

METRO WASTEWATER RECLAMATION DISTRICT

STATE OF COLORADO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Years Ended December 31, 2020 and 2019

Cover photograph: METROGRO Farm Harvest July 2019.



STATE OF COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

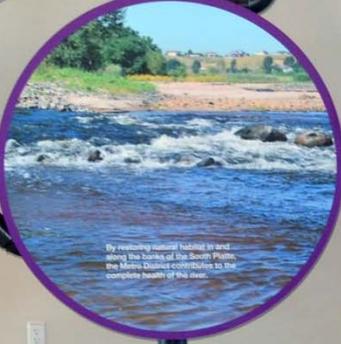
FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019

PREPARED BY:

DEPARTMENT OF ADMINISTRATIVE SERVICES

Stewards of the River

Taking care of the South Platte River since 1966



When people use water, most of it goes down the drain in Denver, Brighton, and other nearby cities. That reveals millions of gallons of water every day. The Metro District treats and disinfects this "wastewater" before it re-enters the South Platte River—protecting the river and ensuring safe, healthy water downstream.

METRO WASTEWATER RECLAMATION DISTRICT

The river corridor provides countless opportunities for recreation and enjoyment.

Clean river water supports the fish and trout populations that other animals hunt—the majestic great blue heron.

By restoring natural habitat to and along the banks of the South Platte, the Metro District contributes to the complete health of the river.

The Metro District works around the clock to help keep your South Platte River clean.

Colorado's productive agricultural lands depend on plentiful, clean water.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Table of Contents

	Page
Table of Contents	i
 I. INTRODUCTORY SECTION	
Letter of Transmittal	1
GFOA Certificate of Achievement	7
District Officials	8
Organization Chart.....	9
 II. FINANCIAL SECTION	
Independent Auditors' Report.....	11
Management's Discussion and Analysis (Unaudited)	13
Basic Financial Statements	
Statements of Net Position.....	20
Statements of Revenue, Expenses, and Changes in Net Position	22
Statements of Cash Flows.....	23
Statements of Fiduciary Net Position	24
Statements of Changes in Fiduciary Net Position.....	25
Notes to Basic Financial Statements.....	26
 Required Supplementary Information	
Schedule of Changes in Net Pension Liability and Related Ratios	65
Schedule of Employer Contributions.....	66
Schedule of Changes in Total OPEB Liability and Related Ratios	67

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Table of Contents
Continued

	Page
Supplementary Information	
Supplementary Information – Schedule of Revenue and Expenses – Budget and Actual – Year ended December 31, 2020.....	69
Supplementary Information – Schedule of Operating Expenses – Budget and Actual – Year ended December 31, 2020.....	70
Combining Statement of Net Position – Fiduciary Funds December 31, 2020 and December 31, 2019.....	73
Combining Statement of Changes in Net Position – Fiduciary Funds December 31, 2020 and December 31, 2019.....	74
 III. STATISTICAL SECTION	
Statistical Section Index.....	77
Net Position by Component (Last Ten Fiscal Years)	78
Changes in Net Position (Last Ten Fiscal Years)	79
Annual Revenues by Source (Last Ten Fiscal Years).....	80
Annual Expenses by Type (Last Ten Fiscal Years).....	81
Non-operating Revenues and Expenses (Last Ten Fiscal Years)	82
Wastewater Treated (Last Ten Fiscal Years).....	83
Annual Sewer Connections (Last Ten Fiscal Years)	84
Number of Sewer Customers by Type (Last Ten Fiscal Years)	85
Ten Largest Customers (Current Year and Nine Years Ago).....	86
Pledged Revenue Coverage (Last Ten Fiscal Years).....	87
Ratios of Outstanding Debt (Last Ten Fiscal Years)	88
Demographic and Economic Statistics (Last Ten Calendar Years).....	89
Ten Largest Employers (Current Year and Nine Years Ago).....	90
Number of Employees by Activity (Last Ten Fiscal Years).....	91
Operating Indicators by Function/Program (Last Ten Fiscal Years).....	92

I. INTRODUCTORY SECTION

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019



William J. (Mickey) Conway, District Manager

March 31, 2021

To the Board of Directors and Citizens of
the Metro Wastewater Reclamation District:

The Comprehensive Annual Financial Report (Annual Report) of the Metro Wastewater Reclamation District (Metro District or District) for the fiscal years ended December 31, 2020 and 2019 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with District Management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District's two reporting funds--the Enterprise Fund and the Fiduciary Fund. All disclosures necessary to allow the reader to gain an understanding of the District's financial activities have been included. Management's Discussion and Analysis in the Financial Section provides an overview and analysis of the financial activities for the years ended December 31, 2020 and 2019.

The Metro District has included, in the accompanying financial statements, all funds controlled by the District's Board of Directors in conformance with the Governmental Accounting Standards Board standards. Control is determined on the basis of budget adoption, appropriating authority, and managerial direction by the District's Board. The reporting entity and fund types are described in detail in note 1 to the financial statements. The District itself is an Enterprise Fund for accounting purposes, although its budget and account records are segregated into several different activity funds per mandates in bond covenant requirements. The Fiduciary Fund, which reports the Defined Benefit Retirement Plan and a variety of Defined Contribution Retirement Plans is included in the Comprehensive Annual Financial Report as members of the Defined Benefit Plan Retirement Board and the Defined Contribution Plan Retirement Board are appointed by the District's Board.

The Metro District, a political entity authorized by the State of Colorado, was organized on May 15, 1961 for the purpose of constructing and operating a wastewater transmission and disposal system in the greater Denver metropolitan area. The District's original 20 municipal and special district members (Member Municipalities) collect wastewater and deliver it to the District's interceptor lines. An additional 26 municipalities and special districts (Special Connectors) which collect and deliver wastewater to the District's interceptor system have been added since the District's inception. The District treats an average of 137 million gallons per day (mgd) of wastewater for the Member Municipalities and Special Connectors at its Robert W. Hite Treatment Facility and the Northern Treatment Plant (NTP). The NTP, located in Brighton, Colorado, began treating wastewater in October 2016. Most of the District's biosolids are land applied as a soil amendment on more than 300 permitted sites, including the District's 52,000 acre METROGRO Farm.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

The Metro District's service area totals approximately 715 square miles, located in all or part of six counties: Adams, Arapahoe, Denver, Douglas, Jefferson, and Weld. In 2019, the six-county area had an estimated total population of 3.3 million of which the District estimates it serves an approximate population of two million.

ECONOMIC CONDITION AND OUTLOOK

The Metro District is located in the largest metropolitan area in the State of Colorado. Metropolitan Denver (Metro Denver) is composed of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties. The economic region has experienced significant population and economic growth in the past ten plus years. Economic indicators for 2020 expected Metro Denver to continue with positive growth, if not somewhat slower than in past years; however, with the declaration of the COVID-19 national pandemic emergency in March 2020, future economic conditions were expected to significantly decline during the remaining year.

In response to the pandemic, governments across the country, including in Colorado, required residents to stay at home, which resulted in the closing of all non-essential businesses, termination from jobs for millions of workers in the U.S., and significantly reducing, and in some cases completely eliminating, business revenues. In addition, the stock market indexes initially incurred significant losses as investors move to the safety of cash. Since the initial onset of the pandemic, economic conditions have fluctuated widely, with businesses being allowed to re-open at various levels, unemployment moving to lower levels as businesses reopen, and the stock market indexes recovered and on the rise over pre-pandemic levels near the end of the calendar year. Some of the rise in the stock market indexes at year end was related to approval of two vaccines, which began distribution across the country in late December. A third vaccine was approved in late February 2021. Wide distribution of vaccines will be a driving force to re-opening businesses to pre-pandemic levels without restrictions.

For the Metro District, operations continue as an essential service to protect the health of the people and the environment, though work schedules have been adjusted and work from home protocols have been implemented.

Metro District staff quickly reacted to this unprecedented event by reviewing and updating operating expenses and revenue projections for 2020 and 2021. This included updating a variety of assumptions for the District's Cash Flow Schedule. As a result, the 2021 Budget was reduced by over \$4 million from its original draft in March 2020, proposed Annual Charges for Services were held to a zero percent increase in 2021, projected Sewer Connection Charge revenue was reduced by \$58 million from 2020 to 2022, and the District incorporated the use of fund balance reserves to make up for revenue loss, some of which will be replaced over time. While these measures are significant, the District will continue to operate efficiently and meet the goals of the Metro 6.0.

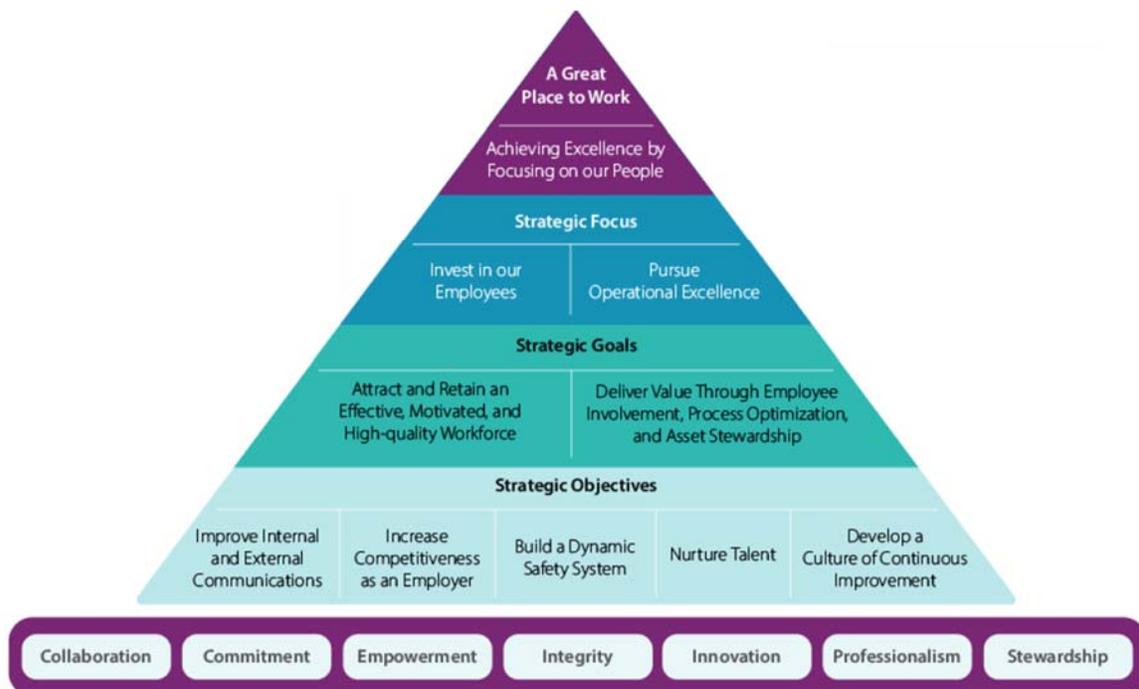
The full extent of the economic toll of the pandemic cannot yet be calculated; 2020 did prove to be a year of opposites. While unemployment and business closures were high, growth in the Denver metro area residential construction continued at the same pace in 2020 as it did in 2019. Therefore, the Sewer Connection Charges revenues received were more than twice the projections (projected \$23 million; \$52 million received). This is due in part to Colorado being a desirable relocation place and in part to historically low interest rates. For the upcoming budget years, the District will remain conservative for Sewer Connection Charges projections in the near term.

MAJOR INITIATIVES

Strategic Planning and Metro 6.0

The Metro District adopted a strategic plan in August 2016. The District's adoption process involved shared plan development responsibilities among the Board and District staff, additional input from a large group of internal and external stakeholders, and in-depth involvement of more than 80 employees. The strategic planning process was designed to establish a shared vision of the District's goals and a common understanding of the resource needs, commitments, working environment, and principles upon which strategies will be based. The process also promoted acceptance of the Strategic Plan for achieving the District's goals and the formal integration of strategic planning direction and implementation into the District's day-to-day operating activities.

Since the adoption of the Strategic Plan, the Metro District has been engaged in developing and implementing strategies with stakeholders. Specifically, this has led to the formation of the Metro 6.0 Strategic Focus. This initiative identified two of the Strategic Plan goals on which the District will focus in the near term.



Metro 6.0 focuses on two key strategies: invest in our employees and pursue operational excellence. Key tactics included in the 2021 Operating Budget include the following:

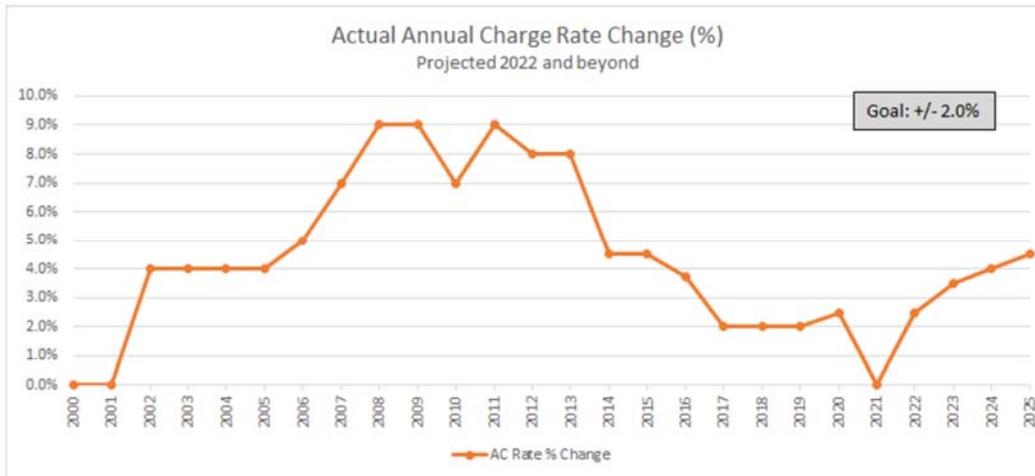
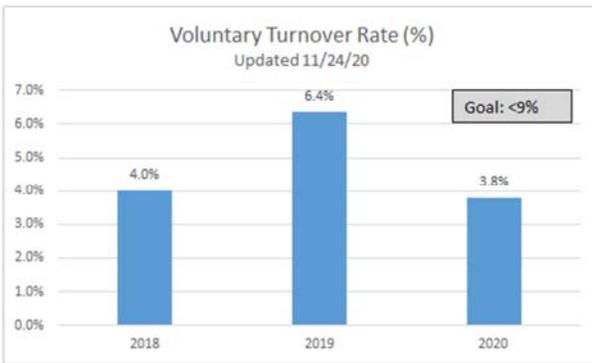
1. Development of strategic employment branding
2. Development and implementation of key safety and health programs
3. Development of leadership at all levels
4. Entrenchment of phase gate framework into the District's planning process
5. Development of all asset management program governance documents
6. Enhancement of data-driven decision making

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

These key tactics, as well as others identified in Metro 6.0, had a significant influence during the creation of the 2021 Operating Budget.

Strategic Organization Metrics for 2021

The Metro District has identified three primary metrics to evaluate the success of the District's efforts to achieve its mission. The metrics are intended to be at an organizational level with the purpose of being used to guide decision making. Primary metrics help the District understand how well its achieving its mission. Primary metrics will be complemented by secondary metrics. Secondary metrics will provide a more detailed understanding of situational root cause opportunities. The primary metrics the District will be tracking are voluntary turnover rate, annual charge rate change, and annual headcount change. These three metrics were chosen based on a best practice evaluation and analysis of alignment to the Strategic Plan goals and objectives.



FINANCIAL INFORMATION

Internal Control

Metro District management is responsible for establishing and maintaining internal controls to ensure District assets are protected from loss, theft, or misuse, and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal controls are designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Budgeting Controls

The Metro District maintains strict budgetary controls to ensure compliance with legal provisions embodied in the various bond covenants and in the annual budget approved by the District's Board of Directors. Activities of the Operations and Maintenance Fund, as defined in bond covenants, are appropriated in the annual budget. Capital projects are appropriated individually from the Fixed Asset Replacement Fund, Acquisition and Construction Fund, or the General Fund, depending on the nature of the project. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the fund total with a specific allocation for capital outlay for the Operations and Maintenance Fund. The individual project appropriation is the legal level of control for expenses incurred by the Fixed Asset Replacement Fund, Acquisition and Construction Fund, and the General Fund. All activities of the District, other than the Fiduciary Fund activities, are reported in the Enterprise Fund in the enclosed financial statements in accordance with accounting principles generally accepted in the United States. Supplementary schedules display the budgetary comparison for 2020 as well as reconciliation between the budgetary format and that required by these generally accepted accounting principles. Management's Discussion and Analysis in the Financial Section provides an overview and analysis of the financial activities of the District for the years ended December 31, 2020 and 2019.

CAPITAL FINANCING POLICY

Prior to 1991, the Metro District typically issued bonds to finance its capital needs. In 1991, in an effort to reduce or defer long-term debt, the District began progressively cash-financing capital projects. From 2002 until late 2009, all capital projects were financed with revenue from operations, primarily from Annual Charges for Service, Sewer Connection Charge fees, and existing reserves. When the Board of Directors made the change to cash financing, the Board acknowledged that during future periods when capital needs were high, the District would use bond financing again. The District issued 2009A&B Bonds in the amount of \$250 million and in 2012 issued \$380 million in bonds. The 2009 and 2012 bond issues provided the District with an additional funding source for financing its NTP Program and South Secondary Improvements Project, which helped mitigate the need for higher annual rate increases to its Member Municipalities and Special Connectors.

The Metro District completed a tax-exempt bond issue in October 2020 to fund the construction of the Second Creek Interceptor project which is expected to be completed in 2024. The District issued \$146 million tax-exempt bonds at an all-in true interest cost of 2.34% with a repayment period of 25 years.

The Metro District is currently planning to expend approximately \$850 million through 2031 to rebuild aging facilities, pay for needed improvements due to increased regulations, and build additional infrastructure to address growth throughout its service area. The District anticipates cash financing the rest of these improvements.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

INDEPENDENT AUDIT

The Metro District's Bylaws require an annual audit of the books of account, financial records, and transactions to be conducted by independent certified public accountants selected by the Board of Directors. The opinion of the District's auditor, Moss Adams LLP, on the financial statements and on additional information is included in this report.

AWARDS

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Metro District for its Comprehensive Annual Financial Report for the year ended December 31, 2019. Certificates of Achievement were also awarded by the GFOA for the previous 32 District Comprehensive Annual Financial Reports (1987–2018).

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

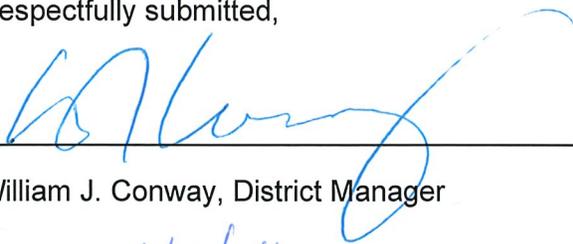
A Certificate of Achievement is valid for a period of one year. Metro District staff believes its current report continues to conform to the Certificate of Achievement program requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the Accounting Division. Each member of the Division extends their sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Board of Directors, preparation of this report would not have been possible.

