

Record of Proceedings: January 8, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members Lisa Myers, Sean Larmore, Pete Merkel. District Manager, Janet Anderson, was also present.

Visitors: No visitors were present.

Quorum: The meeting was called to order at 6:00 pm. This meeting continues unfinished business not carried from the December 13, 2017, meeting.

Past Board Minutes: The group made a commitment to work more diligently to have previous board meeting minutes reviewed at the beginning of each meeting in order to help us with continuity and our goals to increase our efficiency during board meetings.

Personnel Issues: The Board and Janet Anderson briefly discussed a few items Hugo Silva raised about his employment with the District. When asked what he liked and disliked about the position, one of the items was that Hugo feels he would like to have some regularly scheduled time when he is not on-call for emergencies. Since he became a resident nearly two years ago he has felt more tied to the District and feels less like he has “gone home” since residing here. Janet echoed she lived in the District for nearly 10 years and it was a common occurrence to be stopped while walking the dog, getting mail, and residents who would stop by her home to pay a metro bill or ask a question. Kathy experiences some of this as well. Although nearly all the residents are very polite and friendly Janet and the board agreed that it would be nice to have regular back up personnel rather than just emergency call out options. There are several contractors who would respond based on long term relationships; however, they don’t live in close proximity and they are never contacted unless we are desperate. Most repair jobs whether during or outside business hours are handled in-house since the District has regularly invested in equipment and better tools over the years due to large savings over outside contracting companies. Hugo has also become more experienced and able to perform more repairs and temporary band aids, resulting in few actual emergency situations. While the current staffing structure is financially beneficial to the residents, the maintenance position is particularly critical to keeping services online because staff is not available or qualified to serve as backup. The District employs a contracted operator, 1 maintenance position and 1 ½ office/administration positions. Budgetary constraints are a concern and there are many times when enough work is not available to keep another regular maintenance person, even part time. It was agreed to discuss at a later meeting and spend some time to think about various options.

There was some confusion in December because of the timing of Hugo’s review and discussions with the board. Janet explained Brian Davies stopped by because she had anticipated he would meet the board in November, and the District has always needed to secure snow removal backup services. Brian was not in town during the November meeting. Janet’s been worried about losing Greg Simpson because he has provided crunch services and many types of back up work that are critically essential for the District when it comes to snow removal and certain excavation projects, construction, mechanical repairs and he is competent in helping with certain administrative/office work. Since Greg’s role is largely behind the scenes the board and residents and even Kathy & Janet are not fully aware of the variety of his

involvement and Hugo's reliance on his input. Greg has worked less and less over the years, but has made himself available when requested and many times helps Hugo out without sending a bill, meaning Janet is not always aware of the extent of the reliance until a future date. Greg has held various maintenance roles and levels of responsibility and several different roles with the District since 1993, therefore his retirement could leave a large void, dependent on Hugo's growth towards independence. Janet started in 1991 and realized how long Greg had been a part of the past when his retirement became inevitable. Janet had concerns that although Hugo has grown highly skilled with many duties the variety Greg's jack of all trades has been complimented with Hugo's landscaping and singular task strengths. Replacing Greg in some sort of fashion is necessary but not something that needs to be worked out immediately. Lisa suggested we discuss in February or in a work session, mutually agreed by all.

Insurance: Janet discussed new insurance recommendations and the crossover of several Districts in Colorado who are performing Property Owners Association duties or enforcement. DW1 has been careful not to combine the two entities and has not intended to perform POA duties. Numerous legal consultations have taken place to ensure the metro district is not dealing with covenants, while still working through adoption of certain policies that are necessary to protect the District's infrastructure, safety, and financial future. We discussed not adding coverage so that it would not be viewed at a later date as an admission to enforcing covenants. On the other hand, it would be irresponsible not to add coverage for potential risks, and this claim would coincide with a potential risk even the District's legal advice is that our Service Plan does allow adoption of our recent policies, and that these policies are consistent with the Service Plan's original intent for the Metro District powers.

Ultimately Janet felt strongly that the District is responsible for providing coverage for elected officials, and our board members are operating in good faith. If coverage is not purchased it is not worth the risk of exposing anyone unintentionally, even if the risk is very low. Insurance is purchased for higher and lower risks; premiums reflect it is considered a low risk exposure with the Special District's Pool. After some pondering there was consensus Janet should fill out appropriate paperwork, should submit the application for additional coverage with a statement on what the District is doing and why the policies were adopted. The statement may not make a lot of difference in the legal coverage arena of insurance but it is a good faith attempt to clarify and explain the policies were undertaken with numerous hours and years of consideration and thought, and always with extensive legal advice. Janet will pay the additional premium as billed, estimated to be approximately \$600 per year.

Audit Presentation: Janet presented drafts of the final audit for 2015, and the management letters and letters to the board for review. Discussions took place on timing of the audit, and the subject of disclosures and fraud questionnaires was briefly discussed. There are concerns shared by everyone regarding the wastewater plant but our hope is to cooperatively move forward with appropriate changes in unison with DW2. It is not known if this is possible as there has been considerable resistance involving DW1 to date but there are signs of progress by the hiring of a new head wastewater operator. DW1 knows financially the best decision for both Districts in the wastewater fund is to utilize Chris Kramer's background and his location to the wastewater plant site. It is not easy to obtain the convenience, history of his rates, and level of experience and reputation with the state. DW1 cannot logically understand the efforts made to keep Chris away from plant operations and will continue to work on this.

Audit improvement recommendations included timely minutes adoptions, stricter tracking of credit card receipts, and continued efforts in separation of duties to the best of our abilities given the small staff size.

Pete Merkel needed to leave the meeting due to prior obligations at approximately 8:00pm. Lisa, Sean, and Janet visited informally and afterwards Janet reported she felt things were clarified to a large extent. Janet was thankful for the time spent and reported she would be working a lot focusing on cleaning up 2017 books to continue the progress that has been made towards getting the accounting back on track. Janet has the 2016 books ready and 2017 is approximately 4-5 weeks from being ready for audit. Perhaps a two-year audit at once would resolve the continued cycle of being one year behind due to the timing of tax season and audit due dates. Janet will look into this further, make some calls, and we will come up with a plan hopefully by February. The District is on the edge of qualifying for audit exemptions and could consider annual compilations instead, but the housing project will likely put us over the income limits in the general fund to qualify. Janet said she is not qualified to make this determination due Tabor, revenue limit rules, and what ramifications it may have if development was shifted to enterprise activity.

Adjournment: The meeting was adjourned by motion from Lisa Myers and seconded by Sean Larmore at approximately 8:15pm.

A handwritten signature in black ink, appearing to read "P Merkel". The signature is written in a cursive, slightly slanted style.

Record of Proceedings: January 17, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members: Lisa Myers, Sean Larmore, Pete Merkel. Staff: Janet Anderson, Kathy Phelps.

Visitors: Melissa Schneider, owner of 41 Hidden Lane; and Bruce Longwell, owner of 61 Forest Ridge Drive.

Board Member Vacancies: The District has posted several notices of board vacancies. Melissa and Bruce expressed some interest and were invited to please attend. The District's policy to fill vacancies by appointment requires a short application and attendance at 3 meetings prior to consideration. The process is designed to gain some familiarity of duties, responsibilities, and time commitment. It is also helpful to clarify and differentiate between serving on the property owners association board (POA) and the metro district (DW1) board. Although a few metro district policies can overlap with some portions of covenants, the District is primarily responsible for water, sewer, and roads infrastructure, and financial oversight versus covenants. The District's POA has not been formally active, but it could be reactivated by DW1 owners at any time. Because metro district functions are not as visible on a day to day basis, it is common for homeowners to voice interest in covenant related items. The distinction becomes important to metro district representatives when addressing resident questions and in meaningful discussions.

Quorum: Lisa Myers established a quorum and called the meeting to order at 6:03 pm.

Review of Past Minutes: Minutes from September, October, November, December, 2017, and January 8, 2018 were formally reviewed again in the process of closing out records for 2017. Janet had questions regarding summaries of the longer discussions over the past few months, and asked for clarification on a couple of executive session items, specifically noting summaries of a few discussions may be too detailed or wordy. The board decided it was appropriate to retain the current minutes as drafted Lisa requested a motion. Pete motioned to adopt the minutes from October, November, and December 2017 meetings, Sean seconded, approved unanimously.

130 Forest Ridge: Janet reported she had been in close contact with the prospective buyer over several items since the end of December and brought the board up to date with recent verbal discussions. The contract details and dates were reviewed and clarified. In mid-March the Buyer's due diligence period expires. This means the District will either receive a termination notice from the Buyer or the sale will proceed to the closing date. The closing date is extended due to a job transfer from out of the area. Janet explained that since the contract was much longer than the typical 45-60 days from beginning to closing, she wanted to tie up earnest funds by mid-March in order to compensate for missing early spring sales season. The prospective Buyer is fine with this and Janet reported at this point everything appears to be proceeding smoothly. Janet discussed we had not included specific radon testing but that it was typically required by many mortgage companies these days. Janet spoke with Andrew Stratton and he was in agreement it would not be acceptable not to mitigate radon if needed. The board was in agreement that

between Andrew's company and the District we should plan to cover mitigation expenses if the tests exceed EPA levels. Janet had not discussed specifics but felt probably if the District covered materials Andrew would cover labor and we would cost share potential expenses if necessary. If not, the Board did agree the District would take care of radon mitigation if Stratton Building is not willing to do so. So far radon levels have not tested as a problem in the past few homes, but it is always difficult to know and the soils in La Plata County are exceptionally high in radon levels. Paperwork of a Resolution Authorizing the District Manager to process closing documents and Amendments to the contract specific to 130 Forest Ridge was presented. Janet said the title company needed to have this document as part of the contract. Janet will keep the Board informed of negotiations prior to making any financial commitments and will use best judgment in the rare case if something comes up that is critically time sensitive. The board unanimously approved and adopted the Resolution titled "Resolution Authorizing District Manager to Sign Contract and Closing Documents for Sale of Real Estate" by motion from Sean, seconded by Pete.

Development Projects for 2018: The District has a bank line of credit not to exceed \$150,000.00, and the line expires per the bank in periods just under one year to maintain it as a short term debt. The Board agreed that the line should be renewed, especially until the Forest houses closes since cash is tied up in that home currently. The rates are currently lower, and we do not anticipate large interest rate jumps this year, but the line authorizes the rate shall not to exceed 6.5% due to unknown market conditions between now and the end of the year. Motion was made by Lisa to renew and sign a line of credit authorization, seconded by Pete, unanimously approved.

Janet mentioned she like to research prices on home building to see what the market looks like. The District will be building on 229 Woodcrest and some discussions took place about what investment could be made into building while maintaining a saleable home. The street is in need of serious improvements as it currently has a strong presence of older single wide mobiles, with most needing replacement. Janet discussed some of the lot sizes and some ideas that she has been pondering for the past few years on how to improve the street along with Hidden. The District needs to balance building lower cost attainable homes with long term mortgageable and desirable properties. The best scenario would be to have other owners participate with either upgrading or selling as some of the units do not appear very habitable.

Budget:

Wastewater Fund: DW2 has not provided the Amended Budget for the Wastewater Fund as of this date. DW1 will need to amend the 2017 and 2018 budget for the wastewater fund. Line items were discussed for 2018 planning. The house on Canyon was budgeted to sell in 2016 but sold in 2017, and the house on Forest was budgeted to sell in late 2017 so it will be amended to sell in 2018.

Road Repairs: Janet reported roads were the largest need for this year and that numerous potholes have developed. The biggest concern is lower Forest Ridge is showing signs of larger failure. Depending on moisture and weather the District will likely be able to put plowing funds into the roads this year. The next item of importance is fire mitigation. It appears it could be a very risky year due to lack of moisture and in light of a very scary grass fire that was extremely close to DW1 homes. Many people will be extra worried and it was agreed that more funds will be needed to deal with fire mitigation. This will be placed on the agenda for the February meeting.

