

**Minutes of the Regular Meeting of the Board of Directors of the
Pinewood Springs Water District's Water Enterprise
10/22/2003**

The regular meeting of the Board of Directors of the Pinewood Springs Water District's Water Enterprise, Larimer County, Colorado, was held in accordance with the applicable statutes of the State of Colorado on 10/22/2003 at the Pinewood Springs Firehouse. The meeting was called to order at 7:07PM by President Andy Sharp.

Attendance:

The following 4 Board members were present constituting a quorum: Andy Sharp (President), Pam Ping (Vice President), Mark Upton (Treasurer), and Jim Wendell (Secretary). The At-Large seat is vacant. The following Water District employees were present: Gabriele Benson (Admin Clerk) and Carl Pender (Water Superintendent). Other individuals attending were Gary Clements, Gerald Pettit, Robert Warner, and Mike Wisneski.

New Customer Issues:

1) Ballot Questions

Andy offered customers an opportunity to ask questions or make comments regarding the three Water District ballot questions. We also scheduled a special meeting of the Board of Directors for Nov. 1st @ 9:00 a.m. so that we could provide a forum for customers to address the 3 ballot questions related to the Water District.

2) Pre-Paid Tap Land Owners (PPTLO) Fees

Mr. Warner and Mr. Wisneski were present asking to address the board. They felt that the newly imposed fees charged to PPTLO customers were unfair, because they didn't use any water. Andy explained that the fees they are being charged were not for water use. Water usage is billed separately. The fees being charged to everyone with a tap in the District are to maintain the system so that everyone has the ability to access water when they need to. A decision in response to the customers concerns was tabled until the next meeting. Mr. Warner and Mr. Wisneski were asked to propose possible solutions at the next meeting.

Water quality and testing for wells was also discussed.

3) Other Customer Concerns

Gary Clements was present and wanted to address comments made by Jim Windell in the "customer comments" section of the Water District web page. Jim posted comments in the forum that the previous Water Board had denied him access to records. Mr. Clements felt that he had tried to facilitate Jim and arrange for access to the records by offering to meet Jim at the firehouse so that they could scale down the documents requested by Jim and he felt Jim should apologize. Jim responded that he didn't remember being granted access and said that the copies he did get were \$1.00 each.

This started a brief discussion of the previous Board's policy regarding charges levied per copy of requested documents.

Gabi indicated that she received a request for information regarding our proposed reservoir from Tony Haussa in Hygiene. Tony was under the impression that there

would be a dam placed on the river. Gabi explained to him that the reservoir was off-river and sent maps and other information to him.

Drought Mitigation:

1) Northern Colorado Water Conservancy District (NCWCD) Petition

Andy informed everyone that the petition is done. Andy instructed Jake to turn in the completed petition to avoid any further delays. People will then have 60 days to comment on the petition. The hearing date will need to be set within the next month. This is the county procedure. It then gets sent to the Secretary of the Interior. Andy has reviewed the work done by Frank and Jake. NCWCD has changed their requirements and now require not just 5% of the property owners but also required 5% of the physical land owners in the Water District. All persons listed on a title are required to sign, if more than one was listed.

Water Rights

Andy informed us that Ronnie Sperling (water attorney) has been able to get the court case for water storage rights scheduled for the 12th and 13th of July 2004. Andy's presence is requested. If possible he will go. We commissioned McLaughlin Water Engineers to perform a Water Availability Study. The study is complete and Ronnie is satisfied with its content.

Mark motioned to authorize payment to McLaughlin Water Engineers in the amount of \$200.00 for final payment of the Water Availability Study. Pam seconded the motion. The motion passed unanimously.

Andy clarified that this study was required to establish that there is water available in the river to actually fill the reservoirs that are described in the application for storage rights.

2) Loans and Studies

Frank has almost completed the Preliminary Engineering Report (PER) for the Crow Lane #1 reservoir. Frank will contact USDA Rural Development Group to get further clarification from them. It was originally thought that the request was for our operations and maintenance budget for the past 3 years. Now the USDA may only want water treatment plant costs. Mark and Carl are working together to generate cost figures for water produced at the treatment plant.

3) Environmental Impact Report

Andy stated that we will need to pay someone to do either all or part of the report. He estimates the cost at \$10,000 to \$20,000.

5) Big Elk Meadows' Issues:

Andy reported that he and Mark contacted Dave Nettles and Jim Hall. We have received a report on Big Elk Meadows' (BEM) status. Everyone agreed that the report we received looks good. The report did not come directly from Big Elk Meadows but came from the State instead.

