

**RESOLUTION OF THE BOARD OF THE
COTTONWOOD WATER AND SANITATION DISTRICT
TO ADOPT 2020 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, 2020, AND ENDING ON THE LAST DAY OF DECEMBER, 2020,

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 21, 2019, 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 2020.

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. 2020 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.

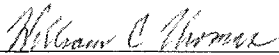
Section 5. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 21st day of November, 2019.

COTTONWOOD WATER AND
SANITATION DISTRICT


By: Stephen Wasiecko
As: Vice President

ATTEST:


Secretary

COTTONWOOD WATER AND SANITATION DISTRICT

2020 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 September 26, 2019 which proposed budget includes the following mill levy applied to an assessed value of \$122,871,914; 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 14.00 mills

\$ 1,720,207 (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 21, 2019.

COTTONWOOD WATER AND SANITATION DISTRICT

By William C Thomas, Secretary

**COTTONWOOD WATER AND SANITATION DISTRICT
2020 BUDGET MESSAGE**

The attached 2020 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 2020 budget estimates collecting \$4,934,000 in service fee and other operating revenues. The District’s 2020 budget estimates \$1,525,000 in non-recurring tap fee revenue associated with new construction in the District. As detailed in the accompanying schedules, the District 2020 budget reflects having \$3,546,357 in the end of year Enterprise Fund balance.

The District’s 2020 budget debt fund anticipates property tax revenues are \$1,719,000 generated from a mill levy of 14.00 on the District’s assessed values. The District budget reflects having \$183,444 in the end of year Debt Fund balance.

**Cottonwood Water & Sanitation District
2020 Budget**

	2018 Actual	2019 Projected	Amended 2019 Budget	2020 Budget
ENTERPRISE FUND				
Water service fees	2,316,019	2,412,305	2,458,000	2,605,000
Sewer service fees	1,933,738	2,124,155	2,055,000	2,252,000
Stormwater fees	5,897	6,396	6,000	7,000
Late & disconnect fees	60,529	39,009	35,000	40,000
Meter fees	-	28,179	-	30,000
Total Service Fees	4,316,183	4,610,045	4,554,000	4,934,000
Operating Expenses				
Water plant operating exp	203,047	524,599	391,000	830,000
WISE water purchases	270,617	350,594	365,000	495,000
Other water purchases	20,908	21,969	-	-
Utilities	355,930	330,218	320,000	300,000
Repairs & maintenance	245,910	138,206	220,000	200,000
System operating costs	160,000	165,000	165,000	173,000
Wastewater treatment	1,491,905	1,653,655	1,557,000	1,753,000
Total operating expenses	2,748,317	3,184,240	3,018,000	3,751,000
Administrative expenses				
Management fees	145,932	172,000	164,000	181,000
Billing & collections	104,357	109,159	104,000	115,000
Accounting expenses	55,833	60,000	53,000	63,000
Credit card fees	14,253	13,529	14,000	36,000
Legal - general	38,344	63,048	75,000	72,000
Legal - water rights	22,382	13,165	50,000	36,000
Professional & engineering fees	80,281	36,099	80,000	60,000
Insurance expense	31,426	32,896	36,000	34,000
Other general & administrative	38,668	32,649	41,000	34,000
Election expenses	-	-	-	10,000
Contingency	-	-	150,000	75,000
Total administrative expenses	531,476	532,545	767,000	716,000
Total operating & admin. expenses	3,279,793	3,716,786	3,785,000	4,467,000
Net operating income less expenses	1,036,390	893,259	769,000	467,000

