

MORRISON CREEK METROPOLITAN WATER & SANITATION DISTRICT

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RECORD OF PROCEEDINGS

The Board of Directors of the Morrison Creek Metropolitan Water & Sanitation District met on Thursday, January 15, 2009 at the offices of Sharp, Steinke, Sherman & Engle, LLC located at 401 Lincoln Avenue, Steamboat Springs, Colorado for their regularly scheduled meeting.

Present: Donald Alperti, President
Ken Burgess, Treasurer
Tony Borean, Director
Jack Fahres, Director
Ken DePaul, Vice-President

Also Present: Steve Colby, District Manager
Tom, Sharp, Counsel
Eric Harmon, HRS Water Consultants
Eric Saenger, HRS Water Consultants
Ron McLaughlin, McLaughlin Water Engineers
Ron Dvorak, McLaughlin Water Engineers

-Donald Alperti called the meeting to order at 3:30 P.M..

-Tony Borean move to approve the December 18, 2008 minutes as mailed. Jack Fahres 2nd. Pass.

-Ken Burgess move to approve the financial report and ratify check #'s 11076 to 11120 inclusive. Tony Borean 2nd. Pass.

-HRS Water Consultants & McLaughlin Water Consultants were present to discuss the Water Supply Masterplan goals. Mr. Sharp will provide the decrees for the Districts 9 CFS Yampa right and wells, information on pending diligence and change cases, the UYWCD augmentation plan and applications for diversion & storage rights on Morrison Creek and any other pertinent information. Ron McLaughlin showed examples of other masterplans. It will be important to include all areas of possible future development in the plan to include Woodchuck Hill, the Lakeside Marina parcel and the Town Center/Ski Base area and for the consultant to discuss with the owners their plans for such parcels.

Managers Report

-The manager gave a year end report. There were 11 new building permits: 6 vaults and 5 on central service. The District billed for 17,081,180 gallons of water. The unaudited year end P&L shows \$123,894 before transfer of \$45,100 in tap & impact fees into the restricted capitol reserve account. We will also transfer approximately \$114,232 which represents 20% of other revenue into the capitol reserve account per Board policy.

Attorneys Report

- Tom Sharp updated the Board on the well #'s 3,4,7 & 8 diligence cases.
- Mr. Sharp has proposed a settlement to the CWCB on their opposition in the change case for wells # 2, 2R & 10. We will ask for de minimus determination on the impact of the pumping of wells 2 & 2r on Little Morrison Creek based on the studies done by HRS & Willard Owens.
- Mr. Sharp explained the significance of Shell Oil Filing for 375 CFS on the Yampa River near Maybell.
- Ken Burgess move to direct Mr. Sharp to file a Statement of Opposition to the Shell Oil Filing. Tony Borean 2nd. Pass.

Old Business

- The Board reviewed the proposed 2nd amendment to the County District "vault" agreement as prepared by Counsel Sharp. The proposal would allow another 30 vaults until 12/31/11 at which time the program would end.
- Ken Burgess move to approve the proposed 2nd amendment and direct Counsel Sharp to forward such 2nd amendment to the County Attorney to be considered for approval by the County Commissioners.

New Business

- The District is required to comply with the provisions of the Federal Fair and Accurate Transaction (FACT) Act. This requires the District to take certain steps to prevent identity theft.
 - Ken DePaul move to adopt the resolution to create a FACT Act Identity Theft Policy Prevention Policy (attached). Tony Borean 2nd. Pass.
 - Employee compensation was discussed. The manager had surveyed other local government entities and presented the figures.
 - Ken Burgess move to authorize a 5% increase for all District employees to begin with the next regular pay period. Jack Fahres 2nd. Pass.
 - Ken Burgess asked the Board if they would consider participating in a chip & seal project on CR16 from the entrance of Red Hawk Village to the intersection of CR18.
 - Ken Burgess move to appropriate \$7000 for the above project. The motion died for lack of a 2nd.
- Their being no further business the meeting was adjourned at 5:30 P.M..