

25 YEAR FINANCIAL PLAN



2016-2040

SOUTHWEST SUBURBAN DENVER WATER & SANITATION DISTRICT

This 25 Year Financial Plan for the Southwest Suburban Denver Water & Sanitation District evaluates the District's revenue requirements and rate structure required to meet the District's operating and maintenance expenses as well as capital improvements projected for the years 2016 to 2040

25 YEAR FINANCIAL PLAN

For the Southwest Suburban Denver Water & Sanitation District

Board of Directors

DATED MARCH 30, 2017

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25 YEAR FINANCIAL PLAN

SOUTHWEST SUBURBAN DENVER WATER & SANITATION DISTRICT

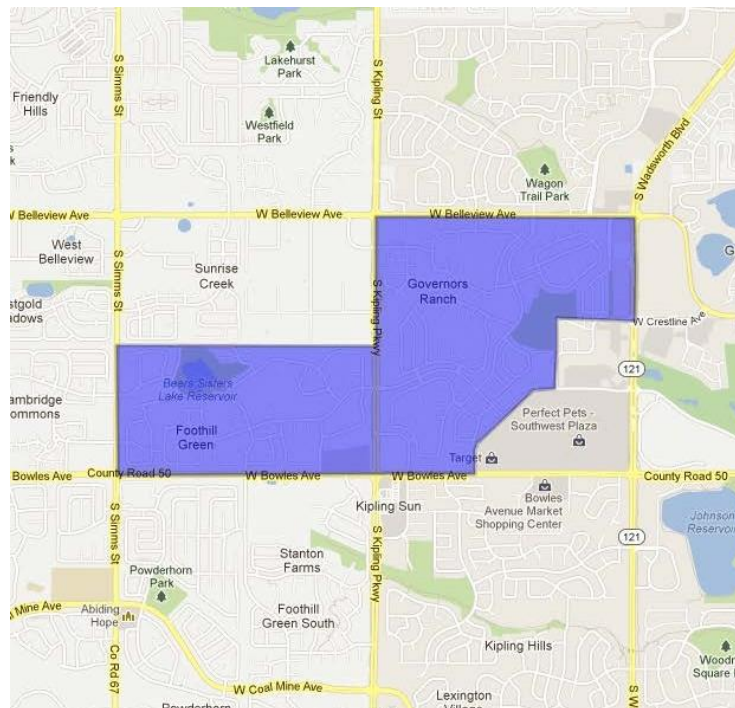
OVERVIEW

This 25 year financial plan has been prepared for the Southwest Suburban Denver Water & Sanitation District using the information provided in the District's 25 year Capital Improvements Plan (CIP) prepared by the District's engineering consultant, Martin/Martin, Inc., which was completed in November, 2016. The purpose of this financial plan is to analyze the District's funding requirements over the next 25 years for both operations and capital improvements and develop a long range revenue plan that will generate the funds needed to maintain and rehabilitate the District's infrastructure on a proactive basis as it ages. The goal is to avoid large fluctuations in customer rates and maintain an adequate level of capital reserves.

BACKGROUND INFORMATION

The District's service area, highlighted in purple on the map below, includes approximately 794 acres bounded generally by Belleview Avenue on the North, Bowles Avenue on the South, Wadsworth Avenue on the east and Simms Avenue on the west.

District Map



Originally, the District's service area was part of the City and County of Denver, which built much of the District's existing water and sanitary sewer mains. In 1981, the service area was de-annexed from Denver and the District was formed as a quasi-municipal entity governed by the Colorado Special District Act to provide water service. The City of Denver continued to provide sanitary sewer service to the area until 1984, when the District's service plan was amended to include the statutory authority to provide sanitary sewer service.

The water and sanitary sewer services provided by the District to its customers is provided primarily through intergovernmental agreements. The District has a special connector agreement with Metro Wastewater Reclamation District (Metro) to provide a portion of the District's sanitary sewer service. Metro provides sewage treatment for the District. It also owns and maintains the interceptor sewers and a pumping station originally built by Denver to serve the District as well as a sampling and metering station built by the District as required by Metro for the transmission of the District's sewage to Metro's treatment plant. The District owns and maintains all the gravity sewer collection mains in its service area that tie into Metro's interceptors. This infrastructure includes approximately 21 miles of sanitary sewer mains and 571 manholes. Metro charges the District for the sewage treatment service. The District then bills a sewer service fee to all its customers to cover the District's sewage treatment costs as well as the costs for maintaining the sanitary sewer infrastructure owned by the District.

The District does not own or have maintenance responsibility for any of the water mains serving the District. Water service is provided to the District's customers through a total service agreement with The Denver Board of Water Commissioners (Denver Water). Denver Water charges the District's customers directly for their water service as stipulated in the District's agreement.

OPERATING COSTS

The District operates as an enterprise fund and therefore charges fees for the services it provides to its customers. It levies no taxes and has no outstanding debt. The District has no employees and all operations and administrative functions are contracted. The District's annual operating costs are tracked in three main categories; administrative, sewer maintenance and sewage treatment costs.

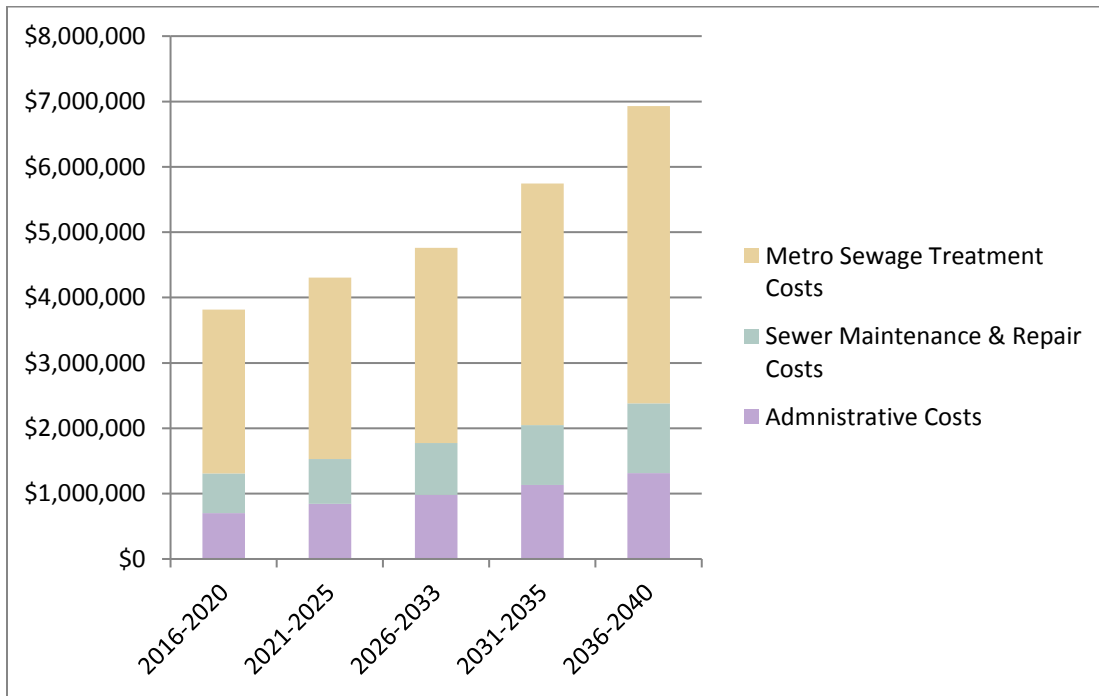
For the 25 year planning period of this financial plan, the District's estimated operating costs are shown in the table and chart on the next page. An overall inflation rate of 3% per year was applied to the District's projected administrative and sewer maintenance costs using the District's actual costs for 2016 and budgeted costs for 2017 as the base years.