Respectfully submitted,



William J. Conway, District Manager



Molly Kostelecky, Director of Administrative Services



Paul Parodi, Accounting Officer

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Metro Wastewater Reclamation District
Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

DISTRICT OFFICIALS

BOARD OF DIRECTORS

Officers of the Board

Scott Twombly : Chairman
Andrew Johnston : Chairman Pro Tem
Stephen Gay : Treasurer
Nadine Caldwell : Secretary

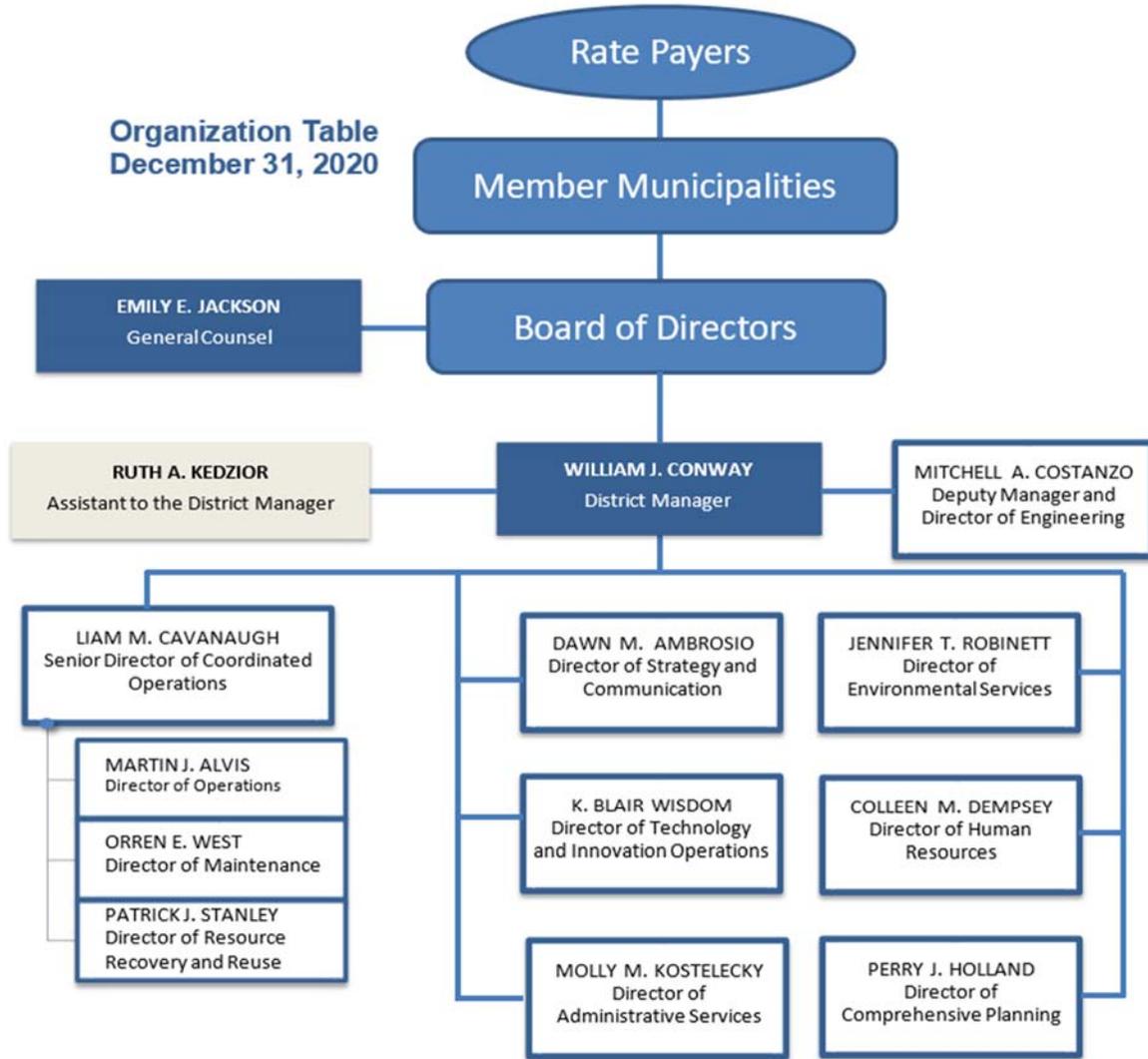
Members of the Board

Peter Baertlein	Craig Kocian	Ronald Sanchez
Philip Burgi	Laura Kroeger	Michael Sapp
John Chavez	Bob LeGare	Kim Schoen
David Councilman	Charles Long	Greg Sekera
Deborah Crisp	Martin Majors	Delbert Smith
John Dingess	Dan Mikesell	Peter Spanberger
Robert Duncanson	Sarah Niyork	Mary Beth Susman
Jo Ann Giddings	Christopher Pacheco	Amerigo Svaldi
Joan Iler	Steve Pott	Dennis Towndrow
Kathryn Jensen	Barbara Puls	Ronald Younger
Janet Kieler	Bill Ray	

Staff Officials

William J. Conway	: District Manager
Emily E. Jackson	: General Counsel
Mitchell A. Costanzo	: Deputy Manager and Director of Engineering
Liam M. Cavanaugh	: Senior Director of Coordinated Operations
Orren E. West	: Director of Maintenance
Martin J. Alvis	: Director of Operations
Patrick J. Stanley	: Director of Resource Recovery and Reuse
Molly M. Kostelecky	: Director of Administrative Services
Perry J. Holland	: Director of Comprehensive Planning
Jennifer T. Robinett	: Director of Environmental Services
Colleen M. Dempsey	: Director of Human Resources
Dawn M. Ambrosio	: Director of Strategy and Communication
K. Blair Wisdom	: Director of Technology and Innovation

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019



Employees by Department

Maintenance - RWHTF	72.00
Operations - RWHTF	35.00
Northern Treatment Plant	21.00
Resource Recovery and Reuse	66.00
Administrative Services	56.00
Comprehensive Planning	3.00
Engineering	44.75
Environmental Services	81.00
Human Resources	12.00
Office of the Manager	4.00
Office of the General Counsel	2.00
Strategy and Communication	8.00
Technology and Innovation	7.00
Total	411.75

II. FINANCIAL SECTION



Report of Independent Auditors

The Board of Directors
Metro Wastewater Reclamation District

Report on the Financial Statements

We have audited the accompanying financial statements of Metro Wastewater Reclamation District (the District), which comprise the District's statements of net position and fiduciary net position as of December 31, 2020, and related statements of revenue, expenses, and changes in net position, cash flows, and changes in fiduciary net position for the year ended December 31, 2020, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and fiduciary net position of Metro Wastewater Reclamation District as of December 31, 2020, and the respective changes in financial position, cash flows, and changes in fiduciary net position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Adjustments to Prior Period Financial Statements

The financial statements of the District as of and for the year ended December 31, 2019, before restatement, were audited by other auditors whose report thereon dated June 5, 2020, expressed an unmodified opinion. As discussed in Note 2(n) to the financial statements, the District has restated its 2019 financial statements to correctly report the categories of net position on the Statement of Net Position, in accordance with accounting principles generally accepted in the United States of America.

As part of our audit of the 2020 financial statements, we also audited adjustments described in Note 2(n) that were applied to restate the 2019 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2019 financial statements of the District other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2019 financial statements as a whole.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contributions and Schedule of Changes in Net OPEB Liability and Related Ratios 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Metro Wastewater Reclamation District's financial statements. The Schedules of Revenue and Expenses – Budget and Actual, Schedules of Operating Expenses – Budget and Actual, Combining Statement of Net Position – Fiduciary Funds and Combining Statement of Changes in Net Position – fiduciary funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The accompanying Introductory and Statistical sections have not been subjected to the auditing procedures applied in the audits of the financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Denver, Colorado
March 30, 2021

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Management's Discussion and Analysis

As management of the Metro Wastewater Reclamation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the years ended December 31, 2020 and 2019. This discussion and analysis is presented for the District's primary operations.

Financial Highlights

- The District's net position of \$992.1 million at December 31, 2020 increased over the course of 2020 by \$47.1 million or approximately 5.0%.
- Sewer connection fees increase \$0.7 million in 2020 from \$51.6 million to \$52.3 million due primarily to an increase in number of new sewer connections.
- Total operating revenue increased \$4.2 million in 2020 due primarily to a 2.5% increase in annual charges for service rates to connectors.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's financial statements are comprised of four components: 1) management's discussion and analysis, 2) the financial statements, 3) notes to the financial statements that explain in more detail some of the information in the financial statements, and 4) Required Supplementary Information and Other Schedules.

During fiscal year 2020, the District early implemented GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The District concluded that the 457 Plan does not meet the criteria of financial accountability, and therefore the 457 Plan should not be reported as fiduciary activities.

Required Financial Statements

The financial statements of the District report information using accounting methods similar to those used by private sector companies. These statements provide both long-term and short-term information about the District's overall financial status.

The statements of net position present information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the categories reported as net position. These statements provide information about the nature and the amounts of investments in resources and the obligations to the District's creditors. They provide one way to measure the financial health of the District by providing the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. One will also need to consider other nonfinancial factors, such as changes in economic conditions, population, and industrial/commercial customer growth, and new or changed government legislation.

Each year's revenue and expenses are accounted for in the statements of revenue, expenses, and changes in net position. These statements measure operations over the year and can be used to determine whether the District has recovered all of its costs through its user fees and other charges.

The final required financial statements are the statements of cash flows. These statements report cash receipts, cash payments, and net changes in cash resulting from operating, investing, capital financing, and noncapital financing activities. These statements provide answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Management's Discussion and Analysis

Financial Analysis of the District's Operations

As previously noted, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets plus deferred outflows of resources, exceeded liabilities plus deferred inflows of resources by \$992.1 million at December 31, 2020 and \$945.0 million at December 31, 2019.

Unrestricted non-capital assets totaled approximately \$294.6 million and \$333.1 million at year-end 2020 and 2019, respectively. These balances primarily represent unrestricted cash, cash equivalents, investments, and accounts receivable from connectors. Restricted assets totaled \$197.9 million and \$35.7 million at year-end 2020 and 2019, respectively. These restricted assets represent cash, cash equivalents, and investments restricted by bond covenants required to be used for future debt service payments. Capital assets totaled \$1,253.6 million and \$1,194.5 million at year-end 2020 and 2019, respectively. These assets include investments in wastewater plant, including pipelines and buildings, machinery, equipment, and vehicles.

Current liabilities totaled approximately \$52.9 million and \$49.6 million at year-end 2020 and 2019, respectively. The balances include trade payables, accrued payroll and related benefits to employees, accrued interest payable on outstanding bonded debt, and the current portion of long-term debt. Noncurrent liabilities totaled approximately \$696.5 million and \$568.7 million at year-end 2020 and 2019, respectively. The balances represent the noncurrent principal amounts of outstanding bond issues, the noncurrent portion of compensated absences, the net pension liability and other postemployment healthcare benefits liability.

As can be seen in the following Table A-1, net investment in capital assets is the largest portion of the District's net position (58.3%) in 2020 and (68.7%) in 2019, and reflect its investment in capital assets (e.g., sewers, buildings, machinery, and equipment) less related debt. Net investment in capital assets totaled \$577.9 million and \$649.0 million at year-end 2020 and 2019, respectively. The net decrease of \$71.1 million over 2020 is primarily due to a \$59.1 million net increase in capital assets offset by \$130.2 million increase in debt. The net increase of \$77.5 million over 2019 is primarily due to \$53.4 million net increase in capital assets combined with \$24.1 million decrease in debt. The District uses these assets to provide wholesale wastewater transmission and treatment for approximately 715 square miles of the Denver metropolitan area and serves approximately 2 million people. As the District uses these capital assets in its operations, they are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves are not intended to be used to liquidate these liabilities.

Restricted net position is restricted for current debt service payments, debt service reserve, and includes unspent debt proceeds as required by debt covenants and represent the excess of assets restricted for debt service payments over the accrued interest liability. These totaled approximately \$192.5 million and \$32.3 million at year-end 2020 and 2019, respectively. Board of Directors restricted amounts includes funds specifically restricted by Board actions for a specific purpose. These totaled approximately \$49.5 million and \$48.9 million at year-end 2020 and 2019, respectively. Unrestricted net position comprises the remainder of the balance. This net position may be used for any purposes. Unrestricted net position totaled approximately \$172.2 million and \$214.7 million at year-end 2020 and 2019, respectively.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Management's Discussion and Analysis

Table A-1
Condensed Summary of Net Position

(In thousands)

	December 31,		
	2020	2019	2018
Unrestricted assets	\$ 294,615	\$ 333,059	\$ 353,777
Restricted assets	197,907	35,686	37,333
Capital assets, net	1,253,588	1,194,528	1,141,097
Total assets	1,746,110	1,563,273	1,532,207
Deferred outflows of resources	7,066	9,178	9,881
Current liabilities	52,856	49,610	43,981
Noncurrent liabilities	696,497	568,659	601,366
Total liabilities	749,353	618,269	645,347
Deferred inflows of resources	11,710	9,129	213
Net investment in capital assets	577,940	649,061	571,523
Restricted - bonds	192,488	32,331	31,052
Restricted - board of directors, as restated	49,518	48,942	47,024
Unrestricted, as restated	172,167	214,718	246,928
Total net position	\$ 992,113	\$ 945,052	\$ 896,527

The primary variances between 2020, 2019, and 2018 are related to capital assets and noncurrent liabilities. Capital assets increased by \$59.1 million and \$53.4 million during 2020 and 2019, respectively, due primarily to additions in construction in progress. Restricted assets increased by \$162.2 million during 2020 due primarily to the investing of new bond issuance proceeds. Noncurrent liabilities increased by \$127.8 million during 2020 due primarily to the issuance of new bonds reduced by principal payments on outstanding bonds. Noncurrent liabilities decreased \$32.7 million in 2019 primarily due to the principal payments on outstanding bonds and bond refunding transactions. For further information, please see the capital assets and debt administration discussion on pages 17 – 19.

As can be seen in the following Table A-2, net position increased \$47.1 million to \$992.1 million in 2020 and \$48.5 million to \$945.0 million in 2019. The increase in net position in 2020 was primarily due to receiving \$52.3 million in sewer connection fees reduced by loss before sewer connection fees of \$5.2 million. The increase in net position in 2019 was primarily due to receiving \$51.6 million in sewer connection fees reduced by loss before sewer connection fees of \$3.1 million.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Management's Discussion and Analysis

Table A-2
Summary of Revenue, Expenses,
and Changes in Net Position
(In thousands)

	December 31,		
	2020	2019	2018
Annual charges to connectors	\$ 135,441	\$ 132,137	\$ 129,546
Septic charge revenue	97	94	91
Other operating revenue	2,923	1,979	3,211
Total operating revenue	138,461	134,210	132,848
Investment revenue	8,005	11,318	5,845
Intergovernmental revenue	1,814	2,188	3,376
Total revenue	148,280	147,716	142,069
Operations and maintenance expenses	39,961	41,307	37,975
Technical management and support	21,259	22,329	18,877
Administrative and general	24,345	22,358	22,779
Depreciation and amortization	51,526	43,979	42,092
Total operating expenses	137,091	129,973	121,723
Interest expense	16,354	19,270	23,853
Other	60	1,580	1,544
Total nonoperating expenses	16,414	20,850	25,397
Total expenses	153,505	150,823	147,120
(Loss) before capital contributions	(5,225)	(3,107)	(5,051)
Capital contributon - sewer connection fees	52,287	51,632	64,156
Increase in net position	47,062	48,525	59,105
Beginning net position	945,052	896,527	837,422
Ending net position	\$ 992,114	\$ 945,052	\$ 896,527

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Management's Discussion and Analysis

While the summary of net position (Table A-1) shows the change in financial position, the summary of revenue, expenses, and changes in net position (Table A-2) provides answers as to the nature and source of these changes. As can be seen in Table A-2, total revenue for 2020 including sewer connection fees increased by approximately \$1.2 million or 0.6%, and total expenses increased by approximately \$2.7 million or 1.8% from 2019. The major factors that drove these results and other changes during 2020 include:

- Operating revenue increased by \$4.3 million in 2020 primarily due to a 2.5% increase in annual charges for service rates to connectors.
- Sewer connection fees increased approximately \$0.7 million in 2020 primarily due to an increase in number of Single Family Residential Equivalents.
- Investment revenue decreased by \$3.3 million in 2020, primarily due to both realized and unrealized gains on investments resulting from volatility in equity markets.
- Intergovernmental revenue decreased approximately \$0.4 million in 2020 primarily due to a decrease in the amount of the Build American Bonds credit resulting from the partial refunding of series 2009B bonds.
- The \$2.7 million increase in total expenses included an increase of \$7.1 million in operating costs, which includes an increase of \$7.5 million in depreciation expense, and a decrease of \$2.9 million in interest costs, and a decrease in other expense of \$1.5 million.

In Table A-2, total revenue for 2019 including sewer connection fees decreased by approximately \$6.9 million or 3.3%, and total expenses increased by approximately \$3.7 million or 2.5% from 2018. The major factors that drove these results and other changes during 2019 include:

- Operating revenue increased by \$1.4 million in 2019 primarily due to a 2.0% increase in annual charges for service rates to connectors.
- Sewer connection fees decreased approximately \$12.6 million in 2019 primarily due to a decrease in number of Single Family Residential Equivalents.
- Investment revenue increased by \$5.5 million in 2019, primarily due to both realized and unrealized gains on investments.
- Intergovernmental revenue decreased approximately \$1.2 million in 2019 primarily due to a decrease in the amount of Build American Bonds credit resulting from the partial refunding of series 2009B bonds.
- The \$3.7 million increase in total expenses included an increase of \$8.3 million in operating costs, which includes an increase of \$1.9 million in depreciation expense, and a decrease of \$4.6 million in interest costs.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2020 and 2019, the District's investment in capital assets amounted to \$1,253.6 million and \$1,194.5 million, respectively (net of accumulated depreciation), as shown in the following Table A-3. The \$59.1 million increase in net capital assets in 2020 was primarily due to approximately \$106.8 million in additions to construction in progress for various ongoing wastewater and improvement and rehabilitation projects, offset by \$51.5 million of depreciation expense.

The following projects incurred such costs for 2020: Sludge Processing Building – \$30.0 million, RWHTF Support Facility Improvements – \$22.4 million, Sand Creek and Second Creek Basin Regional Plan – \$10.6 million, Interceptor Rehabilitation 2018-2019 – \$8.5 million, Nuisance Struvite and Dewaterability – \$7.5 million, Digester Complex Rehabilitation – \$6.7 million, TU-8 Load Center and Transformer – \$5.9 million, and South Headworks

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Management's Discussion and Analysis

and Grease Processing Improvements – \$4.7 million. The remaining increase of \$10.5 million to construction in progress was a result of other additions to numerous smaller projects.

The \$53.4 million increase in net capital assets in 2019 was primarily due to approximately \$94.6 million in additions to construction in progress for various ongoing wastewater and improvement and rehabilitation projects, offset by \$44.0 million of depreciation expense. The following projects incurred such costs for 2019: RWHTF Support Facility Improvements – \$24.9 million, Sludge Processing Building – \$20.0 million, Nuisance Struvite and Dewaterability – \$11.6 million, South Headworks and Grease Processing Improvements – \$8.8 million, Digester Complex Rehabilitation – \$7.2 million, Sand Creek and Second Creek Basin Regional Plan – \$6.2 million, PWC Operating Pressure – \$3.5 million, and Permanent Flow Monitoring – \$2.9 million. The remaining increase of \$9.5 million to construction in progress was a result of other additions to numerous smaller projects. -

Construction-in-progress increased by \$ 23.0 million in 2020. The \$106.8 million in additions to construction in progress in 2020 discussed above, was offset by \$83.8 million in completed projects, such as the Digester Complex Rehabilitation, the Nuisance Struvite and Dewaterability, and partial completion of RWHTF Support Facility Improvement, which were transferred to plant and equipment. Construction-in-progress increased by \$30.7 million in 2019. The \$94.6 million in additions to construction in progress in 2019 discussed above, was offset by \$63.9 million in completed projects, such as the South Headworks and Grease Processing Improvements, PWC Operating Pressure, Permanent Flow Monitoring, Metrogro Farm Grain Bins, and the 2018 Facility Plan, which were transferred to plant and equipment.

The increase in capital assets in 2020 and 2019 was offset by capital asset disposals of \$3.9 million and \$11.0 million, respectively.

Table A-3
Capital Assets

(In thousands)

	2020	2019	2018
Land, land improvements and water rights	\$ 45,743	\$ 43,468	\$ 42,633
Plant in service	960,428	919,308	904,893
Vehicles and equipment	642,497	601,619	560,720
Construction in progress	178,173	155,178	124,480
	1,826,841	1,719,573	1,632,726
Less accumulated depreciation	(573,253)	(525,045)	(491,629)
Net capital assets	\$ 1,253,588	\$ 1,194,528	\$ 1,141,097

At December 31, 2020, the District had future construction commitments for capital projects totaling \$196.1 million. The largest projects, representing 68.7% of this total, are the Solids Processing Improvements and Sand Creek and Second Creek Basins Regional Plan with remaining costs of \$195.0 million.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Management's Discussion and Analysis

Debt Administration

At December 31, 2020 and 2019, the District's long-term debt consisted of approximately \$670.3 and \$539.8 in bonds payable, respectively. The District's underlying bond ratings are as follows:

Moody's Investors Services	Standard & Poor's
Aa1	AAA

Additional information on the District's capital assets and long-term debt can be found in notes 4, 5, and 6 to the financial statements.

