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**MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
CRESTED BUTTE SOUTH METROPOLITAN DISTRICT**

June 30<sup>th</sup>, 2021

A regular meeting of the Board of Directors of the Crested Butte South Metropolitan District was held Wednesday June 30<sup>th</sup>, 2021 at 6:00 p.m., at the office of the District, 280 Cement Creek Road and via Zoom at <https://us02web.zoom.us/j/86558985556?pwd=dU1uYU1MOE9ydDRkWDVfHNN> TDhSQT09 Meeting ID: 865 5898 5556 Passcode: 281501

Board Members in attendance: Tom Dill Kurt Feltus  
Margaret Dethloff Tom Hein

Excused Board Member: Bill Oliver

Also present were: Ronnie Benson, District Manager  
Annie Parr, Secretary of the Board

**I. Call to Order**

- The meeting was called to order by Dill at 6:07 p.m.

**II. Public Comment Period**

- No public comments were made.

**III. Approve Meeting Minutes from May 26<sup>th</sup>, 2021**

**MOTION** by Dethloff and seconded by Hein to approve the May 26<sup>th</sup>, 2021 minutes with the changes discussed. Motion passed unanimously.

**IV. May 2021 Financial Reports and Current Bills**

- May's major expenses were Capital One for credit card charges, GMCO for mag chloride, Gunnison Materials for road maintenance materials and outside work, and Colorado Water & Power Development for the wastewater treatment plant expansion and well #2 loans.

**MOTION** by Hein and seconded by Dethloff to approve May's current bills. Motion passed unanimously.

**V. Avalon Needs Letter**

- The Avalon Needs Letter was produced as a collaboration between the District, Wright Water Engineers and Kendall Burgemeister from Law of the Rockies. It was a foundational document to acquire information needed on whether or not to proceed with a possible annexation/inclusion into the District.
- Dethloff did not see any verbiage regarding roads or road maintenance. Dethloff would like to add if there were any other expectations of services provided by the District to the Avalon Needs Letter.
- The Board discussed Oliver comments and would make appropriate changes to the Avalon Needs Letter.

**MOTION** by Dethloff and seconded by Feltus to approve the Avalon Needs Letter with the changes discussed. Motion passed unanimously.

**VI. Proposed 2022 Tap Fee Structure**

- Currently 1EQR is for 2,000 sqft or less.
- The proposed 2022 tap fee structure for 1 EQR would be 2,000 sqft or less with 3 bedrooms, 2 bathrooms, and 1 kitchen. Additional bedrooms, bathrooms, and kitchens would be additional EQRs, but the square footage would be backed out of the total.
- The Board would like to clarify the definition of a bedroom by adding a room having walls, a door, and egress.
- The Board was in favor of the new structure and was also open to increasing the base rate of the tap fee which is currently 18,000.
- Item tabled pending further Board review and analysis.

**VII. Rate Increases**

- Benson reviewed the minimum rate increase of 8.6% on water and sewer needed to cover the District's future operating expenses.
- Benson discussed a rate increase of 11.10% on water and sewer that would also put 2.5% towards the projected long term debt shortfall and another rate increase of 13.60% on water and sewer that would also put 5% towards the projected long term debt shortfall.
- The last rate increase discussed was 16.80% on water and sewer which would eliminate the projected long term debt shortfall over 30 years. The Board was not in favor of this option not knowing how northern block six would be platted and with possible pending annexation/inclusion.
- The Board requested an analysis of revenue generated over ten years with putting 2.5% towards projected long term debt versus putting 5% towards projected long term debt. As well as increasing the tap fee base rate to 20,000.
- Item tabled pending further Board review and analysis.

**VIII. 2020 Audit**

- The Board reviewed the 2020 Audit Draft #2 and did not have any further comments.


**MOTION** by Hein and seconded by Feltus to approve the 2020 Audit. Motion passed unanimously.

**IX. Manager's Report**

- Benson discussed the prequalification meeting for the waste water treatment plant expansion. There are two types of SRF Loans, leveraged and unleveraged. Leveraged loans are on amounts over 3 million, are a 30 year bond, have higher interest rates, and can't be paid off early. Unleveraged loans are less than 3 million, are a 20 year loan, have lower interest rates, and payoff flexibility. The wastewater plant expansion is currently estimated at 4 million. The district would have to take 1 million out of reserve to qualify for an unleveraged loan. The next plant expansion is estimated to being in 2022-2023.
- The District collected \$18,000 in tap fees for May.
- Hein would like the Board to consider housing for employees due to limited properties available to rent or buy at an affordable rate.
- Future Board meetings would be held in person. The meeting would still be available via zoom for public comment and attendance.

**II. Adjourn**

**MOTION** by Dill and seconded by Dethloff to adjourn the meeting at 7:25 p.m. Motion passed unanimously.



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Annie Parr – Secretary of the Board