

# **ROUND MOUNTAIN WATER AND SANITATION**

## **BOARD OF DIRECTORS MEETING MINUTES**

**THURSDAY, March 17, 2022**

**2:00 P.M. – 3<sup>rd</sup> Street Gallery Building Conference Room**

**Call to Order AT 2:01 p.m.**

### **Roll Call:**

**Board Members in person: Charles Bogle and Randy Wilhelm**

**Board Members via Zoom: Greg Smith, Peter Ewing, and Steve Lasswell**

**Public in person: Sam Wisecup, Oakley Construction, Bob Senderhauf, Custer County Realty, Inc.**

**Public via Zoom: Clark Maxam, WMV Properties, Ellen Glover, journalist, Greg Quinones, Easel Solutions LLC**

**RMWSD Staff in person: Dave Schneider, Peggy Quint**

**RMWSD Staff via zoom: Laura Ippolito**

**Pledge of Allegiance was led by Randy Wilhelm**

**Additions to the April 21, 2022, Board Agenda**

- 1. Amendment of Policy regarding the 90-day service charge**
- 2. Personnel decision on performance review for Steven Koch**
- 3. Resolution to approve the Personnel Manual**
- 4. Action 22 Housing on April 29, 2022**

**Public Comment: Bob Senderhauf, Custer County Realty, Inc. – Bob wanted the board to know that he is aware that RMWSD has made tough decisions to purchase water in the past. This was happening during the Kansas/Colorado lawsuit. If it hadn't been done, water would be costing the district five times more than what it cost at that time. Bob also owns a couple of taps that he cannot use where they are now. He has been approached by someone to purchase some lots from him. Can he move or transfer to other lots that he owns? Typically, the taps are assigned to the lots, however, with approval of the board, the taps may be moved. Also, Bob wanted to clarify that with the taps he owns, is there a tap regulation that forces him to build in the 12 months that is stated in the Rules and Regs? Those taps will be grandfathered in, and the 12-month regulation will not apply. Where Bob's offices are located, there is more than normal responsibility on the owner of that property. There will need to be an extension put in place. The sewer line was possibly vacated. Dave will look it over. The line dead-ended by the old bank building. However, there are taps on both of Bob's properties.**

## Administrative Reports

1. **District Business Manager – Peggy Quint – Report was included in Board Packets for review. Peggy welcomed any questions. There were none. Charles commented that it appears everything is going well in the office.**
2. **ORC – Steven Koch – Report was included in Board Packet. Steven was not present at the meeting. Randy wanted to know when the Field Techs will be starting the jetting. Dave said that it will have to be after its no longer freezing.**
3. **District Operations Manager – Dave Schneider**

**Jackson Malcolm passed his “C” test! Congratulations to Jackson!**

**Iconergy Meter/Well project – CDPHE had rejected the original design that was using the existing water in the existing well. They want water from the new well tested. Bids went out for well drillers. Three well drillers were interested. We are hoping to get that drilled so that we can get the parameters from the new well.**

**Johnson Ranch – waiting on financial numbers from the engineer for the final dry up. Dave will soon have conversations with Division II and the location of the second flume (measuring device) that is required in the new water decree. Hopefully that can be installed by late Spring. The district should be able to put the ranch on the market by Summer of 2022. Bob Senderhauf offered a comment stating that both Upper Ark and RMWSD working together is beneficial to everyone by protecting the water in the valley.**

**Randy has been requesting clarification on System Development Fees in our By-Laws under “Financial”. There should be an amendment to prevent the funds from being used for something else. This would guard the funds from being available to use for another expense. The language should be System Development Fees. What and why? Budget is our tool to the legal limit. We are progressing in a positive direction. Dave will send a copy of the By-Laws via email to the Board.**

**Dave visited the Hydro, Oklahoma plant that is using the Electro Coagulation. He was very pleased with what he observed. Even though the plant is not run well, it is still meeting the discharge limits, and meeting all our new discharge limits except for three things. Jeff Couch, our design engineer, was impressed with our district’s wastewater lagoon location. Powell Water is excited to work with Round Mountain Water and Sanitation. The pilot plant concepts have been approved by CDPHE. The two dugout lagoons that are not being used, can be put in the series and these can be designed for a 50 gallon per minute flow rate for the pilot project. The proposed buildup is 140k gallons/day, and we are doing about 70K gallons/day. Fully building out the**

greenhouse, but not all the needs for inside. A 30x30 steel shed and EC unit will be needed. The holes are already dug out, the ponds are already dug out, the power at 480 volt, 3 phase is there. A lot of the plumbing is already in. Dave asked them to put together a full concept with price estimates. He should have that estimate by the 24<sup>th</sup> or 25<sup>th</sup> of March. That will be sent to CDPHE because the concept will have to be approved before it is installed. The design engineer is a multi-state engineer and has the resources to get a lot of what we need at the best cost. Dave feels this project is about 6 months ahead of where he thought it would be at this time. The idea is to do a full build up on the buildings, because they are not very big, and the equipment will be added as needed. The full build up concept will be to rehabilitate the lagoons that we are using now. That would make full build out at 140K gallons/day. An additional EC unit would be installed so that there would be redundancy as CDPHE would require. So much of the infrastructure is in that we can use, the cost is reduced tremendously. Funding is now our focus. Please pass on any and all ideas.

Reservoir project - Dave met with Upper Ark and the engineers involved in the project. Dave should have the Feasibility Report in the next two weeks. This will hold 150-acre feet on our existing property. As far as the ditch gravity feed, perhaps down the road we could use this method, however, it would almost double the project cost by an additional \$2 million. Upper Ark has verbally agreed to fund approximately 1/3 of the project. RMWSD also talked about selling excess water that cannot be stored in DeWeese Reservoir to Upper Ark.

CRWA has been rescheduled for May 2 - May 5 in Loveland. Dave and Field Techs plan on attending.

## Consent Agenda

1. Approval of the Minutes of the February 17, 2022, Regular Board Meeting
2. Financial Report and Approval of Checks for February 2022  
Motion to Approve Minutes and Financials was made by Randy Wilhelm and seconded by Peter Ewing. Motion passed with a 5-0 vote.

## New Business

1. Clark Maxam, WMV Properties - Clark is asking the district to delay the monthly fees for new builds that purchased water/sewer taps in 2021. Clark said he has looked through all the documentation that he received and was unable to find anything that pertained to the fees on new builds after 90 days. It was a complete surprise when he received a bill for the completed, unsold houses. Charles Bogle, Chairman, said that our district policy states that the fees will be billed after 90 days from the date of tap

**purchase. Randy stated that he has been around for a very long time and the policy has been in place as long as he can remember. It stated that once a water/sewer tap was purchased, the basic, monthly fees must be paid. RMWSD has costs to operate the district. In the past, there was not a 90-day grace period prior to the start of billing for that account. Randy is also concerned about setting a precedence for everyone, including the 15 or so taps that have never connected to the system. These are normal procedures that were in place prior to the moratorium. Clark said he was never informed of or given written material stating that this monthly cost would be incurred. Charles recommended that the decision will be tabled until the next meeting so that the board can look over the information.**

***2.3 Rules and Regulations states: All permits shall be subject to the same minimum monthly water and/or wastewater service fees as though the service lines were connected and installed at that location. Minimum monthly fees shall start on the first day of the month following 90 days after a permit is issued or upon service line connection to a building, whichever occurs first. Minimum service fees charged after obtaining the permit and prior to connection of the building to the district's system will not be refunded for any reason.***

