



**Southwest Metropolitan
Water and Sanitation District**

**Budget
2015**

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

2015 BUDGET REPORT

SUMMARY

The 2015 Budget for Southwest Metropolitan Water and Sanitation District has been prepared in accordance with the modified accrual basis of budgetary accounting.

Services to be provided by Southwest Metropolitan in 2015 include operation, maintenance, and repair of 168.4 miles of water distribution mains and 159.8 miles of sanitary sewer collection and interceptor mains and one potable water pumping station. Proposed facility maintenance objectives for 2015 are described in greater detail in a separate document titled *2015 Maintenance Goals*.

Total revenue from all sources is projected to be \$955,728 in 2015. Total expenditures are budgeted at \$3,938,211; 1.3% more than budgeted in 2014. General fund expenditures are budgeted at \$1,549,030; 4.8% more than 2014 budgeted expenses. Capital expenses are budgeted at \$2,389,181; 0.8% less than budgeted in 2014.

The reserve fund balance is projected to decrease \$2,982,484 in 2015 from a beginning balance of \$29,118,809 to \$26,136,325 at year end 2015.

REVENUE

- Total Revenue in 2015 is projected to be \$955,728; 65.8% more than 2014 budget revenue of \$594,143.
- No tap administrative fees are budgeted for 2015 due to a lack of new development and construction activity.
- In 2014 the Board of Directors imposed a service fee to be applied to all District customers. The service fee is to be used for operations, maintenance, and rehabilitation of the of the District facilities. The service fee is \$1.00 per month per ¾” equivalent. The fee will be imposed on customers’ Denver Water bills, with the revenue collected by Denver Water and remitted to the

District. Service fee revenue budgeted for 2015 is \$177,100 based on 14,758 ¾” equivalents.

- Contract service fees consist of a biennial charge to the City of Littleton in the amount of \$7,500 to transport up to 13 cubic feet per second of wastewater flow from the City through Southwest Metropolitan’s A & D line interceptors.
- System development fee revenue is budgeted at \$283,500. This revenue consists of water and sanitary sewer tap fee payments for three proposed development projects. Water tap fees are scheduled to increase January 1, 2015 to \$7,000 per ¾” equivalent from the current water tap fee of \$5,625. The sewer tap fee for a single family residence or equivalent will remain \$1,100.
- The largest single source of revenue is investment income. Investment income is projected to be \$291,188, 30.5% of total District revenue less capital project reimbursement. Investment income revenue is proposed to be \$159,522 less than estimated 2014 investment income of \$450,710 based on a projected average annual yield of 1.0 percent on District invested funds.
- Other income, which includes office lease income, capital reimbursement income, and miscellaneous income, is budgeted at \$188,940.

Office lease income consists of Platte Canyon Water and Sanitation District’s share of operating, maintenance and repair expenses for the administrative office and garage facility located at 8739 W. Coal Mine Ave. Platte Canyon is contractually obligated to pay 30% of all building costs to Southwest Metropolitan. Costs are billed monthly at a fixed rate and reconciled annually based on actual costs incurred. The budget for 2015 is \$26,400, the same amount budgeted in 2014.

Capital project reimbursement consists of contractually required payments from Grant Water and Sanitation District and Columbine Water and Sanitation District to reimburse Southwest Metropolitan for their portion of costs associated with the rehabilitation of the B-line interceptor. Revenue from these entities is projected to be \$83,040 in 2015.

Miscellaneous income consists primarily of fire hydrant use fees which are assessed for use of District owned fire hydrants. The fire hydrant use fee of \$100 per month per hydrant is not proposed to change in 2015.

OPERATING EXPENSES

- Total expenses for 2015 are budgeted at \$3,938,211, \$1,549,030 for administration, operations, and maintenance and \$2,389,181 for capital expenditures. The budget for administration and operating expenses is 4.8% more than the amount budgeted in 2014.
- Operations and maintenance costs are budgeted at \$878,550 which is 6.4% more than \$825,500 budgeted in 2014.

Water operating and maintenance costs consist of water maintenance materials and Southwest Metropolitan's share of labor, equipment, and overhead costs incurred by Platte Canyon. Costs are allocated between the two Districts in accordance with a comprehensive cost accounting model. The 2015 costs are budgeted at \$296,500 which is \$11,500 more than budgeted in 2014.

Water contract maintenance for system failures is budgeted at \$85,000, \$5,000 more than 2014 budget. This increase is based on historical expenditures adjusted to reflect the potential for unexpected system failures. Remedial maintenance and repair costs are budgeted at \$25,000, \$40,000 less than budgeted in 2014. The decrease is attributed to the estimated number of potential and known remedial repairs to be conducted in 2015. A detailed explanation of the maintenance services to be performed in Southwest Metropolitan in 2015 is presented in a separate report titled *2015 Maintenance Goals*.

Hogback Pump Station general maintenance includes repairs and maintenance to the pump station equipment and building located at 13399 W. Coal Mine Ave. These expenses are budgeted at \$10,000, the same amount budgeted in 2014. Telemetry includes costs associated with monitoring the building security system, the Supervisory Control and Data Acquisition (SCADA) system, and pump station alarm system. Telemetry is budgeted at \$1,800, \$50 more than budgeted in 2014. Utilities include costs associated with electric, gas, water, and sewer services which are budgeted at \$27,500, \$1,500 more than the amount budgeted in 2014.

Sewer operating and maintenance costs consist of sewer maintenance materials and Southwest Metropolitan's share of labor, equipment, and overhead costs incurred by Platte Canyon Water and Sanitation District. Costs are allocated between the two Districts in accordance with a comprehensive cost accounting model. The 2015 costs are budgeted at \$260,000, \$10,000 more than the amount budgeted in 2014.

Sewer contract emergency maintenance includes system repairs and cleanup costs associated with sewer backups originating within District owned facilities. The amount budgeted for this line item remains \$20,000, the same amount budgeted in 2014. Remedial maintenance and repair costs are budgeted at \$50,000, \$15,000 more than the amount budgeted in 2014. This projected expenditure is based on the estimated number of sewer point repairs anticipated to be conducted in 2015. A detailed explanation

of the maintenance services to be accomplished in Southwest Metropolitan in 2015 is presented in a separate report titled *2015 Maintenance Goals*.

Sewer flow meter maintenance includes repairs and maintenance to the flow meter equipment situated on eight sanitary interceptors and is budgeted at \$1,500, same amount budgeted in 2014. Telemetry includes costs associated with monitoring the SCADA and alarm system at each site. Telemetry is budgeted at \$6,000, the same amount budgeted in 2014. Utility expenses are budgeted at \$1,750 which is equal to the amount budgeted in 2014.

General engineering services include expenditures for consulting services related to engineering matters and surveying services that are non-capital project related. The 2015 budget includes \$5,000 for water related services and \$5,000 for sewer related services.

Engineering for mapping and geographical information related services is budgeted at \$25,000 in 2015; \$5,000 less than the amount budgeted in 2014. It is anticipated that enhancements to the District's ESRI based GIS will be performed next year to align sewer mains and sewer laterals to GPS data collected in 2014.

Engineering services backcharge include expenditures for plan review and inspection services for developer projects. This expense is backcharged to the developer to offset District costs incurred performing the services. The 2015 budget includes \$50,000 for these related services.

