CENTENNIAL
WATER AND SANITATION DISTRICT

Serving the communities of Highlands Ranch and Solstice

2025 PROPOSED BUDGET AND RATES

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BUDGET GUIDE

DISTRICT OVERVIEW

This section of the budget is to familiarize yourself with who Centennial Water and Sanitation District is. Our guiding principles such as our mission, vision, and core values; what our strategic focus areas and initiatives are; the District's organizational chart and Board of Directors; and summaries of our Departments.

BUDGET INTRODUCTION

In this section you will get familiar with our budget process and how we budget for our sources and uses of revenues.

PROPOSED BUDGET SUMMARY

The proposed budget summary will give a high-level overview of the 2023 actuals, 2024 budget, 2024 revised budget, and 2025 proposed budget for all funds. This section will also summarize the District's sources of revenue and how those revenues are used. **You will also find the 2025 Proposed Rate table here.**

PROPOSED BUDGET BY FUND

This section details the sources and uses of funds for each budgetary fund. It also details the transfers that occur between the funds.

CAPITAL IMPROVEMENT PLAN

This section is comprised of the long-range Capital Improvement Plan which is adopted annually. Here you will find details about the various capital and major repair projects throughout the District as well as detailed information on our water acquisition strategies and obligations. You will further find the regulations that we are currently or will soon be subject to.

APPENDIX

The appendix section provides supplementary information to the budget and should be read in conjunction with the full document.

DISTRICT OVERVIEW

INTRODUCTION

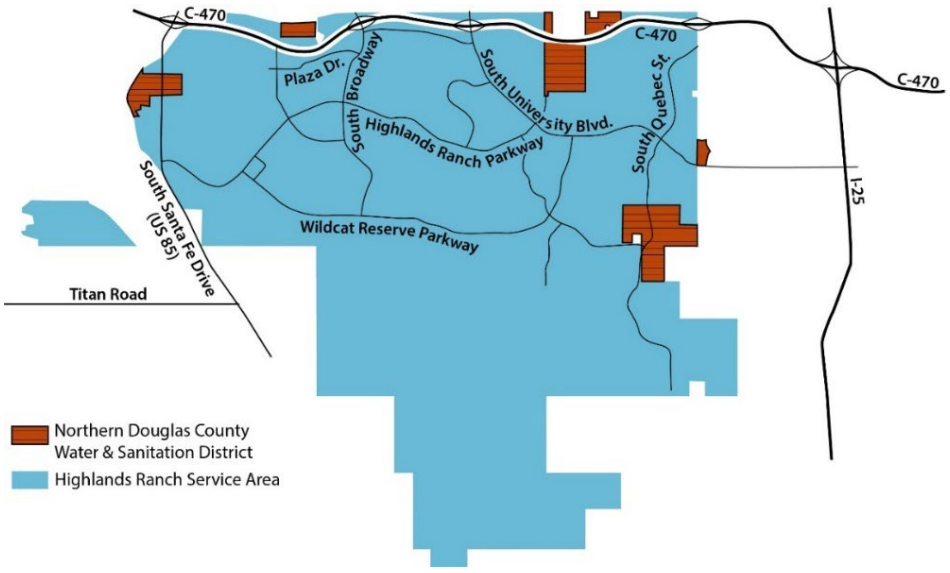
In 1980, through a vote of eligible electors, Centennial Water & Sanitation District ("Centennial" or "District") was formed as a political subdivision of the State of Colorado and created as a quasi-municipal corporation to provide municipal water and wastewater services. In 2024, the Board of Directors approved changing Centennial Water & Sanitation District's name to Highlands Ranch Water & Sanitation District which will be effective beginning January 2nd, 2025.

The District is authorized to construct, own, operate, and maintain municipal water and wastewater facilities, including, but not limited to, raw water storage and conveyance facilities, water treatment facilities, water pumping and transmission lines, treated water storage reservoirs, water supply wells and related equipment, metering facilities, trunk wastewater lines and manholes, lift stations, wastewater treatment facilities, and to provide water and wastewater service to residential and non-residential areas within its Service Area.

District authority is vested in the five-member Board of Directors (the "Board"), with members being elected to serve as at-large representatives. In 2022, the Board began transitioning from a developer board to a resident board. Two resident members were elected in 2022 with the other three elected in 2023. The Board, among other things, is responsible for passing resolutions, adopting the Annual Budget and Capital Improvement Plan, appointing committees, and hiring the District's general manager and legal counsel. Board members are elected to four-year staggered terms with either two or three Board members elected every two years.

The District currently provides municipal water and wastewater services in accordance with service agreements entered between the District and the Highlands Ranch Metropolitan District (HRMD), Mirabelle Metropolitan District (MMD), and Northern Douglas County Water and Sanitation District (NDC). The District also delivers treated water to two neighboring special districts— Castle Pines North metropolitan District and Roxborough Water and Sanitation District—pursuant to "wheeling agreements".

Our complex system includes the rivers, aquifers, reservoirs and canals that provide water; the plants that treat water and wastewater; the hundreds of miles of pipelines and thousands of separate pieces of infrastructure that deliver it all to our customers; and almost 100 employees who keep things running day in and day out, 24 hours a day, 365 days a year.



GUIDING PRICIPLES

VISION

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

MISSION

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

CORE VALUES

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

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

VISION
We remain forward and strive to provide leadership within the water and wastewater community.

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. We respect the valuable resources we are entrusted with and protect them for future generations.

Our customers rely on us every day to deliver safe, clean, and reliable water as well as ensuring we provide efficient and environmentally compliant wastewater treatment. In turn, we rely on our customers to provide the resources we need to get that job done efficiently and responsibly.

We face many challenges, but we are prepared to meet them. Variable water supplies (from very dry to very wet years), aging infrastructure, increasingly stringent regulations, and rising costs all contribute to the complexity of providing exceptional service to our customers. We feel that our dedicated and experienced staff, along with our history of strategic planning, puts us in a strong position to take on challenges as they come.

Financial strength is a non-negotiable element of our success, and we are continuously working to ensure we have the resources available to uphold our commitment to provide the best possible – and completely reliable – water services to our customers for the next 40 years and beyond. We owe our customers great service at a fair price, but we can't afford to make shortsighted decisions in the near term that will leave excessive burdens for our future customers. Therefore, we strive to set rates that meet the requirements of efficient and effective operations and investment for today and for our future.

STRATEGIC FOCUS AREAS

Each of our five strategic areas of focus are described below and include highlights of 2025 activities the district is focusing on to meet our goals.

1. WATER SUPPLY SUSTAINABILITY

Water resources are the cornerstone of our future. Without sufficient qualities of reliable water for current and future needs, we can't accomplish our mission.

- **Integrated Water Resources Planning** – our water resources staff continually evaluates the availability of water in the district's portfolio and compares that to anticipated needs. We look for opportunities to strengthen our existing portfolio, acquire additional resources and anticipate potential changes.
- **Water Resources Projects** – the successful completion of the Chatfield Reservoir Reallocation Project allowed us to store an unprecedented quantity (almost 7,000 acre feet) of additional water in 2024. We hope to continue that success with innovative projects that will protect current resources, improve efficiency, and acquire additional resources when possible.

2. HUMAN HEALTH AND ENVIRONMENTAL STEWARDSHIP

Our primary requirements are to treat and deliver high quality water in sufficient quantity to meet our customers' needs, and to collect and treat wastewater to a standard that preserves and protects our natural environment.

- **Joe Blake Water Treatment Plant Improvements** – our 2018 water master plan recommended several projects to replace aging infrastructure and increase treatment capacity for renewable surface water. Phase 1A, completed in 2024, improved pre-treatment and boosted the plant from a capacity of 26 million gallons per day (MGD) to 30 MGD. We started construction of Phase 1B in 2024, with scheduled completion in 2026. This phase of the project is focused on improving chemical storage capacity and reliability. Finally, we are currently re-evaluating the scope of Phases 2 and 3 based on updated build-out demand forecasts and the EPA's recent PFAS drinking water regulation. We will start design for both phases in 2025 and hope to begin construction in 2026. The next phase of the project will improve reliability, ensure effective PFAS treatment, and increase treatment capacity to 35-40 MGD.
- **Marcy Gulch Wastewater Treatment Plant Improvements** – our 2016 wastewater master plan recommended several projects to replace aging infrastructure and improve the environmental quality of our wastewater effluent. Our current project, which started in 2019 and will conclude in 2024, will allow us to safely and efficiently process 8 MGD and meet stringent regulatory

requirements for treatment. We anticipate that future phases will be necessary to further improve the treatment process in order to protect water resources to an even higher level.

- **Collection and Distribution System Improvements** – master planning to improve the performance and maintain the reliability of our collection and distribution system will get underway in 2025. We will begin by creating a wastewater collection master plan that will guide future system improvements and continue our pipeline replacement projects.

3. FINANCIAL STABILITY

We have a responsibility to our customers, today and into the future, to bring in sufficient revenue to meet our community's needs – and to be trusted agents in using those resources efficiently, transparently, and responsibly.

- **Capital Improvement Planning** – as capital projects have a substantial impact on overall quality of our services but also the financial resources of the District, our capital improvement plan looks at major requirements for the next 10 years and prioritizes projects to maintain operations, regulatory requirements, and safety.
- **Customer Billing Software** – we are in the process of implementing a new and improved customer billing software system that will go live in 2025. This will be the first major upgrade to this system in a decade and will provide a more interactive and informative experience to our customers. We hope to use the new system to improve communication and education for all our stakeholders.

4. EMPLOYEE ENGAGEMENT

Our team is the key to our success. We focus on recruiting the right people, training them to perform their jobs successfully, and creating a positive culture that shows them we're committed to them, so they commit to us.

- **Employee Engagement Committee** – in 2023, we improved and empowered our Employee Engagement Committee to facilitate communication and provide a venue for constructive suggestions and dialogue. The committee is composed of front-line staff who understand the challenges of day-to-day work and can communicate those to senior management with the goal of improving the culture of the entire organization.
- **Continuous Learning** – we are committed to challenging our staff and providing them opportunities to grow as professionals, leaders, and people. Staff have the resources and opportunities to learn and advance through their careers by achieving a variety of qualifications that facilitate their career growth. Staff also have the opportunity to attend regional conferences on subjects including operations, regulations, community outreach, water conservation, and water utility best practices, among many others.

5. STAKEHOLDER PARTNERSHIP

We are stronger when we create trusting relationships with our customers and other stakeholders. Centennial Water strives to be a leader in the communities we serve and in Colorado's larger water community.

- Communications Planning – we started to focus more on community relations with our first full time digital communications specialist in 2024. As we grow our capabilities, we have had success in

increased outreach – through an improved website, stories in local news, enhanced communication through email and social media, and an increasing number of community events.

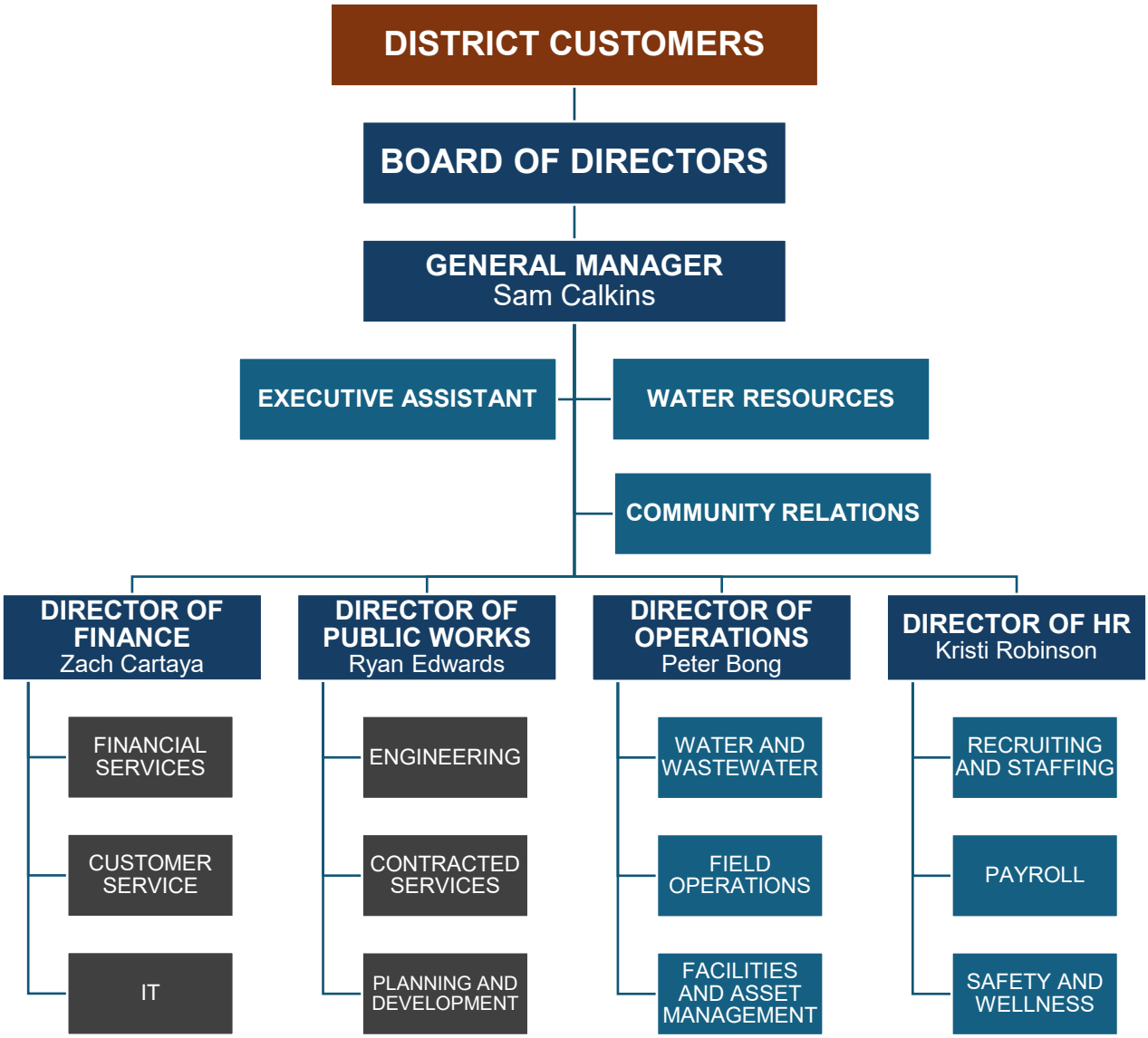
- Citizens Engagement Committee – our third class of volunteers to serve on our Citizens Engagement Committee will be selected in 2025. We envision this committee as a group of interested and engaged citizens who can learn more about our services, provide feedback from a community perspective, and be ambassadors to our larger customer base.
- Board of Directors Elections – we will hold elections for two board seats in May 2025. Staff have already started preparing for the election. Interested candidates will be able to self-nominate starting in January 2025
- Regional Partnerships – our staff and board serve on a wide variety of water industry groups and engage on topics as varied as water supply, best practices in operations, community outreach, water conservation, and shaping the regulatory environment.

INITIATIVES

Water conservation and efficiency have been a key focus of the District's demand management plan since its inception in 1980. In response to the 2002 drought, the District implemented a water budget with an increasing rate structure for all customers within the service area to encourage conservation, the first of its kind in Colorado. It has proven to be both an equitable and cost-effective solution to unnecessary water use.

The District offers several efficiency rebates and incentives, including turf replacement, irrigation equipment retrofits, and partnerships with fellow conservation minded organizations. Commitment to community remains the life blood of the District's conservation program. Outreach and education take center stage by way of free waterwise workshops, one-on-one consultations, and a myriad of accessible communication platforms. The District has been adept at striking a balance to secure the future of Highlands Ranch, environmentally and fiscally.

ORGANIZATION CHART



BOARD OF DIRECTORS

TAMMY ESSMEIER
CHAIR

TERRY NOLAN
Vice Chair

SJ LIGHT
Treasurer

FRANK MCNULTY
Director

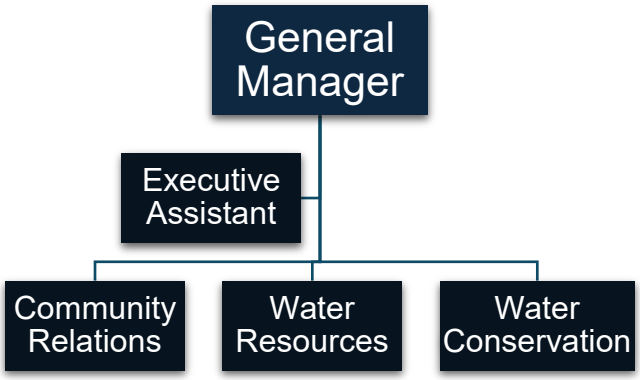
FRANK JOHNS
Director

DEPARTMENT SUMMARIES

The District is managed by five functional departments. Each Department has specifically identified functions to achieve successful District operations and customer accountability.

ADMINISTRATION

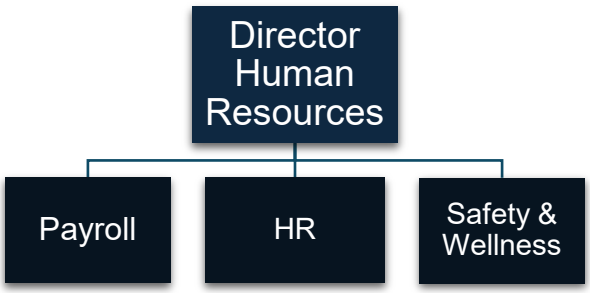
- ✓ Leadership and management and implementation of policies set by the Board
- ✓ Responsibly manage the District's water supply and plan for future water needs
- ✓ Develop programs and services for the conservation of District water
- ✓ Manage special events that the Board has determined are of a benefit to the community
- ✓ Creation and distribution of public information materials for citizen engagement



HUMAN RESOURCES

Human Resources staff is shared with Highlands Ranch Metro District

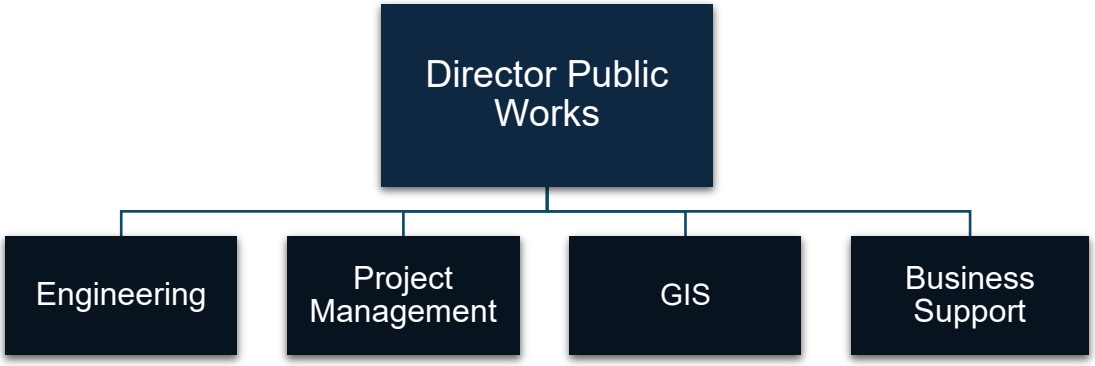
- ✓ Centralized recruitment, compensation classifications, and the coordination of benefit programs
- ✓ Coordination of in-house training, and organizational development
- ✓ Management of safety procedures and safety education



PUBLIC WORKS

The Director of Public Works, Engineering, Contract Administration, Business Support, and GIS are shared with Highlands Ranch Metro District

- ✓ Central direction, coordination, and supervision of engineering and contract administration
- ✓ Maintenance of accurate and complete geospatial data, enabling the Board and managers to make decisions impacting the future of the District in an informed and logical manner
- ✓ Facilitation of design and construction of capital and major repair projects



FINANCE AND ADMINISTRATION

The Finance Department is shared with Highlands Ranch Metro District, however there are certain costs incurred by the Finance Department that are specific to the District.

The focus areas of the Finance Department include the following:

- ✓ Preparation financial reports and coordinate the independent audit
- ✓ Direction of the third-party investment portfolio
- ✓ Financial planning, preparation of long-range financial forecasts, and preparing the annual budget
- ✓ Management and direction of debt activities
- ✓ Management and coordination of IT systems

OPERATIONS

The Operations Department oversees the water and wastewater operations, facilities and asset management, and field operations and maintenance. This Department is responsible for:

- ✓ Maintenance of equipment associated with storage reservoirs including erosion control
- ✓ Management of wells, storage reservoirs and ground water supply; filtration, pumping, operations, and maintenance
- ✓ Operations and maintenance associated with the transport of water through the distribution system and treatment of surface water sources to comply with the Safe Drinking Water Act.
- ✓ Operation and maintenance of the District's wastewater collection system including cleaning and emergency repairs to sewage transport facilities
- ✓ Treatment of wastewater to comply with the state and federal regulations prior to discharge to the South Platte River.
- ✓ Preventative maintenance associated with capital equipment and facilities to minimize any facility down time
- ✓ Operation and maintenance of lift stations which are necessary to transport sewage from low lying areas to the main sewage collector system

2025 PROPOSED BUDGET SUMMARY

BUDGET PROCESS

While the proposed budget is published every October 15th for public review and comment, our board and staff engage in a year-long process to ensure we are meeting the needs of our customers in a responsible way.

At the beginning of each year, managers plan out projects for the next year and set goals. Projects progress and work continues, but managers check in monthly on finances as each month's books are completed. This continual progress checking allows management to balance requirements and resources to make sure the mission is being accomplished.

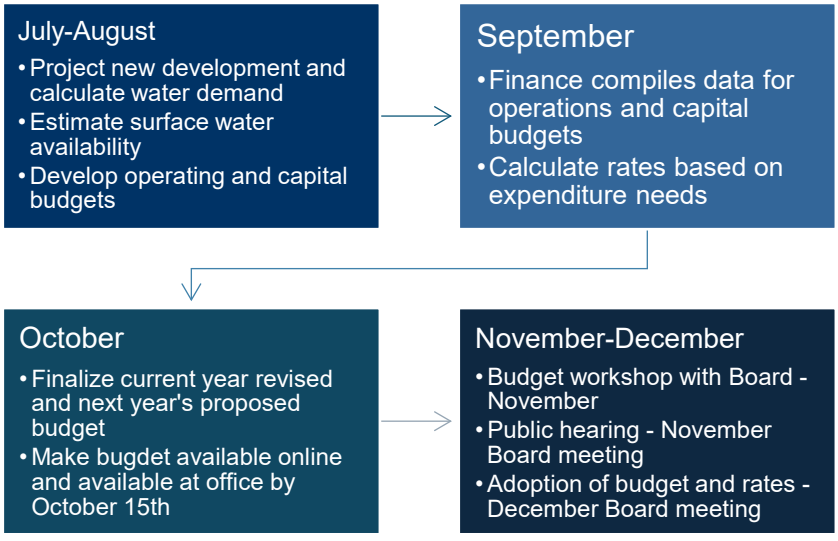
Each July, managers perform a comprehensive review of their mid-year budget versus actual spend and, through a process of budget revision, reassess requirements and resources for the rest of the year. During the revision process, managers can move money from accounts that are underspent into those that might require additional resources, but unless major unforeseen circumstances have occurred, their direction is to work within the means provided in the adopted budget. If expenditures are under budget – or revenues are above budget - the district can save financial resources to be used on emergency expenses or to fund revenue shortfalls.

In August, managers look at both operational requirements for the next year and capital requirements for the next 10-20 years. This is the process of departmental budget preparation. When the department proposed budgets are complete, the Finance Department brings the data into the long-range forecast to decide if the proposed budgets are absorbable against budgeted revenues and future needs.

While the process is collaborative throughout, the finance team is charged with comparing requirements and resources and prioritizing projects when not all requirements are achievable. The Finance Department compiles a current year revised budget and the next year's proposed budget and publishes them for public review on October 15. The public hearing occurs during the regularly scheduled board meeting in November.

In early November, staff will hold a budget workshop with the Board so they may ask questions and provide direction. After this, staff refine calculations to finalize the budget and next year's rates which are approved in December and go into effect on January 1.

In summary, District staff and management work annually with a process that is detailed, focused, and transparent. The District's goal is to continually guide us in providing excellent service at reasonable rates, year after year. Oversight is provided by our Board and the public, which results in a financially strong district that accomplishes its vision and mission in line with its core values.



2025 PROPOSED BUDGET - ALL FUNDS

	2023 Actual	2024 Budget	2024 Revised	2025					
				Operating	Water Acquisition	Capital Major Repair	Debt Related	Financial Assurance	Total 2025
SOURCES OF FUNDS									
Water Utilization	$ 28,241,453	$ 32,150,907	$ 32,201,700	$ 29,841,105	$ 4,804,000	$ -	$ -	$ -	$ 34,645,105
Water Other Charges	349,518	382,237	270,501	248,305	-	-	-	-	248,305
Wastewater Treatment	15,156,475	16,796,971	16,795,000	16,940,110	-	-	-	-	16,940,110
Infrastructure Improvement Fee	-	4,071,600	4,071,600	4,181,000	-	-	-	-	4,181,000
Contributed Capital	2,959,056	2,761,440	2,463,390	-	376,360	2,763,026	103,740	-	3,243,126
Intergovernmental	639,026	798,308	798,308	900,973	-	-	-	-	900,973
Revenue Bond Proceeds	-	62,000,000	78,881,534	-	-	-	-	-	-
Net Investment Income	4,978,143	365,100	1,098,100	158,800	68,100	703,400	20,700	-	951,000
All Other Sources	458,412	292,325	349,596	193,636	-	-	-	-	193,636
TOTAL SOURCES OF FUNDS	52,782,084	119,618,888	136,929,728	52,463,928	5,248,460	3,466,426	124,440	-	61,303,254
USES OF FUNDS									
Water Operations	10,483,573	12,526,152	13,309,459	14,642,637	1,474,630	-	-	-	16,117,267
Water Leases	4,612,995	6,097,201	7,483,103	5,171,097	1,801,685	-	-	-	6,972,782
Wastewater Operations	5,490,383	5,978,175	6,610,631	7,476,627	-	-	-	-	7,476,627
Technical	6,076,887	6,669,398	6,552,128	7,154,723	-	-	-	-	7,154,723
Administrative	4,158,222	4,838,855	4,931,329	4,878,716	-	-	-	-	4,878,716
Capital/Major Repair	23,165,973	7,450,000	34,490,197	250,000	2,220,000	38,514,000	-	-	40,984,000
Debt Related	12,730,052	10,094,413	12,692,183	-	-	-	10,865,817	-	10,865,817
TOTAL USES OF FUNDS	66,718,085	53,654,194	86,069,030	39,573,800	5,496,315	38,514,000	10,865,817	-	94,449,933
NET FUND TRANSFERS (SEE DETAIL)	-	-	-	(10,181,000)	(2,728,830)	4,181,000	8,728,830	-	-
PROJECT APPROPRIATION RESCISSIONS	-	-	2,716,453	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(13,936,001)	65,964,694	53,577,151	2,709,127	(2,976,685)	(30,866,574)	(2,012,547)	-	(33,146,679)
FUND BALANCE BEGINNING	105,844,781	85,417,298	91,908,780	21,175,308	9,075,687	93,784,569	2,755,700	18,694,667	145,485,930
FUND BALANCE ENDING	$ 91,908,780	$ 151,381,992	$ 145,485,930	$ 23,884,435	$ 6,099,002	$ 62,917,995	$ 743,152	$ 18,694,667	$ 112,339,251

SOURCES OF REVENUE SUMMARY

In depth details of the uses of revenue sources can be found in the "Budget by Fund" section.

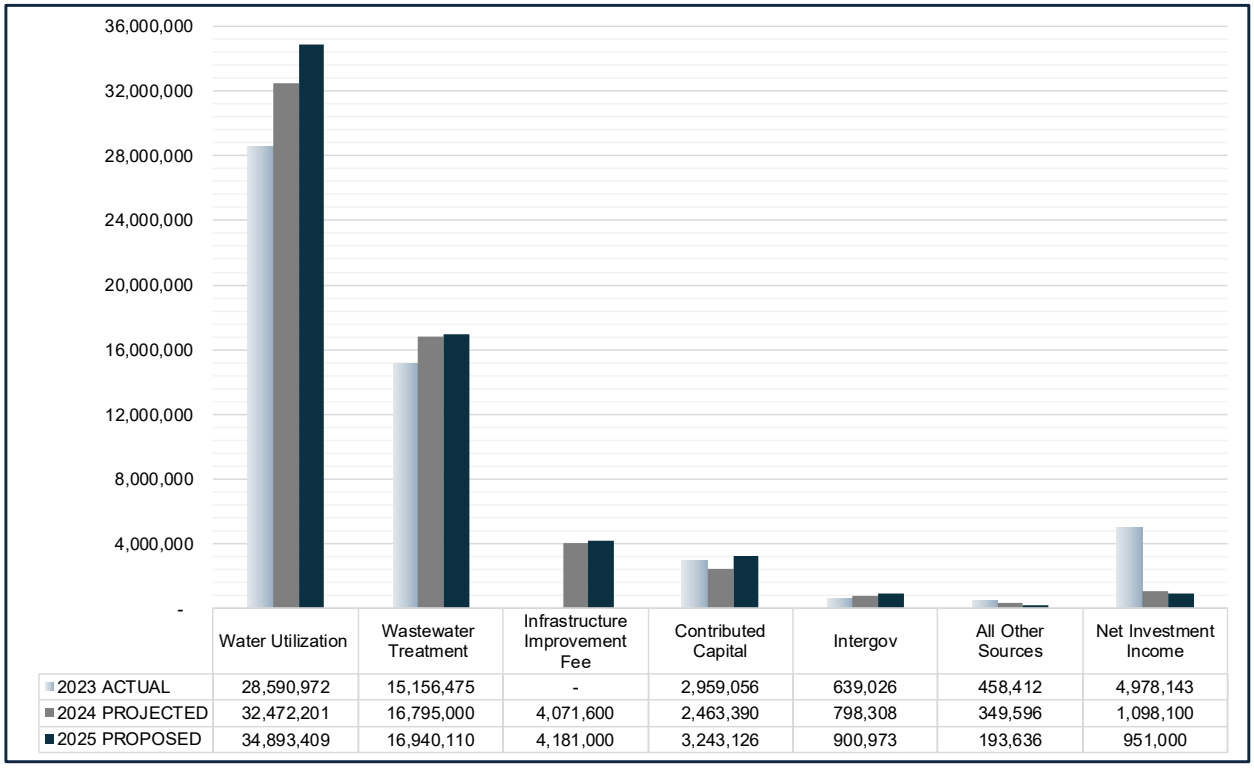
The District acts as a wholesaler to other districts for water and wastewater services which include the Highlands Ranch Metro District (HRMD) and the Mirabelle Metropolitan District (MMD) under a "total service" contract. The District also serves Northern Douglas County (NDC) who collects from their customers based on a water budget structure similar to the total service contracts. Other contract services are billed to Castle Pines North Metro District and Roxborough Water and Sanitation District.

The District has four primary sources of revenue:

- Water utilization
- Wastewater treatment
- Infrastructure Improvement Fee
- Contributed capital

Other regularly occurring revenue sources include leases, intergovernmental revenue from cost sharing agreements, and investment earnings. In 2024, the District also received $78,881,534 in revenue bond proceeds for capital improvements at the Joseph B. Blake Water Treatment Plant.

The graph below shows District revenues for 2023 actual, 2024 projected, and 2025 proposed:



	Water Utilization	Wastewater Treatment	Infrastructure Improvement Fee	Contributed Capital	Intergov	All Other Sources	Net Investment Income
2023 ACTUAL	28,590,972	15,156,475	-	2,959,056	639,026	458,412	4,978,143
2024 PROJECTED	32,472,201	16,795,000	4,071,600	2,463,390	798,308	349,596	1,098,100
2025 PROPOSED	34,893,409	16,940,110	4,181,000	3,243,126	900,973	193,636	951,000

**all amounts are shown in dollars*

WATER UTILIZATION

To encourage water conservation, the District implemented an innovative water budgeting concept for water customers in 2002. The water budget for outdoor irrigation provides enough water for healthy landscapes, but not so much that our resource is wasted. Progressively higher tiered rates over the allotted budget serve to encourage conservation. However, customers will only be billed for water consumed, regardless of their water budget amount.

- **RESIDENTIAL WATER BUDGETS**

  Residential bi-monthly water bills are calculated based on an indoor and outdoor allocation. The indoor component is based upon average wintertime usage and may be adjusted for household size. Single-family residential customers in Highlands Ranch receive 12,000 gallons of water per bimonthly billing period for indoor use and multi-family residents are allocated 6,000 gallons monthly. Solstice residents are allocated 6,000 gallons monthly.

  The outdoor irrigation component allows residents an amount tailored to their lot size. Residential customers are allocated 27 inches of water over the irrigation season (April through October), per square foot of irrigable sod, which is considered to be 45% of the property. After October 15 when outdoor water budgets end, customers are allocated 1,000 gallons of water per billing cycle(or 500 gallons per month) for supplemental watering during dry periods.

- **NON-RESIDENTIAL WATER BUDGETS**

  The indoor non-residential budget is based on meter size. For irrigation only customers, the outdoor budget is calculated on the actual irrigated area served by the meter with a base budget of 27”.

The District bills for two separate water utilization charges: the variable (usage) water rate and the fixed “Service Availability Fee”.

- **PROPOSED BASE WATER RATES**

  The base water rate is structured to recover the operating costs of providing water to customers. The rate charged varies by customer type: residential; multi-family; non-residential; and irrigation only. For the proposed budget, the District has calculated the following rate model however this may be adjusted during the budget workshop with the Board in November:

- **PROPOSED SERVICE AVAILABILY FEE**

  This fee, which is based off meter size, is set to recover the costs for debt service, billing, meter replacement, and major repair.

Rate Type	2024 Rate	2025 Proposed	% Increase
Base Usage			
Single-Family	$ 4.79	$ 5.08	6%
Multi Family	$ 4.43	$ 4.70	6%
Non-Residential	$ 4.43	$ 4.70	6%
Irrigation	$ 4.90	$ 5.19	6%
Raw/Hydrant	$ 2.97	$ 3.15	6%
Service Availability Fee			
Single-Family	$ 18.25	$ 19.35	6%
Multi Family	$ 11.32	$ 12.00	6%
Non-Residential	$ 18.25	$ 19.35	6%
Irrigation	$ 18.25	$ 19.35	6%

DROUGHT RATES

Due to extreme drought conditions in 2021, the Centennial Water Board of Directors directed staff to prepare a drought rate schedule. Drought rates are part of the annual rate calculation process. There are identified rates for Stage 1 and Stage 2 drought conditions. If drought conditions occur, the Board of Directors could declare a drought stage that would cause these rates to go into effect. Drought rates are 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 Centennial Water. The rates below are per 1,000 gallons of water usage from 101% to 120% over water budget.

