

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  
8:00 A.M. Friday – December 13<sup>th</sup>, 2024

DIRECTORS PRESENT: John Shively, Don White, Alan Koermer, and David Hill (all in-person)

DIRECTORS ABSENT: Wade Gebhardt

STAFF PRESENT: Frank Alfone, General Manager  
Tyler Gilman, Operations Manager  
Cat Smith, Business Manager  
Beau Cahill, Project Development Coordinator  
Tom Sharp, General Counsel  
(all in person)

OTHERS PRESENT: Michelle Carr, Distribution & Collection Manager, City of Steamboat Springs  
(via Microsoft Teams) (joined late)  
Mark Hamilton, Attorney/Partner, Holland & Hart LLP (in-person)  
Susan Ryan, Attorney/Partner, Holland & Hart LLP (via Microsoft Teams)

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

Director Shively stated that a quorum was present and called the meeting to order at 8:04 A.M.

**II. ACKNOWLEDGE PUBLIC**

Director Shively acknowledged the public.

**III. APPROVAL OF AGENDA FOR MEETING**

The Executive Session will be the last Agenda item.

MOTION: To approve the Agenda with the proposed time change of the Executive Session.

APPROVED: Vote 4-0

**IV. APPROVAL OF SUBMITTED MINUTES OF PREVIOUS MEETING**

A. October 4<sup>th</sup>, 2024, Regular Board Meeting

MOTION: To approve the minutes from the October 4<sup>th</sup>, 2024, Regular Board Meeting.

APPROVED: Vote 4-0

**V. PUBLIC COMMENT**

There was no public comment.

**VI. TREASURERS REPORT**

A. Financial Statements – September and October 2024 Final MTD Reports.

An overview was given for the September 30, 2024, Financial Report:

- Total operating revenues equaled \$3.36M, which equals 78% of the total budget.
- Operating costs equaled \$2.36M, which is approximately 73% of the total budget.

- Non-operating revenues equaled \$1.6M excluding the CWRPDA loans as well as the City's portion of Capital Project(s) contributions, which is roughly 119% of the budget.
- Plant Investment Fee (PIF) revenue equaled \$1.49M, which is 119% of the total budget.
- Capital Improvement Plan (CIP) expenses equaled \$5.13M which is 106% of the total budget, a little over \$3.68M of that amount is attributed to the Phase 2B project.
- Total reserves as of September 30 equaled \$2M.

A summary of the October 30, 2024, Financial Report was presented:

- Total operating revenues equaled \$3.49M, which equals 81% of the total budget.
- Operating costs equaled \$2.62M, which is approximately 81% of the total budget.
- Non-operating revenues equaled \$1.67M excluding the CWRPDA loans as well as the City's portion of Capital Project(s) contributions, which is roughly 124% of the budget.
- Plant Investment Fee (PIF) revenue equaled \$1.54M, which is 123% of the total budget.
- Capital Improvement Plan (CIP) expenses equaled \$7.94M which is 96% of the total budget, a little over \$6M of that amount is attributed to the Phase 2B project.
- Total reserves as of October 30 equaled \$850K.

Customer accounts receivable for the 3rd quarter were \$10,896, all are residential accounts. Mrs. Smith will work with Ms. Kuntz to ensure delinquent fees are paid by these customers.

The Board directed staff to list the net change of the reserve fund on a monthly timeline.

Due to staffing, scheduling, and performance challenges experienced with Clifton, Larsen, Allen, the District's current financial consultant firm, Mrs. Smith contacted local financial firms, Colby and Ludy and Emerald Mountain Tax & Consulting to inquire if they could provide a proposal to the District for these services. Unfortunately, no firm is taking on any new clients currently. Mrs. Smith will contact other firms recommended by the Board.

Mrs. Smith is waiting for the signature card from Vectra Bank to add Mr. Gilman as an authorized bank signor on the Districts operating account.

MOTION: To approve the Financial Reports

APPROVED: Vote 4-0

## **VII. PUBLIC HEARING: 2025 WATER AND WASTEWATER COLLECTION SERVICE FEES – CONSIDER RESOLUTION AND ADOPTION**

MOTION: To open the Public Hearing for the proposed 2025 Water and Wastewater Fees at 8:13 A.M

APPROVED: Vote 4-0

MOTION: To close the Public Hearing for the proposed 2025 Water and Wastewater Fees at 8:19 A.M.

APPROVED: Vote 4-0

MOTION: Director White moved to approve the resolution to increase 2025 Water Service Rates by 3% and 2025 Wastewater Collection Service Rates by 5%. Director Hill seconded the motion.

VOTE: Vote 4-0

## **VIII. PUBLIC HEARING: 2025 FINAL DRAFT BUDGET – CONSIDER RESOLUTION AND ADOPTION**

MOTION: To open the Public Hearing for the 2025 Final Draft Budget at 8:20 A.M.

APPROVED: Vote 4-0

Per Colorado State Statute, the District provided 30-day advance written notice to the public (customers) that this Public Hearing was scheduled at this meeting for the 2025 budget consideration/approval by the Board, thus allowing customers who want to voice any concerns or review the budget have adequate time to provide comments.

