

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Meeting Minutes – January 15, 2020

Call to Order

Lisa Myers determined a quorum and called the meeting to order at 6:34pm.

Present

Board: Lisa Myers, Melissa Schneider, Pete Merkel, Matt Nesbitt, Bruce Longwell
Staff/Contractors: Janet Anderson, Kathy Phelps. Chris Kramer gave a report by telephone but did not participate in the full meeting. Bruce participated in the meeting by phone again as prior agreed by the board.

Residents/Visitors

No visitors were present.

Minutes

Motion & second was carried to approve meeting minutes of December 11, 2019, as presented.

Water & Sewer Report

The board visited with Chris Kramer for about 30 minutes and discussed HAA5 violation problems that have been caused by Lake Durango's water supply. Chris informed the board SGM Engineering company had finished their first report and had sent recommendations to Lake Durango Water Authority. Janet will obtain the report from Mike. Chris gave a summary of the report, which indicates recommendations are being made for changes in disinfection techniques. Janet will visit with Mike and obtain more details after Lake Durango meets in January. LDWA normally meets on the 3rd Thursday each month so we should be able to obtain an update shortly. Janet said she would contact Dw2 and obtain their input and opinions after they are updated by their representative.

Chris mentioned he noticed the wastewater treatment plant appears to have the air leak repaired in lagoon #3. He would still like to see more testing numbers and dissolved oxygen readings and to be able to compare air amounts in each lagoon.

Property Issues: The board asked for an update on problems that have been occurring in the district with law enforcement making too many visits to a rental property on Woodcrest. Janet updated the board and we will deal with this officially at the February or March meeting.

Election May 2020.

Janet reviewed the calendar deadlines and explained the Election resolutions the board needed to review and adopt. Adopted unanimously, by a motion and duly seconded, Janet was appointed to be the designated election official. Janet recommended adding Kathy as the alternate should Janet not be able to fulfill the election duties. Board member seats were discussed, prior terms served, and term limits. Janet said she would contact DOLA regarding Lisa Myer's position due to incomplete terms being served and the term limit rules. Lisa may or may not be eligible to continue serving, but said if she were eligible, she would be interested in serving and remaining on the board. The District will be looking to appoint someone to fulfill the remainder of Bruce Longwell's term, but an agreement was reached that Bruce is willing to remain serving on the board until a replacement can be found. Bruce has moved out of the neighborhood, but he still owns his home and is still eligible to serve as a director. He was on a temporary leave of absence earlier due to some personal life issues.

Snow Plow/Truck/Equipment:

Janet and Kathy reported the new F350 truck and plow seemed to be a hit with the plow drivers. Greg and Brian have been very happy with the performance of the truck. The black truck still needs a mechanic visit for a second opinion.

Next meetings: Janet said it may be necessary to call an executive session to discuss changes to personnel benefits and rates of pay. No decisions will be made but it would be helpful to review benefits and compensation options which would be affected by hours worked and the personnel responsibilities of each position.

February 19 will be the next meeting & everyone confirmed their availability. A Resolution was passed to adopt the annual meeting schedule and place of meetings: 3rd Wednesdays each month excepting for October and December, which shall be 2nd Wednesdays. The change to October and December was made to accommodate budget draft and final adoption deadlines.

Financials/Disbursements: Janet said we would implement a process with Mike Roussin to have the board review bank and credit card activity as per recommendations for more separation of duties given that has always been difficult with a very small staff. Prior the board treasurer had taken on the responsibility for overseeing bank activity; however, Janet recommended the entire board be willing to review revenues and expenses so that more than one member is authorized to sign off on bank statement reviews.

Adjournment:

By proper motion and second, the meeting was adjourned at approximately 8:30pm.



DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Meeting Minutes – February 25, 2020

Call to Order

A special meeting was called for Tuesday, February 25, after learning just after the February 19 meeting that Dw1's auditor, Ronny Farmer, CPA, would be in Durango during the week of February 24. Notice was posted the prior week and a public session was included in the agenda for residents to ask questions of the auditor.

Lisa Myers determined a quorum and called the meeting to order at 6:10pm.

Present

Board: Lisa Myers, Melissa Schneider, Pete Merkel, Matt Nesbitt. Bruce Longwell was absent.

Staff/Contractors: Janet Anderson, Kathy Phelps, Michael Roussin.

Residents/Visitors

Ronny Farmer, Dw1 auditor, was present. No other visitors were present.

Auditor Report:

Ronny and Janet set up a meeting with the board to discuss the 2018 audit, and Ronny's anticipated schedule for the 2019 audit.

Water Fund: Ronny explained the water fund shortages have existed for many years, and that the water fund would not be sustainable without increasing revenues. The shortage is approximately 20,000-30,000, dependent on infrastructure repairs, which can vary from year to year. Janet pointed out maintenance will be needed on the water tank within the next couple of years and that mapping was an outstanding project that would need a few thousand dollars to complete properly to fully GIS the system and repair main water valves as needed.

LDWA: Mike discussed Lake Durango's acquisition debt and the plans for La Plata West Water Authority (LPWWA) to add to the customer base of Lake Durango. Rates for La Plata West are not fully determined other than initial rates due to the fact that LPWWA is bringing their own source water from Animas La Plata Project/Lake Nighthorse, and will be paying Lake Durango for treatment and partial distribution. LPWWA is building their own distribution lines but Mike wasn't certain at this point which entity will be responsible for fire hydrants and full distribution services at build out since construction is still in early stages.

Because additional expenses and revenue from LPWWA will greatly impact Lake Durango Water Authority (LDWA), a new rate study is scheduled for 2021. This is why Dw1 board has not chosen to raise water rates quite yet. There should be relief from the debt service payment of \$15 charged to each customer, but we are skeptical of how much of that will actually be passed back to the customers versus shifted to offset maintenance and future revenue needs.

Ronny suggested looking at smaller increases annually and the board agreed to seriously consider implementing 2%-3% annually to adjust rates to closer meet revenue needs. To cover \$20,000 in annual revenue, rates would need to increase by approximately \$6.50 per customer per month. The board has always been very conscious of the burden of rate increases and Dw1 customers have a strong demographic of first time homeowners, growing families, and fixed income seniors.

Mill levies were discussed as a potential source of operating revenues, which would require voter approval, but this is a potential option to fund water operations. Many districts use an operational mill levy to meet revenue needs along with monthly fees. This method can keep fees lower, depending on the mill levy approved. One of the concerns Janet raised with a mill levy is that if mobile homes are not purged with the properties and taxed as real estate property, the values are depreciable for the homes, so the amounts of assessments are continually decreasing. Although there are steady increases in land values, there are limited lots and land sales for comparable appraisal purposes, so the land values have not increased at the same levels as home values have. While property values are appropriately varied within most neighborhoods, the spread is very wide between a \$140 average total annual tax bill on a mobile not purged, versus closer to an \$1,100 annual tax bill for an average site-built or modular home within the district. The large amount of discrepancy means an operational mill levy would result in a larger gap between the lower valued homes versus average-higher valued homes and this is an area of concern and consideration Janet suggested would need some spreadsheets to determine the ultimate effect on residents. The district continues to develop affordable housing which is helping overall property values become more comparable in the lower section as the older mobiles reach life expectancies and are replaced with affordable housing homes to help meet the high demand in the Durango area for first time homeowners and downsizing homeowners.

Summary & Adjournment: The meeting was very helpful for Ronny to provide a good summary of the audit and the financial position of the district. The other funds are stable and the board agreed to look closely at the water fund during the next two years.

The meeting was adjourned by carried motion from Pete, seconded by Matt, at 7:20pm.



5/20/20



DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Meeting Minutes – March 18, 2020

Call to Order

The meeting was called to order by Lisa Myers via phone at approximately 6:40pm.

Present & Teleconference Present: Meetings will be held by teleconference during COVID-19 health department advisories to maintain social distancing. The first teleconference room that was reserved did not work well for this meeting as it kept indicating technical difficulties in connecting everyone. Janet will research further and set up a nominal monthly fee account to ensure a plan with reliable availability is in place for future meetings. Lisa Myers, Pete Merkel, Melissa Schneider, and Bruce Longwell participated by phone. Matt Nesbitt was present at the office.

Staff/Contractors: Janet Anderson, Kathy Phelps, Brian Davies.

Residents/Visitors

No visitors were present or called the office or used the teleconference line.

Vehicle Repairs: Kathy presented invoices and repairs to the F550 in the amounts of approximately \$2,400. The truck was burning oil and pushing exhaust and oil into the cab, making it dangerous and difficult to drive in winter conditions with the windows down.

Sewer Issue: 146 Moss Road Trail had a sewer failure/backup with their service line. Janet allowed the residents and their contractor to use the Case backhoe for digging due to the line being 14' deep and the rental Kubota on site would not meet the depth. Kathy reported that following the repair at 146 Moss, 138 Moss is now experiencing a sewer issue. Janet wondered if settling soils had crushed the line or if there was a tree root problem. Initial camera attempts for 138 Moss indicated an inability to continue camera access between the home and the main service line into the street, indicating a blockage or line break. The mapping shows one mainline connection that is then "Y" to connect the two homes along the dividing property line running east/west. We will look into this situation further and report back to the board as needed.

COVID-19. Janet presented emergency resolutions for the board to sign to allow the district to be eligible for relief funding in case Dw1 qualifies and federal, state, or local funds are made available. The district also agreed to participate in sharing of resources with other local districts and municipalities as needed for supplies and help since staffing is affecting everyone

due to quarantine needs and concerns. This pandemic is unlike anything experienced prior and we will be learning as things progress. Janet informed the board that emergency meetings may be necessary and they may not allow the full 3 days notifications, which the resolutions presented note and the policies provide emergency accommodations for meetings as needed in order to promptly respond and serve residents as needed.

