

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
MOUNT WERNER WATER & SANITATION DISTRICT
HELD AT THE FISH CREEK WATER FILTRATION PLANT
STEAMBOAT SPRINGS, CO 80487
8:00 A.M. Friday-March 15th, 2024

DIRECTORS PRESENT: John Shively, Don White, Alan Koermer, (in-person)
Gavin Malia, Wade Gebhardt (via Microsoft Teams)

DIRECTORS ABSENT: None

STAFF PRESENT: Frank Alfone, General Manager
Tyler Gilman, Operations Manager
Cat Smith, Business Manager
Beau Cahill, Project Development Coordinator
(all in-person)

OTHERS PRESENT: Tom Sharp, General Counsel (via Microsoft Teams)
Michelle Carr, Distribution & Collection Manager, City of Steamboat Springs
(via Microsoft Teams)
David Hill (in-person)

I. ESTABLISHMENT OF QUORUM AND CALL TO ORDER

Director Malia stated that a quorum was present and called the meeting to order at 8:00 A.M.

II. ACKNOWLEDGE PUBLIC

Director Malia acknowledged David Hill.

III. APPROVAL OF AGENDA FOR MEETING

Mr. Alfone requested Board consideration to execute the Overlap Consent Agreement for the six Metropolitan Districts proposed by Steamboat Ski and Resort Corporation (SSRC). This item will be discussed during the Report of General Counsel and Counsel's report will be moved to after the Committee Reports.

MOTION: To approve the Agenda with the additional item and the timeline revision for the General Counsel Report.

APPROVED: Vote 4-0

(Director Gebhardt joined the meeting after this motion.)

IV. APPROVAL OF SUBMITTED MINUTES OF PREVIOUS MEETING

A. From the January 19, 2024, Regular Board Meeting

MOTION: To approve the minutes from the January 19, 2024, Regular Board Meeting

APPROVED: Vote 5-0

V. PUBLIC COMMENT

There was no public comment.

VI. TREASURERS REPORT

- A. Financial Statement – December 31, 2023, Unaudited- '23 Year-End Report
Mrs. Smith presented the December 31, 2023, financials to the Board and the following items were highlighted:
- Total operating revenues equaled \$3.7M and is 103% of the total budget.
 - Operating costs equaled \$2.99M and is 106% of the total budget.
 - Non-operating revenues equaled \$1.04M excluding the CWRPDA loans, roughly 127% of the budget.
 - Plant Investment Fee (PIF) revenue equaled \$936K, 129% of the total budget.
 - Capital Improvement Plan (CIP) expenses equaled \$2.3M.
 - Total reserves equaled \$2.7M.
 - Customer accounts receivable for Q4, 2023 are \$5,450, all residential accounts.

Mr. Alfone is working on the cash flow analysis and PIF projection for three large development projects. He anticipates PIF paid for 50% of the Yampa Valley Housing Authority (YVHA) project and 100% PIF paid for the Amble and the Central Park Hotel developments in 2024. He anticipates being above budget in PIF which could result in less draws on the line of credit.

VII. COMMITTEE REPORTS

- A. Budget and Audit Committee – 2023 Financial Audit Timeline
- A Cash Flow analysis will be completed for PIF and Mr. Alfone will have additional information to report at the May board meeting. The District has begun the 2023 audit and is using the same auditor from last year. We anticipate a draft copy of the audit will be ready for board review before the May meeting and a presentation by the auditor at the May meeting. The Board may choose to approve the audit at the May meeting or if revisions are needed the audit is not due to the Office of the State Auditor for Colorado until July 31st, thus it can be approved at the July Board meeting.
- B. Water Matters Committee Report
- Mr. Alfone e-mailed a copy of a letter from the City of Steamboat Springs to the Board regarding their water rights application for the new vertical wells project. The project involves drilling four vertical wells near their existing well field. The District intends to file a Statement of Opposition to monitor the case. There may be more to report about this topic at the May Board meeting and after Mr. Alfone and Mr. Hamilton have further reviewed and discussed the application.

MOTION: To approve filing a Statement of Opposition for this water rights case application by the City of Steamboat Springs.

APPROVED: Vote 5-0

- C. Succession Committee Report
- The committee decided to meet quarterly.

VIII. REPORT OF GENERAL COUNSEL

- A. Counsel Report
- Counsel Sharp discussed the six Metro. Districts created by the SSRC and the necessity of an agreement between the Metro. Districts and the District due to the overlap of the service areas within the boundary of the Mount Werner Water District. Counsel for SSRC prepared an Overlap Agreement and Counsel Sharp verified all sections were consistent with the District's requests. The agreement was e-mailed to the Board and the Board must now consider approval of the agreement.

MOTION: To approve the SSRC Metropolitan Districts #'s 1-6 Overlap Agreement and authorize the execution of the agreement by the District President.

