

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
CRESTED BUTTE SOUTH METROPOLITAN DISTRICT
August 26, 2026**

A regular meeting of the Board of Directors of the Crested Butte South Metropolitan District was held on Wednesday, August 26, 2026, at 6:00 p.m. at the office of the District, 280 Cement Creek Road, and via Zoom:

<https://us02web.zoom.us/j/89710704425?pwd=QRhymx4QVzkFVR2aY43BSbKWumdKp9.1>

Meeting ID: 897 1070 4425 Passcode: 310616

Board Members in Attendance: Margaret Dethloff – President, Steven Smiley – Vice President, Thomas Hein – Secretary Treasurer, Benita Bellamy – Director, and Roger Grogg – Director

Also Present were: Ronnie Benson - District Manager, Annie Parr - Recorder & Office/HR Manager, Marcus Lock - District Counsel, and Daniel Spivey – District Counsel

I. Call to Order

- The meeting was called to order by Dethloff at 6:00 p.m.

II. Public Comment Period

- No public comments were received.

III. Executive Session

MOTION by Dethloff and seconded by Bellamy to enter Executive Session to discuss the roads in Crested Butte South (the “Subject Matter”) pursuant to C.R.S. § 24-6-402(4)(b) for the purpose of receiving legal advice on specific legal questions from the District’s general counsel on the Subject Matter, and C.R.S. § 24-6-402 (4)(e)(I), to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators with respect to the Subject Matter. Motion passed unanimously.

IV. Approve July 29, 2026 Meeting Minutes

MOTION by Bellamy and seconded by Smiley to approve the minutes from July 29, 2026, with the edit as discussed. Motion passed unanimously.

V. July 2026 Financial Reports and Current Bills

- July’s major expenses included Capital One for credit card charges, City of Gunnison for May and June water and wastewater samples and April, May, and June sludge disposal, Standard Tire for motor grader tires, and Zenner for annual water meter hosting and system maintenance.
- July bills and financial reports reviewed by the Board included legal fees in the General Fund, gas and diesel expenses in the Road, Water, and Sewer Funds, dues and membership expense for Zenner annual water meter hosting and system maintenance, and copay and deductible reimbursements in the General Fund. The Board reviewed and accepted the July financial reports and bills as presented.

MOTION by Smiley and seconded by Grogg to approve July’s current bills. Motion passed unanimously.

VI. Resolution 26-03 Public Improvement Acceptance Agreement

MOTION by Smiley and seconded by Bellamy to approve Resolution 26-03, the Public Improvement Acceptance Agreement for Northern Block 6 main line extensions. Motion passed unanimously.

VII. Unfinished Business

- Following the Board's previous discussion regarding properties that remain out of compliance with the District's water meter requirements, the District sent four certified letters to the property owners and posted notices of non-compliance on the doors of each property that remains out of compliance. The notices outlined the required steps to bring the property into compliance and advised property owners that they have until September 25, 2026, to complete the required meter installation.
- The District will review the status of the affected properties following the September 25 deadline. Properties that remain out of compliance may be brought before the Board for consideration of further enforcement action, which may include termination of water service in accordance with District regulations. The District continues to encourage affected property owners to work with District staff to resolve the outstanding meter compliance issues before further action is necessary.

VIII. Unscheduled Business

- The Board reviewed the billing dispute form for 60 Gillaspey Avenue requesting that the District review the account due to the unusually high water bill and consider waiving any associated fees or providing any adjustment available under District policy.
- After reviewing the account, usage history, and billing, the District determined that the total amount of \$1,080.83 represents two months of water, sewer, and road maintenance charges, along with the additional water usage charges and an applicable \$5.78 late fee. The monthly base rate for this property is \$480.29 and the total additional charges associated with the excess water usage and late fee were \$120.35.
- The District determined that the additional water usage was the result of a leak. The Board determined that the charges for the additional water usage could not be adjusted or waived.
- The Board would allow a credit of \$5.78 for the late fee on the account. The credit will be reflected on the next billing cycle.

IX. Manager's Report

- District Staff reported that the application of Perma-Zyme has been completed and has performed well. The treatment has significantly hardened the driving surface, to the extent that it has caused the locate whisker nails used to identify water mains to bend during installation.
- Following rain events, District staff has been brooming the roads to reduce excessive dust. The District will continue to address high-traffic areas showing signs of potholes and washboarding.
- Crack sealing is scheduled for the first and second weeks of September. Staff also plans to test an additional product to address the ongoing alligator cracking issue. The product is similar to the material used by CDOT on Highway 135 to repair wide cracks and potholes and has reportedly performed well under plowing and high-speed traffic conditions.

- The Board discussed options for mitigating weed growth in and along the asphalt and road shoulders to help protect the asphalt and extend the life of the road surfaces.
- Rice Lake West, the contractor responsible for construction of the new wastewater treatment plant, replaced the concrete. The concrete cracked during the curing process which will be patched at a later date.
- The District was notified that Mayberry & Co. has merged with the larger accounting firm DMC Audit and Consulting. Tim will continue to serve as the District's auditor. The merger was completed primarily to eliminate the administrative responsibilities associated with operating his own firm, allowing him to focus solely on auditing services.
- Road engineering services are on hold pending further consideration of road-related matters in Crested Butte South.
- The District collected \$32,350 in tap fee revenue during the month of July.
- Ann Terry, Chief Executive Officer of the Special District Association of Colorado, is scheduled to attend a special meeting on Monday, October 5, at 5:30 p.m. to provide Board member training focused on District operations, governance, and Board responsibilities.
- Benson reported he will attend the POA Annual Meeting scheduled for August 31, 2026.

X. Adjourn

MOTION by Smiley and seconded by Grogg to adjourn the meeting at 8:40 p.m. Motion passed unanimously.

A handwritten signature in cursive script that reads "Annie Parr". The signature is written in dark ink and is positioned above a horizontal line.

Drafted/Submitted By: Annie Parr