

**MEETING OF THE PINE BROOK WATER DISTRICT
BOARD MEETING DECEMBER 14, 2017**

Board Members present: R. Waters, J. Colson, M. Beauprez, B. Loveman and M. Hupka

Board Members Absent: none

Also: R. deHaas, S. Beauprez and A. Churnside

Visitors: Chris Pletcher of Ayers & Associates, Cort Nickell of Stantec Engineering, Alan Saville and Sarah Wahlert

Meeting started at 4:30 pm

Engineer's viewpoint

Chris Pletcher of Ayres & Associates came to the Board meeting at the request of our engineer Cort Nickell to give his perspective on costs that utilities face and what they should plan for. Neither of these engineers was paid to attend the Board meeting. Chris started by giving an over view of a system in northern Colorado that is similar in size to Pine Brook. That system is Spring Canyon. He broke down things that they had done in the past that are now negatively affecting their overall budget. They handle both water and waste water for their District. They do not have a treatment plant for their water production. They buy treated water from another utility and distribute it to their customers. After talking about Spring Canyon and some other water systems he has been involved with, Chris said that the main thing to remember is that costs are unique to each utility.

Chris also discussed that water systems need to be putting money aside each year, he estimated 2% of the value of the assets, for capital replacement. He then went on to discuss using private companies to operate systems and explained that most of them are now going back to having their own personnel. The advantage of having their own personnel is that they have a better "feel" as to when to simply repair or when to replace whereas outside companies just tend to try get by.

Chris explained that Spring Canyon currently only has two employees of their own, one a receptionist/secretary and one a field employee. Then they use an outside company for a manager and another employee. There are now in the process of changing that and having them be their employee's instead of using an outside company.

Bob asked that if we were considering putting money aside to do a study about where the District could be saving more money, would \$10,000.00 get us much of an answer? Chris felt that \$10,000.00 would be very minimal and not a very in depth study at all.

Cort basically echoed Chris's remarks with how each utility has their own unique costs of operation. He said that the challenge of Pine Brook is the area and topography that adds to the costs of having a water district here.

Budget

Rick suggested that the cost for an election should be included in the Budget total. The current estimate for a budget for a mail in election should be about \$5000.00. This amount is the only significant change that Rick felt needed to be added. Bob made the change on his budget sheet to go from \$617,000 to \$622,000 to include the cost of a possible election next year.

Bob Loveman motioned to approve the 2018 budget along with included resolutions. Mel seconded and the motion passed unanimously.

Audit proposal

Bob Loveman motioned to approve the 2017 Audit proposal from Green & Associates. Mike seconded and the motion passed unanimously.

Board Elections

Bob Loveman asked if we need a DEO (designated election official). Bob said that yes we would need a DEO. It could be a representative from the Pinnacle Consulting Group or you could appoint Bob and he could work with their representative. Bob Loveman proposed that the District authorize Bob to work with the Pinnacle Consulting Group and spending up to \$5000.00 for the election of Board members next spring. Rick seconded and the motion passed unanimously.

Reservoir status

Bob told the Board that the reservoir level is just over 6" down from being completely full.

Bills

Bob went over some specific bills for the Board. Mel motioned to approve the bills as presented. Mike seconded and the motion passed.

Water rates

Rick suggested that we obviously need to raise income to put money back into reserves that we pulled from for the sludge disposal. It was also noted that no decision about how to handle the sludge's for 2018 are being made since no informed decision process can occur until the last sludge radiology tests have been received.

It was discussed that the District may need to look down the road at a capital or general mill levy. That is something that needs to be talked about with the community as a whole since it would have to go to a vote. Currently the District needs to get something going right away to help recoup some of the money.

The Board also discussed that one of the options that they should be seriously considering is having a base rate that covers more of the fixed costs of

providing water. This approach would then provide a more reliable revenue stream whether that year was a wet year or a drought year since both can have an effect on revenues.

Rick also noted that without an increase in the water rates the District would again not be covering its operating costs by the water sales. It was noted that over the last two years the District has had to pull about \$100,000.00 out of reserves to pay for operations instead of that money going to capital costs as intended.

Rick motioned that we increase the base service cost of each bill by \$11.00 and that it be put in effect for the December 2017 billing. Bob Loveman seconded and the motion passed unanimously.

Minutes

Rick motioned to accept the minutes as presented. Joyce seconded and the motion passed unanimously.

Meeting adjourned at 6:00 pm.