

**MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT  
September 14, 2021**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWS) Board of Directors was held at 5:00 pm on Tuesday, **September 14, 2021**, 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

**Also present were:**

Mike Fabbre, District Manager	Kim Wrisley, Admin Assistant
Perry Solheim, Finance Manager	Marcus Lock, District's Attorney
Kyle Koelliker, Water Plant Supervisor	

**1. Call to Order**

- The regular meeting of the Board of Directors was called to order by Brown at 5:00 pm and a quorum was present.
- Board member JD Crichton had an excused absence.

**2. Citizen Comment Period**

- No citizens presented comments.

**3. Approve Meeting Minutes**

- July 13, 2021

**MOTION** by Woolf and seconded by Brown to approve the July 13, 2021 regular meeting minutes as submitted. Kempin abstained because he was not present for part of the July 13, 2021 meeting. Motion voted in favor.

- August 10, 2021

**MOTION** by Woolf and seconded by Kempin to approve the August 10, 2021 regular meeting minutes as submitted. Brown abstained because he was not present for the August 10, 2021 meeting. Motion voted in favor

**4. Board Member Term Limits Discussion**

- Lock commented that based on the size of the District and the history of Board vacancies, eliminating the current term limits would be prudent and suggested the possibility of holding a special election in February, 2022 or May, 2022 if the Board decides to move forward with a change.
- There was discussion about the election process and expense.
- Kempin noted that the Mt Crested Butte Town Council will be holding an election in November, 2021 to vote on removing its term limits so the MCBWSD Board agreed to delay a decision about changing their term limits until after the town's election and after gauging community interest in filling vacant seats for the District's Board of Directors in 2022.

**5. WTP Expansion Project Update**

- The project is still on schedule and on budget. Further updates and progress to the project can be seen in the monthly memo from JVA.
- Waiting to receive Memcore membranes delayed in California due to supply chain delays. This has caused a slight delay in startup but should not affect the overall schedule.
- The new SCADA/Ignition computer has been received and installation will begin soon.
- Tours to see progress at the water plant are available now.

**6. MLP Water Color Issues**

- Updates and progress to the project can be seen in the documents received from the Colorado Department of Public Health and Environment (CDPHE) which are included in the agenda packet.
- The District received approval of a pilot program that will be implemented once equipment and chemicals are received. The program will be up and running for one year. Once completed, data will then be returned to the State to report success or failure. If successful, the District will submit a request for final approval of record for the plant changes.

- Koelliker has begun ordering equipment and chemicals for the program with a target date to have the pilot program online by the end of September or early October. Normal sampling currently continues.
- Solheim explained which budget items pay for MLP capital projects. A separate line item was created for the MLP water color issue since it will be a substantial capital project.

### **7. District Manager Report**

- Most items to report can be seen in the memorandum included in the Board packet.
- Fabbre highlighted that the District has paid off the 2001 loan of \$5.1M which was at a 4.02% interest.
- Phase 2 of the MLP Dam repairs project to fix concrete pop-outs will begin soon.
- Approval of the variance request for the District's back-up generator and concrete pad from the Town of Mt Crested Butte (TMCB) Planning Commission will now go before the TMCB Town Council on September 20, 2021, not on September 21, 2021 as originally scheduled. If the Council does not approve the variance, there are back-up options available.
- Fabbre explained the variance request for the concrete pad was the result of discovering some inaccuracies in the WTP Expansion plan drawings resulting from errors in the 1985 survey drawings which were used by JVA during design of the project.

### **8. August 2021 Financial Report**

- Billing and usage are tracking as expected.
- Payroll is tracking as anticipated.
- Solheim is working on new columns for the graph on page 25 which will show revenue based on usage within the different billing tiers.
- Page 26 shows \$27,034 in operating expenses, \$17,000 of which was for the purchase of new water meters to hold as inventory for the expected demand increase during the Homestead, North Village and other anticipated development projects. Due to manufacturing delays impacted by COVID 19, it was necessary to proactively order these meters.
- Solheim explained that the line item for the MLP Surcharge is only at 61.57% of budget when 67% of the year has elapsed because Availability of Service charges for vacant land are only billed quarterly.

**MOTION** by Kempin and seconded by Woolf to approve the August 2021 Financial Report. Motion voted in favor.

### **9. Retirement of the 2001 CWRPDA Debt in Full**

- The \$5,161,580 loan, incurred in 2001, with a 4.020% interest rate has been paid in full with no missed payments.

### **10. District Financial Audit Draft for 2020**

- Solheim explained the highlights for notes 8-9 on pages 70-71 of the agenda packet indicate a deficit in the General Fund and that is planned to avoid issues with limits to property tax revenue.
- Growth in net assets and revenue is intentional to maintain a 1.1 debt coverage ratio. The District plans to make full loan payments once the water plant expansion project is complete.
- The draft shows an unqualified audit opinion with no reportable conditions from the auditor.
- Pages 51 & 52 of the draft audit are meant to display as two facing pages in the bound copy of the statements.
- Page 68 has an error in the last paragraph on the page. The word "of" should be between "Although the proceeds" and "the CWRPDA loan..." as well as a correction to the CWRPDA acronym in two places on the page from CWRDPA to CWRPDA.

**MOTION** by Kempin and seconded by Ferrell to approve the District Financial Audit Draft for 2020 (with minor corrections to page 68 noted above). Motion voted in favor.

### **11. Legals**

- There we no legals reported.

### **12. New/Old Business Before the Board**

- To coincide with the Crested Butte Community School (CBCS) vacation calendar and the current holiday schedule for plant operators, which was decided at the beginning of the calendar year, the District will observe the St Frances Xavier Cabrini holiday on the second Monday of October (originally Columbus Day) instead of on the first Monday of October as it is designated by the State of Colorado. This observation on the second Monday of October will be standard procedure going forward.
- The next regular Board of Directors meeting falls on Tuesday, October 12<sup>th</sup> which is during the CBCS Fall Break but the Board agreed there is no need to reschedule the meeting time.
- Annual employee evaluations will be taking place in September/October to aid in planning the 2022 budget. The deadline for submitting the 1<sup>st</sup> draft budget is October 15, 2021.

- The Water Rights Workshop for Board members will be scheduled when Fabbre hears back from water rights attorney, Rob Pierce, with some available dates.

**13. Executive Session**

- Consideration of potential executive session pursuant to C.R.S. § 24-6-402(4)(b) to allow the Board of Directors to consult with and receive specific legal advice from the District's general counsel concerning specific legal questions regarding the Meridian Lake Park Corporation letter, water committee and memorandum of agreements.

**MOTION** by Brown and seconded by Kempin to move into Executive Session at 6:03 pm with Fabbre, Solheim and Lock remaining for the discussion. Motion voted in favor.

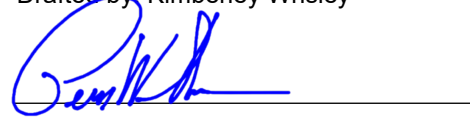
**MOTION** by Brown and seconded by Kempin to exit Executive Session at 6:50 pm. Motion voted in favor.

**14. Adjourn**

**MOTION** by Woolf and seconded by Kempin to adjourn the regular board meeting at 6:52 pm. Motion voted in favor.



Drafted by: Kimberley Wisley



Submitted by: Perry Solheim