ARABIAN ACRES METRO DISTRICT
Walker Schooler District Managers
614 N. Tejon Street
Colorado Springs, CO 80903
719.447.1777

NOTICE IS HEREBY GIVEN that a Public Meeting of the Board of Directors of ARABIAN ACRES METROPOLITAN DISTRICT, Teller County, Colorado has been scheduled for WEDNESDAY, July 17, 2019 at 5:30 p.m. at Divide Fire Station, 103 Cedar Mountain Road, Divide, Colorado 80814 for the purpose of addressing those matters in the Agenda set forth below.

Board of Directors Office Term/Expires
Jennifer Waller, President 2022
Craig Waller, Treasurer 2022
Lucas Ortivez, Secretary 2020
Edith Coffman, Assistant Secretary 2020
Lanny Hoel, Assistant Secretary 2020

Adam Sommers, Engineer AquaWorks
Josephus Leroux, BiggsKofford, Auditor
Dallas Schroeder, Elbert County & Arabian Acres Designated Election Official (DEO)
Lynn Willow, ORC
Kevin Walker, WSDM
Lori VonFeldt, WSDM
Kristina Kulick, WSDM

AGENDA

1. ADMINISTRATIVE MATTERS

a. Call to Order & Declaration of Quorum
b. Confirm any Potential Conflicts of Interest
c. Discussion and Approval of the Agenda
d. Review and Approval of the June Board of Directors Meeting Minutes
e. Presentation of 2018 Audit Findings – BiggsKofford
f. Review of current project status – Adam Sommers
g. Presentation of the Recall Election Schedule and questions/answers – Dallas Schroeder
h. President's Report

2. OPERATOR'S REPORT

a. ORC Report

3. FINANCIAL MATTERS

a. Review of billing and collection status
b. Review and Approve the Payment of Claims
c. Review and accept the June 2019 Financial Statement

4. NEW BUSINESS

a. Discussion of District counsel – Possible Executive Session

5. OTHER BUSINESS

6. PUBLIC COMMENT

Comments will be limited to 2 minutes. Please remain respectful of the Board of Directors as well as of your fellow Residents.

7. ADJOURNMENT

THE NEXT REGULARLY SCHEDULED MEETING WILL BE HELD ON WEDNESDAY, AUGUST 21, 2019 at 5:30 p.m. at the DIVIDE FIRE STATION, 103 CEDAR MOUNTAIN ROAD, DIVIDE, COLORADO 80814

MINUTES OF THE CONTINUED BOARD OF DIRECTORS PUBLIC MEETING
ARABIAN ACRES METROPOLITAN DISTRICT
June 27, 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:
Kevin Walker, WSDM
Kristina Kulick, WSDM
Dallas Schroeder, DEO (by phone)
Members of the public (see sign-in sheet)

1. ADMINISTRATIVE MATTERS

a. Call to Order & Declaration of Quorum: President Waller called the meeting to order at 5:31 p.m.

b. Confirm any Potential Conflicts of Interest: The Board confirmed there were no potential conflicts of interest.

c. Discussion and Approval of the Agenda: President Waller noted Mr. Willow was absent. Mr. Walker requested a combined a motion for Agenda items 1.f and 1.g. Director Coffman moved to approve the Agenda as amended; seconded by Director Hoel. Motion passed unanimously.

d. Ratify Board acceptance of the Court Order dated June 25, 2019: Mr. Walker passed out a memo and updated everyone on what had recently happened with regards to the Recall Election and the result of the June 25th Court Order. He explained the previous DEO resigned and Mr. Dallas Schroeder was appointed by the Court. Mr. Walker passed out copies of the Court Order and said the Board will need to set the election date and establish the method of election which the Manager recommends being a mail-in ballot. He also explained that the Board will need to authorize payment of invoices related to the recall election. Director Ortivez moved to ratify and accept the June 25th, 2019 Court Order; seconded by Director Hoel. Motion passed unanimously. President and Treasurer Waller recused themselves from all votes related to the recall election.
   - Introduction of Designated Election Official, Mr. Dallas Schroeder, Clerk and Recorder of Elbert County: Mr. Schroeder introduced himself and said he was excited to work with the District and will make sure that everyone who is eligible to vote has a ballot and they are counted accurately. He said he looks forward to assisting the District in their recall election. Mr. Baker asked about the mail-in ballot. Director Coffman let him know they will be addressing that item shortly.

