

**MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT  
FEBRUARY 9, 2021**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWS) Board of Directors was held at 5:00 pm on Tuesday, **February 9, 2021**, via <https://zoom.us/my/mcbwsdboardmeeting>.

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

Brian Brown      Nancy Woolf      Nicholas Kempin      JD Crichton

**Also present were:**

Mike Fabbre, District Manager	Kyle Koelliker, Water Plant Supervisor
Perry Solheim, Finance Manager	Kim Wrisley, Admin Assistant
Bryan Burks, Wastewater Plant Supervisor	Tracy Davenport, Admin Assistant
Marcus Lock, District's Attorney	Jamie Watt – Hunter Ridge, LLC
Brian Carney, District Water Operator	Sasa Watt, - Hunter Ridge, LLC
Cooper Best, JVA Consulting Engineers	Rask Dietrich, Dietrich Dirtworks & Construction
Jonathan Ferrell, District Customer	Scott Clarkson, Clarkson Concepts
Kathy Hooge, District Customer	

**1. Call to Order**

- The regular meeting of the Board of Directors was called to order by Brown at 5:01 pm.

**2. Citizen Comment Period**

- The Jamie Watt voiced suggestions on ways the District should consider altering rules and regulations with regards to section 6.3.4 of the District Rules and Regulations.
- Lock commented that the purpose of the coming Executive Session is for the Board to receive legal advice specific to making a change to the rules or regulations. Should the Board decide to make any changes, that would be done in a subsequent open session.

**3. New Board Member Candidates**

- Kathy Hooge and Jonathan Ferrell expressed interest in joining the Board of Directors.
- Brown asked Hooge how she believed her involvement in the Public Hearing on December 16, 2020 regarding the Hunter Ridge Inclusion Project would influence her as a Board member if she were to be selected for the vacant seat. She explained why she did not believe her involvement would negatively impact her ability to be fair and impartial as a Board member.
- Brown asked Lock if there were legal concerns regarding Hooge's involvement at the Public Hearing when considering her candidacy for the Board position. Lock stated that he could not offer an advisory opinion at this time as it would be too speculative regarding the future of the Hunter Ridge Inclusion Project.
- Lock commented that the Board can either move to immediately approve a candidate or it can take the applications under advisement and decide at a subsequent meeting. The Board agreed to the latter option.

**4. Audit Engagement Letter**

- Solheim requested Board approval for the Mayberry & Company, LLC audit proposal.

**MOTION BY** Kempin and seconded by Woolf to approve the Audit Engagement Letter from Mayberry & Co to perform the District's annual audit. Motion voted in favor.

**5. Daisy Circle Water Line Project Financial Reconciliation**

- After giving a brief review of the Daisy Circle mainline repair/replacement project, Fabbre reported that the District had received an invoice from Dietrich Dirtworks for \$69K over the original contract price. Although District staff did approve a few change orders, this invoice far exceeded expectations and the District's overall budget for the project. The staff and project manager/engineers (JVA) understand the original contract to include many of the additional changes that Dietrich billed. District staff and JVA began negotiations with Dietrich but were unsuccessful in reaching an agreement on the amount within the District's budget.
- Best further explained some of the disputed charges and their inclusion in the original contract.
- Lock commented that although not required, the Board can permit Fabbre to continue with negotiations as he sees appropriate.
- Brown remarked that he would like Lock to review the contract and for Fabbre to be permitted to continue negotiations without Board involvement.

- Woolf inquired whether or not Fabbre would be inclined to pay the full amount of the invoice if there were not budget constraints but Fabbre explained that based on the contract and negotiations already suggested, the billed amount is inappropriately high.
- Dietrich discussed his perspective on why the overage resulted in additional charges.
- The Board acknowledged the difficulties of the situation and agreed that Fabbre should continue the negotiations while staying within the confines of the budget.

#### **6. Water Treatment Plant Expansion Project Update**

- Fabbre reported that the JVA monthly memo outlines most of the current updates for this project.
- Best reported that despite the large size this project, construction is progressing nicely, the team works well together and the contractor is very proactive and back on schedule after some small delays.

#### **7. Meridian Lake Park Corporation (MLPC) Water Committee Update**

- Brown reported that the Committee continues to meet bi-monthly to discuss the financial imbalance and there is currently some agreement on the numbers. The Committee is negotiating to refine those numbers.
- Kempin acknowledged appreciation for all the time and effort the Committee members have contributed.

#### **8. District Manager Report**

- The District is advertising an open Wastewater Operator position.
- Public comments on the Wastewater Permit were recently published on the CDPHE public access web portal.
- Brown highlighted that most of the District staff has received at least one dose of COVID-19 vaccinations and congratulated them for staying healthy.
- Kempin inquired whether or not any changes can be made to remedy the inaccessibility of the Wildhorse Lift Station. Fabbre noted the District is looking into possibilities but none are apparent at this time.
- Fabbre discussed that the North Village PUD has tentatively rescinded their offer for the District to acquire the parcel where the pre-sedimentation pond is located because they are now discussing possible acquisition of the parcels with the US Forest Service.
- The District is contracted for an appraisal of the properties discussed during the October 2020 Board meeting.

#### **9. COVID -19 Update – Revisit Temporary Late Fee Suspension**

- Discussion supporting the extension of a temporary late fee suspension.

**MOTION** by Woolf and seconded by Crichton to extend the temporary late fee suspension until June 30, 2021 and to revisit the issue at the regular July Board meeting. Motion voted in favor.

#### **10. Discussion on Eliminating Term Limits for Board of Directors**

- Discussion regarding the pros and cons of eliminating term limits for Board of Director seats.
- Lock discussed the strict restrictions for incentivizing Board participation and suggested possibly doing an election to eliminate term limits.
- Lock will confirm the parameters of eliminating term limits and whether or not it is an “all or nothing” situation.
- Kempin suggested the Board wait to decide about an election until they hear the results of Lock’s research about the parameters.
- Solheim suggested that if the Board decides to hold an election for this decision, doing it in combination with the regular election in May of 2022 may provide a cost savings. This issue was tabled until Fall.

#### **11. Colorado Paid Family & Medical Leave Insurance Discussion**

- Fabbre and Solheim led discussion about the FMLA which will not go into effect until January of 2024 and whether or not the Board had an interest in considering the approval of a similar paid benefit that the District could offer to employees between now and 2024. The Board agreed that the District can put together a plan, which, if approved, would be included in the next draft of the Employee Handbook.

#### **12. December 2020 Period 13 Financial Report**

- Solheim reviewed the December 2020 Preliminary Report on page 28 of the packet which excludes three upcoming capital expenses due from 2020.
- Solheim highlighted that the approximate \$40K General Fund expenditure increase is for the new phone system and the IT overhaul. Those expenses will be submitted to the CARES Act Funding program for reimbursement.
- Expenses were 96% of budget for 2020 and revenue continued tracking at 121% of budget.
- Kempin highlighted \$14K in consulting expenses on page 31 for the Wastewater Discharge Permit.
- Kempin noted that the tiered rate system is working well and that in the future the District will be looking at how it impacts usage and conservation.

**MOTION** by Woolf and seconded by Crichton to approve the December 2020 Period 13 Financial Report as submitted. Motion voted in favor.

### **13. January 2021 Financial Report**

- Solheim explained that the 2021 Cash Flow Projection report on page 35 currently appears cash heavy due to funds that will soon be used for Water Treatment Plant (WTP) expansion project expenditures, isolated water rights funds that can be used to purchase/perfect those rights and the Revenue Stabilization funds which are reserved for emergency release should there ever be a shortage of the WTP loan required 1.1 debt coverage ratio.
- Kempin explained a \$47K expense from the 2021 check report that was to the Town of Crested Butte for 6 months of solids processing as well as an \$80K commercial insurance payment that paid a full year's premium.
- Solheim explained that the consumption report on page 33 is unusual because it is the first time in a while the District has seen a year over year decline in revenues. It is likely the numbers are down due to the COVID 19 Pandemic and tourism decline affecting hotel usage.
- Solheim noted that pages 42-44 show the new 2021 reporting format that will be used to detail consulting, repair & maintenance and legal expenditures.

**MOTION** by Kempin and seconded by Woolf to approve the January 2021 Financial Report. Motion voted in favor.

### **14. Approve Meeting Minutes**

- January 12, 2021

**MOTION** by Kempin and seconded by Woolf to approve the January 12, 2021 meeting minutes as submitted. Motion voted in favor.

### **15. Legals**

- Lock reiterated that the options for incentivizing participation as a Board member are limited to \$100 per member per official meeting of the Board where a quorum is present and subject to a maximum of \$2400/year.

### **16. New/Old Business Before the Board**

- Solheim asked the Board for feedback on including a few items in the draft of the new Employee Handbook. He proposed considering the following changes to the District holiday calendar to stay in line with the Federal holiday schedule:
  - Adding Martin Luther King Jr Day
  - Changing the name of "Columbus Day" either to "Indigenous Peoples' Day" or to "Frances Xavier Cabrini Day".
  - Adding Veterans' Day
  - Continuing to allow the Friday after Thanksgiving as a paid holiday even though it is not a Federal holiday.
- The Board agreed these holidays should be included for consideration in the new Employee Handbook and Columbus Day should be renamed as Frances Xavier Cabrini (FXC) Day as has been done by the state of Colorado. It is currently undecided whether this holiday will be observed on the first Monday of October (FXC Day) or the second (Columbus Day).
- Solheim also proposed changing the accrual of sick time from 8 hours per month to 10 hours per month to allow operators that work 10 hour shifts to have a full day of sick time accrued every month. The cost analysis based on today's salaries would amount to approximately 7/10 of a percent increase to overall payroll costs.
- Crichton inquired about the type of consultation the District is using for the handbook changes. Solheim and Fabbre confirmed that the final draft will be submitted to the Mountain States Employers' Counsel as well as general legal counsel for approval as was done previously when changes were made back in 2018. The District plans to make frequent updates to the handbook to keep it from becoming outdated.
- Solheim noted there will also be changes to the handbook language for IT practices, such as security measures, use of passwords, social engineering protocols, appropriate use of devices etc.
- Kempin commented that there was a recent news report of a hacking to the Oldsmar, Florida water system that nearly resulted in a severe compromise of their water safety. Fabbre confirmed that this District has security measures in place to catch such activity but is always interested in ways to improve security.

### **17. Executive Session**

- Brown announced Executive Session for the discussion of consideration of potential executive session pursuant to C.R.S. § 24-6-402(4)(b) to allow the Board of Directors to consult with and receive specific legal advice from the District's general counsel concerning specific legal questions about the District's rules and regulations regarding inclusion and lift station requirements for new construction.
- Brown suggested Fabbre, Solheim and Burks remain for the Executive Session and the Board agreed.

**MOTION** by Brown and seconded by Crichton to move into Executive Session at 6:58 pm. Motion voted in favor.

**MOTION** by Brown and seconded by Woolf to end Executive Session at 7:41 pm. Motion voted in favor.

**18. Adjourn**

**MOTION** by Kempin and seconded by Woolf to adjourn the regular board meeting at 7:43 pm. Motion voted in favor.



Drafted by: Kimberley Wisley



Submitted by: Perry Solheim