



CENTENNIAL
WATER AND SANITATION DISTRICT

2021 Adopted Budget & Rates



Adopted December 14, 2020

Highlands Ranch, CO



CENTENNIAL

WATER AND SANITATION DISTRICT

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CENTENNIAL

WATER AND SANITATION DISTRICT

December 14, 2020

Centennial Water and Sanitation District
Board of Directors and Customers;

The primary objective of the budget is to present the Centennial Water and Sanitation District (“Centennial” or “District”) short term expenditure plan developed with perspective of long term needs and to identify the necessary resources and revenues. Long and short term planning is guided by District goals to provide all of our customers with safe, clean, and reliable water services that meet all regulatory requirements, as cost-effectively as possible.

The 2021 Budget was approved and adopted by the Board of Directors on December 14, 2020. As part of the approval process, \$42,944,037 was appropriated for operations, including miscellaneous capital and debt service.

The 2021 operations portion of the Budget anticipates:

- A 2.8% or \$820,605 increase in expenditures from the 2020 budget. The increase in budgeted expenditures is primarily due to increases for wages, repair projects, and professional services.
- An increase in operating revenues of 5.4% or \$2.3 million from 2020 budgeted revenues. This increase in revenues is generated primarily by an increase in water and wastewater fixed fees.

The Budget is a balanced allocation of resources to meet the continuing needs of Centennial’s customers. It meets all legal obligations mandated by federal, state and local laws. It is set forth as the financial plan and operations guide to communicate to its customers.

Managing challenges

Early planning for infrastructure funding needs has established a strong financial position and low rates compared to neighboring communities. As the community nears build out, the challenges facing the District have shifted from managing growth to:

Water Supply

Water is a precious resource in the arid west, and water supply management is a vital component of the operations of the District and a significant driver in the development of the budget. Annual and long term planning for demand is impacted by cost, storage, and availability. While the District has ample groundwater to supply the community’s indoor water demand, the primary source over the past 38 years has been renewable surface water.

The water supply for Centennial Water’s service area is predominately renewable surface water from the South Platte River Basin. Surface water supply is supplemented as needed with deep groundwater from Denver Basin aquifers beneath Highlands Ranch. Since 1982, surface water has comprised 85 percent of the District’s water supply.

The District holds long term and short term surface water leases in its portfolio to supply the needs in a cost effective manner. District leaders are active on several regional and state committees to identify water supply projects that will benefit the community now and into the future.



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The District projects annual customer demand using a five year rolling average of production plus the impact of anticipated new development. An estimate for available surface water is developed based on projected snow pack, reservoir storage levels, existing lease agreements and anticipated spot sales. The 2021 budget assumes total demand of 16,560 acre-feet from which 13,860 acre-feet is surface water, 2,000 acre-feet is groundwater and 700 acre-feet from WISE.

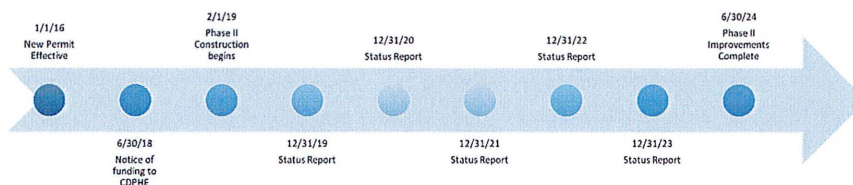
Regulatory

Federal and state regulations can have significant impact on District operations. Several initiatives are under review that could impact future water and wastewater operations. Staff considers pending and potential requirement changes when evaluating infrastructure upgrades.

Regulation 85 nutrient limits have made necessary improvements to District facilities. The district issued \$75 million in debt in January 2019 to finance these improvements as well as address aging infrastructure.

The renewal of the Marcy Gulch Wastewater Treatment Plant Discharge Permit was approved by the Colorado Department of Health and Environment (CDPHE) in 2015 and the new permit became effective January 1, 2016. The normal renewal cycle is every five years with the next scheduled renewal as shown in the schedule below in 2021.

The Marcy Gulch Plant discharges into a portion of the South Platte River that has some of the most strict discharge standards in the basin. More strict nutrient limits were included in the new permit and resulted in a 4-year compliance schedule that began with design in 2017 followed by construction beginning in 2019 of the necessary improvements. Any improvements necessary to meet the schedule will be determined by the engineering design and must be completed and operational by June 30, 2021. The timeline is shown below.



Current regulatory programs are listed below:

1. Centennial maintains an industrial pretreatment program to monitor industries and other businesses that discharge wastewater. Annual inspections at each facility are conducted and documented in a database. Periodic wastewater sampling is conducted as needed to monitor wastewater discharges. This program regulates and prevents hazardous chemicals or waste from being discharged into the sewer system and harming the wastewater treatment plant or passing through without treatment.
2. Centennial, in conjunction with the Highlands Ranch Metro District, Douglas County, and Tri-County Health Department, conducts a Household Hazardous Waste Roundup event on an annual basis. Hazardous and toxic chemicals and wastes are collected and either recycled or disposed of at approved facilities. This helps mitigate the dumping of the waste material into the streets, sanitary sewers, or storm sewers of Highlands Ranch. For more information about the Household Hazardous Waste Roundup, please visit www.highlandsranch.org.
3. As part of national homeland security efforts, Centennial has developed an Emergency Response Plan to document procedures that will be taken to protect Highlands Ranch's water sources and distribution system from accidental or intentional contamination.
4. Centennial's water system includes backup systems to provide drinking water to our residents in the event of accidental or intentional contamination.

5. Centennial has standby equipment to contain and recover spills into surface water supplies.
6. Centennial has an Oil Spill Prevention Control and Countermeasure Plan for all of its facilities. The plan provides guidelines and procedures to control and contain fuel or oil spills from storage or treatment facilities.
7. Security measures have been taken to secure and monitor Centennial's water and wastewater treatment facilities. State of the art monitoring equipment provides information to ensure that the facilities are safe and secure.

Infrastructure

Maintenance of the District's infrastructure is essential to meeting customer demands. The District recently worked with Brown and Caldwell on condition assessments of the water and wastewater treatment plants and field assets. These assessments along with the use of Cityworks software will help staff to track maintenance and plan for significant replacements.

Technology

Technology changes continue to impact almost every aspect of our business. The District began implementation of Advanced Metering Infrastructure (AMI) in 2020. AMI completely automates the data collection process which can benefit the district by providing enhanced information for:

- Identification of loss or leak issues in the system
- Improved data for customer to use in their water budget decision making

Investing for the future

Water

Two significant regional water supply projects, Chatfield Reallocation and Water Infrastructure and Supply Efficiency (WISE), that have been in planning for years continued to take significant steps forward in 2020. The District is already receiving water from WISE but there are still some construction projects associated with achieving full delivery levels.

WISE is a regional water project in conjunction with Aurora and Denver Water combining their water and infrastructure that improves water resource utilization for Aurora and Denver, and deliver waters to WISE Authority participants when it's available. The District began receiving deliveries in 2018. The permanent connection is currently in the design phase and forecasted to be completed in 2021.

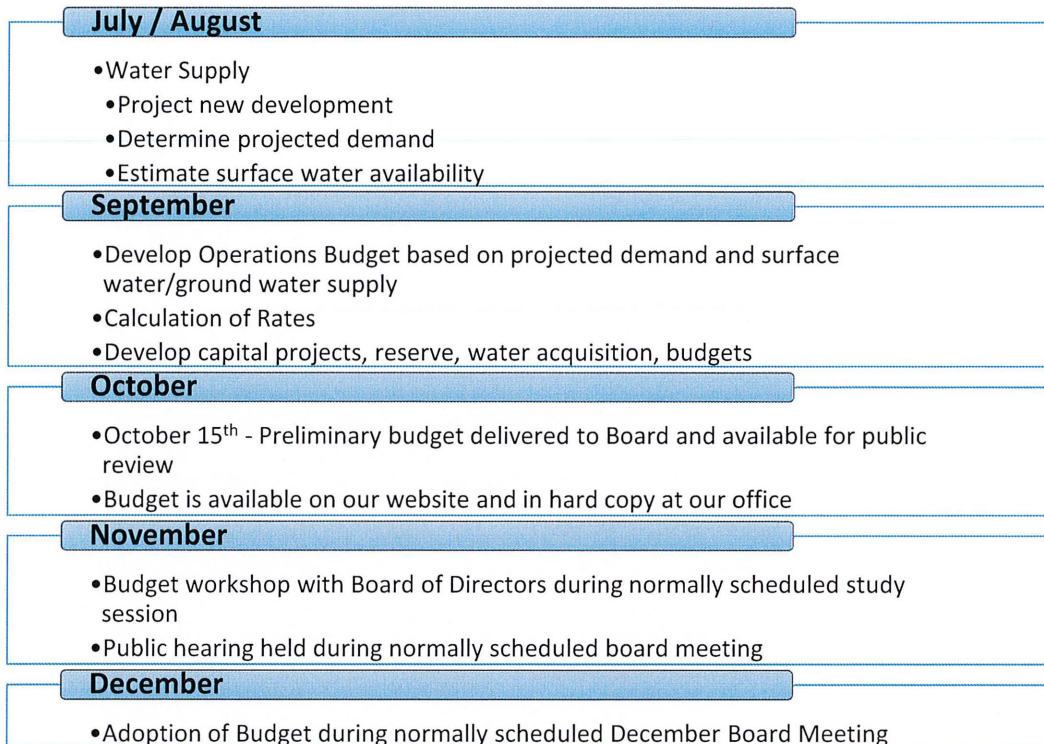
Chatfield Reallocation is a regional storage project to increase storage capacity by 20,600 acre feet with an estimated cost of \$153 million. Centennial's interest represents 31.24% of the total project. Chatfield Dam and the resulting reservoir is an on stream reservoir built in 1973. The project will store renewable surface water from Plum Creek and the South Platte River for storage and use as part of Centennial's water portfolio. Taking opportunities to increase surface water storage is critical to providing reliable water supplies in Colorado's semiarid climate and can help reduce dependence on non-renewable groundwater. Improvements began in 2017 and the project was substantially completed in 2020.

Wastewater

As mentioned above, the new discharge permit required an engineering assessment in 2016 which identified process changes in order to comply with the current CDPHE standards. The assessment not only included improvements necessary for the new standards, but also evaluated facilities at the treatment plant that were over 30 years old and may require renovation. These renovations will be done in conjunction with the overall improvements required to meet regulatory requirements.

Budget Process

Although Centennial is an enterprise for financial reporting purposes, the Board has found it effective to communicate its budgetary practices by utilizing the more traditional governmental fund accounting. The current process is as follows:



Annual Operations Expenditures

Some key assumptions in the 2021 budget include:

- an average increase in wages of 3.0%,
- a 5.5% increase in health insurance premiums with no changes in benefits;
- an increase of 2.7% in the estimated cost of surface water leases

Infrastructure / Equipment Needs

The District has seven-year capital replacement plan to address aging infrastructure and improve efficiency. Several projects are identified to be funded by cash on hand including significant improvements at the water treatment plant.

FINANCIAL POLICIES

The Board of Directors has established financial policies for fund balances and transfers, rate making, investments, purchasing, and compensation.

Budget Procedures and Balancing

The District's budget procedures shall comply with Local Government Budget Law of Colorado as outlined in Colorado Revised Statutes (C.R.S.) Title 29 Article 1 Part 1 Budget Services Part 1, for the preparation, consideration, adoption execution and audit of the Highlands Ranch Metro District annual budget.

Balanced Budget:

- The budget shall be balanced by fund.
- The budget will be considered balanced if:
 - Estimated revenues and resources for each fund will equal or exceed recommended appropriations.
 - Fund balances meet or exceed the targeted ending fund balances established by the Board.
- The budget shall disclose whether the budget is balanced. If the budget is not balanced, the budget document shall disclose the reasons for not balancing the budget.

Fund Balances and Transfers

The District has formal targeted ending fund balances for the Operating Fund and the Debt Service Fund:

- The ending fund balance for the Operating Fund will be 6 months of working capital.
- The ending fund balance for the Debt Service Fund will be equal to the next year's debt service payment (principal and interest).

Available funds in excess of the above targeted ending fund balances will be transferred in the following priority:

- to the Major Repair Fund consistent with the budget and rate allocations;
- remaining funds will be transferred to the Financial Assurance Fund. The Financial Assurance Fund is available for the following potential Board directed transfers:
 - to stabilize rates as necessary during periods of revenue fluctuation;
 - ensure the Debt Service Fund targeted fund balance is properly maintained;
 - use by the Reserve Fund for major repairs above and beyond the balances maintained in the Reserve Fund;
 - and the acquisition of water from the Water Acquisition Fund.

Rate and Fee Policy

The Board has identified the following key items to be addressed when establishing rates and fees:

- The Water Service Availability Charge, which is assessed against all customers based on meter size, will be sufficient to meet the annual cost of water related debt service, cost of providing the periodic billing services, the cost of meter replacement, and a portion of the annual contribution to fund the Major Repair Fund.
- The Wastewater Service Availability Charge which is assessed against all customers based on meter size, will be sufficient to meet the annual cost of wastewater related debt service and a portion of funding the Major Repair Fund.
- The water and wastewater consumption rates are designed to cover the cost of the annual operations. Two year budget projections are prepared in order to stabilize the rate requirements and avoid dramatic single year increases whenever possible.
- Capacity fees are designed to recover the cost of capital as defined by the District's Facility Plan.

Investment Policy

Colorado State Statutes specify investment instruments meeting defined risk criteria in which units of local government may invest. The District has adopted an Investment Policy that is more restrictive than the State Statutes and is limited to:

1. U.S. Treasury Obligations: Treasury Bills, Treasury Notes, and Treasury Bonds with a final maturity not exceeding five years from the date of purchase and U.S. Treasury Strips with maturities not exceeding five years from the date of purchase.

2. Federal Instrumentality Securities: Debentures, discount notes, and callable securities with a final maturity not exceeding five years from the date of purchase issued by the following: Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), and Student Loan Marketing Association (SLMA).
3. Corporate Debt: debt issued by any corporation or bank organized and operating within the United States with a maturity not exceeding three years from the date of trade settlement. The debt must be rated at least AA- or the equivalent at the time of purchase by at least two NRSROs, and rated not less by any NRSRO that rates it. The District shall limit investments in Corporate Debt to no more than 25 percent of the total portfolio and 5 percent per issuer.
4. Repurchase Agreements, executed subject to an approved Master Purchase Agreement, with a termination date of 90 days or less collateralized by U.S. Treasury Securities listed above with maturities not exceeding ten years.
5. Prime Commercial Paper with an original maturity of 180 days or less which is rated at least A-1 by Standard & Poors or P-1 by Moody's at the time of purchase by each service which rates the commercial paper.
6. Eligible Bankers Acceptances with original maturities not exceeding 180 days, issued on domestic banks whose senior long-term debt is similar to 4 above; have a combined capital and surplus of at least \$250,000,000; and have deposits insured by the FDIC.
7. Local Government Investment Pools authorized under CRS 24-75-701 and 702.
8. Money Market Mutual funds which have a rating of AAA by Standard and Poors or AAAM by Moody's.

Purchasing Guidelines

Purchasing Guidelines are intended to ensure that purchases are made in accordance with good business practices while streamlining the amount of paperwork wherever possible. The Purchasing Guidelines were first implemented in the early 1980's and were most recently revised on September 1, 2020. The Purchasing Guidelines set the structure for delegated authority, levels for obtaining bids, and allowable purchases. In all circumstances, approvals cannot take place unless sufficient funds have been appropriated for the project through approval by the Board of Directors. Any adjustment to the appropriations must also be presented to the Board of Directors for approval.

Compensation Plan

The Board has established guidelines for determining wage compensation. The Board's objective is to administer salary changes fairly and consistently for all types of increases. To meet this objective the Board has provided staff with the following guidelines:

- Produce a compensation plan, which is consistent with the budget expectations found in the annual budget.
- Attract and retain quality employees.
- Ensure market competitiveness by targeting the level of compensation to be at or slightly above market. This is accomplished by assigning ranges so that the surveyed midpoint falls within a range of 100% to 105% of our midpoint.
- Ensure consistency by establishing a list of organizations for benchmark position market comparison that will be used consistently over time for each category.
- Within budget constraints, treat employees fairly.
- Treat exempt and non-exempt employees comparably.

Benefits

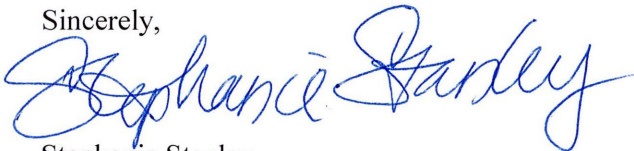
The District benefit package offers benefits that are comparable with that offered by other local governments. For the purpose of the budget, no changes in the benefit levels are anticipated to be required in order to meet the budgeted increase for benefits. The budget increase reflects the anticipated increase in premium costs.

To provide cost effective benefits the Board has authorized the following significant benefits:

1. Participation with the Highlands Ranch Metropolitan District in a defined contribution retirement plan. The plan is in lieu of participation in social security for regular employees and the contribution is the same 6.2% as would be contributed to social security.
2. A 457 plan that allows for matching of employee contributions of up to 4% by the District depending on the employees contribution level.
3. In February 2019, a Roth IRA option became available to employees of the District to aid in retirement planning.
4. Medical, dental and vision plans offered in conjunction with the Special District Association via the Colorado Educational Benefit Trust. These plans have historically provided premium increases less than might otherwise be anticipated in the market. The medical plans that are offered are fully compliant with the Affordable Care Act.

Each year balancing available resources with the costs to provide quality services can be challenging. Centennial Water and Sanitation District is committed to providing quality water and wastewater services while managing resources wisely. The 2021 Budget enables the District to provide services which meet needs and enhance the quality of life for its customers. We encourage readers to read the Introduction and the narratives for each fund for more detailed information on the revenue sources and the outflow of funds in addition to reviewing the financial summaries.

Sincerely,



Stephanie Stanley
Director of Finance and Administration
Centennial Water and Sanitation District



CENTENNIAL

WATER AND SANITATION DISTRICT

Mission

Provide safe, sustainable, and reliable water and wastewater utility services to our customers with superior quality and value.

Vision

Set the standard of excellence for community-based water and wastewater utility services through innovative practices in finance, operations, and resource management.

Core Values



Safety

We work to ensure a safe environment for our employees and our customers.

Teamwork

We collaborate with internal teams and regional partners to achieve our goals.

