

Mesa Cortina Water & Sanitation District  
P.O. Box 1189  
Silverthorne, CO 80498

Minutes of June 1, 2004 Meeting  
North Branch, Summit County Library

Vice President Randy Rehn called the meeting to order at 5:15 P.M.

Board members present; Chuck Gray, Bob Brockmeyer, Randy Rehn and Billy Jack.

Manager present; Jeff Leigh

Operator present; Matt Willits of Water Solutions, Inc.

Public present; None

Minutes of the April 6, 2004 meeting were approved as presented.

The first item of discussion was the final draft of the Districts Rules and Regulations and Water Construction Standards. Matt Willits cleaned up the last few clerical changes from the previous review at the April 6th meeting. No new changes or alterations were proposed. Chuck Gray made a motion to approve the Mesa Cortina Water and Sanitation District Rules and Regulations and the Mesa Cortina Water and Sanitation District Water Construction Standards as presented. Bob Brockmeyer provided the second and the motion carried unanimously.

The last item of old business was the status of the past due tap fees. Manager Jeff Leigh reported that no responses were received to date from the letters sent out around the first of April, 2004. The purpose of the letters was to inform the remaining four property owners of these outstanding tap fees still due and payable to the District. Per the Board's directive, the District's attorney Tim Flynn will draft letters to the remaining four properties asking for compliance by the end of August. If a satisfactory response is not obtained from the affected owners, the District will pursue certifying the debt to the Summit County Government for collection. A 30% collection fee along with any other fees related to collection will be added to the \$3875.00 originally owed.

The first item of new business centered on the District's water rights. Ron McLaughlin of McLaughlin Rincon was hired to give the District a comprehensive overview of our water rights. Ron's investigation turned up a few key issues concerning the absolute water rights of the wells # 4, 5 and 6. The uncertainty is whether Mesa Cortina's original 3 wells, #1, 2 and 3 absolute water rights of 45 gallons per minute cumulative, were conveyed or transferred to present wells 4, 5 and 6 in addition to the absolute water rights of 31 gallons per minute cumulative, currently decreed to wells 4, 5 and 6. This issue is complex and will have to be investigated by a water law attorney.

In addition, wells 4, 5 and 6 have conditional water rights that require filing a diligence application with the Water Division of the District Court every six years in order to maintain the conditional rights. The District has until June 30, 2004 to file this application with the courts to demonstrate it still needs and desires these conditional rights. Evan Ela, a water attorney with Collins, Cockrol and Cole has estimated the cost of filing such a diligence application with the District Water Courts to be \$3,000 to \$4,000. Manager Jeff Leigh asked for a motion to hire

Evan Ela and allocate up to \$4,000 for this purpose. Retaining our conditional water rights will buy the District another six years to sort out and act on these conditional rights. Randy Rehn provided such a motion and Bob Brockmeyer provide the second. The motion carried unanimously. Addressing the absolute water rights of wells 4,5 and 6 should be investigated at the conclusion of the diligence application for the conditional water rights and will require an additional motion from the Board.

The second item of new business pertained to the water and sewer rate structure between Mesa Cortina and Buffalo Mountain Metro District (BMMD). Under a 1995 Intergovernmental Agreement between Summit County on behalf of Mesa Cortina and BMMD, Mesa Cortina buys water at a rate of \$13.50 per month per household for 2,000 gallons of water, whether it is used or not. Additional water over the 2,000-gallon base rate is billed at \$3.00 per 1,000 gallons, the same as in district BMMD users. The District currently purchases \$8,000 to \$8,500 worth of water per quarter or \$32,000 to \$34,000 per year.

Sewer service by BMMD consists of allowing Mesa Cortina waste to jointly flow through approximately 4,000 feet of the main BMMD interceptor starting a Buffalo Drive and terminating into the Joint Sewer Authorities west bank interceptor located near the intersection of Wildernest Road and Adams Way in Silverthorne. The current charge for the use of the BMMD interceptor is \$9.24 per month per household.

Currently the District pays \$22,730.40 per year for the 205 households on line.

The current rate structure that exists between BMMD and the District is outside the industry standard of 1.5 times in district rates when selling outside a district. The Board gave direction to Jeff Leigh to gather more information on water and sewer rates throughout the county. The Board expressed a desire to talk to the BMMD Board about our rate structure once more information is available.

System operator Matt Willits gave an up date on maintenance projects. All the District fire hydrants have now been completely checked. Four more hydrants were found to be in need of major maintenance and have been taken out of service temporarily. Lake Dillon Fire Department has been notified of the affected hydrants. Matt will work to get the hydrants up and working as soon as parts become available. The new maintenance logbook for the hydrants is now complete.

Matt also reviewed the long-range projects list with respect to cost and future budgets. Matt stressed the need to compare the long-range projects list when establishing future rate hikes. Rebuilding the water systems pressure reducing valves is still slated for this summer.

The next regular scheduled meeting is set for July 6, 2004 at 5:00 P.M., North Branch, Summit County Library.

The meeting was adjourned at 7:30 P.M.

Respectfully submitted,

Jeff Leigh