

Alpensee Water District (AWD)
Special Board Meeting Minutes
September 15, 2012

The following are the minutes from the Alpensee Water District (AWD) Board of Directors Special Meeting, held Saturday, September 15, 2012, at 1:00 p.m. at the Summit County Community and Senior Center, 0083 Nancy's Place, Frisco, CO.

Action items are in blue.

Attendees: Directors

Dick Savidge
Don Skotty
Candace Winkle
Greg Poulter

Attendees: Interested parties

Mark Miller, lot 29
Gene Tomlinson, lots 12, 14 and 20
Gary Probst, lot 18
Nancy Savidge, lot 7
Barb Thomas, lot 11
David Flanigan, lot 22
Brenda Poulter, lot 10

AGENDA

1. Call to order.

Director Savidge called meeting to order.

2. Disclosure of potential conflicts of interest.

All Directors are homeowners in the Alpensee Water District (AWD) and therefore are customers of the District. The interested parties in attendance also stated that they were AWD customers. In addition, Gary Probst's company, Triangle Electric, did the initial wiring for the plant.

3. Approval of minutes

Minutes from July 20, 2012 meeting. *Upon motion by Director Skotty, seconded by Director Winkle, and unanimously approved, the minutes from the 7/20/2012 meeting were approved.*

4. Treasurer's Report – see attachment A

- a. Accounts

The AWD has accounts at 2 banks. Bank of the West has the operations account, and US Bank has the loan and related accounts. Each month the Summit County Treasurer

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distributes the revenues received from tax money to the loan account and the operating account.

b. Loan Accounts (US Bank)

- Pledged revenue: The loan with US Bank requires that the AWD pledge special revenue for the loan. This account receives tax revenue from the Summit County Treasurer
- Loan pmt fund: The bank puts money in the loan payment fund the day it is due, so it normally shows zero.
- General obligation reserve fund: This is for the final payment and cannot be used prior to that time.
- Subordinated bond fund: This was for the portion of the previous loan held by Larry Smith. That loan was rolled up into the current 5-year loan.

c. Operating Account (Bank of the West)

- The Treasurer Reviewed the list of bills paid, invoices received and checks received.

d. Budget

- On paper it appears that the AWD is over budget in property taxes. However, these funds were placed by the county to the incorrect account so this is misleading, and in fact there may be a shortfall.
- The AWD is \$28K over the legal budget this year. About \$6K of this was from last year. The AWD Board is committed to never have that happen again.
- It was explained that the Treasurer's fee is not paid to the AWD Treasurer, but is a fee charged by the Summit County Treasurer.

Upon motion duly made, seconded, and unanimously approved, the Board approved the Treasurer's report.

5. District Manager's Report

The AWD is managed by the AWD Board of Directors.

- Water sampling: Our new Operator (AAA Operations) has performed 2 water sample tests and the results were submitted to the state. Due to the high quality of the water, the AWD has been released from any additional tests this year. This will save approximately \$2500 for 2012.
- Quote for valve repairs on streets in subdivision. There are 2 near the Tomlinson home and 1 near the Pannomarew home. The quote is still in work.

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- Ditch outside plant. The operator wants to understand the reason for the ditch but currently doesn't see it as a problem.
- Statement of state of plant when AAA Operations took over.
 - Heaters were running.
 - Wires for ventilation system hanging loose.
 - Action, Gary to take a look at the wires and ventilation system.
 - Zero chlorine in system.
 - Had trouble running wells, was problem with alignment of antennas and was repaired.
 - Meters between raw and affluent flow meter are not aligned. We need to ensure they are calibrated properly.
- Current water use is 90,000 gallons/month.
- Chlorine level is at .7 mg/liter
- A question was asked if there could be legal action because the prior operator, Lori, wasn't doing her job. The AWD is not a corporation, it is a special district, so it does not have any police power.

6. Unfinished business

- a. [Larry Berkowitz will provide a certificate verifying his statement regarding the executive session in 7/20/2012 meeting.](#) He has not done this yet. This item can be dropped by the next meeting (after 90 days).
- b. Director Skotty to return lockbox and provide code for pumphouse to Director Winkle. Complete.
- c. Return of AWD property. Director Skotty spoke with the sheriff about records not returned. The sheriff wasn't willing to charge Lori but called her. Within a few days Larry Smith (Lori's father) returned several boxes of records including a big bag of engineering plans. The current plant Operator has asked for "as built" and they do exist. Some accounting records were included in the boxes and are fairly complete back to 2005.
- d. [Pannomarew water pressure \(Director Skotty to follow up\).](#) In work.
- e. Director Skotty will provide the pump house builder name to Director Winkle. Director Winkle will attempt to find the schematics for the pump house. We now have records and Director Skotty will bring boxes to David Flanigan, who plans to look at the pump house plans as part of the project to develop a backup power plan. Dave will start by looking at the "as built" diagrams.
- f. Water testing: Brenda will follow up with Warren regarding concerns about a wide spectrum water quality test. Director Winkle will scan in to put on website (complete).
- g. Gene Tomlinson asked a question about testing of the fire hydrants. Last year Matt Willets tested them, and last month the Red, White and Blue Fire Department asked for those records.
- h. On behalf of the Highland Meadows HOA, a question was asked if the hydrants can be used to fill a water truck, which would be used to clean out some culverts in Highland Meadows. The AWD Board sees this as very risky at a time when we may not have sufficient money to fund all remaining obligations this year.

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Action: Gary Probst, the AWD operator and the Highland Meadows HOA follow up to research impact of filling a water truck from fire hydrants.

- i. Backup power plan - still open, see item "e" above.
- j. Hole near pump house - see Operations Report above.
- k. Quote from new AWD operator to fix shutoff valves on Alpensee Ct.- see Operations Report above.

7. New business

- a. Web site or storage device/place for AWD documents. The Treasurer and Secretary have been scanning and storing AWD documents, but the Secretary's computer is full. There are some highly recommended host sites for about \$5/month.

Upon motion duly made by Director Skotty, seconded and unanimously approved, the Board authorized the Secretary to obtain a web site for the AWD.

- b. 2011 audit. The audit looks good; however there is missing information about management's discussion and analysis. However, the financial information is still considered to be accurate. US Bank requires that this audit be complete by the end of July. Due to the incomplete handover from the prior AWD management, the audit was late. Director Skotty worked with the bank to avoid having the interest fee tripled due to the lateness of the audit. Gene asked about how audit was done and why nobody contacted the customers for information. Nobody could answer, however this audit was considered the highest level reporting required.
- c. US Bank reporting requirements and due dates.
 - July 31: Audit due, or if the AWD has been given an exemption, that letter. Also required is the Letter of certification that AWD is complying.
 - Jan 31: annual budget and certified copy of mill levy.
 - Sept 1: Preliminary assessed value of property. Our value went up by about \$100K this year, so the AWD can expect about \$500 more in property tax revenue.
 - December 31: Final certified assessed valuation.

Action: Add these dates as action items to future agendas.

- d. Alpensee water district rules and regulations. The Rules and Regulations document states that it was "adopted May 31, 2001". However, a note was found a note from 2008 saying that this document was never adopted.

Upon motion duly made by Director Skotty, seconded and unanimously approved, the Board adopted these Rules and Regulations.

- e. Discussion of changes to the Rules and Regulations.

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Section 200.08. Information release policy. A change was proposed to allow records to be removed from the AWD site for approved use.

Upon motion duly made, seconded and unanimously approved, the Board adopted the following wording to section 200.08 of the Rules and Regulations.

"District files and records may be utilized off-site for the purpose of conducting assigned District duties by: Directors and Officers of the District; individuals designated by the Board of Directors; and, committees designated by the Board of Directors."

Section 600.02 Type of Service

Upon motion duly made, seconded and unanimously approved, the Board agreed to modify the wording in section 600.02 of the Rules and Regulations to the following.

"Water service shall be metered, but billing is charged on a flat-rate quarterly basis."

Section 500.05 Expiration of taps

The expiration of tap fees was changed from 2 years to 3 years, and a grace period was added.

Upon motion duly made, seconded and unanimously approved, the Board adopted the following wording to section 500.05 of the Rules and Regulations.

"Water taps must be activated within three (3) years of payment of the tap fee or the tap will automatically expire; however upon payment of an administrative fee equal to \$5,000 and upon determination of the Board of Directors that reinstatement of an expired tap is in the best interests of the District and its residents, the Board of Directors may reinstate an expired tap.

Improvement Fees paid for expired taps will not be refunded. All reinstated taps shall be subject to Section 600.04 (Amended Improvement Fees) of these Rules and Regulations.

A grace period beginning January 1, 2000 until November 30, 2012 is in effect for any tap fees that would have expired under this provision. Property owners who paid their improvement fees or tap fees prior to November 1, 2009 will have until November 30, 2012 to request reinstatement of their tap fee. During the grace period, the administrative fee is reduced to \$100 for each Highland Meadows lot and \$800 for each Alpensee 3 lot."

