

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
REGULAR MEETING – January 27, 2021

Call to Order: Meeting was called to order by board president, Melissa Schneider at 6:30pm.

Board Present: Melissa Schneider, Matt Nesbitt, Jeanne Matthews, Pete Merkel, Tom Phelps

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

Visitors: Owners of properties on E Woodcrest Drive: Susan Hutchison, Terry Hutchison, Robert Morris, Amber Morris, Ted Neergaard (lien holder), and owner Anna Trbovich

25 Timber Drive Update: The board was given a summary on the eviction process and results. Janet reported a meeting with the owner and attorneys was likely needed. The board determined dates of availability within the next 2 weeks and authorized Janet to schedule appropriately based on recommendations of the district's legal counsel. Since the property was not vacated as promised several times, the board is becoming very frustrated with the owner's lack of cooperation. Neighbors remain fearful that the activities and prior threats may resume since one of the complicit parties is still living in the home. The board discussed options of continuing fines, discontinuing water services, and looking into testing options to ensure safety of the neighborhood once the home is vacant. Board unanimously approved a motion by Tom, 2nd by Jeanne, to continue daily penalties as long as one or more of the prior tenants are still living at the property.

East Woodcrest Properties. Late last fall, notices of setting a fee structure for residents outside of the district were sent to owners of properties located on E Woodcrest Drive. The board considered prior input submitted by the owners and sent new notices reflecting a reduction to the prior noticed fees. Ted is the lien holder for Robert and Amber and stated emphatically he would not pay anything to Dw1. Susan and Terry also object to paying anything to Dw1. The problem is that these properties use Dw1 access and sewer services, but water and wastewater treatment is provided by Dw2. After some discussion, the owners suggested a fee structure they felt was fair to their unique situation and usage. Terry stated she wanted to amicably work something out, and Robert and Amber stated a similar willingness to cooperatively work something out. The parties understand there is benefit and use, but Dw1 and Dw2 fees are structured differently and they feel the combination of these fees unfairly penalizes them. The board agreed to again take the matter under consideration. Susan and Terry said they wanted to talk things over between themselves and they would submit something to the district prior to the next meeting and would try to submit something by February 12 during their plans to visit in person.

Delinquent Accounts: The board reviewed past due accounts with Kathy. Janet clarified nearly everyone on the current list was also delinquent prior to Covid-19 as these accounts have historically had difficulties keeping current status. Janet has not felt comfortable dealing with collections during the pandemic and the district typically makes efforts not to send formal delinquency notices from November 1 until the end of January. Notes have been written on bills with reminders, but the district has not included payment deadlines for termination of services.

The board approved staff to place everyone on written payment agreements and get these accounts brought up to date. It was decided that special circumstances of hardship due to covid could be dealt with on a case-by-case basis. It was agreed the district is willing to work with property owners but the delinquency list is too large and we need to reign it in. Late fees have been charged to customers to date. Once accounts are placed on formal payment agreements, late fees may be waived unless the agreement becomes in default.

Staff Reports: Janet and Brian discussed projects for spring & early summer. There are a few bad road spots and electrical power still needs to be installed at the front entrance. Complications from numerous crossed service lines delayed the project last fall and Janet acknowledged it would be completed in early spring as soon as weather allows. Pete agreed to look at some drainage spots with Brian. It could be that waddles are a potential option in the shorter term because older curb designs, curb cuts, and curb sinking are the main culprits causing the most drainage problems, and they are extremely expensive to rebuild. It will likely require a road bond to be able to repair and replace numerous curbs and/or have engineers look at benefits from installing more drainage culverts. Janet requested funds be authorized for grant writing help to pursue the larger grant cycles now that the park/recreational area has been repaired and is functional along with a garden area and new fencing. The board approved up to \$10,000 to be used for engineering work and professional grant writing assistance to submit applications for the large park area. Brian reported he intends to exercise main water valves this season.

Minutes: Minutes from December 9 were approved unanimously.

Adjournment: Meeting adjourned at approximately 9:30pm by carried motion from Melissa, 2nd by Pete.

M. Schneck

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
SPECIAL MEETING – February 10, 2021

Call to Order: Meeting was called to order by board president, Melissa Schneider at 6:08pm.

Board Present: Melissa Schneider, Matt Nesbitt, Jeanne Matthews, Tom Phelps. Pete Merkel joined the meeting a little bit later.

Staff present: Janet Anderson, Kathy Phelps.

Visitors: Nick Anesi, legal counsel for Durango West 1.

Executive Session: This was a special meeting called for the specific purpose of receiving legal advice and discussion with the district's counsel. There was an ongoing situation with a property owner who had tenants conducting illegal activities. Some of the District's imposed penalties and legal fees are being disputed by the owner. Both parties prefer to resolve ongoing and future conflict without litigation.

The board entered into executive session at approximately 6:10pm by unanimously approved motion by Tom, 2nd by Jeanne. The board reconvened to regular session by motion from Melissa, 2nd by Tom, at approximately 7:00pm.

No decisions were made. The board confirmed the next regular meeting on February 24, and the meeting concluded following discussions with Nick Anesi.

Adjournment: Meeting adjourned after carried motion from Tom, 2nd by Pete.

M. Schneider

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
REGULAR MEETING – February 24, 2021

Call to Order: Meeting was called to order by board president, Melissa Schneider at 6:33pm.

Board Present: Melissa Schneider, Matt Nesbitt, Jeanne Matthews, Pete Merkel. The board excused Tom Phelps as he was ill.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies, Chris Kramer

Visitors: Gary Pennington, property owner.

Minutes: Minutes from January 27 regular meeting and February 10 special meeting were approved unanimously.

Visitor Business: Gary wanted to say hello and observe the meeting. Janet told Gary she had not forgotten about installing pet waste stations late last fall, but there was a manufacturing problem on the supplies order due to Covid. Janet and Brian have discussed and we will be installing a few pet stations as part of spring projects when snow melts enough to set posts and start cleaning up winter street debris.

Front Entrance Spring: Janet informed the board she and Brian would be changing the trash collection situation at the front to have smaller size containers that don't require being rolled into the street. The aesthetics are not great for the entry way, they are frequently in the way during snow plowing & people parking to pick up mail, and we'd like an upgraded look at the front. The board did not object and they do want to maintain a recycle container for sure. Janet said without a trash container we'd have more litter so we would definitely retain a trash container even if it needs emptying more often. Currently larger bags of trash can be disposed and we want to eliminate that.

25 Timber Drive Update: The board discussed negotiation of fines and gave some parameters of the appropriate days of fines to Janet to pass on to Nick Anesi. Nick asked the board to consider getting this issue resolved in the hopes of avoiding further board time and legal expense. Although the property owner did not fulfill everything he promised, the district recognizes the illegal activities that were going to have ceased following the owner's eviction process. Unfortunately, this could have been done much earlier and avoided a lot of legal fees, hassle, assessments, and harm to neighbors. The district has not received complaints of harmful or dangerous situations since the eviction. Janet was given authority to share with Nick the board's thoughts on finalizing the outstanding fines. Fines are no longer being accrued, but they have not been paid since the parties' legal counsels have been directly in contact.

