



**CENTENNIAL**  
WATER AND SANITATION DISTRICT

# 2019 Adopted Budget & Rates



Adopted December 17, 2018  
Highlands Ranch, CO



**CENTENNIAL**  
WATER AND SANITATION DISTRICT

2019  
Adopted Budget  
& Rates

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# CENTENNIAL

WATER AND SANITATION DISTRICT

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# CENTENNIAL

## WATER AND SANITATION DISTRICT

December 17, 2018

Centennial Water and Sanitation District  
Board of Directors and Customers;

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

The 2019 Budget was approved and adopted by the Board of Directors on December 17, 2018. As part of the approval process, \$40,583,489 was appropriated for operations, including miscellaneous capital and debt service.

The 2019 operations portion of the Budget anticipates:

- A 0.8% or \$202,000 increase in expenditures from the 2018 budget. The increase in budgeted expenditures is primarily due to increases for wages and water treatment chemicals.
- An increase in operating revenues of 5.2% or \$1.8 million from 2019 budgeted revenues. This increase in revenues is generated primarily by an increase in water and wastewater fixed fees.

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

### Managing challenges

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

#### Water Supply

Water is a precious resource in the arid west, and water supply management is a vital component of the operations of the District and a significant driver in the development of the budget. Annual and long term planning for demand is impacted by cost, storage, and availability. While the District has ample groundwater to supply the community’s indoor water demand, the primary source over the past 37 years has been renewable surface water.

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

The District holds long term and short term surface water leases in its portfolio to supply the needs in a cost effective manner. District leaders are active on several regional and state committees to identify



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water supply projects that will benefit the community now and into the future.

The District projects annual customer demand using a five year rolling average of production plus the impact of anticipated new development. An estimate for available surface water is developed based on projected snow pack, reservoir storage levels, existing lease agreements and anticipated spot sales. The 2019 budget assumes total demand of 16,550 acre-feet from which 14,150 acre-feet is surface water, 2,000 acre-feet is groundwater, and 400 acre-feet is reuse.

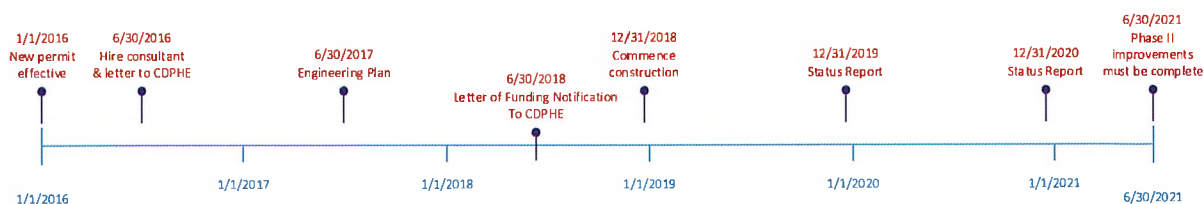
### Regulatory

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

Regulation 85 nutrient limits have made necessary improvements to District facilities. The district is planning to close on a debt issuance of \$70 million in January 2019 to finance these improvements as well as address aging infrastructure.

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

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



Current regulatory programs are listed below:

1. Centennial maintains an industrial pretreatment program to monitor industries and other businesses that discharge wastewater. Annual inspections at each facility are conducted and documented in a database. Periodic wastewater sampling is conducted as needed to monitor wastewater discharges. This program regulates and prevents hazardous chemicals or waste from being discharged into the sewer system and harming the wastewater treatment plant or passing through without treatment.
2. Centennial, in conjunction with the Highlands Ranch Metro District, Douglas County, and Tri-County Health Department, conducts a Household Hazardous Waste Roundup event on an annual basis. Hazardous and toxic chemicals and wastes are collected and either recycled or disposed of at approved facilities. This helps mitigate the dumping of the waste material into the streets, sanitary sewers, or storm sewers of Highlands Ranch. For more information about the Household Hazardous Waste Roundup, please visit [www.highlandsranch.org](http://www.highlandsranch.org).

3. As part of national homeland security efforts, Centennial has developed an Emergency Response Plan to document procedures that will be taken to protect Highlands Ranch's water sources and distribution system from accidental or intentional contamination.
4. Centennial's water system includes backup systems to provide drinking water to our residents in the event of accidental or intentional contamination.
5. Centennial has standby equipment to contain and recover spills into surface water supplies.
6. Centennial has an Oil Spill Prevention Control and Countermeasure Plan for all of its facilities. The plan provides guidelines and procedures to control and contain fuel or oil spills from storage or treatment facilities.
7. Security measures have been taken to secure and monitor Centennial's water and wastewater treatment facilities. State of the art monitoring equipment provides information to ensure that the facilities are safe and secure.

### Infrastructure

Maintenance of the District's infrastructure is essential to meeting customer demands. The District recently worked with Brown and Caldwell on condition assessments of the water and wastewater treatment plants and field assets. These assessments along with the use of Cityworks software will help staff to track maintenance and plan for significant replacements. As mentioned above, the District will be closing on a debt issuance in January 2019 to update the District's aging facilities, with projects such as March Gulch Lift station improvements, well re-drills, and facility upgrades.

### Technology

Technology changes continue to impact almost every aspect of our business. The District continues to review the cost benefit in annual cost reductions and system wide information accumulation from Advanced Metering Infrastructure (AMI). AMI completely automates the data collection process which can benefit the district by providing enhanced information for:

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

### Investing for the future

#### Water

Two significant regional water supply projects, Chatfield Reallocation and Water Infrastructure and Supply Efficiency (WISE), that have been in planning for years continued to take significant steps forward in 2018.

Chatfield Reallocation is a regional storage project to increase storage capacity by 20,600 acre feet with an estimated cost of \$153 million. Centennial's interest represents 31.24% of the total project. Chatfield Dam and the resulting reservoir is an on stream reservoir built in 1973. The project will store renewable surface water from Plum Creek and the South Platte River for storage and use as part of Centennial's water portfolio. Taking opportunities to increase surface water storage is critical to providing reliable water supplies in Colorado's semiarid climate and can help reduce dependence on non-renewable groundwater. Improvements began in 2017 and will continue in 2018. Completion is expected in 2020.

WISE is a regional water project in conjunction with Aurora and Denver Water combining their water and infrastructure that improves water resource utilization for Aurora and Denver, and deliver waters to WISE Authority participants when it's available. Construction on necessary infrastructure began in 2015 and was completed in 2017. A local connection to the system was completed in 2018 with water deliveries beginning in the latter part of that year. The permanent connection is currently in the design phase and forecasted to be completed by May 2021.

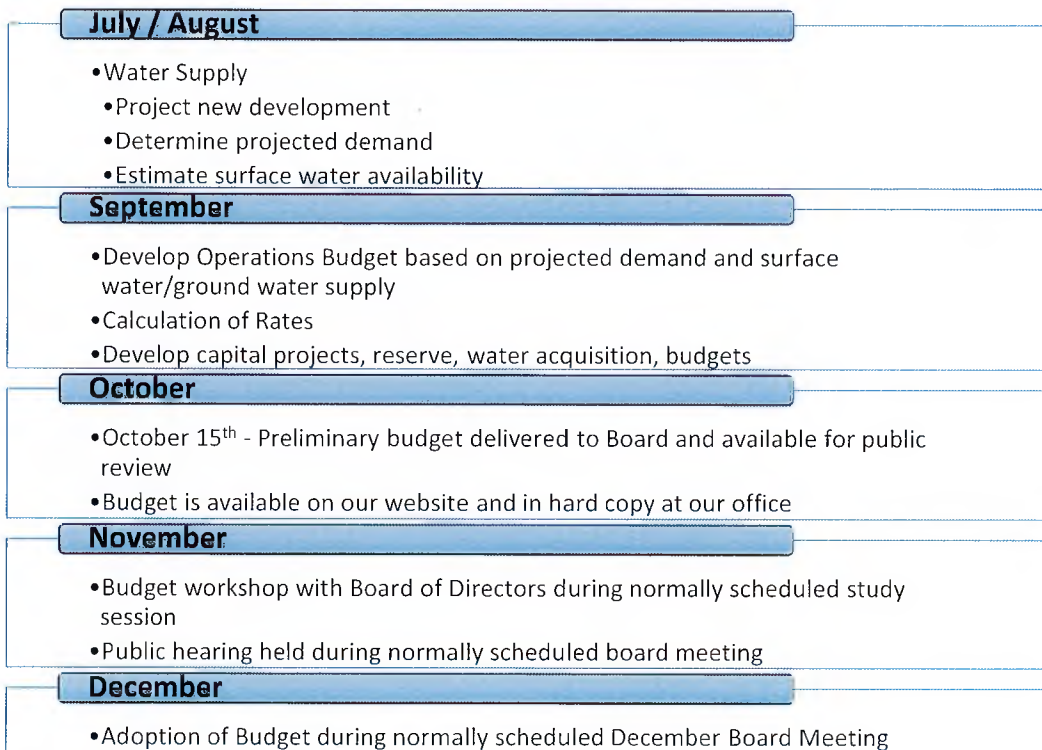


Wastewater

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

Budget Process

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



Annual Operations Expenditures

Some key assumptions in the 2019 budget include:

- an average increase in wages of 4.2%,
- a 7% increase in health insurance premiums with no changes in benefits;
- a decrease in the estimated cost of surface water leases due to the loss of the London mine lease.

Infrastructure / Equipment Needs

In 2012 the District received the final report from Carollo Engineering on the District’s existing Water Distribution System Hydraulic Model, which was developed over the years by both in-house staff and outside consultants to simulate the District’s current water distribution system. With 98% of the residential areas completed, the study was designed to identify any potential bottlenecks that would impact the District’s ability to meet maximum day demands in peak season.

The study concluded that the vast majority of the network was consistent with the original design and performed well and pipe and pump station sizing met the demands for the community. Zone 4, the largest

pressure zone in the system, however would a pumping shortfall during the peak summer months at full buildout. The hydraulic modeling and economic evaluation determined that the most effective way to eliminate this bottleneck is to build another pump station located near Broadway and Wildcat Reserve and provide a 36" water transmission line from this pump station to the Zone 4A reservoir adjacent to Summit View Parkway. Construction of the Zone 4C pump station began in 2017 and became partially operational in August 2018. Total completion is expected by spring 2019.

### **FINANCIAL POLICIES**

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

#### **Budget Procedures and Balancing**

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

Balanced Budget:

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

#### **Fund Balances and Transfers**

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

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

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

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

#### **Rate and Fee Policy**

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

- The Water Service Availability Charge, which is assessed against all customers based on meter size, will be sufficient to meet the annual cost of water related debt service, cost of providing the periodic billing services, the cost of meter replacement, and a portion of the annual contribution to fund the Reserve Fund.



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

### **Investment Policy**

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

- 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.
- 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).
- Corporate Debt: debt issued by any corporation or bank organized and operating within the United States with a maturity not exceeding three years from the date of trade settlement. The debt must be rated at least AA- or the equivalent at the time of purchase by at least two NRSROs, and rated not less by any NRSRO that rates it. The District shall limit investments in Corporate Debt to no more than 25 percent of the total portfolio and 5 percent per issuer.
- 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.
- 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.
- Eligible Bankers Acceptances with original maturities not exceeding 180 days, issued on domestic banks whose senior long-term debt is similar to 4 above; have a combined capital and surplus of at least \$250,000,000; and have deposits insured by the FDIC.
- Local Government Investment Pools authorized under CRS 24-75-701 and 702.
- Money Market Mutual funds which have a rating of AAA by Standard and Poors or AAAM by Moody's.

### **Purchasing Guidelines**

Purchasing Guidelines are intended to ensure that purchases are made in accordance with good business practices while streamlining the amount of paperwork wherever possible. The Purchasing Guidelines were first implemented in the early 1980's and were most recently revised on September 1, 2008. The Purchasing Guidelines set the structure for delegated authority, levels for obtaining bids, and allowable purchases. In all circumstances, approvals cannot take place unless sufficient funds have been appropriated for the project through approval by the Board of Directors. Any adjustment to the appropriations must also be presented to the Board of Directors for approval.

### **Compensation Plan**

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

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

### **Benefits**

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

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

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

Each year balancing available resources with the costs to provide quality services can be challenging. Centennial Water and Sanitation District is committed to providing quality water and wastewater services while managing resources wisely. The 2019 Budget enables the District to provide services which meet needs and enhance the quality of life for its customers. We encourage readers to read the Introduction and the narratives for each fund for more detailed information on the revenue sources and the outflow of funds in addition to reviewing the financial summaries.

Sincerely,



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



# CENTENNIAL

WATER AND SANITATION DISTRICT

## Mission

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

## Vision

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

## Core Values



### **Safety**

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

### **Teamwork**

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

### **Vision**

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

### **Excellence in Service**

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

### **Integrity**

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

## HOW TO USE THE BUDGET DOCUMENT

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

- The first section of the Budget is devoted to the **INTRODUCTION**, which includes the Budget Message section which provides an overview of the entire budget, and highlights where we are as a District.
- The second section – the **SUMMARY**- provides a quick reference to basic information in a capsulated form. Included in this section is: the Statement of Operations and Changes in Financial (Fund Balance) Position (2017-2019) for the combined as well as individual funds; the Key Economic Assumptions used to generate the budget numbers; and a narrative describing the key elements of the various funds.
- The final section is devoted to the detail of the **REVENUE and EXPENSE** Budgets of the District. The revenue section includes estimates of the revenues to be raised through the imposition of rates and charges to the District’s customers and capital contributed from the collection of capacity fees. The expense section summarizes the expenses by the type of activity incurring the expense as well as the nature of the expense.

### INTRODUCTION/OVERVIEW

Centennial was formed in 1980 for the purpose of providing water and wastewater service to the Highlands Ranch master community through a wholesale service agreement with the other governmental entity within the community -the Highlands Ranch Metropolitan District (“HRMD” or “Metro District”). HRMD in turn retails those services to the end users - the property owners. In 1988, utilizing identified extra capacity in its system, Centennial made a minor expansion to its service area beyond Highlands Ranch by entering into another wholesale agreement with Northern Douglas County Water and Sanitation District (“NDC” or “Contract Service Area”). Collectively HRMD and NDC may be referred to as the “Service Districts”. A service area map can be found in the appendix of this document.

