



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

September 29<sup>th</sup>, 2021

A regular meeting of the Board of Directors of the Crested Butte South Metropolitan District was held Wednesday September 29<sup>th</sup>, 2021 at 6:00 p.m., at the office of the District, 280 Cement Creek Road, Crested Butte South and via Zoom at  
<https://us02web.zoom.us/j/88235621837?pwd=TG5GckxsQUg3RFhrRmNZRE5FbUhfQT09>  
Meeting ID: 882 3562 1837 Passcode: 223524

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

Also present were: Ronnie Benson, District Manager  
Annie Parr, Secretary of the Board  
Eric Frolich Gary Huresky  
Norman Whitehead Mike Dawson

**I. Call to Order**

- The meeting was called to order by Dill at 6:04 p.m.

**II. Public Comment Period**

- Public comments presented under Avalon update.

**III. Approve Meeting Minutes from August 31<sup>st</sup>, 2021**

**MOTION** by Hein and seconded by Dethloff to approve the August 31<sup>st</sup>, 2021 with the changes discussed. Motion passed unanimously.

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

- August's major expenses were JVA for wastewater headwork improvement, Capital One for credit card charges, and Colorado Water & Power development Authority for the wastewater treatment plant expansion and water tank #2 loan payments.
- Bills questioned were the minimum monthly fee from Bank of the West for the new online banking system Treasury Now, Zachary Van Dyke copay reimbursement due to high deductible plan, Susan & Steven Davis reimbursement for garage door damage during snow removal, USPS for postage, utility notification for locates, the Breadery for Oliver's retirement from Vice President of the Board, and Red Mountain Liquor for ice to ship samples. The Board found all bills questioned to be in order.

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

**V. Appointment of Board Member**

- Board Members Dill, Feltus, Hein, and Dethloff made a joint action to appoint Benita Bellamy to the Board of Directors until the next regular election in May of 2022.
- Bellamy was hereby appointed and now a member of the Board.

**I. Oath of Office**

- Appointed Director Benita Bellamy took her oath of office.

**VI. Election of Officers**

**MOTION** by Dill and seconded by Hein to elect Margaret Dethloff as Vice President. Motion passed unanimously.

**VII. Avalon Update**

- Due to conflict of interest, Avalon's legal counsel has been switched to Mike Dawson with O'Hayre Dawson, P.C.
- The global picture of the developer was to get well tests done this fall, go through the formal steps with the District to look at engineering, petition for inclusion which usually includes a cost reimbursement agreement.
- The developer and Dawson reviewed the letter sent by Benson and everything looked acceptable. Dawson would send a formal response to the letter.
- The developer requested an availability of service letter stating that if the conditions requested were met the Crested Butte South Metropolitan District would serve as central water and sewer for the development either as an into the District.

**VIII. 2022 Proposed Budget**

- A 5% contingency expense account had been created for each operating fund to be used for unforeseen emergency expenses.
- Wages, PTO, and retirement have been reallocated to reflect expenses in the funds in which the employee operates.
- The proposed wage increase for 2022 was based on the current compensation data and salary schedule.
- Testing expenses increased because every three years the District was required to do additional testing which would take place in 2022.
- Interest income was reduced because rates were down and were not expected to increase significantly in 2022.
- \$30,000 was budgeted for engineering and permitting in the Water Fund Capital.
- \$200,000 was budgeted for design and engineering in the Sewer Fund Capital.
- Overall \$290,000 was budgeted for capital assets which requires \$90,500 out of reserves to offset costs.
- The total net effect on District reserves would be \$152,090

**Proposed 2022 Rate Increase**

- The District has for consideration a 13.6% water and wastewater rate increase that would take effect January 1<sup>st</sup>, 2022.
- District management would be taking comments from the public until October 27<sup>th</sup>, 2021.
- In August and September the District public noticed the 2022 rate increase in the Crested Butte News, at the District Offices, and on the District Website.
- A tap fee increase had been approved on July 28<sup>th</sup>, 2021 and would take effect January 1<sup>st</sup>, 2022.
- The approved tap fee increases consisted of an increased base rate per Equivalent Residential Use Unit or EQR and additional fees allocated to homes with more than three bedrooms and two bathrooms.

**X. Manager's Report**

- The Meadows and Highlands currently pay an annual fee for access and maintenance of CB South roads which they use to reach their properties. Mike Brown, a resident of the Meadows and a member of the Board of Directors, was requesting the District do fall maintenance beyond Tank #2 to the gate past Ridge Road. It would be approximately ¼ of a mile past what the District currently maintains. The Board was in favor of extending fall maintenance. Benson would have the Board approve the agreement which would include adjusting their annual fee with build out.
- The District collected \$162,000 in tap fees for August.
- November's regular meeting would be moved to Wednesday, December 8<sup>th</sup> and December's regular meeting would be cancelled if business allowed.

**II. Unscheduled Business**

- The Board discussed the District Manager Performance Appraisal provided by Annie Parr. Parr explained the process and the confidentiality of the District Manager Performance Appraisal.
- Parr would provide a summary of Colorado executive session law at the next regular Board Meeting.
- After discussion the Board felt comfortable with the District Manager Performance Appraisal process and would proceed as drafted.

**III. Adjourn**

**MOTION** by Dill and seconded by Hein to adjourn the meeting at 7:59 p.m. Motion passed unanimously.



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Annie Parr – Secretary of the Board