Election 2020: The District is having its first contested election for board seats on May 5, 2020. There are 3 candidates challenging seats for quorum control, who are all unhappy with the district. Janet reported the election would be expensive – estimating approximately \$3,000. Some concerns were mentioned about fees raising in the case of a new board and having a new staff without historical experience of Dw1. Janet reviewed the calendar and deadlines, verified the ballot had been certified, and would be preparing a newsletter with as much information as possible to help voters understand the process and obtain some basic information about all the candidates. Janet suggested allowing candidates to submit statements that provided the same word limits and font for everyone, that could be printed in order of the ballot to maintain fairness and neutrality as far as the district providing information to residents. Each candidate may campaign on their own or as a group, but Janet confirmed the district should provide factual information to the voters, and felt a statement from each would at least identify the parties and allow residents to personally communicate with each candidate. A \$200 limit is required on campaign spending prior to having to file anything with the secretary of state, so she reminded candidates to either individually report to the SOS, or to ensure they track expenses carefully to remain under the \$200 limit.

Newsletter Items: Janet reviewed the items needed for the newsletter as there are quite a few projects going on this spring between the election, park repairs, spring cleanup, new community garden idea, and water quality updates due to Lake Durango's quality violations.

Vandalism: The district has a teenager who solely, and sometimes with friends, has been causing huge amounts of damages to district property with graffiti and soiling and destroying the mailbox area, trees, private properties, playground, and numerous common areas. There have been numerous fires reported and lots of smoking in the woods reported. Janet and Brian are extremely frustrated with the legal system and failure to enforce and file charges due to ages involved, and now with coronavirus shutting down the court system for the most part.

Delinquent Accounts: Dw1 has numerous delinquencies on the books due to holiday amnesty and now numerous people will be losing jobs, if they have not already. The emergency resolutions confirm that late fees will be waived and collection and shut off policies will be modified for the next 3 months, at which time the board will reassess.

Mapping: Brian reported he has made huge progress with understanding the online mapping needs and how to incorporate the GIS data with google earth and our paper maps. He reported

he will continue working on this project and although it will take close to a year by fitting it in as time allows, he feels he has a good understanding now about what exactly the district needs and how to methodically work towards an online accessible mapping system for all the infrastructure. The board approved using hydrovac machinery for much of the needs to clean out valve boxes, and the board further requested Janet be given estimated total pricing before granting final approval.

Development: Janet briefly discussed the situation of the trailer ownership for the unit at 229 Woodcrest. The party who was supposed to own the trailer defaulted and until a building plan has been determined Janet suggested we not rush into removing the trailer as destruction of the mobile will probably require some legal advice and prior notifications. Janet and Brian reported putting feelers out for home bids. Overall pricing was earlier obtained from Skywalker Construction, which Janet said was not affordable, and the district would need to handle much of the general contracting to be able to comfortably end up at a price point that works while allowing a substantial cushion for lowering risk of market changes.

Park Area: The courts were discussed and updates with initial impressions of the Geotech results. Janet reported she was grateful that Anthony Bonanno informed her his wife was a professional grant writer and he indicated a willingness to help the district pursue GOCO funding and prep work such as demographic surveys and public meetings to help prepare a good grant package.

Spring cleanup was scheduled to begin the first week of May. Fire mitigation will be encouraged. Due to covid and the hassles of trying to get enough dumpster access and same day hauling limitations, district wide pickup was going to be the best way to proceed in order to avoid moving garbage and organics twice, and the huge pile and fire risk it would make to try to have people bring things to one big pile prior to loading dumpsters.

WWTP: A wastewater plant meeting was held with committee members recently and it was agreed that since additional future taps to the treatment plant were not being immediately requested, the districts would be wise to schedule formal professional advice in order to set an appropriate tap fee and cost of service and new development fee. Since there is not an immediate need to spend funds to set a tap fee, a temporary moratorium on new sewer taps was agreed on between the districts. A formal resolution can be prepared for later approval by Dw1 board.

Disbursements were reviewed and approved.

Adjournment: The meeting was adjourned by carried motion by Matt, seconded by Pete, at 8:25pm.

 5/20/20

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Meeting Minutes – April 15, 2020

Call to Order

The meeting was called to order by Lisa Myers via phone at 6:33pm.

Present & Teleconference Present: The new teleconference service set up worked much better and will be used in the future at least through coronavirus distancing, which is now appearing that it could be somewhat permanent to maintain distancing as best possible over the next year or two.

Lisa Myers, Melissa Schneider, and Matt Nesbitt were present at the office location. Pete Merkel participated by phone. Bruce Longwell was excused as absent.

Staff/Contractors: Janet Anderson, Kathy Phelps.

Residents/Visitors

Angela Howell, 31 Woodhaven Way, and Julie Scales, 65 Woodcrest Drive, were present.

Newsletters: Janet discussed the newsletter draft and reviewed items that were to be included. Due to the importance of informing residents of the election and cleanup dates, it was decided packets would be hand delivered. Once we can arrange for printing and teenager help we will try to pack the newsletters in some sort of plastic while using gloves and masks to help with COVID safety.

Election final deadlines: Janet discussed ballots were printed and people could begin requesting absentee ballots, assuming more folks would prefer to vote absentee than at the polling place, but we'll see. The office will be the polling place, open from 7am to 7pm. Appropriate notices have been published and signage is being prepared as required. Janet confirmed judges were hired and would be trained towards the end of April to keep the information fresh. The rate of pay is \$20 for approximately 15 hours of work, approved by the board. One judge would not be a resident and one judge would be a resident & eligible voter. No judges would be connected with any candidates to the best of Janet's knowledge.

Sewer repairs Moss Road Trail: Janet recently learned that 146 Moss Road Trail cut off the sewer line to 138 Moss Road during their repair. They completely eliminated the tap into the service line that has a "Y" connection to feed both homes. The 14' hole had to be re-dug and the owners of 138 Moss had expenditures for camera work and had no sewer service for over

two weeks due to storms and being unsure how to best go about a repair. Until it was dug up it was assumed the break or blockage was caused by tree roots or soil shifting/crushing; however, after digging it up it was confirmed with 100% certainty the service to 138 Moss was cut off and eliminated, leaving the owners of 138 to fill their line and then become backed up and without service. The board authorized sending 146 Moss a repair bill, and will deal with collections later if needed.

Spring Cleanup: Dates and details were briefly discussed. It was mentioned it could be a very big year due to people having much more time at home so we are unsure what to expect until the piles start showing up. Residents should have items out by May 1, and Janet estimated it would be at least 1-2 weeks to get through the subdivision. Labor help is requested in the newsletter and hopefully we will have enough people wanting work to make the project go smoothly. Recla Recycling dumpsters will also be used this year.

Fire Mitigation: Since the spring cleanup will include large amounts of organics, chipping was briefly discussed but in general it ends up costing more than dumpsters do, and it leaves potential risk for injury and more fire fuels as it needs to be spread out properly in the forest or open areas without fire spreading risk. Pete recommended fire mitigation be maintained but agreed much has been done within the district and within the Westridge area. The primary most at risk area is the land south of the district, which the district was denied access to after formal request and setting up a schedule with a professional mitigation contractor, and presenting appropriate insurance and liability release paperwork to the owners, which eliminated any risks or costs to them. The owners of the property to the south are understandably irritated with trespassing by Dw1 residents and visitors over the years, and some illegal dumping that has happened on their land from Dw1 residents.

Janet suggested a petition from Dw1 residents might encourage an approval for land access and fire mitigation work this year. After the cleanup the board will revisit.

Financials & disbursements: Janet provided 1st quarter financials and disbursements from January 1 to March 31. So far the district is well under budget, but it is early in the year. The board reviewed and unanimously approved the disbursements list of bank transactions and unusual invoices.



Next Meeting: The next meetings are scheduled for May 20 and June 17.

New officers and board terms: Janet said if the election changed the board quorum, she estimated it was unlikely her employment would continue and Melissa and Bruce would need to work with transitioning members. Melissa recommended a meeting with new candidates following the May 5 election to speak with the winning candidates. Janet agreed some sort of a meeting, or individual meetings, would be needed, because new candidates must be sworn

into office prior to the May regular meeting. Submitting oaths prior to the first meeting is a new requirement. In the past oaths were required within 30 days and the new board could be sworn in at the next regular meeting; however, this year a legal meeting cannot be held until new candidates are sworn into office, and those oaths must be filed with the county clerk prior to the next regular meeting.

Next Meetings: Janet recommended the district will need a high-quality speaker phone system if COVID precautions are going to continue, which appears very likely. Zoom was discussed. Janet will do some research into equipment needed and costs. Even though video meetings may feel intimidating at first, it is probably the most productive way to encourage and invite face to face interactions while making drop in attendance the most convenient and safe. Residents do want transparency and this is a good way to provide more of that

Adjournment: Adjournment was by carried motion by Matt, seconded by Pete, at 8:25pm.



5/20/20

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Meeting Minutes – May 13, 2020

Call to Order: The meeting was called to order by Lisa Myers at 6:28pm.

Outdoor Location: The meeting was held at the tennis courts area to provide outdoor distancing.

Present: Lisa Myers, Matt Nesbitt, and Melissa Schneider were present. Pete Merkel was a few minutes late, arriving at approximately 6:45pm. Bruce Longwell called in to Janet's phone. Due to the outdoor location, Bruce was brought up to date and then was dismissed from the meeting since he was not needed to sign paperwork. Bruce congratulated incumbents on their wins and welcomed Tom Phelps to the group. He emphasized he hoped Lisa would remain involved as she has been very dedicated over the years.

Staff/Contractors: Janet Anderson

Residents/Visitors

No visitors were present.

