

**MINUTES OF THE MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
WATER COMMITTEE AND THE MERIDIAN LAKE PARK CORPORATION WATER COMMITTEE
AUGUST 27, 2020**

Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWSD) Water Committee & the Meridian Lake Park Corporation (MLPC) Water Committee was held at 10:00 am on Thursday, **August 27, 2020**, via GoToMeeting at <https://www.gotomeet.me/MCBWaterSanitationDistrict>

Water Committee Members in attendance at the meeting were as follows:

Brian Brown, MCBWSD Chair, MLP resident	Robin Smith, MLPC Board Member, MLP resident
Nicolas Kempin, MCBWSD Vice Chair, MCB resident	Scott Hamilton, MLPC Board Member, MLP resident
Mike Fabbre, District Manager, MCB resident	
Perry Solheim, Finance/Admin Manager, non-District resident	
Tracy Davenport, Administrative Assistant, non-District resident	

WATER COMMITTEE MEETING

1. Call to Order

- The meeting was called to order by Brown at 10:03 am

2. Approve Meeting Minutes

6/24/20

- Correct grammatical error of there to their & the spelling of attendance.

MOTION by Solheim and seconded by Kempin to approve the 6/24/20 meeting minutes as amended. Motion voted in favor.

7/8/20

MOTION by Solheim and seconded by Kempin to approve the 7/8/20 meeting minutes as submitted. Motion voted in favor.

7/22/20

- Adjust numbering system.
- 4th bullet point in #3 take out the word "is."

MOTION by Solheim and seconded by Kempin to approve the 7/22/20 meeting minutes as amended. Motion voted in favor.

8/13/20

- #2 giving credit to Smith regarding FAQs list, change to Kempin.

MOTION by Solheim and seconded by Smith to approve the 8/13/20 meeting minutes as amended. Motion voted in favor.

3. Meeting Minutes Discussion

- Now that meeting minutes are approved they should be posted on the District website, www.mcbwsd.com
- Moving forward, Solheim to post proposed agenda that will be posted on SharePoint.

4. General Discussion

- Solheim presented spreadsheet of MLPC fees collected per Section 8.2 of MLPC MOA as applicable to capital debt/capital expenditures.
- The MOA defines what types of revenue sources can be used to pay for capital expenditures of MLPC.
- Some funds from Wastewater Availability of Service Fees & Wastewater Plant Investment Fees (Tap Fees) were allocated per the MOA to pay for Water capital expenditures. Staff noted that this is unusual in the industry.
- The MLP Water Treatment Plant was built in 1995.
- In 2010, it is thought that an additional surcharge was initiated to pay for new capital expenditures related to a new pump station & pipeline as well as some MLP plant improvements.
- Solheim identified assets that were only related to either the water or sewer system for MLP but doesn't identify any shared infrastructure at the single District sewer plant, or any of the water system in the non MLP area. Information comes from the current audited District asset list.
- Some portion of the District property tax is designated for debt payments on the 2001 bond issue. The remaining property tax revenue can be used for debt, operating or capital expenditures at the District's discretion.
- The 2001 bond is related to the Wastewater Treatment Plant Expansion project. We will be losing some property tax revenue when that bond is settled in 2021.

- The initial bond to finance the MLPC addition was \$1.2 million in 1995. \$1.1 million in interest was paid over the course of the repayment schedule. The District retired the bond early, in 2013; paying \$345,000 from general reserves, to save on additional interest expenditures.
- Kempin commented that the spreadsheet Solheim prepared is very helpful. The Committees need to figure out the amount of the imbalance in order to proceed with resolution and the creation of plans for moving forward.
- Hamilton is in favor of the spreadsheet's methodology.
- Smith likes the process as well and thinks it is better than the Raftelis report methodology and will be easier to explain to customers.
- Per state regulations: every tap fee the District collects, some portion is designated for water, some portion for wastewater capital expenditures.
- Another goal for the committees is deciding how to address the 1st amendment to the MOA that discusses bringing the MLPC assets into the District. The amendment references an Exhibit that does not exist.
- Discussion of situations where the MLP Plant would be connected to the greater District area. Fabbre advised that MLP would never be able to support the greater MCB area, it would be the other way around due to size.
- The District we will be moving forward with Long Lake storage rights acquisition.
- Potentially, the District will need to use the pump station and build a new pipeline from that pump station at the toe of the MLP dam to Long Lake. The pumps that are currently there aren't adequate to support this project so it will be likely that the District will purchase new pumps and not be able to utilize the current MLP designated pumps.
- The MOA does not designate which assets would need to be acquired specifically. It is silent on whether the entire system or just the specific assets would need to be acquired.
- Fabbre advised that the District is going to need to acquire more water rights, which will be shared by everybody. Long Lake is one of the most creative and cheapest ways to acquire 300 acre feet (close to 97 million gallons) of water per year.
- MLP uses around 36.5-acre feet out of 192-acre feet contained in the reservoir annually to meet all of the area's calculated water use.

5. Action Items

- Derive a range of imbalance and how to move forward on negotiations.
- Determine the legality of any resolution agreement after committees come to an agreement as a group.
- Calculate the current depreciated value of MLPC designated assets.
- Consider fewer tangible benefits of new MOA.
- Solheim to make some edits to the spreadsheet of MLPC fees collected per Section 8.2 of MLPC MOA.

Next meeting is scheduled for Wednesday, 9/9/20 at 10:00 am.

6. Adjourn

MOTION by Kempin and seconded by Brown to adjourn the meeting at 12:07 pm.



Perry Solheim, Committee Secretary