

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

March 20, 2019 at 5:30 P.M.

Divide Fire Station, 103 Cedar Mountain Road, Divide, Colorado 80814

In attendance were Directors:

Jennifer Waller, President

Craig Waller, Treasurer

Edith Coffman, Assistant Secretary

Lucas Ortivez, Secretary

Lanny Hoel, Assistant Secretary

Lynn Willow, ORC

Kevin Walker, WSDM

Lori VonFeldt, WSDM

Tim McElroy, Dana Kepner Co.

Jason Downie, Susemihl, McDermott, &
Downie, P.C.

Members of the public (see sign-in sheet)

Also in attendance were:

1. Administrative Matters

- a. Call to Order and Declaration of Quorum: President Waller called the meeting to order. President Waller confirmed a quorum and all board members were present.
- b. Confirm any potential conflicts of interest: President Waller confirmed with the Board that there were no potential conflicts of interest.
- c. Discuss and Approve the Agenda: President Waller noted the following additions to the Agenda: Item 1.i.) Review bids received for meter project and vote to execute the contract documents with Velocity Constructors. Mr. Walker added item 2.b.) Action as a result of the executive session. Director Hoel moved to approve the Agenda; seconded by Director Coffman. Motion passed unanimously.
- d. Review and Approval of the February Board of Directors Meeting Minutes: The Board confirmed they had time to review the minutes. Director Coffman moved to accept the February Board of Directors Meeting Minutes; seconded by Treasurer Waller. Motion passed unanimously.
- e. Presentation by Tim McElroy with Dana Kepner: Mr. McElroy presented a few components of the new smart meter project including an actual smart meter, radio equipment and the meter pit to show the residents. He explained the activation and installation process and how the radio will read the meter transmissions digitally and upload them directly into the billing software. He noted the new

smart meters will have a 20-year warranty. The Board added that the smart meters will be installed in the entire District.

- f. Presentation of Petitions Certifications and Call for an Election: Mr. Walker said he received notice that the designated election official has told us that she does not need to come to the meeting this evening to present. The Board agreed to move on to the next Agenda item.
- g. Ratify Hiring of Wayne Williams, Election Legal Counsel: Mr. Walker explained that as the recall election was submitted the Board needed additional legal expertise, so they contacted Mr. Williams. Mr. Williams is a previous Secretary of State who has his own law practice and has been a designated election official in the past. After discussing that with the three Board members who are not under recall, they decided to retain him for legal services for the period of this election for the District. Director Coffman moved to ratify the hiring of Wayne Williams; seconded by Director Hoel. Motion passed. President Waller and Treasurer Waller recused themselves from the vote.
- h. Kumar & Associates Geotechnical Engineering Study proposal – President Waller said she received a proposal from Kumar & Associates for the geotechnical engineering study to be done. She explained the study for the proposed construction on the tank and the two buildings for Capital Improvement Project No. 2 totaling \$4,000. President Waller confirmed with Mr. Willow the location of the two buildings will be approximately where control buildings A and B are currently located. President Waller requested authorization from the Board to sign the proposal. Treasurer Waller moved to authorize President Waller to sign the proposal; seconded by Director Hoel. Motion passed unanimously.
- i. President’s Report and Review bids received for meter project and vote to execute the contract documents with Velocity Constructors: President Waller said they received two bids, the top bid was with Velocity Constructors for \$150,474. The second bid was from Mallet Excavating for \$299,421.08 which was double the price of Velocity Constructor’s bid. Mr. Sommers told President Waller that Velocity was the company he worked with when they did the Florissant project, so he has history with them. Mr. Willow noted that Mr. McElroy also has history with them and said they are a good company. President Waller added they were hoping for a bid in the price range of the project cost estimate, so they are thrilled that it came in. President Waller confirmed they have discussed the specifics of the project with Velocity Constructors and Mr. Walker noted there was a third bid that came in between the two proposed bid amounts. Director Hoel moved to authorize President Waller to sign the notice of award, notice to proceed, and the agreement with Velocity Constructors, Inc. in the amount to not exceed \$150,474

for the potable water meter project to begin in April 2019; seconded by Director Coffman. Motion passed unanimously.

President Waller had a brief update for the Board and said she went out with the engineers to meet with the contractors when they did the walk-thru. She said she also got to tour with Mr. Willow during the leaks that we have had and was able to learn quite a bit while getting them under control and taken care of.

2. Executive Session

- a. Executive session to receive legal advice on the status of the recall election: Director Coffman moved to close the regular session and enter into executive session for the purpose of receiving advice from legal counsel for the District on specific legal questions related to the District's relationship to the court-designated DEO for the recall election described under 32-1-901-39-10, C.R.S., and any general questions regarding the District's responsibilities, obligations and duties relative to recall procedures all as authorized by section 32-24-6-402-4B, C.R.S.; seconded by Director Hoel. Motion passed. President Waller and Treasurer Waller recused themselves from going into executive session. Director Hoel moved to come out of executive session; seconded by Director Ortivez. Motion passed. President Waller and Treasurer Waller recused themselves from voting.

3. Operator's Report

- a. ORC Report: Mr. Willow reported to the Board. He discussed a frozen line at a residence that occurs almost every year due to a conflict of how between the homeowner & Mr. Willow on how to remedy the situation that causes the frozen line as well as who is responsible financially for the fix. Mr. Walker said he will look for the proper citation. Mr. Willow confirmed the cost for the float and parts for the resident's cistern would be around \$70 and they could either take the roof off the building to install from the top or drill into the side of the tank and install that way. President Waller said she would like to keep this item on the table for discussion moving forward.

4. Financial Matters

- a. Metropolitan District Management Invoice for Retainer of DEO Legal Counsel: Mr. Walker said he spoke with Mr. Downie and they recommend that the District does not pay the \$5,000 reimbursement of retainer for the legal counsel, the statute requires the District to pay reasonable and necessary expenses, but the payment of the retainer does not meet the statute. Director Coffman moved to not pay the reimbursement of Ms. Bertrand's legal counsel; seconded by Director

Ortvez. Motion passed. President Waller and Treasurer Waller recused themselves from the vote.

- b. Review and Approve the Payment of Claims: Ms. VonFeldt presented the Financials and Payables. She noted the annual Special District Association fees that were paid. Ms. VonFeldt added that they have the account at Eastern Colorado Bank up and running and they have already been making deposits into it. Treasurer Waller moved to approve the payment of claims; seconded by Director Coffman. Motion passed unanimously.
- c. Review and accept the February 2019 Financial Statements: Director Ortvez moved to accept the February 2019 Financial Statements; seconded by Director Hoel. Motion passed unanimously. Ms. VonFeldt reported that billing went out March 6th and within 30 days we will be able to do over the phone and over the counter payments. She noted that 51 reminder letters were sent out and the total came to \$15,289 that the District has not collected. Ms. VonFeldt said they waived late fees for this month since everything was being worked out, but next month there will be late fees charged. She said there are 20 accounts that are past due one month, 8 accounts that owe prior to 2019. A few accounts are over \$1,000, one that owes \$900 and a few that owe \$600. Ms. VonFeldt stated they have not received the history from the previous billing company yet, but they will keep the Board updated.
- d. Review Outstanding Debt and Liabilities

5. New Business:

- a. Questionnaire Discussion: President Waller discussed the questionnaire that was given out for the vision of the District. Treasurer Waller moved to table this discussion until next month; seconded by Director Hoel. Motion passed unanimously.

6. Public Comment:

President Waller said she wanted to clarify an issue that was brought up about bank access. She explained that the entire Board is on the bank account and that the management account has no way to access funds in any shape or form. The designated signatories on the account are Treasurer Waller and Director Ortvez. She said that she saw somewhere that someone was irate because it used to be three signatures and it is now down to two. She said there has never been an instance that required three signatures and the bank only requires one signature, but it is Board policy to have two signatures on every check. President Waller opened the meeting for public comment and noted that questions must be submitted to the Secretary of the Board, Director Ortvez by email and his email address is available on the District's website.

Mr. Baker asked about the budget for trucking in water and said he will submit it formally. President Waller said they will look into his question and give him an answer.

A woman asked about the signs for a meeting and if there were to be a bad storm and the meeting is rescheduled, how would they be notified. President Waller said everything is on the website, and meetings are held on the third Wednesday of every month at 5:30 p.m. If a meeting is cancelled an email would go out to notify residents. Meeting notices are also posted in the glass case in Trout Haven. President Waller said she will add her to the email list so she is notified moving forward.

Mr. Al Brown said he posed a question a couple months ago about the ability to pay off the \$200,000 loan for meters and potential \$3 Million loan coming up. He said he still doesn't understand the feasibility of paying the loans since we have a fixed income. Mr. Walker said he will make a report on that and can provide it to him.

Mr. Baker said he has a hard time hearing the Board and would like to hear what the Board is saying.

Mr. David Biondo said as a former Board member, he has made some observations and he is appalled that they are still buying water and he is also appalled that 51 people are not paying their bills. He doesn't understand why they do not have people calling and chasing them down to pay or on payment plans. He said he observed that they should have that figured out and down to less than 10%. He said they need to work on the finances and take it serious and start working on the numbers. A man asked how many people owed money when he was on the Board. He said six people and they had it down to less than 10%. Mr. Biondo said Terry Malcom was the manager at the time and he was very good at the time and nobody knew he was going to do what he did.

7. Adjournment:

Director Coffman moved to adjourn; seconded by Director Ortivez. Motion passed unanimously.

THE NEXT REGULARLY SCHEDULED MEETING WILL BE HELD ON WEDNESDAY, APRIL 17, 2019 at 5:30 p.m. at the NEW LOCATION, DIVIDE FIRE STATION, 103 CEDAR MOUNTAIN ROAD, DIVIDE, COLORADO 80814

Respectfully Submitted,

Walker Schooler District Managers

By: Kristina Kulick for the Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL MARCH 20, 2019 MINUTES OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

***THE OFFICIAL SIGNED COPY IS LOCATED AT WALKER SCHOOLER DISTRICT MANAGERS.

Jennifer Waller, President

Lucas Ortivez, Secretary

Craig Waller, Treasurer

Edith Coffman, Assistant Secretary

Lanny Hoel, Assistant Secretary