

MINUTES OF A SPECIAL 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
8:00 A.M. Friday-August 17, 2018

DIRECTORS PRESENT: Steve Frasier, John Shively, Dan Berkey, Don White and Gavin Malia
DIRECTORS ABSENT: None
STAFF PRESENT: Frank Alfone, General Manager
Tom Sharp, Counsel
OTHERS PRESENT: Kevin McBride, Upper Yampa Water Conservancy District General Manager

I. **ESTABLISHMENT OF QUORUM AND CALL TO ORDER:**

Mr. Frasier stated that a quorum was present and called the meeting to order at 8:03 A.M.

II. **APPROVAL OF AGENDA FOR MEETING:**

Mr. Frasier asked if there were any changes in the agenda. The following items were added to the Agenda:

- A. Office Remodel/Notice to Vacant; UYWCD
- B. Executive Session about the recent City Agreements Meeting; August 16,2018

MOTION: To approve the amended agenda.

APPROVED: Vote 5-0

III. **PUBLIC COMMENT:**

Mr. Frasier invited public comment. There were no members of the public present.

IV. **OFFICE REMODEL/NOTICE TO VACANT; UYWCD:**

The Board excused Counsel Sharp during this Agenda item.

On behalf of the UYWCD, Mr. McBride requested that the Board consider two items:

- A. Reestablish the partnership with UYWCD to complete the remodel. UYWCD recognizes that the scope of the remodel would be contained to within the existing office footprint and an exterior, enclosed parking structure for the UYWCD vehicle would not be constructed.
- B. Extending the Vacant date past the November 21, 2018 deadline identified in the "Notice to Quit" letter delivered to UYWCD July 31, 2018.

Mr. McBride departed the meeting at 8:18 A.M.

In response to Mr. McBride's requests, the Board decided to move forward with the office remodel without UYWCD. The Board agreed to allow UYWCD to remain in their offices on a month-to-month basis past November 21, 2018 and directed Mr. Alfone to advise Mr. McBride of the duration of the month-to-month status and establish a final date for them to vacant. Mr. Alfone will also notify Mr. McBride that remodel construction may occur during the months that UYWCD remains in their MWW-owned spaces.

V. **AVAILABILITY OF SERVICE FEE (ASF):**

Mr. Alfone summarized the actions taken to date regarding this matter, including providing an overview of his memorandum to the Board dated July 20, 2018 and the Raftelis findings report prepared by Andrew Rheem dated July 19, 2018. Points discussed included:

- A. Based on Raftelis's recent projections and current vacant lots located within the District boundary, the ASF would yield approximately \$187,000, with a proposed per year, per vacant lot owner assessment equal to \$343.00. This revenue was based on calculating the ASF per owner at the maximum amount allowed per State Statute.

- B. Mr. Alfone reviewed the service rate impacts to existing, “connected” owners. This was a major focus of Raftelis’s project and detailed in their findings memo. Their findings included results that included incurring District debt for both water and sewer capital projects.
- C. In order to implement the ASF, the Board recognized staff’s workload would increase, especially during the setup and installation phases. If approved, Mr. Alfone recommended that several advance notifications be mailed to vacant lot owners describing in detail the reason for charging the fee. The Board concurred that a proactive communication plan about the ASF would be very important. Since the fee can only be assessed to pay back principle and interest on District debt, the earliest the fee would be charged is in Q1-2019

Each Board member articulated their comments about the proposed fee with the results yielding no consensus if the ASF should or should not be approved. Based on this outcome, Chairman Frasier suggested a revised version of the ASF. Mr. Frasier proposed that the Board consider an ASF fee that would be less than the maximum amount allowed to be charged; 50% of the average annual combined water and wastewater bill per customer, i.e., 25% or some other percentage. An idea was put forth that the ASF is consistent with rates charged to existing customers, or a certain percentage thereof.

The Board agreed with Chairman Frasier’s suggestion and directed Mr. Alfone to analyze the ASF fee and its related impacts to the 10-year CIP and year-ending reserves balance and recommend to the Board at the next meeting (2019 Budget meeting) the following:

- A. A recommended target reserves amount that the District should maintain
- B. A recommendation for the amount to charge the ASF to vacant lot owners

The Board will consider the recommendations at the next meeting; October 12, 2018

VI. EXECUTIVE SESSION:

At 9:28 AM, Mr. Frasier asked for a motion to go into Executive Session.

MOTION: To adjourn the Regular Meeting and go into Executive Session at 9:28 AM to receive advice on specific legal questions regarding City of Steamboat Springs Agreements C.R.S. 24-6-402(4) (b). The mere presence or participation of an attorney at an executive session of a local politic 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 10:13 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 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 item:

MOTION: To authorize Counsel Sharp to draft a Resolution for Board consideration setting forth the District’s position about the ownership and operations of the Yampa Wells Filtration Plant, i.e., Terms and Conditions. The Resolution will embody the Terms and Conditions by which Mt. Werner Water treats raw water and provides potable water to District customers and the City of Steamboat Springs through the District’s Water Distribution System.

APPROVED: Vote 5-0

If approved, the Resolution would be sent to representatives at the City of Steamboat Springs.

VII. OLD BUSINESS:

VIII. NEW BUSINESS:

IX. **ADJOURN:**

There being no further business, the meeting was adjourned at 10:20 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.

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.

Steve Frasier, President and Chair

Date: