

Durango West Metropolitan District No. 1

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January 24, 2018

Division of Local Government
1313 Sherman Street, #521
Denver, CO 80203

RE: 2018 BUDGET SUBMITTAL

Attached is the 2018 budget for Durango West Metropolitan District No.1, located in La Plata County, submitted pursuant to Section 29-1-113-C.R.S. This budget was adopted on December 13, 2017. Questions on the budget, may be directed to Janet Anderson, District Manager, Durango West Metro District I, 119 Holly Hock Trail, Durango, Colorado 81303, 970-259-4267.

The mill levy certified to the County Commissioners is -0- mills for all general operating purposes, -0- mills for General Obligation bonds; -0- mills for refund/abatement; and -0- mills for Temporary Tax Credit/Mill Levy Reduction

The Budget Message attached provides further details on the 2018 budget.

I, Janet Anderson, District Manager, hereby certify that the attached is a true and accurate copy of the Durango West Metropolitan District's No. 1 2018 calendar year budget.

\Janet Anderson e-filed

BUDGET MESSAGE 2018
Durango West Metropolitan District No.1

The attached Budget for Durango West Metropolitan District No.1 for 2018 includes these features:

Durango West Metro District No. 1 operates with seven funds for general accounting purposes: General Fund (governmental), Water Fund (enterprise), Sewer Fund (enterprise), a jointly owned Wastewater Treatment Fund, and the Conservancy Trust Fund (restricted state lottery funds), Fixed Asset Fund, and Bond Fund. General, Water, Sewer, and Conservancy Trust are the operating funds requiring the Board of Directors to appropriate expenditures and recognize revenues. Sources of funds are indicated separately for each fund as well as expenditures.

Main priorities in 2018 are focused on continuing neighborhood improvement efforts. The District began development on two lots in 2017 and sold one of the completed homes. In 2018 the other home will sell. Purchase of another lot was made in 2017 and the District has budgeted to purchase another lot in 2018 should the opportunity be available.

Another main priority is to complete deferred maintenance and improvements in the Wastewater Treatment Plant. The plant has been operated and managed by Durango West Metropolitan District No. 2 and the Durango West 1 District is a ½ half interest owner. Unfortunately, Durango West 1 was informed in 2017 that improvements needed to meet state standards would exceed pre-estimated amounts and that the engineering plan with the state needed to be modified and updated. The Districts approved a loan to be taken out under Durango West 2 in order to secure enough funding to complete improvements during 2017 and 2018. The Districts jointly share the debt so Durango West 1 revenues were pledged to be adequate to cover debt service as well as operational costs of the joint fund. Some of the revenue will be spent on deferred maintenance and the remainder will be spent on upgrades and improvements in order to meet state standards for effluent discharge to remain in compliance. Upgrades were budgeted under capital improvements.

Other notable items budgeted is the possibility of new equipment to perform in house maintenance on roads and snow plowing. The District's main truck is aging and will need replacement soon. The District may consider replacing the backhoe in the next few years, or may consider leasing as an option.

The District's accounting is based on modified accruals and the budget is based on a combined accrual and cash basis of accounting

Durango West Metropolitan District No. 1 provides water, sewer, roads, common areas, and park areas maintenance services.

