

Opportunities and
challenges in the year
ahead.

2020

Annual Budget Report

8495 Fontaine Blvd. Colorado Springs CO 80925



Table of Contents

Message from the General Manager.....	3
Cost versus Value of Water.....	4
District’s Mission Statement.....	5
District’s Vision.....	5
District’s Focus Areas.....	5
District History and Services.....	5
Organization.....	5
Basis of Budget.....	7
Basis of Accounting.....	7
Major Financial Policies.....	7
Budget Purpose and Features.....	7
Successes and Challenges in Preparing the 2020 Budget.....	9
Long Term Challenges.....	10
2020 Rates.....	13
Operations and Maintenance Budget.....	15
Capital Outlay Budget.....	17
Capital Improvement Projects Budget.....	19
Capital Improvement Projects.....	20
Bond Debt.....	20
Glossary.....	21
Board Resolution Amending and Adopting 2020 Budget.....	22

Message from the General Manager

To Our Customers:

On behalf of the Board of Directors and the Executive and Management Team, I am pleased to present to you the Adopted 2020 Widefield Water and Sanitation District Budget. This budget is the financial plan for the coming year and serves as a source of information about the District and its initiatives.

We diligently manage costs and our resources to provide the highest quality of water and wastewater treatment to our customers by the most cost effective means possible. As the District evolves to address the rising challenges in the utility industry, there is a strain on all of our resources, especially financial.

Cost versus Value of Water

As we talk about water in the financial sense, it is important to gain a perspective of the cost versus the value of water. See the next page that compares the cost of a gallon of tap water compared to the cost of a gallon of other commonly purchased items.

We hope that you find this document informative and relevant.

Thank you for the opportunity to serve you and yours.

Sincerely,

Lucas Hale CPA CITP
General Manager

Tap Water – Cost versus Value

\$0.0083 TAP WATER PER GALLON



VS.

\$2.07 per gallon



\$39.33 per gallon



\$2.57 per gallon



\$22.93 per gallon



District's Mission Statement

We at Widefield Water & Sanitation District are a team of committed professionals, dedicated to providing the highest quality of water to our community and our environment. We adhere to the highest standards of our industry, and through innovation and education, continue to serve our customers' needs in the most cost effective manner possible.

-Written by the employees of the Widefield Water & Sanitation District

District's Vision

"To be the best utility in the nation."

District's Focus Areas

- Extraordinary Customer Service
- Employee Development
- Efficient and Reliable Operations
- Financial Stability

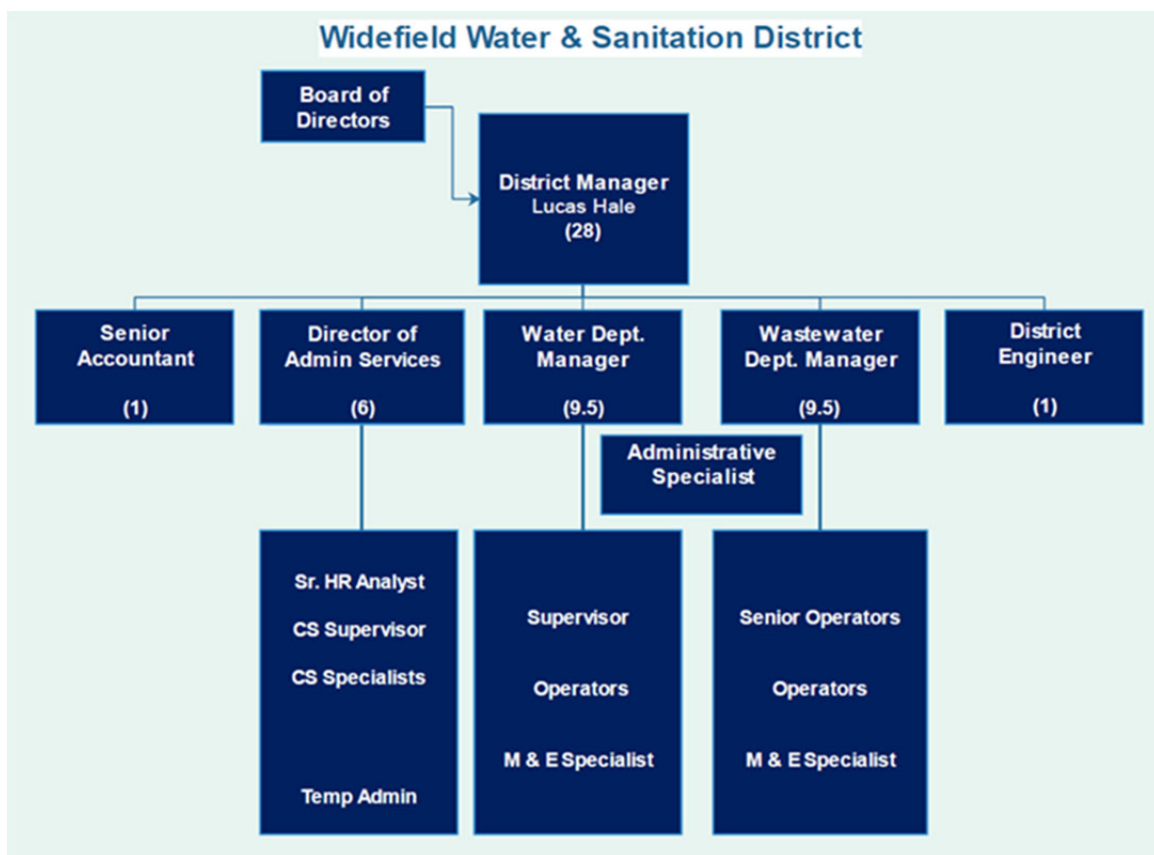
District History and Services:

