

MORRISON CREEK METROPOLITAN WATER & SANITATION DISTRICT

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RECORD OF PROCEEDINGS

The Board of Directors of the Morrison Creek Metropolitan Water & Sanitation District met on June 19, 2012 at the Offices of Sharp, Steinke, Sherman & Engle located at 401 Lincoln Avenue in Steamboat Springs, Colorado for their regularly scheduled meeting.

Present: Tony Borean, President
Ken Burgess, Treasurer
Bob Woodmansee, Director
Mike Ratliff, Director
Paul Matheny, Director

Also Present: Steve Colby, District Manager
Tom Sharp, Council
Tom Davis, Representing Owners of Horseback MF Lot 6

-Tony Borean called the meeting to order at 6:10 P.M...

Election of Board Officers

Bob Woodmansee made the motion to elect Tony Borean as President. Mike Ratliff as Vice President, Ken Burgess as Treasurer and Steve Colby, Treasurer. Mike Ratliff 2nd. Pass.

May Meeting Minutes

-Mike Ratliff made a motion to approve the May meeting minutes as prepared and sent to the Board. Bob Woodmansee 2nd. Pass.

Financial Report

-Ken Burgess gave the Financial Report. Mike Ratliff inquired about the past due balance of Routt Sanitation in the aging report. Steve Colby explained that it is left from when the company was pumping vaults. They were bought out by Alcorn Sanitation who was subsequently bought out by Nordic Pumping. Steve suggested that if Routt Sanitation ever wants to do business pumping in Stagecoach that approval be withheld until they pay the past due balance.

-Ken Burgess made the motion to accept the financial report and ratify check #'s 12569 to 12612 inclusive and the 2 ACH IRS payments 43012 & 53112. Bob Woodmansee 2nd. Pass.

Managers Report

-The Manager reported that the hydrant replacement and leak repair in the Stagecoach Townhomes was complete and appears to have stopped the leaking joint at the T. A 100 pair telephone cable was damaged in the course of the work which was repaired.

-The clearing of the sewer trunkline easement has been completed by Rogue Resources. The work took somewhat less time than originally estimated.

-Steve Colby outlined a plan to reduce the District's costs by switching his family health insurance to his wife Jane Colby's company plan. Steve will remain on the District plan but on the Hospital Reimbursement option which would satisfy the District's requirement for all eligible employees to be enrolled. The District will then reimburse Jane Colby for the deduction from her pay for enrolling in her company's family plan at the rate of \$348/month. The new combined cost for the District is \$623/month. This is an \$871.54 savings for the District.

The Board cautioned Steve to make sure that there would be no problems with the change.

-Bob Woodmansee moved to authorize the manager to move ahead with the change after he is certain that there would be no unintended consequences. Ken Burgess 2nd. Pass.

-Paul Matheny joined the meeting and was administered the Oath of Office by Tom Sharp, notary.

Attorneys Report

-Mr. Sharp reported on the Heckbert Change case # 07CW114 in which the District has filed opposition. He has received the engineering report from the applicant's engineer. The report outlines a plan for Heckbert to augment any out of priority depletions with releases from his small pond. It does not appear that there is enough water in the pond to augment Little Morrison Creek or have any advantage for us.

-Mr. Sharp reported that he is 2/3's of the way through his revision of the District's Master Augmentation plan which is pending approval by the Court. He indicated that the final document will be 50 to 60 pages long.

-Mr. Sharp has prepared a letter report with recommended wording for two referred ballot questions this fall. The first is a debrucing question to allow the District to increase the allowed mill levy to a maximum of 50 mills in order to maintain the District's property tax revenue at the current amount and to avoid further "ratcheting down" of the District's allowable revenue. We are not proposing any increase in our property tax revenue other than that normally allowed for inflation and new construction. The other is a question required by TABOR to allow borrowing by the District. Options for putting the vote to the electors were discussed. The options for this fall are a coordinated election with the County or a stand alone mail-ballot election. Mr. Sharp will have Melinda Sherman research the options and report for the next meeting.

The Board had considerable discussion about the wisdom of putting two questions to the electorate this fall.

-Ken Burgess made the Motion to table the 2nd question allowing borrowing by the District until 2013 but to direct counsel to proceed with researching and preparing a "Debrucing" mill levy question for this fall. Bob Woodmansee 2nd. Pass.

-The Board also authorized Mr. Sharp to consult with Mr. Berkowitz, noted bond attorney, on the ballot question wording.

-As there was no Old Business to discuss President Borean moved on to New Business.

New Business

-The Auditor was not present to discuss the draft 2011 Audit. It was tabled until next meeting.

-The District has received three bids for the 2012 Sewerline Rehabilitation Project:

Western Slope Utilities-\$144,307.80

Insituform Technologies LLC-\$163,944.00

Layne Inliner-\$138,390

The bids are to rehabilitate 2119 feet of 24" and 18" FRPM pipe.

Bob Furman, our engineer from CDC, was present to discuss the bids.

Mr. Furman and Mr. Colby are still evaluating the bids and researching references.

The recommendation from the Manager and Engineer is to move forward with the project using one of the two low bidders.

-Ken Burgess made the motion to authorize the District Manager to award the contract to one of the two low bidders after further research and recommendation from our engineer. Bob Woodmansee 2nd. Pass.

-Mr. Tom Davis, representing the owners of Multi-family Lot 6 in Horseback, discussed his clients desire to build a home on the lot. Their ultimate desire is to consolidate the lot with others they own adjacent and consolidate and rezone to MRE and install a leach field. Because of requirements in the rezoning process particularly with road improvement requirements they would like to proceed with acquiring a building permit by recording a "Lot Owner Agreement" and getting District approval for a vault system. This will require payment of the Vault Impact Fee of \$14,818 and Lot Owner Agreement Filing Fee of \$500 to the District. Mr. Davis asked the Board if they would consider refunding the Vault Impact Fee to the owners upon successful completion of the consolidation, rezoning and installation of the septic system with leach field. After discussion of the situation including a review of the history of the Vault Impact Fee the Board declined to consider the refund of the fee after it was paid.

-Their Being No Further Business the meeting was adjourned at 7:30 P.M...