

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 15, 2021

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

DIRECTORS ABSENT: None

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

OTHERS PRESENT Michelle Carr, Distribution & Collection Manager, City of Steamboat Springs
Jim Schneider, Vice President, Steamboat Ski & Resort Corp.
Bob Weiss, Attorney, Weiss & Van Scoyk LLP
John Maas, Attorney, Steamboat Ski & Resort Corp.
(all via Microsoft Teams)

I. ESTABLISHMENT OF QUORUM AND CALL TO ORDER

Mr. Malia stated that a quorum was present and called the meeting to order at 8:01 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 5-0

III. APPROVAL OF SUBMITTED MINUTES OF PREVIOUS MEETING

Mr. Malia asked if there were any additions or corrections to the minutes of the December 11, 2020 Regular Board meeting. There were no changes.

MOTION: To approve the minutes from the December 11, 2020 Regular Board meeting.

APPROVED: Vote 5-0

IV. PUBLIC COMMENT

None.

V. TREASURER'S REPORT

- A. Financial Statement- As of November 30th, 2020 the District's Operating Revenue was \$128K above budget, this was mainly due to additional water service charges revenue from the summer months as well as higher than expected reimbursement from the City for their share of Plant operating expenses. PIF revenue at the end of November is \$122K ahead of budget, mainly due to increased 2020 construction projects in the Wildhorse neighborhood. Projected year-end PIF revenue is expected to be \$148K ahead of the 2020 budget figure. Total Operating Costs are \$74K under budget due to Personnel savings and Master Planning expenses being less than expected though November.

Capital Improvement Plan – As of Nov 30th, the CIP is \$31K over budget. At year-end, we anticipate the CIP will be under budget due to the Infiltration Gallery Project construction phased over 2 years (the total project cost was budgeted in 2020).

The 2020 year-end reserves are expected to be near \$1.8M.

The Board accepted the Financial Report as presented.

VI. COMMITTEE REPORTS

- A. Budget & Audit Committee – the 2021 approved Budget will be submitted to the Division of Local Affairs (DOLA) by the end of January 2021. The 2020 audit will be prepared by Chris Catterson and his presentation of the audit will take place at the March Board Meeting.
- B. Succession Committee Report – No report
- C. Investment Portfolio Report – The District has two CD accounts, one at Yampa Valley Bank and one at Mountain Valley Bank. The combined balance of these CD's is \$1.1M with \$3K in the Colotrust account.
- D. Water Matters Committee – moving forward, Mr. Alfone suggested that this committee become a standing committee with regular updates at each future Board Meeting.

The committees first meeting was December 29th, 2020. Mr. Alfone and directors Malia and Gebhardt met with Jeff Houpt (District Water Rights Attorney) and Jonathan Kelly (Districts Water Resources Engineer). The main topic was the Stagecoach Water Allotment contract. This contract is scheduled to renew in 2021. Other discussion topics included the existing Yamcolo Reservoir Water Allotment Agreement, the Well H due diligence filing (due by the end of January 2021) and the Districts Water Rights identified on the decennial 2020 State Engineers Office abandonment list.

Mr. Alfone, Mr. Malia, and Mr. Gebhardt also participated at the January 6th joint meeting sponsored by the Upper Yampa Water Conservancy District (UYWCD) and City of Steamboat Springs. The meeting was held to allow Municipalities to provide feedback about the proposed new UYWCD Water Marketing Policy and the associated Fill and Release Policy. Municipalities with existing water contracts at Stagecoach Reservoir will be impacted by this policy, along with entities considering purchasing new water in the reservoir.

At the meeting Mr. Alfone made brief comments asking the following:

1. Would the proposed new contract terms (initial 40 years, with the option to renew for 35 years) be honored by the UYWCD for future years requests for water from Stagecoach i.e., if MWW needed additional water in say, 2030. Currently, and as written, the initial 40-year term starts in 2021 and would end in 2061.
2. I suggested that UYWCD consider hiring an outside third-party consultant to work with the UYCWD staff to determine operations and maintenance costs to operate Stagecoach Reservoir. These costs will be the basis of the contract renewal per AF cost that will be set and proposed to MWW (per the District's existing 300 AF agreement) by UYWCD in 2021.
3. I recommended that UYWCD institute a similar process when developing a Yamcolo Reservoir Water Marketing and Fill and Release Policy.

The Water Matters Committee will gather more information regarding the contract and report back to the Board at a future meeting.

VII. REPORT OF GENERAL MANAGER

- A. Executive Summary Review – Mr. Alfone noted that the new service rates are in place for 2021 for water and sewer collection charges.
A brief overview of the current snowpack condition in the Fish Creek Watershed compared to previous years was discussed.
- B. Review of 2020 Goals/Proposed 2021 Goals – Mr. Alfone sent an e-mail to the Board summarizing the status of the District’s approved 2020 goals and a list of proposed 2021 goals. The proposed 2021 goals are a summary of District Department Managers and specific GM goals.

