

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

February 17, 2016: 6:00 P.M. at

Denny's: 100 Morning Sun Drive, Woodland Park, Colorado

**ATTENDEES**

Directors present: Rebecca Seaman, Secretary  
Betty Williams, Treasurer  
Robert (Elric) Winterer, President

Others present: Judy Bertrand, Metropolitan District Management  
Carmen Barker, Metropolitan District Management  
Lynn Willow, AAMD Water ORC  
Brad Simons, AAMD Engineer

Members of the Public: See attached list

**ADMINISTRATIVE  
MATTERS**

Attendance and Agenda: The meeting was called to order by President Winterer at 6:00 p.m. Treasurer Williams made a Motion to add the discussion with Brad Simons after the Minutes on the Agenda as his charge was \$170/hr. Secretary Seaman seconded said Motion and the change to the Agenda was unanimously approved.

Statement by President Winterer: President Winterer stated that there were issues and conflicts in past meetings and that the Public needed to be aware that Board meetings were not a question and answer period for the homeowners. He stated that the Board will listen to the Public during the Public Comment section, but that the homeowners should not be interrupting and disrupting meetings with comments and questions.

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: Secretary Seaman made a Motion to approve the Minutes from January 20, 2016 with Treasurer Williams seconding said Motion. The Minutes were unanimously approved.

Brad Simons, Engineer Report: President Winterer, Lynn Willow, Brad Simons and Carmen Barker met with Dave Wiley, owner of Black Mountain Drilling at his office on February 17<sup>th</sup> at 4:00 p.m. Mr. Simons mentioned that the Service Plan states 19 wells should be producing, but AAMD only has 9 wells currently in operation. Mr. Simons stated that sustainable is 18 gallons per minute and that we have leaks in the systems and there is a problem with producing what the District needs. He believes the District needs to find more water for the community and that we have a water source issue. Mr. Simons analogy was that we are putting another straw in the same cup.

He discussed drilling in other locations and the possibility of fracking with water (not chemicals) to open up formations. The cost is approximately \$10/ft. vs. \$20/ft. for drilling. Mr. Simmons said that solving leaks would help but the ultimate goal should be to find more water. At 18 gallons/minute it would take

27-30 hours to fill the tank, if no homeowners are using water. This issue is not storage, but more about the source of water.

His main points were:

1. Determining where we can get water
2. Whether fracking is a possibility
3. Water Usage: Idledale produces 22-25 gallons/minute with less taps
4. We need to prioritize our capital improvements

He mentioned that there are other means of funding that we could seek out; such as DOLA Energy & Mineral Impact funded through severance tax.

Dave Wiley, Black Mountain Drilling looked at the wells with Lynn Willow and Brad Simons to understand the geology of the area.

Secretary Seaman asked about witching. Mr. Simons said that wasn't discussed in depth at the meeting, but could be used.

Lynn Willow discussed how several homes in Trout Haven have wells and that approximately 10-12 are lots without wells. He explained again that several thousand feet would be needed to be extended at approximately \$100/ft.

Treasurer Williams asked to have a prioritization pyramid developed to determine what our priorities should be.

Public Comments: President Winterer encouraged Public Comments at this time.

A homeowner asked if wells were related to water rights. Mr. Simmons said that we can drill within 200 feet of the *original* well and 600 feet away from other people's water rights.

A homeowner asked about fracking. Mr. Simons explained that the pump is pulled from the well and intense water pressure is inserted into the well. This can encourage more water to flow into the well. As there are no chemicals used, no permit is needed as it is considered well rehabilitation.

A homeowner asked what percentage of the time does a well close up and Mr. Simons stated that is a geology issue and is unknown.

Vacancies and Election 2016: The Board discussed the statement of interest in being appointed to the Board received from Calvin McBride and Craig Baker.

Mr. McBride is an electronic technician and has lived in AAMD for 20 years.

Mr. Baker's email dated January 24, 2016 was provided to the Board showing Mr. Baker's background and interest. The Board advised Mr. Baker that the Manager had sent an email to him on January 25, 2016 stating his email was not sufficient to become a candidate for the Board for the May 3, 2016 election and that he needed to complete the Self Nomination Form.

