

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
MAY 10, 2022**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWS D) Board of Directors was held at 5:00 pm on Tuesday, **May 10, 2022**, via <https://zoom.us/my/mcbwsdboardmeeting>.

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

Brian Brown, Nancy Woolf, Nicholas Kempin, Jonathan Ferrell, Nancy Grindlay

Also present were:

Mike Fabbre, District Manager

Kim Wrisley, Utility AR Coordinator/Admin Assistant

Perry Solheim, Finance Manager

Tracy Davenport, Utility AP Coordinator/Admin Assistant

Bryan Burks, Wastewater Supervisor

Marcus Lock, District's Attorney

Kyle Koelliker, Water Supervisor

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

- No citizens presented comments.

3. Approve Meeting Minutes

- April 12, 2022
- April 20, 2022

MOTION by Kempin and seconded by Grindlay to approve the April 12, 2022 regular meeting minutes. Motion voted in favor.

MOTION by Woolf and seconded by Kempin to approve the April 20, 2022 regular meeting minutes. Motion voted in favor.

4. Cancel Election Documentation & Discussion

- It was reported that DOLA has been informed of the May 3, 2022 District election cancelation. Affirmation documentation for the three newly seated Board members, Brian Brown, Jonathan Ferrell and Nancy Grindlay, has been submitted to the Gunnison County Recorder and Colorado DOLA. Lock will also file that documentation with the Gunnison County Civil Court as required.

5. Reorganization of the Board

- Lock provided a brief review of Board of Director etiquette and protocols. He also referred Board members to the Special District Association (SDA) "Officers of the Board Quick Reference Guide" and the "Board Member Manual" to use as helpful resources during their terms. Lock also noted that if Board members have further questions, he is available to help them in addition to other resources provided by the SDA. Lastly, he reminded the Board of the importance of making their task delegations clear and keeping executive session discussions confidential.
- There was consensus that all Board member roles will remain as they currently are with Brown as Chair, Woolf as Vice-Chair, Kempin as Treasurer and Solheim as Secretary (non-voting).

MOTION by Woolf and seconded by Grindlay to approve that the Board positions continue as they currently stand with Brown as Chair, Woolf as Vice-Chair, Kempin as Treasurer and Solheim as Secretary (non-voting). Motion voted in favor.

6. Water Treatment Plant Expansion Project Update

- Updates and progress can be seen in the monthly memo from JVA and on the District Manager Report.
- The project is on schedule and within budget. A few minor delays have continued as the result of supply chain issues and at completion, it is anticipated the project will be nearly \$1M under budget with contingencies.

7. District Manager Report

- Fabbre reported that Permit Modification #7 is expected to arrive by May 12, 2022 and he is not anticipating any updates to it.

- Fabbre reviewed potential changes to capital required for coming plant updates under the Town of Crested Butte ATAD Inter-Governmental Agreement (IGA) Share information provided in the report. The District will provide future updates about the ATAD pro-rata share according to its IGA.
- There are still several construction and loan details to be decided for the new Crested Butte ATAD facility but currently the total project cost is estimated at \$3.3M. MCBWSD is responsible for 50% of capital costs per the IGA. \$1.5M has already been budgeted for 2022/2023 as shown on page 38 of the agenda packet.
- The IGA was recently reviewed by Lock to confirm it is still appropriate.
- The current irrigation regulations are for the District's normal limits. Emergency regulations can be implemented if the drought continues. An update will be provided at the June meeting to evaluate the appropriateness of initiating emergency regulations.
- Peak spring run-off for the WWTP has passed without any capacity issues. The East River, where the main WTP draws raw water, usually reaches its peak flows in late May/early June. Turbidities from East River have tapered off but are increasing from Meridian Lake Park Reservoir so process changes are being made.

8. Notice To Disconnect Water Service – 20 Day Notice

- A disconnect notice was posted at 1010 Washington Gulch Road on April 28, 2022 and a copy was also sent by certified mail but has not yet been accepted by the customer from the post office. Water service will be shut off if full payment of \$1,128.09 is not received by May 20, 2022 at 4:00 pm.

9. April 2022 Financial Report

- All aspects of the financials are tracking as expected.
- There was a brief discussion about rising interest rates and future investment opportunities.
- There was an explanation of the +/- figures in the "Construction" and "Contingencies" rows of the "April 2022 Costs Incurred" column on page 37 of the packet indicating a correction in the contingencies for the WTP Expansion Project.
- There was an explanation for why the "MLP Operations" line on page 32 is showing at 73.06% of the yearly budget. A large portion of that was from a water main break on Meridian Lake Drive.

MOTION by Woolf and seconded by Kempin to approve the April 2022 Financial Report. Motion voted in favor.

10. Legals

- Lock had no legal issues to report beyond that which will be discussed later in the agenda.

11. New/Old Business Before the Board

- The District will now be observing the Colorado recognized Juneteenth holiday (June 19th), The newly approved Colorado State holiday will be a paid holiday for staff.
- On June 9, 2022 the District will receive its triennial sanitary survey inspection at both of the water treatment plants.
- The District is investigating the potential opportunity to purchase 1 unit of the Homestead Affordable Housing Project. There may be a lottery for purchasing the units in the coming months. Fabbre will update the Board and seek its direction if the District is selected for a purchase. If purchased, the unit could be used for employee housing.

12. Executive Session

- Potential executive session pursuant to C.R.S §24-6-402(4)(b) and (e)(I), which concerns, respectively, conferences with the District's attorney for the purpose of receiving legal advice on specific legal questions and determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations, and instructing negotiators, regarding the District's easements and lift station building located on and adjacent to 43 Paradise Road, Mt Crested Butte, Colorado.

MOTION by Brown and seconded by Kempin to move into Executive Session at 5:42 pm with Fabbre, Solheim, Burks and Lock remaining for the discussion. Motion voted in favor.

MOTION by Brown and seconded by Kempin to exit Executive Session at 6:20 pm. Motion voted in favor.

13. Discussion of District's Easement and Lift Station Building with Potential Action

- Lock drafted a potential settlement agreement between the District and the owners of 43 Paradise Road (Lot 18) concerning an issue regarding a portion of the Paradise Lift Station located partially within Lot 18 but within the District's utility easement on that property. Subject to the Board's approval, the dispute would be resolved with the property owners' acknowledgment that the scope of the easement is sufficient to support existing structures within

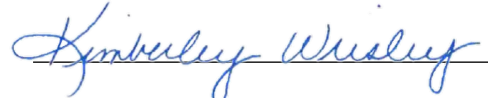
the easement and acceptance of other District infrastructure within the lot in exchange for monetary compensation and the District withdrawing any objection to a shared water service line on the lot in question.

- It was discussed that this agreement would support the District's best interest.

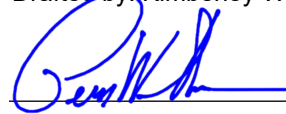
MOTION by Kempin and seconded by Ferrell to approve the agreement acknowledging the utility easement and granting Fabbre authorization to execute the document on behalf of the District. Motion voted in favor

14. Adjourn

MOTION by Brown and seconded by Kempin to adjourn the regular board meeting at 6:27 pm. Motion voted in favor.



Drafted by: Kimberley Wisley



Submitted by: Perry Solheim