

**BOW MAR WATER AND SANITATION DISTRICT  
MINUTES FOR WEDNESDAY SEPTEMBER 13, 2023  
MEETING OF THE BOARD OF DIRECTORS**

The Directors of the Bow Mar Water & Sanitation District met in regular session on Wednesday, September 13th, 2023, at the offices of the Platte River Water and Sanitation District and via Microsoft Teams. Board members present were Scott Wagner, Bryan Sperry, and Hugh Harvey. Additional attendees were Cynthia Lane and Scott Hand of Platte Canyon Water & Sanitation and Mike Bakarich of Morain Bakarich, CPAs.

**CALL TO ORDER**

6:33pm

**APPROVAL OF MINUTES**

July 12, 2023, meeting minutes M/S/A 3-0.

**Distribution of the minutes is as follows:**

Bryan Sperry: [bryan@sperryproperties.com](mailto:bryan@sperryproperties.com)

David Osborne: [dave@bowmarinvestments.com](mailto:dave@bowmarinvestments.com)

Scott Wagner: [Scott@wagners.WS](mailto:Scott@wagners.WS)

Hugh Harvey: [hugh@harvest.us.com](mailto:hugh@harvest.us.com)

Lon Sears: [lonssears@comcast.net](mailto:lonssears@comcast.net)

**Additional Distribution:**

Cynthia Lane: [calane@plattecanyon.org](mailto:calane@plattecanyon.org)

Scott Hand: [smhand@plattecanyon.org](mailto:smhand@plattecanyon.org)

Mike Bakarich: [mbakarich@morainco.com](mailto:mbakarich@morainco.com)

Tim Flynn: [tflynn@cogovlaw.com](mailto:tflynn@cogovlaw.com)

**PUBLIC COMMENT**

No public comment

**Financial**

- Financial
  - Review Current Financials
    - Mike Bakarich reviewed the district's financial statements. The district is on budget through the end of August with adequate resources through the end of 2023.
  - Accounts Receivables, Delinquent Accounts
    - Redwood delinquent account paid off by owner and there are no other significant delinquent accounts currently within the district.
  - Status of updated signatures of CD at BOK
    - The changes are in process and the bank is waiting for two additional items and the rest of the changes can be done electronically.
  - Update on SIPA for electronic billing.

- Mike is waiting for final changes from SIPA for the electronic billing. It is expected that this will be complete by the next meeting.
  - Update from Mike on Charges for last five years of septic customers that have been charged sewer fees.
    - Though 2020, \$1,611 is to be refunded to six current septic customers due to billing for sewer in addition to septic. A letter will be prepared accompanying the checks. M/S/A 3-0 to refund the \$1,611 total amount to the septic customers.
  - Approval of expenditures
    - July 31 expenditures
    - August 31 expenditures
      - A full list of expenditures was presented to the Board for July 1 through August 31. M/S/A 3-0.
  - Approval of 2022 Audit
    - Mike received a draft of the 2022 audit and there was a clean opinion of the district's financial status. The district had a net position of \$2,438,729 up \$116,621 from the net position of 2021. Representation letters will be submitted to the auditor and the audit can be submitted by the end of September. M/S/A 3-0 the 2022 audit.
  - 2024 Budget discussions
    - Ty Holman's base rate forecast was reviewed which included a recommended 20% annual increase through 2026 to the base water rate.
    - Proposition HH could have big impacts on the district's budgeting forecasts and it is recommended that budgeting be delayed until after the November election.
    - Property tax revenue could increase approximately \$111,000 based on current projections based on preliminary numbers prepared for 2024.
    - Projected net revenue based on initial estimates indicate a surplus of approximately \$140,000 for capital expenditures for 2024.
- Maintenance and Operations
  - July, August 2023 maintenance and operations reports.
    - No PM maintenance in July
    - 2 sewer tap inspections performed in July.
    - 7 utility locate requests in August.
    - 2 sewer tap inspections performed in August.
    - Water valve maintenance will be performed in September.
    - One valve will need to be replaced from the inspections.
  - Maintenance recommendation memo for 2024
    - Scott reviewed the estimated \$165,000 in costs for maintenance in 2024.
      - Includes video inspections and hydraulic cleanings.
      - Fire hydrants can be repainted (60 total)
      - Routine maintenance will be more than 2023 as that was quiet year.
      - Labor and equipment rates will be presented in December for 2024
  - Updated 2024-2037 Capital Improvement Plan
    - Cost updates were performed for both the water main projects and sewer lining which included approximate 15% cost increases for labor and materials based on neighboring district project costs.

- No water line projects have been added to the Capital Improvement Plan
    - 3 sewer projects were added to the CIP including one for 2024 on Prospect between Bow Mar Drive and W. Belleview Avenue
      - Root intrusion is the source of issues despite regular root cuttings.
      - New liners will reduce the root cutting on rehabbed piping.
      - If integrity of the line is lost, then the pipes cannot be lined.
      - This project is considered critical and is estimated at approximately \$50,000.
      - The life on the liner is approximately 75 years.
    - Two smaller projects were added in 2026 for Ridge Trail and Beach Road
    - Costs for these projects will be added to budget projections for 2024 and beyond.
  - Denver Water and Waste entities 2024 rate increase discussion
    - A 5% water rate increase and 5% sewer rate increase were recommended by Cynthia to the Board for 2023 along with an increase to the base rate to offset increases from Denver Water along with sewer charge increases to the District from Metro Wastewater and Littleton/Englewood.
  - Discussion on the pending changes to the backflow management program and the LSL investigation status.
    - The contractor, AGL (Denver Water's contractor) has been doing pothole investigations in the town. Approximately 15 homes were on the list for pot holing to determine whether any of the homes had lead service lines.
    - Typically, two points are investigated.
    - AGL has been contacting the homeowners that are being investigated. Notice typically is 48 to 72 hours prior to investigation.
    - Lead service lines are not suspected but confirmation will come from Denver Water after test results are in.
    - Denver Water as of 2025 will no longer be providing backflow compliance. Bow Mar will need to begin management of backflow compliance in 2025. Platte Canyon will provide proposed solutions in 2024 for testing and program management for Bow Mar.
    - The existing backflows are located at properties that have dual water supplies.
  - Discussion of Water usage Changes
    - Revenue could be down approximately 50% in 2023 based on the wet summer and reduced demand. The district's move to increase base revenue has helped soften the impact of reduced 2023 sales and emphasizes the importance of continuing this trend to maintain the financial health of the district.
- New Business
- Distributors Forum Update
  - Rate increases were presented as part of the 2024 budget discussion.
- Decide on Postponement date of November meeting Due to Election results.
  - The November meeting will be moved to Tuesday, November 14th at 6:30pm.
- Adjournment
  - M/S/A 3-0