

# 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 15, 2021 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  
Mike Ratliff, Vice President (Via Gotomeeting)  
Leah Wolf Martin, Treasurer  
Jim Kinser, Director (Via Gotomeeting)  
Barbara Houston, Director

Also, Present: Geovanny Romero, District Manager  
Tom Sharp, Legal Counsel  
Adam Summers, Engineering Consultant  
Mike Groselle, Engineering Consultant  
Chris Catterson, Auditor

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

### Meeting Minutes

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

### Financial Report

-The March financial report and check register were reviewed by the Board. The District Manager addressed several questions the Treasurer had and brought all the supporting documentation.

-Director Wolf Martin made a motion to approve check #'s. 14898 to 14901, then from 15895 to 15896, and from 15931 through 15967, 2 ACH payments to the IRS, 1 ACH payments to Lincoln. Director Houston 2<sup>nd</sup>. Pass.

### Attorney's Report

-Mr. Sharp announced that a ruling had been made regarding the District's 9 cfs surface water right. The ruling was favorable towards the District. The District maintains ownership of the mentioned water right until challenged again.

-Mr. Sharp addressed prepayment of tap fees as it had come up during the previous business month. Mr. Sharp stated that the District had rules about prepayment of “Vault Impact Fees” but not necessarily for prepayment of “Tap Fees”. Mr. Sharp recommended to include language on the following month’s agenda for an action item in support or against prepayment of Tap Fees.

- Mr. Sharp stated that he will have more comments on the items further down on the agenda.

### General Manager’s Report

-The District Manager explained that the District had received a violation from the State of Colorado for failing to submit Bacteriological samples during the month of February. The District Manager mentioned that the samples were collected but were not submitted on time. The District will be sending a letter to its customers to report the violation during the next billing cycle. The District Manager also mentioned that some changes were made within the District to ensure timely submittals of all tests.

- The District Manager told the board that the utilization of govdeals.com to dispose of unusable items around the facilities was successful. An old pump that had been sitting on a corner at the District for many years was sold for \$75.00. The District will continue to clean up and dispose of outdated/unusable items while earning small profits. The staff has also posted for sale an old vehicle that the District has owned for over 20 years.

- The District Manager reported that the owner of Lot 88 at the Blackhorse II subdivision (William Glenhorn), had finally paid for a debt he owed the district for the last 20 years. The District released two liens held over that property and the lot had been sold since.

- The District Manager said that he will be signing the documents to update the health insurance for the District employees. He explained that the rates paid by the District will increase 3%.

- The revenues from property taxes will start being deposited under the District’s Operation account at COLOTRUST. The new routing will benefit the transition when property tax can no longer be used for the enterprise.

- The Mixing Zone Study is on its final stages explained the District Manager. He stated that the results should be turned into the District during the next few days. He also mentioned that based on the conversation with the consultant, it appears that the data is beneficial for the District permit renewal with the Colorado Department of Health and Environment.

- The District Manager mentioned that during 2021 the District will see an increased rate of construction. The District has received payment for a couple of tap fees and vault agreements. There is also a proposal for a multi-family project and the sale of lots has increased drastically. The District Manager also said that he has written a summary of the construction situation in Stagecoach for realty firms.

- The District Manager stated that the District has reached its peak for influent levels at the wastewater treatment plant. During the previous week, the influent grew to 81 thousand gallons in a period of 24 hours. This amount is considerably lower than previous years he stated. Contributing factors could be the continuous mitigation of infiltration and the lack of snowpack and ground moisture. The District Manger commented that he expects 2021 to have a dry summer and that he would write a water conservation article for the Stagecoach homeowner’s association newsletter.

### Old Business

-Mr. Summers stated that he and one of this staff engineers conducted a visit to the District's current facilities. The purpose was to conduct an onsite assessment of the future building envelope for the new wastewater treatment plant and receive guidance from the District manager as far as the layout of the new facilities. During the visit, Staff from the Morrison Creek District along with the engineers discussed more cost-effective building options and a more suitable layout of the new buildings.

Director Houston asked about the state of the current facilities from which the District conducts business. The District Manager and Engineer responded that the smaller building will be removed and the state of the larger building will be determined depending on cost of teardown or retrofitting.

- Mr. Summers reported that applications for financial assistance from the Department of Agriculture and the Department of Local Affairs are still pending. The District is currently working through the application requirements to comply with the granting agencies.

- The 2020 final audit to for the Morrison Creek District was presented by the contracted auditor Mr. Chris Catterson. Mr. Catterson explained to the Board that he had not found any trace of fraud or wrong-doing within the District's finances. Mr. Catterson stated that the District's finances are in compliance with all State and Federal guidelines for government accounting. Mr. Catterson also mentioned that the District Manager and he had worked together to update the asset inventories for the District that were no longer usable or had reached its life expectancy. The auditor finally asked the District if it had acquired any debt as of the date of the meeting. The Board responded that the district was held no debt but will in the upcoming year.

- Lift Station Project. The District Manager stated that he had completed a pre-construction meeting along with the District's engineering consultant (CDC) and Duckels Construction. The District Manager mentioned that the project could begin as early as the first week of May as long as Duckels Construction obtains the necessary permits and conduct's the procurement for the necessary items. If the previously mentioned steps are not fulfilled, then construction will start towards the end of June.

### New Business

- Creation of the Water Enterprise. Counsel Sharp explained to the Board about the future creation of the Funds receiving agency to be created by the District. The "Water Activity Enterprise" will be the Grant/Loan Receiving agency for the District he explained. The purpose of this enterprise is to receive loans without having TABOR issues and taxation conflict. The enterprise will be represented by the same board as the District and will meet at the same times as the District's monthly meetings. Mr. Sharp stated that he had prepared the resolution creating the enterprise according to the observations made by the District's bond counsel. Mr. Sharp stated that the resolution is ready to be adopted by the District however there is no rush for the board to do so. The resolution must be adopted before the District acquires any debt. He also mentioned that the enterprise created by the District in 2003 should be eliminated when the new is created.

- Director Ratliff made a motion to move forward and eliminate the 2003 Limited Purpose Water Activity Enterprise. Director Kinser 2<sup>nd</sup>. Pass

- Mr. Sharp told the board that the District can introduce an "availability of services" fee to all the lots who are currently served by the District (water or sewer lines closer than 100 feet) and that are vacant. The District can only apply this fee when the District has acquired debt and the revenue from such fees can only be used for reimbursement of that debt. The District would have to identify the fees following the Statute.

The fees can only be implemented upon written notification to the users and a public hearing to all electors within the District.

- No other new business was addressed.