

Round Mountain Water and Sanitation District

Board Meeting in the 3<sup>rd</sup> Gallery Building

**IN PERSON**

June 17, 2021 – 2:00 p.m. Minutes

Call to Order at 2:00 p.m.

Roll Call: Charles Bogle, Steve Lasswell, Greg Smith, Peter Ewing, Randy Wilhelm, Cameron Cromer, Dave Schneider, Peggy Quint, Laura Ippolito, Jackson Malcom, Steve Koch

Pledge of Allegiance led by Steve Lasswell

Additions to the July 15, 2021, Board Meeting Agenda

1. Update on SDA
2. Audit

Public Input – Limited to 3 minutes – No public in attendance

Administrative Reports

1. District Business Manager – Peggy Quint Waiting on Christy to contact us regarding the scheduled audit. Thanked the district for vacation! Laura held down the office and did a great job.
2. District Operation Manager – Dave Schneider Welcomed back the Board to in-person meeting. Great to see everyone!

The 99-year Colgate Lease. Dave has not heard from the family regarding their decision. After showing a map to the board, Dave explained the proposal regarding a 2-inch service line that would be run to the property. Cost to install the line using our field techs would be \$10K to \$12K with a week to a week and a half of time spent installing. Steven Koch is back with RMWSD, so there are enough field techs to get this done in house. This will make us compliant with the original agreement with the Colgate family. Welcome back Steven!

Reservoir – Gallery Well location. We have reached a tentative agreement, costing \$2,500.00, with Mr. McGuire on a temporary easement so that we can access the location. Water will be pumped from an area that is not considered wetlands. It is about 1500 feet from the reservoir. Objectors are now happy with this agreement. There will be a diversion gate that may already be there, or one will be installed. The state likes the fact that the current water depletion locations can replace that water. The line will cost roughly a half a million to install. Dave is hoping that perhaps there is a property owner that may want to sell us a small parcel that could

be used for future expansion and for a buffer. It is currently zoned for small residential and about 34 lots. Core sampling will begin on the 6<sup>th</sup> and 7<sup>th</sup> of July. We have received financing for this project totaling \$172k in a design engineering grant. Upper Arkansas has agreed to pay for 1/3 of the project for 50-acre feet of storage. Dave is not sure where the other 2/3 of the cost will come from. He is going to lean on Upper Ark for financing. Charles encouraged everyone to politic all we can with those that can assist us.

Overtime Compensation – Dave presented an amendment to cover the changes in the personnel manual. It was suggested that we award the Field Techs 4 hours for each week that they work “on call” or 8 hours. Actual hours worked on call was also addressed. They will be paid time and a half for time actually worked more than 40 hours in a week or 12 consecutive hours. Moving forward, we will look at this on a yearly basis and district managers will suggest what the district should do if there is a change needed. Motion made to accept the amendment was made by Greg Smith, a second by Peter Ewing. Vote passed 5-0.

Mike and Berta Haga are selling other parcels of land. There is another line that crosses a portion of these properties. At this time, we have legal access, but if they want the line moved, they will have to pay for that.

We are down to one well. Dave put the towns on restricted watering. They will alternate watering days. If this continues, volunteer water restrictions on residential properties will be implemented. The well is putting out 240/gpm. Westcliffe #3 well is ready to be used if we need to. It will be flushed, and a bac T test and a chlorinator test will be done. The tanks have gotten down to about half but have recovered. Custer County Happenings on Facebook have been used in the past to educate the community. However, currently, we do not need to request that. We could use reverse 911 if there is a huge emergency. Bulk water customers are minimal in comparison to the parks.

The creek is flowing great. We started at about 150-acre feet. We have 355-acre feet available for storage. We are at 300-acre feet at this point. We can only take a certain amount each month otherwise it will damage 10- and 20-year limits. If we have two weeks of flow in July, full storage will be achieved. It has been about 2 years since there has been that kind of storage.

The 40-acre property (land) that the district owns. Charles stated that a good use would be a solar farm. He introduced the idea to Black Hills. He is also going to contact Sangre de Cristo. Charles got ahold of Tom Flower because he is on the board of Sangre de Cristo Electric. Tom suggested that he send an email to the CEO of Sangre de Cristo. Property is not saleable because of the soil and what is underground.

State Division II is getting rid of ponds. The old collection pond was put in when the 1879 main was installed. They want it removed. The plan is to drain it by cutting in a ditch and then fill in with dirt that is available from another area. We will have to hire heavy equipment for this purpose. Cost unknown until we are billed by Seiferts. This will make a place for the solar array.

