

NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/19/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 25,334,191	\$ 27,572,382	\$ 29,965,556
REVENUES			
Property taxes	1,755,242	1,766,445	1,847,000
Specific ownership taxes	131,392	134,652	138,525
Net investment income	1,113,746	1,330,000	300,000
Sewer service fees	1,178,989	1,170,000	1,183,000
Water service fees	2,386,695	2,492,335	2,742,000
Contributed capital	244,939	-	-
Developer review fees	-	10,000	20,000
Other income	86,480	1,900	25,000
Administration fees	-	9,387	-
Tap and options fees	-	53,985	-
Total revenues	<u>6,897,483</u>	<u>6,968,704</u>	<u>6,255,525</u>
Total funds available	<u>32,231,674</u>	<u>34,541,086</u>	<u>36,221,081</u>
EXPENDITURES			
General and administrative			
Accounting	86,167	113,000	119,000
Auditing	6,500	13,874	13,200
County Treasurer's Fee	27,483	26,497	28,426
Banking fees	33,917	35,000	40,000
Directors' fees	3,600	3,600	4,800
Dues and Membership	6,238	6,653	7,500
Insurance	29,984	31,500	55,000
District management	101,655	110,000	126,000
District management - capital	-	-	50,000
Engineering	144,484	136,000	175,000
Engineering - Development review	32,700	9,000	30,000
Election	-	2,718	-
Legal	42,104	55,000	60,000
Miscellaneous	3,868	5,000	5,000
Payroll taxes	275	275	600
Web page development	-	960	5,000
Contingency	-	-	75,374
Operations and maintenance			
Sewer charges	911,108	1,026,068	1,398,000
Water charges	2,069,160	2,323,000	2,512,000
Utilities	748	1,000	1,100
GIS mapping	-	-	15,000
Master meter replacement	276,598	145,000	-
Retail meter replacement	-	2,000	30,000
Backflow preventors	87,550	-	2,700,000
Meter reading & billing	177,411	170,000	194,000
Repairs, unscheduled	155,591	100,000	140,000
Operator responsible charge	11,400	11,400	115,000
Turf conversion program	-	-	15,000
Sewer maintenance, scheduled	33,645	31,000	20,000
Sewer maintenance, unscheduled	-	-	20,000
Water maintenance, scheduled	45,718	50,000	40,000
Water maintenance, unscheduled	57,766	38,000	120,000
BFP device testing	10,565	17,000	65,000
Facility locates, 811 charges	58,118	58,000	60,000
Purchased capacity - Highlands Ranch Water	-	53,985	-
Contributed facilities	244,939	-	-
Total expenditures	<u>4,659,292</u>	<u>4,575,530</u>	<u>8,240,000</u>
Total expenditures and transfers out requiring appropriation	<u>4,659,292</u>	<u>4,575,530</u>	<u>8,240,000</u>
ENDING FUND BALANCES	<u>\$ 27,572,382</u>	<u>\$ 29,965,556</u>	<u>\$ 27,981,081</u>
EMERGENCY RESERVE	\$ 207,000	\$ 208,800	\$ 187,100
BOARD DESIGNATED RESERVE	243,625	243,625	243,625
CAPITAL IMPROVEMENT RESERVE	19,600,000	20,400,000	20,400,000
TOTAL RESERVE	<u>\$ 20,050,625</u>	<u>\$ 20,852,425</u>	<u>\$ 20,830,725</u>

See summary of significant assumptions.

**NORTHERN DOUGLAS COUNTY WATER & SANITATION DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/19/25

ACTUAL	ESTIMATED	BUDGET
2024	2025	2026

ASSESSED VALUATION

Residential	\$ 85,644,650	\$ 86,046,670	\$ 83,401,090
Commercial	13,516,840	13,516,460	13,934,720
Industrial	17,062,190	18,124,730	17,519,620
State assessed	430,100	390,100	367,900
Vacant land	412,210	412,080	398,790
Personal property	19,912,400	19,448,350	32,362,320
Natural Resources	490	490	470
Certified Assessed Value	\$ 136,978,880	\$ 137,938,880	\$ 147,984,910

