



December 30, 2019

LETTER OF BUDGET TRANSMITTAL

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

Enclosed are the 2020 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 30, 2019. 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 3064 County Road 119, 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

**LA PLATA WEST WATER AUTHORITY
RESOLUTION NUMBER 2019-9
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 2020 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 December 30, 2019 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	\$269,727
Capital Expenditures	\$2,127,784
Debt Service Expenditures	<u>\$88,360</u>
 TOTAL ENTERPRISE FUND	 \$2,485,871

ADOPTED this 30th day of December, 2019
La Plata West Water Authority

ATTEST: 
By: _____
Secretary, Barb McCall


By: _____
President, Mardi Gebhardt

**LA PLATA WEST WATER AUTHORITY
RESOLUTION NUMBER 2019-10
RESOLUTION TO ADOPT 2020 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, 2020, AND ENDING ON THE LAST DAY OF DECEMBER, 2020.

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 December 30, 2019, 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	\$2,485,871
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SECTION II

That estimated revenues for each fund are as follows:

From un-appropriated surplus	\$1,449,329
From sources, other than general property tax	\$2,317,281
From the general property tax levy	<u>\$0.00</u>
TOTAL ENTERPRISE FUND	\$3,766,610

SECTION III

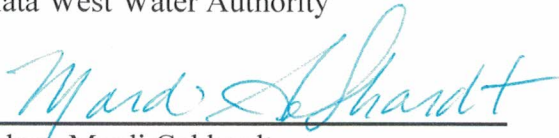
That the budget as submitted, amended, and hereinabove summarized by fund, be, and the same hereby is approved and adopted as the budget of the La Plata West Water Authority for the year stated above.

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 30th day of December, 2019

La Plata West Water Authority

By: 
President, Mardi Gebhardt

ATTEST:


Secretary, Barb McCall



LA PLATA WEST WATER AUTHORITY

BUDGET MESSAGE 2019 BUDGET

The La Plata West Water Authority budget for the calendar year 2020 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:	<u>\$1,162,000</u>
	\$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 will command a Single Audit for 2019 and 2020.

We believe we have accurately budgeted for all activities which may take place in 2019. 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.

Office Site	Utilities	Site Electricity, water, telephone, internet, GIS		0	500	3,380
		Subtotal				137,230
Phase 0:		Lake Durango Water Authority Water Pipeline Costs	1,182,662	423,610	-	
		Intake Screens Phase 0 AND Closing Phase 0		42,785	45,665	
		Ute Mountain Ute Tribe & Southern Ute Indian's Pipe Costs in Phase 0	1,033,280	556,938	-	
		OM&R for our ALP water, @ 50 AF				2,000
		Lake Durango Water Authority O&M Utility PM Plan, Procedures, tools, equipment, supplies, weed control			19,956	16,751
		Subtotal				25,000
		Subtotal				43,751
Phase 1:		Compliance				2,000
		Lake Durango Water Authority For line testing				7,560
		Lake Durango Water Authority Fixed				45,386
		Lake Durango Water Authority Variable				8,000
		811 Location Services			-	500
		General Distribution Operations				25,000
		Master Meter Electric, Vault - Tank				\$300
		Subtotal				88,746
		Total Operating Expenditures	2,233,383	1,038,881	109,536	269,727
CAPITAL COSTS						
		Phase I Rural Water Distribution Construction Cost Funded by USDA		PA 0 thru 4	PA 5 thru 15	PA 16 thru end
		Legal Expenses		2018	2019	2020
		Land, structures, right-of-way acquisitions		6,786	5,077	8,137
		Interim Financing Expenses		57,544	10,551	(18,095)
		ENGINEERING SERVICES				73,685
		Professional Services - Design thru Post-Construction				0
		Additional Services		269,947	32,547	22,106
		Resident Project Representation		14,576	(0)	(0)
		Additional Services Tank Bid		48,003	212,329	(98,032)
		CONSTRUCTION CONTRACTS		4,298	67,139	(5,569)
		Schedule One Pipeline (Williams)				0
				302,602	1,519,819	1,427,720

		Schedule Two Tank (Great Plains)		0		662,340	37,160
		Water Purchase		0		167,632	7,368
		Loan Closing/ Land Easements		27,972		15,000	38,228
		Contingencies		0		23,715	172,350
		Subtotal				2,729,215	1,665,057
		Phase I not covered by LOC	336,877	95,367			
		Geographic Information Service	0	2,700			
	LPW/WA 555 CR 122	Building Site		0			50,000
		Fill Station					50,000
		Future Phases					50,000
	Intake & Booster aka Phase 0						
		Phase 0 Raw Water System	332,636	1,580,628		-	
		210 Pipeline and 125 Pipeline Over Run		100,000		-	
		125 Pipeline Enlargement	272,574	106,345		-	
		Intake Screens		228,415		-	
		SCADA Timberline Upgrade with City					10,000
		Culvert		1,413			33,000
		Subtotal					193,000
	Total Capital Expenditures		942,087	2,847,201		2,729,215	2,127,784

PROOF OF PUBLICATION

STATE OF COLORADO)
) ss.
County of La Plata)

BALLANTINE
COMMUNICATIONS

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 1 time(s) with the following dates:

Durango Herald: 11/22/19.

318268
NOTICE CONCERNING
PROPOSED BUDGET OF
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 (LPWWA) for the ensuing year of 2020; that a

copy of such proposed budget has been filed in the office of the LPWWA Attorney, 679 E. 2nd Ave. Ste. 11, Durango, Colorado where the same is open for public inspection; and that such proposed budget will be considered at a Public Hearing of the Board of Directors of the Authority to be held at the Hesperus Fire Station located at 22868 Highway 140, Hesperus, CO 81326 on December 11, 2019 at 6:30 p.m. The public may, at any time prior to the final adoption of the budget, request to inspect the budget and file or register any objections thereto.

La Plata West Water Authority

By /s/ Renee Lewis
For the Board of Directors

Published November 22, 2019
in Durango Herald

In witness whereof I have hereunto set my hand this 23 day of November, A.D. 2019.

Odette Zenizo

Subscribed and sworn before me, a notary public in and for the County of La Plata, State of Colorado this 23 day of November, A.D. 2019.

Jeanette P. Schart

Notary Public
My Commission expires (SEAL)

JEANETTE P. SCHAT
Notary Public
State of Colorado
Notary ID # 20044045627
My Commission Expires 06-06-2021