

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-March 19, 2021

DIRECTORS PRESENT: Gavin Malia, John Shively, Don White, Alan Koermer and Wade Gebhardt (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 (via Microsoft Teams)  
Chris Catterson, Catterson & Company, P.C. (via Microsoft Teams)  
Andi Rossi, General Manager, Upper Yampa Water Conservancy District (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 8:03 A.M.

**II. APPROVAL OF AGENDA FOR MEETING**

Mr. Malia asked if there were any changes to the agenda. Mr. Alfone requested to add Board consideration of a Resolution to form a Water Matters Committee.

MOTION: To approve the agenda with the addition of the Water Matters Committee Resolution consideration.

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 January 15th, 2021 Regular Board meeting. There were no changes.

MOTION: To approve the minutes from the January 15<sup>th</sup>, 2021 Regular Board meeting.

APPROVED: Vote 5-0

**IV. PUBLIC COMMENT**

None.

**V. TREASURER'S REPORT**

- A. Financial Statement – as of December 31<sup>st</sup>, 2020 (Final Year-End) the District was \$153K ahead in revenue, mainly due to additional Plant Investment Fees (PIF), more water service revenue and higher than expected revenue from the City of Steamboat Springs (City) for the share of Plant(s) operating expenses.

The operating budget was \$48K ahead of budget due to Personnel and Master Planning savings. Overall, the district was \$425K ahead in Total Revenue compared to Total Expenses. The Capital Improvement Plan was \$1.7M under budget due to phasing the Infiltration Gallery over 2 years (the entire project cost was budgeted in 2021).

- B. As of January 31, 2021, revenues were \$971 above budget. PIF fees equaled \$33K. Operating costs were \$71K under budget and the District's Total Revenue was ahead of Expenses by \$111K. There was \$21K in Capital expenditures in January.
- C. Investment Portfolio Report – the 2020 year-end balances in the investment accounts equaled \$1.1M.
- D. The year-end reserves balance equaled approximately 2.2M.
- E. Accounts Receivable – water and wastewater collection service charges receivables for Q4 in 2020 are approximately \$10K, mainly due to larger customers submitting payments recently.
- F. Mr. Alfone met with Cody Berg of Carollo Financial Services on the proposed District financial strategy. Carollo has created two financial models; one for the water enterprise and one for wastewater collection enterprise and their findings will be presented to Mr. Alfone and Mr. White. Mr. Berg will then present the results to the Board at the May 21<sup>st</sup>, 2021 Board meeting. The findings will inform the budget for 2022 and future years.

The Board accepted the Financial Reports as presented.

## **VI. COMMITTEE REPORTS**

- A. Budget & Audit Committee Report – 2020 Audit Presentation Chris Catterson, Catterson & Company  
Mr. Catterson discussed the 2020 financial statements for the District. One major adjustment was made; there was a \$100K expense for plant sludge removal and it was originally posted as a capital expense and due to the classification of the work performed, reposted as an operating expense. A depreciation entry was made as is customary to adjust the depreciation amount annually based on the useful life of District assets. Mr. Catterson reviewed the audited financial spreadsheets for the District and noted there was no evidence of fraud or misrepresentations discovered.

MOTION: To accept the 2020 Audit Report.

APPROVED: Vote 5-0

- B. Water Matters Committee Report – Per the District Bylaws-Article VII, the Board should have created a committee via an approved motion and executed resolution before the committee convened a meeting. Mr. Alfone requested a motion and vote today that will satisfy that requirement.

MOTION: Motion to approve the formation of the water matters committee.

APPROVED: Vote 5-0

Chairman Malia executed the Resolution.