- Administrative expenses for 2015 are budgeted at \$560,950 which reflects a \$2,605 decrease from estimated 2014 expenses totaling \$563,555.

Administration costs consist of Southwest Metropolitan's share of labor, equipment, and overhead costs incurred by Platte Canyon in accordance with an Intergovernmental Agreement between the two Districts. Shared costs are allocated to each District in accordance with a comprehensive cost accounting model. The 2015 costs are budgeted at \$456,750, 5.0% or \$21,750 more than \$435,000 budgeted in 2014.

Office supplies include filing, printing and stationary type items. The amount budgeted for 2015, \$2,500, is based on historical expenditures.

Southwest Metropolitan is a member of selected trade and research related associations and organizations including the Colorado Special District Association. The 2015 budget for membership dues is \$2,000, the same amount budgeted in 2014.

There is no election scheduled for 2015.

The 2015 budget includes \$37,500 for newsletters and web site maintenance. Costs for the newsletters include setup, printing, and postage for the four newsletters planned for 2015.

Legal notices, budgeted at \$200 in 2015, include annual special district compliance notices such as the budget notice and advertisements for construction project bids.

Audit expenditures are budgeted at \$6,000; the same amount budgeted in 2014.

General legal services are budgeted at \$35,000 which is the same amount budgeted in 2014.

Legal services-backcharge include expenditures for easement preparation services for developer projects. These expenses are backcharged to the developer. The 2015 budget includes \$5,000 for these services.

The Rates and Fees Technical Advisory Committee budget will remain the same as budgeted in 2014, \$15,000. The 2015 budget includes technical consulting services anticipated to be necessary to respond to Denver Water's 2015 cost of service study and to participate in negotiations with Denver Water over proposed rate structure changes.

Other general consulting costs are budgeted at \$1,000, \$9,000 less than budgeted in 2014.

- Insurance coverage for general liability, property, directors' and officers' liability, and basic commercial crime are obtained through the Colorado Special District Property and Liability Pool (CSDA). In addition, supplemental commercial crime coverage is obtained from another source. Other insurance includes the District's workers compensation insurance for the directors which is currently with CSDA. Premiums for 2015 are expected to be the same or slightly higher than those paid in 2014. Therefore, the budget for insurance coverages has been increased \$1,050 (8.3%) from \$12,700 in 2014 to \$13,750 in 2015.

- Building maintenance expenses include costs for landscaping, janitorial, heating and air condition maintenance, elevator maintenance, painting of interior and exterior of building, and other general repairs and maintenance of the office building. These costs are budgeted at \$55,000; the same amount budgeted in 2014.

Office utilities are budgeted at \$32,750, \$250 less than budgeted in 2014.

- Directors' fees are budgeted at \$6,000 which assumes 100% attendance for all regularly scheduled meetings.
- The District Directors are covered by the Federal Contributions Retirement Act (Social Security) and thus contribute 6.2 % of wages to FICA. The District is also covered by the Federal Medicare Program and thus contributes 1.45% of employee wages to the program. The amount budgeted for these two programs for 2015 is \$480 based on \$6,000 of payroll.

CAPITAL EXPENSES

- Capital expenses for 2015 are budgeted at \$2,389,181, \$732,969 less than estimated 2014 expenses totaling \$3,122,150, and \$20,325 less than the amount budgeted in 2014.
- One capital water project is budgeted for 2015. The project consists of replacing 553 feet of 6-inch ductile iron pipe with 553 feet of 6-inch PVC pipe in S. Simms Way. A detailed explanation of this project is included in the District's *Capital Master Plan for 2015-2024*.
- Three capital sewer projects are budgeted for 2015. The first project consists of lining 4,237 feet of 36-inch concrete sewer pipe with a cured-in-place liner and rehabilitating the existing 21 manholes on the B-line Interceptor. The project is estimated to cost \$1,250,600; however, a portion of the cost will be offset with reimbursement from Grant Water and Sanitation District and Columbine Water and Sanitation District who are required to participate in repair and maintenance costs for the interceptor. The second project consists of replacing 225 feet of 8-inch SDR35 pipe in the Stony Creek subdivision. This project is budgeted at \$105,800. The third project consists of replacing 611 feet of 8 inch SDR35 pipe in the Fairway Vista #2 subdivision. This project is budgeted at \$273,700. A detailed explanation of this project is included in the District's *Capital Master Plan for 2015-2024*.
- The 2015 budget includes \$25,000 for the annual contract for cured-in-place pipe (CIPP) sewer rehabilitation projects that will be scheduled on an as needed basis determined by the District's television inspection program.

- The 2015 capital budget includes \$30,000 for landscaping of the Hogback Pump Station. This is the final phase of this project which included new sidewalk, plants, ground cover, and irrigation system rehabilitation.
- The 2015 capital expense budget includes an emergency reserve in the amount of \$28,672 as required by the TABOR Amendment.
- The 2015 capital expense budget includes a 10 percent contingency for water and sewer capital projects in the amount of \$211,865.
- Total revenue for 2015 (\$955,728) is less than projected expenses (\$3,938,211) by \$2,982,783. The deficit will be funded by a reduction in the District's reserve funds.

PROPERTY TAXES

- Southwest Metropolitan will not certify a mill levy in 2015 for tax year 2014. The property tax schedule is included in the 2015 budget to provide information relative to property valuations within the District. Assessed valuations increased \$1,151,337, 0.3%, primarily as a result of new construction within the District. Eighty-five percent of the total property valuation is located in Jefferson County, twelve percent in Arapahoe County and three percent in Douglas County.

SUMMARY OF EXPENDITURES (EXHIBIT A)

- Exhibit A provides a summary of District expenditures including non-appropriated depreciation and amortization of District assets. Total expenditures requiring appropriation in 2015 is \$3,883,211.

LEASE - PURCHASE AGREEMENTS

- As required by *C.R.S. 29-1-103(3)(d)*, the 2015 budget includes a schedule for lease-purchase agreements. Southwest Metropolitan does not have any lease-purchase agreements requiring expenditure of funds in 2015.

TEN YEAR FINANCIAL PLAN

- The Ten Year Financial Plan identifies a reserve fund balance amounting to \$29,118,809 at year end 2014. The fund balance is projected to decrease \$2,982,483 to \$26,136,326 at year end 2015. Over the ten year planning period the reserve fund balance is projected to decrease \$9,158,277 to \$19,960,532 at year end 2024. After thorough analysis of District operating and projected capital expenses, the Board of Directors in 2014 determine that \$19,000,000 is the minimum reserve fund level to ensure long term adequate funding for District operations and infrastructure renewal and replacement.
- Service fee revenue for 2015 is based on an assessment of \$1.00 per month per ¾” equivalent and is expected to produce revenue amounting to \$177,100. For planning purposes, the fee is projected to increase by \$1.00 every other year during the ten year planning period. Service fee revenue is projected to be the largest source of revenue providing approximately 41% of the total revenue over the ten year planning period, exclusive of capital project reimbursements.
- The average interest rate for District invested funds is assumed to be 1.0% in 2015 and increases by 0.25% percent per year to a maximum 3.14%. Interest is projected to be the second largest source of District revenue providing approximately 36.2% of total revenue over the ten year period, exclusive of capital project reimbursements.
- The District projects to sell 52 water and sewer tap permits per year in 2015 through 2017, 25 per year in 2018 through 2022, and 0 per year in 2022 through 2024. Water tap fees are scheduled to increase January 1, 2015 from \$5,625 to \$7,000 and remain at that level through the planning period. Sewer tap fees will remain \$1,100 a single family equivalent sewer tap permit throughout the planning period.
- Operating expenses are projected to increase from 2.5% in 2016 to 2.89% per year from 2017 through 2024.
- Capital expenses through 2024 are derived from the District’s *Capital Master Plan for 2015-2024*.