APPROVED: Vote 5-0

- Discussion is ongoing about the YVHA project next to UC Health that includes drilling and installing a new water main under Highway 40. There is a small stretch of private land that must be crossed before connecting to the existing water main on the east side of Highway 40. Counsel Sharp and staff have identified two options for the alignment of the water main connection. District-proposed easements are being considered by both the Pine Grove Professional Offices Condominiums and the Pines at Ore House Condominiums Association. If neither association agrees to grant the easement, an easement may have to be taken by Eminent Domain, possibly resulting in a construction delay.
The Board discussed the easements, mainly that one or more owners at the Pine Grove Professional Offices are not in favor of the water main extension being installed through their common area. Staff will approach YVHA and ask for reimbursement to the District for the costs of securing the easement. A meeting to discuss the easement will be scheduled with Counsel Sharp, Mr. Alfone, Vance Halverson (owner at the Pine Grove Professional Offices), and Jason Peasley, Executive Director of the YVHA. Director Shively is an owner of a Pine Grove Professional Offices condominium and will not participate in the meeting to avoid any conflict of interest.
- Upgrades are required at Booster Pump Station #1. A recent survey revealed that the Station is situated east of and not within the easement per the legal description. The District and the Lodge at Steamboat (landowner) are discussing how to rectify the discrepancy. Counsel Sharp will prepare an agreement for the Lodge's consideration. The existing Station will be removed and replaced with a new prefabricated pump station.
- Counsel Sharp and staff prepared a response to a local real estate broker representing an owner of a Barn Village parcel inquiring as to whether a private well could be drilled on this private lot that lies within the District boundary.

IX. REPORT OF GENERAL MANAGER

A. Executive Summary Review and Updates

- Mr. Alfone announced that several public tours of the Fish Creek Water Treatment Plant recently took place and Mr. Gilman will be participating in the Water Education Colorado Water Fluency Course.
- Mr. Gilman noted that several team operators passed tests and received higher certifications for water treatment and additional tests are scheduled. A few operators attended "Short School Trainings" where they meet other state operators and gain exposure to different treatment processes.
- The City of Steamboat Springs/District agreements have not been discussed by the parties and the District is waiting on a response from the City about the most recent red-lined TICIGA e-mailed to them in July 2023.
- An update about the lawsuit between Ski Time Square Condominiums and DBT Development (landowner) was reviewed. The District Judge ruled in favor of the Ski Time Square Condos, requiring the Tugboat building and the existing parking garage be removed this summer. The ruling also requires DBT to construct sixty parking spaces for the Ski Time Square Condominium owners prior to the 2024-25 ski season.

- The District is collaborating with the owner of the development at the corner of Walton Creek Rd and Village Dr. (old KFMU building). The District has requested an easement on this parcel so an existing VCP sewer main in Village Drive can be abandoned, replaced with new PVC pipe, and re-routed through this site. The existing section of sewer main is old clay pipe, flat, and has caused maintenance issues in the past.
- The Brown Ranch annexation vote is March 26th. The YVHA received two, multi-million-dollar federal grants; one to replace the water and wastewater infrastructure at the White Haven Mobile Home Park, and the second to extend the recreation core path out to the Brown Ranch from the Snow Bowl business.
- The District received a revised utility plan from the Crawford development team which identifies how they will provide water service from the water main in Burgess Creek Road into their development. The new plan must be approved with an amendment, using the City Planning and Building Department City View portal and they are required to utilize a Colorado Professional Engineer during construction/installation. There is a water main that services the Fire Hydrant located between the Ski Time Square parking garage and condominiums, however the District and the SBS Fire Department agreed that the Fire Hydrant and water main can be abandoned and removed from the District's water infrastructure portfolio.

X. UNFINISHED BUSINESS

There was no unfinished business.

XI. NEW BUSINESS

A. Board Member Selection Process and Sub-Committees

- Director Malia will no longer be eligible to be a Board member since his land ownership within the District boundary will be sold to new owners when those units close.
- Discussion was held about the upcoming Board member vacancy. Discussion about appointing a new member must be held in a public session. The District does not have to post that a vacancy exists and can appoint someone to fill Mr. Malia's expiring term. The appointee would finish out the term of the departing member and if that person chooses to run at the next regularly scheduled election date, and won, would serve a full 4-year term.
- Mr. Malia introduced David Hill to the Board and his professional background was reviewed. The Board agreed to have the Succession Committee meet with Mr. Hill to discuss his desire to serve on the Board and remain consistent with the past practice of filling open Board member seats.
- Existing sub-committees were discussed and how the new open positions might be filled.
- Further discussion about sub-committee(s) appointments and consideration by the Board to appoint Mr. Hill to the Board will take place at the May 17th Board meeting.
- Mr. Alfone thanked Director Malia for his hard work and devotion serving on the Board and as the President. Director Malia stated it was a pleasure serving and spoke to the professional atmosphere and the hardworking culture of the other board members.

MOTION: To appoint Director Shively as President of the Board.

APPROVED: Vote 5-0

XII. ADJOURN

The next Regular Board meeting date is May 17th, 2024, at 8:00 A.M.

There being no further business, the meeting was adjourned at 9:24 A.M.

Respectfully submitted,

Frank Alfone, Secretary/General Manager