

Mesa Cortina Water & Sanitation District
BOARD OF DIRECTORS MEETING
Tuesday, November 8, 2011
Silverthorne Fire Station

Attending Board members:

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| Jon Whinston | Billy Jack |
| Randy Rehn | Chuck Gray |

Others attending:

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| Bob Polich | District Administrator, Mountain Systems |
| Jeff Leigh | District Manager |
| Tim Flynn | District Attorney |
| Tom Vandeventer | 106 Spring Beauty Drive |

President Randy Rehn called the meeting to order at 5:10 PM.

Minutes. *The minutes from the September 8, 2011 meeting were approved with a correction to the spelling of cathodic in reference to the protection of the water tank. (Rehn/Whinston, 4-0).*

2012 Budget Public Hearing. The public hearing on the 2012 Budget was opened. There were no comments from members of the public in attendance. The public hearing was closed.

2012 Budget. The 2012 Budget, financial information, and the 2012 Rates had been provided to the Board via email prior to the meeting. There was a clarification of the water income from the increase in the incremental rates for water usage. There was a discussion of the 3rd quarter water usage readings and accounting for homes under construction and a home that appeared to have a failed meter. Capital improvements are budgeted for \$45,000. The appropriation allows the full use of any reserves for improvements. *Resolution 11-11-1 to adopt the 2012 budget was approved. (Rehn/Jack,4-0). Resolution 11-11-2 to appropriate money for the 2012 budget was approved. (Rehn/Jack,4-0). Resolution 11-11-3 to not certify a general property tax was approved. (Rehn/Jack,4-0).* \

2011 Budget Amendment and 2012 Rates. The Metro District obtained a \$100,000 grant from the Cortina Property Owners Association to fund the 2011 sewer line replacement work. The 2011 Budget should be amended to reflect the grant and the sewer work. The amended budget would be on the agenda of the next meeting December 6, 2011 at 5:15 PM. Also, on the agenda will be the final approval of the 2012 rates. As the meeting was expected to be short with only two agenda items, it would be a conference call with a physical location for the meeting of 124 Solomons Lane in Mesa Cortina.

Water Rights. Jeff Leigh summarized the status of the water rights action with water attorney Evan Ela. The District has 76.9 gpm of absolute water rights and 68.1 gpm of conditional water rights. A legal action on conditional water rights is required every seven years to maintain the rights. The State was questioning the need for the conditional water rights that was part of the current legal filing. McLaughlin Engineers provided a summary of the anticipated water for build out of the District of 60 gpm. There was a discussion regarding the cost to continue the conditional rights and if they would have any value in the

future. *The Board approved a motion to not pursue the conditional water rights as they would not have a future value to the District. (Whinston/Gray,4-0).*

Another issue included on the legal filing was the transfer of the Middle Park water rights to Lake Dillon. The opinion of Evan Ela was the transfer was beneficial to the long-term operation of the District and was the main priority of the legal filing.

The final item on the legal filing was to include the Bashore well as part of the District water augmentation. Several objections had been received by the Court. The District would need to have a depletion analysis done at a cost of \$4,800 to prove the well would not affect other users. The legal costs were estimated at \$3,000 to \$10,000. *The Board approved a motion to not proceed with the Bashore well at this time as part of the current legal filing. (Whinston/Jack,4-0).* The Bashore well would remain a test well and its use could be pursued in the future.

There is a discharge permit for the Bashore well to allow flow testing. The permit had an annual renewal cost. As the Bashore well was not in the current plans of the District, the permit would not be renewed.

Operations. Jeff would work with Tim Flynn on the final presentation and filing of the sewer line easements from 2010. The State has notified the District chlorination of the water will be required. McLaughlin Engineering was preparing a plan for the chlorination to obtain approval from the State. There was a discussion of the chlorination options. Jeff indicated some of the water control equipment should be replaced in the future as part of any water plant facility improvements. Jeff was pursuing completion of the radio control signals to allow the eventual elimination of one of the phone lines. Jeff reported Treatment Technology had sampled and submitted the State required testing for Lead and Copper. The Source Water Protection Plan draft was reviewed at a meeting held prior to the board meeting. The paper expansion of the Joint Sewer Authority was scheduled for 2013. The District would receive compensation for the expansion and part of it would be applied to acquiring sufficient sewer taps for buildout. Jeff is continuing the review of options for the future replacement of the water meters. A water service line leak was discovered and shutoff during the sewer line replacement. Jeff had met with the new Water Commissioner for the area.

Sewer Line Replacement. The contractor Stan Miller has completed the 2011 sewer line replacement on Royal Red Bird and Solomons Lane. The project went well and required limited supervision. There would be some follow up work in the spring to video the line and add mag chloride to the areas of the roads disturbed.

Other. The next District election was May 2012. The terms of Chuck Gray and Barry Westerland would be up for election. Tim Flynn summarized the process to have a property tax mill levy. The first step would be to have the District plan modified by the County Commissioners to allow a mill levy.

The meeting was adjourned at 7:03 PM.