

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

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

Police Department, 911 Tamarac Parkway
Woodland Park, Colorado

ATTENDEES

Directors present: David Belfiore, Director
Wade Holder, Treasurer
Rebecca Seaman, Secretary
Betty Williams, Director
Robert (Elric) Winterer, President

Others present: Judy Bertrand, Metropolitan District Management
Carmen Barker, Metropolitan District
Lynn Willow, Water ORC

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 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. President Winterer requested the Board members to disclose any conflicts of interest. There were no conflicts.

Minutes: Treasurer Holder made a Motion to Approve the Minutes of the June 17, 2015 Board Meeting, with Director Williams seconding. The Minutes were unanimously approved.

PUBLIC COMMENT

Edith Coffman asked when the Board was going to pass the By-Laws. She asked if the Manager had provided the By-Laws to the Board of Directors. The Manager stated she had emailed them to the Board. Ms. Coffman stated the attorney had recommended adopting them.

Director Seaman mentioned that the District had gone a long time with not having By-Laws and she saw no reason to have them at this time. She mentioned that we had spent enough on attorney's fees for preparing and reviewing By-Laws. Director Seaman stated that she would vote against them at this time as there were many other issues to deal with and By-Laws were not a priority.

Director Williams stated she did not believe By-Laws should be adopted at this time and would vote no.

President Winterer stated he had not had an opportunity to read through the By-Laws provided by the District Manager. Ms. Coffman asked when it would be on the Agenda and President Winterer stated the Board hadn't even decided on whether they wanted to have By-Laws, let alone vote to approve them. He requested that the District Manager include a By-Law decision on the Agenda for the August meeting.

Ms. Coffman asked Director Williams if she would be taking Director's fees and Director Williams responded that she would not. All Directors are waiving the Director's fees.

Ms. Coffman asked the District Manager if they had reviewed the billing software program and she responded that they had not and that MDM may purchase Caselle. Ms. Coffman stated the homeowners appreciated having the beginning and ending readings on the latest invoice.

Ms. Coffman stated that she had tried to pass a Resolution when she was President of the Board stating that no board member should have a water bill over 30 days past due. She felt it was a conflict of interest. Treasurer Holder informed Ms. Coffman that they would take it under advisement. Director Williams stated that when Ms. Coffman was President that a Board member carried a large outstanding balance and she never brought this issue up at that time. Secretary Seaman said that she did not want to eliminate people from governing because they have some problems. Secretary Seaman stated that she believed Ms. Coffman brings notes to every meeting in order to try and pick the Board apart now that she was no longer on the Board. They questioned why she was bringing this up now and stated that if there was an issue the Manager would bring it to their attention in the same manner she does with other accounts. Treasurer Holder stated that there is something new that Edith wants addressed or adopted at each meeting and it continues to add more time and attention that could be spent more effectively on running the District. President Winterer requested that Ms. Coffman refrain from making comments while the Board was discussing the issue. The Board determined that passing a Resolution on this issue was not something they would pursue.

Marilyn Callan read a letter she had written regarding the Executive Meeting that the Board attended at the request of the DA. She stated the letter was not intended to cause conflict but that she wants resolution due to the fact that the Board did not open a Special Meeting, close the Special Meeting, open the Executive Meeting, close the Executive Meeting, open the Special Meeting and close the Special Meeting. Ms. Callan stated there were advocates from AAMD and Cascade there to serve as the public in the lobby, but the Board never opened the Special Meeting in the lobby and went into the meeting with the DA. She also mentioned that the meeting was held over 20 miles from the District. President Winterer again reiterated that the DA had requested the meeting and Ms. Callan was informed in advance that homeowners could not attend (at the request of the DA) due to confidential issues that the DA was sharing with the Board. Ms. Callan requested that the failure to open and close the Special Meeting before and after the Executive Meeting with the DA be publically acknowledged. President Winterer informed her that this would not happen, as he had explained before that this was an unusual meeting at the request of the DA and the Board had shared what it could with the homeowners at the Board meeting the same day of the DA meeting.

Secretary Seaman stated that there were no decisions made at the DA meeting and it was strictly an informative session requested by the DA and that we needed to move on. After further discussion, Secretary Seaman made a Motion to approve spending funds to have Jason Downie prepare a response to Marilyn Callan on this issue. Director Belfiore seconded the Motion and the Board unanimously approved having the District Manager contact the attorney to respond to Ms. Callan.

OPERATORS REPORT

Lynn Willow reported that Comanche Creek exterminated the prairie dogs but would need to perform another treatment in the fall as preventative maintenance.

He confirmed that Well #8 was hit by a lightning strike. Mr. Willow stated that the road was damaged and would need to be repaired in order to allow Black Pump access to repair the well.

The District Manager asked why there was no expense year to date for chemicals and Mr. Willow stated they had purchased a bulk quantity before MDM came on board.

Mr. Willow informed the Board that we needed to pour concrete to make a barrier around Control Building B to keep the animals out. He also stated that we need a new filtering system in Control Building A. Ms. Barker stated that the inside of the buildings were corroded and that repairs up to \$500 were needed within a month for concrete or metal barrier.

Ms. Barker stated the tank needed cleaning in 2016 and speculated the cost would be around \$1,200.

Colorado Source Water \$5,000 Grant: The District Manager mentioned that AAMD would need major homeowner participation as the grant did reimburse for Water ORC time at \$60 and perhaps management time, but they would have to pay for these services. In order to use the \$5,000 grant for upgrades, the homeowners would need to be involved and the District would be compensated at the rate of \$30 per hour for homeowners' committee meetings. Ms. Barker and Mr. Willows will contact Kimberly regarding flooding behind the building to determine if this would be covered. Secretary Seaman offered to chair the homeowners meetings. This issue is to be tabled until the next board meeting.

MANAGER'S REPORT

The District Manager provided the Manager's Report which is made part of these Minutes.

Toal Credit: The District Manager presented a spreadsheet showing the credit to Bill Toal due to his meter reading 221.3% over actual usage. Mr. Toal had provided what invoices and payments he had from 2013 – 2014. Mr. Willow stated that the problem was a ¾ inch line into the house (which all homes have) had a 1 inch head. This read the usage incorrectly. The Board informed the District Manager that the usage in 2013 was

read every other month instead of monthly. His current balance is \$4,954.54. As the Manager has to make the adjustment to 2013, she requested the Board approve a credit up to \$5,000 and committed to sending Treasurer Holder the updated spreadsheet. Secretary Seaman made a Motion to approve up to \$5,000 credit; with Director Williams seconding. The Board approved with the exception of Treasurer Holder (until he reviews the revised 2013 credit).

The Board was informed that SDMS stated that they were unable to provide a report showing the invoice amounts and payment amounts for each account for 2014. The Manager stated that this was a problem for Biggs Koffard in performing the audit for 2014. She also mentioned that she had provided Josephus LeRoux at Biggs Koffard with all the documents she had for 2014 but there were many not available that SDMS must provide. For this reason Mr. LeRoux had prepared a Request for 60 Day Extension to file with the State Auditor. Treasurer Holder made a Motion to allow for a 60 day extension to the 2014 audit, with Director Williams seconding. The Board unanimously approved and President Winterer signed the document. The Manager will provide to the Auditor.

Ms. Coffman had asked the Manager at the previous Board Meeting to provide the A/R and stated that SDMS had shown 9.6% A/R outstanding. The Manager presented the A/R and explained that SDMS used the total number of accounts that had paid and not the dollar amount outstanding. The actual outstanding balance when MDM assumed management was \$21,875 not \$4,997.31 which was presented by SDMS.

The District Manager presented the accounts that would have water shut off on August 3, 2015 due to non-payment. She stated she had sent each account a letter informing them of their right to attend today's board meeting. President Winterer asked if anyone was there to discuss their shut off notice. There were none. The Manager will prepare the 48 hour notices for the Water ORC to post on July 29th and will notify him of any payments between that date and August 3. The Manager asked if the Board would consider allowing Mr. Willows to accept checks (not cash) from customers during shut off. The Board rejected this suggestion and informed the Manager and Water ORC to direct the homeowner to provide a Cashier's Check or Money order and overnight it to MDM or make a payment directly to the Park State Bank account in Woodland Park.

