

## **RECORD OF PROCEEDINGS**

### **MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF ALPENSEE WATER DISTRICT SUMMIT COUNTY, COLORADO**

**HELD:** November 15, 2022 at 2:00 p.m. held at 1043 Alpensee Dr, Breckenridge, CO 80424 and via Zoom Meeting ID: 813 4396 3390

#### **ATTENDANCE:**

A special meeting of the Board of Directors of Alpensee Water District, of Summit County, Colorado was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Jim Quartarone, President  
David Flanigan, Director  
Paul Sparks, Director  
Alex Masterson, Director

Also present was Lisa Mayers from Spencer Fane, Mike Kurth from Summit Bookkeeping, and Candace Winkle from Mooseland LLC, also a member of the Alpensee Water District.

#### **AGENDA**

1. Call to order and quorum verification. Jim called the meeting to order at 2:03 pm and verified a quorum. He also welcomed Alex Masterson as a new Board member.
2. Disclosure of any conflicts of interest. There are no conflicts, everyone lives in the District.
3. Discuss past and/or upcoming Board resignations. No resignations. Alex Masterson is officially a new Board member. Trey Lawyer will be joining as soon as his signature on Oath of Office signature can be obtained (Dave).
4. Vote on appointing new directors to fill the vacant seats on the Board (Trey Lawyer and Alex Masterson); administer Oaths of Office and approve certificates of appointment. Previously completed.
5. Confirm/designate Board officers: President, Secretary, Treasurer, Assistant Secretary(ies). Jim Quarterone motioned to appoint officers as follows: Jim Quartarone as President, Candace Winkle as Secretary, David Flanigan as Treasurer, Mike Kurth as accountant, and Alex Masterson, Trey Lawyer and Paul Sparks as Directors-at-Large. Paul Sparks seconded the motion, which was passed unanimously.
6. Approve minutes of previous meeting (October 24, 2022). Jim motioned to approve those minutes, Dave seconded, and the minutes were unanimously approved.
7. Equipment repair and replacement – current and future needs. Last year Board approved \$101,000 of capitol for maintenance which was to replace 2 pumps. The decision was made to instead rebuild the pumps for approximately \$52,000 for Repaired/Rebuild 2 pumps. Dave sent a report with expenditures. The communication issue has been

resolved by raising antennas and installing some new cables. The control system is starting to fail and is not sending out proper signals. Timberline is working on this and expects to finish by year-end. The expansion tank is expected to be repaired by mid-December (Arvada Pump). One other pump needs repair, approximately \$37,000 needs to go in the budget for 2023. There is currently no way to inspect equipment at Bud's Pond. A letter has been sent to allow permission to inspect the equipment on that site. There was an unplanned problem with the diesel generator. Voltage regulator went out and cost was approximately \$3,000. Pumphouse is in generally in good condition, better than last year. Two pumps at wellheads may need attention but these run as "on demand", so operation frequency is low. Dave is working on estimate for replacement of these.

#### 8. 2023 Budget

a. Michael Kurth Report on Financial Condition. Budgeted expenses were \$64,875, actual expenses were \$109,794. We had a capitol budget of \$101,000 which should be added to \$64,875. There are 3 budget categories: General fund, debt service and capitol. There are still some outstanding invoices which are expected to take us to the total estimated for the year.

The financial Audit cost was approximately \$10,000 which was not in last year's budget. Lisa was asked if we need to amend the 2022 budget to reflect actual. Dave suggested that \$10,000 be added to the \$64,875 for the operating budget. The \$101,000 was approved last year for the capitol budget. Total capital and operating budget is \$175,875. Debt budget \$95,000 for principal for UMB loan. \$117,654 is total debt service fund. \$59,170 for first half of year. Mike Kurth asked if we need to adjust anything on income side? Dave asked if we need to adjust output: interest and principal \$164,000. Income from homeowners' water fee plus 12 mils for operations. The 38 mils is separate for the debt reduction money which cannot be used for operations. District also has a subordinate bond that is not paid regularly. 56,190.56 outstanding subordinate bond. Forecast shows that we can pay off principal and subordinate bonds by June 15, 2026. Mike Kurth reports that we are on track for the budget. Amend the 64,875 to 74,875. Jim motioned to open a public hearing, David seconded, and a public meeting was unanimously opened. There were no public comments. Jim motioned to close the public hearing, David seconded, and the public hearing was closed. Mike stated that the District is in good financial condition. Auditors questioned value of fixed assets, and these were adjusted from \$1.8 million to \$1.382 million. There is an exemption from audit if you spend less than \$750,000 you can request an exemption from audit for 2023. Legal counsel will assist with this for next year.

Forecasted Operating expenses are \$62,500 for 2023 via Mike. Since this is an estimate, round these operating costs to \$63,000. Add \$37K for the capitol budget and the total is \$100K. \$133,000 is the expected debt service expense for 2023. Jim motioned to open a public meeting to

discuss 2023 budget, Paul seconded, and a public meeting was unanimously opened. Jim motioned to close the public meeting, Paul seconded, and the public meeting was unanimously closed.

b. Discuss prioritization of equipment repair/replacement i.e. pump. See above.

c. Consider Resolution re: 2022 Budget Amendment (if necessary) Amend the 64,875 to 74,875. Jim motioned to open a public hearing, Dave seconded, and the public hearing was unanimously opened. There were no public comments. Jim motioned to approve the 2022 Budget Amendment, Paul seconded, and the amendment was unanimously approved. Jim motioned to close the public hearing, David seconded, and the public hearing was unanimously closed.

d. Consider Resolution re: 2023 Budget. Operating expenses are approximately 63,000, and adding \$37,000 for pump repair/rebuild for the capitol budget will round it to approximately \$100,000. \$133,000 for debt reduction expenses. Jim motioned to approve the 2023 budget Resolution, Paul seconded and the Resolution was unanimously approved.

9. Other business

a. 2023 Administrative Matters Resolution. Spencer-Fane will fill in blanks based on roles identified in this meeting. Lisa will check amounts on audit and bond references. Jim motioned to approve the Administrative Matters Resolution, Paul seconded, and the Resolution was unanimously approved. This needs to be signed by the Board and not outsourced.

b. Resolution Calling 2023 Regular Election. The State Legislation moved these elections from even to odd years. Jim motioned to approve the Election resolution, Paul seconded, and the Resolution was unanimously approved.

c. Other matters. None.

10. Adjournment. Jim motioned to adjourn the meeting at 2:58 pm, Dave seconded, and the meeting was unanimously adjourned.