An average increase of 4% per year is being assumed for Metro's treatment charges starting with 2019, using 2018 treatment charges estimated at \$550,000 as the base. The 2018 estimate is \$62,000 below the District's actual 2017 charges, which were the highest the District has ever been charged by Metro. The 2017 treatment charges were 220% higher than the District's treatment charges for 2016. The sewage treatment costs charged by Metro fluctuate significantly from year to year, making them hard to estimate for 25 years into the future. The annual charges are assessed based on an estimate of the District's sewage flows and loadings each year. The annual charges are then adjusted for actual flows and loadings that are determined from sampling and meter readings for the two preceding years. When the District's sewage flows and loadings fluctuate significantly, they cause wide swings in the District's treatment charges. Overall, the sewage treatment rates charged by Metro have been increasing, partially because Metro has had to fund treatment plant improvements necessary to meet federal and state environmental regulations that are becoming more

and more restrictive. Metro plans to spend approximately \$224 million on capital improvements by the year 2026 just to address new phosphorus effluent limits.

Metro’s sewage treatment charges make up approximately 67% of the District’s total operating costs projected for the 25 year planning period, while the administrative and sewer maintenance costs, over which the District has the most control, make up only 33%.

5 Year Period	2016-2020	2021-2025	2026-2030	2031-2035	2036-2040
Administrative Costs	702,598	843,060	979,081	1,130,453	1,314,847
Sewer Maintenance Costs	605,098	684,270	793,257	919,602	1,066,070
Sewage Treatment Costs	2,605,029	3,064,018	3,313,603	4,005,288	4,886,950
TOTAL OPERATING COSTS	\$ 3,912,725	\$ 4,591,348	\$ 5,085,941	\$ 6,055,343	\$ 7,267,867



The District’s administrative costs are estimated to be about 18% of the total operating costs for the 25 year planning period. The costs include general operating expenses for insurance, meetings, director fees, elections and public relations which make up approximately 27% of the total administrative costs. The remaining 73% of the District’s administrative costs are for professional services including accounting, audit, engineering, legal and management services. The District relies on contracted professional services to manage and operate the District.

The District’s sewer maintenance costs averaged about 11% of its total operating costs for the 10 year period preceding 2016. Looking forward from 2016 to 2040, sewer maintenance costs are projected to increase to approximately 15% of the total operating costs. This increase in sewer

maintenance costs is anticipated due to the aging of the District’s sewer system. Development first started occurring in the District in the late 1970’s and the sewer infrastructure installed at that time is reaching the end of its 40 year life cycle. About half of the older sewer lines have been lined or replaced to date. The portions of the District that were developed in the 1980’s and 1990’s, when PVC pipe was available, make up approximately 43% of the District’s infrastructure. As is explained in the District’s 25 year CIP, the life cycle for PVC pipe has not been documented yet but its useful life could be as much as 50 to 100 years. The District’s 25 year CIP uses an estimated design life of 75 years so none of the District’s PVC infrastructure is scheduled for replacement due to age. However, because PVC is more susceptible to earth movement, sags and deformations are more likely to cause the newer portion of the District’s sewer system to require more frequent cleaning. When the sags and deformations reach a point that flow is impeded in the system, point repairs will be needed. The District’s sewer maintenance costs for the 25 year planning period have been increased to include more frequent cleaning and point repairs as identified in the 25 year CIP.

The District’s sewer maintenance costs averaged about 11% of its total operating costs for the 10 year period preceding 2016. Sewer maintenance costs are projected to increase to 15% of the total operating costs from 2016 to 2040 as the sewer system ages.

CAPITAL PROJECT COSTS

The District’s 25 year CIP identifies a five phase capital improvements plan that allows the District to be proactive rather than reactive to the rehabilitation needs of its sewer infrastructure. The system rehabilitation has been prioritized for those facilities that have the greatest need for replacement which allows the District to minimize unscheduled repairs and unplanned operating costs. A summary of the capital costs identified over the 25 year planning period is shown below.

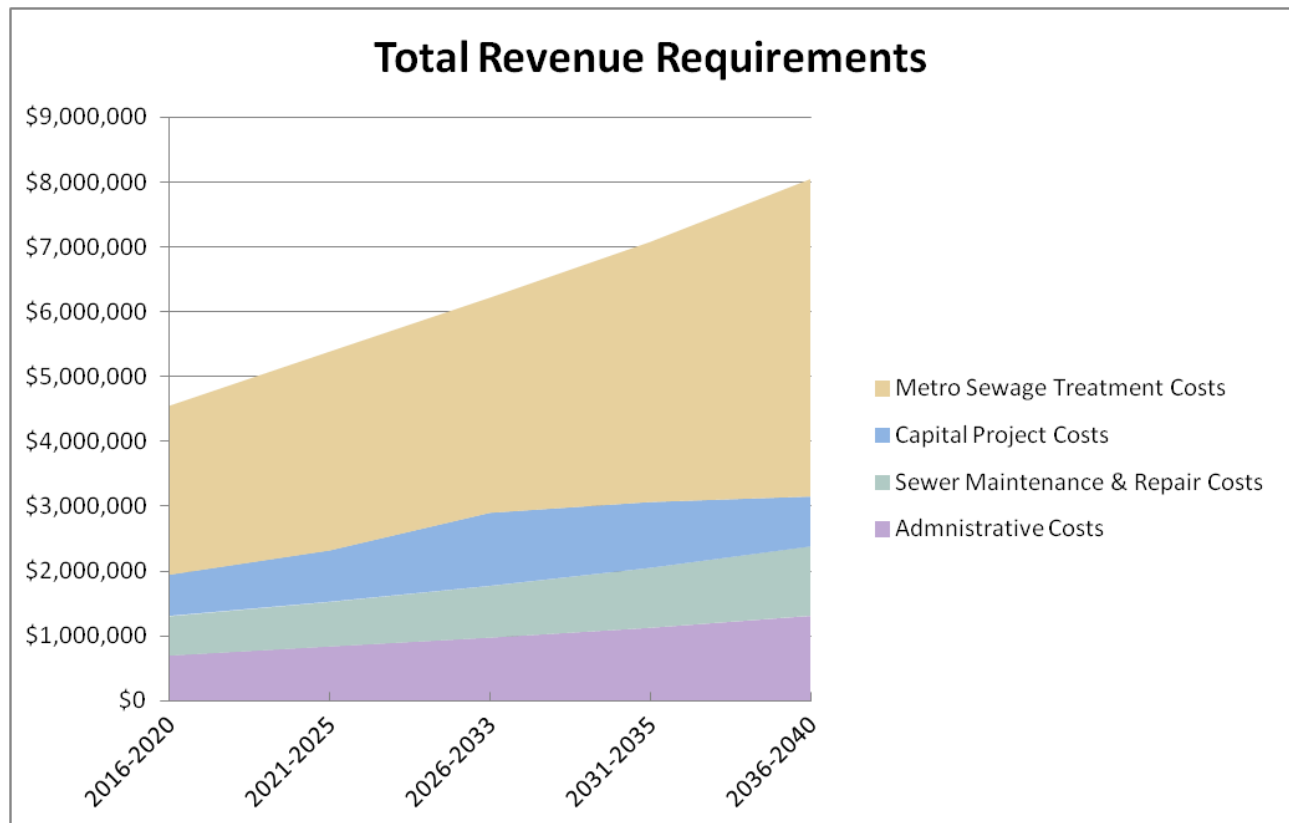
5 Year Period	Phase I 2016-2020	Phase II 2021-2025	Phase III 2026-2030	Phase IV 2031-2035	Phase V 2036-2040	25 Year Total
Projected Capital Costs	\$ 641,804	\$ 796,835	\$ 1,131,390	\$ 1,020,115	\$ 773,960	\$ 4,364,104

In each phase of the CIP, the District’s capital improvements will include main replacements, cured-in-place pipe lining (CIPP) and manhole lining. Main replacements will require approximately 37% of the project costs while the CIPP and manhole lining projects will account for 33% and 30% of the overall project costs, respectively.

REVENUE REQUIREMENTS

Based on the operating and capital project costs identified above, the total revenue requirements for the District are shown in the charts below. On average for the 25 year planning period, operating costs comprise 86% of the total revenue requirements and capital costs comprise 14%.

Revenue Requirements 2016 - 2040							
5 Year Period	Phase I 2016-2020	Phase II 2021-2025	Phase III 2026-2033	Phase IV 2031-2035	Phase V 2036-2040	25 Yr. Totals	
Metro Sewage Treatment Costs	\$2,605,029	\$3,064,018	\$3,313,603	\$4,005,288	\$4,886,950	\$17,874,888	
Sewer Maintenance & Repair Costs	\$605,098	\$684,270	\$793,257	\$919,602	\$1,066,070	\$4,068,297	
Administrative Costs	\$702,598	\$843,060	\$979,081	\$1,130,453	\$1,314,847	\$4,970,039	
TOTAL OPERATING COSTS	\$3,912,725	\$4,591,348	\$5,085,941	\$6,055,343	\$7,267,867	\$26,913,224	
	86%	85%	82%	86%	90%	86%	
TOTAL CAPITAL COSTS	\$641,804	\$796,835	\$1,131,390	\$1,020,115	\$773,960	\$4,364,104	
	14%	15%	18%	14%	10%	14%	
TOTAL REVENUE REQUIRED	\$4,554,529	\$5,388,183	\$6,217,331	\$7,075,458	\$8,041,827	\$31,277,327	



For the first five year period of the 25 year plan, the District's average annual administrative and maintenance expenditures are estimated at \$261,539 and the average annual capital costs are estimated at \$128,361, together totaling \$389,900 of annual costs. For the same period, the average annual sewage treatment costs are estimated at \$521,006. For the remaining Phases II through V, the average annual administrative and maintenance expenditures are projected to grow 3.3% annually, with the annual average in Phase V estimated to be over \$476,000. The sewage treatment costs in these phases are projected to grow by 88%, or 3.5% annually, with the annual average in Phase V estimated at \$977,390. The capital expenditures planned for the 25 year period are expected to grow over the first three phases and then decrease in the last two phases.

REVENUE SOURCES

There are two revenue sources the District plans to use to fund its total revenue requirements. The District's main source of revenue is generated through service fees charged to its customer base. The second source is from interest earnings on the District's operating and capital reserves, however, this source is very limited with the current low interest rate environment. The District's interest earnings on its capital reserves are projected to provide only 31% of the revenues needed to fund the District's 25 year CIP.

The District's capital reserves are a third funding source should annual expenditures exceed annual earnings, however, the District tries to limit the use of its reserves for emergencies only. With this 25 year financial plan, the District's capital reserves are projected to grow gradually to a level of \$2.5 million by the year 2040.

The District's capital reserves are invested in various agency bonds, certificates of deposit, and investment pools. The District's investment policy is simply to adhere to the Colorado Revised Statutes governing Special District investments (C.R.S. 24-75-601) which limits investments for terms no longer than five years or less depending on the type of investment. As stated earlier, the District earns modest interest on its capital reserve fund which helps offset the costs of capital projects. The District's interest earnings on its capital reserves for 2015 and 2016 have been 1.15% and 1.2%, respectively. The interest earnings for 2017 are projected to be 1.3%. The estimated interest earnings on the District's capital reserves for the remaining years of the 25 year plan are based on a conservative, gradual increase of long term interest rates which are projected to increase to only 3% by the year 2040.

In addition to its capital reserves, the District has set its minimum operating cash level at \$150,000, with an additional \$200,000 reserve set aside for unexpected major repairs. These funds are kept in liquid bank accounts that earn little or no interest. The interest earnings on the District's operating cash is projected to grow from \$1,000 annually to approximately \$5,200 annually by 2040, totaling a little over \$81,000 for the entire 25 year plan.

Although there are other revenue sources available such as revenue bonds and levying property taxes to fund the District's revenue requirements, the District's Board of Directors considers these funding sources expensive and would require the District to charge its customers more for the same service if it relied on these sources.

Over the 25 year span of the financial plan, it is estimated that the District's customers will see an average annual rate increase of no more than 3.6%

SERVICE FEES

As mentioned earlier, the District's main source of revenues is from the service fees it charges its customers. Until this 25 year financial plan was developed, the District set its service fees annually based on the projected revenue requirements of the District for the coming year. This method seemed reasonable until the District's infrastructure started aging and the sewage treatment costs started escalating. When significant maintenance and capital projects were identified that needed to be addressed quickly, or when the sewage treatment costs increased drastically, the District relied on its reserves for funding a portion of these costs so the impact on customers' annual service fees would be limited. Unfortunately, when the District's capital reserves were diminished by a third and interest rates began to drop to very low levels, the District found that the interest earnings on its reserves could no longer be relied on to offset the District's increasing revenue requirements. The District's Board of Directors started raising rates significantly in order to fund its operating and capital project costs. Understandably, the rate increases were not received well by the District's customers. At this point, the District decided to take a proactive approach to its revenue requirements and engaged its engineering and management consultants to develop a 25 year plan that would identify the probable maintenance and rehabilitation needs for the District's infrastructure for the next 25 years and a financial plan that would fund the costs projected with modest rate increases.