**DURANGO WEST METROPOLITAN DISTRICT NO. 1 GENERAL
FUND #34006**

	2016 Y/E Actuals	2017 Y/E Estimates Updated 12-5-17	2018 Budget	
Revenues/Sources of Funds				
GEN-307	Parking Ticket Revenue	400	50	200
GEN-308	Bear Violations		50	50
GEN-319	Snow Removal	30,380	30,120	30,240
GEN-320	Roads, Common Area	33,418	33,132	33,264
GEN-321	Billing Fees for paper & postal customers	3,078	2,985	2,500
GEN-322	District Fee Billed Monthly to Customers	75,950	75,300	75,660
GEN-323	Gen Fund Late Fees	1,668	2,695	1,200
GEN-324	Collection (attorney) Fees billed to AR Customers	645	0	0
GEN-330	Highway User Funds	11,880	11,800	11,000
GEN-341-249	Interest Earned	323	176	150
GEN-355	Property Tax Revenue	97,925	0	0
GEN-375	Home Improvement Income and Capital Projects		309,500	307,000
GEN381	Property Violations Income	150	0	500
GEN-395	Gen Fund Misc. Income Account	2,504	947	1,000
GEN-399	Grant Revenues - safety grant	0	2,200	1,600
Total Revenues	258,321	468,955	464,364	
Expenses/Uses of Funds				
GEN-406	Trash Removal Expenses	300	690	4,000
GEN-406 sub	Clean up Day Dumpster Fees + Equip & Labor	4,136	7,281	4,000
GEN-410	Road Repair & Maintenance	(5,280)	8,000	25,000
GEN-412	Capital Purchases/Projects	15,000	29,060	40,000
GEN-415	Snow Removal Expense	4,280	10,111	15,000
GEN-420	Security Lights Utility Exp.	7,840	8,625	7,100
GEN-425	Common Area Supplies & Maint	3,555	5,663	12,000
GEN-429	Fire Mitigation Expenses	1,625	585	2,500
GEN-430	Contract Labor	0	500	1,000
GEN-431	Wages + Payroll Tax Employer	40,737	50,382	47,500
GEN-432	Automobile/Travel & Repair Expenses	10,683	4,200	5,000
GEN-433	Meals/Entertainment/Meetings	1,502	1,433	1,000
GEN-440	Audit & Accounting Expense	11,968	10,186	7,000
GEN-445	Billing Expense	900	429	1,000
GEN-448	Treasurer Fee (no prop tax mill levy 2017 or 2018)	2,535	360	0
GEN-450	Director Fees Expense	4,625	3,925	4,500
GEN-455	Insurance Expense	4,778	9,641	5,000
GEN-460	Legal Fees	7,252	10,437	4,000
GEN-465	General Office Expenses	12,332	13,937	9,000
GEN-470	Public Notices/Advertisements	218	273	750
GEN-475	Costs of Housing Improvements/Capital Projects	396,845	153,170	
GEN-480	Office Utilities Expenses	6,937	8,133	6,500
GEN-485	Bond Interest Expense (funded from prop taxes)	3,914	0	0
GEN-486	Bond Principal Payments (funded from prop taxes)	79,000	0	0
GEN-489	Seminar / Training Expense	0	1,813	1,000
GEN-490	Miscellaneous General Expenses	(1,621)	8,345	1,000
GEN-492	Bank and Interest Charges	183	3,180	3,000
GEN-495	Health & Misc Employee Insurance Expense	15,773	17,113	15,000
GEN-499	Contingency Budgeted		20,000	25,000
Total Expenditures	630,017	387,472	246,850	
Excess Revenues over Expenses	(371,696)	81,483	217,514	
Available Funds Current Year	(164,214)	(33,264)	10,264	
Excess/Shortages Transferred to Reserves				
Contingency budget amounts not used in all years				
	Previous Fund Balance	142,630	(229,066)	(147,583)
	Net Income for Period	(371,696)	81,483	217,514
	Housing Improvement, Land and Capital Outlays	0		36,000
	Ending Fund Balance	(229,066)	(147,583)	105,931

**DURANGO WEST METROPOLITAN DISTRICT NO. 1 WATER FUND
#34006**

		2016 Actual	2017 Estimated Y/E as of 12-5- 17	2018 Budget
Revenues/Sources of Funds				
WAT-310	Water Sales	128,485	128,223	135,000
WAT-311	Lake Dgo Acquisition Chgs to Customers	45,465	45,180	45,500
WAT-318	Royalty Fees (LDWA)	13,982	14,135	13,500
WAT-325	Tap Fees	0	0	8,500
WAT-359	Lease Revenue (Atmos Tank Tower)	7,345	7,538	7,650
Total Revenues		195,277	195,076	210,150
Expenditures/Uses of Funds				
WAT-405	Well #9 - Utility Expense	668	550	600
WAT-407	Treatment Facility Utilities	3,533	4,461	4,200
WAT-410	Testing & Compliance	1,719	7,597	3,500
WAT-411	Lake Dgo Acquisition Fee	47,360	47,540	47,540
WAT-412	Capital Expenditures	0	13,960	15,000
WAT-418	Lake Dgo Water Royalty Expense	11,942	11,647	13,000
WAT-419	Lake Dgo Min Base Fee	20,686	21,900	22,500
WAT-420	Water Purchases	27,971	29,430	30,000
WAT-425	Source of Supply Repairs/Maint	386	14,026	10,000
WAT-426	Trans/Dist. Repairs/Maint.	3,354	5,496	6,000
WAT-427	Meters Maintenance/Software/Repairs	4,402	3,245	1,000
WAT-428	Treatment-Chemicals Purchases	2,014	631	3,000
WAT-430	Contract Labor - Water	6,201	7,900	8,400
WAT-431	Wages Paid + Employer Tax Expns	40,480	41,081	47,000
WAT-432	Automobile/Travel & Repair Expenses	9,640	4,081	4,000
WAT-438	Plant Supplies Expense	1,635	190	3,000
WAT-440	Audit Expense	7,765	6,403	7,000
WAT-455	Insurance Expense	4,778	9,641	5,000
WAT-460	Legal Fees	7,253	10,437	4,000
WAT-490	Miscellaneous Water Expenses	16,505	500	500
Total Expenses		218,292	240,716	235,240
Contingency/Emergencies				25,000
Excess Revenues over Expenditures		(23,015)	(45,640)	(50,090)
Beginning Fund Balance		142,108	119,093	73,453
Net Revenues (Expenditures)		(23,015)	(45,640)	(50,090)
Contingency Allotment				(20,000)
Ending Fund Balance		119,093	73,453	3,363

DURANGO WEST METROPOLITAN DISTRICT NO. 1 SEWER FUND #34006

	2016 Actuals	2017 Y/E Estimate as of 12-5-17	2018 Budget
Revenues/Sources of Funds			
SEW-310 Sewer Collection Fees	127,596	126,524	139,000
SEW-311 Sewer Treatment Fees		29,880	60,720
SEW-325 Tap Fees	0	0	4,500
Total Revenues	127,596	156,404	204,220
Expenses/Use of Funds			
SEW-412 Capital Expenditures	0	0	15,000
SEW-420 Treatment Fees to DW2	60,960	76,136	96,768
SEW-426 Coll./Trans./Repairs & Maint.	6,131	9,231	15,000
SEW-430 Contract Labor - Sewer	0	0	1,000
SEW-431 Wages Paid + Employer Tax Exp	40,242	50,966	47,000
SEW-432 Automobile/Travel & Repair Exp	9,646	3,815	4,000
SEW-440 Audit & Outside Accounting Exp	7,765	10,085	7,000
SEW-455 Insurance Exp	4,778	5,917	5,000
SEW-460 Legal Fees	7,253	9,234	4,000
SEW-490 Miscellaneous Sewer Expenses	9,421	10,000	500
Total Expenses	146,196	175,384	195,268
Contingency/Emergencies			10,000
Excess Revenues Over Expenses	(18,600)	(18,980)	(1,048)
Beginning Fund Balance	591,881	573,281	554,301
Net Revenues (Expenditures)	(18,600)	(18,980)	(1,048)
Home Improvement Net Income			
Contingency Allotment			(5,000)
Ending Fund Balance	573,281	554,301	548,253

**DURANGO WEST METROPOLITAN DISTRICT
NO. 1 WASTE WATER TREATMENT FUND
#34006**

	2016 Actuals	2017 Y/E Estimate as of 12-5-17	2018 Budget
Revenues/Sources of Funds			
WWT-310 Sewer Treatment Fees WWT	71,140	82,805	118,272
WWT-340 Grant Income WWT	23,031	12,800	57,500
WWT-344 Interest Income WWT	265	736	300
WWT-395 Miscellaneous Income WWT	636	0	0
Total Revenues	95,072	96,341	176,072
Expenses/Use of Funds			
Collection/Transmission & Treatment			
WWT-410 Waste Water Testing	3,313	3,807	3,500
WWT-412 Capital Outlays Code & Stds	21,330	107,384	312,500
WWT-426 Plant Repairs & Maint WWT	9,434	32,945	10,000
WWT-428 Treatment Supplies WWT	807	487	1,000
WWT-430 Contract Labor WWT	10,365	10,426	10,450
Total Treatment Expenses	45,249	155,049	337,450
Administration			
WWT-431 Admin Salaries WWT	4,448	7,757	8,667
WWT-435 Payroll Tax Expense WWT	361	617	695
WWT-440 Accounting Expense WWT	5,001	5,870	4,320
WWT-455 Insurance Expense WWT	2,105	1,265	2,500
WWT-460 Legal Expense WWT	3,905	8,518	4,000
WWT-465 Admin Supplies WWT	1,055	792	1,000
WWT-480 Plant Electrical WWT	12,908	12,394	13,000
Total Administration Expenses	29,783	37,213	34,182
Debt Service			
Bond Principal			32,500
Bond Interest			19,995
Total Debt Service	0	0	52,495
Total Expenses	75,032	192,262	424,127
Excess Revenues Over Expenses	20,040	(95,921)	(248,055)
Proceeds from Revenue Bond (Reserved)		450,000	
Beginning Cash Balance	166,610	186,650	540,729
Ending Cash Balance	186,650	540,729	292,674
Unrestricted Fund Balance	186,650	387,861	
Accumulated Bond Debt Interest Reserve		<u>7,220</u>	
Total Fund Equity		395,081	