Cottonwood Water & Sanitation District
2020 Budget

	2018	2019	Amended 2019	2020
	Actual	Projected	Budget	Budget
Other revenues				
Tap fees	4,126,378	1,970,680	2,100,000	1,525,000
CWCB loan proceeds	-	135,000	135,000	1,623,000
Project contributions & grants	1,585,043	696,076	600,000	-
Inclusion fees	-	-	-	-
Capital recovery fees	17,747	37,870	18,000	40,000
Gain on sale CCPWA	-	423,327	-	-
Interest income	148,716	141,227	30,000	100,000
Other income	-	-	-	-
Total other revenues	5,877,884	3,404,178	2,883,000	3,288,000
Other expenses				
Tap fees - ACWWA	1,347,632	647,270	638,000	508,000
CWCB issue costs	-	-	1,350	16,230
CWCB debt service	56,389	34,845	40,000	40,000
CCPWA/UCCWA operations	37,063	21,786	40,000	40,000
SMSWA/WISE operating exp	55,344	40,742	80,000	44,000
CCPWA investment in authority	7,143	29,582	-	700,000
WISE investment in authority	146,080	303,431	410,000	1,803,000
JWPP capital expenditures	2,168,585	3,846,594	4,300,000	-
Capital expenditures	2,640,569	577,025	2,000,000	2,765,000
Total other expenses	6,458,805	5,501,276	7,509,350	5,916,230
Net other income less expenses	(580,921)	(2,097,097)	(4,626,350)	(2,628,230)
 Net Enterprise Income	 455,469	 (1,203,838)	 (3,857,350)	 (2,161,230)
 Enterprise Reserve - Beg of Year	 6,455,956	 6,911,425	 6,911,425	 5,707,587
Enterprise Reserve - End of Year	6,911,425	5,707,587	3,054,075	3,546,357

**Cottonwood Water & Sanitation District
2020 Budget**

	2018 Actual	2019 Projected	Amended 2019 Budget	2020 Budget
DEBT FUND				
Revenues				
Property taxes	1,688,109	1,581,009	1,579,000	1,719,000
Specific ownership tax	191,011	170,315	180,000	170,000
Refunding bond proceeds	-	4,000,000	4,000,000	-
Interest earnings	-	-	-	-
Total Bond Fund Revenues	1,879,120	5,751,323	5,759,000	1,889,000
Expenses				
County collection fees	25,342	23,781	23,685	25,785
Paying agent Fees	250	104	1,000	-
Debt service - DWRF (2006B)	734,941	723,575	739,663	701,505
Debt service - 2008A	542,916	456,605	456,605	-
Debt service - 2016	495,423	498,262	498,262	495,264
Debt service - 2019	-	526,100	526,100	637,350
Bond refunding	-	3,575,000	3,575,000	-
Bond issue costs	-	51,015	60,000	-
Contingency	-	-	25,000	25,000
Total Debt Fund Expenses	1,798,872	5,854,442	5,905,315	1,884,904
Net Debt Fund Income	80,248	(103,118)	(146,315)	4,096
Debt Reserve - Beg of Year	202,218	282,466	282,466	179,348
Debt Reserve - End of Year	282,466	179,348	136,151	183,444

PROPERTY TAX SUMMARY:

	2018	2019	Amended 2019	2020
Douglas County - #4047	105,592,611	108,825,784	108,825,784	122,832,585
Douglas County - #4594	84,820	61,350	61,350	190
Assessed Valuation	105,677,431	108,887,134	108,887,134	122,832,775
Mill Levy	16.00	14.50	14.50	14.00
Calculated property taxes	1,690,839	1,578,863	1,578,863	1,719,659
Actual taxes/calculated taxes	99.84%	100.14%	100.01%	99.96%

TOTAL FUNDS AVAILABLE SUMMARY:

	12/31/18 Actual	12/31/19 Projected	12/31/19 Budget	12/31/20 Budget
Enterprise	6,911,425	5,707,587	3,054,075	3,546,357
Debt Service	282,466	179,348	136,151	183,444
TOTAL	7,193,891	5,886,935	3,190,226	3,729,801

Expenditure Appropriation:

Operating Expenses	3,279,793	3,716,786	3,785,000	4,467,000
Capital & Other Expenditures	6,458,805	5,501,276	7,509,350	5,916,230
Total Enterprise Appropriation	9,738,598	9,218,061	11,294,350	10,383,230

Debt Service appropriation	1,798,872	5,854,442	5,905,315	1,884,904
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