

LETTER OF BUDGET TRANSMITTAL

Date: January ~~19~~ 2022

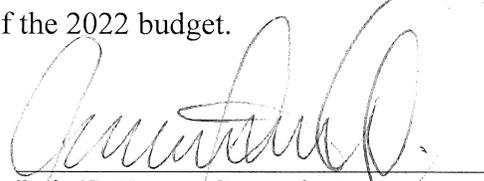
To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2022 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 16, 2021. If there are any questions on the budget, please contact

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

I, Luis Tovar, as General Manager for the Cottonwood Water and Sanitation District, hereby certify that the attached is a true and correct copy of the 2022 budget.

By:


Luis E. Tovar, General Manager

**RESOLUTION OF THE BOARD OF THE
COTTONWOOD WATER AND SANITATION DISTRICT
TO ADOPT 2022 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, 2022, AND ENDING ON THE LAST DAY OF DECEMBER, 2022,

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, 2021, 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 2022.

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. 2022 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, 2021.

COTTONWOOD WATER AND
SANITATION DISTRICT


By: Linda Dillon
As: Board President

ATTEST:


Secretary

ATTACH COPY OF THE ADOPTED BUDGET

COTTONWOOD WATER AND SANITATION DISTRICT

2022 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, 2022; 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 12.50 mills

\$ 1,714,227 (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, 2021.

COTTONWOOD WATER AND SANITATION DISTRICT

By 

**COTTONWOOD WATER AND SANITATION DISTRICT
2022 BUDGET MESSAGE**

The attached 2022 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 2022 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 2022 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 2022 unrestricted funds will enable the District to complete capital projects and maintain a positive end of year Enterprise Fund balance in 2022.

The District’s 2022 budget debt fund anticipates property tax revenues adequate to meet the 2022 principal and interest payments on the District’s bond obligations and maintain a positive end of year debt fund balance.

Cottonwood Water & Sanitation District

2022 Budget

	2020 Actual	2021 Projected	2021 Budget	2022 Budget
ENTERPRISE FUND				
Water service fees	\$2,616,712	\$2,622,885	\$2,774,000	\$2,693,000
Sewer service fees	2,193,108	2,313,746	2,325,000	2,420,000
Trash pickup services	-	-	252,000	261,000
Stormwater fees	6,929	7,143	7,000	7,000
Late & disconnect fees	27,233	40,475	40,000	40,000
Meter fees	11,750	7,193	30,000	10,000
Total Service Fees	4,855,732	4,991,442	5,428,000	5,431,000
Operating Expenses				
Water plant operating exp	719,781	880,402	830,000	899,800
WISE water purchases	561,212	352,654	495,000	709,000
Other water purchases	-	-	-	-
Utilities	197,817	193,959	250,000	200,000
Repairs & maintenance	153,007	182,160	200,000	200,000
System operating costs	171,600	180,000	180,000	189,000
Trash pickup services	-	-	244,000	244,000
Wastewater treatment	1,723,632	1,756,652	1,827,000	2,017,000
JWPP Brine Wastewater Treatment				85,000
Total operating expenses	3,527,048	3,545,828	4,026,000	4,543,800
Administrative expenses				
Management fees	171,000	171,000	171,000	171,000
Billing & collections	130,939	123,483	133,000	130,000
Accounting expenses	48,000	48,000	48,000	48,000
Credit card fees	34,924	38,778	39,000	45,000
Legal - general	52,189	60,000	72,000	72,000
Legal - water rights	10,816	15,996	24,000	24,000
Professional & engineering fees	44,679	63,269	60,000	60,000
Insurance expense	34,110	34,110	36,000	35,000
Other general & administrative	48,007	45,051	48,000	46,000
Election expenses	-	-	-	-
Contingency	-	-	100,000	100,000
Total administrative expenses	574,664	599,687	731,000	731,000
Total operating & admin. expenses	4,101,712	4,145,515	4,757,000	5,274,800
Net operating income less expenses	754,020	845,927	671,000	156,200

