

**MORRISON CREEK METROPOLITAN WATER & SANITATION
DISTRICT**

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RECORD OF PROCEEDINGS

The Board of Directors of the Morrison Creek Metropolitan Water and Sanitation District met on Thursday, December 15, 2005 at the offices Sharp, Steinke and Sherman, LLC located in Steamboat Springs at 401 Lincoln Avenue, Steamboat Springs, Colorado for their regularly scheduled meeting.

Present: Ken Burgess
Jack Fahres
Ken DePaul
Tony Borean
Don Alperti

Also: Steve Colby, Manager
Suzie Hawkins, Recording Secretary
Tom Sharp, Council
William Wernig
Brian Stahl

Ken DePaul called the meeting to order at 3:36 p.m.

November Meeting Minutes

Motion: by Don Alperti to approve the minutes as presented for November 17, 2005. Jack Fahres 2nd. All in favor.

Point of Order

-Mr. DePaul called a point of order asking that the Board allow Mr. Wernig and Mr. Stahl be allowed to discuss their business ahead of their place on the agenda which was agreed to by the Board.

-Mr. Wernig is appealing the Boards decision concerning the charges included in the special charge on his BH I project. Mr. Wernig and his crew did much of the work which he would like to be included in the project cost. The Board explained the reason for their decision. The terms for the special charge determination are included in the commitment letter issued to Mr. Wernig. The Board must carefully

consider all charges to be included in the special assessment on the other lots to be sure they are legitimate and defensible. The Board instructed the manager to inform the other owners to be included in the area that they would reconsider the charges at the January meeting and asked Mr. Wernig to determine if the excavator could modify the bill to include labor charges.

-Brian Stahl was present to discuss District policy regarding secondary units. Current policy requires a regular water & sewer tap fee and service fee for these units. Mr. Stahls project, NYP, has approval for 66 caretaker units. The approval limits these units to 800 square feet. Mr. Stahl expressed doubt that many homeowner/builders would opt to build the secondary units if they had to pay two full tap fees. He suggested the District may lose out on a lot of revenue. The Board indicated it would take his concerns into consideration in the upcoming rate discussions and hearings.

Financial Report

Motion: by Jack Fahres to ratify check #'s 9376-9421 and the financials as presented. Tony Borean 2nd. All in favor.

Manager's Report

-There were no problems associated with the recent cold spell
-Well 2R continues to work well with decreased sand.
-The mill levy has been certified to the county with no change.
-The manager has met with a gentlemen who may purchase the 3000 acre Woodchuck Hill property for development. Possible District service was discussed and he inquired about an easement for a road across the District's well # 2 site.

Attorney's Report

-The final resolution for the Morningside Special Charge Area has been corrected to exclude Lot 36 because this lot is served by a temporary service line only and this lot will be included in any special area to build the correct mainline to service it.

Motion: by Don Alperti to approve the Resolution for the special area for lots 27, 28, 29, 30, 31 & 32 Morningside I at Stagecoach. Ken Burgess 2nd. All in favor.

President's Report

-Mr. DePaul informed the Board that the SDA will be holding a workshop in Grand Junction on 1/13/06 if anyone is interested in attending.

-Mr DePaul suggested that the rate hearing be held at the February 16, 2006 regular meeting and the meeting location be moved to the Morrison Creek Water and Sanitation offices in Stagecoach.

Rate Committee

-The rate committee has developed recommendations which have been forwarded to the Board. There was extended discussion about the recommendations and District policy concerning vaults. It was decided that the District should propose assessing the regular tap fee against new vault construction and doing away with the 10% discount for condominiums for prompt payment. Tom and Steve will work on a resolution for consideration by the Board at the public meeting.

Motion: by Don Alperti to adjourn at 5:31 p.m. Ken Burgess 2nd. All in favor.