East Woodcrest Properties. Staff reported nothing had been returned or presented to the district after the last meeting held with the property owners on East Woodcrest Drive. The board considered the past few conversations and reviewed the services that those properties receive. The board agreed to charge for sewer collection and roads in the amount of \$70.00 per month. Because the owners indicated they wanted to send something further, if nothing is received from the property owners by the end of February, staff will begin billing the accounts in March.

Audit for 2020 Beginning: Janet informed the board Ronny Farmer plans to begin working on the district's 2020 audit sometime during the week of March 15-19. Janet said she would inform the board if Mr. Farmer wants to meet with them, but it will be in the early stages of the process. A completion date has not been given, but we expect to be able to comfortably meet state deadlines.

Water Operator Report: Chris spoke with the board about training Brian in treatment, distribution, and collection. It was agreed that Brian should feel ok about sitting for the exam even if he doesn't feel fully prepared since it is not expensive compared to study guides and classes prices, and then he will better know what to expect if he needs to take the test again. There are no rules about number of times the test can be taken and Chris agreed this was a reasonable approach. In person classes have not been offered due to Covid so Brian is at a disadvantage from other operators who usually go to classes that specifically prepare for the operator level tests. There are several online resources Brian is connecting with. Mostly, the uncertainty is that the categories are broad and he is unfamiliar with the criteria of knowledge needed to become licensed.

Chris recommended valves and fire hydrants be exercised and repaired or maintained this year. Chris advises exercising fire hydrants twice each year and main valves at least every other year.

Adjournment: Meeting adjourned at approximately 8:25pm by carried motion from Matt, 2nd by Melissa.

M. Schneider
3-24-21

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
REGULAR MEETING – March 24, 2021

Call to Order: Meeting was called to order by board president, Melissa Schneider at 6:33pm.

Board Present: Melissa Schneider, Matt Nesbitt, Pete Merkel, Tom Phelps. Jeanne Matthews was excused absent due to a work conflict.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies

Visitors: David Herrick, property owner, 74 Hidden

Minutes: Minutes from February 24 were unanimously approved by motion from Matt, seconded by Melissa. Tom abstained due to being absent on February 24.

Visitor Business: Mr. Herrick talked with the board about an outstanding balance on his account prior to selling his lot. Their home was destroyed by a fallen tree a few years go making it uninhabitable. The demolished home was not cleared from the lot after six months, which was the agreed to grace period, so monthly bills resumed. The home remained in demo state on the lot for over 16 months as well as two sheds and a garage subsequent to the home removal. Janet presented she had worked with Mr. Herrick in deference to his parents, who became homeowners shortly after the District was formed. Mr. Herrick requested all amounts be entirely forgiven, stated he had trouble getting the home removed, and did not feel the District needed to be kept informed of his intentions after the grace period. After discussion & consideration, Tom motioned the presented amount of \$1,920.00 should remain given it was a generous courtesy credit, the lot was neglected for too long, and the lot was improperly used for storage without a home, which is incompatible with single family land use. Motion 2nd by Pete, unanimously approved.

Delinquent Accounts: Due to covid, staff has not been implementing standard collection policies during the past 12 months. The board directed staff after the holidays to begin working on collections. Payment agreements and down payments were finalized and collected in late February. Kathy reported everyone was currently under an agreement and she did not anticipate collection issues with most of the accounts, with two exceptions. Janet noted as earlier discussed, payment arrangements allowed anyone with covid-related hardships could seek board approval for extensions if needed. Janet reported during her review of all the late accounts, all but 1 were slow/delinquent payers well prior to covid. About 1/3 of the delinquent accounts paid in full after receiving agreements.

Disputed Accounts: Two accounts are being disputed by landlords of 25 Timber and 207 Woodcrest. Janet reported no update yet from legal counsel on 25 Timber. 207 Woodcrest requested a waiver of penalties for the second time. Motion made by Melissa saying penalties on 207 Woodcrest should not be waived, either in full or in part, 2nd by Matt, passed unanimously. Janet noted things remain much more peaceful in the surrounding area & residents are pleased. Staff also noted no observations of concern, and no complaints received. Board concurred.

Property Conditions: Melissa noted a couple of properties have been accumulating junk and spreading out onto unoccupied neighbor yards. Janet will draft letters for next meeting.

Infrastructure/Spring Projects Update:

Water Infrastructure: Brian reported he would be renting vacuum equipment next month to clean out main water valves. New caps/plugs were ordered to reduce debris which should help determine conditions of risers to assess corrosion and slip joints. Several of the valves are packed fairly tight with debris and haven't been cleaned out in many years. The curb box risers are tubes made of iron sleeve pieces joined together for various depths. Originally installed in 1977-1983 there seems to be a mix of galvanized, iron, and brass materials in various locations. Brian is starting to work on new mapping to ensure each valve is consistently marked and operational. Several maps show some inconsistencies on valve locations and numbering. GIS mapping overall is needed after the District is able to verify all operational valves. The goal for this year is to determine each area of water mains that can be isolated with working valves in order to make a plan to repair, eliminate, or add valves if needed. Janet recommends we have the fire department assist in testing fire hydrants (pending water supply & provided Lake Dgo is not on water restrictions). Janet and Brian have agreed wants physical markers various areas of water lines and the valves have not been exercised regularly for fear of breaks and expensive repairs.

Operator License: Brian reported he has been studying to take the operator test for small systems treatment and distribution. Due to covid, no in person training has been going on, and Brian has found no online training that's organized as a classroom to teach the prep to pass the written test. Janet has talked with Brian about taking a practice test and verified with the board it was perfectly acceptable to sit for the test to gauge what to study for. He's not found sample tests for small systems because testing sites usually hold classes for a few days prior to each test but covid has everything shut down. Brian agreed to sit for the exam soon.

Development: Janet reported materials and labor have risen steadily over the past 3 years, but in 2020 prices drastically increased. Matt agreed and has been concerned about not building prior. Matt reported recent sales on Timber Drive have exceeded 300K and wants the District to build and keep the momentum going for upgrades in the lower area. Janet is concerned with building prices labor, lot locations, over extending, and unknown satisfaction with builders in this market.

