

**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING
ARABIAN ACRES METROPOLITAN DISTRICT**

April 15, 2015: 6:00 P.M.

Police Department, 911 Tamarac Parkway
Woodland Park, Colorado

ATTENDEES

Directors present: Robert (Elric) Winterer, President
Wade Holder, Treasurer
Rebecca Seaman, Secretary

Others present: Judy Bertrand, Metropolitan District Management
Carmen Barker, Metropolitan District Management
Lynn Willows, District Water Operator

Jason Downie, Susemihl, McDermott & Cowan
Jeffrey Erb, Seter Vander Wall

Members of the Public: See attached list

**ADMINISTRATIVE
MATTERS**

Attendance and Agenda: The meeting was called to order by President Winterer at 6:06 pm and a quorum was noted. The Agenda was unanimously approved with the modification of moving Legal Counsel ahead of the Management Report in order to accommodate Jeffrey Erb from Seter Vander Wall and Jason Downie from Susemihl, McDermott & Cowan.

Disclosure of Conflicts of Interest: The Board had previously been informed of the Colorado Revised Statutes to disclose potential conflicts of interest to the Board of Directors and Secretary of State. President Winterer requested the Board members to disclose any conflicts of interest. There were no conflicts.

Minutes: The Minutes for March 18, 2015 had already been signed by the Board of Directors as they were needed by Park State Bank in order to obtain signature cards on Directors Holder and Seaman. The Board unanimously approved the Minutes of March 18, 2015 and provided the Manager with the signed Minutes.

PUBLIC COMMENT

Ms. Coffman asked Director Seaman about the progress on the USDS grant and Director Holder about the outline of the SDA Conference in September. Director Holder stated there was no requirement to provide but President Winterer requested him to do so. Ms. Coffman also requested that the Minutes from the February 11, 2015 Work Session be posted to the website. Director Seaman stated she has them and will post.

OPERATORS REPORT

Lynn Willows provided the Operators report and stated that well #3 which is the big producer for the District may have issues which could cost \$40,000-\$60,000 to repair.

Lynn stated if it is found to be a GUIDI well that it may be easier to drill a new well. CDPHE has updated the State required monitoring schedule for AAMD. AAMD is required to sample 3 wells (#3 & #6) at 3 defined times during the year to determine if the wells are under the influence of surface water. The required testing is an MPA and the approx. cost would be \$15k for the 6 required sampling. Carmen and Lynn contacted Mr. Pickle with CDPHE and explained the financial situation with the District. CDPHE is willing to reduce the sampling if the test come back negative for surface water. If surface water is detected CDPHE would be willing stop the testing, to discuss rectifying the issue.

SWAP requires that they want one done for every system. There is a grant for \$5,000 (with matching funds) and AAMD would need to be requirements. If homeowners agreed they would receive \$30 per hour toward grant, but would need to prepare a book/log.

Director Winterer stated that 3 wells were susceptible to tampering, but Lynn stated they were all locked.

Lynn stated that Christiania with the Colorado Rural Water could come to the June meeting to discuss grant writing. Lynn stated he will need a project plan but that they do have a monitoring plan from 6 years ago. Elric asked Lynn to investigate further.

Marilyn Callan asked if the grant was a hard of soft match. Lynn responded that it was either cash or community participation and AAMD would provide receipts after the project was complete.

Sandy Zuniga asked if it would cover meters and Ms. Barker and Mr. Willows stated it would not.

It was noted that Lynn Willows would not be attending the board meeting in May, but would provide his report to the District Manager and be available for emergencies.

Director Holder mentioned the \$30,000-\$40,000 modification to Building B. He questioned if they cover wells coming into buildings, which would treat all 4 wells. Lynn stated chlorine levels should be .2 parts per million but a GUIDI well is 2.00 turbidity and chlorine tests are required daily. That would put us into 5 log and need a computer box. He stated we might have to build a new building. Director Holder asked if other wells could be suspect and Lynn stated they could be but that he was checking the conductivity, which was staying constant.

Director Holder also discussed the battery backup system, which Lynn stated would and modifications to the plant would have to be approved by CDPHE. Director Holder stated that he was referring to the control panel. Charles at Browns Hill is getting a quote for Lynn. Lynn stated he would obtain a new battery or run a test on the existing one.

The Board directed the District Manager to charge the homeowner who had poured asphalt over curb box. The cost for removing the asphalt was \$200 paid to Six Points.

Director Holder discussed Browns Hill issue and said it was reading correctly now. Control Building A has not read since 4/7.

Lynn stated he had a spreadsheet showing the loggers and warranty information.

LEGAL COUNSEL

Director Winterer requested that Jason Downie address the board and homeowners regarding the legal services he would offer the District. Mr. Downie stated he tailored his legal services to meet the needs of the District in the most cost effective manner possible. He stated he does not believe legal counsel is needed at every meeting, but does like to review Minutes. Mr. Downie stated he uses paralegals whenever possible in order to keep legal fees down.

Director Seaman asked Mr. Downie about getting up to speed on AAMD's legal issues as there are still some legal issues in play. She reiterated her position that legal counsel should not provide unauthorized services. She also mentioned that it may be appropriate to provide Mr. Downie with one or two District contacts in order to keep expenses down.

President Winterer read Joan Fische of Collins, Cockrel and Cole's resignation letter and the letter she sent to the DA working the Malcolm case. He stated her contract was "at will" and carried no retainer.

President Winterer requested that Jeffrey Erb address the Board and homeowners regarding the legal service he would offer the District. Mr. Erb stated that his firm holds weekly meetings to cover work in progress and believe in passing legal work to lowest cost person within the firm. Mr. Erb stated he would prefer to attend all meetings but would not charge for travel time.