Equipment/Heavy Truck or Small Short Body Dump Truck: Janet reported another larger line item is investment into equipment. It is important to secure a backup to the black F550 in 2018. The District needs one more reliable truck that is easier to drive for snow plowing to adequately cover the drivers that may be needed. A heavy truck is also critical to fire mitigation hauling and equipment hauling for fire mitigation work. Lisa and Janet have previously discussed having Brian Davies work on shopping for a truck since he has many years experienced as a dealer and is licensed to attend auctions and access the full wholesale market.

Miscellaneous/Potpourri: Kathy and Lisa discussed fall clean-up flyers from last year and will jointly work on updating them for this year's cleanup. There will likely be discussions about adding an organic clean-up day or renting a burning unit or chipper in light of the fire danger concerns already present due to the exceptionally dry winter.

Vacant Positions/May 2018 Election: The Board thanked Melissa and Bruce for being willing to consider working with the District and Janet mentioned it was an election year. We anticipate Melissa and Bruce will return for the next meeting and everyone agreed it was nice to have interested residents sitting at the table this month. Janet will prepare application/nomination forms and review the election calendar dates with board members at the February meeting.

Wastewater Treatment Plant & Water Operator: Janet reported Chris Kramer had a very unfortunate accident at Purgatory while working on a water system due to the light snow conditions and icy areas that were not snow covered. Unfortunately, Chris was taken in an ambulance for emergency surgery and will be in recovery for a full 6-8 weeks without the ability to bear any weight. Janet said she would offer Hugo's help for driving and anticipated Chris would not be in very good shape to deal with wastewater meetings until the end of February/early March. Janet will try to schedule Chris for a phone conference attendance at the next meeting. DW1 continues to have concerns over the wastewater plant and will be reviewing some of the detailed expenditures over the past few years to gain a better understanding of the plant costs. Janet was asked to request further detailed ledgers from August 2017 forward to current. The Board would also like to see the new operator's billings to current. Janet mentioned if the ledgers were provided in excel, which is an easy export in QuickBooks, it would help tremendously. She will ask Fred Owen to begin providing numbers in excel exports. It is not necessary for Fred to format or clean up the data prior to sending the excel files so it should not take extra time to provide general ledger detail data to DW1.

Next Meetings: The next meetings were tentatively scheduled for February 21, and March 21, 6:00pm. Sean may have a conflict in February but will look at his commitments and let Janet know later.

Adjournment: Pete motioned to adjourn the meeting at approximately 8:30pm, seconded by Sean, unanimously approved.

Approved:



Record of Proceedings: February 28, 2018
Durango West Metropolitan District No. 1 Board of Directors

Rescheduling Note: This meeting was rescheduled from February 21 to February 28 at Board request due to lack of quorum on 2/21.

Present: Board Members: Lisa Myers, Sean Larmore, Pete Merkel. Staff: Janet Anderson, Kathy Phelps.

Quorum: Lisa called the meeting to order at 6:09pm.

Visitors: Lisa asked for introductions and welcomed everyone to the meeting. Visitors present: Melissa Schneider, owner of 41 Hidden Lane; Bruce Longwell, owner of 61 Forest Ridge Drive; Tyler Campana, owner of 33 Canyon Creek; Ricky King, owner of 164 Canyon Creek, Keith and Kathleen Smith, owners of 31 Hawthorne, Stephanie Fox, owner of 41 Trailwood.

Minutes Approval: Minutes from January 17, 2018, were unanimously approved by motion from Pete, seconded by Sean.

Visitor Business: Lisa opened the meeting for public comments/questions, offered food and beverages, and welcomed everyone to stay for the duration of the meeting. A special thanks to Kathy Phelps for preparing food; it is most appreciated.

Keith & Cathy Smith, 31 Hawthorne, described outside projects including replacement of an older shed and installing new drainage lines and/or ditches to guide water away from his foundation. He also said he was planning to pave his driveway. He asked if the District had requirements for this type of work. Janet provided information for an approval request and stated this project should begin with an ILC (Improvement Location Certificate) as the first step. This will allow a clean map to be submitted with the shed shown and drainage ditches, and also protects the owners at time of resale. Keith said the requirements were not a problem, and also confirmed the set-back requirement of 5 feet for outbuildings. Janet mentioned setbacks should consider roof overhangs to avoid neighbor property or fencing.

Pavement notations: The District has spoken with Keith a few times about the lack of a paved driveway. The Smiths have been cooperative and they understand ultimately it is their responsibility to pave. It was an oversight of the District and building department per original plans the driveway was required to be paved. Subsequent to learning 31 Hawthorne was the only property in Westridge without a paved driveway the District implemented policies of inspections and providing written disclosures to realtors and title companies when properties are not in compliance.

Keith then brought up a continued problem with dog barking he has not been successful in resolving with La Plata County. Lisa said she had read the new barking regulation adopted by the county was reported to be much less of a burden than originally thought, and therefore she was surprised with the lack of response. Keith said he had made numerous contacts and it was driving him crazy, understandably. Everyone agreed it is extremely irritating to live near constantly barking dogs. Lisa offered to speak with Keith further and to provide support with the county and with the neighbors. Janet asked for the exact address and Keith said he would get that to the District. He would continue make repeated contact with the county and Lisa again said she would help with the county and the residents.

Tyler Campana, 33 Canyon, lives in a newly constructed home the District built in 2016. He enjoys his home. He said he has enjoyed his new home, but the only real negative he has experienced having kids cause a few problems with their dog. They have been climbing onto the old split rail fence and throwing candy into the yard. It is making the dog sick that could become very serious and is very stressful for the dog. Kathy mentioned removing the old fence was supposed to happen when building the home, Janet agreed the District would get Hugo to remove it as soon as possible. Tyler asked if it would be permissible to extend the top of their fence to exceed the standard 6' to extend up to 8'. He would use materials that would match the rest of the fencing style. It was agreed if the fence removal was not as effective or if Tyler wished for more privacy the board would not object to granting permission for a variance up to 8' on fencing adjacent to the playground. Plans need to be submitted prior to work.

Ricky King, 164 Canyon, asked about budgeted funds from an extremely light snow removal year and wanted to know if the savings on snow would be available for alternative expenses. He also asked about the tennis courts and if the courts could be made smaller and repaired to usable conditions this year. The board said they would look very carefully at the courts. Janet said the snow removal money will be put towards road repairs as she is concerned at least two roads are showing signs of failure in the near future. Some of the funds earmarked for road repairs originally had been reallocated by the board to be used for the tennis courts and other projects over the past 3 years. Ricky agreed he would like unused snow removal funds put towards roads and would really like to see the courts addressed this year. He thanked the board for looking seriously at the recreational area to at least remove the failed portions and keep what is possible usable. A portion of the tennis courts have fallen down a huge ravine where the soils cracked open very wide and very deep. Without extra insurance riders listing flood and soils failure that is specific to the asset there is no coverage for these types of situations, as concrete pads such as driveways and courts carry very short warranties in the construction industry. The District is not happy with Russell Engineering's design and response to the damages reported.

Stephanie Fox, 41 Trailwood, said she had visited with Janet a couple of times over the past few weeks, and also met with Janet and Lisa last week during the previously scheduled meeting. She expressed a lot of interest in learning about the rules and regulations of the neighborhood and has also expressed a high interest in re-activating the Property Owners Association (POA, also frequently referred to as HOA in many neighborhoods). Stephanie has recently purchased 41 Trailwood. She is a second-time homeowner who came back after living outside DW1 for a few years. She's noticed very positive neighborhood improvements and would very much like to see these improvements continue. Much of the meeting was spent discussing the housing market of the District, the financial future of the District, and the legal

structures of the two organizations who govern the rules and restrictions. The District shared the experiences of changes in this neighborhood since the mortgage crisis of 2007-2010. More conservative lending still has a strong effect on the recovering market nationwide. The Metro District has passed several Resolutions to address some of the problems that can negatively affect roads, infrastructure repairs, safety, access, and can be large detriments to the financial health of property values. All of these items are critically important to maintaining the District's services.

Lengthy discussions took place on the most important needs of DW1 and how an active POA could fill in the gap between covenants drafted in 1977 and what residents want now in 2018. A legal and formal understanding between the District and the POA could be developed to fill the holes and to address what rules and overall changes the majority of residents would like to adopt. Ricky and Tyler said they are very interested in the same types of issues dealing with quality of life, neighborhood pride, property values, and how to get fewer rentals and more homeowners. There are concerns regarding unkempt properties, a few which are owner occupied, and more that are rental properties. Lack of mortgage financing for manufactured homes causes financial harm to the District's values. It is always normal to have a variety of home values in most neighborhoods but the discrepancies have become too far apart since the depreciation of manufactured homes has reached end of useful life. Many Dept of Housing Urban Development (HUD) homes were not built to adequate standards for the harsh winters at the District's elevation. Wear and tear have taken a toll unless the homes have been continually updated and strictly maintained from day one. Some homes have reached levels beyond rehabilitation. Owners want changes that will allow DW1 to continue filling niche in the areas largely unaffordable housing market.

The board was very pleased to see enthusiasm towards simplifying and modernizing the covenants. It would be very good to replace the existing covenants with fewer but more concise rules that could help DW1 owners feel they are involved and want to support a reasonable set of CCRs. As mentioned, the current documents are extremely cumbersome to read with numerous amendments and filings between 1977 and 1991 when the last amendments were adopted. Janet recalled when she first began working for DW1 in late 1991 there were still quite a few young families and professionals, but there were many more active retirees and transitional retirees who purchased in DW1 to have a more affordable place to ski and hike, basically to enjoy the beauty and recreational activities SW Colorado offers. The new manufactured homes at the time were used by some as seasonal cabin type properties and vacations. There are investors who abuse the rental market and do not maintain adequate standards. Today DW1 is a very different neighborhood and it should reflect what the majority of residents want to make of it.

Conversations will continue next meeting. The board said they would be very supportive of a POA group and look forward to moving forward with some clear goals and resident participation.

2018 Board Elections: Janet provided all the visitors with Self Nomination forms and explained the basic logistics and process of holding an election. Bruce Longwell and Melissa Schneider both decided to run for the board and filled out nominations, witnessed by Kathy. There are a few days left before self-nomination registrations are due and the group of visitors decided they'd like to start getting serious on reactivating the POA and planning their first meeting. Everyone said they would think things over as there was a huge amount of information passed around. Melissa Schneider said she would very much like

to work with both organizations and Stephanie Fox echoed. Janet discussed term limits and how appointments at this time would not affect eligibility to serve full future terms. Currently Colorado law for Special District seats is two four-year terms. If Stephanie, Ricky, Tyler, and others want to run we would have the first contested board election in many years. It was great to see people showing interest as we've been trying to fill these spots for quite some time.

Stephanie asked if the POA would need to have elections to assign positions and get started. Janet explained that yes, but the process is done through advertised public meetings and a show of hands. Copies of the current covenants were offered along with some District Resolutions to study. advised the board they could appoint Bruce and Melissa if they chose to prior to the election and it would not affect their abilities to serve for two full terms beginning in May.

Sean Larmore stated he was coming into a very busy time of the year and he was concerned about his abilities to remain on the board. Janet said unfortunately there are usually opportunities to serve and that we've had a short board on and off many times and elections are held every two years. If this group is serious about reactivating the POA and replacing the covenants it would initially be a very big job to take on and a substantial work load. Lisa said the board definitely prefers to focus on water, sewer, and road services because when visitors present POA items the meetings end up being very long and other important business is either rushed through or deferred. The Metro District board is willing to set up an agreement with the POA that lays out some specific starting goals and a priorities list. The most difficult challenge will be to get 67% participation. In order to be successful, the POA leaders should fully understand the current CCRs, solicit resident input to see what items are brought up the most, and to begin prioritizing. Anything that would change, modify, or replace the CCRs must have a 67% majority vote of all property owners. POA decisions and various policies can be made at regular meetings with a show of hands. The new CCRs should spell out what types of decisions the participating members at a POA meeting can make or cannot make. Given voter participation rates in general, 67% will be difficult but can be done. Janet said there is a file that has been kept somewhere safe with all the documents of the process and ballots from the 1991 Amended CCRs. The 1991 Amendments are a big improvement over the 1977 and 1980s versions.

Property Marketing: Janet mentioned she's noticed a significant change in how DW1 is being marketed by realtors and this is a big step and a welcomed change. The new homes are noted, comments such as "If you haven't seen DW1 in a few years, you'll really like what you see now! Don't miss out!"

130 Forest Update: Janet reported the visit with the Buyer went very well and the inspections did not reveal anything notable that was not earlier discussed. The two main items are completing the roof gutters and heat tape in the valleys of the garage and keeping an eye on the radon levels. The signs are positive radon should dissipate since the home has been closed up for nearly six months. However, Janet said the District will anticipate and budget accordingly for mitigation. The home is in very good condition and Stratton did a very nice job with building to higher standards with roofing, insulation, water mitigation in the crawl space, etc. The Buyer has a strong professional background in engineering and consulting jobs, like a fixit guru, and he was impressed with Andy's attention to details and trim. The

Buyer was also able to meet with the title company and with Frank Anesi. Janet, Frank, Andy, and the Buyer will be tying up items and details over the next month.

Firewise: Janet reported the February meeting was very informative and she was very glad she was in attendance. While they emphasized mitigation matters, the primary theme of this year is Ready, Set, Go. The public education campaign will be focused on short term packing lists, longer term packing lists, how to respond and what to do if little notice is given, if you cannot get home from work before evacuation, and those types of things will be a main topic. Keep safe and get out or stay out.

Pete discussed mitigation ideas and thought the District could spend about \$10,000 or less and get quite a bit of work done. Pete is of the opinion that the perimeter of the subdivision to the south and east is the most critical, then work west if we have any money or steam left. Sean said he'd like to help with fire mitigation work as he enjoys it and believes mitigation is very important. The board discussed mountain pine beetles and another breed that has been growing. Pete and Lisa have identified an infested tree, Janet will get some quotes on getting it gone in the next month or two. It would be nice to have the ground a little bit dryer. Pete will send some info for us to learn more information on beetles. Janet asked Pete if we could make a schedule when it gets a little warmer & dryer to begin surveying the forest to identify beetles. Sean volunteered to participate in this process with Pete and whoever the District hires for help.

Office Leveling The next portion of the repair job for the office is windows & map room floor and Janet's office floor. These are all scheduled while Janet's gone to limit chaos trying to work in the midst of it. Andy will work on Forest April 2 then spend the remainder of the week at the DW1 office. The extra beefy gutters with heat tape have been working to keep moisture away from the siding much better. Putting on gutters was part of the water problems and getting the water away from the crawlspace.

Next Meetings: The next meetings were tentatively scheduled for March 21, and April 18. Janet and Kathy informed the board of travel dates when they will be out of the office in April.

Adjournment: Sean motioned to adjourn the meeting at approximately 8:05 pm, seconded by Pete, unanimously approved.

Approved:



Record of Proceedings: March 21, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members: Lisa Myers, Sean Larmore, Pete Merkel. Staff: Incoming member Bruce Longwell was also present. Staff: Janet Anderson.

Quorum: Lisa called the meeting to order at 6:10pm.

Visitors: Tyler Campana, 33 Canyon, and Keith and Cathy Smith, 31 Hawthorne were present. Stephanie Fox, 41 Trailwood joined the meeting later.

Minutes: Minutes from February 28, 2018, were reviewed and unanimously approved by motion from Lisa, seconded by Sean.

POA Activation / Minutes: Residents present at the February 28 meeting decided to officially reactivate the Property Owners Association as discussed. This is great news. The District will begin including POA notices and meeting dates in our distributions to help residents become involved and stay informed. Cathy Smith passed out courtesy copies of minutes from the first start up meeting held March 8, 2018. The initial meeting established officer positions and some short-term goals. They plan to meet monthly on the first Wednesday, and the group will meet at the District Office.

An active POA structure allows the majority of owners to decide what they want. The District feels very encouraged to have a group of homeowners willing to work towards simplifying the organizational structures of DW1. The District has nearly doubled in size since the last amendment of the Covenants, Conditions, and Rules (CCRs) was adopted in 1991. As it's been close to 30 years, clearly it is time for a thorough review with updates to reflect changes in population and to eliminate outdated policies.

The District board is very pleased to welcome the POA and looks forward to working together. This should be a very positive step in helping residents with communication, education, and participation in neighborhood events and happenings.

Other Visitor Business: Keith reported he was still having dog barking issues and had visited with the county. He said he was going to continue to talk with the county and keep in regular contact until he can get them to respond. Janet said the District is willing to write a letter to the county asking for more response and support with the noise ordinance. Lisa will make contact with the County and the District will also make contact with the homeowner.

Fencing 33 Canyon: Janet reported the playground fence was removed and asked if any improvement was noticed with kids climbing on it to harass the Campana's dog. It was originally doubled up with new fencing when 33 Canyon was built. Tyler said the kids had not been out playing a lot due to light snow

and cold temperatures but he would know shortly as spring kicks in. Janet asked that the Campana's please request approval if they did choose to increase the fence height in order to receive a variance in writing for the record. The standard rule on fences is 6' tall so Janet said an exception should be noted in the records should they decide to modify the fencing height. Tyler said they hoped it would not be necessary but would also want to have the variance noted. He agreed to request approval if they decide to modify the fence. The board does not object given the location of the property adjacent to the playground.

31 Hawthorne: Cathy Smith reported her billings were not consistent with other residents' charges. Janet said she would review her records carefully and if the District had made any mistakes they would be corrected. Janet explained all charges should be exactly the same for each resident. Monthly bills only vary with water used, but all rates are the same for every property owner. Kathy Phelps handles billing duties and was not present, but Janet promised to look at it and get back with Cathy.

Management Items/Decisions Needed:

Fire Mitigation: Janet reported she had visited with Pete briefly a few days prior and they had agreed focusing on the perimeter of the subdivision was the most critical place for fire mitigation this season. There is great concern due to low snow and the fire department has been reporting very dry conditions. Pete has a strong background in forest management and we are lucky to have his guidance. Pete recommended concentrating south and east, starting south of Woodcrest Drive from the fire station and working east to west behind the District's southern border. Pete knows several brush/tree clearing contacts and will see what we can accommodate with the budget and their schedules. Janet will look up the property owner information and will contact for permission once we know more details of how much work will be done. Janet said she would not expect any objections. Bob Wolff owns the undeveloped portions of Westridge that also poses fire threats due to the condensed vegetation & trees. The last time the District tried to obtain financial help from Mr. Wolff for fire mitigation he responded with an emphatic "no, forget about it." The owner of the commercial land, lot 16, in the front across from the mailboxes, John Wessman, was cooperative in removing dead trees in the past.

The board previously allocated approximately \$10,000 towards mitigation. Janet will speak with FireWise group to see about costs for renting or borrowing a chipper since fuel removal is the most expensive part of fire mitigation. The board decided early May was the best day to hold an organic debris day. Janet will try to set up equipment rental and allow residents to bring piles to the Lazy Pine clean up location the first week of May with a cut off of probably May 7, so that chipping and removal can be completed the week of May 7 and be done prior to hotter weather and further drying out.

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residents to survey their own property and easement close to their yards. It can include check boxes for reporting various signs of beetles and can offer further assessment if they agree to grant access. Janet estimates about 25% of residents may respond quickly, and then we will need to continue with follow up. Once we hit over 50% the District should be able to gain a reasonably clear picture of how large the problem is. We assume residents will be interested in participating given the huge devastation almost every Colorado resident has witnessed in areas such as Wolf Creek pass and Dove Creek/Lizard Head pass areas. If we are not receiving positive infestation responses it will be helpful to gage percentages and how diligently to pursue inspections. If the District receives positive responses we will need to act very quickly and diligently with a bigger door to door campaign to survey everyone's yards. If we are able to catch trees before the hatch and spread season there is a decent chance of minimizing damages. The biggest issue will be funding due to the fact that the trees need to be removed completely rather than just cut down. At this point we don't know the extent so we will hope for the best. The board liked the idea of a return response brochure and agreed to go this route. Janet will work on it and get the survey ready for distribution by the end of March to discuss responses at the April 18 meeting.

Sean again said he would be happy to help Pete with surveying areas for beetle signs and also with fire mitigation. We will need to have Hugo work with the brush blazer quite a bit this season as well.

32 Hidden Lane: The District signed an agreement with Dennis Lucero in October, 2017. The agreement basically provided a six-month period of time to completely clean up his property. The District was willing to allow Dennis to remove the trailer at 229 Woodcrest since the District needs to dispose of it. The plan is to begin building on 229 Woodcrest after 130 Forest Ridge sale closes on April 16. Unfortunately, Dennis has done absolutely nothing to clean up and his deadline is April 15. Janet is very concerned we will not get tow companies and sheriff support solely based on our agreement. Although the agreement is solid and legal, it is not reduced to court order or judgment. Even if it were a judge order, it is difficult to find private companies willing to subject themselves to angry homeowners during physical removal of personal property. The agreement was very specific that the District would not need to pursue judgment in order to have legal rights to enter the property and remove all items. There would need to be court orders later prior to sending vehicles to recycle crushing. There is a \$20,000 performance bond and a deed restriction on 32 Hidden, recorded with the county. The amount is a penalty fee in part to cover expenses but also is a punitive amount to ensure compliance, which Janet is becoming concerned about. She has visited with Dennis a few times to remind him of the consequences of default and will continue to be in contact between now and April 15. The agreement gives the District the right to remove all personal property outside the home, front and back yards specifically are noted. Janet reported the District will not have titles to all the vehicles and suspects Dennis may not have titles to all the vehicles since he claims many of them are being worked on for other people for cash payments in trade for mechanic work. After speaking with Frank, it was determined Janet will hire a private third party to help remove items, haul off cars and car trailers, and drive loads of trash to the dump and metal recycling. It will basically be a big mess, but it will not be worse than what the residents have been living next to for far too many years. Janet said Dennis mentioned he was short on money to pay for property he originally told the District and Frank Anesi he had prior fully secured. It appears Dennis made assumptions and misled the District when he said he had absolute for sure property rights to a new place to move his car business and storage items to. Janet now questions if Dennis also misled her when he

promised he had an attorney review the agreement prior to signing. Janet reminded the board she invited Frank to the District to physically view the 229 Woodcrest trailer and sit down with Dennis to fully understand what each party wanted. After drafting notes and submitting a proposed contract to Janet, she forwarded to Dennis by hand delivery and asked that he please review it with an attorney and consider carefully prior to signing. A couple of weeks later Dennis approached Janet and said he was ready to sign the agreement. We met at Frank's office to have his secretary notarize the documents. At that time Dennis asked for a possible extension from February 28 just in case we had a heavy winter. Janet agreed to April 15, which was a further extension of time than Dennis requested. Janet said Dennis wanted to "sell his ½ tap he thinks he owns" back to the District and Janet explained that Lake Dgo taps are not transferable in this particular situation. Janet expressed Dennis had asked her to help him with financing as a co-signer and asked the board if they would lend any funds so he could pay his aunt for the property. The board said they were not willing to lend Dennis money and that Janet should use the funds to enforce the situation rather than provide financial assistance. The board said the District has tried numerous times for many years to work with Dennis cooperatively and he has been uncooperative and disrespectful. Janet reported she has a big task ahead and will begin preparations for seizing property on April 16.

Office Leveling Project: Janet reported repairs due to office leveling would begin the week of April 2. There was a draw for a bill from Stratton Building Company LLC for \$1512.00 the board approved. Windows are being replaced since they have all warped and are 18 years old, the original manufactured home windows which are cheap to begin with. One part of Janet's office sank and the soils caused floor damage. This will be replaced and Stratton will also complete the flooring in the map room office, which was not done prior. Janet reported she's also having Stratton finish the baseboard trim and complete some odd jobs to maintain the office building. The office has not had major interior maintenance until recently with new roofing and interior painting. Fortunately he heater and hot water heater are still working but Janet expects them to wear out at some point as they are 18 years old now as well.

Roads: The board reviewed and discussed various options and bids Janet solicited to make decisions on road patching and repairs. As mentioned in February minutes, the roads need patching and there are areas of potential failure very soon unless they can be saved with maintenance versus replacement. Once the subsoils are softened and sinking it can be too late to spend funds resurfacing because the surface of the road is only as good as the strength of the subsurface. The prices on the low end were \$79,000, up to \$130,000 on the high end, dependent on amount & type of work. The board approved road work should be performed, but not to exceed \$80,000, approved unanimously by motion from Pete, seconded by Lisa. Bruce Longwell was able to add helpful information to the discussions and seems to have good knowledge of road design, materials, and terminology. Bruce also said he could see taking out a bond eventually for roads will likely be needed. The District would like to maintain with budgeted funds, and save major bond money for eventually replacing with concrete in at the entrance way and ideally also Forest Ridge and Trailwood Drive at some point as the most heavily traveled roads. Janet mentioned all the trash trucks were doing substantial damages. Pete added that there are very few vehicles on the highway that weigh more than trash trucks and undoubtedly adding to the problem. Janet suggested the board consider requiring everyone to use the same trash company to avoid an extra 3 companies per week. Tyler Campana mentioned that Waste Management has a terrible route system that requires far too much back and forth on the same route and it is burdening the roads even further. Janet asked if Tyler would be

willing to contact Waste Management as a new representative of the neighborhood to discuss the back and forth route. Janet will request bids from all the companies for singular company trash and recycle services. This option will be considered as it does have good merit and the wear and tear is substantial for our roads. DW1 roads were originally built and designed for residential traffic only.

Next Meetings: The next meeting dates for 3rd Wednesday are April 18 and May 16. Janet and Kathy informed the board of travel dates as they will both be out of the office in April but not at the same time.

Adjournment: Sean motioned to adjourn the meeting at approximately 8:05 pm, seconded by Pete, unanimously approved.

Approved:

Record of Proceedings: March 21, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members: Lisa Myers, Sean Larmore, Pete Merkel. Staff: Incoming member Bruce Longwell was also present. Staff: Janet Anderson.

Quorum: Lisa called the meeting to order at 6:10pm.

Visitors: Tyler Campana, 33 Canyon, and Keith and Cathy Smith, 31 Hawthorne were present. Stephanie Fox, 41 Trailwood joined the meeting later.

Minutes: Minutes from February 28, 2018, were reviewed and unanimously approved by motion from Lisa, seconded by Sean.

POA Activation / Minutes: Residents present at the February 28 meeting decided to officially reactivate the Property Owners Association as discussed. This is great news. The District will begin including POA notices and meeting dates in our distributions to help residents become involved and stay informed. Cathy Smith passed out courtesy copies of minutes from the first start up meeting held March 8, 2018. The initial meeting established officer positions and some short-term goals. They plan to meet monthly on the first Wednesday, and the group will meet at the District Office.

An active POA structure allows the majority of owners to decide what they want. The District feels very encouraged to have a group of homeowners willing to work towards simplifying the organizational structures of DW1. The District has nearly doubled in size since the last amendment of the Covenants, Conditions, and Rules (CCRs) was adopted in 1991. As it's been close to 30 years, clearly it is time for a thorough review with updates to reflect changes in population and to eliminate outdated policies.

The District board is very pleased to welcome the POA and looks forward to working together. This should be a very positive step in helping residents with communication, education, and participation in neighborhood events and happenings.

Other Visitor Business: Keith reported he was still having dog barking issues and had visited with the county. He said he was going to continue to talk with the county and keep in regular contact until he can get them to respond. Janet said the District is willing to write a letter to the county asking for more response and support with the noise ordinance. Lisa will make contact with the County and the District will also make contact with the homeowner.

Fencing 33 Canyon: Janet reported the playground fence was removed and asked if any improvement was noticed with kids climbing on it to harass the Campana's dog. It was originally doubled up with new fencing when 33 Canyon was built. Tyler said the kids had not been out playing a lot due to light snow

and cold temperatures but he would know shortly as spring kicks in. Janet asked that the Campana's please request approval if they did choose to increase the fence height in order to receive a variance in writing for the record. The standard rule on fences is 6' tall so Janet said an exception should be noted in the records should they decide to modify the fencing height. Tyler said they hoped it would not be necessary but would also want to have the variance noted. He agreed to request approval if they decide to modify the fence. The board does not object given the location of the property adjacent to the playground.

31 Hawthorne: Cathy Smith reported her billings were not consistent with other residents' charges. Janet said she would review her records carefully and if the District had made any mistakes they would be corrected. Janet explained all charges should be exactly the same for each resident. Monthly bills only vary with water used, but all rates are the same for every property owner. Kathy Phelps handles billing duties and was not present, but Janet promised to look at it and get back with Cathy.

Management Items/Decisions Needed:

Fire Mitigation: Janet reported she had visited with Pete briefly a few days prior and they had agreed focusing on the perimeter of the subdivision was the most critical place for fire mitigation this season. There is great concern due to low snow and the fire department has been reporting very dry conditions. Pete has a strong background in forest management and we are lucky to have his guidance. Pete recommended concentrating south and east, starting south of Woodcrest Drive from the fire station and working east to west behind the District's southern border. Pete knows several brush/tree clearing contacts and will see what we can accommodate with the budget and their schedules. Janet will look up the property owner information and will contact for permission once we know more details of how much work will be done. Janet said she would not expect any objections. Bob Wolff owns the undeveloped portions of Westridge that also poses fire threats due to the condensed vegetation & trees. The last time the District tried to obtain financial help from Mr. Wolff for fire mitigation he responded with an emphatic "no, forget about it." The owner of the commercial land, lot 16, in the front across from the mailboxes, John Wessman, was cooperative in removing dead trees in the past.

The board previously allocated approximately \$10,000 towards mitigation. Janet will speak with FireWise group to see about costs for renting or borrowing a chipper since fuel removal is the most expensive part of fire mitigation. The board decided early May was the best day to hold an organic debris day. Janet will try to set up equipment rental and allow residents to bring piles to the Lazy Pine clean up location the first week of May with a cut off of probably May 7, so that chipping and removal can be completed the week of May 7 and be done prior to hotter weather and further drying out.

Beetles: As noted, the District is concerned Pine Mountain beetles could be a big threat to Durango West. Currently we have not seen overly obvious signs of a large infestation; however, we do have one tree on Moss that has been infested and needs to be removed prior to hatching season. Pete reported it was important we physically survey the land and take a very close look to confirm if we have signs of beetles or not. Janet reported she will take close up pictures of that tree and presented an idea. She recommended a beetle info brochure with pictures to be delivered door to door and posted at the front. Included should be a return tear off portion for residents to drop off in the payment box in front, asking

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32 Hidden Lane: The District signed an agreement with Dennis Lucero in October, 2017. The agreement basically provided a six-month period of time to completely clean up his property. The District was willing to allow Dennis to remove the trailer at 229 Woodcrest since the District needs to dispose of it. The plan is to begin building on 229 Woodcrest after 130 Forest Ridge sale closes on April 16. Unfortunately, Dennis has done absolutely nothing to clean up and his deadline is April 15. Janet is very concerned we will not get tow companies and sheriff support solely based on our agreement. Although the agreement is solid and legal, it is not reduced to court order or judgment. Even if it were a judge order, it is difficult to find private companies willing to subject themselves to angry homeowners during physical removal of personal property. The agreement was very specific that the District would not need to pursue judgment in order to have legal rights to enter the property and remove all items. There would need to be court orders later prior to sending vehicles to recycle crushing. There is a \$20,000 performance bond and a deed restriction on 32 Hidden, recorded with the county. The amount is a penalty fee in part to cover expenses but also is a punitive amount to ensure compliance, which Janet is becoming concerned about. She has visited with Dennis a few times to remind him of the consequences of default and will continue to be in contact between now and April 15. The agreement gives the District the right to remove all personal property outside the home, front and back yards specifically are noted. Janet reported the District will not have titles to all the vehicles and suspects Dennis may not have titles to all the vehicles since he claims many of them are being worked on for other people for cash payments in trade for mechanic work. After speaking with Frank, it was determined Janet will hire a private third party to help remove items, haul off cars and car trailers, and drive loads of trash to the dump and metal recycling. It will basically be a big mess, but it will not be worse than what the residents have been living next to for far too many years. Janet said Dennis mentioned he was short on money to pay for property he originally told the District and Frank Anesi he had prior fully secured. It appears Dennis made assumptions and misled the District when he said he had absolute for sure property rights to a new place to move his car business and storage items to. Janet now questions if Dennis also misled her when he

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willing to contact Waste Management as a new representative of the neighborhood to discuss the back and forth route. Janet will request bids from all the companies for singular company trash and recycle services. This option will be considered as it does have good merit and the wear and tear is substantial for our roads. DW1 roads were originally built and designed for residential traffic only.

Next Meetings: The next meeting dates for 3rd Wednesday are April 18 and May 16. Janet and Kathy informed the board of travel dates as they will both be out of the office in April but not at the same time.

Adjournment: Sean motioned to adjourn the meeting at approximately 8:05 pm, seconded by Pete, unanimously approved.

Approved:

Record of Proceedings: April 18, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members: Lisa Myers, Pete Merkel Staff: Janet Anderson Incoming member Bruce Longwell and Melisa Schneider were present. Sean Larmore was absent as he was traveling for work. Kathy Phelps was on vacation.

Visitors: Quasi-visitors Tyler Campana and Stephanie Fox were present as officers of the Homeowners Association. The newly active group decided to change the name from Property Owners Association to Homeowners Association; from hereby shall be referred to as Durango West HOA or DW HOA.

Andrew Stratton, Stratton Building Company was present for a portion of the meeting.

Quorum / New Board Members: Unable to determine a quorum, Janet informed the group she had re-read the statute and that it would be allowed to appoint Bruce and Melissa prior to the May election without losing a term of eligibility to serve. DW1 has not eliminated term limits, which allow two 4-year terms, or three 2-year terms of service. Lisa administrated oaths with Sean on speaker phone to be sure the 3 members were present. Bruce Longwell and Melissa Schneider accepted the oaths and were officially sworn in to serve as Durango West Metropolitan District No. 1 Board of Directors.

Election: Bruce and Melissa were elected in the May election for 4-year terms by default as the election was canceled due to not having more candidates than positions available. Janet will submit the proper documents to the state for the election results.

Lisa called the meeting to order at 6:15pm.

Minutes: Minutes from March 21, 2018, were reviewed and unanimously approved by motion from Pete, seconded by Lisa.

New Member Goals: Janet asked briefly if the new members would share what primary items they like and enjoy about the neighborhood and what they would like to see changed. HOA members also shared in this discussion. Majority of emphasis was to continue clean up and replacement of dilapidated homes. Bruce was particularly interested in maintaining a good paved road system. Melissa wants to continue working towards more consistent enforcement and enjoys the upgrades. Everyone agreed the two new homes on key corners (Canyon & Moss) were positive boosts to the older sections and have had a very good outcome on property sales of homes over 10 years old. One item that had not been mentioned much in the past was a trail system, which was brought up and agreed it would be awesome to work on that, pursue grants, and it is something that can be worked in phases for reasonable costs, depending on the type of system and special needs access, etc. A basic native trail system for mountain bikes and hiking would not be terribly expensive to work on. The tennis courts are an embarrassment and must be

removed, rebuilt, repaired, something. We will discuss this next meeting. This is a great idea and will be discussed in more detail this summer.

HOA Report/Discussions: There was no specific report provided by the HOA this meeting. They participated in discussions for the remaining of the meeting and provided input on items.

229 Woodcrest Development: As part of the building process on 33 Canyon and 130 Forest Ridge, the District also had decided to build on 229 Woodcrest after sales were complete on these two. When the contract with Stratton was approved for 33 Canyon and 130 Forest the intent was to build something less expensive on Woodcrest that would capitalize on the views and help that street continue improving. Janet showed Andy a couple of ideas on the internet about using a carport/roof type structure to enjoy the views but minimize the metal mobile homes – 2nd story seemed best with the trees and undeveloped land that is south of Woodcrest. Andy brought in some plans and began to discuss some of the details. After discussions Lisa suggested the board approve the project to move forward, unanimously agreed. Janet clarified that the board was not approving prices or actual structure at this point but was approving to spend time on details and coming up with specifics. Janet was concerned with prices and Andy confirmed building prices have apparently risen across the board from 4 to as much as 20%. He stated approximately 8% average in increased raw materials costs was probably very close, so we are close to 10% higher in costs. Due to the street and surrounding home values Janet suggested she take some more time to price check, speak with some other builders, and have a chance to detail the plans better since this was the first she had seen a draft drawn up based on overall concepts and ideas a couple of months ago. The board agreed, and we will proceed planning stages to build on 229 Woodcrest.

Management Report: Janet reported 130 Forest Ridge had closed and was being funded this week. We are excited to have the home occupied and to meet the new owners. Janet reported there were several homes she wanted to talk about for violation letters but the primary time over the past couple of weeks had been spent on executing a contract with an individual property owner (32 Hidden Lane) that the homeowner defaulted on. Janet reported having to hire outside help and there were concerns about safety, damage of equipment, vehicles, reaction from the owner, etc. It was very tense situation and we are not finished with full property cleanup, but Janet will follow up and be in touch with the board. The property owner remains in default of the original agreement as of today. Janet reported she visited with the owner and his daughter personally on Sunday March 31 and begged him to please not default. She reported passing on that the board was very upset with his lack of action from October to April and they would be fully enforcing the penalties of the lien. Janet also talked with the owner after she returned from Houston on April 10 and reminded him of the Monday morning deadline of April 16, and again told him she hoped she would be able to cancel the clean-up crew. Lisa said she went by to check on the property as well and talked with the owner late last week. She said he was going out of town and she was concerned he would not be able to complete the clean-up and he assured her he was aware of the deadline date. Lisa reported he had made some progress but there was still a lot to do and she had a bad feeling he would default when she spoke with him. The board asked why the trailer at 229 Woodcrest was not taken yet and Janet reported the owner had no place to move it yet. She had expected him to take it in late fall, then he said it would be another couple of months, but he never pursued making moving arrangements and getting the permit and title dealt with. When the trailer was not moved in November Janet began having concerns

but the owner assured her it was still happening. However, the roofing was removed by the owner and Janet understood Hugo and Dennis worked together to remove trash. Hugo prepared the dirt driveway area last fall and told Dennis to contact him as soon as he was ready for tree removal and any other help as Janet had told Hugo to offer the owner assistance. The tree is scheduled to be removed and Janet reported we may need to remove or destroy the trailer in order to build since she wasn't sure how we should proceed with the owner of 32 Hidden and she would speak with Frank. Other items of violations on a few different properties were pushed to next meeting.

Fire Mitigation & Spring Clean-Up: Various dates were discussed for a large clean up day. Use of chippers may be available. Janet reported Kathy was a fire ambassador and that she had asked Kathy to look into programs and grants for chippers to use for clean-up day. Number of dumpsters is unknown and is largely dependent on volume of pine needles and on slash. Janet reported she had been given official permission to perform fire mitigation on property owned by Durango Development/Bob Wolff but was having some difficulty receiving permission for the plat south of Woodcrest. She will continue working on that. Pete reported he would have trees bid and that his fire mitigation crew would work elsewhere if we could not obtain permissions. The land to the south is the primary area we believe is the highest risk this year as it is scraggly and overgrown. Janet will send a newsletter for review.

Pine Beetles were also discussed and the brochure/newsletter will address beetle kill. At this point we do not know the extent but it is not anticipated that we have a huge problem at this time. A methodical assessment of visual inspections is planned and we should know more as areas are further walked and inspected closely. The newsletter will ask residents to participate in identification. Janet thought that if we remove the trees now and get the wood off site we should avoid further infestation, or at least minimize it within the district boundaries. Pete agreed, a pro-active plan is the only hope.

Personnel: Janet reported she was still having a few personnel issues and concerns. The board entered executive session per statute to discuss personnel. The board then reconvened in approximately 20 minutes.

Next Meetings: The next meeting dates of May 16 and June 20 were confirmed.

Misc/Potpourri: Bruce and Melissa were officially welcomed. Lisa and Pete requested the minutes reflect we are grateful and pleased they have decided to run for office and were willing to be appointed to serve DW1 to obtain a quorum for their first meeting. Welcome!

Adjournment: The meeting was adjourned with unanimous approval by motion from Lisa, seconded by Pete, at approximately 9:12pm.

Approved: _____

Record of Proceedings: May 16, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members: Lisa Myers, Pete Merkel, Melissa Schneider, Sean Larmore. Bruce Longwell was absent. Staff: Janet Anderson, Kathy Phelps. Treatment Operator for DW1, Chris Kramer was present and Dave Marsa, DW2 Wastewater Plant Operator, was present.

Quorum / New Board Members: The meeting began a few minutes late and Lisa called to order at approximately 6:20pm.

Wastewater Plant: The majority of the meeting was spent discussing the wastewater plant upgrades. Dave reported he was still pumping water between cells for sludge removal. Contractors are scheduled to haul out remaining sludge in late June. Dave reported much more volume of sludge is present than expected, which mirrors what was reported earlier in the improvements project prior to Dave being hired. Dave reported progress has been moving along and the project should be fully completed in a few months. Chris Kramer reported the state health department was present this week for DW1 inspections/sanitary survey and the supervisor spoke with Chris about stopping by the wastewater plant to assess the progress. Chris reported he and the health department discussed DW1 being classified as a subdivision that met qualifications for state assistance for the wastewater plant upgrades. The state granted a variance which allows slightly less stringent effluent levels and provided some grant assistance due to the inability to fund a full mechanical plant and the subsequent operations costs of a mechanical plant, saving both Districts millions of dollars. Dave agreed the status of a mechanical plant not being feasible has been in our financial favor. Dave reported he felt the lagoon plant may be able to operate very well and said he feels more confident that the specifications and parameters of testing will be attainable with proper operations and performing proper maintenance.

The board discussed the plant and details of the sludge pumping, covers, chlorine, stream study, etc. Dave reported that he was exceptionally pleased with Hugo Silva's help and thanked the board for allowing him to work at the plant. He reported Hugo was very helpful and a very hard worker.

Violations: Violations at 32 Hidden and 74 hidden were discussed. The board said to proceed with fining 74 Hidden for fire danger and lack of doing anything about the fallen tree and damaged home. The board also said that 32 Hidden was in violation of the terms of our agreement, which required full clean up and the trailer at 229 Woodcrest to be removed by April 15. Janet reported that the \$20,000 lien was already filed with the county and that in order to enforce the board would need to authorize legal counsel to proceed with exercising payment of the lien. This means foreclosure process will begin at 32 Hidden. The board feels badly about needing to take this step but there were many months of notice, the owner was fully aware and wanted to enter into the Agreement with the District, and the District has spent too many years trying to get the property cleaned up and kept clean. The board authorized Janet to proceed by motion from Pete, 2nd by Lisa, unanimously in favor.

Fire Mitigation: The board reviewed the brochures and discussed the schedule of how this would work with dumpsters, pick-ups, money, etc. The board agreed that a one-day organic cleanup was unrealistic this year and that spreading it out and doing it in house with employees would be the most efficient. Janet will coordinate the process and delegate to Brian how to proceed.

New Employee: Janet reported that Brian Davies had been hired for the summer season to catch up on projects and to assist with fire mitigation and home building if decided to proceed on 229 Woodcrest or any other property. The board was pleased that Brian has joined the District. Janet reported she had met with Hugo a few times with Lisa and that we were working on making some changes that would improve the working relationships and overall success abilities for Hugo. Hugo has had some personal challenges and Janet reported she felt that figuring those out and that things would improve if Hugo will take steps as he has indicated he wants to. He will provide time cards and remain on salary at the present time. Brian is on hourly Janet reported.

Board Members/Positions: Sean Larmore said that his summer schedule is going to be very busy and he has had an increasingly difficult time making meetings due to more work travel. He felt since Bruce and Melissa are now officially on the board it is time for him to resign. Janet asked that we give it a month or two of a leave of absence as she would like to speak with members of the Homeowners Association to assess if they still want someone from their group to serve on the Metro Board, as they'd earlier indicated. Pete expressed sincere gratitude for Sean's many years of volunteering and service. Sean said he still wishes to participate in District events and that he does not anticipate leaving completely as far as being willing to be called on and to participate in helping the District when he is able. Lisa also thanked Sean for his service and many hours of help over the years. Janet said she was not ready to accept his resignation and she would prefer to place him on temporary absence. She understands he is not likely to return but it has been good to have a full 5-member board again. Hopefully someone with the HOA will want to fill his spot as it's never been easy to find enough people willing to donate the time and attention being a board member requires.

Next Meetings: The next meeting date of June 20 was confirmed. Janet mentioned she would be out of the office for a good portion during the month of July with family visitors. She said that she had been putting in exceptionally long hours since Christmas, and definitely felt in need of some time away. Kathy reported she would be going on vacation in early June and would be returning to the office on June 20.

Adjournment: The meeting was adjourned with unanimous approval by motion from Melissa, seconded by Pete, at approximately 9:05pm.

Approved: _____



Date: _____

7/18/18

Record of Proceedings: June 20, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members: Bruce Longwell, Melissa Schneider, Lisa Myers (present by telephone). Pete Merkel was absent. Sean Larmore is no longer a board member after unfortunately resigning after the May 2018 meeting; Sean was elected in 2016 for 4 years, until 2020.

May's election results: Melissa, Bruce, and Pete elected in 2018 for four years, until 2022.

POA: Tyler Campana was not present due to a conflict with his schedule. Janet contacted Tyler earlier to inform a vacancy had opened up and the district was looking forward to visiting with him. invited to join the board to be considered for appointment to fill Sean's spot. When the POA was reactivated a few months ago the District and POA agreed it would be good to have a member who would serve on both boards. The POA internally decided Tyler would be their choice if there was a vacancy in the future. The POA is just getting started. They have several items they wish to consult with legal counsel to gain a full understanding of reactivating.

HOA/POA: Tyler Campana was not present. Janet contacted Tyler because the HOA requested to fill a seat on the District board in the case of a vacancy. Hopefully Tyler or an HOA rep can attend the next board meeting.

Quorum: A quorum was called after reaching Lisa by telephone. It was recommended this should be a shorter meeting due to Pete's absence. Unfinished business will be discussed and if any major decisions are needed we will wait until the July meeting, or the board will call a special meeting if necessary.

Violations: There are currently two properties that have been in violation as far as not being habitable for far too long: 74 Hidden and 60 Timber. Janet said both properties were put back on regular monthly fees because they both failed to remove the mobile units in a reasonable time frame as promised, and she had been in contact with both parties. The board agreed that if the properties were not taken care of the District should impose additional daily, weekly, or monthly penalties on these two properties. 74 Hidden had a tree that fell through it almost a year ago, and 60 Timber was purchased sight unseen last fall by an investor, and she declared it uninhabitable due to lack of maintenance.

Parking: Lisa brought up concerns about some residents parking on grass and the fire danger it poses. It also looks terrible and there are several rules in effect about improper parking. It is a problem that has become more evident this spring. Janet asked Kathy to stay on top of parking and suggested to Lisa that regular communication and helping Kathy to determine what the board wants to enforce would be helpful. Kathy is sometimes uncertain if she should give warnings or tickets for improper parking versus on street parking since the improper parking issue is a bigger issue that will require advance notices and a specific plan. Some of the flagrant violators can be warned and fined, however, and Kathy will work on this and was asked to coordinate with Lisa when she has questions.

Beetle Kill Trees: Identification has been made on one tree for certain on Moss Road, and reports of large areas near Dolores being wiped out are very concerning to DW1. The neighborhood ponderosa trees are very dense and an irreplaceable asset in DW1. Brian is the primary coordinator of a big push this year to provide inspections, bids, and a spreadsheet to organize a bulk contract to remove any infected trees as well as trees struggling and showing signs of stress. The density does allow many trees to be thinned without negative impact, but it can still be difficult and sad to see them cut down. Removal of infected trees prior to hatching and removal of the bark can be effective

Fire Mitigation: The district has been doing large amounts of fire mitigation. Southwest Colorado is experiencing a very severe drought; winter of 2017/18 brought almost zero snow to lower elevations, and very few inches to higher elevations. Most residents are very nervous about wildfires this year.

Tour with Kathy: Newer board members Bruce and Melissa went on a tour with Kathy and Brian to give insight on some of the homes being discussed and under follow up status. Janet stayed at the office and there were no visitors here to join the tour.

The board returned at approximately 9pm and adjourned the meeting at 9:15.

Approved: _____

Record of Proceedings: July 18, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members: Lisa Myers, Pete Merkel, Bruce Longwell, Melissa Schneider. Sean Larmore officially resigned after the May 2018 election but did call Janet recently and offered to help with summer projects and fire mitigation.

Staff Present: Janet Anderson, Kathy Phelps, Brian Davies.

Quorum: A quorum was present and the meeting was called to order by Lisa at 6:02pm.

Visitor Business: Visitors Chris & Molly Hamilton, 178 Canyon, Kevin Ireland (184 Canyon), and Martha Mayer (78 Choke Cherry) were present.

Property Values Resolution 01-2013: Chris Hamilton came to the meeting to discuss his opinions about district rules and regulations. His primary complaint was feeling very offended over a warning ticket Lisa had placed on his vehicle parked in the middle of the front yard earlier this month. Chris stated he was unaware Resolution 01-2013 existed until he contacted Frank Anesi. He did not contact the office or Janet prior to contacting Frank. Chris acknowledged several phone calls and a few emails with Frank over the past week or so. Janet reported that according to Frank, Chris contacted him several times to request documents like the original service plan and several other. Chris said he felt he should directly speak with the District's counsel since he is a licensed attorney, and indicated this was proper protocol. Chris did not clarify if he was a practicing attorney, but did clarify he is currently licensed to practice.

Chris was very forceful in his presentation and indicated little regard for the board's abilities to make decisions or adopt policies he claimed were not within the district's powers to consider. There was discussion back and forth, primarily with Lisa and Janet. Chris came to the meeting with handouts and after discussions he wanted to present his case and argue the merits of his reasonings.

The board thanked him for preparing his items and tried to inform him they would take his presentation under advisement. Chris then left the meeting and the rest of the visitors left with him. There were discussions at the end about the newly activated POA and it was suggested again how much DW1 would benefit from residents working together to work on items that are not within district services.

DW1's legal position for many years is that streets and vehicles are absolutely under district's oversight due to infrastructure locations within easements, responsibilities for all road maintenance, snow plowing, speed limits, signage, and numerous aspects that affect the roadways and access. DW1 has no sidewalks.

Trees: Brian gave an update on trees and said the count was up to approximately 30 trees inclusive of the trees the District wanted to remove (presently 5-8). A decision was made to proactively work towards efforts to reduce beetle kill and drought stressed trees affecting healthy trees in future years. Residents will be allowed to make payments to the District and the District will provide a bulk contract to pass on

better prices to the residents. A newsletter was distributed in late spring with detailed information with a request for residents to help inspect their properties, especially trees within fences where the trunks could not easily be seen for inspection by the District. Brian has been making a lot of contact with residents and has fielded the calls and dealt with organizing the project. Janet reported he seemed to be doing a great job between the trees and fire mitigation work and was very pleased with his dedication and progress.

Kathy reported the Ford 550 needed glass repair and was scheduled. Janet discussed using safety grant funds for cameras and potentially adding cameras to all the vehicles & equipment.

WWTP: Janet reported she spoke with Jane about the committee that's not gotten off the ground successfully yet and starting on both sides with alternative board members. Melissa said she would be happy to look at serving as the district's representative to help with WWTP items. Melissa informed the board that due to her work position with division of water resources it was best for her to not serve on outside committees dealing with water to avoid any potential conflicts, but that wastewater would pose no such conflicts and she felt qualified to start learning about the situation and offered to help. DW1 has not been happy with delays and the operator DW2 was using, but a new very qualified operator was hired and things are going much better with the plant improvements. There remains frustration within DW1 regarding the amount of revenue bonds that were recently borrowed for upgrades as we believe larger portions of the monies could have been avoided by working on the plant much earlier and by regular maintenance of sludge over the past 25 years.

Property Purchase: Janet reported the recent fire at 24 Timber may bring an opportunity to purchase the lot. Frances "Fluffy" Jackson was a long-term resident and in recent years rented out the home. Fluffy has talked with Janet about making plans to rebuild or to sell. Due to her age and hassles of being a landlord she is leaning towards wanting to sell and said she would like the District to have the opportunity to own it to continue improvement efforts. Janet said lots are presently worth approximately 40-65K, location and size dependent. The board authorized her to enter negotiations for further approvals when ready. Janet will confirm necessary resolutions with Frank for authorizations and permissions to purchase based on board's price approval if a draft contract becomes an option with the owner. This would allow development of two new homes, and hopefully the home at 60 Timber will also be demolished soon.

Next meetings: The board confirmed August 22 and September 19 should work for everyone.

Adjournment: The meeting was adjourned at approximately 9:05 by motions from Bruce, seconded by Melissa.

Approved: _____

Record of Proceedings: August 22, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members: Pete Merkel, Bruce Longwell, Melissa Schneider. Lisa was absent for medical reasons. Pete serves as acting president in Lisa's absence.

Staff Present: Janet Anderson, Kathy Phelps, Brian Davies.

Quorum: A quorum was present and Pete called the meeting to order at 6:15pm.

Visitor Business: No visitors were present.

Minutes: Minutes from April and May meetings were reviewed after minor corrections and approved by motion from Melissa, seconded by Bruce. Lisa prior reviewed by email and gave approval.

Executive Session: Janet requested an executive session to discuss personnel per §24-6-402(4)(f), C.R.S., "Personnel matters;" Motion was made by Melissa, seconded by Bruce. Janet was following up on several discussions regarding Hugo's performance and discussions regarding potential medical issues that may be affecting performance.

The board reconvened to regular session at approximately 7:10 by motion from Pete, seconded by Bruce. The board supported providing some help for Hugo if needed. Janet will keep the board informed.

Property Purchase/Development: 24 Timber Drive was discussed per earlier discussions about purchasing the property after a fire burned the home beyond repairs that were practical for a depreciated mobile. Janet presented she was able to enter a contract to purchase 24 Timber Drive for \$50,000. The board gave official approval for resolutions and authorizations to proceed following email discussing the purchase price that was approved earlier this month. Motion to purchase made by Melissa, seconded by Pete. Janet stated a September closing date was set and that she didn't feel running this through the title company was necessary given the length of ownership and personal relationship with Fluffy for many years. Janet will have Fluffy pay for title insurance policy and the sale can close in Frank's offices with a deed transfer. Taxes will need to be pro-rated but unless anything further came up regarding liens the sale would be very simple to handle in-house. The board agreed with whatever works best to save both parties money, Janet will close the sale with Frank.

Fire Mitigation/ Beetle Trees: Brian updated the board and reported the list is up to approximately 43 trees. Brian was able to receive 3 bids for a bulk contract and presented summaries to the board. Although there were variations within each individual tree, Deep Roots was clearly the lowest at an overall cost savings of approximately just under 30% from the next lowest bidder. A newer DW1 homeowner is in the tree business but unfortunately does not own enough equipment and has not been in business long enough to compete with Deep Roots. DW1 tries to give DW1 homeowners and residents priority with contract work when possible. Janet reminded Brian the list would reduce a little once

people were given individual prices. Janet and Kathy discussed payment options briefly and determined it would need to be based on individual deals with different amounts of down payments to fit within resident budgets. The overall goal is to remove the trees so we may need to work with people on lower monthly payments in order to gain permission to proceed. Insurance is carried by Deep Roots and the contract will be with the District, not individual customers. Janet will prepare a release for customer permissions to proceed with the work and notices will need to be ready for surrounding properties and personal items such as boats, campers, cars, sheds, etc. Brian reported a high level of comfort the owner Chad would be competent and efficient working within lot size limitations. Janet & Kathy will discuss final resident list to determine we have proper releases for certain customers. It is possible the District may not agree to making an individual agreement if we determine it may become a hassle so Janet clarified although offered to all residents, there is no obligation for the District to agree to each tree removal request.

Fire Mitigation: Huge progress has been made on fire mitigation work on the west end of DW1. Bob Wolff granted full permission to perform work but would not agree to any cost sharing so the majority of work will be limited to land within easements and closest to resident homes. Brian reported some parts are needed for the Peco, and they may be fairly expensive. The board authorized repairs as it is the best machine for rough terrain oak brush, grasses, and vegetation approximately 5-6" diameter and less.

Woodcrest Lots east of DW1 boundaries: Janet has tried hard to receive permission from the owner south of the subdivision as this is a very big fire risk in terms of weather and wind patterns and terrain. Pete Merkel agrees with other fire experts we've had assess the area that the south portion for 50-100 feet from the pavement of Woodcrest and boundary reaching further west to the water tanks would benefit highly from some fire mitigation work. The majority of the risky areas are lower Woodcrest Drive to Trailwood Drive. The area then opens up substantially into a ravine then trees are clustered further west. If fire were to spread through that parcel it could quickly devastate many areas within DW1. Letters and phone calls to the owner Randy Stevens eventually resulted in Randy turning over the decision authority to Teri Hutchison. Despite prior years of a good working relationship with Teri, it has become clear that Teri does not want district residents accessing any portions of Hutchison plats or the Stevens property. DW1 has repaired fencing regularly and although the vast majority of residents pose no harm or risk of damage, Teri has began authorizing more fencing and clearly prefers the idea of good fencing makes good neighbors. DW1 is financially burdened with the properties east of the subdivision and has not implemented a fee structure although we should have done so. There is a lack of clarity on water line services and who is actually serving the land, but there is no question DW1 services sewer collection and road access. Janet will review this fall and we will need to send notice to DW2 since the land is within their property. Prior discussions with Jane indicated DW2 wants DW1 to directly bill the properties but Janet thinks due to DW2 holding lien rights it is not appropriate or necessary to set up a direct relationship with those properties. DW1 never approved of business, residential, or commercial use of those properties and access has been a source of controversy for many years.

