

RECORD OF PROCEEDINGS

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

HELD: September 19, 2023 at 8:00 am. held via Zoom Meeting ID: 61 437 8060, link <https://spencerfane.zoomgov.com/j/1614378060?pwd=ZjRyaFNpV2VFZEIvbkxXN0poYytzdz09f>

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. At 8:06 a.m. Jim Quarterone called meeting to order and verified a quorum.

Jim Quartarone (President)

David Flanigan (Treasurer)

Paul Sparks (Director)

No directors were absent and there are 2 vacancies on the Board.

Also in attendance were Candace Winkle (Mooseland, LLC as recorder), Lisa Mayers (Spencer Fane), Mike Kurth (Summit Bookkeeping), Alex Masterson, Duane Cozart (Greystone Development), and Bernie Weaver (Greystone Development).

HELD:

1. At 8:06 a.m. Jim Quartarone called meeting to order and verified a quorum.
2. Disclosure of any conflicts of interest. All officers live in the district, there are no conflicts of interest.
3. Motion to appoint Alex Masterson as a Director of Alpensee Water District. David motioned to appoint Alex Masterson as a Board member, Jim seconded, and Alex was unanimously appointed as an AWD Board member. *Alex will need to execute the oath of office within 30 days to become a Board Member.*
4. Approve minutes from Nov 15, 2022 and Nov 22, 2022. David moved to approve the minutes from 11/15 and 11/22 meetings, Jim seconded, and the minutes unanimously approved.
5. Motion to change rules for invoice approvals. Currently all invoices require approval of the bookkeeper and two officers. The change is for invoices less than \$3000. For invoices less than \$3000 a single officer and the bookkeeper are adequate. Invoices exceeding \$3000 and that are not normal expenditures the Bookkeeper and approval of two officers are required before payment. Jim made a motion that invoices less than \$3,000 require approval by only one officer and the bookkeeper, David seconded, and the motion was unanimously carried.
6. Motion to temporary reduce the two mil levies by 20% for the tax year 2024 in 2025, which is the assessment value years 2023 and 2024. This is to prevent over collection of funds and to provide tax relief to members of the district. The debt service mill levy would be 30.5 mil, and the Operations mil levy would be 9.5 mil for a total of 40 mil. The change would be temporary and need to be evaluated each year including the tax year 2025. This motion is to provide permission but is dependent on actions by Summit County. Jim motioned to give the AWD Treasurer permission to temporarily reduce the two mil levies by 20% for the tax year 2024 in 2025, David seconded, and the motion was unanimously carried.
7. Conduct Hearing on 2023 Budget Amendment and Consider Approval of Budget Amendment Resolution to update Alpensee Water District budget for 2023 from \$100,000 to \$67K + \$98K = \$165,000. This is an increase of \$65K over what was discussed last year. There were expenses for a logic controller, PLC replacement, surge valve replacement, increase in valve box repair, and other

items requiring attention. Jim opened a public hearing and Lisa asked for comments from the public. There were no comments and Jim closed the public hearing. Jim motioned to update the Alpensee Water District budget for 2023 from \$100,000 to \$165,000, David seconded, and the motion was unanimously approved. This gives the accountant permission to pay these bills after expenditures are approved. *The resolution needs to be signed and returned to Courtney to file with the state.*