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

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

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

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

### FINANCIAL ENTERPRISE – BUDGET BY FUND

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

Funds are a self-balancing group of accounts which are used to record the expenditures for various types of activities performed by the funds to account for different monies coming into the District in different ways. The fund balance represents the difference between assets and liabilities reported in a governmental fund. All expenditures for general operations and capital outlay are reported on a full accrual basis; i.e. expenses are recognized in the period incurred, if measurable. For budgetary purposes, debt and nonrecurring expenditures are recognized on a cash basis; i.e. the expenditure is recognized only when made. The funds of a recurring nature used for budgetary practices are:

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

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

- The specific amount collected related to Water Acquisition is deposited directly into the Water Acquisition Fund.
- The balance of the rate income collected is deposited into the operations funds. After meeting 1) the targeted ending working capital in the operations fund and 2) the targeted ending fund balance in the debt service fund, is transferred to the sub-funds.
  - *Reserve* – \$2.5 M annual requirements is generated from the base rate income and includes components of both the water and wastewater rates. The fund balance is available for major repair and replacement of District owned process equipment, vehicles, well re-drills and smaller renovation of facilities. The District also funds the purchase of miscellaneous new equipment from this fund.
  - *Water Acquisition* - funded by a portion of the rates specifically identified for water acquisition and to the extent available an additional transfer from the financial assurance fund. The water acquisition portion of the rates increased from \$0.57 per thousand gallons to \$0.65 in order to fund the Chatfield Reallocation and WISE projects now that they are entering the design and construction phase. The fund balance is available for:
    - acquisition of surface water
    - operating costs related to the WISE and Chatfield Reallocation Projects
    - construction of facilities to capture, store and deliver surface water
    - protection of stream and reservoir quality and various water conservation incentives.
    - The fund may also be used to fund the cost of maintaining inventory levels in the reservoirs and using Aquifer Storage and Recovery (ASR) for underground storage.
  - *Financial Assurance* – the Financial Assurance adjusts annually based upon the available annual resources net of the transfers above and after considering the targeted transfer to the Debt Service Fund. Examples of resource accumulation that impacts the available funds include 1) the rate income from the higher water tiers which is not accounted for in the calculation of rates; and 2) higher than or lower than the anticipated net investment income used to calculate the rates. Use of the Financial Assurance fund allows the District to avoid fluctuation of rates due to volatile economic conditions or significant reductions in demand.
- Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and other costs related to the management and retirement of debt.
- Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital improvement projects or facilities. The capital improvement projects funded are those identified as backbone infrastructure as identified in the District's Comprehensive Facility Plan as well as new facilities and processes required by an ever changing regulatory environment.

A comparison between the 2018 budget, 2018 projected and 2019 budget expenses are presented in summary form below. A more detailed look at each category of expenditures is found later in this introduction and under the detailed expenditure sections.

	2018 Budget	2018 Projected	2019 Budget	2018 Projected /2019 Budget % Increase/ Decrease
Operations Fund				
Operating expenses - operating fund	\$ 21,896,003	\$ 22,248,559	\$ 22,031,950	-0.97%
Water leases	4,259,150	3,548,916	4,325,149	21.87%
Water Acquisition Fund	1,521,708	1,088,256	1,953,390	79.50%
Total Operating	27,676,861	26,885,731	28,310,489	5.30%
Debt service (scheduled and bond issuance)	8,052,500	7,213,000	11,376,000	57.72%
Reserve (major repair)	6,770,000	2,881,650	12,209,800	323.71%
Reserve (misc. capital)	1,086,537		897,000	100.00%
Capital Projects	35,662,436	18,345,683	45,510,326	148.07%
Nonrecurring	-	-	-	0.00%
	<u>\$ 79,248,334</u>	<u>\$ 55,326,064</u>	<u>\$ 98,303,615</u>	77.68%

## OPERATING REVENUES/OTHER RECEIPTS

### Operating Revenues

Operating revenues are comprised of income received from:

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

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

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

In 2019 base water rates will vary by customer type. The proposed rate structure reflects the additional impact that irrigation use has on the operation of the system.

- The rate model has calculated base rates of **\$3.42** per thousand gallons for indoor usage and **\$3.82** per thousand gallons for outdoor usage.
- Single family residential usage, because it combines indoor and outdoor usage through as single meter, has a blended rate of **\$3.73** per 1,000 gallons for usage up to 100% of their water budget.
- Indoor commercial and multi-family residential usage is all indoor usage. The indoor base rate of **\$3.42** per 1,000 gallons will be applied to usage up to 100% of their water budget.
- Irrigation customers' usage is solely for irrigation so the outdoor base rate of **\$3.82** per 1,000 gallons will be applied to usage up to 100% of their water budget.

The service agreement between Centennial and NDC allows for a rate up to 200% of the HRMD rate. The 2019 rates for NDC include a surcharge of \$1.00 per 1,000 gallons which results in rates less than the maximum 200%. This surcharge is designed to partially offset the increase cost for the acquisition of water from the WISE project, the need for which is largely attributable to providing service outside of the Highlands Ranch service area. More information on the WISE project can be found in the discussion of the Water Acquisition Fund.

The table below summarizes the rates charged from 2015 through the 2019.

Highlands Ranch Metro District						
	2015	2016	2017	2018	2019	
Water Service Availability Charge (bimonthly)	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.30	\$ 28.80	
Single Family Water Rate Up to 100% of Budget 1,000 gallons	\$ 3.05	\$ 3.21	\$ 3.41	\$ 3.63	\$ 3.73	
Indoor Commercial Water Rate Up to 100% of Budget 1,000 gallons	\$ 2.91	\$ 2.97	\$ 3.17	\$ 3.31	\$ 3.42	
Irrigation Water Rate Up to 100% of Budget 1,000 gallons	\$ 3.12	\$ 3.28	\$ 3.48	\$ 3.66	\$ 3.82	
Minimum Wastewater Charge (bimonthly)	\$ 22.29	\$ 22.99	\$ 23.14	\$ 24.00	\$ 28.65	
Wastewater per 1,000 gallons over 3,000	\$ 2.93	\$ 3.03	\$ 3.08	\$ 3.20	\$ 3.35	
Nonpotable Raw Water per 1,000 gallons up to 100% of Water Bud	\$ 1.56	\$ 1.60	\$ 1.65	\$ 1.72	\$ 1.80	
Nonpotable Reuse Water per 1,000 gallons up to 100% of Water Bu	\$ 1.15	\$ 1.15	\$ 1.65	\$ 1.72	\$ 1.80	

Northern Douglas County Water and Sanitation District						
	2015	2016	2017	2018	2019	
Water Service Availability Charge (bimonthly)	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.30	\$ 29.40	
Single Family Water Rate Up to 100% of Budget 1,000 gallons	\$ 4.06	\$ 4.29	\$ 4.46	\$ 4.60	\$ 4.77	
Indoor Commercial Water Rate Up to 100% of Budget 1,000 gallons	\$ 3.91	\$ 4.05	\$ 4.22	\$ 4.33	\$ 4.46	
Irrigation Water Rate Up to 100% of Budget 1,000 gallons	\$ 4.13	\$ 4.36	\$ 4.53	\$ 4.68	\$ 4.86	
Minimum Wastewater Charge (bimonthly)	\$ 22.29	\$ 23.11	\$ 23.14	\$ 24.00	\$ 28.65	
Wastewater per 1,000 gallons over 3,000	\$ 2.93	\$ 3.07	\$ 3.08	\$ 3.20	\$ 3.35	

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



For residential wastewater service, the rates are annually adjusted based on an individual homes average monthly wintertime water consumption for two months as a proxy for actual sewer flows during the entire year. The residential wastewater charges require a minimum of **\$28.65** per bimonthly billing which includes the first 3,000 gallons. The actual bi-monthly rate will be determined for each individual household based on its wintertime consumption multiplied by **\$3.35** (which is also the nonresidential rate) for usage greater than 3,000 gallons plus the minimum amount of **\$28.65**.

Based on the above the District has projected the following rate based operating revenues for 2018 and 2019:

	2018 Budget	2018 Projected	2019 Budget	2018 Projected /2019 Budget % Increase/ Decrease	2020 Projected
<b>Water Operations</b>					
Utilization charges (to Operations Fund)					
Metered water sales	\$ 14,500,000	\$ 14,326,500	\$ 14,500,000	1.21%	\$ 13,301,280
Surcharge	1,610,000	2,000,000	1,600,000	-20.00%	1,475,000
Metered water - CPN/RPMD	262,880	259,900	262,880	1.15%	262,880
Service availability charge	6,575,000	6,701,200	7,100,000	5.95%	6,639,820
	<u>22,947,880</u>	<u>23,287,600</u>	<u>23,462,880</u>	0.75%	<u>21,678,980</u>
Water Acquisition ( WAQ fund)	2,800,000	2,756,500	3,300,000	19.72%	2,619,750
	<u>25,747,880</u>	<u>26,044,100</u>	<u>26,762,880</u>	2.76%	<u>24,298,730</u>
Other operating income (to Operations Fund)					
Penalties, reconnects, final billing	300,000	400,000	300,000	-25.00%	300,000
Castle Pines North	400,000	400,000	400,000	0.00%	400,000
Development charges					
Meter sales	65,160	140,980	56,000	-60.28%	94,310
Inspection Fees	46,630	106,575	36,560	-65.70%	63,390
Construction hydrant water	50,000	16,000	50,000	212.50%	15,000
	<u>861,790</u>	<u>1,063,555</u>	<u>842,560</u>	-20.78%	<u>872,700</u>
Total water operations	<u>\$ 26,609,670</u>	<u>\$ 27,107,655</u>	<u>\$ 27,605,440</u>	1.84%	<u>\$ 25,171,430</u>
<b>Wastewater Operations</b>					
Base	3,485,000	3,485,000	4,400,000	26.26%	3,452,570
Usage driven	7,000,000	6,873,000	7,400,000	7.67%	6,639,820
Total wastewater operations (to Operations)	<u>10,485,000</u>	<u>10,358,000</u>	<u>11,800,000</u>	13.92%	<u>10,092,390</u>
Total	<u>\$ 37,094,670</u>	<u>\$ 37,465,655</u>	<u>\$ 39,405,440</u>	5.18%	<u>\$ 35,263,820</u>

### Contributed Capital

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

- The Base Capacity Fee

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

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

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

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

- The Water Acquisition Development Fee  
Collected from new users in the Service Districts at the time the end user is actually placed in service. This fee is designed to generate revenue towards the cost of developing additional water resources to insure economically beneficial supplies in the future. The budgeted fee will remain unchanged in 2019 at \$1,480 per ¾" equivalent. Proceeds from this fee are deposited to the Water Acquisition Fund.
- The Channel Stabilization surcharge  
Collected from new users only within HRMD, this surcharge is collected at the time the end user is actually placed in service. This fee is designed to generate revenue to cover \$4.2 million of funding for various channel stabilization projects in Highlands Ranch, primarily in the Marcy Gulch basin, that Centennial has committed to in order to protect Centennial's water storage in McLellan Reservoir from the effects of soil erosion and stormwater contamination and to protect Centennial's pipeline infrastructure from erosion induced damage. The budgeted fee is \$250, unchanged in 2019. Proceeds from this fee are deposited to the Water Acquisition Fund.

**Other revenues not directly related to operations**

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

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

**Net Investment Income**

The District invests funds in excess of current requirements according to an investment policy approved by the Board of Directors. The 2018 and 2019 budget will assume steady yields for reinvestment resulting in an anticipated annualized yield of the total portfolio of 1.5%.

**OUTLAYS**

**OPERATING EXPENSES**

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

**BY COST CENTER**

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

	2017 Actual	2018 Adopted	2018 Projected	2019 Budget
<b><u>Operations Fund</u></b>				
<i>Operation expenses</i>				
Water operations	\$ 9,055,590	\$ 9,730,517	\$ 9,738,806	\$ 10,066,005
Wastewater operations	4,296,289	5,287,419	5,300,294	5,486,108
Technical Management	4,175,040	4,593,004	4,546,492	4,553,496
General Management	2,840,479	3,061,271	3,002,726	3,128,731
<i>Miscellaneous Capital Leases</i>				
Water Leases	3,396,155	3,482,942	3,209,157	3,122,759
Miscellaneous Capital	347,993	-	-	-
Total Operations Fund	24,111,546	26,155,153	25,797,475	26,357,099
<b><u>Water Acquisition Fund</u></b>				
Water Acquisition	520,644	1,521,708	1,088,256	1,953,390
<b>Total operating outlay</b>	<b>\$ 24,632,190</b>	<b>\$ 27,676,861</b>	<b>\$ 26,885,731</b>	<b>\$ 28,310,489</b>

### **Water Operations**

Water operations include funding for a staff of **28** Full Time Equivalents (FTE's).

The activities supported in Water Operations include the following:

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

### **Wastewater Operations**

Wastewater operations include funding for a staff of **27** FTE's.

The activities supported in Wastewater Operations include the following:

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

### **Technical Management**

Technical Management includes funding for a staff of **21.375** FTE's.

The activities supported in Technical Management include the following:

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

### **General Management**

General Management includes funding for a staff of **18.50** FTE's.

The activities supported by General Management include the following:

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

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

**Water Leases**

Provides for the annual purchase of surface water pursuant to various agreements for treatment at the Joseph Blake Water Treatment Plant.

Below is a summary of the 2019 budget water lease payment amounts.

	2019 Budget			
	Acre Feet	Consumption S	Lease S	Total
<b>OPERATIONS FUND</b>				
Long Term				
a) City of Engelwood	4,900	\$ 1,839,974	\$877,867	\$2,717,841
b) Denver Water Board	1,620	342,140		342,140
c) CCWCD	50	27,328		27,328
Other				
CET	0	-		-
Cline Ranch	50	10,000		10,000
Other Miscellaneous		25,450		25,450
<b>Subtotal</b>	<b>6,620</b>	<b>2,244,892</b>	<b>877,867</b>	<b>3,122,759</b>
<b>WATER ACQUISITION FUND</b>				
WISE	641			1,202,390
<b>Total</b>	<b>7,261</b>	<b>\$ 2,244,892</b>	<b>\$877,867</b>	<b>\$4,325,149</b>

**Direct Payment / Capital Lease Payment**

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

**BY OBJECT OF EXPENDITURE**

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

	2018 Budget	2018 Projected	2019 Budget	2019 Budget compared to	
				2018 Budget % Inc/(Dec)	2018 Projected % Inc/(Dec)
Personal services	\$ 9,267,219	\$ 9,213,441	\$ 9,496,929	2.5%	3.1%
Material and supplies	2,604,352	2,622,276	2,615,614	0.4%	-0.3%
Fuel and chemical products	1,954,290	2,154,109	2,163,582	10.7%	0.4%
Purchased services	4,961,943	4,777,333	5,026,399	1.3%	5.2%
Utilities	3,095,059	3,064,811	3,235,268	4.5%	5.6%
Contractual obligations (w/ contingency)	4,272,290	3,965,505	3,819,307	-10.6%	-3.7%
Subtotal - Operating Fund	26,155,153	25,797,475	26,357,099	0.8%	2.2%
Water Acquisition Fund - contracted services	1,521,708	1,088,256	1,953,390	28.4%	79.5%
Total	\$ 27,676,861	\$ 26,885,731	\$ 28,310,489	2.3%	5.3%

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

Personal Services

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

Materials and Supplies

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

Fuel and Chemical Products

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

Purchased Services

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

Miscellaneous Capital

Expenditures for capital assets with a value in excess of \$5,000 and a life expectancy of greater than two years. In general these outlays are for nonstructural items that are used to directly assist with the day to day operations. Examples of items that are funded in this manner are vehicles, contractor equipment and other small equipment. The anticipated expenditures for 2019 are detailed on the Miscellaneous Capital Schedule.

Utilities

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

**DEBT SERVICE**

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

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

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

The District anticipates issuing debt in late 2018 to fund improvements at the wastewater treatment plant. The amount is currently estimated at \$70,000,000.

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

	<u>2018 Projected</u>	<u>2019 Budget</u>
Interest	\$ 823,000	\$ 3,738,000
Principal payments (scheduled)	5,990,000	6,105,000
CWCB estimated loan payments	400,000	1,533,000
	<u>\$ 7,213,000</u>	<u>\$ 11,376,000</u>

On November 3, 1992, a majority of the qualified electors of the District authorized the issuance of general obligation debt in an amount not to exceed \$280,000,000 of which \$178,216,000 remains authorized but unissued. All of the existing debt is revenue based.

