

# MERIDIAN LAKE PARK CORPORATION

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P. O. BOX 504 - (970) 349-2002 - CRESTED BUTTE, COLORADO 81224

September 24, 2008

Bill Racek  
Chairman  
Mt. Crested Butte Water & Sanitation District  
P.O. Box 5740  
Mt. Crested Butte, CO 81225-5740

Dear Bill,

I am writing in regard to the upcoming meeting of the Mt. Crested Butte Water and Sanitation (“MCBW&S”) board meeting on October 14, 2008, at which meeting I understand discussions will commence concerning the “deficit” of Meridian Lake Park Corporation (“MLPC”) with MCBW&S and how to finance it.

It has come to our attention that in the process of constructing the Raw Water Pump Station (“pump station”) certain subsurface, geotechnical work was required by the Colorado dam safety engineer to correct defective work undertaken when the dam was initially constructed. While this corrective work was necessary to ensure a stable base for the pump station, we also understand that if this work had not been undertaken now damage to the dam and the pump station could very well have occurred in the future from, among other things, the “loose boulders.” Such damage would affect not only MLPC via the pump station becoming inoperable, but also the integrity of the dam and thus all who benefit from its water. Also, the potential downstream hazards to homes and people in the case of a catastrophic dam failure must be considered. This information was brought to our attention by Greg Woodward of Stantec at a meeting with members of MLPC’s Water Committee on September 9, 2008, which you also attended. At that meeting, Greg estimated that the cost of these “unforeseen conditions” was approximately \$150,000.

The Board of MLPC requests that a more thorough review of the cost components of the pump station be undertaken prior to any further deliberations regarding the “deficit.” We also believe that the total revised cost of the pump station (currently estimated to be \$904,697.50) should not be wholly attributable to MLPC owners, in part because paragraph 9.2 of the 1995 Memorandum of Agreement between MLPC and the District requires a fair and equitable cost allocation between Meridian Lake Park and other areas served by the District.

HOMEOWNER’S ASSOCIATION

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[www.MERIDIANLAKE.com](http://www.MERIDIANLAKE.com)

I will not be able personally to attend your October 14 public, board meeting. In my absence, representatives of the MLPC Board and Water Committee will be there. However, should you wish to discuss this matter in advance with me, please call me on 970 596-6710.

Sincerely,

Bill Ronai  
President  
Board of Meridian Lake Park Corporation