

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
JANUARY 13, 2026**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (District) Board of Directors was held at 5:00 pm on Tuesday, **January 13, 2026**, via <https://zoom.us/my/mcbwsdboardmeeting>.

Members of the Board of Directors in attendance at the Regular Board Meeting were as follows:
Nancy Woolf - Chair, Jonathan Ferrell - Treasurer, Nancy Grindlay - Vice-Chair, Jenn O'Brien - Board Member, Tom Rolleczek - Board Member

Also present:

Mike Fabbre - District Manager, Adam Bembenek - Wastewater Supervisor, Nicole Bogenschuetz - District Engineer, Brian Carney - Water Foreman, Tracy Davenport - A/P Coordinator, Kent Fulton - Finance Manager/Board Secretary, Marcus Lock - District's Attorney, Kim Wrisley - 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 5:05 pm and a quorum was present.

2. Citizen Comment Period

- No citizens presented comments.

3. Approve Meeting Minutes

- December 9, 2025

MOTION by Grindlay and seconded by O'Brien to approve the December 9, 2025 regular meeting minutes as submitted. Motion voted in favor.

4. Designate Meeting Location & Notices Posting Location

- Second Tuesday of each month at 5:00 pm, <https://zoom.us/my/mcbwsdboardmeeting> or 100 Gothic Road, Mt Crested Butte, CO 81225
- Notices posted: MCBWSD Website (www.mcbwsd.com) and 100 Gothic Road, Mt Crested Butte, CO 81225

MOTION by Rolleczek and seconded by O'Brien to approve the designated meeting location and notice posting location. Motion voted in favor.

5. Potential Reorganization of the Board

- There was agreement that the Board seats will remain as they are with Woolf as Chair, Ferrell as Treasurer, Grindlay as Vice-Chair, O'Brien as Board Member, Rolleczek as Board Member and Fulton as Secretary.
- Various committees and their members will be decided upon when the need for committees arises.

MOTION by O'Brien and seconded by Grindlay to approve the continuation of the current Board positions. Motion voted in favor.

6. Update Transparency Notice

- The transparency notice will be updated to include the decisions made in agenda items #4 and #5.

7. Updates to the District's Rules & Regulations

- Bogenschuetz highlighted the Executive Summary included on page 8 of the Board packet whereby the District is recommending an update to Section 1.3.8, regarding the definition of the Cost Reimbursement Agreement (CRA) between the District and developers.
- Bogenschuetz also noted the recommended update to Section 4.6.8 which outlines details of the required sewer service line inspection reports and the actions of the District in the event there is a voluntary compliance failure.
- The inspection reports will be required starting on June 1, 2026.
- There was discussion regarding community notification and enforcement details of the inspection reports. Staff has drafted a document with information/FAQs explaining the process and will provide the final version to the Board once it is complete.

MOTION by Grindlay and seconded by Ferrell to approve updates to Sections 1.3.8, 4.6.8, 4.6.8.1, 4.6.8.2, 4.6.8.3 of the District's Rules & Regulations as red lined in the Board packet. Motion voted in favor.

8. District Manager Report

- Fabbre celebrated staff anniversaries: Wrisley has been with the District for 7 years, Ben Manahan, wastewater operator, has been with the District for 3 years and Bogenschuetz has been with the District for 1 year.
- Fabbre highlighted a few items and noted that additional items can be seen in the manager's report included in the agenda packet.
- Fabbre reported that the Colorado Department of Public Health & Environment has released the 2026 monitoring schedules and the added a PFAS sampling requirement. The District is at low risk of violations for PFAS sampling based on previous testing results and surface water/environmental factors of the area.
- There was review of the wastewater discharge permit reports.
- There will be a Hunter Ridge Inclusion meeting on February 24, 2026. A 30-day public notice will be in the Crested Butte News and on the District website.
- Annual staff reviews are wrapping up this week. Congratulations to Will Brunner, water operator, for passing his Water A License.

9. Capital Projects Report

- Bogenschuetz reported that HDR is finishing the Gothic Road Interceptor Project (GRIP) 90% design, finalizing the alignment, updated the opinion of probable construction cost and would like to present this information at the February Board meeting.
- There was discussion of potential funding opportunities for the GRIP. Staff has begun the process of working with the Colorado State Revolving Fund and will continue to pursue other grants and loans as appropriate.
- AECOM completed the Long Lake 30% design, the last of the 2025 capital projects, except for the GRIP.
- The 2026 capital projects scopes, budgets and schedules can be found in the agenda packet on pages 20-26.
- Bogenschuetz is working on grant funding for the 30% design construction costs. There is a July 1, 2026 deadline for applications.