Drought Rates Stage 1	2024 Rate	2025 Proposed	% Increase
Single-Family	$ 8.06	$ 8.53	6%
Multi Family	$ 8.22	$ 8.72	6%
Non-Residential	$ 8.22	$ 8.72	6%
Irrigation	$ 8.22	$ 8.72	6%

Drought Rates Stage 2	2024 Rate	2025 Proposed	% Increase
Single-Family	$ 9.67	$ 10.25	6%
Multi Family	$ 9.86	$ 10.45	6%
Non-Residential	$ 9.86	$ 10.45	6%
Irrigation	$ 9.86	$ 10.45	6%

WASTEWATER TREATMENT

The District bills both a variable rate and a fixed rate for wastewater treatment. Like the base water rate, the variable rate is structured to recover the operating costs associated with treating wastewater and the fixed rate is set to recover the cost of debt service and major repair.

- **PROPOSED SINGLE FAMILY**

  The variable rate billed requires a base charge of $46.09 per bi-monthly billing plus $4.79 per 1,000 gallons of wintertime water usage above 3,000 gallons. An individual home's average monthly wintertime water consumption is evaluated each spring. The bi-monthly fixed rate is $31.72.

- **PROPOSED MULTI-FAMILY**

  The variable rate billed requires a base charge of $23.05 per monthly billing plus $4.79 per 1,000 gallons of wintertime water usage above 1,500 gallons. An individual unit's average monthly wintertime water consumption is evaluated each spring. The monthly fixed rate is $15.86.

- **PROPOSED NON-RESIDENTIAL**

  Customers are charged a fixed fee of $15.86 per ¾" tap equivalent + $4.79 x 80% of actual usage.

Rate Type	2024 Rate	2025 Proposed	% Increase
Variable Usage			
Single Family	$ 4.52	$ 4.79	6%
Multi Family	$ 4.52	$ 4.79	6%
Non-Residential	$ 4.52	$ 4.79	6%
Fixed Fee			
Single Family	$ 14.96	$ 15.86	6%
Multi Family	$ 14.96	$ 15.86	6%
Non-Residential	$ 14.96	$ 15.86	6%

NORTHERN DOUGLAS COUNTY

The service agreement between the District and NDC allows for a rate up to 200% of the HRMD rate. The 2025 rates for NDC include a surcharge of $1.00 per 1,000 gallons which results in rates less than the maximum 200%. They are also charged $0.85 per 1,000 gallons for water acquisition. These surcharges are designed to partially offset the increased cost for the acquisition of water from the WISE project, the need for which is largely attributable to providing service outside of the CWSD service area. Below is a table of the 4-year historical and 2025 proposed rates for NDC:

SERVICE TYPE	2021	2022	2023	2024	2025
Water Service Availability Charge (bi-monthly)	$ 33.50	$ 34.82	$ 36.50	$ 36.50	$ 38.70
Single Family Water Rate up to 100% of Budget per 1,000 Gallons	$ 5.19	$ 5.37	$ 5.58	$ 5.79	$ 6.14
Indoor Commercial Water Rate up to 100% of Budget per 1,000 Gallons	$ 4.88	$ 5.05	$ 5.25	$ 5.43	$ 5.76
Irrigation Water Rate up to 100% of Budget per 1,000 Gallons	$ 5.29	$ 5.47	$ 5.69	$ 5.90	$ 6.25
Minimum Wastewater Charge (bi-monthly)	$ 32.77	$ 35.26	$ 39.08	$ 43.48	$ 46.08
Wastewater per 1,000 Gallons over 3,000	$ 3.75	$ 3.86	$ 4.04	$ 4.52	$ 4.79
Infrastructure Improvement Fee (bi-monthly)	$ -	$ -	$ -	$ 15.00	$ 15.90

INFRASTRUCTURE IMPROVEMENT FEE

This fee is collected from users in the Service Districts at a proposed rate of $7.95 per tap per month. As the District's water and wastewater infrastructure ages and new federal and state regulations are put into place, dedicated funding is needed to ensure the reliable continuity of operations. This fee helps timely funding of infrastructure replacement or renovation so the District continues to be in compliance with regulations.

CONTRIBUTED CAPITAL

The District collects various fees that assist in funding infrastructure and water acquisition.

- **RESERVED CAPACITY PAYMENTS**

  The District and HRMD entered into the Highlands Ranch Water and Wastewater Agreement on December 18, 1990, where Centennial agrees to supply water and wastewater services to Highlands Ranch in exchange for a reserved capacity payment from HRMD. This payment is structured to recover the cost of capital for all initial infrastructure and facilities construction. The fee is calculated based upon the zoning of Highlands Ranch land and adjusted for any rezoning of prior inclusions, actual plat or re-plat of land, and changes in the amount of prior years' calculation of the fee due. A breakout of the calculation of the 2025 capacity cost due from HRMD as set forth in Exhibit B to the Water & Wastewater Service Agreement can be found in Appendix 6.

  The District also collects a capital fee due from MMD to recover the costs of infrastructure built for the benefit of the Solstice community. This fee is collected at the time of the request for a new tap and is $12,760 per ¾" tap equivalent.

  The base capacity fee for NDC has, by contract, additional surcharges added to the above HRMD and are payable as service is requested. However, there is no future anticipated development in NDC that would require additional services from the District.

- **WATER ACQUISITION FEES**

  The District charges a fee for to HRMD and MMD (and in prior years NDC) for the costs of acquiring water supply. The fee is $1,480 per ¾" tap equivalent.

Additionally, HRMD collects a one-time $250 channel stabilization surcharge per ¾" tap equivalent at the time a new tap is requested which they then remit to the District.

- **OPTIONS PAYMENTS**

  MMD was zoned for 1,100 single family home taps. At the end of each year, the District charges MMD $250 per tap that has yet to be in service.

OTHER OPERATING INCOME

The District has various sources of other, normally recurring operating income that supports operations. These include:

- Proceeds from an intergovernmental agreement with HRMD where the District recovers the cost of employees that are shared between the District and HRMD
- Lease income from HRMD for use of the District's administrative building and from agreements with providers of cellular services who lease space on District owned land for placement of their antenna towers and/or electronic equipment
- Water wheeling agreements wherein a third-party acquires water from the District
- Charges for final meter instillations, the sale of meters, water inspection fees, and penalties
- Investment income

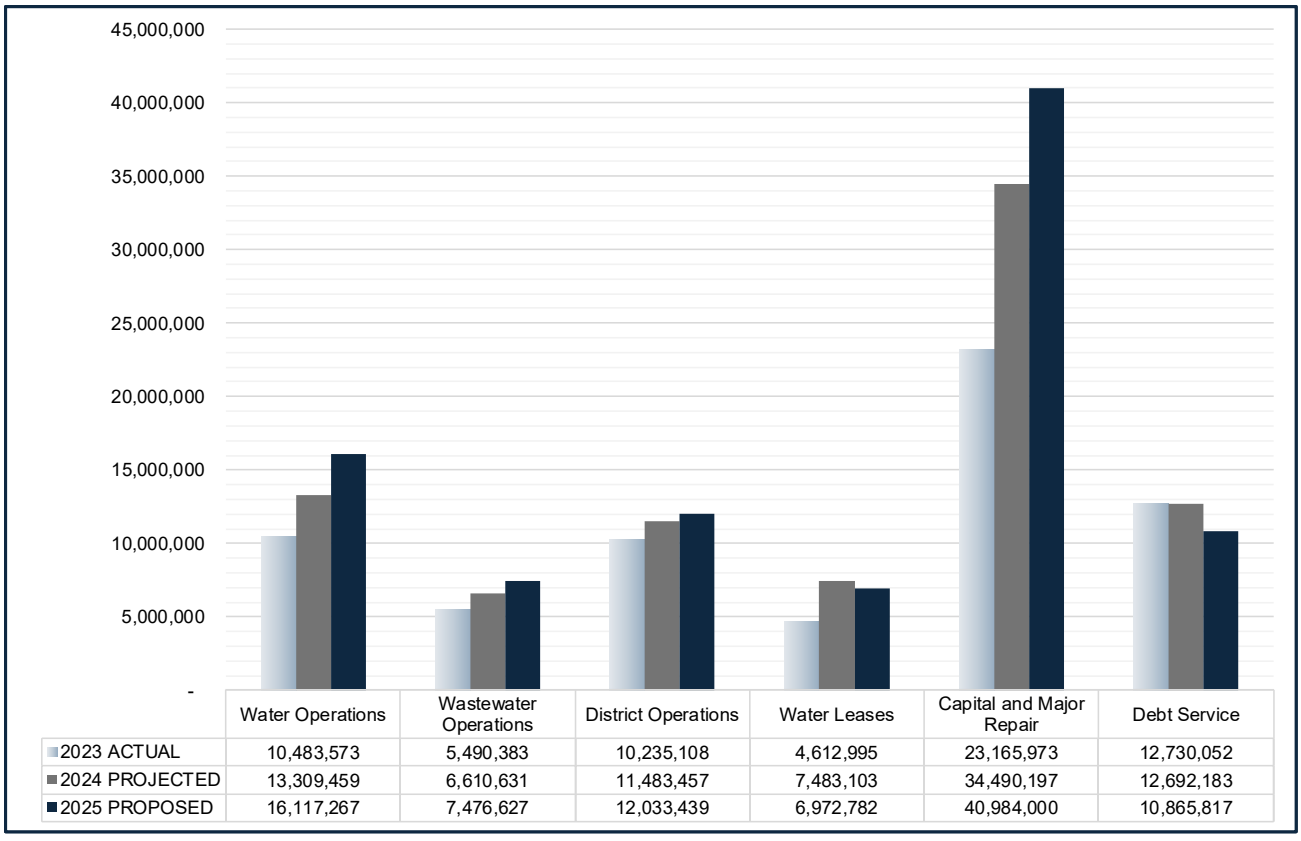
USES OF REVENUES SUMMARY

In depth details of expenditures and their sources of funding can be found in the "Budget by Fund" section.

The District has five primary uses of revenues:

- Water and wastewater operations – operation of District activities that ensure the timely and efficient delivery of water services and wastewater treatment
- District operations – costs for District operations other than water and wastewater operations
- Water leases – annual purchase of surface water pursuant to various agreements with third parties
- Capital and major repair – cost of building or repairing infrastructure for the continuity of operations and the purchase of vehicles or equipment required for operational efficiency
- Debt service payments

The graph below shows District expenditures for 2023 actual, 2024 projected and, 2025 proposed; all amounts are shown in dollars:



	Water Operations	Wastewater Operations	District Operations	Water Leases	Capital and Major Repair	Debt Service
2023 ACTUAL	10,483,573	5,490,383	10,235,108	4,612,995	23,165,973	12,730,052
2024 PROJECTED	13,309,459	6,610,631	11,483,457	7,483,103	34,490,197	12,692,183
2025 PROPOSED	16,117,267	7,476,627	12,033,439	6,972,782	40,984,000	10,865,817

2025 PROPOSED RATES

WATER BUDGET*

2024 METERED WATER CONSUMPTION (per 1,000 Gallons)	Residential		Non-Residential & Multi-Family	
	Summer	Winter (non-irrigation)	Indoor Only	Irrigation Only
up to 100%	$ 4.79	$ 4.79	$ 4.43	$ 4.90
101% to 120%	$ 6.44	$ 6.44	$ 6.00	$ 6.57
121% to 140%	$ 9.78	$ 6.44	$ 6.00	$ 11.55
140% and over	$ 14.81	$ 10.66	$ 10.44	$ 19.61
Drought Rates - Stage 1**				
up to 100%	$ 4.79	N/A	N/A	$ 4.90
101% to 120%	$ 8.06	N/A	N/A	$ 8.22
121% to 140%	$ 12.23	N/A	N/A	$ 14.44
140% and over	$ 18.51	N/A	N/A	$ 19.61
Drought Rates - Stage 2**				
up to 100%	$ 4.79	N/A	N/A	$ 4.90
101% to 120%	$ 9.67	N/A	N/A	$ 9.86
121% to 140%	$ 14.68	N/A	N/A	$ 17.33
140% and over	$ 18.51	N/A	N/A	$ 19.61

2025 METERED WATER CONSUMPTION (per 1,000 Gallons)	Residential		Non-Residential & Multi-Family	
	Summer	Winter (non-irrigation)	Indoor Only	Irrigation Only
up to 100%	$ 5.08	$ 5.08	$ 4.70	$ 5.19
101% to 120%	$ 6.83	$ 6.83	$ 6.36	$ 6.97
121% to 140%	$ 10.37	$ 6.83	$ 6.36	$ 12.25
140% and over	$ 15.70	$ 11.30	$ 11.07	$ 20.79
Drought Rates - Stage 1**				
up to 100%	$ 5.08	N/A	N/A	$ 5.19
101% to 120%	$ 8.54	N/A	N/A	$ 8.71
121% to 140%	$ 12.96	N/A	N/A	$ 15.31
140% and over	$ 19.62	N/A	N/A	$ 20.79
Drought Rates - Stage 2**				
up to 100%	$ 5.08	N/A	N/A	$ 5.19
101% to 120%	$ 10.25	N/A	N/A	$ 10.45
121% to 140%	$ 15.56	N/A	N/A	$ 18.37
140% and over	$ 19.62	N/A	N/A	$ 20.79

2024 WATER SERVICE AVAILABILITY FEE	
Residential - Single Family (bi-monthly)	$ 36.50
Residential - Multi Family (monthly)	$ 11.32
Nonresidential per 3/4" equivalent (monthly)	$ 18.25

2025 WATER SERVICE AVAILABILITY FEE	
Residential - Single Family (bi-monthly)	$ 38.70
Residential - Multi Family (monthly)	$ 12.00
Nonresidential per 3/4" equivalent (monthly)	$ 19.35

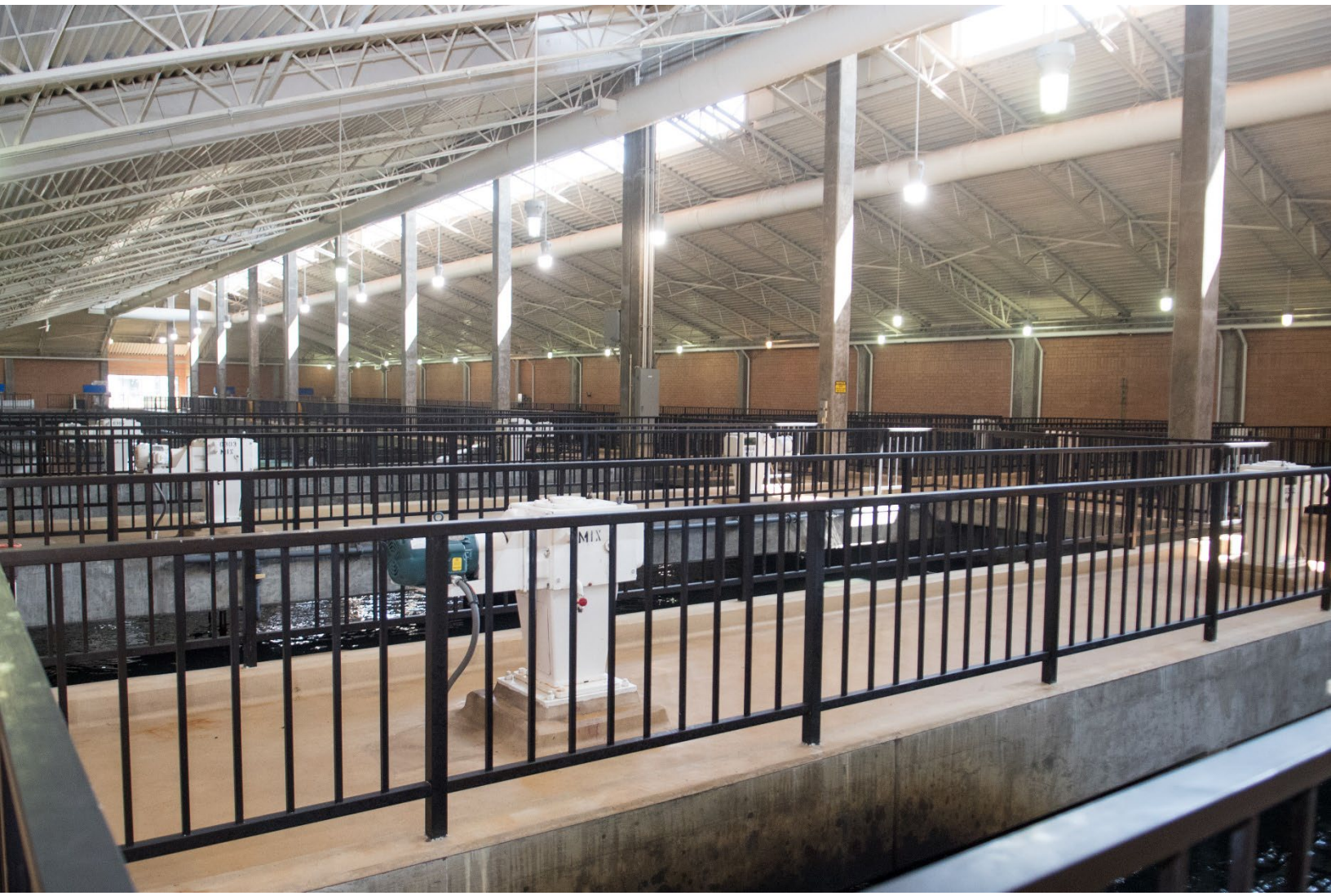
2024 WASTEWATER TREATMENT	
Residential - Single Family***	
Fixed fee (bi-monthly)	$ 29.92
Minimum charge -Fixed fee plus	
3,000 gallons Use	$ 43.48
Use - winter time average (per 1,000 gallons)	$ 4.52
Residential - Multi Family (per unit)***	
Fixed fee (monthly)	$ 14.96
Minimum charge -Fixed fee plus	
1,500 gallons	$ 21.74
Use - winter time average (per 1,000 gallons)	$ 4.52
Nonresidential	
Fixed fee per 3/4" equiv. tap size (monthly)	$ 14.96
Rate * 80% water consumed (per 1,000 gallons)	$ 4.52

2025 WASTEWATER TREATMENT	
Residential - Single Family***	
Fixed fee (bi-monthly)	$ 31.72
Minimum charge -Fixed fee plus	
3,000 gallons Use	$ 46.09
Use - winter time average (per 1,000 gallons)	$ 4.79
Residential - Multi Family (per unit)***	
Fixed fee (monthly)	$ 15.86
Minimum charge -Fixed fee plus	
1,500 gallons	$ 23.04
Use - winter time average (per 1,000 gallons)	$ 4.79
Nonresidential	
Fixed fee per 3/4" equiv. tap size (monthly)	$ 15.86
Rate * 80% water consumed (per 1,000 gallons)	$ 4.79

2024 INFRASTRUCTURE IMPROVEMENT FEE	
Residential - Single Family (bi-monthly)	$ 15.00
Residential - Multi Family (monthly)	$ 7.50
Irrigation - Per Tap	$ 7.50
Nonresidential per 3/4" equivalent (monthly)	$ 7.50

2025 INFRASTRUCTURE IMPROVEMENT FEE	
Residential - Single Family (bi-monthly)	$ 15.90
Residential - Multi Family (monthly)	$ 7.95
Irrigation - Per Tap	$ 7.95
Nonresidential per 3/4" equivalent (monthly)	$ 7.95

BUDGET BY FUND



OPERATING FUND

For financial reporting purposes, the District is considered and Enterprise which accounts for the acquisition and operations of government facilities and services that are primarily supported by user charges. For budgetary purposes however, the Board has found it effective to utilize budgeting practices that resemble general governmental fund accounting wherein the District's use of financial resources are broken out by the activity in which they support. A fund is a self-balancing, segregated sum of money (or other resources) for the purpose of carrying out a specific activity or to obtain a specific objective. Each fund is managed by identifiable objectives, regulations, and/or restrictions.

