

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-January 13th, 2023

DIRECTORS PRESENT: John Shively, Alan Koermer, Wade Gebhardt (in-person)
Gavin Malia, Don White (via Microsoft Teams)

DIRECTORS ABSENT: None

STAFF PRESENT: Frank Alfone, General Manager
Tyler Gilman, Operations Manager
Cat Smith, Business Manager
Tom Sharp, General Counsel (via Microsoft Teams)

OTHERS PRESENT: Michelle Carr, Distribution & Collection Manager, City of Steamboat Springs
(via Microsoft Teams)
Tina Harkness, Esq., SPHR, Employers Council (via Microsoft Teams)

I. ESTABLISHMENT OF QUORUM AND CALL TO ORDER

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

II. ACKNOWLEDGE PUBLIC

III. APPROVAL OF AGENDA FOR MEETING

Director Malia asked if there were any changes to the agenda. Mr. Alfone noted that Tina Harkness with Employer's Council will dial into the meeting at 9:30AM. There were no changes to the agenda.

MOTION: To approve the agenda.

APPROVED: Vote 5-0

IV. APPROVAL OF SUBMITTED MINUTES OF PREVIOUS MEETINGS

- A. From the December 9, 2022, Regular Board Meeting
- B. From the December 20, 2022, Special Board Meeting

MOTION: To approve the minutes from the December 9, 2022, Regular Board Meeting.

APPROVED: Vote 5-0

MOTION: To approve the minutes from the December 20, 2022, Special Board Meeting

APPROVED: Vote 5-0

V. PUBLIC COMMENT

None

VI. TREASURER'S REPORT

A. Financial Statement – November 30, 2022, Final YTD Report

As of November 30, 2022, total operating revenues equaled \$2.52M which is 78% of budget. The fourth quarter statements will be mailed at the beginning of 2023 and the service revenues received from Q4 recognized in 2022. Operating costs equaled \$2.43M with the two loan reimbursement interest payments accounting for a portion of costs.

Non-operating revenues were \$957K, of which \$838K was attributed to Plant Investment Fees. As of November 30, 2022, Capital Improvement Plan (CIP) expenses equaled \$2.32M.

For the month ending November 30th, 2022, the Districts total reserves equaled \$2.66M.

Customer(s) Accounts Receivable as of November 30, 2022, was \$1,798. Currently there are no customers more than 1 quarter past due.

VII. COMMITTEE REPORTS

- A. Budget and Audit Committee – 2022 Financial and Single Audits –** the District will be working again with Kelly Watson with Watson, Coon, and Ryan to conduct the 2022 Audit. Alex Fink with Clifton Larson Allen will prepare the financial statements for the Audit. Director Gebhardt requested that the draft audit be delivered earlier to the Board than last year to give everyone time to review and approve prior to the submittal deadline. Mr. Alfone and Mrs. Smith will ensure the auditor is aware of the Board meeting schedule to allow for appropriate time to review.
- B. Water Matters Committee Report –** The committee has not met recently, and Mr. Alfone, Mark Hamilton and Jonathan Kelly are compiling information and data about the Rollingstone Golf Course Raw Water Agreement. Rollingstone has requested that the District look at the renewing the agreement prior to its expiration date, December 31, 2030. The water resource engineers for both the District and Rollingstone are scheduled to meet in January to determine what analysis should occur to understand how much water the golf course is diverting annually from Fish Creek Reservoir versus native flow diversions from Fish Creek. Jonathan Kelly and Brianna Trotter from Wright Water Engineers have recently analyzed Fish Creek direct flows to better determine accurate diversions to record and account for to both the City and District water rights for Fish Creek diversions. The City of Steamboat Springs has engaged Matt Loose, P.E., from W. W. Wheeler and Associates to study Fish Creek and Long Lake Reservoir storage rights allocations, how they have historically been reported and recommend future reporting requirements. There was an initial meeting with Wright Water Engineers and Mr. Loose and additional information will be available toward the end of January after a follow up meeting occurs between the District and Wright Water Engineers. The Division of Water Resources (DWR) has developed a new annual water diversions reporting submittal worksheet, thus a meeting about the studies completed with Division 6 Lead Water Commissioner Brian Romig will most likely occur in March.

The Water Matters Committee may meet in February or March to discuss the next steps regarding the Rollingstone Golf Course Agreement.

