**ROUND MOUNTAIN WATER AND SANITATION**

**PUBLIC HEARING and BOARD OF DIRECTORS MEETING**

**THURSDAY, November 16, 2023**

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

**In-person or via zoom – Please call for Invite to Zoom**

**PUBLIC HEARING**

**Call to Order at 2:00 p.m.**

**Roll Call: Charles Bogle, Steve Lasswell, Connie Thompson, Randy Wilhelm**

 **Dave Schneider, Peggy Quint**

 **Elliott Jackson, Tribune, Roger Camper, Town of Silver Cliff, Isaac Selden, Town of Silver Cliff,**

 **Suzanne Crider, United Business Bank, Max Hansen, UAACOG, Ben Troyer**

**Pledge of Allegiance led by Steve Lasswell**

**PRESENTATION of Rate Increase and Tap Fee Increase Proposal**

**Dave Schneider presented the Proposed Rate Increases and Tap Fee Increase**

**Why does Round Mountain need increases?**

**Two Projects that are before us:**

 **Reservoir, required by the Division of Water Resources of the State of Colorado in order for the district to fully comply with the water right decree that we have. It will be south of town, on 20 acres that is owned by the district where we have an existing municipal well called the Gallery Well. This is a $2.7 million project. RMWSD has teamed up with Upper Ark River Conservancy District in Salida. They have agreed to pay for 33.3% of the project for 33.3% of the storage. RMWSD has acquired a $500k grant for the project. RMWSD’s responsibility is $1.5 million. We are hoping to fund and start the project next Summer.**

 **WWT Demonstration Project (Pilot Project) to prove to the State of Colorado that the new technology that we have been pursuing for the past few years is a valid, economical, and effective process to treat wastewater. This will be located at the same location as our current WWTP. Phase I will cost about $1.9 million. We are aggressively trying to finance this Phase I, also to start this Summer. We currently are pursuing a $1 million grant with DOLA and are looking at other grants that could help us fund the bottom line for the project. There is a $15 million distribution piping upgrade that will follow on the heels of these two projects. The 1975 wastewater lines are in good shape, but the water distribution lines are significantly undersized. The question is “Who pays for this?” Typically, the water and sewer use fees rise dramatically. However, the argument is that our constituents have already paid for decades of upgrades. It is not equitable for them to bear the burden of new housing coming in. The new wastewater treatment plant and the upgrades should be paid for by the new building that is taking place.**

 **A $2.1 million water well, water meters and solar power has just been completed. The Smith Well has been down since 2019 and the senior water rights were not being taken advantage of. In order to provide some resiliency and some cost savings, a 50kw solar array to assist in running the well. The revenue captured from the accurate meters and the energy savings from the solar array is producing enough revenue to pay back the loan portion of the projects. We have a $1 million grant towards the $2.1 million project. Essentially, the upgrades are paying for themselves.**

**Round Mountain historically would increase the rates once every several years. Our customers requested that we take annual increases from 3% to 8%. This year, we are requesting a 6% increase. This is a tiered usage, the more water used, the higher the rate. The park rate will be deleted, and the cost will be the same as all customers. There are a handful of houses that have a garden tap. This is a second tap on those properties. When in use, those customers pay the in-district rate. Bulk water will increase from .04 to .05 per gallon. We sell almost an acre-foot of water to bulk water customers. We are not legally obligated to sell water outside of our customers. As long as we have the water, we can sell it to out of district customers. If that became an issue due to availability, it would be up to the county to provide water to them. Also, the NSF fees will increase from $25 to $35. The most significant proposed fee increase will be on the Water and Wastewater Tap Connection Fees. During discussions regarding financing for both projects, the reply was that we do not have the revenue to pay back the amount of money to have a loan to fund our projects. The new infrastructure then needs to be paid for by the new growth that is coming. The district is considering lifting the moratorium on January 1, 2024. The microbes that are being added have transformed our WWTP, with no complaints about the smell. Lifting the moratorium will allow us to produce revenue that we can put away for the new plant construction loan. CDPHE has required the district to put in an application for a demonstration project a few weeks ago. That was submitted and we are waiting for approval. In the meantime, we are aggressively pursuing granting and funding for the plant.**

**Max Hansen stated that the proposed tap costs are reasonable for the area. Affordable housing remains a priority in the communities. As the two entities work together, he hopes that the costs can stay low enough that housing market can grow.**