**CAPITAL PROJECTS and MAJOR REPAIR**

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

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

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

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

2019 Projects identified include:

- Chatfield Reallocation outlay, with design work began in 2016 and continued in 2018. The District received a revised cost estimate in mid-October. The budget shows an 18% increase based on the new estimate. The District is seeking an increase in the loan from the Colorado Water Conservation Board.
- Wastewater Treatment Plant improvements to meet Regulation 85 nutrient requirements.
- Ongoing repair and replacement of major equipment and infrastructure as needed.

The new appropriations during the year for water and wastewater projects are combined with any carry-forward unexpended appropriations from prior year's net of appropriations which are subsequently rescinded due to the completion of a project to provide the net available authorization for capital expenses. To the extent that the District does not expend this authorized amount during 2018, the unexpended amount will be carried forward to 2019 and will be added to the 2019 appropriations to calculate the authorized expenses. The schedule below shows the anticipated appropriation status for various water and wastewater projects in 2017 through 2019.

	Capital Projects Fund		Major Repair	Water Acquisition	
	Facility Plan	Utility Plan		Fund	Chatfield Escrow
Carried forward from 2017	\$ 3,875,374	\$ 3,822,920	\$ 1,259,713	\$ 550,144	\$ 52,071,848
Net appropriations anticipated	19,660	9,671,938	1,621,937	405,647	
Less carried forward to 2019					(25,471,848)
2018 Outlay	<b>\$ 3,895,034</b>	<b>\$ 13,494,858</b>	<b>\$ 2,881,650</b>	<b>\$ 955,791</b>	<b>\$ 26,600,000</b>
Carried forward from 2018	-	-	-	-	25,471,848
Net appropriations anticipated	449,340	64,997,550	23,306,800	5,063,436	-
Less carried forward to 2020		(25,000,000)	(10,200,000)	-	
2019 Outlay	<b>\$ 449,340</b>	<b>\$ 39,997,550</b>	<b>\$ 13,106,800</b>	<b>\$ 5,063,436</b>	<b>\$ 25,471,848</b>
Carried forward from 2019	-	25,000,000	10,200,000	-	-
Net appropriations anticipated	-	100,000	800,000	148,436	-
Less carried forward to 2021					
2020 Outlay	<b>\$ -</b>	<b>\$ 25,100,000</b>	<b>\$ 11,000,000</b>	<b>\$ 148,436</b>	<b>\$ -</b>

**NON-RECURRING**

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

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



**OPERATING TRANSFERS and FUND BALANCE POLICIES**

Although the District’s financial statements are presented as an enterprise fund, for budgeting purposes the District has created numerous funds that mirror the intent of such funds as found in general governmental accounting. To assist with the funding, the Board has established various policies relating to target fund balances. In order to meet these policies, the Board authorizes transfer of resources between the various funds which have been established for budgetary purposes. The primary fund balance policies, the types of transfers and the priority of said transfers are anticipated in the 2018 and 2019 budgets as follows:

Operations Working Capital

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

Operations to Debt Service

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

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

	Transfer Required	Target ending Fund Balance*
2018	\$ 8,000,000	\$ 9,843,000
2019	\$ 9,000,000	\$ 10,116,000

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

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

To the extent that the ending balance in the Operating Fund exceeds the working capital requirement and the Debt Service transfer, excess funds up to \$2,100,000 will be transferred first to the Reserve then to the Financial Assurance Funds. 2018 and 2019 projected transfers from the Operating Fund are as follows:

Operations Transfers of rate income to/(from):	2018	2019
	Projected	Budget
Reserves	\$ 2,500,000	\$ 2,500,000
Financial Assurance	-	-
Total	\$ 2,500,000	\$ 2,500,000

Capital to Water Acquisition

The 2019 budget does not included a transfer from the Capital Fund to the Water Acquisition Fund for the Chatfield Reallocation Project.

CENTENNIAL WATER AND SANITATION DISTRICT  
ALL FUNDS - 2016-2018

	2017 Actual	2018 Budget	2018 Projected	2019						Adopted Budget
				Operating Funds				Restricted Funds		
				Operations	Financial Assurance	Water Acquisition	Reserve	Debt Service	Capital Projects	
<b>REVENUES &amp; OTHER RECEIPTS</b>										
Operating revenues										
Water utilization charges	\$ 24,670,787	\$ 25,747,880	\$ 26,044,100	\$ 23,462,880		\$ 3,300,000	\$ -	\$ -	\$ -	\$ 26,762,880
Wastewater utilization charges	10,036,591	10,485,000	10,358,000	11,800,000		-	-	-	-	11,800,000
Other operating	569,944	861,790	1,063,555	842,560		-	-	-	-	842,560
Intergovernmental/fund reimb	456,232	505,860	494,175	491,755		-	-	-	-	491,755
Rental Income	261,173	236,700	253,300	265,100		-	-	-	-	265,100
	<u>35,994,727</u>	<u>37,837,230</u>	<u>38,213,330</u>	<u>36,862,295</u>	<u>-</u>	<u>3,300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,162,295</u>
Nonoperating and other receipts										
Miscellaneous	46,657	15,000	37,000	15,000		-	-	-	-	15,000
Lease Proceeds	-	-	-	-		-	-	-	-	-
Bond proceeds (net of OHD)	1,569,065	25,000,000	-	-		-	-	70,000,000	-	70,000,000
Contributed Capital	6,281,063	3,343,311	3,896,444	-		475,750	398,000	-	394,122	1,267,872
Net investment income	924,378	756,000	843,000	836,000		-	-	-	-	836,000
<b>Total Revenues &amp; Other Receipts</b>	<u>44,815,890</u>	<u>66,951,541</u>	<u>42,989,774</u>	<u>37,713,295</u>	<u>-</u>	<u>3,775,750</u>	<u>398,000</u>	<u>70,000,000</u>	<u>394,122</u>	<u>112,281,167</u>
<b>OUTLAYS</b>										
Operating expenses										
Water operations	9,576,234	10,476,017	10,487,303	10,066,005		751,000	-	-	-	10,817,005
Wastewater operations	4,296,289	5,287,419	5,300,294	5,486,108		-	-	-	-	5,486,108
Technical management	4,175,040	4,593,004	4,546,492	4,553,496		-	-	-	-	4,553,496
General management	2,840,479	3,061,271	3,002,726	3,128,731		-	-	-	-	3,128,731
	<u>20,888,042</u>	<u>23,417,711</u>	<u>23,336,815</u>	<u>23,234,340</u>	<u>-</u>	<u>751,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,985,340</u>
Miscellaneous Capital/leases										
Water leases	3,396,155	4,259,150	3,548,916	3,122,759		1,202,390	-	-	-	4,325,149
Misc. Capital	347,993	1,086,537	-	-		-	897,000	-	-	897,000
Capital lease payments	-	-	-	-		-	-	-	-	-
	<u>24,632,190</u>	<u>28,763,398</u>	<u>26,885,731</u>	<u>26,357,099</u>	<u>-</u>	<u>1,953,390</u>	<u>897,000</u>	<u>-</u>	<u>-</u>	<u>29,207,489</u>
Debt Related										
Interest	984,859	1,837,500	1,223,000	-		-	-	5,271,000	-	5,271,000
Principal	5,695,000	5,990,000	5,990,000	-		-	-	6,105,000	-	6,105,000
	<u>6,679,859</u>	<u>7,827,500</u>	<u>7,213,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,376,000</u>	<u>-</u>	<u>11,376,000</u>
Capital outlay										
Capital projects and related items	14,619,363	42,432,436	21,227,333	-		5,063,436	12,209,800	-	40,446,890	57,720,126
	<u>14,619,363</u>	<u>42,432,436</u>	<u>21,227,333</u>	<u>-</u>	<u>-</u>	<u>5,063,436</u>	<u>12,209,800</u>	<u>-</u>	<u>40,446,890</u>	<u>57,720,126</u>
Nonrecurring										
Bond issuance expenditures	-	225,000	-	-		-	-	-	-	-
Transfer to Userrow	-	-	-	-		-	-	-	-	-
Water transfer agreement payment	-	-	-	-		-	-	-	-	-
	<u>-</u>	<u>225,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Outlays</b>	<u>45,931,412</u>	<u>79,248,334</u>	<u>55,326,064</u>	<u>26,357,099</u>	<u>-</u>	<u>7,016,826</u>	<u>13,106,800</u>	<u>11,376,000</u>	<u>40,446,890</u>	<u>98,303,615</u>
<b>OPERATING TRANSFERS</b>										
Operations - Debt Service	-	-	-	(9,000,000)		-	-	9,000,000	-	-
Operations - Reserve	-	-	-	(2,500,000)		-	2,500,000	-	-	-
Operations - Water Acq./Prot	-	-	-	-		-	-	-	-	-
Operations - FAF	-	-	-	-		-	-	-	-	-
Operations - Capital Projects	-	-	-	-		-	-	-	-	-
Financial Assurance - Water Acq	-	-	-	-		-	-	(70,000,000)	70,000,000	-
Financial Assurance - Debt	-	-	-	-	(950,000)	-	-	950,000	-	-
Reserves - Capital Projects	-	-	-	-		-	10,000,000	-	(10,000,000)	-
Water Acq./Prot - Reserves	-	-	-	-		-	-	-	-	-
Water Acq./Prot - Capital Projects	-	-	-	-		-	-	-	-	-
Water Acq/Prot - Debt Service	-	-	-	-		(1,533,000)	-	1,533,000	-	-
Debt Service - Capital Projects	-	-	-	-		-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,500,000)</u>	<u>(950,000)</u>	<u>(1,533,000)</u>	<u>12,500,000</u>	<u>(58,517,000)</u>	<u>60,000,000</u>	<u>-</u>
<b>NET RECEIPTS (OUTLAY) OF FUNDS AND OPERATING TRANSFERS</b>	<u>(1,115,522)</u>	<u>(12,296,793)</u>	<u>(12,336,290)</u>	<u>(143,804)</u>	<u>(950,000)</u>	<u>(4,774,076)</u>	<u>(208,800)</u>	<u>107,000</u>	<u>19,947,232</u>	<u>13,977,552</u>
<b>FUNDS AVAILABLE - BEGINNING</b>	<u>89,821,999</u>	<u>81,381,448</u>	<u>88,706,477</u>	<u>13,184,635</u>	<u>8,994,664</u>	<u>13,234,986</u>	<u>19,598,412</u>	<u>8,530,699</u>	<u>12,826,792</u>	<u>76,370,187</u>
<b>Restricted</b>	<u>(629,122)</u>	<u>(629,122)</u>	<u>(629,122)</u>	<u>(629,122)</u>	<u>(629,122)</u>	<u>(810,122)</u>	<u>(810,122)</u>	<u>(810,122)</u>	<u>(810,122)</u>	<u>(810,122)</u>
<b>FUNDS AVAILABLE - ENDING</b>	<u>\$ 88,706,477</u>	<u>\$ 68,455,533</u>	<u>\$ 75,741,065</u>	<u>\$ 13,040,831</u>	<u>\$ 8,044,664</u>	<u>\$ 7,650,788</u>	<u>\$ 19,389,612</u>	<u>\$ 8,637,699</u>	<u>\$ 32,774,024</u>	<u>\$ 89,537,617</u>

CENTENNIAL WATER AND SANITATION DISTRICT  
REVISED - ALL FUNDS

	2018								Variance
	2018 Budget	Operating Funds				Restricted Funds		Projected Actuals	
		Operations	Financial Assurance	Reserve	Water Acq./Prot.	Debt Service	Capital Projects		
<b>REVENUES &amp; OTHER RECEIPTS</b>									
Operating revenues									
Water utilization charges	\$ 25,747,880	\$ 23,287,600		\$ -	\$ 2,756,500	\$ -	\$ -	\$ 26,044,100	\$ 296,220
Wastewater utilization charges	10,485,000	10,358,000		-	-	-	-	10,358,000	(127,000)
Other operating	861,790	1,063,555		-	-	-	-	1,063,555	201,765
Intergovernmental/Fund reimb	505,860	494,175		-	-	-	-	494,175	(11,685)
Rental Income	236,700	253,500		-	-	-	-	253,500	16,800
	<u>37,837,230</u>	<u>35,456,830</u>		<u>-</u>	<u>2,756,500</u>	<u>-</u>	<u>-</u>	<u>38,213,330</u>	<u>376,100</u>
Nonoperating and other receipts									
Miscellaneous	15,000	37,000		-	-	-	-	37,000	22,000
Lease Proceeds	-	-		-	-	-	-	-	-
Bond proceeds (net of OID)	25,000,000	-		-	-	-	-	-	(25,000,000)
Contributed Capital	3,343,311	-	127,400	439,420	86,292	3,243,332	3,896,444	553,133	
Net investment income	756,000	843,000		-	-	-	-	843,000	87,000
<b>Total Revenues &amp; Other Receipts</b>	<u>66,951,541</u>	<u>36,336,830</u>	<u>-</u>	<u>127,400</u>	<u>3,195,920</u>	<u>86,292</u>	<u>3,243,332</u>	<u>42,989,774</u>	<u>(23,961,767)</u>
<b>OUTLAYS</b>									
Operating expenses									
Water operations	10,476,017	9,738,806		-	748,497	-	-	10,487,303	(11,286)
Wastewater operations	5,287,419	5,300,294		-	-	-	-	5,300,294	(12,875)
Technical management	4,593,004	4,546,492		-	-	-	-	4,546,492	46,512
General management	3,061,271	3,002,726		-	-	-	-	3,002,726	58,545
	<u>23,417,711</u>	<u>22,588,318</u>		<u>-</u>	<u>748,497</u>	<u>-</u>	<u>-</u>	<u>23,336,815</u>	<u>80,896</u>
Miscellaneous Capital/Leases									
Water Leases	4,259,150	3,209,157		-	339,759	-	-	3,548,916	710,234
Capital related items	1,086,537	-		-	-	-	-	-	-
Capital Lease Payments	-	-		-	-	-	-	-	-
	<u>28,763,398</u>	<u>25,797,475</u>		<u>-</u>	<u>1,088,256</u>	<u>-</u>	<u>-</u>	<u>26,885,731</u>	<u>791,130</u>
Debt Related									
Interest	1,837,500	-		-	-	1,223,000	-	1,223,000	614,500
Principal	5,990,000	-		-	-	5,990,000	-	5,990,000	-
	<u>7,827,500</u>	<u>-</u>		<u>-</u>	<u>-</u>	<u>7,213,000</u>	<u>-</u>	<u>7,213,000</u>	<u>614,500</u>
Capital outlay									
Capital Projects	42,432,436	-	2,881,650	955,791	-	17,389,892	21,227,333	21,227,333	21,205,103
	<u>42,432,436</u>	<u>-</u>	<u>2,881,650</u>	<u>955,791</u>	<u>-</u>	<u>17,389,892</u>	<u>21,227,333</u>	<u>21,227,333</u>	<u>21,205,103</u>
Nonrecurring									
Bond issuance expenditures	225,000	-		-	-	-	-	-	225,000
Transfer to Refunding Escrow	-	-		-	-	-	-	-	-
Water transfer agreement payment	-	-		-	-	-	-	-	-
	<u>225,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,000</u>
<b>Total Outlays</b>	<u>79,248,334</u>	<u>25,797,475</u>	<u>-</u>	<u>2,881,650</u>	<u>2,044,047</u>	<u>7,213,000</u>	<u>17,389,892</u>	<u>55,326,064</u>	<u>22,835,733</u>
<b>OPERATING TRANSFERS</b>									
Operations - Debt Service	-	(8,000,000)		-	-	8,000,000	-	-	-
Operations - Reserve	-	(2,500,000)		2,500,000	-	-	-	-	-
Operations - Water Acq/Prot	-	-		-	-	-	-	-	-
Operations - FAI	-	-		-	-	-	-	-	-
Operations - Capital Projects	-	-		-	-	-	-	-	-
Financial Assurance - Water Acq	-	-		-	-	-	-	-	-
Financial Assurance - Debt	-	-		-	-	-	-	-	-
Reserves - Capital Projects	-	-		-	-	-	-	-	-
Water Acq/Prot - Reserves	-	-		-	-	-	-	-	-
Water Acq/Prot - Capital Projects	-	-		-	-	-	-	-	-
Water Acq/Prot - Debt Service	-	-		(400,000)	400,000	-	-	-	-
Debt Service - Capital Projects	-	-		-	-	-	-	-	-
	<u>-</u>	<u>(10,500,000)</u>	<u>-</u>	<u>2,500,000</u>	<u>(400,000)</u>	<u>8,400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET RECEIPTS (OUTLAY) OF FUNDS AND OPERATING TRANSFERS</b>	<u>(12,296,793)</u>	<u>39,355</u>	<u>-</u>	<u>(254,250)</u>	<u>751,873</u>	<u>1,273,292</u>	<u>(14,146,560)</u>	<u>(12,336,290)</u>	<u>(39,497)</u>
<b>FUNDS AVAILABLE - BEGINNING</b>	<u>81,381,448</u>	<u>13,145,280</u>	<u>8,994,664</u>	<u>19,852,662</u>	<u>12,483,113</u>	<u>7,257,407</u>	<u>26,973,352</u>	<u>88,706,477</u>	<u>7,325,029</u>
Restricted	(629,122)			(629,122)				(629,122)	
<b>FUNDS AVAILABLE - ENDING</b>	<u>\$ 68,455,533</u>	<u>\$ 13,184,635</u>	<u>\$ 8,994,664</u>	<u>\$ 19,598,412</u>	<u>\$ 12,605,864</u>	<u>\$ 8,530,699</u>	<u>\$ 12,826,792</u>	<u>\$ 75,741,065</u>	<u>\$ 7,285,532</u>

