

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
January 14, 2020**

Regular Meeting of the Mt. Crested Butte Water and Sanitation District Board of Directors was held at 5:00 pm on Tuesday, **January 14, 2020**, 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 Carlos Velado Nicholas Kempin

Also present were:

Mike Fabbre, District Manager

Perry Solheim, Finance/Admin Manager

Kyle Koelliker, Water Plant Supervisor

Bryan Burks, Wastewater Plant Supervisor

Kim Wrisley, Admin Assistant

Marcus Lock, District's Attorney

Cooper Best, JVA Consulting Engineers

Chuck McGinnis, District Customer

REGULAR BOARD MEETING

1. Call to Order

- The meeting was called to order by Brown at 5:04 pm.
- Morgan and Cram were excused.
- Board acknowledged receiving Cram comments via email prior to the meeting.

2. Citizens Comment Period

- No citizens presented comments.

3. Reorganization of the Board

- Proposed changes to the Board Secretary appointment. Solheim designated as Secretary position as non-board, non-voting member.

MOTION by Velado and seconded by Kempin for the 2020 Board Officers will be as follows: Brown – Chair, Morgan – Vice Chair, Velado – Treasurer, and Solheim – Secretary. Motion voted in favor.

- Discussion regarding seats and terms in relation to 5/5/20 election. The Board seats occupied by Morgan, Cram, Velado and Kempin are up for election in 5/5/20. In the election three seats will be determined for 3-year terms and one seat will be determined for 2-year term.
- Brown requested that MCBWSD.com domain emails be created for Board members and staff agreed to implement the request.

4. Designate Meeting Location & Notices Posting Location

MOTION by Velado and seconded by Kempin to designate official public posting locations as follows: District website: MCBWSD.com (primary), District office at 100 Gothic Road (secondary), Mt Crested Butte Town Hall, and Mountaineer Square Transit Center. Motion voted in favor.

MOTION by Velado and seconded by Kempin to designate regularly scheduled Board meetings on the second Tuesday of each month at 5:00 pm at 100 Gothic Road. Motion voted in favor.

5. Designate Election Official

MOTION by Kempin and seconded by Velado to designate Solheim as the District election official. Motion voted in favor.

6. Discussion of a Polling Place Election versus a Mail in Ballot Election

- The District will be advertising the open board positions beginning 1/23/20 in the CB News and continuing until nominations are due. An ad will also appear in the District winter newsletter.
- No election is required if no more than one person runs for each seat in 2020.

MOTION by Kempin and seconded by Velado to hold a Mail-in Ballot election on 5/5/20. Motion voted in favor.

7. Update Transparency Notice

MOTION by Velado and seconded by Kempin to approve the revised 2020 Transparency Notice that lists Solheim as the primary contact. Motion voted in favor.

8. Environmental Assessment for WTP Expansion Project

- Best presented the overview for the environmental impacts of the proposed WTP Expansion Project as part of the financing requirements for the Colorado Water Resources & Power Development Authority (CWRPDA).
- The environmental assessment report has been posted on the District website and a paper copy has been made available.
- JVA anticipates the project receiving a *Finding Of No Significant Impact* (FONSI).

9. WTP Expansion Project Update

- Fabbre requested approval from Board to authorize the JVA 100% design phase contract.
- 60% construction price model from Moltz, \$20.5 MM includes 15% contingency.
- The loan application will be submitted on 1/15/2020 for a 20-year bond funded by CWRPDA.

MOTION by Velado and seconded by Kempin to authorize Fabbre to execute the 12/10/19 JVA agreement letter to complete the 100% design phase. Motion voted in favor.

10. Water Committee Update

- No new updates were provided from the committee. Formal meetings will begin soon.

11. District Managers Report

- Fabbre reported the Hunter Ridge development received sketch plan approval from the Gunnison Board of County Commissioners. Fabbre has requested the developer submit an updated application for inclusion to the District because the original application is two years old and does not reflect the current design of the project.

12. WWTP Discharge Permit

- The District received a finalized WWTP discharge permit on 12/31/19. Zero low flow designation for Woods Creek and Washington Gulch remained for every month of the year. The District will have legal counsel Steve Bushong request a stay of the old permit, and demand an adjudicatory hearing to protest the inaccurate terms of the new permit.
- Discussion followed regarding the ramifications of the permit and the requested stay and adjudicatory hearing.
- Kempin offered observation that Woods Creek which runs through his property does indeed have significant flows every day of the year.

MOTION by Velado and seconded by Kempin to authorize MCBWSD to request of stay of the old permit and demand an adjudicatory hearing to protest the terms of the new permit that goes into effect on 2/1/20. Motion voted in favor.

13. December 2019 Financial Report

- Velado presented the financials and noted they will vary slightly until 2019 invoices received in 2020 are accrued back into the final 2019 budget.
- Cashflow projections show that a \$1,483,516 reduction in cash was anticipated but is actually less than the \$3.2 MM originally budgeted. Solheim will be changing the report view to show a breakdown of water, wastewater and general funds separately and the District is budgeting for breakeven in 2020.
- Velado called attention to \$14K in major repairs to Lacy construction for two water line breaks. For the engineering expenditure of \$98,800 to JVA, the District will receive reimbursement for all WTP Expansion engineering costs upon funding of the CWRPDA loan. The District is expending unrestricted cash reserves for preliminary project costs and will be reimbursed upon initial funding of the project loan. The District will need to approve a formal project cost reimbursement resolution at a future meeting.

MOTION by Velado, seconded by Kempin to approve the December, 2019 Financials. Motion voted in favor.

14. Approve 2019 Audit Engagement Letter

MOTION by Kempin and seconded by Velado to authorize Fabbre and Brown to sign the audit engagement letter for the 2019 audit. Motion voted in favor.

15. Approve Meeting Minutes

- 12/10/19 – Velado suggested that on page 1, #4 and page 2, #8 the heading of “adjourned” should be changed to “End Public Hearing.”

MOTION by Kempin and seconded by Velado to approve the 12/10/19 meeting minutes as amended. Motion voted in favor.

16. Legals

- The lot line vacation plat for WTP has been pending and Lock instructed Dylan Wagner of Gunnison County Abstract of a final deadline of 1/17/20. If Wagner has not submitted the requested title work by that date, Lock will seek the services of an alternate title company.
- The District has signed a lease extension with Charter Communications and is awaiting their signature. The contract states that Charter will vacate the property in June, 2020.
- Johnson/Diaz property is waiting on a survey work to finalize legal documents.

17. New/Old business Before the Board

- Fabbre presented options for better arrangement and layout of the board room.
- Fabbre noted CB Land Trust is projected to close on the Long Lake property at the end of January, 2020.
- Martin Luther King Day is currently not an observed holiday for the District. Fabbre inquired whether it would be appropriate for the District to observe the holiday to help support a diverse workforce. Board members suggested the changes include recognition of all Federal Government holidays.
- Fabbre reviewed the details of the water service lines and curb stop at 17 Ruby and 19 Ruby. District staff is considering proper resolution to this issue, and is presenting this to the Board for informational purposes only.

18. Executive Session

- Brown requested that Board members and Fabbre stay for an executive session regarding the District Manager's annual review.

MOTION by Brown and seconded by Kempin that the board enter into an executive session for district manager annual review. 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 voted in favor and executive session began at 6:30 pm.

- Executive session concluded at 7:09 pm.

MOTION by Velado and seconded by Kempin to exit the executive session. Motion voted in favor.

MOTION by Velado and seconded by Kempin to adjust the District Manager salary for 2020. Motion voted in favor.

19. Adjourn

MOTION by Velado and seconded by Kempin to adjourn the meeting at 7:27 pm. Motion voted in favor.



Perry Solheim, Board Secretary