Next Year's Budgets and Rates

The District approved a \$93.8 million 2021 Operation and Maintenance Budget, an increase of \$4.2 million from 2020. The increase is primarily from budgeted wage increases and significant increases in employee benefit costs, as well as an increase in the amount and cost of treatment chemicals and materials and supplies needed for maintenance, and an increase in outside services. The District also approved Annual Charges for Service totaling \$135.4 million, a 0.0% increase from 2020. Annual Charges for Services are the annual user fees that District Connectors pay for the treatment of their wastewater and are allocated to individual connectors based on the relative amount and strength of their wastewater. Annual rates are set each year to cover the annual requirements of operating expenses, debt service, capital project expenditures, and fund balances.

The District's Capital Projects Budget for 2021 totals \$139.7 million, an increase of \$7.3 million from the 2020 Capital Projects Budget of \$132.4 million. These projects include rehabilitation, growth, and improvement projects in the District system.

Requests for Information

This financial report is designed to provide a general overview of the Metro Wastewater Reclamation District's finances for all those with an interest in the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the attention of Molly Kostecky, Director of Administrative Services, Metro Wastewater Reclamation District, 6450 York Street, Denver, CO 80229 or www.metrowastewater.com.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Basic Financial Statements

Statements of Net Position
December 31, 2020 and 2019

	2020	2019
Current assets:		
Cash and cash equivalents	\$ 72,545,485	\$ 126,391,891
Investments	8,442,003	57,253,413
Accounts receivable	14,637,193	12,314,789
Due from other governments	440,224	1,340,833
Accrued interest receivable	786,524	912,607
Materials and supplies inventories, net of loss reserve of \$250,000	6,383,184	6,057,405
Prepaid expenses and other assets	1,944,692	1,168,395
	105,179,305	205,439,333
Restricted:		
Cash and cash equivalents	96,505,764	32,688,363
Investments	44,766,000	1,999,160
	141,271,764	34,687,523
Total current assets	246,451,069	240,126,856
Noncurrent assets:		
Investments	189,436,361	127,619,852
Nondepreciable capital assets:		
Land and water rights	45,742,931	43,468,189
Construction in progress	178,172,669	155,177,605
	223,915,600	198,645,794
Depreciable capital assets, net:		
Plant in service	621,093,356	607,443,655
Equipment and vehicles	408,578,979	388,438,139
Net capital assets	1,253,587,935	1,194,527,588
Restricted:		
Investments	56,634,964	998,890
Total noncurrent assets	1,499,659,260	1,323,146,330
Total assets	1,746,110,329	1,563,273,186
Deferred outflows of resources:		
Pension related	4,851,649	8,250,734
OPEB related	2,214,633	926,831
Total deferred outflows of resources	7,066,282	9,177,565

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Basic Financial Statements

Statements of Net Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Current liabilities:		
Accounts payable	\$ 19,376,570	\$ 17,854,122
Accrued payroll	1,168,473	919,709
Compensated absences	247,447	95,295
	<u>20,792,490</u>	<u>18,869,126</u>
Payable from restricted assets:		
Accrued interest payable	5,418,349	3,355,704
Bonds payable	26,645,000	27,385,000
Total current liabilities	<u>52,855,839</u>	<u>49,609,830</u>
Noncurrent liabilities:		
Compensated absences	2,793,413	2,331,632
Bonds payable	643,647,212	512,457,117
Net pension liability	38,153,338	43,871,052
Net OPEB liability	11,900,947	9,941,368
Other accrued liabilities	2,000	58,200
Total noncurrent liabilities	<u>696,496,910</u>	<u>568,659,369</u>
Total liabilities	<u>749,352,749</u>	<u>618,269,199</u>
Deferred inflows of resources:		
Pension related	6,074,648	3,172,065
OPEB related	279,276	333,439
2019B bond deferred gain on refunding	5,356,174	5,623,983
Total deferred inflows of resources	<u>11,710,098</u>	<u>9,129,487</u>
Net position:		
Net investment in capital assets	577,939,549	649,061,488
Restricted – bonds	192,488,379	32,330,709
Restricted – board of directors, as restated	49,518,373	48,941,842
Unrestricted, as restated	172,167,463	214,718,026
Total net position	<u>\$ 992,113,764</u>	<u>\$ 945,052,065</u>

See accompanying notes to basic financial statements.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Basic Financial Statements

Statements of Revenue, Expenses, and Changes in Net Position
Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenue:		
Annual charges to connectors	\$ 135,440,824	\$ 132,137,389
Septic charge revenue	97,254	93,523
Other operating revenue	<u>2,923,009</u>	<u>1,978,886</u>
Total operating revenue	<u>138,461,087</u>	<u>134,209,798</u>
Operating expenses:		
Operations and maintenance:		
Wastewater transmission	1,349,024	2,103,035
Wastewater treatment	19,801,990	19,343,183
Solids processing	10,192,371	10,260,429
Solids recycling	<u>8,617,925</u>	<u>9,599,778</u>
	<u>39,961,310</u>	<u>41,306,425</u>
Technical management and support:		
Engineering services	4,064,644	3,650,622
Laboratory services	6,617,457	6,969,050
Support operation and maintenance	<u>10,577,124</u>	<u>11,709,653</u>
	<u>21,259,225</u>	<u>22,329,325</u>
Administrative and general	24,345,296	22,358,081
Depreciation and amortization expense	<u>51,526,116</u>	<u>43,979,303</u>
Total operating expenses	<u>137,091,947</u>	<u>129,973,134</u>
Operating income	<u>1,369,140</u>	<u>4,236,664</u>
Nonoperating revenues (expenses):		
Investment revenue	8,005,862	11,317,707
Interest expense	(16,354,709)	(19,269,915)
Intergovernmental revenue	1,814,187	2,187,548
Studies expense	(1,058,297)	(2,095,699)
Other revenue	<u>998,292</u>	<u>516,069</u>
Net nonoperating revenue (expense)	<u>(6,594,665)</u>	<u>(7,344,290)</u>
Income (loss) before capital contributions	<u>(5,225,525)</u>	<u>(3,107,626)</u>
Capital contributions – sewer connection fees	<u>52,287,224</u>	<u>51,631,996</u>
Increase in net position	47,061,699	48,524,370
Net position, beginning of year	<u>945,052,065</u>	<u>896,527,695</u>
Net position, end of year	<u>\$ 992,113,764</u>	<u>\$ 945,052,065</u>

See accompanying notes to basic financial statements.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Basic Financial Statements

Statements of Cash Flows
Years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 138,510,810	\$ 134,177,638
Cash payments to employees	(49,422,624)	(37,915,316)
Cash payments to suppliers for goods and services	(38,573,635)	(40,481,723)
Other receipts	1,593,777	1,320,599
Net cash provided by operating activities	52,108,328	57,101,198
Cash flows from capital and related financing activities:		
Sewer connection fees	49,960,724	55,557,491
Acquisition and construction of capital assets	(107,979,370)	(93,160,848)
Principal paid on capital debt	(27,287,479)	(27,593,726)
Interest paid on capital debt	(17,093,741)	(24,333,429)
Proceeds from issuance of new debt	160,539,250	—
Proceeds from sale of capital assets	330,182	411,721
Net cash (used in) capital and related financing activities	58,469,566	(89,118,791)
Cash flows from noncapital financing activities:		
Intergovernmental revenue received	2,714,796	1,693,429
Net cash provided by noncapital financing activities	2,714,796	1,693,429
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	766,804,215	342,628,290
Purchase of investments	(879,416,278)	(242,657,302)
Interest and dividends received	6,292,318	6,104,721
Change in fair value of investments classified as cash equivalents	2,998,050	2,201,290
Net cash provided by (used in) investing activities	(103,321,695)	108,276,999
Net increase (decrease) in cash and cash equivalents	9,970,995	77,952,835
Cash and cash equivalents, beginning of year	159,080,254	81,127,419
Cash and cash equivalents, end of year	\$ 169,051,249	\$ 159,080,254
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,369,140	\$ 4,236,664
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	51,526,116	43,979,303
Decrease/(Increase) in accounts receivable	49,607	(32,993)
Decrease/(Increase) in inventory	(325,779)	49,578
Decrease/(Increase) in prepaid expenses and other	(776,296)	(91,111)
Decrease/(Increase) in deferred outflows	2,111,283	703,358
Increase in accounts payable and other accrued liabilities	405,526	2,904,518
Increase in accrued payroll and compensated absences	862,697	78,135
(Decrease)/Increase in net pension liability	(5,717,714)	(521,531)
Increase in net OPEB liability	1,959,579	737,374
(Decrease)/Increase in deferred inflows	2,580,611	8,916,036
Capitalized wages	(2,138,915)	(2,348,310)
Other (disbursements) receipts	202,473	(1,509,823)
Net cash provided by operating activities	\$ 52,108,328	\$ 57,101,198
Noncash investing, capital, and financing activities:		
Unrealized (gain) loss on investments	\$ (1,793,999)	\$ (5,152,470)
Amortization of bond premium	(2,801,677)	(2,138,893)
Amortization of 2019B bond deferred inflow of resources	(267,809)	—
Loss on retirement of capital assets	262,363	68,975
Capital contributions - sewer connection fees current period	(14,493,740)	(12,121,730)

See accompanying notes to basic financial statements.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Basic Financial Statements

Statements of Fiduciary Net Position
Pension Trust Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Investments, at fair value:		
Cash and short-term investments	\$ 1,145,410	\$ 966,167
Public equity	56,750,175	46,596,837
Mutual funds	10,540,538	7,327,203
Private equity	5,441,707	4,171,966
Fixed rate debt	26,648,753	11,215,500
Stable value funds	1,031,341	730,909
Floating rate debt	4,688,571	4,266,468
Low volatility strategies	6,427,219	11,864,747
Real estate	15,736,902	15,650,192
Total investments, at fair value:	128,410,616	102,789,989
Distribution receivable	—	11,015,280
Total assets	128,410,616	113,805,269
Liabilities		
Accrued administrative expenses	42,569	31,799
Fiduciary net position		
Restricted for pension benefits	\$ 128,368,047	\$ 113,773,470
See accompanying notes to basic financial statements.		

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Basic Financial Statements

Statements of Changes in Fiduciary Net Position
Pension Trust Fund
Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Additions:		
Investment income		
Net appreciation in fair value of investments	\$ 12,951,321	\$ 14,470,475
Interest and dividend income	1,211,724	2,198,932
Less investment expense	<u>(398,795)</u>	<u>(491,583)</u>
Net investment income	13,764,250	16,177,824
Contributions from employer	7,124,950	6,472,744
Contributions from employees	<u>2,657,729</u>	<u>2,310,084</u>
Total additions	<u>23,546,929</u>	<u>24,960,652</u>
Deductions:		
Benefit payments	8,884,548	7,800,565
Administrative expenses	<u>67,804</u>	<u>79,470</u>
Total deductions	<u>8,952,352</u>	<u>7,880,035</u>
Net increase in fiduciary net position	14,594,577	17,080,617
Fiduciary net position restricted for pension benefits:		
Beginning of year	<u>113,773,470</u>	<u>96,692,853</u>
End of year	<u>\$ 128,368,047</u>	<u>\$ 113,773,470</u>

See accompanying notes to basic financial statements.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

(1) Organization

(a) Organization

The Metro Wastewater Reclamation District (the District) was created in May 1961 pursuant to the Colorado Revised Statutes and is a governmental subdivision of the State of Colorado, with powers specifically granted and reasonably implied therefrom and necessary to carry out the objectives and purposes of the District. The District's facilities are used primarily to transport and treat sewage from the sewer systems of various connectors in the greater metropolitan Denver area.

The income generated by the District, as an instrumentality of the State of Colorado, is excluded from federal income taxes under Section 115 of the Internal Revenue Code. In addition, pursuant to the provisions of the Colorado Revised Statutes, the District is exempt from sales, property, and state income taxes.

(b) Financial Reporting Entity

The District is not a component unit of the State of Colorado or any other municipality of the State of Colorado. It is a stand-alone governmental entity. The scope of the District's public services encompasses only a limited portion of the State of Colorado. Accordingly, it is considered an enterprise under Section 20, Article X of the Colorado Constitution.

The Pension Trust Fund is reported separately from the District and includes two different retirement plans. The Metro Wastewater Reclamation District Defined Benefit Plan (the Defined Benefit Plan) is a single-employer, defined benefit plan covering all employees of the District hired on or before December 31, 2012 (note 7). The District contributes to the Defined Benefit Plan based upon actuarial studies and has primary responsibility for management of the Defined Benefit Plan as all Defined Benefit Retirement Board members are appointed by the District's Board of Directors. The District also provides all accounting, reporting, and administrative services to the Defined Benefit Plan. The District has fiduciary responsibility for the Defined Benefit Plan. Accordingly, an evaluation of the Defined Benefit Plan using the above considerations results in the inclusion of the Defined Benefit Plan in the accompanying basic financial statements as a fiduciary fund of the District. The Defined Benefit Plan issues stand alone financial statements, which may be obtained from the District.

The Metro Wastewater Reclamation District Defined Contribution Plan (the Defined Contribution Plan) is a single-employer defined contribution plan, which includes five 401(a) plans. The primary plan is for all new employees hired on and after January 1, 2013. Employees in the primary Defined Contribution Plan are required to contribute 6% of their earnings to the Plan. The District matches the mandatory employee contributions with an additional 6% contribution. Employee contributions are deducted from each bi-weekly paycheck, and this amount together with the District's matching portion, is sent each payday to the Defined Contribution Plan's administrator, the International City/County Management Association (ICMA-RC). As of December 31, 2020 and 2019 there were 225 and 197 active plan members. The Defined Contribution Plan is governed by the Defined Contribution Retirement Board, the members of which are appointed by District management and District Board of Directors. Accordingly, an evaluation of the Defined Contribution Plan using the above considerations results in the inclusion of the Defined Contribution Plan in the accompanying basic financial statements as a fiduciary fund of the District.

(c) Fund Accounting

The accounts of the District are organized into two separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenue, and expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The financial activity of the District is accounted for in two funds:

Enterprise Fund – The Enterprise Fund is used to account for any activity for which a fee is charged to external users for goods or services.

Pension Trust Fund – Pension Trust Fund for the Defined Benefit Plan and Defined Contribution Plan are maintained to account for assets held by the District in a trustee capacity for active and retired employees.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Enterprise and Pension Trust Fund, for financial reporting purposes, 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.

(b) Restricted Assets

Separate accounts are provided in accordance with bond resolutions and utilized to segregate restricted assets from unrestricted assets. Related liabilities, payable from these restricted assets, are also segregated and utilized in determining financial position.

(c) Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(d) Capital Assets

The District records its plant and equipment at cost, or estimated historical cost, if actual cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in as capital contributions are valued at fair value on the date donated. Assets are capitalized when they are greater than \$10,000 and have a service life greater than one year. Depreciation on facilities and equipment is charged as an expense against operations. Depreciation has been computed using the straight-line method over the following estimated useful lives:

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

	Estimated useful life in years
Plant in service:	
Transmission	10 – 50
Treatment	8 – 50
Solids processing	5 – 50
Solids recycling	5 – 50
Support	5 – 50
Equipment and vehicles:	
Plant	10 – 50
Support	3 – 50
Vehicles	5 – 20

Expenditures for repairs and maintenance are expensed as incurred. Major renewals, replacements, and betterments are capitalized. Upon retirement or disposition, the cost and accumulated depreciation of such assets are removed from the accounts, and the resulting gain or loss is included in the change in net position. Major outlays for utility plant and equipment are capitalized as projects are constructed.

(e) Investments

The District's investments are carried at fair value based upon market quotations, with the exceptions of investments held in the Colorado Statewide Investment Pool, which are carried at amortized cost. The Pension Trust Funds investments are also carried at fair value based upon market quotations, with the exception of real estate investments. These investment valuations are based upon an independent, third-party appraisal of each property. These appraisals are based upon a portfolio overview and updated cash flow modeling. See Note 7(b)(iii) for additional information.

(f) Materials and Supplies Inventories

The District records its materials and supplies inventories at the lower of moving average cost or market. These materials and supplies are not held for resale. The inventory is charged to operations and maintenance expense as the items are used. As of December 31, 2020 and 2019, the District had loss reserves of \$250,000 for obsolete materials and supplies.

(g) Deferred Outflows of Resources and Deferred Inflows of Resources

Changes in the components of the net pension liability is reported as a deferred outflow of resources or a deferred inflow of resources. The changes in the components of the net pension liability reported by the Defined Benefit Plan have resulted in deferred outflows of resources of \$4,851,649 and \$8,250,734 and deferred inflows of resources of \$6,074,648 and \$3,172,065 for December 31, 2020 and December 31, 2019, respectively. See Note 7 for additional information.

Changes in the components of the net OPEB liability is reported as deferred outflow of resources and deferred inflow of resources. The changes in the components of the net OPEB liability reported by the District have resulted in deferred outflows of resources of \$2,241,633 and \$926,831 and deferred inflows of resources of \$279,276 and \$333,439 for December 31, 2020 and December 31, 2019, respectively. See Note 8 for additional information.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

The 2019B Series Refunding bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt, reported as a deferred inflow of resources of \$5,356,174 and \$5,623,983 as of December 31, 2020 and December 31, 2019, respectively. See Note 6 for additional information.

(h) Net Position

Net position is classified as follows:

Net Investment in capital assets – This represents the total investment in capital assets, net of accumulated depreciation, outstanding debt obligations and deferred gain on refunding (less unspent bond proceeds) related to those capital assets.

Restricted net position – bonds – Restricted net position – bonds includes resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by debt agreements.

Restricted net position – board of directors – Restricted net position – board of directors includes resources in which the Board of Directors has identified to be used for a specific purpose through a Board action.

Unrestricted net position – Unrestricted net position represents resources derived from annual charges to connectors, septic charge revenue, and other revenues. These resources are used for transactions relating to the operations of the District and may be used to meet current expenses for any purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, restricted resources are considered expended.

(i) Classification of Revenues and Expenses

The District has classified revenues and expenses as operating, nonoperating, or capital contributions according to the following criteria:

Operating revenue and expenses – Revenue and expenses that result from providing wholesale wastewater transmission, treatment, and disposal services to 50 connectors, including cities, towns, special districts, and industrial users.

Nonoperating revenue and expenses – Revenues and expenses that are not included as operating revenues. Nonoperating revenue includes investment income and rebates from the Build America Bonds program. Nonoperating expenses include interest expense on outstanding bonds and other nonoperating expenses.

Capital contributions – Revenues that include sewer connection fees.

(j) Sewer Connection Fees

The District charges fees for new sewer connections. Sewer connection fee receipts are used for payment of principal and interest on bonds issued to finance capacity-related facility improvements and to otherwise pay for such facilities.

(k) Compensated Absences

District employees earn sick leave at a rate of eight hours per month. Accumulated sick leave in excess of 960 hours is payable at one-half of the cash value at year-end or upon termination.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

Employees are entitled to 10 to 21 days of vacation leave per year depending on their length of service. A maximum of 200 hours of earned vacation leave may be carried forward to subsequent years. Unused vacation leave is paid to the employee upon termination.

Vacation and excess sick pay is recorded as an expense when earned by District employees. At December 31, 2020 and 2019, accrued vacation and excess sick pay aggregated \$3,040,860 and \$2,426,927, respectively.

(l) Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

(m) New and Future Accounting Pronouncements

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, which is effective for fiscal year 2020. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The District's 457 Plan is administered by a third party agent, ICMA-RC. The District's 457 Plan contains employee contributions only. The District does maintain an employee committee to make administrative decisions, such as investment choices; however, there is not a governing board that manages the 457 Plan. The District concluded that the 457 Plan does not meet the criteria of financial accountability, and therefore the 457 Plan should not be reported as fiduciary activities.

