

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-May 21, 2021

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

DIRECTORS ABSENT: None

STAFF PRESENT: Frank Alfone, General Manager  
Cat Smith, Office Administrator  
Ed Allbright, Operations Manager (via Microsoft Teams)  
Tom Sharp, General Counsel

OTHERS PRESENT Cody Berg, Associate VP and Financial Services Lead, Carollo Engineers,  
Inc.  
Jason Assouline, PE, Carollo Engineers, Inc. (via Microsoft Teams)  
Michelle Carr, Distribution & Collection Manager, City of Steamboat  
Springs (via Microsoft Teams)  
Jim Schneider, VP of Skier Services & Planning and Development,  
Steamboat Springs Resort Corporation

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

Mr. Malia stated that a quorum was present and called the meeting to order at 8:05 A.M.

**II. ACKNOWLEDGE PUBLIC**

Chairman Malia welcomed Michelle Carr and Jim Schneider to the meeting.

**III. APPROVAL OF AGENDA FOR MEETING**

Mr. Malia asked if there were any changes to the agenda. There were no changes. Mr. Alfone mentioned it was not necessary to have an Executive Session.

MOTION: To approve the agenda with the removal of the Executive Session topic.

APPROVED: Vote 5-0

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

Mr. Malia asked if there were any additions or corrections to the minutes of the March 19<sup>th</sup>, 2021, Regular Board Meeting and the May 7<sup>th</sup>, 2021, Special Board meeting. There were no changes.

MOTION: To approve the minutes from the March 19<sup>th</sup>, 2021, Regular Board meeting

APPROVED: Vote 5-0

MOTION: To approve the minutes from the May 7<sup>th</sup>, 2021, Special Board Meeting.

APPROVED: Vote-5-0

**V. PUBLIC COMMENT**

None.

**VI. PUBLIC HEARING – YAMPA MEADOWS INFILTRATION GALLERY PROJECT**

MOTION: To open the Public Hearing for the Yampa Meadows Infiltration Gallery Project at 8:10 AM

APPROVED: Vote 5-0

Mr. Alfone stated that one Public Notice was posted in the local newspaper, The Steamboat Pilot and Today. The publication date was April 21,2021. Directions on how to access the Project Needs Assessment and Environmental Assessment were provided in the notice. No members of the public requested these assessments.

Mr. Alfone stated that to be considered for funding through the State Revolving Fund for this project, a Public Hearing is necessary to comply with Federal public participation requirements. And, since an Environment Assessment was required for the project, this public meeting may also include a discussion of the potential environmental impacts. Mr. Alfone provided the Board an overview of the project, including the Project Needs Assessment and Environmental Assessment. The next step in the process is to complete the loan application, submit it, along with supporting documentation by June 15, 2021. Mr. Alfone has requested that the Colorado Water Resources Power and Development Authority (CWRPDA), loan administrator, Board of Directors consider the District's loan application and associated submittal documents at their August 25 or 27, Board meeting. Mr. Berg, Mr. Assouline and Mrs. Carr did not have any public comment or questions about the project and no other members of the public were present.

MOTION: Director Shively moved to approve submitting a loan application for the Yampa Meadows Infiltration Gallery Project equal to 2.5M to CWRPDA by June 15, 2021. Director White seconded.

APPROVED: Vote 5-0

MOTION: To close the Public Hearing for the Yampa Meadows Infiltration Gallery Project at 8:15 AM.

APPROVED: Vote 5-0

**VII. TREASURER'S REPORT**

- A. Financial Statement- February 28<sup>th</sup>, 2021, Final MTD Report – Total revenues was approximately \$3,200 above budget, although not a lot of revenue is generated in this month due to the District's quarterly billing cycle. The next billing cycle is in early

April. Total operating costs was under budget by \$97K, mainly to due Chemicals and Personnel Savings. The Capital improvement plan was \$7,500 over budget.

- B. Financial Statement March 31<sup>st</sup> Final MTD Report – 2021 Q1 revenue for water and wastewater collection services was \$13K over budget mainly due to additional water service revenue. As of 3/31/21, PIF fee revenue is almost equal to budget for the entire year. Total operating cost was \$75,000 under budget. Capital Improvement planning expenses are \$121K.

The total District reserves equal approximately \$2.2M as of 3-31-2021.

- C. Investment Portfolio Report- February and March 2021- Balances = \$1.14M

The Board accepted the Financial Reports as presented.

## **VIII. COMMITTEE REPORTS**

- A. Budget and Audit Committee Report- N/A
- B. Succession Committee Report- Greg Burkholder is retiring June 1<sup>st</sup>, and after 40 years with the District. The District hired Bryan Ross to fill the open position.
- C. Water Matters Committee Report- A report from Jeff Houpt was sent to the Board members to review. The Water Matters Committee will meet in June, with discussions to continue about the Upper Yampa Water Conservancy District (UYWCD) water storage contracts at Stagecoach and Yamcolo Reservoirs. The District's water rights listed on the Division 6 Abandonment List will also need to be addressed. The deadline to file protests is June 30, 2021.