This fund accounts for the regularly occurring operating costs of the District necessary to deliver water and wastewater services. This Fund is developed on a full accrual basis of accounting, meaning that revenues are recognized when earned and expenses are recognized when incurred.

SOURCES OF FUNDS

	2023 Actual	2024 Revised	2025 Proposed	Variance to 2023 Actual	Variance to 2024 Revised
FROM RATES					
Metered Water	$ 15,019,447	$ 18,032,700	$ 19,499,515	29.8%	8.1%
Water Fixed Fee	9,825,006	9,850,000	10,341,590	5.3%	5.0%
Wastewater Treatment	15,156,475	16,795,000	16,940,110	11.8%	0.9%
Infrastructure Improvement Fee	-	4,071,600	4,181,000	100.0%	2.7%
ALL OTHER SOURCES					
Water Other Charges	349,518	270,501	248,305	-29.0%	-8.2%
Intergovernmental	639,026	798,308	900,973	41.0%	12.9%
Net Investment Income	4,349,704	258,900	158,800	-96.3%	-38.7%
Non-Operating	458,412	349,596	193,636	-57.8%	-44.6%
TOTAL SOURCES OF FUNDS	$ 45,797,588	$ 50,426,604	$ 52,463,928	14.6%	4.0%
% FROM RATES	87%	97%	97%		
% FROM OTHER SOURCES	13%	3%	3%		

As visualized above, the District's operating fund is heavily reliant on water and wastewater rates. As such, each year when budget owners submit their requests for next year's funding, the Finance Department must evaluate which requests are absorbable within the parameters of a rate increase, as directed by the Board.

Additionally, revenues must not only cover the cost of operations but must also meet the required debt service coverage ratios as required by the District's debt covenants. As such, if requests exceed these limitations, the Finance Department will work with the individual departments and leadership to determine which operating costs can either be scaled back or deferred to the next year.

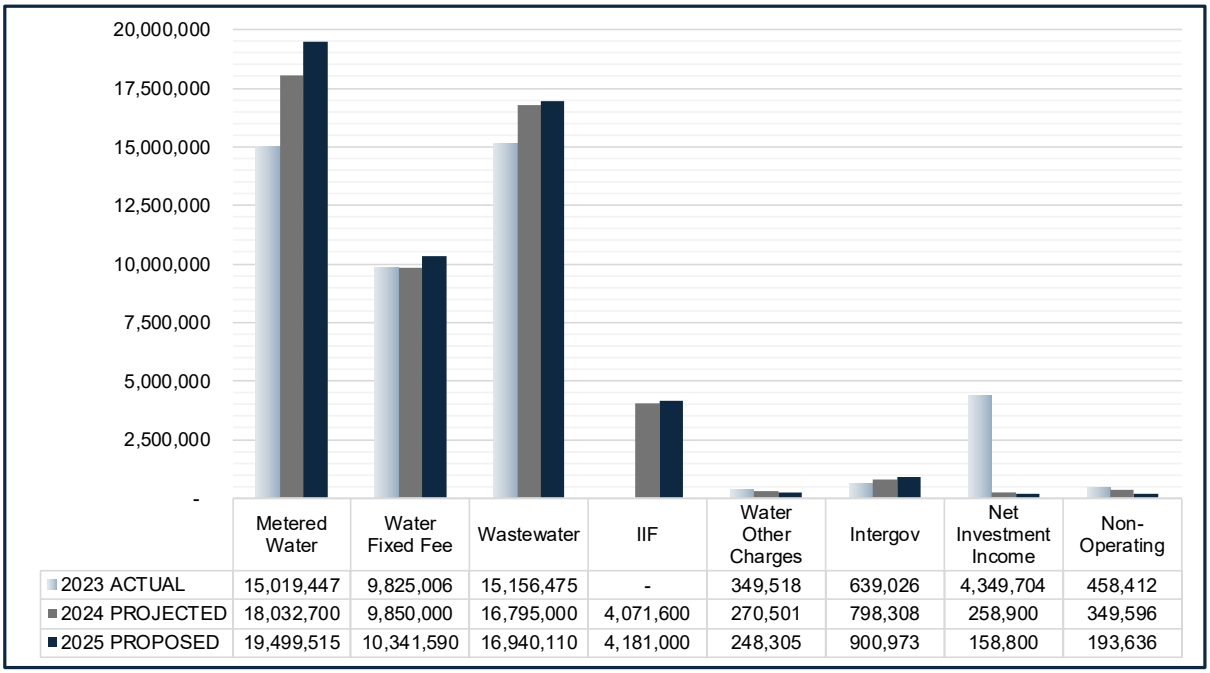
Further, due to government accounting standards, at the end of the year the District must mark their investment income to market. This means that while the District may not have any realized losses in investment income, if economic conditions are sub-par then net investment income revenue may be recorded as a negative balance thus negatively impacting overall fund balance. This additionally means that net investment income varies year-to-year and will usually see a more than +/-5% change.

The significant increase in metered water revenue from 2023 actual to 2025 proposed is directly attributed to two significant factors: 1) the unprecedented amount of rain that the District's customers saw in 2023, and 2) the increase in rates. In 2023, District customers used approximately 3.7 billion gallons of water, which is 18% less than the previous 5 years average. Note that the 5-year average did not include 2020 because of the high water use (5.3 billion gallons) that were used during the COVID pandemic. The increase in the wastewater treatment fees is directly related directly to the increase in rates. The Infrastructure Improvement Fee was implemented in 2024.

Intergovernmental revenues relate to the cost sharing agreement with HRMD. In 2024, the District began receiving reimbursement from Public Works for employees that began supporting HRMD. Additionally, for the 2025 proposed budget, shared software costs were increased due to new quotes from vendors and HRMD shared staff are eligible for a wage increase in 2025.

The variance in all other sources relates to the reoccurring nature of these revenues. While most revenues are guaranteed year-to-year, they may change – to name a few - due to events such as less penalty income collected, fewer meter installs, and changes in lease agreements.

The graph below presents the Operating Fund's sources of revenue for 2023 actual, 2024 projected, and 2025 proposed; all amounts are shown in dollars:



	Metered Water	Water Fixed Fee	Wastewater	IIF	Water Other Charges	Intergov	Net Investment Income	Non-Operating
2023 ACTUAL	15,019,447	9,825,006	15,156,475	-	349,518	639,026	4,349,704	458,412
2024 PROJECTED	18,032,700	9,850,000	16,795,000	4,071,600	270,501	798,308	258,900	349,596
2025 PROPOSED	19,499,515	10,341,590	16,940,110	4,181,000	248,305	900,973	158,800	193,636

USES OF FUNDS

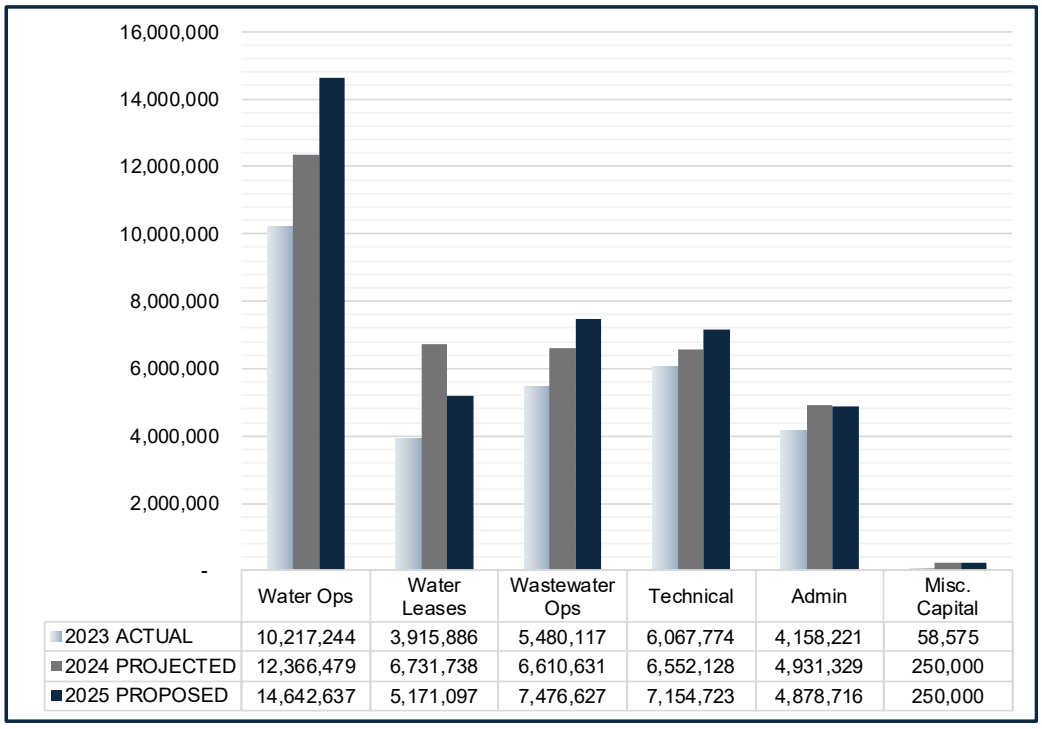
	2023 Actual	2024 Revised	2025 Proposed	Variance to 2023 Actual	Variance to 2024 Revised
BY DEPARTMENT					
Water Operations	$ 10,217,244	$ 12,366,479	$ 14,642,637	43.3%	18.4%
Water Leases	3,915,886	6,731,738	5,171,097	32.1%	-23.2%
Wastewater Operations	5,480,117	6,610,631	7,476,627	36.4%	13.1%
Technical	6,067,774	6,552,128	7,154,723	17.9%	9.2%
Administrative	4,158,221	4,931,329	4,878,716	17.3%	-1.1%
Miscellaneous Capital	58,575	250,000	250,000	326.8%	0.0%
TOTAL BY DEPARTMENT	$ 29,897,818	$ 37,442,305	$ 39,573,800	32.4%	5.7%
BY EXPENDITURE TYPE					
Wages and Benefits	10,992,097	11,726,439	12,869,958	17.1%	9.8%
Materials and Supplies	2,386,155	2,424,507	3,048,155	27.7%	25.7%
Purchased Services	4,991,212	6,619,468	6,576,106	31.8%	-0.7%
Contracted Services	5,254,618	8,081,453	6,574,097	25.1%	-18.7%
Fuel and Chemicals	2,620,817	4,531,139	5,665,498	116.2%	25.0%
Utilitiies	3,594,344	3,809,299	4,589,986	27.7%	20.5%
Miscellaneous Capital	58,575	250,000	250,000	326.8%	0.0%
TOTAL BY TYPE	$ 29,897,818	$ 37,442,305	$ 39,573,800	32.4%	5.7%

The District reports expenditures by Department and by Type. For more detail on which Departments make up each category, please see Appendix 4. For a more detailed breakdown of the various components of the expenditures by type, please see Appendix 5.

As seen in the table above, there are significant changes to almost each line item. The primary reasons for these changes are the following:

- Wages & Benefits increases are directly attributed to increases in insurance costs, annual wage increases (which also increases the cost of retirement plans and federal payroll costs), position reclasses, and increases in insurance costs.
- Since 2023, the costs of materials and supplies, fuel and chemicals, utilities, and certain contracted services have seen significant increases due primarily to inflation. Additionally, as our infrastructure ages, ongoing maintenance costs are increasing due to more projects than prior years. With the improvement to the Water Treatment Plant and the Wastewater Treatment Plant, the District anticipates these costs to decrease in future years.
- Miscellaneous capital accounts for unplanned purchases of items (such as pumps) that are in need of immediate replacement. Each year, the District has been building inventory to reduce the needs of anticipated purchases. The District budgets $250,000 per year for such purchases.

The graph below presents the Operating Fund's uses of revenue for 2023 actual, 2024 projected, and 2025 proposed; all amounts are shown in dollars:



	Water Ops	Water Leases	Wastewater Ops	Technical	Admin	Misc. Capital
2023 ACTUAL	10,217,244	3,915,886	5,480,117	6,067,774	4,158,221	58,575
2024 PROJECTED	12,366,479	6,731,738	6,610,631	6,552,128	4,931,329	250,000
2025 PROPOSED	14,642,637	5,171,097	7,476,627	7,154,723	4,878,716	250,000

The net change in fund balance for the Operating Fund for 2023 actual, 2024 projected, and 2025 proposed is as follows:

	2023 Actual	2024 Revised	2025 Proposed	Variance to 2023 Actual	Variance to 2024 Revised
FROM OPERATIONS					
Sources of Funds	$ 45,797,588	$ 50,426,604	$ 52,463,928	14.6%	4.0%
Uses of Funds	29,897,819	37,442,305	39,573,800	32.4%	5.7%
NET CHANGE	15,899,769	12,984,299	12,890,128	-18.9%	-0.7%
NET FUND TRANSFERS (SEE DETAIL)	(13,506,000)	(9,071,600)	(10,181,000)	-24.6%	12.2%
CHANGE IN FUND BALANCE	2,393,769	3,912,699	2,709,128	13.2%	-30.8%
FUND BALANCE BEGINNING	14,868,840	17,262,609	21,175,308	42.4%	22.7%
FUND BALANCE ENDING	$ 17,262,609	$ 21,175,308	$ 23,884,435	38.4%	12.8%

CAPITAL AND MAJOR REPAIR FUND

This fund accounts for the financial resources needed for the acquisition or construction of major capital improvement projects or facilities identified in the District's Capital Improvement Plan. The major repair or replacement of equipment, vehicles, smaller renovations of facilities, and the purchase of miscellaneous new equipment is accounted for here as well. This fund is reported on a cash basis, (i.e., expenditures are recognized when the outflow of cash occurs).

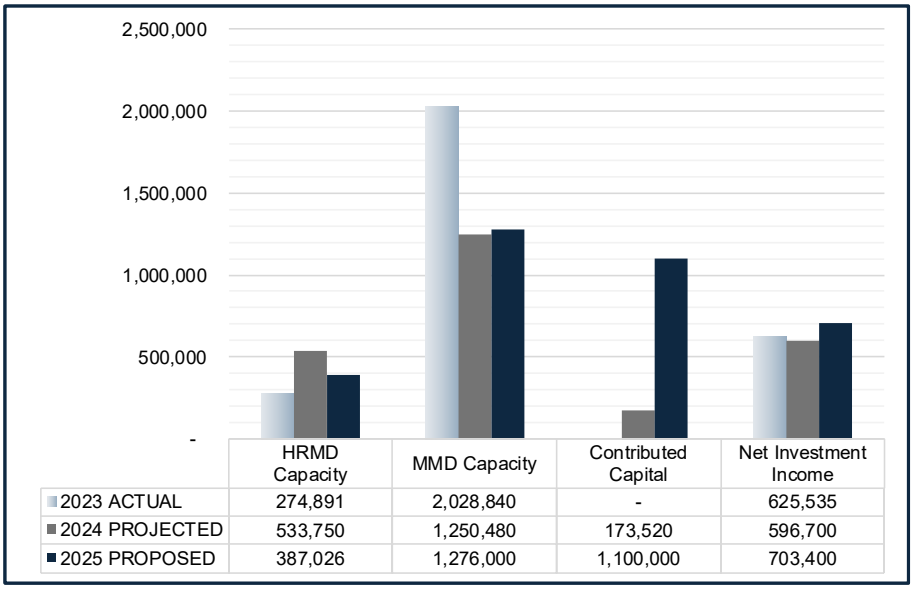
SOURCES OF FUNDS

This fund is supported by two primary sources of revenue: the service capacity payment paid by HRMD and MMD. As mentioned on page 19, these payments are variable year to year based on actual development. Highlands Ranch is slowly moving toward full development, however the timing of the final completion of all platted land is currently undeterminable. MMD however, is projected to have fully built out the Solstice Community in the next two years. As such, the capacity payment will soon reach zero.

The District is currently planning for the reduction in these revenues in the face of the capital and major repair projects that will be required in the coming years. Currently we're exploring debt, grant opportunities, and additional sources of revenue we may be able to tap into. The District also implemented the Infrastructure Improvement Fee in 2024 which is currently earmarked for future capital and major repair projects.

Additional capital contribution payments come from HRMD for the reimbursement of major repair to their community owned water and wastewater in-tract lines. This fund also receives investment income from available fund balance and unspent bond proceeds, however, like the Operating Fund, this could significantly vary year-to-year. In 2024, the District also received revenue bond proceeds in the amount of $78,881,534 for the improvements to the Water Treatment Plant.

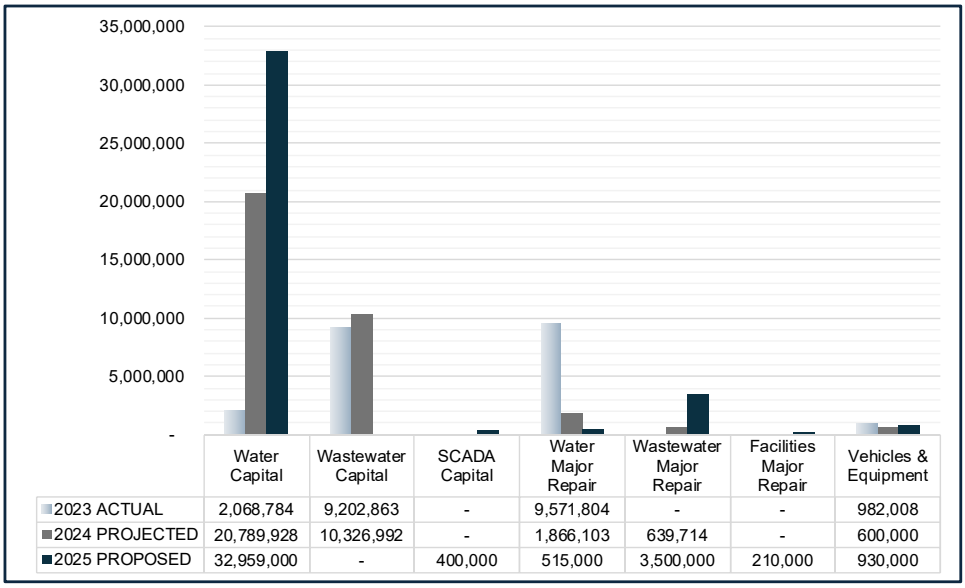
The graph below presents revenues for capital and major repair received in 2023, projected 2024, and 2025 proposed; all amounts are shown in dollars:



	HRMD Capacity	MMD Capacity	Contributed Capital	Net Investment Income
2023 ACTUAL	274,891	2,028,840	-	625,535
2024 PROJECTED	533,750	1,250,480	173,520	596,700
2025 PROPOSED	387,026	1,276,000	1,100,000	703,400

USES OF FUNDS

The cash outflows for capital and major repair projects for 2023 actual, 2024 projected, and 2025 proposed; amounts are shown in dollars:



	Water Capital	Wastewater Capital	SCADA Capital	Water Major Repair	Wastewater Major Repair	Facilities Major Repair	Vehicles & Equipment
2023 ACTUAL	2,068,784	9,202,863	-	9,571,804	-	-	982,008
2024 PROJECTED	20,789,928	10,326,992	-	1,866,103	639,714	-	600,000
2025 PROPOSED	32,959,000	-	400,000	515,000	3,500,000	210,000	930,000

Variances in project outflows are attributed to the following:

- The District began work on the $86.5 million Marcy Gulch Wastewater Treatment Plant Phase 2 project in 2019 to make required upgrades for compliance with regulatory discharge requirements. As visualized above, this project is ramping down and is estimated to be completed in 2024. For 2025, equipment replacement at the headworks building is currently identified.
- In 2024, the District was continuing work on Phase 1A upgrades at the Joseph B. Blake Water Treatment Plant and began work on Phase 1B of the project. The Phase 1A project was a major repair project that is scheduled to be completed in 2024. Phase 1B is a capital project that ramped up in 2024 and will continue into 2026.

The net change in fund balance for the Capital and Major Repair Fund for 2023 actual, 2024 projected, and 2025 proposed is as follows:

	2023 Actual	2024 Revised	2025 Proposed
SOURCES OF FUNDS	$ 2,929,266	$ 81,435,984	$ 3,466,426
USES OF FUNDS	21,825,459	34,222,737	38,514,000
NET CHANGE	(18,896,193)	47,213,247	(35,047,574)
NET FUND TRANSFERS	9,006,000	4,071,600	4,181,000
CHANGE IN FUND BALANCE	(9,890,193)	51,284,847	(30,866,574)
PROJECT RESCISSION	-	2,716,453	-
AUDIT ADJUSTMENT	756,695	-	-
FUND BALANCE BEGINNING	48,916,767	39,783,269	93,784,569
FUND BALANCE ENDING	$ 39,783,269	$ 93,784,569	$ 62,917,995

The following tables reflect the long-range plan as updated from the 2024 Capital Improvement Plan.

	PROJECTED							
	2024	2025	2026	2027	2028	2029	2030-2033	TOTAL
VEHICLES & EQUIPMENT								
Vehicles	$ 100,000	$ 160,000	$ 250,000	$ 250,000	250,000	250,000	$ 1,100,000	$ 2,360,000
WTP Equipment	-	-	100,000	100,000	100,000	100,000	400,000	800,000
WWTP Equipment	-	-	50,000	50,000	50,000	50,000	200,000	400,000
Field Equipment	-	-	100,000	100,000	100,000	100,000	400,000	800,000
Well Equipment	500,000	600,000	600,000	600,000	600,000	600,000	2,400,000	5,900,000
Curb Box Maintenace Trailer	-	90,000	-	-	-	-	-	90,000
6" Submersible Maintenance Pump	-	80,000	-	-	-	-	-	80,000
Dump Truck (with atenuator)	-	-	350,000	-	-	-	-	350,000
Lab- Gas Chromatigraph - MS	-	-	-	250,000	-	-	-	250,000
Future Years New Equip	-	-	-	-	425,000	425,000	1,700,000	2,550,000
Total Vehicles & Equipment	600,000	930,000	1,450,000	1,350,000	1,525,000	1,525,000	6,200,000	13,580,000
WATER TREATMENT PLANT								
Phase 1a	3,528,886	-						
Phase 1b	17,261,042	24,959,000	14,259,000	-	-	-	-	56,479,042
Phase 2/3	-	8,000,000	8,000,000	44,000,000	32,000,000	4,000,000	-	96,000,000
Phase 3	-	-	-	-	-	-	-	-
Zone 1 Pump Replacement	200,000	-	-	-	-	-	-	200,000
Operations Building Renovation	180,375	-	-	-	25,000,000	-	-	25,180,375
Total Water Treatment Plant	21,170,303	32,959,000	22,259,000	44,000,000	57,000,000	4,000,000	-	181,388,303
WASTEWATER TREATMENT PLANT								
Headworks Equipment Replacement	-	3,500,000	-	-	-	-	-	3,500,000
MGWWTP Phase II- Reg 85	10,063,101	-	-	-	-	-	-	10,063,101
Marcy Gulch Site Improvements	-	-	250,000	2,500,000	-	-	-	2,750,000
Total Wastewater Treatment Plant	10,063,101	3,500,000	250,000	2,500,000	-	-	-	16,313,101
GRNDWATER TREATMENT PLANT/ WELLS								
Well A1-R	35,728	15,000					-	50,728
Well Redrill Denver Field	-	-	2,500,000	-	-	-	3,000,000	5,500,000
GWTP #1 Filter Valve Replacement	-	-	750,000	-	-	-	3,000,000	3,750,000
Well Redrill Arapahoe Field	-	-	-	-	2,500,000	-	-	2,500,000
Well Connection Project	-	-	-	250,000	-	-	-	250,000
Alluvial Well Treatment	-	-	-	800,000	8,000,000	-	-	8,800,000
Monitoring Wells	-	-	800,000	-	-	-	-	800,000
Total GWTP/Wells	35,728	15,000	4,050,000	1,050,000	10,500,000	-	6,000,000	21,650,728

	PROJECTED							
	2024	2025	2026	2027	2028	2029	2030-2033	TOTAL
DISTRIBUTION SYSTEM								
Cline Headgate Renovation	250,000	50,000	500,000	-	-	-	-	800,000
Cathodic Protection Assessment	350,000	-	-	350,000	300,000	-	-	1,000,000
Distribution System Master Plan Update	400,000	-	-	400,000	-	-	-	800,000
McLellan B Pump Station Renovation	350,000	350,000	3,500,000	-	-	-	-	4,200,000
De-Strat Compressor for McLellan	100,000	100,000	-	-	-	-	-	200,000
South Platte Pump Station Valve Replaceme	-	-	220,000	-	-	-	-	220,000
Distribution Tank Vent Replacement	-	-	280,000	-	-	-	1,500,000	1,780,000
Cline Delayed Return Flow Facility	-	-	-	-	200,000	-	-	200,000
Zone 5 Surge Anticipator Valve	-	-	-	85,000	-	-	-	85,000
McLellan A Pump Station	-	-	-	-	-	-	2,000,000	2,000,000
Zone 4A pump station (2032)	-	-	-	-	-	-	4,000,000	4,000,000
Zone 6 Surge Anticipator Valve (2032)	-	-	-	-	-	-	100,000	100,000
Total Distribution System	1,450,000	500,000	4,500,000	835,000	500,000	-	7,600,000	15,385,000
Water Storage								
LIFT STATIONS								
Big Dry Lift Station Bypass Pump	13,767						-	13,767
Bluffs Lift Station Generator	25,946						-	25,946
MGLS	37,031	-					-	37,031
Mirabelle service project	226,860	-					-	226,860
Marina Lift Station	100,000	-	100,000	-	-	-		200,000
Collections System Master Plan	500,000	-	500,000	-	-	-		1,000,000
Big Dry Lift Station Upgrades	-	-	-	-	-	1,500,000	9,000,000	10,500,000
Willow Creek Lift Station	-	-	-	-	-	-	7,500,000	7,500,000
Total Lift Stations / Collection	903,604	-	600,000	-	-	1,500,000	16,500,000	19,503,604
SCADA								
SCADA Master Plan	-	400,000	300,000	200,000	-	-	-	900,000
DISTRICT OFFICE BUILDING	-	210,000	-	-	-	-	-	210,000
IN-TRACT LINES (FUNDED BY HRMD)								
Bellflower (1,700 LF)	-	-	-	-	-			
Shadow Mountain Drive (1,800 LF)	125,000	1,100,000	-	-	-			1,225,000
Crestmore (2,400 LF)	-	-	150,000	1,500,000	-			1,650,000
Subtotal In-Tract Lines	125,000	1,100,000	150,000	1,500,000	-	-	-	2,875,000
GRAND TOTAL	$ 34,347,737	$ 39,614,000	$ 33,559,000	$ 51,435,000	$ 69,525,000	$ 7,025,000	$ 36,300,000	$ 271,805,737

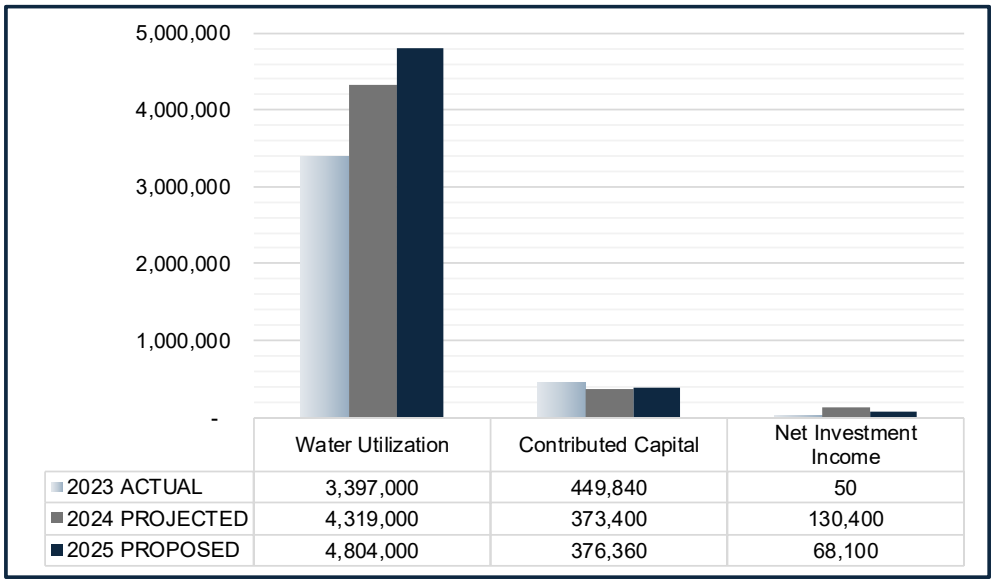
WATER ACQUISITION FUND

The fund accounts for the operating and capital costs related to WISE water delivery and the costs of storage at Chatfield Reservoir. It also absorbs some of the costs related to the acquisition of surface water and construction of facilities to capture, store and deliver surface water. Additionally, it makes an annual transfer to the Debt Service Fund for the principal and interest payments on the loans that funded the Chatfield Reallocation Project. This Fund is reported on a full accrual basis of accounting.

SOURCES OF FUNDS

This fund is supported by a portion of base water rates and, to the extent available, transfers from other funds. The 2025 Proposed Budget assumes an increase to the water acquisition portion of base water rates from $0.90 to $1.00 per thousand gallons. This fund receives a portion of development fees that are charged specifically for the acquisition of water supplies. Additionally, this fund receives net investment income on unspent fund balance, but similar to other funds, this will vary year-to-year.

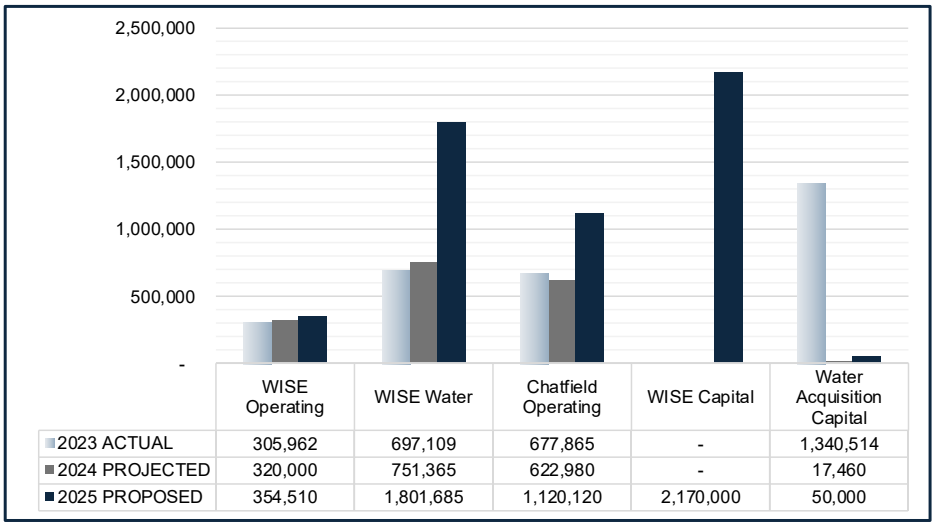
The graph below presents revenues for water acquisition received in 2023, projected 2024, and 2025 proposed; all amounts are shown in dollars:



	Water Utilization	Contributed Capital	Net Investment Income
2023 ACTUAL	3,397,000	449,840	50
2024 PROJECTED	4,319,000	373,400	130,400
2025 PROPOSED	4,804,000	376,360	68,100

USES OF FUNDS

The Water Acquisition Fund has both operating costs and capital costs. Operating costs related to the acquisition of water from WISE as well as third party management of District water storage at Chatfield Reservoir. Capital costs are comprised of water well projects and the District's portion of capital costs for the WISE project. The uses of funds for 2023 to 2025 are as follows:



	WISE Operating	WISE Water	Chatfield Operating	WISE Capital	Water Acquisition Capital
2023 ACTUAL	305,962	697,109	677,865	-	1,340,514
2024 PROJECTED	320,000	751,365	622,980	-	17,460
2025 PROPOSED	354,510	1,801,685	1,120,120	2,170,000	50,000

The large increase in costs for WISE water is related the anticipated increases in WISE water delivered to the District. Starting in mid-2025, WISE will provide members with a minimum of 100,000 acre-feet of water every decade for an average of 10,000 acre-feet per year, with 10% of total supply (on average 1,000 acre-feet per year) dedicated to the District. The WISE capital costs for 2025 are related to the District's allocated portion for the cost of land acquisition and the design and construction of a WISE facility that will be placed on the land. There is also an allocated cost to the District for the initial stages of construction of WISE water infrastructure near Denver International Airport.

Chatfield operating costs in 2025 are increasing significantly due to an assessment of maintenance that needs to be performed at the reservoir that was primarily caused by the large amount of rain the area saw in 2023. The assessment for our 6,922 acre feet of storage space is $161.82 per acre foot.

