

Mesa Cortina Water & Sanitation District

Board of Directors Meeting Tuesday, February 2, 4:30PM Via Zoom

Attendance **Board:** Randy Rehn, Stan Wagon, Greg O’Neill, Billy Jack, Jon Whinston
Others: Jeff Leigh, District Manager; Kelsey Andersen, Assistant Manager; Michael Kurth, Bookkeeper

Meeting was called to order at 4:30PM

Minutes: ***A motion was made by Randy Rehn to approve the minutes of the January 5, 2021 meeting. Motion was seconded by Billy Jack. Motion unanimously approved.***

Financials: Financial reports through the end of December 31, 2020, were emailed to the Board. Year to date income is at \$448,467 and is \$31,350 above budget. Operating expenses are \$346,320 and is \$42,359 below budget. Operating year to date net income is \$102,147. YTD interest expense for the Alpine Bank Capital Loan is \$2,357.

Business: -Jeff informed the Board that he and Kelsey have been in contact with Peter Ammon of Alpine Bank with regard to financing a major water line replacement project in the near future. The initial indication is that Alpine Bank would be willing to loan the District up to \$450,000 with an interest rate of approximately 3% and a 10 to 15 year term.
- It was also noted that the District would possibly need to obtain an opinion letter to certify that the District is a tax exempt organization and that the interest would be non-taxable.
-An idea was raised with regard to some self-financing. For instance, if homeowners lend funds to the District to help finance the project. Of course a legal document would need to be created. Jeff will ask the attorney if this is a possible option.
-There was also discussion about the current loan with Alpine Bank.
-Stan Wagon moved that the current Alpine Bank Loan be paid off approximately \$70K. The motion was seconded by Billy Jack. Motion carried.
- The Board discussed various options for sections of water line to be replaced. It was mentioned that it might be beneficial to contact Summit County to coordinate with them regarding any plans to re-surface the road as it is anticipated that there may be some sections where the asphalt would be disturbed.
-It was determined that it might make sense to put together a couple of plans or phases “A” “B” “C” to cover various sections of water line. Then once we determine the funding available we could determine what section or phases would be completed.
-Jeff will be in contact with McLaughlin Water Engineers about the possibilities of putting together some plans and engineered drawing to be used in the bid process.
-There was also discussion regarding the materials to be used for the replacement. There are few possible options such as ductile, C900 & HDPE. After some discussion it was agreed that McLaughlin would probably have a recommendation for the materials with the engineered plans.
-A question was posed as to what would happen if there was a major fire in the neighborhood and there were homes destroyed which were no longer able to cover

water District costs. Jeff will check with Tim Flynn on what the possible effects might be and if this is something that our insurance would cover.

- There was discussion with regard to the invoices received from RKR on the most recent water line breaks. It was noted that the District cost for 7 water line breaks in 2020 was near 100K.

-Mike mentioned that he will be in contact with Donna Braun to prepare the annual 2020 audit exemption. This should be ready for the next meeting.

Next Meeting: The next meeting will be March 2nd via Zoom.

Adjourned at 6:11 PM