



November 9, 2022

LETTER OF BUDGET TRANSMITTAL


TO: Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

Enclosed are the 2023 Budget and related Board Resolutions for the La Plata West Water Authority in La Plata County, Colorado, submitted pursuant to Section 29-1-113 C.R.S. The Budget was adopted by the Board of Directors on December 15, 2021. If there are any questions on the Budget, please contact Mardi A. Gebhardt, President, at (970) 749-1949 or e-mail at gebhardt.m.lpwwa@gmail.com or 555 County Road 122, Hesperus, CO 81326.

The Authority does not have a mill levy and operates on grants and other financing.

I hereby certify that the enclosed are a true and accurate copy of the Budget and related Resolutions.

La Plata West Water Authority

By 
Mardi A. Gebhardt, President

BALLANTINE COMMUNICATIONS

PROOF OF PUBLICATION

STATE OF COLORADO

County of La Plata

I, Odette Zenizo, do solemnly swear that I am the Classified Advertising Representative of the Durango Herald, and that I have personal knowledge of the essential facts stated herein; that the same is a daily newspaper printed in whole, and published in the County of La Plata, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of La Plata for a period of more than twelve months next prior to the first publication of the annexed Legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under a provision of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a daily newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire editions of said daily newspaper with the following dates:

10/28/2022

In witness whereof I have hereunto set my hand this date, 11/7/2022.

Odette Zenizo

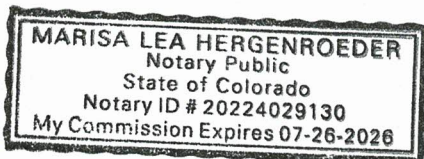
Subscribed and sworn before me, a notary public in and for the County of La Plata, State of Colorado this date, 11/7/2022.

Marisa L Hergenroeder

Notary Public

My Commission expires

(SEAL)



COPY OF ADVERTISEMENT

10352

NOTICE OF BUDGET HEARING LA PLATA WEST WATER AUTHORITY

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the Board of Directors of the La Plata West Water Authority for the ensuing year 2023. A copy of such proposed budget has been filed at the office of Colorado Water and Land Law, LLC, 679 East Second Avenue, Unit 11B, Durango, Colorado where the same is open for public inspection. Such proposed budget will be considered at a meeting of the Board of Directors of the La Plata West Water Authority to be held at the Hesperus Fire Station, 22868 Highway 140, Hesperus, Colorado on November 09, 2022 at 6:30 PM.

Any interested person may inspect the proposed budget and file or register any objections thereto at any time prior to the final adoption of the budget.

October 14, 2022
Mardi Gebhardt, Treasurer
La Plata West Water Authority

Published in Durango Herald
October 28, 2022



LA PLATA WEST WATER AUTHORITY

BUDGET MESSAGE 2022 BUDGET

The La Plata West Water Authority budget for the calendar year 2022 is attached. The Authority was formed in November 2007 and started operations in January 2008.

The Authority was organized to design, build, and operate a rural domestic water system (RDWS) to provide domestic water service to portions of southwestern La Plata County. A preliminary engineering report and project overview have been prepared to provide a basic outline of how the RDWS was developed. (Please see earlier filings for messages 2008 through 2010)

In March of 2011, the Authority submitted a grant application to the Bureau of Reclamation for appraisal study funding which would provide a basis for feasibility funding and possible Federal appropriations for the project. The application was not successful, but ranked highly among submitted projects and the Authority has been encouraged by the BOR to re-submit an updated application in 2012. During the fall of 2011, the Authority was informed by USDA that funds for the entire project would not be available and encouragement was given to identify additional funding sources to augment available USDA funding. Subsequent to an update presentation in December of 2011 to USDA and various Colorado state funding agencies, discussions regarding the phased development of the project have begun in parallel with ongoing negotiations with the Southern Ute Indian Tribe, Ute Mountain Ute Tribe and Lake Durango Water Authority pertaining to operating agreements for the intake structure.