Conservancy Trust Fund

Account	2016 Actual	2017 Estimated	2018 Budgeted
SOURCES OF FUNDS			
CON-315 Lottery Funds	2,755	3,000	3,300
CON-158 Lottery Funds Receivable			
CON-305 & CON-344	1	2	2
Total Sources of Funds	2,756	3,002	3,302
USES OF FUNDS (expenditures)			
CON429			0
TOTAL USES OF FUNDS (expenses)	0	0	0
Net sources (deficit) available	2,756	3,002	3,302
BEGINNING FUND BALANCE	(25,915)	(22,213)	(19,211)
Net Fund Change	3,702	3,002	3,302
ENDING FUND BALANCE	(22,213)	(19,211)	(15,909)

**RESOLUTION TO ADOPT AN ANNUAL BUDGET FOR 2018
CALDNDAR YEAR AND RESOLUTION TO APPROPRIATE SUMS
OF MONEY FOR THE BUDGET FOR CALENDAR YEAR 2018**

Budget Resolution #8-2017 ID # 134180

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE DURANGO WEST METROPOLITAN DISTRICT NO. 1, DURANGO, COLORADO, FOR THE 2018 BUDGET YEAR.

WHEREAS, the Board of Directors of Durango West Metropolitan District No. 1 has appointed the District Manager to prepare and submit a proposed budget to the Board of Directors; and

WHEREAS, the District Manager submitted a proposed budget to the Board of Directors of Durango West Metropolitan District No. 1 on October 18, 2017, for the Board's consideration, and

WHEREAS, notice was published and posted in accordance with the law, the budget for calendar year 2018 was open for inspection at the District Office, public meeting(s) were held on November 15, 2017 and December 13, 2017, and constituents of Durango West Metropolitan District No. 1 were given opportunity to file or register any objections to the proposed budget, and;

WHEREAS, revenues and expenditures have been planned and appropriated so that the budget remains in balance, as required by law.

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 and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

THEREFORE, the Board of Directors of Durango West Metropolitan District No. 1, Durango, Colorado, hereby Adopts the Budget for the calendar year 2018 as submitted, amended, and summarized by fund; and

THEREFORE, the Board of Directors of Durango West Metropolitan District No. 1, Durango, Colorado, hereby approves to Appropriate Monies to each Fund.

NOW, BE IT RESOLVED the Budget for 2018 is hereby approved and adopted, shall be signed by the Board President, and shall be made part of the public records of Durango West Metropolitan District No. 1, and

NOW, BE IT RESOLVED Sums of Money for 2018 are hereby approved for Appropriation from the revenues of each fund, to each fund, for the stated purposes:

GENERAL FUND:

Current Operating Expenses	\$181,850
Capital Outlay	\$ 40,000
Debt Service	\$ -0-
Contingency Allotment	\$ 25,000
TOTAL GENERAL FUND	\$246,850

WATER FUND:

Current Operating Expenses	\$220,240
Capital Outlay	\$ 15,000
Debt Service	-0-
Contingency Allotment	\$ 25,000
TOTAL WATER FUND:	\$260,240

SEWER FUND:

Current Operating Expenses	\$180,268
Capital Outlay	\$ 15,000
Debt Service	-0-
Contingency Allotment	\$ 10,000
TOTAL SEWER FUND:	\$205,228

WASTEWATER FUND:

Current Operating Expenses	\$ 58,682
Capital Outlay	\$312,500
Debt Service	\$ 52,495
Contingency Allotment	
TOTAL WASTEWATER FUND	\$424,127

CONSERVATION TRUST FUND:

Current Operating Expenses	\$ -0-
Capital Outlay	\$ -0-
Debt Service	-0-
TOTAL CONS.TRUST FUND:	\$ -0-

THE 2018 BUDGET AND APPROPRIATIONS FOR EXPENDITURES ARE
ADOPTED THIS 13TH DAY OF DECEMBER, 2017



President, Durango West Board of Directors



Witness