

**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, October 19, 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
Tony Borean
Donald Alperti
Jack Fahres

Also: Steve Colby, Manager
Suzie Hawkins, Recording Secretary
Tom Sharp, Council
Bryan Stahl
John Faulkner, P.E. Senior Engineer RTW, Inc.

Ken DePaul called the meeting to order at 3:30 p.m.

Meeting Minutes

Motion: by Jack Fahres to approve the September meeting minutes as mailed. Donald Alperti 2nd. Pass.

Financial Report

Motion: by Tony Borean to ratify checks #9839-9863 and the financials as presented. Donald Alperti 2nd. All in favor.

Manager's Report

-The owner of the home on lot 100 Meadowgreen has contacted the District concerning the high water use bill. The meter has been sent to be tested and checked out all right. The Manager will write a letter

informing them of the result and indicating that we expect payment in full of all charges.

-We have received \$80,000 in tap fees for the Redhawk village project which have been deposited in the Colotrust capital improvement account.

-The foundation and floor are complete on Well #10. We are trenching in the electric and beginning the framing.

-A leak detection company is coming next week to try to find the leak in the upper tank.

Attorney's Report

-Mr. Sharp attended the meeting with Routt County personnel concerning the vaults.

President's Report

-Nothing to report.

Old Business

-HRS has submitted a draft report on their investigation of new well sites. They are still awaiting some information to finalize the report. They are recommending test wells in the Woodchuck Hill area. The area near the lake does not appear to be attractive for future wells due to water quality issues. The Board had questions concerning test wells. The manager will try to get more information for the final report.

-The meeting with county personnel regarding the vault program was discussed. They seemed to understand the challenges with the vaults and were cautiously supportive of any changes to the program. It was requested that the MCMWSD conduct public hearings before any decision to terminate the program was made. The impact and cost of the vault dumping and administration was discussed. It was acknowledged that the vaults are having a substantial impact and an appropriate fee should be charged.

Motion: by Donald Alperti to request a proposal from RTW to do a study on the vault impacts to determine an appropriate impact fee for vaults. Jack Fahres 2nd. All in favor.

-Brian Stahl was present to request preliminary acceptance for Construction schedule A of the Neighborhoods at Young's Peak.

Motion: by Donald Alperti to grant preliminary acceptance for Schedule "A" water and sewer portion of Neighborhoods at Young's

Peak Subdivision, subject to completion to the satisfaction of the manager. Tony Borean 2nd. All in favor.

-2007 Budget discussion. Steve Colby and Ken Burgess have prepared a budget for consideration by the Board. The property tax revenue is limited by TABOR to 18.18 mils. The budget has an approximately 10% of revenue contingency line item and \$250,000 budgeted for capital improvement and equipment purchase to cover next years projects such as the SCADA system. We are projecting \$120,000 in tap fee revenue. Tap Fee revenue can be hard to project but based on activity with the new subdivision projects it is likely we could receive as much as this year.

Motion: by Donald Alperti to designate the November meeting as budget adoption meeting and direct the Manager to provide for the required public notification. Tony Borean 2nd.

Motion: by Donald Alperti to adjourn at 5:04 p.m.
Tony Borean 2nd. All in favor.