**MINUTES OF THE**
**REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE**
**MT. CRESTED BUTTE WATER AND SANITATION DISTRICT**
**JULY 14, 2026**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (District) Board of Directors was held at 5:00 pm on Tuesday, **July 14, 2026**, via https://zoom.us/my/districtboardmeeting.

Members of the Board of Directors in attendance at the Regular Board Meeting were as follows:
Nancy Woolf - Chair, Jonathan Ferrell – Treasurer (joined the meeting at 5:45 pm), Nancy Grindlay – Vice-Chair, Jenn O'Brien - Board Member, Tom Rolleczek - Board Member

**Also present:**
Todd Brewer, District Manager, Adam Bembenek – Wastewater Supervisor, Lisa Bickford – Gunnison County, Nicole Bogenschuetz – Assistant District Manager/District Engineer, Kent Fulton – Finance Manager/Board Secretary, Zach Gubran – SCJ Alliance, Kyle Koelliker – Water Supervisor, Marcus Lock - District Attorney, Matthew Mielke – SCJ Alliance, Yadira Miller – McMahan and Associates, Kim Wrisley – A/R Coordinator, Tracy Davenport – A/P Coordinator/Recorder, Members of the public

**Board Meeting Agenda**

**1. Call to Order**
- The regular meeting of the Board of Directors was called to order by Woolf at 5:03 pm and a quorum was present.

**2. Citizen Comment Period**
- No citizens presented comments.

**3. Approve Meeting Minutes**
- June 9, 2026

**MOTION** by Grindlay and seconded by O'Brien to approve the June 9,2026 minutes as submitted. Motion voted in favor.

**4. Resolution 2026-05: Adoption of Gunnison County Hazard Mitigation Plan**
- Bogenschuetz noted that the District participated as a stakeholder during the development plan and introduced Lisa Bickford, Emergency Management Director with Gunnison County.
- Bickford advised that the Gunnison County Hazard Mitigation Plan is a county wide plan that has multiple participating jurisdictions and discussed details of the Hazard Mitigation Plan. A list of mitigation actions was compiled to help reduce long-term risk to District assets.
- By adopting the resolution and the plan, the District is eligible for certain mitigation funding opportunities.
- The plan is not formally approved by the Federal Emergency Management Agency (FEMA) yet due to the government shutdown, but the plan should be accepted by FEMA in the next month or two.

**MOTION** by O'Brien and seconded by Rolleczek to approve resolution 2026-05: Adoption of Gunnison County Hazard Mitigation Plan. Motion voted in favor.

**5. Approve 2025 Audit Report**
- Fulton presented the preliminary draft 2025 Audit Report.
- The District is on track with CWRPDA paying out the loan for the Water Treatment Plant. There is a $536,000 revenue gain which is a non-cash transaction because the total cost of the project came in under budget.
- Fulton introduced Yadira Miller, partner in charge with McMahan & Associates, LLC.
- Miller noted that McMahan & Associates, LLC has a main audit focus in governments and work with a lot of Special Districts. Fulton was very responsive and got the team everything they needed. The auditor's findings are clean opinion which means materially correct financial statements.
- Miller advised it would be beneficial if the Town of Crested Butte and the District finalized a new Intergovernmental Agreement (IGA) that specifies more clearly the responsibility for the ATAD processing facility and who owns the building.
- Lock noted that he was expecting a draft IGA from the Town of Crested Butte's attorney, Karl Hanlon, about two weeks ago so he will follow up with him.

**MOTION** by O'Brien and seconded by Grindlay to approve the 2025 Audit Report. Motion voted in favor.

**6. Preliminary Submittal: Bear Crossing Townhomes, 14 Castle Road**

- Bogenschuetz noted that Bear Crossing Townhomes has gone through the District's Preliminary Submittal process and on June 15th, the District and HDR recommended technical approval of the preliminary submittal in accordance with the District's Standards & Specifications.
- Gubran and Mielke, Design Engineers with SCJ Alliance, presented an overview for the Preliminary Submittal. The proposed development consists of five buildings and eighteen units in total. There are existing utilities that run through the property and they are proposing to remove then realign the water and sewer main lines.
- Bogenschuetz noted requested variances which have been accepted because they were not a large exceedance to the District's Rules and Regulations.
- Grindlay raised concerns in regards to the wetlands adjacent to the property. Mielke noted the wetlands have been designated by a wetland specialist and that the water mainline placement is outside of the wetlands boundary, so there will be no permanent disturbance to the wetlands.
- The overall benefit to the District would be removing an old water and sewer mainline and replacing it with a new line in accordance with the District's current Standards & Specifications, which will restart the lifespan of that section of the line.

**MOTION** by Rolleckzek and seconded by O'Brien to approve the preliminary submittal for Bear Crossing Townhomes, 14 Castle Road. Ferrell abstained and Grindlay opposed. Motion passed.

**7. Interim District Manager Report**

- Bogenschuetz reviewed the highlights reported in the memorandum included in the Board Packet.
- Evan Sandstrom was recognized for his 6-year anniversary with the District in the Wastewater Department.
- Kyle Koelliker, Water Supervisor, passed his Wastewater C certification test and Blake King, Wastewater Operator, passed his Water D certification test.
- The Wastewater Department responded to a sanitary sewer overflow at 23 Whetstone Road, the contractor connecting the service line broke the vitrified clay pipe. The Wastewater Department followed the State rules and filed the spill reporting form to the Colorado Department of Public Health and Environment (CDPHE).
- The Meridian Lake Park Dam No. 1 was inspected by the State of Colorado's Division of Water Resources Dam Safety Program. The engineering inspection report from 2024 listed the District as conditionally satisfactory listing conditions to become fully satisfactory. Since 2024, the District has met those conditions and received the fully satisfactory rating. During the inspection, it was noted that the toe drain & french drain both collapsed at the toe of the dam. The District completed an emergency repair and is finalizing the report for the State Dam Safety Program.
- Fulton completed the 2025 Audit Report and is working on the District Handbook & General Policies Manual.
- Bogenschuetz announced that the District was awarded a Colorado Statewide Internet Portal Authority (SIPA) grant to purchase a scanner to digitize historical drawings.
- Within the East River Pump Station, there is a water level sensor that tracks water level elevation in the wet well, where water is pumped from East River to the pre-sedimentation pond. This year, the wet well is fluctuating in elevation substantially different from previous years. If the water level drops to four feet above the bottom of the wet well, the District should consider no outdoor irrigation use. The water level is currently at six feet above the bottom of the wet well.

**8. Capital Projects Report**

- Bogenschuetz reported that the Wastewater Department drained and cleaned the Equalization (EQ)1 basin. HDR completed a site condition assessment to evaluate the existing condition of the basin, the headworks building, and the HVAC system in the Wastewater Treatment Plant. HDR will develop recommendations that they observed during the site condition assessment.
- HDR observed site constraints for the Timberland Tank ring wall repair and are working on finalizing drawings. The drawings are being revised due to updated building codes and standards.
- Bogenschuetz noted attached in board packet Change Order No.1 for Activity No. 20642 CIPP Repair and Maintenance has been submitted. This change order updates the scope of the project, not an overall change to the budget. The current CIPP Maintenance & Repair will be postponed. Cues software will be implemented shortly so the District will have a better analysis of what lines are degrading over time. The updated project will be to address required repairs for blower 10 and the scum pump.

**9. June 2026 Financial Report**

- Fulton reported that tap fees are being submitted to the District for remodels and new builds.
- The Gunnison County Treasurer Fees were miscalculated in prior months so they gave the District credit for May and received notice today that they also miscalculated June so the District should see about $13,000 for July.

**MOTION** by O'Brien and seconded by Rolleczek to approve the 2026 Financial Report. Motion voted in favor.

**10. Legals**

- Lock reviewed items he and staff have been working on including, but not limited to easement disputes, availability of service disputes, North Village, Upper Prospect, and Town of Mt Crested Butte.

**11. Executive Session**

- Consideration of an executive session to discuss recent mainline breaks (the "Subject Matter") pursuant to C.R.S. § 24-6-402(4)(b) for the purpose of receiving legal advice on specific legal questions from the District's general counsel on the Subject Matter and C.R.S. § 24-6-402 (4)(e)(I), to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators with respect the Subject Matter.

- Consideration of an executive session to discuss the Village at Mt. Crested Butte (the "Subject Matter") pursuant to C.R.S. § 24-6-402(4)(b) for the purpose of receiving legal advice on specific legal questions from the District's general counsel on the Subject Matter and C.R.S. § 24-6-402 (4)(e)(I), to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators with respect to the Subject Matter.

**MOTION** by Rolleczek and seconded by Grindlay to enter executive session at 6:11 pm with Brewer, Bogenschuetz, Fulton, Bembenek, Koelliker, and Lock remaining for the discussion. Motion voted in favor.

**MOTION** by Woolf and seconded by Ferrell to exit executive session at 7:28 pm. Motion voted in favor.

a. **Potential discussion and action on the Subject Matter discussed in Executive Session.**
    - No further discussion/action took place.

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

- Woolf noted that she attended the Special District Association (SDA) Workshop with some staff members.

**13. Adjourn**

**MOTION** by Rolleczek and seconded by O'Brien to adjourn the regular board meeting at 7:32 pm. Motion voted in favor.

Tracy Davenport

Drafted by: Tracy Davenport

Kent Fulton

Submitted by: Kent Fulton