

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
MAY 14, 2024**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (District) Board of Directors was held at 5:00 pm on Tuesday, **May 14, 2024**, 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, Brian Brown - Board Member, Jonathan Ferrell - Treasurer, Nancy Grindlay - Vice-Chair and Jenn O'Brien - Board Member

Also present were:

Mike Fabbre - District Manager, Bryan Burks - Wastewater Supervisor, Kent Fulton - Finance Manager, Kyle Koelliker - Water Supervisor, Marcus Lock - District's Attorney, Kim Wisley – Recorder.

Members of the Public: Carlos Velado, Town Manager of Mt. Crested Butte

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

- April 9, 2024

MOTION by Woolf and seconded by Ferrell to approve the April 9, 2024 regular meeting minutes as submitted. Motion voted in favor.

4. District Manager Report

- Fabbre highlighted a few items and noted that additional items can be seen on the report included in the agenda packet.
- The Wastewater Discharge Permit renews every five years and the District will be submitting a renewal application in July of 2024. Compliance reports are due by June 30, 2024 and the District is in a good position to meet the future permit limits.
- The Whole Effluent Toxicity (WET) test that was canceled by the testing laboratory back in April was rescheduled for this week. Test samples were collected on Monday and will continue to be collected throughout the week.

5. 2023/2024 Consumer Confidence Reports Review

- Fabbre noted the Consumer Confidence Report (CCR) was completed earlier than usual this year.
- The last page of the CCR details a Tier 3 violation that the District received in October of 2023 when a raw water sample was overlooked by the laboratory, resulting in failure to complete testing by the deadline. There were not any health or safety issues associated with the water sample. Information regarding the violation will be distributed to the effected customers by "Direct Delivery" to satisfy the CCR requirement of notification to customers.

6. Town of Mt. Crested Butte Water Invoice Request

- Fabbre referenced the letter submitted by the Town of Mt Crested Butte (TMCB) requesting forgiveness of an unusually high bill that occurred when an underground meter froze and broke back in February.
- Carlos Velado, Town Manager, requested a waiver for the water invoice for the high water usage.
- Koelliker reviewed actions taken by the District to notify Town of the high water usage.
- There was discussion regarding the public partnership and working relationship between the District and the TMCB. The fees charged were under unique circumstances and waiving them calls for special consideration.
- The District has a protocol in place for notifying the office at the Town in addition to the maintenance team should any future issues occur.

MOTION by Brown and seconded by O'Brien to waive the usage fees acquired by the TMCB in February and March that were in excess of the standard base fees and penalties. Motion voted in favor.

7. Collections Interceptor Line Discussion

- Fabbre reviewed estimates of approximately \$550K from HDR Engineering regarding the work that could potentially be done in the summer of 2024 to initiate the project. These estimates are for the preliminary work that needs to be completed before the design phase can start.
- If the preliminary work begins this summer, design and engineering work would potentially occur in 2025 - 2026 and construction would potentially occur in 2026. If the preliminary work does not get completed in the summer of 2024, the project will be delayed by an entire year because of winter weather issues.
- Fabbre reviewed the list of developers that are requesting this project. The urgency of this project is at the behest of these developers but there is little urgency for the District otherwise.
- The District is proposing a meeting between the District, the developers and the engineers to inform the developers of the required work/potential costs to help them evaluate their urgency in moving forward. Any developers that are not interested in participating at this time will be given a cost reimbursement document for reimbursing the developers that do want to proceed. HDR is working with their subgroup, which has successfully managed these types of situations in the past, and will provide additional required documents at the meeting for developers that want to move forward now.
- There was consensus that the proposed meeting with developers and starting the preliminary work this summer is a good path forward and is essential to determine which developers want to participate now and seal their commitment to cost sharing. The District will proceed with this plan.

8. District Compensation and Potential Market Adjustment

- Fulton recapped a previous discussion regarding a potential market adjustment to staff salaries for the purpose of staying competitive with other similar entities in the valley and to incentivize employee retention.
- There was further discussion regarding whether the increases should be based on a percentage or a flat amount and whether all staff positions shall be included.
- It was decided that District management may make adjustments however they deem necessary.

9. 2023 Draft Audit Discussion

- Fulton mentioned there were a few changes to the MD&A section of the audit as well as a few typo/grammatical changes but there were no material changes made to any numbers.

MOTION by Woolf and seconded by Grindlay to approve the 2023 draft audit as submitted. Motion voted in favor.

10. April 2024 Financial Report

- Fulton reported the District received \$163K in property taxes from the County and \$69K from the TMCB for returned project deposits.
- Invoices for the repairs to Whetstone Road and for the recent water main break near the wastewater plant have been received and will be paid soon.
- Tap fees are down relative to previous years and it is anticipated that for various reasons, there will not be an excess of revenues this year as compared to previous years.

MOTION by Brown and seconded by Ferrell to approve the April 2024 Financial Report. Motion voted in favor.

11. Legals

- Lock reported he and Fabbre have been working on the collections interceptor line, the ATAD IGA with the Town of Crested Butte, several proposed new developments, the water rights master plan, the Hunter Ridge project, an agreement for a temporary license allowing access to Long Lake to begin preliminary work on a potential pipeline.

12. New/Old Business Before the Board

- Nothing was presented.

13. Executive Session

- Consideration of an executive session to be held pursuant to C.R.S. § 24-6-402(4)(b) and (e) (l), which concern respectively, conferences with the District's general counsel for the purpose of receiving legal advice on specific legal questions and determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators in order to discuss the ATAD IGA share and the Collections Interceptor Line.

MOTION by Woolf and seconded by Brown to enter into Executive Session at 6:08 pm with Fabbre, Fulton, Burks and Lock remaining for the discussion. Motion voted in favor.

MOTION by Woolf and seconded by Brown to exit the Executive Session at 7:00 pm. Motion Voted in Favor

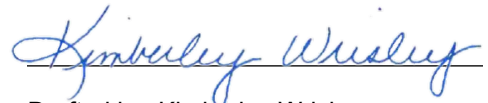
14. Potential Discussion and Action regarding the ATAD IGA Share and the Collections Interceptor Line

- O'Brien was excused from the meeting at 6:33 during the Executive Session and a quorum was still present.
- There was a letter sent on March 13, 2024 to the Town of Crested Butte regarding the ATAD IGA and the District's cost share position for the new solids processing facility. A response was received on April 19, 2024 setting forth the Town's position on the District's share but there was no information to support the \$1M+ difference between the two positions.
- The Board and staff have an inadequate explanation as to the costs of the project and few bills have been received.
- There is not an agreement in place, which is a requirement of the IGA, so there isn't a payment to make. The District hasn't received a paper invoice since December of 2022. It was given a binder of invoices without any explanation as to how things have been apportioned and which had notes handwritten on pages indicating they were not official invoices noting percentage amounts owed. The District needs a better understanding of what it is being asked to pay for this capital improvement and there is consensus that it will not move forward until the explanation is provided and there is agreement on the amount.

MOTION by Woolf and seconded by Grindlay to retain a forensic accountant or other profession to evaluate the invoices received in the binder and other supporting documents that may be at the Town of Crested Butte to help better understand the \$3.476M that the District is expected to pay. Motion voted in favor.

15. Adjourn

MOTION by Woolf and seconded by Brown to adjourn the regular board meeting at 7:10 pm. Motion voted in favor.



Drafted by: Kimberley Wrisley



Submitted by: Kent Fulton