Succession Committee Report – Since the departure of the District Engineer in mid-November, Mr. Alfone and Mrs. Smith have been working with City Planning through the City View software platform to complete MWW utility reviews, sign off on Certificate of Occupancy's and perform other reviews. Mr. Alfone has been attending the City's Design Review Team weekly meetings while Mr. Gilman and his team are performing technical reviews of new plans regarding new and or revised water and sewer infrastructure proposals. Landmark Consultants, Inc and Mr. Gilman are performing ArcGIS updates to the District's infrastructure mapping. Mr. Alfone, Mr. Gilman and Mrs. Smith will meet to discuss and recommend a path forward about filling the vacant position. The goal to complete this task is within the next 30-60 days and staff will provide the Board an update at the March meeting.

For project management tasks that the District Engineer assisted with, Phase 2B is still in the design review stage and Mr. Gilman and Mr. Alfone are co-managing that project. The two Capital Improvement Projects slated for this summer are in the Ski Time Square Drive neighborhood; the first one is the new turnaround project which is a cooperative project between the City of Steamboat Springs and the District that includes the removal, replacement, and upsize of the VCP (Clay Pipe) sewer main to a new PVC main under Ski Time Square Dr. The second project is the installation of a new Pressure Reducing Vault (PRV) near Christie Club Condos at the end of Ski Time Square Dr. This project also includes replacing and enlarging the clay sewer main around the new PRV Vault. At the same time, the removal, upsizing and replacement of the Right-Of-Way Ski Trail sewer main that Ski Corp. must complete will be underway.

Regarding annual performance reviews and goal-based incentives, the District received useful information from the Employer's Council. They provided template forms for job descriptions, self-evaluations, and annual performance and goal-based evaluations. Mr. Alfone, Mr. Gilman, and Mrs. Smith are currently reviewing this information and are scheduled to review current MWW staff job descriptions and modify them as needed. The new templates will also be utilized to create new annual performance evaluation forms for all MWW staff.

Mr. Alfone will create a draft performance evaluation form for the GM role, including goal-based initiatives and present it to the Succession Committee soon.

VIII. REPORT OF GENERAL MANAGER

- A. Executive Summary Review – Mr. Alfone asked if there were any questions about the Executive Summary Report.

Director Malia asked about the timing for Snow Country Nursery regarding the Out of District Service Agreement with the District. Snow Country must gain City Council

approval, thus confirming a time slot at one of their meetings will most likely occur in April. Snow Country plans to present their additional sewer service request at the March 17th Board meeting. Mr. Alfone will deliver to the Board additional information once received from Snow Country Nursery, including a letter for their new sewer service request and their request for the required easement on MWW-owned land to install the service line. The revised Utility Plan will be reviewed by staff prior to the meeting also.

Director Malia asked about the timing, and or any regulatory compliance requirements from CDPHE about the Walton Creek Sewer Lift Station. Mr. Alfone and Mr. Gilman have been discussing the draft Sewer Master Plan Report and the recommended and necessary upgrades at the lift station. The next steps include preparing a design analysis, develop plans and specifications and then a Basis of Design Report (BDR) will be submitted to CDPHE. CDPHE must then approve the BDR including a critical component of the project; increasing the size of the containment vault to meet current emergency storage requirements. The lift station is not currently in violation or out of compliance, but any planned future upgrades at the Lift Station will trigger the need to meet current compliance standards.

Council Sharp asked if the natural gas line installed by Atmos Energy will affect the alignment of the new sewer interceptor project along Pine Grove Road. Mr. Alfone responded that Atmos is accommodating the District by raising their gas line (Spring, 2023) so that the new sewer line can be installed underneath it within the easement to satisfy the approved and appropriate grade alignment.

Director White asked how the sewer report from CDC will be analyzed and or incorporated into the District's operating and CIP budgets. Mr. Alfone suggested creating an outline that will prioritize future projects and their associated costs and provide an update at the March Board meeting. Then at the May Board meeting, 2024 budget recommendations will be reviewed. Mr. Alfone expressed concerns about recent staff changes at CDC and any future related sewer planning work that might be contracted with them.

Mr. Gilman reviewed water production data for 2022. The District produced 973 million gallons in 2022. The month-by-month water use production was lower than previous years. October and November showed an increase in production mainly due to refilling the tanks after the Fish Creek Plant 2A project completion, thus attributing to additional water production. The goal is to continue working towards a 10% reduction in water use over 10 years as outlined in the Conservation Plan.

