



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

May 29<sup>th</sup>, 2024

A regular meeting of the Board of Directors of the Crested Butte South Metropolitan District was held Wednesday May 29<sup>th</sup>, 2024 at 6:00 p.m., at the office of the District, 280 Cement Creek Road, Join <https://us02web.zoom.us/j/87615581915?pwd=NlhJenQ0TnRXRUNZYnZEVG9ja0xZZz09> Meeting ID: 876 1558 1915

Board Members in Attendance: Margaret Dethloff - Vice President, Tom Hein - Secretary Treasurer, Kurt Feltus - Director, and Benita Bellamy - Director

Also present Were: Steve Smiley, Kevin Dietz, Kyle Skinner, Ronnie Benson - District Manager and Annie Parr - Recorder & Office/HR Manager

**I. Call to Order**

- The meeting was called to order by Dethloff at 6:08 p.m.

**II. Public Comment Period**

- Kevin Dietz stated the focus of his comments will be on a current set of problems with melt water drainage affecting roadways and the drainage ditches that protect our roads.
- Dietz discussed how we are in the midst of the second year of nearly unmanageable melt drainage and no noticeable permanent improvements to the drainage problem have been made in the past year resulting in continued degrading. Dietz cited the “Wishing Well” at the corner of Cascadilla and Haverly, erosion at the interaction of Teocalli, Floyd, and Goren, and the standing water at the western half of Brackenbury.
- Dietz expressed that the drainage paths have changed since the drainage was designed and water flow is no longer following the two major intermittent stream beds.
- Dietz voiced in addition to roadway damage, we also have crawl space and basement flooding in many of the original homes in lower lying areas that have flooded the past two years and prior to the past two years only experienced occasional and minor crawlspace/ basement flooding.
- Dietz asked to the Board to focus on culvert cleanout and repair of closed/crushed culverts, maintenance of all ditches to protect the integrity of the roadways so that drainage flows down and out and does not pool, return water to the natural water ways and the future of the CB South roadway infrastructure. Dietz proposed pursuing outside help from the CB South POA, Gunnison County and state and federal agencies.
- A map of CB South with drainages from 2011 USGS was presented.

- Kyle Skinner was present to discuss the recent tap fee calculation for 424 Anderson Dr. which he felt was excessive.
- Skinner stated it was a home for two people but was 3 bedroom 2 ½ bathroom home with two offices, a workout and a music room.
- Under the current rules and regulations 424 Anderson would be classified as a 6 bedroom home because the offices and music room were over 70 square feet and had egress windows.
- Skinner brought it to the District attention that the windows in the offices were not egress and Benson would review plans and adjust tap fee calculation accordingly.
- Benson explained the proposed edits to the 2024 rules and regulations would increase room size from 70sqft to 100 square feet which would eliminate rooms on the 424 Anderson Dr tap fee and better represent protentional use on existing infrastructure for future tap fee calculations.
- Benson presented Steve Smiley as a constituent that was interested in possibly serving on the District’s Board. Smiley lived in Colorado Springs for 30 years and bought a home in CB South in 2019. Smiley worked for Verizon in product development for twenty five years, plans to do some consulting this fall, and is looking to stay busy, provide value, and plug into the community.

**III. Approve Meeting Minutes from April 30<sup>th</sup>, 2024**

**MOTION** by Dethloff and seconded by Bellamy to approve the minutes from April 30<sup>th</sup>, 2024 with the grammatical edit discussed. Motion passed unanimously.

**IV. April 2024 Financial Reports and Current Bills**

- April’s major expenses were Colorado Water & Power Development for the 2022 wastewater treatment plant expansion, City of Gunnison for three months of sludge disposal and water/wastewater samples, Water Technology Group for a replacement mixer at the wastewater treatment plant, and Valley Water Compliance for 95 water meter installs form 5/5/24-5/16/24.
- April bills and financials discussed were Good Knight Roofing for skylight repair insurance claim, Valley Water Compliance for water meter installs, test in the Water Fund, snow removal revenue in the Road Fund, water meter program in the Water Capital Fund, revenues and expenses in the Sewer Fund Capital, and revenue and expenses in the General Fund and the General Capital Fund. The Board found all bills and financials discussed to be in order.

**MOTION** by Bellamy and seconded by Hein to approve April’s current bills. Motion passed unanimously.

**V. 2024 Rule and Regulations Proposed Edits**

- Benson presented the edits to the 2024 Rules and Regulations.
- The Board discussed the complication of tap fee calculations and Benson explained it is to be fair and have residents buy into the existing infrastructure and future capital improvements based on their potential use.

- Discussion on how meter billing should account for use and how meter billing revenue goes to the water operating funds and tap fees go to capital funds for buying into existing infrastructure as well as future capital improvements to existing infrastructure.
- Benson stated the section on Annexation would be removed in the 2024 Rules and Regulations and added at a later date under Inclusion.
- Inapplicable Rules and regulations under Water Meters were removed or edited to reflect current District operations.
- The Board requested several verbiage changes to the proposed 2024 Rules and Regulations.

**MOTION** by Feltus and seconded by Hein to approve the 2024 Rules and Regulations proposed edits with the verbiage changes discussed. Motion passed unanimously.

#### **VI. Resolution 24-04 Tax Certification for 2023**

**MOTION** by Feltus and seconded by Dethloff to approve the resolution authorizing the Treasurer of the Board to certify delinquent fees, rates, tolls, penalties, charges, or assessments. Motion passed unanimously.

#### **VII. Crack Seal Equipment**

- The District budgeted \$60,000 to purchase a crack seal machine in 2024. The machine budgeted was the smallest crack seal machine. The District used the county crack seal machine last year, which is the largest crack seal machine, and ran out of material during application.
- Benson proposed purchasing a machine in the middle that was quoted at \$72,000 and \$12,000 over the budgeted amount. The proposed machine would not be able to apply the product used for alligator cracking, but Benson felt crack seal was more important as it is applied annually to pavement to maintain infrastructure while the material for alligator cracking is applied every three to four years.
- The District could expense \$60,000 and finance the additional \$12,000 to be paid off in 2025 with budgeted funds for the purchase of the crack seal equipment or the District budgeted \$14,000 for a dump trailer that would not be expensed in 2024 and could be allocated to the purchase of the crack seal equipment.

**MOTION** by Hein and seconded by Dethloff to approve allocating the dump trail funds to the purchase of the crack seal equipment in 2024. Motion passed unanimously.

#### **II. Provide In-Kind Services with the POA For Parking Construction**

- The POA attended the February 28<sup>th</sup>, 2024 meeting of the Board of Directors to discuss collaborating to establish the road easement in the commercial area that could be used for parking. The Board agreed the first step would be to survey the commercial area to identify exactly where the road easement is, which would be funded by the POA and future collaboration with the District will be discussed after the survey is completed.

- The survey was completed, and Benson attended a site visit with the POA to identify areas that could be addressed this summer by filling in low spots when material is available.
- The in-kind services the District would provide would be heavy equipment operator time and equipment.
- The Board expressed concerns about the amount of material, the time to coordinate dumps and material, the amount of in-kind hours, and historical water issues in commercial area especially in northern block six and if dumping material could reroute water and damage properties.
- Benson would verify the POA would oversee coordinating dumps and materials.
- Benson estimated the in-kind equipment hours would be approximately 10-20 hours.
- Benson confirmed with the POA that the owner of northern block 6 approved work and is aware that the scope of material would encroach on his property and the scope of work would not impact any drainage.

**MOTION** by Bellamy and seconded by Feltus to approve providing in-kind services with the POA establishing the road easement in the commercial area for parking. Motion passed unanimously.

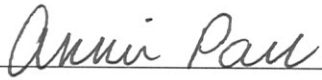
#### **VIII. Manager's Report**

- The District received the records requested and Gunnison County and the county does not fund municipal entities. Therefore, incorporation at the moment is not a viable option because there is not a funding mechanism outside of HUTF money. Benson and District counsel is trying to set a meeting with the Deputy County Attorney, Alex San Filippo-Rosser, who Mathew has delegated this topic to. The goal will be to work on options for everyone and possibly a new IGA.
- The District will apply mag chloride on Friday, June 14<sup>th</sup>. It was brought to Benson attention that Kiewit purchased most of the available road base in Gunnison County to repair CR25. Given the unfortunate news, the District will be purchasing all of the aggregate in advance to guarantee material to be able to maintain the dirt roads.
- The District usually has roads prepped and mag chloride applied by Memorial Day weekend. Unfortunately, the closure of highway 50 had a big impact on this year's schedule.
- The District hired Kena Worobec as the new Road Manager and currently does not have any open positions.
- SDA will be holding their annual board member trainings in June. Unfortunately, the training days offered do not work with the District's current Board member schedules.
- Benson will meet with Ryan Martin regarding the ADU tap fee at 367 Zeligman to go over options and what the District would require to reclassify his property as a single family residence.
- Board member delegations will be moved to the next regular meeting.
- The District will be using budgeted sewer fund reserves to pay for the remaining pay requests for the wastewater treatment plant. The revenue line item will not be used to reflect this revenue as it is not new revenue it is revenue that was earned in prior years. Therefore, the expenses in excess of revenue in the Sewer Fund Capital will reflect the amount budgeted coming from reserves. Parr will provide a supplemental document to the Board accounting for pay requests paid from reserves.

- Road survey questions will be tabled until the next regular meeting of the Board.
- The District is predicting to startup the new wastewater treatment plant prior to the next regular meeting on June 26<sup>th</sup>
- Ground water and drainage has been a prominent topic throughout CB South. Benson confirmed with counsel the District is not a storm district and acting as such without proper authorization would make the District liable for any damage caused by any corrections made. The District may only make corrections to drainage/surface water if it is affecting the roads. The District supports searching for solutions in collaboration with the POA regarding this matter.
- The Board requested more frequent communication to our constituents regarding roads, drainage, ground water, and what projects the District is doing and planning to do.
- The District collected \$61,400 in tap fee revenue in May. The total tap fee revenue for 2024 is 80% of the budgeted amount.
- Benson will have the Wildflower Project and buy-in on the agenda for next month's regular meeting.

**IX. Adjourn**

**MOTION** by Bellamy and seconded by Feltus to adjourn the meeting at 9:09 p.m. Motion passed unanimously.

  
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Drafted/Submitted By: Annie Parr