

DURANGO WEST METROPOLITAN DISTRICT #2
MINUTES FOR THE REGULAR MEETING
March 15, 2017

- I. Call to Order
President Ward Holmes called the meeting to order at 7:00 p.m. Other Board Members present were Directors Dave Crom and Beverly Lawrence. Also present: Jane Looney, District Manager and Fred Owen, District Accountant. Director Ray Schmudde was out of town and Director Micah Looney was absent.

- II. The minutes of the February 15, 2017 Regular Meeting were presented for approval. Dave made a motion to accept the minutes as presented. Beverly seconded the motion. Motion carried.

- III. Administration
 - A. Financials
 1. Jane presented the accounts receivable list.
 2. Accounts payable were presented for approval. Board Action: Beverly motioned to approve. Dave seconded the motion. Motion carried.
 3. Financial statements ending February 28, 2017 were presented. Fred reported that 24% of the Water Fund is already spent. CDs come due in May so we need to pick several to cash in and put in money market account.
 4. Review and Approve 2016 Audit Engagement Letter: Fred discussed last month's concerns with Larry Daveline and letter will remain as is. Dave moved to approve. Beverly seconded. Motion passed.
 5. Beverly said that the savings that can realize from not having to do the state's requirements far outweighs the little extra interest that the banks might charge. Fred said that revenue bonds through a local bank can get you a lot of money, it's fixed and you're done. Revenue bonds don't get paid back through property taxes; they have to come in from fees. Additionally, revenue bonds are local monies which is a good thing said Fred. How do we proceed with DW1, asked Dave. Fred suggested easiest way is to get the Wastewater plant back under our control or to create a separate entity. Simplify it. Undo the agreement and everything gets transferred back. Jane will set up joint meeting with DW1 board representatives and district manager. She will send Janet Bud's memo and SGM 's new cost estimates. The Board decided to move ahead with the planned improvements to Wastewater Plant per SGM's estimates and securing a financing Letter of Intent from a local lender. Beverly suggested doing both setting up meeting and getting letter of intent at same time to move things along.

 - B. Water & Wastewater Operations
 1. Water Operations Report: Tyler reported that they finished fixing all the freeze problems in the Lake Durango pump house. Brooks Well Service installed the new electric panel last week. Neither of the pumps was damaged; and everything is back to normal after replacing

2 valves, the water meter, the back flow prevention device, and the electric control panel. We are putting water in the pond from wells 8 & 10.

2. Wastewater Report: The automatic bar screen was damaged with the last snow storm when we lost power to the plant for a few hours. Brooks Well Service was able to fix it on Friday. We are set to finish the diffuser installation in cell 3 as soon as the ice melts. We would then be ready to follow whatever plan SGM recommends for the rest of spring and summer.
3. Cross-Connection Update – As a community water system, we only need to survey ourselves according to our State liaison which includes mail building irrigation, water and wastewater buildings and all the condo units. Jane is coordinating a phone meeting with Tyler and Tom Valencia to discuss and to clarify if we need to pass a resolution/policy or just include in our “user agreement”; but something that would stipulate our authority to shut off water and/or place liens against people’s property if needed.
4. EIAF Grant/Ammonia Variance Update and Discussion – Tyler said he could do the aerator work in cell 3 for \$3000 – cheaper than the 5,000 bid by the contractor. He did not provide a written quote of what he thought the materials would cost and his hourly labor costs as requested. We still do not have his Worker’s Comp waiver despite repeated requests. The Board decided to withhold check until Tyler gives us his WC waiver. Jane will find out if need Tyler’s subcontractor’s workers comp documentation or waiver.
5. Public education for lead and copper in drinking water. Jane reported that received another letter from the state saying we supplied insufficient samples and would need to both redo and are now back on every 6 month schedule.

C. Roads and Trails

1. Snow Removal Feedback: thank you to Beverly for preparing a well worded response to resident’s email regarding various snow removal issues. We have not heard back from resident.
2. Review and Approve Trail Easement – McClain’s attorney questioned need for wording: “WHEREAS, the public has historically accessed the District Property from Willow Drive by crossing the McClain Property and the Turner Property although no formal access easement has been recorded”. Bud did not hear from McClain’s attorney on this. Ellen Turner consulted an attorney who said that: easement looked like was more on McClain’s property. Bottom line response from Bud: “The District does not need to do anything with the prescriptive easement, it exists across the Turner property by virtue of historical use. The easement document that was prepared was intended to clarify the location and use for the easement. If she is unwilling to sign, the

public can continue to use the prescriptive easement without anything more.”

D. Business

1. Capital Improvement/Assessment Scoping Meeting Update –Jane created an assets sheet with our assets listed and sent to Tyler to fill out. Dan and Andrew and I can meet on Thursday, March 30th. We are waiting to hear back from Tyler. Board members are invited if like. Dave might come and Jane will invite Ray
2. Discuss financial options for funding SGM’s additional WW Plant estimates. See above discussion. Board decided to pursue securing funding from local private lending institution.
3. Lake Durango Update: Ward reported that the level is 875 feet. Both reserve ponds are full. Currently, no water restrictions. Pipeline stalled due to eagles at the end of the lake. Still high hopes to finish on time in August/September of this year.
4. Other District Correspondence -
5. Newsletter items: parking, AED volunteer, FireWise volunteer; at this point, we see no water restrictions – however, reminder that this can change depending on weather.

IV. Adjournment

The meeting was adjourned at 8:15 p.m.

Jane Looney, District Manager / Secretary