

PROCEEDINGS

MINUTES OF THE CONTINUED MEETING OF THE BOARD OF DIRECTORS OF BEAR CREEK WATER AND SANITATION DISTRICT, RECONVENING ON OCTOBER 24, 2022 AT 6:00 PM AT THE DISTRICT OFFICE LOCATED AT 2517 S. FLOWER STREET, LAKEWOOD, CO 80227.

CALL TO ORDER

Presiding: Chairman Miller

ROLL CALL

Present:	Dale L. Miller Samuel E. Hundley Linda M. Larsson	President and Chairman Treasurer Director
Also Present:	Jan C. Walker Carmen L. Doyle Barney J. Fix, PE, PMP, VP Wade B. Wheatlake	District Manager/Board Secretary District Accountant District Engineer, Merrick & Company Merrick and Company
Excused Absence:	Neil A. Johnson J. Barry Ebert	Vice-President and Vice-Chairman Director

The Board meeting was continued from October 10, 2022 with a quorum of three Board members present. Vice Chairman Johnson and Director Ebert were unable to attend the Continued Board meeting.

CALL TO PUBLIC / PUBLIC PRESENTATIONS NONE

Review of the Proposed Annual Budget for 2023

T-22-075 DISCUSSION. District Manager Walker presented an overview of the process, detail and structure of the second draft of the proposed Annual Budget for 2023. A copy of this draft budget is attached hereto and made a part of the record.

TABOR limits on General Property Taxes and General Government Spending

T-22-076 DISCUSSION. District Manager Walker reported that as of this draft, the 5.5 percent statutory limit would be the most restrictive limitation on the General Property Tax levy, which would set the preliminary mill levy at 4.092 mills. To protect the mill levy rate of 4.416 mills for another year, the District needs to apply a temporary revenue reduction in the amount of **(\$74,606)**, which is the difference between the 5.5% statutory limit and the mill levy rate.

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BUDGET COMMITTEE REVIEW OF DETAILED BUDGET

Engineering, Operations and Maintenance, and Capital Improvements

T-22-077 DISCUSSION. District Engineer Fix presented the proposed budgets for Field Operations and Maintenance, General Engineering, Special Studies, Capital Improvements and Capital Engineering. A copy of the District Engineer's Budget Memo and Spreadsheets are attached hereto and made part of the record.

After discussion about Capital projects, District Engineer Fix will add \$100,000 to the capital budget for the Wesley Connection Phase 3.

District Engineer Fix will also come up with an amount for a Capital Study to begin looking at samples of segments of the 16-inch cast iron water main to determine the expected life of the pipe and to plan for future replacement. This main is one of the main feeds in the conduit 30 pressure zone and serves a larger population in the District.

Proposed Increase of Fees and Charges for 2023

T-22-078 DISCUSSION. Pursuant to C.R.S. Section 32-1-1001(2), the Board of Directors of the Bear Creek Water and Sanitation District may fix or increase fees, rates, tolls, penalties, or charges for domestic water or sanitary sewer services provided to the District's residents and property owners within or outside the boundaries of the District. Such action is being considered by the Board of Directors of the District at a regular meeting and public hearing of the Board scheduled for 7:00 p.m. on Monday, November 14, 2022, at 2517 South Flower Street, Lakewood, Colorado.

Increases in fees and charges that will be under consideration at the November 14, 2022 Board meeting and public hearing are listed as follows:

Monthly Water Surcharge Amount Billed on Denver Water bills:

The monthly water surcharge amount that has been added to the Denver Water billing to recover the cost of water operations and maintenance, billing costs and to fund capital projects to repair or replace aging infrastructure since 2018. This amount was set at \$6.00 per SFRE in 2018 and has not increased since 2018. The current surcharge is not sufficient to recover all of the expenses from water operations with a shortfall of about \$100,000 per year since 2018. District Manager Walker and District Accountant Doyle presented several scenarios that were provided by Christina Griggs with Gemsbok Consulting, showing increases to the water surcharge by 35%, 32%, 25%, and 15% and the impact to customer bill amounts at each increase amount.

After consideration, the Budget committee indicated that they would recommend about a 15% increase to the surcharge amount for 2023. District Manager Walker recommended rounding up that amount from \$6.90 to \$7.00 per SFRE (16.7% increase) for the monthly surcharge. The estimated monthly revenue for the water surcharge with the increase is \$28,722. Currently the District receives about \$24,000 per month for the water surcharge. This monthly amount includes the monthly Denver Water billing fee of \$699 that is deducted from the surcharge amount collected.

Sanitary Sewer Billing Amount

The Budget committee reviewed the Sanitary Sewer Fees for 2023 and there was not a recommendation to increase the sanitary sewer fees for 2023 from the 2022 rate.

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Authorize Rate of Increase for Staff Wages in the Annual Budget for 2023

C-22-015 CONCURRENCE. Following discussion, the Directors concurred to give the District Manager direction for an overall percentage of an increase to 2023 gross wages to be paid to the District Office Staff.

C-22-016 CONCURRENCE. Nothing further being presented to the Board, Chairman Miller declared that the meeting be adjourned.

Dale L. Miller, President and Chairman

ATTEST:

Jan C. Walker, Secretary, Board of Directors

SEAL