

The most challenging
and exciting year
ahead.

2019

Annual Budget Report

8495 Fontaine Blvd. Colorado Springs CO 80925



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Message from the Finance Director

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 2019 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
Finance Director

Tap Water – Cost versus Value

\$0.0078 TAP WATER PER GALLON



VS.

\$2.00 per gallon



\$38 per gallon



\$1.99 per gallon



\$20.80 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

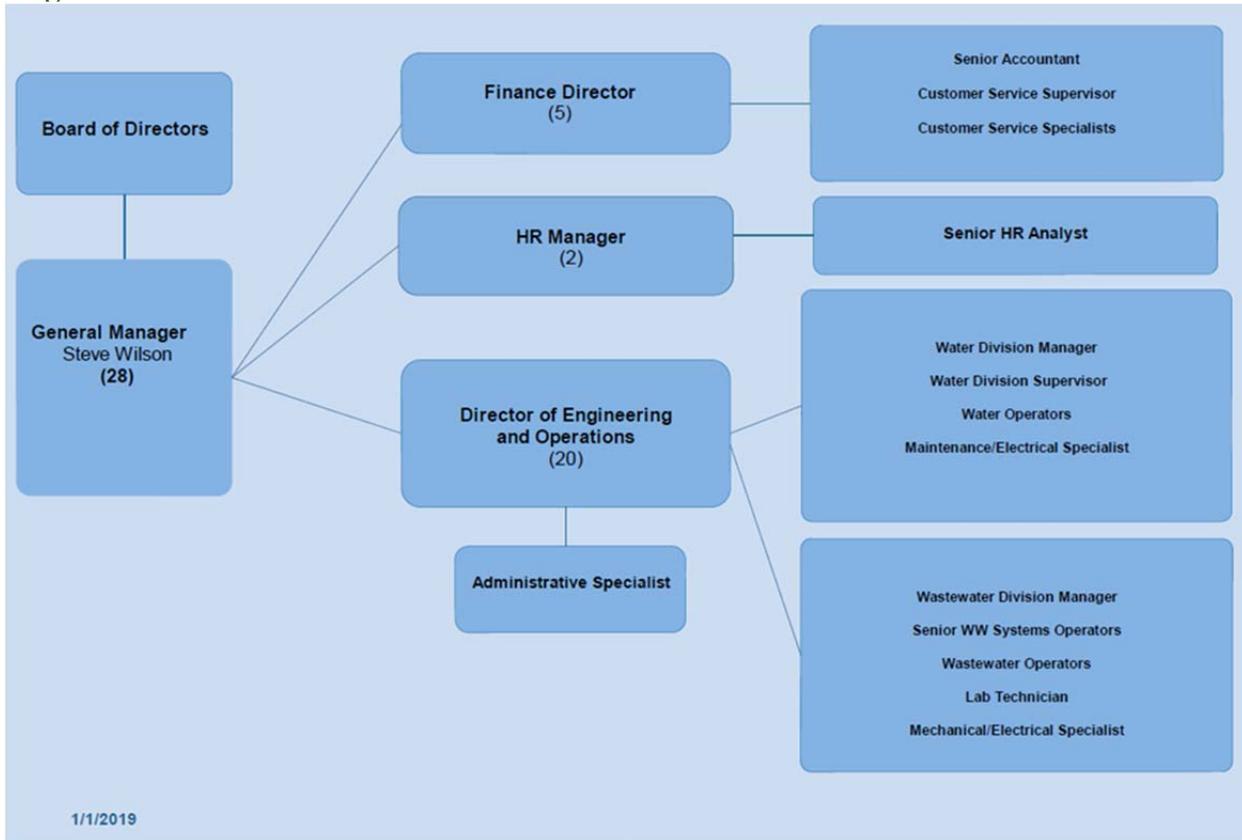
District History and Services:

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 Operations and a contracted engineering design firm.

Finance – This department includes customer service, government budget and accounting, information technology, and administrative support for all staff within the District.

Human Resources – This department includes 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 2019 Budget includes projected revenues and expenses for the enterprise fund. The basis of accounting utilized in the preparation of the 2019 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 12 for rates and fees schedule.

Residential and commercial water revenue is forecasted using 8,911 single-family equivalents (SFE's). Rates in effect include a base amount billed each month according to meter size. Residential water is \$4.14 per 1,000 gallons for the first 5,000 gallons and \$4.96 per 1,000 gallons over 5,000 gallons. Water for commercial accounts is \$4.58 per 1,000 gallons.