- Authorize District Manager to negotiate IGA with Elbert County for Board approval: Director Ortivez moved to authorize the District Manager to negotiate the IGA with Elbert County; seconded by Director Hoel. Motion passed unanimously.

e. Review and approve the Payment of Claims related to the Recall Election and as agreed in the Court Order: Director Hoel moved to approve the payment of claims related to the Recall election and as agreed in the Court Order; seconded by Director Ortivez. Motion passed unanimously.

f. Establish September 17, 2019 as the date of the Election regarding the Recall of two Board Members, Jennifer Waller and Craig Waller and Establish the method of election for the recall elections – Mail Ballot or Polling Place: Mr. Walker explained the drafted Resolution that was done with Mr. Schroeder and Mr. Williams that establishes the date and method of the recall election. Director Hoel moved to adopt the following Resolution: 1. The Recall Election will be conducted as a mail ballot election on Tuesday, September 17, 2019, with ballots due at 7:00 p.m., September 17, 2019. 2. Pursuant to CRS 1-13.5-106(1), C.R.S. (which permits boards of local governments to "utilize all or part of the requirements and procedures of the 'Uniform Election Code of 1992…."), the Board authorizes the election to be conducted under Title 1, except no VSPCs and no in-person voting. 3. Pursuant to CRS 1-1-111(2), the Board authorizes the designated election official ("DEO") to make such other exceptions to Title I as may be necessary to accurately and efficiently conduct the election. 4. The Board authorizes the DEO's use of Dominion's Democracy Suite 5.2 electronic ballot counting system. The motion was seconded by Director Ortivez. Mr. Schroeder confirmed that if anyone wanted to watch the counting of the votes, they will need to take a class and get certified by the Secretary of State as a watcher. Mr. Biondo asked when the ballots will be mailed. Mr. Schroeder said everything with Title 1 depends on date of election, and since that was just established he will put together a list of dates posted to the website so everyone will know when they will get their ballot but it is projected to be in late August. A woman from the public asked about those who are not here in the Summer and do not forward their mail. Mr. Schroeder explained they will use the statewide database to send ballots and within that system they can change their mailing address at www.govotecolorado.com to change their mailing address, but ballots cannot be forwarded. These instructions can be posted on the District's website as well. Mr. Walker said they could possibly put a notice with the water bill, or the Manager could send notice. Mr. Schroeder explained if a person is just a property owner, they will get the list from the Assessor's office and will get their address that way. If they are registered to vote here and are military, they are on a separate list and they get their ballots sent to them earlier. Mr. Walker confirmed you must be a registered voter in the state of Colorado in order to be an elector. Mr. Brown asked about the self-nomination form from Ms. Bertrand and if it is still valid. Mr. Walker said they will have their own self nomination form that they will provide on the website as well as instructions on how to

submit. Mr. Baker asked about the date of election being within 45 days. Mr. Walker and Dallas confirmed the election date is delayed as well because of the change of the DEOs. Mr. Baker asked if we will go by the statute that says 45 to 75 days. Mr. Walker said they will abide by the statute that says the District has 75 to 90 days from the date of the meeting where the election date is established. Director Coffman confirmed that is what the statute states. President Waller asked if the new DEO will be getting the exact number of eligible electors, and where will the information be coming from. Mr. Schroeder said it will come from the statewide database and Mr. Williams has been in touch with the Teller County Clerk, so they have access to the database. Treasurer Waller asked if a property owner in the District who is not an eligible voter will get a ballot. Mr. Walker and Mr. Schroeder referenced an article that states they must be a property owner in the district as well as an eligible voter in Colorado. The motion passed unanimously.

2. Public Comment

Mrs. Callan read the following statement: I'd like to state that the people who have brought about this recall based on personal hatreds and personal agendas which have nothing to do with the well being of the District, which they would destroy financially in order to pursue their agenda including the fraudulent recall petition campaign are nothing short of criminals whether they are ever prosecuted or not. Moreover, getting what you want at all costs, who will stop at nothing, and at the expense of others, is one of the symptoms of a sociopath. A psychotic individual. Johanna Vannini vowed in an email to, "blow their resources", which she and her erstwhile partner, Judy Bertrand, have done successfully to the detriment of the District and every single member and taxpayer including those in Trout Haven. I hereby point out to Wayne Williams, attorney for the non-recalled board members, that Vannini no longer has any legal standing in this District. She has no property and is no longer a taxpayer despite having an attorney who should be representing Craig Baker. No actions or statements from Vannini are valid. She has no legal standing. Those who have done all the damage they can, without conscience, in order to pursue their agenda will find that their agenda cannot be realized. If they take over the Board, in their simplistic thinking, they believe they can exclude Trout Haven from the water and tax districts. Nothing could be more wrong. The bond holders would never allow it nor would the State of Colorado Water Board. If they wish to pay off the bond and have a million and a quarter to spend, it might be possible. The leaders of this movement are vandals, gang bangers and are guilty of fraud. Fraud is a crime, even if not prosecuted. I hope they will learn that their destructive and criminal actions will come to nothing in the end. They have no interest whatever in our water district or it's customers. Only themselves and their short-sighted goals. As for the multi-million dollar projects, I believe that this Board is willing to listen to whether or not this District can afford to become indebted further for these projects. Approaching them in an orderly and civilized manner might yield some results, instead of the dirty little tactics that run roughshod over everyone but themselves. Sociopaths is absolutely the right diagnosis for these people. I hope they will give it some thought and that the bad karma they have earned will catch up with them soon.

Mr. Baker said he thinks Ms. Callan's statement is a political statement with a lot of opinions. Mr. Baker said he thinks it is way out of order.

Mr. Biondo asked about the court ordered recall election expenses. He asked where the actual court order is. The Board provided him with a copy of the court order. He asked if they made up the numbers because there is no itemized list. Mr. Walker confirmed the numbers were agreed upon by all parties. Mr. Biondo said this could have been done for less than $10,000.

Mr. Baker said that one of the attorneys said the agreement is not true if not agreed upon. Mr. Walker said he has an email from Ms. Bertrand confirming the amount and the check is right there.

3. Other Business: There was no discussion.

4. Adjournment: Director Coffman moved to adjourn at 6:03 p.m.; seconded by Director Ortivez. Motion passed unanimously.

THE NEXT REGULARLY SCHEDULED MEETING WILL BE HELD ON WEDNESDAY, JULY 17, 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 JUNE 19, 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

ARABIAN ACRES METROPOLITAN DISTRICT

MONTHLY OPERATIONS REPORT

June 14, 2019 to July 12, 2019

Submitted by: Lynn Willow, O.R.C/Operator

TOTAL WATER PUMPED

Control A	**413,523**
Control B	**47,971**

TOTAL PURCHASED WATER

Trucked – 0

(Amount actually received per each 4,000 gallon load is generally 200-300 gallons less due to standard and typical hauling losses)

OPERATIONS & MAINTENANCE ISSUES

1) Bac-T samples for the month have been taken and are negative.
2) No leaks this month.
3) Meter Project is coming along good. After a slow start the contractor is moving along with minimal problems.
4) Mainline flushing and hydrant exercising under way.
5) Meters have been read and recorded.

OTHER BUSINESS:

I will stay after each BOD meeting (when I can) for a short period of time to answer any questions regarding water treatment and distribution.