The service fee rate structure developed for this 25 year financial plan is summarized below. Using the actual service fees charged in 2017, the District's total service fees are estimated to grow an average of 3.56% annually through 2040. This average rate applied to the District's single family residential customer's annual rate of \$296 for 2017 results in an annual rate of \$549 for 2040. Multi-family residential customers' annual rate is projected to grow from \$213 in 2017 to \$395 per residential unit in 2040.

RATE PROJECTIONS

5 Year Period	2016-2020	2021-2025	2026-2030	2031-2035	2036-2040
Single Family Rate Change	2016 Rate: \$288 2020 Rate: \$321	2021 Rate: \$331 2025 Rate: \$371	2026 Rate: \$380 2030 Rate: \$425	2031 Rate: \$433 2035 Rate: \$481	2036 Rate: \$487 2040 Rate: \$549
Multi Family Rate Change	2016 Rate: \$218/unit 2020 Rate: \$231/unit	2021 Rate: \$238/unit 2025 Rate: \$267/unit	2026 Rate: \$273/unit 2030 Rate: \$306/unit	2031 Rate: \$311/unit 2035 Rate: \$346/unit	2036 Rate: \$350/unit 2040 Rate: \$395/unit
Commercial Rate Change for Sewer Flows per 1,000 gallons	2016 Rate: \$5.45 per 1,000 gallons 2020 Rate: \$3.41 per 1,000 gallons	2021 Rate: \$3.52 per 1,000 gallons 2025 Rate: \$3.95 per 1,000 gallons	2026 Rate: \$4.04 per 1,000 gallons 2030 Rate: \$4.53 per 1,000 gallons	2031 Rate: \$4.60 per 1,000 gallons 2035 Rate: \$5.12 per 1,000 gallons	2036 Rate: \$5.18 per 1,000 gallons 2040 Rate: \$5.84 per 1,000 gallons

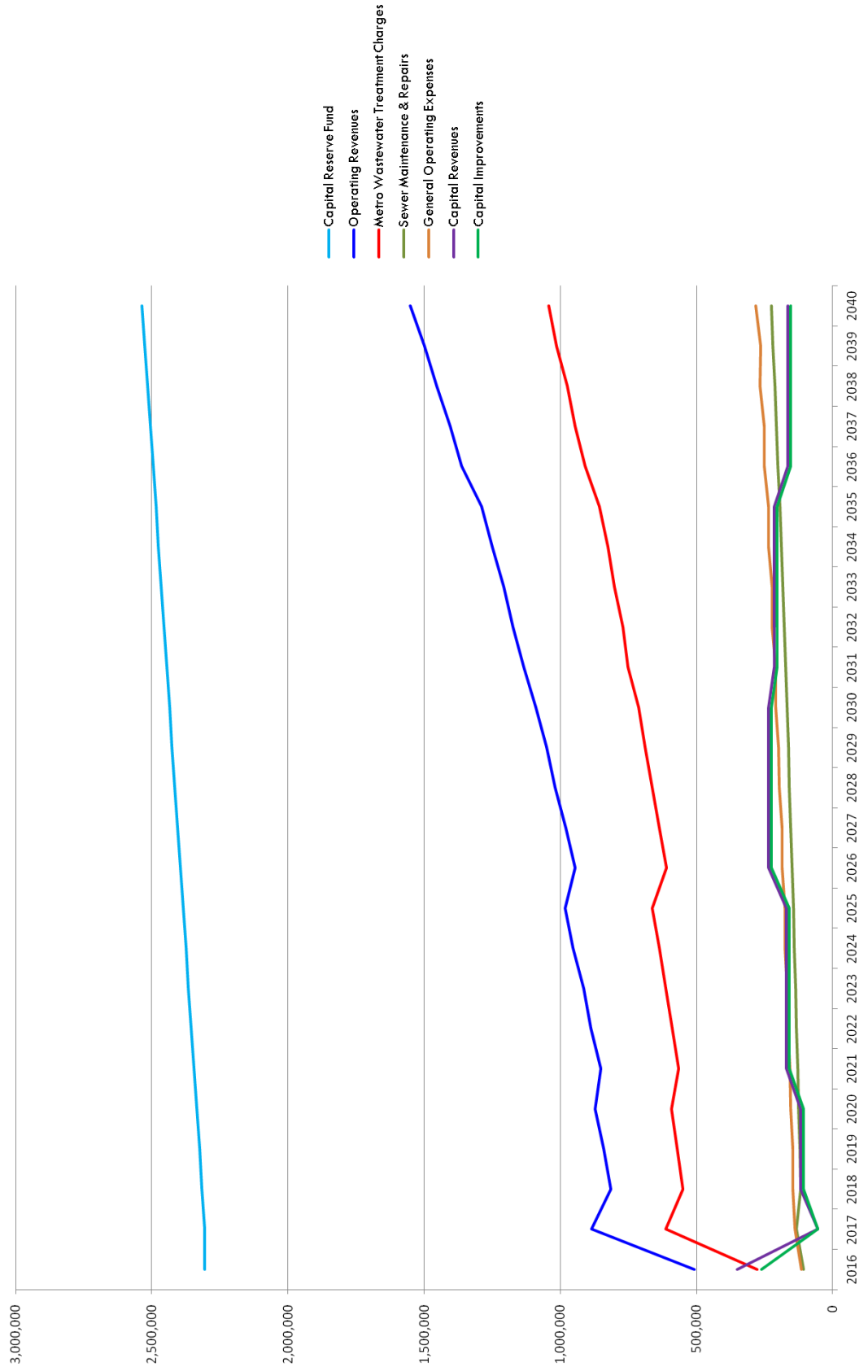
The rate increases for the District's commercial customers are not easily summarized because their rates are most affected by Metro's sewage treatment loading charges. The loading charges are determined by the concentration of suspended solids (SS), biochemical oxygen demand (BOD) and total kjeldahl nitrogen (TKN) that is found in the samples of the District's sewage flows, which change from year to year. If high concentrations of SS, BOD and TKN are found that would increase the District's loading charges, the District's commercial customers' portion of these charges would be greater because their sewage loading factors can be anywhere from double to four times that of residential customers using industry standard loading factors. The District's commercial customers, on average, contribute more than 23% to the District's sewage loadings, whereas their sewage flows make up only 12% to 13% of the District's total sewage flows. The sewage flow rates for the District's commercial customers more closely follow the unit charges for the District's residential customers. The projected flow rates for the District's commercial customers are shown in the rate table on the preceding page.

