

**MINUTES
OF THE BOARD OF DIRECTORS FOR
FOREST LAKES METROPOLITAN DISTRICT (FLMD)
October 12, 2021**

CALL TO ORDER

The regular meeting of the Board of Directors for Forest Lakes Metropolitan District was held on October 12, 2021, at 1:31 p.m. teleconferencing via Zoom.

BOARD OF DIRECTORS ROLL CALL

Roll call was taken by President Tony Schrier. FLMD Board members and representatives present were:

Tony Schrier, President - Present	Mandy Roderick, Director - Present
Charissa Hannigan, Director - Present	Derrick Martin, Vice President –Present
Mark Rushfeldt, Director - Present	

Forest Lakes Metropolitan District employees present were:

Keith Rountree, District Manager
Jim Spitzer, Operations & Maintenance Supervisor
Jamie Echeverri, Office Manager / Board Secretary
Barb Ross, Office Assistant

Approximately 24 people, including FLMD Board Members and District employees attended.

APPROVAL OF AGENDA

It was moved to approve the October 12, 2021, agenda. The motion was seconded and unanimously approved.

APPROVAL OF PREVIOUS MINUTES

There were no corrections, additions, or deletions to the minutes of the regular Board meeting held on September 14, 2021, it was moved to approve the minutes. The motion was seconded and unanimously approved.

SPECIAL BUSINESS

- A.** Budget Committee (Mark Rushfeldt, Charissa Hannigan, Keith Rountree) Discussed in Managers Report.
- B.** Recreation Committee (Derrick Martin, Keith Rountree, Mandy Roderick) Director Roderick has received no response from Vendors.
- C.** Personnel Committee (Mark Rushfeldt and Tony Schrier) No Updates

Regarding District Manager Position:

Director Schrier: An offer was made to two individuals who have applied for District Manager position, and both have declined. New applicant will hopefully interview next week. Currently, Keith is looking into possibly using a headhunter to fill District Manager position.

Director Hannigan: Thank you Keith for sticking around, it is very much appreciated.

PUBLIC COMMENTS:

Director Schrier: Feel free to call FLMD regarding road maintenance but issues with speeding or other issues regarding vehicles please contact the sheriff's department.

FLMD Resident Jim Moore: Expressed his concern about numerous large trucks hauling dirt, equipment etc on Forest Lakes Drive and the damage that is causing to FLMD roads. He will email his concerns and suggestions to FLMD District Manager to share with the board to see if there is something that can be done to remedy the problem.

Director Schrier: Requested that large trucks use loop road instead of driving through Unit 5.

FLMD Resident Donis Hatcher: said it is a constant flow of truck traffic and they are not going 25 mph. She is concerned

MANAGEMENT REPORTS:

1. Rate Increases – As a reminder, District rate increases went into effect with September's usage (September's utility bill) and will be reflected in the October 1st bill. We still encourage residents to go to <https://flmd.com/possible-district-rates-and-fees-increases/> or call our office to understand the reasons for the increases. After all the required public notifications of the Capital Improvements Plan (CIP), Rate Study and required rate increases that have taken place over the past two or so years, our goal remains to minimize surprises where we can.

Director Schrier: I joined the board back in 2018. In November of 2018, we were talking about getting a five-year plan to address the needs of the community, we were talking about rate increases, and about doing an analysis of sewer and water rate studies. This topic has been live in our board meetings ever since I've been on the board. That was one of the reasons I got involved, when I joined the board we were dipping into past earnings to pay the bills on a regular annual basis. Rate increase has been very hot topic.

FLMD Resident Donis Hatcher: She shared her disappointment with the road maintenance.

Director Schrier: We are doing the best we can. The service road/Main Entrance is lower than C.R. 501 so it accumulates more water which causes potholes, especially with higher traffic.

2. FLMD 2022 Budget – As a reminder, here is the schedule for the milestones:
 - **Draft Budget Presentation** - October 12th Board Meeting – After this meeting, the Draft Budget will be posted on the District's website and noticed in the Durango Herald newspaper.
 - **Public Hearings of the Draft Budget** - November 9th Board Meeting – At this meeting the public will have an opportunity to ask questions or provide any complaints since this will be the Public Hearing.
 - **Adoption of the Budget** - December 14th Board Meeting – At this meeting, the Board will approve the budget and the 3 Resolutions that I have also attached for your perusal.
3. Lead and Copper Annual Testing/Sampling - We sampled 11 homes for pb/cu, as is required by CDPHE Drinking Water Quality Department and have forwarded the test results to each of the residents on September 27, 2021. In 2021, 2020, and 2019, all test results were within normal limits.
4. Certificates of Delinquency – Annually (every October), we have sent a Certificate of Delinquency to La Plata County so they could follow-up with those residents that are delinquent in their payments. Unfortunately, once this goes to La Plata County, we lose

our ability to manage the program, which includes any discussions with the residents, determining what properties the funds should be applied to if the County receives the funds, etc. We started managing this process through Barb and Jamie last year and have found it to be much more effective and efficient in making the collections happen. It is our plan to continue in that mode unless significant issues arise where we absolutely need to get the County's support.