Arabian Acres Metropolitan District

PAYMENT REQUEST

7/17/2019

GENERAL FUND

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
Craig Waller		7/17/2019	$ 100.00		$ 100.00	
Edith Coffman		7/17/2019	$ 100.00		$ 100.00	
Jennifer Waller		7/17/2019	$ 100.00		$ 100.00	
Lanny Hoel		7/17/2019	$ 100.00		$ 100.00	
Lucas Ortivez		7/17/2019	$ 100.00		$ 100.00	
Adam Fiedler	60	7/8/2019	$ 1,478.40		$ 1,478.40	
El Paso County Public Health Lab	63019	6/30/2019	$ 21.00		$ 21.00	
IREA	40045402	7/12/2019	$ 129.57		$ 129.57	ACH
IREA	40032202	7/12/2019	$ 238.84		$ 238.84	ACH
IREA	40299901	7/12/2019	$ 234.97		$ 234.97	ACH
IREA	43071702	7/12/2019	$ 12.50		$ 12.50	ACH
IREA	43183502	7/12/2019	$ 358.27		$ 358.27	ACH
J.A. Excavation & Septic's LLC		6/30/2019	$ 2,550.00		$ 2,550.00	
J.A. Excavation & Septic's LLC		6/30/2019	$ 538.00		$ 538.00	
Key Bank Credit Card	*8927	7/12/2019	$ 549.07		$ 549.07	ACH - Paid
Mailing Services Inc	12704	7/10/2019	$ 107.00		$ 107.00	Billing
National Rural Water Association		8/1/2019	$ 924.10		$ 924.10	
Walker Schooler District Managers	6360	6/30/2019	$ 4,450.60		$ 4,450.60	
TOTAL			**$ 12,092.32**	**$ -**	**$ 12,092.32**	

DEBT SERVICE FUND

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Comments
Zions Bank					$ -	Bond Interest-wire from Colo Trust
TOTAL			$ -		$ -	

CAPITAL FUND

Company	Invoice	Date	Amount	Retainage	Amount this Draw	Due	Comments
Alpine Locates & Utilities	10051	7/15/2019	$ 190.00		$ 190.00		
AquaWorks DBO, Inc.	1990	7/2/2019	$ 14,042.35		$ 14,042.35		
AquaWorks DBO, Inc.	1988	7/2/2019	$ 8,932.35		$ 8,932.35		
Dana Kepner Company Inc.	3059643-00	7/5/2019	$ 707.46		$ 707.46		
Dana Kepner Company Inc.	3059600-00	6/21/2019	$ 286.86		$ 286.86		
Dana Kepner Company Inc.	3059598-00	6/13/2019	$ 81.42		$ 81.42		
Dana Kepner Company Inc.	3059618-00	6/21/2019	$ 352.94		$ 352.94		
Dana Kepner Company Inc.	3059624-00	6/28/2019	$ 388.54		$ 388.54		
Front Range Winwater Company	00369-001421	6/30/2019	$ 27.94		$ 27.94		
Front Range Winwater Company	58822-00	7/11/2019	$ 72.58		$ 72.58		
Jehn Water Consultants, Inc.	982.1/7-19	7/1/2019	$ 310.00		$ 310.00		
Velocity Contractors Inc.	1	5/1/2019	$ 1,715.70		$ 1,715.70		
TOTAL			**$ 27,108.14**	**$ -**	**$ 27,108.14**		

RECALL EXPENSES

					$ -	
TOTAL			$ -	$ -	$ -	

, Treasurer

Arabian Acres Metropolitan District

TOTAL $ 39,200.46

Arabian Acres Metropolitan District
Profit & Loss Budget vs. Actual
January 1 through July 17, 2019

