

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

March 21, 2018: 5:30 P.M. at

Woodland Country Lodge, 730 Country Drive, Woodland Park, Colorado, 80863

ATTENDEES

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

Others present: Judy Bertrand, MDM (District Manager)
 Lynn Willow, AAMD Water ORC

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

Members of the Public: See Sign-in Sheet

**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 excuse Director McDowell from the February meeting; with Director McBride seconding said Motion. It was unanimously approved.

Director McDowell made a Motion to accept the Agenda; with Director McBride 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 February 21, 2018. Director McBride made a Motion to approve, with Treasurer Williams seconding said Motion. The Minutes were unanimously approved.

Secretary Seaman Resignation from the Board: Secretary Seaman informed the Board that she was resigning effective immediately. President Winterer thanked her for her service and wished her well in Salida.

District Manager Contract: Judy Bertrand of Metropolitan District Management's contract expires this month. Ms. Bertrand provided a new contract with an increase of 6%. She noted she had not raised her rates in 2 years. The Board discussed and reviewed the contract and Director McBride made a Motion to approve the contract; with Treasurer Williams seconding said Motion. The Manager asked the two new board

members (Craig Waller and Ken Springer) if they agreed and they stated they did. The contract was unanimously approved and signed by President Winterer.

CIP with Clay Brown and Adam Sommers: The Manager stated that the State Engineer list did not tie wells to addresses. Mr. Brown stated that a Capital Improvement Plan was important for the District to know where it was going and depict how tax dollars are spent. He stated that the Inventory of current assets is around 80% complete.

Mr. Brown and Mr. Sommers stated they have recommendations for projects and priorities and that we are working on the financial ability to pay. Mr. Brown recommended getting public input from AAMD and Trout Haven. The Manager stated that she had reached out to the President of Trout Haven but did not get any information on the residents or contact information. Mr. Brown mentioned putting flyers on resident's doors, but there are a lot of vacant properties.

Mr. Sommers said that by using Teller County GIS maps that it would make sense to assume that if the parcel is occupied that they have a well if they are not connected to AAMD.

Mr. Sommers mentioned that the District has dead ends where aging water could be resting and perhaps freeze lines. He recommends new lines that run back and forth and create a loop. The dead ends could cause a health risk and cause water loss.

Mr. Sommers stated that water meters are his #1 priority in order to identify losses. He recommends putting meters at the curb stop and using HTPPE material, which has a 100 year life. AAMD would pay for the pit, meter and connection to existing service line and connect to the main. Mr. Brown stated that the District could offer those who are not connected (such as Trout Haven) the same price.

President Winterer discussed AARP insurance offering coverage for service lines.

Mr. Sommers mentioned connecting Gerka to lower Gerka. A break in 2013 caused this connection to be abandoned. Mr. Willow capped it. Future lines would be at a depth of 7 feet. All lines in Trout Haven are installed correctly.

Financing for Projects: Mr. Brown discussed options for funding; including State grants, DOLA EIAF grants, State loans, Water Conservation offers 2-3%, State Revolving Fund Loan up to \$3M. There is also funding for up to \$250,000 for engineering. However, we have more need than capacity to pay at this time. Ms. Bertrand asked about TABOR issues and Mr. Brown stated that we don't need to comply with TABOR if we are an Enterprise fund. Mr. Brown likes the Water Power Authority for a bond, which is like a State Bank. They obtain good interest rates and the District would not pay fees. The private sector has fees up to 1% and higher interest rates.

If AAMD is considered disadvantaged, the interest could be at 0%. Mr. Brown does not feel AAMD would qualify based on the census. However, agencies allow for a business case if we meet the criteria. If that fails, we could again try a survey of residents to determine MHI.

Mr. Brown also mentioned a surcharge/ready to serve fee/availability of service fee. However, this fee can only be used for debt. By extending the line to Trout Haven it would increase the value of their properties by having a connection to water. The intent is to get people off wells.

The water meters could be funded by a 50% grant and 50% loan. Installing the pit is the biggest unknown but is estimated at \$2,700 per property.

