

**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, March 16, 2006 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 DePaul, President
Ken Burgess, Treasurer
Tony Borean
Donald Alperti

Also: Steve Colby, Manager
Suzie Hawkins, Recording Secretary
Melinda Sherman, Council
Ren Martyn, deMorgan Communities
Steve Barwick, deMorgan Communities
Rob Van Deren, deMorgan Communities
Eric Griepentrog, Landmark Consultants

Ken DePaul called the meeting to order at 3:31 p.m.

Meeting Minutes

Motion: by Donald Alperti to approve the minutes as submitted for the February 21, 2006 Special Meeting. Ken Burgess 2nd. All in favor.

Motion: by Ken Burgess to approve the minutes as submitted for the February 16, 2006 regular meeting. Donald Alperti 2nd. All in favor

Financial Report

Motion: by Ken Burgess to ratify checks #9501-9543 and approve financials as presented. Don Alperti 2nd. All in favor.

Manager's Report

-The lower tank repairs are scheduled for this spring. A VFD has been ordered for Well #8 at a cost of approximately \$4000. This in combination with Well #2R will maintain system pressure during the repairs. The need for a backup generator was discussed. The District will rent a 36 KW generator at an approximate cost of \$2000 during the period the tank is off line. The appropriate switching gear will also need to be installed at Well #2R.

-Resort Broadband Wireless is offering high speed internet for a one time installation cost of \$250 for equipment and a \$29/month fee for 512 KB service. This will free up a District phone line and will make transferal of the meter reading data much easier. The Board authorized the manager to proceed.

-The District has been requested by the developers of Young's peak Neighborhoods to release its blanket easement on the property obtained from Stagecoach Ski Corp. in exchange for the specific easements required by the District on the plat of the new subdivision. They are also cleaning up an easement on lot 25 Coyote Run owned by Stagecoach Ski Corp. Steve and Tom have reviewed the plat and easements and recommend that the documents be approved by the Board and filed concurrently with the filing of the plat. Ken DePaul should be authorized to sign on behalf of the District.

- **Motion:** by Donald Alperti to approve the release of a portion of the water and sewer easement on lot 25 Coyote Run and approval of the release of the blanket water and sewer easement on the property to become the Neighborhoods at Young's Peak in exchange for the specific easements to the District on plat # 113-225 to be filed concurrently with the filing of the plat with the specific easements dedicated to the District to the satisfaction of the District Manager. Ken Burgess 2nd. All in favor.

Attorney's Report

-Melinda Sherman in her capacity as Designated Election Official has cancelled the May election and declared Ken DePaul and Tony Borean elected to four year terms and Ken Burgess and Donald Alperti elected to two year terms. The District By-Laws were discussed. Election of officers is required at the beginning of new director terms. The President asked the Manager to place this on the May agenda.

President's Report

-Mr. DePaul noted that if Governor Owen's signs SB-009, executive sessions must be electronically recorded, after 90 days the recording must be destroyed.

-Mr. DePaul suggested emailing the Agenda and minutes prior to the meetings.

Old Business

Motion: by Donald Alperti to preliminary accept the Wernig Black Horse I water and sewer improvements. Tony Borean 2nd. All in favor.

Red Hawk Village – Clarification of District Policy regarding Building Permit Signoff. Mr. DePaul noted this discussion was not based on attorney information; the board itself is willing to discuss the policy.

Steve Colby outlined his reasons why he feels that current District policy requiring preliminary acceptance of lines prior to authorizing building permits for construction of homes is prudent. These are:

1. Liability:
 - a. No fire protection without live hydrants
 - b. Health and safety – once a building permit is issued a structure can be built and occupants could move in prior to there being water & sewer service.
2. Job site confusion. Home builders competing with water, sewer & road contractors.
3. Not as much incentive to get punch lists done, this can take up to 3-4 years to get accomplished.
4. Responsibility to homeowners that everything is completed to the satisfaction of the entire district.
5. Conflict with policy for collection of tap fees.
6. Established policy to not accept tap fees until water and sewer is available.

Rob VanDeren of DeMorgan Communities presented their arguments why a portion of their project should be granted an exemption from the policy. The project is a PUD and they will be building the homes, not selling the lots. They have worked out issues with Chuck Wisecup for fire protection on the site. They agree that no water service will be turned on until preliminary acceptance is issued. Job site confusion issues are their problem. The entire project is bonded with the county

and completion is assured. It is in their own interest to see that all punch list items are complete. Mr. Barwick presented a form from the Mt. Werner District that allows temporary construction service. He suggested that the MCMWSD consider a similar agreement to allow them to proceed on their project. Mr. Martyn emphasized that eight of the units are deed restricted affordable units. Time is critical in maintaining the affordability of the units.

-The Board tabled any action until further information can be obtained.

New Business

-Tony Borean raised the issue of requiring new vault installations to pay a tap fee. The Board indicated it would like to look into it.

-A question has been raised concerning the new rate resolution on the definition of caretaker units. The Board indicated that by caretaker units it intended to include the type of mother in-law or accessory units approved for some lots in Neighborhoods at Young's Peak in the policy and rates adopted under the definition of caretaker units. The manager will discuss with counsel what needs to be done to clarify this.

-Ken Burgess that a discussion of vaults be placed on the agenda for next meeting.

Motion: by Donald Alperti to authorize one nights lodging and expenses for Ken DePaul and Jack Fahres to attend a CLE class on April 28. Ken Burgess 2nd. All in favor.

Motion: by Ken Burgess to adjourn at 5:01 p.m. Tony Borean 2nd. All in favor.