The District was officially organized as a political subdivision of the State of Colorado, specifically a Title 32 special district, on May 17, 1996, and is governed today by a 5-member Board of Directors. This budget presents the activities of the District, which is legally separate and financially independent of other state and local governments. The District supplies water and sanitary service for the geographical service area known as Widefield Water and Sanitation District. The District was organized for the purpose of providing water and wastewater services and improvements in several developed and undeveloped areas including Widefield, Security, and Peaceful Valley developments located in unincorporated El Paso County. The District's services also include additional territory located within the City of Fountain. In 2018, the District became the proud provider of water services to the new Pikes Peak National Cemetery for our nation's veterans.

Organization:

Board of Directors
Mark Watson, Board Chairman
Mark Dunsmoor, Vice President
Frank Watson, Secretary/Treasurer
Dan Ittner, Asst. Secretary
Jim Mesite, Director

Organization continued:



There are five main departments in the District:

Engineering – Engineering includes development review, capital project management, project design/engineering and inspection. This department includes the Director of Engineering and a contracted engineering design firm.

Finance – This department includes governmental budgeting and accounting and administrative support for all staff within the District.

Administrative Services – This department includes customer service, information technology, and the management of the District’s most valuable asset, human capital. This involves salary and benefits analysis, management of employee assistance programs, enforcing compliance with safety regulations, education and training of employees, and consultation with legal counsel regarding employee matters.

Water Treatment and Distribution – This department includes the operation and maintenance of water treatment facilities, management of water sources, preventive and corrective maintenance and operation of the water distribution system.

Wastewater Treatment and Collection – This department includes the operation and maintenance of the wastewater treatment facility, laboratory services, preventive and corrective maintenance of the sewer system including collection lines and lift stations.

Basis of Budget:

The District is considered a standalone enterprise fund for the purposes of governmental accounting. An enterprise fund uses the flow of economic resources for the basis of budgeting, which is similar to the accrual method of accounting.

Basis of Accounting:

The District's 2020 Budget includes projected revenues and expenses for the enterprise fund. The basis of accounting utilized in the preparation of the 2020 Budget for the District is the accrual method, where revenues are recognized in the period in which they are earned and expenses recognized in the period in which they are incurred. The District is required to comply with generally accepted accounting principles.

Major Financial Policies:

Balanced or Surplus Budget – the District maintains a balanced or surplus budget and does not use long term debt to fund short term or operational expenses. Any surplus funds from year to year are carried forward to assist future funding of capital projects, debt service, or reserves.

Liquidity and Reserves – the District maintains liquidity reserve to ensure adequate cash is on hand to cover expenses in months where expenses outpace revenues. The majority of the District's revenues are from customer rates and charges in the service area associated with water and wastewater utilities.

Operational and Maintenance Expenses - the expenses include employee wages, professional fees for outside consultants, purchased water (from FVA and under the Master Water Lease), chemicals, electrical costs, and depreciation of capital assets. The District protects its investment in capital assets by budgeting adequate maintenance as a priority.

Non-operating Revenues and Expenses – non-operating revenues are tap fees and water resource acquisition fees collected from builders and developers. Non-operating expenses include interest on long-term debt.

Budget Purpose and Features:

The purpose of a government budget and budgeting process is to meet the legal requirements and to establish expenditure and revenue authority. The budget is a key element in the planning, control,

and evaluation of governmental operations. The budget must be approved by the Board of Directors in November of each year.

The District's major sources of revenues are water and wastewater service charges and developer tap fees. The District has base rates for residential and commercial customers. The base rate fees are based on meter size. Base rates cover the fixed costs associated with the treatment and delivery of water and the treatment and collection of sewer. Additionally, the District charges customers both water and wastewater volume (usage) fees. See page 13 for rates and fees schedule.

Residential and commercial water revenue is forecasted using 9,189 single-family equivalents (SFE's). Rates in effect include a base amount billed each month according to meter size. Residential water is \$4.35 per 1,000 gallons for the first 5,000 gallons and \$5.21 per 1,000 gallons over 5,000 gallons. Water for commercial accounts is \$4.81 per 1,000 gallons.

Residential wastewater revenue is forecasted using 9,453 single-family equivalents (SFE's). Rates in effect include a base amount billed each month according to meter size. Residential customers are billed according to an average winter usage (water volume billed in December, January, and February) at \$5.78 per 1,000 gallons, or a minimum 1,500 gallons, whichever is greater.

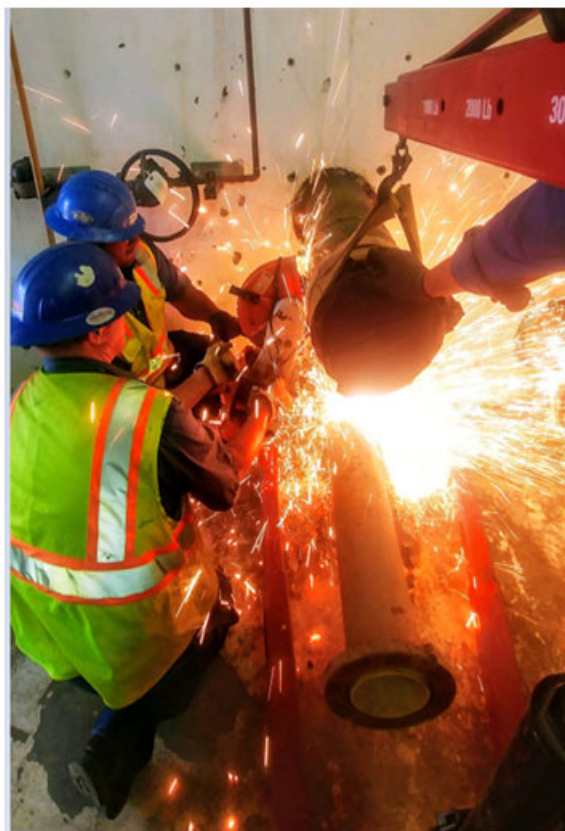
Commercial wastewater revenue is forecasted using a base amount billed monthly according to meter size. Monthly water volume charges are \$5.78 per 1,000 gallons.

The District also receives miscellaneous revenue from fees such as late charges applied to accounts, after hour call-outs, and inspection fees.

Non-operating revenues of tap fees are budgeted for 2020 at 320 water taps, 320 sewer taps, and 240 water resource acquisition fees. Tap and water resource acquisition fees are based on tap size determined by the District and paid by builders or developers.

The District's major expenses are as follows. Employee wages and benefits assume the employment of twenty-eight full-time employees. Professional fees include in part: legal, engineering, financial/auditing, human resources, safety programs and updates to the rate model.

Water costs include in part: (1) payments made to Fountain Valley Authority pursuant to a contract with the Authority to provide approximately 1,500 acre feet (AF) per year, (2) payments made to well owners pursuant to a Master Water Lease to provide a minimum of 1,000 AF per year, (3) payments made pursuant to contracts



Water Operators Cutting Ductile Iron Pipe.

with Fountain Mutual Irrigation Company and Southeastern Colorado Water Conservancy District for water augmentation.

Depreciation on assets acquired concurrent with the District's formation and acquired assets is calculated on the value of assets, using estimated lives ranging from 5 to 50 years.

Bond Premiums or Discounts are being amortized over the life of the District's Water and Sewer Revenue Refunding and Improvement Bonds, Series 2016 and 2012, using the interest method.

Successes and Challenges in Preparing the 2020 Budget:

Dewatering Sludge Processing Facility – The dewatering project was completed in April 2019 and wastewater operations staff now completes all dewatering work at the wastewater treatment plant, filling three to five semi-trailers per week with biosolids. The District still contracts with an outside vendor to haul biosolids off-site and complete the land application process. Also, the amount of biosolids produced at the plant has increased significantly with the biological nutrient removal treatment process required by Regulation 85, and the new facility does have increased operational, maintenance and depreciation costs. However, the construction and implementation of the sludge dewatering facility has resulted in a great cost savings to the District.

