

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 February 19, 2020 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 (Via Gotomeeting)
Mike Ratliff, Vice President (Via Gotomeeting)
Leah Wolf Martin, Treasurer (Via Gotomeeting)
Jim Kinser, Director (Via Gotomeeting)
Barbara Houston, Director

Also, Present: Geovanny Romero, District Manager
Tom Sharp, Legal Counsel
Adam Summers, Engineering Consultant
Chris Brandewie, Rate Study Consultant

-Tony Borean called the meeting to order at 5:00 P.M.

Meeting Minutes

-Director Wolf Martin made a motion to adopt January's board meeting minutes. Director Houston 2nd. Pass.

Financial Report

-The February financial report and check register were reviewed by the Board. Director Wolf Martin.

-Director Wolf Martin made a motion to approve check #'s. 15857 to 15873 and from 15877 to 15898, 2 ACH payments to the IRS, 1 ACH payments to Lincoln

Attorney's Report

-Mr. Sharp announced that he had performed some work for the District with regards of the final engineering design for the future wastewater treatment plant. Mr. Sharp mentioned that he had made some edits and corrections that have now been accepted by the engineering consultant.

-Mr. Sharp noted that he had invested some of his time working on the 1972 conditional water right for the "Water Treatment Plant #1" and its 9cfs from the Yampa River. He had been in contact with the Division Engineer responding to written objections of DEO to the due diligence application. Director Borean asked Mr. Sharp if he believed that the Morrison Creek District should expect more issues related with water rights. Mr. Sharp explained that there is a slight possibility that the District will face more water right challenges later in the future, however because all the conditional rights are part of an integrated system, the District should have a smaller risk of losing those rights.

General Manager's Report

-The District Manager informed the Board that the position of Office Manager/ Admin Assistant offered by the district had been advertised. At the time 8 applicants had been identified and 3 had been scheduled for interviews the following week. A selection will take place during the following couple of weeks.

-The District Manager advised the Board that in order to comply with the directives of loaning/granting entities, the District's traditional budget style would have to be changed to a more specific "department like" allocation. The District Manager described that the District's budget should be subdivided into 3 departments (administrative, water and sewer) where the revenues from the specific services fund their pools and administration is funded by property taxes. The same will have to happen to the reserves fund and capital assets inventory, the District manager advised.

-A new grant called Small Communities Water and Wastewater Grant (SCWWG) had been identified by the District to be a possible source of up to \$400,000 in funding. The District Manager asked that the Directors allow the District to apply for the it.

Director Ratliff made a motion to allow the President of the Board to sign for the application of the SCWWG. Director Kinser 2nd. Pass

-The District Manager informed the Board that Stagecoach Reservoir had been listed on the EPA's 303D Impaired Water Body list (Regulation 93) for lead. The District Manager had become aware of this issue just a few days prior to the board meeting. Since the District Manager had engaged with the Upper Yampa Water Conservancy District (UYWCD) as the manager of the reservoir to communicate our District's support and emphasize our desire to be involved during the process. The District Manager had also approached the District's special outside water counsel in Denver to draft a party status request and a responsive prehearing statement in support of the UYWCD's opposition to the listing

-The District Manager mentioned that the process for direct deposit of employee's paychecks had been halted for now. The reason being was that the District would have to purchase another level of software to be able to track this kind of information. The district manager did not see the expense being justifiable at the moment.

- The new cost tracking software has been purchased by the District. The staff is currently working with the developers to get the program loaded on the district's computers and to get some of the data transferred onto the new program. The District Manager is hoping to get the program up and running by the middle of March.

-The District Manager stated that year 2021 is ramping up to be a busy construction year with the District. Many projects are being reviewed some of which might be multifamily units. Development within the north area of the district would be great for the District as it has the capacity and could use the service and tap fees.

-The District Manager addressed Mr. William Glenhorn outstanding bill. The bill has been collecting late fees since 2003 when the District came out of bankruptcy. Mr. Glenhorn had not paid the original amount and has been collecting charges since. Mr Glenhorn requested that his late fees are waived since he is preparing to sell the lot. The Board rejected the petition.

Old Business

-Mr. Summers (engineering consultant) explained to the directors that the final design contract for the new wastewater treatment plant had been revised by Counsel Sharp. All the redlines and comments from the district had been addressed and revised. The contract will then be sent to the USDA for their review and approval along with many other requirements.

Director Houston made a motion to allow the president of the board to sign the contract for the final design of the new wastewater treatment plant. Director Ratliff 2nd. Pass.

- Counsel Sharp reminded the directors that perhaps during the March meeting, they should be thinking about creating a resolution creating the "Water Activity" (enterprise) which will be the borrowing agency within the District. Also, Counsel Sharp mentioned that another resolution shall be created to dissolve an old enterprise that was created 17 years ago with the purpose of extending water and sewer lines.

-Rate Study: Mr. Chris Brandewie from the Rural Community Assistance Corporation (RCAC) addressed the upcoming rate study. Mr. Brandewie explained to the Board the importance of the rate study along with the importance of having a well allocated budget and reserves and having a 5-to-10-year capital improvement plan (CIP). Mr. Brandewie communicated with the Board of the different facets and steps that he along the District Manager would take to produce an up-to-date rate study. Mr. Brandewie emphasized that the District's revenues, reserve accounts, assets and income must be well differentiated within the District's budget and financials in order to identify needs and potential sources of funding.

-The Lift Station Replacement Project is pending review and repricing from Duckels Construction. Duckels had sent the design to their electrical subcontractor for their pricing. The District Manager will try to get final pricing for the following Board meeting or prior.

-The Mixing Zone Study continues to take place in the District. The wastewater treatment plant continues to release dye through its effluent. The team from the University of Colorado has been on site collecting data and will come back a few more times later in March.

New Business

- The District Manager stated that the District needs to start the process towards the implementation of the availability of charges fees. The implementation of these fees will be crucial for the repayment of the loans acquired by the District to replace the wastewater treatment plant. Legal Counsel Sharp stated that the District could start the process as soon as the month of march by creating a resolution to start the charges upon acquiring the debt. The District would still have to hold a hearing and the charges can only be started when the District begins repayment of any debt, Mr. Sharp stated. Mr. Sharp also stated that the District must first finalize the creation of the "Water & Sewer Enterprise" before implementing any new charges since it will be acquiring the debt.

-The request of vacation of easements from lots 59,60 and 62 on Skyhitch subdivision was brought up by the District Manager. The request had been solicited from Four Point Engineering (Walter Magill) accompanied by their vacation form. Legal Counsel Sharp stated that typically the board authorizes easement vacations upon completion of the District's completed and signed forms. Mr. Sharp was to draft the necessary forms and provide those to the requesting party. The requesting party need to resubmit their application demonstrating new easements around the perimeter of the consolidated lot as well.

Director Ratliff made a motion to approve the vacation request subject to all conditions required the Morrison Creek Water and Sanitation District. Director Houston 2nd.

- The District Manager stated the District's website could use a facelift soon. Although the website currently fulfills the District's needs, we would want to have something more interactive where customers can find information easier. The District manager mentioned that the need is not urgent, but he will be looking into the upgrade

-The Snokomo Subdivision is still in progress. Currently the applicant is dealing with Routt County planning and Road & Bridge to assess impacts to the community. The District has already issued a commitment to serve letter to the applicant.

-Their being no further business the meeting was adjourned at 7:30 P.M.