- 2. Steven Koch - Performance Review - Steven has been in the position of ORC for 90 days. Steven is very proactive and has proven his ability to perform his job in this position. Dave will do an official performance review for Steven and will be proposing a wage increase for Steven at the next board meeting. Dave has been able to delegate many tasks to Steven which has freed him up to do what he is required to do. The FOG and Backflow Prevention regulations have been put on the back burner due to lack of staff. Randy asked if Steven has checked on the new deli at the Amish Furniture Store.**
- 3. Personnel Manual Draft Presentation - because of COVID, there have been additions to what needs to be in the manual. The FMLA does not apply to RMWSD, so that has been removed. There were just a few changes that needed to be made. Dave will present a resolution to approve the changes made to the Personnel Manual.**

#### **Old Business**

- 1. Resolution 2022-5 regarding Dalla and Quinones taps - Charles reminded everyone about the previous requests made by the Dallas and Greg Quinones. This resolution addresses the approval of two water/sewer tap purchases due to the fact that the parties did not purchase a tap prior to the moratorium. Considerable construction has been completed on both. Comment was made about the word "these" properties. Dave specified that this type of request is a "limited, case-by-case" basis and only addresses these two. Anyone else, will have to ask for board approval. The new tap fee is around \$16,000.00. Charles wanted to point out that Westcliffe and Silver Cliff need to tighten up their policies regarding building permits. RMWSD is not the final authority for building permits. Dave will make these changes to the presented resolution as stated. Motion to approve the**

resolution was made by Greg Smith. Randy Wilhelm seconded the motion. Discussion took place. Randy requested that the verbiage “And the negative financial impact to the property owners” be removed. Greg Quinones asked a question regarding this situation as it pertains to him. His question was to clarify as to the single water and sewer tap applies to the whole project and all the buildings will be connected to that single tap or a building-by-building basis. Charles responded that this resolution makes exception to policy that Mr. Quinones is allowed to purchase a water/sewer tap for the existing building that is under construction. He said that the single property listed on the resolution states “lots 1-8”. Dave asked if he is going to have all his planned buildings on one lot. Lots 1-8 is all owned by Mr. Quinones because there is no definition on the County Assessor’s website regarding the lots. That is why the resolution states lots 1-8. Mr. Quinones said that he asked the county if he needed to do anything formally to separate the lots. The County said “no” unless he planned on selling the lots. He was told to leave it as one block, even though each building will be separate with its own address. Dave reiterated that each building would have its own water/sewer tap. Charles suggested that for the purpose of this resolution that this exception to policy, it needs to limit it to, and state in the resolution that this is for the one lot and one structure. The other seven lots are not included in this resolution. Greg Quinones questioned the board regarding the other seven lots. “Does this mean that I cannot continue or complete the entire project until the moratorium is lifted, which means it could be up to two years?” Charles stated that the first part of the statement was true, that Mr. Quinones cannot obtain seven additional water/sewer taps at this time. Charles also wanted him to know that the Board is doing all they can to expedite this process. Mr. Quinones said he understood what Charles was saying but wanted to remind the board that this project was planned, paid for, and contracted for as an entire project, not individual buildings. There is an impact that Mr. Quinones will have to face with both his financial institution and the contractors on what they will proceed. He will have to figure out how this will impact the rest of the project. Charles let him know that he is not the only one that these effects. Mr. Quinones stated that the opportunity to purchase taps while they were still available was never indicated to him in any way, shape, or form. He has no formal documentation or notification of that opportunity and was not able to take advantage of the opportunity. Had he known about the moratorium, that would have made calculous on the project itself a little more reasonable. He continued with the fact that WMV Properties is able to continue their project because they purchased their taps. Mr. Quinones was also not aware of that impact as well. Greg Smith responded with the comment of “it seems to me that if you are going to develop in a community, that you would have someone taking notes of the legal ads in that community. There is a lot of money on the line. The responsible thing to do, typically as a developer, is to keep track of the conditions under which he is developing.” Mr. Quinones said that in good faith he did that. He has contractors, the Town of Silver Cliff, other utilities that serve the area, all of which have given him communications whenever there was something that he needed to address. Greg Smith asked him when he contacted



