

LETTER OF BUDGET TRANSMITTAL


Date: January 21, 2021

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2021 budget and budget message for COTTONWOOD WATER AND SANITATION DISTRICT in Douglas Counties, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 17, 2020. If there are any questions on the budget, please contact

Randall Warren
c/o Mulhern MRE, Inc.
188 Inverness Drive West, #150
Englewood, CO 80112
Telephone number: (303) 649-9857

I, Randall Warren, as General Manager for the Cottonwood Water and Sanitation District, hereby certify that the attached is a true and correct copy of the 2021 budget.

By: 

Randall S. Warren, General Manager

**RESOLUTION OF THE BOARD OF THE
COTTONWOOD WATER AND SANITATION DISTRICT
TO ADOPT 2021 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, 2021, AND ENDING ON THE LAST DAY OF DECEMBER, 2021,

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 17, 2020, 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 2021.

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. 2021 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.

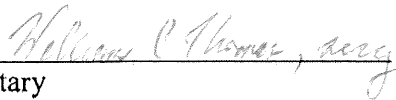
ADOPTED this 17th day of November, 2020.

COTTONWOOD WATER AND
SANITATION DISTRICT



By: Stephen M Wasiecko
As: Board President

ATTEST:



Secretary

COTTONWOOD WATER AND SANITATION DISTRICT

2021 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, 2021; and

WHEREAS, the Manager of the Cottonwood Water and Sanitation District submitted a proposed budget to the Board for its consideration on September 15, 2020 which proposed budget includes the following mill levy applied to an assessed value of \$126,860,503; 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 13.50 mills

\$ 1,712,617 (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 17, 2020.

COTTONWOOD WATER AND SANITATION DISTRICT

By 

**COTTONWOOD WATER AND SANITATION DISTRICT
2021 BUDGET MESSAGE**

The attached 2021 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 2021 budget anticipates positive cash flow from operations with service fee revenues exceeding the operating costs of providing water and sewer to the District. The District’s 2021 budget also estimates receiving non-operating tap fee and other revenues associated with new construction in the District. The positive operating cash flow, non-operating revenues, along with the beginning of 2021 unrestricted funds will enable the District to complete capital projects and maintain a positive end of year Enterprise Fund balance in 2021.

The District’s 2021 budget debt fund anticipates property tax revenues adequate to meet the 2021 principal and interest payments on the District’s bond obligations and maintain a positive end of year debt fund balance.

**Cottonwood Water & Sanitation District
2021 Budget**

	2019 Actual	2020 Projected	2020 Budget	2021 Budget
ENTERPRISE FUND				
Water service fees	2,409,136	2,601,359	2,605,000	2,757,000
Sewer service fees	2,132,329	2,177,969	2,252,000	2,309,000
Trash pickup services	-	-	-	252,000
Stormwater fees	6,404	6,961	7,000	7,000
Late & disconnect fees	39,540	24,416	40,000	40,000
Meter fees	33,355	12,250	30,000	30,000
Total Service Fees	4,620,763	4,822,955	4,934,000	5,395,000
Operating Expenses				
Water plant operating exp	404,356	526,393	830,000	830,000
WISE water purchases	328,006	554,551	495,000	495,000
Other water purchases	21,967	-	-	-
Utilities	334,159	221,152	300,000	250,000
Repairs & maintenance	170,792	146,009	200,000	200,000
System operating costs	165,000	171,600	173,000	180,000
Trash pickup services	-	-	-	244,000
Wastewater treatment	1,666,748	1,737,479	1,753,000	1,842,000
Total operating expenses	3,091,028	3,357,184	3,751,000	4,041,000
Administrative expenses				
Management fees	159,641	171,000	181,000	171,000
Billing & collections	96,189	125,333	115,000	133,000
Accounting expenses	80,346	48,000	63,000	48,000
Credit card fees	13,605	33,612	36,000	39,000
Legal - general	59,567	53,242	72,000	72,000
Legal - water rights	14,512	13,108	36,000	24,000
Professional & engineering fees	30,057	57,518	60,000	60,000
Insurance expense	32,896	34,110	34,000	36,000
Other general & administrative	50,199	49,613	34,000	52,000
Election expenses	-	-	10,000	-
Contingency	-	-	75,000	100,000
Total administrative expenses	537,011	585,536	716,000	735,000
Total operating & admin. expenses	3,628,039	3,942,721	4,467,000	4,776,000
Net operating income less expenses	992,725	880,234	467,000	619,000

**Cottonwood Water & Sanitation District
2021 Budget**

	2019 Actual	2020 Projected	2020 Budget	2021 Budget
Other revenues				
Tap fees	2,205,712	1,263,900	1,525,000	1,525,000
CWCB loan proceeds	32,391	282,384	1,623,000	800,000
Project contributions & grants	656,076	-	-	-
ACWWA Shared Expense Reimburse.	53,089	-	-	-
Capital recovery fees	37,870	106,897	40,000	107,000
Income from Invest. In Authorities	204,883	-	-	-
Interest income	139,224	47,883	100,000	50,000
Other income	-	40	-	-
Total other revenues	3,329,245	1,701,104	3,288,000	2,482,000
Other expenses				
Tap fees - ACWWA	741,950	318,780	508,000	508,000
CWCB issue costs	-	-	16,230	8,000
CWCB debt service	37,817	52,952	40,000	60,000
CCPWA/UCCWA operations	21,786	12,500	40,000	11,000
SMSWA/WISE operating exp	25,890	20,000	44,000	44,000
CCPWA investment in authority	-	-	700,000	625,000
WISE investment in authority	-	1,421,672	1,803,000	40,000
JWPP capital expenditures	4,174,157	-	-	-
Capital expenditures	520,646	1,245,280	2,765,000	1,950,000
Total other expenses	5,522,246	3,071,183	5,916,230	3,246,000
Net other income less expenses	(2,193,001)	(1,370,080)	(2,628,230)	(764,000)
Net Enterprise Income	(1,200,276)	(489,845)	(2,161,230)	(145,000)
Enterprise Reserve - Beg of Year	6,911,424	5,711,148	5,711,148	5,221,302
Enterprise Reserve - End of Year	5,711,148	5,221,302	3,549,918	5,076,302

**Cottonwood Water & Sanitation District
2021 Budget**

	2019 Actual	2020 Projected	2020 Budget	2021 Budget
DEBT FUND				
Revenues				
Property taxes	1,581,275	1,718,378	1,719,000	1,712,000
Specific ownership tax	170,932	159,251	170,000	159,000
Refunding bond proceeds	4,000,000	-	-	-
Interest earnings	-	-	-	-
Total Bond Fund Revenues	5,752,207	1,877,630	1,889,000	1,871,000
Expenses				
County collection fees	23,785	25,791	25,785	25,680
Paying agent Ffees	104	-	-	-
Debt service - DWRF (2006B)	603,890	701,505	701,505	695,202
Debt service - 2008A	176,951	-	-	-
Debt service - 2016	498,262	495,264	495,264	497,174
Debt service - 2019	556,550	637,350	637,350	638,099
Bond refunding	3,940,000	-	-	-
Bond issue costs	51,015	-	-	-
Contingency	-	-	25,000	25,000
Total Debt Fund Expenses	5,850,557	1,859,910	1,884,904	1,881,155
Net Debt Fund Income	(98,350)	17,720	4,096	(10,155)
Debt Reserve - Beg of Year	282,466	184,116	184,116	201,836
Debt Reserve - End of Year	184,116	201,836	188,212	191,681