**PRESENTATION OF Proposed 2024 BUDGET**

**Dave presented the budget and highlighted the items that are most affected by the proposed increases. With a 6% increase in the water and wastewater and a bulk water increase of .01/gallon to .05/gallon. With the release of the moratorium, we projected 20 new taps to be purchased in 2024. This would allow us to generate revenue for grants and construction loans. This would result in a $1.9 million projected income. Potential grants and loans were not included in the 2024 budget. If/when those come in, we will amend the budget at that time. Roger Camper pointed out the importance of waiting until the funds come in rather than including it in the budget.**

**Expenditures are broken down into three categories: Actual district operations, Water Enterprise and Wastewater Enterprise. Salaries and wages include a retirement plan for employees to add to the benefit package. Our operating staff is multiple-certified. The State of Colorado is short about 500 certified operators, so keeping our operators is of great importance. The separate enterprise expenditures were explained, including plans on capitol improvements to the districts wastewater and water systems.**

 **Adjourn at 2:50 p.m.**

**\*\*\*BOARD OF DIRECTORS MEETING\*\*\***

**Call to Order at 3:05 p.m.**

**Additions to the December 21, 2023, Board of Directors Meeting Agenda**

1. **Budget Amendment for 2023 – we have more expenses than budgeted for 2023**

**Administrative Reports**

1. **Assistant District Manager – Peggy Quint**
* **Report is in the BOD Packet**
	+ **OEM training to keep RMWSD involved in the event of an emergency. Web EOC is a platform that is used to share information amongst the entities in the county.**
	+ **Trunk or Treat was a success! Plans to participate in next years’ event!**
	+ **Transition from Invoice Cloud to Xpressbillpay is going so well! Extremely cost effective for staff!**
	+ **Dave and Peggy will be out of the office next week. Field Techs are in town. Carlan in the office.**
1. **ORC – Steven Koch – Field Techs have been busy. The board would like them to know how pleased they are that the Field Techs are getting more certifications.**
2. **District Manager – Dave Schneider**
* **Well Project – correct pump is in at the Smith Well at 285 gpm. The old pump will go into the Gallery Well.**
* **Solar Array is at 100%**
* **Backup generator will be delivered the first part of January 2024.**
* **Reservoir – updated drawings. Dave had a few revisions; they were then sent on to Div II for Safety related inspections. Once they are back from the safety inspection, they will draw up some instruction documents.**
* **WWTP – application has been sent in. Powell Water is contracting a small engineering firm and they have put their stamp on the demonstration report application.**
* **Financing continues. Dave met with Randi Snead. Better to pursue the April funding cycle. Dave is pursuing other potential funding sources, such as UBB and Kirkpatrick.**
* **Deweese Reservoir – pursuing financing to do some repairs on the dam structure. RMWSD is liable for 8 to 10% of the cost. Dave is in contact with them to apply for grants to lessen our responsibility. This could be over $10 million total cost to repair.**
* **CDPHE should have their response to us by the 15th of December.**

**Consent Agenda**

1. **Approval of the Minutes of the October 19, 2023, Regular Board Meeting**
2. **Financial Report and Approval of Checks for October 2023**

**Motion to approve: Randy Wilhelm, Seconded by: Connie Thompson, Vote 4-0**

**New Business**

1. **Resolution 2023-12 Approval of Resolution to Approve Mill Levy**

**BOCC has asked RMWSD to reduce our mill levy. Dave does not think RMWSD should adjust our mill levy. The impact of mill levies would not make a big difference. If we do not continue to conduct business at RMWSD – it hurts the whole community.**

**Motion: Randy Wilhelm, Seconded by Connie Thompson. Vote 4-0**

1. **Rate Increase Approval and Resolution 2023-13. Rates will reflect in the bills customers will receive the first of February 2024.**

**Motion: Steve Lasswell, Seconded by Connie Thompson. Vote 4-0**

1. **Resolution 2023-14 Approving CRA agreement. Adopting Retirement for employees starting January 2024.**

**Motion: Randy Wilhelm and seconded by Connie Thompson, Vote 4-0**

1. **Resolution 2023- 17 to changes Rules and Regulations**

**regarding Excavation Permit requirements for Tap Purchases. Require an excavation permit when a tap is purchased that takes the responsibility off of RMWSD upon tap installation.**

**Motion: Randy Wilhelm and seconded by Connie Thompson, Vote 4-0**

1. **Tap Fee Increase Resolution 2023-15 Approval**

**Motion: Steve Lasswell, Seconded by Connie Thompson. Vote 4-0**

1. **Budget Approval Resolution 2023-16**

**Motion: Randy Wilhelm and seconded by Connie Thompson. Vote 4-0**

 **Adjourn at 3:56 p.m.**