

**MINUTES OF THE BOARD OF DIRECTORS PUBLIC SPECIAL MEETING
ARABIAN ACRES METROPOLITAN DISTRICT**

November 5, 2018

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

ATTENDEES:

Directors Present:	Ken Springer	Secretary
	Craig Waller	Treasurer
	Jennifer Waller	President
	Betty Williams	Director

Member's of the Public: *See sign-in sheet

ADMINISTRATIVE MATTERS:

1. **Attendance and Agenda:** President Waller called the Public Special Meeting of the Arabian Acres Metro District Board of Directors to order at 4:30pm. A quorum was noted and all Board members are present.

Disclosure and Conflict 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.

President Waller stated this meeting was scheduled because Judy Bertrand with MDM Management, who has been the District's Manager for 3 1/2 years, had turned in her resignation on October, 31, 2018, giving the Board of Directors the required a 60 day notice with her last day as District Manager being December 31, 2018. President Waller went on to state that our regular Board of Directors meeting for November will very busy as it will include, but not limited to, the presentation of the 2019 Budget, updates about the Capital Improvement Projects with Mr. Clay Brown with DOLA & Mr. Adam Sommers our Engineer with AquaWorks DBO also attending. She went on to state that with the Board of Directors needing to discuss the hiring of a new management company and because the website and emails are tied to the current management company this Public Special Meeting was called.

Treasurer Waller then asked President Waller if he could speak to the Board of Directors about a District check he had received in his personal mail.

Treasurer Waller stated he received a check from the contractor responsible for the tap fee for the new owners of 50 Gerka. He informed the Board that he stamped the received date on the check and the stub sent with the check then emailed Judy Bertrand, the Financial Manager of the District, to ask what she wanted him to do with the check - whether to send to her or deposit in our Key Bank account. Treasurer Waller said one week has passed with no response from Ms. Bertrand and he's uncomfortable holding and having this check as it's in the amount of \$8000. Director Williams asked that Treasurer Waller email Ms. Bertrand again and then questioned Treasurer Waller if he had checked his junk/spam folders to make sure he hadn't missed the email. Treasurer Waller stated he's checked everything and has nothing from Ms. Bertrand. Director Williams said that she had read something about this check & Treasurer Waller said if anyone had heard from Ms. Bertrand about this, to please forward it to him. Treasurer Waller then asked if after contacting Ms. Bertrand again and if she still doesn't respond, since he is on the signature card for Key Bank, would all agree to have him deposit the check. Secretary Springer asked again if Ms. Bertrand is not being responsive. Treasurer Waller said no. Treasurer Waller said he had received the check on October 29, 2018 and that Ms. Bertrand was included on the email as was each Board member, where he included a picture of the check and stub. He also pointed out that he had no understanding of why he received the check at his home but that his name and address were printed on the stub of where to remit the check to.

Director Williams then stated she remembered seeing an email questioning if the \$8000 had been received for 50 Gerka and then an email from President Waller. President Waller responded that she had sent Ms. Bertrand an email that the minute she received the tap fee for 50 Gerka to let her know so the resident's contractors could proceed.

Director Williams then suggested to put off for a day anything to do with the check until every Board member could check their emails. Treasurer Waller said he'll send another email, stating this is his second request asking for the information and if he does not hear anything by Wednesday, November 7, 2018, if the Board of Directors agree, he will deposit the check into Key Bank.

Secretary Springer then said if it turns out later that the funds need to be transferred that any one of the Board of Directors could go transfer the funds because we're all on the signature cards of the accounts. He then asked if because we had spoken about this could we amend the Agenda to include "Discussion of tap fee check for 50 Gerka" Secretary Springer made the motion, Treasurer Waller seconded & there was an unanimous vote.

President Waller then asked that the Board discuss looking for a new management firm. President Waller showed the Board of Directors that she had included in their packet three copies of "Ask Evan" that comes from the SDA Newsletter. She pointed out the page with the question "Under the new last adopted in this year's legislation, what is a work session?" She stated she has been in touch & will keep in touch with Ann Terry, Executive Director with SDA of Colorado to help lead her so that in turn she

can lead Board and the District through these major changes occurring. President Waller went on to say that Ms. Terry forwarded her this article from the SDA Newsletters (see title above) so the Board could understand the difference between a work session, a study session and a special meeting saying that during a work session or study session both are open to the public, but no decisions can be made, decisions would have to be made at the next scheduled Board of Directors meeting. As for a public special meeting, notice and an agenda had to be sent out 72 hours prior which she followed in planning this meeting and if there were decisions that needed to be made, the Board of Directors could do that in a Public Special Meeting.

