

History of the District

The District was initially formed in 1951, prior to the formation of Commerce City, for the purpose of providing water service only

- Like many metro area communities (Thornton, Westminster, South Metro) the District's initial water supply plan was to utilize Denver Basin wells.
 - These wells are high quality
- Unlike the southern metro area, the Denver Basin wells, in the north metro area, are very limited in their production and the District quickly identified that they would not keep up with the water demands of its customers.
- Possible alternatives:
 - Surface water supplies – South Platte, Burlington Ditch, Fulton Ditch
 - Denver Water
 - Shallow wells
- Ultimately the District chose the shallow wells.
- In 1958 the first phase of the wastewater treatment plant was built at 96th and Monaco

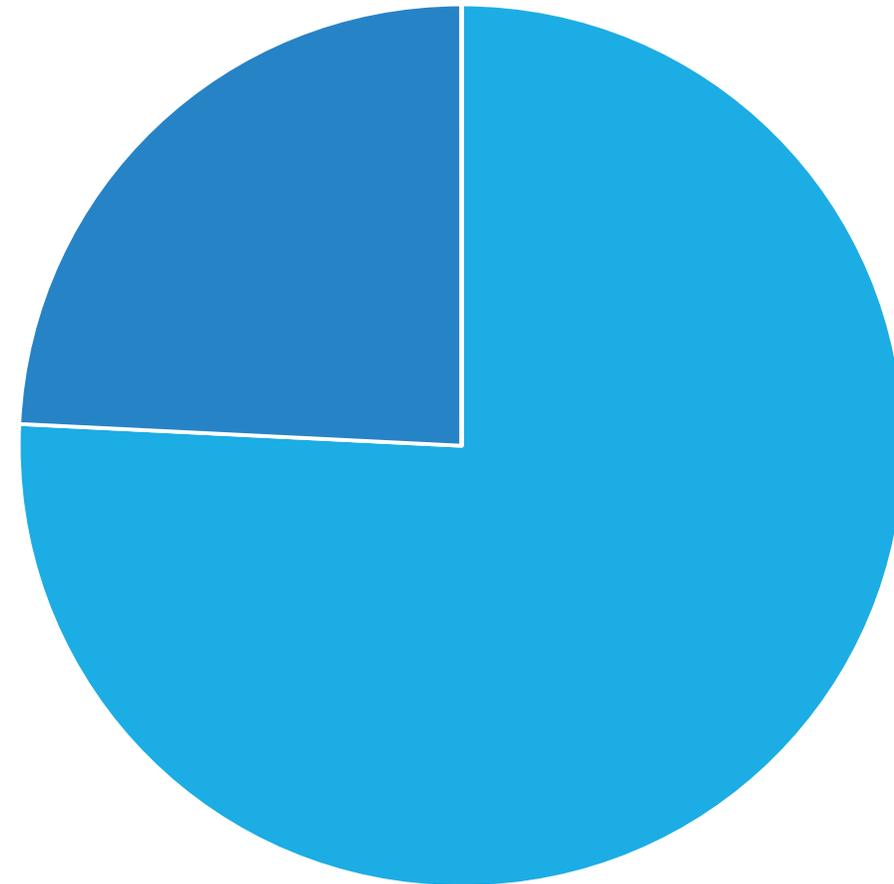
District Budget

The District's total budget for 2017 is \$43.74 million.

\$33.15 million is for the operating budget of the District

\$10.59 million of the budget is funded by connection fees collected from new development. These resources can only be used for capacity increases in the water and wastewater systems.

