



MEMORANDUM

To: Mt. Crested Butte Water & Sanitation District Board of Directors
Through: Mike Fabbre, District Manager
From: Nicole Bogenschuetz, P.E., District Engineer
Date: February 10, 2026
Subject: Hunter Ridge Subdivision – Petition for Inclusion Staff Recommendation

Dear Mt. Crested Butte Water & Sanitation District Board of Directors,

The Mt. Crested Butte Water & Sanitation District (District) staff have reviewed the Third Application of the Inclusion Petition submitted on November 26, 2025, by Hunter Ridge, LLC, for the property located at 45 Hunter Hill Road and commonly known as the Hunter Ridge Subdivision (Property).

This memorandum is respectfully submitted as a staff recommendation to the District Board of Directors and all concerned citizens in our community in advance of the Public Hearing before the Board of Directors scheduled on February 24, 2026, at 5:00P.M. via Zoom.

Wastewater Collection System

The District currently owns, operates, and maintains approximately 1,210 linear feet of 8” polyvinyl chloride (PVC) pipe and six manholes on the Property that serve parcels above the Property and will serve the Property. The Preliminary Submittal Review, dated December 9, 2025, outlined that all parcels would connect to the existing sewer mainline via service lines. Thus, the Property is improving the existing sewer mainline infrastructure without adding additional sewer infrastructure for the District to maintain. Additionally, a maintenance road, extending approximately 500-feet, will provide direct access to 4 of the 6 existing manholes and will be designed and constructed in accordance with *Gunnison County Standard and Specifications for New Construction of Roads and Bridges*.

The key benefits to the sewer collection system are as follows:

1. **Improved Access.** As part of the maintenance program, the District jets then utilizes a closed-circuit television (CCTV) to clean and inspect existing sewer mainlines, respectively. This Property presents many different logistical challenges

for maintaining this section of pipe. Currently, the District has an easement extending ten feet on each side from the center line of pipe but does not have vehicular access to the manholes because of the steep topography of the Property. The proposed maintenance road will improve access for both routine maintenance and potential emergency repairs.

2. **Enhanced Safety.** Vehicular access facilitates proper confined space protocols and decreases potential health and safety concerns.
3. **Upgrade Infrastructure in accordance with current Rules & Regulations.** As part of modifying the current sewer collection system (raising manholes for the maintenance road), the Property is upgrading the existing infrastructure to abide by the current Rules and Regulations, including SpectraShield lining the existing manholes.
4. **Reduce Risk.** Currently, the District does not have a safe and reasonable way to get equipment to the existing manholes on the Property. An emergency event during the winter months would be extremely difficult to repair and attempting said repair could result in a multitude of dangerous consequences. The property inclusion would provide the District with the opportunity to alleviate serious and costly hazards.

The District's Master Plan, dated February 2026, included a sanitary sewer capacity analysis evaluating the full build-out of the Overlook subdivision area and all potential future growth that would flow through the existing mainline on the Property. The report concluded that the pipe capacity could support full build-out of the existing community in that area as well as support full build-out of the Property as proposed in the inclusion petition. This flow ultimately reaches the interceptor line, so if annexed into the District, the Hunter Ridge Subdivision will be included within the Capacity Expansion Service Area and identified as a Benefited Property. Thus, Hunter Ridge Subdivision will be responsible for a proportional share of the Capacity Expansion Sewer Tap Fee.

Water Distribution System

The 2024 *Water Resource Master Plan* concluded that the District has a shortage of physical water supply to meet build out demand. The District is pursuing the Long Lake Pump and Pipeline System as a current water supply project to address this future shortage. The key benefit to the District is that the Property is paying cash in lieu of water rights that will directly help fund this critical infrastructure project.

Financial

Upon approval via a motion by the Board of Directors to accept the Petition for Inclusion, the District and property owner shall execute an Inclusion Agreement (“Agreement”). All fees required for inclusion shall become immediately due and payable upon execution of the Agreement. This includes the cash in lieu of water rights and Capacity Expansion Sewer Tap Fee, totaling \$510,924, which can fund ongoing capital projects, including the Gothic Road Interceptor and Long Lake.

The District would also receive tap fees, user fees, availability of service fees, and property tax revenue as a result of the inclusion, and subsequent development, of the Property. The financial impact of the Property is outlined in Table 1.

Table 1. – Financial Impact of the Property

	Amount¹	Timing
One Time Cash Inflow		
Cash in Lieu of Water Rights	\$297,964.00	Signed Inclusion Agreement
Capacity Expansion Sewer Tap Fee	\$212,960.00	Signed Inclusion Agreement
Max. Tap Fees ²	\$1,031,697.60	At Build Out
Ongoing Cash Inflows (Annual)		
Availability of Service Fee ³	\$5077.44	Signed Inclusion Agreement
Property Tax	\$3,375.00	Signed Inclusion Agreement
Min. User Fees ⁴	\$20,180.16	At Build Out

Notes:

¹All fees based on 2026 Rates and Fees and may be subject to change

²Assumes each parcel is developed to maximum density using Town Code.

³Quarterly Availability of Service Fee is \$158.67 for 8 lots

⁴Assumes 12 meters, the monthly base rate is \$140.14

Recommendation

The staff recommendation is based off a pragmatic look at the infrastructure and operations required for the District to fulfill its mission, as well as any advantages to the District as a whole. The mission of the Mt. Crested Butte Water & Sanitation District is to provide reliable, high-quality water and environmentally responsible wastewater services to our community in a cost-effective manner with a commitment to public health and safety for our customers and staff.

This recommendation does not consider any political implications, the review of infrastructure outside of the District’s purview, or outside decisions that are not appropriate for the staff to consider in making a recommendation. The District is tasked with providing safe drinking water and wastewater services at reasonable cost to its

customers. It is beyond staff objectives to judge aspects of property inclusion that fall outside of their areas of responsibility. The recommendation is based on the benefits to the entire District and all its constituents in view of the foregoing considerations. The staff recommendation is to approve the Hunter Ridge, LLC, petition for inclusion with the following conditions:

1. All fees required for inclusion shall become immediately due and payable upon execution of the Inclusion Agreement.
2. Approval of the petition does not alleviate the developer from the requirements of the Preliminary Submittal as outlined in the Wastewater/Water Standards and Specifications, Section 01020, paragraph 2.1.
3. The District and Hunter Ridge, LLC, shall enter into a Public Improvements Acceptance Agreement, for an example, see Exhibit B of the District's Rules and Regulations.

This recommendation for inclusion derives from the many benefits to the District. These benefits include health and safety for our employees, advantageous operations and maintenance access, and positive financial impacts through payment towards funding future capital projects.

Thanks,



Nicole Bogenschuetz, P.E.

District Engineer

Mt. Crested Butte Water and Sanitation District