

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
August 12, 2019**

The Regular Meeting of the Mt. Crested Butte Water and Sanitation District Board of Directors was held at 5:00 p.m. on Monday, **August 12, 2019**, 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:

Brian Brown Sara Morgan Carlos Velado Roger Cram

Also present were:

Mike Fabbre, District Manager

Kyle Koelliker, Water Plant Supervisor

Bryan Burks, Wastewater Plant Supervisor

Marcus Lock, District's Attorney

Nettie Gruber, Finance Manager

Tracy Davenport, Admin Asst

Nick Kempin

Brenda Spallone, Spallone Construction

Kirsten Spallone, Spallone Construction

REGULAR BOARD MEETING

1. Call to Order

The meeting was called to order by Chairperson Brown at 5:00 p.m.

2. Citizens Comment Period

Brenda Spallone questioned the process and timing of Pay Application #4 which has not been processed for payment. Spallone Construction would like a resolution to close out the project. There was considerable discussion on the job progress, a change order and roof warranty. Discussion to be continued under Old Business.

3. Manager's Report

- Expanded comments were sent today for the 2nd Draft Discharge Permit.
- Hunter Ridge is at the sketch plan only with the County
- Moving forward with candidates for the Finance/Admin position
- WWTP tour was very complementary
- Blue Mesa Reservoir is 98% full
- There is a change order coming for the Clarifier Project and during recent drilling an unknown pipe was hit and repaired.

4. Board Candidate

- Nick Kempin was present and had submitted a letter to join as a board director and his interest in the position.

MOTION by Velado and seconded by Morgan to appoint Nicholas Kempin to the vacant board seat.

Motion voted in favor.

5. July 2019 Financial Reports

- Tap fees are above budget at 150%
- Interest income is also up
- Major Items
 - Chemicals are slightly over budget due to new products
 - Blower Oxy3 project is under budget at completion
 - Clarifier budget amount needs to be increased by allocation
 - Meter water usage report will be forthcoming after review

MOTION by Velado and seconded by Cram to approve the July 2019 financial operating reports. Motion voted in favor.

6. Approve Meeting Minutes**July 8, 2019**

No additions or changes were noted.

MOTION by Velado and seconded by Morgan to approve the July 8, 2019 board meeting minutes as submitted. Motion voted in favor.

7. Legal Matters

- Lock had taken the WWTP and WTP tour and advised they were awesome.

MOTION by Morgan and seconded by Velado to amend the agenda to move the Old/New Business before the Executive Session. Motion voted in favor.

8. New/Old Business Before the Board

- Discussion on the Spallone Pay App #4 for \$92,000 continued with comments concerning the issues. Fabbre will work on resolving the issues.
- The Long Lake project is on hold due to CB Land Trust potentially taking ownership, therefore the contract is delayed.
- MLP debt not included in the audit as it is technically not a debt as it was paid from reserves and the amount is uncertain and complicated. Raftelis is managing the issue.
- Homestead development may have tap fees in the near future.
- Motions at the board meetings should be made by various members
- ATAD 2020 budget for the process building and compost building is approx. \$250,000 each
- Discussion on how the new Enterprise fund changes the 2020 budget process
- Bond counsel had advised the vote with the county in November may be cancelled.
- SDA conference is in September, board members to contact Fabbre if interested in attending
- Tracy Davenport anniversary with the District is at six years
- Marcus Lock may have a conflict as the N. Village new owner is also his client

9. Executive Session: Potential executive session pursuant to 24-6-402(4)(a)(b) and (e) (1), C.R.S, which concern respectively real property transfers, conferences with an attorney, and negotiations for TWC lease and MLPC/Raftelis agreement. The purpose of the potential executive session is to receive legal advice from counsel on specific legal questions related to these topics and to determine positions relative to these topics that may be subject to negotiations, develop strategies for any such negotiations, and instruct negotiators accordingly.

MOTION by Brown and seconded by Morgan [pursuant to 24-6-402(4)(a)(b) and (e) (1), C.R.S, which concern respectively real property transfers, conferences with an attorney, and negotiations for TWC lease and MLPC/Raftelis agreement. The purpose of the potential executive session is to receive legal advice from counsel on specific legal questions related to these topics and to determine positions relative to these topics that may be subject to negotiations, develop strategies for any such negotiations, and instruct negotiators accordingly] to enter executive session at 6:53 pm. Motion voted in favor.

Lock stated during the remainder of the executive session will constitute attorney/client privileged communications and therefore no further recording need be made of it.

MOTION by Morgan and seconded by Velado to leave the Executive Session at 7:49 pm. Motion voted in favor. Time Returned to Regular Meeting: 7:50 p.m.

10. Adjourn

MOTION by Cram and seconded by Velado to adjourn the meeting at 7:57 p.m. Motion voted in favor.