5. Unit 3 Amendment to the Service Plan (Carry Over from Last Board Meeting) – On August 16, 2021, I spoke with Neal Starkebaum and from our conversation it became very clear that the County does not support the Service Plan Amendment. In any event, he stated that he and the County Manager had just met and the major item that will need to be submitted prior to the pre-application conference is to identify how water, sewer and road upgrades, maintenance, and services will be provided if the District does not provide them. He again made a reference to us “orphaning” Unit 3 and clearly does not want to see any responsibilities for anything to do with Unit 3 falling to the County. When fire protection services were eliminated from the Service Plan in 1988, the proposed plan was for Fire Service to stand independently as their own District. We are now fighting Land Use Plans that are making it difficult for an owner to provide these services, i.e., hauling water, upgrading long spans of roads to provide access, etc. At this point, it will be exceedingly difficult for a Service Plan Amendment to occur through the Board of County Commissioners given the lack of support for it in the County. ***Should the District pursue the Amendment or not do anything more at this time knowing we have at least quantified the cost to provide the infrastructure which furth solidifies the fact that it is unattainable?***

Director Martin: I sent communication on this a while ago, I agree that quantifying the amount of money it will take to develop this infrastructure is a good move. I am wondering if we don't try to amend the service plan and if we're rebuffed then we can say, we were rebuffed. It is one more step, to show that we're making a good faith effort to try to rectify the situation. I think it puts the impetus on them to explain why they're saying no. I do agree that the quantification of all the expenses to build an infrastructure is great, but I wonder if the county will take the extra step to try to amend the service plan? If the County is going to say no, that will leave us in a little better spot than just having the numbers on the infrastructure. I wouldn't mind putting three county commissioners on the record as saying “I'm voting no”.

Director Hannigan: The county has already said “No” to the Amendment to the Service Plan for unit 3.

Director Schrier: We are still stuck in the same place 35 yrs after the resolution back in 1985 to orphan unit 3 was created.

Director Roderick: Can FLMD be sued?

Director Schrier: The title company and realtors are responsible to make a buyer aware of what restrictions exist.

District Manager Rountree: Our attorney replied that anyone can sue anyone for anything. The bottom line is now that we know that it's going to cost almost \$30 million for the district to provide those resources. They can sue us but they're going to get blood from a turnip because we can't afford to provide those resources. We're fighting land use plans right now, that's a big issue. Before the county will even entertain us by taking our resolution in front of the Board of County Commissioners, they want to know if the district is not going to provide water, sewer or road upgrades, then what is the plan to allow them to have it, for instance, some of the residents have requested that they be allowed to haul water. But the county comes back saying hold it, that is in disagreement with the land use plan. We (FLMD) went in with good faith efforts in order to try to make this process work and to resolve something that has been going on for 40 years. But we're in a position where I'm not sure that we can.

Director Rushfeldt: I'd love to see us be able to find some way to develop it. But we can't afford that price tag, the county's making it really tough to putting us in a catch 22 situation, anything we submit is going to be denied. I don't know that we need to go any further. I think we have that documented. I know we don't have the new attorney on board yet. But once we have new attorney on board, I suspect we should just brief him in on this issue and see if he has an additional take on this issue.

Director Schrier: the new attorney is going to be an attorney that has dealt with this in the past. And I believe he's familiar with the situation of unit three.

All Board Members agreed to not do anything at this time.

6. Sewer Jetting and Manhole Repairs (Inflow & Infiltration) – To help address the I&I issues with water infiltrating our sewer distribution and transmission system, we again had our contractor in the subdivision this year with the focus on re-lining manholes. Our original budget this year was \$20K and the Board authorized us to use an additional \$20K from Reserves to help combat the I&I issues. With that, we completed the lining of 7 manholes this year and we budgeted that amount in 2022 as well. Again, the focus again will be first on the manholes and then on putting a camera (with video) through the distribution lines.

7. “Small Improvement District Program” for Water and Sewer Main Line Extensions Along Snowbird Court – This project is scheduled to be completed the summer of 2022, and we want to remind those that agreed to pre-pay their tap fees that they need to complete their Service Agreements and pay their water and/or sewer tap fees by November 1st.
8. Water and Sewer Taps for 2021 – Every year, we advertise that we will not complete sewer or water taps past November 1st due to weather variable and that remains in effect for this year. Currently, O&M has 3 remaining taps to complete before then, which includes those required for the new office building. In this case with our current workload with other higher priority taskings, we do not anticipate having the time or personnel to do any other taps in 2021 outside of the remaining 3.
9. WWTP Discharge Permit – We continue to coordinate with the Colorado Department of Public Health and Environment (CDPHE) to determine the status of our permit renewal.
10. Annual Hydrant Testing – FLMD has just over 130 hydrants in the subdivision and in River Ranch subdivision. This year, we tested 59 hydrants with the balance of them being tested in 2020. We forwarded all test results to Upper Pine as required.
11. Annual Performance Evaluations – This year’s Performance Evaluations of all District staff (excluding me) are complete and any first of year raises and bonuses will be based upon those evaluations.
12. District Vacant Positions – The District and the Board of Directors is currently advertising an Equipment Operator’s position and the position for the District Manager. For those that are interested, please see the job advertisements both on our website and on Indeed. Applications through our website can either be dropped off at the main office on Mountain View or e-mailed to the District Manager @ manager@flmd.com.
13. Portable Emergency Generator and Pressure Reducing Stations (PRS) Projects – Our CIP identified several PRS projects that we need to complete in 2022, and that we need a portable emergency generator that can be used to “power-up” critical infrastructure during power outages. The week of September 20th, we coordinated with San Juan Engineering and Brownhill Eng. to get proposals to start completing design work with these projects potentially occurring in 2022. The goal is to start design (using funds from the 2021 budget) and to complete design over the winter and to seek funding through grants and such in early Spring, and to complete the projects Summer 2022.