CENTENNIAL WATER AND SANITATION DISTRICT  
OPERATIONS  
2017-2019

	2017 Actual	2018 Adopted	2018 Projected	2019 Budget
<i>REVENUES &amp; OTHER RECEIPTS</i>				
Operating revenues				
Water utilization charges	\$ 22,122,229	\$ 22,947,880	\$ 23,287,600	\$ 23,462,880
Wastewater utilization charges	10,036,591	10,485,000	10,358,000	11,800,000
Other operating	569,944	861,790	1,063,555	842,560
Intergovernmental/Fund Reimb.	456,232	505,860	494,175	491,755
Rental Income	261,173	236,700	253,500	265,100
<i>Total operating revenues</i>	<u>33,446,169</u>	<u>35,037,230</u>	<u>35,456,830</u>	<u>36,862,295</u>
Other				
Gain/Loss	15,940	-	16,000	-
Miscellaneous	-	15,000	21,000	15,000
Lease Proceeds	-	-	-	-
Net investment income	922,540	756,000	843,000	836,000
<i>Total Revenues &amp; Other Receipts</i>	<u>34,384,649</u>	<u>35,808,230</u>	<u>36,336,830</u>	<u>37,713,295</u>
<i>OUTLAYS</i>				
Operations expenses				
Water operations	9,055,590	9,730,517	9,738,806	10,066,005
Wastewater operations	4,296,289	5,287,419	5,300,294	5,486,108
Technical management	4,175,040	4,593,004	4,546,492	4,553,496
General management	2,840,479	3,061,271	3,002,726	3,128,731
	<u>20,367,398</u>	<u>22,672,211</u>	<u>22,588,318</u>	<u>23,234,340</u>
Miscellaneous Capital / Leases				
Water Leases	3,396,155	3,482,942	3,209,157	3,122,759
Direct payment	347,993	-	-	-
Capital Lease Payment	-	-	-	-
<i>Total Outlays</i>	<u>24,111,546</u>	<u>26,155,153</u>	<u>25,797,475</u>	<u>26,357,099</u>
<i>OPERATING TRANSFERS</i>				
Operations - Debt Service	(7,100,000)	(7,680,500)	(8,000,000)	(9,000,000)
Operations - Reserve	(1,745,157)	(2,500,000)	(2,500,000)	(2,500,000)
Operations - Water Acq/Prot.	-	-	-	-
Operations - FAF	(3,300,000)	335,000	-	-
Operations - Capital Projects	-	-	-	-
	<u>(12,145,157)</u>	<u>(9,845,500)</u>	<u>(10,500,000)</u>	<u>(11,500,000)</u>
<i>NET RECEIPTS/(OUTLAY) OF FUNDS AND OPERATING TRANSFERS</i>	<u>(1,872,054)</u>	<u>(192,423)</u>	<u>39,355</u>	<u>(143,804)</u>
<i>FUNDS AVAILABLE - BEGINNING</i>	15,017,334	13,664,692	13,145,280	13,184,635
<i>FUNDS AVAILABLE - ENDING</i>	<u>\$ 13,145,280</u>	<u>\$ 13,472,269</u>	<u>\$ 13,184,635</u>	<u>\$ 13,040,831</u>

CENTENNIAL WATER AND SANITATION DISTRICT

RESERVE

2017-2019

	2017 Actual	2018 Adopted	2018 Projected	2019 Budget
<i>REVENUES &amp; OTHER RECEIPTS</i>				
Bond proceeds (net of OID)	\$ -	\$ -	\$ -	\$ -
Contributed capital	\$ 1,136,800	725,200	\$ 127,400	398,000
Other	30,717	-	-	-
Miscellaneous	-	-	-	-
<i>Total Revenues &amp; Other Receipts</i>	<u>1,167,517</u>	<u>725,200</u>	<u>127,400</u>	<u>398,000</u>
<i>OUTLAYS</i>				
Capital outlay	581,383	6,770,000	2,554,095	9,614,800
Well redrills		1,200,000	105,000	2,295,000
Miscellaneous Capital	587,333	1,086,537	222,555	897,000
In-tract Replacement		-	-	300,000
<i>Total Outlays</i>	<u>1,168,716</u>	<u>9,056,537</u>	<u>2,881,650</u>	<u>13,106,800</u>
<i>OPERATING TRANSFERS</i>				
Operations - Reserve	1,745,157	2,500,000	2,500,000	2,500,000
Water Acquisition - Reserve				
Capital - Reserve	-	-	-	10,000,000
	<u>1,745,157</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>12,500,000</u>
<i>NET RECEIPTS/(OUTLAY) OF FUNDS AND OPERATING TRANSFERS</i>	1,743,958	(5,831,337)	(254,250)	(208,800)
<i>FUNDS AVAILABLE - BEGINNING</i>	18,108,704	19,182,738	19,852,662	19,598,412
<i>FUNDS AVAILABLE - ENDING</i>	<u>\$ 19,852,662</u>	<u>\$ 13,351,401</u>	<u>\$ 19,598,412</u>	<u>\$ 19,389,612</u>
	<u>Pre-2016</u>			
<i>Roxborough assignment</i>				
Beginning balance	\$ -	\$ -	\$ 800,000	\$ -
Amounts received	1,136,800	725,200	127,400	398,000
Amounts expended for line replacement		\$ -		
Ending Balance	<u>\$ -</u>	<u>\$ 1,136,800</u>	<u>\$ 1,525,200</u>	<u>\$ 525,400</u>
<i>Well funding assignment</i>				
Beginning balance	\$ -	\$ 8,017,678	\$ 8,098,615	\$ 6,898,615
Transferred in in from capital projects	10,393,000	-	-	-
Outlay	(2,375,322)	80,937	(1,200,000)	(2,295,000)
Ending Balance	<u>\$ 8,017,678</u>	<u>\$ 8,098,615</u>	<u>\$ 6,898,615</u>	<u>\$ 4,498,615</u>

CENTENNIAL WATER AND SANITATION DISTRICT  
WATER ACQUISITION and PROTECTION  
2017-2019

	2017		2018 Budget		2018 Projected		2019	
	Water Acq	Channel Stab.	Water Acq	Channel Stab.	Water Acq	Channel Stab.	Water Acq	Channel Stab.
<b>REVENUES &amp; OTHER RECEIPTS</b>								
Water utilization charges								
Rate allocation	\$ 2,548,558		\$ 2,558,720		\$ 2,515,220		\$ 3,048,000	
NDC Surcharge			241,280		241,280		252,000	
Contributed Capital								
Water Acquisition	825,840		375,920		375,920		407,000	
Channel Stabilization		139,500		63,500		63,500		68,750
Loan Proceeds	1,569,065							
Other								
Net investment income	1,816							
<i>Total Revenues &amp; Other Receipts</i>	<u>4,945,279</u>	<u>139,500</u>	<u>3,175,920</u>	<u>63,500</u>	<u>3,132,420</u>	<u>63,500</u>	<u>3,707,000</u>	<u>68,750</u>
<b>OUTLAYS</b>								
Operations								
WISE	345,602		1,176,708		682,009		1,583,390	
Chatfield Reallocation	175,042		345,000		406,247		370,000	
Water Conservation Grants								
Capital outlay								
Water Acquisition Projects	4,664,712		716,436		955,791		5,063,436	
Water Rights								
Nonrecurring								
Bond issuance costs			225,000					
Transfer to Escrow								
<i>Total Outlays</i>	<u>5,185,356</u>	<u>-</u>	<u>2,463,144</u>	<u>-</u>	<u>2,044,047</u>	<u>-</u>	<u>7,016,826</u>	<u>-</u>
<b>OPERATING TRANSFERS</b>								
Operations - Water Acq./Prot								
Capital Projects - Water Acq./Prot	-		-		-		-	
Reserve - Water Acq./Prot	-		-		-		-	
Debt Service - Water Acq./Prot	-		(577,000)		(400,000)		(1,533,000)	
Financial Assurance - Water Acq./Prot.	-							
Intrafund transfer	139,500	(139,500)	63,500	(63,500)	63,500	(63,500)	68,750	(68,750)
	<u>139,500</u>	<u>(139,500)</u>	<u>(513,500)</u>	<u>(63,500)</u>	<u>(336,500)</u>	<u>(63,500)</u>	<u>(1,464,250)</u>	<u>(68,750)</u>
<b>NET RECEIPTS (OUTLAY) OF FUNDS AND OPERATING TRANSFERS</b>	<u>(100,577)</u>	<u>-</u>	<u>199,276</u>	<u>-</u>	<u>751,873</u>	<u>-</u>	<u>(4,774,076)</u>	<u>-</u>
<b>FUNDS AVAILABLE - BEGINNING</b>	<u>12,583,690</u>	<u>-</u>	<u>14,455,880</u>	<u>-</u>	<u>12,483,113</u>	<u>-</u>	<u>13,234,986</u>	<u>-</u>
	<u>12,483,113</u>	<u>-</u>	<u>14,655,156</u>	<u>-</u>	<u>13,234,986</u>	<u>-</u>	<u>8,460,910</u>	<u>-</u>
<b>RESTRICTED for WISE OPERATIONAL RESERVE</b>	<u>(448,122)</u>	<u>-</u>	<u>(629,122)</u>	<u>-</u>	<u>(629,122)</u>	<u>-</u>	<u>(810,122)</u>	<u>-</u>
<b>FUNDS AVAILABLE - ENDING</b>	<u>\$ 12,034,991</u>	<u>\$ -</u>	<u>\$ 14,026,034</u>	<u>\$ -</u>	<u>\$ 12,605,864</u>	<u>\$ -</u>	<u>\$ 7,650,788</u>	<u>\$ -</u>
<b>CRMC Escrow Account</b>								
Beginning balance	\$ -		(587,361)		1,816		(2,598,184)	
Cash deposited			-				-	
Interest income	1,816							
Loan proceeds			22,500,000		24,000,000		25,471,848	
	<u>1,816</u>		<u>21,912,639</u>		<u>24,001,816</u>		<u>22,873,664</u>	
Outlays			(25,000,000)		(26,600,000)		(25,471,848)	
Ending Escrow balance	<u>1,816</u>		<u>(3,087,361)</u>		<u>(2,598,184)</u>		<u>(2,598,184)</u>	
<b>FUNDS AVAILABLE - with Escrow</b>	<u>\$ 12,036,807</u>		<u>\$ 10,938,673</u>		<u>\$ 10,007,680</u>		<u>\$ 5,052,604</u>	
<b>Channel Stabilization</b>								
Payments to date - IIRMD		\$ 4,200,000		\$ 4,200,000		\$ 4,200,000		\$ 4,200,000
Collections to date surcharges		(3,261,500)		(3,491,500)		(3,325,000)		(3,393,750)
Net amount to be collected		<u>\$ 938,500</u>		<u>\$ 708,500</u>		<u>\$ 875,000</u>		<u>\$ 806,250</u>
Remaining units needed		<u>3,754</u>		<u>2,834</u>		<u>3,500</u>		<u>3,225</u>



CENTENNIAL WATER AND SANITATION DISTRICT  
 WATER ACQUISITION and PROTECTION  
 2017-2019

	2017	2018 Budget	2018 Projected	2019
<b>OPERATIONS</b>				
WISE (45-615-40)				
SMWiseA	129,450	129,500	129,450	65,000
Program management				
Infrastructure O&M	36,609	90,000	31,800	135,000
Minimum based on take or pay		776,208	339,759	1,202,390
Operational reserves	179,543	181,000	181,000	181,000
	<u>345,602</u>	<u>1,176,708</u>	<u>682,009</u>	<u>1,583,390</u>
CHATFIELD (45-615-50)				
CRMC management	172,042	345,000	406,247	370,000
Operations	3,000			
	<u>175,042</u>	<u>345,000</u>	<u>406,247</u>	<u>370,000</u>
	<u>520,644</u>	<u>1,521,708</u>	<u>1,088,256</u>	<u>1,953,390</u>

