

**San Juan River Village Metropolitan District**  
**Special Meeting Minutes**

May 20, 2014

The meeting was called to order at 3:06 pm by Carrie Wienckowski, President. The directors present were Bill Wittwer and Dennis Jeffrey. Linda Gundelach attended via phone and then in person. Property owners, Gordon Graves, Brian Sinnott, Joy Sinnott, Rus Weathers, Bonnie Weathers, Michelle Visel, Robert Soniat and Christine Sinnott were present. Cynthia Purcell, District Manager, took minutes.

The purpose of this special meeting was to discuss the possibility of retirement of the bridge bond debt and how it would impact the budget.

Cynthia presented a scenario that she and Mike Branch discussed to accomplish paying off the bridge bond in June. The bond payoff is approximately \$363,400. \$198,638 would come from the General Fund, \$50,000 from the Water Fund and \$114,762 from the Sewer Reserve Fund. This would leave a balance of \$213,738 in the Sewer Reserve Fund for upgrades/replacement of the sewer treatment plant in the coming years. This scenario would require an amendment to the budget prior to paying off the debt. The budget amendment would need to be posted in the paper to announce the time and date of a budget hearing to approve the changes. A call on the loan is also required 30 days prior to the payoff. The bond is eligible for payoff on either June 22 or December 22 of this year. There would be a savings of approximately \$11,000 in interest by paying off the debt in June versus December.

The board discussed the possibility of paying off the bridge loan and/or paying off the water loan (eligible for early payoff in August each year) and the timeframe in which this could occur. If both loans were paid off there would be approximately \$60,000 left in the Sewer Reserve Fund. This led to a discussion about being debt free versus having cash reserves in the bank and what the comfort level of the board was with regards to cash flow. Future maintenance needs of the water plant were discussed as well. The Finance Committee suggested opening a line of credit with Citizens Bank in the event that cash was needed for an emergency. They will explore this option for the board.

Linda moved to instruct Cynthia to begin the process of amending the budget to include amounts sufficient to pay off both the bridge bond and water loan, by posting a notice in the Pagosa SUN on May 29, 2014, with a budget hearing at the June 12, 2014 meeting; and making the call to Wells Fargo by May 22, 2014 for early termination of the bridge bond on June 22, 2014; and a final determination by the board of whether or not to pay off the water loan will occur on or before the August board meeting. Dennis seconded and the motion carried.

Cynthia will begin the budget amendment process, but may need counsel from an attorney to ensure compliance with budget law. As the District currently is without an attorney, she will consult with the Special District Association who employs one. Linda moved to allow Cynthia to consult with Kim Seter, the attorney from Denver, for additional guidance on the budget amendment process if needed. Carrie seconded and the motion carried.

There being no other business, Bill moved to adjourn at 4:01 pm. Dennis seconded and the motion carried.

Respectfully submitted,

Cynthia Purcell  
District Manager