

**MINUTES OF THE MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
WATER COMMITTEE AND THE MERIDIAN LAKE PARK CORPORATION WATER COMMITTEE
JANUARY 21, 2021**

Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWS) Water Committee & the Meridian Lake Park Corporation (MLPC) Water Committee was held at 2:00 pm on Thursday, **January 21, 2021**, via GoToMeeting at <https://zoom.us/my/mcbwsdboardmeeting>.

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

Brian Brown, MCBWS Chair, MLP resident
Nicholas Kempin, MCBWS Vice Chair, MCB resident
Mike Fabbre, District Manager, MCB resident
Perry Solheim, Finance/Admin Manager, non-District resident

Robin Smith, MLPC Board Member, MLP resident
Scott Hamilton, MLPC Board Member, MLP resident
Tracy Davenport, Admin Assistant, non-District resident

WATER COMMITTEE MEETING

1. Call to Order

- The meeting was called to order by Brown at 2:07 pm

2. Revisit Goals of Water Committee's Negotiations

- Goal is to work towards a fair & equitable agreement that is defensible to all customers of the District
- Hamilton expressed frustration with uncertainty as to the District goals regarding the water committee process. Hamilton and Smith expressed that they felt the MLPC group was at a disadvantage in negotiations because the District held all the data.
- Hamilton requested the District provide guidance, collectively get together, and advise what is best for the District so both committees can all meet in the middle. Brown suggested that MLPC should do the same thing.
- Brown stated that the District can move forward with or without MOAs. The issue is that it is something that needs to be managed and the MOAs were setup in such a way that does not necessarily give the District a clear directive for how to manage the legal structure and accounting.
- Brown: there are multiple paths for resolution. The committees need to derive a path.
- Kempin commented that there are questions that would factor into the ultimate decision that the committees have worked to identify, such as costs that Raftelis incorrectly identified as unrelated to MLP, how to delineate reservoir use, reservoir insurance, reservoir signage, etc. Once information has been collected, then the committees can sit down and negotiate what is fair, equitable, and defensible to our constituents. There is a need to work through the information gathering process to negotiate what to do about it.
- Fabbre stated that the Long Lake Project is unrelated to the MOAs. The project can move forward independently.
- MLPC committee does not feel that the group will ever get to the point to agree on an imbalance amount because of not knowing the history behind the past agreements and the amounts involved.
- Per Fabbre: 80-90% of the imbalance occurred in the last few years, the vast majority is not 20 years old.
- Solheim advised that the District fixed asset list is accurate and audited. The reason for adjustments was that Raftelis is an outside consultant and did not know that Pristine Point was part of MLPC.
- Discussion of projects done in 2017: the State require redundancy changes, so an additional skid was added to the MLP Water Plant which required expansion of the building.
- Fabbre state that a surcharge should have been renegotiated at that time.
- Smith has concerns with imbalance number, MLPC needs to be compensated for the physical assets if the District plans to do away with the MOA's.
- Solheim is going to account for the assets but this is a number that needs to be discussed.
- Robin pointed out that, per the MLPC minutes, that prior District Manager, Todd Fessenden, attended a MLPC meeting in 2016 and said MLPC is all paid up and the District will continue surcharge to add to the reserve account. MLPC customers will ask what changed and why is a new number being calculated. Brown commented that part of that discussion had incorrect numbers. The spreadsheet for tracking MLPC in the past did not properly follow the MOA's as written. It was applying ALL revenues against the imbalance (Cap Ex) and not allowing for operations. The MOA's to not stipulate that User Fees be used to offset capital expenditures.
- Property taxes are missing from the calculation, but the MOA does not talk about property taxes.
- As a group, the current approach is to strictly follow what the MOA says as far as what revenue sources can be applied against the capital expenditure projects. Sewer projects beyond initial expenditures have been removed from the imbalance due to the MOA.
- It was asked how an agreement can retroactively charge MLPC? This will require an official response from the District, and MLPC water committee.
- Historical District Board meeting minutes from 1997-2018 are available on SharePoint. 2017-2020 are available on MCBWS website.

- Solheim requested MLPC meeting minutes, Smith advised there are board meeting minutes and annual meeting minutes which are available on Toad Property Management's website.

3. Continued Imbalance Discussion

- Not discussed.
- Opportunities to look at revenues, etc. to bring the imbalance number down.
- Issue to consider, if wiping out the entire imbalance is fair, how would we explain this to a Mt Crested Butte resident. If imbalance continued, how would this be explained to MLPC residents?

4. Action Items

- Brown and Solheim to formulate a statement of the goal of the committee.
- Create a list of more specific goals the committees would like to achieve.
- Leave agenda the same for the next meeting. There is a need to revisit goals & continue imbalance discussion.
- Add any new questions to the question list.
- Approval of prior MLPC committee meeting minutes.
- Currently no update on the water rights discovery.

5. Approve Meeting Minutes

- Meeting minutes from 8.27.21 were approved subject to Smith edits.
- Meeting minutes from 12.22.20 were approved without changes.

Next meeting is scheduled for Tuesday, 2/2/21 at 2:00 pm

5. Adjourn

MOTION by Brown to adjourn the meeting at 3:35 pm



Perry Solheim, Committee Secretary