



## Round Mountain Water and Sanitation

### Board Meeting via Conference call or Video

April 16, 2020 – 2:00 p.m.

Call to Order at 2:04 p.m.

Roll Call: Charles Bogle, Steve Lasswell, Randy Wilhelm, Peter Ewing, Greg Smith,

Courtney Cole, Peggy Quint, Tracy Ballard, Dave Schneider, and Matt Hudson

Pledge of Allegiance

Additions to the May 7, 2020 Board Agenda

- Approval of Tap Fee Schedule and Late Fee Increase (30-days will have passed)
- Bulk Water Rate Increase
- Fromm Report (if able to attend)
- Oath of Office for new election

Administrative Reports

#### 1. District Operations Manager – Dave Schneider

- WWTP Update – Brandyn will reply to the PDR Questions offered by the state by this Friday. An updated timeline has been presented with the estimated final being done by mid-July. This project could then be put out to bid by end of July to mid-August.
- Dave has been responding to the Letter of Conditions from USDA. Joe will let Dave know what else they will need.
- Dave has contacted Jim Griffins with interim financing. Dave is working on the paperwork this week and has sent the LOC. Jim is looking it over and a phone call with Jim will take place next week. Dave will setup a meeting with Jim Griffins and Joe Montgomery to move forward with that funding.
- Iconergy and Carl Hurst – nothing really going on until the stay-at-home orders are lifted. Dave is planning to get the meters switched and tested in May. They have contacted SGM regarding the preliminary engineering on the Smith Well replacement. They will partner on that part of the project. It would be next year before any digging would take place.
- Johnson Ranch Water Decree
  - Objectors are now working with Division II. They have convinced them that there is injury taking place. RMWSD does not agree. They have asked us to do some interim storage to address the injury. Dave has asked for a meeting with them and have them prove that there is injury. Justin Korkus has gone through the memo that the objectors sent us. Our engineers have looked it over and they determined that the only time that there could be actual injury, is if the lower stem of Grape Creek would actually dry. The lower stem of Grape Creek never dries. We are hoping to have a meeting with Lamp Rynearson, Justin Korkus, and John Fox and discuss our concerns and try to convince them that our decree should take care of any injury that could occur. Dave received an

opinion from Division II lead engineer. We had requested to change our decree to add a potential reservoir site by the Gallery Well. A letter was sent to the State Water Court with his support of us doing that. Greg asked if we could keep track of staff hours and attorney hours. There will be significant bills generated due to this action. Peter requested clarification to the term “injury”. Dave explained that injury meant that we have two wells that are depleting the stream. They feel that without the reservoir we are unable to get back that depletion. The decree has three different options, but 14F describes what we believe is the real solution to this issue. We don’t feel that building a reservoir would address that injury. Charles asked if we could have recourse for our expenses. Dave explained how and why of that possibility.

- Water Attorney is finalizing verbiage to stipulate out of Upper Arkansas’ water decree. We have addressed all our concerns with Upper Ark. We are waiting for their response. They are assuming that we are going to be happy partners and they are pursuing an engineering grant for initial preliminary engineering for the reservoir. They are waiting to do an actual contractual agreement with us until we stipulate out.
- DeWeese Project is still on hold as they pursue grants. No requests have been made at this point. It would be two or three thousand dollars.
- Johnson Ranch Dry Up – end of May we will have one year of data. Two more years isn’t going to make any difference. One year of information should be sufficient. Dave will talk to Division II and move toward finalizing the dry up. Attorney will draw up easements. Several interested parties in purchasing the property have contacted Dave.
- Rules and Regulations – final copy has been sent out. Dave had Jeff Parker’s assistance. Wording in Section 2.2 explains that the customer is financially responsible for any additional water/sewer usage caused by a break on their side of the service line. All the Rules and Regulations and Spec Techs have been sent to the interested developers. Dave realized that we did not have any paperwork that addressed the developer’s agreement to abide by the rules and regulations. Jeff Parker is drafting up a Development Extension Agreement that will include a warranty that will be defined. He should have that next week. Also, a draft will be written for a quit claim deed for anyone who bought a tap. They would have to sign off any water rights or water usage rights on their property. Dave feels this should be brought back into the District. Inclusion Documents will be drafted in the event that property owners want to be included in the District.
- Operations – Jackson will have completed his 14-day quarantine due to being out of the state of Colorado for more than 24 hours. Field Techs are installing taps that fall under the old Rules and Regulations that were purchased earlier in the year.
- Fremont Sanitation is trading in a sewer camera van. Dave is waiting to hear the amount they would sell it for. Dave would like to have this van for the District. It is not older than 5 years or so.
- Road and Bridge was not happy with the amount that they were billed due to the rate increase and the change in their out-of-district status. We informed them that this is the new rate for them. They will start pulling from DeWeese. We will be charging them a penny a gallon next year.