Election Results: Members congratulated Tom Phelps on his new seat. Matt Nesbitt and Pete Merkel were re-elected as incumbents. Lisa Myers was next on number of votes. Lisa said she had truly enjoyed serving the District and would like to remain involved with anything she could be helpful with. Janet said all candidates who ran for office were eligible for appointment between now and the next scheduled election in 2022 if an opening becomes available. It is rare to have more candidates than positions due to the time commitment and responsibilities of serving on the board. It is commonly referred to as a thankless position.

Board terms: Janet administered oaths to swear in Pete Merkel, Matt Nesbitt, and Tom Phelps. All were elected to serve a 3-year term until 2023, which is counted as a full term due to the state's transition to odd number year election cycles. Janet will submit oaths to Division of Local Government, La Plata Clerk, and the District Court prior to the next regular meeting.

Park: A brief tour was given of park area repairs underway and improvements.

Adjournment was carried by motion from Melissa, seconded by Matt at approximately 7:15pm.

PMerkel

Tom Phelps 5/20/20

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Meeting Minutes – May 20, 2020

Call to Order & Board Officer Positions: 6:35pm

This meeting was the first regular meeting since the May 5 election, requiring officers to be nominated. Members with new terms were sworn in prior at a special meeting on May 13.

Board Members present: Melissa Schneider, Pete Merkel, Matt Nesbitt, Tom Phelps. Bruce Longwell was absent.

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

Visitors present: Jeanne Matthews (141 Woodcrest), Angela Howell (31 Woodhaven), Lisa Myers (164 Moss).

Officers appointed: Matt Nesbitt motioned for Pete Merkel as president; motion died for lack of second. Matt Nesbitt motioned Melissa Schneider for president, seconded by Pete Merkel, carried. Melissa Schneider nominated Pete Merkel for vice president, seconded by Tom Phelps, carried. Melissa nominated Matt Nesbitt for Secretary/Treasurer, Pete seconded, carried. Bruce Longwell and Tom Phelps, Members.

Teleconference & Zoom: Since Covid-19 is expected to remain a serious health risk for many more months or years, the board authorized Janet to purchase appropriate video conferencing equipment. Teleconference meetings have not really been satisfactory due to lack of an adequate microphone & speaker system. The district will begin using zoom, skype, or an alternatively user-friendly conference system at the next regular meeting. This also may encourage an increase in resident participation.

Minutes: The board reviewed and unanimously approved minutes from February, March, and April meetings. Janet was asked to be sure draft minutes are emailed prior to meetings, to be signed separately if members are not physically present. Motion to approve minutes carried by Pete, seconded by Melissa, with Tom abstaining. Lisa Myers also noted she approved the minutes.

By Laws: Janet recommended the board consider updating bylaws since the last adopted version is old and outdated. The board agreed to consider updated by laws at the next meeting; Janet will send a draft for consideration.

Building Permits Resolution: A resolution draft was presented that requests La Plata County to require District approval for permits issued within Dw1 boundaries. Although the vast

majority of permits do go through the District, there have been a few cases of permits issued without District knowledge. Permitted structures can potentially impact infrastructure and neighbors. Formalizing a cooperative agreement between Dw1 and La Plata County for the permit process benefits both agencies and provides homeowners the protections of proper approvals. Motion carried unanimously to adopt and approve Resolution # 11-2020. Frank Anesi will file the resolution with the Clerk and deliver to Planning and Building Departments.

Spring Clean-Up & Fire Mitigation: Costs were much higher than expected due to the impressive number of people participating in clean up producing massive amounts of organics and junk. While this is good news, the budget didn't anticipate volumes being at least 3-4 times prior years. Lisa Myers said the property owners fund has built up some cash and the POA has typically contributed towards clean-up costs in the past. Janet said she would allocate several of the dumpsters and chipping expenses to the fire mitigation line item, but stated we were already over budget so there is no money left for further fire mitigation work this year. Remaining Slash piles: There are substantial amounts of piles remaining Brian reported would fill another 8-10 dumpsters so chipping was approved for costs of machine rental and additional labor since it requires two people to perform chipping jobs safely & efficiently.

Fire Risk Adjacent Property: Private property adjacent to the south, primarily the eastern portion from Lazy Pine to approximately Canyon Creek needs fire mitigation badly. Dw1 offered to work it in 2019, but were denied by the owners' agent. Janet suggested a petition be considered to put pressure on them to allow the District to perform mitigation since the land has been identified as an area of high risk to Dw1 homes. The board supported a petition be circulated this fall with the proposal to include the work & expenses in the 2021 budget.

Fence Approval: Janet presented a fence request that would require a variance at 99 Moss Rd. The board agreed to the variance to approve a standard privacy fence that would extend beyond the home in the front on a portion of the home.

Development & 229 Woodcrest: Janet was authorized to provide 30 days-notice to the party of a defaulted prior agreement to have the mobile on 229 Woodcrest removed. Counsel advised the District was under no legal obligation, but the costs of demo are substantial. The board agreed it's financially best for the District if the party still wants to relocate the mobile. A strict deadline was discussed for a final resolution. The board recognizes it's doubtful the party will end up moving it, but in current condition the unit is a fire hazard and eyesore. It was agreed District should be prepared to demo the unit if it is not removed by the end of June.

The District has picked a home design that could be within budget to build on 229 Woodcrest. Bids have not been favorable enough to entertain serious discussion yet, and now Covid is presenting more economic concerns. Once staff determines detailed costs for materials and subcontractors, a work session can be called to decide if we have a realistic ability to build in-

house. Costs for a qualified general contractor thus far have currently exceed what the District is willing to budget. Kit homes or a modular may still be an option. Brian reported he has been working on detailing materials costs for Janet to review in depth. Staff is expecting to receive more bids during the next month.

Executive Session: Noting the personnel discussions statute (§24-6-402(4)(f), C.R.S., "Personnel matters;"), the board approved entering executive session with Brian Davies at approximately 8:10pm by motion from Melissa, seconded by Pete. Janet and Kathy were dismissed for the executive session, with Janet requested to remain close to the office to reconvene later.

Personnel Decision: The board reconvened to regular session by carried motion from Melissa, seconded by Matt, at approximately 9:50pm. Kathy was no longer present; Janet was asked to rejoin the meeting. For the record, Melissa stated due to a serious disciplinary issue, Brian has been working on an hourly basis under restrictions, limited hours, and insurance benefits suspended. Executive session was held to discuss legal communications, employee performance, supervisor reports, and district concerns. Motion carried from Matt, seconded by Melissa, for Brian to be placed on salary with health insurance beginning in June, and be retained on a probationary basis. Melissa noted the decision was made after several months weighing facts, legal advice, mitigating circumstances, and confidential health considerations. Tom abstained due to being a new director, but noted he would support the boards' decision.

Adjournment: Adjournment was by carried by motion from Tom, seconded by Pete, at 10pm.



DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Meeting Minutes – June 24, 2020

Call to Order: Meeting brought to order by carried motion from Melissa, seconded by Tom.
Board members present: Melissa Schneider, Pete Merkel, Matt Nesbitt, Tom Phelps.

Janet reported recently speaking with Bruce Longwell and reached mutual agreement it would be in the best interest of the District to replace his position. Bruce was temporary board approved 3-4 month leave of absence for personal reasons, but indicated time conflicts have made it difficult to reliably attend meetings since trying to return this spring. Bruce offered his willingness to support the District if his skills can be helpful for specific tasks, but agreed it was unrealistic to continue trying to complete his full term.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies. Chris Kramer attended remotely to provide a water report. Mike Roussin (accountant and Lake Durango representative) also attended remotely.

Visitors present: Lisa Myers (164 Moss) was present for the early portion of the meeting, and Jeanne Matthews (141 Woodcrest) attended remotely.

Minutes: The board reviewed and carried a motion to approve minutes of May 20, 2020

Lake Durango Report: Mike reported the lake was losing water to evaporation due to heat and wind. Water usage has increased and fire danger is critical at present, which is fairly common during May and June with typically low rainfall until July. Mike updated on THM and HAA5 violations with the state they have been struggling with, and an arrangement was made with the state to implement treatment improvements by August, 2021. 8,500 acre feet was taken in from Pine Ridge ditch this year, and they are now treating the lake with copper sulfate three times per year to keep algae under control. In 2019 the lake became out of balance due to being late with copper treatment, which caused very noticeable taste and odor problems for nearly 6 months. The THM and HAA5 levels have been the biggest struggle and engineers were required to conduct a treatment assessment and updated evaluation. The engineering report recommendations included several options that are extremely cost prohibitive, but alternative improvements were discovered during that assessment which helped determine the lake can make improvements to the treatment process and distribution system to keep disinfection byproducts under maximum allowable levels. The physical distance at the far end of their water service area combined with very few customers resulting in longer holding times in the piping system is the main reason for THM issues. Durango West 1 had an HAA5 violation in 4thQ 2019 and 1stQ 2020 due to Lake Durango increasing chlorine while

undergoing the engineering assessments and experimentations with various levels of treatment methods. Dw1's close proximity to Lake Dgo resulted in higher chlorine delivery, which can cause elevated HAA5s. The issue of HAA5s in Dw1 has been resolved per the past two quarters of testing this year.

2019 Audit & Water Fund: The board reviewed the 2019 final audit with Mike and Janet. The board approved the final audit and authorized submittal to the state by motion from Tom, seconded by Matt. Financial statement reviews focused on the water fund.