Wastewater Bio Nutrient Removal Regulation – In 2012, the Colorado Department of Public Health enacted Regulation 85 for implementation by July 2019. Regulation 85 requires that all wastewater treatment facilities in the state of Colorado reduce concentrations of total phosphorus and inorganic nitrate in their wastewater effluent. In order to comply with Regulation 85, The District spent \$5.5 million over five years to complete the upgrades necessary to comply with this regulation, and the wastewater treatment plant began flowing in BNR configuration in March 2019. After a brief period of adjustment, the District began treating and discharging effluent in full compliance with Regulation 85 parameters. The nutrients being removed are ammonia, nitrogen, and phosphorus. The wastewater operations staff continues to learn and operate the plant to ensure all discharge permit parameters are being met.

Investment in Infrastructure and Economic Concerns – Parts of the District's infrastructure are estimated to be between 50 and 70 years old, and the District must begin planning for renewal and replacement. To that end, in 2019, the District engaged engineering consultants Garver to develop a Master Plan for future growth and development. The plan will be forward-looking with ten-, twenty- and forty-year projections and will focus on long-term planning for asset construction, maintenance and replacement. New construction in the District's service area continues with record-breaking growth and the District must be prepared to expand its services even as costs are rising. Residential and commercial meters must be replaced every ten years, approximately, and new meters installed in areas of development. With the Colorado Springs' unemployment rate at the end of 2019 at a two-year low, finding and recruiting quality candidates as the District grows may continue to be difficult.

Perfluorinated Compounds (PFC) Impact – In May of 2016, the EPA reduced the health advisory limit for PFCs to 70 ppt (also known as PFAS). PFCs are unregulated; however, customers voiced their concern and required a zero tolerance expectation for PFCs. The District responded quickly to



Vessels in place at the Southmoor Water Treatment Facility.

its customers' concerns and built a \$2.5 million PFC treatment facility, the Southmoor Water Treatment Plant, to treat 3 of the 11 wells affected by PFCs. The 11 wells affected by the PFCs are the primary water source for the District's water supply. The PFC treatment facility came online May 4, 2017 and has increased operational and maintenance costs for the District. The United States Air Force (USAF) has claimed some responsibility for the PFC contamination. In 2020, the District will receive assistance from the USAF to offset some—but not all—of those increased costs to operate and maintain the treatment systems, such as removing and replacing resin, sampling and electrical costs. Additionally, the USAF is building a third PFC water treatment facility to treat all 11 wells and to provide redundancy to the two existing PFC water treatment facilities previously built by the District. This new facility is expected to be online in 2020 or 2021.

Long-Term Challenges:

The District faces many water and wastewater challenges and opportunities in the coming years with the renewal, replacement and funding of aging infrastructure. The District must also accommodate continued growth by upgrading its Booster Station #2 to meet current and future water demands in 5 zones. Our wastewater treatment plant is at 70-73% of influent flow capacity, and state regulations require plants to begin the design and planning stages for expansion once a facility reaches 80% of capacity. This means our wastewater treatment plant must be increased within the next decade from 2.5 MGD to 5 MGD, a project expected to exceed \$20 million in costs. As PFCs continue to be a concern, the District will need to develop a long-term solution to address the contamination as well. However, the District's licensed water and wastewater professionals are well-positioned to adapt to changing regulations and technological advances while expanding services to a growing community. The Board of Directors and the District's staff look forward to meeting these challenges.



Aerial view of bio nutrient removal basins.

2020 RATES

Widefield Water and Sanitation District - 2020 Rates and Fees

Water Rates & Base Charge

1 Water Base Charge		
	Meter Size	\$ Per Month
	Up to 3/4"	\$19.50
	1 "	\$46.57
	1 1/2 "	\$91.70
	2 "	\$145.87
	3 "	\$290.32
	4 "	\$452.81
	6 "	\$904.15
	8 "	\$1,445.88

2 Water Volume Charge		
		\$ per 1,000 Gal
Residential;		
1st 5,000 Gallons		\$4.35
Over 5,000 Gallons		\$5.21
Commercial;		
Uniform Rate		\$4.81
Wholesale/Bulk Rate;		
Per 1,000 gallons		\$4.50

Wastewater Rates & Base Charge

3 Wastewater Base Charge		
	Meter Size	\$ Per Month
	Up to 3/4"	\$15.50
	1 "	\$34.56
	1 1/2 "	\$66.53
	2 "	\$104.85
	3 "	\$207.04
	4 "	\$322.00
	6 "	\$641.95
	8 "	\$1,024.62