Water Acquisition capital is also presented in the Capital Improvement Plan however there have been significant updates for 2025. The projected water acquisition capital outlay is now projected as follows:

	2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030-2034 Projected
CHATFIELD REALLOCATION	17,460	-	-	-	-	-	
WISE							
SM Land Acquisition	-	600,000	-	-	-	-	-
SM Design and Construction	-	720,000	935,000	10,695,000	10,695,000		
DIA Connection	-	850,000	-	-	-	-	-
Subtotal	-	2,170,000	935,000	10,695,000	10,695,000	-	-
WATER INFRASTRUCTURE							
City Pump Station Improvements	-	-	500,000	-	-	-	-
South Platte Wellfield #1	-	50,000	-	-	-	-	5,000,000
Acquisition of Surface or Ground Water	-	-	5,000,000	5,000,000	5,000,000		
Subtotal	-	50,000	5,500,000	5,000,000	5,000,000	-	5,000,000
TOTAL	$ 17,460	$ 2,220,000	$ 6,435,000	$ 15,695,000	$ 15,695,000	$ -	$ 5,000,000

The dollar change is the Water Acquisition Fund's fund balance for 2023 actual, 2024 projected, and 2025 proposed is as follows:

	2023 Actual	2024 Revised	2025 Proposed
SOURCES OF FUNDS	$ 3,846,890	$ 4,822,800	$ 5,248,460
USES OF FUNDS OPERATING	1,680,936	1,694,345	3,276,315
USES OF FUNDS CAPITAL	1,340,514	17,460	2,220,000
NET CHANGE	825,440	3,110,995	(247,855)
NET FUND TRANSFERS (SEE DETAIL)	(2,728,830)	(2,728,830)	(2,728,830)
CHANGE IN FUND BALANCE	(1,903,390)	382,165	(2,976,685)
PROJECT RESCISSION	-	-	-
FUND BALANCE BEGINNING	10,596,912	8,693,522	9,075,687
FUND BALANCE ENDING	$ 8,693,522	$ 9,075,687	$ 6,099,002

DEBT SERVICE FUND

This fund is used to account for the accumulation of resources for the payment of debt obligations. This fund is reported on a cash basis, (i.e., expenditures are recognized when the outflow of cash occurs). This fund is supported by transfers from the Operating and Water Acquisition Funds, the MMD options payments, and net investment income earned on unspent bond proceeds. The District's current long-term obligations, and the uses of those funds are as follows:

REVENUE BONDS

The District issued its Series 2019A Water and Wastewater Revenue Bonds dated January 17, 2019 in the par amount of $64,355,000 for the purpose of financing the engineering, design, and construction of the phase 2 upgrades to the Marcy Gulch Wastewater Treatment Plant. These improvements are time sensitive modifications which enable the District to comply with regulatory discharge requirements. The bonds fully mature on December 1, 2048.

The District issued its Series 2024A Water and Wastewater Revenue Bonds dated February 1, 2024 in the par amount of $70,000,000 for the purpose of financing the capital improvements to the Joseph B. Blake Water Treatment Plant. The bonds fully mature on December 1, 2053.

REVENUE NOTES

The District issued its Series 2012A and 2012B Revenue Refunding and Improvement Notes in the $30,505,000 and $18,755,000, respectively for the purpose of funding certain improvements to the Marcy Gulch Wastewater Treatment Plant and to refund a portion of the Series 2004 and Series 1996 Bonds.

The 2012A Note dated December 1, 2012, is a tax-exempt loan and is due in varying amounts annually through 2024. Interest is at a fixed rate of 2.09%. The note matures on December 1, 2024.

The Series 2012B Note, originally issued as taxable on December 1, 2012, is due in varying amounts annually through 2023. Interest was initially at a taxable fixed rate of 3.01%. It was converted to tax-exempt status on September 3, 2014 at a new rate of 1.96%. The note matured on December 1, 2023.

DIRECT BORROWINGS

On October 15, 2015, the District entered into three loan agreements with the Colorado Water Conservation Board ("CWCB") in order to fund the Chatfield Reallocation Project. The loans were approved in the aggregate amount of $44,400,000 and required the District to contribute at least 10 percent of the project cost, bringing the total loan approval to $48,888,000. To cover the increased cost of construction based on bids received, in 2018 the Board authorized an increase of $9,046,267 to the loans for a maximum aggregate amount of $53,446,267. The final loan maturity is on November 1, 2051.

The following is the schedule for repayment on the District's current long-term debt obligations:

YEAR	WATER	WASTEWATER	TOTAL DEBT SERVICE
2025	$ 6,289,230	$ 4,576,588	$ 10,865,817
2026	6,289,230	4,575,088	10,864,317
2027	6,289,230	4,575,088	10,864,317
2028	6,289,230	4,576,338	10,865,567
2029	6,289,230	4,573,588	10,862,817
2030	6,289,230	4,576,838	10,866,067
2031	6,289,230	4,575,588	10,864,817
2032	6,289,230	4,574,838	10,864,067
2033	6,289,230	4,574,338	10,863,567
2034	7,294,230	4,573,838	11,868,067
2035	7,293,980	4,578,088	11,872,067
2036	7,291,230	4,576,588	11,867,817
2037	7,295,980	4,574,338	11,870,317
2038	7,292,730	4,576,738	11,869,467
2039	7,296,730	4,574,938	11,871,667
2040	7,292,480	4,576,188	11,868,667
2041	7,295,230	4,575,438	11,870,667
2042	7,294,480	4,577,438	11,871,917
2043	7,295,230	4,576,688	11,871,917
2044	7,292,230	4,577,938	11,870,167
2045	7,295,480	4,576,825	11,872,305
2046	7,294,480	4,576,000	11,870,480
2047	7,294,230	4,574,938	11,869,167
2048	7,294,480	4,573,113	11,867,592
2049	11,870,918	-	11,870,918
2050	11,870,614	-	11,870,614
2051	11,869,251	-	11,869,251
2052	11,869,038	-	11,869,038
2053	11,868,613	-	11,868,613
TOTAL	**$ 225,364,696**	**$ 109,817,375**	**335,182,071**

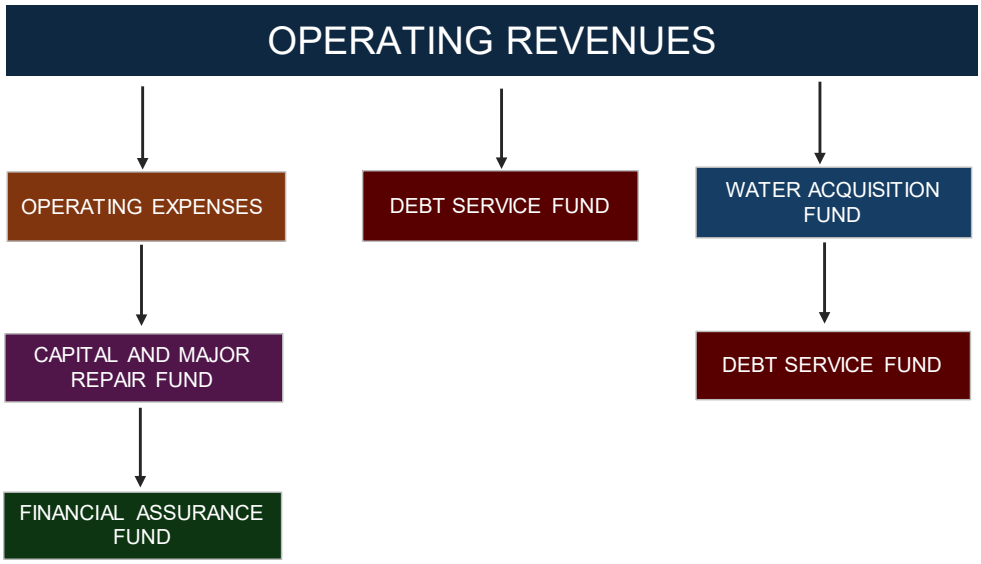
FINANCIAL ASSURANCE FUND

The fund is set aside to primarily support capital costs and debt service, although there are no restrictions on how the fund may be used. Use of the Financial Assurance Fund allows the District to manage annual increases in rates that may otherwise be negatively impacted by economic conditions, new regulations, or other unforeseen events.

The fund may be increased annually if rate revenues received exceed that year's operating and capital costs or it may be decreased to support shortfalls in any of the other funds. There are no current anticipated transfers in or out of the fund for 2025, however this will be evaluated before the adoption of the final budget. The current balance available in the fund is $18,694,667.

FUND TRANSFERS

The following chart details the District's flow of financial resources between each fund:



Per Board policy, the Operating Fund must end each year with a minimum of 50% of next year's projected operating expenditures. This target provides resources for unforeseen events such as weather or economic events that could negatively impact revenue collections.

Operating revenues are first used for operating expenses, transfers to the Debt Service Fund equal to at least next year's debt service payment, and a $1.00 per 1,000 gallons of water revenue to the Water Acquisition Fund. If after satisfying these requirements excess fund balance exists, the Operating Fund will make a transfer first to the Capital and Major Repair Fund then, if feasible, to the Financial Assurance Fund. Each year, the Water Acquistion Fund must transfer an amount to the Debt Service Fund equal to the next year's payment for the Chatfield Reallocation Project loans.

The schedule of transfers between funds for 2023 actual, 2024 projected and 2025 proposed is as follows:

	2023 ACTUAL	2024 PROJECTED	2025 BUDGET
OPERATING FUND			
From (to) CAP/MR Fund	$ (9,006,000)	$ (4,071,600)	$ (4,181,000)
From (to) Water Acquisition Fund	-	-	-
From (to) Debt Service Fund	(4,500,000)	(5,000,000)	(6,000,000)
From (to) Financial Assurance Fund	-	-	-
Net Transfers	$ (13,506,000)	$ (9,071,600)	$ (10,181,000)
CAPITAL PROJECTS AND MAJOR REPAIR FUND			
From (to) Operating Fund	$ 9,006,000	$ 4,071,600	$ 4,181,000
From (to) Debt Fund	-	78,881,534	-
From (to) Financial Assurance Fund	-	-	-
Net Transfers	$ 9,006,000	$ 82,953,134	$ 4,181,000
WATER ACQUISITION FUND			
From (to) Operating Fund	$ -	$ -	$ -
From (to) Debt Fund	(2,728,830)	(2,728,830)	(2,728,830)
From (to) Financial Assurance Fund	-	-	-
Net Transfers	$ (2,728,830)	$ (2,728,830)	$ (2,728,830)
DEBT FUND			
From (to) Operating Fund	$ 4,500,000	$ 5,000,000	$ 6,000,000
From (to) CAP/MR Fund	-	(78,881,534)	-
From (to) Water Acquisition Fund	2,728,830	2,728,830	2,728,830
From (to) Financial Assurance Fund			
Net Transfers	$ 7,228,830	$ (71,152,704)	$ 8,728,830
FINANCIAL ASSURANCE FUND			
From (to) Operating Fund	$ -	$ -	$ -
From (to) CAP/MR Fund	-	-	-
From (to) Water Acquisition Fund	-	-	-
Net Transfers	$ -	$ -	$ -

While 2023 saw a significant decrease in revenues for the District, the Operating Fund was able to transfer excess fund balance from prior years to the Capital Projects and Major Repair Fund on top of making the required transfer to the Debt Service Fund. The transfers to the Capital Projects and Major Repair Fund in 2024 and 2025 come from revenues received for the Infrastructure Improvement Fee.

The 2024 transfer from the Debt Service Fund to the Capital Projects and Major Repair Fund comes from the Series 2024A Water and Wastewater Revenue Bonds.

10-YEAR CAPITAL IMPROVEMENT PLAN

PURPOSE OF A CAPITAL IMPROVEMENT PLAN

Capital, major repair, and water acquisition projects (referred together as “capital”) have a substantial impact to not only the overall quality of water and wastewater service delivery but also to the District’s financial resources. This Capital Improvement Plan (CIP) provides a framework to comprehensively understand the overall infrastructure of the system and aids in prioritizing the projects needed to maintain the system to a high standard of safety, integrity, and excellence in service. Projects for inclusion in the CIP come from a variety of sources including department requests, long-range strategic plans, the long-term capital replacement program, and regulatory changes. As capital costs in the aggregate customarily exceed regularly recurring revenue, the District has chosen to assemble this document to provide, in further detail, the rationale behind the long-range capital plan and the allocation of resources to the most essential infrastructure needs.

This CIP presents a 10-year capital plan across the various activities of the District, identifying and defining the capital projects that have a noteworthy impact on the financial resources and operations of the District. Further, the District found it valuable to provide qualitative information related to the District’s water supply agreements as these agreements, if amended or cancelled, have the potential of impacting the District’s financial needs for water acquisition, which may then reduce financial resources available for capital projects. The identified CIP projects will be funded through rates, debt proceeds, or other financing mechanisms available to the District.

Due to changes in operational needs, regulations, and any other impactful event, projects identified in this document may be removed or deferred to future years. While the District acknowledges there are inherent risks in deferring projects, the District is operationally and fiscally responsible when prioritizing projects.

The Capital Improvement Plan will be updated annually to capture any year-over-year quantitative and qualitative divergences.

PROJECT PRIORTIZATION

During the annual budget process, the General Manager and staff meet to re-evaluate the CIP. Together they analyze the previous year’s identified projects to determine if any changes need to be made. To make these determinations they review:

1. Changes in financial resources available for capital projects
2. Changes in project costs due to inflation and/or change in scope
3. Events that occurred during the year that warrant a new (or accelerated) project
4. Any regulatory changes requiring capital improvements
5. Any change to water supply needs

During this process, the group will also review changes to on-hand and projected financial resources by inputting the updated CIP costs into a forecast model. The model shows if the District's financial resources can absorb all project costs within a water and wastewater rate increase that is justifiable to customers and the Board. If more financial resources are needed, there are two options:

1. Re-prioritize projects in the CIP
2. Identify ways the District can augment financial resources

District staff presents the final CIP schedule and forecast model to the Board during their November "Budget Workshop" where, utilizing staff feedback, the board can review the CIP schedule and provide direction regarding project prioritization.

MAJOR CAPITAL PROJECTS

THE JOSEPH B. BLAKE WATER TREATMENT PLANT (JBWTP)

The JBWTP was constructed in 1986 and then expanded and upgraded in 1999. The Plant is a conventional surface water treatment facility and is located at the northwest corner of Highlands Ranch just south of C-470 on the south side of Plaza Drive.

Primary raw-water sources to the Plant come from the South Platte River (including some local South Platte alluvial groundwater) and groundwater from a Laramie-Fox Hills aquifer well located near the forebay of the Plant. The District uses the Chatfield Reservoir water storage facility (permanent storage space granted by the US Army Corps of Engineers), the South Platte Reservoir (owned by the District) and McLellan Reservoir (leased through the City of Englewood) to store raw water.

Upon completion of several projects currently identified in the 10-year CIP, the JBWTP will meet the maximum day demand (MDD) required after the District's service boundaries are at 100 percent buildout. This will maximize flexibility of available water resources by allowing MDD to be met wholly from surface water sources. Other water resources, such as WISE water or groundwater, are available to meet the community's needs during severe drought or during winter months if the District needs to take the JBWTP off-line to accommodate maintenance, repairs, and/or construction projects.

JBWTP CAPITAL PROJECTS OVERVIEW

Staff has established an ultimate goal of achieving a reliable maximum treatment capacity of 35-40 million gallons per day (MGD). In 2018 the District commissioned a Water Treatment Utility Plan (WTUP) for the purpose of evaluating the condition of existing equipment and the effectiveness of each treatment process, providing design recommendations, and developing conceptual cost estimates for improvements that would enable the District to achieve its core values.

The WTUP outlined five (5) sequential design and construction phases intended to achieve capacity goals while maintaining compliance with anticipated regulatory requirements. After an evaluation of project financing, the District determined that Phase 1 would be more financially viable if it was split into two phases: 1A and 1B. Additionally, Phase 5 of the WTUP improvement project is currently deemed unnecessary under existing regulatory requirements, however staff evaluates this annually.

PHASE 1A

This Phase focuses on the modification of existing pre-treatment processes, providing a system that meets the minimum Colorado Department of Public Health and Environment (CDPHE) flocculation hydraulic retention time requirements and improves settled water turbidity (a measure of the clarity of a liquid) by replacing existing tube settlers with plate settlers. Additionally, this project includes the in-kind replacement of raw water piping and flow control. These upgrades will allow JBWTP to produce 30 MGD of potable water reliably.

In March 2020, the District selected Carollo Engineers, Inc. for engineering design. In January 2021, the District awarded construction to Garney Companies, Inc. The project was completed in the 2nd quarter of 2024 at a cost of $22.2 million.

PHASE 1B

This phase consists of constructing a new chemical building (and related feed lines), which will allow the District to reliably store chemicals for up to 30 days. Additionally, the power system will be upgraded with a replacement backup generator and power feed due to aging infrastructure concerns. Improvements to HVAC in the pre-treatment facility and SCADA network modernization are also included in the project. These upgrades will allow the WTP to continue to produce 30 MGD of potable water reliably.

The design work on this project began in the fall of 2023, and the District awarded a “Construction Manager at Risk” (CMAR) contract to Garney Companies, Inc. in January 2024. Construction time is estimated to bring improvements online at the beginning of the 2026 water season. The project is currently budgeted in the CIP at a cost of $56.5 million.