Water Fund: The District lost \$40,000 in the water fund in 2019, and the ability to cover the fund with reserves and transfers will become unrealistic without increasing revenue to replenish a reserve. Dw1 has relied on home sale revenues to cover water fund shortages that have grown slightly each year, while awaiting a new rate study Lake Durango originally planned to complete in 2020. Several large changes at Lake Durango over the past 1-2 years have resulted in them undertaking extensive engineering and treatment costs, the addition of pumping more Animas La Plata raw water, and contractual additions of La Plata West customers. This has had a substantial impact on the lake's expenditures and revenues; however, the majority of these expenditures Dw1 does not think should pass through to the district in an updated cost of service study. Dw1 has been asking Mike to push for an updated rate study since 2018 since the last cost of service study was done in 2010. Due massive amounts of improvements that were needed after purchasing the lake in 2009, a thorough review of allocations between wholesale and retail costs of service is overdue. Now that 10 years of operational data is available, Dw1 was told they planned to do the study after La Plata West came on line in 2020. Mike reported Lake Dgo will now push the rate study to 2021 which means the water fund must increase revenues in the very near future.

Development: Dw1 still wants to build on two district owned lots, but recent construction bids obtained over the past 3-4 months have not been competitive enough to recommend serious consideration until June's meeting when Brian presented an in house draft combined with a contractor who is willing to entertain an employment situation with the district during building. If the district does develop, it's been determined it will need to be completed in house and using subcontractors, which will require Brian and a contractor working together. Janet and Brian will review costs thoroughly in August to finalize more detailed estimates. A work session will be called to meet with the contractor and Brian in August. Covid has caused valid reasons for holding back on making a final commitment whether to begin building.

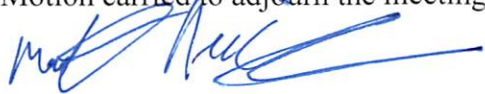
Water Report: Chris Kramer reported the lake has been running tests on the new lines to serve approximately 150 La Plata West homes. Chris reported there have been a lot of leaks in the new lines that were installed, currently under repairs. Dw1 water demands are up due to hot weather. The district has been pumping 180-250 gpm in June so far.

Field Projects: Brian brought the board up to date on the tennis courts park, drainage work, garden work, and presented draft numbers to build on 229 Woodcrest. The board likes the plans and the costs so far appear development could be very successful. Even with Covid concerns, there is a serious shortage of affordable housing in the Durango area and Dw1 homes have been selling very well since late March. Kathy reported numerous home closings were in process or recently had closed.

Delinquent Accounts and Covid Relief Resolution: Kathy reviewed outstanding accounts and surprisingly, the delinquencies have not appeared to increase so far. The same accounts that were delinquent prior to suspending service terminations and late fees remain the same accounts now delinquent. The board authorized Janet to amend the resolution and authorized Kathy to prepare collection notices requiring 1/3 of outstanding balances be paid, with payment arrangements allowed for the 2/3 balance.

Potpourri: The July meeting was pushed to August 5 to accommodate summer vacation schedules. The board will likely hold a work session in August and a shorter regular meeting on August 19. The zoom system was discussed briefly and appeared to work fairly well for this meeting as far as audio and minimal distractions.

Adjournment: Motion carried to adjourn the meeting at approximately 9:00pm.

 7:02 PM

M. Schneider 8-5-20

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Meeting Minutes – August 5, 2020

Call to Order: Meeting was called to order by board president, Melissa Schneider.

Board present: Melissa Schneider, Matt Nesbitt, Tom Phelps. Pete Merkel attended remotely.

This meeting was a postponement of July's regular meeting.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies. Mike Roussin (accountant and Lake Durango representative) also attended.

Visitors present: Jeanne Matthews, 141 Woodcrest. Three residents from separate homes attended remotely - names intentionally not disclosed.

Minutes: Motion was made, seconded, and carried to approve minutes of June 24, 2020

Visitor Business: Visitors are not identified due to nature of the following discussion.

Resident visitors were highly upset and very concerned over long-term observances of rude, potentially threatening, and illegal behaviors from renters at 25 Timber Drive. Staff verified these complaints have also come from more residents, along with staff's personal observations. The District has issued several violation penalties to 25 Timber for improper trash dumping, parking on the street, purposeful driving over traffic cones protecting uncured road work, non-permissive use of District-owned empty lot across the street, and a tenant guest allowed to reside in a camper without District permission. (Pre-approved permission for temporary uses of rv or camper can be granted for short term company, remodeling, etc.) Additionally, the District's empty lot across from 25 Timber has been abused and used for vehicle repairs. Complaints have been received regarding noise, dogs running loose, and concerns of animal abuse. Traffic patterns and hours indicate illegal substance sales and use. Overall safety risks are harming residents and property values.

Janet reported another rental home at 207 Woodcrest has shown a long history of law enforcement surveillance, frequent disturbances, and similar safety concerns of illegal behaviors. Attempts to resolve directly with the landlord have been repeatedly dismissed and therefore Janet recently turned the situation over to legal counsel to demand eviction. Formal action is pending board authorization at this meeting. Janet said counsel indicated the threat of daily fines and legal action has gained the attention of the owner of 207 Woodcrest, and she could pursue the same process with 25 Timber with board authorization. Janet reported she felt the owner of 25 Timber would be more cooperative since past complaints have actually resulted in action, and several hundred dollars of violations fines have been paid to the District after billed. However, in this case the overall nuisance has not completely ceased, despite fines and repeated complaints to the owner. The problem appears to be escalating and is a safety concern. Janet explained landlords are either

failing to secure legal advice, failing to understand their responsibilities, or simply failing to act hoping the problem will go away or the District complaints will cease. From a practical standpoint the District wants expeditious and efficient action; therefore, Janet recommended the board authorize the landlords to use the District's counsel and the District will add the incurred fees to the metro bill. The last situation with 25 Timber the owner said he was willing to evict but felt he could not due to covid. Janet will advise the owner illegal activities are not protected and the District is still allowed to currently enforce Resolution 01-2013 relating to property values rules, regulations, and penalties. Considering the history and passion behind resident complaints, it was agreed immediate action should be authorized. Motion made by Matt, seconded by Tom, to provide violation notices to landlords of both 207 Woodcrest and 25 Timber. Failure to follow through with eviction, or failure to provide a legitimate copy of an appropriate eviction notice shall result in penalties beginning at \$100 per day. Additionally, District counsel is authorized to help owners through the eviction process with the understanding legal fees will be passed to them. Motion carried unanimously.

LDWA (Lake Dgo Water Authority) Report: Mike Roussin reported that the costs for THMs ultimately to lake Durango could be as high as \$250-400,000 with engineering fees. Dw1 discussed ongoing concerns that the THM costs and problems are not related to wholesale customers. Dw1 is concerned about the announced delay in LDWA waiting to perform a rate study until 2021 in order to include La Plata West Water Authority customers. La Plata West customers own ALP/Nighthorse water rights so their contract for treatment services is a new and unique customer class versus current wholesale and retail customers, and will need to be part of the rate study. The board requested Mike to push for obtaining a new rate study to be scheduled early in 2021 budget year.

Water Rates: The water fund continues to run in the red. LDWA initial acquisition costs are being paid off early due to a debt service cushion that was built into the original rates when LDWA was formed. DW1 has been holding off on increasing internal rates under the assumption there would be a rate study by LDWA in 2020. Water purchases with LDWA have risen steadily at rates of 5% annually, but Dw1 has absorbed most of those increases by using reserves obtained from prior development. Because Dw2 implemented an unplanned rate increase of \$20/month in 2017 in order to pay for large cost overruns on the sewage plant, Dw1 has tried to hold on as long as possible to avoid raising fees again. Multiple factors are squeezing the District's cash flow including the purchase of lots, park repairs, and covid. The auditor has previously pointed out twice to the board there is a water fund shortage, and Lake Durango fees have risen beyond the District's abilities to cover. The auditor did not feel expenses would be able to be cut enough to cover the shortage in his analysis of comparing similar size districts and services provided. The board unanimously agreed it was time to seriously consider increasing water fund revenues.

The board asked Mike to weigh in on the water fund losses next meeting, and to prepare financials to review with the board at a work session.

Meetings: Work session and meeting dates were set for August 26 and September 23. An additional meeting may be called for a rate hearing or another work session. A 2021 budget work session will also likely be called this fall.

Field Reports: Brian reported on several projects including drainage for the basketball and pickleball courts, community garden, water valve maintenance/mapping, and housing development.

Park/Rec area: Drainage matting and gravel for the large hill could cost as much as \$12,000, and fencing remains needing repairs in the additional amount of \$5,800. Pickleball accessories, benches, and a tennis practice wall and walking paths will total approximately \$8,500 to bring the first phase of the park area fully finished. Because of soils failure the District never completed phase 1 of the improvements plan that was submitted to the state in the first grant cycle. The drainage ditch designs are not fully guaranteed by the engineers and the price is very high for the recommended pond liner and large amounts of gravel fill. It is a difficult decision without a solid guarantee the ditch liner will absolutely work given the instability of the ground in the park area as well as drainage issues throughout the entire neighborhood. The pond liner alone is nearly \$7,000, and then there is an additional \$4-5,000 in gravel recommended to completely fill a 400' ditch 4-5' deep. Pete recommended he and other board members meet with Brian again to inspect work that has been done to date and maybe look at the next rain storm flows prior to making final decisions. Substantial drainage work has been done, and we are unsure of the cost benefits spending too much more at this point. More affordable alternatives for the hillside ditch should be considered. No decisions at this meeting pending further review.

Community Garden: The garden area is coming along. Remaining items are inside water cisterns, gravity fed drip system, and exterior shade with a sink/planting bench. Deer fencing, gates, garden beds, and a shed is completed. Remaining items will be finished before next season. The garden will be maintained by homeowners and is not being built to be an ongoing expense for the District. Prop Owners Association (POA) funds contributed to building initial infrastructure and a budget will be allocated POA funds each season. Fall vegetables were planted for this year's harvest and 2021 will be the first full season. Hopefully resident will remain enthusiastic over the years. The infrastructure was built to allow for expansion should residents want more planting.

Development: 229 Woodcrest mobile home is in process of being demolished. Brian presented a more detailed estimate to build a turn key home on the lot for approximately \$230,000. Given that number, Janet recommended the board not proceed building at this time. With acquisition costs, demo, and the lot's location, and covid, Janet thinks the risks are too much at the current time. Although the market has been very strong this year, and expected trends show strong growth in communities such as Durango, Janet expressed concerns the District would have to sell the home for over \$350,000 to comfortably cover contingency expenses and turn a profit. Due to the number

of dilapidated mobiles in close location to the lots, the total investment should be closer to \$260, assuming a proposed sales price \$300-320. There are still a few unknown variables within the bid which could offset the actual reward ratio. Another large concern is substantial staff time involved during development. Although there is not confidence to move forward with this present bid, more consideration will be given to development. A closer look at numbers or a different house plan may change opinions. Replacing homes not eligible for conventional financing has strengthened and benefited Dw1 substantially. The impact of being able to supplement rising water costs while increasing owner equities has also enhanced the neighborhood's desirability and financial stability. Although profit is not the primary motivator for in-house development, a higher cushion is needed for staff to support this specific bid. No decision this meeting.

Potpourri: Miscellaneous items and preparation of work session documents were discussed. Pete signed off and zoom was disconnected at approximately 9:10pm.

Board seat interview: The remaining members held an informal interview with Jeanne Matthews who has been a long-term owner in the District as both a resident and a landlord. Jeanne has been regularly attending meetings since early 2020, and has formally requested an appointment.

Adjournment: Motion and second carried to adjourn at approximately 9:40pm.

M. Schaefer
9-10-20

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Meeting Minutes – September 16, 2020

(Note: August 26 meeting canceled due to no quorum)

Call to Order: Meeting was called to order by board president, Melissa Schneider.

Board present: Melissa Schneider, Matt Nesbitt, Tom Phelps. Pete Merkel attended remotely. (Sept 16 meeting was scheduled to make up for August 26 meeting – board members were working emergency shift due to wildfires).

Staff present: Janet Anderson, Kathy Phelps, Brian Davies. Mike Roussin (accountant and Lake Durango representative) also attended.

Visitors present: Jeanne Matthews, 141 Woodcrest. Two residents from separate homes attended remotely - names intentionally not disclosed.

Visitor Business: Visitors are not identified due to nature of the following discussion.

Residents who attended the August 5 meeting provided an update on activities at 25 Timber. They reported dogs were still barking constantly and numerous people come and go at all hours of the night. Since the August 5, 2020, meeting, one of the residents was threatened by one of the tenants and it was reported to law enforcement. Janet and Kathy reported they had been in frequent contact with Deputy Sheriff Shawn Draughon who has been very helpful and supportive of making regular patrols and keeping an eye on the situation for the two addresses previously discussed. Janet reported the landlord did respond to the district's demand that tenants be evicted. Residents and the board are sick and tired of 2-4 households continuing to negatively affect the quality and safety of the neighborhood. Legal counsel determined the district may proceed with enforcement of rules and regulations and appropriate notices have been made. Janet reported September 24, 2020, is the move out date on the eviction notice; however, Kathy reported the owner of 25 Timber just called late this afternoon and reported he backed out of the written eviction by verbally telling one tenant he could stay – asked what would happen if he let one of the tenants remain. The owner of 25 Timber was invited to this meeting and it was strongly recommended he speak with the board by zoom, phone, or at the office.

Board Appointment: The board discussed the recent interview session held with Jeanne Matthews and confirmed her continued interest in fulfilling the remaining term of the open position. Jeanne confirmed and the board unanimously agreed to appoint Jeanne Matthews to the board by motion from Tom, seconded by Matt. Officer positions may rotate next meeting if the board decides to separate Secretary and Treasurer positions, and Jeanne will serve as Member. Melissa filled out an appointment form and administered an Oath of Office to Jeanne. Jeanne accepted the oath to serve

to the best of her abilities and to uphold the obligations she has undertaken. Janet will confirm, but believes Jeanne will be up for election at the next regularly scheduled election in 2022 to run for a three-year term expiring in 2025. In 2025 the transition to odd number election years will be completed. Terms are normally for 4 years excepting for these transition years per state laws and guidelines for Special District board members.

Minutes: Motion carried to approve minutes of August 5 2020, by Tom, seconded by Matt.

Wastewater Treatment Plant: Melissa updated the board on a recent meeting held with Dw2 to discuss potentially setting a tap fee for the wastewater plant in anticipation of eventual expansion of services. Lake Durango is anxious to sell taps and there is land adjacent to Dw1 water tanks directly west of the Dw1 district boundaries. Some developers had expressed an interest a few months ago and counsel for Dw2 was approached. Janet was also contacted by the realtor listing the land. Dw2 reported that development group was no longer interested and the latest word was that there were no buyers exploring the possibility of purchasing and developing the parcel of land at this time. Apparently, the land could potentially hold up to 350 homes at some point, subject to many planning regulations, services being secured, highway access, safety rules, and current development codes. Bud Smith, legal counsel for Dw2 asked the districts to jointly consider setting a tap fee subject to a further rate study at such time a serious developer materializes. Melissa explained Dw1's reservations and numerous unknowns. Janet explained we had asked certain questions about rules on the districts allowing or disallowing new units to be added to the wastewater plant. General discussion took place and it was agreed rumors would likely spread but that there are no facts to deal with currently in front of us. There is no buyer, plan, price, or conceptual development for further consideration at this time. Melissa shared that Dw2 had some of the same reservations and hesitations that Dw1 has, but that overall, Dw2 also recognized they would be far less impacted than Dw1 would be due to the land's location.

Potential Development: Janet mentioned she felt it was very important to be sure residents are well informed as soon as any activity is being discussed so that they have adequate notice to consider facts and that may prevent as many rumors if information is forthcoming sooner than later. Residents will want to consider their longer-term housing situation and investment. Because nothing is known at this time it is impossible to answer any questions or to jump to conclusions about how many homes may be built or not built; however, the board agreed putting out pertinent and appropriate information when news is learned is the most appropriate way to handle topics that could potentially have large impacts on residents.

Park Drainage: The board was asked to review and again look at the park ditches and drainage needs. Pete felt strongly a ditch could be effective with far less investment than the engineer's recommended 12,000 plan. The board discussed various coverings, depths, and placements. Ultimately Melissa motioned that Dw1 follow Pete's recommendations this year and that very close observations are made during rain and snow to know how the water is being handled over the next

6-9 months. Matt seconded, unanimously approved. Jeanne's first vote on the board was this motion. Matt added the ditch can be improved next summer if needed and agreed with Pete that it was worth using old-fashioned proven methods of guiding water – regular ditches with some rock bedding and proper vegetation control as needed to move the water. While still feeling uncomfortable over the trauma of the tennis courts soils failures, Janet shared the engineer's first thoughts when visiting 3 years ago to assess the soils shifting were to get ditches dug immediately to guide water away from trouble spots and to be sure they are graded and maintained to handle the water flow as needed. The courts failures and repairs have been very stressful on staff.

Water Valves: Brian reported to clean out water valves he was able to find a place that rented hydrovac machines to be self-operated on-site. This will save substantial money and the board agreed to authorize Janet's recommendation that a daily rate be used to begin with and if it was apparent after a few hours of use that the machine would be needed and more cost efficient to keep for the week we would rent it for up to one week. Brian reported the weekly price was approximately 1800, versus \$250 per hour for the hydro contractors, plus mileage, delivery, plus extra man hours for every hour on site. The original contract job was estimated to end up between \$4,500 and \$6,000.

Financials: The board reviewed income statements and separated statements for the capital improvement projects performed so far in 2020. The spring clean up was also separated out as an unanticipated extraordinary expense. Because the garden required deer fencing, shed, bedding, soils, water, and substantial labor, the total expenses were a one-time investment this year that will be maintained in the future with POA funds. Since the costs were close to \$17,000 for the garden, Tom motioned to request an additional \$10,000 in reimbursement funds from POA. Lisa Myers is handling POA since leaving the metro board and originally wrote a check for \$6,500 in June, 2020, for reimbursement to help cover the clean up costs.

Water Rate Increase for Dw1 Customers: As discussed numerous times over the past 3-5 years, water rates are not meeting expenditures and the district is underselling the tier 1 and tier 2 rate class. The price per thousand gallons for Lake Durango purchased water in July 2020 was \$9.90/thousand gallons. However, this price should reduce when the acquisition fee is no longer used to pay off the original purchase loan for the lake. Realistically, Dw1 knows LDWA will not want to remove the entire \$15.00 when the debt is paid in full, but a rate study and representation help from Dw2 should hopefully place the districts in a position of presenting that in fairness LDWA absorbing the entire \$15.00 is not a needed rate increase that should be passed on to the wholesale customers. The numbers will rely on raw water, treatment and pumping costs to service the districts, but the districts should be insulated from some of the other costs that are absorbed in the retail service areas. The board needs to increase revenues by \$40,000 within the next two years and the board discussed various ways to structure a phase in water rate increase. Everyone will ponder ideas brought to the table and this will be discussed on September 23, 2020, 6:30pm

Rate relief to remove the \$15.00 acquisition fee with Lake Durango is available for qualified households. The District will reach out with public announcements and encourage folks who are struggling financially to determine if they may qualify for this monthly relief. It is not a one-time discount; it is a permanent reduction in the monthly metro bill each year they qualify.

Fees to Lots East of Fire Station: The board will institute a fee schedule which will be charged only to the 3 plats of land serviced with water and sewer east of the fire station. The amount will be considered at a regular hearing and will be discussed at the next meeting on September 23.

Audit Engagement: Janet presented Ronny Farmer's bid for the 2020 calendar year audit not to exceed \$12,000. Melissa motioned for Janet to accept and sign this bid to perform the 2020 audit, Matt seconded, carried unanimously.