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which is effective for fiscal year 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This Statement postponed dates of certain provisions, including Statement No. 87, *Leases*. Statement No. 87 was postponed by 18 months, extending the date of implementation to fiscal year 2022.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. As noted above, the implementation date has been extended by Statement No. 95, to fiscal year 2022. The District is determining the impact to the financial statements for fiscal year 2022.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

(n) ***Restatement of Previously Reported Amounts of Net Position***

Board restricted reserve amounts were previously reported as a component of unrestricted net position, and were restated to be reported as restricted net position. The cumulative effect of the correction to the District's Statement of Net Position as of December 31, 2019 is summarized in the table below and had no impact on change in net position or total net position as of December 31, 2019.

	As Originally Presented 2019	Restatement	As Restated 2019
Net position:			
Net investment in capital assets	\$ 649,061,488	—	\$ 649,061,488
Restricted			
Bonds	32,330,709	—	32,330,709
Board of Directors	—	48,941,842	48,941,842
Unrestricted	263,659,868	(48,941,842)	214,718,026
Total net position	\$ 945,052,065	—	\$ 945,052,065

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

(3) Cash and Investments

As of December 31, 2020 and 2019, the District and the Pension Trust Fund had the following cash and investments:

	December 31,	
	2020	2019
District (excluding the Pension Trust Funds):		
Cash and cash equivalents		
Deposits	\$ 4,857,516	\$ 2,469,769
Local government investment pool (CSAFE)	70,503,801	121,033,432
Colorado Statewide Investment Pool	91,969,468	35,577,053
U.S. Agency securities, less than 90 days	1,720,464	—
Investments		
U.S. Treasury Notes	83,383,056	74,376,829
U.S. Agency securities, including mortgage-backed securities	139,806,479	81,309,746
Certificates of Deposit	26,578,783	14,307,835
Comercial Paper	23,972,064	—
Municipal bonds	3,534,334	—
Corporate bonds	22,004,612	17,876,905
	\$ 468,330,577	\$ 346,951,569
Pension Trust Funds:		
Cash and short-term investments	\$ 1,145,410	\$ 966,167
Public equity	56,750,175	46,596,837
Mutual funds	10,540,538	7,327,203
Private equity	5,441,707	4,171,966
Fixed rate debt	26,648,753	11,215,500
Stable value funds	1,031,341	730,909
Floating rate debt	4,688,571	4,266,468
Low volatility strategies	6,427,219	11,864,747
Real estate	15,736,902	15,650,192
	\$ 128,410,616	\$ 102,789,989

(a) Cash Deposits

Colorado statutes require that the District use eligible public depositories as defined by the Public Deposit Protection Act (PDPA). Under the PDPA, the depository is required to pledge eligible collateral having a market value at all times equal to at least 102% of the aggregate public deposits held by the depository not insured by the Federal Deposit Insurance Corporation.

Eligible collateral, as defined by the PDPA, primarily includes obligations of, or guarantees by, the U.S. government, the State of Colorado, or any political subdivision thereof, and obligations evidenced by notes secured by first lien mortgages or deeds of trust on real property.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

(b) *Restricted Cash and Cash Equivalents, and Investments*

Restricted cash and cash equivalents and investments are restricted for the current payment of principal and interest on outstanding bonds as required by debt covenants and amounts restricted by the Board of Directors for a specific purpose.

(c) *Investment Policy*

The District is authorized by Colorado Statute to invest in various types of instruments that include but are not limited to the following:

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

The District, excluding the Pension Trust Fund, has an investment policy that regulates investments in securities that have objectives of preservation of capital and protection of investment principal, maintenance of sufficient liquidity to meet the District's financial obligations, diversification to avoid incurring unreasonable market risks, and attainment of a market rate of return throughout budgetary and economic cycles. Eligible securities are specific to Colorado State Statutes and the District's bond indenture agreements. The indenture agreements limit the number of U.S. Agency issuers to three creating a concentration of credit risk, but each security in the investment portfolio is rated AAA or AA+. All securities owned by the District are in conformity with the investment policy.

The Defined Benefit Plan has an investment policy that regulates investments by hiring a qualified investment consultant to oversee qualified investment management firms who manage the assets of the Defined Benefit Plan. The investment policy establishes an asset allocation strategy, investment objectives, and investment guidelines for all assets. The asset allocation strategy is designed to be consistent with the safety and return objectives of the Defined Benefit Plan and includes allowable global equity, debt, alternatives, and real estate investments. All securities and investments owned by the Defined Benefit Plan are in conformity with the investment policy.

The Defined Benefit Plan's allowable investments in equities, fixed income, and real estate are limited to qualified investment managers.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

The Defined Benefit Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Metro Wastewater Reclamation District Retirement Board by a majority vote of its members. The investment policy calls for cash reserves to be held in money market funds in the Plan’s operating account at the Trustee bank at a level based on the liquidity needs as determined by the Metro District finance staff. The following was the Retirement Board’s asset allocation policy as of December 31, 2020.

<u>Investment Type</u>	<u>Target Allocation</u>	<u>Target Range</u>
Public equity	45.00%	35%-55%
Private equity	5.00%	0%-15%
Fixed rate debt	25.00%	10%-30%
Floating rate debt	5.00%	0%-10%
Low volatility strategies	5.00%	0%-15%
Real estate	15.00%	10%-20%
	100.00%	

The Defined Contribution Plan has an investment policy statement (IPS) that provides for investment objectives within the plan. The primary objective of the IPS is to provide participants with a diverse set of investment options that encompass a variety of risk/return characteristics from which the participant can self-direct their portfolio in a diversified manner. The Defined Contribution Board is responsible for selecting and monitoring investments options, while the participant selects in which option(s) they shall invest.

(d) Credit Risk

The District manages credit risk by requiring all investments, including the use of external investment pools and money market funds, AAA, AAA-G, AAAM, AA+, AA or AA-, and including commercial paper, be P-1 or A-1 rated by nationally recognized rating agencies. All securities held by the District meet the credit quality objective.

As of December 31, 2020, the District invested \$22,004,612 in corporate bonds. The credit ratings for the corporate bonds are based on Standard and Poor’s rating scale, and were as follows: \$3,591,345 were rated A+, \$2,602,205 were rated AA, \$11,005,991 were rated AA-, \$2,733,271 were rated AA+, and \$2,071,800 were rated AAA.

As of December 31, 2019, the District invested \$17,876,905 in corporate bonds. The credit ratings for the corporate bonds are based on Standard and Poor’s rating scale, and were as follows: \$4,606,465 were rated AA, \$8,036,016 were rated AA-, \$2,700,641 were rated AA+, and \$2,533,783 were rated AAA.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

The following is a summary of the Pension Trust Fund's debt investments at December 31, 2020 and 2019 with average credit ratings of underlying investments based on Standard & Poor's rating scale:

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Western Asset Management Core Plus Bond Fund IS		
Fair value	\$ 14,015,674	\$ 5,591,440
Average rating	Not rated	Not rated
JP Morgan Core Bond Fund		
Fair value	\$ 12,633,079	\$ 5,624,060
Average rating	Not rated	Not rated
Golub Capital Partners International 11, L.P.		
Fair value	\$ 1,750,000	\$ 1,750,000
Average rating	Not rated	Not rated
Principal Real Estate Debt Fund II		
Fair value	\$ 2,242,062	\$ 2,516,468
Average rating	Not rated	Not rated
Principal Real Estate Debt Fund III		
Fair value	\$ 696,509	\$ —
Average rating	Not rated	Not rated
First American Money Market Government Obligations Fund		
Fair value	\$ 1,085,291	\$ 643,078
Average rating	AAAm	AAAm
VT Cash Management Fund		
Fair value	\$ 60,099	\$ 174,205
Average rating	Not rated	Not rated

The Defined Contribution Plan has no credit risk.

(e) Custodial Credit Risk

The District has no custodial credit risk. All securities are registered in the name of the District and held by a third-party safekeeping agent. Investments in money market mutual funds are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form.

Custodial credit risk is the risk that in the event of a bank failure, the Defined Benefit Plan's deposits may not be returned to it. All securities are registered in the name of US Bank as the Trustee for the Plan and held by third-party safekeeping agents. Investments in money market mutual funds are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form. Other deposits may include small amounts of cash held for short periods of time prior to investment. These deposits are insured by FDIC up to \$250,000. As of December 31, 2020, the Plan's deposits had a balance of \$10. As of December 31, 2019, the Plan's deposits had balance of \$148,884.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

The Defined Contribution Plan has no custodial credit risk. All securities held in trust for the participants at ICMA-RC. Investments in money market mutual funds are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form.

(f) **Concentration of Credit Risk**

The District has a concentration of credit risk where it holds more than 5% of its investment portfolio in any one security issuer, other than those explicitly guaranteed by the U.S. government. The District's investment policy and bond indenture agreements restrict investments in U.S. Agency issuers to the three listed below:

	Moody's Investor Service	Standard & Poor's
Federal Home Loan Bank (FHLB)	Aaa Rated	AA+ Rated
Federal Home Loan Mortgage Corp (FHLMC)	Aaa Rated	AA+ Rated
Federal National Mortgage Association (FNMA)	Aaa Rated	AA+ Rated

As a result, each issuer represents more than 5% of the total investments, and all securities are AAA or AA+ as rated by nationally recognized rating agencies. The following U.S. Agency securities are in excess of 5% of total investments:

Issuer	December 31,			
	2020		2019	
	Amount	Percentage of portfolio	Amount	Percentage of portfolio
FHLB	\$ 19,279,911	4.16%	\$ 32,723,450	9.50%
FHLMC	41,202,621	8.89	39,469,230	11.46
FNMA	75,389,378	16.27	9,117,066	2.65
	\$ 135,871,910		81,309,746	

A concentration of credit risk exists for the Pension Trust Fund if they hold more than 5% of the investment portfolio in any one security issuer, other than those explicitly guaranteed by the U.S. government. Mutual funds, external investment pools, and other pooled investments are also excluded from this requirement. The Pension Trust Fund has no concentration of credit risk as of December 31, 2020 and 2019.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

(g) Interest Rate Risk

The District has no formal policy to manage interest rate risk. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. The District uses duration as the method to identify and manage interest rate risk. Duration measures exposure to fair value changes arising from changing interest rates. Duration uses the present value of cash flows weighted for those cash flows as a percentage of the full price of the investments. A large duration indicates more price sensitivity to changing interest rates. Each security purchased has a duration analysis, and the entire portfolio has a duration calculation weighted based on the size of each investment. As of December 31, 2020 and 2019, the duration for the District's investments was as follows:

<u>Type</u>	<u>December 31, 2020</u>		
	<u>Fair value</u>	<u>Duration in Years</u>	<u>Call options at 100</u>
U.S. Agency securities	\$ 139,806,479	2.77	\$ 18,979,469
U.S. Treasury Notes	83,383,056	2.51	—
Corporate Bonds	22,004,612	1.44	8,982,567
Municipal Bonds	3,534,334	2.97	
Certificates of Deposit	26,578,783	1.16	—
Commercial Paper	23,972,064	0.50	—
Total fair value	<u>\$ 299,279,328</u>		

<u>Type</u>	<u>December 31, 2019</u>		
	<u>Fair value</u>	<u>Duration in Years</u>	<u>Call options at 100</u>
U.S. Agency securities	\$ 81,309,746	1.13	\$ 71,374,657
U.S. Treasury Notes	74,376,829	2.00	—
Corporate Bonds	17,876,905	1.60	2,582,553
Certificates of Deposit	14,307,835	—	—
Colorado Statewide Investment Pool	35,577,053	—	—
Total fair value	<u>\$ 223,448,368</u>		

As of December 31, 2020 and 2019, the District invested \$70,503,801 and \$121,033,432, respectively, in Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local governments in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund, and each share is equal in value to \$1.00, and are rated AAAM by Standard and Poor's rating scale. The weighted average maturity of these investments was fewer than 34 days and 24 days as of December 31, 2020 and 2019, respectively.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

The Pension Trust Fund investment policy manages its exposure to fair value losses arising from rising interest rates by specific guidelines for debt managers. As of December 31, 2020 and 2019, the Pension Trust Fund held the following debt investments.

	December 31,	
	2020	2019
Western Asset Management Core Plus Bond Fund IS		
Balance	\$ 14,015,674	\$ 5,591,440
Modified duration (in years)	12.7	13.6
JP Morgan Core Bond Fund		
Balance	\$ 12,633,079	\$ 5,624,060
Modified duration (in years)	7.6	7.8
Golub Capital Partners International 11, L.P.		
Balance	\$ 1,750,000	\$ 1,750,000
Modified duration (in years)	not available	not available
Principal Real Estate Debt Fund II		
Balance	\$ 2,242,062	\$ 2,516,468
Modified duration (in years)	1.1	1.1
Principal Real Estate Debt Fund III		
Balance	\$ 696,509	\$ —
Modified duration (in years)	1.4	not available

Investments in money market funds of \$1,145,390 and \$817,283 as of December 31, 2020 and 2019, respectively, have an average maturity of fewer than 45 and 34 days, respectively.

(h) Foreign Currency Risk

The District and Defined Contribution Plan were not exposed to foreign currency risk as of December 31, 2020 and 2019. For 2020 and 2019, the Defined Benefit Plan's investments managed exposure to foreign currency risk by limiting the allocation percentage of interest of global equity investments to 25.0% and 25.0%, respectively. The global equities in which the Defined Benefit Plan has invested have a fair value of \$32,131,498 and \$25,315,656, or 27.5% and 24.0% of the total portfolio at December 31, 2020 and 2019, respectively. Each fund is valued in U.S. dollars with exposure to various worldwide currencies. Any over allocation of funds are rebalanced on a regular basis.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

(i) **Investment Income**

Investment income for the District, excluding the Pension Trust Fund, for the years ended December 31, 2020 and 2019 was comprised of the following:

	December 31,	
	2020	2019
Investment income	\$ 4,283,252	\$ 6,381,417
Net realized gain / (loss) on investments	1,928,611	(216,180)
Net unrealized gain on investments	1,793,999	5,152,470
Total	\$ 8,005,862	\$ 11,317,707

Investment income for the Pension Trust Fund for the years ended December 31, 2020 and 2019 was comprised of the following:

	December 31,	
	2020	2019
Interest and dividend income	\$ 1,211,724	\$ 2,198,932
Net realized gain on investments	2,989,647	912,204
Net unrealized gain on investments	9,961,674	13,558,271
	14,163,045	16,669,407
Less investment expense	(398,795)	(491,583)
Net investment income	\$ 13,764,250	\$ 16,177,824

The calculation of realized gains is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

(j) **Fair Value**

The Enterprise and Pension Trust Funds categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

For investments categorized as Level 1, prices are determined using quoted prices in active markets for identical securities. For investments categorized as Level 2, prices are determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use by pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted market prices for similar assets, quoted prices for identical assets in markets that are not active or other quoted prices that are not observable. For investments categorized at Level 3, prices are determined using inputs that are not observable.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

The District has the following recurring fair value measurements as of December 31, 2020 and 2019:

Investments Measured at Fair Value

	12/31/2020	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. Agency securities	\$ 141,526,943	\$ 141,526,943	\$ -	\$ -
U.S. Treasury notes	83,383,056	83,383,056	-	-
Certificates of deposit	26,578,783	-	26,578,783	-
Commerical paper	23,972,064	-	23,972,064	-
Corporate bonds	22,004,612	22,004,612	-	-
Municipal bonds	3,534,334	3,534,334	-	-
Total investments measured at fair value level	<u>300,999,792</u>	<u>250,448,945</u>	<u>50,550,847</u>	<u>-</u>
Investments measured at the net asset value (NAV)				
Colorado statewide investment pool	91,969,468			
Investments held at amortized cost				
LGIP - CSAFE	<u>70,503,801</u>			
Total investments measured at fair value	<u>\$ 463,473,061</u>			

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

Investments Measured at Fair Value

	12/31/2019	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. Agency securities	\$ 81,309,746	\$ 81,309,746	\$ -	\$ -
U.S. Treasury notes	74,376,829	74,376,829	-	-
Certificates of deposit	14,307,835	-	14,307,835	-
Corporate bonds	17,876,905	17,876,905	-	-
Total investments measured at fair value level	187,871,315	173,563,480	14,307,835	-
Investments measured at the net asset value (NAV)				
Colorado statewide investment pool	35,577,053			
Investments measured at amortized cost				
LGIP - CSAFE	121,033,432			
Total investments measured at fair value	\$ 344,481,800			

For investments measured at the Net Asset Value (NAV), the District invested in the Colorado Statewide Investment Program, an investment program that provides Colorado local governments with tools for meeting their cash flow and investment needs. Investments are offered through the Colorado Statewide Investment Pool (“CSIP”), a local government investment pool authorized under 24-75-701 et. Seq. of the Colorado Revised Statutes. Currently, CSIP offers two investment options, 1) CSIP Liquid Portfolio and 2) CSIP Term Portfolio. The CSIP Liquid Portfolio is a fully liquid, variable rate investment option, rated AAAM by Standard and Poor’s. There are no unfunded commitments, the redemption frequency is daily and there is a one-day redemption notice. The CSIP Term Portfolio offers the ability for participants to invest in shares of fixed-rate, fixed-term investments, rated AAAs by Fitch Ratings. There are no unfunded commitments, the redemption period is planned at maturity, and the redemption period is a sixty-day minimum and one-year maximum.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

The Pension Trust Fund has the following recurring fair value measurements as of December 31, 2020 and December 31, 2019:

Investments Measured at Fair Value

	12/31/2020	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Public equity	\$ 50,232,688	\$ 50,232,688	\$ -	\$ -
Fixed rate debt	26,648,753	26,648,753	-	-
Mutual funds	10,540,538	10,540,538	-	-
Total investments measured at fair value level	<u>87,421,979</u>	<u>87,421,979</u>	-	-
Investments measured at the net asset value (NAV)				
Public equity	6,517,487			
Private equity	5,441,707			
Stable value funds	1,031,341			
Floating rate debt	4,688,571			
Low volatility strategies	6,427,219			
Real estate	15,736,902			
Total investment measured at the NAV	<u>39,843,227</u>			
Total investments measured at fair value	<u>127,265,206</u>			
Investments measured at amortized cost				
Money market funds	1,145,390			
Total investments	<u>\$ 128,410,596</u>			

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

Investments Measured at Fair Value

	12/31/2019	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Public equity	\$ 40,624,160	\$ 40,624,160	\$ -	\$ -
Fixed rate debt	11,215,500	11,215,500	-	-
Mutual Funds	7,327,203	7,327,203	-	-
Total investments measured at fair value level	<u>59,166,863</u>	<u>59,166,863</u>	-	-
Investments measured at the net asset value (NAV)				
Public equity	5,972,677			
Private equity	4,171,966			
Floating rate debt	4,266,468			
Low volatility strategies	11,864,747			
Stable value funds	730,909			
Real estate	<u>15,650,192</u>			
Total investment measured at the NAV	<u>42,656,959</u>			
Total investments measured at fair value	<u>101,823,822</u>			
Investments measured at amortized cost				
Money market funds	817,283			
Total investments	<u>\$ 102,641,105</u>			

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

The valuation method for the Pension Trust Fund's investments at December 31, 2020 measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

Investments measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Public equity (1)	\$ 6,517,487	\$ -	daily	n/a
Private equity (2)	5,441,707	4,772,335	n/a	n/a
Floating rate debt (3)	4,688,571	4,222,721	monthly, n/a, n/a	30 days, n/a, n/a
Low volatility strategies (4)	6,427,219	-	semi-annually, monthly	95 days, 5 days
Real estate (5)	15,736,902	-	daily based on liquidity	1 day
Stable value funds (6)	1,031,341			
	<u>\$ 39,843,227</u>			

The valuation method for the Defined Benefit Plan's investments at December 31, 2019 measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

Investments measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Public equity (1)	\$ 5,972,677	\$ -	daily	n/a
Private equity (2)	4,171,966	5,506,750	n/a	n/a
Floating rate debt (3)	4,266,468	4,583,824	monthly, n/a, n/a	30 days, n/a, n/a
Low volatility strategies (4)	11,864,747	-	semi-annually, monthly	95 days, 5 days
Real estate (5)	15,650,192	-	daily based on liquidity	1 day
Stable value funds (6)	730,909			
	<u>\$ 42,656,959</u>			

- (1) In this category, the domestic equity fund invests primarily in US small- and mid-capitalization equities. The fund is commingled investment trust (CIT). The fund is open-ended with daily redemption.
- (2) There are four investments in this category. One fund's primary purpose of developing and actively managing an investment portfolio of private equity funds and other investment vehicles, principally by making, holding and disposing of privately negotiated investments in the form of limited partner interests and securities. The nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. It is estimated that the underlying assets of the partnership would be liquidated over 12 to 15 years.