During the early part of 2012, and subsequent to LPWWA's first application review with Colorado Department of Public Health and Environment's associated Water Quality Revolving Fund it was determined that LPWWA's project did not qualify for funding.

During 2013 the Authority finalized a Memorandum of Understanding for the intake structure with the Southern Ute Indian Tribe and the Ute Mountain Ute Tribe. La Plata West Water Authority has nearly completed an operating agreement with Lake Durango Water Authority to use a portion of LPWWA's capacity in the intake structure. LPWWA hired the engineering firm of Bartlett and West to develop a phased approach for the construction of the project, re-engage our community and design a water delivery system using a 'Phase' approach to help find and qualify for funding.

In 2014, LPWWA was successful in securing grant funding from the Southwest Water Conservation District. This funding was used to further our efforts to research rights of way, implement a GIS system, perform cultural resource investigation, and other preliminary survey functions to serve the Phase 1 portion of the proposed project. LPWWA was successful in reaching agreements with the Southern Ute Indian Tribe and the Ute Mountain Ute Tribes as well as Lake Durango Water Authority to construct a Raw Water Pipeline from Lake Nighthorse to Lake Durango. Both Tribes contributed 1 million dollars each, and Lake Durango has contributed up to 2.8 million towards the design and construction of the Raw Water Pipeline. The Tribes share an interest in getting the water from the Lake Nighthorse to County Road 210. LPWWA and LDWA constructed the pipeline the rest of the way from County Road 210 to Lake Durango. This Project was funded and reached 'Substantial Completion' in July of 2018. LPWWA secured a grant from Colorado Water Conservancy Board (CWCB) for \$500,000 to enlarge a portion of the raw water pipeline that allows for future RDWS needs.

LPWWA was successful in securing grants from Animas La Plata Water Conservancy District and Colorado Water Conservation Board in the amount of \$25,000 each for 2016 and 2017. These funds were for pre-construction costs for our Phase 1 RDWS project. LPWWA makes annual payments to Colorado Water Resources and Power Development Authority

on our repayment plan of an interest debt. LPWWA has also paid off an outstanding Promissory Note with The Southwestern Water Conservation District of \$60,000.

Early in 2017 LPWWA submitted the Preliminary Engineering Report (PER) Pipeline for Phase 1, the Environmental Assessment (EA) and Cultural Study to USDA. A majority of the work we did in 2017 was to acquire easements from land owners, hire an attorney to develop required bond for our construction loan, find a bank or other institution to cover the construction loan and to develop a Right of Way map that corresponded to the easements. On March 30th 2017 we received our much anticipated "Letter of Conditions" that we reviewed and accepted. We were to have concluded those conditions by August 30th but required an extension to Dec 30th, 2017 which was granted. The final acceptance for the LOC with Amendments to the March 30th, 2018 LOC was September 27, 2018. We broke ground with our new contractor for Phase 1 of the rural domestic water delivery system on November 5th, 2018. We restructured the basis of the construction project which included two separate contractors; one for the distribution pipeline and a second contract with a different contractor for the Water Storage Tank. This actual helped reduce the project costs, albeit the first bids were well over anticipated cost. The final funding and budget from USDA include:

Loan #01: \$2,754,000
Grant #02: \$500,000
Grant #03: \$700,000
Applicant: \$1,162,000
\$5,126,000

Our local bank; TBK Bank had financing our 'Construction Loan' as the interim funding source. The first monies to be expended are the Applicant Contributions, then the construction loan of \$2,754,000 and cost above that amount needed for the project will be the grant funds. We scheduled the payoff of the Construction loan with TBK Bank on December 13, 2019, per the loan specifications. Now that it was finalized, on December 13, 2019, the project is considered funded by Federal Funds, and commanded a Single Audit for 2019 and again 2020. The audit for 2021 did not require the Single Audit format.

