



Perry Park Water and Sanitation District
5676 West Red Rock Drive
Larkspur, Colorado 80118
www.ppwsd.org

Regular Meeting – February 20, 2019

Board Members Present

Judy LaCrosse
Jim Maras
Jim Matchett
Andy Morris
Gary Peterson

Visitors

Brian Arthurs
Jill Arthurs
Robin Maras

Staff / Consultants in Attendance

James Mann - Ehlers
Diana Miller – District Manager
Will Parker – Semocor, Inc.

1.0 Call To Order

The Regular Meeting was called to order at 16:30.

2.0 New Business and Open Items

- 2.1 Meeting Minutes – A motion was made and seconded; (RESOLUTION 19-009) TO APPROVE THE MINUTES OF THE JANUARY 16, 2019 REGULAR BOARD MEETING OF THE PERRY PARK WATER AND SANITATION DISTRICT AS AMENDED. The motion passed 4-0. As Director Maras was not in attendance at the January 16, 2019 Regular Board meeting, he abstained from the vote.

In reference to section 2.2 *Disbursements* Director Matchett highlighted that the sentence *The District Manager added that Hydro Resources had successfully dislodged the pipe, the pipe snapped with about one hundred feet left in the well* should be split into two sentences.

In reference to section 2.3 *Audience Participation* Director Matchett noted that *rail road* should be spelled railroad.

- 2.2 Disbursements – A motion was made and seconded; (RESOLUTION 19-010) TO RATIFY ELECTRONIC PAYMENTS DATED FEBRUARY 7, 2019 IN THE AMOUNT OF \$6,568.90 WHICH WERE PREVIOUSLY DISBURSED FROM 1ST BANK. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 19-011) TO APPROVE CHECKS 12182 THRU 12185 IN THE AMOUNT OF \$57,914.84 WHICH WERE PREVIOUSLY DISBURSED FROM 1ST BANK. The motion passed unanimously.

In reference to check 12184, issued to Filter Tech Systems, Inc., Director LaCrosse asked for clarification on what *Lot Filter Media* is. The District Manager offered that the District is replacing the old filter media in the Sageport Water Treatment plant filters, with media that consists of green sand and anthracite. The District Manager added that the purpose of the filter media is to improve the quality of water flowing through the filters. The District Manager noted that the District utilizes the filter media to remove iron and manganese.

A motion was made and seconded; (RESOLUTION 19-012) TO APPROVE CHECKS 12186 THRU 12205 IN THE AMOUNT OF \$135,359.80 TO BE DISBURSED FROM 1ST BANK. The motion passed unanimously.

In reference to check 12186, issued to Barnhart Pump Company, Director Morris requested clarification on the work performed. The District Manager advised that this was periodic well cleaning and acidizing to improve the production and quality of water pumped from the District's alluvial wells that feed the Glen Grove Water Treatment plant.

In reference to check 12190, issued to Hill & Pollock, LLC, Director Peterson requested an update on the Gove Ditch Water Court case. The District Manager advised that Hill & Pollock were still in the process of reviewing and responding to Opposer's comments on the draft ruling. The District Manager advised the Board that the water court case would likely not be resolved for another year. Director Peterson requested that the District Manager schedule Mr. Alan Hill's attendance at either the March or May Regular Board meeting to discuss the water court case.

In reference to check 12199, issued to Sensus USA, Inc., Director Morris requested additional information on the expenditure. The District Manager advised that this is for the metering software and support that the District uses for processing water meter readings and billing.

A motion was made and seconded; (RESOLUTION 19-013) TO APPROVE CHECKS 12206 THRU 12212 IN THE AMOUNT OF \$17,358.80 TO BE DISBURSED FROM 1ST BANK. The motion passed unanimously.

In reference to check 12206, issued to Chatfield Watershed Authority, Director Peterson asked if membership in this organization was still of value to the District. The District Manager offered that the format of the organization had changed greatly in the past few years, but the Chatfield Watershed Authority still reports annually to the State on the quality of water in the Chatfield Reservoir, as well as performs stream testing along the Plum Creeks on behalf of the point source dischargers.