## **IX. CAROLLO ENGINEERS, INC. WATER AND WASTEWATER COLLECTION FINANCIAL MODELS PRESENTATION**

Mr. Alfone thanked Mr. White for participating at multiple meetings held between the District and Carollo Engineers regarding financial strategic planning for the District. Mr. Berg with Carollo Engineers presented the first draft of the District's financial plan, including water and wastewater collections services excel-based models. A power point presentation was shared with the Board. Separate models were created, including a comprehensive analysis of revenues and expenses throughout a 20-year planning horizon. Several strategic goals were identified during this analysis:

1. Targets were established that include maintaining cash reserves to cover 180 days of operating costs, maintain 500k in reserves for unanticipated capital projects and cover inflationary increases in costs that equal 3% annually.
2. To ensure each enterprise can stand on its' own regarding generating enough revenue to cover its associated operating and capital costs.
3. Establishing rates to recover costs without over-burdening District customers.
4. Develop a list of alternatives to plan for and fund all Capital Projects in the next 20 years. Funding options might include rate increases, loans, and grants.

5. Create user-friendly models that can be easily modified to adjust revenue generating scenarios, i.e., decrease or increase rates and loan amounts and adjust capital projects timelines and costs.

With feedback from Mr. White and Mr. Alfone, the financial models incorporated near and long-term loan amounts and rate increases. The Board requested that Mr. Berg develop a few more scenarios including one that keeps rate increases in the single digits, while maximizing loan amounts and another one that provides rate increases that may be slightly above single digit increases but attempts to issue less District debt for capital projects.

A follow up presentation will take place at the next Regular Board meeting on July 16<sup>th</sup>, 2021, to review other options for rate increases and debt issuance amounts.

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

- A. Executive Summary Review – The Fish Creek Reservoir continues to fill and is now at 53% of capacity. The every-other day watering schedule was posted in the SB Pilot and Today as well as on the District and Cities website. The Badger water meter replacement notifications continue to be mailed to District customers with the most recent mailing finishing those customers owning 1” meters. Soon, letters will be sent out to customers owning ¾” Badger meters.
- B. Wastewater Collection Facilities Master Plan – Mr. Alfone will work with Mr. Assouline from Carollo to create a scope of work that will be the basis for creating the RFP for the Wastewater Collections Infrastructure Master Plan Study.
- C. Disinfection By-Products (HAA5) Update – Mr. Alfone informed the Board that the District must notify all District customers about the exceedance and is also required to notify any connecting water systems which means the District notified the City of SBS.
- D. Phosphorous Update – A letter was mailed about a week ago to inform Community Associations and property management companies about the potential Phosphorous limits that might be imposed by CDPHE as part of the City’s future Wastewater Effluent Discharge Permit. To date, the District has received only a few responses and answered some questions. Mr. Alfone and Mr. Allbright plan to meet with individual properties that have private phosphorous injection systems installed to have a more in-depth discussion and to answer additional questions.

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

- A. Counsel Report  
Mr. Sharp noted that the Board agreed to move forward with an Out of District Services Agreement with Steamboat Ski and Resort Corporation (SSRC) at the new Greenhorn Ranch Development. The agreement includes the promise by the District to provide water and wastewater services in exchange for specific terms and conditions from SSRC. Some of the terms and conditions include the abandonment of the existing potable water line servicing the Bashor Bathrooms, Easements executed for the future Christy II Tank site, installing 2 wastewater monitoring manholes,

replacement of the Right-of-Way Sewer Main and inspection, camering and cleaning of the existing 8” sewer service line (for the Bashor Bathrooms) to ensure it is in acceptable condition to tie new infrastructure into.

- B. 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 the petition for the SSRC for inclusion of land. The mere presence or participation of an attorney at an executive session of a local politic body is not sufficient to satisfy the requirements of this subsection (4).

The Executive Session was cancelled.

## **XII. UNFINISHED BUSINESS**

- A. Employee Handbook – Drug and Alcohol Policy

MOTION: To approve the Drug and Alcohol Policy. The policy will become part of the Employee Handbook.

APPROVED: Vote 5-0

- B. Staff or Directors may raise for discussion any unfinished business related to the business of the District.

There was no other unfinished business.

## **XIII. NEW BUSINESS**

- A. Consideration of request by Steamboat Ski and Resort Corporation for out-of-district sewer and water services to the proposed Wild Blue Gondola mid-station building (including gondola cabin grip/maintenance bay) and restaurant building, within the Greenhorn Ranch property described as the SE1/4SE1/4 of Section 22, T6N, R84W of the 6<sup>th</sup> P.M.

Mr. Alfone recommended establishing a short-term sub-committee with no more than 2 Board members to finalize and negotiate all components of the SSRC Out-of-District Services Agreement. Mr. Malia agreed to participate, along with Mr. Alfone and Counsel Sharp.

- B. Public Comment pertaining to item A.

There was no public comment about this topic.

- C. Resolution regarding out-of-district sewer and water services to the proposed Wild Blue Gondola mid-station building (including gondola cabin grip/maintenance bay) and restaurant building, within the Greenhorn Ranch property described as the SE1/4SE1/4 of Section 22, T6N, R84W of the 6<sup>th</sup> P.M.

Mr. Schneider mentioned an idea to cost share (Ski Corp and District) the installation and equipment expense with respect to the 2 monitoring manholes identified in the Agreement.

MOTION: To adopt the resolution regarding out-of-district sewer and water services to the proposed Wild Blue Gondola mid-station building (including gondola cabin

grip/maintenance bay) and restaurant building, within the Greenhorn Ranch property described as the SE1/4SE1/4 of Section 22, T6N, R84W of the 6<sup>th</sup> P.M with the minor changes that Mr. Schneider proposed.

APPROVED: Vote 5-0

D. Staff or Directors may raise for discussion any new business related to the business of the District.

There was no other new business.

#### **XIV. ADJOURN**

The next Board meeting is July 16th, 2021, at 8:00 A.M.

There being no further business, the meeting was adjourned at 10:05 AM.

Respectfully submitted,

Frank Alfone, Secretary/General Manager