



# BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING

BOARD OF DIRECTORS, REGULAR MEETING

1777 N Meadowlark Dr, Apple Valley

Wednesday, May 15, 2024 at 6:00 PM

## MINUTES

**Chairman** | Michael Farrar

**Board Members** | Harold Merritt | Ross Gregerson | Matt Politte | Kevin Sair

### CALL TO ORDER

### PLEDGE OF ALLEGIANCE

### ROLL CALL

### PRESENT

Chairman Michael Farrar

Board Member Harold Merritt

Board Member Ross Gregerson

Board Member Matt Politte

Board Member Kevin Sair

### DECLARATION OF CONFLICTS OF INTEREST

None declared.

### CHAIR REPORT

#### 1. New Water Operator Introduction.

Chairman Farrar began the meeting with the chair report, introducing the new water operator, Dan Arch, who previously worked as a water operator for Virgin. Dan was commended for his hands-on approach and willingness to engage in the work.

Chairman Farrar expressed optimism about working with Dan and highlighted a positive future collaboration.

Board Member Gregerson shared appreciation for Dan, noting his logical approach.

#### 2. Water Rate Increase

Chairman Farrar addressed the water rate increase during the meeting, mentioning that it had been announced at the State of the Town Address. He emphasized that the increase was not a new development, referencing a water study from July 11, 2020, which recommended raising water rates to \$76 a month. This aligns with recommendations from the USDA and the Division of Drinking Water.

The current proposal suggests raising the base rate to \$75 a month, which would help cover a deficit of about \$125,000 per year. Farrar explained that failing to raise rates could result in the state taking over the water district. He also mentioned potential future debt forgiveness discussions once rates are increased.



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The proposed rate increase includes creating a top-tier water usage category for high water users, raising the bulk water rate, and increasing the base rate and standby fee as well as the water right buy-in.

A public hearing and a 30-day notice period will be required for the rate increase, and Farrar expressed understanding that the decision might not be popular but emphasized its necessity for the water district's financial health.

### DISCUSSION AND ACTION

3. Resolution-BPW-R-2024-08, Adoption of the Tentative Fiscal Budget for the Fiscal Year 2025.  
\*Public Hearing will be set on June 19, 2024.

The district board discussed the proposed budget for the fiscal year 2025. The budget includes covering a shortfall of \$123,970, mostly due to paying off startup costs for the water district, which is still in its early stages. Changes from the previous year include a decrease in water sales, leading to less income, offset by increases in connection fees and other key areas. The budget also includes funding for salaries, including a new maintenance position, and an increase in professional services fees, mainly for attorney and auditing services. The district board also discussed high utility bills, which they hope will decrease once a new PAC 12 system is installed. They also considered options for addressing issues with the water tank, including the possibility of installing a liner. Additionally, they discussed potential solar projects to reduce utility costs. The district board is also working on addressing growth-related issues, such as building permits and infrastructure development, to ensure the district's continued growth and financial stability.

**Motion:** Board member Gregerson motioned that we approve BPW-R-2024-08, Adoption of the Tentative Fiscal Budget for the Fiscal Year 2025. This includes a public hearing that will be set on June 19, 2024.

Motion made by Board Member Gregerson, Seconded by Board Member Sair.

**Voting Yea (Roll Call) :** Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

### CONSENT AGENDA

4. Approval of Minutes: April 17, 2024.
5. Disbursement Listing for April 2024.
6. Budget Report for Fiscal Year 2024 through May 13, 2024.
7. April 2024 Water Usage Comparison.



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Chairman Farrar discussed the disbursement list and noted that the district has been operating with minimal expenses. He emphasized that there are no big expenses other than the loan repayment. He highlighted the startup costs associated with establishing the water system. He reassured that the district's finances are transparent and audited regularly, ensuring that no money is wasted. He mentioned that while water conservation is great, it can impact income.

**Motion:** Board Member Gregerson motioned that we approve April 17, 2024 draft minutes Big Plains Water Special Service District meeting, and the April 2024 Disbursement Listing BPW Big Plains Water, and the Budget Report for Fiscal Year 2024 through May 13, 2024, and the April 2024 Water Usage Comparison.

Motion made by Board Member Gregerson, Seconded by Board Member Sair.

**Voting Yea:** Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

### REQUEST FOR A CLOSED SESSION

No request.

### ADJOURNMENT

**Motion:** Board Member Merritt motioned that we adjourn.

Motion made by Board Member Merritt, Seconded by Board Member Sair.

**Voting Yea:** Chairman Farrar, Board Member Merritt, Board Member Gregerson, Board Member Politte, Board Member Sair

The vote was unanimous and the motion carried.

The meeting was adjourned at 6:35 p.m.

Date Approved: \_\_\_\_\_

Approved BY: \_\_\_\_\_

Chairman | Michael Farrar

Attest BY: \_\_\_\_\_

Clerk/Recorder | Jenna Vizcardo