8. Conduct Public Hearing on 2024 Budget and Consider Approval of Budget Resolution to temporary reduce the two mil levies by 20% for the tax year 2024 in 2025, which is the assessment value years 2023 and 2024. This is to prevent over collection of funds and to provide tax relief to members of the district. The debt service mill levy would be 30.5 mil, and the Operations mil levy would be 9.5 mil for a total of 40 mil. The change would be temporary and need to be evaluated each year including the tax year 2025. 2 pumps need to be rebuilt and this budget supports forecasted expenditures for 2024. For 2023 expenses will be approximately \$165K. 2024 operating expenses are estimated to be about 70K, capital expenses 65K, so estimated budget is \$134,000. Jim opened the public hearing and there was a comment that operating expenses need to be raised about 5% for inflation. Jim closed the hearing. David motioned to budget \$134,000 for 2024, Jim seconded, and the motion was unanimously passed. *The associated Resolution must be signed and returned to Courtney to file with the state.*
9. Outstanding debt of Farmers Glenn Inc. and subsequent sale of this property and its 24 taps. Debt delinquency has been certified with the county Treasurer. Should be paid from title company through closing of sale. \$44,662 is current debt. 23,064.24 is certified with county last September. Larry Feldman did contact Mike about this payment. If the property doesn't go under contract, AWD will need to do a new certification of debt for the current year. If there is a closing, Mike can specify the amount owed. Duane Cozart's comments, as follows, were accepted. This property is in escrow at Top of the Rockies title company. They are working through details and hope to close by January or February of 2024. County approved 24 taps for development of Alpensee 3. David explained how unused taps are billed, so \$14,400 is billed annually for the 24 taps. There will be a new company formed for the actual development of the property. This area is zoned as mixed commercial and residential. AWD would like a density estimate for planning. Duane will provide a package to AWD detailing plans. Jim closed the public comments.
10. Update from Alpensee Water District's legal counsel on the Bud's pond matter. AWD owns equipment there and it cannot currently be accessed due to a locked gate. Original easement was for entire property. The county subdivided this property and Bud's pond is currently on the property with the new address. The last advice was posting a notice on the property. There was not a residence there 18 months ago. There was an email that owners didn't realize that the gate couldn't be locked, sent by owner's counsel. Lisa may not have been on email. David sent his contact information but there was no response. Could use combination lock and provide combination. *Paul (and perhaps David) will look for email. Lisa will check to ensure there is an access easement. If not, she will request from current owner. Dave will send Lisa and Paul a copy of the most current easement document.*
11. Confirmation from Alpensee Water District's legal counsel on the status of the subordinate bond. In 2018 this was a liability on the balance sheet which was handed off to the current bookkeeper. No payments have been made nor invoices received, it has just been carried on books. Per Don Skotty everything was paid off. Subordinate bondholder was Larry Smith/Farmers Korner. Jim motioned that as a result of the debt being discharged in 2016 as confirmed by the prior treasurer (Don Skotty), the \$56,000 be removed from the books. Paul seconded and the motion was unanimously passed. *Mike will remove the subordinate bond from the books.*
12. Update on data received from Alpensee III with regard to rules, minutes, and budgetary items. Alex sent a letter to Charise and she sent a package of documents. There is no signed statement that these documents are accurate for the Alpensee 3 condo association. AWD has never been invited to a meeting or been able to exercise a vote. AWD incurred special assessments for Alpensee 3 legal expenses with Farmer's Glen. Alex reviewed documentation to ensure that dues paid by AWD were

accurate. Alpanse 3 is responsible for the exterior of the building. AWD paid for a roof repair in 2022 from Turner and Morris, and AWD requested that Alpanse 3 pay \$2200 for the exterior portion of this but the response was that the request was not made prior to approving the repairs. AWD insurance requires immediate action so there was not time for this. Currently, downspouts dump water on the side of the building and water seeps in through foundation resulting in rot. Lisa suggested that AWD take photographs and make a request for repair and sent to Alpanse 3 and their counsel and make demands. It is their obligation to maintain common elements. Also include request to attend meetings and vote. *David will put something together for Alpanse 3 demands and consult with Alex, who has a contact in Alpanse 3.*

13. New business or public comments. Jim opened a public hearing. David brought up water tap extensions which expire on November 30 of this year. In 2020 there was a 3 year extension. Lot 2 was recently sold and was offered a \$5,000 extension. David and Jim will look through e-mails to see if this was addressed in the closing, but Mike did not receive any funds for this. Normally extend commercial extensions for \$3K, residential for \$5k. Alex reported that lot 2, 490 Alpanse Dr, did close. Jim motioned that AWD offer 3 year tap extensions of \$3,000 for commercial properties and \$5,000 for residential properties. Paul seconded and the motion was unanimously approved. *Mike will bill lots 2, 8, 12, and 20 and the Farmers Glen properties.*
14. Adjournment. David motioned to adjourn the meeting, Jim seconded, and the meeting was unanimously adjourned at 9:35 a.m.