

**RESOLUTION OF THE BOARD OF THE  
COTTONWOOD WATER AND SANITATION DISTRICT  
TO ADOPT 2018 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, 2018, AND ENDING ON THE LAST DAY OF DECEMBER, 2018,

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 16, 2017, 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 2018.

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. 2018 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 16th day of November, 2017.

COTTONWOOD WATER AND  
SANITATION DISTRICT

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

**Cottonwood Water & Sanitation District  
2018 Budget**

<b>DEBT FUND</b>	<b>2016</b>	<b>2017</b>	<b>2017</b>	<b>2018</b>
	<b>Actual</b>	<b>Projected</b>	<b>Budget</b>	<b>Budget</b>
<b>Revenues</b>				
Property Taxes	1,998,746	1,725,016	1,707,844	1,690,839
Specific Ownership Tax	184,975	189,345	162,245	160,000
Refunding Bond Proceeds	4,500,000	-	-	4,020,000
Interest Earnings (Refunds)		14,143	-	10,000
<b>Total Bond Fund Revenues</b>	<b>6,683,721</b>	<b>1,928,504</b>	<b>1,870,089</b>	<b>5,880,839</b>
<b>Expenses</b>				
County Collection Fees	30,034	25,912	25,618	25,363
Paying Agent Fees	900	1,000	1,000	1,000
Debt Service - DWRF (2006B)	735,860	738,944	739,418	739,418
Debt Service - 2006A	114,946	-	-	-
Debt Service - 2008A	538,152	544,598	544,598	544,253
Debt Service - 2016		498,815	498,815	496,074
Refunding Bond Escrow	5,376,550	-	-	3,940,000
Bond Issue Costs		-	-	80,000
Contingency	-	-	25,000	25,000
<b>Total Debt Fund Expenses</b>	<b>6,796,442</b>	<b>1,809,269</b>	<b>1,834,449</b>	<b>5,851,108</b>
<b>Net Debt Fund Income</b>	<b>(112,721)</b>	<b>119,235</b>	<b>35,640</b>	<b>29,731</b>
<b>Transfer from (to) Operating Fund</b>	<b>-</b>	<b>-</b>		
Debt Reserve - Beg of Year	198,397	85,676	85,676	204,911
<b>Debt Reserve - End of Year</b>	<b>85,676</b>	<b>204,911</b>	<b>121,316</b>	<b>234,642</b>

**PROPERTY TAX SUMMARY:**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
Assessed Valuation	87,414,130	89,886,510	105,677,431
Mill Levy	23.00	19.00	16.00