Vision

We remain forward thinking to identify opportunities to benefit our community. We strive to provide leadership within the water and wastewater industry.

Excellence in Service

We strive for excellence in all facets of our industry, including customer service, water quality, and environmental stewardship.

Integrity

We take pride in our work and demonstrate honest and ethical behavior to ensure we meet our obligations. We respect the valuable resources that we are entrusted with and are committed to protecting them.

HOW TO USE THE BUDGET DOCUMENT

In order to assist those readers not familiar with the Centennial Water and Sanitation District (“Centennial” or “District”) budget documents - or local government organizations - in gaining an understanding of how the budget is organized and what information is presented, below is a quick overview:

- The first section of the Budget is devoted to the **INTRODUCTION**, which includes the Budget Message section which provides an overview of the entire budget, and highlights where we are as a District.
- The second section – the **SUMMARY**- provides a quick reference to basic information in a capsulated form. Included in this section is: the Statement of Operations and Changes in Financial (Fund Balance) Position (2019-2021) for the combined as well as individual funds; the Key Economic Assumptions used to generate the budget numbers; and a narrative describing the key elements of the various funds.
- The final section is devoted to the detail of the **REVENUE and EXPENSE** Budgets of the District. The revenue section includes estimates of the revenues to be raised through the imposition of rates and charges to the District's customers and capital contributed from the collection of capacity fees. The expense section summarizes the expenses by the type of activity incurring the expense as well as the nature of the expense.

INTRODUCTION/OVERVIEW

Centennial was formed in 1980 for the purpose of providing water and wastewater service through wholesale service agreements to areas of unincorporated Douglas County specifically the areas now known as Highlands Ranch Metropolitan District (HRMD) and Mirabelle Metropolitan District (MMD). HRMD and MMD in turn retails those services to the end users - the property owners. In 1988, utilizing identified extra capacity in its system, Centennial made a minor expansion to its service area by entering into another wholesale agreement with Northern Douglas County Water and Sanitation District (“NDC” or “Extended Service Area”). A service area map can be found in the appendix of this document.

Centennial Board of Directors held an inclusion election on May 5, 2020 to include all of the properties located in the HRMD and MMD boundaries into Centennial's boundaries. The election passed by a vote of 478 to 53. The inclusion does not have a financial impact on the District and does not change the service area for Centennial.

The service area is located in Douglas County, Colorado. Highland Ranch specifically has been touted as one of the most desirable places to live by numerous publications. Highlands Ranch enjoys a favorable economic environment relative to other Denver Metro area communities and local economic indices and point to continued long-term stability.

In accordance with Colorado State Budget Law, the District's Board of Directors holds public hearings in the fall of each year to:

- review the status of the current year budget
- approve the following year's budget
- appropriate funds necessary to operate for the ensuing year.
- approve rates for the following year

Although it is the intent of the Board of Directors to adopt a budget which will go unchanged, statutes allow the Board to modify the budget and the appropriation resolutions upon completion of notification and publication requirements.

FINANCIAL ENTERPRISE – BUDGET BY FUND

Although Centennial is an enterprise for financial reporting purposes, the Board has found it effective to communicate its budgetary practices by utilizing budgeting practices that more closely resemble traditional governmental fund accounting. As a result, Centennial's expenditures are broken down into distinct primary funds of a recurring nature.

Funds are a self-balancing group of accounts which are used to record the expenditures for various types of activities performed by the funds to account for different monies coming into the District in different ways. The fund balance represents the difference between assets and liabilities reported in a governmental fund. All expenditures for general operations and capital outlay are reported on a full accrual basis; i.e. expenses are recognized in the period incurred, if measurable. For budgetary purposes, debt and nonrecurring expenditures are recognized on a cash basis; i.e. the expenditure is recognized only when made, not when it is incurred. The funds of a recurring nature used for budgetary practices are:

- Operations Fund - budgets for the ongoing operations cost of the District including personnel and expenses associated with day to day operations necessary to deliver water and process wastewater.

For financial statement purposes, the following three sub-funds, although uniquely accounted for in the accounting system, are consolidated as part of **Current Assets**. Funding for the three sub-funds is from rate income. The rate income as collected is as follows:

- The specific amount collected related to Water Acquisition is deposited directly into the Water Acquisition Fund.
- The balance of the rate income collected is deposited into the operations funds. After meeting 1) the targeted ending working capital in the operations fund and 2) the targeted ending fund balance in the debt service fund, is transferred to the sub-funds.
 - *Major Repair* – \$3.8 M annual requirements is generated from the base rate income and includes components of both the water and wastewater rates. The fund balance is available for major repair and replacement of District owned process equipment, vehicles, well re-drills and smaller renovation of facilities. The District also funds the purchase of miscellaneous new equipment from this fund.
 - *Water Acquisition* - funded by a portion of the rates specifically identified for water acquisition and to the extent available an additional transfer from the financial assurance fund. The water acquisition portion of the rates increased from \$0.75 per thousand gallons to \$0.80 in order to fund the Chatfield Reallocation and WISE projects now that they are entering the design and construction phase. The fund balance is available for:
 - acquisition of surface water
 - operating costs related to the WISE and Chatfield Reallocation Projects
 - construction of facilities to capture, store and deliver surface water
 - protection of stream and reservoir quality and various water conservation incentives.
 - The fund may also be used to fund the cost of maintaining inventory levels in the reservoirs and using Aquifer Storage and Recovery (ASR) for underground storage.
 - *Financial Assurance* – the Financial Assurance Fund adjusts annually based upon the available annual resources net of the fund transfers above and after considering the targeted transfer to the Debt Service Fund. Examples of resource accumulation that impacts the available funds include 1) the rate income from the higher water tiers which is not accounted for in the calculation of rates; and 2) higher than or lower than the anticipated net investment income used to calculate the rates. Use of the Financial Assurance fund allows the District to avoid fluctuation of rates due to volatile economic conditions or significant reductions in demand.
- Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and other costs related to the management and retirement of debt.
- Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital improvement projects or facilities. The capital improvement projects funded are those identified as backbone infrastructure as identified in the District's Comprehensive Facility Plan as well as new facilities and processes required by an ever changing regulatory environment.

A comparison between the 2020 budget, 2020 projected and 2021 budget expenses are presented in summary form below. A more detailed look at each category of expenditures is found later in this introduction and under the detailed expenditure sections.

	2020 Budget	2020 Projected	2021 Budget	2020 Projected /2021 Budget % Increase/ Decrease
Operations Fund				
Operating expenses - operating fund	\$ 23,298,756	\$ 24,133,594	\$ 23,808,683	-1.35%
Water leases	4,186,612	4,276,727	4,501,409	5.25%
Water Acquisition Fund	1,917,000	600,320	1,810,880	201.65%
Misc. Capital (operations)	-	68,000	76,000	0.00%
Misc. Capital (major repair)	780,000	780,000	806,000	0.00%
Total Operating	30,182,368	29,858,641	31,002,972	3.83%
Debt service (scheduled and bond issuance)	12,143,000	11,940,662	11,941,065	0.00%
Capital Projects	55,104,000	40,324,840	51,304,536	27.23%
Nonrecurring	-	-	-	0.00%
	<u>\$ 97,429,368</u>	<u>\$ 82,124,142</u>	<u>\$ 94,248,573</u>	<u>14.76%</u>

OPERATING REVENUES/OTHER RECEIPTS

Operating Revenues

Operating revenues are comprised of income received from:

- Billing as a wholesaler to the Service Districts for water and wastewater services
 - The District also bills and collects from HRMD and MMD customers on behalf of the retail entities under a total service contract
 - NDC bills and collects from its own customers based on a water budget structure similar to that billed to the total service contract customers

The detailed rates charged by Centennial to be collected by the Service Districts are summarized below.

- Sale and installation of meters for new customers.
 - The District acquires all meters and sells them at cost to HRMD and MMD. In addition, District staff installs all meters for services located within HRMD and MMD, and charges an installation fee for providing this service.
 - NDC is responsible for its own sale and installation of meters.
- Other contract services billed to Castle Pines North Metro District and Roxborough Water and Sanitation District.

In 2021 base water rates will vary by customer type. The proposed rate structure reflects the additional impact that irrigation use has on the operation of the system.

- The rate model has calculated base rates of \$3.78 per thousand gallons for indoor usage and \$4.20 per thousand gallons for outdoor usage.
- Single family residential usage, because it combines indoor and outdoor usage through as single meter, has a blended rate of \$4.10 per 1,000 gallons for usage up to 100% of their water budget.
- Indoor commercial and multi-family residential usage is all indoor usage. The indoor base rate of \$3.78 per 1,000 gallons will be applied to usage up to 100% of their water budget.
- Irrigation customers' usage is solely for irrigation so the outdoor base rate of \$4.20 per 1,000 gallons will be applied to usage up to 100% of their water budget.

The service agreement between Centennial and NDC allows for a rate up to 200% of the HRMD rate. The 2021 rates for NDC include a surcharge of \$1.00 per 1,000 gallons which results in rates less than the maximum 200%. This surcharge is designed to partially offset the increase cost for the acquisition of water from the WISE project, the need for which is largely attributable to providing service outside of the Highlands Ranch service area. More information on the WISE project can be found in the discussion of the Water Acquisition Fund.

The table below summarizes the rates charged from 2017 through the 2021.

Highlands Ranch/ Mirabelle

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Water Service Availability Charge (bimonthly)	\$ 27.00	\$ 27.30	\$ 28.80	\$ 31.72	\$ 33.50
Single Family Water Rate Up to 100% of Budget/1,000 gallons	\$ 3.41	\$ 3.63	\$ 3.73	\$ 3.90	\$ 4.10
Indoor Commercial Water Rate Up to 100% of Budget/1,000 gallons	\$ 3.17	\$ 3.31	\$ 3.42	\$ 3.59	\$ 3.78
Irrigation Water Rate Up to 100% of Budget/1,000 gallons	\$ 3.48	\$ 3.66	\$ 3.82	\$ 3.99	\$ 4.20
Minimum Wastewater Charge (bimonthly)	\$ 23.14	\$ 24.00	\$ 28.65	\$ 30.74	\$ 32.77
Wastewater per 1,000 gallons over 3,000	\$ 3.08	\$ 3.20	\$ 3.35	\$ 3.68	\$ 3.75
Nonpotable Water per 1,000 gallons up to 100% of Water Budget	\$ 1.65	\$ 1.72	\$ 1.80	\$ 1.87	\$ 1.95

Northern Douglas County Water and Sanitation District

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Water Service Availability Charge (bimonthly)	\$ 27.00	\$ 27.00	\$ 27.30	\$ 31.72	\$ 33.50
Single Family Water Rate Up to 100% of Budget/1,000 gallons	\$ 4.46	\$ 4.60	\$ 4.77	\$ 4.92	\$ 5.19
Indoor Commercial Water Rate Up to 100% of Budget/1,000 gallons	\$ 4.22	\$ 4.33	\$ 4.46	\$ 4.62	\$ 4.88
Irrigation Water Rate Up to 100% of Budget/1,000 gallons	\$ 4.53	\$ 4.68	\$ 4.86	\$ 5.01	\$ 5.29
Minimum Wastewater Charge (bimonthly)	\$ 23.14	\$ 24.00	\$ 28.65	\$ 30.74	\$ 32.77
Wastewater per 1,000 gallons over 3,000	\$ 3.08	\$ 3.20	\$ 3.35	\$ 3.68	\$ 3.75

Other

Castle Pines North per 1,000 gallons	\$ 2.48	\$ 2.57	\$ 2.67	\$ 2.69
Roxborough per 1,000 gallons	\$ 1.45	\$ 1.37	\$ 1.37	\$ 1.37
Roxborough monthly fixed fee per equivalent	\$ 9.94	\$ 10.54	\$ 10.54	\$ 10.86

For both of the Service Districts, the base water rates are charged to each individual retail customer based on a unique “Water Budget” calculated for that customer based on the characteristics of the customer’s property. Usage above the budgeted amount results in increases to the three-tiered rates. The purpose of this innovative rate structure is to encourage water conservation through economic incentives to customers. The table below illustrates the tiered rate structure for HRMD and MMD.

	Residential		Non-Residential	
	Summer	Winter	Indoor	Outdoor
Up to 100%	\$ 4.10	\$ 4.10	\$ 3.78	\$ 4.20
101% up to 120%	\$ 5.52	\$ 5.52	\$ 5.11	\$ 5.70
121% up to 140%	\$ 8.38	\$ 5.52	\$ 5.11	\$ 9.90
Over 140%	\$ 12.68	\$ 9.13	\$ 8.89	\$ 16.80

For residential wastewater service, the rates are annually adjusted based on an individual homes average monthly wintertime water consumption for two months as a proxy for actual sewer flows during the entire year. The residential wastewater charges require a minimum of \$30.74 per bimonthly billing which includes the first 3,000 gallons. The actual bi-monthly rate will be determined for each individual household based on its wintertime consumption multiplied by \$3.75 (which is also the nonresidential rate) for usage greater than 3,000 gallons plus the minimum amount of \$30.74.

Based on the above the District has projected the following rate based operating revenues for 2020 and 2021:

	2020 Budget	2020 Projected	2021 Budget	2020 Projected /2021 Budget % Increase/ Decrease
Water Operations				
Utilization charges (to Operations Fund)				
Metered water sales	\$ 15,150,000	\$ 16,400,000	\$ 15,700,000	-4.27%
Surcharge	1,600,000	2,300,000	1,700,000	-26.09%
Metered water - CPN/RPMD	262,880	261,985	262,880	0.34%
Service availability charge	7,900,000	7,880,000	8,300,000	5.33%
	24,912,880	26,841,985	25,962,880	-3.28%
Water Acquisition (WAQ fund)	3,600,000	4,000,000	4,100,000	2.50%
	28,512,880	30,841,985	30,062,880	-2.53%
Other operating income (to Operations Fund)				
Penalties, reconnects, final billing	300,000	100,000	300,000	200.00%
Backflow Device Testing Fee	-	86,100	117,000	35.89%
Castle Pines North	400,000	400,000	400,000	0.00%
Development charges				
Meter sales	47,080	81,780	63,100	-22.84%
Inspection Fees	31,310	59,388	42,190	-28.96%
Construction/hydrant water	20,000	19,300	20,000	3.63%
	798,390	746,568	942,290	26.22%
Total water operations	\$ 29,311,270	\$ 31,588,552	\$ 31,005,170	-1.85%
Wastewater Operations				
Base	4,620,000	4,850,000	5,000,000	3.09%
Usage driven	8,220,000	7,245,000	8,400,000	15.94%
Total wastewater operations (to Operations Fund)	12,840,000	12,095,000	13,400,000	10.79%
Total	\$ 42,151,270	\$ 43,683,552	\$ 44,405,170	1.65%

Contributed Capital

Contributed capital represents payments by the Service Districts to Centennial for the purpose of reserving capacity within the Centennial system. These payments are of three varieties:

- The Base Capacity Fee

The Base Capacity Fee for HRMD is calculated annually for new development within HRMD's boundaries as of October 1 and is payable by HRMD on April 1 of the following year. The HRMD fee, which has remained unchanged since January 1, 2000 is:

- ✓ \$5,960 per single family residential dwelling unit
- ✓ \$3,780 per multi-family residential dwelling unit
- ✓ \$9,650 per ¾" nonresidential equivalent tap

The capacity fee represents the amount necessary to recover the estimated cost of all of the initial infrastructure and facilities (including engineering and construction costs but not financing costs) to be built by Centennial allocated by user class. The Base Capacity Fee is collected based upon the zoning of new land brought into the HRMD adjusted for rezoning of prior inclusions, actual plat or re-plat of land within HRMD, and changes in the amount of the calculated capacity fee.

The Base Capacity Fee for MMD, by contract, includes a surcharge for necessary infrastructure to provide service solely to Mirabelle.

The Base Capacity Fee for NDC has, by contract, additional surcharges added to the above Base Capacity Fees and are payable as service is requested from Centennial. In addition to the adjusted Base Capacity Fee, option payments are required to reimburse Centennial for past carrying cost to preserve the reservation.

- The Water Acquisition Development Fee
Collected from new users in the Service Districts at the time the end user is actually placed in service. This fee is designed to generate revenue towards the cost of developing additional water resources to insure economically beneficial supplies in the future. The budgeted fee will remain unchanged in 2021 at \$1,480 per ¾” equivalent. Proceeds from this fee are deposited to the Water Acquisition Fund.
- The Channel Stabilization surcharge
Collected from new users only within HRMD, this surcharge is collected at the time the end user is actually placed in service. This fee is designed to generate revenue to cover \$4.2 million of funding for various channel stabilization projects in Highlands Ranch, primarily in the Marcy Gulch basin, that Centennial has committed to in order to protect Centennial’s water storage in McLellan Reservoir from the effects of soil erosion and stormwater contamination and to protect Centennial’s pipeline infrastructure from erosion induced damage. The budgeted fee is \$250, unchanged in 2021. Proceeds from this fee are deposited to the Water Acquisition Fund.

Other revenues not directly related to operations

Other operating revenues not directly related to the rate based charges include:

- Proceeds from an intergovernmental agreement with HRMD wherein the District recovers the cost of shared employees and expenses.
 - Finance and Administration department employees are employees of Centennial and therefore the 50% of the salaries and benefits paid by Centennial are shared with and revenue to the District.
 - Certain employees in Public Works, Human Resources and Community Relations are shared HRMD employees and are expenses to the District pursuant to the agreement.
- Rental of administrative office space and computer equipment to the Highlands Ranch Metropolitan District.
- Short term water leases to third parties
- Lab service charges to other water and sanitation districts for testing done by the District lab.

Net Investment Income

The District invests funds in excess of current requirements according to an investment policy approved by the Board of Directors. Because of the economic downturn in 2020, the projected yield for return on investments has been reduced to 0.5% for 2021 from 1.5% in 2020.

OUTLAYS

OPERATING EXPENSES

The Operating Fund budget accounts for operation, maintenance, and general management activities of the District.

BY COST CENTER

The budgeted expenses can be summarized by Cost Center as follows:

	2019 Actual	2020 Budget	2020 Projected	2021 Budget
<u>Operations Fund</u>				
<i>Operations expenses</i>				
Water operations	\$ 9,487,952	\$ 10,649,329	\$ 10,591,995	\$ 10,879,853
Wastewater operations	4,677,723	5,693,588	5,388,214	5,561,468
Technical management	4,052,722	4,675,346	4,916,132	5,308,898
General management	2,990,863	3,426,493	3,237,253	3,438,464
<i>Miscellaneous Capital / Leases</i>				
Water Leases	3,025,032	3,040,612	3,111,227	3,121,409
Direct payment	322,683	-	68,000	76,000
Capital Lease Payment	-	-	-	-
Total Operations Fund	24,556,976	27,485,367	27,312,821	28,386,092
<u>Water Acquisition Fund</u>				
Water Acquisition	1,368,493	1,917,000	1,765,820	1,810,880
Total Outlays	\$ 25,925,469	\$ 29,402,367	\$ 29,078,641	\$ 30,196,972

Water Operations

Water operations include funding for a staff of **33** Full Time Equivalents (FTE's).

The activities supported in Water Operations include the following:

- Maintenance of equipment associated with storage reservoirs including upstream erosion control.
- Costs associated with wells and ground water supply including electrical cost of pumping and operation of maintenance of the wells and appurtenant structures.
- Provides for the treatment of water from well sources to lower mineral content through filtration prior to use in the potable water system.
- Provides for the operations and maintenance associated with the pumping of water from the reservoirs to the Water Treatment Plant as well as the pumping of treated water to the distribution system.
- Provides for treatment of surface water sources at the Joseph Blake Water Treatment Plant to comply with the Safe Drinking Water Act.
- Provides for maintenance of the Joseph Blake Water Treatment Plant facilities used in the treatment of surface water supplies.
- Provides for the expense of water meters installed to provide service.
- Provides for the operations and maintenance associated with the transport of water through the distribution system including records keeping, equipment, emergency repairs, and preventative maintenance.

Wastewater Operations

Wastewater operations include funding for a staff of **25** FTE's.

The activities supported in Wastewater Operations include the following:

- Provides for the operation and maintenance of the Districts wastewater collection system including normal inspection and cleaning and emergency repairs to sewage transport facilities.
- Provides for treatment of the wastewater generated by the community to comply with the state and federal regulations prior to discharge to the South Platte River.
- Provides for preventative and major maintenance associated with the Marcy Gulch Wastewater Treatment facility necessary to preserve the capital equipment and facilities as well as to prevent any facilities down time.
- Provides for the operation and maintenance of the Willow Creek and Big Dry Sewage Lift Station facilities which are necessary to transport sewage from low lying areas to the main sewage collector system for ultimate transport to the Marcy Gulch facility for treatment.

Technical Management

Technical Management includes funding for a staff of **20.05** FTE's.

The activities supported in Technical Management include the following:

- Provides for the legal and engineering costs necessary to protect the Districts water portfolio. Includes the cost of water master planning and other non-capital development costs.
- Provides central direction, coordination and supervision of the Districts water and wastewater facilities including: wastewater collection, wastewater treatment, sludge management, water treatment, and distribution.
- Performs laboratory testing to assure compliance with the Safe Drinking Water Act and the Discharge Permits for the water and wastewater systems; quality control evaluation, and process control testing; assists operational staff in the proper operation of the treatment facilities; completes special projects to evaluate the effectiveness and efficiency of operating practices.
- Administers and facilitates the construction and operation of the facilities belonging to Centennial.
- Provides for operational costs and maintenance of the vehicles associated with District operation and maintenance functions.

General Management

General Management includes funding for a staff of **16.90** FTE's.

The activities supported by General Management include the following:

- Costs associated with the Board of Directors which serves as the District's legislative body adopts policies and resolutions that govern the direction and priorities of the community in a public forum.
- The expenses related to the office of the manager which implements policies set by the Board of Directors; manages the overall operation of the District and advises the Board of Directors of administrative matters and policy issues.

- Provides centralized recruitment, selection, and organizational development services to all departments; maintains personnel files and classifications and compensation system for District employees; coordinates the District's employee benefit programs.
- Provides for HRMD as well as Centennial centralized accounting; financial reporting and purchasing; provides periodic budget comparisons; coordinates vendor payments and payroll; responsible for coordinating independent audits. Provides investment portfolio and debt management; prepares the annual budget and supplemental appropriations; provides research and analysis of various programs; prepares long range financial forecast; is responsible for the risk management activities of the District.
- Provides for the data processing and other administrative computer system needs of the District.
- Provides for customer billing and response to customer inquiries.
- Provides centralized purchasing of office supplies; coordinates the management and development of District information and communications systems.
- Provides for maintenance of the District's Administration Building.
- Provides for the insurance necessary for risk management.

Water Leases

Provides for the annual purchase of surface water pursuant to various agreements for treatment at the Joseph Blake Water Treatment Plant. Below is a summary of the 2021 budget water lease payment amounts.

	2021 Budget			
	Acre Feet	Consumption \$	Lease \$	Total
OPERATIONS FUND				
Long Term				
a) City of Englewood	5,520	\$ 1,790,140	\$ 877,867	\$ 2,668,007
b) Denver Water Board	1,000	391,020	-	391,020
c) CCWCD	200	25,332	-	25,332
Other				
CET		-		-
Cline Ranch	50	10,000	-	10,000
Other Miscellaneous	8	800	26,250	27,050
Subtotal	6,778	2,217,292	904,117	3,121,409
WATER ACQUISITION FUND				
WISE	655	1,380,000	-	1,380,000
Total	7,433	\$ 3,597,292	\$ 904,117	\$ 4,501,409

Direct Payment / Capital Lease Payment

Purchases of miscellaneous capital items are typically done through one-time purchases. Depending on market conditions at the time, certain miscellaneous capital items (personal property - primarily vehicles) may be financed through lease/purchase agreements. The District has no current lease/purchase agreements covering real property.

BY OBJECT OF EXPENDITURE

The Operating expense budget can also be summarized by major classification of Object of Expenditure as follows:

	2020 Budget	2020 Projected	2021 Budget	2021 Budget compared to	
				2020 Budget % Inc/(Dec)	2020 Projected % Inc/(Dec)
Personnel	\$ 9,937,256	\$ 9,510,500	\$ 10,044,467	1.1%	5.6%
Material and supplies	2,643,739	2,454,365	2,749,850	4.0%	12.0%
Fuel and chemical products	2,344,778	2,559,728	2,457,679	4.8%	-4.0%
Purchased services	5,327,957	5,299,903	5,629,287	5.7%	6.2%
Utilities	3,265,025	3,488,598	3,515,800	7.7%	0.8%
Contractual obligations (w/contingency)	3,966,612	3,999,727	3,989,009	0.6%	-0.3%
Subtotal - Operating Fund	27,485,367	27,312,821	28,386,092	3.3%	3.9%
Water Acquisition Fund - contracted services	1,917,000	1,765,820	1,810,880	-5.5%	2.6%
Total	\$ 29,402,367	\$ 29,078,641	\$ 30,196,972	2.7%	3.8%

The type of costs charged to each Object of Expenditure include:

Personnel

Expenditures directly related to the District employee's such as wages, benefits, temporary wages, training, uniforms, and overtime.

Materials and Supplies

Expenditures relating to supplies purchased by the District including meters, repair parts, safety equipment, and general operating supplies.

Fuel and Chemical Products

Purchase of fuel for the District's fleet and water treatment chemicals.

Purchased Services

A wide variety of services acquired by the District in the normal course of business including printing and copying, memberships, equipment rental, repair services, licenses, postage, and conferences.

Miscellaneous Capital

Expenditures for capital assets with a value in excess of \$5,000 and a life expectancy of greater than two years. In general, these outlays are for nonstructural items that are used to directly assist with the day to day operations. Examples of items that are funded in this manner are vehicles, contractor equipment and other small equipment. The anticipated expenditures for 2021 are detailed on the Miscellaneous Capital Schedule.

Utilities

Payments for electricity, water and sewer, and natural gas. The biggest component is the electrical charges.

DEBT SERVICE

Capital improvements have been funded, based on required timing of improvements and bond market financing rates, from a combination of:

- Cash payments available from the Reserve Capacity payment
- Tax-exempt revenue obligation debt issued

In 2015 the Board authorized additional debt in order to fund the Chatfield Reallocation Project. The Colorado Water Conservation Board ("CWCB") approved three loan contracts with the District in the maximum amount of \$44,000,000. The loans are similar to construction loans and proceeds will be disbursed to match the phased funding of the project. The contracts require that the District contribute at least 10 percent of the project cost which for the purpose of the CWCB loan approval is estimated at \$48,888,000. All three loan contracts closed on October 15, 2015. The District's 10 percent match was deposited into an escrow account at the time of closing. Draws began in July of 2016. Based on revised cost estimate received in October 2017 the District increased the loan amount in 2018 by \$9.2 million.

The District issued Revenue Bonds in January 2019 to fund improvements at the wastewater treatment plant. The amount of the issuance was \$75,000,000.

The debt, described in more detail in a later section of the Budget, can be summarized as follows:

	<u>2020 Projected</u>	<u>2021 Budget</u>	<u>2022 Projected</u>
Interest	\$ 3,791,000	\$ 3,664,000	\$ 3,533,300
Principal payments (scheduled)	6,235,000	6,360,000	6,495,000
CWCB estimated loan payments	1,914,662	1,917,065	1,917,069
	<u>\$ 11,940,662</u>	<u>\$ 11,941,065</u>	<u>\$ 11,945,369</u>

On November 3, 1992, a majority of the qualified electors of the District authorized the issuance of general obligation debt in an amount not to exceed \$280,000,000 in General Obligation (GO) debt. On November 5, 2019 a majority of the qualified electors of the District eliminated the existing authority to issue GO debt and impose a property tax mill levy.

CAPITAL PROJECTS and MAJOR REPAIR

(Facility Plan and Capital Improvement Plan related, Channel Stabilization, Water acquisition and Reserve)

A Capital Improvement Project is a project to acquire or construct an asset generally with a value exceeding \$25,000 and an expected life of ten years or more.

Appropriations for Capital Improvements are made throughout the year based upon the actual projects required and the bids received for construction. Capital project appropriations continue in effect for the life of the project. It is characteristic that these projects span several years due to the scope of work being done. These capital improvement projects may include:

- projects identified in the Districts long-range Facility Plan
- reimbursements to HRMD for Channel Stabilization projects
- major repairs
- water acquisition and development

2021 Projects identified include:

- Wastewater Treatment Plant improvements to meet Regulation 85 nutrient requirements began in 2019 and work will continue through 2021.
- Ongoing repair and replacement of major equipment and infrastructure as needed.
- Water Treatment Plant pre-treatment modifications

The new appropriations during the year for water and wastewater projects are combined with any carry-forward unexpended appropriations from prior year's net of appropriations which are subsequently rescinded due to the completion of a project to provide the net available authorization for capital expenses. To the extent that the District does not expend this authorized amount during 2020, the unexpended amount will be carried forward to 2021 and will be added to the 2021 appropriations to calculate the authorized expenses. The schedule below shows the anticipated appropriation status for various water and wastewater projects in 2020 through 2022.

	Capital Projects Fund		Major Repair	Water Acquisition	
	Facility Plan	Utility Plan		Fund	Chatfield Escrow
Carried forward from 2019	\$ 153,185	\$ 62,404,677	\$ 1,074,763	\$ -	\$ 13,339,837
Net appropriations anticipated	-	53,000	3,239,547	6,179,667	-
Less carried forward to 2020		(32,000,000)			-
2020 Outlay	\$ 153,185	\$ 30,457,677	\$ 4,314,310	\$ 6,179,667	\$ 13,339,837
Carried forward from 2020	-	32,000,000	-	-	-
Net appropriations anticipated	186,000	11,175,000	18,506,536	243,000	-
Less carried forward to 2022		(10,000,000)			-
2021 Outlay	\$ 186,000	\$ 33,175,000	\$ 18,506,536	\$ 243,000	\$ -
Carried forward from 2021	-	10,000,000	-	-	-
Net appropriations anticipated	-	4,080,000	3,055,000	360,000	-
Less carried forward to 2023	-	-	-	-	-
2022 Outlay	\$ -	\$ 14,080,000	\$ 3,055,000	\$ 360,000	\$ -

NON-RECURRING

Non-recurring expenditures are those that are unique to a given year and therefore cannot be readily compared to other year's expenditures when evaluating budget programs. Often times, as in the case of the refunding of outstanding bonds, funding of these expenditures comes from proceeds of the new bonds issued. Those non-recurring expenditures will be treated differently for financial statement presentation purposes (i.e. compliance with generally accepted accounting principals') than budgetary presentation.

A non-recurring expenditure that may be specifically identified in the budget is the Water Transfer Agreement payment to Shea Homes, the primary developer of Highlands Ranch. This payment is required pursuant to an agreement with Shea Homes, wherein wells and other water supplies were given to the District in exchange for a specific payment amount to Shea for taps sold by the District to properties identified in the agreement and primarily composed of properties in NDC. The agreement incorporates an escalation provision every five years which was last escalated in 2018. The next increase will be effective January 1, 2023.

OPERATING TRANSFERS and FUND BALANCE POLICIES

Although the District’s financial statements are presented as an enterprise fund, for budgeting purposes the District has created numerous funds that mirror the intent of such funds as found in general governmental accounting. To assist with the funding, the Board has established various policies relating to target fund balances. In order to meet these policies, the Board authorizes transfer of resources between the various funds which have been established for budgetary purposes. The primary fund balance policies, the types of transfers and the priority of said transfers are anticipated in the 2020 and 2021 budgets as follows:

Operations Working Capital

The Board has established a target equal to 50% of the next years estimated operating expenditures. This target provides adequate working capital in case of unusual revenue patterns, economic or natural distress.

Operations to Debt Service

In order to ensure that the District complies with the various ratios required by Bond Covenants the District has chosen to maintain an ending fund balance equal to the **100% of the next years’ debt requirement**. After taking into consideration any other directly related available sources of funding, the Operations Fund will transfer funds to the Debt Service Fund to reach the targeted amount.

The rate structure is designed so that the Water Service Availability Charge and the fixed wastewater charge collected in the Operations Fund is the primary source of the funding to make this transfer. The following table summarizes the projected transfer required and the target ending fund balance:

*Target ending fund balance does not include payments of principal and interest funded by Water Acquisition.

Operations to (from) -in priority order- either Reserve or Financial Assurance

To the extent that the ending balance in the Operating Fund exceeds the working capital requirement and the Debt Service transfer, excess funds up to \$3,800,000 will be transferred first to the Reserve then to the Financial Assurance Funds. 2020 and 2021 projected transfers from the Operating Fund are as follows:

	2020 <u>Projected</u>	2021 <u>Budget</u>
Operations Transfers of rate income to/(from):		
Major Repair Fund	\$ 2,900,000	\$ 3,800,000
Financial Assurance Fund	600,000	-
Total	<u>\$ 3,500,000</u>	<u>\$ 3,800,000</u>

Capital to Water Acquisition

The 2021 budget does not include a transfer from the Capital Fund to the Water Acquisition Fund for the Chatfield Reallocation Project.

CENTENNIAL WATER AND SANITATION DISTRICT
ALL FUNDS - 2019-2021

	2019 Actual	2020 Budget	2020 Projected	2021						
				Operating Funds			Restricted Funds			
				Operations	Financial Assurance	Water Acquisition	Major Repair	Debt Service	Capital Projects	Budget
REVENUES & OTHER RECEIPTS										
Operating revenues										
Water utilization charges	\$ 26,461,965	\$ 28,512,880	\$ 30,841,985	\$ 25,962,880	\$ -	\$ 4,100,000	\$ -	\$ -	\$ -	\$ 30,062,880
Wastewater utilization charges	11,542,746	12,840,000	12,095,000	13,400,000	-	-	-	-	-	13,400,000
Other operating	583,292	798,390	746,568	942,290	-	-	-	-	-	942,290
Intergovernmental/Fund reimbursement	656,279	518,000	537,570	594,350	-	-	-	-	-	594,350
Rental income	286,632	265,800	265,500	249,100	-	-	-	-	-	249,100
	<u>39,530,914</u>	<u>42,935,070</u>	<u>44,486,622</u>	<u>41,148,620</u>	<u>-</u>	<u>4,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,248,620</u>
Nonoperating and other receipts										
Miscellaneous	1,679,754	15,000	42,000	25,000	-	-	-	-	-	25,000
Lease Proceeds	-	-	-	-	-	-	-	-	-	-
Bond/Loan proceeds	93,013,533	-	-	-	-	-	-	-	-	-
Contributed Capital	2,510,951	2,522,714	2,848,948	-	-	728,170	900,000	790,249	1,962,964	4,381,383
Net investment income	3,158,618	1,196,000	1,372,000	472,000	-	-	-	-	-	472,000
Total Revenues & Other Receipts	<u>139,893,770</u>	<u>46,668,784</u>	<u>48,749,570</u>	<u>41,645,620</u>	<u>-</u>	<u>4,828,170</u>	<u>900,000</u>	<u>790,249</u>	<u>1,962,964</u>	<u>50,127,003</u>
OUTLAYS										
Operating expenses										
Water operations	10,856,445	11,420,329	11,192,315	10,879,853	-	430,880	-	-	-	11,310,733
Wastewater operations	4,677,723	5,693,588	5,388,214	5,561,468	-	-	-	-	-	5,561,468
Technical management	4,052,722	4,675,346	4,916,132	5,308,898	-	-	-	-	-	5,308,898
General management	2,990,863	3,426,493	3,237,253	3,438,464	-	-	-	-	-	3,438,464
	<u>22,577,753</u>	<u>25,215,756</u>	<u>24,733,914</u>	<u>25,188,683</u>	<u>-</u>	<u>430,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,619,563</u>
Miscellaneous Capital/Leases										
Water leases	3,025,032	4,186,612	4,276,727	3,121,409	-	1,380,000	-	-	-	4,501,409
Misc. Capital	322,683	780,000	848,000	76,000	-	-	806,000	-	-	882,000
Capital lease payments	-	-	-	-	-	-	-	-	-	-
	<u>25,925,469</u>	<u>30,182,368</u>	<u>29,858,641</u>	<u>28,386,092</u>	<u>-</u>	<u>1,810,880</u>	<u>806,000</u>	<u>-</u>	<u>-</u>	<u>31,002,972</u>
Debt Related										
Interest	4,317,642	5,908,000	4,915,890	-	-	-	-	4,767,600	-	4,767,600
Principal	6,105,000	6,235,000	7,024,772	-	-	-	-	7,173,465	-	7,173,465
	<u>10,422,642</u>	<u>12,143,000</u>	<u>11,940,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,941,065</u>	<u>-</u>	<u>11,941,065</u>
Capital outlay										
Capital projects and related items	42,379,379	55,104,000	40,324,840	-	-	243,000	17,700,536	-	33,361,000	51,304,536
	<u>42,379,379</u>	<u>55,104,000</u>	<u>40,324,840</u>	<u>-</u>	<u>-</u>	<u>243,000</u>	<u>17,700,536</u>	<u>-</u>	<u>33,361,000</u>	<u>51,304,536</u>
Nonrecurring										
Bond issuance expenditures	760,023	-	-	-	-	-	-	-	-	-
Transfer to Escrow	-	-	-	-	-	-	-	-	-	-
Water transfer agreement payment	-	-	-	-	-	-	-	-	-	-
	<u>760,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outlays	<u>79,487,513</u>	<u>97,429,368</u>	<u>82,124,142</u>	<u>28,386,092</u>	<u>-</u>	<u>2,053,880</u>	<u>18,506,536</u>	<u>11,941,065</u>	<u>33,361,000</u>	<u>94,248,573</u>
OPERATING TRANSFERS										
Operations from (to) Debt Service Fund	-	-	-	(9,300,000)	-	-	-	9,300,000	-	-
Operations from (to) Major Repair Fund	-	-	-	(3,800,000)	-	-	3,800,000	-	-	-
Financial Assurance Fund from (to) Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Water Acquisition Fund from (to) Debt Service Fund	-	-	-	-	-	(1,917,065)	-	1,917,065	-	-
Financial Assurance Fund from (to) Major Repair Fund	-	-	-	-	(3,000,000)	-	3,000,000	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,100,000)</u>	<u>(3,000,000)</u>	<u>(1,917,065)</u>	<u>6,800,000</u>	<u>11,217,065</u>	<u>-</u>	<u>-</u>
NET RECEIPTS (OUTLAY) OF FUNDS AND OPERATING TRANSFERS	<u>60,406,257</u>	<u>(50,760,584)</u>	<u>(33,374,572)</u>	<u>159,528</u>	<u>(3,000,000)</u>	<u>857,225</u>	<u>(10,806,536)</u>	<u>66,249</u>	<u>(31,398,036)</u>	<u>(44,121,570)</u>
FUNDS AVAILABLE - BEGINNING	<u>88,337,581</u>	<u>144,899,350</u>	<u>148,743,839</u>	<u>13,802,368</u>	<u>15,294,664</u>	<u>12,047,956</u>	<u>19,483,375</u>	<u>11,055,221</u>	<u>43,685,684</u>	<u>115,369,267</u>
Restricted		(810,122)	-							
FUNDS AVAILABLE - ENDING	<u>\$ 148,743,838</u>	<u>\$ 93,328,645</u>	<u>\$ 115,369,267</u>	<u>\$ 13,961,896</u>	<u>\$ 12,294,664</u>	<u>\$ 12,905,181</u>	<u>\$ 8,676,839</u>	<u>\$ 11,121,469</u>	<u>\$ 12,287,648</u>	<u>\$ 71,247,697</u>

CENTENNIAL WATER AND SANITATION DISTRICT
REVISED - ALL FUNDS

	2020								Variance
	2020 Budget	Operating Funds				Restricted Funds		Projected Actuals	
		Operations	Financial Assurance	Major Repair	Water Acquisition	Debt Service	Capital Projects		
REVENUES & OTHER RECEIPTS									
Operating revenues									
Water utilization charges	\$ 28,512,880	\$ 26,841,985	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -	\$ 30,841,985	\$ 2,329,105
Wastewater utilization charges	12,840,000	12,095,000	-	-	-	-	-	12,095,000	(745,000)
Other operating	798,390	746,568	-	-	-	-	-	746,568	(51,823)
Intergovernmental/Fund reimbursement	518,000	537,570	-	-	-	-	-	537,570	19,570
Rental Income	265,800	265,500	-	-	-	-	-	265,500	(300)
<i>Total operating revenues</i>	<u>42,935,070</u>	<u>40,486,622</u>	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>-</u>	<u>-</u>	<u>44,486,622</u>	<u>1,551,552</u>
Nonoperating and other receipts									
Miscellaneous	15,000	42,000	-	-	-	-	-	42,000	27,000
Lease Proceeds	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-
Contributed Capital	2,522,714	-	-	101,870	672,310	493,954	1,580,814	2,848,948	326,234
Net investment income	1,196,000	1,372,000	-	-	-	-	-	1,372,000	176,000
TOTAL REVENUES & OTHER RECEIPTS	<u>46,668,784</u>	<u>41,900,622</u>	<u>-</u>	<u>101,870</u>	<u>4,672,310</u>	<u>493,954</u>	<u>1,580,814</u>	<u>48,749,570</u>	<u>2,080,786</u>
OUTLAYS									
Operating Expenses									
Water operations	11,420,329	10,591,995	-	-	600,320	-	-	11,192,315	228,014
Wastewater operations	5,693,588	5,388,214	-	-	-	-	-	5,388,214	305,374
Technical management	4,675,346	4,916,132	-	-	-	-	-	4,916,132	(240,786)
General management	3,426,493	3,237,253	-	-	-	-	-	3,237,253	189,240
<i>Total operating expenses</i>	<u>25,215,756</u>	<u>24,133,594</u>	<u>-</u>	<u>-</u>	<u>600,320</u>	<u>-</u>	<u>-</u>	<u>24,733,914</u>	<u>481,842</u>
Miscellaneous Capital/Leases									
Water Leases	4,186,612	3,111,227	-	-	1,165,500	-	-	4,276,727	(90,115)
Capital related items	780,000	68,000	-	780,000	-	-	-	848,000	-
Capital Lease Payments	-	-	-	-	-	-	-	-	-
<i>Total miscellaneous capital</i>	<u>30,182,368</u>	<u>27,312,821</u>	<u>-</u>	<u>780,000</u>	<u>1,765,820</u>	<u>-</u>	<u>-</u>	<u>29,858,641</u>	<u>391,727</u>
Debt Related									
Interest	5,908,000	-	-	-	-	4,915,890	-	4,915,890	992,110
Principal	6,235,000	-	-	-	-	7,024,772	-	7,024,772	(789,772)
<i>Total debt related</i>	<u>12,143,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,940,662</u>	<u>-</u>	<u>11,940,662</u>	<u>202,338</u>
Nonrecurring									
Bond issuance expenditures	-	-	-	-	-	-	-	-	-
Transfer to Refunding Escrow	-	-	-	-	-	-	-	-	-
Water transfer agreement payment	-	-	-	-	-	-	-	-	-
<i>Total nonrecurring</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	55,104,000	-	-	3,534,310	6,179,667	-	30,610,862	40,324,840	14,779,160
TOTAL OUTLAYS	<u>97,429,368</u>	<u>27,312,821</u>	<u>-</u>	<u>4,314,310</u>	<u>7,945,487</u>	<u>11,940,662</u>	<u>30,610,862</u>	<u>82,124,142</u>	<u>15,855,067</u>
OPERATING TRANSFERS									
Operations from (to) Debt Service Fund	-	(11,100,000)	-	-	-	11,100,000	-	-	-
Operations from (to) Major Repair Fund	-	(2,900,000)	-	2,900,000	-	-	-	-	-
Operations from (to) Water Acquisition Fund	-	-	-	-	-	-	-	-	-
Operations from (to) Financial Assurance Fund	-	(600,000)	600,000	-	-	-	-	-	-
Operations from (to) Capital Projects Fund	-	-	-	-	-	-	-	-	-
Financial Assurance Fund from (to) Water Acquisition Fund	-	-	-	-	-	-	-	-	-
Financial Assurance Fund from (to) Debt Service Fund	-	-	-	-	-	-	-	-	-
Major Repair Fund from (to) Capital Projects Fund	-	-	-	-	-	-	-	-	-
Water Acquisition Fund from (to) Major Repair Fund	-	-	-	-	-	-	-	-	-
Water Acquisition Fund from (to) Capital Projects Fund	-	-	-	-	-	-	-	-	-
Water Acquisition Fund from (to) Debt Service Fund	-	-	-	-	(1,914,662)	1,914,662	-	-	-
Debt Service Fund from (to) Capital Projects Fund	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>(14,600,000)</u>	<u>600,000</u>	<u>2,900,000</u>	<u>(1,914,662)</u>	<u>13,014,662</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET RECEIPTS (OUTLAY) OF FUNDS AND OPERATING TRANSFERS	<u>(50,760,584)</u>	<u>(12,199)</u>	<u>600,000</u>	<u>(1,312,440)</u>	<u>(5,187,839)</u>	<u>1,567,954</u>	<u>(29,030,048)</u>	<u>(33,374,572)</u>	<u>17,386,011</u>
FUNDS AVAILABLE - BEGINNING	<u>144,899,350</u>	<u>13,814,567</u>	<u>14,694,664</u>	<u>20,795,816</u>	<u>17,235,795</u>	<u>9,487,266</u>	<u>72,715,732</u>	<u>148,743,839</u>	<u>3,844,489</u>
Restricted	(810,122)	-	-	-	-	-	-	-	-
FUNDS AVAILABLE - ENDING	<u>\$ 93,328,645</u>	<u>\$ 13,802,368</u>	<u>\$ 15,294,664</u>	<u>\$ 19,483,375</u>	<u>\$ 12,047,956</u>	<u>\$ 11,055,221</u>	<u>\$ 43,685,684</u>	<u>\$ 115,369,267</u>	<u>\$ 21,230,501</u>

CENTENNIAL WATER AND SANITATION DISTRICT
OPERATIONS
2019 - 2021

	2019 Actual	2020 Budget	2020 Projected	2021 Budget
<i>REVENUES & OTHER RECEIPTS</i>				
Operating revenues				
Water utilization charges	\$ 23,262,642	\$ 24,912,880	\$ 26,841,985	\$ 25,962,880
Wastewater utilization charges	11,542,746	12,840,000	12,095,000	13,400,000
Other operating	583,292	798,390	746,568	942,290
Intergovernmental/fund reimbursment	656,279	518,000	537,570	594,350
Rental income	286,632	265,800	265,500	249,100
<i>Total operating revenues</i>	<u>36,331,591</u>	<u>39,335,070</u>	<u>40,486,622</u>	<u>41,148,620</u>
Other revenues				
Gain (loss)	53,060	-	10,000	10,000
Lease Proceeds	-	-	-	-
Miscellaneous	-	15,000	32,000	15,000
Net investment income	3,156,384	1,196,000	1,372,000	472,000
<i>TOTAL REVENUES & OTHER RECEIPTS</i>	<u>39,541,035</u>	<u>40,546,070</u>	<u>41,900,622</u>	<u>41,645,620</u>
<i>OUTLAYS</i>				
Operations expense				
Water operations	9,487,952	10,649,329	10,591,995	10,879,853
Wastewater operations	4,677,723	5,693,588	5,388,214	5,561,468
Technical management	4,052,722	4,675,346	4,916,132	5,308,898
General management	2,990,863	3,426,493	3,237,253	3,438,464
<i>Total operations expense</i>	<u>21,209,260</u>	<u>24,444,756</u>	<u>24,133,594</u>	<u>25,188,683</u>
Miscellaneous Capital and Leases				
Water Leases	3,025,032	3,040,612	3,111,227	3,121,409
Direct payments	322,683	-	68,000	76,000
Capital Lease Payments	-	-	-	-
<i>TOTAL OUTLAYS</i>	<u>24,556,975</u>	<u>27,485,368</u>	<u>27,312,821</u>	<u>28,386,092</u>
<i>OPERATING TRANSFERS</i>				
From (to) Debt Service Fund	(9,727,018)	(9,500,000)	(11,100,000)	(9,300,000)
From (to) Major Repair Fund	(2,500,000)	(2,900,000)	(2,900,000)	(3,800,000)
From (to) Water Acquisition & Protection Fund	-	-	-	-
From (to) Financial Assurance Fund	(2,000,000)	-	(600,000)	-
From (to) Capital Projects Fund	-	-	-	-
<i>TOTAL OPERATING TRANSFERS</i>	<u>(14,227,018)</u>	<u>(12,400,000)</u>	<u>(14,600,000)</u>	<u>(13,100,000)</u>
<i>NET RECEIPTS/(OUTLAY) OF FUNDS AND OPERATING TRANSFERS</i>				
	757,042	660,702	(12,199)	159,528
<i>FUNDS AVAILABLE - BEGINNING</i>				
	13,057,525	13,367,079	13,814,567	13,802,368
<i>FUNDS AVAILABLE - ENDING</i>				
	<u>\$ 13,814,567</u>	<u>\$ 14,027,781</u>	<u>\$ 13,802,368</u>	<u>\$ 13,961,896</u>

CENTENNIAL WATER AND SANITATION DISTRICT
 MAJOR REPAIR
 2019 - 2021

	2019 Actual	2020 Adopted	2020 Projected	2021 Budget
<i>REVENUES & OTHER RECEIPTS</i>				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Contributed capital	111,600	808,700	101,870	900,000
Other/Miscellaneous	-	-	-	-
<i>TOTAL REVENUES & OTHER RECEIPTS</i>	<u>111,600</u>	<u>808,700</u>	<u>101,870</u>	<u>900,000</u>
<i>OUTLAYS</i>				
Capital outlay	1,487,701	2,955,000	3,443,310	16,800,536
Well redrills	-	-	-	-
Miscellaneous Capital	514,101	780,000	780,000	806,000
In-tract Replacement	-	700,000	91,000	900,000
<i>TOTAL OUTLAYS</i>	<u>2,001,802</u>	<u>4,435,000</u>	<u>4,314,310</u>	<u>18,506,536</u>
<i>OPERATING TRANSFERS</i>				
From (to) Operations Fund	2,500,000	2,900,000	2,900,000	3,800,000
From (to) Financial Assurance Fund	-	-	-	3,000,000
From (to) Water Acquisition & Protection Fund	-	-	-	-
From (to) Capital Projects Fund	-	-	-	-
<i>TOTAL OPERATING TRANSFERS</i>	<u>2,500,000</u>	<u>2,900,000</u>	<u>2,900,000</u>	<u>6,800,000</u>
<i>NET RECEIPTS/(OUTLAY) OF FUNDS AND OPERATING TRANSFERS</i>	609,798	(726,300)	(1,312,440)	(10,806,536)
<i>FUNDS AVAILABLE - BEGINNING</i>	20,186,018	19,600,953	20,795,816	19,483,375
<i>FUNDS AVAILABLE - ENDING</i>	<u>\$ 20,795,816</u>	<u>\$ 18,874,653</u>	<u>\$ 19,483,375</u>	<u>\$ 8,676,839</u>

CENTENNIAL WATER AND SANITATION DISTRICT
WATER ACQUISITION and PROTECTION
2019 - 2021

	<u>2019 Actual</u>	<u>2020 Budget</u>	<u>2020 Projected</u>	<u>2021 Budget</u>
<i>REVENUES & OTHER RECEIPTS</i>				
Water utilization charges				
Rate allocation	\$ 3,199,323	\$ 3,348,000	\$ 3,748,000	\$ 3,848,000
NDC Surcharge	-	252,000	252,000	252,000
Contributed Capital				
Water Acquisition	525,400	392,200	587,560	671,920
Channel Stabilization	88,750	60,000	84,750	56,250
Loan Proceeds	17,618,025	-	-	-
Other	-	-	-	-
Net investment income	402	-	-	-
<i>TOTAL REVENUES & OTHER RECEIPTS</i>	<u>21,431,900</u>	<u>4,052,200</u>	<u>4,672,310</u>	<u>4,828,170</u>
<i>OUTLAYS</i>				
Operations				
WISE	884,171	1,331,000	1,350,500	1,534,000
Chatfield Reallocation	484,322	586,000	415,320	276,880
Water Conservation Grants	-	-	-	-
Capital outlay				
Water Acquisition Projects	17,660,419	6,100,000	6,179,667	243,000
Water Rights	-	-	-	-
Nonrecurring				
Bond issuance costs	-	-	-	-
Transfer to Escrow	-	-	-	-
<i>TOTAL OUTLAYS</i>	<u>19,028,912</u>	<u>8,017,000</u>	<u>7,945,487</u>	<u>2,053,880</u>
<i>OPERATING TRANSFERS</i>				
From (to) Debt Service	-	(2,117,000)	(1,914,662)	(1,917,065)
<i>TOTAL OPERATING TRANSFERS</i>	<u>-</u>	<u>(2,117,000)</u>	<u>(1,914,662)</u>	<u>(1,917,065)</u>
<i>NET RECEIPTS/(OUTLAY) OF FUNDS AND OPERATING TRANSFERS</i>				
	2,402,988	(6,081,800)	(5,187,839)	857,225
<i>FUNDS AVAILABLE - BEGINNING</i>				
	14,832,807	14,947,543	17,235,795	12,047,956
Restricted for WISE Operational Reserve			-	-
<i>FUNDS AVAILABLE - ENDING</i>	<u>\$ 17,235,795</u>	<u>\$ 8,865,743</u>	<u>\$ 12,047,956</u>	<u>\$ 12,905,181</u>

CENTENNIAL WATER AND SANITATION DISTRICT
WATER ACQUISITION and PROTECTION
2019 - 2021

	2019 Actual	2020 Budget	2020 Projected	2021
OPERATIONS				
WISE (45-615-40)				
SMWiseA	129,450	50,000	50,000	95,000
Program management				
Infrastructure O&M	36,683	135,000	135,000	59,000
Minimum based on take or pay	64,966	1,146,000	1,165,500	1,380,000
Operational reserves	180,196	-	-	-
Total WISE	411,294	1,331,000	1,350,500	1,534,000
CHATFIELD (45-615-50)				
CRMC management	406,247	586,000	415,320	276,880
Operations	1,500	-	-	-
Total Chatfield	407,747	586,000	415,320	276,880
GRAND TOTAL	819,041	1,917,000	1,765,820	1,810,880

CENTENNIAL WATER AND SANITATION DISTRICT
DEBT SERVICE
2019 - 2021

	2019 Actual	2020 Adopted	2020 Projected	2021 Budget
<i>REVENUES & OTHER RECEIPTS</i>				
Contributed Capital	\$ 1,391,079	\$ -	\$ 493,954	\$ 790,249
Bond proceeds	-	-	-	-
Other	-	-	-	-
Investment Income	1,832	-	-	-
<i>TOTAL REVENUES & OTHER RECEIPTS</i>	<u>1,392,911</u>	<u>-</u>	<u>493,954</u>	<u>790,249</u>
<i>OUTLAYS</i>				
Debt Related				
Principal	6,105,000	6,235,000	6,235,000	6,360,000
Principal (water acquisition funded)	-	-	789,772	813,465
Interest - (actual payments)	-	3,791,000	3,791,000	3,664,000
Interest - (water acquisition funded)	4,317,642	2,117,000	1,124,890	1,103,600
<i>Total debt related</i>	<u>10,422,642</u>	<u>12,143,000</u>	<u>11,940,662</u>	<u>11,941,065</u>
Nonrecurring				
Bond issuance expenditures	760,023	-	-	-
Transfer to Refunding Escrow	-	-	-	-
<i>Total nonrecurring</i>	<u>760,023</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>TOTAL OUTLAYS</i>	<u>11,182,665</u>	<u>12,143,000</u>	<u>11,940,662</u>	<u>11,941,065</u>
<i>OPERATING TRANSFERS</i>				
From (to) Operations	9,727,018	9,500,000	11,100,000	9,300,000
From (to) Debt Service	-	-	-	-
From (to) Water Acquisition & Protection	-	2,117,000	1,914,662	1,917,065
From (to) Financial Assurance Fund	-	500,000	-	-
<i>TOTAL OPERATING TRANSFERS</i>	<u>9,727,018</u>	<u>12,117,000</u>	<u>13,014,662</u>	<u>11,217,065</u>
<i>NET RECEIPTS/(OUTLAY) OF FUNDS AND OPERATING TRANSFERS</i>				
	(62,736)	(26,000)	1,567,954	66,249
<i>FUNDS AVAILABLE - BEGINNING</i>	9,550,002	10,053,002	9,487,266	11,055,221
<i>FUNDS AVAILABLE - ENDING</i>	<u>\$ 9,487,266</u>	<u>\$ 10,027,002</u>	<u>\$ 11,055,221</u>	<u>\$ 11,121,469</u>

CENTENNIAL WATER AND SANITATION DISTRICT
CAPITAL PROJECTS
2019 - 2021

	2019 Actual	2020 Adopted	2020 Projected	2021 Budget
<i>REVENUES & OTHER RECEIPTS</i>				
Contributed Capital	\$ 394,122	\$ 1,261,814	\$ 1,580,814	\$ 1,962,964
Bond proceeds	75,395,508	-	-	-
Net Investment Income	1,626,694	-	-	-
<i>TOTAL REVENUES & OTHER RECEIPTS</i>	<u>77,416,324</u>	<u>1,261,814</u>	<u>1,580,814</u>	<u>1,962,964</u>
<i>OUTLAYS</i>				
Capital outlay				
Capital Facilities - Facility Plan	221,684	114,000	153,185	186,000
Capital Facilities - Utility Plan	19,420,326	44,771,650	30,457,677	33,175,000
Mirabelle Metro District	3,075,148	463,350	-	-
Nonrecurring				
Bond issuance expenditures	-	-	-	-
Water transfer agreement payment	-	-	-	-
<i>TOTAL OUTLAYS</i>	<u>22,717,158</u>	<u>45,349,000</u>	<u>30,610,862</u>	<u>33,361,000</u>
<i>OPERATING TRANSFERS</i>				
From (to) Operations	-	-	-	-
From (to) Financial Assurance Fund	-	-	-	-
From (to) Major Repair	-	-	-	-
From (to) Water Acquisition & Protection	-	-	-	-
<i>TOTAL OPERATING TRANSFERS</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>NET RECEIPTS/(OUTLAY) OF FUNDS AND OPERATING TRANSFERS</i>	54,699,166	(44,087,186)	(29,030,048)	(31,398,036)
<i>FUNDS AVAILABLE - BEGINNING</i>	18,016,566	76,936,110	72,715,732	43,685,684
<i>FUNDS AVAILABLE - ENDING</i>	<u>\$ 72,715,732</u>	<u>\$ 32,848,924</u>	<u>\$ 43,685,684</u>	<u>\$ 12,287,648</u>

KEY ECONOMIC ASSUMPTIONS

Absorption:

The following are the absorption assumptions that impact the various revenue sources of the District:

	As of <u>12/31/19</u>	2020 <u>Budget</u>	2020 <u>Projected</u>	2021 <u>Projected</u>
Highlands Ranch Metro District				
Single Family	29054	115	65	50
Multi Family	7648	125	259	175
Commercial oriented development				
Commercial and Industrial 3/4" equiv.	2960	0	10	0
Irrigation only 3/4" equiv.	1530	0	5	0
Metro irrigation 3/4" equivalents	1369	0	0	0
Mirabelle Metropolitan District				
Single Family	0	0	50	100
Commercial and Industrial 3/4" equiv.	0	0	0	0
Irrigation only 3/4" equiv.	0	0	0	0
Metro irrigation 3/4" equivalents	0	0	86	0
Northern Douglas County 3/4" equiv.				
Single Family	1528	0	0	0
Multi Family	216	0	0	0
C and I 3/4" equiv.w/ GW fee	177	0	0	0
C and I 3/4" equiv.w/oGW fee	4	0	0	0
Irrigation only w/ Groundwater fee	101	0	0	0
Irrigation only w/o Groundwater fee	6	0	0	0

Investment Earnings:

The various fund balances are reinvested pursuant to an investment policy managed by a third-party management firm. Investment earnings on accumulated cash balances in the District's treasury (net of management fees) are estimated, based on five-year averages of appropriate indices, to be:

	2020 <u>Budget</u>	2020 <u>Projected</u>	2021 <u>Budget</u>
Assumed interest rates on investments	1.50%	1.00%	0.50%

Changes in Personnel:

The 2021 budget includes the following assumptions for personnel expenditures:

1. The 2021 compensation budget would normally be based on a formula consistent with the results of the Wage Compensation Policy adopted by the Board. The formula includes an adjustment to the range structure, merit pay based on performance and an adjustment to market conditions based on information supplied to the Board. Employers Council data is used to estimate the structure adjustment of 2.2% for 2021 and the existing performance matrix based on the employee census would estimate an increase for performance of 2.0%. Due to current economic conditions, staff is proposing a 3% increase for 2021. A final decision on performance increase is then made by the Board prior to final budget adoption.
2. The benefits program, which is reflected in the cost of payroll expenses, includes the following:
 - Health (medical/dental/vision) insurance – In 2021 the District will provide employees a choice between PPO, EPO and Kaiser plan. The budget identifies no cost sharing for the employee coverage and 25% contribution to the family portion of the monthly premiums.
 - Retirement Plan contributions – the defined contribution plan will be funded from 6.2% matching contributions from both the District and the employee. Since this plan is intended to be a replacement for social security, the plan has been changed to limit the maximum contribution at the social security maximum taxable earnings level each year.
 - Employees who participate in the 457 plan are eligible for a matching contribution up to 4%. For purposes of the budget, it is assumed that all employees that currently participate in this program will continue to do so in 2021. The matching structure is 100% on the first 2% of employee contribution and 50% on employee contribution of 3% up to 6%.

- Medicare portion of FICA - is estimated to continue at 1.45% of salary for those employees who are members of the pension plan. For the temporary or part time employees not eligible for the plan, the full FICA contribution of 7.65% will be made.
- Life/Disability insurance - Is estimated to be .14% and .52% of eligible wages respectively.
- Unemployment taxes - it is anticipated that the unemployment taxes mandated for all governmental units will remain at .20% of wages.
- The cost for Workers Compensation is anticipated to increase 10% based on a 5% rate increase and an increase in the experience modification.

Based on the above, the 2021 payroll costs are estimated to be 31.8% of regular wages as compared to 32.7% in 2020.

FLOW OF FUNDS

The District provides two distinct types of services to its customers:

- delivery of treated water and
- removal and treatment of wastewater.

The District coordinates and budgets for the common activities between the two functions in order to maximize operational efficiency.

Included as operation costs are:

- The operation and maintenance of the water and wastewater treatment plants.
- The maintenance of the water distribution and transmission systems and the wastewater transmission and collection systems.
- The cost of general management and administration necessary to manage day to day operations.

Sources of funds to make the above expenditures include:

- Revenue from rate income. The rates are established by the Board of Directors and, together with investment earnings and accumulated reserves, are sufficient to meet the first three costs identified above. The rate income is collected from the Highlands Ranch Metropolitan District and the Northern Douglas County Water and Sanitation District who are responsible for in turn collecting sufficient revenue from their customers to remit the proper revenues.
- Investment Earnings. The District policy provides for maximum flexibility in the use of earnings from investments by transferring all investment income to the operations fund.

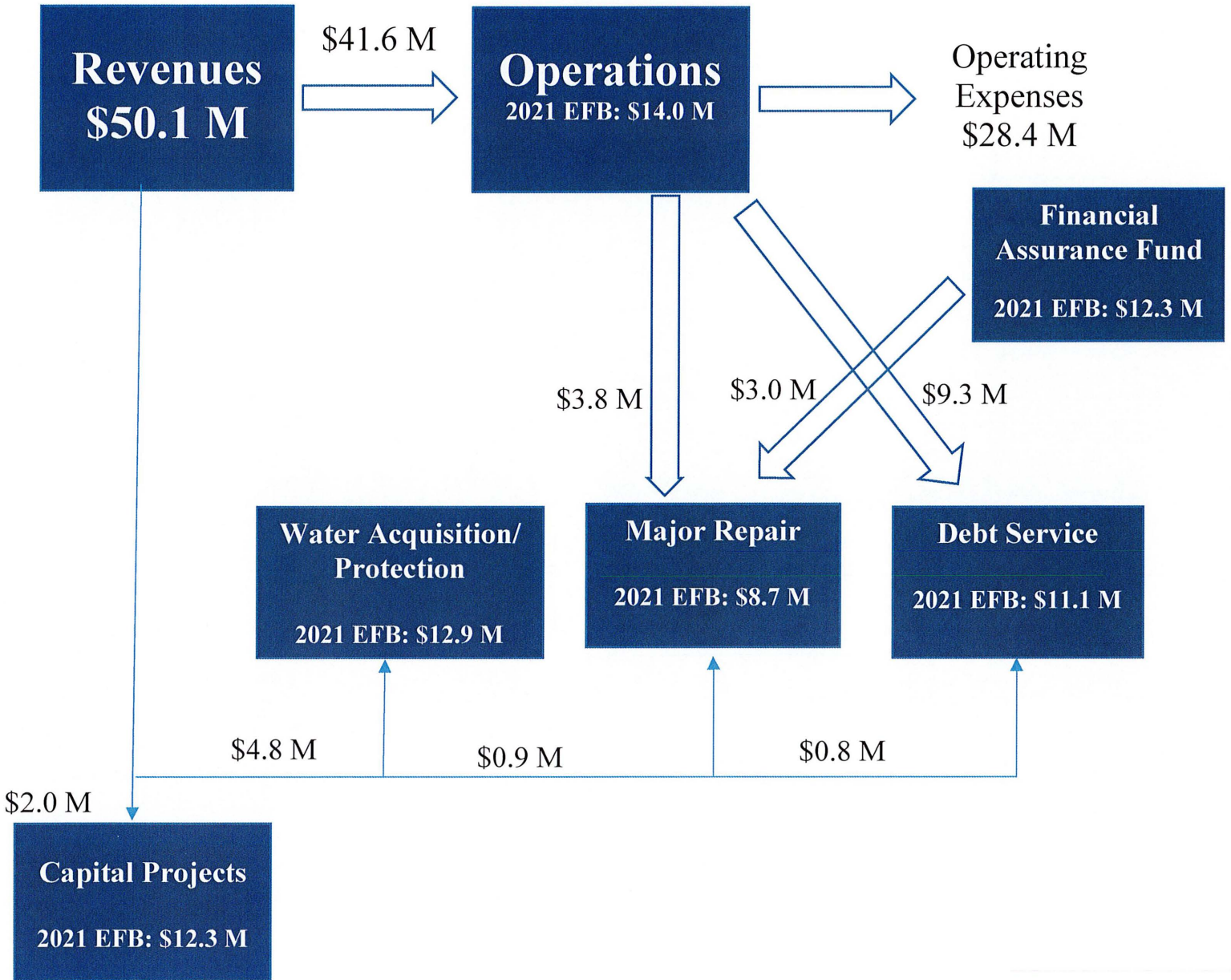
In addition, the District incurs:

- Expense for constructing the water and wastewater systems including treatment plants and the necessary infrastructure to distribute treated water and collect wastewater.
- The interest expense on the outstanding debt which was used to raise capital to pay for construction of the water and wastewater systems.

These expenditures are financed by:

- Contributed Capital
 - a) Base Reserve Capacity payment equal to the capacity fee per dwelling unit times the number of units included (or for nonresidential at a rate per acre times the number of acres) and is collected from the Highlands Ranch Metropolitan District or Northern Douglas Water and Sanitation District as these Districts include new land which require additional capacity. Base Reserve Capacity payments flow to the Capital Projects Fund.
 - b) Surcharges on new connections to the system are used to fund:
 - Channel stabilization projects. Channel Stabilization payments flow to the Water Acquisition and Protection Fund.
 - Water resource development. Water Acquisition payments flow to the Water Acquisition and Protection Fund.
- Bond Proceeds. Bond proceeds are used to make the payments for the initial construction of water and wastewater system facilities.
- Revenues from the Service Availability Fee. Since 2003 the District has had a Service Availability Fee that is, among other requirements, designed to pay the interest due on the District's outstanding debt. Although not pledged for this purpose, the Service Availability Fee is the primary source for paying debt and interest.

2021 Budget Flow of Funds



*EFB – Ending Fund Balance

RATE INCOME

Rates are established by the Board of Directors in order to fund the cost of providing water and wastewater service to the customers of the District. The primary function of the various rates are to cover:

1. The operations cost of providing water supply, treatment and distribution.
2. The operations cost of providing wastewater collection and treatment.
3. The cost of providing periodic billing statements, maintaining meters and administrative costs .
4. Debt service payments
- 5 The cost to fund a reserve for the repair and replacement of equipment.
- 6 Accumulation of reserves for the acquisition of additional water supplies.

Metered Water Consumption	<u>Rate per 1,000 Gallons</u>			<u>Rate per 1,000 Gallons</u>		
Usage Relative to "Water Budget" *	Summer	Winter	Irrig Only	Summer	Winter	Irrig Only
Up to 100% of WB	\$3.90	\$3.90	\$3.99	\$4.10	\$4.10	\$4.20
101% to 120% of WB**	\$5.25	\$5.25	\$5.40	\$5.52	\$5.52	\$5.70
121% to 140% of WB**	\$7.97	\$5.25	\$9.40	\$8.38	\$5.52	\$9.90
Over 140% of WB**	\$12.07	\$8.69	\$15.90	\$12.68	\$9.13	\$16.80
Wastewater Treatment Service						
<u>Residential - Single Family</u>						
Fixed fee	\$ 19.70	Bi-monthly		\$ 21.52	Bi-monthly	
Minimum charge -Fixed fee plus 3,000 gallons Use	\$ 30.74			\$ 32.77		
Use - winter time average (Fixed fee plus use for winter time average sets fee for year)	\$ 3.68	per 1,000 gallons		\$ 3.75	per 1,000 gallons	
<u>Residential - Multi Family (per unit)</u>						
Fixed fee	\$ 9.85	Monthly		\$ 10.76	Monthly	
Minimum charge -Fixed fee plus 1,500 gallons	\$ 15.37			\$ 16.39		
Use - winter time average (Fixed fee plus use for winter time average sets fee for year)	\$ 3.68	per 1,000 gallons		\$ 3.75	per 1,000 gallons	
<u>Nonresidential</u>						
Fixed fee per 3/4" equiv. tap size	\$ 9.85	Monthly		\$ 10.76	Monthly	
(Rate times 80% of water consumed)	\$ 3.68	per 1,000 gallons		\$ 3.75	per 1,000 gallons	
Water Service Availability Fee						
Residential - Single Family	\$ 31.72	bimonthly		\$ 33.50	bimonthly	
Residential - Multi Family	\$ 9.92	monthly		\$ 10.47	monthly	
Nonresidential (per 3/4" equivalent)	\$ 15.86	monthly		\$ 16.75	monthly	

* Water Budget per residential customer = 12,000 gallons bimonthly for indoor use + outdoor usage equivalent to 27" of irrigation annually on the irrigated area of the lot (irrigated area = 45% of gross lot size). Water budget for irrigation only customers = 27" annually of irrigation on actual irrigated area.

** Rates subject to change due to, but not limited to, water supply conditions such as drought, and the provision of sufficient funds for the operation of the district.

CONTRIBUTED CAPITAL

From Highlands Ranch Metropolitan District

The District requires advance payment of the Reserved Capacity Cost from the Highlands Ranch Metropolitan District for land that is

- within the Highlands Ranch Service Area;
- included within the boundaries of the Metro District; and
- for which service has been or will reasonably be requested.

This budget is based on the Intergovernmental Agreements (IGA) adopted December, 1990. Under the IGA the Reserved Capacity Cost is calculated as follows:

- by multiplying the number of single family residential dwelling units zoned for a property or in the case of platted land the number of units actually shown on the filing, by the Capacity Fee. The Single-Family Residential Capacity Fee effective since January 1, 2000, was \$5,960. The fee is not expected to increase during 2021.
- by multiplying the number of multi-family residential dwelling units zoned for a property or in the case of platted land the number of units actually shown on the filing, by the Capacity Fee. The Multi-Family Residential Capacity Fee effective since January 1, 2000, was \$3,780. The fee is not expected to increase during 2021.
- for nonresidential land the Reserved Capacity Cost is calculated by multiplying the number of acres (either zoned or platted) by two and then multiplying again by the Nonresidential Capacity Fee (3/4" equivalent) of \$9,650 effective since January 1, 2000 and which is not expected to increase during 2021.

The IGA provides for the following payment levels:

- \$100,000 minimum plus 40% of the remaining amount is due on the April 1 following the inclusion with \$100,000 plus 40% of the unpaid balance due each consecutive April 1 (with payment in full of any unpaid balance of less than \$100,000) or as specifically negotiated.
- If, as of October 1, the amount collected from its customers by the Metro District exceeds the amount previously paid to Centennial, the full amount of the excess is due the following April 1. Any balance remaining after the excess is remitted will be paid according to the appropriate item 1 through 3 above.