Spring Cleanup: Cleanup is always a popular event, but spring 2020 brought in volumes that far exceeded anything we've experienced. The costs were over 3 times normal year cleanups. Because everyone was home during covid, the amounts were beyond extreme. Because of spring, 2020, no fall clean-up was added in fall, for either organics or trash. The board suggested one cleanup in June would be adequate this year. Staff was asked to decide the most efficient way and decide on dates for next meeting. Janet mentioned it would be good to do something in the fall specific to fire mitigation versus overall cleanup. Weather forecasts call for another dry season and Brian has made good progress on several areas over the past two years. After June cleanup, we can assess costs to determine how much to put towards fire mitigation in 2021. Many areas have been fairly well mitigation, but what remains the largest concern is the land south of the District. Unfortunately, the owners do not want to grant the District access to perform fire mitigation on private land to the south of Woodcrest, Moss, and Holly Hock.

Adjournment: The meeting was adjourned by motion from Matt, 2nd by Pete, at approximately 9:00pm.

M. Schneider
4-28-21

Roman Plegos
4/28/21

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
REGULAR MEETING – April 28, 2021

Call to Order: Meeting was called to order by board president, Melissa Schneider at 6:35pm.

Board Present: Melissa Schneider, Matt Nesbitt, Pete Merkel, Tom Phelps, Jeanne Matthews.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies

Visitors: Natasha Dickenson, new property owner, 71 Holly Hock

Minutes: Minutes from March 24 were unanimously approved by motion from Matt, seconded by Melissa. Jeanne abstained as she was excused absent on 3/24.

Visitor Business: Natasha purchased a foreclosed home that has been neglected for many years. Since it was placed in Dw1, the home had been foreclosed twice and was under threat for many years prior to the recent foreclosure. Natasha wishes to remodel the home. She visited with the board about financing of older manufactured homes that were built post 1976. Discussions revolved around the general rules and policies of HUD and Fannie Mae for their requirements to insure mortgages. Natasha shared some pictures of a home she and her husband recently fixed up and shared some of her visions of what she'd like the home to look like aesthetically. The board brought up serious concerns about the structural integrity of the home due to the current condition and years of being vacant and not maintained. Information exchanged was helpful for the board to take under consideration and for the owner to further understand the board's positions of concerns.

Infrastructure Update: Brian reported he made good progress on cleaning out water main valves and was able to complete the project. There may be 2 paved over or buried in dirt valves remaining per some of the mapping, but he has not able to locate them or verify if they exist or are a mapping error. Most of the boxes were compacted and full of dirt and rocks, so a Hydrovac machine was rented. Brian reported it worked extremely well and was pleased with the results. New lids/plugs that have an expansion seal were installed, which should prevent debris infiltrations in the future. Dw1 has not exercised turning on and off the valves in well over a decade. Brian will begin exercising valves this season and attempt to lubricate them without having to dig up. Some are very deep (up to 10'), and have not been exercised regularly out of fear of a break and causing a big leak & expensive repair. We anticipate a few will inevitably need replacing, but we could get lucky. The District is working towards major mapping and field markers to verify and update all the data that has been added by hand to mapping since 1977. Much of the information is spread

between various maps with hand notes. This data needs to be compiled and organized then appropriately added to GIS mapping once we've verified the locations by sight. Janet and Brian have discussed various ways to tackle this project, and staff agrees GIS data should only contain items verified in the field rather than including all mapped estimates. The district previously entered GIS data of curb stops and meter pits on individual lots and a few of the water valves that were in the streets. There are less than 5 homes with unknown locations of curb stops, but remaining homes all have water service valves accessible within the district's right of way. Brian reported he found GIS software commonly used by utility companies that offer free to low-cost options for small non-profit entities he is following up with.

Delinquent and Disputed Accounts: Delinquent accounts have continued to make regular payments. Several have been cleared from the books now. There are currently 3 accounts being disputed 2 landlords and 1 owner. Janet will schedule a meeting with legal counsel.

Spring Cleanup: Cleanup is always a popular event, but we are having difficulty scheduling dumpsters for a weekend event. Staff will continue to work on this, but we are tentatively planning for the first week in June as previously discussed. Will inform residents & the board as details come together.

Audit Update: Janet reported we are still waiting on items needed from Dw2 on the wastewater fund to complete the 2020 audit. The items have been requested since February. Due to tax filing extensions into May this year, Dw2 may not provide what we need until mid-May. Some of the items requested are not in Dw2's hands and need to come from their auditing firm.

Adjournment: The meeting was adjourned by motion from Jeanne, 2nd by Pete, at 9:10pm.

M. Schneiders
May 26, 2021

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
SPECIAL MEETING – May 5, 2021

Call to Order: Meeting was called to order by acting president, Pete Merkel, at 6:35pm.

Board Present: Matt Nesbitt, Pete Merkel, Tom Phelps, Jeanne Matthews.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies

Visitors: Nick Anesi, legal counsel for Dw1

Executive Session

per §24-6-402(4)(e), C.R.S., “Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators;

Matt motioned to enter into executive 2nd by Jeanne, to seek legal advice at 6:40pm.

The board reconvened to regular session by motion from Tom, 2nd by Pete at 7:50pm.

Janet asked for attorney input on what the board can do for 71 Holly Hock to resolve the district’s concerns of safety, property values, and potential liability. Nick recommended the board seek an inspection to receive written criteria for structural strength, foundation, and testing for mold and drug residue, especially if much more detailed information cannot be confirmed by the bank or the realtor. Janet and Kathy have both contacted M&T bank and HUD lender. It is unlikely anyone licensed or credentialed performed structural testing or inspections; rather, due to obvious condition of the home, it was deemed not worthy of lending and costs exceeded blue book value of the manufactured home. Janet will look for inspectors who might be available without a long delay. Nick recommended this was the best way to proceed and that a written agreement is recommended.

Janet reported to the board several requests have been coming in regarding VBRO use. The District does not have a specific policy and should adopt one to clarify for everyone. Janet has explained that while there is not a policy prohibiting VBRO use, there are rules regarding no commercial use and these are considered more like long stay hotels because they can be used nightly or for longer periods, but they are designed to maximize income for property owners. Discussions about affordable housing shortages took place and it was mentioned that possibly a survey to residents would be a way of determining a direction for a policy. Janet liked that idea. Matt recommended a solid policy should be adopted very soon. Janet has been sure to inform any inquires that no grandfather use would be considered at such time as a policy does get adopted, but that a phase in or phase out, depending on the direction of the policy, would be included for plenty of notice to owners.

Adjournment: Meeting was agreed adjourned at 8:15 by motion from Matt, Tom 2nd.

Tom Phelps 5/26/21

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
REGULAR MEETING – May 26, 2021

Call to Order: Meeting was called to order by board president, Melissa Schneider at 6:35pm.

Board Present: Melissa Schneider, Matt Nesbitt, Tom Phelps, Jeanne Matthews, Pete Merkel.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies

Visitors: No visitors were present.

Minutes: Minutes from April 28 and May 5 approved by motion from Tom, seconded by Jeanne.

Follow up May 5 special meeting & executive session:

71 Holly Hock: Janet reported she found a home inspector who was available within 6-7 business days. She sent an email to the owners explaining the board was willing to cover the cost of an inspection and willing to come up with terms based on findings from a qualified professional. The owners of 71 Holly responded they would not be in town that week and the unit was not accessible. No further options or requests for alternative dates were made by the owners.

Short Term Rentals: The board briefly discussed VBRO inquires at the May 5 meeting. The board brought Melissa up to date on advisements and Melissa recommended staff to begin working on a survey/public comments form to review next meeting.

Pending letter from legal counsel regarding 32 Hidden: Janet reported she did not have a draft back from Nick Anesi to respond to a new lawyer hired by the owner of 32 Hidden to dispute a deed agreement made with the District dated October 4, 2017. The owner of 32 Hidden was declared in default on April 16, 2018. The owner claims the mobile at 229 Woodcrest was removed by the District without providing adequate notice. Records show the District did not remove the mobile until July 2020 while the original agreement stated the mobile would be moved by April, 2018. Notices were mailed, emailed, texted, and sent certified to two valid addresses several times over a two year period, allowing more than a generous time period to take the mobile. The mobile was abandoned, stripped, being trashed by kids, used by squatters, and posed a worsening fire danger and eyesore.

Spring Cleanup: Details for spring cleanup were discussed and finalized. Board members agreed to help cover extra laborers as needed. Arrangements and schedules were confirmed for a cleanup to begin June 8. Efforts were made to hold the cleanup on a weekend, but trash companies were not willing to provide weekend service this year. Companies were also not able to confirm availability dates for any Friday so the District ended up scheduling afternoon hours during the week. We anticipate filling 4-7 dumpsters and confirmed Recla Recycle will be participating to save items from the dump. Recla has also added several items they can now recycle other than just ferrous metal, including computers and monitors.

Pending Violations: A draft letter was approved to be sent to 207 Woodcrest owner responding to disputed penalties. New penalty letters for one on Woodcrest and one on Hidden were discussed for violations of an illegal camper being lived in, junk accumulations, prohibited ongoing vehicle repairs, and unlicensed vehicles and drivers. The board approved the notices to be finalized and will hand deliver next week.

Adjournment: The meeting was adjourned by motion from Tom, 2nd by Matt, at 7:50pm.

M. Schneider
6-23-21

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
REGULAR MEETING – June 23, 2021

Call to Order: Meeting called to order by Melissa Schneider, Tom Phelps 2nd @ 6:35pm.

Board Present: Melissa Schneider, Matt Nesbitt, Tom Phelps, Jeanne Matthews, Pete Merkel.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies

Visitors: Greg Ehrig, owner, Mandy Bucher & Tim Hamza, owners

Minutes: Minutes from May 26 were approved.

Visitor Comments:

Mandy Bucher and Tim Hamza are long term owners of 199 Timber Drive. They wish to build a home in Dw1 and asked if the District would consider selling 24 Timber Drive at a sales price of \$60,000. Janet informed the board the District's investment into the lot is approximately \$58,000, due to removal of fire damaged mobile, trees, lot clean up, dump fees, etc. They also said they would be willing to trade 29 Hidden Lane for 24 Timber. They have 29 Hidden under contract with a set closing date. The board agreed to think it over and discuss. Janet asked for a deadline date to return an answer – July 2.

Greg Ehrig said he was in attendance to observe some of the meeting and was primarily interested in discussions regarding short term rentals such as VRBO/Airbnb.

Manager's Report: 2020 Audit: Janet reported the audit for 2020 was delayed due to some changes needed in Dw2's audited financials from 2019 regarding the wastewater fund. There was a bond payment that was entered in error and was causing the balances not to match up by ½ of a bond payment. Dw2 has responded and is sending additional information as requested. Mike will make a few additional adjusting entries based on the corrections and depreciation schedules from Dw2. Ronny was out of town but expects to send the 2020 draft to the board in July for review. Janet indicated she thought we would be able to file the audit by July 31 as required and would let the board know if anything changes.

Janet also reported on threat of a lawsuit from Dennis Lucero claiming the District breached a contractual agreement term from a contract signed in 2017. Janet passed on to the attorneys with

information showing Dw1 did not breach terms. Frank agreed he did not see a valid claim to challenge. Janet reported the District was very careful when the contract was drawn up with Mr. Lucero, and pointed out that prior boards have dealt with Mr. Lucero several times in the past. Janet reported Nick was busy with other clients when the letter and request for response arrived, but verified Frank had taken care of responding to the attorney firm representing Mr. Lucero. Janet recently asked Frank if any other correspondence or conversations had come up to report to the board for this meeting. Frank said he'd heard nothing back after communicating with Mr. Lucero's counsel earlier this month.

Brian Report: Brian reported he was continuing to work on summer projects in the field and had nothing specific to visit with the board about except to update on electrical service at the mailboxes. LPEA is requiring an additional \$500 deposit that will be credited towards services once installed and they will not accept a credit card. The board issued a check for the deposit. It has been a struggle getting a new pedestal to set up a new meter, even though prior contractors indicated a pedestal was available and a line was prior run to service the pedestal. Apparently, there are numerous utilities in the way in the area and running a conduit to the mailboxes will be challenging. Brian will continue to pursue and figure out how get the project completed. The District is looking forward to having power for lighting and surveillance for safety and convenience.

Kathy Report: Kathy reported on progress she's been making with delinquent accounts. One of the accounts recently decided to sell their home, but they have also been making payments. It is expected to sell quickly given current market conditions and will be paid in full. One account remains problematic, but should be current within the next month. One account will be placed on the habitually delinquent account, which will remove grace periods in the future so that the bill cannot build up to amounts more difficult to collect. This also helps by adding less burden to the customer. After termination of services happens once or twice, they quickly begin changing their payment dates to avoid terminations. This policy is only implemented with very difficult to collect accounts.

Pending Violations: The board discussed two properties with outstanding violations with property cleanups expected by July 25. Neither property has done anything to date.

Short Term Rentals Discussions/Survey: Last meeting Janet reported inquires have been made. In recent months, a few customers have made complaints regarding parking issues at units known being used as VRBO/Airbnb units. Greg Ehrig explained he felt they were a positive thing for the neighborhood and could be successfully allowed, while he also recognized certain restrictions may be appropriate. He said he understood neighbors not wanting to deal with parking or noise. He also shared how financially successful they can be and how they add options for property investors and property owners. There are concerns allowing short term rentals removes properties from affordable housing inventory for both longer term renters and for home buyers. Janet suggested VRBOs are probably considered commercial activity and therefore not fully compatible with single family housing; however, as discussed earlier, we lack specific policies addressing short term rentals.

