

**MINUTES OF THE REGULAR BOARD MEETING
PARK FOREST WATER DISTRICT
May 12, 2016**

President Roger Lage called the meeting to order at 7:00 p.m.

Board Members Present: Roger Lage, Pam Sekac, Tim Connelly, Jason Kerekes, and Megan Johnson

PFWD Staff Present: Lynn Willow and Bill Stedman

District Legal Counsel: Paul Anderson

Visitors: John Neal

Visitor Comments: John requested an opportunity to include a posting for a community garage sale in our next newsletter. The Board agreed that since it benefitted the whole community and it was a once yearly event, it would be included in the June newsletter. Space permitting, it could even be included as part of the newsletter. John will submit the notice to the office when they decide on a date for the sale.

Oath of Office: Roger Lage had Megan Johnson and Jason Kerekes read and sign the oath of office, and welcomed them to the Board. Roger Lage witnessed their signatures on the Oath of Office form as Chairman of the Board.

Election of Officers: The Board discussed the duties of the officers and by consensus of the Board, officers are as follows:

- President – Pamela Sekac
- Vice President – Roger Lage
- Secretary – Megan Johnson
- Treasurer – Timothy Connelly
- Director – Jason Kerekes

Executive Session:

Roger Lage moved, seconded by Pam Sekac, to go into Executive Session, under paragraphs 24-6-402(4)(b), C.R.S. for discussion with the district's legal counsel regarding the pending lawsuit filed against the PFWD, among others, the district's response to this lawsuit, and other legal matters related to Eagle Rising . Approved. The Board went into Executive Session at 7:30 p.m.

Motion by Roger Lage, seconded by Tim Connelly, to come out of Executive Session at 8:40 p.m. Approved. Paul Anderson noted for the record that the Executive Session discussion consisted of current updates that he provided regarding the pending lawsuit (Complaint number 2016CV030376), discussion of the options open to the Board in responding to it, and to the tolling agreement, and discussion of other legal issues arising out of the Inclusion Agreement. He indicated that no decisions were made.

Paul Anderson advised the Board to answer the tolling agreement that expires at the end of May. The Inclusion Agreement with Casas and IQ Investors was discussed, along with potential claims under the agreement. There was also discussion about the District's rights and/or abilities to sell or lease water outside the district.

Motion by Roger Lage, seconded by Tim Connelly, to have Paul Anderson prepare a motion to dismiss the District from the pending lawsuit, and to complete a draft regarding the tolling agreement. Approved.

Review of Agenda:

Review of Minutes: The minutes of the April 6, 2016, Regular Board Meeting were submitted. It was noted that the sheet of community members was incomplete, and several names were added to the minutes of residents that Board members knew had been in attendance. Spelling errors were also corrected. A motion to accept the minutes with these corrections was made by Pam Sekac, seconded by Tim Connelly. Approved.

Treasurer's Report: Bill noted that revised financial statements for February were being submitted as a result of a recent communication from our auditor regarding the recording of expenses related to the Hungate/Mathews project that had been reserved for at the end of last year. In addition, financial statements were submitted for March (because of the early date of the last Board meeting, they were not available at that meeting), and April 2016. The Treasurer's Report for April 2016 will be approved at the May Board meeting.

See enclosed report as of 4/30/16:

Total Cash:	\$ 507,551.98
Total Assets:	\$ 2,349,985.17
Total Liabilities:	\$ 93,190.25
Accounts Receivable:	\$ 30,184.66
Accounts Payable:	\$ 12,988.70
Bulk Water Sales for April:	\$ 1,624.33

Bill noted that the grid charge for electricity for each of the three well accounts increased this month by 46%, from \$71 to \$104 per account. The demand charge for KVA increased by 32%, from \$4.33 to \$5.70 per KVA. This is in line with the increases that Mountain View Electric had advised about earlier this year.

There was discussion about new capital projects and the two projects from last year. Roger indicated he would prepare forecasts of revenues and expenditures for each meeting.

