

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
APRIL 21, 2026**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (District) Board of Directors was held at 5:00 pm on Tuesday, **April 21, 2026**, via <https://zoom.us/my/mcbwsdboardmeeting>.

Members of the Board of Directors in attendance at the Regular Board Meeting were as follows:
Nancy Woolf - Chair, Jonathan Ferrell - Treasurer, Nancy Grindlay - Vice-Chair, Jenn O'Brien - Board Member, Tom Rolleczek - Board Member

Also present:

Nicole Bogenschuetz - Interim District Manager/District Engineer, Adam Bembenek - Wastewater Supervisor, Brian Carney - Water Foreman, Tracy Davenport - A/P Coordinator, Kent Fulton - Finance Manager/Board Secretary, Marcus Lock - District Attorney, Kim Wrisley - A/R Coordinator/Recorder, Members of the public

Board Meeting Agenda

1. Call to Order

- The regular meeting of the Board of Directors was called to order by Woolf at 5:00 pm and a quorum was present.

2. Citizen Comment Period

- No citizens presented comments.

3. Approve Meeting Minutes

- March 10, 2026

MOTION by O'Brien and seconded by Ferrell to approve the March 10, 2026 meeting minutes as submitted. Motion voted in favor with Grindlay abstaining since she was not present at that meeting.

4. Resolution 2026-02 Variance Regarding Availability of Service Fees for Certain Crested Butte Land Trust Properties

- Bogenschuetz explained Jake Jones, Executive Director of the Crested Butte Land Trust (CBLT), is present to request a variance regarding the availability of service fees for the property at Lot 18, Pristine Point because CBLT has put a conservation deed on the property, which prevents future development.
- Lock noted the positive relationship the District has with the CBLT in regards to Long Lake/Meridian Lake Reservoir #1, that the conservation deed recognizes the District's rights with respect to the Long Lake pipeline and that the District's original documentation from when the availability of service fee was enacted did contemplate variances in certain instances, such as this. Thus, he stated there is no legal concern with approving this resolution, should the Board decide to do so.
- Jones reported CBLT is in the process of getting Lot 18 removed from the Pristine Point Subdivision.

MOTION by Grindlay and seconded by Ferrell to approve Resolution 2026-02 granting a variance regarding not charging availability of service fees for certain Crested Butte Land Trust properties. Motion voted in favor.

5. Interim District Manager Report

- Bogenschuetz reviewed some highlights reported in the memorandum included in the Board packet.
- Blake King passed his class 1 collections operator exam.
- The final sewer service line inspection form, FAQs and documentation is live on the District website. Enforcement will begin on June 1, 2026. All customers will receive a notification about this start date.
- The Discharge Monitoring Report showed a total mercury limit violation that is believed to be from improper sampling. The wastewater department is taking additional measures to ensure there are no issues with future sampling.
- The Water Department is flushing fire hydrants to remove sediment and improve tap water quality.
- The District 2025 audit is underway.
- The building moratorium from October 15th through April 15th has been lifted and several new tap fees are being processed.

6. Capital Projects Report

- Bogenschuetz presented the Gothic Road Interceptor (GRI) project at the April Mt Crested Butte Mayor/Manager meeting and to Crested Butte Mountain Resort to discuss alignment options in the summer free parking lot. It is a critical path to finalize the engineering and alignment to see where the line can be positioned.
- Phase two pipeline hydraulics at Long Lake are being set up to pump from Long Lake to the pre-sedimentation pond and this will help with future easement discussions.
- Multiple future development reviews are underway.

7. Financial Reports

- 2025 Period 13 Financial Report:
 - A final 2025 Period 13 report will be available once the audit is complete.
 - The audit is progressing well and staff will continue to work with the auditor to provide the requested documents.
 - No new 2025 invoices are anticipated.
- March 2026 Financial Report:
 - Payments in lieu of water rights and for the capacity expansion fee were received from Hunter Ridge LLC.
 - First half of 2025 property tax revenue has been received from Gunnison County.
 - It is anticipated that unscheduled repairs and maintenance expenses will increase over the next few months due to some costly equipment failures in the wastewater treatment plant.
 - A \$25K tap fee was received today and several more payments are expected in the next few days.
 - Tap fees for the Oros project have been calculated and it's anticipated that fees for the first building (Apex) will be collected soon.

MOTION by O'Brien and seconded by Rolleczek to approve the 2025 Period 13 and the March 2026 financial reports as submitted. Motion voted in favor.

8. Legals

- Lock reviewed the projects that he and staff have been working on.

9. New/Old Business Before the Board

- Woolf reminded the Board that employee survey results have not yet been shared with staff and they will be soon. The Board requested when releasing results to keep information that could identify an employee confidential.

10. Irrigation Restrictions

- Bogenschuetz reviewed the memo included in the board packet highlighting the extreme, unprecedented drought conditions that are expected this summer and when/how the District should implement irrigation conservation measures.
- Studies and monitoring support that peak runoff has already occurred in the Gunnison Valley, a month earlier than normal, and the area is trending toward a 200-year to 1000-year drought event.
- The packet also includes the Irrigation Policy Resolution, approved June 12, 2018, allowing emergency restrictions when necessary. The District could potentially receive supply depleting water calls from entities that hold water rights so, should any water calls occur, the District must have enforced conservation to guarantee sufficient water for fire flows and for District customers' indoor consumption.
- The District is at the top of the water table and holds a responsibility to conserve as much water as possible to maintain resources downstream for other users.
- The District staff recommends implementing emergency restrictions as soon as possible since peak runoff has occurred and rivers flows are likely to go down. Changes to rates and fees can be implemented later if needed to encourage compliance. The proposed restrictions would reduce the number of days allowing irrigation and would further restrict outdoor water use.
- It was decided that emergency restrictions should begin now to mitigate worsening conditions and any rate changes will be decided at the May meeting. The restrictions and the need for conservation will be well publicized.

