

Mesa Cortina Water & Sanitation District
BOARD OF DIRECTORS MEETING
Tuesday, February 3, 2015
Silverthorne Fire Station

Attending Board members:

Jon Whinston	Randy Rehn
Billy Jack	Greg O'Neill

Others attending:

Deborah Polich	NP Services, Inc.	Tom Vandeventer	106 Spring Beauty Drive
Jeff Leigh	District Manager		

President Billy Jack called the meeting to order at 5:11 PM.

Minutes. *The minutes of the January 6, 2015 meeting were approved as written. (Whinston/O'Neill,4-0).*

2014 Audit. Jeff Leigh reported he had not obtained any more information regarding audits and had not yet contacted Donna Braun regarding her preparing the exemption of audit filed in prior years. The exemption audit would need to be completed and approved by the Board at the March 3, 2015 meeting.

NP Services, Inc contract. The Board requested a new proposal from NP Services for continuation of financial administration services for the District. The prior contract was reviewed at the meeting regarding the scope of services offered. There was a discussion regarding the separate contract for the Homeowners Association and what portion of operating with the Association was within the original District contract. The Board noted costs incurred in the last few months to investigate any problems with the funds of the District. Until a revised contract was approved, the Board would continue the existing contract on a month-to-month basis with NP Services with an available notice of termination the later of 60 days or the end of a quarterly billing period, by either party. There was a discussion of communication to owners through newsletter information within billings. Jeff indicated Tim Flynn would prefer to use his contract form for any future contracts in the District.

Alpine Bank. Alpine Bank was setting up the ACH processing for quarterly bill payments for owners who request this option. The processing will go through the existing bank account used for the monthly loan payment. Approximately 20 owners use ACH with a collection of approximately \$7,000 per quarter. The cost from Alpine Bank is \$10 per process (quarterly) or \$40 annually.

Jeff indicated he was the only signer on the Alpine Bank loan/ACH account and certificates of deposits. Jeff was trying to get the forms to the other board members to add their signatures.

Treatment Tech. Jeff indicated Treatment Tech was contracted by the District in 2009 for licensed water and sewer operator services as required by the State of Colorado Department of Health. The contract was assigned to the new ownership in 2012. The contract cost is \$1,100 monthly. Water testing lab samples and work outside of the contract scope are billed in addition to the base. There was a discussion of the scope of the contract, reporting and maintenance of the records. Treatment Tech will respond to line breaks or other emergencies on request, but normally defer to Jeff or another member of the board. There was a discussion of a recent charge for an owner call regarding a frozen water meter that was fixed by Jeff. The Board suggested a Treatment Tech representative attend a future meeting to review the contract and the scope of services.

Post Office Box. There are no post office boxes currently available at the Silverthorne Post Office. The existing box, 1189, is used by the Association. The Board felt the box size was sufficient to handle both the payments from the Association and District. The ownership of the box is up on

March 11, 2015 and the ownership should be updated to the District. The ownership is currently the former bookkeeper, Mike Kurth. The Board requested the payment receipt address of the District be changed to PO Box 1189, Silverthorne as soon as practical with box ownership and existing envelopes.

Financial Summary. A final 2014 financial summary was emailed to the Board prior to the meeting. The summary reflected \$150 more in expenses from the preliminary report provided in January. Overall, the District net income in 2014 after expenses was \$110,000 better than budgeted and reserves were increased to \$306,000. Sources of the increase included a tap payment, expenses below budget, and a deferral of the capital costs for the treatment plant facility to 2015. One home is under construction and when the certificate of occupancy is signed the water units and sewer EQR will be updated to Buffalo Mountain Metro District (BMMD).

Sanitation and I&I. Jeff anticipated video work of approximately 5,000 feet of sewer lines during peak run off. Based on the line condition and cost, a decision will be made if the work is video only or includes line cleaning. The work was anticipated to be mostly on the lower portion of the District into the lift station. When the lower main lines were videoed in prior years, the main line appeared in good conditions and the expectation is the I&I into the lift station may be from service lines or illegal ground water sump pumps. Jeff will attempt to coordinate with Ace Sewer for video work on service lines at the same time. The approximately 15 homeowners identified last year with service line issues would be required to video their lines at an approximate cost of \$200 per line paid by the home owner. The investigation of some service lines in the lower portion is anticipated to be a District expense for the information to be obtained.

Water Tank Cleaning. Jeff had contacted CW Divers regarding inspection and cleaning of the water tank. The estimated cost was \$1,100. They would perform an ultrasound test of the tank sides for thickness. There was a discussion on the prior tank floor repairs, floor replacement, and how to determine the current condition of the floor.

Other. Jeff planned on starting the design work on the Shooting Star vault and working with the engineer on design ideas. The requested hourly rate increase for the manager was deferred to the next meeting. The Board felt the meetings should change back to monthly due to the number of projects to consider. A monthly meeting can be cancelled if not necessary. A maintenance list and capital project list should be developed with time line tables.

Next meeting. The next scheduled regular meeting is March 3, 2015 at 5 PM.

The meeting was adjourned at 7:43 PM.