4 Wastewater Volume Charge		
		\$ Per 1,000 Gal
Residential Rate		
Residential Winter Use Average (Bill periods of Dec, Jan, & Feb)		
Whatever is Greater;		
Minimum 1,500 gallons		
OR		
Actual Winter Use Average		
IF		
There is no Winter Use Average, or only a partial Winter Use Average, then charge is based on 3,500 gallons		
Commercial:		
Actual Monthly Usage		
		\$5.78

Tap Fees & Water Acquisition Fee

5 Water Tap Fees		
Tap Size		Tap Fee \$
3/4 "	= 1.0 SFE	\$5,750
1 "	= 2.5 SFE	\$14,375
1 1/2 "	= 5.0 SFE	\$28,750
2 "	= 8.0 SFE	\$46,000
3 "	= 16.0 SFE	\$92,000
4 "	= 25.0 SFE	\$143,750
6 "	= 50.0 SFE	\$287,500
8 "	= 80.0 SFE	\$460,000

6 Water Acquisition Fee		
Tap Size		Tap Fee \$
3/4 "	= 1.0 SFE	\$7,000
1 "	= 2.5 SFE	\$17,500
1 1/2 "	= 5.0 SFE	\$35,000
2 "	= 8.0 SFE	\$56,000
3 "	= 16.0 SFE	\$112,000
4 "	= 25.0 SFE	\$175,000
6 "	= 50.0 SFE	\$350,000
8 "	= 80.0 SFE	\$560,000

7 Wastewater Tap Fees		
Tap Size		Tap Fee \$
3/4 "	= 1.0 SFE	\$5,750
1 "	= 2.5 SFE	\$14,375
1 1/2 "	= 5.0 SFE	\$28,750
2 "	= 8.0 SFE	\$46,000
3 "	= 16.0 SFE	\$92,000
4 "	= 25.0 SFE	\$143,750
6 "	= 50.0 SFE	\$287,500
8 "	= 80.0 SFE	\$460,000

Fees and Charges

R & R	Service Description	Fee / Charge
8. 4	Meter and Installation, In-house 3/4"	\$ 361
8. 6	Inspection Fee, Water - New Construction	\$ 50
8. 6	Inspection Fee, Wastewater - New Construction	\$ 50
8. 7	Hydrant Meter Deposit	\$ 1,000
8. 11	New Service Deposit, Commercial	\$ 150
8. 15	Late Payment, Water and/or Wastewater	\$ 25
8. 16	Returned Check Fee	\$ 25
8. 16	Returned Check, Bank Fee	\$ 10
8. 17	Service Charge, each (disconnection, reconnection, etc)	\$ 25
8. 19	Tampering Fee plus actual repair & Admin Charge	\$ 500
8. 20	Grease Trap Clean-up	\$ 500
8.21	After Hours Fee	\$ 50

OPERATIONS AND MAINTENANCE BUDGET

2020 Amended and Adopted Budget

	Audited 2018	Proj Yr End 2019	Approved 2020	Amended 2020
OPERATING REVENUES				No change
Water Revenue	\$5,297,618	\$5,389,458	\$ 5,467,000	
Wastewater Revenue	4,119,845	4,309,863	4,529,591	
Other Income	871,888	854,090	653,500	
Grand Total Operating Revenue	\$10,289,351	\$10,553,411	\$ 10,650,091	
OPERATING EXPENSES				
Depreciation	\$1,259,170	\$1,707,754	\$ 1,766,690	
Salaries and Payroll Taxes	2,165,843	2,510,928	2,381,590	
Benefits and Insurance	521,415	580,250	638,108	
Office Services	522,441	568,737	621,322	
Water Expenses	1,413,304	1,426,322	1,562,500	
Other Operating Expenses	1,063,200	893,773	950,500	
Maintenance and Repair Expenses	484,452	539,720	608,000	
Professional Services	541,493	699,325	877,200	
Total operating expenses	\$7,971,318	\$8,926,809	\$ 9,405,910	
OPERATING INCOME	\$2,318,033	\$1,626,602	\$ 1,244,181	
NON OPERATING REVENUE				
Total Interest Income	\$18,708	\$20,006	\$ 19,200	
Total Tap Fees	5,202,800	5,957,000	3,680,000	
Total Water Acquisition Fees	2,933,000	2,702,000	1,680,000	
Total Non Operating Revenue	\$8,154,508	\$8,679,006	\$ 5,379,200	
NON OPERATING EXPENSES				
Gain/Loss on Assest Disposal	(48,304)	(186,057)	(177,867)	
Interest Expense-Series 2016 Refunded	526,264	493,966	454,887	
Interest Expense-Bonds 2012	99,729	96,781	89,104	
Total Non Operating Expenses	\$577,688	\$404,690	\$ 366,124	
NON OPERATING INCOME	\$7,576,819	\$8,274,316	\$ 5,013,076	
Net Income	\$9,894,853	\$9,900,918	\$ 6,257,258	
Contributions in Aid Construction	1,229,250		-	
Increase in Retained Earnings	11,124,103	9,900,918	6,257,258	
Beginning Net Assets	47,623,133	58,747,236	68,648,154	
Ending Net Assets	\$58,747,236	\$68,648,154	\$ 74,905,412	↓