Subsequent Meetings: Meetings were tentatively set for September 23, October 14 and October 17 with the October meetings reserved primarily for rate hearings on proposed water rate increases for Dw1 customers. Due to public participation and interest when it comes to money, the meetings must be held by zoom to remain within safety guideline as more residents are anticipated to attend. The office is not large enough for full distancing with all board members and staff present currently. We are doing the best we can, but members and residents are welcomed to use zoom while Covid remains highly contagious. We anticipate keeping zoom meetings permanently, but Janet has considered expanding the living area for a larger open meeting space. We have used the fire station in the past for larger meetings, which can work well in the summer, but it does not work at all in colder months due to the echoes in the building when the trucks are removed. The last attempt to meet without the bay doors open became extremely difficult to hear and distracting for everyone. Janet has also considered an outdoor canopy system for the parking lot to make more room but cold weather is present at least 5-6 months/year. For now, zoom is working fine.

Disbursements: no special or unusual disbursements were necessary for approval this meeting Janet reported a discrepancy in the remaining balance of the final amount owed to Ronny Farmer which she is reconciling with him this week. Expenditures for sewer line cleaning are coming up this month, as part of annual maintenance. The long sag in the main sewer collection line to the plant is finally in process for complete repair and lifting this year if it is possible to complete all of it. The main sag is believed to be caused by construction dumpsite activity by contractors who were using Hutch's land to the east of Dw1 for an illegal dump many years ago. Approximately 300-400' of the pipe is sagging and it will be nice to repair this properly to avoid cleaning it out annually and move to a 3 year cycle with the rest of the sewer lines.

Adjournment: It was noted this meeting ran pretty late due to a large amount of financial reports, water tier usage reports with averages and historical data, and several other financial and legal policy documents that were reviewed in relation to water rates. Motion made by Tom, seconded by Jeanne, carried to adjourn at approximately 10pm.

M. Schneider 9-23-20 Durango West Metro District 1 September 16, 2020 Minutes Page 4 of 4
Sharon Phelps 9/23/2020

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Meeting Minutes – September 23, 2020

Call to Order: Meeting was called to order by board president, Melissa Schneider.

Board present: Melissa Schneider, Matt Nesbitt, Tom Phelps. Pete Merkel. Jeanne Matthews called in and her absence was board excused for a work injury requiring medical attention.

Staff present: Janet Anderson, Kathy Phelps, Brian Davies. Mike Roussin also attended.

Visitors present: Household of Vanessa Silva, 130 Trailwood was present.

Visitor Business: Visitors asked about the tennis courts and work being done at the area and mentioned they were very excited to have the courts completed. Janet said posts and nets and a practice wall and sports benches had been ordered and were probably due to arrive within the next 2-3 weeks. Some of the items are extra bulky and will come by freight, and one of the items had a manufacturing delay due to covid, but hopefully would arrive and be installed soon.

Water Leak: 41 Holly Hock water service line broke on Friday morning September 18. The repair was too involved for Brian to cover and Matt Leeder was able to send a contractor out. Brian worked on isolating the water valves; luckily, they worked, which limited residents affected to only Holly Hock. Due to exposure of the main line, consecutive bac-t tests were required the following Tuesday since Monday was a holiday. Unfortunately, this required a “do not drink” notification to ensure nothing had penetrated the water lines. Brian performed extra flushing over the weekend, and Dave Marsa from Dw2 came over to help with the repair, for which we were very grateful. Brian was able to learn a lot from the experience and has a higher level of comfortability now with the water system infrastructure. Water was off to Holly Hock residents from approximately 3pm to 8pm on Friday September 18. Overall, the repair went well despite a gas line on top of the water line, but they were able to work around it and no incidents or unusual risks materialized.

Water Main Line Valves: Brian was directed to pursue cleaning and labeling valves per prior discussions and he reported he had ordered proper caps approved by the board last meeting which expand like corks in order to ensure they do not fill up with dirt and debris after they are cleaned out completely and are all accessible and working. The valve project may entail replacing a valve or two; it is unknown what exactly we will run in to when we begin exercising them and testing to confirm pressure changes and isolation areas. Brian will coordinate with Janet & Kathy to ensure adequate advance notice is given to residents prior to valve cleanings and inspections. We will begin a regular exercising valves maintenance regime after gathering some advice from Chris Kramer and Dave Marsa to set up a proper schedule and complete water mapping as also discussed over the years. There are still some service lines and curb stops yet to be found, but Brian and Kathy believe the list is down to 4-5 units, which is great news.

Janet would like to use potable water cameras to complete mapping but this technology is not commonly used in this area and this will need further research to determine if it is possible or feasible.

Nuisance Tenants/Illegal Activities: There are problems with 25 Timber since the District just learned the landlord reversed his eviction notice by informing Kathy he was allowing one renter to stay. The board was adamant this was not the arrangement the landlord agreed to. The board also agreed the District needed to be very firm on behalf of the complaints received and the dangerous situation these renters have caused to the overall safety and peace of the neighborhood. The board unanimously agreed by motion from Matt, seconded by Pete, daily fines set at \$100 would begin on September 25 as the original notice to the landlord stated if tenants were not evicted and gone.

57 Moss: The district has determined the tenants from 207 Woodcrest have moved in with 57 Moss tenants. Janet has spoken with the landlord of 57 Moss a couple of times previously and will begin preparing notices appropriate to insist they do not remain in Dw1. The situation has gotten out of hand and must be dealt with swiftly and firmly.

Janet recommended a few avenues of how to proceed with the landlords and it was agreed the board should direct Janet to obtain some further legal consultation between now and the next meeting.

Rate Increase: It was agreed the board has put off and pushed back increasing monthly fees for the past 2-3 years for several reasons. The primary shortage has been caused by regular Lake Dgo increases without adequately passing on those fees for water services, and also by using reserve funds to supplement budget shortfalls. The board understands the water fund needs to increase revenues very soon and these increases need to be included in the 2021 budget and cash flow. The board directed Janet to prepare appropriate notices and to ensure the proper notification methods and notices are sent accordingly. She will prepare the items and run them by legal counsel and send drafts to the board. A newsletter should accompany the official notification that informs property owners and residents that board will consider raising rates at a public meeting in November. The board would like to increase water rates in phases beginning the end of November, 2020, then a smaller increase in June, 2021, and will again review the financial impact of the rates during fall 2022 budget preparations. By summer 2021 the District should have information on Lake Durango's updated rate study which will help to determine what the District needs to plan on.

Delinquent Accounts: The board determined a collection plan for Kathy and Janet to implement and offered to meet with residents who state they are unable to comply with the terms the board has laid out.

Next Meetings: October 14, 17, Nov 4, Dec 9. Residents will have opportunities to weigh in and provide comments on the proposed water rates in October and November, and the budget will be adopted at the December 9 meeting. Janet will work with Mike to draft a budget to be submitted to the board prior to October 15 as required.

Adjournment: The meeting was adjourned at approximately 8:50pm by motion from Melissa, seconded by Matt.

Melissa Schweiger
10-14-20

Thomas Phelps
10/14/2020

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Meeting Minutes – October 14, 2020

Call to Order: Meeting was called to order by board president, Melissa Schneider.

Board present: Melissa Schneider, Tom Phelps, Jeanne Matthews. Matt Nesbitt and Pete Merkel attended by zoom. **Staff present:** Janet Anderson, Kathy Phelps. **Visitor:** Mike Mastos, prop owner.

Quorum present and meeting was called to order at 6:30pm.

Visitor Business: Mike Mastos, owner of 25 Timber attended thinking a deputy sheriff would be present. Janet reported she had been in touch with Deputy Shawn Draughon and invited him to meet with a few board members later in the week, but not this evening.

The District and Mike have been in a dispute regarding nuisance tenants and the districts demands that they be evicted for illegal, dangerous, menacing and threatening behaviors. Mike explained his tenant is Randy Carlson and that the tenant's guest, Adam Patterson, is the problem tenant in Mike's opinion, but Adam is not on the lease. Complaints and concerns have also been made by residents to law enforcement. Residents and the district are fed up and want them gone. Mike requested the board allow Randy to stay. This request was denied with the board's position if Adam is actually the problem as Mike states, Randy is culpable and guilty by association and as the allowing party along with the landlord. Mike served an eviction notice in September with Kathy Phelps serving as witness to the service. Staff informed board members and neighbors the home should be vacated by September 24. Mike then backed off the eviction providing a copy of agreements with both Randy and Adam, reflecting a reversal of his position in contrast to the eviction paperwork. The board explained the District cannot accept these tenants remaining given it has been at least one year of continued nuisances, trash filling the exterior and district property, illegal campers/rv being lived in on the property, and visible drug use observed by several people. Wrapping up discussions on the eviction matter, Mike then stated both Randy and Adam would be out by November 1. The board advised Mike they would take the penalties matter under advisement, but in their opinion, Mike is currently in violation of the nuisance resolution and is being charged daily penalties as of late Sept. Staff reminded Mike they have been passing on complaints regularly to him for at least a year. The board decided they intended to hold Mike responsible for daily fines due to him misrepresenting his intentions and lying about his willingness to evict. Mike informed the board he has hired an attorney, Paul Kosnik, and he was advised by Adam Patterson he was not allowed to evict due to covid. The board responded they had discussed this with legal counsel and covid eviction rules are not applicable when tenants exhibit criminal and malicious acts, both of which apply. The board also informed Mike he was invited to two meetings prior in August and residents did attend to lodge complaints of harassment, threats, and fear about not feeling safe in their homes. The main problem from the district's position is that everyone was

given written and verbal reason to believe Mike was exercising the owner's right to evict, but he did not follow through and his actions have proven he did not really intend to evict.

