

Mesa Cortina Water & Sanitation District
BOARD OF DIRECTORS MEETING
Tuesday, December 2, 2008
Continued to Wednesday, December 17, 2008
Blue River Room – Silverthorne Library

Attending Board members:

Jon Whinston	Barry Westerland
Billy Jack	Chuck Gray (Dec 2 nd only)
Randy Rehn (Dec 17 only)	

Others attending:

Dave Matthews	Cortina Property Owners Association	(Dec 2 nd only)
Joanne Hanson	Cortina Property Owners Association	(Dec 2 nd only)
Corley Friesen	Cortina Property Owners Association	(Dec 2 nd only)
Don Parrett	Cortina Property Owners Association	(Dec 2 nd only)
Rod Balak	Cortina Property Owners Association	(Dec 2 nd only)
Bob Polich	District Administrator, Mountain Systems	
Tim Flynn	District Attorney, Collins Cockrel & Cole	(Dec 17 th only)
Matt Willitts	District Operator, Water Solutions	(Dec 17 th only)

Jon Whinston called the December 2nd meeting to order at 5:05 PM

Minutes. *The minutes from the November 4, 2008 meeting were approved. (Gray/Westerland,3-0).*

Homeowners Association Grant. Representatives from the Cortina Property Owners Association (HOA) attended the meeting. While written documentation was not found, there was an acknowledgement that the HOA Board had previously agreed to a grant to the Mesa Cortina Water and Sanitation District of \$100,000 to be used on capital projects. Jeff Leigh summarized the expenditures of the District since its formation including reconstruction of the Pressure Reducing Vaults, restoration of the water storage tank, and upgrades to the system operation. The District infrastructure assumed from Summit County Government was not in the best condition. Pending was the development of a new water source to eliminate the dependence on the Buffalo Mountain Metro District. The problem with sewer inflow and infiltration (I&I) was discussed including the actions taken to date to resolve the problem. Long-term capital requirements of the District may require borrowing through a loan or a bond.

Billy Jack arrived at the meeting at 5:17 PM.

There was a discussion with the HOA regarding the cash on hand, interest earned, and the future capital expenses. The HOA Board indicated they would like to have a presentation to owners at the February 2009 meeting regarding the future expenditures of the District and future user fees. The HOA Board adjourned to a Special Board Meeting and agreed to

provide a \$100,000 grant to the Water and Sewer District as of January 1, 2009. The District would provide a summary of the infrastructure needs at the February 2009 HOA meeting.

Rate Discussion. The Board continued the discussion from prior meetings of the proposed rate increases for 2009. The discussion focused on the appropriate base rate for unimproved properties. Questions deferred to the continuation of the meeting with Attorney Tim Flynn included the role of property taxes, standby fees and confirmation of the HOA grant legality.

JSA Taps. The District had previously authorized the purchase of 20 Joint Sewer Authority (JSA) taps from BMMD at a cost of \$1,300 per tap. BMMD determined they would only sell five taps. Five taps at \$1,300 per tap were purchased by the District.

I&I. Jeff Leigh reported 45 sump pumps have been identified with 12 of these connected to the sewer system. Jeff was working with owners to have the sumps connected to the sewer modified. The drainage work had been completed around a manhole where surface drainage was increasing the I&I. There was a discussion if the sewer line video in 2009 should be with the contractor RNR or done in house using the camera available from JSA.

Other. Jeff recommended the Board allocate monies from the 2009 Budget for McLaughlin Water Engineers to continue engineering on the new water source.

Continuation Meeting. *The budget meeting will be continued to December 17, 2008 at 5 PM. (Gray/Whinston,4-0).*

The meeting was adjourned at 6:53 PM.

The continuation of the meeting was called to order by President Jon Whinston on December 17, 2008 at 5:10 PM.

2009 Budget. No members of the public were present for the continuation of the meeting. The public hearing was opened and closed. Attorney Tim Flynn provided the formal 2009 Budget and three resolutions to approve the budget. Tim indicated his standard budget approval documents anticipated all 2008 expenditures of the District.

The budget was summarized and questions from the Board addressed. Tim indicated user fees can be adjusted during the year as long as any rates are reasonable and fair to all properties. As unimproved properties had been allocated a tap fee they can be charged a reasonable users fee. There was a discussion regarding the allocation of fees fairly to all users including the tap fee allocation based on capacity and the use of fees to recover costs. The Board would continue consideration of equitable fees in 2009 for all properties. There was a discussion regarding forecasting maintenance and infrastructure improvement costs as part of the fee structure determination.

Tim indicated that for the District to initiate a property tax the first step required would be to amend the service plan with the County Commissioners. If the amended plan was approved, then an election would be required to authorize any tax. Tim covered the difference between General Obligation (GO) funding that was repaid through property taxes and Revenue

funding that was repaid through user fees. Interest costs were generally lower with GO funding. There was a discussion regarding the consideration of funding options for routine maintenance compared with long-term capital expenditures. Tim indicated the cost to amend the service plan including drafting of the document, notice of a hearing, and the costs to hold the hearing were approximately \$10,000 to \$15,000. If the amended plan was approved the election could be held in November of any year or in May of even years. It was likely the election would be conducted by mail. Tim felt a decision was required by March 2009 if a property tax was to be instigated in 2010. The basis for property tax funding, either a fixed dollar amount or a mill levy amount was discussed. A fixed amount may be appropriate to pay a set loan amount. A mill levy basis allows taxes to change based on increased property values.

Tim indicated a separate director's fee can be paid for meeting continuations.

A motion was approved to adopt Budget Resolution 08-12-1. (Rehn/Westerland,4-0). A motion was approved to adopt Budget Resolution 08-12-2. (Rehn/Jack,4-0). A motion was approved to adopt Budget Resolution 08-12-3. (Rehn/Whinston,4-0).

Other. Tim indicated Amendment 54 in the State of Colorado would affect the sole source contractors utilized by the District as their ability to contribute to political funds was restricted. Tim's office would have additional information available in the spring regarding the identity thief statute that would take affect in May 2009. The District would be required to adopt a plan, but it was not expected to alter any of the current operations and billing methods of the District.

Next Meeting. The next meeting was scheduled for Tuesday January 6, 2009 at 5 PM. The Board requested the meeting be utilized to develop maintenance and capital projects priorities.

The meeting was adjourned at 7:15 PM