CAPITAL OUTLAY BUDGET

CAPITAL OUTLAY

Department	Project Name	Explanation	Cost
Wastewater	Cured In Place Pipe	There are many miles of aging sewer pipe throughout the District, and this process allows us to repair it or improve the structural integrity of the pipe.	100,000.00
Wastewater	Filtrate Tank Mixer	Purchase of a submersible mixer for the filtrate tank. Filtrate is leftover water flowing from the screw presses as part of the dewatering process. It contains residual polymer and leftover solids that dewatering does not remove. They create a floating mat over time that is difficult to remove; we currently break up the mat with a fire hose which consumes many man hours and potable water. This mixer will reduce time and water spent on cleaning the tank.	7,000.00
Wastewater	Step Screen	This is for a new step screen with a dual washer/compactor to serve both new and existing step-screen. Our current step-screen is at the halfway point of its useful life. There is no reliable back-up for this unit. When it breaks down we must use a manual bar screen until repairs are made. The current washer/compactor will not be able to serve 2 units. The new screen would provide better capture and removal of material, and would serve as the primary influent screenings collection/removal unit. The existing screen would remain in place as the backup unit to provide redundancy.	200,000.00
Water	2 new hydrants	The District's infrastructure, including hydrants, is old and needs to be replaced; in some cases, the hydrants date to the 1960s. The water department would like to begin replacing at least some hydrants each year as funds warrant. The failure of a hydrant in the event of a fire could be disastrous.	24,000.00
Water	Vermeer Vac-Tron LP 573 Potholing Machine	This potholer has a 1000 CFM blower and 500-gallon spoil tank. The new legal requirements for underground facility owners and operators require the owner to mark the depth of the facility, provide a document with size and type of facility, and provide a photograph with identifiable landmarks. With a majority of our system untraceable, this potholer will assist the Water Dept. in meeting the new requirements.	82,000.00
Water	Two-way communication/noise-reducing headphones	Second set of headphones for use during leak repairs. Allows backhoe operator and water operators to communicate effectively over the noise of the construction equipment.	6,500.00
Total Capital Outlay 2020			419,500.00 *

* As amended

CAPITAL IMPROVEMENT PROJECTS BUDGET

CAPITAL IMPROVEMENT PROJECTS

Department	Project Name	Explanation	Cost
Wastewater	Covered Parking	The District sustained substantial damage to its fleet during the June and August 2018 hail storms. Covered parking will protect the District's investment in its fleet. The District budgeted \$250,000 for this project in 2019 but did not begin work. The project was moved to 2020 and budget was increased.	380,000.00
Total CIP 2020			<i>380,000.00</i> *

* As amended

Capital Improvement Projects:

The District invests in capital assets each year through the CIP management process. These capital projects are proactive initiatives to provide the best water and wastewater services to the District's customers while balancing fiscal responsibility. Capital improvement projects are prioritized and ranked based on the following categories:

Priority 1: Imperative (Must-Do) – CIP that cannot be postponed in order to avoid harmful consequences to public health. These projects correct dangerous conditions, satisfy legal obligations, alleviate an emergency service disruption or deficiency, and prevent irreparable damage to valuable public infrastructure.

Priority 2: Important (Should-Do) – CIP that address clearly demonstrated needs or objectives but may be delayed without detrimental effects to basic services. These projects include rehabilitation of obsolete public facility or infrastructure, leveraging available state or federal funding, and reducing future operating and maintenance costs.

Priority 3: Desirable (Some Other Year) – CIP that are desirable projects that are not included within the current budget year. These projects include providing new or expanded level of service, conserving natural resources, and promoting intergovernmental cooperation.

Bond Debt:

In 2012, the District issued Water and Sewer Revenue Refunding Bonds Series 2012 in order to defease the District's Series B Bonds. The Bonds have a face amount of \$4,170,000 with interest ranging from 2% to 3% plus the five-year LIBOR Swap Curve multiplied by .065. This bond's interest rate was reset to 3.44% on December 22, 2017.

