

Round Mountain Water and Sanitation District

Board Meeting via Zoom Video

May 20, 2021 – 2:00 p.m.

Call to Order at 2:05 p.m.

Roll Call Charles Bogle, Greg Smith, Steve Lasswell, Peter Ewing, Randy Wilhelm, Dave Schneider, Peggy Quint, Laura Ippolito, CJ Goebel, Roger Squire, Roger Camper, Josh Martin, Elliot Jackson

Pledge of Allegiance led by Dave Schneider

Additions to the June 17, 2021 Board Meeting Agenda

1. Audit schedule for 2020 Audit
2. Josh Martin proposal map

Administrative Reports

1. District Business Manager – Peggy Quint Laptop is up and running. Waiting for a date for the Audit. Waiting on Christy DeNardo and Cathy Fromm.
2. District Operation Manager – Dave Schneider. Attended the CRWA Conference. Although there were COVID restrictions, it was still worth attending. He attended a class in UV Disinfection to see what kind of basic operations it will take when the WWTP is up and running. He also attended a biosolids regulation update. We will need that knowledge for when we decommission the lagoons. Sanitary Survey prep was great information on what we need to address. It's always fun to see the new toys and technology that is available to districts. He also took a Utility Locating class, Pump Technology, and a Basics of Electric Motors and Variable Frequency Drives. He now has several continuing education credits under his belt! Great job Dave! He thanked the board for allowing him to go. Greg asked if there was anything offered on Cyber Security. Dave said that there was not a class offered for that, but a lot on Asset Management.

Peggy Colgate – tank agreement. A 99-year agreement stating that we would provide water to the parcel they own has been addressed. It would cost us \$10,000 to install a 2" line to the property. Dave offered her the choice of either we pay her the amount, or we will install. She will let us know after the Memorial weekend since family will be in town and they can discuss. Dave did not mention the bulk water offer to her as he feels it will be too complicated to track. We will document and let the board know their decision.

Well and meter replacement update – we are still working to acquire the \$1.3 million loan for that. SRF is concerned because we have no idea what the funding for the

WWTP is going to be. They also asked for a 20-year cash flow progression, which was sent to each board member. Dave feels we can get the funding because this is a guaranteed project covered by the Energy Office of the State. Our engineering company will be responsible for any shortage of revenue that is under their projected income. It is about as guaranteed as you can get. He feels we will get the funds, even though there might be a bit of hesitation.

DOLA grant is all executed and available as soon as we get the SRF. It is moving, just not very fast.

The State Departments did have a meeting on our wastewater issue. Good thing is that all entities came together and are all getting on the same page. The State Engineer may have some alternative concepts of how to meet the effluent limits. Dave explained to him that we (RMWSD) do not have the funds to start all over. In the next couple of weeks SGM and Dave will meet. Dave will let the board know if there is anything to update.

Attorney and Bond Attorney – Contacted Dave and wanted to meet. The Tabor restrictions may affect this project. State grant and State loans will put us over the 10% budget limit of Tabor. This will kick us out of enterprise status for a year in 2022. It's obvious we need the funding, and we may have to lose our enterprise status for a year. If there is no financing this year, then voters will have to decide if we should get the loan. We will have to convince our community that we need this large loan. The result will be doubling their wastewater fees. We will need to put together a long and protracted discussion and PR campaign to accomplish this or the district may have to cease and desist because we will not be able to meet the compliance schedule that CDPHE has required us to do. Perhaps USDA will come through in 2021! They review at the end of the year after looking at our audit. This will affect any acquisition of grants and loans. We are unique in the fact that we are trying to do three major projects in one year. We are shovel-ready, which should be a benefit to us. We have a bond council attorney and an attorney that have decades of experience. If there is any chance of working around this, they would know. Dave will continue to keep an eye out for a way around losing out status. The State Engineers could put a real snag in our project.

Reservoir Project – we have sent our replies to the objectors by the deadline. Dave assumes that a majority will agree with what we put presented. He confirmed with the County that we do not need a Special Use Permit for putting in the reservoir in the county. They just want all the documents filed with them.

Consent Agenda

1. Approval of the Minutes of the April 15, 2021, Regular Board Meeting
2. Financial Report and Approval of Checks for April 2021

Motion made by Randy Wilhelm to accept the Consent Agenda. Seconded by Steve Lasswell, the vote passed unanimously 5-0. Randy wanted to note that we had a positive month financially, basically because there was profit from the Draper Property, Property Tax funds came in and there were two taps sold. We are ahead about \$2,000 for the year.

