

MINUTES
WASHINGTON COUNTY WATER DISTRICT
Special Meeting
June 20, 2019
6:00 P.M.
At The SCHOOL

Please Note: In compliance with the Federal "Americans with Disabilities Act", any person who requires special accommodations in order to attend or participate in the meeting, please contact 265-4720 - 24 hours prior to the meeting.

PRESENT: W. Helm, D. Pettis, K. Kozloski, A. Boyle, J. Price, S. Rowland (gm), 3 members of the Public

W. Helm opens meeting at 6:03 P.M.

APPROVAL OF THE AGENDA W. HELM MOVES TO APPROVE THE AGENDA, D. PETTIS 2ND- ALL APPROVE

PUBLIC COMMENT

This portion of the agenda is reserved for the public to discuss matters of interest, within the District's jurisdiction, which are **not on the agenda**. For public comment on items not on the agenda, no action may be taken by the Board, except to refer the matter to staff and/or place it on a future agenda. It is in the best interest of the person speaking to the Board to be concise and to the point. **A time limit of Three minutes per individual will be allowed.** Visitors are reminded to please refrain from making comments or talking amongst themselves while the meeting is in progress.

Public comments may be made when a Discussion/Action Item is being discussed, provided the visitor raises his/her hand **and** is recognized by the President and states their name for the record prior to comments. Please note that the meetings are recorded.

Water Agency Meeting

W. Helm brings up items that are slated for the closed session- says that a vote for Charity Jackson to become a voting member of the Board cannot happen because it was not worded correctly on the agenda

W. Helm says that Charity Jackson has offered to be a 'business consultant' for the Board, she helped the District immensely by finding a \$10,000- \$12,000 savings on insurance

W. Helm moves that Charity Jackson be business consultant for the Board, D. Pettis 2nd- ALL APPROVE

SIGN CSDA MEMBERSHIP WARRANT

J. Price gives Board warrant for CSDA membership fees- Board signs and returns

DISCUSS AND APPROVE PRELIMINARY BUDGET

W. Helm asks S. Rowland for budget documents- S. Rowland did not print them again for this meeting because she assumed that the Board still had them from last week....

W. Helm begins by stating that if the Board uses the preliminary budget that J. Price worked up (attached) there will be a \$30,000 deficit. W. Helm proposes a rate increase according to meter size (attached)

he says that the Board will first need to contact the customers that have a meter larger than 3/4" or 5/8" to see if they would like to have the District change out their meter for a smaller size- at the District cost-

A. Boyle asks why not raise base rate \$5 or more and give more gallons per month

W. Helm says that there was a lot of resistance to raising the base rate because even people that don't use much water will have to pay more. W. Helm say that other districts charge according to meter size

K. Kozloski says that if 3/4" and 5/8" are charged that same that would make things easier

A. Boyle and D. Pettis have a discussion about why the base rate should or should not go up

K. Kozloski talks about past rate study and says to keep it simple and go with meter size and check back in 5 years

A. Boyle asks about FD budget- W. Helm says that with his proposal there would be a few dollars that could go to FD

Charity Jackson asks if the Board looked closely at the proposed rate structure- some customers would go from \$50 a month to \$400 a month just for the base rate

Charity brings up the Transient Occupancy Tax that River Rest, Pine Aire and the Hotel all pay and says it is a lot of money that the District should find out if they are supposed to get some or all of this

J. Price sent an email to Marcia Salter (county auditor/controller) asking about this TOT and has gotten no response yet, so she checked the County budget online and this tax is going into the General Fund

Charity says she just thinks the Board should look at all options before gouging the customers- she does understand that some of the increase in expenses can't be helped but some can be cut down

there has been no rate increase in at least 10 years and if there had been a steady projected increase the way most other utilities do the rates would be over \$51.50 by now

K. Kozloski asks about the changes in expenses that Charity sees

Charity talks about the cost of operations and payroll going way up over the last 10 years and there are people being paid too much for the work that they are doing- and she wonders how many more things are there like the insurance to be found and save some money on

W. Helm says he thinks all agree that things need to be tightened up

W. Helm explains the preliminary budget- K. Kozloski asks if this is based on the most recent rate study that was done by RCAC- W. Helm says yes, but he believes it is off by about \$15,000

Charity and W. Helm discuss the fact that usage has dropped by more than the 20% that was used in the rate study calculations

W. Helm would like to approve this budget for the interim

A. Boyle says that Lyla Tracy had a good point in her letter that was read at the last regular meeting- this is a low income community and these are huge rate changes (w. helms proposed rates)

K. Kozloski discusses in depth different ways to change the numbers and mess with the rate structure because this is a low income community and the Board needs to keep base rates low and get their money from the usage

