

10/20/16 Minutes

1. Call to Order 5:20 pm

Directors present: Ward Holmes, Mike Roussin, Tom Brossia and Jeff Wagner. General Manager Charlie Smith and customers Michael Wasson, Jeff Speicher, and Travis Priest were also present.

2. Approval of Agenda- The Agenda was approved after adding an item for ALPWCD water purchase.

3. Approval of 9/15/16 Meeting Minutes –Mike moved to approve the 9/15/16 Meeting Minutes, Jeff Second. Approved.

4. Priest/Speicher Billing Disputes

Customers Travis Priest and Jeff Speicher have disputed the accuracy of their meter readout for dates June 30 to July 2. Meter downloads indicated high usage over similar time periods in early July and both meters had instances of high later in the month, Speicher also had 4 days of high usage in August. Physical read of the mechanical display confirmed the overall monthly usage. Because of the similarity in use the customers felt that the meter readings were erroneous. Charlie stated that the Neptune T-10 meter is the industry standard and there was no evidence that the meters functioned incorrectly, the usage pattern looked like a hose(s) had been left on. Mr. Priest and Speicher said they were not at home over the period that water usage was recorded. After discussion Tom moved to credit the water bills down to 2nd tier premiums. Mike 2nd, Approved.

5. Conditional Water Rights Status.

The Board reviewed Lightner Creek and 160 Pump Station water rights. The Source Water Evaluation completed by Russell Engineering and Bikis Water Consulting in 2011 determined that the Lightner Creek water rights were expensive to develop and did not satisfy the future water demand in the LDWA geographic service area, the report recommended that ALP project water was the preferred alternative for meeting LDWAs water demand in drought years. Now that ALP pipeline construction is underway maintaining the Lightner Creek water rights is not necessary. Tom moved to begin the process of transferring the Lightner Creek water rights back to Robert Johnson. Mike 2nd, Approved.

The 160 Pump Station water right would permit LDWA to pump water from below the Durango West waste treatment plant to Lake Durango. The rights only permit pumping during the summer irrigation season. The Source Water Evaluation did not recommend use of the water right. Costs for pumping, pipeline, and additional treatment would greatly exceed the value of the limited water available. Durango West could also choose to recycle the waste treatment plant discharge water to their system making no water available. Tom moved to longer pursue development of the 160 Pump Station water right. Jeff 2nd, Approved.

6. 2017 Draft Budget

Charlie prepared the 2017 draft budget that was submitted to the Board on October 14.

Budget highlights include:

- Water Sales same as 2016 with 5% rate increase
- Increased meter installation fee revenue related to tap sales beginning in August 2017
- 3% employee wage increase, Additional hours and benefits for Alexis beginning in September, and a part time operator 20 hrs/wk @\$20/hr for 12 weeks.
- Completion of the pipeline project and 10 new tap sales @ approx. \$14,000/tap
- Expenses increase at 5% in some cases.
- Depreciation Expense is now accounted for in Other Expenses rather than as an Operating Expense

7. Capital Improvements Plan and Tap Fee Determination

Charlie prepared a draft long term capital improvements plan based on the Infrastructure Needs Evaluation in the 2011 Master Plan and additional needs that have since been identified. The Tap Fee

Determination from the 2011 Rate Study was also updated to reflect the current value of the water system and the projected cost of the raw water pipeline project.

8. General Manages Report

Financials, Billing, Insurance, etc.

September 2016 Financials were presented, YTD water sales are \$31,700 over budget, YTD expenses are \$34,000 below budget however there are some large chemical expenses that will be incurred in the next three months. Dalby and Wendland CPAs have explained the additional audit costs for work related to the pipeline project and CWCB loan. Tom moved to engage Dalby and Wendland to prepare the 2016 audit, Mike 2nd approved.

Source and Supply –

The lake volume is approximately 890 acre-feet.

Treatment

September production was 5,415,063 gallons. The Chlorine Dioxide system was serviced

Distribution

September water sales are approx 3,620,000 gallons. Hydrant testing is scheduled for November. The bypassed PRV in Shenadoah was repaired. Repairs were made to the Lake Durango Pump Station.

9. Source Water Project Update

All easements for the project are in place with the exception of Robert Johnson where there is a prescriptive easement for the existing 4" pipeline. Clearing has begun at the booster pump station site and 8" and 16" PVC pipe has been delivered. Any waster rock that is suitable for rip rap will be used at Lake Durango.

10. Approval bills - Tom moved to pay the bills as listed in the check detail. Mike 2nd. Approved

11. Public comments or Questions – There were no questions.

12. ALPWCD Water Purchase

Mike moved to adjourn to executive session pursuant to 24-6402(4)(b) and 24-6-402(4)(e) 9 to discuss negotiations related to the ALPWCD water purchase.

The Board came out of executive action

13. Adjourn 7:25 pm.