

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

2021 BUDGET REPORT

HIGHLIGHTS

- The 2021 Southwest Metropolitan Water and Sanitation District budget projects a deficit of \$655,614 between total revenue amounting to \$1,868,590 and total expenses of \$2,524,204.
- The water and sewer service fee is projected to remain stable at \$8.00 per month per ¾" equivalent water.
- General Fund revenue provided from the water and sewer service fee is projected to be \$1,467,460, \$454,933 less than 2021 operating expenses of \$1,922,393.
- The net investment income budget for 2021 is \$121,820, \$371,800 or 75.3 percent less than the amount budgeted in 2020. The decline in market yields is significant as the District relies on investment income to offset and fund general operations.
- Service fees amounting to \$1,467,000 and investment income in the amount of \$121,820 produce 85.0 percent of total District revenue. Future developments are in the planning and construction stages, with twenty water and twenty sewer taps being projected to be sold during 2021 totaling \$170,360. Tap fee revenue is variable and cannot be relied upon to provide a continuing, stable source of revenue for future District operations.
- The District receives no property tax revenue and cannot impose a property tax mill levy without the approval of registered electors.

HIGHLIGHTS

- The total operations and maintenance budget for 2021 is \$1,144,100, \$106,525 less than the amount budgeted in 2020.
- The budget for remedial water contract maintenance has been decreased \$126,300 from \$291,800 in 2020 to \$165,500 in 2021. Repairs approximating \$150,000 that were identified and budgeted in 2019 were carried over and completed during 2020. The 2021 budget includes several water system components related to valves and hydrants that require some level of maintenance.
- Water pressure and flow monitoring equipment was purchased and installed on the pressure reducing valves and hydrants during 2020. The 2021 budget for annual maintenance of the devices and monitoring software is \$15,350.
- Professional & consulting engineering services is projected to be the same as the 2020 budget of \$80,500. A planned condition assessment to provide more detailed analysis of the condition of the Districts water mains and the required Risk and Resilience Assessment as mandated by the America's Water Infrastructure Act was budgeted in 2020 at \$30,000 per task. A consulting services agreement was executed during 2020 for the Risk and Resilience Assessment but may carry over into 2021. The condition assessment project was delayed until 2021 and is anticipated to be more costly than originally budgeted in 2020. Continued improvements to the District's GIS may be necessary but significant upgrades have been completed over the past few years. Therefore, the budget for engineering GIS was reduced by \$5,000, from \$15,000 budgeted in 2020 to \$10,000 budgeted in 2021.
- General office administrative services will also continue to be provided by Platte Canyon. The 2021 budget for these services is \$580,160, \$27,310 more than the 2020 budget and 3.0 percent more than the estimated amount for 2020 of \$563,260.
- The total amount budgeted in 2021 for services provided by Platte Canyon is \$1,228,160, 3.7 percent more than budgeted in 2020.

HIGHLIGHTS

- The total general fund expense budget for 2021 is \$1,922,393, 4.1 percent (\$83,005) less than the amount budgeted in 2020.
- The capital expense budget for 2021 (\$601,811) is more than the average capital expenditures over the last three years (\$530,232). Over the next ten years, capital expenses are projected to average \$851,164 per year.
- One water project totaling \$271,542 is budgeted for 2021, replacing 300 feet of 12-inch cast iron pipe.
- Engineering costs related to the capital replacement project planned for 2022 have been budgeted in 2021 and are based on 10 percent of the projected construction cost.
- Over the ten-year planning period the reserve fund balance is projected to decrease \$6,985,352 to \$16,722,668 at year end 2030. It is the policy of the District to annually review and establish an adequate level of cash reserves for operations, capital improvements, debt service, and any other needs prescribed by the Board of Directors to meet expected service levels and provide adequate resources for infrastructure repair and replacement. In order to achieve this directive, the water and sewer service fee was increased by \$2.00 per month, per equivalent ¾" water tap every year beginning in 2017 through 2019 and by \$1.00 in 2020. This resulted in a service fee of \$8.00 per month, per equivalent ¾" water tap. The recent economic conditions have negatively impacted the District's yield on investment and projected investment income growth over the ten-year planning period. The impact of this revenue reduction impacts the ability of the District's total operating revenue to meet or exceed operating expenditures until the year 2027 which includes a planned increase in the service fee of \$2.00 per month. It may be necessary to schedule an increase earlier in the planning period to offset the decrease in investment revenues and maintain operating revenues at the level of operating expenses through the end of 2030.

SUMMARY

The 2021 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 2021 include operation, maintenance, and repair of 178 miles of water distribution mains and 179.8 miles of sanitary sewer collection and interceptor mains and one potable water pumping station. Proposed facility maintenance objectives for 2021 are described in greater detail in a separate document titled *2021 Maintenance Goals*.

Total revenue from all sources is projected to be \$1,868,590 in 2021. Total expenditures are budgeted at \$2,524,204 \$220,746 less than budgeted in 2020. General fund expenditures are budgeted at \$1,922,393, \$83,005 (4.1 percent) less than 2020 budgeted expenses. Capital expenses are budgeted at \$601,811, \$137,741 less than budgeted in 2020.

The reserve fund balance is projected to decrease \$655,614 in 2021 from a beginning balance of \$24,363,634 to \$23,708,020 at year end 2021.

REVENUE

- Total Revenue in 2021 is projected to be \$1,868,590, 15.2 percent less than 2020 budget revenue of \$2,204,250.
- No tap administrative fees are budgeted for 2021 due to insignificant new development and construction activity.
- In 2015 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 currently \$8.00 per month per ¾” equivalent service connection. The fee is imposed on customers’ Denver Water bills, with the revenue collected by Denver Water and remitted to the District. Service fee revenue budgeted for 2021 is \$1,467,460 based on 15,286¾” equivalent taps.
- 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.
- Water tap fees will remain at current levels; \$7,000 per ¾” equivalent water tap and \$1,518 for a single family residence or equivalent sewer tap. System development fee revenue includes the sale of ten water and ten sewer taps in both the Wild Plum and Silver Leaf developments during 2021.
- Investment income is projected to be \$121,820 6.5 percent of total District revenue. Revenue from investment income was 25.6 percent and 22.5 percent of total District revenue in 2018 and 2019, respectively. Investment income revenue is proposed to be \$222,680 less than estimated 2020 investment income of \$344,500. Recent economic conditions have significantly impacted market yields resulting in the decline in investment revenue. Investment yield is estimated to be .5 percent on District invested funds.
- Other income, which includes office lease income, capital reimbursement income, and miscellaneous income, is budgeted at \$93,950.

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 quarterly based on actual costs incurred. The lease income includes Platte Canyon’s share of projected routine maintenance and repair costs and minor capital improvements. The budget for 2021 is \$58,950, \$25,500 more than the 2020 budget amount.

This increase is due to the need for a roof replacement on the building projected to cost \$90,000 in which Platte Canyon's share will be \$27,000.

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 2021.

OPERATING EXPENSES

- Total expenses for 2021 are budgeted at \$2,524,204, 8.0 percent less than the 2020 budget of \$2,744,950. The 2021 budgeted amount for administration, operations, and maintenance is \$1,922,393 while capital expenditures are projected to be \$601,811.
- Operations and maintenance costs are budgeted at \$1,922,393 which is 4.1 percent (\$83,005) less than the amount budgeted in 2020.

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 2021 costs are budgeted at \$375,000 which reflects a 3.0% increase over the estimated amount for 2020.

Water contract maintenance for system failures is budgeted at \$100,000, which the same amount budgeted for 2020. Remedial maintenance and repair costs are budgeted at \$165,500, \$126,300 less than budgeted in 2020. Remedial costs consist of several water system components requiring some level of maintenance including valve repairs and replacements, and hydrant nozzle repairs and replacements. A detailed explanation of the maintenance services to be performed in Southwest Metropolitan in 2021 is presented in a separate report titled *2021 Maintenance Goals*.

Hogback Pump Station general maintenance includes repairs and maintenance of pump station equipment and the building located at 13399 W. Coal Mine Ave. These expenses are budgeted at \$9,000, the same amount budgeted in 2020. 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 \$5,000, \$12,000 less than the amount budgeted in 2020. The decrease is related to potential service maintenance and repairs required on the SCADA system being lower than previously considered. Utilities include costs associated with electric, gas, water, and sewer services and are budgeted at

\$25,500, the same amount budgeted in 2020.

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 2021 costs are budgeted at \$273,000 and represent no increase from the 2020 budget.

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 2020. Remedial maintenance and repair costs are budgeted at \$50,000, equal to the amount budgeted in 2020. This projected expenditure is based on the estimated number of sewer point repairs anticipated to be conducted in 2021. A detailed explanation of the maintenance services to be accomplished in Southwest Metropolitan in 2021 is presented in a separate report titled *2021 Maintenance Goals*.

Sewer flow meter maintenance which includes repairs and maintenance to flow meter equipment situated on eight sanitary interceptors is budgeted at \$5,000, equal to the amount budgeted in 2020. Flow meter telemetry includes costs associated with monitoring the SCADA and alarm systems at each site. Telemetry is budgeted at \$6,000 in 2021, the same amount budgeted in 2020. Utility expenses are budgeted at \$1,750 which is equal to the amount budgeted in 2020.

General engineering services include expenditures for consulting and surveying services that are non-capital project related. The District issues tasks orders for specific engineering projects identified throughout the year. In 2020 a Risk and Resilience Assessment was initiated as mandated by the America's Water Infrastructure Act which will lead to the completion of an emergency response plan in early 2021. A condition assessment study budgeted for 2020 was delayed until 2021 and will be performed to provide a more detailed analysis of the condition of the District's high priority water mains. The 2021 budget includes \$60,000 for water related services and \$5,000 for sewer related services.

Engineering for mapping and geographical information related services is budgeted at \$10,000 in 2021, \$5,000 less than the amount budgeted in 2020. This budget expense covers updates and enhancements to the District's GIS and asset management programs.

Engineering services - backcharge include expenditures for plan review and inspection services for developer projects. These costs are backcharged to the developers to offset District costs incurred while performing the services. The 2021 budget includes \$5,500 for these services, which is equal to the amount budgeted in 2020.

- Administrative expenses for 2021 are budgeted at \$674,763 which reflects a \$23,310 or 3.6 percent increase from the amount budgeted in 2020.

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 2021 costs are budgeted at \$580,160, which reflects a 3.0% increase over the estimated amount for 2020.

Office supplies include filing, printing and stationary type items. The amount budgeted for 2021, \$2,000, 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 2021 budget for membership dues is \$2,000, the same amount budgeted in 2020.

There is no district board member election or special election proposed for 2021 so the budget amount is \$0.

The 2021 budget includes \$26,200 for newsletters and web site maintenance which is the same as the 2020 budgeted amount. The costs for the newsletters, \$25,500, includes printing, postage, and mailing for quarterly newsletters or postcards in 2021. Significant customer outreach is accomplished on the website and through social media platforms. The 2021 budget includes \$500 for the maintenance of the District website.

Legal notices, budgeted at \$200 in 2021, include annual special district compliance notices such as the budget notice, election notice and advertisements for construction project bids.

Audit expenditures are budgeted at \$6,000, the same amount budgeted in 2020.

General legal services are budgeted at \$35,000, \$2,000 less than the amount budgeted in 2020 and more in line with the actual expense incurred in previous years.

Legal services-backcharge include expenditures for easement preparation services for developer projects. These expenses are backcharged to the developer. The 2021 budget includes \$5,000 for these services, the same amount budgeted in 2020.

The Rates and Fees Technical Advisory Committee (TAC) costs are budgeted at \$3,750. Membership dues were waived in

2018 and 2019, but members determined a dues assessment in 2020 and 2021 of \$.30 per customer account was necessary to protect the reserve funds and increase revenue to participate in ongoing discussions with Denver Water.

Other general consulting costs are budgeted at \$1,000, the same amount budgeted in 2020.

- 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. The total amount budgeted for these premiums in 2021 was \$16,090, \$100 more than the amount budgeted in 2020.
- 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. The amount budgeted for 2021 is \$43,000, \$3,000 less than the amount budgeted in 2020 and \$14,100 less than the estimate for 2020. During 2020, the replacement of fire sprinkler components in the amount of \$13,000, originally included as a capital budget item, was appropriately expensed.

Office utilities are budgeted at \$36,410, \$3,110 more than the amount budgeted in 2020. The increase accommodates increases in utilities related to water service and an upgrade to the cable/internet network speed during 2020.

- Directors' fees are budgeted at \$6,000 which assumes 100 percent attendance for all regularly scheduled meetings.
- The District Directors are covered by the Federal Contributions Retirement Act (Social Security) and thus contribute 6.2 percent of wages to FICA. The District is also covered by the Federal Medicare Program and thus contributes 1.45 percent of employee wages to the program. The amount budgeted for these two programs for 2021 is \$480 based on \$6,000 of payroll.

CAPITAL EXPENSES

- Capital expenses for 2021 are budgeted at \$601,811, \$137,741 less than the amount budgeted in 2020.
- One capital water project is budgeted for 2021. It consists of replacing 300 feet of 12-inch cast iron pipe in S. Holland Wy.

between S. Garland St. and S. Garland Ct. in the Kipling Villas Subdivision at a cost of \$271,542. This project includes a culvert crossing which increases the cost by approximately \$150,000. Projected engineering design costs anticipated to be incurred on this 2021 project have been estimated for 2020 expenditure. Additionally, engineering costs estimated for the 2022 projects have been budgeted for 2021 so that the design may be completed to meet desired project timelines in 2022. A detailed explanation of all these projects are included in the District's *Capital Master Plan for 2021-2030*.

- The 2021 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.
- Office Building projects included in the 2021 budget amount to \$115,000 for the replacement of the building roof and upstairs deck which serves as an emergency exit.
- The 2021 capital expense budget includes an emergency reserve in the amount of \$56,058 as required by the TABOR Amendment.
- The 2021 capital expense budget includes a 20 percent contingency for water and sewer capital projects in the amount of \$54,213.

PROPERTY TAXES

- Southwest Metropolitan will not certify a mill levy in 2021 for tax year 2020. The property tax schedule is included in the 2021 budget to provide information relative to property valuations within the District. Assessed valuations increased \$2,749,201 (.4 percent) in 2020. Eighty-three percent of the total property valuation is located in Jefferson County, fourteen 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 2021 is \$2,524,204.

LEASE - PURCHASE AGREEMENTS

- As required by *C.R.S. 29-1-103(3)(d)*, the 2021 budget includes a schedule for lease-purchase agreements. Southwest Metropolitan does not have any lease-purchase agreements requiring expenditure of funds in 2021.

TEN YEAR FINANCIAL PLAN

- The Ten-Year Financial Plan identifies a reserve fund balance amounting to \$24,363,634 at year end 2020. The fund balance is projected to decrease \$655,614 to \$23,708,020 at year end 2021. Over the ten-year planning period the reserve fund balance is projected to decrease \$6,985,352 to \$16,722,668 at year end 2030. It is the policy of the District to annually review and establish an adequate level of cash reserves for operations, capital improvements, debt service, and any other needs prescribed by the Board of Directors to meet expected service levels and provide adequate resources for infrastructure repair and replacement.
- Service fee revenue increased in 2020 from an assessment of \$7.00 per month per ¾” equivalent water service connection to \$8.00 per month per ¾” equivalent water service connection. This increase was necessary in order maintain operating revenues at a level sufficient to fund operating expenses. Due to the economic downturn experienced during 2020 and the resulting significant decline in investment income the District will fall short in funding operating expenses between the years 2021 and 2026. The service fee is scheduled to increase by \$2.00 beginning in 2027, resulting in an assessment of \$10.00 per month, per equivalent ¾” water tap. Although a service fee increase is not desirable for the current budget year given the financial restraints caused by the pandemic a service fee increase may be necessary prior to 2027. Service fee revenue is projected to be the largest source of revenue providing approximately 71.8% of the total revenue over the ten-year planning period.
- The average interest rate for District invested funds is assumed to be .5 percent in 2021 and increase by 0.5 percent per year to a maximum 3.0 percent. With the decline in projected investment income growth over the ten-year planning period interest will provide 21.2 percent of the District’s total revenue.
- The District projects \$170,360 in tap fee revenue in 2021, \$340,720 in 2022, \$255,540 in 2023, and \$119,252 in 2024 at which time the District reaches buildout. Water and sewer tap fees are proposed to remain at current levels through the ten-year planning period: \$7,000 for a ¾” water tap and \$1,518 for a single-family equivalent sewer tap.