**Cottonwood Water & Sanitation District  
2018 Budget - Enterprise Fund**

	<b>2016</b>	<b>2017</b>	<b>2017</b>	<b>2018</b>
	<b>Actual</b>	<b>Projected</b>	<b>Budget</b>	<b>Budget</b>
<b>Operating Revenues</b>				
Water Service Fees	1,928,303	2,073,850	1,980,000	2,179,000
Sewer Service Fees	1,902,206	1,922,065	1,940,000	2,019,000
Parker Stormwater Mgmt	4,460	4,840	4,400	5,000
Review fees, late fees and other	40,084	51,649	25,000	25,000
<b>Total Service Fees</b>	<b>3,875,053</b>	<b>4,052,404</b>	<b>3,949,400</b>	<b>4,228,000</b>
<b>Operating Expenses</b>				
Management Fees	133,472	177,031	125,000	160,000
Director's Fees	5,700	5,300	6,000	6,000
Accounting/Billing/Collections	105,430	122,116	110,000	120,000
Audit	6,950	6,500	7,500	7,000
Bank Fees	13,226	13,701	13,000	14,000
Legal - General	68,071	99,243	65,000	75,000
Legal-Water Rights	80,090	16,676	60,000	75,000
Prof & Engineering Fees	125,721	70,245	80,000	80,000
Insurance Expense	31,586	29,036	33,000	35,000
Wastewater Treatment	1,433,235	1,419,587	1,500,000	1,492,000
System Operating Costs	144,200	148,600	168,000	160,000
Repairs & Maintenance	258,025	169,895	140,000	200,000
Water Treatment	263,633	225,003	450,000	240,000
Utilities	389,554	249,691	270,000	270,000
WISE water (take or pay)		140,000	72,000	250,000
Water Conservation Rebates	757	525	3,000	3,000
Postage & Misc	39,649	55,375	45,000	50,000
Contingency	-	-	75,000	75,000
<b>Total Operating Expenses</b>	<b>3,099,299</b>	<b>2,948,522</b>	<b>3,222,500</b>	<b>3,312,000</b>
<b>Net Service Fee Revenue</b>	<b>775,754</b>	<b>1,103,882</b>	<b>726,900</b>	<b>916,000</b>
<b>Other Revenues &amp; (Expenses)</b>				
CWCB Loan Proceeds	389,196	88,437	135,000	135,000
CWCB Issue Costs	(45,249)	(350)	(1,350)	(1,350)
Project Contributions	238,975	789,974	2,550,000	-
Asset Sales	-	-	500,000	500,000
Inclusion fees	-	105,000	-	-
Tap Fees	4,974,638	2,369,239	3,100,000	2,100,000
Tap Fees - ACWWA	(1,611,840)	(730,681)	(1,100,000)	(647,647)
CCPWA Operations	(7,743)	(15,000)	(15,000)	(15,000)
UCCWA Operations	(25,000)	(25,000)	(25,000)	(25,000)
SMWSA Operations	(24,490)	(25,370)	(25,000)	(65,000)
WISE Operations		(95,756)	(120,000)	(120,000)
CWCB Debt Service		(35,000)	(35,000)	(45,000)
Capital Recovery Fee	7,962	8,745	8,000	8,000
Interest Income	29,899	39,905	20,000	25,000
Capital Expenses	(3,255,650)	(2,765,874)	(8,090,000)	(6,130,000)
	670,698	(291,731)	(3,098,350)	(4,280,997)
<b>Net Enterprise operating results</b>	<b>1,446,452</b>	<b>812,151</b>	<b>(2,371,450)</b>	<b>(3,364,997)</b>
Enterprise Reserve - Beg of Year	4,124,442	5,570,894	5,570,894	6,383,045
<b>Enterprise Reserve - End of Year</b>	<b>5,570,894</b>	<b>6,383,045</b>	<b>3,199,444</b>	<b>3,018,048</b>

**COTTONWOOD WATER AND SANITATION DISTRICT  
2018 BUDGET MESSAGE**

The attached 2018 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 the 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 budget of the Cottonwood Water and Sanitation District through the Debt Service Bond Fund.

The District’s 2018 budget estimates collecting \$4,228,000 in service fee and other operating revenues in 2018. The District’s 2018 budget estimates an additional \$2,100,000 in tap fee revenue associated with new construction in the District during 2018. As detailed in the accompanying schedules, the District 2018 budget reflects having \$3,108,048 in the end of year Enterprise Fund balance.

The District’s 2018 budget debt fund property tax revenues are \$1,690,839. This amounts covers the District’s debt service requirements. With a general increase in assessed values and development within the District, the District has reduced its mill levy from 19 to 16 this year. The District’s budget anticipates refinancing \$3,940,000 in bonds in 2018. The District budget reflects having \$234,642 in the end of year Debt Fund balance.

**COTTONWOOD WATER AND SANITATION DISTRICT**

**2018 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, 2018; and

WHEREAS, the Manager of the Cottonwood Water and Sanitation District submitted a proposed budget to the Board for its consideration on October 15, 2017, which proposed budget includes the following mill levy applied to an assessed value of \$105,677,431; 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 16 mills

\$1,690,839 (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 16, 2017.