With the above projected rate schedule, the District will generate adequate service fee revenues that will fund, along with interest earnings, 100% of the District's projected operating and capital costs. Additionally, \$327,000 dollars will be added to the District capital reserves over the 25 year period. A summary of the District's costs, revenues and capital reserves for the 25 year plan is shown in the table below and the chart on the next page. Appendix A has the complete detail by year of this information.

COSTS, REVENUES & RESERVES

5 Year Period	Phase I 2016-2020	Phase II 2021-2025	Phase III 2026-2030	Phase IV 2031-2035	Phase V 2036-2040	25 Yr. Totals
Metro Sewage Treatment Costs	\$2,605,029	\$3,064,018	\$3,313,603	\$4,005,288	\$4,886,950	\$17,874,888
Sewer Maintenance & Repair Costs	\$605,098	\$684,270	\$793,257	\$919,602	\$1,066,070	\$4,068,297
Administrative Costs	\$702,598	\$843,060	\$979,081	\$1,130,453	\$1,314,847	\$4,970,039
TOTAL OPERATING COSTS	\$3,912,725	\$4,591,348	\$5,085,941	\$6,055,343	\$7,267,867	\$26,913,224
TOTAL CAPITAL COSTS	\$641,804	\$796,835	\$1,131,390	\$1,020,115	\$773,960	\$4,364,104
TOTAL REVENUE REQUIRED	\$4,554,529	\$5,388,183	\$6,217,331	\$7,075,458	\$8,041,827	\$31,277,327
Operating Revenues	\$3,920,022	\$4,591,348	\$5,085,941	\$6,055,343	\$7,267,867	\$26,920,520
Capital Revenues	\$761,529	\$846,835	\$1,181,390	\$1,070,115	\$823,960	\$4,683,829
TOTAL REVENUES	\$4,681,551	\$5,438,183	\$6,267,331	\$7,125,458	\$8,091,827	\$31,604,349
Funding to Reserves	\$127,022	\$50,000	\$50,000	\$50,000	\$50,000	\$327,022
Net Capital Reserve Balance	\$2,334,943	\$2,384,943	\$2,434,943	\$2,484,943	\$2,534,943	

SOUTHWEST SUBURBAN DENVER WATER & SANITATION DISTRICT
Year 2016 to 2040
CAPITAL IMPROVEMENTS AND FINANCIAL PLAN



APPENDIX A

DETAILED FINANCIAL PLAN - YEARS 2016-2040

Southwest Suburban Denver Water and Sanitation District 25 Year Financial Plan 2016 - 2040

25 Year Rate Assumptions

Total Service Fee & Capital Reserve Fee % Change	6.22%	1.67%	3.06%	3.34%
Interest Income Projections - SHORT TERM	0.35%	0.40%	0.45%	0.50%
Interest Income Projections - LONG TERM	1.30%	1.55%	1.55%	1.55%
Metro Wastewater % Change	119.93%	-10.21%	4.00%	3.50%
System Maintenance & Repairs	3.00%	3.00%	3.00%	3.00%
General Exps & Professional Fees Projections for Inflation	3.00%	3.00%	3.00%	3.00%

25 Year Revenue and Expense Projections	Actual	Projected	Projected	Projected	Projected
	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020
FUNDS AVAILABLE - BEGINNING OF YEAR:	\$ 2,557,921	\$ 2,654,943	\$ 2,654,943	\$ 2,664,943	\$ 2,674,943
Commercial Annual Flow Fee estimates (rate per 1,000 gallons)	\$ 5.45	\$ 3.15	\$ 3.20	\$ 3.30	\$ 3.41
Multi Family Annual Fee estimates	\$ 218	\$ 213	\$ 217	\$ 223	\$ 231
Single Family Annual Fee estimates	\$ 288	\$ 296	\$ 301	\$ 310	\$ 321
OPERATING REVENUES					
Total Sewer Service Fees	448,277	822,585	779,219	805,783	835,569
Miscellaneous Income	58,988	63,000	34,360	35,524	36,717
TOTAL OPERATING REVENUES	\$ 507,265	\$ 885,585	\$ 813,579	\$ 841,307	\$ 872,286
CAPITAL REVENUES					
Capital Reserve Fees	349,678	25,000	82,553	82,398	82,243
Interest Income - Long Term Investments	27,852	30,000	35,727	35,882	36,037
TOTAL CAPITAL REVENUES - Long Term Investments	\$ 351,689	\$ 55,000	\$ 118,280	\$ 118,280	\$ 118,280
TOTAL REVENUES	\$ 858,954	\$ 940,585	\$ 931,859	\$ 959,587	\$ 990,566
OPERATING EXPENDITURES					
SEWER TREATMENT & OPERATIONS					
Metro Wastewater Treatment Charges	278,501	612,508	550,000	572,000	592,020
Sewer Maintenance & Repairs	107,018	133,513	117,948	121,487	125,131
TOTAL SEWER TREATMENT & OPERATIONS	385,519	746,021	667,948	693,487	717,151
GENERAL OPERATING EXPENSES					
General Office, Insurance, Election & Misc. Expenses	31,216	35,900	38,857	37,843	41,858
Professional Services:	83,233	103,664	106,774	109,977	113,276
TOTAL GENERAL OPERATING EXPENSES	114,449	139,564	145,631	147,820	155,134
TOTAL OPERATING EXPENDITURES	\$ 499,968	\$ 885,585	\$ 813,579	\$ 841,307	\$ 872,286
NET INCREASE/(DECREASE) IN OPERATING FUNDS	\$ 7,297	\$ -	\$ 0	\$ 0	\$ 0
CAPITAL IMPROVE. & REPLACEMENTS	\$ 261,964	\$ 55,000	\$ 108,280	\$ 108,280	\$ 108,280
NET INCREASE/(DECREASE) IN NON-OPERATING FUNDS	\$ 89,725	\$ 0	\$ 10,000	\$ 10,000	\$ 10,000
NET INCREASE/(DECREASE) IN FUNDS	\$ 97,022	\$ 0	\$ 10,000	\$ 10,000	\$ 10,000
FUNDS AVAILABLE - END OF YEAR: *	\$ 2,654,943	\$ 2,654,943	\$ 2,664,943	\$ 2,674,943	\$ 2,684,943

* Allocation of Funds Available

Capital Reserve Fund	2,304,943	2,304,943	2,314,943	2,324,943	2,334,943
Operating Funds	350,000	350,000	350,000	350,000	350,000
	\$ 2,654,943	\$ 2,654,943	\$ 2,664,943	\$ 2,674,943	\$ 2,684,943

Southwest Suburban Denver Water and Sanitation District 25 Year Financial Plan 2016 - 2040