In addition to the advance payments required at the time as a result of increases in service area, Centennial will recalculate the Reserved Capacity Cost every October 1 in order to determine additional reserved capacity payments which may be due or owing as a result of; 1) an increase in the calculated Capacity Fees as it applies to all end-user residential dwelling units and non-residential acreage which were previously included within the Metro District but which have not yet been placed in service; 2) changes in the number of dwelling units or nonresidential acreage as a result of rezoning, re-plat or actual use. This additional payment or refund is due the following April 1.

Centennial also collects two surcharges in addition to the Capacity Fee which are due to Centennial at the time the Metro District sells taps to the end user.

- The channel stabilization surcharge is currently \$250.
- A water acquisition fee is currently at the rate of \$1,480 per residential unit.

From Mirabelle Metropolitan District

Mirabelle Metropolitan District ("MMD") which serves outside the Highlands Ranch Service Area, has a unique payment schedule from the Highlands Ranch Metropolitan Districts. In order to reserve future taps, MMD is required to acquire options in addition to a tap fee that is paid just prior to meter installation. The option is equal to 2% of the number of taps being reserved.

From Northern Douglas County Water and Sanitation District

Northern Douglas County Water and Sanitation District ("NDC") which serves outside the Highlands Ranch Service Area, has a unique payment schedule from the Highlands Ranch Metropolitan Districts. In order to reserve future taps, NDC is required to acquire options. The option is equal to 2% of the number of taps being reserved. There are currently two developments within NDC boundaries with outstanding options. At the sole discretion of the Board, these options may be renewed by paying back options plus interest. Because the option payments are unknown and immaterial, no estimate has been made.

The collections for contributed capital (including the payments, if any, from NDC and Mirabelle) in 2020 and 2021 are estimated in the following table.

COLLECTIONS FOR CONTRIBUTED CAPITAL

	<u>2020</u> <u>Projected</u>	<u>2021</u> <u>Budget</u>
Reserved Capacity Payments		
HRMD - Exhibit B	\$ 942,814	\$ 686,964
Northern Douglas County	151,639	480,084
Mirabelle Metropolitan District	638,000	1,276,000
	<u>1,732,453</u>	<u>2,443,048</u>
Channel Stabilization surcharge		
HRMD	<u>84,750</u>	<u>56,250</u>
Water acquisition fee		
HRMD	501,720	481,000
Northern Douglas County	11,840	42,920
Mirabelle Metropolitan District	74,000	148,000
	<u>587,560</u>	<u>671,920</u>
Option Payments		
Northern Douglas County	\$ 26,835	\$ 9,025
Mirabelle	315,480	301,140
	<u>\$ 2,747,078</u>	<u>\$ 3,481,383</u>

CENTENNIAL WATER & SANITATION DISTRICT
BY ACTIVITY

	2019 ACTUAL	2020 BUDGET	2020 REVISED	2021 BUDGET				TOTAL	% CHANGE FROM BUDGET
				BASE	Ongoing	One-Time	Offset		
WATER OPERATIONS									
600 SURFACE WATER	\$ 3,162,293	\$ 3,279,042	\$ 3,344,428	\$ 3,365,084	\$ -	\$ -	\$ -	\$ 3,365,084	2.6%
602 WELLS	947,993	1,327,100	1,585,593	1,349,100	-	-	-	1,349,100	1.7%
610 GROUNDWATER FAC.	114,821	123,974	229,900	164,600	-	-	-	164,600	32.8%
620 PUMPING EXPENSES	1,801,760	2,098,750	2,033,750	2,092,149	230,000	-	-	2,322,149	10.6%
630 DISTRIBUTION TANKS	-	66,500	66,500	76,500	-	-	-	76,500	
640 WTP OPERATIONS	3,174,928	3,240,942	3,178,242	3,012,910	-	-	-	3,012,910	-7.0%
650 WTP MAINTENANCE	1,016,215	1,144,760	1,128,269	1,290,569	-	-	-	1,290,569	12.7%
664 METER INSTALLATION	828,227	892,000	667,650	904,940	-	-	-	904,940	1.5%
671 TRANS/DIST MAINTENANCE	1,466,746	1,483,790	1,468,890	1,384,690	130,720	-	-	1,515,410	2.1%
TOTAL WATER OPS	12,512,983	13,656,858	13,703,222	13,640,542	360,720	-	-	14,001,262	2.5%
WASTEWATER OPERATIONS									
711 COLL/TRANS. MAINTENANCE	868,874	1,071,545	1,045,745	1,171,845	-	-	-	1,171,845	9.4%
720 WWTP OPERATIONS	2,250,986	2,635,214	2,309,614	2,258,493	-	-	-	2,258,493	-14.3%
730 WWTP MAINTENANCE	1,431,834	1,734,411	1,815,355	1,913,630	-	-	-	1,913,630	10.3%
740 LIFT STATIONS	126,029	217,500	217,500	217,500	-	-	-	217,500	0.0%
TOTAL WASTEWATER OPS	4,677,723	5,658,670	5,388,214	5,561,468	-	-	-	5,561,468	-1.7%
TECHNICAL MANAGEMENT									
805 WATER RESOURCES	1,304,699	1,316,111	1,327,911	1,414,115	-	-	-	1,414,115	7.4%
805-75 WATER CONSERVATION	76,543	194,075	155,711	181,075	-	-	-	181,075	-6.7%
840 O&M ADMINISTRATION	922,136	1,118,500	1,065,500	1,155,300	-	-	-	1,155,300	3.3%
860 LAB SERVICES	757,034	950,080	945,180	997,080	-	-	-	997,080	4.9%
870 SCADA	17,980		341,500	491,600	-	-	-	491,600	
850 GIS SERVICES	184,416	215,490	209,990	214,740	-	-	-	214,740	-0.3%
880 ENGINEERING	649,219	721,790	711,040	692,688	-	-	-	692,688	-4.0%
893 VEHICLES	140,695	159,300	159,300	162,300	-	-	-	162,300	1.9%
TOTAL TECHNICAL MGMT	4,052,722	4,675,346	4,916,132	5,308,898	-	-	-	5,308,898	13.6%
GENERAL MANAGEMENT									
900 GENERAL GOVERNANCE	117,873	187,200	159,800	137,000	-	-	-	137,000	-26.8%
905 COMMUNITY RELATIONS	76,721	90,340	90,340	95,340	-	-	-	95,340	5.5%
910 OFFICE OF THE MANAGER	264,286	271,570	286,570	280,670	-	-	-	280,670	3.4%
920 HUMAN RESOURCES	212,978	191,700	191,700	187,858	-	-	-	187,858	-2.0%
930 FINANCIAL SERVICES	858,859	991,903	935,003	1,015,211	-	8,120	-	1,023,331	3.2%
950 INFORMATION SYSTEMS	316,304	416,000	416,000	401,500	-	-	-	401,500	-3.5%
960 CUSTOMER SERVICE	660,621	722,080	668,800	700,585	40,155	-	(6,750)	733,990	1.6%
970 OFFICE SERVICES	79,651	105,250	85,250	94,725	-	-	-	94,725	-10.0%
975 ADMINISTRATIVE BLDG	204,005	235,450	188,790	223,950	-	87,000	(43,500)	267,450	13.6%
980 INSURANCE	198,958	213,400	213,400	215,000	-	-	-	215,000	0.7%
991 DEBT SERVICE	606	1,600	1,600	1,600	-	-	-	1,600	0.0%
TOTAL GENERAL MGMT	2,990,862	3,426,493	3,237,253	3,353,439	40,155	95,120	(50,250)	3,438,464	0.3%
MISC CAPITAL	322,683	68,000	68,000	-	-	76,000	-	76,000	
TOTAL BY ACTIVITY	\$ 24,556,973	\$ 27,485,367	\$ 27,312,821	\$ 27,864,347	\$ 400,875	\$ 171,120	\$ (50,250)	\$ 28,386,092	3.3%

CENTENNIAL WATER & SANITATION DISTRICT
BY OBJECT

2021 BUDGET

	2019 ACTUAL	2020 BUDGET	2020 REVISED	BASE	Ongoing	One-Time	Offset	TOTAL
BOARD DIRECTED BUDGET								
111 REGULAR WAGES	\$ 6,134,569	\$ 6,719,172	\$ 6,296,660	\$ 6,862,060	\$ 35,235	\$ -	\$ (6,750)	\$ 6,890,545
121 OVERTIME WAGES	219,084	222,754	222,754	222,753	-	-	-	222,753
13* PAYROLL EXPENSES	1,980,717	2,196,750	2,196,750	2,179,250	-	-	-	2,179,250
113X TEMPORARY HELP	41,226	58,360	58,360	58,360	-	-	-	58,360
182 TRAINING & DEVELOPMENT	53,038	75,835	71,650	72,400	-	-	-	72,400
184 UNIFORMS	28,152	40,085	40,026	40,585	-	-	-	40,585
195 ADMINISTRATIVE CONTRACT	578,291	624,300	624,300	580,574	-	-	-	580,574
TOTAL	9,035,077	9,937,256	9,510,500	10,015,982	35,235	-	(6,750)	10,044,467
CONTRACTED SERVICES								
302 PAYING AGENT FEES	606	1,600	1,600	1,600	-	-	-	1,600
352 LEGAL	542,801	567,000	556,000	548,000	-	-	-	548,000
370 ELECTION	-	50,000	23,500	-	-	-	-	-
354 AUDITING	19,500	26,000	26,000	27,000	-	-	-	27,000
368 INSURANCE	198,958	213,400	213,400	215,000	-	-	-	215,000
550 WATER LEASE	3,025,032	3,040,612	3,111,227	3,121,409	-	-	-	3,121,409
MISC. CAPITAL	322,683	68,000	68,000	-	-	76,000	-	76,000
TOTAL	4,109,580	3,966,612	3,999,727	3,913,009	-	76,000	-	3,989,009
DEPT DIRECTED NONVARIABLE								
219 OFFICE SUPPLIES	1,792	7,500	7,500	2,500	-	-	-	2,500
220 MEETING EXP.	6,196	7,375	6,775	7,225	-	-	-	7,225
222 EMPLOYEE RELATIONS	6,482	12,810	12,810	13,710	-	-	-	13,710
224 FACILITIES SUPPLIES	-	-	-	-	-	-	-	-
226 SAFETY SUPPLIES	17,283	34,380	34,380	34,605	-	-	-	34,605
227 JANITORIAL SUPPLIES	13,884	20,000	20,500	20,000	-	-	-	20,000
229 OTHER OPERATING SUPPLIES	228,145	317,074	310,500	307,300	-	8,120	-	315,420
230 COMPUTER SUPPLIES	73,333	139,000	139,000	101,000	-	-	-	101,000
244 REPAIR PARTS	1,899,072	2,009,600	1,826,900	2,074,390	70,000	-	-	2,144,390
245 METER REPLACEMENTS	93,362	76,000	76,000	91,000	-	-	-	91,000
246 TIRES, TUBES	19,299	20,000	20,000	20,000	-	-	-	20,000
TOTAL	2,358,848	2,643,739	2,454,365	2,671,730	70,000	8,120	-	2,749,850
PURCHASED SERVICES								
301 BANK FEES	76,033	70,000	70,000	76,000	-	-	-	76,000
311 POSTAGE AND FREIGHT	78,980	115,375	76,575	104,375	-	-	-	104,375
313 VEHICLE LICENSES	204	700	700	700	-	-	-	700
319 COMMUNICATION	74,863	83,900	84,420	125,620	-	-	-	125,620
325 ADVERTISING	7,854	6,050	6,050	6,850	-	-	-	6,850
329 PRINTING	36,568	72,500	67,000	73,400	-	-	-	73,400
331 MEMBERSHIP DUES	56,902	88,003	86,553	86,588	-	-	-	86,588
335 PUBLICATIONS	8,354	3,950	3,950	3,950	-	-	-	3,950
342 COMPUTER RENTAL	22,676	19,316	19,316	-	-	-	-	-
343 EQUIPMENT RENTAL	60,201	60,200	78,500	78,500	-	-	-	78,500
344 REPAIR SERVICES	893,499	1,520,900	1,449,350	1,548,900	-	87,000	(43,500)	1,592,400
346 CONTRACT TEMP	-	15,000	15,000	15,000	-	-	-	15,000
347 JANITORIAL SERVICES	54,179	56,400	57,400	62,000	-	-	-	62,000
348 CONTRACT MAINTENANCE	120,509	209,300	207,300	209,300	-	-	-	209,300
349 LANDFILL SERVICES	64,579	71,650	76,970	78,770	-	-	-	78,770
351 MEDICAL	-	-	-	-	-	-	-	-
355 PROFESSIONAL SERVICES	920,199	944,050	1,014,650	1,112,100	-	-	-	1,112,100
356 DATA PROCESSING	-	-	-	-	-	-	-	-
359 PROFESSIONAL	-	-	-	-	-	-	-	-
363 LAB SERVICES	181,089	260,400	261,700	271,700	-	-	-	271,700
367 SLUDGE DISPOSAL	288,465	445,000	440,000	458,000	-	-	-	458,000
369 OTHER PURCHASED SERVICES	710,566	1,099,008	1,106,819	1,066,603	65,640	-	-	1,132,243
371 AUTOMOBILE EXPENSE	4,626	6,050	6,050	6,050	-	-	-	6,050
372 CONFERENCES	26,940	46,405	37,800	46,805	-	-	-	46,805
389 ADMINISTRATIVE CONTRACT	157,945	133,800	133,800	88,936	-	-	-	88,936
TOTAL	3,845,231	5,327,957	5,299,903	5,520,147	65,640	87,000	(43,500)	5,629,287
DEPT DIRECTED VARIABLE								
271 GASOLINE/FUEL	71,326	108,049	107,999	110,999	-	-	-	110,999
281 WATER TREATMENT CHEM.	2,231,002	2,236,729	2,451,729	2,346,680	-	-	-	2,346,680
TOTAL	2,302,328	2,344,778	2,559,728	2,457,679	-	-	-	2,457,679
UTILITIES								
391 ELECTRICITY AND POWER	2,803,617	3,165,850	3,376,423	3,182,905	230,000	-	-	3,412,905
392 WATER/SEWER	37,830	35,000	35,000	35,000	-	-	-	35,000
394 NATURAL GAS	64,462	64,175	77,175	67,895	-	-	-	67,895
TOTAL	2,905,909	3,265,025	3,488,598	3,285,800	230,000	-	-	3,515,800
TOTAL EXPENDITURES BY OBJECT	\$ 24,556,973	\$ 27,485,367	\$ 27,312,821	\$ 27,864,347	\$ 400,875	\$ 171,120	\$ (50,250)	\$ 28,386,092

DEBT SERVICE REQUIREMENTS

The projected outstanding principal for the District is as follows:

	Balance 12/31/19	Additions	Retirements	Balance 12/30/20	Additions	Retirements	Balance 12/30/21	Additions	Retirements	Balance 12/30/22
Water										
Series 2012A	14,055,000	-	3,400,000	10,655,000	-	3,470,000	7,185,000	-	3,555,000	3,630,000
Series 2012B	8,560,000	-	2,075,000	6,485,000	-	2,120,000	4,365,000	-	2,160,000	2,205,000
CWCB 2055	37,573,717	-	789,772	36,783,945	-	813,465	35,970,480	-	837,869	35,132,612
CWCB 2056	4,212,118	5,407,334	-	9,619,452	1,314,808	-	10,934,260	-	230,000	10,704,260
CWCB 2053	-	4,929,000	-	4,929,000	58,290	-	4,987,290	-	105,000	4,882,290
	64,400,835	10,336,334	6,264,772	68,472,397	1,373,098	6,403,465	63,442,030	-	6,887,869	56,554,162
Wastewater										
Series 2012A	4,050,000	-	330,000	3,720,000	-	330,000	3,390,000	-	330,000	3,060,000
Series 2012B	1,485,000	-	430,000	1,055,000	-	440,000	615,000	-	450,000	165,000
Series 2019	75,000,000	-	-	75,000,000	-	-	75,000,000	-	-	75,000,000
	80,535,000	-	760,000	79,775,000	-	770,000	79,005,000	-	780,000	78,225,000
	\$ 144,935,835	\$ 10,336,334	\$ 7,024,772	\$ 148,247,397	\$ 1,373,098	\$ 7,173,465	\$ 142,447,030	\$ -	\$ 7,667,869	\$ 134,779,162

The projected expenditure for interest on the Districts's debt service during the periods 2020 to 2022 can be summarized as follows:

	2020	2021	2022
Funded from Fixed Fees & Capital			
Transfer			
Series 2012A	373,000	295,000	215,000
Series 2012B (w/conversion)	203,000	154,000	103,300
Series 2019	3,215,000	3,215,000	3,215,000
	3,791,000	3,664,000	3,533,300
Funded from Water Acquisition			
CWCB	1,124,890	1,103,600	1,079,200
	\$ 4,915,890	\$ 4,767,600	\$ 4,612,500

The projected expenditure by bond issue for principal (not including refunding) and interest on the Districts's debt service during the periods 2020 to 2022 can be summarized as follows:

	2020	2021	2022
Series 2012A	4,103,000	4,095,000	4,100,000
Series 2012B (w/conversion)	2,708,000	2,714,000	2,713,300
Series 2019	3,215,000	3,215,000	3,215,000
	10,026,000	10,024,000	10,028,300
CWCB Loans	1,914,662	1,917,065	1,917,069
Total Principal and Interest	\$ 11,940,662	\$ 11,941,065	\$ 11,945,369

