

**MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT  
APRIL 13, 2021**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWS) Board of Directors was held at 5:00 pm on Tuesday, **April 13, 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	Cyndee Bronars, District Customer
Perry Solheim, Finance Manager	Bob Colvey, District Customer
Bryan Burks, Wastewater Plant Supervisor	Aimee Bell, District Customer
Kyle Koelliker, Water Plant Supervisor	Nancy Grindlay, District Customer
Tracy Davenport, Admin Assistant	Carol Kauder, District Customer
Marcus Lock, District's Attorney	Bill Abbott, District Customer
Scott Clarkson, Clarkson Concepts	Kathy Hooge, District Customer
Jamie Watt, Hunter Ridge LLC	Paul & Sue Weber Jankowski, District Customers
Michael Dawson, Hunter Ridge LLC Attorney	Randy Sackett, District Customer

**1. Call to Order**

- The regular meeting of the Board of Directors was called to order by Brown at 5:00 pm. JD Crichton's absence is excused.

**2. Citizen Comment Period**

- No citizens presented comments.

**3. Hunter Ridge, LLC Application for Inclusion (Discussion Only)**

- This topic is for discussion only, no vote to be held at this time.
- Fabbre reported that the District has received another petition for inclusion by Hunter Ridge, LLC.
- Lock advised the application is complete and is not materially different from what was previously submitted.
- Lock recommended the District publish statutory notice of a public hearing on the inclusion petition and setting a date for this public hearing. He suggested the following protocol:
  - The first meeting would be limited to discussion on the issue of whether to waive the annexation requirement set forth in 6.3.4 of District rules and regs. In the event the Board votes not to waive the requirement, this would effectively deny the inclusion petition. If in contrast, the Board votes to waive the annexation requirement, the public hearing would be continued to a later, specific date.
  - At the second meeting, if the requirement of 6.3.4 is waived, the Board would consider the merits of the petition for inclusion and the more substantive aspects of the project, including specific factors for or against including the parcel in the District.
- Woolf asked if stare decisis ("let the decision stand") applies in the case where an application has not changed in any material way or can the applicant submit repeatedly. Lock advised the application cannot be continually submitted indefinitely but that in his opinion, it is in the best interest of the District to consider the currently pending petition pursuant to the two-part process recommended.
- Kempin commented that he understood that the Hunter Ridge inclusion petition would be considered under the District's rules as they currently exist and that any changes the Board made to 6.3.4 prior to hearing the Hunter Ridge petition would not be binding on the Hunter Ridge petition. Lock investigated this issue and determined that the pending ordinance doctrine does not make clear whether a change to 6.3.4 would apply or not. Ultimately, Lock believes the current version of rule 6.3.4 would apply to this petition. Regardless, the board generally agreed that 6.3.4 needs some clarification. Kempin recommended having the discussion about how the Board might change 6.3.4 prior to considering the Hunter Ridge petition because he thought such a discussion would be informative and helpful to the Board even though any changes would not be binding on the Hunter Ridge petition.
- A request was made to add an agenda item for the next board meeting to discuss 6.3.4.
- Staff to coordinate the special meeting as all board members should be present.

**4. WTP Expansion Project Update**

- Fabbre reported the project is on schedule and on budget. Currently, approximately 1% of our 10% contingency has been expended.
- Board invited to tour the project. To be scheduled by Fabbre.

### **5. Water Committee Update**

- Brown reported that the water committee meetings are on hold. Good progress was being made but the MLPC water committee members canceled future meetings and gave a very vague explanation that they have been talking with other members of the community and that they are considering a different path.
- Brown reached out to get another meeting scheduled. The request was declined.
- MLPC water committee member, Scott Hamilton, has resigned from the MLPC Board of Directors.
- An agenda item was requested for the next board meeting for a potential of an executive session for discussions with attorney Lock on next steps.
- Solheim stated that current discussions have provided a foundation for the current and future surcharges.
- Woolf requested a meeting with Solheim or other committee members to understand more about what has been learned through the process and suggested a noticed meeting jointly with the MLPC community.
- Solheim & Brown to pull the District water committee together to figure out how to brief the board on this matter.
- Fabbre advised that the MLPC HOA annual meeting occurs around the 4<sup>th</sup> of July.

### **6. Meridian Lake Park Watercolor Issues**

- Fabbre reported that the District sent out a letter about the watercolor issues with the MLPC Consumer Confidence Report. No feedback or comments have been received at this time.
- An additional complication related to this issue has surfaced. In the future, manganese may become a reportable parameter on the District's Wastewater discharge permit. Currently, manganese is "report only" and data is currently being gathered. Discharge will be restricted to a specific amount beginning in 2024. The concern is that reducing manganese on the water side may cause more issues on the wastewater side. If the water treatment process captures manganese in particulate form in the membranes at the plant, it will then be discharged to the sanitary sewer when the membranes are backflushed, thereby ending up at the wastewater treatment plant.
- The source of manganese is being researched, two theories for the cause have surfaced:
  - Mud slide from 2 years ago added extra material to the source.
  - District modification to the pump station inlet works and dam spillway. Water was previously drawn off the surface of the reservoir, now it is drawn from the bottom of the reservoir.
- Koelliker reported that they have been having really good results at the water treatment plant. Have identified the reservoir being the major contributor so they are using spring source as much as possible during runoff.
- Follow-up meeting scheduled for tomorrow with Carollo Engineers.

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

- Fabbre reported receipt of the appraisal for the parcel next to the office. The 2021 budget for that purchase is 250k for the 2-acre site. The commercial appraiser came back at 265k. Fabbre to start negotiations on this parcel. The other three little slivers of parcels appear to have no value.
- New wastewater employee, Ian Karras, is on board and doing a great job.
- Andesite Point possibly going under contract. District is in the process of evaluating what is on the parcel. The parcel was partially developed. The lot has some manholes and wastewater collection systems, likely installed just before the 2009 crash when the developer went bankrupt. There are parts & pieces laying on the site that the District is evaluating for usefulness.
- Brown asked about soap suds photo that occurred in the wastewater plant. It is believed that a commercial laundromat or hotel dumped something down, but it is unknown what exactly caused the suds. Operators had to clear the soap suds to get the ultrasonic sensors to work, the incident did not cause any impact downstream.
- MLP water treatment plant pump failed, replacement to be installed next week through built in access hatch on roof.

### **8. Investment Strategy Update**

- Solheim presented a biography of the investment company, Peaks Investments, in the board packet along with details funds to be invested in longer term maturity vehicles.
- Goal is to start placing money once a quarter so in an effort to diversify maturity dates on the bonds purchased.
- Must maintain \$465,000 in loan reserves until the new bond retires, \$280,000 is to be set aside the first 5 or 6 years of the bond to insure a 1.1 interest coverage ratio.
- Holding off on cash in lieu of water rights investing because the District may have some more information on expenditures that qualify for use of those funds in relation to the Long Lake project.
- Solheim will present this from time to time in the District Manager's report in the new general fund operations section.

**9. Employee Policy Changes Cost Estimates**

- Fabbre advised employee handbook changes are underway presenting proposed changes to employee benefits such as paid holidays and paid family medical leave.
- Solheim presented an employment policy changes cost estimate spreadsheet in the board packet which has been updated slightly. Family medical leave should read 20 days proposed, not 25 and footnote #2 should read family leave not paternity leave.
- Bereavement changes from 3 days to 5 days, more realistic due to travel & funeral arrangements.
- Ferrell asked about rollover accumulation, sick & vacation continue to accrue, allotted 240 hours of vacation. Sick days are use it or lose it when employment ends, vacation and comp hours are paid out.
- Colorado Family Medical Leave Program goes into effect in 2024.

**10. March 2021 Financial Report**

- Solheim reported usage is pretty much flat with February, while billing is up just slightly. Should start tracking better than before coming into irrigation season.
- First influx of property tax revenue comes in March, the other biggest month will be May.
- Tap fees are low right now but many new applications are being received. 4 or 5 have been submitted to date.
- The negative amount in operating equipment/supplies was due to reclassifying a \$4000 expense that occurred in February that should have went to repair and maintenance instead of op supplies.
- The negative amount in outside services was due to a rental vehicle back in December that was subsequently reimbursed by insurance in the current year.
- Overall expenditures are at 26% for the year.
- Kempin advised that Solheim sent over the invoices tied to the large Elan purchase card bill from last month and found everything to be in order.

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

**11. Approve Meeting Minutes**

- March 8, 2021

**MOTION** by Woolf and seconded by Brown to approve the March 8, 2021 regular meeting minutes. Motion voted in favor.

**12. Legals**

- Lock advised he has nothing to report.
- Brown commented that at the next meeting, have agenda item for executive session to discuss Meridian Lake Park Corporation water committee.

**13. New/Old Business Before the Board**

- No new or old business was presented.
- Fabbre commented that he will be on vacation next week for spring break.

**14. Adjourn**

**MOTION** by Brown and seconded by Woolf to adjourn the regular board meeting at 6:10 pm. Motion voted in favor.

  
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Drafted by: Tracy Davenport

  
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Submitted by: Perry Solheim