

RECORD OF PROCEEDINGS

A meeting of the Woodmoor Water and Sanitation District No. 1 (WWSD) Board of Directors was held on November 17, 2016 at the Woodmoor Water and Sanitation District No. 1 office.

PRESENT:	Director Taylor Director Schwab Director Wyss Director Bush
Manager:	Jessie J. Shaffer
Asst. Manager:	Randy Gillette
Attorney:	Erin Smith
Secretary:	Marsha Howland
Visitors:	Tom and Robin Davis - Woodmoor Residents Rob Wadsworth - Raftelis Financial Consultant Paul Flak - Resource Based International James Howald - Our Community News Forrest Hindley - Village Center Metro District Several Woodmoor Residents

I. **Call to Order:** President Taylor called the meeting to order at 1:00 p.m.

Note: President Taylor asked everyone in the room to introduce themselves.

II. **Reading of the Minutes:** Copies of the October 20th and October 25th, 2016 meeting minutes of the Woodmoor Water and Sanitation District were provided to each Director. It was moved, duly seconded, and unanimously passed that the meeting minutes be approved.

III. **New Business:**

A. 2017 Rates Discussion, Renewable Water Investment Fee and Cost of Service Analysis:

Shaffer re-introduced Rob Wadsworth to the Board. Shaffer stated that Wadsworth has been handling WWSD's cost of service model for the last few years. Wadsworth presented his cost of service model to the Board. Wadsworth compared the 2016 cost of service study versus the 2017 forecast. Wadsworth reported that the District's growth in 2016 was more than what was projected. Wadsworth stated that the sewer capital cost for 2016 was in the projected range. Wadsworth stated the capital improvement projection for 2017 and 2018 is higher due to WWSD's plans to drill a new well. Shaffer reported that there is a surplus in the 2016 fund balance due to projecting 40 taps being purchased, and to date, there have been 119 taps purchased. Wadsworth reviewed the key

assumptions for the model projecting the 2017 rates . The first assumption is projecting 80 taps for 2017 and 2018. The second assumption is that the capital improvements involving the JV Ranch will be funded with general obligation bonds when the time comes to bring the water up from the ranch. Shaffer stated that general obligations bonds are paid through property taxes. Dave Motyka and Diane Betts, Woodmoor residents, stated their concerns about paying for the ranch project. Motyka expressed his opinion that the renewable water investment fee should be the same for all residents. Shaffer explained the rationality of the fee. Betts asked for an exact cost to bring the water up to Woodmoor. Shaffer explained that WWSD is working on the process to bring the water up, but at this time he does not have an exact cost. Shaffer stated that WWSD is looking for partners for the project, which will help lower the cost if that should happen. The Board agreed with the key assumptions. Wadsworth moved forward to the actual recommendations for rate increases. The model shows the sewer rates at a zero percent increase and the water rates at either zero or a 1% increase depending on the Board's direction. A 4% increase on the 3/4 inch tap water base fee was recommended, bringing the base rate from \$9.01 to \$9.37 per month. The model shows a recommended increase of 6% for non-potable water. Forrest Hindley from the Village Center Metro District expressed his concerns about the non-potable rate increase. Smith explained that the law does not allow the District's to discriminate between customer classes, and each class is obligated to pay their share of the cost of service. Smith stated that the rates must be based on a rational analysis. Shaffer asked the Board for direction to finalize the 2017 budget, either zero percent increase on both water and sewer or zero percent on sewer and one percent increase on water. Shaffer stated that the Board could also direct him to embed other options for increases if so desired. Director Bush expressed his concerns about the non-potable water rate increase. The Board reviewed the cost of service for the non-potable water service. The Board directed Shaffer and Wadsworth re-work the model to see if the non-potable rate increase could be spread over ten years instead of five, to bring that class up to the correct cost of service. Shaffer will bring back a new model for the non-potable water service, and a one percent revenue increase for water next month. Wadsworth stated that due to the increase of growth in Woodmoor the analysis shows the renewable water investment fee could be lowered to \$43.00 a month for single family residents. The Board directed Shaffer to use this amount in the 2017 budget. Wadsworth stated that the model recommends a four percent increase for the sewer tap fee and a nine percent increase for the non-potable tap fee. The Board thanked Wadsworth for his presentation.

B. Public Hearing on 2017 Budget:

- 1. Presentation of 2017 Budget:** Shaffer presented the second draft of the 2017 budget to the Board. Shaffer explained the changes he made from the directions given to him at the budget workshop.
- 2. Public Comment:** Dave Motyka asked the Board to change the model for renewable water investment fees to be equal for all residents. Motyka also asked the Board to consider rewarding customers who use less than 3000 gallons a month with a lower rate. Motyka stated that he would like some feedback from the Board members concerning his requests. The Board stated that they would take Motyka's requests under consideration. Forrest Hindley stated that the way the renewable water investment fee is charged is reasonable in his opinion. Jackie Burhans asked that Board to post the minutes on the WWSD website. Diane Betts expressed her concerns about the cost to the Woodmoor residents when the

water is brought up from the ranch. President Taylor stated that WWSD is looking for the best cost effective solution to bring the water up from the ranch. President Taylor also explained how a general obligation bond is paid through property taxes, not a monthly fee.

IV. **Old Business:** none.

V. **Financial Report:** none.

VI. **Public Discussion:**

A. Dr. Davis: Dr. Davis stated that he is a long time resident living on Lodgepole Way. Davis stated that he does not have regulated water pressure in his home. Davis reported that in his first six years of residency, he replaced his PRV valve three times due to the constant change in water pressure at his home. Davis stated that he sent a petition to WWSD in 2003 requesting an investigation of the water pressure issue, a copy of which is attached hereto, and the issue has not been resolved. Davis stated that in October, 2016 he was barely getting any water out of his faucets. This issue lasted over 24 hours. Davis stated that they are now appealing to the Board to come up with a solution to this problem. Mrs. Davis stated that they have been promised that this issue would be fixed, and to date, they have not seen any relief. Shaffer stated that the problem in October was due to an issue WWSD had at their South Tank location that needed repairs, and the operators did not notify the customers that the repair was going to affect their water pressure. Shaffer stated that he has spoken to the operations department at WWSD to be sure that they always let customers know when a repair is going to affect their water pressure, and apologized to Dr. and Mrs. Davis. Dr. Davis stated that is understandable for that one instance, but does not help with the ongoing water pressure issue. Shaffer stated that in WWSD's long range plan, there is a project lined up to update the south booster station, which would solve this problem, but the project is not scheduled for several years. Shaffer stated that an in-line booster installed at the homes on Lodgepole would be a short term solution at this time. The cost for each in-line booster is around \$1,000.00 Shaffer stated that there would be additional cost involved for installation at each home. Shaffer stated that he would recommend an outside plumbing company to install the boosters.

Motion: Upon motion by Director Bush, and seconded by Director Wyss the Board unanimously voted to allocate funds to purchase and install in-line boosters for the homes affected , not to exceed \$10,000.

Note: Forrest Hindley spoke to the Board regarding an article in Our Community News noting that a Woodmoor resident expressed his concerns about the sod being laid at Village Center Filing 4 at the last WWSD Board Meeting. Hindley stated that the sod is not bluegrass, but is survivalist hybrid tall fescue, which uses half of the water consumption of bluegrass.

VII. **Joint Use Committee Report:** The annual JUC Christmas party will be held at 6:30 on December 15, 2016.

VIII. **Chilcott Ditch Company/JV Ranch Report:** Paul Flak from Resource Based International has been heading up the revegetation program at the ranch. Flak presented the Board with an end of season progress report. Flak's presentation included before and after pictures of the fields being worked on. Flak stated that they started the program on the two largest fields on the ranch which were in the worst condition. The program started with accessing the ranch, upgrading access to the fields, having the cattle moved, and cleaning up the fields where the project was taking place. The revegetation program includes weeding, seeding, irrigation, and mowing of the fields. Flak stated that revegetation is a very complex procedure. Flak reported that the crew has had to deal with rattlesnakes, wild turkeys, and a resident bobcat. Flak stated that they try to work in harmony with the wildlife. Flak stated that he was very pleased with the progress they made for the first year of this project, and looks forward to continuing next season. The Board thanked Flak for his presentation, and his work on the revegetation project.

IX. **Manager's Report:** None.

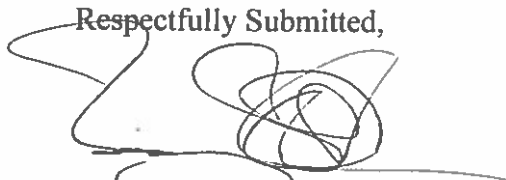
X. **Special Reports:** None.

Note: The Executive Session was stricken from the agenda.

Note: Howland spoke to the Board about a possible employee bonus program.

XI. **Adjournment:** There being no other business to come before the Board, it was moved and duly seconded that the meeting be adjourned. The motion passed unanimously and the meeting adjourned at 4:44 p.m.

Respectfully Submitted,



Tommy Schwab, Secretary