CENTENNIAL WATER AND SANITATION DISTRICT  
DEBT SERVICE  
2017-2019

	2017 Actual	2018 Adopted	2018 Projected	2019 Budget
<i>REVENUES &amp; OTHER RECEIPTS</i>				
Contributed Capital	24,243	-	86,292	-
Bond proceeds (net of OID/premium)		-		70,000,000
Other		-	-	-
Investment Income	22	-	-	-
<i>Total Revenues &amp; Other Receipts</i>	<u>24,265</u>	<u>-</u>	<u>86,292</u>	<u>70,000,000</u>
<i>OUTLAYS</i>				
Debt Related				
Principal	5,695,000	5,990,000	5,990,000	6,105,000
Interest - (actual payments)	984,859	1,260,500	823,000	3,738,000
Interest - (water acquisition funded)	-	577,000	400,000	1,533,000
	<u>6,679,859</u>	<u>7,827,500</u>	<u>7,213,000</u>	<u>11,376,000</u>
Nonrecurring				
Bond issuance expenditures	-	-		
Transfer to Refunding Escrow	-	-		-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Outlays</i>	<u>6,679,859</u>	<u>7,827,500</u>	<u>7,213,000</u>	<u>11,376,000</u>
<i>OPERATING TRANSFERS</i>				
Operations - Debt Service	7,100,000	7,680,500	8,000,000	9,000,000
Water Acq/Prot - Debt Service		577,000	400,000	1,533,000
Financial Assurance - Debt Service				950,000
Debt Service - Capital Projects	-			(70,000,000)
	<u>7,100,000</u>	<u>8,257,500</u>	<u>8,400,000</u>	<u>(58,517,000)</u>
<i>NET RECEIPTS/(OUTLAY) OF FUNDS AND OPERATING TRANSFERS</i>	444,406	430,000	1,273,292	107,000
<i>FUNDS AVAILABLE - BEGINNING</i>	6,813,001	7,160,447	7,257,407	8,530,699
<i>FUNDS AVAILABLE - ENDING</i>	<u>\$ 7,257,407</u>	<u>\$ 7,590,447</u>	<u>\$ 8,530,699</u>	<u>\$ 8,637,699</u>

CENTENNIAL WATER AND SANITATION DISTRICT  
CAPITAL PROJECTS  
2017-2019

	2017 Actual	2018 Adopted	2018 Projected	2019 Budget
<i>REVENUES &amp; OTHER RECEIPTS</i>				
Contributed Capital	\$ 4,154,680	\$ 2,178,691	\$ 3,243,332	\$ 394,122
Bond proceeds (net of OID)	-	25,000,000		
Other	-		-	
<i>Total Revenues &amp; Other Receipts</i>	<u>4,154,680</u>	<u>27,178,691</u>	<u>3,243,332</u>	<u>394,122</u>
<i>OUTLAYS</i>				
Capital outlay				
Capital Facilities - Facility Plan	8,163,989	1,016,000	3,895,034	449,340
Capital Facilities - Utility Plan	535,604	21,300,000	3,412,930	39,435,530
Plum Creek related	86,342	11,430,000	10,081,928	562,020
Nonrecurring				
Bond issuance expenditures	-	-	-	-
Water transfer agreement payment		-	-	-
<i>Total Outlays</i>	<u>8,785,935</u>	<u>33,746,000</u>	<u>17,389,892</u>	<u>40,446,890</u>
<i>OPERATING TRANSFERS</i>				
Operations - Capital Projects		-	-	-
Debt Service - Capital Projects		-	-	70,000,000
Reserve - Capital Projects		-		(10,000,000)
Water Acq./Prot. - Capital Projects				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000,000</u>
<i>NET RECEIPTS/(OUTLAY) OF FUNDS AND OPERATING TRANSFERS</i>	(4,631,255)	(6,567,309)	(14,146,560)	19,947,232
<i>FUNDS AVAILABLE - BEGINNING</i>	31,604,607	19,019,058	26,973,352	12,826,792
<i>FUNDS AVAILABLE - ENDING</i>	<u>\$ 26,973,352</u>	<u>\$ 12,451,749</u>	<u>\$ 12,826,792</u>	<u>\$ 32,774,024</u>

# KEY ECONOMIC ASSUMPTIONS

Absorption:

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

## KEY BUDGET ASSUMPTIONS

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

	As of 12/31/17	2018 Budget	2018 Projected	2019 Projected
Highlands Ranch Metro District				
Single Family	28,642	105	152	150
Multi Family	6,819	110	126	125
Commercial oriented development				
Commercial and Industrial 3/4" equiv.	2,793	17	56	0
Irrigation only 3/4" equiv.	1,530	4	24	0
Metro irrigation 3/4" equivalents	1,351	18	0	0
Northern Douglas County 3/4" equiv.				
Single Family	1,528	0	0	0
Multi Family	104	0	0	0
C and I 3/4" equiv. w/ GW fee	142			
C and I 3/4" equiv. w/o GW fee	4			
Irrigation only w/ Groundwater fee	101			
Irrigation only w/o Groundwater fee	6	0	0	0

Investment Earnings:

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

	2018 Budget	2018 Projected	2019 Budget
Assumed interest rates on investments	1.00%	1.50%	1.50%

Changes in Personal Services:

The 2019 budget includes the following assumptions for the personal services category expenditures:

1. The 2019 compensation budget is based on a formula consistent with the results of the Wage Compensation Policy adopted by the Board. The formula includes an adjustment to the range structure, merit pay based on performance and an adjustment to market conditions based on information supplied to the Board. Mountain States Employers Council data is used to estimate the structure adjustment (2.2%) and the existing performance matrix based on the employee census would estimate an increase for performance (2.0%). This information is presented to and reviewed by the Board in the preliminary budget.
2. The benefits program, which is reflected in the cost of payroll expenses, includes the following:
  - Health (medical/dental/vision) insurance – In 2019 the District will provide employees a choice between PPO, EPO and Kaiser plan. The budget identifies no cost sharing for the employee coverage and 25% contribution to the family portion of the monthly premiums.
  - Retirement Plan contributions – the defined contribution plan will be funded from 6.2% matching contributions from both the District and the employee. Since this plan is intended to be a replacement for social security, the plan has been changed to limit the maximum contribution at the social security maximum taxable earnings level each year.
  - Employees who participate in the 457 plan are eligible for a matching contribution up to 4%. For purposes of the budget, it is assumed that all employees that currently participate in this program will continue to do so in 2019. The matching structure is 100% on the first 2% of employee contribution and 50% on employee contribution of 3% up to 6%.
  - Medicare portion of FICA - is estimated to continue at 1.45% of salary for those employees who are members of the pension plan. For the temporary or part time employees not eligible for the plan, the full FICA contribution of 7.65% will be made.
  - Life/Disability insurance - Is estimated to be .14% and .52% of eligible wages respectively.
  - Unemployment taxes - it is anticipated that the unemployment taxes mandated for all governmental units will remain at .20% of wages.
  - The cost for Workers Compensation is anticipated to increase 10% based on a 5% rate increase and an increase in the experience modification.

Based on the above, the 2019 payroll costs are estimated to be 31% of regular wages as compared to 31.7% in 2018.

# *FLOW OF FUNDS*

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

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

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

Included as operation costs are:

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

Sources of funds to make the above expenditures include:

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

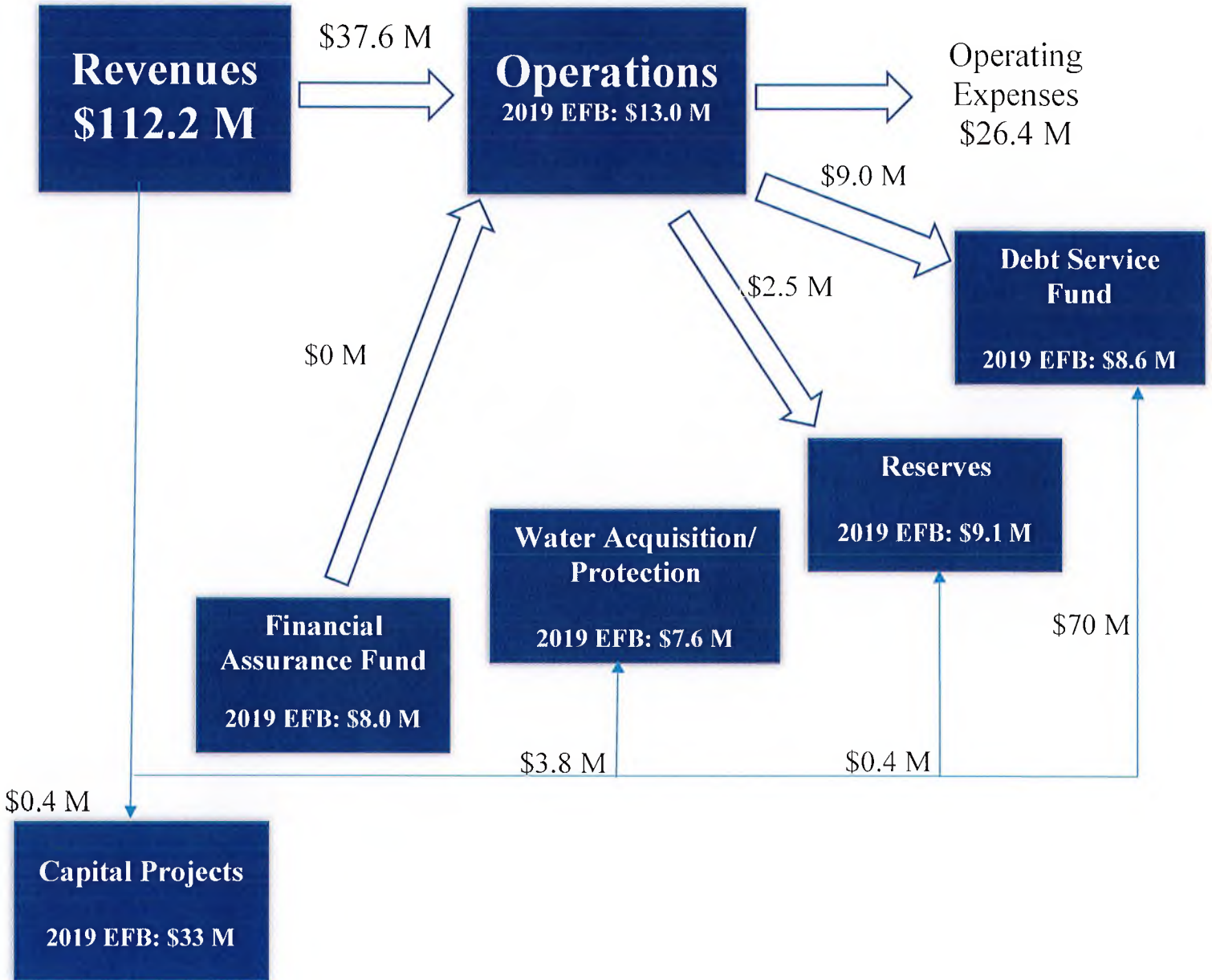
In addition, the District incurs:

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

These expenditures are financed by:

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

## *2019 Budget Flow of Funds*





## ***RATE INCOME***

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

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

	2018			2019		
	Rate per 1,000 Gallons			Rate per 1,000 Gallons		
	Summer	Winter	Irrig Only	Summer	Winter	Irrig Only
<b>Metered Water Consumption</b>						
Usage Relative to "Water Budget" *						
Up to 100% of WB	\$3.63	\$3.63	\$3.66	\$3.73	\$3.73	\$3.82
101% to 120% of WB**	\$4.90	\$4.90	\$5.30	\$5.03	\$5.03	\$5.20
121% to 140% of WB**	\$7.43	\$4.90	\$9.50	\$7.63	\$5.03	\$9.00
Over 140% of WB**	\$11.25	\$8.09	\$14.70	\$11.55	\$8.31	\$15.30
<b>Wastewater Treatment Service</b>						
<u>Residential - Single Family</u>						
Fixed fee	\$14.40	Bi-monthly		\$18.60	Bi-monthly	
Minimum charge -Fixed fee plus 3,000 gallons Use	\$24.00			\$28.65		
Use - winter time average (Fixed fee plus use for winter time average sets fee for year)	\$3.20/ 1,000 gallons			\$3.35/ 1,000 gallons		
<u>Residential - Multi Family (per unit)</u>						
Fixed fee	\$7.20	Monthly		\$9.30	Monthly	
Minimum charge -Fixed fee plus 1,500 gallons	\$12.00			\$14.33		
Use - winter time average (Fixed fee plus use for winter time average sets fee for year)	\$3.20/ 1,000 gallons			\$3.35/ 1,000 gallons		
<u>Nonresidential</u>						
Fixed fee per 3/4" equiv. tap size (Rate times 80% of water consumed)	\$7.20	Monthly		\$9.30	Monthly	
	\$3.20/ 1,000 gallons			\$3.35/ 1,000 gallons		
<b>Water Service Availability Fee</b>						
Residential - Single Family	\$27.30/bimonthly			\$29.40/bimonthly		
Residential - Multi Family	\$8.50/month			\$9.18/month		
Nonresidential (per 3/4" equivalent)	\$13.65/month			\$14.7/month		

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

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

# ***CONTRIBUTED CAPITAL***

## **From Highlands Ranch Metropolitan District**

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

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

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

- by multiplying the number of single family residential dwelling units zoned for a property or in the case of platted land the number of units actually shown on the filing, by the Capacity Fee. The Single Family Residential Capacity Fee effective since January 1, 2000, was \$5,960. The fee is not expected to increase during 2019.
- by multiplying the number of multi-family residential dwelling units zoned for a property or in the case of platted land the number of units actually shown on the filing, by the Capacity Fee. The Multi-Family Residential Capacity Fee effective since January 1, 2000, was \$3,780. The fee is not expected to increase during 2019.
- for nonresidential land the Reserved Capacity Cost is calculated by multiplying the number of acres (either zoned or platted) by two and then multiplying again by the Nonresidential Capacity Fee (3/4" equivalent) of \$9,650 effective since January 1, 2000 and which is not expected to increase during 2019.

The IGA provides for the following payment levels:

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

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

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

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

## **From Northern Douglas County Water and Sanitation District**

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

The collections for contributed capital (including the payments, if any, from NDC and Mirabelle) in 2018 and 2019 are estimated in the following table.

