PLUM CREEK
WATER RECLAMATION
AUTHORITY

Director of Local Government Audits,

Attached please find the Annual Financial Report for PCWRA for fiscal year 2023. The Authority's Board approved this financial report at its regular meeting held on Wednesday, April 24, 2024. If you have any questions or need additional information, please contact our office at 303-688-1991. Acknowledgement of receipt is appreciated.

Respectfully,

Alyse Billick
Administrative Assistant II

4255 N US Highway 85 Castle Rock, CO 80108
Phone: 303.688.1991 Fax: 303.688.1992

PLUM CREEK WATER RECLAMATION AUTHORITY

CASTLE ROCK, COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the years ended December 31, 2023 and 2022

Prepared by:
Lissa Oelkers, Director of Administrative Services

4255 N US Highway 85 Castle Rock, CO 80108
Phone: 303.688.1991 Fax: 303.688.1992

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INTRODUCTORY SECTION

April 24, 2024

TO: Board of Directors, Plum Creek Water Reclamation Authority
Citizens of The Town of Castle Rock, The City of Castle Pines, and the Village at Castle Pines

State law requires that all local governments publish, within seven months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Plum Creek Water Reclamation Authority (the Authority) for the fiscal year ended December 31, 2023.

This report consists of management's representations concerning the finances of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with US GAAP. Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Authority's financial statements have been audited by Haynie & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended December 31, 2023, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal year ended December 31, 2023, are fairly presented in conformity with US GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

US GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditors' report.

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Phone: 303.688.1991 Fax: 303.688.1992

Profile of the Government

The Authority was organized by an Establishing Agreement among the Town of Castle Rock, Castle Pines Metropolitan District and Castle Pines North Metropolitan District to provide wastewater treatment and treated effluent for its members. All original Authority members are political subdivisions of the State of Colorado. In addition, the Authority serves two unincorporated areas, Silver Heights and Castleton Center, which are not represented on the Board of Directors.

The agreement established a Board of Directors as the governing body of the Authority. The Board consists of three directors. Each original member appoints one director.

The Board of Directors has the power to represent the Authority and has exclusive responsibility and power to adopt the annual budget for the operation of the Authority. The Authority does not have the power to levy taxes.

The annual budget serves as the foundation for the Authority's financial planning and control. All departments of the Authority are required to submit requests for appropriation to the Director of Administrative Services. The Director of Administrative Services uses these requests as the starting point for developing a proposed budget and provides a draft to the Authority Manager. The Authority Manager then presents a proposed budget to the Board of Directors (the Board) for review prior to October 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 31, the close of the Authority's fiscal year. Budget-to-actual comparisons are provided in this report on pages 52 and 53, as part of the required supplemental disclosure.

Factors Affecting Financial Condition

Useful information in assessing the Authority's economic condition encompasses the health of the local economy; long-term financial planning; relevant financial policies and risk management.

Local Economy

The Authority is located within Douglas County, Colorado. Douglas County unemployment rate bounced back from 5% during covid to 2.9% for 2021 and 2.3% for 2022 but jumping to 3.4% for 2023. The Town of Castle Rock reports population estimates of 79,705 in 2021 to 81,697 in 2022, a 2.5% growth and remaining fairly flat in 2023 with 2.1% reporting 83,413 population estimate. Population estimates in Castle Pines North and the Village combined mirrored the Town of Castle Rock with 2.5% growth from 2021 to 2022 with an estimate of 20,820 and another 2.1% growth to 21,257 estimated population in 2023. The median household income for the county grew by approximately 8.3% with the Authority's service area experiencing steep median income growth rates from 2021 to 2022: Town of Castle Rock 12%, and the City of Castle Pines 39%. However, the Castle Pines Village experienced relatively flat median income growth of 1.2%.

Long-Term Financial Planning

The Authority must plan for essential annual replacements. However, the fluctuation of capital replacement requirements is difficult for members to absorb and calculate their rates to customers. Therefore, to alleviate the financial stress on members, the Authority budgets $500,000 in capital replacement each year starting in 2022 and, with

Board approval, commits funds from the Capital Reserve account to meet additional needs. Incremental increases of $100,000 additional capital replacement budget will occur every three years starting in 2023 to aid in future planning. Amounts in excess of the amount budgeted from rates will be presented in the budget document and will utilize capital reserves. Any unexpended amount under the budgeted amount from rates will be deposited in the Capital Reserve account to build reserves for large replacement years. The Authority applies sound judgment to replacement requirements in an attempt to level out expenditures over subsequent years rather than all replacements being required at once. Certain new State regulations may require additional capital projects which the Authority continues to monitor.

PCWRA began analyzing growth and capacity needs in 2017 by awarding a study to plan for a large expansion to Carollo Engineering. Upon completion of the study, the Board directed the Authority to begin the process of designing an additional 3 MGD of capacity. The project was completed as a Construction Manager at Risk (CMAR). The design engineering was awarded to Burns and McDonnell and funds for the design deposited and reserved into a PCWRA managed escrow account by Castle Rock Water. The construction contract was awarded to Moltz Construction in 2018. The project was fully funded by the participating members rather than through a loan. All assets were contributed to the Authority in 2021 and the final retainage was paid on August 22, 2023. The Authority still holds the escrow funds with Board approval while finishing some after-project improvements. Once completed, management will work with the Board on disbursing the escrow as required.

In April 2020, management requested RFPs for renovation of the reuse reservoir and constructing a new pump station to replace aging infrastructure. The engineering of the project was completed by GEI Consultants. As of March 2021, the project construction was put on hold while the members evaluate future requirements. While planning for the 2023 budget, the PCWRA board approved requiring capital payments from the reuse customers and to begin planning and obtaining a loan for the reservoir project. The Authority has attempted to obtain a State Revolving Fund (SRF) loan from the Colorado Water Resources and Power Development Authority (CWRPDA) as the estimated cost is $6,000,000. Unfortunately, there were not enough funds available, therefore this project was not awarded a loan in 2023. The Board has directed Authority staff to obtain quotes for a reduced effort or phased approach. The future of this project is unclear as of December 31, 2023.

To aid in long-term planning, the Authority signed a Services Agreement dated May 11, 2023 with Carollo Engineers, Inc. for a Utility Plan Update. Carollo presented their findings at the Authority's board meeting on January 24, 2024 resulting in the Board requesting an Addendum to determine the feasibility of a zero discharge scenario. That Addendum was signed on February 20, 2024.

Additionally, of significant note, another CWRPDA loan was paid off on August 1, 2023, leaving one final loan which matures in 2026. Additional information can be found in the Notes to the Financial Statements in Section C. Long-term debt on page 29.

Relevant Financial Policies

The Authority sets its rate structure each year based on a cost-of-service model which uses a formula based on five-year average waste strength, prior year flow, growth projections, budget year O&M costs, debt service and capital purchases/replacement. The cost for sewer treatment is fixed for the year. Therefore, each member will pay a fixed monthly fee. Reuse volumetric rates use a similar cost-of-service model.

However, those rates are based on per 1000 gallons and fluctuate with usage. As previously mentioned, beginning with the 2023 budget, the reuse customers will pay a flat monthly capital fee regardless of use. Those fees will be kept in a separate account in Colotrust for future reuse repairs and capital replacements.

At the end of 2022 the Authority management presented a Reserve and Rate Stabilization Policy to the Board which was approved and put into practice as of the 2023 budget. The policy set a catastrophic failure reserve of 2% of fixed asset replacement cost value; an operating reserve equal to 90 days of O&M cost; rate revenue stabilization reserve which identifies specific projects and expenses not normally considered for annual rate setting and will utilize the general reserves; and finally, a capital reserve which stipulates a flat contribution by the members increasing by $100,000 every three years with a cap of $800,000 per year and any requirements above the flat rate to be expended through the capital reserve funds.

Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters. In order to manage these risks, the Authority is a member of the Colorado Special Districts Property and Liability Pool. The Authority participates in the Pool's Cost Containment strategies for safety and risk management.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its comprehensive annual financial report for the fiscal years ended December 31, 1995 through December 31, 2022. This was the twenty-eighth consecutive year the Authority received this prestigious award. In order to be awarded a Certificate of Achievement, the Authority must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfies both US GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the Authority's accounting staff; Authority Management; and Haynie & Co. We would like to express our appreciation to all employees of the Authority and the Douglas County Department of Community Development who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of the Authority's finances.

Respectfully submitted,

Weston Martin
Authority Manager

Lissa Oelkers
Director of Administrative Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Plum Creek Water Reclamation Authority
Colorado

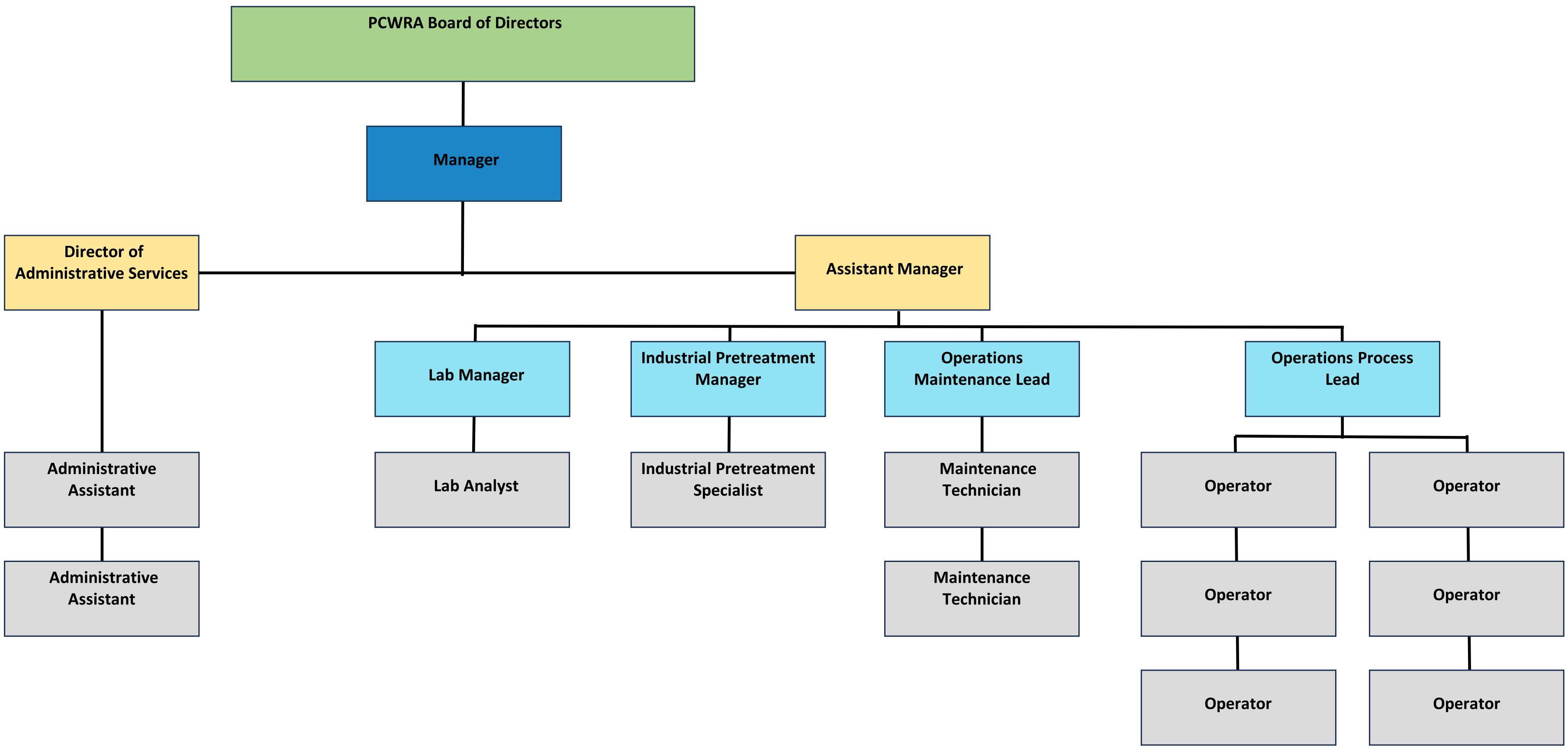
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

Plum Creek Water Reclamation Authority - 2023



PLUM CREEK WATER RECLAMATION AUTHORITY
Appointed Officials - as of December 31, 2023

APPOINTED OFFICIALS	PCWRA OFFICE
Mr. Mark Marlowe **Town of Castle Rock - Utilities Dept.**	Vice-President
Joshua Shackelford **Castle Pines Metropolitan District**	President
Mr. Nathan Travis **Castle Pines North Metro District**	Secretary

AUTHORITY MANAGER

Mr. Weston Martin

ASSISTANT AUTHORITY MANAGER

Mr. Kirby Clark

CONSULTANTS

Authority Counsel:
Mr. Darryl Farrington
Semple, Farrington, Everall & Case, PC

FINANCIAL SECTION

Haynie & Company
Certified Public Accountants
& Management Consultants

1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120
303-734-4800
303-795-3356
www.HaynieCPAs.com

Independent Auditors' Report

Board of Directors
Plum Creek Water Reclamation Authority
Castle Rock, Colorado

Opinions

We have audited the accompanying financial statements of the business-type activities of Plum Creek Water Reclamation Authority (the "Authority") as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of December 31, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and retirement plan information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements as a whole. The budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison schedules listed as supplementary information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Haynie & Company

Littleton, Colorado
April 17, 2024

Management's Discussion and Analysis

As management of the Plum Creek Water Reclamation Authority (Authority), we offer readers this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 4 of this report.