MILL LEVY

General	12.806	12.806	12.806
Temporary Mill Levy Reduction	0.000	0.000	(0.325)
Total mill levy	12.806	12.806	12.481

PROPERTY TAXES

General	\$ 1,754,152	\$ 1,766,445	\$ 1,895,095
Temporary Mill Levy Reduction	-	-	(48,095)
Levied property taxes	1,754,152	1,766,445	1,847,000
Adjustments to actual/rounding	1,090	-	-
Budgeted property taxes	\$ 1,755,242	\$ 1,766,445	\$ 1,847,000

BUDGETED PROPERTY TAXES

General	\$ 1,755,242	\$ 1,766,445	\$ 1,847,000
	\$ 1,755,242	\$ 1,766,445	\$ 1,847,000

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was formed to provide water and sewer service to properties in the service area of the District. The District's service area is located in Douglas County, Colorado. The District entered into an Extended Service Area (ESA) Agreement dated May 3, 1989, with Highlands Ranch Water and Sanitation District (Highlands Ranch Water), formerly known as Centennial Water and Sanitation District, to provide water supply and water and sewage treatment to an area that currently constitutes the majority of the District. The term of the agreement is to May 2039 and may be extended. Upon payment of tap fees for capacity in its water supply and water and sewage treatment facilities, Highlands Ranch Water provides services to the District and bills the District for water delivered based on metered usage at rates not to exceed 200% of the rates charged by Highlands Ranch Water to Highlands Ranch Districts. Highlands Ranch Water has approval rights over the area to be included within the Highlands Ranch Water Service area, the location of points of connection to its system, and the number of taps available for service. In this regard, Highlands Ranch Water's commitment to provide taps is on a "when, as and if available" basis. The District agreed to use Highlands Ranch Water as its sole source of water supply within the service area of the ESA agreement and adopt the same standards as Highlands Ranch Water within the Highlands Ranch Water Service Area. The District bills its customers directly.

On November 2, 1993, the electors of the District approved an exemption of the collection, retention and spending of non-property tax revenues from the Tabor Amendment.

On November 7, 1995, the electors of the District approved an annual increase in property taxes of \$137,000 for 1996 and an exemption of the collection, retention, and spending of property taxes with a total operations mill levy up to 25 mills.

The District has no employees and all operations and administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. For financial statement reporting purposes in accordance with generally accepted accounting principles (GAAP), the District uses the accrual method of accounting. Under GAAP, capital expenditures are recorded as assets, and depreciation on fixed assets is recognized as an operating expense. For budget reporting, capital expenditures are reported as expenditures, and depreciation is not recognized. To distinguish the difference in reporting, for budget reporting the District uses "Funds Available" which is defined as current assets less current liabilities, in lieu of fund balance for GAAP reporting.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

Property taxes are levied by the District’s Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer’s election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District’s share will be equal to approximately 7.5% of the property taxes collected.

Net Investment Income

Interest to be earned on the District’s available funds has been estimated based on prior year’s interest earnings.

Service Fees

Water service and usage fees revenues are anticipated to increase in 2026 in response to Highlands Ranch Water’s proposed rate increases to the District. Water charge expenditures for 2026 are expected to increase as a result of Highlands Ranch Water’s proposed rate increases to the District for 2026.

Sewer service and usage fees revenues are anticipated to increase in 2026. Since the majority of users have billings based on winter water usage, the District does not expect significant variances in usage from year to year.

**NORTHERN DOUGLAS COUNTY WATER AND SANITATION DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Service Fees (continued)

Sewer charge expenditures for 2026 are expected to increase as a result of Highlands Ranch Water's proposed rate increases to the District for 2026.

Expenditures

Operating Expenses

The majority of the District's operating expenditures are paid to Highlands Ranch Water for water provided and sewage treatment, both of which are metered. Additional preventative maintenance and unscheduled repairs have been budgeted.

Administrative Expenses

Administrative expenses have been assumed to be at a level consistent with 2025 services.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt and Leases

The District has no outstanding debt nor any capital or operating leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of fiscal year spending for 2026 as defined under the TABOR Amendment. Such emergency reserve is an integral part of Ending Funds Available.

This information is an integral part of the accompanying budget.