Residential wastewater revenue is forecasted using 9,253 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 \$5.00 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 \$5.50 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 2019 at 280 water taps, 280 sewer taps, and 210 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 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.

Critical Challenges Faced in Preparing the 2019 Budget:

Dewatering Sludge Processing Facility – In 2016 the new ownership of the District's service provider for wastewater sludge processing increased rates 220%. In response to this action, the District accelerated the construction and implementation of a dewatering sludge processing facility. This facility, owned and operated by the District, will be completed by early 2019 and will substantially reduce sludge processing costs. Despite increased operational and maintenance costs, including chemicals, electric utilities and the depreciation expense associated with the new facility, the District's customers will save money over the long term.

Wastewater Bio Nutrient Removal Regulation – In 2012, the Colorado Department of Public Health enacted Regulation 85 for implementation by July 2019. Regulation 85 is known as the bio nutrient removal or nutrient management control regulation. This regulation 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 over \$3.2 million in 2018 on the construction and implementation of a facility which will be completed in early 2019. However, as with the Dewatering Sludge Processing facility, the new treatment plant will incur increased operational, maintenance and depreciation costs.

Investment in Infrastructure and Economic Concerns – Much of the District’s infrastructure is aging, with some pipeline estimated to be between 50 and 70 years old. In 2018, the District began a comprehensive asset management plan to identify, inventory and assess the District’s infrastructure assets. This plan, to be implemented over a multi-year period, will allow the District to be proactive and focus its resources on replacing or rehabilitating assets in a cost-effective manner. Additionally, new construction in the District’s service area continues unabated and will require infrastructure expansion. Residential and commercial meters reaching a certain age must be replaced, and new meters installed in areas of development. With Colorado Springs’ unemployment rate at the end of 2018 remaining low at 3.9%, finding and recruiting quality candidates as the District grows could prove difficult.

Perfluorinated Compounds (PFC) Impact – In May of 2016, the EPA reduced the health advisory limit for PFCs to 70 ppt. PFCs are unregulated; however, customers voiced their concern and required a zero tolerance expectation for PFCs. The District responded quickly to 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 2019, 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.



PFC treatment vessels at Southmoor Water Treatment Plant

Long Term Challenges:

The District faces many water and wastewater challenges over the long term. Water and wastewater regulations are evolving each year and requiring more for the District's staff and other resources. Additionally, technology advances will continue in the industry. With the District's primary source of water involved in the PFC contamination, the District will need to develop a long-term solution to the PFC situation. Furthermore, the District must increase the capacity of the wastewater treatment plant in the future from 2.5 MGD to 5 MGD, with the expansion projected to exceed \$20 million in costs. The Board of Directors and the District's staff look forward to the future and these challenges.



Aerial view of bio nutrient removal and sludge dewatering facility.

2019 RATES

Widefield Water and Sanitation District - 2019 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		\$4.14
Over 5,000 Gallons		\$4.96
Commercial;		
Uniform Rate		\$4.58
Wholesale/Bulk Rate;		
Per 1,000 gallons		\$4.29

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		\$5.50
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		\$5.50

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	\$ 500
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

2019 Adopted Budget

	Audited 2017	Proj Yr End 2018	Proposed 2019
OPERATING REVENUES			
Water Revenue	\$4,809,231	\$4,728,024	\$5,028,000
Wastewater Revenue	3,833,956	4,040,448	4,407,850
Other Income	672,505	985,077	637,110
Grand Total Operating Revenue	\$9,315,691	\$9,753,550	\$10,072,960
OPERATING EXPENSES			
Depreciation	\$1,225,357	\$1,342,200	\$1,714,750
Salaries and Payroll Taxes	1,883,918	1,994,413	2,358,612
Benefits and Insurance	528,588	609,607	603,548
Office Services	426,986	553,243	609,184
Water Expenses	1,494,941	1,542,501	1,602,200
Other Operating Expenses	969,971	1,246,812	1,086,700
Maintenance and Repair Expenses	392,056	526,273	608,500
Professional Services	425,564	611,439	573,200
Total operating expenses	\$7,347,381	\$8,426,487	\$9,156,695
OPERATING INCOME	\$1,968,310	\$1,327,062	\$916,265
NON OPERATING REVENUE			
Total Interest Income	\$16,947	\$17,842	\$17,100
Total Tap Fees	3,444,250	4,618,315	3,220,000
Total Water Acquisition Fees	1,557,500	2,629,900	1,470,000
Total Non Operating Revenue	\$5,018,697	\$7,266,057	\$4,707,100
NON OPERATING EXPENSES			
Water Payment - Cody (WAF)	0	0	0
Water Payments-H2O Supply (Cody) Fee	0	0	0
Gain/Loss on Assets Disposal	(19,990)	0	3,000
Bond Issuance Costs	0	0	0
Interest Expense-Series 2016 Refunded	560,782	529,200	491,008
Interest Expense-Bonds 2012	79,571	96,936	96,194
Total Non Operating Expenses	\$620,364	\$626,137	\$590,202
NON OPERATING INCOME	\$4,398,333	\$6,639,921	\$4,116,898
Net Income	\$6,366,644	\$7,966,983	\$5,033,163
Contributions in Aid Construction	267,979	0	0
Increase in Retained Earnings	6,634,623	7,966,983	5,033,163
Beginning Net Assets	40,988,516	47,623,139	55,590,122
Ending Net Assets	\$47,623,139	\$55,590,122	\$60,623,285

