Alternatives for Wastewater Infrastructure Ownership

City of Englewood

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Solutions-Oriented Consulting

Purpose

Summarize the options that may be available to Englewood if it were to transition its ownership interest in South Platte Renew to one that would reduce its financial obligations and inherent business and regulatory risks.

Topics

A. **Special District – Englewood Only**

B. **Special District – Englewood + Its Connector Districts**

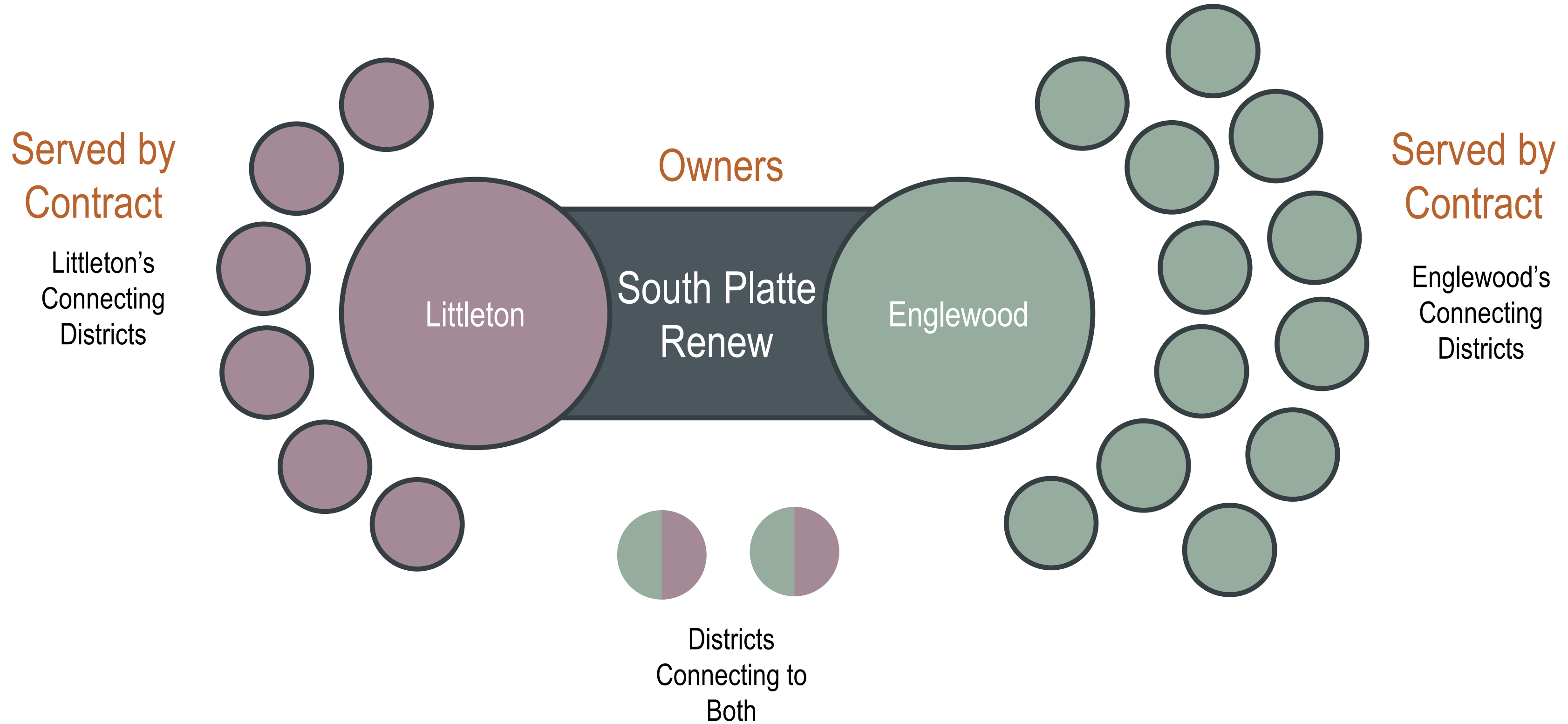
C. **Special District – Littleton + Englewood**

D. **Special District – All –In**

~~E. **Merger with Metro Water Recovery**~~

~~F. **Sale to Private Party**~~

Ownership & Contractual Layout



Forming Special Districts

Service Plan	Commission Approval	Court Approval	Election
Describes the services for the area to be included in the special district and all contractual services.	For all counties included in the District boundaries.	For the county in which the District is located. Property owners may petition for exclusion.	All eligible voters in the proposed District.

Four of the alternatives discussed today involve this process

A. Special District – Englewood Only

- **District boundary includes Englewood corporate limits only**
- **Assigns Englewood's interest in SPR to new District**
- **Assignment appears to be allowed in your District Agreements**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Englewood	Impact on Englewood Ratepayers	Time to Implement
5	5	5	2	4	5

26

5 is best, 1 is worst

Conclusion: Englewood gets out of the sewer business, transfers all assets and liabilities to new District with least number of approvals of all options.

B. Special District – Englewood & Districts

- **Regionalizes Englewood's interest in SPR, districts become part owners**
- **District boundaries include Englewood and that of its connecting districts**
- **The districts may need to increase equity contributions**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Englewood	Impact on Englewood Ratepayers	Time to Implement
5	5	5	4	5	3

Conclusion: Englewood gets out of the sewer business, transfers all assets and liabilities to the new District but would involve the approval of up to three (3) counties. Equity contributions from districts that may benefit Englewood.

C. Special District – Littleton + Englewood

- **District boundaries include only Littleton and Englewood corporate limits**
- **Vests 100% ownership of SPR to a new district**
- **Requires approval of both cities**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Englewood	Impact on Englewood Ratepayers	Time to Implement
5	5	5	2	4	4

25

Conclusion: Littleton and Englewood get out of the sewer business consolidating management and governance of SPR. Neither city would likely benefit financially any more than Option A (low).

D. Special District – All-In

- **Regionalizes all of SPR in an all-inclusive district**
- **Requires approval of at least four county commissions**
- **Equity payments from districts a possibility**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Englewood	Impact on Englewood Ratepayers	Time to Implement
5	5	5	4	5	2

26

Conclusion: Transfers all interests in SPR to a regionalized special district which would require the broadest levels of county commission and voter approval of all options. Possible financial benefits to Littleton and Englewood from equity contributions of the districts.

Findings

Feature / Category	A	B	C	D
Transfers the Assets	5	5	5	5
Transfers or Eliminates the Liabilities	5	5	5	5
Transfers All Future Obligations	5	5	5	5
Cash Flow to Littleton	2	4	2	4
Impact on Littleton Ratepayers	4	5	4	5
Time to Implement	5	3	4	2
Total Rank (highest is best)	**26**	**27**	**25**	**26**

An additional consideration is potential shift in governance. Options A and C would keep it nearly the same as current. Options B and D would expand governance to a wider area.

Thank you!
Questions?

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