RESOLUTION 2014-11-1

A RESOLUTION TO ADOPT A BUDGET FOR SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, DOUGLAS, AND ARAPAHOE COUNTIES, COLORADO FOR THE CALENDAR YEAR BEGINNING ON JANUARY 1, 2015 AND ENDING ON DECEMBER 31, 2015.

WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has appointed Patrick Fitzgerald, District Manager, to prepare and submit a proposed budget to said governing body at the proper time, and;

WHEREAS, a proposed budget reflecting anticipated revenue and expenses for Southwest Metropolitan Water and Sanitation District, Jefferson, Arapahoe and Douglas Counties, Colorado, for the calendar year beginning January 1, 2015, and ending December 31, 2015, was presented to the Board of Directors on or before October 15, 2014, for its consideration, and;

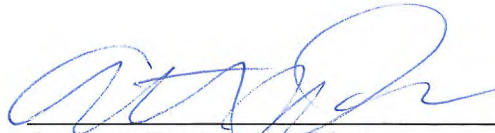
WHEREAS, notice of submittal of the proposed budget to the Board of Directors and notice of the date and time of a public hearing to consider adoption of the proposed budget has been published in newspapers of general circulation within Southwest Metropolitan Water and Sanitation District; and further, the proposed budget has been available for inspection at the District's office located at 8739 W. Coal Mine Avenue, Littleton, Colorado, and interested electors of the District have been given the opportunity to file or register objections to the proposed budget, and;

WHEREAS, a copy of the proposed budget for Southwest Metropolitan Water and Sanitation District for calendar year 2015 is attached hereto and made a part hereof, and;

WHEREAS, said budget lists all proposed expenditures for administration, operations, maintenance, and capital projects and expenditures, all anticipated revenues, estimated or actual beginning and ending fund balances, and a budget message describing the important features of the proposed budget;

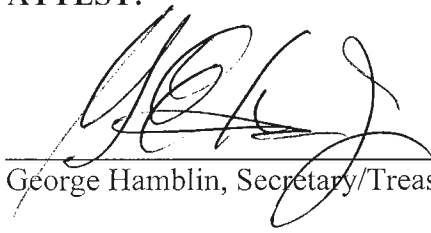
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT that the budget as submitted, amended, and affixed hereto is hereby approved and adopted as the official budget of the Southwest Metropolitan Water and Sanitation District for the calendar year beginning January 1, 2015, and ending December 31, 2015.

**ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN
WATER AND SANITATION DISTRICT THIS 21st DAY OF NOVEMBER, 2014.**



Anthony Dursey, President

ATTEST:



George Hamblin, Secretary/Treasurer

RESOLUTION 2014-11-2

**A RESOLUTION TO APPROPRIATE SUMS OF MONEY
IN THE AMOUNTS AND FOR THE PURPOSES
AS SET FORTH BELOW FOR THE
SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
FOR THE 2015 BUDGET YEAR**

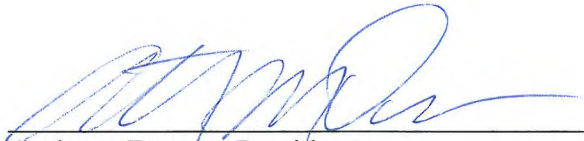
WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has approved and adopted the annual budget for the District for the budget year 2015 and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below for the operations and expenditures of the Southwest Metropolitan Water and Sanitation District,

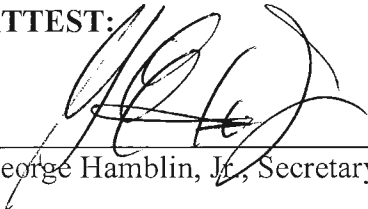
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, ARAPAHOE, AND DOUGLAS COUNTIES, COLORADO that THREE MILLION NINE HUNDRED THIRTY-EIGHT THOUSAND TWO HUNDRED ELEVEN AND NO/100 DOLLARS (\$3,938,211) is hereby appropriated for expenditure during calendar year 2015:

ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT THIS 21ST DAY OF NOVEMBER, 2014.



Anthony Dursey, President

ATTEST:



George Hamblin, Jr., Secretary/Treasurer

RESOLUTION 2014-11-3

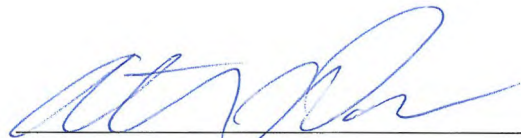
**A RESOLUTION
CERTIFYING A ZERO MILL PROPERTY TAX LEVY
FOR TAX YEAR 2014 FOR THE
SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT**

WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has approved and adopted the annual budget for 2015 in accordance with the Colorado Local Government Budget Law, and;

WHEREAS, the approved budget for 2015 provides for sufficient revenue without certification of a property tax mill levy upon taxable property within the Southwest Metropolitan Water and Sanitation District,

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, ARAPAHOE AND DOUGLAS COUNTIES, COLORADO that for tax year 2014 (budget year 2015) there is hereby certified a zero (0) mill property tax levy upon all property located within Southwest Metropolitan Water and Sanitation District.

ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT THIS 21ST DAY OF NOVEMBER, 2014.



Anthony Dursey, President

ATTEST:



George Hamblin, Jr., Secretary

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

REVENUE

	ACTUAL 2012	ACTUAL 2013	BUDGET 2014	ESTIMATED 2014	BUDGET 2015	CHANGE FROM 2014 BUDGET
BEGINNING FUNDS	38,065,775	35,529,558	32,121,318	32,121,318	29,118,809	
ADMINISTRATIVE FEES						
Tap Administrative Fees	0	0	0	2,300	0	0
SUB-TOTAL	0	0	0	2,300	0	0
SERVICE FEES						
Service Fees	0	0	0	0	177,100	177,100
SUB-TOTAL	0	0	0	0	177,100	177,100
CONTRACT SERVICE FEES						
City of Littleton	15,000	15,000	15,000	15,000	15,000	0
SUB-TOTAL	15,000	15,000	15,000	15,000	15,000	0
SYSTEM DEVELOPMENT FEES						
Water Tap Fees	28,500	28,000	106,250	326,250	245,000	138,750
Sewer Tap Fees	39,977	14,110	27,500	305,675	38,500	11,000
Annexation Fees	0	4,500	0	0	0	0
SUB-TOTAL	68,477	46,610	133,750	631,925	283,500	149,750
INVESTMENT INCOME						
Net Investment Income	540,319	(318,093)	321,213	450,710	291,188	(30,025)
SUB-TOTAL	540,319	(318,093)	321,213	450,710	291,188	(30,025)