Total Budget \$43.74 M



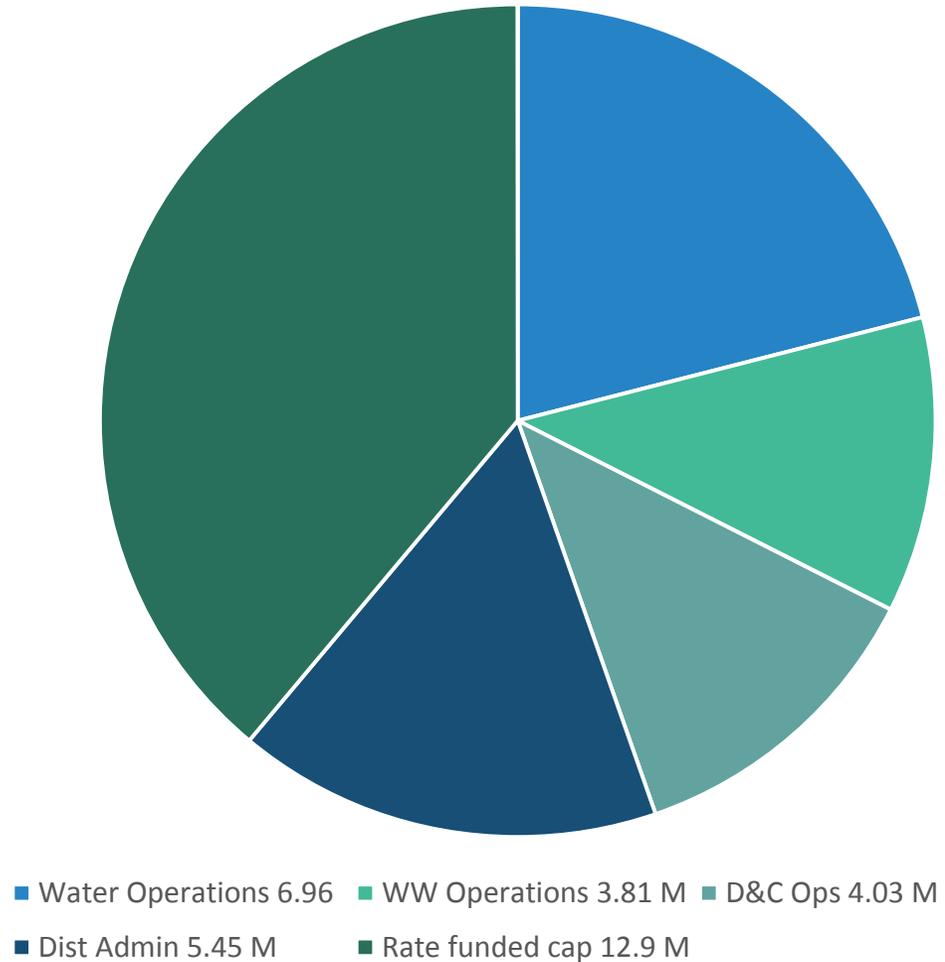
■ Ops Budget 33.15 M ■ Restricted Capital Budget 10.59 M ■ ■

Operating Budget

Day to day operations of the 5 departments account for 61% of the District's operating budget.

The other 31% of the operating budget for 2017 is rate funded capital. This includes engineering analysis of the water and wastewater systems and the related repair and replacement of aging infrastructure (water and sewer lines, pump stations, reservoirs, treatment facilities, etc) and the replacement of aging equipment. It can also include regulatory compliance including studies and infrastructure upgrades associated with new regulations.

Operations Budget \$33.15 Million



Revenue Sources

Water and sewer rates account for 64% of the revenues of the District

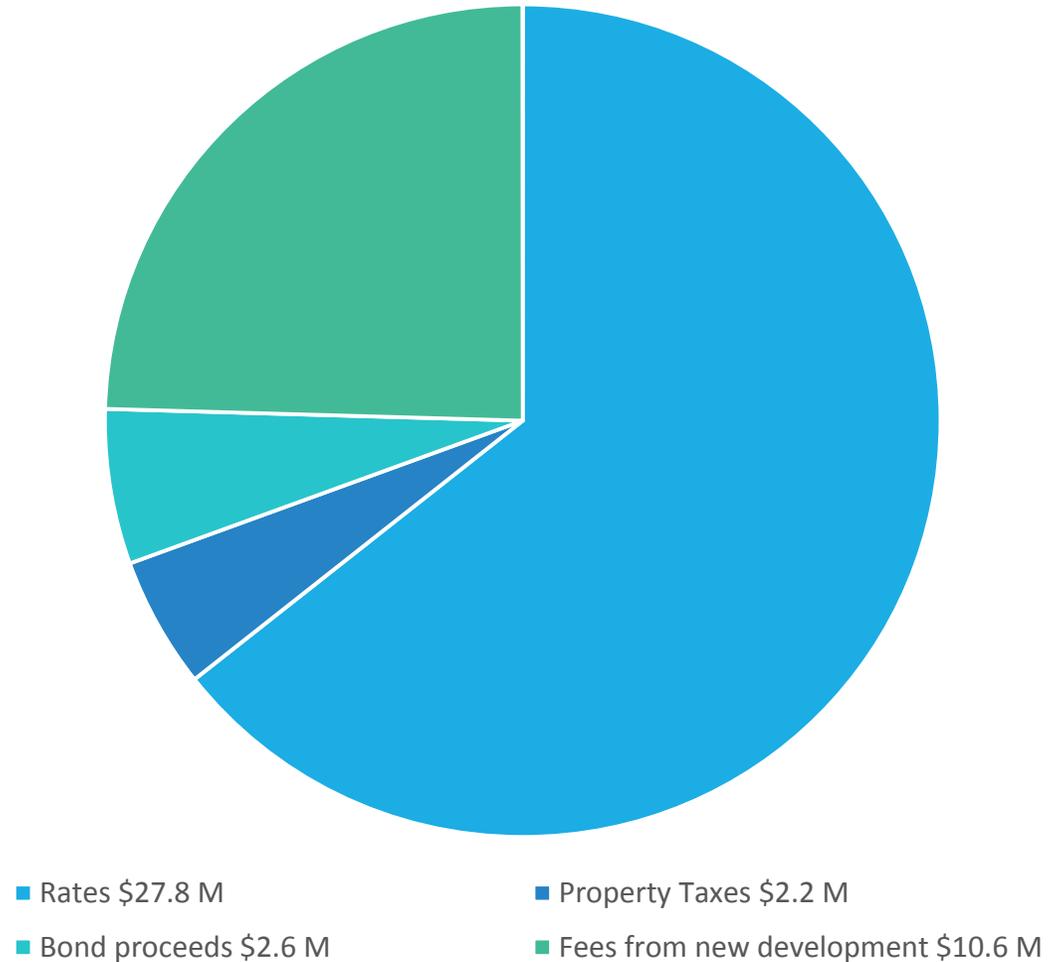
As previously mentioned, for 2017, development fees account for approximately 25% of the revenues

In 2017, the District will be utilizing \$2.6 M from a revenue bond issuance that occurred in 2014. The purpose of that bond issuance was to make system improvements including a \$23 M regulatory upgrade to the District's wastewater plant.

