

MORRISON CREEK METROPOLITAN WATER & SANITATION DISTRICT

24490 Uncompahgre Road, Oak Creek, Colorado 80467

Telephone (970) 736-8250 / Fax (970) 736-0177

Email: info@mcwater.org

RECORD OF PROCEEDINGS

The Board of Directors of the Morrison Creek Metropolitan Water & Sanitation District met on December 10, 2013 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
Paul Matheny, Director
Bob Woodmansee, Director
Mike Ratliff, Vice President

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

-President Borean called the meeting to order at 6:00 P.M.

November Meeting Minutes

-Bob Woodmansee made the motion to approve the November meeting minutes as prepared and e-mailed to the Board. Mike Ratliff 2nd. Pass

Financial Report

-Paul Matheny made the motion to approve the financial report and ratify check #'s 13191 to 13211 inclusive. Bob Woodmansee 2nd. Pass.

-The manager reported that the Yampa Valley Bank money market account had been closed. Tax receipts from Routt County are being deposited directly into the Colotrust account and transfers to the YVB checking account from the Colotrust account are made as needed.

Managers Report

- 2013 Audit. Catterson & Co., P.C. has provided an engagement letter to do the 2013 Audit for the same fee as last year. The Board directed the President to sign the engagement letter for Catterson & Co. P.C. to do the 2013 audit of the District. The Manager & Treasurer will meet with the Auditor to review procedures and discuss the audit.

-The manager discussed the District's computers and accounting and meter reading software. Support for our accounting software is being phased out and they are urging us to upgrade to the latest version, There are two options: Purchase the software outright for \$8987 and remain on the current level of support at \$327/month or upgrade the level of support to \$489/month (5% discount if paid annually \$5868) for 5 years and receive the software free. The difference is only \$247 after 5 years (if paid annually). The Districts computer system is also very old and operates with windows XP. The manger recommended an upgrade of the Districts computer system also next year. The meter reading software called MVRS may also need to be upgraded.

The decision was made to move forward with upgrading the accounting support and software and to replace the Districts computer system at the same time. The manager recommended working with Northwest Data Systems to purchase the computer system and help with the transition to the new computer.

-Western Slope Utilities has requested partial payment for 1,697' of lining. The invoice is for \$103,650. The manager & engineer are recommending a payment of \$93,285.00 which is the requested amount minus a 10% retainage.

-Bob Woodmansee made the motion to pay Western Slope Utilities a partial payment of \$93,285.00. Paul Matheny 2nd. Pass.

Attorneys Report

-Mr. Sharp is working on the due diligence filing for the 9cfs Yampa River "Water Treatment Plant # 1" water right. This right has a 1972 priority date.

-Ken Burgess made the motion to direct Mr. Sharp to file such application of diligence by the end of this year. Mike Ratliff 2nd. Pass.

-Mr. Sharp is also working on the Augmentation Plan decree which will be reviewed by HRS consultants, who will also supply the necessary depletion calculations before the decree is filed with the water court.

Old Business

-The District has conducted a rate hearing to discuss a financial plan and the need to maintain revenues to meet the financial challenges of a 40 year old system and increasing capital replacement needs. The mill levy increase referred ballot initiative has failed. A resolution to increase service fees and dumping fees has been prepared according to the Board's directives and is attached.

-Ken Burgess moved to pass the attached resolution to amend the Districts Rules & Regulations to increase rates & charges. Mike Ratliff 2nd. Passed unanimously.

New Business

- 2014 Budget Adoption. A proposed budget has been previously prepared and submitted to the Board for review and discussion. A final proposed budget is attached.

-Ken Burgess made the motion to pass the resolution adopting the 2014 Budget as attached. Paul Matheny 2nd. Pass.

-Mike Ratliff made the motion to pass the resolution Appropriating Sums of Money. Ken Burgess 2nd. Pass.

-Mike Ratliff made the motion to pass the resolution to set the mill levy at 20 mills and to certify such mill levy to the Routt County Commissioners. Bob Woodmansee 2nd. Pass.

-Their being no further business the meeting was adjourned at 8:00 P.M..