- Operating expenses are projected to increase 2.5% each year in 2021 through 2030. Over the ten-year planning period, operating expenses are projected to total \$21,518,275 or 71.1 percent of all District expenditures.
- Capital expenses through 2030 are derived from the District's *Capital Master Plan for 2021-2030*. Long-term capital outlay in the ten-year planning period amounts to \$8,511,639. Of this amount \$3,283,878 or 38.6 percent is scheduled to be replaced in 2030.

DRAFT

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

REVENUE

| | ACTUAL 2018 | ACTUAL 2019 | BUDGET 2020 | ESTIMATED 2020 | BUDGET 2021 | CHANGE FROM 2020 BUDGET |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------------------|
| BEGINNING FUNDS | 24,614,092 | 23,594,178 | 24,681,079 | 24,851,419 | 24,363,634 | |
| ADMINISTRATIVE FEES | | | | | | |
| Tap Administrative Fees | 2,500 | 1,525 | 0 | 0 | 0 | 0 |
| SUB-TOTAL | 2,500 | 1,525 | 0 | 0 | 0 | 0 |
| SERVICE FEES | | | | | | |
| Service Fees | 902,976 | 1,273,375 | 1,445,180 | 1,466,500 | 1,467,460 | 22,280 |
| SUB-TOTAL | 902,976 | 1,273,375 | 1,445,180 | 1,466,500 | 1,467,460 | 22,280 |
| 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 | 0 | 854,000 | 140,000 | 70,000 | 140,000 | 0 |
| Sewer Tap Fees | 8,908 | 429,458 | 22,000 | 16,439 | 30,360 | 8,360 |
| Annexation Fees | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB-TOTAL | 8,908 | 1,283,458 | 162,000 | 86,439 | 170,360 | 8,360 |
| INVESTMENT INCOME | | | | | | |
| Net Investment Income | 364,252 | 768,936 | 493,620 | 344,500 | 121,820 | (371,800) |
| SUB-TOTAL | 364,252 | 768,936 | 493,620 | 344,500 | 121,820 | (371,800) |

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

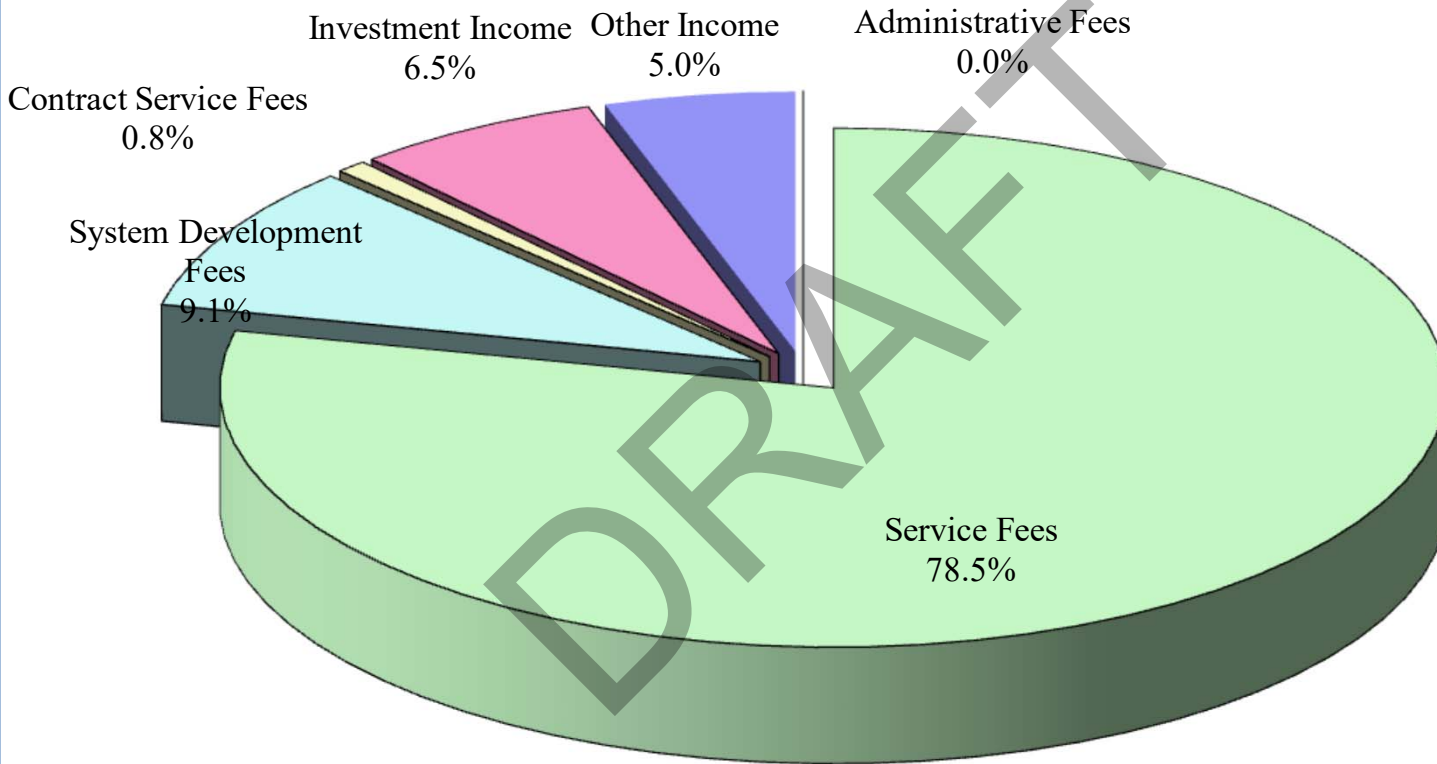
BUDGET - 2021

REVENUE

| | ACTUAL 2018 | ACTUAL 2019 | BUDGET 2020 | ESTIMATED 2020 | BUDGET 2021 | CHANGE FROM 2020 BUDGET |
|-------------------------------|------------------------|------------------------|------------------------|---------------------------|------------------------|--|
| OTHER INCOME | | | | | | |
| Office Lease | 56,910 | 31,280 | 33,450 | 32,950 | 58,950 | 25,500 |
| Plan review / Inspection Fees | 48,385 | 33,606 | 45,000 | 36,000 | 25,000 | (20,000) |
| Miscellaneous | 24,897 | 15,130 | 10,000 | 3,200 | 10,000 | 0 |
| SUB-TOTAL | 130,192 | 80,016 | 88,450 | 72,150 | 93,950 | 5,500 |
| TOTAL REVENUE | 1,423,828 | 3,422,310 | 2,204,250 | 1,984,589 | 1,868,590 | (335,660) |

DRAFT

2021 General Fund Revenue



- Administrative Fees
- Service Fees
- System Development Fees
- Contract Service Fees

