

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF LITTLE THOMPSON WATER DISTRICT**

The Board of Directors of Little Thompson Water District (LTWD) met in regular session on Thursday, October 12, 2017 at the District office. Attendance was as follows:

Board of Directors:

Bill Szmyd, President	Present
Paul Bukowski, Vice President	Present
Steven Brandenburg	Present
Larry Brandt	Present
Diana Larsen	Absent
Ed Martens	Present
William Prewitt	Present

Staff in Attendance:

Mike Cook, District Manager
Judy Dahl, Business Manager
Amber Kauffman, District Engineer
Nancy Koch, Water Resources Manager
Sandi Lebsack, Recording Secretary
Angela Diekhoff, Customer Service

CALL TO ORDER

President Szmyd called the meeting to order at 5:00 p.m. followed by recitation of the *Pledge of Allegiance*.

ROLL CALL

Roll call was taken. **It was moved by Director Bukowski, seconded by Director Brandt, to excuse the absence of Director Larsen. Motion carried unanimously.**

AGENDA REVIEW: REQUEST FOR AN EXECUTIVE SESSION AT THE END OF THE MEETING

It was decided to go into Executive Session at the end of the meeting citing 24-6-402(4)(e) C.R.S. “for determining positions relative to matters that may be subject to negotiations; developing a strategy for negotiations; and instructing negotiators.”

PUBLIC COMMENTS ON NON-AGENDA ITEMS

There were no public comments on non-agenda items.

BOARD OF DIRECTORS DISCLOSURE OF A POTENTIAL CONFLICT OF INTEREST

Director Martens read a Conflict of Interest letter declaring that he is aware of and will comply with “Conflict of Interest” policies as set forth in the Special District Association Board Member Manual. The conflict involves his affiliation with Evoqua, formerly known as Siemens, equipment that is used at the Carter Lake Filter Plant. If any discussions involve this equipment, Director Martens will recuse himself from discussion as well as any vote that may be taken.

CONSENT AGENDA

It was moved by Director Brandenburg, seconded by Director Bukowski, to approve the Consent Agenda including:

- **Minutes of the September 21, 2017 Regular Board Meeting;**
- **Tap List 621;**
- **September 2017 Disbursements in the amount \$556,949.66:**
 - **Operating Account: \$378,420.20**
 - **ACH Manual Check Numbers 1286 to 1316 for \$231,699.17;**
 - **Check Numbers 8095 to 8152 for \$146,721.03;**
 - **Payroll Account: (Two Bi-weekly payroll periods in September) for \$178,529.46:**
 - **ACH Transmittal Vouchers – O-1283 to O-1298 for \$95,399.99;**
 - **ACH Direct Deposit Numbers N-7461 to N-7515 for \$83,129.47.**
- **September 2017 Financial Report;**

Motion carried unanimously.

DISCUSSION ITEMS

Carter Lake Filter Plant (CLFP):

Discussion topics:

- Plant capacity and the next plant or plant expansion;
- CLFP 2018 Budget review:

- Anticipated treatment plant rate increase from \$0.39/1,000 gallons to \$0.44/1,000 gallons;
- Addition of one additional maintenance technician;
- Rebuild of three filters at an estimated cost of \$380,000
- Water quality at Dry Creek Reservoir.

2018 Budget, Presentation and Review:

District Business Manager Dahl presented the 2018 Proposed Budget to the Board for discussion and input.

The 2018 Proposed Budget is based on the following parameters:

- Base fee and water rates remain the same with no increases,
- Retail water sales revenue adjusted 1.6% to account for growth,
- Bulk water sales estimated based on historical data,
- Sale of 140 new taps,
- 3.3% pool for merit raises/bonuses,
- No change in employee benefits,
- Six additional staff,
- An increase in operating expenses by 5.50% compared to 2017 Amended Budget,
- An increase in capital and non-operating costs of 49% due to an increase in capital projects and equipment purchases,
- Anticipated treatment plant rate increase from \$0.39/1,000 gallons to \$0.44/1,000 gallons.

