

Lake Durango Water Authority
PO Box 657
Durango, CO 81302
970-247-4062

	Actual Year Ending December 31, 2017	Projected Year Ending 2018	Budget Jan 1 - Dec 31 2019
Ordinary Income/Expense			
Income			
0-489 · Water disconnect/reconnect fee	0	0	200
Water Sales			
0-461 · Metered Sales to Retail			
0-461-1 · Base Fees Retail	188,280	193,011	197,011
0-461-2 · Sales - Retail	161,883	175,233	172,000
0-461-3 · Premiums Retail	74,826	67,435	45,000
Total 0-461 · Metered Sales to Retail	424,990	435,678	414,011
0-462 · Metered Sales to Bulk Users			
0-462-1 · Base Fees Bulk	62,306	61,816	61,816
0-462-2 · Sales Bulk	52,576	88,817	70,000
0-462-3 · Premiums Bulk	33	228	0
Total 0-462 · Metered Sales to Bulk Users	114,916	150,861	131,816
Total Water Sales	539,905	586,538	545,827
0-500 · Late Fee Revenue	10,247	8,130	5,000
0-419 · Interest and Dividend Income	231	1,135	2,400
0-421 · Nonutility Income	5,197	4,299	4,000
0-489 · Meter Disconnect	0	0	0
0-485 · Meter Installation Fees	4,100	10,500	12,600
transfer from operating reserve fund		0	22,000
Total Income	539,905	610,602	592,027
Expense			
OPERATING EXPENSES			
1-601 · Salaries & Wages - Employees	90,682	111,916	123,477
1-603 · Salaries & Wages - General Mgr	111,846	114,899	108,046
1-602 · Payroll Tax Expense	16,101	17,947	18,565
1-604 · Employee Benefits	21,986	29,569	33,032

1-631 · Contractual Services - Engineer	0	3,507	4,000
1-632 · Contractual Services - Accounti	17,517	20,152	21,000
1-633 · Contractual Services - Legal	4,965	5,751	6,000
1-635 · Contractual Services - Other	35,035	34,401	37,500
1-637 · Contractual Services - Billing	2,739	3,052	3,205
1-679 · Board Stipend	1,375	1,425	1,500
1-606 · Bank Fees	770	586	900
1-605 · Dues	1,129	579	1,000
1-630 · Education and Certification	60	0	1,500
1-657 · Insurance - General Liability	17,060	16,659	17,492
1-658 · Insurance - Workman's Compensat	7,007	7,676	8,060
1-625 · Permits- License- Fees	465	2,080	1,400
1-622 · Postage & PO Box	3,816	3,778	4,300
1-615 · Purchased Utilities			
1-690 · Septic Service	0	0	425
1-617 · Trash	366	399	700
1-614 · Telephone & Internet	3,896	5,326	8,000
1-613 · Electric	30,493	31,811	33,402
1-611 · Gas	563	732	805
Total 1-615 · Purchased Utilities	35,318	38,268	43,332
1-642 · Rental of Equipment	5,945	5,166	7,500
1-645 · Repairs & Maint.	18,762	14,670	28,000
1-652 · Snow Removal and Road Repairs	3,991	300	4,000
1-650 · Transportation Expense	7,292	7,964	9,000
1-620 · Materials and Supplies	18,948	46,031	29,000
1-618 · Chemicals	19,219	23,133	24,000
1-619 · Testing	4,282	4,477	5,650
1-675 · Miscellaneous Expense	202	31	200
1-653 · Reservoir Weed Control	215	0	1,000
Tank Inspections	6,880	0	0
GIS			4,000
Total OPERATING EXPENSES	453,606	514,017	546,660
1-680 · Contingency	0	0	10,000
Other Utility Operating Expense			
1-666 · Ditch Assessment	2,970	2,970	2,970
Pipeline Operating Expense			17,720
1-672 ALP OMR	1,993	3,041	4,300
Total Other Utility Operating Expense	4,963	2,970	24,990
Total Expense	458,569	526,028	581,650

Net Ordinary Income	101,112	84,575	10,377
Other Income/Expense			
Other Income			
Other Income			
0-486 · Water Royalty Fees	53,776	69,831	68,426
0-501 · Acquisition Surcharge	255,546	254,800	255,523
0-704 · CWCB Grant	278,101	104,290	
0-691 Other Grant Revenue	0	0	50,000
Tap Sales		182,000	140,000
Employee Contributions to Health Insurance	0	0	11,448
Total Other Income	587,423	610,953	525,397
Total Other Income			
Other Expense			
Other Expenses			
0-403 · Depreciation Expense	84,879	87,996	95,000
0-417 · Royalty Fees Paid Out	45,812	53,181	53,181
0-623 · DWRFBond -Princ Pmt Current Yr	97,130	99,082	99,082
0-622 · DWRFBond - Interest	45,812	24,860	24,860
0-218 · PRVB Bond Princ Pmt Current Yr	46,000	50,000	54,000
0-624 · PRVB Bond Interest	12,867	10,950	8,500
Employee Family Insurance			11,448
transfer from operating reserve fund	0	0	
Total Other Expenses	332,499	326,070	346,071
Net Other Income	254,924	284,883	179,326
Net Income	356,036	369,457	189,702

	All Funds	Acquisition and Capital Improvements Fund	Water Royalty Fund	Operating Reserve Fund
January 1, 2018 Balance	\$650,730	\$129,891	\$525	\$520,314
Projected 2018 Net Income	\$249,168	-\$25,887	\$15,245	\$259,810
December 31, 2018 Balance	\$899,898	\$104,004	\$15,770	\$780,124
Projected 2019 Net Income	-\$164,298	\$7,608	\$1,000	-\$172,905
December 31, 2019 Balance	\$735,601	\$111,612	\$16,770	\$607,219

Lake Durango Water Authority

Budget Message

2019 Budget

The Lake Durango Water Authority (Authority) proposed budget for the calendar year 2019 is attached. 2019 represents the 8th full year of operation of the Lake Durango water system by the Authority. The 2019 budget uses an accrual basis for budgetary accounting.

The 2018 financial information reflects actual and projected revenues and expenses incurred for the calendar year 2018.

Revenues from water sales for 2018 are projected to be approximately \$55,000 greater than budgeted due high customer water usage do to the ongoing drought, there were no water restrictions for the entire year. Operating expenses are projected to be \$21,000 less than budgeted. The revenues include base fees for active taps; water sales using the tiered rate structured developed by Red Oak Consulting; water royalty fees equal to the water royalty payments scheduled to the seller; late fees; fees from new tap sales; acquisition surcharge applied to all tap holders for the costs of purchasing the Water Company, its assets, all costs associated with the development and implementation of the Authority, all closing costs, and water system capital improvements. The raw water pipeline project to deliver additional water to Lake Durango from Lake Nighthorse has been substantially completed which resulted in a lifting of the Tap Sale Moratorium by La Plata County and enabled additional water sales and new tap sales.

Projected revenues for 2019 are based on 2018 water sales by the Authority and assume the sale of 13 new taps. No rate increase is planned for 2019.

Estimated operating expenses for 2019 are based on 5% increase from 2018 for most expense categories and a 3% increase for payroll. 2019 projected expenses include operating costs for the Lake Nighthorse to Lake Durango pipeline. Although every effort has been made to identify operating expenses a \$15,000 contingency has been included to cover unforeseen costs.

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I, Charles Smith, certify that the attached is a true and accurate copy of the adopted 2019 budget of the Lake Durango Water Authority



Charles Smith
General Manager