RMWSD and was not communicated with. Mr. Quinones said he contacted Round Mountain on and off since 2019, when he paid for the first bit of infrastructure to be installed, which was the sewer line, which has been done. No one indicated to him either verbally or in writing that the moratorium was pending. He has a local construction contractor, a local infrastructure contractor, Ed Lyons, and none of them mentioned anything about it. He also talked to Roger Camper at least once a month and it was never mentioned. He also talked to Dave Schneider on a number of occasions talking about the project itself at the end of last year, never indicating that this was going to be an issue. So, it is not just the outside entities, but also inside Round Mountain. Greg Smith stated “what I hear here is that the Board is granting a very special exception, and Mr. Quinones is saying that it is not good enough. Mr. Quinones thought the whole project was approved. “In talking with the town, the water department, and Black Hills Energy, all that has been taken care of and if there was a problem, they would have communicated that to him. The first communication he received from Dave, officially on this issue, or even mention of this issue, was on February 16, 2022, after the moratorium was in effect. Dave Schneider commented that RMWSD has had two public meetings, and numerous articles in the paper. Dave said he assumed that Mr. Quinones had bought the taps. Mr. Quinones said he never received any information from us regarding a public meeting or public notice, nor did he receive that information from his local contractors who have established relationships with RMWSD. Mr. Quinones continued “Ed Lyons, does all of RMWSD infrastructure work, well, actually does a lot of it.” Mr. Quinones said that when he asked for recommendations for contractors, these local contractors were the ones he was pointed to. Mr. Quinones continued that he understands what the decision is, and what the reasoning is, and appreciates the variance for a single tap, but regarding the overall project, it is going to have a definite impact on whether or not he can wait around for the moratorium to be lifted. Without an actual timeframe, he has no way of explaining it to his bank or the contractors that are committed to him on completing the entire project. They are not committed on a “one building at a time” situation but on the entire project. He needs to deal with the impact on the project, and where he can cut costs, and where he must wait and if he has to wait a certain period of time and doesn’t know what the timeline is – it could kill the project. The one building may be rented, or he may have to sell it. He will not be able to deliver what he had committed to the community in this time frame. Peter Ewing stated that better communication between Ed Lyons should have taken place and that apparently Mr. Lyons was under the impression that block 192 was only one tap. Maybe Mr. Lyons thought that blocks 1-8 were going to be on one tap, so he didn’t communicate the information to Mr. Quinones. Charles reminded them “the discussions regarding the moratorium started last Summer with anyone that would listen. For people that are local or non-local, the fact is, this is the situation. RMWSD has responsibilities to the district residents and to state authorities, and we are trying to walk that line as best we can. We do not know how long the process of replacing the wastewater treatment plant will take. We are diligently pursuing both from a technical standpoint and

supporting administration. We realize there is certainly issues of impact on various levels within the community. We encourage everyone in the community to keep their eyes and ears open now that they are aware of the situation and the board is open for suggestions.” Greg Quinones said he didn’t want to fight with anyone but wanted to understand what the impact was and what had been committed to the community. At this time, he can complete the existing building and put it in operation, but he will not be able to complete the other seven in the timeframe that he had originally planned. He said there should have been a requirement to speak directly and officially with the customers whether it’s the customers that are using the facility or the customers that are building the facility. That is where he feels it fell apart. He was hoping an exception would be based on the fact that the official communication was not done. He is going to continue with what he needs to do. Charles suggested that the towns who issue building permits, look at their procedure. Hoping that this experience has made us all aware and hope that this never happens again. Motion was approved, as amended, unanimously with a 5-0 vote.

Charles stated that we are not the final authority for building permits. We are protecting our responsibility to CDPHE.

**Additional Remarks:** Greg found a mistake in the minutes from the last meeting. It stated “The date for purchased taps had a deadline of December 31, 2021”. Peggy will correct the minutes to state “77 taps were sold with the only limit placed on sold taps was December 31, 2021.”

Adjourn at 3:42 p.m.