The Manager provided the Board with the request from Cascade Metro District's attorney to allow Biggs Koffard to provide them with AAMD financial documents. They knew that Mr. Malcolm had funneled funds between the two districts and they stated the reason was for a potential law suit against their former auditor. Treasurer Holder stated he was not comfortable with sharing this information. Secretary Seaman made a Motion to allow the District Manager to contact Jason Downie regarding this request. Treasurer Holder seconded the Motion and the Board unanimously approved.

Ms. Barker stated she is writing up the paperwork on the forfeiture of taps and will have Jason review the documents.

A listing agent asked about the water status of Lots 9 & 10, Block 5, Trout Haven Filing #4 and whether they would purchase a tap from AAMD or drill a well. Mr. Willow had responded that it would be around 2,500 feet at approximately \$100 per foot to provide water to these lots. Mr. Willow mentioned that the original Service Plan showed 375

homes that could receive water, but that AAMD does not currently have the capacity. He stated we would have to increase production on all wells and need a larger storage tank. The Board discussed how many homes could tie into this line and Mr. Willows speculated around 10 homes, but many already have wells. Ms. Barker mentioned needing an engineer to perform this analysis and Mr. Willows stated AAMD uses JDS Hydro, but that they would not perform work until they are paid in full. The Board discussed giving the owner of the properties the option of how much to contribute. Ms. Barker will investigate excluding taps and the cost of paying to connect.

FINANCIAL MATTERS

Claims/Accounts Payable for July 2015: The Manager requested approval from the Board to transfer up to \$15,000 from Key Bank lockbox to Park State to cover the payment of claims. Treasurer Holder made a Motion to approve moving the \$17,914 from Key Bank to Park State on July 10, 2015 to cover Mr. Rupp final payment and up to \$15,000 transfer within the next few days to cover payment of claims. Secretary Seaman seconded the Motion. The Board unanimously approved. The Manager will inform Treasurer Holder when the transfers are made so that he can confirm funds transferred into Park State. He stated that he periodically monitors Park State to verify checks and deposits.

Treasurer Holder made a Motion to accept the claims, with Director Williams seconding. The Board unanimously approved.

Secretary Seaman asked about the \$40/hr. overtime charge for the Water ORC to read the meters and stated we may want to increase the hourly base rate in the 2016 budget and the Water ORC contract to cover the meter reading. The ORC stated that it often takes 18 hours to read the meters, but that he only charged between 10-12 hours and that he used his own vehicle, fuel and insurance.

The Manager presented the unaudited financials; including a Draft Balance Sheet and Income Statement. Secretary Seaman made a Motion to accept the financials with Treasurer Holder seconding. The Board unanimously approved. The Manager also provided the analysis of Debt, reflecting that \$73,000 in liabilities have been paid off since MDM assumed management in late March 2015.

The Board asked the Manager if she had heard from any bond holders and she responded she had not. Secretary Seaman suggested that the bond holders offer a letter of endorsement that could be posted on the website.

NEW BUSINESS

President Winterer requested that the Board consider dropping the Notice posting location at Deer Ridge as no one could read it without walking up to the Notice. He suggested posting at the mail box and continue with the 2 posting at Trout Haven. Director Williams made a Motion to discontinue posting at Deer Ridge, with Rebecca seconding. The Board unanimously approved. The District Manager will prepare an Addendum to the January 2015 Resolution detailing the location of Notices.

PUBLIC COMMENT

Ms. Callan mentioned that the hearing which the DA stated had been cancelled had actually occurred and that she discovered it was still on the docket and attended. Ms. Callan also mentioned that the next court date for Terry Malcolm will be on August 5, 2015. She stated that the public would be allowed to speak at sentencing.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion by Director Seaman, seconded by Director Belfiore, and upon unanimous vote, the meeting was adjourned at 9:10 p.m.

The next regular meeting is scheduled for August 19, 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 JULY 15, 2015 MINUTES OF ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS.

(Signed copy in possession of the District Manager)

David Belfiore, Director

Wade Holder, Treasurer

Rebecca Seaman, Secretary

Betty Williams, Director

Robert (Elric) Winterer, President