



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

March 29<sup>th</sup>, 2023

A regular meeting of the Board of Directors of the Crested Butte South Metropolitan District was held Wednesday March 29<sup>th</sup>, 2023 at 6:00 p.m., at the office of the District, 280 Cement Creek Road, Join <https://us02web.zoom.us/j/89737865761?pwd=RnArMnk2SWVzOGFIc2k2bDhpUExsQT09> MeetingID:89737865761 Passcode:461078

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

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 6:02 p.m.

**II. Public Comment Period**

- No citizens presented comments.

**III. Approve Meeting Minutes from February 28<sup>th</sup>, 2023**

**MOTION** by Bellamy and seconded by Dethloff to approve the minutes from February 29<sup>th</sup>, 2023 with the grammatical edits discussed. Motion passed unanimously.

**IV. February 2023 Financial Reports and Current Bills**

- February's major expenses were Capital One for credit card charges, Stanek Constructors for wastewater treatment plant expansion construction payment 7, JVA for the waste wastewater treatment plant expansion construction administration engineering, and Colorado Water & Power Development for the wastewater treatment plant expansion and well #2 loans.
- February bills questioned and discussed were Fry and Parr's reimbursements for medical expenses, Lindgren's longevity bonus, Innovative Utility Solutions for water meters, Honnen Equipment for loader maintenance, and Wright Water Engineers for Wildflower development engineering which is reimbursed by Wildflower. The Board found all bills questioned and discussed to be in order.

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

V. **Application for Water Rights**

- The applications for water rights of the District must be filed with the Clerk by the last day of April, 2023.
- Law of the Rockies will be representing and filing the District's applications for water rights rather than Rufus O. Wilderson as Rufus has retired.
- The Board would like to know if the conditional water rights of the District could become absolute.

**MOTION** by Dethloff and seconded by Feltus to approve the applications for water rights of the Crested Butte South Metropolitan District. Motion passed unanimously.

VI. **1% Administration Fee for Tap Fee Refunds**

- Benson proposed a 1% administration fee for all tap fee refunds to cover District costs.
- If the 1% administration fee was approved, it would be effective immediately and added to the rules and regulations when they are updated next.

**MOTION** by Dethloff and seconded by Hein to approve the 1% administration fee for tap fee refunds effective immediately. Motion passed unanimously.

VII. **Growth Workshop**

- Benson presented buy in scenarios with needs, wants, and why the District would consider the Wildflower inclusion into the District.
- The scenario mostly discussed was a buy in fee for existing infrastructure in relation to the percentage they would be utilizing and tap fees for each structure.
- The main pros for the inclusion of Wildflower were the ability to keep rates down, water security, possible well sites, land for additional shop/office space, location for employee housing, and additional revenue to offset capital improvements.
- The Board would like to see estimated future rate increases without the inclusion of Wildflower and with the inclusion. The inclusion of Wildflower should keep rates lower to benefit the District's current stakeholders.

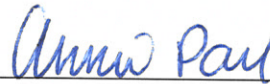
I. **Manager's Report**

- The District has not received a date and time when Wildflower would be presenting the project to the Planning Commission but would notify the Board when the meeting is scheduled.
- The District sent a formal letter to the County requesting a meeting regarding the roads within the District and still has not received a response. Benson would be meeting with the District's Counsel to determine the next step prior to the next regular meeting.
- The District did not receive any tap fee revenue in February.
- JVA is requesting approximately \$69,000 more than the contracted amount for completed and pending work to finish the wastewater treatment plant expansion construction administration engineering. 70% of the additional funding needed is due to unforeseen constructability issues.

- JVA provided detailed statements of expenses and billable hours the Board requested for construction administration engineering.
- Benson has requested the additional \$69,000, if approved, to be billed on time and materials and not a contracted amount.
- JVA will strive to come in under the additional requested amount but will not exceed \$69,000.
- The Board expressed frustration that JVA did not inform the District sooner that engineering was going over the budgeted amount. JVA has been informed that they should have raised the red flag earlier and accepts full responsibility.
- The Board discussed getting a credit for items 1-6 on the new time and materials contract because the Board felt JVA should have caught inaccuracies in the plans and discrepancies during site visits. The Board also discussed receiving a discount from JVA for not notifying the District earlier that engineering was over budget.
- The Board knows the District will receive high quality engineering and finished product. The Board agreed to move forward with JVA if they did not offer a discount for their mistakes, but hoped the projected costs would come in below the requested \$69,000.
- The Board questioned if District qualified for any grants to offset the costs of the 2022 wastewater treatment plant expansion that was discussed during the loan approval process. Benson would update the Board with further information.
- April's regular meeting will be moved to Tuesday, May 2<sup>nd</sup>, 2023.

II. Adjourn

**MOTION** by Dethloff and seconded by Bellamy to adjourn the meeting at 7:54 p.m. Motion passed unanimously.



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Drafted By: Annie Parr – Secretary of the Board