

MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
MOUNT WERNER WATER & SANITATION DISTRICT  
HELD AT THE FISH CREEK WATER FILTRATION PLANT  
STEAMBOAT SPRINGS, CO 80487  
7:30 A.M. Friday-July 20, 2018

DIRECTORS PRESENT: Steve Frasier, Dan Berkey, John Shively, Don White and Gavin Malia  
DIRECTORS ABSENT: None  
STAFF PRESENT: Frank Alfone, General Manager  
Tom Sharp, Counsel  
OTHERS PRESENT: None

I. ESTABLISHMENT OF QUORUM AND CALL TO ORDER:

Mr. Frasier stated that a quorum was present and called the meeting to order at 7:30 A.M.

II. APPROVAL OF AGENDA FOR MEETING:

Mr. Frasier asked if there were any changes in the agenda. One topic was added to the Agenda; the Board will consider the appointment of Gavin Malia to the Board of Directors.

MOTION: To approve the amended agenda.

APPROVED: Vote 4-0

III. NEW BOARD MEMBER APPOINTMENT:

MOTION: To approve the appointment of Gavin Malia to the Mt. Werner Water and Sanitation District Board of Directors

APPROVED: Vote 4-0

Chairman Frasier executed the Board Member Appointment form and Mr. Malia completed the Oath of Office document.

IV. APPROVAL OF SUBMITTED MINUTES OF PREVIOUS MEETING:

Mr. Frasier asked if there were any editions or corrections to the minutes of the May 25, 2018 regular board meeting. There were none.

MOTION: To approve the minutes from the May 25, 2018 regular board meeting.

APPROVED: Vote 5-0

V. PUBLIC COMMENT:

Mr. Frasier invited public comment. There were no public comments.

VI. TREASURER'S REPORT:

A. Financial Statement – May 31, 2018 Year-to-Date Financial Report

As of May 31, 2018, the District's Total Operating Revenues were \$11,108 above budget. This was mainly due to more water service revenue resulting from the increase in rates implemented January 1<sup>st</sup>. Through May, PIF fee revenue is \$25,309 above budget. Total Operating Costs were under budget \$109,662. This positive variance is mainly due to several items (savings compared to budget); Filter Bay Lease, Personnel, Utilities and Rate Study savings realized. The District was ahead of budget in total revenues over total costs by \$151,770 (excluding Capital Expenditures).

CAPITAL IMPROVEMENT PLAN: – as of May 31, 2018, the Capital Improvement Plan (CIP) was \$78,788 over budget. Contributing factors to this overage are replacement of a fire hydrant, flow meter replacement in the Skyline Tank Booster Station, installing a new water main valve at Safeway, additional work required for the sewer, natural gas and conduit installation at the Fish Creek Plant and rock work completed to help stabilize the raw water intake structure on Fish Creek.

The Board accepted the final budget comparison for May 31, 2018.

B. Financial Statement – June 30, 2018 Preliminary Year-to-Date Report  
As of June 30, 2018, the District is ahead of budget in Total Revenues by \$66,180 due to more water service revenue (\$42k in Q2) and increased revenue from the City of SB for water production expenses. PIF revenue has fallen below budget by \$13,589. Total Operating Costs are under budget \$81,275 as a result of some the same savings realized in May and as identified above. The District was ahead of budget in total revenues over total costs by \$139,611 (excluding Capital Expenditures).

CAPITAL IMPROVEMENT PLAN: – as of June 30, 2018, CIP expenses are \$109,686 above budget. As noted above, this is primarily a result of the same items above, with the addition of more fire hydrant repairs and capital costs at the FC Treatment Plant.

Mr. Shively asked if Capital Improvement expenses will continue to track above budget and be over budget at the end of the 2018. Mr. Alfone noted that since a sizable amount was included in the two 2018 budget-approved CIP accounts; Office Upgrades and Fish Creek Watershed Protection Plan, he anticipates the CIP final year-end costs to be below the total budgeted amount

The Board accepted the preliminary budget comparison for June 30, 2018.

VII. COMMITTEE REPORTS:

A. Budget and Audit Committee

Mr. Alfone will present the draft 2019 Budget at the next meeting; October 12, 2018.

B. Investment Portfolio

Mr. Alfone reviewed the Investment Portfolio Report for both May 31<sup>st</sup> and June 30<sup>th</sup>, 2018 and asked if there were any questions. There were none. The most recent interest rate with District-invested funds at Colotrust is 2.21%.

The Board accepted the Investment Portfolio Reports.

C. Succession Committee

Mr. Alfone will update the District's Succession Planning Document that was last presented to the Board in 2012. This report will be utilized to assist in the preparation of the 2019 draft budget.

VIII. REPORT OF GENERAL MANAGER:

A. ACTION ITEM: ASF Fee

Mr. Alfone referenced the ASF memorandum recently sent to the Board. The memo. summarized the findings report completed by Raftelis regarding proposed ASF fees for the District. The memo. also identified several questions that require Board review and discussion. Due to the complexity and anticipated time needed to review this topic, Mr. Alfone recommended that this item be discussed at a Special Board Meeting devoted solely to this one matter.

MOTION: To schedule a Special Board Meeting on August 17<sup>th</sup>, 2019 at 8:00 am with one Agenda item; Availability of Service Fee (ASF)

APPROVED: Vote 5-0

B. Executive Summary Overview

Mr. Alfone asked if there were any questions regarding the Executive Summary.