Ms. Zuniga stated that her concern was that the previous attorney originally worked at Seter Vander Wall and that Seter Vander Wall established the District. Ms. Callan felt that there were issues that were not addressed that the District is now dealing with.

White, Bear and Ankele's proposal was reviewed but the District felt they could not afford their fees at this time.

After Board and homeowners discussions of the previous attorney and the pros and cons of Mr. Downie and Mr. Erb, Director Seaman made a Motion to approve contracting with Jason Downie as the District attorney; conditional upon board approval of his service contract. Director Holder seconded the Motion and the Board unanimously approved contracting with Mr. Downie for legal services.

MANAGER'S REPORT

The District Manager provided the Manager's Report providing a Status report on the Transition from SDMS to MDM. Ms. Bertrand noted that they had delivered the final payment to SMDS and picked up the documents/boxes on April 14, 2015.

The District Manager discussed the progress of establishing a lockbox with Key Bank. President Winterer also discussed the possibility of eventually moving both the checking account and lockbox to Vectra Bank which is closer to the community. Ms. Zuniga stated that there are benefits to having multiple banks and Director Holder stated that we must have multiple accounts with payments into and checks out of two accounts.

As First Bank lockbox was tied to SDMS accounts, and Key Bank lockbox was not yet ready to receive payments, the water bills had not been sent out for March 2015. Director Seaman made a Motion that until the Key Bank lockbox was set up that payments be sent to Metropolitan District Management. Mr. Hansen suggested having pre-addressed stamped envelopes mailed with the March bills and Director Seaman modified her Motion to include sending out pre-addressed stamped envelopes with the MDM address. Director Holder seconded the Motion and it was approved unanimously.

The Board approved requesting that First Bank close the lockbox account formerly used by AAMD, which was opened by SDMS. President Winterer signed the letter requesting closure of the account and asked that the final bank statement and remaining funds be sent to the new manager made payable to Arabian Acres Metropolitan District.

Director Seaman requested that there be a notice on the invoice asking for homeowners to provide their email addresses to secretary@aametro.org.

Director Seaman made a Motion that bank transfers be approved by the Board of Directors. Director Holder seconded the Motion; which was unanimously approved.

MDM's bid for building and maintaining a new AAMD website was provided to the Board. However, due to the tight agenda this issue will be tabled until the May 20, 2015 board meeting.

Ms. Bertrand provided the Board with Colorado Revised Statute 24-10-106 (Governmental Immunity).

FINANCIAL MATTERS

The Board was provided with the *Draft* Transaction List by Vendor for 2014 and the *Draft* Check Register from Park State Bank for 2015. A spreadsheet showing the "Largest Expenditures for 2014" was presented showing 2014 charges for Legal counsel, Water purchases, Management, Repairs and maintenance, Water Operator and Accountant/Auditor. Also, included were Income Statements and/or 2015 Budgets from other Districts in Teller County showing charges for services.

Claims/Accounts Payable for April 2015: The accounts payable were presented to the Board and with the exception of the payment to Mr. Rupp approved. The total checks presented for Board signatures were for \$22,922.24. President Winterer informed the District Manager that there were continuing negotiations with Mr. Rupp.

VACANCIES ON BOARD OF DIRECTORS

The Board heard from two candidates for the vacancies on the Board; David Belfiore and Betty Williams. Mr. Belfiore was an electrician for 51 years. Ms. Williams is from Arizona and loves it in Arabian Acres. Director Seaman requested that the Manager provide an insert in the March water bills asking for candidates. She also stated that she felt there should be a Director from the Trout Haven community. The Manager stated that she would verify that those selected were eligible electors. It was agreed that this issue be tabled until the May 20, 2015 meeting.

FRAUD INSURANCE

MDM reported that they had contacted T. Charles Wilson per Joan Fritsche's recommendation and that they were informed that fraud insurance was not provided to independent contractors and that normally the District paid for this coverage. They also informed Carmen and Judy that it was very expensive and very seldom requested. This issue was tabled to the following meeting.

BILLING SOFTWARE

MDM stated that have not had an opportunity to review the Frye Cubic software. This issue was tabled.

OTHER BUSINESS

Former President Hallam provided Carmen Barker with the back-flow preventer certification. There was no other business.

Ms. Zuniga requested that the Board ask homeowners to let the water operator and manager know if they have cisterns. She felt that the water operator must have this information in order to provide those people with the requirements to insure that the District is compliant. Those who have cisterns need to have backflow preventers and she believes there could be as many as a dozen who have secret cisterns. It was suggested that this request be included in a water bill.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion by Director Seaman, seconded by Director Holder, and upon unanimous vote, the meeting was adjourned at 8:50 p.m.

AFTER MEETING UPDATE: MALCOLM

The homeowners were encouraged to stay and be given an update by Marilyn Callan on the status of the criminal action against Terry Malcolm. The majority of homeowners stayed and were provided with details of the criminal charges. Ms. Callan stated there was a meeting with the DA on April 24 and that Mr. Malcolm will enter his plea on April 29. Ms. Callan is asking homeowners to prepare letters for the DA and that they attend the hearings if possible. President Winterer requested that Ms. Callan ask the DA to attend the AAMD's board meeting on May 20, 2015.

The next regular meeting is scheduled for May 20, 2015 at 6:00 p.m. at Police Department, 911 Tamarac Parkway, Woodland Park, Colorado

Respectfully submitted,
Judy Bertrand, District Manager: Secretary

THESE MINUTES APPROVED AS THE OFFICIAL APRIL 15, 2015 MINUTES OF ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS.

Robert (Elric) Winterer, President

Wade Holder, Treasurer

Rebecca Seaman, Secretary