

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

July 19, 2017: 5:30 P.M. at

Shining Mountain Golf Course, 100 Shining Mountain Lane, Woodland Park, CO

ATTENDEES

Directors present: Calvin McBride, Director
 Jennifer McDowell, Director
 Rebecca Seaman, Secretary
 Betty Williams, Treasurer
 Robert "Elric" Winterer, President

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

 Clay Brown, Regional Manager DOLA
 Adam Summers, AquaWorks (Engineer)

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.

Treasurer Williams made a Motion to accept the Agenda, with Director McDowell 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 June 21, 2017. Director McBride made a Motion to approve; with Treasurer Williams seconding said Motion. The Minutes were unanimously approved.

Secretary Seaman stated she would not be able to attend the October Board meeting.

SDA: The Manager stated that the SDA Conference in Keystone was scheduled for September 13-15, 2017. The Manager requested approval of the Board to allow Director McDowell to attend and receive reimbursement for the conference and hotel. Treasurer Williams stated she may be interested as well. The other Board members stated they could not attend. Secretary Seaman made a Motion to approve payment/reimbursement of the SDA Conference fee and hotel for Director McDowell and Treasurer Williams (should she decide to attend). Treasurer Williams seconded said Motion and it was unanimously approved.

Engineering Report – PER: AquaWorks Owner, Adam Summers addressed the Board regarding preparing a Capital Improvement Plan for the Board. Mr. Summers stated he works with small water and wastewater systems who have few resources to help find money to improve infrastructure and systems. He focuses on looking for problems, funding, contractors and the appropriate projects to allow the District to move forward.

Mr. Summers discussed his work with Florissant around 5 years ago. Florissant had compliance issues. He was able to assist them in obtaining \$2.2M in grants for their water and wastewater systems.

Mr. Summers stated that the previous PER he prepared for AAMD looked at what could be performed for \$1M. The project he mentioned at that time was installing meters; installing well meters; installing levels in tanks and drilling new wells. The Board stated that there were now 2 new meters at wells and the tank leveler was installed.

The Manager mentioned that the District did not have working fire hydrants. She also stated that the Board and Water Operator had discussed installing a new 100,000-gallon storage tank. Mr. Summers stated that the tank should not be the priority, as the focus should be on capturing water loss.

President Winterer asked what the District's priority should be and Mr. Summers stated that the District needed a Capital Improvement Plan (CIP) in order to answer that question. Mr. Brown stated that we needed to collect more data, but that DOLA doesn't care if there is a PER or PNR. He stated what the District needed was to develop a planning process and then determine where to go. Mr. Brown will help with the planning, Ms. Bertrand with the finance and Mr. Summers with the engineering.

Mr. Summers and Mr. Brown stated that there were funds available for preparing an updated PER and CIP. They mentioned CDPHE for smaller grants, DOLA and USDA (U.S. Department of Agriculture). Mr. Summers mentioned that this process will take time and that it took Florissant 7 years to upgrade their water and wastewater systems.

Secretary Seaman mentioned that the District is not in compliance with the Service Plan to provide water to Trout Haven. Mr. Brown stated that the District was not in a financial position to do that, but that the CIP will help get the District there.

Secretary Seaman stated that this is what is needed as Mr. Brown and Mr. Summers have relationships that the District does not have. Mr. Summers stated his hourly rate is \$150.00.

Mr. Brown, Mr. Summers and Ms. Bertrand will schedule a meeting to discuss prior to the next Board meeting on August 16th.

OPERATORS REPORT

Mr. Willow stated that there were lightning strikes last night and that he had been working on the issue since 9:00 p.m. The District lost 2 wells. He stated that Black Mountain Pump replaced the pump on Well #2. Well #7 took a hit as well. The

lightning knocked out the pump saver on Well #8. Well #6 and #4 were back on line as of 8:30 a.m.

Mr. Willow stated that Browns Hill Engineering would be out tomorrow, as the lightning effected the Mission Communication system as well.

The District Manager stated that Mr. Willow called her the morning after the lightning strikes at around 9:00 a.m. to inform her and she emailed the Board the status of the water issues. President Winterer stated that Mr. Willow could stop by his home after the repairs were done to provide an update should an emergency happen and cell service would not allow a call.

Secretary Seaman mentioned that she had asked several times in the past for the ORC to be more proactive on informing the Board of issues. She mentioned that she doesn't want to hear from homeowners about issues with the water or not knowing if water is being brought into the District. Mr. Willow responded that there had always been cell coverage issues in the District and he had the option to contact the Board or Manager or continue working to repair the problems due to the lightning strike.