Infrastructure Replacement:

1) Sioux Road Line

Carl informed the Board that there are another 2 days of hauling off the excess rock, and then a week of cleaning the ditches. Basically, the project is done. He will then

need to add road base and grade the road as the final step. He thinks that the road should be in drivable condition within the next couple of days.

Mark informed us that at the end of last month we had spent \$17,000 on the project, which is well within budget.

Carl has the Commercial Drivers License (CDL) book and is studying for it.

2) Project(s) for 2004

Andy questioned Carl about what he is considering for next year's project. Carl would like to continue replacing pipe up Apache, even if we have to stop at some point before completion. Carl is concerned with the loss of pressure in the line at high flow rates. Another option would be to clean up the pipe on Deer Lane. This would have benefits in that we could do away with nearly 750 feet of really poor pipe and move customer services onto the 3 inch main, which was never done.

Budget for 2004:

Mark presented the 2004 preliminary budget to the Board. Mark presented a new formula for water sales. He started with a \$45 base rate that would apply to everyone including PPTLOs (290 taps).

After a lengthy discussion it was decided to roll the cost of lost water into the base rate for all customers (290 taps). Mark recalculated and we decided on a base rate of \$49.15 and a water usage cost of \$0.35 per 100 gal. We also decided that the cost of water should be evaluated yearly to be accurate.

Grant revenue is a new entry for non-operating income. Expenses were then addressed. A line item for vehicle replacement has been added. The Board decided that the project that uses the backhoe will be charged for hourly use and this income will be placed into the vehicle replacement fund. Water testing costs for 2004 are budgeted to increase by \$2300. There is a new State fee that will be levied against special districts. This will cost us about \$600 to \$700 annually. There was a brief discussion about the possible impacts of Tabor on the 2004 budget. The conclusion was that the accountants should identify any issue regarding Tabor restrictions.

Andy motioned to accept the preliminary budget for 2004. Jim seconded the motion. The motion passed unanimously. Mark informed us that we are required to publish the proposed budget.

Reports:

1) Administrative Clerk (Gabriele Benson)

Gabi reported on status of customers that were delinquent on their accounts, those that have paid and are no longer delinquent, and other customer comments. There were two bills that we needed to discuss. Gabi was told that she can provide Mr. Warner with the names of the other 23 PPTLO members because they are public record. She will also check into the cost effectiveness of preprinted envelopes.

Mark requested a web page update for posting financial data. A voter information button was also suggested if time permitted.

Gabi has been emailing Board members the usage and difference report at the beginning of the month and no longer needs to present printed versions at the meetings.

2) Water Superintendent (Carl Pender)

Carl is going to go over to the new home on May Ave. and install the tap now that the foundation is done. A customer complaint was received from Patricia Lewis at 137 Cherokee. There was a couple week delay in responding due to other priorities. The problem was located in their house. Carl apologized for taking two weeks to get to her problem. Her problem occurred because the two PRVs were set too close to the same pressure.

Carl has questions regarding how the high-zone 100K and 500K tanks are connected. He is currently working with Frank and Ron Savage (the previous superintendent) to resolve how (and why) the tanks are connected as they are. There is no as-built drawing available.

We failed the recent lead and copper test with 50% of those tested failing the test. We used to use caustic soda to treat the water by changing the pH level. Starting today we switched over to a chemical called SeaQuest which is not a pH adjusting chemical, and the pH level is kept at 7.5. SeaQuest works by putting a coating on anything that's metal. We will need to test again in 30 days. If those tests are acceptable we can test ½ the number of sites, otherwise we will have to test quarterly. If the tests are acceptable for 4 quarters, then we will be done.

We have had problems with the local Fire Dept. using fire hydrants to fill their truck. We discussed the option of installing flow restrictors and turning hydrants off. Pam will draft a letter to the Fire District mandating that they not use any fire hydrant except the two allowed. Andy asked Carl to have the old culverts be hauled away.

3) Water Specialist (Frank Novak)

Frank was not able to attend due to illness.

4) Treasurer (Mark Upton)

Mark reported that the 2003 budget is in good shape, with \$10,000 excess revenues for the year..

Approval of Minutes:

Review of the Sept. 24th Minutes was deferred until the next regular meeting.

Meeting Schedule:

The next regular meeting will need to be moved from the regularly scheduled date to Monday, Nov. 17th. The meeting will start at the regularly scheduled time of 7:00 PM at the firehouse. The meeting will also be a Budget Hearing and will require notices placed in the local paper. Gabi will post the notices.

Meeting adjourned at 12:12 AM.

Respectfully submitted by
Board of Directors
Pinewood Springs Water District