Financial Highlights

The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $50,127,662. This reflects a decrease in net position from 2022 to 2023 of $672,756. Total Operating Expenses increased from 2022 to 2023 by $1,001,290. PERA actuaries calculated a net pension expense of $139,519 for 2023 compared to an income of $309,350 for 2022 resulting in an expense increase of $448,869 from year to year. Additionally, repair and maintenance services increased by $335,936 in 2023 due to the implementation of a dedicated maintenance department with a focus on needed repair and replacement projects. Deferred inflow and outflow of resources are directly related to the pension and OPEB income and expenses from PERA with total deferred inflow decreasing by $1,050,786 and total deferred outflow increasing by $664,406 from 2022 to 2023. According to the actuarial calculations provided, the Authority's investment in PERA went from a net asset of $31,537 in 2022 to a net liability of $1,596,805 in 2023 reversing the actuarial calculations previously which went from a net liability of $788,528 in 2021 to a net asset of $31,537 in 2022. Since PERA reports one year in arrears, the changes in investment are reflected for 2022. The change in total liabilities from 2022 to 2023 increased $1,251,749 and is due largely to the increase in the Pension and OPEB liabilities. Additional information regarding PERA can be found in Section IV of the Notes on pages 31 – 48.

The nonoperating revenues/expenses reflect an increase of $130,734 year over year entirely due to the increase in investment earnings as interest rates increased and remained steady in 2023.

As the loans from the 2005 expansion come to a close, with the second of three loans being paid off on August 1, 2023, the Authority is reviewing options to fund a Reuse Reservoir Rehabilitation and Pump Station Project. The exact cost, timing, and scope of this project is still unknown but expected to be approximately $6,000,000. Users of the reuse system began paying into a capital reserve in 2023 to plan for future capital replacement projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statement. The Authority's financial statements comprise two components: 1) financial statements, and 2) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Financial Statements The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business.

The statement of net position presents information on all the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as an underlying event giving rise to the change occurs, regardless of the time of related cash flows.

Fund Financial Statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Authority has one proprietary fund, an Enterprise Fund, to account for its wastewater treatment operations.

Notes to the Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 20 - 49 of this report.

Other Information In addition to the basic financial statements and accompanying notes, this report also includes certain required supplementary information concerning the Authority's retirement plan information as well as budget to actual comparison for the fiscal year. All required supplementary and supplementary information can be found on pages 50 – 53.

Financial Analysis

As noted, net position may, over time, serve as a useful indicator of the Authority's financial position. Assets exceeded liabilities by $50,127,662 at the close of the most recent fiscal year and by $50,800,418 at the close of the 2022 fiscal year.

By far, the largest portion (81 percent) of the Authority's total net position reflects its investment in capital assets net of depreciation (e.g. land, building, machinery and equipment) less any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide services to its participants; consequently, these assets are reported net of related debt. It should be noted that resources to repay this debt must be provided from member rates, since the capital assets themselves cannot be used to liquidate these liabilities. The largest loan for this related debt matured and was paid in full on August 1, 2021. The second loan matured and was paid in full on August 1, 2023. The final loan related to these assets with a principal amount of $261,530 will mature in 2026.

Net Position

The Authority reports a decrease to the net position of $672,756 from 2022 to 2023, a continued downward trend from the decrease of $164,189 from 2021 to 2022 compared to increasing by $17,574,189 from 2020 to 2021. The large increase from 2020 to 2021 was due to the contribution of assets to the Authority from its members from the 3.0 Expansion Project. The main contributing factor of the larger decrease from 2022 to 2023 was the depreciation of those assets and the conversion of net pension from an asset to liability.

	2023	2022	2021
Current and other assets	$ 12,094,556	$ 11,527,879	$ 10,682,409
Capital assets	41,088,889	42,791,765	44,390,465
Total current and other assets	53,183,445	54,319,644	55,072,874
Deferred outflow of resources - Pension	871,675	213,339	384,285
Deferred outflow of resources - OPEB	19,725	13,655	12,803
Total assets and deferred outflows of resources	54,074,845	54,546,638	55,469,962
Current liabilities	2,068,000	2,241,649	2,143,483
Noncurrent liabilities	1,777,763	352,365	1,447,603
Total liabilities	3,845,763	2,594,014	3,591,086
Deferred inflow of resources - Pension	64,081	1,104,040	867,653
Deferred inflow of resources - OPEB	37,339	48,166	46,616
Total liabilities and deferred inflows of resources	3,947,183	3,746,220	4,505,355
Net position	50,127,662	50,800,418	50,964,607
Net investment in capital assets	40,827,358	42,240,416	43,542,075
Restricted	1,250,000	1,200,000	994,625
Unrestricted	8,050,304	7,360,002	6,427,907
Total net position	$ 50,127,662	$ 50,800,418	$ 50,964,607

The restricted asset is a requirement from the Colorado Water Resources and Power Development Authority (CWRPDA) for two loans obtained in 2002 and 2005, Exhibit F, as an Operations and Maintenance (O&M) Reserve Fund. The Exhibit states, “The Governmental Agency shall maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses excluding depreciation of the System as set forth in the annual budget for the current fiscal year but in no event greater than $1,250,000.”

Change in Net Position

	2023	2022	2021
Revenues:			
Charges for services	$ 6,054,740	$ 5,692,751	$ 6,263,843
Other	561,185	438,689	17,281,281
Total revenues	6,615,925	6,131,440	23,545,124
Expenses:			
Operating			
Personnel & administrative fee	1,926,231	1,804,620	1,513,661
Power & heat	949,768	982,702	891,823
Biosolids hauling	168,291	153,625	132,098
Chemicals	554,638	529,358	452,795
Operating supplies	221,102	169,447	76,883
Repairs & maintenance	500,888	160,149	115,131
Capital replacement	34,902	130,726	107,366
Legal fees	29,282	32,070	15,925
Engineering fees	185,283	53,710	54,714
Administrative overhead	396,820	384,940	332,087
Pension (Income)Expense	139,519	(309,350)	6,018
Depreciation	2,147,909	2,161,346	2,061,410
Total operating expenses	7,254,633	6,253,343	5,759,911
Nonoperating			
Interest	24,542	41,500	141,366
Other	9,506	786	69,658
Total nonoperating expenses	34,048	42,286	211,024
Total expenses	7,288,681	6,295,629	5,970,935
Changes in net position	(672,756)	(164,189)	17,574,189
Net position, January 1	50,800,418	50,964,607	33,390,418
Net position, December 31	$ 50,127,662	$ 50,800,418	$ 50,964,607

Total revenue increased from 2022 to 2023 by $484,485 but was nearly exactly offset by the change in Pension Income to Expense from 2022 to 2023 of $448,869. Management sometimes chooses to expense capital repairs rather than capitalize, in 2021 three items were expensed at a total cost of $107,366, which were: the completion of a server replacement project carried over from 2020; repairs to a heating and AC unit; and the painting of block buildings around the plant. Again in 2022, $130,726 were expensed rather than capitalized. Those projects were: painting the exterior of all facility buildings; centrifuge repairs; asphalt repairs; filling a void in the ground under the trailer bay; and an emergency potable water line inspection and repair. Finally for 2023 total capital expenses were $34,902 for: repairing damaged electrical wires and breaker to a Turblex blower; Browns Hill Engineering relocated PLCs and replaced a level sensor for pond 17; and the rebuild and reinstall of a clarifier gearbox. The largest operating expense increases were engineering and outsourced maintenance. The Authority engaged in a Services Agreement with Carollo Engineering to develop an updated Utility Plan for future planning resulting in payments of $173,284 in 2023. The outsourced maintenance increase was the result of management designating a dedicated Maintenance Lead to develop a program and focus on repair and maintenance throughout the facility. Several projects were completed in 2023 resulting in a total cost of $398,864. Depreciation increased due to capital contributions with an acquisition cost of $17,122,945 from the 3.0 Capacity Expansion project which were put into service in February of 2021 and recorded prorated depreciation with a subsequent full depreciation in 2022 and 2023.

Capital Assets and Debt Administration

Capital Assets The Authority's investment in capital assets as of December 31, 2023 was $41,088,889 (net of accumulated depreciation). This investment in capital assets includes land and other non-depreciable assets; buildings; improvements other than buildings; machinery and equipment; and vehicles. Total capital asset additions (new and replacement) during the year were acquired at $456,540. The largest project contributing to this value was from a $144,581 ditch project upgrading aeration piping and diffusers and replacing membranes. A safety project of adding stairs and landing throughout the plant between buildings was started at the end of 2023. $85,297 was put into CIP for this project to be capitalized in 2024 with the finished project. Three other purchases over $20,000 were an AQ400 Discrete Analyzer for the laboratory at $47,025; a GFAA7000 metals instrument for the laboratory at $51,446; and an upgraded audio-visual system for the conference room for $26,240. The Authority disposed of old equipment valued at $89,830, most of which was fully depreciated. Between trade-ins and the small amount of book value left, there was a small net loss of $9,506.

As of 2017, the board directed the Authority to engage in a design contract with Burns and McDonnell for an expansion project of an additional 3 MGD capacity. Castle Rock Water deposited funds into an escrow account to pay for the initial design phase which began June 2017. This was a Construction Manager at Risk (CMAR) project. The award for construction manager was given to Moltz Construction. The project was fully self-funded by the members with all funds kept in an escrow account reserved for the 3.0 Capacity Expansion Project in Colotrust. The full IGMP amount of $36,166,532 for the project was funded in the escrow account proportionately by Castle Rock Water, Castle Pines North Metropolitan District, Castle Pines Metropolitan District, Silver Heights, and Castleton Center by April 2019. At the end of 2023, the escrow held a balance of $1,385,416. Substantial completion was reached in February 2021. Burns & McDonnell Engineering signed the Construction as Approved Certification form to the State on April 25, 2023. Partial retainage of $1,344,583 was paid to Moltz Construction on May 13, 2021 with the final retainage of $94,944 paid on August 22, 2023. While the initial project has been finalized, there have been adjustments to the TWAS pump and filter performance resulting in additional costs in 2023 totaling $136,266. As of March 22, 2024, there has been an additional $4,983 of cost. The Authority continues to update the Board on the progress of the project and management of the escrow funds.

Additional information on the Authority's capital assets can be found in Note III B.

Long Term Debt At the end of the current fiscal year, the Authority had outstanding long-term debt of $261,530. The Authority paid $289,818 toward the long-term debt during 2023. The Authority paid off the 2001 loan, the largest annual principal debt the Authority held, on August 1, 2021 and the 2002 loan on August 1, 2023. The final loan from 2005 comprises the balance of the outstanding debt and will mature in 2026.

Additional information on the Authority's long-term debt can be found in Note III C.

Risks & Uncertainties

Supply chain issues and the cost of goods and services continue to create uncertainty for budget and project planning. However, regulatory changes from the State and EPA pose an even greater uncertainty as the potential costs for these changes could be out of reach. At the same time, availability to obtain funding through the historical channels is becoming more difficult due to the rules and regulations the federal government has placed on the disbursement of those funds. The Authority has been unsuccessful in securing a loan from the CWRPDA, the same entity from which the referenced loans in the Long Term Debt section were secured, for the reservoir project which is in dire need of upgrades and repair.

Request for Information

This financial report is designed to provide an overview of the Plum Creek Water Reclamation Authority's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Director of Administrative Services: Lissa Oelkers, 4255 N. US Highway 85, Castle Rock, CO 80108.

Basic Financial Statements

PLUM CREEK WATER RECLAMATION AUTHORITY
Statements of Net Position
December 31, 2023 and 2022

ASSETS	**2023**	**2022**
Current Assets:		
Cash and Investments	$ 8,722,083	$ 8,160,928
Receivables - From Other Governments	599,050	489,008
Other Receivable	3,207	9,377
Prepaids	28,707	449
Inventories	156,366	160,330
3.0 Expansion Member Contributions	1,335,143	1,385,416
Total Current Assets	10,844,556	10,205,508
Noncurrent Assets:		
Restricted Assets:		
Investments - Debt Service[1]	1,250,000	1,200,000
Capital Assets:		
Non-Depreciable Assets:		
Land & Capacity	3,514,347	3,514,347
Construction in Progress	120,472	-
Buildings	24,910,111	24,910,111
Improvements Other Than Buildings	19,332,606	19,164,263
Machinery and Equipment	19,582,855	19,504,960
Vehicles	263,415	263,415
Total Capital Assets	67,723,806	67,357,096
Less Accumulated Depreciation	(26,634,917)	(24,565,331)
Total Capital Assets Net of Depreciation	41,088,889	42,791,765
Pension Asset, Net	-	122,371
Total Pension Asset, Net	-	122,371
Total Noncurrent Assets	42,338,889	44,114,136
TOTAL ASSETS	53,183,445	54,319,644
Deferred Outflow of Resources		
Deferred Outflow Related to Pension	815,095	213,339
Deferred Outflow Related to OPEB	19,726	13,655
Total Deferred Outflow of Resources	834,821	226,994
Total Assets and Deferred Outflow of Resources	54,018,266	54,546,638
LIABILITIES		
Current Liabilities:		
Accounts Payable	516,040	420,097
3.0 Expansion Project	1,335,143	1,385,416
Accrued Benefits	131,211	137,343
Accrued Interest Payable	5,033	8,975
Current Portion of the Long-Term Debt	80,573	289,818
Total Current Liabilities	2,068,000	2,241,649
Noncurrent Liabilities:		
Revenue Loan Payable, Net	180,958	261,531
Pension Liability, Net	1,505,011	-
OPEB Liability, Net	91,794	90,834
Total Noncurrent Liabilities	1,777,763	352,365
TOTAL LIABILITIES	3,845,763	2,594,014
Deferred Inflow of Resources		
Deferred Inflow Related to Pension	7,502	1,104,040
Deferred Inflow Related to OPEB	37,339	48,166
Total Deferred Inflow of Resources	44,841	1,152,206
Total Liabilities and Deferred Inflow of Resources	3,890,604	3,746,220
NET POSITION		
Net Investment in Capital Assets	40,827,358	42,240,416
Restricted - Debt Service[1]	1,250,000	1,200,000
Unrestricted	8,050,304	7,360,002
Total Net Position	$ 50,127,662	$ 50,800,418

The notes to the financial statements are an integral part of this statement.

[1] See Note I.C.6. Restricted Assets for loan agreements.

PLUM CREEK WATER RECLAMATION AUTHORITY

Statements of Revenues, Expenses and Changes in Net Position
for the
Fiscal Years Ended December 31, 2023 and 2022

	2023	2022
Operating Revenue :		
Service Charges	$ 6,054,740	$ 5,692,751
Total Operating Revenues	6,054,740	5,692,751
Operating Expenses:		
Personnel Services	1,922,331	1,801,120
Administrative Fees	3,900	3,500
Power & Heat	949,768	982,702
Biosolids Hauling	168,291	153,625
Telephone	30,047	30,686
Chemicals	554,638	529,358
Operating Supplies	221,102	169,447
Gas & Oil	27,999	30,694
Uniform	16,906	17,725
Repair & Maintenance Supplies	31,289	26,486
Repair & Maintenance Services	469,599	133,663
Permits & Fees	32,666	33,613
Legal Fees	29,282	32,070
Auditing	12,500	11,200
Engineering Fees	185,283	53,710
USGS Monitoring	18,666	17,746
Laboratory Fees	29,818	32,898
Insurance	75,394	67,336
Membership Fees	80,983	77,553
Office Expenses	71,841	64,943
Repair & Replacement	34,902	130,726
Pension (Income)Expense	139,519	(309,350)
Contingency	-	546
Depreciation	2,147,909	2,161,346
Total Operating Expenses	7,254,633	6,253,343
Operating Income (Loss)	(1,199,893)	(560,592)
Nonoperating Revenues (Expenses):		
Investment Earnings	487,872	138,031
Interest Expense	(24,542)	(41,500)
Loss on Retirement of Assets	(9,506)	(786)
Contributed Capital	-	210,000
Lease Income	35,700	35,700
Bond Premium Amortization	-	16,163
Forgiveness of Interest	10,290	14,187
Miscellaneous Income	27,323	24,608
Total Nonoperating Revenues (Expenses)	527,137	396,403
Change in Net Position	(672,756)	(164,189)
Total Net Position - Beginning of Year	50,800,418	50,964,607
Total Net Position - End of Year	$ 50,127,662	$ 50,800,418

The notes to the financial statements are an integral part of this statement.

PLUM CREEK WATER RECLAMATION AUTHORITY
Statements of Cash Flows
for the Fiscal Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Receipts from Customers and Users	$ 5,944,698	$ 5,712,877
Payments to Suppliers	(5,099,799)	(4,505,425)
Other Receipts (Payments)	(11,812)	23,205
Net Cash Provided by Operating Activities	833,087	1,230,657
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(454,539)	(353,432)
Principal Paid on Capital Debt	(289,818)	(280,878)
Interest Paid on Capital Debt	(18,194)	(36,395)
Net Cash (Used) in Capital and Related Financing Activities	(762,551)	(670,705)
Cash Flows from Noncapital Financing Activities:		
Lease Income	35,700	35,700
Other Income	27,323	-
Net Cash Provided by Noncapital Financing Activities	63,023	35,700
Cash Flows from Investing Activities:		
Purchase of Investments	-	(9,132)
Interest Received	477,596	147,163
Net Cash Provided by Investing Activities	477,596	138,031
Net Increase in Cash and Cash Equivalents	611,155	733,683
Cash and Cash Equivalents		
Beginning of Year	9,360,928	8,627,245
End of Year	$ 9,972,083	$ 9,360,928
Detail of Cash and Cash Equivalents:		
Cash and Investments	8,722,083	8,160,928
Restricted Investments - Debt Service	1,250,000	1,200,000
Total Cash and Cash Equivalents	$ 9,972,083	$ 9,360,928
Net Cash Provided by Operating Activities:		
Operating Income (Loss)	$ (1,199,893)	$ (560,592)
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,147,909	2,161,346
Miscellaneous Income	-	24,608
Unrealized gains on marketable securities	10,276	-
(Increase) Decrease in Current Assets:		
Accounts Receivable - Other Governments	(110,042)	20,126
Other Receivable	(22,088)	(1,403)
Inventory	3,964	5,525
(Increase) Decrease in Deferred Outflow of Resources:		
Deferred Outflow Related to Pension	(658,336)	170,946
Deferred Outflow Related to OPEB	(6,070)	(852)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	95,943	124,526
Accrued Benefits	(6,132)	(23,719)
Pension Liability	1,628,342	(927,791)
Deferred Inflow Related to Pension	(1,039,959)	236,387
Deferred Inflow Related to OPEB	(10,827)	1,550
Total Adjustments	2,032,980	1,791,249
Net Cash Provided by Operating Activities	$ 833,087	$ 1,230,657

The notes to the financial statements are an integral part of this statement.

I: Summary of significant accounting policies

Plum Creek Water Reclamation Authority (Authority) was formed by an agreement among the Town of Castle Rock, Castle Pines Metropolitan District and Castle Pines North Metropolitan District (Members) dated December 14, 1989 with final executed documents on January 12, 1990. All Members are political subdivisions of the State of Colorado. The Authority is governed by an appointed Board of Directors consisting of three directors. Each Member appoints one director.

The primary function of the Authority is to provide wastewater treatment services to the Members and two unincorporated areas, Silver Heights and Castleton Center.

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following summary of significant accounting policies of the Authority is presented to assist in understanding the Authority's financial statements. The accounting policies of the Authority conform to GAAP as applicable to governmental units.

A. Reporting entity

The Authority has no component units as defined by the GASB Statements 14 and 39.

B. Measurement focus, basis of accounting and financial statement presentation

The Authority has the following fund type:

Proprietary Funds – are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. Proprietary funds include the following fund type:

Enterprise Funds – are used to account for those operations where the Board has decided that the determination of revenues earned, cost incurred and/or net income is necessary for management accountability.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Authority's enterprise fund are charges for providing wastewater treatment and reuse effluent services. The Authority's operating expenses include the cost of providing wastewater treatment and reuse effluent service, administrative expenses, and depreciation on capital assets. All other revenues and expenses are reported as nonoperating revenues and expenses.

C. Assets, liabilities, and equity

1. Deposits and investments

For purposes of the statement of cash flows, cash equivalents consist of cash on hand and amounts deposited in the bank, money markets and state regulated pooled accounts subject to immediate withdrawal. Investments are reported at fair value and will have a maturity of no more than five years. The reported value of the state pool is the same as the fair value.

2. Fair value of financial instruments

The Authority's financial instruments include cash and cash equivalents, restricted cash, deposit with trustee, accounts receivable, and accounts payable. The Authority estimates that the fair value of all financial instruments at December 31, 2023 and 2022 does not materially differ from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amounts of these financial instruments approximate fair value, because of the short maturity of these instruments.

3. Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Capital assets

Capital assets include property, plant machinery and equipment, vehicles, improvements, as well as intangible/non-depreciable assets such as land. The Authority defines capital assets as assets with an initial individual cost of more than $5,000 and an estimated useful life of two years minimum. Such assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at acquisition value as of the date received.

Depreciation of all exhaustible capital assets is charged as expenses against operations. Accumulated depreciation is reported on the statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Assets	Years
Buildings	50
Improvements	5 - 20
Equipment	5 - 20
Vehicle	10

5. Inventory

Inventories are valued at cost using the first in/first out (FIFO) method. The only inventories maintained for the Authority are grease/oil, chemicals, and fuel.

6. Restricted assets

The Authority secured loans in 2001, 2002 and 2005 to fund the 2005 plant expansion and biosolids program. As part of the loan agreement with Colorado Water Resources and Power Development Authority (CWRPDA), the Authority is required to restrict three months of operating expenditures, up to $1,250,000, in a reserve fund. The Authority has reserved $1,250,000 for this purpose in 2023.

7. Escrow funds

The Town of Castle Rock began discussions of a plant expansion in mid-2017 resulting in RFPs for design and engineering services being sent out on July 13, 2017. The expansion should increase treatment capacity from 6.44 MGD to 9.44 MGD once CDPHE finalizes a new permit for the Authority. The final total contribution from each member for this project was: Town of Castle Rock, $30,847,495; Castle Pines North, $4,948,344; Castle Pines Metro District, $348,333; Silver Heights, $17,392; and Castleton Center, $4,969. All interest is tracked and distributed accordingly to each member by percentage of contribution. The funds are transferred from COLOTRUST to the Authority's First Bank checking account in exact amounts to pay for specific approved invoices. If any funds remain, they will be reimbursed to each member accordingly.

All funds and their earned interest are tracked by member in an escrow account in Colotrust. Expenditures totaled $35,562,114 as of December 31, 2023, and $35,333,960 as of December 31, 2022. The total balance in the escrow account is $1,536,619 as of December 31, 2023, and $1,682,326 as of December 31, 2022. There were some small additional expenditures in 2024.

8. Accrued Benefits

The Authority accrues sick pay for full-time employees at 3.08 hours per pay period with a max accrual of 160 hours. Vacation pay is at the following rates:

Length of Service	**Accrual Rate for Full Time**	**Accrual Rate for Part Time**
Hire date through 60 months	3.08 hours per pay period (80 hours/year) Max Accrual 160	0.04175 per hour worked
61 months through 120 months	4.62 hours per pay period (120 hours/year) Max Accrual 240	0.0625 per hour worked
121 months and beyond	6.16 hours per pay period (160 hours/year) Max Accrual 320	0.0834 per hour worked

The Authority will pay employees for their accrued/unused vacation time and 50% of accrued/unused sick leave upon termination of employment with sufficient notice at their full hourly rate. The accrued compensated absence benefit amounted to $128,994 at December 31, 2023 and $134,912 at December 31, 2022. These amounts are recorded within "Accrued Benefits" on the statements of net position.

9. Long-term obligations

Long-term debt is reported as a liability in the statement of net position. Bond premiums are deferred and amortized over the life of the loan. The final amortized amount of $16,163 was realized in 2022.

10. Net position

The Authority applies Operating Revenue resources first and COLOTRUST General Funds second when an expense is incurred. Restricted Assets are not used and remain for emergency use only. The Authority has not needed to use any amount of the Restricted Assets.

11. Subsequent Events

The Authority has evaluated subsequent events through April 17, 2024, the date which these financial statements were available for management review.

12. Risks & Uncertainties

The unemployment rate for Colorado at the end of 2021 fell to 4.2% and trended down again to 2.8% at the end of 2022 but is trending back up again, finishing 2023 at 3.3%. Inflation and continued supply chain issues continue to create risks and uncertainties for all industries. The cost of operating the facility remains high due to increased costs for chemicals, fuel, and commodities such as electricity and natural gas. Additionally, these same economic conditions create a difficult environment for living in the Castle Rock area thus putting a constraint on the livelihood of current staff as well as recruiting new employees to the area. The Authority continues to experience difficulties in hiring, especially in the operations department which requires the employee to live within thirty minutes of the facility for emergency on-call situations. However, it is difficult to recruit for all positions due to the cost of living in the area. Additionally, regulatory changes from the State and EPA pose an even greater uncertainty as the potential costs for these changes could be out of reach. At the same time, availability to obtain funding through the historical channels, such as the CWRPDA, is becoming more difficult due to the rules and regulations the federal government has placed on the disbursement of those funds.

D. New Accounting Pronouncements

The GASB issued the following Statements with a 2023 implementation: No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements.” – No impact; No. 96, “Subscription-Based Information Technology Arrangements.” – No impact.

Statements with a 2024 implementation: No. 99, "Omnibus 2022." – No impact; No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62." – No impact; No. 101, "Compensated Absences." – No impact based on materiality.

II: Stewardship, compliance, and accountability

A. Budgetary information

Formal budgetary integration is employed as a management control device during the year for all the funds as well as to comply with the State of Colorado Budget Law. The Board of Directors adopted the Authority budget in accordance with the Colorado Revised Statutes.

The budget is adopted on a basis which differs from GAAP in that depreciation on capital assets is not provided and capital expenditures are included in the budget. Total fund expenses cannot exceed appropriations.

The Board of Directors may amend the budget subsequent to adoption, in accordance with provisions of Colorado Revised State Statutes.

III: Detailed notes on all funds

A. Deposits and investments

Cash and investments are reflected on the December 31, 2023 and 2022 statement of net position as follows:

	2023	2022
Current Assets:		
Cash and Investments	$ 8,722,083	$ 8,160,928
Restricted Assets:		
Investments-Debt Service	1,250,000	1,200,000
	$ 9,972,083	$ 9,360,928

Cash deposits and investments by classification as of the December 31, 2023 and 2022 are as follows:

	2023	2022
Cash in Bank	$ 231,398	$ 263,500
Cash Equivalents - State Pool	9,740,685	9,097,428
Total	$9,972,083	$9,360,928

1. Cash and cash equivalents

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by Statute to monitor the naming of eligible depositories and the reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. As of December 31, 2023, the Authority's deposits were not exposed to custodial credit risk as all deposits were insured by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with PDPA. On December 31, 2023, the Authority's carrying amount of bank deposits was $361,141 with a book balance of $231,398. On December 31, 2022, the Authority's carrying amount of bank deposits was $336,750, with a book balance of $263,500.

As of December 31, 2023, and 2022, the Authority had $6,239,413 and $5,865,999 respectively, invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) Plus+, an investment pool established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. The trusts operate similarly to money market funds, with each share maintaining a value of $1.00. Investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. Designated custodian banks provide safekeeping and depository services to the trusts. As of December 31, 2023, COLOTRUST Plus+ was rated AAAm by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

2. Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. and local governmental entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

After research into other investment firms, the Authority recommended to the board of directors that capital reserves be moved to COLOTRUST EDGE for a slightly better portfolio option. The board approved the transfer at their July 27, 2021 regular meeting. The Authority moved its capital reserve funds from COLOTRUST Plus+ to COLOTRUST EDGE on August 5, 2021 with $3,097,621 invested as of December 31, 2021; $3,231,429 as of December 31, 2022; and $3,501,272 as of December 31, 2023. This trust operates similarly to money market funds, with each share maintaining a variable value of $10.00. As of December 31, 2022, the share value was $9.96 and increased to $9.99 as of December 31, 2023. Investments consist of U.S. Treasury notes, Asset Backed Commercial Paper, Commercial Paper, and Certificates of Deposit. Substantially all securities owned by the trust are held by the Federal Reserve Bank in the account maintained for the custodial banks. The custodians' internal records identify the investments owned by COLOTRUST. Information regarding COLOTRUST's financial statements is available at its website, www.colotrust.com. As of December 31, 2023, EDGE was rated AAAf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

The EDGE portfolio performs very similarly to the Plus+ with the main differences in the liquidity of weekly and daily respectively. Also, the EDGE has a net asset value of approximately $10 per share while the Plus+ has a net asset value of $1 per share. The Authority experienced a year-to-date unrealized gain of $10,276 in the EDGE portfolio while booking $168,723 year-to-date earned income as of December 31, 2023.

Interest rate risk As a means of limiting its exposure to fair value losses arising from prevailing market interest rates, the Authority investment policy states that the maximum maturity of any investment shall be no longer than 5 years. During 2023, the Authority was solely invested in COLOTRUST. The COLOTRUST PLUS portfolio may invest in securities with a maximum maturity of 365 days or less, 270 days in the case of commercial paper, and an average weighted maturity not in excess of 60 days. COLOTRUST EDGE is a variable net asset value (NAV) local government investment pool that offers weekly liquidity to Participants. EDGE is suitable for a local government's strategic reserves/non-operating funds and has a NAV that is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE measures its investments at fair value so investments in EDGE are not required to be categorized within the fair value hierarchy and is rated 'AAAf/S1' by Fitch Ratings. As of December 31, 2023, COLOTRUST EDGE possessed a weighted average maturity of 176 days and a weighted average life of 203 days.

Credit risk The Authority's investment policy is to apply the prudent person rule where investments are made as a prudent person would be expected to act. The Authority's investment policy limits investments in fixed-income securities to: U.S. Treasury bills, notes, and bonds; certificates of deposit; commercial paper; federal agencies and instrumentalities; money market accounts; and Colorado public investment pools.

Fair Value Measurement and Application The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. All of the Authority's investments are measured at fair value using Level 1 inputs.

B. Capital assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
Capital assets, not being depreciated:				
Land	$ 3,514,347	$ -	$ -	$ 3,514,347
Construction in progress - Improvements	24,338	96,134	-	120,472
Total capital assets, not being depreciated	3,538,685	96,134	-	3,634,819
Capital assets, being depreciated:				
Buildings	24,910,111	-	-	24,910,111
Improvements other than buildings	19,139,925	192,681	-	19,332,606
Machinery and equipment	19,504,960	167,725	(89,830)	19,582,855
Vehicles	263,415	-	-	263,415
Total capital assets being depreciated	63,818,411	360,406	(89,830)	64,088,987
Less accumulated depreciation for:				
Buildings	8,107,949	501,346	-	8,609,295
Improvements other than buildings	7,534,764	505,498	-	8,040,262
Machinery and equipment	8,778,581	1,119,092	(78,323)	9,819,350
Vehicles	144,037	21,973	-	166,010
Total Accumulated depreciation	24,565,331	2,147,909	(78,323)	26,634,917
Total capital assets being depreciated, net	39,253,080	(1,787,503)	(11,507)	37,454,070
Total capital assets, net	$ 42,791,765	$ (1,691,369)	$ (11,507)	$ 41,088,889

Total depreciation expense for the years 2023 and 2022 was $2,147,909 and $2,161,346, respectively. Capital assets with a value of $89,830 were disposed of during 2023 resulting in a net loss of $9,506 for assets not fully depreciated. A discrete analyzer for the lab was traded in offsetting total losses by $2,000.

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Capital assets, not being depreciated:				
Land	$ 3,514,347	$ -	$ -	$ 3,514,347
Construction in progress	122,600	-	(122,600)	-
Total capital assets, not being depreciated	3,636,947	-	(122,600)	3,514,347
Capital assets, being depreciated:				
Buildings	24,902,950	7,161	-	24,910,111
Improvements other than buildings	18,898,838	289,425	(24,000)	19,164,263
Machinery and equipment	19,464,323	373,497	(332,860)	19,504,960
Vehicles	256,370	20,948	(13,903)	263,415
Total capital assets being depreciated	63,522,481	691,031	(370,763)	63,842,749
Less accumulated depreciation for:				
Buildings	7,607,255	500,694	-	8,107,949
Improvements other than buildings	7,075,301	483,463	(24,000)	7,534,764
Machinery and equipment	7,950,021	1,155,635	(327,075)	8,778,581
Vehicles	136,386	21,554	(13,903)	144,037
Total Accumulated depreciation	22,768,963	2,161,346	(364,978)	24,565,331
Total capital assets being depreciated, net	40,753,518	(1,470,315)	(5,785)	39,277,418
Total capital assets, net	$ 44,390,465	$ (1,470,315)	$ (128,385)	$ 42,791,765

The Authority owns land for the purpose of disposing of biosolids. The land is leased to Denali for $15,000 per year however, $8,000 is used for maintenance on roads, fences and wells on the property netting $7,000 for the Authority in farm lease income. There is no depreciation on the asset for the lease since the only asset is land. The cost and income of the lease is immaterial to the Authority's financials. Additionally, the Authority leases space on the corner roof of one building to T-Mobile for a cell tower. Again, the lease totals $20,700 in lease income annually for the Authority and is immaterial to the financials.

C. Long-term debt

The long-term debt activity for the years ended December 31, 2023 and 2022 is as follows:

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023	Current Portion
CWRPDA Loan 2002	$ 206,675	$ -	$ 206,675	$ -	$ -
CWRPDA Loan 2005	344,673	-	83,143	261,530	80,573
Total long-term debt	$ 551,348	$ -	$ 289,818	$ 261,530	$ 80,573

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022	Current Portion
CWRPDA Loan 2002	403,836	-	197,161	206,675	206,675
CWRPDA Loan 2005	428,391	-	83,718	344,673	83,143
Premium	16,163	-	16,163	-	-
Total long-term debt	$ 848,390	$ -	$ 297,042	$ 551,348	$ 289,818

<u>Colorado Water Resources and Power Development Authority (Water Pollution Control Revolving Fund Loan) October 1, 2002</u> – The Authority executed a note in the amount of $3,390,000 to provide funds for construction of oxidation ditches, a second clarifier, a biosolids processing facility, odor control improvements, a maintenance building addition, and engineering services. The note is payable from “net revenue” as defined in the contract. Note proceeds were deposited with a third-party trustee to disburse the amounts on deposit upon receipt of a requisition executed by an authorized officer of the Authority and approved by the CWRPDA. The note has an interest rate of 3.22 percent and is payable in 42 installments over 21 years.

On February 28, 2013, the Authority received a letter from the Colorado Water Resources & Power Development Authority (CWRPDA) regarding the refinancing of the bond issue(s) that provided the funds for the 2002 loan from the Water Pollution Control Revolving Fund. The total anticipated savings provided to the Authority is $149,442. The last year of loan repayments include anticipated refunding credits to the principal portion of the Authority’s loan. These anticipated credits are reflected in the revised loan repayment schedule. The note has a new effective yield of 1.80 percent with the installments continuing as originally scheduled.

On January 8, 2020, the Authority received a letter from the Colorado Water Resources & Power Development Authority (CWRPDA) regarding the structure of the bond issues that provided the funds for the 2002 loan from the Water Pollution Control Revolving Fund. The aforementioned letter dated February 28, 2013 originally provided a payment schedule which presented the interest payments becoming negative in the later years. The schedule was rewritten to reduce the principal rather than the interest and is reflected as part of current year deletions in the above schedule of debt activity.

The final payment was made by the Authority on August 1, 2023.

Clean Water Revenue Bonds, 2005 Series A – May 1, 2005 – The Authority executed a note with CWRPDA in the amount of $1,510,000 to provide funds for purchase of approximately 1,920 acres of land for biosolids processing, and the purchase of biosolids processing, monitoring, and laboratory equipment. The note is payable from "net revenue" as defined in the contract. Note proceeds were deposited with a third-party trustee to disburse the amounts on deposit upon receipt of a requisition executed by an authorized officer of the Authority and approved by the CWRPDA. The note has an interest rate of 3.35 percent and is payable in 42 installments over 21 years.

On May 13, 2016, the Authority received a letter from the Colorado Water Resources & Power Development Authority (CWRPDA) regarding the refinancing of the bond issue(s) that provided the funds for the 2005 loan from the Water Pollution Control Revolving Fund. The total anticipated savings provided to the Authority is $82,189. The last several loan repayments include anticipated refunding credits to the principal portion of the Authority's loan. These anticipated credits are reflected in the revised loan repayment schedule. The note has a new effective yield of 0.90 percent with the installments continuing as originally scheduled.

On January 8, 2020, the Authority received a letter from the Colorado Water Resources & Power Development Authority (CWRPDA) regarding the structure of the bond issues that provided the funds for the 2002 loan from the Water Pollution Control Revolving Fund. The aforementioned letter dated February 28, 2013 originally provided a payment schedule which presented the interest payments becoming negative in the later years. The schedule was rewritten to reduce the principal rather than the interest.

Annual debt service requirements to maturity for the note are as follows:

Year Ending December 31,	Principal	Interest
2024	80,573	12,080
2025	85,607	9,658
2026	95,350	4,500
Total	$ 261,530	$ 26,238

The Authority is not in default of its covenants and obligations under these loans. The Authority maintained operation and maintenance reserve funds totaling $1,260,125 and has established rates and charges for its services and products in accordance with the covenants of these loans.

D. Reconciliation of Budgetary Basis to U.S. GAAP Basis

	2023	2022
Change in Fund Balance, Non-GAAP Basis	$ 1,543,605	$ 1,172,612
Adjustments:		
Principal Paid on Loan	80,573	289,818
Bond Premium Amortization	-	16,163
Contributed Capital	-	210,000
Loss on Retirement of Assets	(9,506)	(786)
Pension Income (Expense)	(139,519)	309,350
Depreciation	(2,147,909)	(2,161,346)
Total Adjustments	(2,216,361)	(1,336,801)
Change in Net Position, GAAP Basis	$ (672,756)	$ (164,189)

IV: Retirement Commitments

A. Summary of significant accounting policies

Pensions
Plum Creek Water Reclamation Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

B. General information about the Pension Plan

Plan Description
Eligible employees of the Authority are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2022
PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2023: Eligible employees of the Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq*. and § 24-51-413. Employee contribution rates for the period of January 1, 2022 through December 31, 2023 are summarized in the table below:

	January 1, 2022 through June 30, 2022	July 1, 2022 through December 31, 2022	January 1, 2023 through June 30, 2023	July 1, 2023 through December 31, 2023
Employee contribution	8.50%	9.00%	9.00%	9.00%

Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employer contribution rate	10.50%	11.00%	11.00%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	9.48%	9.48%	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.03%	0.03%	0.06%	0.06%
Total employer contribution rate to the LGDTF	**13.21%**	**13.21%**	**13.74%**	**13.74%**

Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Authority were $184,209 for the year ended December 31, 2023.

C. Pension liabilities, pension expense, deferred outflows of resources, and deferred inflows of resources related to pensions

The net pension liability for the LGDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The Authority’s proportion of the net pension liability was based on the Authority’s contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers.

At December 31, 2023 the Authority reported a liability of $1,505,011 for its proportionate share of the net pension liability.

At December 31, 2022, the Authority’s proportion was .1501%, which was an increase of .0074% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Authority recognized pension expense of $113,296. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 7,503
Net difference between projected vs. actual earnings on pension plan investments	614,417	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	16,469	
Contributions subsequent to the measurement date	184,209	-
Total	$ 815,095	$ 7,503

The $184,209 of deferred outflows of resources resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31,	
2024	$ (82,972)
2025	121,442
2026	224,906
2027	360,008
	$ 623,384

At December 31, 2022, the Authority reported an asset of $122,371 for its proportionate share of the net pension asset. The net pension asset for the LGDTF was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The Authority's proportion of the net pension asset was based on the Authority's contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2021, the Authority's proportion was 0.14 percent, which was a decrease of 0.01 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Authority recognized pension income of $309,350.

At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,981	$ 2,044
Changes in assumptions or other input	41,481	-
Net difference between projected vs. actual earnings	-	1,058,531
Change in proportion and differences between contributions recognized and proportionate share of contributions	-	43,466
Contributions subsequent to the measurement date	165,877	-
Total	$ 213,339	$ 1,104,041

The $165,877 of deferred outflows of resources resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31,	
2023	$ (262,628)
2024	(437,291)
2025	(228,210)
2026	(128,449)
	$ (1,056,578)

Actuarial assumptions

The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.20 – 11.30 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07	1.00 percent
PERA benefit structure hired after 12/31/06[1]	Financed by the Annual Increase Reserve

[1] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The TPL for the LGDTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019**.**

- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the 2020 experience analysis for the period January 1, 2016 through December 31, 2019 and were reviewed and adopted by the PERA Board at their November 20, 2020 meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long- term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019 meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives[1]	6.00%	4.70%
Total	**100.00%**	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25 percent.

Discount rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate
The following presents the Authority's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	Discount Rate	Authority's proportionate share of net pension liability (asset)
1% Decrease current	6.25%	2,526,535
Discount rate	7.25%	1,505,011
1% Increase	8.25%	649,827

Pension plan fiduciary net position
Detailed information about the LGDTF's fiduciary net position is available in PERA's Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

Defined Contribution Pension Plan

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan description

Employees of the Authority that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy
The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. For the year ended December 31, 2023 and 2022, program members contributed $859 and $650 to the plan, respectively.

Defined Contribution Retirement Plan (PERA DC Plan)

Plan description

Eligible employees of the LGDTF hired on or after January 1, 2019, have the option to participate in the LGDTF, a cost-sharing multiple-employer defined benefit pension plan, or the Defined Contribution

Retirement Plan (PERA DC Plan).

The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The DC Plan is also included in PERA's ACFR as referred to above.

Funding policy

All participating employees in the PERA DC Plan and the Authority are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the period January 1, 2022 through December 31, 2023 are summarized in the tables below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through December 31, 2023
Employee Contribution Rates:	8.50%	9.00%	9.00%
Employer Contribution Rates:	10.00%	10.00%	10.00%

**Contribution rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Additionally, the employers are required to contribute AED and SAED and other statutory amounts to the LGDTF as follows:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through December 31, 2023
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 [1]	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 [1]	1.50%	1.50%	1.50%
Automatic Adjustment Provision (AAP), as specified in C.R.S. § 24-51-413[1]	0.50%	1.00%	1.00%
Additional Contribution Supplement as specified in C.R.S. § 24-51-415	0.03%	0.03%	0.06%
Total employer contribution rate to the LGDTF[1]	**4.23%**	**4.73%**	**4.76%**

[1]Contribution rate for the DC Plan are expressed as a percentage of salary as defined in CRS 24-51-101(42)

Contribution requirements are established under Title 24, Article 51, Section 1505 of the CRS, as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the CRS. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed $26,575 and the Authority recognized pension expense of $29,528 which is included in total pension expense on the Statement of Revenues, Expenses, and Changes in Net Position.

Deferred Compensation Plan (PERAPlus 457 Plan)

Plan description
Employees of the Authority may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding policy
The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. Members are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2023 and 2022, members contributed $36,935 and $29,282 to the plan, respectively.

D. Defined benefit other post-employment benefit (OPEB) plan

The Authority participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the OPEB Plan

Plan description
Eligible employees of the Authority are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided
The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member

contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA benefit structure

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Authority were $11,637 for the year ended December 31, 2022 and $12,632 for December 31, 2023.

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB

At December 31, 2023, the Authority reported a liability of $91,794 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022. The Authority's proportion of the net OPEB liability was based on the Authority's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the Authority's proportion was 0.0112 percent, which was an increase of 0.0007 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Authority recognized OPEB expense of $3,306. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12	$ 22,199
Changes in assumptions or other inputs	1,475	10,131
Net difference between projected and actual earnings on OPEB plan investments	5,607	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	-	5,009
Contributions subsequent to the measurement date	12,632	-
Total	$ 19,726	$ 37,339

$12,632 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

December 31,	
2024	$ (12,036)
2025	(12,691)
2026	(4,923)
2027	706
2028	(1,074)
Thereafter	(228)
	$ (30,246)

At December 31, 2022, the Authority reported a liability of $90,834 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The Authority's proportion of the net OPEB liability was based on the Authority's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the Authority's proportion was 0.0105 percent, which was a decrease of 0.0008 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Authority recognized OPEB expense of $4,558. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 138	$ 21,538
Changes in assumptions or other inputs	1,881	4,927
Net difference between projected and actual earnings on OPEB plan	-	5,623
Change in proportion and differences between contributions recognized and proportionate share of contributions	-	16,078
Contributions subsequent to the measurement date	11,636	-
Total	$ 13,655	$ 48,166

$11,636 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	
2023	$ (12,300)
2024	(13,008)
2025	(13,698)
2026	(6,221)
2027	(805)
Therafter	(115)
Total	$ (46,147)

Actuarial assumptions

The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% - 11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.5% in 2022 gradually decreasing to 4.50 percent in 2030
Medicare Part A premiums	3.75% for 2022, gradually increasing to 4.50% in 2029

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$1,704	$1,450	$583	$496	$1,923	$1,634
70	$1,976	$1,561	$676	$534	$2,229	$1,761
75	$2,128	$1,681	$728	$575	$2,401	$1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$6,514	$5,542	$4,227	$3,596	$6,752	$5,739
70	$7,553	$5,966	$4,901	$3,872	$7,826	$6,185
75	$8,134	$6,425	$5,278	$4,169	$8,433	$6,657

The 2022 Medicare Part A premium is $499 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males**: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females**: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.

- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.

- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board’s actuary, as discussed above.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019 and were reviewed and adopted by the PERA Board at their November 20, 2020 Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	**100.00%**	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25 percent.

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$89,196	$91,794	$94,621

Discount rate
The discount rate used to measure the TOL was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the discount rate
The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 106,416	$91,794	$79,287

OPEB plan fiduciary net position
Detailed information about the HCTF's fiduciary net position is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

V: Other information

A. Risk management

The Authority is exposed to various risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In order to manage these risks, the Authority is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool was established by the Colorado Special District Association (SDA) to provide property, liability, public official's liability, boiler and machinery and worker compensation coverage to its members. The Pool provides coverage for property claims up to $43,959,897 and liability coverage for claims up to $2,000,000 with excess liability coverage of up to $5,000,000 per occurrence. In addition, the Authority opted for $5,000,000 earthquake, as well as $15,000,000 flood coverage. The Authority also participates in the Pool's Cost Containment strategies for safety and risk management.

The Authority pays annual premiums to the Pool for liability, property, and public official's coverage, which are recorded as expenses. In the event the aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from Pool members. Any excess funds, that the Pool determines are not needed for purpose of the Pool, may be returned to the members pursuant to a distribution formula. Settled claims have not exceeded this coverage in any of the last three fiscal years.

B. Tax, spending, and debt limitation

Colorado voters passed Amendment 1 to the State Constitution, Article X, Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR), which contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and local governments.

On November 16, 1993, the Authority adopted a resolution to establish a Wastewater Activity Enterprise in accordance with Article 45.1, Title 37, Colorado Revised Statutes, as an instrument of the Authority for the purpose of pursuing wastewater activities, including the construction, operation, repair, and replacement of wastewater facilities, and conducting all business related thereto. The Authority's management believes provisions of Amendment 1 do not apply to the Wastewater Activity Enterprise.

Enterprises, defined by TABOR as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Authority's management believes the Authority qualifies for this exclusion. However, TABOR is complex and subject to interpretation. Many of its provisions, including qualification as an enterprise, may require further judicial review.

Required Supplementary Information

PLUM CREEK WATER RECLAMATION AUTHORITY
Retirement Plan Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios

Year Ending*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability(Asset)
12/31/2017	0.138%	$ 1,863,308	$ 836,381	222.78%	73.65%
12/31/2018	0.161%	1,792,599	1,015,651	176.50%	79.40%
12/31/2019	0.167%	2,105,281	1,098,341	191.68%	75.96%
12/31/2020	0.151%	1,101,247	1,054,394	104.44%	86.26%
12/31/2021	0.151%	788,528	1,063,531	74.14%	90.88%
12/31/2022	0.143%	(122,371)	1,109,911	-11.03%	101.49%
12/31/2023	0.150%	1,505,011	1,176,376	127.94%	82.99%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** The data provided in this schedule is based as of the measurement date of the Authority's net pension liability, which is as of the beginning of the year.*

Schedule of Employer Contributions to Net Pension Liability

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2017	128,784	128,784	-	1,015,651	12.7%
12/31/2018	139,270	139,270	-	1,098,341	12.7%
12/31/2019	138,793	139,422	629	1,054,394	13.2%
12/31/2020	131,516	139,422	7,906	1,063,531	13.1%
12/31/2021	138,121	142,974	4,853	1,109,911	12.9%
12/31/2022	140,187	155,603	15,416	1,176,376	13.2%
12/31/2023	165,437	165,877	440	1,109,911	14.9%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
Per GASB 75 for 2018 the previous years are restated.

PLUM CREEK WATER RECLAMATION AUTHORITY

Other Post Employment Benefit Supplementary Information

Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios

Year Ending*	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Actual Covered Payroll	Net OPEB Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total OPEB Liability
12/31/2018	0.013%	$ 162,585	$ 1,015,651	16.01%	7.80%
12/31/2019	0.013%	176,684	1,098,341	16.09%	17.03%
12/31/2020	0.011%	129,010	1,054,394	12.24%	24.49%
12/31/2021	0.011%	107,726	1,063,531	10.13%	32.78%
12/31/2022	0.010%	90,834	1,109,911	8.18%	39.40%
12/31/2023	0.011%	91,794	1,176,376	7.80%	38.57%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** The data provided in this schedule is based as of the measurement date of the Authority's net OPEB liability, which is as of the beginning of the year.*

Schedule of Employer Contributions to OPEB Liability

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2017	10,360	10,360	-	1,015,651	1.0%
12/31/2018	11,203	11,203	-	1,098,341	1.0%
12/31/2019	11,165	11,203	38	1,054,394	1.1%
12/31/2020	11,165	10,527	(638)	1,063,531	1.0%
12/31/2021	10,693	11,203	510	1,109,911	1.0%
12/31/2022	10,284	11,712	1,428	1,176,376	1.0%
12/31/2023	11,637	11,636	(1)	1,109,911	1.0%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Supplementary Information

PLUM CREEK WATER RECLAMATION AUTHORITY

Schedule of Revenues, Expenditures and Changes in Funds Available
Budget and Actual - Budgetary (Non-GAAP) Basis
December 31, 2023

	Original and Final Budget	Actual	Variance
Operating Revenue :			
Service Charges	$ 6,337,907	$ 6,054,740	$ (283,167)
Total Operating Revenues	6,337,907	6,054,740	(283,167)
Operating Expenses:			
Personnel Services	2,184,000	1,922,331	261,669
Administrative Fee	5,000	3,900	1,100
Power & Heat	1,075,000	949,768	125,232
Biosolids Hauling	232,000	168,291	63,709
Telephone	35,000	30,047	4,953
Chemicals	683,000	554,638	128,362
Operating Supplies	192,000	221,102	(29,102)
Gas & Oil	46,000	27,999	18,001
Uniforms	18,500	16,906	1,594
Repair & Maintenance Supplies	-	31,289	(31,289)
Repair & Maintenance Services	129,500	469,599	(340,099)
Permits & Fees	36,000	32,666	3,334
Legal Fee	45,000	29,282	15,718
Auditing	12,500	12,500	-
Engineering Fee	30,000	185,283	(155,283)
USGS Monitoring	18,000	18,666	(666)
Laboratory Fee	38,000	29,818	8,182
Insurance	75,500	75,394	106
Membership Fees	82,500	80,983	1,517
Office Expenses	103,000	71,841	31,159
Repair & Replacement	1,091,096	34,902	1,056,194
Contingency	486,000	-	486,000
Total Operating Expenses	6,617,596	4,967,205	1,650,391
Total Operating Income	(279,689)	1,087,535	1,367,224
Nonoperating Revenues(Expenses) :			
Interest Income	100,000	487,872	387,872
Lease Income	35,700	35,700	-
Miscellaneous Income	20,000	27,323	7,323
Principal Paid on Loan	(208,195)	(80,573)	127,622
Interest Paid on Loan	(99,816)	(14,252)	85,564
Capital Outlay	(580,000)	-	580,000
Total Nonoperating Revenues(Expenses)	(732,311)	456,070	1,188,381
Change in funds Available, Non-GAAP Basis	(1,012,000)	1,543,605	2,555,605
Funds Available - Beginning of Year	8,821,789	8,101,202	(720,587)
Funds Available - End of Year	$ 7,809,790	$ 9,644,807	$ 1,835,017

Change in funds Available, Non-GAAP Basis	$ 1,543,605
Adjustments:	
Principal Paid on Loan	80,573
Loss on Retirement of Assets	(9,506)
Pension Expense	(139,519)
Depreciation	(2,147,909)
Total Adjustments	(2,216,361)
Change in Net Postion, GAAP Basis	$ (672,756)

See the independent auditors' report.

PLUM CREEK WATER RECLAMATION AUTHORITY

Schedule of Revenues, Expenditures and Changes in Funds Available

Budget and Actual - Budgetary (Non-GAAP) Basis

December 31, 2022

	Original and Final Budget	Actual	Variance
Operating Revenue :			
Service Charges	$ 5,700,246	$ 5,692,751	$ (7,495)
Total Operating Revenues	5,700,246	5,692,751	(7,495)
Operating Expenses:			
Personnel Services	2,076,000	1,801,120	274,880
Administrative Fee	5,000	3,500	1,500
Power & Heat	965,000	982,702	(17,702)
Biosolids Hauling	150,000	153,625	(3,625)
Telephone	45,000	30,686	14,314
Chemicals	720,000	529,358	190,642
Operating Supplies	176,000	169,447	6,553
Gas & Oil	43,000	30,694	12,306
Uniforms	17,000	17,725	(725)
Repair & Maintenance Supplies	-	26,486	(26,486)
Repair & Maintenance Services	137,000	133,663	3,337
Permits & Fees	35,000	33,613	1,387
Legal Fee	30,000	32,070	(2,070)
Auditing	11,500	11,200	300
Engineering Fee	44,000	53,710	(9,710)
USGS Monitoring	17,500	17,746	(246)
Laboratory Fee	38,500	32,898	5,602
Insurance	74,000	67,336	6,664
Membership Fees	74,000	77,553	(3,553)
Office Expenses	88,500	64,943	23,557
Household Hazardous Waste Roundup	33,000	-	33,000
Repair & Replacement	566,672	130,726	435,946
Contingency	20,000	546	19,454
Total Operating Expenses	5,366,672	4,401,347	965,325
Total Operating Income	333,574	1,291,404	957,830
Nonoperating Revenues(Expenses) :			
Interest Income	6,000	138,031	132,031
Lease Income	35,700	35,700	-
Miscellaneous Income	20,000	24,608	4,608
Principal Paid on Loan	(217,458)	(289,818)	(72,360)
Interest Paid on Loan	(99,816)	(27,313)	72,503
Capital Outlay	(75,000)	-	75,000
Total Nonoperating Revenues(Expenses)	(330,574)	(118,792)	211,782
Change in Funds Available, Non-GAAP Basis	3,000	1,172,612	1,169,612
Funds Available - Beginning of Year	8,818,790	7,705,363	(1,113,427)
Funds Available - End of Year	$ 8,821,789	$ 8,877,975	$ 56,186

Change in Funds Available, Non-GAAP Basis	$ 1,172,612
Adjustments:	
Principal Paid on Loan	289,818
Bond Premium Amortization	16,163
Contributed Capital	210,000
Loss on Retirement of Assets	(786)
Pension Income	309,350
Depreciation	(2,161,346)
Total Adjustments	(1,336,801)
Change in Net Position, GAAP Basis	$ (164,189)

See the independent auditors' report.

STATISTICAL SECTION

PLUM CREEK WATER RECLAMATION AUTHORITY
STATISTICAL SECTION
TABLE OF CONTENTS

This section of the Plum Creek Water Reclamation Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the Authority's overall financial health.

FINANCIAL TRENDS

Schedules containing trend information to help the reader understand how the Authority's financial performance and fiscal health have changed over time:

REVENUE CAPACITY

Schedules containing information to help the reader assess the Authority's most significant sources of revenue:

DEBT CAPACITY

Schedules containing information to help the reader assess the affordability of the Authority's current level of debt and the Authority's ability to issue debt in the future:

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedules offering demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

OPERATING INFORMATION

Schedule containing information regarding the operating statistics of the wastewater treatment facility:

PLUM CREEK WATER RECLAMATION AUTHORITY

Net Position by Component

Last Ten Years

Business-Type Activities

Unaudited

Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	Business-Type Activities Net Position
2014	$ 18,940,109	836,500	5,491,100	$ 25,267,709
2015	$ 19,760,534	851,000	5,794,002	$ 26,405,536
2016	$ 21,177,159	834,875	6,264,561	$ 28,276,595
2017	$ 24,068,019	854,775	3,500,763	$ 28,423,557
2018	$ 25,287,699	869,025	3,551,141	$ 29,707,865
2019	$ 25,788,496	909,522	5,150,476	$ 31,848,494
2020	$ 26,161,691	935,375	6,293,352	$ 33,390,418
2021	$ 43,542,075	994,625	6,427,907	$ 50,964,607
2022	$ 42,240,416	1,200,000	7,360,002	$ 50,800,418
2023	$ 40,827,358	1,250,000	8,050,304	$ 50,127,662

PLUM CREEK WATER RECLAMATION AUTHORITY

Changes in Net Position

(Accrual Basis of Accounting)

Last Ten Years

Unaudited

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Income/(Loss) before Capital Contributions	Capital Contributions	Change in Net Position
2014	$ 5,955,212	4,391,425	1,563,787	(596,812)	966,975	-	$ 966,975
2015	$ 5,978,893	4,343,318	1,635,575	(497,748)	1,137,827	-	$ 1,137,827
2016	$ 6,331,449	4,058,040	2,273,409	(402,350)	1,871,059	-	$ 1,871,059
2017	$ 6,534,801	6,261,049	273,752 (1)	(126,790)	(61,617)	208,579	$ 146,962
2018	$ 6,525,479	5,063,790	1,461,689	(177,381)	1,284,308	-	$ 1,284,308
2019	$ 6,578,342	4,332,098	2,246,244	(105,615)	2,140,629	-	$ 2,140,629
2020	$ 6,708,779	4,925,576	1,783,203	(241,279)	1,541,924	-	$ 1,541,924
2021	$ 6,263,843	5,759,911	503,932 (2)	17,070,257	451,244	17,122,945	$ 17,574,189
2022	$ 5,692,751	6,253,343	(560,592) (3)	396,403	(374,189)	210,000	$ (164,189)
2023	$ 6,054,740	7,254,633	(1,199,893) (4)	527,137	(672,756)	-	$ (672,756)

(1) PERA pension liability was realized for the first year in 2017 impacting the Operating Income. Additionally, the Castle Pines North flume project (Lagae Ranch) was completed in 2017 and the value of the flume was contributed via an IGA executed on May 21, 2014 by and between PCWRA and Castle Pines North Metropolitan District.

(2) The 3.0 Capacity Expansion project was put into service during 2021 and equipment was contributed from the members to PCWRA through the 3.0 Capacity Expansion Agreement dated December 18, 2018.

(3) Economic conditions in 2022 presented challenges with inflation and supply chain issues impacting Operating Expenses.

(4) The PERA actuarial analysis changed from income to expense in 2023 & planned large projects contributed to a large negative Operating Income.

PLUM CREEK WATER RECLAMATION AUTHORITY

Operating Revenue by Source - Budgetary Basis

Last Ten Years

Unaudited

YEAR	Sewer Fee	Reuse Water Sales	Total
2014	$ 5,779,077	340,607	$ 6,119,684
2015	$ 5,745,883	269,787	$ 6,015,670
2016	$ 5,701,301	244,389	$ 5,945,690
2017	$ 5,906,152	250,549	$ 6,156,701
2018	$ 5,840,504	245,359	$ 6,085,863
2019	$ 5,965,089	265,342	$ 6,230,431
2020	$ 6,020,435	277,423	$ 6,297,858
2021	$ 6,108,860	192,436	$ 6,301,296
2022	$ 5,499,320	200,926	$ 5,700,246
2023	$ 5,846,841 (1)	491,066	$ 6,337,907

(1) 2023 began requiring reuse customers to contribute a flat annual fee into a capital reserves fund. Also budgeted for a reservoir project loan which did not occur.

PLUM CREEK WATER RECLAMATION AUTHORITY

Operating Expenses

Last Ten Years

Unaudited

Fiscal Year	Personnel & Administrative	Power and Heat	Biosolids Hauling	Chemicals	Operating Supplies	Household Hazardous Waste Round Up Expenses	Repairs and Maintenance	Capital Replacement Expensed	Administrative Costs		PERA Pension Expense (Income)	Subtotal, Expenses before Depreciation	Depreciation	Total Operating Expenses
2014	$ 1,296,714	595,435	209,730	133,927	133,341	33,000	124,406	-	557,827		-	3,084,380	1,340,045	$ 4,424,425
2015	$ 1,225,086	603,660	198,104	133,371	144,633	33,000	146,266	-	502,262		-	2,986,382	1,356,936	$ 4,343,318
2016	$ 1,200,224	589,946	217,880	135,813	154,673	33,000	124,191	-	355,598		-	2,811,325	1,246,715	$ 4,058,040
2017	$ 1,334,690	567,235	217,080	152,046	138,509	34,878	74,310	31,764	469,842	(1)	1,965,471	4,985,824	1,275,224	$ 6,261,048
2018	$ 1,422,370	600,969	269,204	139,706	144,104	33,000	180,683	-	414,276		326,388	3,530,700	1,533,090	$ 5,063,790
2019	$ 1,362,498	559,717	270,974	188,058	108,631	33,000	155,801	-	353,444		(50,423)	2,981,700	1,350,398	$ 4,332,098
2020	$ 1,457,134	599,519	287,742	170,188	89,490	33,000	109,587	251,942	379,548		30,697	3,408,847	1,516,729	$ 4,925,576
2021	$ 1,513,661	891,823	132,098	452,795	76,883	-	115,131	107,366	402,726	(2)	6,018	3,698,501	2,061,410	$ 5,759,911
2022	$ 1,804,620	982,702	153,625	529,358	169,447	-	160,149	130,726	470,720	(3)	(309,350)	4,091,997	2,161,346	$ 6,253,343
2023	$ 1,926,231	949,768	168,291	554,638	221,102	-	500,888	34,902	611,385	(4)	139,519	5,106,724	2,147,909	$ 7,254,633

(1) Beginning with the 2020 audit, PERA Pension Expense was added as a separate column for better comparison of administrative costs. Transfer of pension expense from Castle Pines Metropolitan District occurred in 2017.

(2) Startup of the 3.0 Capacity Expansion project and changes to the process. Electricity and Chemical costs increased and Biosolids Hauling decreased. Depreciation expenses increased due to putting a equipment in service early in the year at a large value and depreciating that value over the year.

(3) Due to inflation and supply chain issues in 2022, Personnel/Administrative; Power/Heat; Operating Supplies; and Chemicals costs were all impacted by increases. Depreciation will remain high while the 3.0 Expansion equipment depreciates over time.

(4) A new maintenance department was developed in 2023 resulting in focus on planned repairs. PERA actuarial calculation reversed the 2022 income to an expense in 2023.

PLUM CREEK WATER RECLAMATION AUTHORITY
Nonoperating Revenue and Expenses
Last Ten Years
Unaudited

YEAR		Interest and Fiscal Charges	Interest Income	Miscellaneous Income	Bond Premium	Lease Income	Gain (Loss) on Disposal of Capital Assets	Contribution	Total Non Operating (Expenses)Revenue
2014		(678,416)	24,015	37,156	38,583	14,850	-	-	(563,812)
2015		(618,187)	32,695	30,765	38,583	18,000	396	-	(497,748)
2016	(1)	(554,945)	53,640	25,392	38,583	33,000	1,980	-	(402,350)
2017	(2)	(477,264)	61,083	33,479	38,583	33,000	(24,250)	208,579	(126,790)
2018		(408,518)	108,899	33,542	38,583	33,000	17,113	-	(177,381)
2019		(330,389)	141,720	71,576	38,583	33,000	(60,105)	-	(105,615)
2020		(180,306)	49,059	40,286	38,583	33,029	(221,930)	-	(241,279)
2021	(3)	(89,184)	2,305	29,566	38,583	35,700	(69,658)	17,122,945	17,070,257
2022	(4)	(27,313)	138,031	24,608	16,163	35,700	(786)	210,000	396,403
2023	(5)	(14,252)	487,872	27,323	-	35,700	(9,506)	-	527,137

(1) Veris Environmental began paying a farm lease on Pankake Ranch.

(2) The Castle Pines North flume project (Lagae Ranch) was completed in 2017. The value of the flume was contributed via an IGA executed on May 21, 2014 by and between PCWRA and Castle Pines North Metropolitan District.

(3) The 3.0 Capacity Expansion project was put into service during 2021 and equipment was contributed from the members to PCWRA through the 3.0 Capacity Expansion Agreement dated December 18, 2018.

(4) A new 900kw generator was donated from the 3.0 Expansion Project. Interest rates began to rise in 2022.

(5) Interest rates increasing resulted in a significant increase in interest income. The bond premium from the 2001 - 2005 expansion loans was fully amortized as of 2022.

PLUM CREEK WATER RECLAMATION AUTHORITY

Sewer and Reuse Rates

Last Ten Years

Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sewer Rates										
Town of Castle Rock	$ 4.17	$ 3.95	$ 3.71	$ 3.45	$ 3.43	$ 3.48	$ 3.49	$ 3.40	$ 2.87	$ 2.90
Castle Pines Metro District	2.46	2.64	2.49	2.38	2.42	2.68	2.70	2.71	3.09	3.26
Castle Pines North Metro District	3.08	3.29	3.08	2.84	3.02	3.25	3.20	3.14	2.95	3.05
Castleton Center	2.93	2.72	2.53	4.61	4.75	4.11	3.92	4.27	5.94	5.74
Silver Heights	2.79	2.74	2.61	2.83	2.53	2.61	2.76	2.66	2.71	2.72
Reuse Rates										
The International Golf Club	$ 1.54	$ 1.57	$ 1.88	$ 1.59	$ 1.82	$ 1.78	$ 1.38	$ 0.99	$ 1.05	$ 0.72 (2)
Country Club at Castle Pines	1.48	1.62	1.87	1.72	1.88	1.71	1.23	0.85	0.90	0.59
The Ridge Golf Club at CPN	1.48	1.63	1.88	1.71	1.86	1.72	1.28	0.87	0.92	0.59
Red Hawk Golf Club (1)						1.16	1.16	0.74	0.78	0.46

(1) Red Hawk Golf Club brought reuse online in 2019 and began receiving reuse water at the end of the year.

(2) 2023 began lower per thousand gallon rates with a flat capital contribution to ensure funds for maintenance and capital replacement for reuse customers in the future.

Note: sewer rates are per 1k gallon projected flows; reuse rates are per 1k gallon used

PLUM CREEK WATER RECLAMATION AUTHORITY

Ten Largest Customers (1)

Last Ten Years

Unaudited

	Town of Castle Rock		Balance from Other Members		Grand Total	
2014	$ 4,770,410	80%	1,184,802	20%	$ 5,955,212	100%
2015	$ 4,634,512	78%	1,344,381	22%	$ 5,978,893	100%
2016	$ 4,908,031	78%	1,423,418	22%	$ 6,331,449	100%
2017	$ 5,027,547	77%	1,507,254	23%	$ 6,534,801	100%
2018	$ 5,027,139	77%	1,498,340	23%	$ 6,525,479	100%
2019	$ 5,130,290	78%	1,448,052	22%	$ 6,578,342	100%
2020	$ 5,220,477	78%	1,488,302	22%	$ 6,708,779	100%
2021	$ 5,109,483	82%	1,154,360	18%	$ 6,263,843	100%
2022	$ 4,469,446	79%	1,223,305	21%	$ 5,692,751	100%
2023	$ 4,750,080	78%	1,304,660	22%	$ 6,054,740	100%

(1) The Authority has five total members. The Authority provides sewer & reuse treatment to it's members only.

