

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
FEBRUARY 14, 2023**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWS) Board of Directors was held at 5:00 pm on Tuesday, **February 14, 2023**, via <https://zoom.us/my/mcbwsdboardmeeting>.

Members of the Board of Directors in attendance at the Regular Board Meeting were as follows:
Brian Brown - Chair, Nancy Grindlay - Board Member and Nicholas Kempin - Treasurer

Also present were:

Mike Fabbre - District Manager, Bryan Burks - Wastewater Supervisor, Tracy Davenport - Accounts Payable Coordinator, Kent Fulton - Finance Manager, Kyle Koelliker - Water Supervisor, Marcus Lock - District's Attorney, Kim Wisley - Recorder

Board Meeting Agenda

1. Call to Order

- The regular meeting of the Board of Directors was called to order by Brown at 5:02 pm and a quorum was present. Jonathan Ferrell, Board member, and Nancy Woolf, Vice Chair, had excused absences.

2. Citizen Comment Period

- No citizens presented comments.

3. Approve Meeting Minutes

- January 10, 2023
- A correction was made to agenda item 15, Meridian Lake Park Corporation Memorandum of Agreement Discussion with Potential Action, changing the final bullet point to read ...additional pro forma is moot... instead of ...additional pro forma is no longer necessary...

MOTION by Brown and seconded by Kempin to approve the January 10, 2023 regular meeting minutes as amended. Grindlay abstained from voting. Motion voted in favor.

4. District Manager Report

- Fabbre noted that additional items can be seen on the report included in the agenda packet.
- The District has requested that Leonard Rice Engineering (LRE) provide the Water Master Planning Draft so it can be available for discussion at the March Board meeting.
- There isn't much new information available regarding the ATAD IGA project with the Town of Crested Butte. The Phase C 90% Guaranteed Max Price (GMP) is still being discussed. Tentatively, the District's share of the \$20.4M project is estimated to be 17% or \$3.4M. Final calculations will be forthcoming.
- The lower Eagles Nest Condominium Complex will be making repairs to its water service line which is leaking into their crawlspace and garage. The break does not impact the District's mainline infrastructure, however the District is providing input for the repair since access to the service line during the winter months is complex.

5. December 2022 Period 13 Financial Report

- Fulton referenced page 16 of the Board packet stating that staff is working to pay end of year expenses and finalize 2022 financials. There has been little change to the numbers since the financials were reported back in December as there are still outstanding invoices to be paid.
- Fulton noted that the "Actual Month Year to Date" column on page 16 reflects a net excess of \$1.5M and he will address restricted vs unrestricted issues later in the meeting.
- Fulton reviewed the 2022 Capital Projects Summary pages and highlighted projects that have been completed and will therefore be removed from the report.

MOTION by Grindlay and seconded by Kempin to approve the December 2022 Period 13 Financial Report. Motion voted in favor.

6. January 2023 Financial Report

- The water usage & billing report has been updated to reflect usage and billing on separate graphs instead of all information being together on one.

- Fulton noted that every January the District pays yearly workers compensation and liability insurance premiums, Although the expenses are 1-time annual payments, he will accrue for those, spreading them throughout the year. Going forward, each month of the financials will reflect 1/12th of the total amount paid in January.
- Fulton highlighted page 25 showing the Monthly Cash Flow Statement and noted that he is still working on calculating restricted/unrestricted cash but expects to have those numbers at the March Board meeting.
- Finalizing financials for the Water Treatment Plant Expansion Project is nearly complete and water has no other major capital expenses in 2023.
- Fulton will be working with Kathy Ridgeway, Finance Manager at the Town of Crested Butte, to receive estimates for the District's share of the ATAD IGA Share project.

MOTION by Kempin and seconded by Brown to approve the January 2023 Financial Report. Motion voted in favor.

7. Legals

- Lock has received communications from legal counsel for Meridian Lake Park Corporation (MLPC) and Pristine Point (PP) agreements as well as the Meridian Lake Meadows (MLM) agreement that will be discussed in Executive Session.
- Today Lock received some proposed revisions to the Board approved version of the MLPC agreement but he still needs to review them and will present them for consideration and approval at the March meeting.
- Tomorrow Lock will be discussing the status of ATAD IGA project with the attorney for the Town of Crested Butte.

8. New/Old Business Before the Board

- Kempin announced that he is resigning as treasurer of the Board but that he will remain a Board member until his term expires on May 2, 2023. He stated that he disagrees with the decision made by the Board regarding the draft Pro Forma submitted by Chairman Brown at the January meeting because he believes that adequate notice of the draft Pro Forma was not given to the Board or to the public, that it should have been prepared by a financial professional, and that there was not adequate consultation with the District staff or treasurer regarding the draft Pro Forma.
- Neither Brown nor Grindlay will take over as treasurer so the Board will need to fill the position at the March meeting when all members are present.
- It was requested that the Board Chair Brown Financial Pro Forma reviewed at the January meeting be made available to the public by posting it on the District website.

9. Executive Session

- Potential executive session pursuant to C.R.S. § 24-6-402(4)(b) for the purpose of receiving legal advice on specific legal questions relating to the proposed Meridian Lake Meadows Subdivision Agreement.

MOTION by Brown and seconded by Grindlay to enter into Executive Session at 5:39 pm with Fabbre, Fulton and Lock remaining for the discussion.

MOTION by Brown and seconded by Kempin to exit the Executive Session at 5:50 pm.

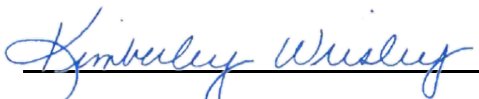
10. Meridian Lake Meadows Subdivision Agreement Discussion with Potential Action

- Lock reviewed the proposed changes to the agreement between MLM and the District that provides for the conveyance of Tracts A & B located within the subdivision on which are located District infrastructure, a water tank at the top of the subdivision and the water treatment plant at the bottom. Lock expressed that he believes it is in the best interest of the District to enter into the agreement and have the two properties where District infrastructure is located conveyed from the MLM association to the District. The agreement is subject to approval from 67% of the MLM members and if not approved, the agreement would be null and void.
- The \$1K in attorney fees anticipated by the agreement would not occur unless the agreement is approved by the MLM members.

MOTION by Brown and seconded by Kempin to approve the agreement between the District and the Meridian Lake Meadows Subdivision for the conveyance of property to the District as defined in the agreement. Motion voted in favor.

11. Adjourn

MOTION by Brown and seconded by Kempin to adjourn the regular board meeting at 5:56 pm. Motion voted in favor.



Drafted by: Kimberley Wrisley



Submitted by: Kent Fulton