

**PRELIMINARY
INJUNCTION HEARING
EXHIBIT**

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Case No. 2005CV3044

From: Adrienne Hanagan
Sent: Thursday, March 25, 2021 10:22 AM MDT
To: Terry Kenyon; Jo Timmins
Subject: Re: MARCH 30TH Virtual ZOOM meeting Agenda

Dear Terry,
May I include this analysis in the board packet? I think this analysis is good enough to start a discussion..

Yours Respectfully,
Adrienne Hanagan
President

Green Mountain Water and Sanitation District

From: Terry Kenyon <terry.kenyon@merrick.com>

Sent: Thursday, March 25, 2021 6:11 AM

To: Adrienne Hanagan <Adrienne.Hanagan@greenmountainwater.org>; Jo Timmins <jt@timminslaw.com>; Hank Brumley <hank.brumley@streamrealty.com>

Subject: RE: MARCH 30TH Virtual ZOOM meeting Agenda

Adrienne, Jo and Hank,

I did a rough assessment of possible costs for the sewers after our call on Tuesday. We don't have the actual lengths of sewers for the proposed "Big Sky" (including Green Tree [3 Dinos] and Lightner) since we didn't get to the final design stage. However, I did an approximate comparison of the area to be served, including Fossil Ridge (FRMD) and compared it to Green Mountain, assuming a similar density of sewers. Based on this, a rough estimate of costs would be \$25M. The soils are more difficult because we don't have any detailed information (these were all completed by Fossil Ridge), but my opinion is the cost could have easily been in the range of \$10M to \$20M. Note that the costs to "rework" the soils supported all utilities (water, sanitary and storm sewers) as well as the road paving.

Reiterating our discussion on reasons to not include these areas in the Green Mountain District:

- This would place the costs/burden of ongoing cleaning/TV'ing, maintaining & repairing, responding to sewer backups, locates and future replacement on the existing Green Mountain customers. This cost is currently borne by the FRMD and would be by "Big Sky". This could be in the range of an additional 25 percent above the existing Green Mountain sewer costs.
 - The problem soils could add significantly to the above costs.
- Income from the additional 25 percent added to monthly service charges would be lost.
- There is also the "political" implication. Since "Big Sky" customers would be only receive sewer service from Green Mountain their vested interest could be in keeping sewer costs to a minimum, with less concern for water costs.

My firm opinion is inclusion would result in a significant, negative financial impact on the existing Green Mountain customers.

Note that inclusion agreements typically require all needed utilities to be paid for by the developers/customers being included, not the entity granting the inclusion.

As we also discussed, extraterritorial service is very common. This is how Green Mountain is served by Denver Water. Similar to the FRMD IGA (and proposed Big Sky IGA) Green Mountain customers pay



GMWSD067125

Denver system development fees and monthly service charges in addition to their in district fees. Denver charges outside customers 40 percent more than inside Denver customers.

Let me know if any questions or if you'd like to discuss further.

Terry Kenyon, P.E. | Principal/Senior Project Manager
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From: Adrienne Hanagan <Adrienne.Hanagan@greenmountainwater.org>
Sent: Wednesday, March 24, 2021 1:48 PM
To: Jo Timmins <jt@timminslaw.com>; Hank Brumley <hank.brumley@streamrealty.com>; Terry Kenyon <terry.kenyon@merrick.com>
Subject: MARCH 30TH Virtual ZOOM meeting Agenda

Dear Jo, Hank, and Terry,

Here is the revised agenda with the correct ZOOM address.

Hank, if there is more you would like to add to this agenda, please let me know. Please let the remaining plaintiffs know that we are having this meeting and they are welcome to attend and contribute.

Terry, do you have examples of costs related to inclusion regarding the soils issue and the costs related to putting in all the pipes that we discussed yesterday. As I recall, our **guesstimates** were about 50 million to put in sewer pipes for the entire Rooney Valley and 10 to 20 million relating to the soils issue. If you have old estimates for the Fossil Ridge soils work and actual cost of an inclusion, that would be great.

Yours Respectfully,

Adrienne Hanagan
President
Green Mountain Water and Sanitation District
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