	Jan 1 - Jul 17, 19	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
1-4000 · Capital Improvement Fees	50,135.61	134,379.00	-84,243.39	37.3%
1-4030 · Late Fee Revenue	150.00	3,750.00	-3,600.00	4.0%
1-4050 · Water Service Fee	65,980.41	107,503.00	-41,522.59	61.4%
1-4070 · Water Tap Fees	0.00	8,000.00	-8,000.00	0.0%
1-4080 · Water Usage	44,214.59	62,000.00	-17,785.41	71.3%
2-4400 · Property Tax Revenue	56,258.67	92,587.00	-36,328.33	60.8%
2-4450 · Specific Ownership Tax	6,292.77	9,000.00	-2,707.23	69.9%
2-4460 · Restitution	22.41	0.00	22.41	100.0%
2-4470 · State Senior/ Veteran Funds	4,597.04	0.00	4,597.04	100.0%
3-4085 · CDPHE Grant 10K	10,000.00	0.00	10,000.00	100.0%
Total Income	237,651.50	417,219.00	-179,567.50	57.0%
Gross Profit	237,651.50	417,219.00	-179,567.50	57.0%
Expense				
1-6020 · Bank Service Charges	419.90	3,500.00	-3,080.10	12.0%
1-6030 · Website	423.57	500.00	-76.43	84.7%
1-6040 · Computer and Internet Expense	0.00	1,265.00	-1,265.00	0.0%
1-6050 · District Management-Operating	25,875.00	60,000.00	-34,125.00	43.1%
1-6060 · Dues Fees and Subscriptions	2,151.43	1,750.00	401.43	122.9%
1-6070 · Election Expense				
Recall - Court Recorder	1,843.40	0.00	1,843.40	100.0%
Recall - DEO	17,263.18	0.00	17,263.18	100.0%
Recall - DEO's Legal	25,493.28	0.00	25,493.28	100.0%
Recall - Legal	9,700.00	0.00	9,700.00	100.0%
Total 1-6070 · Election Expense	54,299.86	0.00	54,299.86	100.0%
1-6080 · Insurance Expense-Operating	0.00	7,000.00	-7,000.00	0.0%
1-6090 · Office Supplies	87.49	500.00	-412.51	17.5%
1-6100 · Postage and Copies-Operating	502.30	500.00	2.30	100.5%
1-6110 · Audit	0.00	7,500.00	-7,500.00	0.0%
1-6120 · Directors Fees	4,800.00	7,000.00	-2,200.00	68.6%
1-6130 · Legal	12,434.85	25,000.00	-12,565.15	49.7%
1-6150 · Water Billing	1,272.00	6,000.00	-4,728.00	21.2%
1-6170 · Chemicals and Supplies	631.00	2,000.00	-1,369.00	31.6%
1-6180 · ORC Fees-Operating	18,976.60	44,000.00	-25,023.40	43.1%
1-6190 · Repairs and Maintenance	14,058.52	7,100.00	6,958.52	198.0%
1-6210 · Utilities	6,308.25	6,000.00	308.25	105.1%
1-6220 · Water Distribution Purchases	23,716.90	5,000.00	18,716.90	474.3%
1-6230 · Water Testing	126.00	3,000.00	-2,874.00	4.2%
2-6240 · Treasurer Collection Fee	2,554.42	2,700.00	-145.58	94.6%
3-6000 · Capital Outlay	123,699.57	500,000.00	-376,300.43	24.7%

Arabian Acres Metropolitan District
Profit & Loss Budget vs. Actual
January 1 through July 17, 2019