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

EXPENDITURES

| | ACTUAL 2018 | ACTUAL 2019 | BUDGET 2020 | ESTIMATED 2020 | BUDGET 2021 | CHANGE FROM 2020 BUDGET |
|-------------------------------------|------------------|------------------|------------------|-------------------|------------------|-------------------------------|
| OPERATING EXPENSES | | | | | | |
| OPERATIONS & MAINTENANCE | | | | | | |
| Water - Operation & Maintenance | 331,518 | 367,686 | 358,575 | 373,000 | 375,000 | 16,425 |
| Water - Contract Maintenance | | | | | | |
| Emergency | 69,441 | 279,653 | 100,000 | 102,000 | 100,000 | 0 |
| Remedial | 311,194 | 39,791 | 291,800 | 290,500 | 165,500 | (126,300) |
| Hogback Pump Station | | | | | | |
| General | 8,378 | 8,540 | 9,000 | 6,810 | 9,000 | 0 |
| Telemetry | 2,181 | 2,383 | 17,000 | 3,100 | 5,000 | (12,000) |
| Utilities | 20,505 | 22,845 | 25,500 | 24,900 | 25,500 | 0 |
| Water Pressure Monitoring | 0 | 0 | 0 | 16,031 | 15,350 | 15,350 |
| Sewer - Operation & Maintenance | 225,179 | 285,593 | 273,000 | 269,260 | 273,000 | 0 |
| Sewer - Contract Maintenance | | | | | | |
| Emergency | 0 | 0 | 20,000 | 7,275 | 20,000 | 0 |
| Remedial | 0 | 8,000 | 50,000 | 20,000 | 50,000 | 0 |
| Sewer Flow Meters | | | | | | |
| General | 128 | 727 | 5,000 | 240 | 5,000 | 0 |
| Telemetry | 5,896 | 7,271 | 6,000 | 5,890 | 6,000 | 0 |
| Utilities | 1,632 | 1,557 | 1,750 | 1,620 | 1,750 | 0 |
| Utility Notification | 10,602 | 10,748 | 12,500 | 10,045 | 12,500 | 0 |
| Professional & Consulting | | | | | | |
| Engineering - Water | 1,338 | 625 | 30,000 | 23,580 | 60,000 | 30,000 |
| Engineering - Sewer | 255 | 7,025 | 30,000 | 870 | 5,000 | (25,000) |
| Engineering - GIS | 27,621 | 11,240 | 15,000 | 8,875 | 10,000 | (5,000) |
| Engineering - Backcharge | 5,203 | 2,096 | 5,500 | 0 | 5,500 | 0 |
| SUB-TOTAL | 1,021,071 | 1,055,780 | 1,250,625 | 1,163,996 | 1,144,100 | (106,525) |

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

EXPENDITURES

| | ACTUAL 2018 | ACTUAL 2019 | BUDGET 2020 | ESTIMATED 2020 | BUDGET 2021 | CHANGE FROM 2020 BUDGET |
|---|----------------|----------------|----------------|-------------------|----------------|-------------------------------|
| OPERATING EXPENSES (cont.) | | | | | | |
| ADMINISTRATION | | | | | | |
| General Office Administration | | | | | | |
| Administration | 489,800 | 535,390 | 552,850 | 563,260 | 580,160 | 27,310 |
| Office Supplies & Expense | 2,008 | 1,359 | 2,000 | 910 | 2,000 | 0 |
| Dues | 1,977 | 1,738 | 2,000 | 1,740 | 2,000 | 0 |
| Election | 103 | 0 | 2,000 | 45 | 0 | (2,000) |
| DWD collection fee | 13,653 | 13,653 | 13,653 | 13,653 | 13,653 | 0 |
| Public Relations | | | | | | |
| Newsletters | 47,950 | 25,007 | 25,500 | 25,572 | 25,500 | 0 |
| Website / Other | 703 | 0 | 500 | 135 | 500 | 0 |
| Legal Notices | 82 | 91 | 200 | 105 | 200 | 0 |
| Professional & Consulting | | | | | | |
| Audit | 5,550 | 5,700 | 6,000 | 5,700 | 6,000 | 0 |
| Legal - General | 32,279 | 30,959 | 37,000 | 25,800 | 35,000 | (2,000) |
| Legal - Backcharge | 2,263 | 3,186 | 5,000 | 5,035 | 5,000 | 0 |
| Technical Advisory Committee (TAC) | 0 | 0 | 3,750 | 3,750 | 3,750 | 0 |
| Other | 0 | 0 | 1,000 | 0 | 1,000 | 0 |
| SUB-TOTAL | 596,368 | 617,083 | 651,453 | 645,705 | 674,763 | 23,310 |
| INSURANCE | | | | | | |
| Property/Inland Marine | 5,201 | 4,915 | 6,240 | 5,107 | 6,240 | 0 |
| General Liability | 4,644 | 4,143 | 4,800 | 4,650 | 4,800 | 0 |
| Directors & Officers / Commercial Crime | 4,620 | 4,483 | 4,750 | 4,822 | 4,850 | 100 |
| Bonds & Other | 197 | 197 | 200 | 197 | 200 | 0 |
| SUB-TOTAL | 14,662 | 13,738 | 15,990 | 14,776 | 16,090 | 100 |

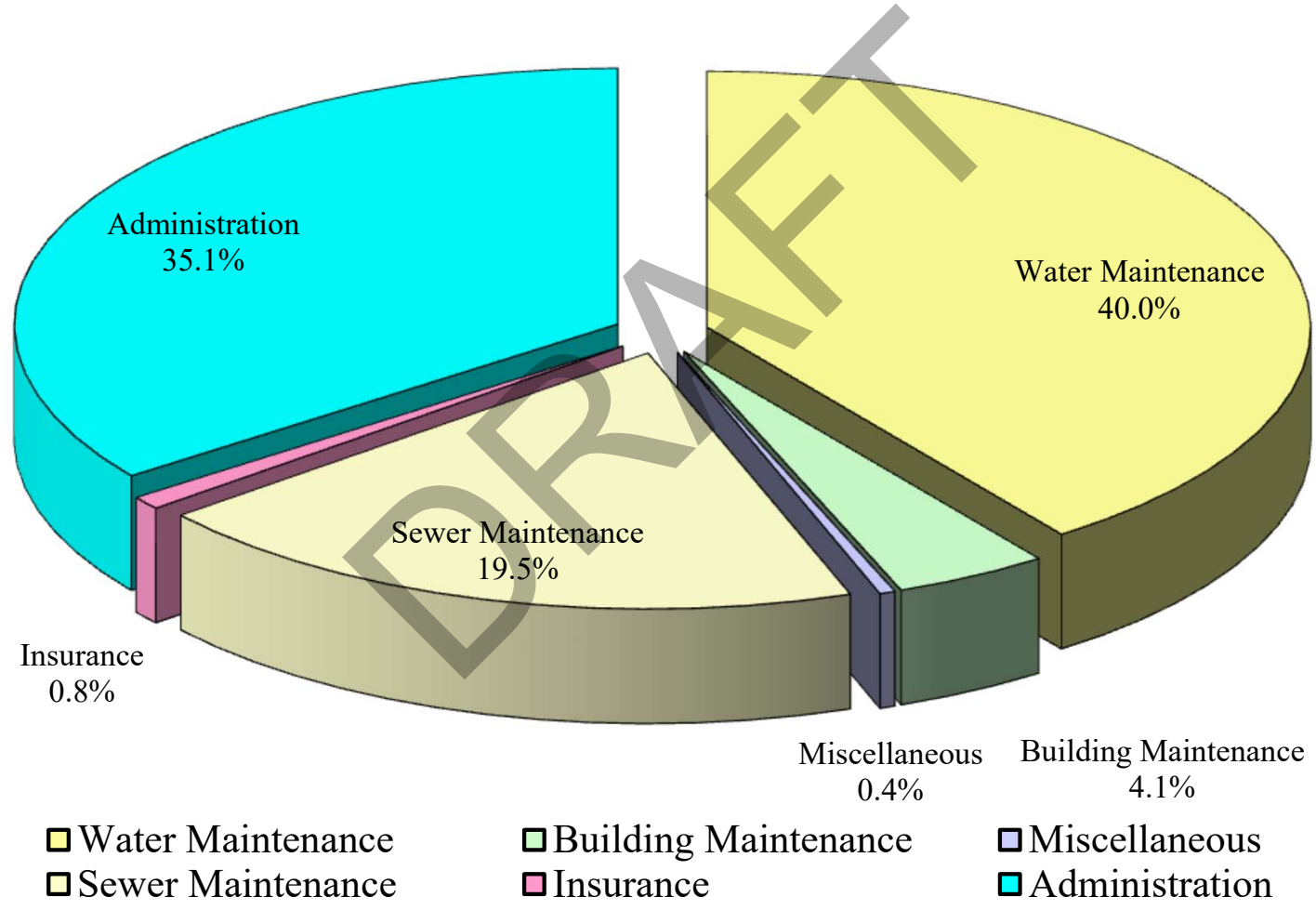
SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