There being no questions, the Board accepted the Executive Summary

C. GWUDI Compliance and Raw Water Capacity Expansion – Yampa Wells Water Treatment Plant

On July 17, 2018, the plant became operational and we began distributing potable water into the District's water network from the Yampa Wells upgraded Plant. Baseline Engineering, the engineer of record for the project, issued a Letter of Completion Certification to the Colorado Department of Public Health and Environment (CDPHE).

IX. REPORT OF GENERAL COUNSEL:  
Executive Session

At 8:07 AM, Mr. Frasier asked for a motion to go into Executive Session.

MOTION: To adjourn the Regular Meeting and go into Executive Session at 8:07 AM to receive advice on specific legal questions regarding City of Steamboat Springs Agreements and Utility Easements on Butch and Karen Dougherty's two lots under C.R.S. 24-6-402(4) (b) (e). The mere presence or participation of an attorney at an executive session of a local political body is not sufficient to satisfy the requirements of this subsection (4).

APPROVED: Vote 5-0

MOTION: To come out of Executive Session and reconvene the Regular Meeting at approximately 9:49 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 legal issues with the City of Steamboat Springs Agreements and Utility Easements on the Dougherty Properties would constitute a privileged attorney-client communication. Therefore, no record was kept of the Executive Session.

Now out of Executive Session, the Board considered the following action items:

- A. The Board directed Counsel Sharp to prepare a Talking Points Memorandum for discussion at the next meeting with the City of Steamboat Springs regarding multiple Agreements. The next meeting is scheduled for August 16<sup>th</sup>, 2018
- B. MOTION: To authorize Counsel Sharp to revise the draft July 19<sup>th</sup>, 2018 Conditional Commitment letter for the Dougherty properties requiring all permitted and unpermitted wells on the North Parcel be conveyed and transferred to the District and all septic systems removed and abandoned on the Dougherty properties.

APPROVED: 5-0

X. UNFINISHED BUSINESS:

- A. Office Remodel – Tom Sharp left the meeting at 10:00 am and prior to this Agenda item discussion

Mr. Alfone distributed revised drawings that are result of a meeting that Mr. Shively and Mr. Alfone had with Eric Smith from ESA Architects. The drawings have been modified to reflect only the District using the space, and not shared with the Upper Yampa Water Conservancy District (UYWCD) and a remodeled/upgraded exterior entrance to the Office. The proposed new entrance components include new "storefront windows", a new ADA lift and reconfiguration of the stairwell. In addition, a large window is proposed to be added on the north wall at the rear of the office spaces to bring additional light through the entire remodeled space. Mr. Alfone summarized for the Board a proposed start-to-completion timeline that Mr. Smith prepared. If the plans were approved today, the projected completion date for the project could be March 15, 2019.

The Board discussed the project, including the following points:

- A. Could an ASF fee be utilized to pay back debt that might be borrowed to finance the remodel? The consensus of the Board was to not pursue this option.
- B. Options to phase the project were discussed including installing infrastructure items like new windows, HVAC and ADA components first, then completing major upgrades; kitchen and baths, then focusing on new carpet, tile, paint etc. in the offices and common areas.
- C. Vacant notice to Upper Yampa Water Conservancy District (UYWCD) – the Board agreed to request that UYWCD vacate their occupied space by November 1, 2018. Mr. Berkey will work with Mr. Alfone to complete the written notice and deliver to UYWCD. The notice will be delivered by July 31, 2018.

At this time, the Board agreed to scale-down the proposed remodel and focus on the most needed items including upgrading the kitchen, bathrooms and providing upgrades to MWW staff office spaces. Mr. Alfone will investigate costs to perform this work and check availability of contractors and report back to the Board.

B. Staff or Directors may raise for discussion any unfinished business related to the business of the District.

XI. NEW BUSINESS:

A. Personnel Policy Guidelines: Consider Resolution to Adopt Revisions

MOTION: To approve the revisions to the Mt. Werner Water and Sanitation District Personnel Policy Guidelines as proposed

APPROVED: Vote 5-0

Chairman Frasier executed the Resolution noted below.

**RESOLUTION**

WHEREAS, the MOUNT WERNER WATER AND SANITATION DISTRICT, Routt County, Colorado (the "District"), adopted the Personnel Policy Manual governing employees on July 11, 2003 as an appendix of the District Rules and Regulations; and

WHEREAS, pursuant to Section 1.6 of said Rules and Regulations, the Board of Directors of the District reserved the right and power to amend such Personnel Policy Manual without necessity of prior notice; and

WHEREAS, the Board of Directors now desires to amend the Personnel Policy Manual.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE MOUNT WERNER WATER AND SANITATION DISTRICT that the District Personnel Policy Manual is hereby amended as set forth in the attached version dated July 20, 2018 incorporating all revisions as noted within.

APPROVED AND ADOPTED this 20<sup>th</sup> day of July, 2018.

B. Committee Assignments

Assigning Board members to District Committees was not acted upon at this meeting.

C. Staff or Directors may raise for discussion any unfinished business related to the business of the District.

XII. ADJOURN:

Next Meeting: The next Regular Board Meeting is October 12, 2018 at 8 A.M. A Special Board Meeting is scheduled for August 17, 2018.

There being no further business, the meeting was adjourned at 10:35 A.M.

Respectfully submitted,

Frank 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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Steve Frasier, President and Chair

Date: