

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 6th, 2021

DIRECTORS PRESENT: Gavin Malia, Don White, Alan Koermer, John Shively (All In-person)

DIRECTORS ABSENT: Wade Gebhardt

STAFF PRESENT: Frank Alfone, General Manager
Cat Smith, Office Administrator
Ed Allbright, Operations Manager
Tom Sharp, General Counsel

OTHERS PRESENT: Ken Brenner

I. ESTABLISHMENT OF QUORUM AND CALL TO ORDER

Mr. Malia stated that a quorum was present and called the meeting to order at 8:02 A.M.

II. APPROVAL OF AGENDA FOR MEETING

Mr. Malia asked if there were any changes to the agenda. There were no changes.

MOTION: To approve the agenda.

APPROVED: Vote 4-0

III. PUBLIC COMMENT

There was no Public Comment.

IV. WATER & WASTEWATER SERVICE RATES- JANUARY 1, 2022

This is the Board's third discussion regarding services rate scenarios and potential rate increases for 2022 and beyond. Cody Berg with Carollo Engineers, Inc. developed initial rate scenarios which were named high, medium, medium plus and low. After review and discussion with Mr. Gebhardt and Mr. Alfone, Mr. Berg drafted a new "medium medium" rate scenario. The Board discussed lowering future loan amounts, while slightly increasing the rates above the medium plus scenario, but lower than the high scenario. One of the goals of the analysis was to maintain an annual year-end reserve level at or above \$1M. Mr. Alfone recommended conducting the Public Hearing about rate increases on October 8th, thus the District needs to post notice of said hearing 30 days prior to October 8th. The two final rate scenarios being proposed are the "medium medium" and the "medium plus". The estimated customer bill impacts were reviewed and will be roughly the same amounts under each scenario at the end of 10 years while the loan amounts and rate increases vary modestly. The Board discussed the "medium medium" scenario and implementing higher rates at the start of the 10-year period could be beneficial with several capital improvement projects occurring this year, and in 2022 and 2023. The Board discussed the different customer classes which include residential, commercial, and combined (commercial and combined) accounts. As

proposed, the rate increases will be the same percentage across each customer class. Future analysis and discussion will be scheduled that would include identifying potential rate scenarios (increase or decrease) that would vary between commercial, residential, and combined accounts based on the cost to produce water and necessary to provide higher volumes of water to each respective customer class.

MOTION: To approve the “medium medium” rate scenario to start January 1, 2022.

APPROVED: Vote 4-0

V. INCLUSION PETITION- YAMPA MEADOWS AND OLD SHOP N HOP PARCELS

The two parcels of District-owned land that are being considered in the Inclusion Petition are the Yampa Meadows parcel (17.83 AC) which is due north of the MacArthur ski lake and the old Shop n Hop parcel (1.0AC) which is east of and partially contiguous with the Yampa Meadows parcel. The primary reason for the requested Inclusion Petition now is to satisfy the Routt County Planning Departments approval requirements that will allow the District to construct the new Yampa Meadows Infiltration Gallery on the 17.83AC parcel. Since the parcels are not included within the District boundary, one requirement would be to apply for and obtain a Special Use Permit (SUP). The SUP would take about 6-8 weeks to complete. The other significant County review process with respect to this project is the analysis of the County’s 1041 Regulations. If the project qualifies for a Finding of No Significant Impact (FONSI) under the 1041 Regulations, the SUP is not required.

District Engineers and staff submitted the necessary application and associated paperwork to the County’s Planning Department for the 1041 review. Based on this submittal, Planning Staff ruled to recommend to the County Board of County Commissioners (BOCC) that this project is eligible for the FONSI under the 1041 Regulations. However, two conditions were mandated as part of the ruling; include the lands as noted above and post a surety if the inclusion does not occur by November 1st. The surety provides the County the financial resources to remove the gallery and was based on the District’s Engineers estimate. County Planning staff has submitted its ruling to the BOCC which triggers a “call-up” waiting period, whereby two commissioners can request a future meeting to review the staff recommendation for the FONSI. To date, there have not been any questions or concerns raised by the BOCC and BOCC approval of the FONSI will be requested at the August 24th, BOCC Meeting. If approved, the BOCC would sign the drafted and agreed-upon Memorandum of Understanding (MOU) between the District and Routt County. During this process, site work was occurring to construct the gallery.

The Inclusion Petition request also requires that the District conduct a Public Hearing. The hearing will be scheduled for September 24th, requires a 30-day advance notice, and to be posted 3 times in the Steamboat Pilot and Today newspaper.

The Steamboat Springs City Council will not have to approve the Inclusion since no water or wastewater services will be provided to any structures on the two respective parcels. However, Counsel Sharp recommended to the Board that they include a paragraph to the Resolution

document approving the Inclusion that the District will not provide any water or wastewater services to any building or structure unless these lands are annexed into the City or City Council approves any future utility services. Ken Brenner provided an historical perspective about future development to the south of the SBS City Limits and he agreed that this additional language insertion is consistent with past City and County development discussions.

Mr. Alfone thanked and publicly acknowledged Alan Goldich, County Planner, and all County staff as they were very helpful and expedited everything to get the paperwork completed and meetings scheduled to hopefully gain all County approvals soon.

The resolution being considered today will authorize Chairman Malia and Mr. Alfone to sign the petition and at the September 24th Special Board Meeting/Public Hearing, the District Board will consider adopting the resolution which will include the lands to within the District boundary. If the petition is approved at the September meeting, Counsel Sharp will file the necessary paperwork with the Routt County District Court, and then provide written proof to the County Planning Department and the County's Assistant Legal Counsel of the approval and District Court filing, thus at which point, the Surety will be released back to the District.

MOTION: To adopt the resolution to approve the Inclusion Petition into the District Boundary for the Yampa Meadows and old Shop n Hop Parcels.

APPROVED: Vote 4-0

VI. REPORT OF GENERAL COUNSEL

Mr. Sharp asked about the status of negotiating the draft agreements between the District and the City of SBS. Mr. Alfone informed everyone that he has met with Michelle Carr 2 times, since the proposed revisions to the Tenancy in Common Agreement were e-mailed to Mr. Alfone from Mrs. Carr. Mrs. Carr agreed to meet with Assistant City Attorney Jennifer Bock and provide a new draft soon to the District.

The Out of District Services Agreement with Ski Corp. has not yet been signed. The District is waiting on the Engineering Report (from Wrightwater Engineers, Inc.) describing the water and wastewater utility plan to service the new facilities at the Greenhorn Ranch Development.

VII. UNFINISHED BUSINESS

- A. Staff or Directors may raise for discussion any unfinished business related to the business of the District. There was no unfinished business discussed.

VIII. NEW BUSINESS

- A. Recently, there was a water rights administrative call placed on the Yampa River. This is the third call ever and it went into effect July 29th and came off August 2nd. Recent rainfall and water releases from Stagecoach and Elkhead reservoirs have helped to relieve the short-lived call. The call originated from the Lily Park Pumps rights.

B. Staff or Directors may raise for discussion any new business related to the business of the District. There was no additional new business discussed.

IX. ADJOURN

The next meeting is a Special Board Meeting scheduled for September 24th, 2021, at 8:00 A.M.

There being no further business, the meeting was adjourned at 9:31 A.M.

Respectfully submitted,

Frank Alfone, Secretary/General Manager