#### Consent Agenda

1. Approval of the Minutes of the May 20, 2021, Regular Board Meeting
2. Financial Report and Approval of Checks for May 2021  
Motion: Randy Wilhelm Second: Peter Ewing Vote:5-0

#### Old Business

1. Cameron Cromer – Second 61 Presentation – IT Audit – GAP Analysis - Commercial Tech services. After a brief presentation of the services that Second 61 offers, the Board was pleased with Cameron's presentation. A motion was made by Peter Ewing and a second by Randy Wilhelm to hire Second 61 to complete an IT audit for RMWSD. Vote passed 5-0 unanimously. This is NOT to exceed \$2,000.00 for the audit. Cameron will put together a report of his findings and a soft procedures guideline and the board will consider hiring them for long-term services at a board meeting in the future. Cameron will schedule the audit for July 13, 2021. Payment will be due upon completion.

Peter Ewing left the meeting at 4:00 p.m.

2. Lagoon odor mitigation - Dave presented to the board the process of lagoon odor mitigation that the district is conducting. Jackson Malcolm, ORC of RMWSD, stated that they are doing all that they can to keep the odors to a minimum. Documentation of this procedure is in the board packet. He asked that if anyone has questions as to why there are odors to have them contact Jackson. Jackson feels that the situation should be improving soon. We are 3 to 4 times OVER system design loading. Our only fix is to replace this system. Dave recommends that if we do not have the funding for the new WWTP or a start date, that Round Mountain put a moratorium on water and sewer taps beginning January 1, 2022. We simply cannot add more to a critically overloaded, nonfunctioning wastewater treatment facility. If we had funding, our plant could start in a month in a half. We are waiting on some governmental influence from Senators, Representatives, etc. It is important that Round Mountain educate our community as soon as we have solid answers.
3. USDA Funding Update – Joe Montgomery feels that perhaps we should start all over in the application process for the funding. Dave is concerned that they will require another environmental evaluation. We cannot afford another evaluation. Joe is going to get ahold of the Federal offices to see what their opinion is regarding this situation. We need to know if we continue for supplemental loan/grant application or scratch it and start all

over on our funding. The State is also waiting to hear the outcome of what they recommend. The State contacted Brandyn from SGM and informed him that they are meeting again to discuss RMWSD. Dave requested to be involved in answering the design questions. They are saying that we didn't apply for the discharge variances for phosphorus or nitrogen. The reason we didn't was because the plant would be dramatically different. If we had ignored those two, we would be back down to the \$6 million cost of constructions. Those variances are temporary, and we would end up spending more money tearing up the plant to reconfiguring the design to comply. We know those variances are going to be a reality. CDPHE engineers are the ones pressuring us to comply. Senator Bennet's office has been in contact with us, Dave filled out the paperwork for \$7.5 million, got a letter of support from Silver Cliff, and now we are waiting to see the outcome of that application. Lauren Boebert's office's representative, Cathy Garcia, will be visiting us soon. We can present our dilemma to her then.

4. Iconergy EPC Contract Approval – Dave needs approval of the Iconergy contract. This will need signatures from Charles and Steve. The Energy Performance Contract is a typical state contract. Jeff Parker, our attorney, looked it over and sent back his recommendations. There is now a capitol contribution that is part of the contract. This is a best-case scenario where there is minimal amount of money. Worst case scenario would be up to \$10K to \$12K a year with annual small increases in our rates. It would be better than going beyond 25 years, which is past the age of the meters. A motion to approve this resolution was moved by Greg Smith and seconded by Steve Lasswell. Vote was 4-0 in favor of approving this resolution. Peter Ewing was no longer present at the meeting. A proxy vote is not allowed under SDA Board Member guidelines.
5. The \$129,250 loan grant has been executed and is now available to use. We have greenlighted the engineer designing and will be ready to present to CDPHE in about 3 to 4 weeks for approval.
6. The availability of meters is about 6 weeks out. We are using steel instead of brass. It should coincide with the schedule of installation. (Mid-July)
7. \$1.3 million loan should be executed in mid-July. The new well should be drilled in September and by the end of December, we should be online. We are building up our stock of inventory so that we always have backup in the event that supplies are not available.
8. Johnson Ranch – Justin Korkus will be here in June to do the final data download from the monitoring wells to put together an argument to negotiate a final dry up with Division II. Dave recommends that we have someone look at the easement design around the actual diversion area. Hopefully, then, we can take out the monitoring wells and get that property on the market. Comps in the area show that we could profit from the timing of selling it as soon as possible.

New Business

1. Propose Tap Fee Increase – Randy Wilhelm. Price of homes have got up 30% and it is time for us to go up also. We are using our water and sewer tap fees to operate our general budget. Randy would like to increase the tap fees \$1000.00 on water and \$1500.00 on sewer. Storage and water rights need to be our priority. If we are going to lose our enterprise status, it is best that we increase our tap rates before that. Our tap fees are lower than most of the state.

Adjourn at 4:32 p.m.