EXPENDITURES

| | ACTUAL 2018 | ACTUAL 2019 | BUDGET 2020 | ESTIMATED 2020 | BUDGET 2021 | CHANGE FROM 2020 BUDGET |
|-------------------------------------|------------------------|------------------------|------------------------|---------------------------|------------------------|--|
| OPERATING EXPENSES (cont.) | | | | | | |
| BUILDING MAINTENANCE | | | | | | |
| Maintenance | 122,766 | 46,257 | 46,000 | 57,100 | 43,000 | (3,000) |
| Utilities | | | | | | |
| Telephone/Security | 13,800 | 21,443 | 14,500 | 16,540 | 16,690 | 2,190 |
| Gas & Electric | 14,475 | 14,055 | 16,000 | 12,250 | 16,000 | 0 |
| Water & Sewer | 2,040 | 3,029 | 2,800 | 3,650 | 3,720 | 920 |
| SUB-TOTAL | 153,081 | 84,784 | 79,300 | 89,540 | 79,410 | 110 |
| MISCELLANEOUS | | | | | | |
| Directors Fees | 5,600 | 5,300 | 6,000 | 5,700 | 6,000 | 0 |
| Social Security | 428 | 405 | 480 | 436 | 480 | |
| Other | 536 | 550 | 1,550 | 950 | 1,550 | 0 |
| SUB-TOTAL | 6,564 | 6,255 | 8,030 | 7,086 | 8,030 | 0 |
| SUB-TOTAL OPERATING EXPENSES | 1,791,746 | 1,777,640 | 2,005,398 | 1,921,103 | 1,922,393 | (83,005) |

2021 General Fund Operating Expenses



SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

EXPENDITURES

| | ACTUAL 2018 | ACTUAL 2019 | BUDGET 2020 | ESTIMATED 2020 | BUDGET 2021 | CHANGE FROM 2020 BUDGET |
|--|----------------|----------------|----------------|-------------------|----------------|-------------------------------|
| CAPITAL EXPENSES | | | | | | |
| WATER PROJECTS | | | | | | |
| Replacements & Rehabilitation | | | | | | |
| W. Chatfield Ave. Replacement (CIP-17-1W) | 24,903 | | | | | |
| S. Pierson St. Replacement (CIP-18-1W) | 229,647 | | | | | |
| S. Garland St. Replacement (CIP-19-1W) | | 259,565 | | | | |
| S. Holland St. Replacement (CIP-19-2W) | | 85,057 | | | | |
| Flower Replacement (CIP-20-1W) | | 5,109 | 84,673 | 110,516 | | |
| Walden Replacement (CIP-20-2W) | | 8,686 | 140,301 | 156,618 | | |
| Polo Ridge Replacement (CIP-20-3W) | | 11,752 | 186,973 | 191,755 | | |
| S. Holland Way Replacement (CIP-21-1W) | | | 95,740 | 25,475 | 271,542 | |
| Engineering Design (2022) | | | | | 79,998 | |
| New Facilities | | | | | | |
| SUB-TOTAL | 254,550 | 370,169 | 507,687 | 484,364 | 351,540 | (156,147) |
| SEWER PROJECTS | | | | | | |
| Replacement & Rehabilitation | | | | | | |
| W. Chatfield Ave. (CIP-17-1S) | 93,831 | | | | | |
| S.C.A.D.A Comm. and Hardware Upgrade (CIP-18-1E) | 116,033 | | | | | |
| W. Parkhill Ave. & S. Garland St. (CIP-18-1S) | 123,419 | | | | | |
| Sewer Rehabilitation (CIPP) | | | 25,000 | | 25,000 | |
| New Facilities | | | | | | |
| SUB-TOTAL | 333,283 | 0 | 25,000 | 0 | 25,000 | 0 |

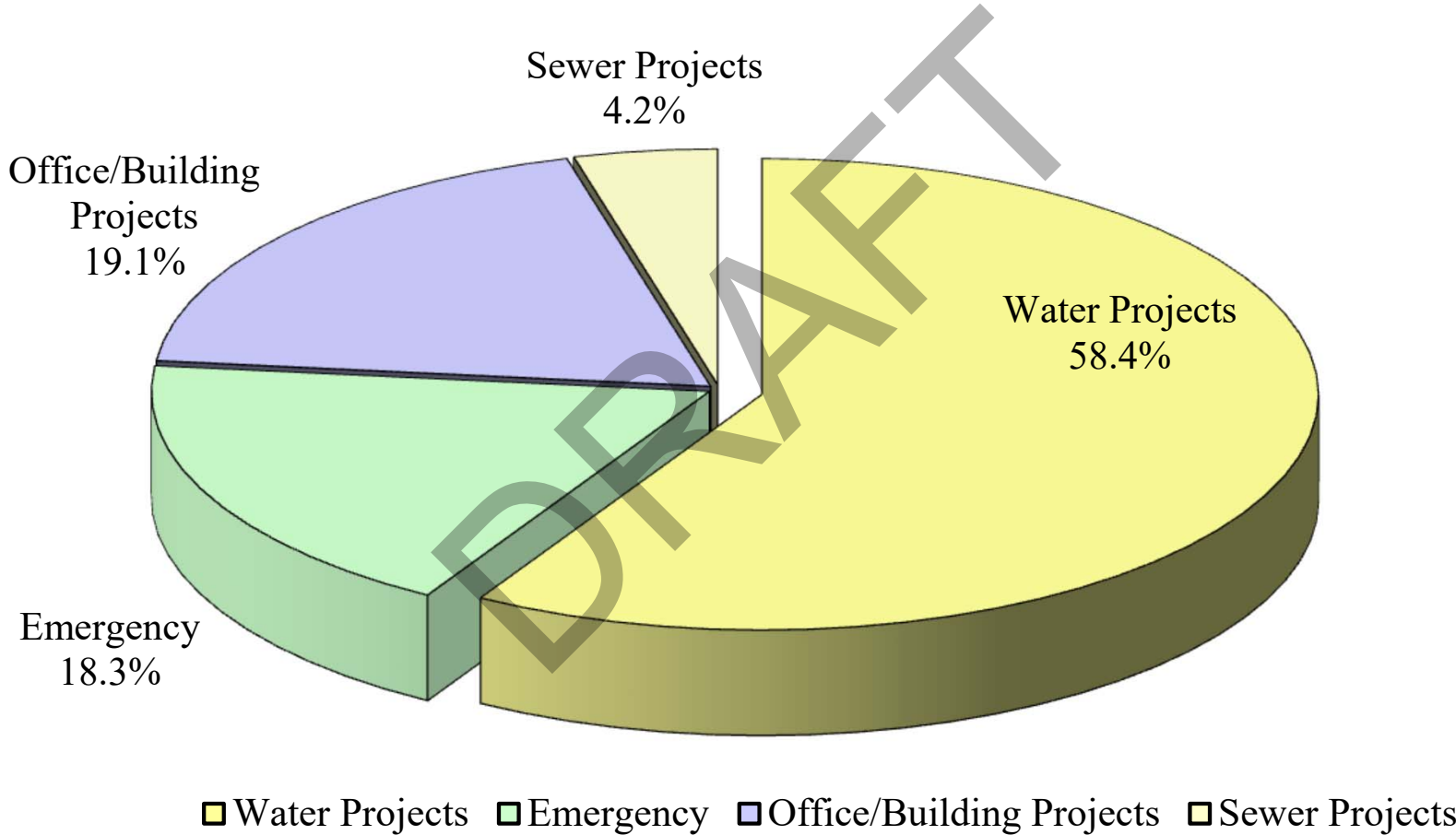
SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