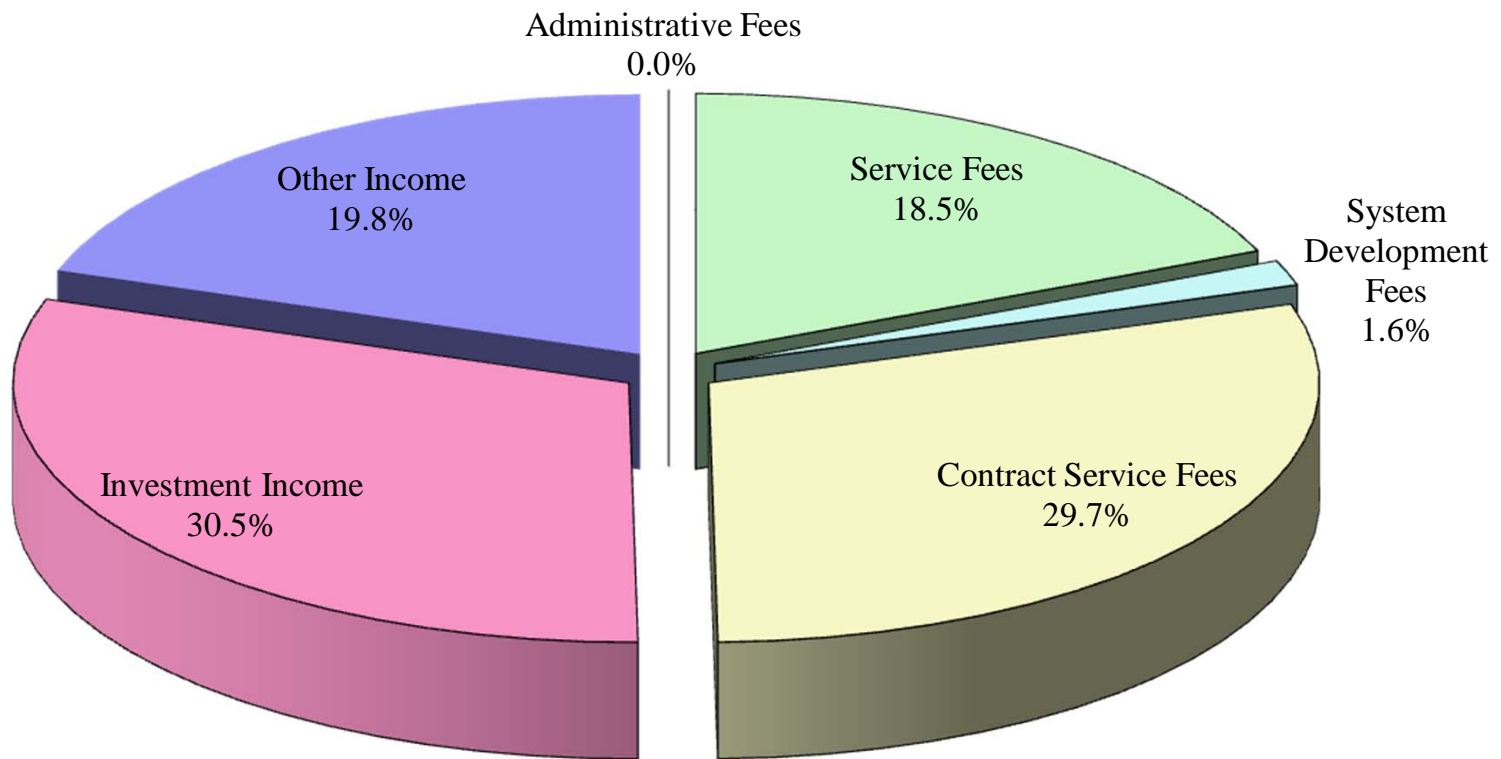
SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

REVENUE

	ACTUAL	ACTUAL	BUDGET	ESTIMATED	BUDGET	CHANGE
	2012	2013	2014	2014	2015	FROM
						2014 BUDGET
OTHER INCOME						
Office Lease	16,668	21,896	26,400	26,475	26,400	0
Capital Project Reimbursement	627,089	488,836	93,280	411,850	83,040	(10,240)
Plan review / Inspection Fees	6,497	52,745	0	95,000	75,000	
Gain on asset disposal	0	0	0	0	0	0
Miscellaneous	8,751	18,450	4,500	4,050	4,500	0
SUB-TOTAL	659,005	581,927	124,180	537,375	188,940	64,760
TOTAL REVENUE	1,282,801	325,444	594,143	1,637,310	955,728	361,585

2015 General Fund Revenue



■ Administrative Fees ■ Service Fees ■ System Development Fees ■ Contract Service Fees ■ Investment Income ■ Other Income

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

EXPENDITURES

	ACTUAL 2012	ACTUAL 2013	BUDGET 2014	ESTIMATED 2014	BUDGET 2015	CHANGE FROM 2014 BUDGET
OPERATING EXPENSES						
OPERATIONS & MAINTENANCE						
Water - Operation & Maintenance	268,412	301,850	285,000	271,725	296,500	11,500
Water - Contract Maintenance						
Emergency	68,334	71,300	80,000	118,620	85,000	5,000
Remedial	40,271	99,326	65,000	42,845	25,000	(40,000)
Hogback Pump Station						
General	7,014	7,100	10,000	10,750	10,000	0
Telemetry	1,733	1,591	1,750	1,700	1,800	50
Utilities	21,630	24,312	26,000	26,975	27,500	1,500
Sewer - Operation & Maintenance	207,005	258,563	250,000	269,680	260,000	10,000
Sewer - Contract Maintenance						
Emergency	0	0	20,000	0	20,000	0
Remedial	17,781	29,055	35,000	35,000	50,000	15,000
Sewer Flow Meters						
General	153	1,388	1,500	1,000	1,500	0
Telemetry	6,137	5,973	6,000	5,825	6,000	0
Utilities	1,560	1,681	1,750	1,695	1,750	0
Utility Notification	7,870	6,782	8,500	7,630	8,500	0
Professional & Consulting						
Engineering - Water	910	2,184	5,000	500	5,000	0
Engineering - Sewer	1,113	1,536	5,000	5,000	5,000	0
Engineering - GIS	20,192	65,541	25,000	20,000	25,000	0
Engineering - Backcharge	2,935	29,839	0	50,000	50,000	50,000
SUB-TOTAL	673,050	908,021	825,500	868,945	878,550	53,050

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

EXPENDITURES

	ACTUAL 2012	ACTUAL 2013	BUDGET 2014	ESTIMATED 2014	BUDGET 2015	CHANGE FROM 2014 BUDGET
OPERATING EXPENSES (cont.)						
ADMINISTRATION						
General Office Administration						
Administration	395,417	410,013	435,000	460,500	456,750	21,750
Office Supplies & Expense	1,510	2,479	2,000	2,625	2,500	500
Dues	1,599	1,723	2,000	1,725	2,000	0
Election	52	0	2,000	55	0	(2,000)
Public Relations						
Newsletters	25,891	17,079	35,000	31,650	35,000	0
Website / Other	919	2,019	2,000	2,275	2,500	500
Legal Notices	83	87	200	90	200	0
Professional & Consulting						
Audit	5,100	5,100	6,000	5,100	6,000	0
Legal - General	36,609	31,579	35,000	42,450	35,000	0
Legal - Backcharge	1,575	4,942	0	4,500	5,000	5,000
Technical Advisory Committee (TAC)	15,586	13,485	15,000	12,500	15,000	0
Other	0	0	10,000	85	1,000	(9,000)
SUB-TOTAL	484,341	488,506	544,200	563,555	560,950	16,750
INSURANCE						
Property/Inland Marine	3,450	3,600	4,000	3,905	4,000	0
General Liability	3,200	3,475	3,750	4,609	4,800	1,050
Directors & Officers / Commercial Crin	3,816	3,905	4,750	4,450	4,750	0
Bonds & Other	175	200	200	195	200	0
SUB-TOTAL	10,641	11,180	12,700	13,159	13,750	1,050

