

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
July 8, 2014**

A Regular Meeting of the Mt. Crested Butte Water and Sanitation District Board of Directors was held at 5:00 p.m. on Tuesday, **July 8, 2014**, at the office of the District, 100 Gothic Road, Mt. Crested Butte, Gunnison County, Colorado. Members of the Board of Directors in attendance at the meeting were as follows:

John Sale	Roger Cram	Kurt Giesselman
Sara Morgan	Rosemary Carroll	

Also present were:

Frank Glick, District Manager	Tim Seifert, Water Supervisor	David Barton, Attorney
Jill Norris, District Attorney	Tracy Davenport, Admin Assistant	Jerry Burgess, SGM
Nettie Gruber, Finance/Admin Mgr	Matt Peacock, Wastewater Supervisor	

REGULAR BOARD MEETING

1. Call To Order

The regular Board meeting was opened by Chairperson Sale at 5:00 pm.

2. Appoint New Board Members

Rosemary Carroll and Kurt Giesselman were in attendance as prospective board members.

MOTION by Sara Morgan and seconded by Roger Cram to appoint Rosemary Carroll and Kurt Giesselman to the Mt Crested Butte Water & Sanitation District board of directors for two year terms.

Motion voted in favor by John Sale, Sara Morgan and Roger Cram.

3. Oaths of Office & Elect Vacant Officer Position

Carroll and Giesselman were sworn in and signed their oaths of office.

MOTION by Sara Morgan and seconded by Roger Cram to nominate Kurt Giesselman to the position of Treasurer. Motion voted in favor.

4. Inclusion of Property – MLJ Real Estate, Hunter Hill Road

David Barton, attorney for MLJ Real Estate, was in attendance for his client. The **Cash-In-Lieu** amount is \$4400 per SFE which was determined by reviewing figures for same by Scott Fifer of Resource Engineering back through 1999 and giving Frank a range of amounts.

There is a precedent for giving a credit on the CIL from the inclusion of CBMR Prospect when they agreed to downsize the square footage. As the former Diaz property, now owned by MLJ Real Estate, has been rezoned by the Town from multi-family to single family, a credit can be given for the unbuilt units. Frank has determined a 3.06 SFE credit can be given for the Diaz property which will be contiguous with the proposed inclusion property. The CIL amount remains the same no matter what is built on the property, whether a single house or a subdivision. Additional funds will come from the tap fees required for each building. The Town annexation agreement will restrict the square footage of homes to a limit of 8000 SF on each lot for the proposed four lot subdivision.

Norris will prepare an inclusion agreement which will be recorded and follows the title of the land. There was discussion of providing the data used to produce the \$4400 CIL per SFE. Barton assured the board his client was ok with the cost factor. Norris acknowledged the \$4400 was an appropriate amount. The parcel was determined to be four lots at two SFE each, total 8 SFE x \$4400 = \$35,200 less credit of 3.06 x \$4400 - \$13,464 for a total CIL \$21,736 / in half \$10,868. It was suggested a 50% upfront amount would be appropriate upon a signed inclusion agreement.

MOTION by Sara Morgan and seconded by Kurt Giesselman to allow the applicant, MLJ Real Estate LP, a 3.06 SFE credit or \$13,464, for the unbuilt density on the Diaz property towards the CIL of water rights for the proposed inclusion into the District. Motion voted in favor by Sale, Morgan, Cram and Carroll. Giesselman abstained.

Barton noted his client appreciated the credit.

MOTION by Sara Morgan and seconded by Kurt Giesselman to include the Hunter Hill parcel into the District and subject to conditions of the CIL amount of \$4400 per SFE for a total of eight SFE for the parcel.

Motion voted in favor.

MOTION by Kurt Giesselman and seconded by Roger Cram to approve the property at Hunter Hill upon the CIL total amount of \$35,200 with credit of \$13,464 for final \$21,736 payable in two installments of \$10,868 at the time of inclusion into the District and upon approval of the subdivision from the Town.

Norris will prepare the inclusion resolution and file with the court.

Motion amended to add a time frame for the final payment to be within one year or whichever comes first. Amendment accepted. Motion and amendment withdrawn, accepted and restated.

MOTION by Kurt Giesselman and seconded by Roger Cram to approve the property at Hunter Hill upon the CIL total amount of \$35,200 with credit of \$13,464 for final \$21,736 payable in two installments of \$10,868 at the time of inclusion into the District and upon approval of the subdivision from the Town or issuance of a building permit or within one year from inclusion in the District, whichever comes first. Motion voted in favor.

5. Alan Lauer Letter to the Board

Alan Lauer was not in attendance.

6. Executive Session

Alan Lauer Request

Malensek Ditch Water Rights

MOTION by John Sale and seconded by Sara Morgan to go into executive session: For a conference with the District's attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b). Motion voted in favor. Executive session started at 6:03pm and attended by: John Sale, Sara Morgan, Roger Cram, Rosemary Carroll, Rob Pierce via teleconference, Frank Glick, Tim Siefert, Nettie Gruber and Jill Norris for a portion.

Jill Norris stated, as the District's Attorney, it is my opinion that the discussion of the matter announced in the motion to go into executive session constitutes a privileged attorney-client communication. I am therefore recommending that no further record be kept of this executive session.

John Sale stated, the District's Attorney has recommended that no further record be kept of this executive session. The time is now 6:05pm and I am turning off the tape recorder at this time. Norris left the executive session due to a conflict of interest.

Executive session ended at 7:12 pm.

Rob Pierce continued in open session to advise that the UGRWC agreement was presented to them and the next step was an accounting of the inflows and outflows of Long Lake. However, Scott Fifer has determined there are more variables than originally planned to provide a spreadsheet and he will do an abbreviated version of a full model. This information will go directly to UGRWC.

7. SGM – MLP Dam Update – Jerry Burgess

Jerry advised the approval letter from the State on the Hazard Analysis Classification was received in June. SGM was having issues with designing a spillway to hold 10,000 csf. However, they have recently been advised of another method; Incremental Damage Analysis which is criteria used if the dam fails and to identify the possible damage downstream. This method uses a spillway for 4,000 csf which would be significantly less costly to build, saving approx. \$150,000 - \$200,000.

SGM will now prepare a timeline to do the outlet works this fall, which still needs State approval and refine the weir drawings. A cost estimate for the outlet works will be forthcoming including permits, schedules, costs along with an outline of the project.

8. Staff Reports

Water Dept – Tim advised that the capacity of the water plant has been critical as the plant was running 24 hours a day since last Thursday and the restricted irrigation has helped. The watering restrictions should be revisited with tighter controls. Members would like to see data on the water plant production.

WW Dept – Matthew advised the coordination study personnel came on Monday, July 7th, and made adjustments to the breaker settings which should help the plant run more efficiently.

Office Dept – Nettie advised that four water disconnect notices had been mailed and hand delivered for non-payment and will be on the August meeting if payments not received.

District Manager – Frank advised that one tap fee requested to be refunded was now going ahead with building.

9. June Financial Reports

Nettie gave the June financial report. Revenues were up with two tap fees along with an increase in user fees from irrigation usage. The A/S was billed for the Jul-Sept quarter and other income included a refund.

Expenses were normal for this time of year with repair/maintenance projects. Health insurance was increased as it is on a fiscal year billing.

Cash flows were up.

MOTION by Sara Morgan and seconded by Roger Cram to approve the June 2014 financial operating reports as submitted. Motion voted in favor.

10. Approve June 11, 2014 Regular Board Meeting Minutes

MOTION by Roger Cram and seconded by Sara Morgan to approve the June 11, 2014 regular meeting minutes. Motion voted in favor.

11. Legals

Norris advised the North Village Reservoir due diligence was filed with no objections. Morgan asked about the Breem Ditch flume. Norris will get an update.

12. Action Register

Cram reviewed the action register and updated items.

13. New/Old Business Before The Board

The change in irrigation hours was discussed. The decision was made to prevent problems at the water plant. The irrigation resolution will be reconsidered in the future. Availability fees can be assessed on the Hunter Hill property after the inclusion is final.

14. Adjourn

MOTION by Sara Morgan and seconded by Rosemary Carroll to adjourn the meeting at 8:05 pm. Motion voted in favor.

Nettie Gruber, Board Secretary