**ROUND MOUNTAIN WATER AND SANITATION**

**BOARD OF DIRECTORS MEETING**

**THURSDAY, October 19, 2023**

**2:00 P.M. – 3rd Street Gallery Building Conference Room**

**Call to Order at 2:03 p.m.**

**Roll Call: Steve Lasswell, Randy Wilhelm, Charles Bogle (via zoom), Connie Thompson and Mark Dembosky.**

**RMWSD Staff: Dave Schneider, Peggy Quint, Carlan Cardenas, Steve Koch and Jackson Malcolm.**

**Guests: Tim Mullens and Mike Whalen, Colorado Retirement Association (CRA)**

**Pledge of Allegiance led by Steve Lasswell**

**Additions to the November 16, 2023, Board of Directors Meeting Agenda**

1. **Public Hearing**
2. **Budget and Rate Increase Approval and Resolutions**
3. **Resolution approving CRA agreement**
4. **Budget Amendment**
5. **Resolution to changes Rules and Regulations regarding Excavation Permit requirements for Tap Purchases**
6. **Resolution to approve mill levies.**

**Administrative Reports**

1. **Assistant District Manager – Peggy Quint**
* **Caselle Conference Report – Very beneficial and well worth the trip. Every class was Caselle instructions and peer to peer was great! Business Services Online (BSO) is needed for 2023 Year End and W-2 and 1099s. This is IRS implementation of online filing that is mandatory.**
* **Xpressbillpay transition – Going very smooth! Better than expected! The on-site training was amazing! They went above and beyond to make sure we were online with “Real Time”.**
* **Billing was processed with Xpressbillpay (XBP) instead of Invoice Cloud. Instead of a 3-day process, it took 30 minutes. This will save us staff time! Thank you, Board, for allowing us to attend.**
1. **ORC – Steven Koch – Report is included in packet and update by Steven Koch**
2. **District Manager – Dave Schneider**
* **Smith Well – the new pump has been ordered and should be delivered and installed by the end of the year.**
* **Solar Array – 1/3 of the system is down. Steel City Solar is coming next week to replace the inverter.**
* **Generator is still scheduled to arrive in early January 2024**
* **Reservoir – new estimate is now at $2.7 million. RMWSD’s responsibility of that cost is around $1.5 million. Final Construction design documents. Dave requested to have them by the end of November. We would immediately go to bid and RFPs. We would do our own advertising around the first of the year with construction starting in the Spring. 20% contingency has been added to the cost.**
* **WWTP - Demonstration application is complete and has been sent to Powell Water for review and the engineer’s stamp. Powell Water is looking to partner with a small engineering firm as they are aware of the many districts that will be in this situation in just a few more years.**
* **Augmentation – Captured exchange in October. The end of October will most likely show 336-acre feet stored in Deweese. This is also the end of release time. The biggest hit our storage takes is evaporative loss until it freezes. We experience about 9–10-acre feet of evaporative loss.**
* **Tap Excavation Permit – The concept four years ago was that the excavation responsibility was on the property owner. Taps are not covered under our agreement. These need to be permitted by the Town of Westcliffe and the Town of Silver Cliff. The Rules and Regulations need to be changed to require an Excavation Permit prior to the purchase of a tap. This will also be added to the Tap Purchase Agreement document that the customer signs at the time of purchase. The verbiage needs to be consistent between the Towns and RMWSD. Both towns would need a warranty for a certain amount of time to cover incidents when there is an issue. Dave will present a resolution regarding this change to the Rules and Regulations.**

**Consent Agenda**

1. **Approval of the Minutes of the September 21, 2023, Regular Board Meeting**
2. **Financial Report and Approval of Checks for September 2023**

**Motion to approve Consent Agenda: Connie Thompson, Seconded by Mark Dembosky, vote was unanimous.**

**New Business**

1. **Excuse Steve Lasswell and Charles Bogle from September 21, 2023, Board meeting**