The 2019 and 2020 Single Audits were filed and accepted using The Government Auditing Standards, issued by the Comptroller General of the United States and the Single Audit Act Amendments of 1996.

Due to the incompleteness of the project at the time of projected completion (estimated late July), the Phase 1 domestic water service projected income lost 4 months of water sales from customers in 2020. The project started selling water to customers on September 9th, 2020. We now have completed two full years of operations serving water to our Subscribers. We are continuing to add new Subscribers, albeit slowly. We are working to finish an office site consisting of a refurbished used trailer and parking area. We have been awarded (but not yet received funding) to install a water fill station to help our water deprived community with an additional water source and to help bolster our income. These funds will come from La Plata County as part of their ARPA funds (American Rescue Plan Act of 2021) LPWWA hopes to see all or part of the funding in 2022.

We believe we have accurately budgeted for all activities which may take place in 2023. If the need arises or we identify a need to amend the budget it will be completed through the formal process.

The Authority utilizes the modified accrual basis of accounting. The Authority is not subject to TABOR since it has no power to levy taxes or hold elections on TABOR issues.

**LA PLATA WEST WATER AUTHORITY
RESOLUTION NUMBER 2022-3
RESOLUTION TO APPROPRIATE SUMS OF MONEY**

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNTS AND FOR THE PURPOSES AS SET FORTH BELOW FOR THE LA PLATA WEST WATER AUTHORITY, LA PLATA COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors of the La Plata West Water Authority has adopted the annual budget in accordance with the Local Government Budget Law, on November 9, 2022 and

WHEREAS, the budget complies with TABOR; and

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, so as not to impair the operations of the La Plata West Water Authority,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LA PLATA WEST WATER AUTHORITY, LA PLATA COUNTY, COLORADO

SECTION I

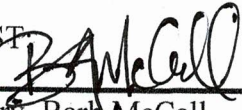
That the following sums are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated:

| Enterprise Fund | |
|----------------------------|-------------------|
| Current Operating Expenses | \$ 357,798 |
| Capital Expenditures | \$ 642,798 |
| Debt Service Expenditures | <u>\$ 152,757</u> |
| | |
| TOTAL ENTERPRISE FUND | \$ 1,153,352 |

ADOPTED this 9th day of November, 2022
La Plata West Water Authority

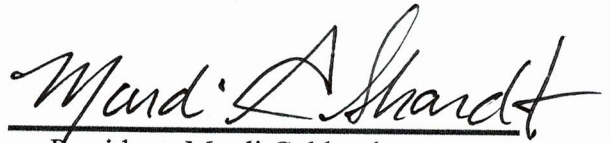
ATTEST

By:



Secretary, Barb McCall

By:



President, Mardi Gebhardt

**LA PLATA WEST WATER AUTHORITY
RESOLUTION NUMBER 2022-4
RESOLUTION TO ADOPT 2023 BUDGET**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, AND ADOPTING A BUDGET FOR THE LA PLATA WEST WATER AUTHORITY, LA PLATA COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023.

WHEREAS, the Board of Directors of the La Plata West Water Authority has appointed Mardi Gebhardt to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, Mardi Gebhardt has submitted a proposed budget to this governing body for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 9, 2021, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LA PLATA WEST WATER AUTHORITY, LA PLATA COUNTY, COLORADO

SECTION I

That estimated expenditures for each fund are as follows:

| | |
|------------------------------|-------------|
| Enterprise Fund Expenditures | \$1,153,352 |
|------------------------------|-------------|

SECTION II

That estimated revenues for each fund are as follows:

| | | |
|---|-----------|------------------|
| From un-appropriated surplus | \$ | 595,918 |
| From sources, other than general property tax | \$ | 476,177 |
| From the general property tax levy | \$ | 0 |
| TOTAL ENTERPRISE FUND | \$ | 1,072,095 |

SECTION III

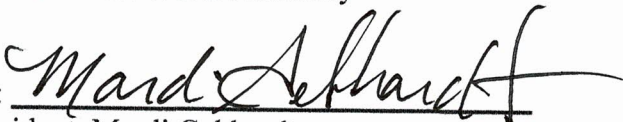
That the budget as submitted, amended, and hereinabove summarized by fund, be, and the same hereby is approved and adopted as the budget of the La Plata West Water Authority for the year stated above.

