I. Slide Show - Animas Valley

Darlene Koontz, Facilitator

Meeting called to order at 10:08A

a. Introductions

Darlene introduced herself as facilitator and asked how many first- time members were in attendance, and how they were told. She then briefly went over the agenda, and explained about the photos in the slide show, being from Roberts' other Resorts around the southwest. Darlene asked if anyone was here from the media. At that time, Chris from the Durango Herald had not yet arrived. Introductions were made from the Coordinating Committee members; Tom Penn, Sheila Lee, Dot Wehrly, Brenda Fernandez and David Sanderlin. Slide was shown of accomplishments for AVAC members and Coordinating Committee (CC's) ie: writing Letters to the Editor, research, etc. Darlene then asked for feedback. She asked how members were getting the word out. Answers: emails, Enclave HOA emails. Minutes were recorded by Brenda Fernandez.

There were approximately 120 residents & guests in attendance.

II. Guest Speakers – Valuable Resources in the Animas Valley

Doug Mewmaw is the 7th general manager in the history of Animas Water Co. After 30 years in the IT world, he was ready for a change. He flagged down an AWC truck and had a conversation with one of their long-time employees, and the rest is history. Doug manages 35 water operators and he is also in charge of AWC's 10-year strategic plan as part of a modernization initiative. AWC is building its first ever consolidated headquarters.

Doug shared a brief overview of the history of Animas Water Co. AWC has been around since 1969, and has a robust water system, and its infrastructure started back in the 70's. In July of this year alone, AWC produced 21.3 million gallons of water for its customers. Originally, Valley water came from the city of Durango, and residents were charged a surplus for that water. Once it was discovered that there was plenty of water in the Animas Valley, that water source connection was severed and the rest is history.

Growth of subdivisions in the Valley was a boom in the 90's up to 2004, and growth is still happening. People ask what is the service area for AWC. Our water service area starts as you turn the corner coming into the valley from the south, at the intersection of CR 203, to the curve in HWY 550 as you turn-off to head towards Baker's Bridge. The current board and past general managers came up with a great 10-year strategic plan, to help strategize projects each year, to help modernize the company. Thinking about the infrastructure, it has been around since the 1970's, old pipes, meters, computers, real time monitors. This again, will help AWC service its customers better.

A major initiative is modernized meters where employees can drive-up, and do a log / reads and get stats. It has been a 3-year project, as another example of process improvements. In addition, real time monitors, called SCADA (Supervisory Control And Data Acquisition) that look at the whole system and know how wells and flows are doing. There are Well Houses located in The Cove, Animas Elementary school, Red Rocks and a house on CR 250 and are checked on every day. Tank Capacity ranges from a million gallons down to 12 thousand, which is a robust system with a great team running things to make sure our water is great.

Going into the future, the new Animas Water Co. building / headquarters will be located behind PJ's, next to the Trimble Crossing neighborhood. This new building will have a lobby for customers to pay bills, a media room for meetings, drive-thru for workers, and a storage area.

Doug stated, questions asked by many customers is, with all the growth going on in the valley, does AWC have enough capacity? There is an engineering report on the AWC website, and it was completed last year. So, 21.7 million gallons per month, last year, and this year they had 23 million gallons in July. AWC has the capacity to go from 1910 homes to 3500, and they would be at 50% capacity, which is 40 million gallons per month. At 100% capacity, AWC could go all the way up to 56 million gallons per month, and with a few improvements to their well house today, that could go up even more. Good news, AWC does have capacity for growth in the valley.

Louis Meyer is a professional Engineer with 46 years of experience in the field of Civil Engineering and water engineering. Louis recently retired from a career and founder of the engineering firm, Schneider Garden Meyer (SGM). Louis served as President at SGM for over 30 years. SGM has over 100 professional engineers, scientists, environmental specialists, and other multi-disciplinary technical staff, and is the largest engineering firm in Western Colorado. Louis worked for over 40 years with municipalities, some special districts, Counties, State Federal agencies, and Louis was the lead author and project manager for Colorado's first ever statewide water plant in the Colorado basin.

Louis started off by asking for a show of hands as to who there were customers of Hermosa Sanitation District. There were more than ¾ of the room who raised their hands, and told them congratulations, you're all owners of a multimillion-dollar asset. Louis then asked if Steve James was in attendance? Steve raised his hand, and Louis explained that Steve is the manager and plant operator of HSD, and was generous with his time to Louis. The wastewater plant is operating correctly. Louis then went on to ask if there were any board members of HSD in attendance, of which one person raised his hand.

Louis stated he would be discussing some institutional, regulatory issues, financial water quality, and timing issues, today. Our district is a special district and regulated, and was formed under the special district act. We are customers of this district, it is not La Plata County, it is not a regulatory agency, it's the customers of the district. We have board members, who are elected or appointed. From a military perspective, Louis stated "If you are in charge, you should take charge"! He gave that example to us, as customers.

A picture of Hermosa Sanitation and the surrounding area was shown, including Robert's RV Park. The density of the proposed RV park, which is between 277 and 290 units, and would put HSD in the middle of a fairly dense area, if this RV project goes ahead. He then went on to explain how the HSD plant works.

There is typically a 1000 ft setback from any sanitation facility, but not being sure who was there first, that does not exist for the Roberts' property, and would be the same issue for everyone else who would own that property.

Some history of HSD. It was built in 1983, so it is 40 years old, so therefore the technology is old, and outdated. Looking over the last 3 years, HSD does meet all the standards with some room to spare. There are a couple things coming down the pike that will change that.

Capacity is 300,000 gallons per day, and that will be a big issue. When a plant reaches 80% of capacity it is required to go through the planning permitting phase to expand the plant. The regulatory agency which is the Colorado Department Public Health & Environment, does not want the plant to become too heavily loaded, because it takes 4 years from the date you start planning, engineering, looking at financing, and then construction, to go from day one to the expansion date. Lagoon type plants are being phased out in favor of mechanical plants, as they have a much smaller foot-print, are inside a building enclosure, and less odor issues. This plant will not meet what is on the books today for nutrient criteria. Right now, the district is exempt from that because they are less than 2 million gallons per day capacity, but that exemption goes away in the year 2027, and a lagoon facility will not be fed without significant upgrades.

Looking at the history of flows, the regulatory agencies use a 30-day flow as a test for capacity. At HSD in July of 2022, peak day flow was 277,000 gallons per day, 92%. HSD is hovering just below the 80% criteria, at which they must start planning and engineering. With that being said, HSD is starting to look at this possibility. There were 3 days in July 2023 that flows exceeded 80% of capacity.

Getting to the Roberts RV Park, Louis did an EQR (Equivalent Residential Unit) count of taking from their application in La Plata county, and he came up with 292 EQRs, which is not just the RV spaces and cabins but it is other things such as club house, pool, manager units, dump station, laundry facility, etc.... This is the flow, and EQRs are based on a 30-day average. At HSD, it is not based on a 30-day average, it is based on 1 day peak flow, because of the pipeline, aerators, everything at HSD is based on 1 day peak flow.

In closing, there are big financial issues. Cost of expanding to 500,000, or 600,000 gallons per day, for a new mechanical plant, which would meet the new nutrient regulations, it would be about \$17 million dollars, with soft costs, equipment, other things...... Debt service would add approx. \$160 per customer, and that is a lot. So, there are 3 options HSD can look at, 1. Mechanical plant, 2. Build a hybrid, which is a lagoon facility where you start to add Mechanical plants, not recommended, and 3. Putting a sewer line in-between Hermosa and the new \$70 million plant that Durango just built, and abandoning this plant. There is a gap of about 3 miles between the two. Conclusion is that HSD should begin that planning today, to be able to come into compliance with capacity and nutrients regulations. Louis closed saying that until all those answers are known, he would recommend both

HSD and La Plata County to hit the pause button, rather than plop what essentially is a new city of 290 units. If the Roberts RV Park application is approved, they would be taking ALL HSD customer capacity, and assets for that project. It would not allow that capacity for other things such as employee housing, emergency housing, new businesses, it is taking that capacity away!

Question and Answer segment for Doug & Louis:

First question was for Louis Meyer: What is EQR?

Answer: Equivalent Residential Unit. It is a way of measuring flow, based on flow from a single-family house.

<u>Question for Doug</u>: You have enough capacity with your mechanical system, but that does not account for how much water is in the ground?

Answer: That's right. What you are really asking, is you would have to keep testing the aquifer to make sure, and there are a lot of variables on that. I am not an engineer, so I would have to rely on my experts to do that, but we keep testing, and keep doing that same study that is on the website, over and over.

Question for Doug: You get the water from the aquifer & wells, where does the aquifer get its water, and where was it going before you put the wells in?

Answer: Doug repeated the question, where is the source to get that water.? It's not river, it's melting of snow. I don't know all the details on the aquifer.

<u>Questions for Louis:</u> We have been anticipating we would have future expansion; have we not been building up reserves?