**Motion: Randy Wilhelm Second: Connie Thompson Vote: 3-0 (Charles and Steve did not vote)**

1. **Tap Transfer from K2 Builders at Lot #24 – 40 Kryptonite to K2 Builders at Lot #32 owned by Hal Shephard. Dennis Kelly, K2 Builders, is aware that there is a 4-year deadline for being “dried in” from tap purchase date. Dennis is planning on building for the Shepherds in the Spring of 2024. The builder is also the owner of the tap.**

**Motion to approve the transfer was made by Mark Dembosky Second by: Charles Bogle Vote: 5-0**

**Old Business**

1. **Update on potential solar array on 40 acres – Attorney has reviewed the lease agreement and has suggested some changes. Dave will meet with Jeff Parker to go over those suggestions. Another company has shown some interest in the property as well. Their numbers look a bit better, but Dave will talk to them and see what they propose. We are only interested in leasing out the part of the property that we are not using. Steve suggested that if there are other companies interested, that Dave will update the board when he receives the information. Carl Hurst, Iconergy, stated at the SDA Conference that Pivot Energy is an reputable company.**
2. **Colorado Retirement Association – Presentation to BOD - Mike Whalen and Tim Mullen**

**The presentation by Mike and Tim covered all aspects of Round Mountain’s request for a retirement plan for the benefit package for district employees. Board members will review the information packet and a decision will be made in November. Board members will receive a recommendation and a Resolution to approve at the November meeting.**

1. **Holman Capital – Public Sector Financing Solutions – Parker, CO - Dave has met with Lance Holman to discuss financing for the Pilot Plant Project ($1.8 million). The original offer that the district received is no longer an option. Mr. Holman is more interested in financing the Reservoir Project than the Pilot Plant Project. His recommendation is to save our cash on hand and use it as collateral. The interest paid is about the same as the interest earned on our CSAFE account. United Business Bank (UBB) may be an option for a construction loan. Dave and Peggy are planning a meeting with UBB next week. Payment on that size of a loan would be about $140k/year. We currently do not have the funds in our budget. DOLA is interested in working with RMWSD. DOLA has talked to CDPHE, and the State Engineers were favorable for us to build a full-size pilot plant. Randi Sneed at DOLA suggested that we apply for a DOLA Grant the first part of December. Dave and Randi will do a team presentation to the board of DOLA for the grant. DOLA feels this is a viable alternative to offer other districts that are or will be in the same situation as RMWSD. We have a $1 million grant that was received several years ago, however, it cannot be used for a pilot plant project. Dave said that to receive a $2 million grant would be unusual. Once the plant is approved, we could apply for funding.**
2. **Budget and Rate Chart update and discussion**

**Dave suggested that the new building in the district should take most of responsibility of the cost of the new WWTP. Existing customers have paid for their wastewater system for the past 40 years. Even though part of the responsibility for the new WWTP is on existing customers, the biggest part of the cost should be on the new customers. Doubling the tap fees would increase the revenue to the point that the funds needed for a new WWTP would be covered. Projecting 20 new taps would bring in $500K. A cost of $27.K for water and wastewater taps is average for the state of Colorado. After Dave talked to DOLA, he still feels that system development fees should be used to build a new plant and reservoir. One recommendation was an increase of 6% in the water and wastewater rates. These are included in the budget amounts. Also raising the bulk water rate from .04/per gallon to .05/per gallon. This would increase our revenue by $60K in water and wastewater and about $10k in bulk water. Steve Lasswell stated that increasing the tap fees much above $16K would scare developers from coming to our community. This discourages affordable housing in our towns. We will need $800,000 to $900,000 in system developments fees to generate the income to make payments on a loan the size we are considering. RMWSD has two significant projects that total about $5 million. Dave recommends at least a 50% increase on the price of a tap, especially if the moratorium is lifted once a positive response is received from CDPHE the end of November. That way some revenue could be generated in the first two quarters of 2024. This increase would make our bottom line in the budget about $600,000.**

**After lengthy discussion, the board decided to schedule a special meeting on Thursday, November 9, 2023, at 2:00 p.m. to discuss and finalize the rates and fees that will be presented at the Public Hearing on Thursday, November 16, 2023**

 **Adjourn at 5:15 p.m.**