

# ROUND MOUNTAIN WATER AND SANITATION

## BOARD OF DIRECTORS MEETING

THURSDAY, JULY 18, 2024

2:00 P.M. – 3<sup>RD</sup> STREET GALLERY BUILDING CONFERENCE ROOM

NOTICE IS HEREBY GIVEN that the Board of Directors of the ROUND MOUNTAIN WATER AND SANITATION DISTRICT of Westcliffe-Silver Cliff, Colorado will hold a meeting for the purpose of conducting such business as may come before the Board. This meeting is open to the public;

Call to Order at 2:00 p.m.

Roll Call: Charles Bogle, Steve Lasswell, Randy Wilhelm, Mark Dembosky, Connie Thompson, Peggy Quint, Dave Schneider, Steven Koch and Elliott Jackson (Wet Mountain Tribune)

Pledge of Allegiance led by Steve Lasswell

Additions to the August 15, 2024, Board of Directors Meeting Agenda

1. Resolution 2024-9
2. DOLA Update
3. Draft Audit Presentation – if not completed prior to August 15, 2024

Administrative Reports

1. Business Office Manager – Peggy Quint – Report in Board Packet. Peggy reported that the auditors were not able to complete the audit draft for today's presentation that was scheduled. A Special Meeting may be needed to make the presentation before July 31<sup>st</sup> or an extension will need to be filed with the State Auditor. Until now, Peggy thought everything was on schedule and that an extension could be avoided. The total amount for sold taps currently is \$164,250.00. Five new taps and two repurchased. Mr. Stermer verified that our rent will probably be increased between 10% and 20% starting in 2025. Bulk Water customers continue to sign legal documents. They have until August 1<sup>st</sup> to sign, or their PINs will be shut off. Peggy will give them a reminder call before August 1<sup>st</sup> so that they don't drive into town and find they cannot get water. Next year's budget will reflect an upgrade on the machine and moving to cloud based communication.
2. Field Operations Manager – Steven Koch – Report in Board Packet. Steven reported that the fields techs have been doing water sampling and a repair on French Street. Next month they will be installing a 6" line on French Street and a line update on Second Street to Fourth Street. Sterling and Gage have been doing fire hydrant flushing. Upper water pressure zone adjustments added sufficient water flow to handle what was needed for the Painted View Ranch fire. The fire department filling tankers did not cause issues in town for our customers. Fire hydrants are painted to code the best flow for the Fire Department.
3. General Manager – Dave Schneider

- Well/Meter Project – testing continues on the Smith Well. The 2<sup>nd</sup> major test has been done. Three are required by October 2024. A discrepancy in the Black Hills Energy bill is being researched by Mark Stetz of Iconergy.
  - One solar panel was replaced today under warranty. Whether they are under the original warranty or if they have their own warranty will be researched.
  - DOLA grant is complete, and Dave is working with SRF to get the last of the invoicing paid.
- Reservoir – Teams Meeting took place with Upper Ark, RMWSD, Engineering Analytical, our design engineer, and Upper Ark’s engineer to discuss the redesign of the reservoir to address the concerns on the expanded size and depth. EA (Engineering Analytical) will have their redesign completed by September 1<sup>st</sup> and be sent in for review the first week of September.
- Property to be purchased from the property owner to the South was surveyed and pinned. Dave is waiting for the legal description from the surveyor to send to the attorney. We should have that in a few weeks and the attorney can provide a quit claim deed. At that point the final transaction can be done.
- Design work is being done on the discharge pipe to Grape Creek. Looking into siphon-type concept which would minimize freezing.
- Geroux will meet regarding easement across property for the discharge pipe. The Division of Water Resources was asked about letting the water discharge into the swamp, but they responded negatively. Upper Ark is buying the Wenke pond, and they are getting credit for the water that is flowing through. Our discharge pipe must be a direct discharge to the stream. If the line is put underground, there should be a minimal impact on the Geroux.
- WWTP – GMS is working on the demonstration project application. They submitted a locate (811) for that area, so it is apparent they are starting work on the property.
- Charles and Dave went to Montrose and spoke before the DOLA Board. With Charles’ suggestion, Dave presented the DOLA PowerPoint to the RMWSD BOD. The presentation slide show will be available on the website for the public to view. The response from DOLA was very positive!
- Two water cases objections – Some of the water that people were trying to get decrees on originates at our Gallery Well parcel. This has been researched and neither potential water decree damage or injure to our existing decrees, so we have stipulated out of both of those cases.
- Augmentation Plan – we remain full at the DeWeese storage account. Macy Creek has dropped but is still flowing so enough is captured for our daily depletions. Charles suggested we have drone footage of our property.

#### Consent Agenda

1. Approval of the Minutes of the June 20, 2024, Board Meeting
2. Financial Report and Approval of Checks for June 2024  
Motion: Mark Dembosky Seconded by: Randy Wilhelm. Motion passed unanimously.

#### New Business

1. Bianca Trenker – Ravens on Main – Parcel/Tap split – Dave presented a map of the location of the property. It is located at 5<sup>th</sup> and Main. She is exploring the idea of taking three residences in one and splitting them up and selling them individually. By RMWSD Rules and Regulations, that is not possible. Anytime you break up the properties, each property would require their own tap. Based on the location of the water and sewer mains, connecting water and sewer mains would have to be installed. It would cost hundreds of thousands of dollars that would be on the property owner, plus the cost of the taps. Dave read paragraph 3.1 of RMWSD Rules and Regulations; In no case shall a single water tap, service line, or water meter serve separate parcels of property even if owned by a common owner. If a parcel of property is subdivided or otherwise divided into separate legal parcels or ownership units, separate taps, service lines and meters must be paid for and installed to serve the newly created parcels or ownership units so that each separate legal parcel or ownership unit has separate services. For the purposes of this section, each non-contiguous lot, parcel, or property shall be considered a separate ownership, requiring separate service taps and separate service lines. Non-contiguous property is that which is separated by any public street, alley, right of way, lot line or by any other ownership.

A water and sewer extension would need to be installed through 5<sup>th</sup> Street.

Motion to reject Ms. Trenker’s request for a proposed parcel split was made by Connie Thompson and seconded by Mark Dembosky. The motion was passed unanimously.

2. Bulk Water Customer dispute over legal documents – Dave presented the copy of the attorney’s letter to Jerry Gomez with the changes that the board had made. Mr. Gomez must sign the Bulk Water Legal document in order to continue purchasing water from our bulk water station. The deadline is August 1<sup>st</sup> for that signed document to be submitted.

Craig and Debra Stapert redacted the legal document – Ms. Stapert made changes to the legal document with what she thought was needed for her to sign. This document was written by our district attorney, Jeff Parker in 2019. The Staperts are not in agreement with the insurance requirements. Everyone who uses our bulk water station needs to be insured if they damage our building, equipment, etc. This insurance covers any damage that may happen while dispensing or hauling water. Liability exposure is set at \$1million. Dave suggested that no changes be made to our legal documents. The motion was made by Mark Dembosky and seconded by Randy Wilhelm. Motion carried with a 5-0 vote.

3. Resolution 2024-10 Authorizing Attendance at the SDA 2024 Conference – This resolution has been approved by the board in the past. Peggy Quint requested that the board approves the resolution for the sake of any questions, issues etc., as they attend the SDA Conference. The motion was made by Randy and seconded by Connie. Motion carried with a 5-0 vote.
4. Resolution 2024-11 – Dave presented a map that showed a parcel of land that was deeded by Silver Cliff in 1975, namely, the Little Main Mine Load. There was a well that Silver Cliff used that was located on a portion of that property. In the early 2000s it was found to have metals and the state strongly recommended that RMWSD abandon the well and cap it. That land was given back to the rezoners. Silver Cliff has asked us to give back the remaining portion of the Little Main Mine Lode as it contains only Silver Cliff streets and alleyways. That will give us more than one option to access the water storage tanks property. We are impeding the progress of the town’s growth because we own the land. Dave has asked our attorney to write a quit claim deed to Silver Cliff for that parcel that includes the official description and states

that we are giving it back to Silver Cliff. Motion to approve the resolution was made by Mark Dembosky and seconded by Randy Wilhelm. Motion passed 5-0.

