

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

February 15, 2017: 5:30 P.M. at

Denny's, 100 Morning Sun Drive, Woodland Park, CO

**ATTENDEES**

Directors present:      Kalvin McBride, Director  
                                  Rebecca Seaman, Secretary  
                                  Betty Williams, Treasurer  
                                  Elric Winterer, President

Others present:         Judy Bertrand, Metropolitan District Management  
                                  Clay Brown, Regional Manager, DOLA  
                                  Lynn Willow, AAMD Water ORC

Members of the Public: See attached list

**ADMINISTRATIVE  
MATTERS**

Attendance and Agenda: President Winterer called the meeting to order at 5:30 p.m. and a quorum was noted. Due to medical issues, President Winterer needed to leave, approximately 1 to 1 1/2 hours into the meeting.

Treasurer Williams made a Motion to accept the Agenda, with Secretary Seaman seconding said Motion. The Agenda 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.

Minutes: The Board was provided with the Minutes from January 2017. Treasurer Williams made a Motion to approve; with Secretary Seaman seconding said Motion. The Minutes were unanimously approved.

**OPERATORS REPORT**

The ORC discussed needing a new chemical pump. Secretary Seaman made a Motion to authorize the purchase of the pump, with Treasurer Williams seconding said Motion. The pump purchase was unanimously approved and will be ordered through Dewco for \$1,075.80.

Mr. Willow also discussed the need for a tank circulator to eliminate the buildup of ice due to the elevation of the District. The quotes have come in at \$9,000-\$10,000. However, the Board is waiting on this until it is determined if the Board can obtain funds for a new 100,000 storage tank.

The ORC discussed the two bids for the water storage tank from Great Plains who would provide a metal tank and DNN who would provide concrete. There is also additional cost for excavating should a concrete tank be chosen.

## **CLAY BROWN, DOLA REGIONAL MANAGER DISCUSSION**

Mr. Brown asked the ORC how much water the wells provided and Mr. Willow responded 11-gpm combined.

The Water Operator mentioned that the District did not have working fire hydrants and Mr. Brown suggested looking at using non-potable water cisterns for fire safety. He suggested contacting County Road and Bridge departments to see if they could offer assistance. But Mr. Brown also advised that the District would need to check on their water rights.

When discussing the 100,000-water storage tank, Mr. Brown asked about the need for treatment tanks and the ORC responded that the District has 2 treatment plans and all wells are piped together and that there would be no need for additional treatment. Mr. Brown also discussed the possibility of procuring used tanks and mentioned that Kiowa purchased a tank from Texas.

Mr. Willow stated that JDS Hydro had offered to prepare a new PNA for \$12,000; however, Mr. Brown stated that he believed all that was needed for the Storage Tank project was a preliminary design; including soil and geological tests and an engineering plan.

Mr. Brown also mentioned Investigating the benefit of drilling vs. working with partners along the corridor for access to water.

Mr. Willow said we are in compliance with the new DOVE standards.

Mr. Brown stated that DOLA is the largest granting agency with around \$150M per year. He stated that DOLA likes to see Districts partner with others and will help us with that. He mentioned the State Revolving fund and the Colorado Water Power Development Authority who partners with CDPHE and DOLA. They run a credit report and the Water and Power Authority decide on approval. Loans can be obtained at the rate of 1.75%. If a District is considered a disadvantaged community – 51% below the MHI they can qualify more easily.

The State Revolving Fund (SRF) has an annual loan forgiveness program; which is basically a grant. But there are caveats to this, which include (1) Pay must be compatible with Davis-Bacon wages law; (2) Bond counsel must provide a report stating we can qualify; and (3) Bond payment in reserve is 110% of operating costs. The SRF loan can be used as a match for grant funds.

Mr. Brown mentioned that water meters are essential and that he can assist with putting a package together to offer rates to homeowners; and perhaps a payment plan.

