

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
March 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, **March 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, Jonathan Ferrell - Board member, Nancy Grindlay - Board Member, Nicholas Kempin - Board Member and Nancy Woolf – Vice Chair

Also present were:

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

Board Meeting Agenda

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.

2. Citizen Comment Period

- No citizens presented comments.

3. Approve Meeting Minutes

- February 14, 2023
- Kempin requested that the reasons he stated for resigning as treasurer be added to section 8 of the minutes.
- Approval of these minutes will take place at the April Board meeting after amendments are made.

4. 2023 Election Updates

- The May 2, 2023 election has been canceled because only one nomination was received for the two Board seats that will be open in May. Woolf will be re-affirmed prior to the May 9, 2023 meeting and Kempin's term will officially end on May 2, 2023. The District will continue seeking someone to appoint to the remaining vacant seat. Election cancellation notices will be filed in the near future.

5. Board of Directors Treasurer Position Nomination

- Kempin nominated Brown for treasurer position. Brown did not respond to the nomination and will continue as Board Chair.
- Ferrell will consider becoming Treasurer and will meet with Fulton to discuss responsibilities of the position before making a decision.

6. 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 Eagles Nest Condominium water service line repair, with which the District was assisting, has been completed.
- After a recent power outage, the Automatic Transfer Switch (ATS) at the wastewater treatment plant is not allowing the generator to function properly. The repair estimate is \$70K+ and the parts procurement lead time is 6-8 weeks.
- Conversations are ongoing with Vail Resorts regarding the future of the District's North Village Reservoir water rights and the resort's Crescent Lake water rights.
- There is an open position at the Water Treatment Plant (WTP) after an operator recently resigned. The town of Crested Butte is also seeking a water operator and their starting wage is posted at approximately \$6K above the District's starting wage. Wages for this District need to stay competitive to avoid losing employees and to attract potential hires.
- Conversations are ongoing regarding the Water Rights Master Plan and it is anticipated that the report will be available for an Executive Session discussion at the April meeting.

- Details of the shared ATAD project are still being discussed. The District continues working with staff at the Town of Crested Butte to finalize the District's cost portion. The District is looking into various grant and loan opportunities that could potentially help pay for its portion of the project.

7. December 2022 Period 13 Financial Report

- Fulton reported there were a couple of adjustments to the 2022 financials on page 15/29 of the agenda packet after receiving a final amount due of \$44,710 to the Town of Crested Butte for solids processing and also an adjustment of \$68K for insurance that needed to be written off. That \$68K is included in the \$83,705 figure listed under the "Wastewater Fund/Office Admin" column.

8. February 2023 Financial Report

- Fulton reviewed the "Water and Usage" report on page 16/29 noting that as anticipated, usage is down from 2022 and revenue is up.
- An adjustment was made to the January 2023 financials listed on page 18/29 showing a reduction in expenses because the yearly insurance payment that was made in January is now displayed as an accrual instead of a lump sum.
- February financials are tracking normally as expected.
- The "Cash Flow" report shows an increase in cash from January to February.
- There was an explanation of all the District's various restricted funds.
- There was an explanation of the 2022 capital expenditures. Adjustments will be made to these categories once the audit is complete and once the WTP Expansion Project expenses are all finalized and paid, the project will be changed from an expenditure to an asset.

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

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

9. Legals

- Lock reported that he has been working with Fabbre on several projects for the District:
 - A lot line vacation in Timberland to confirm they preserve the proper utility easements.
 - Several documents for the Bridges of Columbine project.
 - The Eagles Nest service line repair.
 - Communicating with the attorney for the Town of Crested Butte regarding the IGA and the shared ATAD capital project.
 - The Water Rights Master Plan.
 - The Meridian Lake Park Corporation (MLPC) agreement.
- Counsel for Pristine Point (PP) and Meridian Lake Meadows (MLM) has been advised of the agreements that this Board approved and Lock is awaiting approval of the agreements by their members.
- There was discussion about the MLPC, MLM and PP agreements and their relationship to each other as well as between those areas and the District.

10. New/Old Business Before the Board

- There was a request that there be more discussion about the Draft Pro Forma that was presented to the Board at the January meeting by Brown and that the version of it on the District website be noted as a draft so as not to appear as an official document. More discussion will take place in the Executive Session.
- It was noted that there is a bill in front of the Colorado legislature banning the sale of "Flushable Wipes" and requiring manufactures of these products to change marketing practices to identify them as NON-flushable or to all together remove the word "Flushable" from their packaging. The District is tracking the bill's progress.
- There was discussion regarding the password management software that the District uses and the pros and cons of the District using another system.

11. Executive Session

- Potential executive session for discussion of the Memorandum of Agreement, as amended, between the Mt. Crested Butte Water and Sanitation District and Meridian Lake Park Corporation and potential settlement agreement related thereto under and pursuant to C.R.S. Section 24-6402(4)(a), (b), and (e)(I), which concern respectively purchase or sale of property interests, 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 strategy for negotiations, and instructing negotiators.

MOTION by Brown and seconded by Woolf to enter into Executive Session at 6:10 pm with Fabbre, Fulton and Lock remaining for the discussion.

MOTION by Brown and seconded by Woolf to exit the Executive Session at 6:40 pm.

12. Meridian Lake Park Corporation Memorandum of Agreement Discussion with Potential Action

- Lock received the agreement back from MLPC with some minor changes, which were discussed in the Executive Session and further discussion followed in Open Session.

MOTION by Grindlay and seconded by Ferrell to amend the MLPC agreement whereby the parties agree that the District may continue to impose the surcharge on District customers within MLP through the date that is six years from the effective date of the agreement. Brown, Ferrell, Grindlay and Woolf voted in favor. Kempin abstained. Motion voted in favor.

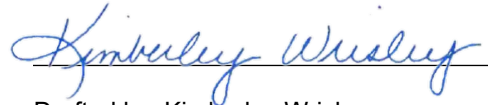
MOTION by Grindlay and seconded by Kempin to amend the MLPC agreement to allow public access to the MLP Reservoir. Grindlay and Kempin voted in favor. Brown, Ferrell and Woolf voted against. Motion failed.

MOTION by Kempin and seconded by Grindlay to amend the MLPC agreement to allow public access to the MLP Reservoir subject to any rules and regulations promulgated by the District reasonably related to the promotion of health and safety or operation of the reservoir. Grindlay and Kempin voted in favor. Brown, Ferrell and Woolf voted against. Motion failed.

MOTION by Kempin and seconded by Grindlay to amend the MLPC agreement to allow all District members access to MLP Reservoir subject to any rules and regulations promulgated by the District reasonably related to the promotion of health and safety or operation of the reservoir. Grindlay and Kempin voted in favor. Brown, Ferrell and Woolf voted against. Motion failed.

13. Adjourn

MOTION by Brown and seconded by Woolf to adjourn the regular board meeting at 7:24 pm. Motion voted in favor.



Drafted by: Kimberley Wisley



Submitted by: Kent Fulton