Property taxes account for 5% of the District's revenue. The District's mil levy is 3.1 mils. If your property has 100 mils, we will represent 3% of your annual property tax.

For example, if you have 100 mils total and your annual property tax totals \$2,500, the District would get \$75 of that \$2,500

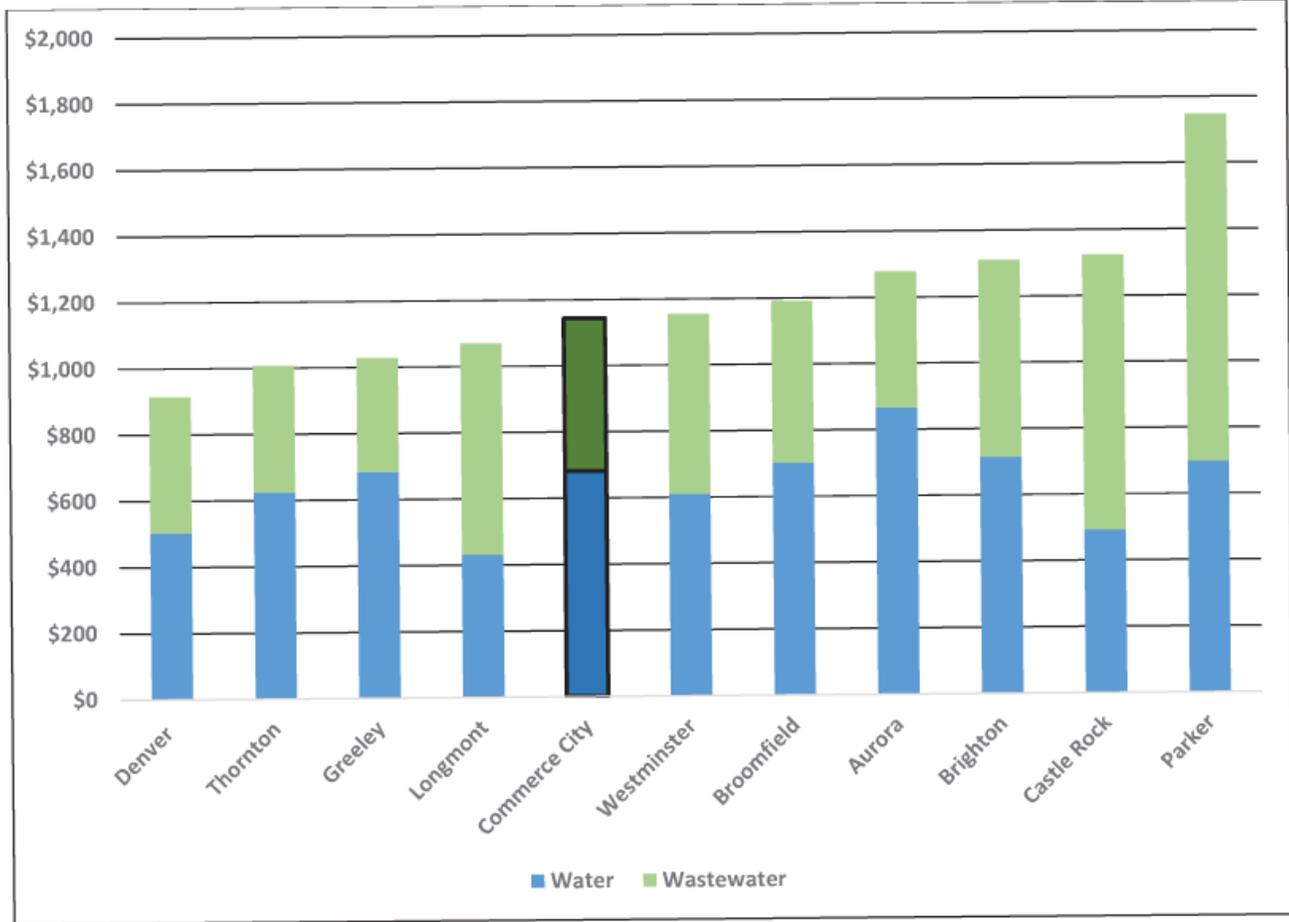
Total Revenue \$43.15 million



Rate Comparison

Water and Wastewater rate comparison with other Metro area providers.

Figure 21: Estimated Annual Water and Wastewater Cost For SFR Detached



Graph contains data from 2016.