

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

October 18, 2017: 5:30 P.M. at

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

ATTENDEES

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

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

Ken Rupp, Skyway Ranch

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 excuse Secretary Seaman; with Director McDowell seconding said Motion. Secretary Seaman was unanimously excused.

Director McDowell made a Motion to remove Clay Brown and Adam Summers from the Agenda and postpone her presentation of the SDA conference until November 2017 Board meeting. Treasurer Williams seconded said motion and the Agenda was unanimously approved with the modifications.

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 September 20, 2017. Director McBride made a Motion to approve, with Treasurer Williams seconding said Motion. The Minutes were unanimously approved.

American Conservation and Billing (AmCoBi): The District Manager presented the Proposal and Agreement from AmCoBi and also a Summary of the specific changes if outsource of billing occurs. She noted that the District would save approximately \$200 a month in lockbox fees and that MDM's billing would decrease for office supplies and postage. These decreases in charges would offset the charge of \$3.75 per home per month by AmCoBi. Also, the customers would have the benefit of saving the current \$1.00 charge for paying their bill on line from their bank accounts. They will also have the ability to log into AmCoBi and view their previous and current usage and invoices.

Treasurer Williams discussed the amount of time and complaints regarding water usage and noted that that would not change with a new billing firm. However, Treasurer Williams made a Motion to accept the Agreement with AmCoBi; with Director McDowell seconding said Motion. The Agreement with AmCoBi was unanimously approved and the contract signed by President Winterer.

The Manager stated there was a lot of data to transfer to AmCoBi and that she did not believe it was possible for the water billing to begin with AmCoBi until December 1, 2017.

The Manager presented a letter to Key Bank for Board signature that would close the Key Bank lockbox and open a Key Bank checking account for transfer of funds from AmCoBi to AAMD. The Board reviewed, and Treasurer Williams made a Motion to close the lockbox fund and open the checking fund with Key Bank. Director McBride seconded said Motion and it was unanimously approved and signed by President Winterer, Treasurer Williams and the District Manager.

The Manager asked the Board to consider closing the Park State Bank account as the new Key Bank checking account could be used for payment of claims; and the only reason for Park State was to transfer funds from Key Bank to Park State to pay bills. She also noted that this would lower the number of banks from three (Key Bank, Park State and ColoTrust) to two banks.

Ken Rupp: Mr. Rupp spoke to the Board about Reservoir #2 and release of water to him. He stated he had come to get authorization to have Mountain Mutual release approximately 21.81 acre feet of the water to him. Mr. Rupp stated that Reservoir #2 is on Skyway Ranch property. Mr. Rupp did acknowledge that the last time water was released was in 2003. The Manager noted that 2003 was when the water system and water rights were purchased by Arabian Acres Metro District and the augmentation was also transferred to AAMD.

Mr. Rupp again stated that Reservoir #2 was owned by Skyway Ranch and that there was also had an easement around the reservoirs. The Manager stated that her concern was not with the easement. Ms. Bertrand stated her concern was with the Skyway Ranch and Skyway Ranch Reserve Association's recent Quit Claim filings. The Manager stated per her reading of the contract that all water rights, augmentation and water system transferred to AAMD in 2003. She questioned why he had filed Quit Claim Deeds showing the transfer of the Water Right decree to Reservoir #2 by Arabian Acres Water Co, LLC to Skyway Ranch, LLC and from Skyway Ranch, LLC to Skyway Ranch Reservoir Association in November of 2016.

The Manager asked Mr. Rupp if he believed he owned the reservoirs, water in the reservoirs, water rights or augmentation. He stated he did not, but again mentioned 21.81 acre feet of water and the easements. Mr. Rupp indicated that he owns recreation and stock watering augmentation, but then stated that AAMD did have the augmentation rights.

The Board stated that they wanted the District Attorney, Jason Downie to review the documents. Mr. Rupp then stated that his purpose of speaking to the Board was to develop a partnership with AAMD. He also stated that the City of Aurora could shut off water in the event of a drought.