PLUM CREEK WATER RECLAMATION AUTHORITY

Ratios of Outstanding Debt to Service Charges

Last Ten Years

Unaudited

Fiscal Year End December 31,	CWRPDA Loan 2001	CWRPDA Loan 2002	CWRPDA Loan 2005	Premium		Total	Service Charges	Percent Service Charges to Debt Service
2014	$ 11,160,000	1,620,000	970,000	286,244		$ 14,036,244	$ 5,955,212	42%
2015	$ 9,765,000	1,460,000	900,000	247,661		$ 12,372,661	$ 5,978,893	48%
2016	$ 8,315,000	1,295,000	830,000	209,078		$ 10,649,078	$ 6,331,449	59%
2017	$ 6,805,000	1,125,000	755,000	170,495		$ 8,855,495	$ 6,534,801	74%
2018	$ 5,235,000	942,862	663,391	131,912		$ 6,973,165	$ 6,525,479	94%
2019	$ 3,605,000	767,862	588,391	93,330	(1)	$ 5,054,581	$ 6,578,342	130%
2020	$ 1,870,000	588,309	508,391	54,746		$ 3,021,446	$ 6,708,779	222%
2021	$ -	403,836	428,391	16,163		$ 848,390	$ 6,263,843	738%
2022	$ -	206,675	344,673	-		$ 551,348	$ 5,692,751	1033%
2023	$ -	-	261,530	-	(2)	$ 261,528	$ 6,054,740	2315%

(1) Letter from CWRPDA dated January 8,2020 with re-written schedule to reduce pricipal rather than interest beginning with first payment in 2020.
see Note III.C.

(2) As loans from 2001, 2002 and soon 2005 are paid off, service charges shift to fund capital repair and replacement requirements.

PLUM CREEK WATER RECLAMATION AUTHORITY

Pledged Revenue Debt Coverage

Last Ten Years

Unaudited

Fiscal Year		Gross Revenue	Operating Expenses[1]	Net Revenue Available for Debt Services	Debt Service Requirements Principal	Interest	Total	Coverage
2014		$ 6,144,972	3,051,380	3,093,592	1,560,000	753,572	$ 2,313,572	1.34
2015		$ 6,172,110	2,986,382	3,185,728	1,625,000	690,965	$ 2,315,965	1.38
2016		$ 6,558,328	2,811,325	3,747,003	1,685,000	629,229	$ 2,314,229	1.62
2017	(2)	$ 6,788,743	4,985,825	1,802,918	1,755,000	565,061	$ 2,320,061	0.78
2018		$ 6,829,358	3,530,700	3,298,658	1,815,000	498,373	$ 2,313,373	1.43
2019		$ 6,945,605	2,981,700	3,963,905	1,908,747	412,773	$ 2,321,520	1.71
2020		$ 6,978,231	3,408,847	3,569,384	1,994,553	288,801	$ 2,283,354	1.56
2021		$ 6,422,179	3,698,501	2,723,678	2,134,473	141,366	$ 2,275,839	1.20
2022	(3)	$ 5,921,440	4,091,997	1,829,443	280,879	41,500	$ 322,379	5.67
2023		$ 6,615,925	5,106,724	1,509,201	289,818	24,542	$ 314,360	4.80

(1) Total operating expenses exclusive of depreciation and capital outlay.

(2) Net revenue available for debt services decreased in 2017 due to full recognition of PERA pension liability.

(3) The Authority's largest loan was paid off in 2021 leaving two smaller loans in debt service.

PLUM CREEK WATER RECLAMATION AUTHORITY

Demographic and Economic Indicators

Last Ten Years (where available)

Undaudited

	Median Household Income				Per Capita Income			
	Douglas County*	Town of Castle Rock**	Castle Pines Village**(1)	City of Castle Pines**(1)	Douglas County*	Town of Castle Rock**	Castle Pines Village**(1)	City of Castle Pines**(1)
2000(2)	$ 82,929	$ 64,138	$ 138,035	$ -	$ 34,848	$ 26,760	$ 70,456	$ -
2013	103,226	86,563	203,976	137,426	44,704	35,779	80,215	57,040
2014	103,226	86,563	203,976	137,426	44,704	35,779	80,215	57,040
2015	107,650	88,294	216,384	130,609	45,500	37,800	106,285	59,110
2016	109,292	93,153	221,071	140,764	49,724	38,610	100,389	62,070
2017	111,482	101,122	221,250	157,550	49,790	40,236	101,115	61,798
2018	119,615	104,642	228,800	156,144	53,900	42,611	107,134	64,580
2019	127,476	109,700	236,016	163,819	55,579	44,250	114,448	66,140
2020	121,492	113,585	225,278	178,036	53,836	44,419	102,342	64,910
2021	129,299	121,388	179,882	186,976	59,027	49,138	108,989	72,139
2022	140,003	135,985	250,000	189,280	65,814	55,031	132,948	76,842

Source: U.S. Census Bureau, American Community Survey

(1) Castle Pines Village and City of Castle Pines (North) were a combined number in 2000

(2) 2000 Census data for reference - Douglas County began keeping their own Income statistics in 2005

**rolling 5 year estimates. Source: U.S. Census Bureau, American Community Survey

Population Estimates

	Town of Castle Rock & Silver Heights	Castle Pines Village & North	Total Area
2013	58,000	15,245	73,245
2014	60,145	15,340	75,485
2015	62,700	15,375	78,075
2016	65,015	15,440	80,455
2017	69,300	15,940	85,240
2018	73,070	16,440	89,510
2019	75,563	17,485	93,048
2020	79,705	20,313	100,018
2021	81,697	20,820	102,517
2023	83,413	21,257	104,670

Source: Douglas County Community Planning and Sustainable Development

Census Population

	Town of Castle Rock	Castle Pines Village	City of Castle Pines	Total Area
2010	48,231	3,614	10,360	62,205
2020	65,176	4,558	11,036	80,770

Percent difference in population with 2020 Census: 30%

Source: U.S. Census Bureau

Note: The Authority serves the Town of Castle Rock, Castle Pines Village, Castle Pines North & Silver Heights, therefore the Douglas County information covers a much broader area than that which is served by the Authority but is the only information available.

PLUM CREEK WATER RECLAMATION AUTHORITY

Principal Employers in the Authority's Service Area

Ten Year Period

Unaudited

Top Ten Employers in the Authority's Service Area	2023 Approx. # of employees	2023 Rank	2023 %Total Employment	2022 Approx. # of employees	2022 Rank	2022 %Total Employment
Douglas County School District	2062	1	26	1517	1	6.56
Douglas County Government	1435	2	5	1337	2	5.55
Town of Castle Rock Government	946	3	3.3	999	3	3.55
Wal-Mart	382	6	1.3	366	6	1.27
King Soopers (3 stores)	509	4	1.8	516	5	2.45
Brookside Inn (nursing home)	147			107		
Douglas Cty Library (CR & CPN)	302	8	1.1			
Home Depot	193			204		
Castle Pines Golf Club	261	10	0.9	255	9	1
Hudick Excavating Inc.	477	5	1.7	571	4	2.5
Kraemer North America LLC	317	7	1.1	265	8	1
Castle Rock Adventist Hospital				280	7	1.21
Rocky Mountain Excavating	266	9	0.9	225	10	1

Douglas County Unemployment Rates	
2013	5.3%
2014	4.0%
2015	3.1%
2016	2.6%
2017	2.3%
2018	2.9%
2019	2.4%
2020	2.4%
2021	5.0%
2022	2.9%
2023	2.3%
2024	3.4%

Top Ten Employers in the Authority's Service Area	2021 Approx. # of employees	2021 Rank	2021 %Total Employment	2020 Approx. # of employees	2020 Rank	2020 %Total Employment	2019 Approx. # of	2019 Rank	2019 %Total
Douglas County School District	1500	1	6.21	1482	1	6	1525	1	7
Douglas County Government	1343	2	5.56	1326	2	6	1290	2	6
Town of Castle Rock Government	955	3	3.32	793	3	3	825	3	4
Wal-Mart	375	6	1.4	333	7	1	295	6	1
King Soopers (3 stores)	545	5	2.36	563	4	2	570	5	2
Brookside Inn (nursing home)	123						165	8	1
Home Depot	238						163	9	1
Castle Pines Golf Club	266	10	0.97	232	10	1			
Hudick Excavating Inc.	553	4	2.1	501	5	2	580	4	2
Kraemer North America LLC	283	9	1.13	269	9	1			
Castle Rock Adventist Hospital	278	8	1.18	281	8	1	280	7	1
Sam's Club	143						160	10	1
Rocky Mountain Excavating	336	7	1.39	361	6	2			

Top Ten Employers in the Authority's Service Area	2018 Approx. # of employees	2018 Rank	2018 %Total Employment	2017 Approx. # of employees	2017 Rank	2017 %Total Employment	2016 Approx. # of	2016 Rank	2016 %Total
Douglas County School District	1550	1	7	1550	1	8	1555	1	8
Douglas County Government	1260	2	6	1235	2	6	1195	2	6
Town of Castle Rock Government	785	3	4	755	3	4	720	3	3
Wal-Mart	280	7	1	300	6	1	300	5	1
King Soopers (3 stores)	520	4	2	470	4	2	420	4	2
Brookside Inn (nursing home)							160	9	1
Douglas Cty Library (CR & CPN)							150	10	1
Home Depot	175	9	1	160	10	1			
TPM Staffing Services	190	8	1	225	8	1	230	8	1
Hudick Excavating Inc.	390	5	2	240	7	1	245	7	1
Kraemer North America LLC							145	9	1
Castle Rock Adventist Hospital	290	6	1	295	5	1	285	6	1
Sam's Club	160	10	1	180	9	1			
Rocky Mountain Excavating									

Top Ten Employers in the Authority's Service Area	2015 Approx. # of employees	2015 Rank	2015 %Total Employment	2014 Approx. # of employees	2014 Rank	2014 %Total Employment
Douglas County School District	1520	1	8	1470	1	8
Douglas County Government	1150	2	6	1100	2	6
Town of Castle Rock Government	670	3	3	600	3	3
Wal-Mart	290	5	1	300	5	2
King Soopers (3 stores)	420	4	2	400	4	2
Brookside Inn (nursing home)	160	8	1	155	7	1
Douglas Cty Library (CR & CPN)				150	8	1
Home Depot	145	10	1	145	9	1
TPM Staffing Services	260	6	1	240	6	1
Hudick Excavating Inc.	175	7	1	145	10	1
Kraemer North America LLC	145	9	1			

Source: Douglas County Community Planning and Sustainable Development

PLUM CREEK WATER RECLAMATION AUTHORITY
Operating and Capital Indicators
Last Ten Years
Unaudited

Wastewater Treatment	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Miles of Sewers	0	0	0	0	0	0	0	0	0	0
Number of Treatment Plants	1	1	1	1	1	1	1	1	1	1
Number of Service Connections (Wholesale)	5	5	5	5	5	5	5	5	5	5
Treatment Capacity (MGD)	6.44	6.44	6.44	6.44	6.44	6.44	6.44	6.44	6.44	6.44
Annual Engineering Maximum Plant Capacity (MG)	2351	2351	2351	2351	2351	2351	2351	2351 (1)	2351	2351
Amount Treated Annually (MG)	1540	1700	1708	1669	1678	1754	1827	1907	1918	2104
Unused Permitted Capacity (MG)	811	651	648	682	673	597	524	444	433	247
Percentage of Permitted Hydraulic Capacity Utilized	66%	72%	72%	71%	71%	75%	78%	81%	82%	90%
Treatment Costs per Million Gallons	$ 1,981	$ 1,757	$ 1,651	$ 2,968	$ 2,104	$ 1,700	$ 1,728	$ 1,883	$ 2,065	$ 2,344

(Operating Expenses less capital replacement, depreciation, PERA income/expense and debt service)

Note: PCWRA service does not include collections therefore, there are zero miles of sewers to report.

Sources: PCWRA Operation Flow Data
CDPHE Permit # CO0038547

(1) The Authority completed an expansion project for an additional 3 MGD in 2021 however, CDPHE has not permitted the facility to the new capacity of 9.44MGD.