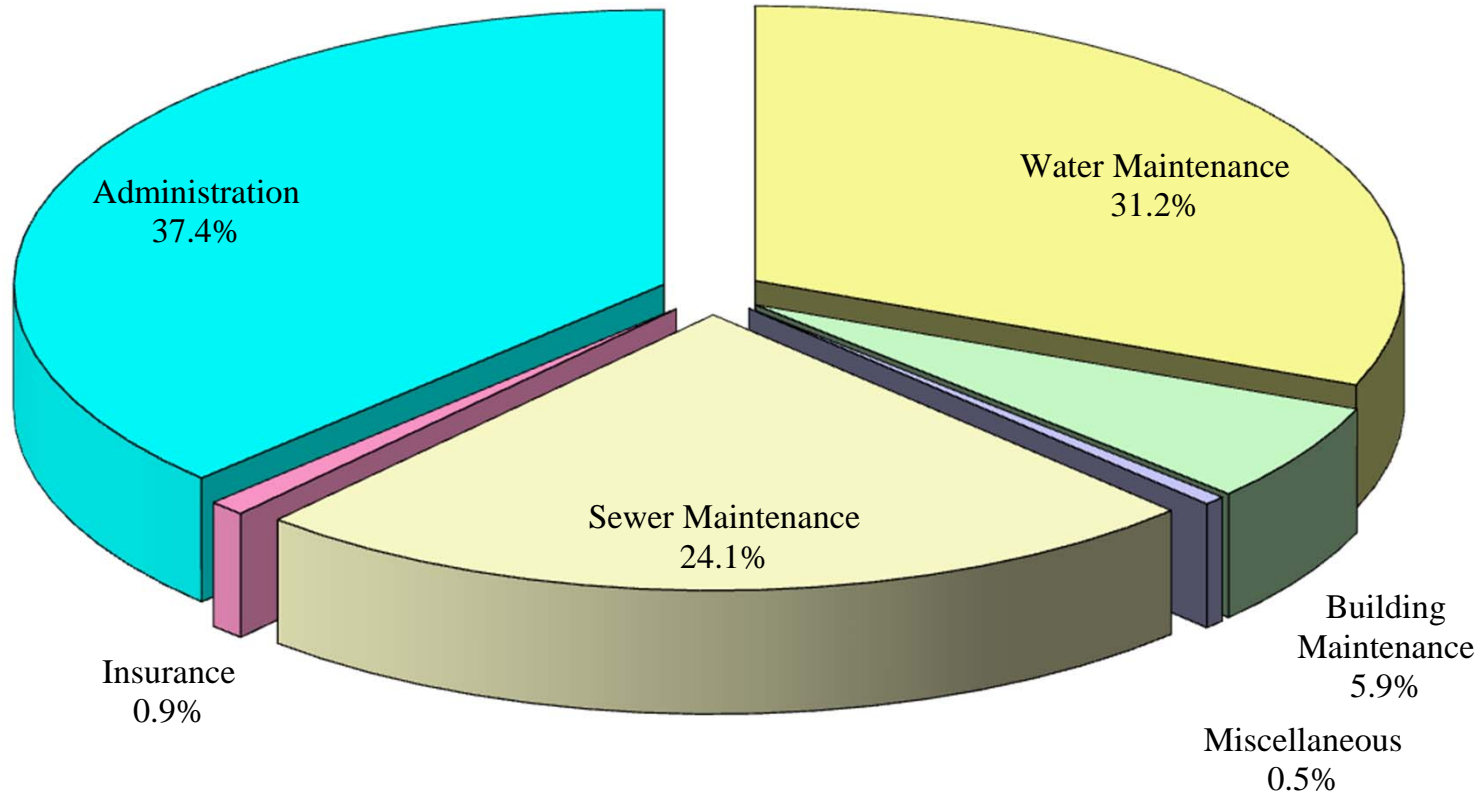
SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

EXPENDITURES

	ACTUAL 2012	ACTUAL 2013	BUDGET 2014	ESTIMATED 2014	BUDGET 2015	CHANGE FROM 2014 BUDGET
OPERATING EXPENSES (cont.)						
BUILDING MAINTENANCE						
Maintenance	25,984	42,551	55,000	35,175	55,000	0
Utilities						
Telephone/Security	11,510	11,247	13,000	12,750	13,000	0
Gas & Electric	15,105	16,223	18,000	16,225	18,000	0
Water & Sewer	1,560	1,314	2,000	775	1,750	(250)
SUB-TOTAL	54,159	71,335	88,000	64,925	87,750	(250)
MISCELLANEOUS						
Directors Fees	5,600	5,500	6,000	5,700	6,000	0
Social Security	428	421	480	435	480	
Other	1,357	1,213	1,550	950	1,550	0
SUB-TOTAL	7,385	7,134	8,030	7,085	8,030	0
SUB-TOTAL OPERATING EXPENSE	1,229,576	1,486,176	1,478,430	1,517,669	1,549,030	70,600

2015 General Fund Operating Expenses



■ Water Maintenance ■ Building Maintenance ■ Miscellaneous ■ Sewer Maintenance ■ Insurance ■ Administration

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

EXPENDITURES

	ACTUAL 2012	ACTUAL 2013	BUDGET 2014	ESTIMATED 2014	BUDGET 2015	CHANGE FROM 2014 BUDGET
CAPITAL EXPENSES						
WATER PROJECTS						
Replacements & Rehabilitation						
PRV Replacement (CIP-13-1W)		66,867				
PRV Replacement (CIP-14-1W)			124,200	116,120		
Simms Way Replacement (CIP-15-1W)					94,795	
New Facilities						
Meadow Sanctuary Loop (CIP-11-1W)	3,575					
Herrick-Dale Loop (CIP-11-2W)	72,861					
Blakeland Loop (CIP-14-2W)			303,540	273,750		
SUB-TOTAL	76,436	66,867	427,740	389,870	94,795	(332,945)
SEWER PROJECTS						
Replacement & Rehabilitation						
D-Line CIPP (CIP-12-1S)	2,484,541	30,050				
C-Line & Dutch Creek Flow Meter Re	16,438	19,870				
A-Line CIPP (CIP-13-1S)	12,027	2,061,280	200,000	1,568,820		
Flow Meter Rehab. (CIP-13-2S)		35,625				
Simms Wy Replacement (CIP-13-3S)		33,816				
C-Line CIPP (CIP-14-1S)			1,506,971	1,106,250	368,750	
B-Line CIPP (CIP-15-1S)					1,250,600	
Garrison Ct. Replacement (CIP-15-2S)					105,800	
Cooper Pl. Replacement (CIP-15-3S)					273,700	
Sewer Rehabilitation (CIPP)			25,000		25,000	
New Facilities						
SUB-TOTAL	2,513,006	2,180,641	1,731,971	2,675,070	2,023,850	291,879

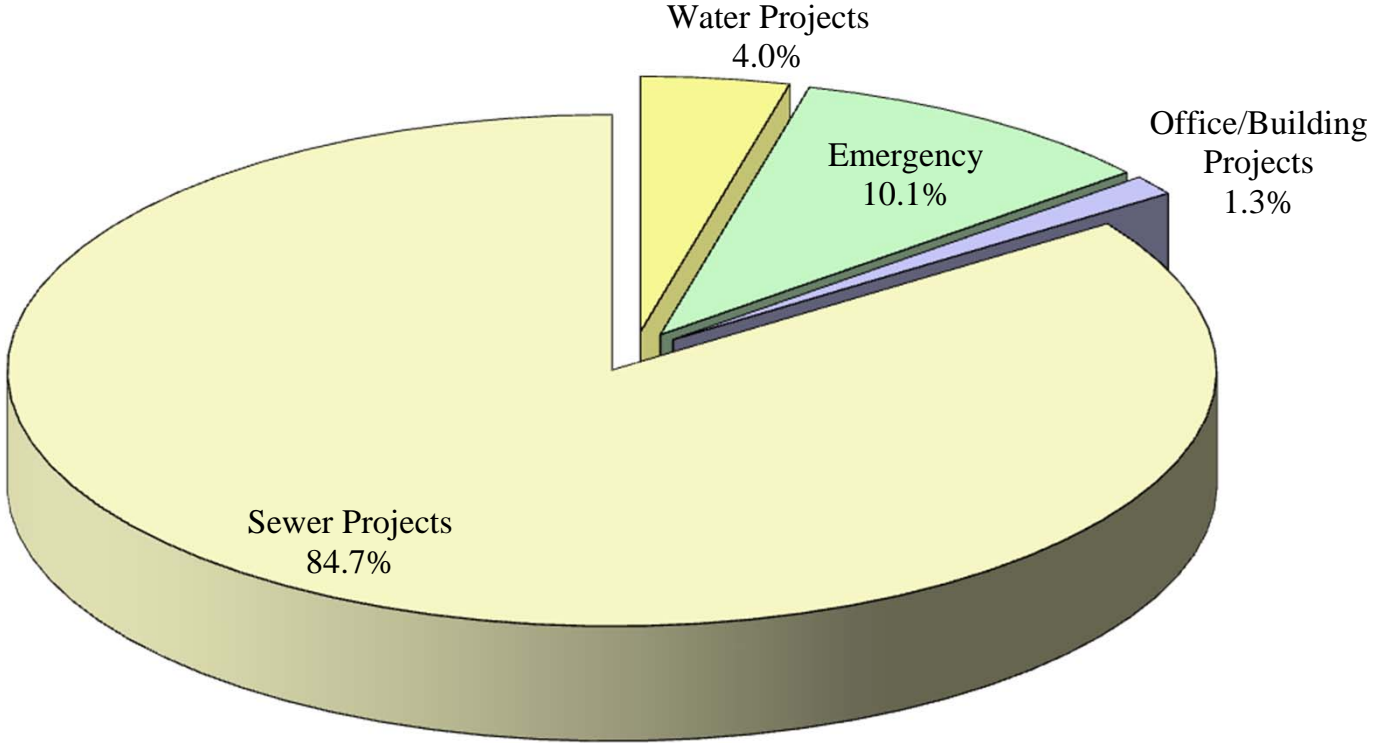
SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

EXPENDITURES

	ACTUAL	ACTUAL	BUDGET	ESTIMATED	BUDGET	CHANGE
	2012	2013	2014	2014	2015	FROM
						2014 BUDGET
CAPITAL EXPENSES (cont)						
OFFICE/BUILDING PROJECTS						
Telephone System			16,000	20,215		
Security System				6,995		
Hogback Landscape				30,000	30,000	
SUB-TOTAL	0	0	16,000	57,210	30,000	14,000
CONTINGENCY/EMERGENCIES						
Emergency Reserve			17,824		28,672	
Contingency			215,971		211,865	
SUB-TOTAL	0	0	233,795	0	240,536	6,741
SUB-TOTAL CAPITAL EXPENSES	2,589,442	2,247,508	2,409,506	3,122,150	2,389,181	(20,325)
TOTAL EXPENDITURES	3,819,018	3,733,684	3,887,936	4,639,819	3,938,211	50,275
ENDING FUNDS AVAILABLE	35,529,558	32,121,318	28,827,524	29,118,809	26,136,325	

2015 General Fund Capital Expenses



■ Water Projects ■ Emergency ■ Office/Building Projects ■ Sewer Projects

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

PROPERTY TAX COMPUTATION

ASSESSED VALUATION	TAX YEAR 2009.000	TAX YEAR 2010.000	TAX YEAR 2011.000	TAX YEAR 2012.000
Jefferson County	398,732,310	383,031,180	377,363,435	376,177,465
Arapahoe County	50,314,150	48,963,160	52,937,270	55,361,864
Douglas County	12,544,180	12,087,280	12,651,987	12,564,700
<hr/>				
Total	415,732,810	444,081,620	442,952,692	444,104,029
MILL LEVY				
Debt Service	0.000	0.000	0.000	0.000
Refunds & Abatements	0.000	0.000	0.000	0.000
General Operations	0.000	0.000	0.000	0.000
<hr/>				
Total	0.000	0.000	0.000	0.000

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

PROPERTY TAX COMPUTATION

ASSESSED VALUATION	TAX YEAR 2009.000	TAX YEAR 2010.000	TAX YEAR 2011.000	TAX YEAR 2012.000
PROPERTY TAXES ASSESSED				
Jefferson County				
Debt Service	0	0	0	0
Refunds & Abatements	0	0	0	0
General Operations	0	0	0	0
Arapahoe County				
Debt Service	0	0	0	0
Refunds & Abatements	0	0	0	0
General Operations	0	0	0	0
Douglas County				
Debt Service	0	0	0	0
Refunds & Abatements	0	0	0	0
General Operations	0	0	0	0
Total Tax Assessed				
Debt Service	0	0	0	0
Refunds & Abatements	0	0	0	0
General Operations	0	0	0	0
Total	0	0	0	0

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

**EXHIBIT A
SUMMARY OF EXPENDITURES**

	ACTUAL 2012	ACTUAL 2013	BUDGET 2014	ESTIMATED 2014	BUDGET 2015	CHANGE FROM 2014 BUDGET
OPERATING EXPENSES						
Water (Schedule I)	1,411,879	1,535,980	1,484,500	1,473,705	1,454,550	(29,950)
Sewer (Schedule I)	850,774	972,972	951,000	993,640	1,023,000	72,000
Administration (Schedule I)	542,999	543,797	606,200	623,405	620,300	14,100
Other Operating Expenses (Schedule I)	72,185	89,649	108,730	85,169	109,530	800
EXPENDITURES NOT REQUIRING FUNDS						
Depreciation & Amortization	1,652,771	1,691,002	1,672,000	1,712,750	1,713,350	41,350
ADDITIONAL EXPENDITURES REQUIRING FUNDS						
Water Projects	76,436	66,867	427,740	389,870	94,795	(332,945)
Sewer Projects	2,513,006	2,180,641	1,731,971	2,675,070	2,023,850	291,879
Office/Building Projects	0	0	16,000	57,210	30,000	14,000
Emergencies	0	0	233,795	0	240,536	6,741
OPERATING EXPENDITURES REQUIRING APPROPRIATION						
	3,814,508	3,698,903	3,887,936	4,585,319	3,883,211	(4,725)

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

EXHIBIT A - SCHEDULE I OPERATING EXPENSES

	ACTUAL 2012	ACTUAL 2013	BUDGET 2014	ESTIMATED 2014	BUDGET 2015	CHANGE FROM 2014 BUDGET
WATER						
Water - Operation & Maintenance	268,412	301,850	285,000	271,725	296,500	11,500
Water - Contract Maintenance						
Emergency	68,334	71,300	80,000	118,620	85,000	5,000
Remedial	40,271	99,326	65,000	42,845	25,000	(40,000)
Hogback Pump Station						
General	7,014	7,100	10,000	10,750	10,000	0
Telemetry	1,733	1,591	1,750	1,700	1,800	50
Utilities	21,630	24,312	26,000	26,975	27,500	1,500
Engineering - Water	910	2,184	5,000	500	5,000	0
Engineering - GIS	10,096	32,771	12,500	10,000	12,500	0
Utility Notification	3,935	3,391	4,250	3,815	4,250	0
Depreciation & Amortization	989,544	992,155	995,000	986,775	987,000	(8,000)
TOTAL	1,411,879	1,535,980	1,484,500	1,473,705	1,454,550	(29,950)
SEWER						
Sewer - Operation & Maintenance	207,005	258,563	250,000	269,680	260,000	10,000
Sewer - Contract Maintenance						
Emergency	0	0	20,000	0	20,000	0
Remedial	17,781	29,055	35,000	35,000	50,000	15,000
Sewer Flow Meters						
General	153	1,388	1,500	1,000	1,500	0
Telemetry	6,137	5,973	6,000	5,825	6,000	0
Utilities	1,560	1,681	1,750	1,695	1,750	0
Engineering - Sewer	1,113	1,536	5,000	5,000	5,000	0
Engineering - GIS	10,096	32,771	12,500	10,000	12,500	0
Utility Notification	3,935	3,391	4,250	3,815	4,250	0
Depreciation & Amortization	602,994	638,614	615,000	661,625	662,000	47,000
TOTAL	850,774	972,972	951,000	993,640	1,023,000	72,000

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

**EXHIBIT A - SCHEDULE I
OPERATING EXPENSES**

	ACTUAL 2012	ACTUAL 2013	BUDGET 2014	ESTIMATED 2014	BUDGET 2015	CHANGE FROM 2014 BUDGET
ADMINISTRATION						
General Office Administration						
Administration	395,417	410,013	435,000	460,500	456,750	21,750
Office Supplies & Expense	1,510	2,479	2,000	2,625	2,500	500
Dues	1,599	1,723	2,000	1,725	2,000	0
Election	52	0	2,000	55	0	(2,000)
Public Relations						
Newsletters	25,891	17,079	35,000	31,650	35,000	0
Website / Other	919	2,019	2,000	2,275	2,500	500
Legal Notices	83	87	200	90	200	0
Professional & Consulting						
Audit	5,100	5,100	6,000	5,100	6,000	0
Legal - General	36,609	31,579	35,000	42,450	35,000	0
Technical Advisory Committee (TAC)	15,586	13,485	15,000	12,500	15,000	0
Other	0	0	10,000	85	1,000	(9,000)
Depreciation	60,233	60,233	62,000	64,350	64,350	2,350
TOTAL	542,999	543,797	606,200	623,405	620,300	14,100
BUILDING MAINTENANCE						
Maintenance	25,984	42,551	55,000	35,175	55,000	0
Utilities						
Telephone/Security	11,510	11,247	13,000	12,750	13,000	0
Gas & Electric	15,105	16,223	18,000	16,225	18,000	0
Water & Sewer	1,560	1,314	2,000	775	1,750	(250)
TOTAL	54,159	71,335	88,000	64,925	87,750	(250)

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

**EXHIBIT A - SCHEDULE I
OPERATING EXPENSES**

	ACTUAL 2012	ACTUAL 2013	BUDGET 2014	ESTIMATED 2014	BUDGET 2015	CHANGE FROM 2014 BUDGET
INSURANCE						
Property/Inland Marine	3,450	3,600	4,000	3,905	4,000	0
General Liability	3,200	3,475	3,750	4,609	4,800	1,050
Directors & Officers / Commercial Crin	3,816	3,905	4,750	4,450	4,750	0
Bonds & Other	175	200	200	195	200	0
TOTAL	10,641	11,180	12,700	13,159	13,750	1,050
MISCELLANEOUS						
Directors Fees	5,600	5,500	6,000	5,700	6,000	0
Social Security	428	421	480	435	480	0
Other	1,357	1,213	1,550	950	1,550	0
TOTAL	7,385	7,134	8,030	7,085	8,030	0
TOTAL OPERATING EXPENSES	2,877,837	3,142,397	3,150,430	3,175,919	3,207,380	56,950

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2015

EXHIBIT B

LEASE - PURCHASE SUPPLEMENTAL SCHEDULE

(29-1-103(3)(d), C.R.S)

I. Real Property Lease - Purchase Agreements:

Total Amount to be expended for all Real Property Lease - Purchase Agreements in 2013

\$0.00

II. All Lease - Purchase Agreements Not Involving Real Property:

Total Amount to be expended for all Non-Real Property Lease - Purchase Agreements in 2013

\$0.00

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
Ten Year Financial Plan
2015-2024

	ACTUAL	ESTIMATED	BUDGETED									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BEGINNING FUNDS AVAILABLE	35,529,558	32,121,318	29,118,809	26,136,326	25,071,161	23,860,843	22,943,369	22,290,657	21,803,255	21,490,759	20,971,213	20,571,771
REVENUE												
Operating Revenue												
Property taxes General Revenue (Exhibit 1)	0	0	0	0	0	0	0	0	0	0	0	0
Property taxes Debt Service (Exhibit 1)	0	0	0	0	0	0	0	0	0	0	0	0
Specific ownership taxes	0	0	0	0	0	0	0	0	0	0	0	0
Service Fees	0	0	177,100	178,540	358,320	359,570	540,250	541,150	722,740	723,940	904,920	904,920
Tap administrative fees	0	2,300	0	0	0	0	0	0	0	0	0	0
Sewer contract fees	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Office lease	21,896	26,475	26,400	27,456	28,554	29,696	30,884	32,120	33,404	34,741	36,130	37,575
Investment Income (2015@ 1.0%+.25%/yr max 3.14%)	-318,093	450,710	291,188	326,704	376,067	417,565	458,867	501,540	545,081	590,996	629,136	645,954
Gain on sale of assets	0	0	0	0	0	0	0	0	0	0	0	0
Other	18,450	4,050	4,500	0	0	0	0	0	0	0	0	0
Total Operating Revenue	-262,747	498,535	514,188	547,700	777,942	821,831	1,045,002	1,089,809	1,316,226	1,364,676	1,585,187	1,603,449
Development Revenue												
Water tap fees	28,000	326,250	245,000	364,000	364,000	175,000	175,000	175,000	175,000	0	0	0
Sewer tap fees	14,110	305,675	38,500	57,200	57,200	27,500	27,500	27,500	27,500	0	0	0
Annexation fees	4,500											
Capital Project Reimbursement	488,836	411,850	83,040	69,065	128,416	0	0	0	0	0	0	0
Plan Review / Inspection Fees	52,745	95,000	75,000									
Contingency addback				240,536								
Bond Proceeds												
Total Development Revenue	588,191	1,138,775	441,540	730,801	549,616	202,500	202,500	202,500	202,500	0	0	0
TOTAL REVENUE	325,444	1,637,310	955,728	1,278,501	1,327,558	1,024,331	1,247,502	1,292,309	1,518,726	1,364,676	1,585,187	1,603,449
EXPENDITURES												
Operations - Enterprise												
Operations & Maintenance(2016@2.5%,2017-2050@ 2.89%	908,021	868,945	878,550	900,514	926,539	953,316	980,866	1,009,213	1,038,380	1,068,389	1,099,265	1,131,034
General & Administrative	578,155	648,724	670,480	687,242	707,172	727,680	748,783	770,497	792,842	815,834	839,493	863,839
Total Operations	1,486,176	1,517,669	1,549,030	1,587,756	1,633,711	1,680,996	1,729,649	1,779,711	1,831,222	1,884,223	1,938,759	1,994,873
Short Term Capital Outlay (Exhibit 2)												
Other	0	57,210	30,000	0	0	0	0	0	0	0	0	0
Contingency/Emergency Reserve	0	0	240,536	0	0	0	0	0	0	0	0	0
Total Short Term Capital Outlay	0	57,210	270,536	0	0	0	0	0	0	0	0	0
Total Short Term Capital Outlay + Operations	1,486,176	1,574,879	1,819,566	1,587,756	1,633,711	1,680,996	1,729,649	1,779,711	1,831,222	1,884,223	1,938,759	1,994,873
Long Term Capital Outlay (Exhibit 2)												
Water	66,867	389,870	94,795	0	759,265	260,810	170,565	0	0	0	45,870	219,815
Sewer	2,180,641	2,675,070	2,023,850	755,910	144,900	0	0	0	0	0	0	0
Total Long Term Capital Outlay	2,247,508	3,064,940	2,118,645	755,910	904,165	260,810	170,565	0	0	0	45,870	219,815
Debt Service (Exhibit 1)												
Prinical payments												
Interest payments												
Total Debt Service	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	3,733,684	4,639,819	3,938,211	2,343,666	2,537,876	1,941,806	1,900,214	1,779,711	1,831,222	1,884,223	1,984,629	2,214,688
Annual Surplus/(deficit)	-3,408,240	-3,002,509	-2,982,483	-1,065,164	-1,210,318	-917,474	-652,712	-487,401	-312,496	-519,547	-399,442	-611,239
ENDING FUNDS AVAILABLE	32,121,318	29,118,809	26,136,326	25,071,161	23,860,843	22,943,369	22,290,657	21,803,255	21,490,759	20,971,213	20,571,771	19,960,532

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
Long Range Financial Plan
2015-2024

EXHIBIT 1 PROPERTY TAX REVENUE

	ACTUAL	ESTIMATED										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assessed Valuation												
Taps Sold	12	263	52	52	52	25	25	25	25	0	0	0
Total Taps	18,036	18,048	18,311	18,363	18,415	18,467	18,492	18,517	18,542	18,567	18,567	18,567
Assessed Value per Tap (5 % - 2016, +6% every even year)	25,593	24,606	24,336	24,336	25,553	25,553	27,086	27,086	28,711	28,711	30,434	30,434
New Assessed Value	307,113	6,471,269	1,265,475	1,265,475	1,328,749	638,822	677,151	677,151	717,780	0	0	0
Assessed Value	461,590,640	444,081,620	445,617,656	446,883,131	470,556,037	471,884,786	500,875,024	501,552,175	532,363,086	533,080,866	565,065,718	565,065,718
General Operations												
Assessed Valuation	461,590,640	444,081,620	445,617,656	446,883,131	470,556,037	471,884,786	500,875,024	501,552,175	532,363,086	533,080,866	565,065,718	565,065,718
General Operating Mill Levy+Abateme	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
General Operating Property Tax	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Mill Levy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Debt Service Property Tax	0	0	0	0	0	0	0	0	0	0	0	0
Service Fees												
Water Taps	14,731	14,746	14,826	14,878	14,930	14,982	15,007	15,032	15,057	15,082	15,082	15,082
Service Fee	0.00	0.00	12.00	12.00	24.00	24.00	36.00	36.00	48.00	48.00	60.00	60.00
	0	0	177,912	178,536	358,320	359,568	540,252	541,152	722,736	723,936	904,920	904,920

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
Ten Year Financial Plan
2015-2024

EXHIBIT 2 CAPITAL EXPENDITURES - DISTRICT CAPITAL IMPROVEMENTS

	<u>ACTUAL</u>	<u>ESTIMATED</u>	<u>BUDGETED</u>									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
WATER												
PRV Replacement - 13-1W	66,867											
PRV Replacement - 14-1W		116,120										
Blakeland Dr. Water Main Loop - 14-2W		273,750										
S. Simms Way Replacemt - 15-1W			94,795									
S. Kipling St Replacemt - 17-1W					759,265							
9525 W. Coal Mine Replacemt - 18-1W						26,920						
S. Flower Wy Replacemt - 18-2W						65,800						
W. Fairview Ave. Replacemt - 18-3W						89,100						
S. Owens Ct. Replacemt - 18-4W						78,990						
W. Euclid Pl. Replacemt - 19-1W							87,630					
W. Nova Ave Replacemt - 19-2W							82,935					
S. Pierson St. Replacemt - 23-1W											45,870	
Old Coal Mine Rd. Replacemt - 24-1W												77605
S. Oak Way Replacemt - 24-2W												142210
Additional Capital Water Projects												
TOTAL WATER	66,867	389,870	94,795	0	759,265	260,810	170,565	0	0	0	45,870	219,815
SEWER												
D-Line Interceptor CIPP. - 12-1S	30,050											
Flow Monitors.-12-2S	19,870											
A-Line Interceptor CIPP. - 13-1S	2,061,280	1,568,820										
Flow Monitors.-13-2S	35,625											
Simms Way Replacement .-13-3S	33,816											
C-Line Interceptor CIPP. - 14-1S		1,106,250	368,750									
B-Line Interceptor CIPP. - 15-1S			1,250,600									
Garrison Ct. Replacement - 15-2S			105,800									
Cooper Pl. Replacement - 15-3S			273,700									
Dutch Creek Interceptor CIPP. - 16-1S				755,910								
Herrick Dale CIPP. - 17-1S					144,900							
Sewer Rehabilitation (CIPP)			25,000									
Additional Capital Sewer Projects												
TOTAL SEWER	2,180,641	2,675,070	2,023,850	755,910	144,900	0	0	0	0	0	0	0
OTHER CAPITAL	0	57,210	30,000	0	0	0	0	0	0	0	0	0
CONTINGENCY/EMERGENCY RESERVE			240,536									
TOTAL CAPITAL	2,247,508	3,122,150	2,389,181	755,910	904,165	260,810	170,565	0	0	0	45,870	219,815