The water matters committee met on February 25<sup>th</sup>, 2021. The meeting focused on the status of Stagecoach and Yamcolo Reservoir(s) water allotment agreements and the new Stagecoach Water Marketing Policy (Policy). The Policy and the associated pricing matrix were approved by the Upper Yampa Water Conservancy District (UYWCD) Board. The District has a perpetual contract for 200 Acre Feet at Stagecoach and 300 Acre Feet, a termed agreement, at Yamcolo. The existing contract status for Stagecoach is currently within a two-year extension that expires at the end of 2021. Mr. Alfone explained that there are a couple of different options related to the contracts for the committee to consider and present to the Board; keep the 200 acre feet in Stagecoach and move forward with negotiations with UYWCD on pricing, “move” the 300 Acre Feet from Yamcolo to Stagecoach and negotiate with UYWCD to create a new contract with 500 total Acre Feet in Stagecoach and last, leave the 300 acre feet in Yamcolo and in year 2041 (the final year of that agreement), negotiate pricing for the water there. At the May 21<sup>st</sup> Board meeting, the committee may present a recommendation to the Board for consideration. Mr. Rossi explained that these policies for contract water at Stagecoach are posted on their website for municipalities and all water users to review.

The Rollingstone Golf Course and District’s raw water contract was also discussed at the committee meeting. There is an associated water right for the golf course raw water supply that is listed on the 2020 abandonment list. The committee will be reviewing all District water rights that are listed and preparing objections with the State Engineer by the June 30<sup>th</sup>, 2021 deadline. The Sheraton who manages the golf course continues to investigate finding an alternative source of water. The contract with the District expires December 31, 2030.

C. Succession Committee Report- No report

## **VII. REPORT OF GENERAL MANAGER**

A. Executive Summary Review –

Mr. Alfone asked if the Board had any questions about the Executive Summary.

- He clarified the limits of construction for Phase 2 of the sewer interceptor project.
- In Q1, 2021, the District had an CDPHE Maximum Containment Level (MCL) exceedance on a disinfection byproduct (Haloacetic Acids). Additional and more frequent flushing has been implemented to address the issue. Automatic flushing infrastructure, storage tank mixers and installing looped water mains to eliminate dead-end water mains are all concepts that are being investigated to prevent the exceedance from occurring again.

- Recently, Mr. Alfone, City water and wastewater utility manager Michelle Carr, and Carollo Engineers had a conference call with Doug Camrud from CDPHE. Items discussed included the DOVE evaluation and moving the current location where the District samples and tests daily for Turbidity readings. CDPHE requires the sample point capture all active filters effluent water, thus we are proposing to move the sample location. Mr. Camrud agreed to the proposed location.

The focus of the meeting was to get feedback on the DOVE analysis, including Carollo's recommended solution; installing PVC baffling screens in 2M gallon tank to achieve the Chlorine Disinfection Contact Time (CT). Per the Computation Fluid Dynamics (CFD) modeling that Carollo completed, baffling the tank will provide a higher baffle factor value, and thus achieve the required CT. Doug verbally agreed with the modeling and directed the District and Carollo to begin design and engineering of this project. The baffling curtains would be a much more cost-effective solution than the alternative approach of installing a UV disinfection system to meet this requirement. Mr. White directed Mr. Alfone and District Staff to research the long-term upkeep, best management practices and long-term sustainability of the baffle option.

- Submittal for the Lead and Copper Optimal Corrosion Control Treatment (OCCT). After the Corrosion Control Study, adjusting PH and Alkalinity was submitted to CDPHE on December 30, 2021 as the District's preferred OCCT. Melanie Criswell, an engineer from CDPHE will be reviewing the submittal in late April or early May.
- On March 16<sup>th</sup>, 2021, Mr. Alfone met with the City and its consultants about installing additional raw water wells in their Yampa River Wellfield to be treated at the District's Yampa Wells Treatment Plant. The City is moving forward with design and engineering for adding 4 vertical wells and District staff is providing support during the process.

B. Employee Handbook - Drug and Alcohol Policy – Mr. Alfone led a general discussion on a proposed drug and alcohol policy for the District. The recommendation of Employer's Counsel when they did an initial review of the District's employee handbook was to consider adding such a policy. A few board members mentioned it is important to have this protective measure for the District. Mr. Alfone mentioned that there is no legal requirement to have a policy and the existing policy as presented is broad and provides flexibility for the District. The policy would also allow the District the ability to test if there was an incident. The Board agreed it would be a good idea to have a policy in place, and if there was an accident, would create a proper protocol for all employees and would protect the assets of the District. The protocol would have to be consistent across the entire employee group. Mr. White mentioned speaking with the District's insurance company as they might provide guidance about what they would recommend. The District has General Liability and Physical Property insurance with the Colorado Special Districts Liability Pool. Mr. Alfone suggested speaking with their risk management sector and get their input and guidance.

