

**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
CRESTED BUTTE SOUTH METROPOLITAN DISTRICT
July 29, 2026**

A regular meeting of the Board of Directors of the Crested Butte South Metropolitan District was held on Wednesday, July 29, 2026, at 6:00 p.m. at the office of the District, 280 Cement Creek Road, and via Zoom: https://us02web.zoom.us/j/86747593253?pwd=8DmAjnLqPhJBRgjstxaCi6NuUVal2_b.1

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

Excused Board Members: Roger Grogg – Director

Also Present were: Ronnie Benson - District Manager and Annie Parr - Recorder & Office/HR Manager

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. Approve June 24, 2026 Meeting Minutes

MOTION by Smiley and seconded by Bellamy to approve the minutes from June 24, 2026, with the edit as discussed. Motion passed unanimously.

IV. June 2026 Financial Reports and Current Bills

- June's major expenses included Capital One for credit card charges, 4 Rivers Equipment for backhoe, grader, and skid steer maintenance, a rock bucket attachment, and the rental and delivery of an excavator for the Gloria Place capital improvement project, Substrata for perma-zyme used for road maintenance, and United Companies for road maintenance materials.
- June bills and financial reports reviewed by the Board included Gloria Place capital improvement project excavator rental and delivery fees, Substrata for additional Perma-Zyme, which was purchased using a credit issued for the engineer's site visit and allowed the District to treat all dirt roads, Zoom for an annual membership for virtual meetings, repair and maintenance expenses in the Sewer Fund, budgeted legal expenses in the General Fund, property tax and HUTF revenue in the Road Fund, budgeted tap fee revenue in the Water and Sewer Capital Funds, and budgeted expenditures in the Sewer Capital Fund. The Board examined and accepted the June financial reports and bills as presented.

MOTION by Hein and seconded by Smiley to approve June's current bills. Motion passed unanimously.

V. Receipt of 2025 Financial Audit

MOTION by Hein and seconded by Bellamy to approve the receipt of the 2025 Audit.

VI. Unscheduled Business

- Benson presented a non-budgeted expense incurred for the replacement of recapped tires on the motor grader, which resulted in a one-week delay of scheduled road maintenance projects.

VII. Manager's Report

- The Board discussed the condition of dirt roads treated with Perma-Zyme, noting that they are holding up well with only minor washboarding. It was further noted that Perma-Zyme has not provided the same level of dust control as magnesium chloride; however, the District has been mitigating dust by watering the treated roads twice per week, which has been effective in controlling dust levels.
- Benson reported on multiple meetings with the Library project contractors to discuss drainage and tie-ins to existing infrastructure.
- The easements for the new water main location were recorded, and the water main was rerouted and connected to the existing infrastructure on Wednesday, June 22, as required to accommodate the new cell tower at 349 Teocalli Road. Water service to some customers on Teocalli was disrupted for approximately six hours during the work.
- There are still a few accounts/properties that remain unmetered due to installation issues and/or scheduling challenges. These properties have been charged double fees in accordance with District regulations; however, the District is continuing efforts to bring all properties into compliance with the remainder of the District. A more direct notice is being sent to affected property owners outlining required next steps and potential penalties for failure to take action, which may ultimately include termination of water service. The District anticipates working with property owners to resolve these issues before reaching that point; however, service shut-offs may need to be considered for approval at next month's meeting. This remains a sensitive matter, as restoring water service after a shut-off would require payment of a reconnection fee equal to one-quarter of the current tap fee, which would result in a significant cost to affected property owners.
- The District has been in contact with Rice Lake West, the contractor responsible for construction of the new wastewater treatment plant, regarding warranty work for concrete at the plant entrance that did not perform as expected. Although scheduling the repair has taken some time, the concrete will be completely replaced on August 6 at no cost to the District.
- The District's sanitary survey was completed on Wednesday, May 27. During the survey, a State compliance specialist reviewed the District's entire water system, including facilities, water sampling procedures, and required documentation. The District received one violation related to three backflow preventers that were not certified by the POA due to their irrigation systems being out of service. Backflow preventers are required to be certified annually, and the missed certifications resulted in a violation on the District's system. The issue has since been corrected, and the required certifications have been completed. While this is considered a regulatory violation, it was a technical compliance issue and did not present an actual threat to the safety of the District's water supply. The District also has additional monitoring equipment within the distribution system that would alert staff to any loss of pressure or potential system concerns. A notice of violation will be included with this month's billing and distributed to the community as required.
- An acceptance letter for Northern Block 6 has been provided to the property owners, and the District is awaiting their response. No comments have been received from the County regarding the

County road letter. There have been informal discussions with a County employee; however, no formal action or feedback has been provided to date.

- The District collected \$262,500 in tap fee revenue during the month of June.
- The Board discussed the SDA Annual Conference scheduled for September 15–17; however, the dates do not align with Board members' schedules, and attendance will not be feasible this year. Additionally, Ann Terry, Chief Executive Officer of the Special District Association of Colorado, is tentatively available to attend a Board meeting to provide focused training specific to District operations. The Board expressed interest in this opportunity and requested that it be scheduled as a special meeting, ideally in October or later this year.

VIII. Adjourn

MOTION by Bellamy and seconded by Smiley to adjourn the meeting at 7:49 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