In 2016, the District issued Water and Sewer Revenue Refunding and Improvement Bonds Series 2016 in order to extinguish the District's Series 2004 Bonds, as well as purchase the remaining shares related to the Cody water rights. The bonds have a face value of \$23,920,000 and bear interest at 2.23%.

The District's "Net Revenue" is pledged to pay the principal and interest of the Series 2016 and 2012 Bonds. Net Revenue is generally defined as all income and revenue derived by the District from the operation and use of the water and wastewater systems less all reasonable and necessary expenses incurred for operating, maintaining and repairing the Systems. For 2020, the District has budgeted the following principal and interest payments. The interest payments have been included in the Operation and Maintenance Budget for 2020.

2020 Debt Service

	Principal	Interest	Total
2016 Series Bonds	1,650,000.00	404,577.75	2,054,577.75
2012 Series Bonds	215,000.00	89,103.50	304,103.50
Total	1,865,000.00	493,681.25	2,358,680.25

Glossary:

Capital Improvement Projects (CIP) – projects or physical assets that require construction and engineering.

Capital Outlay – projects or physical assets that do not require engineering or construction.

District – Widefield Water and Sanitation District, special district political subdivision in the state of Colorado providing water and wastewater services to the unincorporated areas of El Paso County, Colorado.

PFC – Perfluorinated compounds, manmade compounds used in the manufacturing of many consumer products and firefighting foams.

WIDEFIELD WATER AND SANITATION DISTRICT
RESOLUTION TO AMEND 2020 BUDGET

WHEREAS, the Board of Directors of Widefield Water and Sanitation District adopted the budget and appropriated funds for the 2020 fiscal year by resolution, dated November 20, 2019; and

WHEREAS, additional expenditures, as more specifically set forth in the 2020 budget amendment, attached hereto, are necessary resulting in expenditures in excess of appropriations for the 2020 fiscal year; and

WHEREAS, such additional expenditures are due to the lowest, responsive, and responsible bid received for completion of the District's covered parking project exceeding the originally budgeted and appropriated amount for the project which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures from unanticipated revenue (other than property taxes) or other surpluses in operating or non-operating revenue; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget amendment was open for inspection by the public at a designated place, and a public hearing was held on January 15, 2020.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Widefield Water and Sanitation District hereby adopts a supplemental and amended budget and appropriation for the 2020 fiscal year as more specifically set forth in the budget amendment attached hereto.

BE IT FURTHER RESOLVED, that such sums are hereby appropriated as specifically allocated in the budget amendment attached hereto from the revenues of each fund, to each fund, for the purposes stated in the budget amendment, in accordance with the provisions of §29-1-109, C.R.S.

BE IT FURTHER RESOLVED, that the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

Dated this 15th day of January, 2020.

WIDEFIELD WATER
AND SANITATION DISTRICT

By: _____

President

Attest:

and C. V. St.

Secretary

COUNTY OF EL PASO, STATE OF COLORADO

WIDEFIELD WATER AND SANITATION DISTRICT

I, FRANK WATSON hereby certify that I am a Director and the duly elected and qualified Secretary or Assistant Secretary of the Widefield Water and Sanitation District, and that the foregoing constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board of Directors of the Widefield Water and Sanitation District held on Wednesday, January 15, 2020, at 8495 Fontaine Boulevard, in El Paso County, Colorado Springs, Colorado, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget amendment hearing for fiscal year 2020; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 15th day of January, 2020.



Secretary

[SEAL]



WIDEFIELD WATER AND SANITATION DISTRICT
RESOLUTION TO ADOPT SECOND AMENDED 2020 BUDGET

WHEREAS, the Board of Directors of Widefield Water and Sanitation District adopted the first amended budget and appropriated funds for the 2020 fiscal year by resolution, dated January 15, 2020; and

WHEREAS, additional expenditures, as more specifically set forth in the 2020 second budget amendment, attached hereto, are necessary resulting in expenditures in excess of appropriations for the 2020 fiscal year; and

WHEREAS, such additional expenditures are due to the lowest, responsive, and responsible bid received for completion of the District's generator project exceeding the originally budgeted and appropriated amount for the project which could not have been reasonably foreseen at the time of adoption of the amended budget; and

WHEREAS, funds are available for such expenditures from unanticipated revenue (other than property taxes) or other surpluses in operating or non-operating revenue; and

WHEREAS, upon due and proper notice, published in accordance with law, the second budget amendment was open for inspection by the public at a designated place, and a public hearing was held on May 20, 2020.