25 Year Rate Assumptions

	3.20%	2.93%	2.74%	3.33%	2.72%
Total Service Fee & Capital Reserve Fee % Change	3.20%	2.93%	2.74%	3.33%	2.72%
Interest Income Projections - SHORT TERM	0.55%	0.60%	0.65%	0.70%	0.75%
Interest Income Projections - LONG TERM	1.55%	1.80%	1.80%	1.95%	1.95%
Metro Wastewater % Change	4.00%	4.00%	4.00%	4.00%	4.00%
System Maintenance & Repairs	3.00%	3.00%	3.00%	3.00%	3.00%
General Exps & Professional Fees Projections for Inflation	3.00%	3.00%	3.00%	3.00%	3.00%

25 Year Revenue and Expense Projections	Projected	Projected	Projected	Projected	Projected
	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
FUNDS AVAILABLE - BEGINNING OF YEAR:	\$ 2,684,943	\$ 2,694,943	\$ 2,704,943	\$ 2,714,943	\$ 2,724,943
Commercial Annual Flow Fee estimates (rate per 1,000 gallons)	\$ 3.52	\$ 3.62	\$ 3.72	\$ 3.85	\$ 3.95
Multi Family Annual Fee estimates	\$ 238	\$ 245	\$ 252	\$ 260	\$ 267
Single Family Annual Fee estimates	\$ 331	\$ 340	\$ 350	\$ 362	\$ 371
OPERATING REVENUES					
Total Sewer Service Fees	814,023	847,840	874,782	911,894	940,218
Miscellaneous Income	37,941	39,197	40,485	41,806	43,162
TOTAL OPERATING REVENUES	\$ 851,965	\$ 887,037	\$ 915,267	\$ 953,700	\$ 983,380
CAPITAL REVENUES					
Capital Reserve Fees	133,175	127,158	126,978	123,251	123,056
Interest Income - Long Term Investments	36,192	42,209	42,389	46,116	46,311
TOTAL CAPITAL REVENUES - Long Term Investments	\$ 169,367	\$ 169,367	\$ 169,367	\$ 169,367	\$ 169,367
TOTAL REVENUES	\$ 1,021,332	\$ 1,056,404	\$ 1,084,634	\$ 1,123,067	\$ 1,152,747
OPERATING EXPENDITURES					
SEWER TREATMENT & OPERATIONS					
Metro Wastewater Treatment Charges	565,701	588,329	611,862	636,336	661,790
Sewer Maintenance & Repairs	128,885	132,752	136,735	140,837	145,062
TOTAL SEWER TREATMENT & OPERATIONS	694,586	721,081	748,596	777,173	806,852
GENERAL OPERATING EXPENSES					
General Office, Insurance, Election & Misc. Expenses	40,704	45,781	42,890	49,033	45,210
Professional Services:	116,675	120,175	123,780	127,494	131,318
TOTAL GENERAL OPERATING EXPENSES	157,378	165,956	166,671	176,527	176,528
TOTAL OPERATING EXPENDITURES	\$ 851,965	\$ 887,037	\$ 915,267	\$ 953,700	\$ 983,380
NET INCREASE/(DECREASE) IN OPERATING FUNDS	\$0	\$0	\$0	\$0	\$0
CAPITAL IMPROVE. & REPLACEMENTS	\$ 159,367	\$ 159,367	\$ 159,367	\$ 159,367	\$ 159,367
NET INCREASE/(DECREASE) IN NON-OPERATING FUNDS	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
NET INCREASE/(DECREASE) IN FUNDS	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
FUNDS AVAILABLE - END OF YEAR:	\$ 2,694,943	\$ 2,704,943	\$ 2,714,943	\$ 2,724,943	\$ 2,734,943

* Allocation of Funds Available

Capital Reserve Fund	2,344,943	2,354,943	2,364,943	2,374,943	2,384,943
Operating Funds	350,000	350,000	350,000	350,000	350,000
Total	\$ 2,694,943	\$ 2,704,943	\$ 2,714,943	\$ 2,724,943	\$ 2,734,943

Southwest Suburban Denver Water and Sanitation District 25 Year Financial Plan 2016 - 2040

25 Year Rate Assumptions

Total Service Fee & Capital Reserve Fee % Change	2.27%	2.89%	3.16%	2.62%	2.86%
Interest Income Projections - SHORT TERM	0.80%	0.85%	0.90%	0.95%	1.00%
Interest Income Projections - LONG TERM	2.10%	2.10%	2.25%	2.25%	2.40%
Metro Wastewater % Change	3.00%	3.00%	4.00%	4.00%	4.00%
System Maintenance & Repairs	3.00%	3.00%	3.00%	3.00%	3.00%
General Exps & Professional Fees Projections for Inflation	3.00%	3.00%	3.00%	3.00%	3.00%

25 Year Revenue and Expense Projections	Projected	Projected	Projected	Projected	Projected
	Year	Year	Year	Year	Year
	2026	2027	2028	2029	2030
FUNDS AVAILABLE - BEGINNING OF YEAR:	\$ 2,734,943	\$ 2,744,943	\$ 2,754,943	\$ 2,764,943	\$ 2,774,943
Commercial Annual Flow Fee estimates (rate per 1,000 gallons)	\$ 4.04	\$ 4.16	\$ 4.29	\$ 4.40	\$ 4.53
Multi Family Annual Fee estimates	\$ 273	\$ 281	\$ 290	\$ 298	\$ 306
Single Family Annual Fee estimates	\$ 380	\$ 391	\$ 403	\$ 414	\$ 425
OPERATING REVENUES					
Total Sewer Service Fees	901,185	932,835	971,970	1,002,389	1,040,141
Miscellaneous Income	44,553	45,980	47,445	48,949	50,493
TOTAL OPERATING REVENUES	\$ 945,737	\$ 978,816	\$ 1,019,415	\$ 1,051,338	\$ 1,090,634
CAPITAL REVENUES					
Capital Reserve Fees	186,194	185,984	182,167	181,942	178,079
Interest Income - Long Term Investments	50,084	50,294	54,111	54,336	58,199
TOTAL CAPITAL REVENUES - Long Term Investments	\$ 236,278	\$ 236,278	\$ 236,278	\$ 236,278	\$ 236,278
TOTAL REVENUES	\$ 1,182,015	\$ 1,215,094	\$ 1,255,693	\$ 1,287,616	\$ 1,326,912
OPERATING EXPENDITURES					
SEWER TREATMENT & OPERATIONS					
Metro Wastewater Treatment Charges	609,644	637,933	663,450	689,988	712,588
Sewer Maintenance & Repairs	149,413	153,896	158,513	163,268	168,166
TOTAL SEWER TREATMENT & OPERATIONS	759,057	791,829	821,963	853,256	880,754
GENERAL OPERATING EXPENSES					
General Office, Insurance, Election & Misc. Expenses	51,422	47,671	53,957	50,282	57,646
Professional Services:	135,258	139,316	143,495	147,800	152,234
TOTAL GENERAL OPERATING EXPENSES	186,680	186,987	197,452	198,082	209,880
TOTAL OPERATING EXPENDITURES	\$ 945,737	\$ 978,816	\$ 1,019,415	\$ 1,051,338	\$ 1,090,634
NET INCREASE/(DECREASE) IN OPERATING FUNDS	\$0	\$0	\$0	\$0	\$0
CAPITAL IMPROVE. & REPLACEMENTS	\$ 226,278	\$ 226,278	\$ 226,278	\$ 226,278	\$ 226,278
NET INCREASE/(DECREASE) IN NON-OPERATING FUNDS	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
NET INCREASE/(DECREASE) IN FUNDS	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
FUNDS AVAILABLE - END OF YEAR: *	\$ 2,744,943	\$ 2,754,943	\$ 2,764,943	\$ 2,774,943	\$ 2,784,943

