

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

JULY 10, 2017

A Regular Meeting of the Mt. Crested Butte Water and Sanitation District Board of Directors was held at 5:00 p.m. on Monday, **JULY 10, 2017**, 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:

Kurt Giesselman Sara Morgan Carlos Velado Roger Cram Brian Brown

Also present were:

Mike Fabbre, District Manager
Jill Norris, District Attorney
Nettie Gruber, Finance Manager

Bryan Burks, Wastewater Supervisor
Tim Seifert, Water Plant Supervisor
Tracy Davenport, Admin Assistant

Tim Mayberry, Auditor
Greg Woodward, Stantec

REGULAR BOARD MEETING

1. Call to Order

The meeting was called to order by Chairman Giesselman at 5:00 pm.

2. Citizens Comment Period

No citizens were present.

Velado stated he had received a complaint from Craig McManus about the water irrigation hours. It was noted that McManus had also visited the main office for the same issue.

3. Lynn McCullough, 607 Meadow Lane – High Water Usage

Fabbre explained that the meter reading for June was 879K gallons, however, the MLP water plant had produced only 1.0845 MG. Therefore, it appeared unlikely that the meter reading was correct. Fabbre and Seifert had visited McCullough and will continue to investigate and take meter readings. District Rules & Regs state high usage meter problems must go to the Board for action.

MOTION by Giesselman and seconded by Morgan to bill the base rate for June and continue to investigate. Motion voted in favor.

4. Draft 2016 Audit – Tim Mayberry of Holscher, Mayberry & Company

Mayberry presented the standard audit management letters which contain lots of boiler plate. He stated the audit is different this year as water and wastewater are split into their own categories and also many accounts have been consolidated. The Caselle accounting system will be converted to this style.

Comments and Recommendation:

- Only a \$66,000 positive change in net position
- Recommend a 5-10 year cash flow to cover depreciation and equipment replacement
- More than 10% of operating funds are coming from property taxes
- There are a few additional changes to be made for the final audit

MOTION by Giesselman and seconded by Cram to approve the 2016 audit provided no changes are made to the bottom lines. Motion voted in favor.

5. MLP WTP Expansion Project Update – Greg Woodward, Stantec

- Woodward explained some of the operational problems with the compressors and the programming issue.
- The Final Pay Notice will be issued.
- As-builts are close to being finalized.
- The Hourly Contract has been signed.

6. Project Updates

- Process Bldg Roof Replacement
- Hillside Sewer Replacement
- Whetstone Collection Line Project

The Wastewater roof replacement project went out to bid, received one bid without painting portion at \$370,000. The budget was \$330,000. It may have been timing or the nature of the project for the one high bid. Board agreed to table the project at this time and to allocate budget funds to other areas. There is a risk that the project will have a higher cost in 2018.

Hillside Sewer Replacement project is over budget at \$431,000 vs budget of \$310,000 because the project needs to build a retaining wall and bury the lines. A schedule and budget number for the updated project are needed. The Whetstone Collection Line Project does not have enough facts and figures at this time. It was decided to move forward with the engineering and bid for a later review. Request to provide data at the August meeting.

7. Manager's Report

- The DOE (Dept of Energy) has obtained research funding to repair the road down to the East River.
- Research Eng has obtained info on raising the level of Meridian Lake Reservoir
- A better solution for a fence at MLP is the installation of fir trees
- Resurfacing of the MLP dam road with section repairs and a slurry coat is in the works
- Questions on who owns the Pristine Point road and the Right of Way, Norris will look into

8. June 2017 Financial Reports

- Velado gave the financial report – revenues were up due to property taxes and \$194,00 in tap fees. Major expenses were paving, JVA & SGM engineering, and Raftelis & Alpine Envir consultants
- Cash flow is up this month.
- **MOTION** by Velado and seconded by Morgan to approve the June 2017 Financial Reports. Motion voted in favor.

9. Approve June 12, 2017 Meeting Minutes

MOTION by Morgan and seconded by Velado to approve the June 12, 2017 minutes with corrections. Motion voted in favor.

10. Legals

Norris is working on the Miller Collins foreclosure.

- \$36,000 owed in back taxes since 2009
- The lot has a market value of approx. \$100,000, seven (7) sales in past year
- Issues may occur with the Deed of Trust or a Sheriff's Sale
- Decision to move forward as appears a low risk

11. New/Old Business Before The Board

- MSEC Compensation Study has been delayed, now an August presentation
- The SDA Workshop in Grand Junction was mostly informative
- Reminder of the SDA Conference at Keystone on September 13-15

12. Adjourn

MOTION by Velado and seconded by Brown to adjourn the meeting at 6:23 pm. Motion voted in favor.

Nettie Gruber