

Mesa Cortina Water & Sanitation District
BOARD OF DIRECTORS MEETING
Tuesday, September 1, 2015
Silverthorne Fire Station

Attending Board members:

Jon Whinston
Billy Jack

Randy Rehn

Greg O'Neill

Others attending:

Deborah Polich NP Services, Inc.
Stan Wagon 36 Spring Beauty Drive

The meeting was called to order at 5:00 PM.

Minutes. *The minutes of the August 4, 2015 meeting were approved as written. (Rehn/O'Neill,3-0).* Jon Whinston arrived to the meeting following the approval of the minutes.

Financial Summary. Deborah Polich provided via email a financial summary through July that included a draft of the proposed 2016 Budget. The budget projects a rate increase of 14% for water and 9% for sewer. The rate increase was based on absorbing the full impact of the 2016 Buffalo Mountain Metro District (BMMD) 40% rate increase and continuing the 5% annual increase to build funding for future infrastructure improvements. There was a discussion if the 5% portion of the increase should be altered to help reduce the effect of the BMMD rate change. The budget and rates will be discussed at future meetings with a formal approval at a November budget meeting.

BMMD Contract. Jeff Leigh submitted a letter on behalf of the District to BMMD regarding the magnitude of the rate increase, questioning the amount of gallons included in the base rate, and requesting the BMMD board meet with Mesa Cortina regarding modifications to the agreement originally negotiated by Summit County. As of the meeting, no response has been received. There was a discussion regarding the concept of wholesale purchase of water compared to retail service to the BMMD customers, the initial input of attorney Tim Flynn regarding the contract, requesting a formal contract review by Tim, and pursuing increasing the amount of water included in the base rate to 15,000 gallons per quarter.

Shooting Star Vault. Randy Rehn reported he requested Mountain Peaks Controls include the means in the proposed water control system to monitor the BMMD production to manage the flow below the minimum (currently 428,000 gallons per month) included in the base rate. The controls would utilize the wells to supplement the water requirements. The estimated cost increase was \$3,000, but would be currently absorbed by the deferral of the flow meter in the proposal.

Timberline Controls and Mountain Peaks Control met with the District and prepared proposals. Adjusted to comparable features, the Timberline proposal was approximately \$61,000 and the Mountain Peaks was \$48,000. The SCADA system would be installed in the new vault building and includes a computer. The Mountain Peaks contract required a 50% deposit. The time period to obtain the required parts and fabricate the equipment was four weeks. The anticipated completion date was November 1st. The flow meter portion of the contract was on hold pending radio frequency licensing and the BMMD contract terms. One internet connection to either the water tank or the new vault building would be connected by a radio signal to serve both the existing metering system and the new control system. *A motion was approved to accept the Mountain Peaks Control contract for \$48,017.83 with authorization of the \$24,000 down payment. (Jack/Whinston,4-0).* Randy Rehn was authorized to sign the final proposal or contract and provide the down payment at that time.

The invoice of \$40,313.94 was paid to Summit Structures for the vault building construction. A final review of the invoice and any necessary adjustment will be made at a future meeting. There was a

discussion regarding final building finishing, grounds, and chlorine storage. The permanent Xcel meter will not be installed until the final electric work is completed.

Future Projects. There was a discussion of 2016 projects that could include limited sewer line upgrades that have been discussed in the past and improvements to the foam covering on the water tank. The exterior of the tank was not esthetically pleasing, but was not a structural or State requirement issue. Birds affecting the foam, particularly on the roof, were a problem. Discussed was a hard surface finish for the roof. Approximately \$90,000 remained due on the Alpine loan that was used to fund the water line replacement project. The original \$175,000 loan with interest at 3.25% was scheduled to be paid off in October 2018. There was a continued discussion if the 2016 District rate increase should be only to reflect the BMMD increase, or include the 5% capital reserve increase, or have a reduced capital reserve rate increase.

I&I Service line repairs. Rob Sister from RKR indicated his probable availability later this fall for the five sewer service line repairs found with the video work. One on Royal Buffalo Drive involved District participation to remove an unused leaking sewer tap in the same location. Jeff Leigh had previously contacted owners responsible for the work. The Board felt an agreement was required from the owners prior to any formal commitment with RKR. The responsibility of the work was the owners and the District was only acting as a facilitator for the work. The continuing issue of the required road cut bond with the County and if any drainage improvements on the Royal Buffalo Drive excavation should be done was discussed. *A motion was approved that if the service line repairs by individual owners were not completed in the fall of 2015, a letter to the owner would be sent with a firm 2016 deadline for the work to be completed.*

Next meeting. The October meeting was scheduled for October 6, 2015 pending Board availability and the need for the meeting. The November budget meeting, to be attended by the attorney, was not yet set. The Board requested the attorney consider November 17th, 19th or 20th.

The meeting was adjourned at 7:05 PM.