W. Helm says to do an analysis and talk to customers with large meters

W. Helm moves to approve Preliminary Budget done by Jessica Price and send letters to customers asking for feedback about changing meters so that the Board will have better information when they meeting again to decide on doing another Prop 218 process

W. Helm calls for a vote:

W. Helm- AYE

K. Kozloski-AYE

D. Pettis-AYE

A. Boyle-AYE

0-nays

W. Helm asks A. Boyle and K. Kozloski if they would like to be a committee to find a better rate structure because they don't agree with his proposal

K. Kozloski says he would like to wait a whole summer to get the numbers

W. Helm says that summer numbers will be skewed and they could wait a month

In-Depth Discussion about usage and committee for rates

J. Price says that any budget can be approved but should be adjusted by October to reflect the reality of the situation

A. Boyle says that increase should be more than \$1.50

W. Helm is not sure why meter size was not taken into consideration when the Board last did a Prop 218

W. Helm asks for Public Comment:

Charity Jackson thinks that people should be able to see the different iterations of the rate structures especially because the base for some are really high and she would like to see the numbers get played with more

K. Kozloski says that this was done

Charity says she means for the budget- and it seems like one board member is set on this rate structure but the others not so much

Charity says not one thing will fix what is happening- it is a complex mix of mess with the base rates, lower expenses, check for the tax revenue ETC

J. Price did check with Auditor about the Prop 172 funds that say they are distributed by population but Graniteville is getting more than Washington- she is waiting for reply

Charity just isn't sure the Board should commit to a rate structure yet

W. Helm says they are not committed yet- they are just going to study it and at the next regular meeting the Board will vote on whether or not they will go ahead with another Prop 218

Debbie Shipley says that her pipe at River Rest is 1 1/2" but the meter is 2" with a reducer

Charity says that just Debbie changing her meter will be \$4800 gone - this needs to be looked into

W. Helm and Debbie Shipley discuss usage and pressure at River Rest

CLOSED SESSION- Personnel Matters

-Board appointment- moved to next regular meeting due to improper language on agenda

-appoint Charity as business consultant- see above

Close of the Water District Meeting

W. Helm closes at 6:46 P.M.

FY16/17, FY17/18 FINAL 6/30.18 FY19 PROJECTE 2017-2018 Adopted 2017-2018 FINAL 2018-2019 Adopted 2018-19 YE PROJ 2019-20 PROJ WATER FIRE

Ordinary Income/Expense
Income

	2017-2018 Adopted	2017-2018 FINAL	2018-2019 Adopted	2018-19 YE PROJ	2019-20 PROJ	WATER	FIRE	
Revenue								
Water Sales	72,000	69,115	110,943	73,460	110,000	110,000		
Proposition 172 for W&R	4,200	4,388	4,200	4,643	4,200		4,200	
Current Unsecured Taxes	525	992	525	506	500	500		
Current Secured Taxes	26,737	28,959	26,737	33,493	26,737	26,737		
Other/Prop 84 IG	13,000	0						
other taxes	0	0		261				
Taxes - AR past due account	0	0		750				
Interest Income	848	970	900	1,064	900	900		
Revenue/truck/Work Comp Refund		5,557		229				
Total Revenue	117,310	109,981	143,305	114,406	142,337	138,137	4,200	
Expense								
Payroll Expenses								
Salaries and Wages								
Salary & Wages	22,000	30,460	32,000	36,410	47,340	47,340		New \$9,600 health ins
Total Salaries and Wages		30,460						
Payroll Taxes	4,200	8,090	8,640	12,950	16,450	16,450		
Other Payroll Expenses								
Worker's Compensation	5,254	432	6,000	8,993	3,169	3,169		Reduction due to new policy
Total Payroll Expenses	31,454	38,982	46,640	58,353	66,959	66,959		
Automobile Expense	4,000	6,583	4,000	171	500	500		
County of Nevada Accounting Fees	600		600	1,013	600	600		
Computer and Internet Expenses	1,300	1,143	1,392	3,211	2,130	2,130		CAMs maint \$750
Insurance Expense								
General Liability Insurance	8,200	2,228	8,200	7,430	3,100	3,100		Reduction due to new policy
Fire Department Insurance	3,732	3,756	3,756	4,065	1,450	0		1450 Reduction due to new policy
Interest Expense (USDA loan)	4,032	5,272	5,272	5,272	5,272	5,272		
Office Supplies	300	517	300	627	600	600		
Postage and Delivery	700	421	700	712	800	800		14 rolls of stamps & certifieds
Professional Fees								
Auditor	2,300	5,541	2,300	2,300	6,000	6,000		
Legal	500	0	500	35	500	500		15/16 & 16/17 Engagement letter \$5,000
Operations Manager	27,500	23,576	27,500	16,638	0	0		
Bookkeeper	13,260	14,993	13,260	14,727	13,260	13,260		
Repairs and Maintenance	8,000	24,988	19,000	22,266	20,250	19,000		1250 R&M Fire = fuel
Permits and Licenses	2,500	3,208	3,200	3,200	3,200	3,200		
Telephone Expense	1,800	2,142	2,145	2,435	2,800	1,400		1,400
Training	500	774	500	400	400	0		400
Utilities	1,900	1,784	1,900	1,847	2,300	1,200		1,100
Total Expense	112,578	135,908	141,165	144,702	130,121	124,521	5,600	
Net Ordinary Income	4,732	-25,927	2,140	-30,296	12,216	13,616	-1,400	
USDA loan payment	1,672	1,672	1,672					
Income Less Cash Flow	3,060	-27,599	468					