After discussion of Calvin McBride, President Winterer asked if the Board was ready to make a decision. Secretary Seaman made a Motion to appoint Calvin McBride to the Board; with Treasurer Williams

seconding said Motion. The Board unanimously approved. The Manager provided Mr. McBride with a Notice of Appointment and he took and signed the Oath of Office.

After discussion of Craig Baker, President Winterer commented on needing a cohesive Board and stated that Mr. Baker had made numerous derogatory comments regarding all Board members, the Water Operator and Management. He also mentioned an email that Mr. Baker had sent to the District Manager using inappropriate language.

Secretary Seaman state she did not feel Mr. Baker's appointment was in the best interest of the District and Board. She also mentioned the charges incurred from Mr. Baker's constant emails and the need to pay for out-of-scope work to the Operations Manager and Engineer to respond to issues that were acknowledged, but due to financial constraints could not be dealt with at this time.

President Winterer called for a vote on whether to appoint Mr. Baker to the Board. Secretary Seaman voted No; Treasurer Williams voted Yes and President Winterer voted No. President Winterer informed Mr. Baker that if he wanted to be on the Board he should complete a Self-Nomination Form.

The Manager stated that Mr. McBride would only serve until the May 3<sup>rd</sup> election and he also would need to complete a Self-Nomination Form.

The Board spoke with Derrick Grinnell, a firefighter at Peterson Air Force Base who just moved into the District. Mr. Grinnell has been involved in fracking. Mr. Grinnell expressed interest in joining the Board. The Manager provided him with a Self-Nomination Form and President Winterer stated that if he attended the next meeting that the Board would consider appointing him to the Board.

Website Postings: The Manager discussed that in order to post to the website that she needed to send documents to Cliff Sowa, President of the POA to post; as he is the administrator of the website. She stated that she must impose on Mr. Sowa several times a month to ask for documents to be added and that there was no law requiring that a District have a website; let alone post documents.

The Manager discussed several email exchanges with a homeowner due to a down level agenda being on the website. As the law requires that meeting notices be posted in 3 locations she requested that until the District obtained their own website that no further documents be loaded to a website that is not under the control of the District. The District will find out if they received the SIPA grant in March, which could allow the District to develop their own website.

Secretary Seaman stated she would attach the Agenda to the email notifying the community of Board meetings.

Annual Administrative Resolution: The District Manager presented the Annual Administrative Resolution she committed to preparing per homeowners' request. Ms. Bertrand pointed out that it contained a Section stating that it was a misdemeanor to disrupt a Public Meeting and that the Board could limit the amount of time and when homeowners could make comments; and chose not to allow public comment. Ms. Bertrand stated she had had Jason Downie review this section and he found it acceptable.

Treasurer Williams made a Motion to approve the Annual Administrative Resolution; with Secretary Seaman seconding said Motion. The Resolution was unanimously approved and signed.

## **PUBLIC COMMENT**

A homeowner began to express concerns about the website; but President Winterer said that had already been discussed and to move on. This same homeowner read a section from the Colorado Sunshine Law and interpreted what the Legislators of the State of Colorado meant. She believes that homeowners should be involved, and allowed to comment, on decisions the Board makes throughout the meeting.

Another homeowner brought up the website and was informed that it had already been discussed by President Winterer. She mentioned EMMA which she stated was a location to obtain information on bond holders. After exceeding the 3 minutes and being asked several times to discontinue commenting, President Winterer asked her to leave the meeting. She refused, but did sit down.

## **OPERATORS REPORT**

Mr. Willow stated that new regulations require that storage tanks must be inspected every 5 years. Treasurer Williams made a Motion to approve having Mr. Willow schedule a storage tank cleaning and inspection if the cost was between \$1,100 and \$1,200. Secretary Seaman seconded said Motion and the Board unanimously approved.

Mr. Willow stated he had gotten the magnometers through Dana Kepner and we should be receiving an invoice for \$3,500.

Mr. Willow also discussed needing to contact pest control for prairie dogs this spring. They charge by the hole and the Board asked for Mr. Willow to obtain cost.

The Manager presented the updated Contract for the Water Operator. Treasurer Williams made a Motion to approve and sign the contract; with Secretary Seaman seconding said Motion. The Board unanimously approved and the contract was signed by Mr. Willow and President Winterer.

## **MANAGER'S REPORT**

The Manager presented the Manager's Report and presented bids for the 2015 Audit from Biggs Koffard and John Cutler and Associates. Biggs Koffard bid was for \$7,500 to \$8,500; while Mr. Cutler's was \$7,000. Secretary Seaman made a Motion to sign the Engagement Letter with John Cutler and Associates; with Treasurer Williams seconding said Motion. Mr. McBride abstained and President Winterer agreed. The Motion was passed.

The Manager requested retroactive approval for the transfer of \$6,000 from Key Bank to Park State Bank for payment of claims. Secretary Seaman made a Motion to approve the transfer; with Treasurer Williams seconding. The Board unanimously approved the transfer.

Carmen Barker provided an update on the grant and stated AAMD was not selected. We were number 18 out of 36. They selected 8 other Districts for the grant. She stated that the biggest deficiency was due to not having violations. This was attributable to our Water ORC who has insured no violations. Ms. Barker also said we maxed out on the debt ratio.

The Manager requested that the Board approve another \$25,000 to be transferred from Key Bank to ColoTrust for funding the bond. This will bring the reserves from zero to \$69,000 in the last year.

Treasurer Williams made a Motion to approve the transfer; with Secretary Seaman seconding said Motion. The transfer was unanimously approved.

Craig Baker Water Tap: Mr. Baker stated he was willing to purchase a tap and the Manager committed to sending him the Tap Application. Lynn Willow stated that taping in could start in May and also that Mr. Baker would need a cistern test.

The Manager's Report included a request that the District pay \$75.00 per month for Caselle Utility Billing monthly maintenance. However, the Manager stated that she would postpone discussion on this as MDM's contract with the District expires on March 25, 2016.

The Manager provided a letter to Key Bank for President Winterer's signature, which would allow Treasurer Williams to have online access.

She also provided the Board with the Annual Reporting Requirement of Non-Rated Securities that was filed with DOLA.

## **FINANCIAL MATTERS**

Due to accusations by a homeowner that MDM was charging as much as the previous management firm, the Manager provided a spreadsheet showing that \$1,824 was for liens and that the payment for these came from the delinquent homeowners through the county and were not paid by the District. She also highlighted that \$1,648 were due to applying for grants and the Board was informed prior to applying that there was no guarantee of receiving a grant. Another \$704 was to respond to Craig Baker and his various charts and graphs and was out-of-scope.

The Manager also informed the homeowners that of the total management charges in 2015 of \$53,079 that \$23,379 were for January, February and March of 2015 which were charged by the previous management firm. The total charged by MDM for 2015 was actually \$29,699 and far less than \$90,000 that had been charged previously by another management firm.

Claims/Accounts Payable for February 2016: Secretary Seaman made a Motion to accept the claims; with Treasurer Williams seconding. The Board unanimously approved.

The Manager presented the unaudited financials for January 2016; including the Balance Sheet and Income Statement. She mentioned that \$27,000 within ColoTrust had been transferred to the ColoTrust Bond Reserve Fund. The Board accepted the financial statements.

The Board was provided with the Customer Balance Summary and the Manager pointed out that 3 accounts had liens filed with the County.

The Board also reviewed the Total Debt outstanding and mentioned that the CCC and SDMS Judgment was increasing as there was no property tax revenue being received at this time and the 8% interest was continuing to be applied to the balance.

## **ADJOURNMENT**

There being no further business to come before the Board at this time, upon motion by Secretary Seaman; seconded by Treasurer Williams and upon unanimous vote, the meeting was adjourned at 7:50 p.m.

The next regular meeting is scheduled for March 16, 2016 at 6:00 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 17, 2016 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, Director

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Robert (Elric) Winterer, President