

# CASTLE PINES NORTH



METROPOLITAN DISTRICT™

## **DRAFT Wastewater Financial Plan 2024**



**November 20, 2024**



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

**Table 1**  
**Castle Pines North Metro District**  
**Wastewater Rate Study**  
**Growth Calculations**

<b>Metered Water Demand</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>
	<i>Projected</i>									
Beginning Customers	4,039	4,047	4,055	4,063	4,071	4,079	4,079	4,079	4,079	4,079
Additional Customers	8	8	8	8	8	0	0	0	0	0
Ending Customers	4,047	4,055	4,063	4,071	4,079	4,079	4,079	4,079	4,079	4,079
<b>Customer Growth</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

**Table 2**  
**Castle Pines North Metro District**  
**Wastewater Rate Study**  
**Projected Operating Expenses**

Expenses	Inflation	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		Estimated	Budgeted	Projected								
<i>General Inflation Factor</i>	<i>General</i>			4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Salaries and Benefits	General	\$159,040	\$242,455	\$252,153	\$262,239	\$272,729	\$283,638	\$294,984	\$306,783	\$319,054	\$331,816	\$345,089
Director Compensation	General	3,850	4,040	4,202	4,370	4,544	4,726	4,915	5,112	5,316	5,529	5,750
Accounting and Payroll	General	165,000	173,250	180,180	187,387	194,883	202,678	210,785	219,217	227,985	237,105	246,589
Audit	General	26,250	27,560	28,662	29,809	31,001	32,241	33,531	34,872	36,267	37,718	39,226
Operations Staffing Contract	General	138,000	144,900	150,696	156,724	162,993	169,513	176,293	183,345	190,679	198,306	206,238
Credit Card Fees	General	38,000	39,900	41,496	43,156	44,882	46,677	48,544	50,486	52,506	54,606	56,790
Professional Services- GIS/Asset Management	General	7,000	7,350	7,644	7,950	8,268	8,598	8,942	9,300	9,672	10,059	10,461
Legal Services	General	45,000	47,250	49,140	51,106	53,150	55,276	57,487	59,786	62,178	64,665	67,251
Engineering Services	General	45,000	47,250	49,140	51,106	53,150	55,276	57,487	59,786	62,178	64,665	67,251
Software Support	General	10,500	11,030	11,471	11,930	12,407	12,904	13,420	13,956	14,515	15,095	15,699
PCWRA Sewer Fees	General	725,000	725,000	754,000	784,160	815,526	848,147	882,073	917,356	954,051	992,213	1,031,901
Communications - Public Outreach	General	64,000	67,200	69,888	72,684	75,591	78,614	81,759	85,029	88,431	91,968	95,647
Telephone/Alarms	General	25,000	9,800	10,192	10,600	11,024	11,465	11,923	12,400	12,896	13,412	13,948
Building Utilities	General	5,250	5,510	5,730	5,960	6,198	6,446	6,704	6,972	7,251	7,541	7,842
Trash Removal	General	1,500	1,580	1,643	1,709	1,777	1,848	1,922	1,999	2,079	2,162	2,249
Electricity for Wastewater Pumping	General	92,000	96,600	100,464	104,483	108,662	113,008	117,529	122,230	127,119	132,204	137,492
Natural Gas for Lift Stations	General	6,260	6,570	6,833	7,106	7,390	7,686	7,993	8,313	8,646	8,991	9,351
Professional Membership/Subscriptions	General	1,225	1,290	1,342	1,395	1,451	1,509	1,569	1,632	1,698	1,765	1,836
Professional Education & Conferences	General	6,000	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233
Property & Liability Insurance	General	32,000	39,210	40,778	42,410	44,106	45,870	47,705	49,613	51,598	53,662	55,808
Postage & Freight	General	8,250	8,660	9,006	9,367	9,741	10,131	10,536	10,958	11,396	11,852	12,326
Printing & Copying	General	7,175	7,530	7,831	8,144	8,470	8,809	9,161	9,528	9,909	10,305	10,718
Operating Supplies	General	7,000	7,350	7,644	7,950	8,268	8,598	8,942	9,300	9,672	10,059	10,461
Building Cleaning Expenses	General	2,800	2,940	3,058	3,180	3,307	3,439	3,577	3,720	3,869	4,024	4,185
Miscellaneous	General	3,500	3,680	3,827	3,980	4,139	4,305	4,477	4,656	4,843	5,036	5,238
Election	General	0	15,750	0	17,035	0	18,425	0	19,929	0	21,555	0
Office Furniture/Equipment	General	1,000	1,050	1,123	1,168	1,215	1,263	1,314	1,367	1,421	1,478	1,537
Small Tools	General	1,500	5,000	5,200	5,408	5,624	5,849	6,083	6,327	6,580	6,843	7,117
Vehicle R & M	General	0	2,200	2,288	2,380	2,475	2,574	2,677	2,784	2,895	3,011	3,131
Vehicle Fuel Expense	General	0	7,200	7,488	7,788	8,099	8,423	8,760	9,110	9,475	9,854	10,248
Office Equipment R & M	General	750	790	822	854	889	924	961	1,000	1,040	1,081	1,124
Building R & M	General	5,000	5,250	5,460	5,678	5,906	6,142	6,387	6,643	6,909	7,185	7,472

**Table 2**  
**Castle Pines North Metro District**  
**Wastewater Rate Study**  
**Projected Operating Expenses**

Expenses	Inflation	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		Estimated	Budgeted	Projected								
<i>General Inflation Factor</i>	<i>General</i>			4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Building Expenses/Supplies	General	1,750	1,840	1,914	1,990	2,070	2,153	2,239	2,328	2,421	2,518	2,619
Lift Station - Generator Repairs and Maintenance	General	21,000	22,050	22,932	23,849	24,803	25,795	26,827	27,900	29,016	30,177	31,384
Collection - Wet Well Cleaning	General	35,000	36,750	38,220	39,749	41,339	42,992	44,712	46,500	48,360	50,295	52,307
Collection - Main Inspection and Cleaning	General	150,000	157,500	163,800	170,352	177,166	184,253	191,623	199,288	207,259	215,550	224,172
Underground Utility Locates	General	25,000	26,250	27,300	28,392	29,528	30,709	31,937	33,215	34,543	35,925	37,362
Collection - Repair and Maintenance	General	250,000	262,500	273,000	283,920	295,277	307,088	319,371	332,146	345,432	359,249	373,619
Collection - Emergency Response	General	100,000	105,000	109,200	113,568	118,111	122,835	127,749	132,858	138,173	143,700	149,448
Collection - Chemical Treatment	General	40,000	42,000	43,680	45,427	47,244	49,134	51,099	53,143	55,269	57,480	59,779
Professional Services - Rates and Fees Study	General	12,250	38,500	0	0	13,780	0	0	15,500	0	0	54,798
Professional Services - S.S.M.H. Condition Assess	General	100,000	0	0	0	0	0	0	0	0	0	0
IGA Expenditures	General	235,000	25,000	0	0	0	0	0	0	0	0	0
County Treasurer Fees	General	\$4,257	\$5,190	\$5,398	\$5,614	\$5,838	\$6,072	\$6,314	\$6,567	\$6,830	\$7,103	\$7,387
<b>Total Operating Expenses</b>		<b>\$2,607,107</b>	<b>\$2,497,725</b>	<b>\$2,515,245</b>	<b>\$2,632,890</b>	<b>\$2,734,269</b>	<b>\$2,847,734</b>	<b>\$2,942,481</b>	<b>\$3,095,609</b>	<b>\$3,182,588</b>	<b>\$3,331,446</b>	<b>\$3,497,084</b>

**Table 3**  
**Castle Pines North Metro District**  
**Wastewater Rate Study**  
**Projected Non-Rate Revenue**

Escalation	Inflation	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
General Inflation Factor	General			4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
No Escalation	None			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rate Revenue Increase	Revenue		8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Interest (% of Reserves)	Calculated			1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%