**Cottonwood Water & Sanitation District
2022 Budget (DRAFT)**

	2020 Actual	2021 Projected	2021 Budget	2022 Budget
Other revenues				
Tap fees	1,263,900	3,236,672	1,525,000	1,069,600
CWCB loan proceeds	282,384	-	800,000	-
Project contributions & grants	-	-	-	75,000
ACWWA Shared Expense Reimburse	-	5,000	-	5,000
Reimbursable New Development Professional				50,000
Capital recovery fees	106,897	120,034	107,000	107,000
Income from Invest. In Authorities	-	-	-	-
Interest income	38,871	4,040	50,000	50,000
Other income	40	40	-	-
Total other revenues	1,692,092	3,365,786	2,482,000	1,356,600
Other expenses				
Tap fees - ACWWA	366,436	885,931	508,000	325,000
CWCB issue costs	-	-	8,000	-
CWCB debt service	52,952	49,526	60,000	60,000
ACWWA Shared Maintenance Expense				50,000
New Development - Professional Expenses				50,000
CCPWA/UCCWA operations	10,000	36,178	11,000	17,000
SMSWA/WISE operating exp	20,000	38,000	44,000	44,000
CCPWA investment in authority	-	464,730	625,000	1,219,500
WISE investment in authority	1,421,672	30,204	40,000	345,000
JWPP capital expenditures	-	156,000	-	255,000
Capital expenditures	974,718	1,044,000	1,950,000	1,490,000
Total other expenses	2,845,778	2,704,569	3,246,000	3,855,500
Net other income less expenses	(1,153,686)	661,218	(764,000)	(2,498,900)
Net Enterprise Income	(399,666)	1,507,145	(93,000)	(2,342,700)
Enterprise Reserve - Beg of Year	5,711,148	5,311,482	5,311,482	6,818,626
Enterprise Reserve - End of Year	5,311,482	6,818,626	5,218,482	4,475,926

**Cottonwood Water & Sanitation District
2022 Budget (DRAFT)**

	2020 Actual	2021 Projected	2021 Budget	2022 Budget
DEBT FUND				
Revenues				
Property taxes	1,722,201	1,719,000	1,712,000	1,714,000
Specific ownership tax	163,168	170,000	162,000	175,000
Refunding bond proceeds	-	-	-	-
Interest earnings	-	-	-	-
Total Bond Fund Revenues	1,885,369	1,889,000	1,874,000	1,889,000
Expenses				
County collection fees	25,867	25,785	25,680	25,710
Paying agent Fees	-	-	-	-
Debt service - DWRP (2006B)	698,358	701,505	695,202	696,483
Debt service - 2008A	-	-	-	-
Debt service - 2016	495,220	495,264	497,174	498,896
Debt service - 2019	636,770	637,350	638,099	637,457
Bond refunding	-	-	-	-
Bond issue costs	-	-	-	-
Contingency	-	-	25,000	25,000
Total Debt Fund Expenses	1,856,215	1,859,904	1,881,155	1,883,546
Net Debt Fund Income	29,154	29,096	(7,155)	5,454
Debt Reserve - Beg of Year	184,116	184,116	213,270	213,212
Debt Reserve - End of Year	213,270	213,212	206,114	218,666
PROPERTY TAX SUMMARY:				
	'20 Actual	'21 Projected	'21 Budget	'22 Budget
Douglas County - #4047	108,825,784	126,860,313	126,860,313	137,137,958
Douglas County - #4594	61,350	190	190	210
Assessed Valuation	108,887,134	126,860,503	126,860,503	137,138,168
Mill Levy	14.00	13.50	13.50	12.50
Calculated property taxes	1,524,420	1,712,617	1,712,617	1,714,227
Actual taxes/calculated taxes	112.97%	100.37%	99.96%	99.99%
TOTAL FUNDS AVAILABLE SUMMARY:				
	12/31/20 Actual	12/31/21 Projected	12/31/21 Budget	12/31/22 Budget
Enterprise	5,311,482	6,818,626	5,218,482	4,475,926
Debt Service	213,270	213,212	206,114	218,666
TOTAL	5,524,752	7,031,838	5,424,596	4,694,592
Expenditure Appropriation:				
Operating Expenses	4,101,712	4,145,515	4,757,000	5,274,800
Capital & Other Expenditures	2,845,778	2,704,569	3,246,000	3,855,500
Total Enterprise Appropriation	6,947,490	6,850,084	8,003,000	9,130,300
Debt Service appropriation	1,856,215	1,859,904	1,881,155	1,883,546