## 2. District Business Manager – Peggy Quint

- Migrating the Website is complete. All information is up to date. Courtney has worked really **hard** on this.
- All is well regarding working with Fromm and Company. We hope to meet with them next month. Trial period was to be 6 months. We will be at our 5-year anniversary in May. We would like an on-site visit. Nothing from the Auditors yet. Office remains closed to the public, unless it is one customer at a time.

- **Relationship with Bill Flash continues to be a challenge.** In the future, it may be time to change to Express BillPay. Customers are not happy with the ability to log into their account and balance is not current. Peggy has been a bit more assertive in communications with Bill Flash, due to unresolved issues.

### 3. District Consultant – George Medaris – not in attendance

#### Consent Agenda

1. **Approval of the Minutes of the March 19, 2020 Regular Board Meeting**
2. **Approval of the Minutes of the April 2, 2020 Regular Board Meeting**
3. **Financial Report and Approval of Checks for March 2020**  
**Motion: Randy Wilhelm Second: Greg Smith. Randy stated that upon looking at budget status, we lost \$12K last month. He and Dave are keeping a close eye on the financials.**  
**Vote was 5-0 to approve Consent Agenda**

#### Old Business

1. **Address hardship cases in the district customer base due to Coronavirus** – Office Staff continue to work with customers when they are delinquent. Late fees will be added to bills, however, if customer is experiencing hardship because of COVID19, we will waive the late fees. We will not be turning any water off during this time. If staff has any issues, they can approach the Board with any additional confirmation.

#### New Business

##### 1. SGM Engineering for zone 3 expansion

- **Matt Hudson joined the meeting at about 3:00 p.m.** – Matt priced the engineering on expansion of zone 3. George had asked them to put together an outline of the project a few years ago. Scott Forester assisted Matt in pricing the expansion engineering since Dave had asked them for a current price. The complicating factor is the new state law requiring the subsurface utility investigation which made anything that could go wrong underground the liability of the engineer and all of their fees reflect that moving forward. Existing condition surveying will be done, they don't have any surveying in Westcliffe or Silver Cliff at this time. The design work is pretty straight forward. Scott said it should be done by middle of June. It would be about \$50k in engineering fees. We currently have \$39K in our water development fees. So, at this time, we do not have the funds to accomplish this. Dave suggested that we table the project until we have interim financing or next year.
- **Greg Quinones, a developer,** was initially going to hook his new water line onto those lines. Under the new Rules and Regs, Dave is requiring him to loop his line, so he will have an alternative way to get water to his property. Matt added that he understands why we would table it, however, he thinks if we want to build it next Spring that we should try to get the surveying and the subsurface utilities done in the next five months or so, because it is a lot easier to do when there isn't snow on the ground. This refers to the designs and the hydrology studies to make sure the booster station can actually handle what the additional area needs. The implementation all depends on whether we feel we can do it in-house or put it out to bid. If we do it in-house, we could probably accomplish the project for about \$100,000. If we contracted it out, it would probably be double that amount. Board agreed that we should wait until the interim financing is in place. Randy reminded the board that we did not budget for this. We budgeted for the engineering, about \$20k. Randy also stated that we should not put more of a strain on our finances and that waiting until next year is what he suggests. Peter thinks that the surveying should

be done over the Summer. Dave will keep the board advised. He will do some preliminary once the interim financing comes in. Then we would be able to move faster next year. Dave informed the board that we have just enough equipment big enough to do this job since it is water, not wastewater.

- **Randy stated that in another month or so, as the businesses open up again, it will remain to be seen if we will have the influx of tourists in town. If we don't get tourists, a lot of the businesses that purchase water and have a higher sewer use during the Summer will not be paying the higher bills that we depend upon in the Summer. We could lose up to 10% of our revenue. Randy will keep an eye on the status of the businesses in town. Three restaurants have closed due to this pandemic.**
- **Tracy Ballard updated the Board that the Custer County School will be closed to in-person learning for the remainder of the school year. Graduation will be held, but with a new format. Up to 40% of our students do not have internet. The school has put together packets for students that don't have internet or computers. They are loaning out chrome books for those that have internet. They will also be providing meals that can be picked up on Mondays and Wednesdays. They may also continue the meals throughout the Summer.**

**Adjourn at 3:33 p.m.**