

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
November 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 Tuesday, **November 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 Nicholas Kempin

Also present were:

Mike Fabbre, District Manager

Kim Wrisley, Admin Assistant

Perry Solheim, Finance Manager

Tracy Davenport, Admin Assistant

Kyle Koelliker, Water Plant Supervisor

Marcus Lock, District's Attorney

Bryan Burks, Wastewater Plant Supervisor

Jim Sharpe, District Customer

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

- Jim Sharpe of 3 Copper Lane has been a resident in Crested Butte for 23 years and is thrilled with the quality of the water. Concerned about trajectory of rate increases. It was a big hit to him when we lowered our tiers from 11k to 4k and now we are raising rates 20%. Inquired if this was a "catch up situation".
- Solheim clarified that the blended increase is 11%, ~\$10/month on average.
- Fabbre explained the MCB WTP, raw water pipeline and ER pump station at end of useful life and is some of the driver for the rate increase. Water conservation and industry standards were the reasons to implement lower tiered rates.

3. Manager's Report

- Renderings of the Water Treatment Plant (60% design) were received and will be displayed at the November 14th meeting for review.
- CB News is publishing an article detailing the Water Treatment Plant Expansion project and meeting.
- Clarifier project delayed today; batch plant was shut down resulting in a concrete pour cancelation.
- Fabbre to attend the meeting on next Friday with Gunnison County regarding Hunter Ridge.
- Routine maintenance discovered large concrete slab in active sewer line on Meridian Lake Drive prior to flow issue or a sanitary sewer overflow and that is why the District is diligent with the jetting program.
- JVA presentation on Thursday with 60% Design for the Water Treatment Plant Expansion project.
- Water main line beam break on Snodgrass has been repaired.
- Roof repair has been completed and we are waiting on warranty to be finalized.

4. October 2019 Financial Report

- Velado & Solheim met to discuss financial report formats, Solheim to make some changes for 2020 to include a monthly balance sheet.
- We are dipping into \$550K cash. Original plan of 2.4M unlikely to be reached, approx 2.2M more likely depending on clarifier changes. We have roughly 5M+ cash balance. Revenue is billing, not collections.

Cram joined the meeting at 5:25 p.m.

- Admin SOPs and recorded timing for tasks being documented for internal controls (checks & balance).
- AP error – additional \$50K on check report goes to Integrated Water Services – corrected
- Velado reviewed the check report and highlighted some significant expenses.

MOTION by Velado and seconded by Morgan to approve the October 2019 Financial report. Motion voted in favor.

5. 2018 Audited Financials - Corrected

- Gov't wide financials, statement of net position doesn't balance. Related to accrued salaries mistake. Minor change was made.

MOTION by Velado and seconded by Morgan to approve the amended 2018 audited financials. Motion voted in favor. Amended financials will be submitted to the state and emailed to the board with changes highlighted.

6. 2020 Preliminary Budget

- Solheim presented the 2020 preliminary budget.
- Rate sheet with blended 11% increase went out in the bills and it will be in the CB News. Debt service goes from 700K to 1.2M.
- Cram inquired about where the increase is applied, discussion followed about debt service and our cash reserves. Raftelis recommends we work on building up our capital reserves for debt service.
- We'll need a \$74K dip into reserves to balance the budget in 2020.
- Burks submitted a justification statement for the purchase of an additional fleet vehicle. Discussion about retiring vehicles followed and from where the funds should come for new ones. Repairs and maintenance will no longer be a combined category, they can be separated.
- Morgan suggested the draft have a legal analysis including the mil levy and tabor, Solheim confirmed he has spoken to the Assessor and we are on track.
- Our website will have some additions for transparency and good PR. MLP page was added too.

7. Approve Meeting Minutes**October 8, 2019**

MOTION by Morgan and seconded by Velado to approve the October 8 2019 regular meeting minutes as submitted.

Discussion of sentence in minutes relating to 2020 Preliminary Budget. Will need to listen to tape to see how this was worded and who said it. Solheim will review audio and correct.

MOTION withdrawn by Morgan and seconded by Velado. October 8, 2019 regular meeting minutes to be approved at the next board meeting.

October 29, 2019 Work Session

MOTION by Morgan and seconded by Velado to approve the October 29, 2019 Work Session minutes. Motion voted in favor. Cram abstained.

8. Legal Matters


- Lock discussed the Spallone settlement agreement is not needed. Fabbre and Spallone have handled it.
- Vacation plat title work will be finalized soon and take it through MCB's process.
- Owners of 54 Anthracite have hired a lawyer to fight paying tap fees. Lock responded that they must pay by Friday, November 15.
- Charter is coming on November 13 to discuss what's in the building and who wants items. Future use of the building is TBD.

10. New/Old Business Before the Board

- Cram suggested people introduce themselves at public meetings for audio purposes.
- Solheim will be the contact for MLP questions.
- Velado suggested that there be an MLP update agenda item. MLP committee may need to be organized.
- District Manager review to be completed by the Board during December meeting.
- The district holiday party will be on December 13.

11. Adjourn

MOTION by Velado and seconded by Morgan to adjourn the meeting at 7:01 p.m. Motion voted in favor.



Perry W. Solheim