Collected			
July 18, 2007			
Range of Fees			Percentage
> \$5,000			44%
\$1,000 - \$4,999			49%
\$500 - \$999			63%
\$100 - \$499			0%
< \$100			50%
Total Fees			45%