

DURANGO WEST METROPOLITAN DISTRICT #2
MINUTES FOR THE REGULAR MEETING
October 17, 2018

- I. Call to Order
Vice-President Beverly Lawrence called the meeting to order at 7:00 p.m. Other Board Members present were Directors Dave Crom and Wayne Schrader. Also present: Jane Looney, District Manager; Fred Owen, District Accountant and Dave Marsa, Wastewater Operator. No residents attended.

- II. The minutes of the September 19, 2018 Regular Meeting were presented for approval. Dave made a motion to approve the minutes. Wayne seconded the motion. Motion carried.

- III. The minutes of the October 2, 2018 Special Meeting were presented for approval. Dave made a motion to approve the minutes. Wayne seconded the motion. Motion carried.

- IV. Administration
 - A. Financials
 1. Jane presented the accounts receivable list. Board agreed to sign onto letter to Account # 802060, after Jane deletes last paragraph.
 2. Accounts payable were presented for approval. Dave motioned to approve. Wayne seconded the motion. Motion carried.
 3. Financials – Financial statements ending October 31, 2018 were presented.
 - B. Water & Wastewater Operations
 1. Water Operations Report: Tyler submitted a written report. Water taste and odor issues from LDWA continue. Report to Board on update for new license. The Board agreed to Tyler's requested additional amount of \$31.65 a month resulting from the contract split from wastewater duties. Jane will let Fred know.
 2. Wastewater Report: Dave Marsa said that his initial contract is still in effect and now carries month by month as long as DW2 is happy. Dave Crom said, on behalf of the Board, that we appreciate what Dave Marsa has done for the treatment plant.
 3. EIAF Grant WWTP Improvement Report: Dave is cleaning out the duck weed on pond 4 and will put "cover" on end of this week. Jane contacted Lemna directly regarding Cell 1 improvements; and they committed to delivering materials last week of October and starting work the week of November 2nd.
 - C. Roads and Trails
 1. 2018 Road Projects and Signage update: road projects are completed. Two gutter/curb areas need to be fixed. Jane presented more detail on the playground signs and needed posts. They said to proceed this fall if there was still money in the budget or wait until 2019.
 2. Pond and trails – two parts of cottonwood are leaning. Jane asked FireSmart to move up approved Pond mitigation work and will negotiate with Jon to incorporate the cottonwood removal.
 3. Street Sweeping – this is scheduled for November 6-8. Jane researched costs to dispose of the needles. Waste Management dumpster costs

\$1060; Phoenix Recycling dumpster would cost \$700. To stay under the \$500 approved by the Board, Jane contacted Leeder to do their slash removal service for \$175 per 10 cubic yard truck. Workhorse estimates it shouldn't take more than 2 truck-loads so \$350 or less.

D. Business

1. Budget Hearing 2019 – Fred reported that the Sewer and Wastewater funds are fine. However, the General Fund is in deficit spending due primarily to a large amount dedicated to fire mitigation again in 2019 and the Water Fund is now actually in deficit with no reserves. Since the fund is in the hole, Fred said we need to make adjustments to the budget. He also explained that the Water Fund has been in deficit many times with interfund transfers making up the difference. The Board discussed options for making up the deficits in the Water fund. Some expenses are related to replacing infrastructure which Fred said most districts collect tap fees to build capacity. As water purchases (from LDWA) make up half of the budget, the board looked at a more appropriate fee for service rate structure. Wayne presented his model looking at various scenarios involving reducing the base number of gallons per residence. From Wayne's models, a board member suggested that the Board explore after the first of the year an increase for the water fund. Dave asked if we could move some funds out of the Wastewater Fund if there is still a large reserve after improvements. Jane will check with the IGA agreement and Bud. The Board decided to have Wayne look at more numbers and revisit water questions next month.
2. Update from the Lake Durango Water Authority: There was no update as Ward, our LDWA representative, was not present.
3. Other District Correspondence: water odor and taste; auto workshop
4. Newsletter items: November board meeting moved to Nov 14 due to holiday; street sweeping – move driveway bridge materials; budget.

IV. Adjournment

The meeting was adjourned at 8:44 p.m.

Jane Looney, District Manager / Secretary