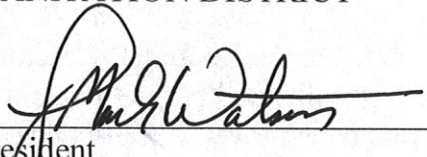
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Widefield Water and Sanitation District hereby adopts a second supplemental and amended budget and appropriation for the 2020 fiscal year as more specifically set forth in the second budget amendment attached hereto.

BE IT FURTHER RESOLVED, that such sums are hereby appropriated as specifically allocated in the second budget amendment attached hereto from the revenues of each fund, to each fund, for the purposes stated in the second budget amendment, in accordance with the provisions of § 29-1-109, C.R.S.

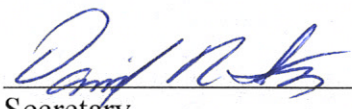
BE IT FURTHER RESOLVED, that the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

^{20th}
Dated this 15th day of ~~April~~ May, 2020.

WIDEFIELD WATER
AND SANITATION DISTRICT

By: 
President

Attest:

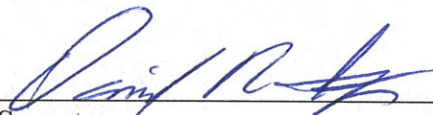

Secretary

COUNTY OF EL PASO, STATE OF COLORADO

WIDEFIELD WATER AND SANITATION DISTRICT

I, DANIEL R. ITTNER hereby certify that I am a Director and the duly elected and qualified Secretary or Assistant Secretary of the Widefield Water and Sanitation District, and that the foregoing constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board of Directors of the Widefield Water and Sanitation District held on Wednesday, May 20, 2020, at 8495 Fontaine Boulevard, in El Paso County, Colorado Springs, Colorado, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the second budget amendment hearing for fiscal year 2020; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 20th day of May, 2020.


Secretary

[SEAL]

SECOND AMENDED BUDGET FOR THE FISCAL YEAR 2020

(attached hereto)

2020 Approved and Amended Budget

	Approved 2020	Amended 2020
OPERATING REVENUES		No change
Water Revenue	\$ 5,467,000	
Wastewater Revenue	4,529,591	
Other Income	653,500	
Grand Total Operating Revenue	\$ 10,650,091	
OPERATING EXPENSES		
Depreciation	\$ 1,766,690	
Salaries and Payroll Taxes	2,381,590	
Benefits and Insurance	638,108	
Office Services	621,322	
Water Expenses	1,562,500	
Other Operating Expenses	950,500	
Maintenance and Repair Expenses	608,000	
Professional Services	877,200	
Total operating expenses	\$ 9,405,910	
OPERATING INCOME	\$ 1,244,181	
NON OPERATING REVENUE		
Total Interest Income	\$ 19,200	
Total Tap Fees	3,680,000	
Total Water Acquisition Fees	1,680,000	
Total Non Operating Revenue	\$ 5,379,200	
NON OPERATING EXPENSES		
Gain/Loss on Asset Disposal	(177,867)	
Interest Expense-Series 2016 Refunded	454,887	
Interest Expense-Bonds 2012	89,104	
Total Non Operating Expenses	\$ 366,124	
NON OPERATING INCOME	\$ 5,013,076	
Net Income	\$ 6,257,258	
Contributions in Aid Construction	-	
Increase in Retained Earnings	6,257,258	
Beginning Net Assets	68,648,154	
Ending Net Assets	\$ 74,905,412	

2020 Approved and Amended Capital Outlay and CIP Budgets

2020 Capital Outlay

Department	Location	Name	Approved	Amended
Wastewater	Throughout District	Cured In Place Pipe	\$ 100,000	No change
Wastewater	Filtrate Tank	Filtrate Tank Mixer	7,000	↓
Wastewater	WWTP headworks	Step Screen	200,000	↓
Wastewater	Subtotal		\$ 307,000	\$ 307,000
Water	Hydrants	2 new hydrants	\$ 24,000	No change
Water	Throughout District	Vermeer Vac-Tron LP 573 Potholing Machine	82,000	↓
Water	Throughout District	Two-way communication/noise- reducing headphones	6,500	↓
Water	Subtotal		\$ 112,500	\$ 112,500
Administration	Subtotal		\$ -	\$ -
			<u>\$ 419,500</u>	<u>\$ 419,500</u>

2020 CIP

Department	Location	Name	Approved	Amended
Wastewater	WWTP	Carport	-	380,000 *
Wastewater/Admin	WWTP/Admin	Generator	-	1,100,000 »
Wastewater	Subtotal		\$ -	\$ 1,480,000

* The District budgeted \$250,000 in 2019 but did not start the project. We are moving the project to 2020 and increasing the budget.

» The District budgeted \$600,000 in 2019 but did not start the project. We are moving the project to 2020 and increasing the budget.