COTTONWOOD WATER AND SANITATION DISTRICT

By Alyssa Kasaris  
Alyssa Kasaris, Board President

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup> of Douglas County, Colorado.

On behalf of the Cottonwood Water and Sanitation District,  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the Cottonwood Water and Sanitation District  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 112,804,980 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 105,592,611 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/15/2017 for budget/fiscal year 2018.  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

<b>PURPOSE</b> (see end notes for definitions and examples)	<b>LEVY<sup>2</sup></b>	<b>REVENUE<sup>2</sup></b>
1. General Operating Expenses <sup>H</sup>	<u>0.000</u> mills	\$ <u>                    </u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< <u>          </u> > mills	\$ <u>                    </u>
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<u>          </u> mills	\$ <u>                    </u>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>16.000</u> mills	\$ <u>1,689,482</u>
4. Contractual Obligations <sup>K</sup>	<u>          </u> mills	\$ <u>                    </u>
5. Capital Expenditures <sup>L</sup>	<u>          </u> mills	\$ <u>                    </u>
6. Refunds/Abatements <sup>M</sup>	<u>          </u> mills	\$ <u>                    </u>
7. Other <sup>N</sup> (specify): <u>                                    </u>	<u>          </u> mills	\$ <u>                    </u>
	<u>          </u> mills	\$ <u>                    </u>
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>16.000</b> mills	\$ <b>1,689,482</b>

Contact person: (print) Randall S Warren Daytime phone: 303-649-9857  
Signed:  Title: General Manager

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1.	Purpose of Issue:	G.O Refunding
	Series:	2016
	Date of Issue:	11/09/2016
	Coupon Rate:	1.86%
	Maturity Date:	12/1/2026
	Levy:	4.460
	Revenue:	\$470,915
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2.	Purpose of Issue:	G.O. Refunding
	Series:	2008A
	Date of Issue:	9/27/08
	Coupon Rate:	4.65%
	Maturity Date:	12/1/2027
	Levy:	4.893
	Revenue:	\$516,650
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3.	Purpose of Issue:	G.O. Improvement
	Series:	2006CWRPDA
	Date of Issue:	11/02/2006
	Coupon Rate:	3.42%
	Maturity Date:	08/01/2027
	Levy:	6.647
	Revenue:	\$701,917

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.



## CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of Douglas County, Colorado.

On behalf of the Cottonwood Water and Sanitation District,  
(taxing entity)<sup>A</sup>

the Board of Directors,  
(governing body)<sup>B</sup>

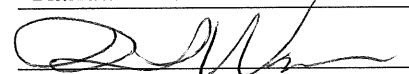
of the Cottonwood Water and Sanitation District,  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 84,820 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/15/2017 for budget/fiscal year 2018.  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	0.000 mills	\$
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<input type="text"/> mills	\$ <input type="text"/>
3. General Obligation Bonds and Interest <sup>J</sup>	16.000 mills	\$ 1,357
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>16.000</b> mills	<b>\$ 1,357</b>

Contact person: (print) Randall S Warren Daytime phone: 303-649-9857  
Signed:  Title: General Manager

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1.	Purpose of Issue:	G.O Refunding
	Series:	2016
	Date of Issue:	11/09/2016
	Coupon Rate:	1.86%
	Maturity Date:	12/1/2026
	Levy:	4.460
	Revenue:	\$378
2.	Purpose of Issue:	G.O. Refunding
	Series:	2008A
	Date of Issue:	9/27/08
	Coupon Rate:	4.65%
	Maturity Date:	12/1/2027
	Levy:	4.893
	Revenue:	\$415
3.	Purpose of Issue:	G.O. Improvement
	Series:	2006CWRPDA
	Date of Issue:	11/02/2006
	Coupon Rate:	3.42%
	Maturity Date:	08/01/2027
	Levy:	6.647
	Revenue:	\$564

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.