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 Friday, January 9, 2015

DIRECTORS PRESENT: Kathy Connell, Steve Frasier, Bob Kuusinen, Jim Randall, Dan Berkey
DIRECTORS ABSENT: none
STAFF PRESENT: Jay Gallagher - General Manager / Secretary
Tom Sharp, Counsel

I. ESTABLISHMENT OF QUORUM AND CALL TO ORDER:
Ms. Connell stated that a quorum was present and called the meeting to order at 8:00 A.M.

II. APPROVAL OF AGENDA FOR MEETING:
Ms. Connell recommended that, because Mr. Frasier would have to leave at 9:10 AM, Item IX Other Business be addressed after Item III so that Mr. Frasier could participate in the Executive Session.

MOTION: To approve the agenda as recommended by Ms. Connell.
APPROVED: Vote 5-0

III. APPROVAL OF SUBMITTED MINUTES OF PREVIOUS MEETINGS:
Ms. Connell asked if there were any editions or corrections to the minutes of the December 12, 2014 regular board meeting. There were none.

MOTION: To approve the minutes of the December 12, 2014 regular board meeting.
APPROVED: Vote 5-0

IX. OTHER BUSINESS:
A. Public Notice of Board Meeting Posting Resolution
MOTION: to approve the following resolution:
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 with additional notices 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.
APPROVED: Vote 5-0

B. Interview of candidate for position of General Manager.
Candidate has withdrawn his name from consideration.

C. Executive Session
Ms. Connell asked for a motion to go into Executive Session.

MOTION: To adjourn the Regular Meeting and go into Executive Session at 8:05 AM for the purpose of 1) discussing the acquisition of real property per C.R.S. 24-6 402(4)(a); 2) determining positions that may be subject to negotiations and for instructing negotiators per C.R.S. 24-6 402(4)(e); 3) receiving legal advice of Counsel per C.R.S. 24-6-402(4)(b) on specific legal questions related to acquisition of real property .
APPROVED: Vote 5-0

MOTION: To come out of Executive Session and reconvene the Regular Meeting at approximately 8:35 AM 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 possible real property transactions would constitute a privileged attorney-client communication. Therefore, no record was kept of the Executive Session.

IV. PUBLIC COMMENT:
Ms. Connell invited public comment. There were no members of the public present to offer comment.

V. TREASURER'S REPORT:

Financial Statement: November 30, 2014 YTD:

Mr. Gallagher that it was too early to prepare a robust December 31st YTD budget comparison completed; he noted that FY2014 projections had been updated in the current draft 2015 Budget. The Board accepted the YTD Financial Statement.

VI. COMMITTEE REPORTS:

Budget & Audit / Investment Committee Report

Ms. Connell stated that, on December 15th, she and staff met with Auditor Chris Catterson and that she had signed the Letter of Engagement.

A. Draft 2015 Budget

Mr. Gallagher said that this version 4 of the draft 2015 Budget included a compensation adjustment for one of the two Plant Operators who performs the same work and has equivalent responsibility, certification level and responsibility as the other senior Plant Operator. This pay level would be competitive and consistent with the 2014 MSEC compensation survey.

Mr. Gallagher said that, for an organization of its small size, the District should try to meet at least the 25th percentile in the MSEC. That was the target level for the proposed compensation increase for the Office Manager. Mr. Kuusinen suggested that the General Manager's compensation should also be competitive. The board agreed.

MOTION: To approve the draft 2015 Budget version 4 with the amendment that the General Manager's compensation be increased to meet the 25th percentile in the 2014 MSEC compensation survey. APPROVED: Vote 5-0

B. Investment Portfolio

Mr. Gallagher said that there were no real changes in the investment portfolio since the December board meeting; that there was sufficient liquidity to meet the needs of proposed land purchases. There were no questions. The Board accepted the Investment Portfolio report.

C. Succession Planning

Ms. Connell related that the Succession Committee had met January 6th to review eighteen applications received in the three months October - December. The committee had selected three applicants for the board to interview, one of whom withdrew his name this week. The committee has invited a second applicant to interview with the board on February 6th. The committee is waiting to hear from the third applicant.

Mr. Frasier left the meeting at 9:10 AM.

VII. REPORT OF THE GENERAL MANAGER:

Mr. Gallagher reported the following:

A. Fish Creek Reservoir

Fish Creek Reservoir has leveled off to the 90% level.

B. 2015 Projects

US 40 water main crossing: We are expecting the CDOT permit for an open-cut installation which will save a large amount of time and money.

Christie Tank Supply and Overflow: There is a new owner for Lot 1 who will be constructing a driveway into a building site in 2015; we expect that this will ease our effort to secure a temporary construction easement to install the improvements.

C. Board meeting schedule for 2015

The Board agreed to the proposed schedule with the March meeting to be held March 13th.

VIII. REPORT OF GENERAL COUNSEL:

Well H Due Diligence

The Court issued a decree that the District had completed the required due diligence work to maintain the 0.71 cfs conditional rights.

X. NEW BUSINESS:
There was no new business.

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

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 (4)(b), that the executive session that was not recorded because, in his opinion, his participation in the discussion of negotiations in a property purchase constituted a privileged attorney-client communication.

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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 (4)(b), that the executive session was not recorded and were confined to the topics authorized for discussion in an executive session pursuant to subsection (4) of CRS Section 24-6-402.

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Kathy I. Connell, President and Chair Date: