

MINUTES OF THE SPECIAL BOARD MEETING PARK FOREST WATER DISTRICT January 18, 2016

President Roger Lage called the meeting to order at 7:05 pm.

Board Members Present: Roger Lage, Tim Connelly, Pam Sekac and Cal Utke.

PFWD Staff Present: Lynn Willow and Bill Stedman

Guests: Michael Turner, Michael Davidson, Jason Kerekes, Lane & Debbie Anders, Bob Helton, Bill Cutkomp, Dennis Ellison, Bruce Anderson, Cathy Lane, Steve Jacobs, Ross & Myrna Wiens, and Mary Willow

Guest Discussion:

President Roger Lage gave a PowerPoint presentation (11 page document-see enclosed copy)

- Historical breakdown
- Infrastructure requirements
 - Well replacement explanation and expected failure times
 - Squires high demand
 - Household meters upgrade (over 4 year plan)
 - Storage tank
 - Interconnect the Squires and Price Plants
 - Emergency generator
 - Well 1 replacement (substitutes filtration)
- Budget discussion
 - Projected revenue - \$193,904
 - Bulk water sales - \$16,000
 - Property / Auto Taxes - \$139,500 (these are used for Debt Service and Capital Projects)
- Expense issues
 - Utilities - \$50,000 (50% increase over the last five years, which has not been passed on to users)
- Capital Debt - \$17,849
- Rate review
 - Reviewed the existing structure
 - Presents the proposed rates
- Reviewed samples
 - 38,000 – 41,000 usage
 - 128,000 – 154,000 usage
- Questions/comments from guests:
 - How many of the 289 customers are near the 38 – 41K range?
 - Issues were raised about property taxes.
 - Concern was expressed that the tier rates are too aggressive.
 - Question was raised why people who do fire mitigation are being penalized for keeping their property waters and mitigated.

- Reviewed the capital 10-year plan and the issue was raised about using capital monies to offset operating fund losses.
- Cal Utke reviewed his rates at the new base rate of 38 – 41K, and noted that the PFWD rates are still one of the more competitive rates with other water districts in the region.
- One guest reviewed the budget issue and felt that the impact of the mill levy must be considered. He felt that economy of size would be realized if the district joined the Cherokee Water District.
- Another guest countered, indicating he felt that the district should consider joining Colorado Springs Utilities if it was going to join a larger district.
- Rate increases or decreases must be addressed on a yearly basis.
- Comments from the accountant , a CPA, of one of the residents:
 - Segregate the budget into fixed and variable components.
 - Increase frequency of billing.
 - Match the fixed costs to each of the households.
 - After understanding that we are dealing with a limited resource, felt that the tiered rate structure is appropriate.
 - Make sure infrastructure can handle peak demands.
 - All customers should be reading the district website to better understand the issues related to operating the district.
 - Raised the issue that holding significantly large amounts in Capital could have an impact on the districts status as a Special District.
- Suggestion that the district take the Hungate/Mathews Road repair issue to the El Paso County Commissioners.

Budget Amendments:

- A motion to adopt the FY2016 Administrative and Operating budget of \$219,754, before depreciation, as amended, was made by Pam Sekac, seconded by Tim Connelly. Approved.
- A motion to appropriate funds for the FY2016 budget, as amended, was made by Tim Connelly, seconded by Pam Sekac. Approved.

Water Rates:

- If all Administrative and Operating expenses were covered by the base rate only, without income from the tier rates for use of water over the amount included in the base rate, the base rate would have to be \$75/month for each of the 289 customers.
- Motion made by Pam Sekac, seconded by Tim Connelly, to increase the base rate to \$45/month for water usage effective March 1, 2016, and to approve the following tier structure. Approved.
 - Up to 6,000 included in base rate
 - 6,001 to 12,000 \$4.00 per thousand gallons
 - 12,001 to 18,000 \$5.75 per thousand gallons
 - 18,001 to 24,000 \$7.50 per thousand gallons
 - Over 24,000 \$9.25 per thousand gallons

Treasurer:

- Motion made by Pam Sekac, seconded by Cal Utke, to have Tim Connelly serve as the Acting Treasurer until after the May 3, 2016 election. Approved.

Adjournment: A motion to adjourn was made by Cal Utke at 9:40 p.m., seconded by Pam Sekac. Approved.

The next regular meeting will be held on February 10, 2016 at 7:00 pm at the Administration Building.

A handwritten signature in cursive script, appearing to read "Cal Utke", followed by a horizontal line.

CAL UTKE, SECRETARY