

Excerpts from 2008 Annual Meeting

Presentation of Water and Fire Suppression Projects

Bill Ronai introduced Rick Ems of the Crested Butte Fire Protection District (“CBFPD”) who was attending the meeting to discuss the fire suppression project. Rick gave a brief history of the CBFPD and explained that insurance companies had a rating method for all areas which took into consideration many different issues such as fire hydrants, distance to the nearest fire station, etc. Rick explained that MLPC was presently rated as a 5 which was in the middle of the range and a level that insurance companies were comfortable with. However, Rick cautioned that when CBFPD last tested three fire hydrants at the top, the middle and the lower areas of the subdivision they discovered that all three hydrants were below the flow rates required to fight a fire in a 3,600 square foot home for 2 hours. Rick said once improvements to the water treatment plant were completed CBFPD would like the opportunity to once again test all of the fire hydrants. He also said some areas of the subdivision had strong water pressure and they were looking at methods to hold back pressure in some locations which would improve the pressure in other locations. Rick said various options were being reviewed but no decisions could be made at the present time. Bill Ronai said a lot of information had been gathered during the past year and he encouraged owners to join the water committee and assist the Board. Bill also said there would be additional meetings in the future to update owners.

MLPC Domestic Water

Bill Ronai said the water treatment plant and the pump station were nearing completion although both projects were over budget and considerably over time. Bill explained the brown water and the watering restrictions were both a result of the incomplete work and would be corrected once the new systems were fully operational. Melanie Rees, owner and also member of Mt. CB Water & Sanitation District confirmed that the work would be completed this summer. Bill said work on the pump station could not start until the water levels of the reservoir dropped. Several people expressed dissatisfaction and frustration with the construction work and service being provided by Mt. CB Water & Sanitation District and their contractors.

Bill Ronai said budgeting, project management and technical capabilities were all areas of concern in relation to the water treatment plant and the pump station. He said a deficit of \$500,000 to \$750,000 was anticipated in 2008 because of the work and at the present time Mt. CB Water & Sanitation District were financing those over runs from surplus funds in the rest of the District. Bill explained that at the present time it was unclear how those over runs would be dealt with in the long term. He said at the present time MLPC was not paying interest on the borrowing from Mt. CB Water & Sanitation District but would have to if it was decided to enter the bond market or finance in some other way.

Melanie Rees explained the original estimate for the pump station had been for \$400,000 and the current cost was in excess of \$900,000. She said time was being spent on finding out what the over runs were and why they happened. Curt Wilker asked if MLPC had any legal recourse against Mt. CB Water & Sanitation District or their contractor for gross negligence.

Gordon Reeves said Chuck McGinnis and Melanie Rees, two local MLPC residents, were on the Mt. CB Water & Sanitation District Board and Bill Ronai encouraged owners to attend the monthly Mt. CB Water & Sanitation District Board meetings. Bill said the board would be discussing how to move forward and that they would consider writing to Mt. CB Water & Sanitation District and asking them to slow the process down for the fire suppression system while the Board and water committee reviewed options. Bill stressed that before moving forward there would be town hall meetings and no decisions would be made until the new water treatment plant was 100% on line and CBFDP could review the pressure in the lines.