EXPENDITURES

| | ACTUAL 2018 | ACTUAL 2019 | BUDGET 2020 | ESTIMATED 2020 | BUDGET 2021 | CHANGE FROM 2020 BUDGET |
|--|------------------------|------------------------|------------------------|---------------------------|------------------------|--|
| CAPITAL EXPENSES (cont) | | | | | | |
| EQUIPMENT | | | | | | |
| Flow Meters | 35,931 | | | | | |
| Hydrant Pressure Monitors | | | | 35,880 | | |
| PRV Pressure Monitors | | | | 12,878 | | |
| SUB-TOTAL | 35,931 | 0 | 0 | 48,758 | 0 | 0 |
| OFFICE/BUILDING PROJECTS | | | | | | |
| Office/Maintenance Office Improvements | 28,232 | 17,260 | 30,000 | 18,149 | 115,000 | |
| SUB-TOTAL | 28,232 | 17,260 | 30,000 | 18,149 | 115,000 | 85,000 |
| CONTINGENCY/EMERGENCIES | | | | | | |
| Emergency Reserve | | | 66,128 | | 56,058 | |
| Contingency | | | 110,737 | | 54,213 | |
| SUB-TOTAL | 0 | 0 | 176,865 | 0 | 110,271 | (66,594) |
| SUB-TOTAL CAPITAL EXPENSES | 651,996 | 387,429 | 739,552 | 551,271 | 601,811 | (137,741) |
| TOTAL EXPENDITURES | 2,443,742 | 2,165,069 | 2,744,950 | 2,472,374 | 2,524,204 | (220,746) |
| ENDING FUNDS AVAILABLE | 23,594,178 | 24,851,419 | 24,140,379 | 24,363,634 | 23,708,020 | |

2021 General Fund Capital Expenses



SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

PROPERTY TAX COMPUTATION

| ASSESSED VALUATION | TAX YEAR 2018 | TAX YEAR 2019 | TAX YEAR 2020 | TAX YEAR 2021 |
|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Jefferson County | 500,708,903 | 497,922,335 | 562,475,675 | 562,475,675 |
| Arapahoe County | 82,256,336 | 83,541,408 | 99,288,957 | 97,160,663 |
| Douglas County | 16,101,630 | 16,016,240 | 19,255,880 | 19,777,190 |
| <hr/> | | | | |
| Total | 525,009,196 | 522,820,016 | 681,020,512 | 679,413,528 |
| | | | | |
| 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 |

DRAFT

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

PROPERTY TAX COMPUTATION

| ASSESSED VALUATION | TAX YEAR 2018 | TAX YEAR 2019 | TAX YEAR 2020 | TAX YEAR 2021 |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| 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 |

DRAFT

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

**EXHIBIT A
SUMMARY OF EXPENDITURES**

| | ACTUAL 2018 | ACTUAL 2019 | BUDGET 2020 | ESTIMATED 2020 | BUDGET 2021 | CHANGE FROM 2020 BUDGET |
|---|------------------------|------------------------|------------------------|---------------------------|------------------------|--|
| OPERATING EXPENSES | | | | | | |
| Water (Schedule I) | 1,772,619 | 1,767,671 | 1,846,875 | 1,849,246 | 1,778,450 | (68,425) |
| Sewer (Schedule I) | 1,066,228 | 1,177,939 | 1,190,700 | 1,155,659 | 1,201,834 | 11,134 |
| Administration (Schedule I) | 683,954 | 704,822 | 722,953 | 735,280 | 766,363 | 43,410 |
| Other Operating Expenses (Schedule I) | 174,307 | 104,777 | 103,320 | 111,402 | 103,530 | 210 |
| EXPENDITURES NOT REQUIRING FUNDS | | | | | | |
| Depreciation & Amortization | 1,905,362 | 1,977,569 | 1,858,450 | 1,930,484 | 1,927,784 | 69,334 |
| ADDITIONAL EXPENDITURES REQUIRING FUNDS | | | | | | |
| Water Projects | 254,550 | 370,169 | 507,687 | 484,364 | 351,540 | (156,147) |
| Sewer Projects | 333,283 | 0 | 25,000 | 0 | 25,000 | 0 |
| Equipment | 35,931 | 0 | 0 | 48,758 | 0 | 0 |
| Office/Building Projects | 28,232 | 17,260 | 30,000 | 18,149 | 115,000 | 85,000 |
| Emergencies | 0 | 0 | 176,865 | 0 | 110,271 | (66,594) |
| OPERATING EXPENDITURES REQUIRING APPROPRIATION | 2,443,742 | 2,165,069 | 2,744,950 | 2,472,374 | 2,524,204 | (220,746) |

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

**EXHIBIT A - SCHEDULE I
OPERATING EXPENSES**

| | ACTUAL 2018 | ACTUAL 2019 | BUDGET 2020 | ESTIMATED 2020 | BUDGET 2021 | CHANGE FROM 2020 BUDGET |
|---------------------------------|------------------------|------------------------|------------------------|---------------------------|------------------------|--|
| WATER | | | | | | |
| Water - Operation & Maintenance | 331,518 | 367,686 | 358,575 | 373,000 | 375,000 | 16,425 |
| Water - Contract Maintenance | | | | | | |
| Emergency | 69,441 | 279,653 | 100,000 | 102,000 | 100,000 | 0 |
| Remedial | 311,194 | 39,791 | 291,800 | 290,500 | 165,500 | (126,300) |
| Hogback Pump Station | | | | | | |
| General | 8,378 | 8,540 | 9,000 | 6,810 | 9,000 | 0 |
| Telemetry | 2,181 | 2,383 | 17,000 | 3,100 | 5,000 | (12,000) |
| Utilities | 20,505 | 22,845 | 25,500 | 24,900 | 25,500 | 0 |
| Water Pressure Monitoring | 0 | 0 | 0 | 16,031 | 15,350 | 15,350 |
| Engineering - Water | 1,338 | 625 | 30,000 | 23,580 | 60,000 | 30,000 |
| Engineering - GIS | 13,811 | 5,620 | 7,500 | 4,438 | 5,000 | (2,500) |
| Engineering - Backcharge | 2,602 | 1,048 | 2,750 | 0 | 2,750 | 0 |
| Utility Notification | 5,301 | 5,374 | 6,250 | 5,023 | 6,250 | 0 |
| Depreciation & Amortization | 1,006,351 | 1,034,106 | 998,500 | 999,865 | 1,009,100 | 10,600 |
| TOTAL | 1,772,619 | 1,767,671 | 1,846,875 | 1,849,246 | 1,778,450 | (68,425) |
| SEWER | | | | | | |
| Sewer - Operation & Maintenance | 225,179 | 285,593 | 273,000 | 269,260 | 273,000 | 0 |
| Sewer - Contract Maintenance | | | | | | |
| Emergency | 0 | 0 | 20,000 | 7,275 | 20,000 | 0 |
| Remedial | 0 | 8,000 | 50,000 | 20,000 | 50,000 | 0 |
| Sewer Flow Meters | | | | | | |
| General | 128 | 727 | 5,000 | 240 | 5,000 | 0 |
| Telemetry | 5,896 | 7,271 | 6,000 | 5,890 | 6,000 | 0 |
| Utilities | 1,632 | 1,557 | 1,750 | 1,620 | 1,750 | 0 |
| Engineering - Sewer | 255 | 7,025 | 30,000 | 870 | 5,000 | (25,000) |
| Engineering - GIS | 13,811 | 5,620 | 7,500 | 4,438 | 5,000 | (2,500) |
| General Office Administration | 2,602 | 1,048 | 2,750 | 0 | 2,750 | 0 |
| Utility Notification | 5,301 | 5,374 | 6,250 | 5,023 | 6,250 | 0 |
| Depreciation & Amortization | 811,425 | 855,724 | 788,450 | 841,044 | 827,084 | 38,634 |
| TOTAL | 1,066,228 | 1,177,939 | 1,190,700 | 1,155,659 | 1,201,834 | 11,134 |