The board reviewed a survey draft Janet earlier prepared and made some edits. Melissa offered to help transfer the word document to google forms. Kathy reported fewer residents are using paper billing each month and this will help with future surveys as well. Hopefully a large number of residents will respond in order to help guide board decisions on this important topic. The survey requests an address for validation, and asks for opinions on whether or not to allow short term rentals, whether or not residents want certain restrictions, and whether or not residents think they will have a positive or negative effect on property values. It was agreed to allow multiple adults in the same household to weigh in rather than one per address to gain more opinions.

Janet reported she'd spoken with Frank briefly about CCRs and if they should address short term rentals. Frank advised the District to consider assessing whether homeowners want to adopt new CCRs along with Metro District policies. Janet also recommended looking at modifying the service plan if needed, which has been discussed in the past. The service plan allows quite a bit of leeway with District decisions, but it was written in 1970s. The housing market has changed over the years and several other covenants are no longer applicable. It was agreed this is a good opportunity to update several District policies and to provide better clarification where needed.

Adjournment: The meeting was adjourned by motion from Matt, 2nd by Tom, at 8:20pm.

M. Schneider
Tom Phelps

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
REGULAR MEETING – July 28, 2021

Call to Order: Meeting called to order by Melissa Schneider, Tom Phelps 2nd @ 6:35pm.

Board Present: Melissa Schneider, Matt Nesbitt, Tom Phelps, Jeanne Matthews, Pete Merkel.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies

Visitors: Property owners Greg Ehrig, Thia Parry, Hillary Dosch, Vanessa Silva

Minutes: Minutes from June 23 were approved.

Visitor Discussions:

Vanessa Silva and Hillary Dosch had questions about notices of encroachments due to LPEA recently conducting some surveys and planning upgrade work to lines within easements. Both property owners' homes are not set on the lot to allow much back yard and they were not happy to be asked to remove fencing. Ms. Silva's home is especially close to the back lot line and she was upset to lose land she thought was rightfully hers when she purchased the property. Timing of notices was also brought up as limited. Staff explained LPEA originally scheduled these upgrades for fall, 2020, but Dw1 required them to extend into this year. LPEA did not provide the District much notice either, so we sent Brian out to deliver letters as soon as we saw where they would be working and when paint marks and survey stakes began showing up. Bottom line, the board agreed they could not properly grant any permissive use of easements because they are legally there to allow utility company access and to provide open space and a buffer between streets. Per mapping, the entire subdivision should be able to be accessed between each block from the rear of all the homes. Lots are very small and several builders did not put enough thought into placement of homes when built. Some of the homes do not meet minimum setbacks, although setbacks do allow as little as 5' per covenants, which is barely enough to open a back door and walk outside.

Thia Perry informed the board she is upset with neighboring properties on both sides of her, but particularly the Woodcrest neighbor due to months of looking at junk, weeds, and dog feces. Janet and Kathy have both made contact with the owner of the Woodcrest neighbor several times over the past few months, but staff had not heard that the Moss Rd neighbor was also apparently guilty of some dog odors. Staff was directed to send formal notifications to mow, clean up clutter, and scoop poop on a regular basis, or face formal notifications of fines.

Greg Ehrig said he wanted to discuss parking complaints and issues with the curb at his Valley View rental. He said one neighbor on Valley View was picking on him and exaggerating the situation. Staff said they'd had several complaints and they were aware the driveway flush-in has a hump on that residence making some lower set car owners concerned about bottoming out. However, past residents have dealt with the driveway and it was designed by the builder, not the District. The road and curb were in existence when the home was built but it is possible some sinking has occurred making it worse. The board said Mr. Ehrig's VRBO unit was the source of several recent complaints and explained the district is largely complaint based. The board and Mr. Ehrig discussed what could be done to rectify neighbor concerns. Conversations about Mr. Ehrig's encroachment issues at his personal property also were discussed. Mr. Ehrig has been doing a project in his back yard that has caused Brian problems finishing the drainage as he was directed to do by the engineers' design to help mitigate damage to the courts in the open park area. Mr. Ehrig said he had not been parking his yellow truck in the easement very often, and not overnight. Mr. Ehrig's property is large enough he should not have any reason to encroach and he needs to clear out his project debris so Brian can complete the ditch work. Mr. Ehrig agreed to clean it up. Kathy and Brian were not certain the truck parking comments were fully truthful as they both said they have seen it parked there very often without moving. Mr. Ehrig then informed the board he had full intentions of filing a lawsuit for monetary loss if the District does end up adopting a policy to disallow his VRBO units. The board stated it was his prerogative to threaten and file suit, but no VRBO units have ever been officially approved, including his. Further, the existing covenants do not allow for homes to be used for commercial activity. The board stated the homeowners would be guiding this decision process, which was the reason an initial survey was put out. Results will be compiled with residents' comments by the August meeting and the board will review responses. Janet stated this subject came up due to complaints within Dw1 and due to recent realtor inquiries. VRBO units are not specifically addressed in covenants or District policies at this time. Since the market has changed considerably and popularity of VRBO units is growing, the board felt it was time to look at adopting policies based on what the majority of residents want. Janet also stated this is a first initial step to begin gathering opinions and clarified that no policies were planned to be immediately put into effect without more resident input and further meetings.

Hillary Dosch came to discuss encroachment issues she is also affected by with LPEA's project and stated she lives across the street from Mr. Ehrig. She informed the board she has been using the VRBO Greg has at his personal residence for family members to visit from out of town and she finds it very convenient and not a problem to neighbors. She wanted to voice support that she really liked the ability for family members to stay close by and did not want Mr. Ehrig's unit to be disallowed. Ms. Dosch agreed they will cooperate with adjusting fencing to open the easement as will Vanessa Silva.

The board was not willing to grant use of easement areas and stated access should be kept open per surveyed markings. No variances would be granted to allow fencing off District easement property.

The visitors left the meeting after concluding their business and providing input.

2020 Audit: The board received the draft audit a few days prior to the meeting and motioned to adopt and submit the final copy unanimously.

Pending Notices to clean up property violations: The board discussed two properties given notice prior to clean up large piles of debris. 16 Hidden has complied partially by moving several vehicles and some clutter. Although the board would like the property cleaned up better, and kept cleaner, they determined fines were not warranted and appreciated his efforts. The other violation at 251 Woodcrest had done nothing. Further, she made a point of tearing up the notice in front of the board members who hand delivered it last month so this was not unexpected. The board directed staff to send a letter thanking 16 Hidden resident and encourage him to keep the area free of clutter to avoid further notices and potential fines. Janet suggested the best answer to 16 Hidden is to work with the owner to allow and perhaps even help install a privacy fence in the area that continues to fill up far too often. It has been a regular problem. On the property with no progress made, the board said staff should notify the owner fines will begin August 15 in the amount of \$50.00 per day. The notice should include fines may be increased per adopted policies as determined by the board up to a maximum of \$200 per day.

LDWA: Janet recommended we start looking for an alternative representative since Mike has served for many years and it might be good if he saw a light at the end of the tunnel. It would be good to have a Dw1 property owner either knowledgeable with water issues or at least interested enough to learn as there are many complex issues and it is a very critical role for Dw1 to have good representation on the Lake Durango Water Authority board.

Executive Session 8:09pm: The board motioned to enter executive session to discuss pending litigation that was filed against the District by Mr. Dennis Lucero, 32 Hidden Lane. Mr. Lucero is upset at the District for enforcing an agreement made in 2017. The enforcement required Mr. Lucero to clear his property of vehicle repairs and accumulated car parts and miscellaneous items strewn about by a date certain. Prior to entering executive, Janet informed the board she had met with Nick Anesi two days ago to complete the district's answers to the complaint in order to file a response. This case was filed in county court and therefore has a maximum exposure of \$25,000 to the district. Prior to entering into executive session, Janet stated Dw1 counsel is not concerned and labeled it a nuisance suit. After brief discussions the board reconvened to regular session by proper motion and second to adjourn the meeting.

Adjournment: The meeting was adjourned by motion from Melissa, 2nd by Pete, at 8:15pm.

M. Schneider
Mike
8-25-21
25A4621

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
REGULAR MEETING – July 28, 2021

Call to Order: Meeting called to order by Melissa Schneider, Tom Phelps 2nd @ 6:35pm.

Board Present: Melissa Schneider, Matt Nesbitt, Tom Phelps, Jeanne Matthews, Pete Merkel.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies

Visitors: Property owners Greg Ehrig, Thia Parry, Hillary Dosch, Vanessa Silva

Minutes: Minutes from June 23 were approved.

Visitor Discussions:

Vanessa Silva and Hillary Dosch had questions about notices of encroachments due to LPEA recently conducting some surveys and planning upgrade work to lines within easements. Both property owners' homes are not set on the lot to allow much back yard and they were not happy to be asked to remove fencing. Ms. Silva's home is especially close to the back lot line and she was upset to lose land she thought was rightfully hers when she purchased the property. Timing of notices was also brought up as limited. Staff explained LPEA originally scheduled these upgrades for fall, 2020, but Dw1 required them to extend into this year. LPEA did not provide the District much notice either, so we sent Brian out to deliver letters as soon as we saw where they would be working and when paint marks and survey stakes began showing up. Bottom line, the board agreed they could not properly grant any permissive use of easements because they are legally there to allow utility company access and to provide open space and a buffer between streets. Per mapping, the entire subdivision should be able to be accessed between each block from the rear of all the homes. Lots are very small and several builders did not put enough thought into placement of homes when built. Some of the homes do not meet minimum setbacks, although setbacks do allow as little as 5' per covenants, which is barely enough to open a back door and walk outside.

Thia Perry informed the board that she and other neighboring properties are still having issues with one unit due to excessive junk, weeds, and large amounts of dog feces. Homeowners are becoming concerned this has gone on too long and is developing into a health risk, and the odors have become intolerable. Janet and Kathy have both spoken with the owner more than once and have sent emails. Thia was approached by other neighbors and wanted the District to know it was not a problem affecting only her. The board agreed something needs to be done and directed staff to send formal

notification to mow, clean up clutter, and scoop poop on a regular basis. Failure to comply will result in daily fines. The board appreciated her coming in to talk with them in person.

Greg Ehrig said he wanted to discuss parking complaints and issues with the curb at his Valley View rental. He said one neighbor on Valley View was picking on him and exaggerating the situation. Staff said they'd had several complaints and they were aware the driveway flush-in has a hump on that residence making some lower set car owners concerned about bottoming out. However, past residents have dealt with the driveway and it was designed by the builder, not the District. The road and curb were in existence when the home was built but it is possible some sinking has occurred making it worse. The board said Mr. Ehrig's VRBO unit was the source of several recent complaints and explained the district is largely complaint based. The board and Mr. Ehrig discussed what could be done to rectify neighbor concerns. Conversations about Mr. Ehrig's encroachment issues at his personal property also were discussed. Mr. Ehrig has been doing a project in his back yard that has caused Brian problems finishing the drainage as he was directed to do by the engineers' design to help mitigate damage to the courts in the open park area. Mr. Ehrig said he had not been parking his yellow truck in the easement very often, and not overnight. Mr. Ehrig's property is large enough he should not have any reason to encroach and he needs to clear out his project debris so Brian can complete the ditch work. Mr. Ehrig agreed to clean it up. Kathy and Brian were not certain the truck parking comments were fully truthful as they both said they have seen it parked there very often without moving. Mr. Ehrig then informed the board he had full intentions of filing a lawsuit for monetary loss if the District does end up adopting a policy to disallow his VRBO units. The board stated it was his prerogative to threaten and file suit, but no VRBO units have ever been officially approved, including his. Further, the existing covenants do not allow for homes to be used for commercial activity. The board stated the homeowners would be guiding this decision process, which was the reason an initial survey was put out. Results will be compiled with residents' comments by the August meeting and the board will review responses. Janet stated this subject came up due to complaints within Dw1 and due to recent realtor inquiries. VRBO units are not specifically addressed in covenants or District policies at this time. Since the market has changed considerably and popularity of VRBO units is growing, the board felt it was time to look at adopting policies based on what the majority of residents want. Janet also stated this is a first initial step to begin gathering opinions and clarified that no policies were planned to be immediately put into effect without more resident input and further meetings.

Hillary Dosch came to discuss encroachment issues she is also affected by with LPEA's project and stated she lives across the street from Mr. Ehrig. She informed the board she has been using the VRBO Greg has at his personal residence for family members to visit from out of town and she finds it very convenient and not a problem to neighbors. She wanted to voice support that she really liked the ability for family members to stay close by and did not want Mr. Ehrig's unit to be disallowed. Ms. Dosch agreed they will cooperate with adjusting fencing to open the easement as will Vanessa Silva.

The board was not willing to grant use of easement areas and stated access should be kept open per surveyed markings. No variances would be granted to allow fencing off District easement property.

The visitors left the meeting after concluding their business and providing input.


2020 Audit: The board received the draft audit a few days prior to the meeting and motioned to adopt and submit the final copy unanimously.

Pending Notices to clean up property violations: The board discussed two properties given notice prior to clean up large piles of debris. 16 Hidden has complied by moving the camper and some clutter. Although the board would like the property kept cleaner, they determined fines were not warranted and appreciated his efforts. The other violation at 251 Woodcrest had done nothing. Further, she made a point of tearing up the notice in front of the board members who hand delivered it last month so this was not unexpected. The board directed staff to send a letter thanking 16 Hidden resident and encourage him to keep the area free of clutter to avoid further notices and potential fines. Janet suggested the best answer to 16 Hidden is to work with the owner to allow and perhaps even help install a privacy fence in the area that continues to fill up far too often. It has been a regular problem. On the property with no progress made, the board said staff should notify the owner fines will begin August 15 in the amount of \$50.00 per day. The notice should include fines may be increased per adopted policies as determined by the board up to a maximum of \$200 per day.

