

ROUND MOUNTAIN WATER AND SANITATION

BOARD OF DIRECTORS MEETING Minutes

THURSDAY, July 21, 2022

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

Call to Order at 2:00 p.m.

Roll Call: Charles Bogle, Steve Lasswell, Randy Wilhelm, Connie Thompson and Peter Ewing (via zoom)
Dave Schneider, Peggy Quint, Laura Ippolito
Renee Martinez, Senator Bennet's office (via zoom) and Elliott Jackson, Wet Mountain Tribune (via zoom)

Pledge of Allegiance led by Steve Lasswell

Additions to the August 18, 2022, Board of Directors Meeting Agenda

1. Resolution 2022-08 approving SDA Conference attendance.
2. Resolution 2202-06 approving Amended District By-Laws

Administrative Reports

1. District Business Manager – Peggy Quint

* Audit work has begun.

* Customer refund of late fees due to lacking a payment schedule setup. Randy stated that in the future he would like Peggy to have the authority to make the decisions regarding this sort of situation. This should have been set up when the customer had the leak. Also, with the acquisition of Aquahawk, a leak is detected right away and not 30 days into the leak. Chair entertained a motion to refund customer's late fee charges as stated in the District Rules and Regulations:

At any point during the collection process, the property owner may request a payment plan. Any payment plan request must:

- a. *Provide for the payment of all current charges each month*
- b. *Include a minimum monthly payment or the amount past due incorporating any delinquent charges previously assessed, divided by twelve (12) months, whichever is greater.*
- c. *Be signed by the property owner and an authorized District representative.*

Once a payment plan has been approved, no further delinquent charges (late fees) shall be assessed.

If the property owner fails to make a payment as provided for in the payment plan agreement, the agreement shall be deemed null, and void and the collection process shall be resumed at the point it was paused or the district may proceed to certify the past due amount without further notification.

Moved by: Randy Wilhelm, Seconded by: Connie Thompson Vote 5-0

2. ORC – Steven Koch – in Board packet

- Field Techs are experimenting with Hydrogen peroxide, by injecting at the lift station
- Using the camera van and learning how to properly check lines in the system

3. District Manager – Dave Schneider

- Smith Well testing has begun. Great News! Reached 425/gallons per minute for 2 to 3 hours static was 350/gallons per minute at 34 feet. 270/gallons per minute limit on our senior water

rights. Raw water testing will begin soon. Testing is done once a quarter at \$5k each time. Dave is not concerned with the outcome of the testing and doesn't think we will have an issue satisfying the GWUDI (ground water under direct influence).

- The design of the well building will accommodate filters if they need to be installed post-testing.
- The concrete walls failed because they did not use the correct concrete for the pressure that it had to endure. Dave suggested that the walls are left the way they are and rely on the warranty of RMS Utilities, a subcontractor of the Iconergy Project. If walls fail again, it will be at the cost of the contractor that walls are replaced.
- April billing continues to be a challenge due to the AIS (American Iron and Steel) qualifications of the materials used at the well. Iconergy will address this issue to get the funding.
- GREG QUINONES, EaSEL Solutions, LLC, is moving forward with the line extension in Silver Cliff. Dave is meeting with the contractors next week. Dave requested more money for the extension.
- Reservoir Project - RMWSD teamed up with Upper Ark and sent in an application for a \$500K grant. It is a state requirement saying that there is water conservation district. We are in the midst of negotiating a contract with Upper Ark. Dave is requesting the BOD's opinion on an initial \$1.5m federal grant, that Dave had verbally agreed to hire a grant writer to assist in writing this grant. At the 11.75th hour, Upper Ark decided not to send in the grant, without any communication or recommendation. Upper Ark had initially thought they would apply on their own without RMWSD. Dave worked on this grant information for hours, had the district's attorney look it over and sent it to them. The next morning, Dave was told that they decided to not to send the grant application in. Because it was a partnership, Dave felt that they did not have the right to pull the plug on the grant application. Worse case, if may have been denied, but they might have approved it! After all the work, just to have it dropped, they sent in an invoice for half of the grant writer's bill! Dave doesn't feel that we should pay half of the bill. The board had a consensus that they would support Dave and he can politely tell Upper Ark "no". Up to that point, Upper Ark had already showed signs of being "pushy". Dave spent some time talking with a local Upper Ark Board Member regarding his concerns and he feels that the attitude has changed a bit since he had that conversation. Dave would not have had a problem paying for the grant writer, even if it had been denied. The deadline is passed for the application.
- Johnson Ranch Diversions - rain has come at the perfect time and storage rights are full in DeWeese. It has been quite some time since we have had that situation.
- Wastewater Treatment Plant Update- Demo report has been sent in to CDPHE (Colorado Department of Public Health and Environment) for review. Scott Powell had a positive conversation with state engineering office, and they are very pleased with the report. That showed what we did with our water and a comprehensive scale up from the bench testing unit is what a full buildout would be for RMWSD. Scott is very excited, and project is moving forward. Dave will reach out to and see how the variance is coming along. The plan is to design the plant with expecting that we are going to have to meet the discharge limits that we have. Then, once the discharge variance comes in, we can relax. We would have those parts put in place if we needed to get that stringent, such as added aeration or hydrogen peroxide injection. Other districts are contacting RMWSD to discuss the Electro Coagulation Process. There are many districts across the state that are in the same position as we are. Dave suggested that they contact CDPHE (Colorado Department of Public Health and Environment) and let them know that this process could benefit them as well. Reviews are usually done every five years. Christy Doon,

DOLA (Department of Local Affairs), is moving to another job so Dave has asked her who to contact moving forward. She has been quite an asset for us for several years! Randy asked if there was a possibility that RMWSD could lose their enterprise status. That means the district has to send all of our financial decisions to a public vote. Enterprise status is lost when more than 10% of income is from grants and loans for a year. This is a consequence of Tabor. Charles asked if there is a possibility to ask for a waiver. Dave was not sure if there is but will check. We established our enterprises for about five years.

- Bulk water station update. The new hardware and software were working fine, however, a few customers have complained that they were not given the amount of water that they requested of the machine. If we ever needed raw water, it would be best to use the well at the shop and sell non-potable water for agricultural purposes.
- Connie asked that the next time we send out a public notice, suggested that the explanation be included with the notice. We are required to send these notices out, regardless of the cost.

Consent Agenda

1. Approval of the Minutes of the June 16, 2022, Regular Board Meeting
2. Financial Report and Approval of Checks for June 2022

Randy Wilhelm moved to approve the Consent Agenda. Steve Lasswell seconded the motion. Randy shared that the mid-year budget figures look great! Revenue is up and expenses are low. It has proven effective to have Dave, Peggy, and Randy work on the budget together. Motion passed 5-0.

New Business

1. Tap transfer for Westcliffe Builders – Perry Smith

- Customer owns two properties in Silver Cliff. One building is older than the other. There is a tap to the newer building. They also own bare land to the west of the building. In 2000, they requested a tap transfer from some property on South Fourth Street in Silver Cliff to the bare land parcel. Customers' requests that the tap that is on the bare land be moved to the old building, so that they have water and sewer to the old building. There would be two water and sewer taps on that property. Once they do that, the empty lot will need a new water and sewer tap. As they transfer the taps to the new, they fall into the current Rules and Regs. Motion was made by Randy Wilhelm to agree to allow customer to transfer the tap to the building. Connie Thompson seconded the motion. Motion passed 5-0

2. Review Real estate RFPs for Johnson Ranch

- Four RFPs (Request For Proposal) were brought in for the BOD to consider representing the district for the sale of the Johnson Ranch. Each proposal was presented. Upon comparison based on the percentage of commission, the value of the property assessed, and the experience of each agent was discussed. After discussion, the chairman entertained a motion. Randy Wilhelm made a motion to approve the proposal of Twila Geroux of Hayden Outdoors with stipulation that the commission not exceed 6%, that the property could be sold as a whole at \$2.4 million parcel or four-80 acres parcels. Each parcel would be listed for a different amount if sold separately. Randy wants the value of the barn put in writing and that there are no water rights with the property and that the easements are discussed. Connie Thompson seconded the motion and the motion passed 5-0. Dave will contact Mrs. Geroux and Peggy will let the other

agents know of the board's decision. The assessed value is \$142K as an agricultural property. Our debt is about \$380K. Mr. Senderhauf did not make the deadline. Steve Lasswell shared that, in his experience, what an agent has sold in the previous year is a good indicator of how good they are. Dave is aware of an individual that is interested in purchasing the whole property.