Other Non-Rate Revenues	Inflation	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		<i>Estimated</i>	<i>Budgeted</i>	<i>Projected</i>								
Property Taxes <sup>1</sup>	Revenue	\$252,295	\$346,013	\$373,694	\$403,590	\$435,877	\$466,388	\$499,035	\$533,968	\$571,345	\$611,340	\$654,133
Property Taxes - Backfill	None	31,500	0	0	0	0	0	0	0	0	0	0
Specific Ownership Taxes	None	20,200	27,700	27,700	27,700	27,700	27,700	27,700	27,700	27,700	27,700	27,700
Misc. Revenue	None	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Oil Royalty Revenue	None	515,000	0	0	0	0	0	0	0	0	0	0
Sale of Mineral Rights	None	0	1,000,000	0	0	0	0	0	0	0	0	0
Interest	Calculated	250,000	118,000	119,613	126,675	136,201	129,706	125,302	122,466	111,038	102,504	96,155
Wastewater Connect Fee <sup>2</sup>	Calculated	\$267,000	\$59,336	\$59,336	\$59,336	\$59,336	\$59,336	\$0	\$0	\$0	\$0	\$0
<b>Total Non-Rate Revenue</b>		<b>\$1,337,995</b>	<b>\$1,553,049</b>	<b>\$582,343</b>	<b>\$619,300</b>	<b>\$661,114</b>	<b>\$685,130</b>	<b>\$654,037</b>	<b>\$686,134</b>	<b>\$712,083</b>	<b>\$743,544</b>	<b>\$779,988</b>

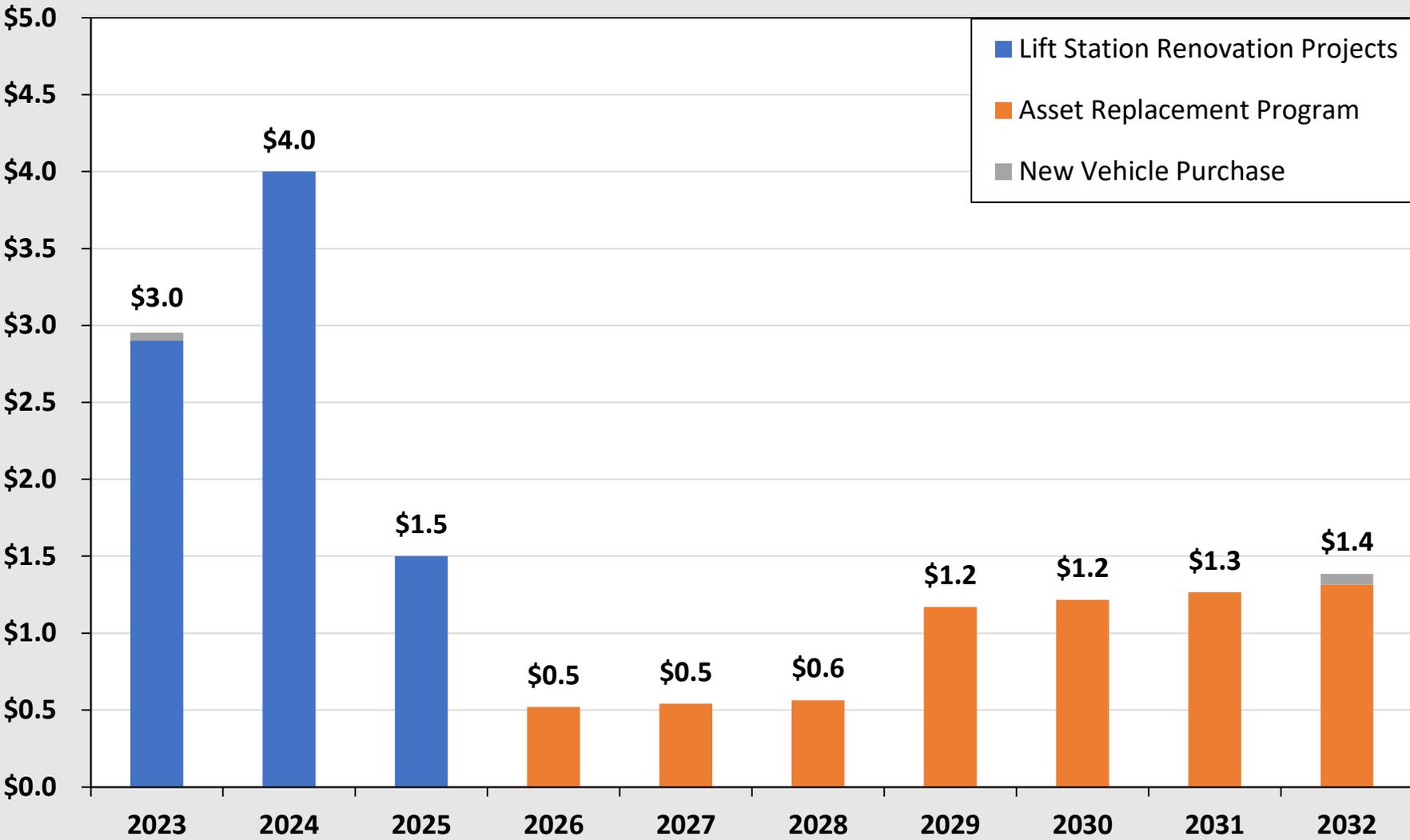
<sup>1</sup> Property taxes increased as TABOR limit increases.

