

**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](mailto:info@mcwater.org)

**RECORD OF PROCEEDINGS**

The Board of Directors of the Morrison Creek Metropolitan Water & Sanitation District met on March 18, 2021 at the Offices of Sharp, Sherman & Engle located at 401 Lincoln Avenue in Steamboat Springs, Colorado for their regularly scheduled meeting. Also, available online at <https://global.gotomeeting.com/join/858019309> ; Join by phone [+1 \(571\) 317-3112](tel:+15713173112) , Access Code 858-019-309

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

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

**Meeting Minutes**

-Director Wolf Martin made a motion to adopt February's board meeting minutes. Director Houston 2<sup>nd</sup>. Pass.

**Financial Report**

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

-Director Wolf Martin made a motion to approve check #s. 15888 to 15938, with the exception of checks 15898 to 15899. 2 ACH payments to the IRS, 1 ACH payment to Lincoln. Director Kinser 2<sup>nd</sup>. Pass

**Attorney's Report**

-Mr. Sharp announced that he had performed work for the District on a resolution creating the District's Water and Sewer Enterprise to replace the old 2003 Enterprise that the District had created for road projects. Mr. Sharp also indicated that he had worked with the District's Manager on miscellaneous matters.

-Mr. Sharp noted that he had invested some of his time working on the 1972 conditional water right for the AWater Treatment Plant #1 and its 9cfs from the Yampa River. He had been in contact with the Division Engineer's office on his effort to change some of the language on the conditional right.

## General Manager's Report

- The District Manager introduced Julie Carolus, the new office manager to the board. The District Manager expressed that with the new hire, the district has gained someone with vast knowledge on accounting and administration. Julie's first week has been intense with all the new learning about the district, but she seems to be handling it very well.
- The District Manager mentioned that he had the district enrolled on govdeals.com. The District Manager explained that this particular website is a legal form to dispose of unused or obsolete items or materials. The website is based on an auction format which satisfies guidelines of decommissioning and disposal of government items. The website is compliant with all governmental policies. The District Manager said that there are many personal property items in the district's possession that are no longer useful to the District, and it would be best if someone else can use them by selling them at auction while gaining a small revenue for the district.
- The District Manager addressed the increase on the health insurance premium to be paid by the District for the enrolled employees. During the last insurance yearly cycle, district employees had used 85% of the coverage provided (calculated within insurance parameters). Members who are above the 83% utilization, were subject to a 3% increase to the district's monthly premium. The coverage for employees will not be changed in any way. Additionally, the district's employees mentioned that they did not need any additional coverage.
- Drinking water report: During the last billing cycle (January/February) the drinking water loss was 3%. Some of that loss could be attributed to hydrant flushing and pump priming. Three percent water loss is actually a really good low number compared to the rest of municipalities the District Manager stated.
- Wastewater report: Due to the increase in temperatures we have seen a substantial increase of I&I at the wastewater treatment plant. The early heating has promoted a lot of melting throughout the district. This means that we have a lot of work to do trying to find areas where there might be a lot of liquid intrusion. One of the main missions for the next summer will be mitigation of system infiltration stated the District Manager.
- The District Manager stated that currently both Water Distribution and collections systems are working smoothly. A couple of smaller incidents occurred, but we have been able to resolve the issues. The packaging of the organics and shipment to the landfill will be our focus for the next couple of months. Some other projects such as water tank cleaning and sewer line infiltration are currently being scheduled for the summer.
- The District Manager stated that the SCADA computer system that connects all the district's infrastructure will have to be budgeted for replacement next year since the district upgraded computers. The estimated cost for the SCADA software upgrade could be up to \$12,000.
- The District Manager mentioned to the board that he had met with Commissioner Tim Corrigan. During the conversation, the District Manager communicated the district's plans to replace the aging wastewater treatment plant. Commissioner Corrigan expressed the County's support for the district and mentioned that some funding might be available as part of the American Rescue Plan.

## Old Business

-Mr. Summers (engineering consultant) explained that the new wastewater treatment plant will have SCADA capabilities. He recommends that before the District spends a large amount of money on the software upgrade, the district and Timberline Electric (SCADA provider/electrical contractor) should meet and address points of redundancy. Mr. Summers mentioned that the design of the new wastewater treatment plant is in progress. A few steps that need to be performed towards the final design are a geotechnical study, a survey, and a utility locate of the future construction area.