CAPITAL OUTLAY BUDGET

CAPITAL OUTLAY

Department	Project Name	Explanation	Cost
Administration	2019 Ford Explorer	New truck for District's General Manager. General Manager's current truck will replace pool car damaged in 2018 hail storm.	40,000.00
Administration	2019 Ford Explorer	New truck for District's Director of Operations.	40,000.00
Water	Two-way radio noise-reducing headset	Headphones for use during leak repairs. Allows effective communication over noise of construction equipment.	7,500.00
Wastewater	Cured-in-place pipe	Sewer pipeline replacement with cured-in-place pipe.	100,000.00
Wastewater	Camera Line Replacement	Replacement for camera line nearing the end of its useful life. Splicing has shortened the footage and compromised the functionality of the current camera; the original 1,000 feet of line is now about 650 feet of line.	8,000.00
Wastewater	Security Camera System - Jimmy Camp	CCTV camera for security and liability purposes.	10,000.00

Total Capital Outlay 2019 (continued on next page)

CAPITAL OUTLAY (continued)

Department	Project Name	Explanation	Cost
Wastewater	Electric Motorized UTV	Replacement for current Kubota unit used by Wastewater lab technician to collect samples and by operators to complete small tasks at treatment plant.	14,000.00
Wastewater	Digester FOG Buster	Unit used to pre-treat and condition wet well to improve performance and break up grease. Also produces ozone (O3) which destroys and inhibits odor causing H2S. With H2S controlled by this unit, the District can eliminate the costly bioxide chemical we currently use to control H2S.	27,000.00
Wastewater	Truck - half ton	Field service vehicle used for multiple functions around Wastewater Treatment Plant and throughout collections system.	35,000.00
Wastewater	Software - IT Pipes	IT Pipes camera software, used in camera van for pipe assessment.	40,000.00
Wastewater	Semi-truck	Unit will be used to move trailer loads from the dewatering facility.	93,000.00
Total Capital Outlay 2019			414,500.00

CAPITAL IMPROVEMENT PROJECTS BUDGET

CAPITAL IMPROVEMENT PROJECTS

Department	Project Name	Explanation	Cost
Administration	Emergency Replace Water and Wastewater	The District allocates these funds annually for any emergencies that may arise during the year as a result of disruption of service. These funds are specifically for repair or replacement of a water or wastewater system.	100,000.00
Administration	Generators and Emergency Response Equipment	This equipment is part of the District's Emergency Response Initiative and will allow the District to resume operations quickly and protect the community in an emergency situation.	600,000.00
Water	Booster Station #2 Upgrade (Engineering)	This project includes engineering for the construction of a new booster station with room to house upgraded pumps and motors. The station will also house a new 750,000 gallon tank, which adds redundancy and capacity to the existing tank. The District will benefit from having an additional Booster Station with the distribution system expanding and in periods of drought.	158,000.00
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.	250,000.00
Wastewater	Jimmy Camp Pump #1 Replacement	The District is replacing Pump #1 at the Jimmy Camp lift station with a new and better-designed pump. In recent years, Pump #1 has had multiple maintenance issues and is currently out of commission.	170,000.00

Total CIP 2019 **1,278,000.00**

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 2019, the District has budgeted the following principal and interest payments. The interest payments have been included in the Operation and Maintenance Budget for 2019.