COLLECTIONS FOR CONTRIBUTED CAPITAL

	<u>2018 Projected</u>	<u>2019 Budget</u>
Reserved Capacity Payments		
HIRMD - Exhibit A	\$ 3,243,332	\$ 394,122
Northern Douglas County	-	
Mirabelle Metropolitan District		
	<u>3,243,332</u>	<u>394,122</u>
Channel Stabilization surcharge		
HIRMD	<u>89,500</u>	<u>68,750</u>
Water acquisition fee		
HIRMD	529,840	407,000
Northern Douglas County		-
	<u>529,840</u>	<u>407,000</u>
Option Payments		
Northern Douglas County		
Mirabelle	-	-
	<u>\$ 3,862,672</u>	<u>\$ 869,872</u>

CENTENNIAL WATER & SANITATION DISTRICT  
BY ACTIVITY

Description	2017 ACTUAL	2018 BUDGET	2018 REVISED	2019 BUDGET	REQUESTS	TOTAL	% Change
<b>WATER OPERATIONS</b>							
600 SURFACE WATER	3,520,200	3,800,682	3,503,274	3,359,509		3,359,509	-11.6%
602 WELLS	1,201,478	1,232,329	1,197,717	1,337,620		1,337,620	8.5%
610 GROUNDWATER FAC.	127,278	83,460	94,896	104,900		104,900	25.7%
620 PUMPING EXPENSES	1,527,490	2,122,245	1,947,838	2,064,237		2,064,237	-2.7%
640 WTP OPERATIONS	2,780,663	2,789,350	2,994,733	3,040,374		3,040,374	9.0%
650 WTP MAINTENANCE	1,091,832	1,040,042	1,040,042	1,067,634	3,000	1,070,634	2.9%
664 METER INSTALLATION	679,703	716,551	738,663	775,000		775,000	8.2%
671 TRANS/DIST MAINTENANCE	1,524,132	1,428,800	1,430,800	1,436,490		1,436,490	0.5%
<b>TOTAL WATER OPS</b>	<b>12,452,776</b>	<b>13,213,459</b>	<b>12,947,963</b>	<b>13,185,764</b>	<b>3,000</b>	<b>13,188,764</b>	<b>-0.2%</b>
<b>WASTEWATER OPERATIONS</b>							
711 COLL/TRANS. MAINTENANCE	747,610	1,003,295	1,042,295	1,045,345		1,045,345	4.2%
720 WWTP OPERATIONS	2,182,115	2,451,284	2,451,284	2,564,788	25,000	2,589,788	5.7%
730 WWTP MAINTENANCE	1,253,937	1,636,653	1,636,653	1,664,940	3,000	1,667,940	1.9%
740 LIFT STATIONS	112,627	196,187	170,062	183,035		183,035	-6.7%
<b>TOTAL WASTEWATER OPS</b>	<b>4,296,289</b>	<b>5,287,419</b>	<b>5,300,294</b>	<b>5,458,108</b>	<b>28,000</b>	<b>5,486,108</b>	<b>3.8%</b>
<b>TECHNICAL MANAGEMENT</b>							
805 WATER RESOURCES	1,528,140	1,402,292	1,436,653	1,253,386		1,253,386	-10.6%
805-75 WATER CONSERVATION	78,831	202,700	203,860	196,050		196,050	-3.3%
840 O&M ADMINISTRATION	981,312	1,111,820	1,025,820	1,106,940	18,000	1,124,940	1.2%
860 LAB SERVICES	669,004	880,580	880,259	920,780		920,780	4.6%
850 GIS SERVICES	179,628	196,790	197,090	200,540		200,540	1.9%
880 ENGINEERING	628,129	659,622	663,610	697,800		697,800	5.8%
893 VEHICLES	109,995	139,200	139,200	132,800	27,200	160,000	14.9%
<b>TOTAL TECHNICAL MGMT</b>	<b>4,175,037</b>	<b>4,593,004</b>	<b>4,546,492</b>	<b>4,508,296</b>	<b>45,200</b>	<b>4,553,496</b>	<b>-0.9%</b>
<b>GENERAL MANAGEMENT</b>							
900 GENERAL GOVERNANCE	61,812	76,950	76,890	76,500		76,500	-0.6%
905 COMMUNITY RELATIONS	90,214	84,575	84,575	88,340		88,340	4.5%
910 OFFICE OF THE MANAGER	260,381	258,910	258,810	266,760		266,760	3.0%
920 HUMAN RESOURCES	219,791	179,318	179,318	186,400		186,400	3.9%
930 FINANCIAL SERVICES	894,603	947,150	922,150	933,853		933,853	-1.4%
950 INFORMATION SYSTEMS	208,156	302,800	315,800	355,800		355,800	17.5%
960 CUSTOMER SERVICE	682,869	706,980	671,015	691,130		691,130	-2.2%
970 OFFICE SERVICES	96,630	100,320	100,320	103,250		103,250	2.9%
975 ADMINISTRATIVE BLDG	158,605	223,420	213,000	231,150		231,150	3.5%
980 INSURANCE	166,593	179,300	179,300	194,000		194,000	8.2%
991 DEBT SERVICE	825	1,548	1,548	1,548		1,548	0.0%
<b>TOTAL GENERAL MGMT</b>	<b>2,840,479</b>	<b>3,061,271</b>	<b>3,002,726</b>	<b>3,128,731</b>	<b>-</b>	<b>3,128,731</b>	<b>2.2%</b>
<b>TOTAL BY ACTIVITY</b>	<b>23,764,581</b>	<b>26,155,153</b>	<b>25,797,475</b>	<b>26,280,899</b>	<b>76,200</b>	<b>26,357,099</b>	<b>0.8%</b>

CENTENNIAL WATER & SANITATION DISTRICT  
BY OBJECT

Description	2017 ACTUAL	2018 BUDGET	2018 REVISED	2019 BUDGET	REQUESTS	TOTAL
<b>BOARD DIRECTED BUDGET</b>						
Personal Services						
111 Regular Wages	5,924,420	6,341,060	6,286,477	6,494,060	6,000	6,500,060
121 Overtime Wages	213,564	222,754	222,754	222,754		222,754
13* Payroll Expenses	1,891,575	2,005,850	2,006,050	2,013,950		2,013,950
113x Temporary Help	43,220	58,360	58,360	58,360		58,360
182 Training & Development	30,496	46,660	49,880	61,720		61,720
184 Uniforms	26,171	38,360	35,745	40,085		40,085
195 Administrative Contract	752,567	554,175	554,175	600,000		600,000
<b>TOTAL</b>	<b>8,882,014</b>	<b>9,267,219</b>	<b>9,213,441</b>	<b>9,490,929</b>	<b>6,000</b>	<b>9,496,929</b>
Contracted Services						
302 Paying Agent Fees	825	1,548	1,548	1,548		1,548
352 Legal	512,740	588,000	555,000	480,000		480,000
354 Auditing	18,900	20,500	20,500	21,000		21,000
368 Insurance	166,593	179,300	179,300	194,000		194,000
550 Water Lease	3,396,155	3,482,942	3,209,157	3,122,759		3,122,759
Total	4,095,214	4,272,290	3,965,505	3,819,307	-	3,819,307
<b>DEPT DIRECTED NONVARIABLE</b>						
Materials and Supplies						
219 Office Supplies	2,405	7,500	7,500	7,500		7,500
220 Meeting Exp.	7,193	7,600	6,975	7,175		7,175
222 Employee Relations	8,229	12,900	12,900	13,020		13,020
224 Facilities Supplies	-	-	-	-	25,000	25,000
226 Safety Supplies	34,030	33,615	37,115	32,765		32,765
227 Janitorial Supplies	27,204	19,561	27,561	19,561		19,561
229 Other Operating Suppl	257,176	296,679	352,719	284,393		284,393
230 Computer Supplies	67,432	163,500	154,000	117,000	18,000	135,000
244 Repair Parts	1,837,552	1,974,284	1,934,793	2,001,150		2,001,150
245 Meter Replacements	73,336	73,663	73,663	75,000		75,000
246 Tires, Tubes	15,756	15,050	15,050	15,050		15,050
	2,330,313	2,604,352	2,622,276	2,572,614	43,000	2,615,614
Purchased services						
301 Bank Fees	70,570	70,000	70,000	70,000		70,000
311 Postage and Freight	94,265	135,271	102,771	115,875		115,875
313 Vehicle Licenses & Ti	463	700	700	700		700
319 Communication & Trans	54,615	76,860	75,930	82,730		82,730
325 Advertising	5,767	6,650	6,590	5,550		5,550
329 Printing	36,956	79,775	73,675	74,500		74,500
331 Membership Dues	86,787	77,449	78,610	81,733		81,733

CENTENNIAL WATER & SANITATION DISTRICT  
BY OBJECT

Description	2017 ACTUAL	2018 BUDGET	2018 REVISED	2019 BUDGET	REQUESTS	TOTAL
335 Publications	3,736	5,096	4,746	4,150		4,150
342 Computer Rental	22,580	19,316	19,316	19,316		19,316
343 Equipment Rental	26,716	55,528	62,328	60,428		60,428
344 Repair Services	1,091,184	1,491,490	1,380,054	1,526,045		1,526,045
346 Contract Temp	14,314	12,000	30,629	15,000		15,000
347 Janitorial Services	23,491	53,300	45,300	55,400		55,400
348 Contract Maint.	103,253	189,994	137,030	151,600		151,600
349 Landfill Services	63,377	71,450	71,650	71,650		71,650
351 Medical	-	-	-	-		-
355 Prof Services	868,589	976,550	1,035,050	943,550		943,550
356 Data Processing	-	-	-	-		-
359 Professional	-	-	-	-		-
363 Lab Services	145,982	186,000	188,400	247,400		247,400
367 Sludge Disposal	420,279	413,270	413,270	439,479		439,479
369 Other Purchased Servi	538,867	881,834	830,874	877,823	27,200	905,023
371 Automobile Expense	3,920	7,550	7,550	5,820		5,820
372 Conferences	20,496	45,850	36,850	41,350		41,350
389 Administrative Contra	26,823	106,010	106,010	109,100		109,100
<b>Total</b>	<b>3,723,030</b>	<b>4,961,943</b>	<b>4,777,333</b>	<b>4,999,199</b>	<b>27,200</b>	<b>5,026,399</b>
<b>DEPT DIRECTED VARIABLE</b>						
<b>Fuel and Chemical Products</b>						
271 Gasoline/Fuel	74,030	116,194	109,194	111,099		111,099
281 Water Treatment Chem.	1,720,316	1,838,096	2,044,915	2,052,483		2,052,483
	1,794,346	1,954,290	2,154,109	2,163,582	-	2,163,582
<b>Utlities</b>						
391 Electricity and Power	2,855,247	2,995,062	2,965,814	3,134,545		3,134,545
392 Water/Sewer	27,044	35,000	35,000	35,000		35,000
394 Natural Gas	57,373	64,997	63,997	65,723		65,723
<b>Total</b>	<b>2,939,664</b>	<b>3,095,059</b>	<b>3,064,811</b>	<b>3,235,268</b>	<b>-</b>	<b>3,235,268</b>
<b>TOTAL EXPENDITURES BY OBJECT</b>	<b>23,764,581</b>	<b>26,155,153</b>	<b>25,797,475</b>	<b>26,280,899</b>	<b>76,200</b>	<b>26,357,099</b>

## **DEBT SERVICE REQUIREMENTS**

The projected outstanding principal for the District is as follows:

	<b>Balance 12/31/17</b>	Additions	Retirements	<b>Balance 12/31/18</b>	Additions	Retirements	<b>Balance 12/31/19</b>	Additions	Retirements	<b>Balance 12/30/20</b>
<b>Water</b>										
Series 2012A	20,615,000	-	3,245,000	17,370,000	-	3,315,000	14,055,000	-	3,400,000	10,655,000
Series 2012B	12,600,000	-	2,000,000	10,600,000	-	2,040,000	8,560,000	-	2,075,000	6,485,000
CWCB	1,569,065	24,000,000	-	25,569,065	25,471,848	-	51,040,913	0	2,700,000	48,340,913
	<u>34,784,065</u>	<u>24,000,000</u>	<u>5,245,000</u>	<u>53,539,065</u>	<u>25,471,848</u>	<u>5,355,000</u>	<u>73,655,913</u>	<u>-</u>	<u>8,175,000</u>	<u>65,480,913</u>
<b>Wastewater</b>										
Series 2012B	2,145,000	-	330,000	1,815,000	-	330,000	1,485,000	-	330,000	1,155,000
Series 2012A	4,885,000	-	415,000	4,470,000	-	420,000	4,050,000	-	430,000	3,620,000
Series 2019	-	-	-	-	70,000,000	-	70,000,000	-	-	70,000,000
	<u>7,030,000</u>	<u>-</u>	<u>745,000</u>	<u>6,285,000</u>	<u>70,000,000</u>	<u>750,000</u>	<u>75,535,000</u>	<u>-</u>	<u>760,000</u>	<u>74,775,000</u>
	<u><b>\$ 41,814,065</b></u>	<u><b>\$ 24,000,000</b></u>	<u><b>\$ 5,990,000</b></u>	<u><b>\$ 59,824,065</b></u>	<u><b>\$ 95,471,848</b></u>	<u><b>\$ 6,105,000</b></u>	<u><b>\$ 149,190,913</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 8,935,000</b></u>	<u><b>\$ 140,255,913</b></u>

The projected expenditure for interest on the Districts's debt service during the periods 2018 to 2020 can be summarized as follows:

Funded from Fixed Fees & Capital Transfer	2018	2019	2020
Series 2012A	524,000	449,000	373,000
Series 2012B (w/conversion)	299,000	251,000	203,000
Series 2019	-	3,038,000	3,305,000
	<u>823,000</u>	<u>3,738,000</u>	<u>3,881,000</u>
<b>Funded from Water Acquisition</b>			
CWCB	400,000	1,533,000	2,256,000
	<u><b>\$ 1,223,000</b></u>	<u><b>\$ 5,271,000</b></u>	<u><b>\$ 6,137,000</b></u>

The projected expenditure by bond issue for principal (not including refunding) and interest on the Districts's debt service during the periods 2018 to 2020 can be summarized as follows:

	2018	2019	2020
Series 2012A	4,184,000	4,184,000	4,203,000
Series 2012B (w/conversion)	2,629,000	2,621,000	2,608,000
Series 2019	-	3,038,000	3,305,000
	<u>6,813,000</u>	<u>9,843,000</u>	<u>10,116,000</u>
CWCB Loans	400,000	1,533,000	4,956,000
<b>Total Principal and Interest</b>	<u><b>\$ 7,213,000</b></u>	<u><b>\$ 11,376,000</b></u>	<u><b>\$ 15,072,000</b></u>

CENTENNIAL WATER AND SANITATION DISTRICT  
SUMMARY 2018 - 2021

	Prior Years Approp.	2018				2019		2020	2021	Remaining Future
		Budget	11/30/2018 Actual	Remaining	Expend. Offsets	Budget	Expend. Offsets	Projected	Projected	
<b>FACILITY PLAN / CIP</b>										
WATER FACILITIES										
RAW WATER STORAGE FACILITY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
WATER TREATMENT PLANT	7,281	675,000	284,000	-	-	-	-	-	-	425,000
RAW WATER DELIVERY	-	-	-	-	-	-	-	-	-	1,383,000
BOOSTER PUMP STATIONS	8,066,218	100,000	-	-	-	-	-	-	-	1,000,000
POTABLE STORAGE RESERVOIRS	-	72,000	-	-	-	-	-	-	-	72,000
WELL WATER SUPPLY	-	519,000	19,660	-	-	449,340	-	-	-	50,000
WASTEWATER FACILITIES										
WASTEWATER TREATMENT PLANT	29,583	29,900,000	-	-	-	59,700,000	-	-	-	67,250,000
LIFT STATIONS	-	850,000	385,200	-	-	4,500,000	-	-	-	3,000,000
INFRASTRUCTURE										
WATER	2,663,058	-	-	-	-	30,000	-	100,000	-	100,000
WELL PIPELINES	-	-	-	-	-	-	-	-	-	-
WASTEWATER	-	400,000	760,000	-	-	90,000	-	-	-	-
OTHER	186,030	11,230,000	8,242,738	-	-	677,050	-	-	-	-
<b>TOTAL CAPITAL PROJECTS</b>	<b>\$ 10,952,171</b>	<b>\$ 43,746,000</b>	<b>\$ 9,691,598</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,446,390</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 73,280,000</b>
<b>CAPITAL PROJECTS from</b>										
FACILITY PLAN	\$ 10,729,276	\$ 1,016,000	\$ 19,660	\$ -	\$ -	\$ 449,340	\$ -	\$ -	\$ -	\$ 1,930,000
UTILITY PLAN	222,895	42,730,000	9,671,938	-	-	64,997,050	-	100,000	300,000	71,440,000
	<u>10,952,171</u>	<u>43,746,000</u>	<u>9,691,598</u>	<u>-</u>	<u>-</u>	<u>65,446,390</u>	<u>-</u>	<u>100,000</u>	<u>300,000</u>	<u>73,370,000</u>
<b>WATER RIGHTS ACQUISITION</b>	47,762,853	331,436	330,647	75,000	-	5,063,436	-	148,436	-	2,700,000
<b>MAJOR REPAIR FUND</b>	90,000	9,056,537	430,200	1,191,737	-	23,306,800	-	800,000	9,906,000	36,645,000
	<u>\$ 58,805,024</u>	<u>\$ 53,133,973</u>	<u>\$ 10,452,445</u>	<u>\$ 1,266,737</u>	<u>\$ -</u>	<u>\$ 93,816,626</u>	<u>\$ -</u>	<u>\$ 1,048,436</u>	<u>\$ 9,906,000</u>	<u>\$ 112,625,000</u>



**Centennial Water and Sanitation District**  
Facility Plan 2018-2021

Prior Years Unexpended Appropriations	2018				2019	2020	2021	FUTURE		
	Budget	Through 11/30/18	Remaining	Expend Offsets	Projected	Expend. Offsets	Projected	Projected	Reserve Capacity Fee Funded Future	Review
<b>WATER FACILITIES</b>										
<b>WATER TREATMENT PLANT</b>										
Water Treatment Plant										
Landscaping adjacent to Plaza	100,000	-	-						100,000	
Ground Water Treatment Plant										
Sewer line outfall for GWTP #2	325,000								325,000	
	-	425,000	-	-	-	-	-	-	425,000	-
<b>RAW WATER DELIVERY</b>										
<b>City Ditch:</b>										
Pump station improvements and capacity expansion										500,000
South Platte Wellfields										883,000
Wells 13 and 14										-
	-	-	-	-	-	-	-	-	-	1,383,000
<b>BOOSTER PUMP STATIONS</b>										
Zone 4C Pump Station	66-033	8,066,218								
		8,066,218	-	-	-	-	-	-	-	-
<b>POTABLE STORAGE RESERVOIRS</b>										
<b>Site improvements</b>										
Zone 3 Reservoir		72,000							72,000	
	-	72,000	-	-	-	-	-	-	72,000	-
<b>WELL WATER SUPPLY</b>										
<b>Well supply development:</b>										
GWTP Generator		300,000	19,660		280,340					
<b>Well Site Improvements/Landscaping</b>										
A-6R	Irrigated-Backcountry Fil 118	100,000			100,000					
LFI-2,,D-1	Irrigated-Business Park	69,000			69,000					
TD-5	Irrigated, driveway-Backcountry Fil 118	50,000							50,000	
		-	519,000	19,660	-	-	449,340	-	-	50,000
		8,066,218	1,016,000	19,660	-	-	449,340	-	-	547,000
										1,383,000
<b>TOTAL WATER FACILITIES</b>										
<b>INFRASTRUCTURE</b>										
<b>WATER INFRASTRUCTURE</b>										
Zone 4C Pipeline (7,000 Lf of 36")		2,663,058								
		2,663,058	-	-	-	-	-	-	-	-
<b>WELL PIPELINES</b>										
<b>Northern collection system</b>										
Line	Well served									Length
<b>Southern collections system</b>										
Line	Well served									Length
		-	-	-	-	-	-	-	-	-

Centennial Water and Sanitation District  
Facility Plan 2018-2021

	Prior Years Unexpended Appropriations	2018			2019		2020	2021	FUTURE	
		Budget	Through 11/30/18	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Projected	Reserve Capacity Fee Funded Future
WASTEWATER										
	-	-	-	-	-	-	-	-	-	-
TOTAL INFRASTRUCTURE	2,663,058	-	-	-	-	-	-	-	-	-
TOTAL ALL FACILITIES	10,729,276	1,016,000	19,660	-	-	449,340	-	-	-	547,000 1,383,000

**Centennial Water and Sanitation District**  
Utility Improvement Plan 2018-2021

	Prior Years Unexpended Appropriations	2018			2019		2020	2021	FUTURE	
		Budget	Through 11/30/18	Remaining	Expnd. Offsets	Projected	Expnd. Offsets	Projected	Projected	Usage fee Funded
<b>WATER FACILITIES</b>										
<b>WATER TREATMENT PLANT</b>										
Water Treatment Plant										
Utility plan update		250,000	284,000							
Chlorine control (Chlorine Scrubber)	61-019	7,281								
Groundwater Treatment Plant										
Backup generator										
		7,281	250,000	284,000	-	-	-	-	-	-
<b>BOOSTER PUMP STATIONS</b>										
Zone 1 pump station upgrade (75% due to 4c and 25% Plum Creek)		100,000							1,000,000	
		-	100,000	-	-	-	-	-	1,000,000	-
<b>TOTAL WATER FACILITIES</b>		<b>7,281</b>	<b>350,000</b>	<b>284,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>
<b>WASTEWATER FACILITIES</b>										
<b>WASTEWATER TREAT. PLANT</b>										
Wastewater Plant										
Marcy Gulch WWTP Improvements Phase II Including Regulation 85	29,583	25,000,000			54,300,000					
Marcy Gulch WWTP Improvements Phase II - UV		4,900,000			5,400,000				59,000,000	
Marcy Gulch WWTP Improvements Phase III									8,250,000	
<b>Marcy Gulch Recapture</b>	<b>29,583</b>	<b>29,900,000</b>	<b>-</b>	<b>-</b>	<b>59,700,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,250,000</b>	<b>-</b>
<b>LIFT STATIONS</b>										
Marcy Gulch (Chatfield) replacement / upgrades		850,000	385,200		4,500,000				-	
Willow Creek replacement / upgrades									3,000,000	
		-	850,000	385,200	-	-	-	-	3,000,000	-
<b>TOTAL WASTEWATER FACILITIES</b>	<b>29,583</b>	<b>30,750,000</b>	<b>385,200</b>	<b>-</b>	<b>64,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,250,000</b>	<b>-</b>
<b>INFRASTRUCTURE</b>										
<b>WATER INFRASTRUCTURE</b>										
WTP Ferric Tank					30,000					
Zone 5 Surge Anticipator Valve							100,000			
Zone 3 Surge Anticipator Valve								300,000		
Zone 6 Surge Anticipator Valve									100,000	
		-	-	-	-	-	-	-	100,000	-
<b>WELL PIPELINES</b>										
		-	-	-	-	-	-	-	-	-

**Centennial Water and Sanitation District**  
Utility Improvement Plan 2018-2021

Prior Years Unexpended Appropriations	2018				2019		2020	2021	FUTURE		
	Budget	Through 11/30/18	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Projected	Usage fee Funded	Other Funding	
<b>WASTEWATER INFRASTRUCTURE</b>											
Big Dry Force main bypass (1,000 feet)	400,000	760,000									
Big Dry Lift Station UV Acerator					90,000						
-	400,000	760,000	-	-	90,000	-	-	-	-	-	
<b>TOTAL INFRASTRUCTURE</b>	-	400,000	760,000	-	-	120,000	-	100,000	300,000	100,000	-
<b>OTHER</b>											
<b>SERVICE TO PLUM CREEK PARCEL</b>											
Design											
Water infrastructure	4,130,000	4,267,938			562,050						
Wastewater infrastructure	5,700,000										
Lift Station	1,400,000	3,974,800									
					70,000						
					45,000				90,000		
186,030	11,230,000	8,242,738	-	-	677,050	-	-	-	90,000	-	
<b>TOTAL - OTHER</b>	186,030	11,230,000	8,242,738	-	-	677,050	-	-	-	90,000	-
<b>TOTAL ALL FACILITIES</b>	222,895	42,730,000	9,671,938	-	-	64,997,050	-	100,000	300,000	71,440,000	-

**Centennial Water and Sanitation District**

Water Acquisition 2018-2022

	Prior Years Unexpended Appropriations	2018			2019	2020	2021	2022	FUTURE		
		Budget	Through 11/30/18	Remaining	Projected	Projected	Projected	Projected	Rates	Trsf from Capital	Fee
<b>Chatfield Reallocation - Escrow</b>											
CWCB Contract A (USACI Storage Costs)	50-020	5,471,190									
District Match											
CWCB Contract B (Mitigation Measures)	50-018	29,333,984									
District Match											
CWCB Contract C (Related Mitigation Activities)	50-019	12,064,860									
District Match											
		46,870,034	-	-	-	-	-	-	-	-	-
<b>Chatfield Reallocation/ - Fund</b>											
Preliminary commitments	50-012	278,819									
Brighton		-									
Parker W&S											
SMWSA Participation Agreement - Chatfield				75,000							
		278,819	-	-	75,000	-	-	-	-	-	-
<b>WISE - CAPITAL</b>											
Program management											
DIA connection fee (due 1/1 of budget year thru 2020)		-	148,436	148,436	148,436	148,436	148,436				
ECCV Western Pipeline		-									
Title Clean up costs		-	8,000	7,954	115,000						
Rangeview purchase		-									
ECCV Western Pipeline modifications		-									
Aurora Connection (Pump Station at BWPF)		-	175,000	174,257	4,800,000						
ECCV to Centennial System		614,000									
		614,000	331,436	330,647	5,063,436	148,436	148,436	-	-	-	-
<b>TOTAL WATER RIGHTS ACQUISITION CAPITAL</b>		<b>47,762,853</b>	<b>331,436</b>	<b>330,647</b>	<b>75,000</b>	<b>5,063,436</b>	<b>148,436</b>	<b>148,436</b>	<b>-</b>	<b>-</b>	<b>2,700,000</b>

**Centennial Water and Sanitation District**  
Major Repair Projects 2018-2021

Prior Years Unexpended Appropriations	2018		2019 Projected	2020 Projected	2021 Projected	Future Projected
	Budget	Through 11/30/18 Remaining				
<b>WATER TREATMENT PLANT</b>						
Pre-Treatment Modifications			2,000,000		7,440,000	
Replace Chemical Storage						11,510,000
Reconfiguration of Filers and CCB						15,000,000
<b>OTHER WATER SYSTEM</b>						
<b>Replacement Equipment (see detail list)</b>		165,000	165,000			
Replace Flocculation basin collector drives & hardware	90,000	-				
Replacement Water Treatment Plant Filter Valves (includes installation)		510,000				510,000
Solid Separation Basin Hoseless Sludge Collectors		135,000	135,000			
South Platte Pump Station VFD replacement for BP 1 and BP 2		250,000	105,000			
C&D building garage heaters, heater & A/C unit in office area						75,000
Filter Building HVAC replacement						
Replacement of GWTP #2 Filter Media		165,000				
Solid Separation Basin Decanters						1,000,000
<b>DISTRIBUTION SYSTEM</b>						
<b>Replacement Equipment (see detail list)</b>		90,000	90,000	95,000		
Condition Assessment - Field Vertical Assets		150,000	75,000			
Dad Clark Interceptor Condition Assessment			55,000			
McLellan B Pump Station AC unit			50,000			
South Platte Transfer Station Pumps and VFD				50,000		
Zone 4B Pump Station -rehab					100,000	
McLellan A Pump Station - rehab						1,000,000
Zone 4A Pump Station Rehab						2,000,000
Distribution Tank 2 Replacement						5,000,000
<b>WASTEWATER TREATMENT PLANT</b>						
<b>Replacement Equipment (see detail list)</b>		26,000	26,000			
Secondary Clarifiers		3,500,000	1,900,000			
Headworks		280,000	1,400,000			
Biogas System		610,000				
East Digester		1,000,000	3,900,000			
Biosolid System			10,200,000			
Bridge Repair		250,000	250,000			
Replacement of Grit System Equipment		85,000	150,000			

**Centennial Water and Sanitation District**  
Major Repair Projects 2018-2021

	Prior Years Unexpended Appropriations	2018		2019 Projected	2020 Projected	2021 Projected	Future Projected		
		Budget	Through 11/30/18 Remaining						
<b>OTHER WASTE/WATER SYSTEM</b>									
<b>Replacement Equipment (see detail list)</b>									
Bluffs Lift Station Power Conversion							50,000		
<b>WELL EQUIPMENT REPLACEMENT</b>									
Pumps	95-900	375,000	375,000	250,000	250,000	250,000	250,000		
Drives		250,000	250,000	250,000	250,000	250,000	250,000		
<b>TOTAL PROCESS EQUIPMENT</b>		<b>90,000</b>	<b>7,676,000</b>	<b>345,000</b>	<b>906,000</b>	<b>20,635,000</b>	<b>550,000</b>	<b>8,040,000</b>	<b>36,645,000</b>
<b>WELL REDRILL PROGRAM</b>									
A-1R						1,200,000			
Pipeline (1006)	1200@8"					111,000			
Landscaping						50,000			
A-2 / A-8		1,200,000	85,200	105,200	2,294,800				
<b>TOTAL WELL REDRILL</b>		<b>-</b>	<b>1,200,000</b>	<b>85,200</b>	<b>105,200</b>	<b>2,294,800</b>	<b>-</b>	<b>1,361,000</b>	<b>-</b>
<b>VEHICLES / OTHER MISCELLANEOUS EQUIP</b>									
<b>Vehicle replacement (see detail)</b>		180,537	180,537	302,000	250,000	200,000			
Replace Lightnin Mixer for Carbon Tank				75,000					
Vac-Con						180,000			
580 Backhoe						125,000			
<b>TOTAL - VEHICLES / OTHER MISC EQUIP</b>		<b>-</b>	<b>180,537</b>	<b>-</b>	<b>180,537</b>	<b>377,000</b>	<b>250,000</b>	<b>505,000</b>	<b>-</b>
<b>DISTRICT OFFICE BUILDING</b>									
DOB - Landscape									
<b>TOTAL - DOB</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Highlands Ranch Metro District In-tract Lines (funded by IIRMD)</b>									
In-Tract				300,000					
In-Tract					500,000				
In-Tract						300,000			
<b>TOTAL - In-Tract Line Replacement</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>500,000</b>	<b>300,000</b>	<b>-</b>	
<b>TOTAL MAJOR REPAIR PROJECTS</b>		<b>90,000</b>	<b>9,056,537</b>	<b>430,200</b>	<b>1,191,737</b>	<b>23,306,800</b>	<b>800,000</b>	<b>9,906,000</b>	<b>36,645,000</b>

