

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 17, 2025

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

DIRECTORS ABSENT: None

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

OTHERS PRESENT: Michelle Carr, Distribution & Collection Manager, City of Steamboat Springs  
(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 8:02 A.M.

**II. ACKNOWLEDGE PUBLIC**

Director Shively acknowledged the public.

**III. APPROVAL OF AGENDA FOR MEETING**

MOTION: To approve the agenda.

APPROVED: Vote 5-0

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

A. December 13<sup>th</sup>, 2024, Regular Board Meeting

MOTION: To approve the minutes from the December 13<sup>th</sup>, 2024, Regular Board Meeting.

APPROVED: Vote 5-0

**V. PUBLIC COMMENT**

There was no public comment.

**VI. TREASURERS REPORT**

A. Financial Statements – November 2024 Final MTD Reports

The following overview was provided for the financial report as of November 30, 2024:

- Total operating revenues equaled \$3.48M, which equals 81% of the total budget.
- Total Operating costs equaled \$3M, which is approximately 95% of the total budget.
- Non-operating revenues equaled \$1.69M excluding CWRPDA loans and the City's portion of Capital contributions, which is roughly 126% of the budget.
- Plant Investment Fee (PIF) revenue equaled \$1.54M, which is 123% of the total PIF budget.

- Capital Improvement Plan (CIP) expenses equaled \$8.35M which is 100% of the total budget, with about \$6M of that amount attributed to the Phase 2B project.
- Total reserves as of November 30th equaled \$771K which is a \$80K difference from the October reserve amount.
- Customer accounts receivable for Q3, 2024 were \$3,441 and they are all residential accounts. Mrs. Smith will work with Ms. Kuntz to collect service fees from the delinquent customers.
- Mrs. Smith has been removed as a signer on the Vectra Bank account and Mr. Gilman has been added.
- The grant from FEMA for the Fish Creek standby generator is being closed out and the District is anticipating reimbursement of \$583K from FEMA by the end of the year.

MOTION: To approve the November 2024 financial report.

APPROVED: Vote 5-0

## **VII. COMMITTEE REPORTS**

### **A. Budget and Audit Committee Report – 2024 Audit**

The 2025 budget was approved at the December board meeting. District staff are compiling the budget packet and will submit it to the Division of Local Affairs (DOLA) by January 31, 2025. The engagement letter to perform the 2024 Audit was received from Watson, Coon, Ryan. Staff continue to work with Clifton, Larson, Allen (CLA) to complete the 2024 year-end financials and remain on track to meet the 2024 audit due date (July 31, 2025). The goal is to have the draft audit prepared for the March board meeting and finalize the audit at the May meeting pending any revisions from the board.

### **B. Water Matters Committee Report**

Mr. Hamilton's legal report was e-mailed to the board. There is a meeting scheduled for January 22<sup>nd</sup> to review the City's reply to District comments about the Cities vertical wells water court case. The District received comments back from Karen Henderson, water rights attorney for the City of Steamboat Springs (COSS). Mr. Alfone will forward those comments to Director Gebhardt and Director Hill for review. Those comments will be reviewed by District staff, Mr. Hamilton, his colleague Susan Ryan, and Jonathan Kelly with Wright Water Engineers. The deadline for the District to provide comments back to the water referee is the end of January.

### **C. Succession Committee Report**

A quick recap of the meeting on January 15, 2024, was provided. The committee reviewed the organizational chart of the District and discussed near-term possible staff changes. Two staff members are nearing retirement age, but neither have informed the District of a retirement date. However, the District wants to ensure they are ready when that happens, thus planning for their departure is ongoing. The Water Treatment Supervisor job opening will be posted soon. The treatment position will work closely with Mr. Gilman and Mr. Thompson, the current Lead Water Treatment Operator.

The District plans to implement a new on-line testing policy and staff have received valuable feedback from Directors Koermer and White and District staff. The District does not currently have a testing policy, and the intent of the policy is to provide guidance on how operators prepare for and test to achieve certifications, along with protocols for other staff certification(s) testing. If the Board approves the policy, it will become part of the Employee Handbook.