The second fund invests predominantly in U.S. venture capital-focused funds on a primary and secondary basis. Partnership investments will include start-up, early-stage, late-stage and growth equity funds as well as secondary funds focusing on direct investments in venture-backed and/or technology companies. The fund may re-invest proceeds of portfolio investments; provided, however, that the acquisition costs of all portfolio investments will not exceed 110% of aggregate subscriptions. The nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. It is expected that the underlying assets of the fund would be liquidated over 12 years.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

The third fund invests predominantly in North American and Western Europe value orientated equity investments. Partnership investments are generally traditional middle market buyouts of out-of-favor industries and companies focusing on investments in media, financial services, energy, and industrial companies. The nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. It is expected that the underlying assets of the fund would be liquidated over 10 to 13 years.

The fourth fund invests in global venture capital direct partnership investments. Investments are primarily core venture capital, with about 25% representing seed and early stage partnerships. It is estimated that 60% of investments will be in the US and 40% allocated to international groups. Investments address a broad range of business opportunities primarily related to or enabled by technology. The fund may re-invest proceeds of portfolio investments; provided, however, that the acquisition costs of all portfolio investments will not exceed 115% of aggregate subscriptions, including secondary opportunities. Distributions are received through the liquidation of the underlying assets of the fund. It is expected that the underlying assets of the fund would be liquidated over 12 years.

- (3) There are three investments in the floating rate debt category.

The first and second investments are funds that invest in higher yielding private commercial real estate debt investments, including subordinate debt investments, such as mezzanine debt, b-notes, and senior mortgages, such as bridge loans and participating construction permanent loans. Distributions of net cash flow to investors will be made on at least a quarterly basis, as available, and it is estimated that the underlying investments of the partnership would be liquidated over 7 to 10 years.

The third investment is a fund that invests primarily in senior secured, floating rate middle market loans. Distributions of net income will be made on a quarterly basis, or more frequently at the General Partner's discretion. It is expected that the underlying assets of the fund would be liquidated over 10 years.

- (4) There are two investments in the low volatility strategies category. The first invests in U.S. and non-U.S. investment partnerships and companies, managed funds, separately managed accounts, securities and commodities with the primary objective to provide strong downside protection qualities and to produce attractive long-term risk-adjusted returns. Funds may be withdrawn with 95 days' notice on June 30 or December 31. The fund is open-ended.

The second investment's objective is to provide a defensive equity exposure that is expected to provide favorable risk adjusted performance relative to the S&P 500® Index over the long term, and is expected to produce the strongest relative performance when the S&P 500® Index is experiencing negative returns. Funds may be withdrawn with 5 days' notice monthly. The fund is open-ended.

- (5) This fund invests in a well-diversified real estate portfolio that reflects the overall performance of the U.S. commercial real estate market, consisting primarily of high quality, well-leased real estate properties in the multifamily, industrial, office, retail, and hotel sectors. The fund is open ended, and funds may be withdrawn daily subject to the availability of liquidity and the absence of a withdrawal queue with one-day written notice.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

- (6) This category includes two funds, which are investment options of the defined contribution plan(s), which are designed to preserve capital and which are invested 100% in other capital preservation funds. Shares may be redeemed daily by participants.

(4) Capital Assets

For the year ended December 31, 2019, changes in capital assets consisted of the following:

	Balance at December 31, 2018	Additions	Disposals	Adjustments or transfers	Balance at December 31, 2019
Nondepreciable:					
Land and water rights	\$ 42,632,504	835,685	—	—	\$ 43,468,189
Construction in progress	124,480,215	94,601,301	(64,002,244)	98,333	155,177,605
Total nondepreciable net assets	<u>167,112,719</u>	<u>95,436,986</u>	<u>(64,002,244)</u>	<u>98,333</u>	<u>198,645,794</u>
Depreciable:					
Plant in service:					
Transmission	310,415,810	616,008	(941,423)	—	310,090,395
Treatment	260,169,626	25,176,132	(1,212,574)	133,423,289	417,556,473
Solids processing	38,579,763	90,000	—	27,280,722	65,950,485
Solids recycling	7,493,897	3,493	—	—	7,497,390
Support	288,234,242	3,699,540	(10,154)	(173,710,339)	118,213,289
	<u>904,893,338</u>	<u>29,585,173</u>	<u>(2,164,151)</u>	<u>(13,006,328)</u>	<u>919,308,032</u>
Equipment:					
Plant	474,414,618	21,848,789	(4,926,910)	12,298,487	503,634,984
Support	66,712,746	12,430,875	(2,279,529)	707,846	77,571,938
Vehicles	19,592,743	2,492,292	(1,672,942)	—	20,412,093
	<u>560,720,107</u>	<u>36,771,956</u>	<u>(8,879,381)</u>	<u>13,006,333</u>	<u>601,619,015</u>
Total depreciable capital assets	<u>1,465,613,445</u>	<u>66,357,129</u>	<u>(11,043,532)</u>	<u>5</u>	<u>1,520,927,047</u>
Less accumulated depreciation:					
Plant in service:					
Transmission	122,266,046	6,068,127	(941,422)	—	127,392,751
Treatment	67,430,852	25,966,671	(1,191,983)	—	92,205,540
Solids processing	23,418,424	6,286,937	—	—	29,705,361
Solids recycling	3,734,399	182,150	—	—	3,916,549
Support	61,557,363	(2,904,006)	(9,181)	—	58,644,176
	<u>278,407,084</u>	<u>35,599,879</u>	<u>(2,142,586)</u>	<u>—</u>	<u>311,864,377</u>
Equipment:					
Plant	161,889,063	3,055,373	(4,508,595)	—	160,435,841
Support	40,855,583	3,689,642	(2,264,844)	—	42,280,381
Vehicles	10,477,056	1,634,409	(1,646,811)	—	10,464,654
	<u>213,221,702</u>	<u>8,379,424</u>	<u>(8,420,250)</u>	<u>—</u>	<u>213,180,876</u>
Total accumulated depreciation	<u>491,628,786</u>	<u>43,979,303</u>	<u>(10,562,836)</u>	<u>—</u>	<u>525,045,253</u>
Total capital assets, net	<u>\$ 1,141,097,378</u>	<u>117,814,812</u>	<u>(64,482,940)</u>	<u>98,338</u>	<u>\$ 1,194,527,588</u>

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

For the year ended December 31, 2020, changes in capital assets consisted of the following:

	Balance at December 31, 2019		Additions	Disposals	Adjustments or transfers	Balance at December 31, 2020
Nondepreciable:						
Land and water rights	\$	43,468,189	2,274,742	—	—	\$ 45,742,931
Construction in progress		155,177,605	106,835,882	(83,842,384)	1,566	178,172,669
Total nondepreciable net assets		198,645,794	109,110,624	(83,842,384)	1,566	223,915,600
Depreciable:						
Plant in service:						
Transmission		310,090,395	9,716,018	(62,388)	4,278	319,748,303
Treatment		417,556,473	1,883,886	(659,794)	(20,215,057)	398,565,508
Solids processing		65,950,485	36,131,544	—	—	102,082,029
Solids recycling		7,497,390	—	—	—	7,497,390
Support		118,213,289	14,163,633	—	157,967	132,534,889
		919,308,032	61,895,081	(722,182)	(20,052,812)	960,428,119
Equipment:						
Plant		503,634,984	18,172,776	(1,932,514)	20,783,066	540,658,312
Support		77,571,938	830,042	(127,514)	711,254	78,985,720
Vehicles		20,412,093	3,336,644	(1,128,837)	233,151	22,853,051
		601,619,015	22,339,462	(3,188,865)	21,727,471	642,497,083
Total depreciable capital assets		1,520,927,047	84,234,543	(3,911,047)	1,674,659	1,602,925,202
Less accumulated depreciation:						
Plant in service:						
Transmission		127,392,751	6,159,230	(54,711)	—	133,497,270
Treatment		92,205,540	17,683,483	(549,538)	—	109,339,485
Solids processing		29,705,361	1,283,488	—	—	30,988,849
Solids recycling		3,916,549	182,150	—	—	4,098,699
Support		58,644,176	2,766,284	—	—	61,410,460
		311,864,377	28,074,635	(604,249)	—	339,334,763
Equipment:						
Plant		160,435,841	17,067,295	(1,560,271)	—	175,942,865
Support		42,280,381	4,532,368	(127,514)	—	46,685,235
Vehicles		10,464,654	1,851,818	(1,026,468)	—	11,290,004
		213,180,876	23,451,481	(2,714,253)	—	233,918,104
Total accumulated depreciation		525,045,253	51,526,116	(3,318,502)	—	573,252,867
Total capital assets, net	\$	1,194,527,588	141,819,051	(84,434,929)	1,676,225	\$ 1,253,587,935

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

(5) Long-Term Liabilities

A summary of the changes in long-term liabilities for the years ended December 31, 2020 and 2019 is as follows:

	<u>December 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2020</u>	<u>Amounts due within one year</u>
Bonds payable	\$ 539,842,117	\$ 160,636,772	\$ (30,186,677)	\$ 670,292,212	\$ 26,645,000
Compensated absences	<u>2,426,927</u>	<u>840,122</u>	<u>(226,189)</u>	<u>3,040,860</u>	<u>247,447</u>
Total noncurrent liabilities	<u>\$ 542,269,044</u>	<u>\$ 161,476,894</u>	<u>\$ (30,412,866)</u>	<u>\$ 673,333,072</u>	<u>\$ 26,892,447</u>

A summary of the changes in long-term liabilities for the year ended December 31, 2019 is as follows:

	<u>December 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2019</u>	<u>Amounts due within one year</u>
Bonds payable	\$ 569,574,736	\$ 412,609,259	\$ (442,341,878)	\$ 539,842,117	\$ 27,385,000
Compensated absences	<u>2,239,651</u>	<u>515,367</u>	<u>(328,091)</u>	<u>2,426,927</u>	<u>95,295</u>
Total noncurrent liabilities	<u>\$ 571,814,387</u>	<u>\$ 413,124,626</u>	<u>\$ (442,669,969)</u>	<u>\$ 542,269,044</u>	<u>\$ 27,480,295</u>

(6) Improvement and Refunding Bonds

Total outstanding improvement bonds and refunding bonds are summarized below:

<u>Issue</u>	<u>Date issued</u>	<u>Amount issued</u>	<u>December 31,</u>	
			<u>2020</u>	<u>2019</u>
2009B Sewer Improvement Bonds	08/27/09	\$ 187,380,000	\$ 94,195,000	\$ 94,195,000
2012A Sewer Improvement Bonds	01/25/12	380,000,000	20,760,000	30,685,000
2019A Sewer Refunding Bonds	05/17/19	72,830,000	59,620,000	72,830,000
2019B Sewer Refunding Bonds	12/10/19	332,770,000	328,520,000	332,770,000
2020A Sewer Improvement Bonds	10/27/20	146,545,000	146,545,000	—
Plus premium on 2012A Bonds			1,796,701	3,144,226
Plus premium on 2019A Bonds			4,861,260	6,217,891
Plus premium on 2020A Bonds			<u>13,994,251</u>	<u>—</u>
Total			<u>\$ 670,292,212</u>	<u>\$ 539,842,117</u>

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

Principal and interest requirements on all outstanding bonds are summarized as follows at December 31, 2020:

	Principal	Interest	Total
2021	\$ 26,645,000	\$ 22,179,174	\$ 48,824,174
2022	27,675,000	21,239,175	48,914,175
2023	28,585,000	20,079,253	48,664,253
2024	29,440,000	19,036,893	48,476,893
2025	31,085,000	17,854,649	48,939,649
2026-2030	154,820,000	68,612,447	223,432,447
2031-2035	117,400,000	43,846,264	161,246,264
2036-2040	138,165,000	23,078,376	161,243,376
2041-2045	95,825,000	5,416,701	101,241,701
	649,640,000	\$ 241,342,932	\$ 890,982,932
Unamortized premiums	20,652,212		
	\$ 670,292,212		

All of the District's revenues are pledged toward the repayment of these bonds. For these bonds there are no assets pledged as collateral. If the Bonds are not paid at the date of maturity then interest will continue to be paid at the original interest rate until those Bonds, both principal and interest, are paid in full.

(a) Series 2009B

On August 27, 2009, the District issued \$187,380,000 of Series 2009B Sewer Improvement Bonds, bearing interest at 4.718% to 5.775%, for the purpose of financing construction of long-range capital improvement projects. The 2009B Bonds were issued as Direct Pay Build America Bonds. Build America Bonds were created as part of the American Recovery and Reinvestment Act of 2009 and are taxable bonds to the bond holder. The District receives a direct federal subsidy in the amount of 35 percent of the interest payment on the Build America Bonds. The District recorded \$1,792,534 and \$2,187,547 from the United States Treasury for the fiscal years ended December 31, 2020 and 2019 related to the federal subsidy received on these bonds.

As part of the issuance of the Series 2019A Sewer Refunding Bonds, a portion of the 2009B bonds were refunded, in the amount of \$78,875,000. The remaining outstanding series 2009B bonds, in the amount of \$94,195,000, are due in annual installments of \$17,475,000 to \$20,250,000 beginning April 1, 2025 through April 1, 2029.

(b) Series 2012A

On January 25, 2012, the District issued \$380,000,000 of Series 2012A Sewer Improvement Bonds, bearing interest at 3.00% to 5.00%, for the purpose of financing construction of long-range capital improvement projects. On December 10, 2019, the portion of the Series 2012A Bonds maturing on or after April 1, 2023 in the aggregate amount of \$311,740,000 were defeased as part of the issuance of the 2019B Taxable Sewer Refunding Bonds. The remaining tax-exempt bonds in the aggregate amount of \$30,685,000 are due in annual installments of \$9,925,000 to \$10,535,000 April 1, 2020 through April 1, 2022.

(c) Series 2019A

On May 17, 2019, the District issued \$72,830,000 of Series 2019A Sewer Refunding Bonds, bearing interest of 5.00%, for the purpose of refunding a portion of the Series 2009B Bonds outstanding in the aggregate amount of \$78,875,000 with an interest rate of 5.00%. Proceeds from the 2019A Bonds were deposited with the Escrow Agent. The portion of the 2009B Bonds were called and defeased on May 17, 2019 and the escrow account closed. As a result, the refunded 2009B bonds were defeased and the

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

liability for those bonds has been removed from the District's statement of net position as of December 31, 2019.

The refunding was undertaken to reduce total debt service payments over the next five years by \$4.2 million and resulted in an economic gain of \$4.0 million. The 2019A Bonds are due in annual installments ranging from \$13,210,000 to \$15,995,000 beginning April 1, 2020 through April 1, 2024.

(d) Series 2019B

On December 10, 2019, the District issued \$332,770,000 of Series 2019B Taxable Sewer Refunding Bonds, bearing interest ranging from 1.00% to 3.15%, for the purpose of defraying the cost of refunding and paying the principal and interest on the 2012A Bonds maturing on or after April 1, 2023 in the aggregate amount of \$311,740,000. The net proceeds of \$331,789,575 from the 2019B Bonds, after payment of \$980,425 underwriting fees and other issuance costs were deposited into an escrow account to provide for all future debt service payments of the refunded 2012A bonds. As a result, the refunded 2012A bonds are considered to be defeased in substance, and the liability for those bonds has been removed from the District's statement of net position as of December 31, 2019.

The refunding was undertaken to reduce total debt service payments over the next ten years by \$26.7 million and resulted in a difference between reacquisition price and the net carrying amount of the old debt of \$5.6 million. This difference, reported in the accompanying financial statements as a deferred inflow of resources, is being amortized as a component of interest expense through the life of the 2019B bonds. The refunding resulted in an economic gain of \$19.6 million. The bonds are taxable and due in annual installments of \$4,250,000 to \$23,320,000 beginning April 1, 2020 through April 1, 2041.

(e) Series 2020A

On October 27, 2020, the District issued \$146,545,000 of Series 2020A Sewer Improvement Bonds, bearing interest at 2.00% to 5.00%, for the purpose of financing construction of long-range capital improvement projects. The 2020A Bonds are due in annual installments ranging from \$5,095,000 to \$17,035,000 beginning April 1, 2030 through April 1, 2045.

(f) Bond Covenants

There are certain covenants associated with the District's bonds. As of December 31, 2020 and 2019, the management of the District believes they are in substantive compliance with these requirements.

(7) Retirement Plans

(a) General

The District offers two retirement plans to employees. Employees hired on or before December 31, 2012 are under the Defined Benefit Plan. Employees hired on or after January 1, 2013 are under the Defined Contribution Plan. Additional information on each plan follows below.

(b) Defined Benefit Plan

Plan Description

The Defined Benefit Plan is a single-employer, defined benefit pension plan covering all employees of the District hired on or before December 31, 2012. The Defined Benefit Plan is administered by a retirement board, which consists of seven members who are appointed by the Board of Directors of the District. The provisions of the Defined Benefit Plan give the District's Board of Directors the right and authority to establish and amend the contribution requirements and benefit provisions of the Defined Benefit Plan. The costs of administering the Defined Benefit Plan are paid from the Defined Benefit Plan's investment earnings.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

Benefits Provided

The Defined Benefit Plan provides retirement, death, and disability benefits to Plan members and their beneficiaries. Participants are fully vested in Plan benefits after completion of five years of eligible service. Employees who terminate employment at age 65 generally receive the Normal Retirement Benefit, which is equal to 2% of their final average salary multiplied by the number of years of credited service. The final average salary is the average annual salary for the three highest consecutive years out of the participant’s last 10 years of employment.

Employees who terminate employment after completing 10 years of service before the age of 65 are eligible for the Early Retirement Benefit, which is equal to the Normal Retirement Benefit reduced by 1/15th for each of the first 5 years and 1/30th for each additional year by which the payments precede the normal retirement age (age 65).

Employees who terminate employment after completing 10 years of service before age 65 and having the sum of age plus years of service equal to at least 80 are eligible for the Rule of 80 Benefit. The Rule of 80 Benefit is calculated in the same manner as the Normal Retirement Benefit.

Disability benefits are paid to participants who become totally and permanently disabled who meet the eligibility requirements for the Normal Retirement Benefit or the Early Retirement Benefit.

Benefits Terms

The standard method of paying benefits to participants is in monthly payments. The Plan also allows participants to elect a combination of a lump-sum distribution and monthly payments or certain other annuity options. The Board of Directors has elected occasionally, in the past, to make ad hoc postretirement increases for monthly payments to participants to adjust payments for the effect of inflation using the consumer pricing index. These ad hoc payments are at the discretion of the Board of Directors and are not required by the Plan.

A description of the Defined Benefit Plan and the vesting and benefit provisions are included in the official plan document. Copies of this document as well as the Defined Benefit Plan’s financial statements are available from the Human Resources Division of the District.

At December 31, 2020 and 2019, the Defined Benefit Plan’s membership consisted of the following:

	2020	2019
Retirees and beneficiaries eligible to receive benefits as of December 31	246	235
Terminated employees entitled to, but not yet receiving, benefits	138	142
Active plan members	200	216
Total	584	593

i) Summary of Significant Accounting Policies

(i) Basis of Accounting

The financial statements of the Defined Benefit Plan are prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental accounting in accordance with the Governmental Accounting Standards Board (GASB). Investment income is recorded when earned. Expenses are recorded when liabilities are incurred.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

The District's contributions are recognized when due, and the District has made a formal commitment to provide the contribution. Employee contributions are recognized when due, as the contributions are withheld from the employee's paychecks. Benefits and refunds are recognized when due and payable in accordance with the terms of the Defined Benefit Plan.

(ii) Contributions

Employee contributions to the Defined Benefit Plan were prohibited from 1979 to July 2007. However, changes to the Defined Benefit Plan, effective July 8, 2007, require employee contributions, which range from 1% in 2007 to 7% in 2015 and beyond. The payroll for employees covered by the Defined Benefit Plan for the years ended December 31, 2020 and 2019 was \$20,312,130 and \$20,599,400, respectively. The District's total payroll for the years ended December 31, 2020 and 2019 was \$35,587,131 and \$31,917,750 respectively

During 2020 and 2019, contributions made by the District totaled \$6,219,293 and \$5,700,935, respectively. Employee contributions to the Defined Benefit Plan totaled \$1,420,295 and \$1,472,473, respectively.