[Action item to determine future tap fee.](#)

Section 600.07 PAYMENT OF SERVICE CHARGES

This section was expanded to be more specific regarding the charges, and to allow a grace period prior to implementation of those charges.

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Upon motion duly made, seconded and unanimously approved, the Board agreed to modify the wording in section 600.07 of the Rules and Regulations to the following.

Statements for charges shall be rendered on a quarterly basis. Charges and penalties for late payments, turn-on, turn-off, etc., shall be added to the bills. Bills will be sent via email or U.S. Postal Service the first week of the quarter. All bills rendered by the District shall indicate "Billing Date." The payment shall be due by the end of the month billed. All bills shall include a statement that a bill which is not paid in full by the "Due Date" shall be assessed a ten (10) percent late penalty. If the charges are not paid within thirty days after the due date, interest will be assessed against the delinquent amount at the rate of eighteen percent per annum from the due date, which will be assessed against the customer and added to the customer's account balance. Interest and late penalty will be assessed for each month that the account remains in arrears. Payments received from customer will be applied first to the oldest outstanding charges.

Where a customer's account is current but then becomes one month delinquent, the customer will be sent a reminder notice the following month with their ledger statement and/or copies of their unpaid bills, advising the customer that the account is delinquent.

If a customer's account becomes two month's delinquent, the customer will be sent a reminder notice with their ledger statement and/or copies of their delinquent bills. If payment in full, including late fees and interest, if any, is not made by the 75th day after the Due Date then service is subject to shut-off upon appropriate telephonic or written notice. In addition, a lien will be filed against the property if the account is delinquent after 75 days. A copy of the lien statement will be sent to the customer to advise the customer of the action taken. All costs and fees associated with the filing of the lien will be assessed against the customer and added to the customer's account. The lien will continue to accrue interest and late fees until the debt is satisfied. This includes a \$90 fee to reimburse the District's representative for time in preparation and filing of the lien.

When the customer's delinquent account becomes \$1000, regardless of the number of days past the Due Date, the District Treasurer is instructed to initiate collection on the account. Collection may take the form of filing a lien or a lawsuit against the customer, foreclosure on the lien (if previously filed) to have the property sold or the appointment of a receiver to take over the property to generate income. All costs and fees incurred by the District in any collection action will be assessed against the customer.

A Turn-Off Fee and Turn-On Fee shall be assessed upon shut off. Service shall not be resumed until all fees have been paid in full.

A grace period beginning January 1, 2000 until October 31, 2012 is in effect for any outstanding past due balances. Penalties, interest and any other provisions of this policy will be applied to any outstanding balance beginning November 1, 2012.

- f. 2013 rates - no need to discuss at this time.
- g. Customer late policy. This was covered in the discussion of the Rules and Regulations, Section 600.07 above.

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- h. Brenda mentioned that some people in the Lakeview Meadows subdivision are having trouble with their water and may be interested in water from the AWD. Brenda had advised those residents to determine the level of interest from the subdivision, then to contact the AWD.

8. Continuation / Adjournment

The annual meeting of the Highland Meadows HOA follows the AWD Board meeting in the same room. Director Savidge pointed out that the AWD Directors will attend the HOA meeting as homeowners, and there is no relation between the AWD Board meeting and the HOA meeting.

The next AWD meeting is scheduled for October 29 at 6 p.m.

Upon motion duly made, seconded and unanimously approved, the meeting was adjourned.

The foregoing minutes constitutes a true and correct copy of the minutes of the above referenced meeting and was approved by the Board of Directors of the Alpensee Water District.



Secretary of the District

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Attachment A: Treasurer's Report

**Treasurer's Report
September 15, 2012**

Cash in Bank - per bank statements (unreconciled)		
	Amount	As of
Bank West - Operating Account	\$ 47,410.15	8/31/2012
US Bank - Pledged Revenue	\$ 15,875.77	8/31/2012
US Bank - Loan Pmt Fund	\$ -	8/31/2012
US Bank - General Obligation Reserve Fund	\$ 52,514.38	8/31/2012
US Bank - Subordinated Bond Fund	\$ 28,261.40	8/31/2012
Total Cash	\$144,061.70	8/31/2012
Total Unrestricted Cash	\$ 91,547.32	8/31/2012

Reconciling items to operating account				
Account balance				\$47,410.15
Checks written and not cleared				
09/05/12	1599	AAA Operations, Inc.	\$ 105.00	
09/08/12	1600	AAA Operations, Inc.	\$1,079.16	
09/08/12	1601	Grimshaw & Haring	\$6,741.90	
09/08/12	1602	Grimshaw & Haring	\$1,870.62	
		Total	\$9,796.68	\$37,613.47
Deposits after 8/31/12				
9/11/2012			\$1,200.00	\$38,813.47

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Attachment A: Treasurer's Report

Bills paid since July 1, 2012

07/03/12	1586	Blue River Lock	\$ 91.00	Re-key pumphouse + 7 keys
07/04/12	1590	Colorado Analytical Laboratories, Inc.	\$ 23.00	Total Coliform P/A Compl
07/04/12	1588	Mountain Peak Controls	\$ 230.00	Update auto dialer
07/04/12	1589	Grimshaw & Harring	\$ 3,224.72	Legal Services through May 2012
07/14/12	EFT	Xcel Energy	\$ 602.73	Electricity
07/19/12	1591	AAA Operations, Inc.	\$ 1,074.16	July operations + Bacteriological
07/19/12	1592	Colorado Analytical Laboratories, Inc.	\$ 150.00	Total Cu/Pb - CDH
07/25/12	EFT	Centurylink	\$ 50.50	Phone
07/26/12	1593	Summit County Clerk and Recorder	\$ 44.00	Record Lien Releases
07/31/12	EFT	Bank of West	\$ 6.00	Bank Service Charge
08/07/12	1594	USBank - EP-MN-WN3L	\$ 1,500.00	Administration Fees - 7/1/12 - 6/30,
08/07/12	1595	AAA Operations, Inc.	\$ 1,079.16	August operations + Bacteriological Testing
08/14/12	1596	AAA Operations, Inc.	\$ 520.72	Bruce McCreary trouble shooting
08/14/12	1597	Mountain Peak Controls, Inc.	\$ 833.75	Automation adjustment & re-align radios
08/15/12	1598	Summit County Clerk and Recorder	\$ 11.00	Record Lien Releases
08/25/12	EFT	Centurylink	\$ 50.66	Phone
09/05/12	1599	AAA Operations, Inc.	\$ 105.00	Alarm service call 8/24/12
09/08/12	1600	AAA Operations, Inc.	\$ 1,079.16	Sep operations + bacteriological tes
09/08/12	1601	Grimshaw & Harring	\$ 6,741.90	Legal Services through June 2012
09/08/12	1602	Grimshaw & Harring	\$ 1,870.62	Legal Services through July 2012
			\$ 19,288.08	

Invoices received checks not written:

Summit County Community and Senior Center	\$ 30.00
Spencer Fane & Grimshaw	\$ 796.27
Simmons & Wheeler	<u>\$3500.00</u>
	\$4326.27

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Attachment A: Treasurer's Report

Customer Payments not deposited:

Kartz	\$ 300.00
Loury	\$ 150.00
Miller	<u>\$ 112.09</u>
	<u>\$ 562.09</u>

Budget to Actual Comparison (unaudited)				
Alpensee Water District - Operating Fund				
Checks through	9/15/2012			
Deposits through	9/15/2012			
	Annual			
	Budget	Actual	Difference	Act/Budget %
Revenue				
Property Taxes	\$ 29,897	\$ 82,689	\$ (52,792)	276.6%
Ownership Taxes	\$ 6,000	\$ -	\$ 6,000	0.0%
Improvement Fees				
Water Revenue	\$ 24,000	\$ 17,040	\$ 6,960	71.0%
Interest	\$ 150		\$ 150	0.0%
Donations	\$ -	\$ 1,500	\$ (1,500)	
Total Revenue	\$ 60,047	\$ 99,729	\$ (39,682)	166.1%
Expenditures (including accounts payables)				
Accounting & Auditing	\$ 6,500	\$ 2,167	\$ 4,333	33.3%
Repairs & Maint. / Miscellaneous	\$ 12,000	\$ 8,037	\$ 3,963	67.0%
Dues	\$ 1,200	\$ 574	\$ 626	47.8%
Insurance	\$ 4,500	\$ 4,306	\$ 194	95.7%
Legal	\$ 2,500	\$ 31,394	\$ (28,894)	1255.7%
Office Supplies/Materials	\$ 1,000	\$ 316	\$ 684	31.6%
Salaries / Benefits Contract Labor	\$ 21,000	\$ 13,877	\$ 7,123	66.1%
Utilities	\$ 10,000	\$ 4,315	\$ 5,685	43.1%
Treasurer's Fee	\$ 1,700	\$ -	\$ 1,700	0.0%
Water Testing	\$ 2,000	\$ 3,094	\$ (1,094)	154.7%
Contingency	\$ 3,218	\$ -	\$ 3,218	0.0%
Total Expenditures	\$ 65,618	\$ 68,080	\$ (2,462)	103.8%