Motion made by Roger Lage, seconded by Pam Sekac, to approve the Treasurer's Report. Approved.

Invoice Processing: The list of invoices for processing was reviewed prior to the board meeting by board members. Bill noted that the bill from Ross Electric included a \$4,800 charge for the installation of the SoftStart at Well #4 from last July. Lynn was asked to track charges in the future so that payments are made in the current period. A motion to pay the bills was made by Roger Lage, seconded by Pam Sekac. Approved.

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

- Bill noted that year-to-date bulk water sales are \$1,624, or 69.4% of budget, and that we have had three new customers in the last month.
- The election process is almost complete. As previously noted, Megan Johnson and Jason Kerekes were elected to four-year terms. The question to approve eliminating term limits for PFWD Board members was also approved. There will be a meeting of the Canvass Board tomorrow (May 13), the final step in certifying the results of the election. Bill will then file the appropriate documents with DOLA and the El Paso Clerk and Recorder.
- Bill mentioned several options for training for new Board members:
 - Regional SDA Workshop in Fountain on Monday, June 13 for new board members.
 - Annual SDA conference in Keystone, September 21-23 (there may be scholarships available for some of the costs).
 - Colorado Rural Water Association may also offer some classes and conferences.
- Motion made by Roger Lage, seconded by Pam Sekac, to transfer \$100 from FSB Checking to ColoTrust Reserve Account for two key deposits and one key replacement fee. Approved.
- Motion made by Roger Lage, seconded by Pam Sekac, to approve adding Tim Connelly as an Authorized Signer to Move Funds and to be the Voting Contact Designee at ColoTrust, and to remove Kenneth Fulton from these roles. Approved.
- Bill received audit proposals from two companies, and is recommending that we change auditors for the 2015 audit. Motion made by Roger Lage, seconded by Pam Sekac, to appoint Osborne, Parsons & Rosacker, LLP (OPR) to perform the 2015 audit. Approved. While the cost of the 2015 audit would be more than had been budgeted, OPR indicated that the District is eligible for an exemption from a full audit under new state rules, resulting in a lower audit fee next year. They will help the District apply for this exemption before the March 31, 2017 deadline for the 2016 audit. Bill and Pam noted that the change to a new auditor would be helpful to see a more in depth understanding of our finances.
- There was discussion of having a late filing fee vs shut off of water service, if the 2016 backflow device inspection reports are not filed by the July 31, 2016 deadline. The inspector reports are submitted to PFWD and to the state. Roger noted that a letter to shut off water service is a strong motivator for commercial properties to complete testing within 60 days. Lynn noted after 60 days disconnect and reconnect fees could be charged.

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

- Well #4 functioning is correct since the repairs were made.
- Hungate/Mathews project will begin June 6.
- Potholing Hungate Road will be completed before June 6.
- Rebuilt chemical pumps, one at each plant.
- One resident had issues with water discoloration. Lynn took samples, and gave the homeowner information about the best practices for water heaters and flushing lines, etc. No problems have been reported since then.
- The Board requested more frequent numbers from chemical testing from Lynn.
- Water Returns is a partner that Roger is familiar with for irrigation audits. He noted they might come out and assist community members with their irrigation needs and efficiency.

Secretary's Report:

- El Paso County letter requesting contact person for the District. By consensus, the Board agreed that Bill should be the contact person.
- Notice from the Office of the State Auditor that there were deficiencies with the 2014 audit. Bill is in contact with last year's auditor to determine what response is required.

Action Item List:

- Defer to next meeting

Old Business:

- Rules and Regulations – tabled until next meeting.

New Business:

- None

Adjournment: A motion to adjourn the meeting at 10:05 p.m. was made by Megan Johnson, seconded by Pam Sekac. Approved.

The next regular meeting will be held on Thursday, June 9, 2016 at 7:00 pm at the PFWD Administration building, located at 7340 McFerran Road.


MEGAN JOHNSON, SECRETARY