

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

May 15, 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

Also in attendance were:

Lynn Willow, ORC
Lori VonFeldt, WSDM
Kristina Kulick, WSDM
Members of the public (see sign-in sheet)

1. Administrative Matters

- a. Call to Order and Declaration of Quorum: President Waller called the meeting to order at 5:39 p.m. 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 added Agenda item 1.g.; Board review and approval on the contract with Mr. Sommers, AquaWorks to work on the construction documents and provide engineering services for the upcoming projects, and the contract and payment for Velocity Constructors. Director Coffman moved to approve the Agenda with discussed additions; seconded by Director Ortivez. Motion passed unanimously.
- d. Review and Approval of the April Board of Directors Meeting Minutes: Director Coffman noted Mr. Biondo's comment from the April meeting minutes. She said it was important to add his comment about the construction projects and why we were doing the projects. President Waller had explained to him the reasons behind the projects and what the engineers had found. Mr. Biondo responded that we should not listen to the engineers and we should not do the planned projects. Director Coffman moved to approve the April minutes as amended; seconded by Director Hoel. Motion passed unanimously.
- e. President's Report: President Waller discussed the upcoming Water Fluency Program designed to help professionals and special district staff with water resource planning. President Waller said she was very interested and wanted to pass the

information on to the Board to see if anyone else was interested in attending. She explained the cost is \$1,350, but attendees can apply for a scholarship through SDA that will cover a portion of the costs leaving only \$300 left to be paid. President Waller said she would like to request permission to attend only if she gets the scholarship. The Board agreed to discuss this item next month.

President Waller noted the water meter project is set to start June 1st. President Waller passed around a post card that will be sent out preliminary to residents explaining that services will be shut off temporarily during the water meter installation. Door hangers will be placed 24 hours prior to service interruption as well.

- f. Approve the Resolution for CWCB Grant Funding Contract CT2019-2792 011119: President Waller explained a Resolution is required by the State to show the Board accepted the Grant Funding Contract. She confirmed nothing is changing. Director Coffman moved to approve the Resolution for CWCB Grant Funding Contract CT2019-2792 011119; seconded by Treasurer Waller. Motion passed unanimously.
- g. Adam Sommers with AquaWorks Contract Discussion and Velocity Constructors Certification of Work: President Waller explained the contract with Mr. Sommers and the Velocity Constructors certification of work that needs to be approved by the Board and signed. Director Ortivez asked how the reimbursement will work for Mr. Sommers. Ms. VonFeldt explained that she received all the information needed from Mr. Sommers, so now we just need to bill the grant for reimbursement of Mr. Sommers' costs. President Waller said the Velocity Constructors certification of work is for \$1,700 and the District will release the funds from the grants. Ms. VonFeldt said she is currently working with the Auditor on the feasibility of loans and affordability and they should have a presentation and overview next month with what was found. She noted they are also working on the District's audit. Director Coffman moved to authorize President Waller to sign the contract for Mr. Sommers with AquaWorks; seconded by Director Ortivez. Motion passed unanimously. Director Coffman moved to approve and release the \$1,700 for Velocity Constructors certification of work; seconded by Director Hoel. Motion passed unanimously.

1. Operator's Report

- a. ORC Report: Mr. Willow reported to the Board that there were no leaks and no water was purchased this month. The Bactine testing was done and results were negative. Mr. Willow said he met with Dana Kepner on the meter project, and they plan to start Monday, June 3rd. Residents will be notified 24 to 48 hours pri-

or to service interruption. Mr. Willow noted that residents will eventually be able to schedule a time to remove old meters from house. Mr. Willow said since there are a lot of new residents on the water, he wanted to explain ORC responsibilities for the new residents. He explained that on a daily basis, he works to assure that residents have safe water. As a Water Operator, he is licensed by the State of Colorado and his responsibilities include keeping an eye on the water system, making repairs and replacements on wells and pumps and main lines as needed. He noted that with the District's older service lines, it has been a challenge from the beginning. Many of our lines are not designed for what they are being used for and they have surpassed their life. Mr. Willow explained he is not responsible for billing or Board decisions and he is only responsible for safe, potable water and reporting to the State.

2. Financial Matters

- a. Review of billing and collection status: Ms. VonFeldt presented the billing and collection status to the Board. There were 23 reminder letters sent today with 2 warning letters and 2 shut off notices.
- b. Review and Approve the Payment of Claims: Ms. VonFeldt presented the payables and said it was the usual invoices for the month. She noted an invoice for K&A Excavating and a bond interest payment that will be done on June 1st from Colorado Trust Bank in the amount of \$28,601. Director Ortivez moved to allow the wire transfer for the interest payment; seconded by Director Coffman. Motion passed unanimously. Ms. VonFeldt said she will not process a payment on the DEO's invoice until she gets Board approval. Director Coffman said the Board does not have confidence in these bills, so they will wait until the Court decides. President and Treasurer Waller recused themselves from the discussion and vote. The Board discussed that Recall expenses total over \$30,000 at this point, including the \$16,000 for the DEO. Director Ortivez moved to approve the payment of claims with the exception of recall expenses; seconded by Director Coffman. Motion passed.
- c. Review and accept the April 2019 Financial Statements: Ms. VonFeldt presented the budget vs actual and noted that not much has changed since last month except certain items have gone up such as repairs and maintenance and water purchases, although there were no water purchases for the last draw. President Waller noted the water purchase needs to be budgeted better for 2020. Ms. VonFeldt reported that the website is up and running with various forms of payment options available. Director Coffman moved to accept the financial statements; seconded by Director Ortivez. Motion passed unanimously.
- d. Review Outstanding Debt and Liabilities – Impact on future fees and charges: President Waller noted that Mr. Walker was unable to attend the meeting, but he had spoken to the homeowners at 474 who have a large usage bill unrelated to the prior freeze and leak. Mr. Willow said they went and inspected and found no

leaks. Director Coffman said they have been running through our water with their leaks for the last 3 years and it has been expensive, so she would like to have this issue addressed. President Waller said Mr. Walker is working on it and is in touch with them.

3. Other Business:

a. Questionnaire Discussion: The Board decided to table this Agenda item indefinitely and remove it from the Agenda moving forward.

5. Public Comment: President Waller informed the public that the Board will allow 3 to 4 minutes for public comments if everyone is respectful and there is a purpose to the comment.

Mr. Baker asked if the Board is not paying the DEO and legal bills until the Board has a motion. Director Coffman clarified that the Board is waiting until the Judge has ruled on the costs. Mr. Baker asked if she has a statute to cite. Director Coffman said the District Court Judge allowed us to wait until the Judge rules on the issues before the Court that addresses the DEO's pay. Mr. Biondo interrupted and started speaking out of turn. Mrs. Calhan said it is not appropriate to interrupt and add things to someone else's comment and doing so is a discourtesy to everyone. Director Hoel suggested ending the meeting due to the disruptions.

Mr. Brown said he is bringing up the same comment that he brings up every month, and that is he doesn't think the District can afford to pay the \$3 Million loan. He would like for the Board to discuss the cash flow basis. President Waller explained that several months ago, she asked WSDM and the Auditor to reanalyze and investigate everything for the loans for Project No. 2. WSDM will present a new look at things and see where we are at based on the Audit. Ms. VonFeldt explained that the Auditor is a CPA and he will help review the numbers and do an analysis for the District. Mr. Brown said we may want to consider asking people who are on the service if they are willing to go into that debt. President Waller noted we had a community meeting last year. As far as the Arabian Acres MD the lines are failing, and they need to be remedied and fixed. Mr. Brown said he has requested to look at maintenance documents and knows we have had failures in the last few months related to feeder lines to houses that won't be fixed with main replacement. He said he understands the piping is old but wonders if we need to do \$4 Million in upgrades or smaller repairs in other areas. Ms. VonFeldt noted that the District could have done a refinance in 2016, so the District could look at those numbers and do a refi and possibly pay off the debt faster that way. President Waller noted that Mr. Walker spoke with the underwriters on the bond, and a refi could possibly affect the District's disadvantaged community status for grants. Mr. Brown said he has concerns from past financial problems, and since the whole district gets taxed, he wants to be sure it is a sound plan financially going forward. President Waller said the Board appreciates Mr.

Brown's concerns and they want to have the full support from the entire District whether they are on water service or not.

Mr. Biondo said he refinanced the bonds in 2007 and there is no way an investment banking firm will support \$4 Million on a system worth \$1.2 Million. Ms. VonFeldt said that she is very aware and works with underwriters on this every day and she thanked him for his comment. President Waller explained that we have looked at grants, and nothing has been signed to get that loan. It is only a preliminary look and for the paperwork to allow them to look at finances and the District. Nothing has been signed on for a \$3 or \$4 Million loan. Mr. Biondo said we got the mill levy increased and that is how we got the loan. President Waller said the mill levy is to pay the bond payment because the water revenue was not enough. The 10 mills increase was to pay off debts related to Mr. Malcom's embezzlement and nothing to do with getting a loan. Mr. Biondo read off the statute regarding recall election costs. Director Coffman explained her motion again in reference to paying the costs of the DEO. Mr. Biondo said we are in violation of the statute. He said this Board proposes that these costs be paid by the District. Mr. Biondo was asked to leave the meeting due to his numerous interruptions and speaking out of turn by President Waller. The Board discussed adjourning the meeting and ultimately agreed to stay in session.