* Allocation of Funds Available

Capital Reserve Fund	2,394,943	2,404,943	2,414,943	2,424,943	2,434,943
Operating Funds	350,000	350,000	350,000	350,000	350,000
	\$ 2,744,943	\$ 2,754,943	\$ 2,764,943	\$ 2,774,943	\$ 2,784,943

Southwest Suburban Denver Water and Sanitation District 25 Year Financial Plan 2016 - 2040

25 Year Rate Assumptions

	1.67%	2.57%	2.72%	2.72%	2.71%
Total Service Fee & Capital Reserve Fee % Change	1.67%	2.57%	2.72%	2.72%	2.71%
Interest Income Projections - SHORT TERM	1.05%	1.10%	1.15%	1.20%	1.25%
Interest Income Projections - LONG TERM	2.40%	2.55%	2.55%	2.70%	2.70%
Metro Wastewater % Change	4.00%	4.00%	4.00%	4.00%	4.00%
System Maintenance & Repairs	3.00%	3.00%	3.00%	3.00%	3.00%
General Exps & Professional Fees Projections for Inflation	3.00%	3.00%	3.00%	3.00%	3.00%

25 Year Revenue and Expense Projections	Projected	Projected	Projected	Projected	Projected
	Year 2031	Year 2032	Year 2033	Year 2034	Year 2035
FUNDS AVAILABLE - BEGINNING OF YEAR:	\$ 2,784,943	\$ 2,794,943	\$ 2,804,943	\$ 2,814,943	\$ 2,824,943
Commercial Annual Flow Fee estimates (rate per 1,000 gallons)	\$ 4.60	\$ 4.72	\$ 4.85	\$ 4.98	\$ 5.12
Multi Family Annual Fee estimates	\$ 311	\$ 319	\$ 328	\$ 337	\$ 346
Single Family Annual Fee estimates	\$ 433	\$ 444	\$ 456	\$ 468	\$ 481
OPERATING REVENUES					
Total Sewer Service Fees	1,083,037	1,118,802	1,153,665	1,193,068	1,229,668
Miscellaneous Income	52,078	53,705	55,376	57,091	58,853
TOTAL OPERATING REVENUES	\$ 1,135,115	\$ 1,172,507	\$ 1,209,041	\$ 1,250,159	\$ 1,288,521
CAPITAL REVENUES					
Capital Reserve Fees	155,584	151,677	151,422	147,470	147,200
Interest Income - Long Term Investments	58,439	62,346	62,601	66,553	66,823
TOTAL CAPITAL REVENUES - Long Term Investments	\$ 214,023	\$ 214,023	\$ 214,023	\$ 214,023	\$ 214,023
TOTAL REVENUES	\$ 1,349,138	\$ 1,386,530	\$ 1,423,064	\$ 1,464,182	\$ 1,502,544
OPERATING EXPENDITURES					
SEWER TREATMENT & OPERATIONS					
Metro Wastewater Treatment Charges	751,091	771,135	801,980	824,060	857,022
Sewer Maintenance & Repairs	173,211	178,408	183,760	189,273	194,951
TOTAL SEWER TREATMENT & OPERATIONS	924,302	949,542	985,740	1,013,332	1,051,973
GENERAL OPERATING EXPENSES					
General Office, Insurance, Election & Misc. Expenses	54,012	61,459	56,950	65,486	60,068
Professional Services:	156,801	161,505	166,350	171,341	176,481
TOTAL GENERAL OPERATING EXPENSES	210,813	222,964	223,300	236,827	236,549
TOTAL OPERATING EXPENDITURES	\$ 1,135,115	\$ 1,172,507	\$ 1,209,041	\$ 1,250,159	\$ 1,288,521
NET INCREASE/(DECREASE) IN OPERATING FUNDS	\$0	\$0	\$0	\$0	\$0
CAPITAL IMPROVE. & REPLACEMENTS	\$ 204,023	\$ 204,023	\$ 204,023	\$ 204,023	\$ 204,023
NET INCREASE/(DECREASE) IN NON-OPERATING FUNDS	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
NET INCREASE/(DECREASE) IN FUNDS	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
FUNDS AVAILABLE - END OF YEAR: *	\$ 2,794,943	\$ 2,804,943	\$ 2,814,943	\$ 2,824,943	\$ 2,834,943

* Allocation of Funds Available

Capital Reserve Fund	2,444,943	2,454,943	2,464,943	2,474,943	2,484,943
Operating Funds	350,000	350,000	350,000	350,000	350,000
	\$ 2,794,943	\$ 2,804,943	\$ 2,814,943	\$ 2,824,943	\$ 2,834,943

Southwest Suburban Denver Water and Sanitation District 25 Year Financial Plan 2016 - 2040

25 Year Rate Assumptions

	1.28%	2.90%	3.03%	2.89%	3.39%
Total Service Fee & Capital Reserve Fee % Change	1.28%	2.90%	3.03%	2.89%	3.39%
Interest Income Projections - SHORT TERM	1.30%	1.35%	1.40%	1.45%	1.50%
Interest Income Projections - LONG TERM	2.85%	2.85%	3.00%	3.00%	3.00%
Metro Wastewater % Change	5.00%	4.00%	4.00%	4.00%	4.00%
System Maintenance & Repairs	3.00%	3.00%	3.00%	3.00%	3.00%
General Exps & Professional Fees Projections for Inflation	3.00%	3.00%	3.00%	3.00%	3.00%

