

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE INDIAN HILLS WATER DISTRICT
JEFFERSON COUNTY, COLORADO**

For the Meeting Held October 15, 2020

To maintain social distancing recommendations, the meeting was held by conference/video call and was attended by Directors Sam Kepley, Scott Ryplewski, Dave Mosby, Craig Levy, and Tony Pesce, Managers Chris Vargo and Kristin Waters and several community members.

Meeting called to order 6:33 pm

Posting of Notice. The meeting agenda had been posted in advance as required by law.

Meeting Agenda: Motion to approve the agenda made by Director Ryplewski and seconded by Director Mosby. Approved 4 – 0

Meeting Minutes: Motion to approve the minutes made by Director Levy and seconded by Director Mosby. 9/17/2020 meeting minutes were approved 4 – 0.

Administration/Financial Reports: Check report was reviewed with a motion made by Director Mosby and seconded by Director Levy to approve checks 13253– 13275 and EFT's, voiding checks 13261 and 13274. Report approved by a vote of 4 – 0. Cash Balance status, Cash Flow Statement, and Accounts Receivable Aging/Customer Past Due reports were reviewed. Conservation Surcharge income and Water Lease details were also reviewed.

Corona Virus update: Employees are following social distancing recommendations. Manager will watch for any COVID updates and act accordingly.

Legal/Information Updates: None

Operations:

New General Manager, Chris Vargo was introduced at the meeting and he reported to the Board:

- Power to Zone 1 tanks project is progressing. This will allow for tank circulation which prevents freezing in cold weather.
- Turkey Creek - Gallery well is holding at 25 gpm, turbidity issues have plant offline frequently
- Phase II Conservation in effect as of 10/1/2020. Severe to extreme drought conditions continue in Jefferson County and the State.
- Zone 3 Nitrate level – finished water 10/12/2020 5.9

Audience/Customer Comments or Concerns:

Community member welcomed Chris to Indian Hills.

Board Items:

4745 Picutis ADU Application - Board questions: Is ADU permitted by Jeffco? Owner will provide approval documents from County. Board may hold special meeting to approve the ADU if needed.

Public Hearing for Rate Review - Public notice posted on 9/15/2020 to meet 30 day requirement.

Water Rates have not changed since 2011 and District Operating Expenses have grown due to new regulations and higher costs. According to 32-1-1001(1)(f), C.R.S., the Board of Directors has the power to fix, and from time to time increase fees, rates, etc... Fees and charges must be justified through internal evaluation of the District's costs for providing services, or the determination of an outside consultant hired by the District.

The Board President announced the Public Hearing began at 7:20 pm –

Water usage rates pay for Operating Expenses. 2018 – 2020 analysis = \$31.21/1000 gal. Director discussion included setting a goal of reducing operating expenses by 10% while also reviewing and increasing water rates to meet the financial needs of the District. The District understands the need to balance meeting costs and the impact of higher rates to the community. It was also discussed that higher water users increase costs for the District.

Options for monthly water rate increase included several options for a base rate plus tiered rate structure for water use. The goal is to pick a rate schedule that keeps costs as low as possible for conservative water users while also keeping rates lower for high water users such as the elementary school.

Other fees included in the rate review:

The District will be instituting a transfer fee of \$50 to be paid by the seller when a property sells.

Standby and Water Key Accounts – monthly fee will match the regular user base rate

Unmetered Leak – For leaks in a 36 month period, the first will stay at \$100, second will increase from \$150 to \$200, and third will increase from \$200 to \$500.

Past Due Penalty – rate will change from 1.5% for 60 days delinquent to 1.0% per month on delinquent accounts.

School Water Rate – no discounted water rate, charge same rates to all customers.

ADU/Accessory Unit - \$100.00 application fee. Should a Tap Fee be instituted? What additional infrastructure will it take for water access?

Customer comments included: No doubt the District is operating at loss. Monthly fee + cost per 1000 makes sense. Community doesn't want to see an increase but they support keeping the

system operations. This is worth every penny. Another comment: Rates have to go up. Costs way more than being charged. Are costs under control?

Proposed rates will be published and the Board will finalize the news rates at the 11/19/2020 meeting in preparation for 2021 Budget completion.

Public Hearing end 8:15 pm

Rules and Regulations Review – Bullet list of proposed changes posted on website in advance of meeting. Wording clarification and changes to Sections 2.4.1 – Application fee for Accessory Dwelling Unit and 5.1 – Service line point of responsibility are listed for review. Director Ryplewski made a motion to approve the changes which was seconded by Director Mosby and passed by a vote of 5 - 0

Budget 2021 Review – Proposed budget submitted to Directors on 10/15/2020 and line items were reviewed at the meeting. The final 2021 budget will be reviewed at a public hearing scheduled during the 11/19/2020 Board meeting.

Fire Hydrants – Hydrant maintenance being performed this fall. Status of Hydrants will be reviewed by IHWD and IHFPD who will make a common sense plan for necessary repairs and replacement. Review IGA to update.

GIS Map – IHWD GIS engineer communicating with IHFPD to see what new software is and find a way to get map of hydrants that is compatible.

Mount Vernon Water Lease – additional 4 acre feet released in October at a lease price of \$1,250 per acre plus legal and engineering expenses for a total of 8 acre feet leased in 2020. This is water that is stored in Bear Creek lake and cannot physically be used in Indian Hills.

Next regular Board meeting date 11/19/2020 **Budget Hearing

There being no further business to come before the Board, the meeting was thereupon adjourned at 9:08 pm with a motion made by Director Levy, seconded by Director Mosby, and approved 5 – 0.

President Date

Secretary Date