MOTION: To approve the 2021 District Goals as presented

APPROVED: Vote 5-0

VIII. REPORT OF GENERAL COUNSEL

Mr. Sharp provided the following updates to the Board:

- A. He met with Mr. Alfone and Mr. Buccino to discuss the Ski Town Park Light Poles existing locations regarding coordination (Phase 3-2022) of the Sewer Interceptor Replacement Project.
- B. Work continued drafting modifications to the Skyline Trail Easement Agreement. Landmark Consultants, Inc. completed the legal description and map of the new “Trail E” section that will allow access from Heavenly View Drive across Lot 129 to the Skyline Trail. Mr. Sharp e-mailed a new draft proposal to the City’s Assistant City Attorney, Jennifer Bock inserting Trail E details and associated agreement language changes.
- C. The District has received a verbal approval of the proposed Access Easement with Mr. Ken Steben, owner on Lot 129. The District granted a sewer easement in return for the access easement, and we will execute and record them both once received.

IX. UNFINISHED BUSINESS

- A. Water and Wastewater Collection PIF Fees—Temporary Suspension for Seating at Restaurants – Consider Resolution

At the December 11, 2020 Board meeting, an overview of this topic was given to the Board. The City of SBS Council agreed to postpone any new Plant Investment Fees (PIF) fees due from a restaurant for additional exterior or interior seating needed to meet CoVid 19 social distancing restrictions. At the MWW December meeting, City Council had only passed the first reading of the Ordinance. Since then, a second reading was passed and now it is an official City Ordinance. Mr. Sharp utilized similar language from the City Council Ordinance and put it in the Resolution that is under Board consideration today.

MOTION: To approve the Mount Werner Water Resolution as drafted relating to District Water & Wastewater Tap Fees (PIF) Covid 19 Temporary Suspensions providing an effective date and repealing all conflicting resolutions.

APPROVED: Vote 5-0

- B. Staff or Directors may raise for discussion any unfinished business related to the business of the District. There was none.

X. NEW BUSINESS

A. Steamboat Ski and Resort Corporation – Petition for Inclusion, Greenhorn Ranch aka Bashor Bowl

Ski Corp. delivered to the District a Petition for Inclusion application, has paid the application fee and we received from Mr. Jim Schneider, VP of Skier Services, a signed acknowledgement form about the inclusion. Mr. Alfone displayed a map of the inclusion request area which consists of approximately 40 acres. The area is currently located within the City of SBS limits but outside of the District Boundary. Mr. Schneider provided a summary of the planned improvements for the area that includes:

1. Midway Base Station for the planned new Wild Blue Gondola that also includes a Maintenance and a Storage Building
2. Restaurant Building
3. Service Building

Ski Corp. will deliver detailed building plans and a Utility Plan to the District at a later date. At this time, Mr. Schneider noted that no residential dwellings are planned, and the area will mainly serve Ski School and Ski Lessons operations.

Mr. Sharp provided the Board a summary about the requirements of this inclusion:

1. Resolution from City Council is needed to authorize inclusion of land into the District. Special District state statutes require that a District must obtain approval from City Council if annexing property within a City boundary and providing additional services.
2. There is a provision in two (2) Intergovernmental Agreements (IGA) between the District and the City; the Fish Creek Reservoir Expansion Agreement and the Special Connectors Wastewater Treatment and Disposal Terms and Conditions and associated 2005 Ordinance. Each agreement requires that prior to providing any expansion of water or sewer collection services outside of existing District boundary, the District must receive the consent of City Council. In summary, the District cannot approve the inclusion without first receiving approval from the City.
3. The District must conduct a Public Hearing and provide notice to other governmental entities before adopting the requested inclusion area.

B. Designation of Official Posting Place for Notices of 2021 District Board Meetings— Consider Resolution

There is a new state statute that allow notices for Board Meetings to only be posted on Special District websites if the website is registered with the Division of Local Affairs (DOLA). Mr. Alfone believes it is still a good idea for our customers to see information about District meetings at various locations within the District Boundary and will continue to post them at those three sites.

MOTION: To approve the designated official posting places for notices of 2021 District Board Meetings

APPROVED: Vote 5-0

- C. 2021 Board Meeting Schedule- The board discussed the 2021 meeting calendar and approved the dates as drafted. The schedule will be posted on the District's website. A Special Meeting to discuss the Ski Corp. Inclusion request may be scheduled after the District receives more detailed plans from Ski Corp.
- D. Staff or Directors may raise for discussion any new business related to the business of the District- There was none.

XI. ADJOURN

The next Board meeting is March 19th, 2021 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