

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

Regular Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWS) Board of Directors was held at 5:00 pm on Tuesday, **September 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
Kim Wrisley, Admin Assistant
Marcus Lock, District's Attorney
Norm Whitehead, NCW & Associates

Perry Solheim, Finance Manager
Bryan Burks, Wastewater Plant Supervisor
Tracy Davenport, Admin Assistant
Jamie Watt, Hunter Ridge LLC

1. Call to Order

The meeting was called to order by Kempin at 5:07 pm. (Brown joined the meeting at 5.19 pm)

2. Citizens Comment Period

- No citizens presented comments.

3. 2019 Draft Audit

- Solheim presented the 2019 Draft Audit Final Form for approval.
- Velado noted the name of the District's retirement company needs to be updated from CCOERA to CRA.
- Woolf noted a change needed in the "Highlights" section on page 5.
- Discussion to explain net position calculation, deferred inflows, and the increase in total liabilities between 2018 and 2019.
- Discussion review financial factors the Board and the District take into consideration when determining usage rate increases.
- Woolf noted a change needed in the "Summary of Significant Accounting Policies" section on page 28.
- Velado noted an additional change needed in the "Highlights" section on page 5.
- Discussion took place to explain "Restated Net Position."

MOTION by Velado and seconded by Kempin to approve the 2019 Financial Statement Audit as corrected. Motion voted in favor.

4. Hunter Ridge Inclusion Update (Velado recused himself from the meeting during discussion regarding Hunter Ridge Inclusion).

- Fabbre informed the board that the internal staff work session was held with Watt, Whitehead and Cooper Best of JVA to discuss the site plan.
- Watt discussed his proposal of a 400-foot section of pipe that would eliminate 3 manholes and would relocate access points away from the avalanche zone. He further discussed that one new manhole would be accessible from multiple directions, the pipe would be at a maximum depth of 10 feet and 4 triplexes would be able to tap into this one new section.
- Fabbre noted that the District received Watt's proposal just prior to the meeting so more time is needed to review it.
- Fabbre reviewed the application timeline and stated that the District will contact Watt once the staff and engineers have a chance to review his proposal.

5. Clarifier Project Update (Velado returned to the meeting).

- The clarifier project has reached substantial completion.
- Clarifier #3 is online and working correctly.
- Clarifier #2 has been drained and cleaned.
- Clarifier #2 will soon undergo manufacturer evaluation and maintenance.
- Final completion is scheduled for September 19, 2020.
- Final financial negotiations with respect to retainages and liquidated damages will take place soon thereafter.
- Brown requested that Fabbre review the history of Clarifier 2 and the District's need for redundancy.

6. Water Treatment Plant (WTP) Expansion Project Update

- Fabbre reported that the project is continuing to progress on schedule and on budget.
- Fabbre has given Woolf a tour of the expansion project.

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

- Brown reported the committee met on August 27, 2020 and they approved the minutes for their last four meetings.
- At the August 27 meeting, Solheim presented one strict interpretation of the financial relationship taking a literal view of the MOA.
- The committee is nearing agreement that this view is an acceptable way to consider their financial relation.
- The committee's next step will be determining whether or not a surcharge will continue in order to cover the financial imbalance.

8. Employee Evaluations 2020

- Solheim reported that the District is moving their employee evaluations to October, 2020 instead of January, 2021 to better plan for salary changes needed for the 2021 budgeting process.
- Fabbre reported the District will be requesting salary comparison data from the Western States Employers' Counsel Program to help confirm the District is providing competitive salaries and therefore help reduce employee turnover.
- Fabbre requested feedback on how the Board would like to proceed with evaluating the District manager.
- Brown mentioned that it is difficult for the board to evaluate Fabbre when they do not work with him on a daily basis so perhaps it may be helpful to get evaluations from his direct reports.
- Kempin supported Brown's suggestion.
- Velado suggested that employee evaluations for their superiors should be confidential and voluntary.
- Lock supported the idea that the board receive staff input to help evaluate Fabbre.
- Woolf suggested the board provide staff some targeted questions to facilitate collection of useful information.
- Kempin agreed that some sort of form questionnaire would be useful.
- Solheim noted evaluations will need to proceed quickly because the budgeting process has begun. He expects the supervisors to complete their evaluations by September 30, 2020. He also suggested that with some potential changes, evaluations can be done with the questionnaire forms the District currently uses.
- Brown asked that the current form be sent to Board members for their review.

9. District Manager Report

- Fabbre reported that the Daisy Circle construction project is underway.
- Fabbre reported the I&I draft report is ready to be submitted.
- Fabbre reported the temperature probes required for the discharge permit will soon be installed.
- \$151K was approved from the Cares Act funding program to cover the District's COVID-19 related expenses from March through December.
- The office remodel has reached substantial completion.
- Woolf commented that she was glad to hear the District will be giving the staff hazard pay from the Cares Act funds for their work during the COVID-19 crisis.

10. August 2020 Financial Report

- Velado noted August usage is down slightly from July.
- Velado reported that revenues continue to exceed expectations and cashflow is tracking as expected.
- Solheim explained some negative numbers are the result of the District not being completely lined up on WTP Expansion loan reimbursements and expenditures as well as from the initial payment on the new WTP Expansion debt which was not budgeted for 2020.
- Solheim reported that salaries and user fees are tracking as expected and tap fees continue to exceed expectations.
- Velado highlighted the more significant charges on the check report.
- Solheim noted one expenditure reclassification from earlier in the year and complimented Davenport for her excellent work in helping to correct expense classifications.

MOTION by Velado and seconded by Woolf to approve the August 2020 financial report. Motion voted in favor.

11. Approve Meeting Minutes

- No discussion, questions or comments were presented.

MOTION by Woolf and seconded by Kempin to approve the August 11, 2020 minutes of the regular meeting of the Board of Directors. Motion voted in favor.

12. Legals

- Lock did not report any new legal information.
- Fabbre provided an update that Spectrum has vacated the District building and they will soon be providing permanent service once the node is replaced.
- Fabbre informed the Board that Spectrum's fiber-optic line that crosses District property does not have an easement so the District will likely be requesting one be created in the near future.

13. New/Old Business Before the Board

- Fabbre reported the District's engineers, JVA, were approached to represent the North Village Project. Fabbre has notified JVA that this may create a conflict of interest because the District will be requiring engineering evaluations of that project.

14. Executive Session

- Brown requested that staff members Fabbre and Solheim stay for an executive session regarding a negotiations matter.
- Brown announced executive session pursuant to C.R.S. § 24-6-402(4)(b), which allows conferences with the District's attorney for the purposes of receiving legal advice on specific legal questions. The purpose of the executive session will be to discuss with the District's attorney the process for considering construction projects along Paradise Road.

MOTION by Brown and seconded by Velado to move into executive session at 6:35 pm. Motion voted in favor.

- Lock advised that the remainder of the discussion that will occur in executive session pursuant to C.R.S. § 24-6-402(4)(b) to discuss with the District's attorney a matter related to potential negotiations 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 Wolff and seconded by Velado to end the executive session at 7:11 pm. Motion voted in favor.

MOTION by Brown and seconded by Woolf to authorize Fabbre to approve final settlement and resolution with the owners of 43 Paradise Road. Motion voted in favor.

15. Adjourn

MOTION by Velado and seconded by Woolf to adjourn the meeting at 7:14 pm. Motion voted in favor.



Perry W Solheim – Board Secretary