Budget analysis and proposal for 2019-2020 for discussion, developed by Walter Helm

Propose scheduled Water Sales at \$109,556 and expenses at \$130,212 for both Water and Fire for a net income of \$14,772 for reserves and Fire. This will require an immediate 218 base rate increase to be effective for September meter reading.

Basis of Water Sales:

May's customers plus two additional customers for 102 total and the May usage (830,587 gallons. May was picked as a representative month based on previous usage.

With the same usage, new rates for 2019 and an increase of two customers our projected income is: 102 at \$51.50 X 12 = \$63,036, plus usage of 830,587 at \$0.00335 X 12 = \$33,390 for an annual total of \$96,426 without any rate increase. This is a minimum budget that does not provide any funds to rebuild our reserves which as of 5-8-2019 were at \$58,205, nor any funds for the fire department.

Using the projected expenses and income from two new connections (\$3,000) the net income is projected at \$1,642 with nothing for replenishing reserves nor for Fire.

Proposed rate increase: Charge by meter size as follows:

This base increase is annually \$15,759 higher than our current base rate. Assuming we approve the rate increase resolution at the June 13, 2019 meeting and get the Proposition 218 notice out in 15 days so we can have the hearing during our on August 8th and implement the new base rates for the meter reading September 26 or so. This will give us two months at the base of \$5,253 and 10 at \$6,566 for a total base of \$76,169 plus estimated usage income of \$33,390 for a total of \$109,559.

By changing the base rate like most water districts do, to reflect meter size upon Maximum flow we get the following new base rates:

Proposed base rate increase by meter size:						
# of meters	Meter Size	Max flow GPM	Factor over 5/8	Base rate	Total Base	
83	5/8"	20	0	51.50	\$4,274.50	
11	3/4"	30	1.5	\$77.25	\$849.75	
6	1"	50	2.5	\$128.75	\$772.50	
1	1-1/2"	100	5	\$257.50	\$257.50	
1	2"	160	8	\$412.00	\$412.00	
102					\$6,566.25	
Increase in base rate from \$63,036 to \$78,795				Annual	\$78,795	

	2017-2018 FINAL	2018-2019 Adopted	2018-19 YE proj	No change 2019-2020	With new base 2019- 2020
Revenue					
Water Sales	69,115	110,943	73,460	96,426	109,556
Prop 172	4,388	4,200	4,200	4,200	4,200
Current Unsecured Taxes	992	525	510	500	500
Current Secured Taxes	28,959	26,737	26,737	26,737	26,737
Misc			1,134	3,000	3,000
Interest income	970	900	1,064	900	900
Total Income	104,424	143,305	107,105	131,763	144,893
Total Expenses	132,152	137,409	144,652	130,121	130,121
Net Income	(27,728)	4,224	(37,547)	1,642	14,772

Total due from May readings, annualized	\$6,978	\$83,736
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Scheduled Rate increase for June 1, 2019: \$51.50 and \$00335		
Using May 2019 usage and two new customers to 102		
Base	Usage	Potential income w no increase
\$63,036	\$33,390	\$96,426

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# of meters	Meter Size	Max flow GPM	Factor over 5/8	Base rate	Total Base	
83	5/8"	20	0	51.50	\$4,274.50	
11	3/4"	30	1.5	\$77.25	\$849.75	
6	1"	50	2.5	\$128.75	\$772.50	
1	1-1/2"	100	5	\$257.50	\$257.50	
1	2"	160	8	\$412.00	\$412.00	
102					\$6,566.25	
Increase in base rate from \$63,036 to \$78,795				Annual	\$78,795	

If approved at 6-13 meeting, notices out and finalized at August 8th meeting new base would go into effect for the September meter reading.			
	Months	Per month	Totals
Old Base	2	\$5,253	\$10,506
New base	10	\$6,566	\$65,660
Annual base income			\$76,166
Estimated usage charge			\$33,390
Total budgeted with increase			\$109,556
Current rates			\$96,426
Increase over current rates			\$13,130