

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
MOUNT WERNER WATER & SANITATION DISTRICT
HELD AT THE OFFICE OF THE DISTRICT
8:00AM Thursday, January 20, 2011

DIRECTORS PRESENT: Kathy Connell, Nancy Mayer, Jim Randall, Steve Frasier,
Jon Halverson (by phone for Report of Counsel and Executive Session only)
DIRECTORS ABSENT: none
STAFF PRESENT: Jay Gallagher - General Manager,
Tom Sharp - Counsel (for Report of Counsel and Executive Session only)
OTHERS PRESENT: Laura Frolich, Public Works, City of Steamboat Springs
Lyn Halliday, President, Environmental Solutions (consultant)

I. ESTABLISHMENT OF QUORUM AND CALL TO ORDER:

Ms. Connell stated that a quorum was present and called the meeting to order at 8:03A.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. APPROVED: Vote 4-0.

III. DESIGNATION OF OFFICIAL POSTING PLACE FOR NOTICES OF DISTRICT MEETINGS:

Ms. Connell asked for a motion for the designation of official posting place for District meetings.

MOTION: The Board of the Mt. Werner Water and Sanitation District designates the bulletin board outside the office of the Routt County Clerk and Recorder at 136 6th St. Steamboat Springs, CO 80487 as the official posting place for notices of board meetings. APPROVED: Vote 4-0.

Mr. Gallagher commented that additional meeting notices are posted on the bulletin boards at Safeway and at City Market, on the front door of the District office, and on the District's website.

IV. APPROVAL OF SUBMITTED MINUTES OF PREVIOUS MEETINGS:

Ms. Connell asked for any editions or changes in the draft minutes of the December 16, 2010 regular board meeting. There were none.

MOTION: To approve the minutes of the December 16, 2010 regular board meeting, APPROVED: Vote 4-0

V. SUMMARY PRESENTATION: COMMUNITY WATER CONSERVATION PROGRAM:

Mr. Gallagher prefaced his presentation by stating that the City and the District had completed a second draft of the Water Conservation Plan to meet the specifications of the Colorado Water Conservation Board (CWCB); that the draft had been submitted to the CWCB on December 23rd, 2010 which marked the beginning of a 60-day comment period. At the end of the public comment period, comments from the public, the CWCB, City Council, and the District Board would be collated and reviewed. Appropriate changes or editions would result in a final draft of the plan for adoption by resolution by City Council and the District Board in the third week of March. The final plan, public comments, and resolutions by the adopting bodies would then be forwarded to the CWCB for their files.

Mr. Gallagher stated that this was a plan for the long-term; that the most important objective of the plan is to transform the culture of water use in our community; that changing attitudes will affect individual water usage decisions. A transformation in the culture of water use, then, promises to be the most powerful influence in sustaining water usage reductions.

Mr. Gallagher then proceeded to review hard-copy of a twelve-slide presentation. He stated the reasons to develop a water conservation plan: 1) to be proactive in water resource management; 2) to demonstrate responsible stewardship of our water supply and distribution system; 3) to create a conservation culture in the community; and 4) to become eligible for State grant monies to fund conservation programs. Furthermore, the benefits of the plan include: 1) preparing the community to respond to drought; 2) saving money by reducing the growth rate of operating costs and by deferring major capital improvements related to increased capacity requirements.

Mr. Gallagher stated that the principal focus would be to reduce discretionary usage – principally grass and shrub irrigation during the summer - which would reduce the growth of the level of peak-day demand on the water filtration plant and wellfields. Mr. Gallagher said that usage reduction would be achieved through a combination of public education programs, financial incentives, and aggressive repair and replacement programs to reduce distribution system losses. Mr. Gallagher said that the team had reviewed and analyzed 38 different programs to assess which programs had the potential to yield the highest benefit at the lowest cost. Based on this ranking, the team selected programs that could be initiated in 2011 within current year operating and capital budgets as well as grant monies. The plan calls for adding programs annually thereafter.

Mr. Gallagher stated that the goals of the plan are to reduce per capita consumption 5% by 2015, 10% by 2025, and 15% by 2035. It has been the experience of other communities that initial reductions are readily achievable, but that the challenge is to sustain these reductions through time. The most important aspect is a sustained messaging campaign through a variety of channels and venues year after year. Mr. Gallagher concluded his presentation by stating that the successful implementation of the plan would require the sustained support of the public and governing boards and the continued cooperation and coordination between the City and the District.

Mr. Randall commented that he as a gardener is interested in drought-resistant plants and shrubs; that he would encourage nurseries to set out and mark drought-resistant plants. Ms. Halliday agreed and commented that the Botanic Park has a drought-resistant garden display and held an outdoor seminar last summer to provide information on local climate, drought-resistant plants and shrubs, and advances in irrigation system technology. Mr. Gallagher stated that the City and the District had posted a list of drought-tolerant plants and shrubs on their websites.

Mr. Frasier asked about the methodology of projecting future usage and the source of population figures. Ms. Halliday responded that the team had developed City water use projections using population growth data provided by the Colorado Department of Local Affairs and per capita water usage figures developed from recent water use studies by City consultants. With a transitory population, projected water use in the District is developed through District analysis of EQR's (equivalent residences) to build-out.

Ms. Connell stated that it was very important to educate and encourage the Homeowner Associations in the District to adopt conservation-minded landscape management and irrigation techniques. Mr. Frasier agreed; he added that Mountain Resorts was promoting the District's water conservation certification program to the HOA's. While there was some resistance from the HOA boards, a dialogue had been established. That is an important first step.

Mr. Randall encouraged City and the District to involve community groups who will endorse this plan and help in its implementation.

On behalf of the Board, Ms. Connell thanked Ms. Frolich, Ms. Halliday, and Mr. Gallagher for their efforts in developing the plan to this final stage.

VI. PUBLIC COMMENT:

Ms. Connell opened the floor for public comment. There was no public comment.

VII. TREASURER'S REPORT:

A. Quick Close Year-end 2010 Actual vs Budget

Ms. Connell asked if there were any comments or questions on the Year-end 2010 Actual vs Budget statement. There were none. The Board accepted the Treasurer's report.

VIII. DIRECTOR AND COMMITTEE REPORTS:

Budget & Audit Committee/ Investment Committee Reports

A. Investment portfolio

Ms. Connell asked if there were any questions regarding the investment portfolio. There were none. Ms. Connell stated that she had received financial reports on several area banks; she advised Mr. Gallagher to give preference to banks offering CDAR's for security. The Board accepted the investment report.

IX. REPORT OF THE GENERAL MANAGER:

A. Fish Creek Reservoir Level

Mr. Gallagher stated that the reservoir was tracking historical levels.

B. 2010 Capacity Analysis

Mr. Gallagher stated that the District had added only 23 EQR's in 2010; that the results of the annual capacity analysis had not changed significantly since last year.

Mr. Sharp, General Counsel, joined the meeting at 8:40 AM. Mr. Gallagher contacted Mr. Halverson on the conference phone for the duration of the Report of General Counsel and following executive session.

X. REPORT OF GENERAL COUNSEL:

Mr. Sharp stated that he had acted on the December directive of the Board to investigate the validity of the City's Skyline Trail easement. He recommended that the Board go into executive session to review his findings and provide legal advice under attorney-client privilege.

XI. EXECUTIVE SESSION:

Ms. Connell recommended that the Board go into executive session to consult with District Counsel regarding the validity of the Skyline Trail easement in light of the proposed improvements to the Skyline Trail.

MOTION: To adjourn the Regular Meeting and go into executive session pursuant to CRS Section 24-6-402(4)(e) at approximately 8:47 A.M. to discuss with District Counsel the legal implications of the Skyline Trail Proposal. APPROVED: Vote 5-0.

MOTION: To come out of executive session and reconvene the Regular Meeting at approximately 9:24 A.M. with no action having been taken. APPROVED: Vote 5-0.

Counsel Sharp stated that, in his opinion, all of the discussion during the executive session regarding the Skyline Trail Easement would constitute a privileged attorney-client communication. Therefore, no record was kept of the executive session.

Ms. Connell noted for the record that, if any person who participated in the executive session believes that any substantial discussion of matters not included in the motion to go into the executive session occurred during the executive session, or that any improper action occurred during the executive session in violation of the Open Meetings Law, such person should state his/her concerns for the record.

No concerns were indicated.

Mr. Sharp left the meeting. Mr. Halverson disconnected from the conference phone.

XII. UNFINISHED BUSINESS:

There was no unfinished business to discuss.

XIII. NEW BUSINESS:

Mr. Gallagher requested feedback on his Review of 2010 Goals and his proposed 2011 Goals.

XIV. ADJOURN:

There being no further business, the meeting was adjourned at 9:26 AM.

Respectfully submitted,

James R.L. Gallagher, Secretary/General Manager

STATEMENT FROM ATTORNEY REGARDING ATTORNEY-CLIENT PRIVILEGE

The undersigned Thomas R. Sharp hereby attests, pursuant to CRS Section 24-6-402(2)(d.5)(II)(B), that the portion of the executive session that was not recorded and which related to the Skyline Trail Proposal constituted a privileged attorney-client communication in the opinion of the undersigned attorney.

Thomas R. Sharp, Counsel

Date:

STATEMENT FROM CHAIR OF EXECUTIVE SESSION REGARDING ATTORNEY-CLIENT PRIVILEGE

The undersigned chairperson hereby attests, pursuant to CRS Section 24-6-402(2)(d.5)(II)(B), that all of the executive session was not recorded and was confined to the topics authorized for discussion in an executive session pursuant to subsection (4) of CRS Section 24-6-402.

Kathy Connell, Chair

Date: