

**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING  
ARABIAN ACRES METROPOLITAN DISTRICT  
August 16, 2018: 5:30 P.M. at  
Woodland Country Lodge, 730 Country Drive, Woodland  
Park, Colorado, 80863**

**ATTENDEES**  
Secretary

Directors present: Ken Springer,

Craig Waller, Treasurer  
Jennifer Waller, President  
Betty Williams, Director

Others present: Judy Bertrand, MDM  
Lynn Willow, AAMD Water ORC

Members of the Public: See Sign-in Sheet

**ADMINISTRATIVE  
MATTERS**

Attendance and Agenda: President Waller called the meeting to order at 5:40 p.m. and a quorum was noted. The Board desired to add "vacancy on the Board" to the Agenda under "Other Business". Treasurer Waller made a Motion to this modification; with Secretary Springer seconding. It was unanimously approved.

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. There were no conflicts.

Introductions & Public Comment: Johanna Vannini asked how the capital projects would be funded. She stated that the former President had stated the supplemental fee would have an end date. President Waller stated that Clay Brown and Judy Bertrand would be presenting information on the capital projects later in the meeting. President Waller also reiterated that those in Trout Haven would not pay for the Group 2 infrastructure projects if approved, as that would come from water revenue. ORC Lynn Willow

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY  
5800 S. UNIVERSITY AVENUE  
CHICAGO, ILLINOIS 60637

RECEIVED: [illegible] [illegible] [illegible]

FROM: [illegible]

TO: [illegible]

RE: [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

stated that Trout Haven west lines were installed at a later date than the AAMD lines and were in compliance.

Former President Winterer stated that in order to get the mill levy to pay for the system that Ken Rupp needed to include Trout Haven properties. Pete Kyper extended the line and the District compensated him for this. President Waller stated that the initial project of smart meters is the only project approved by the Board and that this project would not increase rates.

However, she stated that it is unknown if rates will increase in the future, but that the Board does not anticipate there being increased rates.

Cornelia Miles asked Clay Brown if her well went dry would she have to connect. Mr. Brown stated that the District did not have the responsibility or authority to approve granting well permits or to redrill. Mr. Brown suggested she contact the Division of Water Resources. Ms. Miles then stated that the value of her property had decreased and asked if the District or County would compensate her. Former President Winterer stated that if the District installed lines that she would be made to tie in if her well ran dry. ORC Lynn Willow stated that the District does not have a say in who can drill or redrill wells.

Minutes: Secretary Springer made a Motion to approve the Minutes from July 18, 2018 Regular Board meeting and July 28, 2018 Public Outreach meeting; with Treasurer Waller seconding said Motion. The Minutes were unanimously approved and signed.

CIP Prioritization & Update: Mr. Brown presented the updated CIP prepared by Adam Sommers. Mr. Brown prepared this as there is a possibility of getting \$1M in grant funds, \$300,000 for Design and Engineering and \$3M loan at 0% for 30 years. Mr. Brown presented the updated Capital Project #2 – AAMD Infrastructure, depicting what could be done for the \$4.3M. This would include drilling wells, fracking wells, a larger storage tank, distribution updates and replacing as much of the existing water line as possible.



Ms. Bertrand noted that the \$3M would allow for draws against the loan and that not all of the \$3M would be used at one time. She also noted that the \$300,000 design and engineering grant would allow for reimbursement for some of the Engineer's work performed in 2018. The Manager stated that the State Water Board would be making a decision on whether to classify AAMD as a disadvantaged community on August 23, 2018. This would provide for a lower interest rate at perhaps 0%.

Clay Brown stated that wells are normally grandfathered in and if those unserved areas have private wells that they would not be forced to connect to the AAMD water system. If new homes are being built within 100 feet of the existing water line, then the home will be required to connect, if they are not then the District will not oppose a well on that property. However, Mr. Brown reiterated that the District does not have the authority to determine who is allowed to drill wells.

Former President Coffman asked about the possibility of bringing AAMD to the standards of Colorado Springs Utility in order for them to take over the District water service. No one was aware of this.

Mr. Brown presented the updated cost estimates for Group 2 project and noted that those items in green are Mr. Sommers recommendations for capital improvements. Treasurer Waller made a Motion to allow Mr. Sommers to send the updated Group 2 project to CDPHE and the State; with Secretary Springer seconding said Motion. It was unanimously approved.

Discussion of Supplemental Fee and Capital Improvement Fee: Treasurer Waller asked the Financial Manager if it was possible to discontinue the supplement fee through the end of the year to give the customers a 'breather'. The Manager stated that it was not possible and would affect meeting the 2018 budget revenue. Mr. Brown stated that the District qualified with this supplemental fee and it would affect the District's ability to qualify for grants and



loans if it was removed.

Secretary Springer made a Motion to discontinue the Supplemental Fee on August 31, 2018 and institute a Capital Improvement Fee of \$75 per customer per month beginning on September 1, 2018. Director Williams seconded said Motion and it was unanimously approved.

The Board stated they would like to revisit the Capital Improvement fee annually. The Manager stated that the Board approves the rates for the following year during the budget process.

Jason Downie, Legal Counsel contact with AAMD:

The Manager stated that in the past the President and Manager were the only ones authorized to contact Jason Downie. The Manager explained that this was due to residents calling Mr. Downie and incurring legal expenses and also due to the \$100,000/yr. charge for the attorney in the past. The Board desires to keep expenditures (and especially legal charges) to a minimum in order to continue to fund reserves.

Secretary Springer stated that he wanted to be able to contact Mr. Downie if he had questions regarding his position on the Board. President Waller stated that there are other educational resources for Secretary Springer rather than incurring legal charges. The Manager stated that she can answer most of the questions that Mr. Springer would have regarding serving on a Board. Secretary Springer stated he expected a packet of documents upon becoming a Board member. The Manager mentioned that the SDA website and Board Manual have the information he may need.

Director Williams stated she believed that it should continue to be the Manager and President who were allowed to contact the District Attorney. Treasurer Waller made a Motion to allow only the President or Financial Manager to contact the attorney; with Secretary Springer seconding said Motion. It was unanimously approved.

Board vs. MDM Managing: The Manager stated that with the involvement of the new Board that she believed that the Board and President would be in a





better position to manage day to day operations and water service than MDM. President Waller stated that MDM would still be handling the accounting, financials and capital improvement funding and projects. The Board had been provided with a listing of responsibilities for MDM with regard to accounting and finance and the listing of responsibilities for the Board in managing. Ms. Bertrand provided an updated 'Accounting and Financial Services' contract and noted that due to the Board managing that the base rate would be decreased by \$500 per month. She noted that management should take around 10 hours per month x \$50/hr. Ms. Bertrand will overnight the checks, check register, invoices and financials each month for the Board meeting.

Treasurer Waller made a Motion to accept the Amendment to the Management contract reflecting the changes from District Manager to Accounting and Financial Services. Director Williams seconded said Motion and it was unanimously approved and signed by President Waller.

Secretary Springer stated that he felt the District should hire a recording secretary as it is difficult to take notes. President Waller stated that the Board could record the meetings. Secretary Springer stated that he had heard if you start recording that you must continue recording at all meetings. Ms. Bertrand stated this was not the case.

Scholarship to SDA Conference: Treasurer Waller stated that he had been approved for a scholarship to the SDA Conference in September. Treasurer Waller stated he would send the application information to Director Williams.

## **OPERATORS REPORT**

Mr. Willow presented the ORC Report and noted that the District had ordered 4 truckloads of water, primarily due to pumps going out. He noted that Browns Hill Engineering had been out to determine the problems with so many wells. They will be returning next week to do more investigation. Mr. Willow noted that Black Mountain Pump pulled the



pump on Well #1.

Mr. Willow ordered 180 lbs. of chlorine.

## **MANAGER'S REPORT**

Key Bank Agreements for ORC credit card: The Financial Manager provided the Board with the Key Bank Agreements required prior to being issued a credit card for use by the ORC. They were signed and will be provided to Ms. Whitmore.

Lynn Willow ORC Contract: The Board reviewed the contract for the Water Operator for 2018-2019.

Secretary Springer made a Motion to approve the contract; with Treasurer Waller seconding said Motion. The contract was unanimously approved and signed.

2017 Audit: Due to loud music coming from the bar area, the discussion of the 2017 Audit was not performed. The Manager stated that the Board should review the MD&A portion and send her emails with any questions.

Website: Secretary Springer discussed that the website did not contain previous year's Minutes. The Manager referenced the Minutes from July which stated that Secretary Springer would be investigating and taking charge of the transfer of Minutes from the old site to the new one. Secretary Springer stated that he did not remember agreeing to this.

## **FINANCIAL REPORT**

Claims: The Financial Manager provided the Check Register and invoices. Treasurer Waller made a Motion to approve the claims; with Secretary Springer seconding said Motion. The claims were unanimously approved and the checks signed.

Financial Reports: The Board reviewed the Balance Sheet (Statement of Net Position) and the Income Statement (Statement of Revenue, Expenses and Net Position). Director Williams made a Motion to accept the financial statements; with Treasurer Waller



seconding said Motion. The financials were unanimously accepted.

**OTHER BUSINESS:**

Vacancy on the Board: Due to the noise level in the bar, the Board decided to table discussion on the vacancy.

**ADJOURNMENT**

Director Williams made a Motion to adjourn the meeting at 8:20 p.m. with Secretary Springer seconding said Motion. The meeting was adjourned.

The next Regular meeting is scheduled for **Wednesday, September 19, 2018 at 5:30 p.m. at Woodland Country Lodge, 730 Country Drive, Woodland Park, Colorado, 80863.**

*Amend date to Wednesday, September 17, 2018*

Respectfully submitted,  
Judy Bertrand, District Manager

*CW  
BP  
[Signature]*

**THESE MINUTES APPROVED AS THE OFFICIAL AUGUST 16, 2018 MINUTES OF ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS.**

**(Signed copy in possession of the District Manager)**

*[Signature]*  
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Ken Springer, Secretary

*Jennifer Waller*  
\_\_\_\_\_  
Jennifer Waller, President

*Craig Waller*  
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Craig Waller, Treasurer

*Betty Williams*  
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Betty Williams, Director