10. December 2025 Financial Report

- Fulton reported that the December report does not include all of the 2025 financials. There will be more items coming in and they will be put into a "Period 13" report which will be presented with the January, 2026 financials.
- There was a "reduction in payments" adjustment made to the CWRPDA loan because the District did not use all of the funds that were available to cap the loan. It is a non-cash profit of \$536K and can be seen included in the \$540,229.34 in the "Other Income" column of the "Water Fund Revenues" category on page 28 of the packet.
- Tap fees exceeded the 2025 budget by \$230K and \$336K in capacity expansion fees were collected.
- Fulton anticipates receiving an invoice from HDR for their Nov/Dec 2025 work on the GRIP.
- The District received an invoice of \$45K from Dietrich Dirtworks for the October water mainline repair.
- Repairs and maintenance expenses were under budget for both water and wastewater in 2024 and 2025.
- Fulton highlighted that on the "Statement of Cashflow" on page 29 of the agenda packet, the District is up \$153K in unrestricted funds. Pending 2025 invoices will not impact the final cash number for December since they will actually be paid out in 2026. Total cash on hand including restricted funds is up by \$750K for the year.

MOTION by O'Brien and seconded by Grindlay to approve the December 2025 Financial Reports as submitted. Motion voted in favor.

11. Cyber Security Review

- Fulton reported that the District has IT security monitoring from the Cybersecurity and Infrastructure Security Agency (CISA). They provide weekly vulnerability scans that alert the District of any potential issues or risks. Currently the reports look clear.
- Fulton will meet with each Board member to review their District security obligations.

12. Legals

- Lock reported that he participated in a positive meeting with the Town of Crested Butte regarding the ATAD Intergovernmental Agreement (IGA). Great progress was made toward reaching a mutually acceptable settlement.
- Lock reviewed the projects that he and staff continue to work on.

13. New/Old Business Before the Board

- Fulton noted that the Raftelis report regarding a rates and fees study is on hold until more projects have been decided upon and whether or not they will move forward, so that the calculations can be more accurate.

14. Executive Session

- Consideration of an executive session to be held pursuant to C.R.S. § 24-6-402(4)(b) and (e)(I), which concern respectively, conferences with the District's general counsel 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 in order to discuss the intergovernmental agreement with the Town of Crested Butte for solids processing and construction of the new solids processing facility.

MOTION by O'Brien and seconded by Ferrell to move into Executive Session at 6:25 pm with Fabbre, Fulton and Lock remaining for the discussion. Motion voted in favor.

MOTION by O'Brien and seconded by Woolf to exit Executive Session at 6:57 pm. Motion voted in favor

15. Potential Discussion and Action Regarding the Subject Matters Discussed in Executive Session

- There was a discussion of a loan agreement that was presented to the District by the Town of Crested Butte at the December 17, 2025 meeting between the two entities.

16. Consideration of a Loan Agreement with the Town of Crested Butte

- Woolf reported there is a proposed agreement before the Board from the Town of Crested Butte to settle the IGA regarding solids processing. Fulton explained that the District will confirm with CWRPDA that entering into the loan agreement will not violate any covenants/terms of the loan already in place from CWRPDA for the newly built water treatment plant.
- The parties would agree to the amount of the District's obligation to the Town of Crested Butte being \$1,780,271.46, a repayment schedule of yearly payments of \$298,310 (5.5% interest) due on December 31st of each year from 2026 – 2031 and some other changes to the agreement presented to the Board in redline format.
- It was suggested that the Board consider authorizing President Woolf to negotiate any final changes and to execute the loan agreement on behalf of the District.

MOTION by Rolleczek and seconded by O'Brien to approve the redline loan agreement draft of the IGA, approve the loan contingent upon the approval from CWRPDA that no covenants of the District's current loan are being violated and to authorize Woolf to be the Board representative to negotiate final changes and execute the final agreement with the Town of Crested Butte. Motion voted in favor

17. Executive Session

- Potential executive session for discussion of a personnel matter under C.R.S. Section 24-6-402(4)(f) (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 any 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 O'Brien and seconded by Grindlay to move into Executive Session at 7:10 pm with Fabbre remaining for the discussion and approving that it takes place in Executive Session. Motion voted in favor.

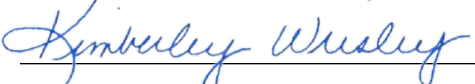
MOTION by Woolf and seconded by O'Brien to exit Executive Session at 7:50 pm. Motion voted in favor

18. Potential Discussion and Action Regarding the Subject Matters Discussed in Executive Session


- There was no further discussion nor actions presented after the Executive Session.

19. Adjourn

MOTION by Woolf and seconded by O'Brien to adjourn the regular board meeting at 7:51 pm. Motion voted in favor.



Drafted by: Kimberley Wrisley



Submitted by: Kent Fulton