

MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
MOUNT WERNER WATER & SANITATION DISTRICT  
HELD AT THE RESORT GROUP OFFICE  
2150 RESORT DRIVE  
STEAMBOAT SPRINGS, CO 80487  
8:00 A.M. Friday-January 11, 2019

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 8:00 A.M.

II. APPROVAL OF AGENDA FOR MEETING:

Mr. Frasier asked if there were any changes in the agenda. An update about the STARS development to be located south of the District boundary was added.

MOTION: To approve the amended agenda.

APPROVED: Vote 5-0

III. APPROVAL OF SUBMITTED MINUTES OF PREVIOUS MEETING:

Mr. Frasier asked if there were any editions or corrections to the minutes of the December 7, 2018 regular board meeting. There were none.

MOTION: To approve the minutes from the December 7, 2018 regular board meeting.

APPROVED: Vote 5-0

IV. PUBLIC COMMENT:

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

V. TREASURER'S REPORT:

A. Financial Statement - November 30, 2018 YTD

As of November 30, 2018, the District's Total Operating Revenues were \$139,711 above budget. This was mainly due to revenue from Water Service Charges (\$95,859) higher than anticipated and the City Revenue received from the two plants water production expense reimbursement is over budget \$34,289. PIF fee revenue is \$59,836 under budget. Total Operating Costs YTD ending 11/30 were under budget \$53,518. For November 30<sup>th</sup>, the District is ahead of budget in total revenues over total costs by \$144,380 (excluding capital expenditures).

As of November 30, 2018, the Capital Improvement Plan (CIP) is \$116,413 over budget. The expected 2018 year-end CIP will be under budget as the anticipated 2018 expense for the Office Remodel and various master planning studies will be less than forecasted.

Mr. Malia asked about the Land and Land Improvements asset on the balance sheet. The current value of this asset is approximately 2.7 million and includes the +- 60 acres that the Fish Creek Treatment Plant sits on. It also includes all other land assets held by the District.

Mr. Berkey asked about Office Expenses. These are the expenses associated with the operation of the administrative office including postage, telephone service, coffee, cleaning, supplies, etc. The rent collected from the Upper Yampa River Conservancy District is accounted for in "Other Revenue".

The planned update to the Water and Waste Water Collection Rate Study completed in 2016 will begin in March. The updated study will incorporate the Availability of Service Fees implementation planned for launch in January, 2020.

The Board accepted the budget comparison for November 30, 2018.

VI. COMMITTEE REPORTS:

A. Budget and Audit Committee

The 2018 Audit will begin in early February, with a draft available for staff review in early March. The 2018 draft Audit will be presented to the Board at the March 15, 2019 Board of Directors meeting.

B. Investment Portfolio

Mr. Alfone reviewed the Investment Portfolio Report for the month-ending November, 2018 and asked if there were any questions. There were none. The most recent interest rate with District-invested funds at Colotrust is 2.54%. The Board accepted the Investment Portfolio Report.

C. Succession Committee

Mr. Alfone stated the District's Office Manager Position is posted in the Steamboat Paper. Nancy will retire at the end of March, 2019.

VII. REPORT OF GENERAL MANAGER:

A. Executive Summary Overview

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

Mr. Alfone updated the Board on the following items:

- The Brynn Grey Annexation vote by City Council via an Ordinance is scheduled for a second reading on January 22. Two open houses, to be hosted by Brynn Grey are scheduled for January 12 and 17.
- 2018 end-of-year District reporting requirements to the Division of Local Affairs and Routt County has been completed

Mr. Malia informed the Board that the yet-to-be developed land known as Edgemont II was sold to a Florida developer. This event, coupled with the sale of the Ski Time Square undeveloped land, signals the departure of the Atira /Fortress Group from Steamboat, former owner of both of these respective properties.

The Trailside Village development (180 planned units) located due south of the new Steamboat Emergency Center, is slated to start site work this summer. The Aplenglow Village development (70 planned units), a Yampa Valley Housing Authority Project, will also be starting this summer; this property is due north of the same Emergency Center (near Walgreens). The District is working with each developer to finalize water and wastewater infrastructure plans and secure the needed easements for said infrastructure. There is a planned water main extension from a new, to-be installed water main at Trailside Village under Highway 40 to the existing water main near the Pine Grove Business Park.

Mr. White informed the Board he has fielded questions from citizens in the Whistler Park neighborhood about the Steamboat Springs School District's interest in acquiring a portion of the District-owned More Parcel; a property situated adjacent to the parcel of vacant land owned by the School District.

B. 2018 Board Meeting Schedule

The Board agreed to the proposed Board Meeting schedule. The December date will be modified to reflect the correct Friday date; December 13<sup>th</sup>, not 14<sup>th</sup> as noted on the calendar. Mr. White will most likely call in for the October meeting and possibly the March meeting also.

C. Review of 2018 Goals / Proposed 2019 Goals

The Board endorsed the proposed 2019 District Goals as presented by Mr. Alfone. District field staff, including the Operations Manager and District Engineer, will be very busy during the upcoming construction season with a full slate of developer-driven and in-house projects.

Periodic updates about the progress of the goals will be provided throughout the year.

VIII. REPORT OF GENERAL COUNSEL:

- A. Executive Session with Tom Sharp, legal counsel under C.R.S 24-6-402(4) (b), to receive legal advice on specific legal questions regarding City of Steamboat Springs Agreements. 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).

At 8:53 AM, Mr. Frasier asked for a motion to go into Executive Session.

MOTION: To adjourn the Regular Meeting and go into Executive Session at 8:50 AM to receive advice on specific legal questions regarding City of Steamboat Springs Agreements, Steamboat Springs School District items and Water Rights Matters per 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 9:50 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 regarding City of Steamboat Springs Agreements, Steamboat Springs School District items and Water Rights Matters would constitute a privileged attorney-client communication. Therefore, no record was kept of the Executive Session.

IX. UNFINISHED BUSINESS:

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

X. NEW BUSINESS:

- A. Resolution: Designation of official posting place(s) for notices of 2019 District Board Meetings

MOTION: To approve the attached Resolution designating four locations; Routt County Courthouse, Safeway, City Market and District Offices, along with the District's website, as official posting places for Board Meeting Notices.

APPROVED: Vote 5-0

- B. Steamboat Adaptive Recreational Sports (STARS) Development

Mr. Alfone was contacted by Julie Taulman, Executive Director of the STARS organization. Ms. Taulman asked that Mr. Alfone attend a meeting on January 16<sup>th</sup>, 2019 to discuss challenges STARS is experiencing with their water well exploration, answer questions about the Safe Drinking Water Act/CDPHE regulations and treatment techniques used by District. Mr. Alfone will attend the meeting and try to assist; however, the District's position with respect to STARS's past request of the District to provide them water service from the District's distribution system remains the same: the District will not provide water or wastewater service to the STARS development.

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

XI. ADJOURN:

Next Meeting: The next Board Meeting is March 15<sup>th</sup>, 2019 at 8 A.M to be located at the Resort Group Office, 2150 Resort Drive, Steamboat Springs, Colorado.

There being no further business, the meeting was adjourned at 10:00 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: