

**RESOLUTION OF THE BOARD OF THE
COTTONWOOD WATER AND SANITATION DISTRICT
TO ADOPT 2019 BUDGET AND APPROPRIATE SUMS OF MONEY**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE COTTONWOOD WATER AND SANITATION DISTRICT, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2019, AND ENDING ON THE LAST DAY OF DECEMBER, 2019,

WHEREAS, the Board of Directors of the Cottonwood Water and Sanitation District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 15, 2018, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COTTONWOOD WATER AND SANITATION DISTRICT OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Cottonwood Water and Sanitation District for calendar year 2019.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

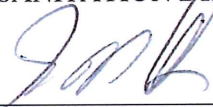
Section 3. 2019 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget does not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 5. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

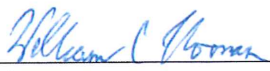
ADOPTED this 15th day of November, 2018.

COTTONWOOD WATER AND
SANITATION DISTRICT



Vice President

ATTEST:



Secretary

COTTONWOOD WATER AND SANITATION DISTRICT

2019 RESOLUTION LEVYING GENERAL PROPERTY TAXES

WHEREAS, it is necessary to provide for the certification of a mill levy for debt service requirements of the Cottonwood Water and Sanitation District, Douglas County, Colorado ("the District") for the fiscal year ending December 31, 2019; and

WHEREAS, the Manager of the Cottonwood Water and Sanitation District submitted a proposed budget to the Board for its consideration on October 15, 2018, which proposed budget includes the following mill levy applied to an assessed value of \$ 109,055,824; and

WHEREAS, the Board of Directors of the District has adopted the proposed budget,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cottonwood Water and Sanitation District, Douglas County, Colorado:

- (1) That the following mill levy is adopted:

Cottonwood General Obligation Bonds and Interest 14.50 mills

\$ 1,581,309 (REVENUE)

- (2) That the District's Manager is hereby authorized to file a certified copy of the mill levy with the Board of County Commissioners of Douglas County, Colorado.
- (3) The District expects the assessed value and total revenue to change nominally upon final certification and authorizes Manager to incorporate these changes on the County Mill Levy Certification.

The foregoing resolution was approved and adopted by a unanimous vote of the District's Board of Directors on November 15, 2018.

COTTONWOOD WATER AND SANITATION DISTRICT

By



Alyssa Kasaris, Board President

Steve Wasiecko, Board Vice President

**COTTONWOOD WATER AND SANITATION DISTRICT
2019 BUDGET MESSAGE**

The attached 2019 Budget for the Cottonwood Water and Sanitation District, approved by the Board of Directors, includes the budget of the Cottonwood Water and Sanitation District and its Cottonwood Water Enterprise (collectively “the District”). The budgetary basis of accounting used is modified accrual.

The District provides water supply and sanitary sewer services for the residents and businesses within the District. The District’s budget is divided into two funds, the Operations Fund of the Cottonwood Water Enterprise, also known as the Enterprise Fund, and the Debt Fund.

The District’s 2019 budget estimates collecting \$4,554,000 in service fee and other operating revenues. The District’s 2019 budget estimates an additional \$2,100,000 in tap fee revenue associated with new construction in the District. As detailed in the accompanying schedules, the District 2019 budget reflects having \$2,595,003 in the end of year Enterprise Fund balance.

The District’s 2019 budget debt fund anticipates property tax revenues are \$1,579,000 generated from a mill levy of 14.50 on the District’s assessed values. The District budget reflects having \$193,542 in the end of year Debt Fund balance.

Cottonwood Water & Sanitation District

2019 Budget

	2017 Actual	2018 Projected	2018 Budget	2019 Budget
ENTERPRISE FUND				
Water Service Fees	2,030,157	2,319,003	2,179,000	2,458,000
Sewer Service Fees	1,924,287	1,956,872	2,019,000	2,055,000
Parker Stormwater Mgmt	4,953	5,909	5,000	6,000
Review fees, late fees and other	48,892	52,947	25,000	35,000
Total Service Fees	4,008,289	4,334,731	4,228,000	4,554,000
Operating Expenses				
		-		
Management Fees	162,955	155,131	160,000	164,000
Director's Fees	5,408	6,173	6,000	6,000
Accounting/Billing/Collections	117,988	147,984	120,000	132,000
Audit	6,500	5,800	7,000	7,000
Bank Fees	13,910	13,937	14,000	14,000
Legal - General	85,067	26,331	75,000	75,000
Legal-Water Rights	14,838	64,307	75,000	50,000
Prof & Engineering Fees	63,688	68,350	80,000	80,000
Insurance Expense	29,036	31,426	35,000	36,000
Wastewater Treatment	1,408,757	1,482,703	1,492,000	1,557,000
System Operating Costs	149,012	160,000	160,000	165,000
CCPWA/UCCWA Operations	27,243	40,000	40,000	40,000
WISE operating reserve		72,000	72,000	-
SMSWA/WISE operating exp	91,793	66,780	113,000	80,000
Repairs & Maintenance	167,169	248,778	200,000	220,000
Water Treatment	276,141	221,282	240,000	391,000
Utilities	322,806	363,373	270,000	320,000
WISE water (take or pay)	148,814	253,460	250,000	365,000
Water Conservation Rebates	1,250	2,850	3,000	3,000
Postage & Misc	66,637	43,884	50,000	50,000
Contingency	-	-	75,000	75,000
Total Operating Expenses	3,159,012	3,474,550	3,537,000	3,830,000
Net Service Fee Revenue	849,277	860,181	691,000	724,000

Cottonwood Water & Sanitation District

2019 Budget

	2017 Actual	2018 Projected	2018 Budget	2019 Budget
Other Revenues & (Expenses)				
CWCB Loan Proceeds	-	-	135,000	135,000
CWCB Issue Costs	-	-	(1,350)	(1,350)
CWCB Debt Service	(28,473)	(38,956)	(45,000)	(40,000)
Tap Fees	2,290,537	2,550,533	2,100,000	2,100,000
Tap Fees - ACWWA	(698,151)	(774,716)	(647,647)	(638,000)
Asset Sales	53,436	0	500,000	-
Project Contributions	789,974	205,949	-	600,000
Inclusion fees	105,000	-	-	-
Capital Recovery Fee	8,745	17,747	8,000	18,000
SMSWA WISE capital		(120,000)	-	(410,000)
JWPP capital expenditures	(945,934)	(1,591,893)	(4,000,000)	(4,300,000)
Other capital expenditures	(1,600,057)	(1,313,136)	(2,130,000)	(2,000,000)
Interest Income	60,713	125,684	25,000	30,000
	<u>35,790</u>	<u>(938,788)</u>	<u>(4,055,997)</u>	<u>(4,506,350)</u>
Net Enterprise Income	<u>885,067</u>	<u>(78,608)</u>	<u>(3,364,997)</u>	<u>(3,782,350)</u>
Enterprise Reserve - Beg of Year	5,570,894	6,455,961	6,455,961	6,377,353
Enterprise Reserve - End of Year	<u>6,455,961</u>	<u>6,377,353</u>	<u>3,090,964</u>	<u>2,595,003</u>

Cottonwood Water & Sanitation District

2019 Budget

	2017 Actual	2018 Projected	2018 Budget	2019 Budget
DEBT FUND				
Revenues				
Property Taxes	1,705,742	1,688,042	1,690,839	1,579,000
Specific Ownership Tax	190,850	186,180	160,000	180,000
Refunding Bond Proceeds	-	-	4,020,000	-
Interest Earnings (Refunds)	-	-	10,000	-
Total Bond Fund Revenues	1,896,592	1,874,222	5,880,839	1,759,000
Expenses				
County Collection Fees	25,626	25,355	25,363	23,685
Paying Agent Fees	250	1,000	1,000	1,000
Debt Service - DWRF (2006B)	725,513	739,418	739,418	739,663
Debt Service - 2008A	542,098	544,252	544,253	548,210
Debt Service - 2016	486,563	496,053	496,074	498,262
Refunding bond escrow			3,940,000	
Bond Issue Costs	-	-	80,000	-
Contingency	-	-	25,000	25,000
Total Debt Fund Expenses	1,780,050	1,806,078	5,851,108	1,835,820
Net Debt Fund Income	116,542	68,144	29,731	(76,820)
Debt Fund - Beg of Year	85,676	202,218	202,218	270,362
Debt Fund - End of Year	202,218	270,362	231,949	193,542

PROPERTY TAX SUMMARY:

	2017	2018	2018	2019
Assessed Valuation	89,886,510	105,677,431	105,677,431	108,887,134
Mill Levy	19.00	16.00	16.00	14.50
	1,707,844	1,690,839	1,690,839	1,578,863
	99.88%	99.83%		

TOTAL FUNDS AVAILABLE SUMMARY:

	12/31/17 Actual	12/31/18 Projected	12/31/18 Budget	12/31/19 Budget
Enterprise	6,455,961	6,377,353	3,090,964	2,595,003
Debt Service	202,218	270,362	231,949	193,542
TOTAL	6,658,179	6,647,716	3,322,913	2,788,546

Expenditure Appropriation:

Operating Expenses	3,159,012	3,474,550	3,537,000	3,830,000
Capital & Other Expenditures	3,272,615	3,838,702	6,823,997	7,389,350
Total Enterprise Appropriation	6,431,627	7,313,252	10,360,997	11,219,350
Debt Service appropriation	1,780,050	1,806,078	5,851,108	1,835,820