SECTION IV


That the budget hereby approved and adopted shall be signed by the Secretary of the Authority and made a part of the public records of the La Plata West Water Authority.

ADOPTED this 9th day of November, 2022

La Plata West Water Authority

By: 
President, Mardi Gebhardt

ATTEST:


Secretary, Barb McCall

2023 BUDGET For La Plata West Water Authority

| Accumulated Fund balance - January 1 | \$646,749 | \$595,918 | \$564,973 |
|---|------------------|------------------|------------------|
| | 2021 | 2022 YE | 2023 |
| Year Ended December 31 | Actual | Estimate | Budget |
| Income | | | |
| 39000 Sales | \$1,067 | \$1,000 | \$1,067 |
| 39000.1 Subscription | | | \$125,000 |
| Total 39000 Sales | \$1,067 | \$1,000 | \$126,067 |
| 39100 Line extension fee | \$500 | | |
| 39200 Monthly water subscriptions | \$311,288 | \$318,000 | \$325,000 |
| Monthly WFS sales for 6 months? | | | \$5,000 |
| 39250 Water overconsumption fees | \$12,210 | \$13,000 | \$15,000 |
| Total Water Sales | \$325,064 | \$332,000 | \$345,000 |
| 40000 Contributions and Grants | | | |
| La Plata County ARPA Funds | | | \$100,000 |
| 40100 ALPWCD | | \$30,000 | \$0 |
| 40700 USDA Grant funds | \$176,547 | | \$0 |
| Total 40000 Contributions and Grants | \$176,547 | \$30,000 | \$100,000 |
| 40200 Colorado Special Districts Safety Program | \$0 | \$0 | \$500 |
| 42000 Administrative Fees | | \$50 | |
| 42010.2 Monthly Handling/Transaction Fee | \$150 | \$120 | \$120 |
| Total 42010 Subscription Service Charge | \$150 | \$170 | \$620 |
| 42020 Transfer Fees | \$406 | \$250 | \$290 |
| Total 42000 Administrative Fees | \$556 | \$420 | \$910 |
| Total Income | \$503,234 | \$363,420 | \$571,977 |
| Cost of Goods Sold | | | |
| 50000 Time & Materials bore | | \$6,701 | |
| 50500 Vault Master Meter | \$41 | \$500 | \$600 |
| 5055 Domestic Water | \$78,097 | \$61,820 | \$80,000 |
| 5075 811 Location services | \$224 | \$155 | \$200 |
| 55000 Warranty work 2021 | \$5,935 | | |
| 5700 Compliance testing | \$3,385 | \$1,522 | \$5,000 |
| 5710 Job tools and supplies | \$4,532 | \$5,000 | \$10,000 |
| Total Cost of Goods Sold | \$92,214 | \$75,698 | \$95,800 |
| Gross Profit | \$411,020 | \$287,722 | \$476,177 |

