

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, January 17, 2008 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: Jack Fahres, Director
Ken DePaul, President
Donald Alperti, Vice President
Ken Burgess, Treasurer
Tony Borean, Director

Also: Steve Colby, District Manager
Suzie Hawkins, Recording Secretary
Tom Sharp, Council

Ken DePaul called the meeting to order at 3:34 p.m.

Meeting Minutes

The manager suggested changing the term for the type of lift station proposed in the Southshore plan from "directional" to "central".

Motion: by Donald Alperti to approve the December 2007, minutes with the above correction.

Tony Borean 2nd. All in favor.

Financial Report

Motion: by Tony Borean to approve the financials as presented with check #10,516-10,568 excluding check #10,519 which was previously approved.

Donald Alperti 2nd. All in favor.

Manager's Report

-The manager informed the Board that he had been absent from work for two weeks due to illness. This could be covered by accrued vacation time as the District has no sick leave policy.

Motion: by Tony Borean that in consideration of the manager's years of service to the district and the severity of the injury, the time missed at work will be not count towards the managers accrued vacation time or his compensation pro-rated. Ken Burgess 2nd. All in favor.

-The Board asked the manger to develop a sick-leave policy for consideration by the Board.

-The Board authorized the Manager to hire part-time help as needed for assistance during his recuperation.

-There are three directors up for re-election to four year terms: Donald Alperti, Ken Burgess and Jack Fahres.

-The office manager has provided a memo on the progress of the transition to the new billing and accounting system. The 4th qtr billing will be a little late but the meter read was obtained with the help of the old billing service. Steve & Donna will be attending a one week training session in Utah the last week of February.

-2007 Audit engagement.

Motion: by Donald Alperti to engage Greg Hamilton CPA to perform the 2007 audit. Ken Burgess 2nd. All in favor.

-Ken Burgess and Steve Colby met with Andrew Rheem & Kees Corsmitt in Denver to discuss the update of the financial plan and rate structure. Ken Burgess and Steve Colby will provide growth projections and a capital improvement plan.

-Donald Alperti noted the Stagecoach Master Plan is in the County Commissioner's Budget and will be re-done this year.

Attorney's Report

-The court has recognized due diligence on our conditional 9cfs water right in the Yampa River. The next filing will be in 6 years.

-Mr. Sharp gave a detailed report on the work being done to transfer water rights from the existing well # 5 to well # 10 and well # 4 to well # 2R. There are excess rights on these old wells which predate the Steamboat RICID. If the District engineer and court approve these transfers it will be an advantage for the District. The court has approved the new location for well 2 so that well 2R can be declared a replacement well. Well 2 will remain a monitor well.

-The conditional rights on wells 3, 4, 6, & 7 are up for renewal. They are part of the "integrated system". Mr. Sharp will file to demonstrate diligence on the wells using the diligence on the 9 cfs river right and the SouthShore master plan.

-At the beginning of each year the Board must pass a resolution designating the time and place of the monthly Board meetings and the locations for posting of meeting notification and agenda.

Motion: by Ken Burgess designating the locations for posting meeting notices and agendas for the Morrison Creek Metropolitan Water and Sanitation District to be as follows: (1) The District Wastewater Treatment Plant at 24490 Uncompahgre Road, Oak Creek, Colorado, (2) The office of the Routt County Clerk and Recorder, 522 Lincoln Avenue, Steamboat Springs Colorado, (3) The Eagles Nest Townhomes in Stagecoach, (4) The Gazebo of Project I and II in Stagecoach, and (5) The Laundry Room at Wagon Wheel Condominiums. In addition, to the extent feasible, such meeting notices and agendas shall be posted on the District website, at mcwater.org. Donald Alperti 2nd. All in favor.

-Mr. Sharp handed out an article concerning the issue of takings by public entities.

President's Report

-Mr. DePaul commented that the fire hydrants were cleared in the Eagleswatch Neighborhood.

-Ken DePaul reported that Steamboat Motors will offer District employees and Board Members the opportunity to purchase any new vehicle at \$100 under invoice and any used vehicle \$739 over blue book.

-The President queried the manager about safety policies and procedures at the WWTP. The manager indicated that they receive training in safety as part of their licensing requirements. The Board asked the manager to look into any policies at other WWTP.

New Business

-Resolution naming Melinda Sherman as Designated Election Official for the May 6, 2008 regular biennial election.

Motion: by Ken Burgess to pass the election resolution. Jack Fahres 2nd. All in favor.

-Tom Sharp gave a presentation on the Snokomo Property he owns in Stagecoach. The property was subdivided in 1998 into 3 duplex lots called "Snokomo Filing 2". The plan called for two lots tapping onto the force main near the property and the other lot connecting to the manhole in CR16. A water main extension to serve the lots and provide fire protection was proposed. The District approved such plan in 1998. A road and electric has been constructed on the property. Mr. Sharp is now proposing to further subdivide Lot 9 of the subdivision into two new duplex lots. He is proposing a sewer main extension to serve the two new lots only. The original lots 9A & 9B will tap onto the force main according to the original plan. He is asking the District to approve such sewer main extension. The District manager suggested the possibility for a sewer main

extension from the sewer main which was constructed to serve the Redhawk Village project which would provide gravity service to lots 9A & 9B. Such Redhawk main did not exist when the original Snokomo filing was approved. Connection to the force main could become problematic should the Meadowgreen Lift Station be abandoned in the future as is being discussed in connection with the development of the adjacent "Marina" property. Such main connection in Redhawk would require an easement across approximately 80 feet of property owned by Brian Stahl. Mr. Sharp stated that he should not be made to acquire an easement from Mr. Stahl or the additional expense of the longer sewer extension. The Board president requested that they be provided all documents & approvals of the original project. Board members indicated that they may seek independent counsel on the matter due to Mr. Sharp's conflict of interest.

-Their being no further business Ken Burgees moved to adjourn the meeting at 5:40 P.M. Jack Fahres 2nd. Pass.