#### Old Business

1. Resolution 2024-9 Approving new evaluation forms – tabled until next month
2. Continued discussion regarding Town of Westcliffe grant matching fund request – Discussion regarding conflict-of-interest requirements. Dave reminded those in attendance that had a potential conflict of interest that they are officially representing RMWSD. Any discussions, decisions and acts need to be in the best interest of RMWSD. Connie Thompson asked how this suggestion benefits our customers? She stated that if the suggestion doesn't benefit the customers, she is not for it. Caleb Patterson had characterized us as a profit-making organization. Special Districts are limited as to how much profit we can make on our system. Steve stated that he is on the Custer County Attainable Housing Committee. That committee strives to find housing for the workforce population. That is his conflict of interest. Steve signed a Conflict-of-Interest statement. Randy stated that Charles would need to leave the room due to his legal conflict of interest. Mr. Bogle remained in the room and agreed not to influence the others' decision. Dave is discussing the demand that the plans would have on our system. Dave said that the distribution of water is not an issue if the 6 blocks of housing were fully developed. The wastewater can be gravity fed. Right now, we do not have the capability to service the additional wastewater demands from that area. However, if the 6 blocks were developed, it will take up to four years before there would be residents using our wastewater system and having a direct impact. By then, we should have an upgraded wastewater treatment system. Dave told Mr. Patterson that RMWSD could satisfy the demands that this development would have on our system. The Town of Westcliffe would be required to sign a developer agreement just like any other developer. Dave suggested that we should not be involved in any kind of financial support for this project. Dave presented the addendum to the 1975 agreement and suggested that the board reject this proposal. Dave explained potential ways and how the district could support this project.
  - a. A tap fee is fixed water costs for taps. On the wastewater side, the tap fee over 1 EQR is set by the board. If the board decided, they could choose to reduce the sewer tap fee. However, anytime a reduction is given, someone else in the future will request the same. The water tap is fixed in price, but the wastewater side is not.
  - b. Waive the requirement in the development agreement that we require 120% of the project cost that is put in a RMWSD managed account. The Town of Westcliffe being the developer, they have much more invested, and we could possibly relax that requirement and only ask for a warranty amount to hold for two years or when the project is complete. This would be for the water and wastewater infrastructure only.
  - c. We will implement the developer extension rebate/reimbursement for ten years for Westcliffe after the project is complete. Anyone that connects to the new water and wastewater extensions will pay for their portion of the installation of water and sewer mains that are adjacent to their property. This reimbursement policy does not necessarily satisfy the immediate request for matching funds. Dave stated that we

are not a source for the initial funds, and we should treat this project like any other development request.

Caleb Patterson wants the two boards to meet to negotiate this proposal on July 23<sup>rd</sup> because there is a Planning and Zoning meeting on the 24<sup>th</sup>. Mark stated that if the board rejects this proposal, there would be no need to meet with the Town Board. Charles relinquished the floor to Steve Lasswell, Vice Chair of the Board, entertaining the motion. Mark Dembosky made a motion to reject the proposed addendum and all that it includes. Randy seconded the motion. Motion passed 4-0.

3. Randy stated that regarding the 2025 Budget - Treasurer and Managers are to work on the Budget. Connie Thompson has shown an interest in working on the budget. Connie clarified that she only wants to know what she is approving of. Peggy will provide the information needed to explain the budget numbers.

Adjourn at 4:15 p.m.