LDWA: Janet recommended we start looking for an alternative representative since Mike has served for many years and it might be good if he saw a light at the end of the tunnel. It would be good to have a Dw1 property owner either knowledgeable with water issues or at least interested enough to learn as there are many complex issues and it is a very critical role for Dw1 to have good representation on the Lake Durango Water Authority board.

Executive Session 8:09pm: The board motioned to enter executive session to discuss pending litigation that was filed against the District by Mr. Dennis Lucero, 32 Hidden Lane. Mr. Lucero is upset at the District for enforcing an agreement made in 2017. The enforcement required Mr. Lucero to clear his property of vehicle repairs and accumulated car parts and miscellaneous items strewn about by a date certain. Prior to entering executive, Janet informed the board she had met with Nick Anesi two days ago to complete the district's answers to the complaint in order to file a response. This case was filed in county court and therefore has a maximum exposure of \$25,000 to the district. Prior to entering into executive session, Janet stated Dw1 counsel is not concerned and labeled it a nuisance suit. After brief discussions the board reconvened to regular session by proper motion and second to adjourn the meeting.

Adjournment: The meeting was adjourned by motion from Melissa, 2nd by Pete, at 8:15pm.


9-22-21

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
REGULAR MEETING – August 25, 2021

Call to Order: Meeting called to order by Melissa Schneider, Tom Phelps 2nd @ 6:40pm.

Board Present: Melissa Schneider, Matt Nesbitt, Tom Phelps, Jeanne Matthews, Pete Merkel.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies

Visitors: No visitors attended by zoom, telephone, or in person.

Minutes: Minutes from July 28, 2021 were approved. Correction needed: Subsequent to the August meeting, a misquote of visitor comments was discovered. For accuracy of records, management will revise the minutes to correct the error. July 29 minutes will be presented at the next regular meeting for board review.

Field Report: Brian updated the board on recent LPEA upgrades and more hassles with boring, encroachments, trenching, and scheduling. They are using hydro vac services to verify utility lines and will possibly need to trench a road crossing. Brian confirmed the supervisor said LPEA was financially responsible for repairs should trenching be needed in areas they cannot bore. Some of the issues LPEA is having are due to the District's inability to adequately provide depths of lines. Main valves have still not been exercised so Brian is uncertain how exactly he would be able to isolate specific areas in the event of a main line break. Brian also reported some fencing was still encroaching and preventing access after notices were given notice to owners. The board authorized District staff and/or agents to remove any personal property that is not within boundaries. Janet asked that extra care be taken for pets so as not to allow anyone's dog to escape. Brian can use or purchase temporary fencing.

Encroachment unrelated to LPEA: An encroachment prior discussed at 169 Trailwood has not been resolved. The owner promised to clean up dirt and rocks left from a replaced retaining wall and has left a huge mess. It is preventing Brian from completing drainage and road/walkway work to the park area. Melissa will write a letter to the owner with a deadline and notice the District will handle the matter and bill him accordingly as he has broken numerous promises to clean it up.

LDWA Report: Mike gave an update on financial costs of THM remedies, and acre feet of ALP water the Lake is using to supplement. Pine Ridge ditch rights were not adequate to fill the lake, so the supplementation has been greatly needed and has prevented restrictions. The manager of

LDWA, Charlie Smith, announced he is leaving his position at the end of the year for personal reasons and is leaving on good terms. The board has been very happy with his work and is concerned about finding a good replacement. Charlie has been overseeing LDWA operations since the Authority closed on the purchase in 2009. Licensing requirements were discussed for the plant and Janet reminded the board Dw1 will be losing our water contractor at some point as well for retirement. It has worked out very well to have Dw1's water contractor also as the operator of record for LDWA. Chris Kramer is highly experienced and we sincerely hope he will not retire until a suitable replacement is secured. There is a state wide shortage of A level treatment operators.

Management Report: Janet went over budget comparisons with the board, an update on a recent WWTP committee meeting. The committee met to discuss 2022 budget planning and to discuss if capital improvements are planned in the near future. The plant has been operating very well with low ammonia numbers. There have been no complaints of odor for quite some time which means the oxygen levels are good and all the new blowers are operating efficiently. We are awaiting numbers from Dave Marsa for sludge removal estimates.

Executive Session for Legal Matters: The District entered executive session by motion and second to discuss legal counsel and pending litigation. The District is presently being sued in La Plata County Court for breach of a contract executed in 2017. The maximum exposure in County Court is \$25,000. The District's position is that it fully complied with contract terms and it has considered the matter closed and settled since 2018. This suit was filed as a harassment, per opinions of both Anesi and new counsel. Melissa and Janet recently held a video conference with the new law firm, Ireland & Stapleton because Frank Anesi stopped handling litigation many years ago. Nick Anesi has taken over Frank's role, but Nick's client load is heavy and he is too frequently unable to provide the time and attention the District requires. Nick advised the District would be better served with a firm that has the resources to dedicate. Nick recommended the District hire Dino Ross based on his background, reputation, and recent consultation. Dino's practice includes specializing in governmental entities, and as a large firm, there are at least 5-6 additional lawyers with strong background in governmental services. Melissa and Janet brought the board up to date on their opinions of the conference and details of Dw1's response to the motion. The board formally approved signing an engagement contract with Ireland's firm.

The board reconvened to regular session by proper motion and second to adjourn the meeting at approximately 9:20pm to wrap up.

Adjournment: The meeting was adjourned by proper motions at approximately 9:25pm.

M. Schneider 9.22.21

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
REGULAR MEETING – September 22, 2021

Call to Order: Meeting called to order by Melissa Schneider, Pete Merkel 2nd @ 6:45pm.

Board Present: Melissa Schneider, Matt Nesbitt, Tom Phelps, Jeanne Matthews, Pete Merkel.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies

Visitors: Greg Ehrig, property owner.

Minutes: Minutes from July 28, 2021 were corrected and approved according to notations in August minutes. August 25, 2021, minutes were reviewed and approved by motion and second.

Visitor Business: Mr. Ehrig owns two properties in Dw1 and resides in 169 Trailwood. 45 Valley View Way and a portion of 169 Trailwood are being rented as VRBOs. Mr. Ehrig has been attending meetings to keep apprised of District actions regarding vacation rentals. The District does not have policies specific to short term rentals and recently conducted a survey to assess resident opinions. Melissa informed Greg he was always welcome to stay for meetings but rental discussions were not on the agenda at this meeting. It will be several months for the board to get legal opinions and policy drafts prepared for further public input.