	Jan 1 - Jul 17, 19	Budget	$ Over Budget	% of Budget
3-6030 · Bid Advertising	126.20	0.00	126.20	100.0%
66900 · Reconciliation Discrepancies	60.00	0.00	60.00	100.0%
Total Expense	292,523.86	690,315.00	-397,791.14	42.4%
Net Ordinary Income	-54,872.36	-273,096.00	218,223.64	20.1%
Other Income/Expense				
Other Income				
1-7020 · Interest Income - Operating	1.00	0.00	1.00	100.0%
2-7000 · Interest Income	5,391.87	10,000.00	-4,608.13	53.9%
Total Other Income	5,392.87	10,000.00	-4,607.13	53.9%
Other Expense				
2-8000 · Bond Interest	28,601.25	57,202.00	-28,600.75	50.0%
2-8050 · National Rural Water Interest	1,270.07	1,859.00	-588.93	68.3%
2-8080 · Trustee Fees	250.00	250.00	0.00	100.0%
Total Other Expense	30,121.32	59,311.00	-29,189.68	50.8%
Net Other Income	-24,728.45	-49,311.00	24,582.55	50.1%
Net Income	**-79,600.81**	**-322,407.00**	**242,806.19**	**24.7%**

Arabian Acres Metropolitan District
Balance Sheet
As of July 17, 2019

	Jul 17, 19
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	24,572.45
1-1020 · Zions First National Bank	0.75
2-1000 · COLOTRUST 4001	13,302.76
2-1020 · COLOTRUST Reserve 8002	124,178.51
3-1000 · COLOTRUST-Capital Reserve 8003	233,192.79
Total Checking/Savings	395,247.26
Accounts Receivable	
1-1200 · Accounts Receivable	23,482.70
Total Accounts Receivable	23,482.70
Other Current Assets	
1-1300 · Property Tax Receivable	60,041.74
Total Other Current Assets	60,041.74
Total Current Assets	478,771.70
Other Assets	
3-1500 · Capital Assets	1,262,622.90
3-1520 · Equipment	3,307.55
3-1540 · Land	101,000.00
3-1560 · Water Rights	172,588.00
3-1590 · Accumulated Depreciation	-410,900.00
Total Other Assets	1,128,618.45
TOTAL ASSETS	**1,607,390.15**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
1-2000 · Accounts Payable	106.85
Total Accounts Payable	106.85
Other Current Liabilities	
2-2200 · Deferred Revenue-Property Taxes	88,923.64
Total Other Current Liabilities	88,923.64
Total Current Liabilities	89,030.49
Long Term Liabilities	
1-2420 · Judgement -SDMD & CCC	173.00
2-2400 · 2007 Bonds Payable	1,170,000.00
2-2440 · Natural Rural Water	60,026.41
Total Long Term Liabilities	1,230,199.41
Total Liabilities	1,319,229.90
Equity	
30000 · Opening Balance Equity	220,912.51
32000 · Retained Earnings	146,848.55
Net Income	-79,600.81
Total Equity	288,160.25
TOTAL LIABILITIES & EQUITY	**1,607,390.15**

WALKER SCHOOLER
DISTRICT MANAGERS

MEMORANDUM

TO: ARABIAN ACRES METROPOLITAN DISTRICT BOARD OF DIRECTORS
FROM: REBECCA HARDEKOPF
SUBJECT: MONTHLY MANAGERS REPORT FOR JULY 17, 2019 BOARD MEETING
DATE: JULY 17, 2019

Billing Update

- Meters were read on July 1, 2019 for July billing, which mailed on July 8, 2019.
- Collection Matters:
  - June Collections:
    - 15 Reminder Letters were sent out on June 18th, 2019.
    - 6 Warning Letters were sent on July 1st, 2019.
    - 3 Shut off notices were posted July 8th, 2019.
    - 0 Shut off was attempted due to payments made day of shut off day.
    - 5 Accounts are set up on payment plans, with signed contracts from customers.
  - July Collections:
    - 22 Reminder Letters were sent out on July 15th, 2019.
    - Warning Letters will be sent on July 30th, 2019.
    - Shut off Notices will be posted August 7th, 2019.
    - Shut offs will occur August 10th, 2019.
    - 2 of the 5 Payment Plan agreements missed a payment and start over with the Collection Process.
- New meters that were installed have not been reflected in UMS but will.
- We have 5 customers now signed up on Auto Payment.
- Email billing is available, we have 37 signed up to receive their bills through e-mail.
- We had 1 closing occur in June.