CENTENNIAL WATER AND SANITATION DISTRICT
SUMMARY 2020 - 2023

Prior Years Approp.	2020				2021		2022	2023	Remaining Future
	Budget	11/30/2020 Actual	Remaining	Expend. Offsets	Budget	Expend. Offsets	Projected	Projected	
FACILITY PLAN / CIP									
WATER FACILITIES									
RAW WATER STORAGE FACILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WATER TREATMENT PLANT	-	-	-	-	-	-	-	-	425,000
RAW WATER DELIVERY	-	-	-	-	-	-	-	-	-
BOOSTER PUMP STATIONS	-	-	-	-	-	-	-	-	-
POTABLE STORAGE RESERVOIRS	-	-	-	-	72,000	-	-	-	-
WELL WATER SUPPLY	-	114,000	-	-	114,000	-	-	-	-
WASTERWATER FACILITIES									
WASTEWATER TREATMENT PLANT	29,583	-	-	-	-	-	3,480,000	-	-
LIFT STATIONS	-	7,700,000	53,000	-	10,500,000	-	-	-	-
INFRASTRUCTURE									
WATER	-	100,000	-	-	-	-	500,000	-	-
WELL PIPELINES	-	-	-	-	-	-	-	-	-
WASTEWATER	-	185,000	-	-	425,000	-	40,000	-	-
OTHER	186,030	250,000	-	-	250,000	-	60,000	-	-
TOTAL CAPITAL PROJECTS	<u>215,614</u>	<u>8,349,000</u>	<u>53,000</u>	<u>-</u>	<u>11,361,000</u>	<u>-</u>	<u>4,080,000</u>	<u>-</u>	<u>425,000</u>
CAPITAL PROJECTS from									
FACILITY PLAN	-	114,000	-	-	186,000	-	-	-	-
UTILITY PLAN	215,614	8,235,000	53,000	-	11,175,000	-	4,080,000	-	-
	<u>215,614</u>	<u>8,349,000</u>	<u>53,000</u>	<u>-</u>	<u>11,361,000</u>	<u>-</u>	<u>4,080,000</u>	<u>-</u>	<u>-</u>
WATER RIGHTS ACQUISITION	892,819	6,100,000	6,179,667	-	243,000	-	-	360,000	1,083,000
MAJOR REPAIR FUND	-	4,435,000	2,459,547	780,000	18,506,536	-	3,055,000	2,721,000	66,975,000
	<u>\$ 1,108,433</u>	<u>\$ 18,884,000</u>	<u>\$ 8,692,214</u>	<u>\$ 780,000</u>	<u>\$ 30,110,536</u>	<u>\$ -</u>	<u>\$ 7,135,000</u>	<u>\$ 3,081,000</u>	<u>\$ 68,483,000</u>

Centennial Water and Sanitation District

Facility Plan
2020-2023

Prior Years Unexpended Appropriations	2020				2021		2022	2023	Future	Move to WA
	Budget	Through 11/30/20	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Projected		
WATER TREATMENT PLANT										
Water Treatment Plant										
Landscaping adjacent to Plaza	-	-	-	-	-	-	-	-	100,000	-
Ground Water Treatment Plant										
Sewer line outfall for GWTP #2	-	-	-	-	-	-	-	-	325,000	-
TOTAL WATER TREATMENT PLANT	-	-	-	-	-	-	-	-	425,000	-
RAW WATER DELIVERY										
City Ditch:										
Pump station improvements and capacity expansion	-	-	-	-	-	-	-	-	-	500,000
South Platte Wellfields										
Wells 13 and 14	-	-	-	-	-	-	-	-	-	883,000
TOTAL RAW WATER DELIVERY	-	-	-	-	-	-	-	-	-	1,383,000
POTABLE STORAGE RESERVOIRS										
Site improvements										
Zone 3 Reservoir	-	-	-	-	72,000	-	-	-	-	-
WELL WATER SUPPLY										
Well Site Improvements/Landscaping										
A-6R - Irrigated Backcountry Fil 118	-	45,000	-	-	45,000	-	-	-	-	-
LFH-2,D-1 - Irrigated Business Park	-	69,000	-	-	69,000	-	-	-	-	-
TOTAL WELL WATER SUPPLY	-	114,000	-	-	114,000	-	-	-	-	-
TOTAL WATER FACILITIES	-	114,000	-	-	186,000	-	-	-	425,000	1,383,000

Centennial Water and Sanitation District
Utility Improvement Plan
2020-2023

	Prior Years Unexpended Appropriations	2020			2021		2022	2023	FUTURE	
		Budget	Through 11/30/20	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Projected	Usage fee Funded
WASTEWATER FACILITIES										
WASTEWATER TREATMENT PLANT										
Marcy Gulch WWTP Improvements Phase II Including Regulation 85	29,583	-	-	-	-	-	3,480,000	-	-	-
Marcy Gulch WWTP Improvements Phase III	-	-	-	-	-	-	-	-	-	-
	<u>29,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,480,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIFT STATIONS										
Marcy Gulch (Chatfield) replacement / upgrades	-	7,700,000	53,000	-	-	10,500,000	-	-	-	-
	<u>-</u>	<u>7,700,000</u>	<u>53,000</u>	<u>-</u>	<u>-</u>	<u>10,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL WASTEWATER FACILITIES	<u>29,583</u>	<u>7,700,000</u>	<u>53,000</u>	<u>-</u>	<u>-</u>	<u>10,500,000</u>	<u>-</u>	<u>3,480,000</u>	<u>-</u>	<u>-</u>
INFRASTRUCTURE										
WATER INFRASTRUCTURE										
Zone 5 Surge Anticipator Valve	-	100,000	-	-	-	-	-	-	-	-
Distribution System Surge Improvements	-	-	-	-	-	-	500,000	-	-	-
	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
WASTEWATER INFRASTRUCTURE										
Big Dry LS Emergency Pump	-	95,000	-	-	-	185,000	-	-	-	-
Big Dry Lift Station UV Aerator	-	90,000	-	-	-	-	-	-	-	-
Big Dry Flowmeters	-	-	-	-	-	40,000	-	-	-	-
Big Dry Manual Transfer Switch	-	-	-	-	-	200,000	-	-	-	-
Willow Creek LS Manual Transfer Switch	-	-	-	-	-	-	40,000	-	-	-
	<u>-</u>	<u>185,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
TOTAL INFRASTRUCTURE	<u>-</u>	<u>285,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>-</u>	<u>540,000</u>	<u>-</u>	<u>-</u>
OTHER										
SERVICE TO PLUM CREEK PARCEL										
Design	186,030	-	-	-	-	-	-	-	-	-
Water infrastructure	-	250,000	-	-	-	250,000	-	-	-	-
	<u>186,030</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EQUIPMENT										
Debris Trailer for Valve Exerciser	-	-	-	-	-	-	60,000	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL - OTHER	<u>186,030</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>-</u>
TOTAL ALL FACILITIES	<u>215,614</u>	<u>8,235,000</u>	<u>53,000</u>	<u>-</u>	<u>-</u>	<u>11,175,000</u>	<u>-</u>	<u>4,080,000</u>	<u>-</u>	<u>-</u>

Centennial Water and Sanitation District
Water Acquisition 2020 - 2023

	Prior Years Unexpended Appropriations	2020			2021	2022	2023	FUTURE		
		Budget	Through 11/30/20	Remaining	Projected	Projected	Projected	Rates	Txfr from Capital	Fee
WATER RIGHTS ACQUISITION										
TOTAL WATER RIGHTS ACQUISITION	-	-	-	-	-	-	-	-	-	-
CHATFIELD REALLOCATION - ESCROW										
CWCB Contract A (USACE Storage Costs)	50-020	5,471,190	-	-	-	-	-	-	-	-
District Match										
CWCB Contract B (Mitigation Measures)	50-018	29,333,984	-	-	-	-	-	-	-	-
District Match										
CWCB Contract C (Related Mitigation Activities)	50-019	12,064,860	-	-	-	-	-	-	-	-
District Match										
TOTAL CHATFIELD REALLOCATION ESCROW		46,870,034	-	-	-	-	-	-	-	-
CHATFIELD REALLOCATION - FUND										
Preliminary commitments	50-012	278,819	-	585,000	-	-	-	-	-	-
Brighton		-	-	-	-	-	-	-	-	-
Parker W&S		-	-	-	-	-	-	-	-	-
TOTAL CHATFIELD REALLOCATION - FUND		278,819	-	585,000	-	-	-	-	-	-
WISE - CAPITAL										
Program management		-	-	-	-	-	-	-	-	-
DIA connection fee (due 1/1 of budget year thru 2020)		-	115,000	-	-	-	-	-	-	-
ECCV Western Pipeline		-	-	-	-	-	-	-	-	-
Title Clean up costs		-	70,000	-	-	-	-	-	-	-
Rangeview Purchase		-	-	-	-	-	-	-	-	-
ECCV Western Pipeline modifications		-	-	-	-	-	-	-	-	-
Aurora Connection (Pump Station at BWPF)		-	5,915,000	5,594,667	218,000	-	-	-	-	-
ECCV to Centennial System		614,000	-	-	-	-	-	-	-	-
TOTAL WISE - CAPITAL		614,000	6,100,000	5,594,667	218,000	-	-	-	-	-
Other										
City Ditch:										
Pump station improvements and capacity expansion		-	-	-	-	-	-	-	500,000	-
South Platte Wellfields										
Wells SP - 13		-	-	-	25,000	-	300,000	-	-	-
Pipeline to Well SP-13 600 LF		-	-	-	-	-	60,000	-	-	-
Wells SP - 14		-	-	-	-	-	-	-	583,000	-
TOTAL - OTHER		-	-	-	25,000	-	360,000	-	1,083,000	-
TOTAL WATER RIGHTS ACQUISITION CAPITAL		892,819	6,100,000	6,179,667	243,000	-	360,000	-	1,083,000	-

Centennial Water and Sanitation District
Major Repair Projects 2020 - 2023

	Budget	Through 11/30/20	Remaining	Projected	Projected	Projected	Projected
WATER TREATMENT PLANT							
Phase 1: Pre-Treatment Modifications	2,000,000	1,950,000	-	15,800,000	-	-	-
Replace WTP Filter Media	325,000	286,500	-	-	-	-	-
Phase 2: Replace Chemical Storage	-	-	-	-	-	-	24,000,000
Phase 3: Reconfiguration of Filers and CCB	-	-	-	-	-	-	17,100,000
Phase 4: Zone 1 & 2 Pump Station	-	-	-	-	-	-	16,300,000
TOTAL WATER TREATMENT PLANT	2,325,000	2,236,500	-	15,800,000	-	-	57,400,000
OTHER WATER SYSTEM							
Replacement Equipment (see detail list)	-	-	-	-	-	100,000	-
Replacement WTP Filter Valves (includes installation)	-	-	-	-	-	-	-
Solid Separation Basin Hoseless Residuals Collectors	135,000	-	-	-	-	-	-
South Platte rip-rap replacement	-	-	-	-	400,000	-	-
C&D building garage heaters & A/C unit in office area	-	-	-	-	-	-	75,000
Filter Building HVAC replacement	-	-	-	-	-	-	-
Replacement of GWTP #1 Filter Media	220,000	49,464	-	170,536	-	-	-
Replacement Auto-titrator	-	71,233	-	-	-	-	-
GWTP 2 Bleach Tank	-	-	-	26,000	-	-	-
TOTAL OTHER WATER SYSTEM	355,000	120,697	-	196,536	400,000	100,000	75,000
DISTRIBUTION SYSTEM							
Zone 1 Pump Replacement	-	-	-	85,000	-	-	-
Replacement Equipment (see detail list)	-	-	-	-	-	100,000	-
Condition Assessment - Field Vertical Assets	-	-	-	-	-	-	-
Dad Clark Interceptor Condition Assessment	-	-	-	-	-	-	-
McLellan B Pump Station AC unit	-	-	-	-	-	-	-
South Platte Transfer Station Pumps and VFD	-	-	-	-	-	-	-
McLellan A Pump Station - rehab	-	-	-	-	-	-	2,000,000
Zone 4A Pump Station Rehab	-	-	-	-	-	-	2,000,000
Distribution Tank 2 Replacement	-	-	-	-	-	-	5,000,000
TOTAL DISTRIBUTION SYSTEM	-	-	-	85,000	-	100,000	9,000,000

Centennial Water and Sanitation District
Major Repair Projects 2020 - 2023

	2020		2021	2022	2023	2024	
	Budget	Through 11/30/20	Remaining	Projected	Projected	Projected	Projected
WASTEWATER TREATMENT PLANT							
Replacement Equipment (see detail list)	-	-	-	-	-	50,000	-
Bridge Repair	50,000	11,350	-	-	-	-	-
Replacement of Grit System Equipment	150,000	-	-	200,000	-	-	-
TOTAL WASTEWATER TREATMENT PLANT	200,000	11,350	-	200,000	-	50,000	-
OTHER WASTEWATER SYSTEM							
Replacement Equipment (see detail list)	-	-	-	-	-	-	-
Big Dry Lift Station Upgrades	-	-	-	-	1,000,000	-	-
TOTAL OTHER WASTEWATER SYSTEM	-	-	-	-	1,000,000	-	-
WELL EQUIPMENT REPLACEMENT							
Above/ Below ground equipment	500,000	-	500,000	500,000	500,000	500,000	500,000
TOTAL PROCESS EQUIPMENT	3,380,000	2,368,547	500,000	16,781,536	1,900,000	750,000	66,975,000
WELL REDRILL PROGRAM							
A-1R	-	-	-	-	-	1,200,000	-
Pipeline (1006)	-	-	-	-	-	111,000	-
Landscaping	-	-	-	-	-	50,000	-
TOTAL WELL REDRILL	-	-	-	-	-	1,361,000	-

Centennial Water and Sanitation District
Major Repair Projects 2020 - 2023

	2020		2021	2022	2023	2024	
	Budget	Through 11/30/20	Remaining	Projected	Projected	Projected	Projected
VEHICLES / OTHER MISCELLANEOUS EQUIPMENT							
Vehicle replacement (see detail)	280,000	-	280,000	224,000	255,000	260,000	-
Itron Mobile Radio Equipment	-	-	-	56,000	-	-	-
Portable Generator	-	-	-	225,000	-	-	-
Vac-Con	-	-	-	320,000	-	-	-
580 Backhoe	-	-	-	-	-	125,000	-
Camera Truck Replacement	-	-	-	-	300,000	-	-
10 yard dump truck and trailer	-	-	-	-	350,000	-	-
TOTAL VEHICLES / OTHER MISCELLANEOUS EQUIPMENT	280,000	-	280,000	825,000	905,000	385,000	-
OTHER							
SCADA Upgrades	-	-	-	-	250,000	125,000	-
TOTAL OTHER	-	-	-	-	250,000	125,000	-
HRMD IN-TRACT LINES (funded by HRMD)							
In-Tract Chesapeake	775,000	91,000	-	900,000	-	-	-
In-Tract: Bellflower	-	-	-	-	-	100,000	600,000
TOTAL IN-TRACT LINE REPLACEMENT	775,000	91,000	-	900,000	-	100,000	600,000
TOTAL MAJOR REPAIR PROJECTS	4,435,000	2,459,547	780,000	18,506,536	3,055,000	2,721,000	66,975,000

2021 Major Repair - Vehicle and Equipment Replacement

ITEM DESCRIPTION	AMOUNT	LOCATION	COMMENTS
Replacement for units 415, 421, and 435, all 2009 Chevrolet Colorados	\$ 108,000	Meters	3 x 2021 Chevrolet Colorado Crew Cab pick-up trucks or equivalent, with utility boxes, bed liners, and warning lights. These trucks are used by the Meters Department to respond to customer calls and appointments in all weather conditions. Unit 415 is a 2009 with 89k miles and a KBB value of \$3,219. Unit 421 is a 2009 with 101k miles and a KBB value of \$2,922. Unit 435 is a 2009 with 86k miles and a KBB value of \$4116. These trucks have exceeded their cost effective service life.
Replacement for unit 205, 2010 Dodge Dakota 4x4, and unit 480, 2016 Ford F150 4x4	\$ 74,000	Engineering	2 x 2021 Ford F150 4x4 pick-up trucks or equivalent, with utility boxes, bed liners, and warning lights. These trucks are used by the engineering department to monitor ongoing construction and conduct site visits for project planning. Unit 205 is a 2010 Dodge Dakota with 39k miles and a KBB value of \$9,622. This truck has had several maintenance issues and is unsuitable for carrying equipment needed to conduct work. Unit 280 is a 2016 Ford F-150 with 76k miles and a KBB value of \$11,532. This truck has has substantial drive train and engine repairs. Both trucks have exceeded their cost effective service life.
Replacement for unit 310, 2004 Chevrolet 2500 4x4	\$ 42,000	Plant Maintenance	2021 Chevrolet 2500 4x4 pick-up truck or equivalent, with utility boxes and bed liner. This truck is used by the Plant Maintenance Department to conduct preventative and emergency maintenance at the WTP and WWTP. Unit 310 is a 2004 Chevrolet 2500 with 63k miles and a KBB value of \$3,863. This truck has exceeded its cost effective service life.
TOTAL	\$ 224,000		

CENTENNIAL WATER & SANITATION DISTRICT
SCHEDULE OF APPROVED POSITIONS - REGULAR PERSONNEL

REGULAR EMPLOYEES (FTE)	2020 Budget	2020 Actual	2021 Budget	Change 2020 Actual to 2021 Budget	FTE's 2021 Adj. For Sch. III Shared Emp.
Director, Water/Wastewater Oper.	1.000	1.000	1.000	-	1.000
Superintendent, Operations and Maint.	1.000	1.000	1.000	-	1.000
Superintendent, Field	1.000	1.000	1.000	-	1.000
Superintendent, Asset Management	1.000	1.000	1.000	-	1.000
Business Support	4.000	4.000	4.000	-	4.000
Regulatory	1.000	1.000	1.000	-	1.000
SCADA supervisor	1.000	1.000	1.000	-	1.000
SCADA Lead	1.000	1.000	1.000	-	1.000
SCADA Technicians	3.000	3.000	3.000	-	3.000
Lead Operators	2.000	2.000	2.000	-	2.000
WTP Plant Operator	5.000	5.000	5.000	-	5.000
WWTP Operator	6.000	6.000	6.000	-	6.000
Lead Maintenance Mechanic	2.000	2.000	2.000	-	2.000
Maintenance Mechanic	5.000	5.000	5.000	-	5.000
Maintenance Worker	1.000	1.000	1.000	-	1.000
Field Operations Lead	1.000	1.000	1.000	-	1.000
Field Operators	5.000	5.000	5.000	-	5.000
Field Instrument Technician	1.000	1.000	1.000	-	1.000
Lead Collection/Distribution/ Meter	2.000	2.000	2.000	-	2.000
Collection and Distribution Mechanics	10.000	10.000	10.000	-	10.000
Meter Technicians	9.000	9.000	9.000	-	9.000
Laboratory Supervisor	1.000	1.000	1.000	-	1.000
Lab Technician	4.000	4.000	4.000	-	4.000
Water Resource Manager	1.000	1.000	1.000	-	1.000
Water Resource Engineer	1.000	1.000	1.000	-	1.000
Conservation Coordinator	1.000	1.000	1.000	-	1.000
Water Facility Caretaker	0.250	0.250	0.250	-	0.250
* Director - Engineering	*	*	*	*	0.600
* Office Manager / Admin Assit. II	*	*	*	*	0.500
* Contract Administrator	*	*	*	*	0.500
* Clerk/ Engineering Tech	*	*	*	*	0.600
** GIS Coordinator	-	-	-	-	-
** GIS Technician	2.000	2.000	2.000	-	1.600
Engineer	1.000	1.000	1.000	-	1.000
Project Engineer	1.000	1.000	1.000	-	1.000
Utility Inspector	1.000	1.000	1.000	-	1.000

**CENTENNIAL WATER & SANITATION DISTRICT
SCHEDULE OF APPROVED POSITIONS - REGULAR PERSONNEL**

REGULAR EMPLOYEES (FTE)	2020 Budget	2020 Actual	2021 Budget	Change 2020 Actual to 2021 Budget	FTE's 2021 Adj. For Sch. III Shared Emp.
General Manager	1.000	1.000	1.000	-	1.000
Administrative Assistant	1.000	1.000	1.000	-	1.000
* Community Relations Manager	*	*	*	*	0.250
* Community Relations Coordinator	*	*	*	*	0.500
* Human Resources Administrator	*	*	*	*	0.500
* Human Resources Assistants (2)	*	*	*	*	0.900
* Director - Finance & Admin.	*	*	*	*	0.500
** Asset & Revenue Manager	0.500	0.500	0.500	-	0.250
** Accounting Supervisor	1.000	1.000	1.000	-	0.500
** Administrative Analyst	1.000	1.000	1.000	-	0.500
** Manager, Financial and Budget Reporting	1.000	1.000	1.000	-	0.500
** PC Specialist	-	-	-	-	-
** Accounting Assistants/Payroll	3.500	3.500	3.500	-	1.750
* Receptionist / Office Assistant	1.500	1.500	1.500	-	0.750
** Building Assistant (District Office Bldg.)	1.000	1.000	1.000	-	1.000
Asset & Revenue Manager	0.500	0.500	0.500	-	0.500
Customer Service Rep.	4.000	4.000	4.500	-	4.500
Meter Readers	2.000	2.000	2.000	-	2.000
Regular employees	<u>94.250</u>	<u>94.250</u>	<u>94.750</u>	<u>-</u>	<u>94.950</u>
Plant Operations	0.210	0.210	0.210	-	0.500
Plant Maintenance	0.450	0.450	0.450	-	0.450
Collection and Distribution	0.250	0.250	0.250	-	0.250
Lab	-	-	-	-	-
Water Conservation	0.300	0.300	0.300	-	0.300
Engineering	0.300	0.300	0.300	-	0.300
Total with equivalents	<u>95.760</u>	<u>95.760</u>	<u>96.260</u>	<u>-</u>	<u>96.750</u>

* Employee cost is partially allocated FROM Metro District pursuant to Employee, Office Services and Capital Equipment Sharing contract (Schedule III employees).

