



Board Meeting

July 15, 2021 – 2:00 p.m.

Call to Order at 2:00 p.m.

Roll Call: Charles Bogle, Steve Lasswell, Greg Smith, Randy Wilhelm, Peter Ewing, Peggy Quint and Dave Schneider.

Pledge of Allegiance led by Steve Lasswell

Additions to the August 19, 2021 Board Agenda

1. Second 61 results from their visit to RMWSD
2. Auditor's Presentation of 2020 Audit

Administrative Reports

1. District Business Manager – Peggy Quint

- a. Rescheduling of the September 16th meeting due to SDA – Rescheduled for September 9, 2021 at 2:00 p.m.
- b. SDA attendance – Only Dave and Peggy will attend.
- c. Audit with Fromm and Christy DeNardo – Extension filed for 2020 Audit – Auditors are planning on presenting their audit on Thursday, August 19, 2021
- d. Proxy voting – Proxy voting is not allowed
- e. Laura Ippolito - Request for hourly increase to \$17.50/hour from \$16.96. She started at \$16.50/hour. She has been here 8 months and is scheduled for a review. She is doing a great job learning her job description. Motion from Greg Smith, seconded by Randy Wilhelm, motion was approved with a unanimous vote of 5-0.

2. District Operation Manager – Dave Schneider

Jackson and Steven will retake the certification tests again in a month. They have 6 months to use their certification request. Steven is in the process of buying a house and Jackson has a baby coming in two weeks. Both feel that they should try to take the tests as quickly as possible.

a. Project updates

- Division II at the beginning of 2021 informed RMWSD that we needed to get rid of our pond that is on the Smith Well site. It was designed in the late 1800s to be a collection area to service the water in Silver Cliff and Silver Cliff mines at the time. It still doesn't have any water rights or augmentation plan. It has been filled in and prepped the site for the Smith Well's solar array. Seiferts completed the project in a day and a half. There was a fence installed to keep Geroux's horses out until it dries up (about 6 months). Fill dirt was moved to prepare for the treatment area site and the new well will be drilled and the new treatment plant will be nearby. The contact chambers will be underground. It is almost 2/3 of the size of a football field. Dave met with the design engineer for the Smith Well and PV system. Within 4 to 6 weeks, he will have a design to send to the state for approval. The company Dave contacted for the solar array is out of Pueblo, Steel City

Solar. Their representative said that if we can find Indian Sunset, the reflection off of that is significant. However, it is hard to find at this time. Core samples every five feet, five 30 footers and two sixty footers resulted in mostly rock or clay and silt. Twenty feet down there is really coarse sand about two feet deep. It is trapped within the silt below it.

- Sterling printed out a diagram of our taps. He did a fantastic job! We are using them in our Rules and Regs and Techs and Specs books. He also took on the inventory job. Whatever Sterling takes on, we are so grateful for the unsolicited job he does.

Consent Agenda

1. Approval of the Minutes of the June 17, 2021, Regular Board Meeting
2. Financial Report and Approval of Checks for June 2021

Greg Smith made a motion to accept the financials. Randy Wilhelm seconded the motion.

- Randy wanted to update the board on the financial status of the district based on mid-year financial reports from Fromm and Company. He will sit down with Dave and Peggy and work through the figures that reflect the financial condition of the district.
- Rebates need to be removed from the water enterprise revenues.
- We are at 40% of what is expected for revenue with less than half of the irrigation season still ahead
- Miscellaneous revenues reflect \$16,000 to the positive. He feels we will be about \$100,000 short on revenues.
- Figure put in the Water Enterprise GL for the purpose of purchasing a truck, is not going to be used. The camera van was bought in January of 2021.
- Wastewater engineering budget was for \$180,000. We have only spent \$20,000 so far. We will be at about \$40,000 at the end of the year.
- Draper property has been paid off, so we do not have that expense.
- Water and Sewer tap sales are at 5, we budgeted 8. However, there are several plans in the works and could bump up this number substantially.
- Engineering costs are still at a low, but could change
- We need to really look at the metered sales next year.
- In 3 to 4 weeks, we will meet with Justin Korkus regarding the Johnson Ranch dry up. By the end of September, we should be close to putting this property on the market.
- Increase in the income from the meter replacement program should help with our revenues.