<sup>2</sup> Projected revenues based on estimated number of customers by meter size.

**Table 4**  
**Castle Pines North Metro District**  
**Wastewater Rate Study**  
**Capital Improvement Costs**

<b>Project Description</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>
	<i>Actual</i>	<i>Estimated</i>	<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
<b>CIP (Current Dollars)</b>												
Lift Station Renovation Projects	\$1,125,590	\$600,000	\$2,900,000	\$4,000,000	\$1,500,000							
New Vehicle Purchase			\$52,500									\$52,500
Board Room Construction			\$22,750									
Asset Replacement Program						\$500,000	\$500,000	\$500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Total CIP (Current Dollars)</b>	<b>\$1,125,590</b>	<b>\$600,000</b>	<b>\$2,975,250</b>	<b>\$4,000,000</b>	<b>\$1,500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,052,500</b>
<b>CIP (Inflated Dollars)</b>												
<b>Total CIP (Inflated Dollars)</b>	<b>\$1,125,590</b>	<b>\$600,000</b>	<b>\$2,975,250</b>	<b>\$4,000,000</b>	<b>\$1,500,000</b>	<b>\$520,000</b>	<b>\$540,800</b>	<b>\$562,432</b>	<b>\$1,169,859</b>	<b>\$1,216,653</b>	<b>\$1,265,319</b>	<b>\$1,385,018</b>

# Castle Pines North Metro District 10-Year Wastewater Capital Improvement Plan (\$ Millions)



Source: 2025 District CIP; future \$ includes 4% inflation.

**Table 5**  
**Castle Pines North Metro District**  
**Wastewater Rate Study**  
**Capital Funding**

<b>Capital Funding</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>
	<i>Estimated</i>	<i>Budgeted</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
<b>Total Capital Expenditures</b>	<b>\$600,000</b>	<b>\$2,975,250</b>	<b>\$4,000,000</b>	<b>\$1,500,000</b>	<b>\$520,000</b>	<b>\$540,800</b>	<b>\$562,432</b>	<b>\$1,169,859</b>	<b>\$1,216,653</b>	<b>\$1,265,319</b>	<b>\$1,385,018</b>
<b>Capital Funding Sources</b>											
Advance from Water Fund		\$2,900,000	\$4,000,000	\$1,500,000							
Cash Funded Capital	\$600,000	\$75,250	\$0	\$0	\$520,000	\$540,800	\$562,432	\$1,169,859	\$1,216,653	\$1,265,319	\$1,385,018
<b>Total Capital Funding</b>	<b>\$600,000</b>	<b>\$2,975,250</b>	<b>\$4,000,000</b>	<b>\$1,500,000</b>	<b>\$520,000</b>	<b>\$540,800</b>	<b>\$562,432</b>	<b>\$1,169,859</b>	<b>\$1,216,653</b>	<b>\$1,265,319</b>	<b>\$1,385,018</b>

**Table 6**  
**Castle Pines North Metro District**  
**Wastewater Rate Study**  
**Cash Flow Projection**

Wastewater Cash Flow	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	<i>Estimated</i>	<i>Budgeted</i>	<i>Projected</i>								
<b>Reserves</b>											
<b>Beginning Reserve Balances</b>	\$5,480,473	\$5,545,655	\$6,645,154	\$7,037,489	\$7,566,735	\$7,205,888	\$6,961,207	\$6,803,688	\$6,168,769	\$5,694,660	\$5,341,924
<b>Revenue Escalation</b>											
Rate Revenue Increase	0.0%	8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
<b>Revenues</b>											
Sewer Service Revenue	\$1,600,000	\$1,603,169	\$1,734,845	\$1,877,329	\$2,031,508	\$2,198,340	\$2,352,224	\$2,516,879	\$2,693,061	\$2,881,575	\$3,083,286
<i>Additional Rate Revenue</i>	0	128,254	138,788	150,186	162,521	153,884	164,656	176,182	188,514	201,710	215,830
Customer Charges - Sewer	\$680,000	\$681,347	\$737,309	\$797,865	\$863,391	\$934,294	\$999,695	\$1,069,674	\$1,144,551	\$1,224,669	\$1,310,396
<i>Additional Rate Revenue</i>	0	54,508	58,985	63,829	69,071	65,401	69,979	74,877	80,119	85,727	91,728
Other Non-Rate Revenue	1,337,995	1,553,049	582,343	619,300	661,114	685,130	654,037	686,134	712,083	743,544	779,988
<b>Total Revenue</b>	<b>\$3,617,995</b>	<b>\$4,020,326</b>	<b>\$3,252,270</b>	<b>\$3,508,510</b>	<b>\$3,787,605</b>	<b>\$4,037,049</b>	<b>\$4,240,590</b>	<b>\$4,523,746</b>	<b>\$4,818,328</b>	<b>\$5,137,226</b>	<b>\$5,481,228</b>
<b>Expenses</b>											
Operating Expense	\$2,607,107	\$2,497,725	\$2,515,245	\$2,632,890	\$2,734,269	\$2,847,734	\$2,942,481	\$3,095,609	\$3,182,588	\$3,331,446	\$3,497,084
Existing Debt Service	345,706	347,852	344,690	346,374	347,750	346,764	346,764	346,764	346,764	346,764	0
Water Fund Loan <sup>1</sup>	0	0	0	0	546,432	546,432	546,432	546,432	546,432	546,432	546,432
Rate Funded Capital	\$600,000	\$75,250	\$0	\$0	\$520,000	\$540,800	\$562,432	\$1,169,859	\$1,216,653	\$1,265,319	\$1,385,018
<b>Total Expenses</b>	<b>\$3,552,813</b>	<b>\$2,920,827</b>	<b>\$2,859,935</b>	<b>\$2,979,264</b>	<b>\$4,148,451</b>	<b>\$4,281,730</b>	<b>\$4,398,109</b>	<b>\$5,158,664</b>	<b>\$5,292,437</b>	<b>\$5,489,961</b>	<b>\$5,428,534</b>
<b>Net Revenues</b>	<b>\$65,182</b>	<b>\$1,099,499</b>	<b>\$392,335</b>	<b>\$529,246</b>	<b>(\$360,847)</b>	<b>(\$244,682)</b>	<b>(\$157,519)</b>	<b>(\$634,918)</b>	<b>(\$474,110)</b>	<b>(\$352,736)</b>	<b>\$52,693</b>
<b>Ending Reserve Balance</b>	<b>\$5,545,655</b>	<b>\$6,645,154</b>	<b>\$7,037,489</b>	<b>\$7,566,735</b>	<b>\$7,205,888</b>	<b>\$6,961,207</b>	<b>\$6,803,688</b>	<b>\$6,168,769</b>	<b>\$5,694,660</b>	<b>\$5,341,924</b>	<b>\$5,394,618</b>
<i>Debt Coverage Ratio (Target 1.3x)</i>	2.92	4.38	2.14	2.53	3.03	3.43	3.74	4.12	4.72	5.21	

<sup>1</sup> Assumption for a loan from the water enterprise for 30 year repayment at 2% interest beginning in FY 2028.

## Castle Pines North Metro District Wastewater Cash Flow (\$ millions)