Mr. Alfone will conduct more research on the proposed policy and submit something further to the Board at the next meeting.

## **VIII. REPORT OF GENERAL COUNSEL**

A. Executive Session with Tom Sharp, legal counsel under C.R.S 24-6-402(4) (b), to receive legal advice on specific legal questions regarding City of Steamboat Springs Agreements. No Executive Session was convened.

B. Skyline Trail Easement Agreement – Consider Resolution to Approve Agreement

Counsel Sharp informed the Board that all terms of the new Skyline Trail Easement Agreement have been agreed upon by the City and District. However, the City desires to present the whole package of agreements, including both treatment plant agreements to City Council for review and consideration of approval. In the meantime, Counsel Sharp recommended the Board make a motion to pass a resolution approving the new agreement. Discussions about the other agreements will recommence soon and the re-plat process of the Fish Creek Treatment Plant land will be delayed until such approvals are received.

MOTION: Adopt a resolution to approve the Skyline Trail Easement Agreement.

APPROVED: Vote 5-0

C. Consider two Resolutions – Creating a Water Activity Enterprise and Approving the Sewer Interceptor Project Loan

Counsel Sharp recommended that the Board approve two prepared resolutions and with separate motions:

- Creating a Water Activity Enterprise for the District
- Approve a resolution for the Sewer Interceptor Loan with the Colorado Water Resources and Power Development Authority (CWRPDA). This will allow Mr. Malia and Mr. Alfone to execute the loan once it is finalized. Mr. Sharp informed the Board that the loan language is 95% complete and agreed upon, thus no substantial changes are anticipated.

MOTION: Resolution to create a Water Activity Enterprise

APPROVED: Vote 5-0

MOTION: Resolution to approve Phase 2 and 3, Sewer Interceptor Project Loan with CWRPDA

APPROVED: Vote 5-0

## **IX. UNFINISHED BUSINESS**

### **A. Possible Discussion - Green Horn Ranch Petition for Inclusion – SSRC**

Mr. Sharp mentioned that Ski Corp has submitted a preliminary plat application to City Planning and the District will need to provide comments to the City about that submittal. Greenhorn Ranch lies within the proposed platted area. Ski Corp has given the District a preliminary plan regarding the proposed buildings that will be constructed at Greenhorn Ranch and how many fixtures will be installed in these buildings. However, Ski Corp has not provided utility plans for the water and wastewater collection infrastructure, thus until the District receives those, the Board cannot consider the inclusion request complete. These plans will most likely not be ready until the end of summer.

- B. Mr. Koermer mentioned that many Condominium Associations are considering installing phosphorous systems at their complexes and the District should be monitoring this carefully. Mrs. Carr recommended that the District discourage new systems until CDPHE determines phosphorous limits that will most likely be imposed as part of the City's new Wastewater Treatment Plant effluent permit. More information is needed from CDPHE, Mr. Sharp and the City about the Districts authority regarding regulating phosphorous systems since the systems are considered private and at this time there is no phosphorous effluent limits at the treatment plant. However, to be proactive about this topic, Mrs. Carr suggested sending out a warning notice to District customers, identifying the potential future permit limits and also investigate how the City's Special Wastewater Terms and Connectors Agreement may be enforced to prohibit new systems from being installed. The City might have leverage with that agreement. An idea to impose a surcharge to customers with installed phosphorous systems to help pay for future extra treatment costs was briefly discussed. The Board directed Mr. Alfone, with input from Mrs. Carr and Counsel Sharp, to draft and deliver an information sheet/warning letter to Condominium Associations and management companies about this topic.**

## **X. NEW BUSINESS**

There was no new business.

## **XI. ADJOURN**

The next Board meeting is March 19<sup>th</sup>, 2021 at 8:00 A.M.

Topics will include the presentation of the funding strategy for the District and the Facilities Master Plan, Stagecoach and Yamcolo water contracts and the Public Hearing for the Yampa Meadows Infiltration Gallery CWRPDA 2M loan.

There being no further business, the meeting was adjourned at 10:25 A.M.

Respectfully submitted,

Frank Alfone, Secretary/General Manager