PHASE 2 AND PHASE 3

Prior to the CIP, Phase 2 and Phase 3 were broken out into two separate projects. Identifying the ability to save on costs and time by combining the phases, the 2025 CIP has now combined these projects as one. The components of the project consist of the following:

- Upgrading the filtration system and the chlorine contact basin (CCB), which will allow the Plant to produce 35 MGD of potable water reliably:
    - Converting to a deep-bed configuration with larger diameter media, allowing filters to operate at a higher hydraulic loading rate (HLR) of 8 gallons per minute per square foot, or greater
    - Modifying the Filter Effluent Structure to increase the available head through the filters
    - Improving the backwash system to allow the filters to be adequately cleaned following a filter backwash
- Improvements to the CCB include modifications to accommodate a backwash water supply, a new Backwash Supply Pump Station, and an improved baffling factor for the basin so that it can be rated for the Plant’s full capacity of 40 MGD. The CCB Upgrades include the following components:
    - Inner-basins walls will be partially demolished in order to convert into a single basin at all operating water levels within the tank
    - Construction of concrete walls at the first row of support columns in order to create a separate and independent backwash supply volume while keeping an unchlorinated water volume for the backwash supply

  - Construction of perpendicular baffling walls to create an approximate 44:1 length to width flow path, and with baffled inlets and outlets to the CT (concentration * contact time) volume, to receive a rated baffling factor of 0.6
  - Addition of chlorine and ammonium sulfate feeds directly into the CCB in lieu of the finished water pumping headers
- Upgrades to the Zone 1 (constructed in 2001) and Zone 2 (constructed in 1987) pump stations, allowing for 40 MGD of reliable potable water delivery to the distribution system. Additionally, the backup power system for these pump stations will be upgraded through the replacement of the backup generator.
  - Pump Stations - the nature of the project is conducive to phased upgrades to the pump stations and isolating individual parts of the project for completion, such as addition of the Zone 1 surge tank and replacement of the damaged discharge header. The JBWTP can be off-line for approximately five months during the winter shut down period and, during this time, the District relies on groundwater resources available to the District. Initial portions of the Zone 1 and Zone 2 Pump Stations improvements can only be completed while the pump station is offline, which in turn means the Plant cannot supply water to the distribution system.
  - Backup Power - involves the replacement of the existing site backup power consisting of a single 420 kW generator with power systems of adequate capacity to run the entire JBWTP. Multiple configurations were evaluated for the backup power system and it was determined that a single generator system is infeasible due to the required size of the resulting generator. The WTUP suggests three independent generators with individual auto-transfer switching for each generator.
- Other miscellaneous upgrades are planned to improve the operability of the filters. Once pre-oxidation is implemented at the JBWTP, the filters will operate in a biologically active filtration mode.

Project design is anticipated to begin in 2025 with the project bid going out in 2026 for a 2029 completion date. The project is currently budgeted in the CIP at an estimated cost of $96 million.

THE MARCY GULCH WASTEWATER TREATMENT PLANT (MGWWTP)

The MGWWTP is located southeast of Highway 85 and the C-470 intersection. The Plant was constructed in 1984 and underwent major facility upgrades in 2000, 2002, and 2014. The Plant discharges to Marcy Gulch, which then flows northwest into the South Platte River just upstream of the C-470 bridge crossing the river. In addition to flows from its service area, the MGWWTP receives treatment residuals from the JBWTP via the collection system.

PHASE 2

The MGWWTP Phase II Improvements consist of complex and time sensitive modifications to the existing treatment facility that will enable the plant to comply with new regulatory discharge requirements. Award of Construction for Phase II was approved in January 2019 and the project has an estimated completion in late 2024 at an estimated cost of $86.5 million

Key elements of the Phase II project include:

- Construction of a new Blower Building and conversion of existing Blower Building to a new Chemical Feed building
- Construction of a UV building and a Biosolids Hopper building
- Rehabilitation of the Digester Control building, the Headworks, and the Dewatering building
- Construction of two Activated Sludge Basins and renovation of the four existing basins
- Construction of a RAS Fermenter and renovation of the RAS/WAS Pump Station
- Additional construction includes a Cascade Aerator, Gas Holder, Primary Effluent Flow Split Structure, and Mixed Liquor Flow Split Structure
- Rehabilitation of the existing Secondary Clarifiers and East and West Anaerobic Digesters
- Installation of new sitewide electrical and SCADA control systems

PHASE 3

In 2012, the CDPHE Water Quality Control Division ("WQCD") proposed a new standard for nitrogen and phosphorus levels in certain lakes and reservoirs. If adopted as written, the standard would have applied to the District's required protection of Barr Lake's water quality. However, in April 2023, the Colorado Water Quality Control Commission held a rulemaking hearing to consider the final adoption of this regulation and elected to defer the requirement until 2027. WQCD has signaled that they will work with the District to develop a site-specific standard as opposed to requiring infrastructure for reverse osmosis treatment, which was initially anticipated to be the obligation. As the standard is still imminent, the District will have to continue to plan for this capital cost, most likely sometime after 2033.

GROUNDWATER TREATMENT PLANTS AND WELLS

The Groundwater System is designed to meet two main goals: (1) supply indoor demand during the winter season while the JBWTP is offline in the event of required maintenance, repair, and/or construction projects, and (2) provide drought protection during times of limited surface water availability.

The District currently utilizes 33 potable and 5 alluvial wells to serve the community in its daily operations. Well redrills allow the District to continue using adjudicated groundwater when existing infrastructure is at the end of its useful life. They can improve well performance and will help create additional water yield. There are three planned redrills in the 10-year plan at an estimated cost of $8 million. Additionally, the 10-year plan has $8.8 million budgeted for alluvial well treatment beginning in 2027.

DISTRIBUTION SYSTEM

The Distribution System is designed to deliver the required flow, storage, and minimum pressures as required for average daily demand, MDD, peak hourly demand, and fire flows for build-out conditions. The transmission and distribution system is designed as a looped system for maximum system reliability. The ultimate goal is to have two distribution tanks per zone, however only two zones currently meet this goal. The pump stations are designed with an N+1 philosophy (i.e. there are sufficient pumps to meet MMD plus one additional pump for redundancy) to ensure reliability of the system. The District currently utilizes 14 pump stations and eight distribution tanks that are spread throughout the District.

The 10-year plan currently identifies multiple capital projects, the most notable ones being:

MCLELLAN B PUMP STATION RENOVATION

McLellan B Pump Station was constructed in 1999 and is one of two stations that move raw water to the JBWTP. Without this station, the District is unable to blend water from different sources that feed McLellan Reservoir prior to pumping it to the treatment plant. The station currently has a capacity of 22 MGD from two electric pumps, and a backup capacity of 22 MGD from two diesel pumps. This project will replace the two diesel pumps and other aging infrastructure. Project elements include: (1) replacement of two diesel pumps with electric pumps, (2) addition of a backup generator, (3) replacement/repair of aging electrical, mechanical, and structural elements. The district has budgeted $3.5 million for this project in 2026.

ZONE 4A PUMP STATION

Zone 4A Pump Station was constructed in the early 1980s and is one of the two main stations that provide potable water to Zone 4. Without this station, the District is unable to distribute enough water to Zone 4, 5, and 6 to meet system demand from the JBWTP. Project elements include the replacement of: (1) the existing power feed, (2) the motor control center, (3) the backup generator, (4) suction and discharge valves, and (5) pumps. Additionally, upgrades are further necessary to meet current design criteria. The district has budgeted $4 million in 2032.

LIFT STATIONS

The District's lift stations are strategically located within the wastewater conveyance system. Lift stations, typically located in low points, receive flows conveyed from the gravity sewer collection system. The lift station then collects and pumps the wastewater flows uphill, through a pressurized force main, to a discharge point where the flows transition back to a gravity conveyance transmission main. The District currently has six lift stations in operation throughout the service area.

There are currently two major capital projects identified in the 10-year plan:

BIG DRY LIFT STATION UPGRADE

Constructed in the mid-1980s, the lift station needs an upgrade to be able to meet current design criteria and to replace aging infrastructure. Project elements include:

- Upgrade of the existing power feed and the motor control center
- Replacement of the backup generator
- Additional process equipment is needed to minimize wet-well cleaning and grease buildup
- An emergency storage system to meet current CDPHE design criteria

The current estimated cost is $10.5 million to begin in 2029.

WILLOW CREEK LIFT STATION UPGRADE

Constructed in the mid-1980s, the lift station needs an upgrade to be able to meet current design criteria and to replace aging infrastructure. Project elements include:

- Upgrade of the existing power feed and the motor control center
- Replacement of the backup generator
- Replacement of control building

- To combat odor, potential replacement of the chemical feed system
- Additional process equipment is needed to minimize wet-well cleaning and grease buildup
- An emergency storage system to meet current CDPHE design criteria

The project is estimated to begin between 2030-2033 at an estimated cost of $7.5 million.

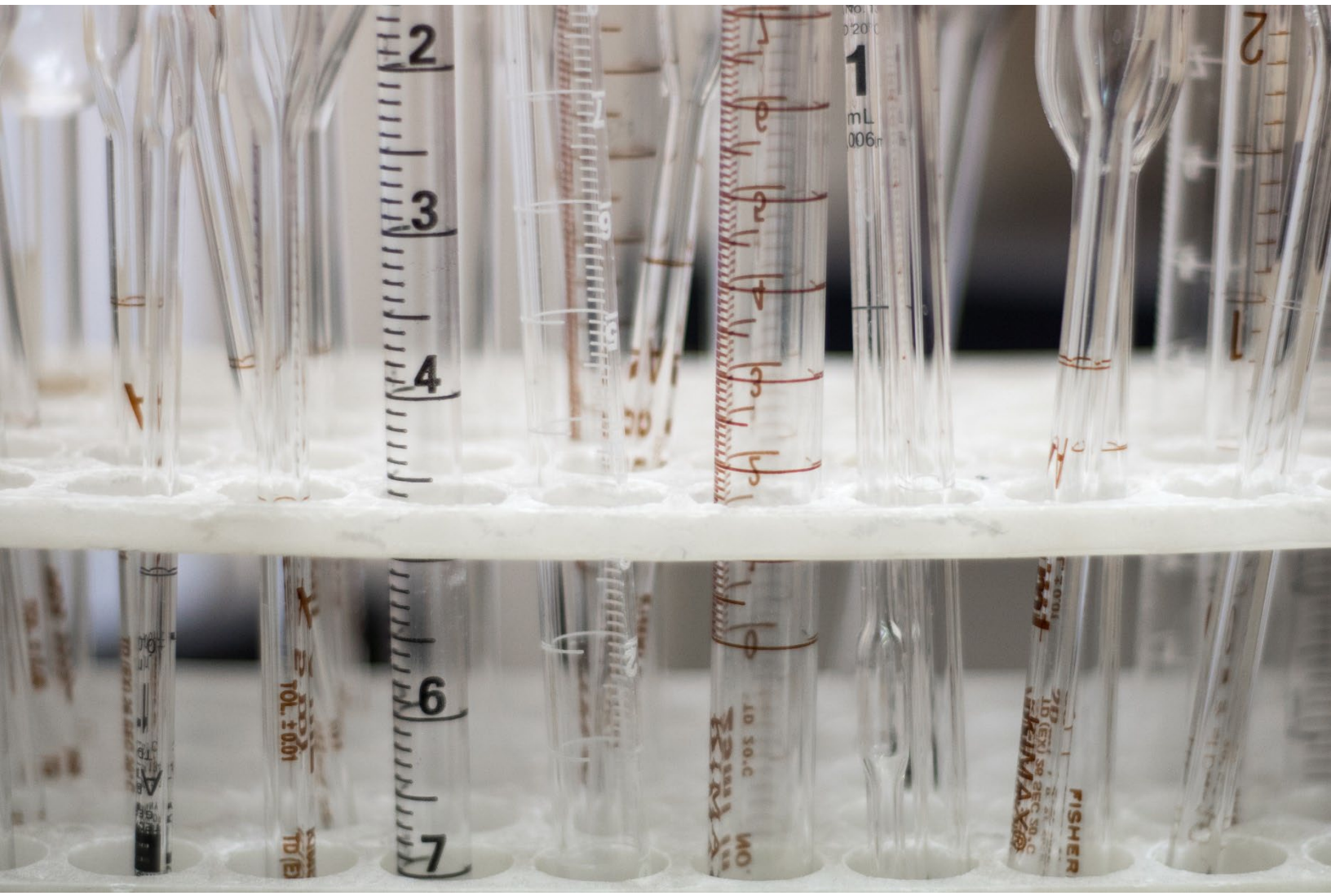
SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM

The SCADA system provides information and controls for the entirety of the system. SCADA is comprised of instruments, transmitters, Programable Logic Controllers (PLC), radios, network devices, servers, and other components needed to automate and monitor all aspects of the water and wastewater system. All SCADA functions for field assets, such as lift stations and pump stations, are conveyed to the JBWTP control room along with the SCADA functions for the JBWTP itself. SCADA functions for the MGWWTP are conveyed to the MGWWTP Control Room.

LONG RANGE PLAN

The SCADA system is critical to the District's mission and must function continuously for the District to provide reliable water and wastewater service to the community. The current system is aging, and critical components are no longer supported by most manufacturers. A SCADA Master Plan is needed to determine an overarching philosophy for how the system will function into the future. The CIP has identified $900,000 for this plan will detail, 1) level of service goals and uptime requirements, 2) standardization, 3) mode and media communication type per site, 4) telemetry structure, and 5) bandwidth requirements.

APPENDIX



APPENDIX 1
GLOSSARY

ADOPTED BUDGET

The budget adopted by the Board of Directors by December 15th. The adopted budget becomes effective annually as of January 1st and appropriations lapse at year end.

APPROPRIATION

Money set aside for a specific purpose.

ASSETS

Economic resources owned by a government.

BALANCED BUDGET

Planned expenditures are equal to estimated net revenues and appropriated fund balances.

BUDGET

A financial plan, which includes an estimate of expenditures for a given period or purpose and proposed means of financing the estimated expenditures.

CAPITAL EXPENDITURES

A capital expenditure is any physical resource that benefits a department for more than three years and has a unit cost in excess of $25,000 for improvements. Capital expenditures include funds expended for land, water rights, building and improvements, improvements other than buildings, and equipment.

CAPITAL OUTLAY

A capital expenditure either adds a fixed asset unit or increases the value of an existing fixed asset.

CAPITAL PROJECTS

Expenditures that are non-operating in nature and are generally a major improvement or acquisition of equipment or property. These projects may or may not meet the capitalization policy of the District.

DEPARTMENT

A major division of the District, which indicates overall management responsibility for a component of the organization.

EQUIPMENT

Equipment includes tangible property which is not permanently built into a building, does not lose its identity through incorporation into a more complex unit, has a unit cost in excess of $15,000 and an estimated useful life of three or more years. Equipment includes machinery, office furniture, computers, vehicles and miscellaneous fixtures.

EXPENDITURE

This term refers to the outflow of funds paid or to be paid for an asset or goods and services obtained regardless of when the expense is actually paid.

APPENDIX 1
GLOSSARY

FUND

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and or other resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

FUND BALANCE

The excess of a governmental fund's assets and revenues over its liabilities, reserves, and expenditures at the close of the fiscal year.

OPERATING EXPENDITURES

An expense incurred in transacting normal operations.

OPERATING REVENUE

Revenue from any regular source.

POLITICAL SUBDIVISION

A county, city, town, or other municipal corporation, a public authority, and generally any publicly owned entity that is an instrumentality of a state or of a municipal corporation.

PROPOSED BUDGET

The budget document submitted to the Board of Directors for review before it is approved and adopted.

RESTRICTED FUND BALANCE

Fund balance that is restricted when there are limitations imposed on its use either through the enabling policy adopted by the District or through external restrictions imposed by creditors, grantors, or regulation of the other governments.

TARGET FUND BALANCES

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.

APPENDIX 2
FINANCIAL POLICIES

In addition to the numerous financial policies adopted internally by management, the Board of Directors has established financial policies for budget procedures, fund balances, transfers, investments, purchasing, and compensation.

BUDGET PROCEDURES

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

FUND BALANCES

Targeted ending fund balances for the Operating Fund will continue to maintain a fund balance (effectively working capital) equal to at least fifty percent of the next year's estimated operating expenditures.

INVESTMENT POLICY

Colorado State Statutes specify investment instruments used by local governments must meet defined risk criteria. 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. 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.
4. 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 than AA- by any Nationally Recognized Statistical Rating Organization (NRSRO) that rates it. District shall limit investments in Corporate Debt to no more than 25 percent of the total portfolio and 5 percent per issuer.

APPENDIX 2
FINANCIAL POLICIES

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; that 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 necessary administration. The Purchasing Guidelines were first implemented in the early 1980's and were most recently revised on July 25, 2023. 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 by the Board of Directors. Any adjustment to the appropriations must also be presented to the Board of Directors for approval.

COMPENSATION PLAN

The District.

The Board has established guidelines for determining wage compensation, utilizing a matrix formula to calculate average wage increases. 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, accomplished by assigning ranges so that our midpoint falls within a range of 100% to 105% of the surveyed midpoint
- Ensure consistency by establishing a list of organizations for benchmark 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

APPENDIX 2
FINANCIAL POLICIES

The District benefit package offers benefits that are comparable with that offered by other local governments. There are no changes to benefit levels in the 2025 budget. The budget increase reflects the anticipated increase in premium costs.

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

1. Participation with Centennial Water and Sanitation District in a defined contribution retirement plan which is in lieu of participation in social security 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 6% by the District depending on the employee's contribution level. In 2023, the matching structure increased to 100% on the first 3% of employee contributions and 50% on the next 6% for a maximum 6% match on an employee's 9% contribution.
3. 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 the market. The medical plans that are offered are fully compliant with the Affordable Care Act.