Consideration of adding new employee benefits was discussed such as flexible time and paid maternity and paternity leave. The Colorado FAMLI program was discussed, but with a staff of only eleven employees, it could pose a challenge to have an employee out for 12 weeks on leave to maintain continuity of operations. There was some discussion about how to work around those challenges. Since many staff must be “on-site” to complete their job duties, further discussion will be needed to work out the details of any flex time program. Once additional details are vetted about any new benefits, those will be presented to the board for consideration. Mr. Cahill’s title changed from Project Development Coordinator to Project Manager. The General Manager transition was briefly discussed regarding Mr. Alfone’s future retirement and planning will begin to ensure a smooth transition. The committee also discussed having plans and procedures in place in case of an unexpected departure of an employee. The committee plans to meet again before the March board meeting.

## **VIII. REPORT OF GENERAL MANAGER**

### **A. Executive Summary Review –**

- The next COSS agreements meeting was rescheduled to early February.
- The Dog License Agreement with the COSS on the District-owned More parcel has expired (November, '24). The license agreement identifies when dogs can be on or off leash on this parcel, off leash in the summer and on leash in the winter due to elk and moose migration on the land. The COSS Parks and Recreation staff and assistant attorney are drafting the proposed revisions and once received, we will review with Counsel Sharp.
- There have been several private Development Plans submitted via City View for District review. The Thunderhead Beach property, which is between Torian Plum Condominiums and the T-Bar restaurant, is now called the Stockton (240 units). There have been multiple meetings between the Developer and COSS staff, Planning Commission, and Council. Mr. Gilman and Mr. Cahill met with the building department and the developers’ consultants to review the proposed installation of water and wastewater collections infrastructure. The project appears to be on track to break ground this summer, was approved by City Council, and acquiring permits is the next step.
- The SB at Wildhorse Meadows property, located between Trailhead Lodge and Mt. Werner Road, is slated to construct 78 town-home units and will consist of two phases.
- District staff recently met with Landmark Consultants, Inc., and Ski Corp regarding the Right of Way sewer improvement project (from Christy Club condominiums to the Thunderhead lift) and installation of two new sewer monitoring manholes. The project must be completed this summer.
- A Phase 2B construction update was provided, including an overview of the new dosing protocol for all the new treatment chemicals, including Orthophosphate. To date, all test results received have satisfied CDPHE requirements. The Yampa Wells Treatment Plant is currently shut down to complete the necessary OCCT upgrades. Construction at the Fish Creek Plant consists of completing project punch list items and all new systems are online and functioning very well. The primary goal of the project was to create less corrosive, and more stable water throughout the District and the COSS distribution systems and the treatment process now includes adding carbon dioxide, lime, and phosphoric acid. The carbon dioxide and lime soften the water and provide a more stable PH control which allows operators more flexibility to adjust parameters during variable raw water conditions. The filtration process is more efficient, while the disinfection process is still the same, utilizing sodium hypochlorite (chlorine) generated on site. (Staff recently

replaced/upgraded the sodium hypochlorite generating system and this work was performed by staff). After the water is filtered, it is disinfected, and lime is used again to adjust the PH. With the use of the lime slurry, water PH is now between 7.3 and 7.8 parts per million which provides more stable water, supports, and allows the phosphoric acid to be most productive - the orthophosphate residual levels within the distribution system have been within acceptable levels. CDPHE requires that we report residual ortho. levels frequently and dosing may have to be adjusted depending on the results. The target orthophosphate residual is 3.6 parts per million at the entry point to the distribution system. District staff are also providing information to customers within the District that have private orthophosphate systems and will continue to partner with them to identify if private systems will continue to be necessary. Mr. Koermer noted that some properties are looking at pipe replacement (from Copper to PEX tubing) as opposed to relying on orthophosphate to resolve pinhole leak issues.

At the Yampa Wells Treatment Plant, the plant will be brought back online and all new systems and processes tested in early spring to ensure everything is operating correctly and OCCT compliance is achieved.