Mr. Brown mentioned that water meters can provide increased revenue. Also discussed was Performance Contracting, which is used for energy improvements and paid with savings from new equipment high efficiency savings.

The Department of Natural Resources Water Conservation Board helps with meters and provides loans at a rate that fluctuates. The rate is not as high as DOLA at 5% and these funds can be used as a match for a grant.

Mr. Brown stated the best course would be to develop a Capital Improvement Plan and then determine which programs fits the project. He stated that we should obtain an Engineering Plan for our projects as DOLA wants valid numbers and needs to understand what we need and why we need it. Mr. Brown mentioned that DOLA provides grants up to \$25,000 for engineering and the President can send a letter to him. This requires 3 people to sign off and a full engineering contract should be provided. The District pays and DOLA reimburses for this expense.

The Manager asked whether the District would need to obtain a PNA vs. a PER, as JDS Hydro had stated that was needed for CDPHE. Mr. Brown stated they are the same thing to DOLA and that preparation of a PNA can be done by taking the PER and entering the data online, with some assistance from the engineer.

Mr. Brown explained that companies pay severance tax for oil and gas and DOLA receives the tax and in turn provides grants. He stated the last round of grants was at \$33M, but by September 2017 it should be back up. He stated that it is better for Districts to apply once and get what we need vs. "going to the well too much". AAMD (and all of Teller County) is pre-scored at 9 due to gold mine. There are 5 items scored so we have an advantage.

## **MANAGER'S REPORT**

The Manager requested retroactive approval to transfer \$11,000 from Key Bank to Park State Bank on February 14 for payment of claims. Director McBride made a Motion to approve, with Secretary Seaman seconding said Motion. The transfer was unanimously approved.

The Manager requested retroactive approval to transfer \$30,000 from Key Bank to ColoTrust made on February 1 to fund the Capital Reserve Fund. Ms. Bertrand noted that the balance in Key Bank before this transfer was \$60,490 earning no interest. Director McBride made a Motion to approve; with Treasurer Williams seconding said Motion. The transfer was unanimously approved.

The Manager provided portions of the PER prepared by AquaWorks in October 2014; along with a spreadsheet listing the capital project improvement plans needed. She provided a list of projects and noted the ORC had already prioritized them. Ms. Bertrand requested that the Board provide their priorities and the Board declined at this time as they felt they needed more information prior to making these decisions.

Mr. Willow stated that there may be some issues with water fracking due to sandy areas. The ORC also discussed re-drilling Well #3 and said he was working with Brian Pickle on this.

### **FINANCIAL MATTERS**

Claims: The Manager presented the claims and Treasurer Williams made a Motion to approve; with Secretary Seaman seconding. The claims were unanimously approved.

Financial Reports: The Manager presented the Balance Sheet (Statement of Net Position) and the Income Statement (Statement of Revenue, Expenses and Net Position). Treasurer Williams made a Motion to accept the unaudited financials; with Director McBride seconding said Motion. The Financial Reports were unanimously accepted.

### **NEW BUSINESS**

President Winterer stated that he had received information on insurance covering the water line from the curb stop to the home for \$68.88 a year. The firm was Home Serve and he received this as a customer of AARP.

### **PUBLIC COMMENT**

Dave Johnson stated his priorities would be meters, wells, tank and loggers.

### **ADJOURNMENT**

Secretary Seaman made a Motion to adjourn the meeting at 8:01 p.m. with Treasurer Williams seconding. The meeting was adjourned.

The next Regular meeting is scheduled for March 15, 2017 at 5:30 p.m. at Denny's; 100 Morning Sun Drive, Woodland Park, Colorado.

Respectfully submitted,  
Judy Bertrand, District Manager: Secretary

**THESE MINUTES APPROVED AS THE OFFICIAL FEBRUARY 15, 2017 MINUTES OF ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS.**

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

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Kalvin McBride, Director

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Rebecca Seaman, Secretary

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Betty Williams, Treasurer

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Robert (Elric) Winterer, President