

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
February 8, 2022**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWS) Board of Directors was held at 5:00 pm on Tuesday, **February 8, 2022**, via <https://zoom.us/my/mcbwsdboardmeeting>.

Members of the Board of Directors in attendance at the public hearings and the meeting were as follows:

Brian Brown Nancy Woolf Nicholas Kempin Jonathan Ferrell

Also present were:

Mike Fabbre, District Manager	Kim Wrisley, Utility AR Coordinator/Admin Assistant
Perry Solheim, Finance Manager	Tracy Davenport, Utility AP Coordinator/Admin Assistant
Kyle Koelliker, Water Supervisor	Marcus Lock, District's Attorney
Bryan Burks, Wastewater Supervisor	Mark Reaman, Crested Butte News

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.

2. Citizen Comment Period

- No citizens presented comments.

3. Approve Meeting Minutes

- January 11, 2022
- January 19, 2022

MOTION by Kempin and seconded by Woolf to approve the January 11, 2022 regular meeting minutes. Motion voted in favor.

MOTION by Woolf and seconded by Kempin to approve the January 19, 2022 special meeting minutes. Ferrell abstained stating that he was not present for that meeting. Motion voted in favor.

4. Water Treatment Plant Expansion Project Update

- Updates and progress can be seen in the monthly memo from JVA and on the District Manager Report.
- The new plant has been online since January 12, 2022 and is running well.
- Moltz Construction replaced the project manager.
- Demolition of the old water plant and work for the new solids processing component has begun.
- Browns Hill Engineering will soon be on site to address issues determined after bringing the plant online.

5. District Manager Report

- Fabbre noted that all updates can be seen in the report.
- None of the total inorganic nitrogen (TIN) sample results from the holiday timeframe were above the maximum daily limits of the future discharge permit. There is a 2022 capital project in place to provide more equipment which will help fine tune the margin of error for those sample limits. The District has until 2025 to confirm its goal for compliance limitations.
- The Discharge Permit trial is set for April 25, 2022. Zero low flow on Washington Gulch and Woods Creek is the main outstanding issue that was not resolved in the summary judgment.
- Public comments have been submitted for proposed changes to Permit Modification #6 but the District is still waiting on direction from CDPHE for moving forward.

6. Resolution 2022-1 Mill Levy Correction

- Solheim reviewed the explanation of the correction included in the packet on page 25.
- The issue of changing the mill levy from 7.688 to 7.734 has been reported to the county and has been resolved.
- The recent property tax valuations distributed to Mt Crested Butte residents properly reflect the correction.

MOTION by Kempin and seconded by Ferrell to approve Resolution 2022-1. Motion voted in favor.

7. December 2021 Period 13 Financial Report

- The District is still a month out from closing 2021 financials.
- Revenues exceeded expenditures.
- Expenses for 2021 were at 94%. The 2022 Budget is expected to be closer to 100% expended.
- This report is currently for informational purposes only and the final version will be approved at the March meeting.

8. January 2022 Financial Report

- Kempin noted that January has some items that are prepaid on a yearly basis and most of the January utility payments have not yet been received, resulting in a slight lag in results.
- Consumption and user fee revenue is tracking as anticipated.
- The District will use Mayberry and Company for its 2021 audit and will put out a Request For Proposal later in the year to search for a potential new auditor for 2022.

MOTION by Kempin and seconded by Brown to approve the January 2022 Financial Report. Motion voted in favor.

9. Resolution 2022-2 Appointing DEO and Granting Cancellation Power

- It was decided that the motion to appoint a DEO which was approved at January's meeting should be put into a more customary resolution format to specifically outline the instructions for holding or canceling the 2022 election.

MOTION by Kempin and seconded by Woolf to approve Resolution 2022-2 Appointing Perry Solheim as the Designated Election Official and Authorizing Designated Election Official to Cancel Election for 2022 Election Year. Motion voted in favor.

10. Legals

- Lock had no legal issues to report.
- An Executive Session to discuss the Discharge Permit will take place at the March meeting.

11. New/Old Business Before the Board

- The District has received two self-nomination forms to fill Board seat vacancies. February 17, 2022 is the deadline for those forms. Affidavits for write-in candidates will be accepted from February 17, 2022 until February 28, 2022.
- There will be an Executive Session in March to discuss the District's IT audit results.
- The Board discussed and agreed to change the order of the executive sessions and remainder of agenda items of this Board meeting.

12. 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)(l), 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 move into Executive Session at 5:45 pm with Fabbre, Solheim and Lock remaining for the discussion. Motion voted in favor.

MOTION by Brown and seconded by Woolf to exit Executive Session at 6:18 pm. Motion voted in favor.

13. Meridian Lake Park Corporation Memorandum of Agreement Discussion

- Extensive discussion on the Memorandum of Agreement and draft letter agreement.

MOTION by Woolf and seconded by Brown to submit the draft agreement created by Lock to MLPC and have staff look into property rights issues. Motion voted in favor.

MOTION by Kempin and seconded by Ferrell to approve the MLPC Water Committee (District Side) move forward to review the risks and issues identified by the Water Committee and any other unknown potential risks and to create a pro forma stating why the District is moving forward in the manner that it is. This motion was withdrawn and restated.

MOTION by Kempin and seconded by Ferrell to direct staff, and potentially Lock, to undertake pro forma analysis related to potential costs associated with dissolving the MLP agreements. Votes in favor: Brown, Kempin, Ferrell. Votes against: Woolf. Motion carried.

14. Executive Session

- Potential executive session for discussion of a personnel matter under and pursuant to C.R.S. Section 24-6402 (4)(f)(I) (District Manager Annual Review) and NOT involving any specific employees who have requested discussion of the matter in open session; any member of this body or elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personal to particular employees.

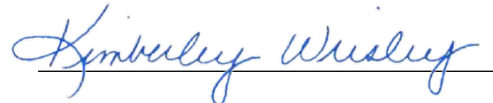
MOTION by Brown and seconded by Woolf to move into Executive Session at 7:54 to perform the annual review for Fabbre. Fabbre confirmed that an Executive Session was appropriate instead of discussion in open session.

MOTION by Brown and seconded by Kempin to exit Executive Session at 8:21 pm. Motion voted in favor.

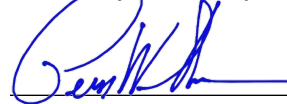
MOTION by Brown and seconded by Kempin to increase Fabbre's salary by 8% effective January 1st, 2022. Motion voted in favor.

15. Adjourn

MOTION by Brown and seconded by Kempin to adjourn the regular board meeting at 8:28 pm. Motion voted in favor.



Drafted by: Kimberley Wisley



Submitted by: Perry Solheim