

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 July 21st, 2022 at the Offices of Sharp, Steinke, 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, Access Code 858-019-309

Present: Anthony Borean, President
Mike Ratliff, Vice President
Leah Wolf Martin, Treasurer
Barbara Fox, Director
Jim Kinser, Director

Also, Present: Geovanny Romero, District Manager
Tom Sharp, Legal Counsel
Amy Zimmerman, Engineering Consultant (Aquaworks)
Wes and Mikey Hunter, District Residents (via Gotomeeting)

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

Public Comment

- Wes and Mickie Hunter stated that they have heard about the possibility of the district implementing an "availability of services fee" to all vacant lots within the water and sewer main lines. Mr. and Ms. Hunter own a lot which is not built on and that would be subject to the new fees. They stated that during the next year they believe that the property tax will increase and therefore they perceive that the district will not have to implement those charges. The Board members and district manager stated that a review of those charges will be done. They also stated that property taxes tend to go down while the district's loan principal payments will not change making this funding source unreliable. The board also discussed that the district operates as an enterprise and property taxes cannot be utilized for water and sewer capital improvement or its maintenance.

Meeting minutes

-Director Wolf Martin made a motion to adopt June's meeting minutes as discussed during the meeting.
Director Ratliff 2nd. Pass

Financial Report

- Director Wolf Martin had a question about the payment for the loan origination fees. The district manager stated that the payment had to be made to Yampa Valley Bank to initiate the loan withdrawal. Director Wolf Martin made a motion to approve check 16451 through 16475, inclusive of all the ACH and EFT transactions. Director Fox 2nd. Pass

Attorney's Report

-Mr. Sharp stated that he had provided legal advice to the district's manager upon the disagreement between a resident and the district. The resident had been preventing district employees to perform required work outside of the property boundaries of the subject. Mr. Sharp stated that he had advised the district to continue with the scheduled work once the resident was notified.

- Mr. Sharp mentioned that he had not received any communication from the State Division of Water Resources (State's engineer office) with regards to our water right portfolio. Mr. Sharp stated that he hopes to hear from them during the next few weeks.

Old Business

- Wastewater Plant updates: The district manager introduced Amy Zimmerman P.E. to the board as one of the new hired engineers by Aquaworks who will be working on the district's project. The district manager stated that Aquaworks had also hired Mr. Ben Beall P.E as their onsite engineer.

The district manager updated the board that construction of the new wastewater treatment plant was on schedule and that many preparations were being made for the upcoming concrete phase.

It was also informed that the drinking water well was staged and ready for drilling by Aztec Drilling.

The district manager asked the board to approve the first pay application to IWS for the amount \$427,500.00 pending the documentation provided.

Director Ratliff made a motion to approve the payment to IWS for the amount of \$427,500.00. Director Wolf Martin 2nd. Pass

- Well 13 Development: The district manager informed the board that the engineering for the well hardware was complete. The district still waits for a missing component of the electric engineering to complete the project. The district manager stated that he will push to have the well connected to the system before the end of the year. The district manager also stated that the final report will be submitted to the State for final approvals.

New Business

-The Board of Directors began the discussion about the implementation of the "Availability of Service Fee" (ASF) to all vacant lots that lie within the water distribution and wastewater collections systems. The directors instructed the district manager to first identify all the lots that will be eligible to ASF fees. The district manager stated that he had already been working on it and that at the time he had identified about 140 lots that could be eligible. The board discussed that people who have purchased multiple lots for any reason are subject to the ASF fees unless they undergo a consolidation process. The board members mentioned that people keeping vacant lots for privacy or any other reason take away the ability of the district to collect the service fees which were taken in consideration when subdivisions were platted.

Throughout the capital improvements plan development process and rate study, the Board identified that a maximum of 1/2 of the base rates for water and sewer could be assessed to all vacant lots that lie within 100

feet of a main line. The average cost for ASF per lot per year would be of \$700.00 which was already budgeted as part of district's income.

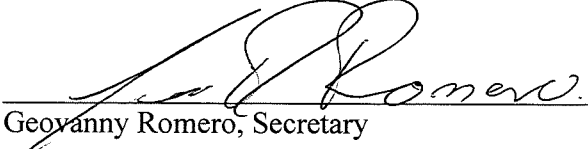
The Board requested the district's attorney to draft the language to be used for the resolution imposing ASF for the next board meeting on August 18th, 2022, for their review before it is announced publicly. The district attorney stated that the notice of a public meeting must be sent at least 30 days before the board approves the resolution imposing ASF. The board said that the district will work on a backwards timeline to ensure all legal processes are followed to impose ASF.

Manager's Report

- The district manager noted that district staff conducted work on a service line on Rock Point trail where they had an issue with a resident the previous week. He stated that the resident did not oppose the work this time and that the problem had been resolved. The district manager said that there is still much work to be done in that area, however, the area does not have a looped water system which means more water interruptions to the residents.
- The district manager informed the board that he had hired a professional leak detection company to help the district pinpoint the source of a large water loss. He mentioned that two areas were identified for potential sources which will be mitigated within the upcoming weeks.
- The district manager informed the board that home construction throughout the district remains strong and that a few more permits had been applied for but tap fees still had not been paid

- No other new business was addressed

The meeting adjourned at 6:45pm.



Geoyanny Romero, Secretary