Answer: Louis stated yes, they have. An HSD board member mentioned that anyone paying a tap fee, that money goes into a restricted fund for future growth. There is about 4 million dollars in reserves, about 25 - 23% of the proposed costs, so we will either have to pick up bonds, raising taps, etc.

Question: From reading the application process, they basically said there were no issues with traffic study, sanitation study, water study, but it is clear that there is, so where is the disconnect there?

Answer from Louis: My perspective is a 3rd party looking in. I am retired, I am a farmer in North Durango, Animas River Valley, so I can be candid, plus my lessons learned from 50 or 60 other sanitation districts. Based upon that, I do see some issues with your capacity, and compliance with the atrium criteria that is immediate, there is an issue there today. My look, was a very high look, usually it takes me a year to do the diligence, I did this in a day or two. There is a lot more work to be done, and I am sure the sanitation district is doing just that.

III. Current Status of Robert's Proposal

Tom Penn, chairperson for the Research Focus Group, explained the most recent status.

- Application was submitted back in February and it timed out after 6 months on August 15th.
- Roberts will then re-submit his application.
- The Planning Department will review the studies, and make a determination as to the completeness of the application.

- Currently the Planning Department is kind of a mess at the moment. They are hiring new people, and coming up to speed, which is slowing down the process.
- Will Serve and Commitment letters for the proposal, are on the County website and AVACdurango.org.
- Roberts will have to get in line with all the other applicants at the Planning Department and will have to wait their turn. This should give us more time to answer our objections to the project.

IV. Next Steps in the Process

Dot gave an update on the process as we believe it will unfold.

- First, Roberts will have to start all over again, with a pre-application process.
- Must have a meeting, they cannot waive the meeting as the application has changed since the sketch Plan meeting, ie: more cabins, less RV spots.
- Referral to agencies. This is everything from what's on the list, to fire districts, homeowners
 and property associations, other agencies, or persons in the opinion of the Community
 Development Director (CDD), that may be effective or could expertly contribute to the
 review of the proposed development.
- Public notices go out, an application must be posted at the potential development site.
- Full application review must be completed by the CDD. Is it in general conformance with things like district plans, and unmigrated / adverse impacts.
- Compliance Review by the CDD. Compliance with the Code (60-day stays in RV parks is our county rule. Roberts wants 180-day stays).
- Neighborhood Meeting comes next, and Scott Roberts must attend, and questions may be asked of him.
- Staff report is prepared, and has to incorporate public comments from the Planning website form or emails to County Planning with reference to the project.
- Public Hearing before the County Planning Commission.
- Appeal Process. If the project is approved at the County PC meeting, we can appeal. Appeal must be received within 10 calendar days.
- Call-up Procedure is another way of getting the proposal to the Board of County
 Commissioners (BoCC), but we do not have it anymore. It was inexplicably removed, when
 they did the code overhaul in October of 2020. We need to have this procedure re-instated.
- AVAC may look into gathering funds to hire our own engineers. However, the code says, the
 applicant is responsible for the costs of consultant review fees, which the Community
 Development Director needs. If the CDD does not agree with any studies submitted by
 Roberts, she can ask for the county to hire their own experts to review it.

V. Top 10 Impacts of this Development

Darlene spoke about our updated "Top 10 list" and how it is updated regularly as things change. The list can be found on our website, also some copies were handed out.

VI. Boat Ramp Update:

Darlene gave a brief update from Sara Burch, Animas Riverkeeper, San Juan Citizen Alliance. She is working diligently to get the boat ramp saved.

Sara's biggest challenges are to find a Federal, State or some sort of entity to accept the 2.2 acres of land. She is also still working with the park service to come up with a wonderful design for the boat ramp and picnic area, but right now she is really negotiating hard with the county, city, land trust, and so far, not successful. She has also put together a document outlining the historical use of Trimble Lane access. It highlights its rich history of benefit. Sarah is working on a new conceptual plan, working with the National Park Service and grants. It will be released as soon as those plans are complete.

VII. Go Fund Me

Dave & Brenda are looking into a GoFundMe site. We still need to file as LLC, open a bank account, etc., so stay tuned. GoFundMe would be used for room rentals, printing, hiring engineers, things like that, big ticket items.

VIII. Call To Action / Homework

Brenda showed a list of our "Asks" from our members, things such as, letters to the editor, comments to planning, letters to county commissioners, distribution of flyers, and attending important meetings. We also need help with Marketing and Fundraising, so if anyone knows of any, please contact AVAC.