** Employee cost is partially allocated TO Metro District pursuant to Employee, Office Services and Capital Equipment Sharing contract (Schedule III employees).



CENTENNIAL

WATER AND SANITATION DISTRICT

Customers

Board of Directors

Jeff Kappes (Chairman)	May 2020 to May 2023
John Kilrow (Vice Chairman)	May 2020 to May 2023
Terri Kershnik (Treasurer)	May 2020 to May 2023
Tim Roberts, Assistant Secretary	May 2018 to May 2022
Jeff Donelson, Assistant Secretary	May 2018 to May 2022

John Kaufman
General Manager

Executive
Assistant

Stephanie Stanley
Director of
Finance & Administration

Financial Services

Customer Service

Information Systems

Jeff Case
Director of
Public Works

Engineering

Vacant
Director of
Water & Wastewater Operations

Water Operations

Wastewater Operations

Community
Relations

Water
Resources

Human
Resources

APPENDIX

**CENTENNIAL WATER AND SANITATION DISTRICT
GLOSSARY**

<i>Absorption:</i>	An estimate of the expected annual sales or new occupancy of a particular type of land use. For example, the demand for new homes in a market area is estimated to be 500 per year.
<i>Base Capacity Fee:</i>	A portion of the tap fee paid by developers prior to installation of the tap. The fee is calculated based on an estimated cost of all facilities allocated by user class.
<i>Bond Covenant:</i>	An agreement between the issuer and holder of a bond, requiring or forbidding certain actions of the issuer. Positive covenants require actions while negative covenants forbid them.
<i>Capital Outlay:</i>	A capital expenditure either adds a fixed asset unit or increases the value of an existing fixed asset.
<i>Enterprise Fund:</i>	In governmental accounting, a fund that provides goods or services to the public for a fee that makes the entity self-supporting.
<i>Fund Balance:</i>	The excess of a governmental fund's assets and revenues over its liabilities, reserves, and expenditures at the close of the fiscal year.
<i>Governmental Funds:</i>	Funds generally used to account for tax-supported activities.
<i>Proxy:</i>	Substitute; in the case of calculating the wastewater fee the average winter time water usage is used as a substitute for actual sewer flows during the entire year.
<i>Target Fund Balances:</i>	A minimum level fund balance established by the Board with the primary objective of a fund balance that maintains adequate resources to cope with contingencies.
<i>Water Acquisition Fee:</i>	A portion of the tap fee paid by developers prior to installation of the tap. The fee is designed to generate revenues to develop additional water resources such as acquisition of water rights, construction of storage reservoirs, and other associated projects.

**CENTENNIAL WATER AND SANITATION DISTRICT
BOARD COMMUNICATION**

DATE	SUBJECT	AGENDA NUMBER
12/14/2020	ADOPT 2021 BUDGET, APPROPRIATE FUNDS, AND APPROVE RATES & FEES for ESA	CWSD 20-148

INITIATED BY STEPHANIE STANLEY

STAFF RECOMMENDATION

Adopt Resolution No. 20-148

- Adopting the 2021 budget.
- Appropriating funds for the 2021 budget.
- Approve transfer parameters between internal established funds.
- Approve rates and fees for Extended Service Area (Northern Douglas County Water & Sanitation District, and Castle Pines North)

BACKGROUND INFORMATION

A preliminary budget dated October 15, 2020 was submitted to the Board of Directors. On November 16, 2020, District staff presented the key components of the proposed budget to the Board of Directors. Adjustments based on this discussion and internal review by staff to the operating and capital budgets have since been incorporated into the proposed budget. Therefore, staff recommends that a budget that incorporates these changes be adopted.

A Public Hearing was held on November 30, 2020 on the 2021 Proposed Budget and related changes to the service rates. No comments were received related to the Budget or Rate changes.


JK

FINANCIAL DETAILS

The actions required to fully implement the 2021 Budget are as follows:

- The proposed budget is shown on Exhibit A and is recommended for adoption, as outlined in the attached resolution.
- Pursuant to state statutes, the appropriation of funds sufficient to implement the 2021 budget.
- Identification of internal interfund transfers that are made in order to balance established funds. These funds are for internal accounting and budgeting purposes and are not required for compliance with TABOR since the District reports financial information on an enterprise basis.
- Rates calculated based on the budget for service pursuant to various agreements other than the Highlands Ranch Water and Wastewater service agreement.


SS

CENTENNIAL WATER AND SANITATION DISTRICT

Resolution No. 20-148

WHEREAS, staff has submitted a proposed budget to this Board on or before October 15, 2020 for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on November 30, 2020, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, no comments related to the budget were received or filed; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations, which are applicable to or binding upon the District;

WHEREAS, the District is an enterprise for the purpose of compliance with TABOR and generally accepted accounting principles but has chosen for the purpose of internal controls and bond covenant compliance to budget on the fund basis.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Centennial Water & Sanitation District:

1. That Estimated expenditures for each fund are as follows:

Operations	\$ 28,386,092
Water Acquisition	2,053,880
Reserve	18,506,536
Debt Service Funds	11,941,065
Capital Projects Fund	33,361,000
	<u>\$ 94,248,573</u>

- 2.

That estimated revenues and other sources of funding to fund the expenditures for each fund are as follows:

Operating Fund	
From Operating Revenues	\$ 41,148,620
From Nonoperating Revenue	497,000
From (to) interfund transfers	(13,100,000)
From (to) unappropriated surpluses	(159,528)
	<u>\$ 28,386,092</u>
Water Acquisition	
From Operating Revenues	\$ 4,100,000
From Nonoperating Revenue	728,170
From (to) interfund transfers	(1,917,065)
From (to) unappropriated surpluses	(857,225)
	<u>\$ 2,053,880</u>

Major Repair	
From Nonoperating Revenue	\$ 900,000
From (to) interfund transfers	10,800,000
From (to) unappropriated surpluses	6,806,536
	<u>\$ 18,506,536</u>
Debt Service Funds	
From Nonoperating Revenue	\$ 790,249
From (to) interfund transfers	11,217,065
From (to) unappropriated surpluses	(66,249)
	<u>\$ 11,941,065</u>
Capital Projects Fund	
From Nonoperating Revenue	\$ 1,962,964
From (to) interfund transfers	-
From (to) unappropriated surpluses	31,398,036
	<u>\$ 33,361,000</u>

3. That the budget, as submitted, amended and herein summarized by budgetary fund, be and the same hereby is, approved and adopted as the budget of the Centennial Water & Sanitation District for the 2021 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by a Secretary and/or General Manager of the District to all appropriate agencies and is made a part of the public records of the District.

APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the District has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, which shall include any transfers between funds listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Centennial Water & Sanitation District that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

Operations	\$ 28,386,092
Water Acquisition - Operations	1,810,880
Major Repair	806,000
Debt Service Fund	11,941,065
Capital Projects Fund -Specific Year (water transfer payment, etc)	-
	<u>\$ 42,944,037</u>

BE IT FURTHER RESOLVED, that appropriations for expenditures on capital projects from the Capital Projects, Reserve, and Water Acquisition Funds will be considered on a project-by-project basis during 2021 and that any unexpended appropriations will continue to be available until rescinded by the Board of Directors.

TRANSFERS

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors has established the following policies for maintaining sufficient reserves for the operation of the District. To the extent available, the following transfers will be made in the listed priority.

- The Operations Fund will maintain working capital equal to 50% of the next years' budgeted operating expenditures.
- To the Debt Service Fund to maintain an ending fund balance equal to the following years' debt service payment.
- To the Reserve Fund, \$3,800,000
- Any remaining available funds will be transferred to the Financial Assurance Fund.

RATES AND FEES FOR AREAS OUTSIDE THE HIGHLANDS RANCH SERVICE AREA

WHEREAS, Centennial entered into the Extended Service Area Water and Sewage Agreement dated August 1, 1994 between Centennial and Northern Douglas County Water and Sanitation District ("Northern") and said agreement establishes the requirement for Centennial and Northern to adopt rules and regulations as well as rates, tolls and fees; and

WHEREAS, Centennial entered into an agreement with Castle Pines North ("CPN") dated January 27, 2010 and said agreement establishes the requirement for Centennial to establish water rates, tolls and fees; and

WHEREAS, Centennial staff reviewed the existing rate structure for purposes of ensuring adequate revenue to fund Centennial costs.

NOW THEREFORE BE IT RESOLVED that:

- The rates for Northern shall be as shown below:

	2020		2021		% Change
NDCWSD					
Residential	\$ 4.92	\$	5.19		5.3%
Commercial Indoor	\$ 4.62	\$	4.88		5.7%
Irrigation	\$ 5.01	\$	5.29		5.6%
Service Availability Charge	\$ 15.86	\$	16.75		5.6%
Wastewater fixed	\$ 9.85	\$	10.76		9.2%
Wastewater per 1,000 gallons	\$ 3.68	\$	3.75		2.0%

- Centennial staff shall notify Northern consistent with the IGA between Northern and Centennial in order for them to implement the above changes.

BE IT FURTHER RESOLVED that:

- The base water rate for CPN pursuant to the CPN agreement shall be \$2.67 per thousand gallons.
- Service requested by CPN outside the scope of the CPN agreement shall be charged the same as other service outside the service boundaries, as delineated in the Highlands Ranch Agreement.

Adopted this 14th day of December, 2020

Certified by  Secretary

Ayes 5 Nays 0 Abstained 0 Absent 0

CENTENNIAL WATER AND SANITATION DISTRICT
ALL FUNDS - 2019-2021

	2019 Actual	2020 Budget	2020 Projected	2021							
				Operating Funds				Restricted Funds			Budget
				Operations	Financial Assurance	Water Acquisition	Major Repair	Debt Service	Capital Projects		
REVENUES & OTHER RECEIPTS											
Operating revenues											
Water utilization charges	\$ 26,461,965	\$ 28,512,880	\$ 30,841,985	\$ 25,962,880	\$ -	\$ 4,100,000	\$ -	\$ -	\$ -	\$ 30,062,880	
Wastewater utilization charges	11,542,746	12,840,000	12,095,000	13,400,000	-	-	-	-	-	13,400,000	
Other operating	583,292	798,390	746,568	942,290	-	-	-	-	-	942,290	
Intergovernmental/Fund reimbursement	656,279	518,000	537,570	594,350	-	-	-	-	-	594,350	
Rental income	286,632	265,800	265,500	249,100	-	-	-	-	-	249,100	
	<u>39,530,914</u>	<u>42,935,070</u>	<u>44,486,622</u>	<u>41,148,620</u>	<u>-</u>	<u>4,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,248,620</u>	
Nonoperating and other receipts											
Miscellaneous	1,679,754	15,000	42,000	25,000	-	-	-	-	-	25,000	
Lease Proceeds	-	-	-	-	-	-	-	-	-	-	
Bond/Loan proceeds	93,013,533	-	-	-	-	-	-	-	-	-	
Contributed Capital	2,510,951	2,522,714	2,848,948	-	-	728,170	900,000	790,249	1,962,964	4,381,383	
Net investment income	3,158,618	1,196,000	1,372,000	472,000	-	-	-	-	-	472,000	
<i>Total Revenues & Other Receipts</i>	<u>139,893,770</u>	<u>46,668,784</u>	<u>48,749,570</u>	<u>41,645,620</u>	<u>-</u>	<u>4,828,170</u>	<u>900,000</u>	<u>790,249</u>	<u>1,962,964</u>	<u>50,127,003</u>	
OUTLAYS											
Operating expenses											
Water operations	10,856,445	11,420,329	11,192,315	10,879,853	-	430,880	-	-	-	11,310,733	
Wastewater operations	4,677,723	5,693,588	5,388,214	5,561,468	-	-	-	-	-	5,561,468	
Technical management	4,052,722	4,675,346	4,916,132	5,308,898	-	-	-	-	-	5,308,898	
General management	2,990,863	3,426,493	3,237,253	3,438,464	-	-	-	-	-	3,438,464	
	<u>22,577,753</u>	<u>25,215,756</u>	<u>24,733,914</u>	<u>25,188,683</u>	<u>-</u>	<u>430,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,619,563</u>	
Miscellaneous Capital/Leases											
Water leases	3,025,032	4,186,612	4,276,727	3,121,409	-	1,380,000	-	-	-	4,501,409	
Misc. Capital	322,683	780,000	848,000	76,000	-	-	806,000	-	-	882,000	
Capital lease payments	-	-	-	-	-	-	-	-	-	-	
	<u>25,925,469</u>	<u>30,182,368</u>	<u>29,858,641</u>	<u>28,386,092</u>	<u>-</u>	<u>1,810,880</u>	<u>806,000</u>	<u>-</u>	<u>-</u>	<u>31,002,972</u>	
Debt Related											
Interest	4,317,642	5,908,000	4,915,890	-	-	-	-	4,767,600	-	4,767,600	
Principal	6,105,000	6,235,000	7,024,772	-	-	-	-	7,173,465	-	7,173,465	
	<u>10,422,642</u>	<u>12,143,000</u>	<u>11,940,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,941,065</u>	<u>-</u>	<u>11,941,065</u>	
Capital outlay											
Capital projects and related items	42,379,379	55,104,000	40,324,840	-	-	243,000	17,700,536	-	33,361,000	51,304,536	
	<u>42,379,379</u>	<u>55,104,000</u>	<u>40,324,840</u>	<u>-</u>	<u>-</u>	<u>243,000</u>	<u>17,700,536</u>	<u>-</u>	<u>33,361,000</u>	<u>51,304,536</u>	
Nonrecurring											
Bond issuance expenditures	760,023	-	-	-	-	-	-	-	-	-	
Transfer to Escrow	-	-	-	-	-	-	-	-	-	-	
Water transfer agreement payment	-	-	-	-	-	-	-	-	-	-	
	<u>760,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<i>Total Outlays</i>	<u>79,487,513</u>	<u>97,429,368</u>	<u>82,124,142</u>	<u>28,386,092</u>	<u>-</u>	<u>2,053,880</u>	<u>18,506,536</u>	<u>11,941,065</u>	<u>33,361,000</u>	<u>94,248,573</u>	
OPERATING TRANSFERS											
Operations from (to) Debt Service Fund	-	-	-	(9,300,000)	-	-	-	9,300,000	-	-	
Operations from (to) Major Repair Fund	-	-	-	(3,800,000)	-	-	3,800,000	-	-	-	
Financial Assurance Fund from (to) Debt Service Fund	-	-	-	-	-	-	-	-	-	-	
Water Acquisition Fund from (to) Debt Service Fund	-	-	-	-	-	(1,917,065)	-	1,917,065	-	-	
Financial Assurance Fund from (to) Major Repair Fund	-	-	-	-	(7,000,000)	-	7,000,000	-	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,100,000)</u>	<u>(7,000,000)</u>	<u>(1,917,065)</u>	<u>10,800,000</u>	<u>11,217,065</u>	<u>-</u>	<u>-</u>	
NET RECEIPTS (OUTLAY) OF FUNDS AND OPERATING TRANSFERS	60,406,257	(50,760,584)	(33,374,572)	159,528	(7,000,000)	857,225	(6,806,536)	66,249	(31,398,036)	(44,121,570)	
FUNDS AVAILABLE - BEGINNING	88,337,581	144,899,350	148,743,839	13,802,368	15,294,664	12,047,956	19,483,375	11,055,221	43,685,684	115,369,267	
Restricted	-	(810,122)	-	-	-	-	-	-	-	-	
FUNDS AVAILABLE - ENDING	<u>\$ 148,743,838</u>	<u>\$ 93,328,645</u>	<u>\$ 115,369,267</u>	<u>\$ 13,961,896</u>	<u>\$ 8,294,664</u>	<u>\$ 12,905,181</u>	<u>\$ 12,676,839</u>	<u>\$ 11,121,469</u>	<u>\$ 12,287,648</u>	<u>\$ 71,247,697</u>	