2019 Debt Service

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016 Series Bonds	1,615,000.00	440,657.27	2,055,657.27
2012 Series Bonds	205,000.00	96,192.71	301,192.71
Total	1,820,000.00	536,849.98	2,356,849.98

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 ESTABLISH FEES, ADOPT BUDGET, AND APPROPRIATE FUNDS FOR THE FISCAL YEAR 2019

WHEREAS, the Widefield Water and Sanitation District (“District”) is a special district in El Paso County, Colorado, organized pursuant to Article 1 of Title 32, Colorado Revised Statutes, known as the “Special District Act”; and

WHEREAS, the Board of Directors (“Board”) of the District has authorized its budget officer to prepare and submit a proposed 2019 budget to the Board at the proper time; and

WHEREAS, such budget officer has submitted the proposed budget to the Board on or before October 15, 2018 for its consideration; and

WHEREAS, the District is authorized by § 32-1-1001(1)(j)(I), C.R.S. and the District’s Rules and Regulations to fix and from time to time increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities provided; and

WHEREAS, the District’s capital facilities, operation, maintenance, and debt service provided for in the proposed 2019 budget are funded from revenues generated in whole or in part from water and wastewater rates, fees, or charges; and

WHEREAS, the District and its staff have analyzed the District’s current water and wastewater rates, fees, and charges in light of the anticipated demand for services and the District’s capital facilities, operation, and maintenance, and debt service costs and obligations; and

WHEREAS, the District and its staff have determined a need to increase and/or modify certain base rates in accordance with the needs of the District and its proposed 2019 budget; and

WHEREAS, upon due and proper notice, published in accordance with law, the proposed budget and rate increase, attached hereto, were open for inspection by the public, a public hearing was held on November 28, 2018, and interested citizens were given the opportunity to file or register any objections to the proposed rate increase, proposed budget; and

WHEREAS, no comments to the rate increase or budget were received or filed; and

WHEREAS, the District desires to adopt and fix the rates, fees, and charges, including an increase in the District’s volume rates for water and sewer service, commencing in 2019, in the amount sufficient to defray its capital facilities, operation, and maintenance, and debt service costs and obligations in accordance with its duly adopted budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“TABOR”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Widefield Water and Sanitation District.

1. Effective January 1, 2019, the District hereby approves the water and wastewater rates, fees, and charges for residential and nonresidential real property for all water and wastewater customers located within the District's service area as shown in the attached 2019 Rates and Fees Schedule, which shall be incorporated into the District's Rules and Regulations as the updated fee schedule attached as Exhibit C to such Rules and Regulations.

2. As of the effective date of January 1, 2019, all prior resolutions of the District establishing Service Charges shall be repealed, and shall be replaced by this Resolution.

3. That estimated revenues and expenditures for each fund for fiscal year 2019, as more specifically set forth in the 2019 Budget attached hereto, are hereby approved.

4. That the 2019 Budget, as submitted and attached hereto, be, and the same hereby is approved as the budget of Widefield Water and Sanitation District for the 2019 fiscal year.

5. The Board of Directors of the District, acting in its capacity as the Board of Directors of the District's Water Activity Enterprise also states that the Budget as submitted, attached hereto and incorporated herein for the Water Activity Enterprise is approved as the Budget of the District's Water Activity Enterprise for the 2019 fiscal year. The Fund or Funds of the Enterprise have been evaluated and the Board of Directors specifically notes that not more than ten percent of the annual revenues of the Enterprise have been received as grants from all Colorado State and local governments combined.

6. That the budget, as hereby ratified, accepted, and approved, 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.

TO APPROPRIATE SUMS OF MONEY

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

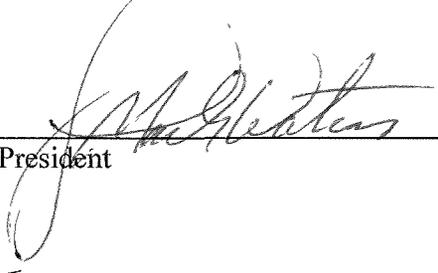
WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Widefield Water and Sanitation District that the amounts set forth as expenses and balances remaining, as specifically allocated in the 2019 Budget attached hereto, are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget.

Adopted this 28th day of November, 2018.

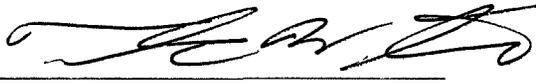
WIDEFIELD WATER
AND SANITATION DISTRICT

By: _____
President



ATTEST:

By: _____
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, November 28, 2018, at 8495 Fontaine Blvd., 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 rate and budget hearing for fiscal year 2019; 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 28th day of November, 2018.



Secretary

[SEAL]