The District Manager asked the Board for authorization to contact Jason Downie and the Board unanimously recommended she do so.

Peak Internet: The Manager presented the contract Peak Internet had provided and noted that the contract allowed Peak Internet to determine the location of the tower and also allowed them unilaterally to extend the contract for 5 10-year terms. The Board discussed that the tower location might impact a potential water storage tank in the future. With the offer of only \$250 per month lease from Peak Internet, Treasurer Williams made a Motion not to accept the lease offer from Peak Internet; with Director McDowell seconding said Motion. The Board unanimously voted to not lease to Peak Internet.

OPERATORS REPORT

The ORC presented his report and requested approval to order the Pipestone Equipment tank circulator which will keep ice from forming in the tank and reduce wear and tear on the interior coating. The Quote from Pipestone is for \$8,030. Mr. Willow also noted that there will be a charge from Browns Hill Engineering to hook up the SCADA monitoring. He estimates an additional \$1,500 to \$2,500.

Director McDowell made a Motion to approve expenditure for the tank circulator and SCADA hook up not to exceed \$12,000. Treasurer Williams seconded said expense and it was unanimously approved. Mr. Willow stated he will order.

MANAGER'S REPORT

November 2017 Board Meeting: The Manager stated she would not be back from another District Board meeting until late in the day on November 15, 2017 and asked the Board if they would consider moving the meeting to Thursday, November 16, 2017. Treasurer Williams made a Motion to move the Board meeting from Wednesday, November 15th to Thursday, November 16th. Director McDowell seconded said Motion and the Board unanimously approved. The Manager will contact Shining Mountain Golf Course to request room reservation for November 16th.

AAMD Updated Goals: The Manager presented the Board Goals and identified specific items that the Board would like to work on.

- **Communication:** One of the items agreed to by the Board was to provide the homeowners with information on plans for the District and how the District's financial position has improved. The Manager provided a letter and spreadsheet for Board review that identified what the District's plans are and how the District has improved its financial position.

Director McDowell made a Motion to approve and distribute the letter to homeowners, with Director McBride seconding said Motion. The letter and financial document were approved and signed by the Board.

Tap Application for 77 Denwood: The Manager noted that they had received the Tap Application from Al Neely and that Lynn would be connecting them on October 16, 2017.

The Manager requested authorization to transfer \$17,000 from Key Bank to Park State Bank to make the payments for October. Director McBride made a Motion to authorize the transfer, with Treasurer Williams seconding said Motion. The transfer was unanimously approved.

FINANCIAL REPORT

Claims: The Manager presented the claims for payment. Director McDowell made a Motion to approve; with Treasurer Williams 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). Treasurer Williams made a Motion to accept the unaudited financials; with Director McBride 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.

2018 Budget: The Manager presented the 2018 Budget to the Board for review. After discussion, Director McBride Made a Motion to pass the 'Resolution to Adopt the Budget', the 'Resolution to Appropriate Funds' and the 'Resolution to Set Mill Levy'. Director McDowell seconded said Motion to pass the Resolutions and they were unanimously passed and signed.

NEW BUSINESS

Trout Haven: Director McDowell mentioned a property close to her that may want to connect to AAMD. The Board looked at the map and discussed options regarding extending the line. No decision was made.

Director McDowell also mentioned trying to reach out to Trout Haven, but the problem is that the Manager does not have contact information for them. The contact information she has is for water billing purposes after they are connected. Craig Baker stated that David Rustrum was President of Trout Haven Homeowners Association. Director McDowell may reach out to him.

Colorado Rural Water Association: Mr. Willow mentioned that we were not members of CRWA, but should be as there are many benefits. Director McBride made a Motion to

authorize Mr. Willow to file for membership; with Director McDowell seconding said Motion. The Motion to become members of CRWA was unanimously approved.

PUBLIC COMMENT

None

ADJOURNMENT

Treasurer Williams made a Motion to adjourn the meeting at 7:40 p.m. with Director McBride seconding said Motion. The meeting was adjourned.

The next Regular meeting is scheduled for **Thursday, November 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 OCTOBER 18, 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