APPENDIX 3
SCHEDULE OF APPROVED FTE

DEPARTMENT	2024 BUDGET	2024 ACTUAL	VARIANCE	2025 PROPOSED	ADJUST FOR SHARED STAFF
OPERATIONS AND MAINTENANCE MANAGEMENT					
Director, Water/Wastewater Operations	1.000	1.000	-	1.000	1.000
Superintendent, Field Operations and Maintenance	1.000	1.000	-	1.000	1.000
Superintendent, Water and Wastewater	1.000	1.000	-	1.000	1.000
Superintendent, Facilities Maintenance and Asset Managemer	1.000	1.000	-	1.000	1.000
Business Support	4.000	4.000	-	4.000	4.000
Regulatory Compliance Coordinator	1.000	1.000	-	1.000	1.000
WATER AND WASTEWATER OPERATIONS					
SCADA Supervisor	1.000	1.000	-	1.000	1.000
SCADA Lead Technician	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 Operators	5.000	5.000	-	5.000	5.000
WWTP Operators	6.000	5.000	(1.00)	5.000	5.000
Process Control Operator	-	1.000	1.00	1.000	1.000
FACILITIES MAINTENANCE AND ASSET MANAGEMENT					
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
FIELD OPERATIONS AND MAINTENANCE					
Lead Collections & Distribution	1.000	1.000	-	1.000	1.000
Collections & Distribution Mechanics	10.000	10.000	-	10.000	10.000
Lead Meter Technician	1.000	1.000	-	1.000	1.000
Meter Technicians	8.000	8.000	-	8.000	8.000
Lead Meter Reader	1.000	1.000	-	1.000	1.000
Meter Readers	1.000	1.000	-	1.000	1.000
LABRATORY					
Laboratory Supervisor	1.000	1.000	-	1.000	1.000
Water Quality Analysts	4.000	4.000	-	4.000	4.000
WATER RESOURCES					
Water Resource Manager	1.000	1.000	-	1.000	1.000
Water Rights Administrator	1.000	1.000	-	1.000	1.000
Water Resources Analyst	1.000	1.000	-	1.000	1.000
Water Facility Caretaker	0.200	0.20	-	0.200	0.200
Water Efficiency Coordinator	1.000	1.000	-	1.000	1.000

APPENDIX 3
SCHEDULE OF APPROVED FTE

DEPARTMENT	2024 BUDGET	2024 ACTUAL	VARIANCE	2025 PROPOSED	ADJUST FOR SHARED STAFF
PUBLIC WORKS					
Director - Public Works	*	*	-	*	0.600
Project Manager	1.000	1.000	-	1.000	1.000
Project Engineer	2.000	2.000	-	2.000	2.000
Utility Inspector	1.000	1.000	-	1.000	1.000
GIS Supervisor	1.000	1.000	-	1.000	1.000
GIS Program Analyst	1.000	1.000	-	1.000	1.000
Office Management/Business Support	**	**	-	**	1.500
Building Maintenance	1.000	1.000	-	1.000	1.000
Contract Administrator	*	*		*	0.500
Receptionist	*	*	-	*	0.500
GENERAL MANAGMENT					
General Manager	1.000	1.000	-	1.000	1.000
Executive Assistant	1.000	1.000	-	1.000	1.000
Community Relations Manager	1.000	1.000	-	1.000	1.000
Digital Communications Specialist	1.000	1.000	-	1.000	1.000
Director of Human Resources	*	*	-	*	0.500
Human Resources Coordinators	*	*	-	*	1.500
Payroll	**	**	-	**	0.900
FINANCIAL SERVICES					
Director of Finance & Administration	*	*		*	0.500
Revenue and Asset Manager	**	**	-	**	0.750
Accounting Manager	**	**	-	**	0.500
Accounting Supervisor	**	**	-	**	-
Financial and Budgeting Analysis Manager	**	**	-	**	0.500
Accounts Payable	**	**	-	**	1.000
Accounting Assistant	1.000	1.000	-	1.000	1.000
CUSTOMER SERVICE					
Utility Billing Lead	1.000	1.000	-	1.000	1.000
Utility Billing	3.000	3.000	-	3.000	3.000
TOTAL REGULAR EMPLOYEES	**89.200**	**89.200**	**0.000**	**89.200**	**98.450**

*Employee cost is partially allocated **FROM** Metro District pursuant to sharing agreement

Employee cost is partially allocated **TO Metro District pursuant to sharing contract

APPENDIX 4
OPERATING FUND COSTS BY DEPARTMENT

	2023 ACTUAL	2024 BUDGET	2024 REVISED	2025 PROPOSED	2025 % CHANGE FROM PY BUDGET	2025 % CHANGE FROM REVISED BUDGET
WATER OPERATIONS						
600 SURFACE WATER	4,062,571	4,434,335	6,873,988	5,412,002	22.0%	-21.3%
602 WELLS	1,552,409	1,873,800	1,853,800	1,974,200	5.4%	6.5%
610 GROUNDWATER FAC.	325,774	273,500	293,500	314,000	14.8%	7.0%
620 PUMPING EXPENSES	1,623,671	2,422,971	2,044,121	2,602,908	7.4%	27.3%
630 DISTRIBUTION TANKS	40,678	89,500	69,500	86,500	-3.4%	24.5%
640 WTP OPERATIONS	3,002,963	3,192,828	3,955,196	4,487,869	40.6%	13.5%
650 WTP MAINTENANCE	1,199,689	1,320,000	1,403,000	1,396,680	5.8%	-0.5%
664 METER INSTALLATION	905,721	663,502	613,207	1,111,100	67.5%	81.2%
671 TRANS/DIST MAINTENANCE	1,419,654	1,642,220	1,991,905	2,428,475	47.9%	21.9%
TOTAL WATER OPS	14,133,130	15,912,656	19,098,217	19,813,734	24.5%	3.7%
WASTEWATER OPERATIONS						
711 COLL/TRANS. MAINTENANCE	1,127,311	1,260,640	1,182,370	992,900	-21.2%	-16.0%
720 WWTP OPERATIONS	2,699,650	2,762,640	3,695,776	4,389,227	58.9%	18.8%
730 WWTP MAINTENANCE	1,445,503	1,667,395	1,524,985	1,787,000	7.2%	17.2%
740 LIFT STATIONS	207,653	287,500	207,500	307,500	7.0%	48.2%
TOTAL WASTEWATER OPS	5,480,117	5,978,175	6,610,631	7,476,627	25.1%	13.1%
TECHNICAL MANAGEMENT						
805 WATER RESOURCES	1,334,444	1,495,275	1,478,580	1,530,915	2.4%	3.5%
805-75 WATER CONSERVATION	251,819	260,505	287,365	258,630	-0.7%	-10.0%
840 O&M ADMINISTRATION	1,087,518	1,154,020	1,226,325	1,300,340	12.7%	6.0%
860 LAB SERVICES	876,258	1,020,510	1,061,950	1,186,900	16.3%	11.8%
870 SCADA	1,091,103	1,185,125	1,201,060	1,256,710	6.0%	4.6%
850 GIS SERVICES	241,675	256,110	267,885	287,535	12.3%	7.3%
880 ENGINEERING	946,306	1,076,153	807,263	1,083,493	0.7%	34.2%
893 FLEET	238,651	221,700	221,700	250,200	12.9%	12.9%
TOTAL TECHNICAL MGMT	6,067,774	6,669,398	6,552,128	7,154,723	7.3%	9.2%
GENERAL MANAGEMENT						
900 GENERAL GOVERNANCE	660,880	247,200	532,225	637,750	158.0%	19.8%
905 COMMUNITY RELATIONS	175,714	329,250	332,320	330,915	0.5%	-0.4%
910 OFFICE OF THE MANAGER	349,511	385,980	402,300	381,190	-1.2%	-5.2%
920 HUMAN RESOURCES	249,702	304,650	295,910	288,390	-5.3%	-2.5%
930 FINANCIAL SERVICES	910,749	1,519,039	1,258,385	1,325,020	-12.8%	5.3%
950 INFORMATION SYSTEMS	381,423	463,500	562,570	564,500	21.8%	0.3%
960 CUSTOMER SERVICE	834,273	895,580	751,803	694,455	-22.5%	-7.6%
970 OFFICE SERVICES	82,845	82,166	104,166	83,696	1.9%	-19.7%
975 ADMINISTRATIVE BLDG	232,758	331,990	344,935	287,800	-13.3%	-16.6%
980 INSURANCE	280,366	285,000	346,715	285,000	0.0%	-17.8%
TOTAL GENERAL MGMT	4,158,221	4,844,355	4,931,329	4,878,716	0.7%	-1.1%
MISC CAPITAL	58,575	250,000	250,000	250,000	0.0%	0.0%
TOTAL BY ACTIVITY	$ 29,897,818	$ 33,654,584	$ 37,442,305	$ 39,573,800	17.6%	5.7%

APPENDIX 5
OPERATING FUND COSTS BY EXPENDITURE TYPE

				2025		
	2023 ACTUAL	2024 BUDGET	2024 REVISED	PROPOSED	PROPOSED VS. PY ADOPTED	PROPOSED VS. PY REVISED
BOARD DIRECTED						
111 REGULAR WAGES	$ 7,508,733	$ 8,206,967	$ 8,024,520	$ 8,807,750	7.3%	9.8%
121 OVERTIME WAGES	349,292	326,750	322,450	322,300	-1.4%	0.0%
13x PAYROLL EXPENSES	2,438,629	2,650,538	2,583,218	2,915,585	10.0%	12.9%
113 TEMPORARY	50,758	80,300	80,300	90,300	12.5%	12.5%
182 DEVELOPMENT	55,497	86,050	82,050	95,900	11.4%	16.9%
184 UNIFORMS	40,653	43,170	88,215	47,400	9.8%	-46.3%
191 BOARD DIRECTOR FEES	7,800	9,600	9,600	9,600	0.0%	0.0%
195 ADMINISTRATIVE CONTRACT	540,735	536,086	536,086	581,123	8.4%	8.4%
TOTAL	10,992,097	11,939,461	11,726,439	12,869,958	7.8%	9.8%
CONTRACTED SERVICES						
352 LEGAL	975,024	655,000	928,000	970,000	48.1%	4.5%
370 ELECTION	59,348	5,000	5,000	70,000	1300.0%	1300.0%
354 AUDITING	23,994	28,000	70,000	78,000	178.6%	11.4%
368 INSURANCE	280,366	285,000	346,715	285,000	0.0%	-17.8%
550 WATER LEASES	3,915,886	4,194,984	6,731,738	5,171,097	23.3%	-23.2%
TOTAL	5,254,618	5,167,984	8,081,453	6,574,097	27.2%	-18.7%
DEPARTMENT DIRECTED NONVARIABLE						
219 OFFICE SUPPLIES	1,086	1,500	1,500	1,500	0.0%	0.0%
220 MEETINGS	9,233	31,420	24,520	16,520	-47.4%	-32.6%
222 EMPLOYEE RELATIONS	16,958	20,560	15,060	16,260	-20.9%	8.0%
223 RECRUITMENT	-	5,500	5,500	5,500	0.0%	0.0%
226 SAFETY SUPPLIES	40,663	59,075	62,075	47,075	-20.3%	-24.2%
227 JANITORIAL SUPPLIES	12,749	19,000	19,500	19,500	2.6%	0.0%
229 OTHER SUPPLIES	369,273	406,100	477,895	410,500	1.1%	-14.1%
230 SOFTWARE	65,717	272,154	144,050	141,500	-48.0%	-1.8%
244 REPAIR PARTS	1,772,534	1,753,750	1,566,750	2,273,900	29.7%	45.1%
245 METERS	57,955	107,953	77,657	75,900	-29.7%	-2.3%
246 FLEET SUPPLIES	39,987	30,000	30,000	40,000	33.3%	33.3%
TOTAL	2,386,155	2,707,012	2,424,507	3,048,155	12.6%	25.7%

APPENDIX 5
OPERATING FUND COSTS BY EXPENDITURE TYPE

				2025		
	2023 ACTUAL	2024 BUDGET	2024 REVISED	PROPOSED	PROPOSED VS. PY ADOPTED	PROPOSED VS. PY REVISED
PURCHASED SERVICES						
301 BANKING FEES	57,623	76,000	70,000	76,000	0.0%	8.6%
311 POSTAGE AND FREIGHT	89,629	102,100	111,100	62,400	-38.9%	-43.8%
313 VEHICLE LICENSES	275	700	700	1,000	42.9%	42.9%
319 COMMUNICATION SERVICES	189,623	184,235	261,850	236,510	28.4%	-9.7%
325 ADVERTISING	1,024	600	600	500	-16.7%	-16.7%
329 PRINTING	78,217	122,300	104,300	104,800	-14.3%	0.5%
331 MEMBERSHIP DUES	80,998	90,115	92,934	101,490	12.6%	9.2%
335 PUBLICATIONS	1,738	7,750	7,850	6,200	-20.0%	-21.0%
343 EQUIPMENT RENTAL	95,185	91,000	163,000	118,500	30.2%	-27.3%
344 REPAIR SERVICES	1,010,834	1,501,500	1,524,900	1,585,500	5.6%	4.0%
346 CONTRACT TEMP	19,286	35,000	-	-	-100.0%	-100.0%
347 JANITORIAL SERVICES	65,404	65,400	72,400	71,320	9.1%	-1.5%
348 CONTRACTED MAINTENANCE	111,437	187,500	157,500	236,500	26.1%	50.2%
349 LANDFILL SERVICES	121,231	114,280	121,260	125,640	9.9%	3.6%
355 PROFESSIONAL SERVICES	1,074,520	1,197,340	1,297,240	1,302,340	8.8%	0.4%
363 LAB SERVICES	151,859	214,000	242,000	269,000	25.7%	11.2%
367 SLUDGE DISPOSAL	684,908	594,000	494,646	600,680	1.1%	21.4%
369 OTHER SERVICES	1,059,867	1,698,875	1,764,490	1,546,106	-9.0%	-12.4%
371 AUTOMOBILE EXPENSE	865	3,350	3,000	3,100	-7.5%	3.3%
372 CONFERENCES	22,914	44,905	43,605	48,500	8.0%	11.2%
389 ADMINISTRATIVE CONTRACT	73,775	86,093	86,093	80,020	-7.1%	-7.1%
TOTAL	4,991,212	6,417,043	6,619,468	6,576,106	2.5%	-0.7%
DEPARTMENT DIRECTED VARIABLE						
271 FUEL	118,831	120,000	120,000	130,000	8.3%	8.3%
281 WATER TREATMENT CHEMICALS	2,501,986	2,738,935	4,411,139	5,535,498	102.1%	25.5%
TOTAL	2,620,817	2,858,935	4,531,139	5,665,498	98.2%	25.0%
UTILTIES						
391 ELECTRIC	3,485,968	4,178,271	3,691,421	4,455,608	6.6%	20.7%
392 WATER/SEWER	25,608	35,000	33,000	36,000	2.9%	9.1%
394 NATURAL GAS	82,768	100,878	84,878	98,378	-2.5%	15.9%
TOTAL	3,594,344	4,314,149	3,809,299	4,589,986	6.4%	20.5%
MISCELLANEOUS CAPITAL	58,575	250,000	250,000	250,000	0.0%	0.0%
TOTAL BY EXPENDITURE TYPE	$ 29,897,818	$ 33,654,584	$ 37,442,305	$ 39,573,800	17.6%	5.7%

APPENDIX 6
WATER AND WASTEWATER SERVICES EXHIBIT B

RESERVED CAPACITY COST FOR UNDEVELOPED NONRESIDENTIAL		
Total Number of Acres Platted		1,173.091
Total Number of Acres Service Not Requested		(126.258)
Less total acres placed in service		(1,018.063)
Total reminaing acres with requested service		29
No. of taps at two 3/4" per undeveloped acre		58
Capacity Fee per Nonresidential 3/4" tap	$	9,650
Estimated Reserved Capacity Cost Undeveloped Remaining	**$**	**559,700**

RESERVED CAPACITY COST FOR UNDEVELOPED SINGLE FAMILY RESIDENTIAL		
Total Number of Dwelling Units Platted		29,540
Total Number of Dwelling Units - Service not requested		0
Less Total Number of dwelling units placed in service		(29,494)
No. of remaining Single Family Residential taps		46
Capacity Fee per Single Family Residential 3/4" tap	$	5,960
Estimated Reserved Capacity Cost Undeveloped Remaining	**$**	**274,160**

RESERVED CAPACITY COST FOR UNDEVELOPED MULTI-FAMILY RESIDENTIAL		
Total Number of Dwelling Units Platted		8,716
Total Number of Dwelling Units - Service not requested		0
Less Total Number of dwelling units placed in service		(8,512)
No. of remaining Multi-Family Residential taps		204
Capacity Fee per Multi-Family Residential 3/4" tap	$	3,780
Estimated Reserved Capacity Cost Undeveloped Remaining	**$**	**771,120**

CALCULATION OF RESERVED CAPACITY PAYMENTS DUE		
Remaining		
Nonresidential	$	559,700
Single Family		274,160
Multi Family		771,120
Total remaining payments due		1,604,980
Collected thru 9/30/2024		
Metro 1		37,811,016
Metro 2		42,377,431
Metro 3		40,661,354
Metro 4		41,791,224
Consolidated		43,550,008
Total payments collected		206,191,033
Total reserved capacity costs	**$**	**207,796,013**

RESERVED CAPACITY PAYMENTS MADE TO DATE		
As of 12/31/23 per CWSD general ledger (951-410-10-xxxx)	$	(206,191,033)
Present value discount on 1992 Metro 1 payment		(353,665)
4/01/2024 Payment		(533,750)
Total reserved capacity payments made to date	**$**	**(207,078,448)**

TOTAL DUE		
Total reserved capacity cost		207,796,013
Less payments made to date		(207,078,448)
Total Due	**$**	**717,565**

PAYMENT DUE APRIL 1,	Collected in Excess of Amount Paid	Minimum	40% of Total Due + Excess	Total Minimum + 40% of Excess	Cumulative
2025	$ -	$ 100,000	$ 287,026	$ 387,026	$ 387,026
2026		$ 100,000	$ 132,216	$ 232,216	$ 619,242
2027		$ 100,000	$ 39,329	$ 139,329	$ 758,571
2028		$ 100,000	$ (16,402)	$ 83,598	$ 842,169
2029		$ 100,000	$ (49,841)	$ 50,159	$ 892,327
2030		$ 100,000	$ (69,905)	$ 30,095	$ 922,422
2031		$ 100,000	$ (81,943)	$ 18,057	$ 940,479