(iii) Valuation of Investments

The Defined Benefit Plan is a noninsured trust retirement plan, with a bank or trust company authorized to exercise trust powers in Colorado as trustee. As such, the Plan's assets are invested using the "Colorado Uniform Prudent Investor Act" found in the provisions of Part 3 of Article 1 of Title 15, C.R.S.

The Defined Benefit Plan assets are invested and managed as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances. In satisfying this standard, all fiduciaries shall exercise reasonable care, skill, and caution. Investment decisions should be evaluated within the context of the entire portfolio (rather than on an individual investment basis) and as part of an overall investment strategy having risk and return objectives reasonably suited to the Retirement Plan's purpose.

Separate accounts, mutual funds, and other investment vehicles may be used based upon the most favorable approach for the Plan's circumstances, assuming the vehicle meets the Fiduciary Standard and specific guidelines for the manager. It is recognized that if a pooled fund is used, the fund's investment manager, rather than the Defined Benefit Plan, sets the fund's investment policies, strategies, objectives, guidelines, and restrictions.

Mutual funds are recorded at quoted market prices at December 31, 2020 and 2019. The underlying properties held within the real estate fund, Principal U.S. Property account, are appraised annually and financial statements are audited by an internationally recognized accounting firm. The Defined Benefit Plan invests funds in the Fidelity Institutional Small/Mid Cap Core Commingled Pool, an institutional class investment that is valued monthly. The pool's fair value is based on the market values of the underlying publicly traded equities that make up the pool. The Defined Benefit Plan also invests in low volatility strategies, liquid real assets, and floating rate debt funds, which are valued monthly, and private equity funds, which are valued quarterly. These investments are valued at their fair value as determined by the custodian under the direction of the Defined Benefit Plan with the assistance of an independent consultant.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

ii) Net Pension Liability

The District's net pension liability was measured as of December 31, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 and 2020, respectively.

iii) Changes in the Net Pension Liability

Changes in Net Pension Liability	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances as of December 31, 2018	\$ 135,253,515	\$ 90,860,932	\$ 44,392,583
Changes for the year:			
Service cost	1,965,109	—	1,965,109
Interest on total pension liability	9,690,475	—	9,690,475
Effect of economic/demographic gains or losses	1,710,776	—	1,710,776
Effect of assumption changes or inputs	8,032,806	—	8,032,806
Benefit payments	(7,240,476)	(7,240,476)	—
Employer contributions	—	5,700,935	(5,700,935)
Member contributions	—	1,472,473	(1,472,473)
Net investment income	—	14,823,703	(14,823,703)
Administrative expenses	—	(76,414)	76,414
Balances as of December 31, 2019	<u>149,412,205</u>	<u>105,541,153</u>	<u>43,871,052</u>
Changes for the year:			
Service cost	2,114,148	—	2,114,148
Interest on total pension liability	10,312,587	—	10,312,587
Effect of economic/demographic gains or losses	1,602,483	—	1,602,483
Benefit payments	(8,552,016)	(8,552,016)	—
Employer contributions	—	6,219,293	(6,219,293)
Member contributions	—	1,420,295	(1,420,295)
Net investment income	—	12,170,741	(12,170,741)
Administrative expenses	—	(63,397)	63,397
Balances as of December 31, 2020	<u>\$ 154,889,407</u>	<u>\$ 116,736,069</u>	<u>\$ 38,153,338</u>

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

iv) Actuarial assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2020 and 2019 were based on the results of an actuarial experience study for the period 2010-2014:

	December 31,	
	2020	2019
Actuarial valuation date	January 1, 2021	January 1, 2020
Measurement date	December 31, 2020	December 31, 2019
Inflation	2.50%	2.50%
Salary increases,	Graded by age	Graded by age
Mortality rate	Pub-2010 Healthy Employee and Retiree Mortality Table for General Employees Projected Generationally Using the Most Recent MP Scale Published by the Society of Actuaries on December 31, 2019	Pub-2010 Healthy Employee and Retiree Mortality Table for General Employees Projected Generationally Using the Most Recent MP Scale Published by the Society of Actuaries on December 31, 2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	7.00%	7.00%

v) Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the District as of December 31, 2020, calculated using the discount rate of 7.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	December 31, 2020		
	1% Decrease	Current Discount	1% Increase
	6.00%	Rate 7.00%	8.00%
Net pension liability	\$ 55,833,719	\$ 38,153,338	\$ 23,188,932

The following presents the net pension liability of the District as of December 31, 2019, calculated using the discount rate of 7.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	December 31, 2019		
	1% Decrease	Current Discount	1% Increase
	6.00%	Rate 7.00%	8.00%
Net pension liability	\$ 61,124,410	\$ 43,871,052	\$ 29,279,164

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

vi) Long-term expected rate of return

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Ellwood’s investment consulting practice as of December 31, 2020. The long-term expected rate of return is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
Public Equity	45%	5.98%
Private Equity	5%	9.62%
Fixed Rate Debt	25%	0.10%
Floating Rate Debt	5%	6.00%
Low Volatility Strategies	5%	2.08%
Real Estate	15%	5.12%

vii) Discount rate

The discount rates used to measure the total pension liability was 7.00% for the year ended December 31, 2020 and 7.00% for the year ended December 31, 2019. The projection of cash used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate that the District contribution will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

viii) Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the years ended December 31, 2020 and 2019, the District recognized pension expense of \$6,803,247 and \$9,623,189, respectively. At December 31, 2020 and 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>December 31, 2020</u>	
	<u>Deferred (Inflows) of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ —	\$ 1,839,347
Changes of assumptions	—	3,012,302
Net difference between projected and actual earnings	<u>(6,074,648)</u>	<u>—</u>
Total	<u>\$ (6,074,648)</u>	<u>\$ 4,851,649</u>

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

	December 31, 2019	
	Deferred (Inflows) of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ —	\$ 2,036,328
Changes of assumptions	—	6,214,406
Net difference between projected and actual earnings	(3,172,065)	—
Total	\$ (3,172,065)	\$ 8,250,734

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2021	\$	1,940,952
2022		411,025
2023		(2,611,687)
2024		(963,289)
2025		—
Thereafter*		—

*Note that additional future deferred (inflows) and outflows of resources may impact these numbers.

(c) Defined Contribution Plan

Effective on and after January 1, 2013 all new employees are under the Defined Contribution Plan. Employees in the DC Plan are required to contribute 6% of their earnings to the Plan. The District matches the mandatory employee contributions with an additional 6% contribution. Employee contributions are deducted from each bi-weekly paycheck, and this amount together with the District's matching portion, is sent each payday to the DC Plan's administrator, the International City/County Management Association (ICMA). As of December 31, 2020 and 2019 there were 225 and 197 active plan members. The District's contributions for the years ended December 31, 2020 and 2019 were \$905,657 and \$771,809, respectively.

For the years ended December 31, 2020 and 2019, the Statement of Net Position for the Defined Contribution Plan is as follows:

	December 31,	
	2020	2019
Assets:		
Investments, at fair value		
Cash and short-term investments	\$ 60,099	\$ 174,205
Mutual funds	10,540,538	7,327,203
Stable value funds	1,031,341	730,909
Total investments, at fair value	11,631,978	8,232,317
Liabilities		
Fiduciary net position restricted for pension benefits	\$ 11,631,978	\$ 8,232,317

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

For the years ended December 31, 2020 and 2019, the Statement of Changes in Net Position for the Defined Contribution Plan is as follows:

	December 31,	
	2020	2019
Additions:		
Investment income		
Net appreciation in fair value of investments	\$ 1,593,509	\$ 1,354,121
Net investment income	1,593,509	1,354,121
Contributions from employer	905,357	771,809
Contributions from employee	1,237,434	837,611
Total additions	3,736,300	2,963,541
Benefit payments	332,532	560,089
Administrative expenses	4,407	3,056
Total deductions	336,939	563,145
Net increase in plan fiduciary net position	3,399,361	2,400,396
Fiduciary net position restricted for pension benefits:		
Beginning of year	8,232,317	5,831,921
End of year	\$ 11,631,678	\$ 8,232,317

(8) Postemployment Healthcare Plan

(a) General

The District administers a single-employer defined postemployment healthcare plan. The District provides healthcare benefits including coverage for medical insurance to retirees and their spouses up to age 65, and limited reimbursement for medical premiums. The Colorado Revised Code allows, but does not mandate, the District to provide postemployment benefits. Authority for the District to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Colorado Revised Statute sections 24-19-102 and 24-19-103 of the Colorado Revised Code. The healthcare plan is “pay-as-you-go” and does not have an OPEB Trust Fund, thus does not have a publicly available financial report.

Employees covered by benefit terms. As of December 31, 2020, the following employees were covered by the benefit terms:

	2020	2019
Inactive employees or beneficiaries currently receiving benefit payments	224	224
Inactive employees entitled to but not yet receiving benefit payments	—	—
Active employees	396	396
Total	620	620

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

(b) Funding Policy

Authority for the District funding of the postemployment healthcare plan comes from the District's Board of Directors. There are no required contributions from plan members. The plan is financed on a pay-as-you-go basis.

(c) Total OPEB Liability

The District's total OPEB liability was based on the January 1, 2019 valuation date and measurement dates of December 31, 2019 and December 31, 2018, respectively. The District's total OPEB liability was \$11,900,947 and \$9,941,368 for the years ended December 31, 2020 and December 31, 2019, respectively.

(d) Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The significant assumptions underlying the actuarial calculations at December 31, 2020 and December 31, 2019 are as follows:

	December 31,	
	2020	2019
Actuarial valuation date	January 1, 2019	January 1, 2019
Measurement date	December 31, 2019	December 31, 2018
Inflation	2.50%	2.50%
Salary increases,	Graded by age	Graded by age
	Pub-2010 General Employees mortality table fully generational	Pub-2010 General Employees mortality table fully generational
Mortality rate	using scale MP2019	using scale MP2019
	Entry Age Normal	Entry Age Normal
Actuarial cost method	Level Percent of Pay	Level Percent of Pay
Discount rate	2.74%	4.10%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index at the measurement date.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period 2010 through 2014.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

(e) *Changes in the Total OPEB Liability*

Increase/Decrease in Total OPEB Liability	Fiscal Year Ending:	
	December 31, 2020	December 31, 2019
Balance at Beginning of Year	\$ 9,941,368	\$ 9,203,994
Changes for the year:		
Service cost	417,645	400,532
Interest on Total OPEB liability	415,846	324,085
Effect of economic/demographic gains or losses	—	641,921
Effect of assumptions changes or inputs	1,563,331	(259,185)
Benefit payments	(437,243)	(369,979)
Balances at End of Year	\$ 11,900,947	\$ 9,941,368

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption:

		December 31, 2020		
		Current Discount		
		1% Decrease	Rate 2.74%	1% Increase
Net OPEB liability	\$	13,297,501	\$ 11,900,947	\$ 10,719,009

		December 31, 2020		
		Current Healthcare		
		1% Decrease	Cost Trend Rate	1% Increase
Net OPEB liability	\$	11,231,013	\$ 11,900,947	\$ 12,721,077

		December 31, 2019		
		Current Healthcare		
		1% Decrease	Cost Trend Rate	1% Increase
Net OPEB liability	\$	9,454,580	\$ 9,941,368	\$ 10,525,361

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

		December 31, 2019		
		Current Discount		
		1% Decrease	Rate 4.10%	1% Increase
Net OPEB liability	\$	11,025,696	\$	9,941,368
				\$ 9,012,725

(f) ***OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB***

For the years ended December 31, 2020 and 2019, the District recognized OPEB expense of \$1,094,530 and \$790,240, respectively. At December 31, 2020 and 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		December 31, 2020	
		Deferred (Inflows) of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$	—	\$ 481,441
Changes of assumptions	\$	(279,276)	\$ 1,561,691
Total (prior to post-Measurement Date contributions):	\$	(279,276)	\$ 2,043,132
Contributions made subsequent to measurement date		—	171,501
Net deferred outflow / (inflow) of resources	\$	(279,276)	\$ 2,214,633

		December 31, 2019	
		Deferred (Inflows) of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$	—	\$ 561,681
Changes of assumptions		(333,439)	233,322
Total (prior to post-Measurement Date contributions)		(333,439)	795,003
Contributions made subsequent to measurement date		—	131,828
Net deferred outflow / (inflow) of resources	\$	(333,439)	\$ 926,831

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

Contributions made after the measurement date will be recognized as expenses in future periods and not included in the table below. Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:

2021	\$	261,039
2022		261,039
2023		261,039
2024		263,212
2025		278,850
Thereafter*		438,677

*Note that additional future deferred (inflows) and outflows of resources may impact these numbers. For this purpose, deferred outflows from contributions subsequent to the measurement date are not shown.

(9) Deferred Compensation Plan

The District offers its participants a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (Section 457). The plan, available to all the District’s employees, permits deferral of a portion of the employees’ salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Since the plan assets are held in trust by a third party, and District does not have a governing board that manages the Plan, the District’s basic financial statements exclude such Section 457 plan assets and associated liability in accordance with GASB Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

(10) Service Agreements

The District has entered into service agreements with each of the member municipalities and special connectors who provide for, among other things, charges for service to such connectors. Annual charges are based on the budgeted expenses of the District for the year, and are payable to the District in quarterly installments by each of the connectors. The rates charged to connectors are based on the quantity and quality of the sewage flow received and treated.

For the years ended December 31, 2020 and 2019, the District’s connectors and related revenue consisted of the following:

Classification	Year ended December 31, 2020		Year ended December 31, 2019	
	Number	Amount	Number	Amount
Member municipalities	22	\$ 122,410,596	22	\$ 119,313,592
Special connectors	27	13,030,228	28	12,823,797
	49	\$ 135,440,824	50	\$ 132,137,389

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

(11) Board of Directors Restricted Amounts

Included in the balance of restricted net position of the District are funds restricted by the District’s Board of Directors (Board) for specific purposes. Board restrictions were as follows:

	December 31,	
	2020	2019
90 day expense reserve plus \$1 million	\$ 24,518,373	\$ 23,941,842
Sewer connection charge reserve	25,000,000	25,000,000
Total restricted amount	\$ 49,518,373	\$ 48,941,842

(12) Risk Management

The District is exposed to various risks of loss related to property, auto, health, and workers’ safety, for which the District carries commercial insurance. The District’s commercial insurance coverage has remained substantially the same from the prior year. The District retains the first \$100,000 of any property loss. There was one loss claim filed in 2018 with The Hartford Steam Boiler and Inspection Insurance. The loss was sustained on July 21, 2018, failure for North East Blower #8. The loss claim has been approved in the amount of \$1.8 million. The District has initiated a project for the replacement of Blower #8, and funds of \$1,920,000 have been appropriated. Actual project costs incurred as of December 31, 2020 totaled \$1,530,675. The claim was paid out and closed in 2020.

The District carries insurance for public entity liability exposure with the Colorado Special District Property and Liability Pool with a limit of \$2,000,000 per occurrence. As of December 31, 2020 and 2019, there were no claims outstanding against the District that were required to be reported in the accompanying financial statements.

(13) Commitments and Contingencies

The District is a party to various lawsuits resulting from risks inherent in its operations. After consulting with legal counsel, District management has concluded that the final disposition of these matters will not have a significant adverse effect on the District’s 2020 basic financial statements.

As of December 31, 2020, the District had various commitments totaling approximately \$283.7 million for the construction of major capital improvements, growth, and replacement projects. Funding of these projects will be provided through annual charges for services, bond proceeds, investment earnings, and unrestricted net position. The largest projects, representing 68.7% of this total, are the Solids Processing Improvements and -Sand Creek and Second Creek Basins Regional Plan with remaining costs of \$195.0 million.

(a) Suncor Air and Soil Contamination

In November 2012, while trenching to install utilities on property leased from the Metro District, Suncor Energy USA Inc. (Suncor) identified groundwater contamination from the light non-aqueous phase liquids. Suncor notified District staff and the Colorado Department of Public Health and Environment (CDPHE).

In 2011, increasing levels of both dissolved and un-dissolved petroleum products was observed in various locations on the Metro District’s Robert W. Hite Treatment Facility (RWHTF). The District

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Notes to the Basic Financial Statements

began working with Suncor staff to address the situation, including having Suncor 1) install skimming devices to remove the free product from monitoring wells, 2) install additional monitoring wells to determine the source of the contamination, and 3) construct concrete “collars” around the District’s Sand Creek Interceptor to prevent Suncor’s product from running along the Interceptor to the District’s RWHTF. District staff began their own independent monitoring, and met with Suncor staff to discuss safety issues, reimbursement of costs, additional monitoring requirements, and future remediation.

Previously, in November 2011, Metro District employees observed petroleum-like odors in other areas of the RWHTF and the District conducted atmospheric tests in those areas. As a result of these tests, portions of the Technical Services Building were closed and equipment was installed to enhance ventilation. Since November 2011, Suncor has increased its efforts to monitor and remove both dissolved and un-dissolved petroleum products from the Metro District property, and is responsible for developing and implementing long-term plans for remediation.

In response to the critical nature of the situation; the pace at which response actions were being initiated by the CDPHE, the Environmental Protection Agency (EPA) and Suncor on and around the RWHTF; and the lack of in-house environmental contamination expertise, Metro District staff determined outside assistance was necessary, and, as a result hired an independent consultant and outside legal counsel to assist with the rapidly developing situation.

In December 2011, the consultant was engaged to assist the Metro District with monitoring and mitigating the air and soil contamination originating from the Suncor property. In February 2012, the Board of Directors appropriated \$1.5 million for the work related to the Suncor petroleum contamination. The District has paid ARCADIS approximately \$34,000 and \$76,500 in 2020 and 2019, respectively, in the monitoring efforts. The District did not incur outside legal counsel costs during 2020 and 2019.

Also in February 2012, the Metro District signed an Access and License Agreement with Suncor in which Suncor agreed to pay a fee of \$40,000 per quarter through 2017 for access to the District site. The District signed a First Amendment to Access and License Agreement with Suncor in December 2017, extending the original terms of the Access Agreement through December 15, 2022. This amount, together with ARCADIS costs and certain other direct expenses, is billed to and reimbursed by Suncor on a quarterly basis. Suncor is fully responsible for remainder (not a liability of the District) and has reimbursed the District approximately \$194,000 and \$236,000 in 2020 and 2019, respectively.