Mr. Alfone noted that the snowpack volume at the Tower Site on Buffalo Pass is at 157% of median. (comparing the last 30 years). Regarding YTD snowpack data, the Yampa River Basin is ahead of other river basins in the Yampa White Green Basin. Precipitation is currently at 184% of median and there are no concerns about both reservoirs filling this spring/summer.

- B. Review of 2022 Goals/Proposed 2023 Goals – Mr. Alfone provided an update about the status of the 2022 District Goals and what the District will be focusing on in 2023. There were no questions or comments related to the goals.

IX. REPORT OF GENERAL COUNSEL

- A. Council Sharp did not have a legal report to share. He thanked everyone for the thoughts and prayers after his accident.

X. UNFINISHED BUSINESS

- A. There was no unfinished business discussed.

XI. NEW BUSINESS

- A. Consideration of Resolution for Designated Election Official – The next Board Election is May 2nd, 2023. To date, Mr. Alfone and Mrs. Smith have focused on meeting the election calendar reporting and deadline requirements. Mr. Alfone reviewed the changes made by the State regarding Board elections for Special Districts. To reduce the substantial work required to facilitate all elections in even years, the State approved moving Board Elections to odd years. Thus, in 2022 Directors Gebhardt and Malia were re-elected for 3 years, with their terms expiring in 2025. The remaining board members are up for re-election in 2023, which would include 4-year terms ending in 2027. Then after this election, all Board members will have 4-year terms with all future elections conducted in odd years. A request to elect Mrs. Smith as the DEO is up for Board consideration. Once complete, Mrs. Smith will send out the self-nomination forms to Board members Shively, White and Koermer and post the notice in the paper for self-nominations for any other qualified elector within the District to submit their self-nomination form. If only 3 people apply for the vacant spots, then the election may be cancelled, and Mrs. Smith will report the new Board member names and terms to DOLA. Director Malia mentioned that his eligibility to continue to serve on the Board will most likely end during the 4th quarter of 2023 or 1st quarter of 2024 due to his developments that he currently has ownership rights in being transferred to HOA control.

MOTION: To elect Cat Smith as the Designated Election Official

APPROVED: Vote 5-0

- B. Consideration of Resolution to Designate Official Posting Places for Notices of 2023 District Board Meetings.

MOTION: To designate official posting places for Board meeting agendas as listed in the Resolution

APPROVED: Vote 5-0

- C. 2023 Board Meeting Schedule – 2023 Board meeting dates were reviewed, and the Calendar will be e-mailed to the Board and posted on the MWW Website.

XII. 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 MATTERS THAT MAY BE SUBJECT TO
NEGOTIATIONS; DEVELOPING STRATEGY FOR NEGOTIATIONS; AND
INSTRUCTING NEGOTIATORS.**

The Executive Session topic is a proposed Waiver and Release Agreement and associated negotiations.

MOTION: To adjourn the Regular Meeting and go into executive session at approximately 8:47A.M. under C.R.S. 24-6-402(4)(b) and (4)(e)(I) regarding legal advice on specific legal questions and for determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.

APPROVED: Vote 5-0

(Mr. Gilman and Mrs. Smith exited the meeting)

MOTION: To come out of Executive Session and reconvene the Regular Meeting at 9:07A.M. with no action having been taken.

APPROVED: Vote 5-0

The Board directed Mr. Alfone and the Colorado Special Districts Property and Liability Pool to continue negotiations regarding the Waiver and Release Agreement and investigation of this matter.

XIII. ADJOURN

The next Regular Board meeting Date is March 17, 2023, at 8:00 A.M.

There being no further business, the meeting was adjourned at 9:08 A.M.

Respectfully submitted,

Frank Alfone, Secretary/General Manager

STATEMENT FROM ATTORNEY REGARDING ATTORNEY-CLIENT PRIVILEGE

The undersigned Tina Harkness hereby attests, pursuant to C.R.S. 24-6-402(4)(b) and (4)(e)(I), that the executive session was not recorded because, in her opinion, her participation in answering legal questions and discussion of negotiations constituted a privileged attorney-client communication.

Tina Harkness, Esq., SPHR

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 (4)(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.

Gavin Malia, President, and Chair

Date: