

March 31, 2008

Dear Neighbors,

During the past year there has been a lot of discussion about water supply and fire suppression. This is a complex issue, involving several different entities, and it is taking a long time to gather detailed information and formulate options. However, we wanted to give you a brief update and to say that once all the information has been collated there will be a series of Town Hall meetings to present the findings to the membership.

Although the water supply at MLPC has been a stand alone system, funded solely by owners in MLPC, Mt. Crested Butte Water & Sanitation District had not been keeping a separate budget. Several members of the District have spent a considerable amount of time going through the accounts and gathering data from Gunnison County for the past few years and allocating Meridian Lake expenses and revenues to a separate account. This results in a thorough yet still estimated funds flow which for the end of 2006 results in a funds balance of \$1,127,096. As you are all aware, 2007 was a busy time at the reservoir and by the end of 2007 the District had completed work on the Water Treatment Plant and was nearing the end of work on the Pump Station. That work will re-commence as soon as the weather allows. The work has taken considerably longer than the District expected and been considerably more expensive as once the work started various issues were discovered below the water level and the State of Colorado imposed additional requests which added to the expense. By the end of 2008 the two projects will be completely finished and it is anticipated that the balance in the MLPC account will be a negative \$527,478. The District is still reviewing various options to deal with that deficit. They might make an internal loan to the MLPC account or they could do a bond as they did in the past for infrastructure improvements.

The fire suppression system is still being reviewed by the Water District, the Fire District and the MLPC Board. At this point information is being gathered and there are no timeframes for the work, estimates of price or decisions on how to fund a potential project.

Election day at the Mt. Crested Butte Water & San District is May 6, 2008. Two MLPC owners have put their names forward for election. It would be great to have two representatives on the Board from MLPC and we encourage every owner who has a residence here and is eligible to vote within Colorado, to place their votes on May 6. If you will not be in town on that day we have attached a request for an absentee ballot form so that you may assist our members to gain a position on the Water District Board.

If you have any questions about any of the above mentioned water issues, please contact Bill Ronai at (970) 349-2183 or by email: wronai@qwest.net.

Best regards,

Scott Desmarais