Old Business

1. Resolution 2022-07 Approval of Personnel Manual

Connie Thompson moved to approve the amended Personnel Manual in this resolution. Randy Wilhelm seconded the motion. Discussion regarding the changes that Randy had wanted clarified in the policy took place.

- **7.40 Use of District Property-** *District property is to be used only for official District business, in an appropriate manner, and in accordance with all applicable rules, operating procedures, or directives. No employee shall remove District property or the property of any other employee from District premises or work sites without proper authorization. Any employee who steals District property or the property of any other employee, or who abuses, misuses, damages, or destroys District property shall be subject to discipline, up to and including immediate discharge.*
- **2.31 Break Times -** *In addition to scheduled one-half hour lunch breaks, employees shall be entitled to two (2) 10-minute breaks each workday. All breaks, including lunch breaks, shall be scheduled by each employee's supervisor, provided that, where possible, lunch breaks shall be scheduled between 11:00 a.m. and 1:00 p.m. The two 10-minute breaks may be taken in conjunction with a lunch break if approved by an employee's supervisor. Once assigned, lunch periods and break times shall remain constant unless changed by an employee's supervisor. Supervisors may require minor variations in lunch periods from day to day based on individual work requirements.*

Retirement statement was removed.

- **11.40 Retirement** *Employees who retire are not eligible for rehire. Upon retirement employees shall be paid their accrued but unused compensatory time, vacation, and sick leave.*
- Charles Bogle stated that the Personnel Policies also uses the title "District Manager"
- Charles asked about Board of Director's bonding. Peggy Quint reported that upon election, the board member is insured by CSD Pool (Colorado Special District's Pool). The DLG (Department of Local Government) requires documentation supporting this insurance.

Motion passed 5-0

2. Resolution 2022-06 Approval of Amended District By-Laws

Charles Bogle commented that there was some clarification needed in some of the wording in the By-Laws. Bogle stated, "we aren't organized as they say we are. It keeps referring to the district manager and right now we don't have a district manager. When we made the change, we had a business manager and an ops manager, but we do not have a designated District Manager. Some time ago, and in theory, we have a quasi-equal manager functioning right now. When it comes to By-Laws, and that's what bothers me, Dave Schneider and Peggy Quint are equal managers. There's a lot of good words in there but we don't have a district manager." Connie Thompson said that she would like to postpone that discussion so that she can look it over further. Charles continued "when we made the organizational change when our previous district manager resigned, the district set up a situation of co-managers and it has been working reasonably well. It comes down to a hierarchy. Officially, we don't have a district manager right now. There was a discussion some time ago about should we correct that, meaning should someone be promoted. What happened was we had a district manager and then we had two managers. It was cost effective, and the BOD decided not to hire a district manager. It's a matter of something that has been status quo. It is the board's

responsibility to make that decision. In fact, Dave and Peggy's positions are not included in the By-Laws. If someone audited our By-Laws, if there was such a thing, and looked at how we function, they would say 'where is this coming from?'. Connie Thompson would like a little more time to look at them since the wording still is not clear. Resolution decision was tabled until the next meeting.

3. Rescheduling September Board Meeting – SDA (Special District Association) is that week Peggy Quint explained that the 22nd of September would work well for the management company, as it would allow them one more week to complete the August financial reports. The board agreed unanimously that September's Board of Directors meeting will be held Thursday, September 22, 2022, at 2:00 p.m.

Adjourned at 3:30 p.m.

