

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 22, 2009 at the offices of Sharp, Steinke, Sherman & Engle LLC located in Steamboat Springs at 401 Lincoln Avenue, Steamboat Springs, Colorado for their regularly scheduled meeting.

Present: Donald Alperti, President
Ken Burgess, Treasurer
Jack Fahres
Tony Borean
Ken DePaul, Vice President – via telephone

Also: Steve Colby, District Manager
Suzie Hawkins, Recording Secretary
Tom Sharp, Council
Davin Bodtker
Stephanie Fairchild

Donald Alperti called the meeting to order at 3:37 p.m.

Meeting Minutes

Motion: by Ken Burgess to approve the September meeting minutes as presented. Jack Fahres 2nd. All in favor.

Financial Report

Motion: by Ken DePaul to approve checks #11452-11503 along with the September statements as presented. Tony Borean 2nd. All in favor.

-Ken Burgess reported that he and Steve Colby had attended the meeting hosted by Senator Bennett's office on possible financial assistance to local entities. Much of the information involved loans & grants through the USDA. The loan percentage and loan to grant ratio is based on average household income of the community. Ken & Steve will follow up to see if there are possibilities for us.

Manager's Report

-Routt County planning is conducting a public meeting in Stagecoach on October 29th to collect public comment on the updated community plan. Steve Colby will attend.

-The Routt County Commissioners have set a public hearing for November 17th to consider the 2nd amendment to the vault agreement. If more than 2 members of the Morrison Creek board will attend it should be noticed as a special meeting of the board.

Motion: by Tony Borean to declare a special meeting of the Board of Directors of the MCMWSD for November 17th at 5:30 P.M. in the Commissioners hearing room in the Historic Routt County Courthouse, 522 Lincoln Avenue in Steamboat Springs. Ken Burgess 2nd. All in favor.

-The equipment has been pulled from well # 8 and a video inspection done. The tape has been sent to HRS for evaluation. We may want to try to do some rehabilitation yet this year.

-A bad leak in a service line in Coyote Run has been discovered and repaired. The leak probably accounts for a majority of the loss we have been experiencing.

Attorney's Report

-There are currently three cases in which Tom Sharp is involved.

The well 2R change case with Colorado Water Conservancy Board as the only opponent. Mr. Sharp has spoken with Linda Bassi at the CWCB to try to move the case along. Personnel changes at the AG's office and SEO have slowed progress.

-The Heckbert pond case to which we filed in opposition. Our concern in this case may be resolved by a District augmentation plan or amendment of the UYWCD plan.

-Shell Oil met with all but 2 opposers in their Yampa River filing, it is highly likely that this case will go to trial. Shell has requested a status conference for April 2010. Mr. Sharp is waiting to get the report.

President's Report

-Mr. Alperti updated the Board on the status of the Song Mt. project with the County.

-Ken DePaul will likely be stepping down at the end of this month. The board will need another vice-chair.

Motion: by Ken DePaul to appoint Jack Fahres as Vice-Chair and be authorized to sign District checks. Ken Burgess 2nd. All in favor.

Old Business

-The water supply master plan is close to completion. HRS is considering how to factor information developed in the additional investigations into the plan.

-Mr. Sharp gave the Board an extensive and detailed explanation on why the District needs to consider the preparation and filing with the court of a master augmentation plan prior to the end of the year. It now appears likely that the CWCB will file for an ISF on Morrison Creek next year with an appropriation date of 1/1/10. It is imperative we file prior to this date to avoid opposition by the CWCB. This report will utilize the findings of HRS on the effect of wells in the Browns Park formation and the conclusions in the Water Supply Master plan to allow augmentation for future District wells with water storage contracts we have in Stagecoach and Yamcolo Reservoirs. The recommendation is for the plan to cover municipal District wells only. For this reason we are also asking UYWCD to amend their area-wide augmentation plan to allow wells in the Browns Park to utilize the plan in the Little Morrison Creek drainage. Little Morrison Creek is included in the Upper Yampa plan but only with certain stipulations requiring augmentation to Little Morrison Creek. Steve Colby has written a letter to the UYWCD making the request based on the work of HRS which we would make available to UYWCD if they are agreeable to the request. Discussions with UYWCD may be necessary regarding additional costs involved with amending the plan. The cost of the ultimate adjudication of the Districts plan and the amending of the UYWCD plan by the court will depend highly on the level of opposition. Mr. Sharp also requested the authorization to enlist the expertise of Mr. David Halford of Balcomb & Green to review the plan prior to filing with the court. Steve Colby recommended to the Board that we proceed with the plan as outlined by Mr. Sharp.

Motion: by Ken Burgess for the preparation by Mr. Sharp and filing with the court of a master District augmentation plan for the area of the District south of the reservoir prior to the end of 2009. Mr. Sharp is authorized to engage such counsel as he feels necessary in the preparation of the plan. Jack Fahres 2nd. All in favor.

-Ken Burgess presented his recommendations on tap fees based on an updated long term capital plan. The plan attempts to provide the financial planning necessary for capital improvement and replacement through 2025. The plan is attached.

Motion: by Ken Burgess to increase tap fees beginning 1/1/2010 and in subsequent years as follows:

1/1/2010 -Water=\$7,000 & Sewer=\$5,000

1/1/2011- Water=\$8,000 Sewer=\$6,000

1/1/2012- Water=\$9,000 Sewer=\$7,000

Tony Borean 2nd. Tom Sharp will draft a resolution dated October 22, 2009. All in favor.

-The proposed 2010 budget was reviewed. The budget is balanced with a transfer from restricted funds. The manager was directed to make such changes necessary as a result of expenses expected due to the decision to move forward with the augmentation plan. The projected mill levy is 9.88 mils. The Budget adoption meeting is set for the regular November meeting.

New Business

-Tony Borean recused himself from the following discussion because of a conflict of interest.

-Davin Bodtke, representing his parents who own Lot 52 in Morningside, requested that the Board consider crediting the \$5800 vault impact fee paid when they recorded the Lot Owner Agreement in December 08 towards the current or future vault impact fee should they file a new Lot Owner Agreement with the intent of constructing a residence on the property. They were unable to obtain a building permit in the 6 months required before the original agreement became null & void. The Board indicated it would honor the request as long as it is for the same owner and same lot and directed Mr. Sharp to draft a resolution creating this policy of the District.

Motion: There being no further business Ken Burgess moved for adjournment at 5:33 p.m. Jack Fahres 2nd. All in favor.