WWTP: A committee meeting has been scheduled to begin helping DW1 and DW2 work jointly on the wastewater plant decisions without as many scheduling conflicts by trying to continue full joint board meetings. The IGA states a committee of 1 board member each, management and licensed operators from each district will be the group to make recommendations to both boards for larger decisions. Jane and

Janet both have new board members willing to serve as the committee representative, and DW2 has a new operator. A meeting for the group is set for Sept 6 with the goals of introductions, updates on the upgrade/bond project, and to establish more regular communication and compliance with the intentions of the IGA. Melissa was confirmed a DW1 rep. Chris Kramer remains DW1's ORC.

Mice: The water tank area and well #3 house (old cable television building) are infested with mice. Janet reported Hugo has used traps for many years with an inability to resolve the problem. Janet and Kathy recently inspected the facilities and agree the odors and safety risks are becoming out of control. The board approved adoption of a cat or two cats (two were preferred to consider loneliness and life quality). Due to large number of humane society cats in most communities it was agreed we would look for cats that were less likely to be adopted into permanent homes, and focus on hunting cats for the best results. Janet was approved to order appropriate supplies for heating pads in winter and electronic door access, various items to house the cats in the old underground water tank. Fire is a very limited risk due to the tank being 12" of solid concrete excepting roof rafters very tall from the ground as it is a two level building. Janet requested Kathy, Brian, and Hugo be responsible for choosing and adopting cats as the guys will be their main social contact as well as many residents who walk in the area. Adequate water and food arrangements for periods of time will be covered as well as all shelter needs. Janet felt the tank area of land and the building itself will likely make a very good home for the right types of cats and the mice population should be under control on an ongoing basis without use of other methods. Hanta virus is still a risk factor for cleaning mouse debris and the guys have repeatedly been provided proper instructions and supplies to avoid exposure and to continue emphasis on this risk. Along with damages to items in storage and wires in vehicles & equipment it is not good to have this many field mice.

Budget: Janet said budget considerations will be the focus of the next few meetings and a work session may be needed dependent on agenda items and visitors at future meetings.

Bills and recent Expenditures were reviewed and approved.

Next meetings: The board confirmed September 19 and October 17.

Adjournment: The meeting was adjourned at approximately 8:30pm by motions from Pete, seconded by Melissa.

Approved:

Record of Proceedings: September 27, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members: Lisa Myers, Bruce Longwell, Melissa Schneider. Pete was absent.

Staff Present: Janet Anderson, Kathy Phelps, Brian Davies, and contract ORC Chris Kramer.

Quorum: A quorum was present and Lisa called the meeting to order at approximately 6:15pm. This meeting was rescheduled from September 19 due to attendance conflicts.

Visitor Business: There were no visitors present.

Minutes: Minutes from June and July were reviewed and approved pending Pete's sign off by motion from Melissa, seconded by Bruce.

Water Quality: Chris was due for an update chat with the board and Lake Durango began having huge water quality issues with musty odors, algae smells, and water considered extremely unpleasant and vile by many residents. This is the worst water quality we have experienced from Lake Durango in many, many years. Chris explained Nighthorse water had recently been piped in, temperature changes during the colder nights, lack of timely copper sulfate treatment, and inadequate filtration and equipment in the treatment plant to handle this particular composition of water are all contributing to what Chris labeled as a "nightmare" to treat. High iron levels are causing problems. Chris is the ORC for Lake Durango since approximately 2006-07.

On regular business Chris reported lead and copper samples came back with good results, no concerns or numbers close to unacceptable levels. He discussed keeping the lake Durango pumps off to avoid bringing in as much icky water as possible, and said he had discussed hydrant flushing with Hugo. Janet said she wanted Brian to spend some time with Chris when season work slows down to begin training him to become licensed in water & sewer treatment, and distribution. This is a good opportunity to have mentoring from Chris over the next few years.

Fire Mitigation/Trees: Brian reported the contract with Deep Roots was secured and work would begin over the next couple of months, anticipating to be finished by early November.

Melissa discussed a tree in her cul-de-sac that was likely located partially on both private and district property. Due to new building there is a good possibility roots were too damaged in foundation work. Due to the large and long-term benefits new homes provide, and due to the fact that Hidden is one of the focus streets the district holds as high priority to clean up, the board approved the district would cover the removal unless it was extremely expensive (over 750). Brian would confirm his bids but felt it was able to be felled for less. Some of the costs are not size but also location and this one has good access. How limbs and wood is dealt with for disposal also greatly contributes to prices. Numerous neighbors inquire about firewood, but few have the abilities or equipment to split and cut larger logs. Lisa motioned to

cover costs of the tree up to \$750, seconded by Bruce, unanimously approved with Melissa abstaining due to the tree being located on her cul-de-sac. Melissa's home was a new when purchased but her lot was not developed by the district.

Trees located near Brian's home and Kathy's home were also discussed being in similar situations. The trees are likely located in easements, but are approximately 10-12 feet from curbs so it's difficult to determine for absolute sure without surveys, which are not practical cost-wise against the removal price. Janet brought up the fact that she distinctly remembers the district has wanted to remove the tree at 181 Moss for over 20 years when it was identified as a big contributor to ice build up on the historically slippery corner of Forest & Moss. Brian remembered being approached many years ago a couple of times asking if the District could remove the tree. Because he was unaware of the real impact the tree was causing, and because any resident doesn't want to lose nice trees, he was unwilling to grant permission, which was noted as ironic with today's discussions. The same situation is obvious on Holly Hock, as far as shading snow melt for long periods of time. It is likely the trees are noticed much more due to working within the District's operations and seeing the effects from the snow plowing point of view. The board approved removal pending final prices up to the same amounts of \$750 per tree. Most of the trees are ranging from \$250-600, but a few larger, challenged location were as much as \$900. Considering all bids, the most expensive are nearly \$500 less than the next lowest bid.

Roads: M Leeder construction road repair options bids were considered and approved in March. Janet reported the project was starting, and DW1 would coordinate traffic control to remove that line item of cost. The first portion is pot holes and crack-fill with seal coats last. Provided weather holds and temperatures are warm enough this should work but there is a risk of running into curing issues if daytime temperatures are not well above 50 for extended periods. Janet said typically Matt Leeder is extremely busy, schedules can shift a lot due to weather and other factors. Matt has always treated the district well and Janet and Matt established a strong working relationship in early 1990s. Janet is comfortable with quality of work and anything problems will be made right, which is the strongest reason she usually recommends Matt, within limits. Budget is always a strong factor, but roads are a construction item when lowest bid can cost more in unknown costs later for quality & warranty. Warranty work is always difficult to attain with items such as roads. This year's work is around \$80,000 per earlier estimates. Major funds have not been spent on roads for the past few years. Board concerns and caution to approve any fee increases are always front & center. Many residents have difficulties maintaining cost of living in Durango due to a large disparity in wages versus housing and other costs.

Fall Cleanup: Discussions on fall cleanup options were held. Janet was concerned that in-house labor has been reduced with Mary leaving due to years of her husband Jerry always being very helpful, Greg retiring, and the reality that Lisa had an arm injury, Kathy does not have the physical abilities, and Janet and Michael were both sore for days after last year's clean up. It is heavy work to move and heave ho trash for hours. Discussions were held about completely hiring it out, partial hiring out, whether to place dumpsters on site or to schedule individual pickups with a trash hauler, etc. Ultimately the decision was to try for curbside only clean up this year, using equipment, and spreading out the job for a couple of weeks. We can cover parts of the subdivision, using DW1 equipment Brian and Hugo could concentrate on maybe 10-25 pickups per day (dependent on volume) rather than 50+ in one Saturday morning push. The concept of charging a minimal amount to all residents for curb side based on measured size of trash pile was approved. The fire mitigation clean-up this spring used substantial resources due to many more

residents fearing a dangerous fire season, which contributed to Janet's reluctance & hesitation to go all out for the fall. Janet also noted the majority of people who keep tidy properties utilize the local transfer station as needed and isn't sure how much of a benefit the annual day provides overall. The primary purposes of the cleanup days started as a way to help residents with years of debris & items stored be provided an excuse free opportunity to rid the clutter. The cleanup day evolved to including fire mitigation and became a popular expected service by the residents. Unfortunately, the number of participating homes with junk nuisance issues the district was ultimately wanting to attract has never been very high. Janet suggested this was partially due to lack of face to face contact as people don't always read flyers or understand the details presented. DW1 needs more resident volunteers to take interests in helping their neighbors and joining forces to help nudge others to clean up properties. Leading by example concept. Janet stated she feels clean up days are an item that was shifted to the District's plate. Although the POA does contribute, the coordination, hassle, and most expenses end up with the District. Janet and Kathy are not always enthusiastic from a coordination standpoint, but we have gotten it down to a pretty efficient science through years of trial and error. The board said they felt the cleanup days were popular, helped resident morale, and did contribute highly to fire mitigation efforts, which is definitely true and undeniable, especially evidenced this year with residents on board understanding high fire risk. The board strongly feels this is a service visible to the residents, important to them, and this is also true as staff does not deny, Janet was given authority to move forward with concepts discussed and free to implement a different approach this fall; there have been a few years it turned out being fun for everyone.

Management: Janet discussed budget was in works and she wasn't settled completely with what to do with personnel overall. Costs are still somewhat the air on Brian, accounting help, Hugo's performance. It's clear we need higher skilled part time help since multi-tasking has become much more difficult with growth and development, focus on enforcement has brought in many more dynamics and major paper trails, authoring warnings & documents carefully, types of resident dynamics have changed as Durango prices have continued to rise faster than wages. Residents who used to have options of large lots are in DW1 with growing families, boats, trailers, rafts, bikes, recreational campers, etc., more and more. Off-site storage has been discussed many times but there is no land appropriately designed, and this would add another layer of responsibilities and liabilities to an already over-burdened situation.

Budget/Audits/Personnel: Janet recommended executive session to speak privately with the board about her position and duties and growing frustrations as well as overall labor budgeting for 2019. Prior to executive, Melissa motioned to wrap up by providing a WWTP and any other final business, ending the meeting with executive session, seconded by Lisa, unanimously approved.

Budget 2019: Janet said a draft budget for 2019 would be provided prior the October 17 meeting. As authorized by the board, she would take revenues for Woodcrest east properties into consideration.