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

EXHIBIT A - SCHEDULE I OPERATING EXPENSES

| | ACTUAL 2018 | ACTUAL 2019 | BUDGET 2020 | ESTIMATED 2020 | BUDGET 2021 | CHANGE FROM 2020 BUDGET |
|------------------------------------|----------------|----------------|----------------|-------------------|----------------|-------------------------------|
| ADMINISTRATION | | | | | | |
| General Office Administration | | | | | | |
| Administration | 489,800 | 535,390 | 552,850 | 563,260 | 580,160 | 27,310 |
| Office Supplies & Expense | 2,008 | 1,359 | 2,000 | 910 | 2,000 | 0 |
| Dues | 1,977 | 1,738 | 2,000 | 1,740 | 2,000 | 0 |
| Election | 103 | 0 | 2,000 | 45 | 0 | (2,000) |
| DWD collection fee | 13,653 | 13,653 | 13,653 | 13,653 | 13,653 | 0 |
| Public Relations | | | | | | |
| Newsletters | 47,950 | 25,007 | 25,500 | 25,572 | 25,500 | 0 |
| Website / Other | 703 | 0 | 500 | 135 | 500 | 0 |
| Legal Notices | 82 | 91 | 200 | 105 | 200 | 0 |
| Professional & Consulting | | | | | | |
| Audit | 5,550 | 5,700 | 6,000 | 5,700 | 6,000 | 0 |
| Legal - General | 32,279 | 30,959 | 37,000 | 25,800 | 35,000 | (2,000) |
| Legal - Backcharge | 2,263 | 3,186 | 5,000 | 5,035 | 5,000 | 0 |
| Technical Advisory Committee (TAC) | 0 | 0 | 3,750 | 3,750 | 3,750 | 0 |
| Other | 0 | 0 | 1,000 | 0 | 1,000 | 0 |
| Depreciation | 87,586 | 87,739 | 71,500 | 89,575 | 91,600 | 20,100 |
| TOTAL | 683,954 | 704,822 | 722,953 | 735,280 | 766,363 | 43,410 |
| BUILDING MAINTENANCE | | | | | | |
| Maintenance | 122,766 | 46,257 | 46,000 | 57,100 | 43,000 | (3,000) |
| Utilities | | | | | | |
| Telephone/Security | 13,800 | 21,443 | 14,500 | 16,540 | 16,690 | 2,190 |
| Gas & Electric | 14,475 | 14,055 | 16,000 | 12,250 | 16,000 | 0 |
| Water & Sewer | 2,040 | 3,029 | 2,800 | 3,650 | 3,720 | 920 |
| TOTAL | 153,081 | 84,784 | 79,300 | 89,540 | 79,410 | 110 |

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

**EXHIBIT A - SCHEDULE I
OPERATING EXPENSES**

| | ACTUAL 2018 | ACTUAL 2019 | BUDGET 2020 | ESTIMATED 2020 | BUDGET 2021 | CHANGE FROM 2020 BUDGET |
|---|------------------------|------------------------|------------------------|---------------------------|------------------------|--|
| INSURANCE | | | | | | |
| Property/Inland Marine | 5,201 | 4,915 | 6,240 | 5,107 | 6,240 | 0 |
| General Liability | 4,644 | 4,143 | 4,800 | 4,650 | 4,800 | 0 |
| Directors & Officers / Commercial Crime | 4,620 | 4,483 | 4,750 | 4,822 | 4,850 | 100 |
| Bonds & Other | 197 | 197 | 200 | 197 | 200 | 0 |
| TOTAL | 14,662 | 13,738 | 15,990 | 14,776 | 16,090 | 100 |
| MISCELLANEOUS | | | | | | |
| Directors Fees | 5,600 | 5,300 | 6,000 | 5,700 | 6,000 | 0 |
| Social Security | 428 | 405 | 480 | 436 | 480 | 0 |
| Other | 536 | 550 | 1,550 | 950 | 1,550 | 0 |
| TOTAL | 6,564 | 6,255 | 8,030 | 7,086 | 8,030 | 0 |
| TOTAL OPERATING EXPENSES | 3,697,108 | 3,755,209 | 3,863,848 | 3,851,587 | 3,850,177 | -13,671 |

SOUTHWEST METROPOLITAN WATER & SANITATION DISTRICT

BUDGET - 2021

**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 2016 \$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 2016 \$0.00



SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
Ten Year Financial Plan
2021-2030

| | ACTUAL | ESTIMATED | BUDGETED | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| BEGINNING FUNDS AVAILABLE | 23,594,178 | 24,851,419 | 24,363,634 | 23,708,020 | 22,985,734 | 22,720,239 | 22,752,539 | 21,271,744 | 20,653,663 | 20,947,239 | 19,747,361 | 19,903,270 |
| 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 | 1,273,375 | 1,466,500 | 1,467,460 | 1,471,300 | 1,475,140 | 1,478,020 | 1,479,360 | 1,479,360 | 1,849,200 | 1,849,200 | 1,849,200 | 1,849,200 |
| Tap administrative fees | 1,525 | 0 | 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 | 31,280 | 32,950 | 58,950 | 33,774 | 34,787 | 35,831 | 36,905 | 38,013 | 39,153 | 40,328 | 41,537 | 42,784 |
| Investment Income (@ .5%, 1% 2022 +.50%/yr max 3.0%) | 768,936 | 344,500 | 121,820 | 237,080 | 344,786 | 454,405 | 568,813 | 638,152 | 619,610 | 628,417 | 592,421 | 597,098 |
| Other | 15,130 | 3,200 | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Operating Revenue | 2,105,246 | 1,862,150 | 1,673,230 | 1,757,154 | 1,869,713 | 1,983,255 | 2,100,079 | 2,170,525 | 2,522,963 | 2,532,945 | 2,498,158 | 2,504,082 |
| Development Revenue | | | | | | | | | | | | |
| Water tap fees | 854,000 | 70,000 | 140,000 | 280,000 | 210,000 | 98,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sewer tap fees | 429,458 | 16,439 | 30,360 | 60,720 | 45,540 | 21,252 | 0 | 0 | 0 | 0 | 0 | 0 |
| Annexation fees | 0 | 0 | | | | | | | | | | |
| Plan Review / Inspection Fees | 33,606 | 36,000 | 25,000 | | | | | | | | | |
| Contingency addback | | | | 110,271 | | | | | | | | |
| Bond Proceeds | | | | | | | | | | | | |
| Total Development Revenue | 1,317,064 | 122,439 | 195,360 | 450,991 | 255,540 | 119,252 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL REVENUE | 3,422,310 | 1,984,589 | 1,868,590 | 2,208,145 | 2,125,253 | 2,102,507 | 2,100,079 | 2,170,525 | 2,522,963 | 2,532,945 | 2,498,158 | 2,504,082 |
| EXPENDITURES | | | | | | | | | | | | |
| Operations - Enterprise | | | | | | | | | | | | |
| Operations & Maintenance (2022 @ 2.5%) | 1,055,780 | 1,163,996 | 1,144,100 | 1,172,703 | 1,202,020 | 1,232,071 | 1,262,872 | 1,294,444 | 1,326,805 | 1,359,975 | 1,393,975 | 1,428,824 |
| General & Administrative | 721,860 | 757,107 | 778,293 | 797,750 | 817,694 | 838,136 | 859,090 | 880,567 | 902,581 | 925,146 | 948,274 | 971,981 |
| Total Operations | 1,777,640 | 1,921,103 | 1,922,393 | 1,970,453 | 2,019,714 | 2,070,207 | 2,121,962 | 2,175,011 | 2,229,387 | 2,285,121 | 2,342,249 | 2,400,805 |
| Short Term Capital Outlay (Exhibit 2) | | | | | | | | | | | | |
| Other | 17,260 | 66,907 | 115,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contingency/Emergency Reserve | 0 | 0 | 110,271 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Short Term Capital Outlay | 17,260 | 66,907 | 225,271 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Short Term Capital Outlay + Operations | 1,794,900 | 1,988,010 | 2,147,664 | 1,970,453 | 2,019,714 | 2,070,207 | 2,121,962 | 2,175,011 | 2,229,387 | 2,285,121 | 2,342,249 | 2,400,805 |
| Long Term Capital Outlay (Exhibit 2) | | | | | | | | | | | | |
| Water | 370,169 | 484,364 | 351,540 | 959,978 | 371,034 | 0 | 1,458,912 | 613,595 | 0 | 1,447,702 | 0 | 3,283,878 |
| Sewer | 0 | 0 | 25,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Long Term Capital Outlay | 370,169 | 484,364 | 376,540 | 959,978 | 371,034 | 0 | 1,458,912 | 613,595 | 0 | 1,447,702 | 0 | 3,283,878 |
| 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 | 2,165,069 | 2,472,374 | 2,524,204 | 2,930,431 | 2,390,748 | 2,070,207 | 3,580,874 | 2,788,606 | 2,229,387 | 3,732,823 | 2,342,249 | 5,684,683 |
| Annual Surplus/(deficit) | 1,257,241 | -487,785 | -655,614 | -722,286 | -265,495 | 32,300 | -1,480,795 | -618,081 | 293,576 | -1,199,878 | 155,909 | -3,180,602 |
| ENDING FUNDS AVAILABLE | 24,851,419 | 24,363,634 | 23,708,020 | 22,985,734 | 22,720,239 | 22,752,539 | 21,271,744 | 20,653,663 | 20,947,239 | 19,747,361 | 19,903,270 | 16,722,668 |
| CASH RESERVE PER POLICY | | | 14,421,814 | 14,469,874 | 14,519,135 | 14,569,628 | 14,621,383 | 14,674,432 | 14,728,807 | 14,784,542 | 14,841,670 | 14,900,226 |