Mr. Willow said now you are going to hear the truth and my opinion about the stuff that has been going on in the District. He said I am the most qualified individual to make a comment about Board members both past and present since late 2006 because I am the only one who has worked with each Board member since that time. In the past there has always been one or two board members with their own agenda, some out for power, some driven by ego and one was on the Board for just the money each month. He said not with this Board of Directors. This is the most cohesive set of board directors he has had the pleasure to work with. He added that as far as Board Presidents go, Mrs. Waller is one of the two best Presidents he has worked with. He said she has more integrity and honesty in her pinky finger than the entire recall committee. He said President Waller has worked hard to do what is best for the District. He said the recall committee has compared Treasurer Waller to Mr. Malcolm and that is a gross and utterly disgusting comparison. Mr. Willow said last month a person in the audience asked the three board members who are not involved in the recall if they supported hiring an attorney to fight the recall. He said he was never so proud of three individuals in his life when they said yes because the recall is based on complete lies, false accusations and pure evilness. He said the Board has morals, integrity and they know the difference between good and evil and are doing their best to not let evil win. Mr. Willow said when it comes to the cost of this recall, go ahead and blame the recall committee for costing the District so much money. He said he has emails from Ms. Vannini stating that she will run through all the District's resources and bankrupt Arabian Acres MD no matter what the results are. Mr. Willow said for those of you who don't know, the recall was started by two people, the leader being a narcissist and the co-founder of the recall committee has had a dislike for him for several years. Mr.

Willow said he doesn't know why he has a dislike for him because he saved him \$800 on his tap fee when the bank made him connect to our system. Mr. Willow said there was a wrongly recorded meter last year, but the account was adjusted to make up for the overpayment and he was given a month of water for free. He said you would think this would have satisfied him, but he is so filled with hate and anger that he ran around the District saying he was wronged when he was given fairness. Mr. Willow said he has documents and emails showing the lies made by the leader of the recall committee and other people. He said this person has even gone as far as to make false reports to the State of Colorado about him in which the State investigated and found no wrongdoing and found slanderous lies on the part of the complaint and other anonymous callers. Mr. Willow added that falsely reporting to a State agency is against the law and can be a felony. He said if you can afford to have a felony or maybe add one to your record, then continue with your lies and false accusations. Mr. Willow said now the fearless leader of the recall committee has sold her house and moved, starting this whole thing and then leaving. He said he heard she had plans to move a year and a half ago. Mr. Willow said yes, the recall committee got 200 signatures, but every one of them was under false pretenses. He said he knows of the false statements that were made by the recall committee because he has had over 30 residents approach him over the last couple of months asking about the accusations made against The Wallers. Mr. Willow said he told the residents they were lied to and that The Wallers are good people, and probably two of the most honest and honorable people in the entire District. Mr. Willow said for those who live in Trout Haven and are not on the water service and are angry about the 25 mills, he understands that the inclusion agreement was done by the Board in 2002. He said if you have to pay for services that you do not receive such as I have to pay for a school district that my children never attended, then you can approach Mr. Biondo who is the only one here from that Board of Directors who voted and passed the assessed 25 mills on your taxes. He said if the recall election is successful and there is an election, my sources tell me that the candidates running will be Trout Haven residents who are not on the water and a new Arabian Acres resident who has not lived inside the District one day as of this date. He said I would think having a board member who is not on the water system and doesn't have to pay a service fee and water rate would not have the best interest of the residents in mind because rates would not affect them one bit. It would be the beginning of the end of the Arabian Acres MD. He said he has heard rumors they want to exclude from the District, and this is their way of doing it, but doesn't know if that is true or not. Mr. Willow said his final statement is if you are on the recall committee and you are supporting this recall, shame on you for perpetrating these lies. He said I hope you can live with yourselves because I surely could not and nor could any other decent, moral human being.

Mrs. Williams said she has not lied. Mrs. Calhan said she has proof that she lied which is the booklet that was handed out to residents. Ms. Williams said she only handed out two booklets and Ms. Vannini made the booklet and she only added one thing to it. Mrs. Calhan requested that police be at the meetings because Mr. Biondo is out of control and does not follow Board rules. President Waller said last meeting went so well that she

thought we didn't need police present this evening, but the Board will have a police officer in attendance moving forward and it will not cost the District anything. Ms. Callan said I have been here from the beginning of the District and she has had differences with Boards in the past, but she tries to be professional and a respectful citizen. She said you must respect the office and someone who is so out of hand like Mr. Biondo who interrupts and talks over you with no courtesy. She said he should be ejected from the meeting and a police officer can do that.

Mr. Revers said he is from Lubbock and works in Buena Vista Prison and is a resident in Trout Haven. He said he is on a well and just came to the meeting to see what is going on in the District. The Board welcomed him to the meeting. Mr. Revers asked where the new lines will be, and if they will be in Trout Haven. Mr. Willow explained the only area in Trout Haven that will be serviced, and they already have brand new lines.

Mr. David Johnson said that he has been in the District 8 years and has never known Mr. Willow to be anything but honest.

6. Adjournment:

The Board adjourned the meeting at 7:02 p.m.

THE NEXT REGULARLY SCHEDULED MEETING WILL BE HELD ON WEDNESDAY, JUNE 19, 2019 at 5:30 p.m. at the 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 MAY 15, 2019 MINUTES OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Jennifer Waller, President

Lucas Ortivez, Secretary

Craig Waller, Treasurer

Edith Coffman, Assistant Secretary

Lanny Hoel, Assistant Secretary