Audits: Janet reported feeling stressed to get audits 2016 and 2017 caught up and submitted. Karla has had a very full schedule this summer and fall. Karla indicated last January that this would be the last year her firm would be performing audit work. Mike has been digging into clean up of 2016 & 2017 books and was making good progress. He will need to contact Karla for advice on some of the lead schedules but is trying to also clear availability in his schedule to dedicate the hours needed to bring adjustments current. The transition from Denali Fund to QuickBooks has had some challenges as QB is not designed for governmental accounting but many small governments and business use it very effectively. Karla was

very supportive of the transition to QB and the biggest set back DW1 experienced was hiring the supposed QB expert in Denver, who unfortunately did not possess the skill set represented, which Janet added seems to have become much more common in talking with other business owners about quality of help and deceptively inflated backgrounds. Janet has noted several times she is not a fan of QB at all and has mental difficulties with the program's lack of entering options clearly showing debits and credits in column format. Due to inadequate familiarity with QB software and how to set up properly to work with funds (which was why hiring out help with the set up was undertaken) she was unable to identify and catch problems earlier in the game with Melissa DeJarnette. Unfortunately, it later became evident she was not qualified to produce the governmental accounting standards financial reporting necessary. Janet and Kathy can certainly enter items accurately and perform many of the functions, but per several meetings with Karla over years, Janet's duties have steadily increased and it is no longer possible to handle the fund accounting without outside expertise. Internal control has also been a big part of moving to QB, as it does open up more possibilities to separate various duties due to the wide spread use among bookkeepers. Denali was a proper accounting system for handling fund reporting, but had huge reporting limitations and no abilities to import or export with excel, & no drill down abilities, which was probably the biggest problem. Time to search for edit reports behind postings was overly cumbersome for Karla and Janet. Not to dwell on doom and gloom, Janet confirmed she was very confident DW1 would be totally fine with QB once she and Mike completed the big hump of classifying everything properly, which was very close. Since Mike has started work on lead schedules for 2016, she will ask for him to update the board next month and confirm audit scheduling, adding also good to visit about LDWA board given the awful water quality still going on. Janet added thankfully Karla was able to muddle through 14 and 15 audits, and that 16 was in much better shape now, and she had helped Mike since his background lacks governmental financial work. Conversion to QB processing A/R is back on Janet's priority plate and she hopes to fully implement by the end of 2018. This will be very good for residents to directly access their accounts, with histories, other dw1 documents able to be added for reading and download, abilities for customers to process their own payments, and we are now back to the original plan Janet hoped to implement back in 2015/16. Janet noted much of this has been discussed in past executive sessions and this was one of times she needed a good purge as she thanked the board for their patience.

Summary is that we're very close to having clean & ready for audit packages for 16 and 17. Backup records are in good shape. Presently tools are in place to continue forward effectively. Continued efforts towards paperless office life are looking good. The resident who said she desperately needed help after the \$20 sewer plant increase seems to have dropped off and won't work out for scanning work as hoped. Janet had concerns over lack of familiarity of governmental entities anyway so is likely for the best. Brian is picking things up & can easily be trained to help scan historical documents and Janet has 2018 scanning up to date. The final step is to confirm with the state we have proper security measures and be sure nothing is tossed or shredded until Joel Mitchell (infrequent but awesome IT guy) has made a visit to confirm storage software meets state requirements. Janet finalized by saying Kathy had been doing a much better job with scanning and paying better attention to recording dates, and she has been a big help in processing incoming mail scanning. Brian will be able to help with office duties more if a light snow year. Reported Brian has good organizational skills and presently strong enough with software & excel to easily grow with our needs.

WWTP: Melissa provided an update of the September 6 meeting and shared she learned good information from Chris Kramer and Dave Marsa. She quickly picked up that Chris was more knowledgeable with current operations of lagoon systems as Dave is primarily a mechanical plant operator. Both are very qualified operators but it is evident Chris is a lagoon guy, Dave has strong preferences for mechanical plants. Melissa reported she felt it was a good group and looked forward to asking detailed questions as she learns more and drilling down on what can be done to trim costs if possible, as everyone is feeling pain from the short noticed WWTP fee increase this year. Janet said Jane and Melissa would get along well and agreed we were over a rough start that was inevitable as long as the DW2 prior operator was involved. We agree our working relationship should continue to improve.

Next Meetings: The board confirmed meetings on October 17 and November 14, with a budget work session October 23. Motion to executive session at 8pm by Melissa, seconded by Lisa.

Adjournment: The board ended executive session and Lisa motioned for adjournment at approximately 9pm, seconded by Bruce.

Approved:

Record of Proceedings: October 23, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members: Lisa Myers, Pete Merkel, Bruce Longwell, Melissa Schneider.

Staff Present: Janet Anderson, Kathy Phelps

Quorum: A quorum was present and Lisa called the meeting to order at approximately 6:15pm. October 17 regular meeting was canceled due to illness so the work session of October 23 was changed to a regular meeting.

Visitor Business: There were no visitors present.

Budget: It was decided that since visitors were not present the majority of this meeting would be spent reviewing individual fund budgets.

Water Quality: The board discussed water quality was still bad. Janet agreed another notice should probably be distributed and a draft was looked over. This notice included more details on the chemical processes of lakes when they turn due to seasonal temperatures, along with some simple pictures to help residents understand why the water has been so strongly unpleasant. Janet brought the board up to date with recent talks with Chris, said Chris had seen the notice and thought it was accurate and a good way to explain it. The primary problem is that adequate measures were not taken to minimize lake turning problems to begin with, which has been using copper sulfite and solar bee aeration in past years, which does seem to have been pretty effective. Every year is not the same, but Chris did say Lake Durango has never brought in treatment processes that are capable of dealing with lake turnover, which Janet found surprising since it was such a strong complaint for many years prior to Chris and the Authority raising the operational standards.

Budget 2019: The board then reviewed budget and discussed development of housing. The contractor, Andrew Stratton, the District has been very happy with in the past recently announced he was moving back to Ohio for family-oriented reasons. It was a very difficult decision he struggled with, but he's now gone, so Janet did not pursue building in 2018 knowing it could be problematic if he could not remain to finish. Since Andy could not provide a firm moving date due to dependence on their home selling, Janet decided to bail on the building plans until 2019. The board confirmed they did want to budget for development of 229 Woodcrest and 24 Timber. Janet said she was still working on 60 Timber drive owner and hoped the pressure of being on regular monthly billings without a revenue stream from being able to use the home would prompt action very soon.

Adjournment: Next meeting was confirmed for November 14 and the meeting was adjourned by motion from Melissa, seconded by Pete at approximately 9pm.

Record of Proceedings: November 14, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members: Lisa Myers, Pete Merkel, Bruce Longwell, Melissa Schneider.

Staff Present: Janet Anderson, Kathy Phelps, Brian Davies

Quorum: A quorum was present and Lisa called the meeting to order at approximately 6:20pm. October

Visitor Business: There were no visitors present.

Personnel Open Session: Janet asked the board to spend some time with Brian to assess his satisfaction and gain input on his plans of staying with the District. They discussed job duties, what he liked and did not like, and discussed if he had come to any decisions on a commitment towards part-time or full-time work in the next year. Brian has a health condition that has prevented him from being willing to make long term commitments for the past 3 years, but so far, he has honestly done very well. He does not complain and Janet wanted to also confirm the board was supportive when she made it clear it is perfectly acceptable to take days and hours off when needed. The District was not in a position when he was hired to make a long-term commitment either and verified, he was hired to help with fire mitigation and winter plowing since we lost our back up plow driver due to retirement. If we have a decent winter it is not possible for one person to handle storms. Snow up to about 8-10" is about the maximum amount that is practical to handle without a second driver & piece of equipment.

Budget: At the work session it was agreed Janet would modify the budget to go heavy on labor and development to ensure we covered most any scenario, but it is likely neither one of those expense lines will be fully realized in 2018. Covering all bases was decided as the wisest choice so those changes were made while Brian was visiting with the board.

Resident Items:

64 Forest Ridge has erected a pole type building not quite a car-port and not quite a shed. There was a complaint made by the neighbor due to the placement being very bad for his view and inappropriate aesthetically for the lot. Janet, Lisa, and Melissa previously viewed the situation and agreed the placement was not acceptable. There was no pre-approval process and the owner is showing resistance to cooperating. It was agreed by motion from Lisa, seconded by Melissa, unanimously agreed that the District will need to follow through and insist the building be relocated or removed.

185 Woodcrest was purchased by auction for a treasurer's deed and the new owner requested relief from outstanding fees. Unfortunately the owners had never made this type of investment and failed to perform due diligence on outstanding lien items. While the District can sympathize, it is difficult to

feel too badly for someone with the cash abilities to purchase a property for over \$150,000 but did not research the process for liens. It was determined the existing residents should not be penalized for this and Janet recommended offering small relief in the form of current finance charges, as they are very high and the District will in reality collect a nice sum to help offset the costs of dealing with a foreclosure that has been a headache and we suspect has been used for illegal activity periodically by connections to the prior owner. It was a USDA home and the foreclosure process has been ridiculously long and drawn out. The relief was authorized up to Janet's discretion, and she stated somewhere in the 500 range but nothing in the 1000 range. Kathy confirmed the outstanding bill was approx. 10-11,000. Janet felt it was not harmful to show good faith as the new owners had been showing good faith and they will likely sell the home to an owner-occupied person because they do not seem overly interested in becoming landlords. There have been no written assurances made but so far, the buyer Janet and Kathy have met several times seems to be a very sincere and decent person. Janet prior explained the chances for relief were slim due to the fact that she could not recommend their financial decisions should not negatively affect DW1 residents.

6 Holly Hock proposed building a fence. The board requested pictures of materials and to verify lot measurements and surveys. Overall seems it will be fine once the details are covered the District will issue an approval if everything checks out as we suspect it will.

Budget Adoption: Updates were made as stated above and the board approved final paperwork for adopting the 2019 budget by motion from Lisa, seconded by Pete, unanimously approved.

Executive Session: per §24-6-402(4)(f), C.R.S., "Personnel matters;" Again, the board has needed to discuss how to structure Hugo and Brian positions, employee raises and performances, and Kathy's work performance.

Adjournment: The meeting was reconvened and adjourned at approximately 8:30pm by motion from Pete, seconded by Melissa.

P.S.

Next meeting: The board tentatively planned for an early December meeting on December 4, but may possibly cancel depending on what items are pending that may need to be discussed. Holidays are coming soon and a final decision will be made at a later date.

Record of Proceedings: December 4, 2018
Durango West Metropolitan District No. 1 Board of Directors

Present: Board Members: Lisa Myers, Pete Merkel, Bruce Longwell, Melissa Schneider.

Staff Present: Janet Anderson, Kathy Phelps, Brian Davies, Michael Roussin

Quorum: A quorum was present and Lisa called the meeting to order at approximately 5:55pm.

Visitor Business: Chris Downing, owner of 6 Holly Hock Trail. Chris met the board and discussed a fencing plan for his home. No decisions were made but his plan sounded reasonable & he would bring by a more formal proposal with materials and placement documents.

Budget: Budgets were prior approved last meeting for the 2019 calendar year. Janet provided an update for year-end actuals & estimates for 2017, 2018, and minor tweaks to 2019. The board unanimously again approved the resolutions to adopt and authorize operational and capital expenditures by motion from Pete, seconded by Lisa. Housing, tennis courts, and backup snow removal truck are capital expenditure items that can hopefully be completed, or progress towards during the 2019 calendar budget.

Speeding mitigation: Funds were budgeted to allow for purchase, rent, or borrowing of electronic speed radar monitors that can be relocated as needed throughout the subdivision. The board has discussed what might be the appropriate number and usage of signs, speed bumps, and more road paint, etc. It was noted the clutter can be overwhelming and cause failure to notice. On the other hand, lack of signs and speed bumps can cause residents to not see actions being taken to at least try to slow people down. Speeding remains as a continual complaint; however, remedies to mitigate it are controversial with residents. Board members also don't always agree on appropriate measures and the appropriate level of resources to use in mitigation attempts. Everyone did agree the problem is not hugely widespread, but for residents living on the route of 1 or 2 regular speeders it is seen and viewed as a regular and daily problem. The board will discuss options for sign clean-up & brainstorm some ideas after the winter season to see if some changes may have a larger positive impact in 2019. Street signs were finally received and Kathy has worked with Hugo to replace in all the areas needed per Pete's list made over a year ago. Janet brought up the address numbers project POA was going to take on a few years ago when Mary Sulkosky was still on the board. We should note that item to look at again in the spring/summer.

Next meeting: The board set January 16 and February 20 as the next meetings.

Adjournment: Being the end of year and holidays coming, the board unanimously decided to continue remaining agenda items into January's meeting. The group stayed to eat and visit for a bit