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Attachment A: Treasurer's Report

Accounts Receivables						
As of: September 15, 2012						
Lot	Name	Prior Periods	2012	Total		Prepaid
1	CORSETTE, KRISTIN A	\$ 330	\$ 150	\$ 480		
2	KARTZ, KEITH	\$ -	\$ -	\$ -		
3	HOPPER, DENNIS J	\$ -	\$ -	\$ -		
4	HOPPER, DENNIS J	\$ -	\$ -	\$ -		
5	JT PARTNERSHIP LLC	\$ -	\$ -	\$ -		\$ 150
6	SKOTTY, DONALD R	\$ -	\$ -	\$ -		
7	SAVIDGE, RICHARD H	\$ -	\$ -	\$ -		
8	YAMPOLSKY, ALEX	\$ -	\$ 150	\$ 150		
8		\$ -	\$ -	\$ -		
8		\$ -	\$ -	\$ -		
9	HART, MARY M	\$ -	\$ -	\$ -		
9	Gregg, Gary	\$ -	\$ -	\$ -		
10	POULTER, GREGORY THOMAS	\$ -	\$ -	\$ -		
10	Gregg, Gary	\$ -	\$ -	\$ -		
11	THOMAS, BARBARA	\$ -	\$ -	\$ -		
11		\$ -	\$ -	\$ -		
12	TOMLINSON, GENE B	\$ -	\$ -	\$ -		\$ 150
13	PADDOCK, JEFFRY R	\$ -	\$ -	\$ -		
13		\$ -	\$ -	\$ -		
13		\$ -	\$ -	\$ -		
14	TOMLINSON, GENE B	\$ -	\$ -	\$ -		\$ 150
15	SCHLESSMAN, GARY	\$ -	\$ 300	\$ 300		
15	St. Marie	\$ 150	\$ -	\$ 150		
15		\$ -	\$ -	\$ -		
16	HANCOCK, WARREN D	\$ -	\$ -	\$ -		
17	JACOB, DAVE	\$ -	\$ -	\$ -		
17		\$ -	\$ -	\$ -		
18	PROBST, GARY B	\$ -	\$ -	\$ -		
19	LATEK, JOHN T	\$ -	\$ -	\$ -		
19		\$ -	\$ -	\$ -		
20	TOMLINSON, GENE B	\$ -	\$ -	\$ -		\$ 150
21	STEBEN, LAURA A	\$ -	\$ -	\$ -		
21		\$ -	\$ -	\$ -		
22	FLANIGAN, DAVID A	\$ -	\$ -	\$ -		
22		\$ -	\$ -	\$ -		
23	LOURY, MARK C	\$ -	\$ 150	\$ 150		
23		\$ -	\$ -	\$ -		
24	KEELAN, STEPHEN R	\$ -	\$ -	\$ -		
24	Coen / Kronborg (never closed)	\$ 660	\$ -	\$ 660		
25	WALLACE, WILLIAM C	\$ -	\$ -	\$ -		
25		\$ -	\$ -	\$ -		
26	SCHAUB, STEVEN	\$ -	\$ 150	\$ 150		
27	PANNOMAREW, ALEKSANDER	\$ -	\$ -	\$ -		
27		\$ -	\$ -	\$ -		
28	STERLING TRUST COMPANY CU	\$ 2,640	\$ -	\$ 2,640		
28		\$ -	\$ -	\$ -		
29	MILLER, MARK	\$ -	\$ -	\$ -		
29	Leopold, Dave	\$ -	\$ 38	\$ 38		
30	PALMA, ANTHONY	\$ -	\$ -	\$ -		
Lot A	SMITH, LAURENCE E	\$ -	\$ -	\$ -		
B3	Alpensee III COA	\$ -	\$ 1,050	\$ 1,050		
Vacant Lot 1	FARMERS KORNER INC	\$ -	\$ 300	\$ 300		
Vacant Lot 2	FARMERS KORNER INC	\$ -	\$ 300	\$ 300		
Vacant Lot 3	FARMERS KORNER INC	\$ -	\$ 300	\$ 300		
	Total	\$ 3,780	\$ 2,888	\$ 6,668	\$ -	\$ 600

Note: Prior period balances are from Lori Cutunilli's records and have not been confirmed