(14) Subsequent Event

On March 13th and 14th 2021, the Denver metro area experienced a blizzard snow event which tallied over 25 inches in various locations. On March 16, 2021, District staff noticed damage to the covers of the clarifiers at the Northern Treatment Plant. Engineering staff and the District’s insurance provider is assessing damages. The total amount of damages is unknown at this time.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios (Unaudited)
December 31, 2020

	Fiscal Year Ending December 31									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service Cost	\$ 2,114,148	\$ 1,965,109	\$ 2,010,528	\$ 2,054,219	\$ 2,118,343	\$ 2,300,707	\$ 2,440,541	N/A	N/A	N/A
Interest on total pension liability	10,312,587	9,690,475	9,316,712	8,968,077	8,516,917	8,048,386	7,836,723	N/A	N/A	N/A
Effect on plan changes	-	-	-	-	-	-	-	N/A	N/A	N/A
Effect of economic /demographic (gains) or losses	1,602,483	1,710,776	1,035,325	1,588,268	1,723,846	(113,453)	(1,826,177)	N/A	N/A	N/A
Effect of assumption changes or inputs	-	8,032,806	-	3,286,291	-	5,444,418	-	N/A	N/A	N/A
Benefit payments	(8,552,016)	(7,240,476)	(7,085,818)	(6,758,280)	(5,817,753)	(5,757,870)	(5,408,869)	N/A	N/A	N/A
Net change in total pension liability	5,477,202	14,158,690	5,276,747	9,138,575	6,541,353	9,922,188	3,042,218	N/A	N/A	N/A
Total pension liability, beginning	149,412,205	135,253,515	129,976,768	120,838,193	114,296,840	104,374,652	101,332,434	N/A	N/A	N/A
Total pension liability, ending (a)	\$ 154,889,407	\$ 149,412,205	\$ 135,253,515	\$ 129,976,768	\$ 120,838,193	\$ 114,296,840	\$ 104,374,652	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	\$ 6,219,293	\$ 5,700,935	\$ 5,019,996	\$ 4,756,434	\$ 4,228,249	\$ 4,722,308	\$ 4,679,000	N/A	N/A	N/A
Member contributions	1,420,295	1,472,473	1,483,945	1,560,619	1,636,552	1,631,561	1,421,235	N/A	N/A	N/A
Investment income net of investment expenses	12,170,741	14,823,703	(2,770,025)	11,752,741	6,300,119	(244,970)	5,461,900	N/A	N/A	N/A
Benefit payments	(8,552,016)	(7,240,476)	(7,085,818)	(6,758,280)	(5,817,753)	(5,757,870)	(5,408,869)	N/A	N/A	N/A
Administrative expenses	(63,397)	(76,414)	(48,345)	(55,461)	(46,271)	(62,749)	(51,140)	N/A	N/A	N/A
Net change in plan fiduciary net position	11,194,916	14,680,221	(3,400,247)	11,256,053	6,300,896	288,280	6,102,126	N/A	N/A	N/A
Fiduciary net position, beginning	105,541,153	90,860,932	94,261,179	83,005,126	76,704,230	76,415,950	70,313,824	N/A	N/A	N/A
Fiduciary net position, ending (b)	\$ 116,736,069	\$ 105,541,153	\$ 90,860,932	\$ 94,261,179	\$ 83,005,126	\$ 76,704,230	\$ 76,415,950	N/A	N/A	N/A
Net pension liability, ending = (a) - (b)	\$ 38,153,338	\$ 43,871,052	\$ 44,392,583	\$ 35,715,589	\$ 37,833,067	\$ 37,592,610	\$ 27,958,702	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	75.37%	70.64%	67.18%	72.52%	68.69%	67.11%	73.21%	N/A	N/A	N/A
Covered payroll	\$ 20,312,130	\$ 20,599,400	\$ 20,935,048	\$ 22,351,010	\$ 23,323,075	\$ 23,834,625	\$ 25,353,510	N/A	N/A	N/A
Net pension liability as % of cov	187.84%	212.97%	212.05%	159.79%	162.21%	157.72%	110.28%	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. Information earlier than 2014 was not available

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Required Supplementary Information

Schedule of Employer Contributions (Unaudited)
Ten Years Ended December 31, 2020

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2011	\$ 3,725,482	\$ 3,725,482	\$ -	\$ 21,797,265	17.09%
2012	3,977,529	3,977,529	-	22,854,848	17.40%
2013	5,009,539	5,009,539	-	25,039,481	20.01%
2014	4,722,308	4,679,000	43,308	25,353,510	18.46%
2015	4,228,249	4,722,308	(494,059)	23,834,625	19.81%
2016	4,756,434	4,228,249	528,185	23,323,075	18.13%
2017	5,019,996	4,756,434	263,562	22,351,010	21.28%
2018	5,700,935	5,019,996	680,939	20,935,048	23.98%
2019	6,219,293	5,700,935	518,358	20,599,400	27.68%
2020	8,115,278	6,219,293	1,895,985	20,312,130	30.62%

Notes to Schedule

Valuation date:

Actuarially determined contribution amount is calculated as of January 1st of the fiscal year in which the contributions are reported

Methods and assumptions used for funding policy:

Actuarial cost method	Entry age normal
Amortization method	Level dollar over a 10-year period, closed period
Asset valuation method	Five year non-asymptotic
Inflation	2.50%
Salary increases	Graded by age
Investment rate of return	7.00%
Retirement age	Table of rates by Age and Eligibility
Mortality	Pub-2010 Healthy Employee and Retiree Mortality Table for General Employees Projected Generationally Using the Most Recent MP Scale Published by the Society of Actuaries on December 31, 2019

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
December 31, 2020

	Fiscal Year Ending December 31									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB Liability										
Service Cost	\$ 417,645	\$ 400,532	\$ 373,620	\$ 376,564	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	415,846	324,085	331,010	307,477	N/A	N/A	N/A	N/A	N/A	N/A
Effect of changes to benefit terms	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic /demographic (gains) or losses	-	641,921	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	1,563,331	(259,185)	312,414	(171,947)	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(437,243)	(369,979)	(389,041)	(341,659)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	1,959,579	737,374	628,003	170,435	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	9,941,368	9,203,994	8,575,991	8,405,556	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	\$ 11,900,947	\$ 9,941,368	\$ 9,203,994	\$ 8,575,991	\$ 8,405,556	N/A	N/A	N/A	N/A	N/A
Covered payroll	\$ 34,021,941	\$ 31,917,750	\$ 30,439,922	\$ 29,426,219	\$ 27,618,839	N/A	N/A	N/A	N/A	N/A
Net pension liability as of % of covered payroll	34.98%	31.15%	30.24%	29.14%	30.43%	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with GASB standards, they should not be reported.

SCHEDULES

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Schedules

Schedule of Revenue and Expenses - Budget and Actual
Year ended December 31, 2020

	Year-to-date Actual	Budget 2020	Variance – Favorable (Unfavorable)
Operating revenue:			
Annual charges to connectors	\$ 135,440,824	\$ 135,440,824	\$ —
Septic charge revenue	97,254	210,000	(112,746)
Other operating income	2,923,009	2,899,083	23,926
	138,461,087	138,549,907	(88,820)
Operating expenses:			
Operations and maintenance:			
Wastewater transmission	1,325,342	2,107,460	782,118
Wastewater treatment	19,600,639	18,949,417	(651,222)
Solids processing	10,129,961	10,765,318	635,357
Solids recycling	8,514,937	10,675,949	2,161,012
Technical management and support	20,839,100	23,474,556	2,635,456
Administrative and general	23,954,284	23,596,417	(357,867)
	84,364,263	89,569,117	5,204,854
Operating revenue in excess of expenses (excluding depreciation)	54,096,824	48,980,790	5,116,034
Nonoperating revenue:			
Interest	4,124,184	4,675,850	(551,666)
Other	3,217,588	—	3,217,588
Total nonoperating revenue	7,341,772	4,675,850	2,665,922
Nonoperating expenses:			
Capital (operations and management)	956,424	2,198,250	1,241,826
Debt service	44,746,550	48,014,327	3,267,777
	45,702,974	50,212,577	4,509,603
Revenue over expenses	15,735,622	\$ 3,444,063	\$ 12,291,559
Reconciliation to change in net position:			
Add:			
Sewer connection fees	52,287,224		
Capital outlay	956,424		
Debt service	44,746,550		
Capital asset, sewer and A&C interest	2,087,679		
Net decrease in the fair value of investments	1,793,999		
Deduct:			
Depreciation	(51,526,116)		
Interest expense included in debt service above	(16,354,709)		
Nonoperating expenses	(1,463,406)		
OPEB expense	(1,094,530)		
OPEB employer payments	437,243		
OPEB contributions post measurement date	171,501		
OPEB contributions post measurement date prior year	(131,828)		
Employer contribution expense	6,219,293		
Pension expense	(6,803,247)		
Increase in net position	\$ 47,061,699		

Capital (operations and management) only includes the portion of capital expenditures related to operations. Additional capital expenditures are shown on Footnote 5. See accompanying independent auditors' report.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Schedules

Schedule of Operating Expenses - Budget and Actual
Year ended December 31, 2020

	<u>Year-to-date Actual</u>	<u>Budget 2020</u>	<u>Variance – Favorable (Unfavorable)</u>
Operations and maintenance:			
Wastewater transmission:			
Personnel	\$ 924,740	\$ 1,574,598	\$ 649,858
Materials and fuel	228,679	325,000	96,321
Utilities	141,381	154,000	12,619
Outside services	23,080	38,250	15,170
Support services	7,462	15,612	8,150
	<u>1,325,342</u>	<u>2,107,460</u>	<u>782,118</u>
Wastewater treatment:			
Personnel	9,479,160	9,552,467	73,307
Materials and fuel	1,286,198	1,142,650	(143,548)
Chemicals	3,128,976	2,396,800	(732,176)
Utilities	5,338,812	5,611,000	272,188
Outside services	181,083	126,500	(54,583)
Support services	186,410	120,000	(66,410)
	<u>19,600,639</u>	<u>18,949,417</u>	<u>(651,222)</u>
Solids processing:			
Personnel	2,276,061	2,689,068	413,007
Materials and fuel	1,116,160	858,450	(257,710)
Chemicals	4,009,367	4,379,300	369,933
Utilities	1,182,659	1,067,000	(115,659)
Outside services	1,545,714	1,771,500	225,786
	<u>10,129,961</u>	<u>10,765,318</u>	<u>635,357</u>
Solids recycling:			
Personnel	4,242,841	4,584,051	341,210
Materials and fuel	1,892,945	2,185,950	293,005
Chemicals	1,360,382	2,040,000	679,618
Utilities	18,379	38,500	20,121
Outside services	991,766	1,827,448	835,682
Support services	8,624	—	(8,624)
	<u>8,514,937</u>	<u>10,675,949</u>	<u>2,161,012</u>
Total operations and maintenance	<u>39,570,879</u>	<u>42,498,144</u>	<u>2,927,265</u>

See accompanying independent auditors' report.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Schedules

Schedule of Operating Expenses - Budget and Actual
Year ended December 31, 2020

	<u>Year-to-date Actual</u>	<u>Budget 2020</u>	<u>Variance – Favorable (Unfavorable)</u>
Technical management and support:			
Operations and maintenance:			
Personnel (1)	4,708,826	5,077,750	368,924
Materials and fuel	1,026,025	1,257,150	231,125
Utilities	564,506	483,000	(81,506)
Outside services	1,343,403	1,448,000	104,597
Support expenses	33,661	110,638	76,977
	<u>7,676,421</u>	<u>8,376,538</u>	<u>700,117</u>
Resource recovery and reuse:			
Personnel	1,633,965	1,266,871	(367,094)
Materials and fuel	469,932	284,850	(185,082)
Utilities	76,921	158,125	81,204
Outside services	539,143	603,600	64,457
Support expenses	19,341	105,200	85,859
	<u>2,739,302</u>	<u>2,418,646</u>	<u>(320,656)</u>
Laboratory:			
Personnel	5,301,462	5,360,127	58,665
Materials and fuel	829,053	936,535	107,482
Outside services	353,981	442,307	88,326
Support expenses	10,236	65,283	55,047
	<u>6,494,732</u>	<u>6,804,252</u>	<u>309,520</u>
Engineering:			
Personnel (1)	3,856,747	5,749,620	1,892,873
Materials and fuel	6,343	12,000	5,657
Outside services	56,506	58,000	1,494
Support expenses	9,049	55,500	46,451
	<u>3,928,645</u>	<u>5,875,120</u>	<u>1,946,475</u>
Total technical management and support	<u>20,839,100</u>	<u>23,474,556</u>	<u>2,635,456</u>

See accompanying independent auditors' report.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Schedules

Schedule of Operating Expenses - Budget and Actual
Year ended December 31, 2020

	<u>Year-to-date Actual</u>	<u>Budget 2020</u>	<u>Variance – Favorable (Unfavorable)</u>
Administrative and general:			
Personnel (1)	16,656,363	16,014,101	(642,262)
Materials and fuel	497,703	643,600	145,897
Outside services	3,874,585	3,922,338	47,753
Support expenses	<u>2,925,633</u>	<u>3,016,378</u>	<u>90,745</u>
Total administrative and general	<u>23,954,284</u>	<u>23,596,417</u>	<u>(357,867)</u>
Total operating system	1,366,725	2,052,000	685,275
Capital outlay	<u>956,424</u>	<u>2,198,250</u>	<u>1,241,826</u>
Total District system	<u>\$ 2,323,149</u>	<u>\$ 4,250,250</u>	<u>\$ 1,927,101</u>

(1) Personnel has been decreased by \$2,138,915 to reflect staff costs relating to capital projects that were capitalized during 2020.

(2) See Schedule of Revenue and Expenses - Budget and Actual for reconciling expenses

See accompanying independent auditors' report.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Schedules

Combining Statement of Net Position - Fiduciary Funds
Year Ended December 31, 2020

	Defined Benefit Retirement Plan	Defined Contribution Retirement Plan	Total Fiduciary Funds
Assets:			
Investments, at fair value:			
Cash and short-term investments	\$ 1,085,311	\$ 60,099	\$ 1,145,410
Public equity	56,750,175	-	56,750,175
Mutual funds	-	10,540,538	10,540,538
Private equity	5,441,707	-	5,441,707
Fixed rate debt	26,648,753	-	26,648,753
Stable value funds	-	1,031,341	1,031,341
Floating rate debt	4,688,571	-	4,688,571
Low volatility strategies	6,427,219	-	6,427,219
Real estate	15,736,902	-	15,736,902
Total investments, at fair value:	<u>116,778,638</u>	<u>11,631,978</u>	<u>128,410,616</u>
Total assets	<u>116,778,638</u>	<u>11,631,978</u>	<u>128,410,616</u>
Liabilities:			
Accrued administrative expenses	42,569	-	42,569
Fiduciary net position restricted for pension benefits	<u>\$ 116,736,069</u>	<u>\$ 11,631,978</u>	<u>\$ 128,368,047</u>

Combining Statement of Net Position -Fiduciary Funds
Year Ended December 31, 2019

	Defined Benefit Retirement Plan	Defined Contribution Retirement Plan	Total Fiduciary Funds
Assets:			
Investments, at fair value:			
Cash and short-term investments	\$ 791,962	\$ 174,205	\$ 966,167
Public equity	46,596,837	-	46,596,837
Mutual funds	-	7,327,203	7,327,203
Private equity	4,171,966	-	4,171,966
Fixed rate debt	11,215,500	-	11,215,500
Stable value funds	-	730,909	730,909
Floating rate debt	4,266,468	-	4,266,468
Low volatility strategies	11,864,747	-	11,864,747
Real estate	15,650,192	-	15,650,192
Total investments, at fair value:	<u>94,557,672</u>	<u>8,232,317</u>	<u>102,789,989</u>
Distribution receivable	<u>11,015,280</u>	<u>-</u>	<u>11,015,280</u>
Total assets	<u>105,572,952</u>	<u>8,232,317</u>	<u>113,805,269</u>
Liabilities:			
Accrued administrative expenses	31,799	-	31,799
Fiduciary net position restricted for pension benefits	<u>\$ 105,541,153</u>	<u>\$ 8,232,317</u>	<u>\$ 113,773,470</u>

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Schedules

Combining Statement of Changes in Net Position - Fiduciary Funds
Year Ended December 31, 2020

	Defined Benefit Retirement Plan	Defined Contribution Retirement Plan	Total Fiduciary Funds
Additions:			
Investment income:			
Net appreciation in fair value of investments	\$ 11,357,812	\$ 1,593,509	\$ 12,951,321
Interest and dividend income	1,211,724	-	1,211,724
Less investment expense	(398,795)	-	(398,795)
Net investment income	12,170,741	1,593,509	13,764,250
Contributions from employer	6,219,293	905,657	7,124,950
Contributions from employee	1,420,295	1,237,434	2,657,729
Total additions	19,810,329	3,736,600	23,546,929
Deductions:			
Benefit payments	8,552,016	332,532	8,884,548
Administrative expenses	63,397	4,407	67,804
Total deductions	8,615,413	336,939	8,952,352
Net increase in plan fiduciary net position	11,194,916	3,399,661	14,594,577
Fiduciary net position restricted for pension benefits:			
Beginning of year	105,541,153	8,232,317	113,773,470
End of year	\$ 116,736,069	\$ 11,631,978	\$ 128,368,047

Combining Statement of Changes in Net Position - Fiduciary Funds
Year Ended December 31, 2019

	Defined Benefit Retirement Plan	Defined Contribution Retirement Plan	Total Fiduciary Funds
Additions:			
Investment income:			
Net appreciation in fair value of investments	\$ 13,116,354	\$ 1,354,121	\$ 14,470,475
Interest and dividend income	2,198,932	-	2,198,932
Less investment expense	(491,583)	-	(491,583)
Net investment income	14,823,703	1,354,121	16,177,824
Contributions from employer	5,700,935	771,809	6,472,744
Contributions from employee	1,472,473	837,611	2,310,084
Total additions	21,997,111	2,963,541	24,960,652
Deductions:			
Benefit payments	7,240,476	560,089	7,800,565
Administrative expenses	76,414	3,056	79,470
Total deductions	7,316,890	563,145	7,880,035
Net increase in plan fiduciary net position	14,680,221	2,400,396	17,080,617
Fiduciary net position restricted for pension benefits:			
Beginning of year	90,860,932	5,831,921	96,692,853
End of year	\$ 105,541,153	\$ 8,232,317	\$ 113,773,470



III. STATISTICAL SECTION

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Index

This section of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

I.	<i>Financial Trends</i>	77
	These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
	<i>Net Position by Component</i>	
	<i>Changes in Net Position</i>	
	<i>Annual Revenue by Source</i>	
	<i>Annual Expenses by Type</i>	
	<i>Nonoperating Revenues and Expenses</i>	
II.	<i>Revenue Capacity</i>	82
	These schedules contain information to help the reader assess the District's most significant revenue sources.	
	<i>Wastewater Treated</i>	
	<i>Annual Sewer Connections</i>	
	<i>Number of Sewer Customers by Type</i>	
	<i>Ten Largest Customers</i>	
III.	<i>Debt Capacity</i>	86
	These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
	<i>Pledged Revenue Coverage</i>	
	<i>Ratios of Outstanding Debt</i>	
IV.	<i>Demographic and Economic Information</i>	88
	These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
	<i>Demographic and Economic Statistics</i>	
	<i>Ten Largest Employers</i>	
V.	<i>Operating Information</i>	90
	These schedules contain service and infrastructure information to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities performed.	
	<i>Number of Employees by Activity</i>	
	<i>Operating Indicators by Function/Program</i>	

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Net Position by Component
(Last Ten Fiscal Years)
(Unaudited)

	Fiscal Year									
	2020	2019	2018	2017 ⁽³⁾	2016	2015	2014 ⁽²⁾	2013	2012 ⁽¹⁾	2011 ⁽¹⁾
Enterprise Fund:										
Net Investment in capital assets	\$ 577,939,549	\$ 649,061,488	\$ 571,522,642	\$ 510,877,257	\$ 460,051,937	\$ 429,463,120	\$ 415,810,616	\$ 395,807,892	\$ 394,336,618	\$ 401,101,647
Restricted	192,488,379	32,330,709	31,052,196	29,921,766	30,015,798	28,751,323	19,240,514	42,784,764	29,392,546	17,680,793
Unrestricted	221,685,836	263,659,868	293,952,857	296,623,363	300,634,133	269,101,343	229,052,829	194,045,456	161,508,493	135,481,268
Total Enterprise Fund net position	\$ 992,113,764	\$ 945,052,065	\$ 896,527,695	\$ 837,422,386	\$ 790,701,868	\$ 727,315,786	\$ 664,103,959	\$ 632,638,112	\$ 585,237,657	\$ 554,263,708

- (1) As restated for implementation of GASB No. 65.
- (2) As restated for implementation of GASB No. 68.
- (3) As restated for implementation of GASB No. 75.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Changes in Net Position
(Last Ten Fiscal Years)
(Unaudited)

Fiscal Year		Operating revenue	Operating expenses	Operating income	Nonoperating revenues/ expenses	Income/Loss before capital contributions	Capital contributions and special items (1)	Change in net position
2011	(2)	\$ 96,047,756	\$ 76,752,442	\$ 19,295,314	\$ (4,055,459)	\$ 15,239,855	\$ 15,162,851	\$ 30,402,706
2012	(2)	103,130,010	99,697,501	3,432,509	(15,018,081)	(11,585,572)	42,559,521	30,973,949
2013		110,809,466	84,314,050	26,495,416	(12,869,919)	13,625,497	33,774,958	47,400,455
2014	(3)	115,723,735	84,868,290	30,855,445	(1,807,331)	29,048,114	34,639,805	63,687,919
2015		120,903,118	95,001,708	25,901,410	(7,787,632)	18,113,778	45,098,049	63,211,827
2016		127,174,092	103,622,742	23,551,350	(14,230,026)	9,321,324	54,064,758	63,386,082
2017	(4)	128,756,972	117,910,988	10,845,984	(20,165,815)	(9,319,831)	59,490,896	50,171,065
2018		132,848,289	121,721,978	11,126,311	(16,176,605)	(5,050,294)	64,155,603	59,105,309
2019		134,209,798	129,973,134	4,236,664	(7,344,290)	(3,107,626)	51,631,996	48,524,370
2020		138,461,087	137,091,947	1,369,140	(6,594,665)	(5,225,525)	52,287,224	47,061,699