MAJOR REPAIR  
Equipment Replacement Detail List

Item Description	Amount	Comments
Zone 5 Pumps Station VFD, Pump and Motor	\$ 35,000	Install VFD (Variable Frequency Drive) along with a pump and motor properly sized for VFD. The need to shut off a pump would be greatly minimized if not eliminated depending on system water demand. The current system for shutting the pump on and off causes pressure that could lead to a line break.
Tank 3 Repairs	\$ 30,000	Tank 3 will be inspected in 2019 in compliance with State Potable Water Tank regulations and it is anticipated that some repairs will be needed.
Tank 2 Repairs	\$ 30,000	During the last tank inspection in 2015 some repair needs were noted by the inspector. The Tank will be inspected again in 2019 in compliance with State Potable Water Tank regulations and it will be a good time to address the issues found in 2015 as well as any issues found in the 2019 inspection.
<b>COLLECTION &amp; DISTRIBUTION</b>	\$ 95,000	
Replace 105 SUV, 2009 Ford Escape with SUV Chevy Trailblazer. No emergency light rack, no radio	\$ 30,000	Maintenance expenses on this vehicle have exceeded its current value and needs to be replaced per our vehicle replacement policy.
Replace 203 SUV, 2007 Chevy Malibu with a Ford Explorer SUV, No emergency light rack, with a radio	\$ 30,000	Maintenance expenses on this vehicle have exceeded its current value and needs to be replaced per our vehicle replacement policy.
Replace 495 F-2008 Chevy Colorado with a F-350 Truck, with emergency light rack, utility box, radio	\$ 30,000	Maintenance expenses on this vehicle have exceeded its current value and needs to be replaced per our vehicle replacement policy.
Replace 230 SUV, 2004 Ford Ranger with SUV Chevy Trailblazer. No emergency light rack, no radio	\$ 30,000	Maintenance expenses on this vehicle have exceeded its current value and needs to be replaced per our vehicle replacement policy.
Replace 439 2009 GMC Sierra with a Chevy Silverado, 3/4 Ton Truck, with emergency light rack, radio.	\$ 32,000	Maintenance expenses on this vehicle have exceeded its current value and needs to be replaced per our vehicle replacement policy.
Replace 309 2003 Ford F-250 with a Ford F-250, 3/4 Ton Truck, no emergency light rack, utility box, radio	\$ 35,000	Maintenance expenses on this vehicle have exceeded its current value and needs to be replaced per our vehicle replacement policy.
Replace 236 SUV 2008 Chevy Trailblazer with a SUV Chevy Trailblazer. No emergency lights and no radio.	\$ 30,000	Maintenance expenses on this vehicle have exceeded its current value and needs to be replaced per our vehicle replacement policy.
Replace 261 2009 GMC Sierra with a Chevy Silverado, 3/4 Ton Truck, with emergency light rack, utility box, radio.	\$ 32,000	Maintenance expenses on this vehicle have exceeded its current value and needs to be replaced per our vehicle replacement policy.
Replace 262 2009 GMC Sierra with a Chevy Silverado, 3/4 Ton Truck, with emergency light rack, utility box, radio.	\$ 32,000	Maintenance expenses on this vehicle have exceeded its current value and needs to be replaced per our vehicle replacement policy.
Replace existing flat bed trailer	\$ 21,000	Current trailer does have acceptable load rating for hauling forklift or the scissor lift, and is tracking out of alignment with the vehicle pulling it. The replacement trailer will have a Tilt platform and be lower to the ground to allow for loading of the man lift, scissor lift, and the forklift.
<b>VEHICLES</b>	\$ 302,000	
<b>WATER SYSTEM</b>	\$ -	
<b>WASTEWATER TREATMENT PLAN</b>	\$ -	



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

REGULAR EMPLOYEES (FTE)	2018 Budget	2018 Actual	2019 Budget	Change 2018 Actual to 2019 Budget	FTE's 2019 Adj. For Sch. III Shared Emp.
<i>OPERATIONS AND MAINTENANCE MANAGEMENT</i>					
Director, Water/Wastewater Oper.	1.000	1.000	1.000	-	1.000
Superintendent, Operations and Maint.	1.000	1.000	1.000	-	1.000
Superintendent, Field	1.000	1.000	1.000	-	1.000
Business Support	4.000	4.000	3.000	(1.000)	3.000
Regulatory	1.000	1.000	1.000	-	1.000
<i>PLANT OPERATIONS</i>					
SCADA supervisor	1.000	1.000	1.000	-	1.000
Lead Operator/ Field Technician	3.000	3.000	3.000	-	3.000
WTP Plant Operator	5.000	5.000	5.000	-	5.000
Maintenance Mechanic	5.000	5.000	5.000	-	5.000
Field Operator	6.000	6.000	6.000	-	6.000
WWTP Operator	6.000	6.000	6.000	-	6.000
Utility Worker	1.000	1.000	1.000	-	1.000
<i>PLANT MAINTENANCE</i>					
Lead Maintenance Mechanic	1.000	1.000	1.000	-	1.000
Maintenance Mechanic	7.000	7.000	7.000	-	7.000
Lead Instrument Electronics Technician	1.000	1.000	1.000	-	1.000
Instrumentation/Electronic Technician	2.000	2.000	2.000	-	2.000
<i>COLLECTION AND DISTRIBUTION</i>					
Lead Collection/Distribution/ Meter	2.000	2.000	2.000	-	2.000
Collection and Distribution Mechanics	11.000	11.000	10.000	(1.000)	10.000
Field Customer Service	5.000	5.000	6.000	1.000	6.000
Meter Field Customer Service	3.000	3.000	3.000	-	3.000
Laboratory Supervisor	1.000	1.000	1.000	-	1.000
Lab Technician	4.000	4.000	4.000	-	4.000
<i>WATER RESOURCES</i>					
Water Resource Manager	1.000	1.000	1.000	-	1.000
Water Resource Engineer	1.000	1.000	1.000	-	1.000
Conservation Coordinator	1.000	1.000	1.000	-	1.000
Water Facility Caretaker	0.250	0.250	0.250	-	0.250
<i>ENGINEERING</i>					
* Director - Engineering	*	*	*	*	0.500
* Administrative Assit.	*	*	*	*	0.500
* Contract Administrator	*	*	*	*	0.500
* Clerk/ Engineering Tech	*	*	*	*	0.600
** GIS Coordinator	1.000	-	-	-	-
** GIS Technician	1.000	2.000	2.000	-	1.600
Engineer	1.000	1.000	1.000	-	1.000
Project Engineer	1.000	1.000	1.000	-	1.000
Utility Inspector	1.000	1.000	1.000	-	1.000

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

REGULAR EMPLOYEES (FTE)	2018 Budget	2018 Actual	2019 Budget	Change 2018 Actual to 2019 Budget	FTE's 2019 Adj. For Sch. III Shared Emp.
<i>GENERAL MANAGEMENT</i>					
General Manager	1.000	1.000	1.000	-	1.000
Administrative Assistant	1.000	1.000	1.000	-	1.000
* Community Relations Manager	*	*	*	*	0.250
* Community Relations Coordinator	*	*	*	*	0.500
* Human Resources Administrator	*	*	*	*	0.500
* Human Resources Assistants (2)	*	*	*	*	0.900
<i>FINANCIAL SERVICES</i>					
* Director - Finance & Admin.	*	*	*	*	0.500
** Asset & Revenue Manager	0.500	0.500	0.500	-	0.250
** Accounting Supervisor	1.000	1.000	1.000	-	0.500
** Administrative Analyst	0.500	0.500	0.500	-	0.250
** Manager, Financial and Budget Reporting	1.000	1.000	1.000	-	0.500
** PC Specialist	1.000	-	-	-	-
** Accounting Assistants/Payroll	4.500	4.500	4.500	-	2.000
* Receptionist / Office Assistant	0.500	0.500	0.500	-	1.000
** Building Assistant (District Office Bldg.)	1.000	1.000	1.000	-	1.000
<i>CUSTOMER SERVICE</i>					
Asset & Revenue Manager	0.500	0.500	0.500	-	0.500
Customer Service Rep.	4.000	4.000	4.000	-	4.000
Meter Readers	2.000	2.000	2.000	-	2.000
Regular employees	<u>98.750</u>	<u>97.750</u>	<u>96.750</u>	<u>(1.000)</u>	<u>97.600</u>
<i>TEMPORARIES (FTE)</i>					
Plant Operations	0.210	0.210	0.210	-	0.500
Plant Maintenance	0.450	0.450	0.450	-	0.450
Collection and Distribution	0.250	0.250	0.250	-	0.250
Lab	-	-	-	-	-
Water Conservation	0.300	0.300	0.300	-	0.300
Engineering	0.300	0.300	0.300	-	0.300
Customer Service	-	-	-	-	-
Total with equivalents	<u>100.260</u>	<u>99.260</u>	<u>98.260</u>	<u>(1.000)</u>	<u>99.400</u>

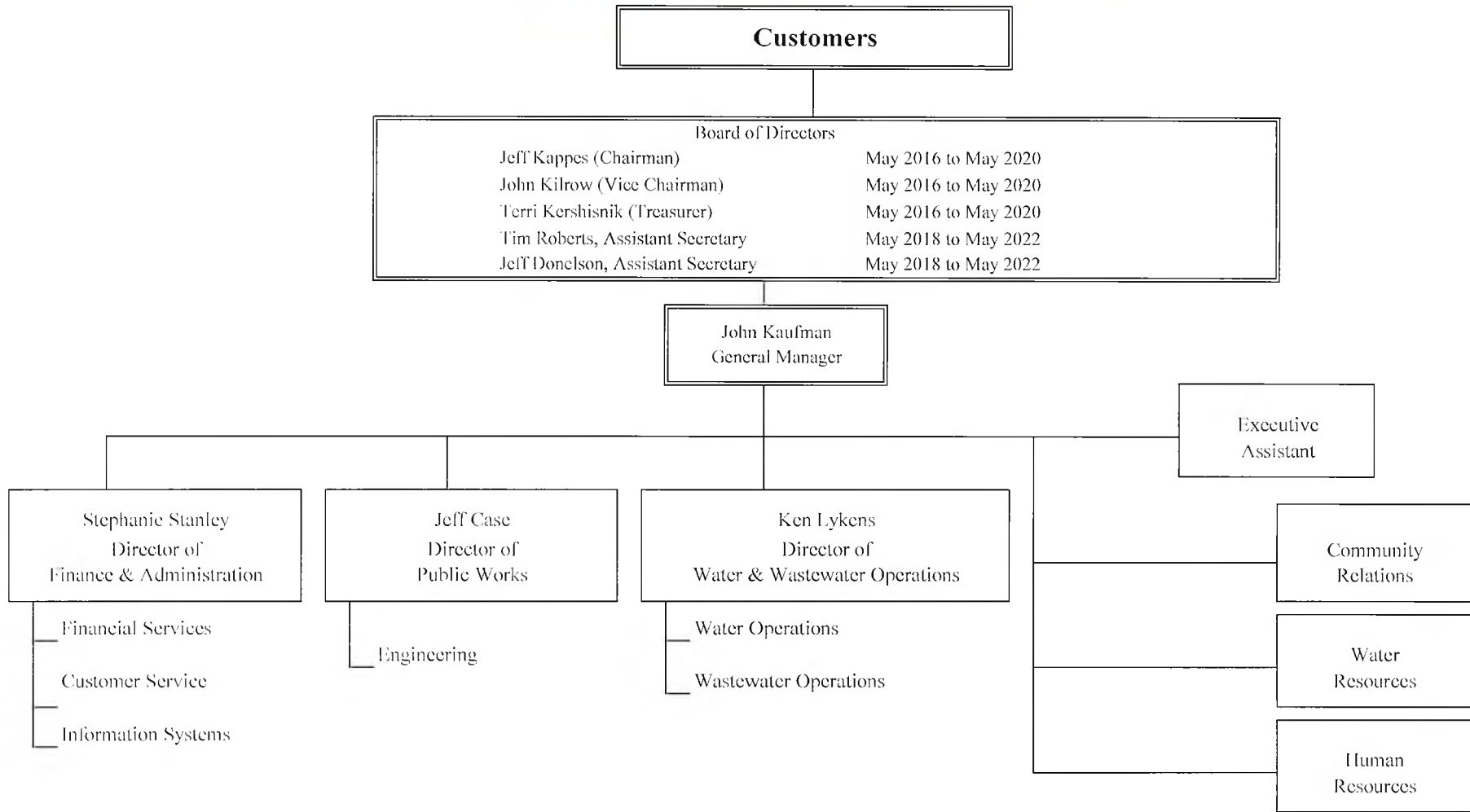
\* Employee cost is partially allocated FROM Metro District pursuant to Employee, Office Services and Capital Equipment Sharing contract (Schedule III employees).

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



# CENTENNIAL

WATER AND SANITATION DISTRICT



# APPENDIX

***CENTENNIAL WATER AND SANITATION DISTRICT  
GLOSSARY***

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

CENTENNIAL WATER AND SANITATION DISTRICT

**Resolution No. 18-158**

WHEREAS, staff has submitted a proposed budget to this Board on or before October 15, 2018 for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on November 26, 2018, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

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

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

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

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

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

Operations	\$ 26,357,099
Water Acquisition	7,016,826
Reserve	23,306,800
Debt Service Funds	11,376,000
Capital Projects Fund	40,446,890
	<u>\$ 108,503,615</u>

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

Operating Fund	
From Operating Revenues	\$ 36,862,295
From Nonoperating Revenue	800,000
From (to) interfund transfers	(11,500,000)
From (to) unappropriated surpluses	194,804
	<u>\$ 26,357,099</u>

Water Acquisition	
From Operating Revenues	\$ 3,300,000
From Nonoperating Revenue	475,750
From (to) interfund transfers	(1,533,000)
From (to) unappropriated surpluses	4,774,076
	<u>\$ 7,016,826</u>

Reserve	
From Nonoperating Revenue	\$ 398,000
From (to) interfund transfers	12,500,000
From (to) unappropriated surpluses	10,408,800
	<u>\$ 23,306,800</u>
Debt Service Funds	
From Nonoperating Revenue	\$ 70,000,000
From (to) interfund transfers	(58,517,000)
From (to) unappropriated surpluses	(107,000)
	<u>\$ 11,376,000</u>
Capital Projects Fund	
From Nonoperating Revenue	\$ 394,122
From (to) interfund transfers	60,000,000
From (to) unappropriated surpluses	(19,947,232)
	<u>\$ 40,446,890</u>

3. That the budget, as submitted, amended and herein summarized by budgetary fund, be and the same hereby is, approved and adopted as the budget of the Centennial Water & Sanitation District for the 2019 fiscal year.

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

#### APPROPRIATE SUMS OF MONEY

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

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

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

Operations	\$ 26,357,099
Water Acquisition - Operations	1,953,390
Reserve	897,000
Debt Service Fund	11,376,000
Capital Projects Fund -Specific Year (water transfer payment, etc)	-
	<u>\$ 40,583,489</u>

BE IT FURTHER RESOLVED, that appropriations for expenditures on capital projects from the Capital Projects, Reserve, and Water Acquisition Funds will be considered on a project-by-project basis during 2018 and that any unexpended appropriations will continue to be available until rescinded by the Board of Directors.

TRANSFERS

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

- The Operations Fund will maintain working capital equal to 50% of the next years' budgeted operating expenditures.
- To the Debt Service Fund to maintain an ending fund balance equal to the following years' debt service payment.
- To the Reserve Fund, \$2,500,000
- Any remaining available funds will be transferred to the Financial Assurance Fund.

RATES AND FEES FOR AREAS OUTSIDE THE HIGHLANDS RANCH SERVICE AREA

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

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

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

NOW THEREFORE BE IT RESOLVED that:

- The rates for Northern shall be as shown below:

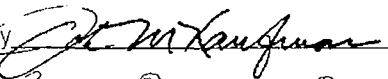
	2018 Rate	2019 Rate	% Change
<b>NDCWSD</b>			
Residential	\$ 4.60	\$ 4.77	3.6%
Commercial Indoor	\$ 4.33	\$ 4.46	3.0%
Irrigation	\$ 4.68	\$ 4.86	3.8%
Service Availability Charge	\$ 13.65	\$ 14.70	7.7%
Wastewater fixed	\$ 7.20	\$ 9.30	29.2%
Wastewater per 1,000 gallons	\$ 3.20	\$ 3.35	4.7%

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

BE IT FURTHER RESOLVED that:

- The base water rate for CPN pursuant to the CPN agreement shall be \$2.57 per thousand gallons.
- Service requested by CPN outside the scope of the CPN agreement shall be charged the same as other service outside the service boundaries, as delineated in the Highlands Ranch Agreement.

Adopted this 17<sup>th</sup> day of December, 2018

Certified by , Secretary  
Ayes 3 Nays 0 Abstained 0 Absent 1