A motion was made and seconded; (RESOLUTION 19-014) TO RATIFY CONSENT AGENDA ITEMS DATED JANUARY 25, 2019 IN THE AMOUNT OF \$6,988.22 AND CONSENT AGENDA ITEMS DATED FEBRUARY 8, 2019 IN THE AMOUNT OF \$6,649.97 WHICH WERE PREVIOUSLY DISBURSED FROM WELLS FARGO BANK. The motion passed unanimously.

- 2.3 Board Member Declaration of Conflict of Interest if Applicable – As Director Maras was not in attendance at the January 16, 2019 Regular Board Meeting, he was given the opportunity to declare if he had any conflict of interest or appearance of a conflict of interest. Director Maras declared that he did not.
- 2.4 Proposed Rate Increase Discussion – Mr. James Mann with Ehlers, the District’s financial consultant, attended the Board Meeting to present the Financial Management Plan (FMP) update, which includes analysis for adjusting Residential and Commercial rates and fees.

The FMP is a projection of dollars needed for capital improvements from the current year through 2031. The FMP addresses \$21.8 million of unadjusted dollars required for future capital improvement projects. The FMP suggests the need to increase rates between 5% and 10% on an annual basis. The FMP also defines the necessity to borrow additional funds on a periodic basis. The FMP assumes that the District will add thirteen new homes on an annual basis.

Director Morris offered that in reviewing the Total Cash Balance graphic, the Ending Cash value drops below the Target Minimum Working Capital value (currently \$2.0 Million). Director Morris added that future rate increases should insure that this does not happen. A discussion ensued on the need for consistent rate increases that are higher than 5%.

Director Peterson asked if the FMP had contemplated the impact of the Gallagher Amendment, specifically the Residential Assessment Rate (RAR). Mr. Mann offered that the FMP did accommodate the RAR at 6.7%, but the current consensus is that the RAR will be 6.1%.

After discussion, the Board agreed to move forward in 2019 with the 5% proposed rate increase.

The Board directed the District Manager and Mr. Mann to investigate higher rate increases going forward that will keep the District’s Total Cash value above the Target Minimum Working Capital value.

The Board agreed that the FMP should be reviewed on an annual basis, to allow periodic adjustments to rates, fees and expenditures.

The Board requested public comment. There was none.

3.0 Operational Status

- 3.1 Perry Park Water and Sanitation District Systems Report – The members of the Board reviewed the monthly operations report which was prepared by Mr. Parker.

Director Morris noted that the Sageport Wastewater Treatment Plant E-Coli result was elevated. Mr. Parker offered that he agreed, but the result was well below the effluent limit. Mr. Parker added that this was most likely related to the construction at the plant.

3.2 Monthly Staff Report – The members of the Board reviewed the Monthly Staff Report that was presented by the District Manager.

The District Manager highlighted that there were additional items on the Monthly Staff Report.

The District Manager highlighted text in the June 28, 2008 executed Inclusion Agreement with Remuda Ranch related to acquiring easements.

The District Manager advised the Board that Randy Johnson, the President of the Perry Park Metropolitan District (PPMD), had stopped by the District Office to provide feedback to the proposed lease agreement for the District's Spring Canyon property.

The District Manager added that he had indicated that the PPMD was planning to store dredged material from the Gateway Pond on the District's Spring Canyon property. Mr. Johnson had advised that Douglas County Public Works would be using the stored material for numerous grading projects slated for this year. The Board suggested that the dredged material be stored on Sandstone Ranch, as it is Douglas County property and closer to the Gateway pond.

The District Manager advised the Board that the Dakota well would need to be redrilled. The District Manager noted that the video of the well showed that the well casing was destroyed.

Director Matchett commented on the radium in the old Dakota well and asked if radium would be found in a redrilled well. The District Manager offered that the District's hydrologist had been consulted and indicated there would most likely be radium in any well drilled in the Dakota aquifer. The District Manager noted that the old Dakota well had been mainly used for augmentation purposes, but that it was available for use in the case of fire or other applicable emergency scenarios.

4.0 Old Business/Immediate Issues – Director Peterson asked if the District had received any draft agreements or engineered plans from Stanley Consultants Inc. regarding IREA's GAP project. The District Manager advised that she had not.

5.0 Adjournment - A motion was made and seconded; (RESOLUTION 19-015) TO ADJOURN THE REGULAR MEETING. The motion passed unanimously. The meeting adjourned at 17:54.

Secretary, Judy LaCrosse