

**FOREST LAKES DOMESTIC WATER IMPROVEMENT DISTRICT
WORK SESSION
March 21, 2019**

The Forest Lakes DWID Work Session was called to order by Chairman Lou St. Germain at 10:00 am at The Water District Office. Present were Board Members: Ray Grimmatt, Sally Rottier, and Paul Studer. Mary Hume via Telecomm. Staff Member present were Grant Cooper and Amy Belch.

1. Discussion of Conference - Assets

Mr. Studer reports the most important asset to Forest Lakes DWID is our award winning water with four wells and one being in operations for forty-five years. Two wells are in forest service property and Mr. Cooper signed a 30 year lease agreement back in February 2019. Total assets per CPA total \$7.8 million. Forest Lakes DWID is part of the coalition for the Little Colorado River to maintain quantity of water to our customers. Mr. Studer reports staffing is second asset to Forest Lakes DWID, two certified operators 7/24/365 per ADEQ. To be compatible with other water companies Forest Lakes DWID added Arizona State Retirement System in 2016 to full-time employees.

2. Discussion of Forest Lakes DWID Operations Review

Mr. Cooper ran the numbers to see if FLDWID would be ok financially after the completion of the main trunk line project starting May 2019. Main trunk line will cost the water district \$682,500.00. Ms. Irwin, CPA for Forest Lakes DWID suggest an increase to the base rate of \$10.00 a month in the next fiscal year. Mr. Cooper states in 2013 base rate went from \$25.00 to \$28.00. Mr. Cooper after looking at property tax and mill rates and history suggest not raising rates at this time. Mr. Studer reports over the last six years property tax revenue has increased \$43K, income increased by \$3K, payroll increased only 4%. The coalition increased \$20K but Mr. Studer has no recommendations at this time for the coalition until after April 5th meeting with the lawyer. Computer support decreased \$9,000 in 2017. Travel has gone up do to increase of prices. Mr. Cooper found the 17250 on the Coconino County treasure's site and found secondary property tax received can be used for maintenance and operation needs. Mr. Studer reports with past years' experience with St. Joe well costing \$80K - \$100K to fix if any other wells were to go down. Mr. Studer states lots of positive in this organization and it reflects in the numbers. Mr. Cooper will update the history of Forest Lakes DWID and present it at next board meeting. Mr. Cooper and Ms. Belch are working together to find out other water district rates. Mr. Grimmatt suggest looking into commercial rates. Mr. St. Germain suggest no rate increase in fiscal year 2019/2020 but maybe look into it 2020/2021 fiscal year. Mr. Studer recommends contacting Ms. Nelson and let the community know about the construction starting May 2019, the remaining projects to upgrade the ACP pipe will happen over the next several years. ACP pipe that remains in the ground is less the 6 inches in size and has moved due to ground shifting and age.

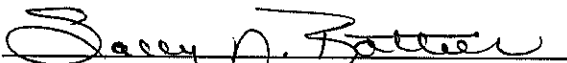
3. Discussion of Income and Operations Cost

No Discussion.

Mr. Lou St. Germain Closed meeting at 10:52 am.

Forest Lakes DWID
Minutes by: Amy Belch

Lou St. Germain, Chairman of the Board


Sally Rottier, Secretary

4-18-2019
Date