Greg informed the board he was working on redesigning the driveway at Valley View because the driveway & curb doesn't work for vehicles without higher clearance. He has paid for many parking violations and the District has received regular complaints about vehicles in the street. This will be more of a problem during plowing season and Greg reported he was going to fix it correctly very soon. The original builder did a poor driveway flush in, unfortunately. The District thanked Greg and appreciated getting this resolved. Janet told Greg his retaining wall project he started last year at 169 Trailwood was very frustrating and it was causing Brian problems with completing his tasks. We had an agreement the District would assist with excavation demo but Greg's contractor made a huge mess & never finished the job properly. The volume of concrete spoils, dirt, & boulders pushed onto District property is unacceptable. Greg has repeatedly promised staff he would fix it. Janet asked for a "no later than" date and Melissa advised he be certain to choose a realistic date to keep his promise. The board unanimously agreed Greg would be charged for all the costs of cleanup if the District needed to fix it property after October 20, 2021, the agreed upon date. Costs could be fairly substantial given the volume of debris. Unless dump fees are pre-paid, the District will place the debris onto Greg's property.

Staff Reports:

Brian reported hydro vac utility line verifications done on behalf of LPEA required full dig up of an area on Timber and across the entire street on Moss Rd to complete new electric line upgrades. One leak was found in a service line during the LPEA project and it was repaired by Brian. A dead tree located in the rear easement of Woodcrest was cut down for the very reasonable price of \$100, with Brian doing most of the wood cleanup.

Kathy reported on delinquent accounts and parking issues. A vehicle located at 64 Forest Ridge is a problem because it is inoperable and needs to be fixed and moved.

Janet reported on WWTP budget plan for 2022. Reserves are being built up adequately and a new line item was requested in the financials Dw2 prepares to earmark funds being reserved for sludge removal. Dave Marsa is supposed to provide estimates on sludge build up currently and costs for removal. It has been 4 years and the lagoons will likely need sludge clean out in 2022 or 2023. We will be able to more accurately plan when Dave returns the info requested. The wastewater committee has been working out well. Melissa and Janet are pleased with Dw2's representation and Jane's organization of keeping records and Dw1 in the loop.

Janet reported on conversations with La Plata County. She has met with a commissioner and the assistant manager to discuss affordable housing assistance in order to build homes on the two lots the District is sitting on. Covid relief funds are looking very promising and it appears we will have a strong likelihood for gaining help if we can work out proper deed restrictions and possibly work through regional housing authority that the county as recently reactivated.

Janet requested an executive work session to discuss new policies and how to legally structure them with opinions from attorneys. The service plan will need to be modified and CCRs (covenants) will need to be amended or redone or enveloped into District policies, which is the purpose of the meeting in order to consider legal ramifications of how to deal with VRBO rules. The majority of residents requested the District should handle VRBOs and the majority were not in favor of them. However, since surveys may not always match official votes, the District will prepare draft policies and send out for public review and input prior to scheduling a vote.

Water rates for 2022 budget: An increase of \$3.75 was scheduled to go into effect in August, 2021, after a mid-year review of financials. Tom motioned to wait to increase fees until 2022, seconded and approved. Janet advised the District promised the auditor we would raise fees accordingly to reduce the expense overruns in the water fund. A water increase was put in place in 2021 & will be reviewed further with budget. Expenditures have been kept fairly low so far this year.

Adjournment: The meeting was adjourned by proper motions at approximately 7:50pm.

M. Schneider

10-13-21

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
REGULAR MEETING – December 8, 2021

Call to Order: Meeting called to order by Pete Merkel @ 6:40pm.

Board Present: Tom Phelps, Matt Nesbitt, Pete Merkel. The board excused absences from Jeanne Matthews for work duties and Melissa Schneider for personal reasons.

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

Visitors: No visitors were present

Minutes Review: The board reviewed minutes from October 12, October 13, and November 10 meetings. Matt's motion carried to approve and adopt all minutes as written, seconded by Tom.

Budget: The board reviewed the budget finalized with modifications from October and November meetings. Discussions took place about water rates as previously determined should be increased \$3.50 in early 2022 and another \$3.00 by mid-year 2022. Prior discussions with the auditor reflected the water fund was falling behind and revenues needed to be increased between \$12-15 per month. In order to spread out the increases for the residents, rates were raised in 2021 in the amount of \$7.50, with minimum water base fee going from \$35 to \$42.50. Janet said the increase had been noticeable and financials indicated we should see a better bottom line than originally expected at year end 2021. Tom recommended we review the actuals for 2021 year-end in February or March next year and determine at that time if we should post notice for the \$3.50 or \$3.00 increase as was noticed in prior newsletters. For the past several years Dw1 has needed to increase water rates due to increasing costs for Lake Durango and electricity and labor costs. Dw1 used to receive electricity for free to use Well #3 in exchange for cable tv services but we are now paying for electrical service at the storage tank facilities. Brian's position has been growing in responsibility and he has been increasing his skills and doing a good job for us. Snow removal has gone very smoothly this year so far and Brian's been able to keep the subdivision open with very little additional laborers. Additionally, inflation has definitely been noticed for many items and it is expected to continue as the economic recovery from covid continues.

The board remains very sensitive to resident incomes and costs of metro District services. It was recognized to be easier on people's budgets to increase incrementally at smaller amounts than wait until a \$10 or \$15 increase is needed. A \$3.50 increase in the water fund will be seriously considered in early 2022.

The board adopted the budget for 2022 unanimously by motion from Pete, seconded by Tom. The board then motioned to appropriate funds and authorized Janet to submit the budget to the state by motion from Matt, seconded by Tom.

Annual Meetings: The annual meeting schedule for 2022 was approved and adopted by motion from Tom, seconded by Matt. The board will meet on the 4th Wednesdays January through September, then move to 2nd Wednesday for October, November and December. This works well with budget adoption deadlines and holiday schedules, but later in the month meetings allow for updates from Lake Durango or Dw2 business to be discussed when needed.

Election in 2022: Janet reported two board positions were coming up for election due to the transition from even to odd years. Jeanne and Melissa are both expiring in 2020 since Melissa was elected in 2016 and Pete, Tom, and Matt were elected in 2020 to serve until 2023. Jeanne fulfilled a vacancy by appointment so her position was required to run at the next available election in 2022. This is the last year for an even year election and board elections will be fully transitioned in 2023. Terms will move from 3 to 4 years now, and will stagger so that 3 positions or 2 positions will come up for election every two-year cycle. This maintains continuity and efficiency on the board to avoid all members being brand new at the same time. Janet said the board needed to adopt a resolution to appoint a Designated Election Official and authorize cancellation of the election if not enough candidates run for office. Notices will be posted and nominations for the board will remain open until the end of February. Motion was made by Matt, seconded by Pete to adopt the Resolution to designate an election official and cancel if not more candidates than positions are available.

Adjournment: The meeting was adjourned by motion from Tom, seconded by Matt at 8:15pm.

Thomas Phelps

3/23/22

Matt

3/23/22