Mr. Brown discussed increasing revenue by extending the line to Trout Haven for around \$3.8M in 2019. This would include meters as well. President Winterer felt that Trout Haven has paid property taxes but haven't gotten much for it and that we owe it to them. Treasurer Williams agreed.

The cost for upgrading the current water line infrastructure is estimated at around \$6.8M. This is important due to the poor material of the water lines.

Mr. Brown recommended prioritizing the capital projects and taking it to the public for their input. As the District takes on more debt, we need a higher reserve. Ms. Bertrand asked what the reserve amount normally is, and Mr. Brown stated 110% but it can be built into the loan.

It was suggested that Adam Sommers and Judy Bertrand pursue a preliminary application to the State Revolving Fund loan and apply to see if AAMD may be considered disadvantaged. It is necessary to submit each year to the State needs list.

Mr. Brown suggesting that at the April 18th meeting, the Board consider adopting a CIP Policy and determine a time to meet with Trout Haven and determine what they want. He will attend.

On May 16th the phases can be finalized, and Mr. Sommers will attend. The next target date is June 20th for adopting the plan and starting construction.

Mr. Brown also stated that a long term goal could be to investigate whether Colorado Springs would be willing to take over and provide water to AAMD. Cascade Metro District is doing this now. After that the District would be dissolved; except for repayment of debt.

Treasurer Williams requested a breakdown of Mr. Sommers time on his invoices. Ms. Bertrand explained that this was not needed as his contract is for a set amount of work, not to exceed. Director McDowell made a Motion to accept Mr. Sommers invoices as written, with Treasurer Williams seconding. It was unanimously approved that AquaWorks invoices are sufficient.

Treasurer Williams made a Motion to direct AquaWorks and Ms. Bertrand to start work on the disadvantaged SRF application and begin a business plan stating why AAMD should be considered. Director McDowell seconded, and the Board unanimously approved. Ms. Bertrand stated that this work would be charged as out-of-scope.

OPERATORS REPORT

Mr. Willow presented the ORC Report. He stated that he was unsure as to whether to contact Garvin with the State to meet him for an inspection of Reservoir 1 and 2. The Board did not understand why Ken Rupp needed to be at the inspection. The Board directed Lynn to contact Garvin and schedule the inspection.

MANAGER'S REPORT

Resolutions and policies for CIP: The Manager provided some policies and resolutions for Board review. These will be discussed at the April Board meeting.

Election Resolution: The Manager provided a Resolution to the Board stating that the election was cancelled as there were not more candidates than Board positions open. Treasurer Williams made a Motion to adopt the Resolution; with Director McBride seconding said Motion. It was unanimously approved and signed by President Winterer. The Manager provided Craig Waller and Ken Springer with letters stating they would be on the Board of Directors effective May 8, 2018 for 4 year terms and were elected by acclamation.

New ColoTrust Account for General Operating Reserve: The Manager stated she had opened a new account at ColoTrust, but no funds have been transferred as yet. A 3-month reserve would equate to \$32,000.

Park State Bank account closure: The Manager requested that President Winterer close the checking account at Park State as the District is now using Key Bank for checking. He requested that she provide the account number.

FINANCIAL REPORT

Claims: Director McDowell made a Motion to approve; with Treasurer Williams seconding. The claims were unanimously approved.

Financial Reports: The Board reviewed 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 Board was presented with the remaining amount of debt payments for the year; along with the detail behind the funds available in ColoTrust.

NEW BUSINESS

N/A

PUBLIC COMMENT

N/A

ADJOURNMENT

Secretary Seaman made a Motion to adjourn the meeting at 7:32 p.m. with Director McBride seconding said Motion. The meeting was adjourned.

The next Regular meeting is scheduled for **Wednesday, April 18, 2018** at 5:30 p.m. at **Woodland Country Lodge, 730 Country Drive, Woodland Park, Colorado, 80863.**

Respectfully submitted,
Judy Bertrand, District Manager: Secretary

THESE MINUTES APPROVED AS THE OFFICIAL MARCH 21, 2018 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



Betty Williams, Treasurer



Robert (Elric) Winterer, President