

OPENING

Chairman Merritt brought the meeting to order at 6:01 p.m. welcoming all in attendance and led the Pledge of Allegiance.

PRESENT

Chairman Harold Merritt
Mayor Marty Lisonbee
Board Member Ross Gregerson
Board Member Denny Bass
Board Member Jerry Jorgensen

CONSENT AGENDA

- A. Board Meeting Minutes for January 2, 2020**
- B. Board Meeting Minutes for February 6, 2020**
- C. Board Meeting Minutes for March 5, 2020**

MOTION: Chairman Merritt moves to accept all minutes on the consent agenda
SECOND: Board Member Gregerson
VOTE: Chairman Merritt called for a vote:
Board Member Gregerson Aye
Chairman Merritt Aye
Mayor Lisonbee Aye
Board Member Bass Aye
Board Member Jorgensen Aye

The vote was unanimous and the motion carried.

- D. March 2020 Expense Report**
- E. March 2020 Operational Budget Report**

Chairman Merritt asks what the \$18,000 under professional services for March is for. This charge is primarily for engineering service.

MOTION: Chairman Merritt moves to accept the March expense report and operational budget report
SECOND: Board Member Bass
VOTE: Chairman Merritt called for a vote:
Board Member Gregerson Aye
Chairman Merritt No Vote

Mayor Lisonbee	Aye
Board Member Bass	Aye
Board Member Jorgensen	Aye

The vote was unanimous and the motion carried.

STAFF REPORTS

1. Dale Harris, Superintendent

Dale reports that he has been cleaning and inspecting valve boxes. He reports that the hydrant for the Alkema residence has been installed. He reports that the Division of Drinking Water sent a “welcome to the club” letter which is the sampling schedule for Canaan Springs. Dale ran Well 59 to waste for 45 minutes which totaled about 11k gallons. Dale exercised valves in Canaan and made sure the hydrants are all functioning.

2. Rod Mills, District Engineer

Rod reports that he continues to work on water rights in order to get all documentation up to date at the correct points of diversion. This is a high priority on his list right now to make sure water rights are secured. Some of the rights in the water bank need to be reconciled. We don't have any active water rights in the Cooke Well so we need to transfer some to the well to keep the paperwork clean.

He has also been looking at a number of developments in Town including the Kaiser Yusuf project. He has also looked at the property across the street from the Cedar Point Subdivision.

The Eckard line extension is also moving forward, which will require a booster station. This will be a 12" line. Some conversation may need to take place regarding cost share. Chairman Merritt inquires if the Gooseberry Preserve project plays into this model. Rod responds that it has been modeled under both scenarios, and he has found that the Eckard line can function without the Gooseberry Preserve project.

Board member Gregerson refers back to the comment about not having water rights in the Cooke well, and asks if the rights in the inactive well could be transferred to the Cooke well, and Rod confirms that this is the plan.

DISCUSSION AND ACTION

3. USDA RD Water Project Update

4. Rod reports that USDA is in receipt of the documentation that triggers the obligation of funds. He reports on the bureaucracy of the documentation required to be submitted. Rod reports that he anticipates the documentation to submit will be complete within a month.

Chairman Merritt reviews the timeline of the project and Rod confirms that the construction won't be completed in time for the summer season.

5. RCAC Rate Study Presentation and Discussion

Matt Kennedy with RCAC presents the results from the recently completed rate study for the Big Plains.

RCAC has been looking at the systems financials. This includes water sales, asset replacement, debt requirements and reserves.

Three principles are looked at; Are the rates sustainable; Are the rates equitable, one customer group should not be subsidizing another; Are the rates justifiable, this information is based on industry standards (AWA) and district numbers.

Assets, budget, and water sales, and a projection based on previous year's impact fees were reviewed. Adjustments are made for inflation. Debt service reserve is determined by existing loans. They come with conditions of a debt reserve. The target for the district is \$238,180 based on the annual payments; this amount builds up over 10 years.

Operating reserve target is one and a half times of the amount in a billing cycle. This is for when people are unable to pay for the bill one month (like during a pandemic) then the district would still have the funds needed to operate. This amount for the district is \$19,488. Emergency reserve is determined by looking at replacement costs for the most important items in the water system and what are the costs in the past for responding to an emergency. They came up with \$18,000. Capital replacement reserve is based on the current value of an asset without depreciation. USDA rural development requires that \$6,667 is contributed to this annually to cover short lived asset replacement costs. State revolving fund requires 5% of O and M expenses are set aside in a capital facilities reserve. Base rate is figured out by looking at fixed costs. Things that don't change by the amount of water sold. This is personnel costs and debt service requirements. Variable costs are those tied to the amount of water sold. \$113.00 is the ideal number for the base rate. The Board would like to keep the base rate as low as possible and recognize that this number is not realistic. Business as usual will not cover what is necessary going forward.

Matt Kennedy goes over different options on how to bring in the needed amount over the next 5 years. He recommends a large increase this year and then evaluating over the next few years and implementing smaller increases if necessary.

Chairman Merritt would like to have a work meeting to go over options for the districts possible rate increase on Thursday May 14, 2020 at 6:00pm.

6. Discussion and action regarding adoption of the tentative budget, and set the date for a public hearing for adoption of the final budget

This item was tabled for the scheduled Thursday work meeting.

7. Discussion and possible action on Road Repair

The district is responsible for approximately 756 sq. feet of patch work. This will cost about \$1,500. It will be another \$1,000 on labor to have the work done.

8. Discuss policy with guidelines for contractor compliance to standards and action for violations

The District does have a say on who people contract with to work on the Districts lines. The district needs to have minimum standards in place for contractors. Chairman Merritt asks Dale to put something together in policy form for the Board to review.

ADJOURNMENT

MOTION: Chairperson Merritt moves to adjourn the meeting

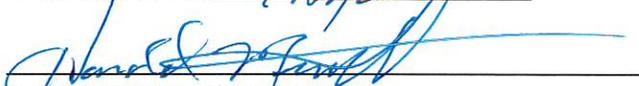
SECOND: Board Member Bass

VOTE: Chairman Merritt called for a vote:

Board Member Gregerson	Aye
Chairman Merritt	Aye
Mayor Lisonbee	Aye
Board Member Bass	Aye
Board Member Jorgensen	Aye

The vote was unanimous and the motion carried.
Meeting adjourned at 7:57 p.m.

Date approved: 6 Aug 2020



Harold Merritt, Chairman

ATTEST BY: 

Ben Billingsley, Deputy Recorder