

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
DECEMBER 8, 2020**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWS D) Board of Directors was held at 5:00 pm on Tuesday, **December 8, 2020**, via GoToMeeting at <https://www.gotomeet.me/MCBWaterSanitationDistrict>.

Members of the Board of Directors in attendance at the meeting were as follows:
Brian Brown Carlos Velado Nicholas Kempin Nancy Woolf

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	JD Crichton, Board Applicant
Tracy Davenport, Admin Assistant	
Marcus Lock, District's Attorney	

1. Public Hearing Call to Order

- The hearing to discuss the 2021 Rates & Fees was called to order by Brown at 5:02 pm.

2. 2021 Rates & Fees

- Notice of this hearing was published for four weeks in the CB News, at the District office and on the District website.
- Proposed rate and fee changes are included in the meeting packet.

3. Public Comment Period

- No comments were made on the 2021 Rates & Fees increase and the Board will vote to approve the changes during the regular meeting.

4. Adjourn

- The hearing was closed at 5:05 pm.

5. Public Hearing Call to Order

- The hearing to discuss the 2021 Budget was called to order by Brown at 5:05 pm.

6. 2021 Budget

- Notice of this hearing was published for four weeks in the CB News, at the District office and on the District website.
- The 2021 Budget Draft is included in the meeting packet.

7. Public Comment Period

- No comments were made on the 2021 Budget Draft and the Board will vote to approve it during the regular meeting.

8. Adjourn

- The hearing was closed at 5.07 pm.

9. Call to Order

- The regular meeting of the Board of Directors was called to order by Brown at 5:07 pm.

10. Citizen Comment Period

- No citizens were present for comment.

11. Appoint New Board Member

- Crichton was present for appointment to the Board of Directors.
- Following Crichton's appointment, all appropriate statutory requirements including his oath of office, bond placement and official notice of appointment will take place outside of and following the meeting.

MOTION by Velado and seconded by Kempin to appoint JD Crichton to the Mount Crested Butte Water and Sanitation District Board of Directors. Motion voted in favor.

12. Appoint Budget Officer

MOTION by Velado and seconded by Woolf to approve Resolution 2020-6 naming Perry Solheim as the 2021 Budget Officer. Motion voted in favor.

13. Approve 2021 Budget

- Solheim reported the District has received final property tax information of \$1.174MM.
- Solheim noted he added \$60,000 to "Misc. Revenue" to reflect funding the District anticipates receiving in January of 2021 from the 2020 Cares Act.
- Woolf expressed that she is still concerned about the Meridian Lake Park (MLP) surcharge presented in the budget despite knowing the MLP water committee is working to resolve issues with the MOA.
- Brown acknowledged the legitimacy of concerns about the MLP surcharge and stated the MLP Water Committee are going to continue working on a resolution.
- Woolf raised the point that the amended MLP MOA from 2013 has a provision stating that if the District determines to assess future costs to capital improvements that serve other portions of the district against MLPC's membership, it shall first provide public notice that such an issue is being considered and entertain a discussion of the matter at a regularly scheduled board meeting. She then asked for clarification about whether or not the expansion of the District water treatment plant (WTP) falls under this provision and if it was presented accordingly.
- Solheim explained that the District is currently operating under the assumption that none of the fees from MLP pay for anything other than capital expenditures within MLP and therefore the WTP expansion project is not being financed by MLP.
- Solheim noted that once the MLP Water Committees complete a resolution to the MOA's, potential adjustments to how fees are used may need to be made.
- Lock confirmed that the District is obligated to always provide public notice of all meeting agenda items prior to discussion and that in addition to a public notice, the District provided MLP with a specific notice about the Raftelis analysis report and the meeting for the Raftelis presentation.
- There was discussion about the budget, rate increases and how those numbers will or will not impact the MLP imbalance in 2021.

MOTION by Velado and seconded by Kempin to approve Resolution 2020-7 adopting the budget for Mount Crested Butte Water and Sanitation District, a Colorado Special District, for the 2021 calendar year. Motion voted in favor.

- Solheim discussed the process for setting mill levies (pages 16-25 of the board packet).
- There was discussion comparing the previous mill levy to the new one.

MOTION by Velado and seconded by Kempin to approve Resolution 2020-8 fixing levy upon taxable property within the Mount Crested Butte Water and Sanitation District, a Colorado Special District, for the 2021 calendar year with a rate of levy at 10.415 Mills. Motion voted in favor.