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
Ten Year Financial Plan
2021-2030

EXHIBIT 1 PROPERTY TAX REVENUE

| | ACTUAL | ESTIMATED | | | | | | | | | | |
|---|---------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Assessed Valuation | | | | | | | | | | | | |
| Taps Sold | 348 | 10 | 40 | 40 | 30 | 14 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Taps | 18,435 | 18,783 | 18,793 | 18,833 | 18,873 | 18,903 | 18,917 | 18,917 | 18,917 | 18,917 | 18,917 | 18,917 |
| Assessed Value per Tap (5 % - 2020, +6% every even year) | 28,360 | 36,257 | 32,000 | 33,600 | 33,600 | 35,616 | 35,616 | 37,752 | 37,752 | 40,018 | 40,018 | 42,419 |
| New Assessed Value | 9,869,344 | 362,573 | 1,279,983 | 1,343,982 | 1,007,986 | 498,617 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assessed Value | 522,820,016 | 681,020,512 | 601,367,850 | 632,780,224 | 634,124,206 | 673,240,124 | 673,738,741 | 714,163,066 | 714,163,066 | 757,012,850 | 757,012,850 | 802,433,621 |
| General Operations | | | | | | | | | | | | |
| Assessed Valuation | 522,820,016 | 681,020,512 | 601,367,850 | 632,780,224 | 634,124,206 | 673,240,124 | 673,738,741 | 714,163,066 | 714,163,066 | 757,012,850 | 757,012,850 | 802,433,621 |
| 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 | 14,865 | 15,276 | 15,286 | 15,326 | 15,366 | 15,396 | 15,410 | 15,410 | 15,410 | 15,410 | 15,410 | 15,410 |
| Service Fee | 84.00 | 96.00 | 96.00 | 96.00 | 96.00 | 96.00 | 96.00 | 96.00 | 120.00 | 120.00 | 120.00 | 120.00 |
| | 1,273,375 | 1,466,500 | 1,467,460 | 1,471,296 | 1,475,136 | 1,478,016 | 1,479,360 | 1,479,360 | 1,849,200 | 1,849,200 | 1,849,200 | 1,849,200 |

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
Ten Year Financial Plan
2021-2030

EXHIBIT 2 CAPITAL EXPENDITURES - DISTRICT CAPITAL IMPROVEMENTS

| | <u>ACTUAL</u> | <u>ESTIMATED</u> | <u>BUDGETED</u> | | | | | | | | | |
|--------------------------------------|----------------|------------------|-----------------|----------------|----------------|-------------|------------------|----------------|-------------|------------------|-------------|------------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> | <u>2030</u> |
| WATER | | | | | | | | | | | | |
| S. Garland St. Replacem - 19-1W | 259,565 | | | | | | | | | | | |
| S. Holland St. Replacem - 19-2W | 85,057 | | | | | | | | | | | |
| S. Flower Wy. Replacem - 20-1W | 5,109 | 110,516 | | | | | | | | | | |
| W. Walden Ave. Replacem - 20-2W | 8,686 | 156,618 | | | | | | | | | | |
| S. Polo Rodge Dr. Replacem - 20-3W | 11,752 | 191,755 | | | | | | | | | | |
| S. Holland Wy. Replacem - 21-1W | | 25,475 | 271,542 | | | | | | | | | |
| S. Kipling St. Replacem - 22-1W | | | 79,998 | 959,978 | | | | | | | | |
| Old Coal Mine Rd. Replacem - 23-1W | | | | | 371,034 | | | | | | | |
| Santa Fe Dr North of C470. - 25-1W | | | | | | | 1,458,912 | | | | | |
| W. Chatfield Ave. - 26-1W | | | | | | | | 613,595 | | | | |
| Lexington Way - 28-1W | | | | | | | | | | 133,624 | | |
| W. Walker Dr. - 28-2W | | | | | | | | | | 520,243 | | |
| S. Cody Wy. - 28-3W | | | | | | | | | | 477,110 | | |
| S. Everett Wy. - 28-4W | | | | | | | | | | 316,725 | | |
| S. Oak Way - 30-1W | | | | | | | | | | | | 93,704 |
| W. Brittany Dr. - 30-2W | | | | | | | | | | | | 444,252 |
| W. Nova Ave. - 30-3W | | | | | | | | | | | | 174,459 |
| C470 Crossing @ Santa Fe. - 30-4W | | | | | | | | | | | | 2,068,067 |
| W. Euclid Pl - 30-5W | | | | | | | | | | | | 503,396 |
| Additional Capital Water Projects | | | | | | | | | | | | |
| TOTAL WATER | 370,169 | 484,364 | 351,540 | 959,978 | 371,034 | 0 | 1,458,912 | 613,595 | 0 | 1,447,702 | 0 | 3,283,878 |
| SEWER | | | | | | | | | | | | |
| SCADA Comm. & Hardware - 18-1E | | | | | | | | | | | | |
| W. Parkhill Ave. Replacem - 18-1S | | | | | | | | | | | | |
| Sewer Rehabilitation (CIPP) | | | 25,000 | | | | | | | | | |
| Additional Capital Sewer Projects | | | | | | | | | | | | |
| TOTAL SEWER | 0 | 0 | 25,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER CAPITAL | 17,260 | 66,907 | 115,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTINGENCY/EMERGENCY RESERVE | | | 110,271 | | | | | | | | | |
| TOTAL CAPITAL | 387,429 | 551,271 | 601,811 | 959,978 | 371,034 | 0 | 1,458,912 | 613,595 | 0 | 1,447,702 | 0 | 3,283,878 |

