

**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, April 20, 2006 at the offices of 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
Jack Fahres

Also: Steve Colby, Manager
Suzie Hawkins, Recording Secretary
Tom Sharp, Council
Rob Andersen, deMorgan Communities

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 March 16, 2006. Ken Burgess 2nd. All in favor.

Financial Report

Discussion ensued about availability of service fees. Steve Colby will determine if there are liens against the five properties that have availability of service fees.

Motion: by Tony Borean to ratify checks #9544-9589 and approve financials as presented. Don Alperti 2nd. All in favor.

Manager's Report

-The manager reported that the I&I problem is really bad this spring. Flow into the plant is close to ten times normal. The District needs to continue to aggressively address this problem.

-CDC is working on the well 10 submittal for the CDPHE which should occur within a week or so. The manager is planning on construction this summer. Plans are to do much of the work in-house. Tom Sharp is working on water rights issues associated with the new well.

-Spring maintenance and flushing hydrants has begun. Two hydrants have been hit and broken off by snowplows. Steve Colby will send a bill for the damage to the respective homeowners associations Coyote Run and Middle Creek Village.

Projects

-Redhawk Village- we are waiting for final stamped plans with revisions. Final plat approved.

-Neighborhoods at Young's Peak- has a few unresolved issues, but very close to approval. Final plat approved.

-Stagecoach Marketplace- there are no easements on the side lot lines which is trying to be worked out. Habitat Construction called for a sign off and was informed preliminary acceptance of mainline extensions must be obtained prior to building permit sign off.

Attorney's Report

-Mr. Sharp has drafted a resolution amending the rules & Regulations to redefine "caretaker units" to include the type of units approved for certain lots in Young's Peak. The new definition is called "Additional Residence Units". The rates for tap fees and service fees approved for caretaker units will now apply to this broader definition.

Motion: by Ken Burgess to pass the resolution # 2006-8. Jack Fahres 2nd. Pass.

-The State Engineer has declared that because of the Steamboat Springs RICID the Yampa Basin above the park is a critical reach, and therefore treated as an over appropriated water source. The complexity arises for non-exempt wells, since wells deplete the aquifer which is tributary to the Yampa River. The State Division of Engineers will not issue well permits without an augmentation plan. We will attempt to transfer a conditional right from one of our old

unused wells to well 10 that precedes the RICID and avoid an augmentation plan for now.

President's Report

-Mr. DePaul questioned the manager about response to the new metering and billing policy. The manager indicated that so far there has been little response.

-Staff will continue to send the meeting packages by both e-mail and regular mail.

-Tom Sharp left the meeting and recused himself from any discussion concerning Redhawk Village.

Old Business

-Permit Sign Off Policy. Rob VanDeren again asked for an exception to District policy allowing building permit signoff prior to preliminary acceptance of water & sewer mainlines for the Redhawk Village project. He emphasized the eight deed restricted units and that the project was a PUD with the developer going "vertical" as well as "horizontal". Tony Borean suggested the exception, if allowed only apply to the deed restricted units. Mr. VanDeren stated that only 3 of the first 12 units will be deed restricted. Donald Alperti would like to see final approval of the water & sewer plans and specifications and a copy of the deed restrictions prior to making a decision. Ken Burgess stated that any decision and resolution should become policy and apply to other development situations.

New Business

-A presentation was given by Ronald E. Dvorak, P.E. and Terrence P. Kenyon, P.E. with McLaughlin Rincón to provide engineering services to the District. They emphasized one of their specialties is providing service to small District's and acting as District engineers. They work locally for Steamboat Lake District, Catamount District and the Mt. Werner District. They have worked closely with HRS on water supply projects.

The Board indicated its feeling that the District will need such services in the future as development continues and the local firm we have used may be accepting work from developers. Although McLaughlin seems to fit the bill, the Board asked the manager to

contact another firm to make a proposal so we can make an informed choice.

-Vault Discussion. Mr. Burgess postponed the discussion until next month.

-Water Supply committee report. The manager has prepared a letter to the UYWCD expressing support for efforts to establish a reservoir on Morrison Creek. The Board authorized the manager to send the letter. The committee also recommended that the manager investigate possible grant sources to fund a water supply study.

Motion: by Ken Burgess to adjourn at 7:00 p.m. Tony Borean 2nd. All in favor.