14. Water Treatment Plant Expansion Project Update

- Fabbre reported that the JVA monthly memo outlines most of the current updates for this project.
- The project is still on schedule and within budget.
- The East River Pump Station portion of the project has been paused for the winter season and will resume in the summer of 2021.
- The raw water pipeline portion for this season has been completed and has passed pressure tests.
- The metal building for the project has arrived and is currently going vertical.
- The raw water pipeline subcontractor came in under the budgeted amount for a cost savings of \$200,000.

15. Meridian Lake Park Corporation (MLPC) Water Committee Update

- The committee is ready to begin meeting again after a brief hiatus. The date of the next meeting is still being determined.

16. WWTP Discharge Permit Update

- Fabbre reported that the letter included in the Board packet from the District's attorney, Steve Bushong, was submitted to the state and it captures all of the long, technical documents that were submitted as a response to the discharge permit modification.
- Fabbre clarified that the District has only one adjudicatory hearing pending despite requesting a hearing after each new draft modification.

17. District Manager Report

- Fabbre reported that the District is working on the wastewater discharge permit deadlines.
- Fabbre highlighted some of the repairs that will need to be done at the MLP Reservoir.
- Fabbre provided a recap of the Long Lake Project and the District's acquisition of water rights that would be associated with it.
- Fabbre gave an update on the I&I studies.
- Velado recognized and congratulated the plant operators who recently passed their certifications.
- Wastewater Operator, Evan Bocksteigel, has submitted a three-week notice for resignation and his last day will be December 18, 2020.

18. November 2020 Financial Report

- Velado reported usage is tracking as expected.
- The District financials are up in revenue and down in expenditures.
- Solheim noted the addition of a line item for Cares Act funding.
- Velado reported that a \$2.4M cashflow deficit is the result of a Thanksgiving holiday delay in receiving reimbursement funds from the Water Treatment Plant Expansion loan so there will be two reimbursements reflected in the December financials.
- Velado highlighted a few larger amounts on the check report which were for anticipated expenditures related to the capital improvement projects.
- Solheim noted the difficulty of hiring and keeping employees at the District due to the many challenges of living in the Gunnison Valley. He commended the Board for allowing the District to adjust salaries and provide benefits which helps to attract potential employees and keep positions competitive within the industry and community.

MOTION by Velado and seconded by Kempin to approve the November 2020 Financial Report. Motion voted in favor.

19. Approve Meeting Minutes – November 10, 2020

- There were no comments or changes discussed.

MOTION by Woolf and seconded by Velado to approve the November 10, 2020 meeting minutes as submitted. Motion voted in favor.

20. Legals

- Lock has been working all month on the Public Hearing for the Hunter Ridge Inclusion Project and addressing direct inquiries from constituents about the project.
- At Brown's request, Lock provided some insight as to what the Board members might consider in making a decision about whether or not to approve the Hunter Ridge Inclusion.

21. New/Old Business Before the Board

- Fabbre announced that there will not be a holiday party this season due to the COVID 19 pandemic.
- Brown stated that it would be a nice idea to have a celebratory gathering of the Board and District employees once the COVID 19 pandemic is over.

22. Executive Session

- Brown requested Board members remain for an Executive Session to perform the annual review for the District Manager, Mike Fabbre. Fabbre confirmed an Executive Session was appropriate instead of an Open Session.

Brown announced 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 Brown and seconded by Velado to move into Executive Session at 6:20 pm. Motion voted in favor.

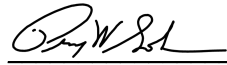
- Kempin inquired about inviting Crichton to join the Executive Session since he has now been approved for appointment to the Board. Lock confirmed that an invitation would be acceptable.
- Woolf and Velado agreed to inviting Crichton to participate in the Executive Session.
- Lock was given permission not to participate in the Executive Session.

MOTION by Velado and seconded by Kempin to end the Executive Session at 7:07 pm. Motion voted in favor.

- Brown stated that the Board has approved a 15% increase to the District Manager salary effective immediately.

23. Adjourn

MOTION by Velado and seconded by Woolf to adjourn the regular board meeting at 7:15 pm. Motion voted in favor.



Perry W. Solheim, Board Secretary