The Board discussed why homeowners were contacting Secretary Seaman regarding water issues instead of the ORC. The Manager stated she would have Mr. Willow's phone number referenced on the water invoices to customers.

Secretary Seaman discussed sending out RFPs for the Water Operator job and stated she would like to go into Executive Session. Mr. Willow stated that he would like to have a vote at this time to determine if the Board wanted to continue working with him.

Director McDowell stated that she wanted the ORC to remain. Director McBride said now is not the time to put the job out for RFP. Treasurer Williams stated that she did not want to change water operators. President Winterer stated he wanted to update Mr. Willow's contract, as he is now on month to month.

Secretary Seaman made a Motion to put out a RFP for the Water Operator. Director McBride seconded said Motion. President Winterer, Director McDowell and Treasurer Williams voted no. The Motion to put out a RFP for the Water Operator was rejected by 3 to 2.

MANAGER'S REPORT

The Manager provided the Board with the bids from Sensus and National Meter (Badger), but stated that this was not the time to review. She said that with working on the CIP that this may not be the priority.

The Manager provided the Board with the first Restitution check received from Terry Malcom and noted that there was still \$199,992.95 remaining to be paid.

Audit for 2016: The Manager provided the Board with the 2016 Audit, but spoke to the MD&A, as that summarized the report. The Audit shows an increase in the District's Net

Position of \$221,159 and showed that Cash and Cash Equivalents increased by 228% from 2015 to 2016 with total cash of \$251,901. However, approximately \$146,000 is restricted per the Bond Agreement to maintain 125% of the annual bond payment. Director McBride made a Motion to Accept the 2016 Audit; with Treasurer Williams seconding said Motion. The 2016 Audit was unanimously accepted and will be filed with the State Auditor by July 31st.

The Manager requested approval for the transfer of \$12,000 from Key Bank Lockbox to Park State Bank for payment of claims made on 7/17/17 and \$18,000 from Key Bank Lockbox to ColoTrust to fund for capital reserves. Director McBride made a Motion to authorize the transfers; with Treasurer Williams seconding said Motion. The transfers were unanimously approved.

The Manager requested authorization to make the internal transfer of \$29,000 from ColoTrust General Fund to ColoTrust Capital Fund on July 17, 2017. Treasurer Williams made a Motion to authorize the transfer, with Director McDowell seconding said Motion. The transfer between funds was unanimously approved.

Ms. Bertrand discussed the overpayment to SDMS by Teller County Treasurer for the Judgment of 10 mills. She had discovered that the County had overpaid by approximately \$2,000 and that the Judgment to SDMS was paid off. Ms. Bertrand is working with Robert Campbell, Teller County Treasurer to recover these funds, as SDMS has not responded to her.

President Winterer had requested that the Manager check for liability and property coverage for the pond and pavilion. The Manager had emailed the Board with the insurance coverage and stated that AAMD was covered for these assets.

FINANCIAL REPORT

Claims: The Manager presented the claims but noted that she had overpaid the ORC by \$130 due to a discrepancy in his invoice. Ms. Bertrand will adjust his next check to deduct this overage. Treasurer Williams made a Motion to approve; with Director McBride 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). Director McBride made a Motion to accept the unaudited financials; with Treasurer Williams seconding said Motion. The Financial Reports were unanimously accepted.

Debt & ColoTrust Spreadsheet: The Manager presented the remaining amount of debt payments for the year; along with the detail behind the funds available in ColoTrust.

PUBLIC COMMENT

Susan Johnson stated that People's Bank had a room for use by the Public at no charge. The room can be booked in advance. President Winterer stated he will view the room tomorrow.

ADJOURNMENT

Director McBride made a Motion to adjourn the meeting at 7:20 p.m. with Treasurer Williams seconding said Motion. The meeting was adjourned.

The next Regular meeting is scheduled for August 16, 2017 at 5:30 p.m. at Shining Mountain Golf Course, 100 Shining Mountain Lane, Woodland Park, Colorado.

Respectfully submitted,
Judy Bertrand, District Manager: Secretary

THESE MINUTES APPROVED AS THE OFFICIAL JULY 19, 2017 MINUTES OF ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS.

(Signed copy in possession of the District Manager)

Kalvin McBride, Director

Jennifer McDowell, Director

Rebecca Seaman, Secretary

Betty Williams, Treasurer

Robert (Elric) Winterer, President