

**Mesa Cortina Water & Sanitation District**  
**BOARD OF DIRECTORS MEETING**  
**Tuesday, July 7, 2015**  
**Silverthorne Fire Station**

Attending Board members:

Jon Whinston  
Billy Jack

Randy Rehn  
Greg O'Neill

Barry Westerland

Others attending:

Deborah Polich      NP Services, Inc.  
Jeff Leigh            District Manager  
Stan Wagon          36 Spring Beauty Drive  
Shellie Dupan        Buffalo Mountain Metro District (BMMD) District Manager

The meeting was called to order at 5:02 PM.

**Minutes.** *The minutes of the June 2, 2015 meeting were approved as written. (Rehn/O'Neill,3-0).* Jon Whinston and Billy Jack arrived after the minutes were approved.

**BMMD 2016 Rates.** Shellie Dupan, District Manager of the BMMD, presented information to the Board regarding the proposed 2016 rate increase and the justification. The Mesa Cortina Water and Sanitation District obtains over half of their water from BMMD from an agreement entered into by Summit County Government prior to the formation of the District. Also, the District pays BMMD for use of a sanitation line that feeds to the Joint Sewer Authority.

BMMD contracted with TST Infrastructure in 2014 to evaluate the infrastructure of BMMD including the six water storage tanks, treatment facilities, distribution lines, pump stations and sewer lift stations. They also prepared a capital asset management plan. Two of the six water tanks are steel and the investigation indicated construction deficiencies. The tank replacement was recommended in the next two to five years. The other four tanks are concrete and are in good condition. The water tanks scheduled for replacement are on the lower level of BMMD. Mesa Cortina was served from tank #4 located near Lodgepole that was the third highest storage tank in the BMMD system. The Cortina Ridge sewer lift station was found to have some design issues and may require a capacity increase. However the work is not on the current priority list. Parts for the old water treatment equipment were no longer available and the equipment was replaced in the last year. Pump station valves and PRV's will need to be replaced in the next two to five years.

A handout of the proposed infrastructure replacements was provided with an estimated short-term cost of approximately four million dollars. Grants and loans are being investigated to partially offset rate increases. The current rate from BMMD to Mesa Cortina is \$14 per month (\$42 per quarter) that includes 2,000 gallons of water (6,000 gallons per quarter). The sewer rate is \$6 per month (\$18 per quarter). Shellie indicated the current rate is based on the 1995 Agreement that set the minimum rate to be equal to the in district BMMD rate (Wilderness). The proposed 2016 in district base rates are \$59 per quarter for water and \$25 for sewer. Applying the 2016 rate to Mesa Cortina would be a total of a \$24 increase per quarter per improved property (currently 214). The BMMD rate increase was expected to realize additional funding of \$590,000 in the first year. The projected rate plan was a 3% annual increase beginning in 2017 through 2020, with a reevaluation at that time following the completion of the short-term capital improvements.

The rate for water in excess of 2,000 gallons per month (428,000 gallons) would remain the same at \$3 per 1,000 gallons. However, it was noted that the in district usage included was 15,000 gallons per quarter compared to 6,000 per quarter from the Mesa Cortina 1995 agreement. There was a discussion of the comparison with Cortina Ridge rates that are 1.5 times the in district rate, but include

the 15,000 gallons of usage and BMMD is responsible for maintenance of the Cortina Ridge system. Shellie indicated she was open to bring to the BMMD board any modifications to the agreement that Mesa Cortina may propose. Shellie left the meeting after her presentation.

The Board had a lengthy discussion regarding the existing contract, potential modifications, and how to proceed regarding the rate adjustment.

**Treatment Tech.** Jeff Leigh indicated Treatment Tech had a few concerns with the updated redline version of the contract including indemnification, Rule 100, and billing for only items for the current month. Attorney Tim Flynn was preparing some minor updates to the contract to address the concerns. Jeff indicated any operations modification needed to be communicated to Treatment Tech.

**Shooting Star Vault Project.** Jeff updated the Board on the construction project status including completed work and County inspections obtained. Xcel had authorized the trenching to connect the new power source. Items discussed included the electrical work, spray foam installation, the stone work schedule, siding, the roof, and the finish on the building indentation. While the foam installation, at approximately \$2,500, was a higher cost than the batt type installation originally considered, the Board felt the benefits of the foam warranted it being used. The Stan Miller invoice for approximately \$24,000 for excavation and the water line connection would be paid less retainage.

Greg O'Neill and Jeff met with Timberline regarding the plant controls. The projected cost of the control system was \$20,000 to \$25,000. The formal proposal will include the option of using the existing switching equipment or updating to new equipment. Another option would be to use the existing radio frequency equipment or use new equipment supported by Timberline. The Board felt formalizing the system with Timberline may be the best option with the new facility. There was a discussion regarding desired features of the new control equipment. Pending a formal proposal and understanding of the control operations, the Board felt it would be ideal to have the installation done this year rather than incurring the expense to re-install the old controls until a new system was installed in 2016.

**Operations.** CW Divers are currently scheduled for the water tank inspection July 18<sup>th</sup> and 19<sup>th</sup>. Jeff indicated the foam contractors have kits available for repairs of problem areas of the exterior foam cover. The dirt area in back of the tank should be dug out. The sewer lift station should be cleaned out this year. No progress has been made on the camera installation. RKR will be scheduled for the sewer service line repairs for four owners and the District removal of an unused service tap. Greg O'Neill and Randy Rehn will coordinate the valve exercising work. They will also work on the PRV vault that is near well 5 to clean it out and abandon the connection to well 5.

**Next meeting.** The next scheduled regular meeting is August 4, 2015 at 5 PM.

The meeting was adjourned at 7:12 PM.