

11/19/2020 Minutes

1. Call to Order – 5:15 pm

The meeting was held via Zoom. Directors present: Ward Holmes, Chuck Stevens, Tom Brossia, Jeff Wagner and Michael Roussin. General Manager Charlie Smith was also present.

2. Approval of Agenda

3. 10/15/20 Minutes – Minutes to follow

4. 2021 Budget Hearing

The Board reviewed the 2021 Budget. Budget highlights include:

- 2020 water sales \$60,000 above budget
- -\$83,000 net income for 2020 due to TTHM expense and less tap sales than budgeted.
- No rate increase
- Assumes reduced water sales in 2021.
- Assumes 10 new tap sales in 2021.
- Request grant from ALPWCD for 2021 water purchase.
- Assumes 3% rate increase for Charlie and Tim C.; \$1/hr increase for Alexis; Tim G. \$1/hr increase December 1 for additional treatment responsibilities and change Tim G. to \$55,000 salary in 2021, equivalent to \$26.44/hr. This is comparable to other treatment operator wages in the area.
- 5% increase in health benefit costs and other major line items.
- Decreased electric expense due to reduced pumping and 1st year terms of the solar lease agreement.
- Capital improvement projects include Shenandoah tank recoating and tank stripping (moved from 2020,) additional TTHM and Dove compliance, and some deferred maintenance projects funded through DWRF loan.

The 2021 Budget is scheduled to be adopted at the 12/17/20 Board Meeting

Mike moved to approve \$1,000 performance bonus for Tim Cavanaugh, Tim Graham, and Alexis Weber for their hard work this past year. Chuck 2nd, Approved.

5. General Managers Report

Financials, Billing, Insurance, etc.

Balance Sheet and Budget Performance reports for October were reviewed. Rafter J water sales are estimated. YTD Water Sales are \$76,596 above budget. Retail sales are \$92,313 over. Bulk sales are \$15,715 below budget due to LPWWA not being an active customer until September 8. YTD expenses are \$14,848 below budget. Alexis has been entering some repairs expense entries as materials and supplies, Charlie will reconcile when I get the invoices from her.

Mike moved to approve the 2021 Audit Engagement Letter from Haynie and Company. The Audit fee is \$10,300 a \$300 increase from the 2019 audit. Tom 2nd, Approved.

Shaw Solar (Solar Garden Partners) has requested the monthly lease fee for the installed solar be paid by electronic ACH withdrawal. The first year rate is \$1,375/month, subsequent years are \$1,447/month.

Source and Supply –

The lake volume is approximately 813 acre-feet. Reservoir projection attached expanded assuming no La Plata River water in 2021 and 2022. Charlie informed ALPWCD that the Authority would be requesting a grant from them for the full cost of the 2021 water purchase. A grant application will be submitted prior to their February 2021 meeting.

ALPWCD attorney Adam Reeves has provided the language from a revised IGA that is supposed to demonstrate that LDWA will always be able to draw the direct flow component of the ALP water rights from reservoir storage when water is available. Charlie forwarded his response to Bud Smith and Russ Howard at ALPOMR for comments.

Treatment

October water production was 6,542,500 gallons.

Tim G has been training with Chris Kramer in the treatment plant.

The clearwell was cleaned and inspected by CW Divers.

Distribution

October water sales are approximately 4,520,000 gallons. Lines were flushed at the end of October and beginning of November in preparation for TTHM sampling. Samples taken in October indicate TTHM and HAA values are well below the MCL.

Tanks were inspected and cleaned by CW Divers. The interior of the Shenandoah tank has deteriorated significantly since the last inspection most likely caused by ice and the level cycling that has been implemented to reduce water age. The tank should be recoated prior to installation. I am waiting on an estimate from Industrial Tank Coating Inc. An extension request for the installation of THM stripping in the Shenandoah tank has been sent to CDPHE. The Lake Durango and Trappers Crossing tanks should be recoated in the next 2-3 years.

Rafter J HOA is requesting hydrant testing for insurance purposes. Charlie has scheduled flushing and testing for April 2021.

6. TTHM and DOVE

The electrical for THM stripping in the Lake Durango tank is complete and a new hatch has been installed on top of the tank. The stripping equipment is scheduled to be installed on Friday 11/20. The LPEA estimate for electrical extension to the Shenandoah tank is \$11,783, which does not include trenching from Ute Junction Circle up to the tank. The slope is too steep for the backhoe. Charlie is working with LPEA to acquire easements for the electrical line and getting quotes for excavation.

Charlie had a Zoom meeting with CDPHE Lead Enforcement Officer Emily Clark, Compliance Specialist Ben Keilly, DOVE Team Engineer Andrew Rice, and Grants and Loans Project Manager Erik Worker to discuss funding shortfalls for the Authority to meet TTHM and DOVE compliance. He explained that the Authority is using or has already spent reserve funds for THM compliance engineering and the installation of tank stripping equipment in the Shenandoah and Lake Durango tanks and would have difficulty completing additional improvements recommended by SGM for long term TTHM compliance and also for increased monitoring and additional CT volume to meet DOVE requirements for giardia and virus inactivation. The group was supportive of the Authority's work to date and planned infrastructure improvements. TTHM compliance has a flexible schedule which is facilitated by the fact that TTHM concentrations have been below the MCL for the past 7 quarters. Meeting DOVE disinfection requirements has a set date of September 2021 which is when the Authority must use and submit an expanded Monthly Operating Report, if the MOR does not confirm adequate disinfection CT a Tier 2 violation requiring consumer notification and a \$500/month fine will be issued. The disinfection CT may be met at lower treatment rates by relocation of a finished water pump and instantaneous pH and flow recording required for the MOR. Charlie proposed the Authority fund these items in 2020 using reserve funds and apply for a DWRF loan for the remainder of improvement funds. The DWRF Loan may take up to a year even when fast tracked on the CDPHE end. The loan will

require engineering and environmental analysis for each project. A loan prequalification form will be submitted to CDPHE to begin the process.

- 7. Approval of Bills** – Tom moved to approve the bills as presented in the check detail report with the addition of checks from October that did not print and the monthly ACH withdrawal for Solar Gardens, Mike^{2nd}, Approved.
- 8. Public comments or Questions** - There were no comments or questions
- 9. Adjourn** 6:50 pm.