

**MINUTES OF ACTION  
OF THE  
BOARD OF DIRECTORS  
GRANBY SANITATION DISTRICT  
Acting by and through its Wastewater Activity Enterprise  
November 17, 2020**

Due to the COVID-19 virus the special board meeting was held using zoom.us (ID 976 9568 7998). The special meeting of the Board of Directors of the Granby Sanitation District was duly called to order via zoom.us on Tuesday, November 17, 2020, at 7:00 p.m. by President, Wayne Kerber. Present were Board members Wayne Kerber, Debra Brynoff, Casey Farrell, Kelly Griesch and Nancy Stuart. Also, in attendance were District Administrator, Tammy Granger; Operations Superintendent, Andrew “Hopper” Becker; the District’s attorney Rod McGowan and Diamondback Engineering and Surveying, Inc. representatives, John Enochs and David Hach. Constituents Joe Fuqua and Chuck Crossan also attended. Michaela Charpentier and Chet Goldstein momentarily signed into the meeting but exited before discussion was held.

Wayne Kerber introduced the Board, District staff, Rod McGowan and Diamondback Engineering representatives. Rod McGowan set public record stating that notice of the public hearing was included in the mailing of the District’s fourth quarter, 2020 statements and posted on the District’s website ([granbysd.colorado.gov](http://granbysd.colorado.gov)) on October 8, 2020. The Sewer Rate Evaluation and Study conducted and prepared by Diamondback Engineering and Surveying shall be made part of the record along with any public comments received and filed with the minutes. Tammy Granger advised that there were no written comments submitted.

Wayne Kerber opened the public hearing for consideration of a rate increase in sewer service fees and plant investment fees.

John Enochs stated that Diamondback Engineering and Surveying, Inc. had been hired by the District to conduct a rate study and concluded that rates need to be increased to:

- 1.) Keep up with the rising costs of operating and maintaining the District’s treatment facilities;  
and
- 2.) plan for the future needs of the District.

John feels like Granby Sanitation District has been successful in scrutinizing their budgets and planning for the future. The District has been able to fund the majority of their projects with reserves. In conducting the study, Diamondback studied trends, costs of operation and maintenance and future needs.

Wayne Kerber summarized that the District is proposing to raise sewer service fees by

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\$5.00/month/single family equivalent (sfe) resulting in sewer service fees of \$37.00/month/sfe and increasing plant investment fees to \$9,690/sfe effective January 1, 2021. Wayne opened the meeting to public comment.

Joe Fuqua felt that there appears to a 41% increase in rates in less than 10 years, increases of 6% in 2012, 21% in 2014 and the proposed 14% increase in 2021.

John Enochs replied that the 14% is to make up for all of the years rates were not increased and followed the inflation rate demonstrated by the consumer-price index. The numbers projected for sewer service fees and plant investment fees looked to address future costs of operation, capital projects and meeting permit limits imposed by the Colorado Department of Public Health and Environment.

Tammy Granger pointed out that during the period of 2014 – 2019, 2014 being the date of the last rate increase, single-family equivalent (sfe) growth was 6% and operating expenses increased 24%. If the 6% grown is subtracted from the 24% to account for growth, operating expenses increased by 18% which tracks fairly closely with the increases in the consumer price index for that period of time.

Wayne responded that the District could increase rates on an annual basis based upon the CPI but the Board prefers to raise rates periodically rather than on an annual basis. Wayne indicated that the Board recognizes that this results in a larger increase but rate increases are necessary to keep up with the costs of doing business.

David Hach added that the rate increase in the rate study was tied to a 2% rate of inflation/year rather than the consumer price index.

Tammy Granger pointed out that Granby Sanitation District does not receive any property tax revenue to fund District operations and that similar entities have received anywhere from approximately \$37,475 to \$332,911 property tax revenue for operations for the period of January – October, 2020. Joe Fuqua noted that Fraser Sanitation District does not receive any property tax revenue. Tammy pointed out that Granby Sanitation District's rates still remain low in comparison without the assistance of tax revenue.

Joe reiterated that he still feels the percentage of rate increase and paying revenue bond debt service is too much for customers to pay.

Wayne Kerber stated that plant investment fees are also proposed to increase to pay for future capital projects, such as increasing wastewater treatment plant capacity from 2.0 mgd to 3.0 mgd.

Casey Farrell feels like the District's fees are not keeping up with the expenses and maintenance costs. Discussion was held regarding collection system maintenance efforts to date and its future needs.

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Kelly Griesch stated that sewer service fees are to pay for operating expenses and debt service and plant investment fees are to provide for our future and we need to think of the future now. Tammy Granger clarified that all of the District's revenues, both sewer service fees and plant investment fees are pledged to pay the District's revenue bond, however, the intent is for plant investment fee funds to pay for the District's debt service. Of course, plant investment fee sales are dependent upon growth. Mr. Fuqua stated that he did not have any additional comments.

Next, customer Chuck Crossan was recognized to voice his comment. Mr. Crossan asked about the status of the District's budget. Wayne asked Tammy Granger to speak to Chuck's question. Tammy explained that the District operates on a conservative budget in regards to expenditures and takes care not to overstate expected revenues. She feels that the District is in a good place financially to respond to emergency spending if necessary and to meet the obligations of the District's discharge permit. The District has also attempted to proceed in a proactive manner. For instance, as part of the expansion to 2.0 mgd, accommodations were made to include nutrient removal which now appear to be capable of meeting future TIN limits. In addition, the solids handling project will handle capacity to 3.0 mgd which negates the need disturb the location for additional construction in the future. This proactive approach has provided for some cost efficiencies in the construction process.

Chuck asked about growth projections. Tammy responded that the rate study provided for three growth projections of 1.0%, 1.5% and 2.0% and the evaluation was prepared using a 1.5% annual growth rate. Wayne Kerber expects additional growth at the Sun Communities properties and felt there may be some residential building in our District due to displaced fire victims.

Chuck did not have any problems with the proposed rate increase and was interested in how the District was doing.

Debra Brynoff moved to close the public hearing. The motion was seconded by Casey Farrell and approved by a unanimous roll call vote (**summary: 5 – yes**). Yes: Debra Brynoff, Nancy Stuart, Casey Farrell, Kelly Griesch and Wayne Kerber.

The Board went into deliberations. While the Board never likes to raise rates on their customers all Directors agreed that it was necessary to provide for the operation and healthy financial condition of the District. The Board recognized the current economic situation of the community. Debra Brynoff moved to increase sewer service fees to \$37.00/month/sfe and plant investment fees to \$9,690/sfe effective January 1, 2021. Casey Farrell seconded and the motion was approved by a unanimous roll call vote (**summary: 5 – yes**). Yes: Debra Brynoff, Nancy Stuart, Casey Farrell, Kelly Griesch and Wayne Kerber

Casey Farrell thanked Joe Fuqua and Chuck Crossan for attending the public hearing and providing public input.

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There being no further business to come before the Board it was duly moved by Casey Farrell, seconded by Kelly Griesch and unanimously carried by roll call vote that the meeting stand adjourned at 7:30 p.m. (**summary:** yes –5). Vote: Yes: Debra Brynoff, Nancy Stuart, Casey Farrell, Kelly Griesch and Wayne Kerber.

  
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Casey Farrell, Secretary