

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
MOUNT WERNER WATER & SANITATION DISTRICT
HELD AT THE OFFICE OF THE DISTRICT
8:00AM Monday, September 12, 2011

DIRECTORS PRESENT: Kathy Connell, Jon Halverson, Nancy Mayer, Steve Frasier, Jim Randall
DIRECTORS ABSENT: None
STAFF PRESENT: Jay Gallagher - General Manager / Secretary,
Tom Sharp - Counsel
OTHERS PRESENT: None

I. ESTABLISHMENT OF QUORUM AND CALL TO ORDER:

Ms. Connell stated that a quorum was present and called the meeting to order at 8:02 A.M.

II. APPROVAL OF AGENDA FOR MEETING:

Ms. Connell asked if there were any changes in the proposed agenda. There were none.

MOTION: To approve the agenda as presented APPROVED: Vote 5-0.

III. NEW BUSINESS:

A. Discussion of Inclusion Policy

Mr. Gallagher presented a framework for the discussion on inclusion policy. He related that the District had established policy to govern Board decisions and that these policies are embodied in the District Mission Statement as well as in the District Rules and Regulations which state the responsibilities of the District (Article 3.1) and includes policies to govern consideration of petitions for inclusion of specific land categories (Article 5.2). Mr. Sharp added that the Rules and Regulations also specifies the materials required for a petition package as well as the various conditions and fees which may be imposed by the Board.

Mr. Randall asked Mr. Gallagher to describe the District's ability to provide water for future customers. Mr. Gallagher said that it was the obligation of the District to provide water and sewer services to development within the current District boundaries. Mr. Gallagher said that, since 2006, the District estimate of final build-out had increased 14% partially due to the City's up-zoning of the Base Area in 2009. With this increase in potential build-out, the District would be approaching its sustainable capacity to provide water. Mr. Gallagher added that the Walton Creek wellfield was already considered in the calculation to meet future demand at build-out. Therefore, expanding the District would not be in the best interests of District constituents unless it included a substantial contribution of senior raw water rights and a provision for development and treatment of these raw water supplies.

The Board discussed the language of the District's inclusion policy, specifically examining the terms "potential benefit" and "potential detriment" in Article 5.2.3 with regard to the consideration of Adjoining Land. There was some discussion as to whether these terms should be more narrowly defined. There was concern expressed that specifying "benefits" and "detriments" may have unintentional consequences because inclusion petitions are likely to have very different attributes. In the end, the Directors agreed unanimously that the language should remain as is to retain flexibility in the interpretation of these terms by this Board and future Boards.

With regard to the Steamboat Christian Center, Mr. Gallagher said that the District will have an appropriate level of control over the future development of this parcel because the conditions of approval of the SCC's Final Development Plan and the District's Out-of-District service agreement will obligate the SCC to follow District Rules and Regulations including wellhead protection. The Board asked Mr. Gallagher to confirm to the SCC the Board's position from its July 21 meeting that the District would serve the SCC on an out-of-district basis and that it would consider a request for deferral of tap fees. The Board requested that Mr. Gallagher and Mr. Sharp draft an out-of-district service agreement for the SCC.

With regard to retaining current District boundaries, Mr. Sharp reminded the Board that a decision to refrain from expanding the District south of Dougherty Road should not be regarded as devaluing lands to the south as it would not prevent the City from annexing lands in that area and providing separate water and sewer services.

For the purpose of protecting current raw water assets and securing future water supplies, the Board asked Mr. Gallagher and Mr. Sharp to explore land acquisition opportunities with landowners along the south boundary of the District.

B. Public Comment

There was no public comment pertaining to District inclusion policy.

C. Executive Session

The Board did not hold an Executive Session.

D. Additional subjects pertinent to current District business.

Ms. Connell raised the question of the proposed Whistler bike park. She expressed concern that the Board's position has been misrepresented by the proponents since their initial meeting with the Board May 19th and that the District is being represented as an active advocate for the park. At the May meeting, the Board had entertained this project as a reasonable request from a community interest group, but had represented that it would reserve judgment until the proponents had fleshed out the plan with other stakeholders in the community. Almost four months later, several Directors expressed concern that this proposed project is not in the best interests of District constituents with respect to appropriate use of District assets and would likely become a management problem and political liability for the District.

The Board agreed to keep the proponents on the October 21 agenda, but instructed Mr. Gallagher and Ms. Connell to inform the proponents that the Directors were beginning to regard this project as an unnecessary liability for the District.

IV. ADJOURN:

There being no further business, the meeting was adjourned at 9:33 AM.

Respectfully submitted,

James R.L. Gallagher, Secretary/General Manager