Motion passed with a 5-0 vote.

Old Business

1. EA – Engineer Analytics, Inc. – Reservoir Design Options Presentation via ZOOM
Ian Stockdill, Civil Engineer/Design Engineer and Clint Brown, Project Engineer/Senior Dam/Reservoir Engineer presented four options for the board to consider. Each option had a different design, material requirements, and cost. The goal is storage of 150-acre feet based on our conditional rights. The geotechnical investigation was completed. Lab testing has just started but will allow them to refine the designs. Board will look them over and decide in the near future.
2. USDA Wastewater funding discussion – Joe Montgomery doesn't feel that we will be given the additional \$6 million for the WWTP project. He thinks RMWSD should scrap the original application and apply as a new project. The only way that he can make the figures work where

Round Mountain would get appreciable ratio grant to loan is by increasing the wastewater normal, residential bill up to \$55.00. That would calculate to about \$49.00 for the sewer portion of the bill, plus the water. This will be an increase for customers with an ERU above 1 that could potentially shut down some businesses. This would get RMWSD up to the 2 to 2.5 % of the MHI. USDA would probably see that the district customers cannot afford more of an increase, and they might grant us the rest. Joe cannot guarantee that the district will get the type of ratio that is needed. They allow the use of this money for 5 years. It has to be used or Round Mountain will lose it. (September 2023) two choices; hang on to the money and hope that some entity gives the district grant money, or we decide that USDA is the best deal. Either way sewer rates are going to double to get the loan. The state is not going to give Round Mountain any money until USDA states what will be given. The multiple ERU's is what will put a huge strain on the business owners. Dave recommends that Joe receives expenses up to date and what could be reimbursed. Then Joe can do a final review and evaluate the ERU's and what that will do to the district customers. There is not enough information for the board to make a final decision. Dave will let the board know what Joe has to offer. It appears that the sewer rates will double, and water rates will increase at least the minimal percentage.

3. Water Right objections update – Daniel McGuire has stipulated out. Fine details on the easement are being wrapped up. Fountain/Widefield will probably stipulate out as well. Randy Rusk and Robert Miller are staying in the fight, and it will likely go to water court.

New Business

1. Initial Audit Results – IT with Cameron Cromer, Second 61 – Cameron will have the results at the next board meeting. Areas that need attention are; security with Invoice Cloud and Caselle, password manager software, inventory of all computers, server and office and shop wiring and routers, suggestions for equipment that needs replaced and the cost to support us. Greg suggested an offline backup. Peggy would like for the district to have substantial security and backup methods. Plans are that Second 61 will be here in August.
2. DWRF (Drinking Water Revolving Fund) Loan and Resolution Approval 2021-7 – District attorney approved both. Dave recommends that the board approves this resolution. Randy Wilhelm made a motion. Peter Ewing seconded the motion. Motion passed 5-0.
3. Discussion on JDS Hydro Technical Memorandum – Results of the study in the last year. This will not include size and length of pipe, etc. This is an update of the information that has already been submitted. Dave is happy with the results and the information they have reported. This is great information for when we do our water model. If we get our well up and running and our existing water rights and augmentation plans, that we could supply an additional 500 taps. Originally, we thought it was about 100 taps.
4. Dave recommends that without a clear picture of our funding for our WWTP, that a moratorium needs to be put on the district. It's a financial hit for the district, but it will not additionally tax the system that we have that is not working.
5. Cathy Garcia – Lauren Boebert's Office regarding WWTP funding.
Wednesday, July 21st, 10:00 a.m., RMWSD Board Room – Peggy will make sure Westcliffe and Silver Cliff are aware of this opportunity. As many board members present as possible. Also, local papers need to be invited.

Adjourn at 5:13 p.m.