The regular meeting of the Board of Directors of the Forest Lakes Metropolitan District was held on October 10, 2017 beginning at 1:30 p.m. at the Forest Lakes Community Center, Bayfield, Colorado.

Present at the meeting were the following members of the Board of Directors:

Casey Cook, Director, President -- Present
Richard Hillyer, Vice President -- Present
Ronnie Foster, Director -- Present
Brien Meyer, Director -- Excused
Charles Scavo, Director -- Present

Also present were Brian Sheffield, Manager for the District; Selina Gallero, Secretary; Rick Ludwig, Maintenance; and various residents.

Moved to approve Brien Meyer's absence as he did contact Brian in advance. The motion was seconded and it was unanimously approved.

APPROVAL OF AGENDA

With no additions, deletions, or corrections to the agenda, moved to approve the October 10, 2017 agenda. The motion was seconded and it was unanimously approved.

APPROVAL OF PREVIOUS MINUTES

There being no additions, deletions or corrections to the minutes of the regular meeting held on September 12, 2017 moved to approve the minutes. The motion was seconded and it was unanimously approved.

SPECIAL BUSINESS

REPORT FROM OFFICERS AND CONSULTANTS

MANAGEMENT REPORT - Mr. Sheffield reported the following:

1. La Plata County Sheriff. More officers have been present in Forest Lakes. Brian spoke to Deputy Jim Coleman with La Plata County Sheriff's department and he stated that they plan to increase patrolling in Forest Lakes during the week, if they have the staff available in the area. Deputy Coleman also commented that they will be issuing tickets. Residents in the audience commented that there had been an increase in patrolling but it has since decreased.

2. La Plata Electric Assoc. Reimbursement. Brian reported that LPEA's reimbursement to FLMD for damaged sewer line was not going very well. LPEA's insurance company mailed a letter stating that they are not liable for the damage and sited a Colorado Statute and a statute of limitation as their defense. Brian sent a letter to LPEA and their insurance stating our disappointment with their failure to take responsibility for the damage that they caused. FLMD wants to continue maintaining a working relationship with LPEA, however as the general contractor who also owned WESODI (subcontractor), LPEA should take responsibility. Brian stated that we are still waiting for a response to the letter and do not see a need to waste money, time and legal on this matter due to the limited amount of damages we have sustained.

3. San Juan Basin Health Cease & Desist Order. On August 29, 2017 SJBH held a hearing for a Cease & Desist Order on 422 Pine Tree Drive. The hearing officer issued the order on August 31, 2017 which was then ratified by the SJBH Board. The resident has requested and was granted an extension and is trying to obtain a loan from Housing Solutions for the taps. The length of the extension that was granted is not known.

4. Culvert Removal at 422 Pine Tree Dr. Brian explained that the owner of 422 Pine Tree Drive installed a culvert improperly several years ago which has been creating drainage issues. FLMD was not involved with the installation and the District did not have a chance to inspect the area or the work because the resident did not comply with the excavation permit and he installed the culvert on a weekend without involving FLMD. FLMD crew had planned to remove and reinstall the culvert properly to stop the drainage issues but after removing the culvert and evaluating the area and the drainage issues it was determined that reinstalling the culvert was not the best solution. A slight drainage was cut at the bottom of the driveway and work was done to open up the drainage ditch below the driveway. The culvert was left on the owner's property because he purchased and owned the material.

5. Insurance Renewals. Insurance renewals for Property and Liability coverage and Worker's compensation have been completed. Health insurance renewals were also completed and there is a 5.5% increase for medical, 2% increase on dental and no increase on vision.
6. **Sewer Pond Profile and Sludge Removal.** We performed a pond sample and found that we are in great need of removing sludge from our ponds. Two ponds stand out as needing immediate attention. The initial quotes have been around $150,000 for all 4 ponds with mobilization costs of $9,000 and we are waiting for a quote from another vendor. The permitting process can take months so this project will probably be done in the spring. This amount of sludge is most likely impacting our ammonia numbers. Brian stated that it would have been nice to get at least 2 ponds done this year before spring hits when we have trouble with our ammonia numbers. Also talked about not wanting to pay the mobilization fee twice and possibly splitting it. Unfortunately, some of the smaller sludge removal companies have merged with the larger companies so we don’t have very many options.

7. **Bike Rack.** A new rack has been ordered and will be mounted in concrete to prevent theft. The bike rack will be placed by the bus shed.

**Maintenance Report.** Rick reported the following:

- Rick introduced our newest maintenance employees, Henry Gonzales and Jeb Schroeder.
- The annual dam inspection was done and we worked on filling some gopher holes and added chips to the west facing side of the dam. This year the beavers did plug the screens but did not do too much damage.
- We had a meter base blow apart at 141 Buckhorn Road so a new one was installed.
- The owner of 11 Piney Drive noticed water running across their driveway and contacted us. It turned out to be the service line on our side of the meter which was repaired. Rick explained that this leak and the Buckhorn Rd. leak were on the Pine Ridge tank and after completing the repairs it considerably increased time on the tank.
- We finished cleaning up the Deer Ridge extension job.
- Completed a water tap at 247 Ridge Top Circle.
- The old hydrant at Pine Tree Drive and Pine Cone Drive was leaking and a new hydrant was installed.
- Maintenance was done on the grader and 6 new tires were replaced. We purchased the tires from Century Tire and Goodyear installed them. We have also started maintenance on the plow trucks.
- Road work has been done on the Loop Road and we are moving into Unit 4. Rick stated that Jeb has been doing some nice road work. He has been pulling ditches and putting the crown back on the road.
- The burn pile continues to be burned as needed but use has slowed down.

**FINANCIAL REPORTS**

1. August property tax revenue received was at 97.75% of the levied property taxes for the year. Tax revenue can include penalties, special assessments and specific ownership taxes, which are not included in the property tax percent collected.

2. Water chart shows that we pumped 3,961,987 gallons of water and can account for 92% of the water used through metered billing for September.

3. If equally collected and expended over 12 months, expenditures and revenues would be at 67% through August. In the General Fund, revenue was at 68% and expenses were at 51%. In the Water Fund, revenue was 63% and expenses at 46%. In the Sewer Fund, revenue was at 69% and expenses at 49%. Combined funds budget expenditures were at 49%.

**UNFINISHED BUSINESS**

**Item A.** Local SCADA Support. SCADA improvements will continue with a tie-in at the Green Ridge tank site. We will have to work with CenturyLink to run a phone line into the building and then Brown Hills will tie the tank into the SCADA communication system. This will most likely be the last project we do with Brown Hills Engineering this year. Next year we will budget some upgrades on our lift station pumps and associated equipment and components that are obsolete.

**Item B.** WWTF Discharge Permit Renewal. Wright Water Engineering has had multiple conversations and communications with Colorado Department of Public Health and Environment (CDPHE) and established our state permit coordinator. WWE states that they are making good progress.

Division of Water Resources Coordinator, Dave Hoffman will be leaving to take another job in Alamosa, CO.

**NEW BUSINESS**

**Item A.** Draft FLMO 2018 Budget. Brian stated that a draft budget has been submitted to the Board and is available for viewing at the office. A public hearing will be held on November 14, 2017 at 1:30 p.m. The draft will have some changes before the final adoption at the December meeting. Brian stated that there was an increase in the assessed value generating an increase in revenue of $36,000. Anticipated expenditures include the proposed sludge removal, purchasing another truck, emergency route improvements, permit renewal fees, installing a new pressure reducing station on Hilltop Drive and replacing the VFD at the lift station.

October 10, 2017
RESOLUTIONS

Item A. 2017-06, Certification of Delinquent Fees. Every year we can certify delinquent water and/or sewer fees to the County to be collected with property taxes as a special assessment. Delinquency has to meet certain criteria as stated in the resolution and affidavit and cannot include the road, trash or mail box fees. Moved to approve Resolution 2017-06, Certification of Certain Delinquent Fees. The motion was seconded and it was unanimously approved.

ANNOUNCEMENTS

Denis Stratford asked to revisit the 160 acres that was purchased by FLMD in 2016. He stated that he has not seen any announcements about the status of this property. Chairman Cook explained that FLMD was budgeting some money to work on the road base. Denis asked if any new development was taking place and Chairman Cook responded “no.” Denis asked how much FLMD paid for the property and Brian responded approximately $600,000. Denis asked what the future plans of the acreage purchased were. Chairman Cook stated that it’s a work in progress and that it was purchased for an emergency evacuation route and to give us a buffer between the Forest Service for fire mitigation and to avoid future development by a developer. Denis asked if FLMD has plans to bring that parcel into the subdivision. Brian explained that there are so many areas within the existing boundaries of Forest Lakes that still require infrastructure and taking on more property to develop at this time is probably not a good decision. That would also require changes in our service plan, etc. It will be a gradual development including the road which at this time is only rough cut and we need to get some base in there. Chairman Cook stated that from the stand point of the Fire Department they can now take equipment down there, if needed, which is critical. Denis stated that he has walked the property and it is very attractive. He asked if it was open to residents to use for hiking and walking. Brian stated that it has been posted that no ATV’s are allowed but walking and hiking are allowed. Denis asked where it was posted and Brian stated that it was on our website and it has been discussed at meetings. Chairman Cook stated that you cannot walk all the way through as you cross private property but in the event of an emergency the gate would be opened and you will come out at Bear Creek. A map is posted on our website showing the emergency evacuation route along with the allowed uses. Denis asked if a stock lease was done and Chairman Cook stated yes it was done, but the cows have already been moved out for the winter.

APPROVAL OF DISBURSEMENTS

The Board considered the bills of the District for payment. Moved that the bills be approved for payment subject to review at time of signing. The motion was seconded and it was unanimously approved.

ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting was adjourned at 2:17 p.m.

 Selina Galiero
 Secretary to the Board of Directors
 Forest Lakes Metropolitan District

October 10, 2017