

**MINUTES OF THE MT. CRESTED BUTTE WATER AND SANITATION DISTRICT
WATER COMMITTEE AND THE MERIDIAN LAKE PARK CORPORATION WATER COMMITTEE
FEBRUARY 2, 2021**

Meeting of the Mt. Crested Butte Water and Sanitation District (MCBWSO) Water Committee & the Meridian Lake Park Corporation (MLPC) Water Committee was held at 2:00 pm on Tuesday, **February 2, 2021**, via Zoom at <https://zoom.us/my/mcbwsdboardmeeting>

Water Committee Members in attendance at the meeting were as follows:

Brian Brown, MCBWSO Chair, MLP resident
Nicholas Kempin, MCBWSO Vice Chair, MCB resident
Mike Fabbre, District Manager, MCB resident
Perry Solheim, Finance/Admin Manager, non-District resident

Robin Smith, MLPC Board Member, MLP resident
Scott Hamilton, MLPC Board Member, MLP resident
Tracy Davenport, Admin Assistant, non-District resident

WATER COMMITTEE MEETING

1. Call to Order

- The meeting was called to order by Brown at 2:10 pm.

2. Approve Prior Meeting Minutes

- Meeting minutes for the last two meetings will be sent out this afternoon for committee review.
- Minutes to be approved via email.

3. Review Draft Water Committee Goals

- Discussion of water committee goals and goal statement.
- Some concerns with goal statement: recommend a financially and operationally sustainable path forward to re-align the relationship between MCBWSO & MLP. MLP & District customers may feel this path is not necessarily fair & equitable. Smith proposed that the outcome of the negotiations should be fair and equitable to all District members. The imbalance discussion deals with the past. The path forward is more about being a single District, not separating finances.
- The Raftelis study shows that it costs more to run MLP than the District on a per capita basis. The study found that all revenues collected from MLP less the expenses to run MLP are not near enough to operate MLP independently. If the entities were to go down the sub-District path, the MLP bills would be significantly higher than they are today.
- Goal statement has been created and can be revised later.

4. Continued Imbalance Discussion

A. Reference: MLPC Imbalance Calculation & Path Forward.xlsx

- Imbalance calculation presented to committee members.

B. Review/Discuss Updated Data

- Revenue collected for MLP is tracked through our accounting system by the customer account number and thus MLP collected revenue data is very reliable.
- Discussion of Pristine Point water distribution system & the MLP Dam repair costs in 2001 and whether this should remain on imbalance calculation. If this is removed, it will also affect the depreciated assets. Smith objected to inclusion of these 2001 charges on the basis that they were more than twenty years old and that nothing in the minutes reflected any MLPC involvement in cost-sharing negotiations. Smith requested that the committee members review the District board meeting minutes from that timeframe so that everyone can be informed for the continued discussion of this topic at the next meeting.
- No sewer capital expenditures are presented on the imbalance calculation beyond the initial investment amount.
- All members agree that we have a pretty accurate summary of expenses and assets which follow the MOA. Smith pointed out that all of the data has all been provided by the District and MLPC has no way to verify expenses and assets.

C. Review/Discuss Depreciated Asset Value Calculation and Other Data with Potential to Reduce Imbalance

- Solheim presented depreciated value of all MLP assets for years 2020, 2030, 2040, and 2051.
- Hamilton suggested we use the depreciated value for 2020 which would reverse the imbalance. Hamilton proposed to negotiate with the District in regards to the 2020 depreciated value so that rather than reversing the imbalance, there simply would be no imbalance.
- Solheim/Brown/Fabbre asserted that assets should be part of imbalance but not at today's value as it is unknown when/if the MLPC system will be connected to Non-MLPC properties.

- Fabbre: with the potential of the Long Lake Project, the District would not connect to the entire water system, just the pumphouse. The MLP plant is not large enough to support much beyond full MLPC build out. Kempkin asserted that a zero imbalance wasn't the right answer.
- Discussion continued regarding the value of owning all MLP assets and which year to select for depreciated value. Smith re-iterated that he was confused by the District's approach using the First Amendment tie-in provision when we were agreeing to abandon the MOA/First Amendment.

5. General Discussion

- August & December MLPC Water Committee meeting minutes have been approved; these are publicly available on the MCBWSD website (mcbwsd.com).
- Last two meeting minutes to be posted on SharePoint and would like edits completed in 24-48 hours.
- Changes made to imbalance calculation will be updated later today.


Next meeting is scheduled for Tuesday, 2/16/21 at 2:00 pm

6. Adjourn

MOTION by Brown to adjourn the meeting at 4:14 pm



Drafted by: Tracy Davenport



Submitted by: Perry Solheim