

**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, November 16, 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 | Present |
| 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

Other Attendees:

Barbara Winkler, Hutchinson Shockey Erley & Co
Michael O. Hark, Hutchinson Shockey Erley & Co
Thomas Peltz, Kutakrock
Kirk Conn

CALL TO ORDER

President Szmyd called the meeting to order at 5:04 p.m. followed by recitation of the *Pledge of Allegiance*.

ROLL CALL

Roll call was taken. President Szmyd was notified that Director Martens would arrive late.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

Kirk Conn addressed the Board asking permission to hunt this season on the District-owned Griep Farm. Following discussion, **it was moved by Director Brandenburg, seconded by Director Bukowski, to approve Kirk Conn to hunt on the District-owned Griep Farm for the current hunting season. Motion carried unanimously.** An approval letter will be provided for Mr. Conn, and he will be required to sign a liability waiver.

CONSENT AGENDA

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

- **Minutes of the October 12, 2017 Regular Board Meeting;**
- **Tap List 622;**
- **October 2017 Disbursements in the amount \$574,650.76:**
 - **Operating Account: \$396,066.18**
 - **ACH Manual Check Numbers 1317 to 1339 for \$149,438.87;**
 - **Check Numbers 8153 to 8251 for \$246,627.31;**
 - **Payroll Account: (Two Bi-weekly payroll periods in October) for \$178,584.58:**
 - **ACH Transmittal Vouchers – O-1299 to O-1314 for \$96,649.82;**
 - **ACH Direct Deposit Numbers N-7516 to N-7578 for \$81,934.76.**
- **October 2017 Financial Report;**
- **Griep Farm Lease Renewal;**
- **2018 Board Meeting Schedule;**
- **2017 Audit Engagement Approval.**

Motion carried unanimously.

The Board asked that the 2019 Griep Farm Lease be reviewed for a possible cash rent adjustment.

DISCUSSION ITEMS

District Debt Refinance:

Placement agents, Barbara Winkler and Michael Hark from the firm Hutchinson Shockey Erley & Co, and bond counsel, Thomas Peltz from Kutakrock, were present to answer questions regarding the proposed debt refinance of the District's Colorado Water Resources & Power Development Authority (CWR & PDA) Loan. The refinancing of this loan could save \$355,199 over the life of the loan or an average of \$35,000 per year. The note will be placed with Signature Public Funding Corp., a wholly-owned subsidiary of Signature Bank (SB).

There was discussion regarding the feasibility of the District paying off this debt rather than refinancing the debt. Following discussion, **it was moved by Director Bukowski, seconded by Director Martens, to approve the Note Resolution for the payment and cancellation of the Colorado Water Resources & Power Development Authority Bond through the issuance by the District of its Water Revenue Refunding Note, Series 2017B, at a lower interest rate and the sale of the Note to Signature Public Funding Corp., a wholly-owned subsidiary of Signature Bank. Motion carried with Director Brandenburg voting against the motion.**

The Board authorized District Manager Cook to make any non-substantive changes to the bond documents as needed.

Public Hearing: Action Item: Certify Past Due Accounts to Weld County for Collection:

No action was taken as all accounts that were eligible for collection have been made current enough so that no accounts could be certified for collection.

The Public Hearing was closed.

Public Hearing: Action Item: 2018 Budget Review and 5-Year Financial Plan:

Staff reviewed the 2018 Proposed Budget along with 5-Year and Long-Range Capital Projections 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 - medical insurance premiums increasing by 2.5%,
- Six additional staff (1 – Engineering; 4 – Operations, 1 – Administration part time),
- An increase in operating expenses by 5% compared to 2017 Amended Budget,
- An increase in capital and non-operating costs of 8% due to an increase in capital projects and equipment purchases,
- Anticipated treatment plant rate increase 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 decrease in Capital Project Reserves of \$2,700,000 over 2017 projected actual, and
- An overall increase in working capital of \$2,700,000.

Following discussion:

It was moved by Director Brandenburg, seconded by Director Brandt, to adopt Resolution 2017-8, 2018 Budget. Motion carried unanimously.

It was moved by Director Brandt, seconded by Director Prewitt, to adopt Resolution 2017-9, 2018 Funds Appropriation. Motion carried unanimously.

The mill levy resolution will be presented for approval at the December Board Meeting.

Discussion: The Board proposed a strategic planning meeting. It was decided this Special Board Meeting be held on January 30, 2018, from 1:00 a.m. to 4:00 p.m., at the District office.

Public Hearing: Action Item: Updated Rates and Fees:

Each year, as part of the preparation of the proposed budget for the next year, the District reviews the water rates as well as the other various rates and fees charged. This Public Hearing is to provide an opportunity for interested customers and concerned citizens to provide you with any input about these proposed rates and fees.

Following discussion, it was moved by Director Brandenburg, seconded by Director Martens, to approve changes to the rates and fees as follows:

- **Changes to the Town of Berthoud (Core Town Service Area) Temporary Service Rate: \$1.96/1,000 gallons effective March 1, 2018;**
- **Changes to the Town of Berthoud (Core Town Service Area) Emergency Service Rate: \$1.25/1,000 gallons effective March 1, 2018;**
- **Changes to the Town of Berthoud (I-25 Corridor Service Area) Wholesale Rate: \$1.85/1,000 gallons effective January 1, 2018;**
- **Tap Installation Fee Increase: \$3,000 – District installs tap, meter, and District service line: effective January 1, 2018;**
- **Tap Installation Fee Increase: \$450 – District installs meter only: effective January 1, 2018;**
- **Tap Installation Fee Taps Larger than 5/8” x 3/4” – as outlined in fee schedule below: effective January 1, 2018.**

| Meter Size | District Supplied Materials | Developer Supplied Materials |
|----------------------------------|-----------------------------|------------------------------|
| 5/8" Multi-family/ Inside Use | N/A | N/A |
| 5/8" Urban | \$3,000 | \$450 |
| 5/8" | \$3,000 | \$450 |
| 3/4" | \$3,500 | \$600 |
| 1" | \$4,000 | \$1,000 |
| 1 1/2" | Developer must install | \$1,825 |
| 2" | Developer must install | \$2,920 |

Motion carried unanimously.

Carter Lake Filter Plant:

Discussion topics:

- Peak water usages – look for opportunities to shave the demands,
- LTWD providing temporary water to Town of Berthoud this date.

Year-end Employee Bonus:

Following discussion, **it was moved by Director Prewitt, seconded by Director Bukowski, to approve a \$1,100 year-end employee bonus (taxes to be collected on bonus prior to distribution). Motion carried unanimously.**

Board Member Participation in Medical Plan:

Board members were reminded that it is open enrollment for the Colorado Employee Benefit Trust (CEBT) health care plan that is offered to District employees and District elected officials.

STAFF REPORTS

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

- Windy Gap Firing Project update,
- Southern Water Supply Project update,
- Dry Creek Reservoir potential future uses,
- December Board Meeting reminder: Starts at 3:00 p.m.
- Supplemental Budget – December Board Meeting.

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

- Taft Avenue/Garrett Vault/Colony Ridge Loop Project – Bid awarded November 9,
- Commitment Letter for 457 lots in Mead.

Water Resources Manager's Report: Water Resources Manager, Nancy Koch, reported on the following: The District's monthly water demand fluctuated significantly throughout the year due to volatile weather patterns. The District's total demand for the year was within 20 acre-feet of 2016 and 250 acre-feet below the projected annual demand.

Operations Manager's Report and Water Quality Update: The Board referred to Operations Manager Lambrecht's report in the Board Packet.

DIRECTOR REPORTS

Discussion topic:

- Board stipend pay date change,
- Plaque and water pitcher presented in recognition of LTWD's "2017 Taste Test Winner" in American Water Works Association (AWWA)/Rocky Mountain Section contest.
- Following discussion about safety in the workplace, **it was moved by Director Bukowski, seconded by Director Larsen, to allow concealed carry handguns at the District. Motion carried with President Szmyd voting against the motion and Director Brandt abstaining from the vote.** There was further discussion. Staff will check with District's legal council and insurance carrier regarding this matter. This decision will result in an update to the District's Rules and Regulations.

There being no further business, **it was moved by President Szmyd, seconded by Director Prewitt, to adjourn the meeting at 8:11 p.m. Motion carried unanimously.**

Respectfully submitted,

Michael T. Cook