14. Annual Biosolids Reporting – We are required to send a report to CDPHE annually that depicts the quantity of solids that are removed from our sewage ponds. Through our new ORC (Mark Fuson), we learned that CDPHE did not have reports for the reporting years 2018 and 2020, and we provided them with these reports. I also now have this as part of my Continuity Folder so the new District Manager will know to do this in February of each year, for the previous year. FYI. We have a project in the 2022 Capital List to remove solids from Cell 3 and the total estimated cost is \$100K.
15. New Office Building – For those that do not know, the new office building will be constructed at Alpine Forest Drive (Address: 82 Alpine Forest Drive):



The contractor completed the foundation and is in the process of installing the French drain and backfilling the foundations. We coordinated with BlackHills Energy on their natural gas requirements and our contractor will provide the trench the week of October 11th for their natural gas line installation. He anticipates completing the trench for the water line and for the electric lines then too.

The lumber package (including the trusses) was originally due to be received by October 5th...that has been delayed 2 weeks. The contractor is still anticipating having the building completed by the end of December...I think it will be January/February 2022 given the delays with the issuance of the building permit and the receipt of the lumber package. I updated Paul Broderick from 1st Southwest as well on the schedule.

I have also reminded him that all County Inspection Reports (footer and stem wall, thus far) and Lien Releases need to be provided to me so I can provide copies to 1st Southwest. Hotter Construction has them and will provide them to me with the next Draw Request. Once received, I will forward them to 1st Southwest.

Additionally, given the long lead on receiving appliance, we purchased the refrigerator, range and hood and they were delivered to the Mountain View on October 6th.

O&M anticipates having the water line and meter installed in the next 2 weeks. The south entrance road will be closed for a few days to tap the main water line. The exact closure timeframe will be posted on our website.

Below is a photo of the stem walls and installed French drain around the perimeter:



16. Solar Installation Project – Given the unpredictability of the market with most things today, Shaw Solar has already purchased the solar panels for installation of the solar systems next Spring. He will be storing most of them in the District O&M yard, and we have requested a statement from him that absolves the District of any responsibility if panels happen to get stolen. He has complied with that request. We look forward to helping make this project become a reality!

A. FINANCIAL (See attached supporting documentation)

PROPERTY TAX COLLECTION REPORT (See Exhibit A): Through August 2021, we have received 98.9% (\$654,448) of the levied property tax (\$661,946) revenue for the year. The normal metric for this time of year (based upon an even distribution on a monthly basis over a 12-month period would be 75%.

WATER PUMPING (See Exhibit B) – In September 2021, we pumped 5.9 million gallons of water between the 4 wells. In August 2021, we pumped about 5.6 million gallons of water. You can see the comparisons between all 3 years at this time, i.e., almost 4.4 million gallons in 2019, 6.1 million gallons in 2020 and 5.9 million gallons at this time in 2021.

INCOME/EXPENSE REPORT (% of Budgeted Report – See Exhibit C)

General Fund - Revenues at 84% of Budgeted, Expenses at 85% of Budgeted

Water Fund - Revenues at 73% of Budgeted, Expenses at 75% of Budgeted

Sewer Fund - Revenues at 78% of Budgeted, Expenses at 71% of Budgeted

OVERALL - Revenues at 79% of Budgeted, Expenses at 78% of Budgeted

UNFINISHED BUSINESS:

A. Recreation Committee Initiatives:

NEW BUSINESS:

A. 2022 Draft District Budget

RESOLUTIONS:

Resolution 2021-11: Employee Reimbursement for Work-Related Cell Phone Use

Director Schrier made a motion to approve Resolution 2021-11. The motion was seconded and was unanimously approved.

APPROVAL OF DISBURSEMENTS: The Board considered the bills of the district for payment. A motion was made to approve bills for disbursement of \$107,822.81 The motion was seconded and was unanimously approved.

ADJOURNMENT: There being no further business, the Board of Directors meeting was adjourned at 3:11 p.m. A motion was made to adjourn the Forest Lakes Metropolitan District Board of Directors meeting. The motion was seconded and was unanimously approved.



Jamie Echeverri
Board of Directors of the Forest Lakes Metropolitan
District Secretary