| Expenses | | | |
|---|------------------|-----------------|------------------|
| 60400 Bank Service Charges | 5 | | |
| 60500 O&M for Raw Water Pipeline | | | |
| 60502 Internet Provider | 152 | 187 | 187 |
| 60503 Intake Pump Electric | 1,380 | 6,714 | 6,800 |
| 60504 Booster Station Electric | 3,232 | 4,824 | 4,000 |
| ALP OM&R pre-paid | 1,885 | 2,074 | 2,200 |
| 60550 OM&R ALP Water | 1,353 | | 158,620 |
| 60551 Purchases, Rentals, & Misc. Repairs & Inventory | | 23,250 | 25,000 |
| 60555 OM&R Equip, supplies and plan | 2,000 | | 2,000 |
| Total 60500 O&M for Raw Water Pipeline | \$10,007 | \$37,050 | \$198,807 |
| 61700 Computer and Internet Expenses | 840 | | |
| 61710 Web site cost | 445 | 31 | 1,000 |
| 61730 Subscription additional space | 78 | 235 | |
| Total 61700 Computer and Internet Expenses | \$1,364 | \$266 | \$1,000 |
| 61735 Telephone and utilities | 408 | 632 | 2,400 |
| Total 61735 Office Telephone & Utilities | \$408 | \$632 | \$2,400 |
| 63300 Insurance Expense | | | |
| 63310 General Liability & Property Insurance /Prepaid | 8,519 | 10,000 | 12,000 |
| 63325 Workman's Compensation | -355 | | 500 |
| Total 63300 Insurance Expense | \$8,572 | \$10,632 | \$14,900 |
| 63400 Interest Expense | 0 | 0 | 0 |
| 63600 Membership, Dues & Appreciation | 2,091 | 1,600 | 2,091 |
| 64600 Advertising and Promotion | 819 | | 599 |
| 64700 Miscellaneous Expense | 54 | 17 | |
| 64900 Office Supplies | 4,593 | 500 | 6,000 |
| Professional Fees | 253 | | |
| 66700 Accounting | 10,749 | 15,000 | 15,000 |
| Office Admin | | | 50,000 |
| 66710 Legal | 11,345 | 750 | 5,000 |
| 66715 Engineering | 125 | 4,000 | 10,000 |
| 66720 Operator/Manager | 35,430 | 37,500 | 40,000 |
| 66730 Audit expense | 15,000 | 11,500 | 12,000 |
| Sub- Total with Professional Fees | \$80,459 | \$70,867 | \$140,690 |
| Total Expenses | \$100,810 | 119,447 | \$357,798 |

| CAPITAL COSTS | | | |
|--|------------------|------------------|------------------|
| Phase 1 | 2021 | - | - |
| Legal Expenses | 5,485 | | |
| ENGINEERING SERVICES | | | |
| Resident Project Representation (Inspection) | 7,410 | | |
| CONSTRUCTION CONTRACTS | | | |
| Schedule One Pipeline (Williams) | 142,685 | | |
| Subtotal | \$155,580 | \$0 | \$0 |
| Other Capital Improvements | | | |
| Building Site: Construction in Progress | 84,952 | 25,002 | |
| Fill Station | | | 100,000 |
| Engineering Future Phases Construction in Progress | 49,125 | | |
| Culvert at Raw Water Pipeline | | 3,707 | 0 |
| Mixers / chlorine booster /Re- Seeding | | | 185,000 |
| Subtotal | \$134,077 | \$28,709 | \$285,000 |
| Total Capital Expenditures | \$390,467 | \$148,155 | \$642,798 |
| DEBT SERVICE | | | |
| CWR&PD | 3,705 | 3,705 | 3,705 |
| Lake Durango Water Authority Reserve | | | 24,000 |
| Debt Service Reserve Funds | 15,971 | 13,020 | 13,020 |
| USDA annual principal & interest on long term loan | 112,032 | 112,032 | 112,032 |
| Loan Interest One time Payment | 65,407 | - | - |
| Total Debt Service | \$197,115 | \$128,757 | \$152,757 |
| Items Not Affecting Cash Flow | | | |
| Depreciation | \$53,514 | \$160,265 | \$200,000 |
| Changes in receivables, payable and accrued expenses | \$250,629 | \$289,022 | \$352,757 |
| Total expenditures | \$641,096 | \$437,177 | \$995,555 |
| Increase (decrease) in fund balance, cash paid to others | \$(50,831) | \$(30,945) | \$(20,333) |
| Gross Profit less Expenses | \$310,210 | \$168,275 | \$118,379 |
| Accumulated fund balance - December 31 | \$595,918 | \$564,973 | \$544,640 |