- The District has not received any calls from customers mentioning any change in taste, smell, color, or other factors since the new treatment process began.
- The tour of Fish Creek Plant will be scheduled in March.
- Water System Hydraulic Modeling Review – Plummer Engineering performed the most recent modeling for the District and the model looks at system pressures, Fire Hydrant flow and pressure, and identifies needed infrastructure and redundancy improvements in the system. The COSS also hired Plummer Engineering for their system modeling, and we are collaborating on a joint modeling program with the COSS and Plummer to identify concerns, systems issues, and ways to gain efficiencies between the two systems. Plummer also provided modeling data for infrastructure improvements at Booster Station 1 and will provide additional modeling for the South Tank operations and the siting for the future Christy 2 tank on Ski Corp. land.
- Questions were asked about any water quality impact when the COSS 4 new vertical wells come online, i.e., will it impact the treatment process at the Yampa Wells Plant? Raw water samples have been gathered and tested, and District staff are confident they can make any necessary adjustments during treatment. Iron and Manganese are more prominent in the wells raw water, but overall, the water quality in these new wells should be like the existing raw water characteristics.

#### B. Review of 2024 Goals/Proposed 2025 Goals

The high-level overview of the 2025 draft goals was provided. The 2024 goals update also highlighted performance measures and identified which goals were accomplished. Some proposed 2025 goals originated from performance evaluations with team members and those goals are incorporated into District-wide goals, reflecting what individual team members are tasked with completing. Other goals relate to infrastructure improvements, water rights, master plans, and goals that provide team members training and professional development. Several CIP projects were highlighted, and goals of the Succession and Water Rights Committees are ongoing and carry over from year to year.

Discussion centered around the large volume of goals listed and that some goals are ongoing, annual business operations-related, and others are only set for 2025. It was suggested to make a list of goals that must be executed in 2025 versus ones that can be pushed out into the future or occur annually. Mr. Gebhardt noted that many goals constitute a project

management list, and are more task oriented versus goal(s) oriented. Mr. Gebhardt suggested that the board consider identifying and provide guidance for goal setting annually, versus providing feedback on the proposed list and commenting after a project goal is set and or finished. The board agreed that helping to identify, clarify, and set long-term goals and the mechanism to achieve this task should be explored. A starting set of goals for the board to consider could include strategic planning, board governance, financial sustainability and oversight and goals related to accomplishing the Districts vision and mission. In the future, the board agreed to discuss establishing a subcommittee to work on this initiative.

#### **IX. REPORT OF GENERAL COUNSEL**

Counsel Sharp collaborated with Mr. Cahill about an access easement to the Lift Station. A new Lift Station will be constructed adjacent to the existing Lift Station, on land owned by the District (east of Highway 40 from Ingles Lane). Currently the District has access to their lift station using a 50-foot “utility” easement across the Billo business property. When the land was acquired by the District, the land to the south was not yet platted. And if someone owned property along Highway 40, they automatically had a right to access their land. In the 1980’s, CDOT condemned access rights to Highway 40 on all lands owned south of Highway 40 and Pine Grove Rd. intersection. This means there is no right to access from the Lift Station directly onto Highway 40. Due to this constraint, the goal is to execute a dedicated access for the District across the Billo-owned land. The District most likely has legal authority to utilize the easement for purposes of completing the project and continued future access as it has been utilized for over 50 years. The District could also condemn this access right, but this takes considerable time (eminent domain usually takes 5-6 months from the time the process is started to completion). There will infrequent access needed once the construction is done, thus District staff will speak with the current landowner and hopefully come to an agreement as there is mutual benefit to the road for both parties, and they will execute a new access agreement. Future updates will be provided as they become available.

**X. UNFINISHED BUSINESS** – there was no unfinished business discussed.

#### **XI. NEW BUSINESS**

- A. Consideration of a Resolution for the Designated Election Official  
MOTION: Designate, Cat Smith, the District Business Manager as the designated election official.  
APPROVED: Vote 5-0
- B. Consideration of a Resolution to Designate the Official Posting Places for Notices of 2025 District Board Meetings  
MOTION: Designate the official posting place for 2025 Board Meeting notices on the Mount Werner Water website.  
APPROVED: Vote 5-0

The Yampa River Dashboard ([www.youryampariver.org](http://www.youryampariver.org)) is a great resource for water data.

#### **XII. ADJOURN**

The next Regular Board meeting Date is March 21, 2025, at 8:00 A.M. There being no further business, the meeting was adjourned at 9:15 A.M.

Respectfully submitted,

Frank Alfone, Secretary/General Manager