Old Business

1. Update on USDA Funding – Joe contacted Dave regarding the loan/grant apps. Engineer retired and the individual that was then working on it retired in January. They found someone to take over. He should be able to move it forward. We put our application in mid-February for a supplementary loan/grant. It got sent back and we resubmitted in March. There has been no response since then. He explained that their engineer had retired the end of March and then the person that received our application from him, retired. He found that application on her desk and said that he found an engineer in another state that is helping them during this transition. This person is very knowledgeable and will support our design and project should move along.
2. Overtime vs Comp amendment to original resolution – Dave is still working on this and he will send out recommendations in a memo.
3. Hiring of Steven Koch – final vote Dave has proposed that the district hire Steven Koch as a third field tech. Dave also requested a vote to approve a one-time check to cover breaking Steven's lease in Colorado Springs. Cathy Fromm said that all we need is a receipt from his leasing company. That way, we do not need to run it through payroll. Motion to hire Steven Koch back as a Field Tech and issue Steven a check for his one-time expense of breaking his lease was made by Greg Smith, seconded by Steve Lasswell. The vote was unanimous 5-0. Steven will start on June 1, 2021. Steven will start as if he was a new employee.
4. Pax8 – Charles Bogle response to zoom meeting with Jeb Wortham, Iconic IT – It was determined after meeting the Pax8, that Round Mountain is too small for Pax8. Charles had a meeting set up with Cameron, IT staff at Second 61. Peggy is to send an email to Pax8 to let them know that the board has decided to find someone who best meets our needs for IT.
5. Engineering Analytics, the design engineer for the reservoir. Dave received the final contract. Just received the final contract. This company is taking over for our previous engineer for the project. JDS Hydro has been needing some information to update their maps. Now they are going to the next phase which is addresses population growth and its needs. Dave will get that information to them.

New Business

1. Excuse Charles Bogle from March 18, 2021, Meeting Steve Lasswell made a motion to excuse Charles from the meeting on March 18, 2021. Peter stated that perhaps with Charles being the Chairman of the Board, that he did not have to be excused. With some discussion, it was explained that all board members, regardless of their position on the board, need to have their absence excused. It effects their long-term status on the board. There is protocol for attendance recording. Peter then seconded the motion, and the vote was 5-0 to excuse Charles from the March 18, 2021, Board of Directors meeting.
2. CJ Goebel – Development in Silver Cliff Dave introduced the project that CJ is looking at development. Maps were sent out to the board prior to the meeting. The property was previously owned by Haga. CJ is developing land in 40-acre parcels. It was originally zoned for 5 acres. CJ wants the easement to go right down the middle of the 400 acres. There is a waterline that turns after the first quarter mile, turns toward Valley Ace Hardware and then comes back to the south to one of the parcels. The 15-foot-wide easement has been drawn out, along those lines, but they are not being used. CJ is working with several entities and he wants to work well with all the entities involved. What he wants to propose is that the first 40-acre parcel be mandatory for a water tap and then the parcel southwest that has the easement also have a mandatory water tap. That way there is RMWSD revenue. He wants the other 8 to have wells and septics. CJ went to the planning and zoning meeting in Silver Cliff, and he wants to guarantee the revenue from 2 water taps. This property is ½ mile from our well. Dave said that this would be a nice buffer for our well. Ten privately owned lots will not have a big impact on our district. They would have to have a variance for each individual septic. It is entirely in our district, but it is up to the board to make that decision. There are deed restrictions on the properties that state that they cannot be smaller than 40-acres. Greg asked if they could have additional dwelling units on it. Dave would make the restriction that each property has only one dwelling on it. CJ said that the 35-acre rules says that there can be a main dwelling and a guest house. Lot 2 and lot 6 could actually hook up to the main water line (375 and 870). If RMWSD wants a third water tap, CJ said he could work that out. He is aware that some people feel more comfortable with district water. So, it is up to the buyers. Lot 375 could be included in the water tap purchase guarantee. CJ wants to move forward with wells and septics on the other lots. Randy asked if the easements would be there if the well goes dry and the water main needs to be installed. Shys and Yoders have water already to the east of the properties. There is an 8” line on Lot 125. Randy is concerned that the lack of easements will create an issue. Charles said that a final decision is normally deferred until the next meeting, however, CJ said he needs to move forward as quickly as possible and would like a decision today. In the future if there are issues, Greg asked if there would be recourse to change what is decided now. County health would be involved if there were a health issue due to the fact that the lots are on septic. CJ owns these lots and can make changes anytime he wants to but wants to protect the land now. He does not want to break this down to less than 40-acre lots. There is an ag well on the south end of the properties. CJ wishes to use this for cattle, not for household use and it has been sectioned off. As a summary, there would be two mandatory taps, the option of selling town water to the other lots

and CJ will not down sell. The easement will be put in between 375 and 625 and he will also do an easement on the very west side, (870, 1120 and 1370) he can put it in, but that will do twice the work because the utility line covers all of the properties. Dave does not see the real need for an easement going south except perhaps an easement from the cul-de-sac to the very south end of the properties. CJ wants to keep the back lots private and is reluctant to put in too many easements. Dave is comfortable with this proposal as long as we have the correct verbiage in the variance request for the wastewater systems and the wells and the easements. Greg asked if any of the lots could be made into feedlots or pig farms. There can be ag use, but not commercial. CJ is not aware of any livestock restrictions. The deed restrictions will put control on that issue. Motion for the proposal was made by Randy Wilhelm, seconded by Steve Lasswell. It was a 5-0 unanimous vote.