Penalties on 25 Timber: Motion by Matt, second by Melissa, to charge & uphold daily fines beginning September 24 based on the September 23 legal eviction notice, unanimously passed. It was noted the board intends to do everything possible to help residents with their right to peace.

Minutes: The board approved minutes from September by motion from Jeanne, seconded by Pete.

Line of Credit: A line of credit is expiring in December, 2020, and may be renewed annually. It is secured by the office building and was last used in 2018 to help pay for 130 Forest Ridge development. Janet advised renewal allows the District to develop or purchase suitable lots if appropriate opportunities come up in 2021. Serious consideration was given to build summer 2020 but for several reasons it was decided timing was not right. Motion passed unanimously to approve renewing the line of credit secured by the office property, made by Pete, seconded by Tom.

Budget: Janet presented a draft budget for 2021 and suggested a work session would be good for detailed review since meeting nights typically are too long to focus on budget crunching. The board scheduled a budget work session for November 4, 2020.

Board Committees/Staff Advisors: Melissa suggested each board member be assigned an area so staff has input and guidance from the board as needed. Melissa currently handles wastewater and communications with Dw2. It was decided Melissa and Tom will deal with architectural items, Jeanne and Matt will deal with snow related resident issues which will also encompass parking and keeping access open to District properties. Pete will deal with fire, tree beetles, drainage, roads, and weeds. Pete will call on Matt or Tom for assistance as needed.

Wastewater Plant: Dw1/Dw2 wastewater plant committee met recently. Melissa and Janet prepared a response to send to Dw2 to follow up on discussed items and setting of treatment plant fees for 2021. The letter was reviewed and approved unanimously. The input letter covered prior Dw1 reasons for hesitation to consider lowering reserve funds at the present time. Dw2 feels the plant is running smoothly and the districts could reduce fees by \$3.00 each district contributes per tap into the joint fund, but Dw1 is not satisfied we have shown consistent ammonia test results since upgrades were completed. Between initial new equipment issues and attempts to reduce electricity use, there was a period of time air blowers were lowered but now the plant is now functioning very well. DW1's primary concern is the state variance that we want to be approved permanently so we want to see numbers throughout a full winter season to gage how well the plant can reduce ammonia in cold temperatures.

Adjournment: The meeting was adjourned at approximately 8:30pm by motion and second.

 12/9/20

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Work Session – November 4, 2020

Call to Order: Meeting was called to order by board president, Melissa Schneider.

Members present: Melissa Schneider, Tom Phelps, Jeanne Matthews. Pete Merkel attended by zoom. **Staff present:** Janet Anderson, Kathy Phelps, Brian Davies. Mike Roussin present on zoom.

Quorum present and meeting was called to order at 6:35pm.

Brian Davies Report: Brian provided an update to board saying equipment has been made ready for plowing. A short discussion on other items Brian has been working on relating to infrastructure work and road repairs scheduled for later this month.

25 Timber Status: The board briefly discussed 25 Timber as Kathy updated there was no visible progress on tenants moving out. Kathy confirmed penalties are being assessed at \$100/daily and provided an updated balance on the account. Melissa recommended follow up meeting with Mike.

Budget: The board reviewed the budget individual line items with Mike Roussin. Minor modifications were made to a few expenditures. The board discussed potential capital improvement projects and contingency lines to cover unanticipated items if needed. Mike is still needing updated figures from Dw2 to finalize the joint wastewater fund budget. Dw2 asked for input from Dw1. A letter was approved and sent to Dw2 board last month. Dw2 will make final decisions for the wwtp.

Water Rate Increase: The water fund budget was drafted to include a rate increase. A hearing notice for November 18 was mailed in October to all property owners on the county assessor's list. Consideration to increase water rates by \$7.50 monthly and tiered rates is on Nov 18 agenda. No public comments have been received yet, which is somewhat surprising; however, residents have been regularly informed for years the water fund has been losing money due to increases in purchased water from Lake Durango Water Authority. We are hopeful the \$15.00 acquisition fee will be eliminated when Lake Durango retires the debt in 2021, but we anticipate a portion will be re-allocated to improvements and operating costs. An updated rate study has been approved by Lake Durango board in 2021 to determine cost of service for the different customer classes.

Adjournment: Motion from Matt, 2nd by Pete to adjourn approximately 8:00pm.

 12/9/20

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Special Meeting – November 9, 2020

Call to Order: A special meeting was called for the purpose of discussing 25 Timber Drive developments and to consider increasing penalties due to no action being taken to evict tenants. Numerous residents participated along with Owner Mike Mastos, who was late in arriving. The District also expected Mike's attorney would participate, but he was not present.

Members present: Jeanne Matthews was excused as she was still out of town for family illness. Melissa Schneider, Tom Phelps, Matt Nesbitt, Pete Merkel.

Staff present: Janet Anderson, Kathy Phelps

Visitors: Numerous residents participated by zoom. Due to safety concerns over potential retaliation and uncertainty of accurately identifying all logged on, visitors will not be named. Nick Anesi, legal counsel for Dw1, attended by zoom.

Quorum present and meeting was called to order at 5:30pm.

25 Timber Tenants & Penalties: Discussions on eviction process took place while waiting for Mike, who was called but did not answer. Residents had a few questions for Nick and the general conversation echoed previous conversations about being fed up with the activities and nuisances of 25 Timber tenants.

Mike Mastos showed up shortly before 6pm and stated he thought the meeting began at 6.

Mike shared he was considering selling the home to Adam Patterson, the problem tenant. As expected, this comment was not received well at all. Mike then listened to resident complaints and appeared to act as if he was unaware of the extreme severity of the problems his tenants were causing. There have been direct threats to safety, observed drug use & sales, excessive noise, mouth running in general, trashy conditions, illegal dumping, parking violations, and abuse of the district lot have all continued.

Mike then promised the group he would not sell to Adam or any affiliated or related party. Mike was told the board intended to next discuss increasing fines to the maximum allowed daily by current district policies, which is \$200. Mike said he understood the decision would be discussed, but chose to leave the meeting after promising he would have everyone out of the home no later than November 19, and he would show up daily to ensure the eviction happened.

Motion to raise penalties to \$200 daily beginning November 11 was made by Matt, seconded by Pete, approved unanimously.

Mike then called Kathy's phone to report Randy would be moved out in 3-4 days and Adam will be gone within 10 days, November 19.

The board confirmed with Nick an email would be considered proper notice and Janet will inform Mike of the board's decision on penalties.

The board thanked residents for taking the time to participate and the meeting was adjourned at 6:40pm by motion and proper 2nd.

M. Schneider 12/9/20

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
Regular Meeting & Rate Hearing 5:30pm and 7:00pm
November 18, 2020

Call to Order: Meeting was called to order by board president, Melissa Schneider at 5:35pm.

Board Present: Melissa Schneider, Tom Phelps, Matt Nesbitt, Pete Merkel. Jeanne Matthews out of town with mother in hospice. She earlier informed everyone - absence excused.

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

Visitors: Owners of 53 Woodcrest, Robert & Amber Morris, and 327 Woodcrest, E. L. Hutchison Estate, Susan and Teri Hutchison, and Susan's daughter Candice were present.

Quorum present and meeting was called to order at 5:30pm.

Implementing Rates & Fees for East Woodcrest Properties: Melissa summarized the purpose of recent notice sent to begin charging properties located east of the fire station for monthly bills excepting water and wastewater plant, which are charged and serviced by Dw2. Mailing addresses were incorrect on the county GIS parcel identification, and the District didn't cross check with assessor or owners to verify mailing addressed. The parties had a copy of the notice but it was not timely. Therefore, a new hearing will be set for the board take the matter under formal consideration. This allows extra time for the property owners to research and submit further comments.

Objections/Comments: The board listened to feedback from 54 Woodcrest and 327 Woodcrest owners. One item that came up during discussions was the lack of availability of internet and television services. Apparently, Spectrum (prior Bresnan and Charter) never serviced those properties and did not install infrastructure. Susan said prior contacts with Spectrum required a large investment in construction costs and it sounded high to the District given the fact service is currently within a block of their property. Janet offered to pursue working with Spectrum to see if the district can set up services at the water treatment plant and at what costs. Will report back with availability and costs to bring services to 50 Lazy Pine, DW1 Water Treatment Facility.

Melissa explained the board needs to charge for services and came up with the fee structure in the notice because it is unfair to DW1 constituents not to charge these properties.

The owner of 54 Woodcrest operates an upholstery company and the owners of 327 Woodcrest are primarily residential, but also do personal cattle raising and their father recently moved there with a small welding business.

The board said they would take the matter under advisement and an updated notice would be sent. Susan offered documents and mapping and mentioned the sewer easement was not in the proper placement, which would be a concern to DW1. Janet offered to meet with Susan the following day along with Brian and we will review her documents and go from there. The session with East Woodcrest owners was adjourned for a short dinner break at 6:10pm by motion from Melissa, 2nd from Matt.

The rate hearings were separated because of the uniqueness of the two properties on East Woodcrest and district anticipated issues would be entirely different from residents. The agenda times were set up to allow each customer group adequate time.

After the break, regular meeting and rate hearing for DW1 constituents was reconvened by motion from Melissa, 2nd by Matt at 7:01pm.

Objections/Comments: The meeting was opened to the public regarding comments about raising water rates \$7.50 for the base fee and rates per thousand gallons in the tiers increases. No visitors were present. Notice was mailed to all property owners on the assessor's list on October 16. The same was also noted in billings and posted on the district's website and bulletin boards at front mailboxes and office. Janet and Kathy both reported no comments were submitted, either verbally or written. Although surprising because most rate increases are met with resistance, residents have been regularly informed for the past 2-3 years that revenue increases in the water fund are needed. Costs continue to rise with what we pay Lake Durango, but DW1 has not passed on all the increases. The water fund shortage is approximately \$15.00 monthly. The board determined splitting that up into smaller increments throughout 2021 would be easier for residents to plan for. A new rate hearing notice will probably be required 30 days before each increase, but the October notice included the board's plan for the \$7.50 now, \$3.50 increase in June, and \$3.00 in December. Lake Durango rates could change and the board is keeping an eye on this, especially the acquisition debt since that should be retired in fall 2021. However, we know water is expensive and realistically cannot count on paying less. Lake Durango was planning an updated rate study in 2021, but the La Plata West Water Authority treatment construction and customers coming on line are behind projections as of now. DW1 is not confident Lake Durango will lower rates, but we do know the acquisition fee should no longer be charged once the original purchase debt is paid. Royalties continue until 2027.

Water Rates Increase: Motion by Tom to increase water fund revenues per the official notice as stated: new base fee = \$42.50, tier 1 = \$15, tier 2 = \$20, tier 3 = \$25, seconded by Matt, unanimously approved.

Road repairs: Brian reported on a sewer repair at 50 Holly Hock that required the street be dug up to install a failed connection into the main. M Leeder was hired by the excavation company as prior agreed with DW1 and the repair is scheduled this week. Lower Forest also has an area of failure where the road is separating from the matting which was done in 2006. Unfortunately, it's a large area with the proposed bid of \$16,583.50. Motion to accept Leeder's proposal approved, motioned by Melissa, seconded by Pete,

25 Timber discussion continues to be a deep thorn in our side. There is a court hearing scheduled for December 4 for an FED (an emergency eviction action). Nick Anesi reported there should be no reason the writ to vacate should not be executed by the judge. Nick has been in contact with Mike Mastos attorney, Paul Kosnik, several times. The tenants continue to be obnoxious, loud, threatening, and activities that still clearly look like illegal substance sales, partying at all hours of the night, traffic coming and going is still observed. If the writ is signed, the sheriff can force removal 48 hours later if they are not gone. Daily penalties were increased prior, and they remain at the district's maximum allowed due to extraordinary circumstances. The district's position is these tenants should have been evicted last winter. Mr. Mastos has not been respectful of district complaints and everyone is at the end of their rope with this problem house.

Budget: Janet said budget would be adopted December 9 meeting and if the board had any questions, please get in touch with her or Mike.

Adjournment: Meeting was approved adjourned by motion from Melissa, 2nd by Matt at 8:09pm.

M. Schneider 12/9/20

DURANGO WEST METROPOLITAN DISTRICT No. 1
BOARD OF DIRECTORS
REGULAR MEETING – December 9, 2020

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: Kathy Phelps, Brian Davies, Janet Anderson, Mike Roussin.

Visitors: Owners of properties located on Timber Drive,
Nick Anesi, legal counsel for Durango West 1

Meetings for 2021 Resolution: Change to meeting dates. The board discussed a proposed meeting calendar to set 2021 meetings modifying from standard 3rd Wednesdays: Since Lake Durango and DW2 are substantial financial impacts on DW1, allowing board members to observe or participate in DW2 or Lake Durango meeting may be beneficial. DW2 meets 3rd Wednesday, Lake Durango meets 3rd Thursday. New meeting dates: January through September on the 4th Wednesdays. October-December meetings 2nd Wednesdays. This limits holiday conflicts and complies with deadlines for budget draft (Oct 15) and budget adoption (Dec 15) deadlines. Lake Durango updates can be presented with current happenings. Meetings can now be called with 24-hour notice provided it is posted on the website. Special meetings advance notice of 3 days will remain preferred, but new statutes allow board members to call time critical meetings should the need arise.

Board unanimously adopted 2021 annual meetings resolution by motion from Melissa, 2nd by Jeanne. motioned to approve the meeting calendar for 2021. The resolution lists meetings in table format and will be posted on the website. Meetings will be held at the District Office, 119 Holly Hock Trail, Durango, Colorado, 81303, with zoom required for all public attendance until March 1, thereafter subject to monthly renewal. Meetings shall limit persons present at the office. Virtual meetings will continue after Covid-19 is under control but office location will be opened to public. public attendance until at least March 1, thereafter reviewed monthly, and/or the Office, 119 Holly Hock Trail, Durango, Colorado 81303.

Zoom is constant ID as the District's phone, 970 259 4267 passcode 4267.

Meeting agendas and minutes shall be posted on www.durangowest.org

For security, a separate laptop without district records is used for all zoom meetings.

Budget 2021 Adopt and Appropriate Funds: After discussions with Mike, a Resolution to Adopt a Budget and to Appropriate Funds was unanimously approved after motion by Jeanne, Matt 2nd.

Budget 2021 Approval: The board reviewed the 2021 with Mike and Janet and the resolution to adopt and appropriate funds for the calendar year 2021. \$40,000 was allocated to contingency spread out among 3 funds, water fees were approved to increase by \$7.50 base and tiered overages were increased per thousand gallons. The base gallons allotment of 5,000 gallons for the new rate of \$42.50 was maintained. Water fees also have separated line items in our billings to show amounts paid to Lake Durango Water Authority for debt service and royalty fees, and a \$5.00 monthly testing fee for lab work and towards operator expenses. Hopefully the water rate increase will help towards bringing the water fund out of the red. Additional rate of \$3.50 is scheduled for June and \$3.00 in December. New formal notices will need to be mailed or included in monthly billings but the additional \$7.50 was noted as a phase in to increase a total of \$15.00 to the water fund over the next year by December 2021.

25 Timber Drive Update: Mike Mastos, owner of 25 Timber, was invited to participate in this month's meeting and we had expected his attorney, Paul Kosnik, to join us based on prior email correspondences between Nick and Paul. Neither were present. Nick discussed the most recent eviction ruling the judge made on December 4 where the court extended the FED hearing to December 18 based on a technicality on serving the notice with an omission. The district discussed a potential restraining order should the eviction not be approved on Dec 18 for some unforeseen reason in an attempt to try to cover all the bases. Penalties are accruing daily due to the landlord's reversal of his first eviction notice, which was served in September. The landlord changed his mind and agreed to allow them to stay and apparently now cannot get them gone. Nick answered some questions and the subject was concluded after directing Janet to provide date deadlines for property cleanup once the tenants are gone.

Minutes: Several special meetings were held in November. Board reviewed Minutes of November 4, November 9, and two sessions November 18. Motion carried to approve all November meeting minutes from Melissa, seconded by Pete.

Disbursements: Invoices for disbursement approval made by motion from Melissa, 2nd by Matt. Higher than normal expenditures noted were M Leeder for \$8,083.50 with prior deposit of \$8,500 for total of \$16,583.50 on Forest Ridge damage repairs. Legal fees for Anesi Law included \$390 to Frank. 25-Timber related expenses of \$725 to Nick have been charged to 25 Timber's account. The district holds owners responsible for costs relating to enforcement assessments and collections.

Insurance annual renewal: The district's annual insurance premium is paid each calendar year, with the premium due January 1, 2021. Because changes were made to reduce premiums by buying directly from the pool and switching workman's comp to the pool from Pinnacol, a corrected invoice is not in hand yet, with final amount anticipated just under \$15,000. Approval to pay annual premium was approved. Janet will provide an invoice copy at the next meeting.

Penalties Contested: 207 Woodcrest Drive owner, Lars Johnson, wrote a letter to the board demanding relief of penalties, refusal to pay, and threat of legal action. Penalties were assessed to the property owner after an agreed upon written eviction deadline expired. Motion from Matt, 2nd by Melissa, the board unanimously approved a drafted response to deny waiving or reducing assessments. Discussion summary: Property owner willingly gave an extension without request or notification to the district, caused district to involve an attorney before reluctantly agreeing to remove tenants despite numerous, serious complaints dating back to 2016. Owner dishonestly represented personal diligence and daily follow up. Formal and final legal notice was sent August 14, 2020. The level of harm to the district justified a 3-day eviction, but in the interest of a peaceful resolution district and owner agreed a Sept 17th deadline. Owner subsequently told tenants they had until the end of October to remove personal belonging which were left in piles outside, covering the property for over 2 weeks. Persons continued to occupy home sporadically, late night fights and loud moving disturbances were reported more than once, and traffic patterns indicated illegal dealings continued through the end of the month. Tenants were not fully moved out until Oct 1.

Brian reported numerous residents have stopped him to share how happy they are now that 207 Woodcrest and 57 Moss residents both moved out of the district. Some of the worst offenders of 207 Woodcrest moved around the corner to 57 Moss after eviction, infuriating many neighbors. Fortunately, a quick eviction notice was delivered by cooperative, respectful owners of 57 Moss. Many residents told Brian they feel great relief and appreciated the district's help.

Reconsideration of Proposed Rates & Fees to East Woodcrest: The board revisited notice to consider raising monthly fees on January 27. Motion carried from Melissa, 2nd by Jeanne, to send a revised notice charging 1 ½ times resident rate for sewer collection and roads maintenance fees remaining fees, excepting water related service provided by DW2, shall be charged the same in-district residential fees. Cover letter needs to include access permission for district fire mitigation.

Discussion summary: both parcels contain one large (by DW1 standards) commercial building for income producing low impact businesses, and one residential home. Impacts on roads and sewer may be argued as similar to a residential property, but neither parcel is compatible with DW1 single family homes; therefore. not comparable. County zoning and CCRs of both DW1 and DW2 do not allow commercial development. DW1 roads are used for access to gated & private parcels. DW1 lots do not have gated access, there are no comparable parcel sizes, and there are no dual structures except detached garages/sheds. The parcels are a unique situation, not under DW1 authority. Each structure has tapped district services, but neither parcel is located within DW1's tax base; therefore, these parcels are exempt from contributing to paying off past and future mill levy debt.

Adjournment: Meeting adjourned at 8:24 after carried motion from Melissa, 2nd by Pete.

M. Schneider 1-27-21