

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
OCTOBER 11, 2022**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWS) Board of Directors was held at 5:00 pm on Tuesday, **October 11, 2022**, via <https://zoom.us/my/mcbwsdboardmeeting>.

Members of the Board of Directors in attendance at the meeting were as follows:

Brian Brown - Chair, Jonathan Ferrell - Board Member, Nancy Grindlay - Interim Secretary, Nancy Woolf - Vice Chair

Nicholas Kempin - Treasurer, had an excused absence

Also present were:

Mike Fabbre - District Manager, Bryan Burks - Wastewater Supervisor, Tracy Davenport - Accounts Payable Coordinator, Marcus Lock - District's Attorney, Kim Wisley - Recorder, Members of the public

1. Call to Order

- The regular meeting of the Board of Directors was called to order by Brown at 5:01 pm and a quorum was present.

2. Citizen Comment Period

- A Homestead resident requested the District and the Board consider putting a fence or some landscaping around the generator located behind the Water Treatment Plant (WTP).

3. Approve Meeting Minutes

- September 13, 2022

MOTION by Woolf and seconded by Grindlay to approve the September 13, 2022 regular meeting minutes as submitted. Ferrell abstained from voting as he was not present at the meeting. Motion voted in favor.

4. Water Treatment Plant Expansion Project Update

- Updates and progress can be seen in the monthly memo from JVA.
- The District held an open house at the new WTP on September 29, 2022. The flyer that was distributed there is included in the Board packet and the CB News published an article about the event.
- The remainder of the project's punch list items will be completed soon.

5. District Manager Report

- Fabbre reviewed highlights of the report included in the agenda packet.
- The US Forest Service is in the process of closing out the East River Pump Station (ERPS) construction permit and activities on federal lands while also updating and renewing the special use permit.
- The annual moratorium for tapping into the District's water and wastewater main lines begins on October 15, 2022 and goes through April 15, 2023.
- The Rocky Mountain Biological Laboratory (RMBL) requested locates from the District to install a power supply off of the Crested Butte Mountain Resort (CBMR) transformer which is down on the East River. It was discovered that the location of the fiber optic line that was installed for the District to be used for communication between the ERPS and the WTP had not been accurately designated on the drawings when the contractor for RMBL hit the line, putting a kink in it. The District had the line repaired while it was exposed and is looking into why the drawings were inaccurate.

6. September 2022 Financial Report

- Fabbre reviewed page 21 of the agenda packet showing water usage and billing rates.
- Tap fees are still tracking well with \$1.422M paid to date this year.
- Page 23 displays Cash Flow Projections hovering at \$5.3M in unrestricted cash on hand. In addition, the District has \$670K that was approved last year for investments and \$1.1M designated for Water in Lieu which are restricted funds, bringing the total cash on hand to approximately \$7.1M.
- Because the WTP Expansion Project finished at approximately \$1M under budget, the options for spending the surplus funds from the Power Development Authority loan will be considered once all final project expenses have been paid.

MOTION by Grindlay and seconded by Ferrell to approve the September 2022 Financial Report. Motion voted in favor.

7. Draft 2023 Budget

- Fabbre explained the process and schedule for submitting the budget. Any changes to the draft budget requested today will be implemented and presented for approval at the regular Board meeting in November. The final approved budget will be officially submitted to all entities required under state statute by December 15, 2022.
- Fabbre reviewed page 33 of the agenda packet noting that no General Fund capital projects are anticipated in 2023 and a deficit of approximately \$897K is projected.
- Fabbre reviewed the draft budget outlining various projected revenue and expenditures.
- There was a review of the current estimated costs for the District's portion of the Town of Crested Butte's ATAD IGA Share project.
- It is anticipated that there will be an increase to tap fees, user fees, availability of service fees, and salaries on the final budget to be presented in December.

8. Legals

- Lock reported that he has not received an official response from the Meridian Lake Park Corp (MLPC) regarding the MOAs.
- It was noted that a full Board in attendance is not legally necessary to hold an Executive Session if a quorum is present.

9. New/Old Business Before the Board

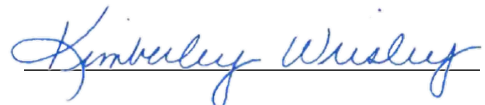
- An analysis of the District's water portfolio is expected from Leonard Rice Engineers (LRE) by the end of the year.
- The District is open to exploring the possibility of purchasing property that could be used as employee housing.

10. Executive Session

- Consideration of an executive session to be held pursuant to C.R.S §24-6-402(4)(b), (e)(I), and (f)(I), which concern respectively, conferences with the District's general counsel for the purpose of receiving legal advice on specific legal questions, determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators, and personnel matters in order to discuss Meridian Lake Reservoir and related infrastructure, potential related agreements with Meridian Lake Park Corporation, Meridian Lake Meadows Association, Inc., and the Pristine Point Owners' Association, Inc., and the Finance Manager position.
- There was consensus that it is not necessary to hold an Executive Session until a response is received from the MLPC regarding the MOAs. Brown will remind MLPC that the Board is waiting on an official response from them.

11. Adjourn

MOTION by Brown and seconded by Ferrell to adjourn the regular board meeting at 7:13 pm. Motion voted in favor.



Drafted by: Kimberley Wisley



Submitted by: Mike Fabbre