Director Kinser made a motion to allow the district to engage with NWCC for the geotechnical analysis not to exceed \$5,000. Director Houston 2<sup>nd</sup>. Pass.

Director Ratliff made a motion to allow the District Manager to engage with Landmark Engineering for the survey of the construction not to exceed \$4,000. Director Kinser 2<sup>nd</sup>. Pass.

Mr. Summers also stated that the different grants that the district has applied for are moving forward. The district has done a great job staying on top of all the grants available to maximize funding, he stated.

- The District Manager stated that during the last 4 months, the district has been updating its accounting system to comply with the requirements of granting/loaning agencies. Although there are still a few big changes to be made, the district is almost to where it needs to be to comply with government accounting. The breakdown of the reserves is one of those steps and the final yearly audit reflecting those changes must be accomplished before completing the application to the USDA.

- The District's 2021 rate study is currently in progress. Mr. Brandewie from the Rural Community Assistance Corporation (RCAC) has projected to have the rate study complete by mid-April. The District Manager stated that he had been creating some new documents that more accurately represent the actual net worth of the district and accounts for today's cost of all the district's infrastructure. These documents have been given to RCAC in order to prepare a more accurate rate study while assessing the district's future needs.

- The lift Station project received final pricing from Duckels Construction. The final price for the project will be of \$307,256. The mentioned pricing includes mobilization and demobilization, the lift station construction, the emergency storage tank and all the electric work. The given cost does not include the secondary mobile generator.

Director Wolf Martin made a motion to allow issue the notice of award and notice to proceed to Duckles construction for the amount of \$307,256.00. Director Kinser 2<sup>nd</sup>. Pass.

- The secondary mixing zone study was completed the first week of March. Results will be reported to the District sometime in April when the analysis of the data has been complete. The Contractor believes that the data will be favorable for the district's future discharge applications.

- District Reserve Funds: The District Manager asked the board to reallocate the District's reserve funds into: Water Distribution Capital Improvement Fund, Sewer Capital improvement Fund, Operations Fund and Emergency Fund. Good government spending requires funds to be allocated to the different improvement funds. The reallocation of funds will better qualify the district when applying for grants and loans as each system has its own financial backbone. The District Manager asked the board to reallocate the existing \$2.5 million into the above-mentioned funds.

Director Kinser made a motion to reallocate the District's reserves as follows: Water CIF 30%, Sewer CIF 35%, Emergency Fund 15%, Operating Fund 20%. Director Ratliff 2<sup>nd</sup>. Pass.

#### New Business

- The District Manager stated that he was able to complete a more comprehensive study of the district's infrastructure current replacement cost. He estimated that when accounting all of the district's assets, the total rebuild cost would be of over \$25 million. He stated that the district should slowly be saving to replace or repair the aging infrastructure and prevent service deficiencies.

- The District Manager asked the board to ratify the application by the District for the Small Community Water and Wastewater Grant (SWWG) that was applied for before the board's approval, for the amount of up to \$400,000.

Director Kinser made a motion to ratify the application for the SWWG Grant. Director Wolf Martin 2<sup>nd</sup>. Pass.

-Director Kinser asked legal Counsel Sharp to explain the pending action by the Division Engineer and State Engineer to declare as "over appropriated" the Yampa river below the City of Steamboat Springs to the confluence with the Little Snake River. Counsel Sharp explained that the proposed over appropriation action on the Yampa River segment below Steamboat would not be expected to adversely affect the District and its water rights and raw water supplies, since the Yampa River above Steamboat had already been declared over appropriated in 2008, and since the district has invested tens of thousands of dollars over the last decade obtaining Water Court approval of the District's Master Water Augmentation plan.

-Counsel Sharp left the meeting early due to other commitments.

- The District Manager communicated with the board about the possibility of drilling a well at our current office=s location. The District Manager mentioned that he will be applying for a commercial non-exempt permit when getting ready to build the new wastewater treatment plant in order to supply drinking water to the offices.

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