PURGATORY METROPOLITAN DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

A joint regular meeting of the Purgatory Metropolitan District and the Purgatory Metropolitan La Plata-San Juan Sub-District was held Wednesday, August 19, 2026, at the Purgatory Metropolitan District Community Center. Board members in attendance were John Ogier, Mark Gebhardt, Sharon Henschen, DeeDee Carlson, and Susan Voorhees. Eric Hassel, David Smith, Amy Ward, and Victoria Lopez were also in attendance.

Minutes

Sharon made a motion to approve the minutes from the July 15, 2026, meeting as drafted. Mark seconded. All were in favor, and the motion passed.

Waste Water Treatment Plant Update

Eric provided an update on recent progress at the wastewater treatment plant, highlighting significant structural advances and upcoming construction milestones. Planking has been removed from one of the treatment basins to reveal completed upper walls, and crews are currently forming and tying rebar for the final top section of the 32-foot-tall wall at the far end of the pipe gallery to enclose the space. The pipe gallery concrete slabs are finished, providing a completed floor, and crews have begun positioning equipment—including the headworks unit, select Nereda systems, and tank mixers—inside the structure ahead of installing the hollow-core roof panels. Additionally, roof trusses were modified to a standard design to eliminate a high-maintenance void space and avoid a costly dry sprinkler system; this adjustment led structural engineers to specify framing for the upper walls to meet high wind shear standards. To comply with local building energy codes, the team will also apply 3 inches of spray-foam insulation on the underside of the roof to satisfy R-value requirements.

Pay App #26

Eric presented Pay Application No. 26, which totals $419,516.04, covering routine line items such as surveying, contract administration, erosion control, and safety, along with completed civil work including the diversion structure, influent sewer pipe, and associated bypass piping. Significant expenses under this application focus on cast-in-place concrete walls, slabs, equipment pads, and chemical containment structures for alum and carbon storage in the pipe gallery. Additionally, funds were allocated toward building steel, off-site stair fabrication, fire suppression, measuring weirs, the UV channel, and various piping systems. Equipment procurement and delivery costs encompass filters, secondary EQ jet aspirators, and an internal bridge crane scheduled to arrive and be installed prior to placing the roof panels. Finally, the payout includes electrical and control system components, such as motor control centers, main control panels, and PLCs being developed by Browns Hill. Susan made a motion to approve pay app number 26. DeeDee seconded the motion. All were in favor and the motion passed.

SRF Reimbursement Request

Eric presented SRF reimbursement requisition #23 in the amount of $419,516.04. Susan made a motion to approve requisition #23; Mark seconded. All were in favor, and John Ogier signed SRF reimbursement request #23.

San Juan Engineering

Eric presented invoice 4106 for $20,182, from San Juan Engineering detailing ongoing engineering support, including updating stair drawings, adjusting platform walkways from grate to concrete for improved stability and access, and conducting drone flights to capture site photos. Additional billable items included rebar inspections, reviewing drawings for wall penetrations, trusses, manholes, and the plant sump station, alongside coordination with the county and JVA. Sharon made a motion; John seconded. All were in favor, and the motion passed.

Financial

Victoria presented the disbursements, noting the most significant item was an automatic August 1st loan payment of $364,809.91. Remaining disbursements included standard payroll, routine checks cut since August 14th, payment to Aqua-Aerobic for delivered owner-supplied equipment (specifically the filtration unit), window washing services, and playground stair repairs completed by Jeff Estes' stone and paver company. Eric clarified that approved contractor payouts, such as TKF Contracting and San Juan Engineering, are held until the following month's report to reflect board action accurately. DeeDee made a motion to approve the disbursements. Mark seconded the motion. All were in favor and the motion passed.

Victoria presented the audit and provided bound copies for the Board members.

Eric and Amy discussed formalizing and updating the district's collections policy to align with modern standards and public utility regulations in Colorado. Amy noted that she drafted an initial template in June based on research into state PUC guidelines to ensure the policy provides clear enforcement mechanisms and aligns with practices used by other utility providers, such as DMU and LPEA. Eric, Amy, and Victoria will review the draft, replace the placeholder values with actual penalty and late-fee calculations, and finalize the language. Amy agreed to resend the draft policy to Eric, Victoria, and David so it can be refined and added to the agenda for formal board approval at the next meeting.

Eric Hassel presented the updated engagement letter, confirming that language revisions requested by David—specifically regarding gross negligence in the final paragraph—had been incorporated into the draft. The board and attendees briefly reviewed the correspondence and expressed agreement with the revised wording. Sharon made a motion to approve the engagement letter. DeeDee seconded the motion. All were in favor and the motion passed.

Managers Report

Source Water Protection & Wildfire Resiliency Plan Eric clarified that while the district already maintains a statutory source water protection plan, it is currently participating in an update to develop a regional Wildfire Resiliency Action Plan (RAP) for the Animas watershed. Partnering with Colorado Rural Water, the City of Durango, Elbert Creek, Silverton, Animas Water Company, the National Forest Foundation, and the U.S. Forest Service, the project leverages state grant funding ($5,000 per entity) and in-kind staff time at no direct cost to the district. The plan will evaluate critical watershed infrastructure—such as water and wastewater facilities and roads—to identify pre-fire mitigation needs (e.g., culvert repairs) and post-fire action strategies, ensuring future eligibility for state grant funding.

County Development Coordination & Water Allocation Regarding the Silver Pick project, Eric addressed requests from county staff concerning tap commitments, fire flow verifications, and water management plan updates. He informed the county that fire flow and water capacity verifications are certified by engineering firms during final design rather than early planning stages, which county staff acknowledged. Addressing questions on the district's 2016 water management plan, Eric explained that water sources and treatment capacity remain unchanged, while available Equivalent Residential Units (EQRs) are updated continuously with each new development project. County staff indicated this tracking methodology would satisfy requirements for upcoming plat submissions.

Next Meeting: September 23, 2026, at 9:00 a.m. in the Purgatory Metropolitan District Community Center.