

**MINUTES OF THE MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
WATER COMMITTEE AND THE MERIDIAN LAKE PARK CORPORATION WATER COMMITTEE
AUGUST 12, 2020**

Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWS D) Water Committee & the Meridian Lake Park Corporation (MLPC) Water Committee was held at 10:00 am on Wednesday, **August 12, 2020**, via GoToMeeting at <https://www.gotomeet.me/MCBWaterSanitationDistrict>

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

Brian Brown, MCBWS D Chair, MLP resident	Robin Smith, MLPC Board Member, MLP resident
Nicolas Kempin, MCBWS D 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 10:05 am.

2. Water Committee Meeting Minutes Discussion– 7/22/20

- Kempin commented that certain questions were answered and are not referenced on the minutes for the prior meeting.
- Smith suggested creating a concise FAQ list as a separate document so our constituents don't have to go through meeting minutes to locate the answers to common questions.
- Meeting minutes last 3 meetings to be voted for approval at next meeting.

3. Action Items Discussion - 7/22/20

- Meeting minutes need a quicker turnaround time. Staff will plan for the first draft to be ready on the Friday following the meeting.
- Recordings & transcripts of the meetings will be available on SharePoint.
- Brown's document titled "Moving Forward" is available on SharePoint for commenting on pros and cons. Brown is also seeking a list of tangible and intangible benefits of a shared or connected water district.
- Smith's comments are posted at the end of the current document.
- Smith expressed agreement with the proper path for the Committee is to explore and investigate a new agreement like we are.
- Discussion of Raftelis report, full report available on District website www.mcbwsd.com.
- The Raftelis report departs from the MOA's. Fabbre and Brown expressed that the Raftelis report takes a different but "fair" approach.
- Raftelis report ignores the specifics laid out in Section 8.2 of the 1995 MOA which specifically defines what monies can be used to pay down financing on capital projects.
- A key issue results from whether the method in 8.2 is meant to apply only to the initial external debt used to finance the initial treatment plant or whether it applies to all MLP capital expenditures.
- Fabbre pointed out that the fact that the 2013 MOA addresses capital beyond the initial investment and external loan would seem to indicate that the method in 8.2 was meant to apply to all MLP specific capital.
- Smith expressed that that point is not agreed upon at this time.
- Discussion of MOA legality. Any agreement moving forward may have challenges to legality because current law restricts allocating capital assets within a district without formally creating a sub-district.
- When created, the current MOA's were legal and remain binding but could not be duplicated today without the creation of an official sub-district.
- Discussion regarding 1995 MOA, Section 8.2, says the required revenue to repay such "*revenue bonds or other financing* shall be by special service charges against the property within Meridian Lake Park including availability of service charges, water tap fees, sewer tap fees, or special assessments as may be necessary to provided adequate funding for the repayment of the revenue bonds or other financing." (emphasis added due to importance of terms to the resolving the issue of the imbalance).
- The 2013 MOA further expands on the reservoir work and the MLP Water Treatment Plant Expansion, which are capital assets not covered by the initial revenue bond financing.

- Smith stated that the pipeline & pumphouse fell between those two agreements and are not addressed in the MOA.
- Some discussion of the difficulty of recreating the intent of the agreement due to lacking Exhibit.
- The District did not obtain external financing for pipeline, pumphouse, the Dam spillway, and the MLP Water Treatment Plant Expansion.
- Fabbre observed that it does not appear that MLPC ever had a positive imbalance that could fund these expenditures so the expenditure would appear to have been made via the non-MLPC part of the District on behalf of MLPC part of the District without any agreed upon interest or timeline for repayment. This likely gave rise to the notion of the existence of a 0% loan from the District to MLPC.
- Discussion and agreement again that all members of the committee did not create the problem and that all are interested in an equitable and sustainable solution.

4. Action Items for Next Meeting

- Post meeting minute drafts, meeting transcripts and meeting recordings on SharePoint by 8/14/20.
- Fabbre & Solheim to review and compile capital assets list and MLP fees analysis by Wednesday, 8/19/20.
- Comment on tangible & intangible benefits of a “connected” District.
- Next steps to move forward.

Next meeting is scheduled for Thursday, 8/27/20 at 10:00 am.

5. Adjourn

Meeting was adjourned at 11:13 am



Perry W. Solheim, Committee Secretary