- (1) The District received \$12.4 million for the purchase of additional BOD capacity from Denver International Airport in 2012 in addition to \$30.1 million of Sewer Connection Charges.
- (2) As restated for implementation of GASB No. 65.
- (3) As restated for implementation of GASB No. 68.
- (4) As restated for implementation of GASB No. 75.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Annual Revenues by Source
(Last Ten Fiscal Years)
(Unaudited)

Fiscal Year	Annual charges to connectors	Other operating revenue	Sewer connection fees (1)	Investment income	Other nonoperating revenue and special items	Total revenue
2011	\$ 94,223,017	\$ 1,824,739	\$ 15,162,851	\$ 2,057,584	\$ 3,610,722	\$ 116,878,913
2012	101,760,858	1,369,152	42,559,521	4,335,939	4,670,815	154,696,285
2013	109,901,727	907,739	33,774,958	(34,201)	4,296,684	148,846,907
2014	114,847,305	876,430	34,639,805	4,597,918	8,722,469	163,683,927
2015	120,015,434	887,684	45,098,049	3,020,955	3,711,621	172,733,743
2016	124,516,013	2,658,079	54,064,758	110,946	4,002,317	185,352,113
2017	127,006,333	1,750,639	59,490,896	3,931,505	3,741,451	195,920,824
2018	129,546,460	3,301,829	64,155,603	5,844,697	3,629,718	206,478,307
2019	132,137,389	2,072,409	51,631,996	11,317,707	2,703,617	199,863,118
2020	135,440,824	3,020,263	52,287,224	8,005,862	2,812,479	201,566,652

(1) The District received \$12.4 million for the purchase of additional BOD capacity from Denver International Airport in 2012 in addition to \$30.1 million of Sewer Connection Charges.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Annual Expenses by Type
(Last Ten Fiscal Years)
(Unaudited)

Fiscal Year	Wastewater transmission	Wastewater treatment	Solids processing	Solids recycling	Engineering services	Laboratory services	Support operations and maintenance	Administrative and general	Depreciation	Total operating expenses	Nonoperating expenses	Total expenses
2011	\$ 1,671,093	\$ 13,973,761	\$ 6,920,342	\$ 4,521,244	\$ 1,764,786	\$ 3,487,210	\$ 5,998,033	\$ 15,271,776	\$ 23,144,197	\$ 76,752,442	\$ 9,723,765	\$ 86,476,207
2012	1,706,342	13,544,517	7,563,354	5,081,222	2,393,154	3,595,125	6,389,269	15,444,651	43,979,867	99,697,501	24,024,835	123,722,336
2013	1,796,093	13,566,221	7,761,947	5,260,754	2,377,180	3,984,998	7,179,686	15,427,226	26,959,945	84,314,050	17,132,402	101,446,452
2014 (1)	1,735,774	14,367,188	7,823,389	5,537,914	2,170,828	3,952,942	6,279,562	15,628,555	27,372,138	84,868,290	15,127,718	99,996,008
2015	1,769,041	15,071,499	7,965,783	6,743,753	2,430,194	4,417,412	7,116,253	17,450,740	32,037,033	95,001,708	14,520,208	109,521,916
2016	1,727,967	16,961,517	7,690,712	8,211,750	2,156,632	5,082,336	7,460,951	18,560,772	35,770,105	103,622,742	18,343,289	121,966,031
2017 (2)	1,611,834	17,080,977	8,417,218	8,401,488	3,286,382	5,429,026	9,037,837	21,206,232	43,439,994	117,910,988	27,838,771	145,749,759
2018	1,933,139	18,086,763	8,668,269	9,286,612	3,312,549	5,990,846	9,573,120	22,778,547	42,092,133	121,721,978	25,651,020	147,372,998
2019	2,103,035	19,343,183	10,260,429	9,599,778	3,650,622	6,969,050	11,709,653	22,358,081	43,979,303	129,973,134	21,365,614	151,338,748
2020	1,349,024	19,801,990	10,192,371	8,617,925	4,064,644	6,617,457	10,577,124	24,345,296	51,526,116	137,091,947	17,413,006	154,504,953

(1) As restated for implementation of GASB No. 68.

(2) As restated for implementation of GASB No. 75.

Approximately \$2.9 million of engineering wages associated with construction projects and information technology wages associated with software implementation were capitalized in 2011.
 Approximately \$2.9 million of engineering wages associated with construction projects and information technology wages associated with software implementation were capitalized in 2012.
 Approximately \$3.2 million of engineering wages associated with construction projects and information technology wages associated with software implementation were capitalized in 2013.
 Approximately \$3.2 million of engineering wages associated with construction projects and information technology wages associated with software implementation were capitalized in 2014.
 Approximately \$3.2 million of engineering wages associated with construction projects and information technology wages associated with software implementation were capitalized in 2015.
 Approximately \$3.3 million of engineering wages associated with construction projects and information technology wages associated with software implementation were capitalized in 2016.
 Approximately \$2.6 million of engineering wages associated with construction projects and information technology wages associated with software implementation were capitalized in 2017.
 Approximately \$2.5 million of engineering wages associated with construction projects and information technology wages associated with software implementation were capitalized in 2018.
 Approximately \$2.4 million of engineering wages associated with construction projects and information technology wages associated with software implementation were capitalized in 2019.
 Approximately \$2.1 million of engineering wages associated with construction projects and information technology wages associated with software implementation were capitalized in 2020.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Nonoperating Revenues and Expenses
(Last Ten Fiscal Years)
(Unaudited)

Fiscal year		Investment income (expense)	Interest expense	Bond issuance costs	Intergovernmental revenue (expense)	Gain (loss) on disposal of capital assets	Other revenue/ (expense)	Total nonoperating revenues/ (expenses)
2011	(1)	\$ 2,057,584	\$ (8,450,592)	\$ -	\$ 3,610,722	\$ (231,054)	\$ (1,042,119)	\$ (4,055,459)
2012	(1)	4,335,939	(20,694,707)	(1,207,232)	3,610,722	(250,768)	(812,035)	(15,018,081)
2013		(34,201)	(16,372,226)	-	3,388,663	48,161	99,684	(12,869,919)
2014		4,597,918	(11,885,426)	-	3,349,848	(2,828,938)	4,959,267	(1,807,331)
2015		3,020,955	(12,743,455)	-	3,351,653	(968,698)	(448,087)	(7,787,632)
2016		110,946	(15,210,068)	-	3,364,291	280,252	(2,775,447)	(14,230,026)
2017		3,931,505	(21,751,909)	-	3,476,704	(336,518)	(5,485,597)	(20,165,815)
2018		5,844,697	(23,853,490)	-	3,376,025	(663,251)	(880,586)	(16,176,605)
2019		11,317,707	(19,269,915)	(1,407,833)	2,187,548	(68,975)	(102,822)	(7,344,290)
2020		8,005,862	(16,354,709)	(628,676)	1,814,187	(262,363)	831,034	(6,594,665)

(1) As restated for implementation of GASB No. 65.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Wastewater Treated
(Last Ten Fiscal Years)
(Unaudited)

Fiscal Year	Average gallons of wastewater treated (millions)	Annual charges (millions)	Annual charges per average million gallons per day (millions)
2011	130.0	94.2	0.7
2012	129.0	101.8	0.8
2013	130.0	110.0	0.8
2014	133.0	115.0	0.9
2015	148.0	120.0	0.8
2016	137.0	124.5	0.9
2017	133.0	127.0	1.0
2018	129.0	129.5	1.0
2019	133.0	132.1	1.0
2020	129.0	135.4	1.0

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Annual Sewer Connections
(Last Ten Fiscal Years)
(Unaudited)

Fiscal year	Total sewer connections	Cost per single family residential equivalent
2011	5,247	2,890
2012	9,112	3,310
2013	8,606	3,960
2014	8,804	3,960
2015	11,826	3,960
2016	14,022	4,220
2017	15,827	4,220
2018	18,549	4,270
2019	13,251	4,270
2020	12,047	4,340

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Number of Sewer Customers by Type

(Last Ten Fiscal Years)

(Unaudited)

Fiscal year	Municipalities	Special connectors	Industrial	Total
2011	22	25	2	49
2012	22	25	2	49
2013	22	25	2	49
2014	22	25	2	49
2015	22	26	2	50
2016	22	26	2	50
2017	22	26	2	50
2018	22	26	2	50
2019	22	26	2	50
2020	22	26	2	50

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Ten Largest Customers
(Current Year and Nine Years Ago)
(Unaudited)

Customer	Fiscal year 2020	
	Sewer revenue	
	Amount	Percentage
City and County of Denver	\$ 55,421,329	40.9%
City of Aurora	29,051,351	21.4%
City of Thornton	10,363,394	7.7%
City of Arvada	8,111,473	6.0%
City of Westminster	2,987,034	2.2%
City of Lakewood	2,845,496	2.1%
Green Mountain Water and Sanitation District	2,684,062	2.0%
Bancroft-Clover Water and Sanitation District	2,349,972	1.7%
North Washington Street Water and Sanitation District	2,041,079	1.5%
Lakehurst Water and Sanitation District	1,880,392	1.4%
Subtotal (10 largest)	117,735,582	86.9%
Balance from other customers	17,705,242	13.1%
Grand Totals	\$ 135,440,824	100.0%
	Fiscal year 2011	
	Sewer revenue	
	Amount	Percentage
City and County of Denver	\$ 45,010,602	47.8%
City of Aurora	15,934,942	16.9%
City of Thornton	6,496,952	6.9%
City of Arvada	5,888,619	6.2%
City of Lakewood	2,184,373	2.3%
Bancroft-Clover Water and Sanitation District	1,881,831	2.0%
City of Westminster	1,695,936	1.8%
Wheat Ridge Sanitation District	1,118,909	1.2%
Crestview Water and Sanitation District	909,773	1.0%
Northwest Lakewood Sanitation District	877,022	0.9%
Subtotal (10 largest)	81,998,959	87.0%
Balance from other customers	12,224,058	13.0%
Grand Totals	\$ 94,223,017	100.0%

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Pledged Revenue Coverage
(Last Ten Fiscal Years)
(Unaudited)

Fiscal year	Operating revenues	Sewer connection fees (2)	Interest on Investments	Gross revenues (3)(5)	Less operating expenses (1)	Net available revenues	Debt service - revenue bonds			Coverage ratio
							Principal	Interest (4)	Total	
2011	\$ 96,047,756	\$ 15,162,851	\$ 2,057,584	\$ 113,268,191	\$ 56,174,678	\$ 57,093,513	\$ 15,383,254	\$ 10,853,013	\$ 26,236,267	2.18
2012	103,130,010	42,559,521	4,335,939	150,025,470	58,429,059	91,596,411	14,440,000	21,290,694	35,730,694	2.56
2013	110,809,466	33,774,958	(34,201)	144,550,223	60,225,319	84,324,904	10,710,000	26,131,299	36,841,299	2.29
2014	115,723,735	34,639,805	4,597,918	154,961,458	61,987,561	92,973,897	11,160,000	25,709,902	36,869,902	2.52
2015	120,903,118	45,098,049	3,020,955	169,022,122	65,807,672	103,214,450	12,005,000	25,219,771	37,224,771	2.77
2016	127,174,092	54,064,758	110,946	181,349,796	66,325,434	115,024,362	21,620,000	24,445,259	46,065,259	2.50
2017	128,756,972	59,490,896	3,931,505	192,179,373	73,405,388	118,773,985	22,370,000	23,286,846	45,656,846	2.60
2018	132,848,289	64,155,603	5,844,697	202,848,589	76,682,721	126,165,868	23,160,000	22,299,275	45,459,275	2.78
2019	134,209,798	51,631,996	11,317,707	197,159,501	82,125,678	115,033,823	23,985,000	21,609,030	45,594,030	2.52
2020	138,461,087	52,287,224	8,005,862	198,754,173	85,320,687	113,433,486	27,385,000	15,547,363	42,932,363	2.64

- (1) Operating expenses include capitalized wages and capital outlay, excluding depreciation. Source: CAFR Schedule 2
- (2) The District received \$12.4 million for the purchase of additional BOD capacity from Denver International Airport in 2012 in addition to \$30.1 million of Sewer Connection Charges.
- (3) As restated for implementation of GASB No. 68 in 2014.
- (4) Net of 2009B BABS interest refund.
- (5) As restated for implementation of GASB No. 75 2017.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Ratios of Outstanding Debt
(Last Ten Fiscal Years)
(Unaudited)

Fiscal Year	Outstanding principal - revenue bonds (thousands of dollars)	Personal income (thousands of dollars)	Per capita personal income	Outstanding principal debt to personal income
2011	\$ 279,772	\$ 127,324,066	\$ 48,980	\$ 0.22
2012	683,148	134,735,338	50,936	0.51
2013	670,062	140,122,755	51,946	0.48
2014	656,685	148,684,245	53,983	0.44
2015	642,543	157,531,669	55,975	0.41
2016	618,786	162,316,535	56,892	0.38
2017	594,280	172,311,400	59,660	0.34
2018	569,574	188,515,221	64,287	0.30
2019	539,842	199,503,851	67,236	0.27
2020	670,292	N/A	N/A	N/A

N/A: not available at time of compilation

Source: Bureau of Economic Analysis - U.S. Department of Commerce

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Demographic and Economic Statistics
(Last Ten Calendar Years)
(Unaudited)

Fiscal Year	Population (1)	Personal income (thousands of dollars)	Per capita personal income	Unemployment rate
2011	2,599,504	\$ 127,324,066	\$ 48,980	7.9%
2012	2,645,209	134,735,338	50,936	7.4%
2013	2,697,476	140,122,755	51,946	6.5%
2014	2,754,258	148,684,245	53,983	4.8%
2015	2,814,330	157,531,669	55,975	3.6%
2016	2,853,077	162,316,535	56,892	3.1%
2017	2,888,227	172,311,400	59,660	3.1%
2018	2,932,415	188,515,221	64,287	3.6%
2019	2,967,239	199,503,851	67,236	2.5%
2020	N/A	N/A	N/A	6.9%

(1) Represents the population of Metropolitan Denver.

N/A: not available at time of printing

Source: U.S. Bureau of Economic Analysis and U.S. Department of Labor

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Ten Largest Employers
(Current Year and Nine Years Ago)
(Unaudited)

Employer	2020		
	Employees	Percentage of total (1)	Rank
HealthONE Corporation	12,410	0.74%	1
SCL Health System	9,970	0.60	2
Centura Health	9,450	0.57	3
UCHealth	9,380	0.56	4
Lockheed Martin Corporation	8,990	0.54	5
Comcast	7,250	0.43	6
Children's Hospital Colorado	7,150	0.43	7
United Airlines	7,000	0.42	8
Kaiser Permanente	6,610	0.40	9
CenturyLink	<u>6,500</u>	0.39	10
Total	<u><u>84,710</u></u>		

Employer	2011		
	Employees	Percentage of total (2)	Rank
HealthONE	9,640	0.70%	1
CenturyLink	7,380	0.54	2
Exempla Healthcare	7,320	0.53	3
Lockheed Martin	7,220	0.53	4
Centura Health	6,370	0.47	5
Kaiser Permanente	5,870	0.43	6
DISH Network	4,690	0.34	7
United Airlines	4,500	0.33	8
Wells Fargo Bank	4,400	0.32	9
University of Denver	<u>4,310</u>	0.31	10
Total	<u><u>61,700</u></u>		

Source: Metro Denver Economic Development Corporation

(1) Total employed - 2020	1,667,300
(2) Total employed - 2011	1,368,560

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Number of Employees by Activity
(Last Ten Fiscal Years)
(Unaudited)

Full-time-equivalent employees as of December 31,

	2020	2019	2018	2017	2016*	2015	2014	2013	2012	2011
Administrative Services	56.00	63.00	62.00	58.00	59.00	66.00	67.00	67.00	67.00	67.00
Comprehensive Planning	3.00	—	—	—	—	—	—	—	—	—
Engineering	44.75	39.75	38.00	36.75	37.75	39.75	38.75	38.00	40.00	34.00
Environmental Services	81.00	77.00	70.00	68.50	70.50	68.50	63.50	61.50	59.00	61.00
Human Resources	12.00	12.00	12.00	12.00	5.00	—	—	—	—	—
Maintenance	72.00	79.00	79.00	69.00	73.00	—	—	—	—	—
NTP Operations & Maintenance	21.00	—	—	—	—	11.25	3.00	2.00	2.00	1.00
Office of the General Counsel	2.00	2.00	2.00	2.00	2.00	—	—	—	—	—
Office of the Manager (including legal services from 2011-2015)	4.00	4.00	3.00	2.00	3.00	8.00	7.00	7.00	5.00	11.00
Operations	35.00	46.00	45.00	42.00	46.00	—	—	—	—	—
RWHTF Operations and Maintenance	—	—	—	—	—	133.75	136.00	136.00	139.00	137.00
Resource, Recovery & Reuse	66.00	70.00	73.00	72.00	71.00	43.00	38.00	41.00	44.00	41.00
Strategy & Communication	8.00	—	—	—	—	—	—	—	—	—
Technology & Innovation	7.00	15.00	16.00	12.00	9.00	—	—	—	—	—
Total	411.75	407.75	400.00	374.25	376.25	370.25	353.25	352.50	356.00	352.00

* Information for 2016 updated with re-organization during 2017 Budget preparation process.

* Information for 2020 updated with re-organization during 2022 Budget preparation process.

Metro Wastewater Reclamation District
For the Years Ended December 31, 2020 and 2019

Statistical Section

Operating Indicators by Function/Program
(Last Ten Fiscal Years)
(Unaudited)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Function/Program:										
Wastewater Treatment										
Number of Wastewater Plants	2	2	2	2	2	1	1	1	1	1
Treatment Capacity (mgd) (1)	249	249	249	249	249	225	225	225	225	225
Average Flow Treated (mgd) (1)	129	133	129	133	137	148	133	130	129	130
BOD (tpd) (2) (3)	168	171	162	160	166	164	155	156	142	153
TSS (tpd) (4)	171	186	170	181	171	170	168	170	148	154
Flow Permit Limits	249	249	249	249	249	220	220	220	220	220
BOD Permit Limits	240	240	240	240	240	212	212	212	212	212
Biosolids:										
Dry tons distributed	29,983	29,338	30,621	30,149	29,640	28,961	27,525	26,068	27,026	26,589
Truck miles driven	873,054	907,080	866,302	890,286	867,581	839,631	736,493	663,805	819,752	709,335
Truck loads	6,957	6,843	7,173	7,005	6,622	6,527	6,001	5,818	6,326	5,849
Acres biosolids applied to	15,786	13,697	13,360	13,975	16,537	16,765	16,912	13,965	15,222	13,179
Facility inspection:										
Line cleaning - feet	205,392	179,636	181,607	183,216	189,260	182,485	181,627	170,939	167,537	180,613
Surface inspection - number	2,255	2,502	2,478	2,624	2,788	2,481	2,910	2,259	2,349	2,473
TV inspection - feet	138,336	106,617	129,479	114,576	176,982	131,356	149,829	133,263	136,206	129,432
Cogeneration production:										
Energy output - kwhs (5)	33,152,566	34,023,964	31,765,767	28,792,361	30,421,280	32,183,360	30,869,600	31,838,560	31,603,520	34,017,200
District-Wide Personnel at Year-End:	411.75	407.75	400.00	374.25	376.25	370.25	353.25	352.50	356	352

- (1) mgd: million gallons per day
- (2) BOD: biochemical oxygen demand
- (3) tpd: tons per day
- (4) TSS: total suspended solids
- (5) kwhs: kilowatt hours



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