3. Josh Martin – 200 Hafford in Westcliffe and 28 acres south of town – there is a 28-acre property south of town that a client is putting on the market. The proposed septic line map was presented to Josh. He is requesting a variance in the water well. Dave said that the property has a water main that is adjacent that property line on the north fifth. Dave wants to keep the septic tank as far away from the water source as possible. The owner is willing to do deed restrictions that mean it would only be single family building with no subdivisions allowed. Zoning was Industrial and has been changed back to Highway/Commercial before when it was in the planning stages of an RV Park. It is not currently zoned residential and will not be unless it is required. He was requesting that RMWSD not require them to tie into the district lines. It was stated that this would set a precedence. Dave would be more willing to negotiate the location of a septic sight. It is on a case-by-case basis as to what is allowed. You can't have a big diesel shop, oil containment etc., leads to leakage into our well. Location of the building could be put in where it could be cost effective. Plans are to build close to the septic sight. Seller would like to put it on the market, but Josh does not have an answer for buyers. There was an initial preliminary study done that showed that halfway into that lot, there is a 3 year impact zone. That water does "sheet" and its nice and green along that 20 acres. It is susceptible, so going north a short distance will put into the impact zone. Residential, single family dwellings would not be a concern and a welcomed location for a house. A commercial building with oil waste is a huge concern. He will have to say that his first response is "no" to the well. If it was changed to strictly residential, septic would be allowed on the property (on the southern half). The board would still have to approve. Dave will work on this for Josh and will present at the next board meeting. Josh will talk to the Town of Westcliffe.

200 Hafford, south of Hermit Road – water main and sewer are available. Sellers want to split the 14 into 7 lots with 2 town lots on each one. They would like to bring the water down 3rd Street because it just barely crosses Hermit and then it stops there. The sewer stops at Hafford and Hermit. They would like to bring it down the alley. If there needs to be a loop on the water, they are looking roughly at 775 feet of water main. If they have to loop it around on Chicago Avenue, that would be an additional 1520 feet. The request is that they would like to bring water main down the 775 feet to the corner of Chicago and 3rd Street and then put in about 605 feet of sewer. This will service water for that block and the half block to the east. Dave recommends they stop at the fire

hydrant at 3rd and Chicago with the outside hope that this will be the stimulus to get other landowners to realize that it is a good time to attach on to that line. It would be the first positive step to develop that area. SGM surveyed that area and Dave's map does show the topography. Eventually it could reach Highway 69 South and service Valley Ace Hardware and the surrounding properties. Both of those properties would be subject to rebate on properties to the north and then eventually to south 4th Street would be a rebate for 10 years for anyone that would hook up to that block for anyone that faces 4th Street. It could take awhile for that to happen. It would require a 10" sewer main to accommodate that usage. The water main would need to be 8". A PRV would need to be installed on that line or on each house, based on decision of the developer. There is a deadline for this issue. They are pressed for time because the seller is motivated to move forward. Dave would need an engineering firm to draw up the plans for Dave to approve. There would need to be fire hydrants on Hafford and on Chicago. Motion was made by Greg Smith, pending final engineering, board approves the water line at Chicago and intersection of south 3rd and Chicago. Board would allow to stub out and terminate instead of loop. second by Randy Wilhelm. Vote was 5-0. Randy wants Dave to look at the previous requests for that block in case it was approved and now it is not approved. Its best to make sure that the big picture in mind, is that the district does not limit the boundaries of growth. Dave knows where to research this information and will pass on that information.

4. Cameron Cromer – Second 61 – Florence meeting with Charles, Peggy, and Dave. Peggy Quint let the board know that they met with Cameron. With a short introduction to the company Cameron works for, Peggy stated that she feels that Cameron could do a good job for RMWSD since they are small and so is the district. This is a much better fit than Pax8. Cameron suggests a gap analysis/security audit. After a discussion regarding this company, Peggy will email Cameron and let him know that the board is concerned with the quality of their website. Peggy will let the board know if she has any more updates.

Adjourned at 4:46 p.m.