MOTION by Grindlay and seconded by Ferrell to approve enacting emergency restrictions now, to publicize the need for conservation now, and tabling any rate changes until the regular May Board meeting. Notice of potential rate changes will be made for the regular June Board meeting, with implementation beginning on a date to be determined at that meeting. Motion voted in favor, Rolleczek was a NO vote.

11. Capacity Expansion Sewer Tap Fee Change

- Bogenschuetz reported that HDR was originally scheduled to attend this meeting to share information regarding an updated capacity expansion sewer tap fee, which considered current development review data. However, the

analysis is not yet finalized, so the capacity expansion sewer tap fee discussion will be postponed until the June meeting. The required 30-day public notice of a fee change was published in March, due to the delay, a new 30-day public notice will be advertised for the June meeting.

12. Consideration of the Following Executive Session(s)

- Consideration of an Executive session to discuss proposed Public Improvement Acceptance Agreement between the District and Chalets at Crested Butte, LLC, also known as OROS (the "Subject Matter") pursuant to C.R.S. Section 24-6-402(4)(b) for the purpose of receiving legal advice on specific legal questions from the District's general counsel on the Subject Matter, and C.R.S. Section 24-6-402 (4)(e)(I), to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators with respect to the Subject Matter.
- Potential consideration of an Executive session to discuss specific applications of potential changes to personnel manual (the "Subject Matter") pursuant to C.R.S. Section 24-6-402(4)(b) for the purpose of receiving legal advice on specific legal questions from the District's general counsel on the Subject Matter; C.R.S. Section 24-6-402 (4)(e)(I), to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators with respect to the Subject Matter; and C.R.S. Section 24-6-402(f)(I) to discuss personnel matters related to the Subject Matter and personal to a particular employee or employees, provided that no such employee has requested that the discussion occur in open session.
- There was consensus that neither Executive Session was necessary. Bogenschuetz explained that the District is looking for direction from the board to sign the Public Improvement Acceptance Agreement as it impacts District policy. Due to the District's delay in processing the 2025 tap fees application, the District will honor 2025 rates and fees and the current capacity expansion tap fee.
- A performance bond is required to be put into place prior to construction.

13. Potential Discussion and Action on the Subject Matters Discussed in Executive Session

- There was no further discussion or action regarding the subject matter from Executive Sessions since they did not take place.

14. Public Improvement Acceptance Agreement (PIAA)

- Bogenschuetz explained there is a development process in place based on the District's Rules and Regulations and requires this agreement to be in place before tap fees can be finalized. The developer is planning to begin construction this summer and has submitted a tap fee application for District review.
- Lock reviewed the details/requirements of the performance bond.

MOTION by O'Brien and seconded by Grindlay to approve the Public Improvement Acceptance Agreement between the District and the Chalets at Crested Butte, LLC, AKA Oros. Motion voted in favor.

15. Employee Retention Committee Update

- O'Brien reported the staff continues to work on the employee handbook and policies, with the assistance of HR consultant LaDonna Garcia, and progress is very good. All staff has been given the opportunity to confidentially express concerns and/or ask questions concerning the handbook and policies.
- Going forward, there will be more frequent reviews of the handbook and policies so any issues that develop can be addressed more efficiently and effectively.
- At the end of March there was a scheduled implementation of the handbook within 90 days and it has been very helpful in keeping progress moving forward.

16. Search Committee Update

- Grindlay reported Bogenschuetz has stepped down from the District Manager Search Committee and the members would like to appoint Fulton to fill her seat.

MOTION by Ferrell and seconded by Grindlay to ratify, confirm and approve the appointment of Kent Fulton to the District Manager Search Committee. Motion voted in favor.

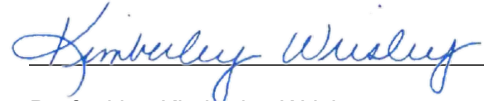
- Grindlay requested permission to negotiate relocation assistance should the committee hire a candidate from outside the Gunnison Valley. It would be negotiated on a case-by-case basis.
- It was suggested the assistance be part of a total package and putting a cap on the amount.
- Currently there are five external candidates, with three being qualified for the position and two additional candidates are expected to apply within the next week. Lead recruiter from GMP, Linda Woulfe, will begin reviewing

candidates on April 27, 2026 to develop a list of semi-finalists that will be presented to the Search Committee on May 7, 2026.

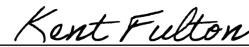
- It was noted there is the potential that the District will need to assist a new hire with securing a residential property for the appointed District Manager.
- It was suggested a provision be made in the employment contract to confirm the new hire would be committed for at least a one-year term, along with other conditions to be determined at the time of hire.
- The Board agrees that relocation assistance can be considered and the final terms of the agreement, with all other conditions of an employment contract, to be approved by the Board prior to hiring.
- Semi-finalists will visit the District for interviews and to meet the Board/staff on May 21-22, 2026. All Board members are available to attend and are also available the following week to select a finalist.

17. Adjourn

MOTION by Woolf and seconded by Rolleczek to adjourn the regular board meeting at 6:44 pm. Motion voted in favor.



Drafted by: Kimberley Wisley



Submitted by: Kent Fulton