The draft recommended budget accomplishes the following:

- All legally restricted and Board designated reserves fully funded,
- A continuation of maintenance activities to ensure long term reliability,
- A balanced operating budget,
- An overall increase in working capital of \$1,974,000.

The following information will be presented at the November Board Meeting:

- The 2018 Proposed Budget once final direction and recommendation is received from the Board,
- A Public Hearing on the 2018 Proposed Budget and Rates/Fees,
- Staff will present the District's five-year financial plan.

Discussion:

- Consider paying off either the 2006 CWR&PDA or the 2011 Bond and refinance the other,
- Temporary water use increase for the Town of Berthoud,
- Possibly raising the Cash-in-Lieu to reflect the price increase of Colorado Big-Thompson water and other raw water.

Final adoption of the 2018 Budget can occur at the November meeting unless the Board chooses to defer adoption to the December Board Meeting.

STAFF REPORTS

Manager's Report: District Manager Cook reported on the following:

- Relative to CLFP, viewed an Actual Versus Projected Water Use 2016 – 2018 Graph,
- Remaining 2018 Budget Schedule:
 - November 16: Scheduled Public Hearing on the 2018 Budget, 30-day notice required
 - December 14: Adoption of 2018 Budget (required prior to December 15, 2017)
- Open Records request from *The Greeley Tribune*,
- 2018 Election;
- Years of Service Honorees:
 - Todd Cooper 20 years
 - Kathleen Blair 15 years
 - Sandi Lebsack 15 years
 - Judy Dahl 10 years
 - Holly Suess 10 years
- Southern Water Supply Project: Following discussion, **it was moved by Director Martens, seconded by Director Brandt, to purchase, in partnership with Central Weld County Water District, 10cfs or 6.45MGD of capacity in the Southern Water Supply Project from the Platte River Power Authority in the amount of \$170,000 (LTWD's half.) Motion carried unanimously.**
- Hydropower Letter of Support: Discussion about possible Hydro Electric project with Poudre Valley Rural Electric Association (PVREA), Dry Creek Reservoir and CLFP. The Board authorized a letter of support for application to the Colorado Water Conservation Board (CWCB) for a feasibility study grant.

District Engineer's Report: District Engineer Kauffman reported on the following:

- Taft Avenue/Garrett Vault/Colony Ridge Loop Project – out for bid,
- County Line Road 3 – line replacement project.

Water Resources Manager's Report: Water Resources Manager, Nancy Koch, reported on the following:

- Two weeks of hot, dry weather early in the September accounting cycle drove the water demands above the predicted usage despite a significant cool-down later in the month. The cumulative water use of September is 300 acre-feet below the predicted water usage,
- The District began delivering water to Dry Creek Reservoir October 9 to replace evaporation. The reservoir will be full by the last week in October.
- The Board asked that a representative from the Home Supply Ditch Company be invited to speak at a Board Meeting.

Operations Manager's Report and Water Quality Update: In the absence of Operations Manager Lambrecht, District Engineer Kauffman presented the Operations' Report:

- Locate requests and leak work orders are normalizing;
- Talked about the resulting Taste and Odor work orders resulting from the 24" line repair;
- Next sampling period for DBP2 and Lead and Copper is mid November 2017.

DIRECTOR REPORTS

Discussion topic:

- December Board Meeting: The meeting time is 3:00 p.m. at the District office followed by a Board Holiday event at the Blue Mountain Vineyard.

The Board went into Executive Session at 7:02 p.m. The Board returned from Executive Session 7:45 p.m.

There being no further business, **it was moved by Director Brandenburg, seconded by Director Brandt, to adjourn the meeting at 7:46 p.m. Motion carried unanimously.**

Respectfully submitted,

Michael T. Cook