

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 April 17, 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
Jack Fahres, Vice President
Bob Woodmansee, Director
Mike Ratliff, Director

Also Present: Steve Colby, District Manager
Tom Sharp, Council

--Tony Borean called the meeting to order at 7:30 P.M..

March Meeting Minutes

-Bob Woodmansee moved to approve the March meeting minutes as prepared. Mike Ratliff 2nd. Pass.

Financial Report

-The March financial report was reviewed.

-Ken Burgess made a motion to approve the financial report and ratify check #'s 12510 to 12550 inclusive and the ACH payment to the IRS. Mike Ratliff 2nd. Pass

-Ken Burgess reported on a conversation he had with Mike Brod at the Colorado Water & Power Development Authority. Money is available for loans at competitive rates. We need to have authority from the voters to borrow. We need to keep current on the state revolving fund eligibility lists.

Managers Report

-The manager discussed the sewerline rehabilitation work. It is the manager & engineers recommendation that we proceed with procuring bids for a project this summer to rehabilitate the 1300' of 24" line closest to the WWTP and the 463' of 18" line on the Eagleswatch trunkline beginning at the intersection with MH 7. The recommendation is to solicit proposals for the work and not specify, specifically, which method of rehab is required. The Board directed the manager to proceed with preparing the bid docs and advertising for bids.

The manager would also like to begin clearing the easements and improve the access to the sewerline. This would primarily involve brush hogging sagebrush and installation of culverts at access points from county roads. This will allow access for inspection & maintenance. The Board asked for cost estimates for the work.

-There is an apparent water main leak in the Project I & II area. Attempts to pin-point the leak & location of the main have so far been unsuccessful. An outside leak detection expert will once again attempt to locate it. The leak is an area which will be very difficult to excavate to fix and maintain passage for traffic.

Attorneys Report

-Tom Sharp reported that he is redrafting the augmentation plan and will provide a copy to the Board for review and discussion before submitting to the court.

-Mr. Sharp reported that the Heckbert water rights filing case# 07CW114 is scheduled for a status conference call on April 23rd. We have filed opposition in this case which is a filing on Bushy Creek for irrigation and a pond. Mr. Sharp suggested that we should raise the question of our interest in the pond for possible augmentation water for our own use. The board authorized Mr. Sharp to pursue this in his discussions with Mr. Heckberts council.

Old Business

-The final Stagecoach valuation report is not complete but the result is that we are likely facing another 55% decline in property value in Stagecoach in the period ending 6/30/12. This will severely impact our property tax revenue for the budget year 2014. We are currently at our maximum allowable mil levy. To certify a levy greater than 20 will require authorization by the electorate. Decreases in revenue become the new "base" for future allowed increases and thus are permanent ratchet downs. The Board discussed the increased liability of maintaining the District's infrastructure -most of which is now 40 years old. This includes replacement of the sewer plant (2-3 million), sewemain rehabilitation (1.5 million) and well replacement (1.0 million). According to Mr. Sharps 12/19/11 letter the District could conduct a mil-levy increase election this November during the states general election cycle. The District would also need voter authorization to obtain any loans or take on any debt.

-Bob Woodmansee made a motion to direct our general counsel to prepare two ballot questions for next November. The first authorizing a mil levy increase necessary to maintain (no increase other than that already allowable) property tax revenues at our current amount and the second authorizing the District to take on debt in the form of loans for infrastructure repair & replacement. Ken Burgess 2nd. Pass unanimously.

New Business

-As of May 3rd we will have a vacant board seat. Mr. Fahres has indicated that he is not interested in being appointed to a two year term. The Board directed the manager to advertise the opening in the legal section of the Steamboat Pilot and on our website for letters of interest to be considered by the Board for appointment to a two year term.

Their being no further business the meeting was adjourned at 9:00 P.M.