

**MINUTES OF THE REGULAR BOARD MEETING
AND PUBLIC HEARING ON THE 2016 BUDGET
PARK FOREST WATER DISTRICT
December 3, 2015**

President Roger Lage called the meeting to order at 7:04 pm.

Board Members Present: Roger Lage, Cal Utke, Pam Sekac, Ken Fulton and Timothy Connelly

PFWD Staff Present: Lynn Willow and Bill Stedman

Guests Present: Kathy Marx, Jason Kerekes, Bill Cutkomp, Steve Jacobs, Cathy Lane, Dave Laude, Bob Ratliff, Brian Lee, Bob North, Jason Johnson, Laura Boswell.

Guest Discussion:

- There were a large number of guests in attendance as a result of an anonymous letter that was illegally placed in most district residents' mailboxes the night before the meeting. The information in the letter concerning the rate increases was not correct. As a result, most of the guest discussion was about the rate increases, not about the budget.
- The board has discussed rate increases in the previous three meetings.
- The board noted that in the last rate increase four years ago the board made an effort to minimize the impact of the increase on residents, but knew at the time that the increase was not enough to cover the Administrative and Operating expenses (Operating Budget).
- The board has a continuing concern with transferring capital monies to balance the Operating Budget of the district. This transfer has an impact on TABOR requirements for the district.
- Current rates are \$96 per quarter, or \$32 per month. 3,333 gallons per month are included in the base rate. Billings are on a quarterly basis.
- The possibility of bi-monthly billings was discussed, with various options:
 - Option 1: 2-month cycle: \$59 per month with 8000 gallons included in the 2-month base charge
 - Option 2: 2-month cycle: \$55 per month with 7000 gallons included in the 2-month base charge
 - Option 3: 2-month cycle: \$50 per month with 6000 gallons included in the 2-month base charge
- Roger gave a personal comparison of his high and low usage months, and the impact that the various options would have on his annual water bill.
- One guest said that he felt that PFWD water rates are more expensive than those of other surrounding districts, but did not provide specific documentation to support this.
- Options for funding capital improvements, like a new large storage tank at Black Forest and Burgess that would be needed in case a well fails, were discussed, such as including a surcharge on customer bills for several years to raise the needed funds.
- There was discussion about the proposed water billing transition schedule.
- There was also discussion about the tiered rate structure, and maintaining it for the higher users.
- Concern was discussed on real/actual budget impact, since this last year's usage was the lowest ever with less revenue as a result.

2016 Budget Discussion

- The board has gone through line item reductions to the extent possible, but has had some specific line item increases due to projections.
- Discussions regarding the proposed budget including inclusions, aquifers, an added generator, fire prevention. Well failures and capital equipment were also discussed.
- Roger pointed out that the main factors impacting the 2016 budget are utility and staff costs.
- Options for funding capital improvements, like a new large storage tank at Black Forest and Burgess that would be needed in case a well fails, were discussed, such as including a surcharge on customer bills for several years to raise the needed funds.
- Zero balance budgeting with a more forward thinking strategic plan for adjustments in the future was suggested.
- 2016 budget – on expense for Administration and for Capital
 - Move forward capital expenses from 2015 to 2016 for valve replacements (\$15,000) and mainline Hungate/Mathews improvements (\$50,000).
- A motion to adopt the FY2016 Administrative and Operating budget of \$212,004, and the Capital budget of \$140,001, was made by Pam Sekac, seconded by Cal Utke. Approved.
- A motion to appropriate funds for FY2016 was made by Cal Utke, seconded by Pam Sekac. Approved.
- A motion to certify the mill levy for FY2016 at 14.437 mills was made by Cal Utke, seconded by Tim Connelly. Approved.
- Bill Stedman will file the Certification of Tax Levies Form with the El Paso County Assessor's office by Tuesday, December 15, 2015.
- A motion to approve the water billing transition schedule was made by Ken Fulton, seconded by Pam Sekac. Approved.
- A motion to stay on a quarterly billing basis, with a \$120/quarter base, with 9000 gallons per quarter included in the base rate, and staying on the same billing system, and to rescind the water billing transition schedule, was made by Pam Sekac, seconded by Cal Utke. Approved.

Roger Lage closed the public hearing.

Review of Minutes: The minutes of the November 11, 2015, Regular Board Meeting were submitted. A motion to accept the minutes was made by Cal Utke, seconded by Tim Connelly. Approved.

Treasurer's Report: The financial statement was reviewed by Ken Fulton.

Total Cash:	\$ 403,495.83
Total Assets:	\$ 2,266,992.20
Total Liabilities:	\$ 87,581.11
Accounts Receivable:	\$ 7,479.56
Accounts Payable:	\$ -564.21
Bulk Water Sales (last month):	\$ 1,325.99

A motion to accept the Treasurer's report was made by Cal Utke, seconded by Ken Fulton. Approved.

Invoice Processing: The list of invoices for processing was reviewed prior to the board meeting by board members. A motion to pay the bills was made by Pam Sekac, seconded by Tim Connolly. Approved.

Bookkeeper/Office Manager Report: The report was sent to the Board for review prior to the board meeting by Bill Stedman.

- Bill will contact DOLA to ask about the proper sequence for re-authorization of a capital project that was not able to be completed in 2015, but that will be completed in 2015.
- **Bill needs the draft December 31, 2015 newsletter from Roger Lage by December 14, 2015.**
- **Rules and Regulations. Bill asks that the board approved the modifications to the Rules and Regulations regarding late fees found in Section 6.5.4.**
Cal made a motion to approve the changes, effective January 1, 2016, seconded by Pam Sekac. Approved.

ORC/Operator Report: The report was sent to the Board for review prior to the board meeting by Lynn Willow.

Secretary's Report: The following were received:

- Notice from the Colorado Department of Labor and Employment, Unemployment Insurance Employer Services, that the district's group unemployment insurance rate for 2016 is 0.003. This is the same as the current rate.
- Final property assessment report from the El Paso County Assessor for 2016.

Action Item List: Tabled.

Old Business:

Eagle Rising. Steve Jacobs said that he would send the board information about what he believes needs to be corrected in the May 13, 2015 minutes

New Business:

New Customer Set-up Fee. Cal Utke made a motion, seconded by Pam Sekac, to amend the Rules and Regulations by adding Section 6.5.7 New Customer Set-up Fee:

New customers will be required to have the ORC come to their house as soon as possible after they close on the property to get a beginning meter reading for their service. Current fees are shown in Appendix B. The fee for this will be \$50, and this change will be effective January 1, 2016.

Bulk Water Sales. Pam Sekac made a motion, seconded by Cal Utke, to increase the bulk water rate from \$10/1000 gallons to \$13/1000 gallons, effective January 1, 2016. Approved.

Salary Reviews:

Tim made a motion, seconded by Pam Sekac, to set staff salaries for 2016 as follows. Approved.

- Lynn Willow, \$52,000.
- Bill Stedman, \$24,000.

- Daron Hoehn, \$20/hour

Adjournment: A motion to adjourn the meeting at 10:55 p.m. was made by Cal Utke, seconded by Tim Connelly. Approved.

The next regular meeting will be held on January 13, 2016 at 7:00 pm at the PFWD Administration Building, located at 7340 McFerran Road.



CAL UTKE, SECRETARY