Secretary Springer then asked if that was a change from the SDA Manual from 2018 because on page 10, section I of the manual, having Director Williams read it the paragraph, it states, "Special meetings include study sessions at which a quorum of the Board is in attendance and notice of the meetings has been given in accordance with 21-1-903 (1) and (2) or 24-6-402 (2) (c), C.R.S. and at with information is presented to the Board, but no official action can be taken by the Board. You may want to check it your legal counsel about the recording of minutes."

President Waller answered that while she understood what the Board Member Handbook says when she consulted the Special District Association, she was told decisions could be made in a Public Special Meeting.

Moving on President Waller noted that she included the contract for the Board to review for the billing company AmCoBi as it was set to expire at the end of November. Treasurer Waller noted that AmCoBi does charge for transactions, \$3.75 per tap. When at the SDA Conference most managers he spoke to indicated that they would prefer to manage the district as well as do the billing. It was noted that when a management firm does not do the billing, then there's not only a real breakdown in communication between the District and the Management firm, but adding a third firm to the mix can cause even more issues.

The Board had a discussion about the fees AmCoBi charges in using a credit card, a debit card or a bank draft. Secretary Springer commented that there is a fee when using a credit card on AmCoBi's website. He went on to say they do have a very easy to use website. There was a consensus within the Board that if we don't have to move the billing, then it might be best to stay with AmCoBi, the Board will make that decision once management firms start to reply to the RFP's that will be sent out. Treasurer Waller stated that on average the District is paying AmCoBi \$600-\$650 per month.

Next the discussion turned to the RFP's that need to be sent out in order to get quotes for new management. Treasurer Waller stated that he had been working on developing an RFP & that since the District's billing was currently separate from the management, he continued that to the RFP's, stating that he would like potential management firms to give a breakdown of cost for each service provided, i.e billing, financial,

management. Treasurer Waller went on to say he has a section in the RFP to give an all inclusive estimate based on everything as a whole. Secretary Springer liked that idea.

Director Williams expressed concern at the Board taking on too much. Treasurer Waller explained that he felt the most important things at this time is obtaining new management & getting the emails/website set up.

Director Williams asked if she could ask a question as she had read in the manual that records should be kept off site. Treasurer Waller confirmed that she was correct & that some management firms house them in their offices, but other Districts actually rent a storage room for their records.

Getting back to the RFP's, President Waller stated that in her mind, having a loose timeline of when the Board gets the responses of the RFP's, choose who the Board would like to have come present & schedule those presentations, which may have to include an extra work session for the Board, then take a vote in December so the new management firm could be in place & ready to hit the ground running January 1.

On a side note, President Waller said she included in the Board member's packets the completed September minutes for the Board to review & accept at the next regularly scheduled Board of Directors meeting on November 27, 2018.

Secretary Springer then stated that on the last page of the minutes where it states, "These minutes approved as the official September 17, 2018 minutes..." is incorrect as the minutes will not be approved until November. President Waller explained that the date in that phrase did not apply to the date the minutes are approved, but that it's a statement about the particular minutes being the official record of the date of the meeting.

Secretary Springer presented to the Board a spreadsheet he had made from the SDA website listing district management firms by city. He pointed out there are four (4) companies in Colorado Springs that are management companies. He & Treasurer Waller discussed the fact that one of the companies in Colorado Springs is a home builder so they are eliminated from the RFP list.

Treasurer Waller asked, with the Board's help, to pick which companies he would be sending an RFP too. Secretary Springer said why didn't Treasurer Waller just send to the three (3) in Colorado Springs & that would cover contacting at least three (3) companies to give a fair across the board search.

The discussion then turned to would a new manager need to come to every Board of Directors meeting, especially if, for a particular month, there was not much for the

manager to present to the Board. Secretary Springer suggested that we have the new manager come every month for awhile, then, in time, as the Board & the District get to know the new manager, possibly the manager could come quarterly, for example. The other Board members were in agreement of this. The Board also discussed the convenience of having a manager that is close - possibly in Colorado Springs with the example given of maybe the manager isn't attending a monthly meeting. Having a manager physically closer to the District, again possibly in Colorado Springs, allows hypothetically for Treasurer Waller to drop by the management office to pick up or drop off documents as he is employed in Colorado Springs.

Ms. Marilyn Callan, resident of Arabian Acres asked if she could speak. She said that she feels under the circumstances it's important to keep an eye on everything as closely as possible in the beginning until there's a familiarity. Ms. Callan stated she had a question to be answered later & that is the question of an attorney - one that is familiar with water laws, is loyal to representing the Board & the District. Treasurer Waller stated he thought that whichever new management company the Board chooses, might have or know attorney's that specialize in areas our District's needs, such as a water attorney.

President Waller went on to say that over the past 3-4 months, many residents have commented to her that they hope when the time comes to hire a new management company, a financial audit of the past few years is done. She made clear this request was not driven by anything personal, but that she felt it is the Board's fiduciary responsibility & due diligence to have an audit done so that we know where things stand as a Board, a District & in bringing in a new management company. All of the

Board of Directors were in agreement & will look into having the audit done at such time we transfer to the new management company. Treasurer Waller added that a majority of new management companies would probably want an audit done anyway.

Ms. Callan then spoke up & asked that the Board not use the same auditor that the District has in the past. Past President Winterer the stated an audit such as we're planning costs about \$10,000 & does the District have that kind of money. President Waller replied that we would be able to have an audit done.

Director Williams wanted to stress again the importance of everything being in order with checks & balances as the District moves closer to obtaining grants & loans for the future CIP (Capital Improvement Projects). President Waller stated that Adam Sommers with AquaWorks, the District's engineer for the CIP's, does track that & will be the project manager, also noting that he has developed a spread sheet that easily tracks all monies received & that he did forward that to her. She went on to say she would ask Adam, since it was his spreadsheet, if he minded President Waller sharing that with the Board.

The discussion then transitioned to making sure there were the checks & balances in place so that the District would never face what it had in its' past - thousands of dollars embezzled by a person of authority for the District.

Secretary Springer then asked if Adam would be doing drawings for the CIP's, specifically the meter project. President Waller confirmed that Adam is doing drawings & that he will be attending the November Board of Directors meeting to provide the Board with an update.

Past President Edith Coffman asked to clarify that the Board will be sending out four (4) RFP's for new District Management. Treasurer Waller noted that one of the four management companies listed in the Colorado Springs area is a home builder, so he will be sending out three (3) RFP's.

Secretary Springer then mentioned that he thought the Board should develop some sort of rating system in order to decide which management company would be the best fit for the District. It was decided that could be worked out at a later date.

Then, a comment was made to the effect of not adding to the mill levy or acquiring a new mill levy to pay for management. Past President Coffman stated you cannot add that to a mill levy & there's only certain things that can be paid through a mill levy. Another comment was made about lawsuits to which Past President Coffman said, "you know, I'm getting really sick of this..." leading to Director Williams saying, "I really don't care..." President Waller regained control of the meeting while Past President Coffman continued explaining that by going forward with the friendly lawsuit, the debt that went on everyone in the District, saving all money, because people in Trout Haven, who are part of the District, had to pay for that also. Had the District been sued, then only the water users would've been responsible. Discussion continued between Past President Coffman, Director Williams & Ms. Marilyn Callan of how many people in the District knew there was going to be an added mill levy with a response that had she been at the meeting, it was announced.

Past President Coffman then showed Director Williams emails that she had received from Director Williams, Jim Nash & others from the recall. She presented an email from Cynthia Russell who Jim Nash hired to be the DEO. Past President Coffman & Director Williams continued to have a heated discussion over the above emails with Past President Coffman telling Director Williams she would get Director Williams a copy.

Past President Winterer pointed out that in the past, while the District had bills, a majority of money owed was for phone calls & such as the District was being charged an hourly rate. He suggested that in the search for a new management company the Board look closely at the new management's fee structure as choosing a management firm that charges a flat rate will save the District money in the long run.

President Waller suggested that if she & the Board continued to do some of the day to day management, then that's one less part to be charged for. Director Williams replied that many on the Board & in the District have health issues.

Ms. Callan asked to comment stating there has been a great deal of underground talk about past board's & she feels that has to stop. Regardless of the friendly lawsuit, we paid those bills & we paid them honorably. Director Williams addressed Ms. Callan stating all she has to go on is trying to do what is right. Ms. Callan says the residents have no problem with that, it's the gossip that has to stop. Director Williams then said she only talks to 2 people in the District so how could she gossip. Ms. Callan said she wants the gossip to stop. President Waller interjected that the gossip from the residents, the Board, from where ever needs to stop. The District will never move forward if everyone is trying to under cut everyone else. Bottom line, it's all a detriment to this district. Secretary Springer spoke up saying the past needs to stay in the past.

President Waller then called on the Board members & the residents that were present to turn over a new leaf & not continue to gossip, not to bring up the past constantly & to promote all this District has going for it. All were in agreement.

President Waller began to call for a motion, however, Treasurer Waller stopped her pointing out to the Board that in their packets he had included a spreadsheet of what the District has been paying for management.

President Waller then asked that two (2) things are decided. First, with all of the information & education that Treasurer Waller has gained, along with the fact that he is a project manager & writing quotes & RFP's daily, is there a motion to allow him to be responsible for sending out the RFP's & then getting the responses to the remainder of the Board. Secretary Springer wanted to ask first if the Board would be including the need for a DEO (Designated Election Official) in the RFP's & Treasurer Waller said he would make sure that's in the RFP's. Secretary Springer made a motion for Treasurer Waller to write the RFP's, send to the other Board members for review then send to the agreed upon management firms. Director Williams seconded the motion & all unanimously agreed.

Second, President Waller stated that hand in hand with hiring new management is the website & emails. Director Williams said she had seen in email that Treasurer Waller had been in touch with Cade. Treasurer Waller replied he has asked Cade for the key & administrative information to be able to transfer the website.

President Waller went on to state that in building a new website the Board needs to go ahead & decide which website builder it wants to use. She stated personally, since it uses g-suite, she preferred not to use Wix. Secretary Springer said he didn't think Wix used g-suite. President Waller went on to state that with the various & random problems the Board members are experiencing with g-suite, she would like to stay away from any email provider that uses it. Treasurer Waller sent to the Board a comparison of Wix & Go Daddy. He stated that he has used Go Daddy in the past

when he was self-employed. Treasurer Waller also confirmed with Go Daddy that documents can be uploaded to the website with a single .pdf file.

Secretary Springer wants to work through deciding which website builder to go with then work on the specifics of actually building the website at another work session for the Board. President Waller replied that this was not something we could put off to discuss at future meetings. With the changes that are occurring in the District at such a fast pace, she wants to be able to update the residents asap & not have to wait for beta testing to be done on the website. Secretary Springer said he had never used WordPress or Go Daddy.

Past President Winterer noted that he builds his own website through hard coding as he doesn't care for any of the website builders out there.

Director Williams said she was shocked to find out that there were several html errors on the current website.

President Waller discussed with the Board that in no way did she expect or think the Residents expected her to have the website completely updated with all past history on the website within a few days to a few weeks. She said this would be a project that would take a little while. She stressed yet again that we need to be able to post information on the website through these changes in the District. President Waller knows it's going to be a lot of work, but it'll be positive work.

Secretary Springer thinks the website can be built by the end of December. He suggested that Treasurer Waller build the website then send it on to him (Secretary Springer) essentially making Secretary Springer a tester & since he would be a tester, he should not be involved in building the website. Treasurer Waller then stated that in the interim of getting the website up & running, he could get the email up & running. Director Williams asked who would be the webmaster & there was discussion of it being Treasurer Waller or Secretary Springer. President Waller was instructed that she would be tester & in time, wouldn't be allowed to upload to the website as that should only be done by the webmaster.

Lastly, President Waller shared with the Board that Tim, the representative with Divide Fire sent her an email earlier in the day. Divide Fire has a classroom that would be good place to hold the Board of Directors meetings there. Tim stated that the group

that used their classroom the third Wednesday of the month changed their schedule to the second Wednesday of the month to accommodate our needs. She said she will bring it up at the next scheduled Board of Directors meeting. Also, there will not be a charge for use of their classroom.

Treasurer Waller wanted to revisit the conversation about the website saying the gig storage is 50 & from a cost standpoint it looks to be less than \$500 for five (5) emails. Then the website support for a year is under \$500 for the year. Treasurer Waller goes on to say that the District pays \$245 per month plus if Judy or Paige upload anything to the website, the District is charged their hourly rate of \$80/hr.

Secretary Springer asked that when the Board receives information from the RFP's that were sent out, could one ask for a copy of their billing so that the Board may see it.

Lastly, Treasurer Waller let the Board know that he took the online training with Key Bank that was required to finish the application for the credit card for Lynn Willow, ORC. Treasurer Waller explained that there is the credit line for Lynn with an actual card, then there is what's called a ghost account where an account number is provided & can be used however, there's no card issued. After a discussion about the website & approximate cost. Treasurer Waller made a motion to allow he & Secretary Springer to charge the setting up of the webpage to the "ghost" account of the credit card to pay on a monthly basis, totaling approximately \$30-\$40. Secretary Springer seconded the motion & it was unanimously passed.

ADJOURNMENT

Secretary Springer made a motion to adjourn the meeting at 6:52 pm with Director Williams seconding the motion. It was unanimously approved.

**THE NEXT REGULARLY SCHEDULED MEETING WILL BE HELD ON
TUESDAY, NOVEMBER 27, 2018 AT 5:30PM AT THE WOODLAND COUNTRY
LODGE, 730 COUNTRY DRIVE, WOODLAND PARK, COLORADO 80863**


Respectfully Submitted,



Jennifer J. Waller, President of the Board of Directors

**THESE MINUTES APPROVED AS THE OFFICIAL NOVEMBER 5, 2018
MINUTES OF ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD
OF DIRECTORS**

(Signed copy in possession of the District Manager)



Jennifer J. Waller, President



Craig Waller, Treasurer

Ken Springer, Secretary

Betty Williams, Director