25 Year Revenue and Expense Projections	Projected	Projected	Projected	Projected	Projected
	Year 2036	Year 2037	Year 2038	Year 2039	Year 2040
FUNDS AVAILABLE - BEGINNING OF YEAR:	\$ 2,834,943	\$ 2,844,943	\$ 2,854,943	\$ 2,864,943	\$ 2,874,943
Commercial Annual Flow Fee estimates (rate per 1,000 gallons)	\$ 5.18	\$ 5.33	\$ 5.49	\$ 5.65	\$ 5.84
Multi Family Annual Fee estimates	\$ 350	\$ 361	\$ 372	\$ 382	\$ 395
Single Family Annual Fee estimates	\$ 487	\$ 501	\$ 516	\$ 531	\$ 549
OPERATING REVENUES					
Total Sewer Service Fees	1,300,482	1,341,174	1,388,666	1,431,627	1,483,511
Miscellaneous Income	60,662	62,521	64,429	66,390	68,405
TOTAL OPERATING REVENUES	\$ 1,361,145	\$ 1,403,695	\$ 1,453,096	\$ 1,498,017	\$ 1,551,915
CAPITAL REVENUES					
Capital Reserve Fees	93,971	93,686	89,644	89,344	89,044
Interest Income - Long Term Investments	70,821	71,106	75,148	75,448	75,748
TOTAL CAPITAL REVENUES - Long Term Investments	\$ 164,792	\$ 164,792	\$ 164,792	\$ 164,792	\$ 164,792
TOTAL REVENUES	\$ 1,525,937	\$ 1,568,487	\$ 1,617,888	\$ 1,662,809	\$ 1,716,707
OPERATING EXPENDITURES					
SEWER TREATMENT & OPERATIONS					
Metro Wastewater Treatment Charges	909,873	946,268	974,119	1,013,083	1,043,607
Sewer Maintenance & Repairs	200,799	206,823	213,028	219,419	226,001
TOTAL SEWER TREATMENT & OPERATIONS	1,110,672	1,153,091	1,187,147	1,232,502	1,269,608
GENERAL OPERATING EXPENSES					
General Office, Insurance, Election & Misc. Expenses	68,697	63,375	73,103	66,884	77,717
Professional Services:	181,775	187,229	192,846	198,631	204,590
TOTAL GENERAL OPERATING EXPENSES	250,472	250,604	265,949	265,515	282,307
TOTAL OPERATING EXPENDITURES	\$ 1,361,145	\$ 1,403,695	\$ 1,453,096	\$ 1,498,017	\$ 1,551,915
NET INCREASE/(DECREASE) IN OPERATING FUNDS	\$0	\$0	\$0	\$0	\$0
CAPITAL IMPROVE. & REPLACEMENTS	\$ 154,792	\$ 154,792	\$ 154,792	\$ 154,792	\$ 154,792
NET INCREASE/(DECREASE) IN NON-OPERATING FUNDS	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
NET INCREASE/(DECREASE) IN FUNDS	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
FUNDS AVAILABLE - END OF YEAR: *	\$ 2,844,943	\$ 2,854,943	\$ 2,864,943	\$ 2,874,943	\$ 2,884,943

* Allocation of Funds Available

Capital Reserve Fund	2,494,943	2,504,943	2,514,943	2,524,943	2,534,943
Operating Funds	350,000	350,000	350,000	350,000	350,000
	\$ 2,844,943	\$ 2,854,943	\$ 2,864,943	\$ 2,874,943	\$ 2,884,943

APPENDIX B

RECAP OF 25 YEAR CAPITAL IMPROVEMENTS PLAN COSTS PHASES I-V

Phase I (2016 - 2020)				
Improvement	Quantity	Units	Anticipated Unit Cost	Anticipated Total Cost
Cured-in-Place Pipe Lining	5,480	LF	\$ 35.00	\$ 191,800.00
Main Replacement	634	LF	\$ 400.00	\$ 253,600.00
Point Repair	10	EA	\$ 15,000.00	\$ 150,000.00
Manhole Lining	24	EA	\$ 4,000.00	\$ 96,000.00

Phase I Total = \$ 691,400.00
Phase I Total per Year = \$ 138,280.00

Phase II (2021 - 2025)					Interest rate: 4%	
Improvement	Quantity	Units	Anticipated Unit Cost	Anticipated Total Cost	Round Unit Cost	Round Total Cost
Cured-in-Place Pipe Lining	8,241	LF	\$ 42.73	\$ 352,178.15	\$ 43.00	\$ 354,363.00
Main Replacement	573	LF	\$ 488.40	\$ 279,852.42	\$ 490.00	\$ 280,770.00
Point Repair	10	EA	\$ 18,314.95	\$ 183,149.49	\$ 18,300.00	\$ 183,000.00
Manhole Lining	33	EA	\$ 4,883.99	\$ 161,171.55	\$ 4,900.00	\$ 161,700.00

Phase II Total = \$ 976,351.61 \$ 979,833.00
Phase II Total per Year = \$ 195,270.32 \$ 195,966.60

Phase III (2026 - 2030)						
Improvement	Quantity	Units	Anticipated Unit Cost	Anticipated Total Cost	Round Unit Cost	Round Total Cost
Cured-in-Place Pipe Lining	7,844	LF	\$ 52.18	\$ 409,293.20	\$ 52.00	\$ 407,888.00
Main Replacement	710	LF	\$ 596.33	\$ 423,396.48	\$ 600.00	\$ 426,000.00
Point Repair	10	EA	\$ 22,362.49	\$ 223,624.90	\$ 22,350.00	\$ 223,500.00
Manhole Lining	50	EA	\$ 5,963.33	\$ 298,166.54	\$ 5,950.00	\$ 297,500.00

Phase III Total = \$ 1,354,481.13 \$ 1,354,888.00
Phase III Total per Year = \$ 270,896.23 \$ 270,977.60

Phase IV (2031 - 2035)						
Improvement	Quantity	Units	Anticipated Unit Cost	Anticipated Total Cost	Round Unit Cost	Round Total Cost
Cured-in-Place Pipe Lining	5,744	LF	\$ 63.71	\$ 365,953.44	\$ 64.00	\$ 367,616.00
Main Replacement	432	LF	\$ 728.12	\$ 314,548.12	\$ 750.00	\$ 324,000.00
Point Repair	10	EA	\$ 27,304.52	\$ 273,045.24	\$ 27,300.00	\$ 273,000.00
Manhole Lining	45	EA	\$ 7,281.21	\$ 327,654.29	\$ 7,300.00	\$ 328,500.00

Phase IV Total = \$ 1,281,201.10 \$ 1,293,116.00
Phase IV Total per Year = \$ 256,240.22 \$ 258,623.20

Phase V (2036 - 2040)						
Improvement	Quantity	Units	Anticipated Unit Cost	Anticipated Total Cost	Round Unit Cost	Round Total Cost
Cured-in-Place Pipe Lining	3,379	LF	\$ 77.79	\$ 262,853.67	\$ 78.00	\$ 263,562.00
Main Replacement	132	LF	\$ 889.03	\$ 117,352.33	\$ 900.00	\$ 118,800.00
Point Repair	10	EA	\$ 33,338.73	\$ 333,387.31	\$ 33,350.00	\$ 333,500.00
Manhole Lining	44	EA	\$ 8,890.33	\$ 391,174.45	\$ 8,900.00	\$ 391,600.00

Phase V Total = \$ 1,104,767.77 \$ 1,107,462.00
Phase V Total per Year = \$ 220,953.55 \$ 221,492.40