Mr. Alfone gave a high-level overview of the budget and highlighted specific items:

- The District plans to add a Water Treatment Supervisor in 2025
- Non-operating revenues, mainly Plant Investment Fees (PIF) are expected to remain high as several big development projects are scheduled to break ground in 2025
- The main capital improvement project (CIP) in 2024 was Phase 2B, while next year the District is budgeting \$4.45M for CIP projects and will focus on Lift Station Improvements, Fish Creek Treatment Plant (FCTP) Master Plan updates (Phase 1), and Phase 3A which includes improvements to the FCTP Filter Bays
- The cost of “net” district capital projects for 2025 is projected to be \$3.5M which takes into consideration the City’s reimbursement portion of capital expenses (Phase 1 and Phase 3A projects).
- Reserves are predicted to be \$2.16M at 12-31-2025

The District phased each Master Plan CIP project (over 2-3 years) to keep CIP expenses down and service rates steady throughout the 20-year planning period. During the Master Plan update/study, Carollo Engineers will be asked to analyze if future CIP projects might be phased further over additional years to continue the trend of spreading out the budget expenses and avoid high-rate service (s) rate spikes.

MOTION: To close the Public Hearing for the 2025 Final Draft Budget at 8:42 A.M.

APPROVED: Vote 4-0

MOTION: Director White moved to approve the Resolution to approve the 2025 Budget as presented. Director Hill seconded the motion.

APPROVED: Vote 4-0

## **IX. COMMITTEE REPORTS**

- A. Budget and Audit Committee Report – this report was already discussed during the Budget presentation.
- B. Succession Committee Report – the committee will schedule a meeting in January 2025 and prior to the next Board meeting. The District plans to advertise for the Water Treatment Plant Supervisor position in early 2025.
- C. Water Matters Committee Report – this committee met on November 12<sup>th</sup>, 2024, and much of the content discussed at the meeting is included in Mr. Hamilton and Ms. Ryan’s legal report.

## **X. REPORT OF GENERAL MANAGER**

- A. Executive Summary Review – Mr. Alfone asked if there were any questions about the Executive Summary.  
District staff plan to provide a tour of both water treatment plants for the Board this spring to highlight the new treatment processes, new equipment, etc. after the 2B project is finished. A Board member noted that several HOA’s located in the District are discussing replacing all their private copper piping with PEX Piping to address pinhole leaks.
- B. Consider Resolution and Adoption to Amend Article 6, “Construction of Service Lines”.  
The proposed amendment would allow the District to charge a fee to inspect private water and wastewater service lines. This change was prompted by field staff having to go back to job sites multiple times due to several reasons; the installation is not complete; it was not done correctly or has a safety concern thus prohibiting the inspection from occurring.

MOTION: To approve the Resolution that amends Article 6.2 language of the District’s Rules and Regulations

APPROVED: Approved 4-0

## **XI. REPORT OF GENERAL COUNSEL**

Counsel Sharp worked with Mr. Cahill to create a legal form for the District to utilize to address future easement issues, mainly landscaping and or retaining wall encroachments constructed on, above, and within District water and wastewater collection service mains infrastructure easement areas.

## **XII. UNFINISHED BUSINESS**

There was no unfinished business.

## **XIII. NEW BUSINESS**

- A. 2025 Board Meeting Calendar and the 2B Plant(s) Tour on 1/17/25 – the Board and staff will discuss which date and time works better for the future plant tours.
- B. Holiday Party – this year’s party is at the Ore House on December 13<sup>th</sup> at 6pm.

Counsel Sharp departed the meeting before the Executive Session commenced.

## **XIV. EXECUTIVE SESSION – UNDER C.R.S. 24-6-402(4)(b) REGARDING LEGAL ADVICE ON SPECIFIC LEGAL QUESTIONS AND C.R.S. 24-6-402(4)(e)(I) FOR DETERMINING POSITIONS RELATIVE TO NEGOTIATIONS.**

The topic of the Executive Session was matters pertaining to City Agreements.

MOTION: To adjourn the Regular Meeting and enter Executive Session at 9:16 A.M under §24-6-402(4)(b), C.R.S., regarding legal advice on specific legal questions and C.R.S. 24-6-402(4)(e)(I) for determining positions relative to negotiations.

APPROVED: Vote 4-0

MOTION: To exit Executive Session and reconvene the Regular Meeting at 9:37 A.M. with no action having been taken.

APPROVED: Vote 4-0

**XV. ADJOURN**

The next Regular Board meeting Date is January 17, 2025, at 8:00 A.M.

There being no further business, the meeting was adjourned at 9:38 A.M.

Respectfully submitted,

Frank Alfone, Secretary/General Manager

**STATEMENT FROM ATTORNEY REGARDING ATTORNEY-CLIENT PRIVILEGE**

The undersigned Mark Hamilton hereby attests, pursuant to CRS Section 24-6-402 (4) (b) and (e)(I), that the executive session that was not recorded because, in his opinion, his participation in answering legal questions and discussion of negotiations constituted a privileged attorney-client communication.

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Mark Hamilton, 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) and (e)(I), 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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John Shively, President, and Chair

Date: