MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
MOUNT WERNER WATER & SANITATION DISTRICT
HELD AT THE OFFICE OF THE DISTRICT
8:00A.M. Friday, May 15, 2015

DIRECTORS PRESENT: Kathy Connell, Steve Frasier, Jim Randall, Bob Kuusinen, Dan Berkey
DIRECTORS ABSENT: none
STAFF PRESENT: Jay Gallagher, General Manager / Secretary
Frank Alfone, General Manager Designate
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 8:03 A.M.

II. APPROVAL OF AGENDA FOR MEETING:
Ms. Connell asked if there were any changes in the agenda. There were none.
MOTION: To approve the agenda.
APPROVED: Vote 5-0

III. APPROVAL OF SUBMITTED MINUTES OF PREVIOUS MEETINGS:
A. Ms. Connell asked if there were any editions or corrections to the minutes of the March 13, 2015 regular board meeting. There were none.

MOTION: To approve the minutes of the March 13, 2015 regular board meeting.
APPROVED: Vote 5-0

B. Ms. Connell asked if there were any editions or corrections to the minutes of the March 28, April 13, and May 6, 2015 special board meetings. There were none.

MOTION: To approve the minutes of the March 28, April 13, and May 6, 2015 special board meetings.
APPROVED: Vote 5-0

IV. PUBLIC COMMENT:
There was no public comment.

V. TREASURER'S REPORT:
A. Budget Comparison - Q1 YTD
Mr. Gallagher commented that operating revenues were slightly ahead of budget for the First Quarter, and that operating expenses were well below budget because of the timing of the GM transition, and lower O&M and labor overtime. Ms. Connell asked if there were any questions with regard to the Q1 YTD Budget Comparison. There were none. The Board accepted the Q1 YTD Budget Comparison.

VI. COMMITTEE REPORTS:
Budget & Audit / Investment Committee Report

A. Investment Committee:
Ms. Connell asked if there were any questions with regard to the District's investment portfolio. There were none. The Board accepted the Investment Portfolio report.

B. Succession Committee:
Ms. Connell reported that the GM Search Committee had selected three candidates who were interviewed by the Board on March 28, and that the Board had selected Frank Alfone to succeed Mr. Gallagher as General Manager.

MOTION: To appoint Franklin J. Alfone as General Manager of the District and as Secretary of the Board of Directors, effective May 15, 2015 APPROVED: Vote 5-0

VII. REPORT OF THE GENERAL MANAGER:
Mr. Gallagher reported the following:

A. Fish Creek Reservoir level:
The reservoir is at 76% with SWE at 29 inches - 54% of the median value. In April, the Water Providers Group for Steamboat Springs agreed to put into effect Stage 2 water restrictions effective May 1st based on the snow water equivalent (SWE) level of 63% on April 1st - significantly below the threshold level of 80% SWE. The concern anticipates an early runoff and a longer irrigation season that draws down water stored in Fish Creek Reservoir.

B. 2015 Projects:
Christie Supply and Overflow Pipe: The District's contractor Duckels will start in the last week of May.

US 40 Crossing at Dougherty Road: The District's contractor Native Excavating will start in the week after Labor Day.

C. Baldinger request for service:
David Baldinger, Sr. has requested that the District send him a letter agreeing to provide water service to one residential single-family home or duplex on his property above the Laurel Lane cul-de-sac and above the District's service elevation. District Rules and Regulations provide for this contingency under the strict conditions of Section 5.4. Service to this property will not obligate the District to improve fireflow availability at the Laurel Lane cul-de-sac beyond those improvements completed by the District in 2010 (Alpenglow Pump Station). Mr. Sharp recommended that there be a covenant agreement between the District and the Owner citing the terms and conditions of service that is bound to the property.

MOTION: To direct the General Manager to send a letter to Mr. Baldinger stating that the District will provide water service to one residential single-family home or duplex on his property above the Laurel Lane cul-de-sac and above the District's service elevation subject to the provisions of Section 5.4 of the District Rules and Regulations and a covenant agreement between the District and the Owner citing the terms and conditions of service that is bound to the property. APPROVED: Vote 5-0

VIII. REPORT OF GENERAL COUNSEL:

Mr. Sharp said that he had no report to offer outside the subjects to be discussed under Executive Session.

IX. OTHER BUSINESS:

A. 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 8:32 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 8:46 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.

X. ADJOURN:

There being no further business, the meeting was adjourned at 8:46 A.M.

Respectfully submitted,

Franklin J. Alfone, 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: